

- First quarter revenues of \$1.54 billion lead to Adjusted EBITDA of \$166 million
- Diluted Loss Per Share from Continuing Operations and Adjusted Diluted EPS total \$(0.62), including \$(0.23) related to refinancing the 2016 Senior Notes
- Cost reductions largely offset \$100 million in lower pricing in the first quarter; Liquidity rises to \$2.22 billion
- 2015 U.S. volume guidance reduced by 10 million tons; Lowering U.S. and Australian costs per ton and capital targets to reflect success of ongoing initiatives
- \$685 million improvement in annual cash outlays by early 2017 related to potential currency and fuel benefits and expiration of PRB reserve and health trust payments

ST. LOUIS, April 23, 2015 /PRNewswire/ -- Peabody Energy (NYSE: BTU) today reported first quarter 2015 revenues of \$1.54 billion. Share from Continuing Operations and Adjusted Diluted EPS totaled \$(0.62), including a \$0.23 impact related to refinancing the 2016 Senior Notes.

"In the face of market headwinds, Peabody's first quarter performance demonstrates the underlying strength of our business as ongoing impact of hedging," said Peabody Energy President and CEO-Elect Glenn Kellow. "While our team has made considerable strides in implementing a wide range of initiatives to provide sustainable results and generate shareholder value."

RESULTS FROM CONTINUING OPERATIONS

First quarter revenues totaled \$1.54 billion compared with \$1.63 billion in the prior year due to lower realized pricing and a shift in U.S. quarter Adjusted EBITDA of \$165.6 million declined 6 percent from the prior year, and includes the impact of \$100 million in lower pricing.

First quarter 2015 results include the impact of \$103.8 million related to currency and diesel fuel hedging, shown in the table below:

	Quarter Ended		
(in millions)	March 2015	March 2014	Change
Adjusted EBITDA - U.S. Mining:			
U.S. Mining Operations (before hedging)	\$ 271.5	\$ 254.6	\$ 16.9
Commodity Hedging Results	(17.4)	(2.0)	(15.4)
Total U.S. Mining Adjusted EBITDA	\$ 254.1	\$ 252.6	\$ 1.5
Adjusted EBITDA - Australian Mining:			
Australian Mining Operations (before hedging)	\$ 61.9	\$ 21.0	\$ 40.9
Foreign Currency Hedging Results	(73.6)	(18.8)	(54.8)
Commodity Hedging Results	(12.8)	(0.4)	(12.4)
Total Hedging Results	(86.4)	(19.2)	(67.2)
Total Australian Mining Adjusted EBITDA	\$ (24.5)	\$ 1.8	\$ (26.3)

U.S. Mining Adjusted EBITDA increased \$1.5 million over the prior year to \$254.1 million as cost reduction efforts offset the impact of lower pricing. U.S. Mining Adjusted EBITDA declined 2 percent from the prior year due to a greater mix of Southern Powder River Basin sales and lower realized pricing in the March quarter. U.S. Mining Adjusted EBITDA includes the impact of \$100 million in lower pricing, mix of Western shipments, continued cost containment activities and the net benefit from lower fuel prices.

Australian Mining Adjusted EBITDA declined \$26.3 million to \$(24.5) million in the first quarter, and includes \$(67.2) million in higher fuel costs. Australian Mining Adjusted EBITDA increased \$40.9 million to \$61.9 million, as approximately \$110 million in lower pricing was more than offset by net improvements and lower currency and fuel prices. First quarter Australian results also include approximately \$25 million related to the impact of the carbon tax, along with mechanical related delays at the North Goonyella Mine, both of which have been resolved. Excluding the impact of hedging, Australian Mining Adjusted EBITDA in the first quarter except for the contractor-operated Burton Mine. Australian Mining revenues declined \$63.6 million to \$55.4 million, offset by a 7 percent increase in shipments. Australian volumes totaled 8.8 million tons, including 3.8 million tons of metallurgical coal and 5.0 million tons of export thermal coal at \$57.64 per ton, with the remaining 2.0 million tons delivered under domestic thermal contracts. Australian costs per ton declined \$1.10 to \$56.54 per ton, reflecting lower fuel prices and the repeal of the carbon tax.

