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- Turnover for the first nine months of 2003 totalled SEK 6,962 million (SEK 7,252 m) and SEK 2,326 million (SEK 2,196 m) for the third quarter.
- Earnings after net financial items increased to SEK 80 million (SEK 33 m) for the first nine months of 2003, and totalled SEK 11 million (SEK 13 m) for the third quarter.
- The profit after tax was SEK 250 million (SEK 52 m), corresponding to an EPS of SEK 2.92 (SEK 0.61) per share for the first nine months of the year. The profit after tax for Q3 was SEK 81 million (SEK 22 m), corresponding to an EPS of SEK 0.94 (SEK 0.26) per share.
- The cashflows for the first nine months and the third quarter were SEK 34 million (SEK -480 m) and SEK -2 million (SEK -435 m), respectively.
- Boliden and the Finnish company, Outokumpu, have signed a Letter of Intent whereby Boliden declared its intent to acquire Outokumpu's copper and zinc mining and smelting operations and simultaneously to sell its Fabrication and Technology Sales operations to Outokumpu. The transaction will make Boliden one of the world's leading mining and smelting companies.

Turnover and result <b>SEK million (unless otherwise stated)</b>	Nine months			Third quarter		
	2003	2002	Change in %	2003	2002	Change in %
Turnover	6 962	7 252	-4	2 326	2 196	6
Operating result	297	260	14	87	87	0
Operating margin (%)	4.3	3.6		3.7	4.0	
Earnings after net financial items	80	33	142	11	13	-15
Net result for the period	250	52	381	81	22	268
Earnings per share, SEK	2.92	0.61		0.94	0.26	
Return on shareholders' equity (%)	11.2	2.8		10.1	3.6	
Return on capital employed (%)	5.4	4.9		4.6	4.8	
Cashflow from operating activities	618	-65		282	-143	
Cashflow for the period	34	-480		-2	-435	
Net debt/shareholders' equity (%)	138	204				

Metal prices <b>(average LME/LBMA)</b>	Nine months			Third quarter		
	2003	2002	Change in %	2003	2002	Change in %
Copper (USD/lb)	0.77	0.71	8	0.80	0.69	16
Zinc (USD/lb)	0.36	0.35	3	0.37	0.35	6
Lead (USD/lb)	0.22	0.21	5	0.23	0.20	15
Gold (USD/oz)	354	306	16	363	314	16
Silver (USD/oz)	4.75	4.63	3	4.99	4.67	7

Exchange rates <b>(average)</b>	Nine months			Third quarter		
	2003	2002	Change in %	2003	2002	Change in %
SEK/USD (realised by Boliden)	10.13	10.70	-5	10.06	10.75	-6
SEK/USD	8.26	9.93	-17	8.15	9.38	-13
USD/CAD	1.43	1.57	-9	1.38	1.56	-12



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**President's statement**

Boliden reports an operating result of SEK 297 million (SEK 260 m) for the first nine months of 2003 and of SEK 87 million (SEK 87 m) for the third quarter. The improved result is primarily due to increased mining production and higher metal prices, and to reduced costs and increased productivity in the various operating sectors. A lower exchange rate for the US dollar, combined with falls in prices and volumes in the Business Area Fabrication, had a negative effect on the operating result for the reporting period, in comparison with the corresponding period in 2002.

The result after financial items for the first nine months of 2003 improved to SEK 80 million (SEK 33 m). A lower net debt, coupled with lower interest rates, had a positive effect on the net interest items, compared with the corresponding period last year.

Boliden continued to close out of some of the market value inherent in the company's currency hedging contracts in respect of the hedging of future dollar revenues during the third quarter. This allows the company to tie in part of its market value and, simultaneously, to strengthen the Group's shareholders' equity and cash deposits. An option programme has been implemented, whereby Boliden continues to hedge large parts of its dollar revenues against a further weakening of the US dollar against the Swedish krona for the period from 2003 up to and including Q2 2005, thereby generating continued stability in the company's operations.

The cashflow during the first nine months of 2003 was SEK 34 million (SEK -480 m). Cashflow was affected positively by the close out of the dollar futures and negatively by Fabrication's performance and an increase in capital immobilised in accounts receivable and inventories.

The price of the majority of Boliden's metals was higher during both the first nine months and the third quarter of 2003 than in the corresponding periods in the previous year. Copper prices were positively affected by factors including reduced copper stocks. Metal prices have strengthened during the initial weeks of the fourth quarter.

Production increased in the Business Area Mining Operations during the first nine months of 2003 in comparison with the corresponding period last year. Copper production at Aitik increased marginally, whilst gold production decreased as a result of lower gold grades in the ore mined. Production continued to develop positively in the Boliden Area and Garpenberg. Cost trends at the Myra Falls operations continued to develop well, but production has failed to achieve anticipated levels, primarily due to lower grades in the ore mined.

