



Interim Report

January – September 2011

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CFO

Q3 Summary

Market

- Financial turmoil - low visibility
- Price drop end of period
- Low growth in construction and automotive markets
 - China develops well
- Stable metal demand
 - Signs of weaker market in Europe
- Stronger USD vs Q2
- Base metal prices down from Q2
 - Increase in SEK
- China determines length and depth of downturn

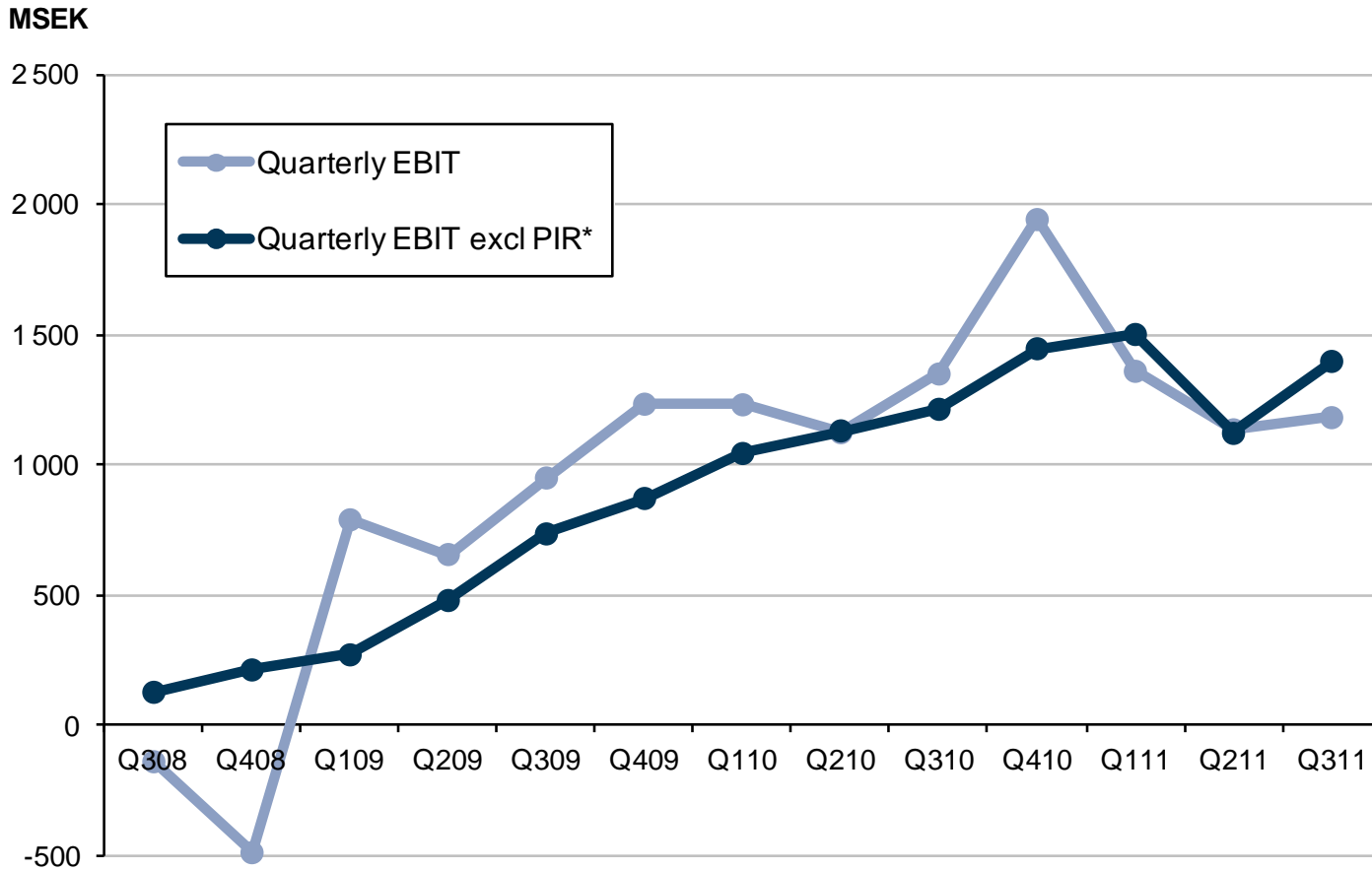
Boliden

- Revenues MSEK 10,553 (9,373)
- EBIT ex PIR* MSEK 1,397 (1,213)
 - Operating profit MSEK 1,180 (1,348)
- Free Cash Flow MSEK 820 (1,203)

- Limited effect of downturn
- Stable production in all units
- Expansion projects on plan

* PIR=Process Inventory Revaluation

Group EBIT Development



*Process Inventory Revaluation



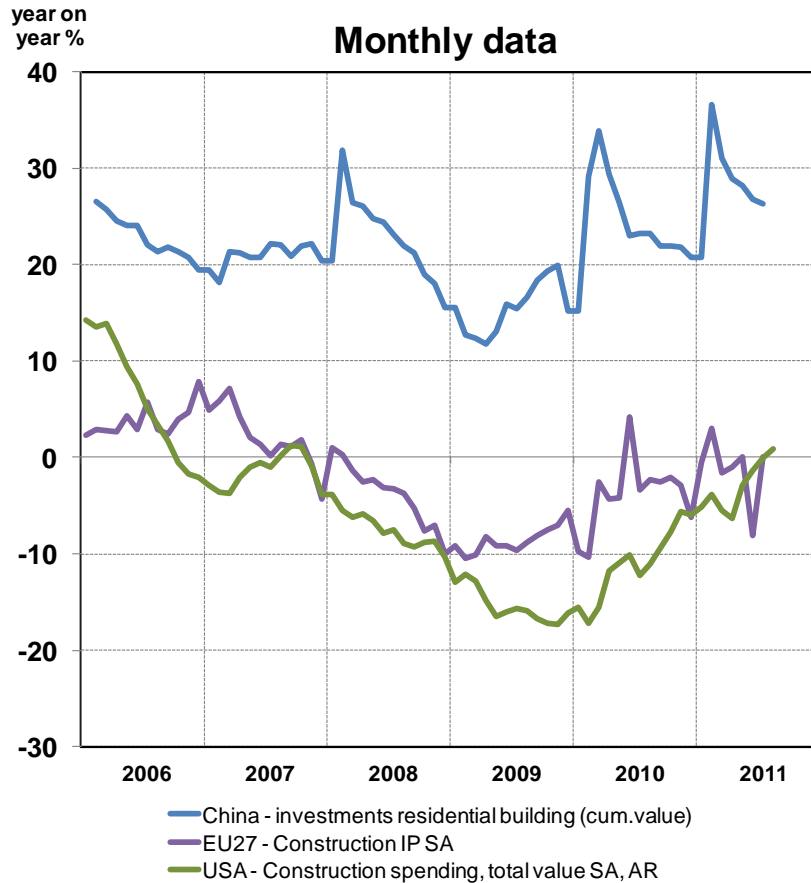
The Market

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Metal markets – Q3 2011

- Demand
 - China – high activity in construction and industry
 - Mature economies – higher vehicle production, construction markets remained weak, generally lower growth in metal demand
- Metal supply
 - Zinc metal production flat vs Q2
 - Copper production lower than Q2
- Concentrate supply
 - Higher Zn mine production, lower Cu mine production
 - Zn concentrate market in balance from deficit beginning of 2011
 - Cu concentrate market in deficit
- Prices
 - Stable Zn premium, Cu premium down below benchmark

