FREEPORT-MCMORAN
COPPER & GOLD

# Goldman Sachs
# Basic Materials Conference 2008


**Richard C. Adkerson**

*President & CEO*


*New York City*

*May 20, 2008*

FCX
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NYSE

www.fcx.com

# 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 and the impact of changes in deferred intercompany profits on earnings. 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 Annual Report on Form 10-K for the year ended December 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 in FCX's 4/23/08 press release, which is available on our internet web site www.fcx.com.*

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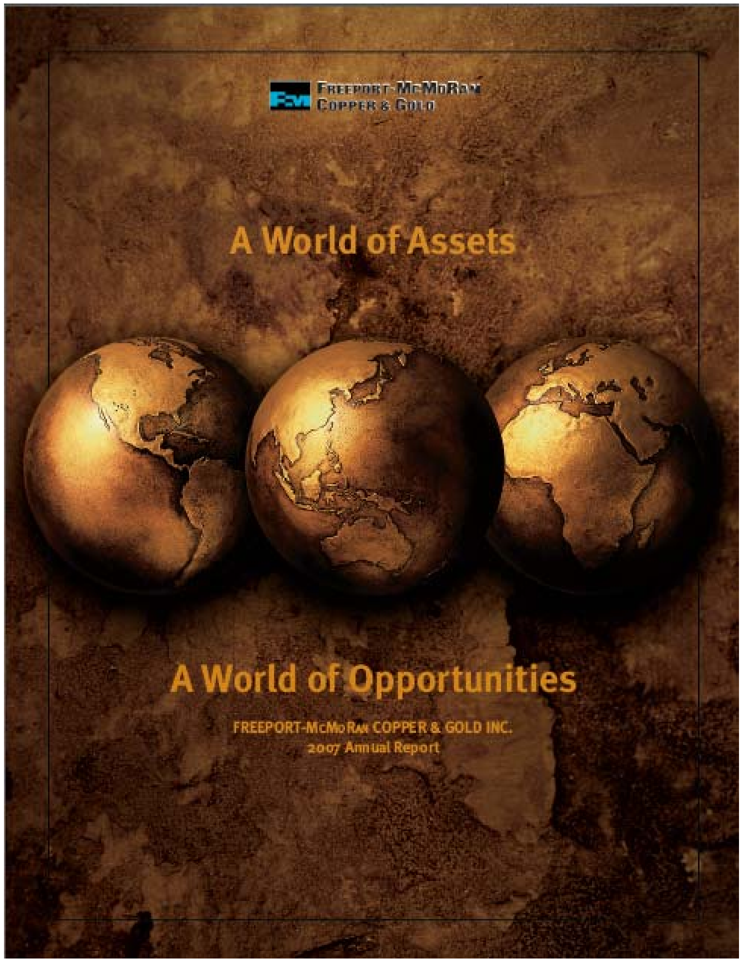
# A World of Assets
# A World of Opportunities

## 2007 Annual Report Highlights




- **Strong Portfolio of Global Producing Operations**
- **Opportunities to Expand Current Production Capacity**
- **Add Reserves to Extend Lives of Our Mines**
- **Develop Significant New Ore Bodies**

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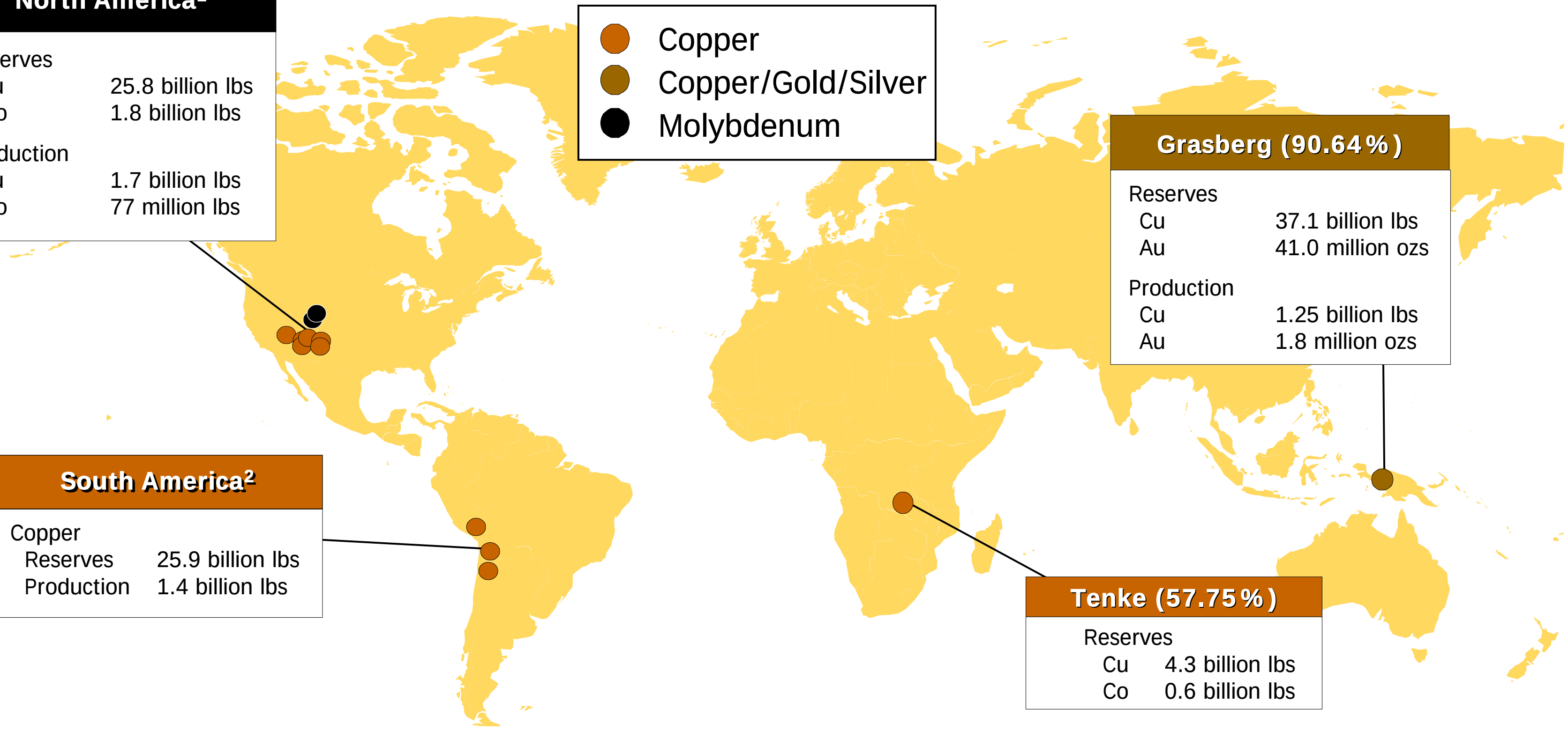
# Geographically Diverse…

## Major Mine Operations & Development Projects

All major assets majority-controlled and operated




**North America[1]**

| | |
|---|---|
| Reserves | |
| Cu | 25.8 billion lbs |
| Mo | 1.8 billion lbs |
| Production | |
| Cu | 1.7 billion lbs |
| Mo | 77 million lbs |

**South America[2]**

| | |
|---|---|
| Copper | |
| Reserves | 25.9 billion lbs |
| Production | 1.4 billion lbs |

**Grasberg (90.64%)**

| | |
|---|---|
| Reserves | |
| Cu | 37.1 billion lbs |
| Au | 41.0 million ozs |
| Production | |
| Cu | 1.25 billion lbs |
| Au | 1.8 million ozs |

**Tenke (57.75%)**

| | |
|---|---|
| Reserves | |
| Cu | 4.3 billion lbs |
| Co | 0.6 billion lbs |

*Note: FCX consolidated reserves and annual production; Reserves as of December 31, 2007. Production figures are based on average annual estimates for 2008-2010.*

*[1] Cu operations: Morenci (85%), Sierrita (100%), Bagdad (100%), Chino/Cobre (100%), Tyrone (100%), Miami (100%) and Safford (100%), Primary Mo: Henderson (100%) and Climax (100%)*

*[2] Copper operations Candelaria/Ojos del Salado (80%), Cerro Verde (53.6%) and El Abra (51%)*

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# ...Long-Lived Asset Base

| | Consolidated | Net Interest |
|---|---|---|
| **Reserves 12/31/07** (1) | | |
| Copper (billion lbs) | 93.2 | 77.0 |
| Molybdenum (billion lbs) | 2.0 | 1.9 |
| Gold (million ozs) | 41.0 | 37.0 |
| **Average Sales Volumes** (2008-2010) | | |
| Copper (billion lbs) | 4.5 | 3.8 |
| Molybdenum (million lbs) | 85 | 81 |
| Gold (million ozs) | 1.9 | 1.7 |
| **Implied Reserve Life** (years) | | |
| Copper | 21 | 20 |
| Molybdenum | 24 | 24 |
| Gold | 22 | 22 |
| **Mineralized Material** (2) | | |
| Ore (million metric tons) | 12,073 | 11,233 |
| average % copper | 0.38 | 0.36 |
| average g/t gold | 0.07 | 0.07 |