Metal production at Rönnskär during the first nine months of 2003 was on a par with that of the corresponding period in 2002, a successful recovery having been made from the low production levels of the first quarter. Production at Boliden Bergsöe increased during the reporting period in comparison with the same period in 2002. Lower smelting and refining charges and the valuation of the process stocks had a negative effect on the Business Area Smelting Operations' result during the first nine months of 2003.

Fabrication's market for both copper and brass products continued to be weak during the first nine months of 2003, and the Business Area consequently reported a loss. The result was also negatively affected during the third quarter by non-recurring costs for part of the restructuring activities in progress within the Business Area.

The Groups cost-cutting and efficiency-boosting programme launched during the first quarter is proceeding according to plan.

At the beginning of September, Boliden and the Finnish company, Outokumpu, announced that they had signed a Letter of Intent whereby Boliden declared its intention to acquire Outokumpu's copper and zinc mining and smelting operations and to sell the Fabrication and Technology Sales operations to Outokumpu. The new Boliden will, as a result of the transaction, be one of the world's leading smelting companies and the fourth largest zinc mining producer in the world. The deal will also create a stronger company with increased financial and operational vigour and with the potential for future growth. The deal will also see Outokumpu become a significant shareholder in the new Boliden.

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The markets for our main products of copper and zinc continue to develop well. The recent price rise noted by our main metals has, however, been countered in part by the marked weakening of the US dollar. Our forecast of an improvement in operating result for the latter half of 2003 in comparison with the first half of the year stands. Our goal is to complete the deal with Outokumpu at the turn of the year, thereby enabling the new Boliden to commence operations in January 2004.

## Metals

Metal prices developed positively during both the first nine months and the third quarter of 2003 in comparison with corresponding periods last year. Base metal prices were positively affected by, *inter alia*, increased metal consumption and a general optimism with regard to the global economy. They have continued to increase throughout October.

The gold price developed strongly during the third quarter, partly as a result of the weakening of the US dollar. On 30<sup>th</sup> September, 86 per cent of the planned gold production for this year had been hedged at an average price of USD 355/oz. 54 per cent has been hedged for 2004 at USD 364/oz, with 42 per cent hedged for 2005 at USD 346/oz.

Boliden's exposure to changes in other metal prices remains considerable, however, in that gold production accounts for only a limited amount of the company's total metal production and turnover.

Metal prices (average LME/LBMA)	Nine months			Third quarter		
	2003	2002	Change in %	2003	2002	Change in %
Copper (USD/lb)	<b>0.77</b>	0.71	8	<b>0.80</b>	0.69	16
Zinc (USD/lb)	<b>0.36</b>	0.35	3	<b>0.37</b>	0.35	6
Lead (USD/lb)	<b>0.22</b>	0.21	5	<b>0.23</b>	0.20	15
Gold (USD/oz)	<b>354</b>	306	16	<b>363</b>	314	16
Silver (USD/oz)	<b>4.75</b>	4.63	3	<b>4.99</b>	4.67	7

## Currencies

The US dollar continued to weaken against the Swedish krona during both the first nine months and the third quarter of 2003 in comparison with corresponding periods last year. The dollar has also remained weak against both the Canadian dollar and the Euro during these periods.

Exchange rates (average)	Nine months			Third quarter		
	2003	2002	Change in %	2003	2002	Change in %
SEK/USD (realised by Boliden)	<b>10.13</b>	10.70	-5	<b>10.06</b>	10.75	-6
SEK/USD	<b>8.26</b>	9.93	-17	<b>8.15</b>	9.38	-13
USD/CAD	<b>1.43</b>	1.57	-9	<b>1.38</b>	1.56	-12

## Hedges

Boliden decided, in accordance with its hedging policy, to revise its hedging strategy during the first quarter of the year, and the percentage of US dollar revenues hedged through currency futures is consequently reduced. These transactions had a positive effect on Boliden's cashflow of SEK 592 million and a positive effect on shareholders' equity, less deductions for deferred taxes, totalling SEK 498 million. Deferred taxes recoverable pertaining to previously unrealised deficit deductions, corresponding to the deferred tax on the closed out forward agreements, have been reported at SEK 174 million as tax income during the first nine months of the year. The result of these transactions will be reported in the Income Statement concurrently as the underlying hedged flows are encountered, between 2003 and 2005.

The closing out of hedges secures the profit generated by the future hedge for its duration up to the redemption date. A new currency option programme, involving a floor in the interval from SEK/USD 7.65-8.30 and a ceiling in the interval from SEK/USD 8.14-9.50, has been implemented in order to limit the risk associated with any further weakening of the US dollar. Boliden already

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holds put options that constitute a floor of SEK/USD 9.00, corresponding to approximately 20 per cent of the currency exposure between 2003 and 2004. Currency contracts in respect of Boliden's exchange rate hedging, as of 30<sup>th</sup> September 2003, are presented in the table on page 14.

