

PHELPS DODGE CORP  
Form 11-K  
June 29, 2006

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**SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
Form 11-K**

(Mark One)

- ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2005

OR

- TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-82

**PHELPS DODGE EMPLOYEE SAVINGS PLAN**  
**PHELPS DODGE CORPORATION**  
**One North Central Avenue**  
**Phoenix, Arizona 85004**

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**SIGNATURES**

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the Benefits Administration Committee has duly caused this Annual Report to be signed by the undersigned hereunto duly authorized.

PHELPS DODGE EMPLOYEE SAVINGS PLAN

Date: June 29, 2006

By: /s/Nancy F. Mailhot

Nancy F. Mailhot, Chairman  
Benefits Administration Committee

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**Phelps Dodge Employee Savings Plan  
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December 31, 2005 and 2004**

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**Report of Independent Registered Public Accounting Firm**

To the Benefits Administration Committee and Participants  
of the Phelps Dodge Employee Savings Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statement of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of the Phelps Dodge Employee Savings Plan (the Plan ) at December 31, 2005 and 2004, and the changes in net assets available for benefits for the year ended December 31, 2005 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Benefits Administration Committee (the Committee ). Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets (held at end of year) at December 31, 2005 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Committee. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/PricewaterhouseCoopers LLP  
Phoenix, Arizona  
June 29, 2006

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**Phelps Dodge Employee Savings Plan**  
**Statements of Net Assets Available for Benefits**  
**December 31, 2005 and 2004**  
**(in thousands)**

	<b>2005</b>	<b>2004</b>
<b>Assets</b>		
Investments at fair value:		
Interest in the Master Trust	\$ 542,677	474,517
Investments	158,404	140,456
Total investments	701,081	614,973
Receivables:		
Participant contributions receivable	958	980
Employer contributions receivable	1,089	960
Employer profit sharing contribution receivable	18,857	17,826
Total receivables	20,904	19,766
Net assets available for benefits	\$ 721,985	634,739

The accompanying notes are an integral part of these financial statements.

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**Phelps Dodge Employee Savings Plan**  
**Statement of Changes in Net Assets Available for Benefits**  
**For the Year Ended December 31, 2005**  
**(in thousands)**

Additions to net assets attributed to:	
Investment income:	
Plan interest in Master Trust investment income	
Master Trust investment income	\$ 34,912
Investment expenses	(397)
Plan interest in Master Trust investment income	34,515
Net appreciation in fair value of investments:	
Common stocks	35,193
Mutual funds	1,272
Net appreciation in fair value of investments	36,465
Dividends and interest	6,345
Net investment income	77,325
Contributions:	
Participant contributions	31,621
Employer matching contributions	13,330
Employer profit sharing contribution	18,857
Total contributions	63,808
Total additions, net	141,133
Deductions from net assets attributed to:	
Distributions to participants and beneficiaries	53,880
Administrative expenses	7
Total deductions	53,887
Increase in net assets	87,246
Net assets available for benefits at December 31, 2004	634,739
Net assets available for benefits at December 31, 2005	\$ 721,985

The accompanying notes are an integral part of these financial statements.

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**Phelps Dodge Employee Savings Plan  
Notes to Financial Statements**

**1. Description of Plan**

**General**

The Phelps Dodge Employee Savings Plan (the Plan) is a defined contribution plan established for the benefit of eligible employees (the Participants) of Phelps Dodge Corporation (the Corporation) and its participating subsidiaries, affiliates and locations. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). A brief description of the Plan is included in the following paragraphs. Participants should refer to the Plan document for a complete description of Plan provisions.

**Administration**

The Plan is sponsored by the Corporation and administered by the Corporation's Benefits Administration Committee (the Committee) composed of seven employees of the Corporation who are appointed by the Corporation's Board of Directors.

Effective April 1, 2005, an Investment Committee was established to designate and monitor the investment vehicles available under the Plan. The Investment Committee is composed of six employees of the Corporation, as described by the Plan document.

Effective October 1, 2004, the Corporation entered into the Master Trust Agreement for the Phelps Dodge Employee Savings Plan (the Master Trust) with JPMorgan Chase Bank to serve as the funding vehicle for the Plan. Prior to October 1, 2004, all Plan assets were held in a trust (the PD Plan Trust) pursuant to a trust agreement by and between the Corporation and JPMorgan Chase Bank. On October 1, 2004, the common/collective funds, mutual funds and the Plan's benefit-responsive guaranteed investment contracts (GICs) were transferred from the PD Plan Trust to the Master Trust. The Master Trust is administered by JPMorgan Chase Bank (the Trustee). JPMorgan Retirement Plan Services LLC serves as the Recordkeeper of the Plan.

