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## Interim Report January–June 2011

### Increased ore production at Aitik

#### Q2 2011

- Revenues totalled SEK 9 896 million (SEK 8 908 m)
- The operating profit totalled SEK 1 134 million (SEK 1 123 m). Excluding the revaluation of process inventory, the operating profit was SEK 1 120 million (SEK 1 130 m)
- Free cash flow totalled SEK -790 million (SEK 201 m)
- Earnings per share totalled SEK 2,94 (SEK 2,76)

#### Summary of financial performance

SEK m	Q2 2011	Q2 2010	6 months 2011	6 months 2010	July 2010- June 2011
Revenues	9 896	8 908	20 054	17 224	39 547
Operating profit (EBIT)	1 134	1 123	2 492	2 353	5 783
Operating profit ex. revaluation of process inventory	1 120	1 130	2 620	2 172	5 278
Profit after financial items	1 082	996	2 383	2 192	5 523
Net profit	804	755	1 765	1 633	4 089
Earnings per share, SEK	2,94	2,76	6,45	5,97	14,95
Free cash flow <sup>1</sup>	-790	201	-342	149	2 711
Return on capital employed <sup>2</sup>	16	17	18	18	21
Return on shareholders' equity <sup>3</sup> , %	17	18	18	20	22
Net debt/equity ratio <sup>4</sup> , %	33	46	33	46	33

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

<sup>2</sup> Operating profit divided by average capital employed.

<sup>3</sup> Profit after tax divided by average shareholders' equity.

<sup>4</sup> Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

## Q2

### Sales and production

Global demand for base metals remains stable, but the growth rate is estimated to have decreased. Base metal prices fell slightly during the quarter but recovered towards the end of the period. The US dollar continued to weaken.

Boliden's revenues for the quarter totalled SEK 9 896 million (SEK 8 908 m). Sales fell slightly in comparison with the preceding quarter primarily due to a weaker US dollar.

Mined metal production fell slightly in comparison with the previous quarter, with the exception of gold. Production at Aitik increased sharply, however, in comparison with the weak first quarter, due to the successful implementation of various action programmes.

Smelters' metal production fell in comparison with the previous quarter, primarily as a result of planned maintenance shutdowns. Production of zinc was unchanged while precious metals and copper increased in comparison with the previous year. Lead production fell.

### Operating profit

The operating profit totalled SEK 1 134 million (SEK 1 123 m). The revaluation of process inventory impacted the quarterly profit to the tune of SEK 14 million. If the revaluation is excluded, the operating profit totalled SEK 1 120 million (SEK 1 130 m).

The operating profit for Business Area Mines totalled SEK 1 064 million (SEK 1 034 m) and the operating profit excluding the revaluation of process inventory for Business Area Smelters totalled SEK 143 million (SEK 110 m). The BA Smelters' profit includes the effect of maintenance shutdowns, totalling SEK -180 million (SEK -145 m).

<b>OPERATING PROFIT ANALYSIS</b>			
<b>SEK m</b>	<b>Q2 2011</b>	<b>Q2 2010</b>	<b>Q1 2011</b>
<b>Operating profit</b>	<b>1 134</b>	<b>1 123</b>	<b>1 359</b>
Revaluation of process inventory	14	-7	-142
<b>Operating profit ex. revaluation of process inventory</b>	<b>1 120</b>	<b>1 130</b>	<b>1 500</b>
<b>Change</b>		<b>-10</b>	<b>-380</b>
<b>Analysis of change</b>		<b>Q2 vs. Q2 2010:</b>	<b>Q2 vs. Q1 2011:</b>
Volume effect		43	27
Costs		-333	-193
Prices and terms		1 095	47
<i>Metal prices and terms</i>		1 175	-54
<i>Realised metal price and currency hedging*</i>		-78	69
<i>TC/RC terms</i>		-44	17
<i>Metal premiums</i>		45	4
<i>Definitive pricing (MAMA)*</i>		-3	11
Exchange rate effects		-789	-108
<i>Of which translation effects</i>		-15	3
Internal profit elimination		-40	-172
Other		14	19
<b>Change</b>		<b>-10</b>	<b>-380</b>
<b>*Result for respective period</b>	<b>Q2 2011</b>	<b>Q2 2010</b>	<b>Q1 2011</b>
<i>Realised metal price and currency hedging</i>	81	159	12
<i>Definitive pricing (MAMA)</i>	1	4	-10

The volume effect was weakly positive in comparison with both the previous quarter and the preceding year. The lower smelter production volume was compensated for by better yields and increased production at Aitik.

Costs have increased in relation to both comparison periods. Maintenance shutdowns and holiday staff have increased costs compared to the previous quarter. In comparison to previous year costs for external services, staff, consumables and energy have increased. Cost development, to a great extent, is attributable to higher ore production and remedial action plans in connection with the start up of production in Aitik.

The combined effect on the profit of changes to prices and terms was limited in comparison with the previous quarter at SEK 47 million. Metal prices and terms were lower during the second quarter, but metal price and exchange rate hedging made a positive contribution. A weaker US dollar had a negative effect on exchange rates of SEK -108 million. The pricing effect was strongly positive in comparison with the corresponding period last year, but this was largely counteracted by negative exchange rate effects.

Net financial items during the second quarter of the year totalled SEK -52 million (SEK -127 m). Net financial items remained largely unchanged in comparison with the previous quarter. The interest on fines totalling SEK -52 million that was charged to net financial items during the corresponding period last year is the primary reason for the improvement. The average interest rate during the quarter was 3,08 per cent as opposed to 3,22 per cent in the previous quarter and 2,50 per cent last year.

The profit before tax totalled SEK 1 082 million (SEK 996 m). The net profit was SEK 804 million (SEK 755 m), corresponding to earnings per share of SEK 2,94 (SEK 2,76).

### Cash flow and investments

<b>CASH FLOW</b>	<b>Q2</b>	<b>Q2</b>	<b>Q1</b>
SEK m	2011	2010	2011
<b>Cash flow from operating activities before change in operating capital</b>	1 307	1 509	958
Changes in working capital	-1 073	-502	171
<b>Cash flow from operating activities</b>	<b>234</b>	<b>1 007</b>	<b>1 129</b>
Investments and other	-1 024	-806	-681
<b>Before financing (Free cash flow)</b>	<b>-790</b>	<b>201</b>	<b>448</b>

The cash flow from operating activities, before investments, totalled SEK 234 million (SEK 1 007 m). In comparison with the first quarter of 2011, however, the free cash flow fell by SEK 1 238 million. The cash flow for the quarter was negatively affected by an increase in operating capital due to higher inventories from relatively low levels. Accounts payable were, furthermore, lower than normal at the period end. Tax paid during the quarter totalled SEK -79 million (SEK -95 m).

