



**FREEPORT-McMoRAN  
COPPER & GOLD**

Morgan Stanley

Global Basic Materials Conference

*Richard C. Adkerson*

*President &  
Chief Executive Officer*

**Core Assets**

**FCX**  
LISTED  
**NYSE**

[www.fcx.com](http://www.fcx.com)

*February 25, 2010*

# *Cautionary Statement Regarding Forward-Looking Statements*



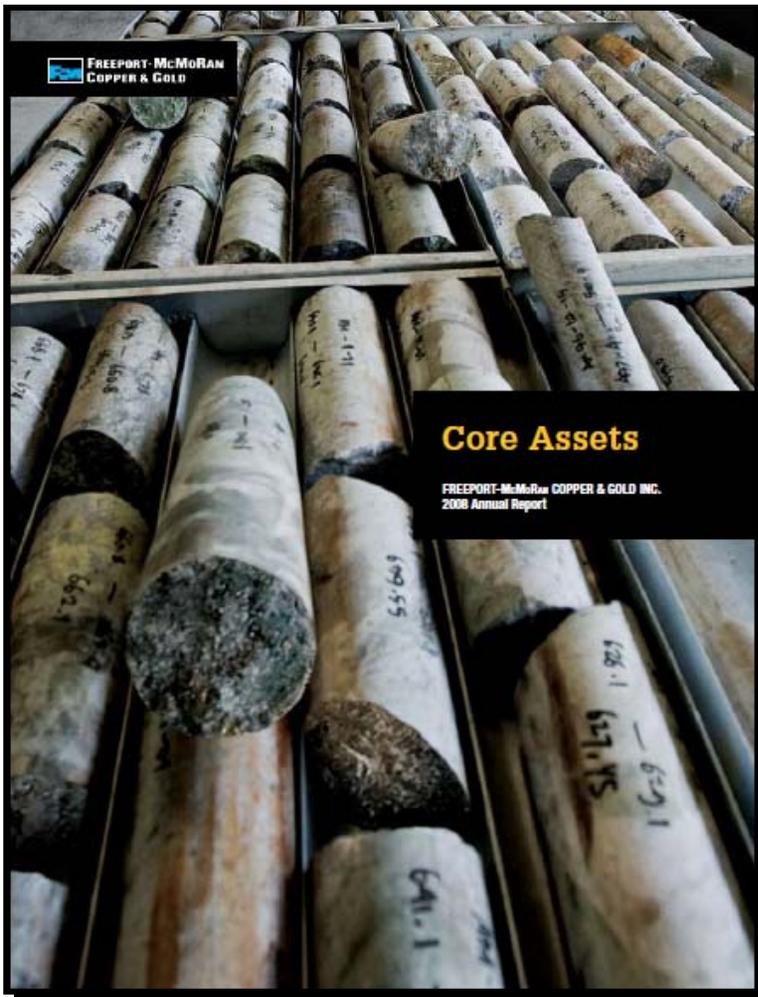
**Core Assets**

*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, reserve estimates, potential prepayments of debt, projected EBITDA and future dividend payments. 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 press release also includes forward-looking statements regarding mineralized material not included in reserves. The mineralized material described in this press release 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. 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 results anticipated by forward-looking statements include mine sequencing, production rates, industry risks, commodity prices, political risks, potential effects of violence in Indonesia, potential outcomes of the contract review process in the Democratic Republic of Congo, 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. 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).*

# Core Assets

Core Assets

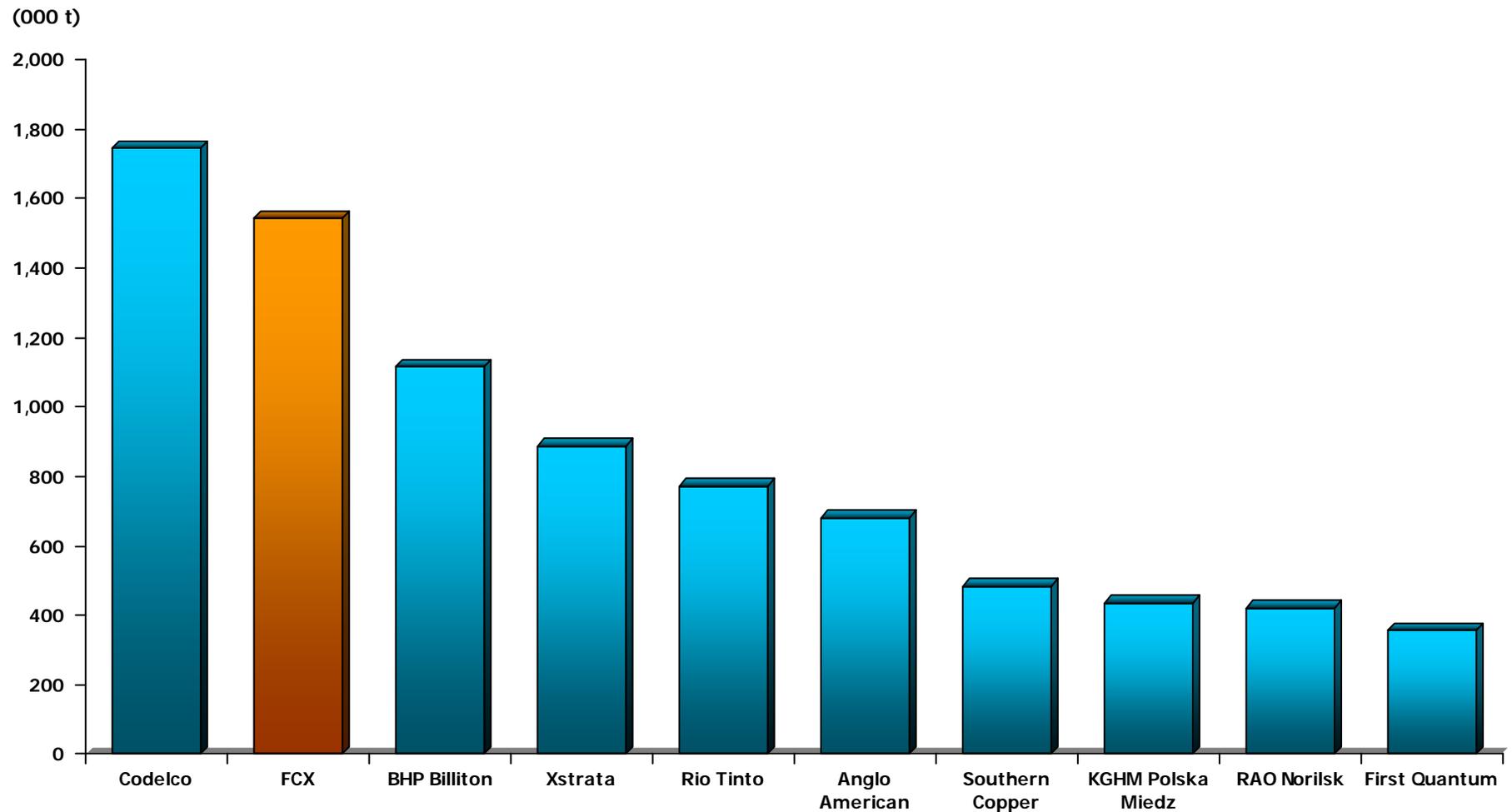


- Long-Lived Reserves with Growth Potential
- Geographically Diverse Operations
- Financially Strong
- Flexible Operating Structure
- Experienced Team
- Focused Strategy

# World's Leading Copper Producers

Core Assets

Top 10 Copper Producers (2009E)

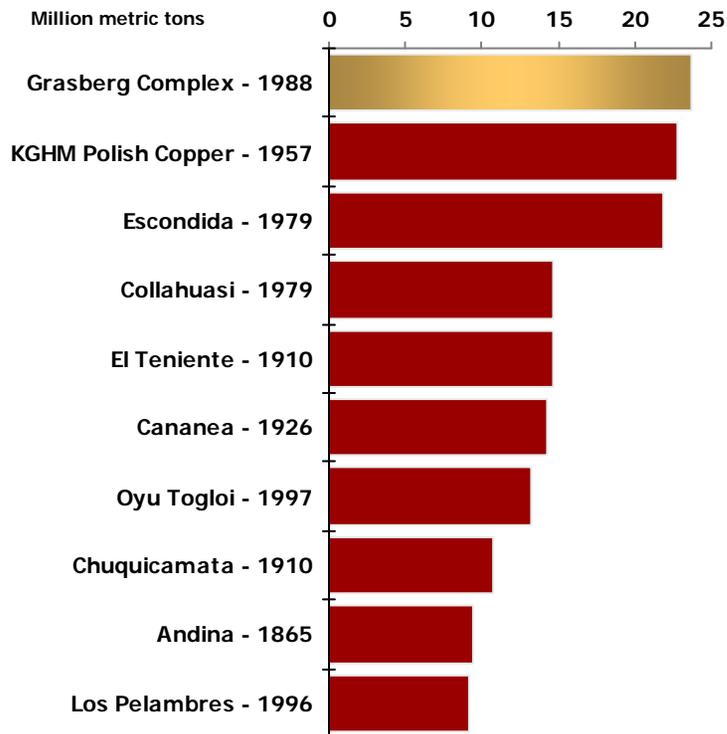


Source: Brook Hunt 4Q09 Report. Rankings based on net equity ownership.

