



Full Year Report January – December 2010

Lennart Evrell
President & CEO

Johan Fant
CFO

BOLIDEN

Summary

Full year

- Revenues MSEK 36 716 (27 635)
- EBIT ex PIR* MSEK 4 830 (2 350)
 - Operating profit MSEK 5 643 (3 623)
- Free Cash Flow MSEK 3 202 (-948)

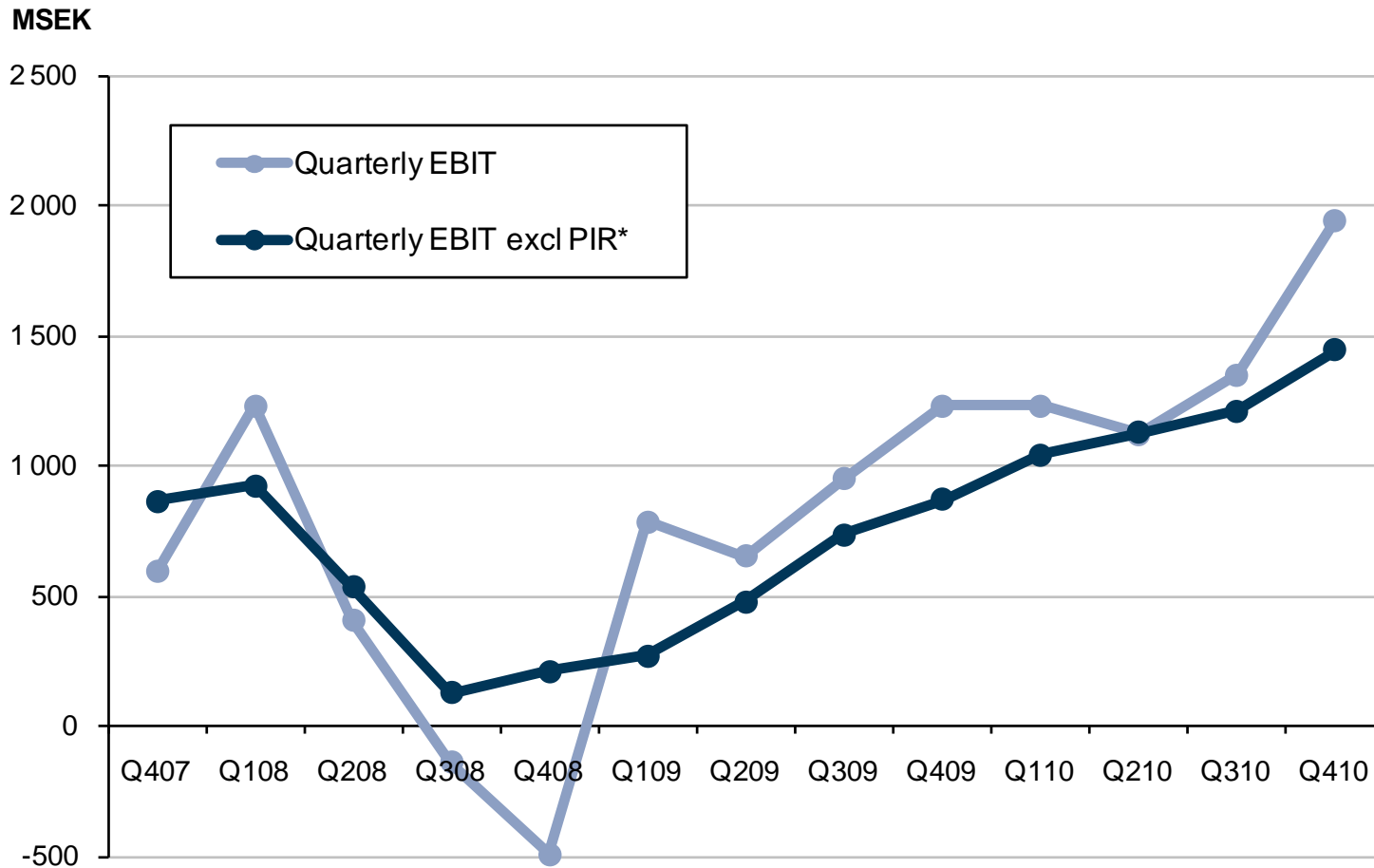
- Aitik start-up
- Aitik and Boliden area production increase
- E-scrap expansion on plan
- Decision to expand Garpenberg

Q4

- Revenues MSEK 10 120 (8 356)
- EBIT ex PIR* MSEK 1 445 (870)
 - Operating profit MSEK 1 942 (1 232)
- Free Cash Flow MSEK 1 850 (350)

* PIR=Process Inventory Revaluation

Group EBIT Development



*Process Inventory Revaluation



The Market

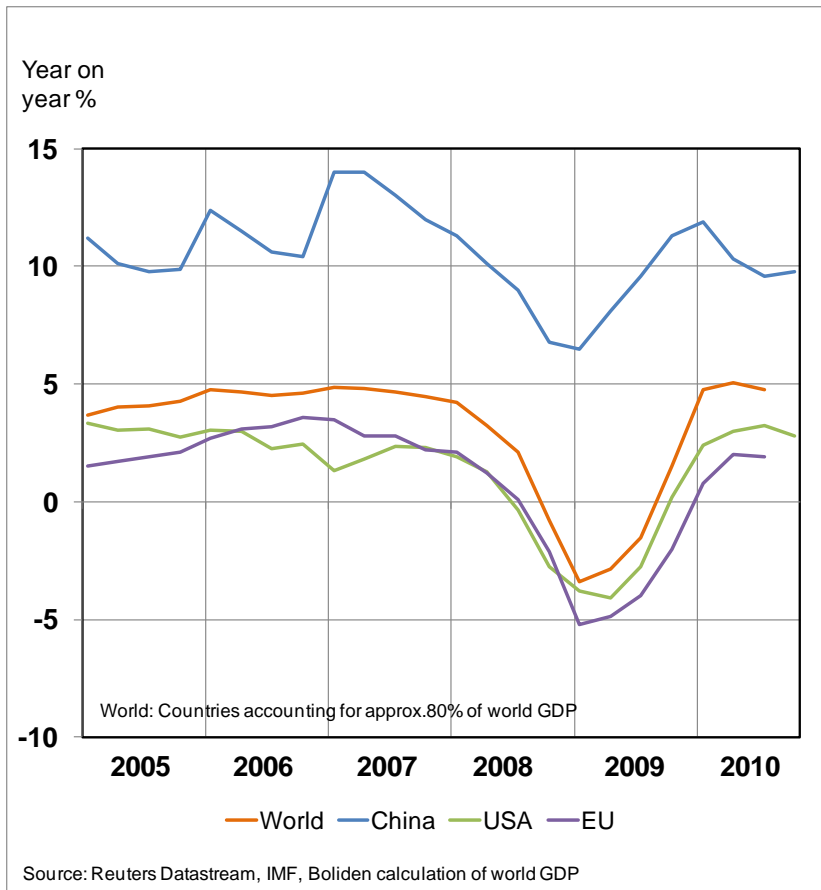
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Market - full year 2010

Metals

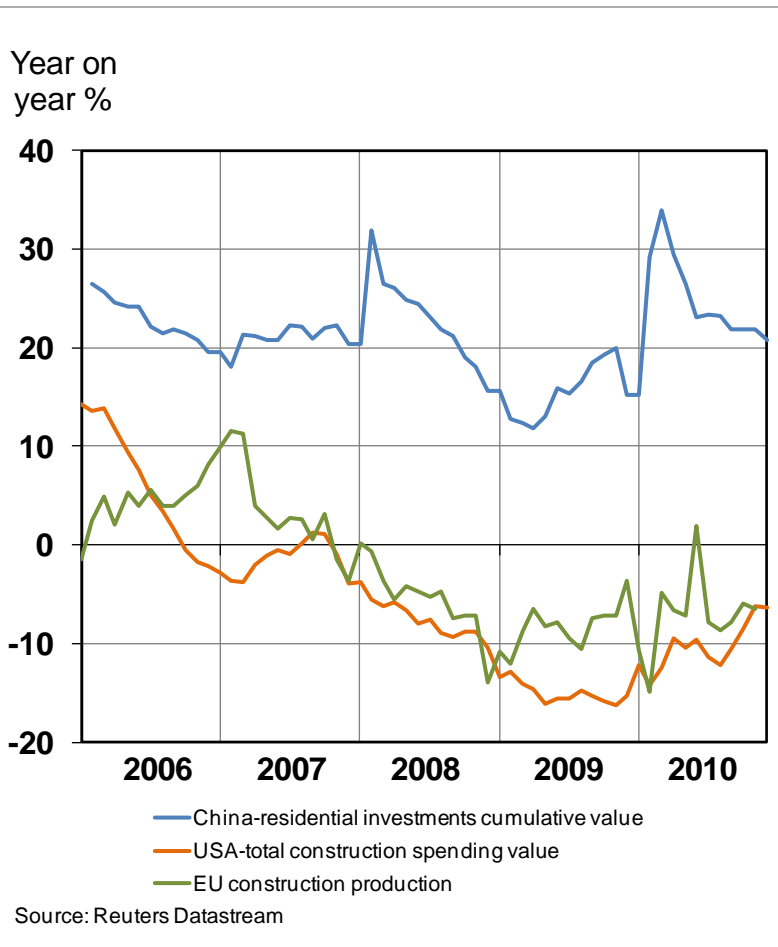
- Demand
 - Record global demand for zinc and copper
 - High growth in all regions
 - Copper inventories down but zinc up 50%
 - Sulphuric acid demand up
- Supply
 - Mine production could not match demand first 9 months
 - Smelter build continued – low capacity utilisation rates
- Prices
 - Average USD prices up for all metals – SEK stronger
 - Record highs for copper and gold
 - Sulphuric acid – prices up
- Tight mining concentrate markets first 9 months
 - Very low copper spot TC/RC and low zinc TC
 - Realised contract zinc TC 258 (245) USD/t concentrate
 - Copper benchmark TC down to 46.5 (75) USD/t concentrate

