

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): March 12, 2003 (March 12, 2003)

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

Page 1 of 4 pages.
Exhibit Index begins on page 4.

TABLE OF CONTENTS

[Item 5. Other Events.](#)

[Item 7. Financial Statements and Exhibits.](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[EX-99 Slides to be shown during Presentation](#)

Table of Contents

Item 5. Other Events.

On March 12, 2003, Steven F. Leer, CEO and President of Arch Coal, Inc. will make a presentation to certain members of the business and investment community. The slides to be shown during the presentation are attached hereto and incorporated herein by reference in their entirety.

The furnishing of Exhibit 99 is not intended to constitute a representation that such furnishing is required by Regulation FD or that the information it contains includes material investor information that is not otherwise publicly available. Statements in Exhibit 99 which are not statements of historical fact are forward-looking statements within the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by, Arch Coal at the time the statements are made. Because these forward-looking statements are subject to various risks and uncertainties, actual results may differ materially from those projected in the statements. These expectations, assumptions and uncertainties include: Arch Coal's expectation of growth in the demand for electricity; belief that legislation and regulations relating to the Clean Air Act and the relatively higher costs of competing fuels will increase demand for its compliance and low-sulfur coal; expectation of improved market conditions for the price of coal; expectation that Arch Coal will continue to have adequate liquidity from its cash flow from operations, together with available borrowings under its credit facilities, to finance Arch Coal's working capital needs; a variety of operational, geologic, permitting, labor and weather related factors; and the other risks and uncertainties which are described in Arch Coal's periodic and other filings with the Securities and Exchange Commission.

Item 7. Financial Statements and Exhibits.

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

<u>Exhibit No.</u>	<u>Description</u>
99	Slides to be shown during Arch Coal's presentation on March 12, 2003.

Page 2 of 4 pages.
Exhibit Index begins on page 4.

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: March 12, 2003

ARCH COAL, INC.

By: /s/ Janet L. Horgan

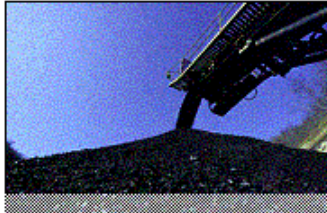
Janet L. Horgan
Assistant General Counsel and Assistant Secretary

Page 3 of 4 pages.
Exhibit Index begins on page 4.

EXHIBIT INDEX

Exhibit No.	Description
99	Slides to be shown during Arch Coal's presentation on March 12, 2003.

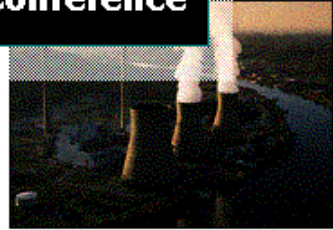
Page 4 of 4 pages.



Arch Coal, Inc.



