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): January 29, 2004 (January 28, 2004)

Arch Coal, Inc.

(Exact name of registrant as specified in its charter)

Delaware 1-131U5

(State or other jurisdiction (Commission File Number) (I.R.S. Employer Identification No.)

One CityPlace Drive, 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 5 pages. Exhibit Index begins on page 5.

Item 7 Financial Statements, ProForma Financial Information and Exhibits.

See the Exhibit Index at page 5 of this Report.

Item 9. Regulation FD Disclosure.

Item 12. Disclosure of Results of Operations and Financial Condition.

The information in this Report is being furnished under Item 9, "Regulation FD Disclosure" and Item 12, "Disclosure of Results of Operations and Financial Condition."

On January 28, 2004, Arch Coal, Inc. (the "Company"), announced via press release its earnings and operating results for the fourth quarter of 2003 and for the 2003 calendar year. A copy of the Company's press release is attached hereto and incorporated herein by reference in its entirety.

The Company is also providing the following reconciliation of Adjusted EBITDA for its Arch Western Resources, LLC subsidiary:

Arch Western Resources, LLC Reconciliation of net income to adjusted EBITDA	Three Mor Decemb	nths Ended Der 31		Year Ended December 31		
	2003	2002	2003	2002		
		(Amour	nts in 000's)			
Net income	\$ 680	\$ 19 , 376	\$ 2,718	\$ 19 , 909		
Cumulative effect of accounting change	_	-	18,278	_		
Interest expense, net Depreciation, depletion and amortization - Arch Western	8,562	6,890	30,043	29,915		
Resources	16,190	14,104	63,054	69 , 388		
DD&A - Equity interest in Canyon Fuel Company, LLC	4,807	5 , 758	21,425	24,881		
Other nonoperating expense	3,388	-	11,671			
Adjusted EBITDA	\$ 33,627	\$ 46,128	\$ 147,189	\$ 144,093		

Net income	\$	680	\$ 19,3	76 \$	2,7	18 \$	19,90	9
Cumulative effect of accounting change		-		-	18,2	78		-
Other nonoperating expense	3	3,388		-	11,6	71		-
Income before other nonoperating expense and cumulative effect of accounting change	\$ 4,	068	\$ 19,3	 76 \$	32,6	 67 \$	19,90)9

Page 2 of 5 pages. Exhibit Index begins on page 5 Note:Adjusted EBITDA is defined as net income before the effect of net interest expense; income taxes; our depreciation, depletion and amortization; our equity interest in the depreciation, depletion and amortization of Canyon Fuel Company, LLC; cumulative effect of accounting changes; and expenses resulting from early extinguishment of debt; and mark-to market adjustments in the value of derivative instruments.

Adjusted EBITDA is not a measure of financial performance in accordance with generally accepted accounting principles, and items excluded to calculate Adjusted EBITDA are significant in understanding and assessing our financial condition. Therefore, Adjusted EBITDA should not be considered in isolation nor as an alternative to net income, income from operations, cash flows from operations or as a measure of our profitability, liquidity or performance under generally accepted accounting principles. We believe that Adjusted EBITDA presents a useful measure of our ability to service and incur debt based on ongoing operations. Furthermore, analogous measures are used by industry analysts to evaluate operating performance. Investors should be aware that our presentation of Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

In accordance with General Instruction B.6 of Form 8-K, the information in this Current Report on Form 8-K, including Exhibit 99, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

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: January 29, 2004 ARCH COAL, INC.

By: /s/ Janet L. Horgan
Janet L.Horgan
Assistant General Counsel and
Assistant Secretary

Page 4 of 5 pages. Exhibit Index begins on page 5. EXHIBIT INDEX

Exhibit No.

Description Press Release dated as of January 29, 2004

Page 5 of 5 pages.

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FOR FURTHER INFORMATION:

Deck S. Slone Vice President, Investor and Public Relations (314) 994-2717

FOR IMMEDIATE RELEASE January 28, 2004

Arch Coal, Inc. Reports Fourth Quarter Results

Highlights:

- Income available to common shareholders of \$22.1 million, or \$.40 per fully diluted share, vs. net income of \$1.1 million, or \$.02 per fully diluted share, in 4002
- o Adjusted EBITDA of \$75.9 million, vs. \$57.9 million in 4Q02
- Revenues from coal sales of \$374.9 million, vs. \$369.7 million in 4Q02
- o Income from operations of \$30.7 million, vs. \$8.2 million in 4Q02
- O Coal sales volumes of 27.0 million tons, vs. 28.4 million tons in 4002
 - Total cash on hand of \$254.5 million, vs. \$9.6 million at Dec. 31, 2002

St. Louis - Arch Coal, Inc. (NYSE:ACI) today announced that it had income available to common shareholders of \$22.1 million, or \$.40 per fully diluted share, for its fourth quarter ended December 31, 2003. Excluding a net gain of \$20.0 million, which includes the partial sale of the company's investment in Natural Resource Partners offset in part by a charge related to a long-term incentive compensation plan, Arch had income available to common shareholders of \$2.2 million, or \$.04 per fully diluted share. In the same quarter of 2002, Arch had net income of \$1.1 million, or \$.02 per fully diluted share.

"Arch Coal made good progress on a number of fronts during the fourth quarter," said Steven F. Leer, Arch Coal's president and chief executive officer. "We increased our cash balance to more than \$250 million through the monetization of a percentage of our stake in Natural Resource Partners. We signed contracts in a rising coal market environment for much of our previously unsold tonnage for 2004, as well as committing nearly 20 million tons for delivery in 2005 and 2006. And we reduced the average mining cost per ton for the corporation as a whole, although eastern costs were up modestly compared to the previous quarter due to a 5% reduction in produced volumes in that region related to routine variations in mining rates at several operations." (Arch expects a return to normal mining rates for the first quarter of 2004.)

For the year ended December 31, 2003, Arch Coal had a net loss available to common shareholders of \$9.0 million, or \$.17 per fully diluted share, excluding a total of \$19.0 million, or \$.36 per fully diluted share, related to the full year impact of the items discussed above. That compares to a loss of \$2.6 million, or \$.05 per fully diluted share, during the same period of 2002. Total coal sales for the year were \$1,435.5 million and coal sales volumes totaled 100.6 million tons, vs. \$1,473.6 million and 106.7 million tons in the comparable period of 2002. Adjusted EBITDA totaled \$220.3 million in 2003, compared to \$228.9 million in 2002.

