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Interim Report, January – September 2010

Strong quarterly cash flow

Q3 2010

- Revenues totalled SEK 9,373 million (SEK 6,960 m)
- The operating profit totalled SEK 1,348 million (SEK 949 m) – excluding the revaluation of process inventory, which totalled SEK 1,213 million (SEK 734 m)
- Free cash flow totalled SEK 1,203 million (SEK 610 m)
- Earnings per share totalled SEK 3.33 (SEK 2.50)

Summary of financial performance

SEK m	Q3 2010	Q3 2009	Nine months 2010	Nine months 2009
Revenues	9 373	6 960	26 596	19 279
Operating profit (EBIT)	1 348	949	3 701	2 391
Operating profit ex. revaluation of process inventory	1 213	734	3 385	1 480
Profit after financial items	1 264	923	3 455	2 179
Net profit	910	684	2 543	1 680
Earnings per share, SEK	3.33	2.50	9.30	6.14
Free cash flow ¹	1 203	610	1 352	-1 298
Net debt/equity ratio ² , %	37	48	37	48

¹ Refers to cash flow before financing activities.

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

Q3

Sales and production

The global metals market has performed positively during the quarter and prices have consequently risen. The downwards price trend during the second quarter turned around during the third quarter, which saw price rises for all metals. Demand for base metals continues to be good in Europe.

Boliden's revenues totalled SEK 9,373 million, corresponding to an increase of just over 5 per cent in comparison with the second quarter. Revenues increased by 35 per cent in comparison with the previous year, primarily as a result of higher prices.

Mined copper and zinc production was on a par with levels during the previous quarter. Copper production increased by 27 per cent in comparison with the previous year, primarily due to increased volumes at the Aitik copper mine. Zinc production fell, however, by 7 per cent in comparison with the previous year, due to lower grades. Gold production increased relative to both comparison periods, while silver and lead production fell. The Mauriliden Östra open pit mine in the Boliden Area is now operational.

Cast zinc production at the smelters was slightly lower during the third quarter than in the preceding quarter and the third quarter of 2009. Copper production increased by 18 per cent, however, in comparison with the second quarter and by 7 per cent in comparison with the corresponding quarter in 2009.

Operating profit

The operating profit totalled SEK 1,348 million (SEK 949 m). The revaluation of process inventory impacted the quarterly profit to the tune of SEK 136 million. If the revaluation of the smelters' process inventory is excluded, the operating profit totalled SEK 1,213 million (SEK 734 m).

The operating profit for Business Area Mines totalled SEK 1,061 million (SEK 727 m) and the operating profit excluding the revaluation of process inventory for Business Area Smelters totalled SEK 238 million (SEK 101 m).

OPERATING PROFIT ANALYSIS

SEK m	Q3 2010	Q3 2009	Q2 2010
Operating profit	1 348	949	1 123
Revaluation of process inventory	136	215	-7
Operating profit ex. revaluation of process inventory	1 213	734	1 130
Change		479	83
Analysis of change		Q3 vs. Q3 2009	Q3 vs. Q2 2010
Volume effect		151	-78
Costs		-351	122
Prices and terms		665	382
<i>Metal prices and terms</i>		522	316
<i>Realised metal price and currency hedging*</i>		146	19
<i>TC/RC terms</i>		-9	40
<i>Metal premiums</i>		4	-5
<i>Definitive pricing (MAMA)*</i>		2	12
Exchange rate effects		17	-334
<i>Of which translation effects</i>		-45	-46
Other		-3	-9
*Result for respective period	Q3 2101	Q3 2009	Q2 2010
Realised metal price and currency hedging	178	32	159
Definitive pricing (MAMA)	16	14	4

The increase of SEK 351 million in costs in comparison with the previous year is primarily due to the increased production at Aitik and includes, among other things, increased depreciation totalling SEK 86 million.

Changes in prices and terms had a positive effect on the result of SEK 382 million in comparison with the previous quarter and of SEK 665 million in comparison with the previous year. The principal reason for this improvement is the positive trend in metal prices. Exchange rate fluctuations, mainly in the form of the Swedish krona's strengthening against the US dollar, had a negative effect on the result of SEK 334 million in comparison with the second quarter and a positive effect of SEK 17 million in comparison with the third quarter 2009.

The third quarter result includes the realised profit on metal price and currency hedging of SEK 178 million (SEK 32 m). The corresponding effect in the second quarter was SEK 159 million.

Net financial items totalled SEK -85 million (SEK -25 m) during the third quarter of the year. Net financial items improved in comparison with the previous quarter by SEK 42 million, primarily due to the interest on cartel fines charged to the second quarter result. Net financial items deteriorated in comparison with the corresponding period 2009 due to interest charges on the Aitik investment now being charged to net interest items. The effect of this charge was SEK -27 million. The average interest on outstanding borrowing liabilities during the quarter was 2.51 per cent, in comparison with 2.04 per cent in the previous year.

The profit after financial items totalled SEK 1,264 million (SEK 923 m). The net profit totalled SEK 910 million (SEK 684 m), corresponding to earnings per share of SEK 3.33 (SEK 2.50).

Cash flow and investments

CASH FLOW	Q3	Q3	Q2
SEK m	2010	2009	2010
From operating activities	1 951	1 484	1 509
Changes in working capital	-182	211	-502
Investments and other	-566	-1 085	-806
Before financing (Free cash flow)	1 203	610	201

The cash flow from operating activities and before investments totalled SEK 1,769 million (SEK 1,695 m). The cash flow improved by SEK 762 million in comparison with the second quarter, primarily as a result of the improvement in the operating profit and reductions in inventories.