**SalomonSmithBarney
Global Industrial Manufacturing Conference**



March 12, 2003

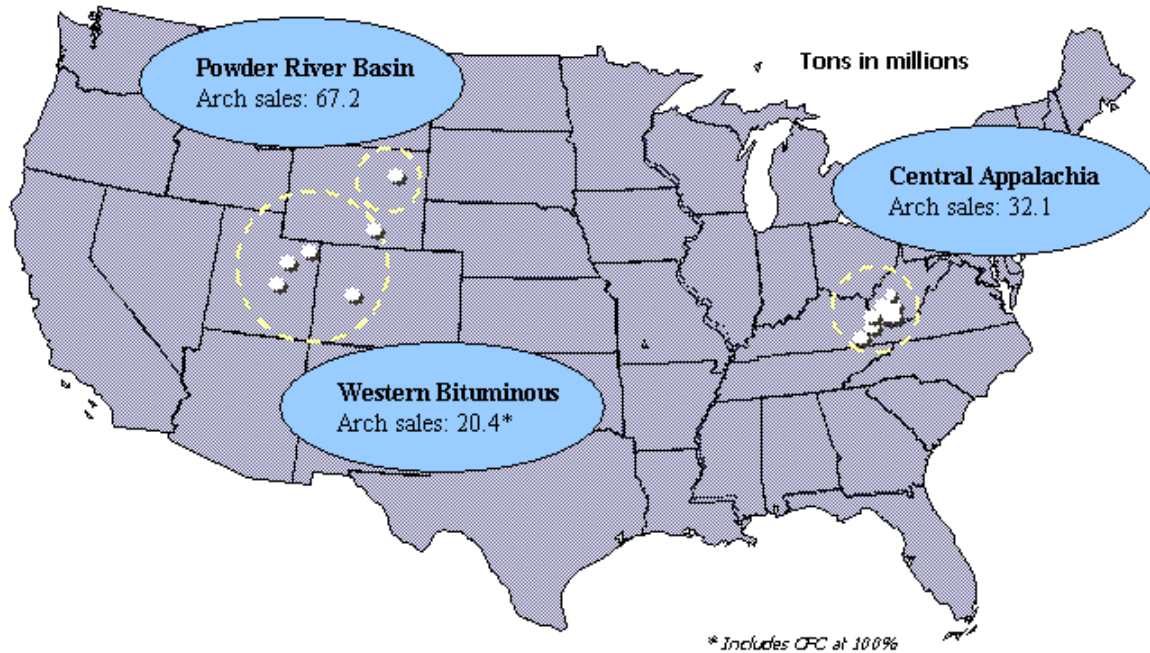
Forward-looking information

Statements in this presentation which are not statements of historical fact are "forward-looking statements" within the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on the information available to, and the expectations and assumptions deemed reasonable by, Arch Coal, Inc. at the time this presentation was made. Although Arch Coal believes that the assumptions underlying such statements are reasonable, it can give no assurance that they will be attained. Factors that could cause actual results to differ materially from expectations include the risks detailed from time to time in the company's periodic and other reports filed with the Securities and Exchange Commission.

Arch Coal in brief

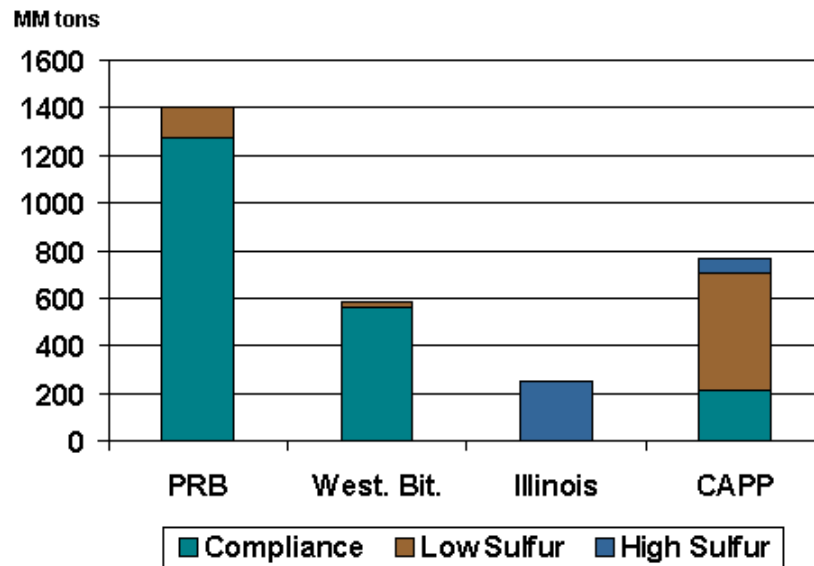
- Second largest U.S. coal producer
- Produces 10% of U.S. coal supply
- Fuel source for 6% of domestic electricity
- Reserves total 3.0 billion tons
- Production is 100% low sulfur (85% compliance)
- Headquarters in St. Louis
- Listed on NYSE ("ACI")