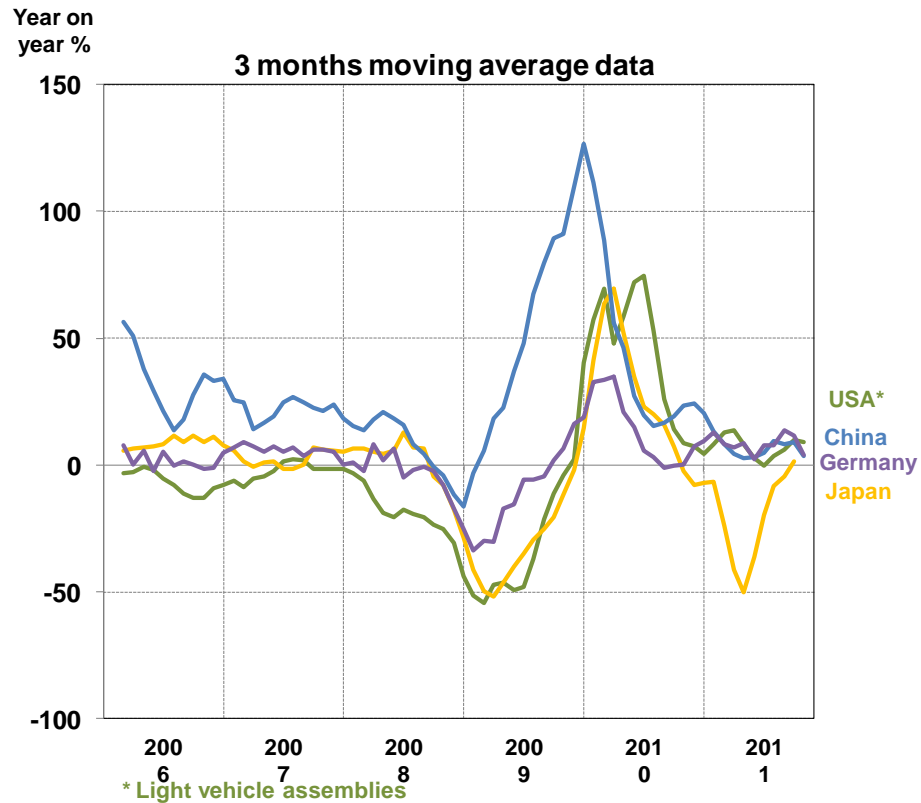
Construction



Source: Reuters Datastream

- China strong
- Low activity in USA and Europe

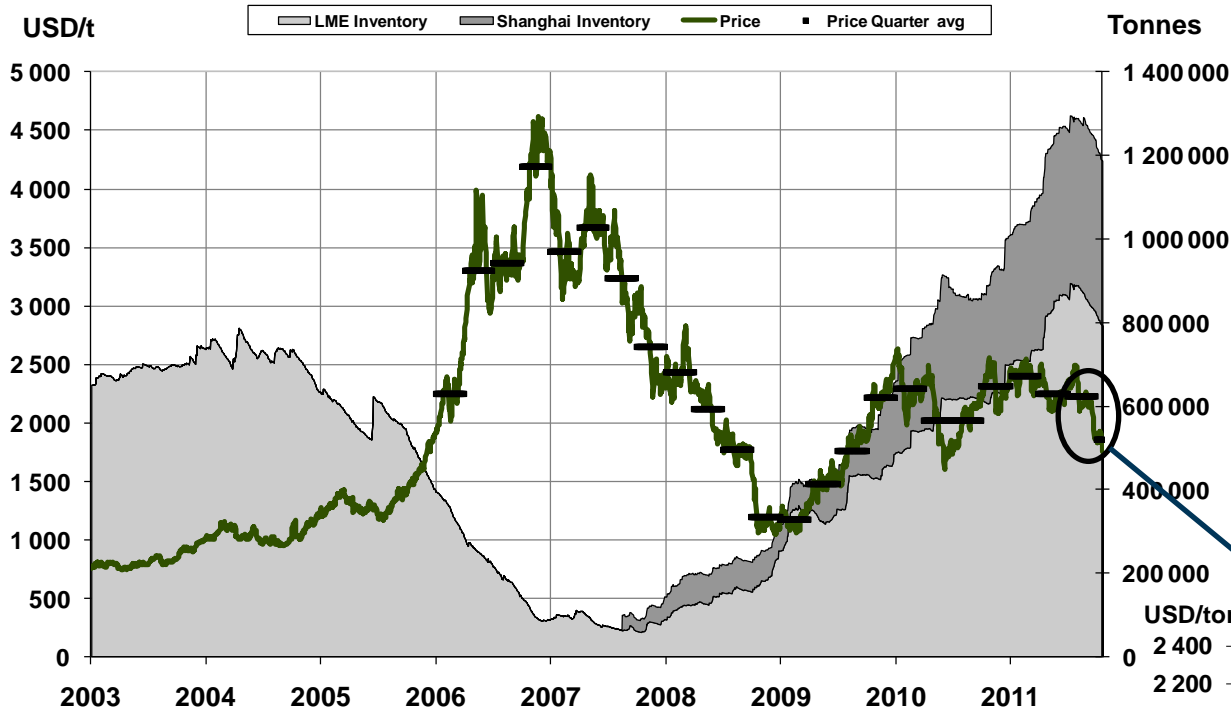
Automotive



Source: Reuters, VDA

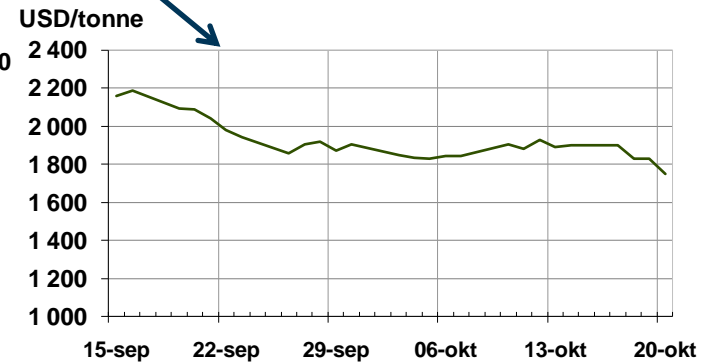
- Higher growth in all key regions

Zinc price and inventories

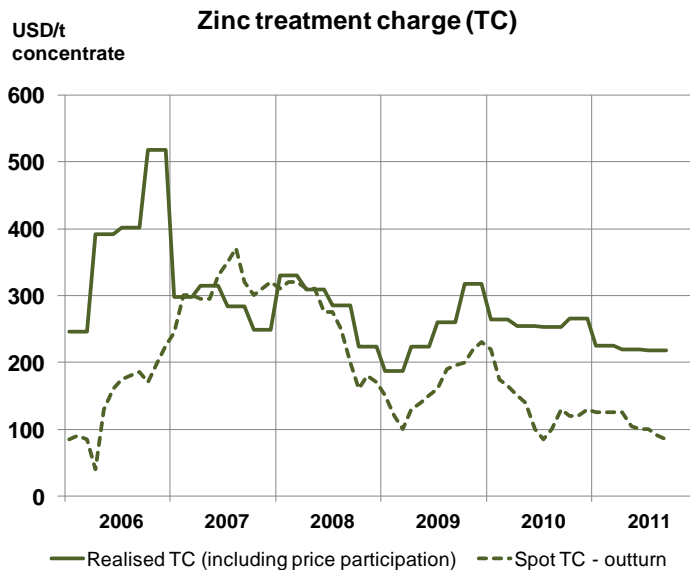


Zinc price (LME average)		
	USD/t	Q3-11 vs period
Q3 10	2,013	+ 10%
Q4 10	2,315	- 4%
Q1 11	2,393	- 7%
Q2 11	2,250	- 1%
Q3 11	2,224	-

