

Interim Report

Boliden AB (publ)

Investor Relations

Box 44, SE-101 20 Stockholm, Sweden

Tel +46 8 610 15 00, Fax +46 8 31 55 45

www.boliden.com

Corp. ID no. 556051-4142

Interim Report, January-June 2006

Strong global metal market - Boliden posts new record result

Q2 2006

- Net sales rose by SEK 4,163 million to SEK 8,850 million (SEK 4,687 m).
- The operating profit improved by SEK 2,100 million to SEK 2,451 million (SEK 351 m).
- The profit for the period increased by SEK 1,572 million to SEK 1,738 million (SEK 166 m).
- Earnings per share strengthened by SEK 5.44 to SEK 6.01 (SEK 0.57).

The first six months of 2006

- Net sales rose by SEK 7,042 million to SEK 16,186 million (SEK 9,144 m).
- The operating profit improved by SEK 3,453 million to SEK 4,202 million (SEK 749 m).
- The profit for the period increased by SEK 2,555 million to SEK 2,977 million (SEK 422 m).
- Earnings per share strengthened by SEK 8.83 to SEK 10.29 (SEK 1.46).

Key ratios

	Q2 2006 SEK m	Q2 2005 SEK m	Change in %	First 6 months 2006 SEK m	First 6 months 2005 SEK m	Change in %
Net sales	8 850	4 687	89	16 186	9 144	77
Operating profit before depreciation (EBITDA)	2 779	655	324	4 858	1 356	258
Operating profit (EBIT)	2 451	351	598	4 202	749	461
Profit before tax	2 364	269	779	4 061	621	554
Profit for the period	1 738	166	947	2 977	422	605
Cash flow from operating activities	2 383	712	235	3 382	961	252
Earnings per share, SEK	6.01	0.57	954	10.29	1.46	605
Return on capital employed, %	62	9		53	10	
Net debt/shareholders' equity, %	30	69		30	69	

MARKET

Economic trends

The global economy was strong during the first six months of 2006, with industrial production growing at a rate of around 4.6 per cent. Europe and Japan once again reported good growth rates, albeit from a low starting point. The USA also continued to report good growth in industrial production during the second quarter, despite several interest rate hikes by the central bank.

The Asian economies continued to report high growth rates, mainly fuelled by China where industrial production grew by 18 per cent during the second quarter thanks largely to a high rate of investment and growth in consumption, coupled with strong exports.

This strong global growth is expected to continue, helping ensure a continued healthy demand for metals.

The copper and zinc market

New smelters and increased capacity utilisation at existing smelters helped bring about an increase of 5.1 per cent in copper metal production during the first six months of the year. There was no increase in the production of copper concentrate despite the increase in price. Global copper consumption during the same period increased by 5.7 per cent. Demand continues to be strongest in Asia and in China in particular, and a balanced copper market is not expected until early 2007.

Copper stocks at the LME are at historically low levels. A further reduction in stocks from approximately 120,000 tonnes to approximately 95,000 tonnes, corresponding to 1.5 days' global consumption, was noted during Q2.

Zinc metal production rose during the first six months of the year by 2.8 per cent, with new smelters, principally in China and India, contributing to this increase. Global zinc consumption increased during the same period by 8 per cent, and demand continues to be strongest in China. The high price of zinc has resulted in increased mined production, and production has even been restarted at some previously closed mines, but there is still a shortage of zinc concentrate. Global mining production increased by approximately 5 per cent during the first six months of the year, with the major part of this coming from mines in China. The supply-demand shortfall is expected to continue in the zinc metal market in 2006.

Zinc stocks at the LME continued their steady downward trend, falling in Q2 2006 by 26 per cent to approximately 215,000 tonnes, corresponding to 7 days' global consumption. Stocks have also continued to decline during the early part of Q3, and stock levels had fallen to around 190,000 tonnes by the reporting date.

Metal prices

The second quarter was characterised by major price rises for the base metals, and simultaneously, by substantial price fluctuations. Copper and zinc prices rose by a massive 114 per cent and 159 per cent, respectively, in comparison with the corresponding period last year.

Gold and silver prices also fluctuated heavily during the quarter. Silver accounted for the biggest price increase, rising by 71 per cent in comparison with 2005 during the second quarter.

A large part of the fall in the prices of both base and precious metals that occurred during the latter part of Q2 was recovered at the beginning of Q3.

Metal prices (average LME/LBMA)	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
Copper (USD/tonne)	7 251	3 394	114	6 070	3 333	82
Zinc (USD/tonne)	3 301	1 274	159	2 762	1 295	113
Lead (USD/tonne)	1 095	987	11	1 169	983	19
Gold (USD/troy oz)	629	428	47	591	427	39
Silver (USD/troy oz)	12.25	7.15	71	10.95	7.06	55

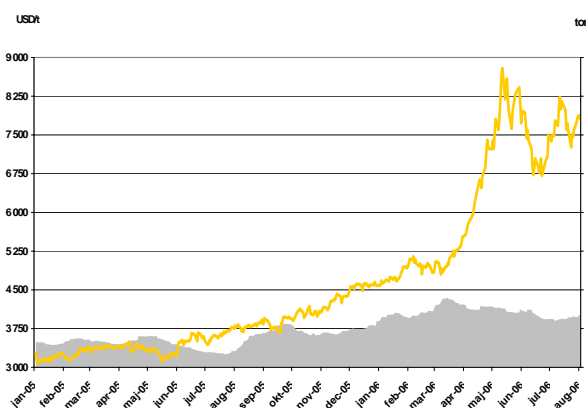
Metal price hedging

The following table contains a summary of Boliden's metal price hedging for copper, lead, gold and silver on 30th June 2006, with regard to commercial metal exposure.