Arch is a leading producer in all three major U.S. low-sulfur coal basins



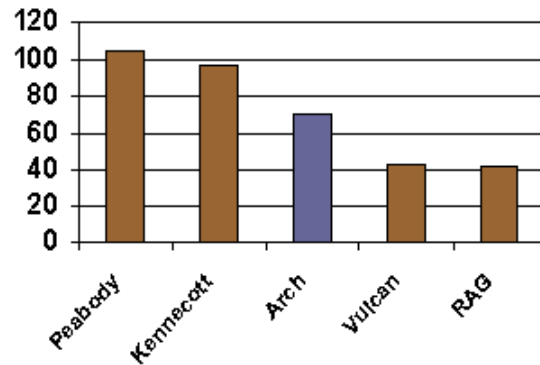
Arch has a large and geographically diverse base of low-sulfur reserves

Total (excluding NRP) = 3.0 billion tons



Arch is the only company with a leading position in the largest and fastest growing U.S. supply basin ...

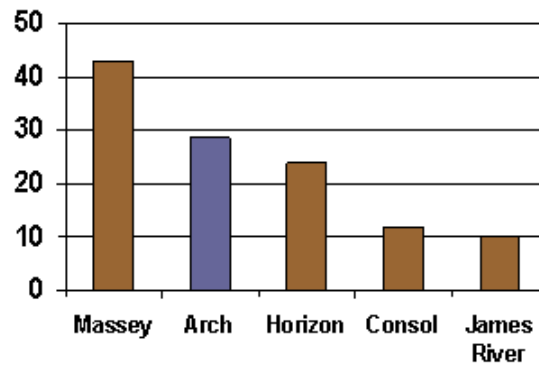
SPRB annual production, in millions of tons



- SPRB has a 33% share and 6% annual growth rate since 1989
- Arch's 70 mm ton production capacity is all 8800 Btu
- Arch's idle Coal Creek mine should possess some of the best ratios in 8400 market when it returns to operation

... as well as a leading position in the second largest and most highly supply-constrained basin

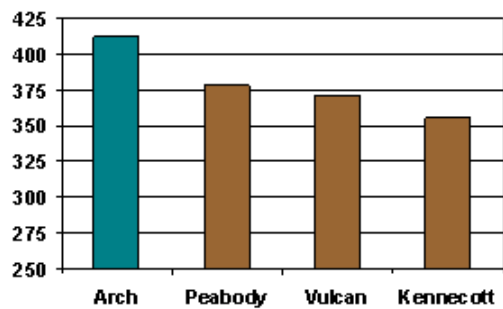
CAPP annual production, in millions of tons



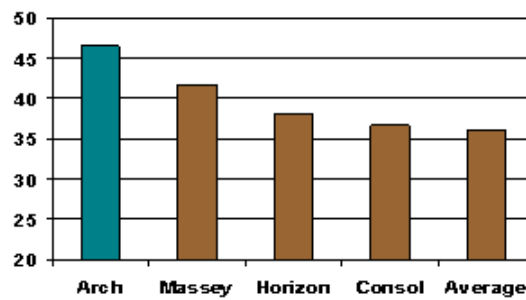
- CAPP has a 23% share and is only source of low-sulfur coal in East
- Arch is one of two companies with extensive, low-cost reserves
- Dal-Tex may represent lowest-cost untapped reserves in region

In fact, Arch is the most productive operator in both of these key basins ...