- Price down by 18% in the quarter
- Inventories down 3% in Q3

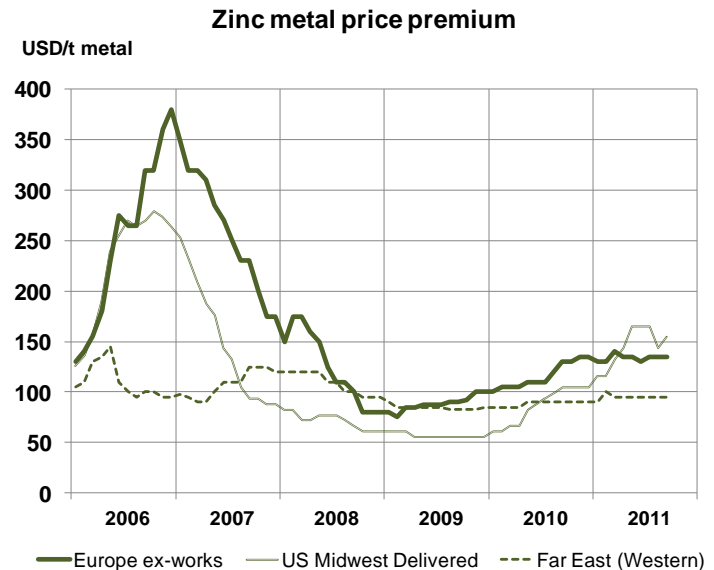


Zinc TC and premiums



Source: ©CRU (www.crugroup.com)

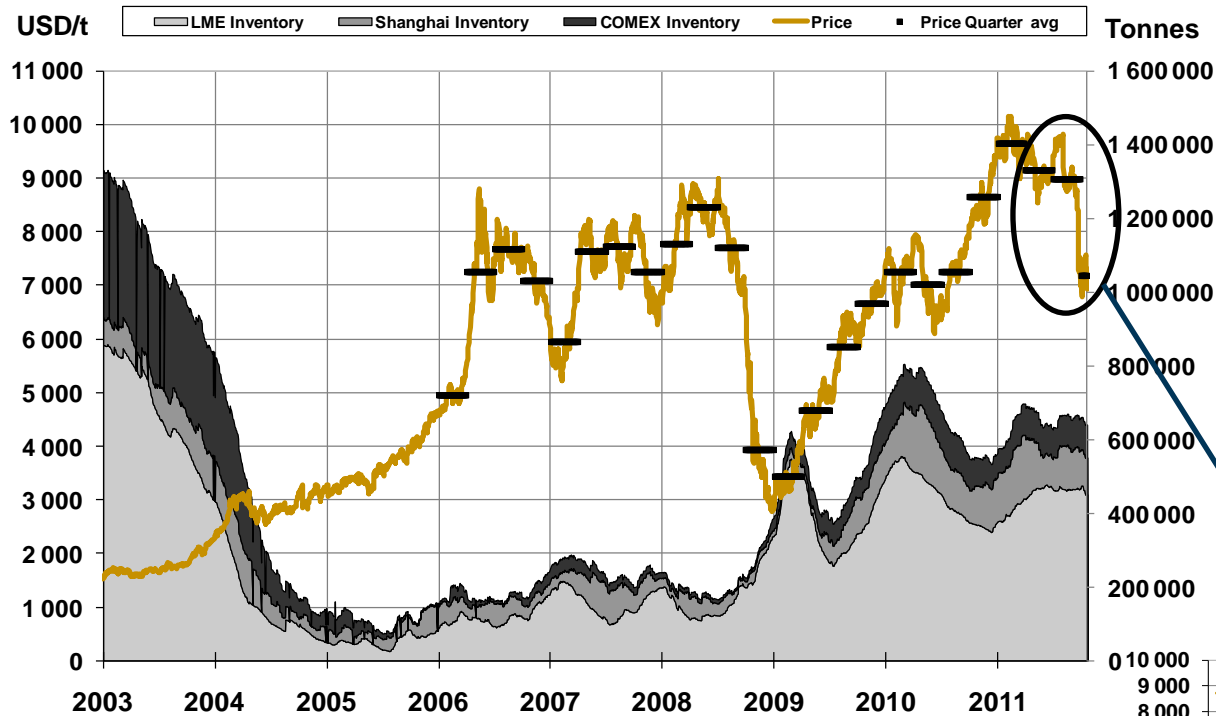
- Stable realized TC – but lower than 2010
- Spot TC down – more volume traded in spot market – gap to realized widens



Source: ©CRU (www.crugroup.com)

- Stable European premium – higher than 2010

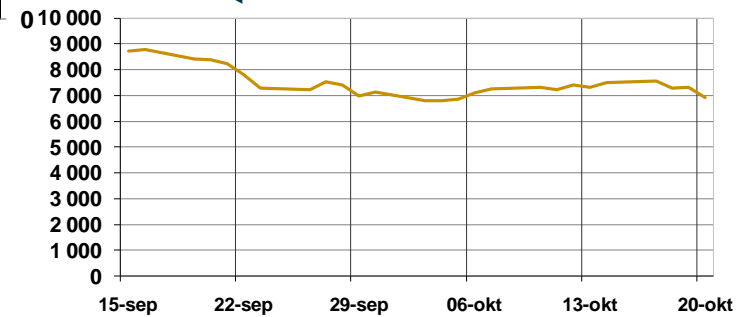
Copper price and inventories



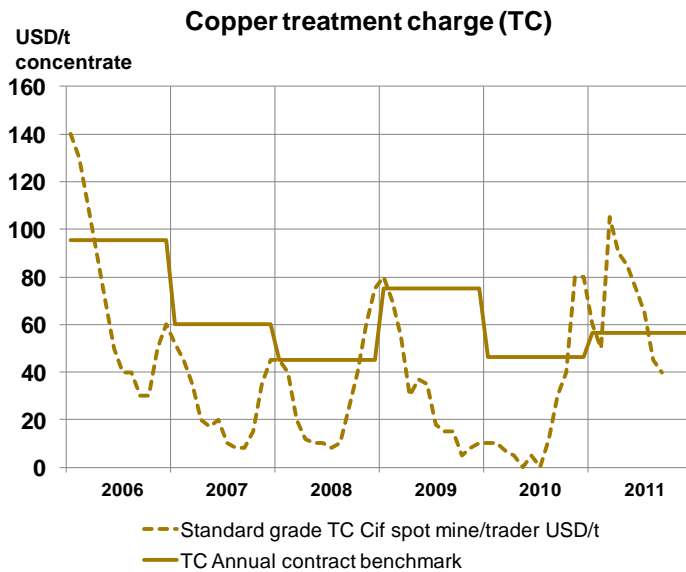
Copper price (LME average)

	USD/t	Q3-11 vs period
Q3 10	7,242	+ 24%
Q4 10	8,634	+ 4%
Q1 11	9,646	+ 7%
Q2 11	9,137	- 2%
Q3 11	8,982	-

- Price decreased in the quarter by 23%
- Inventories up 4% in Q3

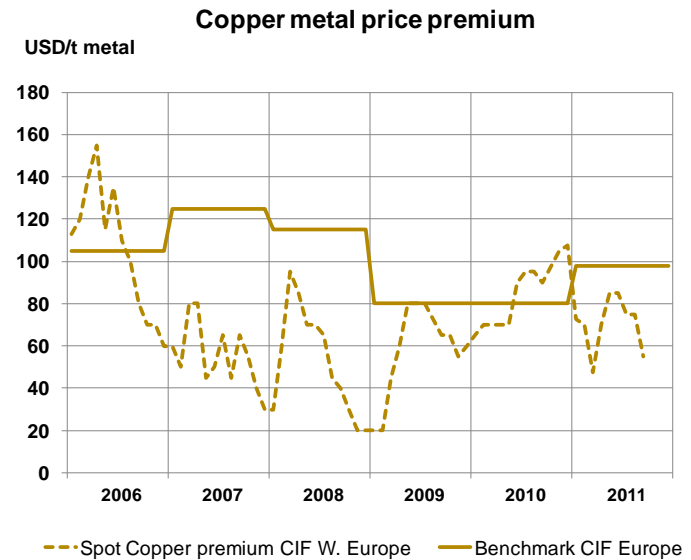


Copper TC and premiums



Source: © CRU (www.crugroup.com)

