
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): February 28, 2011 (February 28, 2011)

Arch Coal, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

1-13105
(Commission File Number)

43-0921172
(I.R.S. Employer Identification No.)

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

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 Disclosure.

On February 28, 2011, John T. Drexler, Senior Vice President — Chief Financial Officer, will deliver a presentation at the BMO Global Metals & Mining Conference. The slides from the presentation are attached hereto as Exhibit 99.1 and incorporated by reference.

A copy of the slides will be available at <http://investor.archcoal.com/events.cfm> for 30 days.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

The following exhibit is attached hereto and furnished herewith.

Exhibit No.	Description
99.1	Slides from the BMO Global Metals & Mining Conference.

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: February 28, 2011

Arch Coal, Inc.

By: /s/ Robert G. Jones

Robert G. Jones

Senior Vice President-Law, General Counsel and
Secretary

Exhibit Index

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THE POWER WITHIN

BMO Capital Markets 2011 Global Metals/Mining Conference

JOHN DREXLER

Senior Vice President and CFO
Arch Coal, Inc.

Florida | February 2011



Arch Coal, Inc.



Forward-Looking Information

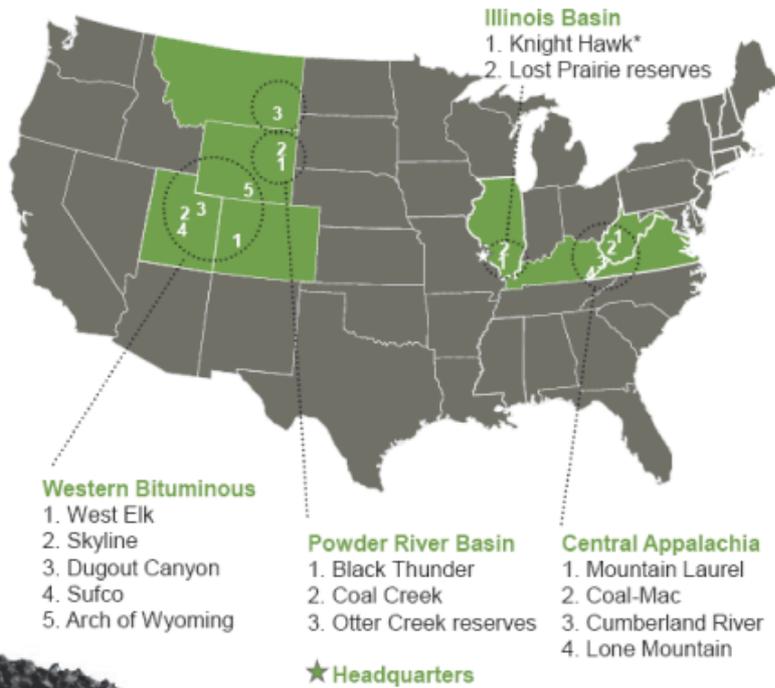
This presentation contains "forward-looking statements" – that is, statements related to future, not past, events. In this context, forward-looking statements often address our expected future business and financial performance, and often contain words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," or "will." Forward-looking statements by their nature address matters that are, to different degrees, uncertain. For us, particular uncertainties arise from changes in the demand for our coal by the domestic electric generation industry; from legislation and regulations relating to the Clean Air Act and other environmental initiatives; from operational, geological, permit, labor and weather-related factors; from fluctuations in the amount of cash we generate from operations; from future integration of acquired businesses; and from numerous other matters of national, regional and global scale, including those of a political, economic, business, competitive or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law. For a description of some of the risks and uncertainties that may affect our future results, you should see the risk factors described from time to time in the reports we file with the Securities and Exchange Commission.

This presentation includes certain non-GAAP financial measures, including Free Cash Flow. These non-GAAP financial measures are not measures of financial performance in accordance with generally accepted accounting principles and may exclude items that are significant in understanding and assessing our financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income from operations, cash flows from operations, earnings per fully-diluted share or other measures of profitability, liquidity or performance under generally accepted accounting principles. You should be aware that our presentation of these measures may not be comparable to similarly-titled measures used by other companies. A reconciliation of these financial measures to the most comparable measures presented in accordance with generally accepted accounting principles has been included at the end of this presentation.