SPRB, Tier 1



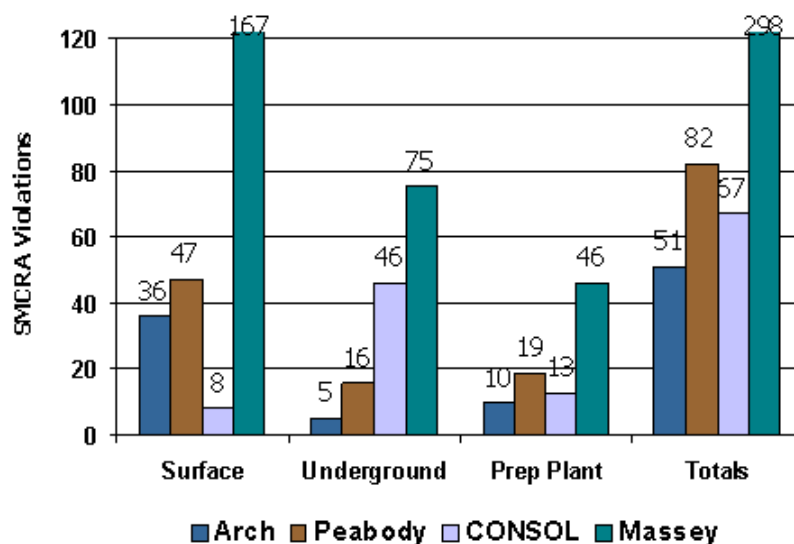
CAPP



In tons per employee-shift, 12-month rolling average, 4Q01-3Q02

Source: Platts Global Energy

Arch is focused on leading the industry in environmental performance ...



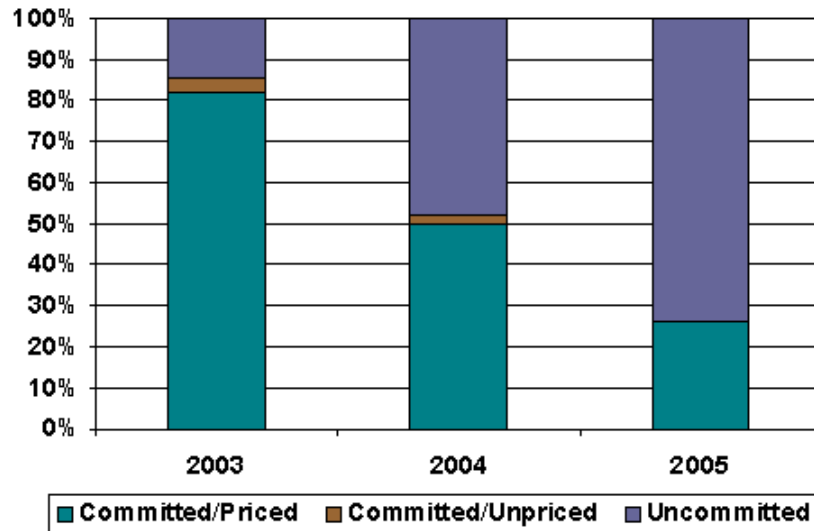
Source: State-by-state reports, Jan.-Dec. 2002. Totals do not reflect any NOV's that may have been vacated during an appeals process.

... and operating the industry's safest mines

(Injuries per 200,000 employee-hours worked)

2001		2002 (9 mos.)	
Arch Coal	2.28	Arch Coal	2.59
Peabody	2.99	CONSOL	3.29
CONSOL	3.43	Peabody	3.98

Arch's leverage to improving coal prices is dramatic



Based on approx. 120 mm tons of production each year, including 100% of CFC

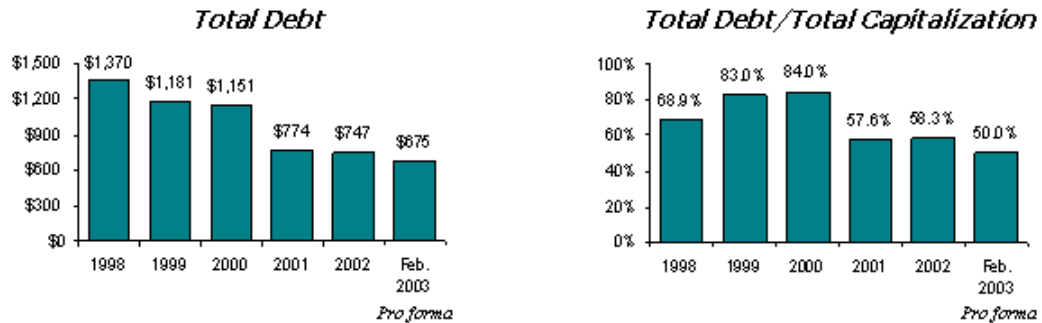
Theoretical sensitivity to coal prices

Arch Coal's sensitivity to \$1 improvement in per-ton realization
(which averaged \$13.81 during 2002)

	<i>(in millions)</i>
At 110 million tons of production, revenues increase ...	\$110.0
Sales sensitive costs average 25%, so subtract ...	<u>27.5</u>
Total pro forma increase to EBIT line equals ...	\$ 82.5
Income tax (assuming AMT rates) averages 24% ...	<u>19.8</u>
Holding all else equal, delta in net income would be ...	\$ 62.7

Theoretical sensitivity of EPS (at 52.3 mm S/O) equals \$1.20

Arch's balance sheet is the strongest it's been in five years



Since beginning of 1999, Arch has ...