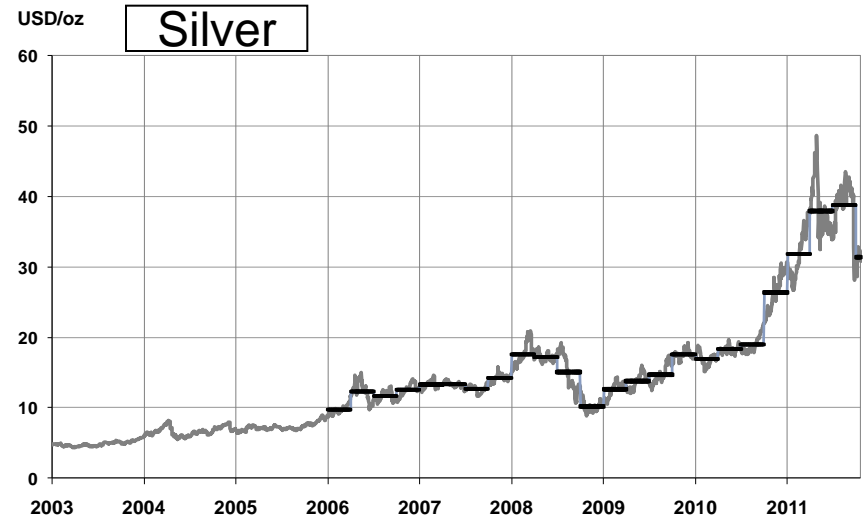
- Weaker spot TC – China becoming more active
- Lower mine production – concentrate deficit



Source: © CRU (www.crugroup.com)

- Spot premium down – weaker demand in Europe
- Below benchmark level

Gold, Silver and Lead prices



Average prices Q3 2011 vs period		
	Q3-10	Q2-11
Gold	+ 39%	+ 13%
Silver	+ 105%	+ 2%
Lead	+ 21%	- 4%

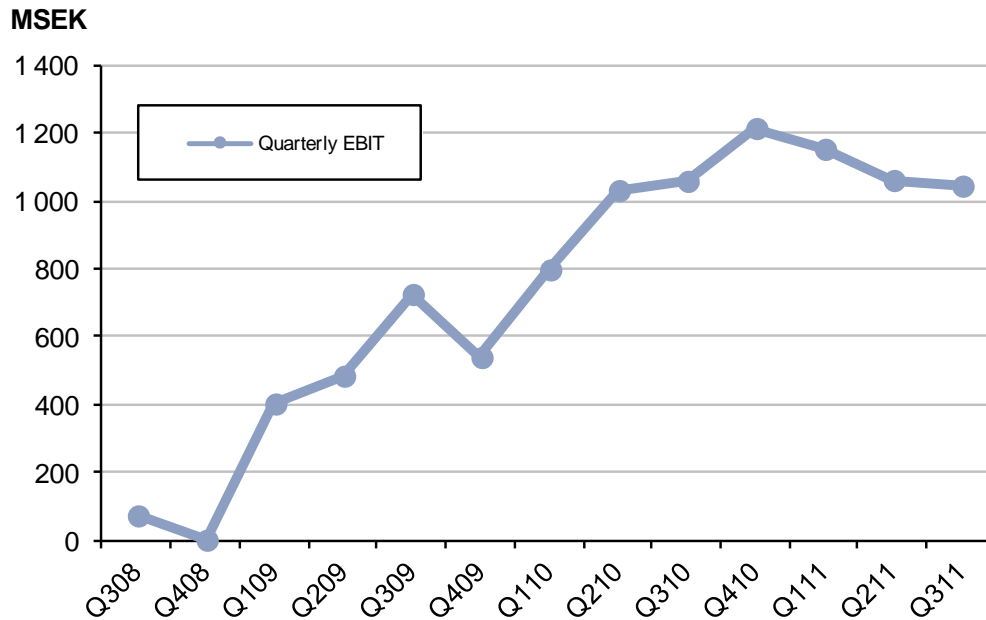




Mines

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Mines - Summary Q3

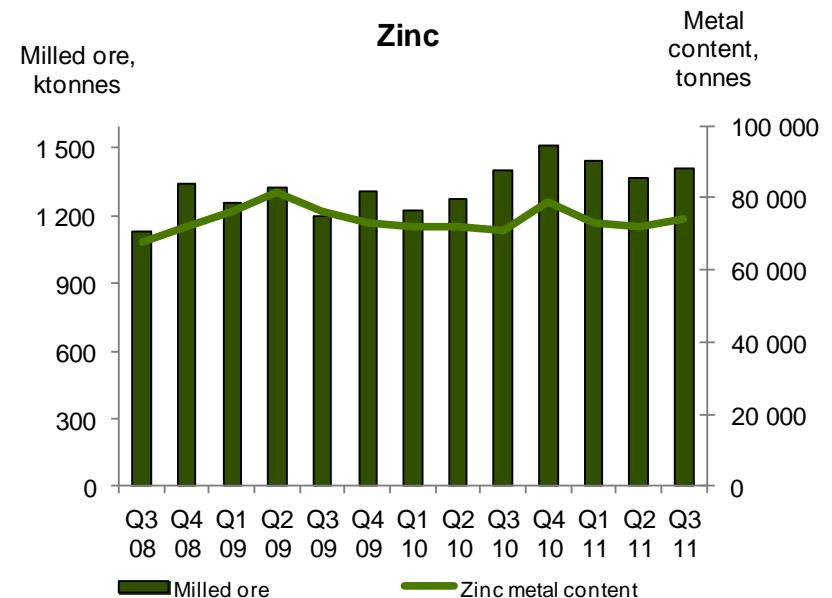
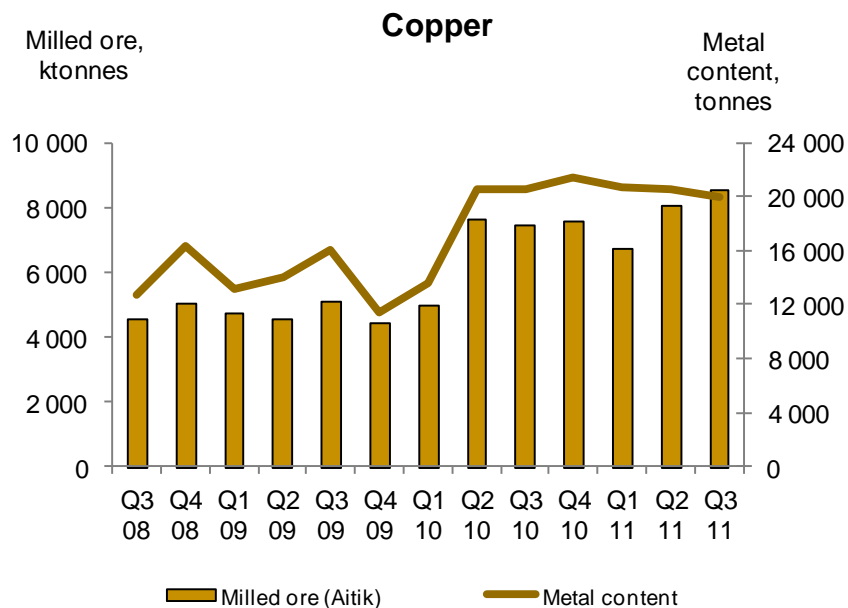