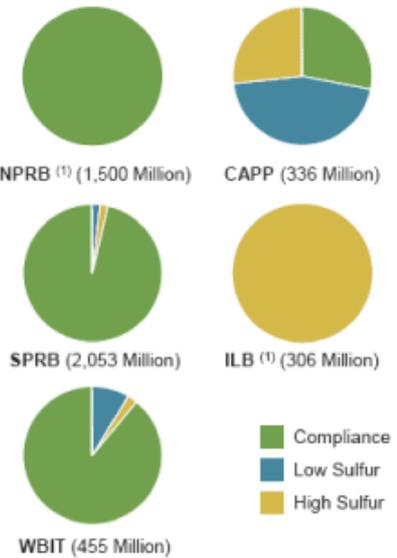


Arch Coal Overview

Arch's national scope of operations and reserve base includes presence in five major U.S. coal basins



4.7-Billion-Ton Reserve Base ⁽¹⁾



(1) Pro-forma reserves at 12/31/09

Arch has growing access to seaborne coal markets

East Coast



- Own 22% interest in DTA in Newport News, VA
- Throughput capacity of ~20 million tpy
- Expect met sales of at least 7 million tpy in 2011
- Steam sales could grow as Europe recovers
- Access to other East Coast terminals

Gulf Coast (New Orleans)



- Ownership and throughput rights on river facilities in Kentucky and Illinois
- Flexibility to ship and blend coals from all of our regions (and Illinois Basin coal with our 49% stake in Knight Hawk) to overseas markets

West Coast

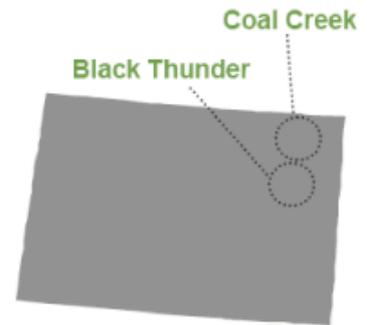
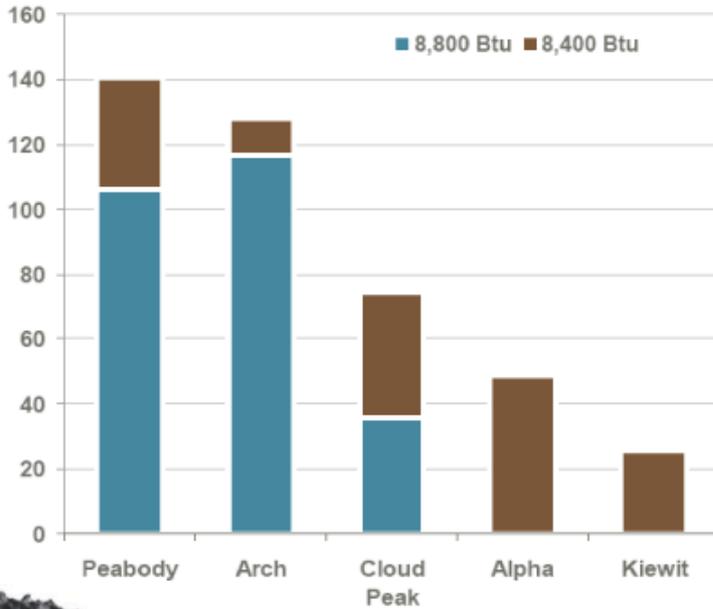


- Secured 38% interest in Millennium Bulk Terminals in Washington state
- Agreement with Ridley Terminal in Canada
- Amassed reserves in Montana, which has a transportation cost advantage to West Coast

Arch expects to export roughly 7 million tons in 2011

Arch is the second largest producer in the Southern Powder River Basin

Major Producers in Southern Powder River Basin
(2010, in millions of tons)



- The southern PRB is the **largest** coal supply region in the U.S., fueling nearly 40% of domestic steam coal demand