U.S. coal markets

In recent months, U.S. coal markets have strengthened markedly, particularly in the eastern United States where cold weather has recently emerged as a key driver for coal consumption after a slow start to winter.

Even without the cold, demand for coal-fired power was already on the rise - the result of a strengthening U.S. economy in general and an uptick in industrial activity in particular. Through September 30, 2003, coal consumption for electric generation was up an estimated 3%, according to the U.S. Energy Information Administration. "The resurgence in U.S. manufacturing is boosting demand for baseload power, and that means coal," Leer said.

As a result, utility stockpiles have dipped into the lower end of their five-year average range, according to recent estimates. Arch estimates that stockpiles declined to approximately 123 million tons at the end of December, 16% lower than last year. "In the near future, we expect activity in both the spot and contract markets to accelerate as power generators re-enter the market," Leer said.

In fact, the expectation of that development may already be pushing coal prices higher. The current spot price for eastern coal is approximately 40% higher than at the same time last year, according to Coal Daily's most recently published pricing indices. Spot prices for Powder River Basin coal have increased approximately 10% over the same time period, according to Coal Daily.

Contract activity

Arch signed a number of new commitments in the rising market environment that prevailed during the quarter. At present, Arch has signed commitments for nearly 95% of its expected 2004 production. On those already committed tons, Arch expects average realizations for the full year to increase by approximately 8% compared to 2003 levels. (Average realizations are expected to increase

gradually throughout the year due to differences in the timing of the new commitments.)

Arch also signed commitments since October for approximately 10 million tons to be delivered in 2005. At present, Arch has priced approximately 65% of its expected 2005 production and 50% of its expected 2006 production. Arch has also signed contracts for approximately 700,000 tons of metallurgical coal to be delivered during 2004 and 2005.

"We are pleased with our recent contract activity, and we regard our sizable open positions in 2005 and 2006 as highly advantageous given our expectations for U.S. coal demand and pricing in the near to intermediate term,"

Fourth Quarter 2003 Regional Analysis:

	Eastern Operations	Western Operations	Total
Tons sold (in mm)	7.5	19.5	27.0
Sales price per ton	\$31.05	\$7.28	\$13.87
Cost per ton	\$32.03	\$6.43	\$13.55
Margin per ton	\$ (.98)	\$.85	\$.32

Note: Western operations data do not include the results of 65%-owned Canyon Fuel Company, which is accounted for on the equity method.

Capital Spending and DD&A (in millions):

	FY 2003	FY 2002	FY 2004 (proj.)
Capital spending	\$147.9	\$158.9	\$160
DD&A	\$179.9	\$199.6	\$180

Note: Data on capital spending and depreciation, depletion and amortization include Arch's ownership percentage in Canyon Fuel Company. Projected capital spending and DD&A do not include Triton Coal Company, other potential acquisitions or reserve additions.

Natural Resource Partners

During the quarter, Arch strengthened its balance sheet and greatly increased its liquidity through the previously announced sale of its 4.8 million subordinated units, general partner interest and incentive distribution rights in Natural Resource Partners for a purchase price of \$115 million. The sale was part of a long-term effort to monetize the value of certain non-strategic, fee-based royalty properties previously undervalued on the company's balance sheet.

"The sale of the NRP units provides us with tremendous financial flexibility as we continue to prepare for the acquisition of Triton Coal Company," Leer said. "Our balance sheet is the strongest it has been since 1998, when we purchased Arco Coal Company. With our large cash balance, net debt as a percent of total capitalization currently stands at 40% -- down from 83% at the beginning of 2000."

Arch continues to hold 2.9 million common units of NRP, which have a current market value of \$118 million at close of market at Jan. 27, 2004. The Triton acquisition is currently undergoing review by the Federal Trade Commission.

Award-winning reclamation and safety practices

Arch received a number of prestigious honors for its industry-leading safety and reclamation practices during 2003. For the third year in a row, an Arch Coal subsidiary - Arch of West Virginia - claimed the Greenlands Award for best mine reclamation in the state of West Virginia. In addition, Ducks Unlimited awarded Catenary Coal with the 2003 West Virginia Wetlands Award for its outstanding accomplishments in the creation and preservation of wetlands habitat.

Moreover, two Arch subsidiaries - Hobet Mining and Coal-Mac, Inc. - received Mountaineer Guardian awards "for their determined and successful efforts in producing energy from within a safe working environment." Overall, Arch reduced its total incident rate by 14% during 2003.

"We regard excellence in safety and environmental performance as defining characteristics of our organization, and the foundation upon which our future success will be built," Leer said.

Looking ahead

"The outlook for U.S. coal markets is strong," Leer said. "We believe there is great potential for increased profitability in the future, driven in large part by the ongoing expiration of older, lower-priced contracts."

During 2004, Arch will begin to benefit from the replacement of legacy contracts with new commitments signed in the current market environment, according to Leer. Arch currently expects profits of between \$.08 and \$.12 in the first quarter, excluding charges related to the termination of hedge accounting for interest rate swaps. (Note: First quarter projections include approximately \$1.5 million in severance costs related to the previously announced closure of Canyon Fuel Company's Skyline mine in Utah.) The company expects stronger results in subsequent quarters.

A conference call concerning fourth quarter earnings will be webcast live today at 11 a.m. Eastern. The conference call can be accessed via the "investor" section of the Arch Coal Web site (www.archcoal.com).

During the fourth quarter, the conditions necessary for the conversion option in Arch's cumulative convertible preferred stock to become exercisable were met. As a result, beginning with the fourth quarter, the impact of the preferred shares must be considered in the calculation of fully diluted weighted average shares outstanding.

Arch Coal is the nation's second largest coal producer, with subsidiary operations in West Virginia, Kentucky, Virginia, Wyoming, Colorado and Utah. Through these operations, Arch Coal provides the fuel for approximately 6% of the electricity generated in the United States.