- Paid down nearly \$700 million in debt
- Reduced debt as a percentage of total capitalization to 50%
- Improved credit ratings to Ba1/BB+

Creation of NRP continues to create significant value

NRP stock has climbed steadily since IPO

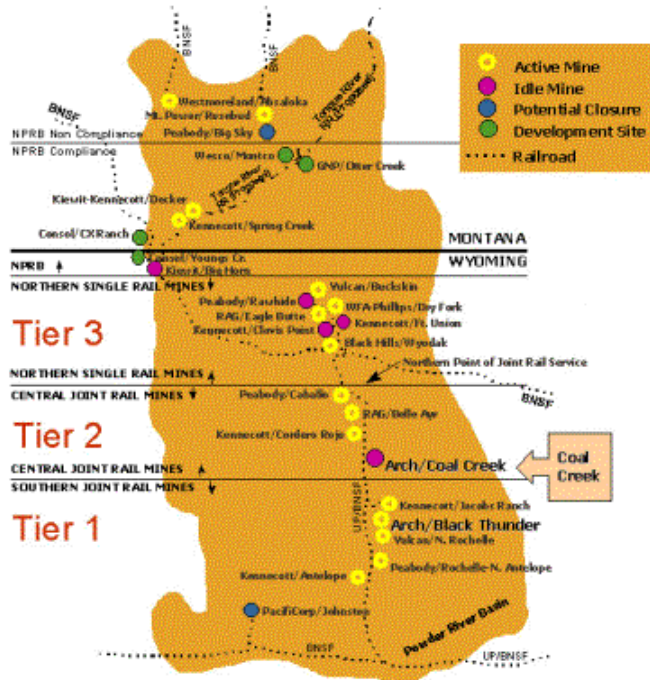


- Contributed reserves valued at \$84.9 mm on balance sheet
- Sold 1.9 million units through IPO, raising \$33.6 mm for debt reduction
- Retained 7.7 mm units, now valued at more than \$180 mm
- Arch also holds 42.25% of general partnership interest

Dal-Tex represents best idle, low-sulfur reserve in the eastern U.S. ...

- Jan. 29 appellate court decision removes obstacle to reopening
 - ✓ Ruled that Haden decision was overly broad
 - ✓ Ruled that valley fills were not inconsistent with Clean Water Act
- Still must complete EIS and conform to consent decree
- Best surface reserve left in the East, with high potential longwall reserve as well
- Still evaluating best way to develop
 - ✓ Potential for 6 million ton per year surface mine ...
 - ✓ ... and 4 million ton per year longwall operation
- Capital costs will be significant, but returns should be too
- Won't move forward without attractive, baseload contracts