Global GDP development



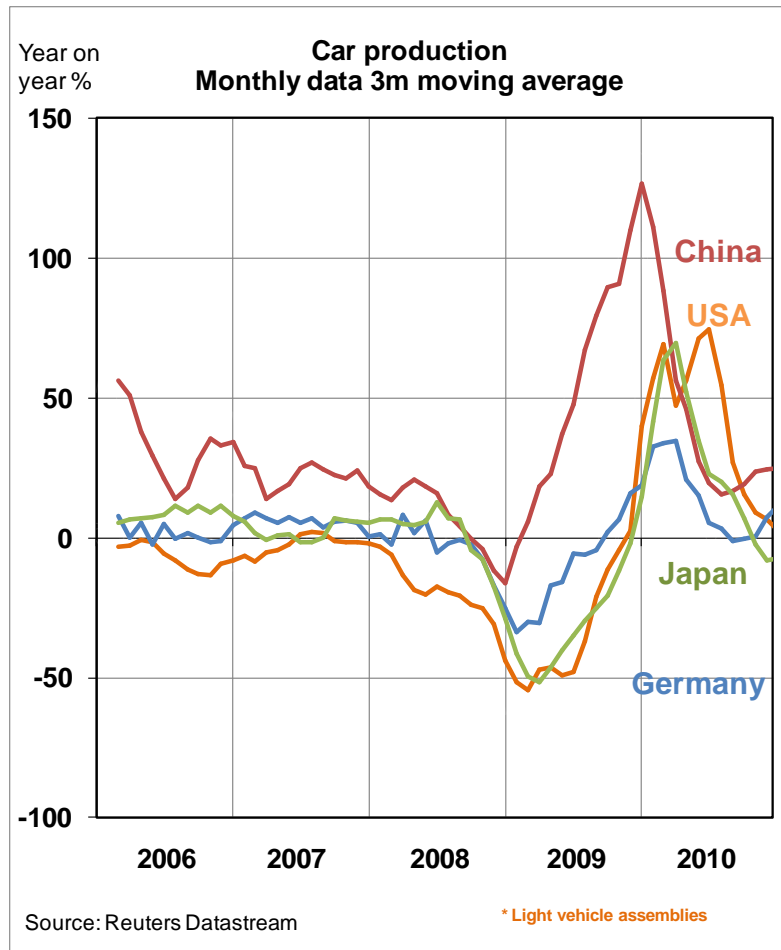
- World growth near 5% in 2010
- Lower growth in the second half
- Recovery in industrial activity
- Lower than normal levels in mature economies

Construction Market



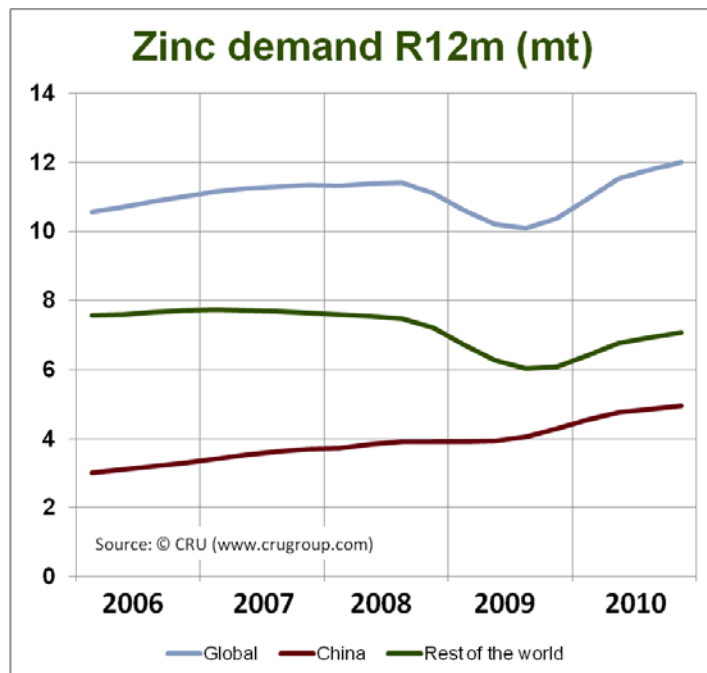
- Continued high activity in China
- Low activity in mature economies

Automotive market



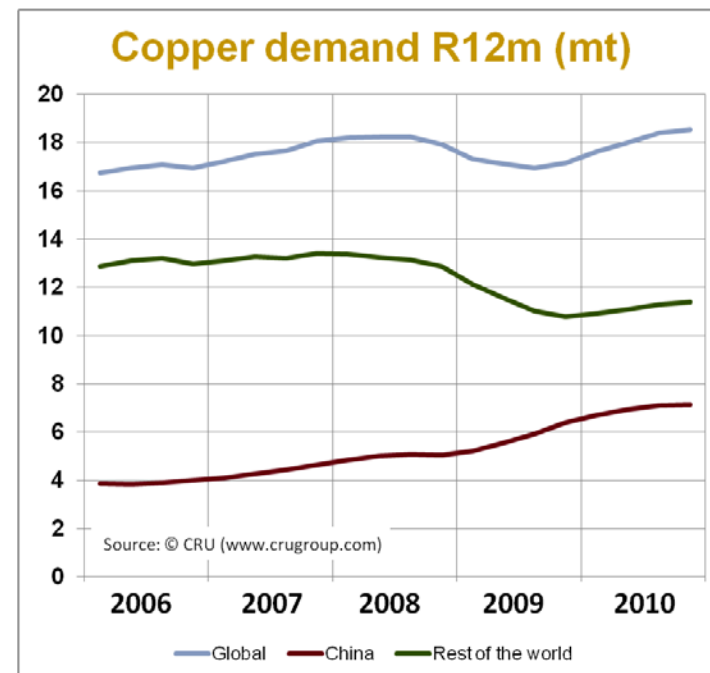
- High global growth in 2010
- Significantly lower growth in second half of 2010
- Level remained well below normal in mature economies

Metals demand



| Growth | Q1 | Q2 | Q3 | Q4 | FY 2010 | FY 2009 |
|--------|-----|-----|-----|----|---------|---------|
| Global | 24% | 23% | 10% | 8% | 16% | -7% |
| China | 25% | 21% | 9% | 8% | 15% | 10% |
| RoW | 24% | 24% | 11% | 8% | 16% | -16% |

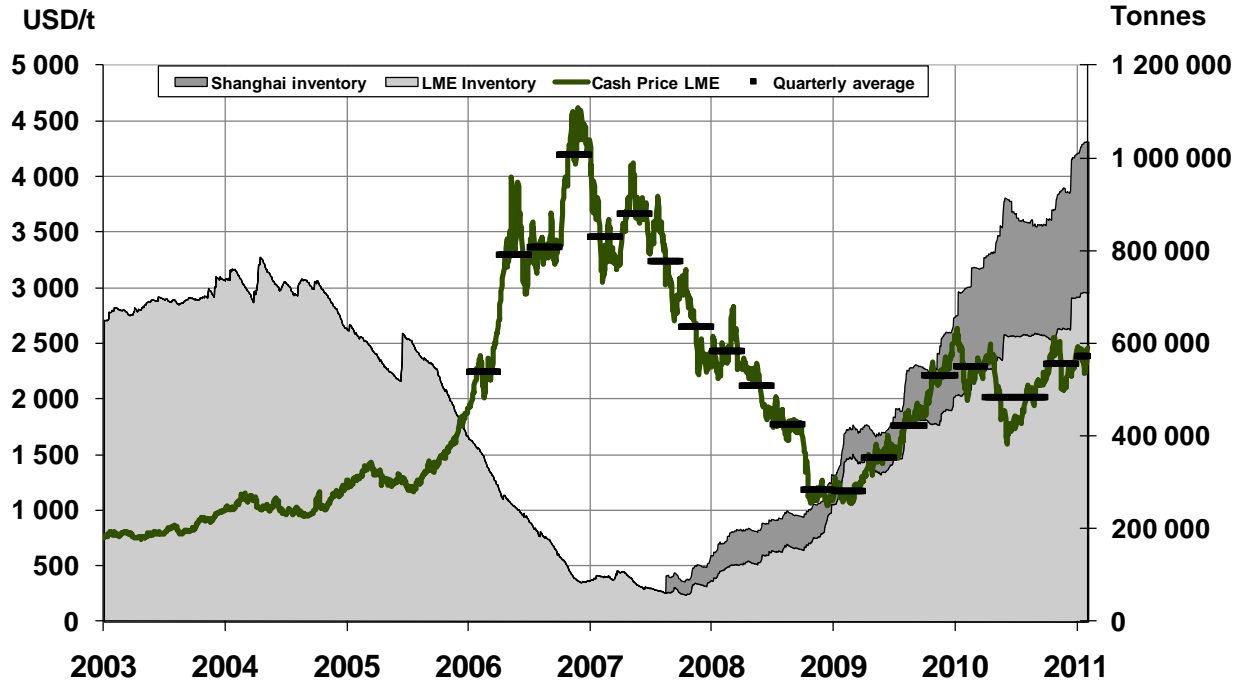
- Record global demand
- Since the peak in 2006
 - China +50%
 - RoW -9%



| Growth | Q1 | Q2 | Q3 | Q4 | FY 2010 | FY 2009 |
|--------|-----|-----|-----|----|---------|---------|
| Global | 11% | 9% | 9% | 3% | 8% | -4% |
| China | 22% | 14% | 10% | 2% | 12% | 26% |
| RoW | 5% | 6% | 8% | 4% | 6% | -16% |

