

FCX

Freeport-
McMoRan

Cu

Copper

Au

Gold



2007 High Yield Conference
Miami, Florida

Kathleen L. Quirk

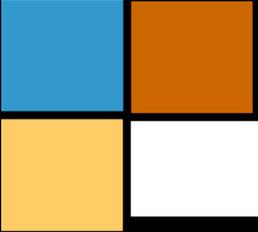
***Senior Vice President &
Chief Financial Officer***

January 22, 2007



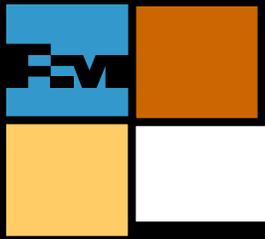
FREEMPORT-McMoRAN COPPER & GOLD INC.

www.fcx.com



Cautionary Statement Regarding Forward-Looking Statements

This document contains certain forward-looking statements about FCX and Phelps Dodge. When used in this document, the words “anticipates”, “may”, “can”, “believes”, “expects”, “projects”, “intends”, “likely”, “will”, “to be” and any similar expressions and any other statements that are not historical facts, in each case as they relate to FCX or Phelps Dodge, the management of either such company or the transaction are intended to identify those assertions as forward-looking statements. In making any of those statements, the person making them believes that its expectations are based on reasonable assumptions. However, any such statement may be influenced by factors that could cause actual outcomes and results to be materially different from those projected or anticipated. These forward-looking statements are subject to numerous risks and uncertainties. There are various important factors that could cause actual results to differ materially from those in any such forward-looking statements, many of which are beyond the control of FCX and Phelps Dodge, including macroeconomic conditions and general industry conditions such as the competitive environment of the mining industry, unanticipated mining, milling and other processing problems, accidents that lead to personal injury or property damage, persistent commodity price reductions, changes in political, social or economic circumstances in areas where FCX and Phelps Dodge operate, variances in ore grades, labor relations, adverse weather conditions, the speculative nature of mineral exploration, fluctuations in interest rates and other adverse financial market conditions, regulatory and litigation matters and risks, changes in tax and other laws, the risk that a condition to closing of the transaction may not be satisfied, the risk that a regulatory approval that may be required for the transaction is not obtained or is obtained subject to conditions that are not anticipated and other risks to consummation of the transaction. The actual results or performance by FCX or Phelps Dodge, and issues relating to the transaction, could differ materially from those expressed in, or implied by, any forward-looking statements relating to those matters. Accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what impact they will have on the results of operations or financial condition of FCX or Phelps Dodge, the combined company or the transaction. Except as required by law, we are under no obligation, and expressly disclaim any obligation, to update, alter or otherwise revise any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.



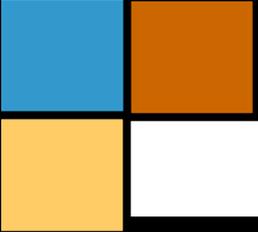
Important Information for Investors and Stockholders

FCX and Phelps Dodge filed a joint proxy statement/prospectus with the SEC in connection with the proposed merger on December 11, 2006. FCX and Phelps Dodge urge investors and stockholders to read the joint proxy statement/prospectus and any other relevant documents filed by either party with the SEC because they contain important information.

Investors and stockholders may obtain the joint proxy statement/prospectus and other documents filed with the SEC free of charge at the web site maintained by the SEC at www.sec.gov. In addition, documents filed with the SEC by FCX will be available free of charge on the investor relations portion of the FCX web site at www.fcx.com. Documents filed with the SEC by Phelps Dodge are available free of charge on the investor relations portion of the Phelps Dodge web site at www.phelpsdodge.com.

FCX, and certain of its directors and executive officers are participants in the solicitation of proxies from the stockholders of FCX in connection with the merger. Information concerning the interests of FCX's directors and executive officers in FCX is set forth in the proxy statement for FCX's 2006 annual meeting of stockholders, which was filed with the SEC on March 22, 2006. Phelps Dodge, and certain of its directors and executive officers may be deemed to be participants in the solicitation of proxies from its shareholders in connection with the merger. Information concerning the interests of Phelps Dodge's directors and executive officers in Phelps Dodge is set forth in the proxy statement for Phelps Dodge's 2006 annual meeting of shareholders, which was filed with the SEC on April 13, 2006.

Other information regarding the direct and indirect interests, by security holdings or otherwise, of the participants is described in the definitive joint proxy statement/prospectus relating to the merger. Investors and stockholders can obtain more detailed information regarding the direct and indirect interests of FCX's and Phelps Dodge's directors and executive officers in the merger by reading the definitive joint proxy statement/prospectus.

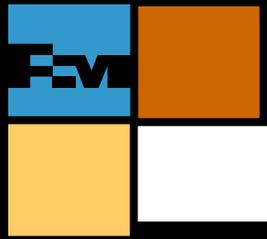


FCX's Grasberg

- **World Class Copper and Gold Mine**
- **Long Lived Payable Reserves**
 - **Copper – 38.7 Billion lbs**
 - **Gold – 41.1 Million ozs**
- **High Volume/ Low Cost Production**
- **Future Growth Potential from Exploration**
- **Continuous Operations Since 1972 – 50-Year COW**
- **Responsible Environmental Management**

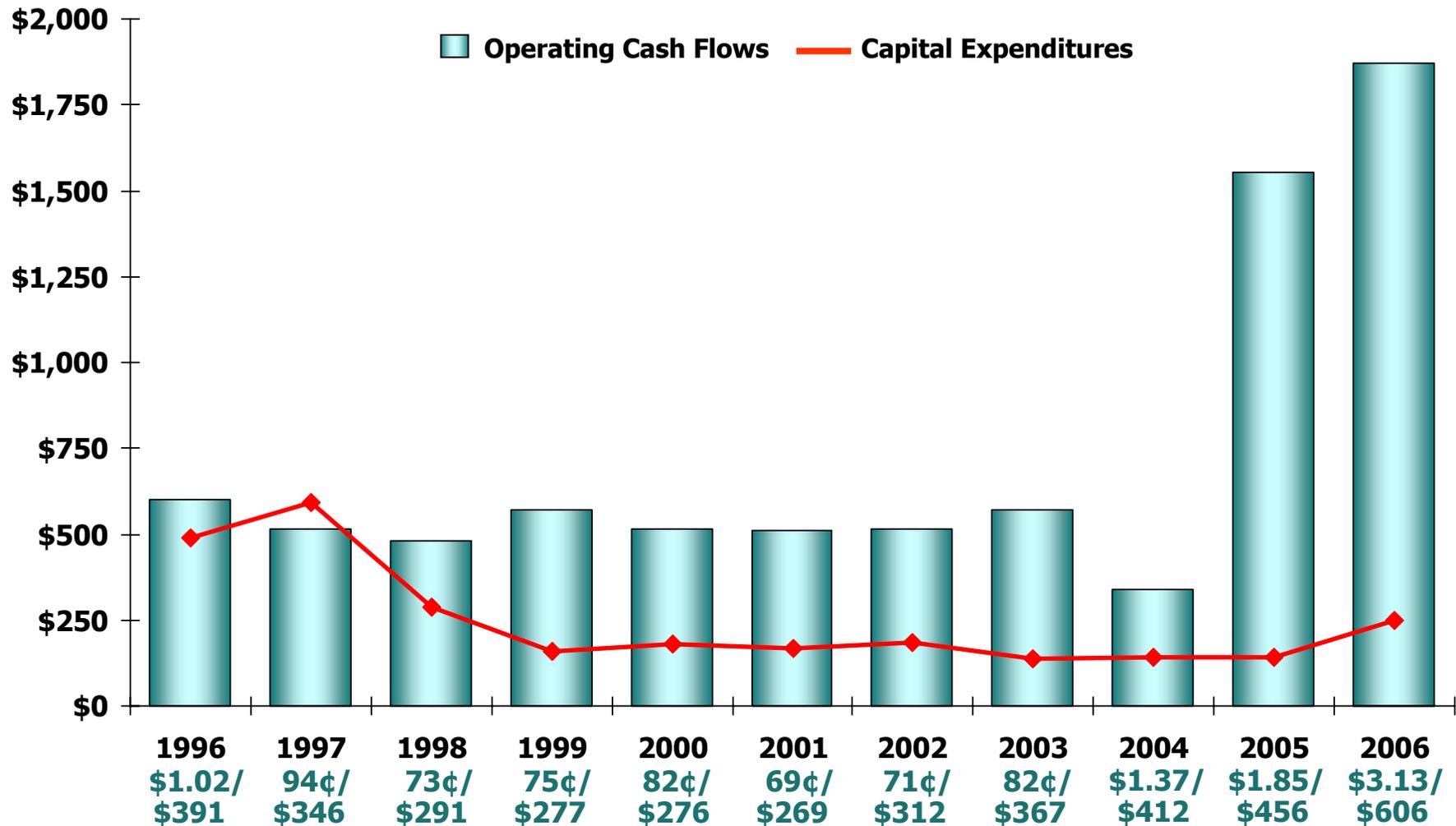
GRASBERG

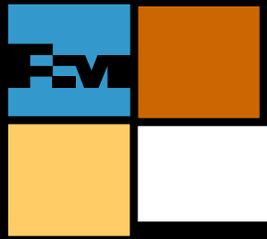




FCX Operating Cash Flows and Capital Expenditures

(\$ in millions, except realized prices)