... while Coal Creek may be the best idle property in the western United States

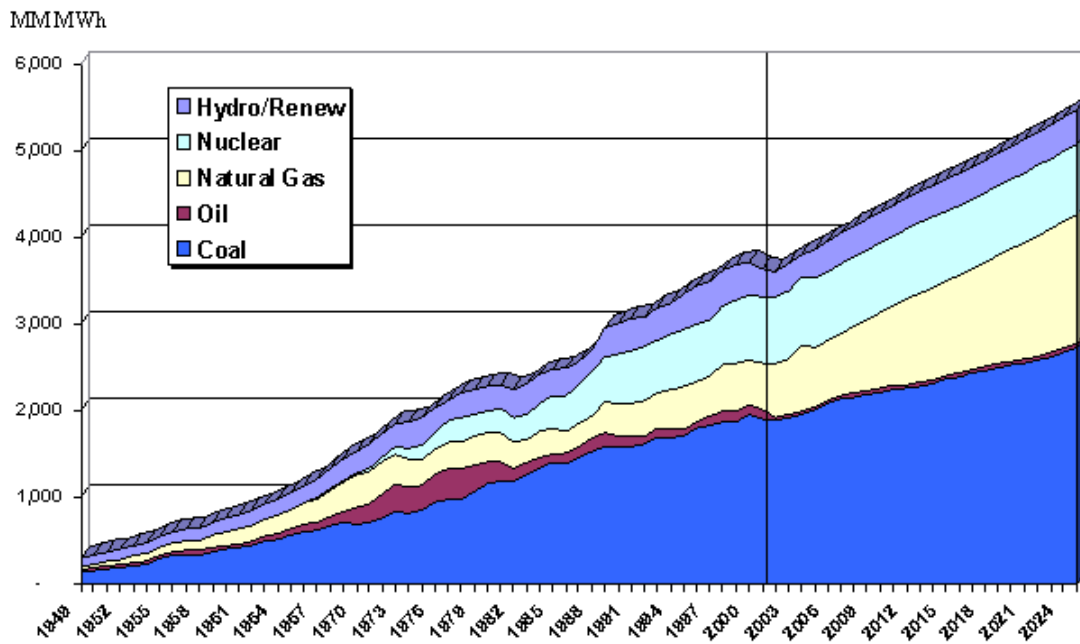


- Idle since 2000, and limited production prior to that point
- Reserves totaling 233 million tons in Tier 2 of SPRB
- Capital needs of \$40 mm to \$60 mm, which would add 15-18 mm tons of production
- Won't act until market needs the coal

Structural changes for sector

- Nuclear plants are running full out
 - ✓ Coal's primary competition for baseload generation for 20 years
 - ✓ Nukes have captured significant demand in recent years
- Coal production in eastern U.S. is declining rapidly
 - ✓ Decline is almost certain to continue, even at higher prices
- Limitations of U.S. gas reserves are increasingly apparent
 - ✓ Accelerating decline curves and maturing gas fields
 - ✓ Most promising reserves in restricted areas
 - ✓ Few analysts expect long-run prices below \$3.50/mm Btu
- Utility stockpile management practices are in transition
 - ✓ Eliminates historical overhang
 - ✓ Increases volatility
 - ✓ Increases leverage of fuel suppliers during demand spikes

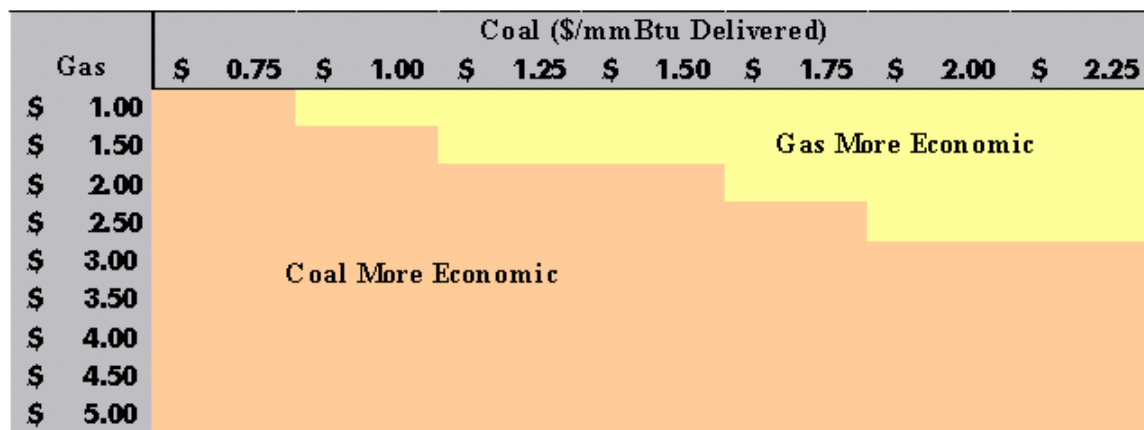
EIA has unrealistic expectations for gas



