

Interim Report

Boliden AB (publ)

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Full-year Report 2005

Key figures

	Full year 2005 SEK m	Full year 2004 SEK m	Change in %	Q 4 2005 SEK m	Q4 2004 SEK m	Change in %
Net sales	20 441	17 928	14	6 323	4 618	37
Operating result before depreciation and amortisation (EBITDA)	4 303	2 977	45	1 900	780	144
Operating result (EBIT)	3 069	1 831	68	1 585	511	210
Operating margin, %	15.0	10.2		25.1	11.1	
Result after financial items	2 812	1 365	106	1 581	352	349
Result for the period	2 046	1 220	68	1 189	292	307
Cash flow from operating Activities	2 540	1 552	64	947	295	221
Earnings per share, SEK	7.07	4.98	42	4.11	1.13	264
Equity/assets ratio, %	44.9	45.2		44.9	45.2	
Net debt / Shareholders' equity, %	54	71		54	71	

“Boliden reports a record profit for 2005”

Full year 2005

- Net sales: SEK 20 441 million (SEK 17 928 m)
- Operating result: SEK 3 069 million (SEK 1 831 m)
- Result after financial items: SEK 2 812 million (SEK 1 365 m)
- Result for the period: SEK 2 046 million (SEK 1 220 m)
- Earnings per share: SEK 7.07 (SEK 4.98)
- Cash flow from operating activities: SEK 2 540 million (SEK 1 552 m)
- Net debt/equity ratio: 54 (71) per cent
- Boliden's Board of Directors proposes to the Annual General Meeting a dividend of SEK 2 per share.
- New financial target – debt/equity ratio of approximately 40 per cent

Fourth quarter of 2005

- Net sales: SEK 6 323 million (SEK 4 618 m)
- Operating result: SEK 1 585 million (SEK 511 m)
- Result after financial items: SEK 1 581 million (SEK 352 m)
- Result for the period: SEK 1 189 million (SEK 292m)
- Earnings per share: SEK 4.11 (SEK 1.13)
- Cash flow from the operating activities: SEK 947 million (SEK 295 m)

COMMENTS BY JAN JOHANSSON, PRESIDENT AND CEO

Boliden is reporting the best result in the company's eighty-year history, primarily owing to continued strong metal prices, higher treatment and refining charges and high levels of production from both mines and smelters. Operating results for the full year increased to SEK 3 069 million (SEK 1 831 m) and to SEK 1 585 million (SEK 511 m) for the fourth quarter.

The result after financial items for the whole of 2005 amounted to SEK 2 812 million (SEK 1 365 m) and to SEK 1 581 million (SEK 352 m) for the fourth quarter.

The prices of Boliden's metals continued to rise during the reporting period compared with the corresponding period in 2004. The rate of increase in metal prices accelerated considerably during the fourth quarter, driven primarily by a continued good demand for metals. Copper stocks are at historically low levels while zinc stocks have fallen steadily.

The cash flow from the operating activities improved considerably during both the reporting period and during the fourth quarter of 2005 compared with the corresponding periods last year.

Production of copper concentrate from Boliden's mines was higher for the full year 2005 compared with the corresponding period last year. During the fourth quarter, copper production increased considerably primarily due to temporarily higher grades in Aitik. Gold production was also affected positively by higher grades during the fourth quarter. Production of zinc concentrate from Boliden's mines was lower both for the full year and during the fourth quarter of 2005 compared with the corresponding periods last year.

Production of metal from Boliden's copper and zinc smelters was stable for the full year and for the fourth quarter of 2005. Due to the fact that we are principally self-sufficient in zinc concentrate, our zinc smelters have been able to produce at full capacity and have not been affected by the shortfall of zinc concentrate on the market.

The exploration successes have continued. In December, we announced the discovery of a new mineralisation at Garpenberg, known as Kvarnberget. The mineralisation is similar in character to Lappberget with high grades of zinc, silver and lead.

We have recently decided to expand production at Harjavalta and to begin a feasibility study of doubling the copper production at Aitik. We have additional internal growth projects for our main products, copper and zinc, both in terms of mining and smelting, which will serve to strengthen our future position.

Two years after our major acquisition of Outokumpu's copper and zinc assets in mines and smelters, it is most satisfactory to be reporting the best result in Boliden's eighty-year history. The most important explanation for the rise in profit has to be the strong development on the metals market. However, production from the majority of our operations has also been higher than before, in spite of interruptions at the start of the year. The integration and the coordination in the new Group has gone better than planned at the same time as exploration results have been very encouraging.

MARKET
Economic trends

The global economy continued to grow at a robust rate during the fourth quarter with new positive signals from Japan and Europe. The IMF's (International Monetary Fund) assessment is that the rate of growth in the world economy will be stronger than the +4.3 per cent for 2005 and 2006 predicted by the organisation in its autumn report. In its November report, the OECD has also increased its prognoses for the growth rate in the OECD countries for 2005 from 2.6 per cent to 2.7 per cent and for 2006 from 2.8 per cent to 2.9 per cent. The OECD has also adjusted its growth prognoses upwards since their "leading indicators" rallied definitively during the autumn, and they now indicate a good growth for the OECD countries.

In spite of the tightening of interest rates and a high oil price, the American economy has continued to develop very strongly, primarily as a consequence of continued good domestic consumption. Estimates of GDP have been adjusted upwards and the annual growth rate stands at 4.1 per cent. The raised level of interest and the strong economy strengthened the US dollar during 2005.

In Japan, there are now signs that the long period of deflation is over and the economy will gradually improve. The OECD's growth prognoses for Japan have also been adjusted upwards to 2 per cent for 2006 and 2007.

Following a weak start in 2005, economic activity in Europe has steadily improved, albeit from a low level. The growth rate for 2005 is expected to amount to 1.4 per cent, while the OECD's forecast is an increase to 2.1 per cent and 2.2 per cent for 2006 and 2007 respectively. Growth will be stimulated primarily by good export growth, a weaker Euro and low interest rates.

China's strong economic growth continues and the country is now one of the world's largest economies. Growth in the economy is above the target of the Chinese government and is anticipated to be 9.8 per cent for 2005. In spite of strong economic growth, China has succeeded in keeping inflation under control. During 2005, China also adjusted its currency, the Yuan, upwards by 2.5 per cent. Continuing strong growth is anticipated over the next few years.

