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## Full year Report, January – December 2009

### Higher metal prices but lower metal grades during fourth quarter

#### Q4 2009

- Revenues totalled SEK 8,356 million (SEK 6,287 m).
- The operating profit was SEK 1,232 million (SEK -491 m). Excluding revaluation of process inventory, the operating profit was SEK 870 million (SEK 211 m).
- The free cash flow totalled SEK 350 million (SEK -534 m).
- Earnings per share totalled SEK 3.00 (SEK -1.65).

#### Full year 2009

- Revenues totalled SEK 27,635 million (SEK 30,987 m).
- The operating profit was SEK 3,623 million (SEK 1,004 m). Excluding revaluation of process inventory, the operating profit was SEK 2,350 million (SEK 1,793 m).
- The free cash flow totalled SEK -948 million (SEK 837 m).
- Earnings per share totalled SEK 9.14 (SEK 3.42).
- The Board of Directors proposes that the Annual General Meeting approve payment of a dividend of SEK 3 (SEK 1) per share.
- Financial targets adjusted

#### Summary of financial performance

SEK m	Q4 2009	Q4 2008	Full year 2009	Full year 2008
Revenues	8 356	6 287	27 635	30 987
Operating profit (EBIT)	1 232	-491	3 623	1 004
Operating profit, ex. revaluation of process inventory	870	211	2 350	1 793
Profit before tax	1 199	-566	3 377	723
Profit after tax	821	-451	2 501	935
Earnings per share, SEK	3.00	-1.65	9.14	3.42
Free cash flow <sup>1</sup>	350	-534	-948	837
Net debt/equity ratio <sup>2</sup> , %	46	39	46	39

<sup>1</sup> Refers to cash flow before financing activities.

<sup>2</sup> Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

**Q4 2009****Market performance**

Global demand for base metals continued good during the fourth quarter. Stimulus packages in China had a positive effect on industrial production and supported base metal performance. The recovery continued in the USA and Europe at a slow pace, as was shown in the gradual increase in demand for zinc and copper from industrial customers.

**Revenues and production**

Boliden's revenues totalled SEK 8,356 million (SEK 6,287 m), corresponding to an increase of 33 per cent in comparison with the fourth quarter of 2008 and of 20 per cent in comparison with the third quarter of 2009. This trend was due to higher average prices for all metals, although this was countered, to some extent, by a weaker US dollar.

Lower metal grades in the ore resulted in the mines' production – and their copper production in particular – falling from high production levels earlier in the year. Copper production fell by approximately 30 per cent in comparison with both the third quarter of 2009 and the fourth quarter of 2008 as a result of Aitik's lower grades. Zinc production fell by 5 per cent in comparison with the third quarter, primarily due to lower grades at Tara and Garpenberg, but remained largely unchanged in comparison with zinc production in the fourth quarter of 2008.

The smelters' zinc production, which had been operating at full capacity since the end of the third quarter, was up by 7 per cent in comparison with the fourth quarter of 2008 and by 3 per cent in comparison with the third quarter 2009. Copper production was up by 12 per cent on the previous quarter, when Harjavalta implemented a maintenance shutdown. Copper production fell by 4 per cent, however, in comparison with the fourth quarter of 2008, due to continued production cutbacks.

**Operating profit**

The operating profit improved to SEK 1,232 million (SEK -491 m) as a result of the positive trend in metal prices. If the revaluation of process inventory is excluded, the operating profit was SEK 870 million (SEK 211 m). The positive effects of higher metal prices were, however, moderated, primarily by the mines' lower production levels and the Swedish krona's strengthening against the US dollar in comparison with the fourth quarter of 2008. Higher metal prices and a favourable metal mix boosted the smelters' operating profits. Higher production levels by the Finnish smelters than during the third quarter of the year also contributed to an improved operating profit.

The realised profit on metal price and currency hedging fell to SEK -72 million (SEK 174 m).

Operating costs in local currencies (excluding raw materials bought in) increased in comparison with both the fourth quarter of 2008 and the third quarter of 2009. The increase relative to the preceding quarter was mainly due to higher variable costs resulting from the zinc smelters' increased production, and to increased exploration activity. Staff overheads were higher due to higher result-based payroll costs, but also as a result of the previous quarter's holiday period. Exploration activities were gradually increased during the latter half of 2009.

Cost-cutting measures have been implemented during the year and have yielded the intended results. The number of permanent positions has been reduced by 250 and the number of subcontractors by approximately 200, yielding savings of SEK 200 million on a yearly basis. The ongoing procurement programme has, to date, yielded savings on the order of slightly over SEK 100 million on a yearly basis.

Net financial items during the fourth quarter totalled SEK -33 million (SEK -75 m). The improvement in comparison with the corresponding quarter last year was mainly due to lower average interest rates. Net financial items have, however, deteriorated by SEK 7 million in comparison with the third quarter of 2009.

The profit after tax totalled SEK 821 million (SEK -451 m), corresponding to earnings per share of SEK 3.00 (SEK -1.65).

The following table analyses the operating profit performance during the fourth quarter of 2009 in relation to the corresponding period in 2008 and the third quarter of 2009.

<b>OPERATING PROFIT ANALYSIS</b>			
SEK m	Q4 2009	Q4 2008	Q3 2009
<b>Operating profit</b>	<b>1 232</b>	<b>-491</b>	<b>949</b>
Revaluation of process inventory	362	-702	215
<b>Operating profit, ex. revaluation of process inventory</b>	<b>870</b>	<b>211</b>	<b>734</b>
<b>Analysis of change in operating profit, ex. revaluation of process inventory</b>		<b>Q4 vs. Q4 2008:</b>	<b>Q4 vs. Q3 2009:</b>
Volume effect		-210	-30
Costs		-40	-256
Prices and terms		1 251	431
<i>Metal prices and terms</i>		1 256	463
<i>Realised metal price and currency hedging*</i>		-246	-104
<i>TC/RC terms</i>		194	70
<i>Metal premiums</i>		-30	-3
<i>Definitive pricing (MAMA)*</i>		77	5
Exchange rate effects		-337	-21
<i>Of which translation effects</i>		-23	7
Other		-5	12
<b>Change</b>		<b>659</b>	<b>136</b>
	<b>Q4 2009</b>	<b>Q4 2008</b>	<b>Q3 2009</b>
<b>*Operating profit for resp. period</b>			
Realised metal price and currency hedging	-72	174	32
Definitive pricing (MAMA)	19	-58	14

### Cash flow and investments

The cash flow from operating activities and before investments totalled SEK 1,622 million (SEK 1,004 m) during the fourth quarter. Changes in working capital had a positive effect of SEK 100 million (SEK 1,524 m). The working capital trend was due to lower metal inventory and an increase in accounts payable.

Investments totalled SEK 1,269 million (SEK 1,533 m), of which SEK 665 million (SEK 804 m) is attributable to the Aitik expansion project. Investments increased by SEK 188 million in comparison with the third quarter, primarily due to a higher rate of investment in Aitik.

The free cash flow totalled SEK 350 million (SEK -534 m), corresponding to a decrease of SEK 260 million in comparison with the third quarter, primarily as a result of the increase in investments.

### Financial position

On 31<sup>st</sup> December 2009, Boliden's net debt totalled SEK 7,402 million (SEK 6,305 m) and the net debt/equity ratio at that time was 46 per cent (39%). The average term of Boliden's debt portfolio was 3.8 years (4.8 yrs) at the end of the fourth quarter. The portfolio's average interest rate was 2.62 per cent (5.18%) and the fixed interest term was 2.1 years (0.2 yrs). Interest swaps agreed during the second quarter have extended Boliden's fixed interest term.

The contribution to shareholders' equity of the net market valuation of currency, interest and raw materials derivatives, after fiscal effects, totalled SEK 495 million (SEK 2,602 m) on 31<sup>st</sup> December 2009.

Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities, less commercial papers issued, totalled SEK 6,924 million (SEK 8,319 m) at the end of the year.

## DIVIDEND PROPOSAL

Boliden's dividend proposal is outlined below. The Board of Directors proposes that the Annual General Meeting approve payment of a dividend of SEK 3 (SEK 1) per share, or a total of SEK 821 million (SEK 274 m), corresponding to 32,8 per cent of the net profit for 2009.

In its dividend proposal, the Board has taken the cyclical nature of the industry and the risks associated with the operations into account.

## FINANCIAL GOALS

Boliden operates in a cyclical and capital-intensive industry. Good profitability and financial stability are prerequisites for sustainable growth and long-term value creation. It is in accordance with these criteria that Boliden's financial goals for the net debt/equity ratio and dividend has been adjusted, while the goal for the return on capital remains unchanged. These changes have been made with a view to achieving increased clarity as well as to bring the goals into line with the preconditions in the mining and metals industry.

