Interim Report
January – March 2011

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NEW BOLIDEN

Q1 Summary

Market

- Industrial activity continued to improve
- Good metal demand
- Precious metals – strong price development
- Volatile macro environment

Boliden

- Revenues MSEK 10,158 (8,316)
- EBIT ex PIR* MSEK 1,500 (1,043)
  - Operating profit MSEK 1,359 (1,230)
- Free Cash Flow MSEK 448 (-52)
- Stronger SEK offsets price increases in USD

- Lower terms for smelters
- Aitik ramp-up continued
  - Low availability of equipment in Q1
- E-scrap expansion on plan
- Decision to start Kankberg gold mine
- Decision to expand Garpenberg

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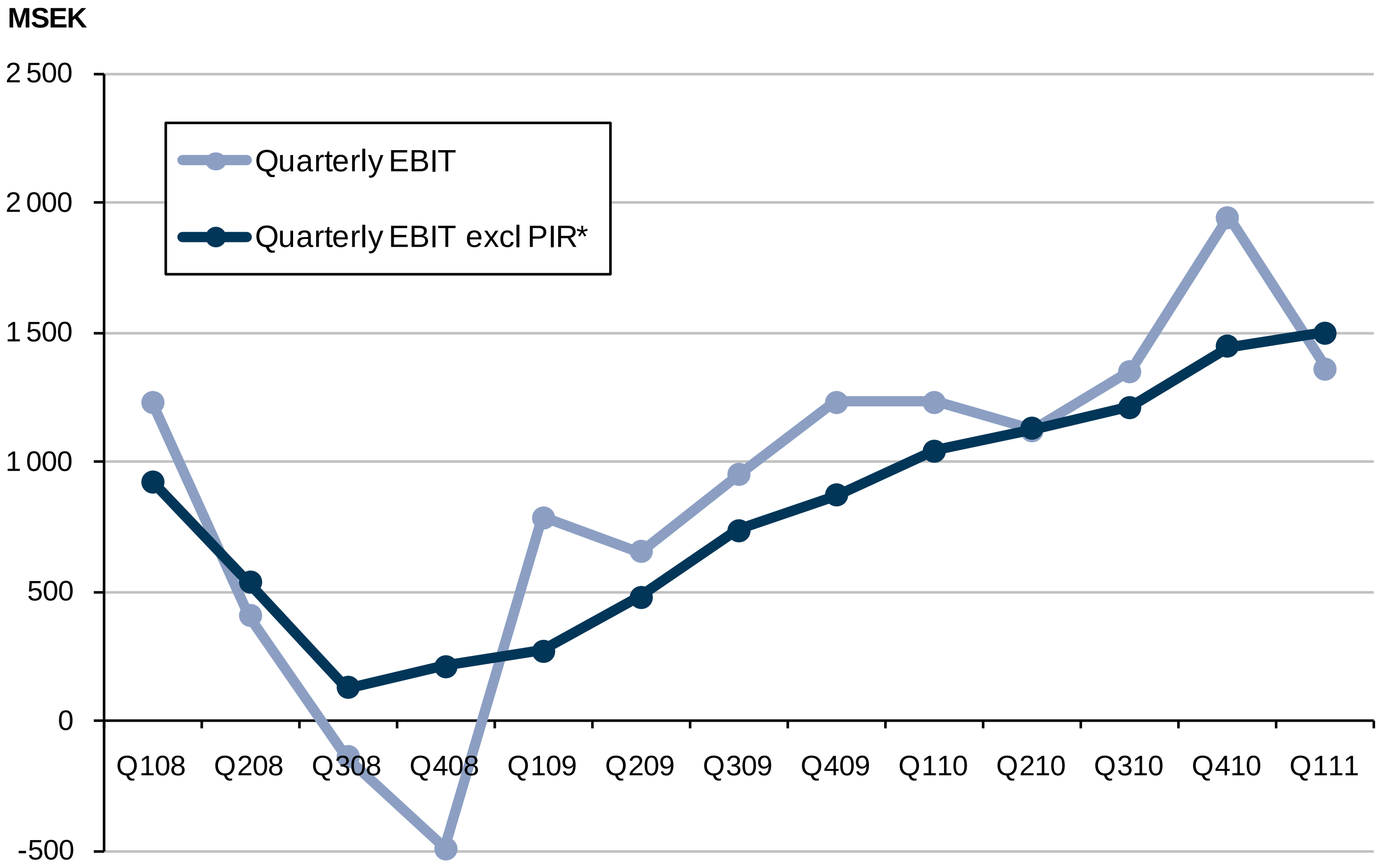
* PIR=Process Inventory Revaluation

Group EBIT Development



*Process Inventory Revaluation

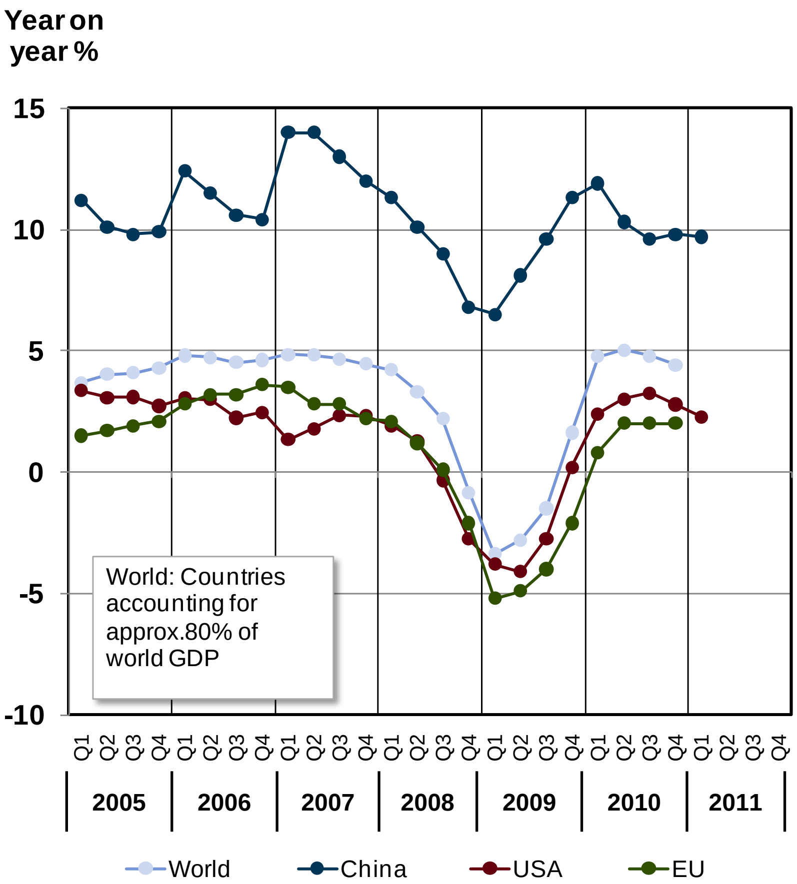
The Market

Metal markets – first quarter 2011

- Demand
  - Continued growth in zinc and copper demand
    - Copper demand in China lower in Q1
  - Good industrial demand in Europe
- Supply
  - Lower growth in metals production
  - Zinc concentrate market in deficit, copper in balance mid quarter, surplus in March
    - Low activity short term among Chinese smelters
- Prices
  - Average USD prices up – offset by stronger SEK for Boliden
  - Silver price, strong development + 23% in Q1
- Concentrate market
  - Zinc TC 226* (264) USD/t concentrate
  - Copper TC up to 56.5* (46.5) USD/t concentrate
  - Several copper contracts on 2-3 years average TC terms
  - Free metals minimized

