

MACQUARIE CONNECTIONS  
MACQUARIE CAPITAL (USA) INC.



Global Metals & Mining Conference

*Kathleen L. Quirk*  
*Executive Vice President & CFO*

*New York City*

PROVEN PERFORMANCE  
SHINING FUTURE

*November 22, 2010*

# Cautionary Statement Regarding Forward-Looking Statements

*This presentation contains forward-looking statements in which we discuss factors we believe may affect our potential performance in the future. Forward-looking statements are all statements other than statements of historical facts, such as statements regarding projected ore grades and milling rates, projected production and sales volumes, projected unit net cash costs, projected operating cash flows, projected capital expenditures, the impact of copper, gold, molybdenum and cobalt price changes, reserve estimates, anticipated closing of the investment in McMoRan Exploration Co., potential prepayments of debt, projected EBITDA, future dividend payments and potential share purchases. The words "anticipates," "may," "can," "plans," "believes," "estimates," "expects," "projects," "intends," "likely," "will," "should," "to be" and any similar expressions are intended to identify those assertions as forward-looking statements. The declaration and payment of dividends is at the discretion of the Company's Board of Directors and will depend on the Company's financial results, cash requirements, future prospects, and other factors deemed relevant by the Board. This presentation also includes forward-looking statements regarding mineralized material not included in reserves. The mineralized material 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 mineralized material not included in reserves will become proven and probable reserves.*

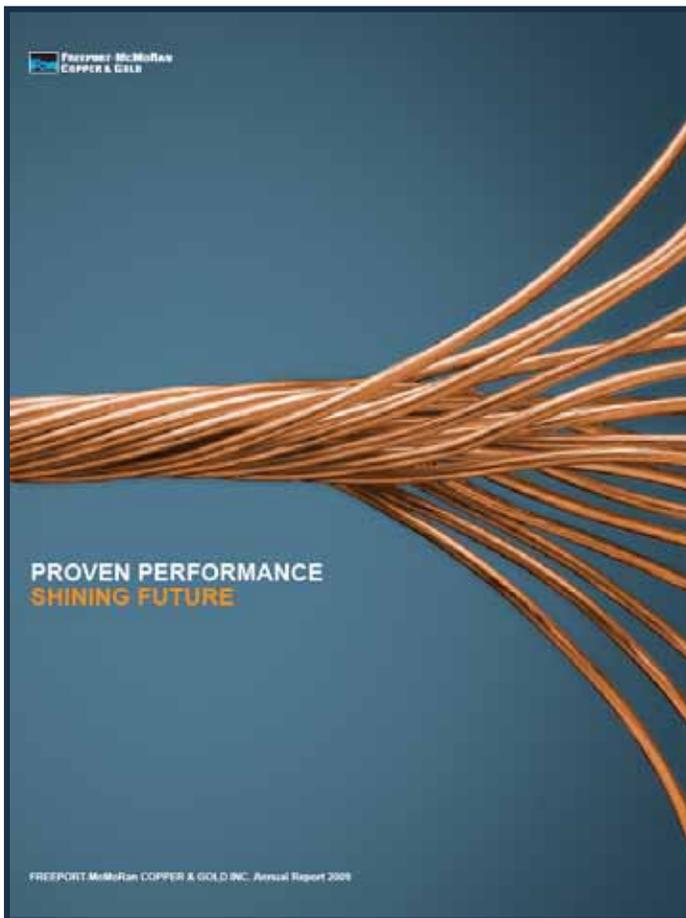
*In making any forward-looking statements, the person making them believes that the expectations are based on reasonable assumptions. We caution readers that those statements are not guarantees of future performance and our actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements. Important factors that can cause our future results to differ from results anticipated by forward-looking statements include commodity prices, mine sequencing, production rates, industry risks, regulatory changes, political risks, potential effects of violence in Indonesia, documentation of the outcome of the contract review process and the resolution of administrative disputes in the Democratic Republic of Congo, risks related to the investment in McMoRan Exploration Co., weather-related risks, labor relations, environmental risks, litigation results, currency translation risks and other factors described in more detail under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2009, filed with the Securities and Exchange Commission (SEC).*

*Investors are cautioned that many of the assumptions on which our forward-looking statements are based are likely to change after our forward-looking statements are made, including for example commodity prices, which we cannot control, and production volumes and costs, some aspects of which we may or may not be able to control. Further, during the quarter, we may make changes to our business plans that could or will affect our results for the quarter. We caution investors that we do not intend to update our forward-looking statements more frequently than quarterly, notwithstanding any changes in our assumptions, changes in our business plans, our actual experience, or other changes, and we undertake no obligation to update any forward-looking statements.*

*This presentation also contains certain financial measures such as unit net cash costs per pound of copper and 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](http://www.fcx.com).*

# *Proven Performance, Shining Future*

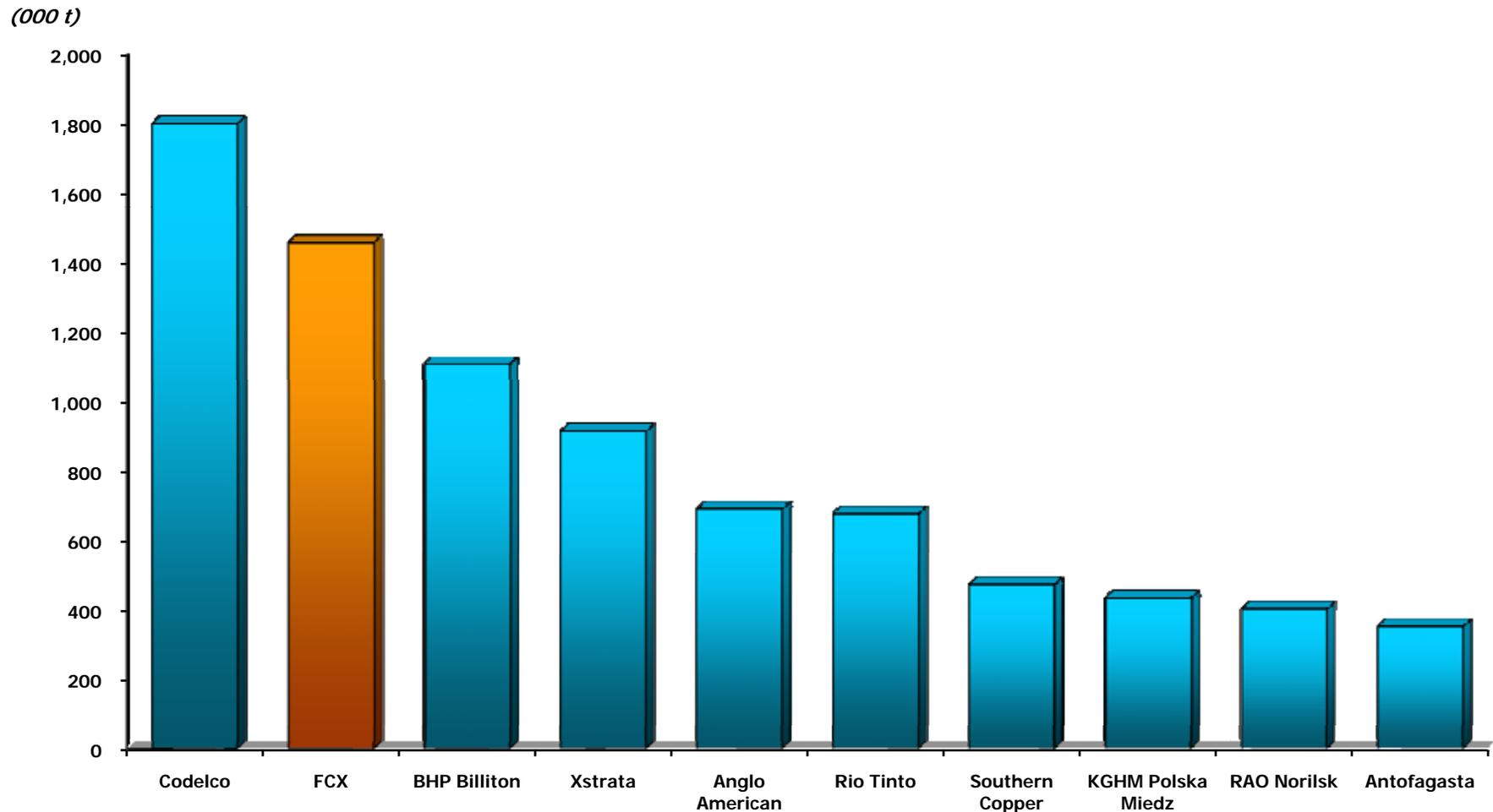
## *Investment Highlights*



- **Premier Copper, Gold & Molybdenum Producer**
- **Long-Lived Reserves with Growth Options**
- **Flexible Operating Structure**
- **Geographically Diverse**
- **Significant Exploration Potential**
- **Strong Financial Position**
- **Experienced Team**