Selling and Administrative Expenses declined 17 percent to \$49.4 million, reflecting benefits from the company's comprehensive cost reduction program over the past several years.

Loss from Continuing Operations totaled \$(164.4) million compared to \$(44.3) million in the prior year, and includes the impact of \$100 million in lower pricing, \$0.23 per share, in debt extinguishment charges and additional interest expense during the refinancing of the 2016 Senior Notes. Diluted Loss Per Share from Continuing Operations and Adjusted Diluted EPS totaled \$(0.62), including \$(0.23) related to refinancing the 2016 Senior Notes.

totalled \$(0.62).

First quarter operating cash flow was \$3.4 million, including \$58.2 million related to debt extinguishment charges, while capital spending was \$1.0 million. At quarter end, cash balances increased \$339.1 million to \$637.1 million, with total liquidity of \$2.22 billion. Cash balances include \$94.1 million of cash and cash equivalents and \$543.0 million of short-term investments. The Company has no debt maturing until the outstanding 2016 Senior Notes on April 15, 2015.

GLOBAL COAL MARKETS

"While global coal markets remained weak during the first quarter, thermal coal production curtailments are beginning to accelerate first time in three years," said Kellow. "The impact of slowing Chinese demand has weighed on the market, yet we expect rising Indian growth to lead to rising steel and electricity consumption over the next several years."

Within global coal markets:

- The second quarter metallurgical coal benchmark for high-quality low-vol hard coking coal settled at \$109.50 per tonne with benchmark commencing on April 1 for Newcastle-quality coal settled at \$67.80 per tonne. Over the last year, the weaker Australian dollar and the U.S. dollar price for hard coking coal and thermal coal declined 9 percent and 17 percent, respectively, the Australian dollar's same period, placing additional pressure on U.S. exports;
- Chinese coal imports remain challenged amid slower demand and efforts to support the domestic coal industry, including quality controls that prevailed over delivered import economics. In the first two months of the year, thermal coal imports declined 51 percent, while metallurgical coal imports declined 10 percent, reflecting underlying Chinese seaborne metallurgical coal demand. Coal imports are expected to rebase as growing economic stimulus and production is rationalized and policy restrictions ease; and
- India is expected to surpass China to become the largest seaborne coal importer in 2015. India has publicly announced its coal demand, fueling India's accelerating economic growth. Through March, Indian thermal coal imports rose 16 million tonnes and coal-fuelled power generation increased 10 percent to 12 million tonnes through the first quarter of the year. Metallurgical coal demand is expected to expand as India continues to grow its growing metallurgical coal needs.

Seaborne metallurgical coal fundamentals are in the process of rebalancing, with supply expected to decline approximately 10 million tonnes by 2016, and exports expected to decline approximately 10 million tonnes. Approximately 20 million tonnes of announced production cutbacks are expected to be realized this year, and more supply is expected in 2016. In addition, capital spending remains extremely constrained, and Peabody believes that a significant increase in metallurgical coal prices is likely. Metallurgical coal demand is anticipated to improve on rising steel intensity per capita. New coastal steel plants are being constructed in China, and are expected to increase demand for seaborne metallurgical coal by late 2016.

While seaborne thermal coal markets remain challenged due to strong supply and reduced Chinese imports, major producers in Australia and Indonesia are expected to increase production during the quarter, and additional global reductions are expected. Seaborne thermal demand is projected to improve as new coal-fired power plants are built in developing and newly developed nations.

Within U.S. coal markets:

- Coal generation declined 14 percent through March and natural gas generation increased 14 percent on lower natural gas prices in 2014. As a result, Peabody now projects 2015 U.S. coal demand to decline 80 to 100 million tons;
- U.S. coal production is expected to decline in 2015, with growing curtailments occurring in the second half of the year. U.S. export metallurgical coal exports now expected to be 10 to 15 million tons lower than 2014; and
- Peabody has reduced its 2015 U.S. volume targets by 10 million tons in light of current market conditions.

