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## Interim Report January–June 2010

### Increased mine production – but higher costs

#### Q2 2010

- Revenues totalled SEK 8,908 million (SEK 6,439 m)
- The operating profit totalled SEK 1,123 million (SEK 654 m) – and totalled SEK 1,130 million (SEK 477 m), excluding the revaluation of process inventory
- Free cash flow totalled SEK 201 million (SEK -97 m)
- Earnings per share totalled SEK 2.76 (SEK 1.58)
- Refinancing of the loan portfolio
- Aitik in production
- Major maintenance shutdown at Rönnskär

#### Summary of financial performance

SEK m	Q2 2010	Q2 2009	6 months 2010	6 months 2009
Revenues	8 908	6 439	17 224	12 318
Operating profit (EBIT)	1 123	654	2 353	1 442
Operating profit ex. revaluation of process inventory	1 130	477	2 172	746
Profit after financial items	996	587	2 192	1 255
Net profit	755	432	1 633	996
Earnings per share, SEK	2.76	1.58	5.97	3.64
Free cash flow <sup>1</sup>	201	-97	149	-1 908
Net debt/equity ratio <sup>2</sup> , %	46	55	46	55

<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.

**Q2****Sales and production**

The base metal market during the quarter was influenced by turbulence and uncertainty in the global financial markets, resulting in highly volatile base metal prices. Demand for base metals in Europe has, at the same time, improved.

Boliden's revenues totalled SEK 8,908 million. Lower prices for the majority of metals reduced revenues by 4 per cent, but this was compensated for by higher volumes (+8 per cent) and a favourable exchange rate trend (+3 per cent). Taken as a whole, therefore, revenues rose by 7 per cent from first quarter levels for the year. Revenues increased by 38 per cent in comparison with the second quarter of 2009, primarily as a result of higher prices.

Mined copper production increased by 51 per cent and 47 per cent in comparison with the first quarter of this year and the previous year, respectively. The increase was due to the commissioning of the new facility at Aitik, which also helped boost silver and gold production. Gold and silver production increased by 30 per cent and 19 per cent, respectively, in comparison with the first quarter. Lower grades at Tara and Garpenberg led to a fall of 12 per cent in zinc production in comparison with the previous year, but zinc volumes remained unchanged, however, in comparison with the first quarter of this year.

The smelters' cast zinc production was marginally higher during the second quarter than during the first quarter of 2010, and was 13 per cent higher than the previous year when the smelters were running at reduced production. Production was also marginally up on levels during the first quarter of 2010. Copper production during the quarter was affected by a major maintenance shutdown at Rönnskär in May. Overall, however, production increased by 7 per cent in comparison with the first quarter of this year due to substantially higher production levels at Harjavalta, where a difficult raw materials situation and a strike by dock workers in Finland had a negative effect on production during the previous quarter.

**Operating profit**

The operating profit during the second quarter totalled SEK 1,123 million (SEK 654 m). If the revaluation of the smelters' process inventory is excluded, the operating profit was SEK 1,130 million (SEK 477 m).

Higher volumes boosted the profit by SEK 511 million in comparison with the first quarter of this year and by SEK 318 million in comparison with the previous year. Metal prices were lower than during the first quarter of the year and changes to prices and terms consequently had a negative effect of SEK 311 million on the profit, but the price trend had a positive effect of SEK 786 million on the profit in comparison with the previous year. Poorer treatment and refining charge terms had a negative effect on the profit of SEK 27 million in comparison with the previous quarter.

Increased costs had a negative effect on the profit in comparison with both the first quarter and the previous year of SEK 311 million and SEK 503 million, respectively. The higher costs are primarily attributable to increased production volumes, the commissioning of Aitik's new facilities, and the maintenance shutdown at Rönnskär.

The second quarter operating profit includes the realised profit on metal price and currency hedging of SEK 159 million (SEK 93 m). The corresponding effect in the first quarter was SEK 196 million.

Exchange rate fluctuations, mainly in the form of the performance by the US dollar, affected the operating profit to the amount of SEK 193 million in comparison with the first quarter and of SEK 53 million in relation to the second quarter of last year.

Net financial items totalled SEK -127 million (SEK -67 m). The average rate of interest on outstanding borrowing was 2.45 per cent on 30<sup>th</sup> June, in comparison with a rate of 1.97 per cent last year, yielding an effect on the profit of SEK -20 million. Another significant change in comparison with the second quarter of 2009 comprises accumulated interest on the cartel fines of SEK -52 million. The figure represents a deterioration of SEK 93 million in comparison with the previous quarter, which is due not only to the above change, but to interest on the Aitik investment now being charged to net interest items.

The profit after financial items totalled SEK 996 million (SEK 587 m). The net profit totalled SEK 755 million (SEK 432 m), corresponding to earnings per share of SEK 2.76 (SEK 1.58).

**OPERATING PROFIT ANALYSIS**

SEK m	Q2 2010	Q2 2009	Q1 2010
<b>Operating profit</b>	<b>1 123</b>	<b>654</b>	<b>1 230</b>
Revaluation of process inventory	-7	177	187
<b>Operating profit ex. revaluation of process inventory</b>	<b>1 130</b>	<b>477</b>	<b>1 043</b>
<b>Change</b>		<b>653</b>	<b>87</b>
<b>Analysis of change</b>		<b>Q2 vs. Q2 2009:</b>	<b>Q2 vs. Q1 2010:</b>
Volume effect		318	511
Costs		-503	-311
Prices and terms		786	-311
<i>Metal prices and terms</i>		756	-267
<i>Realised metal price and currency hedging*</i>		66	-37
<i>TC/RC terms</i>		-6	-27
<i>Metal premiums</i>		-10	2
<i>Definitive pricing (MAMA)*</i>		-20	18
Exchange rate effects		53	193
<i>Of which translation effects</i>		-27	-27
Other		-1	5
<b>*Result for respective period</b>	<b>Q2 2010</b>	<b>Q2 2009</b>	<b>Q1 2010</b>
Realised metal price and currency hedging	159	93	196
Definitive pricing (MAMA)	4	24	-14

**Cash flow and investments**

The cash flow from operating activities and before investments totalled SEK 1,007 million (SEK 1,449 m). The cash flow improved by SEK 457 million in comparison with the first quarter of this year, primarily as a result of the negative effect on cash flow in the previous quarter of increased stock tie-up. A dividend of SEK 3.00 (SEK 1.00) per share, or a total of SEK 821 million (SEK 274 m), was disbursed during the quarter.

Investments totalled SEK 806 million (SEK 1,546 m). The corresponding figure for the first quarter of the year was SEK 598 million, and the increase since then is mainly due to increased investments in Business Area Smelters.

