

Press release

No. 11/2014

Stockholm

July 18, 2014

Boliden's Q2: High production and strong cash flow

Boliden's revenues increased to SEK 9,438 million (SEK 8,035 m) during the quarter, and the operating profit, excluding the revaluation of process inventory, totalled SEK 374 million (SEK 370 m). The quarter was characterised by stable production, higher metal prices and a strong cash flow.

“The last quarter was a good one for Boliden, with record production levels at Aitik and production further boosted by Garpenberg's new facility. Production by Business Area Smelters was stable, given the maintenance shutdowns during the quarter, and the action plan at Rönnskär is continuing to yield good results. The high production levels did, however, generate increased costs, and rising metal prices resulted in internal profits that have not, as yet, been realised within the consolidated profit,” says Boliden's President & CEO, Lennart Evrell.

The positive production trend at the Aitik mine continued during the quarter, with a milled tonnage volume of just over 10 million tonnes – the highest ever for a single quarter. Boliden Mines' results were boosted by the Garpenberg mine's volumes, but impacted by increased depreciation. Production by Boliden Smelters was stable and the maintenance shutdowns went better than planned. The shutdowns did result in a fall in smelter production and higher costs in comparison with the previous quarter, but this was compensated for by improvements in prices, TC/RC and exchange rates.

Strong growth in China and a continued recovery in the mature economies have contributed to a year on year growth in demand for Boliden's main metals, copper and zinc, of just over 4 per cent. By the end of the quarter, the price of zinc had reached its highest level since August 2011.

“The market's mood has gradually improved. Expectations of a copper surplus have declined while the anticipated shortage of zinc concentrate is becoming increasingly likely. The weaker Swedish krona is also having a positive effect on Boliden's figures in that our sales are all made in US dollars, while the majority of our costs are in SEK,” explains Lennart Evrell.

On 8th July, Boliden entered into an agreement with Altona Mining to buy the Kylylahti copper mine, together with exploration rights and deposits in eastern Finland. The consideration amounts to USD 95 million.

“We see several synergies in mining, metallurgy and exploration. The acquisition will also establish Boliden as a mining company in Finland, where we are already a significant smelting company. We are now awaiting the approval of the Finnish Competition and Consumer Authority and the Altona Mining Limited shareholders,” concludes Lennart Evrell, President & CEO of Boliden.

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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 4,800 employees and an annual turnover of approximately SEK 34 billion. Its share is listed on NASDAQ OMX Stockholm, segment Large Cap.