

PHELPS DODGE CORP
Form 11-K
June 26, 2002

Table of Contents

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,
2001 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 85004-4416**

Table of Contents

SIGNATURES

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

PHELPS DODGE EMPLOYEE SAVINGS PLAN

Date: June 24, 2002
By: /s/ David L. Pulatie
David L. Pulatie, Chairman
Benefits Administration
Committee

TABLE OF CONTENTS

Report of Independent Accountants

Statements of Net Assets Available for Benefits

Statement of Changes in Net Assets Available for Benefits

Notes to Financial Statements

Supplemental Information

Schedule I

Schedule II

Table of Contents

**Phelps Dodge Employee Savings Plan
Index
December 31, 2001 and 2000**

	<u>Page</u>
Report of Independent Accountants	1
Statements of Net Assets Available for Benefits 2 Statement of Changes in Net Assets Available for Benefits	
3 Notes to Financial Statements 4 Supplemental Information:* I. Schedule of Assets (Held at End of Year)	
11 II. Schedule of Reportable Transactions 30	

* Other schedules required by Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable

Table of Contents

Report of Independent Accountants

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 at December 31, 2001 and 2000, and the changes in net assets available for benefits for the year ended December 31, 2001 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 auditing standards generally accepted in the United States of America, which 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 Committee, 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 schedules of assets (held at end of year) and of reportable transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are 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. These supplemental schedules are the responsibility of the Committee. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

PricewaterhouseCoopers LLP
Phoenix, Arizona
June 24, 2002

Table of Contents

**Phelps Dodge Employee Savings Plan
Statements of Net Assets Available for Benefits
December 31, 2001 and 2000
(in thousands)**

	<u>2001</u>	<u>2000</u>
Assets		

The accompanying notes are an integral part of these financial statements

Table of Contents

**Phelps Dodge Employee Savings Plan
Statement of Changes in Net Assets Available for Benefits
For the Year Ended December 31, 2001
(in thousands)**

Additions to (deductions from):

Additions to (deductions
from) net assets attributed
to:

Investment income (loss):

Net depreciation in fair
value of investments (see
Note 3)

\$(69,569)

Interest and dividends

12,952

(56,617)

Contributions:

Employer contributions

13,519

Participant contributions

28,094

41,613

Total additions
(deductions), net
(15,004)

Deductions:

Deductions from net
assets attributed to:

Distributions to
participants and
beneficiaries
55,021
Administrative expenses
379

Total deductions
55,400

Funds transferred in from
affiliated Employee
Savings Plan (Note 1)
179,581

Increase in net assets
109,177
Net assets available for
benefits at December 31,
2000
353,659

Net assets available for
benefits at December 31,
2001
\$462,836

The accompanying notes are an integral part of these financial statements

Table of Contents

**Phelps Dodge Employee Savings Plan
Notes to Financial Statements
December 31, 2001 and 2000**

1. Description of Plan

General

The Phelps Dodge Corporation Savings and Deferred Profit Sharing Plan (the Plan), a defined contribution plan, was established by Phelps Dodge Corporation (the Corporation) effective January 1, 1953, for the benefit of eligible salaried employees (the Participants). Hourly employees became eligible for the savings feature of the Plan on April 1, 1989. Subsequently, the Plan name was changed to Phelps Dodge Employee Savings Plan. In 2001, the Plan was amended and restated to incorporate regulatory changes effective January 1, 1997 and for plan changes effective January 1, 2001 related to the matching contribution from the Corporation and the hardship withdrawals.

In 1999, the Corporation acquired Cyprus Amax Minerals Company. As a result, the Cyprus Amax Minerals Company Savings Plan and Trust, a defined contribution plan, was merged into the Plan. On January 2, 2001, all the assets of the Cyprus Amax Minerals Company Savings Plan and Trust, in the amount of \$179,581,000, were transferred to the Plan.

The Plan is subject to certain provisions of the Employee Retirement Income Security Act of 1974 (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 Benefits Administration Committee (the Committee) composed of five employees of the Corporation who are appointed by the Corporation's Board of Directors.

Plan assets are held by a trust (the Trust) administered by UMB Bank, n.a. (the Trustee) and J.P. Morgan/American Century Retirement Plan Services (the Recordkeeper) serves as the Recordkeeper of the Trust.

Administrative expenses are paid by the Corporation, and all other fees and expenses are paid by the Trust.

Investment Options

The Plan has a combination of participant and self-directed funds. The Trust is comprised of the following participant directed investments at December 31, 2001:

Interest Income Fund common/collective fund investing in high quality government and corporate bonds, stable value and guaranteed investment contracts and money market instruments.

Income and Growth Fund mutual fund investing in stocks of large-sized companies whose stock is expected to have a higher expected dividend yield and higher overall return potential than the S&P 500 Index.

Equity Growth Fund mutual fund investing in common stocks that fund management believes will have higher overall return potential than the S&P 500 Index.

Table of Contents**Phelps Dodge Employee Savings Plan
Notes to Financial Statements
December 31, 2001 and 2000****1. Description of Plan (Continued)**

Enhanced Index Fund mutual fund investing in approximately 350 large U.S. companies whose stock is expected to provide a higher total return potential than the S&P 500 Index. Small Cap Stock Fund mutual fund investing primarily in stocks of small-sized companies and seeks to outperform the Russell 2000 Index. EuroPacific Growth Fund mutual fund investing in stocks of non-U.S. companies which appear to offer above-average growth potential and whose objective is to provide long-term growth of capital. Conservative Investment Portfolio Fund asset allocation portfolio comprising of 60 percent of the Interest Income Fund and a 40 percent mix of the plan's mutual funds to provide a conservative investment return. Moderate Investment Portfolio Fund asset allocation portfolio comprising of a 60 percent mix of the plan's mutual funds and 40 percent of the Interest Income Fund to provide a moderate investment return. Aggressive Investment Portfolio Fund asset allocation portfolio comprising of an 80 percent mix of the plan's mutual funds and 20 percent of the Interest Income Fund to provide an aggressive investment return. Phelps Dodge Common Stock Fund invests only in common stock of the Corporation. The following account allows for participants to self-direct these funds: Schwab Personal Choice Retirement Fund enables participants to transfer funds from the above accounts to a wide range of investments, which includes mutual funds, over-the-counter stocks, short-term cash instruments and other investment options offered by Schwab. In addition, certain participants hold assets in the Occidental Petroleum Common Stock Fund as a result of the transfer of assets from the Columbian Chemicals Company plan and in the BP Amoco Common Stock Fund as a result of the transfer of assets from the Cyprus Amax Minerals Company Savings Plan and Trust.

Contributions

Participants are eligible to make pretax contributions (Pretax Contribution), subject to certain limitations, equal to 1 percent to 15 percent of their eligible pay. These Pretax Contributions are eligible for a matching contribution from the Corporation (Company Matching Contribution). For Plan years after January 1, 2001, the Company Matching Contribution is equal to 100 percent of the first 3 percent of eligible pay deferred and 50 percent of the next 2 percent of eligible pay deferred. Participants are eligible to make Pretax Contributions to the Plan immediately upon hire date, and those Pretax Contributions are eligible for the Company Matching Contribution. For Plan years prior to January 1, 2001, the Company Matching Contribution was equal to 50 percent of the first 5 percent of the base pay deferred. Participants were eligible to make contributions to the Plan after three months of service; however, these contributions were not eligible for Company Matching Contribution until after one year of

-5-

Table of Contents

**Phelps Dodge Employee Savings Plan
Notes to Financial Statements
December 31, 2001 and 2000**

1. Description of Plan (Continued)

service. All contributions are invested in one or more of the investment funds available within the Plan as elected by participants. Participants are fully vested in their total account balance.

A profit sharing contribution for certain salaried and Phelps Dodge Mercantile hourly employee participants may be made by the Corporation (Company Profit Sharing Contribution). For Plan years after January 1, 2001, the Company Profit Sharing Contribution is limited to the lesser of:

6 percent;

8 percent of consolidated net income of the Corporation divided by aggregate eligible pay for eligible Participants; or

4 percent of consolidated net income divided by the aggregate eligible pay of exempt salaried employee Participants;

multiplied by the total eligible pay of all Participants.

