FREEPORT MCMORAN COPPER & GOLD INC
Form 424B3
March 19, 2007

Table of Contents

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

Filed Pursuant to Rule 424(b)(3).
Registration Statement File No. 333-140997

Subject to Completion
Preliminary Prospectus Supplement dated March 19, 2007

PROSPECTUS SUPPLEMENT
(To prospectus dated March 1, 2007)

35,000,000 Shares

Freeport-McMoRan Copper & Gold Inc.

Common Stock

We are offering 35,000,000 shares of our common stock.

Our common stock is listed on the New York Stock Exchange under the symbol FCX. On March 16, 2007, the last reported sale price of our common stock on the New York Stock Exchange was $60.71 per share.

Concurrently with this offering of common stock, we are offering 10,000,000 shares of our % mandatory convertible preferred stock (11,500,000 shares if the underwriters exercise their overallotment option in full). The mandatory convertible preferred stock will be offered pursuant to a separate prospectus supplement. This prospectus supplement shall not be deemed an offer to sell or a solicitation of an offer to buy any of our mandatory convertible preferred stock. This offering is not conditioned upon the successful completion of the mandatory convertible preferred stock offering.

Investing in our common stock involves risks. See Risk Factors beginning on page S-16 of this prospectus supplement for more information.

	Per Share	Total
Public offering price	$	$
Underwriting discount	$	$

Proceeds, before expenses, to Freeport-McMoRan Copper & Gold Inc.	$	$

We have granted the underwriters an option for a period of 30 days to purchase up to 5,250,000 additional shares of our common stock at the public offering price less the underwriting discount to cover overallotments.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The shares will be ready for delivery on or about , 2007.

Joint Book-Running Managers

Merrill Lynch & Co. **JPMorgan**

The date of this prospectus supplement is , 2007.

Table of Contents

TABLE OF CONTENTS

Table of Contents

You should rely solely on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information contained or incorporated by reference in this prospectus supplement is accurate only as of the date on the front cover of this prospectus supplement and that the information contained or incorporated by reference in the accompanying prospectus is accurate only as of the date on the front cover of the accompanying prospectus. Our business, financial condition, results of operations and prospects may have changed since that date.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document contains two parts. The first part consists of this prospectus supplement, which describes the specific terms of this offering and the securities offered. The second part, the accompanying prospectus, provides more general information, some of which may not apply to this offering. If the description of the offering varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement.

Before purchasing any securities, you should carefully read both this prospectus supplement and the accompanying prospectus, together with the additional information described under the heading Where You Can Find More Information.

Unless otherwise noted, the information in this prospectus supplement assumes that the underwriters overallotment option to purchase up to an additional 5,250,000 shares of common stock will not be exercised.

INDUSTRY AND OTHER INFORMATION

Unless we indicate otherwise, we base the information concerning the mining industry contained or incorporated by reference in this prospectus supplement and the accompanying prospectus on our general knowledge of and expectations concerning the industry. Our market positions and market shares are based on our estimates using data from various industry sources and assumptions that we believe to be reasonable based on our knowledge of the mining industry. We have not independently verified data from industry sources and cannot guarantee its accuracy or completeness. In addition, we believe that data regarding the mining industry and our market positions and market shares within such industry provide general guidance but are inherently imprecise. Further, our estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed in the Risk Factors section of this prospectus supplement. The information regarding Freeport-McMoRan s reserves as of December 31, 2006, that is contained in this prospectus supplement or the accompanying prospectus, including the documents incorporated by reference herein or therein, has been verified by Independent Mining Consultants, Inc. as experts in mining, geology and reserve determination.

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information contained elsewhere or incorporated by reference in this prospectus supplement. Because this is only a summary, it does not contain all the information that may be important to you. For a more complete understanding of our business and this offering, you should read the entire prospectus supplement and the accompanying prospectus and the documents incorporated herein and therein by reference, including the annual financial statements included elsewhere or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should also carefully consider the matters discussed under Risk Factors.