While an estimated 35 percent of U.S. electricity will be generated by coal in 2015, coal's share of U.S. electricity generation is projected to decline due to falling natural gas prices and rising coal plant utilization that partly offset the impact of coal unit retirements. Southern Powder River and Illinois Basin

PEABODY TARGETING IMPROVEMENT ACTIONS ACROSS FOUR AREAS OF BUSINESS

"The Peabody team has clearly demonstrated its ability to improve performance in the face of extended market weakness," said Kel. "We have taken substantial measures with an emphasis on improving our platform across four primary areas of the business. These measures, combined with our focus on multiple avenues for success now and in the future."

Major actions include:

- **Operational:** Maintaining a relentless focus on improving safety, increasing productivity and driving down operating costs. Peabody's workforce more than 20 percent over the last three years. Capital spending targets have been further reduced, and are primarily for safety. The company continues its efforts across a host of cost containment initiatives, including procurement, maintenance and operations;
- **SG&A:** Building on the 17% cost improvement in the first quarter, the company is targeting a leaner structure through office closures and is also implementing a global shared services center to centralize administrative functions, while pursuing other ongoing initiatives;
- **Financial:** Maximizing cash and liquidity in the near term. In the first quarter, the company amended its credit agreement, providing for a company now has no significant debt maturities for more than three years. Longer term, Peabody intends to use excess proceeds from commodity markets to reduce debt; and

- Portfolio: Initiating a heightened emphasis on portfolio optimization through asset sales and joint ventures, including sales of non-core operations. As part of this initiative, the company is progressing a strategic review of its portfolio of Australian tenements and its 7.5 billion tons of coal reserves, including approximately 3 billion tons not assigned to active mining operations, along with 500 million gallons of diesel fuel. The company is also evaluating options at its highest cost operation, the Burton Mine in Australia, where the current contract-rates are significantly higher than market rates.

Additionally, by early 2017, Peabody has \$685 million in potential annual cash improvement compared with 2015 related to the following:

- \$275 million in lower cash payments related to Southern Powder River Basin reserve installments that end in 2016;
- \$75 million in lower cash payments related to health benefit trust payments that expire in January 2017; and
- \$335 million in potential lower currency rates and fuel prices as legacy hedge transactions roll off. Peabody has historically entered into currency and fuel hedges to protect its cash flows from fluctuations in the Australian dollar. The hedge positions and estimated cumulative cost improvements are shown below and are based on the current market prices and exchange rates as of March 31, 2015.

Currency and Fuel Hedge Position

Australian Dollar Hedging	2015	2016	2017
Percent Hedged	66%	42%	22%
Hedge Rate	\$0.95	\$0.92	\$0.88
All-in Rate	\$0.89	\$0.82	\$0.77
Potential Lower Costs Compared to 2015		\$170	\$289
Fuel Hedging	2015	2016	2017
Percent Hedged	91%	64%	44%
Hedge Price (per barrel equivalent)	\$84	\$85	\$79
All-in Price (per barrel equivalent)	\$80	\$72	\$68
Potential Lower Costs Compared to 2015		\$31	\$46
Total Potential Lower Costs Compared to 2015		\$201	\$335

* Potential lower costs compared to 2015 are in millions.
* 2015 hedge percentages and hedge rate/price are for April through December 2015; 2015 all-in rate/price incorporates the full year for year-on-year comparisons.
* Estimated cumulative savings in millions and based on 2015 estimated requirements of ~\$2.4 billion AUD and ~155 million gallons of diesel fuel usage.

OUTLOOK

Peabody's 2015 U.S. production is fully priced with 2016 U.S. production approximately 40 to 50 percent unpriced based on revised 2015 guidance. Peabody expects 2016 U.S. production to be approximately 75 million tons of Southern Powder River Basin production for 2016 delivery that is priced 9 percent above expected 2015 realized prices.

Peabody is targeting second quarter 2015 Adjusted EBITDA of \$135 million to \$175 million and Adjusted Diluted EPS of \$(0.59) to \$(0.49). These targets reflect the annual guidance factors listed below along with lower seaborne coal prices and a traditional U.S. shoulder period. Peabody is also targeting a reduction in debt extinguishment charges related to the remaining outstanding 2016 Senior Notes that were redeemed on April 15, 2015.