Forward-Looking Statements: Statements in this press release 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 information currently available to, and expectations and assumptions deemed reasonable by, the company. 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: the company's expectation of continued 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 continued improved market conditions for the price of coal; expectation that the company will continue to have adequate liquidity from its cash flow from operations, together with available borrowings under its credit facilities, to finance the company's working capital needs; a variety of operational, geologic, permitting, labor and weather related factors; and the other risks and uncertainties which are described from time to time in the company's reports filed with the Securities and Exchange Commission.

Arch Coal, Inc. and Subsidiaries Condensed Consolidated Statements of Operations (In thousands, except per share data)

		Three Months Ended December 31		
	2003	2002	2003	2002
	(Unaudited)			
Revenues Coal sales	\$ 374,930	\$ 369,676	\$ 1,435,488	\$ 1,473,558
Costs and expenses Cost of coal sales Selling, general and administrative expenses Long-term incentive compensation plan expense Amortization of coal supply agreements Other expenses	366,302 13,630 14,992 3,412 5,824	356,347 10,344 - 6,311 9,262	1,418,362 47,295 16,217 16,622 18,980	1,412,541 40,019 - 22,184 30,118
	404,160	382,264	1,517,476	1,504,862
Other operating income Income from equity investments Gain on sale of units of Natural Resource Partners, LP Other operating income	5,432 42,743 11,798	7,800 - 12,966	34,390 42,743 45,226	10,092 - 50,489
	59 , 973	20,766	122,359	
Income from operations	30,743	8,178	40,371	29,277
Interest expense, net:				
Interest expense Interest income	(13,726) 1,386	(12,140) 284	(50,133) 2,636	(51,922) 1,083
	(12,340)	(11,856)	(47,497)	(50,839)
Other non-operating income (expense): Expenses resulting from early debt extinguishment and termination of he accounting for interest rate swaps Other non-operating income	(2,066) 1,897	- -	(8,955) 13,211	<u>-</u>
	(169)		4,256	-
Income (loss) before income taxes and cumulative effect of accounting change Benefit from income taxes	18,234 (5,700)		(2,870) (23,210)	
Income (loss) before cumulative effect of accounting change Cumulative effect of accounting change, net of taxes	23,934	1,072 -	20,340 (3,654)	(2,562)
Net income (loss) Preferred stock dividends	23,934 (1,797)	1,072		(2,562)
Net income (loss) available to common shareholders	\$ 22,137	\$ 1,072	\$ 10,097	\$ (2,562)

Earnings per common share Basic earnings (loss) before cumulative effect of accounting change Cumulative effect of accounting change	\$	0.42	\$	0.02	\$ 0.26 (0.07)	\$ (0.05) -
Basic earnings (loss) per common share	\$	0.42	\$ ====	0.02	\$ 0.19	\$ (0.05)
Diluted earnings (loss) before cumulative effect of accounting change Cumulative effect of accounting change	\$	0.40	\$	0.02	\$ 0.26 (0.07)	\$ (0.05)
Diluted earnings (loss) per common share	\$	0.40	\$ ====	0.02	\$ 0.19	\$ (0.05)
Weighted average shares outstanding Basic Diluted	===	52,720 60,297		52,533	52,885	52,374 52,374
Dividends declared per common share	\$	0.0575	\$	0.0575	\$ 0.2300 	\$ 0.2300
Adjusted EBITDA (A)		75 , 872		57 , 853	\$220 , 260	\$228 , 910

(A) Adjusted EBITDA is defined as net income before the effect of net interest expense; income taxes; our depreciation, depletion and amortization; our equity interest in the depreciation, depletion and amortization of Canyon Fuel Company, LLC; cumulative effect of accounting changes; expenses resulting from early extinguishment of debt; and mark-to-market adjustments in the value of derivative instruments.

Adjusted EBITDA is not a measure of financial performance in accordance with generally accepted accounting principles, and items excluded to calculate Adjusted EBITDA are significant in understanding and assessing our financial condition. Therefore, Adjusted EBITDA should not be considered in isolation nor as an alternative to net income, income from operations, cash flows from operations or as a measure of our profitability, liquidity or performance under generally accepted accounting principles. We believe that Adjusted EBITDA presents a useful measure of our ability to service and incur debt based on ongoing operations. Furthermore, analogous measures are used by industry analysts to evaluate operating performance. Investors should be aware that our presentation of Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. The table below shows how we calculate Adjusted EBITDA.

		nths Ended per 31	Twelve Mont Decembe	
	2003	2002	2003	2002
	(Unaud:	ited)	(Unauc	dited)
Net income (loss) Cumulative effect of accounting change Benefit from income taxes Interest expense, net Depreciation, depletion and amortization - Arch Coal, Inc. DD&A - Equity interest in Canyon Fuel Company, LLC Expenses from early debt extinguishment and other nonoperating	\$ 23,934 - (5,700) 12,340 40,322 4,807 169	\$ 1,072 - (4,750) 11,856 43,917 5,758	\$ 16,686 3,654 (23,210) 47,497 158,464 21,425 (4,256)	\$ (2,562) - (19,000) 50,839 174,752 24,881
Adjusted EBITDA	\$ 75,872	\$ 57,853 = ===================================	\$ 220 , 260	\$ 228,910

Arch Coal, Inc. and Subsidiaries Condensed Consolidated Balance Sheets (In thousands)