On March 19, 2007, Freeport-McMoRan Copper & Gold Inc. acquired Phelps Dodge Corporation (the acquisition). In this prospectus supplement, we refer to the issuance of the 8.25% senior notes due 2015, the 8.375% senior notes due 2017 and the senior floating rate notes due 2015 (the notes) and the borrowings under the new senior credit facilities as the financing and the acquisition and the related transactions, including the financing, as the transactions.

Except as otherwise described herein or the context otherwise requires, all references to (i) the combined company, we, us, our and ours in this prospectus supplement mean Freeport-McMoRan Copper & Gold Inc. and all entities owned or controlled by Freeport-McMoRan Copper & Gold Inc. (including Phelps Dodge Corporation and its subsidiaries on a pro forma basis after giving effect to the acquisition of Phelps Dodge by Freeport-McMoRan and the other transactions described herein), (ii) Freeport-McMoRan refer to Freeport-McMoRan Copper & Gold Inc. and its subsidiaries prior to the acquisition and (iii) Phelps Dodge refer to Phelps Dodge Corporation and its subsidiaries.

Overview

Freeport-McMoRan Copper & Gold Inc. is one of the world s largest producers of copper and gold. Freeport-McMoRan s Grasberg minerals district in Papua, Indonesia contains the world s single largest copper reserve and the world s single largest gold reserve. Phelps Dodge Corporation is one of the world s leading producers of copper and molybdenum. Phelps Dodge has mines in operation or under development in North and South America, and Africa, including the Tenke Fungurume development project in the Democratic Republic of Congo.

On March 19, 2007, Freeport-McMoRan acquired Phelps Dodge for approximately $26 billion in cash and stock, based on Freeport-McMoRan s closing stock price on November 17, 2006, creating one of the world s largest publicly-traded copper companies and one of North America s largest mining companies. Freeport-McMoRan will use the proceeds from this offering to repay outstanding indebtedness incurred in connection with the acquisition.

Acquisition Rationale

The combination of Freeport-McMoRan and Phelps Dodge will dramatically expand Freeport-McMoRan s operations, reserves and project pipeline, while diversifying both its geographic and commodity portfolio. The significant benefits of the acquisition include:

- our increased scale of operations, management depth and strengthened cash flows will provide an improved platform from which to capitalize on growth opportunities in the global market;
- we will be well-positioned to benefit from the positive copper market at a time when there is a scarcity of large-scale copper development projects combined with strong global demand for copper;

we will have long-lived, geographically diverse ore reserves totaling 77.2 billion pounds of copper, 38.3 million ounces of gold and 1.8 billion pounds of molybdenum, net of minority interests of all joint venture partners and minority owners;

we expect to generate strong cash flows, which will strengthen our financial profile;

Table of Contents

our future growth will be supported by a project pipeline with the potential to add nearly one billion pounds of copper production capacity on a consolidated basis by the end of 2009; and

we will have exploration rights with significant potential in copper regions around the world, including Freeport-McMoRan s prospective acreage in Papua, Indonesia, and Phelps Dodge s opportunities at its Tenke Fungurume concessions in the Democratic Republic of Congo.

Our Business

The combined company will be a new industry leader with large, long-lived, geographically diverse assets and significant proven and probable reserves of copper, gold and molybdenum. For the year ended December 31, 2006, on a pro forma basis giving effect to the transactions, the combined company s revenues totaled $17.7 billion.