- The return on capital employed shall exceed 10 per cent over a business cycle.
- The net debt/equity ratio in an economic expansion phase shall not exceed 20 per cent in order to maintain a reasonable level of financial preparedness during an economic recession.
- The dividend shall correspond to approximately one third of the net profit.

## PARENT COMPANY

The Parent Company, Boliden AB, conducts no operations and has no employees. The Parent Company's Income Statements and Balance Sheets can be found on page 20 of this Full year Report.

## SUMMARY OF BOLIDEN'S PERFORMANCE, JANUARY-DECEMBER 2009

Revenues fell to SEK 27,635 million (SEK 30,987 m) during the full year, 2009. The operating profit increased to SEK 3,623 million (SEK 1,004 m) over the same period. If the revaluation of the smelters' process inventory is excluded, the operating profit was SEK 2,350 million (SEK 1,793 m). The positive effects on the result of realised metal price and currency hedging and of changes in exchange rates counteracted the effect of lower average prices, primarily for copper and zinc, and of the smelters' production cutbacks.

Operating costs in local currencies fell by 2 per cent as an effect of the cost-cutting measures implemented, primarily in the HR, procurement and exploration operations. Costs in SEK rose by 3 per cent in comparison with 2008, excluding the purchase of raw materials.

The following table analyses the operating profit performance during the period from January to December 2009 in relation to the corresponding period in 2008.

<b>OPERATING PROFIT ANALYSIS</b>		
SEK m	Full year 2009	Full year 2008
<b>Operating profit</b>	<b>3 623</b>	<b>1 004</b>
Revaluation of process inventory	1 273	-789
<b>Operating profit, ex. revaluation of process inventory</b>	<b>2 350</b>	<b>1 793</b>
<b>Analysis of change in operating profit, ex. revaluation of process inventory</b>		
Volume effect		-292
Costs		194
Prices and terms		-367
<i>Metal prices and terms</i>		-929
<i>Realised metal price and currency hedging*</i>		592
<i>TC/RC terms</i>		243
<i>Metal premiums</i>		-284
<i>Definitive pricing (MAMA)*</i>		11

Exchange rate effects	1 062
<i>Of which translation effects</i>	55
Other	-40
<b>Change</b>	<b>557</b>

<b>*Operating profit for resp. period</b>	<b>Full year 2009</b>	<b>Full year 2008</b>
Realised metal price and currency hedging	243	-349
Definitive pricing (MAMA)	30	19

Net financial items totalled SEK -246 million (SEK -281 m) for the full year, 2009. Interest expenses have fallen as a result of a lower average interest rate level and higher interest capitalisation attributable to the Aitik investment. This was counteracted, in part, by a negative change in the time value of currency options.

The profit before tax was SEK 3,377 million (SEK 723 m) and the profit after tax was SEK 2,501 million (SEK 935 m), corresponding to earnings per share of SEK 9.14 (SEK 3.42).

The cash flow from operating activities totalled SEK 3,974 million (SEK 5,470 m). Changes in working capital had a negative effect on the cash flow of SEK -1,063 million (SEK 3,894 m). Investments totalled SEK 4,915 million (SEK 4,624 m) of which SEK 2,982 million (SEK 2,540 m) was attributable to the Aitik expansion project. Free cash flow totalled SEK -948 million (SEK 837 m), with the deterioration due to continued high levels of investment as a result of the Aitik expansion and to the impact of metal prices on inventory values. A high level of preliminary tax paid for 2008 was refunded in 2009, and tax paid consequently yielded a positive cash flow of SEK 70 million (SEK -149 m).

## MARKET PERFORMANCE

Demand for Boliden's main metals, zinc and copper, is primarily driven by growth in the automotive and construction industry, and in particular, by infrastructural projects. China is currently the biggest market for base metals.

Activity levels improved still further in mature economies during the fourth quarter, but are still at below-normal levels. Activity levels continued high in the Chinese economy during the fourth quarter, supported by investments in infrastructure and increased industry production. Global production performance for lightweight vehicles was weak in 2009, with substantial reductions in several mature economies, but did increase during the latter half of the year. Production increased sharply in China in comparison with 2008. Construction industry investments in mature economies fell in 2009, with the exception of investments in infrastructure. In China, however, construction industry investments – which are often government financed – increased sharply in 2009.

### Zinc

The average price of zinc on the London Metal Exchange (LME) rose by 86 per cent in comparison with the fourth quarter of 2008 and by 26 per cent in comparison with the third quarter of 2009. The rising price trend that began at the end of March continued throughout the year. The average price on the LME for 2009 as a whole was 11 per cent lower than in 2008.

Global demand for zinc is estimated to have fallen by approximately 8 per cent in comparison with 2008 as a whole. Demand, however, rose by 9 per cent in the fourth quarter in comparison with the corresponding period in 2008, and rose by 7 per cent in comparison with the third quarter of 2009. Demand is estimated to have risen in China in 2009 by 6 per cent while global demand, excluding China, fell by 16 per cent. Demand increased gradually throughout the year as industrial production levels improved in mature economies and growth accelerated in China. The recovery in metal consumption is a consequence of increased industrial activity, with increases in, among other sectors, steel production.

Global production by zinc smelters increased by 8 per cent during the fourth quarter in comparison with the corresponding period in 2008, but fell by 3 per cent for 2009 as a whole. Production increased in China in 2009, but fell elsewhere in the world. Global mined production fell by 2 per cent in comparison with 2008 as a whole, but rose by 5 per cent during the fourth quarter in comparison with the corresponding period in 2008. The global official zinc stocks on the LME and the Shanghai Futures Exchange (SHFE) increased still further from levels at the end of the third quarter of 2009, rising by just over 115,000 tonnes to some 660,000 tonnes at the end of the fourth quarter, which corresponds to just under 22 days' global consumption.

Spot premiums were stable in the USA and Asia but rose slightly in Europe. The contract premiums for 2009 were lower than those for 2008. The first half of the year was marked by low levels of deliveries to industrial customers, with low premium income as a result.

Remuneration for the smelters' refining of mined concentrates into metal – TC/RC – is determined by supply of and demand for mined concentrate between mines and smelters. Spot market TC/RC continued to rise as a result of the increased supply of mined concentrate and the rise in the price of zinc. Spot market levels were, however, lower than the outcome of the yearly contracts. The difference between contract levels and spot levels remained virtually unchanged between the third and fourth quarters. The realised treatment charges in accordance with the contracts for 2009 as a whole were lower than in 2008, but higher during the latter half of the year than during the corresponding period of 2008 as a result of higher zinc prices. A high level of internal zinc concentrate supply does, however, limit the impact of changes in TC/RC on the Boliden Group's profits.

## **Copper**

The average price of copper on the LME was 69 per cent higher than in the fourth quarter of 2008 and 14 per cent higher than during the third quarter of 2009. The price of copper at the end of the fourth quarter was 153 per cent higher than at the end of the fourth quarter of 2008. The average price for the full year of 2009 was, however, 26 per cent lower than for 2008.

Global demand for copper is estimated to have fallen by approximately 7 per cent in comparison with 2008 as a whole. Demand rose by 2 per cent in the fourth quarter in comparison with the corresponding period in 2008, but fell by 2 per cent in comparison with the third quarter of 2009. Demand in China is estimated to have risen by 6 per cent, while global demand, excluding China, fell by 16 per cent.

Global smelter production fell during the fourth quarter in comparison with the corresponding period in 2008 but was on a par with levels in the third quarter of 2009. Mined production is estimated to have fallen by 5 per cent during the fourth quarter in comparison with the corresponding period in 2008 as a result of, among other things, industrial disputes at a number of large mines. Production remained essentially unchanged for the year as a whole. Global official stock levels increased by just over 200,000 tonnes in comparison with the third quarter. Stock levels at the end of the fourth quarter totalled approximately 697,000 tonnes, corresponding to just under 15 days' global copper consumption.

Spot premiums in Europe weakened during the fourth quarter and were lower than the market's contract levels. Contract premium levels for 2009 as a whole were lower than for 2008. Increased sales to industrial customers during the latter half of the year enabled smelters to increase the percentage of metal sales with metal premiums over the levels achieved during the first half of 2009.

Mined production continued to be a limiting factor, with concentrate for smelters in short supply. Copper TC/RC were consequently under severe pressure during the fourth quarter and the level is substantially below the contract level set for 2009. The contracts negotiated at the end of June set the level at USD 50 per tonne of concentrate in comparison with a level of USD 75 per tonne in the yearly contracts.