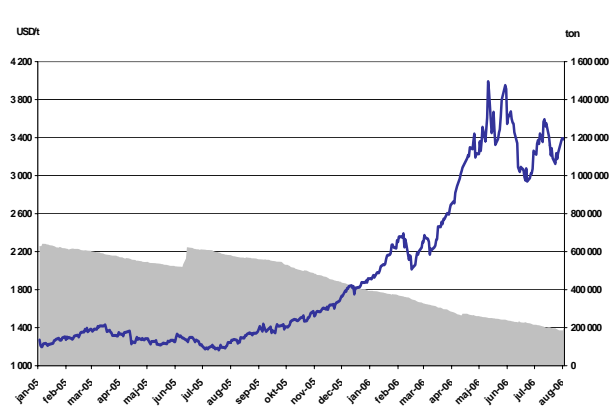
		Copper	Lead	Gold	Silver
Maturity year, 2006	Percentage of planned production hedged	77 %	48 %	77 %	65 %
	price ¹	2 871	916	469	7,53
Maturity year, 2007	Percentage of planned production hedged	71 %	24 %	72 %	51 %
	price ¹	3 966	1 124	578	9,26
Market value of outstanding contracts, SEK m		-2 215	-1	-119	-109

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

Copper price and stocks – Jan 05 - Aug 06



Zinc price and stocks – Jan 05 - Aug 06



Treatment charges/Refining charges (TC/RC)

The 2006 copper concentrate TC/RC and supply contract negotiations resulted in an increase of just over 10 per cent in treatment and refining charges. Boliden had previously renegotiated the terms for approximately 50 per cent of the contract volumes, which have now been set at 2006 benchmark levels of USD 95 per tonne for treatment charges and USc 9.5 per lb for refining charges.

Spot rates for copper concentrate treatment charges fell during the spring. Spot rates did, however, recover to some extent in June. During the second quarter, the spot market was characterised by small volumes.

Boliden is a net purchaser of copper concentrate, and therefore benefits from high TC's and RC's.

The ongoing limited global supply of zinc concentrate resulted in a deterioration in the contract terms for the 2006 zinc treatment charges. The high price of zinc did, however, mean that realised treatment charges, including upward price escalators, are at a historically high level. The spring season saw transactions with no price escalator clauses in the zinc concentrate spot market, but there were few spot transactions, and treatment charges were very widely dispersed.

Boliden essentially maintains a balance between zinc mines and zinc smelters and consequently TC changes have only a limited effect on Boliden's result.

The table below shows European benchmark prices for 2006 and 2005.

	2006	2005	Change in %
Treatment and refining charges			
Copper			
- Treatment charge (TC) USD/tonne	95	85	12
- Refining charge (RC) US\$/lb	9.5	8.5	12
Zinc			
- Treatment charge (TC) base USD 1,400/tonne +14/-12%	128		
- Treatment charge (TC) base USD 1,000/tonne +16/-14%		126	
Lead			
- Treatment charge (TC) base USD 750/tonne +15%	149		
- Treatment charge (TC) base USD 500/tonne +10/-10%		125	

Source: CRU.

Exchange rates

The US dollar weakened against both the Swedish krona and the euro during the second quarter, in comparison with the first quarter of 2006. The krona also weakened against the euro during the same period.

Exchange rate (average)	Q2	Q2	Change in %	First 6 months	First 6 months	Change in %
	2006	2005		2006	2005	
USD/SEK	7.40	7.28	2	7.59	7.11	7
EUR/USD	1.26	1.26	0	1.23	1.28	-4
EUR/SEK	9.30	9.19	1	9.33	9.14	2
USD/NOK	6.23	6.38	-2	6.46	6.34	2

Currency hedging

Current contracts on 30th June 2006 in respect of exchange rate hedging of commercial currency exposure in USD/SEK are summarized 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, USD m	8	151
	rate ¹	7.70	7.29
Maturity year, 2007	amount, sold, USD m	31	288
	rate ¹	7.59	7.21
Total, unrealised contracts		39	439

¹ Rates for options have been calculated as weighted strike rates

The floors in the options portfolio are divided between USD/SEK 6.70 and 7.50.

The hedge coverage for 2006 and 2007 is 27 per cent, calculated on the basis of the price assumptions in the sensitivity analysis table.

Sensitivity analysis, 2006

The following table shows an estimate of the effects of changes in metal prices, exchange rates and treatment and refining charges (TC/RC) on Boliden's operating profit for 2006 as a whole (the whole year effect). The estimates are based on average metal prices, exchange rates and treatment charges (including price escalators) for the second quarter of 2006 and planned production volumes for 2006. Price and exchange-rate sensitivities shown in the table below do not take into account the effects of metal price hedging, currency hedging or contracted treatment charges. Price and exchange rate fluctuations have a somewhat delayed impact on Boliden's results.