The combined company will have significant, geographically diverse ore reserves. At December 31, 2006, on a pro forma basis after giving effect to the transactions, the combined company s ore reserves on a consolidated basis totaled 93.6 billion pounds of copper, 42.4 million ounces of gold and 2.0 billion pounds of molybdenum, and the combined company s equity share of those ore reserves, net of the interests of all joint venture partners and minority owners, totaled 77.2 billion pounds of copper, 38.3 million ounces of gold and 1.8 billion pounds of molybdenum. The combined company s mines will have lives ranging from 6 years to 37 years based on current ore reserves and mine plans. The combined company s consolidated implied reserve lives, calculated by dividing ore reserves by estimated production rates, will be 21 years for copper, 22 years for gold and 25 years for molybdenum. The charts below illustrate the composition and diversity of the combined company s portfolio by geography and commodity:

Freeport-McMoRan conducts its operations primarily through its principal operating subsidiaries, PT Freeport Indonesia and Atlantic Copper, S.A., which operates a copper smelter and refinery in Huelva, Spain. In addition, Freeport-McMoRan holds exploration rights covering approximately 2.2 million acres in Papua, Indonesia. PT Freeport Indonesia s operations in Papua, Indonesia, involve mineral exploration and development, mining and milling of ore containing copper, gold and silver and the worldwide marketing of concentrates containing those metals. PT Freeport Indonesia s principal asset is the world-class Grasberg mine discovered in 1988. The Grasberg minerals district contains the world s largest single copper reserve and world s largest single gold reserve. PT Freeport Indonesia is also a 25 percent owner of PT Smelting, which operates a copper smelter and refinery in Gresik, Indonesia.

Phelps Dodge conducts its operations primarily through its two divisions, Phelps Dodge Mining Company (PDMC) and Phelps Dodge Industries (PDI). PDMC is a fully integrated producer of copper and molybdenum, with mines and processing facilities in North America, South America and Europe and processing capabilities for other minerals as by-products, such as gold, silver and rhenium. PDI consists of Phelps Dodge Wire and Cable, which manufactures engineered products principally for the global energy sector.

Competitive Strengths

Geographically diverse asset base. The combined company will have a geographically diverse portfolio of assets across four continents, which produce copper, gold and molybdenum for global sale and consumption. The combined company will have 15 mines in operation located in Chile, Indonesia, Peru and the United States and scheduled development projects in North and South America, Asia and Africa. On a pro forma basis after giving effect to the transactions, 38 percent of total 2006 mining revenues of $12.9 billion were generated from Indonesia, 35 percent from North America, 22 percent from Chile and 5 percent from Peru. While the combined company will derive the majority of its revenues from copper (78 percent of 2006 mining revenues on a pro forma basis after giving effect to the transactions), gold and molybdenum each represent important pieces of the production profile, representing 10 percent and 12 percent of 2006 mining revenues, respectively, on a pro forma basis after giving effect to the transactions. We believe the scope of operations and diversification should enable the combined company to perform well throughout periods of volatile commodity prices and demand fluctuations.

Strong production and long-lived ore reserves. We believe that the combined company s geographically diverse asset base is characterized by large scale production, long reserve lives and strong future growth opportunities. The table below reflects our consolidated and net reserves and production.

	Consolidated	Net Interest[a]
Production for year ended December 31, 2006:		
Copper (billion pounds)	3.6	3.1
Gold (million ounces)	1.8	1.7
Molybdenum (million pounds)	68.2	68.2
Ore reserves as of December 31, 2006:		
Copper (billion pounds)	93.6	77.2
Gold (million ounces)	42.4	38.3
Molybdenum (billion pounds)	2.0	1.8
Copper reserves as of December 31, 2006 by geographical region (billion pounds):		
Indonesia	38.8	35.2
United States	24.8	24.8
Chile	10.0	6.4
Peru	15.5	8.3
Democratic Republic of Congo	4.5	2.6
Implied ore reserve life (years)[b]:		
Copper	21	21
Gold	22	22
Molybdenum	25	25

(a) Reflects the combined company s equity share, net of the interests of all joint venture partners and minority owners.

(b) Calculated by dividing ore reserves by estimated production rates.

Attractive project pipeline. We believe that the combined company will have significant potential for growth through the development of its existing asset base, including replacing production at existing mines that would otherwise be depleted. The combined company has a number of projects that we believe will add nearly one billion pounds of copper production capacity on a consolidated basis by the end of 2009.

