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**Interim Report January–March 2010****Operating profit improves  
Aitik in production****Q1 2010**

- Revenues totalled SEK 8,316 million (SEK 5,879 m).
- The operating profit totalled SEK 1,230 million (SEK 788 m). Excluding the revaluation of process inventory, it totalled SEK 1,043 million (SEK 269 m).
- The free cash flow totalled SEK -52 million (SEK -1,811 m).
- Earnings per share totalled SEK 3.21 (SEK 2.06).
- Production has started at Aitik.
- Decision to invest SEK 1.3 billion in increasing electronic scrap recycling capacity at Rönnskär.

SEK m	Q1 2010	Q1 2009	April 2009- March 2010	Full year 2009
Revenues	8,316	5,879	30,072	27,635
Operating profit (EBIT)	1,230	788	4,065	3,623
Operating profit ex. revaluation of process inventory	1,043	269	3,124	2,350
Profit after financial items	1,196	668	3,906	3,377
Profit after tax	878	564	2,815	2,501
Earnings per share, SEK	3.21	2.06	10.29	9.14
Free cash flow <sup>1</sup>	-52	-1,811	811	-948
Net debt/equity ratio <sup>2</sup> , %	43	52	43	46

<sup>1</sup> Refers to cash flow before financing operations.<sup>2</sup> Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

**Q1 2010****Sales and production**

Global demand for base metals has continued to improve during the first quarter, with higher prices for copper, in particular, towards the end of the period. Developments in China are still the single most important factor, but pricing is also being affected by expectations of an economic upturn in Europe and the USA. Boliden's metals are mainly sold to industrial customers in Europe, where the recovery rate is slow. The quarter has also been characterised by a shortage of copper concentrate, which causes problems for the copper smelters.

Boliden's revenues totalled SEK 8,316 million (SEK 5,879 m), corresponding to an increase of 41 per cent in comparison with the corresponding period last year and remaining virtually unchanged in comparison with the level for the fourth quarter of 2009. The increase in comparison with the previous year was due to higher average prices for all metals. Copper prices were higher than in the previous quarter, but this was countered by lower volumes at the smelters.

The mines' copper production increased slightly in comparison with the corresponding period in 2009 and increased by 20 per cent in comparison with the previous quarter. The increase was due to higher grades and higher levels of ore production at the Aitik copper mine, where the new concentrator helped boost production to some extent towards the end of the period. Zinc production fell, however, in comparison both with the previous year and with the previous quarter. This was primarily due to the Tara mine's lower production volumes, which were caused by adjustments and repairs under guarantee to the new mill.

The smelters' copper production fell during the quarter, with the fall particularly pronounced in comparison with figures for the fourth quarter. The reduction was primarily due to a concentrate shortage at the beginning of the year, which imposed limitations on production. The copper smelters' production did, however, gradually increase during the quarter. Zinc production increased by 10 per cent in comparison with the previous year when the zinc smelters were operating at reduced capacity. Production did, however, fall slightly in comparison with the previous quarter.

**Operating profit**

The operating profit improved to SEK 1,230 million (SEK 788 m), primarily as a result of the positive trend in metal prices. If the revaluation of process inventory is excluded, the operating profit was SEK 1,043 million (SEK 269 m). The positive effects of higher metal prices were, however, moderated in part by a weaker US dollar in comparison with the first quarter of 2009. The improvement in the operating profit in comparison with the fourth quarter, excluding the revaluation of process inventory, was due to improved prices and terms and, to some extent, to better volumes within Business Area Mines, whose operating profit increased by SEK 259 million. The fall of SEK 100 million in the Business Area Smelters' operating profit in comparison with the previous quarter was due, primarily, to poorer volumes and, in part, to the deterioration in treatment and refining charges. Improved sulphuric acid prices failed to compensate for poorer TC/RC terms.

The realised profit on metal price and currency hedging remained largely unchanged at SEK 196 million (SEK 190 m).

Operating costs in local currencies (excluding raw material bought in) increased in comparison with the previous year but decreased in comparison with the fourth quarter of 2009. The increase relative to the previous year is primarily volume-related but is also due to increased depreciation. The comparison with the fourth quarter is marred, in part, by non-recurring items and if these items are excluded, the costs have remained unchanged.

Net financial items during the quarter totalled SEK -34 million (SEK -120 m). Lower average interest rates than during the previous year saw interest expenses fall by SEK 41 million. The change in the time value of options also had a positive effect on the operating profit of SEK 51 million. Net financial items remained essentially unchanged in comparison with the previous quarter.

The profit after tax totalled SEK 878 million (SEK 564 m), corresponding to earnings per share of SEK 3.21 (SEK 2.06).

**OPERATING PROFIT ANALYSIS**

SEK m	Q1 2010	Q1 2009	Q4 2009
<b>Operating profit</b>	<b>1,230</b>	<b>788</b>	<b>1,232</b>
Revaluation of process inventory	187	519	362
<b>Operating profit ex. revaluation of process inventory</b>	<b>1,043</b>	<b>269</b>	<b>870</b>
<i>Of which</i>			
<i>Realised metal price and currency hedging</i>	196	190	-72
<i>Definitive pricing (MAMA)</i>	-14	30	19
<b>Analysis of change in operating profit ex. revaluation of process inventory</b>		<b>Q1 vs. Q1 2009:</b>	<b>Q1 vs. Q4 2009:</b>
Volume effect		-14	-223
Costs		-125	110
Prices and terms		1,290	199
<i>Metal prices and terms</i>		1,258	19
<i>Realised metal price and currency hedging</i>		6	268
<i>TC/RC terms</i>		56	-70
<i>Metal premiums</i>		14	15
<i>Definitive pricing (MAMA)</i>		-44	-33
Exchange rate effects		-367	99
<i>Of which translation effects</i>		1	-23
Other		-10	-12
<b>Change</b>		<b>774</b>	<b>173</b>

**Cash flow and investments**

The cash flow from operating activities and before investments totalled SEK 550 million (SEK -792 m). The cash flow deteriorated by SEK 1,072 million in comparison with the fourth quarter, primarily as a result of copper concentrate stocks having increased from very low levels to normal levels at the end of the quarter.

