

FCX

Freeport-
McMoRan

Cu

Copper

Au

Gold

MORGAN STANLEY

Basic Materials Conference

Crowne Plaza Times Square

New York City

Richard C. Adkerson

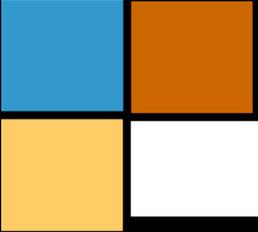
President & Chief Executive Officer

February 22, 2007



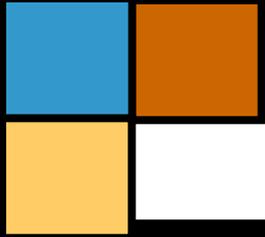
FREEPORT-McMoRAN COPPER & GOLD INC.

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.



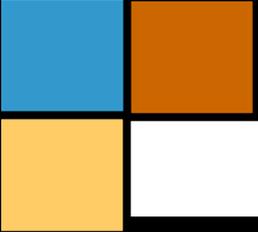
Important Information for Investors and Stockholders

FCX and Phelps Dodge filed a joint proxy statement/prospectus with the Securities and Exchange Commission (SEC) in connection with the proposed merger. FCX and Phelps Dodge urge investors and stockholders to read the definitive 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 website 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 website at www.fcx.com. Documents filed with the SEC by Phelps Dodge will be 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 preliminary joint proxy statement/prospectus filed with the SEC. 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 joint proxy statement/prospectus filed with the SEC.

Other information regarding the direct and indirect interests, by security holdings or otherwise, of the participants will be 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.

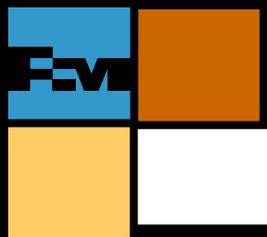


FCX's Grasberg

- **World Class Copper and Gold Mine**
- **Long Lived Payable Reserves**
 - Copper – 39 Billion lbs
 - Gold – 41 Million ozs
- **High Volume/ Low Cost Production**
- **Future Growth Potential from Exploration**
- **Continuous Operations Since 1972 – 50-Year COW**
- **Responsible Environmental Management**

Grasberg





2006 Financial Highlights

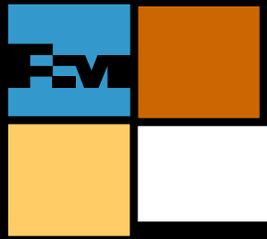
<i>Operating Data</i>	<u>4Q06</u>	<u>2006</u>
Copper		
Volumes (<i>mm lbs</i>)	433	1,201
Realization (<i>per lb</i>)	\$2.88	\$3.13
Gold		
Volumes (<i>000's ozs</i>)	508	1,736
Realization (<i>per oz</i>)	\$628	\$606 ⁽¹⁾

<i>Financial Results (in millions, except per share amounts)</i>		
Net Income	\$426	\$1,396 ⁽²⁾
Diluted Earnings Per Share	\$1.99	\$6.63 ⁽²⁾
Operating Cash Flows	\$798	\$1,866 ⁽³⁾
Capital Expenditures	\$ 73	\$251

(1) \$567/oz. after revenue adjustment for Gold Preferred redemption

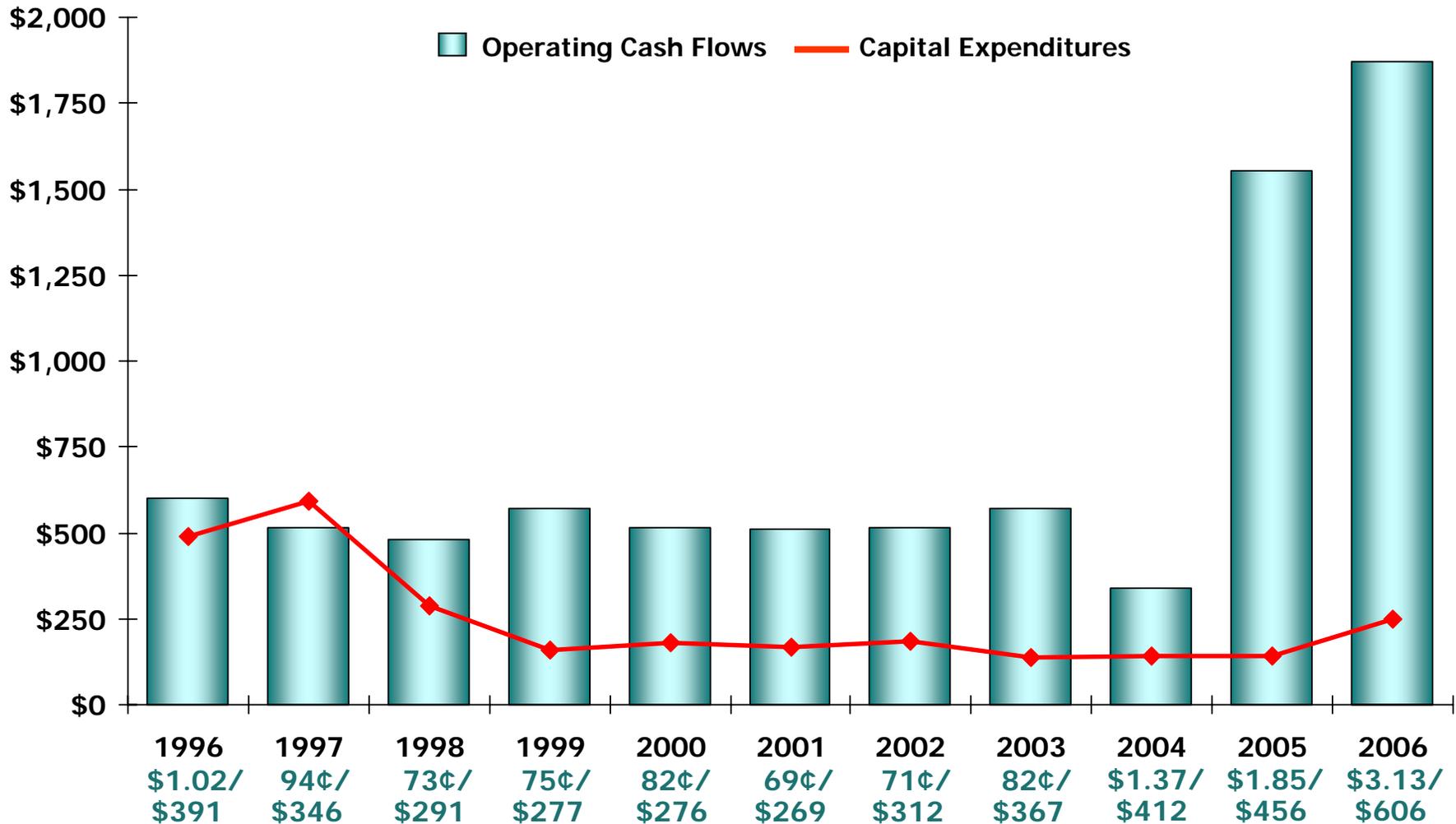
(2) Includes losses of \$73.9 million (\$0.33/share) on debt reductions and \$29.7 million (\$0.13/share) in gains on asset sales