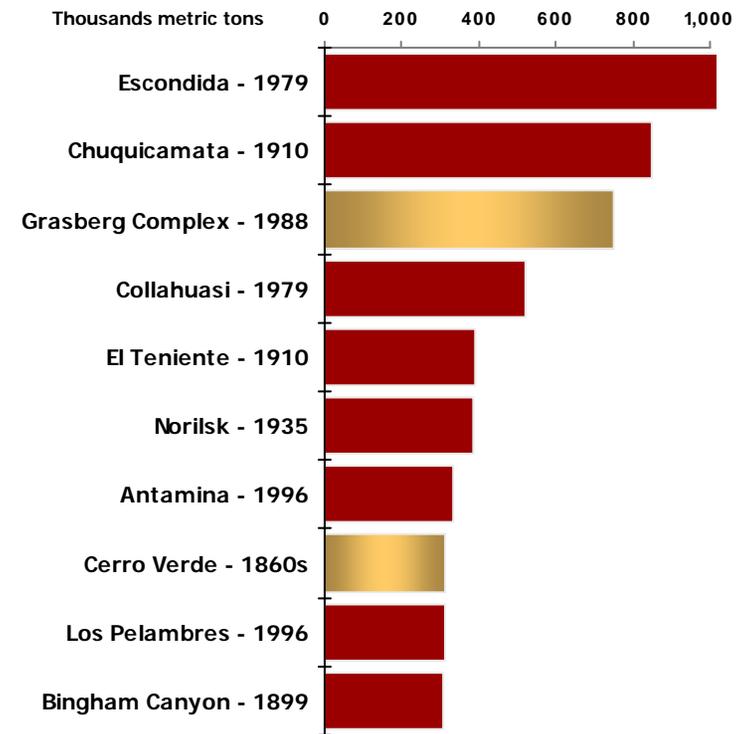
# World Class Copper Discoveries Are Extremely Rare

**Core Assets**

## Recoverable Copper Reserves



## 2009e Copper Production



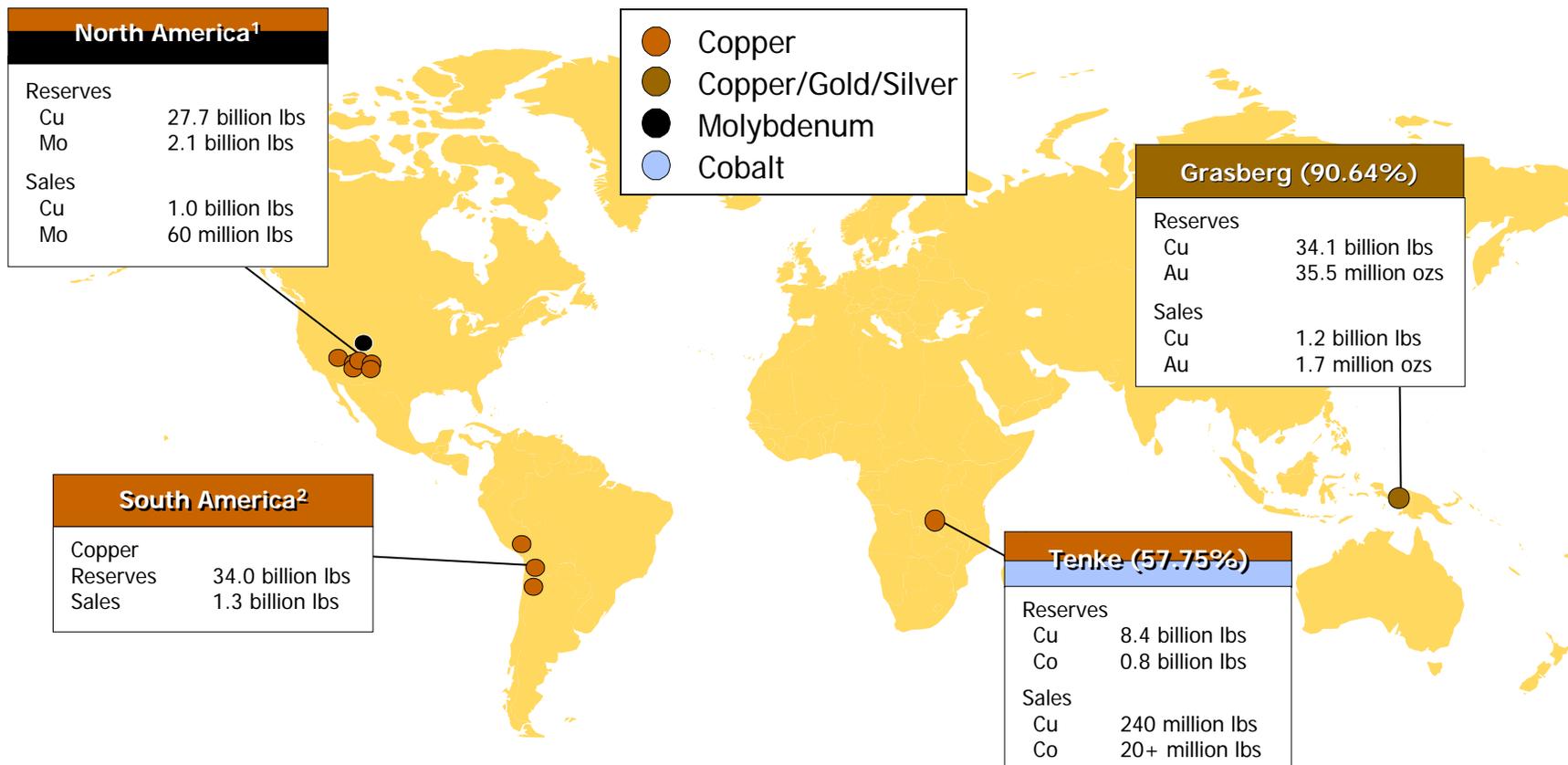
Source: Brook Hunt

# Geographically Diverse

**Core Assets**

## 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%), and Miami (100%);  
Primary Mo: Henderson (100%)

<sup>2</sup> Cu operations: Candelaria/Ojos del Salado (80%), Cerro Verde (53.6%) and El Abra (51%)

# *2009 Highlights*

**Core Assets**

- **Successful Execution of Revised Operating Plans**
- **Strong Operating & Financial Performance**
- **Strengthened Balance Sheet**
- **Enhanced Financial and Liquidity Position**
- **Successful Start-up of Tenke Operations**
- **Added Reserves**
- **Maintained Future Growth Opportunities**
- **Reinstated Annual Cash Dividend to Shareholders**

# Strong Operating & Cost Performance 2009

**Core Assets**

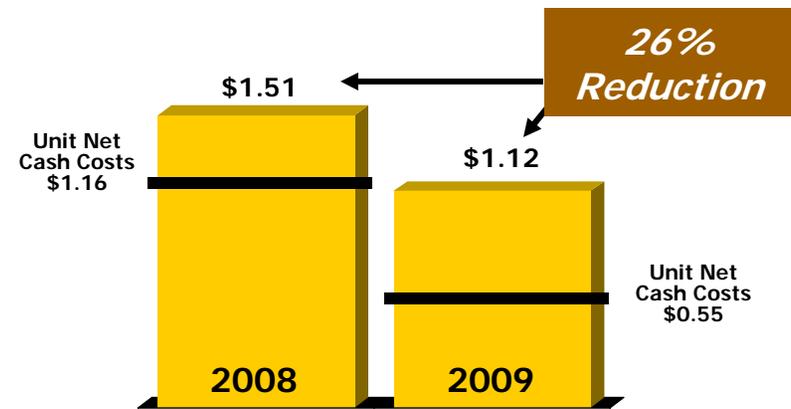
- **Strong Volumes**
  - Access to High-Grade Section of the Grasberg Open Pit
  - Solid Results in the Americas
  - Tenke Start-up
  
- **Significant Cost Reductions**
  - Revised Operating Plans
  - Grasberg Ore Grades
  - Aggressive Cost Management/Lower Input Costs

*Actual 2009 sales volumes higher and unit costs lower than January estimates\**

- Cu +5% (211 mm lbs)
- Au +20% (439 k ozs)
- Unit Cash Costs -23% (16¢/lb)

Consolidated Site Production & Delivery  
(excludes Africa)

\$ per pound of copper



\* Sales volumes for 2009 totaled 4.1 bn lbs of copper (compared with 3.9 bn lbs in January 2009) and 2.6 mm ozs of gold (compared with 2.2 mm ozs in January 2009). The January 2009 unit cash costs estimate was 71¢/lb for 2009.