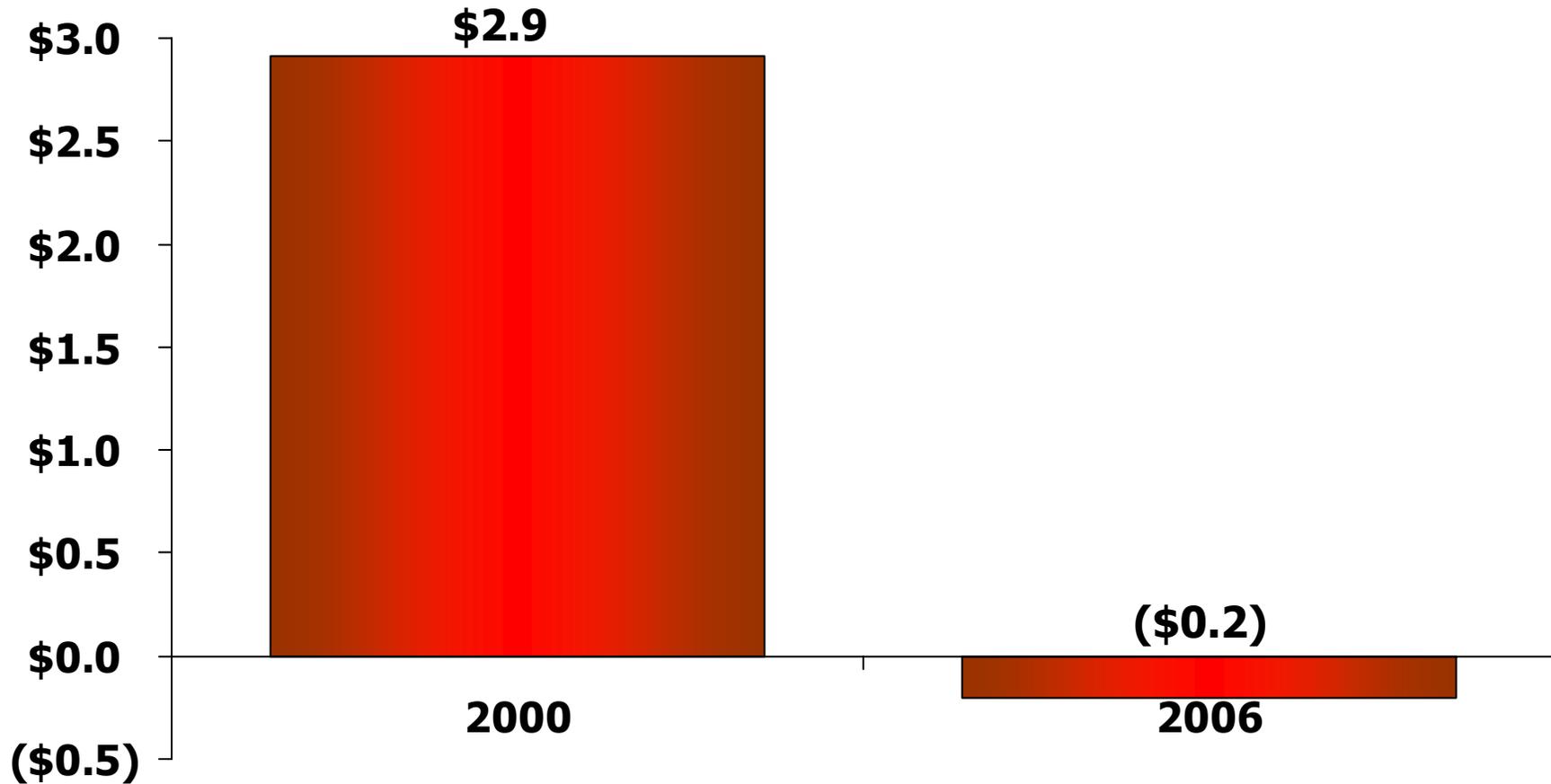




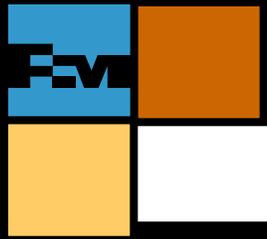
Significant Debt Reduction

(\$ in billions)

FCX Ending Net Debt (Cash) ⁽¹⁾



(1) Debt and commodity preferreds net of cash and restricted investments. Includes \$253 million of debt guaranteed in 2000 which was subsequently assumed and repaid.

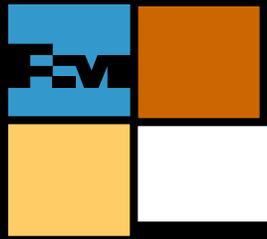


Summary Financial Data

(\$ in millions, except avg. realized prices and percentages)

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Pricing (Cu/Au) (Avg. Realized Prices)	\$1.37/\$412	\$1.85/\$456	\$3.13/\$606
Revenues	\$2,372	\$4,179	\$5,791
EBITDA	\$910*	\$2,429	\$3,096
EBITDA Margin	38%	58%	53%
Operating Cash Flow	\$341	\$1,553	\$1,866
Interest Expense, net	\$148	\$132	\$76
Capital Expenditures	\$141	\$143	\$251

**Includes \$95 million in association with settlement of insurance claims related to 2003 slippage events*

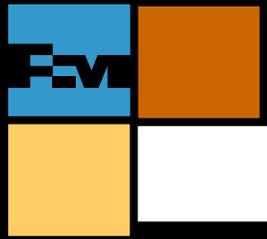


FCX Capitalization and Credit Statistics

(\$ in millions)

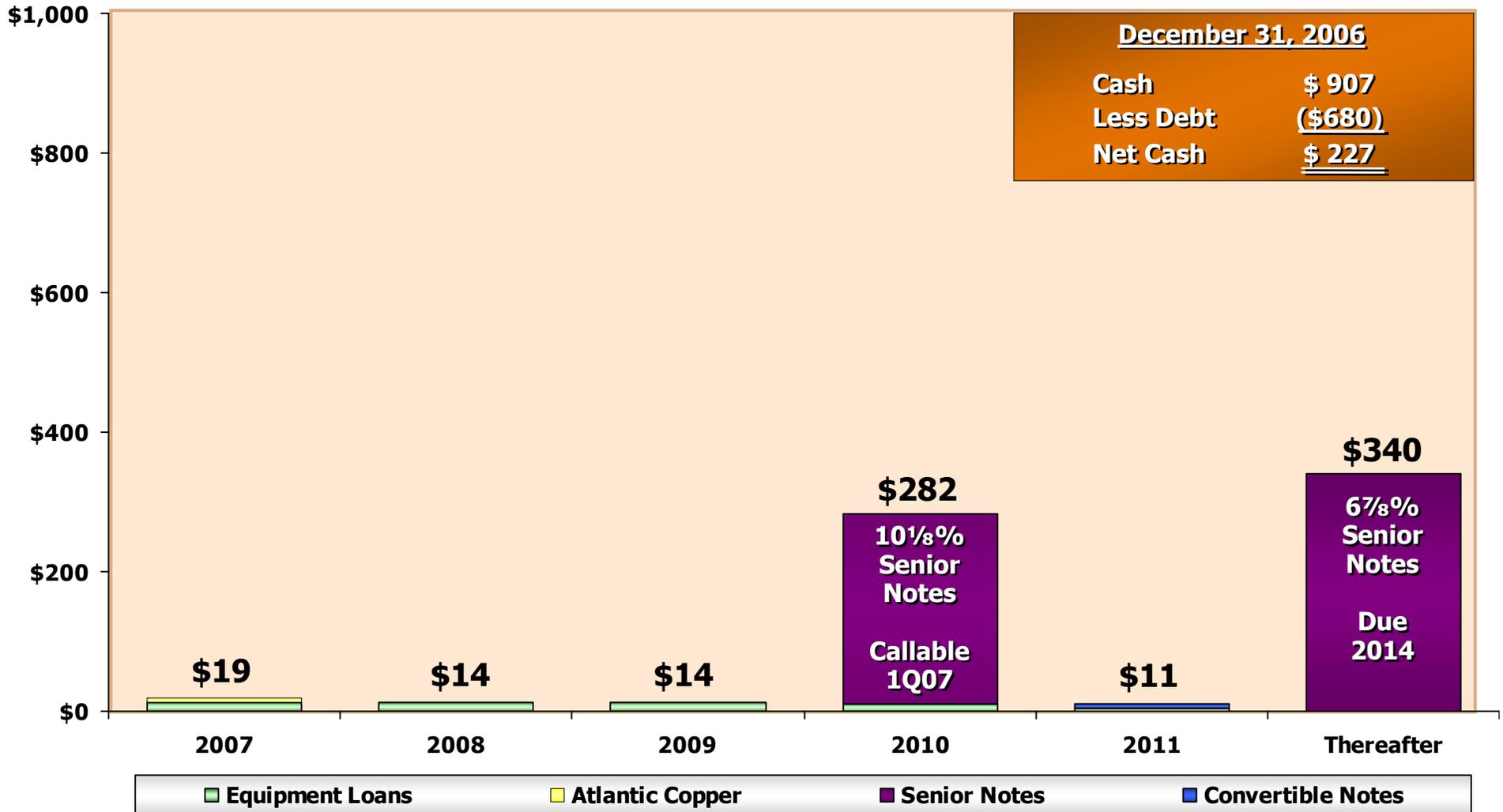
	<u>12/31/06</u>
Cash and Cash Equivalents	\$ 907
Debt:	
Infrastructure, Equipment & Other	\$ 60
Senior Notes	613
Convertible Notes	7
Total Debt	\$ 680
Total Net Debt/(Cash)	\$ (227)
Market Value of Equity @ \$54/share	\$10,638
5.5% Convertible Perpetual Preferred	<u>\$ 1,100</u>
Total Enterprise Value	\$11,511