Investments totalled SEK 598 million (SEK 1,019 m), of which SEK 259 million (SEK 648 m) was attributable to the Aitik expansion project. Investments during the fourth quarter totalled SEK 1,269 million. The reduction of SEK 671 million between the quarters was primarily due to a lower level of investment in Aitik.

The free cash flow for the quarter totalled SEK -52 million, in comparison with one of SEK -1,811 million last year and SEK 350 million in the previous quarter.

**CASH FLOW**

SEK M	Q1 2010	Q1 2009	Q4 2009
<b>From operating activities</b>	<b>1 824</b>	<b>953</b>	<b>1 522</b>
Changes in working capital	-1 274	-1 745	100
Investments and other	-602	-1 019	-1 272
<b>Before financing (Free cash flow)</b>	<b>-52</b>	<b>-1 811</b>	<b>350</b>

**Financial position**

On 31st March 2010, Boliden's net debt totalled SEK 7,216 million (SEK 8,229 m) and the net debt/equity ratio was 43 per cent (52%). The average term of Boliden's debt portfolio was 3.6 years (4.5 yrs) at the same point in time. On 31st March 2010, the portfolio's average interest rate was 2.56 per cent (3.85%) and the fixed interest term was 1.95 years (0.1 yrs). Interest swaps agreed during the second quarter of 2009 have extended Boliden's fixed interest term.

The contribution to shareholders' equity of the net market valuation of financial instruments, after fiscal effects, totalled SEK 180 million (SEK 1,752 m) on 31st March 2010.

Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities, totalled SEK 7,232 million (SEK 6,411 m) at the end of the first quarter.

## **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 18 of this Interim Report.

## **MARKET PERFORMANCE**

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

Industrial activity levels improved in mature economies during the first quarter. Production levels in industries of importance to base metal demand continued low, however, in mature economies, but high in China. The growth rate in China, which is driven by investments and industrial production, strengthened during the first quarter, achieving levels that were above the average for the last ten years. Construction-related investments in mature economies were at a low level overall, with the exception of those parts of the infrastructure that are government financed. Activity levels in the construction industry were high and rising in China. Automotive construction levels rose sharply in the West from previously low levels, and remained high in China.

### **Zinc**

The average price of zinc on the London Metal Exchange (LME) rose by 95 per cent in comparison with the first quarter of 2009 and by 3 per cent in comparison with the fourth quarter of 2009. The price trend has remained positive since March 2009.

Global demand for zinc is estimated to have increased by 18 per cent in comparison with the first quarter of 2009 and remained more or less unchanged in comparison with the fourth quarter of 2009. The increase in demand is a consequence of the general increase in industrial activity levels and of increased demand from the steel industry, which is successively raising its capacity utilisation levels from previously low ones.

Global production by zinc smelters increased by 18 per cent in comparison with the first quarter of 2009, but fell by 5 per cent in comparison with the fourth quarter of 2009. The fall in production in comparison with the fourth quarter of 2009 is due to lower production levels in China. Global mined production increased by 16 per cent in comparison with the first quarter of 2009, but fell by 8 per cent in comparison with the fourth quarter, primarily due to seasonal reductions in mined production in China. Global official stock levels increased by a slightly over 125,000 tonnes from the end of the fourth quarter of 2009, rising to some 786,000 tonnes, which corresponds to just over 25 days' global consumption.

Spot premiums rose in all regions but are lower than the premium levels in existing contracts. The premium revenues for the smelting industry have increased in parallel with an increased percentage of deliveries to industrial customers.

Remuneration for the smelters' refining of mined concentrate into metal – TC/RC – is controlled by the supply of and demand for mined concentrate. New smelter capacity has been added, increasing the competition for concentrate and pushing down the spot prices. TC/RC on the spot market came under pressure after the establishment of new benchmark levels that entailed a fall in realised TC/RC during the first quarter in comparison with the previous quarter. The difference between realised price levels and spot levels has increased during the quarter.

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 111 per cent higher than during the first quarter of 2009 and 9 per cent higher than during the fourth quarter of 2009. The price of copper has, in common with that of zinc, been rising since March 2009.

Global demand for copper increased by 9 per cent in comparison with the first quarter of 2009 and by 4 per cent in comparison with the fourth quarter of 2009.

Global smelter production levels are estimated to have increased by 4 per cent in comparison with the first quarter of 2009, and by 27 per cent in China as a result of capacity expansion. Production in China was, however, 7 per cent lower in comparison with the fourth quarter of 2009. Global mined production is estimated to have increased by 5 per cent in comparison with the first quarter of 2009. This increase was seen in every region in the world, with the exception of North America, where production fell by 4 per cent. The official global stock levels increased by just over 72,000 tonnes to a total of approximately 769,000 tonnes, corresponding to just over 15 days' global consumption.

Spot premiums in Europe rose but continued to be lower than the benchmark level for 2010. European smelters have increased their sales to industrial customers, resulting in higher premium revenues.

Concentrate has continued to be in short supply on the spot market during the quarter, and spot market TC/RC fell slightly in comparison with the fourth quarter of 2009 to a level substantially lower than the benchmark level of USD 46.5/tonne of concentrate established for 2010.

