



**FREEPORT-McMoRAN
COPPER & GOLD**

***2nd Quarter 2009
Earnings Conference Call***

Core Assets

FCX
LISTED
NYSE

www.fcx.com

July 21, 2009



Cautionary Statement Regarding Forward-Looking Statements



Core Assets

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, molybdenum and cobalt price changes, potential prepayments of debt and projected EBITDA. 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 the forward-looking statements in this presentation and does not intend to update the forward-looking statements more frequently than quarterly. Additionally, important factors that might cause future results to differ from these projections include mine sequencing, production rates, industry risks, commodity prices, political risks, potential effects of the recent violence in Indonesia, 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, 2008, filed with the Securities and Exchange Commission (SEC), as updated by our subsequent filings with the SEC.

This presentation also contains certain financial measures such as unit net cash costs 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 are in the supplemental schedule, "Product Revenues and Production Costs," which is available on our internet web site www.fcx.com.

2Q09 Highlights



<i>Sales Data</i>	2Q09	2Q08
<u>Copper</u>		
Consolidated Volumes (<i>mm lbs</i>)	1,102	942
Average Realization (<i>per lb</i>)	\$2.22	\$3.85
Site Production & Delivery Unit Costs (<i>per lb</i>)	\$1.04	\$1.59
Unit Net Cash Costs (<i>per lb</i>)	\$0.43	\$1.25
<u>Gold</u>		
Consolidated Volumes (<i>000's ozs</i>)	837	265
Realization (<i>per oz</i>)	\$932	\$912
<u>Molybdenum</u>		
Consolidated Volumes (<i>mm lbs</i>)	16	20
Realization (<i>per lb</i>)	\$10.11	\$31.59

<i>Financial Results (in millions, except per share amounts)</i>		
Revenues	\$3,684	\$5,441
Net Income Attributable to Common Stock	\$588	\$947
Diluted Earnings Per Share	\$1.38	\$2.25
Operating Cash Flows ⁽¹⁾	\$1,154	\$1,009
Capital Expenditures	\$375	\$655

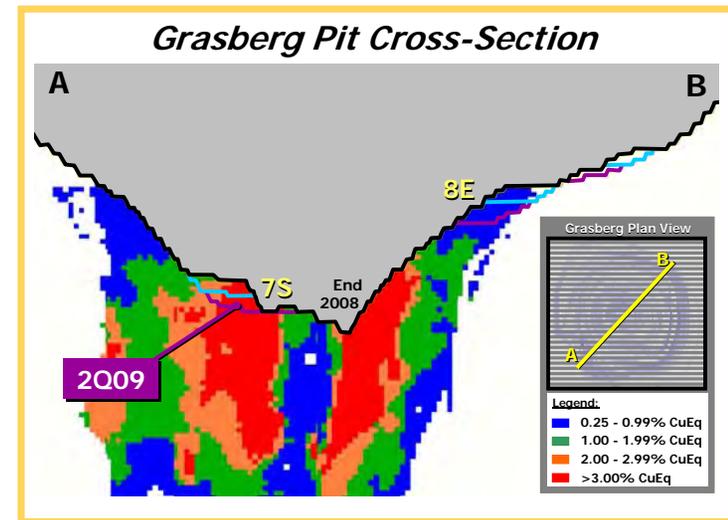
(1) Includes working capital uses of \$54 mm in 2Q09 and \$753 mm in 2Q08.

Strong Operating Performance

Core Assets

- Consolidated sales volumes higher than April estimates
 - Cu +15% (147mm lbs)
 - Au +29% (187K ozs)
 - Mo +45% (5mm lbs)

- Variances reflect
 - Accelerated mining in a high-grade section of the Grasberg Open Pit
 - Strong performance in the Americas
 - Positive Tenke performance
 - Timing of shipments/reduction in inventories
 - Additional Mo sales to Europe & Asia



- Revised Sales Outlook
 - 3.9+ billion lbs Cu
 - 2.4mm ozs Au (+100k ozs advanced from 2010)
 - 56mm lbs Mo (+6mm lbs from previous forecast)

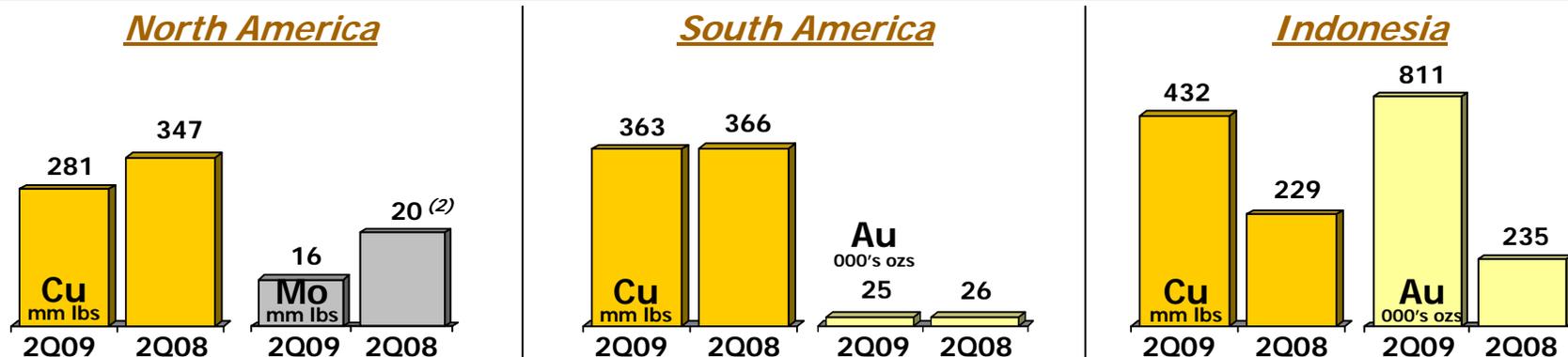
Quarterly Operating Highlights

2Q09 Unit Production Costs

(per pound of copper)

	North America	South America	Indonesia	Consolidated ⁽³⁾
Cash Unit Costs				
Site Production & Delivery ⁽¹⁾	\$1.24	\$1.00	\$0.93	\$1.04
Royalties ⁽¹⁾	-	-	0.12	0.05
Treatment Charges	0.09	0.15	0.22	0.15
By-product Credits	<u>(0.21)</u>	<u>(0.10)</u>	<u>(1.80)</u>	<u>(0.81)</u>
Unit Net Cash Costs (Credits)	\$1.12	\$1.05	\$(0.53)	\$0.43

Sales From Mines for 2Q by Region



(1) Profit sharing in South America and severance taxes in North America included in production costs.

(2) Includes molybdenum from South America

(3) Excludes Africa

NOTE: For a reconciliation of unit net cash cost per pound to production and delivery cost applicable to sales reported in FCX's consolidated financial statements, refer to "Product Revenues and Production Costs" on FCX's web site.

Achieving Cost Reductions

Site Production & Delivery Costs - Consolidated

Core Assets

Consolidated Site Production & Delivery

\$ per pound of copper

- Revised Operating Plans
- Grasberg Ore Grades
- Aggressive Cost Management/Lower Input Costs



* Excludes Africa

Achieving Cost Reductions

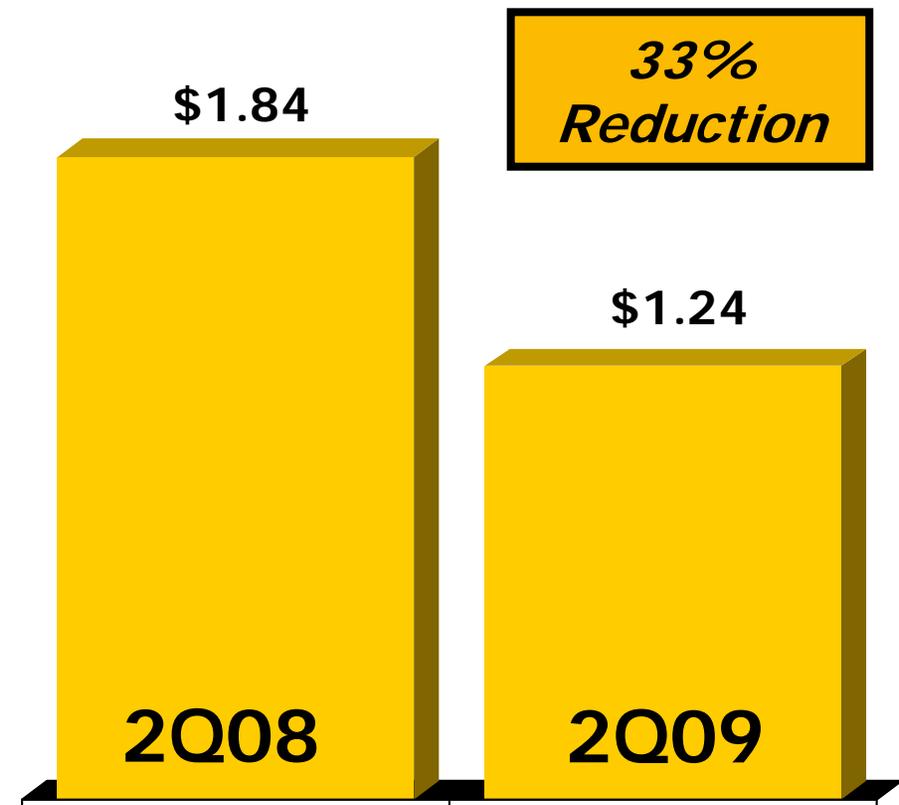
Site Production & Delivery Costs – North America

Core Assets

North America Site Production & Delivery

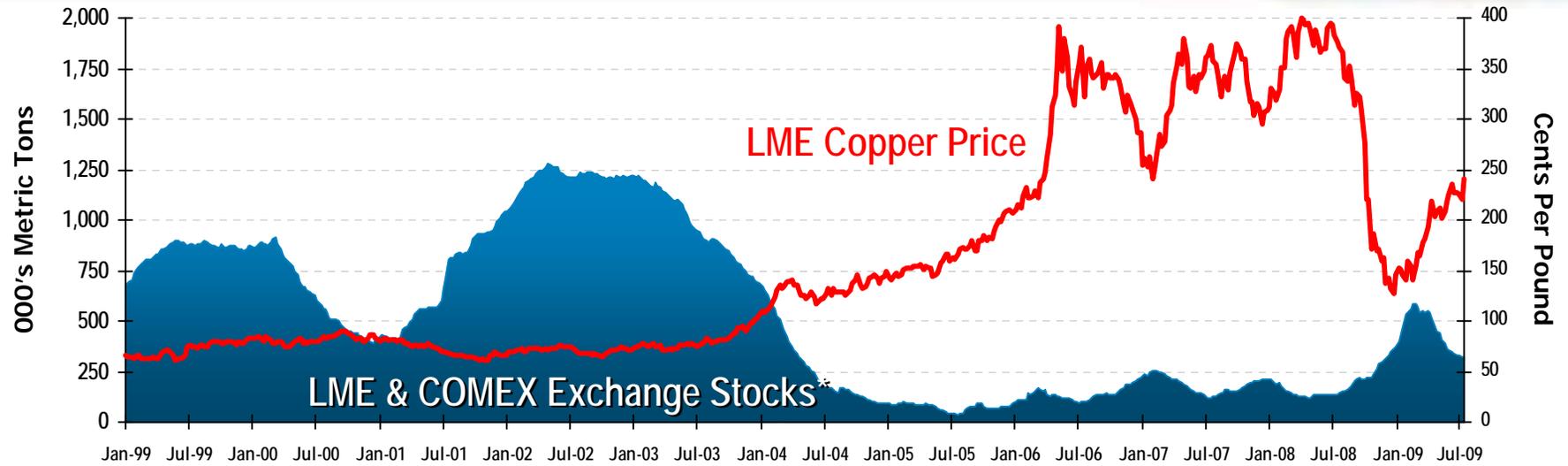
\$ per pound of copper

- **Aggressive Cost Management**
- **Lower Input Costs**
 - Diesel prices down 55%
 - Power prices down 30%
 - Significant decline in sulphuric acid costs