### Financial position

Boliden's net debt totalled SEK 6 322 million (SEK 7 734 m) on 30<sup>th</sup> June 2011 and the net debt/equity ratio at that time was 33 per cent (46%). The average term of total limits on borrowing approved was 3,7 years (4,3 yrs.). The average interest level for Boliden's debt portfolio at that time was 2,97 per cent (2,45%) and fixed interest term was 1,2 years (1,7 yrs.).

The contribution to shareholders' equity of the net market valuation of financial instruments, after fiscal effects, totalled SEK -261 million (SEK 168 m) on 30<sup>th</sup> June 2011.

Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities, totalled SEK 8 763 million (SEK 9 644 m) at the end of the second quarter.

### THE 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**

Industrial activity levels in mature economies, with the exception of Japan, increased in comparison with the previous year and were on a par with levels during the first quarter. Industrial capacity utilisation levels remain below the norm in several countries, while production levels for several metal-consuming sectors have normalised.

Activity levels in the Chinese economy remained high during the second quarter, with a high growth rate for both investments and industrial production as well as among end-consumers of base metals. Growth in certain metal-consuming sectors was, however, lower than in previous quarters.

**Zinc**

Global demand for zinc has increased by approximately 1 per cent in comparison with the second quarter of 2010. The automotive industry's production of private cars in the USA and Europe increased, but activity in the construction industry continued weak overall, with the exception of a recovery in certain European countries. Automotive production, investments and industrial production all fell sharply in Japan.

Global smelter production of zinc is estimated to have increased by 1 per cent in comparison with the second quarter of 2010. A sharp fall in Japanese production was compensated for by an increase in China and sharp increases in India and South America. Smelter production of zinc exceeded demand and official stock levels have increased by almost 25 per cent.

Mined production remained unchanged in comparison with the second quarter of 2010. Production fell in South America but was compensated for by increased production in other major producing countries. Concentrate production is adjudged to have matched demand from smelters.

European spot premiums remained stable from the first quarter to the second. TC/RC fell slightly on the spot market during the latter half of the quarter, and spot levels are still below the realised level in the benchmark contracts expected to obtain for 2011.

**Copper**

Global demand for copper increased by approximately 1 per cent in comparison with the second quarter of 2010, corresponding to a slowdown in the growth rate from the first quarter, when demand increased by 4 per cent. Demand has fallen in mature economies but has continued to increase in China and other developing countries.

Global copper production by smelters fell by 2 per cent in comparison with the second quarter of 2010. Production in China is estimated to have increased by 13 per cent but to have fallen in the rest of the world by 7 per cent.

Official global stock levels for copper have increased by just over 10 per cent since the turn of the year, but fell during the second quarter.

Mined copper production increased by 2 per cent in comparison with the second quarter of 2010. Production increased in Europe and North America, but fell in Australia. Production of mined concentrate was on a par with demand by smelters, ignoring any changes in stocks.

Spot premiums in Europe rose once more after the sharp fall during the first quarter, but the level is still below that of the European benchmark contracts. The mined concentrate market is adjudged to have been in balance, but imports of concentrate by China fell and concentrate availability increased in the West. Spot market TC/RC rose and are above the full-year benchmark contract level.

## Lead

Demand for lead in developing countries in general, and in China in particular, continues to grow apace with the increasing demand for batteries particularly in the automotive industry. Supply has been periodically impacted by the shutdown of smelter capacity for environmental reasons. Global lead consumption is estimated to have increased by approximately 5 per cent in the second quarter of 2011 in comparison with the corresponding period in 2010, and global metal production in smelters by approximately 9 per cent.

Global mined production is estimated to have risen by approximately 9 per cent in comparison with the second quarter of 2010 and to have been on a par with smelters' demand. Lead supply from mines tracks, to some extent, mined production of zinc in that lead is a subsidiary metal at many zinc mines.

Lead stock levels on the LME have, in common with zinc stock levels, risen during the second quarter of 2011 and have increased by over 50 per cent since the turn of the year.

## Gold and silver

Gold and silver consumption in the jewellery industry and for industrial applications has increased over the last 12 months, but the price trend has primarily been driven by increased demand from financial players. This was particularly true of silver during the last 6 months.

## Sulphuric acid

Demand for sulphuric acid by a number of important customer segments continued to be good during the second quarter and prices rose still further in northern Europe.

## 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 income is also affected by treatment and refining charges and metal premiums. The value of so-called free metals in concentrates also affects the Group's income.

Average prices for zinc, copper and lead fell during the second quarter in comparison with the previous quarter, but rose for gold and silver. Metal prices rose sharply in comparison with the previous year, but the effect was largely eliminated by negative exchange rate fluctuations – in particular, the weakening of the US dollar. For Boliden's most important metal, zinc, this means that the average price in comparison with the second quarter of last year fell in SEK.

<b>Metal prices (USD) (average LME/LBMA)</b>	Q2 2011	Q2 2010	<i>Change in %</i>	Q1 2011	<i>Change in %</i>
Zinc (USD/tonne)	2 250	2 018	12	2 393	-6
Copper (USD/tonne)	9 137	7 013	30	9 646	-5
Lead (USD/tonne)	2 550	1 944	31	2 605	-2
Gold (USD/troy oz)	1 507	1 196	26	1 387	9
Silver (USD/troy oz)	37,96	18,33	107	31,86	19

<b>Metal prices (SEK) (average LME/LBMA)</b>	Q2 2011	Q2 2010	<i>Change in %</i>	Q1 2011	<i>Change in %</i>
Zinc (SEK/tonne)	14 090	15 295	-8	15 515	-9
Copper (SEK/tonne)	57 228	53 165	8	62 532	-8
Lead (SEK/tonne)	15 973	14 733	8	16 889	-5
Gold (SEK/troy oz)	9 437	9 068	4	8 990	5
Silver (SEK/troy oz)	237,78	138,93	71	206,56	15

## EXCHANGE RATES

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

During the second quarter, the US dollar weakened further against the Swedish krona, the Norwegian krone, and the euro. The Swedish krona weakened slightly against the euro during the second quarter, but is still stronger against the euro than during the second quarter of 2010.

<b>Exchange rates (average)</b>	Q2 2011	Q2 2010	<i>Change in %</i>	Q1 2011	<i>Change in %</i>
USD/SEK	6,26	7,58	-17	6,48	-3
EUR/USD	1,44	1,27	13	1,37	5
EUR/SEK	9,01	9,64	-6	8,87	2
USD/NOK	5,44	6,22	-13	5,72	-5

## SENSITIVITY ANALYSIS

The following table contains an estimate of how changes in market terms from listings on 30<sup>th</sup> June 2011, calculated on the basis of Boliden's planned production volume, affect the Group's operating profit (EBIT) over the next twelve-month period. The sensitivity analysis is based on a number of assumptions and does not take into account the effects of metal price hedging, currency hedging, contracted TC/RC, or revaluations of process inventory in the smelters.