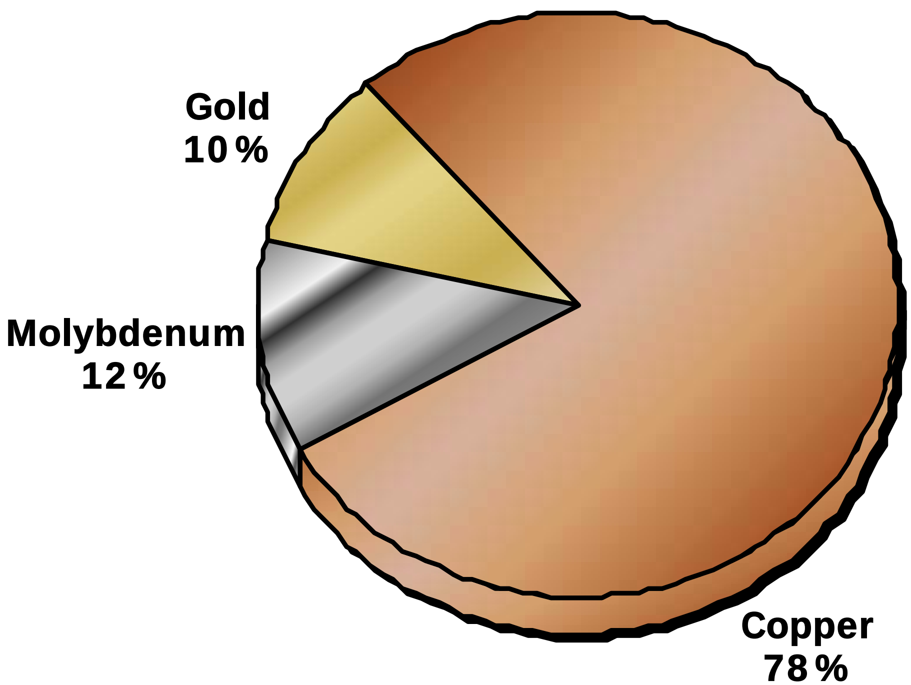
*(1) Estimated recoverable reserves in 2007 were assessed using a copper price of $1.20 per pound, a gold price of $450 per ounce, and a molybdenum price of $6.50 per pound.*

*(2) Mineralized Material is not included in reserves and 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.*

# Revenue / Production Mix

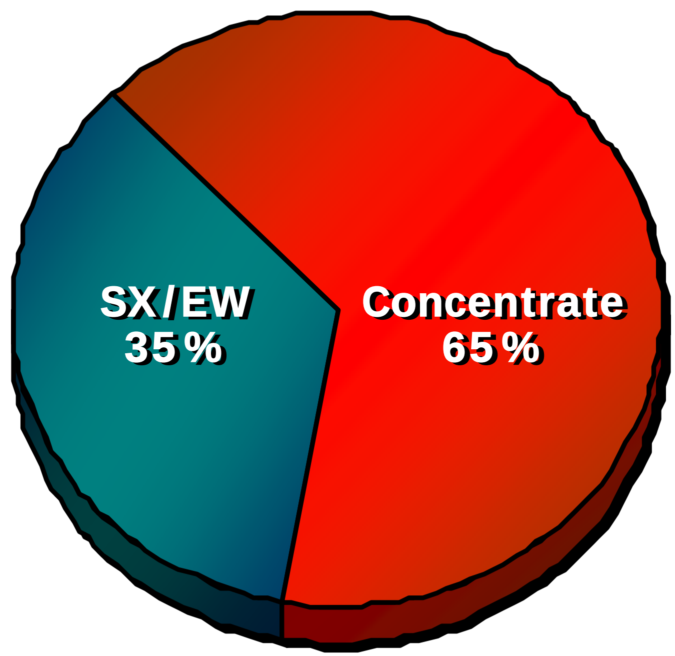
## Mining Revenue by Commodity

2007 Pro Forma

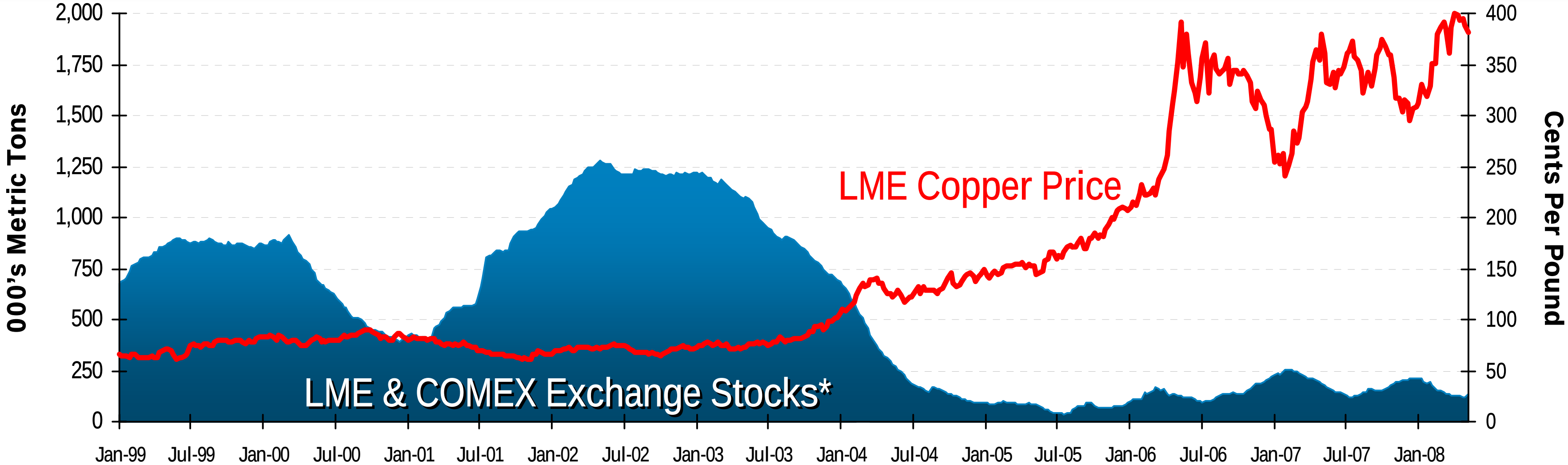



## Copper Production by Method

2007 Pro Forma

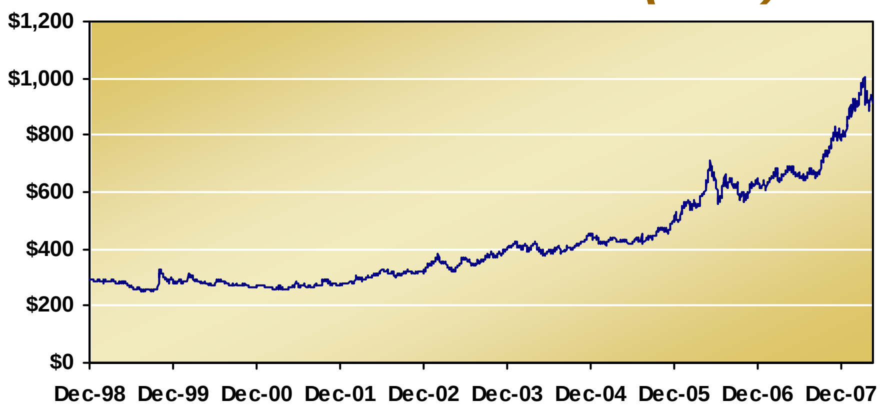


# Strong Markets

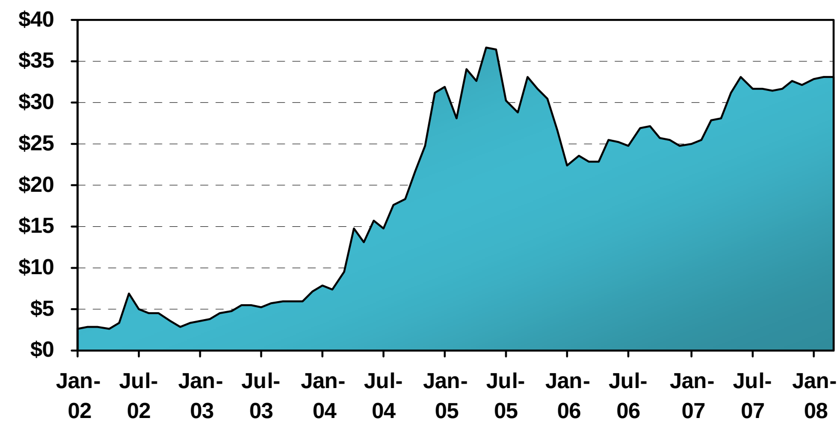



*LME and Comex, excluding Shanghai stocks, producer, consumer and merchant stocks.