Kemira's acid plant in Kokkola was acquired during the quarter. The plant is located in the immediate vicinity of Boliden Kokkola's zinc smelter and produces approximately 300,000 tonnes of sulphuric acid per year. The acquisition means that as of 1<sup>st</sup> May 2010, production at the plant will be run by Kokkola in the same way as sulphuric acid production is handled at Boliden's other smelters. The operations contributed SEK 5 million to the operating profit during the second quarter. Please also refer to Boliden's press release, # 8/2010.

Investments in new capacity for smelting electronic scrap at Rönnskär began in April and totalled approximately SEK 34 million during the second quarter. Investments in the expansion of the Aitik copper mine fell from SEK 259 million to SEK 241 million between the first and second quarters of the year.

The free cash flow for the second quarter totalled SEK 201 million (SEK -97 m), in comparison with SEK -52 million during the previous quarter. A total of SEK 94 million was paid in tax during the quarter.

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**CASH FLOW**


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	Q2	Q2	Q1
SEK m	2010	2009	2010
<b>From operating activities</b>	1 509	1 078	1 824
Changes in working capital	-502	371	-1 274
Investments and other	-806	-1 546	-602
<b>Before financing (Free cash flow)</b>	<b>201</b>	<b>-97</b>	<b>-52</b>

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**Financial position**

On 30<sup>th</sup> June 2010, Boliden's net debt totalled SEK 7,734 million (SEK 8,544 m) and the net debt/equity ratio at that time was 46 per cent (55%). The average term of the total credit limit approved was 4.3 years (3.5 yrs) on 30<sup>th</sup> June 2010. The average interest level for Boliden's debt portfolio was 2.45 per cent (1.97%) and the fixed interest term on 30<sup>th</sup> June 2010 was 1.66 years (2.17 yrs).

The contribution to shareholders' equity of the net market valuation of financial instruments, after fiscal effects, totalled SEK 168 million (1,388 m) on 30<sup>th</sup> June 2010.

Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities, totalled SEK 9,644 million (SEK 6,004 m) at the end of the second quarter. The increase primarily comprises 7-year loans totalling SEK 2,000 million and guaranteed by EKN (the Swedish Export Credits Guarantee Board), and the refinancing of a SEK 4,300 million syndicated credit facility where the credit limit has increased to SEK 6,100 million. Boliden has terminated EUR 190 million of a EUR 600 million syndicated credit facility in July, which will reduce the current liquidity by the corresponding amount.

**SUMMARY OF BOLIDEN'S PERFORMANCE DURING THE FIRST SIX MONTHS OF THE YEAR**

Revenues increased to SEK 17,224 million (SEK 12,318 m) during the first half of the year. The increase is primarily due to higher prices and increased production.

The operating profit rose to SEK 2,353 million (SEK 1,442 m). If the revaluation of the process inventory is excluded, the operating profit totalled SEK 2,172 million, corresponding to an increase of SEK 1,426 million since the previous year.

The period includes the realised profits of metal price and currency hedging totalling SEK 355 million (SEK 283 m).

Net financial items totalled SEK -161 million (SEK -187 m). Cash flow from operating activities totalled SEK 1,557 million (SEK 657 m). Changes in working capital affected the cash flow to the tune of SEK -1,776 million (SEK -1,374 m).

Investments totalled SEK 1,320 million (SEK 2,565 m), with the reduction in investment level attributable to the soon to be completed Aitik expansion.

<b>PROFIT ANALYSIS</b>	<b>First 6 months 2010</b>	<b>First 6 months 2009</b>
SEK m		
<b>Operating profit</b>	<b>2 353</b>	<b>1 442</b>
Revaluation of process inventory	181	696
<b>Operating profit ex. revaluation of process inventory</b>	<b>2 172</b>	<b>746</b>
<b>Change</b>		<b>1 426</b>
<b>Analysis of change</b>		
Volume effect		283
Costs		-643
Prices and terms		2 103
<i>Metal prices and terms</i>		2 028
<i>Realised metal price and currency hedging*</i>		72
<i>TC/RC terms</i>		53
<i>Metal premiums</i>		-6
<i>Definitive pricing (MAMA)*</i>		-44
Exchange rate effects		-306
<i>Of which translation effects</i>		-2
Other		-11
<b>*Result for respective period</b>		
Realised metal price and currency hedging	355	283
Definitive pricing (MAMA)	-14	30

## 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 21 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 the biggest market for base metals.

Industrial activity levels in mature economies improved still further during the second quarter, which was due, to some extent, to a general stockpiling within the industrial sector. Production levels in industries of importance to base metal demand continue to be below normal in mature economies, but are high in China. Growth levels in China continued to be high during the second quarter and are driven by investments and industrial production. Construction-related investments in mature economies were at a low level overall, and fell slightly in the infrastructural sector. Activity levels were high and growing in China's construction industry. Automotive construction levels have risen in the West from previously low levels, and continued to increase in China.

### Zinc

The average price of zinc on the London Metal Exchange (LME) fell by 12 per cent in comparison with the first quarter of 2010 and rose by 37 per cent in comparison with the second quarter of 2009.

Global demand for zinc is estimated to have increased by 2 per cent in comparison with the first quarter of 2010 and by 15 per cent in comparison with the second quarter of 2009. The rate of growth in China is estimated to have been on a par with global levels. The increased global demand is a consequence of a general increase in industrial activity levels and of increased demand from the steel industry.

Global production by zinc smelters increased by 7 per cent in comparison with the first quarter of 2010 and by 19 per cent in China. Global production increased by 17 per cent in comparison with the second quarter of 2009 and was particularly high in China, where production increased by 32 per cent. Global mined production increased by 10 per cent in comparison with the first quarter of 2010 and by 9 per cent in comparison with the second quarter of 2009. Global official stock levels continued to rise, growing by

just over 95,000 tonnes from the end of the first quarter of 2010, and totalled approximately 882,000 tonnes, which corresponds to just over 28 days' global consumption.

Spot premiums rose slightly in all regions as a result of increased demand for metals, but are still below contracted levels.

Remuneration for the smelters' refining of mined concentrate into metal – TC/RC – is controlled by the supply of and demand for mined concentrate between mines and smelters. Treatment charges on the spot market continued to come under pressure and contracts' realised treatment charges fell in comparison with the first quarter of 2010 as a result of falling metal prices. The smelting industry has added new capacity, particularly in China, thereby increasing the competition for concentrate and, as a result, pushing spot prices down. The difference between realised price levels and spot levels continued to be substantial.

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 3 per cent lower than during the first quarter of 2010 but 50 per cent higher than during the second quarter of 2009.