The Tenke Fungurume development project is considered to be one of the largest, highest grade, undeveloped copper/cobalt concessions in the world today, which we expect will commence production by early 2009. Initial production rates are expected to be approximately 250 million pounds of copper and 18 million pounds of cobalt on a consolidated basis. The Safford, Arizona project is currently under

Table of Contents

construction and is expected to be in production during the first half of 2008 and to initially produce approximately 240 million pounds of copper per year on a consolidated basis.

In South America, the combined company will have two mines with significant development potential: Cerro Verde and El Abra. Cerro Verde, in Peru, has recently been expanded and has the capacity to initially produce approximately 430 million pounds of additional copper per year on a consolidated basis. El Abra, in Chile, has completed a feasibility study for developing its sulfide ore reserves to produce approximately 325 million pounds of copper per year on a consolidated basis for approximately 10 years beginning as early as 2010.

Significant exploration potential. The combined company will have exploration rights with significant potential in copper regions around the world. Two of the key exploration areas are Freeport-McMoRan s 2.2 million acres in Papua, Indonesia, and Phelps Dodge s opportunities at its Tenke Fungurume development project in the Democratic Republic of Congo. The Papua acreage is located in highly prospective areas that we believe have the potential for major mine developments in the future. In recent years, exploration in Papua was suspended, but Freeport-McMoRan plans to resume exploration activities in certain prospective areas during 2007. See Risk Factors Risks Related to Freeport-McMoRan s Business Any suspension of required activities under Freeport-McMoRan s Contracts of Work requires the consent of the Indonesian government. The Tenke Fungurume copper/cobalt deposits are located within four concessions totaling approximately 394,000 acres of mining claims. Substantial portions of these concessions have had only limited historical exploration and a major target definition and drilling program is now under way in this high potential copper/cobalt region.

Experienced management team. The combined company will have a highly experienced management team with a successful track record for finding and developing reserves and effectively managing large-scale operations. The team will include a combination of Freeport-McMoRan and Phelps Dodge management and will be complemented by a strong operating team with extensive mining experience.

Strategy

Continue to maximize free cash flows. Freeport-McMoRan and Phelps Dodge have proven track records for generating significant cash flows. We will continue to maintain active programs to improve efficiencies throughout the combined company s mining operations in order to optimize production.

Actively pursue project pipeline and exploration. We manage our business to maximize the long-term value of our mineral deposits. We have been disciplined in managing and evaluating potentially attractive capital investments. The combined company will have significant potential for growth through the development of its existing asset base and exploration, which we plan to actively develop to grow our production and ore reserves.

Strengthen our financial profile. Strong cash flows have allowed both Freeport-McMoRan and Phelps Dodge to significantly reduce indebtedness over the past several years. We plan to continue to use available cash flows to reduce indebtedness of the combined company. In addition, we will consider possible opportunities to reduce debt of the combined company through potential asset sales. While copper, gold and molybdenum prices will play a significant role in determining the extent of the combined company s free cash flows, we will continue to strengthen our financial profile as well as maximize the cash flows from our ore bodies through initiatives to increase production and aggressively manage costs.

Industry Overview

Copper

Copper is an internationally traded commodity, and its price is effectively determined by the major metals exchanges the New York Commodity Exchange (COMEX), the London Metal Exchange (LME) and the Shanghai Futures Exchange (SHFE). Prices on these exchanges generally reflect the worldwide balance of copper supply and demand, but also are influenced significantly, from time to time, by speculative actions and by currency exchange rates.

Table of Contents

Copper s physical attributes include superior electrical conductivity, corrosion resistance, structural capability, efficient heat transfer and aesthetics. Other materials that compete with copper include aluminum, plastics, stainless steel and fiber optics. Despite recent higher prices, substitution of competing materials has been modest because it is difficult to duplicate copper s unique characteristics.

