

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): September 6, 2001
(September 6, 2001)

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

Item 5. Other Events.

On September 6, 2001, certain members of Arch Coal, Inc.'s management will make a presentation to members of the business and investment community. The text of slides to be shown during the presentation is attached hereto and incorporated herein by reference in its 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 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 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:

Exhibit No.	Description
99	Text of slides to be shown during Arch Coal's presentation on September 6, 2001.

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: September 6, 2001

ARCH COAL, INC.

By: /s/ Robert G. Jones

Robert G. Jones
Vice President - Law, Secretary and
General Counsel

EXHIBIT INDEX

Exhibit No.	Description
99	Text of slides to be shown during Arch Coal's presentation on September 6, 2001.



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 3.4 billion tons
- Production is 100% low sulfur
- Headquarters in St. Louis
- Listed on NYSE ("ACI")

Arch Coal, Inc.



2

[Table of Contents](#)

Arch operations

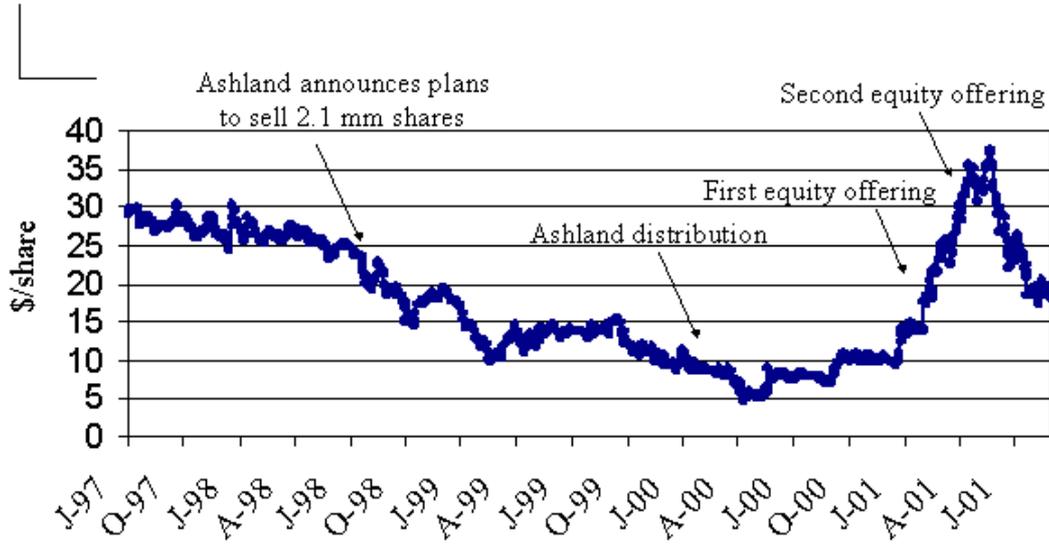


Arch Coal, Inc.



3

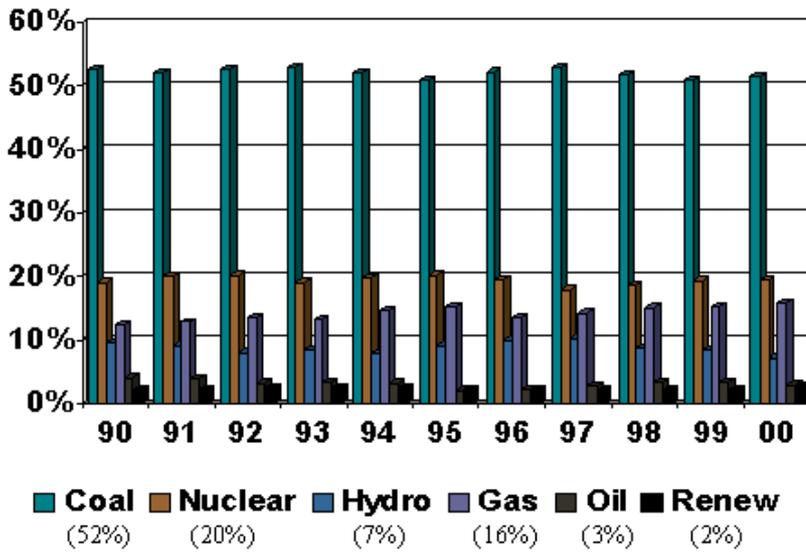
ACI stock performance



Arch Coal, Inc.