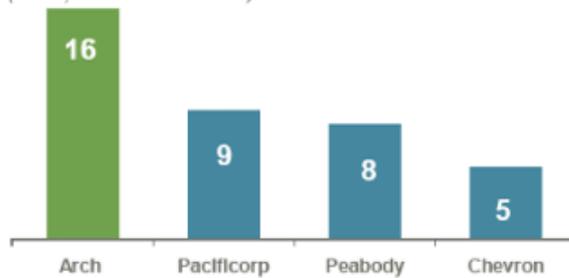
Sources: ACl, Verityx



Arch's Western Bituminous assets are a strong contributor to the company's earnings profile

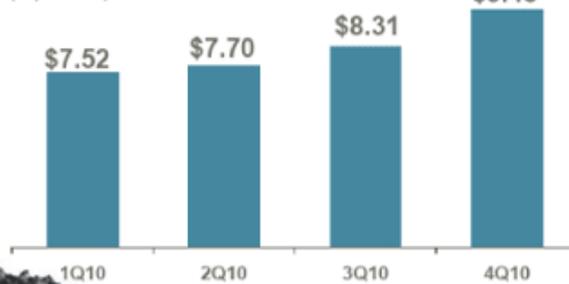
Western Bituminous Production

(2010, in millions of tons)



Arch Western Bituminous Cash Margin

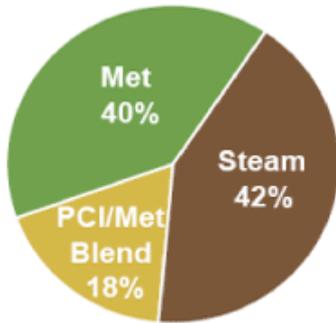
(\$ per ton)



- Arch is the **largest coal producer** in the Western Bituminous Region
- Expect **continued margin expansion** as legacy sales contracts roll off
- Arch's mines are some of the **safest and most productive** in the U.S.
- The company's large, productive longwall mines should help mitigate ongoing cost pressures

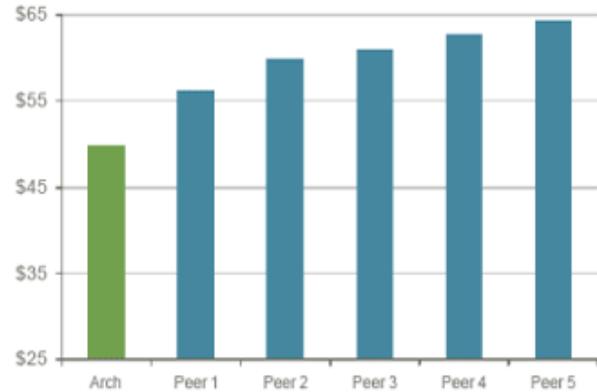
Arch is a leading producer of coking and PCI coal – with the low-cost position in a supply-challenged region

Central Appalachian Production Profile
(based on 15 million tons of productive capacity)



- In 2011, Arch expects to sell **at least 7 million tons** into **met coal markets**
 - As of 1/28/11, 3.8 million tons of coking/PCI coal **committed** at a blended average price of **\$105.28**

Public Companies' Reported CAPP Cash Costs
(4Q10, \$ per ton)



- Arch's low-cost production profile is positioned towards serving **high margin met markets**, high quality **Eastern power** and growing **seaborne steam** markets

Arch is highly levered to improving steam coal markets

Powder River Basin

(in millions of tons*; prices per ton)



Western Bituminous

(in millions of tons*; prices per ton)



Central Appalachia

(in millions of tons*; prices per ton)



■ Committed and priced tons ■ Uncommitted or unpriced tons

Note: Spot prices per ton from Argus Coal Daily at 2/18/2011 (8800 PRB; 11,700 WBIT; NYMEX CAPP)

*Assumes flat production levels in each region. In actuality, Arch has not provided and does not provide volume guidance by region.

