

Interim Report

Boliden AB (publ)

Investor Relations

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Reg. No. 556051-4142

Interim Report, 1st January - 31st March 2004

Key ratios

	Q1 2004 SEK m	Q1 2004 EUR m ¹⁾	Q1 2003 ²⁾ SEK m	Change in %	Full year 2003 ²⁾ SEK m
Net sales	4 498	490	2 338	92	9 545
Operating result before depreciation (EBITDA)	771	84	293	163	633
Operating result (EBIT)	434	47	126	244	-19
Operating margin	9.6	9.6	5.4		Neg.
Result after financial items	307	33	54	469	-251
Net result	266	29	130	105	13
Cash flow from operating activities	476	52	174	174	956
Cash flow for the period	-277	-30	31		611
Earnings per share, SEK/EUR ³⁾	1.27	0.14	1.22		0.12
Equity/assets ratio, %	35.4	35.4	27.0		30.7
Net debt/Shareholders' equity, %	103	103	160		147

¹⁾ Currency conversion for comparison purposes only. An average rate of 9.1853 has been used for conversions to EUR.

²⁾ 2003 includes operations sold, see page 15.

³⁾ Revised taking into consideration the effect of stock dividend of rights issue

New Boliden reports a record result for the first quarter of 2004

- **Net sales increased to SEK 4,498 million (SEK 2,338 m).**
- **The operating result rose to SEK 434 million (SEK 126 m).**
- **The result after net financial items improved to SEK 307 million (SEK 54 m).**
- **The net result increased to SEK 266 million (SEK 130 m).**
- **Earnings per share rose to SEK 1.27 (SEK 1.22).**
- **Cash flow from operating activities totalled SEK 476 million (SEK 174 m).**
- **The debt/equity ratio has improved significantly to 103 per cent (160%).**
- **Higher metal prices and increased production had a positive effect on the result, whilst exchange-rate trends and treatment charges had a negative effect.**

Other

- **5 million shares in Outokumpu were sold in January.**
- **The process of selling the Canadian mine, Myra Falls, began in February.**
- **The oversubscribed rights issue will generate approximately SEK 1.4 billion.**

COMMENTS BY JAN JOHANSSON, PRESIDENT & CEO

New Boliden has reported one of its strongest quarterly results in the company's eighty-year history. The operating result for the first quarter of 2004 increased to SEK 434 million (SEK 126 m) and the result after financial items improved to SEK 307 million (SEK 54 m).

The prices of Boliden's metals were substantially higher during the first quarter of 2004 than in the corresponding period last year. Growth in consumption of Boliden's main metals, copper and zinc, exceeded growth in production by approximately 2 per cent, helping to ensure reduced stock levels and higher prices. The imbalance in both the copper and zinc markets is expected to continue throughout 2004.

The American dollar weakened against Boliden's most important currencies during the first quarter of 2004 compared with the corresponding period in 2003. The US dollar has, however, strengthened during the first quarter in comparison with the fourth quarter of 2003.

A rights issue for Boliden's shareholders was completed during the first quarter as an integral part of the structural deal with Outokumpu. The rights issue, which was oversubscribed, will generate approximately SEK 1.4 billion for the company, and we are delighted with the backing and support that the company has received from new Boliden's shareholders. The 5 million Outokumpu shares received in payment for the operations sold by Boliden to Outokumpu were also sold during the period.

In the Business Area Mining Operations, metal production increased in the first quarter of 2004 in comparison with the corresponding period in 2003. Boliden began the sale of the Canadian mine, Myra Falls, during the first quarter and expects to complete the sale during the second quarter of 2004. Boliden's mines are now well positioned, with competitive cost levels that we intend to improve still further.

In the Business Areas Copper and Zinc, metal production increased in the first quarter of 2004 in comparison with the corresponding period in 2003. The availability of copper concentrate for both Rönnskär and Harjavalta has been stable throughout the quarter. The increased flexibility that two copper smelters provide has made a positive contribution to the performance. The ongoing modernisation of Norzink, which will further improve the smelter's efficiency, will be completed in the autumn of 2004.