Investments and other totalled SEK 566 million (SEK 1,085 m). The corresponding figure for the second quarter of the year was SEK 806 million. Investment levels fell in both Business Areas.

Fines imposed by a court judgement in 2004 for participation in a copper cartel were paid in July. The total fine, including interest (SEK 367 million), has been charged to the cash flow but not to the profit, as provision had been made for this amount.

The free cash flow during the third quarter totalled SEK 1,203 million (SEK 610 m), in comparison with SEK 201 million during the previous quarter. A total of SEK 35 million was paid in tax during the quarter.

Financial position

Boliden's net debt totalled SEK 6,430 million (SEK 7,645 m) at the end of the quarter and its net debt/equity ratio at that time was 37 per cent (48%). The average term of the total credit limit approved was 4.4 years (3.2 yrs) on 30th September 2010. The average interest level for Boliden's debt portfolio was 2.68 per cent (2.18%) and the fixed interest term on 30th September 2010 was 1.7 years (2.2 yrs).

The contribution to shareholders' equity of the net market valuation of financial instruments, after fiscal effects, totalled SEK -2 million (SEK 1,018 m).

Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities, totalled SEK 8,908 million (SEK 6,457 m) at the end of the third quarter.

SUMMARY OF BOLIDEN'S PERFORMANCE DURING THE FIRST NINE MONTHS OF THE YEAR

PROFIT ANALYSIS	First nine months	First nine months
SEK m	2010	2009
Operating profit	3 701	2 391
Revaluation of process inventory	316	910
Operating profit ex. revaluation of process inventory	3 385	1 480
Change		1 905
Analysis of change		
Volume effect		405
Costs		-1 029
Prices and terms		2 801
<i>Metal prices and terms</i>		2 583
<i>Realised metal price and currency hedging*</i>		218
<i>TC/RC terms</i>		44
<i>Metal premiums</i>		0
<i>Definitive pricing (MAMA)*</i>		-44
Exchange rate effects		-257
<i>Of which translation effects</i>		-7
Other		-15
	First nine months	First nine months
	2010	2009
*Result for respective period		
Realised metal price and currency hedging	533	315
Definitive pricing (MAMA)	-14	30

Revenues increased to SEK 26,596 million (SEK 19,279 m) during the nine-month period.

The operating profit rose to SEK 3,701 million (SEK 2,391 m). If the revaluation of process inventory is excluded, the operating profit totalled SEK 3,385 million (SEK 1,480 m), with the increase primarily due to improved prices and terms, as well as increased production. This was counteracted by a negative exchange rate trend and increased costs, including those associated with the Aitik start-up.

The period includes the realised profits of metal price and currency hedging totalling SEK 533 million (SEK 315 m).

Net financial items totalled SEK -246 million (SEK -212 m) and the cash flow from operating activities totalled SEK 3,326 million (SEK 2,352 m). Changes in working capital affected the cash flow to the tune of SEK -1,958 million (SEK -1,163 m).

Investments totalled SEK 1,971 million (SEK 3,646 m), with the reduced level of investment attributable to the completion of the expansion project at the Aitik copper mine.

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 the transport industry. China is currently the biggest market for base metals

Industrial production levels in mature economies continued to rise during the third quarter. Production levels in industries of importance to base metal demand have successively increased in mature economies but are below normal levels. Vigorous growth in China does, however, mean that global demand for zinc and copper is approaching previous peak levels. Growth levels in China's economy continued high during the third quarter and are driven by investments in industry and infrastructure, and by increased industrial production. Construction-related investments in mature economies remained at a low level, but continued to increase in China. Automotive production levels increased in the West but are at a relatively low level. Automotive manufacturing levels in China continued to increase in comparison with the previous year.

Zinc

The average price of zinc on the London Metal Exchange (LME) was on a par with levels during the second quarter of 2010 and 15 per cent higher than during the third quarter of 2009. The price changes in Swedish kronor equated to -4 per cent and +14 per cent, respectively.

Global demand for zinc was on a par with levels during the second quarter of 2010 and is estimated to have increased by 8 per cent in comparison with the third quarter of 2009. The increased global demand in comparison with last year is a consequence of an improvement in the international economic climate that resulted in increased demand from the steel industry and increased infrastructural investments, particularly in China.

Global production by zinc smelters fell slightly in comparison with the second quarter of 2010, partly due to seasonal effects. Production is estimated to have increased by 8 per cent in comparison with last year. Global mined production fell by 3 per cent in comparison with the second quarter of 2010, but increased by 6 per cent in comparison with 2009. Global official stock levels fell during the quarter by 12,000 tonnes to approximately 870,000 tonnes, which corresponds to just over 28 days' global consumption. Metal premiums on the spot market, which is steered by the local demand situation, rose slightly in Europe and Asia as a result of increased demand for metals, but are still below contracted levels. Spot premiums rose sharply in the USA from low levels.

Spot TC/RC continued to be considerable below contracted levels and remained unchanged in comparison with the second quarter of 2010. Imports of mined concentrate by China fell during the third quarter, resulting in increased availability for mined concentrate and stabilised spot terms. A high level of internal supply does, however, mean that the effect on the Boliden Group's result of changes in TC/RC is only moderate.

Copper

The average price of copper on the LME was 3 per cent higher than during the second quarter and 24 per cent higher than during the third quarter of 2009. The price changes, in Swedish kronor, equated to -1 per cent and +24 per cent, respectively.