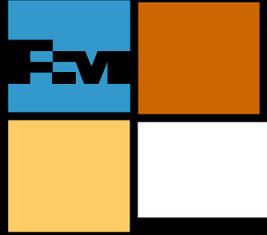
<i>Credit Statistics –</i>	<i>2006</i>
<i>EBITDA</i>	<i>\$3,096</i>
<i>EBITDA/Interest</i>	<i>40.7x</i>



FCX Debt Maturities

(\$ in millions)



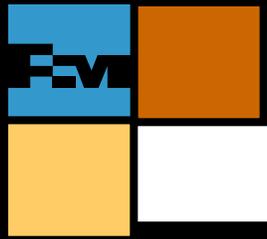


2007 Outlook

- **Sales of 1.1 Billion lbs. Copper, 1.8 Million ozs. of Gold**
- **Continuation of Strong Cash Flows**
- **At Prices of \$2.50/lb. Copper and \$600/oz. Gold, Full Year Operating Cash Flows Would Exceed \$1.3 Billion⁽¹⁾**

⁽¹⁾ Each 10¢ change in copper would impact this estimate by approximately \$55 MM, and each \$25/oz change in gold would have an approximate \$23 MM impact.

NOTE: Amounts are projections; see cautionary statement.



PT-FI Mine Plan

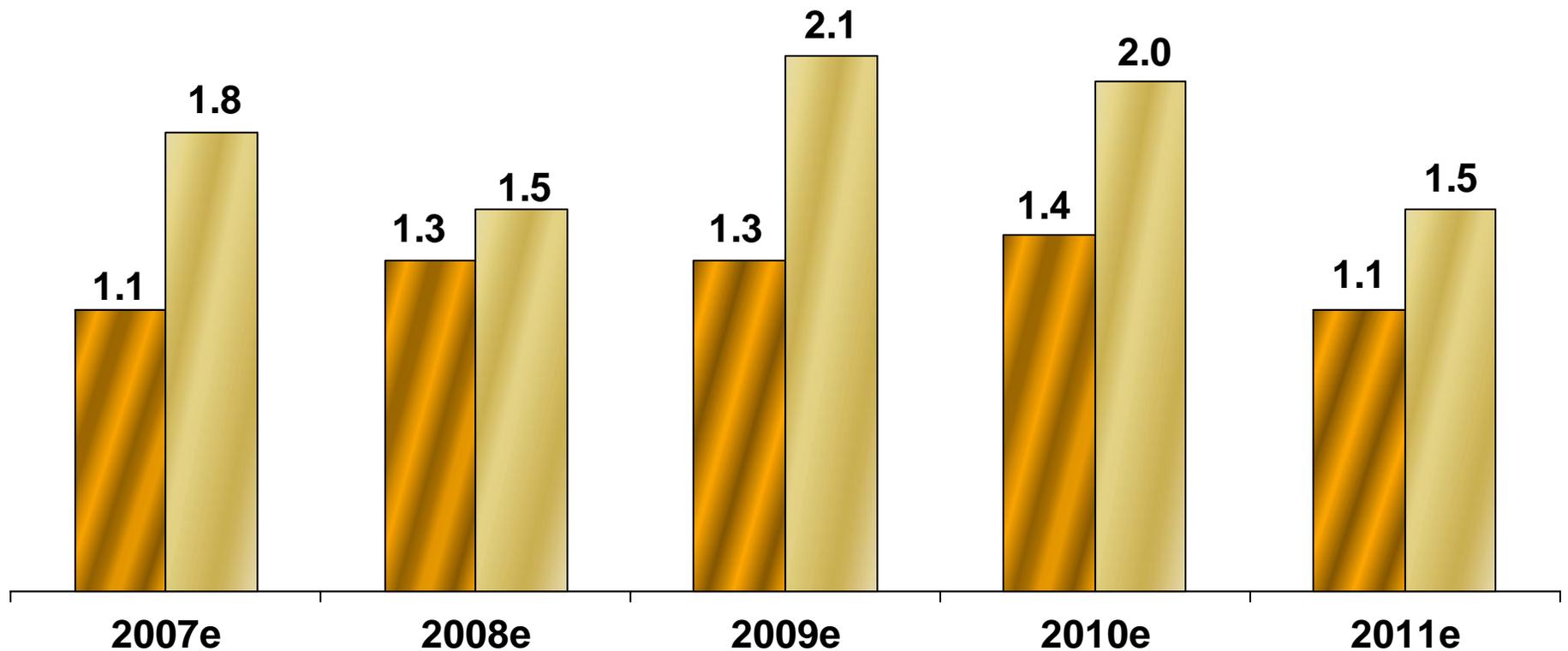
PT-FI's Share of Metal Sales, 2007e-2011e

 ***Copper, billion lbs***

 ***Gold, million ozs***

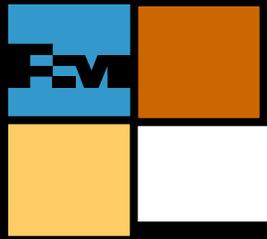
***2007e – 2011e PT-FI Share
Total: 6.2 billion lbs
Annual Average: 1.24 billion lbs***

***2007e – 2011e PT-FI Share
Total: 8.9 million ozs
Annual Average: 1.8 million ozs***



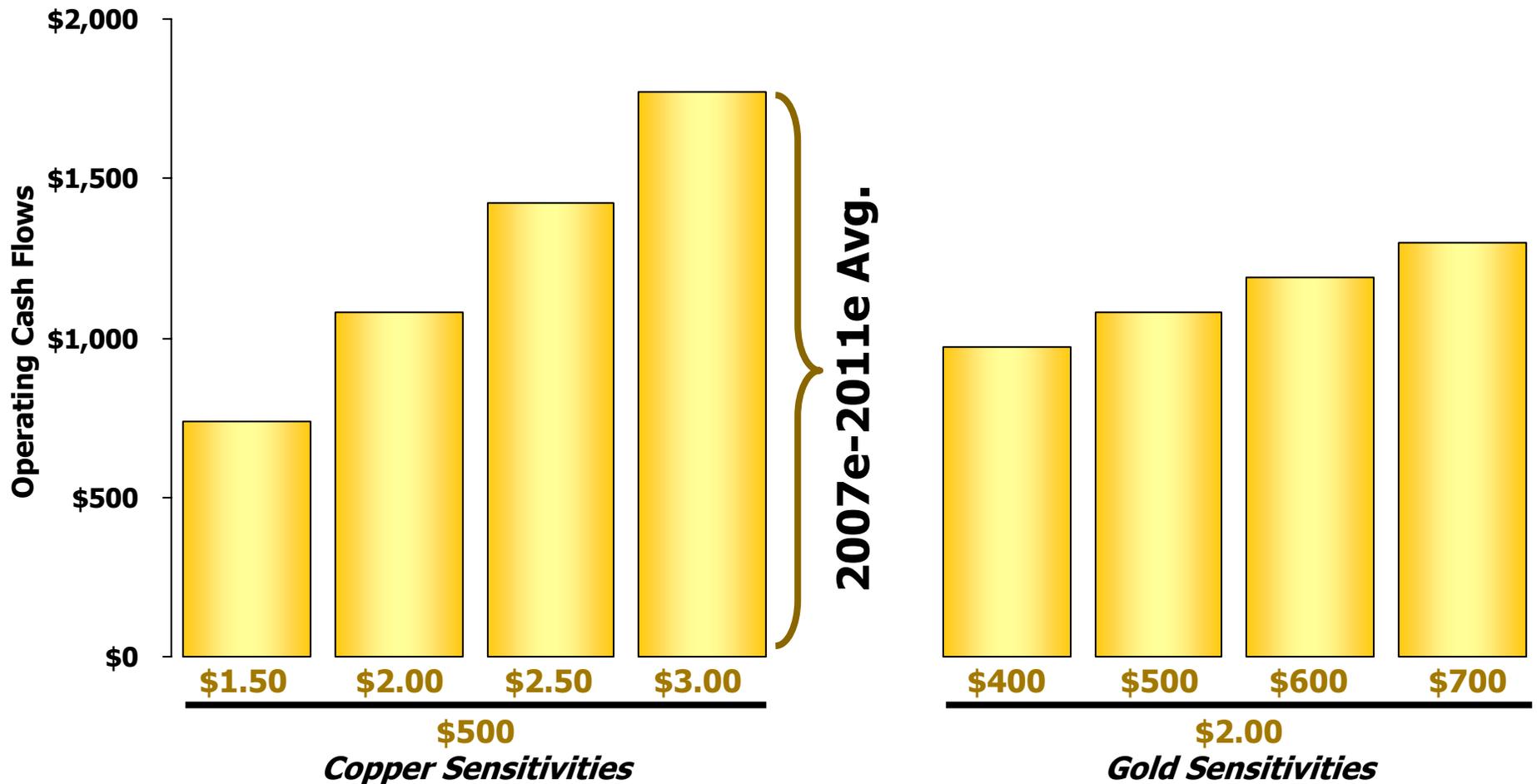
e = estimate. Amounts are projections; see cautionary statement.

