

Press release

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Boliden's Q2: robust production and strong cash flow

Boliden's second quarter was characterised by high production levels and favourable market conditions. Revenues totalled SEK 10,373 m (9,438), while the operating profit, excluding revaluation of process inventory, was SEK 1,257 m (374) and the free cash flow, SEK 1,557 m (920).

“Boliden posted strong profits thanks to favourable market conditions and robust production levels, given the production disruptions at Aitik and planned maintenance shutdowns at several smelters. The improvement in the operating profit and a reduction in capital tied up also contributed towards a strong cash flow,” says Boliden's President & CEO, Lennart Evrell.

High production levels, a strong US dollar, and good cost control saw Boliden Mines double its year on year operating profit. The increase in production at Garpenberg continued as planned, and production levels at the recently-acquired Kylylahti mine in Finland and in the Boliden Area were high. The previously announced process disruptions at Aitik, by contrast, had a negative effect on volumes.

Boliden Smelters' operating profit excluding revaluation of process inventory more than trebled, year on year. The improvement was primarily due to favourable market conditions, but also to the fact that production levels were good, in spite of the maintenance shutdowns. The growth in silver production at Kokkola and the high zinc production at Odda also made positive contributions.

Independent nickel smelting operations began at Harjavalta at the end of the second quarter. The operations buy in nickel concentrate from external suppliers and the intermediate product, nickel matte, is sold to customers for processing. The nickel operations were previously conducted on a tolling basis.

“Global demand for Boliden's main metals, copper and zinc, continues to be high, although growth levels in recent quarters have been weak. We are continuing to build on Boliden's strong position – mines and smelters with high production levels of both base and precious metals. Take the Garpenberg mine, for example, where we have just completed a comprehensive investment programme and now have the highest productivity in the world; and the Odda smelter, which has substantially improved its cost position thanks to earlier efficiency enhancement programmes and the ongoing expansion project,” explains Lennart Evrell.

For further information, please contact:

Marcela Sylvander, Group Communications, tel: +46 (0)733 244 551

Sophie Arnius, Investor Relations, tel: +46 (0)70 590 8072

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 4,900 employees and a turnover of SEK 37 billion. Its share is listed on NASDAQ OMX Stockholm, segment Large Cap.