Brokerage commissions, taxes and other expenses incurred in connection with the purchase and sale of securities or other property for a fund are paid by such fund. All other fees and expenses of plan administration are paid by the Master Trust (PD Plan Trust prior to October 1, 2004) unless the Corporation elects, in its sole discretion, to pay those expenses directly. The investment expenses of the Master Trust primarily relate to the administration of the Master Trust's GICs.

**Contributions**

All Participants are eligible to make pretax deferral contributions (Pretax Contributions), subject to certain limitations, equal to a whole percentage from 1 percent to 100 percent of their eligible earnings. Participants who have attained age 50 before the end of the applicable year may be eligible to make additional Pretax Contributions up to the annual catch-up limit, which may be eligible for a matching contribution from the Corporation (Company Matching Contribution). After-tax contributions are not permitted. The Company Matching Contribution is equal to 100 percent of the Participant's Pretax Contributions that do not exceed 3 percent of the Participant's eligible earnings and an additional 50 percent of the Pretax Contributions that do not exceed the next 2 percent of the Participant's eligible earnings. Participants are eligible to make Pretax Contributions to the Plan immediately upon their hire date, and those Pretax Contributions are eligible for the Company Matching Contribution. All contributions are invested in one or more of the investment vehicles available within the Plan as directed by Participants. Participants are always fully vested in their total account balances.

A profit sharing contribution, as defined by the Plan document, for eligible employees may be made by the Corporation (Company Profit Sharing Contribution). Eligible employees generally are those Participants employed in a salaried job classification, who have a year of service (1,000 hours of service) and who are employed on the last day of the Plan year. However, if Participants retired, died or became disabled during the year, those Participants are still eligible to receive this contribution. A profit sharing contribution of \$18,857,000 was made for 2005 and paid to the Master Trust in 2006. The profit sharing contribution is allocated to each participant based on the percentage of the participant's eligible profit sharing earnings to the aggregate eligible profit sharing earnings for all participants.

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**Phelps Dodge Employee Savings Plan**

**Notes to Financial Statements**

**1. Description of Plan (Continued)**

**Investments**

Participants may direct the investment of their account balances in a variety of investment vehicles comprised of common stocks, mutual funds, common/collective funds and GICs. The Plan is intended to comply with Section 404(c) of ERISA.

**Distributions**

Participants' interests in the Plan become distributable upon severance from employment with the Corporation, upon attaining age 59 1/2 (with certain limitations) or to their beneficiaries in the event of their death. The distribution may be made in a single lump sum or a series of substantially equal annual, quarterly or monthly cash installments beginning no earlier than age 55 and continuing over a period not to exceed 10 years, at the election of the Participant or beneficiary. Certain preserved benefits transferred from a merged plan into this Plan may be distributed to married participants in the form of a qualified contingent annuity. Cash distributions are based upon the underlying closing price for all investments, except for the common stocks mentioned below. Distributions of investments in Phelps Dodge Common Stock, Occidental Petroleum Stock or BP Amoco Stock are based upon the actual price at which the stock is liquidated in the market three days prior to distribution. Distributions of investments in Phelps Dodge Common Stock, Occidental Petroleum Common Stock and BP Amoco Common Stock may also be made in shares.

After-tax contributions were permitted in certain plans that transferred assets into the Plan in prior years. Participants may withdraw such after-tax contributions and earnings thereon at any time. The Plan also provides, with certain limitations, for hardship withdrawals of Pretax Contributions (excluding earnings), Rollover Contributions and Company Profit Sharing Contributions. Hardship withdrawals are not granted unless other financial resources are not reasonably available, including after-tax savings or a loan from the Plan. Rollover Contributions may be withdrawn at anytime. Company Profit Sharing Contributions may be withdrawn once a Participant has 5 years of service. All withdrawals and distributions are made in accordance with rules outlined in the Plan document.

**Loans**

Participants may borrow from their account balances as provided in the Plan. Loans are repayable over a maximum of 5 years with the exception of loans for the purchase of a primary residence that may extend to 15 years. The maximum loan amount is equal to \$50,000 minus the Participant's highest outstanding loan balance during the past 12 months, limited to 50 percent of the Participant's vested account balance. Loans bear interest at the prime rate as quoted by the Plan's Trustee plus 2 percent. The prime rate at December 31, 2005, was 7.25 percent.