## London Gold Price ($/oz)




## Molybdenum Price* ($/lb)

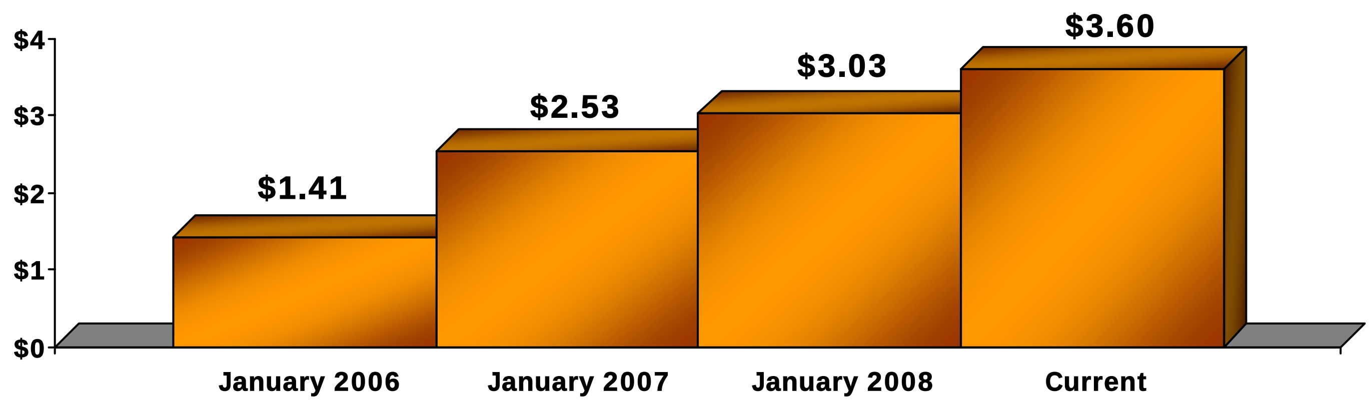



* Metals Week – Molybdenum Dealers Oxide Price

# Factors Driving Copper Price Performance

- **Actual Copper Prices Have Been Significantly Higher Than Analysts' Forecast**
  - **In Each of the Last Three Years, Copper Prices Have Been 30 – 65% Higher Than Consultant Estimates At Start of Year**
- **Sharp Rise in Forward Prices**

***2009 Average Forward Copper Price at Indicated Points in Time****




- **Factors**
  - **Production Shortfalls**
  - **Low Inventory Levels**
  - **Strong Demand From China and Emerging Markets**
  - **Increased Investor Participation in Commodities as an Asset Class**

** Source: Bloomberg as of May 8, 2008*

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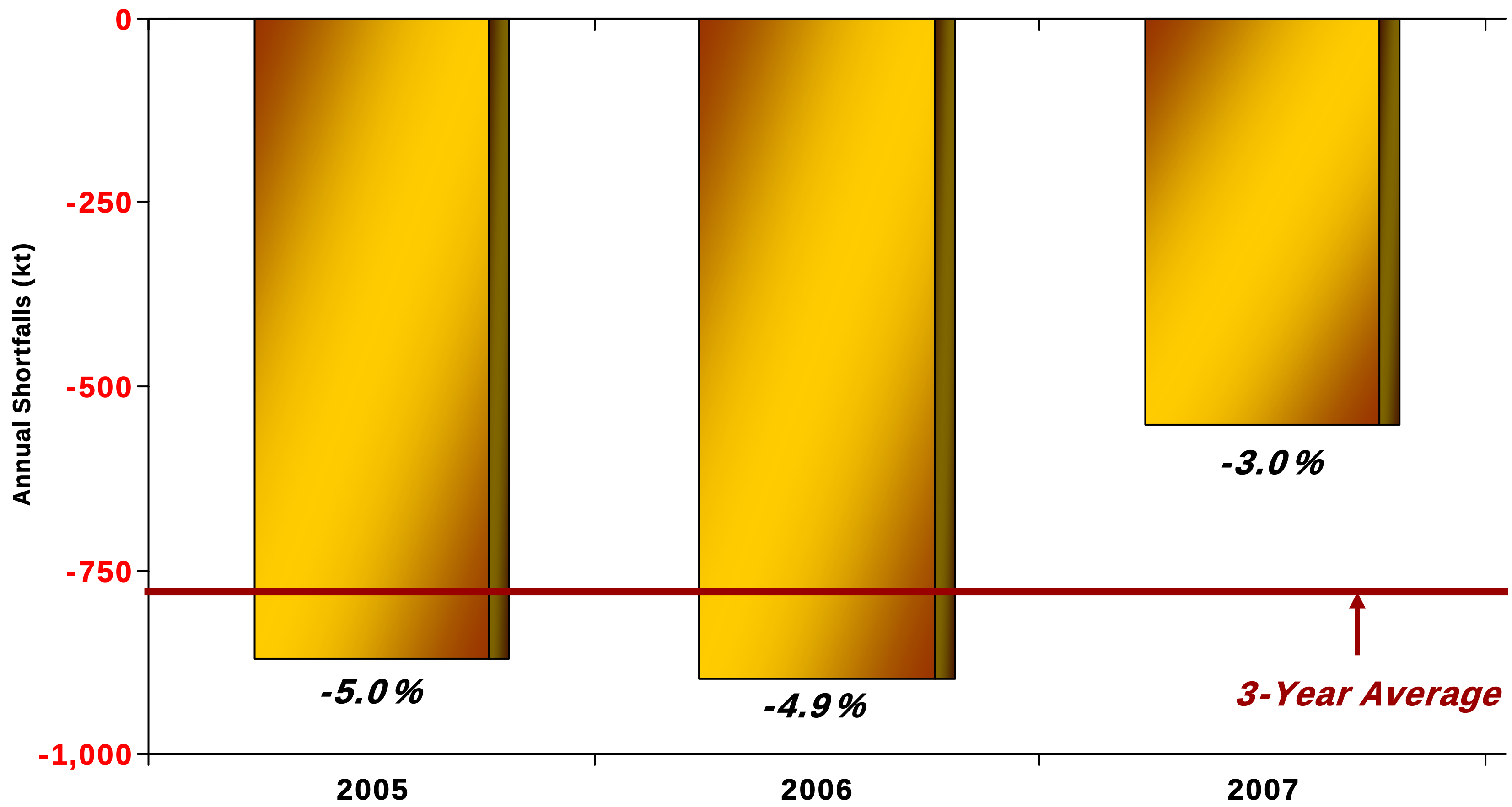
# Copper Supply Side Challenges – Production Has Not Met Expectations

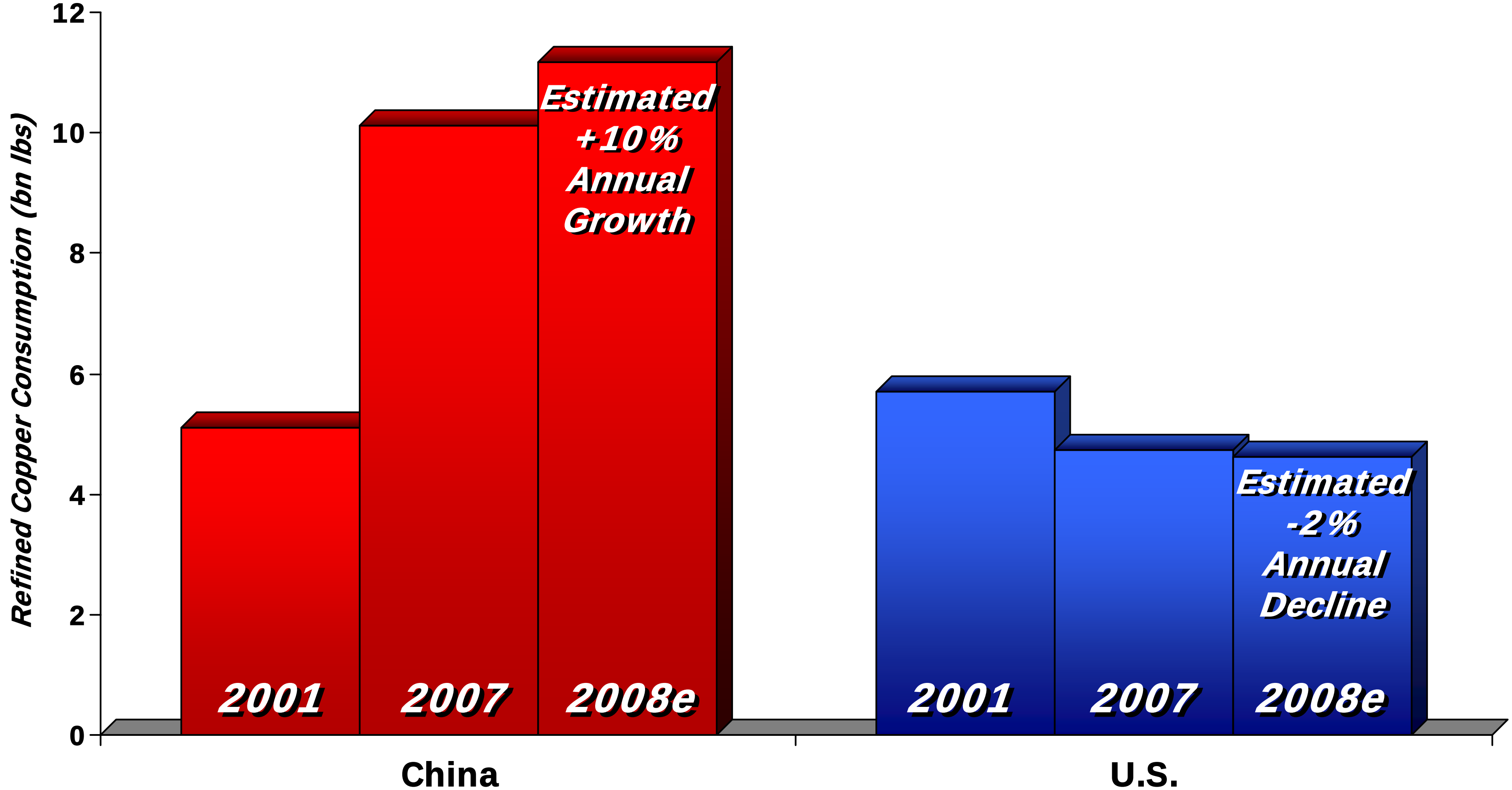
## Production Shortfalls Have Averaged Almost 800 kt Per Year