Future gas supplies very much in question

- Gas in storage likely to hit record lows by end of March
 - ✓ Experts seriously doubt levels can be rebuilt by next winter
- Burlington Resources recently cautioned that North American supply may shake out at 20 trillion cubic feet (vs. 22 tcf in 2002)
 - ✓ EIA is counting on North American supply to *grow* 1.3% per year
- Even modest increases in LNG are probably five years away
 - ✓ Investments so far have been very limited
 - ✓ Serious security issues remain
- At prices above \$3/mm Btu, coal-fired plants should dispatch in front of even the newest gas plants
- Questions about the economics of gas contributed to the tabling of some units already 70%-80% completed

Coal's advantage over gas is growing



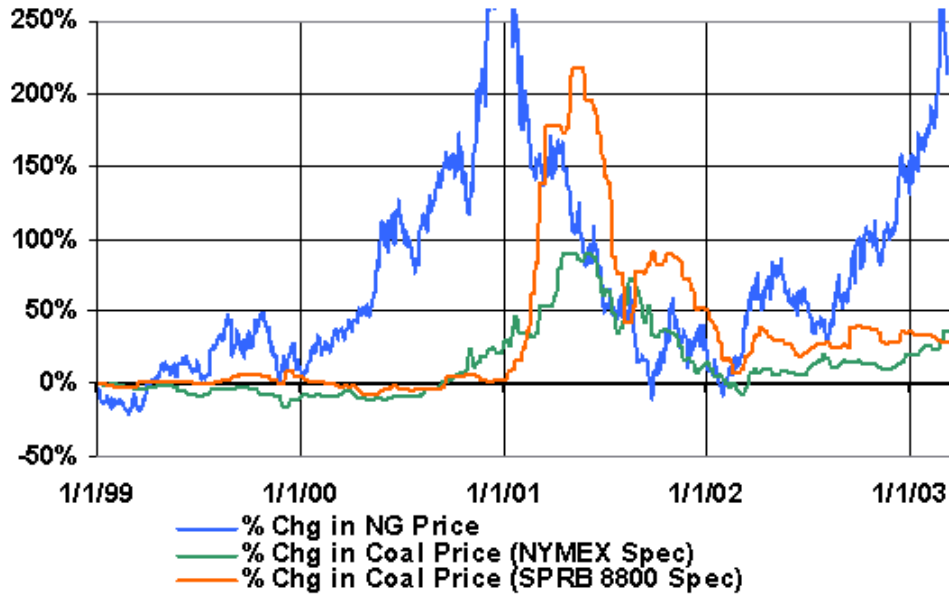
	\$ 0.75	\$ 1.00	\$ 1.25	\$ 1.50	\$ 1.75	\$ 2.00	\$ 2.25
PRB*	\$ 1.20	\$ 5.60	\$ 10.00	\$ 14.40	\$ 18.80	\$ 23.20	\$ 27.60
CAPP**	\$ 10.00	\$ 16.00	\$ 22.00	\$ 28.00	\$ 34.00	\$ 40.00	\$ 46.00

