# Peabody Energy (NYSE: BTU) Reaffirms Second Quarter 2004 Earnings Targets

PRNewswire-FirstCall
ST. LOUIS

Peabody Energy announced today that it expects to meet or exceed EBITDA and earnings targets that were announced on April 20, 2004, for the quarter ended June 30, 2004. Those targets included second quarter EBITDA of $120 million to $130 million and earnings per share of $0.35 to $0.50. The targets anticipated the second quarter rail transportation issues that the industry is experiencing.

On Thursday, July 15, Peabody Energy will review the results for the second quarter ended June 30, 2004. A conference call to review the results has been scheduled for 10 a.m. CDT on July 15. The call will be open to the public.

Participants may access the call using the following phone numbers:

U.S. & Canada (888) 428-4480
International (612) 288-0318

Peabody Energy is the world's largest private-sector coal company, with 2003 sales of 203 million tons of coal and $2.8 billion in revenues. Its coal products fuel more than 10 percent of all U.S. electricity generation and nearly 2.5 percent of worldwide electricity generation.

EBITDA (also called adjusted EBITDA) is defined as income before the cumulative effect of accounting changes before deducting net interest expense, early debt extinguishment costs, income taxes, minority interests, asset retirement obligation expense, and depreciation, depletion and amortization. EBITDA, which is not calculated identically by all companies, is not a substitute for operating income, net income and cash flow as determined in accordance with generally accepted accounting principles. Management uses EBITDA as a key measure of operating performance and also believes it is a useful indicator of its ability to meet debt service and capital expenditure requirements.

This information includes certain non-GAAP and pro forma financial measures as defined by SEC regulations. As required by those regulations, we have provided a reconciliation of these measures to the most directly comparable GAAP measures, which is available in the "Investor Info" section of http://peabodyenergy.com/ .

Certain statements in this press release are forward looking as defined in the Private Securities Litigation Reform Act of 1995. These statements involve certain risks and uncertainties that may cause actual results to differ materially from expectations as of the date of this release. These risks include, but are not limited to: growth in coal and power markets; coal's market share of electricity generation; the extent of the economic recovery and future economic conditions; milder-than-normal weather; railroad, port and other transportation performance and costs; the ability to renew sales contracts upon expiration or renegotiation; the ability to successfully implement operating strategies; the effectiveness of cost-cutting measures; regulatory and court decisions; future legislation; changes in post-retirement benefit and pension obligations; the effects of currency exchange rates; credit, market and performance risk associated with customers; modification or termination of long-term coal supply agreements; reductions of purchases by major customers; risks inherent to mining including geologic conditions or unforeseen equipment problems; terrorist attacks or threats affecting our operations or our customers' operations; replacement of reserves; implementation of new accounting standards; inflationary trends; the effects of interest rates on discounting liabilities; the effects of acquisitions or divestitures; and other risks detailed from time to time in the company's reports filed with the Securities and Exchange Commission. These factors are difficult to accurately predict and may be beyond the control of the company.

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SOURCE: Peabody Energy

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