### 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. The market position improved during the fourth quarter of 2009 and this trend has continued during the first quarter of 2010. Sulphuric acid is not currently a limiting factor for the copper smelters' production. Demand and price levels have increased, primarily as a result of increased activity levels within the artificial fertiliser industry, and in copper production, through direct leaching.

### Other metals

The LME price of lead was an average of 91 per cent higher than in the corresponding period last year and 3 per cent lower than during the fourth quarter of 2009. Lead stock levels increased still further in comparison with the fourth quarter of 2009. Gold and silver prices were an average of 22 per cent and 34 per cent, respectively, higher than during the first quarter of 2009, and slightly higher than during the fourth quarter for gold, while the price of silver fell by 4 per cent in comparison with the fourth quarter.

### 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 profit performance is affected not only by the spot prices of metals, but by the percentage of payable metal content in 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 pricing premiums.

<b>Metal prices (USD) (average LME/LBMA)</b>	Q1 2010	Q1 2009	<i>Change in %</i>	Q4 2009	<i>Change in %</i>
Zinc (USD/tonne)	2,288	1,174	95	2,211	3
Copper (USD/tonne)	7,243	3,435	111	6,643	9
Lead (USD/tonne)	2,219	1,160	91	2,292	-3
Gold (USD/troy oz)	1,111	908	22	1,101	1
Silver (USD/troy oz)	16.93	12.60	34	17.57	-4

<b>Metal prices (SEK) (average LME/LBMA)</b>	Q1 2010	Q1 2009	<i>Change in %</i>	Q4 2009	<i>Change in %</i>
Zinc (SEK/tonne)	16,456	9,864	67	15,480	6
Copper (SEK/tonne)	52,093	28,871	80	46,511	12
Lead (SEK/tonne)	15,959	9,745	64	16,047	-1
Gold (SEK/troy oz)	7,987	7,628	5	7,709	4
Silver (SEK/troy oz)	121.76	106.00	15	123.00	-1

### Metal price hedging

The following table is a summary of Boliden's metal price hedging for copper, gold and silver on 31st March 2010 and refers to forecast pricing 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)
<b>Copper (tonnes)</b>	2010	7,609	50,025	-69
<b>Gold (troy oz)</b>	2010	969	79,200	-82
<b>Silver (troy oz)</b>	2010	18.64	3,870,000	31
<b>Market value of outstanding contracts, SEK m</b>				<b>-119</b>

### EXCHANGE RATES

The majority of Boliden's revenues and costs 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.

The US dollar strengthened slightly against the Swedish krona, the Norwegian krone, and the euro, in comparison with the previous quarter. The Swedish krona also strengthened slightly against the euro during the period.

<b>Exchange rates (average)</b>	Q1 2010	Q1 2009	<i>Change in %</i>	Q4 2009	<i>Change in %</i>
USD/SEK	7.19	8.40	-14	7.00	3
EUR/USD	1.38	1.30	6	1.48	-6
EUR/SEK	9.94	10.94	-9	10.35	-4
USD/NOK	5.86	6.87	-15	5.68	3

### Currency hedging

The following table summarises Boliden's currency contracts on 31st March 2010 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 effect on the Group's profit.

<b>Currency futures</b>	Maturity year	Forward rate	Amount sold (USD m)	Market value (SEK m)
<b>USD/SEK</b>	2010	8.22	541	489
<b>Market value of outstanding contracts, SEK m</b>				<b>489</b>

**SENSITIVITY ANALYSIS**

The following table contains an estimate of how changes in market terms from listings on 31st March 2010, calculated on the basis of Boliden's planned production volumes, affect the Group's operating profit (EBIT) over the next twelve-month period. The sensitivity analysis does not take into account the effects of metal price hedging, currency hedging, contracted TC/RC or revaluations of the smelters' process inventory.

<b>Change of metal prices +10%</b>	<b>Effect on profit SEK m</b>	<b>Change of USD, +10%</b>	<b>Effect on profit SEK m</b>	<b>Change of TC/RC +10%</b>	<b>Effect on profit SEK m</b>
Copper	530	USD/SEK	1,030	TC/RC Copper	75
Zinc	650	EUR/USD	470	TC Zinc	55
Lead	105	USD/NOK	100	TC Lead	-15
Gold	115				
Silver	95				

## BUSINESS AREA MINES

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

### REVENUES, PROFITS AND INVESTMENTS

SEK m	Q1 2010	Q1 2009	Change in %	Q4 2009
Revenues	1,881	1,457	29	1,673
Operating profit	800	404	98	541
Investments	528	957	-45	1,106
Capital employed	12,856	9,490	35	12,476

Business Area Mines' revenues totalled SEK 1,881 million (SEK 1,457 m) during the period. The operating profit was SEK 800 million (SEK 404 m), corresponding to an increase of SEK 396 million in comparison with the first quarter of 2009 and of SEK 259 million in comparison with the fourth quarter. The improvement relative to the previous quarter was due to higher prices, favourable currency trends, and higher volumes.

The following table analyses the way in which Business Area Mines' operating profit performed during the first quarter of 2010 in relation to the corresponding period in 2009 and the fourth quarter of 2009.

### OPERATING PROFIT ANALYSIS

SEK m	Q1 2010	Q1 2009	Q4 2009
<b>Operating profit</b>	<b>800</b>	<b>404</b>	<b>541</b>
<i>Of which</i>			
<i>Realised metal price and currency hedging</i>	<i>162</i>	<i>181</i>	<i>-57</i>
<i>Definitive pricing (MAMA)</i>	<i>-38</i>	<i>27</i>	<i>32</i>
<b>Analysis of change in operating profit</b>		<b>Q1 vs. Q1 2009:</b>	<b>Q1 vs. Q4 2009</b>
Volume effect		-61	55
Costs		-154	-40
Prices and terms		849	186
Exchange rate effects		-230	64
Other		-8	-6
<b>Change</b>		<b>396</b>	<b>259</b>

Volumes at Aitik were slightly higher in comparison with last year, and lower in Garpenberg and the Boliden Area. Volumes were also higher at Aitik and Garpenberg in comparison with the fourth quarter, but fell at Tara and in the Boliden Area. The net volume effect resulted in an increase of SEK 55 million in the operating profit.