* Based on comments by external research companies

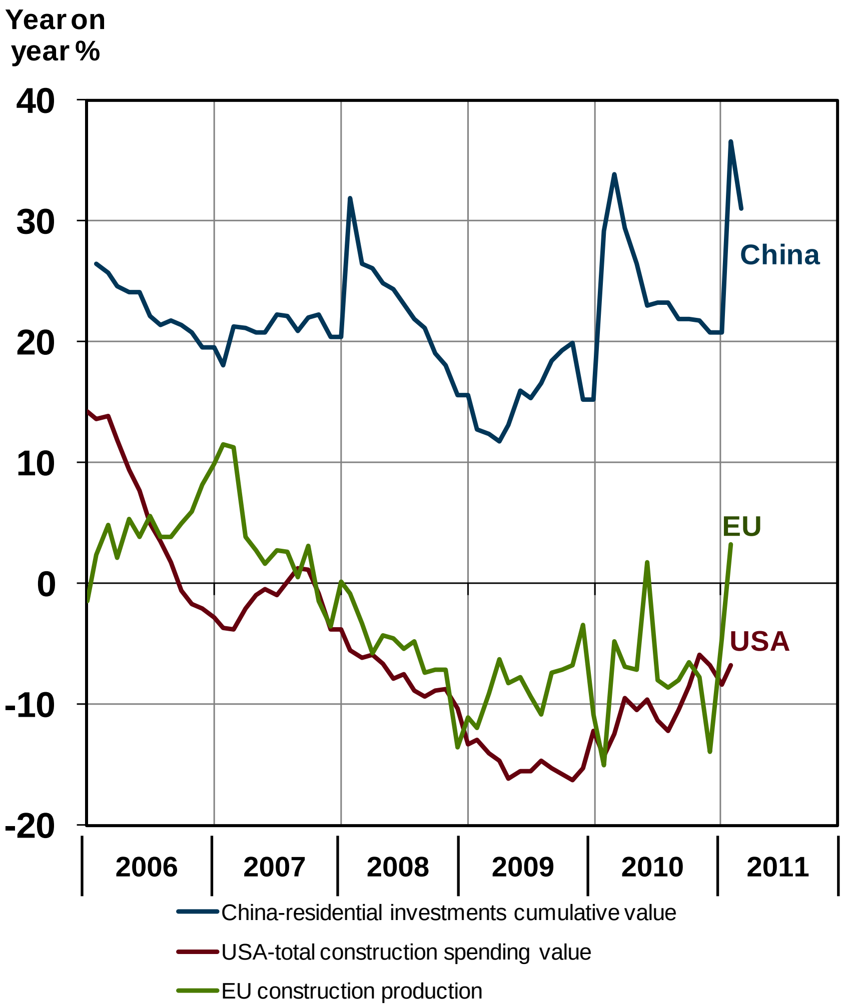
Global GDP development



- Continued robust global growth
- China , continued strong development

Source: Reuters Datastream, IMF, Boliden calculation of world GDP

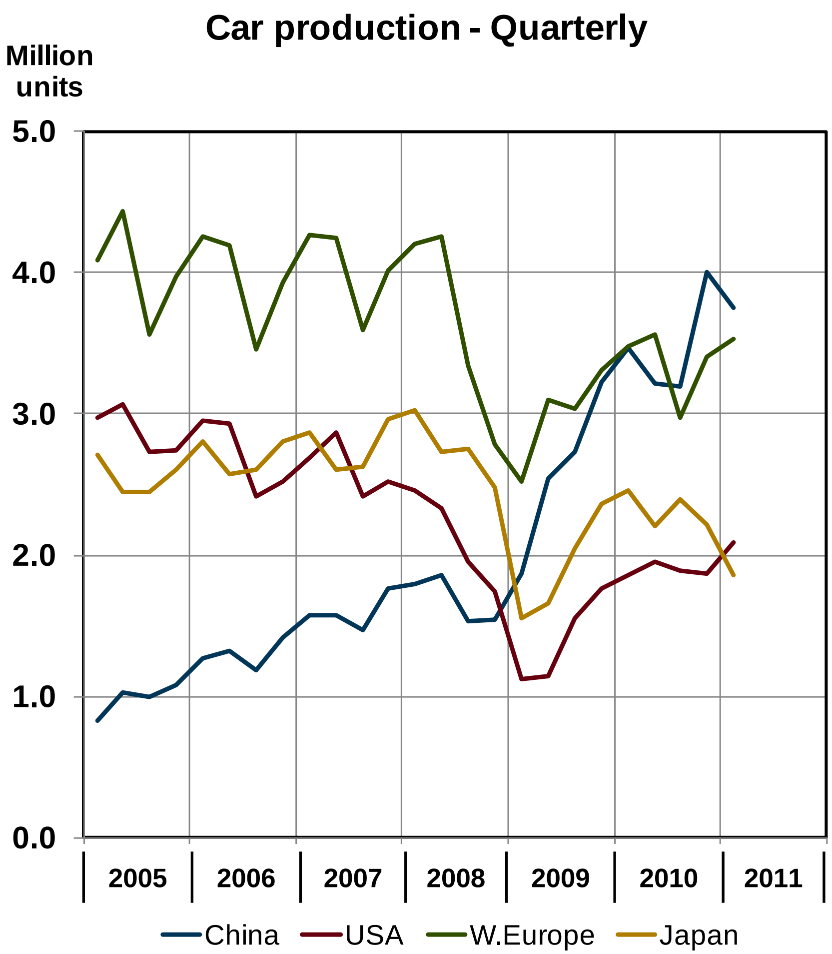
Construction Market



Source: Reuters Datastream

- No sign of slowdown in China
- USA still weak
- Europe mixed

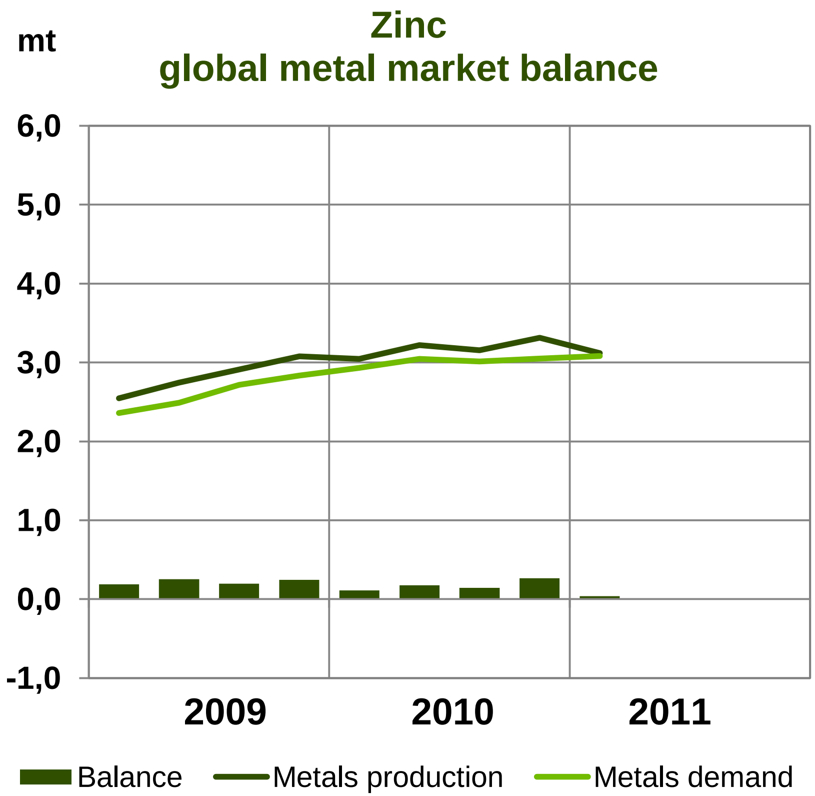
Automotive Market



- Europe and North America
  - High growth in USA
  - Germany somewhat slower
  - Export lead production in Europe
  - Production level still well below last peak in mature economies