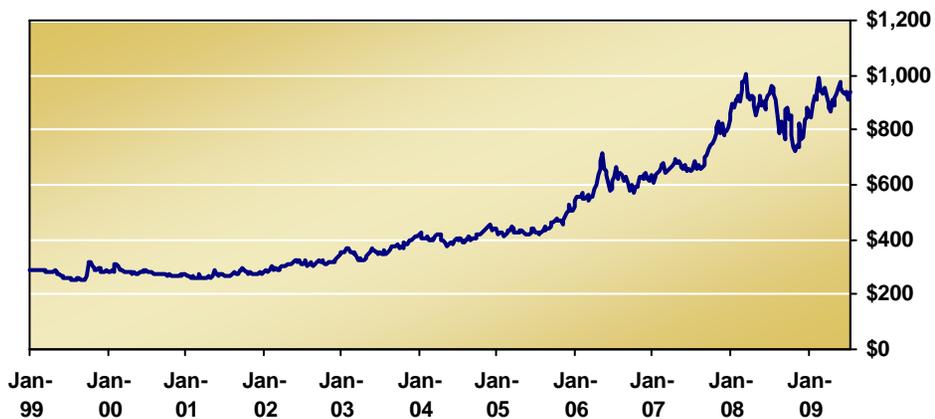
Markets

Core Assets



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

London Gold Price (\$/oz)



Molybdenum Price* (\$/lb)

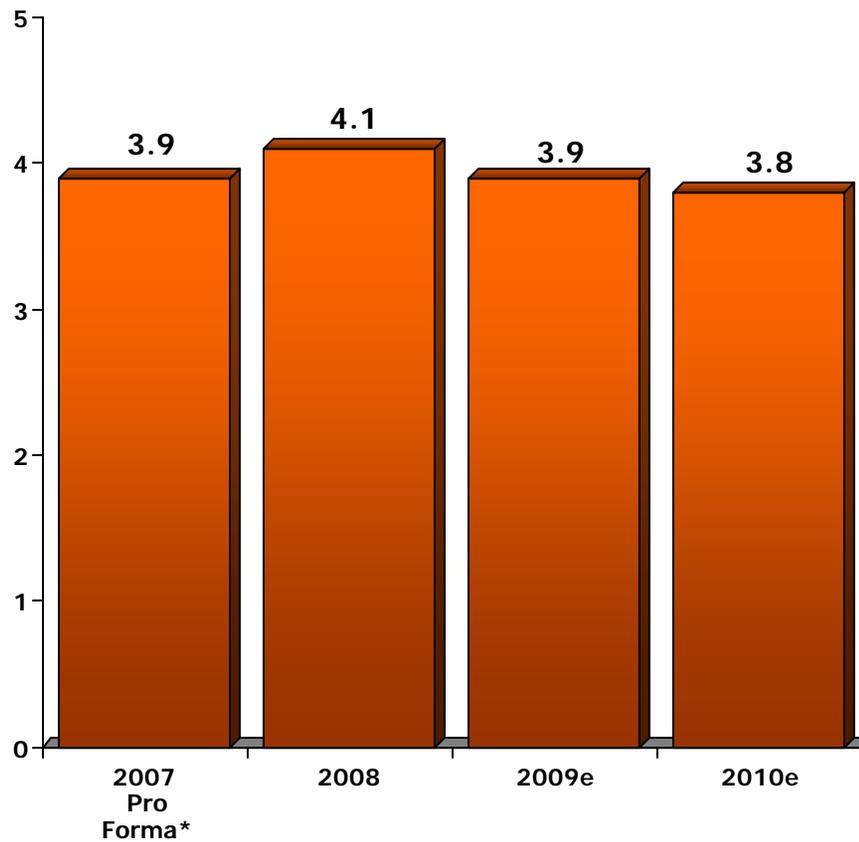


* Metals Week – Molybdenum Dealers Oxide Price

Sales Profile 2007 - 2010e

Core Assets

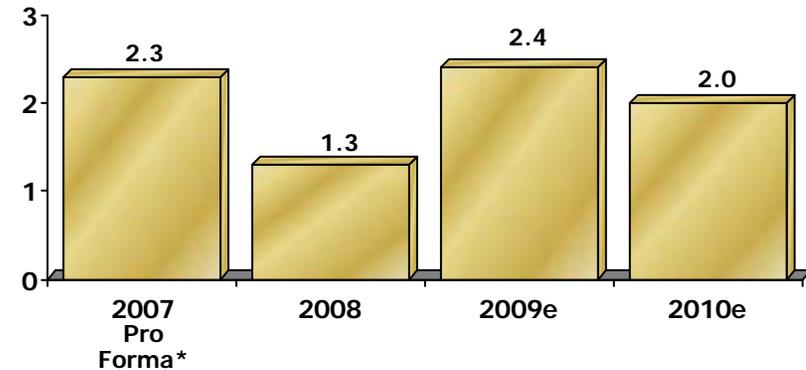
Copper Sales (billion lbs)



Note: Consolidated copper sales include approximately 647 mm lbs in 2007, 699 mm lbs in 2008, 740 mm lbs in 2009e, and 740 mm lbs in 2010e for noncontrolling interest; excludes purchased copper

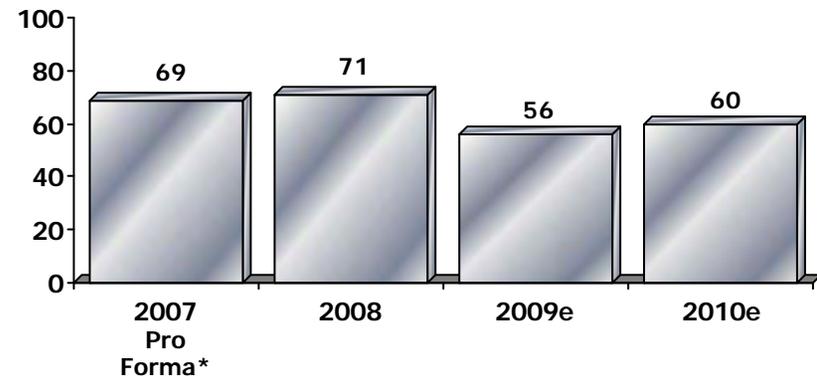
* 2007 includes pre-acquisition sales of 505 mm lbs of copper, 18 k oz of gold and 17 mm lbs of molybdenum

Gold Sales (million ozs)



Note: Consolidated gold sales include approximately 228 k oz in 2007, 134 k oz in 2008, 240 k oz in 2009e, and 200 k oz in 2010e for noncontrolling interest

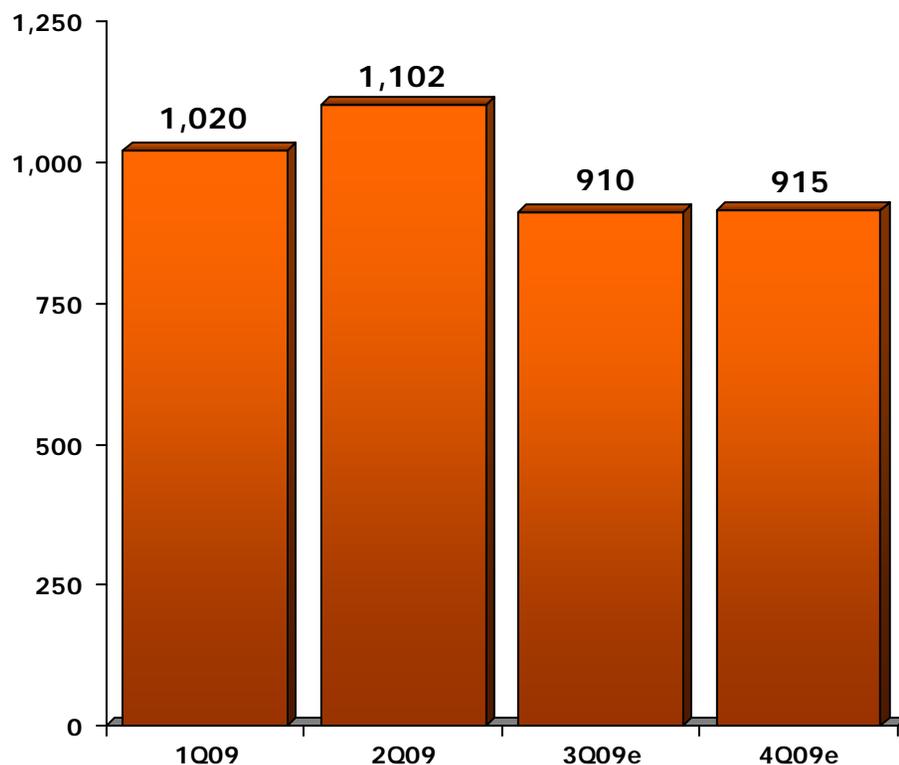
Molybdenum Sales (million lbs)



e = estimate. Please see Cautionary Statement.