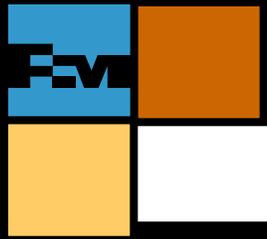
(3) Includes \$114 million reduction for working capital uses



FCX Operating Cash Flows and Capital Expenditures

(\$ in millions, except realized prices)

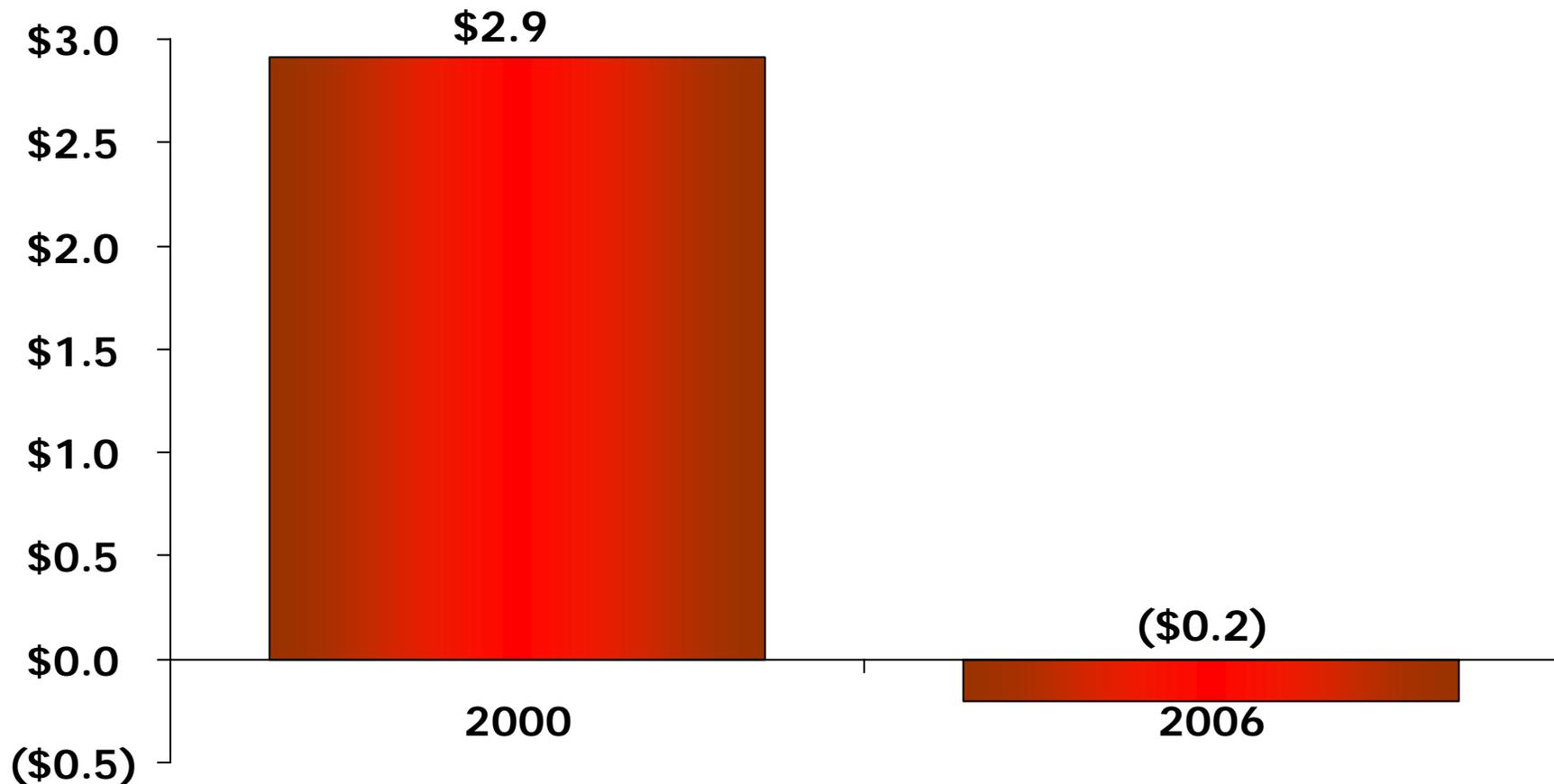




Significant Debt Reduction

(\$ 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.

FCX

Freeport-
McMoRan

Cu

Copper

Au

Gold

Transforming FCX

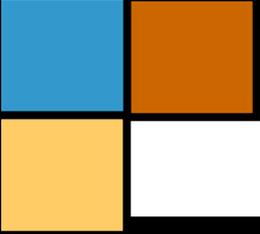
Acquisition of Phelps Dodge

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



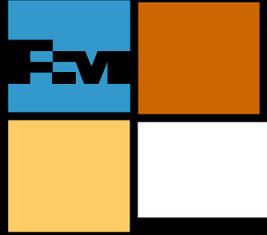
FREEPORT-McMoRAN COPPER & GOLD INC.

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**



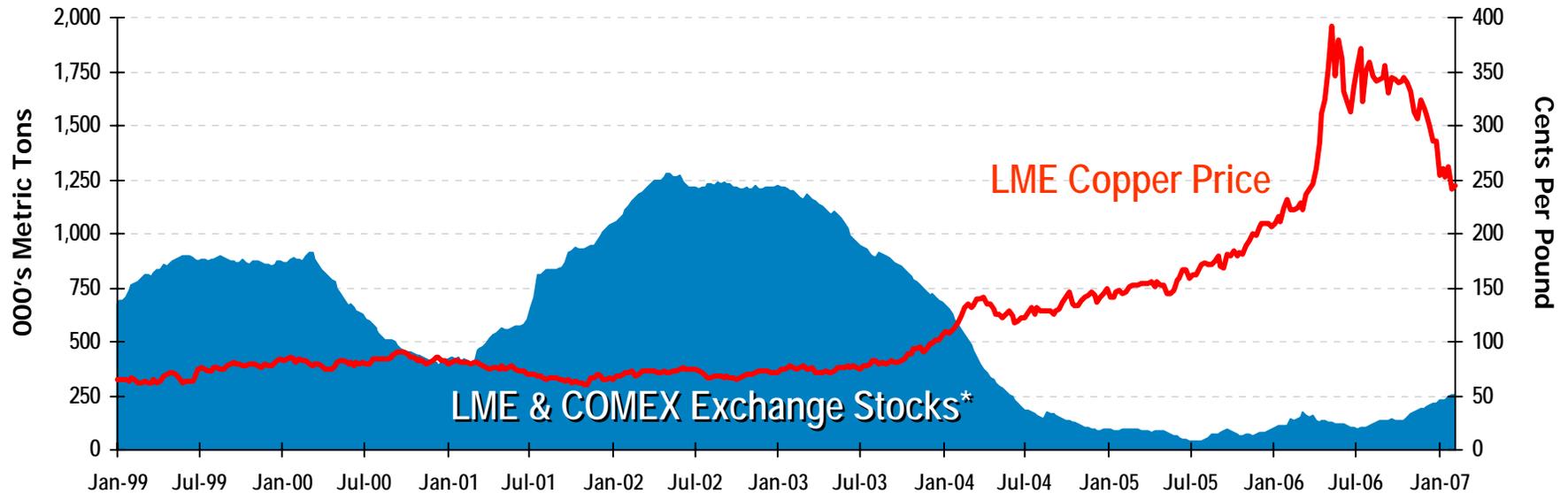
Status Report on Pending Acquisition of Phelps Dodge

