Freeport-McMoRan Inc. (NYSE: FCX):

- Net income attributable to common stock totaled $217 million, $0.16 per share, for third-quarter 2016. After adjusting for net gains totaling $39 million, $0.03 per share, third-quarter 2016 adjusted net income attributable to common stock totaled $178 million, $0.13 per share.
- Consolidated sales (including volumes from Tenke Fungurume (Tenke), which is being reported as discontinued operations) totaled 1.2 billion pounds of copper, 317 thousand ounces of gold, 16 million pounds of molybdenum and 12.0 million barrels of oil equivalents (MMBOE) for third-quarter 2016, compared with 1.0 billion pounds of copper, 294 thousand ounces of gold, 23 million pounds of molybdenum and 13.8 MMBOE for third-quarter 2015.
- Consolidated sales for the year 2016 are expected to approximate 4.8 billion pounds of copper (including 485 million pounds from Tenke), 1.26 million ounces of gold and 73 million pounds of molybdenum, including 1.3 billion pounds of copper, 590 thousand ounces of gold and 21 million pounds of molybdenum for fourth-quarter 2016.
- Average realized prices were $2.18 per pound for copper, $1,327 per ounce for gold and $40.63 per barrel for oil for third-quarter 2016.
- Average unit net cash costs were $1.14 per pound of copper for mining operations and $15.00 per barrel of oil equivalents (BOE) for oil and gas operations for third-quarter 2016. Unit net cash costs for the year 2016 are expected to average $1.20 per pound of copper for mining operations.
- Operating cash flows totaled $980 million for third-quarter 2016. Based on current sales volume and cost estimates and assuming average prices of $2.10 per pound for copper, $1,250 per ounce for gold and $7 per pound for molybdenum for fourth-quarter 2016, operating cash flows for the year 2016 are expected to approximate $3.6 billion (including $0.3 billion in working capital sources and changes in other tax payments).
- Capital expenditures totaled $494 million for third-quarter 2016, consisting of $333 million for mining operations (including $250 million for major projects) and $160 million for oil and gas operations. Capital expenditures are expected to approximate $2.8 billion for the year 2016, consisting of $1.6 billion for mining operations (including $1.2 billion for major projects) and $1.2 billion for oil and gas operations.
- At September 30, 2016, consolidated debt totaled $19.0 billion and consolidated cash totaled $1.1 billion. At September 30, 2016, FCX had no borrowings and $3.5 billion available under its $3.5 billion revolving credit facility.
- FCX expects to receive $5.2 billion in gross proceeds during fourth-quarter 2016 in connection with previously announced asset sale transactions.
- In July 2016, FCX commenced a registered at-the-market offering of up to $1.5 billion of common stock. Through October 24, 2016, FCX has sold 33.5 million shares of its common stock for gross proceeds of $415 million ($12.39 per share average price).

Freeport-McMoRan Inc. (NYSE: FCX) reported net income attributable to common stock of $217 million, $0.16 per share, for third-quarter 2016 and net losses attributable to common stock of $4.4 billion, $3.45 per share, for the first nine months of 2016, $3.8 billion, $3.58 per share, for third-quarter 2015 and $8.2 billion, $7.77 per share, for the first nine months of 2015. FCX’s net income attributable to common stock for third-quarter 2016 includes net gains of $39 million, $0.03 per share, primarily reflecting net tax credits, partly offset by the impairment of oil and gas properties. Third-quarter 2015 net loss attributable to common stock included net charges of $3.7 billion, $3.43 per share, primarily for the impairment of oil and gas properties. For further discussion of these amounts and net charges impacting the nine month periods, refer to the supplemental schedule "Adjusted Net Income (Loss)," on page IX, which is available on FCX's website, "fcx.com."

Richard C. Adkerson, President and Chief Executive Officer, said, "Our actions during 2016 position us to achieve our objectives of restoring our balance sheet strength and focusing our strategy on our industry leading portfolio of high quality, long-lived copper assets. Our announced asset sale transactions totaling $6.6 billion combined with significant free cash flow generation in the coming quarters will enable us to achieve our debt reduction targets. Our global team continues to execute our cost and capital management initiatives during a period of weak copper prices in a manner that protects the long-term values of our large resources. We remain focused on completing our announced transactions, executing our operating plans and building long-term values from our portfolio of low-cost, long-lived reserves and resources for the benefit of our shareholders."

SUMMARY FINANCIAL DATA

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
	(in millions, except per share amounts)			
Revenues[a,b]	$ 3,877	$ 3,382	$ 10,453	$ 11,091
Operating income (loss)[a]	$ 359	$ (3,964)	$ (3,495)	$ (9,415)
Net income (loss) from continuing operations	$ 292	$ (3,815)	$ (4,034)	$ (8,090)
Net (loss) income from discontinued operations[c]	$ (6)	$ 25	$ (191)	$ 95
Net income (loss) attributable to common stock[d,e]	$ 217	$ (3,830)	$ (4,446)	$ (8,155)
Diluted net income (loss) per share of common stock:				
Continuing operations	$ 0.18	$ (3.59)	$ (3.27)	$ (7.80)
Discontinued operations	(0.02)	0.01	(0.18)	0.03
	$ 0.16	$ (3.58)	$ (3.45)	$ (7.77)
Diluted weighted-average common shares outstanding	1,351	1,071	1,289	1,050
Operating cash flows[f]	$ 980	$ 822	$ 2,594	$ 2,608
Capital expenditures	$ 494	$ 1,527	$ 2,309	$ 5,055
At September 30:				

Cash and cash equivalents	$ 1,108	$ 233	$ 1,108	$ 233
Total debt, including current portion	$ 18,982	$ 20,698	$ 18,982	$ 20,698

a. For segment financial results, refer to the supplemental schedules, "Business Segments," beginning on page XII, which are available on FCX's website, "fcx.com."

b. Includes (unfavorable) favorable adjustments to provisionally priced concentrate and cathode copper sales recognized in prior periods totaling $(15) million ($(7) million to net income attributable to common stock from continuing operations or $(0.01) per share) in third-quarter 2016, $(117) million ($(58) million to net loss attributable to common stock from continuing operations or $(0.05) per share) in third-quarter 2015, $5 million ($2 million to net loss attributable to common stock from continuing operations or less than $0.01 per share) for the first nine months of 2016 and $(100) million ($(48) million to net loss attributable to common stock from continuing operations or $(0.05) per share) for the first nine months of 2015. For further discussion, refer to the supplemental schedule, "Derivative Instruments," on page XI, which is available on FCX's website, "fcx.com."

c. Net income (loss) from discontinued operations includes charges for (i) allocated interest expense totaling $12 million in third-quarter 2016, $6 million in third-quarter 2015, $33 million for the first nine months of 2016 and $20 million for the first nine months of 2015 associated with the portion of the FCX term loan that is required to be repaid as a result of the sale of FCX's interest in Tenke and (ii) income tax (benefit) provision totaling $(2) million in third-quarter 2016, $(11) million in third-quarter 2015, $(25) million for the first nine months of 2016 and $20 million for the first nine months of 2015. In accordance with accounting guidelines, the first nine months of 2016 are also net of an estimated loss on disposal, which will be adjusted through closing of the transaction (refer to the supplemental schedule, “Adjusted Net Income (Loss),” on page IX, which is available on FCX’s website, “fcx.com”).

d. Includes net gains (charges) totaling $39 million ($0.03 per share) in third-quarter 2016, $(3.7) billion ($(3.43) per share) in third-quarter 2015, $(4.4) billion ($(3.43) per share) for the first nine months of 2016 and $(8.1) billion ($(7.71) per share) for the first nine months of 2015, which are described in the supplemental schedule, “Adjusted Net Income (Loss),” on page IX, which is available on FCX’s website, “fcx.com.”

e. FCX defers recognizing profits on intercompany sales until final sales to third parties occur. For a summary of net impacts from changes in these deferrals, refer to the supplemental schedule, "Deferred Profits," on page XI, which is available on FCX's website, "fcx.com."

f. Includes net working capital (uses) sources and changes in other tax payments of $(3) million in third-quarter 2016, $507 million in third-quarter 2015, $463 million for the first nine months of 2016 and $342 million for the first nine months of 2015.

DEBT REDUCTION INITIATIVES

FCX is taking actions to restore its balance sheet strength through a combination of asset sale transactions, cash flow from operations and capital market transactions. During 2016, FCX has announced $6.6 billion in asset sale transactions and has received aggregate cash consideration of $1.4 billion. The remaining $5.2 billion in gross proceeds is expected to be received in fourth-quarter 2016 associated with the pending Tenke and oil and gas transactions. In September 2016, FCX agreed to sell its Deepwater Gulf of Mexico (GOM) properties for cash consideration of $2.0 billion and up to $150 million of contingent payments, and in October 2016, FCX agreed to sell its onshore California oil and gas properties for cash consideration of $592 million and up to $150 million of contingent consideration. Following provides a summary of FCX’s completed and pending asset sales (in billions):

	Cash Consideration [a]	
Completed Transactions:		
Morenci (13 percent interest)	$ 1.00	
Timok exploration project in Serbia	0.13	b
Oil and gas transactions	0.19	
Other land sales	0.06	
	1.38	
Pending Transactions:		
Tenke	2.65	b
Deepwater GOM	2.00	b,c
Onshore California	0.59	b
	5.24	
Total, excluding potential transactions and contingent consideration	6.62	
Potential Freeport Cobalt/Kinsanfu transactions[d]	0.15	
Contingent consideration[b]	0.53	
Total	$ 7.30	

a. Reflects aggregate cash consideration, before purchase price adjustments.

b. Excludes contingent consideration of (i) up to $107 million associated with the Timok transaction, which is payable to FCX in stages based upon achievement of defined development milestones, (ii) up to $120 million for the Tenke transaction, consisting of $60 million if the average copper price exceeds $3.50 per pound and $60 million if the average cobalt price exceeds $20 per pound, both for the 24-month period ending December 31, 2019, (iii) up to $150 million for the Deepwater GOM transaction payable to FCX as the buyer realizes future cash flows in connection with FCX's third-party production handling agreement for the Marlin platform, and (iv) up to $150 million for the onshore California transaction, consisting of $50 million per year for 2018, 2019 and 2020, if the price of Brent crude oil averages $70 per barrel or higher in that calendar year.

c. In connection with the Deepwater GOM transaction, FCX Oil & Gas LLC (FM O&G) entered into an agreement to amend the terms of the Plains Offshore Operations Inc. preferred stock to provide FM O&G the right to call these securities for $582 million. FM O&G expects to exercise this option at the time the Deepwater GOM sale closes.

d. FCX has agreed to negotiate exclusively with China Molybdenum Co. Ltd.. (CMOC) until December 31, 2016, to enter into a definitive agreement to sell its interests in Freeport Cobalt for $100 million and the Kinsanfu exploration project in the Democratic Republic of Congo (DRC) for $50 million in separate transactions.