Change in metal prices +10%	Effect on op. profit SEK m	Change in USD +10%	Effect on op. profit SEK m	Change in TC/RC +10%	Effect on op. result SEK m
Copper	450	USD/SEK	880	TC/RC Copper	90
Zinc	960	EUR/USD	550	TC Zinc	80
Lead	55	USD/NOK	140	TC Lead	-10
Gold	75				
Silver	70				

THE GROUP**Net sales**

Boliden's net sales increased to SEK 8,850 million (SEK 4,687 m) for the second quarter and to SEK 16,186 million (SEK 9,144 m) for the first six months of 2006. Net sales were positively affected by improved production, better metal prices, and a higher US dollar exchange rate, in comparison with corresponding periods last year.

Profit performance

The operating profit before depreciation (EBITDA) improved to SEK 2,779 million (SEK 655 m) for the second quarter and to SEK 4,858 million (SEK 1,356 m) for the first six months of the year. The operating profit (EBIT) increased to SEK 2,451 million (SEK 351 m) for the second quarter and to SEK 4,202 million (SEK 749 m) for the 2006 reporting period. The improvement in the operating profit is mainly attributable to the same factors as those affecting net sales. Prices and terms contributed SEK 2,204 million to the total for the second quarter and SEK 3,478 million to the total for the first half of the year, and volumes contributed SEK 195 million and SEK 496 million, respectively. The improvement in the operating profit was partly offset by increased costs, mainly those related to personnel and the supply of raw materials-related input goods.

The combined stock profit was SEK 483 million (SEK 120 m) during the second quarter and SEK 529 million (SEK 148 m) during the first six months of 2006.

The profit before tax improved to SEK 2,364 million (SEK 269 m) for the second quarter of 2006 and to SEK 4,061 million (SEK 621 m) for the first six months of the year. Net financial items were positively affected by lower interest expenses resulting, mainly, from lower debt and better loan terms. The net financial items during the second quarter were, at the same time, affected by non-recurring costs totalling SEK 38 million arising from the refinancing of the Group's syndicated loans and the raising of long-term bond loans.

Cash flow

Capital tied up in stocks and receivables increased during the reporting period, mainly due to rising metal prices. 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.

The cash flow from operating activities improved substantially to SEK 3,382 million (SEK 961 m) during the first six months of the year. The improvement is primarily attributable to the improvement in the result. Tangible fixed assets were acquired for a total of SEK 845 million (SEK 551 m). In addition to ongoing investments, redemption of operational leasing contracts at Rönnskär totalling SEK 147 million is also included in the first quarter figures. Liabilities totalling a net amount of SEK 2,301 million (SEK 466 m) were amortised during the period. Furthermore, dividends totalling SEK 579 million were paid to shareholders in May.

Financial position

Boliden's financial position continued to improve substantially during the first six months of the year, and the net debt/equity ratio fell to 0.30. Boliden's financial goal is to maintain a net debt/equity ratio of approximately 0.40. The market valuation of currency and raw materials derivatives reduced shareholders' equity by SEK 920 million.

In May, Boliden refinanced the company's bank loan of EUR 600 million. The new loan agreement has a five-year term, with an option to extend by a further two years. This agreement replaces Boliden's old bank loan for EUR 840 million agreed in 2004. The average term of Boliden's debt portfolio was 6.02 years on 30th June 2006. Loans that fall due in 2012, or thereafter, total SEK 2,298 million, which comprises approximately 54 per cent of the debt portfolio. The average interest rate on the debt portfolio was 3.03 per cent on 30th June. Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities, totalled SEK 5,273 million at the end of the reporting period.

Exploration

In March, Boliden presented its ore reserve calculations, as of 1st January 2006. The successful exploration, extensive drilling programme, and development work at the company's Garpenberg mine in recent years have enabled Boliden to increase its ore reserves in the area substantially, from 3.6 million tonnes to 10.6 million tonnes, thereby increasing the life expectancy of the mine to over 10 years at current production levels.

Mine-site exploration

Boliden is implementing an extensive programme of mine-site exploration. The focus during the second quarter was on accelerating the driving of exploration drifts at Boliden's underground mines. The aim is to speed up the preparation of exploration drilling positions and to expand the drilling of new mineralisations.

In the Skellefte field in Sweden, exploration continued at the Kristineberg mine during the second quarter, with diamond drilling to target depths of between 1,000 and 1,100 metres. At the Renström mine, diamond drilling also continued, aiming towards the main areas of the Main Ore and two lenses at a depth of approximately 1,100 metres in what is known as the Deep Zone. The results of these drilling programmes will form the basis for calculating mineral resources. The quarter also saw the start of drilling in the Petiknäs Norra mineralisation from an exploratory site at a depth of 600 metres, with the aim of mapping the mineralisation below a depth of 500 metres. The planned investigation of the Åkulla Östra mineralisation is now in its final stages and the final ore reserve calculation will be carried out during the latter half of 2006.

At Garpenberg in Sweden, the planned drill programmes in the Kvarnberget, Finnhyttan, Tyskgården and Kyrkmalmen mineralisations were completed. The results of these programmes will form the basis for calculating mineral resources. Exploratory drilling is also being conducted in the Dammsjö mineralisation between the 700 and 1,000 m levels. Exploratory drilling has begun in an area to the north of the Gransjön mineralisation, where a geophysical anomaly was discovered during geophysical surveys carried out last year.

In Ireland, drilling is taking place around the existing mine area in the Navan area, together with a compilation and evaluation of the results.