# 4Q09 & 2009 Highlights



<i>Sales Data</i>	4Q09	2009
<b><u>Copper</u></b>		
Consolidated Volumes (mm lbs)	989	4,111
Average Realization (per lb)	\$3.20	\$2.60
Site Production & Delivery Unit Costs <sup>(1)</sup> (per lb)	\$1.25	\$1.12
Unit Net Cash Costs <sup>(1)</sup> (per lb)	\$0.62	\$0.55
<b><u>Gold</u></b>		
Consolidated Volumes (000's ozs)	551	2,639
Average Realization (per oz)	\$1,115	\$993
<b><u>Molybdenum</u></b>		
Consolidated Volumes (mm lbs)	16	58
Average Realization (per lb)	\$13.45	\$12.36

<b><i>Financial Results (in millions, except per share amounts)</i></b>		
Revenues	\$4,610	\$15,040
Net Income Attributable to Common Stock	\$971	\$2,527
Diluted Earnings Per Share	\$2.15	\$5.86
Operating Cash Flows <sup>(2)</sup>	\$1,547	\$4,397
Capital Expenditures <sup>(3)</sup>	\$449	\$1,587
Total Debt	-	\$6,346
Consolidated Cash	-	\$2,656

(1) Excludes Africa operations which are continuing start-up activities.  
(2) Includes working capital uses of \$323 mm in 4Q09 and \$770 mm for the year 2009.  
(3) Includes \$200 MM property.

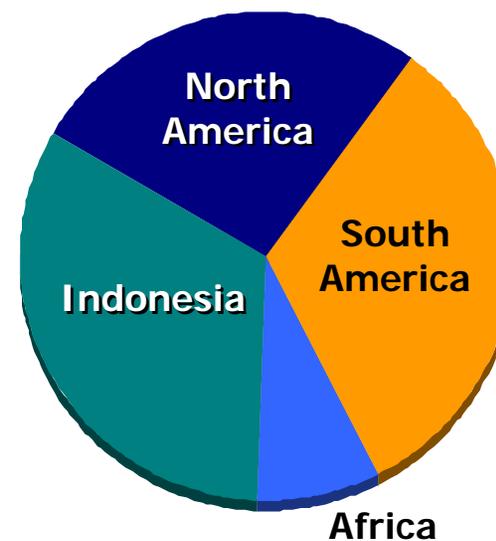
# Preliminary Reserves at 12/31/09

## Consolidated Proven & Probable Reserves

**Core Assets**

	Copper billion lbs	Molybdenum billion lbs	Gold million ozs
<b>Reserves @ 12/31/08</b>	<b>102.0</b>	<b>2.48</b>	<b>40.0</b>
Additions/revisions*	6.3	0.16	(0.1)
Production	(4.1)	(0.05)	(2.7)
Net change	2.2	0.11	(2.8)
<b>Reserves @ 12/31/09</b>	<b>104.2</b>	<b>2.59</b>	<b>37.2</b>
* as % of 2009 production	153%	302%	-7%
<b>Reserves @ 12/31/99</b>	<b>93.2</b>	<b>2.14</b>	<b>51.4</b>
Additions/revisions*	49.7	1.04	11.9
Production	(38.7)	(0.59)	(26.1)
Net change	11.0	0.45	(14.2)
<b>Reserves @ 12/31/09</b>	<b>104.2</b>	<b>2.59</b>	<b>37.2</b>
* as % of production	128%	177%	45%

**12/31/09  
Copper Reserves  
by Geographical Region**



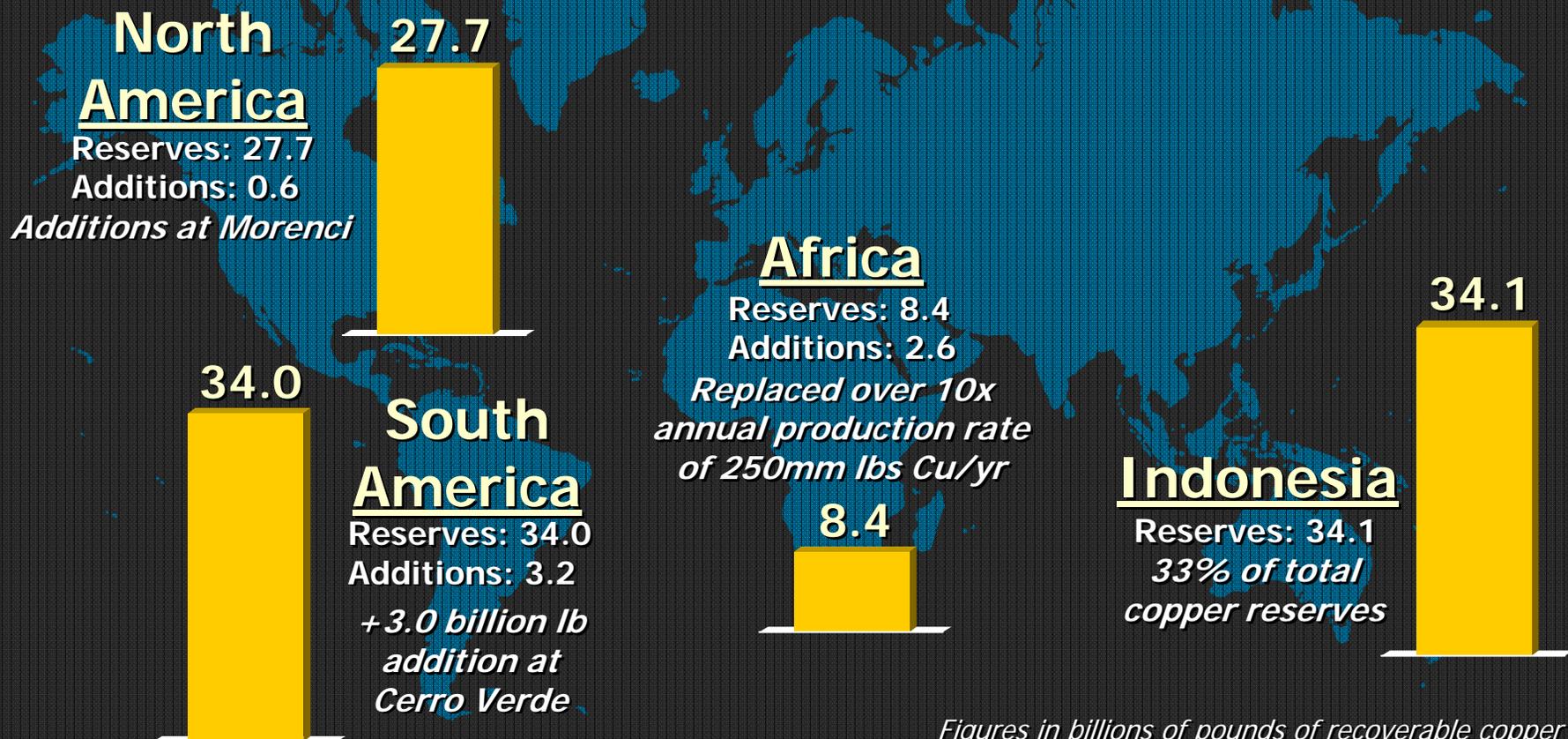
Long-term prices of \$1.60 copper, \$8 molybdenum, and \$550 gold  
Note: Reserves as of 12/31/99 are pro forma