<b>Change in metal prices +10%</b>	<b>Effect on operating profit, SEK m</b>	<b>Change in USD +10 %</b>	<b>Effect on operating profit, SEK m</b>	<b>Change in TC/RC +10%</b>	<b>Effect on operating profit, SEK m</b>
Copper	475	USD/SEK	1 100	TC/RC Copper	50
Zinc	535	EUR/USD	405	TC Zinc	40
Lead	115	USD/NOK	70	TC Lead	-10
Gold	135				
Silver	190				

## METAL PRICE AND CURRENCY HEDGING

The following table shows Boliden's outstanding metal price and currency hedging on 30<sup>th</sup> June 2011. The Boliden Group's production is otherwise, in every significant respect, exposed to market prices. The hedging reduces the effects on the Group's profit of changes in the prices of these metals and exchange rate fluctuations. The hedged volume is based on long-term forecasts with regard to metal production by Boliden's mines, that part of the TC/RC terms that is affected by metal price changes (price escalators), and free metals from the smelters.

	2011	2012	2013	2014	2015	2016	2017
<b>Zinc</b>							
Hedged volume, SEK (tonnes)	16 548	35 112	18 675				
Hedged price, SEK/tonne	16 076	15 142	14 365				
Hedged volume, EUR (tonnes)	35 460	72 732	34 860				
Hedged price, EUR/tonne	1 784	1 652	1 574				
Hedged volume, NOK (tonnes)	7 092	17 556	8 715				
Hedged price, NOK/tonne	14 234	13 269	12 814				
<b>Market value zinc, SEK m</b>	<b>76</b>	<b>-38</b>	<b>-79</b>				
<b>Copper</b>							
Hedged volume, SEK (tonnes)	14 256	26 220	13 395				
Hedged price, SEK/tonne	64 693	61 653	59 123				
Hedged volume, EUR (tonnes)	594	1 380	705				
Hedged price, EUR/tonne	7 180	6 726	6 479				
<b>Market value copper, SEK m</b>	<b>72</b>	<b>29</b>	<b>-17</b>				
<b>Lead</b>							
Hedged volume, SEK (tonnes)	7 245	17 094	8 550				
Hedged price, SEK/tonne	17 371	15 780	15 000				
Hedged volume, EUR (tonnes)	3 105	6 006	2 850				
Hedged price, EUR/tonne	1 928	1 721	1 644				
<b>Market value lead, SEK m</b>	<b>5</b>	<b>-32</b>	<b>-26</b>				
<b>Silver</b>							
Hedged volume, SEK (troy oz.)	1 228 020	2 822 400	1 463 040				
Hedged price, SEK/troy oz.	194	193	183				
Hedged volume, EUR (troy oz.)	37 980	117 600	60 960				
Hedged price, EUR/troy oz.	22	21	20				
<b>Market value silver, SEK m</b>	<b>-36</b>	<b>-93</b>	<b>-67</b>				
<b>Gold</b>							
Hedged volume, SEK (troy oz.)	20 646	67 351	54 126	38 400	48 600	47 000	29 000
Hedged price, SEK/troy oz.	9 184	9 343	9 376	9 938	10 109	10 067	10 087
Hedged volume, EUR (troy oz.)	1 554	5 069	4 074				
Hedged price, EUR/troy oz.	1 019	1 019	1 027				
<b>Market value gold, SEK m</b>	<b>-9</b>	<b>-30</b>	<b>-32</b>	<b>-9</b>	<b>-10</b>	<b>-11</b>	<b>-6</b>
<b>Total market value, SEK m</b>	<b>108</b>	<b>-164</b>	<b>-221</b>	<b>-9</b>	<b>-10</b>	<b>-11</b>	<b>-6</b>
of which:							
Total market value metals, SEK m	-39	-430	-314	-17	-12	-13	-8
Total market value currencies, SEK m	147	266	93	8	2	2	2

## BUSINESS AREA MINES

Business Area Mines comprises the operations of the Swedish units Aitik, the Boliden Area and Garpenberg, as well as the Tara mine in Ireland. The Business Area also includes exploration, technical development and mined concentrate sales. 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 AND PROFITS ANALYSIS

Business Area Mines' revenues totalled SEK 2 649 million (SEK 2 456 m) during the quarter. The operating profit was SEK 1 064 million (SEK 1 034 m), corresponding to a fall of SEK 92 million in comparison with the first quarter of the year.

	Q2	Q2	Change	Q1	Change
SEK m	2011	2010	in %	2011	in %
Revenues	2 649	2 456	8	2 647	0
Operating profit	1 064	1 034	3	1 156	-8
Investments	599	521	15	431	39
Capital employed	13 923	12 915	8	13 808	1

<b>PROFIT ANALYSIS</b>	<b>Q2</b>	<b>Q2</b>	<b>Q1</b>
<b>SEK m</b>	<b>2011</b>	<b>2010</b>	<b>2011</b>
<b>Operating profit</b>	<b>1 064</b>	<b>1 034</b>	<b>1 156</b>
<b>Change</b>		<b>30</b>	<b>-92</b>
<b>Analysis of change</b>		<b>Q2 vs.</b>	<b>Q2 vs.</b>
		<b>Q2 2010:</b>	<b>Q1 2011</b>
Volume effect		-35	14
Costs		-203	-28
Prices and terms*		772	-35
Exchange rate effects		-511	-53
Other		7	10
<b>Change</b>		<b>30</b>	<b>-92</b>
<b>*Result for respective period</b>	<b>Q2 2011</b>	<b>Q2 2010</b>	<b>Q1 2011</b>
Realised metal price and currency hedging	56	138	8
Definitive pricing (MAMA)	21	3	-34

### Volume effect

The volume effect was limited during the quarter.

### Costs

The negative cost effect in relation to the previous quarter is primarily a result of higher payroll costs and higher materials costs due to increased production at Aitik. The increase in production at Aitik has also led to an increase in the costs of external services. The cost increase in relation to the previous year is due to increased energy costs, payroll costs and increased costs for external services and materials due largely to increased production levels at Aitik and in the Boliden Area. The cost increase in relation to last year also includes an increase of SEK 31 million in depreciation, primarily attributable to Aitik. Some of the Aitik-related costs are directly attributable to the remedial action plans implemented as part of running-in production at the mine.

### Prices and terms

Lower average prices and the US dollar's weakening against the Swedish krona and the euro negatively affected the profit in comparison with the first quarter of 2011 with SEK 88 million. The effect was compensated for, in part, by metal price and currency hedging. Metal price trends had a positive effect on the profit in comparison with the previous year, but this was largely moderated by the Swedish krona's exchange rate trend.



## METAL PRODUCTION\*

	Q2	Q2	Change	Q1	Change
	2011	2010	in %	2011	in %
Zinc, tonnes	71 905	71 818	0	73 201	-2
Copper, tonnes	20 481	20 509	0	20 606	-1
Lead, tonnes	11 656	12 402	-6	12 613	-8
Gold, kg	994	918	8	858	16
Silver, kg	53 862	58 464	-8	59 656	-10

\* Refers to metal content in concentrates.