Source: CRU (www.crumonitor.com), JD Powers

Metal Market



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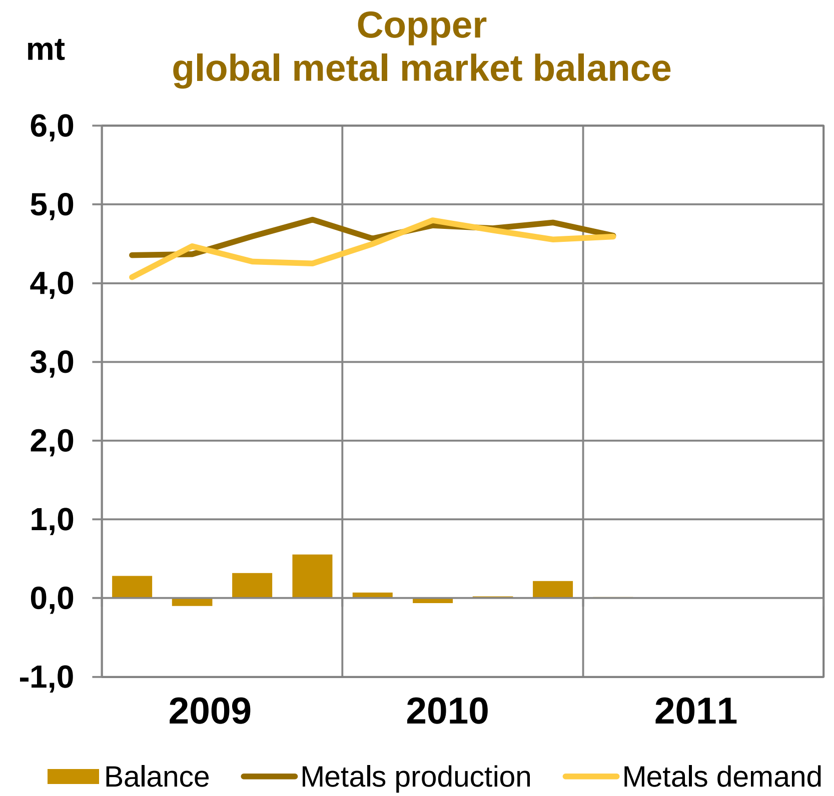

Source: © CRU (www.crugroup.com)

Metals demand growth	Q110	Q210	Q310	Q410	Q111
Global	24%	22%	11%	8%	5%
-Asia	26%	18%	9%	8%	5%
-RoW	23%	25%	13%	8%	5%

Metals demand growth	Q110	Q210	Q310	Q410	Q111
Global	10%	7%	9%	7%	2%
-China	18%	12%	12%	10%	-5%
-RoW	-8%	-5%	-3%	-3%	7%

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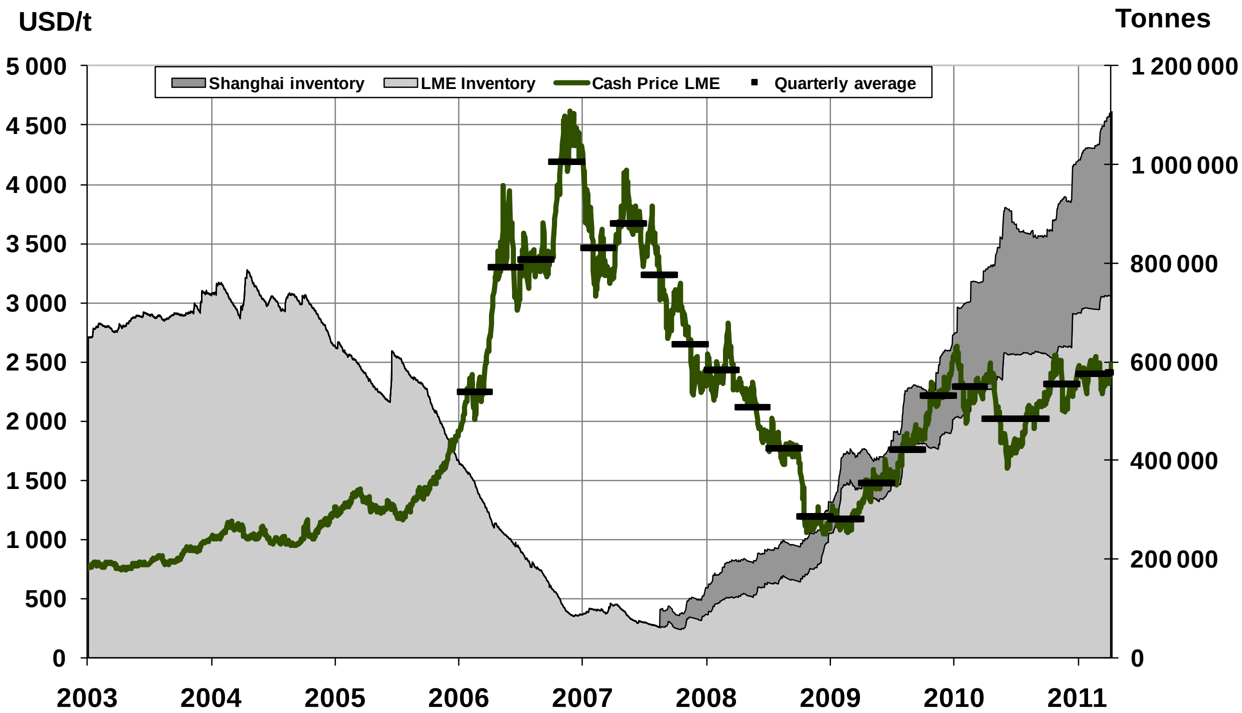
Zinc Price and Inventories

