

***4<sup>th</sup> Quarter 2007***  
***Earnings Conference Call***

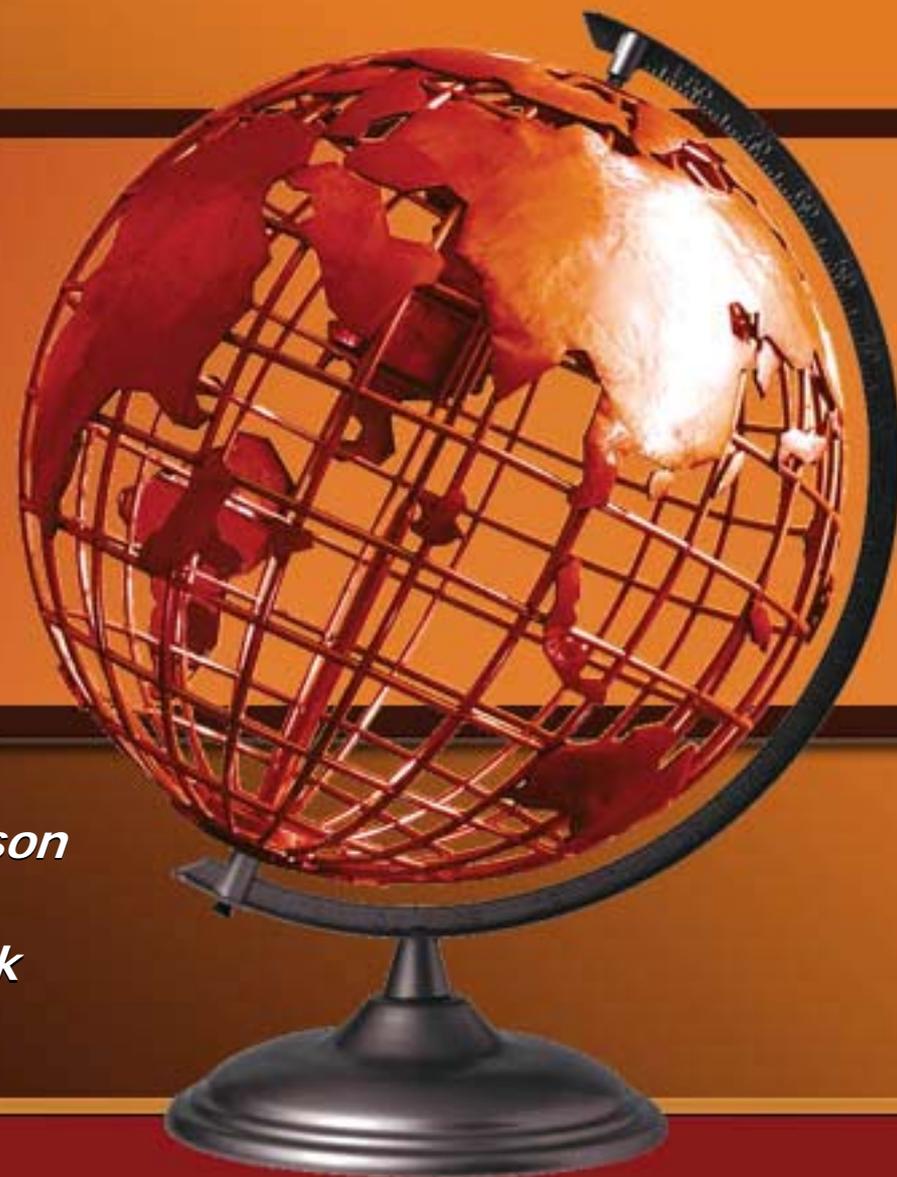
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*Kathleen L. Quirk*

*January 23, 2008*



# Cautionary Statement Regarding Forward-Looking Statements

*This presentation contains forward-looking statements in which we discuss factors we believe may affect our performance in the future. Forward-looking statements are all statements other than historical facts, such as statements regarding projected ore grades and milling rates, projected sales volumes, projected unit net cash costs, projected operating cash flows, projected capital expenditures, the impact of copper, gold and molybdenum price changes, the impact of changes in deferred intercompany profits on earnings, projected debt and cash balances and the impact of purchase accounting, including on production costs and depreciation, depletion and amortization expenses. Accuracy of the forward-looking statements depends on assumptions about events that change over time and is thus susceptible to periodic change based on actual experience and new developments. FCX cautions readers that it assumes no obligation to update or publicly release any revisions to the forward-looking statements in this presentation and, except to the extent required by applicable law, does not intend to update or otherwise revise the forward-looking statements more frequently than quarterly. This presentation includes forward looking statements regarding geologic resources not included in reserves. The geologic resources described in this presentation will not qualify as reserves until comprehensive engineering studies establish their economic feasibility. Accordingly, no assurance can be given that the estimated geologic resources not included in reserves will become proven and probable reserves. Additionally, important factors that might cause future results to differ from these projections include mine sequencing, production rates, industry risks, commodity prices, political risks, weather-related risks, labor relations, currency translation risks and other factors described in FCX's Quarterly Report on Form 10-Q for the three months ended March 31, 2007, filed with the Securities and Exchange Commission (SEC).*

*This presentation also contains certain financial measures such as unit net cash costs (credits) per pound of copper and unit net cash costs per pound of molybdenum. As required by SEC Regulation G, reconciliations of these measures to amounts reported in FCX's consolidated financial statements or pro forma consolidated financial results are in the supplemental schedule, "Product Revenues and Production Costs," beginning on page VII, which is available on our internet web site [www.fcx.com](http://www.fcx.com).*

# *2007 Highlights*

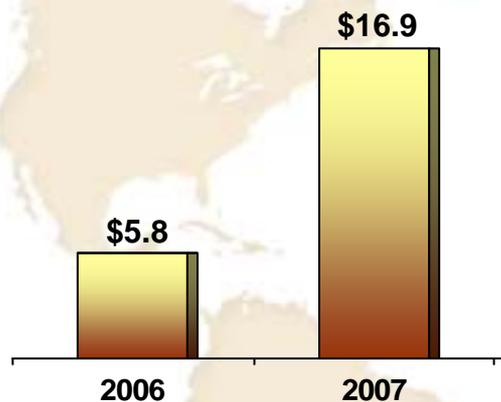


- **Extraordinary Year; Record Performance**
- **Transformed FCX Into World's Largest Publicly Traded Copper Company**
- **Successful Integration**
- **Achievement of Debt Reduction Targets Well Ahead of Schedule**
- **Higher Production Profile and Further Expansion Opportunities**
- **Increased Common Dividend by 40% and Authorized 20 Million Share Open Market Purchase Program**

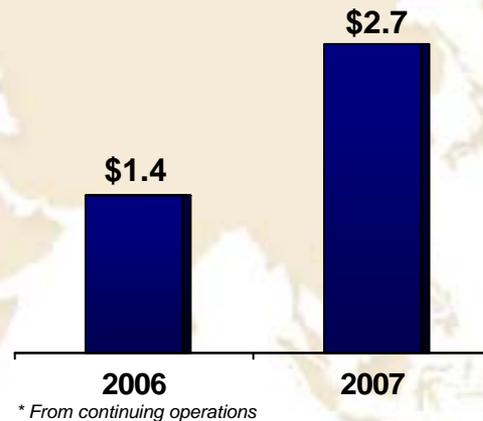
# Transformation of FCX



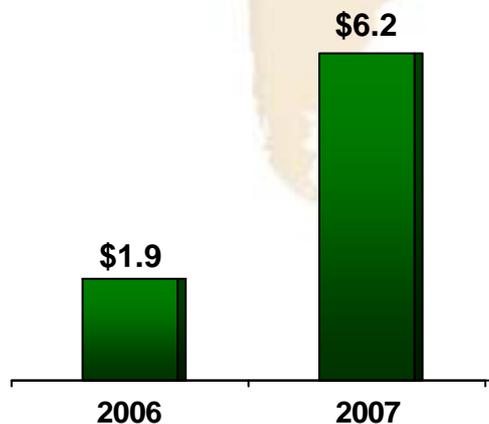
**FCX Revenue Comparison**  
(\$ in billions)



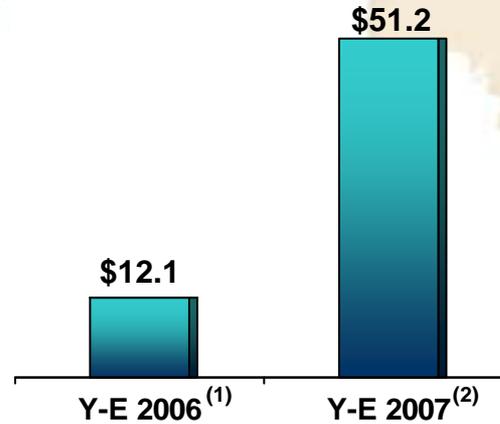
**FCX Net Income Comparison\***  
(\$ in billions)



**FCX Cash Flow Comparison**  
(\$ in billions)



**Enterprise Value**  
(\$ in billions)



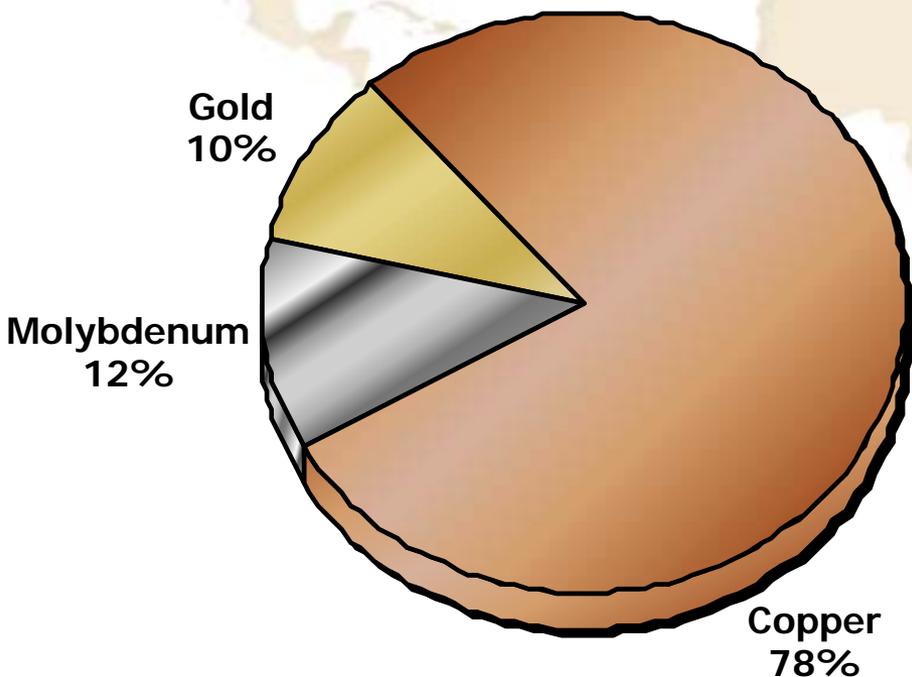
(1) Based on 12/31/06 stock price of \$55.73 per share and 222 million fully diluted shares.  
(2) Based on 12/31/07 stock price of \$102.44 per share and 445 million fully diluted shares.

# Revenue / Production Mix



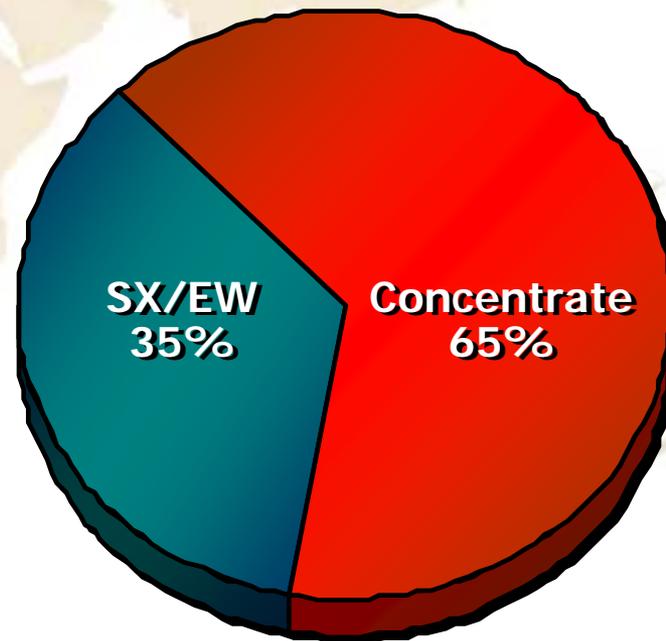
*Mining Revenue by Commodity*

2007 Pro Forma



*Copper Production by Method*

2007 Pro Forma



# Quarterly Operating Highlights



## Operating Data

4Q06 Pro Forma

4Q07

### Copper

Consolidated Volumes (mm lbs) <sup>(1)</sup>	1,031	878
Average Realization (per lb) <sup>(2)</sup>	\$2.99	\$3.12
Net Unit Cash Cost (per lb)	\$0.71	\$1.08

### Gold

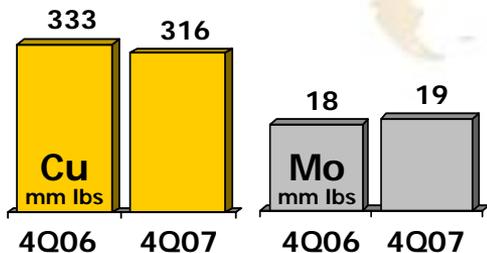
Consolidated Volumes (000's ozs)	538	161
Average Realization (per oz)	\$628	\$803

### Molybdenum

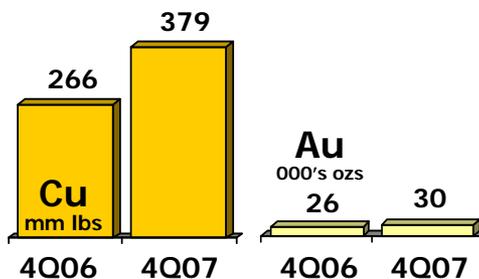
Consolidated Volumes (mm lbs) <sup>(1)</sup>	18	19
Average Realization (per lb)	\$22.68	\$27.84

## Sales From Mines for 4Q by Region

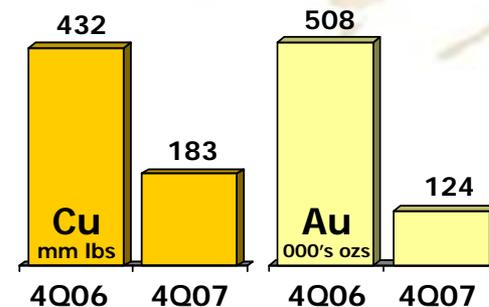
### North America



### South America



### Indonesia



Note: 4Q06 numbers are pro forma for the acquisition of Phelps Dodge

(1) Excludes purchased products

(2) Realizations above exclude hedging. Average Realization, including hedging was \$3.19/lb in 4Q06 and \$3.16/lb in 4Q07