In July 2016, FCX commenced a registered at-the-market (ATM) offering of up to $1.5 billion of common stock. Through October 24, 2016, FCX has sold 33.5 million shares of its common stock for gross proceeds of $415 million ($12.39 per share average price).

FCX continues to aggressively manage production, exploration and administrative costs and capital spending. With the successful completion of the Cerro Verde expansion and anticipated access to higher grade ore from the Grasberg mine in future quarters, FCX expects to generate substantial cash flows for debt reduction.

FCX remains focused on retaining a high-quality portfolio of long-lived copper assets positioned to generate value as market conditions improve. In addition to debt reduction plans, FCX is pursuing opportunities to create additional value through mine designs that would increase copper reserves, reduce costs and provide opportunities to enhance net present values, and continues to advance studies for future development of its copper resources, the timing of which will be dependent on market conditions.

SUMMARY OPERATING DATA

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Copper (millions of recoverable pounds)[a]				
Production	1,217	1,003	3,447	2,895
Sales, excluding purchases	1,231	1,001	3,465	2,925
Average realized price per pound	$ 2.18	$ 2.38	$ 2.16	$ 2.54
Site production and delivery costs per pound[b]	$ 1.39	$ 1.74	$ 1.44	$ 1.84
Unit net cash costs per pound[b]	$ 1.14	$ 1.52	$ 1.28	$ 1.56
Gold (thousands of recoverable ounces)				
Production	308	281	658	907
Sales, excluding purchases	317	294	674	909
Average realized price per ounce	$ 1,327	$ 1,117	$ 1,292	$ 1,149
Molybdenum (millions of recoverable pounds)				
Production	19	23	58	72
Sales, excluding purchases	16	23	52	69
Average realized price per pound	$ 9.14	$ 7.91	$ 8.36	$ 9.21
Oil Equivalents				
Sales volumes				
MMBOE	12.0	13.8	36.6	39.4
Thousand BOE (MBOE) per day	131	150	133	144
Cash operating margin per BOE[c]				
Realized revenues	$ 34.99	$ 43.00 [d]	$ 30.50	$ 45.57 [d]
Cash production costs	(15.00)	(18.85)	(15.28)	(19.42)
Cash operating margin	$ 19.99	$ 24.15	$ 15.22	$ 26.15

a. Includes production and sales volumes from Tenke, which is reported as discontinued operations. Copper sales from Tenke totaled 118 million pounds in third-quarter 2016, 113 million pounds in third-quarter 2015, 365 million pounds for the first nine months of 2016 and 350 million pounds for the first nine months of 2015. Average realized copper prices (excluding Tenke) were $2.19 per pound in third-quarter 2016, $2.39 per pound in third-quarter 2015, $2.17 per pound for the first nine months of 2016 and $2.54 per pound for the first nine months of 2015.

b. Reflects per pound weighted-average production and delivery costs and unit net cash costs (net of by-product credits) for all copper mines, before net noncash and other costs. Excluding Tenke, mining unit net cash costs averaged $1.14 per pound in third-quarter 2016, $1.57 per pound in third-quarter 2015, $1.28 per pound for the first nine months of 2016 and $1.61 per pound for the first nine months of 2015. For reconciliations of per pound unit costs by operating division to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to the supplemental schedules, "Product Revenues and Production Costs," beginning on page XV, which are available on FCX's website, "fcx.com."

c. Cash operating margin for oil and gas operations reflects realized revenues less cash production costs. Cash production costs exclude accretion and other costs. For reconciliations of realized revenues and cash production costs per BOE to revenues and production and delivery costs reported in FCX's consolidated financial statements, refer to the supplemental schedules, “Product Revenues and Production Costs,” beginning on page XV, which are available on FCX's website, “fcx.com.”

d. Includes realized cash gains on crude oil derivative contracts of $7.44 per BOE in third-quarter 2015 and $7.72 per BOE for the first nine months of 2015.

Consolidated Sales Volumes

Third-quarter 2016 consolidated copper sales (including Tenke) of 1.23 billion pounds were approximately six percent lower than the July 2016 estimate of 1.3 billion pounds principally reflecting lower mining rates at the Grasberg mine operated by PT Freeport Indonesia (PT-FI), which affected the timing of access to higher grade ore. Third-quarter 2016 consolidated copper sales were higher than third-quarter 2015 sales of 1.0 billion pounds, primarily reflecting higher volumes from Cerro Verde and PT-FI.

Third-quarter 2016 consolidated gold sales of 317 thousand ounces were lower than the July 2016 estimate of 410 thousand ounces primarily reflecting lower mining rates which reflected timing of access to higher grade ore at PT-FI, but were higher than third-quarter 2015 sales of 294 thousand ounces.

Third-quarter 2016 consolidated molybdenum sales of 16 million pounds were lower than the July 2016 estimate of 20 million pounds and third-quarter 2015 sales of 23 million pounds, primarily reflecting weak demand.

Third-quarter 2016 sales from oil and gas operations of 12.0 MMBOE, including 9.1 million barrels (MMBbls) of crude oil, 13.8 billion cubic feet (Bcf) of natural gas and 0.6 MMBbls of natural gas liquids (NGLs), were higher than the July 2016 estimate of 11.4 MMBOE, primarily reflecting higher than anticipated oil sales volumes from GOM, but were lower than third-quarter 2015 sales of 13.8 MMBOE, primarily reflecting the July 2016 sale of Haynesville.

Sales volumes for the year 2016 are expected to approximate 4.8 billion pounds of copper (including 485 million pounds for Tenke), 1.26 million ounces of gold and 73 million pounds of molybdenum, including 1.3 billion pounds of copper (including 120 million pounds for Tenke), 590 thousand ounces of gold and 21 million pounds of molybdenum for fourth-quarter 2016. Projected sales volumes are dependent on a number of factors, including operational performance, shipping schedules and the timing of completing the pending Tenke transaction.

Consolidated Unit Costs

Mining Unit Net Cash Costs. Consolidated average unit net cash costs (net of by-product credits) for FCX's copper mines (including Tenke) of $1.14 per pound of copper in third-quarter 2016 were lower than unit net cash costs of $1.52 per pound in third-quarter 2015, primarily reflecting higher copper sales volumes and the impact of ongoing cost reduction initiatives.

Assuming average prices of $1,250 per ounce of gold and $7 per pound of molybdenum for fourth-quarter 2016 and achievement of current sales volume and cost estimates, consolidated unit net cash costs (net of by-product credits) for copper mines (including Tenke) are expected to average $0.99 per pound of copper in fourth-quarter 2016 and $1.20 per pound for the year 2016. The impact of price changes for fourth-quarter 2016 on consolidated unit net cash costs would approximate $0.0075 per pound for each $50 per ounce change in the average price of gold and $0.004 per pound for each $2 per pound change in the average price of molybdenum. Quarterly unit net cash costs vary with fluctuations in sales volumes and realized prices primarily for gold and molybdenum.

Oil and Gas Cash Production Costs per BOE. Cash production costs for oil and gas operations of $15.00 per BOE in third-quarter 2016 were lower than cash production costs of $18.85 per BOE in third-quarter 2015, primarily reflecting ongoing cost reduction efforts in California.

MINING OPERATIONS

North America Copper Mines. FCX operates seven open-pit copper mines in North America - Morenci, Bagdad, Safford, Sierrita and Miami in Arizona, and Chino and Tyrone in New Mexico. In addition to copper, molybdenum concentrate and silver are also produced by certain of FCX's North America copper mines.

All of the North America mining operations are wholly owned, except for Morenci. FCX records its 72 percent undivided joint venture interest in Morenci using the proportionate consolidation method.

Operating and Development Activities. FCX has significant undeveloped reserves and resources in North America and a portfolio of long-term development projects. In the near term, FCX is deferring development of new projects as a result of current market conditions. Future investments will be undertaken based on the results of economic and technical feasibility studies, and market conditions.

During 2015, FCX revised plans for its North America copper mines to incorporate reductions in mining rates to reduce operating and capital costs. In addition, FCX curtailed operations at the Miami and Tyrone mines and is operating its Sierrita mine at reduced rates. The revised plans at each of the operations incorporate the impacts of lower energy, acid and other consumables, reduced labor costs and a significant reduction in capital spending plans. These operating plans will continue to be reviewed and additional adjustments will be made as market conditions warrant.

Operating Data. Following is a summary of consolidated operating data for the North America copper mines for the third quarters and first nine months of 2016 and 2015:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Copper (millions of recoverable pounds)				
Production	455	499	1,411	1,420
Sales	458	483	1,425	1,441
Average realized price per pound	$ 2.19	$ 2.42	$ 2.18	$ 2.59
Molybdenum (millions of recoverable pounds)				
Production[a]	9	9	25	28
Unit net cash costs per pound of copper[b]				
Site production and delivery, excluding adjustments	$ 1.44	$ 1.68	$ 1.41	$ 1.76
By-product credits	(0.17)	(0.12)	(0.12)	(0.15)
Treatment charges	0.10	0.12	0.11	0.12
Unit net cash costs	$ 1.37	$ 1.68	$ 1.40	$ 1.73

a. Refer to summary operating data on page 4 for FCX's consolidated molybdenum sales, which includes sales of molybdenum produced at the North America copper mines.

b. For a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to the supplemental schedules, "Product Revenues and Production Costs," beginning on page XV, which are available on FCX's website, "fcx.com."