## **Sulphuric acid**

Sulphuric acid is a by-product of the smelting process (primarily copper smelters) and is primarily used in the artificial fertiliser, pulp and mining industries and in the petrochemical industry. Sulphuric acid can only be stored in special tanks and it is, therefore, vital that smelters have an outlet for the sulphuric acid they produce and that there is a balance between the demand for metal and sulphuric acid. The market balance for sulphuric acid improved during the fourth quarter and in early 2010, and prices have increased from previously low levels.

## **Other metals**

The LME price of lead was an average of 83 per cent higher than in the fourth quarter of 2008 and 19 per cent higher than during the third quarter. A high percentage of global lead consumption is met by recycled metal, and changes in mined production of lead consequently have a lesser effect on the market balance than is the case with other base metals. The biggest market for lead comprises batteries for the automotive industry and industrial applications. Changes in global automotive production do not affect demand for lead at the same rate, as the aftermarket for batteries is more stable. Demand for lead in developing countries in general, and in China in particular, continues to grow apace with the increasing demand for batteries in the automotive industry. At the same time, a substantial amount of the Chinese smelting industry's capacity has been shut down, at least temporarily, for environmental reasons. Lead supply from mines tracks, to some extent, mined production of zinc,



in that lead is a subsidiary metal for many zinc mines. Lead stock levels on the LME increased continuously throughout 2009.

The prices of gold and silver were an average of 38 per cent and 72 per cent higher, respectively, in comparison with the fourth quarter of 2008. The average prices of gold and silver rose by 15 per cent and 20 per cent, respectively, during the fourth quarter in comparison with the third quarter. Gold and, to some extent, silver are increasingly regarded as an asset class used by financial investors to spread risk. The importance of financial players' trading in these metals has increased in recent years.

## METAL PRICES

Boliden's revenues are affected by the global market prices of base and precious metals. Base metals are traded daily on the London Metal Exchange (LME), and it is this that forms the basis for the pricing of metal concentrates and finished metals. Precious metal prices are set daily by the London Bullion Market Association (LBMA). Boliden's earnings are affected not only by the metals' spot prices, but also by the payable metal content of the concentrates produced by the mines, by the percentage of so-called free metals produced by the smelters, by the trend in treatment and refining charges, and by metal price premiums.

<b>Metal prices in USD (average LME/LBMA)</b>	Q4 2009	Q4 2008	Change in %	Q3 2009	Change in %	Full year 2009	Full year 2008	Change in %
Zinc (USD/tonne)	2 211	1 189	86	1 757	26	1 659	1 870	-11
Copper (USD/tonne)	6 643	3 940	69	5 840	14	5 164	6 952	-26
Lead (USD/tonne)	2 292	1 251	83	1 925	19	1 726	2 085	-17
Gold (USD/troy oz)	1 101	798	38	960	15	974	872	12
Silver (USD/troy oz)	17.57	10.21	72	14.69	20	14.67	14.99	-2

<b>Metal prices in SEK (average LME/LBMA)</b>	Q4 2009	Q4 2008	Change in %	Q3 2009	Change in %	Full year 2009	Full year 2008	Change in %
Zinc (SEK/tonne)	15 480	9 262	67	12 809	21	12 684	12 305	3
Copper (SEK/tonne)	46 511	30 693	52	42 580	9	39 482	45 744	-14
Lead (SEK/tonne)	16 047	9 745	65	14 034	14	13 196	13 719	-4
Gold (SEK/troy oz)	7 709	6 216	24	7 000	10	7 447	5 738	30
Silver (SEK/troy oz)	123	80	55	107	15	112	99	14

## Metal price hedging

The following table is a summary of Boliden's metal price hedging for copper, gold and silver on 31<sup>st</sup> December 2009 in respect of forecast price exposure. The Boliden Group is otherwise, in every significant respect, exposed to market prices. The hedging shown below means that changes in the prices of these metals have a limited short-term effect on the Group's profit.

<b>Metal futures</b>	Maturity year	Metal price (USD)	Quantity	Market value (SEK m)	Coverage rate <sup>1</sup> %
<b>Copper (tonnes)</b>	2010	7 606	62 700	96	65%
<b>Gold (troy oz)</b>	2010	961	105 850	-111	75%
<b>Silver (troy oz)</b>	2010	18.46	5 170 000	52	65%

**Market value of outstanding contracts, SEK m**

**37**

<sup>1)</sup> Approximate coverage rate on outstanding metal positions during the 2010 period in relation to forecast production.

## EXCHANGE RATES

The majority of Boliden's revenues and cost of raw materials bought in are in US dollars, but the majority of its other costs are in Swedish kronor, euro and Norwegian kroner. The development of the US dollar consequently has a significant effect on the Group's profit.

During the fourth quarter, the US dollar weakened against the Swedish krona, the Norwegian krone and against the euro in comparison with both the third quarter of 2009 and the fourth quarter of 2008.

<b>Exchange rates (average)</b>	Q4 2009	Q4 2008	Change in %	Q3 2009	Change in %	Full year 2009	Full year 2008	Change in %
USD/SEK	7.00	7.79	-10	7.29	-4	7.65	6.58	16
EUR/USD	1.48	1.31	13	1.43	3	1.39	1.46	-5
EUR/SEK	10.35	10.23	1	10.42	-1	10.62	9.61	11
USD/NOK	5.68	6.79	-16	6.12	-7	6.29	5.62	12

## Currency hedging

The following table summarises Boliden's currency futures contracts on 31<sup>st</sup> December 2009 in respect of forecast currency exposure in USD/SEK. The Boliden Group is otherwise, in every significant respect, exposed to exchange rate fluctuations. The hedging shown below means that changes in the USD/SEK exchange rate have a limited short-term impact on the Group's profit.

### Currency futures

	Maturity year	Forward rate	Amount sold (USD m)	Market value (SEK m)
<b>USD/SEK</b>	2010	8.26	688	726

**Market value of outstanding contracts, SEK m** **726**

## SENSITIVITY ANALYSIS

The following table estimates the effect over a 12-month period on the Group's operating profit (EBIT) of changes in market terms from listings on 31<sup>st</sup> December 2009, based on Boliden's planned production volume. The sensitivity analysis does not take into account the effects of metal price hedging, currency hedging, contracted TC/RC or revaluations of smelters' process inventory.

<b>Change in metal prices, +10%</b>	<b>Effect on profit, SEK m</b>	<b>Change in USD, +10%</b>	<b>Effect on profit, SEK m</b>	<b>Change in TC/RC, +10%</b>	<b>Effect on profit, SEK m</b>
Copper	485	USD/SEK	985	TC/RC Copper	55
Zinc	665	EUR/USD	480	TC Zinc	70
Lead	120	USD/NOK	120	TC Lead	-15
Gold	110				
Silver	95				



## BUSINESS AREA MINES

Business Area Mines comprises the operations of the Swedish mines, Aitik, the Boliden Area (Renström and Kristineberg) and Garpenberg, and the Tara mine in Ireland. The Business Area also includes exploration operations and external sales of mined concentrates. Aitik produces copper concentrate with some gold and silver content. The other Swedish mines produce zinc, copper and lead concentrates, with varying levels of gold and silver. Tara produces zinc and lead concentrates.

### REVENUES, PROFIT AND INVESTMENTS

SEK m	Q4 2009	Q4 2008	Change in %	Q3 2009	Change in %	Full year 2009	Full year 2008	Change in %
Revenues	1 673	1 113	50	1 767	-5	6 509	5 178	26
Operating profit	541	2	-	727	-26	2 159	734	194
Investments	1 106	1 258	-12	949	17	4 435	3 886	14
Capital employed	12 476	8 292	50	11 339	10	12 476	8 292	50

Information about the operating profit for individual units can be found on pages 22-23.

Business Area Mines' revenues totalled SEK 1,673 million (SEK 1,113 m) during the fourth quarter. The operating profit was SEK 541 million (SEK 2 m), corresponding to an increase of SEK 539 million in comparison with the fourth quarter of 2008 but a decrease of SEK 186 million in comparison with the third quarter of 2009. The positive effects of higher average prices for all metals was counteracted by lower grades and lower realised results from metal price and currency hedging.

The following table analyses the way in which Business Area Mines' operating profit performed during the fourth quarter of 2009 in relation to the corresponding period in 2008 and the third quarter of 2009.