These Company Profit Sharing Contributions can be made only to the extent that it does not reduce consolidated net income below \$0.50 per common share for such year after provision for payment of preferred and preference share dividends. The Corporation did not make a profit sharing contribution in 2001.

Distributions

Participants' interests in the Trust become distributable upon severance of their service with the Corporation or to their beneficiaries in the event of their death or upon attaining age 59 1/2. The distribution may be 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. Cash distributions are based upon the underlying closing price of the funds, except for Phelps Dodge Common Stock, Occidental Petroleum Stock or BP Amoco Stock, which are based upon the actual price at which the stock is liquidated in the market three days prior to the time of distribution. Distributions of the Phelps Dodge Common Stock Fund, Occidental Petroleum Common Stock Fund and BP Amoco Common Stock Fund may be made in shares.

Participants may withdraw their after-tax contributions and earnings thereon at any time. The Plan also provides, with certain limitations, for hardship withdrawals of employee Pretax, Company Matching (amounts credited before January 1, 2001) and Company Profit Sharing Contributions; however, earnings on any of these contributions are ineligible for hardship withdrawal. Hardship withdrawals are not granted unless other financial resources are not reasonably available, including after-tax savings or a loan from the Plan. All withdrawals and distributions are made in accordance with procedures outlined in the Plan document.

Loans

Participants may borrow amounts 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 which may extend to 15 years. The maximum loan is an amount 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 the prime interest rate as quoted in the Wall Street Journal plus 2 percent as of the first of each month. The prime rate at December 31, 2001 was 4.75 percent.

Table of Contents

**Phelps Dodge Employee Savings Plan
Notes to Financial Statements
December 31, 2001 and 2000**

1. Description of Plan (Continued)

Loans are repaid by payroll deduction and interest is credited to Participant accounts. Loans are secured by the Participant's previous contributions to the Plan.

Plan Termination

The Plan may be amended or terminated at any time by the Corporation. No such action may cause any portion of the Trust 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 financial statements of the Plan are prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

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 assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of Plan income and expenses during the reporting period. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Plan investments, other than Guaranteed Investment Contracts (GICs), are presented at fair value. The fair values of common stock, registered investment companies and common/collective fund shares are based upon the closing market price on the valuation date. The GICs are recorded at contract value. Contract value is based upon the GICs' respective face values plus accrued interest on the valuation date. Participant loans are valued at cost, 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 which are included in the cost of securities purchased and deducted from the proceeds of securities sold. The 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.

Payment of Benefits

Benefits are recorded when paid.

Table of Contents**Phelps Dodge Employee Savings Plan
Notes to Financial Statements
December 31, 2001 and 2000****2. Summary of Significant Accounting Policies (Continued)****New Accounting Pronouncements**

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities. SFAS No. 133 requires that an entity recognize all derivatives and measure those instruments at fair value.

SFAS No. 133 is effective for fiscal years beginning after June 15, 2000. Pursuant to SFAS No. 137, the Plan is required to adopt SFAS No. 133 effective January 1, 2001. There is an inconsistency in accounting literature between SFAS No. 133, requiring derivatives to be measured at fair value, and the AICPA Audit and Accounting Guide on Audits of Employee Benefit Plans and Statement of Position 94-4, Reporting of Contribution Pension Plans, requiring benefit responsive investment contracts (including synthetic GICs) to be measured at contract value. The FASB has issued an exposure draft dated May 1, 2002, Amendment of Statement 133 on Derivative Instruments and Hedging Activities, which addresses this discrepancy. The amendment proposes that certain investment contracts are not subject to SFAS No. 133. Until this discrepancy is resolved, the contract value for those instruments of \$106,635,000 at December 31, 2001, has been included in the financial statements. Refer to Note 4 for further discussion of GICs.

3. Investments

The following table presents the current value of investments that represent 5 percent or more of the Plan's net assets at December 31:

	<u>2001</u>	<u>2000</u>
	(in thousands)	
J.P. Morgan Interest Income Fund	\$ 70,499	\$ 47,371
American Century Equity Growth Fund	63,229	63,564
American Century Income & Growth Fund	50,547	47,870
Moderate Investment Portfolio Fund	57,439	21,464
Aggressive Investment Portfolio Fund	36,839	27,658
J.P. Morgan Enhanced Index Fund	34,855	26,694
Schwab Personal Choice Retirement Fund	28,401	19,771
Phelps Dodge Corporation Common Stock	50,642	49,817
Participant Loans	23,803	19,142

Table of Contents

**Phelps Dodge Employee Savings Plan
Notes to Financial Statements
December 31, 2001 and 2000**

3. Investments (Continued)

During 2001, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) depreciated in value as follows:

	For the year ended December 31, 2001
	(in thousands)
Common stock	\$(42,547)
Registered investment companies (18,775)	
Common/collective funds (8,247)	
	\$(69,569)

4. Investment Contracts with Insurance Companies

During 2001 and 2000, the Interest Income Fund had investments in benefit responsive synthetic investment contracts. The account is credited with earnings on the underlying investments and charged for participant withdrawals and administration expenses. Contract value represents contributions made under the contract, plus earnings, less participant withdrawals and administrative expenses. Participants may ordinarily direct the withdrawal or transfer of all or a portion of their investment at contract value. These contracts are included in the financial statements at contract value.

There are no reserves against contract value for credit risk of the contract issuer or otherwise. The average yield and crediting interest rates were approximately 6.37% and 6.44% for 2001 and 2000, respectively. The crediting interest rate is based on a formula agreed upon by the issuers. Such interest rates are reviewed on a quarterly basis for resetting.

Table of Contents**Phelps Dodge Employee Savings Plan
Notes to Financial Statements
December 31, 2001 and 2000****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:

	For the year ended December 31,	
	2001	2000
	(in thousands)	
Cost of shares purchased	\$ 16,506	\$ 25,309
Number of shares purchased	443	543
Proceeds from shares sold	\$ 14,025	\$ 14,717
Number of shares sold	351	295
Value of shares distributed	\$2,248	\$1,262
Number of shares distributed	42	23

Certain Plan investments are shares of Registered Investment Companies and Common/ Collective Trusts managed by American Century Investments and J.P. Morgan Investment Management. J.P. Morgan/American Century Retirement Plan Services, an affiliate, is the Recordkeeper as defined by the Plan and, therefore, these transactions qualify as party-in-interest.

6. Tax Status

The Plan received a determination letter from the Internal Revenue Service (IRS) dated January 21, 2000, which stated 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 and restated since receiving the determination letter, and has filed for a redetermination by the IRS that the Plan, as amended and restated, continues to satisfy such requirements. The Committee believes that the Plan, as amended and restated and as operated, continues to satisfy IRS requirements for tax exemption.

7. New Legislation for 2002

The Economic Growth and Tax Relief Reconciliation Act of 2001 has made the following changes for 2002:

- Pretax Contributions, subject to certain limitations imposed by the IRS, up to 100 percent of eligible pay;
- participants may be entitled to a tax credit;
- additional contributions for participants 50 years or over;
- greater flexibility in rollovers; and
- shorter suspension period following hardship withdrawals.