### Turnover, result and cashflow

Boliden's turnover for the first nine months of 2003 was SEK 6,962 million (SEK 7,252 m), SEK 2,326 million (SEK 2,196 m) of which was attributable to the third quarter. Turnover was positively affected by improved metal prices and increased production by mining operations, and negatively by a lower exchange rate against the US dollar and lower smelting and refining charges, in comparison with last year.

The operating result for the reporting period was SEK 297 million (SEK 260 m), SEK 87 million (SEK 87 m) of which was attributable to the third quarter. The improvement in the operating result is primarily a result of the factors affecting turnover (see above).

Earnings after financial items totalled SEK 80 million (SEK 33 m) for the reporting period and SEK 11 million (SEK 13 m) for the third quarter. Net financial items improved primarily due to a lower net debt and lower interest rates, in comparison with the corresponding periods last year.

Cashflow for the period totalled SEK 34 million (SEK -480 m). Cashflow during the third quarter was SEK -2 million (SEK -435 m). The cashflow was positively affected during the reporting period by the close out of dollar hedging contracts totalling SEK 592 million, including SEK 270 million during the third quarter. Capital immobilisation in inventories and accounts receivable at the end of the reporting period was temporarily higher than the yearly average, which had an opposite effect on the cashflow. Boliden's operations within the Business Areas Mining Operations and Smelting Operations are characterised by huge changes in operating capital from one quarter to another, in that individual incoming and outgoing deliveries of mine concentrates and outgoing deliveries of products from the smelting works command huge sums of money.

### Turnover and result per Business Area

#### Mining Operations

The turnover of Boliden's mining operations during the first nine months of 2003 totalled SEK 2,005 million (SEK 1,655 m), SEK 671 million (SEK 588 m) of which is attributable to the third quarter. The operating result posted for the first nine months of the year was SEK 210 million (SEK 60 m), corresponding to an operating margin of 10,5 per cent (3,6 per cent). The operating result for the third quarter was SEK 74 million (SEK 58 m), corresponding to an operating margin of 11,0 per cent (9,9 per cent). The operating result was positively affected by increased metal prices, increased production, lower smelting and refining charges, and productivity improvements. At the same time, however, the result was negatively affected by a US dollar exchange rate that was lower during the reporting period than in the corresponding period last year.

Mining Operations SEK million	Nine months			Third quarter		
	2003	2002	Change in %	2003	2002	Change in %
Turnover	2 005	1 655	21	671	588	14
Operating result	210	60	250	74	58	28
Depreciation	224	218	3	76	74	3
Investments	316	187	69	83	65	28
Capital employed	1 473	1 128	31	1 473	1 128	31

Boliden's mines mainly produce copper, zinc, lead, gold and silver. Total production of Boliden's main metals, copper and zinc, increased during the first nine months of 2003 in comparison with the corresponding period last year. The increase is primarily due to increased production at the Storliden mine, which is owned by NAN and run by Boliden, and by the restarting of production at the Canadian Myra Falls mine that was temporarily closed

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during the first quarter last year. The Myra Falls operations continue to report a healthy cost trend after last year's implementation of a comprehensive action programme. Production levels failed, however, to achieve anticipated levels during the third quarter of 2003, primarily due to lower-than-expected grades in the ore mined.

Ore production increased marginally at Aitik, which mainly produces copper, during the first nine months. Ore production levels were, however, lower during the third quarter in comparison with the corresponding period last year, primarily due to temporary lower grades in the ore mined. Gold production was negatively affected by lower gold grades during both the first nine months and the third quarter of 2003 in comparison with the corresponding periods last year. A new production plan is being implemented at Aitik during the latter half of 2003. A reorganisation, which will enable a reduction in the number of jobs held at the mine, will also be implemented in conjunction with this plan. The combined effect of these measures will be an increase in production efficiency and an improvement in both profits and cashflow.

In the Boliden Area, both ore production and milling continue to develop well. There were significant increases in the production of both zinc and copper during the first nine months of the year. Gold production levels fell slightly, however, largely as a result of lower gold grades in the ore treated. The production of copper has been prioritised, with the aim of improving Rönnskär's supply of copper concentrate.

Production of the main metal, zinc, at Garpenberg during the first nine months of 2003 was higher than during the corresponding period last year. Boliden's exploration work on the Lappberget discovery at Garpenberg continues to yield good results, with very high grades of zinc, silver and lead in particular. As a result of the drilling programme now completed, parts of the deposit can now be classified as an inferred mineral resource totalling 7.5 million tonnes, and work on identifying the entire Lappberget deposit continues.