Metal prices

The fourth quarter was characterised by substantial base metal price rises. The price of copper increased by a full 39 per cent and the price of zinc by 45 per cent compared with the corresponding period last year. LME copper stocks rose from around 80 000 tonnes to around 90 000 tonnes during the fourth quarter. In spite of this increase, copper stocks remain at historically low levels. LME zinc stocks fell during the same period by 26 per cent to around 390 000 tonnes at the end of the fourth quarter, of which 100 000 tonnes are already sold. Lead stocks were essentially unchanged during the fourth quarter.

Gold and silver prices have strengthened during the reporting period compared with the corresponding period in 2004.

Boliden's metal price hedging on 31st December 2005 is shown in a table on page 19.

Metal prices (average LME / LBMA)	Full year		Change in %	Q4		Change in %
	2005	2004		2005	2004	
Copper (US\$/lb)	167	130	28	195	140	39
Zinc (US\$/lb)	63	48	31	74	51	45
Lead (US\$/lb)	44	40	10	48	43	12
Gold (USD/oz)	445	410	9	485	434	12
Silver (USD/oz)	7.31	6.66	10	8.05	7.23	11

Exchange rates

The Swedish krona was weaker against both the Euro and the US dollar during the fourth quarter of 2005 compared with the corresponding quarter in the previous year. The reduction was due partly to the increased difference in interest rates between Sweden and other countries, principally the USA.

Boliden's currency hedging on 31st December 2005 is shown in a table on page 18.

Exchange rate (average)	Full year		Change in %	Q4		Change in %
	2005	2004		2005	2004	
USD / SEK	7.48	7.32	2	7.93	6.93	14
EUR / USD	1.24	1.24	0	1.19	1.30	-8
EUR / SEK	9.28	9.08	2	9.46	9.01	5
USD / NOK	6.45	6.73	-5	6.61	6.33	4

Treatment charges/Refining charges (TC/RC)

Gobal mine production of copper concentrate did not increase quite as much as the market had expected during 2005. This caused spot treatment charges during the second half-year to be somewhat lower than the top rates earlier in the year. This favourable development on the market is expected to have a positive effect on the treatment charge negotiations for concentrate deliveries in long-term contracts for 2006. Boliden will renegotiate at least 50 per cent of its total volume for 2006. Since Boliden is a net buyer of copper concentrate, Boliden benefits from higher treatment charges.

Access to zinc concentrate has continued to be limited, which has led to a fall in treatment charges during the fourth quarter. The shortfall in zinc concentrate has furthermore led to actual and planned closures of zinc smelters in Europe and the USA. The higher price of zinc has still not contributed to any marked increase in mining production. Contract negotiations for 2006 deliveries of zinc concentrate are expected to lead to lower treatment charges than in 2005. The consequence for the 'price distribution' between mines and smelters is that the improved zinc prices have led to smelters being able to limit the effects of the lower treatment charges. Since Boliden is, in principle, balanced between zinc mines and zinc smelters, the expected lower treatment charges have a limited effect.

The high lead price has yet to contribute to any evident increase in mine production of lead concentrate. Spot treatment charges have however stabilised at a historically low level. Contract negotiations for 2006 have not yet been completed. Boliden is a net seller of lead concentrate.

The following table shows European benchmark prices for 2005 and 2004.

	2005	2004	Change in %
Treatment and refining charges			
Copper			
- Treatment charge (TC) USD/tonne	85	40	113
- Refining charge (RC) US\$/lb	8.5	4.0	113
Zinc			
- Treatment charge (TC) base 1 000 USD/tonne	126	142	-11
Lead			
- Treatment charge (TC) base 500 USD/tonne	125	125	0

Source: CRU.

SUMMARY OF CONSOLIDATED INCOME STATEMENTS	Full year	Full year	Q4	Q4
	2005	2004	2005	2004
	SEK m	SEK m	SEK m	SEK m
Net sales	20 441	17 928	6 323	4 618
Operating expenses	-17 372	-16 097	-4 738	-4 107
Operating result	3 069	1 831	1 585	511
Financial income and expenses	-257	-466	-4	-159
Result after financial items	2 812	1 365	1 581	352
Taxes	-766	-145	-392	-60
Result for the period	2 046	1 220	1 189	292
Earnings per share, SEK	7.07	4.98	4.11	1.13
Earnings per share after dilution, SEK	7.06	4.97	4.10	1.13
Number of shares	289 387 169	289 387 169	289 387 169	289 387 169
Average number of shares	289 387 169	244 944 346	289 387 169	258 298 133
Average number of shares after dilution	289 844 363	245 401 540	289 844 363	258 755 327

SUMMARY OF CONSOLIDATED BALANCE SHEETS	31 Dec.	31 Dec.
	2005	2004
	SEK m	SEK m
Intangible fixed assets	3 189	2 915
Tangible fixed assets	11 915	11 587
Deferred tax	404	475
Interest-bearing assets	21	203
Other financial fixed assets	55	47
Inventories	3 984	2 679
Interest-bearing current receivables	–	66
Other receivables	1 830	1 330
Liquid assets	1 520	874
Total assets	22 918	20 176
Shareholders' equity	10 289	9 118
Pension provisions	503	475
Deferred tax provisions	241	205
Other provisions	957	849
Interest-bearing long-term liabilities	5 118	6 623
Other long-term liabilities	–	2
Interest-bearing short-term liabilities	1 446	514
Other short-term liabilities	4 364	2 390
Total liabilities and shareholders' equity	22 918	20 176

SUMMARY OF CONSOLIDATED STATEMENTS OF CASH FLOWS	Full year	Full year
	2005	2004
	SEK m	SEK m
Cash flow from operating activities	2 540	1 552
Investment activities	-982	-1 508
Financing activities	-912	-549
Exchange rate difference in liquid assets	0	1
Change in liquid assets	646	-504

Net sales

Boliden's net sales amounted to SEK 20 441 million (SEK 17 928 m) for the full year and to SEK 6 323 million (SEK 4 618 m) for the fourth quarter of 2005. The main part of the increase in sales for the full year 2005 is attributable to improved metals prices compared with the corresponding period of 2004. For the fourth quarter of 2005, the increase in sales arose mainly from a combination of better metals prices and higher production.. This was offset by a lower exchange rate for Boliden against the US dollar compared with the corresponding periods last year.