*Note: Based on Brook Hunt estimates per January report for given year, which includes allowance for supply disruptions. Percent shortfall based on production forecast at beginning of each year.*

# The China Factor

## China's Copper Consumption Has Doubled Since 2001 While the U.S. Has Declined




*Source: Brook Hunt data*

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# Challenges of New Copper Project Development

- **Relatively Few Major Projects**
- **Lower Quality than Past**
- **Delays Being Encountered**
  - **Technical Factors – Complex Underground Development**
  - **Environmental**
  - **Geopolitical – Resource Nationalism**
- **Escalating Construction Costs**
- **Evolving Industry Structure from Consolidation**

***Conditions Expected to Continue in Future***

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# 1Q08 Highlights

| Sales Data | 1Q08 | 1Q07 (1) |
|---|---|---|
| ***Copper*** | | |
| Consolidated Volumes *(mm lbs)* | 911 | 520 |
| Average Realization *(per lb)* | $3.69 | $3.00 |
| ***Gold*** | | |
| Consolidated Volumes *(000's ozs)* | 280 | 956 |
| Realization *(per oz)* | $933 | $655 |
| ***Molybdenum*** | | |
| Consolidated Volumes *(mm lbs)* | 20 | 2 |
| Realization *(per lb)* | $31.67 | $23.26 |

| Financial Results *(in millions, except per share amounts)* | 1Q08 | 1Q07 (1) |
|---|---|---|
| Revenues | $5,672 | $2,246 |
| Net Income | $1,122 (2) | $476 (3) |
| Diluted Earnings Per Share | $2.64 (2) | $2.02 (3) |
| Operating Cash Flows | $615 (4) | $669 |
| Capital Expenditures | $508 | $142 |

*(1) Includes Phelps Dodge results beginning March 20, 2007*
*(2) 1Q08 net income includes charges totaling $175 mm (39¢/share) for purchase accounting impacts related to PP&E and inventory.*
*(3) 1Q07 net income includes charges totaling $177 mm (73¢/share), including $23 mm (10¢/share) to mark-to-market PD's copper price protection program, $79 mm (32¢/share) for purchase accounting impacts related to PP&E and inventory charges, and $75 mm (31¢/share) for early extinguishment of debt related to PD acquisition.*
*(4) Includes working capital uses of approximately $1.3 billion*

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# 2008 Outlook

- **Sales Outlook:**
  - ***Copper: 4.2 Billion lbs.***
  - ***Gold: 1.4 Million ozs.***
  - ***Molybdenum: 75 Million lbs.***

- **Modeled Operating Cash Flows (1):** ***Exceeds $6.5 Billion for 2008***
  - **Significant Working Capital Requirements in First Half**
  - **Expect Working Capital Use in 2008 of ~ $1.1 Billion, Including $1.3 Billion Used in 1Q08**
  - **Expect to Generate ~ 70% of Cash Flows in Second Half**

- **Capital Expenditures:** ***~ $3.0 Billion for 2008***

*(1) Based on 1Q08 actuals and assumed prices of $3.75/lb Copper, $900/oz Gold, and $30/lb Molybdenum for the remaining three quarters of 2008. Each 20¢ change in copper would impact this estimate by approximately $450 MM over the remaining three quarters.*

*Note: Amounts are projections; see cautionary statement.*

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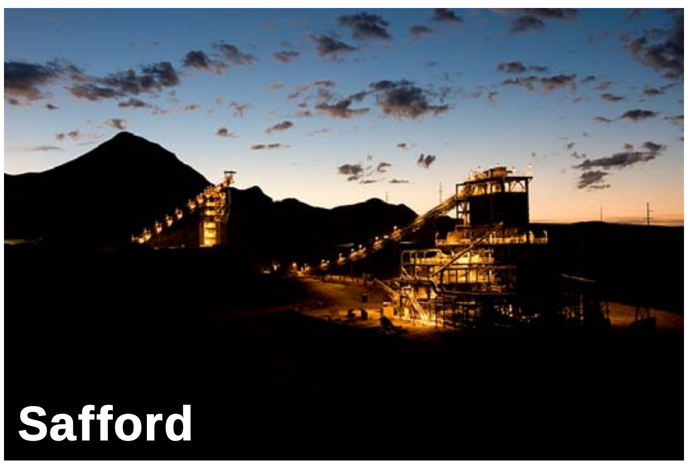
# Development Project Update
## North America – Copper

### Safford Mine Development

- **Major new mine in Arizona completed**
- **SX/EW facility continues to ramp-up to full rates; produced 22MM lbs in 1Q08**
- **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**

### Incremental Expansions

- **Morenci, Bagdad and Sierrita**
- **Preliminary scoping level estimates of 180MM lbs Cu by 2010 at capital of ~$370MM**
- **Engineering in-progress; capital costs/scope may change**
- **Considering larger expansions**
- **Continue to review additional expansion opportunities at all our existing operations**

*NOTE: FCX has an 85% ownership interest in Morenci and a 100% interest in Safford, Miami, Bagdad and Sierrita*

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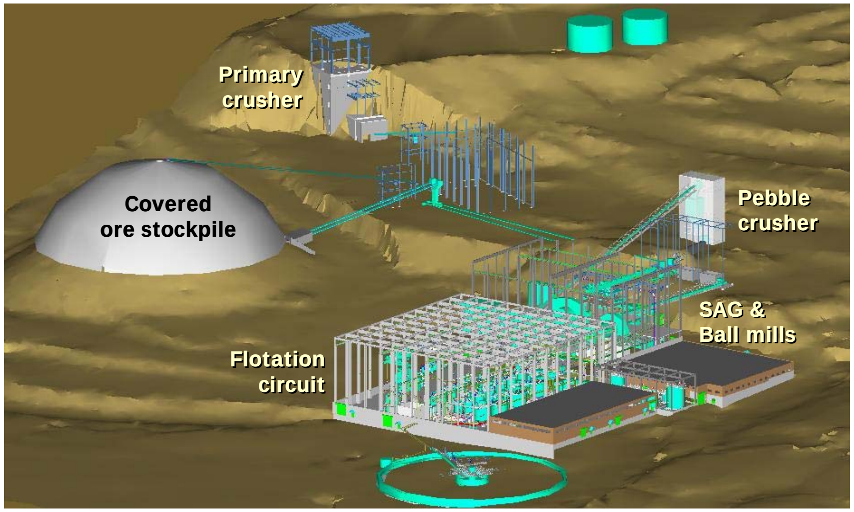
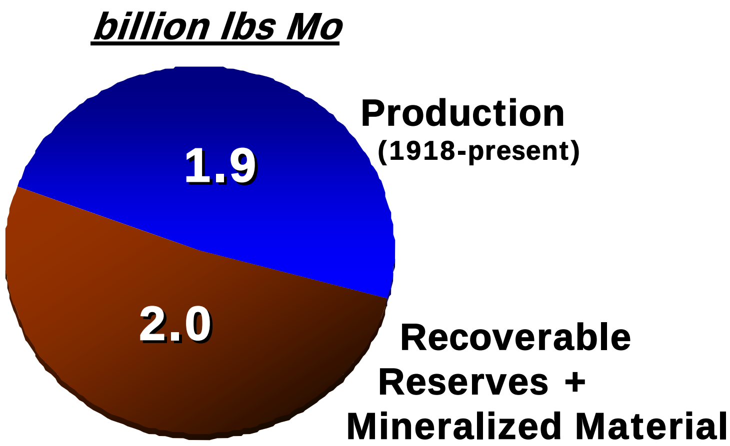
# Development Project Update
## North America – Molybdenum