Copper is a critical component of the world s infrastructure. The demand for copper ultimately reflects the rate of underlying world economic growth, particularly in industrial production and construction. Copper s end-use markets reflect its fundamental role in the world economy. Copper s end-use markets (and their estimated shares of total consumption based on Brook Hunt s estimate of 2006 Western world copper consumption) are (a) construction (38 percent), (b) electrical applications (28 percent), (c) industrial machinery (13 percent), (d) transportation (11 percent) and (e) consumer products (10 percent). Since 1990, refined copper consumption grew by an estimated compound annual growth rate of 3.1 percent to 17.6 million tons in 2006, according to published 1990 data by the World Bureau of Metals Statistics (WBMS) and our estimates for 2006. This rate of increase was slightly higher than the growth rate of 2.9 percent for world industrial production over the same period. Asian copper consumption, led by China, has been particularly strong, increasing by a compound annual rate of approximately 6 percent from 1990. Asia now represents approximately half of the world s refined copper consumption, compared with approximately 22 percent for Western Europe and approximately 20 percent for the Americas.

From 1990 through 2006, refined copper production has grown at an average annual rate of approximately 3 percent, based on published 1990 data by the WBMS and our estimates for 2006. Absent major new discoveries of copper reserves, which have been rare in the last decade, the industry is expected to face the challenge of depleting reserves going forward. While a number of expansion projects are currently being pursued, development of major new mines requires long lead times as a result of, among other things, technical challenges, limited availability of equipment and experienced operators and political and regulatory issues.

Copper consumption is closely associated with industrial production and, therefore, tends to follow economic cycles. During an expansion, demand for copper tends to increase thereby driving up the price. As a result, copper prices are volatile and cyclical. During the past 15 years, the LME price of copper averaged $1.13 per pound and ranged from a high annual average price of $3.05 per pound in 2006 to a low annual average price of $0.71 per pound in 2002. In addition, during the past 15 years, the COMEX price of copper averaged $1.14 per pound, and has ranged from a high annual average price of $3.09 per pound in 2006 to a low annual average price of $0.72 per pound in 2002. The closing 3-month LME and active-month COMEX copper prices on March 15, 2007 were $2.98 per pound and $2.99 per pound, respectively.

Gold

Gold continues to represent a significant portion of the international reserve assets for most national central banks. Due to its value as a currency and historical monetary role, investment demand has played a significantly larger role in determining the gold price than market fundamentals.

During 2006, the relative weakness in the U.S. dollar, a low global interest rate environment, global political instability and the establishment of exchange-traded funds all contributed to increased investment demand for gold. Jewelry is the largest single component of gold usage, comprising approximately 67 percent of 2006 demand in dollar terms, according to the World Gold Council. In 2006 demand for jewelry reached a new record in dollar terms, while demand for gold in electronics and dental applications rose to a new volume record. Despite an approximate 10 percent decline in total volume demand in 2006, total dollar demand for gold reached a new record, increasing by approximately 22 percent over 2005.

Gold supply is comprised of mine production, gold scrap and central bank sales. According to World Gold Council data, global mine production, net of producer hedging, accounted for approximately 60 percent of total gold supply. Gold scrap is the second-largest source of gold, providing approximately 30 percent of 2006 supply. The remainder of gold supply comes from central bank sales. The total gold supply in terms of volume declined by 13 percent in 2006 according to the World Gold Council. A decrease in central banks sales accounted for a majority of the supply decrease. Mine supply fell approximately 2 percent in 2006, and has remained flat over the past three years due to a lack of new large-scale gold mining projects.

Investment demand and record gold jewelry and industrial demand, combined with constrained supply, created a favorable gold price environment in 2006. The average gold price of $604 per ounce in the 2006 London spot market represents a 36 percent increase over the 2005 average price of $444 per ounce. Gold hit a 26-year high of $726 per ounce in mid-May 2006. The closing London PM Fix gold spot price on March 15, 2007 was $648.50 per ounce.

