



Circular to Shareholders relating to
the proposed transaction between Boliden and Outokumpu

An Extraordinary Shareholders' Meeting in Boliden AB is held on December 18, 2003

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Preliminary timetable

Extraordinary shareholders' meeting
December 18, 2003

Expected approval from competition authorities
December 2003

Expected closing of transaction
End of December 2003

Expected timing of rights issue
First quarter of 2004

This information circular (the "Circular") has been prepared by the board of directors of Boliden with the purpose to serve as a basis for Boliden's shareholders to reach a decision on the extraordinary shareholders' meeting to be held on December 18, 2003.

In this Circular, except as otherwise stated, references to "Boliden" and "Boliden group" are, depending on context, to Boliden AB and its subsidiaries or to Boliden AB or to any of its subsidiaries and references to "Outokumpu" and "Outokumpu group" are, depending on context, to Outokumpu Oyj and its subsidiaries or to Outokumpu Oyj or to any of its subsidiaries.

This Circular is largely based on information from the respective management groups of Boliden and Outokumpu and information disclosed in the annual reports and interim reports of Boliden. The emphasis is on New Boliden, the Outokumpu units to be acquired and the Boliden units to be divested. For further information on current Boliden, please refer to previous annual reports and interim reports.

This Circular: (a) does not constitute an offer to sell, an offer to purchase or a solicitation of an offer to purchase, any securities; and (b) does not constitute the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make any such proxy solicitation.

This Circular does not constitute a prospectus, neither in accordance with statutory provisions or any therewith associated regulations or ordinances nor in accordance with the terms of any recommendation. This circular has consequently not been subject to any other procedures by Boliden's auditors other than those described in their statement on page 52.

This Circular shall be governed by and construed in accordance with Swedish law and any dispute arising out of, or in connection with this Circular shall be settled exclusively by Swedish courts and in accordance with Swedish law.

The "Statement of Boliden AB's Auditors" on page 52 is a translation of an original Swedish text. In the event of any difference between this translation and the Swedish original, the original Swedish text shall govern.

Extraordinary shareholders' meeting

Through an advertisement in the Swedish Official Gazette (Sw. Post- och Inrikes Tidningar) and Svenska Dagbladet on November 28, 2003, the shareholders in Boliden AB were summoned to an extraordinary shareholders' meeting to be held at 3.00 p.m. (CET) on December 18, 2003, at Expolaris Kongresscenter, Kanalgatan 73–75 in Skellefteå, Sweden.

Shareholders that wish to attend the extraordinary shareholders' meeting must be registered in the shareholders register held by VPC AB (the Swedish Securities Register Center) on December 8, 2003, and no later than 4.00 p.m. (CET) on December 12, 2003, notify the company of their attendance at the shareholders' meeting. A notification to attend the shareholders' meeting can be made by mail sent to Boliden AB, Koncernstab Juridik, Box 5001, 194 05 Upplands Väsby, Sweden; by telephone +46(0)8-610 15 49 workdays 9.00–11.30 a.m. and 1.00–4.00 p.m. (CET); by fax +46(0)8-30 95 36; or on the Boliden's web site www.boliden.com. Such notification should state the shareholder's name, personal identification number or registration number, address, telephone number (day time), and information on number of counsels, and information on deputies or representatives. Where appropriate, complete qualification documents such as registration certificate and power of attorney should be enclosed. The notification is confirmed with an admission pass, which is presented at the shareholders' meeting.

Background to the proposals to the shareholders' meeting

On October 25, 2003, Boliden announced that Boliden had entered into agreements relating to the purchase of the Finnish company Outokumpu's mining and smelting operations within zinc and copper, and to the divestiture of the Fabrication and Technology Sales operations to Outokumpu. From the agreements mentioned, which are hereinafter referred to as the transaction agreements, it is evident that the completion of the transaction with Outokumpu requires that the shareholders' meeting resolves in accordance with the proposal by the board of directors and the shareholder proposal for election of new board members (see below). This means that the shareholders are given the opportunity to decide on the transaction with Outokumpu at the extraordinary shareholders' meeting.

Authorization on issuances of new shares

With reference to the transaction agreements, the board of directors proposes that the extraordinary shareholders' meeting resolves to authorize the board of directors, for the period up to the next annual shareholders' meeting, to adopt decisions on:

- issuance of new shares with payment in kind, as well as
- issuance of new shares with preferential rights for the shareholders.

The board of directors shall only be entitled to exercise the authorizations for decisions on an issue in kind whereby such assets are acquired that are referred to in the transaction agreements and a rights issue in which the shares issued in the issue in kind are entitled to participate. The board of directors' entire proposal on authorization on issuances of new shares, together with documents in accordance with Chapter 4 Section 4 as well as Section 6 of the Swedish Companies Act, are held available at the company at the above address as from December 11, 2003, and will be sent to shareholders who so request and state their postal address.

Election of new board members

Shareholders representing approximately 30 percent of the votes and capital in the company propose that the board of directors, on the part elected by the shareholders' meeting, continuously shall consist of eight board members without deputy board members; that Satu Huber, Tapani Järvinen, Christoffer Taxell and Risto Virrankoski are elected new board members replacing board members Gun Berglund, Göran Collert, Sverker Martin-Löf and Kjell Nilsson. Board members Carl Bennet, Marie Berglund, Jan Johansson and Anders Sundström remain board members as elected by the annual shareholders' meeting. The board of directors of New Boliden will altogether comprise 11 members also including three personnel representatives. Risto Virrankoski is proposed to be Chairman and Carl Bennet Deputy Chairman of the board of New Boliden. The resolutions regarding changes to the board of directors shall concern the period up until the close of the next annual shareholders' meeting and come into effect under the condition that, and with effect as from the time of which, Boliden takes possession of assets that are acquired from Outokumpu in accordance with the transaction agreements.

Background and Reasons

Background to the transaction

Discussions regarding a potential combination or cooperation between Boliden's and Outokumpu's operations in mining and smelting have been ongoing for a long period of time with varying intensity. Due to the market developments and the current strategic focus of the two companies, discussions were again initiated in the end of 2002 with the aim to contribute to the consolidation of the mining and smelting industry in Northern Europe.

On October 25, 2003, Boliden and Outokumpu entered into a final agreement, whereby Boliden will acquire Outokumpu's mining and smelting operations within zinc and copper and sell its Fabrication and Technology Sales units to Outokumpu (the "transaction") creating New Boliden, subject to certain conditions (see section "Transaction structure and financing").

Rationale for the transaction

Having gone through a challenging period in recent years, Boliden is now making positive progress following a successful restructuring of the company. Earnings and financial stability have improved as a result of increased operational efficiency and cost cutting measures, supported by favorable hedging arrangements.

Due to its relatively small size, Boliden's competitive position needs to be strengthened further in order to improve profitability in the longer term. Consolidation of the copper and zinc mining and smelting industry has continued over the past years, putting further pressure on especially the smaller-sized companies. Today, the copper industry is dominated by a few large players, whereas the zinc industry is still relatively fragmented although a consolidation is taking place. Large copper and zinc producers are located primarily in Chile, Australia, Indonesia and China. European independent smelters are dependent on concentrate deliveries from these large players. A larger, more integrated mining and smelting company will have a stronger position in the market.

There is thus a strong industrial logic for combining Outokumpu's mining and smelting assets within copper and zinc with those of Boliden, with significant industrial synergies, as this will create a larger, more integrated copper and zinc company.

- **The combination will create one of the world-leading smelting companies and the fourth largest zinc mining company in the world**
 - New Boliden will be a stronger, more focused entity with a more diversified earnings base and improved competitiveness, even in challenging base metal markets
- **Improved financial position**
 - Increased potential for significant earnings growth
 - Greater financial strength and flexibility
- **Focus on mining and smelting**
 - The transaction will enable Boliden to divest its Fabrication and Technology Sales units in order to focus on its core businesses, i.e. mining and smelting
- **Further integration of the zinc value chain reducing risks**
 - The balance between zinc mining and smelting will provide a natural hedge for treatment charges, reducing risks and increasing earnings potential
- **Significant synergies to be realized**
 - Operational synergies relate primarily to raw materials and commercial optimization
 - Furthermore, New Boliden will have a possibility to benefit from future investment synergies. A major synergy potential lies in reducing the combined investments in the copper smelting activities where new capacity can be added in a very cost-efficient way to further increase the competitive position
- **New Boliden will be better positioned to participate in further industry consolidation**
 - The increased scale of the operation provides credibility and will allow New Boliden to explore new strategic partnerships in the ongoing consolidation of the mining and smelting industries.

The combination will create a stronger company with increased financial and operational strength and flexibility and potential for future growth for the benefit of all its shareholders.

Stockholm, December 4, 2003

Boliden AB (publ)
Board of Directors

Transaction Structure and Financing

The transaction

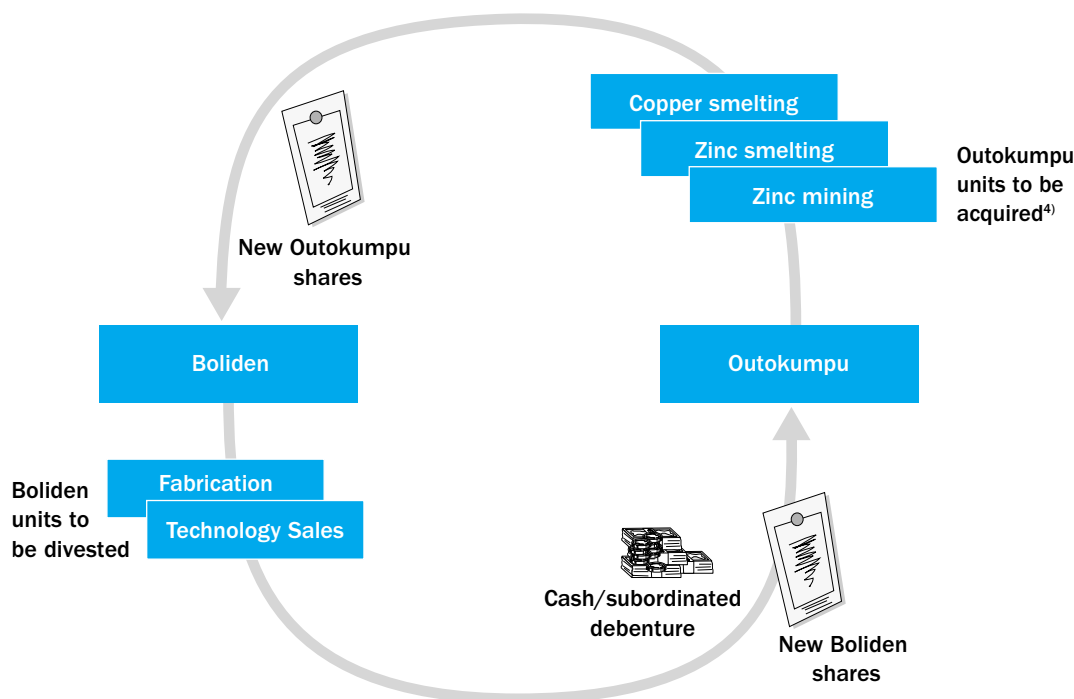
The assets to be acquired by Boliden are Outokumpu's mining and smelting operations within zinc and copper consisting of 100 percent of the shares of the following companies (including subsidiaries) and interest bearing receivables owed by the companies to the Outokumpu group, as well as certain rights concerning these companies:

- Tara Mines Holding Ltd; owning and operating a zinc mine in Ireland ("Tara")
- Outokumpu Harjavalta Metals Oy; owning and operating copper and nickel smelters in Harjavalta and a copper refinery in Pori, Finland ("Harjavalta Metals")
- Outokumpu Zinc Oy; owning and operating a zinc smelter in Kokkola, Finland ("Kokkola")
- Outokumpu Norzink A/S; owning and operating a zinc smelter in Odde, Norway ("Odde")
- Outokumpu Zinc Commercial BV; a zinc trading company in the Netherlands ("Zinc Commercial").