# 4Q07 Copper Impact



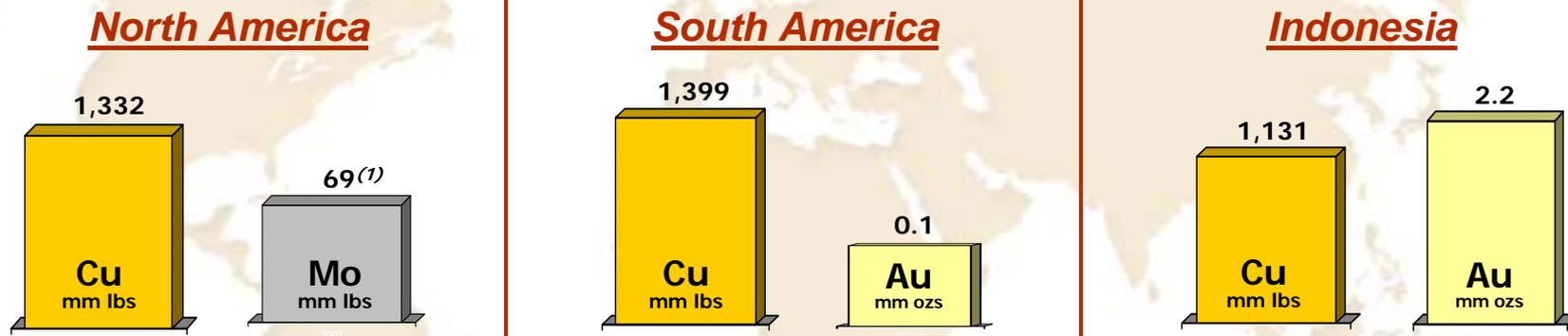
- **Spot Price Declined From \$3.70/lb at Start of Quarter to \$3.01/lb at Year-end**
- **Approximately Half of Sales in Any Quarter are Provisionally Priced and Subject to Final Pricing**
  - **Quarter-end Price is a Major Determinant in Recorded Price**
- **Two Impacts in 4Q07**
  - 1) **Adjustments to 3Q Sales (Provisionally Priced at \$3.65/lb at 9/30/07) Remained Subject to Final Pricing**
    - **\$281 MM in Lower Revenues (\$137 MM to Net Income, \$0.33/Share)**
  - 2) **Recorded Sales Price of \$3.12/lb Was Less Than 4Q07 Market Average of \$3.28/lb\***
    - **\$73 MM Impact to Net Income, \$0.18/Share**

\* These sales will be finally priced in future periods. Each \$0.05 change from the 12/31/07 price would result in ~\$14 mm effect on FCX's 2008 net income.

# Pro Forma 2007 Sales and Unit Production Costs by Region



## 2007 Pro Forma Sales by Region



	North America	South America	Indonesia	Consolidated
<i>(per pound of copper)</i>				
<b>Cash Unit Costs</b>				
Site Production & Delivery <sup>(2)</sup>	\$1.43	\$0.91	\$1.19	\$1.17
Royalties <sup>(2)</sup>	-	-	0.12	0.03
Treatment Charges	0.09	0.20	0.34	0.21
By-product Credits	<u>(0.66)</u>	<u>(0.09)</u>	<u>(1.36)</u>	<u>(0.66)</u>
<b>Net Cash Unit Costs</b>	<u>\$0.86</u>	<u>\$1.02</u>	<u>\$0.29</u>	<u>\$0.75</u>

(1) Includes Cerro Verde moly

(2) Production costs include profit sharing in South America and severance taxes in North America

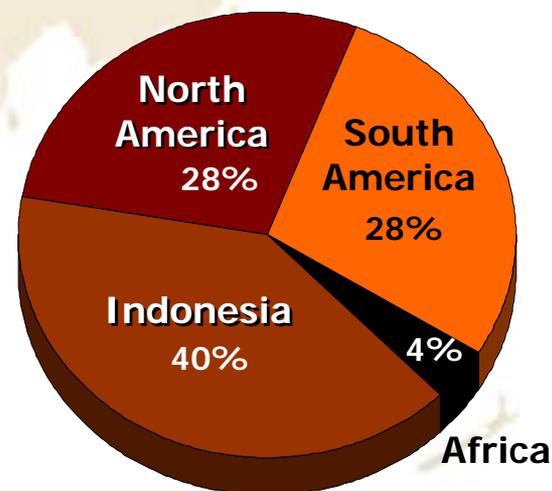
# Preliminary Reserves at 12/31/07

## *Consolidated Proven & Probable Reserves*



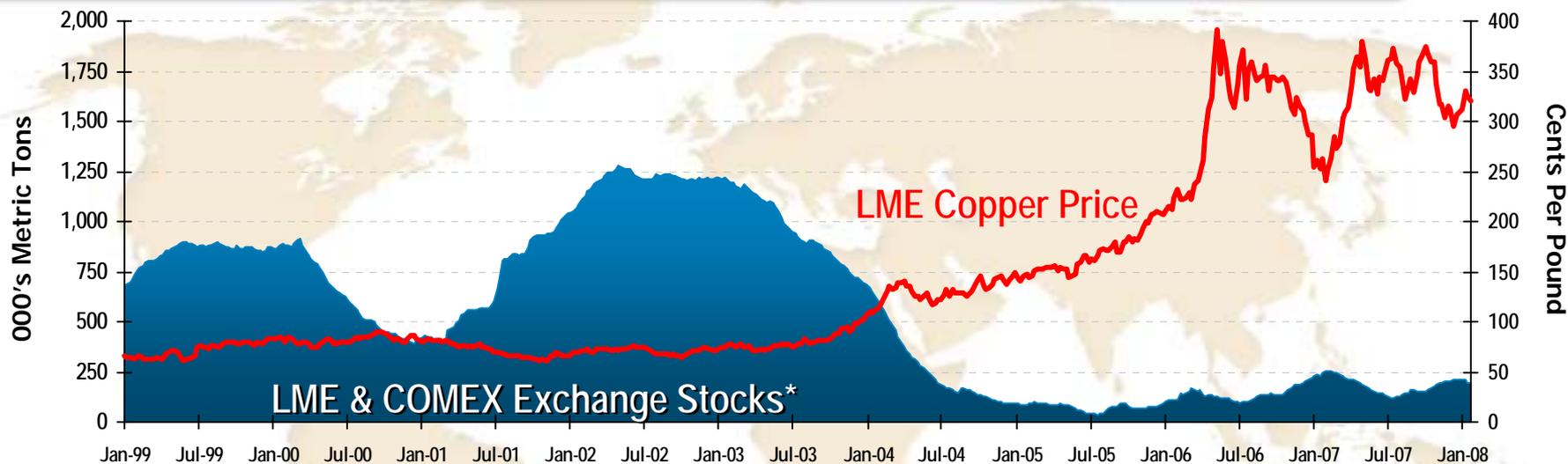
	<b>Copper</b> billion lbs	<b>Molybdenum</b> billion lbs	<b>Gold</b> million ozs
<b>Reserves @ 12/31/06</b>	<b>93.6</b>	<b>1.95</b>	<b>42.5</b>
Additions/revisions*	3.5	0.16	0.8
Production	(3.9)	(0.07)	(2.3)
Net change	(0.4)	0.09	(1.6)
<b>Reserves @ 12/31/07</b>	<b>93.2</b>	<b>2.04</b>	<b>41.0</b>
* as % of 2007 production	89%	229%	33%
<b>Reserves @ 12/31/99</b>	<b>93.2</b>	<b>2.14</b>	<b>51.4</b>
Additions/revisions*	30.5	0.36	11.6
Production	(30.6)	(0.46)	(22.0)
Net change	(0.0)	(0.10)	(10.4)
<b>Reserves @ 12/31/07</b>	<b>93.2</b>	<b>2.04</b>	<b>41.0</b>
* as % of production	100%	79%	53%

**12/31/07  
Copper Reserves  
by Geographical Region**



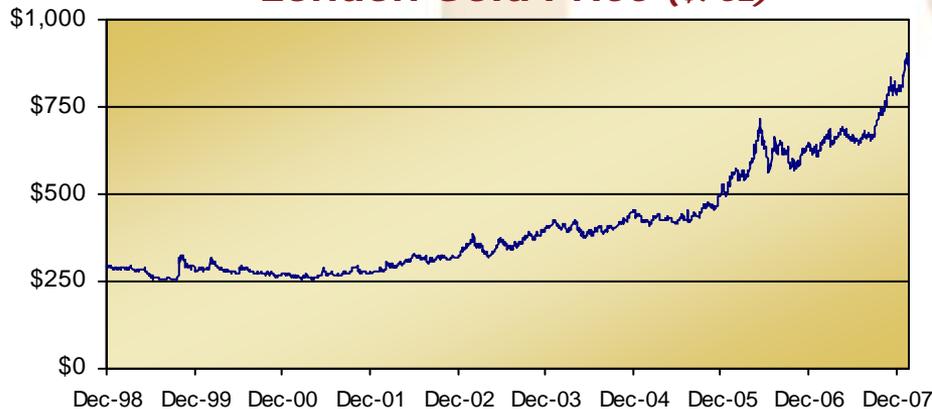
Long-term prices of \$1.20 copper, \$6.50 molybdenum, and \$450 gold  
Note: Reserves as of 12/31/99 and 12/31/06 are pro forma

# Markets Overview



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

**London Gold Price (\$/oz)**



**Molybdenum Price\* (\$/lb)**



*\* Metals Week – Molybdenum Dealers Oxide Price*

# 2008 Outlook

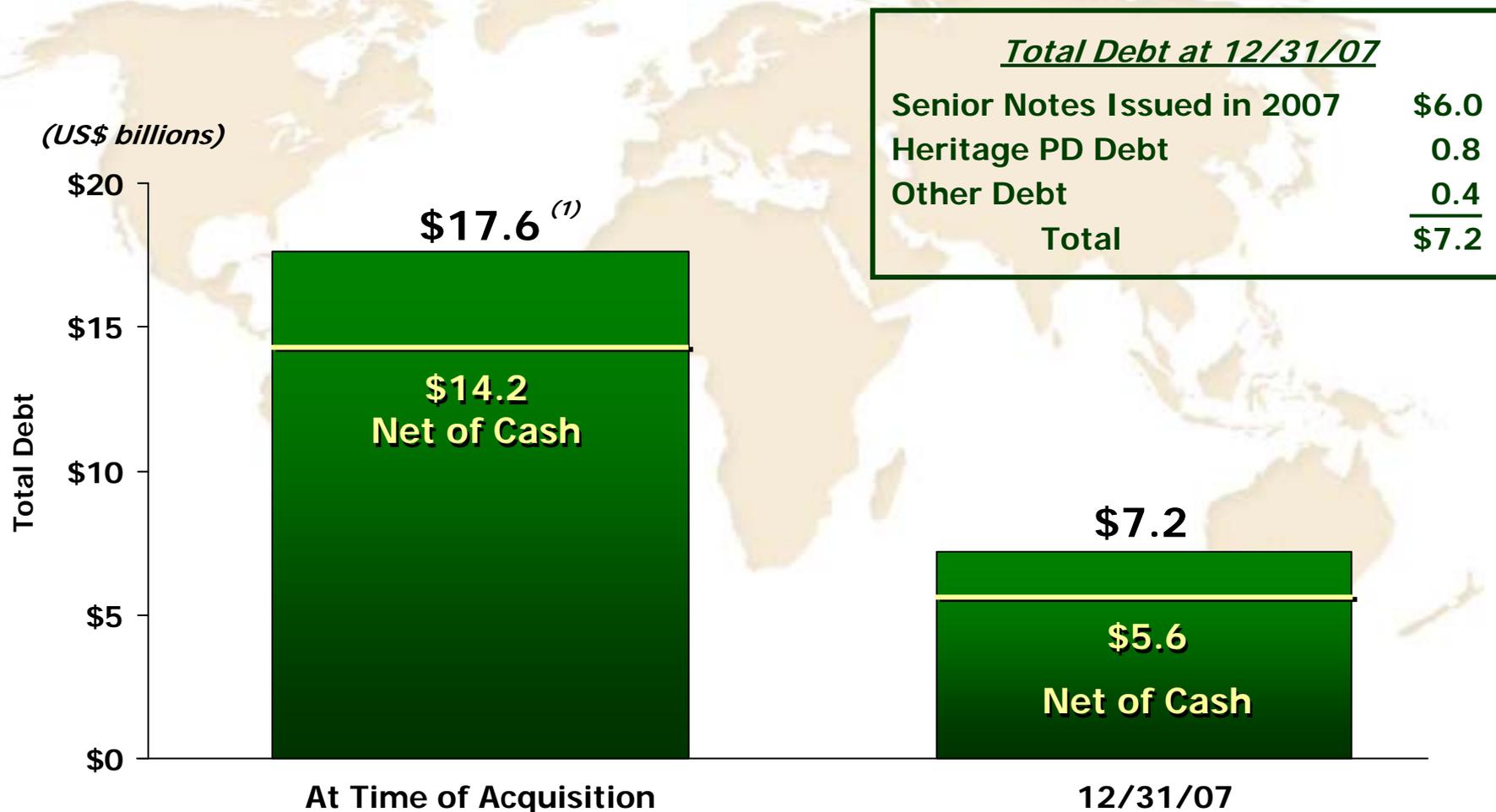


- **Sales Outlook:**
  - *Copper: 4.3 Billion lbs.*
  - *Gold: 1.3 Million ozs.*
  - *Molybdenum: 75 Million lbs.*
  
- **Modeled Operating Cash Flows <sup>(1)</sup>: ~ \$5 Billion for 2008**
  - Significant Working Capital Requirements in First Half
  - Funded Settlement of 2007 Copper Collars of \$0.6 Billion in 1Q08
  - Expect to Generate ~ 75% of Cash Flows in Second Half
  
- **Capital Expenditures: ~ \$2.4 Billion for 2008**

(1) Assumes prices of \$3.00/lb. Copper, \$800/oz. Gold, and \$30/lb. Molybdenum in 2008, each 20¢ change in copper would impact this estimate by approximately \$500 MM.

Note: Amounts are projections; see cautionary statement.