Global demand is estimated to have fallen by 4 per cent in comparison with the second quarter of 2010, but to have increased by 7 per cent in comparison with the previous year. Demand in China is estimated to have increased by 11 per cent in comparison with the third quarter of 2009, and by 1 per cent in Europe and 5 per cent in North America.

Global smelter production of metals fell by 3 per cent in comparison with the second quarter of 2010 and by 7 per cent in China, due, in part, to seasonal effects. Global production is estimated to have remained on a par with levels during the third quarter of 2009 and to have risen by 3 per cent in China. Production in China is estimated to have increased by 16 per cent during the first nine months of the year in comparison with the same period previous year.

Global mined production is estimated to have increased by 2 per cent in comparison with both the previous quarter and the third quarter of 2009. The official global stock levels have fallen since the

beginning of March and were down by approximately 131,000 tonnes at the end of the quarter, totalling approximately 546,000 tonnes, which corresponds to just under 11 days' global consumption.

Spot premiums in Europe remained on a par with levels during the second quarter and were close to the 2010 contract level.

Concentrate has been in short supply on the spot market during both the first six months of the year and the majority of the third quarter, and spot market TC/RC consequently came under pressure. Competition for concentrate has increased as a result of a substantial expansion in China's smelter capacity. Concentrate availability increased, however, towards the end of the quarter as imports to China fell and spot market TC/RC rose. They are, however, still below the 2010 contract level of USD 46.5/tonne of concentrate.

Sulphuric acid

Demand for sulphuric acid continued to be good during the third quarter and spot prices continued to increase in several markets. Global demand is primarily driven by the artificial fertiliser manufacturing industry, the chemicals industry, and the mining industry sector that produces copper through sulphuric acid-based leaching. The paper and pulp industries are important consumers of sulphuric acid in northern Europe and demand has generally increased in these industries.

Other metals

The LME price of lead was an average of 5 per cent higher than during the second quarter of 2010 and 6 per cent higher than during the third quarter of 2009. Lead stock levels have increased slightly since the end of the second quarter of 2010. Demand for lead is primarily driven by the replacement battery market, which has remained stable throughout the recession, but also by the battery market for new vehicles, which has reported high growth levels in recent quarters.

Gold and silver prices were an average of 3 per cent higher than during the previous quarter and 28 per cent and 29 per cent, respectively, higher than during the third quarter of 2009.

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 quantity of so-called free metals in concentrates also affects the profit.

Metal prices, USD (average LME/LBMA)	Q3 2010	Q3 2009	Change in %	Q2 2010	Change in %
Zinc (USD/tonne)	2 013	1 757	15	2 018	0
Copper (USD/tonne)	7 242	5 840	24	7 013	3
Lead (USD/tonne)	2 031	1 925	6	1 944	5
Gold (USD/troy oz)	1 227	960	28	1 196	3
Silver (USD/troy oz)	18.97	14.69	29	18.33	3

Metal prices, SEK (average LME/LBMA)	Q3 2010	Q3 2009	Change in %	Q2 2010	Change in %
Zinc (SEK/tonne)	14 642	12 809	14	15 295	-4
Copper (SEK/tonne)	52 683	42 580	24	53 165	-1
Lead (SEK/tonne)	14 778	14 034	5	14 733	0
Gold (SEK/troy oz)	8 927	7 000	28	9 068	-2
Silver (SEK/troy oz)	137.96	107.00	29	138.93	-1

Metal price hedging

The following table is a summary of Boliden's metal price hedging for copper, gold and silver on 30th September 2010. 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. Boliden has no metal price hedging after 2010.

Metal futures	Maturity year	Metal price (USD)	Quantity	Market value (SEK m)
Copper (tonnes)	2010	7 608	17 175	-47
Gold (troy oz)	2010	971	26 400	-61
Silver (troy oz)	2010	18.32	1 290 000	-33
Market value of outstanding contracts, SEK m				-141

EXCHANGE RATES

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

The US dollar weakened still further against both the Swedish krona and the Norwegian krone during the third quarter. The dollar also weakened slightly against the Euro during the third quarter, but is stronger in comparison with last year. The Swedish krona has strengthened against the Euro for both comparison periods.

Exchange rates (average)	Q3 2010	Q3 2009	Change in %	Q2 2010	Change in %
USD/SEK	7.27	7.29	0	7.58	-4
EUR/USD	1.29	1.43	-10	1.27	1
EUR/SEK	9.38	10.42	-10	9.64	-3
USD/NOK	6.17	6.12	1	6.22	-1

Currency hedging

The following table summarises Boliden's currency futures contracts on 30th September 2010. 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. Boliden has no currency hedging after 2010.

	Maturity year	Forward rate	Amount sold (USD m)	Market value (SEK m)
USD/SEK	2010	8.07	184	229
Market value of outstanding contracts, SEK m				229

SENSITIVITY ANALYSIS

The following table contains an estimate of how changes in market terms from listings on 30th September 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.

Change in metal prices +10%	Effect on profit SEK m	Change in USD +10%	Effect on profit SEK m	Change in TC/RC +10%	Effect on profit SEK m
Copper	500	USD/SEK	990	TC/RC Copper	45
Zinc	640	EUR/USD	415	TC Zinc	45
Lead	110	USD/NOK	85	TC Lead	-10
Gold	125				
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	Q3 2010	Q3 2009	Change in %	Q2 2010	Change in %
Revenues	2 421	1 767	37	2 456	-1
Operating profit	1 061	727	46	1 034	3
Investments	402	949	-58	521	-23
Capital employed	13 222	11 339	17	12 915	2

Business Area Mine's revenues totalled SEK 2,421 million (SEK 1,767 m) during the quarter. The operating profit was SEK 1,061 million (SEK 727 m), corresponding to an increase of SEK 27 million in comparison with the second quarter and of SEK 334 million in comparison with the previous year.