The integration and coordination of the new Group is proceeding at full speed and our coordination profits are developing according to plan. Not only have all of Boliden's business areas reported higher metal production, but the prices of our metals have also risen substantially during the first quarter, contributing to the improved result. Boliden is now a much stronger company, both financially and operationally. New Boliden has got off to a good start in 2004. We anticipate that with present market conditions the result after financial items for 2004 will continue to be good.

MARKET**Economic trends**

Growth in the global economy continued to accelerate, reaching around 3-3.5 per cent during the first quarter of 2004. Low interest rates worldwide, coupled with vigorous growth in China, are two of the primary reasons for the global growth we are now seeing.

The American economy's recovery continued, with growth of approximately 4-5 per cent, while growth rates in Europe were lower, around 1 per cent. Growth in the American economy is primarily being fuelled by increased private consumption, while growth in industrial production was lower than the total growth rate for the economy as a whole.

Asia is still the region that is growing fastest, particularly China, which reported a growth rate of approximately 10 per cent for the first quarter. Japan's growth during the same period was approximately 3.5 per cent. Growth in China is strongest in the automobile and telecommunications sectors – two sectors that consume large volumes of copper and zinc.

Metal prices

The pricing trend for Boliden's base metals was positive during the first quarter of 2004. The main increases were seen in the copper and lead prices, which rose significantly due to the current supply shortage. Falling zinc stocks were also noted during the first quarter, along with a simultaneous price increase.

Metal price hedging

Gold – 75 per cent of planned gold production in Swedish mines has been hedged at USD 368/oz for 2004, with 83 per cent hedged at USD 367/oz for 2005 and 5 per cent hedged at USD 411/oz for 2006.

Silver – 73 per cent of planned silver production in Swedish mines has been hedged at USD 6.35/oz for 2004, with 17 per cent hedged at USD 7.12/oz for 2005.

Copper – 35 per cent of planned copper production in Swedish mines has been hedged at USD 2,832/tonne (USD 1.28/lb) for 2004, with 12 per cent hedged at USD 2,657/tonne (USD 1.21/lb) hedged for 2005.

Metal prices (average LME/LBMA)	Q 1		Change
	2004	2003	In %
Copper (USD/lb)	1.24	0.75	65
Zinc (USD/lb)	0.49	0.36	36
Lead (USD/lb)	0.38	0.21	81
Gold (USD/oz)	408	353	16
Silver (USD/oz)	6.68	4.67	43

Exchange rates

During the first quarter of 2004, the American dollar weakened against the Swedish krona, the Euro, the Norwegian krona and the Canadian dollar in comparison with the same period last year. The American dollar was negatively affected by several factors including the American budget and balance of payments deficits, and by the uncertainty regarding trends in the American growth rate. The US dollar has, however, strengthened against the Swedish krona, the Euro, the Norwegian krona and the Canadian dollar since the turn of the year, partly as a result of improved growth in the USA.

Exchange rates (average)	Q 1		Change
	2004	2003	in %
USD/SEK (realised by Boliden)	9.43	10.25	-8
USD/SEK	7.32	8.53	-14
EUR/USD	1.25	1.07	17
EUR/SEK	9.17	9.17	0
USD/NOK	6.90	7.05	-2
USD/CAD	1.32	1.51	-13

In 2003, Boliden closed out part of the market value of the company's currency hedging contracts in respect of hedging of future dollar revenues. A new currency option programme was implemented in 2003 in order to limit the risk associated with any further weakening in the dollar. Boliden's flows in other currencies are, in every significant respect, unhedged. Boliden's exchange rate hedging, as of 31st March 2004, is presented in the table on page 16.

Treatment charges

Treatment charges in long-term contracts have generally continued to fall for all base metal concentrates as a result of the shortage of available smelting materials.

On the copper front, the shortage of concentrate increased due to the production problems suffered by many major mining producers, resulting in a continued fall in treatment charge levels. The first long-term agreements have been reached on the zinc front in the Far East, and they too are at a lower level than in 2003. The rising zinc price has, however, resulted in the realised treatment charges being higher than during the corresponding period in 2003. New Boliden has a natural shield against changes in zinc treatment charges, due to the balance that exists between mining and smelting production. Treatment charges have not yet been established on the lead front, but the treatment charge level indicates a similar trend to that noted for the other metals.

