

Press Release

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Boliden's second quarter: High production and a stable market

Boliden's operating profit for the second quarter, excluding revaluation of process inventory, amounted to SEK 931 million (1, 120 m). The revenues totalled SEK 10,363 million (SEK 9,896 m). The quarter was characterized by a relatively high production, especially in Mines, but also by lower metal prices. The negative effect of lower prices was, however, balanced by positive exchange rate development.

"It was overall a successful quarter with high production output, especially from the Garpenberg and Aitik mines. The new facility for electronic recycling at the Rönnskär copper smelter is now in full production. The result was, however, affected negatively by increasing costs, a problem shared with many metal companies." says Boliden's President and CEO, Lennart Evrell.

The operating profit for Boliden Mines amounted to SEK 726 million (1 064 m) in the quarter and was negatively impacted by lower metal prices and higher costs. Compared to the first quarter, production volumes for all metals increased, a development in which Aitik's high ore production – equivalent to an annual rate of 38 million tonnes – played an important part, in spite of the mines relatively low grades.

The Smelters' operating profit, excluding revaluation of process inventory, amounted to SEK 240 million (143 m). The profit increase was mainly due to higher production levels among others at the Rönnskär copper smelter, where a total of 32 000 tonnes of electronic scrap were used in the quarter – which was in line with the new production capacity of 120,000 tonnes per year. The negative effect of lower prices and poorer terms was compensated for by positive exchange rate development.

Boliden's other expansion projects are all proceeding according to plan. At the Kankberg mine, the gold production has started and the tellurium production will start during the fourth quarter this year. Boliden's largest ongoing expansion project at the Garpenberg zinc-silver mine – an investment of SEK 3.9 billion – is on plan both in terms of underground infrastructure and the construction of a new concentrator and industrial area.

Although there is a financial concern in many parts of the world, the demand for Boliden's metals remains stable.

"We have not seen any major changes among our industrial customers, mainly located in Northern Europe. Boliden's sales remain strong, but we share the market's concerns regarding the future development," says Lennart Evrell.

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Boliden is a metals company with a commitment to sustainable development. Our roots are Nordic, but our business is global. The company's core competence is within the fields of exploration, mining, smelting and metals recycling. Boliden has a total of approximately 4,400 employees and an annual turnover of approximately SEK 40 billion. Its shares are listed on NASDAQ OMX Stockholm, segment Large Cap, and on the Toronto Stock Exchange in Canada.