Assets Current assets Cach and cash equivalents \$ 254,541 \$ 9,557 Trade receivables 118,376 135,503 Transport receivables 119,376 135,503 Transport receivables 19,700 26,797 Propaid royalties 4,586 4,971 Deferred income taxes 19,700 27,775 Other Total current assets 513,643 291,713 Property, plant and equipment, net 1,315,135 1,284,968 Other assets 70,880 51,078 Property, plant and equipment, net 1,315,135 1,284,968 Other assets 70,880 51,078 Property and the equipment 1,315,135 1,284,968 Other assets 246,024 221,116 Coll supply agreements 6,397 59,240 Deferred income taxes 246,024 221,151 Other Other assets 170,465 231,551 Other Other assets 5 2,387,649 5 2,182,808 Institution of the asset 1,35,27 Current property 1,35,27 1,357 Current property 1,35,27 1,357 Current property 1,35,27 1,357 Current property 1,357 1,35			December 31, 2003	December 31, 2002
Cash and cash equivalents \$ 254,541 \$ 9,557 Trade receivables 118,376 135,903 Other receivables 69,907 66,799 Inventories 69,907 66,799 Prepaid royalties 19,700 27,775 Other 16,638 15,781 Total current assets 513,645 291,713 Property, plant and equipment, net 1,315,135 1,284,968 Other assets 70,850 51,078 Property, plant and equipment, net 1,315,135 1,284,968 Other assets 70,850 51,078 Property, plant and equipment, net 1,315,135 1,284,968 Other assets 70,850 51,078 Property, plant and equipment, net 1,315,135 1,284,968 Other assets 70,850 51,078 Other assets 70,850 51,078 Colspan="2">Other assets 26,072 221,116 Other assets 2,387,649 \$ 2,182,808 <th></th> <th></th> <th></th> <th></th>				
Cash and cash equivalents \$ 254,541 \$ 9,557 Trade receivables \$ 118,376 \$135,903 Other receivables \$ 29,897 \$0,927 Inventories \$ 63,907 \$66,799 Propaid royalties \$ 19,700 \$27,775 Other dinces taxes \$ 19,700 \$27,775 Other Total current assets \$ 513,665 \$291,713				
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Other receivables 29,897 30,927 Frepaid royalties 66,799 66,799 Prepaid royalties 1,700 27,775 Other 16,638 15,781 Total current assets 513,645 291,713 Property, plant and equipment, net 1,315,135 1,284,968 Other assets Total gardements 70,880 51,078 Coal supply agreements 6,397 59,240 Deferred income taxes 24,902 221,116 Equity investments 172,045 231,551 Other 58,869 606,127 Total assets \$ 2,387,649 \$ 2,182,808 Liabilities and stockholders' equity Current liabilities \$ 89,975 \$ 113,527 Accrued expenses 180,314 133,287 Current portion of debt 5,349 7,100 Long-term deb Total current liabilities 276,638 253,914 Long-term deb 76,638 253,914 Long-term deb 76,638 2	Cash and cash equivalents		\$ 254,541	
Inventorices	Trade receivables		118,376	135,903
Prepaid royalties	Other receivables		29 , 897	30,927
Deferred income taxes	Inventories		69 , 907	66,799
Total current assets			4,586	4,971
Total current assets	Deferred income taxes		19,700	27 , 775
Total current assets	Other			
Other assets Prepaid royalties Coal supply agreements Coal supply ag		Total current assets	513,645	291,713
Other assets	Property, plant and equipme	nt, net		
Prepaid royalties				
Coal supply agreements			70.000	E1 070
Deferred income taxes				
Equity investments 0 ther 172,045 231,551 Other 63,523 43,142 63,523 43,142 63,523 43,142 63,523 63,523 43,142 655,869 606,127 655,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 656,869 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127 606,127				
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Total assets S 2,387,649 \$ 2,182,808	Other			
Total assets \$ 2,387,649 \$ 2,182,808			558,869	606,127
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Current liabilities \$ 89,975 \$ 113,527 Accounts payable \$ 89,975 \$ 133,287 Accrued expenses 180,314 133,287 Current portion of debt 6,349 7,100 Total current liabilities 276,638 253,914 Long-term debt 700,022 740,242 Accrued postretirement benefits other than pension 352,097 324,539 Asset retirement obligations 143,545 117,804 Accrued workers' compensation 77,672 80,985 Other noncurrent liabilities 149,640 130,461 Total liabilities 1,699,614 1,647,945 Stockholders' equity Preferred stock 29 - Common Stock 536 527 Paid-in capital 988,476 835,763 Retained deficit (255,936) (253,943) Treasury stock, at cost (5,047) (5,047) Accumulated other comprehensive loss (40,023) (42,437)				
Accounts payable		equity		
Accrued expenses Current portion of debt Total current liabilities 276,638 253,914 Long-term debt Accrued postretirement benefits other than pension Asset retirement obligations Accrued workers' compensation Other noncurrent liabilities Total liabilities Total liabilities Total liabilities 1,699,614 Total liabilities 1,699,614 Total liabilities 1,699,614 1,647,945 Stockholders' equity Preferred stock Common Stock Paid-in capital Retained deficit Treasury stock, at cost Accumulated other comprehensive loss Total stockholders' equity Total stockholders' equity Accumulated other comprehensive loss Total stockholders' equity			\$ 89.975	\$ 113.527
Current portion of debt 6,349 7,100 Long-term debt 700,022 740,242 Accrued postretirement benefits other than pension 352,097 324,539 Asset retirement obligations 143,545 117,804 Accrued workers' compensation 77,672 80,985 Other noncurrent liabilities 149,640 130,461 Stockholders' equity 29 - Preferred stock 29 - Common Stock 536 527 Paid-in capital 988,476 835,763 Retained deficit (255,936) (253,943) Treasury stock, at cost (5,047) (5,047) Accumulated other comprehensive loss (40,023) (42,437)				
Total current liabilities 276,638 253,914 Long-term debt 700,022 740,242 Accrued postretirement benefits other than pension 352,097 324,539 Asset retirement obligations 143,545 117,804 Accrued workers' compensation 77,672 80,985 Other noncurrent liabilities 1,699,614 1,647,945 Stockholders' equity Preferred stock 29 - Common Stock 536 527 Paid-in capital 88,476 835,763 Retained deficit (255,936) (253,943) Treasury stock, at cost (5,047) (5,047) Accumulated other comprehensive loss (40,023) (42,437) Total stockholders' equity (88,035 534,863)				
Long-term debt	-			
Accrued postretirement benefits other than pension Asset retirement obligations Accrued workers' compensation Other noncurrent liabilities Total liabilities 1,699,614 Total liabilities 1,699,614 Total liabilities 1,699,614 Total liabilities 1,699,614 1,647,945 Stockholders' equity Preferred stock Common Stock Paid-in capital Retained deficit Treasury stock, at cost Accumulated other comprehensive loss Total stockholders' equity 688,035 534,863		Total current liabilities		
Asset retirement obligations	-			
Accrued workers' compensation Other noncurrent liabilities Total liabilities 1,699,614 1,647,945 Stockholders' equity Preferred stock Common Stock Paid-in capital Retained deficit Treasury stock, at cost Accumulated other comprehensive loss Total stockholders' equity 80,985 149,640 130,461 1,647,945 1,699,614 1,647,945 29 - 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0				
Other noncurrent liabilities 149,640 130,461 Total liabilities 1,699,614 1,647,945 Stockholders' equity				
Total liabilities 1,699,614 1,647,945 Stockholders' equity Preferred stock 29 - Common Stock 536 527 Paid-in capital 988,476 835,763 Retained deficit (255,936) (253,943) Treasury stock, at cost (5,047) (5,047) Accumulated other comprehensive loss (40,023) (42,437) Total stockholders' equity 688,035 534,863				•
Stockholders' equity 29 - Preferred stock 536 527 Common Stock 536 527 Paid-in capital 988,476 835,763 Retained deficit (255,936) (253,943) Treasury stock, at cost (5,047) (5,047) Accumulated other comprehensive loss (40,023) (42,437) Total stockholders' equity 688,035 534,863	Other noncurrent liabilitie	S		
Preferred stock 29 - Common Stock 536 527 Paid-in capital 988,476 835,763 Retained deficit (255,936) (253,943) Treasury stock, at cost (5,047) (5,047) Accumulated other comprehensive loss (40,023) (42,437) Total stockholders' equity 688,035 534,863		Total liabilities	1,699,614	1,647,945
Common Stock 536 527 Paid-in capital 988,476 835,763 Retained deficit (255,936) (253,943) Treasury stock, at cost (5,047) (5,047) Accumulated other comprehensive loss (40,023) (42,437) Total stockholders' equity 688,035 534,863			=	
Paid-in capital 988,476 835,763 Retained deficit (255,936) (253,943) Treasury stock, at cost (5,047) (5,047) Accumulated other comprehensive loss (40,023) (42,437) Total stockholders' equity 688,035 534,863	Preferred stock			-
Retained deficit (255,936) (253,943) Treasury stock, at cost (5,047) (5,047) Accumulated other comprehensive loss (40,023) (42,437) Total stockholders' equity 688,035 534,863	Common Stock		536	527
Treasury stock, at cost (5,047) (5,047) Accumulated other comprehensive loss (40,023) (42,437) Total stockholders' equity 688,035 534,863			988,476	835,763
Accumulated other comprehensive loss (40,023) (42,437) Total stockholders' equity 688,035 534,863			(255,936)	(253,943)
Total stockholders' equity 688,035 534,863				(5,047)
Total stockholders' equity 688,035 534,863	Accumulated other comprehen	sive loss		
		Total stockholders' equity	688,035	534,863
Total liabilities and stockholders' equity \$ 2,387,649 \$ 2,182,808		Total liabilities and stockholders' equity	\$ 2,387,649	\$ 2,182,808