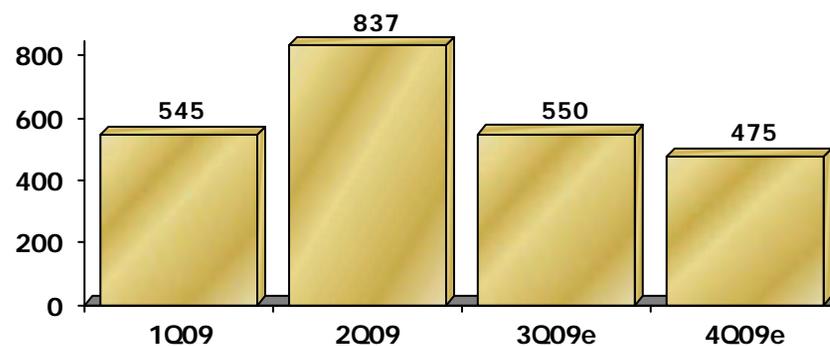
2009e Quarterly Payable Metal Sales

Copper Sales (million lbs)



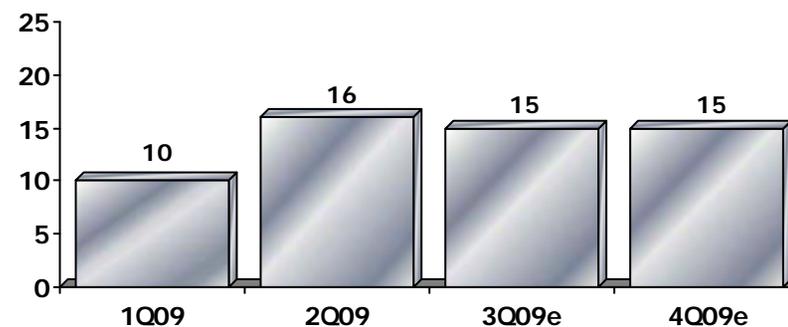
Note: Consolidated copper sales include approximately 174 mm lbs in 1Q09, 196 mm lbs in 2Q09, 180 mm lbs in 3Q09e and 190 mm lbs in 4Q09e for noncontrolling interest; excludes purchased copper

Gold Sales (thousand ozs)



Note: Consolidated gold sales include approximately 53 k oz in 1Q09, 81 k oz in 2Q09, 56 k oz in 3Q09e and 50 k oz in 4Q09e for noncontrolling interest

Molybdenum Sales (million lbs)

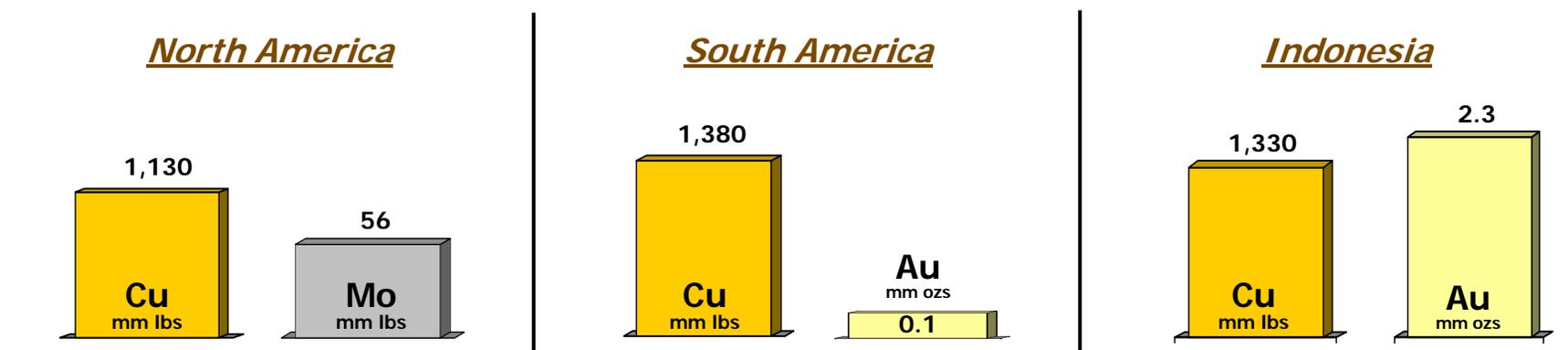


e = estimate. Please see Cautionary Statement.

2009e Sales and Unit Production Costs by Region

Core Assets

2009e Sales by Region ⁽¹⁾



	North America	South America	Indonesia	Consolidated ⁽⁴⁾
<i>(per pound of copper)</i> Cash Unit Costs ⁽²⁾				
Site Production & Delivery ⁽³⁾	\$1.29	\$1.07	\$1.11	\$1.15
Royalties ⁽³⁾	-	-	0.09	0.03
Treatment Charges	0.08	0.14	0.22	0.15
By-product Credits	<u>(0.18)</u>	<u>(0.10)</u>	<u>(1.57)</u>	<u>(0.63)</u>
Unit Net Cash Costs (Credits)	<u>\$1.19</u>	<u>\$1.11</u>	<u>\$(0.15)</u>	<u>\$0.70</u>

(1) 2009e sales also include approximately 100 MM pounds of copper from Africa

(2) Estimates assume average prices of \$2.25/lb for copper, \$900/oz for gold and \$8/lb for molybdenum for the second half of 2009. 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

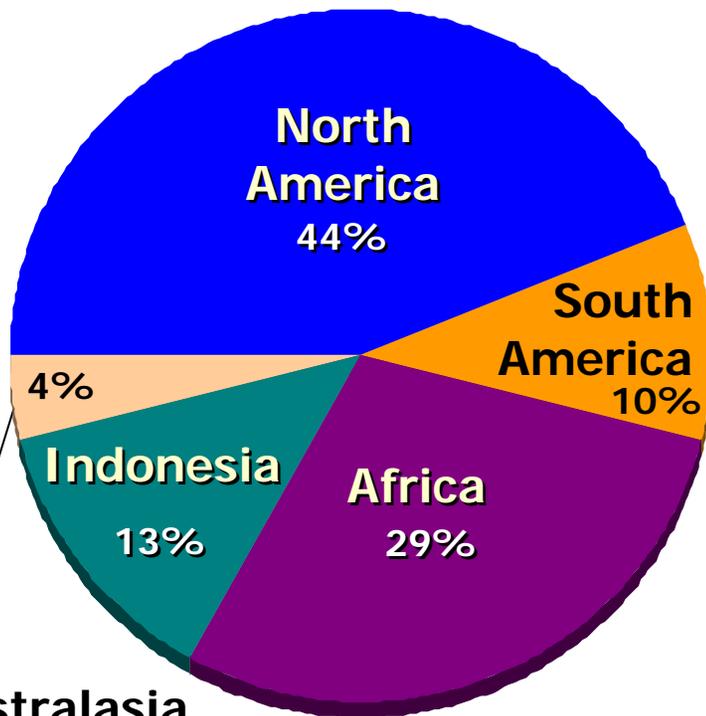
(4) 2009e consolidated amounts exclude Africa

Note: e = estimate. See Cautionary Statement.

Exploration

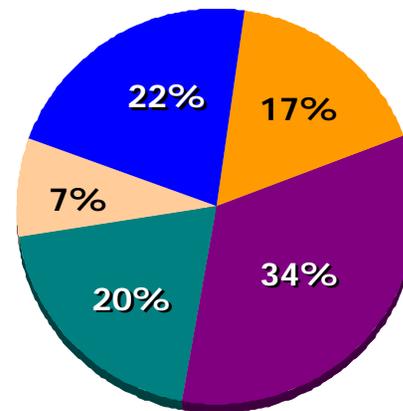
Core Assets

2008
\$248 million



**Australasia
& Other Areas**

2009e
\$75 million



Activities focused on incorporating significant data obtained in 2007 and 2008 into our future plans

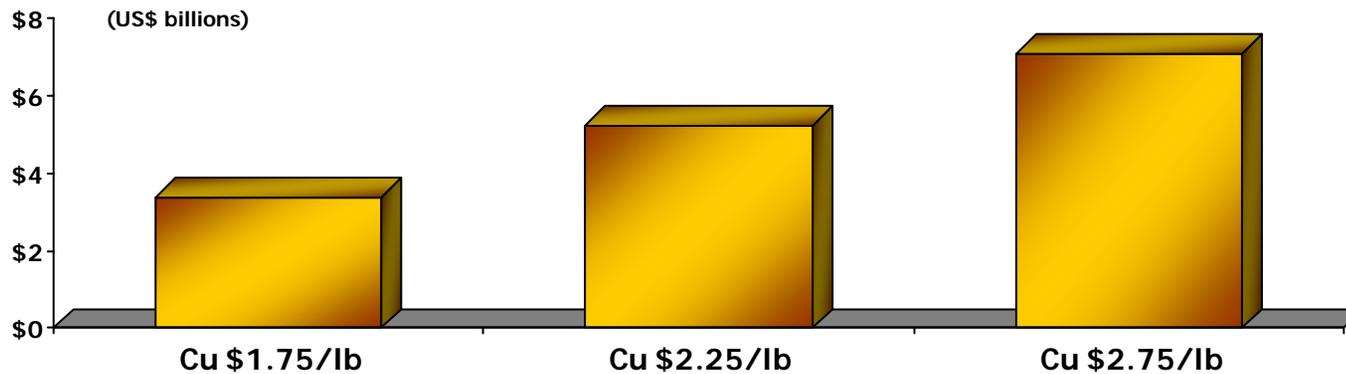
Note: FCX's consolidated share; e = estimate. See Cautionary Statement.

EBITDA and Cash Flow at Various Copper Prices

Core Assets

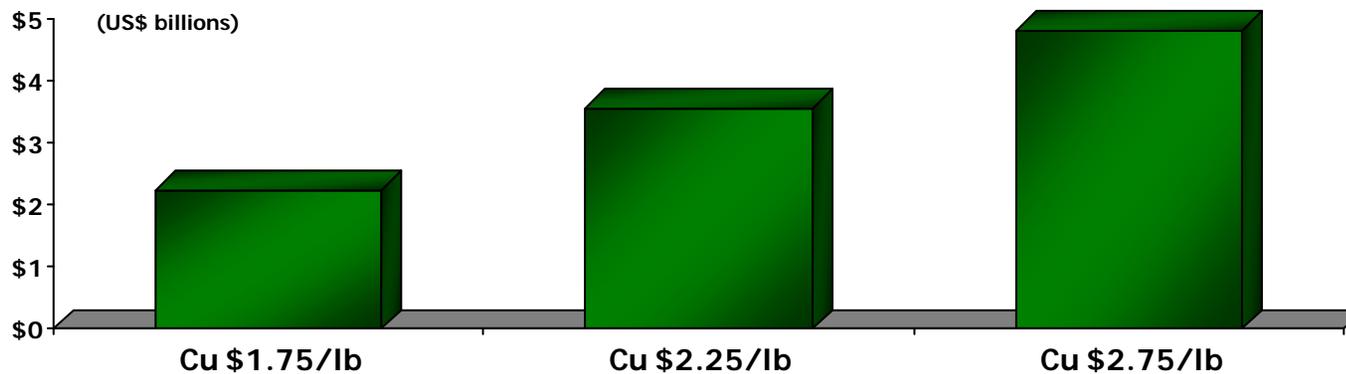
2010e Annual EBITDA

(\$900 Gold & \$8 Molybdenum)



2010e Annual Operating Cash Flow (excluding Working Capital)*

(\$900 Gold & \$8 Molybdenum)



* Excludes working capital changes.