Table of Contents**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001****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
Cash and Short-Term Investments:				
Cash -	\$20,473 Schwab Money			
Market Fund	1,589,981 2,827,881*			
UMB Scout Prime	67,907 67,907 U.S.			
Treasury Note 6.50% Due				
2/28/02 10,000	10,075 U.S. Treasury			
Note 6.25% Due				
6/30/02 275,000	282,045			
<hr/>				
Total Cash and Short-Term Investments				
	3,208,381			
Common/Collective Funds:				
	* J.P.			
Morgan U.S. Smart Index				
Fund 3,012,580 shares	60,962,382* J.P.			
Morgan Liquidity				
Fund 2,066,515 shares	1,977,919* J.P.			
Morgan Public Bond				
Fund 4,699,773 shares	73,786,442* J.P.			
Morgan Corporate Private Placement				
Fund 362,504 shares	4,060,044* J.P.			
Morgan Mortgage Private Placement				
Fund 1,188,077 shares	20,553,740* J.P.			
Morgan High Yield Opportunity				
Fund 308,423 shares	3,201,436* J.P.			
Morgan Public Mortgage				
Fund 389,740 shares	6,002,001* J.P.			
Morgan Emerging Markets Opportunity				
Fund 36,206 shares	429,770			
<hr/>				
Total Common/Collective Funds				
	170,973,734			
Corporate Debt:				
	General Electric Capital			
6.52% Med Term Note				
10/8/02 2,000	2,063			
<hr/>				
Total Corporate Debt				
	2,063			
Common Stocks:				
1/10 Berkshire Hathaway				
Class A 10 shares	75,600 3Com			
Corporation 694 shares	4,428 3W			
Ventures.com Inc 700 shares	4Kids			
Entertainment Inc 500 shares	10,015			
8X8 Inc 14 shares	12 ACTV			

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Inc 85 shares 159 ADC
Telecommunications
Inc 1,325 shares 6,095 AM
Communications Inc 2,000 shares 800
AMF Bowling Inc 800 shares 44 AO
Tatneft Spon ADR 500 shares 5,160
AT&T Corporation 2,725 shares 49,435
AT&T Wireless 1,405 shares 20,190
Aastrom Biosciences
Inc 200 shares 196 Aber Diamond
Corporation 400 shares 5,064 Aberdeen
Asia Pac Income 2,209 shares 8,483
Access Power Inc 250 shares 7 Ace
Communications
Corporation 100 shares 114 Action
Performance
Company 100 shares 3,061 Abode
Systems Inc 250 shares 7,763
Advanced Digital Information
Corporation 100 shares 1,604

-11-

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001**

**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
Common Stocks:				
(Continued)	Advanced Micro			
	Devices 998 shares	\$15,828		
	Advanced Viral Research 1,300 shares	345		
	Aeroflex Inc 1,000 shares	18,930		
	Affymetrix Inc 270 shares	10,192		
	Agere Systems Inc Class A 200 shares	1,138		
	Albertsons Incorporated 206 shares	6,483		
	Alcoa Inc 200 shares	7,110		
	Alliance Fiber Optic Products Inc 100 shares	142		
	Amazon.com Inc 763 shares	8,256		
	America West Holdings Corporation Class B 4,800 shares	16,800		
	American Express Company 150 shares	5,354		
	Ameritrade Holding Corporation Class A 20 shares	118		
	American Aircarriers Support 320 shares	American		
	Tower Corporation Class A 715 shares	6,771		
	Amgen Incorporated 900 shares	50,796		
	Amkor Technology Inc 50 shares	801		
	Anadigics Inc 100 shares	1,525		
	Analog Devices Inc 437 shares	19,398		
	Anheuser Busch Company Inc 1 share	16		
	AOL Time Warner Inc 4,127 shares	132,477		
	Applebees Intl Inc 15 shares	515		
	Applera Celera Genomics 172 shares	4,591		
	Applied Digital			

Solution 17,000 shares 7,310
Applied Materials
Inc 765 shares 30,677 Applied
Micro
Circuits 2,272 shares 25,719
Applied Microsystems
Corporation 200 shares 210
Arch Coal Inc 75 shares 1,703
Arch Wireless Inc 176 shares 2
Ariad
Pharmaceuticals 500 shares 2,665
Ariba Inc 4,000 shares 24,640
At Home Corporation
Class A 1,000 shares 6 Atmel
Corporation 1,150 shares 8,476
Atmos Energy
Corporation 300 shares 6,375
Audiovox Corporation
Class A 150 shares 1,119 Aura
Systems
Inc 15,000 shares 6,600 Aurora
Platinum
Corporation 2,725 shares 4,905
Avaya Inc 127 shares 1,543
Avici System Inc 30 shares 87
Axia Group Inc 500 shares 105
BJ Services
Company 175 shares 5,679
BMC Software
Inc 250 shares 4,093 BP PLC
Adr 660 shares 30,697 BP
Amoco Corporation (BP
PLC) 24,457 shares 1,137,499

Table of Contents**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001****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
Common Stocks:				
(Continued)				
	Baldor Electric Company	101 shares	\$2,117	
	Ballard Power Systems	55 shares	1,626	Bank One Corporation
	Beazer Homes USA Inc	133 shares	9,732	Bell Microproducts
	Benguet Corporation	1,000 shares	12,620	Bentley
	Benton Oil & Gas Company	1,000 shares	55	720
	Berkshire Hathaway	Class B 8 shares	20,200	
	Bethlehem Steel Corporation	600 shares	270	Bico Inc
	Bindview Development Corporation	9,000 shares	268	402
	Biogen Inc	100 shares	5,735	
	Biomerica Inc	100 shares	66	
	Biopure Corporation	Class A 25 shares	355	Boeing
	Bombardier Inc	238 shares	9,215	Cv
	Boston Biomedica Inc	200 shares	2,070	44
	Bradley Pharmaceuticals Inc	15 shares	44	10,375
	Brigham Exploration	500 shares	10,375	
	Brio Software Inc	200 shares	600	1,909
	Broadcom Corporation	663 shares	1,909	
	Broadvision Inc	Class A 228 shares	9,318	
	CACI Inc	790 shares	2,165	1,974
	CBRL Group Inc	Class A 50 shares	1,974	740
	CMGI Inc	25 shares	740	1,915
	CTS Corporation	1,175 shares	1,915	1,603
	Cable Design Technologies Corporation	101 shares	1,603	10,260
	Caldera	750 shares	10,260	

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International 350 shares 301
Caliper Technologies
CP 30 shares 468 Calpine
Corporation 1,149 shares 19,292
Cambior Inc 1,000 shares 440
Cardiac Science
Inc 1,110 shares 4,940
Cardstakes.com 84 shares
Catalyst Semiconductor
Inc 10,600 shares 29,680
Caterpillar Inc 1 shares 3 Cendant
Corporation 2,050 shares 40,200
Cepheid Inc 500 shares 2,100
Charter
Communications 370 shares 6,079
Check Point Software
Technologies 475 shares 18,948
Checkfree
Corporation 40 shares 720
Chesapeake Energy
Corporation 50 shares 331
ChevronTexaco
Corporation 100 shares 8,961
Ciena
Corporation 1,962 shares 28,076

-13-

Table of Contents**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001****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
Common Stocks:				
(Continued)	Cigna Corporation	40 shares	\$ 3,732	
	Circuit City Stores Inc	50 shares	1,137	
	Cirus Telecom Inc	98,000 shares	15,680	
	Cisco Systems Inc	26,247 shares	475,333	
	Citigroup Inc	850 shares	42,922	
	Citrix Systems Inc	800 shares	18,128	
	Clarent Corporation	600 shares		
	Clean Harbors Inc	300 shares	1,011	
	Coca Cola Company	10 shares	480	
	Coeur D Alene Mines CP	1,500 shares	1,185	
	Coherent Inc	50 shares	1,546	
	Coinstar Inc	14 shares	350	
	Comcast Corporation Class A	100 shares	3,600	
	Comcast Corporation Special Class A Non Voting Shares	200 shares	7,200	
	Commerce One Inc	10 shares	36	
	Compaq Computer Corporation	855 shares	8,340	
	Computerized Thermal Imaging Inc	3,500 shares	5,425	
	Comverse Technology	4,000 shares	89,480	
	Concur Technologies Inc	4,500 shares	8,303	
	Conexant Systems Inc	263 shares	3,777	
	Conoco			