### OPERATING PROFIT ANALYSIS

SEK m	Q4 2009	Q4 2008	Q3 2009
<b>Operating profit</b>	<b>541</b>	<b>2</b>	<b>727</b>
<b>Analysis of change in operating profit</b>		<b>Q4 vs. Q4 2008</b>	<b>Q4 vs. Q3 2009</b>
Volume effect		-168	-257
Costs		0	-69
Prices and terms*		872	134
Currency effects		-164	-2
Other		-1	7
<b>Change</b>		<b>539</b>	<b>-187</b>
<b>*Operating profit for resp. period</b>	<b>Q4 2009</b>	<b>Q4 2008</b>	<b>Q3 2009</b>
Realised metal price and currency hedging	-57	182	29
Definitive pricing (MAMA)	32	-125	27

Changes in production volumes, primarily in the form of lower copper production, had a negative effect on the profit of SEK 168 million in comparison with the fourth quarter of 2008. The volume effect in relation to the third quarter was SEK -257 million, due to lower grades in all mining areas. Stable production in several mining areas during the first to third quarters had a positive volume effect of SEK 140 million on a full year basis.

Operating costs remained unchanged in local currencies in comparison with the fourth quarter of 2008. Costs rose in comparison with the third quarter by 5 per cent, largely as a result of increasing exploration activities, lower staff overheads during the summer months, and increased result-based payroll costs.

Changes to prices and terms collectively had a positive effect on the operating profit of SEK 872 million in comparison with the fourth quarter of 2008 and of SEK 134 million in comparison with the third quarter. The average prices for all metals were considerably higher than during the fourth quarter of 2008. Continued price rises

also yielded higher average prices in comparison with the third quarter, particularly for zinc. The positive effects were, however, moderated by lower realised results from metal price and currency hedging and the negative effects of exchange rate trends.

<b>METAL PRODUCTION*</b>	Q4	Q4	Change	Q3	Change	Full	Full	Change
	2009	2008	in %	2009	in %	year	year	in %
						2009	2008	
Zinc, tonnes	72 956	71 963	1	76 397	-5	307 128	297 423	3
Copper, tonnes	11 370	16 362	-31	16 076	-29	54 602	57 220	-5
Lead, tonnes	13 888	13 913	0	14 164	-2	56 669	53 041	7
Gold, kg	853	830	3	876	-3	3 130	2 603	20
Silver, kg	50 791	57 115	-11	58 479	-13	214 120	211 683	1

\* Refers to metal content in concentrates.

Information about production and metal grades at individual units can be found on pages 22-23.

The lower grades at the end of the third quarter continued into the fourth quarter and the grades in all mining areas fell after having been higher than the ore reserves' average level earlier in the year. This is the main reason for the fall of 29 per cent and 5 per cent, respectively, in the Business Area's production of copper and zinc in relation to the third quarter. Zinc production did, however, increase by 3 per cent for 2009 as a whole, while copper production for the full year fell by 5 per cent.

The decline in zinc production from third quarter levels was primarily due to lower grades at Tara and Garpenberg. The new grinding mill was run in at Tara during the fourth quarter, but the positive effects of lower grinding costs and improved zinc yield did not achieve their full impact during the fourth quarter. The effect of the lower grades at Garpenberg was ameliorated by continued stable production at the concentrator. Overall, the Business Area's production of zinc was marginally higher than during the fourth quarter of 2008.

Lower grades meant that copper production at Aitik was lower in the fourth quarter than in previous quarters. The copper grade was 0.21 per cent, in comparison with 0.32 per cent in the fourth quarter of 2008 and 0.31 per cent during the third quarter of 2009.

Gold production was high during the fourth quarter, primarily as a result of the change in the ore mix in the Boliden Area and the high yields in the concentrator. Overall, the Business Area's gold production increased by 3 per cent in comparison with the fourth quarter of 2008 but was 3 per cent lower than during the third quarter. The corresponding figures for silver were -11 per cent and -13 per cent, respectively, primarily as a consequence of lower silver grades at Garpenberg. Gold production increased for the full year by 20 per cent, while silver production remained essentially unchanged.

Lead production remained largely unchanged in comparison with the fourth quarter of 2008 but fell by 2 per cent in comparison with the third quarter of 2009 as a result of lower lead grades in Garpenberg.

### **The Aitik expansion**

The project is currently in an intensive phase involving trial runs of the ore conveyor and concentrator functions. Larger than normal production variations can be expected during the running in period.

The commissioning of the first production line in the new concentrator is expected to take place according to schedule on 1<sup>st</sup> April 2010. Aitik's ore production in 2010 is expected to total 31 million tonnes, with full capacity of 36 million tonnes reached in 2014. Increased ore extraction and concentrator capacity will boost production of copper concentrate by an average of approximately 50 per cent from current production levels, a lower average grade notwithstanding. The current extraction plan will mean lower than average grades between 2011 and 2017.

The estimated total investment cost for the Aitik expansion project is approximately SEK 6.1 billion.

**Ore reserves and mineral resources**

Boliden's ore reserves and mineral resources generally developed positively in 2009 in spite of certain cutbacks in mine-site exploration at the end of 2008 and in the first six months of 2009. The positive performance was largely due to successful exploration and, in part, to raised long-term prices for all metals except zinc.

Positive exploration results yielded a pronounced increase in Aitik's mineral resources during the year, with the resources increasing by 460 million tonnes. The Salmijärvi area in the vicinity of the Aitik open pit mine, for example, increased the mine's ore reserve from 633 million tonnes to 747 million tonnes, which, at planned production levels, gives a lifespan of 19 years. The average grade in the ore reserve for copper in Aitik is 0.25 per cent.

Tara's mineral resources total 11.8 million tonnes, corresponding to a reduction of 10 per cent. Tara gained new ore reserves at approximately the same rate as existing ones were extracted in 2009, thanks to positive exploration results, and, to some extent, improved metal prices. The ore reserve of 17 million tonnes gives the mine a lifespan of 7 years at planned production levels.

Garpenberg's mineral resources increased by 3.5 million tonnes as a result of improved prices and successes in the exploration of the Kvarnberget mineralisation. Garpenberg's ore reserves totalled 25.9 million tonnes which, at planned production levels, gives a lifespan of 19 years.

Net additions of 1.8 million tonnes and 1.3 million tonnes, respectively, were made to the Boliden Area's mineral resources and ore reserve during the year. The changes are primarily due to exploration successes in Renström and Kristineberg that increased the mineral resources and in Kankberg, which increased the ore reserve. At planned production rates, the lifespan for the area is 6 years.

For further information on ore reserves and mineral resources on 31<sup>st</sup> December 2009, see pages 25-26.

## BUSINESS AREA SMELTERS

Business Area Smelters comprises the Kokkola and Odda zinc smelters, the Rönnskär and Harjavalta copper smelters and the Bergsöe lead smelter. It also includes the smelters' concentrate purchases and metal sales within the Business Area. The zinc smelters primarily produce zinc metal but Odda also produces aluminium fluoride. The copper smelters primarily produce copper, gold, silver, lead and sulphuric acid, but also recycle metal and electronic scrap, and smelt nickel. The Bergsöe lead smelter recycles lead metal, primarily from car batteries.

### REVENUES, PROFIT AND INVESTMENTS

SEK m	Q4 2009	Q4 2008	Change in %	Q3 2009	Change in %	Full year 2009	Full year 2008	Change in %
Revenues	8 047	6 066	33	6 677	21	26 765	31 256	-14
Operating profit	718	-414	273	316	127	1 724	372	363
Operating profit, ex. revaluation of process inventory	356	288	23	101	252	451	1 162	-61
Investments	162	274	-41	132	23	480	737	-35
Capital employed	13 712	13 656	0	13 847	-1	13 712	13 656	0

Information about the operating profit at individual units can be found on page 24.

Business Area Smelters' operating profit, excluding the revaluation of process inventory, totalled SEK 356 million (SEK 288 m), corresponding to an increase of SEK 68 million in comparison with the fourth quarter of 2008. This was an improvement in the operating profit of SEK 255 million in comparison with the third quarter of this year, and resulted, in the main, from increased production by the zinc smelters and the positive effects of the rise in the price of zinc. If the positive effect, SEK 362 million, of the revaluation of process inventory is included, the operating profit was SEK 718 million (SEK -414 m).

The following table analyses the way in which Business Area Smelters' operating profit performed during the fourth quarter of 2009 in relation to the corresponding period in 2008 and the third quarter of 2009.