Note: For 2010e, each \$50/oz change in gold approximates \$95 million to EBITDA and \$55 million to operating cash flow; each \$2.00/lb of molybdenum equates to \$110 million to EBITDA and \$90 mm to operating cash flow. EBITDA equals operating income plus depreciation, depletion and amortization.

e = estimate. See Cautionary Statement

Sensitivities 2010e



Change	EBITDA	Operating Cash Flow
	<i>(US\$ millions)</i>	
Copper: -/+ \$0.10/lb	\$375	\$260
Molybdenum: -/+ \$1.00/lb	\$55	\$45
Gold: -/+ \$50/ounce	\$95	\$55
Diesel ⁽¹⁾ : -/+ 10%	\$35	\$20
Purchased Power ⁽²⁾ : -/+ 10%	\$40	\$25
Currencies ⁽³⁾ : +/- 10%	\$110	\$65

(1) \$1.85/gallon base case assumption

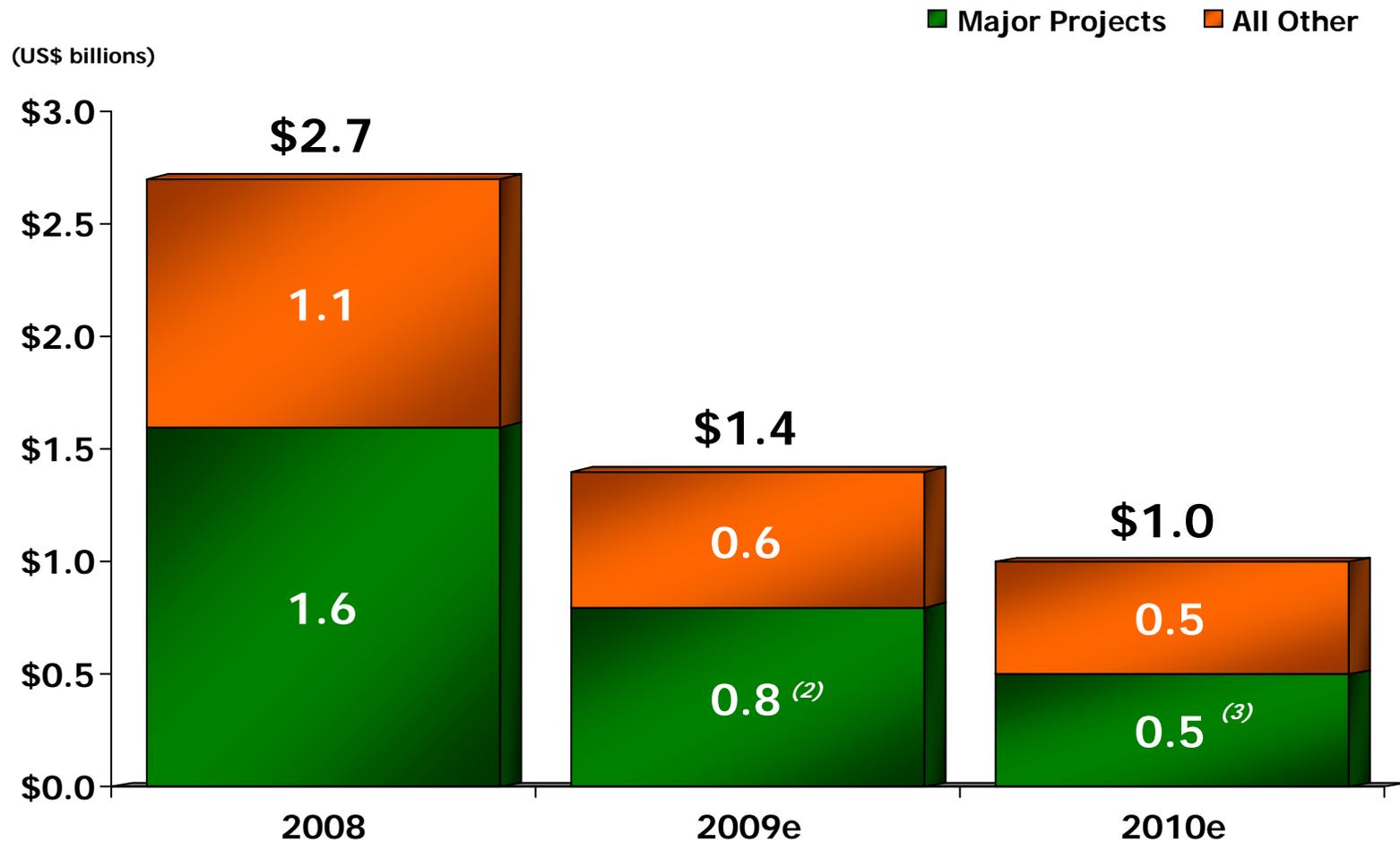
(2) 6.6¢/kWh base case assumption

(3) U.S. Dollar Exchange Rates: 600 Chilean peso, 10,500 Indonesian rupiah, \$0.75 Australian dollar, \$1.40 Euro, 3.15 Peruvian Nuevo Sol base case assumption. Each +10% equals a 10% strengthening of the U.S. dollar; a strengthening of the U.S. dollar against foreign currencies equates to a cost benefit of noted amounts.

NOTE: Operating cash flow amounts exclude working capital changes. e = estimate. See Cautionary Statement.

Capital Expenditures (1)

Core Assets



(1) Capital expenditure estimates will continue to be reviewed and revised subject to market conditions

(2) Includes Tenke development and Grasberg underground development

(3) Includes Grasberg underground development and El Abra sulfide

Note: Includes capitalized interest. e = estimate. Please see Cautionary Statement.

Tenke Fungurume Development Project Update

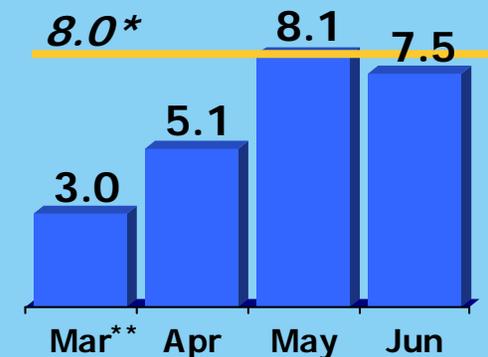
Core Assets

- During 2Q09, 36MM lbs Cu produced & 26MM lbs Cu sold
- Construction activities substantially complete; commissioning of cobalt circuit began in 2Q09 & sulphuric acid plant expected to start-up in 3Q09
- Ramp-up to full capacity in 2H09; aggregate annual production of 250MM lbs Cu & 18MM lbs Co
- Exploration activities continue to support opportunities for future expansion

Solution loaded with Copper



*Average Mill Rate
(000's mt per day)*



* nameplate capacity of 8K mt/d

** last 15 days of the month

Significant Progress at Tenke

Core Assets

January 2006



●●●● *location of the processing plant facilities*

Significant Progress at Tenke

Core Assets

December 2007



Significant Progress at Tenke

Core Assets

March 2009



Tenke Fungurume Development Project Update

Core Assets



Acid Plant



Cobalt Plant



Tenke Fungurume

Core Assets

- Largest Investment in DRC
- World-Class Design & Construction
- Significant Infrastructure Upgrades
- Expanding Social & Community Programs



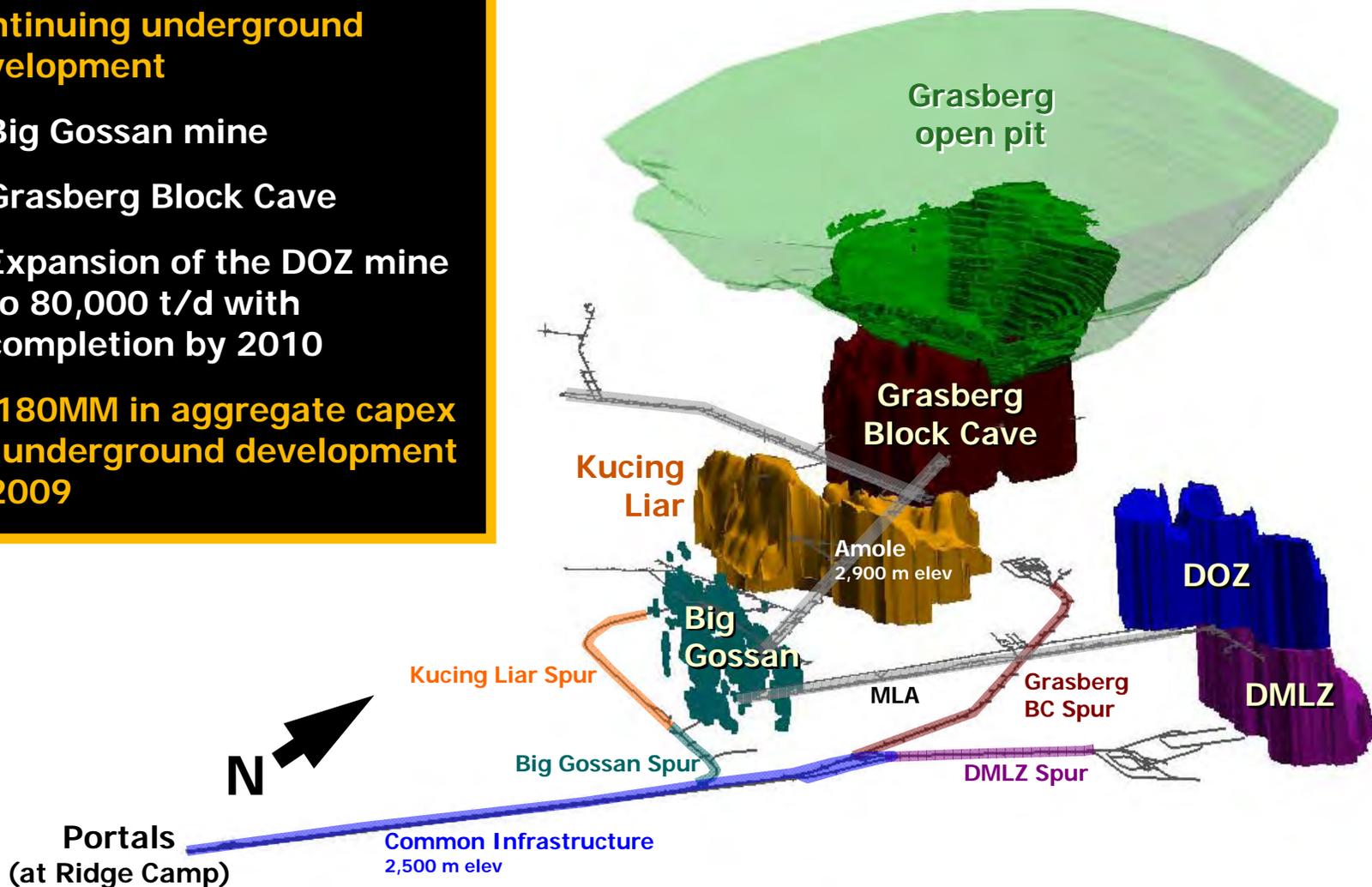
Children use one of the additional potable water wells at Fungurume

- Project Will Provide Important Benefits:
 - Employment
 - Local Services
 - Taxes
 - Royalties
 - Dividend Payments