<b>Metal production</b>	<b>Nine months</b>			<b>Third quarter</b>		
<b>Total and per mine</b>	<b>2003</b>	<b>2002</b>	<b>Change in %</b>	<b>2003</b>	<b>2002</b>	<b>Change in %</b>
<b>Total</b>						
Copper (tonnes)	<b>70 003</b>	55 867	25	<b>23 313</b>	21 578	8
Zinc (tonnes)	<b>133 001</b>	109 121	22	<b>43 423</b>	43 908	-1
Lead (tonnes)	<b>13 608</b>	13 842	-2	<b>4 693</b>	4 892	-4
Gold (kgs)	<b>3 676</b>	3 797	-3	<b>1 187</b>	1 303	-9
Silver (kgs)	<b>205 370</b>	191 530	7	<b>63 936</b>	63 426	1
<b>Boliden Area</b> <sup>1)</sup>						
Copper (tonnes)	<b>17 970</b>	9 178	96	<b>5 771</b>	3 347	72
Zinc (tonnes)	<b>58 193</b>	47 130	23	<b>19 696</b>	18 328	7
Lead (tonnes)	<b>2 093</b>	2 503	-16	<b>845</b>	1 155	-27
Gold (kgs)	<b>1 848</b>	2 068	-11	<b>500</b>	588	-15
Silver (kgs)	<b>49 718</b>	56 039	-11	<b>16 656</b>	20 841	-20
<b>Garpenberg</b>						
Copper (tonnes)	<b>361</b>	558	-35	<b>141</b>	185	-24
Zinc (tonnes)	<b>31 555</b>	28 733	10	<b>10 591</b>	9 108	16
Lead (tonnes)	<b>11 515</b>	11 339	2	<b>3 847</b>	3 737	3
Gold (kgs)	<b>156</b>	224	-30	<b>55</b>	72	-24
Silver (kgs)	<b>97 078</b>	89 292	9	<b>29 282</b>	25 902	13
<b>Aitik</b>						
Copper (tonnes)	<b>43 466</b>	41 869	4	<b>14 574</b>	16 012	-9
Gold (kgs)	<b>1 045</b>	1 128	-7	<b>406</b>	448	-9
Silver (kgs)	<b>42 416</b>	34 787	22	<b>12 321</b>	11 780	5

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<b>Metal production</b>	<b>Nine months</b>			<b>Third quarter</b>		
	<b>2003</b>	<b>2002</b>	<b>Change in %</b>	<b>2003</b>	<b>2002</b>	<b>Change in %</b>
<b>Total and per mine</b>						
<b>Myra Falls <sup>2)</sup></b>						
Copper (tonnes)	<b>8 206</b>	4 262	93	<b>2 827</b>	2 034	39
Zinc (tonnes)	<b>43 253</b>	33 258	30	<b>13 136</b>	16 472	-20
Gold (kgs)	<b>627</b>	377	66	<b>226</b>	195	16
Silver (kgs)	<b>16 158</b>	11 412	42	<b>5 677</b>	4 903	16

<sup>1)</sup> Comprises the entire production of the Boliden concentrator, which also processes ore delivered from the Storliden mine owned by the associated company North Atlantic Natural Resources AB.

<sup>2)</sup> The Myra Falls operations were temporarily halted from December 2001 until the end of March 2002.

### Smelting Operations

The Business Area Smelting Operations' turnover during the first nine months of 2003 was SEK 4,294 million (SEK 5,060 m), of which SEK 1,455 million (SEK 1,405 m) was attributable to the third quarter. The operating result for the first nine months of the year was SEK 189 million (SEK 229 m), corresponding to an operating margin of 4,4 per cent (4,5 per cent). The operating result for the third quarter was SEK 61 million (SEK 35 m), corresponding to an operating margin of 4,2 per cent (2,5 per cent). The operating result was positively affected by higher metal prices and an increase in lead sales at Boliden Bergsöe in comparison with the corresponding periods last year. A lower exchange rate against the US dollar, and lower smelting and refining charges, coupled with lower production, simultaneously had a negative effect on the result. The valuation of the process stocks at Rönnskär affected the result for the first nine months of 2003 to the sum of SEK -22 million (SEK -21 m), of which SEK -5 million (SEK -60 m) is attributable to the third quarter.