Profit Performance

The operating result before depreciation and amortisation (EBITDA) amounted to SEK 4 303 million (SEK 2 977 m) for the full year and to SEK 1 900 million (SEK 780 m) for the fourth quarter in 2005. The operating result (EBIT) increased to SEK 3 069 million (SEK 1 831 m) for the full year and to SEK 1 585 million (SEK 511 m) for the fourth quarter in 2005, corresponding to operating margins of 15.0 (10.2) per cent and 25.1 (11.1) per cent. The improvement in operating result is principally attributable to the same factors that affected the net sales (see above), and also to stock profits in the smelters in both the Product Segments Copper and Zinc. The improvement in the result was offset by an increase in costs in connection with the planned maintenance shutdown and the unforeseen mill breakdowns during the second and third quarters, as well as by an increase in costs primarily for input goods (electricity, oil, steel and spares) compared with the corresponding periods last year.

The result after financial items increased to SEK 2 812 million (SEK 1 365 m) for the full year and to SEK 1 581 million (SEK 352 m) for the fourth quarter of 2005. As of and including the fourth quarter, changes in time valuations of currency options are reported in the operating result and not in the net financial items as earlier in the year. The change has had a positive impact on net financial items of SEK 93 million and thus a negative effect on the operating result by a corresponding amount. Net financial items were affected positively by lower interest expenses resulting from reduced debt levels, improved lending terms and lower interest rates.

Cash flow

Cash flow from the operating activities amounted to SEK 2 540 million (SEK 1 552 m) for the full year. Acquisitions of tangible fixed assets amounted to SEK -1 335 million (SEK -1 534 m). The higher investments in 2004 can principally be attributed to investments in Odde.

During the period, liabilities totalling net SEK 912 million (SEK 2 799 m) were amortised.

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

Financial position

	31 Dec. 2005	31 Dec. 2004
Net debt (SEK m)	5 526	6 468
Shareholders' equity (SEK m)	10 289	9 118
Net debt/Shareholders' equity, %	54	71
Equity/assets ratio, %	44.9	45.2

Boliden's financial position continued to improve during the fourth quarter. The net debt/equity ratio fell to 0.54. The debt/equity ratio was negatively affected during the fourth quarter due to market valuations of currency and raw material derivatives reducing shareholders' equity.

Boliden renegotiated and extended the credit period of its debt portfolio and at the same time spread its financing sources. During the fourth quarter, new bond loans of SEK 235 million with a duration of 7 years and SEK 200 million with a duration of 8 years were taken out. The average remaining duration of Boliden's debt portfolio thereby amounts to 5.24 years on 31st December 2005, and loans which fall due in 2012 or later amount to SEK 1 417million, constituting around 22 per cent of the debt portfolio. The average interest level in the debt portfolio amounts to 2.98 per cent at the end of the year. At the end of the reporting period, Boliden's preparedness to pay, in the form of liquid assets and unutilised binding credit facilities, amounted to SEK 3 976 million.

New financial targets

Boliden's Board of Directors has carried out a review of the company's financial targets. The debt/equity ratio has been set at approximately 40 per cent. The previous target for debt/equity ratio was in the interval 50-75 per cent. The target set for return on capital employed (ROCE) remains at a minimum of 10 per cent and the goal for dividends is approximately 1/3 of the net result. Both targets will apply over an economic cycle.

Integration process and synergies

Work on the integration of the operations has resulted in the company having achieved its communicated targets earlier than estimated, with savings from operational synergies amounting to at least SEK 270 million on a full-year basis. As of and including 2006, the achieved operational synergies will be effective on a full-year effect.

PRODUCT SEGMENT COPPER

Product Segment Copper comprises operations at the Aitik mine in Sweden and the copper smelters at Rönnskär in Sweden and Harjavalta in Finland, as well as the Boliden Bergsöe lead smelter in Sweden. Mine production primarily comprises copper, but also precious metals in the form of gold and silver. Production at the smelters primarily comprises copper, but also includes lead, gold, silver and lead alloys (Boliden Bergsöe).

Production

Metal production Mines	Full year	Full year	Change in %	Q4	Q4	Change in %
	2005	2004		2005	2004	
Copper, tonnes	65 619	64 498	2	21 316	15 589	37
Gold, kg	1 840	1 985	-7	669	517	29
Silver, kg	41 297	44 946	-8	10 802	8 172	32

Production of copper concentrate from Aitik was somewhat higher for the full year 2005 compared with the corresponding period last year, primarily owing to a considerably higher production during the fourth quarter of 2005. Production of gold in the form of concentrate also increased during the fourth quarter. The main reason for the higher production was higher grades in the mined ore. The fourth quarter's high grades will gradually fall, but a continued good average grade is anticipated at Aitik in 2006.

Metal production Smelters	Full year	Full year	Change in %	Q4	Q4	Change in %
	2005	2004		2005	2004	
Copper, tonnes	347 707	359 987	-3	89 429	91 363	-2
Gold, kg	20 439	19 899	3	4 715	4 661	1
Silver, kg	468 630	474 727	-1	91 492	131 102	-30
Lead, tonnes	26 922	27 962	-4	8 156	7 253	12
Lead alloy, tonnes (Bergsöe)	45 838	45 586	1	12 053	12 331	-2

Production of copper cathodes at Rönnskär and Harjavalta was somewhat lower in total for the full year and during the fourth quarter of 2005 compared with the corresponding periods last year. During the second quarter, a substantial maintenance shutdown was implemented at the copper smelters as planned, which reduced production levels. Production at the copper smelters has been stable at planned levels during the second half-year. The lower silver production during the fourth quarter is mainly attributable to lower silver content in the secondary material feed.

Boliden also smelts nickel at Harjavalta on behalf of customers. Nickel smelting has been stable following the summer's temporary production shutdown caused by a lack of nickel concentrate on the market.

Boliden Bergsöe's production of lead was at the same level for the full year as for the fourth quarter of 2005, compared with the corresponding periods in the previous year.

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Net sales, results and investments

SEK m	Full year 2005	Full year 2004	Change in %	Q4 2005	Q4 2004	Change in %
Net sales	14 334	12 901	11	4 292	3 348	28
Operating result before depreciation and amortisation	2 523	1 971	28	1 160	444	161
Depreciation and amortisation	602	578	4	156	146	7
Operating result	1 921	1 393	38	1 004	298	237
Investments	594	410	45	229	176	30
Capital employed	8 775	8 227	7	8 775	8 227	7

Net sales in Product Segment Copper amounted to SEK 14 334 million (SEK 12 901 m) for the full year and to SEK 4 292 million (SEK 3 348 m) for the fourth quarter of 2005. The operating result amounted to SEK 1 921 million (SEK 1 393 m) for the full year and to SEK 1 004 million (SEK 298 m) for the fourth quarter, corresponding to operating margins of 13.4 (10.8) per cent and 23.4 (8.9) per cent, respectively. The operating result was positively affected by higher metal prices and treatment and refining charges and also by a stock profit in the Copper process stocks of SEK 503 million (SEK 45 m), of which SEK 295 million (SEK 28 m) was during the fourth quarter of 2005. At the same time, the result was negatively affected primarily by lower revenues as a consequence of a fall in the exchange rate against the US dollar, lower production and increased costs primarily from the planned maintenance shutdowns at the copper smelters during the second quarter.