# World's Leading Copper Producers

Top 10 Copper Producers (2010e)

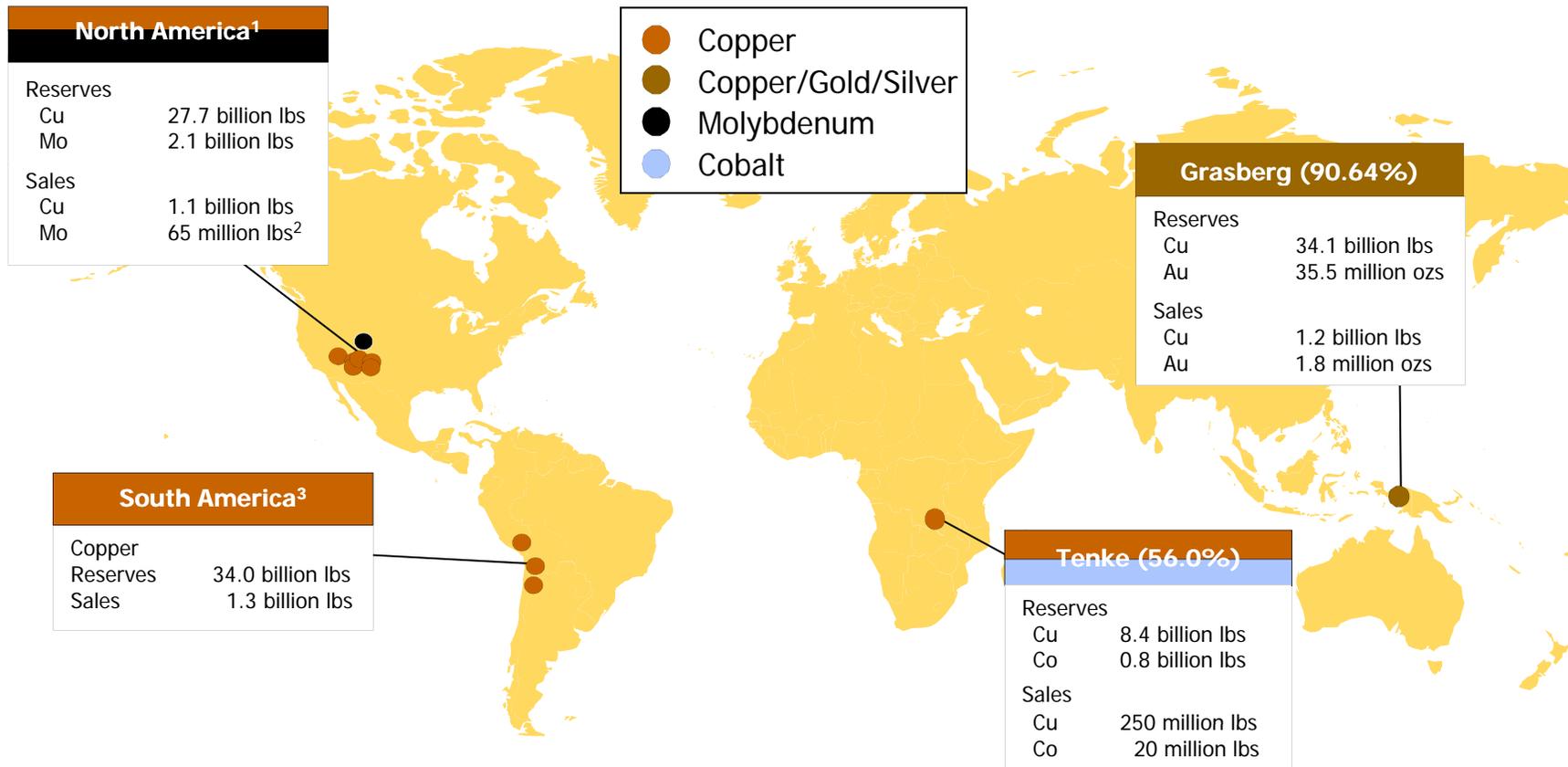


Source: Brook Hunt 2010 Report. Rankings based on net equity ownership.  
e=estimate

# Geographically Diverse

## Major Mine Operations & Development Projects

All major assets majority-controlled and operated



Note: FCX consolidated reserves and annual sales; reserves as of December 31, 2009. Sales figures are based on 2010e.

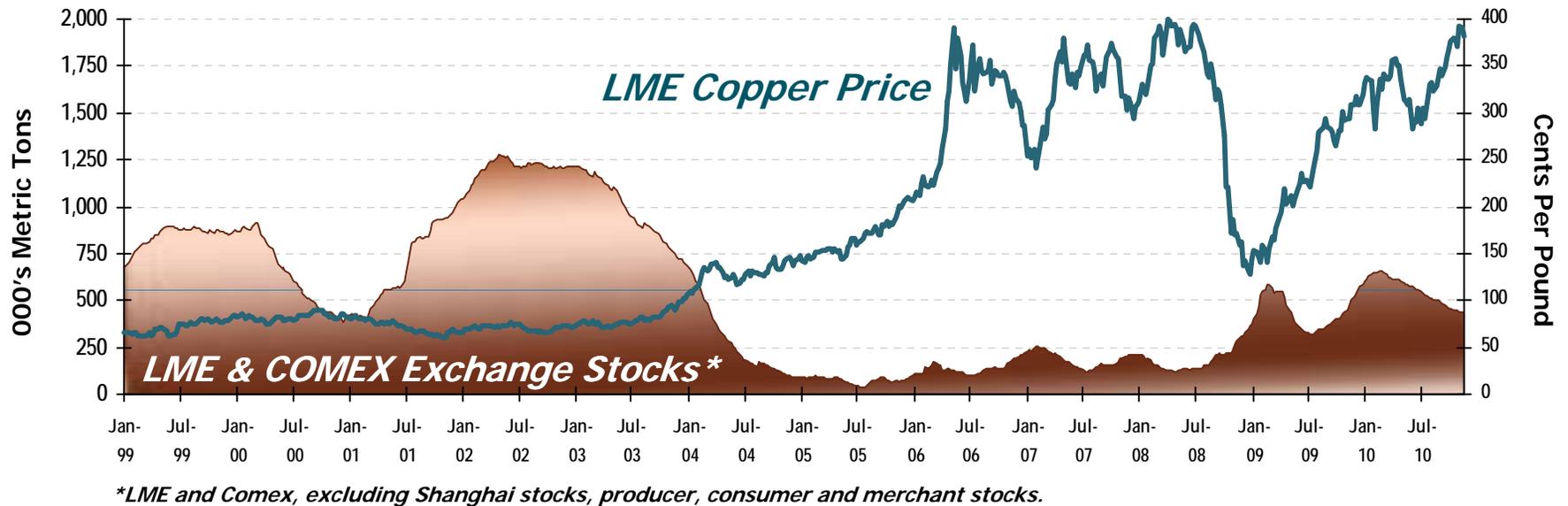
<sup>1</sup> Cu operations: Morenci (85%), Sierrita (100%), Bagdad (100%), Tyrone (100%), Safford (100%), Miami (100%) and Chino (100%);