	Q1		Change in %
	2004	2003	
Treatment and refining charges¹⁾			
Copper			
- Treatment charge (TC) USD/tonne	41-45	58	-29 to -22
Zinc			
- Treatment charge (TC) USD/tonne	140-141	147	-5 to -4
Lead			
- Treatment charge (TC) USD/tonne	Not established	110	

¹⁾ Refers to benchmark prices

Source: CRU and Brook Hunt.

SUMMARY OF CONSOLIDATED INCOME STATEMENTS	Q 1	Q 1	Q 1
	2004	2004	2003
	SEK m	EUR m ¹⁾	SEK m
Net sales	4 498	490	2 338
Operating expenses	-4 064	-443	-2 212
Operating result	434	47	126
Financial income and expenses	-127	-14	-72
Result after financial items	307	33	54
Taxes	-41	-4	76
Result for the period	266	29	130
Earnings per share, SEK ³⁾	1.27	0.14	1.22
Earnings per share after dilution, SEK ³⁾	1.27	0.14	1.21
Number of shares ²⁾	252 387 169		85 811 638
Average number of shares ³⁾	209 262 854		106 479 685
Average number of shares after dilution ³⁾	209 607 854		106 824 685

¹⁾ Currency conversion for comparison purposes only. An average rate of 9.1853 has been used for conversions to EUR.

²⁾ Number of shares end Q1 2004 includes 84,129,056 shares from the ongoing rights issue.

³⁾ Revised taking into consideration the effect of stock dividend of rights issue

SUMMARY OF CONSOLIDATED BALANCE SHEETS	Q 1	Q 1	Full year	Q 1
	2004	2004	2003	2003
	SEK m	EUR m ¹⁾	SEK m	SEK m
Intangible fixed assets	2 954	319	2 745	9
Tangible fixed assets	11 633	1 255	11 481	7 496
Deferred tax	489	53	425	234
Interest-bearing assets	4	0	3	3
Other financial fixed assets	173	19	171	56
Inventories	2 376	256	2 236	1 255
Interest-bearing current receivables	9	1	25	93
Other receivables	1 445	156	1 397	918
Ongoing rights issue	1 193	129	0	0
Liquid assets	1 107	119	1 378	798
Total assets	21 383	2 307	19 861	10 862
Shareholders' equity	7 574	817	6 100	2 937
Minority interests	0	0	0	1
Pension provisions	397	43	224	74
Deferred tax provisions	288	31	307	9
Other provisions	730	79	687	671
Interest-bearing long-term liabilities	8 640	932	8 637	5 183
Other long-term liabilities	7	1	0	102
Interest-bearing current liabilities	1 041	112	1 502	341
Other current liabilities	2 706	292	2 404	1 544
Total liabilities and shareholders' equity	21 383	2 307	19 861	10 862

¹⁾ Currency conversion for comparison purposes only. An average rate of 9.27275 has been used for conversions to EUR.

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS	Q 1	Q 1	Q 1
	2004	2004	2003
	SEK m	EUR m ¹⁾	SEK m
Cash flow from operating activities	476	52	174
Investment activities	-482	-52	-132
Financing activities	-271	-30	-11
Exchange rate difference on liquid funds	6	1	-1
Change – liquid funds	-271	-29	30

¹⁾ Currency conversion for comparison purposes only. An average rate of 9.1853 has been used for conversions to EUR.

Net sales

Boliden's net sales totalled SEK 4,498 million (SEK 2,338 m) for the first quarter of 2004. The increase in net sales is largely an effect of the structural deal with Outokumpu, whereby Boliden acquired mining and smelting operations. Net sales were also positively affected by substantially improved metal prices and by increased production in all business areas (Mining Operations, Copper and Zinc), and negatively affected by lower US dollar exchange rates and lower treatment and refining charges in comparison with the first quarter of 2003.