- **Announced Transaction on November 19, 2006**
- **Positive Market Response**
 - **Size, Scale, Diversity**
- **Transaction Subject to Regulatory and FCX/PD Shareholder Approval**
 - **U.S. Authorities Granted Early Termination of the Waiting Period Under the Hart Scott Rodino Act in Late December**
 - **Received Regulatory Approval From the EU February 20, 2007**
- **SEC Declared Registration Statement Effective February 12, 2007**
- **Shareholder Votes Set for March 14, 2007**
- **Transition/Integration Planning Under Way**
- **Transaction Expected to Close in March 2007**



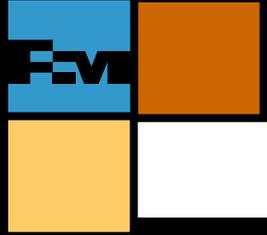
***The
Right
Time***

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**



Recent Copper Market Drivers

Reasons For Recent Price Decline

- Destocking Led to a Decrease in Chinese Imports of Refined Copper in 2H06
- Increase in Global Inventories (~50,000 Tonnes in Last 2 Months)
- Slowdown in U.S. Housing Starts Impacting Sentiment
- Investor Flows

Positive Outlook

- Apparent Demand Remains Strong; Restocking Expected to Support Prices
- Stocks Remain Near Historical Lows
- Relatively Small Component of Global Market; Fundamental U.S. Economic Outlook Remains Positive
- Physical Buyers Remain Active; Fundamentals Remain Positive

The Right Assets

Grasberg, Indonesia



Morenci, North America



Cerro Verde, Peru

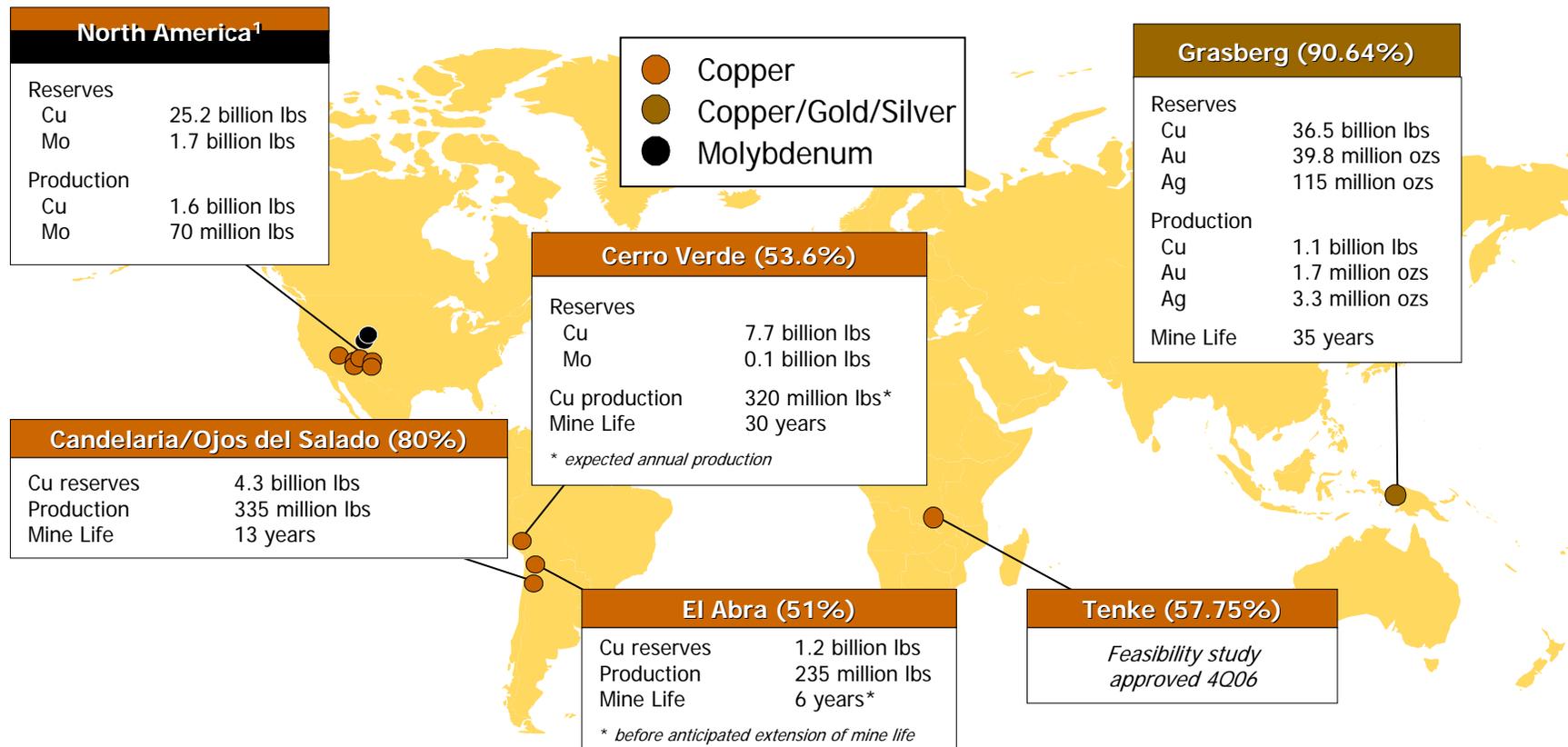


Sierrita, North America

Geographically Diverse, Long-Lived Asset Base

Major Mine Operations & Development Projects

All major assets majority-controlled and operated



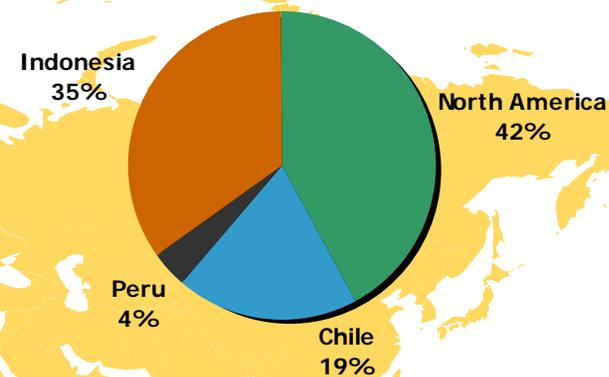
Note: Reserves and annual production net to pro forma FCX; Reserves as of December 31, 2005.

