

## ***Freeport-McMoRan Copper & Gold Inc***

“SWOT is an acronym for the internal Strengths and Weaknesses of a firm and the environmental Opportunities and Threats facing that firm. SWOT analysis is a widely used technique through which managers create a quick overview of a company’s strategic situation. The technique is based on the assumption that an effective strategy derives from a sound “fit” between a firm’s internal resources (strengths and weaknesses) and its external situation (opportunities and threats). A good fit maximizes a firm’s strengths and opportunities and minimizes its weaknesses and threats. Accurately applied, this simple assumption has powerful implications for the design of a successful strategy.”

### ***Freeport-McMoRan Copper & Gold Inc***

Freeport-McMoRan Copper & Gold (Freeport-McMoRan) is a holding company engaged in the exploration, mining, and production of copper, gold, and molybdenum. The company has operations in North America, Chile, Peru, Indonesia, Spain, and Africa. Freeport-McMoRan is headquartered in Phoenix, Arizona, and employs about 25,400 people.

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### Strengths, Weaknesses, Opportunities and Threats (SWOT)

Location of Factor	TYPE OF FACTOR	
	Favorable	Unfavorable
<b>Internal</b>	<b>Strengths</b> <ul style="list-style-type: none"> <li>➤ Strong market position</li> <li>➤ Geographically diverse mining assets</li> <li>➤ Improving financial condition</li> </ul>	<b>Weaknesses</b> <ul style="list-style-type: none"> <li>➤ Significant amount of debt</li> <li>➤ Significant operating risks in relation to Grasberg</li> <li>➤ Suspension of field activities in Indonesia</li> </ul>
<b>External</b>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>➤ Increasing demand for copper</li> <li>➤ Increase in gold prices</li> <li>➤ Acquisition of Phelps Dodge Corporation</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>➤ Non-availability of sufficient water supply</li> <li>➤ Indonesian political, economic, and social uncertainties</li> <li>➤ Environmental laws and regulations</li> </ul>

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