North America's consolidated copper sales volumes of 458 million pounds in third-quarter 2016 were less than third-quarter 2015 sales of 483 million pounds, primarily attributable to the May 2016 sale of a portion of FCX's interest in Morenci. North America copper sales are estimated to approximate 1.8 billion pounds for the year 2016, compared with 2.0 billion pounds in 2015.

Average unit net cash costs (net of by-product credits) for the North America copper mines of $1.37 per pound of copper in third-quarter 2016 were lower than the unit net cash costs of $1.68 per pound in third-quarter 2015, primarily reflecting cost reduction initiatives.

Average unit net cash costs (net of by-product credits) for the North America copper mines are expected to approximate $1.41 per pound of copper for the year 2016, based on achievement of current sales volume and cost estimates and assuming an average molybdenum price of $7 per pound for fourth-quarter 2016. North America's average unit net cash costs would change by approximately $0.005 per pound for each $2 per pound change in the average price of molybdenum.

South America Mining. FCX operates two copper mines in South America - Cerro Verde in Peru (in which FCX owns a 53.56 percent interest) and El Abra in Chile (in which FCX owns a 51 percent interest). These operations are consolidated in FCX's financial statements. In addition to copper, the Cerro Verde mine produces molybdenum concentrate and silver.

Operating and Development Activities. The Cerro Verde expansion project commenced operations in September 2015 and achieved capacity operating rates during first-quarter 2016. Cerro Verde's expanded operations benefit from its large-scale, long-lived reserves and cost efficiencies. The project expanded the concentrator facilities from 120,000 metric tons of ore per day to 360,000 metric tons of ore per day and is on track to provide incremental annual production of approximately 600 million pounds of copper and 15 million pounds of molybdenum.

During 2015, FCX revised plans for its South America copper mines, principally to reflect adjustments to the mine plan at El Abra to reduce mining and stacking rates by approximately 50 percent to achieve lower operating and labor costs, defer capital expenditures and extend the life of the existing operations.

FCX continues to evaluate a potential large-scale milling operation at El Abra to process additional sulfide material and to achieve higher recoveries. Exploration results in recent years at El Abra indicate a significant sulfide resource, which could potentially support a major mill project. Future investments will depend on technical studies, economic factors and global copper market conditions.

Operating Data. Following is a summary of consolidated operating data for the South America mining operations for the third quarters and first nine months of 2016 and 2015:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Copper (millions of recoverable pounds)				

Production	317	204	986	585
Sales	323	207	973	585
Average realized price per pound	$ 2.19	$ 2.37	$ 2.17	$ 2.52
Molybdenum (millions of recoverable pounds)				
Production[a]	5	1	14	5
Unit net cash costs per pound of copper[b]				
Site production and delivery, excluding adjustments	$ 1.27	$ 1.54	$ 1.23	$ 1.68
By-product credits	(0.12)	(0.04)	(0.10)	(0.05)
Treatment charges	0.24	0.18	0.24	0.17
Royalty on metals	0.01	—	—	—
Unit net cash costs	$ 1.40	$ 1.68	$ 1.37	$ 1.80

a. Refer to summary operating data on page 4 for FCX's consolidated molybdenum sales, which includes sales of molybdenum produced at Cerro Verde.

b. For a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to the supplemental schedules, "Product Revenues and Production Costs," beginning on page XV, which are available on FCX's website, "fcx.com."

South America's consolidated copper sales volumes of 323 million pounds in third-quarter 2016 were significantly higher than third-quarter 2015 sales of 207 million pounds, reflecting Cerro Verde's expanded operations. Sales from South America mining are expected to approximate 1.3 billion pounds of copper for the year 2016, compared with 871 million pounds of copper in 2015.

Average unit net cash costs (net of by-product credits) for South America mining of $1.40 per pound of copper in third-quarter 2016 were lower than unit net cash costs of $1.68 per pound in third-quarter 2015, primarily reflecting higher copper sales volumes and efficiencies associated with the Cerro Verde expansion and higher by-product credits. Average unit net cash costs (net of by-product credits) for South America mining are expected to approximate $1.42 per pound of copper for the year 2016, based on current sales volume and cost estimates and assuming average prices of $7 per pound of molybdenum for fourth-quarter 2016.

Indonesia Mining. Through its 90.64 percent owned and consolidated subsidiary PT-FI, FCX's assets include one of the world's largest copper and gold deposits at the Grasberg minerals district in Papua, Indonesia. PT-FI operates a proportionately consolidated joint venture, which produces copper concentrate that contains significant quantities of gold and silver.

Regulatory Matters. PT-FI continues to engage with Indonesian government officials regarding its long-term operating rights under its Contract of Work (COW), and its rights to export concentrate without restriction.

PT-FI and the Indonesian government entered into a Memorandum of Understanding in July 2014, in which subject to concluding an agreement to extend PT-FI's operations beyond 2021 on acceptable terms, PT-FI agreed to construct new smelter capacity in Indonesia and to divest an additional 20.64 percent interest in PT-FI at fair market value. PT-FI also agreed to pay higher royalties and to pay export duties until certain smelter development milestones were met.

In October 2015, the Indonesian government provided a letter of assurance to PT-FI indicating that it would revise regulations allowing it to approve the extension of operations beyond 2021, and provide the same rights and the same level of legal and fiscal certainty provided under its current COW.

In August 2016, PT-FI's export permit was renewed through January 11, 2017. Current regulations published by the Indonesian government prohibit exports of copper concentrate and anode slimes after January 12, 2017. Indonesian government officials have indicated an intent to revise this regulation to protect employment and government revenues. PT-FI is actively engaged with Indonesian government officials on this matter.

Operating and Development Activities. PT-FI is currently mining the final phase of the Grasberg open pit, which contains very high copper and gold ore grades. PT-FI expects to mine high-grade ore over the next several quarters prior to transitioning to the Grasberg Block Cave underground mine in the first half of 2018.

PT-FI has several projects in progress in the Grasberg minerals district related to the development of its large-scale, long-lived, high-grade underground ore bodies. In aggregate, these underground ore bodies are expected to produce large-scale quantities of copper and gold following the transition from the Grasberg open pit. From 2017 to 2020, estimated aggregate capital spending on these projects is currently expected to average $1.0 billion per year ($0.8 billion per year net to PT-FI). Considering the long-term nature and size of these projects, actual costs could vary from these estimates. In response to market conditions and Indonesian regulatory uncertainty, the timing of these expenditures continues to be reviewed.

Operating Data. Following is a summary of consolidated operating data for the Indonesia mining operations for the third quarters and first nine months of 2016 and 2015:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Copper (millions of recoverable pounds)				
Production	321	192	694	551
Sales	332	198	702	549
Average realized price per pound	$ 2.20	$ 2.35	$ 2.17	$ 2.45
Gold (thousands of recoverable ounces)				
Production	301	272	637	887
Sales	307	285	653	891
Average realized price per ounce	$ 1,327	$ 1,117	$ 1,292	$ 1,149
Unit net cash costs per pound of copper[a]				
Site production and delivery, excluding adjustments	$ 1.37	$ 2.16	$ 1.70	$ 2.39
Gold and silver credits	(1.29)	(1.59)	(1.28)	(1.93)
Treatment charges	0.27	0.31	0.29	0.31
Export duties	0.10	0.17	0.09	0.16
Royalty on metals	0.12	0.13	0.12	0.16
Unit net cash costs	$ 0.57	$ 1.18	$ 0.92	$ 1.09

a. For a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to the supplemental schedules, "Product Revenues and Production Costs," beginning on page XV, which are available on FCX's website, "fcx.com."

Indonesia's consolidated copper sales totaled 332 million pounds in third-quarter 2016 and were higher than third-quarter 2015 sales of 198 million pounds, primarily reflecting higher copper ore grades. Indonesia's third-quarter 2016 gold sales of 307 thousand ounces were higher than third-quarter 2015 sales of 285 thousand ounces. Third-quarter 2016 sales volumes were below previous estimates because of lower mining rates that affected the timing of access to higher grade ore and a deferral of production into future periods resulting from labor productivity issues and a 10-day work stoppage beginning in late September.

At the Grasberg mine, the sequencing of mining areas with varying ore grades causes fluctuations in quarterly and annual production of copper and gold. Consolidated sales volumes from Indonesia mining operations are expected to approximate 1.2 billion pounds of copper and 1.24 million ounces of gold for the year 2016, compared with 744 million pounds of copper and 1.2 million ounces of gold for the year 2015. Ore grades are expected to further improve in 2017 because of increased access to higher grade sections of the Grasberg open pit.

A significant portion of PT-FI's costs are fixed and unit costs vary depending on volumes and other factors. Indonesia's unit net cash costs (including gold and silver credits) of $0.57 per pound of copper in third-quarter 2016 were lower than unit net cash costs of $1.18 per pound in third-quarter 2015, primarily reflecting higher sales volumes, partly offset by lower by-product credits.

Based on current sales volume and cost estimates, and assuming an average gold price of $1,250 per ounce for fourth-quarter 2016, unit net cash costs (net of gold and silver credits) for Indonesia mining are expected to approximate $0.19 per pound of copper for fourth-quarter 2016 and $0.62 per pound for the year 2016. Indonesia mining's unit net cash costs for the year 2016 would change by approximately $0.03 per pound for each $50 per ounce change in the average price of gold for fourth-quarter 2016. Because of the fixed nature of a large portion of Indonesia mining's costs, unit costs vary from quarter to quarter depending on copper and gold volumes. Anticipated higher ore grades from the Grasberg mine are expected to result in lower unit net cash costs in fourth-quarter 2016 and for the year 2017.