PRODUCT SEGMENT ZINC

Product Segment Zinc comprises the operations at the mines in the Boliden Area and Garpenberg in Sweden and Tara in Ireland. The zinc smelters, Boliden Kokkola in Finland and Boliden Odda in Norway, are also included. Mine production consists principally of zinc, but also of copper and lead as well as precious metals in the form of gold and silver. Production at the smelters consists principally of zinc, although aluminium fluoride is also produced at Boliden Odda.

Production

Metal production Mines	Full year	Full year*	Change in %	Q4	Q4	Change in %
	2005	2004		2005	2004	
Zinc, tonnes	341 532	348 546	-2	87 548	98 422	-11
Copper, tonnes	21 310	17 837	19	5 845	4 971	18
Lead, tonnes	49 413	54 458	-9	12 864	14 995	-14
Gold, kg	2 631	3 243	-19	680	854	-20
Silver, kg	184 817	182 618	1	43 827	42 433	3

* Excludes Myra Falls 2004 by Zn 26 404 t, Cu 4 357 t, Au 463 kg, Ag 11 005 kg

Production of zinc, lead and gold in the form of concentrate was lower, while production of copper and silver in concentrate form was higher both for the full year and the fourth quarter of 2005 compared with the corresponding periods last year.

At Tara, production of zinc and lead concentrate was lower for the full year compared with the corresponding period last year. The primary reasons were lower grades and loss of production due to a breakdown at the mine's grinding mill during the summer. Tara has had a lower production during the fourth quarter of 2005 compared with the fourth quarter of the previous year, primarily owing to lower grades in the mined ore. The grades are anticipated to improve somewhat at Tara during 2006.

In the Boliden Area, production of zinc and copper concentrate improved while production of gold in concentrate was lower for the full year 2005. During the fourth quarter, the Boliden Area, which operates five mines, had a different ore mix from earlier in the year and this contributed to lower zinc production but higher copper production.

Garpenberg continues to report healthy production levels and production of zinc concentrate was higher for the full year 2005 compared with the corresponding period last year. During the fourth quarter, temporarily lower grades prevented zinc production from attaining the previous year's production levels. During 2006, a greater percentage of the high-grade Lappberget ore will be mined compared with 2005.

Metal production Smelters	Full year	Full year	Change in %	Q4	Q4	Change in %
	2005	2004		2005	2004	
Zinc, tonnes	433 189	425 426	2	112 537	109 157	3
Aluminium fluoride, tonnes	30 484	29 740	3	8 203	8 296	-1

Production of zinc metal from Boliden's zinc smelters at Kokkola in Finland and Odda in Norway was higher for both the full year and the fourth quarter of 2005 compared with the corresponding periods last year.

Production at Boliden Kokkola remained stable during the reporting period and on a par with last year's record production. Boliden Odda has now achieved anticipated production levels following the introduction of direct leaching, and zinc production levels were consequently higher for the full year and the fourth quarter of 2005 compared with the corresponding periods in 2004.

Net sales, results and investments

SEK m	Full year	Full year	Change	Q4	Q4	Change
	2005	2004	in %	2005	2004	in %
Net sales	7 531	6 036	25	2 605	1 526	71
Operating result before depreciation and amortisation	2 065	1 381	50	942	299	215
Depreciation	657	573	15	164	129	27
Operating result	1 408	808	74	778	170	358
Investments	742	1 085	-32	248	250	-1
Capital employed	8 674	7 656	13	8 674	7 656	13

Net sales in the Product Segment Zinc amounted to SEK 7 531 million (SEK 6 036 m) for the full year and to SEK 2 605 million (SEK 1 526 m) for the fourth quarter of 2005. The operating result increased to SEK 1 408 million (SEK 808 m) for the full year and to SEK 778 million (SEK 170 m) for the fourth quarter of 2005, corresponding to an operating margin of 18.7 (13.4) per cent and 29.9 (11.1) per cent. The operating result was positively affected by an increase in production and higher metal prices, the sale of land near the Tara mine for SEK 24 million (SEK 175 m) as well as a stock profit of SEK 70 million (SEK 10 m) in the Zinc process stock, of which SEK 69 million (SEK 14 m) was during the fourth quarter. At the same time, the result was negatively affected primarily by lower income as a consequence of a fall in the exchange rate against the US dollar during both the full year and the fourth quarter of 2005.

Mining production, total

Metal production Mines, TOTAL	Full year	Full year*	Change in %	Q4	Q4	Change in %
	2005	2004		2005	2004	
Zinc, tonnes	341 532	348 546	-2	87 548	98 422	-11
Copper, tonnes	86 929	82 335	6	27 161	20 560	32
Lead, tonnes	49 413	54 458	-9	12 864	14 995	-14
Gold, kg	4 471	5 228	-14	1 349	1 371	-2
Silver, kg	226 114	227 564	-1	54 629	50 606	8

* Does not include Myra Falls 2004 with Zn 26 404 t, Cu 4 357 t, Au 463 kg, Ag 11 005 kg

Exploration

Boliden's total costs for exploration in Sweden and in Ireland in 2005 amounted to SEK 149 million (SEK 120 m).

- In the Boliden Area in Sweden, the activities in the Kristineberg mine were aimed at following up the geophysical depth anomalies to the west by diamond drilling both underground and from above ground to targets at depths of 1000 - 1100 . In the Renström mine, diamond drilling continued into the three main areas (Main ore, Simon ore and the Deep zone). The Deep zone was indicated over a longer length around 1 000 metres depth, and appears to be divided into at least two mineralised zones. Neither of these has been delimited.

- At Garpenberg in Sweden, the focus was still on Lappberget, where the 700 and 1100 metre levels were investigated with the aim of increasing the rate of work to expand the basis for the ore reserve calculations. An exploration hole down to the known depth indicated that the zone continues to a depth of 1 500 m. Investigations are also ongoing in the same area in the direction of Dammsjön between the levels of 700 and 925 metres. The results from the diamond drilling aimed towards Kvarnberget were reported and show a further interesting mineralisation in the area.
- At Aitik, the drilling continued to ensure the basis for any future production increases. Geophysical EM measurements were also carried out, as well as geochemical sampling in both the northerly and the southerly directions of the deposit.
- At the Tara mine in Ireland, work continued with investigations on extensions to existing operations in the SWEX and SWEXb areas. Drilling from the surface has been carried out from 8 different locations.