Field exploration

One third of exploration expenditure is devoted to field exploration. These funds are, at present, primarily being used for base metal and gold exploration in the Skellefte field, Dorotea, Norrbotten and Bergslagen in Sweden, and in the Limerick and Wexford areas in Ireland. Some 20 projects are now being investigated using geochemical sampling, deep-penetrating electromagnetic geophysics and diamond drilling. In Bergslagen, the work is being conducted within the framework of a Joint Venture with the Canadian mining company, Inmet. The size of the area for which exploration permits are held in Sweden increased during the quarter by 16,000 hectares to 115,000 hectares.

Geophysical surveys were carried out in Ireland in the Meath area, 10 kms south east of the Tara mine. The drilling has been carried out within the framework of the exploration permits held in Adare and Kilmallock. Boliden has applied for new exploration permits in Ireland for a total of 219,400 hectares of land. The current holding of exploration permits comprises 180,500 hectares.

Sustainability**Employees**

The average number of employees in Boliden at the end of the reporting period was 4,534. Of these, 2,301 work in Sweden, 1,147 in Finland, 386 in Norway, 673 in Ireland, and 27 in other countries. This represents an increase of 4 in comparison with the figure for the full year 2005, when the average number of employees was 4,530. On 30th March 2006, Boliden gave notice of 51 redundancies in the Boliden Area.

Absence due to sickness during the second quarter totalled 5.3 per cent, and for the reporting period the figure was 5.5 per cent, which is on a par with the figures for 2005. The accident frequency during the second quarter was 9.5 and for the reporting period the figure was 13.1 accidents per million hours worked. The corresponding figure for the full year 2005 was 11.9 accidents per million hours worked. This corresponds to a reduction in comparison with the first quarter of 2006, when the figure was 16.5 accidents per million hours worked.

Environment

During the first six months of 2006, Boliden's operations, both in mining and in smelting, have been run within the framework of national environmental legislation and valid environmental permits in the respective countries, with the exception of an oil spill in June 2006 from the copper smelter at Harjavalta into a nearby stream. The clean-up of the affected area has been completed and an external enquiry is being carried out to establish responsibilities.

PRODUCT SEGMENT COPPER

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

Production

Metal production Mines	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
Copper, tonnes	16 964	14 185	20	36 154	27 336	32
Gold, kgs	629	329	91	1 234	645	91
Silver, kgs	9 890	10 314	-4	18 656	21 035	-11

Production of copper and gold concentrate from Aitik was higher during both the first six months of the year and Q2 2006 than in corresponding periods of last year. The higher production levels were due to a combination of high mill throughput and higher head grades in the mined ore. As planned, grades were, however, slightly lower during Q2 2006 than in Q1 2006, resulting in lower levels of copper and gold production. Levels are expected to fall slightly further during the year. Aitik is, however, expected to report continued good average head grades for 2006.

Metal production Smelters	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
Copper, tonnes	87 866	80 939	9	177 896	170 135	5
Gold, kgs	4 238	5 082	-17	9 843	10 265	-4
Silver, kgs	101 976	128 432	-21	215 567	251 530	-14
Lead, tonnes	6 909	7 460	-7	14 672	16 256	-10
Lead alloys, tonnes (Bergsöe)	12 923	12 006	8	25 556	25 006	2

Production of copper cathodes at the Rönnskär and Harjavalta smelters was higher overall during both the first six months of the year and Q2 2006 compared with the corresponding periods of last year. Scheduled maintenance shutdowns were implemented according to plan at the copper smelters during the second quarter of 2006, and production of copper cathodes was, therefore, down in comparison with Q1 2006.

Production of copper cathodes at Rönnskär was higher during both the first six months of the year and Q2 2006 than in corresponding periods in 2005. Production of gold and silver was lower, and was negatively affected by lower precious metal content in the material feed.

Material feed and copper cathode production at Harjavalta were both higher during the first six months of the year and during the second quarter of 2006 in comparison with the corresponding periods of last year. Boliden also smelts nickel at Harjavalta on behalf of customers. Boliden's new contracts with Inco Limited and OM Group Inc. with regard to the refining of 240,000 tonnes of nickel concentrate per annum over a three year period at Harjavalta came into force in July.

Bergsöe's lead production was higher during both the first six months of the year and Q2 2006 than during corresponding periods last year.

Net sales, results and investments

SEK m	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
Net sales	5 507	3 307	67	10 437	6 494	61
Operating profit	1 025	224	358	1 758	455	286
Investments	191	156	22	435	233	87
Capital employed	9 267	8 089	15	9 267	8 089	15

The operating profit for the Product Segment Copper totalled SEK 1,025 million (SEK 224 m) for the second quarter of 2006 and SEK 1,758 million (SEK 455 m) for the first six months of 2006. The result was positively affected, primarily, by higher metal prices, treatment and refining charges, and US dollar exchange rates. The result was also positively affected by higher production volumes from both Aitik and the smelters, and by stock profits in the copper process stocks totalling SEK 513 million (SEK 148 m), of which SEK 408 million (SEK 117 m) was generated in the second quarter. The improvement in the operating profit during the reporting period was partly offset by increased costs, mainly those arising from the planned maintenance shutdowns (Q2) in the amount of SEK 90 million, personnel costs and costs arising from price increases for raw materials-related input goods, such as diesel, electricity and steel.