The assets to be acquired from Outokumpu are described in more detail in the section "Outokumpu units to be acquired". When a reference is made to all above Outokumpu units the term "Outokumpu units" is used in this Circular.

The assets to be acquired from Outokumpu are valued at EUR 736¹⁾ million (SEK 6.6²⁾ billion) (to be adjusted, see below). Boliden's payment for the assets acquired from Outokumpu shall consist of:

- 82,446,475 newly issued shares in Boliden, or such other number of newly issued shares that represents 49.0 percent of the shares and votes in Boliden³⁾ after the issue (the "issue in kind")
- a cash amount of EUR 373 million (SEK 3.3 billion²⁾)
- a subordinated debenture issued by Boliden in the amount of EUR 56 million (SEK 0.5 billion²⁾) (to be adjusted, see below).



1) Excluding transaction costs.

2) Translated to SEK using the exchange rate EUR/SEK 8.91 (per September 30, 2003).

3) The Swedish Securities Council has granted Outokumpu an exemption from the mandatory bid requirement which would otherwise arise following the contemplated Boliden issue in kind, as a result of which Outokumpu would hold shares in Boliden representing 30 percent or more of the voting rights of all shares in the company.

4) Consisting of five units: Tara, Harjavalta Metals, Kokkola, Odde and Zinc Commercial.

The subordinated debenture part of the total consideration shall be adjusted following changes in the capital employed in the Outokumpu units between December 31, 2002, and the date of completion of the transaction, and by the amount of any net third party liabilities, all as set out in the closing accounts to be prepared following the completion of the transaction. It is currently estimated that the capital employed of the Outokumpu units will increase by EUR 70–90 million (approximately SEK 620–800 million) during 2003, which will lead to a corresponding increase in the consideration payable for the assets to be acquired from Outokumpu assuming that completion of the transaction will occur on December 31, 2003 (any adjustment for net third party liabilities not considered).

The assets to be divested by Boliden to Outokumpu are the following companies (including subsidiaries) and certain receivables owed by the companies to the Boliden group, as well as certain rights concerning these companies:

- Boliden Fabrication AB; operating Boliden's fabrication businesses, (i.e. copper tubes and brass products), in Sweden, Belgium, the Netherlands and the United Kingdom ("Fabrication")
- Boliden Contech AB; operating Boliden's technology sales business ("Contech").

The assets to be divested by Boliden are described in some detail in the section "Boliden units to be divested".

As consideration for the assets to be divested, Boliden shall receive 5,000,000 newly issued shares in Outokumpu, corresponding to approximately 2.8 percent of the shares and votes in Outokumpu. This shareholding was valued at EUR 52 million (SEK 464 million) based on the closing price of the Outokumpu share on the Helsinki Exchanges on October 31, 2003.

Certain undertakings etc. under the transaction agreements

The Combination Agreement, which relates to the Outokumpu assets to be purchased by Boliden, contains limited representations and warranties between Boliden and Outokumpu. The Share Sale and Purchase Agreement, which relates to the Boliden assets to be purchased by Outokumpu, contains representations, warranties and indemnities from Boliden to Outokumpu which essentially (besides full and unrestricted ownership of assets) are subject to a maximum amount of EUR 25 million, except for any claim relating to the so-called copper tube cartel which is indemnified separately. See section "Boliden units to be divested".

Conditions to the completion of the transaction

As per the date of this Circular, the completion of the transaction is subject to several conditions. The conditions essentially include:

- that the shareholders of Boliden have (i) authorized the board of directors of Boliden to adopt decisions to issue the shares to Outokumpu (the issue in kind) and to issue shares with preferential rights for the shareholders (the rights issue); and (ii) elected a new board of directors as set out in the summons to the extraordinary shareholders' meeting in Boliden to be held on December 18, 2003,
- that Boliden has entered into a new credit facility agreement in the aggregate loan amount of not less than EUR 373 million,
- that the relevant authorizations, consents, orders and approvals required under applicable laws and regulations have been received, including the expiration or termination of the applicable waiting periods (and any extension thereof) under any competition, merger control or similar law or regulation, including the EC Council Regulation 4064/89, and
- that there shall not have occurred any material adverse change in the turnover, assets, operations or financial position of Boliden or the Outokumpu units, or market capitalization of Boliden.

Financing of the transaction

In order to finance the acquisition, Boliden's entire debt financing needs to be renegotiated and finally agreed and signed, which includes that Boliden is required to enter into a new credit facility agreement with a consortium of credit institutions in the aggregate amount of not less than EUR 373 million. Credit approvals regarding the new credit facility, as well as consents from Boliden's current lenders, have been obtained, subject to finalization of documentation.

The acquisition of the Outokumpu assets is further financed through the subordinated debenture that is issued by Boliden to Outokumpu in the amount of EUR 56 million, to be adjusted for the change in capital employed in the Outokumpu units from December 31, 2002 until the date of the closing balance sheet and any net third party liabilities shown in the closing accounts as set out above.

The further and final terms of the new credit facility and the subordinated debenture are subject to, inter alia, negotiation between the involved parties, finalization of loan facility documentation and the providing by Boliden of customary security packages. The process of finalizing these terms may now be concluded, as the required consents from Boliden's current lenders have been obtained.

See section "New Boliden – Financing of New Boliden before rights issue" on page 17 for more details.

Rights issue

As an integral part of the deal, New Boliden is planning for an underwritten rights issue in the order of EUR 150 million (SEK 1.3 billion). The rights issue is expected to be executed during the first quarter of 2004, subject to market conditions. Outokumpu and Carl Bennet have committed to subscribe for new shares by virtue of all their respective subscription rights (jointly owning 51.6 percent of the shares and votes in New Boliden). The rights issue terms and conditions, including the subscription price, are yet to be determined. Of the rights issue proceeds, EUR 50 million will be used to amortize debt under the new credit facility and EUR 50 million will be used to amortize debt under the existing credit facility.

Agreements relating to services subsequent to the transaction

At or before completion of the transaction Boliden and Outokumpu will enter into agreements relating to services and technology exchange between Boliden and Outokumpu subsequent to the completion of the transaction. Both Boliden and Outokumpu believe that these agreements are providing for arms-length industrial relations. Certain agreements have been executed to facilitate the separation of the Outokumpu units from the Outokumpu group.

Shareholder intentions

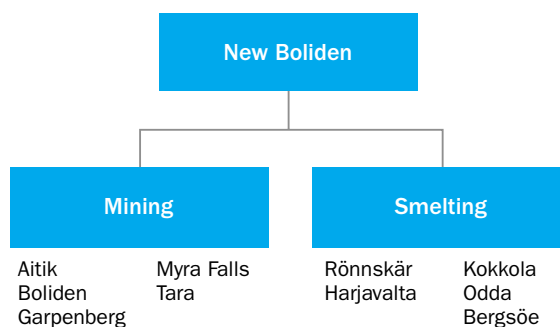
Outokumpu has stated its intention that it will not to seek a majority position in New Boliden. As a major shareholder Outokumpu will contribute to the success of the new company through active participation in the board work and through technology and other co-operation agreements. Outokumpu may in time reduce its shareholding in New Boliden by way of well-controlled transactions. There is no shareholders' agreement in place between Outokumpu, Boliden or its shareholders.

Boliden does not consider the Outokumpu shares issued to Boliden as a long-term holding.

New Boliden

Introduction

New Boliden is a mining and smelting company focusing on production of copper, zinc, lead and precious metals. It is a strong European player with a significant global market position. New Boliden's pro forma net sales for 2003 are estimated to be SEK 14.7 billion. The total number of employees in New Boliden is about 4,800.

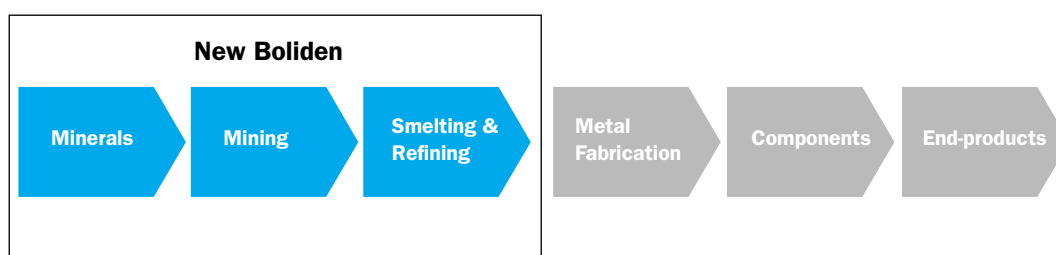


Strategy

New Boliden's vision is to become a world-class, focused and low-cost copper and zinc mining and smelting company. To achieve this position New Boliden intends to benefit from economies of scale, increased bargaining power, technologically advanced and cost-efficient production, strategic mergers and acquisitions as well as selective divestments.

Focus

Boliden's focus areas are mining and smelting of copper and zinc. New Boliden also produces and sells precious metals, sulphur products, lead and tin alloys as well as metal concentrates as by-products. New Boliden will be focused on the upstream activities of mining and smelting in the metals industry value chain as depicted by the picture below.