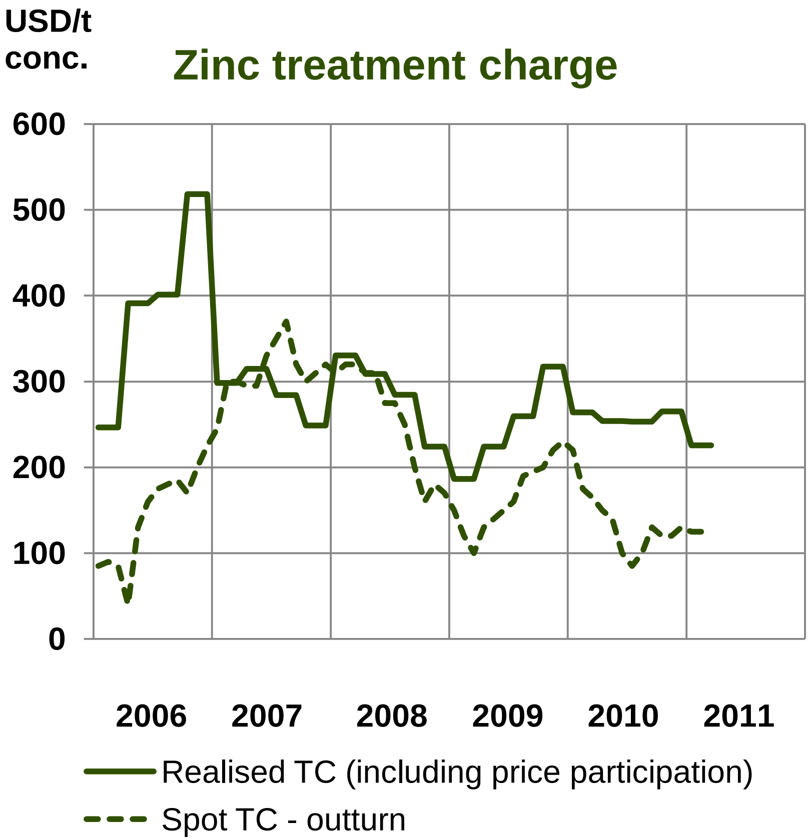


Zinc price (LME average)

	USD/t	Q1-11 vs period
Q1 10	2,288	+ 5%
Q2 10	2,018	+ 19%
Q3 10	2,013	+ 19%
Q4 10	2,315	+ 3%
Q1 11	2,393	-

- Price decreased in the quarter by 5%
- Inventories up 9% in Q1

Zinc – treatment charges and premiums



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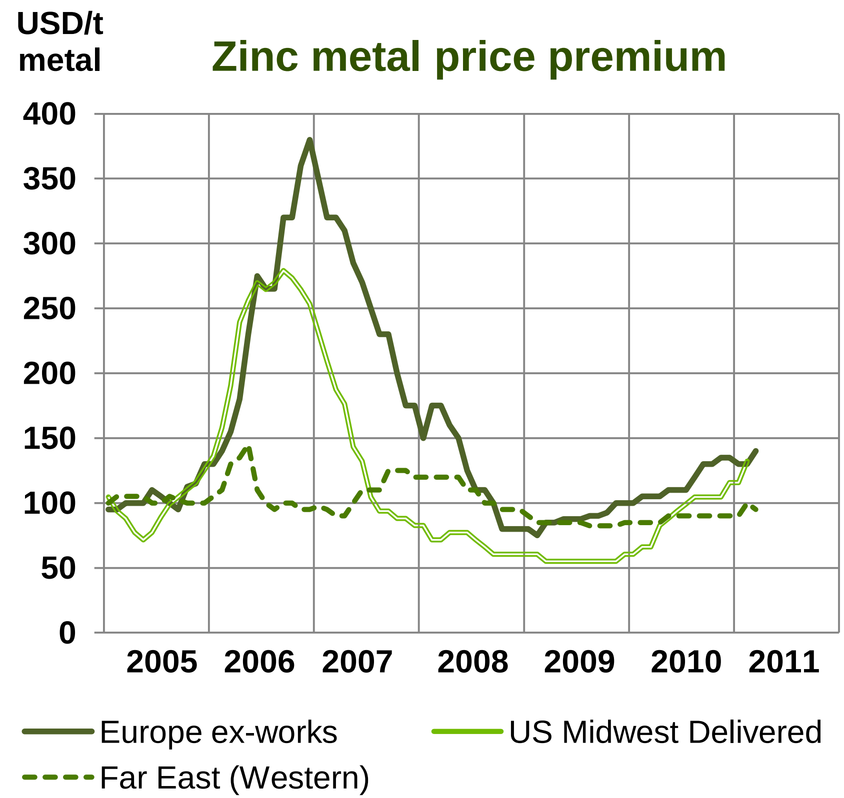
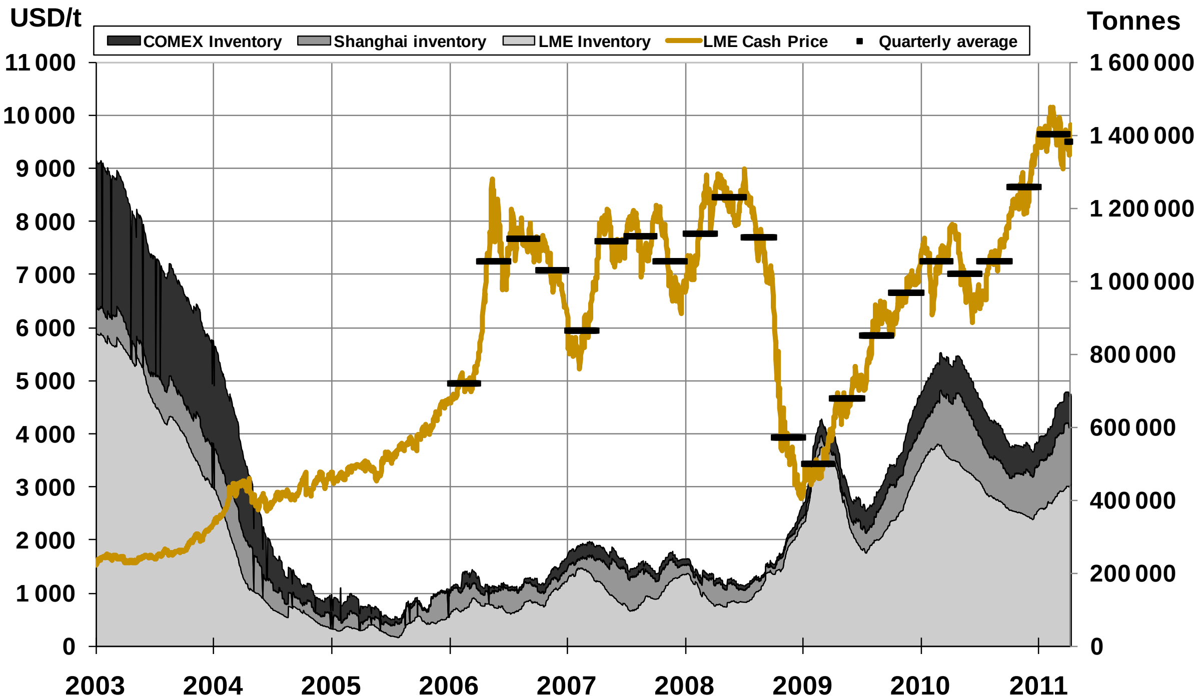


Source: © CRU (www.crugroup.com)

- Benchmark TC down – approx 230 USD/ton at 2,500 USD
- Stable spot TC but well below contract TC