In July this year, Falconbridge exercised its option with regard to the unexploited copper mineralisation, Fortuna de Cobre (Chile). Boliden received USD 15 million for the mineralisation, resulting in a small capital gain of SEK 6 million, which will be reported in the result for the third quarter. Falconbridge received the option in conjunction with the company's acquisition of Boliden's operations at Lomas Bayas in Chile in 2001.

PRODUCT SEGMENT ZINC

Product Segment Zinc comprises the operations at the mines in the Boliden Area and Garpenberg in Sweden, and at Tara in Ireland. The zinc smelters, Kokkola in Finland and Odda in Norway, are also included. Mine production consists primarily of zinc, but also includes copper and lead, and precious metals in the form of gold and silver. Smelter production mainly comprises zinc metal, although Odda also produces aluminium fluoride.

Production

Metal production Mines	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
Zinc, tonnes	80 090	80 163	0	169 315	167 185	1
Copper, tonnes	4 871	5 073	-4	11 298	10 948	3
Lead, tonnes	10 779	11 085	-3	23 012	23 080	0
Gold, kgs	543	640	-15	1 077	1 377	-22
Silver, kgs	42 809	52 485	-18	89 514	100 292	-11

During the first six months of the year and during Q2 2006, production levels for zinc, copper and lead concentrate were on a par with those of the corresponding periods of last year. The lower levels of zinc and lead production during Q2 2006 compared with Q1 2006 were mainly due to lower head grades at the Tara mine and a fall in milled tonnage in the Boliden Area.

In the Boliden area, production of virtually all metals was lower during both the first half of the year and the second quarter of 2006. The final mining of Petiknäs did not proceed according to plan and it proved impossible to compensate for the fall in volumes from this mine until the end of July, when the Maurliden mine came into production again.

Production of zinc and silver concentrate improved at Garpenberg, largely due to increased mill throughput. A higher percentage of the high head grade Lappberget ore will be mined at Garpenberg in 2006 compared with 2005.

Milled tonnage continued at a high and stable level at Tara. The lower production levels during Q2 2006 compared with Q1 2006 are due to lower zinc and lead head grades in the ore mined. In 2006, average head grades at Tara are, overall, expected to remain on a par with those in 2005, and the milled tonnage is expected to increase.

Metal production Smelters	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
Zinc, tonnes	109 566	104 378	5	218 021	213 223	2
Aluminium fluoride, tonnes	7 891	8 292	-5	16 091	16 267	-1

Production of zinc metal from Boliden's zinc smelters at Kokkola in Finland and Odda in Norway, during both the first six months of the year and Q2 2006, was higher than during the corresponding periods in 2005.

Production of zinc metal at Kokkola was higher during both the first six months of the year and Q2 2006 compared with the corresponding periods of last year, certain minor disruptions during the second quarter notwithstanding. Odda has now achieved anticipated production levels after the introduction of direct leaching, and production was, therefore, 5 per cent higher during both the first six months of the year and Q2 2006 in comparison with the corresponding periods of last year. The expansion of the Noralf aluminium fluoride facility will be completed during the third quarter, yielding an increase in aluminium fluoride production capacity of 40 per cent to 40,000 tonnes per annum.

Net sales, results and investments

SEK m	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
Net sales	3 803	1 749	117	6 616	3 266	103
Operating profit	1 452	174	734	2 480	392	533
Investments	214	172	24	410	317	29
Capital employed	9 206	8 298	11	9 206	8 298	11

The operating profit for the Product Segment Zinc, which increased to SEK 1,452 million (SEK 174 m) for the second quarter of 2006 and to SEK 2,480 million (SEK 392 m) for the first six months of 2006, was positively affected by increased production, higher metal prices, an improved US dollar exchange rate and stock profits. The process stock profits totalled SEK 16 million (SEK 0) for the first six months of the year and SEK 75 million (SEK 3 m) for the second quarter. The increase in the result during the reporting period was partly offset by increased costs, mainly those related to personnel and the supply of raw materials-related input goods, such as diesel, electricity and steel.

The Parent Company

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

Other**Taxes**

The reported tax expense for the first six months of the year was 27 per cent (32%) of the result before tax. Boliden's reported tax expense for the first six months of 2006 was SEK 1,084 million (SEK 199 m), and its income taxes paid totalled SEK 189 million (SEK 51 m). Boliden has unutilised fiscal deficit deductions, and the actual income taxes paid will, therefore, remain low in 2006.

Preparation principles for the Interim Report

The Interim Report has been prepared in accordance with IAS 34, Interim Reporting. The accounting principles remain unchanged from the annual accounts for 2005.

Interim Reports

The Interim Report for the period from January to June 2006 will be published on 9th August 2006. The Interim Report for the period from January to September 2006 will be published on 31st October 2006. The Preliminary Financial Statement for 2006 will be published on 8th February 2007.

Stockholm, 9th August 2006

Jan Johansson
President and CEO

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

Conference call on 9th August and lunch presentation on 10th August

With reference to this Interim Report, the capital market is hereby invited to a conference call on Wednesday, 9th August, and a lunch presentation on Thursday, 10th August, with Boliden's President and CEO, Jan Johansson, and members of the Group Management.

Conference call (in English) on 9th August

The conference call will start at 6.00 p.m. (18.00 CET)

To take part in the conference call, please phone:

- from Sweden: 08-50 52 01 10 (remember to dial the area code)

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

a couple of minutes before the conference call starts.