■ EBIT

- MSEK 1,047 (1,061) in Q3
- MSEK 1,064 in Q2

- Lower USD prices vs Q2
- Sold volumes lower vs Q2
- Stable production
 - Lower grades in Aitik
- Final pricing impact, Aug-Sep
- Sharp drop end of period
- Lower costs vs Q2
- Garpenberg expansion on plan – start up 2014
- Kankberg gold mine on plan – start up mid 2012

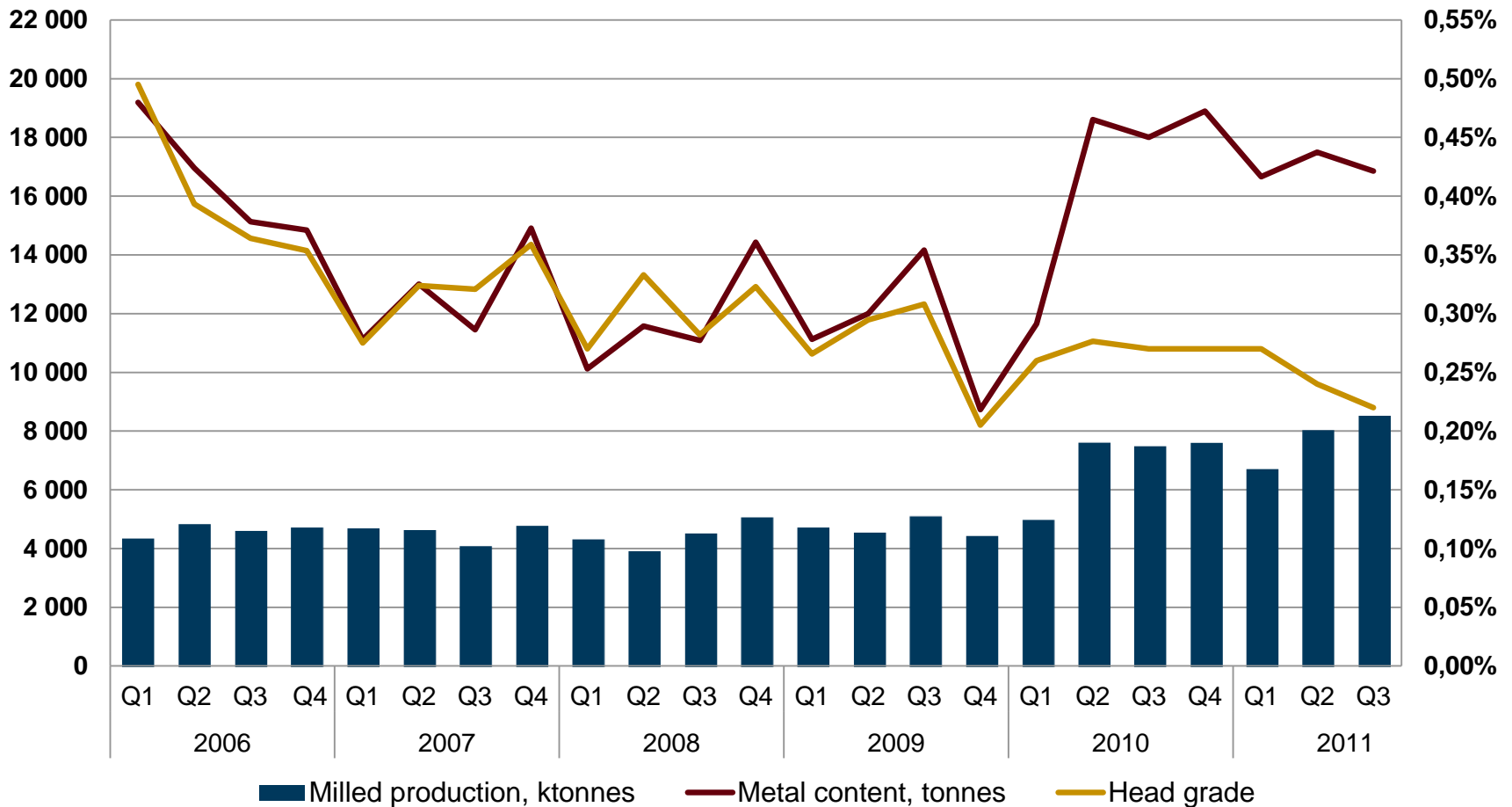
Mines - Production



- Aitik
 - Production 34 mtonnes annualized rate
 - Grades: 0,22% in Q3 vs 0,24% in Q2
- Boliden area, higher metal production

- Garpenberg
 - Higher grades 6,5% vs 5,4% in Q2
 - Increased silver production
- Boliden area, lower metal production

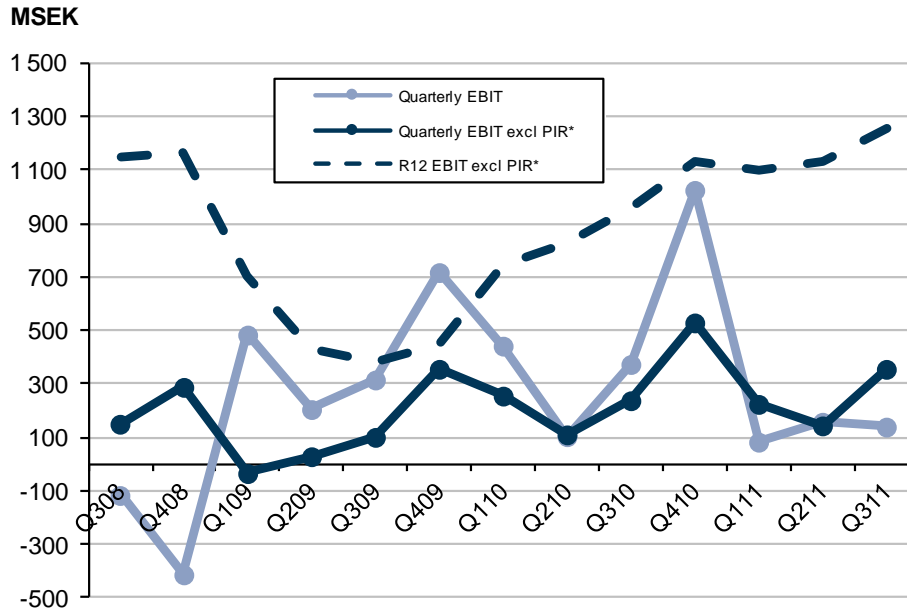
Aitik development – Ore, Head Grade & Metal