Molybdenum

Molybdic oxide, derived from molybdenum, is used primarily in the steel industry for corrosion resistance, strengthening and heat resistance. Molybdenum chemicals are used in a number of diverse applications such as lubricants, additives for water treatment, feedstock for the production of pure molybdenum metal and catalysts used for petroleum refining. Pure molybdenum metal powder products are used in a number of diverse applications, such as lighting, electronics, and specialty steel alloys.

Molybdenum demand is heavily dependent on the worldwide steel industry, which comprises approximately 80 percent of molybdenum demand. The balance is used in specialty chemical applications. There are no terminal exchanges or forward markets for molybdenum products.

The metallurgical market for molybdenum is characterized by cyclical and volatile prices, little product differentiation and strong competition. The chemical market is more diverse and contains more specialty products and segments. In both markets, prices are influenced by, among other things, production costs of domestic and foreign competitors, worldwide economic conditions, world and regional supply/demand balances, inventory levels, governmental regulatory actions and currency exchange rates. Molybdenum prices also are affected by the demand for end-use products in, for example, the construction, transportation and durable goods markets. A substantial portion of world molybdenum is produced as a by-product of copper mining, which is relatively insensitive to molybdenum price levels. Materials that compete with molybdenum include other metals and alloys, graphite and plastics, depending upon the application. Despite recent high prices, substitution of competing materials has been modest for the metallurgical segment. Certain chemical segments have experienced some substitution, however, it has not significantly impacted overall chemical demand.

During 2006, primary mine production increased in both North America and China, although production in China remains difficult to estimate. By-product molybdenum production decreased from 2005 levels primarily due to lower production in South America. Tight supplies of Western, high-quality materials continued throughout the first half of 2006, but eased in the second half as demand slowed in the metallurgical segment. Western roaster capacity constraints were reduced in 2006 as increased capacity was realized and by-product supply decreased. Overall, market fundamentals shifted from a supply deficit in the first half of 2006 to a slight surplus late in the year, with the overall year being relatively balanced.

During the past 15 years, *Metals Week* molybdenum Dealer Oxide prices have ranged from a high of $40.00 per pound to a low of $1.82 per pound. In 2006, the *Metals Week* molybdenum Dealer Oxide mean price decreased 22 percent from the 2005 mean price of $31.73 per pound to $24.75 per pound. Although price levels were lower than those experienced in 2005, 2006 molybdenum prices remained at historically high levels. Strong demand, which has outpaced supply over the past several years, has continued and inventory levels throughout the industry remain low. The *Metals Week* molybdenum Dealer Oxide price on March 12, 2007 was $28.00 per pound.

The Transactions

Freeport-McMoRan acquired Phelps Dodge on March 19, 2007. At the effective time of the acquisition, each issued and outstanding Phelps Dodge common share was converted into the right to receive a combination of 0.67 of a share of Freeport-McMoRan common stock and $88.00 in cash, without interest. At the effective time of the acquisition, Freeport-McMoRan shareholders owned approximately 59 percent of the combined company (62 percent on a fully diluted basis) and former Phelps Dodge shareholders owned approximately 41 percent of the combined company (38 percent on a fully diluted basis). Following the acquisition, Phelps Dodge continued as a surviving corporation and became a wholly owned subsidiary of Freeport-McMoRan; accordingly, Phelps Dodge shares are no longer publicly traded.

Freeport-McMoRan had cash requirements of approximately $18,500 million in connection with the acquisition, including the cash consideration of the acquisition and transaction costs. In order to finance a portion of these cash requirements, the following financing transactions occurred in connection with the closing of the acquisition:

borrowings under a new $11,500 million senior credit facility, consisting of a $1,500 million revolving credit facility (which refers to our new $1,000 million revolving credit facility and our amended and restated $500 million revolving credit facility), a $2,500 million five-year Tranche A term loan facility and a $7,500 million seven-year Tranche B term loan facility; and

the issuance of $6.0 billion in aggregate principal amount of the notes offered by our prospectus supplement dated March 14, 2007.

The remainder of the cash requirements were met from cash available at Freeport-McMoRan and Phelps Dodge.

