

ARCH COAL INC
Form 8-K
December 16, 2005

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 8-K
CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): December 16, 2005 (December 16, 2005)
Arch Coal, Inc.**

(Exact name of registrant as specified in its charter)

Delaware

1-13105

43-0921172

(State or other jurisdiction
of incorporation)

(Commission File
Number)

(I.R.S. Employer
Identification No.)

CityPlace One, Suite 300, St. Louis, Missouri 63141
(Address of principal executive offices) (Zip code)

Registrant's telephone number, including area code: (314) 994-2700

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 7.01 Regulation FD.

In connection with Arch Coal, Inc.'s previously announced offer to pay a premium to holders of any and all of its 5% Perpetual Cumulative Convertible Preferred Stock (Liquidation Preference \$50.00 Per Share) who elect to convert their shares of preferred stock to shares of the Company's common stock subject to the terms of the offer, the Company is providing the following financial information to holders of the preferred stock.

The Company's book value per common share as of September 30, 2005 was \$18.09. In addition, below is the Company's income per common share from continuing operations, basic and diluted, and ratio of earnings to combined fixed charges and preference dividends for the periods indicated.

| | Years Ended December 31, | | | | | Nine Months Ended September 30, 2005 |
|--|--------------------------|---------|-----------|---------|---------|---|
| | 2000 | 2001 | 2002 | 2003 | 2004 | |
| Basic earnings (loss) per common share from continuing operations | \$ (0.33) | \$ 0.15 | \$ (0.05) | \$ 0.19 | \$ 1.91 | \$ 0.37 |
| Diluted earnings (loss) per common share from continuing operations | \$ (0.33) | \$ 0.15 | \$ (0.05) | \$ 0.19 | \$ 1.78 | \$ 0.37 |
| Ratio of earnings to combined fixed charges and preference dividends (1) | | 1.04x | | | 2.54x | 1.33x |

(1) Ratio of earnings to combined fixed charges and preference dividends is computed on a total enterprise basis including our consolidated subsidiaries, plus our share of significant affiliates accounted for on the equity method that are 50% or greater owned or whose indebtedness has been directly or indirectly guaranteed by us. Earnings consist of

income
(loss) from
continuing
operations
before income
taxes and are
adjusted to
include fixed
charges
(excluding
capitalized
interest). Fixed
charges consist
of interest
incurred on
indebtedness,
the portion of
operating lease
rentals deemed
representative of
the interest
factor and the
amortization of
debt expense.
Preference
dividends are
the amount of
pre-tax earnings
required to pay
dividends on
our outstanding
preferred stock
and Arch
Western
Resources,
LLC's preferred
membership
interest. In
2000, 2002 and
2003, combined
fixed charges
and preference
dividends
exceeded
earnings by
\$16.7 million,
\$22.3 million
and
\$2.9 million,
respectively.

Item 8.01 Other Events.

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On December 16, 2005, Arch Coal, Inc. announced an amendment and extension of its previously announced offer to pay a premium to holders of any and all of its 5% Perpetual Cumulative Convertible Preferred Stock (Liquidation Preference \$50.00 Per Share) who elect to convert their shares of preferred stock to shares of the Company's common stock subject to the terms of the offer. A copy of Arch Coal, Inc.'s press release is attached hereto as Exhibit 99.1.

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Exhibit Index begins on page 5.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

The following Exhibit is filed with this Current Report on Form 8-K:

| Exhibit No. | Description |
|-------------|--|
| 99.1 | Press Release dated December 16, 2005 Page 3 of 5 pages. Exhibit Index begins on page 5. |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: December 16, 2005

ARCH COAL, INC

By: /s/ Robert J. Messey
Robert J. Messey
Senior Vice President and Chief
Financial Officer

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EXHIBIT INDEX

| Exhibit No. | Description |
|-------------|--|
| 99.1 | Press Release dated December 16, 2005. Page 5 of 5 pages. |