Market share for electric generation

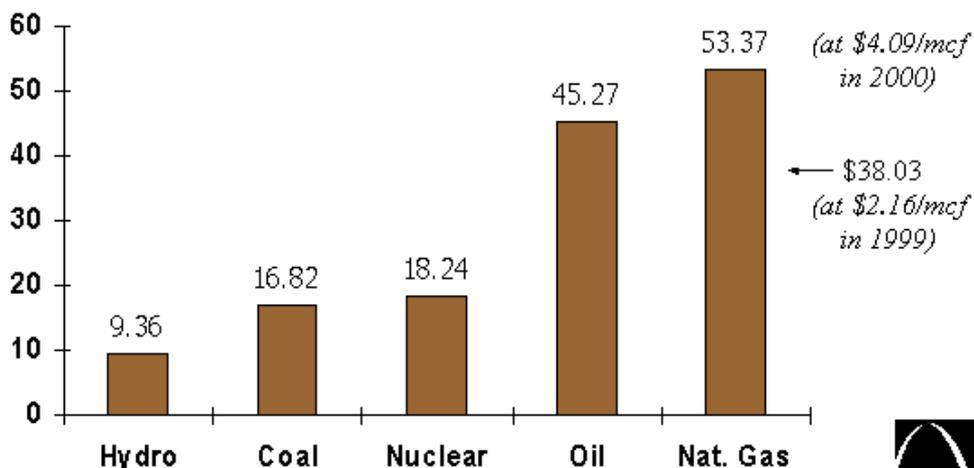


Arch Coal, Inc.



[Table of Contents](#)

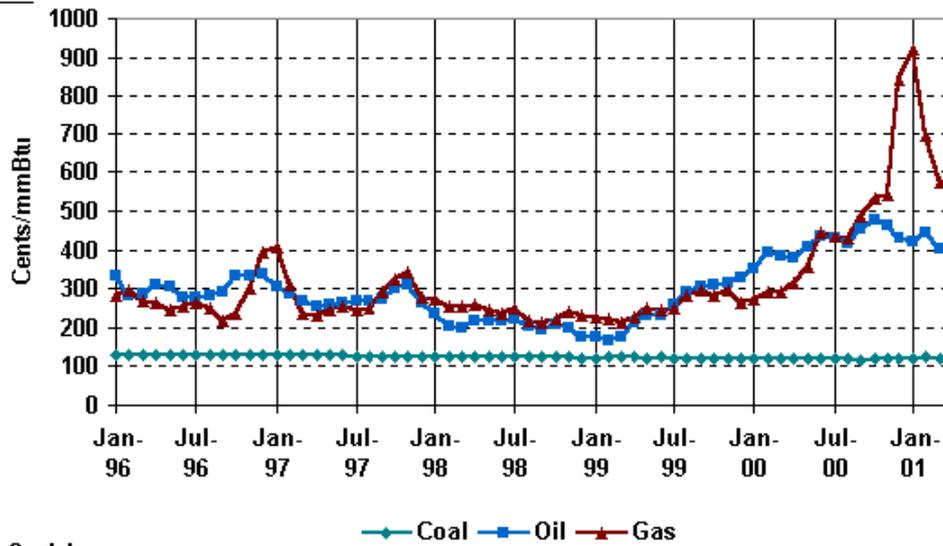
Average 2000 U.S. generating costs (O&M and fuel costs, per megawatt hour, by fuel)



Arch Coal, Inc.