Loans are repaid by payroll deductions and interest is credited to the Participant's accounts. Loans are generally secured by the Participant's account balance.

**Plan Termination**

The Plan may be amended or terminated at any time by the Corporation. No such action may cause any portion of the Plan assets to revert to the Corporation or to be used or diverted for any purpose other than for the exclusive benefit of Participants or their beneficiaries.

**2. Summary of Significant Accounting Policies**

**Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

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**Phelps Dodge Employee Savings Plan  
Notes to Financial Statements**

**2. Summary of Significant Accounting Policies (Continued)**

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of net assets available for benefits and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net assets available for benefits during the reporting period. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition**

Plan investments, other than GICs, are presented at fair value. The fair values of common stock, mutual funds and common/collective fund shares are based upon the closing market price, net asset value and net unit value, respectively, on the valuation date. GICs within the Master Trust are recorded at contract value and are based upon the respective face values plus accrued interest on the valuation date because they are fully benefit responsive. Participant loans are valued at their outstanding balance, which approximates fair value.

Security transactions are recorded on a trade-date basis. Expenses paid by the Plan in connection with such transactions include brokerage commissions and taxes that are included in the cost of securities purchased and deducted from the proceeds of securities sold. Net appreciation (depreciation) in the fair value of the Plan's investments consists of the realized gains (losses) and the unrealized appreciation (depreciation) on those investments. Dividend income is recognized on the ex-dividend date. Interest income is recognized as earned. Employer and Participant contributions are recognized on the accrual basis.

**Risks and Uncertainties**

Investments held by the Plan are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investments and the level of uncertainty related to changes in the value of such investments, it is at least reasonably possible that changes in risks in the near term would materially affect Participants' account balances and the amounts reported in the Statement of Net Assets Available for Benefits and the Statement of Changes in Net Assets Available for Benefits.

**Payment of Benefits**

Benefits are recorded when paid.

**3. The Master Trust**

The Master Trust refers to the Master Trust agreement with JPMorgan Chase Bank, which was effective on October 1, 2004. The Plan's interest in the Master Trust represents the Plan's investments in U.S. government securities, common/collective funds, mutual funds and GICs.

The Master Trust holds investments for the Plan as well as for two other employee savings plans of the Corporation's subsidiaries. At December 31, 2005 and 2004, the Plan's interest in the net assets of the Master Trust was 98.288 percent and 98.137 percent, respectively. The records for each of the plans are maintained by the Trustee based on the individual plan participant's investment balances. Investment income (loss) is allocated to each Participant's account on a daily basis through a valuation performed by the Recordkeeper. Administrative expenses relating to the Master Trust are allocated to the individual funds based upon each participant's pro rata share.



**Table of Contents****Phelps Dodge Employee Savings Plan  
Notes to Financial Statements****3. The Master Trust (Continued)**

The net assets available for benefits of the Master Trust at December 31, 2005, were as follows (in thousands):

Mutual funds	\$ 294,146
Common/collective funds	257,842
U.S. government securities	143
Net assets available for benefits	\$ 552,131

Net appreciation (depreciation), and dividends and interest income of the Master Trust for the year ended December 31, 2005, were as follows (in thousands):

Investment income:	
Net appreciation (depreciation) in fair value of investments:	
Mutual funds	\$ 18,769
Common/collective funds	(430)
Dividends and interest	17,202
Net investment income	\$ 35,541

Certain of the Master Trust's investments include GICs that are carried at contract value. The GICs are credited with earnings on the underlying investments and charged for Participant withdrawals and administration expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. The contract value of the GICs within the respective common/collective funds as of December 31 was as follows:

	<b>2005</b>	<b>2004</b>
	(in thousands)	
JPMorgan Interest Income Fund	\$ 108,223	93,151
JPMorgan Moderate Investment Portfolio Fund	34,109	29,434
JPMorgan Conservative Investment Portfolio Fund	12,717	10,350
JPMorgan Aggressive Investment Portfolio Fund	12,618	10,916
	\$ 167,667	143,851

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Notes to Financial Statements****3. The Master Trust (Continued)**

A reconciliation of the fair market value of investments in these contracts and the related contract value as reflected in the net assets available for benefits in the Master Trust was as follows:

	<b>December 31,</b>	
	<b>2005</b>	<b>2004</b>
	(in thousands)	
Fair market value of investments	\$ 166,124	146,800
Synthetic wrapper value	1,543	(2,949)
Carrying value (contract value)	\$ 167,667	143,851

There were no reserves against contract value for credit risk of the contract issuers or otherwise at December 31, 2005 or 2004. During the first nine months of 2004, the GICs were held by the PD Plan Trust, which were transferred to the Master Trust effective October 1, 2004. The average yield was approximately 5.59 percent and 5.35 percent for 2005 and 2004, respectively. The crediting interest rates as of December 31, 2005 and 2004, were 5.65 percent and 5.43 percent, respectively. The crediting interest rates are based on a formula agreed upon by the issuers, but cannot be less than zero. Such interest rates are reviewed on a quarterly basis for resetting.

**4. Investments**

The following table presents investments that represent five percent or more of the Plan's net assets at December 31:

	<b>2005</b>	<b>2004</b>
	(in thousands)	
JPMorgan Interest Income Fund	\$ 110,896	95,689
Phelps Dodge Common Stock Fund *	\$ 98,413	84,744
JPMorgan Moderate Investment Portfolio Fund	\$ 81,999	71,285
American Century Equity Growth Fund	\$ 75,131	68,915
American Century Income and Growth Fund	\$ 61,254	57,781
JPMorgan Aggressive Investment Portfolio Fund	\$ 60,544	53,078
T. Rowe Price Small Cap Stock Fund	\$ 46,671	40,644
JPMorgan Enhanced Index Fund	\$ 45,335	43,574
American Century Europacific Growth Fund	\$ 40,133	26,720 **

\* Phelps Dodge  
Common Stock  
Fund is not held  
by the Master  
Trust

\*\*



Amount is less  
than five  
percent of the  
Plan's net assets

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Notes to Financial Statements****5. Related Party Transactions**

The Trustee invests in the Corporation's common stock in accordance with the provisions of the Plan. The following is a summary of transactions in the Corporation's common stock during 2005 (in thousands):

Cost of shares purchased	\$ 42,166
Number of shares purchased	402
Proceeds from shares sold	\$ 62,136
Number of shares sold	552
Value of shares distributed	\$ 1,235
Number of shares distributed	22
Dividend income received	\$ 4,477

Certain Plan investments are shares of mutual funds and common/collective trusts managed by American Century Investments and JPMorgan Asset Management while an affiliated company, JPMorgan Retirement Plan Services LLC, is the Recordkeeper as defined by the Plan. Therefore, these transactions qualify as party-in-interest.

**6. Tax Status**

The Plan received a determination letter from the Internal Revenue Service (IRS) dated October 16, 2002, which states that the Plan met the requirements of Section 401(a) of the Internal Revenue Code and that the earnings of the trust are exempt from taxation under Section 501(a) of the Code. The Plan has been amended since receiving the determination letter; however, the Committee and its legal counsel believe that the Plan, as amended and as operated, continues to satisfy IRS requirements for tax exemption.

**7. Subsequent Events**

On March 16, 2006, the Corporation completed the sale of Columbian Chemicals Company to a company owned jointly by One Equity Partners, a private equity affiliate of JPMorgan Chase & Co., and South Korean-based DC Chemical Co. Ltd. Accordingly, the Master Trust agreement was amended to withdraw the Columbian Chemicals Company Hourly Employee Savings Plan (CCC Plan), effective February 9, 2006, from the Master Trust. Subsequently on February 9, 2006, the beneficial interest of the CCC Plan (approximately \$10 million) was transferred from the Master Trust.

On June 26, 2006, the Corporation, Inco Limited and Falconbridge Limited announced they had agreed to combine their companies and create a North American-based mining company. At this time, it appears that the impact of this combination on the Plan will be minimal.

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**Phelps Dodge Employee Savings Plan  
 Schedule of Assets (Held at End of Year)  
 December 31, 2005**
**Supplemental Information  
 Schedule I**