Sources: ACI, Argus

Arch maintains one of the strongest and cleanest balance sheets in the U.S. coal industry

Debt Maturity Profile ⁽¹⁾

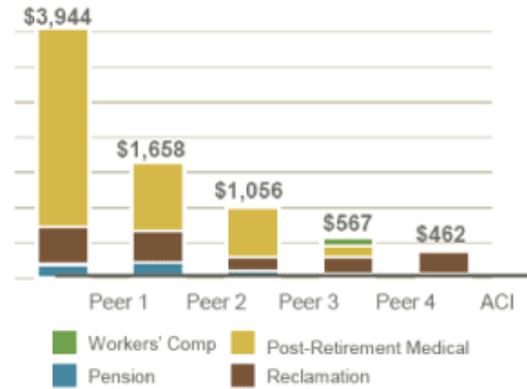
(at 12/31/10, in \$ millions)



- Financing initiatives over the past two years have enhanced **liquidity** and extended **debt** maturities
- Available liquidity is nearly **\$1.1 billion** ⁽²⁾

Legacy Liabilities of Largest U.S. Coal Companies

(at 12/31/09, in \$ millions)



- **Low level** of legacy liabilities versus largest U.S. coal companies
- Two-thirds of Arch's legacy liabilities are comprised of reclamation liabilities

Sources: ACI and SEC filings

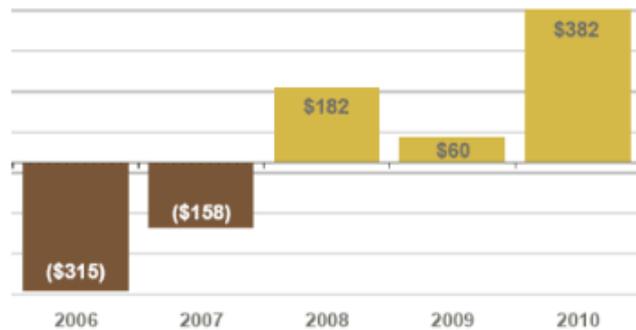
(1) Values for senior notes represent contractual maturities

(2) Represents cash on hand as well as unused available borrowing capacity under ACI's revolving credit facility, accounts receivable securitization program and commercial paper placement program

With major expansion plans completed, Arch is focused on generating free cash flow

- From 2004-2007, Arch completed a large capital spending program that supported major organic growth initiatives
- Looking ahead, Arch is focused on **maintaining rigorous capital and cost control** – with a focus on **generating substantial free cash flow**

Free Cash Flow ⁽¹⁾
(in \$ millions)





Outlook for Global
and Domestic
Electricity Markets

Around the world, countries are building coal plants to fuel electricity needs

New Coal-Fueled Generation Coming Online by 2015
 (Capacity under construction, in GW, from 2011-2015)

Under Construction	249 GW 790 million tons
Total	429 GW 1.4 billion tons



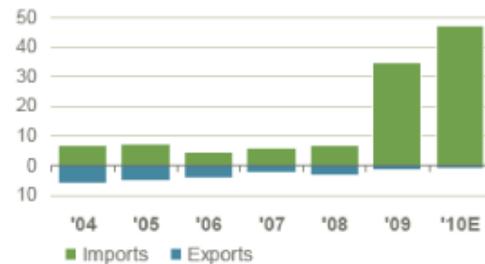
429 GW of coal-fueled capacity is planned to come online by 2015 ... and will be fueled by 1.4 billion tons of coal

Metallurgical coal demand continues to be strong

- **Strong met coal fundamentals** supported by global economic recovery and Asian steel demand
 - China has become a net importer of steam and met coal
 - Asia expected to drive met coal demand growth going forward
- **Production and transportation infrastructure issues** as well as a **lack of accessible, quality met coal** deposits will continue to constrict supply

Chinese Met Coal Trade Position

(in millions of tonnes)



Global Met Coal Supply and Demand

(in millions of tonnes)



In the U.S., we expect further stockpile liquidation at domestic coal power plants during 2011

U.S. Coal Consumption and Supply

(in millions of tons)

	2010		2011P
Domestic coal consumption	1,052	↔	1,052
U.S. coal exports	81	↑	95
Domestic coal production ⁽¹⁾	<1,094>	↔	<1,094>
<u>U.S. coal imports</u>	<19>	↔	<19>
Decline in generator stockpiles	<20>	↓	<34>
<hr/>			
Year-end stockpiles (in mm tons)	170	↓	136
Year-end stockpiles (in days)	63		50