Gold production increased in comparison with the previous quarter, but lower lead and silver production levels meant that overall, there was a negative volume effect of SEK 123 million. Higher copper and gold production volumes at Aitik yielded a SEK 124 million increase in the profit in comparison with the previous year.

Operating costs in local currencies were slightly lower than in the previous quarter but substantially higher than during the corresponding period in 2009. The increase in costs was primarily due to higher production and depreciation, and to higher costs in conjunction with the commissioning of the new facility at Aitik. Direct extra costs due to the commissioning amounted to approximately SEK 50 million in the quarter.

Changes to prices and terms collectively had a positive effect on the operating profit of SEK 490 million in comparison with the second quarter of 2010 and of SEK 566 million in comparison with the corresponding period last year. The positive effect during the third quarter of this year was counteracted by a stronger Swedish krona, which resulted in negative exchange rate effects of SEK 336 million in comparison with the previous quarter.

PROFIT ANALYSIS SEK m	Q3 2010	Q3 2009	Q2 2010
Operating profit	1 061	727	1 034
Change		334	27
Analysis of change		Q3 vs. Q3 2009	Q3 vs. Q2 2010
Volume effect		124	-123
Costs		-319	5
Prices and terms*		566	490
Exchange rate effects		-33	-336
Other		-4	-9
* Result for respective period	Q3 2010	Q3 2009	Q2 2010
Realised metal price and currency hedging	151	29	138
Definitive pricing (MAMA)	7	44	3

METAL PRODUCTION*	Q3	Q3	<i>Change</i>	Q2	<i>Change</i>
	2010	2009	<i>in %</i>	2010	<i>in %</i>
Zinc, tonnes	71 152	76 397	-7	71 818	-1
Copper, tonnes	20 497	16 076	27	20 509	0
Lead, tonnes	11 343	14 164	-20	12 402	-9
Gold, kg	979	876	12	918	7
Silver, kg	53 469	58 479	-9	58 464	-9

* Refers to metal content in concentrates.

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

The volume of zinc produced was slightly down on the previous quarter. Zinc production increased in the Boliden Area and at Tara, but fell at Garpenberg due to lower grades. Zinc production fell in comparison with last year as a result of lower grades at both Tara and Garpenberg, but this trend was countered at Tara by a higher amount of milled ore.

Copper production remained unchanged in comparison with the previous quarter, but increased dramatically in comparison with 2009 due to the commissioning of the new facility at Aitik.

Adjustments to and the rebuilding of the new ore crushers at Aitik have continued to disrupt production at Aitik and to give rise to higher than planned costs. The work on the crushers will continue during the fourth quarter.

Aitik's ore production is expected to achieve its full capacity of 36 million tonnes of ore in 2014.

Production began at the Mauriliden Östra open pit mine during the quarter, contributing to an increased production in the Boliden Area. Milled ore quantities rose by 44 per cent in comparison with both the previous quarter and the corresponding period in 2009.

Gold production increased, primarily due to increased volumes from Aitik but also due, in part, to the Boliden Area's increased volumes, particularly in comparison with the previous quarter. Silver production fell, however, due to a change in the ore mix in the Boliden Area and to lower volumes from Garpenberg and Aitik.

Lead production fell, primarily due to lower yields at Tara. The fall in volume in comparison with last year was due to lower grades at Garpenberg and Tara.

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	Q3 2010	Q3 2009	Change in %	Q2 2010	Change in %
Revenues	8 765	6 677	31	8 254	6
Operating profit	374	316	18	103	263
Operating profit ex. revaluation of process inventory	238	101	136	110	117
Investments	162	132	23	285	-43
Capital employed	14 137	13 847	2	14 887	-5

Business Area Smelters' operating profit, excluding the revaluation of process inventory, totalled SEK 238 million (SEK 101 m), corresponding to an increase of SEK 128 million in comparison with the second quarter of this year and an increase of SEK 137 million in comparison with the corresponding quarter of 2009. The improvement in the operating profit in comparison with the previous quarter is largely due to the fact that the Rönnskär copper smelter has been in production throughout the third quarter. Harjavalta, Odda and Bergsöe have implemented maintenance shutdowns during the third quarter, which has had a negative effect on the profit in the third quarter of just over SEK 100 million.

The positive volume effect of SEK 45 million in comparison with the previous quarter is primarily due to increased production at Rönnskär. Harjavalta has also made a positive contribution in relation to the previous year.

Differences in costs from the second to third quarter are due, in every significant respect, to the maintenance shutdowns implemented.

Changes in prices and terms had a positive effect on the profit of SEK 303 million in comparison with the previous quarter and of SEK 138 million in comparison with the corresponding period of 2009. Higher sulphuric acid prices, metal prices (free metals), metal premiums and a change in the raw materials mix – a higher percentage of secondary raw materials – yielded improved TC/RC in comparison with the previous quarter. This was, however, countered by the negative effects of exchange rate fluctuations at SEK -334 million.