A presentation will be available on Boliden's website, www.boliden.com, approximately one hour before the conference call starts. The conference call can be followed "live", including presentation slides, on Boliden's website.

A recording of the conference call can be accessed from 8 p.m. (20.00 CET) on 9th August until 8 p.m. (20.00 CET) on 16th August, by calling tel: 08-50 52 03 33, or +44 (0)20 70 31 40 64 and using the code, 702783.

Lunch presentation (in Swedish) on 10th August

The lunch presentation will start 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.

Contact persons for information:

Jan Johansson, President and CEO
jan.c.johansson@boliden.com

Tel +46 8 610 16 02
Mobile +46 70 555 02 02

Ulf Söderström, Senior VP, Group Communications
ulf.soderstrom@boliden.com

Tel +46 8 610 15 57
Mobile +46 70 618 95 95

Staffan Bennerdt, CFO
staffan.bennerdt@boliden.com

Tel +46 8 610 15 20
Mobile +46 70 513 61 14

Boliden's website: www.boliden.com

INCOME STATEMENTS

	Q2	Q2	First 6	First 6	Full year
	2006	2005	months	months	2005
			2006	2005	
Net sales	8 850	4 687	16 186	9 144	20 441
Cost of goods sold	-6 179	-4 099	-11 542	-7 967	-16 486
Gross profit	2 671	588	4 644	1 177	3 955
Selling expenses	-80	-94	-199	-175	-386
Administrative expenses	-106	-100	-194	-204	-411
Research and development costs	-55	-61	-101	-100	-199
Other operating income and expenses	22	20	53	53	101
Results from participations in associated companies	-1	-2	-1	-2	9
Operating profit	2 451	351	4 202	749	3 069
Financial income and expenses	-87	-82	-141	-128	-257
Profit before tax	2 364	269	4 061	621	2 812
Income tax expense	-626	-103	-1 084	-199	-766
Profit for the period	1 738	166	2 977	422	2 046
Earnings per share, SEK	6.01	0.57	10.29	1.46	7.07
Earnings per share after dilution, SEK	6.00	0.57	10.27	1.45	7.06
Shareholders' equity per share, SEK	40.65	32.05	40.65	32.05	35.55
Number of shares	289 387 169	289 387 169	289 387 169	289 387 169	289 387 169
Average number of shares	289 387 169	289 387 169	289 387 169	289 387 169	289 387 169
Average number of shares after dilution	289 782 863	289 844 363	289 782 863	289 844 363	289 782 863

Other key ratios	Q2	Q2	First 6	First 6	Full year
	2006	2005	months	months	2005
			2006	2005	
Return on capital employed, %	62	9	53	10	20
Return on shareholders' equity, %	62	7	55	9	22
Equity/assets ratio, %	48	44	48	44	45
Net debt/shareholders' equity, %	30	69	30	69	54
Depreciation, SEK m	328	304	656	607	1 234
Investments, SEK m	404	328	845	551	1 337
Capital employed, SEK m	15 869	15 373	15 869	15 373	15 822
Net debt, SEK m	3 565	6 423	3 565	6 423	5 526

During the first three quarters of 2005, changes in the time value of currency options were reported in Net Financial Items, while in the fourth quarter of 2005, the time value was reported as part of Sales. Quarterly data for 2005 has been adjusted to reflect the reclassification.

BALANCE SHEETS

	30 th June	30 th June	31 st Dec
	2006	2005	2005
Intangible fixed assets	3 150	3 216	3 189
Tangible fixed assets	12 001	11 834	11 915
Deferred tax	127	628	404
Interest-bearing assets	20	78	21
Other financial fixed assets	39	45	55
Inventories	5 192	3 206	3 984
Other receivables	3 037	1 131	1 830
Liquid assets	1 176	1 031	1 520
Total assets	24 742	21 169	22 918
Shareholders' equity	11 764	9 275	10 289
Pension provisions	498	491	503
Deferred tax provisions	242	215	241
Other provisions	959	864	957
Interest-bearing long-term liabilities	2 652	5 468	5 118
Interest-bearing current liabilities	1 610	1 573	1 446
Other current liabilities	7 017	3 283	4 364
Total liabilities and shareholders' equity	24 742	21 169	22 918

Specification of change in shareholders' equity	30 th June	30 th June	31 st Dec
SEK m	2006	2005	2005
Opening balance	10 289	9 118	9 118
Effect of change in accounting principle, net after tax			
IAS 39, Financial instruments	–	6	6
Dividend	-579	–	–
Profit for the period	2 977	422	2 046
Closed out futures contracts, after fiscal effect	–	-101	-113
Market valuation of financial instruments, after fiscal effect ¹	-920	-163	-777
Translation differences	-3	-7	9
Closing balance	11 764	9 275	10 289

¹ As of June 30th 2006, the after-tax market valuation of financial instruments amounted to SEK -1,702 million.