### Climax Primary Moly Mine Restart

- ~$500MM "brownfield" project
  - Open-pit operation
  - Construction of new mill with restart by 2010
  - Air permit received in 1Q08
- Initial annual production ~30mm lbs




- 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*

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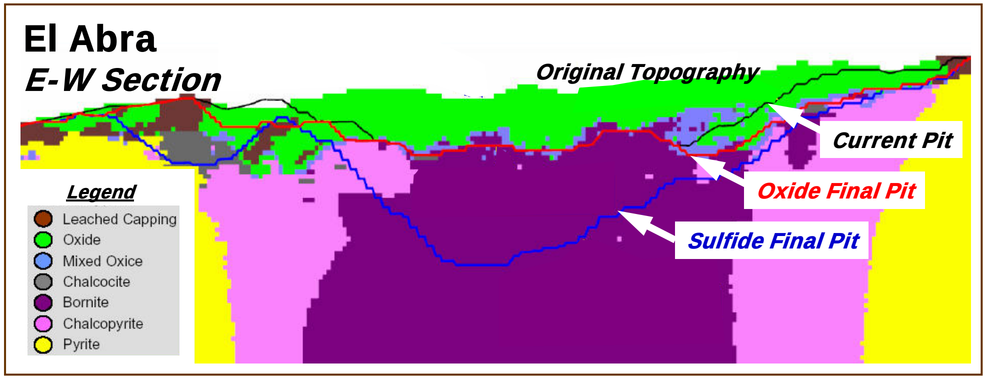
# Development Project Update
## South America

### El Abra Sulfide

- Large sulfide mineral deposit underlying current oxide pit
- Environmental impact study approved by Chilean Government in 1Q08
- Extends mine life 10+ years
- Provides 325MM lbs copper/year aggregate to replace oxide
- ~ $450MM project





### Incremental Expansion at Cerro Verde

- Engineering in-progress; capital costs may be higher than initial estimates
- Considering larger expansions
- Continuing drilling program to expand reserves

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

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# Development Project Update
## Indonesia


Big Gossan Shaft Development
*Concrete pour*

### Underground Mine Development

- **DOZ Expansion**
  - **- Operated at record 61K mt*/d in 1Q08**
  - **- Further expansion to 80K under way with targeted completion by 2010**
- **Initiating mine development activities at Grasberg Block Cave**
- **Big Gossan to reach full rates in 2011 (aggregate copper of 125MM lbs/year and gold of 65K ozs/year)**

### Mill Optimization

- **Crusher Master Plan – target completion 2Q08; throughput enhancement**

*NOTE: FCX has a 90.64% ownership interest in Grasberg*
** metric tons*

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# Development Project Update

## Democratic Republic of Congo

### Tenke Fungurume Mine Development

- **Engineering, procurement & construction activities continue; concrete work, steel tank erection, structural steel & infrastructure development**
- **Revised aggregate capital cost estimate of $1.75 billion***

| | |
|---|---|
| **October 2007 estimate** ($ millions) | **$900** |
| Cost escalation | 385 |
| Scope changes & higher quantities | 170 |
| Enhanced infrastructure | 170 |
| Other increases | 125 |
| Total increase | 850 |
| **April 2008 estimate** ($ millions) | **$1,750** |

Note: $1.75 billion includes $235MM for infrastructure for larger scale operation than initial phase

- **Capital cost & project timing will continue to be reviewed and updated as development progresses**

*NOTE: FCX has a 57.75% ownership interest in the Tenke Fungurume project*
** total is $1.9 billion including advances to third party for refurbishment for power*

- **Initial production target – 2H09; Aggregate annual production of 250MM lbs Cu & 18MM lbs Co**
- **Initial Estimates of Reserves at 12/31/07: 100MM mt at 2.3% copper and 0.3% cobalt**
- **Drilling continues**
  - **Reserves are expected to increase significantly**

# Development Project Update
## Democratic Republic of Congo




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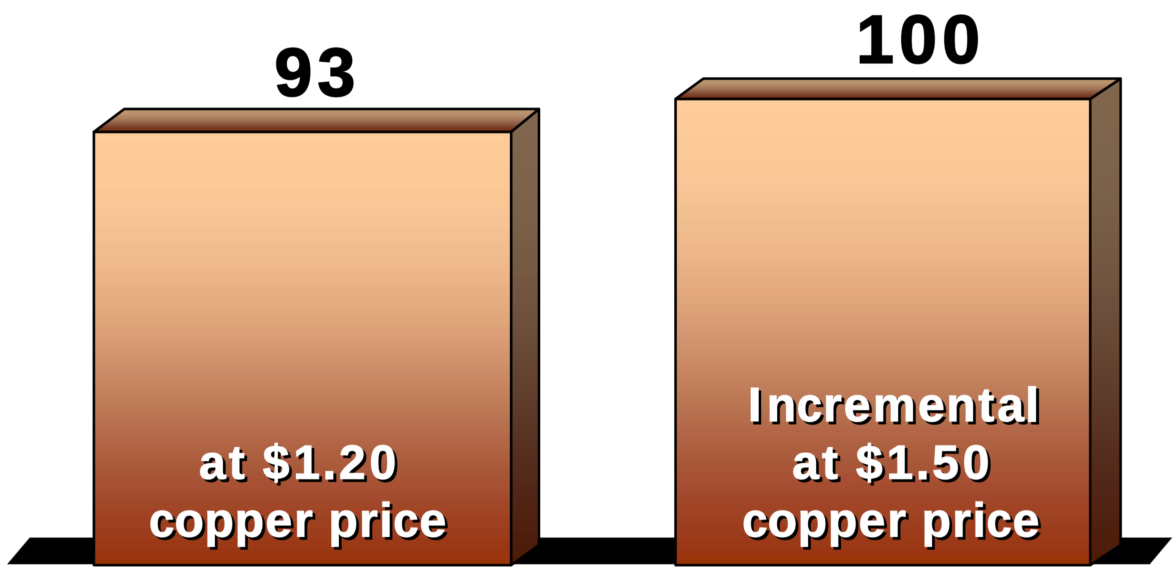
# Copper Reserves & Mineralized Material