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

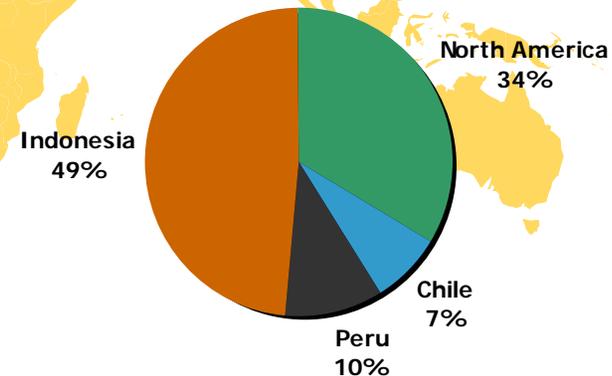
Pro Forma Reserves and Production

Pro forma		
	Consolidated	Net interest
Reserves 12/31/05		
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



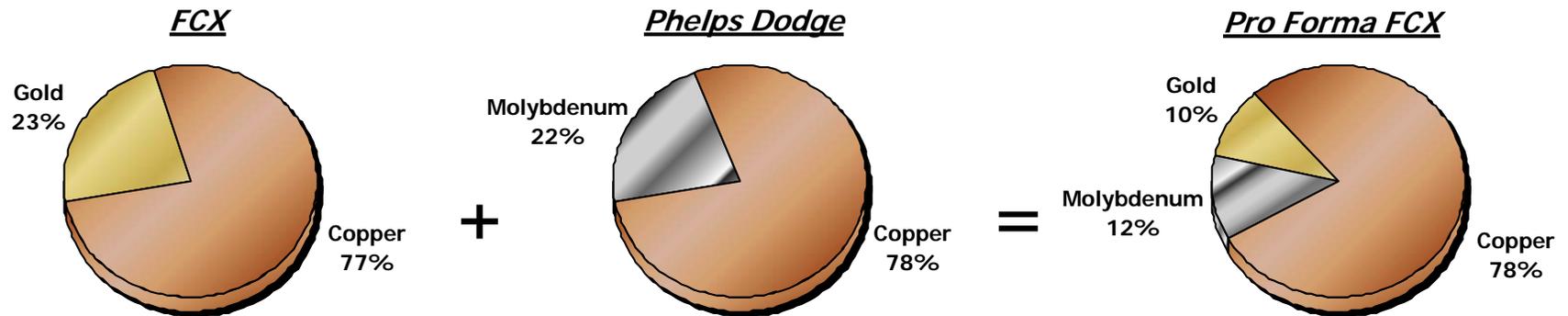
2005 Reserves by Geography



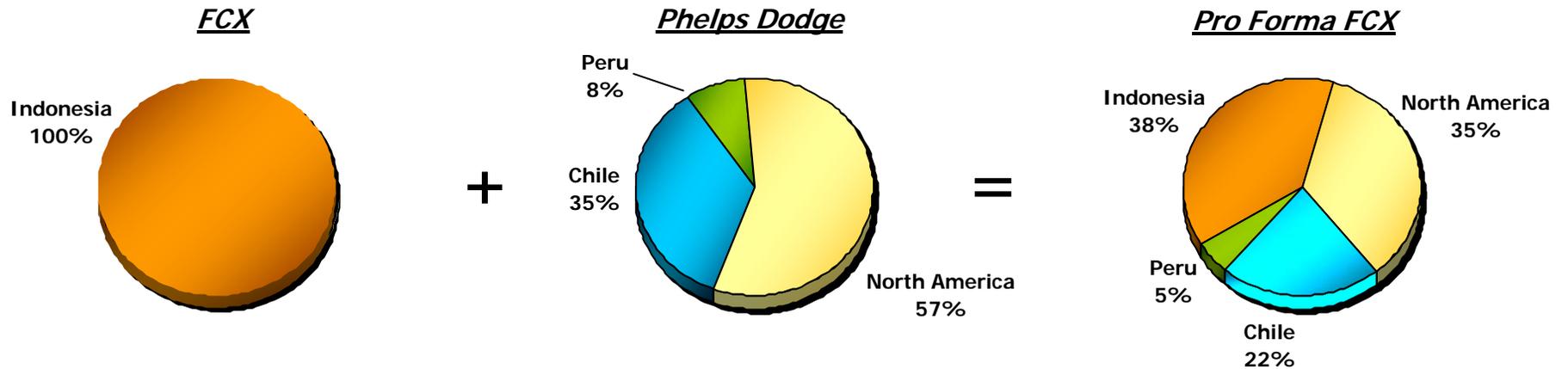
*Geologic resources are not included in reserves. The geologic resources will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated resources and mineralization will become proven and probable reserves.

Enhanced Diversification

2006 Mining Revenue by Commodity



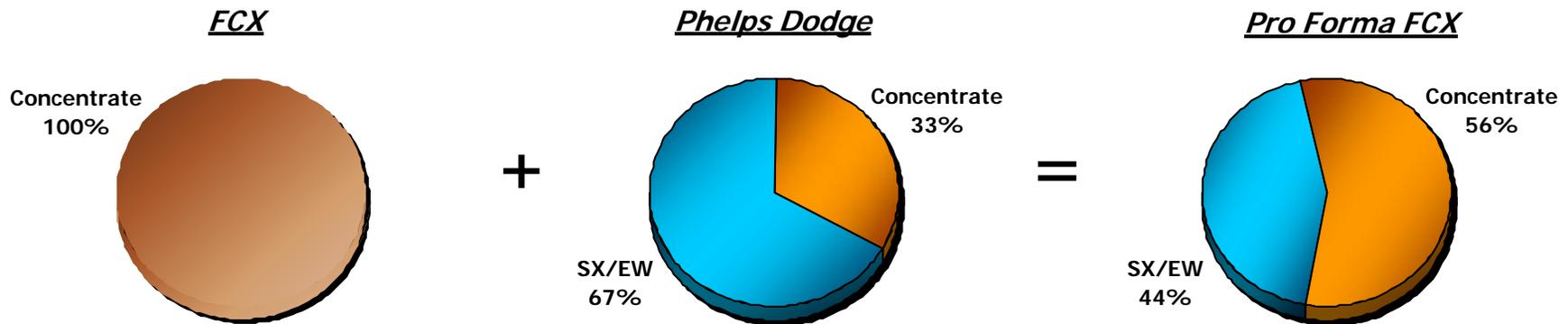
2006 Mining Revenue by Geography



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

Proven Technical Expertise

2006 Copper Production by Method



Pro forma FCX will be a world leader

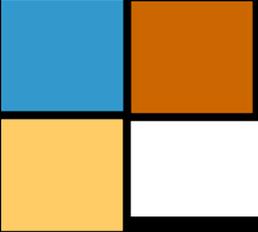
- *Open pit mining*
- *SX/EW production technology*
- *Block cave underground mining*
- *Copper concentrate leaching*

Smelting/Refining ⁽¹⁾ (000 metric tons)