The focus is still on mine-related exploration. Around a third of the costs relate to field exploration that has principally been applied to base metal and gold exploration in the Skellefteå field, Norrbotten and Bergslagen in Sweden. Around 10 projects are being investigated with diamond drilling, geochemical sampling and deep electromagnetic geophysics. In Bergslagen, work is ongoing in a Joint Venture with the Canadian mining company, Inmet. In Ireland, investigations are being carried out in the Limerick area and in Wexford.

Employees

The average number of employees in Boliden at the end of the reporting period was 4 530 , of whom 2 262 work in Sweden, 1 166 in Finland, 391 in Norway, 683 in Ireland and 28 in other countries. This represents an increase of 51 compared with the figure for the full year 2004, when the average number of employees amounted to 4 479.

Health, environmental, safety and quality matters

In December 2005, a new organisation was created for Health, Environment, Safety and Quality (HMSQ) work, with the aim of clarifying operative responsibility. The work in HMSQ continues within the framework of Boliden's overall strategy and with established targets that can be followed up.

Sick leave figures remained at around 5.5 per cent during 2005, which is a stable, low level. After having noted a declining trend since 2002, the accident frequency increased somewhat during 2005.

During the fourth quarter, Boliden was given permission by the Environment Court to increase its production at the Aitik mine to 28 million tonnes. The decision was, however, appealed by the National Swedish Environment Protection Board and is now in the hands of the Environment High Court.

The approved capacity expansion in Harjavalta is covered by existing environment permits.

Environment negotiations concerning the construction of a new tailings pond in the Boliden Area were completed in December, and a decision is expected from the Environment Court at the end of February 2006.

The parent company

The parent company Boliden AB conducts no operations and has no employees.

Other matters

Taxes

As described in Boliden's Annual Report for 2004, the Boliden Treasury subsidiary company was the subject of a tax audit in 2002, with reference to the financial years 1998 to 2002. On 5th October 2005, the company received a ruling from the County Administrative Court disallowing tax losses carried forward of SEK 2 043 million, and imposing a tax surcharge of SEK 29 million. The ruling has been appealed to the Administrative Court of Appeal, and a payment respite with regard to the tax surcharge has been received.

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No provisions have been made as a result of the ruling. As previously, no valuation of the disallowed tax losses has been made and they are therefore not included in the underlying data for valuation of deferred tax receivables.

The reported tax expense for the full year was 27.3 per cent of the pre-tax profit. This is in line with the tax in accordance with the applicable tax rate (27.4 per cent), which is an average for the Group. For the whole of 2005, Boliden's booked tax amounted to SEK 766 million (SEK 145 m), which is significantly higher than the tax actually paid. Boliden has substantial unutilised tax losses carried forward, the actual tax paid will therefore continue to be low in 2006.

Important events in 2005

In January 2005, the Bergsöe sale process was halted as the parties failed to agree on terms and conditions. The lead smelter has now been integrated into Boliden's Business Area Copper Smelting.

In February, Boliden sold all of its shares in the Lundin Mining Corporation. The sale proceeds totalled SEK 147 million and generated a capital gain for Boliden of SEK 20 million.

In April, Boliden drew up a commercial paper programme that enables the company to issue commercial paper up to a maximum of SEK 1.5 billion with a maximum term of 12 months.

In June, the Tara mine suffered a breakdown at its grinding mill that led to a 40 per cent reduction in the production of zinc and lead concentrate over a six-week period. In July, Tara was operating at full production capacity according to plan. The impact on the result was just over SEK -40 million.

In July, in conjunction with its Q2 production report, Boliden announced that, in addition to the planned maintenance shutdowns at the copper smelters, it had suffered a number of unplanned stoppages within both its Product Segments, Copper and Zinc. The production stoppages resulted in lower revenues and higher costs during the second quarter.

In July, Boliden reported that the company would be implementing an organisational change with a view to effecting additional improvements in the way operations are managed and monitored and increasing the focus on its main products, copper and zinc. Business Area Smelting Operations will be divided into two new Business Areas: Copper Smelting Operations and Zinc Smelting Operations. Business Area Marketing and Sales will be divided into the main products and linked to the respective smelting operation.

In September, Boliden augmented its copper price hedging for planned copper production from the previous level, which covered 40 per cent for a period of one year, to its current level covering 70 per cent up to and including February 2007.

In September, Boliden decided to invest SEK 48 million in a nickel sulphate evaporator for the Rönnskär copper smelter at Skelleftehamn. The plant will double the smelter's nickel sulphate production capacity and increase flexibility with regard to the processing of raw materials containing nickel.

In September, Outokumpu sold its remaining share holding in Boliden, comprising 46 669 712 Boliden shares, corresponding to approximately 16.1 per cent of the votes and capital in the company. After the sale, Outokumpu owned no shares in Boliden.

In October, Boliden signed a new long-term partnership agreement with Skellefteå Kraft, securing Boliden's electricity supply up to the year 2015. The agreement covers all of Boliden's Swedish operations, collectively accounting for approximately 40 per cent of the company's total energy consumption.

In October, a new Board of Directors of Boliden was elected at an Extraordinary General Meeting. This took place at the request of major shareholders in the company after Outokumpu had sold its remaining holdings in Boliden. The new Board comprises new members Ulla Litzén, Matti Sundberg Anders Sundström and Anders Ullberg, as well as several previous members, namely Carl Bennet, Marie Berglund, Jan Johansson and Leif Rönnbäck. Anders Ullberg was appointed to the position of Chairman of the Board with Carl Bennet as Deputy Chairman.

In October, Boliden sold all of its shareholding, consisting of 18 million shares, in the Canadian mine company Breakwater Resources Ltd. The sale proceeds amounted to CAD 0.38 per share, corresponding to sales payment of around CAD 6.8 million (around SEK 46 m).

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In December, Boliden discovered an extensive mineralisation at Garpenberg. The deposit, named Kvarnberget, shows high grades of zinc, silver and lead.

In December, Boliden decided to invest around SEK 400 million in efficiency enhancement and expansion at the Harjavalta copper smelter in Finland. It was also decided to initiate a feasibility study regarding an expansion of the Aitik copper mine in Sweden, increasing ore tonnage milled from 18 million tonnes to 33 million tonnes a year.