Note: Timing of annual sales will depend upon mine sequencing, shipping schedules and other factors.



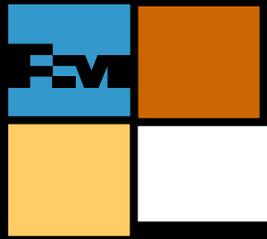
FCX Operating Cash Flows (Annual Avg. 2007e-2011e) at Varying Copper & Gold Prices

(\$ in millions, except copper and gold prices)



* 5-year average based on 2007-2011 copper and gold sales averaging 1.24 billion pounds and 1.8 million ounces with prices as noted for 2007 through 2011. Assuming \$2.50/lb copper and \$600/oz gold in 2007, operating cash flows would exceed \$1.3 billion.

e = estimate. Amounts are projections; see cautionary statement.

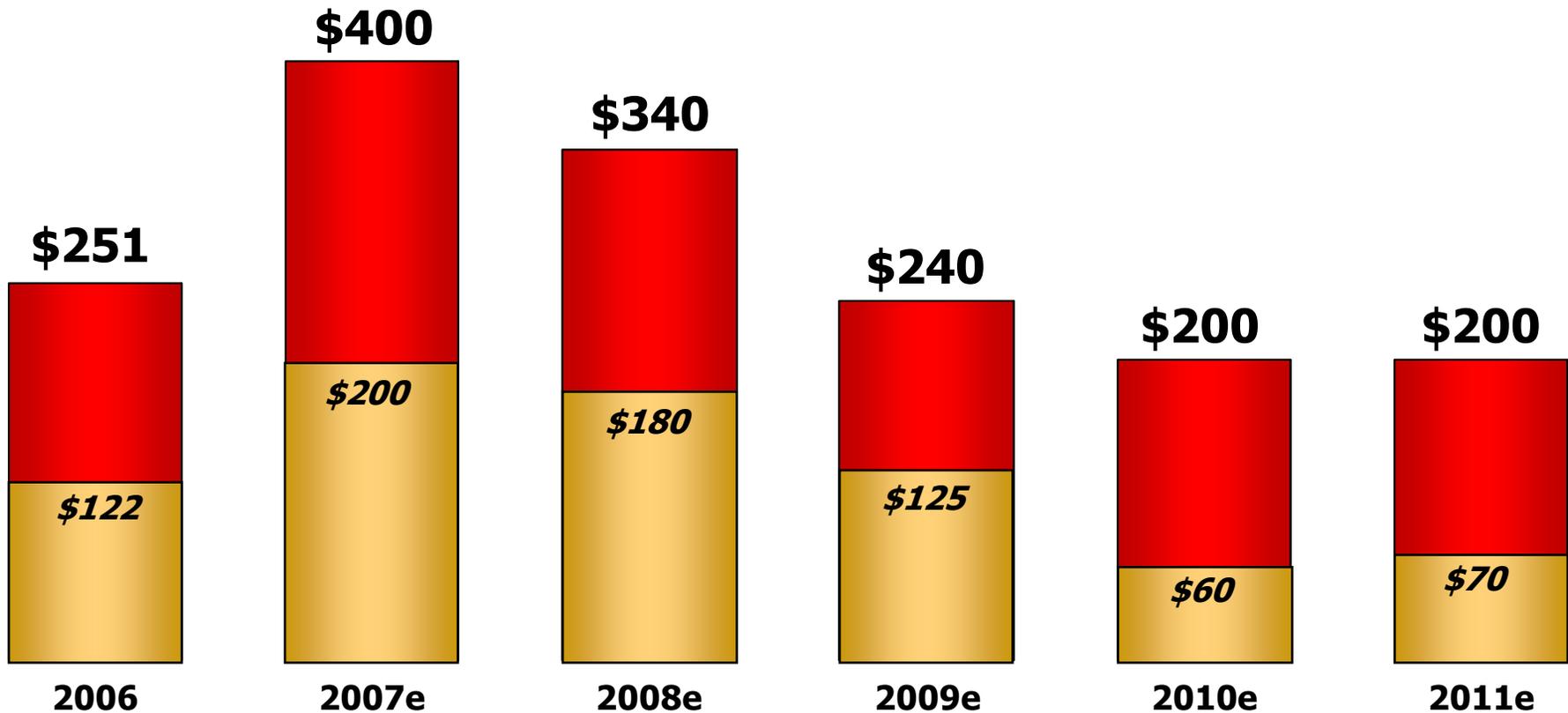


FCX Capital Expenditures

(\$ in millions)

2007e – 2011e Annual Average ~ \$275 Million

■ Long-term Projects*



e = estimate. Amounts are projections; see cautionary statement.

** Includes PT-FI's share of capital expenditures for Common Infrastructure, DOZ Expansions, Grasberg Block Cave Spur & Development and Big Gossan.*

NOTE: Planned capital subject to change pending ongoing studies to optimize open pit and underground operations.

FCX

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Cu

Copper

Au

Gold

Transforming FCX

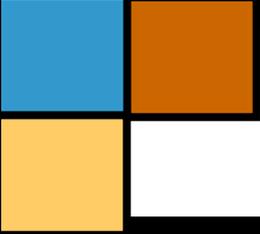
Acquisition of Phelps Dodge

*Creating the World's Largest
Publicly Traded Copper Company*



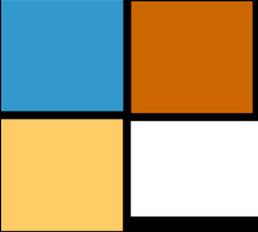
FREEPORT-McMoRAN COPPER & GOLD INC.

www.fcx.com



Transaction Highlights

- **Creates World's Premier Publicly Traded Copper Company**
- **Leading North American-based Metals and Mining Investment**
- **World Class, Long-lived, Geographically Diverse Operations**
- **Significant Exploration Potential and Management Track Record of Adding Value Through Exploration**
- **Strong Cash Flows and Pro Forma Financial Strength**
- **Operating and Development Expertise**
- **Attractive Project Pipeline Supports Growing Production Profile**
- **Compelling Value Creation for Freeport-McMoRan Copper & Gold and Phelps Dodge Shareholders**



Transaction Summary

- Price:**
- Freeport-McMoRan Copper & Gold ("FCX") to acquire Phelps Dodge for \$126.46 per share, based on FCX's closing price of \$57.40 on November 17, 2006
 - Total transaction value of \$26 billion
-

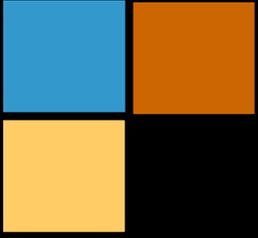
- Premium:**
- Premium of 33% to Phelps Dodge's closing price on November 17, 2006
-

- Structure:**
- \$88.00 in cash and 0.67 shares of FCX common stock per Phelps Dodge share
 - 70% cash; 137 million new common FCX shares
 - Pro forma 334 million basic shares / 358 million fully diluted shares outstanding
-

- Ownership:**
- FCX shareholders will own 62% and Phelps Dodge shareholders will own 38%, on a fully diluted basis
-

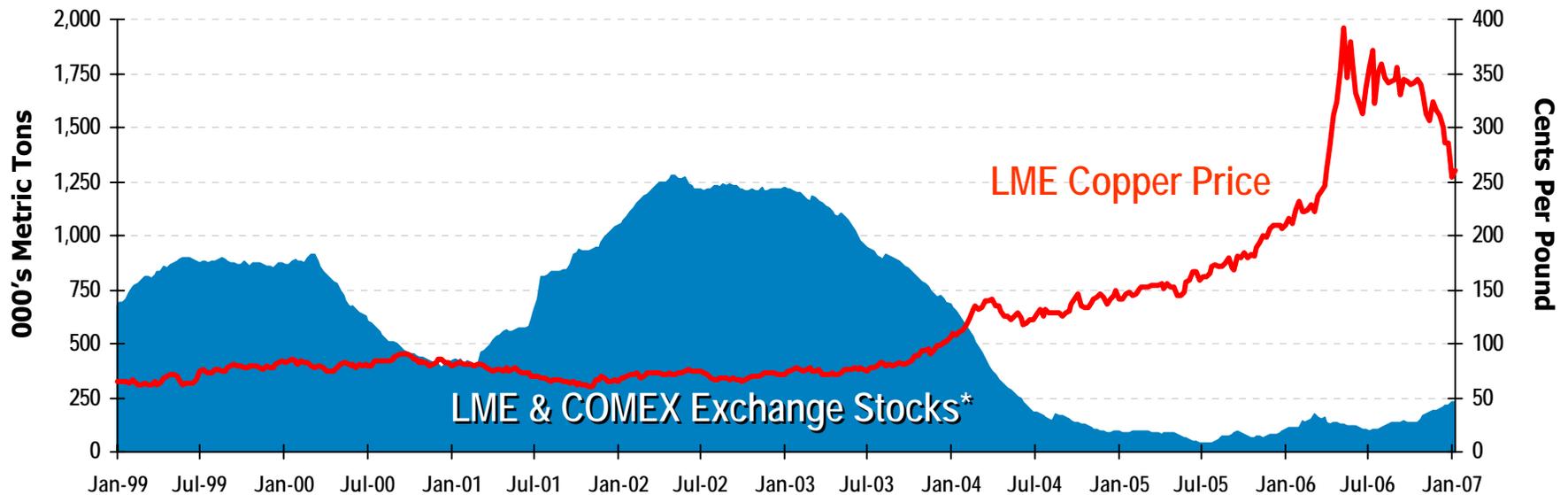
- Key Conditions:**
- FCX and Phelps Dodge shareholders' approval
 - Customary regulatory approvals and conditions
-