Underground Mine Development in Indonesia Grasberg District Ore Bodies

Core Assets

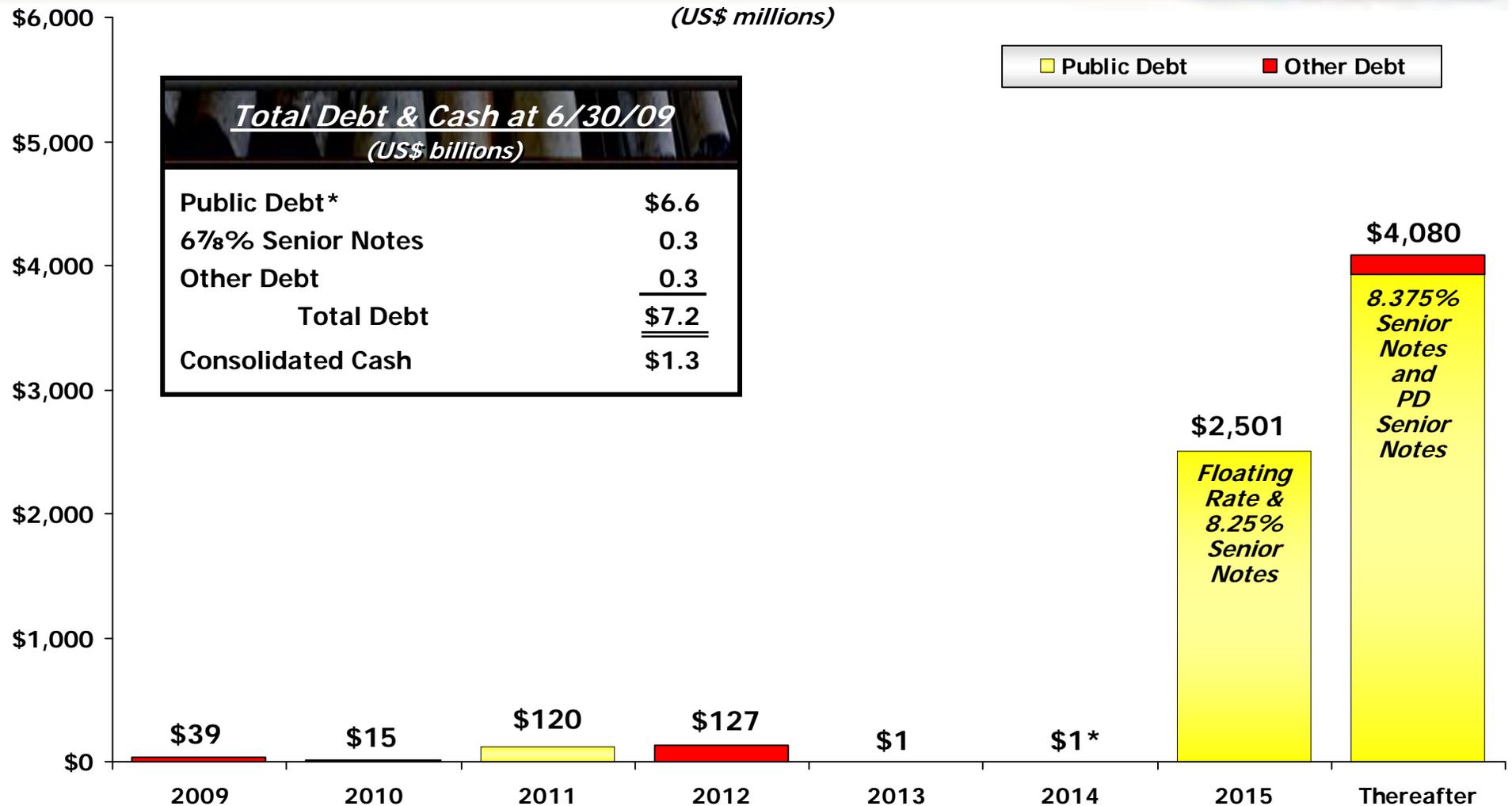
- **Continuing underground development**
 - Big Gossan mine
 - Grasberg Block Cave
 - Expansion of the DOZ mine to 80,000 t/d with completion by 2010
- **~\$180MM in aggregate capex for underground development in 2009**



FCX Debt Maturities 6/30/09

Adjusted for 6.875% Senior Note Redemption

Core Assets



* Excludes \$340 million in 6 7/8% Senior Notes that were called for redemption on July 21, 2009. The notes will be redeemed on August 20, 2009, at a redemption price of 103.438% of the principal amount.

Financial Policy

Core Assets

- **Maintain Strong Balance Sheet & Liquidity Position**
- **Aggressive Cost Management**
- **Capital Investments Will be Limited in Current Market Environment**
- **Near-Term Focus Will be on Protecting Liquidity While Preserving Large Mineral Resources and Growth Options**
- **Board to Review Financial Policy on an Ongoing Basis**

FCX Investment Summary

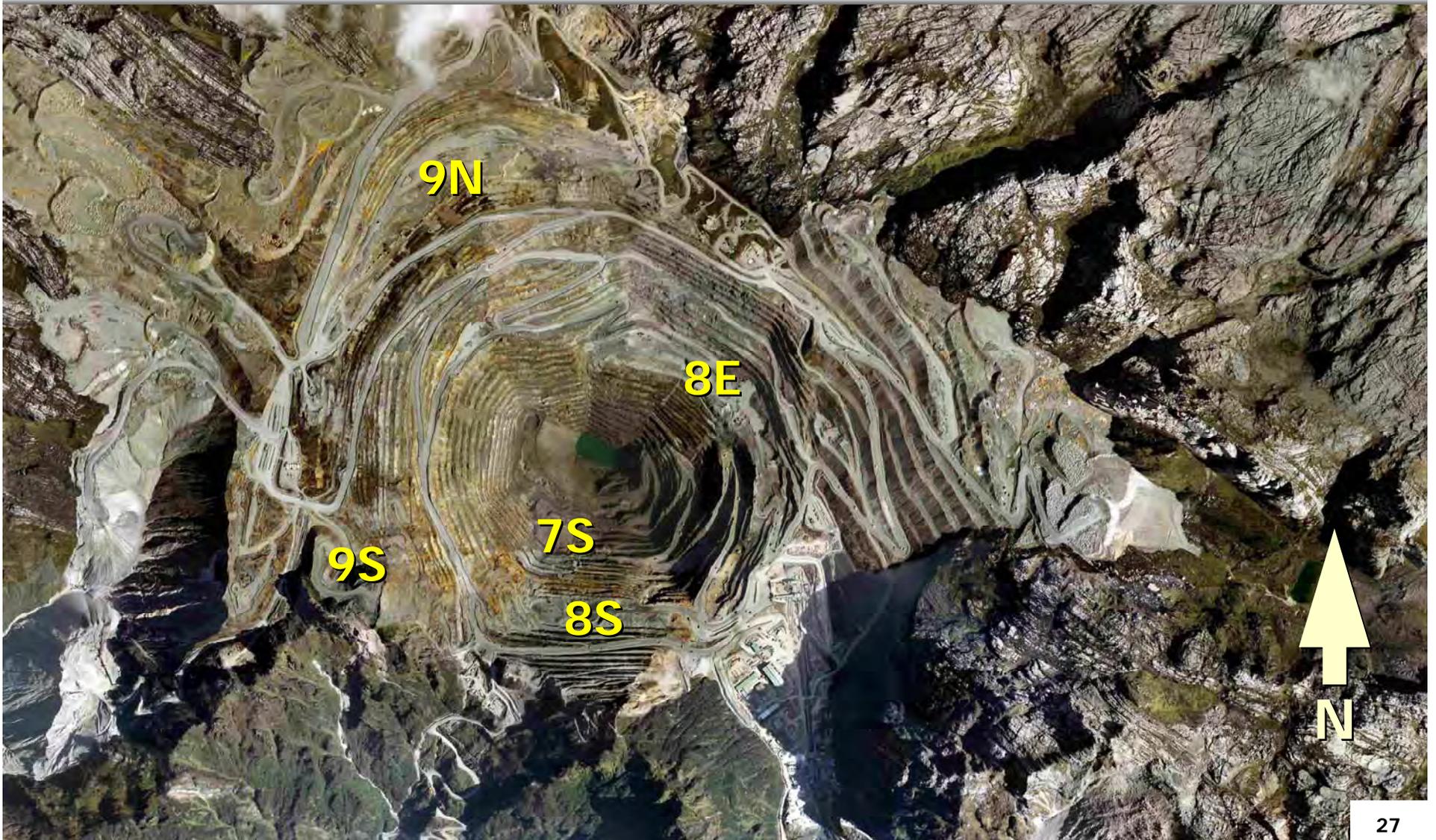
Core Assets

- **World's Premier Publicly Traded Copper Company**
- **World's Largest Molybdenum Producer & Significant Gold Producer**
- **Long-lived Reserves, Geographically Diverse Operations**
- **Flexible Operating Structure Can Respond to Varying Market Conditions**
- **Significant Reserve Growth**