Global demand is estimated to have increased by 4 per cent in comparison with the first quarter of 2010 and by 9 per cent in comparison with the second quarter of 2009.

Global smelter production of metals remained virtually unchanged in comparison with the first quarter of 2010 but was 3 per cent higher in China. Global production is estimated to have increased by 3 per cent in comparison with the second quarter of 2009, and by 20 per cent in China as a result of capacity expansion. Global mined production is estimated to have increased by 5 per cent in comparison with the first quarter of 2010 and remained unchanged in comparison with the second quarter of 2009. The official global stock levels fell by just over 90,000 tonnes to a total of approximately 677,000 tonnes, corresponding to just under 14 days' global consumption.

Spot premiums in Europe rose to a level close to the benchmark for 2010 as a result of the increased demand for metals.

Concentrate has continued to be in short supply on the spot market during the quarter, and spot market TC/RC fell still further from levels during the first quarter of 2010 to almost zero. The benchmark level for 2010 is USD 46.5/tonne of concentrate.

### **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 still further during the second quarter of 2010 and the price rose slightly in Europe. Demand and prices have risen due to increased activity levels within the artificial fertiliser industry.

### **Other metals**

The LME price of lead was an average of 12 per cent lower than during the first quarter of 2010 but 29 per cent higher than during the second quarter of 2009. Lead stock levels increased still further in comparison with the first quarter of 2010. Gold and silver prices were an average of 8 per cent higher than during the first quarter of 2010. Compared to the second quarter of 2009 they were 30 per cent and 33 per cent higher, respectively.

## 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), where prices are set. Precious metal prices are set daily by the London Bullion Market Association (LBMA). Boliden's profit performance is affected not only by metal prices, but also by treatment and refining charges and metal premiums. The so-called free metals in the concentrates produced by the smelters also affect the profit.

<b>Metal prices (average LME/LBMA)</b>	Q2 2010	Q2 2009	Change in %	Q1 2010	Change in %
Zinc (USD/tonne)	2 018	1 476	37	2 288	-12
Copper (USD/tonne)	7 013	4 676	50	7 243	-3
Lead (USD/tonne)	1 944	1 506	29	2 219	-12
Gold (USD/troy oz)	1 196	923	30	1 111	8
Silver (USD/troy oz)	18.33	13.76	33	16.93	8

<b>Metal prices (average LME/LBMA)</b>	Q2 2010	Q2 2009	Change in %	Q1 2010	Change in %
Zinc (SEK/tonne)	14 712	11 693	26	16 456	-11
Copper (SEK/tonne)	51 140	37 046	38	52 093	-2
Lead (SEK/tonne)	14 172	11 931	19	15 959	-11
Gold (SEK/troy oz)	8 722	7 314	19	7 987	9
Silver (SEK/troy oz)	133.64	109.00	23	121.76	10

## Metal price hedging

The following table is a summary of Boliden's metal price hedging for copper, gold and silver on 30<sup>th</sup> June 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	7 627	33 850	292
<b>Gold (troy oz)</b>	2010	970	52 000	-110
<b>Silver (troy oz)</b>	2010	18.60	2 540 000	-4
<b>Market value of outstanding contracts, SEK m</b>				<b>178</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 performance of the US dollar consequently has a significant effect on the Group's profit.

During the second quarter, the US dollar strengthened against the Swedish krona, the Norwegian krone, and the euro, in comparison with the first quarter of 2010. The dollar weakened, however, against both the Swedish krona and the Norwegian krone in comparison with the second quarter of 2009 and remained essentially unchanged against the euro. The Swedish krona strengthened against the euro for both comparison periods.

<b>Exchange rates (average)</b>	Q2 2010	Q2 2009	Change in %	Q1 2010	Change in %
USD/SEK	7.58	7.92	-4	7.19	5
EUR/USD	1.35	1.36	-1	1.38	-2
EUR/SEK	9.84	10.78	-9	9.94	-1
USD/NOK	5.96	6.50	-8	5.86	2

### Currency hedging

The following table summarises Boliden's currency futures contracts on 30<sup>th</sup> June 2010 and refers to 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.

	Maturity year	Forward rate	Amount sold (USD m)	Market value (SEK m)
<b>USD/SEK</b>	2010	8.15	368	108
<b>Market value of outstanding contracts, SEK m</b>				<b>108</b>

### SENSITIVITY ANALYSIS

The following table contains an estimate of how changes in market terms from listings on 30<sup>th</sup> June 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 revaluation 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	470	USD/SEK	970	TC/RC Copper	55
Zinc	565	EUR/USD	380	TC Zinc	55
Lead	100	USD/NOK	90	TC Lead	-15
Gold	140				
Silver	110				



## BUSINESS AREA MINES

Business Area Mines comprises the Aitik, the Boliden Area and Garpenberg units in Sweden and the Tara mine in Ireland. The Business Area also includes exploration activities, technological development and 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	Q2 2010	Q2 2009	Change in %	Q1 2010	Change in %
Revenues	2 456	1 612	52	1 881	31
Operating profit	1 034	486	113	800	29
Investments	521	1 422	-63	528	-1
Capital employed	12 915	10 386	24	12 856	0

Business Area Mines' revenues totalled SEK 2,456 million (SEK 1,612 m) during the quarter. The operating profit was SEK 1,034 million (SEK 486 m), corresponding to an increase of SEK 234 million in relation to the first quarter of this year and an increase of SEK 548 million in comparison with the second quarter of 2009. The improvement relative to the previous quarter was due to higher volumes of copper, gold and silver and to a favourable exchange rate trend.

Metal production at Aitik was significantly higher than in the previous year due to the expansion implemented. Metal production was also slightly higher in the Boliden Area, but was lower at Garpenberg and Tara as a result of lower grades. The change in volumes had a net positive effect on the profit of SEK 537 million in comparison with the previous quarter.

Operating costs in local currencies were higher in comparison with both the first quarter and the previous year. The increase in costs was primarily due to increases in production and depreciation, and to higher costs in conjunction with the commissioning of the new facility at Aitik.

Changes to prices and terms collectively had a negative effect on the operating profit of SEK 276 million in comparison with the first quarter of 2010 and a positive one of SEK 658 million in comparison with the corresponding period last year. Lower average prices, particularly for zinc and lead, had a negative effect on the operating profit in comparison with the first quarter, while the exchange rate trend had a positive effect.