## *Estimates as of 12/31/07*




***Reserves*** (a)
***(billion lbs of recoverable copper)***

***Mineralized Material*** (b)
***(billion lbs of contained copper)***

*(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.***

# *A World of Opportunities*

## Exploration Targets in Major Mineral Districts

### *80 drill rigs operating around the world*


Safford / Lone Star / Morenci District

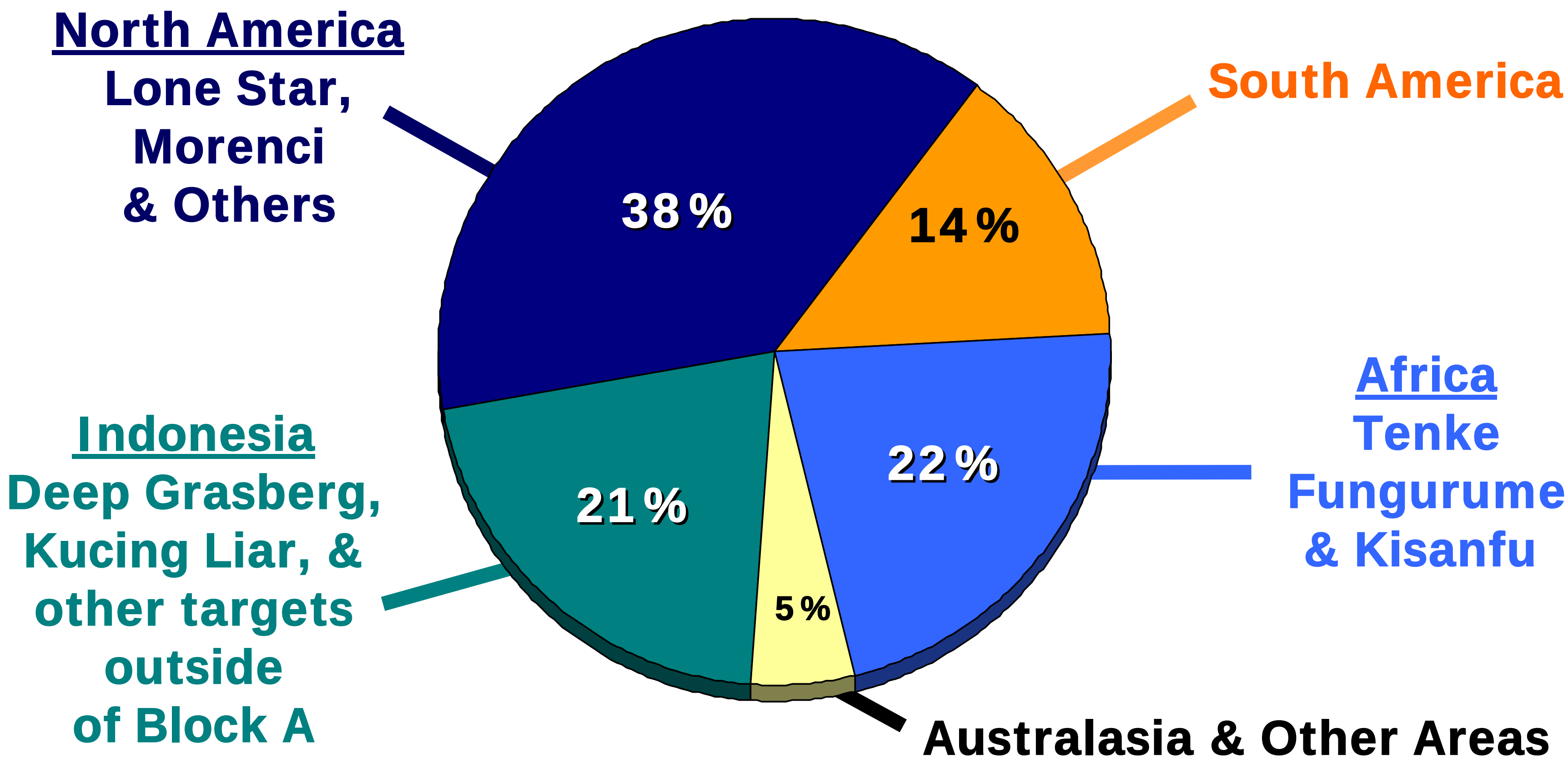

Cerro Verde


Tenke Fungurume


Grasberg

# Exploration Drives the Mine Plan

**Aggregate 2008e Exploration: ~$180 million**




*e = estimate. Please see cautionary statement.*

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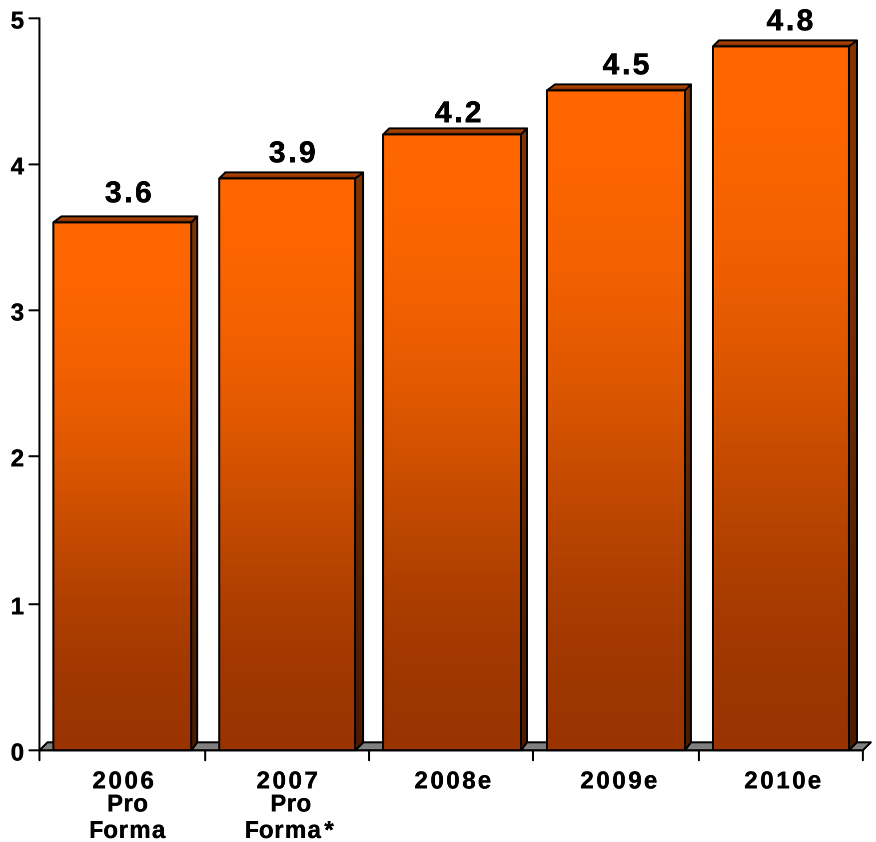
# Sales Profile 2006 - 2010e

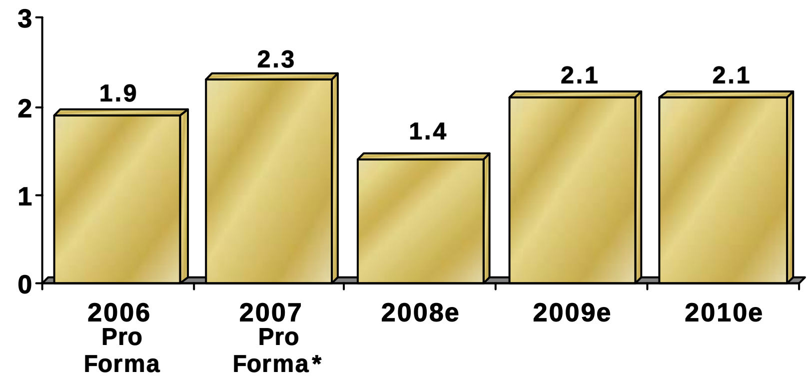
## Copper Sales (billion lbs)




Note: Consolidated copper sales include approximately 535 mm lbs in 2006, 647 mm lbs in 2007, 700 mm lbs in 2008e, 740 mm lbs in 2009e and 775 mm lbs in 2010e for minority interest; excludes purchased copper.

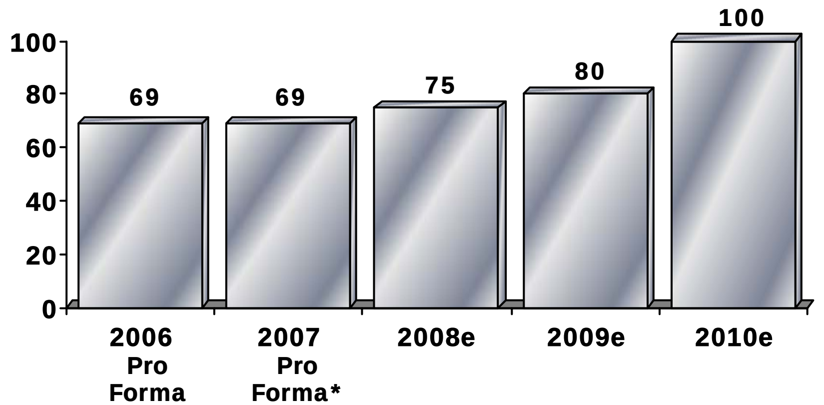
* 2007 includes pre-acquisition sales of 505 mm lbs of copper, 18 k oz of gold and 17 mm lbs of molybdenum

## Gold Sales (million ozs)




Note: Consolidated gold sales include approximately 185 k oz in 2006, 228 k oz in 2007, 145 k oz in 2008e, 210 k oz in 2009e and 210 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.

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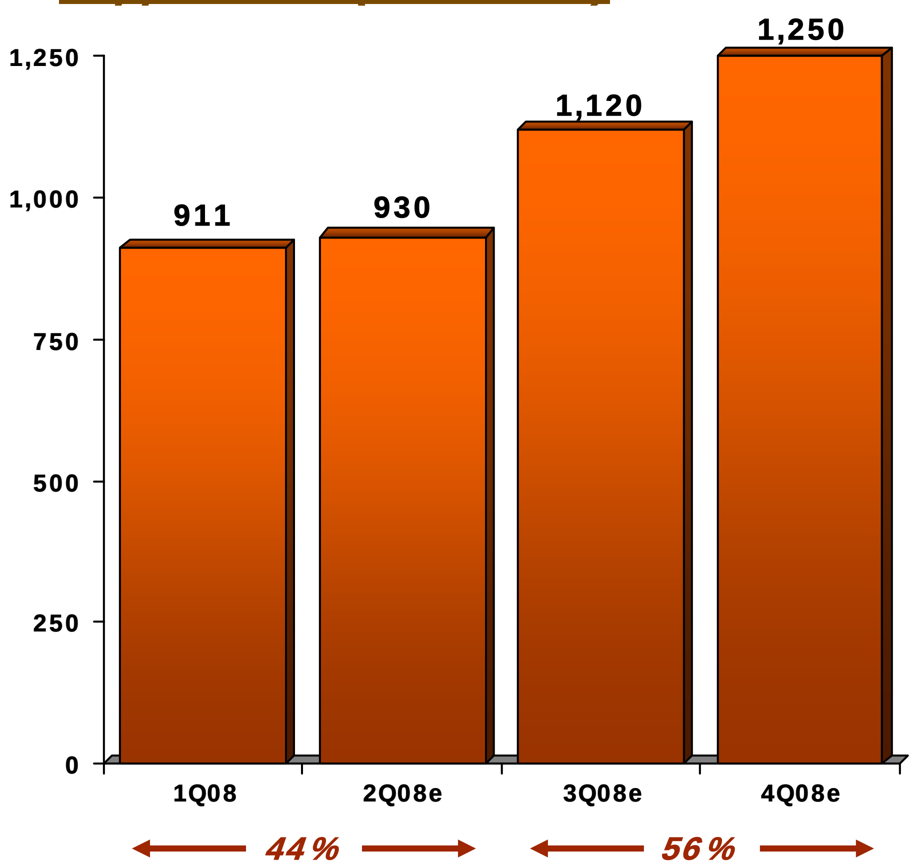
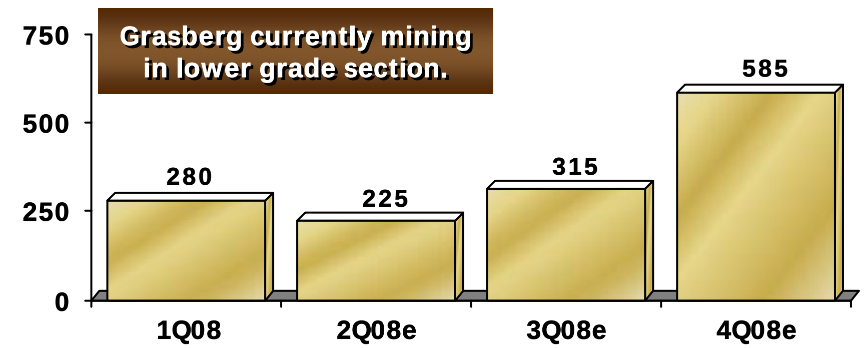
# 2008e Quarterly Payable Metal Sales