Reference Slides

Grasberg Open Pit

Core Assets



PT-FI Mine Plan

PT-FI's Share of Metal Sales, 2009e-2013e

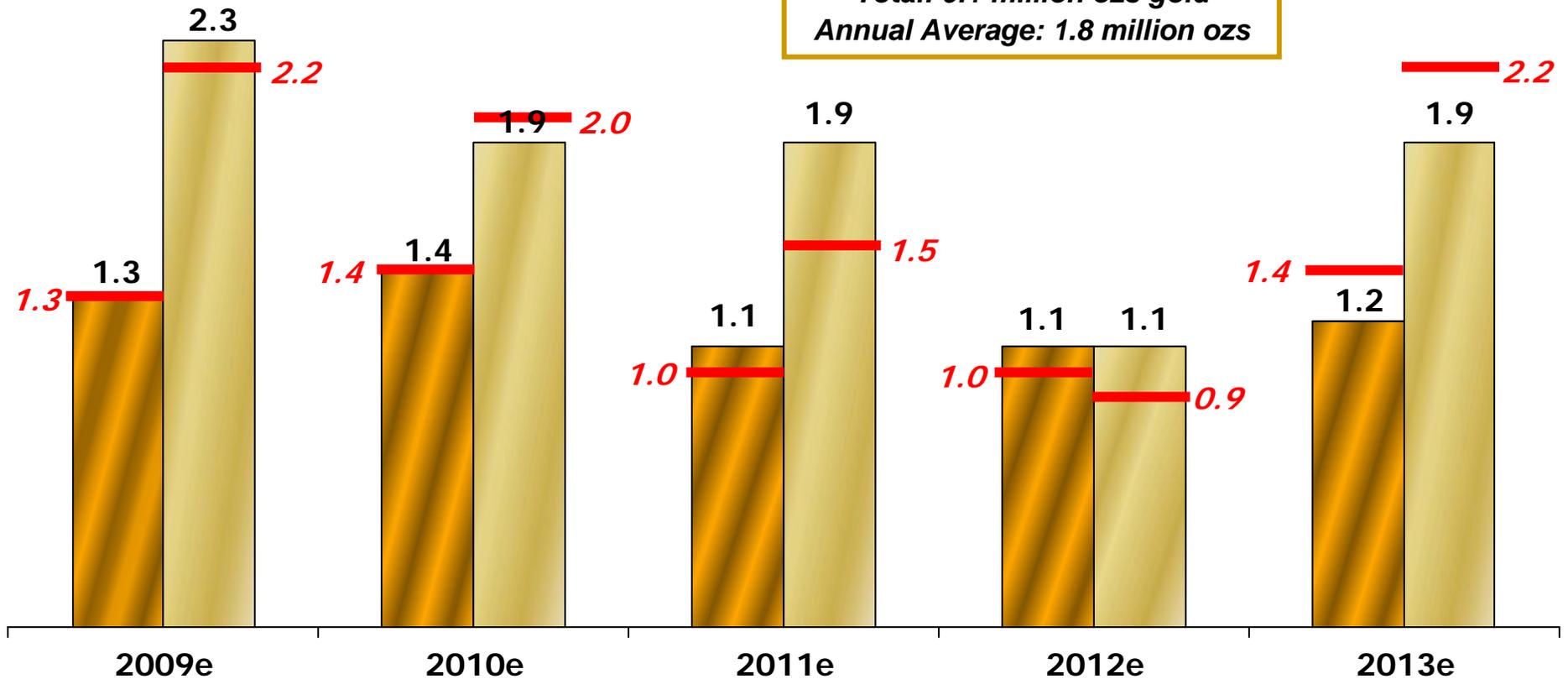
Core Assets

 *Copper, billion lbs*
 *Gold, million ozs*

 *Previous Estimates*

2009e – 2013e PT-FI Share
 Total: 6.1 billion lbs copper
 Annual Average: 1.2 billion lbs

2009e – 2013e PT-FI Share
 Total: 9.1 million ozs gold
 Annual Average: 1.8 million ozs



e = estimate. Amounts are projections; see Cautionary Statement.

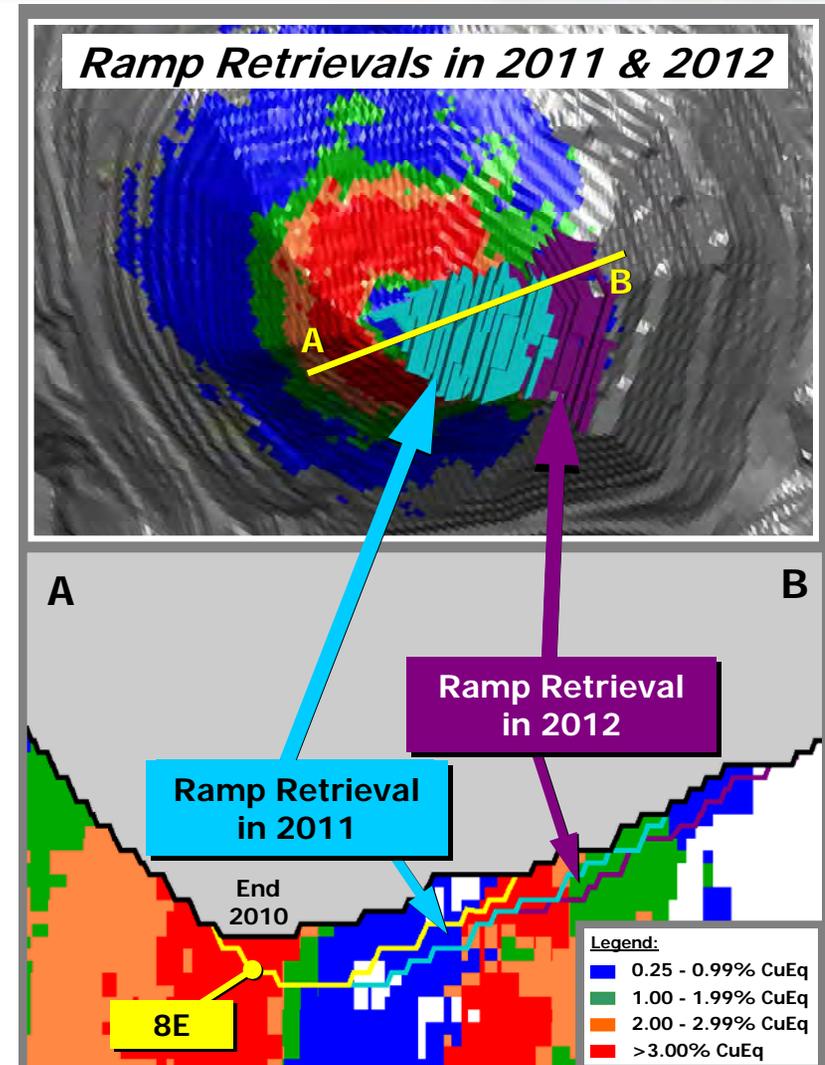
Note: Timing of annual sales will depend upon mine sequencing, shipping schedules and other factors.

PT-FI Mine Plan

Changes Accelerate Metal into 2011/2012

Core Assets

- Accelerated 0.2 billion lbs copper & 0.5 million ozs* gold into 2011/2012
- Mine Plan Changes
 - Retrieval of high-grade ore in ramps in Pushback 8E accelerates metal into 2011 & 2012
 - Higher mining rate in Pushback 9N accelerates metal from 2013 into 2012