Inc 107 shares 3,036
Constellation 3D
Inc 200 shares 172
Corbel Holdings
Inc 2,552 shares
Corgenix Medical
Corporation 585 shares 123
Corning
Inc 1,206 shares 10,756
Corvis
Corporation 5,550 shares 17,926
Countrywide Credit
Industries 800 shares 32,776
Covad Communications
Group
Inc 100 shares 286 Cree
Inc 100 shares 2,946
Cryolife
Inc 130 shares 3,900
CyberCare
Inc 50 shares 48
Cypress
Semiconductor 100 shares 1,993
Cytogenix
Inc 2,000 shares 390
Cytoc
Corporation 100 shares 2,610
DCH Technology
Inc 675 shares 358 DR
Horton
Corporation 1 share 8
Data Return
Corporation 72,858 shares 105,644
De Luxe
Corporation 50 shares 2,079
Decorize
Inc 400 shares 1,300
Dell Computer
Corporation 2,032 shares 55,230
Delta Woodside Industries
Inc 100 shares 88
Detour Magazine
Inc 1,000 shares 25
Deutsche Telekom Ag
Adr 800 shares 13,520

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001**

**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
Common Stocks:				
(Continued)				
	Digital Lightwave Inc	20 shares	\$188	
	Dippy Foods Inc	2,000 shares	90	
	Disney, Walt Holding Company	660 shares	13,682	Diversa
	Divine Corporation Inc	155 shares	2,193	
	Dollar General Corporation	37 shares	551	Dow Chemical Company
	Drkoop.com Inc	100 shares	3,378	
	Du Pont E I De Nemour & Company	105 shares	4,468	Duke Energy Corporation
	Dynacq International Inc	200 shares	7,852	
	Dynasil Corporation America Inc	50 shares	1,114	
	Dynegy Inc	2,000 shares	1,300	
	E Com Tech Corporation	20,300 shares	426	
	Digital Corporation	1,000 shares	1,320	EMC Corporation
	E.Spire Communications Inc	4,153 shares	55,816	
	Ebay Inc	19,500 shares	2,126	
	EchoStar Communications Corporation	100 shares	6,690	
	Ectel Limited	250 shares	6,867	
	Egghead.com Inc	100 shares	1,732	
	El Paso Corporation	50 shares		
	Elastic Networks Inc	201 shares	8,954	
	Elcom Intl Inc	20,000 shares	15,600	
	Emerson Electric Inc	500 shares	690	

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Company 200 shares 11,420 Empire
Exchangeco Service
A 500 shares Empire
Exchangeco Service
B 500 shares Emulex
Corporation 1,073 shares 42,394 Endwave
Corporation 100 shares 114 Energy
Power Systems
Ltd 100 shares 420 Enron
Corporation 11,501 shares 6,901 Enviro-Energy
Corporation 1,000 shares 18 EPIQ
Systems
Inc 550 shares 10,642 Ericsson
Tel Adr
B 4,100 shares 21,402 Etoys
Inc 500 shares 3 E-Trade
Group
Inc 310 shares 3,178 EuroTech
Ltd 10,000 shares 11,000 Evolve
One
Inc 19,500 shares 175 Evolving
Systems
Inc 2,000 shares 1,580 Exelon
Corporation 100 shares 4,788 EXFO
Electro-Optical Engineering
Inc 198 shares 2,352 Exodus
Communications
Inc 11,050 shares 431 Exxon
Mobil
Corporation 823 shares 32,349

-15-

Table of Contents**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001****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
Common Stocks:				
(Continued) FYI				
Inc 75 shares			\$2,512	
F2 Broadcast Network			62 shares	
Famous Fixins			Inc 400 shares	4
Federal-Mogul Corporation			300 shares	237
Fedex Corporation			40 shares	2,075
Finova Group			Inc 507 shares	309
First Capital International			Inc 1,500 shares	165
Flextronics International Ltd			400 shares	9,596
Floor Décor			Inc 5,000 shares	4,600
Fonix Corporation			2,000 shares	208
Ford Motor Company			400 shares	6,288
Foundry Networks			Inc 100 shares	815
Freemarkets			Inc 40 shares	959
Fuelcell Energy			Inc 352 shares	6,385
Fundtech			Ltd 3,000 shares	16,080
Galtech Semiconductor			Material 6,000 shares	900
Gap			Inc 151 shares	2,111
Gart Sports			Company 200 shares	4,200
Gemstar TV Guide			International 9 shares	249
Gene Logic			Inc 135 shares	2,543
General Chemical			Group	
General Electric			Inc 200 shares	670

Company 5,311 shares 212,880
General Magic
Inc 180 shares 70
Genome Therapeutics
Corporation 500 shares 3,405
Giant Inds Inc
AZ 5,100 shares 47,073
Gilat Satellite Networks
Ordf 100 shares 548
Glamis Gold
Ltd 1,300 shares 4,693
Global Crossing
Ltd 8,870 shares 7,451
Global Escience
Corporation 260 shares 7
Global Imaging Systems
Inc 232 shares 3,464
Global Sports
Inc 94 shares 1,875
Global Telesystems
Inc 600 shares 4
GlobalNet
Inc 56,225 shares 24,177
Globalstar Telecom
Ord 4,529 shares 734
Globespan Virata
Inc 51 shares 660
GoAmerica
Inc 175 shares 397
Goldman Sachs Group
Inc 101 shares 9,408
Goodyear Tire &
Rubber 500 shares 11,905
Guidant
Corporation 500 shares 24,900
H Power
Corporation 400 shares 1,248
Handspring
Inc 1,100 shares 7,414
Harley Davidson
Inc 200 shares 25,912
Harmony Gold Mining
SP
Adr 100 shares 651

Table of Contents**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001****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
Common Stocks:				
(Continued)				
	Harrah s Entertainment Inc	20 shares	\$740	
	Hartford Financial Services Group	100 shares	6,283	
	Harvard Bioscience Inc	100 shares	994	
	Hathaway Corporation	3,000 shares	8,640	
	Heilig-Meyers Company	100 shares		
	Hewlett-Packard Company	3,005 shares	61,726	
	Hitachi Ltd	150 shares	10,978	
	Home Depot Inc	864 shares	44,996	
	Home Fing Centers Inc	5 shares		
	House2Home Inc	1,000 shares	10	
	Hauneng Power International	300 shares	7,230	
	Hurry Inc	5,000 shares	1,850	
	Hydrogiene Corporation	3,000 shares	3	
	HYTEK Micro Systems Inc	3,000 shares	5,700	
	I2 Technologies Inc	542 shares	4,282	
	IXYS Corporation	424 shares	3,430	
	iAsiaworks Inc	35,000 shares	4,550	
	iBeam Broadcasting	150 shares	4	
	iGo Corporation	265 shares	125	
	iJoin Systems Inc	10,000 shares	4,300	
	iPet Holdings Inc	100 shares	7	iStar

Financial
 Inc 107 shares 2,675
 Image
 Entertainment 200 shares 480
 Imclone Systems
 Inc 40 shares 1,858
 Immulabs
 Corporation 4 shares
 Immunex
 Corporation 138 shares 3,824
 Impath
 Inc 700 shares 31,157
 Industrial Rubber
 Products 5,000 shares 1,600
 Indo Pacific
 Energy 110 shares 143
 Infonet Services
 Corporation 152 shares 372
 Infonow
 Corporation 17,311 shares 64,397
 Informax
 Inc 1,000 shares 2,950
 Infospace
 Inc 1,750 shares 3,587
 Inhale Therapeutic
 Systems
 Inc 450 shares 8,348
 Inktomi
 Corporation 4,150 shares 27,846
 Integrated Device
 Technology
 Inc 600 shares 15,954
 Intel
 Corporation 10,226 shares 321,601
 Interamerican Res
 Inc 999 shares 6
 Interliant
 Inc 100 shares 35
 Internet Business s
 Intl 600 shares 8
 Interwoven
 Inc 1,370 shares 13,344
 International Business
 Machines 20 shares 2,456
 International FiberCom
 Inc 2,000 shares 500