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost **	(e) Current value
<b>CASH AND SHORT-TERM INVESTMENTS:</b>			
CASH		\$	182,992
EUROBANK N.A. 5.75%	15,000		14,190
FEDERATED SHORT-TERM U.S. GOVERNMENT SECURITIES	3		3
FIRSTBANK PR N.A. 3.9%	95,000		94,833
* JPMORGAN CHASE MONEY MARKET	60,053		60,053
SCHWAB MONEY MARKET FUND	87,196		87,196
SCHWAB U.S. TREASURY MONEY FUND	3,597,604		3,597,604
SCHWAB VALUE ADVANTAGE MONEY FUND	179,991		179,991
WESTERNBANK PR N.A. 3.9%	48,000		47,915
TOTAL CASH AND SHORT-TERM INVESTMENTS			4,264,777
<b>U.S. GOVERNMENT SECURITIES:</b>			
U.S. TREASURY NOTES 5.625%	1,000		1,027
<b>CORPORATE DEBT:</b>			
FORD MOTOR CREDIT COMPANY 4.7%	10,000		9,863
GENERAL MOTORS ACCEPTANCE CORP 5.2%	10,000		8,924
GENERAL MOTORS ACCEPTANCE CORP 5%	10,000		8,779
TOTAL CORPORATE DEBT			27,566
<b>COMMON STOCKS:</b>			
1-800-FLOWERS.COM INC	1,600 shares		10,272
3COM CORPORATION	2,279 shares		8,204
3M COMPANY	224 shares		17,360
4 KIDS ENTERTAINMENT INC	500 shares		7,845
8X8 INC	3,600 shares		6,660

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ADC TELECOMMUNICATIONS	431 shares	9,620
AES CORPORATION	500 shares	7,915
AM COMMUNICATIONS INC	2,000 shares	2
AMF BOWLING INC	800 shares	
AT&T INC	631 shares	15,459
ATI TECHNOLOGIES	450 shares	7,646
ABRAXAS PETROLEUM CORPORATION	3,000 shares	15,840
ACE*COMM CORPORATION	100 shares	314
ADOBE SYSTEMS INC	1,046 shares	38,669
ADVANCED MICRO DEVICES	44 shares	1,346
ADVANCED OPTICS ELECTRONICS INC	250,000 shares	75
ADVANCED SEMICONDUCTOR ENGINEERING INC	1,300 shares	5,837
ADVANCED VIRAL RESEARCH	11,150 shares	781

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**Phelps Dodge Employee Savings Plan  
 Schedule of Assets (Held at End of Year)  
 December 31, 2005**
**Supplemental Information  
 Schedule I**

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost	(e) Current value
AEROFLEX INC	1,000 shares		10,750
AFFILIATED COMPUTER SERVICES	20 shares		1,184
AGERE SYSTEMS INC	336 shares		4,334
AIXTRON AKTIENGESELLSCHAFT	4,530 shares		14,451
ALASKA COMMUNICATIONS SYSTEMS GROUP INC	300 shares		3,048
ALCOA INC	982 shares		29,052
ALLEGHENY ENERGY INC	200 shares		6,330
ALLIED WASTE INDUSTRIES INC	1,000 shares		8,740
ALLIXON CORPORATION	20 shares		
ALTRIA GROUP INC	25 shares		1,881
ALUMINUM CORPORATION CHINA	50 shares		3,817
ALVARION LTD	1,000 shares		8,720
AMAZON.COM INC	505 shares		23,811
AMEREN CORPORATION	303 shares		15,551
AMERICA MOVIL S.A. de C.V.	100 shares		2,926
AMERICAN AIRCARRIERS SUPPORT	320 shares		
AMERICAN EAGLE OUTFITTERS INC	208 shares		4,780
AMERICAN ENERGY PRODUCTION	10,000 shares		490
AMERICAN EXPRESS COMPANY	100 shares		5,146
AMERICAN GOLDFIELDS INC	950 shares		1,093
AMERICAN INTERNATIONAL GROUP	302 shares		20,601
AMERICAN RETIREMENT CORPORATION	118 shares		2,965
AMERICAN SOFTWARE CLASS A	500 shares		3,269
AMERICAN TOWER CORPORATION CLASS A	140 shares		3,794
AMERICHIP INTERNATIONAL INC	3,000 shares		89
AMERIGROUP CORPORATION	30 shares		584
AMERIPRISE FINANCIAL INC	20 shares		820
AMERIS BANCORP	617 shares		12,242
AMGEN INCORPORATED	709 shares		55,912
AMIGULA INC	11,000 shares		660
AMPHENOL CORPORATION CLASS A	45 shares		1,992
ANADIGICS INC	900 shares		5,400
ANGIODYNAMICS INC	900 shares		22,977