* Assumes 8800 Btu coal and \$12 transportation cost

** Assumes 12,500 Btu coal and \$8 transportation cost

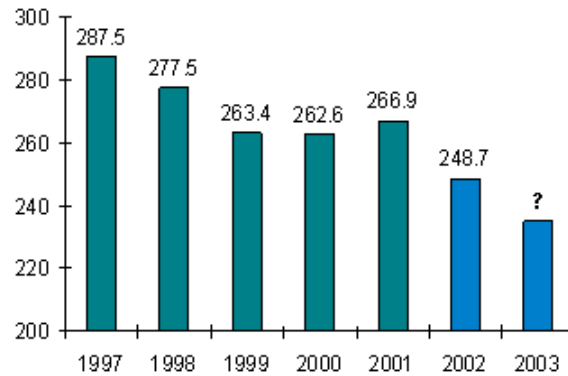
Source: Platts Global Energy & ACI

Coal price movements tend to lag gas



CAPP production continues to slide

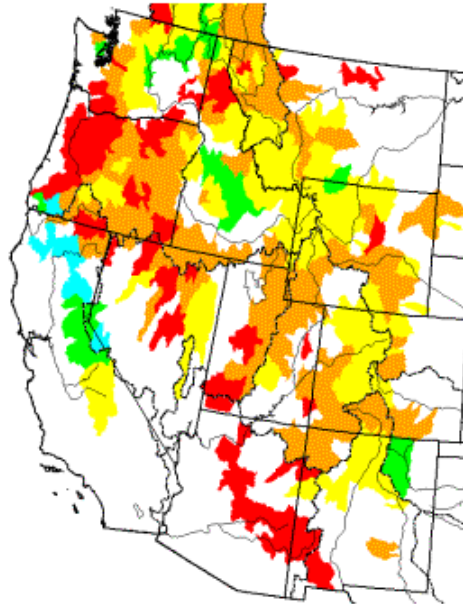
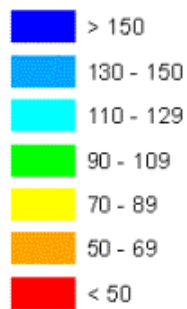
CAPP annual production, in millions of tons



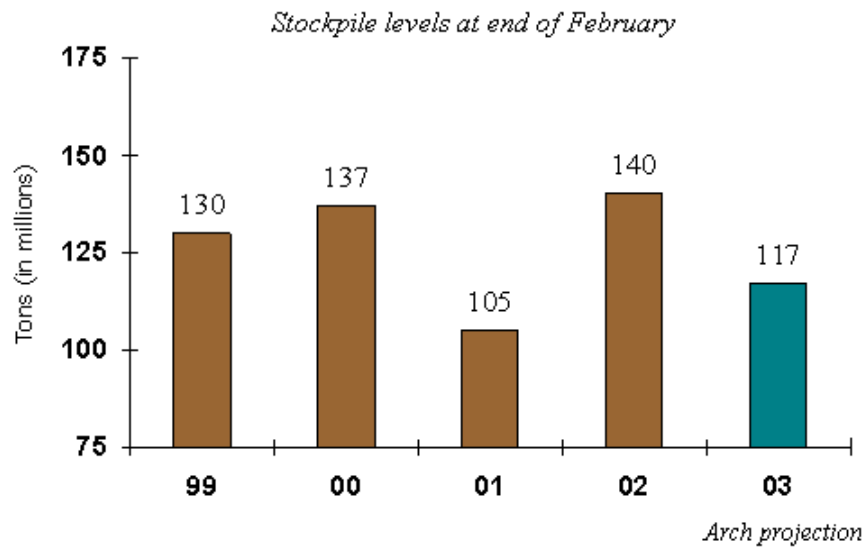
- Pittston, Pen Coal, Coastal and Lodestar have exited or are exiting
- Horizon is closing 4-million-ton Marrowbone complex
- James River will shut down two mines totaling 1.2 million tons
- EIA estimates CAPP is down 15% (7 mm tons) through March 1

Dry conditions in Northwest could spell trouble for California

Percent of Average
(through Feb. 2003)



Utilities continue to work down stockpiles



Key initiatives gaining traction inside Washington beltway

- CAA requires power plants that undertake major modifications to retrofit with latest emissions control technology
 - ✓ Bush Administration seeking to clarify rules
 - ✓ Proposing clear and reasonable definition of "routine maintenance"
 - ✓ Could lead to increased utilization at coal-fired plants
- Clear Skies initiative
 - ✓ Manageable and region-neutral in proposed form
 - ✓ Amending Clean Air Act no small feat
- Integrated Sequestration and Hydrogen Research Initiative
 - ✓ Includes a \$1 billion, clean coal demonstration project
 - ✓ One part of broad commitment to clean coal research
- FERC Standard Market Design and transmission reforms could increase grid's efficiency, which is likely to benefit coal

Strategies for value creation

- Build on leading positions in PRB and CAPP
- Maintain and strengthen position as low-cost producer in core operating basins
- Pursue market driven strategy that will contribute to stronger margins
- Improve ROI, earnings and cash generation
- Use free cash flow to pursue profitable growth
 - ✓ Arch has some of the industry's best idle reserves
 - ✓ Consolidation and rationalization could create strategic opportunities