Indonesia mining's projected sales volumes are dependent on a number of factors, including operational performance, the timing of shipments and approval by the Indonesian government to continue the export of copper concentrate and anode slimes.

Africa Mining. In May 2016, FCX entered into an agreement to sell its interest in TF Holdings Limited (TFHL), through which FCX holds an effective 56 percent interest in the Tenke copper and cobalt mining concessions in the Southeast region of the DRC. In accordance with accounting guidelines, the operating results of Africa mining have been separately reported as discontinued operations in FCX’s consolidated statements of operations for all periods presented. The transaction is expected to close in fourth-quarter 2016.

Operating Data. Following is a summary of operating data for the Africa mining operations for the third quarters and first nine months of 2016 and 2015:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Copper (millions of recoverable pounds)				
Production	124	108	356	339
Sales	118	113	365	350

Average realized price per pound[a]	$ 2.07	$ 2.32	$ 2.07	$ 2.52
Cobalt (millions of contained pounds)				
Production	9	9	28	25
Sales	9	10	29	26
Average realized price per pound	$ 7.83	$ 8.96	$ 7.15	$ 9.04
Unit net cash costs per pound of copper[b]				
Site production and delivery, excluding adjustments	$ 1.57	$ 1.63	$ 1.61	$ 1.58
Cobalt credits[c]	(0.46)	(0.53)	(0.39)	(0.47)
Royalty on metals	0.05	0.05	0.05	0.06
Unit net cash costs	$ 1.16	$ 1.15	$ 1.27	$ 1.17

a. Includes point-of-sale transportation costs as negotiated in customer contracts.

b. For a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in net income (loss) from discontinued operations in FCX's consolidated financial statements, refer to the supplemental schedules, "Product Revenues and Production Costs," beginning on page XV, which are available on FCX's website, "fcx.com."

c. Net of cobalt downstream processing and freight costs.

Africa mining's copper sales of 118 million pounds in third-quarter 2016 were slightly higher than third-quarter 2015 copper sales of 113 million pounds. Africa mining's sales for 2016 are expected to approximate 485 million pounds of copper and 38 million pounds of cobalt, compared with 467 million pounds of copper and 35 million pounds of cobalt for the year 2015. Africa mining's projected sales for the year 2016 would be impacted by the timing of the completion of the sale of FCX's interest in TFHL.

Africa mining's unit net cash costs (net of cobalt credits) of $1.16 per pound of copper in third-quarter 2016 were slightly higher than unit net cash costs of $1.15 per pound of copper in third-quarter 2015. Unit net cash costs (net of cobalt credits) for Africa mining are expected to approximate $1.26 per pound of copper for 2016, based on current sales volume and cost estimates and assuming an average cobalt price of $11 per pound for fourth-quarter of 2016.

Molybdenum Mines. FCX has two wholly owned molybdenum mines in North America - the Henderson underground mine and the Climax open-pit mine, both in Colorado. The Henderson and Climax mines produce high-purity, chemical-grade molybdenum concentrate, which is typically further processed into value-added molybdenum chemical products. The majority of molybdenum concentrate produced at the Henderson and Climax mines, as well as from FCX's North and South America copper mines, is processed at FCX's conversion facilities.

Operating and Development Activities. In response to market conditions, the revised plans for the Henderson molybdenum mine incorporate lower operating rates, resulting in an approximate 65 percent reduction in Henderson's annual production volumes. FCX also adjusted production plans at its by-product mines, including reduced production at its Sierrita mine. Additionally, FCX incorporated changes in the commercial pricing structure for its chemicals products to promote continuation of chemical-grade production.

Production from the Molybdenum mines totaled 5 million pounds of molybdenum in third-quarter 2016 and 13 million pounds in third-quarter 2015. Refer to summary operating data on page 4 for FCX's consolidated molybdenum sales, which includes sales of molybdenum produced at the Molybdenum mines, and from FCX's North and South America copper mines.

Average unit net cash costs for the Molybdenum mines of $10.28 per pound of molybdenum in third-quarter 2016 were higher than average unit net cash costs of $6.93 per pound in third-quarter 2015, primarily reflecting lower volumes. Based on current sales volume and cost estimates, unit net cash costs for the Molybdenum mines are expected to average approximately $8.50 per pound of molybdenum for the year 2016.

For a reconciliation of unit net cash costs per pound to production and delivery costs applicable to sales reported in FCX's consolidated financial statements, refer to the supplemental schedules, "Product Revenues and Production Costs," beginning on page XV, which are available on FCX's website, "fcx.com."

Mining Exploration Activities. FCX's mining exploration activities are generally associated with its existing mines focusing on opportunities to expand reserves and resources to support development of additional future production capacity. Exploration results continue to indicate opportunities for significant future potential reserve additions in North and South America. Exploration spending continues to be constrained by market conditions and is expected to approximate $45 million for the year 2016.

OIL AND GAS OPERATIONS

Through its wholly owned oil and gas subsidiary, FM O&G, FCX's principal oil and gas assets include oil production facilities in the Deepwater GOM and California.

In September 2016, FCX entered into an agreement to sell its Deepwater GOM properties to Anadarko Petroleum Corp. (Anadarko) for cash consideration of $2.0 billion (before closing adjustments) and up to $150 million in contingent payments. The contingent payments would be received over time as Anadarko realizes future cash flows in connection with FCX's third-party production handling agreement for the Marlin platform. The transaction has an effective date of August 1, 2016, and is expected to close in fourth-quarter 2016, subject to customary closing conditions. In connection with the sale of the Deepwater GOM properties, FM O&G entered into an agreement to amend the terms of the Plains Offshore Operations Inc. preferred stock to provide FM O&G the right to call these securities for $582 million. FM O&G expects to exercise this option at the time the Deepwater GOM sale closes.

In October 2016, FCX entered into an agreement to sell its onshore California oil and gas properties to Sentinel Peak Resources California LLC for cash consideration of $592 million (before closing adjustments) and contingent consideration of up to $150 million, consisting of $50 million per year for 2018, 2019 and 2020 if the price of Brent crude oil averages $70 per barrel or higher in each of these calendar years. The transaction has an effective date of July 1, 2016, and is expected to close in fourth-quarter 2016, subject to customary closing conditions.

Impairment of Oil and Gas Properties. FCX follows the full cost method of accounting for its oil and gas operations, whereby all costs associated with oil and gas property acquisition, exploration and development activities are capitalized and amortized to expense under the unit-of-production method on a country-by-country basis using estimates of proved oil and gas reserves relating to each country where such activities are conducted. The costs of unproved oil and gas properties are excluded from amortization until the properties are evaluated.

Under full cost accounting rules, a "ceiling test" is conducted each quarter to review the carrying value of oil and gas properties for impairment. The U.S. Securities and Exchange Commission (SEC) requires the twelve-month average of the first-day-of-the-month historical reference oil price be used in determining the ceiling test limitation. Using West Texas Intermediate (WTI) as the reference oil price, the average price was $41.68 per barrel at September 30, 2016, compared with $43.12 per barrel at June 30, 2016. As a result of the impact of the reduction in twelve-month historical prices and reserve revisions, net capitalized costs exceeded the ceiling test limitation under full cost accounting rules, which resulted in the recognition of a third-quarter 2016 impairment charge of $239 million.

Financial and Operating Data. Following is a summary of financial and operating data for the U.S. oil and gas operations for the third quarters and first nine months of 2016 and 2015:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Financial Summary (in millions)				
Realized revenues[a]	$ 421	$ 593 [b]	$ 1,115	$ 1,796 [b]
Cash production costs[a]	(180)	(260)	(558)	(765)
Cash operating margin	$ 241	$ 333	$ 557	$ 1,031
Capital expenditures[c]	$ 160	$ 635	$ 1,028	$ 2,430
Sales Volumes				
Oil (MMBbls)	9.1	9.3	26.1	26.3
Natural gas (Bcf)	13.8	22.8	52.2	68.1
NGLs (MMBbls)	0.6	0.7	1.8	1.8
MMBOE	12.0	13.8	36.6	39.4
Average Realized Prices[a]				
Oil (per barrel)	$ 40.63	$ 55.88 [b]	$ 37.11	$ 59.92 [b]
Natural gas (per million British thermal units, or MMBtu)	$ 2.84	$ 2.72	$ 2.24	$ 2.74
NGLs (per barrel)	$ 17.65	$ 16.68	$ 16.85	$ 19.78
Cash Operating Margin per BOE[a]				
Realized revenues	$ 34.99	$ 43.00 [b]	$ 30.50	$ 45.57 [b]
Cash production costs	(15.00)	(18.85)	(15.28)	(19.42)
Cash operating margin	$ 19.99	$ 24.15	$ 15.22	$ 26.15

a. Cash operating margin for oil and gas operations reflects realized revenues less cash production costs. Cash production costs exclude accretion and other costs. For reconciliations of realized revenues (including average realized prices for oil, natural gas and NGLs) and cash production costs to revenues and production and delivery costs reported in FCX's consolidated financial statements, refer to the supplemental schedules, “Product Revenues and Production Costs,” beginning on page XV, which are available on FCX's website, “fcx.com.”

b. Includes realized cash gains on crude oil derivative contracts of $103 million ($11.03 per barrel of oil and $7.44 per BOE) in third-quarter 2015 and $304 million ($11.58 per barrel of oil and $7.72 per BOE) for the first nine months of 2015.

c. Excludes international oil and gas expenditures totaling $37 million in third-quarter 2015, $47 million for the first nine months of 2016 and $81 million for the first nine months of 2015, primarily related to the Morocco oil and gas properties.