Primary Mo: Henderson (100%)

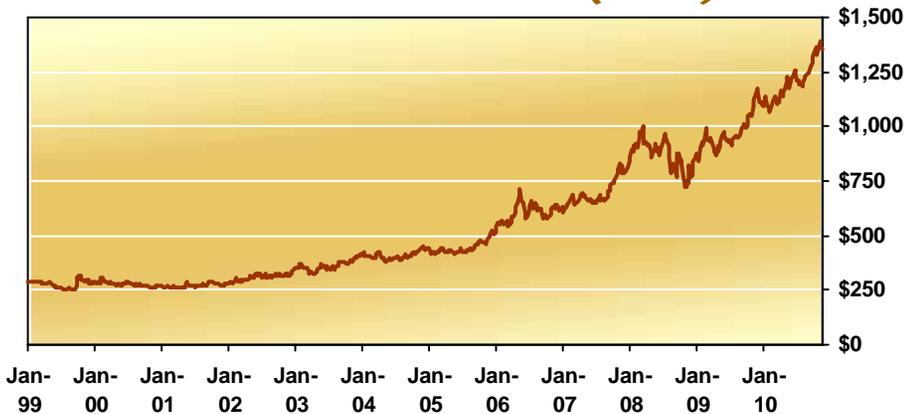
<sup>2</sup> Includes moly sales from South America

<sup>3</sup> Cu operations: Candelaria/Ojos del Salado (80%), Cerro Verde (53.6%) and El Abra (51%)

# Strong Markets



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



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

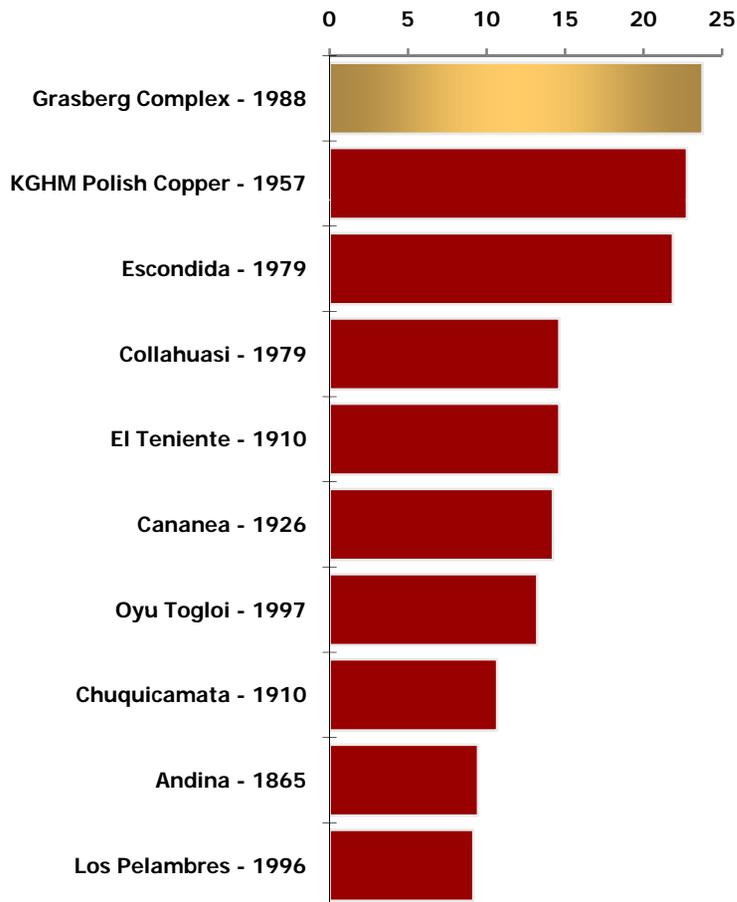


\* Metals Week – Molybdenum Dealer Oxide Price

# World Class Copper Discoveries Are Extremely Rare

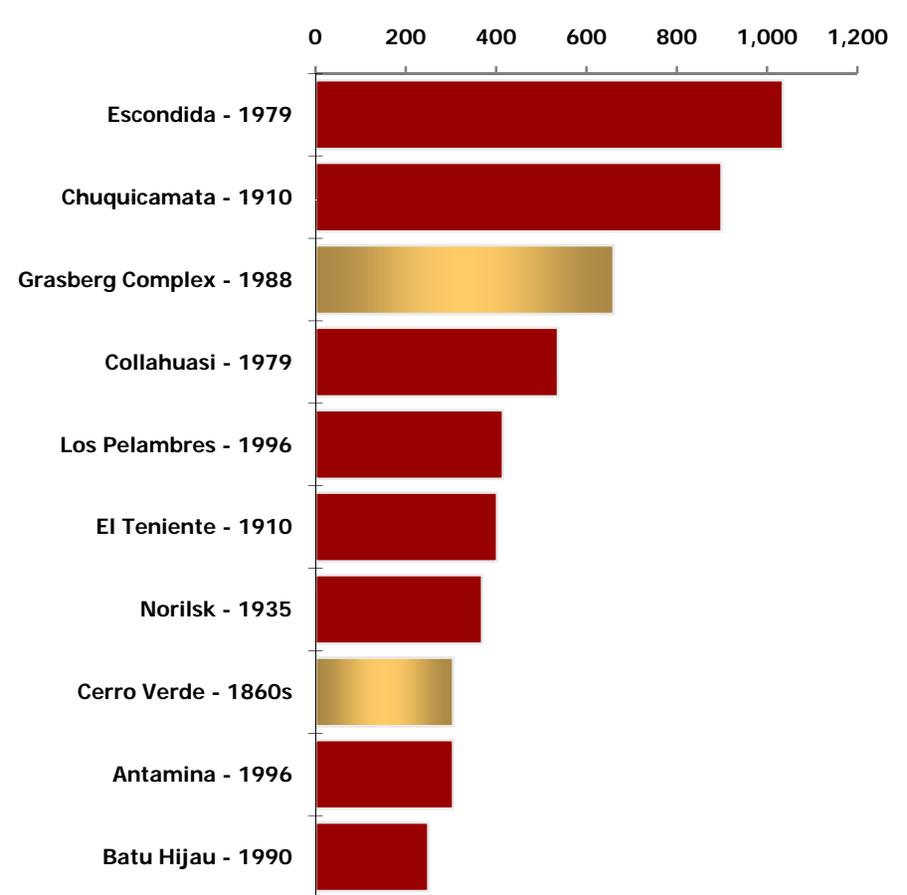
## Recoverable Copper Reserves

Million metric tons



## 2010e Copper Production

Thousand metric tons



Source: Brook Hunt

e=estimate

# Development Projects Update

## North America

- Miami Mine Restart
- Morenci Mill Restart & Ramp-up
- Safford Sulphur Burner
- Chino Restart