- European premium up

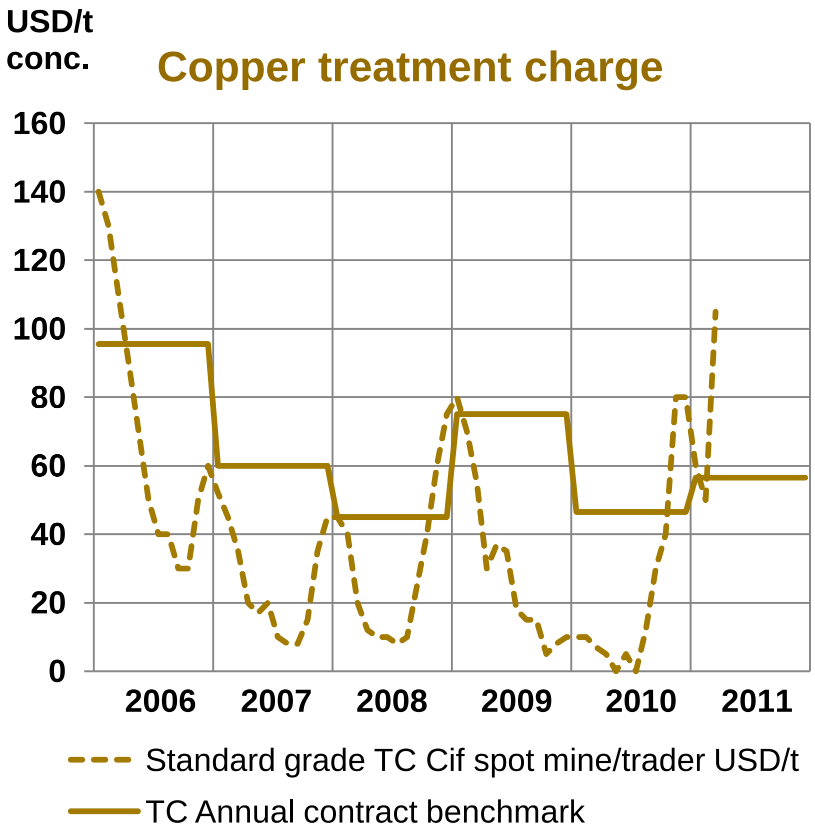
Copper Price and Inventories



Copper price (LME average)	USD/t	Q1-11 vs period
Q1 10	7,243	+ 33%
Q2 10	7,013	+ 38%
Q3 10	7,242	+ 33%
Q4 10	8,634	+ 12%
Q1 11	9,646	-

- Price decreased in the quarter by 4%
- Inventories up 21% in Q1

Copper – treatment charges and premiums



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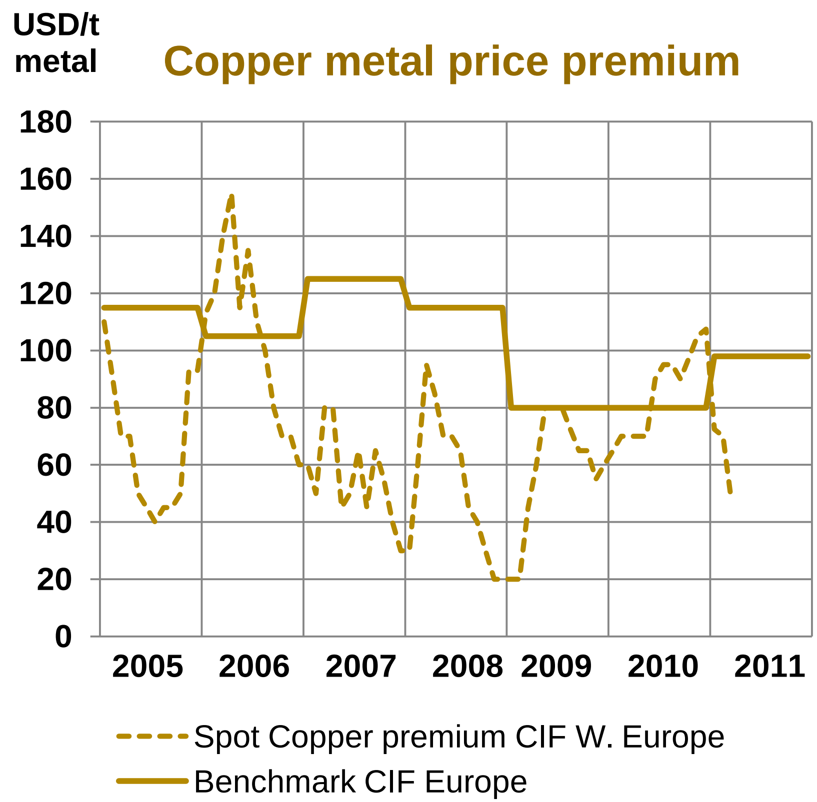
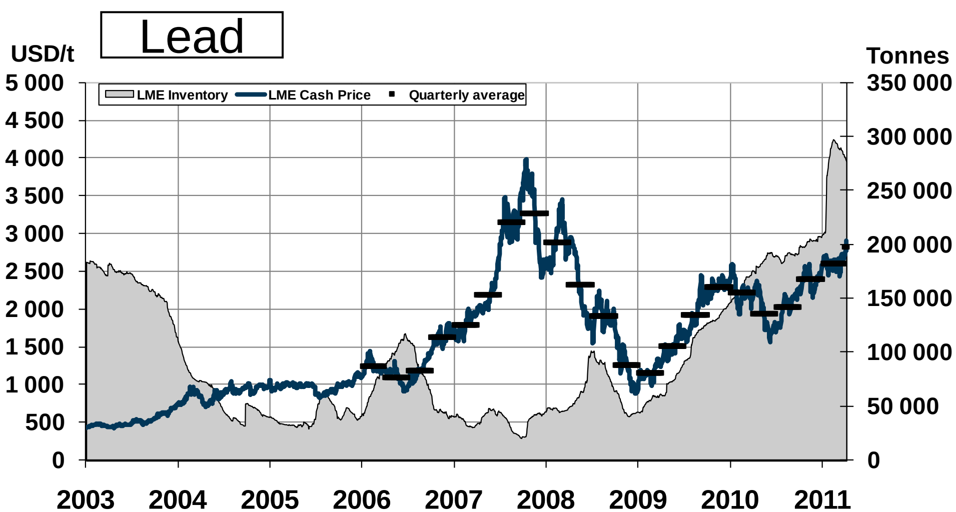


Source: © CRU (www.crugroup.com)

- Benchmark TC/RC up – 46.5 to 56.5 USD/ton
- Spot TC/RC down to contract level in Jan-Feb, up sharply in March