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

Zinc concentrate production remained largely unchanged in comparison with the previous quarter. Zinc production increased in the Boliden Area due to a change in the ore mix, but fell in Garpenberg as a result of lower grades on a par with the ore reserve's average level. Tara's production was stable.

Copper production levels remained unchanged in comparison with both the previous quarter and the previous year. Higher levels of ore production at Aitik compensated, falling grades notwithstanding, for lower levels of copper production in the Boliden Area, which were caused by a change in the ore mix.

Mined production at Aitik has stabilised during the quarter, but production there is still being run in. The old crusher has been connected up to the new facility, according to plan, and came on line at the end of the period. Full capacity will be achieved by 2014. Mining in the northern floor of the open pit, where the highest levels are found, is now largely concluded and the next few years will see ores mined at levels where the grades are below the ore reserve's average level of 0,25.

Gold production also increased in relation to both comparison periods as a consequence of higher grades and volumes at Aitik. Silver production increased at Aitik but fell in the Boliden Area and at Garpenberg, which is linked to grade trends and changes in the ore mix in the Boliden Area.

## Ongoing expansion projects

The expansion of Garpenberg is proceeding according to plan. The new facilities will come on line in 2014 and full capacity will be achieved in 2015. Full operation will see ore production increase by approximately 80 per cent from current production levels of 1,4 million tonnes per annum.

Preparations for the launch of gold and tellurium production at the Kankberg mine are proceeding according to plan. Production is scheduled to start in mid-2012 and will yield an average annual production of 1 150 kg of gold and 41 tonnes of tellurium.

## BUSINESS AREA SMELTERS

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

## REVENUES AND PROFITS ANALYSIS

Business Area Smelters' operating profit, excluding the revaluation of process inventory, totalled SEK 143 million (SEK 110 m). In comparison with the first quarter of last year, however, the profit fell by SEK 83 million. Approximately SEK 180 million (SEK 145 m) resulting from maintenance shutdowns was charged to the profit for the quarter.

	Q2	Q2	Change	Q1	Change
SEK m	2011	2010	in %	2011	in %
Revenues	9 408	8 254	14	9 667	-3
Operating profit	156	103	51	84	86
Operating profit ex. revaluation of process inventory	143	110	29	226	-37
Investments	412	285	44	232	78
Capital employed	15 425	14 887	4	13 747	12

<b>PROFIT ANALYSIS</b>	Q2	Q2	Q1
SEK m	2011	2010	2011
<b>Operating profit</b>	<b>156</b>	<b>103</b>	<b>84</b>
Revaluation of process inventory	14	-7	-142
<b>Operating profit ex. revaluation of process inventory</b>	<b>143</b>	<b>110</b>	<b>226</b>
<b>Change</b>		<b>33</b>	<b>-83</b>
<b>Analysis of change</b>		<b>Q2 vs. Q2 2010:</b>	<b>Q2 vs. Q1 2011:</b>
Volume effect		78	14
Costs		-99	-129
Prices and terms*		334	84
Exchange rate effects		-278	-56
Other		-2	4
<b>Change</b>		<b>33</b>	<b>-83</b>

<b>*Result for respective period</b>	Q2 2011	Q2 2010	Q1 2011
Realised metal price and currency hedging	25	21	4
Definitive pricing (MAMA)	0	3	0

### Volume effect

The volume effect was weakly positive in comparison with the previous quarter. This is primarily due to a higher percentage of secondary raw materials, which is also the reason for the improvement in comparison with the previous year.

### Costs

Higher costs in conjunction with maintenance shutdowns negatively affected the profit with approximately SEK 100 million in comparison with the previous quarter. Costs associated with consumables and energy increased in comparison with the corresponding quarter in 2010, particularly in Finland.

## Prices and terms

Prices and terms positively impacted the profit by SEK 84 million in relation to the first quarter. Higher prices for sulphuric acid, improved TC/RC for copper as well as higher metal premiums and a positive hedging result were counteracted by poorer TC for zinc and negative exchange rate effects totalling SEK 56 million. Improvements in prices and metal premiums in comparison with last year yielded a positive effect on the profit. If negative exchange rate effects of SEK -278 million are included, this figure totals SEK 56 million.

## PRODUCTION

	Q2	Q2	Change	Q1	Change
	2011	2010	in %	2011	in %
Zinc, tonnes	111 450	114 240	-2	116 449	-4
Copper, tonnes	76 496	70 012	9	81 629	-6
Lead, tonnes	2 372	4 379	-46	5 135	-54
Lead alloys, tonnes (Bergsöe)	11 615	10 649	9	10 671	9
Gold, kg	2 966	2 515	18	3 375	-12
Silver, kg	123 118	99 755	23	123 655	0
Sulphuric acid, tonnes	343 951	310 381	11	405 571	-15
Aluminium fluoride, tonne	9 130	3 206	185	8 371	9

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

Production volumes during the quarter were affected by maintenance shutdowns in Rönnskär, Harjavalta and Odda.

Zinc production fell slightly in comparison with the first quarter. Odda experienced various disruptions after several quarters of good production stability. Production stability remained good at Kokkola.

Production by the copper smelters fell by 6 per cent and cathode production was affected by slightly lower raw material grades. Production levels at Rönnskär were good, with increased use of secondary raw materials. Harjavalta experienced disruptions to production until the maintenance shutdown implemented in May, but production levels were stable at the end of the quarter.

Lead production fell during the quarter due to the prioritisation of production utilising secondary copper raw materials.

Sulphuric acid production increased in comparison with last year as the acquisition of Kemira's sulphuric acid operations by the Kokkola zinc smelter was not included for the full quarter.

Gold production fell in comparison with the previous quarter, primarily due to lower grades in component raw materials at Rönnskär. Silver production levels remained unchanged.

Bergsöe's production during the second quarter improved in tandem with the improvement in raw material availability.

## Expansion project in progress

The expansion of electronic scrap recycling capacity at Rönnskär is proceeding according to plan. The new facility will be completed at the end of 2011 and will come on line during the first quarter of 2012, at which time Boliden's electronic scrap recycling capacity will increase from 45 000 to 120 000 tonnes per year.

## Maintenance shutdown

Maintenance shutdowns will be implemented at Bergsöe and Odda during the third quarter of 2011. The estimated combined effect on the operating profit is one of SEK -45 million.

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

Revenues increased to SEK 20 054 million (SEK 17 224 m) during the first six months of the year. The increase is due to higher prices in US dollars, which were, however, largely eliminated by negative exchange rate effects. Increased production at Rönnskär and increased sales of sulphuric acid also contributed to the higher sales figures.

The operating profit excluding the revaluation of process inventory rose to SEK 2 620 million (SEK 2 172 m). The operating profit was positively affected by increased volumes and higher prices, but was counteracted by higher costs and negative exchange rate effects. The operating profit, including the revaluation of process inventory, increased to SEK 2 492 million (SEK 2 353 m).