## Copper Sales (million lbs)



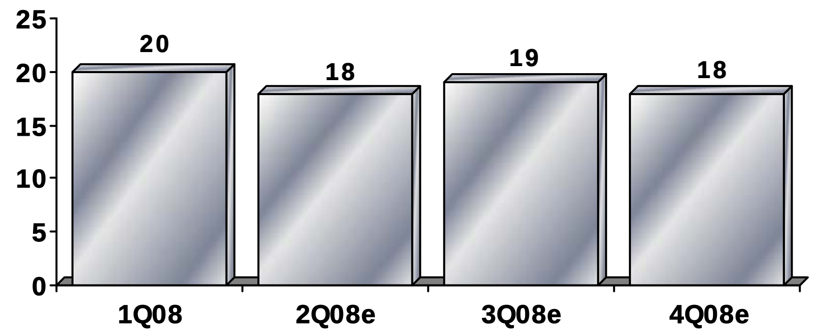

Note: Consolidated copper sales include approximately 164 mm lbs in 1Q08, 165 mm lbs in 2Q08e, 180 mm lbs in 3Q08e and 191 mm lbs in 4Q08e for minority interest; excludes purchased copper

## Gold Sales (thousand ozs)




Note: Consolidated gold sales include approximately 29 k oz in 1Q08, 25 k oz in 2Q08e, 35 k oz in 3Q08e and 56 k oz in 4Q08e for minority interest

## Molybdenum Sales (million lbs)




e = estimate. Please see cautionary statement.

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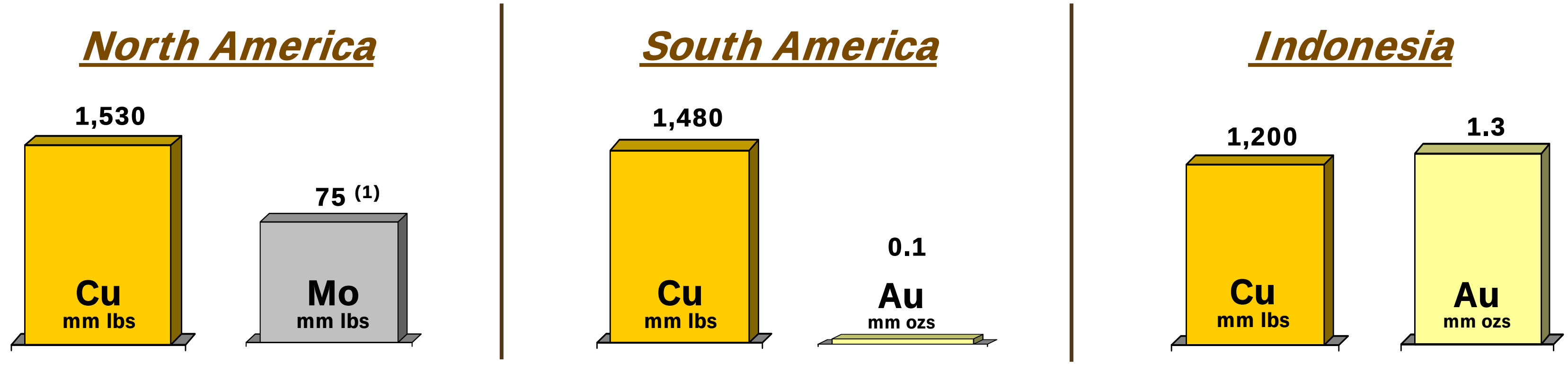
# 2008e Sales and Unit Production Costs by Region

## 2008e Sales by Region




| *(per pound of copper)* <br> **Cash Unit Costs** (2) | North America | South America | Indonesia | Consolidated |
|---|---|---|---|---|
| Site Production & Delivery (3) | $1.67 | $1.11 | $1.38 | $1.39 |
| Royalties (3) | - | - | 0.13 | 0.04 |
| Treatment Charges | 0.09 | 0.18 | 0.27 | 0.17 |
| By-product Credits | (0.62) | (0.22) | (1.05) | (0.60) |
| Net Cash Unit Costs | $1.14 | $1.07 | $0.73 | $1.00 |

*(1) Includes Cerro Verde moly*

*(2) Estimates assume average prices of $3.75/lb for copper, $900/oz for gold and $30/lb for molybdenum for the 2Q – 4Q 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.*

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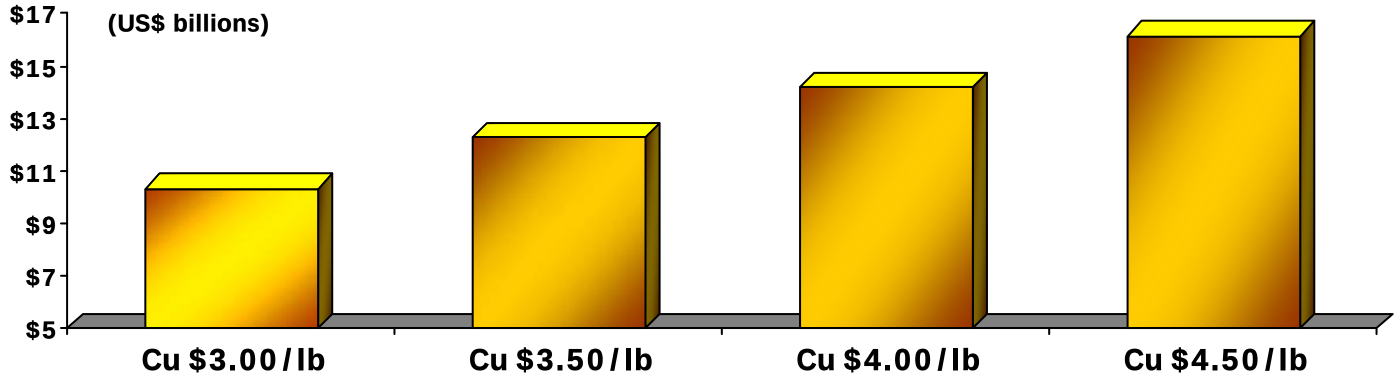
# EBITDA and Cash Flow at Various Copper Prices

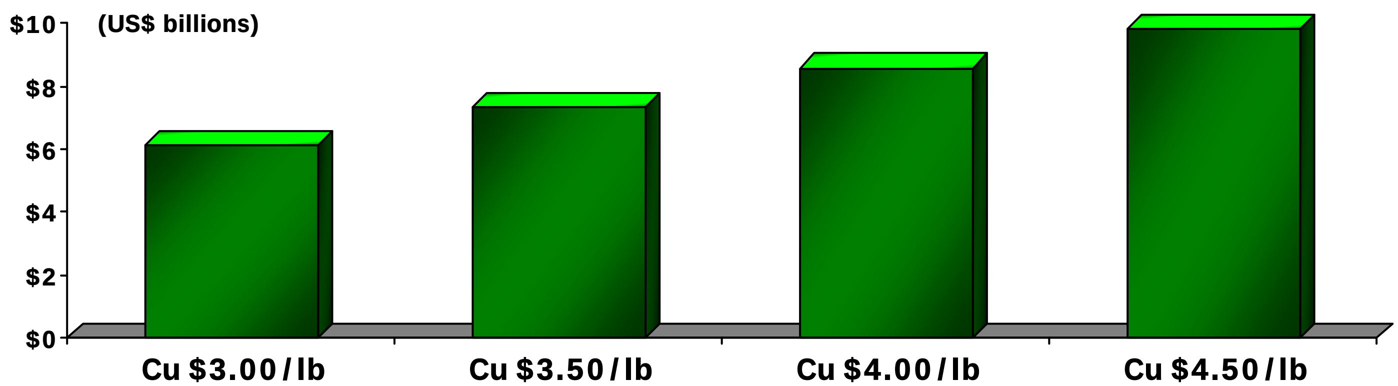
## Average Annual EBITDA 2008e-2009e

*($900 Gold & $30 Molybdenum)*




## Average Annual Operating Cash Flow 2008e-2009e

*($900 Gold & $30 Molybdenum)*




*Note: Prices as noted for 2Q08-2009. 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.*