STATEMENTS OF CASH FLOW

SEK m	Q2 2006	Q2 2005	First 6 months 2006	First 6 months 2005	Full year 2005
Cash flow from operating activities before					
changes in operating capital	2 625	213	4 655	731	3 574
Cash flow from changes in operating capital	-242	499	-1 273	230	-1 034
Cash flow from operating activities	2 383	712	3 382	961	2 540
Investment activities					
- Acquisition of tangible fixed assets	-404	-326	-845	-549	-1 335
- Other	-	65	-	212	353
Cash flow from investment activities	-404	-261	-845	-337	-982
Cash flow before financing activities	1 979	451	2 537	624	1 558
Dividend	-579	-	-579	-	-
Other financing activities	-1 081	-152	-2 301	-466	-912
Cash flow from financing activities	-1 660	-152	-2 880	-466	-912
Cash flow for the period	319	299	-343	158	646
Exchange rate difference on liquid assets	-1	1	-1	0	0
Change in liquid assets	318	300	-344	158	646

INFORMATION PER SEGMENT

SEK m

Q2 2006

	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	5 507	3 803	-460	8 850
Operating profit	1 025	1 452	-26	2 451
Depreciation	154	174	–	328
Investments	191	214	-1	404
Capital employed	9 267	9 206	-2 604	15 869

Q2 2005

	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	3 307	1 749	-369	4 687
Operating profit	224	174	-47	351
Depreciation	154	163	-13	304
Investments	156	172	–	328
Capital employed	8 089	8 298	-1 014	15 373

First six months 2006

	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	10 437	6 616	-867	16 186
Operating profit	1 758	2 480	-36	4 202
Depreciation	304	352	–	656
Investments	435	410	–	845
Capital employed	9 267	9 206	-2 604	15 869

First six months 2005

	<u>Copper</u>	<u>Zinc</u>	<u>Other</u>	<u>The Group</u>
Net sales	6 494	3 266	-616	9 144
Operating profit	455	392	-98	749
Depreciation	298	323	-14	607
Investments	233	317	1	551
Capital employed	8 089	8 298	-1 014	15 373

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 profit	1 921	1 408	-260	3 069
Depreciation	602	657	-25	1 234
Investments	594	742	1	1 337
Capital employed	8 775	8 674	-1 627	15 822

PRODUCTION

PRODUCT SEGMENT COPPER

Mines	Share- holding, %	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
AITIK	100						
Refined ore, ktonnes		4 823	4 184	15	9 165	8 258	11
Head grades							
Copper (%)		0.39	0.38	3	0.44	0.37	19
Gold (g/tonne)		0.26	0.16	63	0.27	0.16	69
Silver (g/tonne)		2.83	3.63	-22	2.85	3.84	-26
Metal production							
Copper, tonnes		16 964	14 185	20	36 154	27 336	32
Gold, kgs		629	329	91	1 234	645	91
Silver, kgs		9 890	10 314	-4	18 656	21 035	-11
Smelters		Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
RÖNNSKÄR							
Smelted material, tonnes							
Copper, tonnes							
Copper concentrate		136 048	144 120	-6	283 133	298 969	-5
Secondary		35 911	27 973	28	72 311	58 874	23
Total		171 959	172 093	0	355 444	357 843	-1
Production							
Primary copper, tonnes		44 157	47 861	-8	94 965	100 181	-5
Cathode copper, tonnes		56 035	50 786	10	113 936	107 863	6
Lead, tonnes		6 909	7 460	-7	14 672	16 256	-10
Zinc clinker, tonnes		5 766	7 123	-19	14 637	15 696	-7
Gold, kgs		3 412	4 318	-21	7 780	8 617	-10
Silver, kgs		92 209	120 021	-23	195 334	233 344	-16
HARJAVALTA							
Smelted material, tonnes							
Copper concentrate		125 076	93 393	34	260 806	224 457	16
Production							
Primary copper, tonnes		38 131	28 773	33	80 415	69 406	16
Cathode copper, tonnes		31 831	30 153	6	63 960	62 272	3
Gold, kgs		826	764	8	2 063	1 648	25
Silver, kgs		9 767	8 411	16	20 233	18 186	11
BERGSÖE							
Smelted material, tonnes							
Secondary		14 910	17 229	-13	33 390	35 709	-6
Production, tonnes							
Lead alloys		12 923	12 006	8	25 556	25 006	2
Tin alloys		253	268	-6	486	504	-4

PRODUCT SEGMENT ZINC

Mines	Share- holding, %	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
BOLIDEN AREA	100						
Milled ore, ktonnes		401	425	-6	848	871	-3
Head grades							
Zinc (%)		6.0	6.9	-13	6.0	6.8	-12
Copper (%)		1.5	1.5	0	1.7	1.5	13
Lead (%)		0.5	0.6	-17	0.5	0.6	-17
Gold (g/tonne)		1.8	2.0	-10	1.7	2.1	-19
Silver (g/tonne)		74	90	-18	72	85	-15
Metal production							
Zinc, tonnes		18 812	24 706	-24	39 822	49 681	-20
Copper, tonnes		4 722	4 955	-5	10 980	10 673	3
Lead, tonnes		633	928	-32	1 112	1 746	-36
Gold, kgs		463	597	-22	935	1 292	-28
Silver, kgs		18 923	25 734	-26	38 810	49 009	-21
GARPENBERG	100						
Milled ore, ktonnes		285	262	9	554	520	7
Head grades							
Zinc (%)		5.3	5.3	0	5.4	5.4	0
Copper (%)		0.1	0.1	0	0.1	0.1	0
Lead (%)		2.1	2.2	-5	2.1	2.2	-5
Gold (g/tonne)		0.4	0.3	33	0.4	0.3	33
Silver (g/tonne)		111	132	-16	121	127	-5
Metal production							
Zinc, tonnes		13 800	12 903	7	27 027	25 710	5
Copper, tonnes		148	119	24	318	275	16
Lead, tonnes		4 876	4 720	3	9 660	9 542	1
Gold, kgs		80	43	86	142	85	67
Silver, kgs		23 886	26 751	-11	50 704	51 283	-1
TARA	100						
Milled ore, ktonnes		693	542	28	1 387	1 225	13
Head grades							
Zinc (%)		7.4	8.5	-13	8.0	8.2	-2
Lead (%)		1.3	1.6	-19	1.4	1.5	-7
Metal production							
Zinc, tonnes		47 478	42 554	12	102 466	91 794	12
Lead, tonnes		5 270	5 437	-3	12 240	11 792	4