	New	Prior Guidance (where changed)
2015 Guidance		
Sales Volumes (in million tons)		
U.S.	180 – 190	190 – 200
Australia	35 – 37	
Trading & Brokerage	20 – 28	
Total	235 – 255	
U.S. Operations	3% – 5% lower	2% – 4% lower
Revenue Per Ton (vs 2014)	3% – 5% lower	2% – 4% lower
Costs Per Ton (vs 2014)		
Australia Operations	15 – 16 million tons	2% – 4% lower
Metallurgical Coal Sales	12 – 13 million tons	
Export Thermal Sales	\$62 – \$64	
Costs Per Ton		
Depreciation, Depletion and Amortization	\$600 – \$640 million	
Capital Expenditures	\$170 – \$190 million	\$180 – \$200 million

Peabody Energy is the world's largest private-sector coal company and a global leader in sustainable mining, energy access and clean coal solutions. The company serves metallurgical and thermal coal customers in more than 25 countries on six continents. Peabody was named Energy Company of the Year at the 2014 Platts Global Energy Awards. For further information, visit PeabodyEnergy.com and AdvancedEnergyForLife.com.

Certain statements in this press release are forward-looking as defined in the Private Securities Litigation Reform Act of 1995. The company uses words such as "anticipate," "believe," "expect," "may," "forecast," "project," "should," "estimate," "plan," "outlook," "target," "likely," "will," "to be" or other similar words to identify forward-looking statements. These forward-looking statements are based on numerous assumptions that the company believes are reasonable, but they are open to a wide range of uncertainties and business risks that may cause actual results to differ materially from expectations as of April 23, 2015. These factors are difficult to accurately predict and may be beyond the company's control. The company does not undertake to update its forward-looking statements. Factors that could affect the company's results include, but are not limited to: supply and demand for the company's coal products; price volatility and customer procurement practices, particularly in international seaborne products and in the company's trading and brokerage businesses; impact of alternative energy sources, including natural gas and renewables; global steel demand and the downstream impact on metallurgical coal prices; impact of weather and natural disasters on demand and production; reductions and/or deferrals of purchases by major customers and the company's ability to renew sales contracts; credit and performance risks associated with customers, suppliers, contract miners, co-shippers, and trading, banks and other financial counterparties; geologic, equipment, permitting, site access, operational risks and new technologies related to mining; transportation availability, performance and costs; availability, timing of delivery and costs of key supplies, capital equipment or commodities such as diesel fuel, steel, explosives and tires; impact of take-or-pay agreements for rail and port commitments for the delivery of coal; successful implementation of business strategies; negotiation of labor contracts, employee relations and workforce availability; changes in postretirement benefit and pension obligations and their related funding requirements; replacement and development of coal reserves; adequate liquidity and the cost, availability and access to capital and financial markets; ability to appropriately secure the company's obligations for reclamation, federal and state workers' compensation, federal coal leases and other obligations related to our operations; effects of changes in interest rates and currency exchange rates (primarily the Australian dollar); effects of acquisitions or divestitures; economic strength and political stability of countries in which the company has operations or serves customers; legislation, regulations and court decisions or other government actions, including, but not limited to, new environmental and

mine safety requirements; changes in income tax regulations, sales-related royalties, or other regulatory taxes and changes in derivative laws and regulations; litigation, including claims not yet asserted; terrorist attacks or other security threats, including cybersecurity threats; impacts of pandemic illnesses; and other risks detailed in the company's reports filed with the Securities and Exchange Commission (SEC).

Included in the company's release of financial information accounted for in accordance with generally accepted accounting principles (GAAP) are certain non-GAAP financial measures, as defined by SEC regulations. The company has defined below the non-GAAP financial measures that are used and has included in the tables following this release reconciliations of these measures to the most directly comparable GAAP measures.

Adjusted EBITDA is defined as (loss) income from continuing operations before deducting net interest expense; income taxes; asset retirement obligation expenses; depreciation, depletion, and amortization; asset impairment and mine closure costs; charges for the settlement of claims and litigation related to previously divested operations; and changes in deferred tax asset valuation allowance and amortization of basis difference related to equity affiliates. Adjusted EBITDA, which is not calculated identically by all companies, is not a substitute for operating income, net income or cash flow as determined in accordance with United States GAAP. Management uses Adjusted EBITDA as the primary metric to measure segment operating performance and also believes it is useful to investors in comparing the company's current results with those of prior and future periods and in evaluating the company's operating performance without regard to its capital structure or the cost basis of its assets.