# Core Assets

Core Assets

## Preliminary Consolidated Copper Reserves

**104 billion lbs of Copper Reserves at 12/31/09  
+ 6.3 billion lbs of net additions**

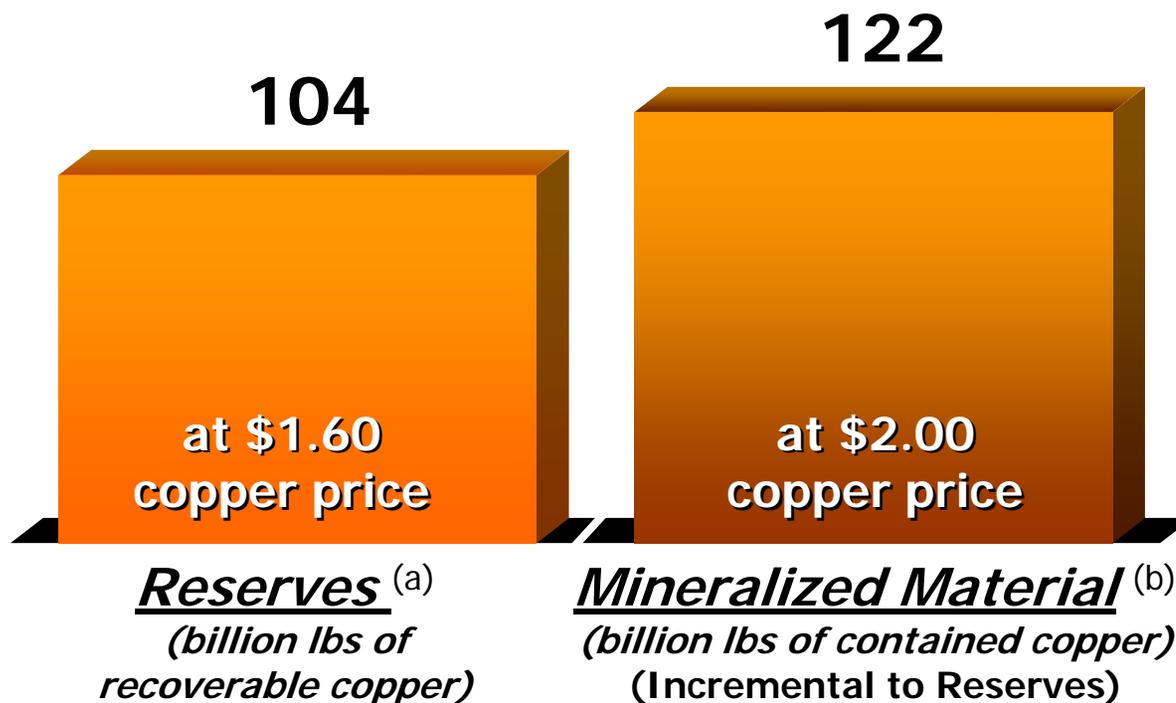


Figures in billions of pounds of recoverable copper

# Copper Reserves & Mineralized Material

*Preliminary Estimates as of 12/31/09*

**Core Assets**

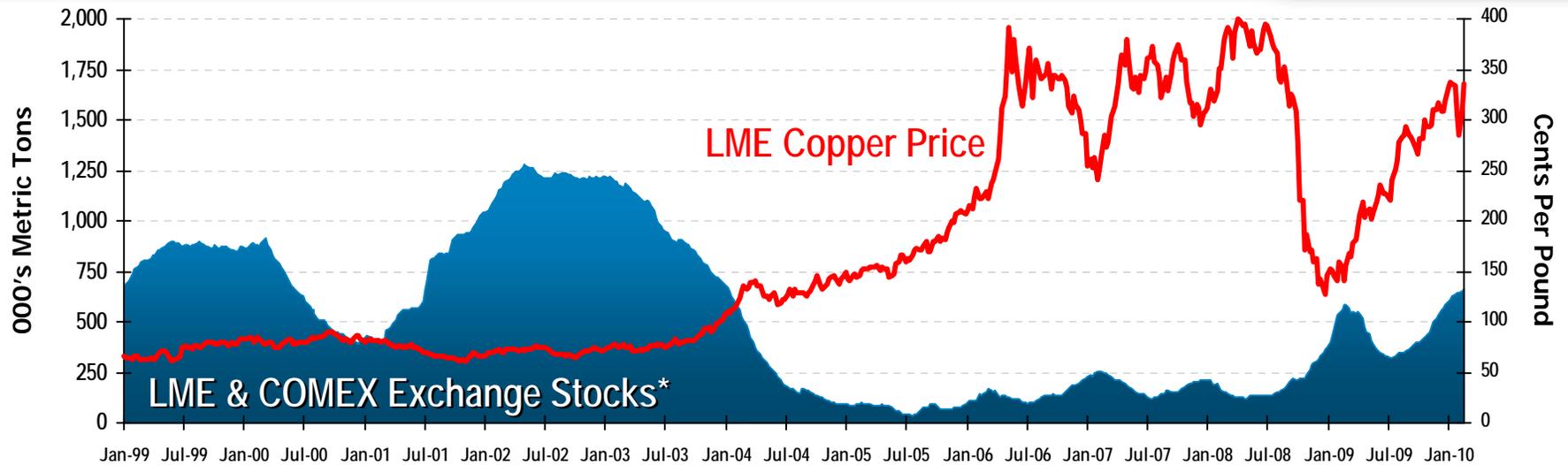


(a) Consolidated copper reserves using a long-term copper price of \$1.60; 83 billion pounds net to FCX's interest

(b) Consolidated copper resources using a long-term copper price of \$2.00. **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. See Cautionary Statement.**

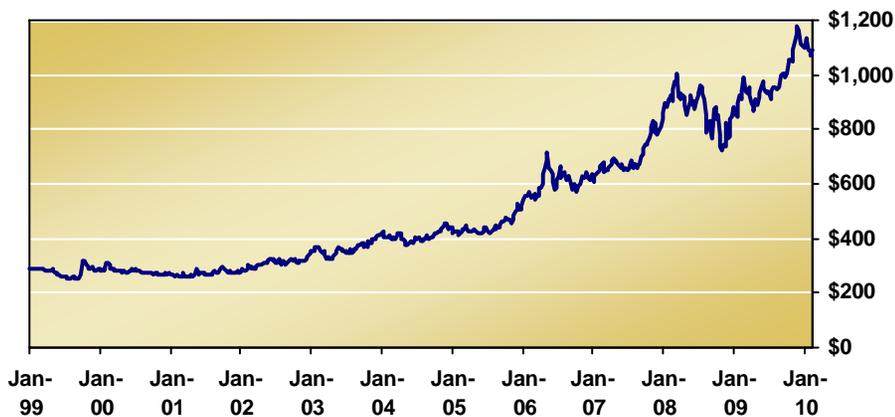
# Markets

**Core Assets**



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

## London Gold Price (\$/oz)



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



\* Metals Week – Molybdenum Dealer Oxide Price

# 2010 Outlook

**Core Assets**

- **Sales Outlook:**
  - *Copper: 3.8 Billion lbs.*
  - *Gold: 1.8 Million ozs.*
  - *Molybdenum: 60 Million lbs.*
  
- **Unit Net Cash Cost <sup>(1)</sup>:**
  - *86¢/lb*
  
- **Operating Cash Flows <sup>(2)</sup>:**
  - *\$5.3 Billion, net of \$0.4 Billion in W/C Uses*
  - *Assumes \$3.25/lb Copper*
  - *Each 10¢/lb Change in Copper = \$260 MM in 2010*
  
- **Capital Expenditures:**
  - *\$1.7 Billion*

*(1) Assumes average prices of \$1,100/oz for gold and \$12/lb for molybdenum in 2010; excludes Africa operations which are continuing start-up activities.*

*(2) Assumes prices of \$1,100/oz gold, and \$12/lb molybdenum in 2010; each \$50/oz change in gold would have an approximate \$50 MM impact, and each \$1.00/lb change in molybdenum would have an approximate \$45 MM impact.*

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

# Development Projects Update

Core Assets

## North America

- Miami Mine Restart
- Morenci Mill Restart



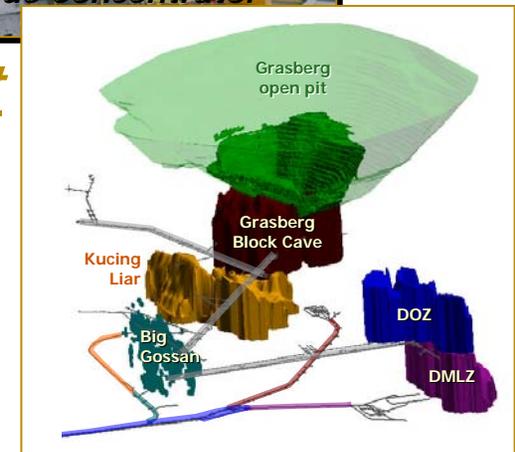
## South America

- El Abra Sulfolix
- Cerro Verde Expansion



## Indonesia – Underground Development

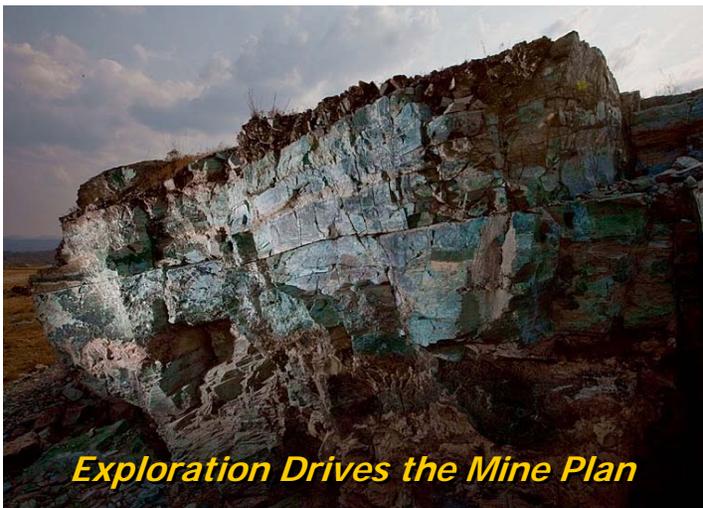
- DOZ Expanded to 80,000 t/d
- Big Gossan mine
- Grasberg Block Cave
- Deep MLZ



# Tenke Fungurume

Core Assets

- Construction activities complete
- Achieved design production rates on Cu; start-up issues on Co circuit continue to be addressed
- At full rates (initial phase), aggregate annual metal of 250MM lbs Cu & 18MM lbs Co
- During 4Q09, sold 64MM lbs Cu & 2MM lbs Co