<b>Smelting Operations, SEK million</b>	<b>Nine months</b>			<b>Third quarter</b>		
	<b>2003</b>	<b>2002</b>	<b>Change in %</b>	<b>2003</b>	<b>2002</b>	<b>Change in %</b>
Turnover	<b>4 294</b>	5 060	-15	<b>1 455</b>	1 405	4
Operating result	<b>189</b>	229	-17	<b>61</b>	35	74
Depreciation	<b>218</b>	217	0	<b>72</b>	72	0
Investments	<b>46</b>	69	-33	<b>16</b>	38	-58
Capital employed	<b>5 406</b>	5 585	-3	<b>5 406</b>	5 585	-3

Boliden's smelters (Rönnskär, Bergsöe) mainly produce copper, zinc clinker, lead and precious metals. Production at Rönnskär improved gradually throughout the reporting period. The lower production at the beginning of the year was primarily due to a shortfall of external mine concentrates resulting from continued production restrictions on the part of the major global market producers of copper concentrate. This materials shortfall was compensated for in part by increased deliveries from Boliden's own mines. A planned 10-day production halt for repairs will be implemented at the beginning of the fourth quarter. The market for mine concentrates is expected to remain problematic for the rest of the year. The operations at Boliden's lead smelter, Bergsöe in Landskrona, developed positively during the first six months of the year.

<b>Metal production</b>	<b>Nine months</b>			<b>Third quarter</b>		
	<b>2003</b>	<b>2002</b>	<b>Change in %</b>	<b>2003</b>	<b>2002</b>	<b>Change in %</b>
Copper (tonnes)	<b>162 761</b>	168 148	-3	<b>55 376</b>	55 766	-1
Zinc clinker (tonnes)	<b>25 402</b>	25 526	0	<b>8 075</b>	6 447	25
Lead (tonnes)	<b>16 975</b>	12 937	31	<b>3 976</b>	2 630	51
Gold (kgs)	<b>9 549</b>	11 859	-19	<b>3 628</b>	3 261	11
Silver (kgs)	<b>344 226</b>	311 265	11	<b>109 030</b>	89 851	21
Lead alloy, Bergsöe (tonnes)	<b>36 154</b>	33 259	9	<b>10 030</b>	7 684	31

## Fabrication

The turnover for the Business Area Fabrication, which specialises in manufacturing copper tubing and brass rods, totalled SEK 1,760 million (SEK 1,719 m) for the first nine months of 2003, SEK 586 million (SEK 515 m) of which is attributable to the third quarter. The operating result for the first nine months of the year was SEK -76 million (SEK 5 m), SEK -43 million (SEK 4 m) of which is attributable to the third quarter. Non-recurring costs totalling SEK 14 million and attributable to part of the restructuring work being carried out within Fabrication, have been charged to the third quarter result.

Demand in both the copper tubing and brass markets remained weak during the reporting period, primarily due to the continued weak state of the European construction industry. Pricing pressure on copper tubing continued during the third quarter. Boliden's reduced volume of sales mirrors the decline in the market. Programmes designed to boost efficiency continue within Fabrication, and approximately 30 per cent of personnel within the brass operations have been laid off. To date, however, the extensive measures have been unable to compensate in full for the significantly lower volumes and prices currently pertaining in the market.

Boliden's UK brass company acquired the assets of the British brass producer, Cerro Extruded Metals Limited, at the beginning of July. The third quarter saw the formation by Boliden and Hexagon of Boliden Nordic Brass AB - a joint venture between Boliden Gusum AB and Nordic Brass AB. The measures currently being implemented are expected to lead, in the long-term, to increased competitiveness and improved profitability within Fabrication.

Fabrication SEK million	Nine months			Third quarter		
	2003	2002	Change in %	2003	2002	Change in %
Turnover	<b>1 760</b>	1 719	2	<b>586</b>	515	14
Operating result	<b>-76</b>	5		<b>-43</b>	4	
Depreciation	<b>42</b>	41	2	<b>12</b>	13	-8
Investments	<b>52</b>	36	44	<b>13</b>	14	-7
Capital employed	<b>759</b>	768	-1	<b>759</b>	768	-1

## Technology Sales

Boliden Contech, which markets and sells technical solutions, mainly for smelters, won a new order from China for SEK 40 million during the reporting period. The market for technology sales remains depressed, however, due to lower investment levels in the mining and smelting industries.

## Employees

The average number of employees in the Boliden Group at the end of September was 3,746, of whom 2,479 were based in Sweden. This corresponds to a reduction of 119 employees from the end of 2002, when the Group had 3,865 employees.

## Creating New Boliden

Boliden and Outokumpu announced the signing a Letter of Intent on September 8, 2003, whereby Boliden has declared its intention to acquire Outokumpu's zinc and copper mining and smelting operations and, simultaneously, to sell the Fabrication and Technology Sales operations to Outokumpu. The new Boliden will, as a result of the deal, be one of the world's leading smelting companies and the fourth largest zinc mining producer in the world. The deal will also create a stronger company with increased financial and operational vigour and with the potential for future growth. The deal will also see Outokumpu become a significant shareholder in the new Boliden.