Smelters

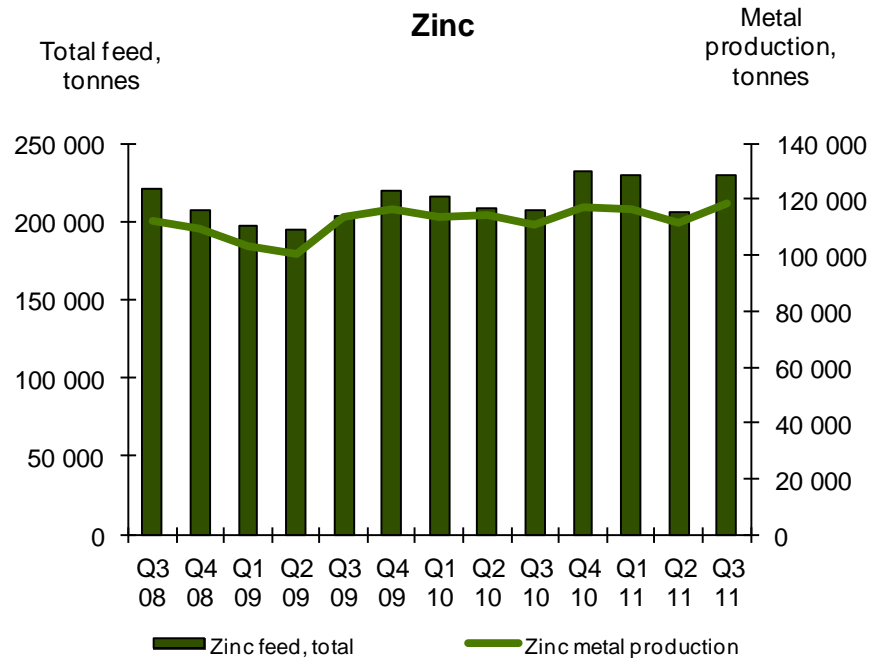
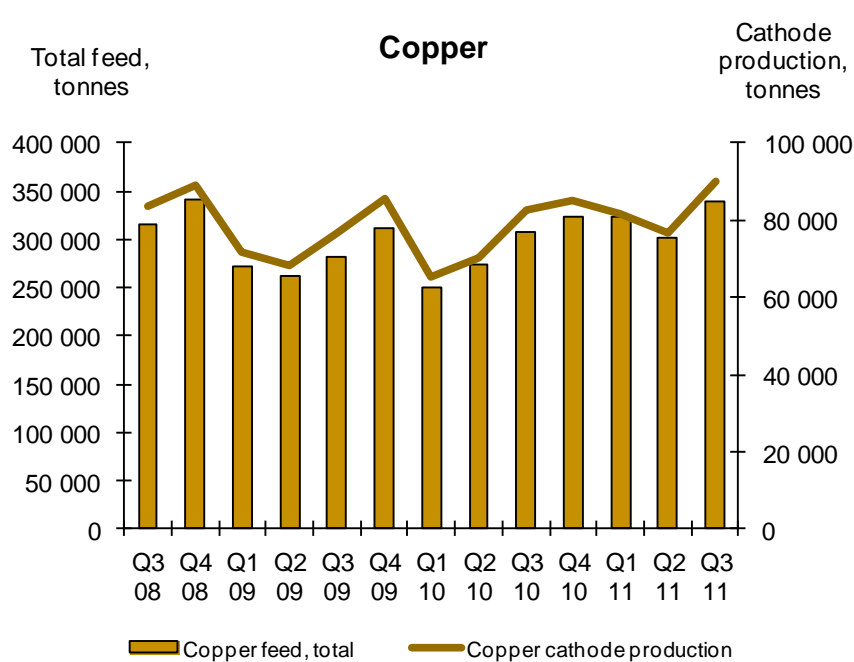
Smelters – Summary Q3



- EBIT excl. PIR*
 - MSEK 356 (238) in Q3
 - MSEK 143 in Q2
- Positive volume effect
- Higher copper TC/RCs
- Lower zinc TCs
- Maintenance stops in Q3 and Q2
 - 45 vs 180 MSEK EBIT impact,
- E-scrap expansion on plan
 - from Q1 2012

* Process Inventory Revaluation

Smelters - Production



- Cathode production
 - +9% vs 2010
- Major maintenance stops in Q2
- Lead alloys -40% compared to Q2
 - Maintenance stop in Bergsöe

- Kokkola +6% vs 2010
- Odda +10% vs 2010

E-scrap expansion 2012



- Largest electronics recycling capacity in the world
 - 45,000 to 120,000 tonnes/year
- Capex MSEK 1,300
- Start early 2012



Financials

Financial Summary

MSEK	Q3 2011	Q3 2010	YTD 11	YTD 10
Revenues	10 553	9 373	30 607	26 596
Operating profit (EBIT)	1 180	1 348	3 673	3 701
EBIT excl Process Inventory Revaluation	1 397	1 213	4 017	3 385
EBIT excl PIR margin, %	13	13	13	13
Free cash flow	820	1 203	479	1 352
Capex	965	566	2 649	1 971
Earnings per share, SEK	3,06	3,33	9,51	9,30
Gearing	27%	37%	27%	37%
ROCE, %	17	20	18	18

Group EBIT Q3 2011 versus Q3 2010

MSEK	Q3 2011	Q3 2010	Q2 2011
EBIT	1 180	1 348	1 134
Process Inventory revaluation	-216	136	14
EBIT excl Process Inventory	1 397	1 213	1 120
Revaluation			
Deviation		184	277
Specification of deviation			
Volume		112	-19
Costs		-239	170
Prices & Terms		404	-123
Metal prices and terms		555	-112
Realised Metal- & Currency hedge*		-136	-38
TC/RC terms		-42	36
Premiums		27	-9
Currency effects		-192	195
w hereof translation effects		-4	-3
Internal profit elimination		87	63
Others		12	-10
Deviation		184	277
*Result for respective period			
Realised Metal- & Currency hedge	43	178	81

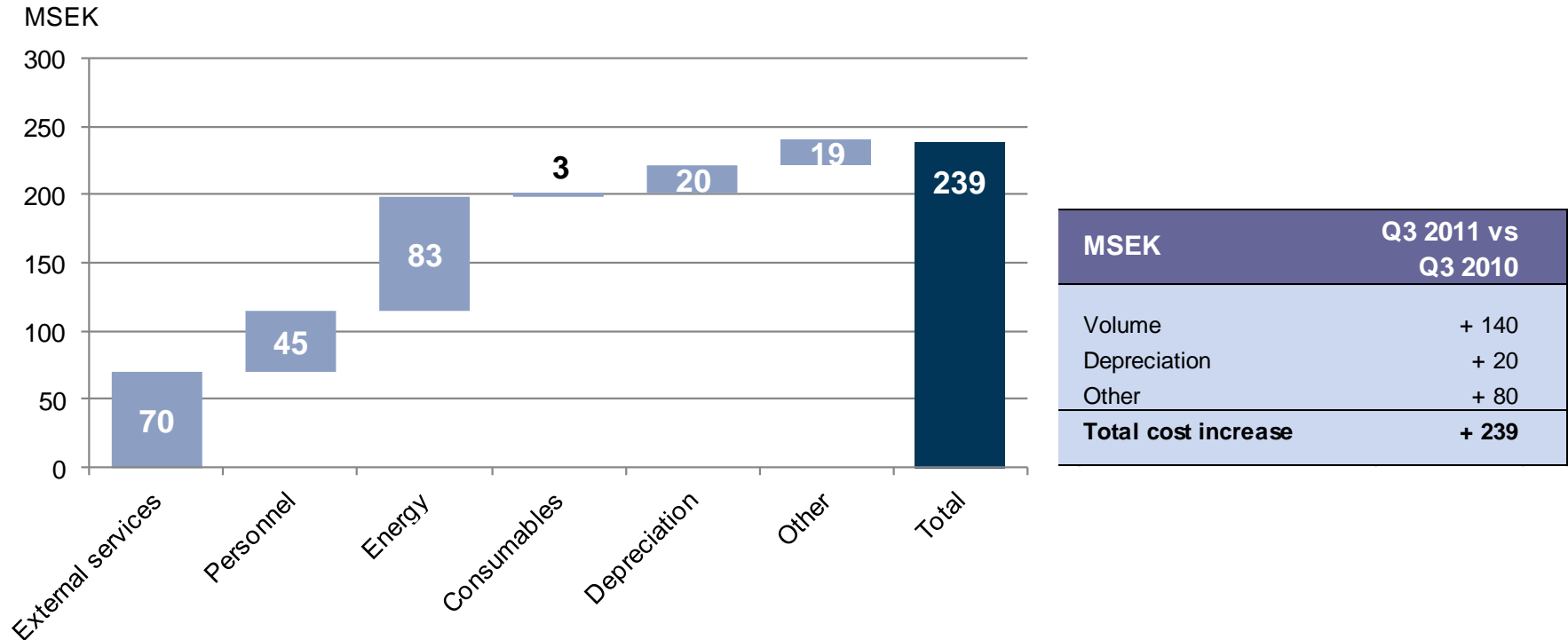
- Higher production
- Lower grades

- Higher production
- Cost inflation

- Zinc +10%
- Copper +24%
- Silver +105%

- USD/SEK -11 %

Cost development Q3 2011 vs Q3 2010



Total operating costs in Q3 equals 3,027 MSEK

Group EBIT Q3 2011 versus Q2 2011

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- Aitik
 - Higher production
 - Lower grades