Cost-efficiency

The aim of New Boliden is to be among the most efficient mining and smelting companies globally. To increase efficiency in copper, the target is to increase the integration between mining and smelting by seeking partnerships, joint ventures or small equity positions in copper mining businesses. Also, New Boliden will have a good opportunity to increase copper smelting and refining capacity at low per unit investment costs at the Rönnskär and Harjavalta copper smelters in the future.

In the zinc business, the strategy is to maintain and improve cost competitiveness by utilizing the most advanced production technology. New Boliden's zinc mining and smelting capacities are in balance to achieve a natural hedge towards fluctuations in smelting charges.

In the beginning of 2003, Boliden communicated that it will carry out a cost-savings program in order to improve its efficiency and profitability. New Boliden will carry out the cost-savings program as planned.

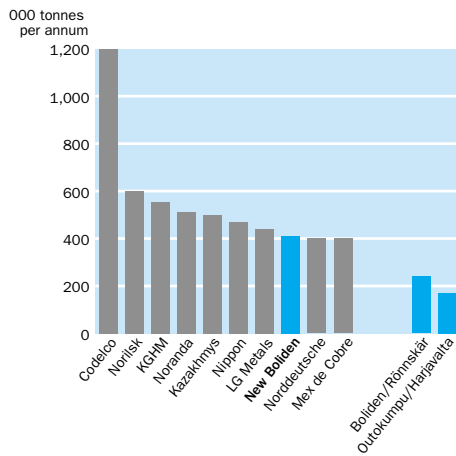
Size and market position

Combining the copper and zinc smelting activities of Boliden and Outokumpu creates a strong European player with a significant global market position. The capacity of the copper smelters at Rönnskär and Harjavalta will create the largest copper smelter in Europe and the 8th largest in the world. Additional capacity can be added in the future in New Boliden's copper smelters with significant investment synergies.

New Boliden will also become the largest zinc smelter in Europe and the 5th largest in the world. Should the potential expansion at the Odde smelter (Odde phase II, increasing capacity by approximately 150,000 tonnes) be implemented, the new company would have the 4th largest zinc smelting capacity in the world.

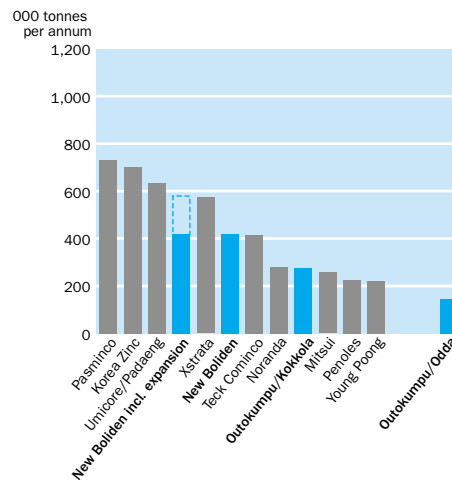
The potential to utilize synergies in the combination of the businesses increases the cost competitiveness of New Boliden, both as a result of actual cost savings and lower unit costs due to economies of scale.

Global copper smelting capacity 2003



Source: CRU – January 2003, data for 2003E, Boliden

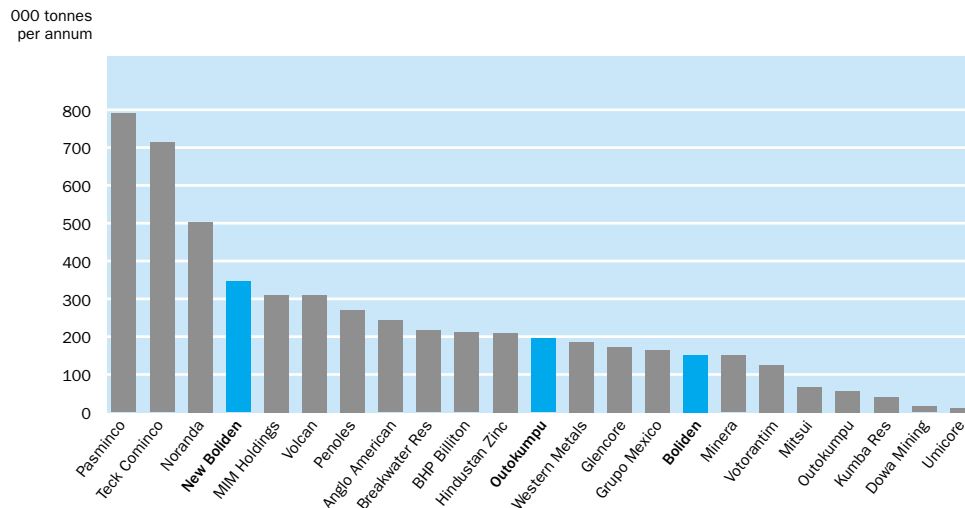
Global zinc smelting capacity 2003



Source: CRU – January 2003, data for 2003E, Boliden

New Boliden will become the largest zinc mining company in Europe and the 4th largest in the world. The new company will have a balance between zinc mining and smelting, which will create increased stability in its zinc operations. New Boliden will benefit fully from any price increase in zinc without any negative impact from treatment charges.

Global zinc mine production 2002



Source: CRU, Boliden

Outokumpu (i.e. Tara mine) refers to planned production for 2003 due to the closure of the Tara mine in 2002.

Synergies

Operational synergies have been estimated at SEK 225–270 million per annum. Synergies have been identified in the following main areas:

- Raw materials
 - Commercial optimization
 - Logistics
- Production optimization
- Marketing
- Consumables and utilities
- Operational best practice
- Administration

The main synergies comprise commercial optimization of raw material flows to the smelters both from internal and external mines. To achieve this a commercial organization will be built on the corporate level to handle all raw material purchases, product (metal) sales, logistics, risk management and optimization of material flows.

In addition to the operational synergies, there is considerable potential for investment synergies. A major synergy potential lies in reducing the combined investments in the copper smelting activities where new capacity can be added in a very cost-efficient way to further increase the competitive position.

It is expected that 50 percent of the synergies will materialize in 2004 and the full effect will be reached from the beginning of 2005.

Integration process

After closing of the transaction the management of New Boliden will start integrating the businesses to ensure that the contemplated synergies (see above) will materialize. Integration teams will be set up in the areas of:

- Optimization of commercial functions
- Process practice (Rönnskär and Harjavalta)
- Plant services
- Finance and administration
- Human resources
- Environmental
- Energy
- Communication and IT
- Legal

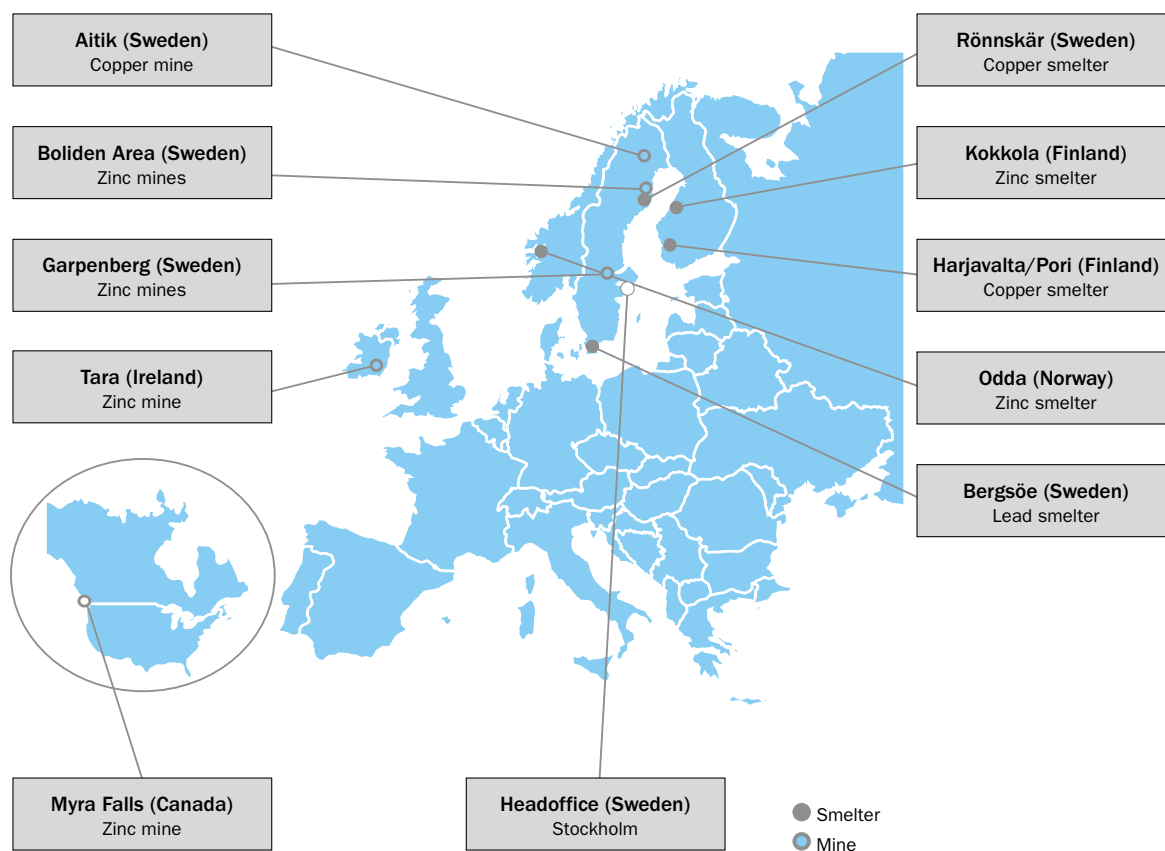
The tentative timetable is to have the integration benefits implemented by the end of year 2004 to have full effect on cost savings as from the beginning of 2005.

Corporate restructuring

New Boliden intends to continue to take advantage of any opportunity that arises through strategic acquisitions. New Boliden will also continue to focus its operations through selective divestments of non-core assets. All corporate restructuring is done with the aim to focus New Boliden's operations, to build its market position on strategic geographic markets and to take advantage of economies of scale.

Key facilities and deposits

New Boliden will have a strong Nordic presence with its key facilities beneficially located from a logistics point of view and close to the main customer markets in Europe. New Boliden will be domiciled in Sweden and the company's headoffice will be located in Stockholm, Sweden.