PROFIT ANALYSIS SEK m	Q2 2010	Q2 2009	Q1 2010
<b>Operating profit</b>	<b>1 034</b>	<b>486</b>	<b>800</b>
<b>Change</b>		<b>548</b>	<b>234</b>
<b>Analysis of change</b>		<b>Q2 vs. Q2 2009:</b>	<b>Q2 vs. Q1 2010:</b>
Volume effect		237	537
Costs		-336	-209
Prices and terms*		658	-276
Exchange rate effects		-11	181
Other		0	1
<b>*Result for respective period</b>	<b>Q2 2010</b>	<b>Q2 2009</b>	<b>Q1 2010</b>
Realised metal price and currency hedging	138	90	162
Definitive pricing (MAMA)	3	27	-38

METAL PRODUCTION*	Q2	Q2	Change	Q1	Change
	2010	2009	in %	2010	in %
Zinc, tonnes	71 818	81 608	-12	71 844	0
Copper, tonnes	20 509	13 991	47	13 603	51
Lead, tonnes	12 402	14 916	-17	13 212	-6
Gold, kg	918	701	31	709	30
Silver, kg	58 464	50 024	17	49 104	19

\* Refers to metal content in concentrates.

Information about production and metal contents at individual units can be found on page 23.

The volume of zinc produced remained unchanged in comparison with the previous quarter. Zinc production fell in comparison with the previous year as a result of lower grades at both Tara and Garpenberg. Zinc production in the Boliden Area increased by 14 per cent due to an improved ore mix with higher grades. Zinc production was negatively affected by continued problems with the mill at Tara.

Copper production rose substantially as the new facility at Aitik was successively commissioned, increasing by 51 per cent in comparison with the previous quarter. The copper grade at Aitik was 0.28 per cent, in comparison with 0.26 per cent during the first quarter.

Gold and silver production increased during the quarter as a result of the increased volumes at Aitik. The Boliden Area's production of gold and silver also increased, and overall, the Business Area's gold production increased by 31 per cent in comparison with the first quarter of 2010. Silver production increased by 17 per cent.

Lead production fell, primarily due to lower lead grades at Tara and Garpenberg.

Boliden has been granted permission to commence mining operations at two new open pit mines, namely Maurliden Östra in the Boliden Area and Salmijärvi in Aitik. Both of the open pit mines are located in the immediate vicinity of existing operations, and are included in existing extraction plans and reported ore reserves.

### The Aitik expansion

Aitik's ore production is successively being run in to reach its full capacity of 36 million tonnes of ore in 2014. Increased ore extraction and concentration capacity will see the production of copper concentrate increase by an average of approximately 50 per cent from previous production volumes, the lower average grade notwithstanding. The current extraction plan entails slightly lower grades than the average grade of 0.25 per cent between 2011 and 2017.

The estimated total investment cost of the Aitik expansion is just over SEK 6 billion.

The new concentrator is now operational according to schedule and within the planned investment level. Availability is, however, relatively low particularly in the crushers.

## BUSINESS AREA SMELTERS

Business Area Smelters comprises the Kokkola and Odda zinc smelters, the Rönnskär and Harjavalta copper smelters, and the Bergsöe lead smelter. The Business Area also includes the smelters' concentrate purchases and metal sales. 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	Q2 2010	Q2 2009	Change in %	Q1 2010	Change in %
Revenues	8 254	6 352	30	7 817	6
Operating profit	103	205	-50	443	-77
Operating profit ex. revaluation of process inventory	110	28	293	256	-57
Investments	285	109	161	69	314
Capital employed	14 887	14 624	2	14 440	3

Business Area Smelters' operating profit, excluding the revaluation of process inventory, totalled SEK 110 million (SEK 28 m), corresponding to a decrease of SEK 146 million in comparison with the first quarter of this year and an increase of SEK 82 million in comparison with the corresponding quarter of 2009. The improvement in the operating profit in relation to last year was primarily due to markedly better results by the Finnish units. The maintenance shutdown at Rönnskär is largely responsible for the deterioration in the operating profit in comparison with the first quarter. The shutdown affected the operating profit negatively to the tune of SEK 130 million, while maintenance shutdowns at Odda (aluminium fluoride) had a negative effect on the operating profit of approximately SEK 15 million.

The negative volume effect of SEK 26 million in relation to the previous quarter was mainly due to the maintenance shutdowns implemented. The volume effect was positive at SEK 81 million in relation to the second quarter of 2009, due to the fact that the zinc smelters are now producing at full capacity after the production cutbacks in 2009. Increased volumes at Harjavalta have also made a positive contribution.

Operating costs in local currencies (excluding purchases of raw materials) increased in comparison with both the first quarter of this year and the previous year. Maintenance shutdowns and costs at the sulphuric acid plant acquired in Kokkola are the main reasons for the increase in costs.

Changes in prices and terms had a negative effect on the profit of SEK 222 million in comparison with the previous quarter but yielded a positive one of SEK 153 million in comparison with the same period in 2009. Higher sulphuric acid prices and metal prices (free metals) are the reason for the improvement in relation to last year, while lower TC/RC terms had a negative effect. Lower metal prices and slightly worsened TC/RC terms have had a negative effect on the profit in comparison with the previous quarter.

<b>PROFIT ANALYSIS</b>	<b>Q2</b>	<b>Q2</b>	<b>Q1</b>
SEK m	2010	2009	2010
<b>Operating profit</b>	<b>103</b>	<b>205</b>	<b>443</b>
Revaluation of process inventory	-7	177	187
<b>Operating profit ex. revaluation of process inventory</b>	<b>110</b>	<b>28</b>	<b>256</b>
<b>Change</b>		<b>82</b>	<b>-146</b>
<b>Analysis of change</b>		<b>Q2 vs. Q2 2009:</b>	<b>Q1 vs. Q1 2010:</b>
Volume effect		81	-26
Costs		-176	-92
Prices and terms*		153	-222
Exchange rate effects		17	187
Other		7	7
<b>*Result for respective period</b>	<b>Q2 2010</b>	<b>Q2 2009</b>	<b>Q1 2010</b>
Realised metal price and currency hedging	21	3	33
Definitive pricing (MAMA)	3	13	-3

PRODUCTION	Q2	Q2	Change	Q1	Change
	2010	2009	in %	2010	in %
Zinc, tonnes	114 240	100 801	13	113 675	0
Copper, tonnes	70 012	68 059	3	65 474	7
Lead, tonnes	4 379	2 735	60	5 182	-15
Lead alloys, tonnes (Bergsöe)	10 649	10 022	6	10 468	2
Gold, kg	2 515	3 151	-20	3 778	-33
Silver, kg	99 755	143 740	-31	117 689	-15
Sulphuric acid, tonnes	314 179	267 562	17	278 373	13
Aluminium fluoride, tonnes	3 206	8 898	-64	7 051	-55

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

The zinc smelters' production remained unchanged in comparison with the first quarter and exceeded last year's reduced production by 13 per cent. Production of aluminium fluoride fell due to a weak market.