NOTE:Certain amounts in the December 31, 2002 balance sheet have been reclassified to conform with the classifications in the 2003 balance sheet with no effect on previously reported stockholders' equity.

Arch Coal, Inc. and Subsidiaries Condensed Consolidated Statements of Cash Flows (In Thousands)

Twelve Months Ended December 31,

Quanting activities		Decemb	
Operating activities Net income (loss) Adoptements to reconcile to cash provided by operating activities: provided by operating operating activities Accrotion on asset retirement obligations 10,999 Accrotion on disposition of assets Cain on sale of units of Natural Resource Partners, LP (42,743) Income from equity investments Asset of the operating income (42,743) Characteristic operating income (42,743) Throat operating income (42,745) Characteristic operating income (42,745) Throat payable and accrued expenses (3,349) Accrued postreting income (2,857) (6,6 Accounts payable and accrued expenses (3,844 (4,7,7) Throat taxes (3,822) (15,8 Accrued postretinement benefits other than pension (23,858 (1),5 Accrued sowners's compensation benefits (3,960 (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,736) (4,984 (4,984 (4,736) (4,984 (4,984 (4,736) (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,984 (4,9		2003	2002
### 16.0000 (10.93) ijustments to reconcile to cash provided by operating activities: pereciation, depletion and amortization 158,464 174,7 Prepaid royalties expensed 13,133 8,5 Accretion on anset retirement obligations 12,299 12,299 Ret gain on disposition of essets 13,299 10,00 Ret gain on disposition of essets 13,299 10,00 Ret gain on disposition of essets 13,299 10,00 Ret gain on disposition of essets 19,686 17,1 Commulative effect of accounting change 19,686 17,1 Commulative effect of accounting change 18,805 17,1 Commulative effect of accounting change 18,805 14,00 Receivables 18,805 14,00 Receivables 18,805 14,00 Accounts payable and accrued expenses 2,8877 6,6,6 Accounts payable and accrued expenses 8,844 (4,7,7 Thomse taxer dispatch therefore the present of the present o			
### 16.686 \$ (2.55) provided by operating activities: 13,153			
justments to reconcile to cash provided by operating activities:			
### Depreciation depletion and amortisation 158,464 174,7	, ,	\$ 16,686	\$ (2,562)
Depreciation, depletion and amortization 158,464 174,7			
### Prepaid coyalties expensed ### 13,153		150 464	154 550
Recretion on asset retirement obligations Net gain on disposition of assets San on sale of units of Natural Resource Partners, LP San on sale of units of Natural Resource Partners, LP San on sale of units of Natural Resource Partners, LP San on sale of units of Natural Resource Partners, LP San on sale of units of Natural Resource Partners, LP San on sale of units of Natural Resource Partners, LP San on San on San on San on San on San on San of San Occasion San on San Occasion San			
1985 gain on disposition of assets (3,782) (7)			8,503
Sain on sale of units of Natural Resource Partners, LP (42,743) (10,00 composed from equity investments (34,4390) (10,00 composed from equity investments (49,686 counting counting change (4,256) changes in: Receivables (4,256) changes in: Receivables (18,805 counting cou	· · · · · · · · · · · · · · · · · · ·	•	(751)
Income from equity investments 104,3300) 101,00 104 distributions from equity investments 105 distributions from equity investments 106 distributions from equity investments 107,1 105 distributions from equity investments 108 distributions from equity investments 109 distributions from equity investment 109 distributions 109 distributions 100 distributions 100 distributions 100 distributions 101,805 102,867) 103,822) 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,8 105,			(751)
Set distributions from equity investments			(10,092)
Dimulative effect of accounting change 3,64	1 2		17,121
Cash provided by operating activities Cash provided by operating activities Cash provided by (used in) investing activities Cash provided by (used in) financing casts Cash provided by (used in) financing activities Cash provided by (used in) investing activities Cash provided by (used in) financing activities Cash provided by (u			-
Changes in: Receivables Recei			_
Receivables		, ,,	
Accounts payable and accrued expenses		18,805	14,028
Accounts payable and accrued expenses	Inventories	(2,857)	(6,666)
Accrued postretirement benefits other than pension Asset retirement obligations (20,606) 6,3 Accrued workers' compensation benefits (14,984) 1,5 Other Cash provided by operating activities (14,984) 1,5 Other Cash provided by operating activities (16,735) (5,9 Cash provided by operating activities (132,427) Cash provided by units of Natural Resource Partners, LP 115,000 33,6 Cash provided by units of Natural Resource Partners, LP 115,000 33,6 Cash provided by units of Natural Resource Partners, LP 115,000 33,6 Cash provided by (used in) investing activities (32,571) Cash provided by (used in) investing activities (65,971) Cash provided by (used in) investing activities (65,971) Cash provided by (used in) investing activities (65,971) Cash provided by (used in) investing activities (18,508) Cash provided by (used in) investing activities (18,508) Cash provided by (used in) financing activities (17,481) Cash provided by (used in) financing activities (13,727) 3 Cash provided by (used in) financing activities (244,984 2,6 Cash provided by (used in) financing activities (244,984 2,6 Cash and cash equivalents, beginning of period (5,951) Cash and cash equivalents, end of period (5,951) Cash provided by (used in) financing of period (5,951) Cash provided by (used in) financing of period (5,951) Cash provided by (used in) financing of period (5,951) Cash provided by (used in) financing of period (5,951) Cash provided by (used in) financing of period (5,951) Cash provided by (used in) financing of period (5,951) Cash provided by (used in) financing of period (5,951) Cash provided by (used in) financing of period (5,951) Cash provided by (used in) financing of period (6,5971) Cash provided by (used in) financing of period (7,781) Cash provided by (used in) financing of period (7,781) Cash provided by (used in) financing of period (7	Accounts payable and accrued expenses		(4,711)
Asset retirement obligations (20,606) 6,3 Accrued workers' compensation benefits (3,313) 2,2 Other noncurrent liabilities (14,984) 1,5 Other (6,735) (5,9 Cash provided by operating activities 162,361 176,4 Presting activities (132,427) (137,0 Deceds from sale of units of Natural Resource Partners, LP 115,000 33,6 Deceds from dispositions of property, plant and equipment 4,282 2,5 Deceds from coal supply agreements 52,548 Sitions to prepaid royalties (32,571) (27,3 Cash provided by (used in) investing activities 6,832 (128,3 Cash provided by (used in) investing activities 6,832 (128,3 Cash provided by (used in) investing activities (65,971) (26,5 Deceds from issuance of senior notes (675,000) Deceds from sale and leaseback of equipment - 9,2 Subtrions of obligations under capital lease - (8,2 Deceds from sale and leaseback of equipment - 9,2 Subtrions of obligations under capital lease - (8,2 Deceds from sale of common stock 13,727 3 Cash provided by (used in) financing activities 75,791 (45,4 Cash provided by (used in) financing activities 75,791 (45,4 Cash provided by (used in) financing activities 75,791 (45,4 Cash provided by (used in) financing of period \$ 254,541 \$ 9,55 Sch and cash equivalents, beginning of period \$ 254,541 \$ 9,55	Income taxes	(13,822)	(15,826)