- Record global demand
- Since the peak in 2007:
 - China +53%
 - RoW -15%

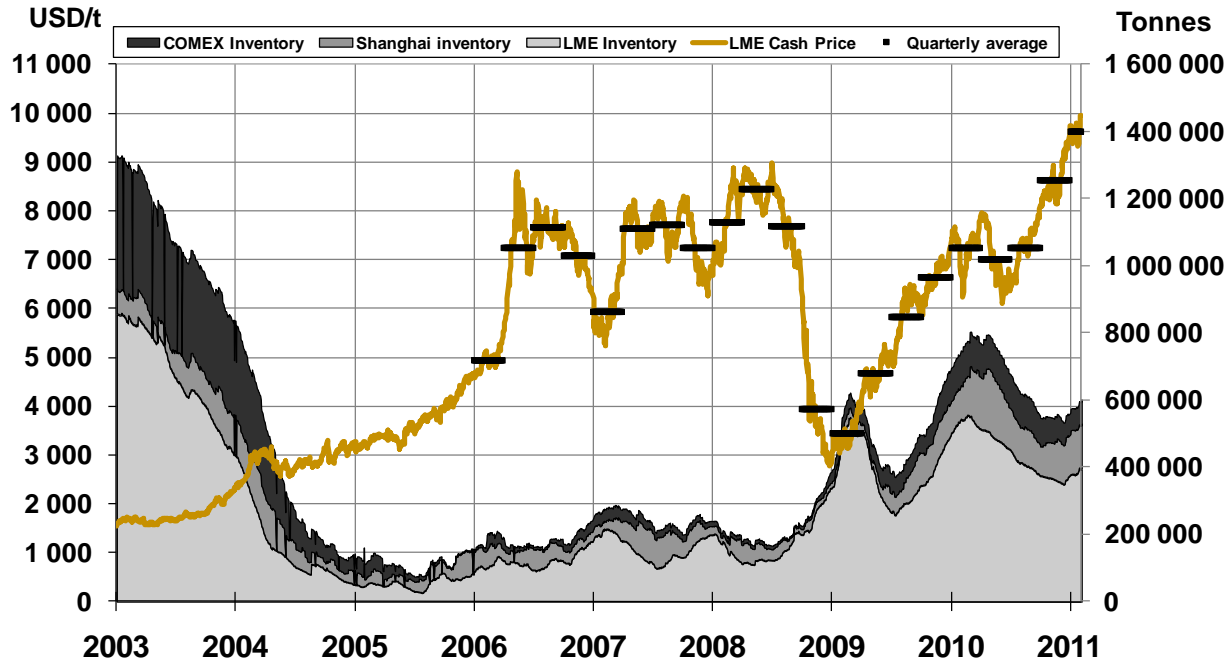
Zinc Price and Inventories



| Zinc price (LME average) | | |
|--------------------------|-------|-----------------|
| | USD/t | Q4-10 vs period |
| Q4 09 | 2,211 | + 5% |
| Q1 10 | 2,288 | + 1% |
| Q2 10 | 2,018 | + 15% |
| Q3 10 | 2,013 | + 15% |
| Q4 10 | 2,315 | - |

- Price increased 14% in Q4
- Inventories up 16% and continued to increase into 2011

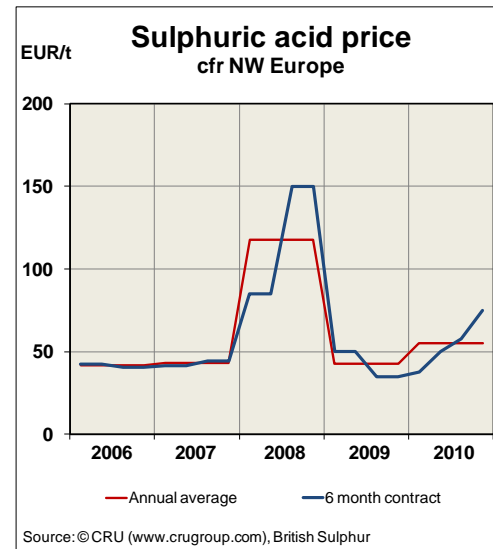
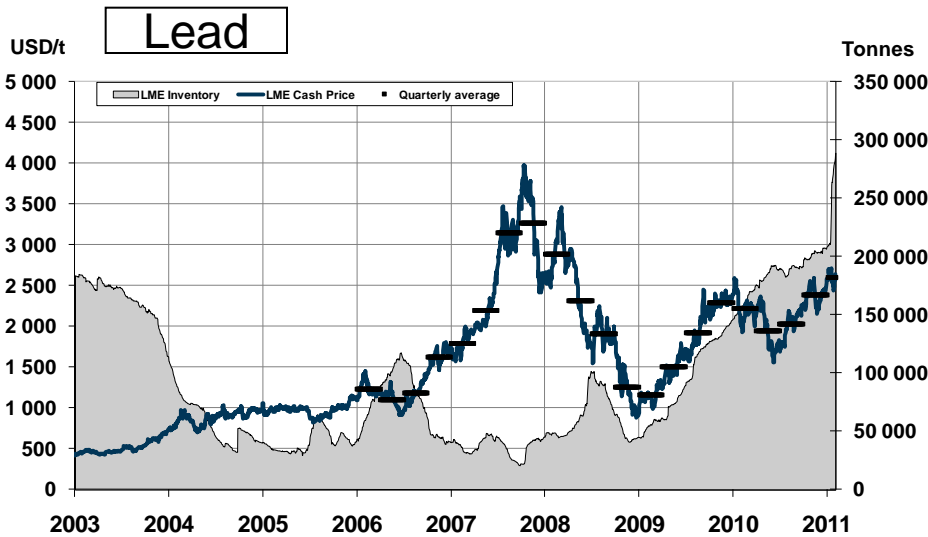
Copper Price and Inventories



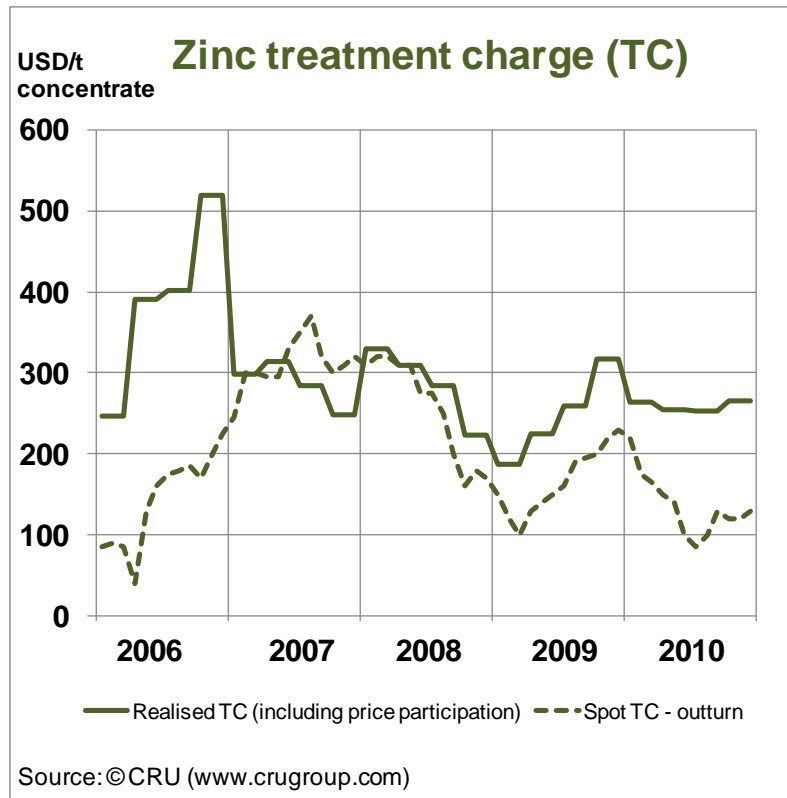
| Copper price (LME average) | | |
|----------------------------|-------|-----------------|
| | USD/t | Q4-10 vs period |
| Q4 09 | 6,643 | + 30% |
| Q1 10 | 7,243 | + 19% |
| Q2 10 | 7,013 | + 23% |
| Q3 10 | 7,242 | + 19% |
| Q4 10 | 8,634 | - |