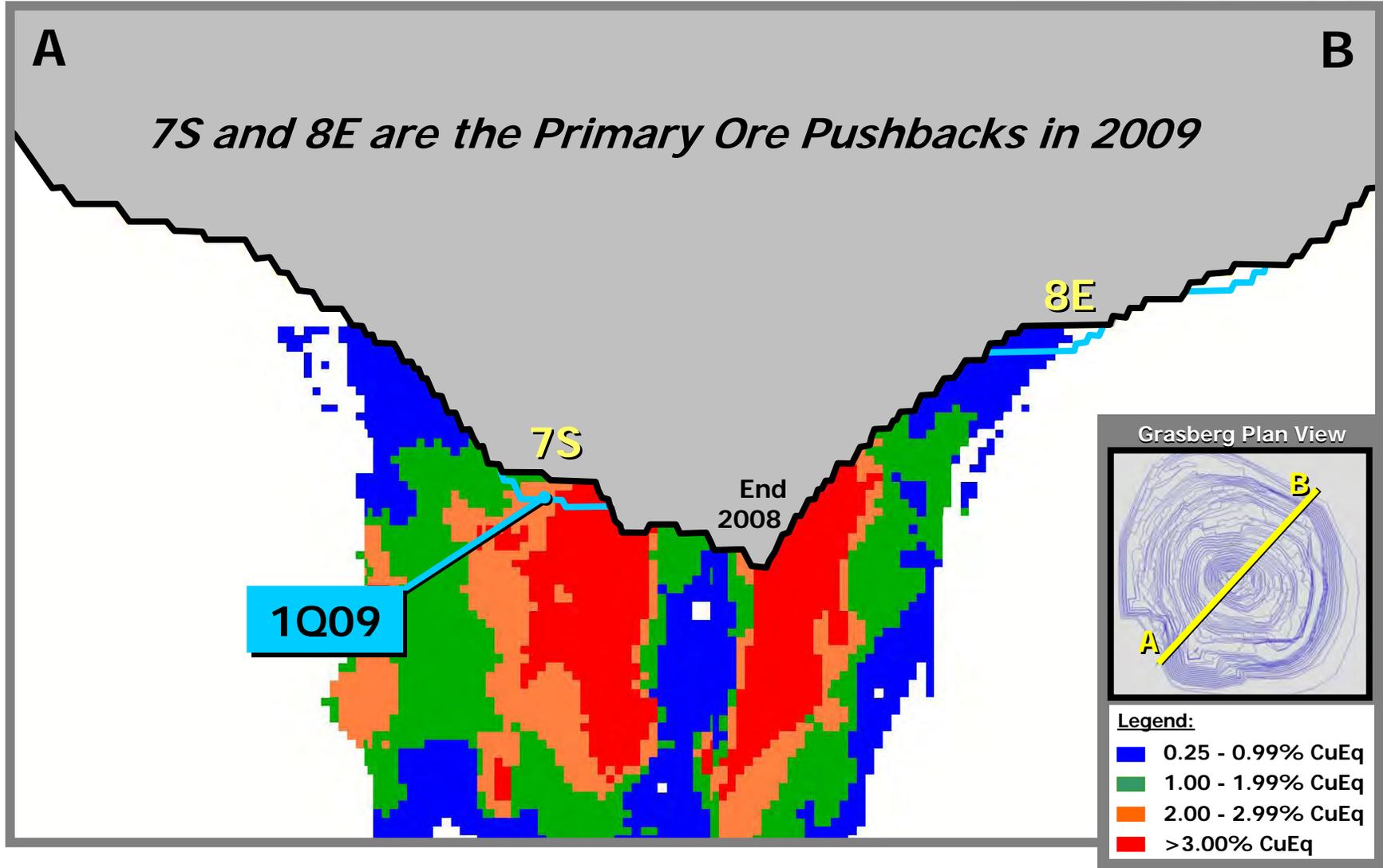
* metal changes net to PT-FI

Mining Sequence in 2009

Copper Equivalent Cross Section



Core Assets

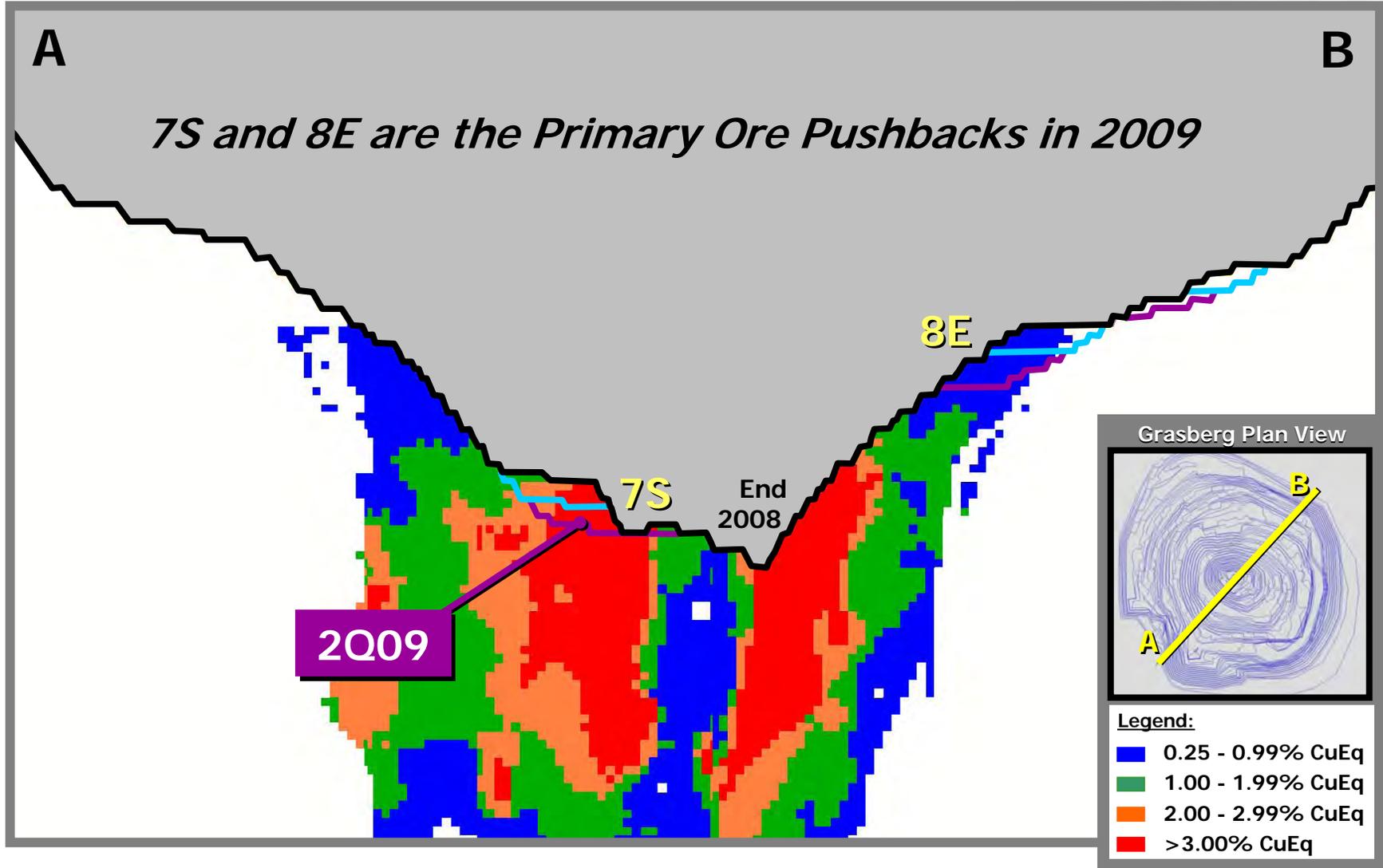


Mining Sequence in 2009

Copper Equivalent Cross Section



Core Assets

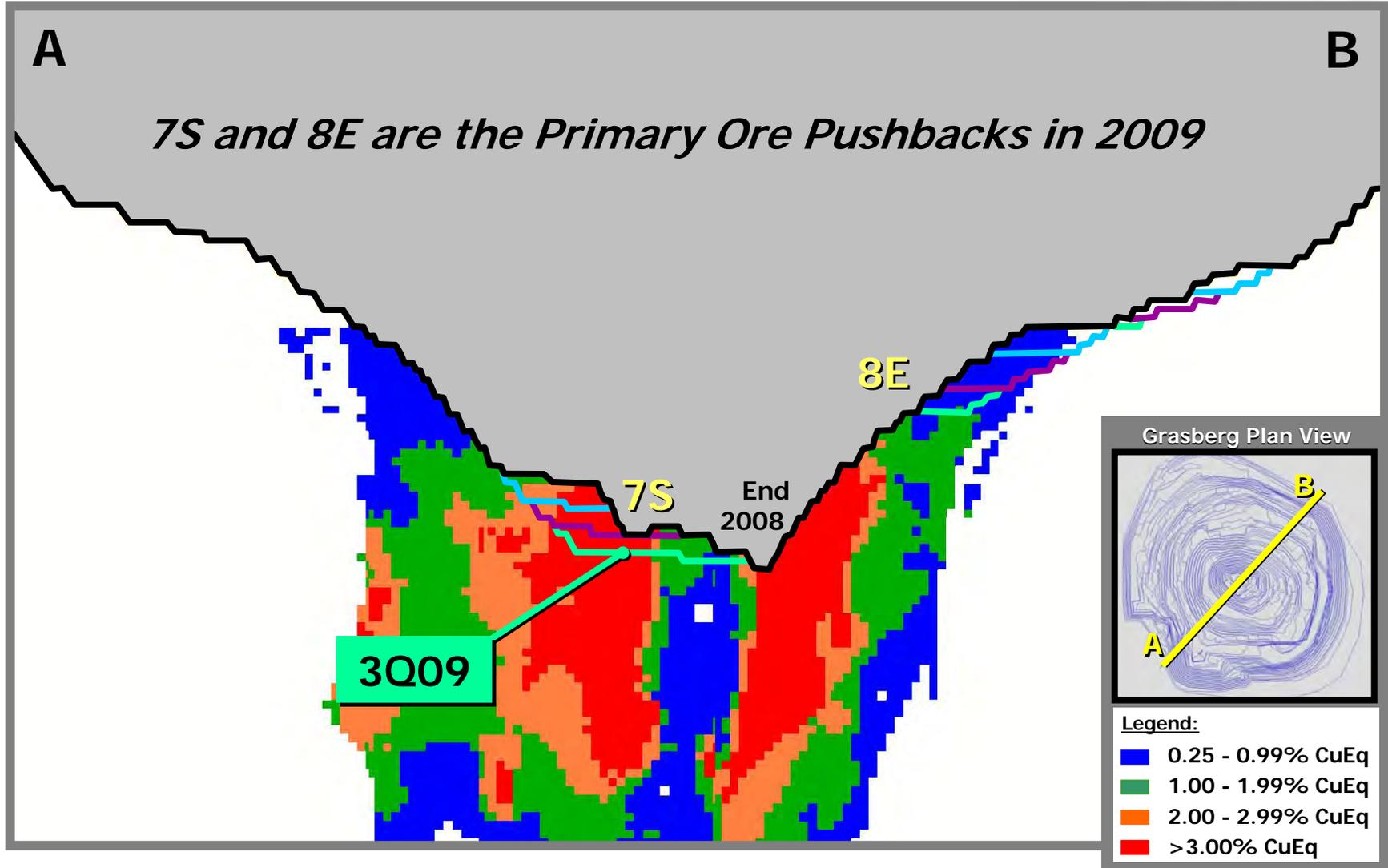


Mining Sequence in 2009

Copper Equivalent Cross Section



Core Assets

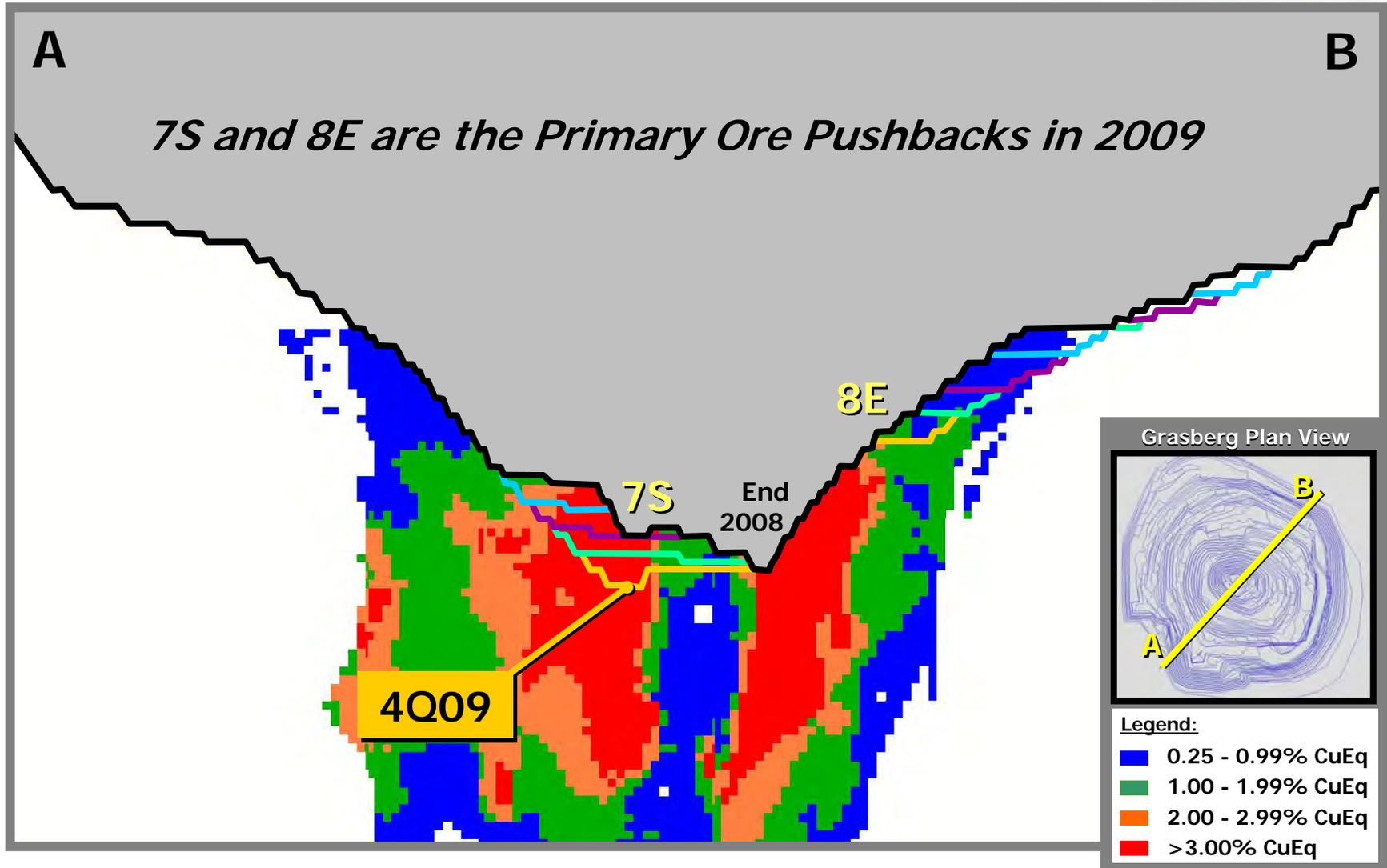


Mining Sequence in 2009

Copper Equivalent Cross Section