Operating costs in local currencies were higher in comparison with both last year and the fourth quarter. The increase in costs is primarily due to higher consumables prices and to the higher costs in conjunction with the start-up of the new Aitik facility.

Changes to prices and terms collectively had a positive effect on the operating profit of SEK 849 million in comparison with the corresponding period last year and of SEK 186 million in comparison with the fourth quarter of 2009. Higher average copper prices had a positive effect on the Business Area's operating profit during the first quarter, relative to the fourth quarter of 2009.



<b>METAL PRODUCTION*</b>	Q1 2010	Q1 2009	<i>Change in %</i>	Q4 2009	<i>Change in %</i>
Zinc, tonnes	71,844	76,167	-6	72,956	-2
Copper, tonnes	13,603	13,165	3	11,370	20
Lead, tonnes	13,212	13,701	-4	13,888	-5
Gold, kg	709	700	1	853	-17
Silver, kg	49,104	54,826	-10	50,791	-3

\* Refers to metal content in concentrates.

Information about production and metal contents at individual units can be found on page 20.

The decline in zinc production from the fourth quarter was primarily due to lower production at Tara and in the Boliden Area. This was, to some extent, countered by better grades and stable production at Garpenberg. The fall in volume in the Boliden Area was principally due to a lower volume of concentrated slag and a change in the ore mix. Certain adjustments to the new mill and measures taken under guarantee at Tara during the quarter resulted in the volume for the quarter falling by 6 per cent. Production has, since then, been stable.

Higher grades and ore production levels at Aitik during the quarter resulted in a 20 per cent increase in copper production in comparison with the previous quarter. The copper grade was 0.26 per cent, in comparison with 0.21 per cent during the fourth quarter. The new Aitik facility also contributed, to some extent, to the increase in production at the end of the period.

Gold and silver production fell during the quarter, due to the lower production in the Boliden Area, where the change in ore mix also partly explains the lower volumes. The Business Area's gold production fell overall by 17 per cent in comparison with the fourth quarter of 2009, while the corresponding fall for silver was 3 per cent.

Lead production fell, primarily due to lower production volumes at Tara and in the Boliden Area.

### **The Aitik expansion**

Mill line 1 was commissioned, as planned, at the end of the quarter after a number of weeks of test runs. The new mill line did make a contribution to metal production at Aitik at the end of the quarter but, at the same time, the commissioning process is also disrupting the operations of the old concentrator. The new capacity is now being run in. This will result in greater variations in production volumes and grades than normal over the next few months.

Mill line 2 will become operational on 1st July and Aitik's ore production is expected to total 31 million tonnes in 2010. Under existing production plans, full capacity of 36 million tonnes will be reached in 2014. Increased extraction and concentration capacity will see production of copper concentrate increase by an average of approximately 50 per cent from current production volumes, the lower average grade notwithstanding. The current extraction plan entails grades lower than the average grade of 0.25 per cent between 2011 and 2017.

The estimated total investment cost of the Aitik expansion is approximately SEK 6.1 billion. An accumulated total of SEK 5.8 billion has already been invested during the project period, up to and including 31st March 2010.

## 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' production primarily comprises zinc metal, but also includes aluminium fluoride, which is manufactured at Odda. The copper smelters primarily produce copper, gold, silver, lead and sulphuric acid. The copper smelters also recycle metal and electronic scrap and smelt nickel. The Bergsöe lead smelter recycles lead metal, primarily from car batteries.

### REVENUES, PROFITS AND INVESTMENTS

SEK m	Q1 2010	Q1 2009	Change in %	Q4 2009
Revenues	7,817	5,689	37	8,047
Operating profit	443	484	-9	718
Investments	69	76	-9	162
Capital employed	14,440	15,001	-4	13,712

Business Area Smelters' operating profit, excluding the revaluation of process inventory, totalled SEK 256 million (SEK -35 m), corresponding to an increase of SEK 291 million in comparison with the corresponding quarter in 2009. The operating profit was, however, SEK 100 million down on that for the fourth quarter, primarily as a result of lower production by the copper smelters and poorer TC/RC terms and conditions. If the positive effect of SEK 187 million from the revaluation of process inventories is included, the operating profit totalled SEK 443 million (SEK 484 m).

### OPERATING PROFIT ANALYSIS

SEK m	Q1 2010	Q1 2009	Q4 2009
<b>Operating profit</b>	<b>443</b>	<b>484</b>	<b>718</b>
Revaluation of process inventory	187	519	362
<b>Operating profit, ex. revaluation of process inventory</b>	<b>256</b>	<b>-35</b>	<b>356</b>
<i>Of which</i>			
Realised metal price and currency hedging	33	9	-14
Definitive pricing (MAMA)	-3	3	17
<b>Analysis of change in operating profit, ex. revaluation of process inventory</b>		<b>Q1 vs. Q1 2009:</b>	<b>Q1 vs. Q4 2009:</b>
Volume effect		54	-224
Costs		-54	122
Prices and terms		429	-27
Exchange rate effects		-138	34
Other		0	-5
<b>Change</b>		<b>291</b>	<b>-100</b>

The volume effect was positive at SEK 54 million in relation to the first quarter of 2009, due to the fact that all zinc smelters are now producing at full capacity after production cutbacks in 2009. The markedly lower production volumes at the copper smelters in comparison with the fourth quarter yielded a negative effect on the profit of SEK 224 million.