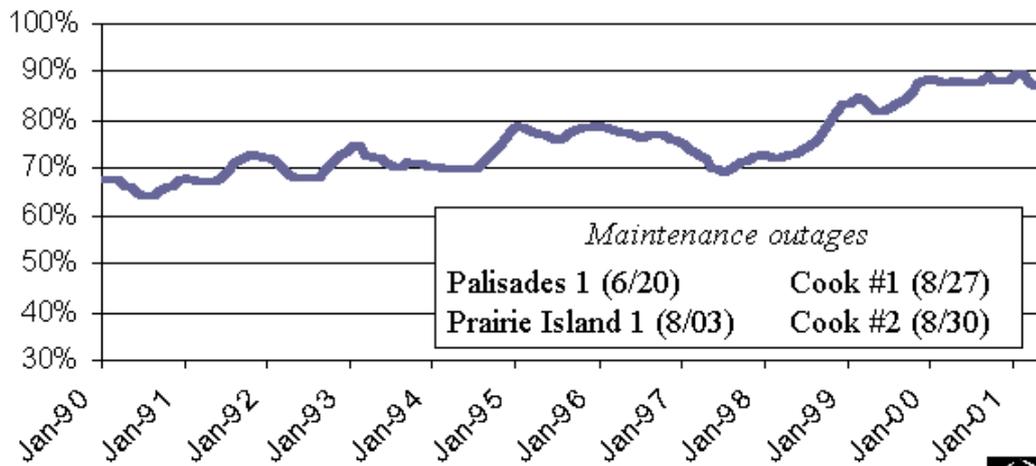
Delivered cost of competing fossil fuels



Arch Coal, Inc.



Capacity utilization of nuclear system



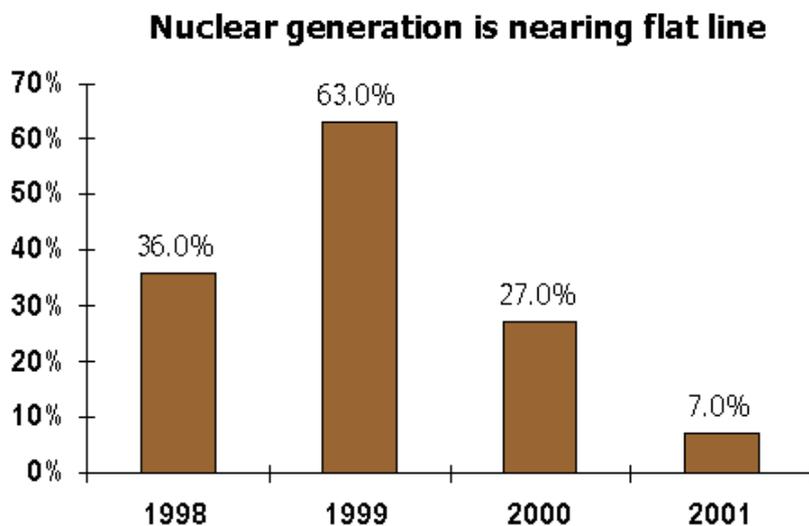
Arch Coal, Inc.



8

[Table of Contents](#)

Percentage of electric demand growth captured by nuclear plants

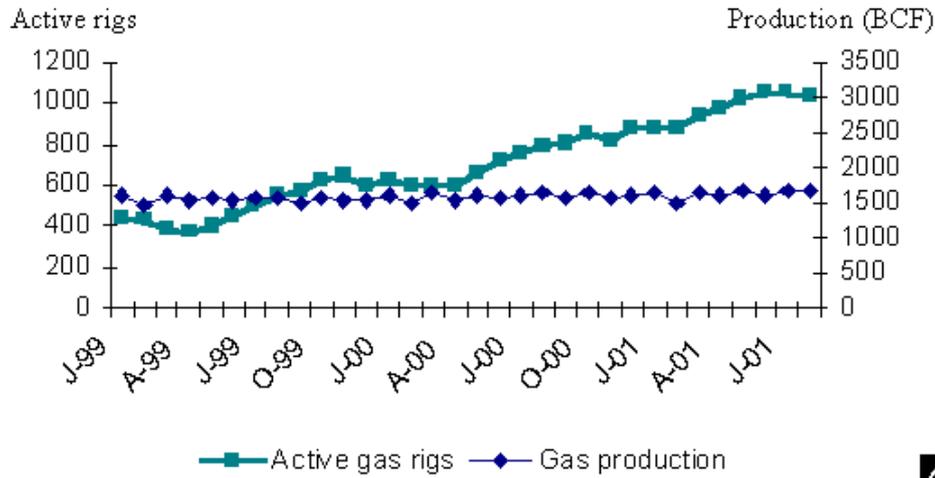


Arch Coal, Inc.