The average realized price for crude oil was $40.63 per barrel in third-quarter 2016 (86 percent of the average Brent crude oil price of $46.99 per barrel). The average realized price for natural gas was $2.84 per MMBtu in third-quarter 2016, compared to the New York Mercantile Exchange natural gas price average of $2.81 per MMBtu for the July through September 2016 contracts.

Lower realized revenues for oil and gas operations of $34.99 per BOE in third-quarter 2016, compared to $43.00 per BOE in third-quarter 2015, primarily reflects the impact of realized cash gains on derivative contracts of $7.44 per BOE in third-quarter 2015.

Cash production costs for oil and gas operations of $15.00 per BOE in third-quarter 2016 were lower than cash production costs of $18.85 per BOE in third-quarter 2015, primarily reflecting ongoing cost reduction efforts.

Following is a summary of average oil and gas sales volumes per day by region for the third quarters and first nine months of 2016 and 2015:

	Three Months Ended September 30,		Nine Months Ended September 30,	
Sales Volumes (MBOE per day)	2016	2015	2016	2015
GOM[a]	92	91	87	82
California[b]	33	35	32	37
Haynesville/Madden/Other[c]	6	24	14	25
Total oil and gas operations	131	150	133	144

a. In September 2016, FCX entered into an agreement to sell its Deepwater GOM properties; this transaction is expected to close in fourth-quarter 2016.

b. In October 2016, FCX entered into an agreement to sell its onshore California properties; this transaction is expected to close in fourth-quarter 2016.

c. In July 2016, FCX completed the sale of its Haynesville shale assets.

Daily sales volumes averaged 131 MBOE for third-quarter 2016, including 99 thousand barrels (MBbls) of crude oil, 150 million cubic feet (MMcf) of natural gas and 7 MBbls of NGLs.

Following completion of the Deepwater GOM and onshore California transactions, FCX’s portfolio of oil and gas assets would include oil and natural gas production onshore in South Louisiana and on the GOM Shelf, oil production offshore California and natural gas production from the Madden area in Central Wyoming. In third-quarter 2016, these properties produced an average of 7 MBbls of oil and NGLs per day and 74 MMcf of natural gas per day.

Oil and Gas Capital Expenditures. Capital expenditures for oil and gas operations in third-quarter 2016 totaled $160 million (including $75 million incurred for GOM and $97 million associated with the change in capital expenditure accruals).

CASH FLOWS, CASH, DEBT and EQUITY TRANSACTIONS

Operating Cash Flows. FCX generated operating cash flows of $980 million for third-quarter 2016 and $2.6 billion (including $463 million in working capital sources and changes in other tax payments) for the first nine months of 2016.

Based on current sales volume and cost estimates and assuming average prices of $2.10 per pound of copper, $1,250 per ounce of gold, $7 per pound of molybdenum and $51 per barrel of Brent crude oil for fourth-quarter 2016, FCX's consolidated operating cash flows are estimated to approximate $3.6 billion for the year 2016 (including $0.3 billion in working capital sources and other tax payments). The impact of price changes during fourth-quarter 2016 on operating cash flows would approximate $150 million for each $0.10 per pound change in the average price of copper, $20 million for each $50 per ounce change in the average price of gold, $15 million for each $2 per pound change in the average price of molybdenum and $28 million for each $5 per barrel change in the average Brent crude oil price.

Capital Expenditures. Capital expenditures totaled $494 million for third-quarter 2016, consisting of $333 million for mining operations (including $250 million for major projects primarily for the development of underground mines by PT-FI) and $160 million for oil and gas operations. Capital expenditures for the first nine months of 2016 totaled $2.3 billion, consisting of $1.2 billion for mining operations (including $0.9 billion for major projects) and $1.1 billion for oil and gas operations.

Capital expenditures are expected to approximate $2.8 billion for the year 2016, consisting of $1.6 billion for mining operations (including $1.2 billion for major projects, primarily for the development of underground mines by PT-FI and for the Cerro Verde expansion, which was completed earlier in the year) and $1.2 billion for oil and gas operations.

Cash. Following is a summary of the U.S. and international components of consolidated cash and cash equivalents available to the parent company (excluding cash and cash equivalents of $68 million in assets held for sale), net of noncontrolling interests' share, taxes and other costs at September 30, 2016 (in millions):

Cash at domestic companies	$ 709
Cash at international operations	399
Total consolidated cash and cash equivalents	1,108
Noncontrolling interests' share	(97)
Cash, net of noncontrolling interests' share	1,011
Withholding taxes and other	(30)
Net cash available	$ 981

Debt. FCX continues to focus on cost and capital management and cash flow generation from its operations and is taking actions to reduce debt through asset sales, available cash flows and other transactions. Following is a summary of total debt and the related weighted-average interest rates at September 30, 2016 (in billions, except percentages):

			Weighted-Average Interest Rate	
FCX Senior Notes	$	11.5	3.8	%
FCX Term Loan[a]	2.5		3.3	%
FM O&G Senior Notes	2.5		6.6	%
Cerro Verde Credit Facility	1.6		2.7	%
Other debt	0.9		4.9	%
	$	19.0	4.0	%

a. In accordance with the mandatory prepayment provision of the amended Term Loan, 50 percent of the proceeds associated with FCX's pending asset sale transactions must be applied toward repaying the Term Loan.

At September 30, 2016, FCX had no borrowings, $43 million in letters of credit issued and availability of $3.5 billion under its revolving credit facility.

Equity. In July 2016, FCX commenced a registered ATM offering of up to $1.5 billion of common stock. Through October 24, 2016, FCX has sold 33.5 million shares of its common stock for gross proceeds of $415 million ($12.39 per share average price). As of September 30, 2016, FCX has 1.36 billion common shares outstanding.

FINANCIAL POLICY

FCX intends to continue to seek to strengthen its financial position, with a focus on significant debt reduction. In December 2015, FCX's common stock dividend was suspended. FCX's Board of Directors will continue to review its financial policy on an ongoing basis.

WEBCAST INFORMATION

A conference call with securities analysts to discuss FCX's third-quarter 2016 results is scheduled for today at 10:00 a.m. Eastern Time. The conference call will be broadcast on the Internet along with slides. Interested parties may listen to the conference call live and view the slides by accessing "fcx.com." A replay of the webcast will be available through Friday, November 25, 2016.

FCX is a premier U.S.-based natural resources company with an industry-leading global portfolio of mineral assets. FCX is the world's largest publicly traded copper producer.

FCX's portfolio of assets includes the Grasberg minerals district in Indonesia, one of the world's largest copper and gold deposits, and significant mining operations in the Americas, including the large-scale Morenci minerals district in North America and the Cerro Verde operation in South America. Additional information about FCX is available on FCX's website at "fcx.com."

Cautionary Statement and Regulation G Disclosure: This press release contains forward-looking statements in which FCX discusses its potential future performance. Forward-looking statements are all statements other than statements of historical facts, such as projections or expectations relating to ore grades and milling rates, production and sales volumes, unit net cash costs, operating cash flows, capital expenditures, debt reduction initiatives, including FCX's ability to complete pending asset sales and the anticipated timing thereof, and to sell additional assets, exploration efforts and results, development and production activities and costs, liquidity, tax rates, the impact of copper, gold, molybdenum, cobalt, crude oil and natural gas price changes, the impact of deferred intercompany profits on earnings, reserve estimates, future dividend payments, and share purchases and sales. The words “anticipates,” “may,” “can,” “plans,” “believes,” “estimates,” “expects,” “projects,” "targets," “intends,” “likely,” “will,” “should,” “to be,” ”potential" and any similar expressions are intended to identify those assertions as forward-looking statements. Under its term loan and revolving credit facility, as amended, FCX is not permitted to pay dividends on common stock on or prior to March 31, 2017. The declaration of dividends is at the discretion of FCX's Board of Directors (Board), subject to restrictions under FCX's credit agreements, and will depend on FCX's financial results, cash requirements, future prospects, and other factors deemed relevant by the Board.

FCX cautions readers that forward-looking statements are not guarantees of future performance and actual results may differ materially from those anticipated, projected or assumed in the forward-looking statements. Important factors that can cause FCX's actual results to differ materially from those anticipated in the forward-looking statements include supply of and demand for, and prices of, copper, gold, molybdenum, cobalt, crude oil and natural gas, mine sequencing, production rates, drilling results, potential effects of cost and capital expenditure reductions and production curtailments on financial results and cash flow, the outcome of FCX's debt reduction initiatives, FCX's ability to secure regulatory approvals, satisfy closing conditions and consummate pending asset sales, potential additional oil and gas property impairment charges, potential inventory adjustments, potential impairment of long-lived mining assets, the outcome of ongoing discussions with the Indonesian government regarding PT-FI's Contract of Work (COW), the potential effects of violence in Indonesia generally and in the province of Papua, the resolution of administrative disputes in the Democratic Republic of Congo, industry risks, regulatory changes, political risks, labor relations, weather- and climate-related risks, environmental risks, litigation results and other factors described in more detail under the heading “Risk Factors” in FCX's Annual Report on Form 10-K for the year ended December 31, 2015, filed with the U.S. Securities and Exchange Commission (SEC) as updated by FCX's subsequent filings with the SEC. WIth respect to FCX's operations in Indonesia, such factors include whether PT-FI will be able to continue to export its copper concentrate directly and indirectly through PT Smelting (PT-FI's 25 percent-owned Indonesian smelting unit) after the January 12, 2017, effective date of regulations prohibiting exports of copper concentrate and anode slimes, including whether and when those regulations may be revised and whether any such revisions would impose additional conditions on PT-FI. PT-FI's inability to export copper concentrate itself and through PT Smelting for any extended period of time would lead to the suspension of all of FCX's production in Indonesia.

Investors are cautioned that many of the assumptions upon which FCX's forward-looking statements are based are likely to change after the forward-looking statements are made, including for example commodity prices, which FCX cannot control, and production volumes and costs, some aspects of which FCX may not be able to control. Further, FCX may make changes to its business plans that could affect its results. FCX cautions investors that it does not intend to update forward-looking statements more frequently than quarterly notwithstanding any changes in its assumptions, changes in business plans, actual experience or other changes, and FCX undertakes no obligation to update any forward-looking statements.