- Reduced cost, maintenance stops in Smelters in Q2

- Zinc -1 %
- Copper -2 %
- Precious metals positive

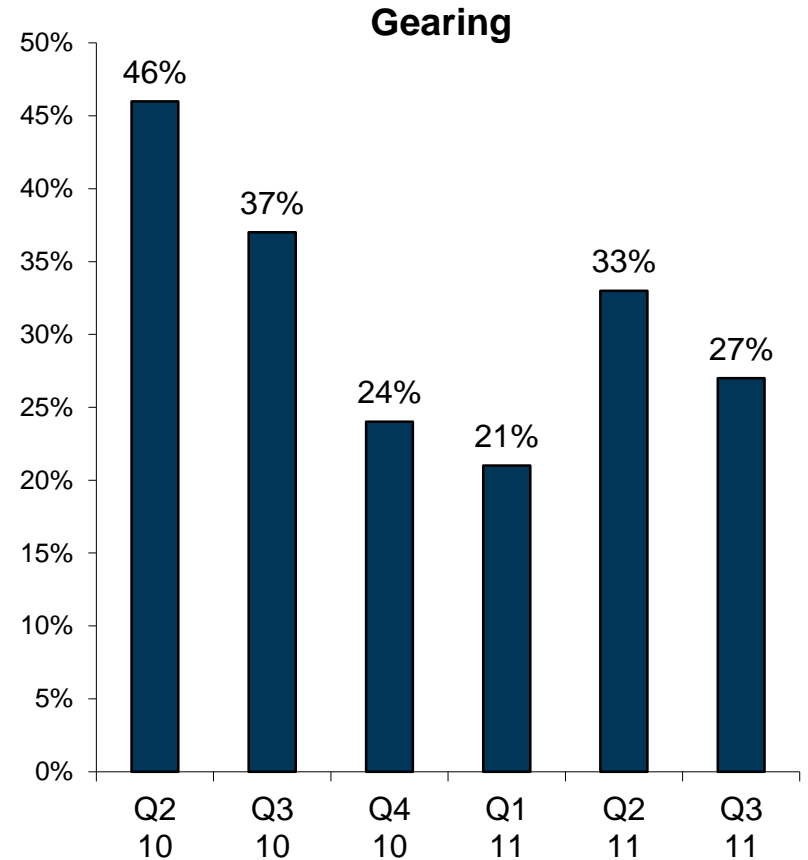
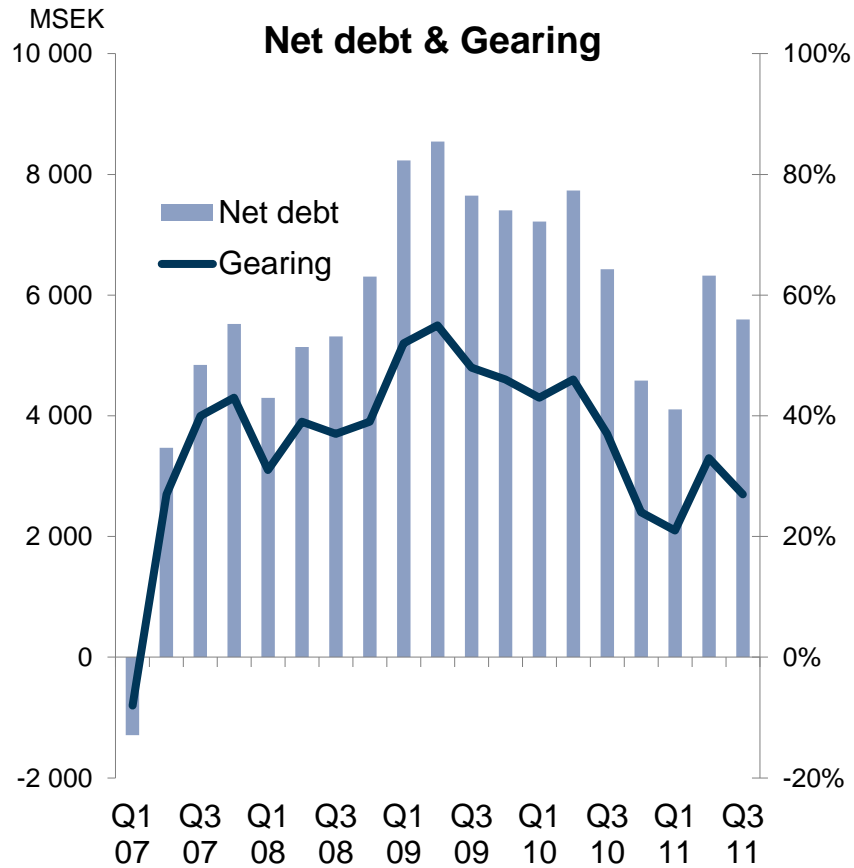
- USD/SEK +3 %

Cash Flow

MSEK	Q3 11	Q3 10	YTD 11	YTD 10
Op profit before depreciation (EBITDA)*	1 672	1 827	5 122	5 048
Change in inventories	806	661	857	-1 419
Change in receivables	232	97	-40	54
Change in liabilities	-516	-1 088	-1 297	-438
Other change in working capital	-305	148	-185	-155
Changes in working capital*	217	-182	-665	-1 958
Investment activities	-968	-566	-2 673	-1 974
Financial net	-50	-85	-159	-246
Paid tax	-70	-34	-1 057	-168
Other	19	243	-89	649
Free cash flow	820	1 203	479	1 352

*Includes Process Inventory Revaluation

Balance sheet



Sensitivity Analysis

Change in metal prices, +10%	EBIT effect, SEK m	Change in USD, +10%	EBIT effect, SEK m	Change in TC/RC, +10%	EBIT effect, SEK m
Copper	400	USD/SEK	980	TC/RC Cu	50
Zinc	425	EUR/USD	350	TC Zn	45
Lead	90	USD/NOK	70	TC Pb	-10
Gold	150				
Silver	160				

Boliden summary

Comparing 2011 and 2007

Profit trend

Committed capex

Cost/capex reduction potential

Similar

	<u>2011-Q3</u>	<u>2007</u>	
Debt and debt structure	27%	43%	Improved
Hedge portfolio, MUSD -mid 2013	1,360	900	
Hedge prices, until mid 2013			
Copper, USD/tonne	9,072	6,145	
Zinc, USD/tonne	2,223	-	
Gold, USD/troz	1,380	690	
USD/SEK	6.77	6.80	

Summary

- Decline in global economy
- Good demand, low growth
 - Continued high activity in China
- Boliden Q3
 - Good production compensated for lower grades
 - Underlying cost increase
 - Lower costs vs Q2 due to maintenance stops in Q2
 - Prices and USD combined on similar level as Q2 2011 and Q3 2010
- Aitik ramp-up:
 - Higher ore production, lower grades
 - Crusher availability still low

Going forward

- Expansion projects:
 - E-scrap expansion Q1 2012
 - Kankberg gold mine 2H 2012
 - Garpenberg expansion 2014
- Aitik below reserve grade (0,25%)
- Capex
 - Approx SEK 4 billion 2011 and 2012