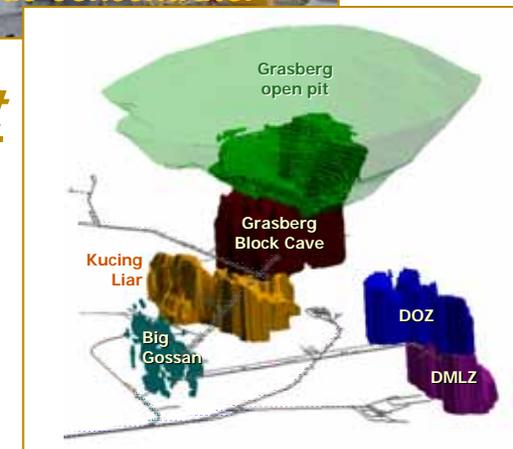


## South America

- El Abra Sulfolix
- Cerro Verde Expansion

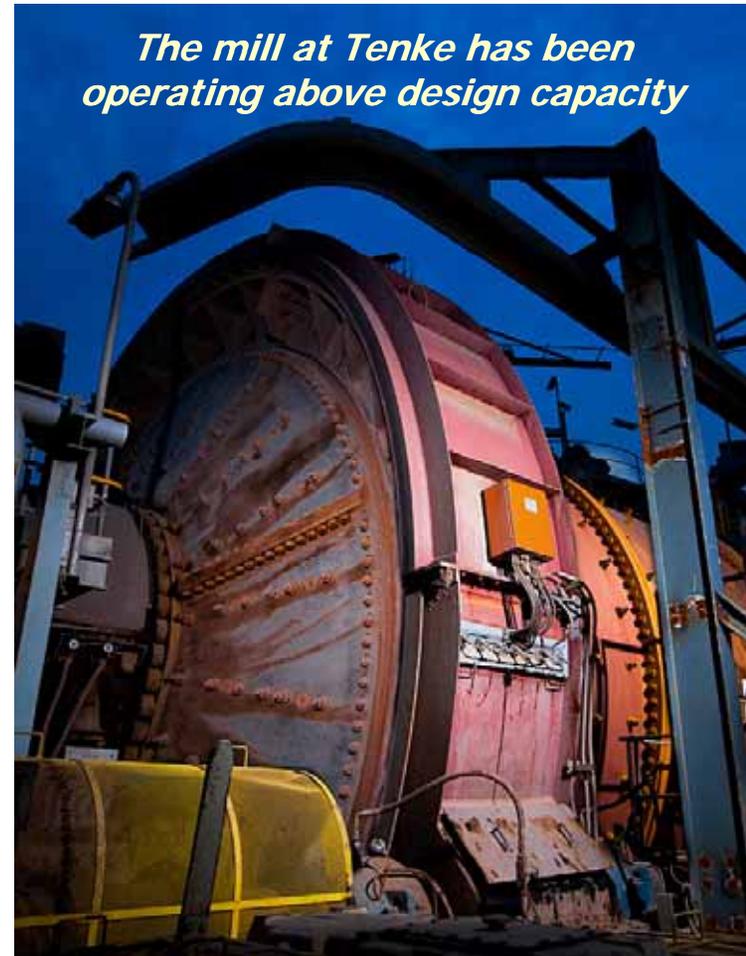
## Indonesia – Underground Development

- DOZ Expanded to 80,000 t/d
- Big Gossan mine
- Grasberg Block Cave
- Deep MLZ



# Tenke Fungurume

- Sold 73MM lbs Cu & 6MM lbs Co in 3Q10
- At full rates (initial phase), aggregate annual metal of 250MM lbs Cu & over 18MM lbs Co
  - Mill operated at ~12K t/d in 3Q, above 8K t/d design capacity
  - Increasing mining rate to accelerate high-grade material
  - Based on these enhancements & 10K t/d mill rate, Cu production expected to increase to 290MM lbs/year
- Exploration activities continue to support opportunities for future expansion
- Completing studies to evaluate continued optimization & expanded output
- Successfully completed contract review process in October 2010



# *FCX Announced Copper Additions To Date*

## *Additional Annual Copper*

*+ ~500mm lbs*



***Low cost projects to add production relatively quickly***

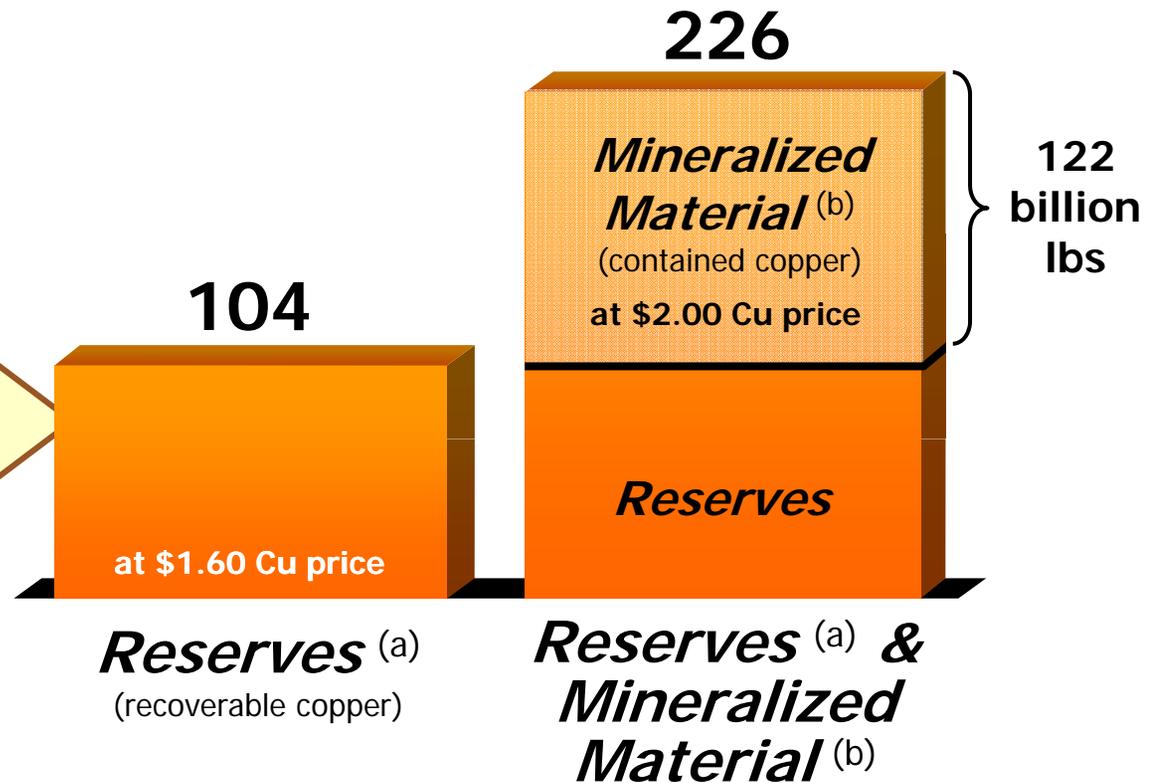
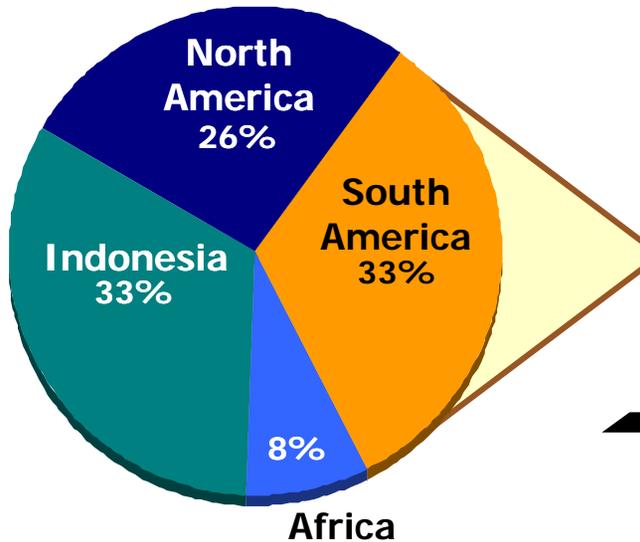
\* expected to reach 200mm lbs in 2014

# Copper Reserves & Mineralized Material

*as of 12/31/09*

*billion lbs of copper*

12/31/09  
Copper Reserves  
by Geographical Region



(a) recoverable proven and probable copper reserves were estimated using a long-term average copper price of \$1.60/lb; 83 billion pounds net to FCX's interest

(b) contained copper; consolidated copper resources using a long-term copper price of \$2.00/lb. **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 mineralized material will become proven and probable reserves. See Cautionary Statement.**

## *Exploration Results Driving Future Growth*

- **Significantly Increased Exploration Activities on Phelps Dodge Properties Following Merger in 2007**
- **Invested ~\$550 MM on Exploration Since Merger, Principally Focused on Existing Mineral Districts**
- **Drilled Over 1.6 MM Meters in Core Holes**
- **Results Confirmed Initial View of Significant Future Potential from Sulfide Mineralization**
- **Added 23 bn lbs of Copper Reserves Since Merger Through YE 2009 – Nearly 2x Production**
- **Potential to Add ~20 bn lbs\* in 2010**

