

Press release

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Boliden's Q3: Improved terms and lower grades at Aitik

Boliden's revenues during the quarter totalled SEK 9 287 million (SEK 8 471 m) and the operating profit, excluding revaluation of process inventory, was SEK 711 million (SEK 603 m). Higher zinc prices and a weaker Swedish krona compensated for lower grades and maintenance shutdowns.

“It was an eventful quarter. The new facilities at Garpenberg are performing well and market terms have improved. But at the same time, after two quarters of higher copper grades at Aitik, we are now mining ore sections with lower grades. We have also, as previously announced, suffered a tank breakdown at the Kokkola smelter which had impact on the production in the quarter. In October, we were granted permission to increase production at the Aitik mine to 45 million tonnes per year and we took over the Finnish copper mine Kylylahti, along with an extensive portfolio of exploration rights,” says Boliden's President & CEO, Lennart Evrell.

Boliden Smelters reported a return to full production at Odda after an extended period of limited production and this, together with the cost-cutting measures implemented at Rönnskär, had a positive effect on profits. Rising zinc prices resulted in higher realised treatment charges and increases in the values of “free metals”.

Boliden Mines was affected by the fact that mining at Aitik occurred in areas with lower copper and gold grades. The Business Area was, however, positively affected by higher zinc prices, a weaker Swedish krona, and increased volumes from Garpenberg, where the ramping up of production is proceeding according to plan and is expected to total 2,1 million tonnes for 2014 as a whole.

“Analysing the metals market is difficult, and there are indications of a slight fall in demand and an increase in supply. Boliden will continue to implement measures that enhance efficiency and targeted action programmes that boost competitiveness. We have concluded a new collective agreement for the Tara mine and are now implementing the new organisation, while at Rönnskär, work continues with stabilisation of production processes and reductions in costs,” 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 4,800 employees and an annual turnover of approximately SEK 34 billion. Its share is listed on NASDAQ OMX Stockholm, segment Large Cap.