The realised results of metal price and currency hedging, totalling SEK 93 million (SEK 355 m) is included in the result for the period.

Net financial items totalled SEK -109 million (SEK -161 m). The improvement in comparison with the previous year is largely due to the fact that the corresponding period last year was affected by interest payments on fines totalling SEK -52 million. The net profit for the first six months of the year was SEK 1 765 million (SEK 1 633 m), and earnings per share increased to SEK 6,45 (SEK 5,97).

Investments totalled SEK -1 684 million (SEK -1 405 m). The free cash flow totalled SEK -342 million (SEK 149 m).

### PROFIT ANALYSIS

SEK m	6 months 2011	6 months 2010
<b>Operating profit</b>	<b>2 492</b>	<b>2 353</b>
Revaluation of process inventory	-128	180
<b>Operating profit ex. revaluation of process inventory</b>	<b>2 620</b>	<b>2 172</b>
<b>Change</b>		<b>448</b>
		<b>2011 vs. 2010:</b>
<b>Analysis of change</b>		
Volume effect		561
Costs		-787
Prices and terms		1 772
<i>Metal prices and terms</i>		2 109
<i>Realised metal price and currency hedging*</i>		-262
<i>TC/RC terms</i>		-151
<i>Metal premiums</i>		72
<i>Definitive pricing (MAMA)*</i>		4
Exchange rate effects		-1 230
<i>Of which translation effects</i>		-49
Internal profit elimination		119
Other		13
<b>Change</b>		<b>448</b>
	<b>6 months 2011</b>	<b>6 months 2010</b>
<b>*Result for respective period</b>		
<i>Realised metal price and currency hedging</i>	93	355
<i>Definitive pricing (MAMA)</i>	-10	-14

**SUSTAINABLE DEVELOPMENT****Employees**

The average number of employees<sup>1</sup> in Boliden during the first six months of the year was 4 433. Of these, 2 482 work in Sweden, 986 in Finland, 603 in Ireland, 347 in Norway and 15 in other countries. The average number of Group employees in 2010 was 4 412.

The sick leave rate during the second quarter was 3,8 per cent, corresponding to a decrease in comparison with the previous quarter of 0,8 percentage points. The sick leave rate for the year as a whole in 2010 was 4,0 per cent. The Group's long-term goal is for the sick leave rate to be no higher than 4,0 per cent.

The accident frequency during the second quarter was 5,6 cases per one million hours worked. The figure does, however, represent a decrease in comparison with the first quarter, when the accident frequency was 6,8. The accident frequency for 2010 as a whole was 8,2.

**Environment**

Environmental performance was generally good during the second quarter. Three incidents involving spills and leaks, however, have been reported, one of which resulted in limit values being exceeded.

Kokkola reported an incident entailing the limit value for discharges of zinc into water being exceeded during the second quarter, while Harjavalta reported a leak of electrolysis solution into water. Both incidents were reported to the authorities and measures taken to prevent similar incidents.

Aitik reported a substantial spill of approximately 100 litres of oil during the second quarter. The contaminated soil was dug up and removed for decontamination. Preventative measures have been put in place to prevent any repetition of this incident.

Boliden's operations at all of its facilities are subject to licensing requirements and are conducted in accordance with the legislation in the various countries in which they operate. Group-wide environmental goals have been defined for the period from 2009 to 2013. The goals relate to emissions and discharges of metals into air and water, energy consumption, and emissions of sulphur dioxide and carbon dioxide into the air. The goals are followed up on a monthly basis, with the exception of carbon dioxide emissions/energy consumption, which are followed up the end of each calendar year. Goals and results are presented in Boliden's Sustainability Report 2010.

**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 demand for zinc, copper and other base metals. For further information on risks and risk management, please see Boliden's Annual Report 2010: Risk Management on page 40 and Note 19 financial risk management, on pages 71-72.

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<sup>1</sup> Full-time equivalent positions

**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

A number of new supplements to IFRS standards and interpretations by IFRIC came into force on 1<sup>st</sup> January 2011. None of the changes that have come into force have had any significant effect on Boliden's financial reports.

IAS 19, Employee Benefits. The PRI non-profit organisation has decided to update the undertakings over the life of the plan in respect of the calculation of pension liabilities in accordance with ITP 2, as of 30<sup>th</sup> June 2011. PRI Pensionsgaranti has calculated that the ITP 2 liability, which is valued in accordance with IAS 19, will generally increase by approximately 8 per cent. The amended undertakings over the life of the plan are classified as an actuarial loss. Boliden recognises actuarial gains/losses using the so-called corridor approach and the effect of the amended undertakings over the life of the plan is consequently postponed. The change will not affect the profit for the year.

Boliden has made no amendments to the accounting principles applied in conjunction with the preparation of this Interim Report.

The undersigned declare that the Interim Report gives a true and fair overview of the Parent Company's and the Group's operations, position and results and describes the material risks and uncertainties faced by the Parent Company and the companies that make up the Group.

Stockholm, 19<sup>th</sup> July 2011

Anders Ullberg  
*Chairman*

Marie Berglund  
*Member of the Board*

Staffan Bohman  
*Member of the Board*

Lennart Evrell  
*Member of the Board  
President and CEO*

Michael G:son Löw  
*Member of the Board*

Marie Holmberg  
*Member of the Board  
Employee Representative*

Bo Karlsson  
*Member of the Board  
Employee Representative*

Ulla Litzén  
*Member of the Board*

Leif Rönnbäck  
*Member of the Board*

Matti Sundberg  
*Member of the Board*

Hans-Göran Ölvebo  
*Member of the Board  
Employee Representative*

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 at 12 noon on 19<sup>th</sup> July 2011.

**Auditor’s Review Report on interim financial statements prepared in accordance with IAS 34 and Chapter 9 of the Swedish Annual Accounts Act (SFS 1995:1554)****Introduction**

We reviewed the accompanying balance sheet of Boliden AB as of June 30, 2011 and the related summary of income, changes in equity and cash-flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Board of Directors and the Managing Director are responsible for the preparation and fair presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of Review**

We conducted our review in accordance with the Standard on Review Engagements, SÖG 2410, “Review of Interim Financial Statements Performed by the Independent Auditor of the Entity”, issued by the Swedish Federation of Authorized Public Accountants. A review of interim financial information 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 than an audit conducted in accordance with International Standards on Auditing, ISA, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at June 30, 2011, and its financial performance and its cash flows for the six-month period then ended, for the group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the parent company in accordance with the Swedish Annual Accounts Act.

Stockholm July 19, 2011

Ernst & Young AB

Lars Träff  
Authorized Public Accountant

**INTERIM REPORTS**

The Interim Report for the third quarter of 2011 will be published on 25<sup>th</sup> October 2011

The Full-year Report for 2011 will be published on 10<sup>th</sup> February 2012

**PRESENTATION OF THE REPORT**

The Interim Report for the second quarter of 2011 will be published on Tuesday, 19<sup>th</sup> July 2011.