9

Natural gas production flat since 1/99, despite 130% increase in rig count



Arch Coal, Inc.



With demand climbing, natural gas prices are likely to remain volatile

Conclusions of Hammond International Group

- 30 TCF/yr. **and** prices below \$3/MCF ain't gonna happen!
- 30 TCF/year looks real tough without major expansion of LNG imports **and** Arctic gas
- U.S. industry on a treadmill just to replace production
- Much of future reserve additions have to involve deep and ultra-deep resources ...
- ... and a lot of the prospective onshore and offshore acreage currently off limits
- Requirements for money, brains and new iron are staggering
- 38,000 miles of new pipeline required



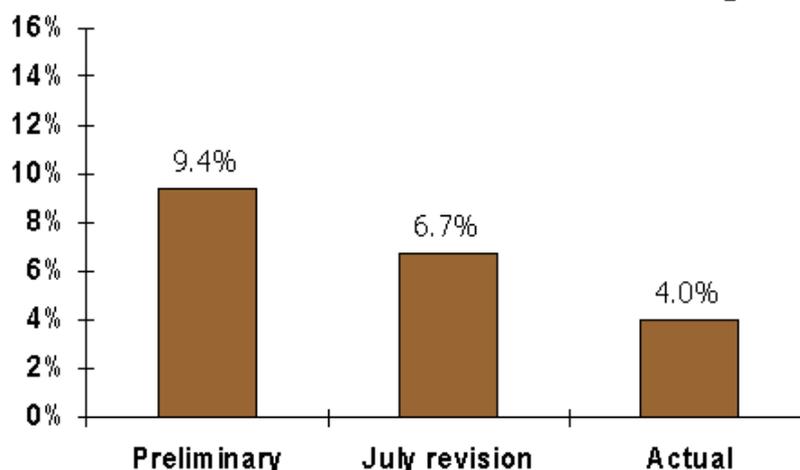
Arch Coal, Inc.

11

[Table of Contents](#)

Production growing more slowly than previously reported by EIA

EIA estimates vs. actual increase through June



Arch Coal, Inc.

Sources: EIA & MSHA

12

Production change by region

(in millions of tons except percent change)

	<i>Through 6/01</i>	<i>Through 6/00</i>	<i>Change</i>
Southern Powder River Basin	171.7	156.4	9.8%
Central Appalachia	133.3	135.2	-1.4%
Northern Appalachia	61.8	60.9	1.5%
Other	191.9	185.0	3.8%
Total U.S.	558.8	537.4	4.0%

Arch Coal, Inc.



13

Supply constraints

- Powder River Basin
 - ✓ Loadouts are at capacity
 - ✓ Low-cost incremental tons already being mined
 - ✓ Producers looking for returns – limited capacity expansions
 - ✓ Rail lines are nearing capacity
- Central Appalachia
 - ✓ Under-investment due to years of depressed pricing
 - ✓ Capital constraints for all but strongest players
 - ✓ Permitting logjam and bonding difficulties
 - ✓ Reserve degradation

Arch Coal, Inc.

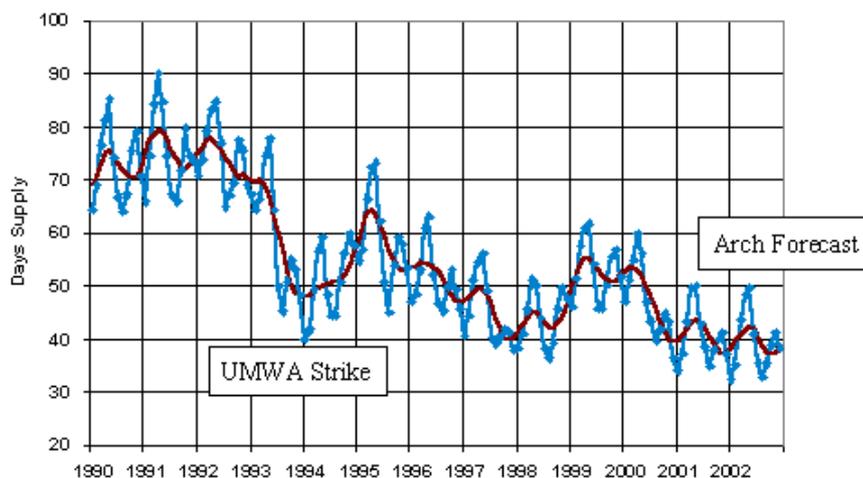


14

[Table of Contents](#)