# Achievement of Significant Debt Reduction



(1) Pro Forma year-end 2006 total debt of \$1.6 billion plus \$16 billion in acquisition debt

# *Development Project Update*

## *North America*



### **Safford Mine Development**

- Major new mine in Arizona substantially completed
- SX/EW facility start-up in 4Q07 with first copper production in December; ramp-up in 1H08
- 240MM lbs Cu/year
- ~ \$675MM project



### **Miami Mine Restart**

- Restart of the Miami mine
- 100MM lbs Cu/year by 2010
- ~\$100MM project, primarily mining equipment
- 12/31/07 reserves of 600MM lbs Cu

### **Morenci Mill Restart & Concentrate Leach Plant**

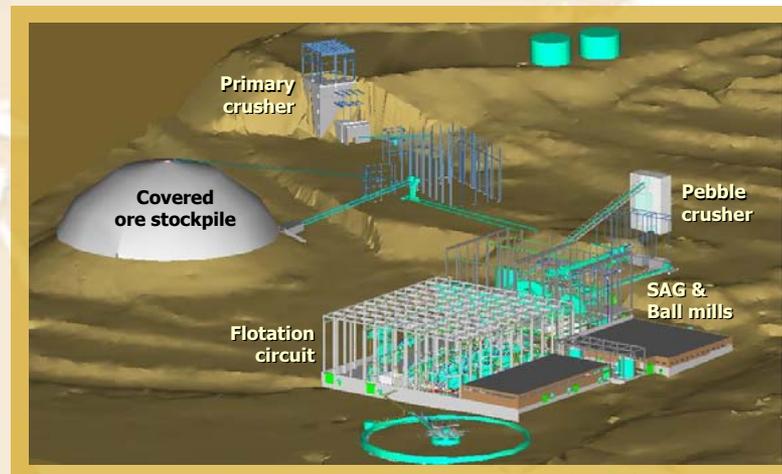
- Mill averaged over 47K t\*/d in 4Q07 with throughput approaching design (54K t\*/d) by year-end
- Concentrate Leach Plant continued to ramp up production following commissioning in 3Q07
- Adds 115MM lbs Cu/year aggregate and enhances cost profile
- ~ \$250MM project

# Development Project Update North America

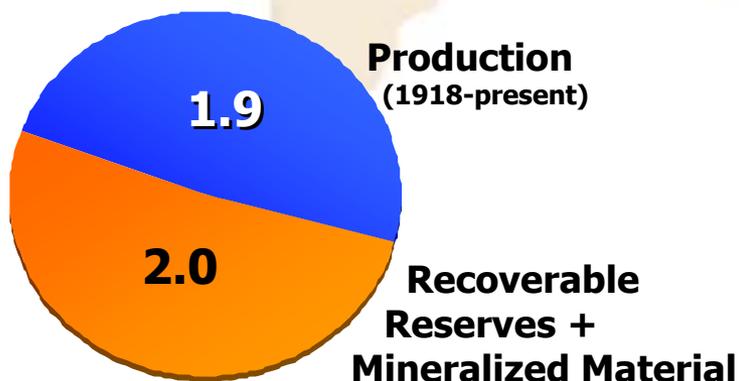


## Climax Mine Restart

- **~\$500MM “brownfield” project**
  - **Open-pit operation**
  - **Construction of new mill with restart by 2010**
- **Initial annual production ~30mm lbs moly at ~\$3.50/lb cash costs**



***billion lbs Mo***



- **Largest, highest-grade undeveloped moly resource with substantial upside**
- **Facilities designed to enable expansion – potential to double production**

NOTE: FCX has a 100% ownership interest in Climax

# Development Project Update

## South America

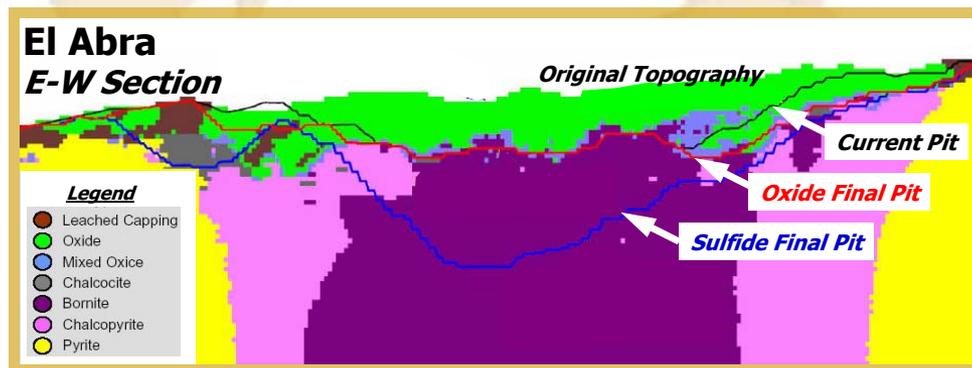


### Cerro Verde Sulfide Mill Expansion

- ~\$900MM project completed in 4Q06
- Operated at capacity during the second half 2007
- Adds 430MM lbs/year aggregate
- Ramping up moly production in 2008

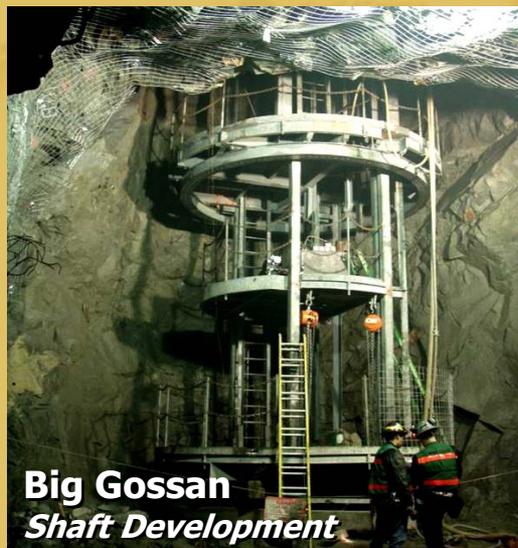
### El Abra Sulfide

- Large sulfide mineral deposit underlying current oxide pit
- Environmental impact study submitted to Chilean Government
- Extends mine life 10+ years
- Adds 325MM lbs copper/year aggregate vs. oxide only
- ~ \$450MM project



NOTE: FCX has a 53.6% ownership interest in Cerro Verde and a 51% interest in El Abra

# Development Project Update Indonesia



**Big Gossan**  
*Shaft Development*



**Crusher Master Plan**  
*Mill Optimization*

## Underground Mine Development

- **DOZ Expansions**
  - Completed 50K expansion in mid-2007; record production of 59K t\*/d in 4Q
  - Further expansion to 80K
- Completed 96% of tunneling (Common Infrastructure) required to reach Grasberg Block Cave
- Initiate mine development activities at Grasberg Block Cave in 1H08
- Big Gossan to reach full rates by year-end 2010 (aggregate copper of 125MM lbs/year and gold of 65K ozs/year)

## Mill Optimization

- **HPGRs** – completed; recovery enhancements
- **Crusher Master Plan** – target completion 2Q08; throughput enhancement

# *Development Project Update*

## *Democratic Republic of Congo*



### **Tenke Fungurume Mine Development**

- **Engineering & procurement activities continue; steel & concrete work proceeding in the leaching/processing area**
- **Capital cost estimate of ~\$900MM (aggregate)\***
- **Initial production target – 2009**



*Leach Tank Construction*

*Tenke Plant Site*



- **Aggregate annual production of 250MM lbs copper and 18MM lbs cobalt**
- **Initial Estimates of Reserves at 12/31/07: 100MM metric tons – 2.3% copper and 0.3% cobalt**

NOTE: FCX has a 57.75% ownership interest in the Tenke Fungurume project

\*Capital cost estimates will continue to be reviewed as engineering and construction activities progress.

# Growth Project Update

## Incremental Expansions



- Incremental expansions at Morenci, Sierrita, Bagdad and Cerro Verde
  - Total capital costs of ~\$400MM\*; engineering in-progress
  - Incremental annual metal\*\* of 210MM lbs copper & 7MM lbs moly
  - Financially attractive

		Capital \$MM	Incr. Cu MM lbs/yr	Start-up
Morenci	ROM/EW Expansion, +90K t/d	\$100	100	2009
Bagdad	Mill Expansion, +21K t/d	110	55	2010
Sierrita	Mill Expansion, +16K t/d	160	25	2010
Cerro Verde	Mill Expansion, +12K t/d	30	30	2009
<b>Total</b>		<b>\$400</b>	<b>210</b>	

- Continue to review additional expansion opportunities at our existing operations

\* Scoping level estimates, +/- 40%

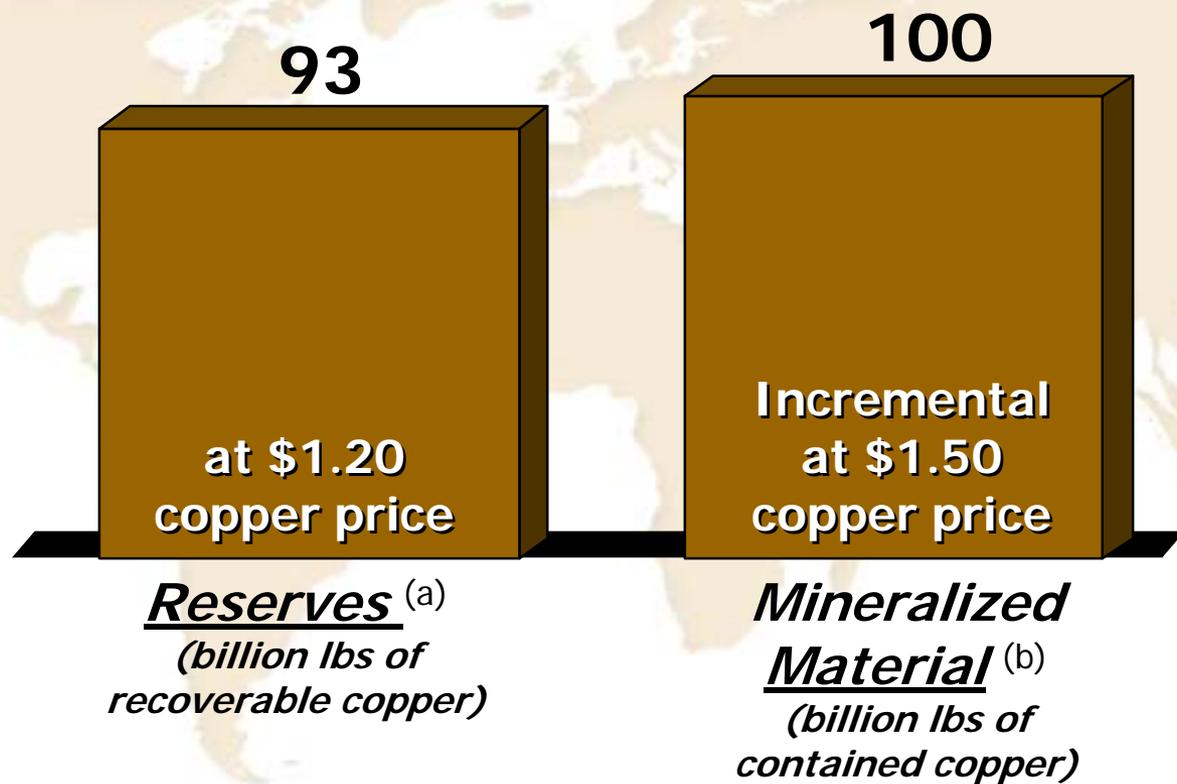
\*\* Consolidated incremental metal at full operating rates

Note: metric tons



# Copper Reserves & Mineralized Material

*Preliminary Estimates as of 12/31/07*



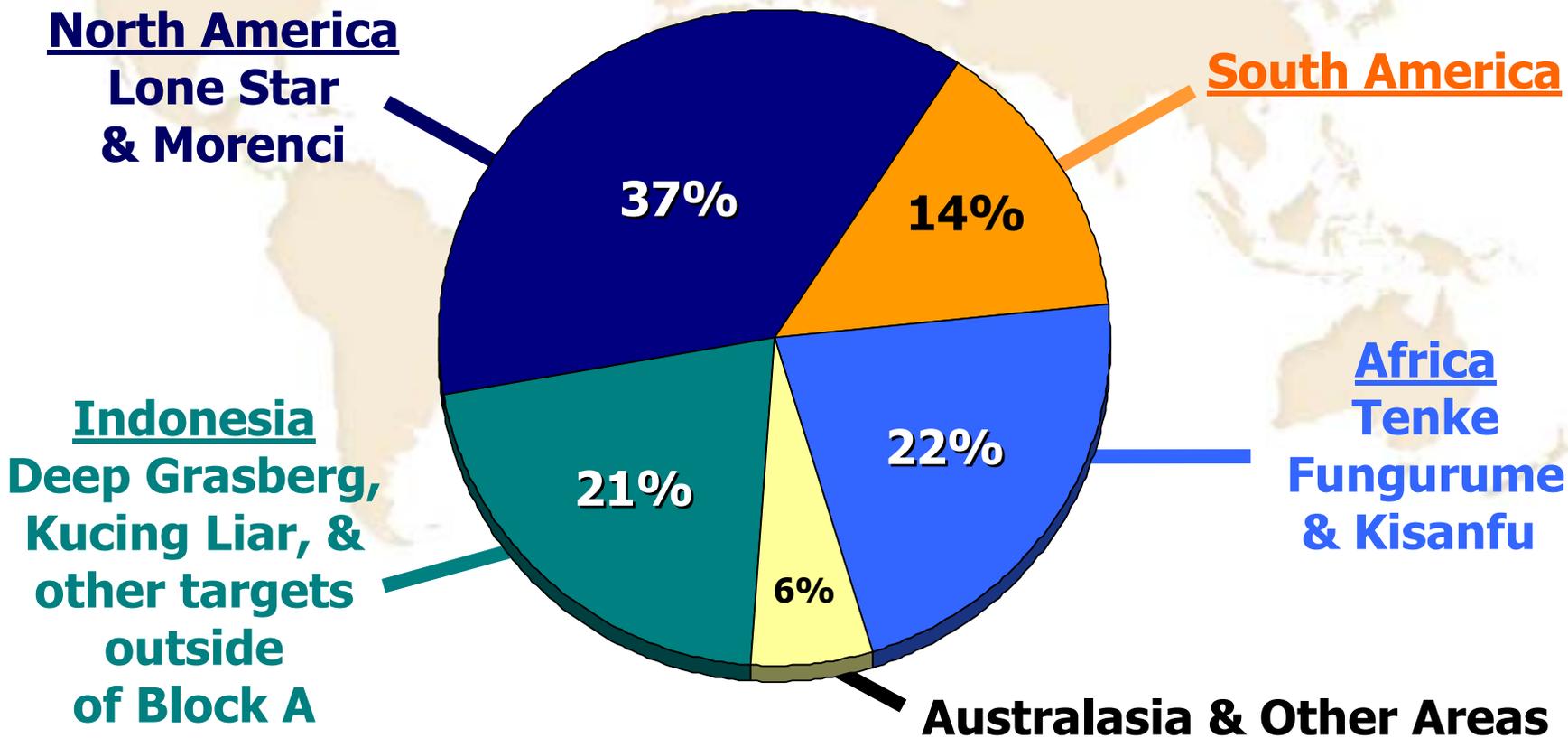
(a) Consolidated copper reserves using a long-term copper price of \$1.20; 77 billion pounds net to FCX's interest

(b) Consolidated copper resources using a long-term copper price of \$1.50; **Mineralized Material is not included in reserves and will not qualify as reserves until comprehensive studies establish their legal and economic feasibility. Accordingly, no assurance can be given that the estimated resources and mineralization will become proven and probable reserves.**