Operating costs in local currencies (excluding purchases of raw materials) increased slightly in comparison with the previous year but decreased in comparison with the fourth quarter of 2009.

Changes in prices and terms had a positive effect on the profit of SEK 429 million in comparison with the same period in 2009, but a negative effect of SEK 27 million in comparison with the fourth quarter. Changes to TC/RC have primarily affected the zinc smelters, with lower levels of realised TC/RC during the first quarter than in the fourth quarter. For the copper smelters, a better market for sulphuric acid, with higher prices, has failed to compensate in full for the deterioration in TC/RC.

<b>PRODUCTION</b>	Q1 2010	Q1 2009	<i>Change in %</i>	Q4 2009	<i>Change in %</i>
Zinc, tonnes	113,675	102,963	10	116,708	-3
Copper, tonnes	65,474	71,710	-9	85,804	-24
Lead, tonnes	5,182	5,391	-4	2,618	98
Lead alloys, tonnes (Bergsöe)	10,468	9,451	11	12,414	-16
Gold, kg	3,778	3,632	4	4,185	-10
Silver, kg	117,689	133,013	-12	129,610	-9
Sulphuric acid, tonnes	278,373	284,996	-2	322,687	-14
Aluminium fluoride, tonnes	7,051	10,542	-33	7,624	-8

Information about production at individual units can be found on page 21.

The zinc smelters – Kokkola and Odda – have produced at full capacity throughout the quarter, and volumes exceeded last year's by 10 per cent. The volumes are slightly lower than during the fourth quarter, but production has been stable.

The copper smelters continued at reduced production levels during the first quarter. Copper concentrate availability continued poor, with consequently unfavourable terms for treatment and refining. The copper concentrate shortage meant a further reduction in production by the copper smelters at the beginning of the period, since when production levels have successively increased. The shortage of raw materials at the beginning of the quarter did, however, result in the Business Area's production of copper cathodes falling by 24 per cent in relation to the fourth quarter of 2009. The market conditions for the by-product, sulphuric acid, has continued to improve, with higher prices.

Production of precious metals also fell in comparison with the previous quarter as a consequence of low levels of copper production.

Bergsöe's production of lead alloys improved in comparison with last year, but volumes were lower than during the fourth quarter. This was another area to suffer problems with raw materials availability, with car batteries in short supply.

No maintenance shutdowns were implemented during the first quarter. A major maintenance shutdown will, however, be implemented at Rönnskär during the second quarter of 2010, and a smaller one at Odda (aluminium fluoride). These shutdowns are collectively expected to have a negative effect of approximately SEK 140 million on the operating profit.

### **Increasing electronic scrap recycling capacity at Rönnskär**

Boliden is investing approximately SEK 1.3 billion in expanding its electronic scrap recycling capacity.

The investment, in which a Kaldo furnace at the Rönnskär copper smelter is the biggest component, will increase the facility's electronic scrap recycling capacity from the current level of 45,000 tonnes per year to 120,000 tonnes. The expansion will be implemented in 2010 and 2011 and is expected to come on line at the end of 2011/beginning of 2012. Reflecting major synergies with the existing copper production process a pay-back of less than four years will be reached.

Further information see Boliden press release 6/2010

**SUSTAINABLE DEVELOPMENT****Employees**

The average number of employees at Boliden at the end of the fourth quarter was 4,293. Of these, 2,375 work in Sweden, 879 in Finland, 688 in Ireland, 335 in Norway and 16 in other countries. This corresponds to a decrease of 86 in comparison with 2009 as a whole, when the average number of employees totalled 4,379.

The sick leave rate during the first quarter was 4.3 per cent, corresponding to an increase of 0.1 percentage points in comparison with the previous quarter and with 2009 as a whole.

The accident frequency (the number of accidents per one million hours worked) was 8.2 accidents per one million hours worked during the first quarter. This corresponds to an increase in comparison with the fourth quarter of 2009, when the corresponding figure was 5.0.

**Environment**

Boliden's operations at all of its facilities are subject to licensing requirements and are conducted in accordance with the legislation in the various countries in which they operate. Group-wide environmental goals have been set for the period from 2009 to 2013, and include emissions and discharges of metals into the air and water and emissions of sulphur dioxide and carbon dioxide into the air. The goals are followed up on a monthly basis, with the exception of carbon dioxide emissions, which are followed up at the end of each calendar year.

The environmental performance was generally good during the first quarter, with the exception of the limit value for lead emissions in outgoing water, which was exceeded at Odda. This was due to the emission of anhydrite, with a higher lead concentration than normal, into the water. The limit value was exceeded in February and triggered both investigations and remedial action.

Emissions of metals and sulphur dioxide into the air during the period were well in line with Boliden's group-wide goals. Metals discharges into water were affected by the above-mentioned discharge in Odda.

**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 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 36 of Boliden's Annual Report for 2009 and Note 19 Financial risk management on page 67.

**PREPARATION PRINCIPLES FOR THE INTERIM REPORT**

The Consolidated Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU, and with the Swedish Financial Reporting Board recommendation RFR1, complementary accounting rules for Groups, which specifies the supplementary information required in addition to that required under IFRS standards, pursuant to the provisions of the Swedish Annual Accounts Act. The Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company accounts are prepared in accordance with the Swedish Annual Accounts Act and RFR 2, accounting for legal entities. The Group uses the same accounting principles as those described in the Annual Report.

The revised standard, IAS 1, Presentation of Financial Statements, is applied from 1st January 2009. The standard divides changes in shareholders' equity into those resulting from transactions with owners and other changes. The presentation of changes in shareholders' equity will only contain details of transactions with owners. The "Statement of Comprehensive Income" concept, which shows all income and expense items previously reported under shareholders' equity, is also introduced. Boliden has chosen to present a statement of comprehensive income in a separate report.