Profit performance

The operating result before depreciation (EBITDA) totalled SEK 771 million (SEK 293 m) for the first quarter of 2004. The operating result (EBIT) improved to SEK 434 million (SEK 126 m), and the improvement is primarily attributable to improved result in Business Area Mines as well as the factors that affected net sales (see above). The result after financial items increased to SEK 307 million (SEK 54 m) for the first quarter of 2004. Net financial items, however, deteriorated as a result of a higher net debt than in the corresponding period last year, due to the structural deal with Outokumpu.

Cash flow

Cash flow from operating activities totalled SEK 476 million (SEK 174 m), whilst cash flow from investment activities totalled SEK -482 million (SEK -132 m). The increased investments can mainly be attributed to the units acquired from Outokumpu and to an adjustment of the purchase price for the Outokumpu acquisition.

Loan liabilities totalling a net of SEK 508 million (SEK 11 m) were amortised during the period. The share of the ongoing rights issue that has been paid for also had a positive effect on the cash flow by SEK 237 million.

The operations conducted by Boliden are characterised by very large changes in operating capital from one quarter to another, in that individual incoming and outgoing deliveries of metal concentrate and outgoing deliveries of products from the smelters command very large values.

Financial position

	31 st March 2004	31 st Dec. 2003	31 st March 2003
Net debt (SEK m)	-7 764	-8 957	-4 704
Shareholders' equity (SEK m)	7 574	6 100	2 937
Net debt/Shareholder's equity, %	103	147	160
Equity/assets ratio, %	35.4	30.7	27.0

New Boliden's financial position has improved substantially as a result of improved profitability, the structural deal with Outokumpu and the rights issue currently in progress.

Integration process and synergies

The integration of new Boliden's operations continues according to plan, with a positive attitude and strong involvement on the part of the employees. As noted previously, operational synergies totalling SEK 225-270 million per annum have been identified, half of which will be realised in 2004 and the remainder in 2005.

Synergies corresponding to approximately SEK 55 million on a full-year basis have been realised during the first quarter of 2004, primarily in the fields of raw materials, commercial optimisation and logistics, and administration. Other areas from which synergies will be realised primarily comprise production optimisation, marketing, servicing of installations, purchasing and operational best practice.

THE BUSINESS AREAS

Unaudited pro forma data for 2003, which include units acquired from Outokumpu, are reported for comparison purposes.

BUSINESS AREA MINING OPERATIONS

Production

Metal production ¹⁾	Q 1	Q 1	Change in %
	2004	Pro forma 2003	
Zinc (tonnes)	95 520	87 740	9
Copper (tonnes)	20 941	21 761	-4
Lead (tonnes)	12 201	11 407	7
Gold (kg)	1 303	1 237	5
Silver (kg)	69 080	72 479	-5

¹⁾ 1 kg = 2.20462 lb, 1 kg = 32.15 ounces

The operations of the Business Area Mining Operations are conducted in three areas in Sweden – Aitik, the Boliden area and Garpenberg. The Tara mine in Ireland and the Myra Falls mine in Canada are also part of this Business Area.

Total production of Boliden's metals increased slightly during the first quarter of 2004 in comparison with the corresponding period 2003.

Garpenberg reported a production record during the first quarter. The increased production of zinc and lead is primarily a result of a larger percentage of ore from Lappberget, which contains high levels of zinc, silver and lead. Production from Lappberget will increase successively throughout the year.

Tara, Europe's biggest zinc mine, has been part of new Boliden since the turn of the year. Production at Tara during the first quarter of 2004 was higher than during the corresponding period last year. The Nevinstown ore body, which will be successively brought into production during the year, will have a positive impact on Tara's metal production.

Production at Myra Falls was on a par with last year. Boliden began the process of selling of the mine during the first quarter, and a Letter of Intent has been signed with the listed Canadian mining company, Breakwater Resources Ltd (Breakwater). Boliden estimates that it will make a small capital gain on the sale, which is scheduled for completion during the second quarter of 2004.