- Price increased 21% in Q4
- Inventories slightly up, 5%

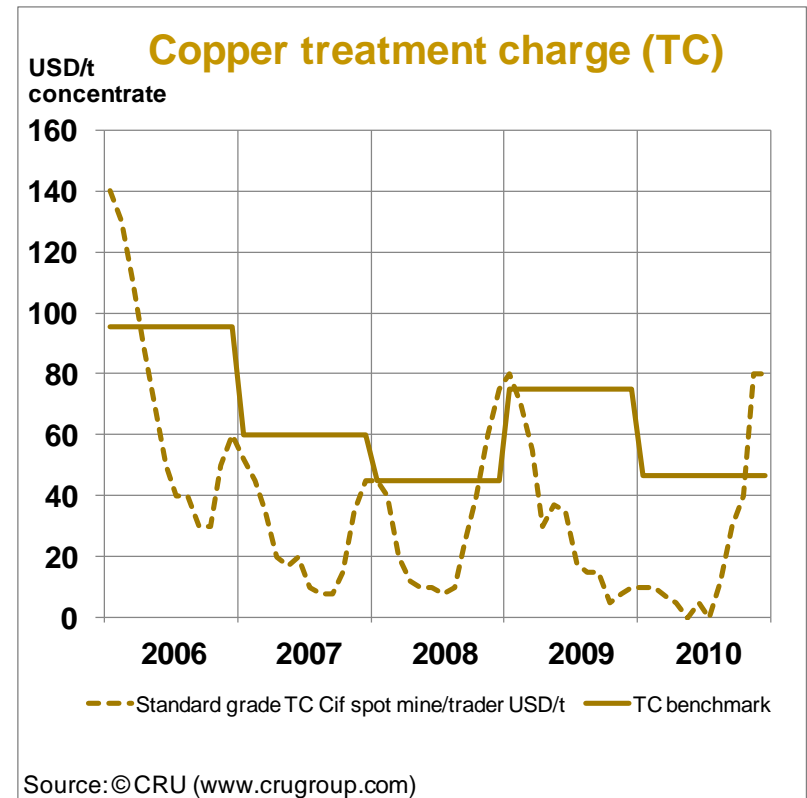
Lead, Gold and Silver prices



Treatment charges

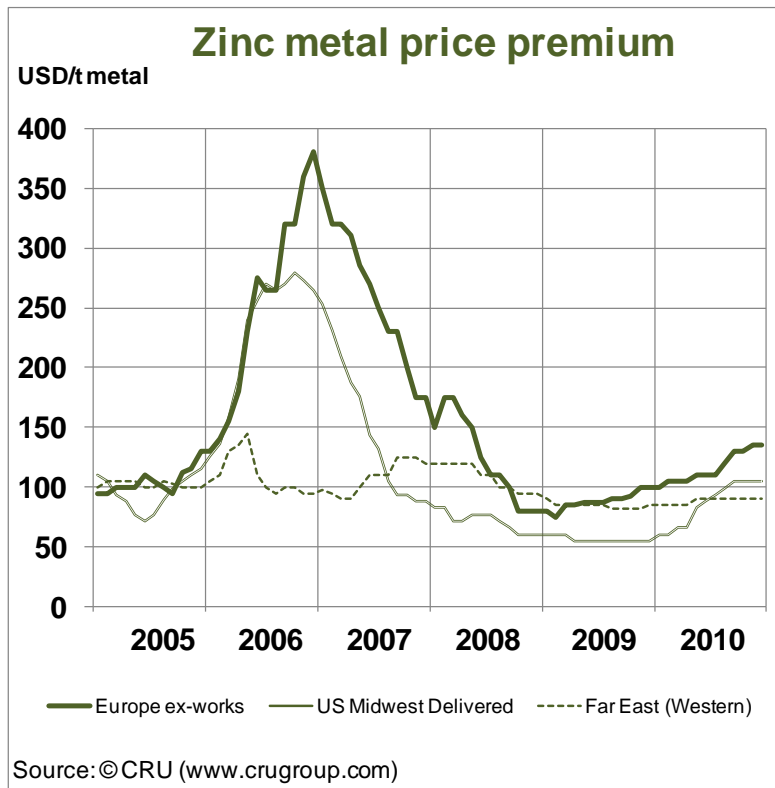


- Concentrate shortage 9M – spot TC down
- Concentrate surplus in Q4 – spot TC up
- Spot well below contract all year

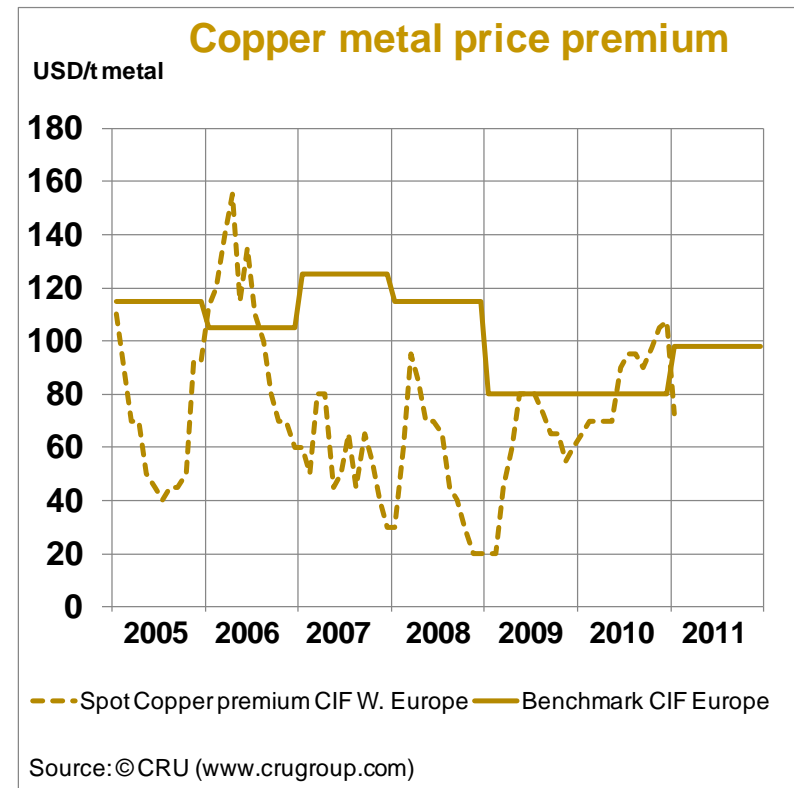


- Concentrate shortage 9M – spot TC sharply down
- Surplus in Q4 – spot TC sharply up
- Spot TC above 2010 benchmark in Q4

Metal premiums



- European demand up – spot premiums up in 2010
- Contract premium rising



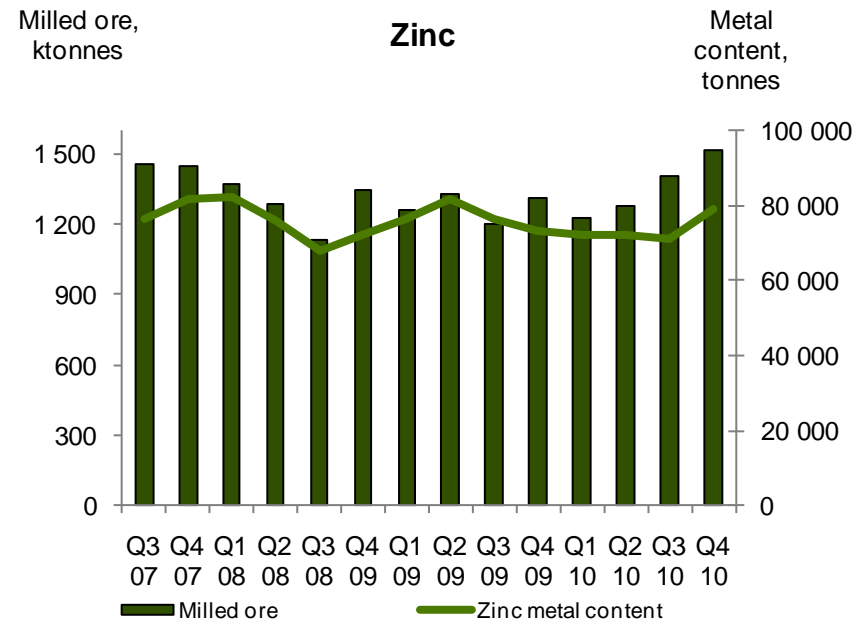
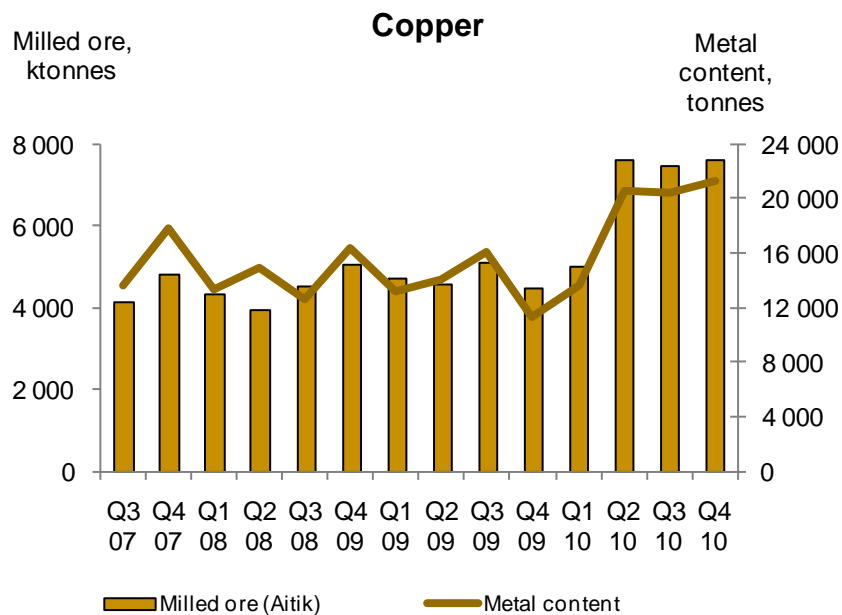
- European demand up – spot premiums up in 2010
- Scrap supply rose - cathode surplus – premiums down in Jan 2011
- Benchmark premium higher in 2011



Business Area Mines

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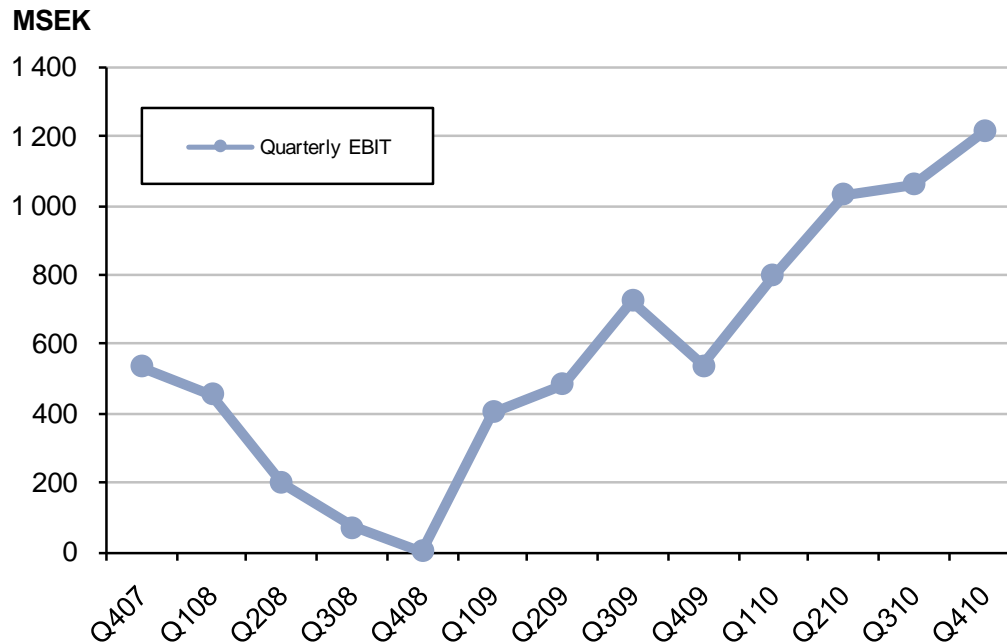
Mines - Production