● FCX ● Phelps Dodge

Atlantic Copper, Spain (100%)	
Anode production: 285	Cathode production: 255
PT Smelting, Indonesia ⁽²⁾ (25%)	
Anode production: 275	Cathode production: 275
Miami Smelter, Arizona ⁽³⁾ (100%)	
Anode production: 208	
El Paso, Texas (100%)	
Cathode production: 408	

(1) Smelting and refining production capacity shown on a 100% basis
 (2) FCX's share approximates 62,000 metric tons per year
 (3) Miami Refinery permanently shut down



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 (90.64%)

- 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

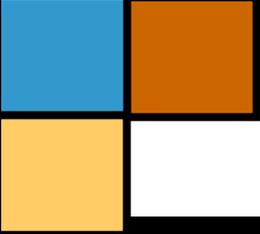
Papua, Indonesia

- 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-mile 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



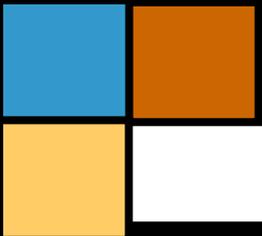


Strong Management Track Record

- **Leader in Safety and Environmental Excellence**
- **World Class Open Pit and Underground Mining Expertise**
- **Established Exploration and Development Expertise**
- **Proven Project Management Expertise**
- **Global Leader in Mining and Processing Technologies**
- **Strong Tradition of Shareholder Value Creation**

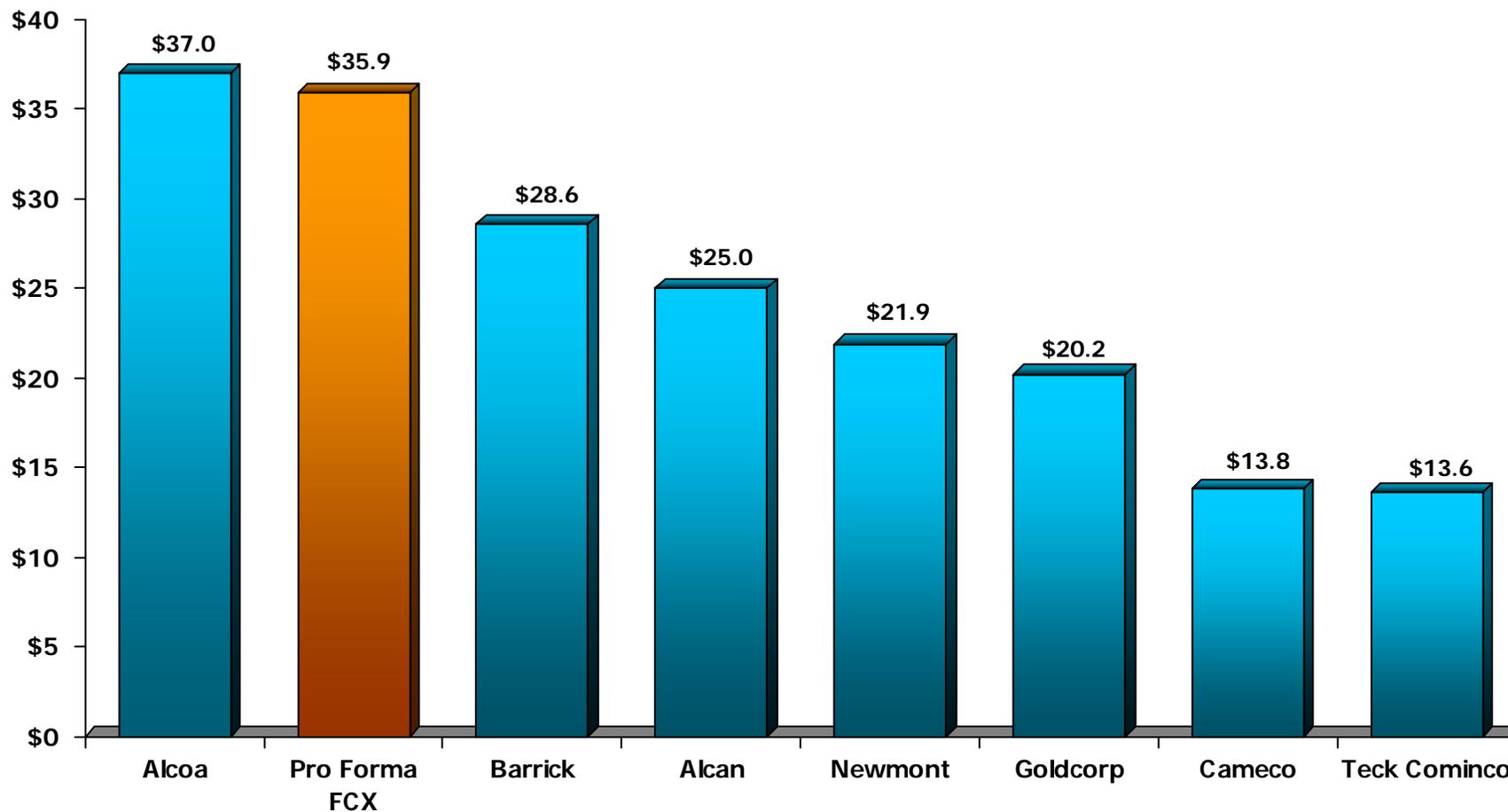


***The
Right
Company***



Premier North American Mining Company

Enterprise Value
(US\$ billions)