Net sales, result and investments

SEK m	Q 1	Q 1	Change in %
	2004	Pro forma 2003	
Net sales	1 109	861	29
Result before depreciation	372	126	195
Depreciation	127	118	8
Operating result	245	8	2 963
Investments	152	168	-10
Capital employed	3 248	2 791	16

Net sales in Boliden's mining operations totalled SEK 1,109 million (SEK 861 m) for the first quarter of 2004. The operating result improved significantly and totalled SEK 245 million (SEK 8 m), corresponding to an operating margin of 22 per cent (1%). The operating result was positively affected mainly by increased metal prices, higher production, lower treatment and refining charges, and productivity improvements. At the same time, the result was negatively affected by lower income, due to the deterioration in the US dollar exchange rate during the reporting period in comparison with the corresponding period last year.

BUSINESS AREA ZINC (SMELTERS)

Production

Metal production ¹⁾	Q 1	Q1	Change in %
	2004	Pro forma 2003	
Zinc (tonnes)	106 143	98 140	8
Aluminium fluoride (tonnes)	8 274	6 452	28

¹⁾ 1 kg = 2.20462 lb, 1 kg = 32.15 ounces

Production in the Business Area Zinc is conducted at the Kokkola smelter in Finland and at the Norzink smelter at Odda, Norway. Production mainly comprises zinc, although Norzink also manufactures aluminium fluoride.

Production at Kokkola and Norzink improved during the first quarter of 2004 in comparison with the corresponding period in 2003. A modernisation programme is currently being implemented at the plant at Odda and is scheduled for completion in the autumn of 2004. Once the modernisation is completed, Boliden anticipates that a capacity increase of approximately 10 per cent, as well as an increase in production efficiency, will be possible. The coordination of new Boliden's mined zinc concentrate has had a positive effect on the zinc smelters' production.

Net sales, result and investments

SEK m	Q 1	Q 1	Change in %
	2004	Pro forma 2003	
Net sales	923	840	10
Result before depreciation	91	127	-28
Depreciation	62	63	-2
Operating result	29	64	-55
Investments	172	54	219
Capital employed	2 914	2 629	11

The net sales of the Business Area Zinc totalled SEK 923 million (SEK 840 m) during the first quarter of 2004. The operating result totalled SEK 29 million (SEK 64 m), corresponding to an operating margin of 3 per cent (8%). The operating result was positively affected by increased production and higher metal prices in comparison with the corresponding period last year. At the same time, a lower US dollar exchange rate and lower treatment and refining charges had a negative effect on the result. The increased investments are primarily attributable to the ongoing modernisation of Norzink.

BUSINESS AREA COPPER (SMELTERS)

Production

Metal production ¹⁾	Q 1	Q 1	Change in %
	2004	Pro forma 2003	
Copper (tonnes)	89 613	82 558	9
Lead (tonnes)	8 141	6 063	34
Gold (kg)	6 033	3 955	53
Silver (kg)	110 311	128 651	-14
Lead alloys, Bergsöe (tonnes)	12 355	13 273	-7

¹⁾ 1 kg = 2.20462 lb, 1 kg = 32.15 ounces

Production in the Business Area Copper is conducted at the Rönnskär and Bergsöe smelters in Sweden and at Harjavalta/Pori in Finland. Production mainly comprises copper, lead, precious metals and zinc clinker.

Production at Rönnskär improved during the first quarter of 2004 in comparison with the corresponding period last year as a result of increased stability in the flows of external mining concentrate, among other things. Production has also been positively affected because the blister copper produced at Harjavalta is further refined at Rönnskär. This production optimisation is an important part of the synergies inherent in the structural deal between Boliden and Outokumpu.

The availability of raw materials with regard to external mining concentrates for new Boliden's copper smelters has been stable throughout the quarter.