Table of Contents**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001****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
Common Stocks:				
(Continued)				
	International Merchantile Corp	3,000 shares	\$1,650	
	International Rectifier Corporation	300 shares	10,464	
	Intuit Inc	50 shares	2,139	
	Island Critical Care Corp.	10,000 shares	1,000	
	Itronics Inc	500 shares	58	
	Ivax Corporation	25 shares	504*	
	J.P. Morgan Chase & Company	2,600 shares	94,510	
	Jabil Circuit Inc	806 shares	18,312	
	Jawz Inc	150 shares	1	
	JDS Uniphase Corporation	3,230 shares	28,036	
	JNI Corporation	600 shares	4,986	
	Johnson & Johnson	245 shares	14,496	
	Juniper Networks Inc	1,047 shares	19,841	
	JustWebit.com Inc	2,000 shares	44	KLA
	Tencor Corporation	222 shares	11,002	
	K Mart Corporation	200 shares	1,092	
	Kemet Corporation	125 shares	2,219	
	Kismet Energy Corporation	1,000 shares	10	
	Knight Trading Group	30 shares	331	Kon
	Philips Electric NV	550 shares	16,010	
	Kopin Corporation	100 shares	1,400	
	Kraft Foods Inc	111 shares	3,777	
	Krispy Kreme Doughnut Corporation	200 shares	8,840	

Kushner-Locke
Company 2,200 shares 55
LTV
Corporation 11,700 shares 164
L90
Inc 1,000 shares 1,550
Learn2
Corporation 474 shares 57
LeCroy
Corporation 395 shares 7,189
Level 3
Communications 330 shares 1,650
Liberty Satellite & Tech
Class A 1,050 shares 987
Lifecore Biomedical
Inc 120 shares 1,337
Linear Technology
Corporation 600 shares 23,442
Loch Harris
Inc 4,000 shares 120
Loral Space &
Communications
Ltd 1,350 shares 4,037
Lowe's Companies
Inc 890 shares 41,310 LSI
Logic
Corporation 967 shares 15,259
Lucent Technologies
Inc 20,075 shares 126,273
MRV Communications
Inc 2,000 shares 8,480
Macromedia
Inc 206 shares 3,667
Manpower
Inc 20 shares 674
MarchFirst
Inc 400 shares Marex
Inc 500 shares 255
Martha Stewart Living
Omni 900 shares 14,805

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001**

**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
Common Stocks:				
(Continued)				
	Massey Energy Company	147 shares	\$3,050	
	Maxim Integrated Products	145 shares	7,614	
	Maxim Pharmaceuticals	1,000 shares	6,900	
	McData Corporation			
	Class A	15 shares	367	MedCom
	Usa Inc	400 shares	16	Medialink
	Worldwide Inc	110 shares	288	
	Mediatrix Corporation	5,000 shares	5	
	Medicis Pharamaceutical Corp			
	Class A	200 shares	12,918	
	Medquist Inc	35 shares	1,024	
	Medtronic Inc	1,003 shares	51,341	Merck & Co Inc
		417 shares	24,520	
	Metromedia Fiber Network			
	Inc	6,000 shares	2,640	Michaels
	Stores Inc	90 shares	2,965	
	Microage Inc	487 shares	2	
	Microsoft Corporation	2,957 shares	195,901	
	Millennium Pharmaceuticals			
	Inc	400 shares	9,804	Minnesota
	Mining & Manufacturing	212 shares	25,061	
	Miracle Entertainment	3,237 shares	81	
	Motorola Incorporated	2,301 shares	34,559	
	Mylan Laboratories			
	Inc	300 shares	11,250	Myriad
	Genetics Inc	100 shares	5,264	
	MyTurn.com			
	Inc	24,000 shares	67	NCS
	Healthcare Inc			
	Class A	3,940 shares	749	NL
	Industries Inc	260 shares	3,972	
	National Beauty Corp	22 shares	11	National
	Residential PPTYs			

Inc 210,000 shares 105 National
Semiconductor
Corporation 500 shares 15,395
Navisite Inc 2,000 shares 720
Net2Phone
Inc 1,000 shares 6,750 NetLojix
Communications
Inc 1,000 shares 170 NetSilicon
Inc 1,000 shares 3,850 Network
Appliance Inc 668 shares 14,609
New Century
Company 20 shares 42 New Tel
Limited Spon Adr 15 shares 18
Newell Rubbermaid
Inc 358 shares 9,873 Newport
Corporation 1,554 shares 29,963
NewPower Holdings
Inc 5 shares 4 Nexell
Therapeutics 24,200 shares 34,364
Niku
Corporation 1,150 shares 1,875
Nisource Inc Holding
Company 29 shares 668 Nokia
Corporation Spon
Adr 6,898 shares 169,208 Nordic
American Tanker Shipping
Inc 219 shares 3,033 Nortel
Networks Corporation (Holding
Company) 1,802 shares 13,515

Table of Contents**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001****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
Common Stocks:				
(Continued)	Novatel			
	Wireless			
	Inc 3,250 shares	\$3,965		
	Nutrition 21 Inc 300 shares	213		
	O Charley s			
	Inc 230 shares	4,257		
	o2wireless Solutions			
	Inc 1,000 shares	1,740		
	Ocean Energy Inc 100 shares	1,920		
	Office Depot			
	Inc 397 shares	7,360		
	Omnisky Corporation 300 shares	4		
	On Semiconductor			
	Corporation 200 shares	414		
	Onvia.com Inc 4 shares	2		
	Openwave Systems			
	Inc 68 shares	666		
	Optical Communications Products			
	Inc 200 shares	788		
	Oracle Corporation 7,992 shares	110,370		
	Orchid Biosciences			
	Inc 600 shares	3,300		
	Owens Corning 300 shares	570		
	Oxy Corporation (Occidental Petroleum Corporation)	5,423 shares	143,870	
	PMC-Sierra			
	Inc 222 shares	4,720		
	Pacific Century Cyberworks			
	Ord 300 shares	75		
	Palm Inc 4,306 shares	16,707		
	Paradigm Genetics			
	Inc 600 shares	3,420		
	Paravant Inc 370 shares	870		
	Parts.com Inc 61 shares	20		
	Penton Media Inc 100 shares	626		
	PeopleSoft Inc 510 shares	20,502		
	Pepsico Incorporated 102 shares	4,944		
	Petroleum Geo-Services ASA 100 shares	796		
	Pfizer Incorporated 1,877 shares	74,807		
	Pharmaceutical Product Development 266 shares	8,594		

Pharmacia
Corporation 23 shares 981
Pharmos
Corporation 600 shares 1,410
Phoenix
Companies 100 shares 1,850
Pinnacle Business Management
Inc 257,142 shares 3,729
Pixelworks
Inc 1,965 shares 31,558 Placer
Dome Inc 220 shares 2,400
Plug Power
Inc 1,400 shares 12,236
Polycom Inc 100 shares 3,407
Poore Brothers
Inc 60 shares 150 Portal
Software
Inc 1,100 shares 2,288 Presstek
Inc 400 shares 3,668
Priceline.com
Inc 1,300 shares 7,566
PrimeLink Systems
Inc 100 shares 62 Procter &
Gamble
Company 120 shares 9,496
Proginet
Corporation 625 shares 162
Providian Financial
Corporation 400 shares 1,420