Time: 15:00 (CET)  
Location: Lundqvist och Lindqvist, Viktor Arendorff room  
Address: Klarabergsviadukten 90, 101 37 STOCKHOLM.

The presentation can also be followed via web cast and conference call.

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

To participate in the conference call, please call 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 2011	Q2 2010	6 months 2011	6 months 2010	July 2010- June 2011	Full year 2010
Revenues	9 896	8 908	20 054	17 224	39 547	36 716
Cost of goods sold	-8 441	-7 499	-16 965	-14 326	-32 678	-30 038
<b>Gross profit</b>	<b>1 455</b>	<b>1 409</b>	<b>3 089</b>	<b>2 898</b>	<b>6 869</b>	<b>6 678</b>
Selling expenses	-94	-110	-190	-206	-391	-408
Administrative expenses	-179	-127	-298	-249	-480	-431
Research and development costs	-85	-74	-163	-133	-316	-286
Other operating income and expenses	37	26	55	43	101	90
Results from participations in associated companies	–	-1	-1	–	–	–
<b>Operating profit</b>	<b>1 134</b>	<b>1 123</b>	<b>2 492</b>	<b>2 353</b>	<b>5 783</b>	<b>5 643</b>
Financial income	14	0	27	0	34	8
Financial expenses	-66	-127	-137	-161	-292	-319
<b>Profit after financial items</b>	<b>1 082</b>	<b>996</b>	<b>2 383</b>	<b>2 192</b>	<b>5 523</b>	<b>5 331</b>
Taxes	-278	-241	-618	-559	-1 434	-1 374
<b>Net profit</b>	<b>804</b>	<b>755</b>	<b>1 765</b>	<b>1 633</b>	<b>4 089</b>	<b>3 957</b>

**Net profit attributable to:**

The Parent Company's shareholders	803	754	1 764	1 632	4 086	3 955
Holding with non-controlling interest	1	1	1	1	3	2

**Earnings and shareholders' equity per share**

	Q2 2011	Q2 2010	6 months 2011	6 months 2010	July 2010- June 2011	Full year 2010
Earnings per share <sup>1</sup> , SEK	2,94	2,76	6,45	5,97	14,95	14,46
Shareholders' equity per share, SEK	69,56	61,22	69,56	61,22	69,56	68,90
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 REPORT OF COMPREHENSIVE INCOME**

SEK m	Q2 2011	Q2 2010	6 months 2011	6 months 2010	July 2010- June 2011	Full year 2010
<b>Profit for the period</b>	<b>804</b>	<b>755</b>	<b>1 765</b>	<b>1 633</b>	<b>4 089</b>	<b>3 957</b>
<b>Other comprehensive income</b>						
Cash flow hedging						
Change in market value of derivative instruments	32	-16	-290	-444	-582	-736
Fiscal effect on derivative instruments	-8	4	75	117	151	193
	24	-12	-215	-327	-431	-543
The period's translation difference on overseas operations	107	-121	73	-430	-194	-697
Profit on hedging on net investments in overseas operations	-150	165	-104	586	252	942
Tax on the profit from hedging instruments	42	-43	27	-154	-67	-248
	-1	–	-4	1	-8	-3
Other items included in comprehensive income	–	1	–	1	-1	–
<b>Total other comprehensive income</b>	<b>23</b>	<b>-11</b>	<b>-219</b>	<b>-325</b>	<b>-440</b>	<b>-546</b>
<b>Comprehensive income for the period</b>	<b>827</b>	<b>744</b>	<b>1 546</b>	<b>1 308</b>	<b>3 649</b>	<b>3 411</b>

**Total comprehensive income for the period attributable to:**

The Parent Company's shareholders	826	743	1 545	1 307	3 646	3 409
Holding with non-controlling interest	1	1	1	1	3	2

**KEY RATIOS**

	Q2 2011	Q2 2010	6 months 2011	6 months 2010	July 2010- June 2011	Full year 2010
Return on capital employed <sup>1</sup> , %	16	17	18	18	21	21
Return on shareholders' equity <sup>2</sup> , %	17	18	18	20	22	23
Equity/assets ratio, %	52	48	52	48	52	54
Net debt/equity ratio <sup>3</sup> , %	33	46	33	46	33	24
Depreciation, SEK m	482	466	957	869	1 891	1 802
Investments, SEK m	1 020	806	1 684	1 405	3 276	2 996
Capital employed, SEK m	28 604	27 462	28 604	27 462	28 604	27 151
Net debt, SEK m	6 322	7 734	6 322	7 734	6 322	4 584

<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 2011	31 <sup>st</sup> Dec. 2010	30 <sup>th</sup> June 2010
Intangible fixed assets	3 227	3 181	3 291
Tangible fixed assets	21 694	20 888	20 498
Deferred tax	54	35	14
Interest-bearing assets	50	29	33
Other financial fixed assets	143	144	58
Inventories	7 890	7 924	7 238
Interest-bearing current receivables	3	4	4
Tax receivables	1	–	–
Other receivables	2 683	2 103	2 813
Liquid assets	666	820	835
<b>Total assets</b>	<b>36 411</b>	<b>35 128</b>	<b>34 784</b>
Shareholders' equity	19 026	18 846	16 744
Pension provisions	630	623	568
Deferred tax provisions	2 640	2 739	2 902
Other provisions	1 030	1 001	1 100
Interest-bearing long-term liabilities	6 284	4 365	6 986
Interest-bearing current liabilities	128	449	1 051
Tax liabilities	671	1 018	97
Other current liabilities	6 002	6 087	5 336
<b>Total liabilities and shareholders' equity</b>	<b>36 411</b>	<b>35 128</b>	<b>34 784</b>

**CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**

SEK m	30 <sup>th</sup> June 2011	31 <sup>st</sup> Dec. 2010	30 <sup>th</sup> June 2010
Opening balance	18 846	16 257	16 257
Total comprehensive income for the period	1 546	3 411	1 308
Dividend	-1 366	-822	-821
Closing balance	19 026	18 846	16 744
<b>Total shareholders' equity attributable to</b>			
The Parent Company's shareholders	19 015	18 836	16 734
Holding with non-controlling interest	11	10	10

On 30<sup>th</sup> June 2011, the market valuation of financial instruments, after fiscal effect, was SEK -261 million.