Net sales, result and investments

SEK m	Q 1	Q 1	Change in %
	2004	Pro forma 2003	
Net sales	3 208	2 264	42
Result before depreciation	332	228	46
Depreciation	112	116	-3
Operating result	220	112	96
Investments	25	24	4
Capital employed	6 197	6 687	-7

The Copper Business Area's net sales totalled SEK 3,208 million (SEK 2,264 m) during the first quarter of 2004. The operating result totalled SEK 220 million (SEK 112 m), corresponding to an operating margin of 7 per cent (5%). The operating result was positively affected by higher metal prices, increased production and a stock profit of SEK 46 million (SEK -6 m) in the process stores at Rönnskär. At the same time, a lower US dollar exchange rate and lower treatment and refining charges had a negative effect on the result.

Employees

The average number of employees at new Boliden was 4,730 for the first quarter of 2004. The structural deal implemented by Boliden and Outokumpu on 1st January 2004 brought 2,194 people into the Group via the units acquired, at the same time 1,239 people left the Group due to the sale of the fabrication and technology sales operations. The net increase in the number of employees was of 955.

The Parent Company

The Parent Company, Boliden AB, conducts no operations and has no employees.

Other

On 22nd January, Boliden announced that it had sold its entire holding of 5 million shares in Outokumpu. The proceeds received from the sale have, after deductions for costs, primarily been used to amortise debts. The sale of the shares had a negligible positive effect on the result.

On 16th February 2004, it was announced that Boliden and the listed Canadian mining company, Breakwater Resource Ltd, had signed a Letter of Intent regarding Boliden's intention to sell its wholly owned Canadian subsidiary, Westmin (Canada) Limited (BWCL) to Breakwater. The deal, which is scheduled for completion at the beginning of the second quarter of 2004, is conditional, among other things, on the customary due diligence, and its approval by both the relevant authorities and the Boards of Directors of Boliden and Breakwater.

During the first quarter, new Boliden has implemented a rights issue involving preferential rights for the company's shareholders as an integral part of the deal with Outokumpu. The rights issue, which was oversubscribed, generated approximately SEK 1.4 billion for the company. Approximately SEK 1 billion of the issue proceeds will be used to amortise debts.

Interim Reports during 2004

The Interim Report for January-June will be published on 5th August.

The Interim Report for January-September will be published on 26th October.

Stockholm, 26th April 2004

Jan Johansson
President and CEO

This Interim Report has been drawn up in accordance with recommendation RR 20, Interim Reporting, of the Swedish Financial Accounting Standards Council. Accounting principles and calculation methods comply with the recommendations and guidelines issued by the Swedish Financial Accounting Standards Council. The Swedish Financial Accounting Standards Council's recommendation, RR 29, Remuneration to employees, has been applied as of 1st January 2004. Preliminary actuarial calculations of pension plans defined as benefits indicate that the pension liability will increase by SEK 125 million. The net increase after tax of SEK 90 million has been reported directly to shareholders' equity as a result of the change in accounting principles. The amount may change when final actuarial calculations are completed.

The Interim Report has not been subject to specific examination by the company's auditors.

Breakfast presentation and conference call

The capital market is hereby invited to a breakfast presentation and conference call with Boliden's President and CEO, Jan Johansson, and members of the Group management to discuss issues arising from this Interim Report.

The breakfast presentation will take place on Tuesday, 27th April at 8 a.m. (08.00 CET) at Operaterassen, Karl XII:s torg, Stockholm, Sweden.

Please send your request to attend the breakfast presentation to Elaine Schilling, elaine.schilling@boliden.se no later than 4 p.m. on Monday, 26th April.

The conference call (in English) will be held on Tuesday, 27th April at 4 p.m. (16.00 CET). To take part in the conference call, please phone:

-from Sweden: 08-50 52 01 14 (remember to dial the area code)

-from abroad: +44 (0) 207 162 0180

shortly before the conference call starts.

OH slides will be available on the Boliden website at www.boliden.com approximately one hour before the conference call.

A recording of the conference call will be available from 6 p.m. on 27th April until 6 p.m. on 3rd May, on tel: +44 (0) 20 8288 4459, using the code: 364252.