New Boliden will conduct its mining and smelting business through the following units and operating groups located in Europe and North America:

Mining

- **Aitik Operations (“Aitik”)** (Sweden) – mines and mills copper ores to produce copper concentrates.
- **Boliden Area Operations (“BAO”)** (Sweden) – mines and mills ores to produce zinc, copper, copper/gold and lead concentrates.
- **Garpenberg Operations (“Garpenberg”)** (Sweden) – mines and mills ores to produce zinc, copper/precious metals and lead concentrates.
- **Myra Falls Operations (“Myra Falls”)** (Canada) – mines and mills ores to produce zinc and copper/precious metals concentrates. Myra Falls in Canada, which will be New Boliden’s only operation outside Europe, has its main customer base in Japan and South Korea.
- **Tara Mine Operations (“Tara Mine”)** (Ireland) – mines and mills zinc and lead ores to produce zinc and lead concentrates.

The following table illustrates New Boliden's ore reserves and mineral resources as of January 1, 2003. For details see annual reports (except for the Tara Mine).

Quantity (kilotonnes)	Ore reserves		Mineral resources			Main metals
	Proven	Probable	Measured	Indicated	Inferred	
Boliden Area ¹⁾						
Polymetallic	1,118	2,502	360	2,240	4,978	Zinc, copper
Gold	336	362			1,500	Gold
Garpenberg	2,576	1,015	4,317	608	17,000	Zinc, silver
Aitik	227,154	12,953	565,749	251,630	80,371	Copper
Myra Falls	6,267	2,080	1,991	2,588	2,478	Zinc, copper
Tara mine	2,800	15,200	1,500	9,100	10,600	Zinc, lead

1) Excluding Boliden's share in NAN's Storliden mine. Boliden's equity share in NAN is 38 percent. The ore is milled in Boliden's concentrator.

Ore reserves are not included in the resource numbers. All resources are reported as additional to the reserves. Ore reserves and mineral resources are detailed separately in Boliden's financial reports. The ore reserves and mineral resources have been calculated and compiled in accordance with the Australasian Institute of Mining and Metallurgy's JORC code. This is comparable with "CIM Standards on Mineral Resources and Mineral Reserves, Definitions and Guidelines" adopted by CIM on 20th August 2000, and which constitutes that part of the Ontario Securities Commission (OSC) rules and regulations, National Instrument 43-101, that regulates how ore reserves and mineral resources should be reported. Boliden reports in accordance with NI 43-101 and the recommendations accepted by the Swedish Mining Association, which, wherever applicable, are identical to the Canadian rules.

Boliden's mineral resources and ore reserves have been compiled under the supervision of Mati Sallert, Ore Reserves and Project Evaluation Manager. Mati Sallert is a "Qualified Person" according to NI 43-101, a "Kvalificerad Person" according to the Swedish Mining Association, a member of "the Australasian Institute of Mining and Metallurgy, AusIMM", and has more than 30 years experience in the mining and minerals industry.

Tara's mineral resources and ore reserves have been compiled by John Ashton, Chief Mine Geologist, Tara Mines Ltd. John Ashton, due to his Membership of the Institute of Materials, Minerals and Mining and the Institute of Geologists Ireland, is recognised as a "Competent Person" under the Australasian Institute of Mining and Metallurgy, AusIMM, JORC "Recognised Overseas Professional Organisations" ("ROPO") procedure by the Australian Stock Exchange ("ASX"); he has 25 years experience in the mining and minerals industry.

Smelting

- **Rönnskär Metallurgical Complex ("Rönnskär") (Sweden)** – smelts and refines copper, copper/gold, gold and lead concentrates from BAO, Garpenberg and Aitik and third parties and processes, smelts and refines secondary materials from third parties. Currently, about 50 percent of copper concentrate feed to Rönnskär is sourced from Aitik, BAO and Garpenberg. The balance is purchased at market rates from third parties with whom Rönnskär has long-standing relationships.
- **Harjavalta Metals ("Harjavalta") (Finland)** – smelts and refines copper and smelts nickel from sources worldwide.
- **Kokkola ("Kokkola") (Finland)** – smelts and refines zinc concentrates internally from BAO, Garpenberg and Tara Mine as well as from external sources.
- **Odda ("Odda") (Norway)** – smelts and refines zinc concentrates internally from BAO, Garpenberg and Tara Mine as well as from external sources, and zinc clinkers from Rönnskär.
- **Boliden Bergsöe AB ("Bergsöe") (Sweden)** – processes, smelts and refines secondary materials from third parties (spent lead-acid batteries collected under the Swedish Returbatt System and purchased from third parties).

New Boliden facts

The table below illustrates the relative contribution in terms of production and key financial information of Boliden and the Outokumpu units in the mining and smelting business areas.

	<i>Boliden</i>	<i>Outokumpu units¹⁾</i>	<i>New Boliden²⁾</i>
Mining			
Metal production (Jan – Sept 2003)			
Copper (tonnes)	70,003	–	70,003
Zinc (tonnes)	133,001	134,242	267,243
Lead (tonnes)	13,608	22,273	35,881
Gold (kg)	3,676	–	3,676
Silver (kg)	205,370	–	205,370
Financial information (SEKm)			
EBITDA (Jan – Sept 2003)	434	–64	
EBIT (Jan – Sept 2003)	210	–199	
Investments (Jan – Sept 2003)	316	222	
Capital employed (Sept 30, 2003)	1,473	1,518	
Employees	1,598	690	2,288
Smelting			
Metal production (Jan – Sept 2003)			
Primary copper (tonnes)	162,761	120,829	283,590
Copper cathode (tonnes)	162,761	94,386	257,147
Zinc (tonnes)	–	299,780	299,780
Zinc clinker (tonnes)	25,402	–	25,402
Lead (tonnes)	16,975	–	16,975
Gold (kg)	9,549	3,980	13,529
Silver (kg)	344,226	25,671	369,897
Lead alloy (tonnes)	36,154	–	36,154
Financial information (SEKm)			
EBITDA (Jan – Sept 2003)	407	496	
EBIT (Jan – Sept 2003)	189	205	
Investments (Jan – Sept 2003)	46	347	
Capital employed (Sept 30, 2003)	5,406	3,005	
Employees	964	1,567	2,531

1) Outokumpu units financials do not include Nickel og Olivin, eliminations, and adjustment to FIFO inventory value (see section "Unaudited pro forma combined financial information of the Outokumpu units").

2) Combined financial information of New Boliden is not provided since the financial effects as a result of the transaction are not divided between the business areas Mining and Smelting.

Unaudited Pro Forma Financial Information in Summary

The unaudited pro forma financial information has been prepared in order to illustrate the financial effects of the proposed transaction as if the transaction had already occurred. The following is a summary of certain pro forma financial information. For a complete understanding of the pro forma financial assumptions and the complete pro forma financial information see the section “Unaudited pro forma combined financial information of New Boliden” and the section “Unaudited pro forma combined financial information of the Outokumpu units”.

In order to present the unaudited pro forma combined balance sheet, it is assumed that the transaction, as described in section “Transaction structure and financing – The transaction” on page 3–4, was consummated on September 30, 2003¹⁾. The unaudited pro forma combined income statements and cash flow statements are presented assuming that the transaction was consummated on January 1, 2002 (the “assumed transaction date” for the balance sheet, income statements and cash flow statements, respectively).

Subsequent to completion of the transaction an underwritten rights issue is planned. The unaudited pro forma combined financial information has been presented assuming that the rights issue has been completed at the assumed transaction date and that EUR 50 million of the proceeds from such rights issue have been used to repay the lenders under the new credit facility, EUR 50 million has been used to repay lenders under existing credit facilities and EUR 50 million has increased Boliden’s liquid funds.

1) The new shares in Boliden AB are assumed to be issued at SEK 32.50 per share (the closing price for the Boliden AB share on the Stockholm Stock Exchange on October 31, 2003). The Outokumpu shares are assumed to be acquired by Boliden at SEK 92.70 per share (represents the closing price for the Outokumpu Oyj share on the Helsinki Exchanges on October 31, 2003 at an exchange rate of SEK 8.91 for each Euro).

Unaudited Pro Forma Combined Income Statements

<i>SEK million</i>	<i>9 m period ended Sept 30, 2003</i>	<i>9 m period ended Sept 30, 2002</i>	<i>Year ended Dec 31, 2002</i>
Net sales	10,548	10,728	14,254
Cost of goods sold	-9,884	-10,150	-13,318
Gross result	664	578	936
Cost of sales	-136	-106	-152
Administrative expenses	-290	-282	-365
Research and development costs	-84	-130	-179
Other operating income & expenses	79	97	70
Share in associated companies' results	15	13	16
Operating result	248	170	326
Financial items, net	-316	-330	-433
Result after financial items	-68	-160	-107

Unaudited Pro Forma Combined Balance Sheet

<i>SEK million</i>	<i>Sept 30, 2003</i>
Intangible fixed assets	67
Tangible fixed assets	14,462
Deferred tax assets	525
Interest-bearing receivables	247
Other financial non-current assets	110
Inventories	2,116
Other current receivables	1,341
Other short-term investments	464
Liquid funds	1,312
Total assets	20,644
Shareholders' equity	6,900
Deferred tax liabilities	1,360
Other provisions	647
Pensions reserves	64
Interest-bearing non-current liabilities	7,210
Pro forma subordinated interest-bearing debenture (Outokumpu)	1,164
Other long-term liabilities	129
Interest-bearing current liabilities	580
Other current liabilities	2,590
Total shareholders' equity and liabilities	20,644

Unaudited Pro Forma Combined Statements of Cash Flow

<i>SEK million</i>	<i>9 m period ended Sept 30, 2003</i>	<i>9 m period ended Sept 30, 2002</i>	<i>Year ended Dec 31, 2002</i>
Cash flow from ongoing operations before change in working capital	924	760	926
Change in working capital	-236	-498	218
Cash flow from ongoing operations	688	262	1,144
Cash flow from investing activities	-909	-1,082	-1,381
Cash flow from financing activities	39	211	-55
Cash flow during the period	-182	-609	-292

Unaudited Pro Forma Combined Key Ratios

	<i>As of and for the 9 m period ended Sept 30, 2003</i>	<i>As of and for the 9 m period ended Sept 30, 2002</i>	<i>As of and for the year ended Dec 31, 2002</i>
Margins, %			
Gross margin	6.3	5.4	6.6
Operating margin	2.4	1.6	2.3
Return on capital, %			
Return on capital employed	3.0		
Capital structure			
Capital employed, SEKm	13,553		
Net debt, SEKm (A)	6,995		
Net debt (excluding subordinated debenture to Outokumpu) (B)	5,831		
Equity/asset ratio, %	33.4		
Net debt/equity ratio, % (A)	101.4		
Net debt/equity ratio, % (B)	84.5		
Interest-coverage ratio, times	0.8	0.7	0.8
Investments			
Investments in tangible assets, net	908	1,094	1,402
Investments in intangible assets, net	1	1	1
Investments in financial assets, net	220	-13	-22
No. of employees at end of period	4,846	n/a	n/a
Per share data			
Net profit/loss for the period, SEK ¹⁾	-0.05		
Equity, SEK	32.94		
Number of shares at end of period ²⁾	209,397,344		

1) Calculated for 12 months rolling applying an assumed tax rate of 28%.