The copper smelters increased production by 7 per cent in comparison with the previous quarter, despite significantly lower levels of production at Rönnskär due to the maintenance shutdown. Production increased, however, at Harjavalta. The supply of copper concentrate has improved slightly and is currently enabling increased production at the copper smelters. The supply of nickel concentrate for Harjavalta has been secured through a long-term agreement with Norilsk Nickel. The market situation for the by-product, sulphuric acid, is better than the previous year.

The reduction in precious metal volumes in comparison with the previous quarter and last year was due to a change in the raw material mix.

Bergsöe's production of lead alloys improved in comparison with the previous quarter and last year. The increase was due to an increased availability of battery raw materials.

The third quarter of 2010 will see maintenance shutdowns implemented at Harjavalta, Bergsöe and Odda (continued from the second quarter). These shutdowns are collectively expected to have a negative impact of approximately SEK 100 million on the operating profit.

On 27<sup>th</sup> April, the Board of Boliden decided to invest SEK 1.3 billion in increasing electronic scrap smelting capacity at Rönnskär. The capacity will be increased from 45,000 tonnes to 120,000 tonnes and is scheduled to become operational at the end of 2011/beginning of 2012.

**SUSTAINABLE DEVELOPMENT****Employees**

The average number of employees at Boliden at the end of the second quarter was 4,450 (4,402). Of these, 2,455 work in Sweden, 936 in Finland, 696 in Ireland, 350 in Norway and 14 in other countries. This corresponds to an increase of 71 in comparison with 2009 as a whole, when the average number of employees totalled 4,379. The employment of temporary staff yields a seasonal increase in the number of employees during the summer months. 18 new employees joined Boliden in conjunction with the acquisition of the sulphuric acid plant in Kokkola. The increase in comparison with the second quarter of 2009 was 48.

The sick leave rate during the second quarter was 3.9 per cent, corresponding to no change in comparison with last year and a reduction of 0.4 percentage points in comparison with the previous quarter. The sick leave rate for 2009 as a whole was 4.2 per cent. Boliden's goal is for the sick-leave rate to be 4 per cent or less.

The accident frequency (the number of accidents per one million hours worked) was 5.3 during the second quarter. This corresponds to an increase in comparison with the second quarter of last year, when the corresponding figure was 4.8. It also corresponds, however, to a reduction in comparison with the first quarter, when the accident frequency was 8.8. The figure for 2009 as a whole was 5.5. Boliden's goal is for every unit to have zero accidents every month. Four of Boliden's production units were accident-free during the second quarter.

**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. Boliden routinely reports any cases where limit values are exceeded and any incidents. Limit values were exceeded on three occasions during the second quarter and a number of incidents were reported.

The limit value for internal arsenic landfills was exceeded at the Harjavalta copper smelter but no discharges into receiving bodies of water occurred. New routines aimed at improving performance have been introduced.

The limit value for discharges of nickel into water from Harjavalta's treatment plant was exceeded over a 24-hour period in May due to heavy rainfall.

The limit value for mercury emissions into sedimentation tanks was exceeded at the Kokkola zinc smelter's newly acquired sulphuric acid plant. The authorities were notified and a permit granted for increased discharges in 2010. The limit value for discharges of mercury into receiving bodies of water has not been exceeded.

Approximately 8 cubic metres of sulphuric acid leaked into the ground at Harjavalta due to a crack in a sump. It has not, as yet, been possible to demonstrate the effect on the groundwater. Maintenance routines will be tightened up.

Archaeological sites have been damaged at the Aitik copper mine in conjunction with the preparatory work for the new open pit mine in the Salmijärvi area. The incidents have been reported to the authorities. An incident that occurred at Aitik in September 2007, when the limit value for air pressure waves was exceeded in conjunction with blasting frozen soil, has resulted in Boliden being fined a total of SEK 75,000.

Group-wide environmental goals have been set for the period from 2009 to 2013. Boliden's Group-wide goals for emissions of metals and sulphur dioxide into the air have been met during the first six months of the year, with the exception of discharges into water, due to high lead discharge levels at Odda during the previous quarter.

**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. This Interim Report has been prepared for the Group in accordance with IAS 34, Interim Financial Reporting and in accordance with the Swedish Annual Accounts Act. The Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act. The accounting principles and calculation methods used are the same as those used in the 2009 Annual Accounts, with the following exceptions: revised versions of IFRS 3 Business Combinations and IAS 27, Consolidated and Separate Financial Statements, are applied as of 2010. The application has had no significant effect on the Group.

The undersigned attest that the Interim Report provides a fair review of the operations, position and results of the Parent Company and the Group, and that it describes significant risks and uncertainty factors to which the Parent Company and the companies that make up the corporate Group are exposed.

Stockholm, 19<sup>th</sup> July 2010

Anders Ullberg  
*Chairman*

Marie Berglund  
*Member of the Board*

Staffan Bohman  
*Member of the Board*

Lennart Evrell  
*Member of the Board*  
*President and CEO*  
Bo Karlsson  
*Employee representative*

Michael G:son Löw  
*Member of the Board*

Marie Holmberg  
*Employee representative*

Ulla Litzén  
*Member of the Board*

Leif Rönnbäck  
*Member of the Board*

Matti Sundberg  
*Member of the Board*

Hans-Göran Ölvebo  
*Employee representative*

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The information provided in the Interim Report 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 19<sup>th</sup> July 2010 at 11.30 a.m.

**AUDITORS' REVIEW REPORT FOR THE INTERIM REPORT, PREPARED IN ACCORDANCE WITH IAS 34 AND CHAPT. 9 OF THE SWEDISH ANNUAL ACCOUNTS ACT(1995:1554)****Introduction**

We have reviewed the interim report for Boliden AB (publ.) as of 30<sup>th</sup> June 2010 and the six-month period ending on this date. The Board of Directors and the Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Reports Act. Our responsibility is to express a conclusion on this interim report based on our review.

**The focus and scope of the review**

We conducted our review in accordance with the Standard on Review Engagements (SÖG) 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope and the focus is different from that of an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and with the Swedish Annual Accounts Act for the Group and in accordance with the Swedish Annual Accounts Act for the Parent Company.

Stockholm, 19<sup>th</sup> July 2010

Ernst & Young AB

Lars Träff  
Authorised Public Accountant

**INTERIM REPORTS**

- The Interim Report for January-September 2010 will be published on 21<sup>st</sup> October 2010.
- The Preliminary Financial Statement for 2010 as a whole will be published on 11<sup>th</sup> February 2010.

