

CORPORATE EVENTS

MEMO # 07-64 UPDATED

DATE: 3/16/07

ACTION:

Phelps Dodge (PD) – Anticipated Merger. **The effective date expected to be March 19, 2007.** On March 14, 2007, shareholders voted concerning the proposed merger with Freeport-McMoran Copper & Gold Inc. (FCX). Commensurate with the completion of the merger, each existing PD common share will be converted into the right to receive .67 FCX Common Shares plus \$88.00 Cash. Cash will be paid in lieu of fractional FCX shares. This corporate action will be coordinated with the Options Clearing Corporation.

CATEGORY:

Contract Adjustment

EQUITY SYMBOL:

Phelps Dodge (PD)

ONECHICAGO SYMBOL:

PD1C changes to PD2C

CME FUTURES SYMBOL:

PD changes to PD2

EFFECTIVE DATE:

March 19, 2007

MULTIPLIER:

100 multiplier remains the same.

DELIVERABLE PER CONTRACT:

- 1) 67 Freeport – McMoran Copper & Gold Inc. (FCX) Common Shares
- 2) \$8,800.00 Cash (\$88.00 x 100)*

*The cash portion of the deliverable remains permanently fixed as part of the option deliverable, and does not vary with price changes of securities also included in the deliverable.

APPLICABLE CONTRACT MONTHS:

April, June, September

**SETTLEMENT PRICES
AND POSITIONS:**

OCC will delay settlement until the end of “when-issued” trading in FCX. If any, is determined by the New York Stock Exchange.

BACKGROUND:

On March 14, 2007, Shareholders of Phelps Dodge (PD) voted concerning a proposed merger with Freeport-McMoran Copper & Gold Inc. (FCX). Each existing PD Common Share will be converted into the right to receive .67 FCX Common Shares plus \$88.00 Cash. Cash will be paid in lieu of fractional FCX shares.

NOTES:

The forecasted effect of the upcoming corporate event on each clearing firms' positions can be viewed in infopac in the Corporate Event Initial Forecast Report (ONE712), the Corporate Event Final Forecast Report (ONE713), and the Corporate Event Forecast Audit Report (CPDBU710).

If you have any questions regarding the information provided in the document, please call CME Clearing risk management hotline at (312) 648-3888.