- Timing:**
- Closing expected end of 1Q 2007



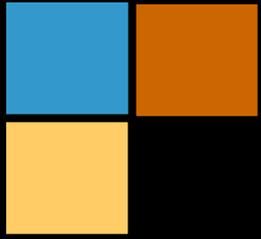
The Right Time

Strong Copper Fundamentals



**LME and Comex, excluding Shanghai stocks, producer, consumer and merchant stocks.*

- **The Combination of Strong Fundamentals has Created Extremely Attractive Market Conditions for the Copper Industry**
- **Supply is Unlikely to Increase Meaningfully**
 - **Absence of Mega-development Projects in the Pipeline**
 - **Potential for Further Supply Disruptions**
- **China Continues to be a Key Consumer**

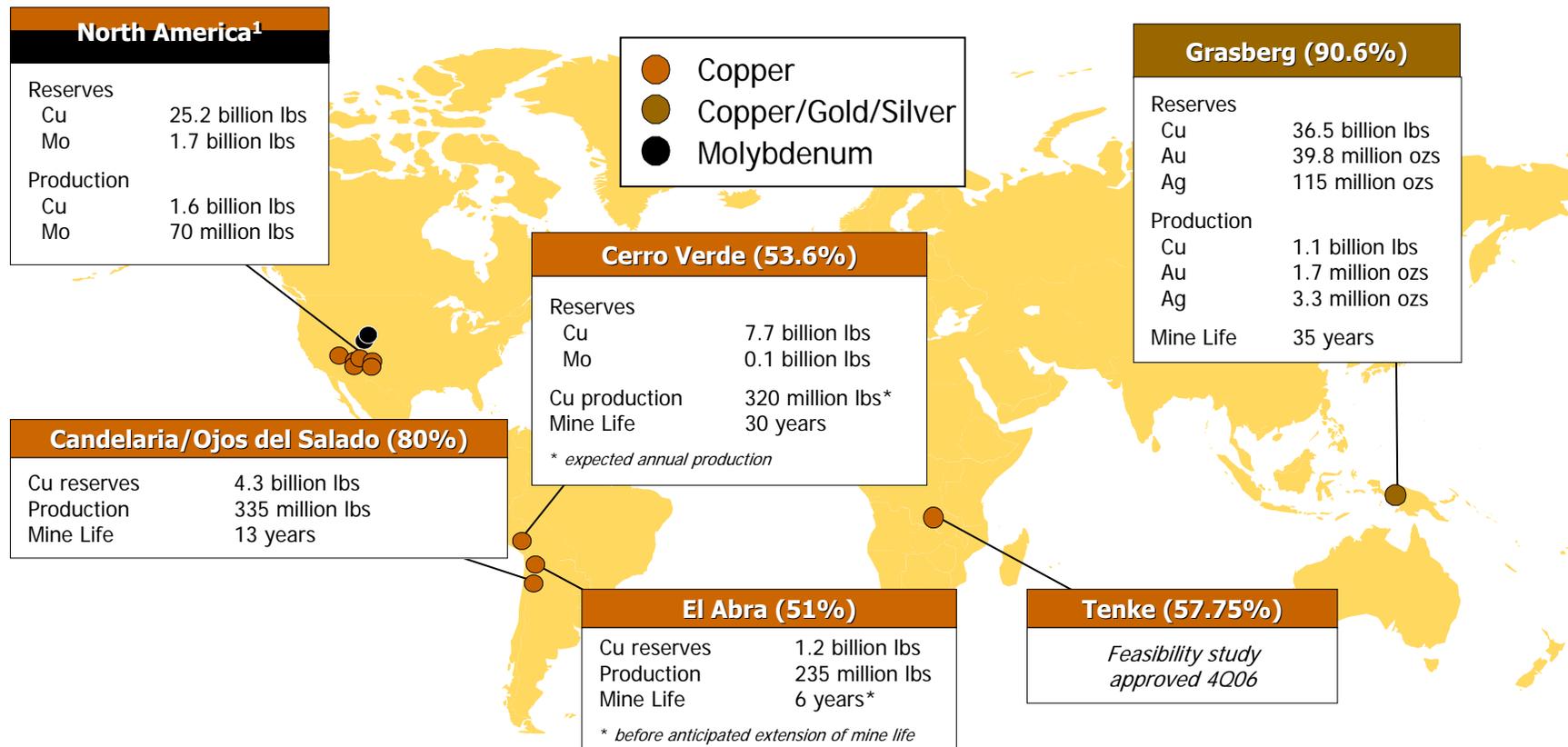


The Right Assets

Geographically Diverse, Long-Lived Asset Base

Major Mine Operations & Development Projects

All major assets majority-controlled and operated



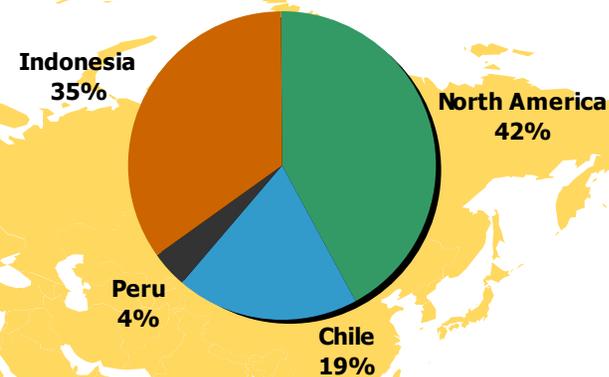
Note: Reserves and annual production net to pro forma FCX; Reserves as of December 31, 2005. Production figures are average annual estimates for 2007-2010.

¹ Cu operations: Morenci (85%), Sierrita (100%), Bagdad (100%), Chino/Cobre (100%), Tyrone (100%), and Miami (100%) Cu development: Safford (100%) Primary Mo: Henderson (100%) and Climax (100%) with feasibility study expected on Climax in 2007

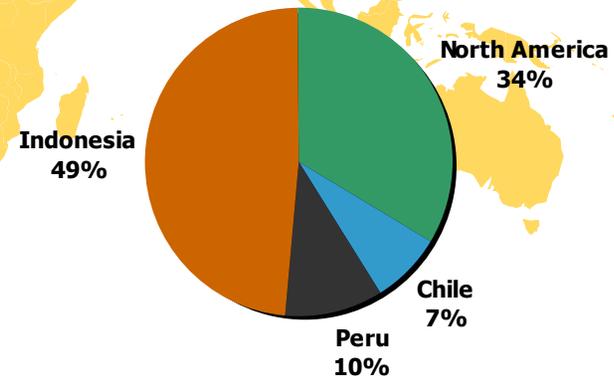
Pro Forma Reserves and Production

Pro forma		
Reserves	Consolidated	Net interest
Copper (billion lbs)	87.6	75.0
Molybdenum (billion lbs)	2.0	1.9
Gold (million ozs)	45.4	41.0
Average Production Volumes (2006-2010)		
Copper (billion lbs)	4.3	3.6
Molybdenum (million lbs)	78	74
Gold (million ozs)	2.0	1.8
Implied Reserve Life (years)		
Copper	20	21
Molybdenum	26	26
Gold	24	24
Mineralized Material*		
Ore (million metric tons)	5,237	4,720
average % copper	0.53	0.51
average g/t gold	0.09	0.10

