

Press release

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Increased focus on core zinc operations at Boliden Odda**Boliden has agreed to sell the aluminium fluoride operations at the Norwegian zinc smelter, Odda, to the Italian firm Fluorsid S.p.A.**

The divestment refers to the standalone Noralf operations which comprise the manufacture and sale of aluminium fluoride and are located at the Odda zinc smelter. Aluminium fluoride, which is used in the manufacturing of aluminium, is produced in a process using large quantities of sulphuric acid – a by-product of the zinc process.

The purchase price of EUR 12.5 m will be paid in cash. The transaction is scheduled for completion during the fourth quarter.

A long-term agreement was simultaneously signed regarding the sale of sulphuric acid to Fluorsid.

Fluorsid was established in 1969 and is the world leader in the market of inorganic fluorochemicals for the aluminium industry, with an annual capacity of over 100,000 tonnes of aluminium fluoride and synthetic cryolite.

“The divestment is in line with Boliden’s strategy of increasing its focus on the core zinc operations at Odda, and expanding production to 200 ktonnes of zinc per year from Q2 2017. We believe the transaction is positive for the development of Noralf which now will be part of a world leading group within the aluminium fluoride business. The deal also secures the sale of half of Odda’s sulphuric acid,” says Kerstin Konradsson, President Boliden Smelters.

Odda’s aluminium fluoride operations have posted an average annual turnover and operating profit of just over SEK 300 m and SEK 17 m, respectively, over the past five years. The sale will yield a capital gain of approximately SEK 60 m.

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