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The assets that Boliden intends to acquire from Outokumpu are:

- the Tara zinc mine in Ireland;
- the zinc smelters in Kokkola, Finland and in Odda, Norway;
- Outokumpu Zinc Commercial in the Netherlands;
- the copper smelter in Harjavalta, Finland; and
- the copper refinery in Pori, Finland.

The assets to be acquired from Outokumpu have been valued at approximately SEK 6.6 billion (EUR 736 million) and Boliden will pay for the transaction by:

- a directed rights issue to Outokumpu representing 49 per cent of all shares and votes in New Boliden and valued at approximately SEK 2.7 billion (EUR 307 million);
- a bank loan of approximately SEK 3.4 billion (EUR 373 million); and
- a subordinated loan of approximately SEK 0.5 billion (EUR 56 million) to Outokumpu.

In addition, new Boliden is planning a guaranteed rights issue, in the order of SEK 1.4 billion (EUR 150 million) as an integral part of the deal. The transaction will strengthen Boliden's financial position, providing new Boliden with a gearing (net debt/shareholders' equity) of less than 100 percent.

In order to streamline its operations Boliden intends to sell the following units to Outokumpu.

- Boliden Fabrication (copper tubes and brass products) in Sweden, Belgium, the Netherlands and Britain; and
- Boliden Contech (technology sales) in Sweden.

As a consideration for the assets to be sold to Outokumpu, Boliden will receive 5 million shares in Outokumpu Oyj, corresponding to 2.8 percent of all shares and votes. This shareholding is valued at some SEK 450 million (EUR 49 million) based on the closing price of the Outokumpu share on the Helsinki Exchanges on 5<sup>th</sup> September 2003.

New Boliden's pro forma net sales for 2003 are estimated to be approximately SEK 14.4 billion (EUR 1.6 billion), of which approximately 80 per cent is coming from smelting and refining and approximately 20 per cent from mining. As a result of the transaction 2,200 Outokumpu employees will join new Boliden. The total number of employees in new Boliden will be 4,800, a net increase of 1,000.

Annual synergies, relating primarily to raw materials and commercial optimisation, are estimated at approximately SEK 225 - 275 million (EUR 25 - 30 million). Furthermore, New Boliden is also expected to create synergies in conjunction with future expansion investments, primarily in the Business Area Smelting Operations.

A final sales and purchase agreement is expected to be signed in October 2003. The transaction is expected to be completed by year-end 2003.

## **Other**

Boliden AB has on the 2nd September, 2003 received a Statement of Objections from the European Commission concerning alleged participation in a cartel with respect to copper plumbing tubes in the European Union. The alleged participation does not involve Boliden's Swedish copper-tube business. Boliden is co-operating with the Commission and is currently analyzing and examining the Statement of Objections.





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## Nominating committee

The Chairman has invited the following persons pending the next AGM to form a nominating committee under his leadership: Göran Hedsberg - representing the minor shareholders, Björn Lind - SEB funds, Bo Pettersson - Catella, and Caroline af Ugglas - Skandia.

## Outlook

Our forecast of an improvement in operating result for the latter half of 2003 in comparison with the first half of the year stands. We thereby foresee that the year will end with a strong last quarter.

Stockholm, 24<sup>th</sup> October, 2003

Jan Johansson  
President and CEO

Boliden AB (publ), company registration number: 556051-4142

This Interim Report has been prepared in accordance with the Swedish Financial Accounting Standards Council's RR 22 Interim Reporting recommendation. The accounting principles and methods of calculation comply with the recommendations and guidelines issued by the Swedish Financial Accounting Standards Council. The Interim Report has not been subject to specific examination by the company's auditors.

The next reporting date is 6<sup>th</sup> February 2004.

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**INTERIM REPORT, JANUARY - SEPTEMBER 2003**  
24<sup>th</sup> October 2003

**INCOME STATEMENTS**

<b>The Group</b>	Nine months		Third quarter		Full year
	2003	2002	2003	2002	2002
SEK million					
Net sales	6 962	7 252	2 326	2 196	9 556
Cost of goods sold	-6 200	-6 610	-2 084	-2 016	-8 569
<b>Gross result</b>	<b>762</b>	<b>642</b>	<b>242</b>	<b>180</b>	<b>987</b>
Cost of sales	-256	-223	-84	-59	-316
Administrative expenses	-237	-210	-74	-58	-280
Research and development costs	-61	-71	-17	-24	-94
Other operating income & expenses	74	109	10	47	101
Share in associated companies' profits	15	13	10	1	16
<b>Operating result</b>	<b>297</b>	<b>260</b>	<b>87</b>	<b>87</b>	<b>414</b>
Financial items, net	-217	-227	-76	-74	-303
<b>Result after financial items</b>	<b>80</b>	<b>33</b>	<b>11</b>	<b>13</b>	<b>111</b>
Taxes	171	19	70	9	20
Minority shares in earnings	-1	0	0	0	1
<b>Net result for the period</b>	<b>250</b>	<b>52</b>	<b>81</b>	<b>22</b>	<b>132</b>
EPS, SEK <sup>1</sup>	2.92	0.61	0.94	0.26	1.54
Shareholders' equity per share, SEK	38.74	29.25	38.74	29.25	30.18
<i>No. shares</i>	<i>85 811 638</i>	<i>85 811 638</i>	<i>85 811 638</i>	<i>85 811 638</i>	<i>85 811 638</i>