Stockholm, 27th April 2010

Lennart Evrell  
*President and CEO*

The information provided comprises the information that Boliden is obliged to publish pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on 27th April 2010.

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

## **INTERIM REPORTS**

- The Interim Report for January-June 2010 will be published on 19th July 2010.
- The Interim Report for January-September 2010 will be published on 21st October 2010.
- The Preliminary Financial Statement for 2010 as a whole will be published on 11th February 2011.

## **PRESENTATION AND ONLINE BROADCASTS (ENGLISH)**

The report will be presented on Tuesday, 27th April at 12.30 (CET) via a conference call from Garpenberg and at a presentation in Stockholm, to be held on 28th April at 09.00 (CET).

Conference call: Please call one of the following telephone numbers a few minutes before the conference starts:

- from Sweden, 08-505 598 53
- from abroad, +44 203 043 24 36

The conference call can also be followed via Boliden's website at [www.boliden.com](http://www.boliden.com)

Presentation in Stockholm on 28th April:

- Time: 09:00 (CET)
- Location: Klara Strand Konferens, Lundqvist & Lindqvist, Hörsalen
- Address: Klarabergsviadukten 90, Stockholm.

Please notify Martti Metso of ZVM of your intention to attend on tel: +46 (0) 708 69 31 59 or by e-mail at [martti.metso@zvm.se](mailto:martti.metso@zvm.se)

The presentation can also be followed via Boliden's website at [www.boliden.com](http://www.boliden.com)

## **Contact persons for information**

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**CONSOLIDATED INCOME STATEMENTS**

SEK m	Q1 2010	Q1 2009	April 2009- March 2010	Full year 2009
Revenues	8,316	5,879	30,072	27,635
Cost of goods sold	-6,827	-4,836	-24,947	-22,957
<b>Gross profit</b>	<b>1,489</b>	<b>1,043</b>	<b>5,125</b>	<b>4,678</b>
Selling expenses	-97	-104	-401	-408
Administrative expenses	-122	-131	-526	-534
Research and development costs	-59	-50	-227	-218
Other operating income and expenses	18	30	93	105
Results from participations in associated companies	1	–	1	–
<b>Operating profit</b>	<b>1,230</b>	<b>788</b>	<b>4,065</b>	<b>3,623</b>
Financial income	–	1	9	11
Financial expenses	-34	-121	-168	-257
<b>Profit after financial items</b>	<b>1,196</b>	<b>668</b>	<b>3,906</b>	<b>3,377</b>
Taxes	-318	-104	-1,091	-876
<b>Net profit</b>	<b>878</b>	<b>564</b>	<b>2,815</b>	<b>2,501</b>
<b>Net profit attributable to:</b>				
The Parent Company's shareholders	878	564	2,814	2,500
Minority shareholdings	–	–	1	1
<b>Earnings and shareholders' equity per share</b>				
	Q1 2010	Q1 2009	April 2009- March 2010	Full year 2009
Earnings per share, SEK <sup>1)</sup>	3.21	2.06	10.29	9.14
Shareholders' equity per share, SEK	61.50	57.97	61.50	59.44
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 STATEMENT OF COMPREHENSIVE INCOME**

SEK m	Q1 2010	Q1 2009	April 2009- March 2010	Full year 2009
<b>Net profit</b>	<b>878</b>	<b>564</b>	<b>2,815</b>	<b>2,501</b>
Market valuation of financial instruments	-428	-1,153	-2,133	-2,858
Translation differences	2	12	-14	-4
Tax in relation to other comprehensive income	113	303	561	752
<b>Other net comprehensive income for the period after tax</b>	<b>-313</b>	<b>-838</b>	<b>-1,585</b>	<b>-2,110</b>
<b>Total comprehensive income for the period</b>	<b>565</b>	<b>-274</b>	<b>1,230</b>	<b>391</b>
<b>Total comprehensive income attributable to:</b>				
The Parent Company's shareholders	565	-274	1,229	390
Minority shareholdings	–	–	1	1

<b>KEY RATIOS</b>	<b>Q1 2010</b>	<b>Q1 2009</b>	<b>April 2009- March 2010</b>	<b>Full year 2009</b>
Return on capital employed <sup>1)</sup> , %	19	12	20	14
Return on shareholders' equity <sup>2)</sup> , %	21	14	23	16
Equity/assets ratio, %	50	50	50	49
Net debt/equity ratio <sup>3)</sup> , %	43	52	43	46
Depreciation, SEK m	403	382	1,583	1,562
Investments, SEK m	598	1,019	4,495	4,915
Capital employed, SEK m	26,849	26,249	26,849	26,229
Net debt, SEK m	7,216	8,229	7,216	7,402

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

<sup>2)</sup> Profit after tax divided by average shareholder's 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 March 2010	31st March 2009	31st Dec. 2009
Intangible fixed assets	3,254	3,425	3,359
Tangible fixed assets	20,355	17,995	20,454
Deferred tax	24	–	21
Interest-bearing assets	33	39	30
Other financial fixed assets	61	50	63
Inventories	6,142	5,427	5,245
Interest-bearing current receivables	5	8	7
Tax receivables	–	22	8
Other receivables	2,707	4,044	3,246
Liquid assets	833	428	825
<b>Total assets</b>	<b>33,414</b>	<b>31,438</b>	<b>33,258</b>
Shareholders' equity	16,822	15,857	16,257
Pension provisions	575	507	585
Deferred tax provisions	2,699	2,174	2,511
Other provisions	1,036	1,015	705
Interest-bearing long-term liabilities	6,468	8,177	6,624
Interest-bearing current liabilities	1,044	20	1,055
Tax liabilities	136	11	88
Other current liabilities	4,634	3,677	5,433
<b>Total liabilities and shareholders' equity</b>	<b>33,414</b>	<b>31,438</b>	<b>33,258</b>

## CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

SEK m	31st March 2010	31st March 2009	31 Dec. 2009
Opening balance	16,257	16,131	16,131
Dividend		–	-274
Minority holding in conjunction with acquisition		–	8
Total comprehensive income for the period	565	-274	391
Closing balance	16,822	15,857	16,257

On 31st March 2010, the market valuation of financial instruments, after fiscal effect, was SEK 495 (2,602) million.