### OPERATING PROFIT ANALYSIS

SEK m	Q4 2009	Q4 2008	Q3 2009
<b>Operating profit</b>	<b>718</b>	<b>-414</b>	<b>316</b>
Revaluation of process inventory	362	-702	215
<b>Operating profit, ex. revaluation of process inventory</b>	<b>356</b>	<b>288</b>	<b>101</b>
<b>Analysis of change in operating profit, ex. revaluation of process inventory</b>		<b>Q4 vs. Q4 2008:</b>	<b>Q4 vs. Q3 2009:</b>
Volume effect		-79	224
Costs		-78	-162
Prices and terms*		405	203
Currency effects		-174	-19
Other		-6	9
<b>Change</b>		<b>68</b>	<b>255</b>
<b>*Operating profit for resp. period</b>	<b>Q4 2009</b>	<b>Q4 2008</b>	<b>Q3 2009</b>
Realised metal price and currency hedging	-14	-7	3
Definitive pricing (MAMA)	17	-19	13

The volume effect was SEK -79 million in relation to the fourth quarter of 2008 and resulted from the decision at the beginning of the year to cut the copper smelters' production. Higher production volumes than during the third quarter yielded a positive effect on the profit of SEK 224 million. The zinc smelters were producing at full capacity utilisation throughout the fourth quarter, with Kokkola performing particularly well. Copper production increased from levels obtaining during the third quarter, when a maintenance shutdown was implemented at Harjavalta, but production continued to be limited at both Harjavalta and Rönnskär throughout the quarter.

Operating costs in local currencies (excluding purchases of raw materials) increased by 4 per cent in comparison with the fourth quarter of 2008. Costs rose by 10 per cent in comparison with the third quarter, primarily as a result of higher variable costs when the zinc smelters returned to full capacity.

Changes in prices and terms had a positive effect on the profit of SEK 203 million in comparison with the third quarter. The majority of this change was due to the positive effect of the rise in the price of zinc on realised TC/RC and the value of free metals.

PRODUCTION	Q4	Q4	Change in %	Q3	Change in %	Full year	Full year	Change in %
	2009	2008		2009		2009	2008	
Zinc, tonnes	116 708	109 181	7	113 550	3	434 022	443 191	-2
Copper, tonnes	85 804	88 931	-4	76 783	12	302 355	349 593	-14
Lead, tonnes	2 618	2 084	26	2 269	15	13 013	14 235	-9
Lead alloys, tonnes (Bergsöe)	12 414	11 857	5	6 674	86	38 561	42 577	-9
Gold, kg	4 185	3 964	6	4 060	3	15 028	15 489	-3
Silver, kg	129 610	141 139	-8	133 200	-3	539 564	488 285	11
Sulphuric acid, tonnes	322 687	357 863	-10	248 091	30	1 123 336	1 328 904	-15
Aluminium fluoride, tonnes	7 624	9 613	-21	6 097	25	33 161	34 611	-4

Information about production at individual units can be found on page 24.

Both of the zinc smelters – Kokkola and Odda – had returned to full production by the end of the third quarter. Production was good at Kokkola, which set a new production record in December, and as a result, the fourth quarter's production of cast zinc increased by 7 per cent in comparison with the fourth quarter of 2008 and by 3 per cent in comparison with the third quarter. The cutbacks implemented earlier in the year meant that zinc production fell on a full year basis by 2 per cent.

The copper smelters continued at a reduced production level during the fourth quarter. Copper concentrate supplies continued to be weak, with poor TC/RC terms as a result, while the market situation for the by-product, sulphuric acid, has continued to improve. Overall, the Business Area's production of copper cathodes fell by 4 per cent in comparison with the fourth quarter of 2008, but increased by 12 per cent in comparison with the third quarter, due to Harjavalta's lower production in the third quarter when a maintenance shutdown was implemented. Production fell by 14 per cent for the year as a whole. Given current market conditions for copper concentrate, the smelters' lower copper production levels will continue in early 2010.

Production of precious metals remained at healthy levels, despite the cutbacks at the copper smelters. The trend was due to high precious metal grades in the copper concentrate bought in and to electronic scrap accounting for an increased percentage of Rönnskär's production. Gold production increased overall by 6 per cent in comparison with the fourth quarter of 2008 and by 3 per cent in comparison with the third quarter. The corresponding figures for silver production were -8 per cent and -3 per cent, with the declines due to Business Area Mine's lower production of silver. Gold production fell by 3 per cent for the year as a whole, while silver production increased by 11 per cent.

Bergsöe's production of lead alloys improved substantially between the third and fourth quarters as a result of the improved availability of scrap car batteries for recycling.

No maintenance shutdowns were implemented during the fourth quarter, unlike in the corresponding period in 2008 when maintenance shutdowns entailed costs of SEK 50 million. No maintenance shutdowns are planned for the first quarter of 2010.

**SUSTAINABLE DEVELOPMENT****Employees**

The average number of employees in Boliden at the end of the fourth quarter was 4,379. Of these, 2,406 work in Sweden, 933 in Finland, 691 in Ireland, 332 in Norway and 17 in other countries. This corresponds to a decrease of 229 in comparison with 2008 as a whole, when the average number of employees totalled 4,608.

The sick leave rate during the fourth quarter was 4.2 per cent, corresponding to a decrease of 0.7 percentage points in comparison with the preceding quarter and of 0.5 percentage points in comparison with 2008 as a whole.

The accident frequency during the fourth quarter was 5.0 accidents per one million hours worked. This is a decrease in comparison with the third quarter when the corresponding figure was 8.0. Overall, the accident frequency has fallen from 9.1 in 2008 to 5.5 in 2009.

**Environment**

Boliden's operations at all of its facilities are subject to licensing requirements, and are conducted in accordance with applicable legislation in every country in which the company operates.

Limit values were reported to have been exceeded on two occasions during the quarter. The limit value for antimony in outlet water was exceeded in Tara and the limit value for arsenic in outlet water was exceeded in Harjavalta. Both incidents occurred in December and have occasioned measures and investigations. A leak from a dam occurred at Aitik in December. This incident has been reported to the authorities and is under investigation.

Group-wide environmental goals have been defined for the period from 2009 to 2013. The goals relate to emissions and discharges of metals into the air and water, and to emissions of sulphur dioxide and carbon dioxide into the air. The goals are followed up on a monthly basis with the exception of the goals for carbon dioxide emissions – through reduced energy consumption – which are followed up at the turn of every year.

All values for the goals that are followed up monthly, namely those for emissions and discharges into air and water and emissions of sulphur dioxide into the air, are for 2009 well in line with the goals set.

**RISKS AND UNCERTAINTY FACTORS**

The Group's and Parent Company's significant risks and uncertainty factors include market and external risks, financial risks, operational and commercial risks, and legal risks. The global economic climate in general, and global industrial production in particular, affect the pricing trends for zinc, copper and other base metals. Uncertainty in the global economic climate may entail increased risks with regard to Boliden's operations, and to its profitability and financial position. For further information on risks and risk management, please see the Risk management section on page 35 of Boliden's Annual Report for 2008 and Note 19 Financial risk management, on page 64.

**PREPARATION PRINCIPLES FOR THE INTERIM REPORT**

The Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU, and the Swedish Financial Reporting Board's Recommendation RFR1, Supplementary Accounting Rules for Groups, which specifies the addenda to the IFRS information required in accordance with the provisions of the Swedish Annual Accounts Act. This Interim Report has been prepared in accordance with IAS 34, Interim Reporting. The Parent Company accounts are prepared in accordance with the Swedish Annual Accounts Act and RFR 2, Reporting for Legal Entities. The Group applies the same accounting principles as those described in the 2008 Annual Report with the exception of those described below.

IFRS 8 requires information on the Group's operating segments and replaces the requirement to define primary and secondary segments within the Group. The implementation of this standard has had no effect on the Group's financial position. The implementation of IFRS 8 has not given rise to any segments other than those reported as primary in accordance with IAS 14.

The revised IAS 1, Presentation of Financial Statements, is applied as of 1<sup>st</sup> January 2009. The standard divides changes in shareholders' equity into those arising from transactions with owners and other changes. The presentation of changes in shareholders' equity will only include details of transactions with owners. The revised standard also introduces the concept of "Comprehensive income reporting" which contains all income and expense

items previously reported under the shareholders' equity accounts. Boliden has chosen to present a separate report of comprehensive income.

Revised IAS 23, the option of immediately writing off loan costs attributable to the purchase, construction, or production of an eligible asset has been removed, and the company is now obliged to capitalise the cost as part of the acquisition value. The Group has historically used this principle in connection with major investments and intends to continue to apply this principle.

Stockholm, 12<sup>th</sup> February 2010

Lennart Evrell  
*President & CEO*

The information provided comprises the information that Boliden is obliged to present pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on 12<sup>th</sup> February 2010 at 13:30 noon (CET).

The Full year Report has not been subject to special review by the company's auditors.



**INTERIM REPORTS**

- The Interim Report for January – March 2010 will be published on 27<sup>th</sup> April 2010
- The Interim Report for January – June 2010 will be published on 19<sup>th</sup> July 2010
- The Interim Report for January – September 2010 will be published on 21<sup>st</sup> October 2010

**ANNUAL REPORT**

The Annual Report for 2009 will be published on 26<sup>th</sup> February 2010 on [www.boliden.com](http://www.boliden.com) and will be available at Boliden's Head Office in Stockholm during the first half of March 2010.