- European premium sharply down

Gold, Silver and Lead prices

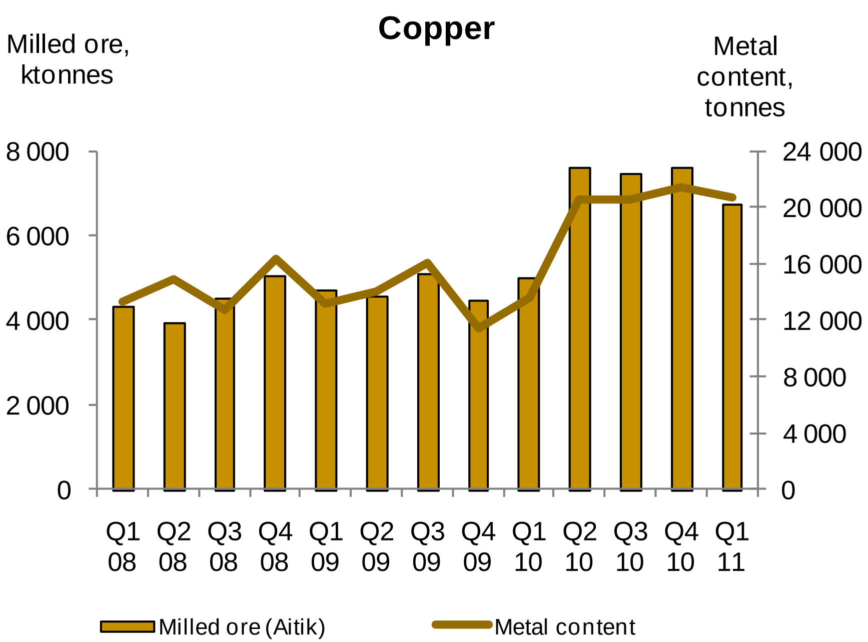


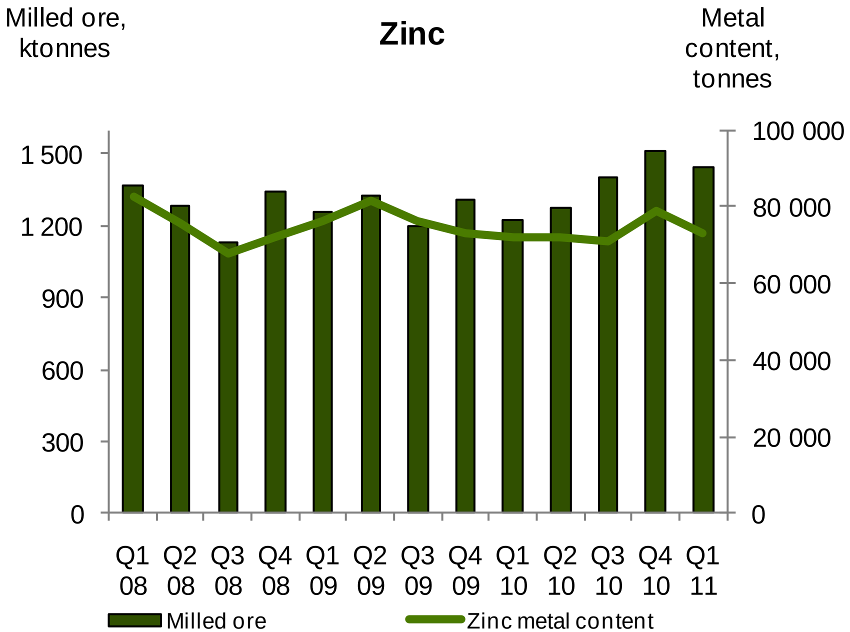
Average prices Q1 2011 vs period

	Q1-10	Q4-10
Gold	+ 25%	+ 1%
Silver	+ 88%	+ 21%
Lead	+ 17%	+ 9%

Business Area Mines

Mines - Production

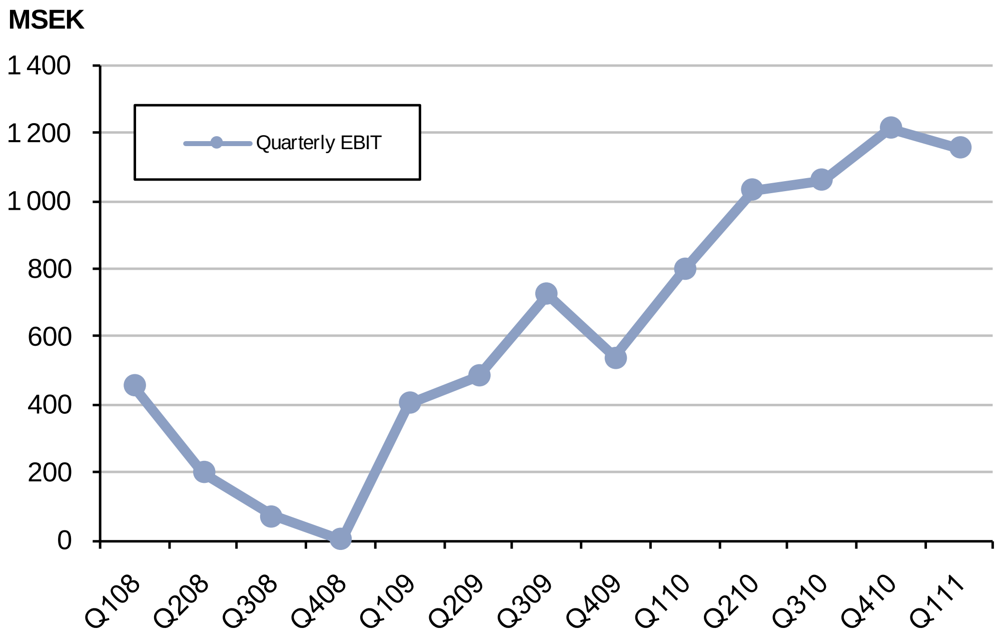




- Metal production -4% vs Q4
- Low production in Aitik
  - Low availability on crushers
- Volumes up sharply in Boliden area

- Metal production -7% vs Q4
- Lower grades in Boliden area and Garpenberg

Mines - Financial Summary Q1



- EBIT
  - MSEK 1,156 (800) in Q1
  - MSEK 1,217 in Q4 2010
- Volumes down
- Low crusher availability in Aitik
- Costs slightly higher excluding Q4 one-offs

Aitik Expansion - update

- Ramp-up period
- Mine and logistics
  - Action plan, improved truck availability
- Crushers
  - All ore through new crushers Q1-Q2
  - Availability not yet satisfactory
  - Crusher 165 (old) disconnected, to be reconnected end Q2
- Grade decline late Q2
- 36 Mtonnes 2014

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

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Garpenberg Expansion - update

- Project
  - Capex: SEK 3.9 billion
  - Ore production from 1.4 to 2.5 million tonnes
  - Production starts 2014 , full production end 2015
  - New concentrator and underground infrastructure
  - Production through 2030

- Hedging
  - Zinc, copper, lead, gold and silver
  - Approx 1/3 of Group's metal price risk
  - Corresponding exchange rate risk
  - Refers to 2011, 2012 and 1H 2013