PROFIT ANALYSIS	Q3	Q3	Q2
SEK m	2010	2009	2010
Operating profit	374	316	103
Revaluation of process inventory	136	215	-7
Operating profit ex. revaluation of process inventory	238	101	110
Change		137	128
		Q3 vs.	Q3 vs.
Analysis of change		Q3 2009	Q2 2010
Volume effect		26	45
Costs		-20	118
Prices and terms*		138	303
Exchange rate effects		-15	-334
Other		8	-4
*Result for respective period	Q3 2010	Q3 2009	Q2 2010
Realised metal price and currency hedging	27	3	21
Definitive pricing (MAMA)	2	2	3

PRODUCTION	Q3	Q3	Change in %	Q2	Change in %
	2010	2009		2010	
Zinc, tonnes	110 597	113 550	-3	114 240	-3
Copper, tonnes	82 375	76 783	7	70 012	18
Lead, tonnes	2 953	2 269	30	4 379	-33
Lead alloys, tonnes (Bergsöe)	8 470	6 674	27	10 649	-20
Gold, kg	4 022	4 060	-1	2 515	60
Silver, kg	120 144	133 200	-10	99 755	20
Sulphuric acid, tonnes	391 640	248 091	58	314 179	25
Aluminium fluoride, tonnes	3 744	6 097	-39	3 206	17

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

The zinc smelters' production has fallen slightly in comparison with the second quarter and the previous year. This is due to maintenance shutdowns and certain disruptions to production at Odda, and to a change in the product mix at Kokkola. Production of aluminium fluoride at Odda fell due to a weak market.

The copper smelters increased production by 18 per cent in comparison with the previous quarter. The increase is due to higher production levels at Rönnskär. The supply of copper concentrate has improved and is currently enabling higher production levels at the copper smelters. Boliden's ability to handle different materials has been successfully exploited in a situation in which the availability of copper concentrate is low, with good results.

Production of sulphuric acid has increased dramatically as a consequence of the acquisition by the Kokkola zinc smelter of a sulphuric acid plant in May 2010. Demand and prices have improved during the year.

The increase in volumes of precious metals in comparison with the previous quarter is due to increased production at Rönnskär and a greater proportion of raw materials with higher precious metals content.

Bergsöe's lower production levels during the quarter were due to the implementation of a maintenance shutdown. Raw material availability has improved and Bergsöe was producing at full capacity at the end of the period.

No maintenance shutdowns are planned during the fourth quarter of 2010.

SUSTAINABLE DEVELOPMENT**Employees**

The average number of employees at Boliden during the third quarter was 4,414 (4,425). Of these, 2,426 work in Sweden, 950 in Finland, 702 in Ireland, 322 in Norway, and 14 in other countries.

The sick leave rate during the third quarter was 3.3 per cent, corresponding to a reduction in comparison with the previous quarter of 0.6 percentage points.

The accident frequency (the number of accidents per one million hours worked) was 5.5 during the third quarter. This corresponds to an increase in comparison with the second quarter, when the corresponding figure was 5.3. There were no accidents leading to absences from work at three of Boliden's nine operating units (Bergsöe, Kokkola and Odda) during the third 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. Environmental performance was good during the third quarter.

Group-wide environmental goals have been set for the period from 2009 to 2013. Boliden's Group-wide goals for discharges and emissions of metals into water and the air, and for emissions of sulphur dioxide into the air, have been met during the third 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, affects 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 Acquisitions and IAS 27, Consolidated and Separate Financial Statements, are applied as of 2010. The application has had no significant effect on the Group.

Boliden, 21st October 2010

Lennart Evrell
President & CEO

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 21st October 2010 at 11.00 a.m.

INTERIM REPORTS AND ANNUAL GENERAL MEETING

- The Preliminary Financial Statement for 2010 as a whole will be published on 11th February 2010
- The Interim Report for the first quarter of 2011 will be published on 3rd May 2011
- The 2011 Annual General Meeting will be held on 3rd May 2011

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

The report will be presented via a conference call on Thursday, 21st October at 13.00 (CET).

The presentation will be broadcast online at www.boliden.com.

To take part in the conference call, please 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

	Q3	Q3	Nine months	Nine months	Oct 2009	Full year
SEK m	2010	2009	2010	2009	- Sept 2010	2009
Revenues	9 373	6 960	26 596	19 279	34 952	27 635
Cost of goods sold	-7 798	-5 786	-22 123	-16 129	-28 951	-22 957
Gross profit	1 575	1 174	4 473	3 150	6 001	4 678
Selling expenses	-103	-95	-309	-297	-420	-408
Administrative expenses	-77	-98	-326	-384	-477	-534
Research and development costs	-63	-51	-196	-153	-261	-218
Other operating income and expenses	15	19	59	74	89	105
Results from participations in associated companies	1	-	-	-	1	-
Operating profit	1 348	949	3 701	2 391	4 933	3 623
Financial income	2	1	2	4	8	11
Financial expenses	-86	-27	-248	-216	-287	-257
Profit after financial items	1 264	923	3 455	2 179	4 654	3 377
Taxes	-354	-239	-912	-499	-1 290	-876
Net profit	910	684	2 543	1 680	3 364	2 501
Net profit attributable to:						
The Parent Company's shareholders	909	683	2 541	1 678	3 363	2 500
Holding with non-controlling interest	1	1	2	2	1	1
Earnings and shareholders' equity per share						
	Q3	Q3	Nine months	Nine months	Oct 2009	Full year
	2010	2009	2010	2009	- Sept 2010	2009
Earnings per share ¹ , SEK	3.33	2.50	9.30	6.14	12.30	9.14
Shareholders' equity per share, SEK	63.92	58.36	63.92	58.36	-	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 51 169	273 511 169	273 511 169	273 511 169
Number of own shares held	-	-	-	-	-	-

¹ There are no potential shares and, as a result, no dilution effect.