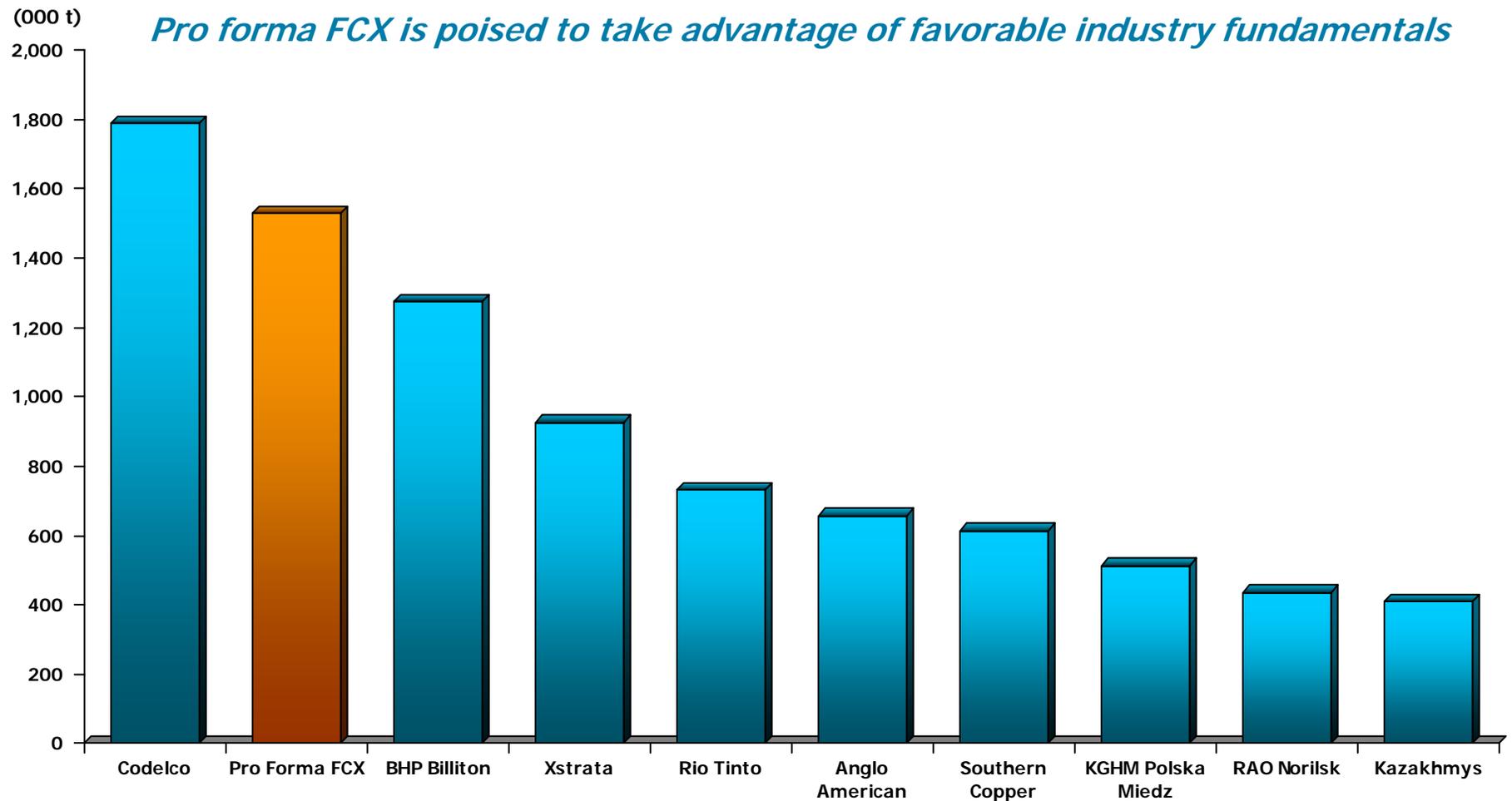


Source: Public filings, prices as of February 7, 2007

Pro forma FCX based on closing share price of \$53.96, pro forma 358 million diluted shares outstanding, net debt and minority interest as of December 31, 2006 and debt incurred through the transaction

World's Leading Public Copper Company

Top 10 Copper Producers (2006E) ⁽¹⁾

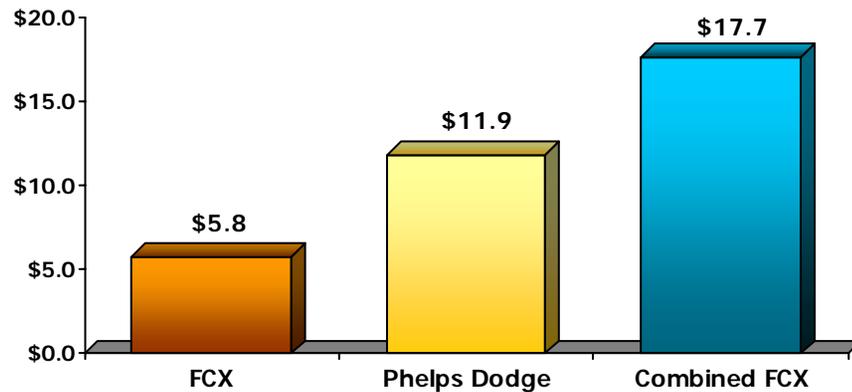


Source: Brook Hunt 3Q Report.

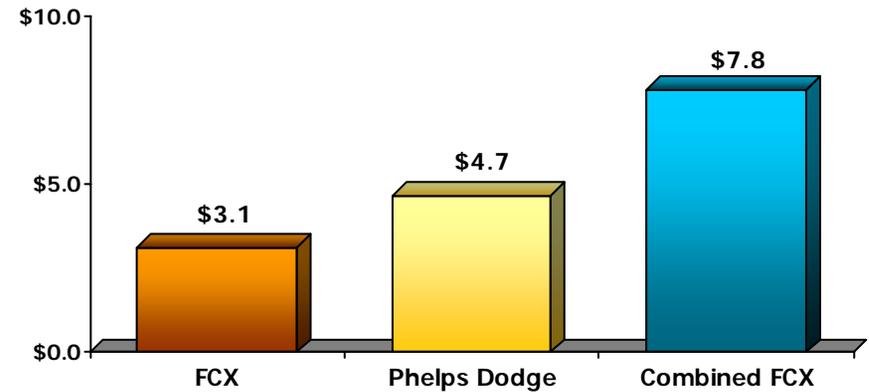
(1) Xstrata shown pro forma the acquisition of Falconbridge.

Combination of FCX and Phelps Dodge

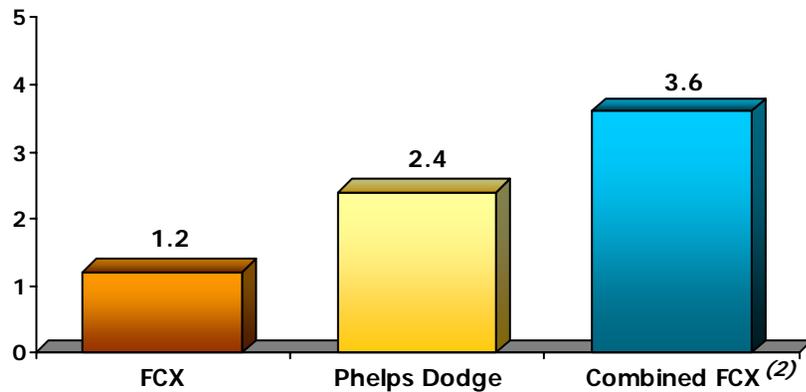
2006 Revenue (US\$ billions)



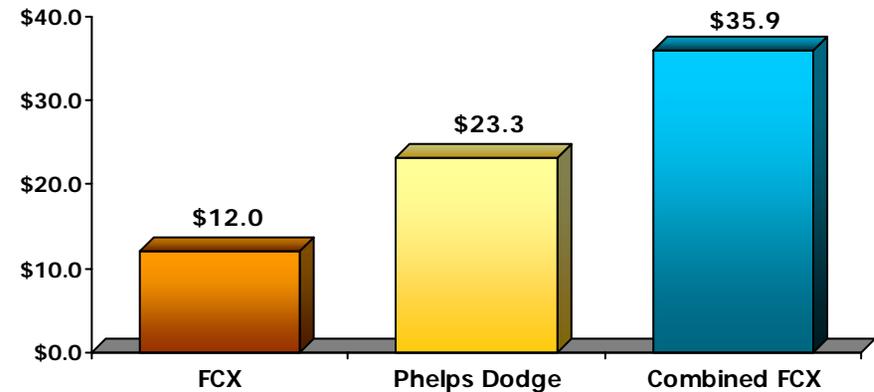
2006 EBITDA (US\$ billions)