Accrued workers' compensation benefits (3,313) 2,2 Other noncurrent liabilities (14,984) 1,5 Other (6,735) (5,9 Cash provided by operating activities 162,361 176,4 Pesting activities ilitions to property, plant and equipment (132,427) (137,0 beceds from sale of units of Natural Resource Partners, LP 115,000 33,6 beceds from coal supply agreements 52,548 (32,571) (27,3 beceds from coal supply agreements (65,971) (26,5 beceds from coal supply agreements (65,971) (26,5 beceds from coal supply agreements (675,000) (17,481) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,508) (18,5	Accrued postretirement benefits other than pension	27,558	(1,559)
Other noncurrent liabilities (14,984) (5,9 Other (6,735) (5,9 Other (6	Asset retirement obligations	(20,606)	6,336
Cash provided by operating activities Cash provided by operating activities ditions to property, plant and equipment coeeds from sale of units of Natural Resource Partners, LP coeeds from dispositions of property, plant and equipment coeeds from coal supply agreements coeeds from sale and lease of credit coeeds from sisuance of senior notes coeeds from issuance of senior notes coeeds from sale and leaseback of equipment coeeds from sale and leaseback of equipment coeeds from issuance of preferred stock coeeds from issuance of preferred stock coeeds from sale of common stock coeeds from sale of coeeds coeeds from sale of coeeds co	Accrued workers' compensation benefits	(3,313)	2,217
Cash provided by operating activities 162,361 176,4 vesting activities diditions to property, plant and equipment (132,427) (137,0 occeds from sale of units of Natural Resource Partners, LP 115,000 33,6 occeds from dispositions of property, plant and equipment 4,282 2,5 seeds from coal supply agreements 5,248 ditions to prepaid royalties (32,571) (27,3 occeds from coal supply agreements (32,571) (27,3 occeds from coal supply agreements (32,571) (27,3 occeds from coal supply agreements (65,971) (27,3 occeds from coal supply agreements (65,971) (26,5 occeds from issuance of senior notes (675,000) occeds from issuance of senior notes (675,000) occeds from issuance of senior notes (8,2 occeds from issuance of senior notes (8,2 occeds from sale and leaseback of equipment (17,481) (12,0 occeds from issuance of preferred stock 139,024 occeds from sale of common stock 13,727 3 occeded from sale of common stock 14,4984 2,66 occeds from sale of common stock 14,4984 2,66 occeds from sale occeded from sale occeded from sale occed	Other noncurrent liabilities	(14,984)	1,547
Vesting activities ditions to property, plant and equipment doceeds from dispositions of property, plant and equipment deceeds from dispositions of property, plant and equipment deceeds from dispositions of property, plant and equipment ditions to prepaid royalties Cash provided by (used in) investing activities ditions to prepaid royalties Cash provided by (used in) investing activities deceeds from crevolver and lines of credit ditions to true loans doceeds from issuance of senior notes doceeds from sisuance of senior notes ductions of obligations under capital lease ductions of preferred stock doceeds from issuance of preferred stock doceeds from sale and cash equivalents doceeds from sale of common stock doceeds from sale and lease sale from s	Other	(6,735)	(5,920)
vesting activities ditions to property, plant and equipment occeeds from sale of units of Natural Resource Partners, LP 115,000 33,6 occeeds from dispositions of property, plant and equipment 4,282 2,5 occeeds from coal supply agreements 52,548 ditions to prepaid royalties Cash provided by (used in) investing activities 6,832 (128,3 cannoing activities t payments on revolver and lines of credit (65,971) (675,000) occeeds from issuance of senior notes to financing costs occeeds from sale and leaseback of equipment - 9,2 ductions of obligations under capital lease vidends paid occeeds from issuance of preferred stock occeeds from sale of common stock 139,024 occeeds from sale of common stock 139,024 occeeds from sale of common stock 13,797 3 Cash provided by (used in) financing activities 244,984 2,6 sh and cash equivalents, beginning of period \$ 254,541 \$ 9,55			
vesting activities ditions to property, plant and equipment (132,427) (137,0 occeds from sale of units of Natural Resource Partners, LP 115,000 33,6 occeds from dispositions of property, plant and equipment 4,282 2,5 occeds from coal supply agreements 52,548 ditions to prepaid royalties (32,571) (27,3 occeds from coal supply agreements (32,571) (27,3 occeds from investing activities (65,971) (26,5 occeds from issuance of senior notes (675,000) occeds from issuance of senior notes (675,000) occeds from sale and leaseback of equipment occeds from sale and leaseback of equipment occeds from sale and leaseback of equipment occeds from issuance of preferred stock (13,588) (8,2 occeds from issuance of preferred stock (13,727) (3,682) occeds from sale of common stock (13,727) (3,727) (3,727) (3,727) (3,727) (45,482) (6,5 occeds from sale of common stock (13,727) (45,4 occeds from sale occeds from sale occeds from sale occeds from	Cash provided by operating activities		176,417
ditions to property, plant and equipment occeeds from sale of units of Natural Resource Partners, LP 115,000 33,6 occeeds from dispositions of property, plant and equipment 4,282 2,5 occeeds from coal supply agreements ditions to prepaid royalties Cash provided by (used in) investing activities 6,832 (128,3 Cash provided by (used in) investing activities 6,832 (128,3 Cash provided by (used in) investing activities 6,832 (128,3 Cash provided by (used in) investing activities 6,832 (128,3 Cash provided by (used in) investing activities 6,832 (128,3 Cash provided by (used in) investing activities (65,971) (26,5 yments on term loans (675,000) occeeds from issuance of senior notes (18,508) (18,508) (18,508) (18,508) (18,508) (18,20 occeeds from sale and leaseback of equipment	weating activities		
oceeds from sale of units of Natural Resource Partners, LP 115,000 33,6 oceeds from dispositions of property, plant and equipment 4,282 2,5 oceeds from coal supply agreements 52,548 ditions to prepaid royalties (32,571) (27,3		(132 427)	(137 089)
oceeds from dispositions of property, plant and equipment oceeds from coal supply agreements oceeds from coal supply agreements ditions to prepaid royalties Cash provided by (used in) investing activities Cash provided by (used in) investing activities t payments on revolver and lines of credit t payments on revolver and lines of credit (65,971) (26,5 monets on term loans (675,000) oceeds from issuance of senior notes (18,508) (8,2 oceeds from sale and leaseback of equipment - 9,2 ductions of obligations under capital lease vidends paid oceeds from issuance of preferred stock oceeds from sale of common stock 139,024 oceeds from sale of common stock 13,727 Cash provided by (used in) financing activities 75,791 (45,4 crease in cash and cash equivalents sh and cash equivalents, beginning of period \$ 244,984 \$ 2,6 sh and cash equivalents, end of period \$ 254,541 \$ 9,5			