# Exploration Drives the Mine Plan

**Aggregate 2008e Exploration: ~\$175 million**



*e = estimate. Please see cautionary statement.*

# Significant Exploration Potential



## Tenke Fungurume, Democratic Republic of 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

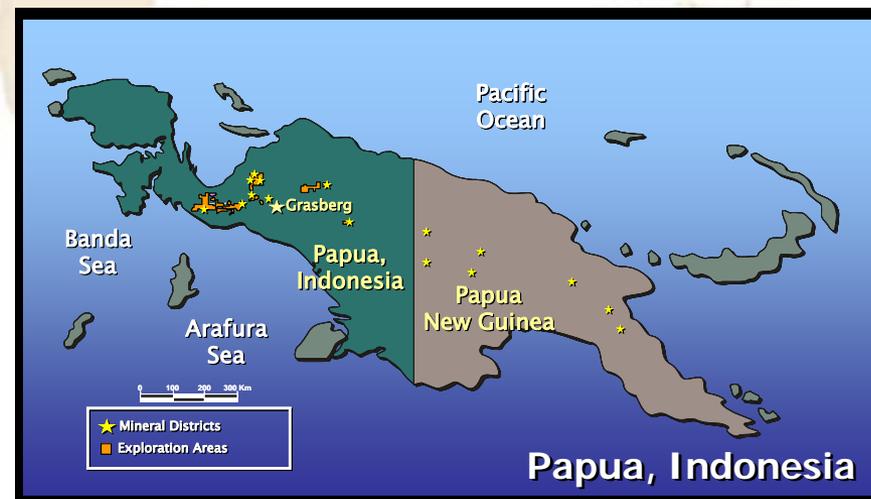


## Papua, Indonesia

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

## Other

- Brownfield opportunities – existing operations
- Greenfield – global exploration activities



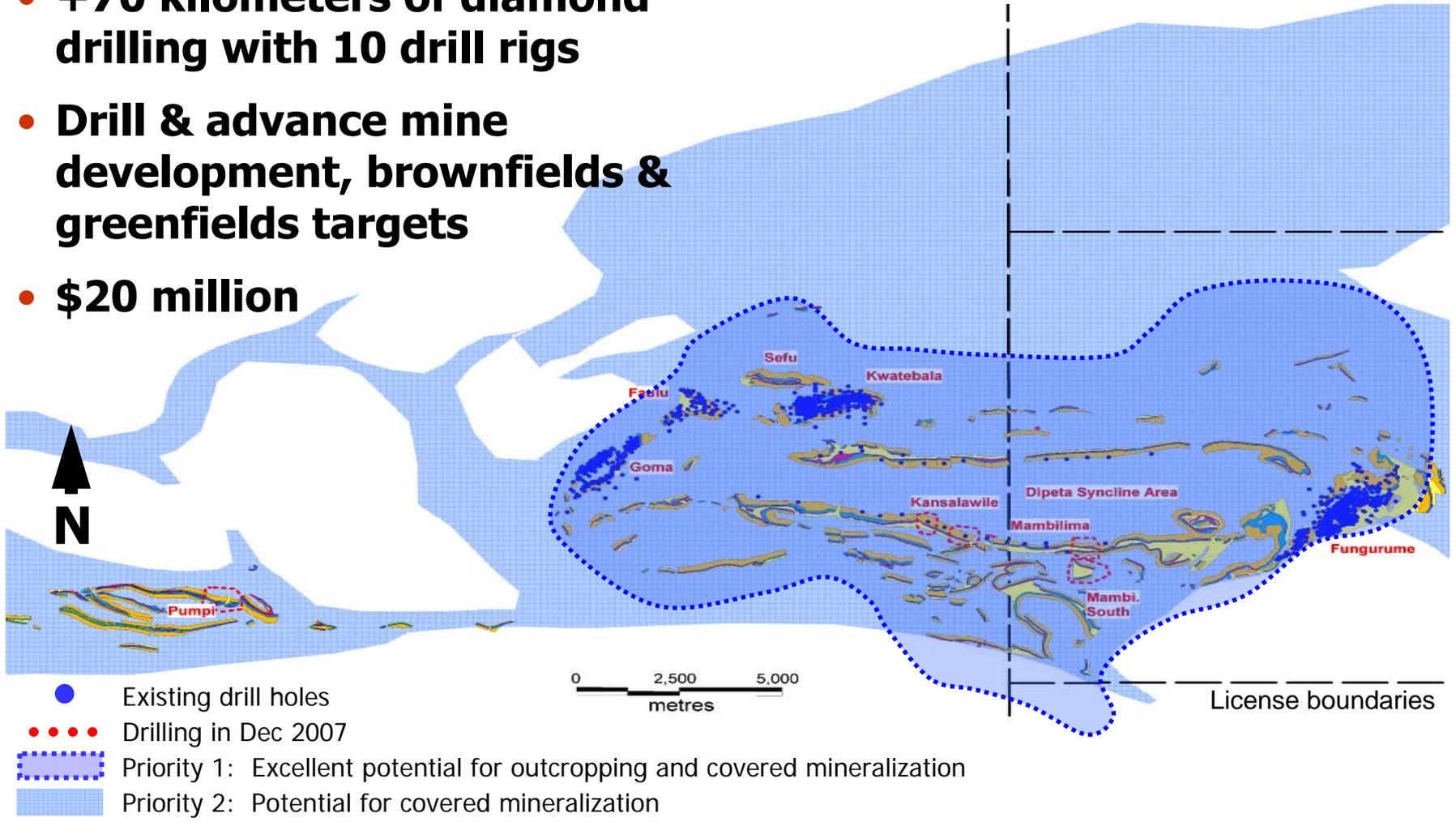


**Cu Au Mo**

# Tenke Fungurume

## 2008 Exploration Program

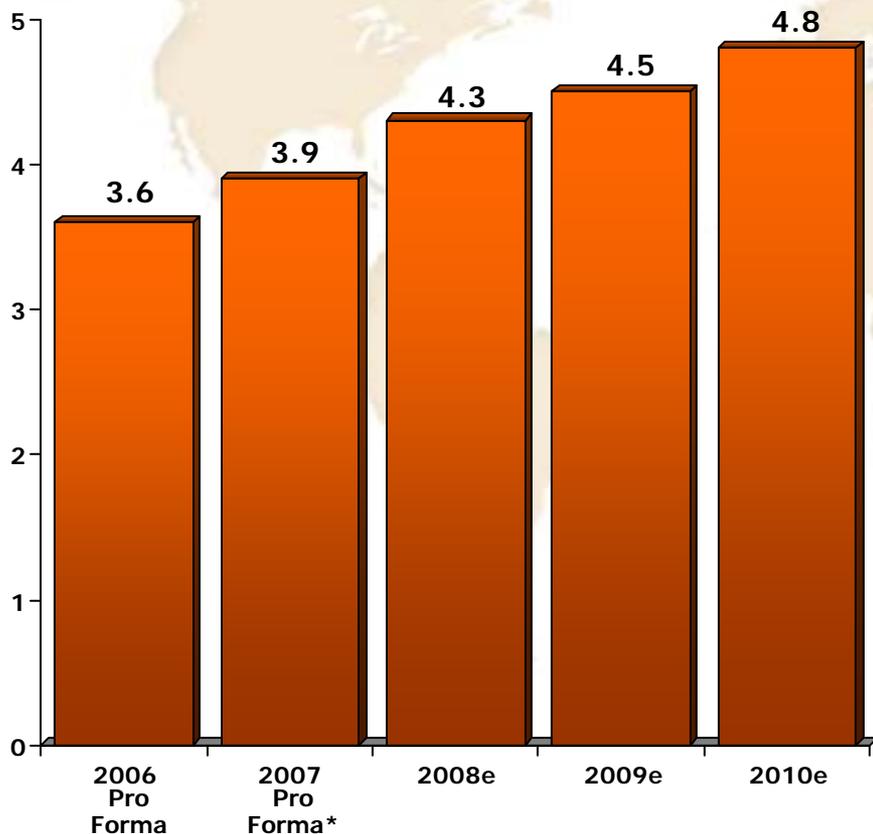
- **+70 kilometers of diamond drilling with 10 drill rigs**
- **Drill & advance mine development, brownfields & greenfields targets**
- **\$20 million**





# Sales Profile 2007 - 2010e

## Copper Sales (billion lbs)



Note: Consolidated copper sales include approximately 535 mm lbs in 2006, 647 mm lbs in 2007, 700 mm lbs in 2008e, 750 mm lbs in 2009e and 775 mm lbs in 2010e for minority interest; excludes purchased copper.

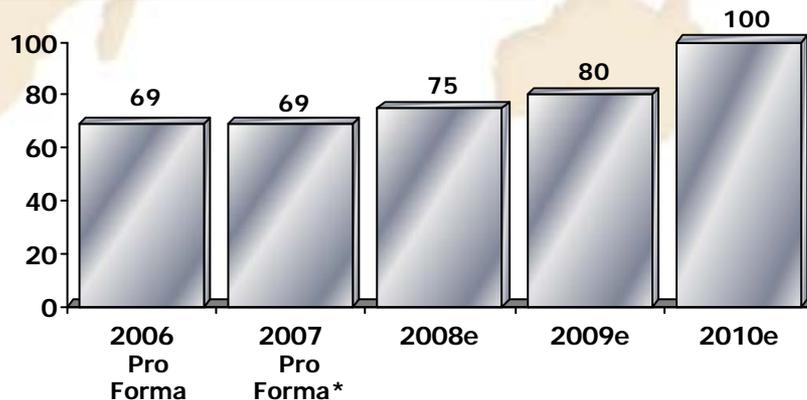
\* 2007 includes pre-acquisition sales of 505 mm lbs of copper, 18 k oz of gold and 17 mm lbs of molybdenum

## Gold Sales (million ozs)



Note: Consolidated gold sales include approximately 185 k oz in 2006, 228 k oz in 2007, 135 k oz in 2008e, 210 k oz in 2009e and 220 k oz in 2010e for minority interest

## Molybdenum Sales (million lbs)



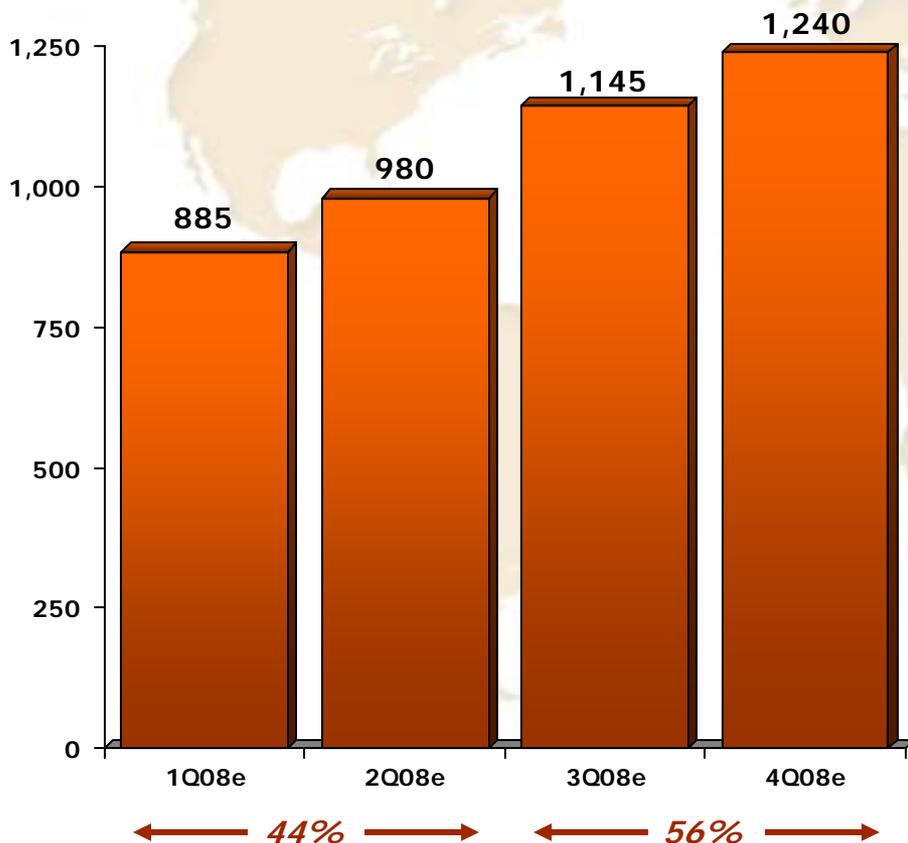
Note: Consolidated molybdenum sales include approximately 3 mm lbs in 2008e, 4 mm lbs in 2009e and 4 mm lbs in 2010e for minority interest; excludes purchased molybdenum

e = estimate. Please see cautionary statement.



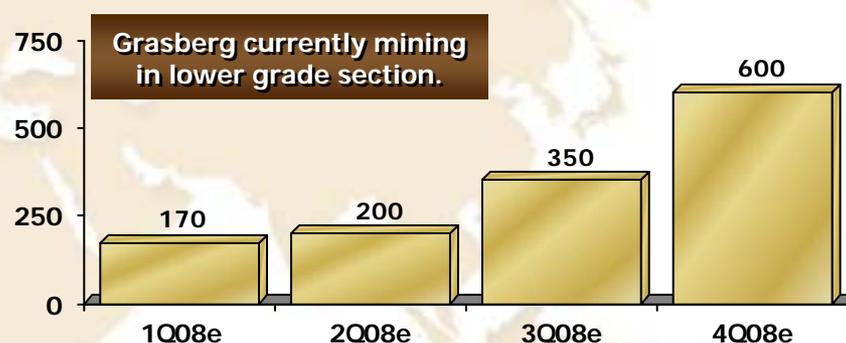
# 2008e Quarterly Payable Metal Sales

## Copper Sales (million lbs)



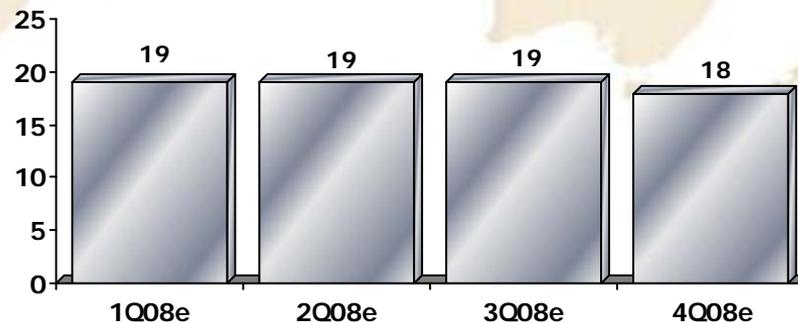
Note: Consolidated copper sales include approximately 150 mm lbs in 1Q08e, 170 mm lbs in 2Q08e, 185 mm lbs in 3Q08e and 195 mm lbs in 4Q08e for minority interest; excludes purchased copper  
e = estimate. Please see cautionary statement.