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THE BOLIDEN GROUP, January-March 2004

INCOME STATEMENTS

The Group	First quarter		Full year
	2004	2003	2003
SEK m			
Net sales	4 498	2 338	9 545
Cost of goods sold	-3 879	-2 074	-8 507
Gross result	619	264	1 038
Selling expenses	-80	-87	-344
Administrative expenses	-90	-75	-336
Research and development costs	-38	-19	-89
Other operating income and expenses	23	43	86
Result from participation in associated companies	-	-	20
Loss on sale of operations	-	-	-394
Operating result	434	126	-19
Financial income and expenses	-127	-72	-232
Result after financial items	307	54	-251
Taxes	-41	76	265
Minority share in earnings for the period	-	-	-1
Result for the period	266	130	13
Earnings per share, SEK ²⁾	1.27	1.22	0.12
Earnings per share after dilution, SEK ²⁾	1.27	1.21	0.12
Shareholders' equity per share, SEK	30.01	34.22	36.25
<i>Number of shares</i> ¹⁾	<i>252 387 169</i>	<i>85 811 638</i>	<i>168 258 113</i>
<i>Average number of shares</i> ²⁾	<i>209 262 854</i>	<i>106 479 685</i>	<i>106 759 970</i>
<i>Average number of shares after dilution</i> ²⁾	<i>209 607 854</i>	<i>106 824 685</i>	<i>107 104 970</i>

¹⁾ Number of shares end Q1 2004 includes 84,129,056 shares from the ongoing rights issue.

²⁾ Revised taking into consideration the effect of stock dividend of rights issue

Other key ratios	31 March	31 March	31 Dec
	2004	2003	2003
Return on capital employed, %	11.6	7.0	-
Return on shareholders' equity, %	15.6	18.7	0.4
Equity/assets ratio, %	35.4	27.0	30.7
Depreciation, SEK m	337	167	652
Investments, SEK m	349	132	611
Capital employed, SEK m	15 019	7 354	14 790
Net debt, SEK m	-7 764	-4 704	-8 957

BALANCE SHEETS

The Group	31 March	31 March	31 Dec.
SEK m	2004	2003	2003
Intangible fixed assets	2 954	9	2 745
Tangible fixed assets	11 633	7 496	11 481
Deferred tax	489	234	425
Interest-bearing assets	4	3	3
Other financial fixed assets	173	56	171
Inventories	2 376	1 255	2 236
Interest-bearing current receivables	9	93	25
Other receivables	1 445	918	1 397
Ongoing rights issue	1 193	–	–
Liquid assets	1 107	798	1 378
Total assets	21 383	10 862	19 861
Shareholders' equity	7 574	2 937	6 100
Minority interests	0	1	–
Pension provisions	397	74	224
Deferred tax provisions	288	9	307
Other provisions	730	671	687
Interest-bearing long-term liabilities	8 640	5 183	8 637
Other long-term liabilities	7	102	0
Interest-bearing current liabilities	1 041	341	1 502
Other current liabilities	2 706	1 544	2 404
Total liabilities & shareholders' equity	21 383	10 862	19 861

Specification of change in shareholders' equity	31 March	31 March	31 Dec.
SEK m	2004	2003	2003
Opening balance	6 100	2 590	2 590
Effect of change in accounting principle after tax (RR 29)	-90	–	–
Non-cash issue	–	–	3 073
Ongoing rights issue	1 390	–	–
Result for the period	266	130	13
Closed out futures contracts, after fiscal effect	-90	233	454
Accumulated translation difference in companies sold	–	–	6
Translation differences	-2	-16	-36
Closing balance	7 574	2 937	6 100

STATEMENTS OF CASH FLOWS

SEK m	Jan-March 2004	Jan-March 2003	Full year 2003
Cash flow from operating activities before changes in working capital	534	177	682
Cash flow from changes in working capital	-58	-3	274
Cash flow from operating activities	476	174	956
Investment activities ¹⁾			
- Acquisition of tangible fixed assets	-349	-132	-610
- Other	-133	-	-7 421
Cash flow from investment activities	-482	-132	-8 031
Cash flow before financial activities	-6	42	-7 075
Financial activities ¹⁾	-271	-11	7 686
Exchange rate difference on liquid assets	6	-1	-1
Change in liquid assets	-271	30	610

¹⁾ In order to provide an overall picture of the transaction with Outokumpu, the non-cash issue is reported in the Statement of Cash Flows, even though it does not affect cash flow.