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ANGLO AMERICAN PLC	795 shares	27,650
ANGLO PLATINUM LTD	100 shares	7,205
ANGLOGOLD ASHANTI	300 shares	14,799
ANHEUSER BUSCH COMPANY INC	306 shares	13,164
ANNALY MORTGAGE MANAGEMENT INC	150 shares	1,641
ANSWERS CORPORATION	1,310 shares	15,039
ANTIGENICS INC	300 shares	1,428
APACHE CORPORATION	50 shares	3,426
APOLLO GOLD CORPORATION	2,500 shares	600
APPLE COMPUTER INC	69 shares	4,960

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**Phelps Dodge Employee Savings Plan  
 Schedule of Assets (Held at End of Year)  
 December 31, 2005**
**Supplemental Information  
 Schedule I**

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost **	(e) Current value
APPLIED MICRO CIRCUITS	20,500 shares		52,685
AQUANTIVE INC	107 shares		2,701
ARADIGM CORPORATION	270 shares		197
ARCADIA RESOURCES	350 shares		889
ARCH COAL INC	100 shares		7,950
ARETE INDUSTRIES INC	10,000 shares		32
ARIBA INC	931 shares		6,843
ASTRALIS LTD	3,000 shares		66
ATHEROGENICS INC	500 shares		10,005
ATMEL CORPORATION	600 shares		1,854
AU OPTRONICS CORPORATION	2,897 shares		43,484
AUDIOVOX CORPORATION CLASS A	150 shares		2,079
AURIZON MINES LTD	400 shares		604
AUTODESK INC	200 shares		8,586
AUTOIMMUNE INC	1,000 shares		920
AVAYA INC	41 shares		437
AVICI SYSTEM INC	7 shares		27
AVID TECHNOLOGY	8 shares		438
AVITAR INC	400 shares		4
BG GROUP PLC	100 shares		4,973
BHP BILLITON LTD	300 shares		10,026
BP PLC	620 shares		39,816
BP AMOCO STOCK	21,226 shares		1,363,155
BP PRUDHOE BAY ROYALTY TRUST	75 shares		4,995
BANCO BRADESCO	152 shares		4,431
BANK OF AMERICA CORPORATION	402 shares		18,557
BARNABUS ENERGY INC	500 shares		825
BARRICK GOLD CORPORATION	400 shares		11,148
BEACON POWER CORPORATION	2,000 shares		3,620
BED BATH & BEYOND INC	200 shares		7,230
BELL MICROPRODUCTS INC	1,000 shares		7,650
BENGUET CORPORATION CLASS B	1,000 shares		450

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BERKSHIRE HATHAWAY CLASS B	8 shares	23,484
BEST BUY INC	68 shares	2,962
BICO INC	9,000 shares	1
BINDVIEW DEVELOPMENT CORPORATION	200 shares	796
BIO ONE CORPORATION	10,000 shares	66
BIO SOLUTIONS MANUFACTURING	80 shares	30
BIOGEN IDEC INC	400 shares	18,112
BIOSTEM INC	44 shares	128
BLOCKBUSTER INC CLASS A	1,925 shares	7,219
BLUE NILE INC	200 shares	8,062
BOEING COMPANY	285 shares	20,050

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**Phelps Dodge Employee Savings Plan  
Schedule of Assets (Held at End of Year)  
December 31, 2005**

**Supplemental Information  
Schedule I**

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost	(e) Current value
BOMBARDIER INC CLASS B	200 shares	**	473
BOTTOMLINE HOME LOAN INC	50 shares		
BRIGHAM EXPLORATION COMPANY	400 shares		4,744
BRISTOL-MYERS SQUIBB COMPANY	141 shares		3,231
BROCADE COMMUNICATIONS SYSTEMS INC	200 shares		814
BURLINGTON NORTHERN SANTA FE CORP	300 shares		21,246
CMGI INC	2,080 shares		3,139
CMKM DIAMONDS INC	32,310,493 shares		3,231
CNS INC	150 shares		3,287
CALGON CARBON CORPORATION	100 shares		571
CALIPER LIFE SCIENCES	30 shares		176
CALPINE CORPORATION	5,100 shares		1,061
CAMBIOR INC	1,000 shares		2,790
CAMECO CORPORATION	150 shares		9,509
CANADIAN NATIONAL RAILWAY COMPANY	200 shares		15,998
CANADIAN NATURAL RESOURCES	200 shares		9,924
CAPITAL SENIOR LIVING CORPORATION	292 shares		3,019
CAPSTONE TURBINE CORPORATION	2,700 shares		8,073
CARDIAC SCIENCE CORPORATION	111 shares		1,005
CARDIOTECH INTERNATIONAL INC	600 shares		1,380
CATERPILLAR INC	357 shares		20,643
CDEX INC CLASS A	44 shares		40
CELL THERAPEUTICS INC	500 shares		1,090
CEMEX S.A. de C.V.	36 shares		2,136
CENTRAL WIRELESS INC	5,000 shares		1
CENVEO INC	219 shares		2,882
CERADYNE INC	100 shares		4,380
CHARTER COMMUNICATIONS	2,120 shares		2,586
CHECK POINT SOFTWARE TECHNOLOGIES LTD	175 shares		3,511
CHESAPEAKE ENERGY CORPORATION	1,463 shares		46,421
CHEVRON CORPORATION	2,380 shares		135,112
CHICO S FAS INC	620 shares		27,237
CHINA MOBILE HONG KONG	150 shares		3,606
CHINA MOBILITY SOLUTIONS	3,000 shares		990