This press release also contains certain financial measures such as unit net cash costs per pound of copper and molybdenum, oil and gas realized revenues, cash production costs and cash operating margin, which are not recognized under U.S. generally accepted accounting principles. As required by SEC Regulation G, reconciliations of these measures to amounts reported in FCX's consolidated financial statements are in the supplemental schedules of this press release, which are also available on FCX's website, "fcx.com."

FREEPORT-McMoRan INC.
SELECTED MINING OPERATING DATA

	Three Months Ended September 30,			
	Production		Sales	
COPPER (millions of recoverable pounds)	2016	2015	2016	2015
(FCX's net interest in %)				
North America				
Morenci (72%)[a]	202	232	208	224
Bagdad (100%)	47	53	46	52
Safford (100%)	64	57	62	51
Sierrita (100%)	40	45	40	46
Miami (100%)	6	10	5	10
Chino (100%)	78	82	78	79
Tyrone (100%)	17	20	18	21
Other (100%)	1	—	1	—
Total North America	455	499	458	483
South America				
Cerro Verde (53.56%)	265	123	272	128
El Abra (51%)	52	81	51	79
Total South America	317	204	323	207
Indonesia				
Grasberg (90.64%)[b]	321	192	332	198
Consolidated - continuing operations	1,093	895	1,113 [c]	888 [c]
Discontinued operations - Tenke Fungurume (Tenke) (56%)	124	108	118	113

Total	1,217	1,003	1,231	1,001
Less noncontrolling interests	234	162	235	167
Net	983	841	996	834
Average realized price per pound			$ 2.19	$ 2.39
Average realized price per pound (including Tenke)			$ 2.18	$ 2.38
GOLD (thousands of recoverable ounces)				
(FCX's net interest in %)				
North America (100%)	7	9	10	9
Indonesia (90.64%)[b]	301	272	307	285
Consolidated	308	281	317	294
Less noncontrolling interests	28	25	29	27
Net	280	256	288	267
Average realized price per ounce			$ 1,327	$ 1,117
MOLYBDENUM (millions of recoverable pounds)				
(FCX's net interest in %)				
Henderson (100%)	2	7	N/A	N/A
Climax (100%)	3	6	N/A	N/A
North America copper mines (100%)[a]	9	9	N/A	N/A
Cerro Verde (53.56%)	5	1	N/A	N/A
Consolidated	19	23	16	23
Less noncontrolling interests	2	—	1	1
Net	17	23	15	22
Average realized price per pound			$ 9.14	$ 7.91
COBALT (millions of contained pounds)				
(FCX's net interest in %)				
Discontinued operations - Tenke (56%)	9	9	9	10
Less noncontrolling interests	4	4	4	4
Net	5	5	5	6
Average realized price per pound			$ 7.83	$ 8.96

a. Amounts are net of Morenci's undivided joint venture partner's interest; effective May 31, 2016, FCX's undivided interest in Morenci was prospectively reduced from 85 percent to 72 percent.

b. Amounts are net of Grasberg's joint venture partner's interest, which varies in accordance with the terms of the joint venture agreement.

c. Consolidated sales volumes exclude purchased copper of 61 million pounds in third-quarter 2016 and 28 million pounds in third-quarter 2015.

FREEPORT-McMoRan INC.
SELECTED MINING OPERATING DATA (continued)

	Nine Months Ended September 30,			
	Production		Sales	
COPPER (millions of recoverable pounds)	2016	2015	2016	2015
(FCX's net interest in %)				
North America				
Morenci (72%)[a]	658	656	667	660
Bagdad (100%)	139	157	141	166
Safford (100%)	173	136	173	132
Sierrita (100%)	122	140	123	146
Miami (100%)	20	33	21	35
Chino (100%)	239	231	239	232
Tyrone (100%)	56	65	57	68
Other (100%)	4	2	4	2
Total North America	1,411	1,420	1,425	1,441
South America				
Cerro Verde (53.56%)	815	334	798	335
El Abra (51%)	171	251	175	250
Total South America	986	585	973	585
Indonesia				
Grasberg (90.64%)[b]	694	551	702	549
Consolidated - continuing operations	3,091	2,556	3,100 [c]	2,575 [c]
Discontinued operations - Tenke (56%)	356	339	365	350
Total	3,447	2,895	3,465	2,925
Less noncontrolling interests	684	479	683	484
Net	2,763	2,416	2,782	2,441

Average realized price per pound			$ 2.17	$ 2.54
Average realized price per pound (including Tenke)			$ 2.16	$ 2.54
GOLD (thousands of recoverable ounces)				
(FCX's net interest in %)				
North America (100%)	21	20	21	18
Indonesia (90.64%)[b]	637	887	653	891
Consolidated	658	907	674	909
Less noncontrolling interests	59	83	61	84
Net	599	824	613	825
Average realized price per ounce			$ 1,292	$ 1,149
MOLYBDENUM (millions of recoverable pounds)				
(FCX's net interest in %)				
Henderson (100%)	7	21	N/A	N/A
Climax (100%)	12	18	N/A	N/A
North America copper mines (100%)[a]	25	28	N/A	N/A
Cerro Verde (53.56%)	14	5	N/A	N/A
Consolidated	58	72	52	69
Less noncontrolling interests	6	2	4	3
Net	52	70	48	66
Average realized price per pound			$ 8.36	$ 9.21
COBALT (millions of contained pounds)				
(FCX's net interest in %)				
Discontinued operations - Tenke (56%)	28	25	29	26
Less noncontrolling interests	12	11	13	11
Net	16	14	16	15
Average realized price per pound			$ 7.15	$ 9.04

a. Amounts are net of Morenci's undivided joint venture partner's interest; effective May 31, 2016, FCX's undivided interest in Morenci was prospectively reduced from 85 percent to 72 percent.

b. Amounts are net of Grasberg's joint venture partner's interest, which varies in accordance with the terms of the joint venture agreement.

c. Consolidated sales volumes exclude purchased copper of 131 million pounds for the first nine months of 2016 and 92 million pounds for the first nine months of 2015.

FREEPORT-McMoRan INC.

SELECTED MINING OPERATING DATA (continued)

	Three Months Ended September 30,		Nine Months End
	2016	2015	2016
100% North America Copper Mines			
Solution Extraction/Electrowinning (SX/EW) Operations			
Leach ore placed in stockpiles (metric tons per day)	681,400	927,900	764,900
Average copper ore grade (percent)	0.31	0.27	0.32
Copper production (millions of recoverable pounds)	316	300	921
Mill Operations			
Ore milled (metric tons per day)	300,500	311,500	299,900
Average ore grades (percent):			
Copper	0.47	0.50	0.48
Molybdenum	0.03	0.03	0.03
Copper recovery rate (percent)	87.8	85.6	86.3
Production (millions of recoverable pounds):			
Copper	216	240	661
Molybdenum	9	9	25
100% South America Mining			
SX/EW Operations			
Leach ore placed in stockpiles (metric tons per day)	163,000	192,300	158,100
Average copper ore grade (percent)	0.41	0.46	0.41
Copper production (millions of recoverable pounds)	78	107	250
Mill Operations			
Ore milled (metric tons per day)	355,300	131,200	348,900
Average ore grades:			
Copper (percent)	0.41	0.49	0.42
Molybdenum (percent)	0.02	0.02	0.02
Copper recovery rate (percent)	84.4	79.2	86.1
Production (recoverable):			
Copper (millions of pounds)	239	97	736

Molybdenum (millions of pounds)	5	1	14
100% Indonesia Mining			
Ore milled (metric tons per day)[a]			
Grasberg open pit	135,600	117,300	117,200
Deep Ore Zone underground mine	35,100	40,400	38,700
Deep Mill Level Zone (DMLZ) underground mine[b]	6,000	3,800	5,000
Grasberg Block Cave underground mine[b]	2,800	—	2,600
Big Gossan underground mine[b]	1,000	—	700
Total	180,500	161,500	164,200
Average ore grades:			
Copper (percent)	1.02	0.68	0.86
Gold (grams per metric ton)	0.69	0.71	0.58
Recovery rates (percent):			
Copper	91.4	89.6	90.5
Gold	82.7	81.1	81.4
Production (recoverable):			
Copper (millions of pounds)	327	192	736
Gold (thousands of ounces)	300	272	664
100% Africa Mining (Discontinued Operations)			
Ore milled (metric tons per day)	15,300	14,000	15,400
Average ore grades (percent):			
Copper	4.31	4.02	4.11
Cobalt	0.43	0.43	0.45
Copper recovery rate (percent)	93.5	94.0	93.6
Production (millions of pounds):			
Copper (recoverable)	124	108	356
Cobalt (contained)	9	9	28
100% Molybdenum Mines			
Ore milled (metric tons per day)	16,100	36,800	17,700
Average molybdenum ore grade (percent)	0.19	0.20	0.21
Molybdenum production (millions of recoverable pounds)	5	13	19

a. Amounts represent the approximate average daily throughput processed at PT-FI's mill facilities from each producing mine and from development activities that result in meta

b. Targeted production rates once the DMLZ underground mine reaches full capacity are expected to approximate 80,000 metric tons of ore per day in 2021; production from th underground mine is expected to restart in the first half of 2017 and production from the Grasberg Block Cave underground mine is expected to commence in 2018.