2) Calculated based on actual number of shares as of September 30, 2003 plus 82,446,475 plus the calculated number of shares from EUR 150 million rights issue at SEK 32.50 per share at the exchange rate on September 30, 2003.

Definitions**Capital employed**

Balance sheet total minus interest-bearing investments and non-interest-bearing operating liabilities

Equity/asset ratio

Shareholders' equity in relation to balance sheet total

Gross margin

Gross result as a percentage of net sales

Gross result

Net sales less cost of goods sold

Interest coverage ratio

Operating result plus financial revenues divided by financial costs

Net debt

Interest-bearing short-term and long-term liabilities (including pension liabilities) less liquid assets

Net debt/equity ratio

Net debt as a percentage of shareholders' equity and minority interests

Operating margin

Operating result as a percentage of net sales

Operating result

Operating result after depreciation

Return on capital employed

Operating result divided by capital employed

Key factors affecting revenues and earnings

Mining and smelting operations are affected by several key factors. The most important factors are currency movements, metal prices and smelting charges.

The following tables show market metal prices and exchange rates for the pro forma periods. It should be noted that the pro forma earnings presented have been affected by currency hedges.

Metal prices

<i>(average LME/LBMA)</i>	<i>9 m 2003</i>	<i>9 m 2002</i>	<i>2002</i>
Copper (USD/lb)	0.77	0.71	0.71
Zinc (USD/lb)	0.36	0.35	0.35
Lead (USD/lb)	0.22	0.21	0.21
Gold (USD/oz)	354	306	310
Silver (USD/oz)	4.75	4.63	4.60

Exchange rates

<i>(average)</i>	<i>9 m 2003</i>	<i>9 m 2002</i>	<i>2002</i>
SEK/USD	8.26	9.93	9.72
SEK/EUR	9.16	9.18	9.16
EUR/USD	1.11	0.93	0.95
USD/CAD	1.43	1.57	1.57

Source: EcoWin

Currency

Transaction exposure

New Boliden's costs are principally in Swedish kronor, Euro, Norwegian kronor and Canadian dollar while its revenues are mainly in US dollars. Hence, the US dollar exchange rate has considerable impact on earnings. New Boliden has a strategic view on exchange rates and parts of forecasted cash flows in USD/SEK and EUR/USD are hedged. Additional hedging of cash flow could take place at the right market conditions and in the right economic situation for New Boliden.

The table below contains an estimate of the effects of changes in exchange rates on New Boliden's operating result for the full year, based on planned production levels for 2004. The sensitivity does not take into account foreign exchange hedging positions.

Exchange rate sensitivity

	<i>Boliden</i>	<i>Outokumpu units</i>	<i>New Boliden</i>
<i>Change in prices, +/-</i>	<i>Effect on operating result, +/- (SEKm)</i>	<i>Effect on operating result, +/- (SEKm)</i>	<i>Effect on operating result, +/- (SEKm)</i>
USD 10% ¹⁾	367.8	270.2	638.0

1) Simultaneous change in US dollar versus Swedish kronor, euro, Canadian dollar and Norwegian kronor.

Translation exposure

When the net assets (shareholders' equity) of foreign subsidiaries are translated into Swedish kronor, a translation difference arises in conjunction with changes in the exchange rate, and this impacts the Group shareholders' equity. New Boliden aims to minimize the effect of this exposure through borrowings in foreign currency and positions in currency futures.

Metal price

New Boliden's most important metals are copper, zinc, lead, gold and silver. Base metal prices continued to trade at historically low levels during 2002. This year though, metal prices have started to rise. As of the end of October, 2003, Boliden's metals were largely unhedged, with the exception of sales of gold.

The table below contains an estimate of the individual effects of changes in each metal price, respectively, on New Boliden's result on an annual basis, based on planned production levels for 2004. The sensitivity does not take into account the effects of any metal price hedging. It should be noted, that the assumed hypothetical changes are different in relative terms between the metals due to different price levels (see above).

New Boliden

Metal price sensitivity

<i>Change in prices, +/-</i>	<i>Boliden Effect on operating result, +/- (SEKm)</i>	<i>Outokumpu units Effect on operating result, +/- (SEKm)</i>	<i>New Boliden Effect on operating result, +/- (SEKm)</i>
Copper 0.10 USD/lb	177.8	5.5	183.3
Zinc 0.05 USD/lb	141.9	214.6	356.5
Lead 0.05 USD/lb	44.5	31.6	76.1
Gold 10.00 USD/oz	17.6	0.0	17.6
Silver 0.10 USD/oz	8.1	0.0	8.1

Treatment and refining charges

New Boliden's mines and smelters are affected by the global market pricing of treatment and refining charges, which are the remuneration received by the smelters for refining the mines' metal concentrates into refined metals. These charges are renegotiated each year by the world's major mining and smelting companies and the terms they agree then become the benchmark for the rest of the market. The treatment and refining charges are affected by metal prices and the supply of and demand for metal concentrates. Individually, the remuneration is also affected by the quality of the metal concentrate and the smelter's geographical location in relation to the mines.

The extended period of very low copper and zinc prices has contributed to the declining trend for treatment and refining charges also in 2003. As a net purchaser of copper concentrates, this has a negative effect on New Boliden. Regarding zinc, New Boliden will be almost balanced between mine production and smelter production.

Treatment charges, sensitivity

<i>Change in prices, +/-</i>	<i>Boliden Effect on operating result, +/- (SEKm)</i>	<i>Outokumpu units Effect on operating result, +/- (SEKm)</i>	<i>New Boliden Effect on operating result, +/- (SEKm)</i>
Treatment charge, copper +10 USD/tonne ¹⁾	27.8	37.1	64.9
Treatment charge, zinc +10 USD/tonne	-14.0	17.2	3.2

1) Including change in refining charge.

Tax situation in Sweden

Boliden has tax loss carryforwards and other temporary differences amounting to approximately SEK 5 billion in Swedish companies (in addition there are approximately SEK 2 billion of tax loss carryforwards in Boliden that is being disputed by the tax authorities), which implies that Boliden's tax payments in Sweden are expected to be insignificant in the foreseeable future.

Dividend restrictions

Boliden will not pay dividend in the near future due to restrictions in loan agreements and in New Boliden's balance sheet.

Financing of New Boliden before rights issue

SEK million	<i>Interest-bearing liabilities September 30, 2003 pro forma</i>	<i>Oct-Dec 2003</i>	<i>Repayments 2004</i>	<i>2005</i>	<i>2006</i>
Existing credit facilities					
Credit facility A	3,454		411		3,043
Credit facility B	952				952
Credit facility D	295		134	98	63
Debenture loan	204				204
Financial leasing	58		10	10	10
Other external liabilities	360	7	27		326
Total	5,323	7	581	108	4,598
New credit facilities¹⁾					
Credit facility E	1,988				1,988
Credit facility F	1,337		891	446	
Total	3,325		891	446	1,988
Subordinated debenture²⁾	1,164				
Acquired interest-bearing liabilities	33				
New Boliden total	9,845	7	1,473	554	6,586

1) New credit facilities translated to SEK using the exchange rate EUR/SEK 8.91 per September 30, 2003.

2) Adjusted for change in capital employed between December 31, 2002 and September 30, 2003 and outstanding net third party liabilities as of September 30, 2003. Amount to be finally adjusted at closing.

The long-term financing of Boliden is based on the syndicated loan facility signed (credit facilities A, B and D in the table above) in July 2001 and with final maturity in June 2006. The facility is provided to Boliden by 18 international banking institutions. Credit facilities A and D are term loans and credit facility B is a revolving credit facility.

The new syndicated EUR 373 million (SEK 3,325 million) loan facility and the subordinated debenture to Outokumpu will be the debt financing elements of the overall financing for the Outokumpu units to be acquired. The loan facility will contain credit facilities E and F, which will be both incorporated with the existing loan document.

Credit facility E will have final maturity in June 2006. Credit facility F is mainly a bridge financing for the planned EUR 150 million (in SEK) rights issue, which is planned to take place during the first quarter 2004 depending on market conditions.

The subordinated debenture provided by Outokumpu Oyj will have final maturity in 2010. The loan will rank junior to the senior loans in relation to interest payments and security, among other things.

The total amount of Boliden's interest-bearing debt will increase from SEK 5,350 million to SEK 9,845 million following the transaction.

The underwriting commitments for the new loan facility were signed between Boliden and a small number of Boliden's relationship banks in October 2003. Consent from the lenders under the existing credit facilities was obtained in November 2003. The final loan document will be signed before the completion of the transaction which is expected to occur in December 2003.

Security and guarantees

Both the existing and the new loan facilities will be secured by a security package formed on New Boliden's assets. Boliden AB will guarantee the obligations of Boliden Mineral AB under the loan facilities.

Covenants

The loan facilities will require New Boliden to maintain certain leverage and interest cover ratios.

New Boliden

Proposed board of directors

<i>Name</i>	<i>Age</i>	<i>Position</i>
New board members		
Satu Huber	45	Director of Finance and Head of Finance Division, Finnish State Treasury
Tapani Järvinen	56	President of Outokumpu Technology Oy, member of the Outokumpu Executive Committee
Christoffer Taxell	55	Chairman of Finnair Abp, Foundation of Åbo Academy
Risto Virrankoski	57	Deputy Chief Executive and Deputy President of Outokumpu Oyj
Existing board members		
Carl Bennet	52	Chairman of Getinge AB, Elanders AB, etc.
Marie Berglund	45	Environmental Director Botniabanan AB
Jan Johansson	49	President and CEO of New Boliden
Anders Sundström	51	Chairman of Sparbanken Nord

Management of New Boliden

The management of New Boliden has an extensive knowledge and experience of the industry.