Table of Contents**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001****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
Common				
Stocks:				
(Continued)				
	Prudential Financial			
	Inc 92 shares	\$3,053		
	PSINet			
	Inc 988 shares	6		
	QLogic Corporation 70 shares	3,116		
	QUALCOMM Incorporated 1,559 shares	78,730		
	Quanta Services Inc 400 shares	6,172		
	Quentra Networks			
	Inc 700 shares	1		
	Quintus Corporation 400 shares	20		
	Quokka Sports Inc 1 shares			
	Qwest Communications International			
	Inc 350 shares	4,945		
	Rambus Inc 1,905 shares	15,221		
	Ramtron International Corporation 60 shares	269		
	Rayonier Inc 100 shares	5,047		
	Raytheon Company 344 shares	11,186		
	Razorfish Inc Class A 90 shares	20		
	Reality Wireless Networks			
	Inc 407 shares	102		
	Recordlab Corporation 450 shares	2		
	Redback Networks			
	Inc 1,000 shares	3,950		
	Redhat Inc 130 shares	923		
	Remington Oil			

and Gas
 Corporation 78 shares 1,349
 Research In
 Motion
 Limited 100 shares 2,372
 Rite Aid
 Corporation 4,300 shares 21,758
 Rockford
 Corporation 20 shares 172
 Rockwell Collins
 Inc 100 shares 1,950
 Ross Stores
 Inc 50 shares 1,604
 Rudolph
 Technologies
 Inc 178 shares 6,109
 Ryan s Family
 Steakhouse
 Inc 50 shares 1,082
 SBC
 Communications
 Inc 246 shares 9,621
 Safeguard
 Scientific
 Inc 800 shares 2,800
 Safeway
 Inc 1,150 shares 48,013
 Sandisk
 Corporation 488 shares 7,027
 Sanmina SCI
 Corporation 667 shares 13,273
 Sara Lee
 Corporation 120 shares 2,667
 Satyam Infoway
 Limited
 ADR 400 shares 608
 Schlumberger
 Limited 32 shares 1,758
 Scient
 Inc 643 shares 270
 Scientific Atlanta
 Inc 786 shares 18,828
 Seattle Genetics
 Inc 1,000
 shares 5,700
 Semotus
 Solutions Inc
 1,000 shares
 730 Serena
 Software Inc 50
 shares 1,087
 Service
 Corporation
 International
 335 shares
 1,672 Shaman
 Pharmaceuticals
 100,001 shares
 600 Siebel
 Systems Inc 857
 shares 23,979
 Silicon Image

Inc 1,000
shares 3,760

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001**

**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
Common				
Stocks:				
(Continued)				
	Sirius Satellite Radio 710 shares \$ 8,257			
	Siskon Gold Corporation 3,000 shares 9			
	Socket Communications Inc 3,000 shares 5,040			
	Solectron Corporation 540 shares 6,091			
	Sonera Group PLC Adr 100 shares 486			
	Sonic Solutions 315 shares 1,562			
	SONICblue Inc 1,000 shares 4,040			
	Sonus Networks Inc 1,000 shares 4,620			
	Southwall Technologies 462 shares 3,303			
	Southwest Airlines Company 2,746 shares 50,744			
	Southwest Gas Corporation 100 shares 2,235			
	Spatializer Audio Laboratories Inc 1,000 shares 115			
	Sprint FON Group 615 shares 12,343			
	Sprint PCS Group 500			

shares 12,205
 Stamford
 International Inc
 1,800 shares 2
 Starbucks
 Corporation 300
 shares 5,715
 Stillwater Mining
 Corporation 885
 shares 16,372

 StorageNetworks
 Inc 220 shares
 1,360 Stratos
 Lightwave Inc
 500 shares
 3,075 Styling
 Technology
 Corporation 130
 shares 3 Sun
 Healthcare Group
 Inc 1,500 shares
 6 Sun
 Microsystems
 Inc 5,026 shares
 61,820
 Sungard Data
 Systems Inc 136
 shares 3,934
 Sunrise
 Technologies
 International Inc
 1,000 shares
 240 Sycamore
 Networks Inc
 309 shares
 1,656 Symantec
 Corporation 140
 shares 9,286
 Synergy Brands
 Inc 5,280 shares
 5,702
 Synopsys Inc
 200 shares
 11,814 TRC
 Companies Inc
 200 shares
 10,000 TVI
 Corporation
 7,000 shares
 1,750 TVX
 Gold Inc 2,000
 shares 860
 Take-Two
 Interactive
 Software Inc
 100 shares
 1,617 Talk
 Visual
 Corporation
 52,000 shares
 1,820 Target

Corporation 28
shares 1,164
Taro
Pharmaceuticals
Industries
Class A 60
shares 2,397
Tellabs Inc
1,800 shares
26,928 Telynx
Inc 500 shares
3 Texas
Instruments Inc
815 shares
22,828
ThatLook.com
Inc 670 shares
2 THCG Inc
60 shares 4
The Charles
Schwab
Corporation 853
shares 13,201
Tiffany & Co.
85 shares
2,675 Titanium
Metals
Corporation
1,500 shares
5,985

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001**

**Supplemental Information
Schedule I**

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Common				
Stocks:				
(Continued)				
	Tommy Hilfiger Corporation	210 shares	\$ 2,888	
	Trans Orient Pete Ltd	83 shares	12	
	Transocean Sedco Forex	200 shares	6,764	
	Travelocity.com Inc	11 shares	316	
	Triangle Pharmaceuticals Inc	150 shares	601	
	Trident Microsystems	1,000 shares	7,650	
	Tyco International Ltd.	310 shares	18,259	
	U.S. Bancorp	30 shares	628	
	Ultra Petroleum Corporation	175 shares	1,066	
	Union Planters Corporation	108 shares	4,885	
	Uniprime Capital Acceptance Inc	11,975 shares	180	
	Unisource Energy Corporation	642 shares	11,674	
	Unit Corporation	200 shares	2,580	
	United Online Inc	30 shares	126	
	United			

Parcel Service
 Class B 266
 shares 14,521
 USLab.com Inc
 Restricted
 Shares 230
 shares 374
 Utilicorp United
 Inc 303 shares
 7,630 VDC
 Communications
 Inc 1,000
 shares 6
 VISX Inc
 Delaware 108
 shares 1,431
 VA Software
 Corporation 51
 shares 125
 Varian
 Semiconductor
 Equipment
 Associates Inc
 120 shares
 4,151
 Vasomedical Inc
 1,450 shares
 5,365 Vast
 Solutions Inc
 Class B1 46
 shares Vast
 Solutions Inc
 Class B2 46
 shares Vast
 Solutions Inc
 Class B3 46
 shares 1
 VaxGen Inc 150
 shares 1,740
 Verisign Inc 85
 shares 3,233
 Vialta Inc
 Class A 237
 shares 294
 Vidamed Inc
 1,000 shares
 7,820 Viragen
 Inc 2,000
 shares 2,460
 Vishay
 Intertechnology
 50 shares 975
 Vista Gold
 Corporation
 2,000 shares
 120 Vital
 Living Products
 300 shares 27
 Vitesse
 Semiconductor
 Corporation 240
 shares 2,983

Vitria
Technology Inc
13,550 shares
86,585 Vivendi
Universal ADR
16 shares 861
Vixel
Corporation 50
shares 92
Walgreen
Company 101
shares 3,415
Wal-Mart De Cv
Spn ADR 60
shares 1,611
Wal-Mart Stores
Inc 1,990
shares
114,517
Wamex Holdings
Inc 1,660
shares 18
Wasatch
Pharmaceutical
Inc 60 shares
5 Washington
Mutual Inc 451
shares 14,751

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001**

**Supplemental Information
Schedule I**

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Common Stocks: (Continued)				
	Wave Systems Corporation Class A	5,150 shares \$		
	11,536 Wavo Corporation	2,100 shares	19	Webb
	Interactive Services	1,100 shares	781	
	Webvan Group Inc	1,000 shares		
	Wells Fargo & Company	200 shares		
	8,690 Western Wireless Corporation	Class A 200 shares		
	5,650 Williams Communications Group	Class A 600 shares		
	1,410 Williams Companies	400 shares		10,208
	Wind River Systems Inc	250 shares		
	4,477 Wireless Data Solutions	1,000 shares		140
	Wireless Synergies Inc	545 shares		87
	World Gaming PLC	Adr 30,000 shares		
	14,400 World Wrestling Federation	Class A		
				150
				shares 1,973
	WorldCom Inc	MCI Group		
				73

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shares 927
WorldCom Inc
WorldCom Group