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# Sensitivity to Commodity Prices

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

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

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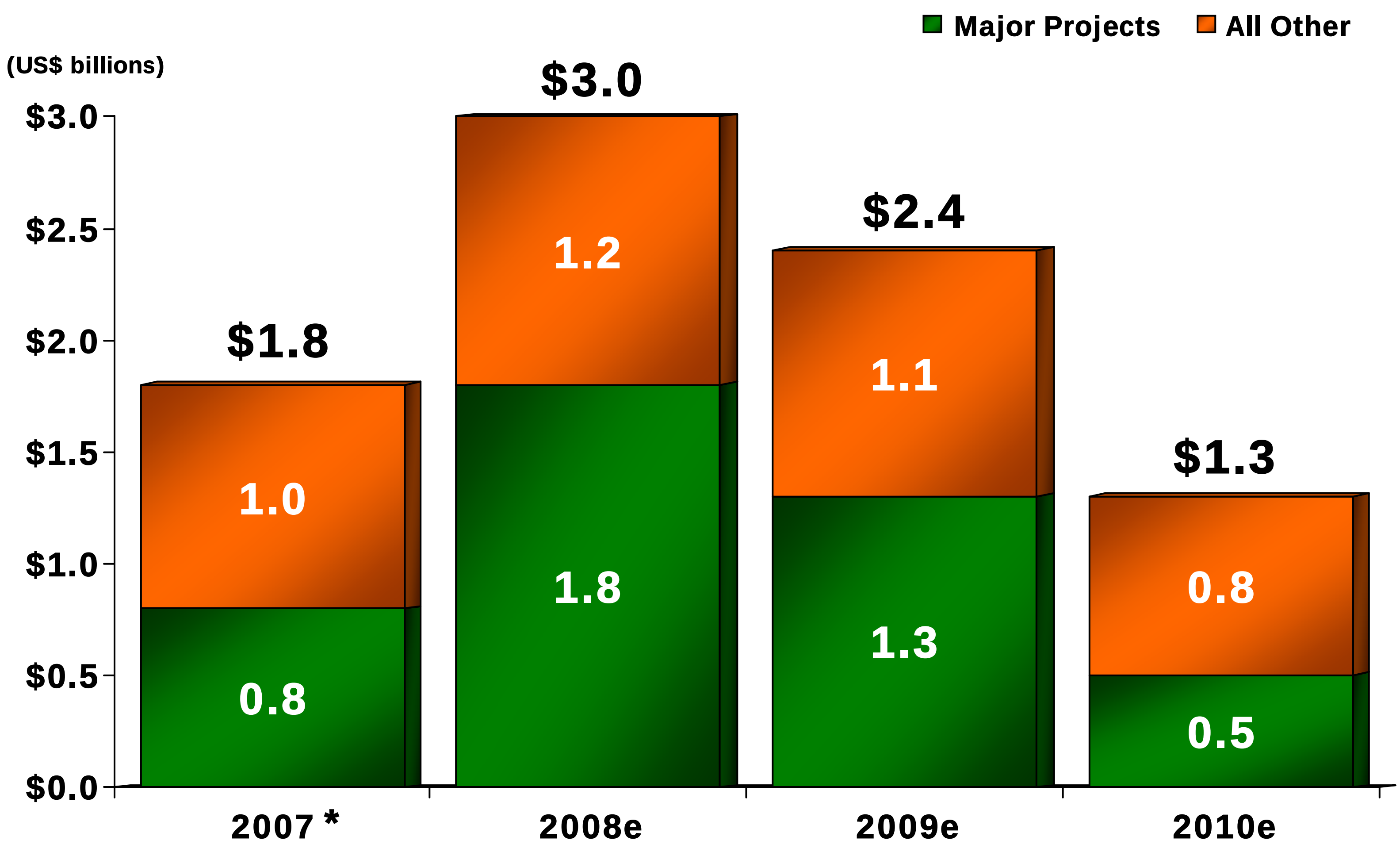
# Capital Expenditures

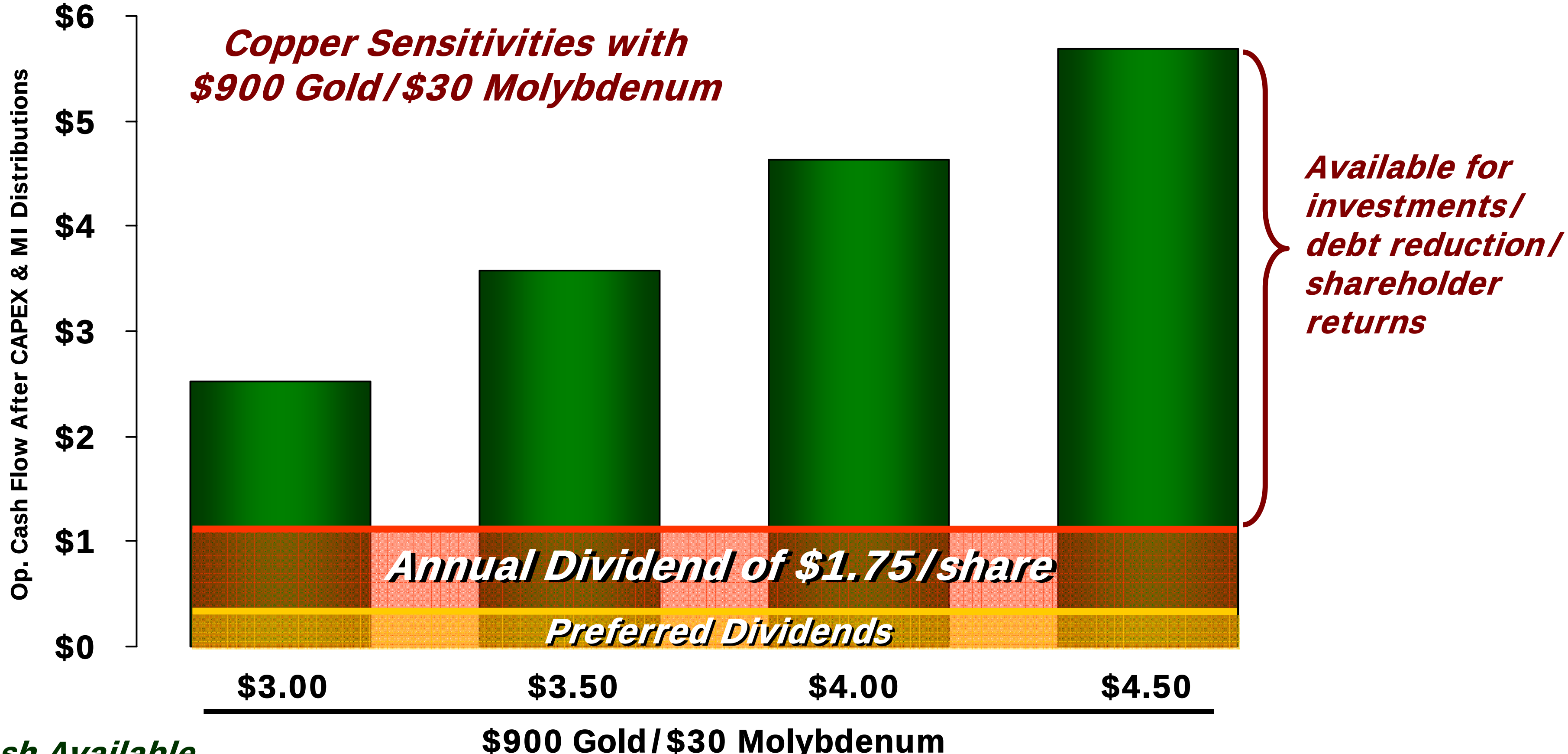



** Includes PD expenditures beginning March 20, 2007*

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

# Average Annual Excess Cash Flow (1) 2008e – 2009e

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




| | $3.00 | $3.50 | $4.00 | $4.50 |
|---|---|---|---|---|
| ***Cash Available After Dividends 2-Yr Total (2)*** | ***$3.2*** | ***$5.3*** | ***$7.4*** | ***$9.5*** |

*NOTE: Prices as noted for 2Q08-2009; 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*

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# 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

- Financial Policy Reviewed on Ongoing Basis

# FCX Investment Summary

- **World's Premier Publicly Traded Copper Company**
- **World's Largest Molybdenum Producer & Significant Gold Producer**
- **World Class, Long-lived, Geographically Diverse Operations**
- **Attractive Project Pipeline Supports Growing Production Profile**
- **Significant Exploration Potential**
- **Strong Cash Flows and Financial Strength**