**CONSOLIDATED CASH FLOW ANALYSIS**

SEK m	Q2 2011	Q2 2010	6 months 2011	6 months 2010	July 2010- June 2011	Full year 2010
<b>Operating activities</b>						
Profit after financial items	1 082	996	2 383	2 192	5 522	5 331
Adjustments for items not included in the cash flow:						
- Depreciation, amortisation and write-down of assets	483	466	960	869	1 896	1 805
- Provisions	1	-1	3	3	69	69
- Translation differences	-180	143	-95	404	165	663
Tax paid	-79	-95	-987	-135	-1 049	-197
<b>Cash flow from operating activities before changes in operating capital</b>	<b>1 307</b>	<b>1 509</b>	<b>2 265</b>	<b>3 333</b>	<b>6 604</b>	<b>7 672</b>
Cash flow from changes in working capital	-1 073	-502	-902	-1 776	-601	-1 475
<b>Cash flow from operating activities</b>	<b>234</b>	<b>1 007</b>	<b>1 363</b>	<b>1 557</b>	<b>6 003</b>	<b>6 197</b>
<b>Investment activities</b>						
- Acquisition of tangible fixed assets	-1 006	-722	-1 670	-1 320	-3 261	-2 911
- Acquisition of intangible fixed assets	-14	-88	-14	-84	-11	-85
- Other	-4	4	-21	-4	-20	1
Cash flow from investment activities	-1 024	-806	-1 705	-1 408	-3 292	-2 995
<b>Cash flow before financing activities</b>	<b>-790</b>	<b>201</b>	<b>-342</b>	<b>149</b>	<b>2 711</b>	<b>3 202</b>
Dividend	-1 365	-821	-1 367	-821	-1 368	-822
Net borrowing/net amortisation	1 620	623	1 552	685	-1 510	-2 376
Cash flow from financing activities	255	-198	185	-136	-2 878	-3 199
<b>Cash flow for the period</b>	<b>-534</b>	<b>3</b>	<b>-157</b>	<b>13</b>	<b>-167</b>	<b>3</b>
<b>Liquid assets at beginning of period</b>	<b>1 197</b>	<b>833</b>	<b>821</b>	<b>825</b>	<b>821</b>	<b>825</b>
<b>Exchange rate difference on liquid assets</b>	<b>2</b>	<b>-1</b>	<b>1</b>	<b>-3</b>	<b>-3</b>	<b>-7</b>
<b>Liquid assets at period end</b>	<b>665</b>	<b>835</b>	<b>665</b>	<b>835</b>	<b>651</b>	<b>821</b>

## THE PARENT COMPANY'S INCOME STATEMENTS

SEK m	Q2 2011	Q2 2010	6 months 2011	6 months 2010
Dividends from subsidiaries	3 218	–	3 218	–
<b>Profit after financial items</b>	<b>3 218</b>	<b>–</b>	<b>3 218</b>	<b>–</b>
Taxes	–	–	–	–
<b>Profit for the period</b>	<b>3 218</b>	<b>–</b>	<b>3 218</b>	<b>–</b>

The Parent Company, Boliden AB, conducts no operations and has no employees.  
Boliden AB has no amounts to report under Other comprehensive income.

## THE PARENT COMPANY'S BALANCE SHEETS

SEK m	30th June 2011	31st Dec. 2010	30th June 2010
Participations in Group companies	3 911	3 911	3 911
Other shares and participations	5	5	5
Long-term financial receivables, Group companies	5 522	3 672	2 847
Current financial receivables, Group companies	128	449	1 051
<b>Total assets</b>	<b>9 566</b>	<b>8 037</b>	<b>7 814</b>
Shareholders' equity	9 438	7 588	6 763
Current liabilities to credit institutions	128	449	1 051
<b>Total liabilities and shareholders' equity</b>	<b>9 566</b>	<b>8 037</b>	<b>7 814</b>

**INFORMATION PER SEGMENT**

SEK m	Q2 2011	Q2 2010	6 months 2011	6 months 2010	July 2010- June 2011	Full year 2010
<b>MINES</b>						
Revenues	2 649	2 456	5 295	4 337	10 538	9 580
Operating profit	1 064	1 034	2 220	1 834	4 498	4 113
Depreciation	281	251	556	434	1 076	954
Investments	599	521	1 030	1 049	2 171	2 189
Capital employed	13 923	12 915	13 923	12 915	13 923	13 501
<b>SMELTERS</b>						
Revenues	9 408	8 254	19 075	16 072	37 394	34 390
Operating profit	156	103	241	546	1 641	1 946
Operating profit ex. reevaluation of process inventory	143	110	368	366	1 136	1 134
Depreciation	202	216	401	435	814	848
Investments	412	285	644	355	1 093	804
Capital employed	15 425	14 887	15 425	14 887	15 425	14 225
<b>OTHER/ELIMINATIONS</b>						
Revenues	-2 161	-1 802	-4 316	-3 185	-8 385	-7 254
Operating profit other	-86	-14	31	-27	-356	-416
<i>Of which internal profit eliminations</i>	<i>-39</i>	<i>0</i>	<i>94</i>	<i>-25</i>	<i>-213</i>	<i>-332</i>
Depreciation	–	-1	1	–	1	–
Investments	9	–	10	1	12	3
Capital employed	-744	-340	-744	-340	-744	-575
<b>THE GROUP</b>						
Revenues	9 896	8 908	20 054	17 224	39 547	36 716
Operating profit	1 134	1 123	2 492	2 353	5 783	5 643
Operating profit ex. reevaluation of process inventory	1 120	1 130	2 620	2 172	5 278	4 830
Depreciation	483	466	958	869	1 891	1 802
Investments	1 020	806	1 684	1 405	3 276	2 996
Capital employed	28 604	27 462	28 604	27 462	28 604	27 151

Capital employed reported under Other refers, mainly, to market valuations of hedges and internal profit elimination.

**PRODUCTION PER UNIT – MINES\***

	Q2 2011	Q2 2010	Change in %	Q1 2011	Change in %	Full year 2010
<b>TARA</b>						
Milled ore, ktonnes	614	644	-5	656	-6	2 593
Head grades						
Zinc (%)	7,3	6,9	6	6,9	6	7,0
Lead (%)	1,4	1,4	0	1,3	8	1,4
Metal production						
Zinc, tonnes	42 219	41 840	1	42 250	0	167 334
Lead, tonnes	5 116	4 800	7	4 938	4	18 515
<b>GARPENBERG</b>						
Milled ore, ktonnes	370	382	-3	337	10	1 443
Head grades						
Zinc (%)	5,4	6,3	-14	6,8	-21	6,6
Copper (%)	0,1	0,1	0	0,1	0	0,1
Lead (%)	2,1	2,3	-9	2,6	-19	2,5
Gold (g/tonne)	0,3	0,2	50	0,2	50	0,3
Silver (g/tonne)	124	123	1	154	-19	133
Metal production						
Zinc, tonnes	18 135	21 481	-16	21 364	-15	86 022
Copper, tonnes	100	143	-30	86	16	517
Lead, tonnes	6 289	7 051	-11	7 328	-14	29 310
Gold, kg	64	55	16	42	52	234
Silver, kg	31 994	34 203	-6	38 756	-17	140 138
<b>BOLIDEN AREA</b>						
Milled ore, ktonnes	381	252	51	455	-16	1 375
Head grades						
Zinc (%)	3,7	4,2	-12	2,7	37	3,7
Copper (%)	0,9	0,9	0	1,1	-18	0,8
Lead (%)	0,3	0,5	-40	0,3	0	0,4
Gold (g/tonne)	1,2	1,7	-29	1,3	-8	1,6
Silver (g/tonne)	39	74	-47	41	-5	55
Metal production						
Zinc, tonnes	11 551	8 498	36	9 587	20	40 458
Copper, tonnes	2 883	1 755	64	3 861	-25	8 291
Lead, tonnes	251	551	-54	347	-28	1 760
Gold, kg	233	309	-25	251	-7	1 285
Silver, kg	9 251	13 777	-33	12 610	-27	52 806
<b>AITIK</b>						
Milled ore, ktonnes	8 012	7 589	6	6 700	20	27 596
Head grades						
Copper (%)	0,24	0,28	-14	0,27	-11	0,27
Gold (g/tonne)	0,15	0,13	15	0,16	-6	0,16
Silver (g/tonne)	2,26	2,05	10	1,87	21	2,07
Metal production						
Copper, tonnes	17 497	18 611	-6	16 659	5	67 168
Gold, kg	696	554	26	564	23	2 208
Silver, kg	12 359	10 230	21	8 072	53	36 468