<i>Name</i>	<i>Age</i>	<i>Position</i>	<i>From</i>
Operative management			
Jan Johansson	49	President and CEO	Boliden
Tom Niemi	53	Deputy CEO, Integration, Business Development, R&D	Outokumpu
Jan Öhman	42	CFO	Boliden
Jukka Järvinen	55	President Copper	Outokumpu
Harri Natunen	48	President Zinc	Outokumpu
Svante Nilsson	47	President Mining	Boliden
L-G Björkvist	52	Commercial Director	Outokumpu
Corporate functions			
Staffan Jähkel	60	Senior Vice President Special Projects	Boliden
Marianne Lindholm	53	Senior Vice President Legal Affairs	Boliden
Bengt Lindahl	54	Senior Vice President Human Resources	Boliden
Ulf Söderström	38	Senior Vice President Corporate Communications	Boliden

Shareholder structure before and after the transaction¹⁾

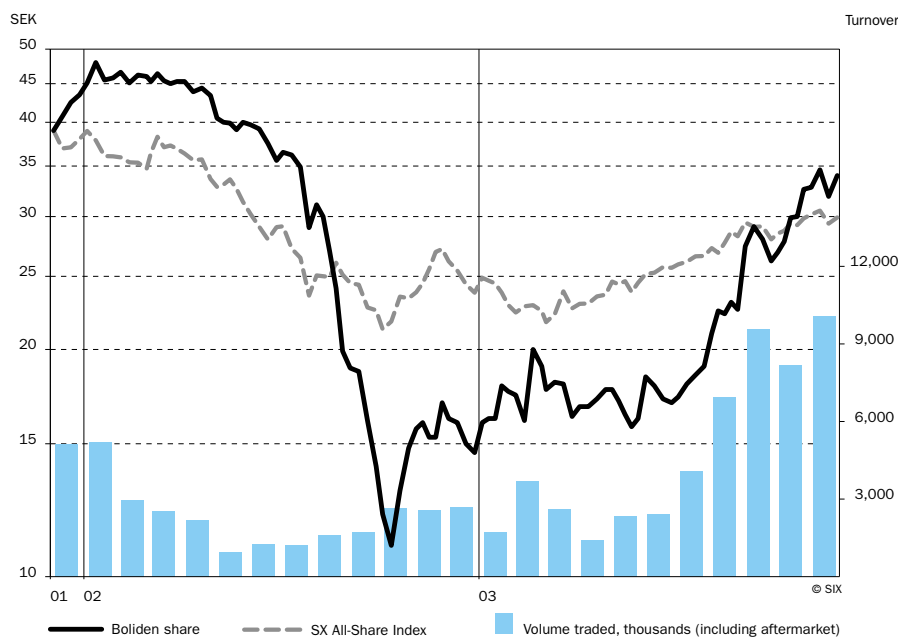
Shareholder	Before transaction		After transaction	
	No. of shares	Share of capital, %	No. of shares	Share of capital, %
Outokumpu Oyj	–	–	82,446,475	49.00
Skandia	6,040,662	7.04	6,040,662	3.59
Catella fonder	4,925,000	5.74	4,925,000	2.93
Carl Bennet AB	4,290,910	5.00	4,290,910	2.55
SEB fonder	3,879,475	4.52	3,879,475	2.31
Canadian Depository for Securities ²⁾	3,810,188	4.44	3,810,188	2.26
Nordea	2,973,974	3.47	2,973,974	1.77
SEB	2,043,752	2.38	2,043,752	1.21
Landesbank Schleswig-Holstein	1,620,906	1.89	1,620,906	0.96
Försäkringsbolaget Pensionsgaranti	1,347,071	1.57	1,347,071	0.80
Commerzbank AG	1,299,761	1.51	1,299,761	0.77
Total largest	32,231,699	37.56	114,678,174	68.16
Other	53,579,939	62.44	53,579,939	31.84
Total	85,811,638	100.00	168,258,113	100.00

Source: VPC as per October 31, 2003 and other to Boliden known changes thereafter

1) After the issue in kind.

2) Shareholders through Canadian CDS.

Share price development



Source: SIX

Market Description

Mining, metals and markets

Base metal prices are dependent on a number of factors, the most important being changes in supply and industrial demand. The activities of investment funds also have an important influence. Political factors may play a greater role in the pricing of precious metals.

Smelter charges for base metals, comprising treatment and refining charges, are the key elements in the sale of concentrates by mines to smelters. They are negotiated annually by the major mine and smelter operators. The levels thus arrived at become the “benchmark” for smaller players, while some concentrate transactions are concluded on a “spot” basis.

Base metal prices are set daily on the London Metal Exchange (LME) while precious metals prices are established by the London Bullion Market Association (LBMA). Mine revenues are generally derived by calculating the value of the concentrate on the basis of current prices and then deducting smelting charges and adjusting for concentrate quality. Mines benefit from high metal prices and low smelter charges. Smelters prefer to have the first without the second.

Following a period of slow consumption growth and low prices since the late 1990's, the base metals markets are now beginning to reflect improving global economics. According to CRU consumption of copper and zinc has grown by 3.2 percent and 2.4 percent respectively during the first nine months of 2003 compared to the first nine months 2002.

By mid November, the prices for copper, zinc and lead had risen by 35 percent, 24 percent and 45 percent respectively compared with the beginning of the year. Gold has risen by 15 percent during 2003 to just under USD 400 per oz while silver was up 20 percent during the same period. These US dollar price rises occurred as the dollar was declining in value against other currencies. However, metal stock changes are now suggesting a modest economic recovery and prices have also increased in terms of the European currencies.

Current metal price vs historical averages

	November 14, 2003	Last 5 years	Last 10 years	Since 1990
Copper cash USD/t	2,103	1,646	1,972	2,068
C/lb	95.4	74.7	89.4	93.8
Zinc cash USD/t	927	940	1,010	1,067
C/lb	42.1	42.6	45.8	48.4
Lead cash USD/t	630	476	548	558
C/lb	28.6	21.6	24.9	25.3
Gold USD/oz	395	298	328	337
Silver USD/oz	5.3	4.8	5.0	4.8

Source: LME and LBMA

Copper

Applications and production techniques

Copper and its alloys, brass and bronze, are amongst the most important metals in the world – and copper is also one of New Boliden's most important metals. A substantial percentage of all copper produced is used to make copper tubing and electrical cabling. Its excellent thermal and electrical conductivity lead to its use in wiring, electrical equipment and heat exchangers. It corrodes very slowly in air and water, which drives its use in piping, roofing and cladding.

The construction industry accounts for approximately 37 percent of global consumption, with the electrical and electronics industry accounting for approximately 26 percent. Copper is also widely used in cars and white goods.

The final product of the copper mining and smelting industry – and the raw material for further processing – is refined or “cathode” copper. In the traditional production route, mined ore is processed to produce a concentrate. Custom copper smelters, such as Harjavalta Metals, purchase concentrate from mines based on the value of the payable metal content calculated at current metal prices, less an agreed processing charge. In the case of copper, this

charge comprises two parts: the treatment charge (for processing the concentrate into impure “blister” copper) and the refining charge (for converting the blister copper into cathode copper).

The concentrate undergoes several stages of melting and purifying (a “pyrometallurgical” treatment process) at smelters and refineries to produce semi-refined blister copper and then refined cathode copper. Some copper smelters, such as Rönnskär, also use scrap and other secondary materials as part of their input. By-products from the smelting and refining process include sulphuric acid and may also include precious metals, depending on the composition of the original raw material.

Refined copper can also be produced through a hydrometallurgical process, in which copper ore is leached using sulphuric acid to produce a copper-bearing solution. This solution is then put through a solvent extraction-electrowinning (“SX-EW”) process to produce copper cathodes.

Industry structure and competition

The largest copper ore reserves are found in Chile, which is also the world’s largest producer of this metal. Chile has strengthened its leading position with regard to the mine production of copper in recent years, but Indonesia and Australia have also substantially increased their mine output. Chile is also a major producer of refined copper metal, as are Japan, the United States and Germany.

Five large players dominate the mined copper market: Codelco (Chile), Phelps Dodge (United States), BHP Billiton (Australia/UK), Rio Tinto (UK) and Anglo American (UK). Together they have a market share of approximately 38 percent. New Boliden’s share of global mined copper production is 0.6 percent while its share of European mined copper production is 37 percent.

The copper metal market is characterized by a few large, integrated mining and smelting companies and here, Codelco, Phelps Dodge and Rio Tinto are also highly ranked, together with Grupo Mexico and Poland’s KGHM. There are also numerous independent smelters, especially in Japan, whose raw materials supply comes from various mining companies. In addition, some 17 percent of refined copper output comes directly from mines applying SX-EW technology. The production of cathode copper at smelters is often linked to the massive semi-fabricated products markets in the industrialized countries of western Europe, Asia and North America.

New Boliden’s closest copper metal competitors in Europe are Norddeutsche Affinerie (Germany), Umicore (Belgium) and Atlantic Copper (Spain), but competition also comes from Chilean smelters with their substantial copper cathode exports to Europe. Western Europe is nowadays a net importer of copper concentrate for its smelters, primarily from Chile and Indonesia. In fact, consumption of copper in western Europe currently exceeds production by 50 percent. New Boliden’s share of Europe’s copper consumption market is approximately 9 percent.

Production and demand

The average annual increases in the production of copper concentrate (mines) and cathode copper (smelters) worldwide were 3.4 percent and 3.2 percent, respectively, during the period from 1996 to 2002 although growth rates have declined in the past two years. This growth is, however, expected to return to normal levels, starting in 2004.

Global copper consumption increased by an average of 2.8 percent per annum between 1996 and 2002. This rate of growth is expected to be sustained over the next five years, primarily as a result of the strong increase in industrial production in Asia, especially China and South Korea and in Mexico. European copper consumption is 25 percent of the world total.

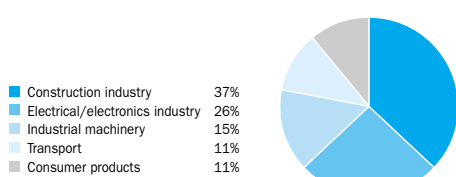
Price development

Base metal prices tend to be highly cyclical, and the copper market has been characterized by a “boom-and-bust” pattern with wildly fluctuating prices. Both copper concentrates and copper metal are traded globally. As a result, the market is driven mainly by price and there is little discipline in the construction of new capacity. During the past twenty years, the start-up of many major new projects, the introduction of new SX-EW technology and significant cost cutting at existing producers have caused a gradual build-up of over-production in copper. The economic downturn since the later 1990’s accentuated the problem leading to stockpiling and low prices. However, the copper market has been responsive to recent low price levels by reducing production or mothballing capacity.