## Gold Sales (thousand ozs)



Note: Consolidated gold sales include approximately 20 k oz in 1Q08e, 20 k oz in 2Q08e, 35 k oz in 3Q08e and 60 k oz in 4Q08e for minority interest

## Molybdenum Sales (million lbs)

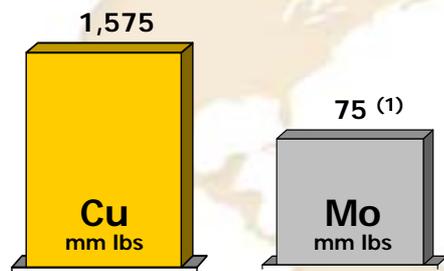


# 2008e Sales and Unit Production Costs by Region

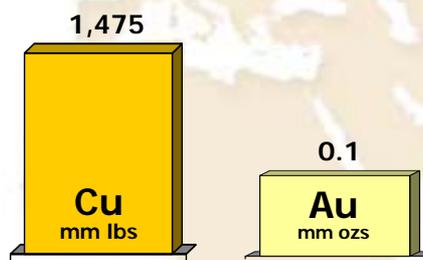


## 2008e Sales by Region

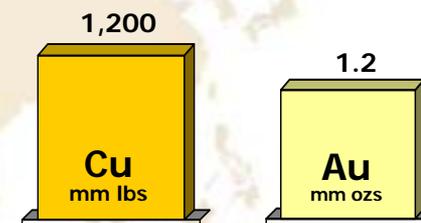
### North America



### South America



### Indonesia



(per pound of copper)  
**Cash Unit Costs** <sup>(2)</sup>

	North America	South America	Indonesia	Consolidated
Site Production & Delivery <sup>(3)</sup>	\$1.50	\$1.14	\$1.31	\$1.32
Royalties <sup>(3)</sup>	-	-	0.10	0.03
Treatment Charges	0.08	0.14	0.24	0.15
By-product Credits	<u>(0.58)</u>	<u>(0.23)</u>	<u>(0.85)</u>	<u>(0.54)</u>
<b>Net Cash Unit Costs</b>	<u><u>\$1.00</u></u>	<u><u>\$1.05</u></u>	<u><u>\$0.80</u></u>	<u><u>\$0.96</u></u>

(1) Includes Cerro Verde moly

(2) Estimates assume average prices of \$3.00/lb for copper, \$800/oz for gold and \$30/lb for molybdenum for 2008. Quarterly unit costs will vary significantly with quarterly metal sales volumes.

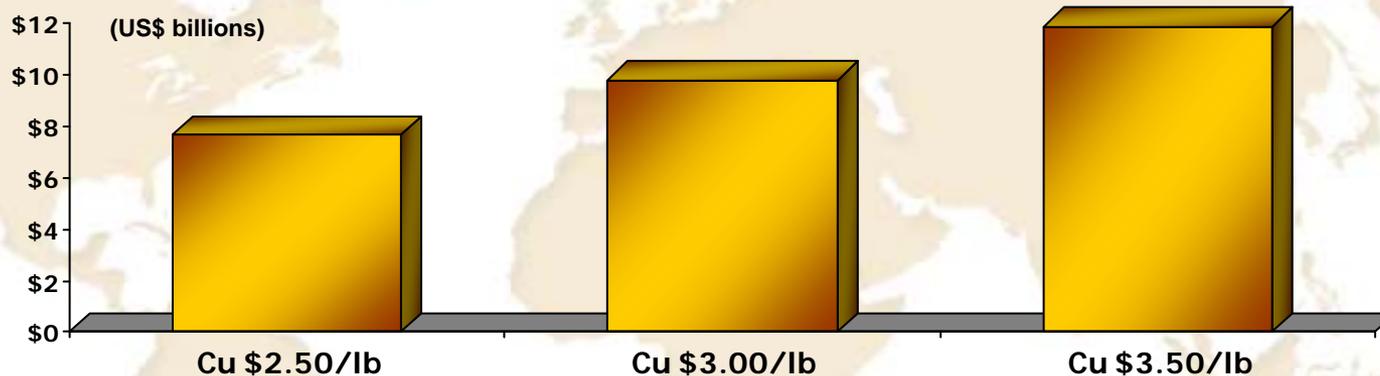
(3) Production costs include profit sharing in South America and severance taxes in North America

Note: Amounts are projections. See Cautionary Statement.

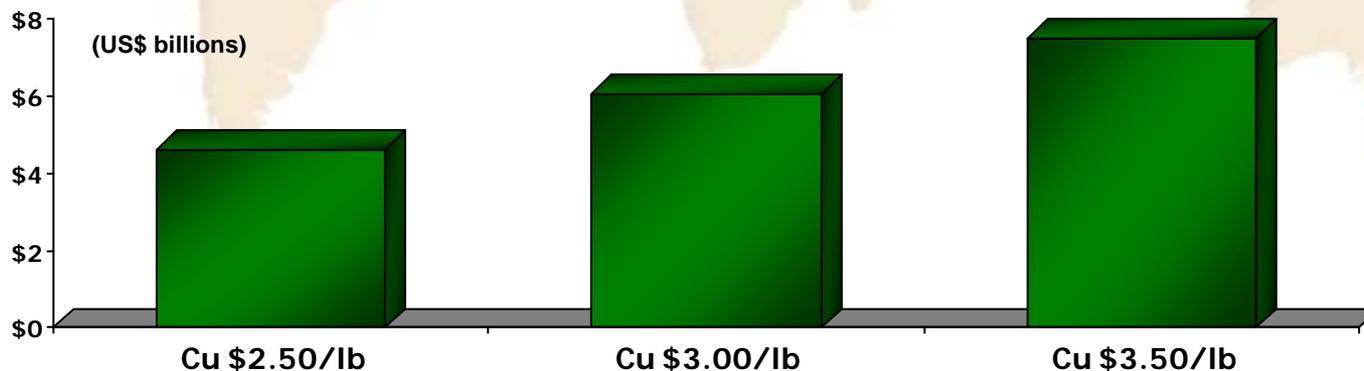
# EBITDA and Cash Flow at Various Copper Prices



**Average Annual EBITDA 2008e-2009e**  
(\$800 Gold & \$25 Molybdenum)



**Average Annual Operating Cash Flow 2008e-2009e**  
(\$800 Gold & \$25 Molybdenum)



*Note: Prices as noted for 2008 – 2009. On an annual basis, 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 \$140 million to EBITDA and \$100 million to operating cash flow. EBITDA equals operating income plus depreciation, depletion, and amortization, and excludes purchase accounting impacts.*

# *Sensitivity to Commodity Prices*

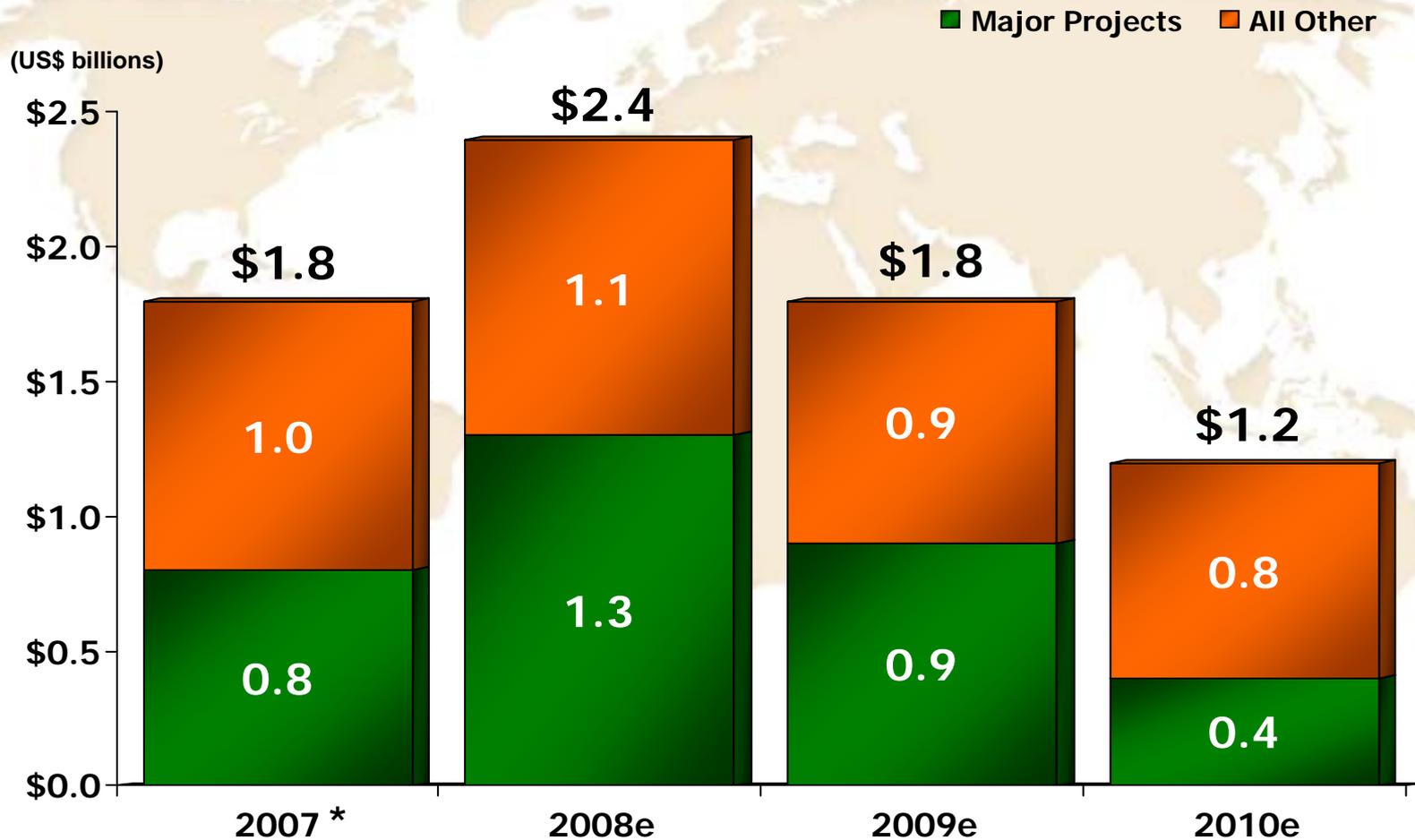


## Annual Financial Impact

Change	Annual Financial Impact		
	EBITDA	Net Income	Operating Cash Flow
		(US\$ millions)	
<b>Copper: -/+ \$0.20/lb</b>	<b>\$850</b>	<b>\$490</b>	<b>\$575</b>
<b>Molybdenum: -/+ \$2.00/lb</b>	<b>\$140</b>	<b>\$100</b>	<b>\$100</b>
<b>Gold: -/+ \$50/ounce</b>	<b>\$90</b>	<b>\$45</b>	<b>\$50</b>

*Note: Annual financial impact based on estimated average annual sales for 2008-2009 and excludes purchase accounting impacts.*

# Capital Expenditures



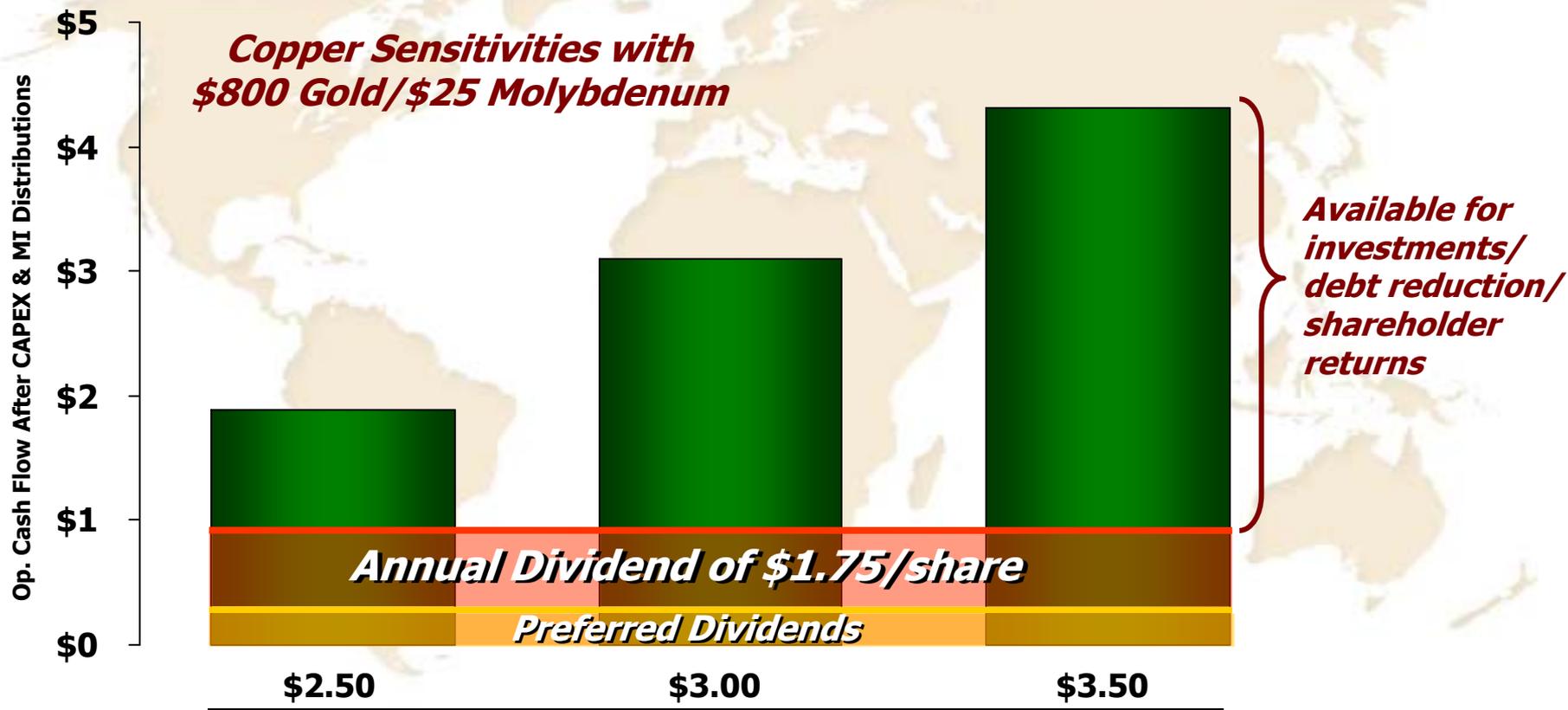
\* Includes PD expenditures beginning March 20, 2007

Note: Includes capitalized interest. e = estimate. Please see cautionary statement.