2006E Production by Geography



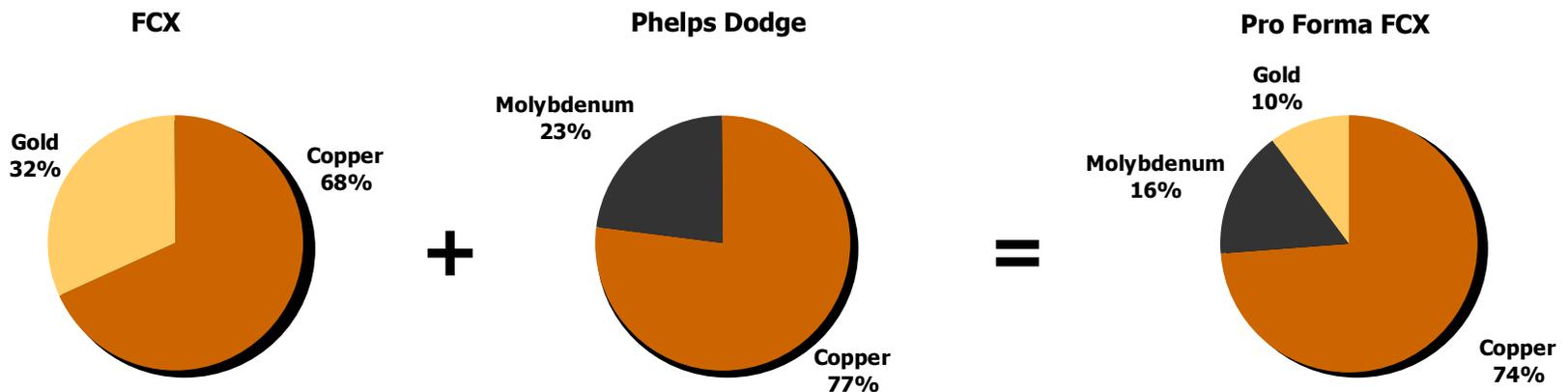
2005 Reserves by Geography



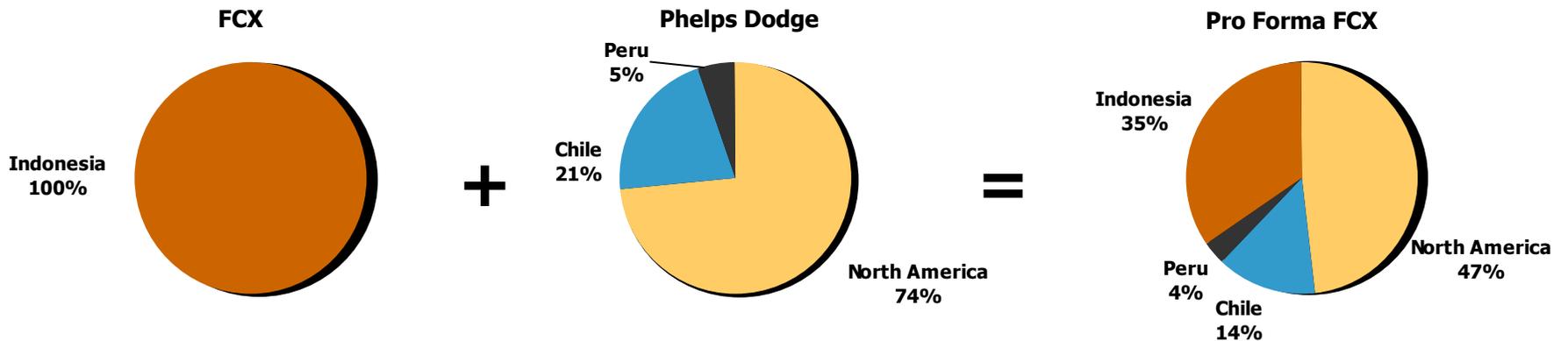
*Geologic resources are not included in reserves. The geologic resources will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated resources and mineralization will become proven and probable reserves.

Enhanced Diversification

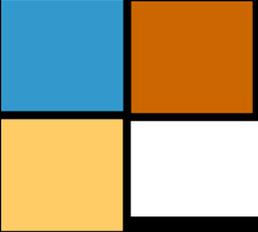
2005 Mining Revenue by Commodity



2005 Mining Revenue by Geography



Pro forma for the transaction, approximately 60% of production will come from investment grade countries



Additional Development Upside

Morenci (85%)

- Mill restart and concentrate leach project
- \$210 million capital cost
- Adds 115MM lbs Cu/year and enhances cost profile

Safford (100%)

- SX/EW project
- \$550 million capital cost
- 240MM lbs Cu/year
- Substantial district potential

El Abra (51%)

- Large sulfide mineral deposit underlying current oxide pit
- Extends mine life through 2021 with sulfide Cu production beginning in 2010
- Adds 325MM lbs Cu/year

Henderson/Climax (100%)

- Henderson production capacity increased to 40 MM lbs Mo/year from 32MM lbs Mo
- Possible 2009 restart of Climax at 20-30MM lbs Mo/year at \$200-250MM capital cost

Cerro Verde Sulfide (53.6%)

- Major project with conventional concentrator
- \$850MM capital cost
- Adds 430MM lbs Cu/year

Grasberg (90.6%)

- DOZ expansions (50K t/d & 80K t/d)
- Big Gossan development
- Development of Deep Grasberg & balance of mineral district reserves
- Significant exploration potential

Tenke Fungurume (57.75%)

- Believed to be largest Cu/Co project in the world today
- Oxide leach operation
- \$650MM capital cost
- 200MM lbs Cu/year; 8 ktpa (initial development)
- Potential expansions

Note: All data reflect aggregate interest in properties

Significant Exploration Potential

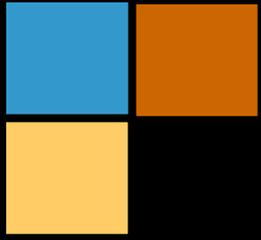
Papua, Indonesia

- Rights to 2.2 million acres
- Highly prospective exploration areas provide opportunities to continue to add to our long-lived reserves

Tenke Fungurume, Democratic Republic of the Congo

- Believed to be largest undeveloped, high grade copper/cobalt project in the world today
- Less than half of 600 square miles concession explored; cumulative strike length greater than 80 kilometers
- Initial production rates currently planned = +100 ktpa copper; +8 ktpa cobalt
- Project schedule – feasibility study: 4Q 06; start-up: late 2008 to early 2009
- ~\$650 million aggregate capital and related project expenditures