Core Assets

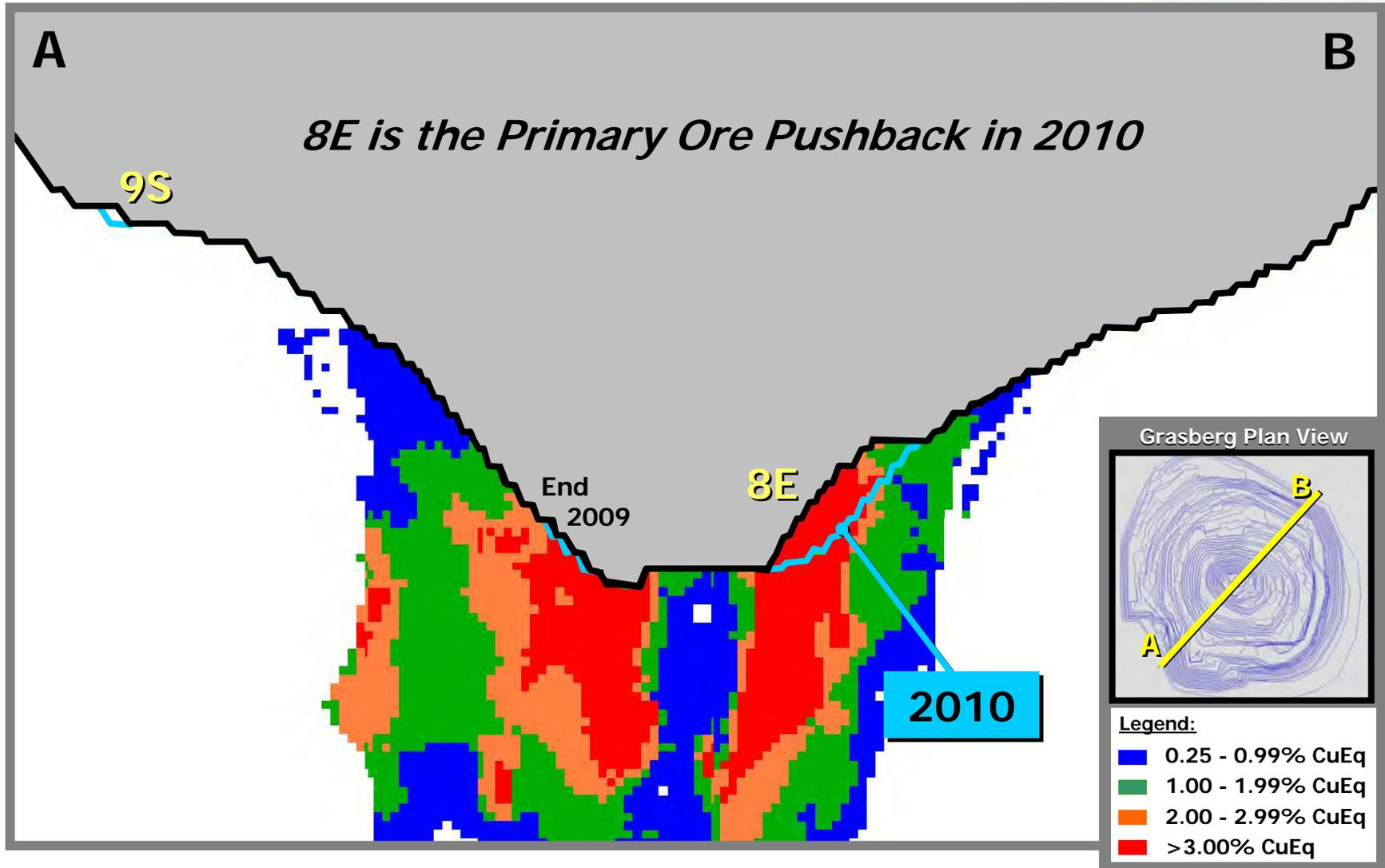


Mining Sequence in 2010

Copper Equivalent Cross Section



Core Assets

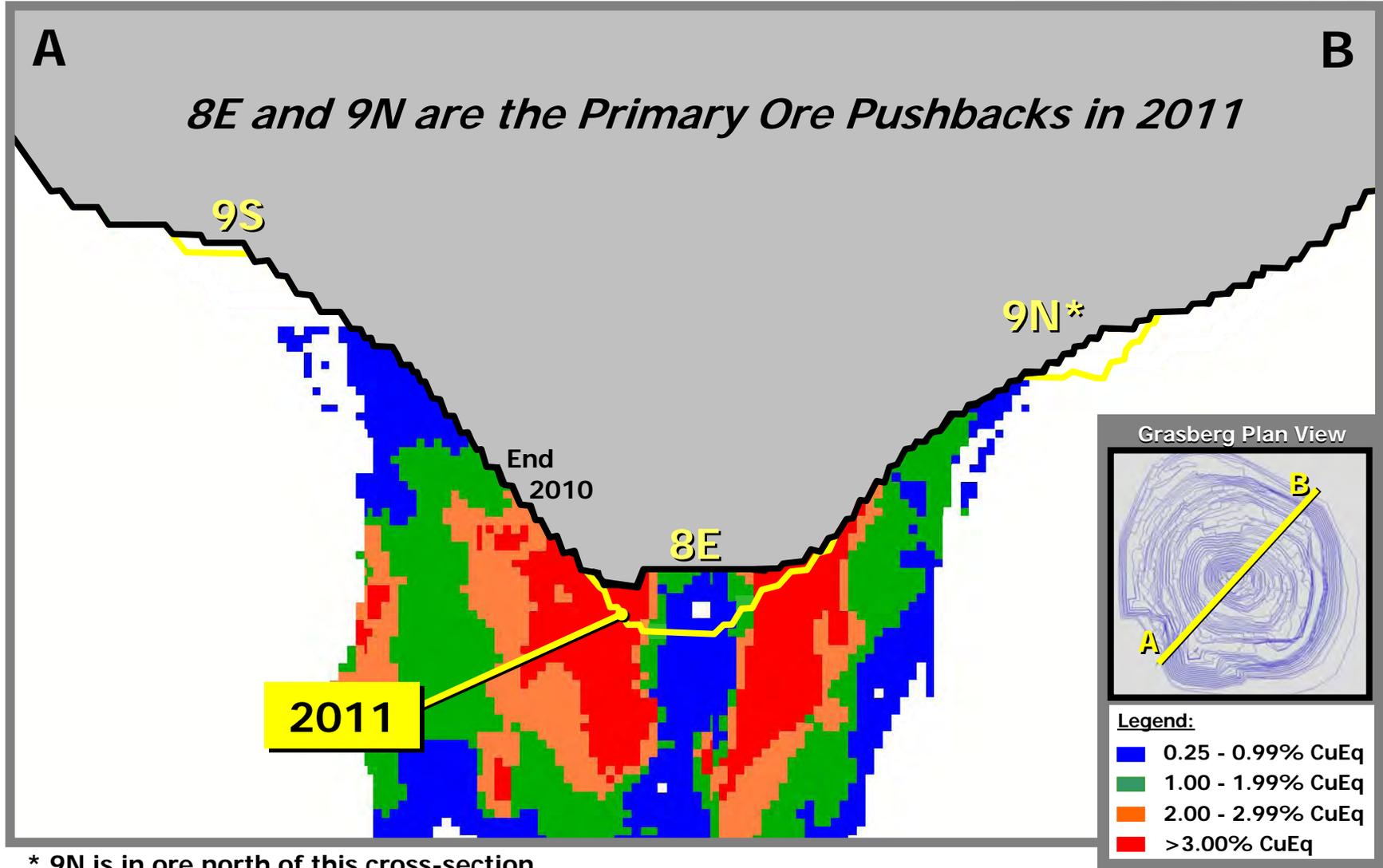


Mining Sequence in 2011

Copper Equivalent Cross Section



Core Assets



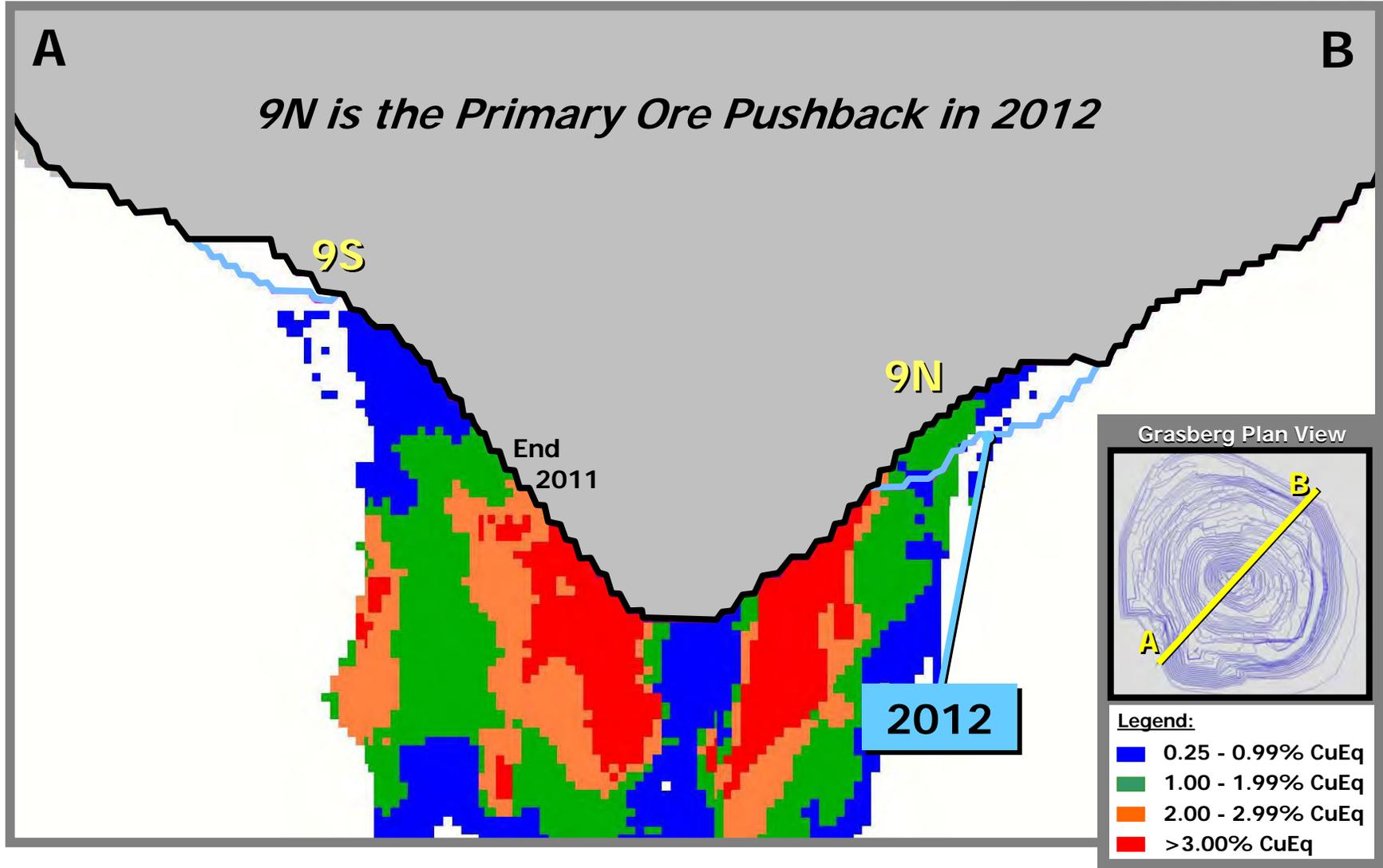
* 9N is in ore north of this cross-section

Mining Sequence in 2012

Copper Equivalent Cross Section



Core Assets



Mining Sequence in 2013

Copper Equivalent Cross Section



Core Assets