# Average Annual Excess Cash Flow <sup>(1)</sup> 2008e – 2009e

*(\$ in billions, except copper, gold and molybdenum prices)*



**Cash Available After Dividends 2-Yr Total <sup>(2)</sup>**

**\$1.9**

**\$4.4**

**\$6.8**

**\$800 Gold/\$25 Molybdenum**

*NOTE: 2008 excess cash flows expected to be less than the average as a result of working capital uses.*

*(1) Average annual operating cash flow after capital expenditures and minority distributions.*

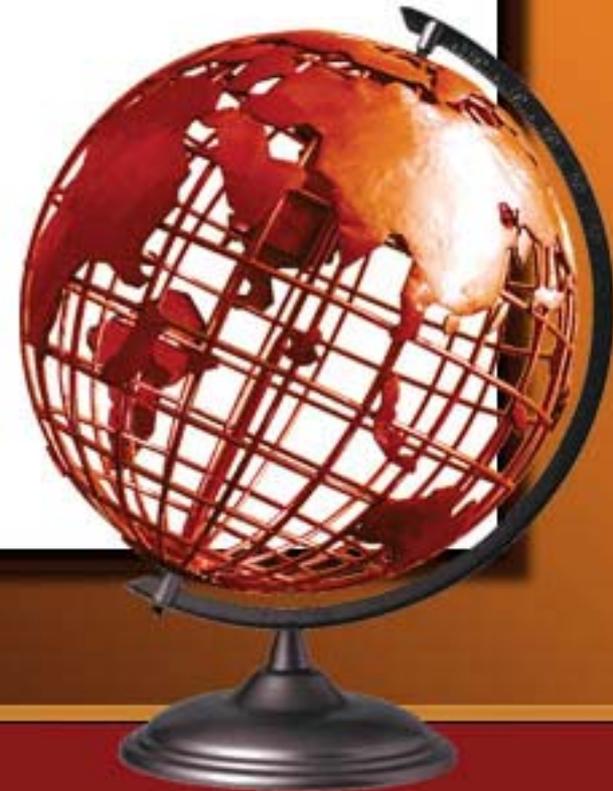
*(2) After annual dividend of \$1.75 per share and preferred dividends*

# *Financial Policy*



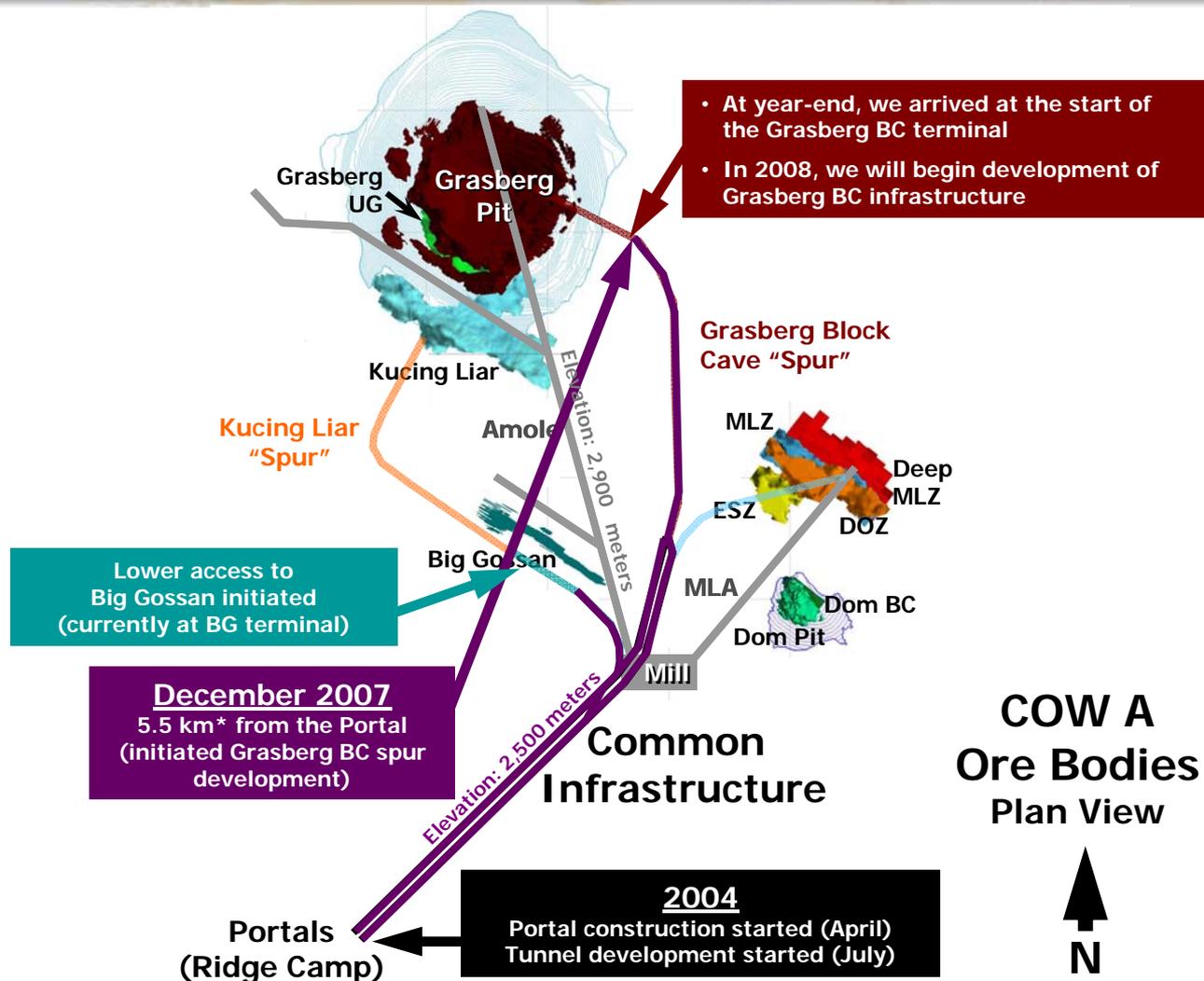
- **FCX is Committed to Maintaining a Strong Financial Position**
- **Continuation of Positive Copper Markets is Expected to Provide Substantial Cash Flows**
  - Investments in Projects With Attractive Returns
  - Opportunistic Debt Reduction
  - Shareholder Returns
- **Committed to Long-Standing Tradition of Maximizing Value for Shareholders**
- **December 2007 Board Action**
  - Increased Common Stock Dividend From \$1.25 to \$1.75/Share per Annum
  - Approved 20-Million Share Open Market Share Purchase Program
- **Financial Policy Reviewed on Ongoing Basis**

# *Reference Slides*



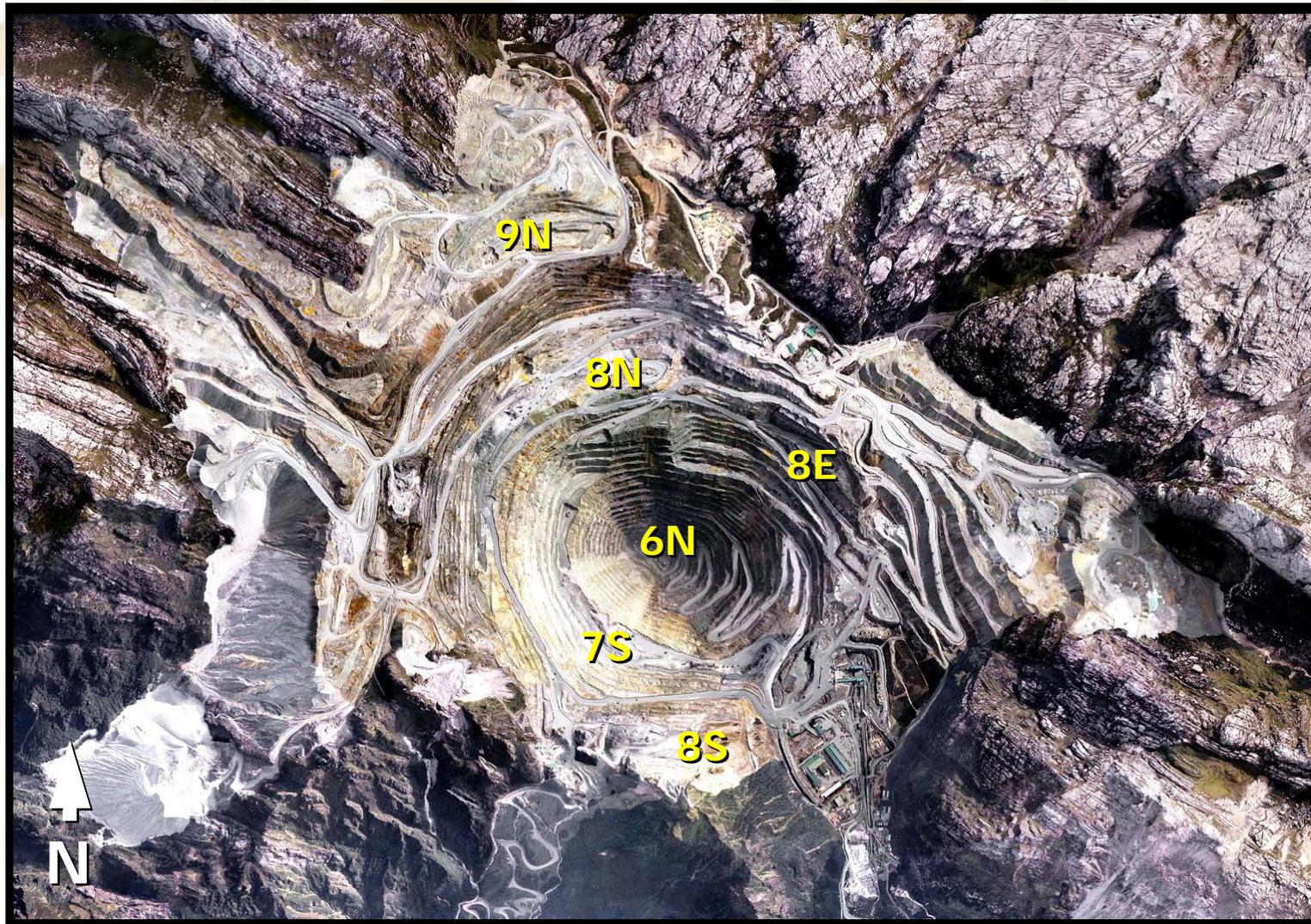


# Grasberg District Ore Bodies



\* represents the distance from the portal and not indicative of total development meters