\* Refers to metal content in concentrates.

**PRODUCTION PER UNIT – SMELTERS**

	Q2 2011	Q2 2010	Change in %	Q1 2011	Change in %	Full year 2010
<b>KOKKOLA</b>						
Smelted material, tonnes						
Zinc concentrate	144 845	140 437	3	155 498	-7	587 330
Production, tonnes						
Zinc, tonnes	76 708	76 266	1	76 460	0	307 144
Sulphuric acid, tonnes	65 330	45 839	43	78 611	-17	199 484
<b>ODDA</b>						
Smelted material, tonnes						
Zinc concentrate, incl. zinc clinker	61 743	67 587	-9	74 182	-17	276 811
Production, tonnes						
Zinc, tonnes	34 742	37 974	-9	39 989	-13	148 862
of which reprocessed zinc	283	495		285		1 087
Aluminium fluoride, tonnes	9 130	3 206	185	8 371	9	21 951
Sulphuric acid, tonnes	27 318	30 555	-11	32 305	-15	122 549
<b>RÖNNSKÄR</b>						
Smelted material, tonnes						
Copper, tonnes						
Primary	158 257	106 291	49	166 840	-5	544 242
Secondary	46 792	34 784	35	37 180	26	155 024
Total	205 049	141 075	45	204 020	1	699 266
Production						
Cathode copper, tonnes	52 987	39 004	36	53 306	-1	190 497
Lead, tonnes	2 372	4 379	-46	5 135	-54	17 013
Zinc clinker, tonnes	8 794	8 238	7	7 506	17	36 950
Gold, kg	2 360	2 134	11	2 775	-15	12 450
Silver, kg	105 050	83 675	26	109 075	-4	385 684
Sulphuric acid, tonnes	136 655	80 761	69	148 247	-8	477 351
<b>HARJAVALTA</b>						
Smelted material, tonnes						
Copper concentrate	93 707	125 547	-25	116 037	-19	433 511
Nickel concentrate	52 562	65 629	-20	60 880	-14	261 931
Production, tonnes						
Cathode copper	23 509	31 008	-24	28 323	-17	112 687
Gold, kg	607	381	59	600	1	1 770
Silver, kg	18 068	16 080	12	14 580	24	64 596
Sulphuric acid, tonnes	114 648	153 226	-25	146 408	-22	573 096
<b>BERGSÖE</b>						
Production, tonnes						
Lead alloys	11 615	10 649	9	10 671	9	42 166



**CONSOLIDATED QUARTERLY DATA**

	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011
<b>Financial performance, the Group</b>								
Revenues, SEK m	6 960	8 356	8 316	8 908	9 373	10 120	10 158	9 896
Operating profit before depreciation (EBITDA), SEK m	1 340	1 620	1 633	1 589	1 826	2 397	1 834	1 616
Operating profit (EBIT)	949	1 232	1 230	1 123	1 348	1 942	1 359	1 134
Operating profit ex. revaluation of process inventory, SEK m	734	870	1 043	1 130	1 213	1 445	1 500	1 120
Profit after financial items, SEK m	923	1 199	1 196	996	1 264	1 876	1 301	1 082
Net profit, SEK m	684	821	878	755	910	1 414	961	804
Earnings per share, SEK	2,50	3,00	3,21	2,76	3,33	5,17	3,51	2,94
Free cash flow <sup>1</sup> , SEK m	610	350	-52	201	1 151	1 850	448	-790
Return on capital employed, %	15	19	19	17	20	29	20	16
Net debt/equity ratio <sup>2</sup> , %	48	46	43	46	37	24	21	33
<b>Metal production Mines<sup>3</sup></b>								
Zinc, tonnes	76 397	72 956	71 844	71 818	71 152	79 000	73 201	71 905
Copper, tonnes	16 076	11 370	13 603	20 509	20 497	21 367	20 606	20 481
Lead, tonnes	14 164	13 888	13 212	12 402	11 343	12 628	12 613	11 656
Gold, kg	876	853	709	918	979	1 121	858	994
Silver, kg	58 479	50 791	49 104	58 464	53 469	69 720	59 656	53 862
<b>Metal production, Smelters</b>								
Zinc, tonnes	113 550	116 708	113 675	114 240	110 597	117 494	116 449	111 450
Copper, tonnes	76 783	85 804	65 474	70 012	82 375	85 323	81 629	76 496
Lead, tonnes	2 269	2 618	5 182	4 379	2 953	4 499	5 135	2 372
Lead alloys, tonnes (Bergsöe)	6 674	12 414	10 468	10 649	8 470	12 579	10 671	11 615
Gold, kg	4 060	4 185	3 778	2 515	4 022	3 904	3 375	2 966
Silver, kg	133 200	129 610	117 689	99 755	120 144	112 691	123 655	123 118
Aluminium fluoride, tonnes	6 097	7 624	7 051	3 206	3 744	7 950	8 371	9 130
<b>Metal prices, average per quarter</b>								
Zink, USD/ton	1 757	2 211	2 288	2 018	2 013	2 315	2 393	2 250
Copper USD/tonne	5 840	6 643	7 243	7 013	7 242	8 634	9 646	9 137
Lead, USD/tonne	1 925	2 292	2 219	1 944	2 031	2 390	2 605	2 550
Gold USD/troy oz	960	1 101	1 111	1 196	1 227	1 370	1 387	1 507
Silver USD/troy oz	14,69	17,57	16,93	18,33	18,97	26,43	31,86	37,96
<b>Exchange rates, average per quarter</b>								
USD/SEK	7,29	7,00	7,19	7,58	7,27	6,78	6,48	6,26
EUR/USD	1,43	1,48	1,38	1,27	1,29	1,36	1,37	1,44
EUR/SEK	10,42	10,35	9,94	9,64	9,38	9,22	8,87	9,01
USD/NOK	6,12	5,68	5,86	6,22	6,17	5,93	5,72	5,44

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

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

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