coceeds from coal supply agreements ditions to prepaid royalties Cash provided by (used in) investing activities cash provided by (used in) financing activities cash provided by (used in) financing activities cash and cash equivalents, beginning of period cash and cash equivalents, end of period cash provided by (used in) ferriod cash and cash equivalents, end of period cash and cash equivalents, end of period cash provided by (used in) ferriod cash and cash equivalents, end of period cash provided by (used in) financing activities cash and cash equivalents, end of period cash and cash equivalents, end of period cash cash and cash equivalents, end of period cash provided by (used in) ferriod cash provided by (used in) financing activities cash and cash equivalents, end of period cash provided by (used in) financing activities			2,522
Cash provided by (used in) investing activities Cash provided by (used in) financing activities Cash provided by (used in) financing activities Cash and cash equivalents, beginning of period Cash and cash equivalents, end of period Cash provided by (used in) feriod Cash and cash equivalents, end of period			
Cash provided by (used in) investing activities framework on revolver and lines of credit framework on term loans coeeds from issuance of senior notes coeeds from sale and leaseback of equipment coeeds from issuance of preferred stock coeeds from sale of common stock Cash provided by (used in) financing activities 75,791 (45,4 crease in cash and cash equivalents sh and cash equivalents, beginning of period \$ 254,541 \$ 9,5			(27,339)
nancing activities t payments on revolver and lines of credit (65,971) (26,5 yments on term loans occeds from issuance of senior notes to t financing costs occeds from sale and leaseback of equipment cocceds from sale and leaseback of equipment cocceds from issuance of preferred stock occeds from issuance of preferred stock occeds from issuance of preferred stock occeds from sale of common stock Cash provided by (used in) financing activities 75,791 (45,4 Crease in cash and cash equivalents sh and cash equivalents, beginning of period sh and cash equivalents, end of period \$ 254,541 \$ 9,5			
t payments on revolver and lines of credit yments on term loans oceeds from issuance of senior notes the financing costs oceeds from sale and leaseback of equipment ductions of obligations under capital lease vidends paid oceeds from issuance of preferred stock oceeds from issuance of preferred stock oceeds from issuance of preferred stock oceeds from sale of common stock Cash provided by (used in) financing activities Total provided by (used in) financing of period 244,984 2,6 3,577 6,8 244,984 2,6 3,577 6,8 254,541 \$ 9,55	Cash provided by (used in) investing activities		(128,303)
t payments on revolver and lines of credit yments on term loans coeeds from issuance of senior notes to financing costs coeeds from sale and leaseback of equipment ductions of obligations under capital lease vidends paid coeeds from issuance of preferred stock coeeds from issuance of preferred stock coeeds from issuance of preferred stock coeeds from sale of common stock Cash provided by (used in) financing activities Topical crease in cash and cash equivalents sh and cash equivalents, beginning of period (655,000) (870,000) (8,2) (18,508) (17,481) (17,481) (12,0) (17,481) (12,0) (13,727) 3 (45,4)	nancing activities		
yments on term loans occeeds from issuance of senior notes bt financing costs occeeds from sale and leaseback of equipment ductions of obligations under capital lease vidends paid occeeds from issuance of preferred stock occeeds from sale of common stock Cash provided by (used in) financing activities Cash and cash equivalents, beginning of period (675,000) 700,000 (18,508) (8,2 (17,481) (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (17,481) (12,0 (17,481) (17,481) (12,0 (17,481) (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (12,0 (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,481) (17,4		(65,971)	(26,513)
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obt financing costs obteeds from sale and leaseback of equipment obteeds from sale and leaseback of equipment obteeds from sale and leaseback of equipment obteeds from issuance of preferred stock obteeds from issuance of preferred stock obteeds from sale of common stock obteeds from sale of common stock Cash provided by (used in) financing activities 75,791 Cash provided by (used in) financing activities 75,791 Cash and cash equivalents obteeds from sale of common stock 244,984 2,6 3,557 6,8 Sh and cash equivalents, beginning of period \$ 254,541 \$ 9,5			_
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ductions of obligations under capital lease vidends paid (17,481) (12,0 ceeds from issuance of preferred stock 139,024 ceeds from sale of common stock 13,727 3 Cash provided by (used in) financing activities 75,791 (45,4 crease in cash and cash equivalents 244,984 2,6 sh and cash equivalents, beginning of period 9,557 6,8 ceeds and cash equivalents, end of period \$ 254,541 \$ 9,5		·	9,213
ridends paid (17,481) (12,0 ceeds from issuance of preferred stock 139,024 ceeds from sale of common stock 13,727 3 Cash provided by (used in) financing activities 75,791 (45,4 crease in cash and cash equivalents sh and cash equivalents, beginning of period 9,557 6,8 ch and cash equivalents, end of period \$ 254,541 \$ 9,5		-	(8,210)
Cash provided by (used in) financing activities Cash provided by (used in) financing activities 75,791 Crease in cash and cash equivalents sh and cash equivalents, beginning of period sh and cash equivalents, end of period \$ 254,541 \$ 9,5	vidends paid	(17,481)	(12,045)
Cash provided by (used in) financing activities 75,791 crease in cash and cash equivalents sh and cash equivalents, beginning of period 244,984 2,6 8,6 6,8 Sh and cash equivalents, end of period \$ 254,541 \$ 9,5	oceeds from issuance of preferred stock	139,024	_
Cash provided by (used in) financing activities 75,791 crease in cash and cash equivalents sh and cash equivalents, beginning of period 244,984 2,6 9,557 6,8 sh and cash equivalents, end of period \$ 254,541 \$ 9,5	oceeds from sale of common stock		336
crease in cash and cash equivalents sh and cash equivalents, beginning of period 244,984 9,557 6,8 sh and cash equivalents, end of period \$ 254,541 \$ 9,5	Cash provided by (used in) financing activities	75,791	(45,447)
sh and cash equivalents, beginning of period 9,557 6,8 sh and cash equivalents, end of period \$ 254,541 \$ 9,5			
sh and cash equivalents, end of period \$ 254,541 \$ 9,5			2,667
	sh and cash equivalents, beginning of period		6,890
	sh and cash equivalents, end of period	\$ 254,541	\$ 9,557
			========
nyon Fuel Company cash flow information (Arch Coal ownership percentage)			
			24,881 (21,773)