Adjusted (Loss) Income from Continuing Operations and Adjusted Diluted EPS are defined as (loss) income from continuing operations and diluted earnings per share from continuing operations, respectively, excluding the impacts of asset impairment and mine closure costs and charges for the settlement of claims and litigation related to previously divested operations, net of tax, and the remeasurement of foreign income tax accounts on the company's income tax provision. The company calculates income tax benefits related to asset impairment and mine closure costs and charges for the settlement of claims and litigation related to previously divested operations based on the enacted tax rate in the jurisdiction in which they have been or will be realized, adjusted for the estimated recoverability of those benefits. Management has included these measures because, in the opinion of management, excluding those foregoing items is useful in comparing the company's current results with those of prior and future periods. Management also believes that excluding the impact of the remeasurement of foreign income tax accounts represents a meaningful indicator of the company's ongoing effective tax rate.

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Condensed Consolidated Statements of Operations (Unaudited)

For the Quarters Ended Mar. 31, 2015 and 2014

(In Millions, Except Per Share Data)

	Quarter Ended	
	Mar.	Mar.
	2015	2014
Tons Sold	60.6	61.3
Revenues	\$1,537.9	\$1,626.8
Operating Costs and Expenses ⁽¹⁾	1,321.6	1,394.8
Depreciation, Depletion and Amortization	147.5	157.2
Asset Retirement Obligation Expenses	14.2	15.6
Selling and Administrative Expenses	49.4	59.5
Other Operating (Income) Loss:		
Net Gain on Disposal of Assets	(0.1)	(9.8)
Loss from Equity Affiliates:		
Results of Operations	1.4	5.4

Change in Deferred Tax Asset Valuation Allowance	0.3	—
Amortization of Basis Difference	1.4	1.2
Loss from Equity Affiliates	3.1	6.6
Operating Profit	2.2	2.9
Interest Income	(2.5)	(3.6)
Interest Expense:		
Interest Expense	106.6	103.3
Loss on Debt Extinguishment	59.5	—
Interest Expense	166.1	103.3
Loss from Continuing Operations Before Income Taxes	(161.4)	(96.8)
Income Tax Provision (Benefit):		
Provision (Benefit)	3.2	(51.1)
Remeasurement Benefit Related to Foreign Income Tax Accounts	(0.2)	(1.4)
Income Tax Provision (Benefit)	3.0	(52.5)
Loss from Continuing Operations, Net of Income Taxes	(164.4)	(44.3)
(Loss) Income from Discontinued Operations, Net of Income Taxes	(8.9)	0.2
Net Loss	(173.3)	(44.1)
Less: Net Income Attributable to Noncontrolling Interests	3.3	4.4
Net Loss Attributable to Common Stockholders	\$ (176.6)	\$ (48.5)
Adjusted EBITDA	\$ 165.6	\$ 176.9
Diluted EPS - Loss from Continuing Operations ⁽²⁾⁽³⁾	\$ (0.62)	\$ (0.18)
Diluted EPS - Net Loss Attributable to Common Stockholders ⁽²⁾	\$ (0.65)	\$ (0.18)
Adjusted Diluted EPS ⁽²⁾	\$ (0.62)	\$ (0.19)

(1) Excludes items shown separately.

(2) Weighted average diluted shares outstanding were 270.1 million for 2014, respectively.

(3) Reflects loss from continuing operations, net of income tax expense.

This information is intended to be reviewed in conjunction with the company's filings with the SEC.