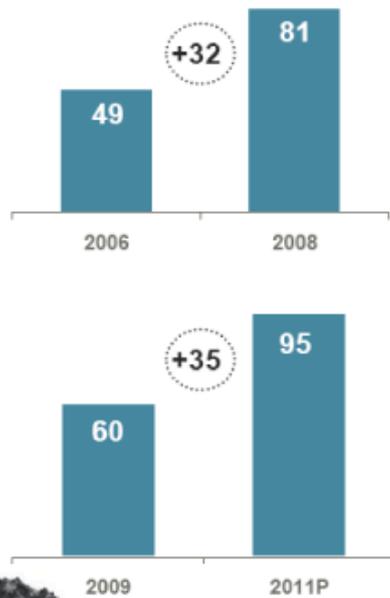
(1) Includes waste coal

- **Assuming** domestic demand and supply remain relatively flat in 2011 – coupled with continued growth in U.S. coal exports – generator coal stockpiles could fall significantly
- Year-end stockpiles would fall to the low end of the five-year range... and would be well below the 10-year average

Even modest increases in export activity can have significant market implications

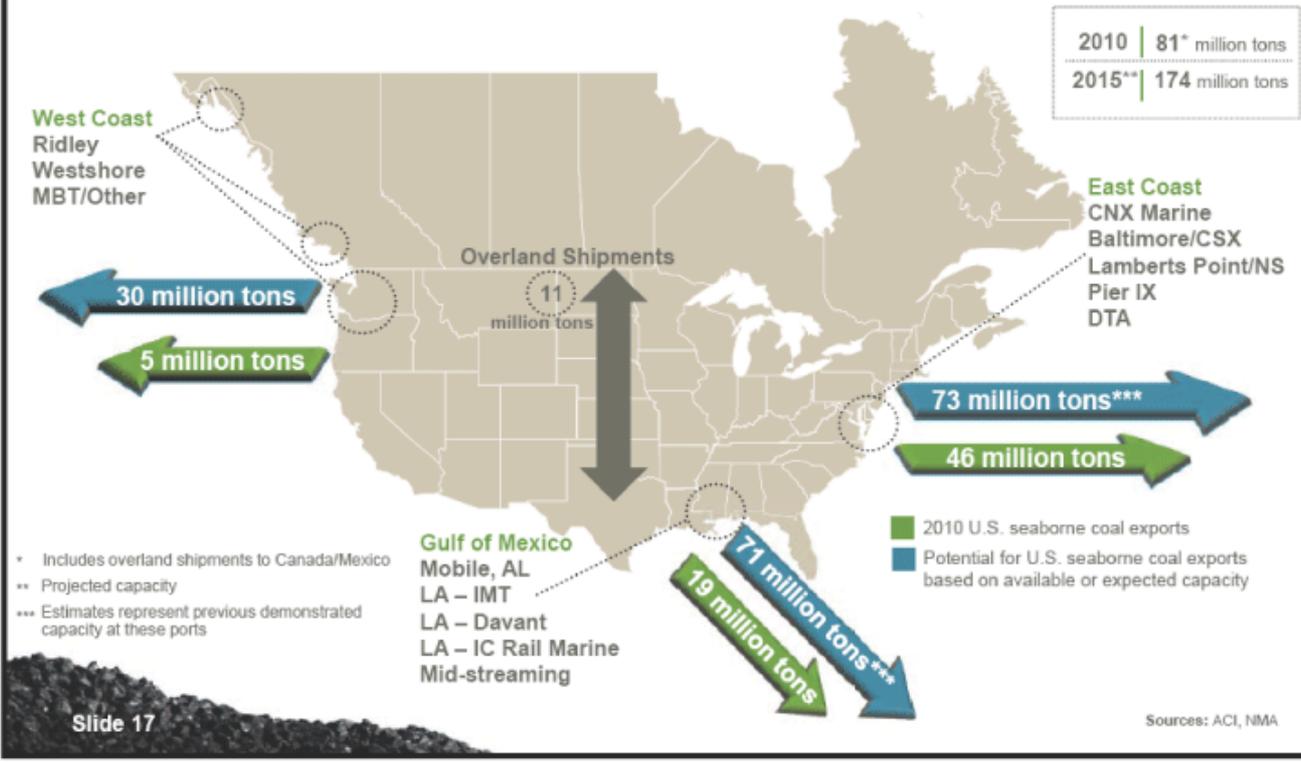
Increase in U.S. Coal Exports

(2006 to 2008 versus 2009 to 2011P, in million tons)



- Arguably the **most significant driver** in the 2008 market run-up was a 32-million-ton increase in exports from 2006 to 2008
- U.S. exports appear to be in the midst of an **even greater expansion** at present
- The market implications of such an increase could prove **dramatic**

Industry wide, we expect the United States to play a growing role in the global seaborne coal trade

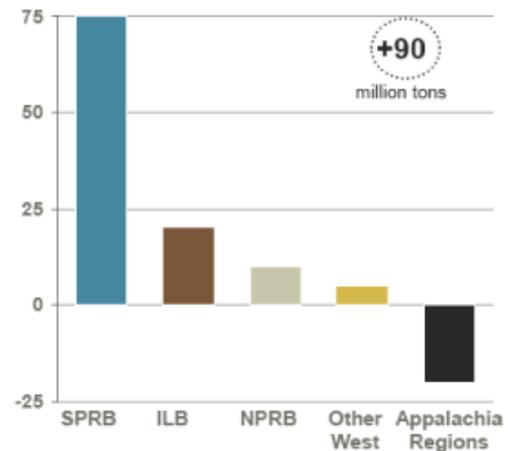




We expect growth in domestic coal supply to increasingly shift westward over the next five years