- Exploration activities continue to support opportunities for future expansion
- Aggregate reserves: 135MM mt at 3.13% Cu & 0.33% Co with 8.4 billion lbs Cu & 0.8 billion lbs Co
- Initiated feasibility study in 4Q09 to evaluate second phase of the project, optimizing current plant and potentially increasing capacity by 50%

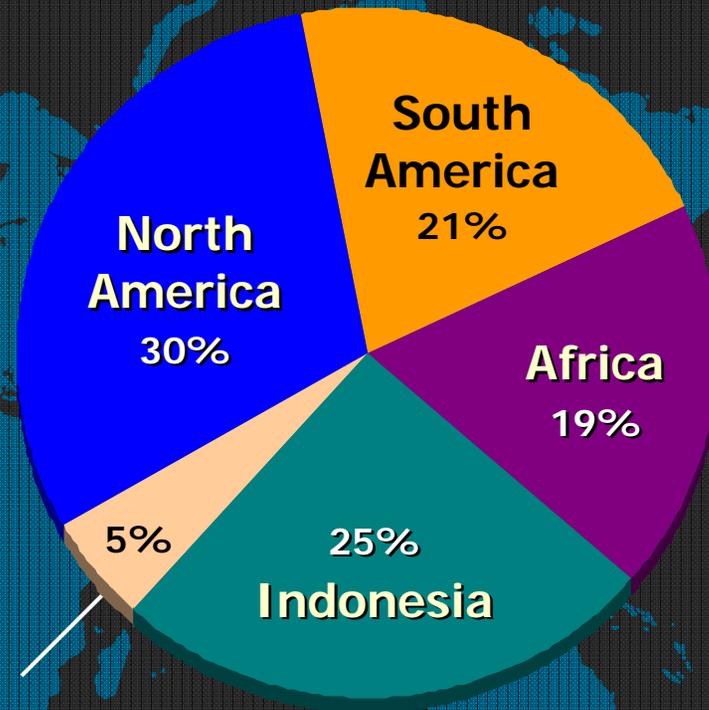
# Core Assets

## Exploration Targets in Major Mineral Districts

Core Assets



Exploration  
in 2010e  
\$100 million

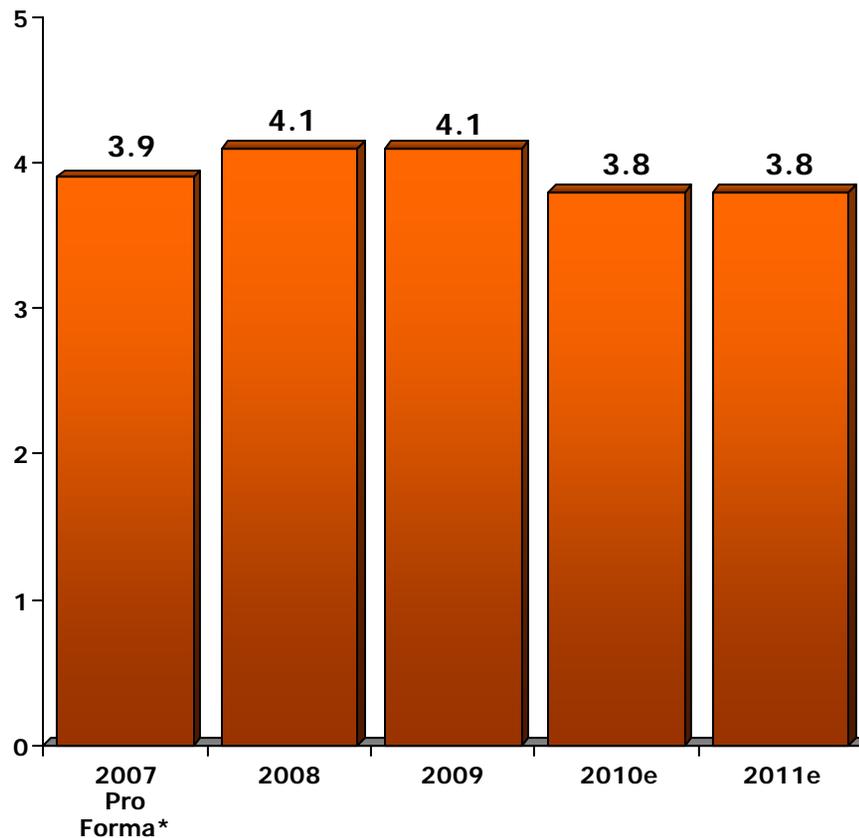


Australasia  
& Other Areas

# Sales Profile 2007 - 2011e

**Core Assets**

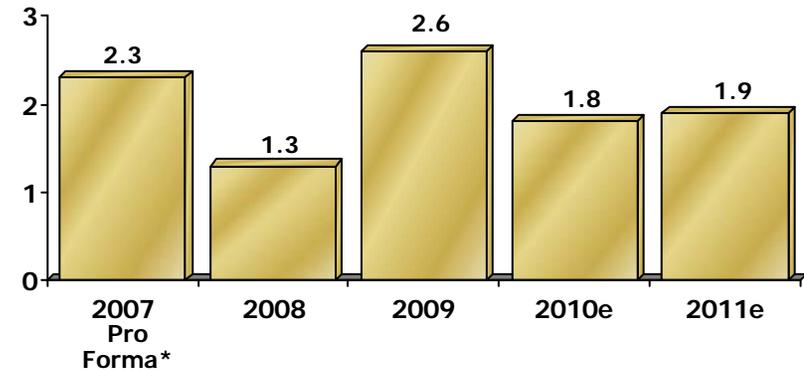
## Copper Sales (billion lbs)



Note: Consolidated copper sales include approximately 647 mm lbs in 2007, 699 mm lbs in 2008, 746 mm lbs in 2009, 725 mm lbs in 2010e and 715 mm lbs in 2011e for noncontrolling interest; excludes purchased copper

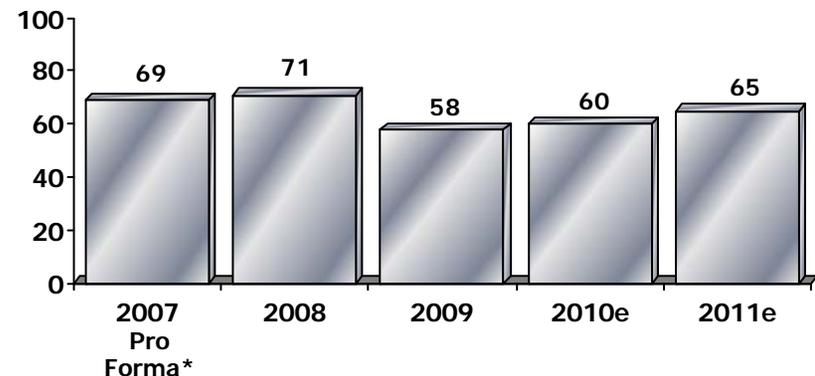
\* 2007 includes pre-acquisition sales of 505 mm lbs of copper, 18 k oz of gold and 17 mm lbs of molybdenum

## Gold Sales (million ozs)



Note: Consolidated gold sales include approximately 228 k oz in 2007, 134 k oz in 2008, 256 k oz in 2009, 180 k oz in 2010e, and 190 k oz in 2011e for noncontrolling interest

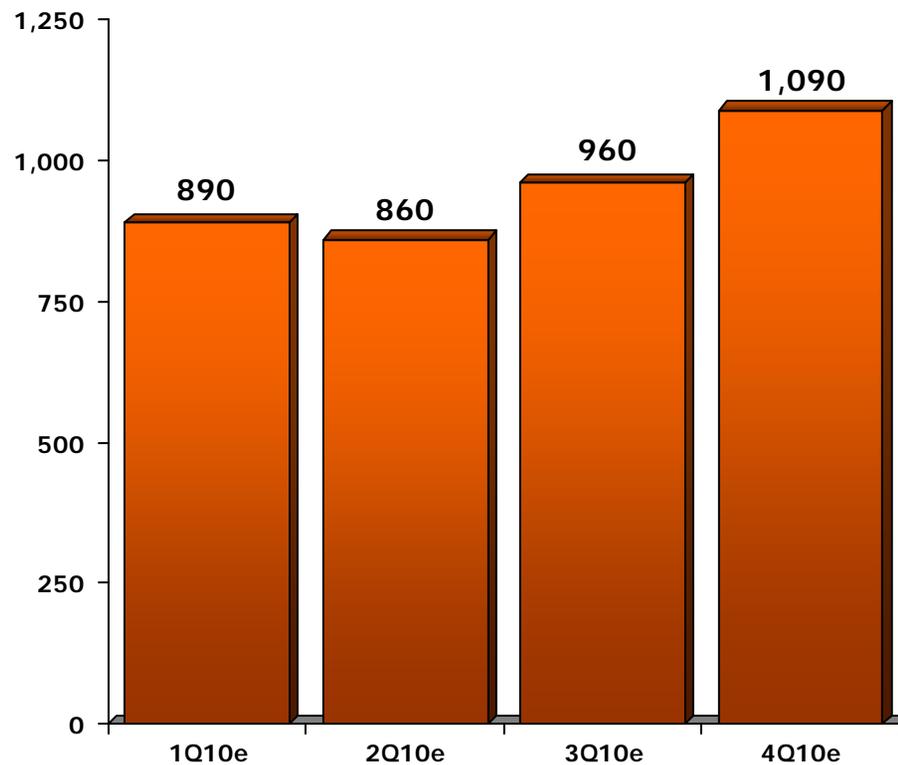
## Molybdenum Sales (million lbs)



e = estimate. See Cautionary Statement.