Smelters	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
KOKKOLA						
Smelted material, tonnes						
Zinc concentrate	121 884	128 693	-5	261 242	268 713	-3
Production, tonnes						
Zinc, tonnes	70 155	66 788	5	138 385	137 276	1
ODDA						
Smelted material, tonnes						
Zinc concentrate	70 626	59 588	19	138 416	123 070	12
Production, tonnes						
Zinc, tonnes	39 411	37 590	5	79 636	75 947	5
Aluminium fluoride, tonnes	7 891	8 292	-5	16 091	16 267	-1

Mine production, total

Metal production Mines	Q2 2006	Q2 2005	Change in %	First 6 months 2006	First 6 months 2005	Change in %
Zinc, tonnes	80 090	80 163	0	169 315	167 185	1
Copper, tonnes	21 835	19 258	13	47 451	38 285	24
Lead, tonnes	10 779	11 085	-3	23 012	23 080	0
Gold, kgs	1 172	969	21	2 311	2 022	14
Silver, kgs	52 700	62 799	-16	108 170	121 327	-11

CONSOLIDATED QUARTERLY DATA

	Q3 2004	Q4 2004	Q1 2005	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006
Metal prices								
Copper (USD/tonne)	2 850	3 094	3 270	3 394	3 759	4 299	4 944	7 251
Zinc (USD/tonne)	980	1 113	1 318	1 274	1 298	1 631	2 248	3 301
Lead (USD/tonne)	932	959	979	987	892	1 058	1 240	1 095
Gold (USD/oz)	401	434	427	428	440	485	554	629
Silver (USD/oz)	6.45	7.23	6.97	7.15	7.07	8.05	9.71	12.25
Exchange rates								
USD/SEK	7.46	6.93	6.89	7.28	7.65	7.93	7.78	7.40
EUR/USD	1.22	1.30	1.31	1.26	1.22	1.19	1.20	1.26
EUR/SEK	9.10	9.01	9.07	9.19	9.35	9.46	9.35	9.30
USD/NOK	6.85	6.33	6.28	6.38	6.37	6.61	6.67	6.23
Metal production, Mines								
Zinc, tonnes	79 657	98 422	87 021	80 164	86 800	87 548	89 225	80 090
Copper, tonnes	22 678	20 560	19 027	19 258	21 484	27 161	25 617	21 835
Lead, tonnes	12 129	14 995	11 995	11 085	13 470	12 864	12 233	10 779
Gold, kgs	1 358	1 371	1 053	969	1 101	1 349	1 139	1 172
Silver, kgs	56 019	50 606	58 529	62 799	50 158	54 629	55 470	52 700
Metal production, Copper smelters								
Copper, tonnes	89 898	91 363	89 196	80 939	88 143	89 429	90 029	87 866
Gold, kgs	5 039	4 661	5 184	5 082	5 459	4 715	5 606	4 238
Silver, kgs	114 167	131 102	123 099	128 432	125 608	91 492	113 591	101 976
Lead, tonnes	4 581	7 253	8 796	7 460	2 510	8 156	7 763	6 909
Lead alloys, tonnes (Bergsöe)	9 118	12 331	13 000	12 006	8 779	12 053	12 633	12 923
Metal production, Zinc smelters								
Zinc, tonnes	107 994	109 157	108 845	104 378	107 429	112 537	108 455	109 566
Aluminium fluoride, tonnes	5 723	8 296	7 975	8 292	6 014	8 203	8 200	7 891
Net sales								
Net sales	4 265	4 618	4 458	4 687	4 924	6 372	7 337	8 850
Operating profit before depreciation (EBITDA)								
Operating profit before depreciation (EBITDA)	684	780	701	655	998	1 949	2 079	2 779
Operating profit (EBIT)								
Operating profit (EBIT)	405	511	398	351	686	1 634	1 750	2 451
Result after financial items								
Result after financial items	315	352	353	269	610	1 581	1 697	2 364
Result for the period								
Result for the period	298	292	256	166	435	1 189	1 239	1 738
Cash flow from operating activities								
Cash flow from operating activities	347	295	249	712	632	947	999	2 383
Earnings per share, SEK								
Earnings per share, SEK	1.18	1.13	0.88	0.57	1.50	4.11	4.28	6.01
Return on capital employed, %								
Return on capital employed, %	10	13	10	9	18	42	44	62
Net debt/shareholders' equity, %								
Net debt/shareholders' equity, %	94	71	71	69	64	54	45	30

During the first three quarters of 2005, changes in the time value of currency options were reported in Net Financial Items, while in the fourth quarter of 2005, the time value was reported as part of Sales. Quarterly data for 2005 has been adjusted to reflect the reclassification of the time value.