CONSOLIDATED REPORT OF COMPREHENSIVE INCOME

SEK m	Q3 2010	Q3 2009	Nine months 2010	Nine months 2009	Oct 2009 - Sept 2010	Full year 2009
Net profit	910	684	2 543	1 680	3 364	2 501
Market valuation of financial instruments	-231	-502	-675	-2 149	-1 384	-2 858
Fiscal effect on financial instruments	61	132	178	565	365	752
	-170	-370	-497	-1 584	-1 019	-2 106
Change when translating results of foreign operations for the period	-175	-284	-605	-306	-552	-253
Exchange rate differences on hedging instruments for the period	236	384	823	417	744	338
Tax on exchange rate differences on hedging instruments for the period	-62	-101	-216	-110	-196	-89
	-1	-1	1	1	-4	-4
Other net comprehensive income for the period after tax	-171	-371	-496	-1 583	-1 023	-2 110
Total comprehensive income for the period	739	313	2 047	97	2 341	391

Total comprehensive income attributable to:

The Parent Company's shareholders	738	312	2 045	95	2 340	390
Holding with non-controlling interest	1	1	2	2	1	1

KEY RATIOS

	Q3 2010	Q3 2009	Nine months 2010	Nine months 2009	Oct 2009 - Sept 2010	Full year 2009
Return on capital employed ¹ , %	20	15	18	12	19	14
Return on shareholders' equity ² , %	21	17	20	14	20	16
Equity/assets ratio, %	52	50	52	50	52	49
Net debt/equity ratio ³ , %	37	48	37	48	37	46
Depreciation, SEK m	478	391	1 347	1 175	1 735	1 562
Investments, SEK m	566	1 081	1 971	3 646	3 240	4 915
Capital employed, SEK m	–	–	27 190	25 996	27 190	26 229
Net debt, SEK m	–	–	6 430	7 645	6 430	7 402

1 Operating profit divided by average capital employed.

2 Profit after tax divided by average shareholders' equity.

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

CONSOLIDATED BALANCE SHEETS

SEK m	30 th Sept. 2010	31 st Dec. 2009	30 th Sept. 2009
Intangible fixed assets	3 203	3 359	3 304
Tangible fixed assets	20 391	20 454	19 481
Deferred tax	18	21	17
Interest-bearing assets	34	30	25
Other financial fixed assets	55	63	65
Inventories	6 537	5 245	4 921
Interest-bearing current receivables	4	7	7
Tax receivables	–	8	20
Other receivables	2 324	3 246	3 589
Liquid assets	1 035	825	814
Total assets	33 601	33 258	32 243
Shareholders' equity	17 483	16 257	15 963
Pension provisions	561	585	525
Deferred tax provisions	2 678	2 511	2 358
Other provisions	718	705	1 023
Interest-bearing long-term liabilities	5 391	6 624	7 293
Interest-bearing current liabilities	1 550	1 055	672
Tax liabilities	617	88	66
Other current liabilities	4 603	5 433	4 343
Total liabilities and shareholders' equity	33 601	33 258	32 243

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

SEK m	30 th Sept. 2010	31 st Dec. 2009	30 th Sept. 2009
Opening balance	16 257	16 131	16 131
Total comprehensive income for the period	2 047	391	-274
Minority holding in conjunction with acquisition	–	8	8
Dividend	-821	-274	97
Closing balance	17 483	16 257	15 963
Total shareholders' equity attributable to			
The Parent Company's shareholders	17 473	16 247	15 953
Holdings with no controlling influence	10	10	10

On 30th September 2010, the market valuation of financial instruments, after fiscal effect, was SEK -2 million.

CONSOLIDATED CASH FLOW ANALYSIS

SEK m	Q3 2010	Q3 2009	Nine months 2010	Nine months 2009	Full year 2009
Cash flow from working activities before changes in operating capital	1 951	1 484	5 284	3 515	5 037
Cash flow from changes in working capital	-182	211	-1 958	-1 163	-1 063
Cash flow from operating activities	1 769	1 695	3 326	2 352	3 974
Investment activities					
- Acquisition of tangible fixed assets	-567	-1 081	-1 887	-3 646	-4 912
- Acquisition of intangible fixed assets	1		-83		-3
- Other	–	-4	-4	-4	-7
Cash flow from investment activities	-566	-1 085	-1 974	-3 650	-4 922
Cash flow before financing activities	1 203	610	1 352	-1 298	-948
Dividend	–	–	-821	-274	-274
Net borrowing/net amortisation	-1 000	-512	-315	1 184	845
Cash flow from financing activities	-1 000	-512	-1 136	910	571
Cash flow for the period	203	98	216	-388	-377
Liquid assets at beginning of period	835	718	825	1 204	1 204
Exchange rate difference on liquid assets	-3	-2	-6	-2	-2
Liquid assets at period end	1 035	814	1 035	814	825

INCOME STATEMENTS – PARENT COMPANY

SEK m	Q3 2010	Q3 2009	Nine months 2010	Nine months 2009	Full year 2009
Dividends from subsidiaries	825	–	825	–	–
Profit after financial items	825	–	825	–	–
Taxes	–	–	–	–	–
Profit for the period	825	–	825	–	–