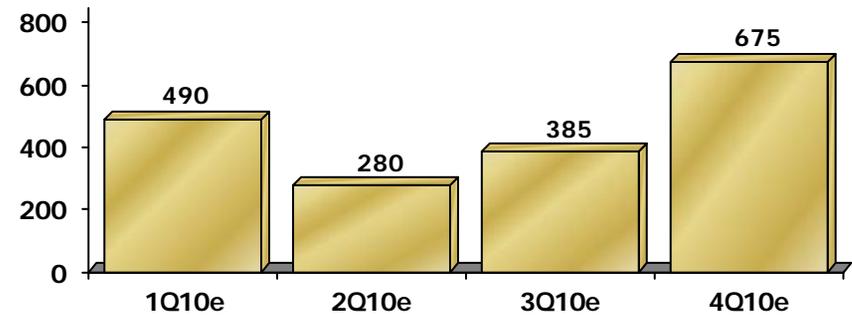
# 2010e Quarterly Payable Metal Sales

Copper Sales (million lbs)



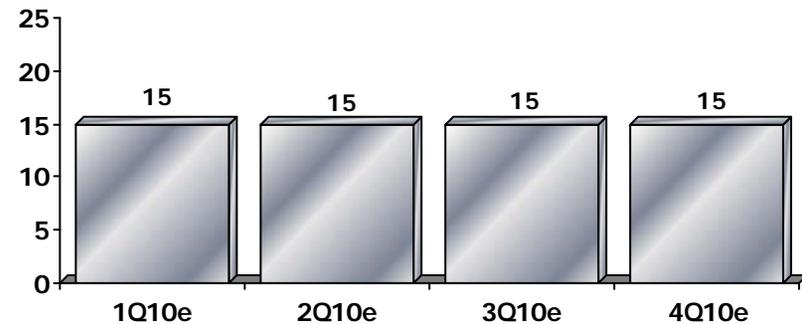
Note: Consolidated copper sales include approximately 175 mm lbs in 1Q10e, 170 mm lbs in 2Q10e, 180 mm lbs in 3Q10e and 200 mm lbs in 4Q10e for noncontrolling interest; excludes purchased copper.

Gold Sales (thousand ozs)



Note: Consolidated gold sales include approximately 50 k oz in 1Q10e, 25 k oz in 2Q10e, 40 k oz in 3Q10e and 65 k oz in 4Q10e for noncontrolling interest.

Molybdenum Sales (million lbs)

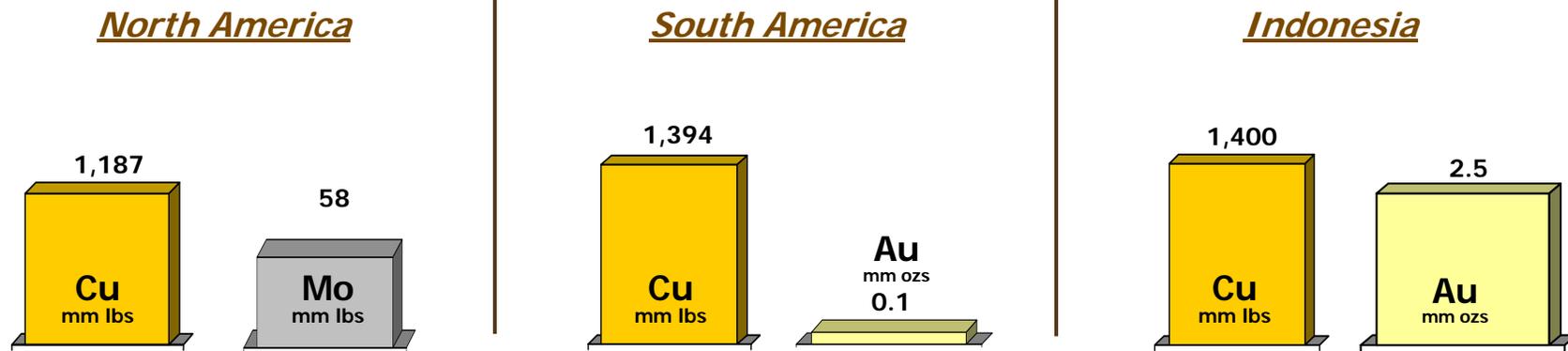


e = estimate. See Cautionary Statement.

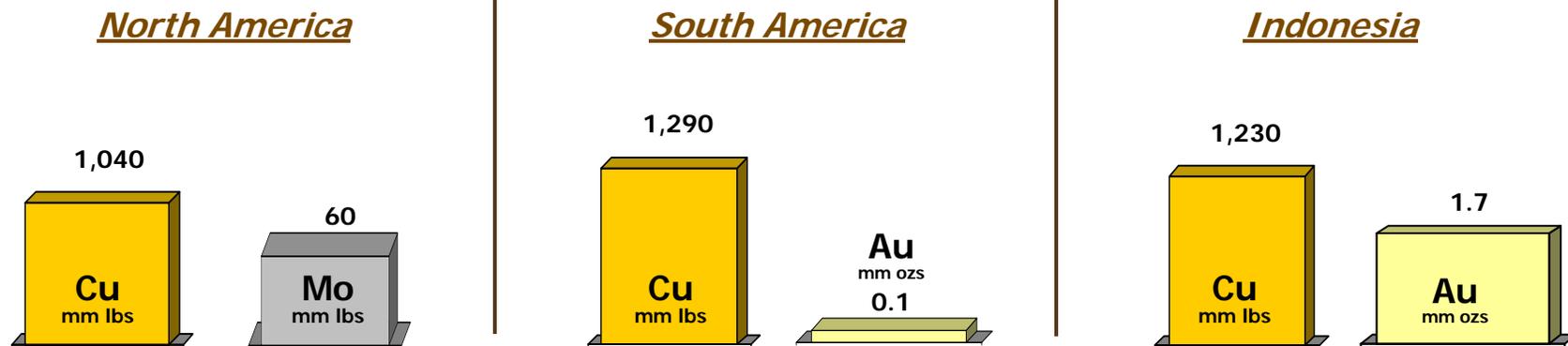
# 2009 and 2010e Sales by Region

**Core Assets**

## 2009 Sales by Region <sup>(1)</sup>



## 2010e Sales by Region <sup>(1)</sup>



*(1) 2009 sales include 130 MM pounds and 2010e sales include 240 MM pounds from Africa.  
Note: e = estimate. See Cautionary Statement.*

# 2009 and 2010e Unit Production Costs by Region



## 2009

(per pound of copper)

### Unit Cash Costs

	North America	South America	Indonesia	Consolidated <sup>(3)</sup>
Site Production & Delivery <sup>(1)</sup>	\$1.25	\$1.08	\$1.05	\$1.12
By-product Credits	(0.23)	(0.11)	(1.86)	(0.77)
Treatment Charges	0.09	0.15	0.22	0.16
Royalties <sup>(1)</sup>	-	-	0.10	0.04
<b>Unit Net Cash Costs</b>	<b>\$1.11</b>	<b>\$1.12</b>	<b>(\$0.49)</b>	<b>\$0.55</b>

## 2010e

(per pound of copper)

### Unit Cash Costs <sup>(2)</sup>

	North America	South America	Indonesia	Consolidated <sup>(3)</sup>
Site Production & Delivery <sup>(1)</sup>	\$1.45	\$1.20	\$1.43	\$1.35
By-product Credits	(0.31)	(0.15)	(1.56)	(0.68)
Treatment Charges	0.09	0.15	0.22	0.15
Royalties <sup>(1)</sup>	-	-	0.12	0.04
<b>Unit Net Cash Costs</b>	<b>\$1.23</b>	<b>\$1.20</b>	<b>\$0.21</b>	<b>\$0.86</b>

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

(2) Estimates assume average prices of \$3.25/lb for copper, \$1,100/oz for gold and \$12/lb for molybdenum for 2010. Quarterly unit costs will vary significantly with variations in quarterly metal sales volumes.

(3) Consolidated amounts exclude Africa operations which are continuing start-up activities.

Note: e = estimate. See Cautionary Statement.