FREEPORT-McMoRan INC.
SELECTED U.S. OIL AND GAS OPERATING DATA

	Three Months Ended September 30,			
	Sales Volumes		Sales per Day	
	2016	2015	2016	2015
Gulf of Mexico (GOM)[a]				
Oil (thousand barrels or MBbls)	6,272	6,168	68	67
Natural gas (million cubic feet or MMcf)	9,922	9,513	108	103
Natural gas liquids (NGLs, in MBbls)	554	632	6	7
Thousand barrels of oil equivalents (MBOE)	8,479	8,386	92 [b]	91 [b]
Average realized price per BOE[c]	$ 35.70	$ 38.99		
Cash production costs per BOE[c]	$ 12.77	$ 15.96		
Capital expenditures (in millions)	$ 75	$ 630		
CALIFORNIA[a]				
Oil (MBbls)	2,873	3,073	31	33
Natural gas (MMcf)	438	518	5	6
NGLs (MBbls)	38	44	1	1
MBOE	2,983	3,203	33 [b]	35 [b]
Average realized price per BOE[c]	$ 36.72	$ 39.84		
Cash production costs per BOE[c]	$ 23.75	$ 32.82		
Capital expenditures (in millions)	$ 6	$ 19		
HAYNESVILLE/MADDEN/OTHER[d]				
Oil (MBbls)	1	46	— [e]	1
Natural gas (MMcf)	3,439	12,788	37	139
NGLs (MBbls)	1	14	— [e]	— [e]
MBOE	576	2,191	6 [b]	24 [b]

Average realized price per BOE[c]	$ 15.55	$ 16.20		
Cash production costs per BOE[c]	$ 2.45	$ 9.49		
Capital expenditures (in millions)	$ —	$ 2		
TOTAL U.S. OIL AND GAS OPERATIONS				
Oil (MBbls)	9,146	9,287	99	101
Natural gas (MMcf)	13,799	22,819	150	248
NGLs (MBbls)	593	690	7	8
MBOE	12,038	13,780	131	150
Cash operating margin per BOE:[c]				
Realized revenues	$ 34.99	$ 43.00 [f]		
Less: cash production costs	15.00	18.85		
Cash operating margin	$ 19.99	$ 24.15		
Depreciation, depletion and amortization per BOE	$ 18.54	$ 32.71		
Capital expenditures (in millions)	$ 160 [g]	$ 635 [g]		

a. FCX has entered into agreements to sell its Deepwater GOM and onshore California properties; these transactions are expected to close in fourth-quarter 2016.

b. Production following the completion of the pending oil and gas transactions would include (i) GOM Shelf, which totaled 12 MBOE per day for third-quarter 2016 and 15 MBOE per day for third-quarter 2015, (ii) offshore California, which totaled 4 MBOE per day for both third quarter 2016 and 2015 and (iii) the Madden area, which totaled 3 MBOE per day for third-quarter 2016 and 4 MBOE per day for third-quarter 2015.

c. Cash operating margin for oil and gas operations reflects realized revenues less cash production costs. For reconciliations of average realized price and cash production costs per BOE to revenues and production and delivery costs reported in FCX's consolidated financial statements, refer to the supplemental schedules, “Product Revenues and Production Costs,” beginning on page XV, which are available on FCX's website, “fcx.com.”

d. In July 2016, FCX completed the sale of its Haynesville shale assets.

e. Rounds to less than 1 MBbl per day.

f. Includes realized cash gains on crude oil derivative contracts of $7.44 per BOE. These contracts were managed on a consolidated basis; accordingly, the average realized price per BOE by region did not reflect adjustments for crude oil derivative contracts.

g. Consolidated capital expenditures for U.S. oil and gas operations reflect total spending, which includes changes in capital expenditure accruals and other adjustments totaling $79 million for third-quarter 2016 and $(16) million for third-quarter 2015 that are not specifically allocated to the above regions. Excludes international oil and gas capital expenditures totaling $37 million for third-quarter 2015, primarily related to the Morocco oil and gas properties.

FREEPORT-McMoRan INC.
SELECTED U.S. OIL AND GAS OPERATING DATA (continued)

	Nine Months Ended September 30,			
	Sales Volumes		Sales per Day	
	2016	2015	2016	2015
GOM[a]				
Oil (MBbls)	17,470	16,365	64	60
Natural gas (MMcf)	28,634	26,147	105	96
NGLs (MBbls)	1,638	1,633	6	6
MBOE	23,880	22,356	87 [b]	82 [b]
Average realized price per BOE[c]	$ 32.38	$ 42.37		
Cash production costs per BOE[c]	$ 12.44	$ 16.72		
Capital expenditures (in millions)	$ 557	$ 2,011		
CALIFORNIA[a]				
Oil (MBbls)	8,546	9,773	31	36
Natural gas (MMcf)	1,323	1,664	5	6
NGLs (MBbls)	104	128	— [d]	— [d]
MBOE	8,870	10,178	32 [b]	37 [b]
Average realized price per BOE[c]	$ 33.08	$ 42.33		
Cash production costs per BOE[c]	$ 25.23	$ 30.71		
Capital expenditures (in millions)	$ 22	$ 72		
HAYNESVILLE/MADDEN/OTHER[e]				
Oil (MBbls)	82	120	— [d]	— [d]
Natural gas (MMcf)	22,276	40,309	81	148
NGLs (MBbls)	21	39	— [d]	— [d]
MBOE	3,816	6,877	14 [b]	25 [b]
Average realized price per BOE[c]	$ 12.69	$ 16.52		
Cash production costs per BOE[c]	$ 9.88	$ 11.48		
Capital expenditures (in millions)	$ 2	$ 29		

TOTAL U.S. OIL AND GAS OPERATIONS					
Oil (MBbls)	26,098	26,258		95	96
Natural gas (MMcf)	52,233	68,120		191	250
NGLs (MBbls)	1,763	1,800		6	6
MBOE	36,566	39,411		133	144
Cash operating margin per BOE:[c]					
Realized revenue	$ 30.50	$ 45.57	f		
Less: cash production costs	15.28	19.42			
Cash operating margin	$ 15.22	$ 26.15			
Depreciation, depletion and amortization per BOE	$ 19.03	$ 37.18			
Capital expenditures (in millions)	$ 1,028 g	$ 2,430	g		

a. FCX has entered into agreements to sell its Deepwater GOM and onshore California properties; these transactions are expected to close in fourth-quarter 2016.

b. Production following the completion of the pending oil and gas transactions would include (i) GOM Shelf, which totaled 13 MBOE per day for the first nine months of 2016 and 14 MBOE per day for the first nine months of 2015, (ii) offshore California, which totaled 4 MBOE per day for the first nine months of 2016 and 6 MBOE per day for the first nine months of 2015 and (iii) the Madden area, which totaled 3 MBOE per day for the first nine months of 2016 and 4 MBOE per day for the first nine months of 2015.

c. Cash operating margin for oil and gas operations reflects realized revenues less cash production costs. For reconciliations of average realized price and cash production costs per BOE to revenues and production and delivery costs reported in FCX's consolidated financial statements, refer to the supplemental schedules, “Product Revenues and Production Costs,” beginning on page XV, which are available on FCX's website, “fcx.com.”

d. Rounds to less than 1 MBbl per day.

e. In July 2016, FCX completed the sale of its Haynesville shale assets.

f. Includes realized cash gains on crude oil derivative contracts of $7.72 per BOE. These contracts were managed on a consolidated basis; accordingly, the average realized price per BOE by region did not reflect adjustments for crude oil derivative contracts.

g. Consolidated capital expenditures for U.S. oil and gas operations reflect total spending, which includes changes in capital expenditure accruals and other adjustments totaling $447 million for the first nine months of 2016 and $318 million for the first nine months of 2015 that are not specifically allocated to the above regions. Excludes international oil and gas capital expenditures totaling $47 million for the first nine months of 2016 and $81 million for the first nine months of 2015, primarily related to the Morocco oil and gas properties.

FREEPORT-McMoRan INC.
CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Month September 3 2016 (In millions,
Revenues[a]	$ 3,877
Cost of sales:	
Production and delivery[b]	2,509
Depreciation, depletion and amortization	643
Impairment of oil and gas properties	239
Metals inventory adjustments	20
Total cost of sales	3,411
Selling, general and administrative expenses	110
Mining exploration and research expenses	13
Environmental obligations and shutdown (credits) costs	(3)
Net gain on sales of assets	(13)
Total costs and expenses	3,518
Operating income (loss)	359
Interest expense, net[d]	(187)
Net gain on early extinguishment of debt	15
Other (expense) income, net	(10)
Income (loss) from continuing operations before income taxes and equity in affiliated companies' net earnings (losses)	177
Benefit from (provision for) income taxes[f]	114
Equity in affiliated companies' net earnings (losses)	1
Net income (loss) from continuing operations	292
Net (loss) income from discontinued operations[g]	(6)
Net income (loss)	286
Net income attributable to noncontrolling interests:	
Continuing operations	(37)
Discontinued operations	(22)
Preferred dividends attributable to redeemable noncontrolling interest	(10)

Net income (loss) attributable to common stockholders[h]	$ 217
Basic and diluted net income (loss) per share attributable to common stockholders:	
Continuing operations	$ 0.18
Discontinued operations	(0.02)
	$ 0.16
Basic weighted-average common shares outstanding	1,346
Diluted weighted-average common shares outstanding	1,351
Dividends declared per share of common stock	$ —

a. Revenues include favorable (unfavorable) adjustments to provisionally priced concentrate and cathode copper sales recognized in prior periods (refer to the supplemental sc a summary of these amounts). Revenues for the 2015 periods also include net noncash mark-to-market losses associated with crude oil derivative contracts (refer to the supple on Page IX for a summary of these amounts).

b. Includes charges (i) at oil and gas operations associated with drillship settlements/idle rigs, inventory adjustments, asset impairments and other net charges and (ii) at mining restructuring charges. Refer to the supplemental schedule, "Adjusted Net Income (Loss)," on page IX for a summary of these charges.

c. Includes net restructuring-related charges at oil and gas operations. Refer to the supplemental schedule, "Adjusted Net Income (Loss)," on page IX.

d. Consolidated interest expense, excluding capitalized interest, totaled $211 million in each of third quarter 2016 and 2015, $647 million for the first nine months of 2016 and $

e. Includes a gain for the proceeds received from insurance carriers and other third parties related to a shareholder derivative litigation settlement. Refer to the supplemental sc IX.

