

International Coal Group, Inc.  
Form 10-Q/A  
November 14, 2007  
Table of Contents

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**United States**  
**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

\_\_\_\_\_  
**Form 10-Q/A**  
**(Amendment No. 1)**  
\_\_\_\_\_

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2007

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File No. 001-32679

\_\_\_\_\_  
**International Coal Group, Inc.**

(Exact name of registrant as specified in its charter)

\_\_\_\_\_

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**20-2641185**  
(I.R.S. Employer  
Identification Number)

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**300 Corporate Centre Drive**

**Scott Depot, West Virginia**  
(Address of principal executive offices)

**25560**  
(Zip Code)

**(304) 760-2400**

(Registrant's telephone number, including area code)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Number of shares of the Registrant's Common Stock, \$0.01 par value, outstanding as of August 1, 2007 152,994,484.

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**Table of Contents**

**EXPLANATORY NOTE**

We are filing this Form 10-Q/A Amendment No. 1 (this Amendment ) to amend and restate certain information that was included in our original Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2007 (the Second Quarter 2007 Form 10-Q ) as described below. For convenience of the reader, this Amendment sets forth the entire Second Quarter 2007 Form 10-Q. However, this Amendment amends and restates Item 1 and Item 4 of Part I of the Second Quarter 2007 Form 10-Q. The other Items are not being amended. Except as described in this Explanatory Note, this Amendment does not modify or update the disclosures in our Second Quarter 2007 Form 10-Q. Therefore, this Amendment does not reflect any other events that occurred after the original August 9, 2007 filing date of the Second Quarter 2007 Form 10-Q. Forward-looking statements in this Amendment have also not been updated from the Second Quarter 2007 Form 10-Q that we filed on August 9, 2007. For updated information, please see the reports that we have filed with the SEC for subsequent periods. In addition, in connection with the filing of this Amendment and pursuant to Rules 12b-15 and 13a-14 under the Exchange Act, we are including with this Amendment currently dated certifications of our chief executive and financial officers.

Subsequent to the issuance of our condensed consolidated financial statements for the three and six months ended June 30, 2007, we identified errors in certain amounts in our consolidated balance sheet as of June 30, 2007 and December 31, 2006 related to the immaterial overstatement of certain leasehold and ownership interests in land, accrued property taxes and certain other items. See Note 16 to the condensed consolidated financial statements included in Item 1 for further detail.

**Table of Contents**

**TABLE OF CONTENTS**

	<b>Page</b>
<b><u>PART I FINANCIAL INFORMATION</u></b>	
Item 1. <u>Financial Statements</u>	3
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	20
Item 3. <u>Quantitative and Qualitative Disclosures About Market Risk</u>	28
Item 4. <u>Controls and Procedures</u>	28
<b><u>PART II OTHER INFORMATION</u></b>	
Item 1. <u>Legal Proceedings</u>	29
Item 1A. <u>Risk Factors</u>	29
Item 4. <u>Submission of Matters to a Vote of Security Holders</u>	31
Item 6. <u>Exhibits</u>	32

**Table of Contents****PART I****Item 1. Financial Statements****INTERNATIONAL COAL GROUP, INC. AND SUBSIDIARIES****Condensed Consolidated Balance Sheets (Unaudited)**

(Dollars in thousands, except per share amounts)

	June 30, 2007 (as restated, see Note 16)	December 31, 2006
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 16,466	\$ 18,742
Accounts receivable, net of allowances of \$540 and \$36	66,867	71,093
Inventories, net	53,540	40,587
Deferred income taxes	11,487	5,950
Prepaid insurance	5,762	10,986
Income taxes receivable	8,449	13,280
Prepaid expenses and other	8,566	7,444
Total current assets	171,137	168,082
PROPERTY, PLANT, EQUIPMENT AND MINE DEVELOPMENT, net	967,653	920,094
DEBT ISSUANCE COSTS, net	12,241	12,472
ADVANCE ROYALTIES, net	15,295	12,634
GOODWILL	198,665	196,757
OTHER NON-CURRENT ASSETS	6,179	6,852
Total assets	\$ 1,371,170	\$ 1,316,891
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 72,023	\$ 56,391
Short-term debt	4,877	19,815
Current portion of long-term debt and capital leases	4,098	1,749
Current portion of reclamation and mine closure costs	5,492	4,198
Current portion of employee benefits	2,555	2,555
Accrued expenses and other	58,330	50,968
Total current liabilities	147,375	135,676
LONG-TERM DEBT AND CAPITAL LEASES	249,693	178,286
RECLAMATION AND MINE CLOSURE COSTS	93,974	88,472
EMPLOYEE BENEFITS	49,802	45,390
DEFERRED INCOME TAXES	130,601	141,553
BELOW-MARKET COAL SUPPLY AGREEMENTS	48,404	58,882
OTHER NON-CURRENT LIABILITIES	7,878	9,186
Total liabilities	727,727	657,445

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MINORITY INTEREST	721	1,096
COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY:		
Preferred stock-par value \$0.01, 200,000,000 shares authorized, none issued		
Common stock-par value \$0.01, 2,000,000,000 shares authorized, 152,898,814 and 152,906,488, respectively, shares issued and outstanding	1,529	1,529
Additional paid-in capital	636,634	633,937
Accumulated other comprehensive loss	(3,758)	(3,846)
Retained earnings	8,317	26,730
Total stockholders' equity	642,722	658,350
Total liabilities and stockholders' equity	\$ 1,371,170	\$ 1,316,891

See notes to condensed consolidated financial statements.