In December, Boliden announced that it was starting to wind up its staff stock option programme – Stock Option Plan of Boliden Limited.

Preparation principles for interim reports

As of 1st January 2005, Boliden will prepare its consolidated accounts in accordance with the new, EU-approved, international accounting principles, IFRS, or International Financial Reporting Standards. IFRS requires the recalculation of comparative years and the comparative figures for 2004 have consequently been recalculated in accordance with IFRS in this report. The accounting principles applied are those described on pages 64-66 of the 2004 Annual Report and those presented on page 23 of this Report. The full-year report has been prepared in accordance with IAS 34 Interim Reporting. Please see page 20, the press release published on 21st April 2005, and Boliden's website at www.boliden.com for details of the ways in which the transition has affected Boliden's financial information.

Annual General Meeting

Boliden's Annual General Meeting will be held at the Expolaris Kongresscenter in Skellefteå, Sweden, on 4th May 2006.

Dividends

Boliden's Board of Directors will propose at the Annual General Meeting that a dividend of SEK 2 per share be payable. Boliden's dividends policy means that approximately 1/3 of the profit after tax will be distributed over a business cycle. In its annual dividends proposal, the Board will consider the company's development and investment needs.

Annual Report

The Annual Report for 2005 will be presented in April 2006 and will be available at Boliden's head office in Stockholm.

Interim reports

The Interim Report for January - March 2006 will be published on 4th May 2006.

The Interim Report for January - June 2006 will be published on 9th August 2006

The Interim Report for January - September 2006 will be published on 31st October 2006

Stockholm, 6th February 2006

Jan Johansson
President and CEO

This Full-Year Report for 2005 has not been subject to special examination by the company's auditors.

Conference call on 6th February and lunch presentation on 7th February

The capital market is hereby invited, with reference to this Interim Report, to a conference call on Monday 6th February and to a lunch presentation on Tuesday 7th February with Boliden's CEO Jan Johansson and members of the Group Management.

Conference call, Monday 6th February

The conference call begins at 4 p.m. (16.00 CET)

To participate in the conference call, please dial telephone number:

- from Sweden 08-50 52 01 10 (include the area code)

- from abroad +44 (0)207 162 00 25

a couple of minutes before the conference call starts.

Lunch presentation, Tuesday 7th February

The lunch presentation begins at 12 noon (12.00 CET) at Operaterrassen, Karl XII:s torg, Stockholm.

Please send confirmation of your intention to attend the lunch presentation to Helén Sand,

helen.sand@boliden.com

A presentation will be available on Boliden's website, www.boliden.com approximately one hour before the start of the conference call. A recording of the conference call will be available from 6 p.m. on 6th February to 6 p.m. on 13th February to callers dialing: 08-50 52 03 33, +44 (0)20 70 31 40 64 and using the code 691668.

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INCOME STATEMENTS

	Full year	Full year	Q4	Q4
	2005	2004	2005	2004
Net sales	20 441	17 928	6 323	4 618
Cost of goods sold	-16 486	-15 398	-4 456	-3 994
Gross result	3 955	2 530	1 867	624
Selling expenses	-386	-333	-130	-88
Administrative expenses	-411	-396	-129	-84
Research and development costs	-199	-169	-56	-48
Other operating income and expenses	101	328	22	32
Results from participations in associated companies	9	85	11	75
Loss on the sale of operations	–	-214	–	–
Operating result	3 069	1 831	1 585	511
Financial income and expenses	-257	-466	-4	-159
Result after financial items	2 812	1 365	1 581	352
Taxes	-766	-145	-392	-60
Result for the period	2 046	1 220	1 189	292
Earnings per share, SEK	7.07	4.98	4.11	1.13
Earnings per share after dilution, SEK	7.06	4.97	4.10	1.13
Shareholders' equity per share, SEK	35.55	31.51	35.55	31.51
Number of shares	289 387 169	289 387 169	289 387 169	289 387 169
Average number of shares	289 387 169	244 944 346	289 387 169	258 298 133
Average number of shares after dilution	289 844 363	245 401 540	289 844 363	258 755 327
Other key ratios			Full year	Full year
			2005	2004
Return on capital employed, %			19.6	11.9
Return on shareholders' equity, %			21.7	16.1
Equity/assets ratio, %			44.9	45.2
Net debt/shareholders' equity, %			54	71
Depreciation and amortisation, SEK m			1 234	1 146
Investments, SEK m			1 337	1 536
Capital employed, SEK m			15 822	15 393 ¹⁾
Net debt, SEK m			5 526	6 468 ¹⁾

¹⁾The amounts have been marginally amended in relation to those previously reported due to a redefinition.

BALANCE SHEETS

	31 Dec.	31 Dec.
	2005	2004
Intangible fixed assets	3 189	2 915
Tangible fixed assets	11 915	11 587
Deferred tax	404	475
Interest-bearing assets	21	203
Other financial fixed assets	55	47
Inventories	3 984	2 679
Interest-bearing current receivables	–	66
Other receivables	1 830	1 330
Liquid assets	1 520	874
Total assets	22 918	20 176
Shareholders' equity	10 289	9 118
Pension provisions	503	475
Deferred tax provisions	241	205
Other provisions	957	849
Interest-bearing long-term liabilities	5 118	6 623
Other long-term liabilities	–	2
Interest-bearing current liabilities	1 446	514
Other current liabilities	4 364	2 390
Total liabilities and shareholders' equity	22 918	20 176
Specification of change in shareholders' equity	31 Dec.	31 Dec.
SEK m	2005	2004
Opening balance	9 118	5 985
Effect of change in accounting principle, net after tax		
IAS 39, Financial instruments	6	–
New issue	–	2 283
Result for the period	2 046	1 220
Closed out futures contracts, after fiscal effect	-113	-341
Market valuation of financial instruments, after fiscal effect	-777	–
Translation differences	9	-29
Closing balance	10 289	9 118

STATEMENTS OF CASH FLOW

SEK m	Full year 2005	Full year 2004
Cash flow from operating activities before		
changes in operating capital	3 574	2 341
Cash flow from changes in working capital	-1 034	-789
Cash flow from operating activities	2 540	1 552
Investment activities		
- Acquisition of tangible fixed assets	-1 335	-1 534
- Other	353	26
Cash flow from investment activities	-982	-1 508
Cash flow before financing activities	1 558	44
Financing activities	-912	-549
Exchange rate difference on liquid assets	0	1
Change in liquid assets	646	-504