# Reconciliation of Unit Cash Costs Consolidated (excluding Tenke)

**Core Assets**

	<u>¢ per lb of copper</u>
<b>2009</b>	<b>55¢</b>
Grasberg, primarily lower volumes (a)	27
North America (b)	2
South America (c)	2
<b>Total</b>	<u>31</u>
<b>2010e</b>	<u><u>86¢</u></u>

*(a) lower projected sales volumes and higher commodity-based input costs; copper and gold volumes are 12% and 32% lower, respectively*

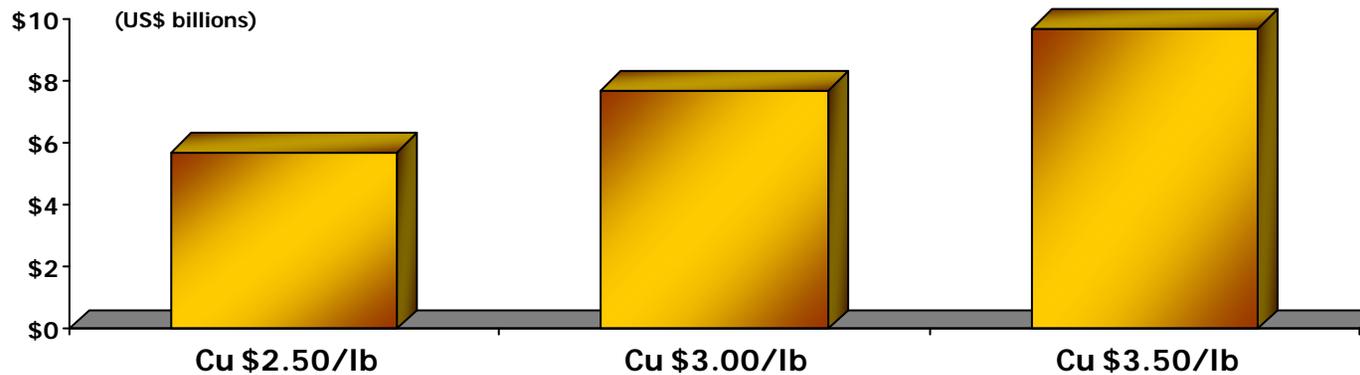
*(b) higher input costs and lower volumes, partly offset by higher molybdenum credits; copper volumes are down 12%*

*(c) lower volumes and the impact of foreign currency exchange rates, partly offset by lower sulphuric acid costs; copper volumes are down 7%*

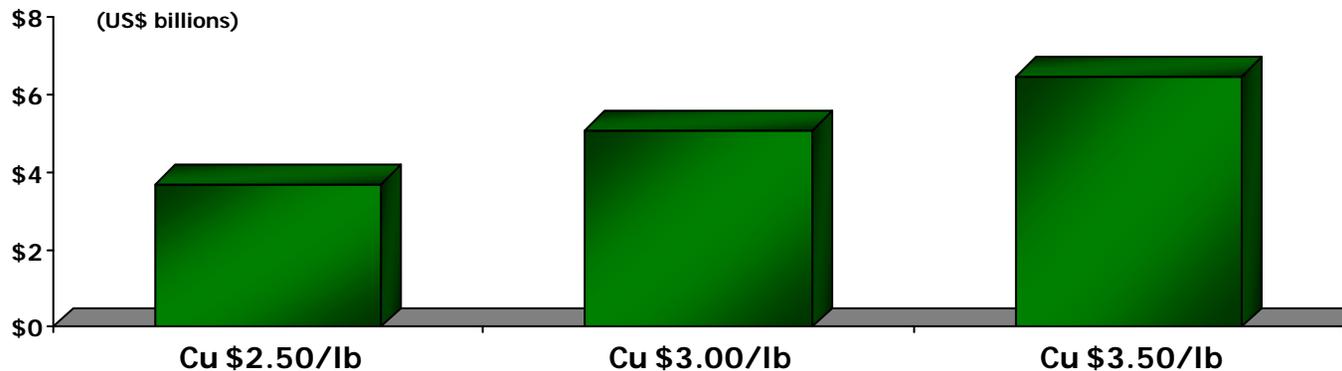
# EBITDA and Cash Flow at Various Copper Prices

Core Assets

**2010e/2011e Average EBITDA**  
(*\$1,000 Gold & \$10 Molybdenum*)



**2010e/2011e Average Operating Cash Flow (excluding Working Capital changes)**  
(*\$1,000 Gold & \$10 Molybdenum*)



*Note: For 2010e/2011e average, each \$50/oz change in gold approximates \$90 million to EBITDA and \$50 million to operating cash flow; each \$2.00/lb change in molybdenum approximates \$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

**Core Assets**

Change	EBITDA	Operating Cash Flow
	<i>(US\$ millions)</i>	
Copper: -/+ \$0.10/lb	\$375	\$260
Molybdenum: -/+ \$1.00/lb	\$55	\$45
Gold: -/+ \$50/ounce	\$90	\$50
Diesel <sup>(1)</sup> : -/+ 10%	\$45	\$30
Purchased Power <sup>(2)</sup> : -/+ 10%	\$40	\$25
Currencies <sup>(3)</sup> : +/- 10%	\$120	\$70

<sup>(1)</sup> \$2.00/gallon base case assumption.

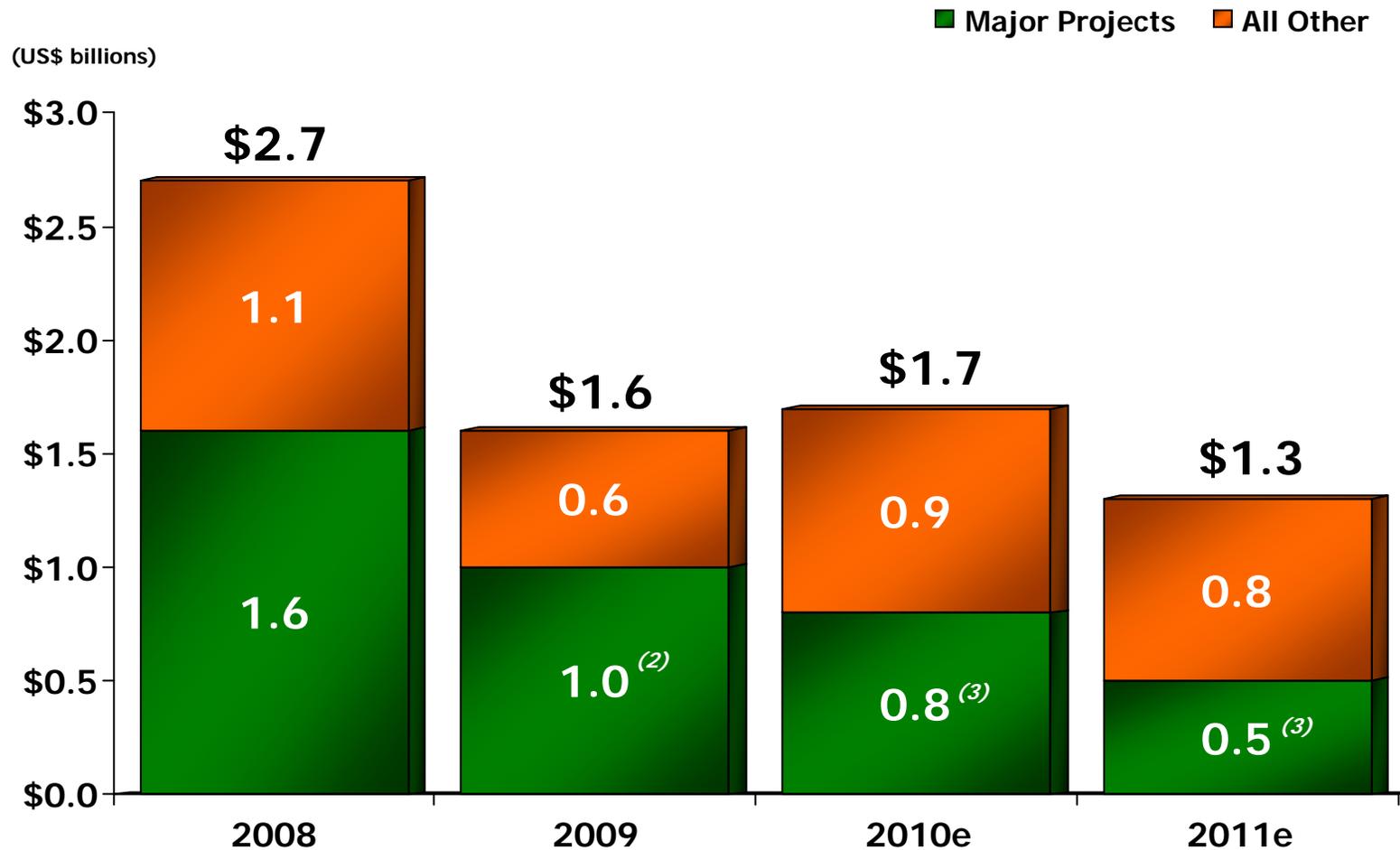
<sup>(2)</sup> 6.7¢/kWh base case assumption.

<sup>(3)</sup> U.S. Dollar Exchange Rates: 500 Chilean peso, 9,500 Indonesian rupiah, \$0.90 Australian dollar, \$1.44 Euro, 3.00 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 2010e/2011e average. Operating cash flow amounts exclude working capital changes. e = estimate. See Cautionary Statement.