## CASH FLOW ANALYSIS

SEK m	Q1 2010	Q1 2009	April 2009- March 2010	Full year 2009
<b>Cash flow from operating activities before changes in operating capital</b>	1,824	953	5,908	5,037
Cash flow from changes in operating capital	-1,274	-1,745	-592	-1,063
<b>Cash flow from operating activities</b>	<b>550</b>	<b>-792</b>	<b>5,316</b>	<b>3,974</b>
Investment activities				
- Acquisition of tangible fixed assets	-598	-1,019	-4,491	-4,912
- Other	-4	–	-14	-10
<b>Cash flow from investment activities</b>	<b>-602</b>	<b>-1,019</b>	<b>-4,505</b>	<b>-4,922</b>
<b>Cash flow before financing activities</b>	<b>-52</b>	<b>-1,811</b>	<b>811</b>	<b>-948</b>
Dividend	–	–	-274	-274
Net borrowing/net amortisation	62	1,035	-129	845
Cash flow from financing activities	62	1,035	-402	571
<b>Cash flow for the period</b>	<b>10</b>	<b>-776</b>	<b>409</b>	<b>-377</b>
Exchange rate difference on liquid assets	-2	–	-2	-2
<b>Change in liquid assets</b>	<b>8</b>	<b>-776</b>	<b>407</b>	<b>-379</b>

## INCOME STATEMENTS – PARENT COMPANY

SEK m	Q1 2010	Q1 2009	Full year 2009
Dividends from subsidiaries	–	–	–
<b>Profit after financial items</b>	–	–	–
Taxes	–	–	–
<b>Profit for the period</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 – PARENT COMPANY

SEK m	31st March 2010	31st March 2009	31st Dec. 2009
Participations in Group companies	3,911	3,911	3,911
Other shares and participations	5	2	3
Long-term financial receivables, Group companies	3,667	3,177	3,670
Current financial receivables, Group companies	1,043	777	977
<b>Total assets</b>	<b>8,626</b>	<b>7,867</b>	<b>8,560</b>
Shareholders' equity	7,584	7,857	7,584
Current liabilities to credit institutions	1,043	10	976
<b>Total liabilities and shareholders' equity</b>	<b>8,626</b>	<b>7,867</b>	<b>8,560</b>

**INFORMATION PER SEGMENT**

SEK m	Q1 2010	Q1 2009	Full year 2009
<b>MINES</b>			
Revenues	1,881	1,457	6,509
Operating profit	800	404	2,159
Depreciation	183	159	673
Investments	528	957	4,435
Capital employed	12,856	9,490	12,476
<b>SMELTERS</b>			
Revenues	7,817	5,689	26,765
Operating profit	443	484	1,724
Operating profit ex. revaluation of process inventory	256	-35	451
Depreciation	219	223	888
Investments	69	76	480
Capital employed	14,440	15,001	13,712
<b>OTHER/ELIMINATIONS</b>			
Revenues	-1,382	-1,267	-5,639
Operating profit	-13	-100	-260
Depreciation	1	–	1
Investments	1	-14	–
Capital employed	-447	1,758	41
<b>THE GROUP</b>			
Revenues	8,316	5,879	27,635
Operating profit	1,230	788	3,623
Depreciation	403	382	1,562
Investments	598	1,019	4,915
Capital employed	26,849	26,249	26,229

**INFORMATION PER UNIT – MINES**

	Q1 2010	Q1 2009	Change in %	Full year 2009
<b>TARA</b>				
Milled ore, ktonnes	595	595	0	2,508
Head grades				
Zinc (%)	7.8	7.7	1	7.9
Lead (%)	1.5	1.4	7	1.5
Metal production				
Zinc, tonnes	42,408	43,046	-1	185,558
Lead, tonnes	5,448	5,263	4	23,567
<b>GARPENBERG</b>				
Milled ore, ktonnes	352	352	0	1,394
Head grades				
Zinc (%)	7.0	7.6	-8	7.3
Copper (%)	0.1	0.1	0	0.1
Lead (%)	2.6	2.7	-4	2.8
Gold (g/tonne)	0.3	0.3	0	0.2
Silver (g/tonne)	129	133	-3	139
Metal production				
Zinc, tonnes	21,991	24,170	-9	90,079
Copper, tonnes	104	135	-23	493
Lead, tonnes	7,455	7,944	-6	31,371
Gold, kg	66	58	14	214
Silver, kg	32,131	33,676	-5	139,141
<b>BOLIDEN AREA</b>				
Milled ore, ktonnes	275	309	-11	1,192
Head grades				
Zinc (%)	3.5	4.3	-19	3.7
Copper (%)	0.9	0.9	0	1.0
Lead (%)	0.4	0.5	-20	0.5
Gold (g/tonne)	1.5	1.9	-21	2.0
Silver (g/tonne)	56	82	-32	65
Metal production				
Zinc, tonnes	7,445	8,951	-17	31,491
Copper, tonnes	1,842	1,905	-3	8,090
Lead, tonnes	310	495	-37	1,731
Gold, kg	278	334	-17	1,568
Silver, kg	10,387	14,454	-28	48,186
<b>AITIK</b>				
Milled ore, ktonnes	4,975	4,704	6	18,791
Head grades				
Copper (%)	0.26	0.27	-4	0.27
Gold (g/tonne)	0.15	0.13	15	0.13
Silver (g/tonne)	1.93	2.07	-7	1.99
Metal production				
Copper, tonnes	11,657	11,125	5	46,019
Gold, kg	364	308	18	1,348
Silver, kg	6,125	6,489	-6	24,701