**ANNUAL GENERAL MEETING**

Boliden's 2010 Annual General Meeting will be held on 27<sup>th</sup> April in Garpenberg. Shareholders wishing to have a matter raised at the Meeting must submit a proposal to that effect no later than 1<sup>st</sup> March. For further information, see [www.boliden.com](http://www.boliden.com).

**NOMINATION COMMITTEE**

Boliden's Nomination Committee for the 2010 Annual General Meeting was appointed on 29<sup>th</sup> April 2009. The Nomination Committee comprises Anders Algotsson (Chairman of the Nomination Committee) from AFA Försäkring, Lars-Erik Forsgårdh, Eva Halvarsson from Andra AP-fonden, Åsa Nisell from Swedbank Robur Fonder, and Anders Ullberg, Boliden's Chairman of the Board. Since then, Caroline af Ugglas from Skandia Liv has joined the Nomination Committee.

**PRESENTATION AND WEBCAST (IN ENGLISH)**

The Report will be presented on Friday, 12<sup>th</sup> February at 15.00 (CET) in Stockholm.  
Location: Klara Strand Konferens, Viktor Arendorff auditorium. Address: Klarabergsviadukten 90.

The presentation will also be broadcast online at [www.boliden.com](http://www.boliden.com).

Interested parties may also take part by telephone. Call one of the following telephone numbers between 3 and 5 minutes before the conference starts.

From Sweden: 08-505 598 53 (remember to dial the area code)

From abroad: +44 (0)203 043 24 36

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## CONSOLIDATED INCOME STATEMENTS

SEK m	Q4 2009	Q4 2008	Full year 2009	Full year 2008
Revenues	8 356	6 287	27 635	30 987
Cost of goods sold	-6 828	-6 480	-22 957	-28 832
<b>Gross profit</b>	<b>1 528</b>	<b>-193</b>	<b>4 678</b>	<b>2 155</b>
Selling expenses	-111	-129	-408	-502
Administrative expenses	-151	-113	-534	-411
Research and development costs	-65	-92	-218	-377
Other operating income and expenses	31	37	105	136
Results from participations in associated companies	–	-1	–	3
<b>Operating profit</b>	<b>1 232</b>	<b>-491</b>	<b>3 623</b>	<b>1 004</b>
Financial income	6	15	11	37
Financial expenses	-39	-90	-257	-318
<b>Profit before tax</b>	<b>1 199</b>	<b>-566</b>	<b>3 377</b>	<b>723</b>
Taxes	-378	115	-876	212
<b>Net profit</b>	<b>821</b>	<b>-451</b>	<b>2 501</b>	<b>935</b>
<b>Net profit attributable to</b>				
The Parent Company's shareholders	821	-451	2 500	935
Minority shareholdings	–	–	1	–
<b>Profit and shareholders' equity per share</b>				
	<b>Q4 2009</b>	<b>Q4 2008</b>	<b>Full year 2009</b>	<b>Full year 2008</b>
Earnings per share, SEK <sup>1)</sup>	3.00	-1.65	9.14	3.42
Shareholders' equity per share, SEK	59.44	58.98	59.44	58.98
Number of shares	273 511 169	273 511 169	273 511 169	273 511 169
Average number of shares	273 511 169	273 511 169	273 511 169	273 511 169
Number of own shares held	–	–	–	–

<sup>1</sup> There are no potential shares and, as a result, no dilution effect.

## CONSOLIDATED COMPREHENSIVE INCOME REPORT

SEK m	Q4 2009	Q4 2008	Full year 2009	Full year 2008
<b>Net profit</b>	<b>821</b>	<b>-451</b>	<b>2 501</b>	<b>935</b>
Market valuation of financial instruments	-709	3 229	-2 858	4 587
Translation differences	-5	-32	-4	-41
Tax related to other comprehensive income	186	-808	752	-1 188
<b>Period's other comprehensive income, net after tax</b>	<b>-527</b>	<b>2 389</b>	<b>-2 110</b>	<b>3 358</b>
<b>Total comprehensive income for the period</b>	<b>294</b>	<b>1 938</b>	<b>391</b>	<b>4 293</b>
<b>Total comprehensive income attributable to</b>				
The Parent Company's shareholders	294	1 938	390	4 293
Minority shareholdings	–	–	1	–

Other key ratios	Q4 2009	Q4 2008	Full year 2009	Full year 2008
Return on capital employed <sup>1</sup> , %	19	-8	14	5
Return on shareholders' equity <sup>2</sup> , %	20	-12	16	7
Equity/assets ratio, %	49	53	49	53
Net debt/equity ratio <sup>3</sup> , %	46	39	46	39
Depreciation, SEK m	388	364	1 562	1 422
Investments, SEK m	1 269	1 533	4 915	4 624
Capital employed, SEK m	26 229	24 733	26 229	24 733
Net debt, SEK m	7 402	6 305	7 402	6 305

<sup>1</sup>) Operating profit divided by average capital employed.

<sup>2</sup>) Profit after tax divided by average shareholders' equity.

<sup>3</sup>) Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

## CONSOLIDATED BALANCE SHEETS

SEK m	31st Dec. 2009	31st Dec. 2008
Intangible fixed assets	3 359	3 331
Tangible fixed assets	20 454	17 192
Deferred tax	21	–
Interest-bearing assets	30	22
Other financial fixed assets	63	46
Inventories	5 245	4 051
Interest-bearing current receivables	7	7
Tax receivables	8	114
Other receivables	3 246	4 285
Liquid assets	825	1 204
<b>Total assets</b>	<b>33 258</b>	<b>30 252</b>
Shareholders' equity	16 257	16 131
Pension provisions	585	506
Deferred tax provisions	2 511	2 410
Other provisions	705	1 018
Interest-bearing long-term liabilities	6 624	6 670
Interest-bearing current liabilities	1 055	362
Tax liabilities	88	2
Other current liabilities	5 433	3 153
<b>Total liabilities and shareholders' equity</b>	<b>33 258</b>	<b>30 252</b>

## CONSOLIDATED SHAREHOLDERS' EQUITY REPORT

SEK m	31st Dec. 2009	31st Dec. 2008
Opening balance	16 131	12 932
Dividend	-274	-1 094
Minority holding in conjunction with acquisition	8	–
Comprehensive income for the period	391	4 293
Closing balance	16 257	16 131

On 31<sup>st</sup> December 2009, the market valuation of financial instruments, after fiscal effects, was SEK 495 million (SEK 2,602 m).

## CASH FLOW ANALYSIS

SEK m	Q4 2009	Q4 2008	Full year 2009	Full year 2008
<b>Cash flow from operating activities before changes in working capital</b>	1 522	-520	5 037	1 576
Cash flow from changes in working capital	100	1 524	-1 063	3 894
<b>Cash flow from operating activities</b>	<b>1 622</b>	<b>1 004</b>	<b>3 974</b>	<b>5 470</b>
Investment activities				
- Acquisition of tangible fixed assets	-1 266	-1 530	-4 912	-4 621
- Other	-6	-8	-10	-12
Cash flow from investment activities	-1 272	-1 538	-4 922	-4 633
<b>Cash flow before financing activities</b>	<b>350</b>	<b>-534</b>	<b>-948</b>	<b>837</b>
Dividend	-	-	-274	-1 094
Net borrowing/net amortisation	-339	953	845	580
Cash flow from financing activities	-339	953	571	-514
<b>Cash flow for the period</b>	<b>11</b>	<b>419</b>	<b>-377</b>	<b>323</b>
Exchange rate difference on liquid assets	-	1	-2	3
<b>Change in liquid assets</b>	<b>11</b>	<b>420</b>	<b>-379</b>	<b>326</b>

## INCOME STATEMENTS – PARENT COMPANY

SEK m	Q4 2009	Q4 2008	Full year 2009	Full year 2008
Dividends from subsidiaries	–	767	–	768
<b>Profit before tax</b>	<b>–</b>	<b>767</b>	<b>–</b>	<b>768</b>
Taxes	–	–	–	–
<b>Profit for the period</b>	<b>–</b>	<b>767</b>	<b>–</b>	<b>768</b>

The operations of Boliden AB are conducted on commission from Boliden Mineral AB, and hence the results of the operations are reported under Boliden Mineral AB.