# Grasberg Open Pit



# PT-FI Mine Plan

## PT-FI's Share of Metal Sales, 2008e-2012e

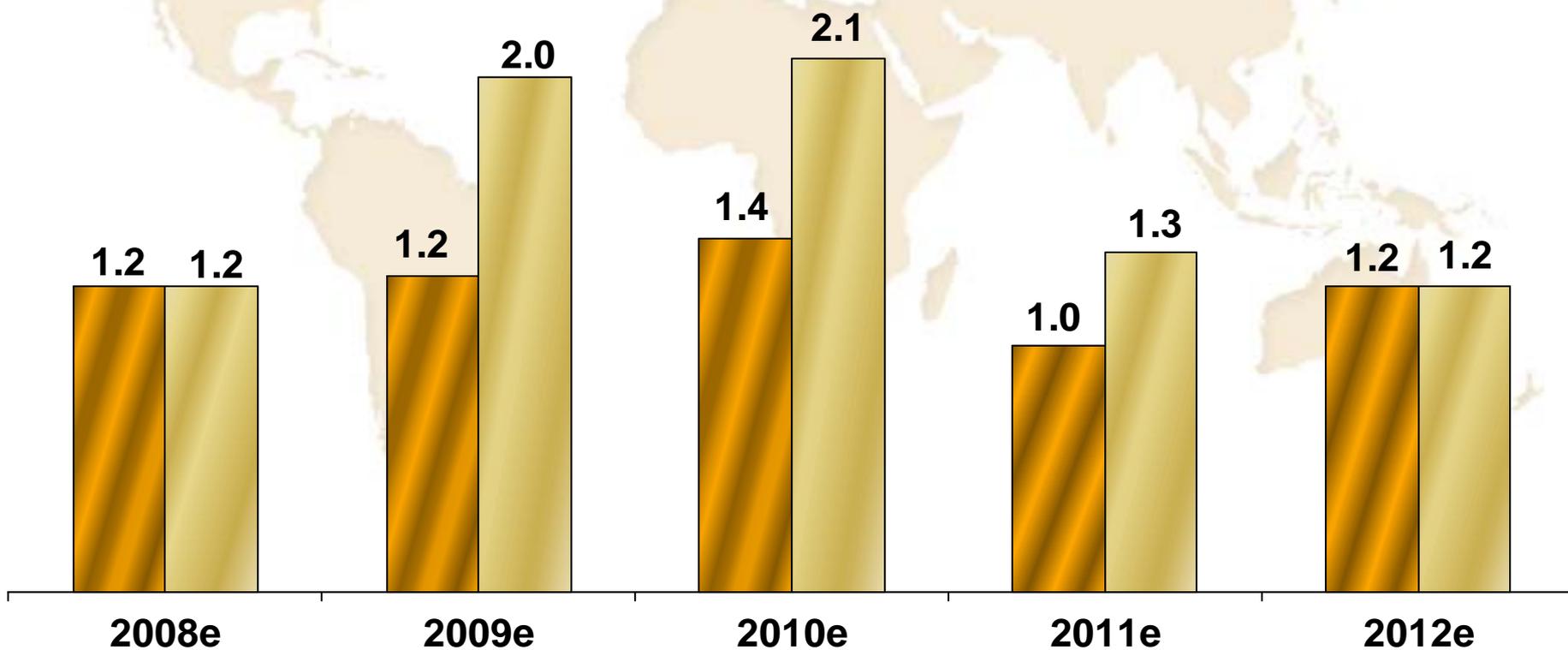


**Copper, billion lbs**

**Gold, million ozs**

**2008e – 2012e PT-FI Share  
 Total: 6.0 billion lbs  
 Annual Average: 1.2 billion lbs**

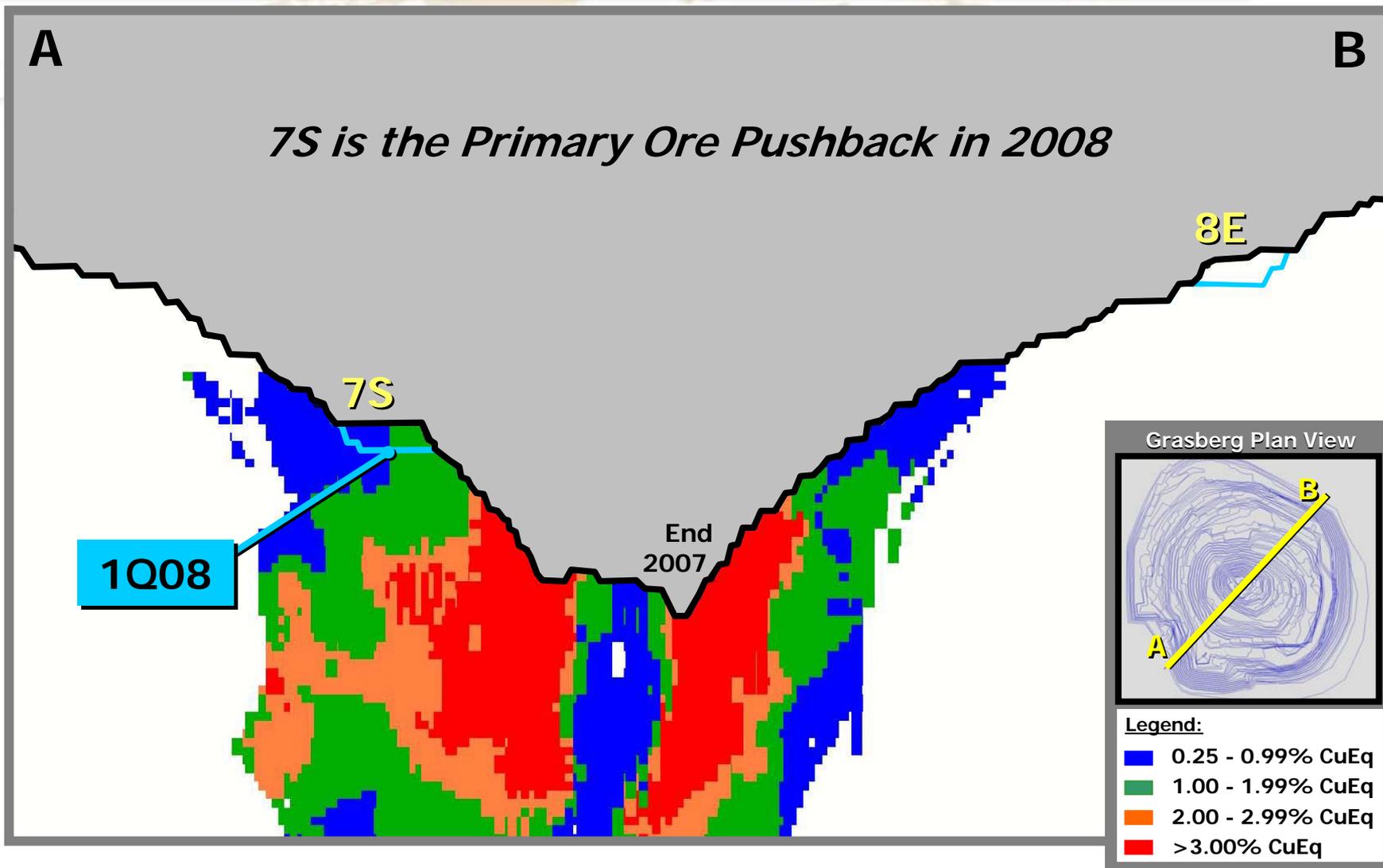
**2008e – 2012e PT-FI Share  
 Total: 7.8 million ozs  
 Annual Average: 1.6 million ozs**



*e = estimate. Amounts are projections; see cautionary statement.  
 Note: Timing of annual sales will depend upon mine sequencing, shipping schedules and other factors.*