**CONFERENCE CALL AND PRESENTATION****Conference call and online broadcasts (English)**

The report will be presented on Monday, 19<sup>th</sup> July at 15.00 (CET) in Stockholm.  
Location: at the Klara Strand Konferens venue in the Viktor Arendorf room.  
Address: Klarabergsviadukten 90.

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

It can also be followed via a conference call. Dial one of the following telephone numbers 3-5 minutes before the conference starts.

Telephone number from Sweden: 08-505 598 53 (include the area code)  
Telephone number from other countries: +44 (0)203 043 24 36

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## CONSOLIDATED INCOME STATEMENTS

SEK m	Q2 2010	Q2 2009	First 6 months 2010	First 6 months 2009	July 2009- June 2010	Full year 2009
Revenues	8 908	6 439	17 224	12 318	32 540	27 635
Cost of goods sold	-7 499	-5 506	-14 326	-10 342	-26 940	-22 957
<b>Gross profit</b>	<b>1 409</b>	<b>933</b>	<b>2 898</b>	<b>1 976</b>	<b>5 600</b>	<b>4 678</b>
Selling expenses	-110	-98	-206	-202	-412	-408
Administrative expenses	-127	-155	-249	-285	-498	-534
Research and development costs	-74	-52	-133	-102	-249	-218
Other operating income and expenses	26	26	43	54	92	105
Results from participations in associated companies	-1	–	–	–	–	–
<b>Operating profit</b>	<b>1 123</b>	<b>654</b>	<b>2 353</b>	<b>1 442</b>	<b>4 533</b>	<b>3 623</b>
Financial income	–	2	–	4	7	11
Financial expenses	-127	-69	-161	-191	-226	-257
<b>Profit after financial items</b>	<b>996</b>	<b>587</b>	<b>2 192</b>	<b>1 255</b>	<b>4 314</b>	<b>3 377</b>
Taxes	-241	-155	-559	-259	-1 177	-876
<b>Net profit</b>	<b>755</b>	<b>432</b>	<b>1 633</b>	<b>996</b>	<b>3 137</b>	<b>2 501</b>
<b>Net profit attributable to:</b>						
The Parent Company's shareholders	754	431	1 632	995	3 136	2 500
Holdings with no controlling influence	1	1	1	1	1	1
<b>Earnings and shareholders' equity per share</b>						
SEK m	Q2 2010	Q2 2009	First 6 months 2010	First 6 months 2009	July 2009- June 2010	Full year 2009
	Q2 2010	Q2 2009	First 6 months 2010	First 6 months 2009	July 2009- June 2010	Full year 2009
Earnings per share <sup>1</sup> , SEK	2.76	1.58	5.97	3.64	11.47	9.14
Shareholders' equity per share, SEK	61.22	57.22	61.22	57.22	61.22	59.44
Number of shares	273 511 169	273 511 169	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	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	Q2 2010	Q2 2009	First 6 months 2010	First 6 months 2009	July 2009- June 2010	Full year 2009
<b>Net profit</b>	<b>755</b>	<b>432</b>	<b>1 633</b>	<b>996</b>	<b>3 137</b>	<b>2 501</b>
Market valuation of financial instruments	-16	-494	-444	-1 647	-1 655	-2 858
Tax on financial instruments	4	130	117	433	435	752
Change when translating results of foreign operations for the period	-12	-364	-327	-1 214	-1 219	-2,106
Exchange rate differences on hedging instruments for the period	-121	7	-430	-23	-661	-253
Tax on the exchange rate differences on hedging instruments for the period	165	-23	586	33	891	338
	-43	6	-154	-9	-234	-89
	1	-10	2	2	-4	-4
<b>Other net comprehensive income for the period after tax</b>	<b>-11</b>	<b>-374</b>	<b>-325</b>	<b>-1 212</b>	<b>-1 223</b>	<b>-2 110</b>
<b>Total comprehensive income for the period</b>	<b>744</b>	<b>58</b>	<b>1 308</b>	<b>391</b>	<b>1 914</b>	<b>391</b>
<b>Total comprehensive income attributable to:</b>						
The Parent Company's shareholders	743	57	1 307	-217	1 913	390
Holdings with no controlling influence	1	1	1	1	1	1

**KEY RATIOS**

	Q2 2010	Q2 2009	First 6 months 2010	First 6 months 2009	July 2009- June 2010	Full year 2009
Return on capital employed <sup>1</sup> , %	17	10	18	11	17	14
Return on shareholders' equity <sup>2</sup> , %	18	11	20	13	19	16
Equity/assets ratio, %	48	49	48	49	48	49
Net debt/equity ratio <sup>3</sup> , %	46	55	46	55	46	46
Depreciation, SEK m	466	402	869	783	1 648	1 562
Investments, SEK m	806	1 546	1 405	2 565	3 755	4 915
Capital employed, SEK m	–	–	27 462	26 399	27 462	26 229
Net debt, SEK m	–	–	7 734	8 544	7 734	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	30 <sup>th</sup> June 2010	31 <sup>st</sup> Dec. 2009	30 <sup>th</sup> June 2009
Intangible fixed assets	3 291	3 359	3 388
Tangible fixed assets	20 498	20 454	19 055
Deferred tax	14	21	–
Interest-bearing assets	33	30	25
Other financial fixed assets	58	63	3
Inventories	7 238	5 245	5 045
Interest-bearing current receivables	4	7	8
Tax receivables	–	8	22
Other receivables	2 813	3 246	3 910
Liquid assets	835	825	718
<b>Total assets</b>	<b>34 784</b>	<b>33 258</b>	<b>32 174</b>
Shareholders' equity	16 744	16 257	15 650
Pension provisions	568	585	504
Deferred tax provisions	2 902	2 511	2 200
Other provisions	1 100	705	1 016
Interest-bearing long-term liabilities	6 986	6 624	8 476
Interest-bearing current liabilities	1 051	1 055	315
Tax liabilities	97	88	25
Other current liabilities	5 336	5 433	3 988
<b>Total liabilities and shareholders' equity</b>	<b>34 784</b>	<b>33 258</b>	<b>32 174</b>

## CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

SEK m	30 <sup>th</sup> June 2010	31 <sup>st</sup> Dec. 2009	30 <sup>th</sup> June 2009
Opening balance	16 257	16 131	16 131
Comprehensive income for the period	1 308	391	-216
Minority holding in conjunction with acquisition	–	8	8
Dividend	-821	-274	-274
Closing balance	16 744	16 257	15 650
<b>Total shareholders' equity attributable to:</b>			
The Parent Company's shareholders	16 734	16 247	15 641
Holdings with no controlling interest	10	10	9

The market valuation of financial instruments, after fiscal effect, totalled SEK 168 million on 30<sup>th</sup> June 2010.