*\* Based on a long-term average copper price of \$2.00/lb. Estimates of proven and probable reserves for 12/31/10 are being completed and will be reported in January 2011. See Cautionary Statement.*

# *Exploration Drives the Mine Plan*

*FCX Brownfield Exploration Results =  
Greenfield Expansion Opportunities*



# *Current Projects Under Evaluation*

## **North America**

- Further increases to Morenci/Safford mining rates
- Plans for Twin Buttes/Sierrita district
- Climax
- Major mill projects for sulfide development

## **South America**

- Major expansion at Cerro Verde
- El Abra mill project

## **Tenke Fungurume**

- Debottlenecking
- Further oxide expansion
- Sulfide development

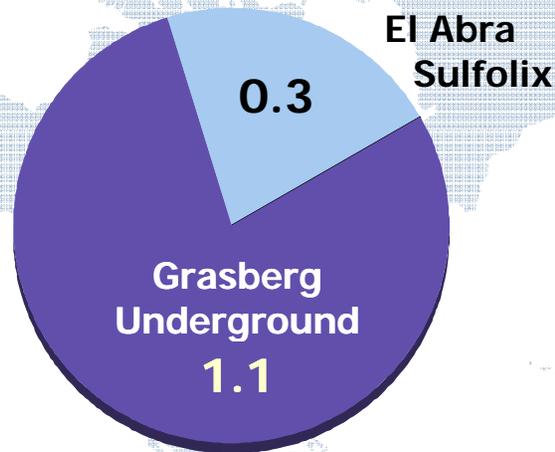
## **Grasberg**

- Optimal timing for transition to underground
- Optimize Deep MLZ mine plan

# FCX Copper Projects

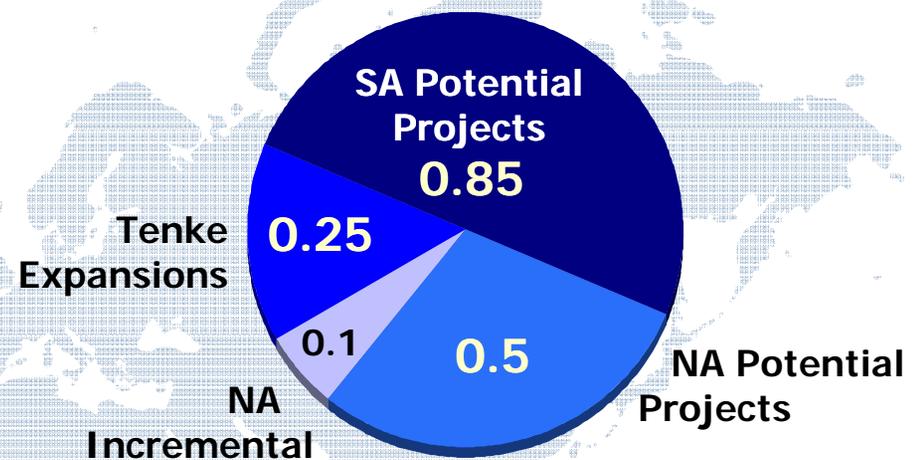
*billion lbs copper annually*

## Replacement Projects



**1.4 billion lbs Cu**

## New Copper Sources



**1.7 billion lbs Cu**

## Other Opportunities

- Tenke Sulfides
- NA Mill Projects (Sierrita, Bagdad, Ajo, Safford)
- Lone Star

# *Climax Restart*

- One of the most attractive primary molybdenum development projects in the world – large-scale production capacity, attractive cash costs and future growth options
- Initial annual capacity of 30mm pounds with expansion options
- \$700mm project with estimated remaining costs of ~\$500mm
- Continue to advance certain construction activities to provide flexibility for start-up
  - Mobilized key personnel & contractors
  - Completed concrete foundations for various equipment installations
  - Prepared site for winter construction activities
- Assessing timing of start-up



# 2010 Outlook

- **Sales Outlook:**
  - *Copper: 3.85 Billion lbs.*
  - *Gold: 1.9 Million ozs.*
  - *Molybdenum: 65 Million lbs.*
  
- **Unit Net Cash Cost <sup>(1)</sup>:** • *83¢/lb*
  
- **Operating Cash Flows <sup>(2)</sup>:**
  - *~ \$6 Billion*
  - *Assumes \$3.75/lb Copper for 4Q10*
  - *Each 10¢/lb Change in Copper = \$60 Million in 2010*
  
- **Capital Expenditures:** • *\$1.6 Billion*

*(1) Assumes average prices of \$1,300/oz for gold and \$15/lb for molybdenum for 4Q10.*

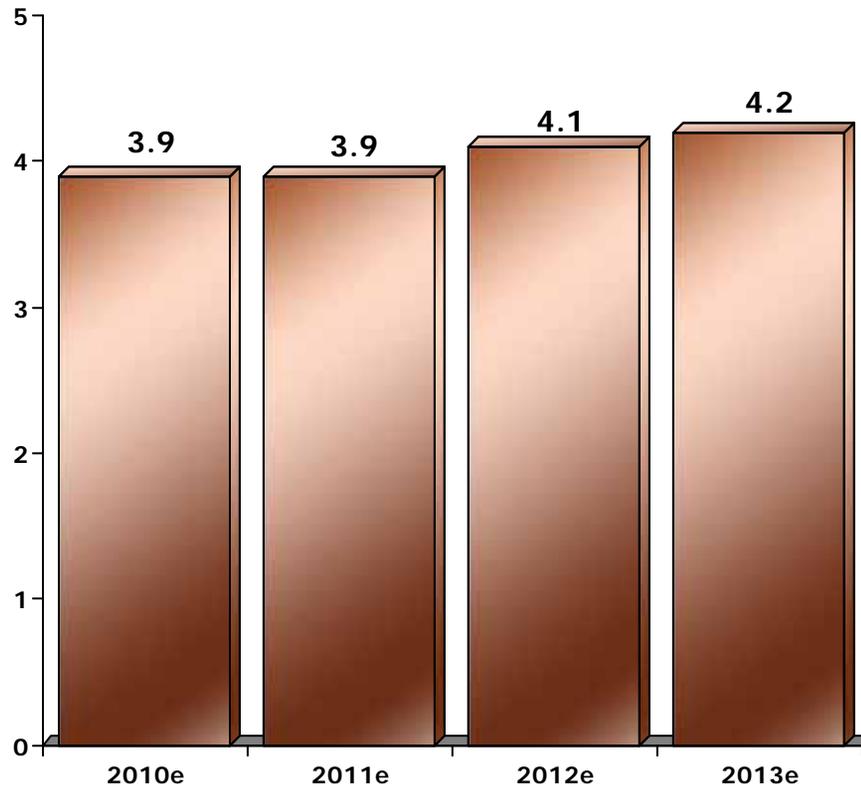
*(2) Assumes average prices of \$1,300/oz for gold and \$15/lb for molybdenum for 4Q10; each \$50/oz change in gold would have an approximate \$10 MM impact, and each \$2.00/lb change in molybdenum would have an approximate \$8 MM impact.*

*NOTE: Amounts are projections; see Cautionary Statement.*

# Near-Term Sales Profile

*Excludes current projects under evaluation*

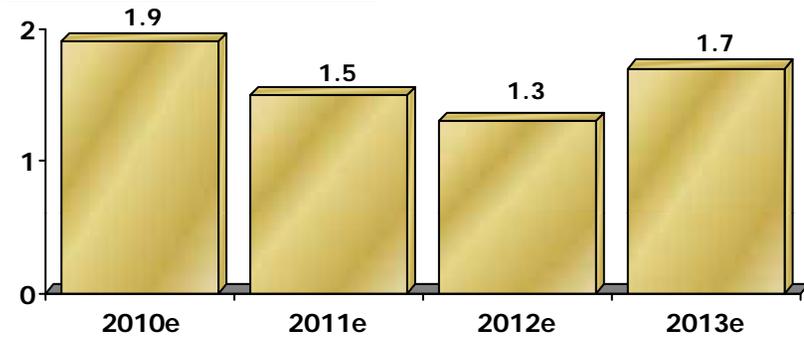
Copper Sales (billion lbs)