Arch Coal, Inc. and Subsidiaries Reconciliation of Non-GAAP Measures (In thousands, except per share data)

Included in the accompanying release, we have disclosed income available to common shareholders for the quarter and year ending December 31, 2003 excluding the partial sale of the company's investment in Natural Resource Partners and a charge related to a long-term incentive compensation plan. These measures are considered non-GAAP measures as defined by Regulation G. The following reconciles these amounts to net income available to common shareholders reported under GAAP:

		Months Ended cember 31		
	2003 (Unaudited)			2003
			(U	naudited)
Net income available to common shareholders Gain on sale of units of Natural Resource Partners, LP Long-term incentive compensation plan expense Long-term incentive compensation plan expense included in equity income from Canyon Fuel Company Tax impact of the excluded items (at AMT rate of 25%)	\$	22,137 (42,743) 14,992 1,129 6,656		(42,743) 16,217 1,129
Net income (loss) available to common shareholders excluding items	\$ =====	2,171	\$	(8,951)
Fully diluted shares outstanding Adjustment to exclude impact of stock options due to net loss Adjustment to exclude impact of convertible preferred shares that would not be dilutive		60,297 - (6,896)		52,885 (374)
Fully diluted shares outstanding		53,401		52,511
Earnings (loss) per common share excluding items	\$ =====	0.04	\$	(0.17)