## CONSOLIDATED CASH FLOW ANALYSIS

SEK m	Q2 2010	Q2 2009	First 6 months 2010	First 6 months 2009	Full year 2009
<b>Cash flow from operating activities</b>					
<b>before changes in working capital</b>	1 509	1 078	3 333	2 031	5 037
Cash flow from changes in working capital	-502	371	-1 776	-1 374	-1 063
<b>Cash flow from operating activities</b>	<b>1 007</b>	<b>1 449</b>	<b>1 557</b>	<b>657</b>	<b>3 974</b>
Investment activities					
- Acquisition of tangible fixed assets	-722	-1 546	-1 320	-2 565	-4 912
- Other	-84	–	-88	–	-10
Cash flow from investment activities	-806	-1 546	-1 408	-2 565	-4 922
<b>Cash flow before financing activities</b>	<b>201</b>	<b>-97</b>	<b>149</b>	<b>-1 908</b>	<b>-948</b>
Dividend	-821	-274	-821	-274	-274
Net borrowing/net amortisation	623	661	685	1 696	845
Cash flow from financing activities	-198	387	-136	1 422	571
<b>Cash flow for the period</b>	<b>3</b>	<b>290</b>	<b>13</b>	<b>-486</b>	<b>-377</b>
<b>Liquid assets at beginning of period</b>	<b>833</b>	<b>428</b>	<b>825</b>	<b>1 204</b>	<b>1 204</b>
<b>Exchange rate difference on liquid assets</b>	<b>-1</b>	<b>–</b>	<b>-3</b>	<b>–</b>	<b>-2</b>
<b>Liquid assets at period end</b>	<b>835</b>	<b>718</b>	<b>835</b>	<b>718</b>	<b>825</b>

## INCOME STATEMENTS – PARENT COMPANY

SEK m	Q2 2010	Q2 2009	First 6 months 2010	First 6 months 2009	Full year 2009
Dividends from subsidiaries	–	–	–	–	–
<b>Profit after financial items</b>	–	–	–	–	–
Taxes	–	–	–	–	–
<b>Profit for the period</b>	–	–	–	–	–

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

## BALANCE SHEETS – PARENT COMPANY

SEK m	30 <sup>th</sup> June 2010	30 <sup>th</sup> June 2009	31 <sup>st</sup> 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	2 847	2 903	3 670
Current financial receivables, Group companies	1 051	1 075	976
<b>Total assets</b>	<b>7 814</b>	<b>7 892</b>	<b>8 560</b>
Shareholders' equity	6 763	7 584	7 584
Current liabilities to credit institutions	1 051	308	976
<b>Total liabilities and shareholders' equity</b>	<b>7 814</b>	<b>7 892</b>	<b>8 560</b>

**INFORMATION PER SEGMENT**

SEK m	Q2 2010	Q2 2009	First 6 months 2010	First 6 months 2009	Full year 2009
<b>MINES</b>					
Revenues	2 456	1 612	4 337	3 069	6 509
Operating profit	1 034	486	1 834	891	2 159
Depreciation	251	178	434	336	673
Investments	521	1 422	1 049	2 380	4 435
Capital employed	12 915	10 386	12 915	10 386	12 476
<b>SMELTERS</b>					
Revenues	8 254	6 352	16 072	12 041	26 765
Operating profit	103	205	546	689	1 724
Operating profit ex. revaluation of process inventory	110	28	366	-6	451
Depreciation	216	224	435	447	888
Investments	285	109	355	185	480
Capital employed	14 887	14 624	14 887	14 624	13 712
<b>OTHER/ELIMINATIONS</b>					
Revenues	-1 802	-1 525	-3 185	-2 792	-5 639
Operating profit	-14	-37	-27	-138	-260
Depreciation	-1	–	–	–	1
Investments	–	15	1	–	–
Capital employed	-340	1 389	-340	1 389	41
<b>THE GROUP</b>					
Revenues	8 908	6 439	17 224	12 318	27 635
Operating profit	1 123	654	2 353	1 442	3 623
Depreciation	466	402	869	783	1 562
Investments	806	1 546	1 405	2 565	4 915
Capital employed	27 462	26 399	27 462	26 399	26 229

Capital employed reported under Other refers, mainly, to market valuations of hedges.

**INFORMATION PER UNIT**

<b>MINES</b>	<b>Q2 2010</b>	<b>Q2 2009</b>	<i>Change in %</i>	<b>First 6 months 2010</b>	<b>First 6 months 2009</b>	<i>Change in %</i>	<b>Full year 2009</b>
<b>TARA</b>							
Milled ore, ktonnes	644	684	-6	1 239	1 279	-3	2 508
Head grades							
Zinc, %	6.9	7.8	-12	7.3	7.8	-6	7.9
Lead, %	1.4	1.6	-13	1.5	1.5	0	1.5
Metal production							
Zinc, tonnes	41 840	49 919	-16	84 248	92 965	-9	185 558
Lead, tonnes	4 800	6 717	-29	10 248	11 980	-14	23 567
<b>GARPENBERG</b>							
Milled ore, ktonnes	382	374	2	734	726	1	1 394
Head grades							
Zinc, %	6.3	7.4	-15	6.6	7.5	-12	7.3
Copper, %	0.1	0.1	0	0.1	0.1	0	0.1
Lead, %	2.3	2.7	-15	2.5	2.7	-7	2.8
Gold, g/tonne	0.2	0.2	0	0.3	0.2	50	0.2
Silver, g/tonne	123	129	-5	126	131	-4	139
Metal production							
Zinc, tonnes	21 481	24 207	-11	43 471	48 377	-10	90 079
Copper, tonnes	143	135	6	248	269	-8	493
Lead, tonnes	7 051	7 900	-11	14 505	15 843	-8	31 371
Gold, kg	55	49	12	122	107	14	214
Silver, kg	34 203	33 930	1	66 334	67 606	-2	139 141
<b>BOLIDEN AREA</b>							
Milled ore, ktonnes	252	271	-7	527	580	-9	1 192
Head grades							
Zinc, %	4.2	3.9	8	3.8	4.1	-7	3.7
Copper, %	0.9	1.0	-10	0.9	1.0	-10	1.0
Lead, %	0.5	0.4	25	0.5	0.5	0	0.5
Gold, g/tonne	1.7	1.8	-6	1.6	1.8	-11	2.0
Silver, g/tonne	74	62	19	65	73	-11	65
Metal production							
Zinc, tonnes	8 498	7 482	14	15 943	16 433	-3	31 491
Copper, tonnes	1 755	1 862	-6	3 597	3 768	-5	8 090
Lead, tonnes	551	299	84	861	794	8	1 731
Gold, kg	309	289	7	587	623	-6	1 568
Silver, kg	13 777	9 309	48	24 164	23 763	2	48 186
<b>AITIK</b>							
Milled ore, ktonnes	7 589	4 554	67	12 564	9 258	36	18 791
Head grades							
Copper, %	0.28	0.29	-3	0.27	0.28	-4	0.27
Gold, g/tonne	0.13	0.13	0	0.14	0.13	8	0.13
Silver, g/tonne	2.05	1.76	16	2.00	1.92	4	1.99
Metal production							
Copper, tonnes	18 611	11 994	55	30 268	23 119	31	46 019
Gold, kg	554	363	53	918	671	37	1 348
Silver, kg	10 230	6 069	69	16 355	12 558	30	24 701