<b>Other key ratios</b>	30 <sup>th</sup> Sept.	30 <sup>th</sup> Sept.	31 <sup>st</sup> Dec.
	2003	2002	2002
Return on capital employed %	5.4	4.9	5.8
Return on shareholders' equity %	11.2	2.8	5.2
Equity/assets ratio %	30.1	23.9	24.2
Depreciation, SEK million	489	500	635
Investments, SEK million	414	300	505
Capital employed, SEK million	7 599	7 322	7 033
Net debt, SEK million	-4 572	-5 112	-4 730

<sup>1</sup> Full dilution results in only a negligible reduction in earnings per share. Dilution refers to options issued by Boliden Limited, which grant the right to obtain shares in Boliden AB. The options grant the right to obtain a maximum of 345,000 newly issued shares in Boliden AB.

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**BALANCE SHEETS**

<b>The Group</b>	30 <sup>th</sup> Sept.	30 <sup>th</sup> Sept.	31 <sup>st</sup> Dec.
SEK million	2003	2002	2002
Intangible fixed assets	54	8	9
Tangible fixed assets	7 426	7 503	7 548
Deferred tax	245	240	235
Interest-bearing assets	3	3	3
Other financial fixed assets	64	77	54
Inventories	1 426	1 312	1 192
Interest-bearing current receivables	61	81	98
Other receivables	983	955	787
Liquid funds	798	303	768
<b>Total assets</b>	<b>11 060</b>	<b>10 482</b>	<b>10 694</b>
Shareholders' equity	3 324	2 510	2 590
Minority interests	2	1	1
Pensions reserves	84	71	74
Other provisions	725	611	695
Interest-bearing long-term liabilities	5 190	5 111	5 195
Other long-term liabilities	101	113	101
Interest-bearing current liabilities	160	316	330
Other current liabilities	1 474	1 749	1 708
<b>Total liabilities and shareholders' equity</b>	<b>11 060</b>	<b>10 482</b>	<b>10 694</b>
<b>Specification of changes in shareholders' equity</b>	30 <sup>th</sup> Sept.	30 <sup>th</sup> Sept.	31 <sup>st</sup> Dec.
SEK million	2003	2002	2002
Opening balance	2 590	2 527	2 527
Net result for the period	250	52	132
Closed out futures contracts, after tax	498	-	-
Revaluation due to termination of associated company relationships	-	-4	-4
Translation differences	-14	-65	-65
Closing balance	3 324	2 510	2 590

**CASHFLOW ANALYSIS**

SEK million	Nine months		Full year
	2003	2002	2002
<b>Operating activities</b>			
Earnings after net financial items	80	33	111
Adjustments for items not included in cashflow etc.	415	413	518
	495	446	629
Tax paid	-	-3	-3
<b>Cashflow from operating activities before changes in working capital</b>	495	443	626
<i>Cashflow from changes in working capital</i>			
Increase(-)/Decrease(+) in inventories	-198	91	202
Increase(-)/Decrease(+) in operating receivables	-86	-84	82
Increase(+)/Decrease(-) in operating liabilities	407	-515	-413
<b>Cashflow from operating activities</b>	618	-65	497
<b>Investment activities</b>			
Acquisition of operations	-	-52	-52
Acquisition of intangible fixed assets	-1	-1	-1
Acquisition of tangible fixed assets	-414	-299	-504
Sale of tangible fixed assets	22	15	15
Sale of financial assets	-	13	22
<b>Cashflow from investment activities</b>	-393	-324	-520
<b>Financing activities</b>			
Loans raised	181	476	576
Amortisation of loans	-372	-195	-195
Amortisation of pension liabilities	-	-372	-372
<b>Cashflow from financing activities</b>	-191	-91	9
<b>Cashflow for the period</b>	34	-480	-14
<b>Liquid funds, beginning of period</b>	768	787	787
<b>Exchange rate difference on liquid funds</b>	-4	-4	-5
<b>Liquid funds, end of period</b>	798	303	768
<b>Liquid funds</b>			
<i>The following are included in liquid funds:</i>			
Cash and bank	516	171	231
Short-term investments, equated with liquid funds	282	132	537
	798	303	768