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CHINA RESOURCES GROUP LTD	2,000 shares	440
CHINA UNICOM LTD	150 shares	1,227
CHINA WIRELESS COMMUNICATIONS	200 shares	4
CHIPMOS TECHNOLOGIES BERMUDA	1,700 shares	9,860
CIENA CORPORATION	2,695 shares	8,004
CIPHERPASS CORPORATION	25 shares	30
CIRCUIT CITY STORES INC	51 shares	1,158
CISCO SYSTEM INC	14,147 shares	242,197
CITIGROUP INC	1,096 shares	53,178

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**Phelps Dodge Employee Savings Plan  
Schedule of Assets (Held at End of Year)  
December 31, 2005**

**Supplemental Information  
Schedule I**

(a) (b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost	(e) Current value
CITRIX SYSTEMS	200 shares	**	5,746
CITY CAPITAL CORPORATION	20 shares		3
CLAREMONT TECHNOLOGIES	625 shares		7
CLARENT CORPORATION	500 shares		10
CLEARANT INC	5,000 shares		10,600
CLINICAL DATA INC	31 shares		543
COCA COLA COMPANY	139 shares		5,620
COEUR D'ALENE MINES CORPORATION	2,150 shares		8,600
COHERENT INC	50 shares		1,484
COLGATE PALMOLIVE COMPANY	26 shares		1,401
COLUMBIA SPORTSWEAR COMPANY	100 shares		4,773
COMCAST CORPORATION CLASS A	765 shares		19,829
CONAGRA FOODS INC	2,025 shares		41,076
CONCURRENT COMPUTER CORPORATION	2,000 shares		3,780
CONEXANT SYSTEMS INC	1,333 shares		3,013
CONOCO PHILLIPS	786 shares		45,711
CONSOLIDATED ENERGY INC	800 shares		1,520
CONSUMER DIRECT OF AMERICA	30 shares		2
CORNING INC	519 shares		10,204
COSTCO WHOLESALE CORPORATION	356 shares		17,605
COUNTRYWIDE FINANCIAL CORPORATION	205 shares		7,006
CRYOLIFE INC	285 shares		952
CRYSTALLEX INTERNATIONAL CORPORATION	1,875 shares		4,050
CUMBERLAND RESOURCES LTD	2,500 shares		5,525
CYBERLUX CORPORATION	2,100 shares		168
CYGNUS INC ESCROW	10,000 shares		
CYTOGENIX INC	2,000 shares		2,260
CYTRX CORPORATION	4,000 shares		4,120
DC BRANDS INTERNATIONAL INC	2,368 shares		231
DHB INDUSTRIES INC	400 shares		1,788
DRDGOLD LTD	5,000 shares		7,200
DRS TECHNOLOGIES INC	20 shares		1,028
DST SYSTEMS	33 shares		1,977

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DECORIZE INC	400 shares	212
DEEP FIELD TECHNOLOGIES INC	228 shares	9
DEERE & COMPANY	70 shares	4,768
DELL INC	150 shares	4,493
DELPHI AUTOMOTIVE SYSTEMS	7,000 shares	2,037
DELTA AIR LINES INC	4,694 shares	3,521
DELTA OIL & GAS INC	500 shares	515
DENDREON CORPORATION	350 shares	1,897
DESWELL INDUSTRIES INC	112 shares	1,205
DETOUR MEDIA GROUP INC	1,000 shares	

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**Phelps Dodge Employee Savings Plan  
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 Schedule I**