**INFORMATION PER UNIT – SMELTERS**

	Q1 2010	Q1 2009	Change in %	Full year 2009
<b>KOKKOLA</b>				
Smelted material, tonnes				
Zinc concentrate	145,411	138,657	5	571,003
Production, tonnes				
Zinc, tonnes	76,658	70,474	9	295,049
<b>ODDA</b>				
Smelted material, tonnes				
Zinc concentrate, incl. zinc clinker	70,860	59,188	20	245,263
Production, tonnes				
Zinc, tonnes	37,017	32,489	14	138,973
of which reprocessed zinc	0	0		1,315
Aluminium fluoride, tonnes	7,051	10,542	-33	33,161
Sulphuric acid, tonnes	31,137	30,230	3	107,758
<b>RÖNNSKÅR</b>				
Smelted material, tonnes				
Copper, tonnes				
Primary	120,396	140,207	-14	564,749
Secondary	35,381	33,903	4	154,099
Total	155,777	174,110	-11	718,848
Production				
Cathode copper, tonnes	41,180	48,601	-15	205,759
Lead, tonnes	5,182	5,391	-4	13,013
Zinc clinker, tonnes	8,921	11,251	-21	38,535
Gold, kg	3,380	3,162	7	13,282
Silver, kg	101,854	117,318	-13	481,223
Sulphuric acid, tonnes	113,040	126,988	-11	514,736
<b>HARJAVALTA</b>				
Smelted material, tonnes				
Copper concentrate	88,964	94,267	-6	399,653
Production, tonnes				
Cathode copper	24,294	23,109	5	96,596
Gold, kg	398	470	-15	1,747
Silver, kg	15,835	15,695	1	58,341
Sulphuric acid, tonnes	134,196	127,778	5	500,842
<b>BERGSÖE</b>				
Production, tonnes				
Lead alloys	10,468	9,451	11	38,561
Tin alloys	126	99	27	428

**CONSOLIDATED QUARTERLY DATA**

	Q2 2008	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
<b>Financial performance, the Group</b>								
Revenues, SEK m	7,885	7,513	6,287	5,879	6,439	6,960	8,356	8,316
Operating profit before depreciation (EBITDA), SEK m	752	208	-127	1,170	1,056	1,340	1,620	1,633
Operating profit (EBIT), SEK m	406	-142	-491	788	654	949	1,232	1,230
Operating profit ex. revaluation of process inventory, SEK m	531	125	211	269	477	734	870	1,043
Profit after financial items, SEK m	354	-199	-566	668	587	923	1,199	1,196
Net profit, SEK m	259	-135	-451	564	432	684	821	878
Earnings per share, SEK	0.95	-0.49	-1.65	2.06	1.58	2.50	3.00	3.21
Free cash flow, SEK m	290	-117	-534	-1,811	-97	610	350	-52
Return on capital employed, %	8	-3	-8	12	10	15	19	19
Net debt/equity ratio <sup>1</sup> , %	39	37	39	52	55	48	46	43
<b>Metal production<sup>2</sup>, Segment Mines</b>								
Zinc, tonnes	75,561	67,538	71,963	76,167	81,608	76,397	72,956	71,844
Copper, tonnes	14,875	12,668	16,362	13,165	13,991	16,076	11,370	13,603
Lead, tonnes	12,975	12,791	13,913	13,701	14,916	14,164	13,888	13,212
Gold, kg	566	611	830	700	701	876	853	709
Silver, kg	53,519	52,261	57,115	54,826	50,024	58,479	50,791	49,104
<b>Metal production, Segment Smelters</b>								
Zinc, tonnes	112,648	112,555	109,181	102,963	100,801	113,550	116,708	113,675
Copper, tonnes	85,533	83,697	88,931	71,710	68,059	76,783	85,804	65,474
Lead, tonnes	2,850	2,255	3,964	5,391	2,735	2,269	2,618	5,182
Lead alloys, tonnes (Bergsöe)	10,992	7,860	11,857	9,451	10,022	6,674	12,414	10,468
Gold, kg	3,143	3,717	3,964	3,632	3,151	4,060	4,185	3,778
Silver, kg	94,940	115,552	141,139	133,013	143,740	133,200	129,610	117,689
Aluminium fluoride, tonnes	8,565	7,879	9,613	10,542	8,898	6,097	7,624	7,051
<b>Metal prices</b>								
Zinc, USD/tonne	2,115	1,773	1,189	1,174	1,476	1,757	2,211	2,288
Copper, USD/tonne	8,448	7,693	3,940	3,435	4,676	5,840	6,643	7,243
Lead, USD/tonne	2,316	1,912	1,251	1,160	1,506	1,925	2,292	2,219
Gold, USD/oz	897	871	798	908	923	960	1,101	1,111
Silver, USD/oz	17.18	15.09	10.21	12.60	13.76	14.69	17.57	16.93
<b>Exchange rates</b>								
USD/SEK	5.99	6.31	7.79	8.40	7.92	7.29	7.00	7.19
EUR/USD	1.56	1.50	1.31	1.30	1.36	1.43	1.48	1.38
EUR/SEK	9.35	9.47	10.23	10.94	10.78	10.42	10.35	9.94
USD/NOK	5.08	5.36	6.79	6.87	6.50	6.12	5.68	5.86

<sup>1</sup> Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

<sup>2</sup> Refers to metal content of concentrates.