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**INFORMATION PER BUSINESS AREA**

SEK million

**Nine months, 2003**

	<u>Mining Operations</u>	<u>Smelting Operations</u>	<u>Fabrication</u>	<u>Other, inc. elim.</u>	<u>The Group</u>
Net turnover	2 005	4 294	1 760	-1 097	6 962
Operating result	210	189	-76	-26	297
Depreciation	224	218	42	5	489
Investments	316	46	52	-	414
Capital employed	1 473	5 406	759	-39	7 599

**Nine months, 2002**

	<u>Mining Operations</u>	<u>Smelting Operations</u>	<u>Fabrication</u>	<u>Other, inc. elim.</u>	<u>The Group</u>
Net turnover	1 655	5 060	1 719	-1 182	7 252
Operating result	60	229	5	-34	260
Depreciation	218	217	41	24	500
Investments	187	69	36	8	300
Capital employed	1 128	5 585	768	-159	7 322

**Q3, 2003**

	<u>Mining Operations</u>	<u>Smelting Operations</u>	<u>Fabrication</u>	<u>Other, inc. elim.</u>	<u>The Group</u>
Net turnover	671	1 455	586	-386	2 326
Operating result	74	61	-43	-5	87
Depreciation	76	72	12	2	162
Investments	83	16	13	1	113
Capital employed	1 473	5 406	759	-39	7 599

**Q3, 2002**

	<u>Mining Operations</u>	<u>Smelting Operations</u>	<u>Fabrication</u>	<u>Other, inc. elim.</u>	<u>The Group</u>
Net turnover	588	1 405	515	-312	2 196
Operating result	58	35	4	-10	87
Depreciation	74	72	13	7	166
Investments	65	38	14	5	122
Capital employed	1 128	5 585	768	-159	7 322

**As of December 2002**

	<u>Mining Operations</u>	<u>Smelting Operations</u>	<u>Fabrication</u>	<u>Other, inc. elim.</u>	<u>The Group</u>
Net turnover	2 272	6 587	2 347	-1 650	9 556
Operating result	190	248	-6	-18	414
Depreciation	287	290	55	3	635
Investments	313	128	55	9	505
Capital employed	1 289	5 280	750	-286	7 033

### Sensitivity analysis, 2003

The following table comprises an estimate of the effects of changes in metal prices, exchange rates and refining charges (TC/RC) on Boliden's result for the full year, based on planned production levels for 2003. The sensitivity does not take into account the effects of metal price hedging or currency hedging.

	Price changes +/-	Effect on result +/- (SEK million)	Price changes	Effect on result (SEK million)
Copper	USD 0.10 per lb	175	TC Copper +USD 10 per ton	+19
Zinc	USD 0.10 per lb	245	RC Copper +1 cent per lb	+13
Lead	USD 0.10 per lb	87	TC Zinc +USD 10 per ton	-30
Gold	USD 10.00 per ounce	18	TC Lead + USD 10 per ton	-4
Silver	USD 0.10 per ounce	8		
SEK/USD	SEK 0.10 per USD	36		
CAD/USD	CAD 0.10 per USD	31		

### Currency contracts in respect of exchange rate hedging of commercial operations exposure

The table shows unrealised futures and options contracts, as of 30<sup>th</sup> September, taken with a view to hedging commercial payment flows in USD (Net flow). Closed out futures contracts during the first nine months of the year and their inherent effects on the result have consequently not been taken into account.

USD million		Currency futures	Currency options		Net flow	<u>Percentage hedged</u>
			Floor	Floor/Ceiling	<i>Plan</i>	
Matures in 2003 (Q3-Q4)	amount, rate <sup>1</sup>	49 10.59	39 8.70	17 9.50	89	99%
Matures in 2004	amount rate <sup>1</sup>	34 10.64	215 8.34	147 8.69	393	63%
Matures in 2005	amount, rate <sup>1</sup>	18 10.29	79 8.12	79 9.09	409	24%
<b>Total, unrealised contracts</b>		<b>101</b>	<b>333</b>	<b>243</b>	<b>891</b>	<b>49%</b>
Market value of unrealised contracts <sup>2</sup>		SEK m	264	184		
Closing day rate, 30 <sup>th</sup> Sept. 2003			7.66			

<sup>1</sup> Contract rate, and strike for put options and call options, respectively. Rates for options have been calculated as weighted strike rates in the portfolio. The floors in the options portfolio range from USD/SEK 7.65 to 9.00 and the ceilings from 8.14 to 9.50.

<sup>2</sup> Outstanding currency and hedging contracts valued at market value.

**Boliden AB**

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