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

BALANCE SHEETS – PARENT COMPANY

SEK m	30 th Sept. 2010	31 st Dec. 2009	30 th Sept. 2009
Participations in Group companies	3 911	3 911	3 911
Other shares and participations	5	3	2
Long-term financial receivables, Group companies	3 672	3 669	3 670
Current financial receivables, Group companies	1 550	977	666
Total assets	9 138	8 561	8 250
Shareholders' equity	7 588	7 584	7 584
Current liabilities to credit institutions	1 550	976	666
Total liabilities and shareholders' equity	9 138	8 560	8 250

INFORMATION PER SEGMENT

SEK m	Q3 2010	Q3 2009	Nine Months 2010	Nine Months 2009	Full year 2009
MINES					
Revenues	2 421	1 767	6 758	4 836	6 509
Operating profit	1 061	727	2 895	1 618	2 159
Depreciation	266	172	700	508	673
Investments	402	949	1 451	3 328	4 435
Capital employed	13 222	11 339	13 222	11 339	12 476
SMELTERS					
Revenues	8 765	6 677	24 837	18 718	26 765
Operating profit	374	316	920	1 005	1 724
Operating profit ex. revaluation of process inventory	238	101	604	95	451
Depreciation	212	219	647	666	888
Investments	162	132	517	318	480
Capital employed	14 137	13 847	14 137	13 847	13 712
OTHER/ELIMINATIONS					
Revenues	-1 813	-1 484	-4 999	-4 275	-5 639
Operating profit	-87	-94	-114	-232	-260
Depreciation	–	–	–	1	1
Investments	2	–	3	–	–
Capital employed	-169	810	-169	810	41
THE GROUP					
Revenues	9 373	6 960	26 596	19 279	27 635
Operating profit	1 348	949	3 701	2 391	3 623
Operating profit ex. revaluation of process inventory	1 213	734	3 385	1 480	2 350
Depreciation	478	391	1 347	1 175	1 562
Investments	566	1 081	1 971	3 646	4 915
Capital employed	27 190	25 996	27 190	25 996	26 229

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

INFORMATION PER UNIT

MINES	Q3 2010	Q3 2009	<i>Change in %</i>	Nine months 2010	Nine months 2009	<i>Change in %</i>	Full year 2009
TARA							
Milled ore, ktonnes	707	614	15	1 946	1 892	3	2 508
Head grades							
Zinc, %	6.5	8.2	-21	7.0	7.9	-11	7.9
Lead, %	1.3	1.5	-13	1.4	1.5	-7	1.5
Metal production ¹⁾							
Zinc, tonnes	42 791	47 435	-10	127 039	140 400	-10	185 558
Lead, tonnes	4 060	5 491	-26	14 308	17 471	-18	23 567
GARPENBERG							
Milled ore, ktonnes	336	336	0	1 071	1 062	1	1 394
Head grades							
Zinc, %	6.0	7.6	-21	6.4	7.5	-15	7.3
Copper, %	0.1	0.1	0	0.1	0.1	0	0.1
Lead, %	2.6	3.1	-16	2.5	2.8	-11	2.8
Gold, g/tonne	0.3	0.2	50	0.3	0.2	50	0.2
Silver, g/tonne	131	162	-19	127	141	-10	139
Metal production ¹⁾							
Zinc, tonnes	18 122	22 703	-20	61 593	71 080	-13	90 079
Copper, tonnes	131	107	22	379	376	1	493
Lead, tonnes	6 855	8 246	-17	21 360	24 090	-11	31 371
Gold, kg	60	46	30	182	153	19	214
Silver, kg	33 139	40 139	-17	99 473	107 746	-8	139 141
BOLIDEN AREA							
Milled ore, ktonnes	358	248	44	885	827	7	1 192
Head grades							
Zinc, %	3.5	3.5	0	3.7	3.9	-5	3.7
Copper, %	0.9	1.0	-10	0.9	1.0	-10	1.0
Lead, %	0.3	0.5	-40	0.4	0.5	-20	0.5
Gold, g/tonne	1.6	2.3	-30	1.6	2.0	-20	2.0
Silver, g/tonne	45	63	-29	57	70	-19	65
Metal production ¹⁾							
Zinc, tonnes	10 239	6 259	64	26 182	22 692	15	31 491
Copper, tonnes	2 358	1 802	31	5 955	5 570	7	8 090
Lead, tonnes	428	427	0	1 289	1 221	6	1 731
Gold, kg	341	391	-13	928	1 014	-8	1 568
Silver, kg	11 123	10 640	5	35 287	34 404	3	48 186
AITIK							
Milled ore, ktonnes	7 454	5 103	46	20 018	14 361	39	18 791
Head grades							
Copper, %	0.27	0.31	-13	0.27	0.29	-7	0.27
Gold, g/tonne	0.17	0.16	6	0.15	0.14	7	0.13
Silver, g/tonne	2.00	2.51	-20	2.00	2.13	-6	1.99
Metal production ¹⁾							
Copper, tonnes	18 008	14 167	27	48 276	37 286	29	46 019
Gold, kg	578	439	32	1 496	1 110	35	1 348
Silver, kg	8 834	7 113	24	25 189	19 671	28	24 701