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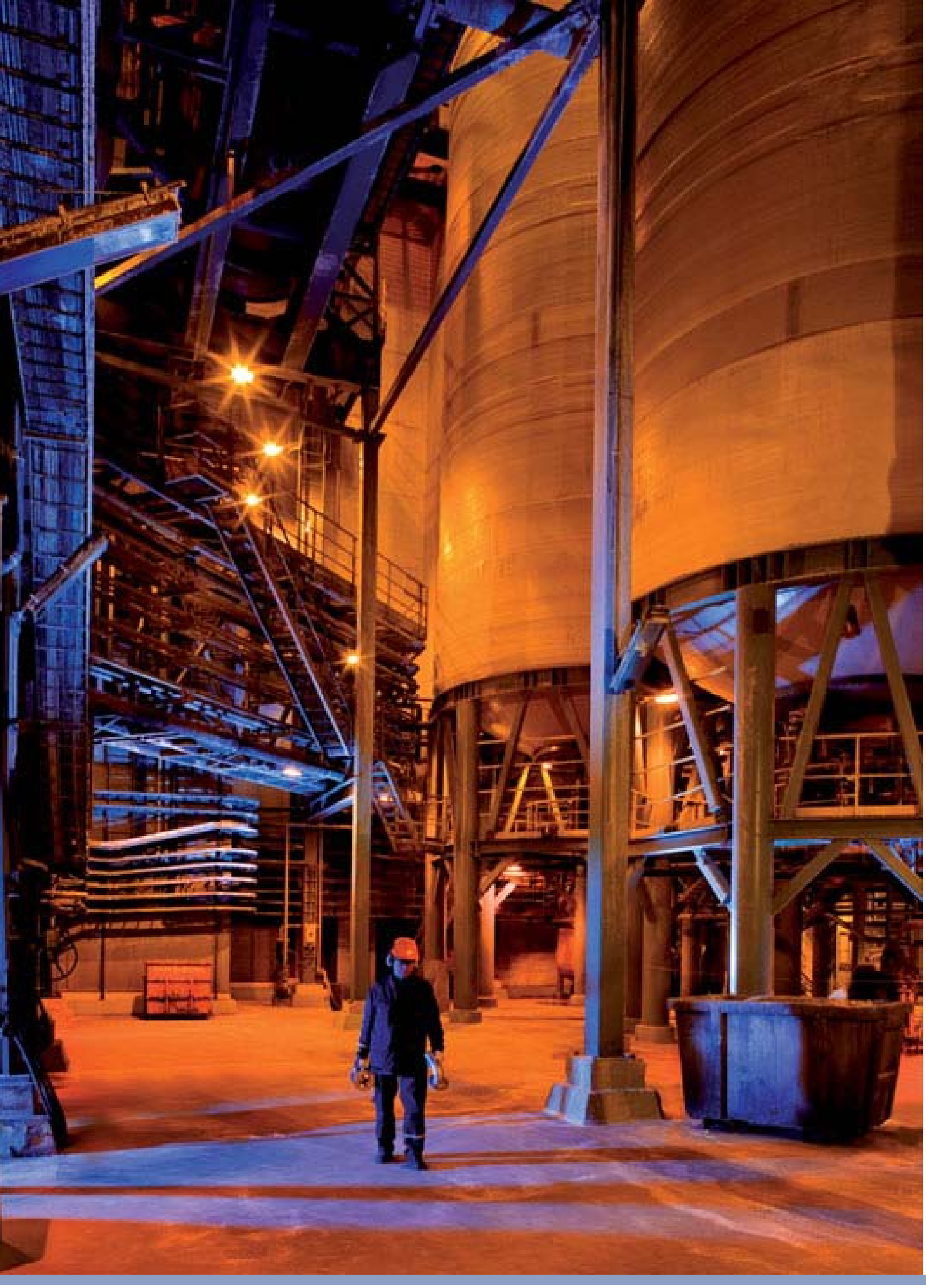
Kankberg - update

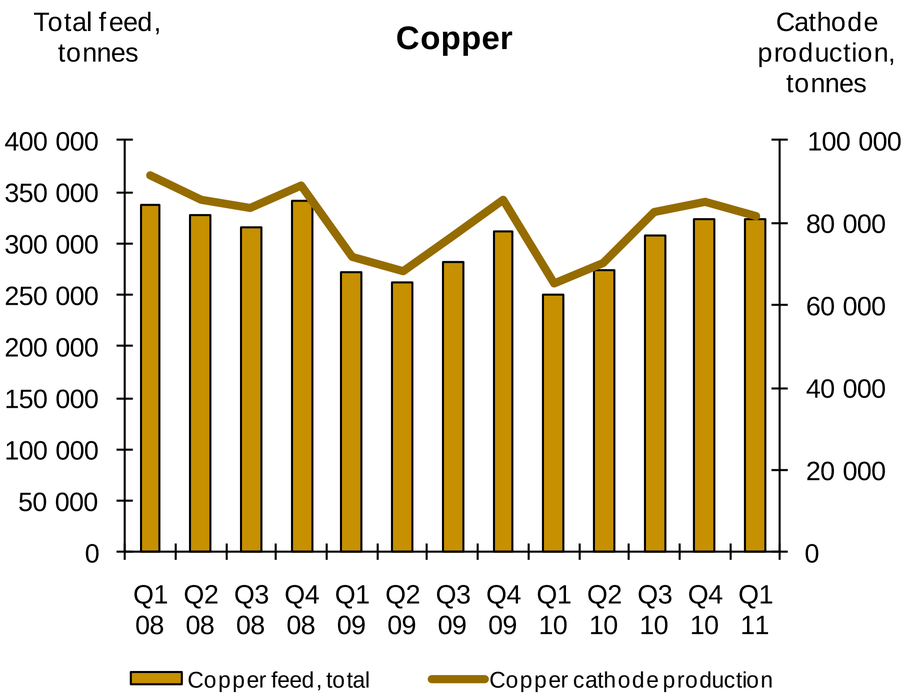
- Project
  - Capex: MSEK 475
  - High rate of return
  - Life of mine - 2020
  - Start mid 2012
  - Production (yearly average):
    - Ore 320 ktonnes
    - Gold 1,150 kg[1)] (high yearly variations)
    - Tellurium 41 tonnes[1)]
- Hedges and contracts
  - Gold production hedged, 80% at 1,460 USD/tr oz
  - Tellurium sales, long term contract at 280 USD/kg