*Note: Consolidated copper sales include approximately 745 mm lbs in 2010e, 735 mm lbs in 2011e, 750 mm lbs in 2012e, and 770 mm lbs in 2013e for noncontrolling interest; excludes purchased copper.*

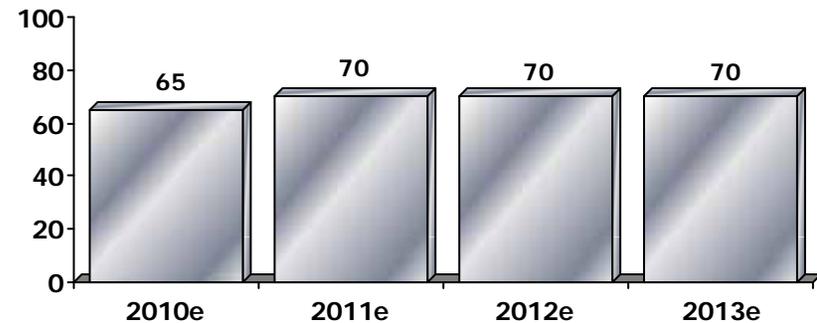
*e = estimate. See Cautionary Statement.*

Gold Sales (million ozs)



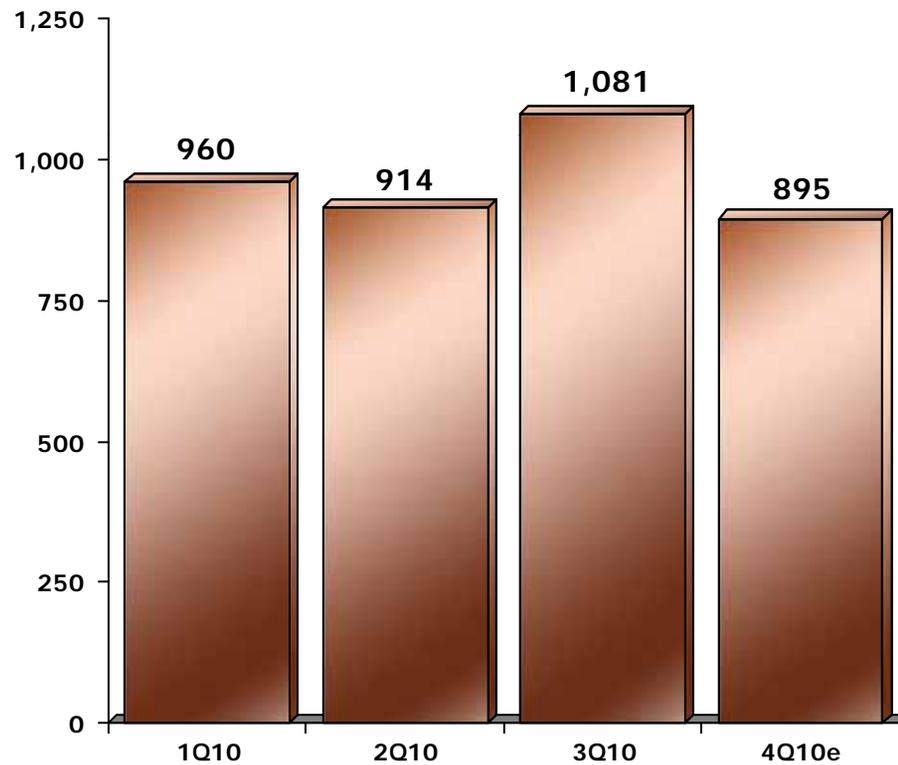
*Note: Consolidated gold sales include approximately 185k ozs in 2010e, 150k ozs in 2011e, 130k ozs in 2012e, and 165k ozs in 2013e for noncontrolling interest.*

Molybdenum Sales (million lbs)



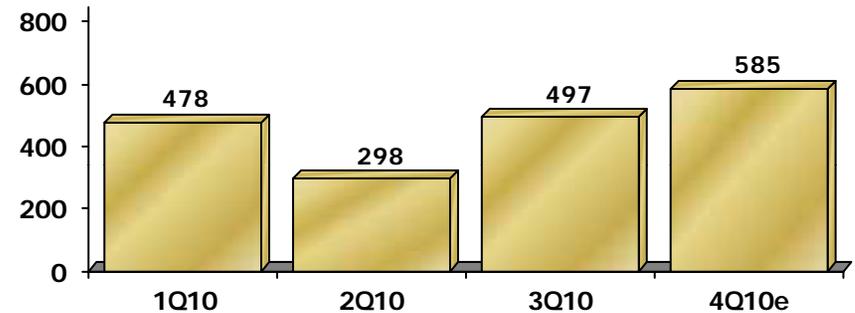
# 2010e Quarterly Payable Metal Sales

Copper Sales (million lbs)



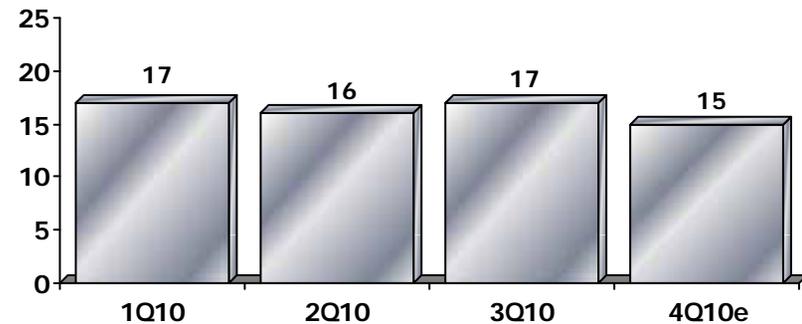
Note: Consolidated copper sales include approximately 181 mm lbs in 1Q10, 173 mm lbs in 2Q10, 210 mm lbs in 3Q10 and 181 mm lbs in 4Q10e for noncontrolling interest; excludes purchased copper.

Gold Sales (thousand ozs)



Note: Consolidated gold sales include approximately 47k ozs in 1Q10, 30k ozs in 2Q10, 49k ozs in 3Q10 and 59k oz in 4Q10e for noncontrolling interest.

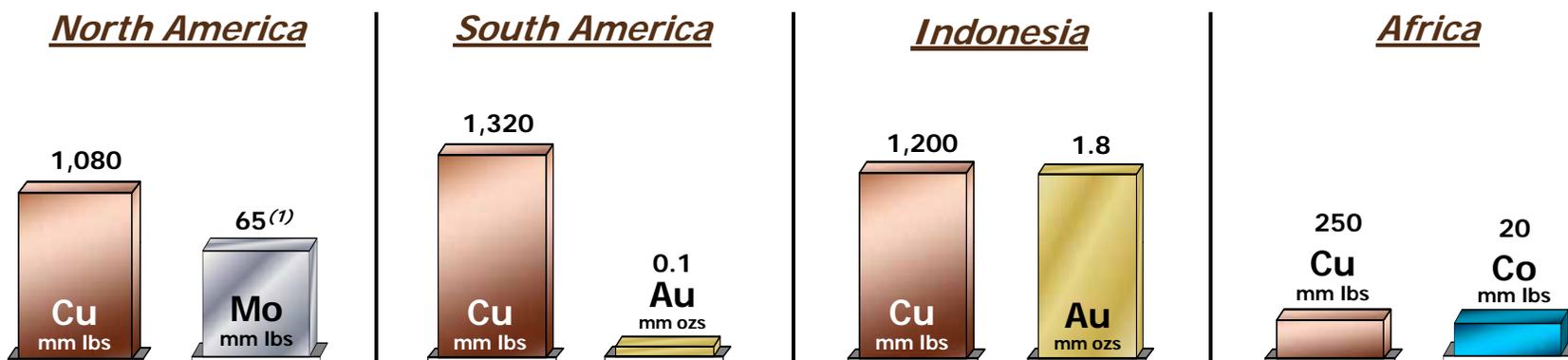
Molybdenum Sales (million lbs)



e = estimate. See Cautionary Statement.