2006 Consolidated Copper Sales (billion lbs)

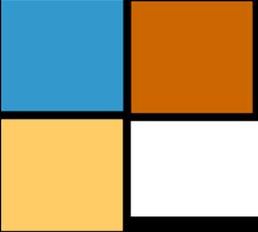


Enterprise Value (US\$ billions) (1)



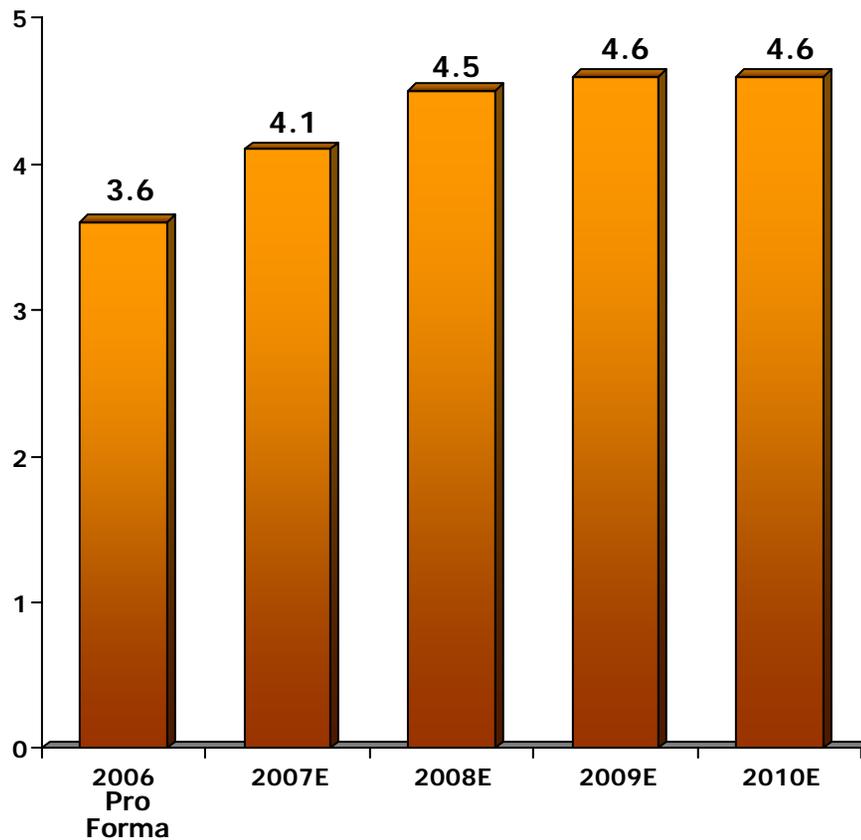
(1) As of February 7, 2007

(2) Includes approximately 540 mm lbs for minority interests; excludes purchased copper



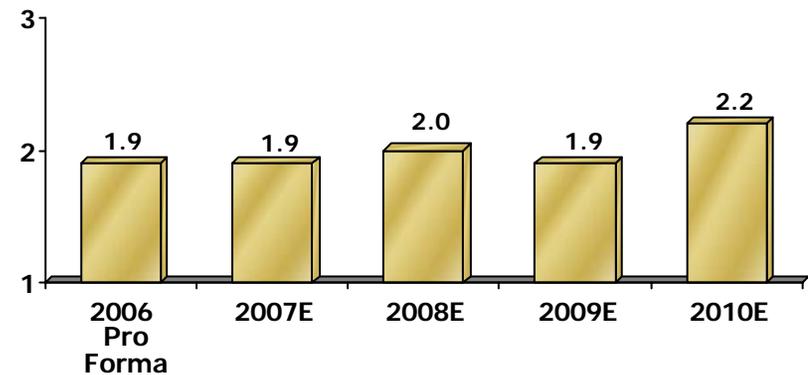
Pro Forma FCX – Growing Sales Profile

Copper Sales (billion lbs)

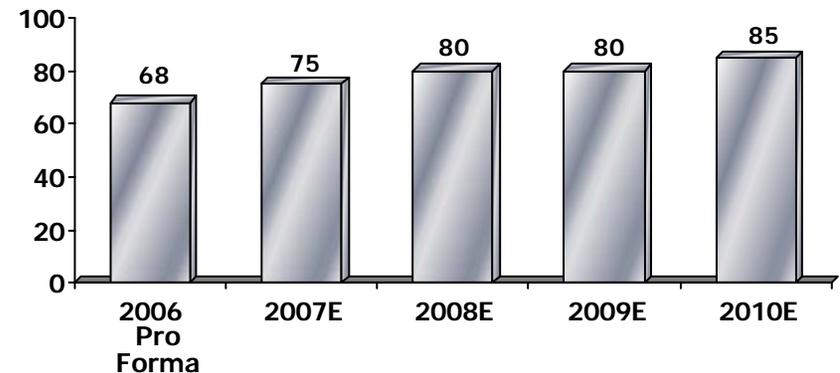


Note: Consolidated copper sales include approximately 540 mm lbs in 2006, 700 mm lbs in 2007, 750 mm lbs in 2008, 800 mm lbs in 2009 and 740 mm lbs in 2010 for minority interest; excludes purchased copper

Gold Sales (million ozs)



Molybdenum Sales (million lbs)

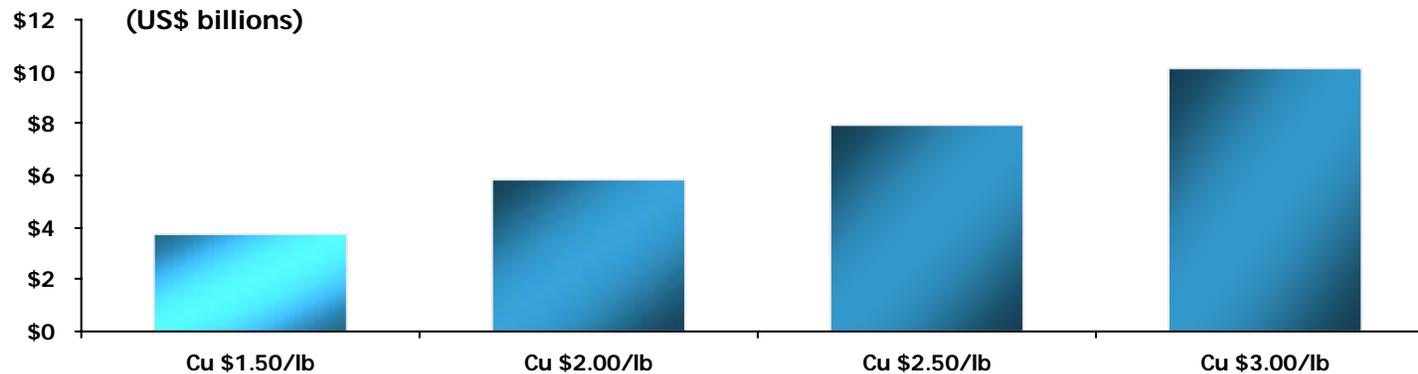


Note: Consolidated gold sales include approximately 185 k oz in 2006, 180 k oz in 2007, 190 k oz in 2008, 180 k oz in 2009 and 210 k oz in 2010 for minority interest