¹⁾Refers to metal content of concentrates

SMELTERS	Q3 2010	Q3 2009	<i>Change in %</i>	Nine months 2010	Nine months 2009	<i>Change in %</i>	Full year 2009
KOKKOLA							
Smelted material, tonnes							
Zinc concentrate	142 845	140 193	2	428 693	415 984	3	571 003
Zinc, tonnes	74 759	76 356	-2	227 683	214 872	6	295 049
ODDA							
Smelted material, tonnes							
Zinc concentrate, incl. zinc clinker	64 842	63 145	3	203 289	180 677	13	245 263
Production, tonnes							
Zinc, tonnes	35 838	37 194	-4	110 829	102 442	8	138 973
of which reprocessed zinc	592	0		1 087	1 281		1 315
Aluminium fluoride, tonnes	3 744	6 097	-39	14 001	25 537	-45	33 161
Sulphuric acid, tonnes	28 780	21 283	35	90 472	80 543	12	107 758
RÖNNSKÄR							
Smelted material, tonnes							
Copper, tonnes							
Primary	162 504	147 313	10	389 191	414 064	-6	564 749
Secondary	42 901	43 522	-1	113 066	110 850	2	154 099
Total	205 405	190 835	8	502 257	524 914	-4	718 848
Production							
Cathode copper, tonnes	55 851	57 597	-3	136 035	151 003	-10	205 759
Lead, tonnes	2 953	2 269	30	12 514	10 395	20	13 013
Zinc clinker, tonnes	9 968	9 446	6	27 127	28 793	-6	38 535
Gold, kg	3 593	3 575	1	9 107	9 476	-4	13 282
Silver, kg	105 104	119 605	-12	290 633	366 623	-21	481 223
Sulphuric acid, tonnes	160 744	132 404	21	358 343	373 101	-4	514 736
HARJAVALTA							
Smelted material, tonnes							
Copper concentrate	96 890	90 036	8	311 401	285 099	9	399 653
Production, tonnes							
Cathode copper	26 524	19 186	38	81 826	65 549	25	96 596
Gold, kg	429	486	-12	1 208	1 368	-12	1 747
Silver, kg	15 040	13 595	11	46 956	43 331	8	58 341
Sulphuric acid, tonnes	127 418	94 404	35	414 839	347 005	20	500 842
BERGSÖE							
Production, tonnes							
Lead alloys	8 470	6 674	27	29 587	26 147	13	38 561
Tin alloys	95	94	1	366	316	16	428

CONSOLIDATED QUARTERLY DATA

	Q4 2008	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010
Financial performance, the Group								
Revenues, SEK m	6 287	5 879	6 439	6 960	8 356	8 316	8 908	9 373
Operating profit before depreciation (EBITDA), SEK m	-127	1 170	1 056	1 340	1 620	1 633	1 589	1 826
Operating profit (EBIT)	-491	788	654	949	1 232	1 230	1 123	1 348
Operating profit ex. revaluation of process inventory, SEK m	211	269	477	734	870	1 043	1 130	1 213
Profit after financial items, SEK m	-566	668	587	923	1 199	1 196	996	1 264
Net profit, SEK m	-451	564	432	684	821	878	755	910
Earnings per share, SEK	-1.65	2.06	1.58	2.50	3.00	3.21	2.76	3.33
Free cash flow ¹ , SEK m	-534	-1 811	-97	610	350	-52	201	1 151
Return on capital employed, %	-8	12	10	15	19	19	17	20
Net debt/equity ratio ² , %	39	52	55	48	46	43	46	37
Metal production, Mines³								
Zinc, tonnes	71 963	76 167	81 608	76 397	72 956	71 844	71 818	71 152
Copper, tonnes	16 362	13 165	13 991	16 076	11 370	13 603	20 509	20 497
Lead, tonnes	13 913	13 701	14 916	14 164	13 888	13 212	12 402	11 343
Gold, kg	830	700	701	876	853	709	918	979
Silver, kg	57 115	54 826	50 024	58 479	50 791	49 104	58 464	53 469
Metal production, Smelters								
Zinc, tonnes	109 181	102 963	100 801	113 550	116 708	113 675	114 240	110 597
Copper, tonnes	88 931	71 710	68 059	76 783	85 804	65 474	70 012	82 375
Lead, tonnes	3 964	5 391	2 735	2 269	2 618	5 182	4 379	2 953
Lead alloys, tonnes (Bergsöe)	11 857	9 451	10 022	6 674	12 414	10 468	10 649	8 470
Gold, kg	3 964	3 632	3 151	4 060	4 185	3 778	2 515	4 022
Silver, kg	141 139	133 013	143 740	133 200	129 610	117 689	99 755	120 144
Aluminium fluoride, tonnes	9 613	10 542	8 898	6 097	7 624	7 051	3 206	3 744
Metal prices, quarterly average								
Zinc, USD/tonne	1 189	1 174	1 476	1 757	2 211	2 288	2 018	2 013
Copper, USD/tonne	3 940	3 435	4 676	5 840	6 643	7 243	7 013	7 242
Lead, USD/tonne	1 251	1 160	1 506	1 925	2 292	2 219	1 944	2 031
Gold, USD/troy oz	798	908	923	960	1 101	1 111	1 196	1 227
Silver, USD/troy oz	10.21	12.60	13.76	14.69	17.57	16.93	18.33	18.97
Exchange rates, quarterly average								
USD/SEK	7.79	8.40	7.92	7.29	7.00	7.19	7.58	7.27
EUR/USD	1.31	1.30	1.36	1.43	1.48	1.38	1.27	1.29
EUR/SEK	10.23	10.94	10.78	10.42	10.35	9.94	9.64	9.38
USD/NOK	6.79	6.87	6.50	6.12	5.68	5.86	6.22	6.17

1 Refers to cash flow before financing activities.

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

3 Refers to metal content of concentrates.