Supplemental Financial Data (Unaudited)

For the Quarters Ended Mar. 31, 2015 and 2014

	Quarter Ended	
	Mar.	Mar.
	2015	2014
Revenue Summary (In Millions)		
U.S. Mining Operations	\$ 965.0	\$ 985.0
Australian Mining Operations	548.2	611.8
Trading and Brokerage Operations	16.7	21.0
Other	8.0	9.0
Total	\$ 1,537.9	\$ 1,626.8

Tons Sold (In Millions)		
Midwestern U.S. Mining Operations	5.9	6.2
Western U.S. Mining Operations	41.9	41.5
Australian Mining Operations ⁽¹⁾	8.8	8.2
Trading and Brokerage Operations	4.0	5.4
Total	60.6	61.3

Revenues per Ton - Mining Operations		
Midwestern U.S.	\$ 47.05	\$ 48.97
Western U.S.	16.43	16.42
Total - U.S.	20.19	20.65
Australia	62.65	74.48

Operating Costs per Ton ⁽²⁾		
Midwestern U.S. ⁽³⁾	\$ 34.85	\$ 36.25
Western U.S. ⁽³⁾	12.08	12.23
Total - U.S. ⁽³⁾	14.87	15.35
Australia ⁽³⁾	65.46	74.26

Gross Margin per Ton ⁽²⁾		
Midwestern U.S. ⁽³⁾	\$ 12.20	\$ 12.72
Western U.S. ⁽³⁾	4.35	4.19
Total - U.S. ⁽³⁾	5.32	5.30
Australia ⁽³⁾	(2.81)	0.22

Other Supplemental Financial Data (In Millions)

Adjusted EBITDA - U.S. Mining:

U.S. Mining Operations	\$ 271.5	\$ 254.6
Commodity Hedging Results	(17.4)	(2.0)
Total U.S. Mining	254.1	252.6

Adjusted EBITDA - Australian Mining:

Australian Mining Operations	61.9	21.0
Foreign Currency Hedging Results	(73.6)	(18.8)
Commodity Hedging Results	(12.8)	(0.4)
Total Australian Mining	(24.5)	1.8

Adjusted EBITDA - Trading and Brokerage

Trading and Brokerage Operations	3.8	13.7
Litigation Settlement	—	(15.6)
Total Trading and Brokerage	3.8	(1.9)

Adjusted EBITDA - Resource Management ⁽⁴⁾

Selling and Administrative Expenses	(49.4)	(59.5)
Other Operating Costs, Net ⁽⁵⁾	(19.6)	(25.6)
Adjusted EBITDA	165.6	176.9
Operating Cash Flows	3.4	54.1
Acquisitions of Property, Plant and Equipment	25.1	24.4

- (1) Metallurgical coal tons sold totaled 3.8 million tons.
- (2) Includes revenue-based production taxes and other production taxes; production obligation expenses; selling and administrative expenses; and other expenses.
- (3) Operating costs per ton and gross margin per ton were \$1.29, \$0.23, and \$0.36, respectively, for the quarters ended Mar. 31, 2015, Mar. 31, 2014, and Mar. 31, 2013, respectively. Operating costs per ton and gross margin per ton were \$1.29, \$0.23, and \$0.36, respectively, for the quarter ended Mar. 31, 2014. Operating costs per ton and gross margin per ton were \$1.29, \$0.23, and \$0.36, respectively, for the quarter ended Mar. 31, 2013.
- (4) Includes certain asset sales, property management fees, and other expenses.
- (5) Includes loss from equity affiliates (before tax and amortization of basis difference) and costs of equity affiliates.

This information is intended to be reviewed in conjunction with the company's filings with the SEC.

Condensed Consolidated Balance Sheets

As of Mar. 31, 2015 and Dec. 31, 2014

(Dollars In Millions)

	(Unaudited)	
	March 31, 2015	Dec. 31, 2014
Cash and Cash Equivalents	\$ 637.1	\$ 298.0
Accounts Receivable, Net	431.4	563.1
Inventories	369.5	406.5
Deferred Income Taxes	83.9	80.0
Other Current Assets	287.0	363.4
Total Current Assets	1,808.9	1,711.0
Property, Plant, Equipment and Mine Development, Net	10,451.8	10,577.3
Deferred Income Taxes	1.1	0.7
Investments and Other Assets	889.9	902.1
Total Assets	\$ 13,151.7	\$ 13,191.1
Current Portion of Long-Term Debt ⁽¹⁾	\$ 104.1	\$ 21.2
Accounts Payable and Accrued Expenses	1,618.7	1,809.2
Other Current Liabilities	38.7	32.7
Total Current Liabilities	1,761.5	1,863.1
Long-Term Debt, Less Current Portion	6,287.5	5,965.6
Deferred Income Taxes	86.4	89.1
Other Noncurrent Liabilities	2,507.2	2,546.8
Total Liabilities	10,642.6	10,464.6
Stockholders' Equity	2,509.1	2,726.5
Total Liabilities and Stockholders' Equity	\$ 13,151.7	\$ 13,191.1