Power plant stockpiles

Historical: Jan. 1990-May 2001 / Arch Forecast: June 2001 forward



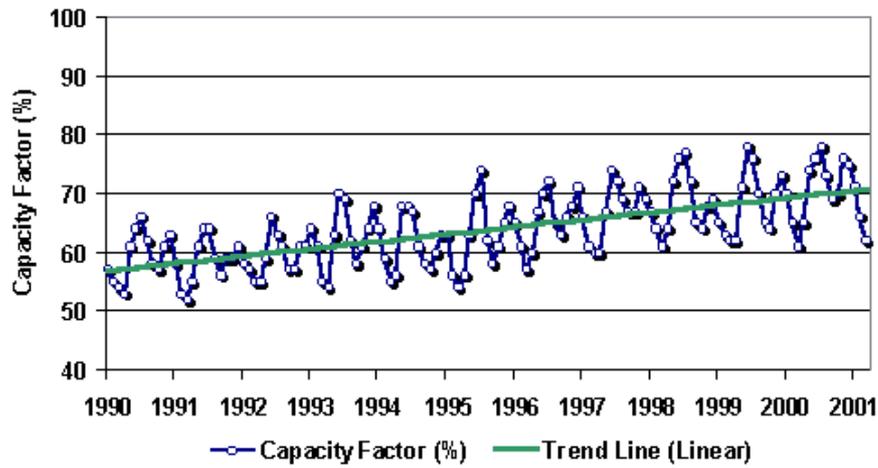
The last time stockpiles fell below 40 days, nukes filled the gap

Arch Coal, Inc.



15

Utilization at coal-fired power plants

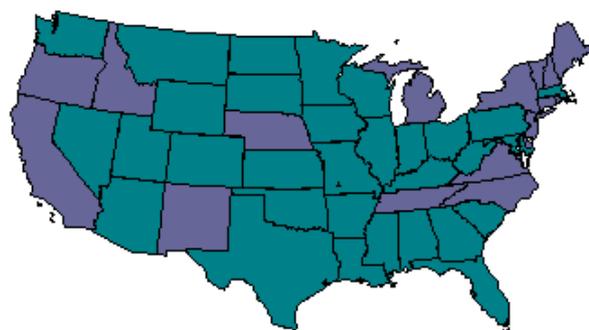


Increase of 10 percentage points = 150 mm tons of coal demand

Arch Coal, Inc.



New coal-fired plant announcements



States with planned coal-fired projects in green

- Plans for 83 new plants or expansions in 31 states
 - ✓ Total planned additions exceed 55,000 megawatts
 - ✓ Represents an 18% increase over existing base
 - ✓ Equates to over 150 million tons of coal consumption



Arch Coal, Inc.

[Table of Contents](#)