- Aitik expansion from Q2
- Metal production +4% vs Q3

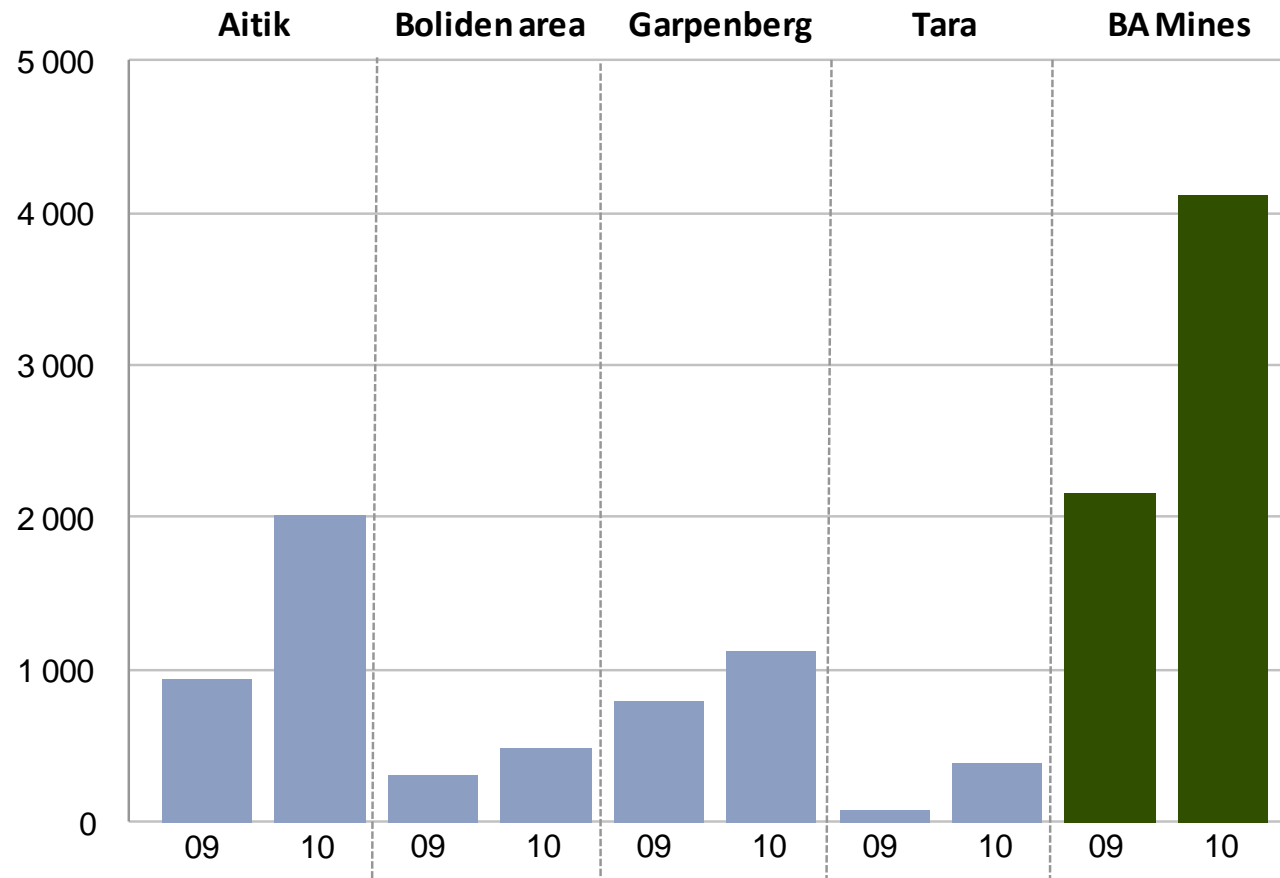
- Growth in Boliden area and Garpenberg
- Metal production +11% vs Q3

Mines - Financial Summary Q4



- EBIT 1 217 (541) MSEK in Q4
— 1 061 MSEK in Q3 2010
- Higher copper, gold and silver production
- Higher prices
- High costs in Aitik
- Reclamation cost in Boliden area

Mines – EBIT by Unit

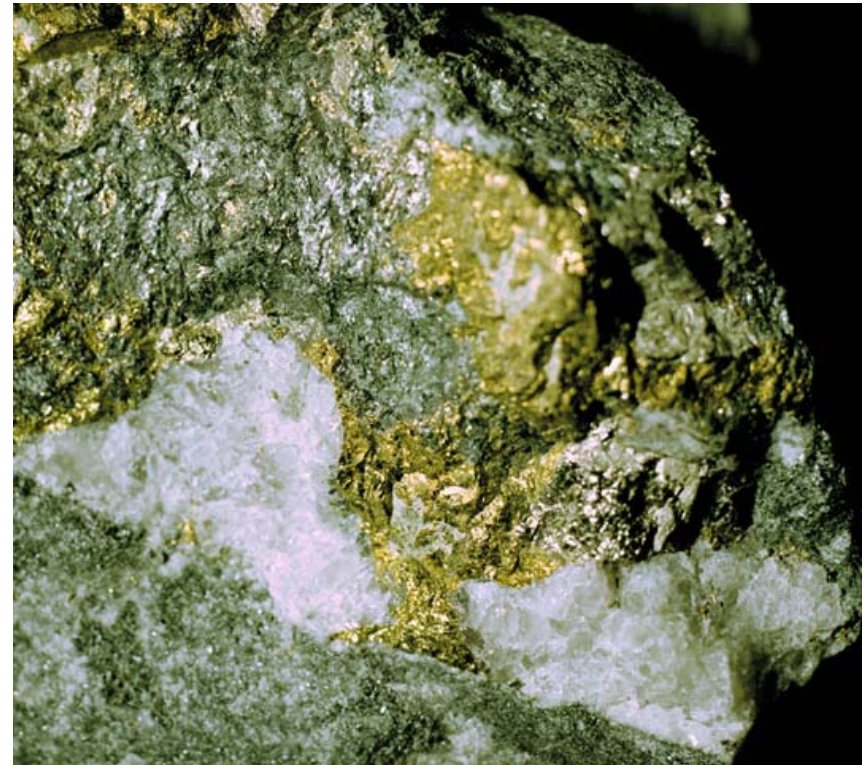




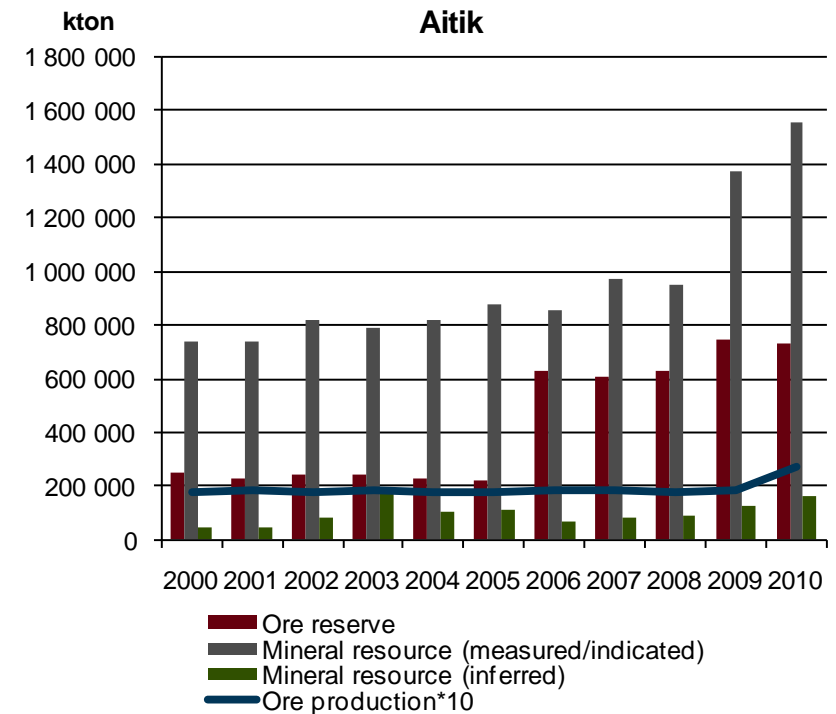
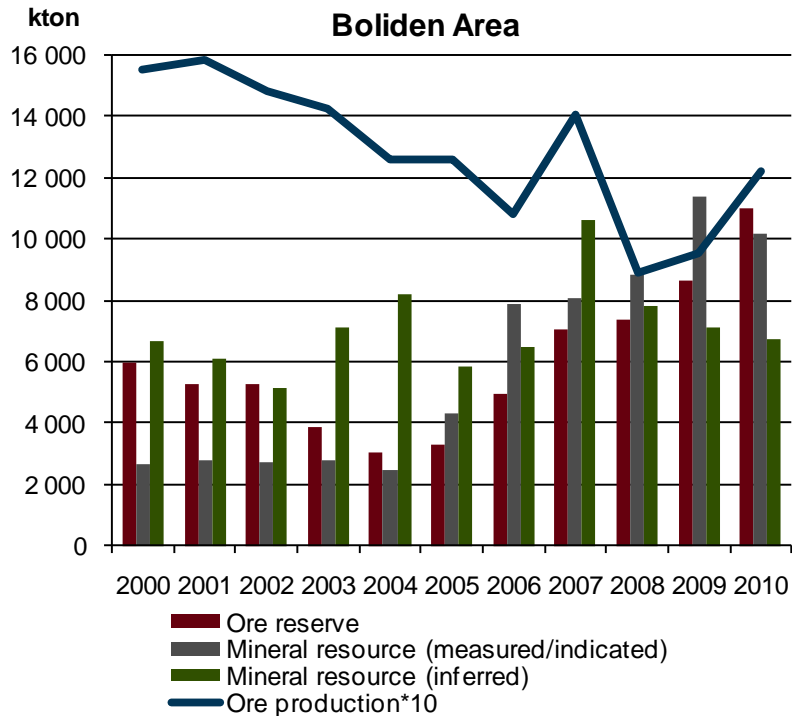
Ore Reserves & Mineral Resources