Sources and Uses

The table below sets forth the estimated sources and uses for the transactions based on balances as of December 31, 2006:

Sources of Funds	**Amount**	**Uses of Funds**	**Amount**
	(Dollars in millions)		
Cash	$ 2,500.0	Equity purchased[(c)]	$ 25,791.0
New revolving credit facility[(a)]		Estimated fees and expenses[(d)]	500.0
New Tranche A term loan facility	2,500.0		
New Tranche B term loan facility	7,500.0		
8.375% senior notes due 2017	3,500.0		
8.25% senior notes due 2015	1,500.0		
Senior floating rate notes due 2015	1,000.0		
Additional common equity[(b)]	7,791.0		
Total sources	$ 26,291.0	Total uses	$ 26,291.0

(a) Our availability under our revolving credit facility is approximately $1,400.0 million as of the closing of the transactions after giving effect to outstanding letters of credit. Going forward, we may be required to issue additional letters of credit in connection with financial assurances with respect to our reclamation obligations. See Risk Factors Risks Related to Phelps Dodge s Business Mine closure regulations may impose substantial costs.

(b) Reflects the fair value of Freeport-McMoRan common stock issued to Phelps Dodge shareholders as a result of the acquisition calculated by using the weighted average market price of Freeport-McMoRan common stock from November 16, 2006 to November 21, 2006 multiplied by the estimated shares of Freeport-McMoRan stock issued to Phelps Dodge shareholders.

(c) Based on the weighted average market price of Freeport-McMoRan common stock from November 16, 2006 to November 21, 2006, the cash consideration paid in the acquisition, and the estimated Phelps Dodge common shares outstanding and issuable at December 31, 2006.

(d) Reflects our estimate of fees and expenses associated with the transactions, including financing fees, estimated change of control costs and related employee benefits and other transaction costs and professional fees.

Table of Contents

Corporate Structure

Under the terms of the transactions, a wholly owned subsidiary of Freeport-McMoRan merged into Phelps Dodge. Phelps Dodge was the surviving corporation and became a wholly owned subsidiary of Freeport-McMoRan. The diagram below shows a summary of the corporate structure of the combined company.

Recent Developments

Pending class actions. On November 22, December 12 and December 14, 2006, putative class actions were filed on behalf of Phelps Dodge shareholders in Arizona state court, New York state court and Arizona state court, respectively. The class actions allege breaches of fiduciary duties by the Phelps Dodge board of directors in connection with the acquisition. The complaints allege, among other things, that the named defendants engaged in self-dealing, obtained for themselves personal benefits not shared equally by Phelps Dodge shareholders and failed to disclose all material information concerning the acquisition to Phelps Dodge shareholders. One of these complaints names Freeport-McMoRan as a defendant and alleges that Freeport-McMoRan aided and abetted such alleged violations of fiduciary duties. The plaintiffs seek, among other things, injunctive relief barring consummation of the acquisition and directing the defendants to obtain a transaction that is in the best interests of Phelps Dodge shareholders.

On March 9, 2007, Freeport-McMoRan and Phelps Dodge announced that they had reached an agreement in principle to settle the class actions filed on behalf of Phelps Dodge shareholders. Pursuant to the terms of the settlement agreement, Freeport-McMoRan has agreed that if, within 12 months after the closing of the acquisition, it sells all or substantially all of the capital stock or assets of Phelps Dodge, Freeport-McMoRan will pay $125 million in additional pro rata consideration (less any fees awarded to plaintiffs counsel with respect to such consideration) to the shareholders of Phelps Dodge who receive the acquisition consideration. In addition, pursuant to the terms of the settlement agreement, Phelps Dodge agreed to make additional disclosures beyond the information provided in the definitive joint proxy statement/prospectus of Freeport-McMoRan and Phelps Dodge, dated February 12, 2007. The settlement is subject to court approval. If the settlement agreement is not approved by the court, Phelps Dodge, Freeport-McMoRan and the other named defendants intend to vigorously defend the actions.