INFORMATION PER SEGMENT

 SEK m

Full year 2005

	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	14 334	7 531	-1 424	20 441
Operating result	1 921	1 408	-260	3 069
Depreciation and amortisation	602	657	-25	1 234
Investments	594	742	1	1 337
Capital employed	8 775	8 674	-1 626	15 822

Full year 2004

	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	12 901	6 036 ¹⁾	-1 009	17 928
Operating result	1 393	808	-370	1 831
Depreciation and amortisation	578	573	-5	1 146
Investments	410	1 085	41	1 536
Capital employed	8 227	7 656	-490	15 393

Q4, 2005

	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	4 292	2 605	-574	6 323
Operating result	1 004	778	-197	1 585
Depreciation and amortisation	156	164	-5	315
Investments	229	248	–	477
Capital employed	8 775	8 674	-1 626	15 822

Q4, 2004

	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	3 348	1 526 ¹⁾	-256	4 618
Operating result	298	170	43	511
Depreciation and amortisation	146	129	-6	269
Investments	176	250	–	426
Capital employed	8 227	7 656	-490	15 393

¹⁾ To enable comparisons between 2004 and 2005, net sales in the Product Segment Zinc have been corrected for 2004. The correction is due to organisational changes within the Group in 2005.

Sensitivity analysis 2006

The following table shows an estimate of the full-year effects of changes in metal prices, exchange rates and treatment and refining charges (TC/RC) on Boliden's results for 2006 as a whole, based on average metal prices, exchange rates and treatment and refining charges for the fourth quarter of 2005, and on planned production volumes for 2006. The sensitivity analysis does not take into account the effects of metal price hedging, exchange rate hedging or contracted treatment and refining charges. To some extent, there is a delay in the impact of price and currency fluctuations on Boliden's results.

Change in metal prices +10%	Effect on the result SEK m	Change in USD +10%	Effect on the result SEK m	Change in TC/RC +10%	Effect on the result SEK m
Copper	306	USD/SEK	686	TC/RC Copper	118
Zinc	508	EUR/USD	343	TC Zinc	40
Lead	56	USD/NOK	73	TC Lead	-9
Gold	63				
Silver	53				
Nickel	8				

Exchange rate hedging

Currency contracts on 31st December 2005 in respect of exchange rate hedging of commercial currency exposure in USD / SEK are reported in summary form in the table below. Boliden's other currency risks in respect of commercial exposure are, in all significant respects, unhedged.

USD m		Currency forwards	Currency options Floor
Maturity year 2006	amount, sold	15	305
	rate ¹	7.75	7.15
Maturity year 2007	amount, sold	14	114
	rate ¹	7.63	7.28
Total, unrealised contracts		29	419

¹⁾ Rates refer to weighted strike for currency options

The floor spread in the options portfolio is from USD / SEK 6.70 – 7.50

The contribution levels for exposure to USD / SEK are 37 and 15 per cent respectively for 2006 and 2007, calculated on the basis of the price assumptions in the sensitivity analysis table.

Metal price hedging

The following table provides a summary of metal price hedging for copper, lead, gold and silver on 31st December 2005. Boliden's exposure to future metal price fluctuations is otherwise, in every significant respect, unhedged.

		Copper	Lead	Gold	Silver
Maturity year 2006	Hedged percentage of planned production, price ¹	74% 2 887	49% 916	76% 452	68% 7.38
Maturity year 2007	Hedged percentage of planned production, price ¹	32% 3 066	- -	38% 515	27% 7.76

¹⁾ Contract price, USD/tonne for copper and lead, and USD/oz for gold and silver

Adoption of International Financial Reporting Standards (IFRS) 2005

As of 1st January 2005, the Boliden Group will be applying International Financial Reporting Standards (IFRS).

The transition to IFRS means that the comparative figures for 2004 are recalculated. An exception has been made for the IAS 32/IAS 39 recommendations concerning financial instruments, which will be applied as of 2005. The 2005 opening balance includes the effects of these recommendations.

The recommendations of the Swedish Financial Accounting Standards Council that are applied by the Group are primarily based on earlier versions of IAS that have later been updated in certain respects under IFRS. This means that most of Boliden's accounts have already been adapted to IFRS. The effects that arise are thus mainly limited to the updates made to existing IAS standards and the issuing of new standards (IFRS 1-6) and statements.

The EU directives under which the transition is reported require IFRS to be presented in complete financial reports, which means that the rules in force at the end of 2005 are the rules that should be applied to the transition to IFRS.

Recalculated Income Statements and Balance Sheets for the third quarter of 2004 and the interim reporting period are presented below. The opening balance for 2004 has not been affected by the transition to IFRS. No significant differences exist between the Statement of Cash Flow in accordance with IFRS and the Statement of Cash Flow in accordance with previously applied accounting principles.

Background

The recommendations of the Swedish Financial Accounting Standards Council that are applied by the Group are based on the recommendations issued by IASC and the statements made by SIC (Standing Interpretation Committee). IASB has thereafter updated several of the recommendations and introduced certain SIC statements into the standards that form the basis for the introduction of IFRS. In addition, IASB has issued another 5 standards that will be applied by Boliden when the transition to IFRS takes place.

The work involved in charting the effects of the transition to IFRS has focused primarily on identifying the effect on Boliden of changes in prevailing norms and standards, as compared with the standards on which the Swedish Financial Accounting Standards Council based its recommendations. Boliden has also charted the effects of the application of the new standards that have been issued (IFRS 1-5). The standards that are relevant to Boliden correspond relatively well with the previously applied recommendations of the Swedish Financial Accounting Standards Council, and the effects are therefore primarily limited to the new standards.