EBITDA and Cash Flow at Various Copper Prices

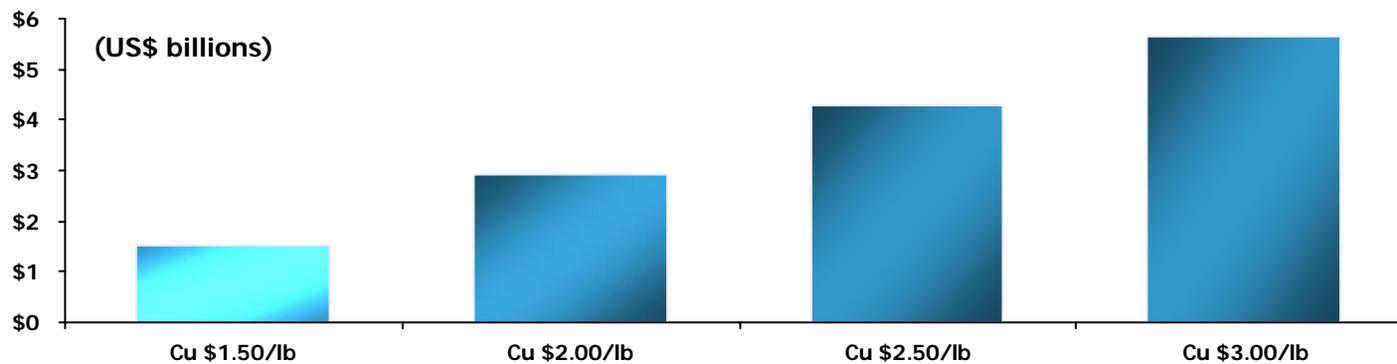
Average Annual EBITDA 2007-2009

(\$500 Gold & \$15 Molybdenum)

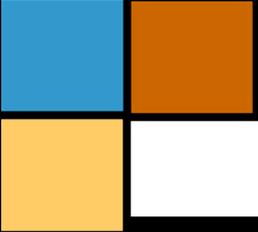


Average Annual Operating Cash Flow 2007-2009

(\$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



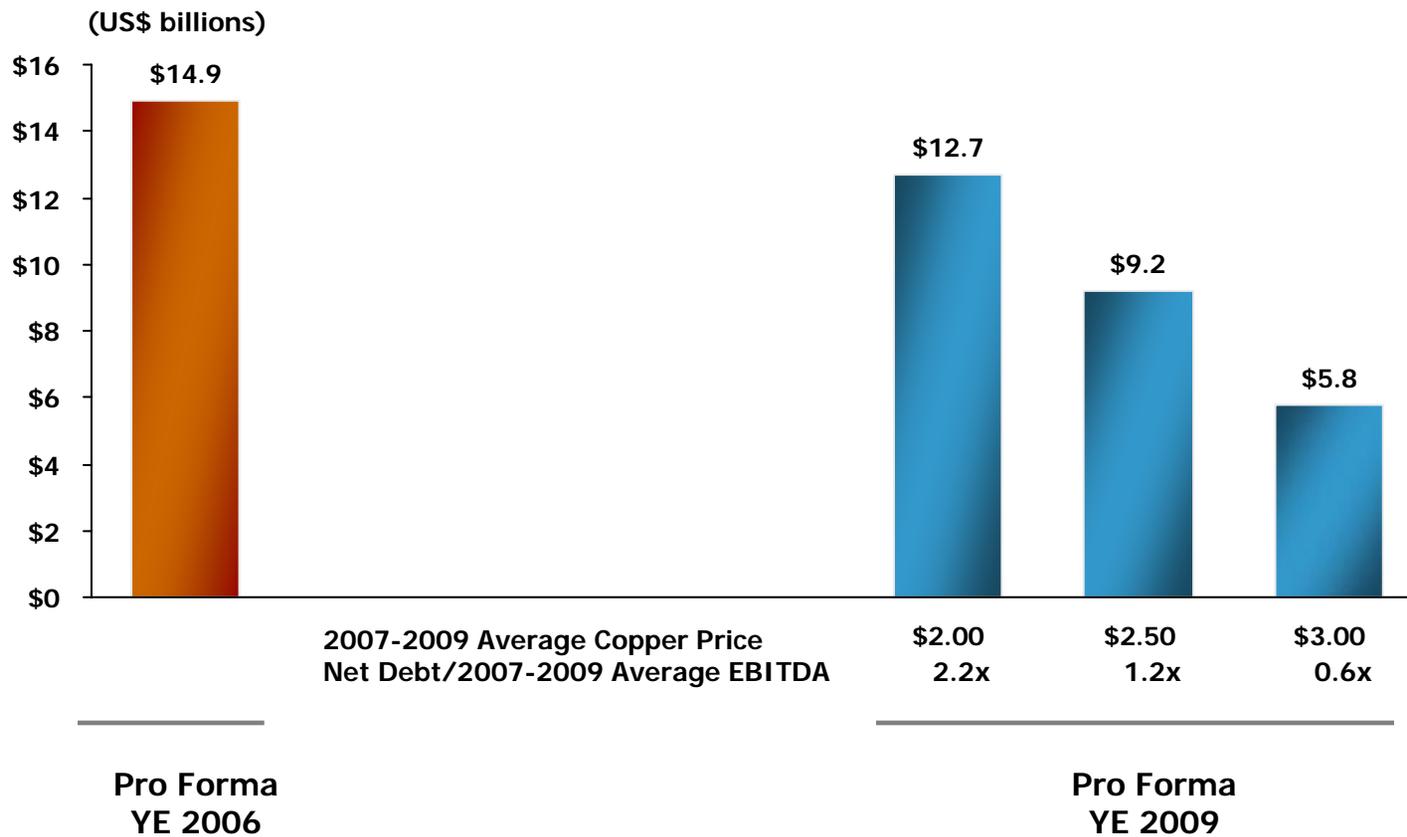
Sensitivity to Commodity Prices

Change	Annual Financial Impact	
	Net Income	EPS
	<i>(in millions)</i>	
Copper: -/+ \$0.20/lb	\$500	\$1.50
Molybdenum: -/+ \$2.00/lb	\$80	\$0.24
Gold: -/+ \$50/ounce	\$50	\$0.15

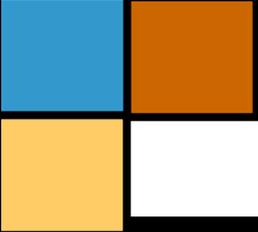
Note: Annual financial impact based on estimated average annual production for 2007-2010

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



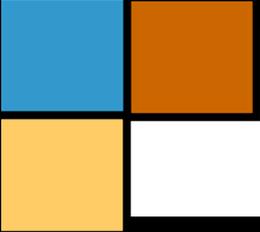
Financial Policy

- **FCX is Committed to Maintaining a Strong Financial Position**
 - **Investment in Future Growth Opportunities With High Rates of Return**
 - **Aggressive Debt Reduction 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 In Near-term 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**
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