- Southern **PRB** has low geologic risk, significant economies of scale and is the **most cost competitive supply**
- Expansions are underway in the Illinois Basin, but additions will be offset by depletions to some degree
 - Expansion in the high-chlorine segment could prove overly ambitious
- Expect northern PRB growth to target northern U.S. and seaborne markets
- **Appalachia region** is in decline due to reserve degradation and depletion

Expected Growth in Supply by Basin, Net of Depletions and Reductions
(2010-2015, in millions of tons)



Sources: MSHA and ACI

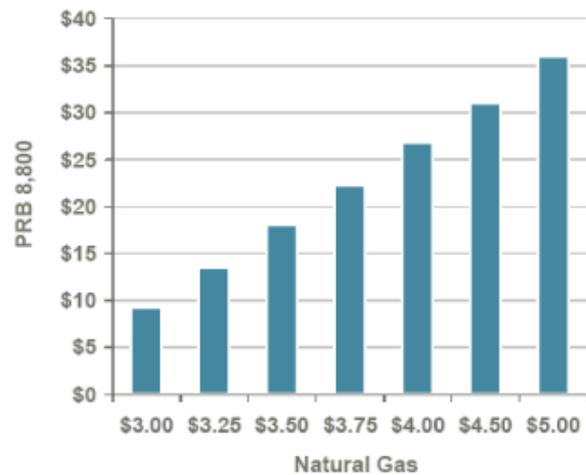


Powder River Basin coal also has a compelling price story when compared to natural gas

- PRB is the most **cost competitive fossil fuel** source in the U.S.
- Substantial headroom for PRB prices to increase even in a low-priced natural gas environment
- Not only does the **PRB** have a compelling **market share growth** story, the region also has a **compelling price story**

PRB Parity with Natural Gas ⁽¹⁾

(coal = \$ per ton; gas = \$ per million Btu)