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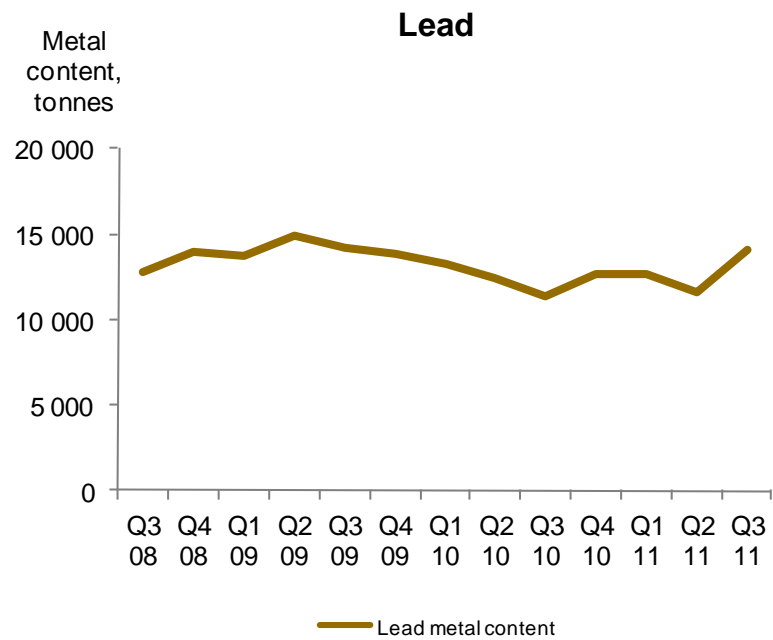
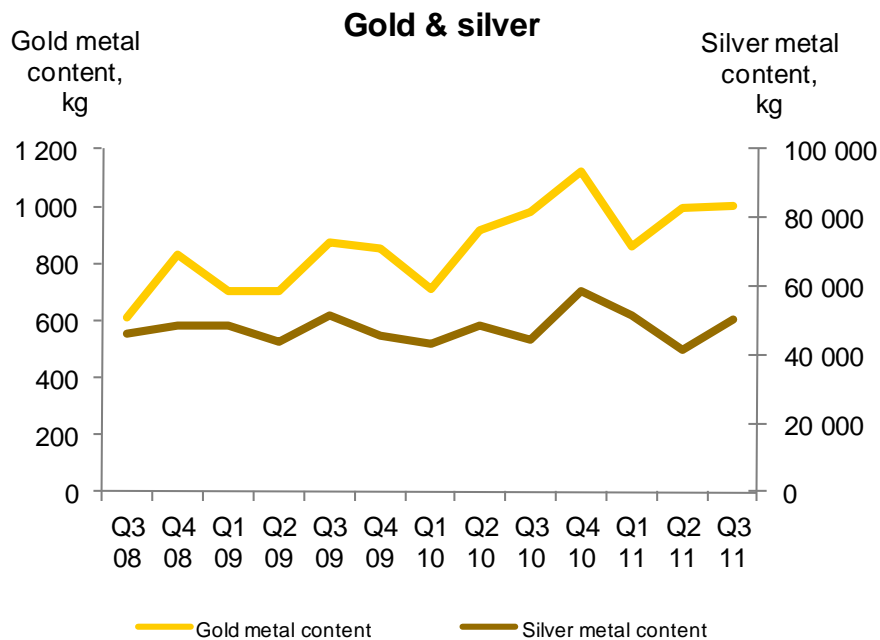
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**Boliden - metals for
modern society**

Appendix

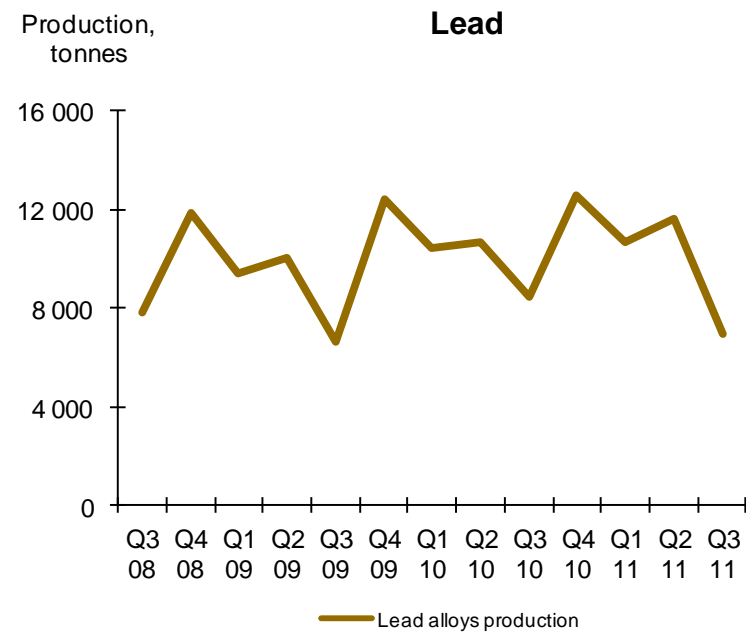
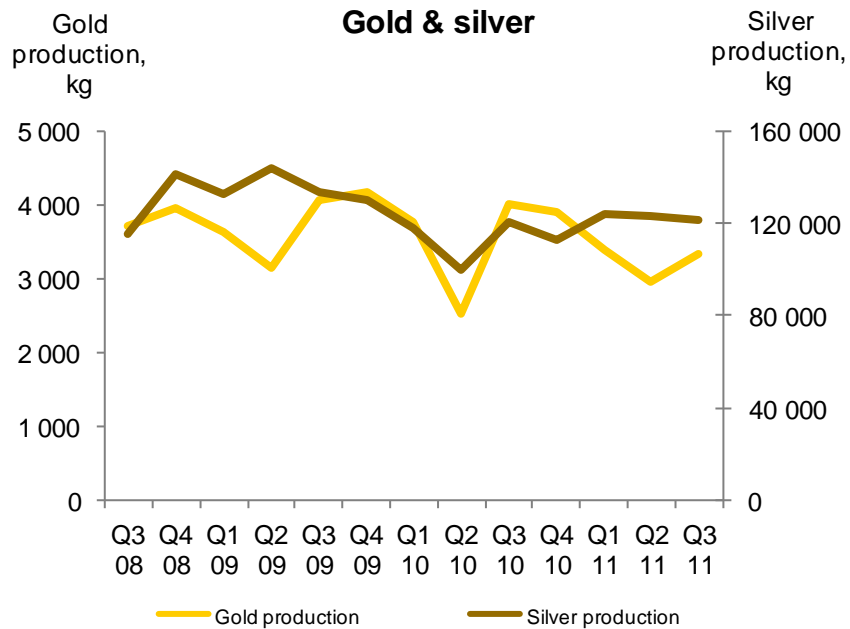
Mines - Production



- **Gold**
 - Higher production in Aitik vs Q3-10
 - Higher grades in Boliden area vs Q2-11
- **Silver**
 - Higher production in Garpenberg

- **Higher metal content in Q3 vs Q3-10 and Q2-11**
 - Higher volume and grades in Garpenberg
 - Improved recovery in Tara vs Q3-10

Smelters - Production



- **Gold**

- Higher production vs Q2-11 due to higher grades in raw material

- Production varies due to production cycle of lead in Rönnskär

Capital Structure

SEK bn Unless otherwise stated	30 Sep 2011	31 Dec 2010
Total Asset	37,0	35,1
Capital employed	29,7	27,2
Shareholders' equity ¹	20,4	18,8
Net debt	5,6	4,6
Gearing %	27	24
Equity/asset ratio, %	55	54
Duration of committed credit facilities, years	3,4	4,2
Average interest rate, %	3,05	3,29
Interest duration, years	1,1	2,0
Net payment capacity	9,6	10,7

1. Shareholders' equity includes the value of outstanding hedge contracts