## BALANCE SHEETS – THE PARENT COMPANY

SEK m	31st Dec. 2009	31st Dec. 2008
Participations in Group companies	3 911	3 911
Other shares and participations	3	2
Long-term financial receivables, Group companies	3 670	3 177
Current financial receivables, Group companies	976	1 120
<b>Total assets</b>	<b>8 560</b>	<b>8 210</b>
Shareholders' equity	7 584	7 857
Current liabilities to credit institutions	976	353
<b>Total liabilities and shareholders' equity</b>	<b>8 560</b>	<b>8 210</b>

**INFORMATION PER SEGMENT**

SEK m	Q4 2009	Q4 2008	Full year 2009	Full year 2008
<b>MINES</b>				
Revenues	1 673	1 113	6 509	5 178
Operating profit	541	2	2 159	734
Depreciation	165	155	673	618
Investments	1 106	1 258	4 435	3 886
Capital employed	12 476	8 292	12 476	8 292
<b>SMELTERS</b>				
Revenues	8 047	6 066	26 765	31 256
Operating profit	718	-414	1 724	372
Operating profit, ex. reevaluation of process inventory	356	288	451	1 162
Depreciation	222	209	888	803
Investments	162	274	480	737
Capital employed	13 712	13 656	13 712	13 656
<b>OTHER/ELIMINATIONS</b>				
Revenues	-1 364	-892	-5 639	-5 447
Operating profit	-27	-79	-260	-102
Depreciation	1	-	1	1
Investments	1	1	-	1
Capital employed	41	2 785	41	2 785
<b>THE GROUP</b>				
Revenues	8 356	6 287	27 635	30 987
Operating profit	1 232	-491	3 623	1 004
Depreciation	388	364	1 562	1 422
Investments	1 269	1 533	4 915	4 624
Capital employed	26 229	24 733	26 229	24 733

Capital employed reported under Other refers primarily to the market valuation of hedges.



**PRODUCTION AND PROFIT PER UNIT - MINES**

	Q4 2009	Q4 2008	Change in %	Full year 2009	Full year 2008	Change in %
<b>TARA</b>						
Milled ore, ktonnes	616	602	2	2 508	2 411	4
Head grades						
Zinc (%)	7.9	6.9	14	7.9	7.8	1
Lead (%)	1.6	1.4	14	1.5	1.5	0
Metal production						
Zinc, tonnes	45 158	39 018	16	185 558	175 006	6
Lead, tonnes	6 096	5 395	13	23 567	22 631	4
<b>Operating profit, SEK m</b>	-	-	-	76	-40	-
<b>Cash cost (C1), US\$/lb Zn</b>	-	-	-	63.5	78.9	-19.5
<b>GARPENBERG</b>						
Milled ore, ktonnes	331	356	-7	1 394	1 365	2
Head grades						
Zinc (%)	6.5	7.6	-14	7.3	6.9	6
Copper (%)	0.1	0.1	0	0.1	0.1	0
Lead (%)	2.7	2.8	-4	2.8	2.6	8
Gold (g/tonne)	0.3	0.3	0	0.2	0.3	-33
Silver (g/tonne)	132	136	-3	139	130	7
Metal production						
Zinc, tonnes	18 999	24 101	-21	90 079	83 938	7
Copper, tonnes	117	130	-10	493	581	-15
Lead, tonnes	7 281	7 906	-8	31 371	28 514	10
Gold, kg	61	60	2	214	243	-12
Silver, kg	31 395	34 754	-10	139 141	130 287	7
<b>Operating profit, SEK m</b>	-	-	-	793	466	70.4
<b>Cash cost (C1), US\$/lb Zn</b>	-	-	-	2.8	18.8	-85.1

**PRODUCTION AND PROFIT PER UNIT – MINES (CONT.)**

	Q4 2009	Q4 2008	Change in %	Full year 2009	Full year 2008	Change in %
<b>THE BOLIDEN AREA</b>						
Milled ore, ktonnes	365	388	-6	1 192	1 355	-12
Head grades						
Zinc (%)	3.2	4.3	-26	3.7	4.0	-
Copper (%)	0.9	0.9	0	1.0	1.0	0
Lead (%)	0.4	0.6	-33	0.5	0.4	25
Gold (g/tonne)	2.2	1.7	29	2.0	1.5	33
Silver (g/tonne)	56	78	-28	65	61	7
Metal production						
Zinc, tonnes	8 799	8 844	-1	31 491	38 479	-18
Copper, tonnes	2 520	1 799	40	8 090	9 413	-14
Lead, tonnes	510	612	-17	1 731	1 896	-9
Gold, kg	554	297	87	1 568	1 141	37
Silver, kg	13 782	13 419	3	48 186	47 671	1
<b>Operating profit, SEK m</b>	-	-	-	303	115	162.9
<b>Cash cost (C1), US\$/lb Zn</b>	-	-	-	-6.2	28.7	-
<b>AITIK</b>						
Milled ore, ktonnes	4 430	5 051	-12	18 791	17 813	5
Head grades						
Copper (%)	0.21	0.32	-34	0.27	0.30	-10
Gold (g/tonne)	0.10	0.19	-47	0.13	0.14	-7
Silver (g/tonne)	1.54	2.52	-39	1.99	2.81	-29
Metal production						
Copper, tonnes	8 733	14 434	-39	46 019	47 225	-3
Gold, kg	238	473	-50	1 348	1 218	11
Silver, kg	5 030	8 502	-41	24 701	32 087	-23
<b>Operating profit, SEK m</b>	-	-	-	949	876	8.3
<b>Cash cost (C1), US\$/lb Cu</b>	-	-	-	86.2	124.3	-30.7

**PRODUCTION AND PROFIT PER UNIT - SMELTERS**

	Q4 2009	Q4 2008	Change in %	Full year 2009	Full year 2008	Change in %
<b>KOKKOLA</b>						
Smelted material, tonnes						
Zinc concentrate	155 019	147 341	5	571 003	576 239	-1
Production, tonnes						
Zinc, tonnes	80 177	77 211	4	295 049	297 722	-1
<b>Operating profit<sup>1)</sup>, SEK m</b>	-	-	-	362	469	-22.7
<b>ODDA</b>						
Smelted material, tonnes						
Zinc concentrate, incl. zinc clinker	64 586	59 698	8	245 263	269 820	-9
Production, tonnes						
Zinc, tonnes	36 531	31 970	14	138 973	145 469	-4
of which reprocessed zinc	34	189		1 315	1 198	
Aluminium fluoride, tonnes	7 624	9 613	-21	33 161	34 611	-4
Sulphuric acid, tonnes	27 215	23 342	17	107 758	112 946	-5
<b>Operating profit<sup>1)</sup>, SEK m</b>	-	-	-	6	210	-97.0
<b>RÖNNSKÅR</b>						
Smelted material, tonnes						
Copper, tonnes						
Primary	150 685	158 381	-5	564 749	611 202	-8
Secondary	43 249	41 002	5	154 099	172 950	-11
Total	193 934	199 383	-3	718 848	784 152	-8
Production						
Cathode copper, tonnes	54 756	58 644	-7	205 759	227 774	-10
Lead, tonnes	2 618	2 084	26	13 013	14 235	-9
Zinc clinker, tonnes	9 742	10 486	-7	38 535	40 803	-6
Gold, kg	3 806	3 390	12	13 282	13 425	-1
Silver, kg	114 600	123 579	-7	481 223	429 637	12
Sulphuric acid, tonnes	141 635	148 394	-5	514 736	556 863	-8
<b>Operating profit<sup>1)</sup>, SEK m</b>	-	-	-	83	395	-79.0
<b>HARJAVALTA</b>						
Smelted material, tonnes						
Copper concentrate	114 554	138 434	-17	399 653	529 466	-25
Production, tonnes						
Cathode copper	31 048	30 287	3	96 596	121 819	-21
Gold, kg	378	574	-34	1 747	2 064	-15
Silver, kg	15 010	17 560	-15	58 341	58 648	-1
Sulphuric acid, tonnes	153 837	186 127	-17	500 842	659 095	-24
<b>Operating profit<sup>1)</sup>, SEK m</b>	-	-	-	-117	191	--
<b>BERGSÖE</b>						
Production, tonnes						
Lead alloys	12 414	11 857	5	38 561	42 577	-9
Tin alloys	112	59	90	428	516	-17
<b>Operating profit<sup>1)</sup>, SEK m</b>	-	-	-	91	127	-28.5

<sup>1)</sup> Operating profit excluding revaluation of process inventory.