Ore Reserves & Mineral Resources - Summary

- Continued stable trend
- 229 MSEK invested in exploration 2010
- Increased mineral resources in Aitik and Garpenberg
- Significant increase in ore reserves in the Boliden area



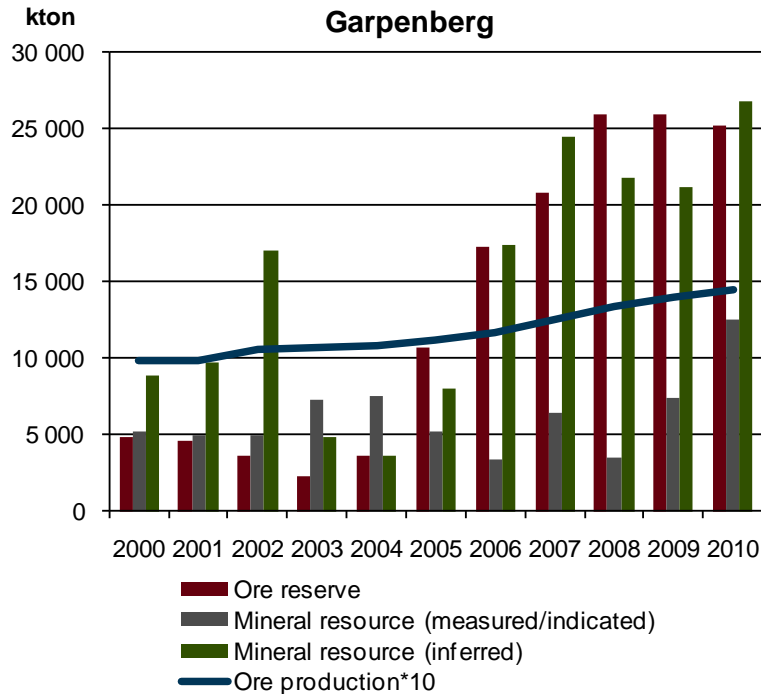
Ore Reserves & Mineral Resources



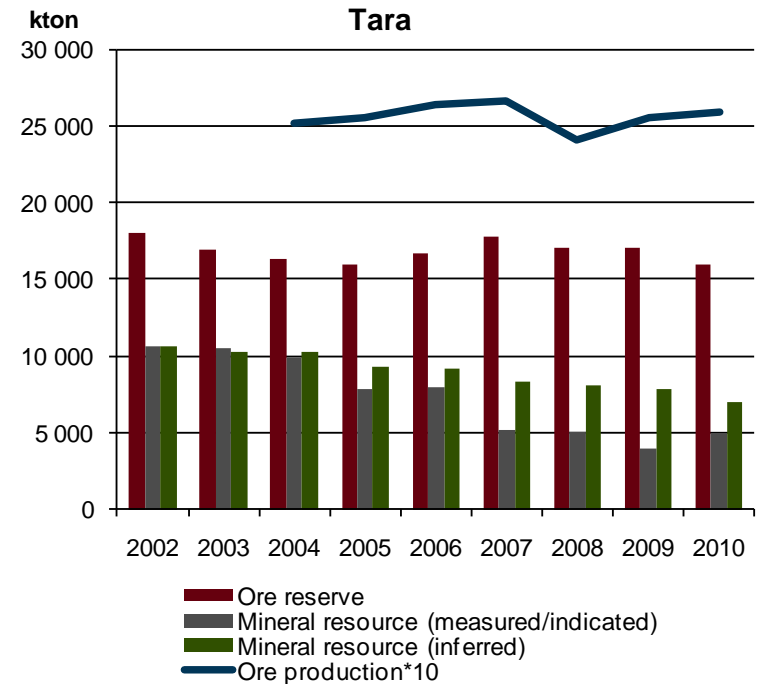
- Ore reserves grew by 29%

- Mineral resources increased by 14%

Ore Reserves & Mineral Resources



- Mineral resources increased by 38%



- Mineral resources unchanged
- Ore reserves slightly reduced

Aitik Expansion - update

- Ramp-up period
- Mine and logistics
 - Measures to improve truck availability
- Crushers
 - All ore through new crushers Q1-Q2
 - Crusher 165 (old) disconnected, to be reconnected end Q2
 - Availability not yet satisfactory
- Grades declining below average reserve grade from Q2
- 36 Mtonnes 2014

| | Capacity | Reliability |
|--------------------|----------|-------------|
| Mine and logistics | √ | |
| Crushers | √ | |
| Conveyors | √ | |
| Mills | √ | √ |
| Flotation | √ | √ |

Garpenberg Expansion - update

- Project
 - Investment: SEK 3.9 billion
 - Capacity increase of ore production from 1.4 to 2.5 million tonnes
 - Gradually increase from 2 million tonnes in 2014 to full production by the end of 2015
 - New mine site and facilities
 - Production through 2030

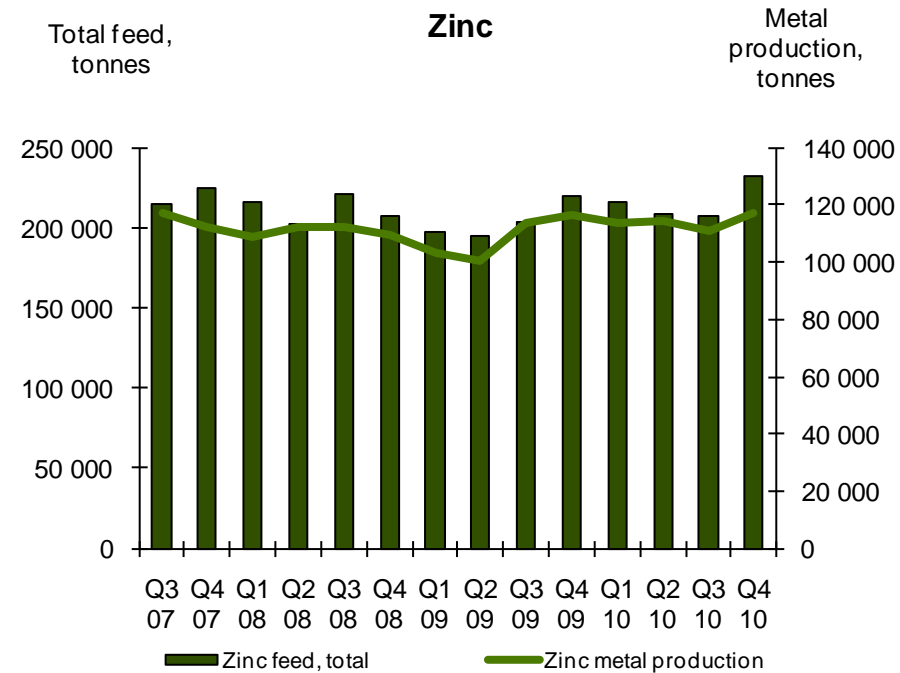
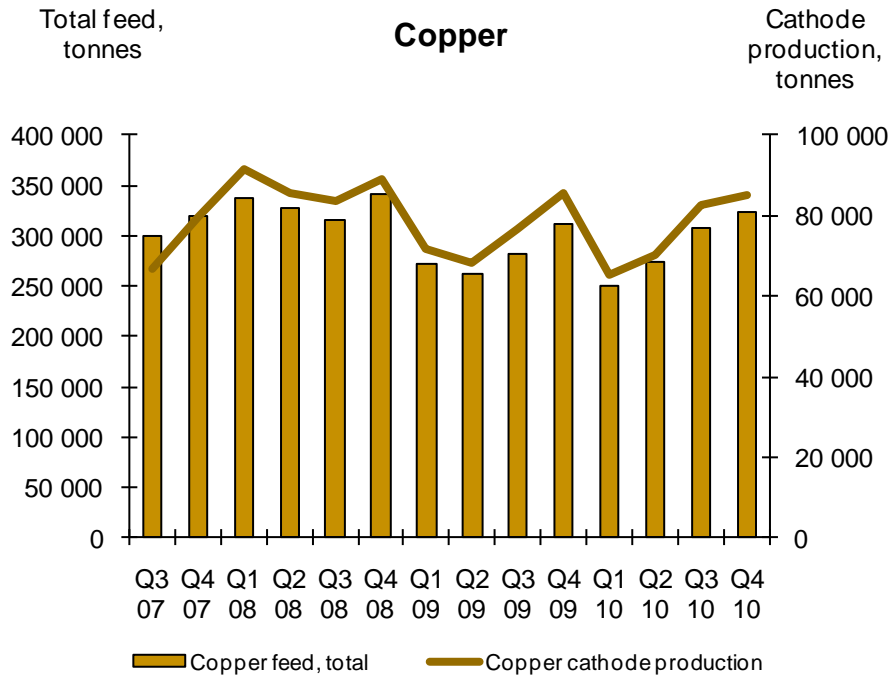
- Hedging
 - Hedging of zinc, copper, lead, gold and silver metal prices
 - Approx 1/3 of the Group's metal price risk and corresponding exchange rate risk for the period of the investment in Garpenberg.
 - Refers to 2011, 2012 and the first six months of 2013.