Market Description

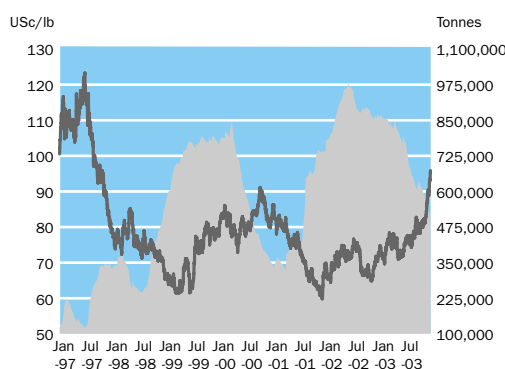
Now, following a period of very low copper prices for base metals, which has lasted since 2001, there are signs of a recovery as 2003 draws to a close. There were signs of improvement already in July and, in October, a more spectacular rise was seen. By mid November, the copper price had risen to around 35 percent of the level of January 1, expressed in US dollar terms. Copper stocks have fallen by 35 percent since the beginning of 2003, much of the fall having occurred since July.

Copper – Western world consumption



Source: Brook Hunt

Copper – Price and stocks



Source: LME

Treatment and refining charges

Since 1997, copper treatment and refining charges have been highly volatile. Deterioration of the economic climate and a decrease in the copper price brought about substantial cuts in mine production. Although treatment and refining charges remained high in 1997, the production cuts, combined with increased Chinese copper concentrate purchases led to a 50 percent drop in treatment and refining charges as smelters competed for scarce concentrates. Apart from 2000, when the market was roughly in balance, this situation continued until mid 2003, when spot treatment and refining charges for copper were the lowest ever in real terms. However, copper treatment and refining charges have recovered slightly in recent months.

Implications for New Boliden

New Boliden operates the Aitik copper mine and the BAO polymetallic mines in Sweden, producing copper concentrates. The company also operates the copper smelter/refineries at Rönnskär and Harjavalta/Pori in Sweden and Finland respectively. With an annual production of over 400,000 tonnes of refined copper, New Boliden clearly stands to benefit from a rising copper price. However, the ongoing shortage of copper concentrates leading to depressed treatment and refining charges is a cause for concern. At the same time, this is a problem faced by all smelter operators and, as a result of being partly integrated and now a much larger entity, New Boliden is better prepared to deal with the situation than most other smelter operators.

Zinc

Applications and production techniques

The main applications of zinc, which is another important New Boliden product, lie in the improvement of the qualities of other metals, either by acting as a coating or as an alloying element. Zinc is characterized by high resistance to corrosion and it is not affected by air at normal temperatures.

Zinc's primary use is as a coating for steel. When bonded to the surface of carbon steel by galvanizing, it forms a layer of zinc oxide that prevents carbon steel from corroding. In addition, it is used as an alloying element, most commonly with copper to produce brass. It serves as an input in vehicle tyres in the form of zinc oxide, on its own or as a zinc-based alloy in precision cast components and as a sheet roofing and cladding material.

The main drivers of zinc consumption are the construction industry, especially the non-residential and infrastructure markets, and the automotive industry, which between them account for about 70 percent of total zinc usage.

The mining of zinc is broadly similar to that of copper although the zinc mining sector is characterized by smaller mines and more underground mining. Since heap-leaching technology for zinc has only just been introduced on an industrial scale, almost all zinc metal is produced from concentrates in smelter/refineries.

Zinc concentrates can be refined using a variety of techniques and the outputs from the process include zinc metal and by-products such as sulphuric acid, copper, cadmium and an iron-containing waste mineral called jarosite.

Zinc smelters use zinc concentrate and/or secondary zinc materials as their input. Some smelters are partially or completely integrated with zinc mining operations under common ownership. However, most are non-integrated or so-called “custom” smelters. They buy concentrate from mines on annual or long-term contracts at the market price for a percentage of the contained metal (the payable metal content) less a treatment charge per ton of concentrate, which is agreed between the two parties. Contracts contain escalators or de-escalators, which mean that the actual treatment charge is strongly correlated with the price of zinc.

Industry structure and competition

Zinc is mined worldwide but the main mining countries are China, Australia, Peru, Canada and the USA. China, Canada and Australia are also major zinc metal producers, as are Japan and South Korea. The largest zinc consuming countries are the USA, Japan, China and Germany.

Although the zinc sector is relatively fragmented, five of the largest players nonetheless account for over 30 percent of global concentrate production. Moreover, consolidation in the zinc mining sector is beginning to gather pace with a takeover of MIM now completed and that of Western Metals in progress, while the creation of New Boliden will lead to further concentration.

The largest zinc concentrate producers are currently Pasminco (Australia), Teck Cominco (Canada) and Noranda (Canada). The worldwide zinc metal market is also supplied partly by large partially-integrated mine and smelter operators such as Pasminco and Teck Cominco and partly by independent smelters like Korea Zinc in Asia and Umicore and in Europe. However, the level of integration is lower than in copper. The combined zinc metal output of Xstrata and its main shareholder, Glencore, now puts them in joint top place globally with Korea Zinc. Chinese smelters play a major role in the zinc metal sector with over 20 percent of global production but a major part of this output is consumed in China.

New Boliden's share of global mined zinc production (including Myra Falls) will be 3.6 percent while its share of European mined production will be 40 percent. The only other European zinc mine operators of any significant size are Anglo American and Rio Tinto, with mines in Ireland and Sweden respectively.

In terms of zinc metal, New Boliden's current output represents about 18 percent of European and 4 percent of global production. The main European competitors are Xstrata and Umicore.

Production and demand

World mine production of zinc was just over nine million tonnes of contained metal in 2002, while world consumption of zinc metal was about 9.3 million tonnes. There was an approximately 4 percent average annual increase in the production of both zinc concentrate and refined zinc during the period from 1996 to 2002, but the growth rate for concentrate was actually modest in 2001–2002. Growth in both zinc concentrate and metal production is expected to return to normal levels from 2004.

World zinc consumption has grown at an average annual rate of 2.7 percent over the last 40 years, and in the last ten years the average rate has been just under 3.4 percent.

Asia is the leading region in terms of zinc consumption growth. In China, India and Taiwan, consumption increased by 9 percent, 5 percent and 4 percent, respectively, during the period 1996–2002. China is now clearly the world's biggest consumer of zinc, and Chinese consumption is rising fast. European zinc consumption is 26 percent of the world total.

Price development

The price of zinc has been less volatile than most other base metals, and there have been only three clear price peaks in the last 40 years, in 1973–1975, 1989–1990 and then a more modest peak in 1997. In real terms, the zinc price has been on a slow declining trend since the mid-1970s.

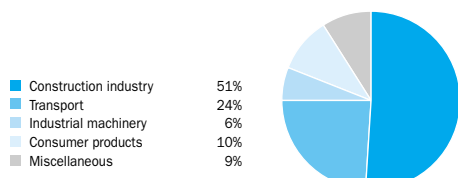
Zinc concentrates and zinc metal are also traded globally, with competition based almost solely on price. In the past, the higher degree of fragmentation has contributed to a lack of discipline in the construction of new mining and processing capacity, and is partly responsible for the poor production response to the market downturn. The

Market Description

high cost of closing an operation, and the fact that production costs are very similar at many operations, has also resulted in most industry participants choosing to maintain production despite failing to make a cash profit.

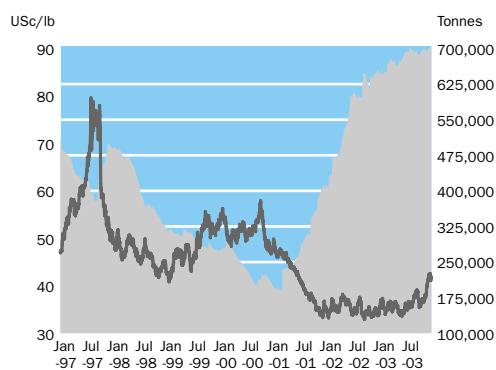
Like copper, zinc has seen a rise in price during 2003, with most of the upturn coming in the third quarter. The price of zinc at the end of October was almost 24 percent above the price at the beginning of the year, albeit on the basis of a very low starting level in US dollar terms. Zinc stocks, unlike those of copper, have actually increased slightly during the year. Most experts are forecasting modest but steady base zinc consumption growth during the coming five years. If production can be restrained, prices will most likely follow suit.

Zinc – Western world consumption



Source: Brook Hunt

Zinc – Price and stocks



Source: LME

Treatment charges

The economic slowdown that began in 1997 brought about cuts in the mining of zinc and decreases in the supply of zinc concentrate. As a consequence, treatment charges for zinc began to decline sharply in the autumn of 1997. However, additional sources of concentrates became available in 1999 and 2000, resulting in higher zinc treatment charges. Since the end of 2000, the zinc concentrate market has tightened markedly, mainly as a result of Chinese concentrate purchases and further decreases in mine output. Zinc concentrate has continued to be in short supply during the past two years, and treatment charges have decreased, reaching historically low levels in the first half of 2003. However, in recent months treatment charges have edged upwards.

Implications for New Boliden

New Boliden operates zinc mines in Sweden, Ireland and Canada and zinc smelters in Finland and Norway. New Boliden is also one of the world's largest recyclers of zinc. It recovers zinc by processing slag and metal ash and zinc-rich steelmaking dust. Overall, New Boliden will benefit from high zinc prices and will avoid the problems of concentrate shortages faced by many of its competitors, because of its balance between zinc mining and smelting.

Lead

Lead is easy to reuse and is hence recycled in greater quantities than copper. Scrap processing and recycling currently accounts for approximately 50 percent of the world's total lead production. Lead batteries account for 75 percent of the world's total lead consumption. Major mine producers of lead include Australia, China, the US, and Peru, while the largest metal producers are China, the US, Japan and Germany.

The market for secondary lead can best be described as fragmented, i.e. with numerous small suppliers supplying the secondary lead smelters. The availability of raw materials – lead batteries – is critical. Bergsöe, which has a 4.5 percent market share of European lead consumption, is the dominant buyer of used lead batteries in Scandinavia.

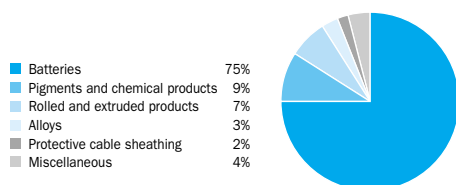
The price of lead has varied to a considerably greater extent than copper and zinc prices over the past 20 years. Over the past two years, however, the price of lead has remained at a relatively stable, but low, level due to reduced demand and increased recycling. Industrial countries now recycle over 90 percent of lead batteries. The lead smelters are concentrated in Western Europe, North America and China. Together they account for over 70 percent of world production.