**Table of Contents****INTERNATIONAL COAL GROUP, INC. AND SUBSIDIARIES****Condensed Consolidated Statements of Operations (Unaudited)**

(Dollars in thousands, except per share amounts)

	Three months ended		Six months ended	
	2007	June 30, 2006	2007	June 30, 2006
<b>REVENUES:</b>				
Coal sales revenues	\$ 188,033	\$ 212,164	\$ 400,993	\$ 415,500
Freight and handling revenues	4,571	4,596	9,601	9,193
Other revenues	15,446	8,383	25,770	13,953
<b>Total revenues</b>	<b>208,050</b>	<b>225,143</b>	<b>436,364</b>	<b>438,646</b>
<b>COSTS AND EXPENSES:</b>				
Cost of coal sales	175,282	186,315	369,431	369,474
Freight and handling costs	4,571	4,596	9,601	9,193
Cost of other revenues	11,351	6,828	19,539	12,869
Depreciation, depletion and amortization	21,794	16,596	42,970	33,692
Selling, general and administrative	8,214	7,971	16,842	17,964
Gain on sale of assets, net	(2,312)	(158)	(2,354)	(929)
<b>Total costs and expenses</b>	<b>218,900</b>	<b>222,148</b>	<b>456,029</b>	<b>442,263</b>
Income (loss) from operations	(10,850)	2,995	(19,665)	(3,617)
<b>INTEREST AND OTHER INCOME (EXPENSE):</b>				
Interest expense, net	(5,870)	(4,328)	(12,201)	(6,383)
Other, net	310	697	872	788
<b>Total interest and other income (expense)</b>	<b>(5,560)</b>	<b>(3,631)</b>	<b>(11,329)</b>	<b>(5,595)</b>
Loss before income taxes and minority interest	(16,410)	(636)	(30,994)	(9,212)
<b>INCOME TAX BENEFIT</b>	<b>6,162</b>	<b>234</b>	<b>12,317</b>	<b>2,509</b>
<b>MINORITY INTEREST</b>	<b>14</b>	<b>(199)</b>	<b>375</b>	<b>(87)</b>
<b>Net loss</b>	<b>\$ (10,234)</b>	<b>(601)</b>	<b>\$ (18,302)</b>	<b>\$ (6,790)</b>
<b>Earnings per share:</b>				
Basic	\$ (0.07)	(0.00)	\$ (0.12)	\$ (0.04)
Diluted	\$ (0.07)	(0.00)	\$ (0.12)	\$ (0.04)
<b>Weighted-average common shares outstanding:</b>				
Basic	152,239,527	151,992,579	152,186,028	151,936,375
Diluted	152,239,527	151,992,579	152,186,028	151,936,375
See notes to condensed consolidated financial statements.				

**Table of Contents****INTERNATIONAL COAL GROUP, INC. AND SUBSIDIARIES****Condensed Consolidated Statements of Cash Flows (Unaudited)**

(Dollars in thousands)

	Six months ended June 30,	
	2007	2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net loss	\$ (18,302)	\$ (6,790)
Adjustments to reconcile net loss to net cash from operating activities:		
Depreciation, depletion and amortization	42,970	33,692
Amortization of deferred finance costs included in interest expense	1,278	2,253
Minority interest	(375)	87
Compensation expense on restricted stock and options	2,697	2,993
Gain on sale of assets, net	(2,354)	(929)
Deferred income taxes	(16,570)	(5,385)
Provision for bad debt	522	
Amortization of accumulated postretirement benefit obligation	88	
Changes in assets and liabilities:		
Accounts receivable	3,828	(11,985)
Inventories	(12,953)	(14,858)
Prepaid expenses and other	8,933	8,077
Other non-current assets	(1,060)	(1,779)
Accounts payable	4,070	(62)
Accrued expenses and other	7,336	9,589
Reclamation and mine closure costs	3,744	1,692
Other liabilities	2,908	2,174
<b>Net cash from operating activities</b>	<b>26,760</b>	<b>18,769</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from the sale of assets	4,663	3,248
Net proceeds from sale-leaseback		5,413
Additions to property, plant, equipment and mine development	(74,943)	(85,262)
Cash paid related to acquisitions and net assets acquired	(6,939)	(2,892)
Withdrawals of restricted cash	499	237
<b>Net cash from investing activities</b>	<b>(76,720)</b>	<b>(79,256)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Borrowings on short-term debt	553	
Repayments on short-term debt	(15,492)	(7,422)
Borrowings on long-term debt	65,000	70,000
Repayments on long-term debt and capital leases	(1,330)	(111,747)
Proceeds from senior notes offering		175,000
Debt issuance costs	(1,047)	(8,739)