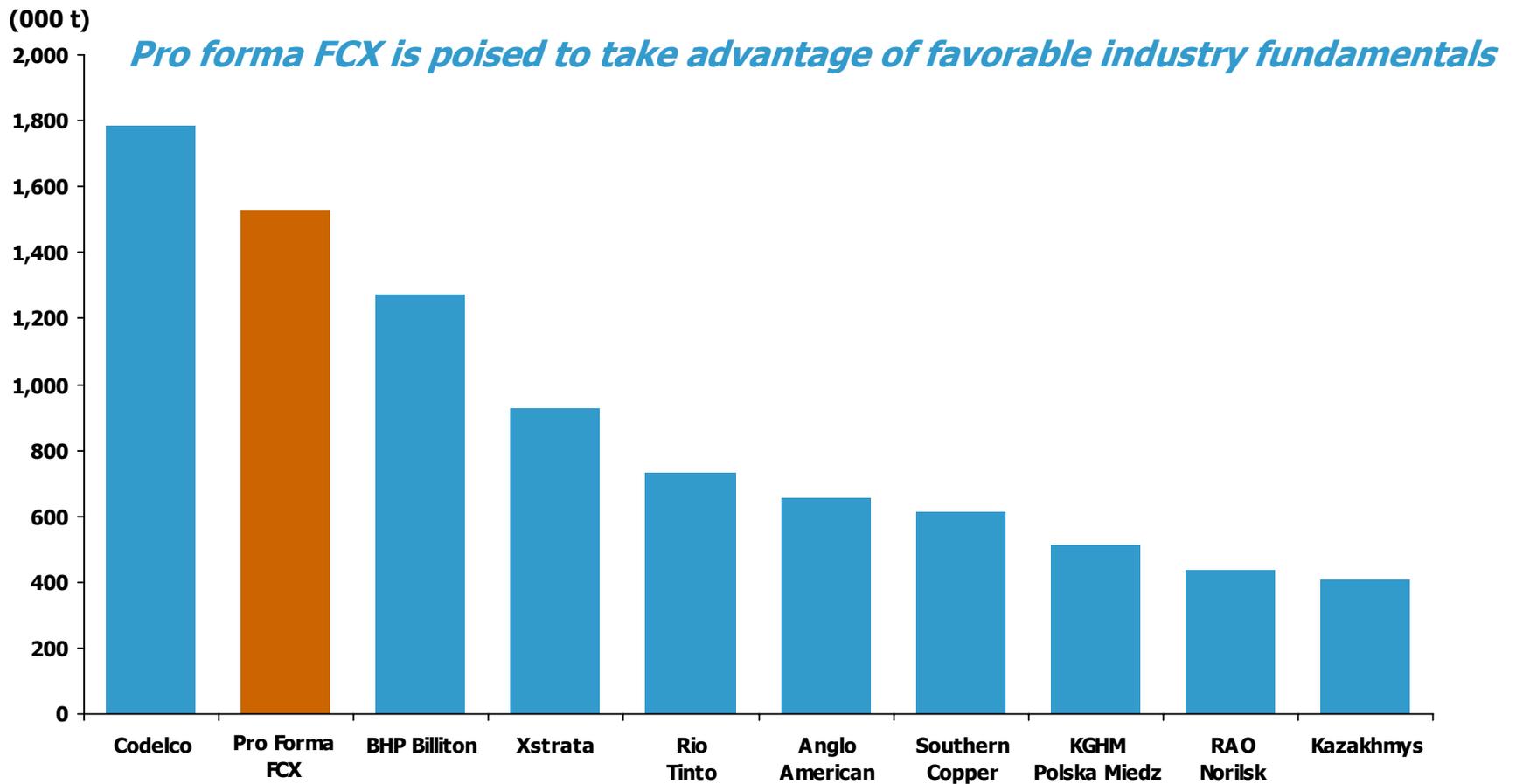




The Right Company

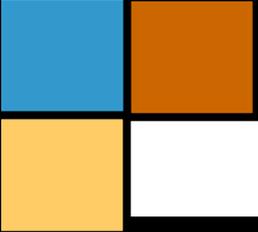
World's Leading Public Copper Company

Top 10 Copper Producers (2006E) ⁽¹⁾



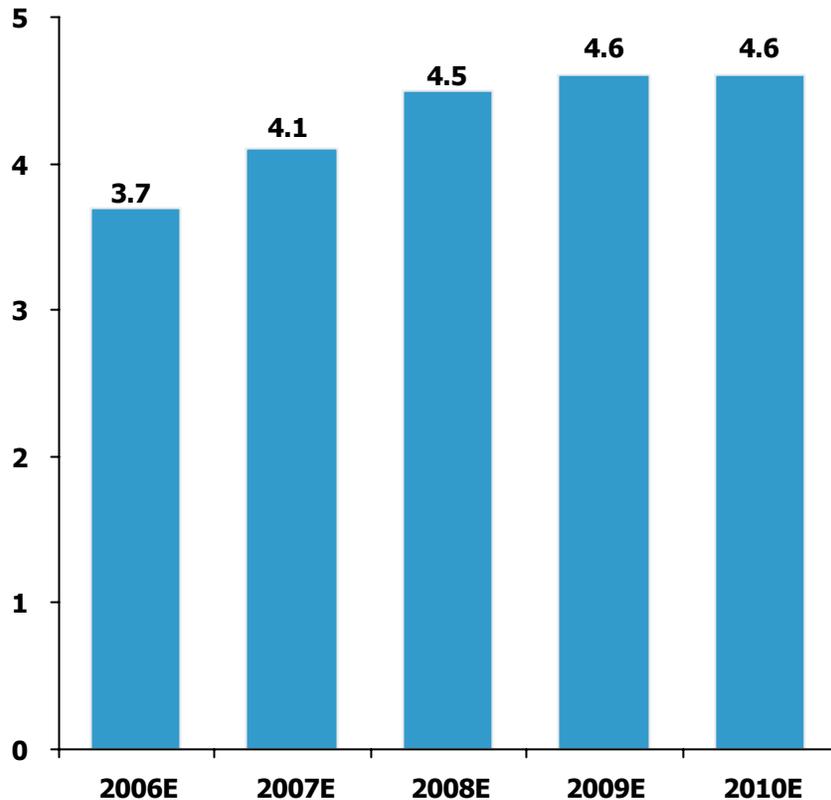
Source: Brook Hunt 3Q Report.

(1) Xstrata shown pro forma the acquisition of Falconbridge.

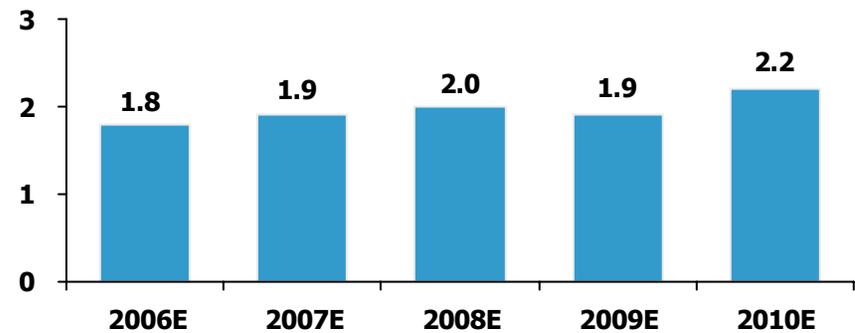


Pro Forma FCX – Growing Sales Profile

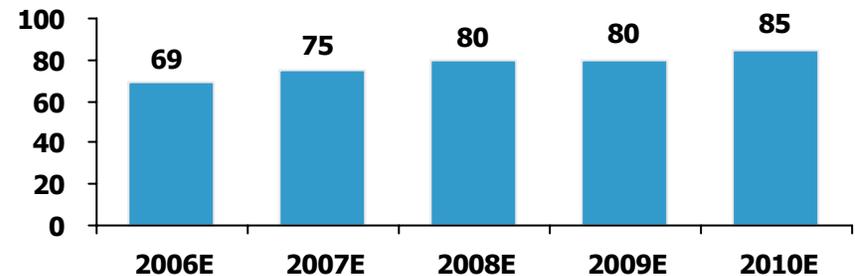
Copper Sales (billion lbs)



Gold Sales (million oz)

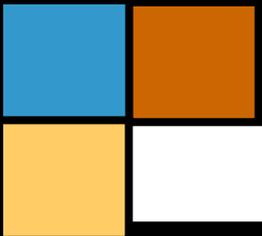


Molybdenum Sales (million lbs)



Note: Consolidated copper sales include approximately 550 mm lbs in 2006, 700 mm lbs in 2007, 750 mm lbs in 2008, 800 mm lbs in 2009 and 740 mm lbs in 2010 for minority interest; excludes purchased copper

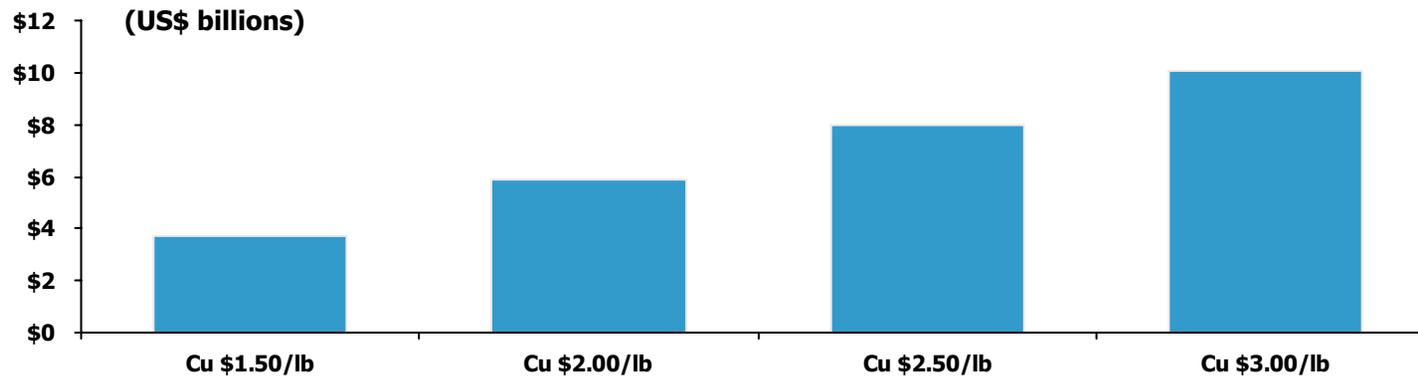
Note: Consolidated gold sales include approximately 175 k oz in 2006, 180 k oz in 2007, 190 k oz in 2008, 180 k oz in 2009 and 210 k oz in 2010 for minority interest



EBITDA and Cash Flow at Various Copper Prices

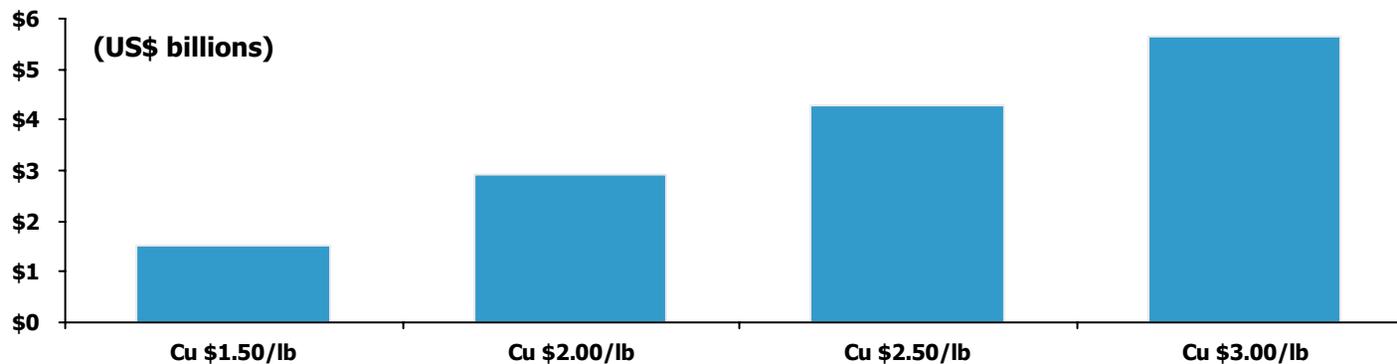
Average Annual EBITDA 2007-2009

(\$500 Gold & \$15 Molybdenum)

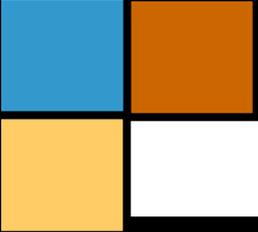


Average Annual Operating Cash Flow 2007-2009

(\$500 Gold & \$15 Molybdenum)



*Note: Each \$50/oz change in gold approximates \$90 million to EBITDA and \$50 million to operating cash flow; each \$2.00/lb of molybdenum equates to \$100 million to EBITDA and \$80 million to operating cash flow
EBITDA equals operating income plus depreciation, depletion, and amortization; Operating cash flow shown after merger adjustments*