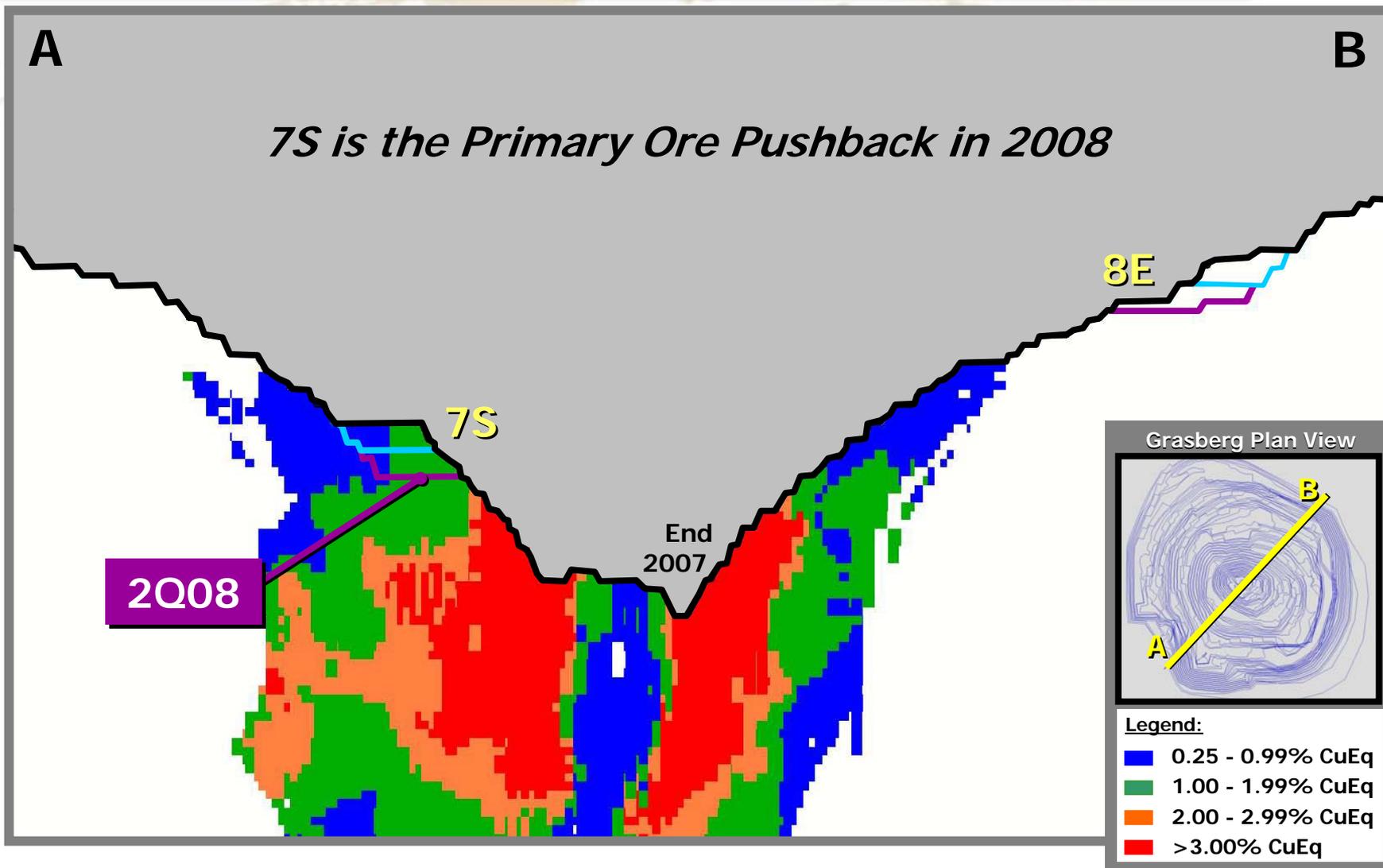
# Mining Sequence in 2008

## *Copper Equivalent Cross Section*



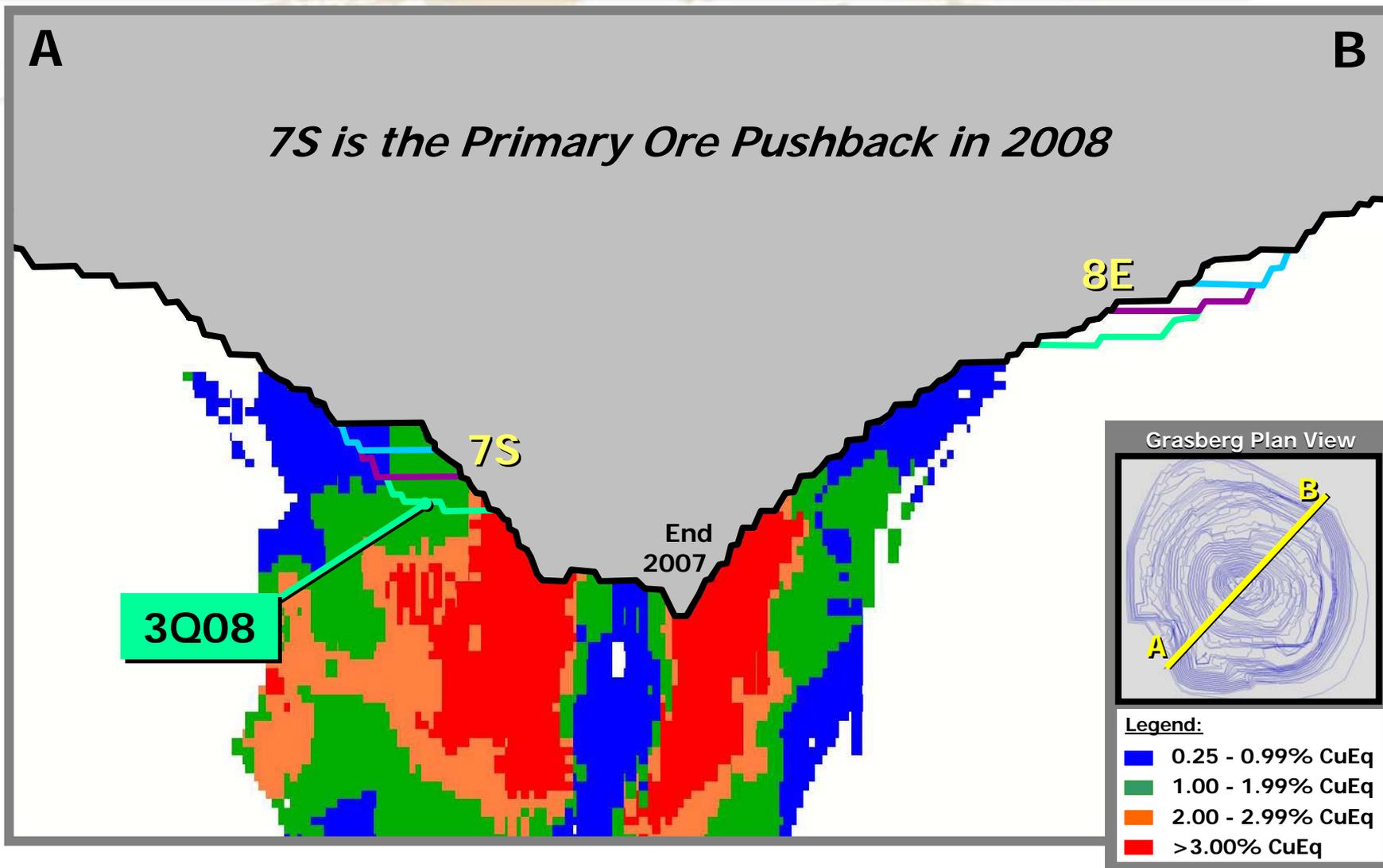
# Mining Sequence in 2008

## *Copper Equivalent Cross Section*



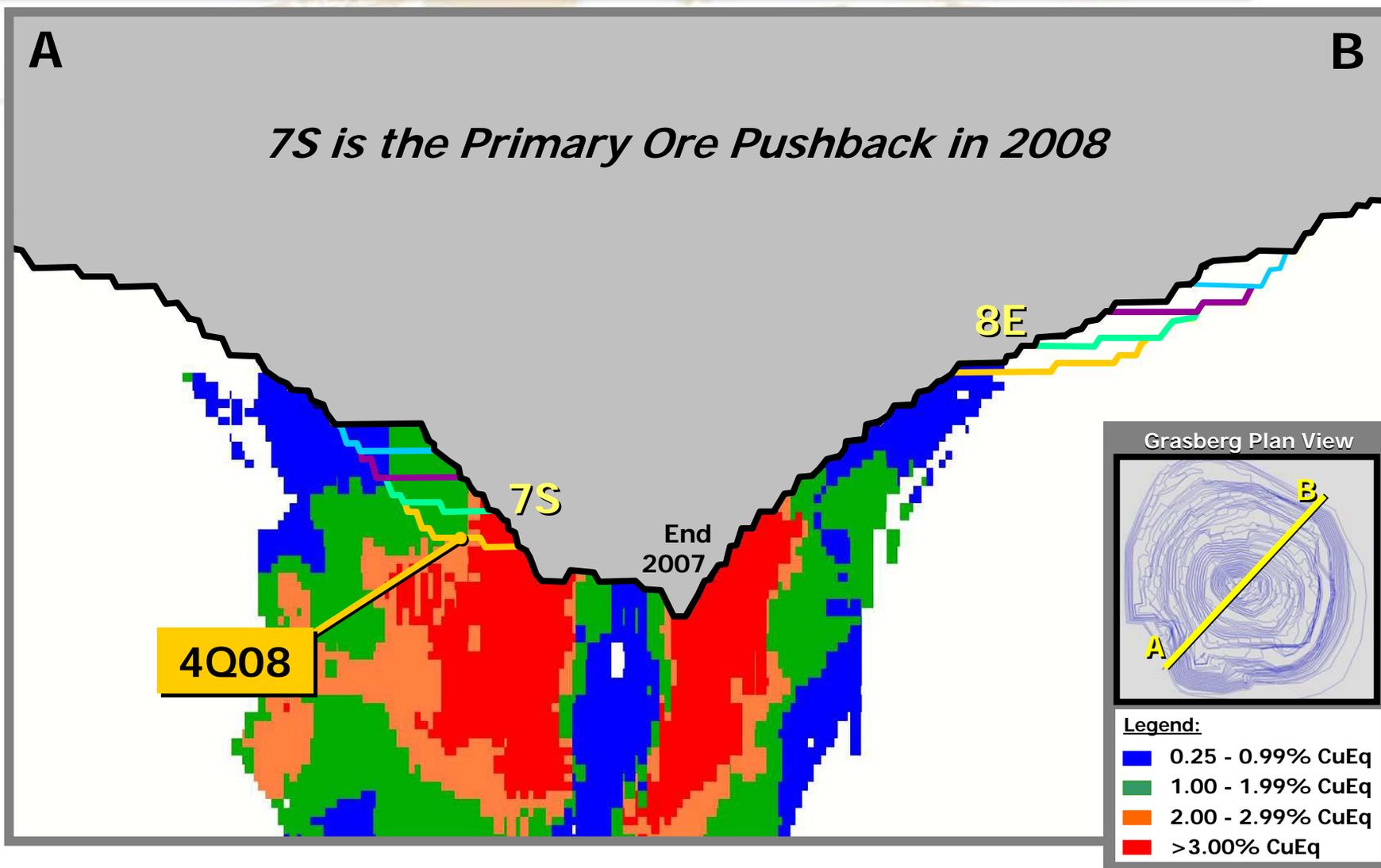
# Mining Sequence in 2008

## *Copper Equivalent Cross Section*



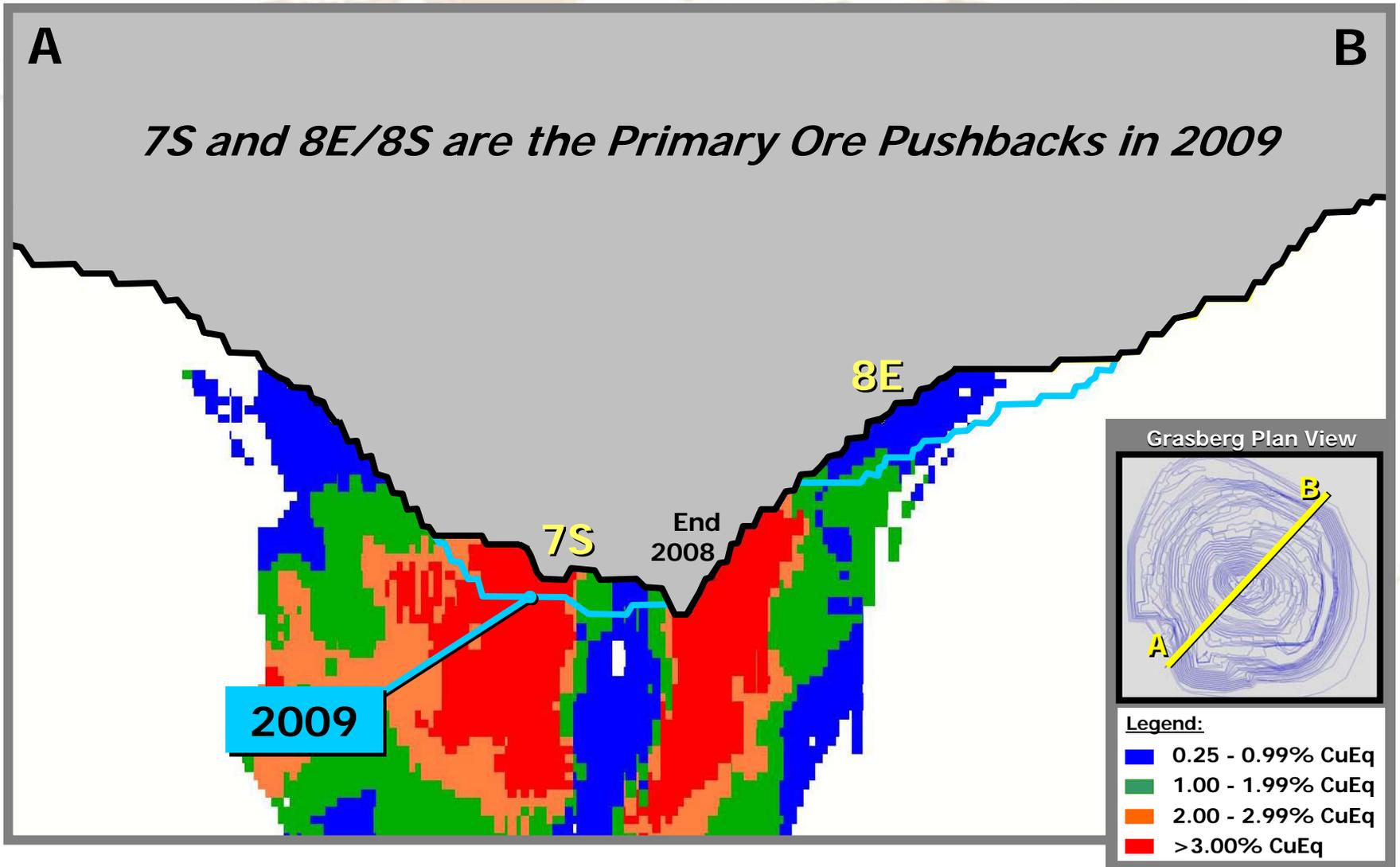
# Mining Sequence in 2008

## *Copper Equivalent Cross Section*



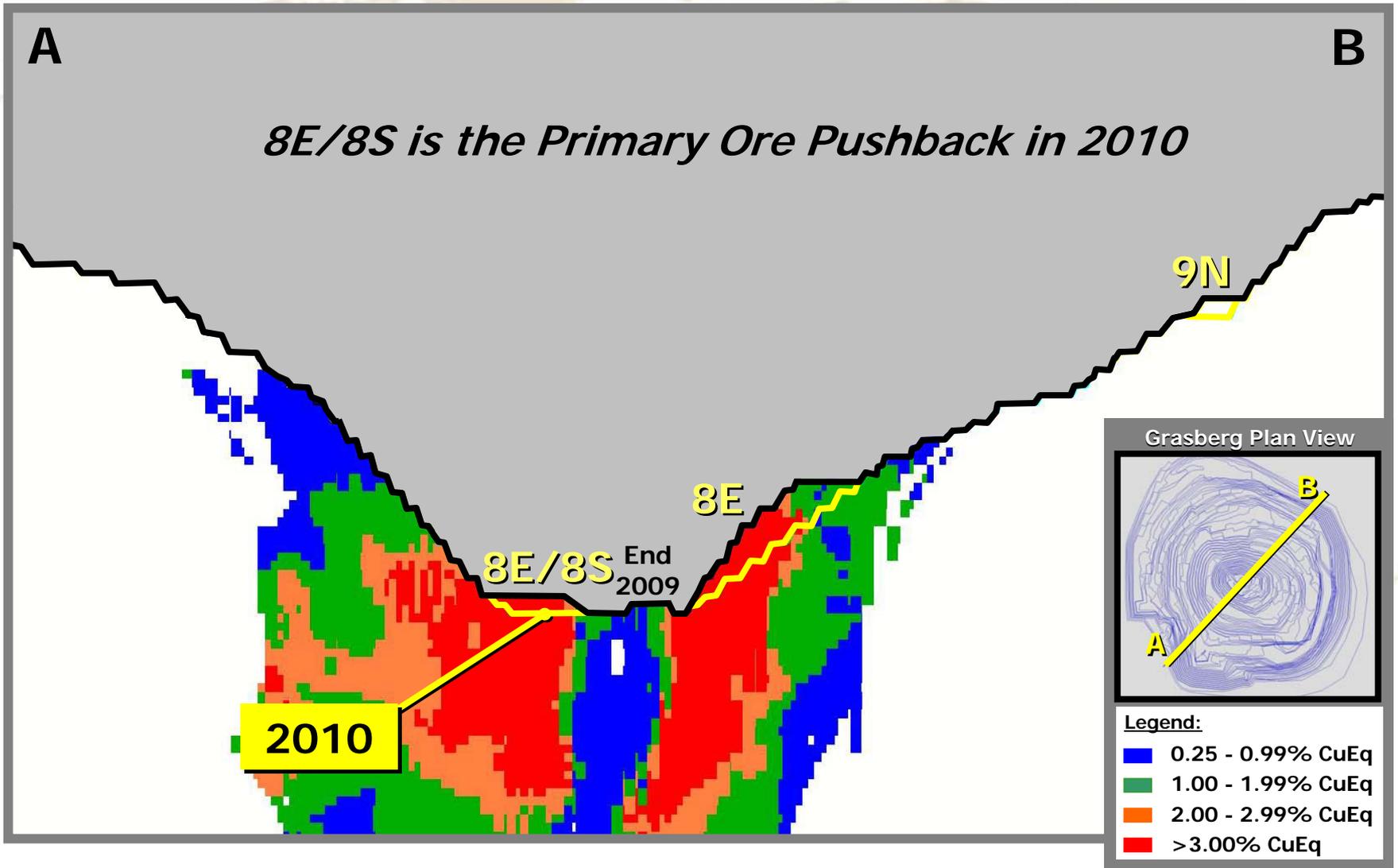
# Mining Sequence in 2009

## *Copper Equivalent Cross Section*



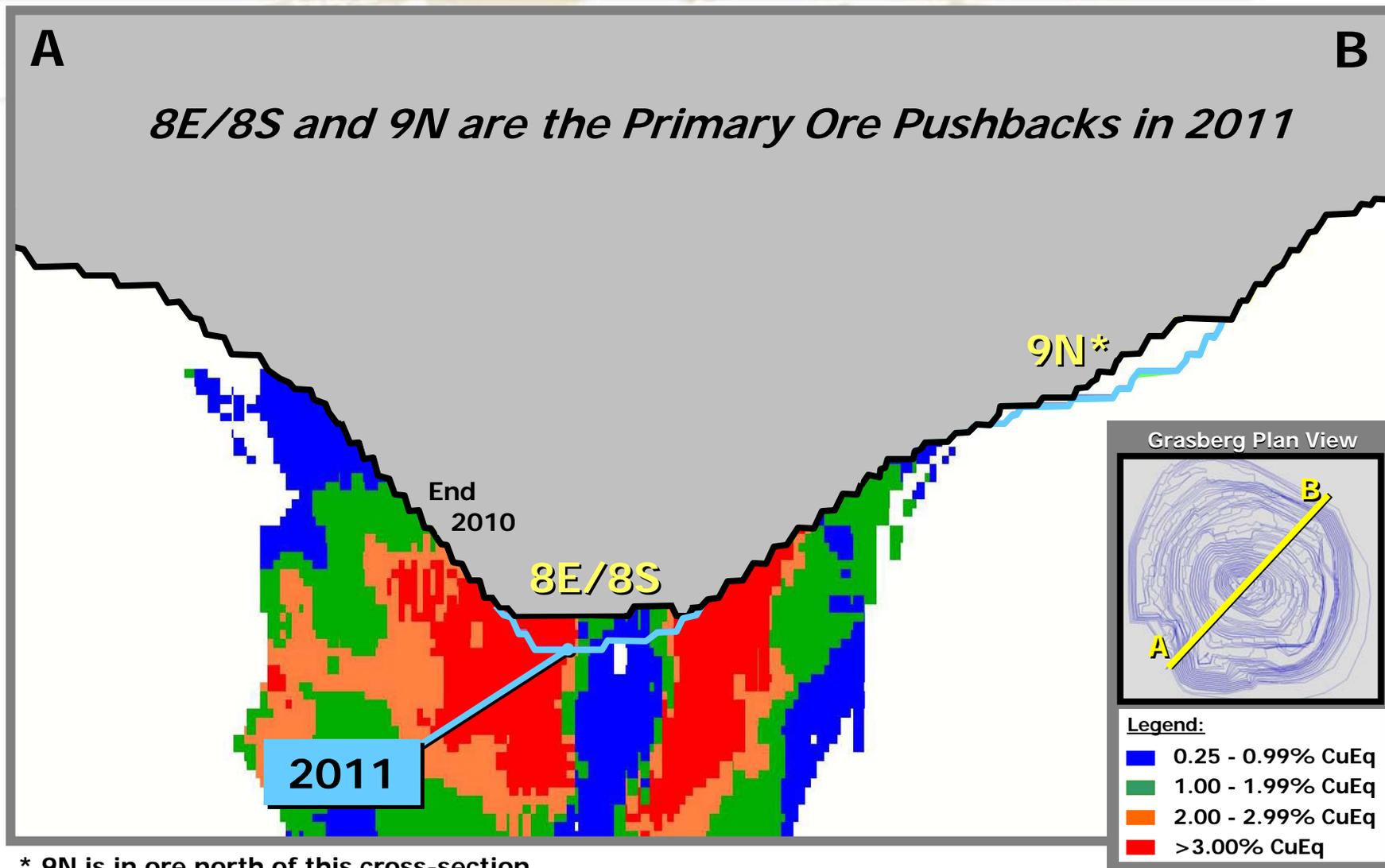
# Mining Sequence in 2010

## *Copper Equivalent Cross Section*



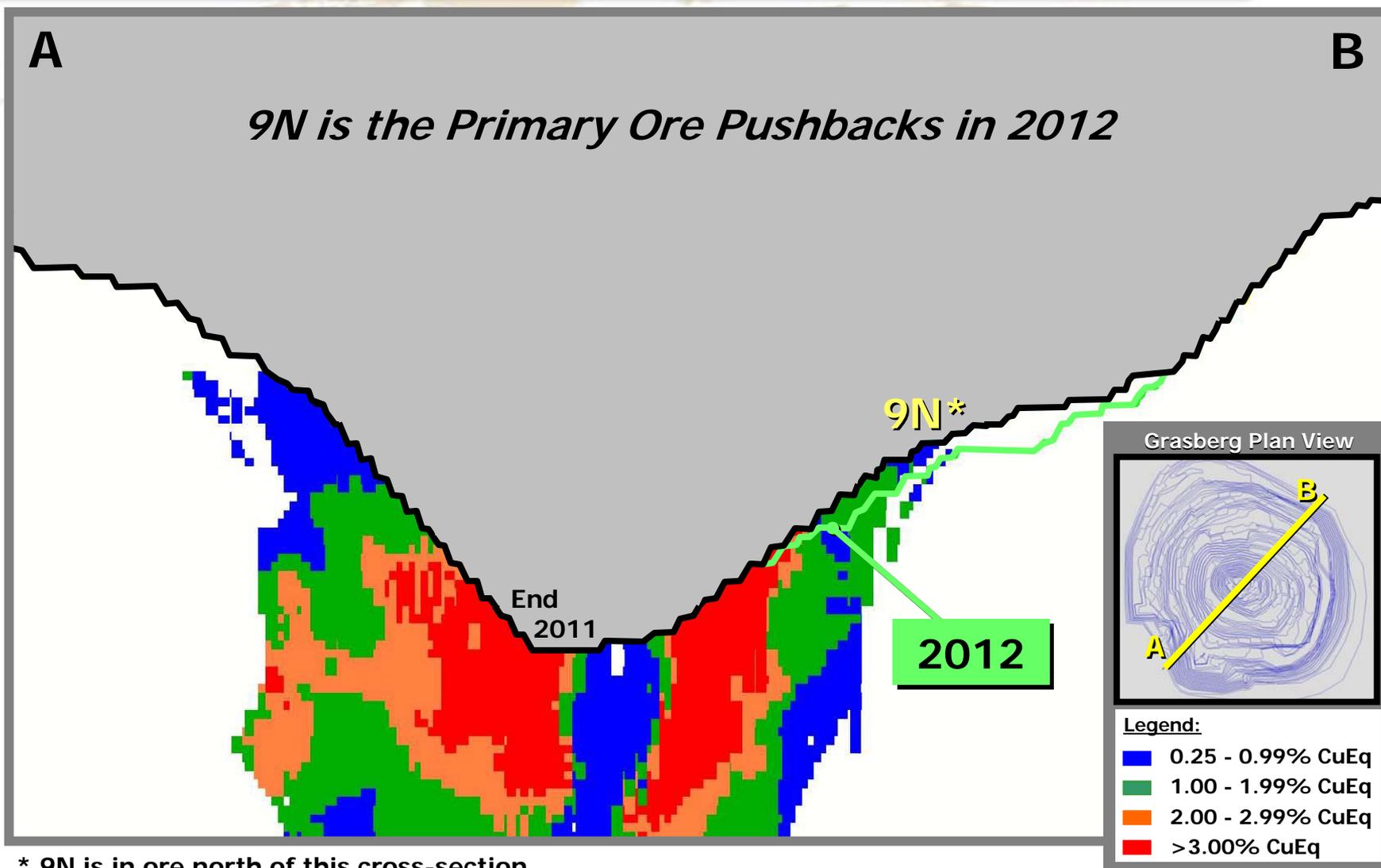
# Mining Sequence in 2011

## *Copper Equivalent Cross Section*



# Mining Sequence in 2012

## *Copper Equivalent Cross Section*



\* 9N is in ore north of this cross-section