Concurrent public offering. Concurrently with this offering of common stock, we are offering 10,000,000 shares of our % mandatory convertible preferred stock (11,500,000 shares if the underwriters exercise their overallotment option in full). The mandatory convertible preferred stock will be offered pursuant

Table of Contents

to a separate prospectus supplement. This prospectus supplement shall not be deemed an offer to sell or a solicitation of an offer to buy any of our mandatory convertible preferred stock. There is no assurance that our concurrent public offering of mandatory convertible preferred stock will be completed or, if completed, that it will be completed for the amounts contemplated. The completion of this offering is not conditioned on the completion of our concurrent public offering of mandatory convertible preferred stock.

Freeport-McMoRan Copper & Gold Inc. is a Delaware corporation. Our principal executive offices are located at One North Central Avenue, Phoenix, Arizona 85004, and our telephone number at that address is (602) 366-8100. Our website is located at www.fcx.com. The information on our website is not part of this prospectus supplement or the accompanying prospectus.

Table of Contents

The Offering

Issuer	Freeport-McMoRan Copper & Gold Inc.
Common stock offered	35,000,000 shares of common stock (or 40,250,000 shares if the underwriters exercise their overallotment option in full).
Overallotment option	We have granted the underwriters an option to purchase up to 5,250,000 shares of common stock solely to cover overallotments.
Common stock to be outstanding after this offering	369,417,324 shares of common stock (or 374,667,324 shares if the underwriters exercise their overallotment option in full).
Use of proceeds	We intend to use the net proceeds from the offering to repay outstanding indebtedness under our Tranche A term loan facility and Tranche B term loan facility. See Use of Proceeds.
Voting rights	Holders of our common stock have one vote per share. See Description of Freeport-McMoRan capital stock Description of Common Stock in the accompanying prospectus for more information.
Dividends	We have paid an annual dividend on our common stock since 2003. See Dividend Policy for more information.
New York Stock Exchange symbol	FCX
Risk Factors	Investing in our common stock involves substantial risks. You should carefully consider all the information in this prospectus supplement prior to investing in our common stock. In particular, we urge you to carefully consider the factors set forth under Risk Factors.

The number of shares of our common stock to be outstanding immediately after the closing of this offering is based on 197,375,324 shares of our common stock outstanding as of February 28, 2007, approximately 137,042,000 shares issued in connection with the closing of the acquisition and 35,000,000 shares offered hereby. This number excludes 234,450 shares issuable upon conversion of our 7% convertible senior notes and 23,272,163 shares issuable upon conversion of our 5.5% perpetual convertible preferred stock. This number also excludes an aggregate of approximately 8,087,689 shares issuable upon exercise of outstanding stock options and restricted stock units or the vesting of restricted stock awards, approximately 1,000,000 of which were assumed as part of the acquisition. This number also excludes approximately shares issuable upon conversion of our % mandatory convertible preferred stock, assuming the successful completion of the concurrent offering thereof.

Table of Contents

SUMMARY CONSOLIDATED HISTORICAL FINANCIAL AND OPERATING DATA OF FREEPORT-MCMORAN

The following summary consolidated historical financial data as of and for the years ended December 31, 2004, 2005 and 2006, have been derived from the audited consolidated financial statements of Freeport-McMoRan incorporated by reference herein. The historical results presented below are not necessarily indicative of results that you can expect for any future period. You should read the table in conjunction with the sections entitled Use of Proceeds, Capitalization, Unaudited Pro Forma Condensed Combined Financial Statements, Selected Consolidated Historical Financial and Operating Data of Freeport-McMoRan and the consolidated financial statements of Freeport-McMoRan and the related notes incorporated by reference herein. See Where You Can Find More Information.

	Years Ended December 31,		
	2004	2005	2006
	(Amounts in millions, except per share amounts)		
Statement of income data:			
Revenues	$ 2,371.9	$ 4,179.1	$ 5,790.5
Costs and expenses	1,668.3	2,001.8	2,921.8