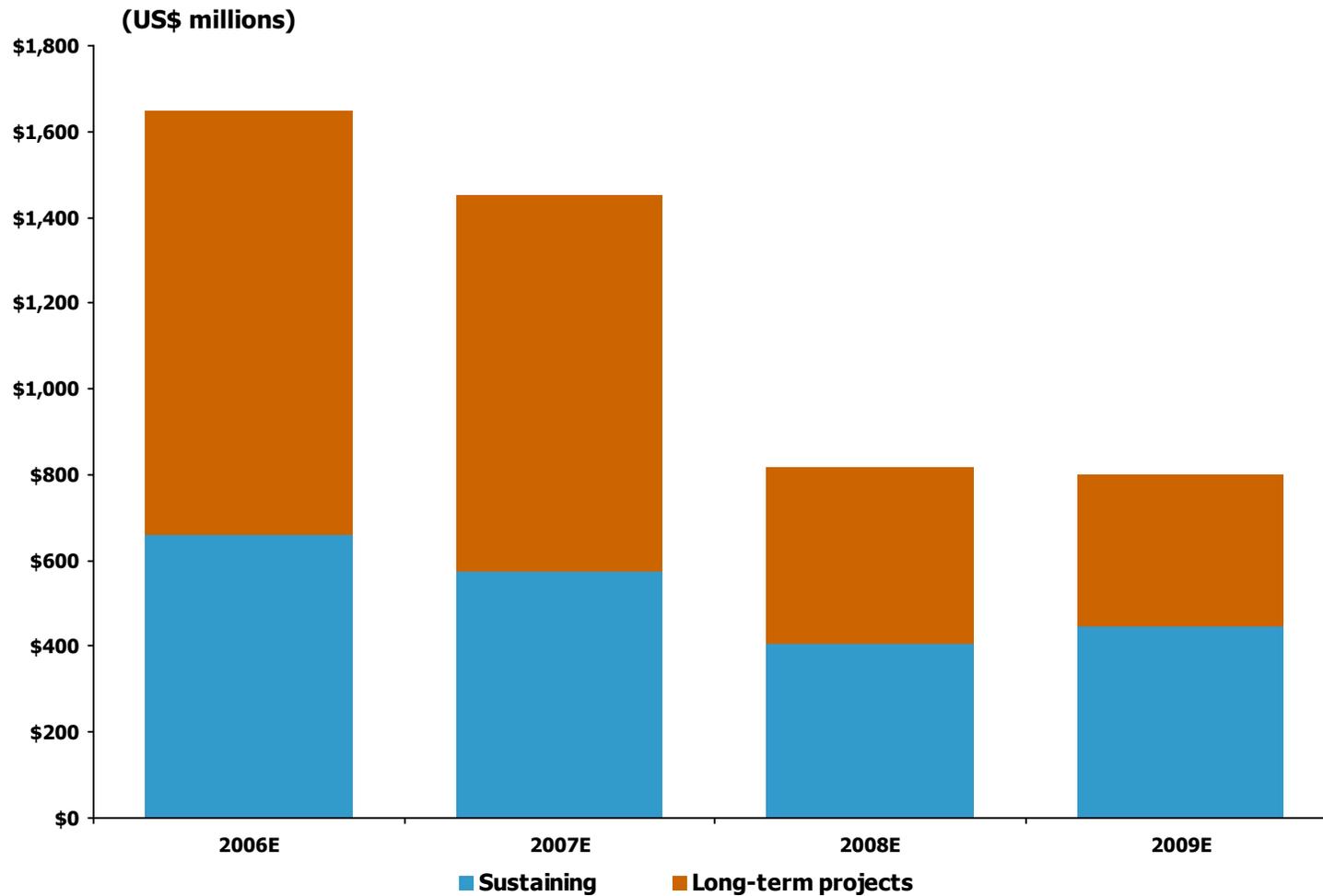


Sensitivity to Commodity Prices

Change in metal price	Annual Financial Impact	
	Net income	EPS
Copper: -/+ \$0.20/lb	\$500	\$1.50
Molybdenum: -/+ \$2.00/lb	\$80	\$0.24
Gold: -/+ \$50/ounce	\$50	\$0.15

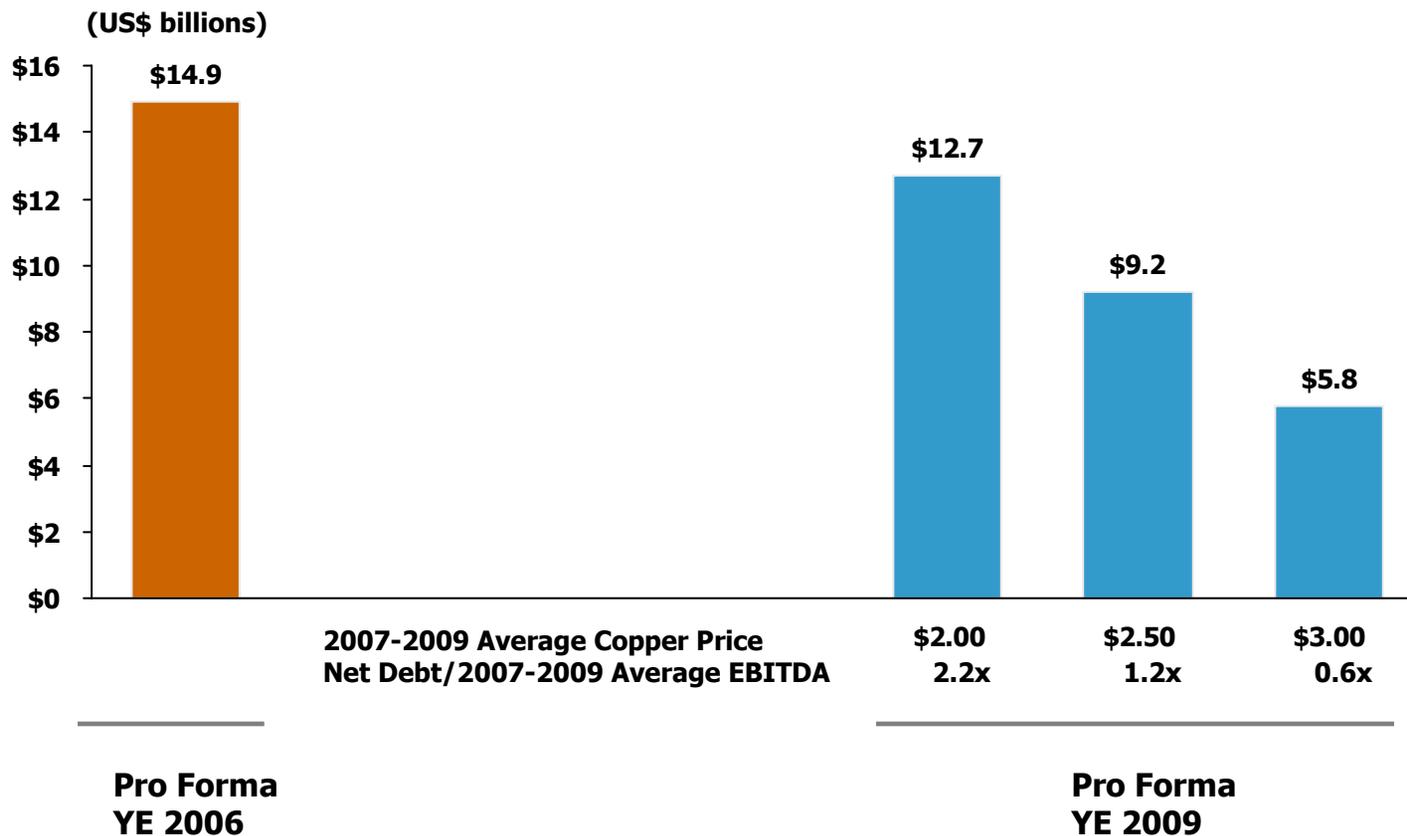
Note: Annual financial impact based on estimated average annual production for 2007-2010

Pro Forma Capital Expenditures

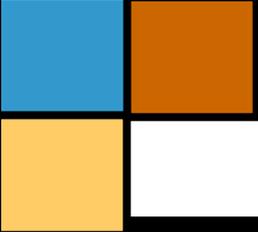


Significant Debt Reduction

Year-End Net Debt at Varying Copper Prices

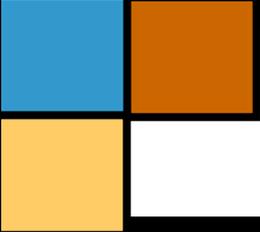


Note: Sensivity assumes \$15 Molybdenum and \$500 Gold; EBITDA equals operating income plus depreciation, depletion, and amortization



Financial Policy

- **FCX is Committed to Maintaining a Strong Financial Position**
- **Combined Company Will**
 - **Invest in Future Growth Opportunities with High Rates of Return**
 - **Aggressively Seek to Reduce Debt Incurred in the Acquisition Using the Substantial Cash Flows Generated From the Combined Business**
- **Continuation of Positive Copper Markets is Expected to Provide Substantial Cash Flows That Will Enable the Combined Company to Achieve Significant Near-term Debt Reduction**
 - **FCX Intends to Consider Opportunities Over Time to Reduce Debt Further Through Issuances of Equity and Equity-linked Securities and Possibly Through Asset Sales**
- **FCX Anticipates Continuing Regular Annual Common Dividend of \$1.25 per Share**
- **Committed to Long-standing Tradition of Maximizing Value for Shareholders**



Transaction Highlights

- **Creates World's Premier Publicly Traded Copper Company**
- **Leading North American-based Metals and Mining Investment**
- **World Class, Long-lived, Geographically Diverse Operations**
- **Significant Exploration Potential and Management Track Record of Adding Value Through Exploration**
- **Strong Cash Flows and Pro Forma Financial Strength**
- **Operating and Development Expertise**
- **Attractive Project Pipeline Supports Growing Production Profile**
- **Compelling Value Creation for Freeport-McMoRan Copper & Gold and Phelps Dodge Shareholders**