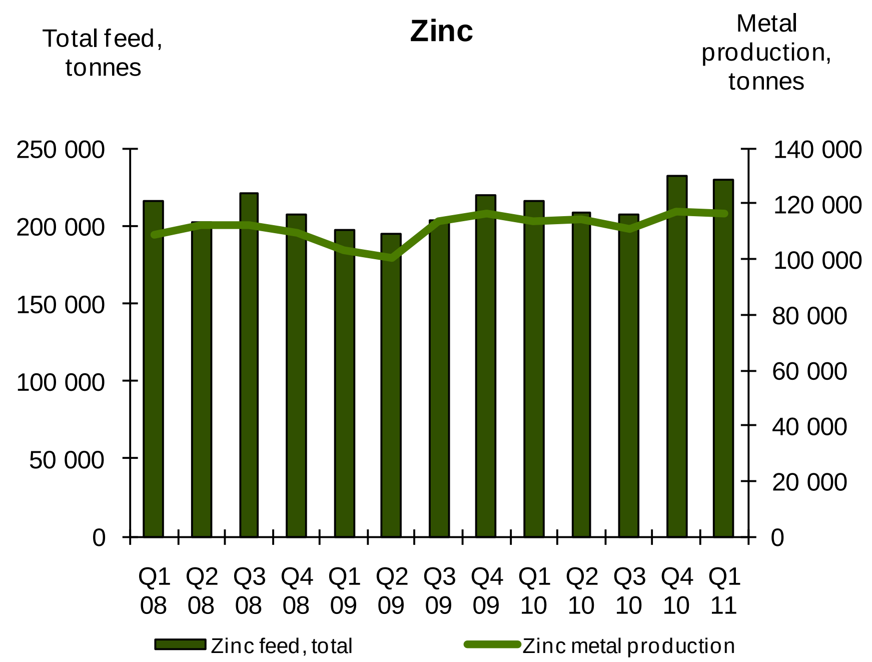
[1)] Metal in concentrate



Business Area Smelters

Smelters - Production





- Strong YoY but lower than Q4
- Lead alloys -15 % compared to Q4

- Kokkola -4 % compared to Q4
- Odda +5 % compared to Q4

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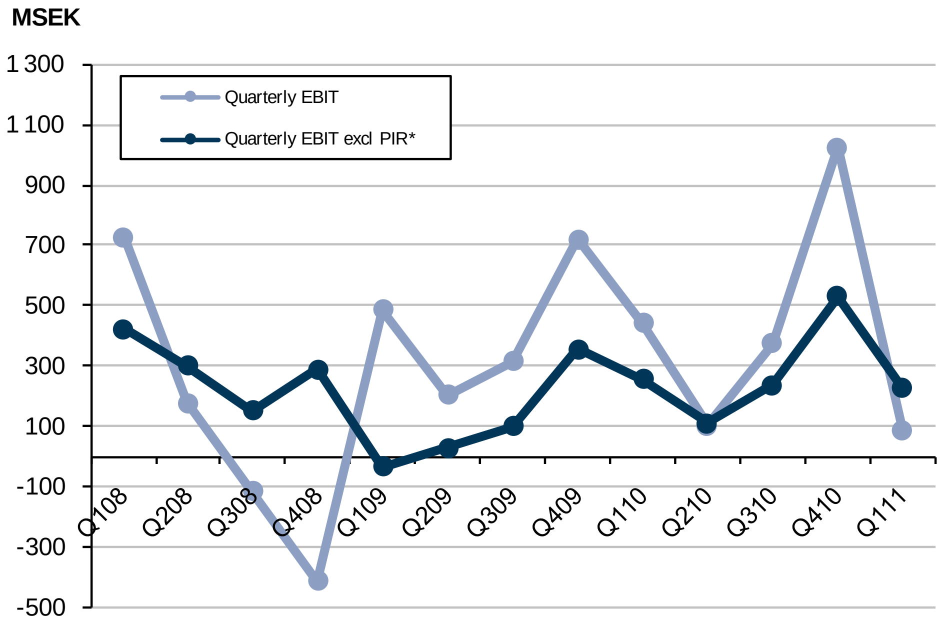
Smelters – Financial Summary Q1



- EBIT excl. PIR*
  - MSEK 226 (256) in Q1
  - MSEK 530 in Q4 2010
- Lower volumes of free metals
- Unfavourable feed mix
- Lower zinc TCs

* Process Inventory Revaluation

Update E-scrap expansion

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

Financials

Financial Summary

MSEK	Q1 2011	Q4 2010	Q1 2010
Revenues	10 158	10 120	8 316
Operating profit (EBIT)	1 359	1 942	1 230
EBIT excl Process Inventory Revaluation	1 500	1 445	1 043
EBIT excl PIR margin	15%	14%	13%
Free cash flow	448	1 850	-52
Capex	664	1 025	598
Earnings per share, SEK	3,51	5,17	3,21
Gearing	21%	24%	43%

Group EBIT Q1 2011 versus Q1 2010

MSEK	Q1 2011	Q1 2010	Q4 2010
EBIT	**1 359**	**1 230**	**1 942**
Process Inventory revaluation	-142	187	496
EBIT excl Process Inventory Revaluation	**1 500**	**1 043**	**1 445**
Deviation		**457**	**55**
Specification of deviation			
Volume		529	-238
Costs		-464	144
Prices & Terms		819	400
Metal prices and terms		1 045	411
Realised Metal- & Currency hedge*		-184	45
TC/RC terms		-80	-68
Premiums		34	47
Definitive pricing (MAMA)*		4	-35
Currency effects		-426	-239
whereof translation effects		-33	-11
Others		-1	-12
Deviation		**457**	**55**
***Result for respective period**			
Realised Metal- & Currency hedge	*12*	*196*	*-33*
Definitive pricing (MAMA)	*-10*	*-14*	*25*

- ✓Higher Copper production in Aitik

- ✓Aitik expansion
- ✓Higher energy costs

- ✓Copper USD/ton +33%
- ✓Zinc USD/ton +5%

- ✓USD/SEK -10 %
- ✓EUR/SEK -11 %

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Group EBIT Q1 2011 versus Q4 2010

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- ✓Lower production volume in Aitik
- ✓Lower grades in both Boliden and Aitik
- ✓Lower free metals in Rönnskär

- ✓One-off reclamation costs Q4
- ✓Higher personnel costs in Q4

- ✓Copper USD/ton +12 %
- ✓Zinc USD/ton +3%

- ✓USD/SEK -4 %
- ✓EUR/SEK -4 %

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Cash Flow

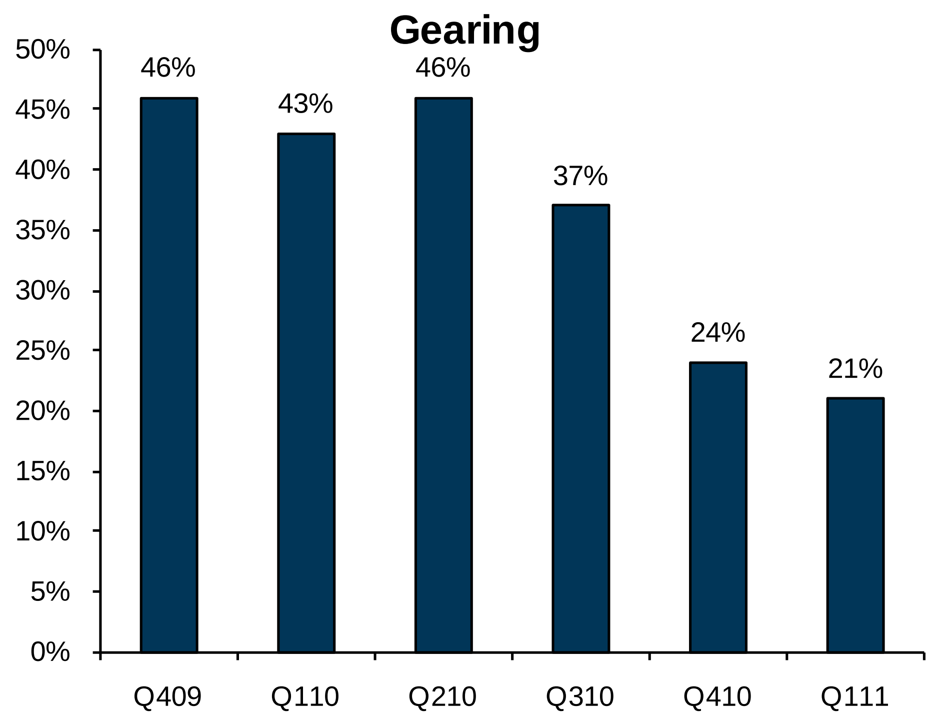
MSEK	Q1 11	Q4 10	Q1 10
Op profit before depreciation (EBITDA)*	1 833	2 397	1 632
Changes in working capital*	171	483	-1 274
Capital expenditure	-664	-1 025	-598
Free cash flow	448	1 850	-52

*Includes Process Inventory Revaluation

- Tax payment of MSEK 908 in Q1
- Capex in 2011 approx. SEK 4-5 billion

Capital Structure

SEK bn Unless otherwise stated	31 Mar 2011	31 Dec 2010
Total Asset	35,1	35,1
Capital employed	26,8	27,2
Shareholders' equity[1]	19,6	18,8
Net debt	4,1	4,6
Gearing %	21	24
Equity/asset ratio, %	56	54
Duration of committed credit facilities, years	3,9	4,2
Average interest rate, %	3,34	3,29
Interest duration, years	1,7	2,0
Net payment capacity	11,154	10,728



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

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	475	USD/SEK	1 060	TC Zn	40
Zinc	530	EUR/USD	395	TC/RC Cu	45
Lead	105	USD/NOK	75	TC Pb	-10
Gold	115				
Silver	185				

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Summary

- Low mine production in quarter
- Lower volumes of free metals and lower zinc TC put pressure on smelter profits
- Aitik ramp-up:
  - Crusher availability still low
  - Old crusher reconnected end of Q2
  - Grades decline late Q2
  - 36 Mton/year 2014
- E-scrap expansion in Rönnskär – 2011/2012
- Kankberg gold mine 2012
- Garpenberg expansion 2014 and new hedge program

- Maintenance stops in Q2 will effect EBIT by 170 MSEK, lower in Q3

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