f. Refer to the supplemental schedule, "Income Taxes," on page X for a summary of FCX's benefit from (provision for) income taxes.

g. Net of charges for (i) allocated interest expense associated with FCX's term loan that is required to be repaid as a result of the sale of FCX's interest in TF Holdings Limited t million in third-quarter 2015, $33 million for the first nine months of 2016 and $20 million for the first nine months of 2015 and (ii) income tax (benefit from) provision for totaling third-quarter 2015, $(25) million for the first nine months of 2016 and $20 million for the first nine months of 2015. In accordance with accounting guidelines, the first nine month disposal, which will be adjusted through closing of the transaction (refer to the supplemental schedule, "Adjusted Net Income (Loss)," on page IX.

h. FCX defers recognizing profits on intercompany sales until final sales to third parties occur. Refer to the supplemental schedule, "Deferred Profits," on page XI for a summary

FREEPORT-McMoRan INC.
CONSOLIDATED BALANCE SHEETS (Unaudited)

	September 30, 2016	December 31, 2015
	(In millions)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,108	$ 195
Trade accounts receivable	788	660
Income and other tax receivables	857	1,341
Other accounts receivable	97	154
Inventories:		
Materials and supplies, net	1,349	1,594
Mill and leach stockpiles	1,312	1,539
Product	1,025	1,071
Other current assets	299	164
Held for sale	4,663	744
Total current assets	11,498	7,462
Property, plant, equipment and mining development costs, net	23,415	24,246
Oil and gas properties, net - full cost method:		
Subject to amortization, less accumulated amortization and impairment	979	2,262
Not subject to amortization	1,644	4,831
Long-term mill and leach stockpiles	1,723	1,663
Other assets	2,141	1,989
Held for sale	—	4,124
Total assets	$ 41,400	$ 46,577
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable and accrued liabilities	$ 2,347	$ 3,255
Current portion of debt	802	649

Current portion of environmental and asset retirement obligations	357	272
Accrued income taxes	161	23
Held for sale	821	108
Total current liabilities	4,488	4,307
Long-term debt, less current portion	18,180	19,779
Deferred income taxes	3,549	3,607
Environmental and asset retirement obligations, less current portion	3,725	3,717
Other liabilities	1,618	1,641
Held for sale	—	718
Total liabilities	31,560	33,769
Redeemable noncontrolling interest	774	764
Equity:		
Stockholders' equity:		
Common stock	149	137
Capital in excess of par value	25,601	24,283
Accumulated deficit	(16,832)	(12,387)
Accumulated other comprehensive loss	(476)	(503)
Common stock held in treasury	(3,710)	(3,702)
Total stockholders' equity	4,732	7,828
Noncontrolling interests[a]	4,334	4,216
Total equity	9,066	12,044
Total liabilities and equity	$ 41,400	$ 46,577

a. Includes noncontrolling interests of $1.2 billion at September 30, 2016, and December 31, 2015, associated with Tenke.

FREEPORT-McMoRan INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	Nine Months Ended September 30,	
	2016	2015
	(In millions)	
Cash flow from operating activities:		
Net loss	$ (4,225)	$ (7,995)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation, depletion and amortization	2,017	2,717
Impairment of oil and gas properties	4,317	9,442
Non-cash oil and gas drillship settlements	606	—
Other asset impairments, inventory adjustments, restructuring and other	119	104
Metals inventory adjustments	27	154
Net gain on sales of assets	(762)	(39)
Net charges for environmental and asset retirement obligations, including accretion	149	174
Payments for environmental and asset retirement obligations	(190)	(135)
Net gain on early extinguishment of debt	(51)	—
Deferred income taxes	(22)	(1,926)
Estimated loss on disposal of discontinued operations	182	—
Increase in long-term mill and leach stockpiles	(84)	(183)
Net gains on crude oil derivative contracts	—	(87)
Other, net	48	40
Changes in working capital and other tax payments, excluding amounts from dispositions:		
Accounts receivable	257	990
Inventories	251	83
Other current assets	(120)	(13)
Accounts payable and accrued liabilities	(80)	(150)
Accrued income taxes and changes in other tax payments	155	(568)
Net cash provided by operating activities	2,594	2,608
Cash flow from investing activities:		
Capital expenditures:		
North America copper mines	(87)	(308)
South America	(332)	(1,339)
Indonesia	(715)	(660)
Molybdenum mines	(2)	(10)
U.S. oil and gas operations	(1,028)	(2,430)
Other	(145)	(308)
Net proceeds from sale of additional interest in Morenci	996	—
Net proceeds from sales of other assets	410	151
Other, net	9	(37)

Net cash used in investing activities	(894)	(4,941)
Cash flow from financing activities:		
Proceeds from debt	3,463	6,552
Repayments of debt	(4,539)	(4,693)
Net proceeds from sale of common stock	442	999
Cash dividends and distributions paid:		
Common stock	(5)	(547)
Noncontrolling interests	(87)	(89)
Stock-based awards net payments, including excess tax benefit	(5)	(8)
Debt financing costs and other, net	(17)	(7)
Net cash (used in) provided by financing activities	(748)	2,207
Net increase (decrease) in cash and cash equivalents	952	(126)
(Increase) decrease in cash and cash equivalents in assets held for sale	(39)	42
Cash and cash equivalents at beginning of year	195	317
Cash and cash equivalents at end of period	$ 1,108	$ 233

FREEPORT-McMoRan INC.

ADJUSTED NET INCOME (LOSS)

Adjusted net income (loss) is intended to provide investors and others with information about FCX's recurring operating performance information differs from net income (loss) attributable to common stockholders determined in accordance with U.S. generally accept principles (GAAP) and should not be considered in isolation or as a substitute for measures of performance determined in accordan GAAP. FCX's adjusted net income (loss) follows, which may not be comparable to similarly titled measures reported by other compa millions, except per share amounts):

	Three Months Ended September 30,				
	2016			2015	
	Pre-tax	After-tax	Per Share	Pre-tax	After-ta
Net income (loss) attributable to common stock	N/A	$ 217	$ 0.16	N/A	$ (3,83
Net noncash mark-to-market losses on crude oil derivative contracts	$ —	$ —	$ —	$ (74)	$ (46
Impairment of oil and gas properties	(239)	(239) [a]	(0.18)	(3,652)	(3,481
Other oil and gas net (charges) credits:					
Drillship settlements/idle rig (costs) credits	(19)	(19)	(0.01)	3	2
Inventory adjustments, asset impairments and other net charges[b]	(31)	(31)	(0.02)	(24)	(15
Net restructuring-related credits	1	1	—	—	&mdas
Metals inventory adjustments	(20)	(20)	(0.01)	(91)	(58
Mining asset retirement/impairment and restructuring charges	(20)	(20)	(0.01)	(92)	(56
Adjustments to environmental obligations and related litigation reserves	12	12	0.01	(28)	(18
Net gain on sales of assets	13	13	0.01	—	&mdas
Net gain on early extinguishment of debt	15	15	0.01	—	&mdas
Net tax credits[c]	N/A	332	0.24	N/A	&mdas
Estimated loss on disposal of discontinued operations	(5)	(5)	—	—	&mdas
	$ (293)	$ 39	$ 0.03 [d]	$ (3,958)	$ (3,67
Adjusted net income (loss) attributable to common stock	N/A	$ 178	$ 0.13	N/A	$ (158

	Nine Months Ended September 30,				
	2016			2015	
	Pre-tax	After-tax	Per Share	Pre-tax	After-ta
Net loss attributable to common stock	N/A	$ (4,446)	$ (3.45)	N/A	$ (8,15
Net noncash mark-to-market losses on crude oil derivative contracts	$ —	$ —	$ —	$ (217)	$ (135
Impairment of oil and gas properties	(4,317)	(4,317) [a]	(3.35)	(9,442)	(7,855
Other oil and gas net charges:					
Drillship settlements/idle rig costs	(823)	(823)	(0.64)	(13)	(8
Inventory adjustments, asset impairments and other net charges[b]	(119)	(119)	(0.09)	(46)	(29
Net restructuring-related charges	(38)	(38)	(0.03)	—	&mdas
Metals inventory adjustments	(27)	(27)	(0.02)	(154)	(99
Mining asset retirement/impairment and restructuring charges	(17)	(17)	(0.01)	(92)	(56
Adjustments to environmental obligations and related litigation reserves	11	11	0.01	(36)	(23
Net gain on sales of assets	762	757	0.59	39	25
Net gain on early extinguishment of debt	51	51	0.04	—	&mdas
Gain on shareholder derivative litigation settlement	—	—	—	92	92
Net tax credits[c]	N/A	290	0.22	N/A	&mdas
Estimated loss on disposal of discontinued operations	(182)	(182)	(0.14)	—	&mdas
	$ (4,699)	$ (4,414)	$ (3.43) [d]	$ (9,869)	$ (8,08

Adjusted net loss attributable to common stock	N/A	$ (32)	$ (0.02)	N/A	$ (67

a. As a result of the impairment to oil and gas properties, FCX recorded tax charges to establish a valuation allowance against deferred tax assets that will not generate a future
charges have been reflected in the above after-tax impacts for the impairment of oil and gas properties.

b. Other net charges for oil and gas operations include $17 million in the 2016 periods for the termination of the Morocco well commitment, and $14 million in third-quarter 2015
the first nine months of 2015 for prior period tax assessments related to California properties.

c. For further discussion of net tax credits impacting the third quarter and first nine months of 2016, refer to "Income Taxes," on page X.

d. Per share amounts do not foot down because of rounding.

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Contact

Freeport-McMoRan Inc.
Financial Contacts:
Kathleen L. Quirk, 602-366-8016
or
David P. Joint, 504-582-4203
or
Media Contact:
Eric E. Kinneberg, 602-366-7994