# 2010e Sales and Unit Production Costs by Region

## 2010e Sales by Region



(per pound of copper)

	North America	South America	Indonesia	Africa	Consolidated
<b>Cash Unit Costs<sup>(2)</sup></b>					
Site Production & Delivery <sup>(3)</sup>	\$1.51	\$1.21	\$1.56	\$1.41	\$1.42
By-product Credits	(0.36)	(0.20)	(1.86)	(0.55)	(0.78)
Treatment Charges	0.10	0.15	0.22	-	0.15
Royalties <sup>(3)</sup>	-	-	0.13	0.07	0.04
<b>Unit Net Cash Costs</b>	<b>\$1.25</b>	<b>\$1.16</b>	<b>\$0.05</b>	<b>\$0.93</b>	<b>\$0.83</b>

(1) Includes by-product molybdenum from South America.

(2) Estimates assume average prices of \$3.75/lb for copper, \$1,300/oz for gold, \$15/lb for molybdenum and \$12/lb for cobalt for 4Q10. Quarterly unit costs will vary significantly with quarterly metal sales volumes.

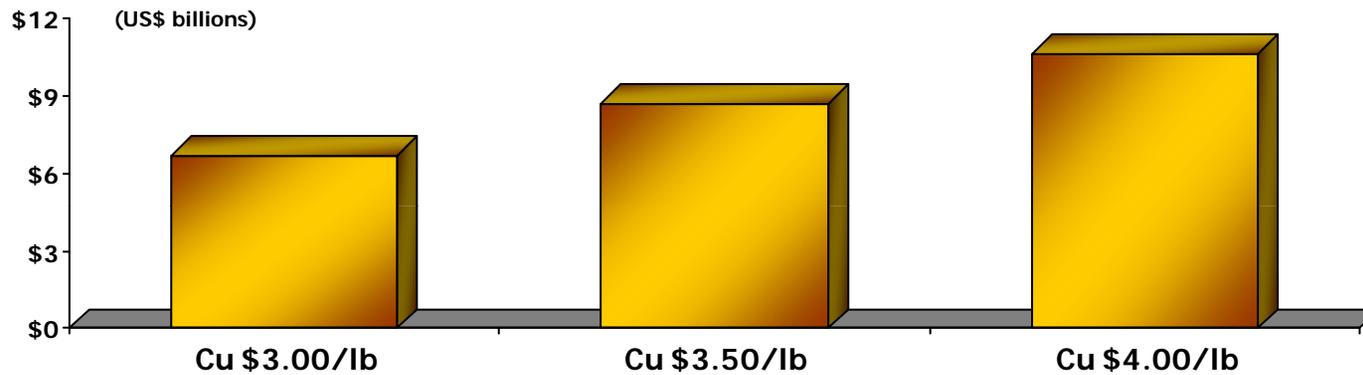
(3) Production costs include profit sharing in South America and severance taxes in North America.

Note: e = estimate. See Cautionary Statement.

# EBITDA and Cash Flow at Various Copper Prices

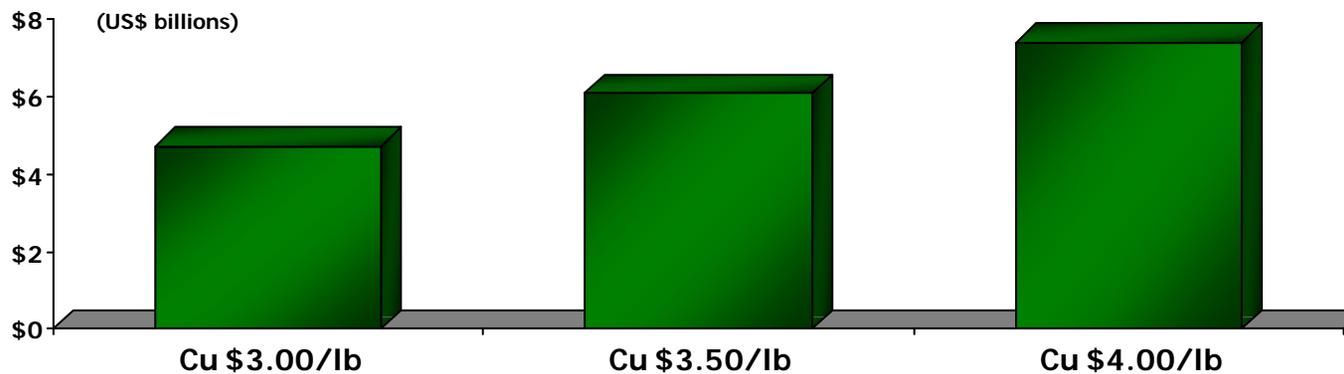
## Average EBITDA\*

(\$1,000 Gold & \$10 Molybdenum)



## Average Operating Cash Flow (excluding Working Capital changes)\*

(\$1,000 Gold & \$10 Molybdenum)



\* Based on operating plans, volumes and costs for average of 2011e & 2012e.

Note: For 2011e/2012e average, each \$50/oz change in gold approximates \$70 million to EBITDA and \$40 million to operating cash flow; each \$2.00/lb change in molybdenum approximates \$120 million to EBITDA and \$100 million to operating cash flow. EBITDA equals operating income plus depreciation, depletion and amortization.

e = estimate. See Cautionary Statement.

# Sensitivities

<b>Change</b>	<b>EBITDA</b>	<b>Operating Cash Flow</b>
	<i>(US\$ millions)</i>	
<b>Copper: -/+ \$0.10/lb</b>	<b>\$375</b>	<b>\$260</b>
<b>Molybdenum: -/+ \$1.00/lb</b>	<b>\$60</b>	<b>\$50</b>
<b>Gold: -/+ \$50/ounce</b>	<b>\$70</b>	<b>\$40</b>
<b>Diesel<sup>(1)</sup>: -/+ 10%</b>	<b>\$55</b>	<b>\$35</b>
<b>Purchased Power<sup>(2)</sup>: -/+ 10%</b>	<b>\$40</b>	<b>\$25</b>
<b>Currencies<sup>(3)</sup>: +/- 10%</b>	<b>\$120</b>	<b>\$70</b>