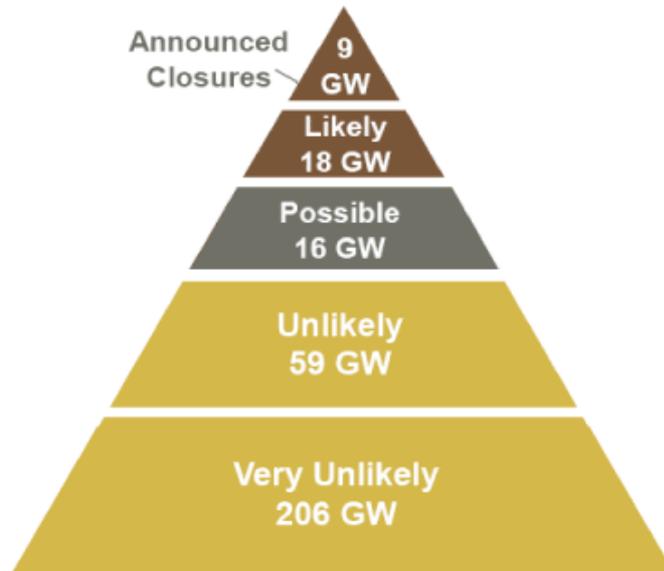


(1) Assumes transportation charge of \$25 per ton; market prices for SO₂ and NO_x; and appropriate heat rate differentials for NGCC plants and coal plants

Sources: Platts, EIA and ACI

We continue to expect strong U.S. coal consumption – despite the threat of forced coal plant retirements

Potential Outlook for U.S. Coal Fleet in Face of Tightening EPA Regulations



Sources: ACI and Ventyx (EIA Form 1 & 923 data)

Slide 20

- **308 GWs** in U.S. coal fleet and more than **1 billion tons of coal consumed** in 2008
- 265 GWs (920 million tons) are in the “unlikely” or “very unlikely” to close categories
 - 92% of the units in the “very unlikely” category are already scrubbed or in the process of installing scrubbers
 - Plants in “unlikely” to close category include plants like Ameren’s Labadie plant, which has a capacity factor well above 90% and is a cornerstone of its system
- 414 units are in the “announced,” “likely” and “possible” categories – but these units only consumed 118 million tons of coal in 2008

Even with potential coal plant retirements, market opportunity could prove meaningful for PRB coal

Potential Demand Increases and Decreases

(in millions of tons)

Potential plant retirements over next decade (downside case)	(118)
Increasing utilization at the surviving plants (from 71.6% to 76.6%)	64
Incremental demand from newly constructed plants	60
Incremental export potential (including PRB moves off West Coast)	30
<i>Subtotal</i>	<i>36</i>

Additional Market Opportunity for PRB and Other Basins

Rationalization in Central Appalachia from 2008 through 2015	90
<i>Total</i>	<i>126</i>

Arch's leadership position in the U.S. coal industry will drive future value creation

- One of the world's **largest** and **most efficient** coal producers
 - Represent **15 percent** of the U.S. coal supply
 - National, diverse reserve base, skewed heavily toward growth regions
 - Leader in **safety** and **environmental** performance
 - Ship coal to domestic/international steel manufacturers and international power producers
- **Arch's value proposition** is anchored by ...
 - Leading position in the Powder River Basin
 - Largest producer in Western Bituminous Region
 - Low-cost producer in Central Appalachia
 - Significant exposure to metallurgical markets
 - Undeveloped reserves in the Illinois Basin & Montana



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Free Cash Flow Reconciliation Chart

Included in the accompanying presentation, we have presented certain non-GAAP measures as defined by Regulation G. The following reconciles these items to net income as reported under GAAP.

Free Cash Flow

Free cash flow is defined as operating cash flows minus capital expenditures and is not a measure of cash flow in accordance with generally accepted accounting principles. We use free cash flow as a measure of our ability to make investments, acquisitions and payments to our debt and equity security holders. Free cash flow should not be considered in isolation, nor as an alternative to cash flows generated from operations.

	Year Ended December 31				
	2010	2009	2008 (Unaudited)	2007	2006
Cash provided by operating activities	\$ 697.1	\$ 383.0	\$ 679.1	\$ 330.8	\$ 308.1
Capital expenditures	(314.7)	(323.2)	(497.3)	(488.4)	(623.2)
Free cash flow (deficit)	\$ 382.4	\$ 59.8	\$ 181.8	\$ (157.6)	\$ (315.1)