<b>SMELTERS</b>	<b>Q2 2010</b>	<b>Q2 2009</b>	<i>Change in %</i>	<b>First 6 months 2010</b>	<b>First 6 months 2009</b>	<i>Change in %</i>	<b>Full year 2009</b>
<b>KOKKOLA</b>							
Smelted material, tonnes							
Zinc concentrate	140 437	137 134	2	285 848	275 791	4	571 003
Zinc, tonnes	76 266	68 042	12	152 924	138 516	10	295 049
<b>ODDA</b>							
Smelted material, tonnes							
Zinc concentrate, incl. zinc clinker	67 587	58 344	16	138 447	117 532	18	245 263
Production, tonnes							
Zinc, tonnes	37 974	32 759	16	74 991	65 248	15	138 973
of which reprocessed zinc	495	1 281		495	1 281		1 315
Aluminium fluoride, tonne	3 206	8 898	-64	10 257	19 440	-47	33 161
Sulphuric acid, tonnes	30 555	29 030	5	61 692	59 260	4	107 758
<b>RÖNNSKÄR</b>							
Smelted material, tonnes							
Copper, tonnes							
Primary	106 291	126 544	-16	226 687	266 751	-15	564 749
Secondary	34 784	33 425	4	70 165	67 328	4	154 099
Total	141 075	159 969	-12	296 852	334 079	-11	718 848
Production							
Cathode copper, tonnes	39 004	44 805	-13	80 184	93 406	-14	205 759
Lead, tonnes	4 379	2 735	60	9 561	8 126	18	13 013
Zinc clinker, tonnes	8 238	8 096	2	17 159	19 347	-11	38 535
Gold, kg	2 134	2 739	-22	5 514	5 901	-7	13 282
Silver, kg	83 675	129 700	-35	185 529	247 018	-25	481 223
Sulphuric acid, tonnes	84 559	113 709	-26	197 599	240 697	-18	514 736
<b>HARJAVALTA</b>							
Smelted material, tonnes							
Copper concentrate	125 547	100 796	25	214 511	195 063	10	399 653
Production, tonnes							
Cathode copper	31 008	23 254	33	55 302	46 363	19	96 596
Gold, kg	381	412	-8	779	882	-12	1 747
Silver, kg	16 080	14 040	15	31 916	29 735	7	58 341
Sulphuric acid, tonnes	153 226	124 823	23	287 422	252 602	14	500 842
<b>BERGSÖE</b>							
Production, tonnes							
Lead alloys	10 649	10 022	6	21 117	19 473	8	38 561
Tin alloys	145	123	18	271	222	22	428



**CONSOLIDATED QUARTERLY  
DATA**

	Q3 2008	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010
<b>Financial performance, the Group</b>								
Revenues, SEK m	7 513	6 287	5 879	6 439	6 960	8 356	8 316	8 908
Operating profit before depreciation (EBITDA), SEK m	208	-127	1 170	1 056	1 340	1 620	1 633	1 589
Operating profit (EBIT)	-142	-491	788	654	949	1 232	1 230	1 123
Operating profit ex. revaluation of process inventory, SEK m	125	211	269	477	734	870	1 043	1 130
Profit after financial items, SEK m	-199	-566	668	587	923	1 199	1 196	996
Net profit, SEK m	-135	-451	564	432	684	821	878	755
Earnings per share, SEK	-0.49	-1.65	2.06	1.58	2.50	3.00	3.21	2.76
Free cash flow <sup>1</sup> , SEK m	-117	-534	-1 811	-97	610	350	-52	201
Return on capital employed, %	-3	-8	12	10	15	19	19	17
Net debt/equity ratio <sup>2</sup> , %	37	39	52	55	48	46	43	46
<b>Metal production Mines<sup>3</sup></b>								
Zinc, tonnes	67 538	71 963	76 167	81 608	76 397	72 956	71 844	71 818
Copper, tonnes	12 668	16 362	13 165	13 991	16 076	11 370	13 603	20 509
Lead, tonnes	12 791	13 913	13 701	14 916	14 164	13 888	13 212	12 402
Gold, kg	611	830	700	701	876	853	709	918
Silver, kg	52 261	57 115	54 826	50 024	58 479	50 791	49 104	58 464
<b>Metal production, Smelters</b>								
Zinc, tonnes	112 555	109 181	102 963	100 801	113 550	116 708	113 675	114 240
Copper, tonnes	83 697	88 931	71 710	68 059	76 783	85 804	65 474	70 012
Lead, tonnes	2 255	3 964	5 391	2 735	2 269	2 618	5 182	4 379
Lead alloys, tonnes (Bergsöe)	7 860	11 857	9 451	10 022	6 674	12 414	10 468	10 649
Gold, kg	3 717	3 964	3 632	3 151	4 060	4 185	3 778	2 515
Silver, kg	115 552	141 139	133 013	143 740	133 200	129 610	117 689	99 755
Aluminium fluoride, tonnes	7 879	9 613	10 542	8 898	6 097	7 624	7 051	3 206
<b>Metal prices</b>								
Zinc, USD/tonne	1 773	1 189	1 174	1 476	1 757	2 211	2 288	2 018
Copper, USD/tonne	7 693	3 940	3 435	4 676	5 840	6 643	7 243	7 013
Lead, USD/tonne	1 912	1 251	1 160	1 506	1 925	2 292	2 219	1 944
Gold USD/troy oz	871	798	908	923	960	1 101	1 111	1 196
Silver USD/troy oz	15.09	10.21	12.60	13.76	14.69	17.57	16.93	18.33
<b>Exchange rates</b>								
USD/SEK	6.31	7.79	8.40	7.92	7.29	7.00	7.19	7.29
EUR/USD	1.50	1.31	1.30	1.36	1.43	1.48	1.38	1.35
EUR/SEK	9.47	10.23	10.94	10.78	10.42	10.35	9.94	9.84
USD/NOK	5.36	6.79	6.87	6.50	6.12	5.68	5.86	5.96

<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.