Voluntary exceptions

In conjunction with the transition to IFRS, Boliden will be applying IFRS 1 (First-time adoption of International Financial Reporting Standards). As a rule, IFRS 1 requires the standards in force at the point of transition to IFRS to be applied retroactively when determining the opening balance on 1st January 2004 in accordance with IFRS. IFRS 1 does however permit certain exceptions from this retroactive application and Boliden has thus chosen to apply the following principles:

- Only corporate acquisitions and mergers implemented as of the transition point on 1st January 2004 are recalculated in accordance with IFRS 3. The requirements imposed by IFRS 1 with regard to the recalculation in certain respects of acquisitions prior to this point in time are not considered to have any impact on Boliden's shareholders' equity at the time of the transition.
- Boliden has chosen to apply IAS 19 as of the transition date of 1st January 2004, which means, among other things, that actuarial profits and losses arising prior to this date are booked to opening shareholders' equity.
- Under IFRS, fixed assets may not be written up, unless the option of re-valuing the fixed assets on an ongoing basis is applied ("the revaluation method"). IFRS 1 does however permit write-ups performed prior to the transition point to continue to be regarded as the acquisition value at the time that the write-up was performed. Bearing in mind the write-up of the Rönnskär plant, among others, that was performed in 2001 and totalled SEK 2,066 million once the deferred tax effect had been taken into account, Boliden has chosen to make use of this exemption. The exemption rule also requires the value of the write-up to be comparable with the market value of the relevant asset.
- Accumulated translation differences when translating foreign subsidiaries are closed out at the time of transition.
- Share-related remuneration is reported in accordance with IFRS 2 for all share-related remuneration awarded after 7th November 2002 and not earned on 1st January 2005. Boliden has chosen not to apply IFRS 2 retroactively prior to this date.

The following recommendations have affected Boliden's reporting:**1. Intangible assets**

Under IAS 38, intangible assets should be classified as assets with a definable period of use or as assets with an indefinable period of use. Under Boliden's current principles, goodwill has been amortised over a maximum of 20 years. Under IFRS 3, goodwill should be classified as an asset with an indefinable lifetime and may no longer be amortised. Instead, write-down tests shall be performed as soon as there are indications of a need for a write-down, as well as at least once a year. The transitional rules in IFRS 1 also require a write-down test to be performed at the time of the transition on 1st January 2004. Boliden has performed write-down tests that show that there is no need for a write-down, either at the time of the transition on 1st January 2004 or at the end of the financial year ending on 31st December 2004.

In view of the adoption of IFRS as of 1st January 2004, all amortisation according to plan performed in 2004 has been reversed, boosting both the result and shareholders' equity at the end of the year by SEK 165 million.

2. Financial instruments

Under the version of IAS 39 approved by the EU, financial instruments shall initially be valued at their actual value, and shall be valued on an ongoing basis at either their actual value or their accrued acquisition value, depending on how they are categorised. Under IAS 39, all financial derivative instruments shall be reported on an ongoing basis at their market value.

Changes in the market value of hedging instruments, which under IAS 39 qualify as hedging of future cash flows or net investment in overseas operations, are booked to shareholders' equity until such time as the underlying flows are reflected in the income statement.

Boliden applies hedging accounting for financial derivatives acquired in order to hedge part of forecast currency, metal and interest flows. At the start of 2005, the market value of these derivatives was SEK -3 million after deferred tax, and the total has been booked to shareholders' equity.

Changes in the market value of other financial derivative instruments are reported on an ongoing basis in the income statement.

At the start of 2005, the difference between the market value and the book value of other shareholdings was SEK 8 million after deferred tax. The effect has been booked directly to shareholders' equity.

The values of embedded derivatives in contracts currently in force are not classified as tangible.

The comparative figures for 2004 will not be recalculated in accordance with IAS 39. Instead, the transition effects will be reported as an adjustment of the opening balance in 2005.

THE GROUP – FULL YEAR, 2004
INCOME STATEMENTS

SEK m	Full year, 2004			Q4 2004		
	Acc. to Sw GAAP for IFRS	Corr.	Acc. to IFRS	Acc. to Sw GAAP for IFRS	Corr.	Acc. to IFRS
Net sales	17 928	–	17 928	4 618	–	4 618
Cost of goods sold	-15 563	165	-15 398	-4 033	39	-3 994
Gross result	2 365	165	2 530	585	39	624
Selling expenses	-333	–	-333	-88	–	-88
Administrative expenses	-396	–	-396	-84	–	-84
Research and development expenses	-169	–	-169	-48	–	-48
Other operating income and expenses	328	–	328	32	–	32
Results from participations in associated companies	85	–	85	75	–	75
Loss on the sale of operations	-214	–	-214	–	–	–
Operating result	1 666	165	1 831	472	39	511
Financial income and expenses	-466	–	-466	-159	–	-159
Result after financial items	1 200	165	1 365	313	39	352
Taxes	-145	–	-145	-60	–	-60
Result for the period	1 055	165	1 220	253	39	292
Earnings per share, SEK	4.31		4.98	0.98		1.13
Earnings per share after dilution, SEK	4.30		4.97	0.98		1.13
Shareholders' equity per share, SEK	30.96		31.51	30.96		31.51
Number shares	289 387 169		289 387 169	289 387 169		289 387 169
Average number of shares	244 944 346		244 944 346	258 298 133		258 298 133
Average number of shares after dilution	245 401 540		245 401 540	258 755 327		258 755 327
Other key figures				Acc. to Sw GAAP for IFRS	Corr.	Acc. to IFRS
Return on capital employed, %				11.1		11.9
Income from shareholders' equity, %				13.8		16.1
Equity/assets ratio, %				44.8		45.2
Net debt/Shareholders' equity, %				74		71
Depreciation, SEK m				1 311		1 146
Investments, SEK m				1 536		1 536
Capital employed, SEK m				15 197		15 393
Net debt, SEK m				6 656		6 468

BALANCE SHEETS

SEK m	31 Dec. 2004		31 Dec. 2004
	Acc. to Sw GAAP	Corr. for IFRS	Acc. to IFRS
Intangible fixed assets	2 756	159	2 915
Tangible fixed assets	11 587	–	11 587
Deferred tax	475	–	475
Interest-bearing assets	203	–	203
Other financial fixed assets	47	–	47
Stocks	2 679	–	2 679
Interest-bearing current receivables	66	–	66
Other receivables	1 330	–	1 330
Liquid assets	874	–	874
Total assets	20 017	159	20 176
Shareholders' equity	8 959	159	9 118
Pension provisions	475	–	475
Deferred tax provisions	205	–	205
Other provisions	849	–	849
Interest-bearing long-term liabilities	6 623	–	6 623
Other long-term liabilities	2	–	2
Interest-bearing short-term liabilities	514	–	514
Other short-term liabilities	2 390	–	2 390
Total liabilities and shareholders' equity	20 017	159	20 176

Specification of change in shareholders' equity

Balance brought forward	6 100	-115	5 985
Effect on changing accounting principle, net after tax			
RR 29, Allowances to employees	-115	115	–
New issue	2 283	–	2 283
Result for the period	1 055	165	1 220
Closed out futures contracts, after tax effects	-341	–	-341
Translation differences	-23	-6	-29
Balance carried forward	8 959	159	9 118