Business Area Smelters

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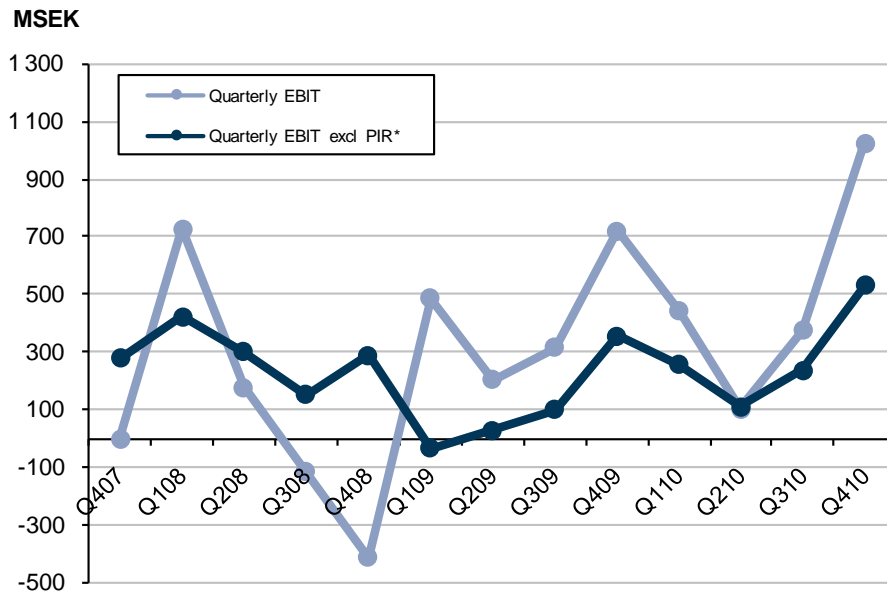
Smelters - Production



- Rönnskär -2 % compared to Q3
- Harjavalta +16 % compared to Q3
- Improving feed through the year
- Lead alloys higher +49 % vs Q3

- Kokkola + 6 % compared to Q3
- Odda, + 6 % compared to Q3
- Record year for Kokkola

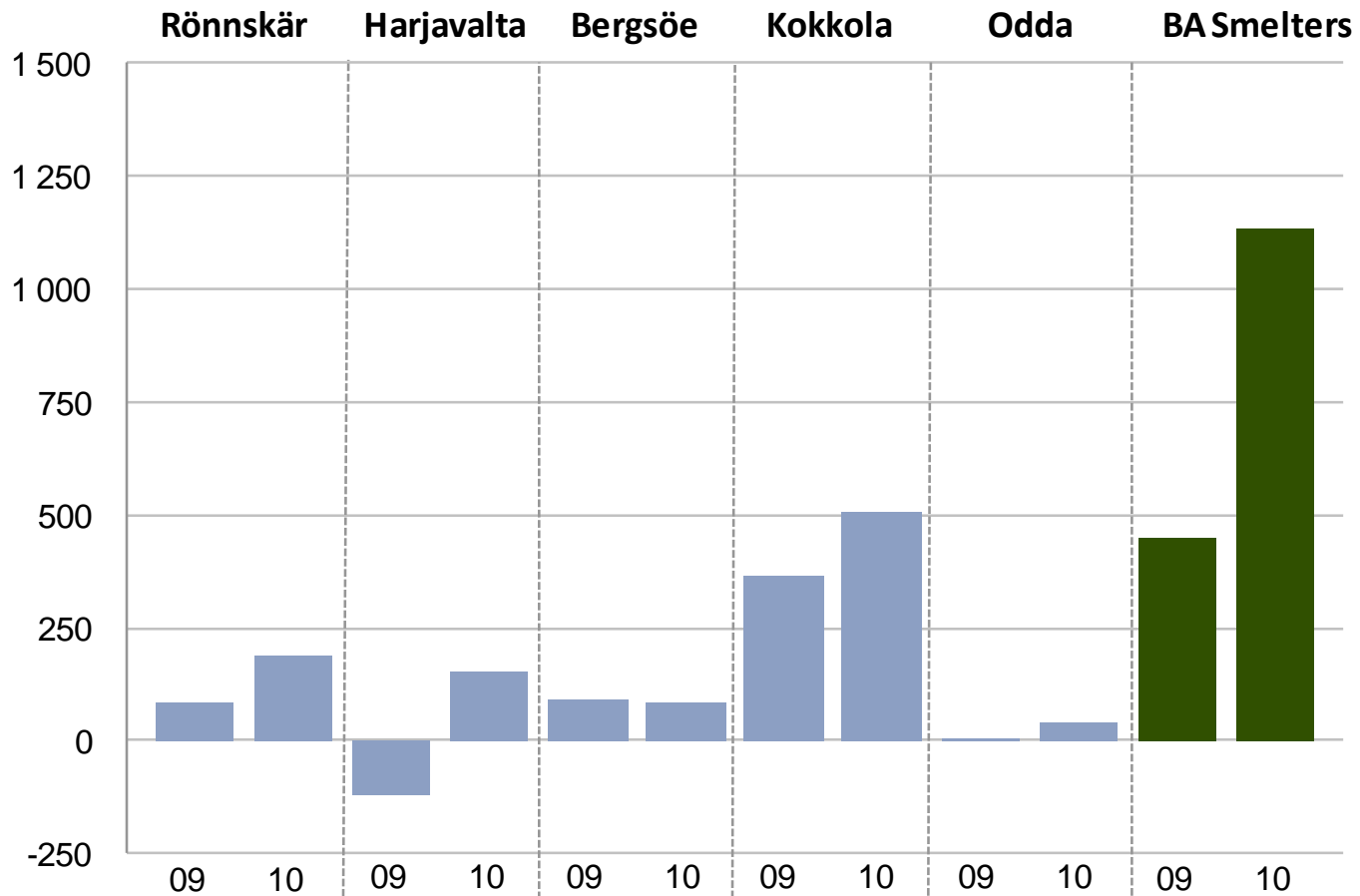
Smelters – Financial Summary



- EBIT excl. PIR* 530 (356) MSEK in Q4
 - 238 MSEK in Q3 2010
- Price increases
 - Free metals
 - Realized zinc TCs
- Sulphuric acid improved
 - Volumes and prices
- No maintenance stops Q4

* Process Inventory Revaluation

Smelters – EBIT* by Unit



* Excl. PIR

Update E-scrap expansion

- Capacity for recycling of electronic scrap from 45,000 to 120,000 tonnes/year
- New Kaldo plant – Capex 1.3 billion
- Start 2011/2012
- On plan