*(1) \$2.50/gallon base case assumption.*

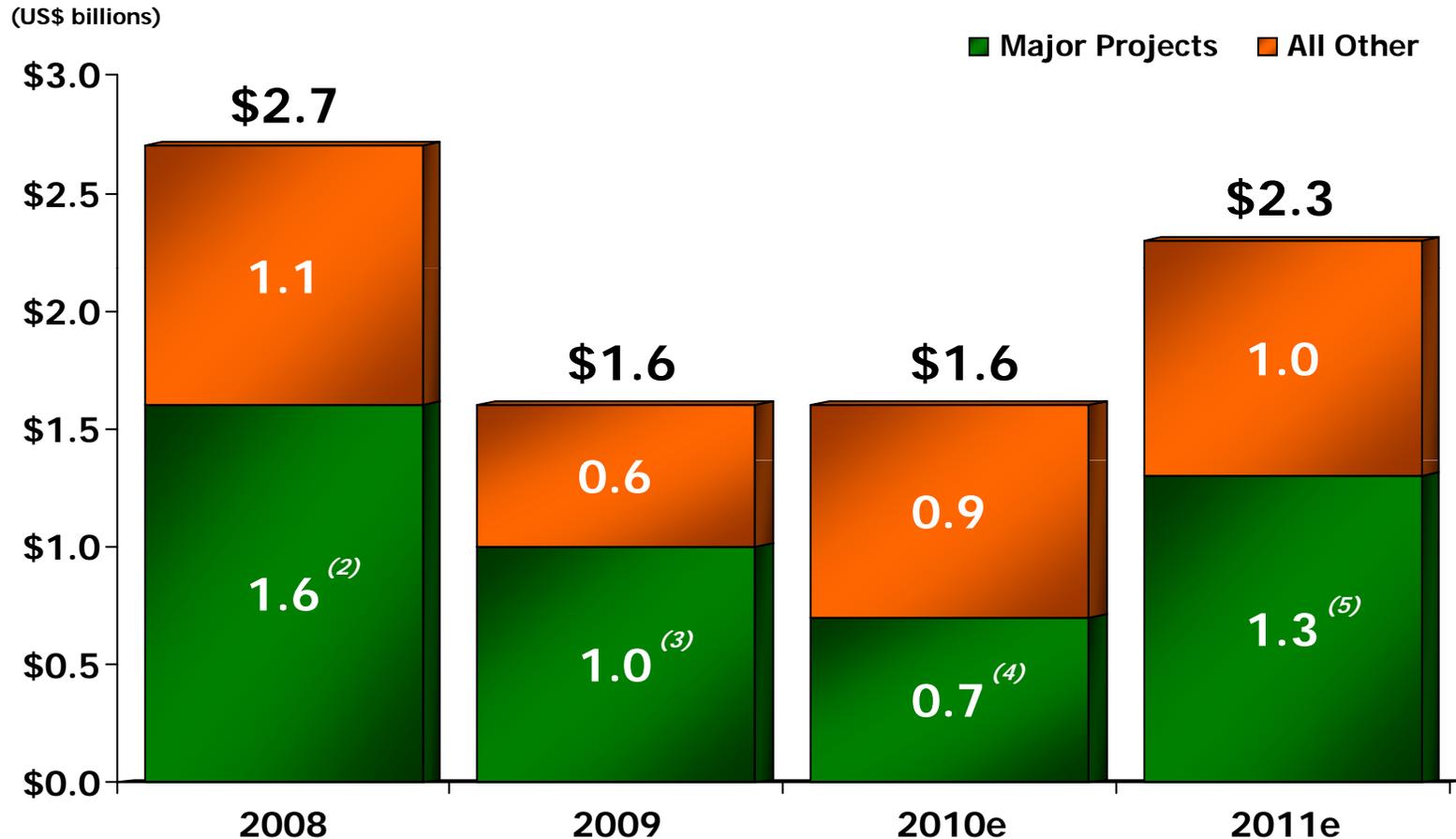
*(2) 6.7¢/kWh base case assumption.*

*(3) U.S. Dollar Exchange Rates: 500 Chilean peso, 9,000 Indonesian rupiah, \$0.90 Australian dollar, \$1.37 Euro, 2.85 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: Based on 2011e/2012e average. Operating cash flow amounts exclude working capital changes. e = estimate. See Cautionary Statement.*

# Capital Expenditures <sup>(1)</sup>

*Excludes current projects under evaluation*



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

(2) Includes \$1.1 billion for Tenke development.

(3) Includes Tenke development, Grasberg underground development and \$200 MM for property acquisition adjacent to Sierrita.

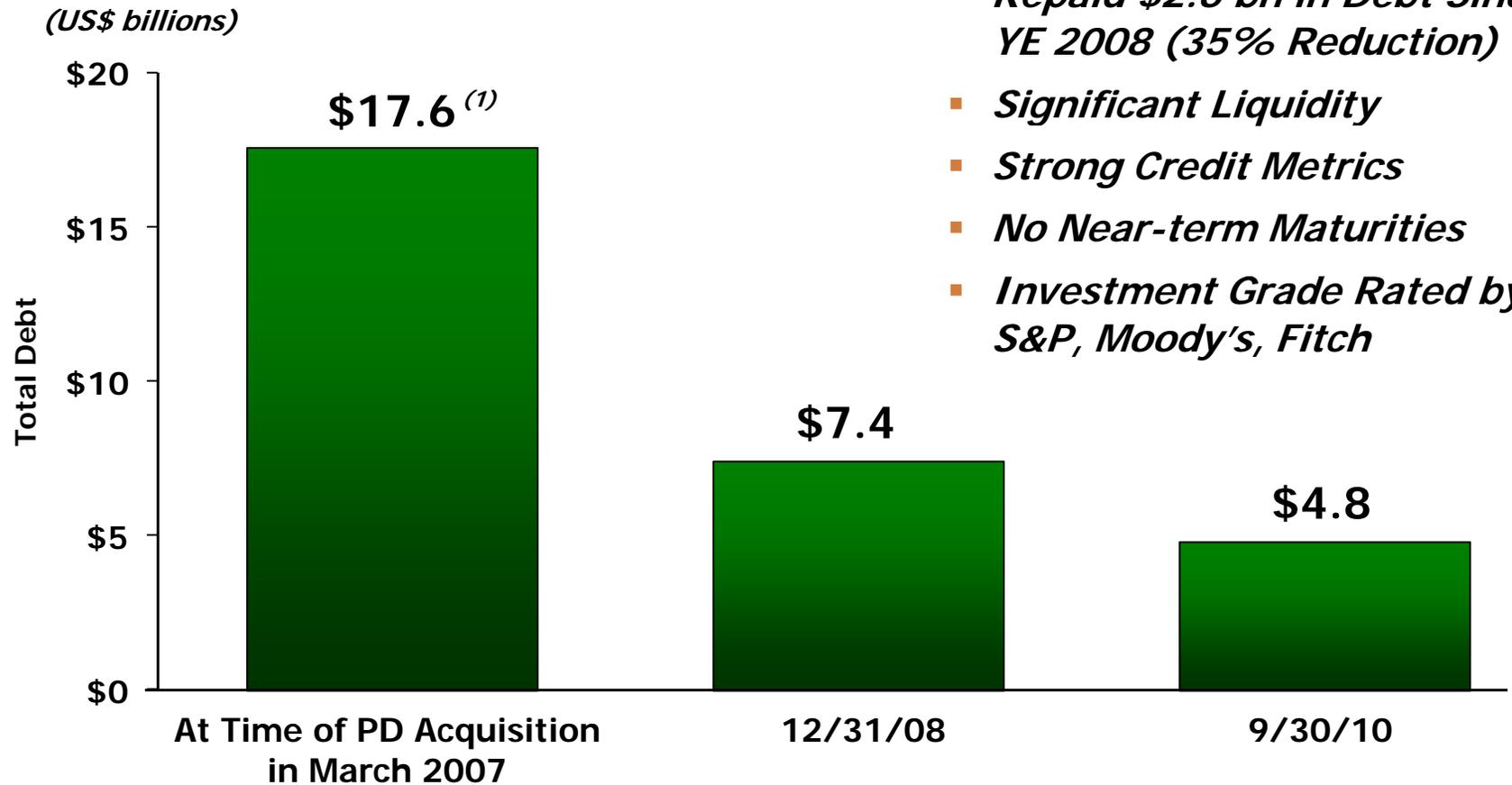
(4) Primarily includes El Abra sulfide, Grasberg underground development, Climax construction activities and Safford sulphur burner.

(5) Primarily includes Grasberg underground development, El Abra sulfide, Climax construction activities and Chino restart.

Note: Includes capitalized interest. Excludes capital expenditures for Current Projects Under Evaluation (slide 17).

e= estimate. See Cautionary Statement.

# Balance Sheet



- Repaid \$2.6 bn in Debt Since YE 2008 (35% Reduction)
- Significant Liquidity
- Strong Credit Metrics
- No Near-term Maturities
- Investment Grade Rated by S&P, Moody's, Fitch

<i>Consolidated Cash</i>	<i>\$3.4</i>	<i>\$0.9</i>	<i>\$3.7</i>
<i>Net Debt</i>	<i>\$14.2</i>	<i>\$6.5</i>	<i>\$1.1</i>

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

# *Financial Policy*

- **Maintain Strong Balance Sheet & Liquidity Position**
- **Invest in Attractive Growth Projects**
- **Opportunistic Debt Repayment**
- **Board Action to Increase Common Stock Dividend to \$2.00/Share per Annum**
- **Board to Review Financial Policy on an Ongoing Basis**

# *FCX Investment Summary*

- **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**