⁽¹⁾Current period balance includes \$83.1 million aggregate principal amount of the company's 7.375% Senior Notes due November 2016 that remained outstanding as of March 31, 2015 and were redeemed with cash on hand on April 15, 2015 pursuant to the related notice of redemption.

This information is intended to be reviewed in conjunction with the company's filings with the SEC.

Reconciliation of Non-GAAP Financial Measures (Unaudited)

For the Quarters Ended Mar. 31, 2015 and 2014

(Dollars In Millions, Except Per Share Data)

	Quarter Ended	
	Mar.	Mar.
	2015	2014
Adjusted EBITDA	\$165.6	\$ 176.9
Depreciation, Depletion and Amortization	147.5	157.2
Asset Retirement Obligation Expenses	14.2	15.6
Change in Deferred Tax Asset Valuation Allowance Related to Equity Affiliates	0.3	—
Amortization of Basis Difference Related to Equity Affiliates	1.4	1.2
Interest Income	(2.5)	(3.6)
Interest Expense	166.1	103.3
Income Tax Provision (Benefit) Before Remeasurement on Income Tax Accounts	3.2	(51.1)
Adjusted Loss from Continuing Operations ⁽¹⁾	(164.6)	(45.7)
Remeasurement Benefit Related to Foreign Income Tax Accounts	(0.2)	(1.4)
Loss from Continuing Operations, Net of Income Taxes	\$ (164.4)	\$ (44.3)
Net Income Attributable to Noncontrolling Interests	\$ 3.3	\$ 4.4
Diluted EPS - Loss from Continuing Operations ⁽²⁾	\$ (0.62)	\$ (0.18)
Remeasurement Benefit Related to Foreign Income Tax Accounts	—	(0.01)
Adjusted Diluted EPS	\$ (0.62)	\$ (0.19)

Targeted Results for the Quarter Ending Jun. 30, 2015 (Unaudited)

(Dollars In Millions, Except Per Share Data)

	Quarter Ending	
	Jun. 30, 2015	
	Targeted Results	
	Low	High
Adjusted EBITDA	\$135	\$ 175
Depreciation, Depletion and Amortization	154	164
Asset Retirement Obligation Expenses	15	13
Interest Income	(2)	(4)
Interest Expense	121	119
Loss on Debt Extinguishment	8	8

Income Tax Provision Before Remeasurement of Foreign Income Tax Accounts	—	5
Adjusted Loss from Continuing Operations ⁽¹⁾	(161)	(130)
Remeasurement Expense Related to Foreign Income Tax Accounts	—	—
Loss from Continuing Operations, Net of Income Taxes	\$(161)	\$(130)
Net Income Attributable to Noncontrolling Interests	\$—	\$ 4
Diluted EPS - Loss from Continuing Operations ⁽²⁾	\$(0.59)	\$(0.49)
Remeasurement Expense Related to Foreign Income Tax Accounts	—	—
Adjusted Diluted EPS	\$(0.59)	\$(0.49)

(1) In order to arrive at the numerator used to calculate Adjusted Loss from Continuing Operations, net of income taxes, we have added back the loss from continuing operations, net of income taxes, to the numerator used to calculate Adjusted Loss from Continuing Operations, net of income taxes, and then we have divided the result by the denominator used to calculate Adjusted Loss from Continuing Operations, net of income taxes.

(2) Reflects loss from continuing operations, net of income taxes, and then we have divided the result by the denominator used to calculate Adjusted Loss from Continuing Operations, net of income taxes.

This information is intended to be reviewed in conjunction with the company's filings with the SEC.

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