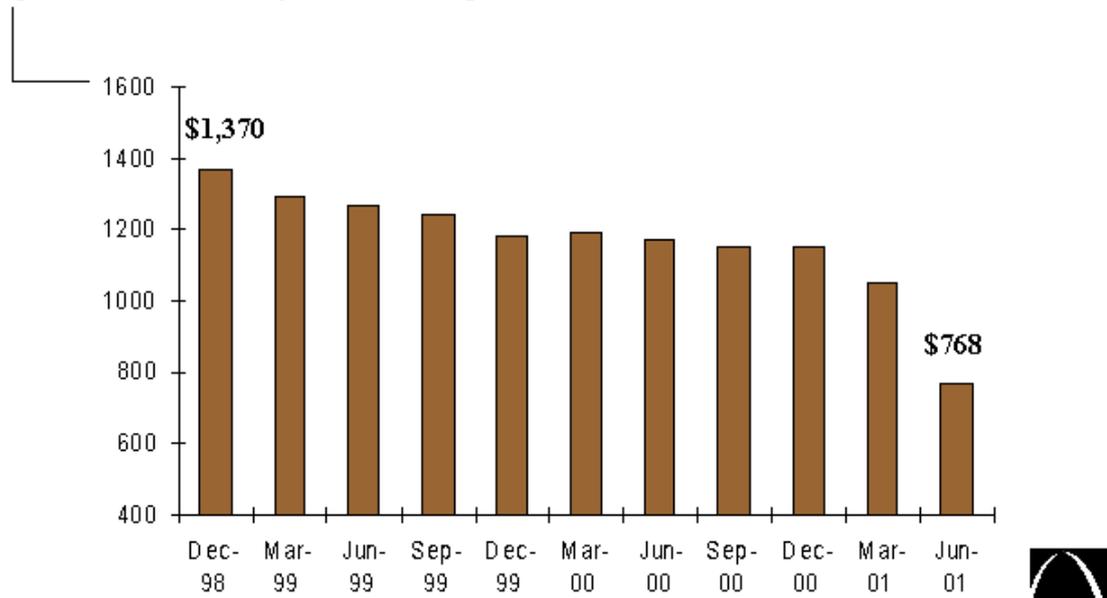
Coal Daily's Spot Coal Indices

	9/3/01	9/3/00
Central Appalachia (<i>CSX, 12,500 Btu, 1.2 lbs. of SO₂/mm Btu</i>)		
F.O.B. Fourth Quarter	\$46.50	\$25.00
F.O.B. First Quarter	\$42.75	\$24.80
Powder River Basin (<i>B,800 Btu, .8 lbs. of SO₂/mm Btu</i>)		
F.O.B. Fourth Quarter	\$ 7.85	\$ 4.28
F.O.B. First Quarter	\$ 9.00	\$ 4.48
Colorado (<i>11,700 Btu, Uinta Basin-Colorado</i>)		
F.O.B. Fourth Quarter	\$21.00	\$14.00
Utah (<i>11,700 Btu, Uinta Basin-Utah</i>)		
F.O.B. Fourth Quarter	\$21.00	\$15.90



Arch Coal, Inc.

Arch's debt reduction (since 12/31/98, in millions)



Arch Coal, Inc.



Financial summary

(in millions except per-share and ratio data; 2001 data unaudited)

	6 Mos. 2001	FY 2000
Revenues	\$750.0	\$1,404.6
Net income (loss)	6.9	(12.7)
EPS	.16	(.33)
Tons sold*	53.9	105.5
Adjusted EBITDA	\$ 148.6	\$ 315.2
Adjusted EBITDA/share	\$ 3.32	\$ 8.25
	6/30/01	12/31/00
Total debt	\$ 768	\$ 1,151
Debt to total capitalization	57%	84%
Weighted avg. shares outstanding	44.7	38.2

Total shares outstanding (at 6/30/01) = 52.7



Arch Coal, Inc.

** Does not reflect 65% of CFC tons*

20

[Table of Contents](#)

Future uses of cash

- Pay down an additional \$92 million in debt
 - ✓ Arch Western must carry a minimum of \$675 million in debt
 - ✓ Required by terms of ARCO transaction
 - ✓ \$675 mm in debt equates to debt-to-cap ratio of 53% at current equity level
- Weigh focused acquisitions in target basins
 - ✓ Another round of consolidation appears likely
- Pursue internal growth opportunities on select properties
 - ✓ Continue to be market-driven in decision-making
 - ✓ Idled Dal-Tex operation has very favorable reserve position
 - ✓ Coal Creek reopening, if and when market dictates



Arch Coal, Inc.

21

Focusing on costs/productivity

- Maintain and build upon position as aggressive low-cost producer
 - ✓ Key to long-term success in coal business
- Strengthen position as a productivity leader in key basins
- Drive down costs through “6% program” and other initiatives
- Continue to address challenges at West Elk
 - ✓ Substantial progress in recent weeks
 - ✓ Seek to return mine to previous form



Investment considerations

- Inadequate energy supplies still must be addressed
- Large, strategic, high-quality reserve position
- Large, modern, low-cost mines
- Only east/west producer mining 100% low-sulfur coal
- Substantial exposure to new pricing environment
- Strong cash generator
- Potential to resume role as consolidator