1,845

shares 25,978
Worldgate
Communications Inc

1,980

shares 4,950
Worldwide Web Ntwrx
Corporation

300

shares 2 Xerox
Corporation

2,600

shares 27,092 Xo
Communications
Class A

100

shares 10
Xybernaut Corporation

25

shares 60 Yahoo!
Inc

1,501

shares 26,628
Zap.com Corporation

2

shares Zymetx
Inc

750

shares 278

**Total
Common Stocks**

7,291,338

Registered Investment

Companies:

ABN Amro/Veredus
Aggressive Growth
Fund Class N

107

shares 2,063 *
American Century
Global Gold Fund

9,882

shares 52,374 *
American Century
Growth Fund

870

shares 16,990 *
American Century
International Growth
Fund Investor

2,399

shares 19,124 *
American Century Real
Estate Fund Investor
Class

101

shares 1,520 *
American Century
Small Cap Value Fund
Investor Class

439

shares 3,524 *
American Century
Technology Fund

11,891

shares 25,565 *
American Century
Value Fund

346

shares 2,423
Amerindo Technology
Fund Class D

165

shares 949
Ameristock Fund

418

shares 17,058
Ariel Appreciation
Fund

183

shares 6,792
Ariel Fund

117

shares 4,403
Artisan International
Fund

3,720

shares 68,299
Artisan Midcap Fund

422

shares 10,874
Baron Growth Fund

85

shares 2,605
Baron Iopportunity
Fund

201

shares
1,176 Berger Small
Cap Value Fund
Investor Shares

1,186

shares 33,291

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001**

**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
Registered Investment Companies:				
(Continued)	Bjurman			
	Micro Cap Growth Fund	986 shares	\$48,594	
	Boston Partners Small Cap Value II Fund	Investor 289 shares	5,145	
	Buffalo Small Cap Fund	938 shares	18,732	
	Burnham Financial Services Fund	Class A 127 shares	2,000	
	Clipper Fund	587 shares	49,029	
	Columbia Small Cap Fund	442 shares	9,806	
	Credit Suisse Global Technology Common	227 shares	6,828	
	Credit Suisse Japan Growth Fund	279 shares	1,455	
	Credit Suisse Japan Small Cap Fund	270 shares	483	
	Dodge & Cox Balanced Fund	22 shares	1,438	
	Dodge & Cox Stock Fund	44 shares	4,388	
	Dresdner RCM Biotechnology Fund	Class N 1,346 shares	36,893	
	Dresdner RCM Global Healthcare Fund	Class N 1,812 shares	37,183	
	Dresdner RCM Global Technology Fund	347 shares	10,520	
	Dreyfus Intermediate Term Income Fund	313 shares	3,967	
	Dreyfus Midcap Value Fund	152 shares	3,988	
	Dreyfus Premier Technology Growth Fund			

Class A 224 shares 5,611
 Excelsior Energy and Natural
 Resources 837 shares 11,188
 Excelsior Value and
 Restructuring
 Fund 3,393 shares 108,765
 Federated Income
 Institutional 967 shares 10,042
 Federated International Small
 Company Fund
 Class A 508 shares 8,937
 Fidelity Aggressive Growth
 Fund 111 shares 2,118
 Fidelity Contrafund
 II 550 shares 5,695 Fidelity
 Equity Income
 Fund 41,809 shares 2,039,041
 Fidelity Growth Company
 Fund 22 shares 1,195
 Fidelity Magellan
 Fund 47,026 shares 4,901,004
 Fidelity Magellan
 Fund 1,467 shares 152,912
 Fidelity Select
 Biotechnology 20 shares 1,306
 First American Microcap Fund
 Class A 94 shares 1,000
 Firsthand Communications
 Fund 547 shares 1,821
 Firsthand Technology
 Innovators
 Fund 2,782 shares 45,620
 Firsthand Technology Leaders
 Fund 464 shares 8,751
 Firsthand Technology Value
 Fund 327 shares 13,473
 FMI Focus
 Fund 99 shares 2,921
 Gabelli Asset
 Fund 73 shares 2,406
 Gabelli Equity Trust
 Inc 1,103 shares 11,900
 Gabelli Westwood Balanced
 Fund
 Retail 265 shares 2,916 GE
 US Equity Fund
 Class A 2,045 shares 55,620
 Harbor Capital Appreciation
 Fund 1,368 shares 39,985
 Heartland Value
 Fund 91 shares 3,402
 Henlopen
 Fund 1,401 shares 27,997
 ICON Healthcare Fund
 Class A 497 shares 5,663
 ICON Information
 Technology
 Fund 1,460 shares 14,845

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001**

**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
Registered Investment Companies:				
(Continued)				
	Internet Fund 54 shares	\$1,173		
	INVESCO Dynamics Fund 1,118 shares	17,806		
	INVESCO Energy Fund 266 shares	4,615		
	INVESCO Financial Services Fund 260 shares	7,087		
	INVESCO Health Sciences Fund 20 shares	1,001		
	INVESCO Technology Fund 388 shares	12,635		
	INVESCO Telecommunications Fund 407 shares	6,763		
	Investec Internet.com Index Fund 58 shares	255		
	Investec Wired Index Fund 419 shares	5,461	IPS	
	Millennium Fund Class A 448 shares	13,410		
	iShares MSCI EMU Index Fund 275 shares	15,397		
	iShares MSCI Japan Index Fund 790 shares	6,091		
	iShares Trust Dow Jones US Energy 290 shares	13,833		
	iShares Trust Dow Jones Re US Real Estate Index Fund 196 shares	15,641		
	iShares Trust S&P SmallCap 307 shares	35,121		
	iShares Trust S&P 500 Index 254 shares	29,040		
	Janus Balanced Fund 3,101 shares	60,880		
	Janus Enterprise Fund 718 shares	22,962		
	Janus Fund 847 shares	20,845		
	Janus Global Life Sciences Fund 905 shares	15,895		

Janus Global Technology
 Fund 4,016 shares 48,753
 Janus Growth & Income
 Fund 274 shares 8,201
 Janus High Yield
 Fund 268 shares 2,513
 Janus Mercury
 Fund 7,104 shares 147,700
 Janus Olympus
 Fund 2,865 shares 79,803
 Janus Special Situations
 Fund 3,142 shares 46,654
 Janus Strategic Value
 Fund 462 shares 4,280
 Janus Twenty
 Fund 775 shares 29,821
 Janus Worldwide
 Fund 595 shares 26,081*
 J.P. Morgan Mid-Cap Growth
 Fund 248 shares 1,254
 Julius Baer International
 Equity
 Class A 1,835 shares 38,196
 Leuthold Core Investment
 Fund 93 shares 1,095
 LongLeaf Partners
 International
 Fund 562 shares 6,935
 Lord Abbett Affiliated Fund
 Class A 1,404 shares 19,216
 Lord Abbett Mic-Cap Value
 Fund
 Class A 424 shares 7,386
 Managers Bond
 Fund 64 shares 1,420
 Matthews Pacific Tiger
 Fund 1,564 shares 13,782
 Meridian Growth
 Fund 241 shares 6,941
 Millennium Growth & Income
 Fund 604 shares 3,779
 Munder NetNet Fund
 Class A 64 shares 1,146
 Murphy New World
 Biotechnology
 Fund 106 shares 695
 Navellier Aggressive Micro
 Cap
 Portfolio 113 shares 2,617
 Navellier Large Cap Growth
 Fund 1,667 shares 27,717

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001**

**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
Registered Investment Companies:				
(Continued)				
	Navellier			
	Mid Cap Growth			
	Portfolio 5,473 shares	\$122,970		
	Navellier Small Cap Value			
	Portfolio 176 shares	2,149		
	Neuberger Berman Genesis			
	Fund Investor			
	Class 639 shares	12,992		
	Needham Growth			
	Fund 69 shares	1,920	Nevis	
	Fund 55 shares	815		
	Nicholas II			
	Fund 217 shares	4,364		
	Northern Technology			
	Fund 94 shares	1,177	Oak	
	Value			
	Fund 280 shares	8,139		
	Oakmark Equity Income			
	Fund 1,317 shares	24,541		
	Oakmark Select			
	Fund 3,153 shares	85,875		
	Payden & Rygel European			
	Agressive Growth Fund			
	Class R 204 shares	1,735		
	PBHG Global Technology & Communications			
	Fund 667 shares	2,734		
	PBHG Large Cap 20			
	Fund 239 shares	3,894		
	PBHG Large Cap Growth			
	Fund 61 shares	1,278		
	PBHG Large Cap Value			
	Fund 472 shares	6,442		
	PBHG Mid-Cap Value			
	Fund 837 shares	13,321		
	PBHG Select Equity			
	Fund 603 shares	14,717		
	PBHG Technology & Communications			
	Fund 475 shares	7,785		
	Pennsylvania Mutual			
	Fund 405 shares	2,995	Pin	