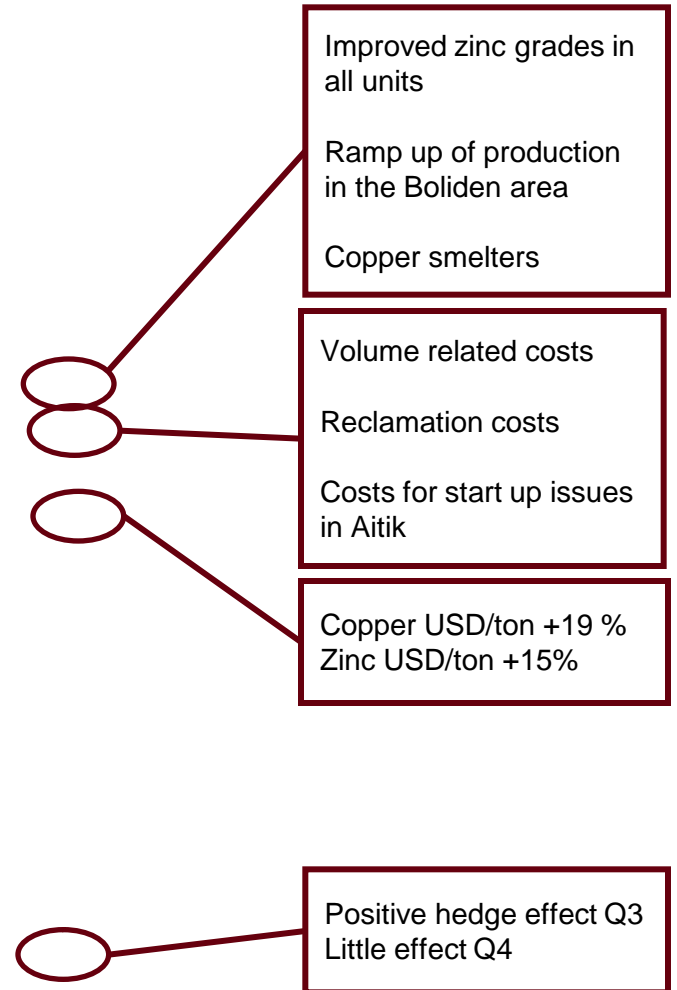


Financials

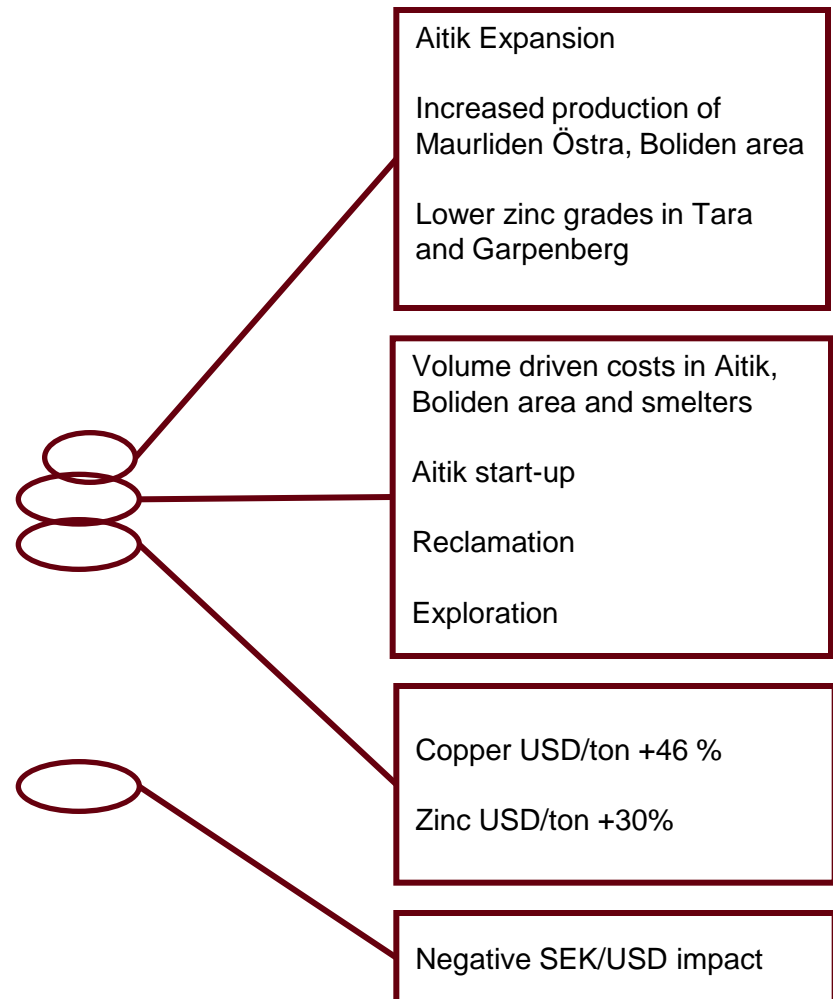
Financial Summary

| MSEK | Q4 2010 | Q4 2009 | YTD 10 | YTD 09 |
|--|---------|---------|--------|--------|
| Revenues | 10 120 | 8 356 | 36 716 | 27 635 |
| Operating profit (EBIT) | 1 942 | 1 232 | 5 643 | 3 623 |
| EBIT margin | 19% | 15% | 15% | 13% |
| EBIT excl Process Inventory Revaluation | 1 445 | 870 | 4 830 | 2 350 |
| Free cash flow | 1 850 | 350 | 3 202 | -948 |
| Capex | 1 025 | 1 269 | 2 996 | 4 915 |
| Earnings per share, SEK | 5,17 | 3,00 | 14,47 | 9,14 |
| Gearing | 24% | 46% | | |

Group EBIT Q4 2010 versus Q3 2010

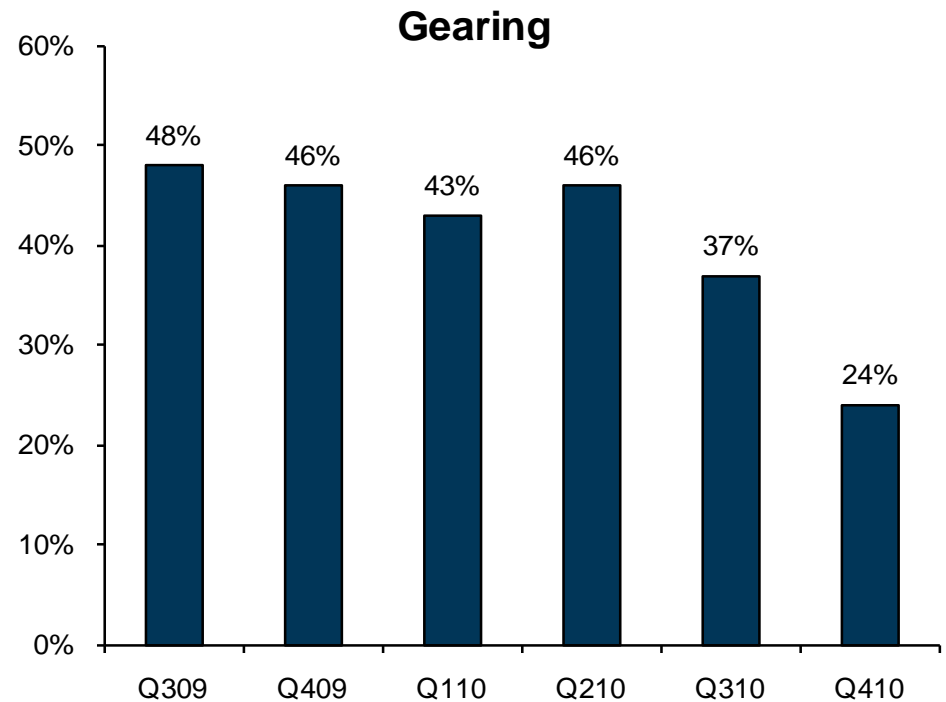


Group EBIT 2010 versus 2009



Capital Structure

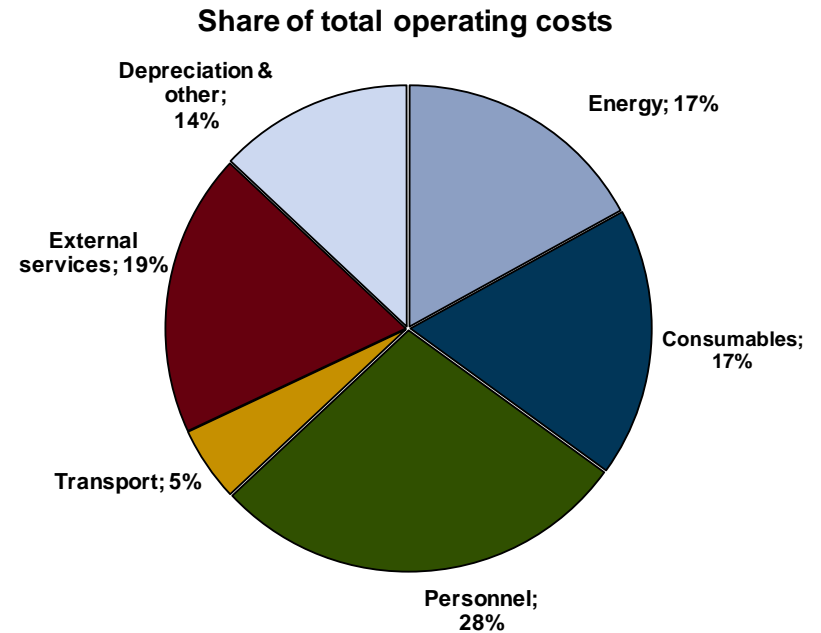
| SEK bn Unless otherwise stated | 31 Dec 2010 | 31 Dec 2009 |
|--|----------------|----------------|
| Total Asset | 35,1 | 33,3 |
| Capital employed | 27,2 | 26,2 |
| Shareholders' equity ¹ | 18,8 | 16,3 |
| Net debt | 4,6 | 7,4 |
| Gearing % | 24 | 46 |
| Equity/asset ratio, % | 54 | 49 |
| Duration of committed credit facilities, years | 4,2 | 3,0 |
| Average interest rate, % | 3,29 | 2,62 |
| Interest duration, years | 2,0 | 2,1 |
| Net payment capacity | 10,728 | 6,924 |



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

Operating costs

| MSEK | |
|---|---------------|
| Operating costs 2009 (constant currency rates) | 10 098 |
| Volume related | 650 |
| Depreciation | 250 |
| Start-up problems Aitik | 150 |
| Exploration and reclamation | 150 |
| General cost increases | 337 |
| Operating costs 2010 | 11 635 |



Cash Flow

| MSEK | Q4 10 | Q4 09 | YTD 10 | YTD 09 |
|---|--------|--------|--------|--------|
| Op profit before depreciation (EBITDA)* | 2 397 | 1 620 | 7 445 | 5 185 |
| Changes in working capital* | 483 | 100 | -1 475 | -1 063 |
| Capital expenditure | -1 025 | -1 269 | -2 996 | -4 915 |
| w hereof Aitik 36 | -61 | -665 | -625 | -2 982 |
| Free cash flow | 1 850 | 350 | 3 202 | -948 |

*Includes Process Inventory Revaluation

Capex in 2011 about SEK 4-5 billion

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 | 580 | USD/SEK | 1 160 | TC Zn | 45 |
| Zinc | 585 | EUR/USD | 425 | TC/RC Cu | 50 |
| Lead | 105 | USD/NOK | 90 | TC Pb | -10 |
| Gold | 125 | | | | |
| Silver | 155 | | | | |

Dividend proposal

- Dividend policy states one third of net profit to be distributed to share holders
- Proposal 2010:
 - SEK 5 per share
 - Equals 34,6% of net profit
 - 1,368 MSEK


| SEK | 2005 | 2006 | 2007 | 2008 | 2009 |
|--------------------|------|-------|-------|------|------|
| Earnings per share | 7.07 | 21.66 | 13.37 | 3.42 | 9.14 |
| Dividend | 2.00 | 4.00 | 4.00 | 1.00 | 3.00 |
| Pay-out ratio,% | 28.3 | 18.5 | 29.9 | 29.2 | 32.8 |

Summary

- Strong quarter
- Good quarter for smelters – improved production
- Higher full year production volumes in Aitik and Boliden Area
- Aitik ramp-up:
 - New crusher availability still too low
 - Old crusher closed for 6 months
 - Grades decline
 - 36 Mton/year 2014
- E-scrap expansion in Rönnskär – 2011/2012
- Garpenberg expansion and new hedge program

Forward-looking statements

Certain statements in this presentation are forward-looking, and the actual outcome could be materially different. Such forward-looking statements are based on Boliden's present plans, estimates, assumptions, projections and expectations and are subject to risks and uncertainties. In addition to the factors explicitly discussed, other could have a material effect on the actual outcome. Such factors include, but are not limited to, general economic or political conditions, fluctuations in exchange rates, interest rates and in metal prices, production disruptions, technological issues, interruptions in supply, actions of courts, regulators, government agencies, competitors, customers, suppliers, employees and other third parties.



**Boliden produces metals
that make modern life work**