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

**Core Assets**



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

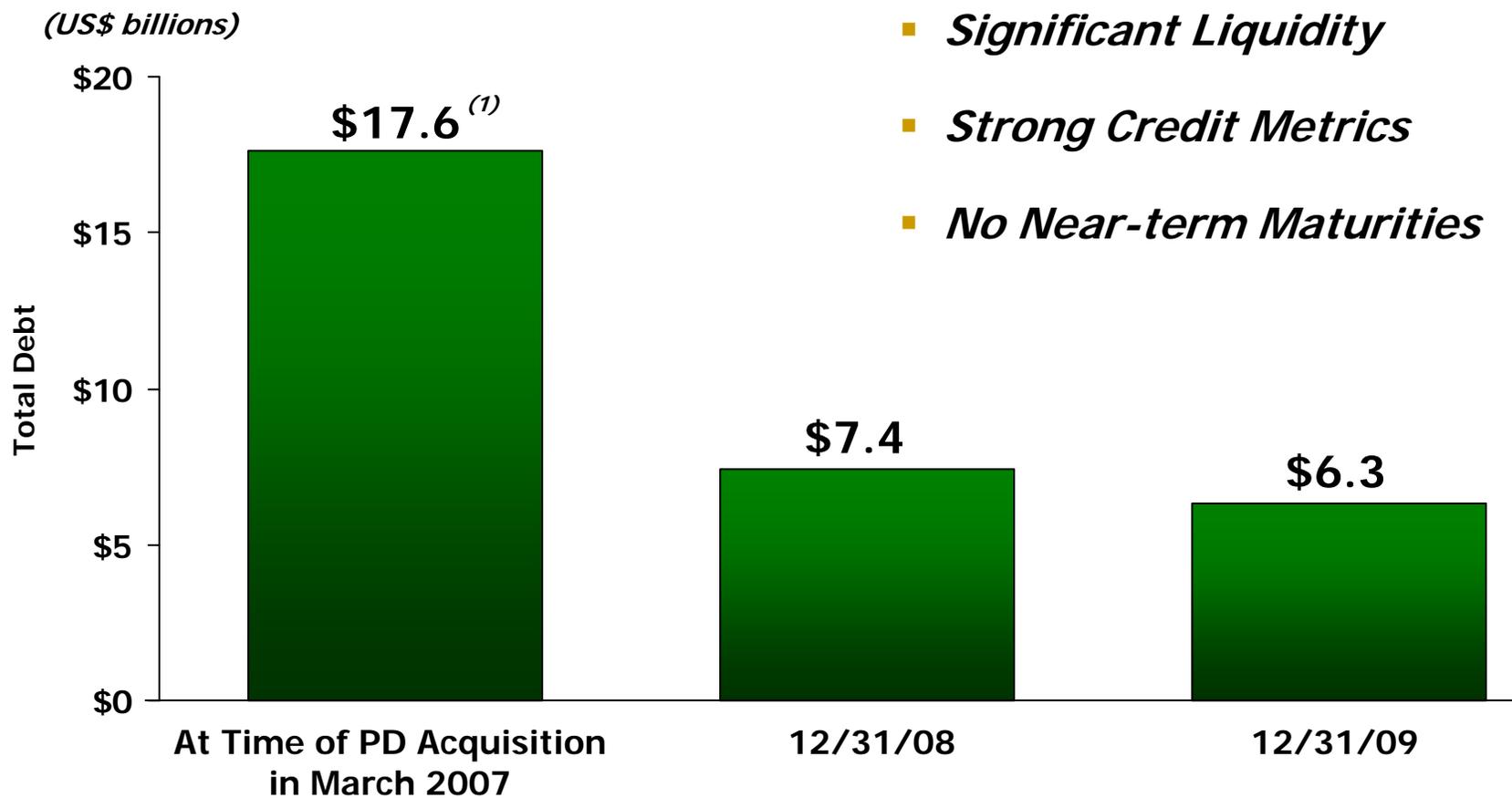
*(2) Includes Tenke development, Grasberg underground development and \$200 MM for property acquisition adjacent to Sierrita.*

*(3) Primarily includes Grasberg underground development and El Abra sulfide.*

*Note: Includes capitalized interest. e = estimate. See Cautionary Statement.*

# Balance Sheet

**Core Assets**



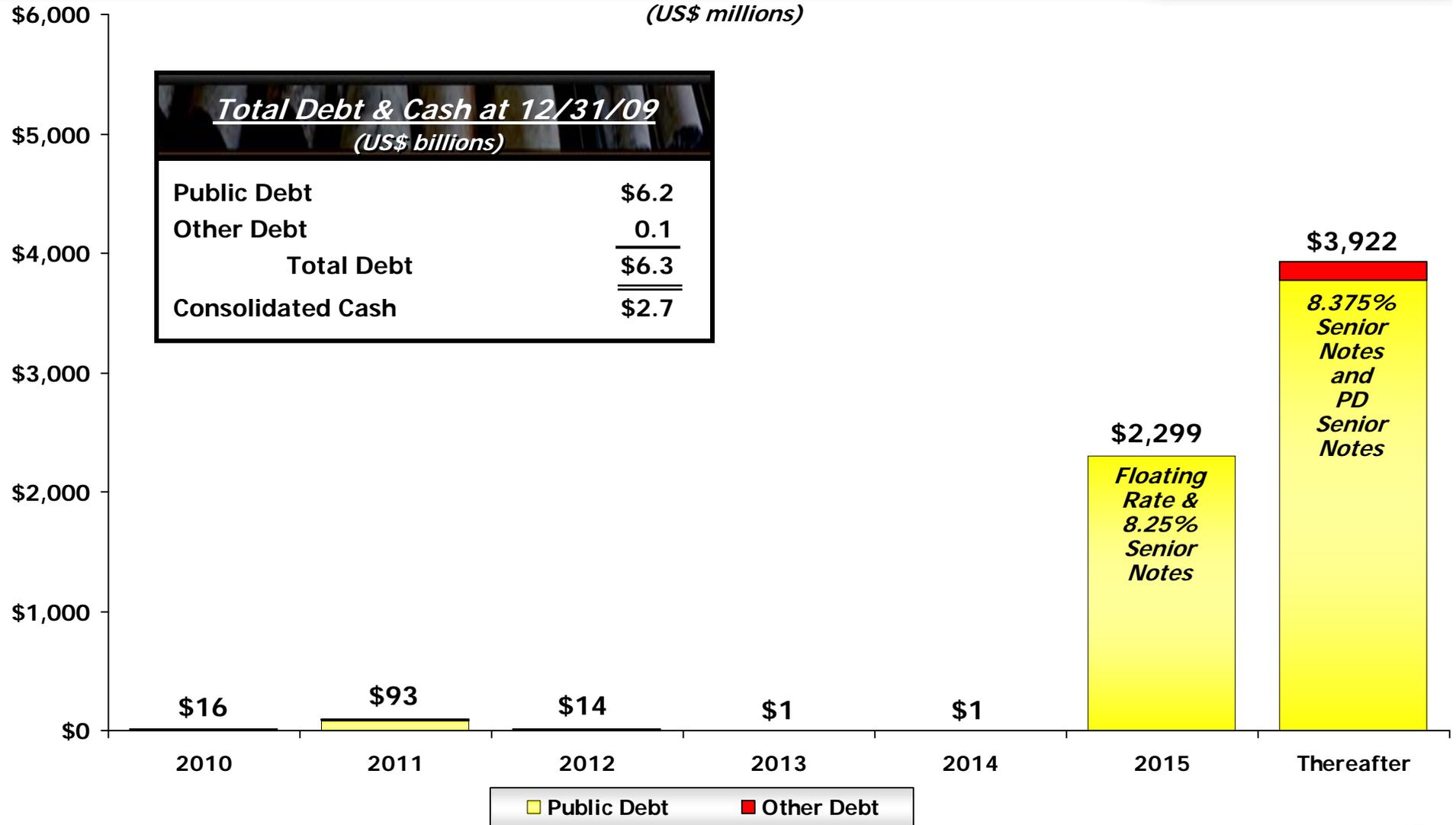
- *Significant Liquidity*
- *Strong Credit Metrics*
- *No Near-term Maturities*

<i>Cash</i>	<i>\$3.4</i>	<i>\$0.9</i>	<i>\$2.7</i>
<i>Net Debt</i>	<i>\$14.2</i>	<i>\$6.5</i>	<i>\$3.7</i>

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

# FCX Debt Maturities 12/31/09

(US\$ millions)



# *Financial Policy*

**Core Assets**

- **Maintain Strong Balance Sheet & Liquidity Position**
- **Aggressive Cost Management**
- **Invest in Attractive Growth Projects as Economic Conditions Warrant**
- **Opportunistic Debt Repayment**
- **Board Action to Reinstate Common Stock Dividend:  
\$0.60/share per annum**
- **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**