**ORE RESERVES ON 31ST DECEMBER 2009**

		Quantity, 2009, ktonnes	Quantity, 2008, ktonnes	Au g/t	Ag g/t	Cu %	Zn %	Pb %	Mo g/t
<b>The Boliden Area</b>									
<i>Polymetallic mineralisations</i>									
Kristineberg	Proven	1 690	1 900	1.3	25	1.4	2.2	0.1	
	Probable	1 500	1 700	0.6	48	0.5	7.5	0.4	
Renström	Proven	140		3.4	156	0.6	8.3	1.6	
	Probable	1 110	1 130	2.5	162	0.5	7.5	1.5	
Maurliden	Proven	1 340	1 430	1.3	51	0.2	3.6	0.4	
	Probable								
Maurliden Östra	Proven								
	Probable	1 200	1 180	0.7	16	1.3	0.7		
<i>Gold mineralisations</i>									
Kankberg (Åkulla Östra)	Proven								
	Probable	1 610		4.9	13				
<b>Total</b>	<b>Proven</b>	<b>3 170</b>	<b>3 330</b>	<b>1.4</b>	<b>42</b>	<b>0.9</b>	<b>3.0</b>	<b>0.3</b>	
	<b>Probable</b>	<b>3 780</b>	<b>4 020</b>	<b>1.2</b>	<b>71</b>	<b>0.7</b>	<b>5.3</b>	<b>0.6</b>	
<b>Aitik</b>	<b>Proven</b>	<b>518 000</b>	<b>430 000</b>	<b>0.15</b>	<b>1.7</b>	<b>0.26</b>			<b>29</b>
	<b>Probable</b>	<b>229 000</b>	<b>203 000</b>	<b>0.13</b>	<b>1.7</b>	<b>0.25</b>			<b>32</b>
<b>Garpenberg</b>	<b>Proven</b>	<b>17 900</b>	<b>18 100</b>	<b>0.3</b>	<b>127</b>	<b>0.1</b>	<b>6.0</b>	<b>2.4</b>	
	<b>Probable</b>	<b>7 900</b>	<b>7 900</b>	<b>0.3</b>	<b>175</b>	<b>0.1</b>	<b>4.0</b>	<b>1.7</b>	
<b>Tara</b>	<b>Proven</b>	<b>3 800</b>	<b>3 900</b>				<b>8.8</b>	<b>2.1</b>	
	<b>Probable</b>	<b>13 200</b>	<b>13 200</b>				<b>6.7</b>	<b>1.7</b>	

Figures may be rounded up or down.

**MINERAL RESOURCES ON 31ST DECEMBER 2009**

		Quantity, 2009, ktonnes	Quantity 2008, ktonnes	Au g/t	Ag g/t	Cu %	Zn %	Pb %	Mo g/t
<b>The Boliden Area</b>									
<i>Polymetallic mineralisations</i>									
Kristineberg	Measured	50	50	0.66	45	1.3	4.2	0.2	
	Indicated	1 960	1 390	0.9	42	0.7	6.6	0.4	
	Inferred	3 250	3 500	0.9	51	0.6	5.8	0.3	
Petiknäs N	Measured	310	310	8.1	73	1.8	3.1	0.3	
	Indicated	1 200	1 200	2.7	52	0.6	1.8	0.3	
	Inferred	720	720	3.3	33	0.5	1.2	0.2	
Renström	Measured	10		4.9	139	0.9	7.7	1.4	
	Indicated	1 400	550	2.6	285	0.5	8.2	2.1	
	Inferred	1 890	1 990	2.2	155	0.8	5.7	1.4	
Maurliden	Measured	1 050	1 050	1.3	40	0.4	3.3	0.2	
	Indicated	360	360	0.9	45	0.7	2.9	0.2	
	Inferred								
Maurliden Östra	Measured								
	Indicated	400	400	1.9	42	1.2	2.4		
	Inferred								
<i>Gold mineralisations</i>									
Åkulla Östra	Measured								
	Indicated	1 690	2 600	2.0	9				
	Inferred		200						
Älgträsk	Measured								
	Indicated	2 930	950	2.6	3				
	Inferred	1 270	1 410	1.8	3				
<b>Total</b>	<b>Measured</b>	<b>1 400</b>	<b>1 410</b>	<b>2.8</b>	<b>48</b>	<b>0.7</b>	<b>3.3</b>	<b>0.2</b>	
<i>Polymetallic mineralisations</i>	<b>Indicated</b>	<b>5 300</b>	<b>3 900</b>	<b>1.8</b>	<b>108</b>	<b>0.7</b>	<b>5.4</b>	<b>0.8</b>	
	<b>Inferred</b>	<b>5 900</b>	<b>6 200</b>	<b>1.6</b>	<b>83</b>	<b>0.7</b>	<b>5.2</b>	<b>0.7</b>	
<b>Total</b>	<b>Measured</b>								
<i>Gold mineralisations</i>	<b>Indicated</b>	<b>4 600</b>	<b>3 600</b>	<b>2.4</b>	<b>5</b>				
	<b>Inferred</b>	<b>1 300</b>	<b>1 600</b>	<b>1.8</b>	<b>3</b>				
Aitik	Measured	633 000	439 000	0.11	1.1	0.19			25
	Indicated	737 000	512 000	0.11	1.1	0.19			25
	Inferred	131 000	92 000	0.11	0.5	0.15			19
Garpenberg	Measured	2 100	1 300	0.4	95	0.1	3.9	1.7	
	Indicated	5 200	2 100	0.5	130	0.1	5.1	2.3	
	Inferred	21 200	21 800	0.5	142	0.1	4.7	2.4	
Tara	Measured	300	500				8.7	2.1	
	Indicated	3 700	4 500				6.7	2.1	
	Inferred	7 800	8 100				7.2	1.7	

Figures may be rounded up or down.

**CONSOLIDATED QUARTERLY  
DATA**

	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009
<b>Financial performance, the Group</b>								
Revenues, SEK m	9 303	7 885	7 513	6 287	5 879	6 439	6 960	8 356
Operating profit before depreciation (EBITDA), SEK m	1 592	752	208	-127	1 170	1 056	1 340	1 620
Operating profit (EBIT), SEK m	1 231	406	-142	-491	788	654	949	1 232
Operating profit, ex. revaluation of process inventory, SEK m	926	531	125	211	269	477	734	870
Profit before tax, SEK m	1 133	354	-199	-566	668	587	923	1 199
Net profit, SEK m	1 263	259	-135	-451	564	432	684	821
Earnings per share, SEK	4.62	0.95	-0.49	-1.65	2.06	1.58	2.50	3.00
Free cash flow <sup>1</sup> , SEK m	1 198	290	-117	-534	-1 811	-97	610	350
Return on capital employed, %	25	8	-3	-8	12	10	15	19
Net debt/equity ratio <sup>2</sup> , %	31	39	37	39	52	55	48	46
<b>Metal production<sup>3</sup> Mines</b>								
Zinc, tonnes	82 362	75 561	67 538	71 963	76 167	81 608	76 397	72 956
Copper, tonnes	13 314	14 875	12 668	16 362	13 165	13 991	16 076	11 370
Lead, tonnes	13 362	12 975	12 791	13 913	13 701	14 916	14 164	13 888
Gold, kg	595	566	611	830	700	701	876	853
Silver, kg	48 789	53 519	52 261	57 115	54 826	50 024	58 479	50 791
<b>Metal production Smelters</b>								
Zinc, tonnes	108 807	112 648	112 555	109 181	102 963	100 801	113 550	116 708
Copper, tonnes	91 432	85 533	83 697	88 931	71 710	68 059	76 783	85 804
Lead, tonnes	7 046	2 850	2 255	3 964	5 391	2 735	2 269	2 618
Lead alloys, tonnes (Bergsöe)	11 868	10 992	7 860	11 857	9 451	10 022	6 674	12 414
Gold, kg	4 666	3 143	3 717	3 964	3 632	3 151	4 060	4 185
Silver, kg	136 655	94 940	115 552	141 139	133 013	143 740	133 200	129 610
Aluminium fluoride, tonnes	8 554	8 565	7 879	9 613	10 542	8 898	6 097	7 624
<b>Metal prices</b>								
Zinc, USD/tonne	2 426	2 115	1 773	1 189	1 174	1 476	1 757	2 211
Copper, USD/tonne	7 763	8 448	7 693	3 940	3 435	4 676	5 840	6 643
Lead, USD/tonne	2 891	2 316	1 912	1 251	1 160	1 506	1 925	2 292
Gold, USD/oz	926	897	871	798	908	923	960	1 101
Silver, USD/oz	17.59	17.18	15.09	10.21	12.60	13.76	14.69	17.57
<b>Exchange rates</b>								
USD/SEK	6.29	5.99	6.31	7.79	8.40	7.92	7.29	7.00
EUR/USD	1.50	1.56	1.50	1.31	1.30	1.36	1.43	1.48
EUR/SEK	9.40	9.35	9.47	10.23	10.94	10.78	10.42	10.35
USD/NOK	5.32	5.08	5.36	6.79	6.87	6.50	6.12	5.68

<sup>1</sup> Refers to cash flow before financing activities.

<sup>2</sup> Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

<sup>3</sup> Refers to metal content of concentrates.