INFORMATION PER BUSINESS AREA

SEK m

Q1 2004

	<u>Mining Operations</u>	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	1 109	3 208	923	-742	4 498
Operating result	245	220	29	-60	434
Depreciation	127	112	62	36	337
Investments	152	25	172	-	349
Capital employed	3 248	6 197	2 914	2 660	15 019

Q1 2003

	<u>Mining Operations</u>	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	680	1 415	-	243	2 338
Operating result	71	81	-	-26	126
Depreciation	74	76	-	17	167
Investments	99	14	-	19	132
Capital employed	1 336	5 361	-	657	7 354

As of December 2003

	<u>Mining Operations</u>	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	2 791	5 905	-	849	9 545
Operating result	369	225	-	-613	-19
Depreciation	300	294	-	58	652
Investments	477	67	-	67	611
Capital employed	3 141	6 224	2 756	2 669	14 790

Surplus values in conjunction with the acquisition from Outokumpu are reported under "Other". Operations sold are reported under "Other".

INCOME STATEMENTS

Broken down by remaining operations and operations sold

SEK m

Q1	Remaining operations		Operations sold		THE GROUP	
	2004	2003	2004	2003	2004	2003
Net sales	4 498	1 721	-	617	4 498	2 338
Operating expenses	-4 604	-1 584	-	-628	-4 064	-2 212
Result from participation in assoc. companies	-	-	-	-	-	-
Loss on sale of operations	-	-	-	-	-	-
Operating result	434	137	-	-11	434	126
Financial items	-127	-67	-	-5	-127	-72
Result before tax	307	70	-	-16	307	54
Taxes	-41	77	-	-1	-41	76
Minority share in the result	-	-	-	-	-	-
Result for the period	266	147	-	-17	266	130

Full year	Remaining operations	Operations sold	THE GROUP
	2003	2003	2003
Net sales	7 153	2 392	9 545
Operating expenses	-6 640	-2 550	-9 190
Result from participation in assoc. companies	20	-	20
Loss on sale of operations	=	-394	-394
Operating result	533	-552	-19
Financial items	-206	-26	-232
Result before tax	327	-578	-251
Taxes	269	-4	265
Minority share in the result	=	-1	-1
Result for the period	596	-583	13

Sensitivity analysis 2004

The following table comprises an estimate of the effects of changes in metal prices, exchange rates and smelting charges (TC/RC) on Boliden's result for the full year, based on planned production levels for 2004. The sensitivity does not take into account the effects of metal price hedging or currency hedging.

Change in prices +10%	Effect on op. result MSEK	Change in USD +10%	Effect on op. result MSEK	Change in smelting charges +10%	Effect on op. result MSEK
Copper	153	USD/SEK	324	TC/RC Copper	30
Zinc	303	USD/CAD	49	TC Zinc	10
Lead	35	EUR/USD	218	TC Lead	-6
Gold	75	USD/NOK	52		
Silver	41				

Currency Risks

The following table comprises a summary of currency contracts as per 31st March 2004 regarding hedging of the commercial currency exposure in USD/SEK. Boliden's other currency risks in respect of the commercial currency exposure are essentially unhedged.

MUSD		Currency Forwards	Currency Options	
			Floor	Cap
Maturity year 2004	amount, sold	26	159	114
	rate ¹	10.61	8.30	8.68
Maturity year 2005	amount, sold	18	79	79
	rate ¹	10.29	8.12	9.09
Total, unrealised contracts		44	238	193

¹⁾ Income rate on currency options and strike for puts and calls respectively. Rates for options have been calculated as weighted strike rates in the portfolio. The floors in the option portfolio are divided between USD/SEK 7.65 – 9.00 and the caps between USD/SEK 8.14 – 9.50.

The contribution level in respect of income rates according to the table above (forwards) are for 2004 and 2005, 65 per cent and 28 per cent respectively, calculated using the price assumptions in the table for sensitivity analysis.