Oak Aggressive Stock
 Fund 104 shares 2,477
 Pioneer High Yield
 Fund 276 shares 3,030 Red
 Oak Technology Select
 Portfolio 922 shares 8,846
 Reynolds Blue Chip
 Growth 21 shares 717
 Royce Opportunity
 Fund 269 shares 2,423
 Royce Premier
 Fund 4,011 shares 42,275
 Royce Total Return
 Fund 1,512 shares 12,990
 RS Diversified Growth
 Fund 455 shares 10,578 RS
 Internet Age
 Fund 571 shares 3,290
 Rushmore American Gas
 Index
 Fund 309 shares 4,632
 Rydex Venture 100
 Fund 107 shares 5,238
 Safeco Growth Opportunities
 Fund 1,162 shares 31,675
 Schwab 1000
 Fund 1,301 shares 41,575
 Schwab MarketTrack All
 Equity
 Portfolio 87 shares 836
 Schwab MarketTrack
 Balanced
 Portfolio 82 shares 1,106
 Schwab S&P 500 Fund
 Investor
 Shares 5,139 shares 90,863
 Schwab Total Bond Market
 Index
 Fund 17,085 shares 170,506
 Schwab Total Stock Market
 Fund Investor
 Shares 2,097 shares 37,822
 Schwab Value Advantage
 Money
 Fund 183,949 shares 183,949
 Scudder Balanced
 Fund 512 shares 8,957
 Scudder Greater Europe
 Growth Fund
 Class S 611 shares 14,045
 Scudder Health Care
 Fund 233 shares 4,865
 Selected American
 Shares 1,117 shares 34,619
 SSgA Growth & Income
 Fund 1,170 shares 23,205

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001**

**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
Registered Investment Companies:				
(Continued)				
	SteinRoe Intermediate Bond Fund	1,294 shares	\$11,469	
	Strong Advantage Fund	546 shares	5,326	
	Strong Opportunity Fund	694 shares	27,284	
	T Rowe Price Emerging Markets Stock Fund	453 shares	4,873	
	T Rowe Price Equity Income Fund	588 shares	13,913	
	T Rowe Price Health Sciences Fund	993 shares	19,931	
	T Rowe Price International Discovery Fund	125 shares	2,395	
	T Rowe Price Latin America Fund	941 shares	8,628	
	T Rowe Price Mid Cap Growth Fund	939 shares	37,004	
	T Rowe Price New Asia Fund	991 shares	6,157	
	T Rowe Price New Horizon Fund	216,488 shares	4,899,125	
	T Rowe Price Science & Technology Fund	189,042 shares	3,954,766	
	T Rowe Price Small Cap Value Fund	480 shares	10,868	
	T Rowe Price Spectrum Income Fund	1,532 shares	16,244	
	TCW Galileo Value Opportunity Fund	N 226 shares	4,242	
	Third Avenue Value Fund	376 shares	13,711	
	Transamerica Premier Balanced Fund	127 shares	2,372	
	Turner Midcap Growth Fund	343 shares	7,509	
	Turner Small Cap Value Fund	322 shares	6,291	
	Turner Top 20 Fund	380 shares	2,885	
	Tweedy Browne Global Value Fund	2,247 shares	41,634	
	UMB Scout Worldwide Fund	4,482 shares	83,681	
	Van Wagoner Technology Fund	44 shares	701	
	Vanguard GNMA Fund	905 shares	9,397	
	Vanguard Gold & Precious Metals Fund	7,207 shares	61,620	
	Vanguard Index Trust	500		
	Vanguard Mid Capitalization Index Fund	40 shares	4,197	
	Vanguard Short-Term Treasury Fund	Investor Shares	1,193 shares	12,562
	Vanguard STAR Fund	250 shares	4,115	
	Vanguard Total Bond Market Index Fund	207 shares	2,096	
	Vanguard Total Stock Market Index			

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Fund 1,662 shares 42,769 Wasatch Core
Growth Fund 582 shares 20,136 Wasatch
Small Cap Value Fund 2,842 shares 11,651
Weitz Value Portfolio 844 shares 28,928
Westport Small Cap Fund
Class R 262 shares 5,090 White Oak Growth
Stock Fund 2,851 shares 109,575 Willaim
Blair International Growth Fund
Class N 710 shares 10,983 T Rowe Price
Small Cap Stock
Fund 1,028,811 shares 26,058,422 AF
Europacific Fund 856,847 shares 23,006,021*
American Century Equity Growth
Fund 3,961,402 shares 76,234,522* American
Century Income & Growth
Fund 2,325,535 shares 63,627,408

Total Registered Investment

Companies 208,322,346

-28-

Table of Contents**Phelps Dodge Employee Savings Plan
Schedule of Assets (Held at End of Year)
December 31, 2001****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
Employer Stock: Phelps Dodge Corporation 1,563,007 shares \$50,641,431 Phelps Dodge Corporation (Participant directed Schwab) 17 shares 551				
Total Employer				
Stock	50,641,982	Participant		
Loans:	Loans To Various Participants 6% 11.5% maturing through 2016	23,802,951		
Total Participant				
Loans	23,802,951	Other		
Assets:	Airlease Ltd. Depostry Unit 150 shares 977 EOTT Energy Partners LP 1,000 shares 15,050 Glimcher Realty Trust 1,200 shares 22,596 Kinder Morgan Energy LP Unit Ltd Partnership 558 shares 21,115 Nasdaq 100 Shares 1,065 shares 41,439 SPDR Trust Unit Sr 1 Expiring 1/22/2118 200 shares 22,846 Saun Juan Basis Royalty Trust 321 shares 3,076 Tokheim Corporation Ser C 06 Wt Warrants Exp 10/2 300 shares 5 Weingarten Realty Investors SBI 17 shares 794 Williams Coal Seam Gas Royalty Trust 455 shares 6,026 Synthetic wrapper value Synthetic guaranteed investment contract (2,014,935)			
Total Other				
Assets	(1,881,011)			
Total Assets Held For Investment				
	\$462,361,784			

* This is a related party to the Plan's Recordkeeper, a party-in-interest for which a statutory exemption exists.

** All investments

are
participant
directed,
therefore
disclosure of
cost is not
required.

See Report of Independent Accountants.

-29-

Table of Contents

**Phelps Dodge Employee Savings Plan
Schedule of Reportable Transactions
Year Ended December 31, 2001**

**Supplemental Information
Schedule II**

(a) Identity of party involved	(b) Description of asset	(c) Purchase price	(d) Selling price	(e) Lease Rent	(f) Expenses incurred with transaction	(g) Cost of asset	(h) Current value on transaction date	(i) Net loss
Phelps Dodge Corporation	Stock	\$ 16,505,504	\$	\$	\$	\$ 16,505,504	\$ 16,505,504	\$
Phelps Dodge Corporation	Stock	\$ 16,273,325	\$	\$ 19,191,367	\$ 16,273,325	\$(2,918,042)		

See Report of Independent Accountants.

Table of Contents

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statement on Form S-8 (No. 33-26442) of Phelps Dodge Corporation of our report dated June 24, 2002 relating to the financial statements of the Phelps Dodge Employee Savings Plan, which appears in this Form 11-K.

PricewaterhouseCoopers LLP
Phoenix, Arizona
June 25, 2002