(a)	(b) Identity of issue, borrower, lessor or similar party	(c) Description of investment including maturity date, rate of interest, collateral, par or maturity value, or number of shares	(d) Cost	(e) Current value
	DIATOM CORPORATION	200 shares		32
	DICUT INC	5,000 shares		1
	DIGENE CORPORATION	2,763 shares		80,597
	DIGITAL LIGHTWAVE INC	20 shares		4
	DIOMED HOLDINGS INC	1,000 shares		2,030
	DIPPY FOODS INC	2,000 shares		
	DIRECTV GROUP INC	500 shares		7,060
	DISCOVERY HOLDING	2 shares		30
	DISNEY WALT HOLDING COMPANY	212 shares		5,080
	DIVINE INC CLASS A	20,328 shares		12
	DOLL TECHNOLOGY GROUP	1,000 shares		170
	DONALDSON COMPANY INC	40 shares		1,272
	DOW CHEMICAL COMPANY	100 shares		4,382
	DRESS BARN INC	55 shares		2,124
	DRIL-QUIP INC	52 shares		2,454
	DSL.NET INC	2,500 shares		100
	DUKE ENERGY CORPORATION	175 shares		4,806
	DYNASIL CORPORATION OF AMERICA	2,000 shares		1,720
	DYNATRONICS CORPORATION	6,000 shares		8,640
	DYNEGY INC CLASS A	550 shares		2,662
	EDO CORPORATION	70 shares		1,894
	EMC CORPORATION	2,503 shares		34,091
	ER URGENT CARE HOLDINGS INC	1,000 shares		116
	EV3 INC	700 shares		10,318
	EARTHSHELL CORPORATION	6,000 shares		12,000
	EATON VANCE CORPORATION NON-VOTING	606 shares		16,583
	EBAY INC	260 shares		11,237
	EDEN ENERGY CORPORATION	500 shares		1,025
	EDWARDS LIFESCIENCES CORPORATION	500 shares		20,805
	EFOTOXPRESS INC	1,000 shares		
	EL PASO CORPORATION	100 shares		1,216
	ELAN CORPORATION PLC	1,100 shares		15,323
	ELDORADO GOLD CORPORATION	3,170 shares		15,533

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ELECTRIC CITY CORPORATION	1,000 shares	600
ELECTRONIC DATA SYSTEMS CORPORATION	209 shares	5,023
ELECTRONICS FOR IMAGING	200 shares	5,322
EMAGIN CORPORATION	10,000 shares	5,700
EMBRAER EMPRESA BRAZIL	500 shares	19,550
EMULEX CORPORATION	50 shares	990
ENCANA CORPORATION	300 shares	13,548
ENCORE WIRE CORPORATION	126 shares	2,868
ENDOVASC LIMITED INC	2,125 shares	64
ENDOVASC LIMITED INC (RESTRICTED)	21,500 shares	456

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ENERGEN CORPORATION	100 shares	**	3,632
ENERGY CONVERSION DEVICES INC	500 shares		20,375
ENNIS BUSINESS FORMS INC	150 shares		2,726
ENPRO INDUSTRIES INC	139 shares		3,746
ENRON CORPORATION	5,470 shares		
ENSCO INTERNATIONAL INC	200 shares		8,870
ENTERRA ENERGY CORPORATION	400 shares		6,580
ENVIRO-ENERGY CORPORATION	55,800 shares		22
ENVIRONMENTAL TECHNOLOGIES INTERNATIONAL	5,000 shares		205
ERICSSON L.M. TELEPHONE COMPANY CLASS B	45 shares		1,548
ESPIRE COMMUNICATIONS INC	19,500 shares		10
E-TRADE FINANCIAL CORPORATION	200 shares		4,172
EUROTECH LTD	1,500 shares		15
EVOLVE ONE INC	624 shares		29
EVOLVING SYSTEM INC	5,987 shares		12,633
EXXON MOBIL CORPORATION	2,105 shares		118,235
EZENIA INC	299,045 shares		720,698
FAMOUS DAVES OF AMERICA INC	160 shares		1,803
FANNIE MAE	130 shares		6,345
FEDERAL-MOGUL CORPORATION	100 shares		36
FEDEX CORPORATION	40 shares		4,136
FIELDPOINT PETE CORPORATION	344 shares		2,370
FINOVA GROUP INC	7 shares		
FIRST FINANCIAL BANCORP OHIO	200 shares		3,504
FIRST HORIZON NATIONAL CORPORATION	219 shares		