Market Description

Production by the world's smelters has declined in the past two years, with the exception of China. At the same time, the consumption of lead has fallen during the period as a result of falling levels of car production in Europe and North America, which together currently account for 85 percent of the world's total lead consumption. China is, however, reporting a growth in lead consumption.

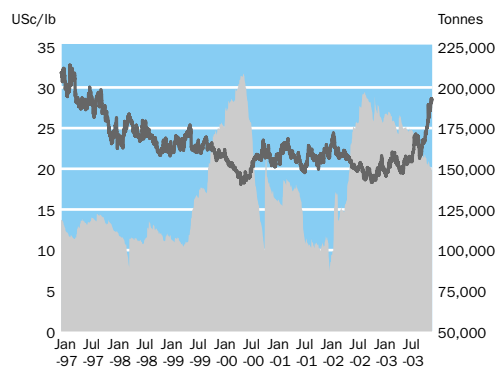
As with copper and zinc, there have been recent signs of improvement in the price and, in mid November, the rise in the US dollar price for the year was around 45 percent.

Lead – Western world consumption



Source: Brook Hunt

Lead – Price and stocks



Source: LME

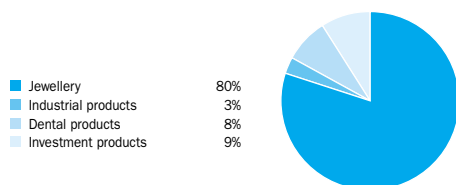
Precious metals

Gold

Gold occurs in Boliden's complex ores and, at Rönnskär, it is extracted from electronic scrap, amongst other materials. Valuables, ornaments and jewellery are by far the leading areas of use, but its use in the manufacture of electrical contacts and connectors in the telecoms technology and electronics industries is increasing. The significance of gold as an investment has declined in recent years. South Africa is one of the major gold producing countries and accounts for almost one fifth of all gold mined in the world.

The factors determining the gold price differ from those that set base metal prices. Between 1996 and 1999, the price fell by about 25 percent, mainly because the world's central banks began to dispose of their gold reserves at the same time as investors began investing in dollars, rather than in gold. The gold price remained consistently low during the period 1998–2001, but returned to 1997 levels again in 2002. Gold has once again begun to attract investors as the dollar has weakened and global uncertainty has increased. Although the gold price has been volatile in 2003, it has been on a distinct upward trend. In November, it has been testing the USD 400 per oz level, a level it has not seen for seven years.

Gold – World consumption



Source: CRU

Gold – Price



Source: LBMA

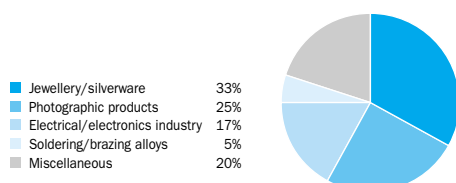
Market Description

Silver

Silver is also present in Boliden's complex ores. One of the main uses for silver is in photographic film. This precious metal and its compounds also have a wide range of industrial uses, e.g. in electrical conductors and in various types of advanced electrical equipment, as well as in the manufacture of jewellery and for artistic purposes. The world's largest silver producers are Mexico, Peru, Australia and Canada.

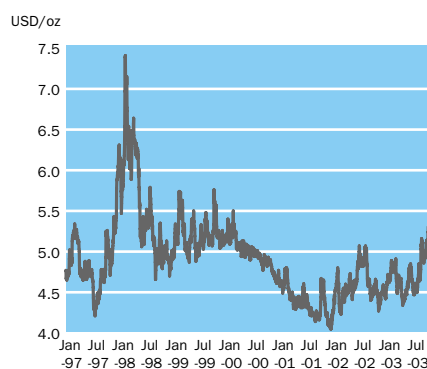
The silver price is more affected by actual supply and demand than the gold price. The price of silver remained relatively stable in 2002 at around USD 4.5 per oz but, in November 2003, it was trading at 20 percent higher at USD 5.4 per oz.

Silver – World consumption



Source: CRU

Silver – Price



Source: LBMA

Outokumpu Units to be Acquired

Outokumpu units in brief

The assets, which Boliden will acquire from Outokumpu will double the size of Boliden increasing the annual net sales level to some SEK 14.7 billion (pro forma 2003) and capital employed to SEK 13.6 billion (pro forma September 30, 2003). The assets to be acquired include the Tara zinc mine in Ireland; Harjavalta Metals in Finland, comprising the copper smelter in Harjavalta and the copper refinery in Pori; the zinc smelters in Kokkola, Finland and in Odda, Norway as well as Outokumpu Zinc Commercial in the Netherlands.

EUR million	9 m 2003	2002	2001	2000	1999	1998
EBITDA²⁾						
Tara mine	-7	-17	-18	9	0	-1
Harjavalta Metals	17	33	34	43	41	58
Zinc total ¹⁾	38	41	82	100	73	49
Total Outokumpu units – pro forma	47	58	98	153	114	106
EBIT²⁾						
Tara mine	-22	-25	-31	-4	-12	-12
Harjavalta Metals	3	15	16	21	9	23
Zinc total ¹⁾	19	13	58	79	51	30
Total Outokumpu units – pro forma	1	3	43	96	48	42

1) Kokkola, Odda and Zinc Commercial.

2) Outokumpu units financials do not include Nickel og Olivin, eliminations, and adjustment to FIFO inventory value (see section "Unaudited pro forma combined financial information of the Outokumpu units").

Operations

Tara mine

Today, the Tara mine in Ireland is the largest zinc/lead mine in Europe with proven and probable ore reserves of 18.0 million tonnes. Extensive drilling commenced in the Navan area in 1970 and development of the ore body began in 1973. The production started in June 1977. In 1986, Outokumpu bought into the Tara mine by acquiring up 75 percent of its shares and in 1989 the Irish Government sold its 25 percent to Outokumpu, thus giving Outokumpu full control.

Production at the Tara mine was discontinued in November 2001 due to poor market conditions, the low price of zinc and high operating costs. However, production was resumed in September 2002, following the launch of a technical improvement program in March 2002 and the purchase in August 2002 of Bula Limited (in receivership), including the Nevinstown orebody located adjacent to the Tara mine, for a total acquisition cost of EUR 37 million. The Nevinstown ore reserves and mineral resources are estimated to be in excess of 8 million tonnes with 10 percent zinc and 2 percent lead content.

In 2002 (the mine was operational from September to December) ore production totalled 0.8 million tonnes at a grade of 7.02 percent zinc and 1.57 percent lead, and 49,000 tonnes of zinc and 8,280 tonnes of lead were contained in concentrates. As a result of the recent improvement program and investments (altogether approximately EUR 100 million) the planned capacity for 2003 is 2.6 million tonnes of ore mined, which will yield zinc and lead concentrates containing some 200,000 tonnes of zinc metal and 40,000 tonnes of lead metal respectively. The recent improvement program and investments have significantly reduced per unit costs and operating result of the mine has recently turned positive. The lifetime of the Tara mining operations, following the acquisition of the Nevinstown orebody and the recent South West Extension, is planned to extend well beyond 2015.

The Tara mine supplies some of the zinc concentrates to Kokkola and Odda smelters through Outokumpu Zinc Commercial, but a majority of Tara's production is sold to third parties in Europe.

On September 30, 2003 Tara had 690 employees on its payroll.

Outokumpu Units to be Acquired

	9 m 2003	2002 ¹⁾	2001 ²⁾	2000	1999	1998
Milled ore, ktonnes	1,921,269	754,883	1,967,697	2,166,558	2,024,132	2,115,828
Head grades						
Zinc (%)	7.51	7.02	8.00	7.55	7.38	7.22
Lead (%)	1.68	1.57	1.92	2.14	2.19	2.10
Concentrate production						
Zinc (t)	238,526	89,003	263,606	271,467	246,785	254,477
Lead (t)	35,832	13,079	44,029	54,382	52,028	52,027
Concentrate grade						
Zinc (%)	56.3	55.1	55.5	56.0	55.7	55.5
Lead (%)	62.2	63.3	62.3	64.6	64.5	66.6
Metal content						
Zinc (t)	134,242	49,061	146,197	151,980	137,481	141,235
Lead (t)	22,273	8,280	27,420	35,129	33,575	34,650
Financial performance						
EBITDA (EURm)	-7	-17	-18	9	0	-1
EBIT (EURm)	-22	-25	-31	-4	-12	-11
Investments (EURm)	24	76	26	15	9	6
Capital employed (EURm)	170	145	66	42	28	33
ROCE (%)	neg	neg	neg	neg	neg	neg
Proven and probable ore reserves						
Tonne (000)	16,100	18,000	12,800	12,100	13,700	15,100
Zinc (%)	9.5	9.3	8.9	9.2	9.5	9.0
Lead (%)	2.0	2.0	2.1	2.2	2.4	2.4

1) Tara mine operational from September to December.

2) Production discontinued in November until September 2002.

Harjavalta Metals

Harjavalta Metals has an annual production capacity of 170,000 tonnes of blister copper and 125,000 tonnes of copper cathode. Production of blister copper takes place at Harjavalta in western Finland. Refining of blister copper into cathode copper takes place at nearby Pori, in Finland. The principal by-products of Harjavalta Metals' copper smelting include gold, silver and sulphuric acid.

The first copper smelter was set up in eastern Finland in 1936, from where it was transferred to western Finland at the final stages of the World War II. The Outokumpu flash smelting method was developed in Harjavalta and implemented in 1949. The copper cathode production started in Pori as early as in 1941. Metallic nickel production began in Harjavalta in 1960. Outokumpu's Harjavalta nickel refinery was sold to OMG of the US in spring 2000, and Harjavalta Metals continues to operate the nickel smelter in Harjavalta as a tolling operation for OMG.

Currently, approximately 70 percent of Harjavalta Metals blister copper production is used by the Harjavalta facility in the manufacture of copper anodes that are then delivered to Pori for converting into copper cathode. The remaining 30 percent of blister copper is sold to refineries located in Europe. All of Harjavalta Metal's copper cathode production is sold for use as raw material in Outokumpu's fabricated production. Raw material purchase, sales and marketing functions are carried out by Harjavalta Metals' office located in Espoo, Finland.

Although Outokumpu produces only small volumes of copper compared to its competitors, the Harjavalta Metals has a competitive advantage due to its cost-efficient production capabilities and technical expertise.

Harjavalta Metals acquires the copper concentrates used as raw material for copper production from sources worldwide on long-term contracts.

On September 30, 2003 Harjavalta Metals had altogether 435 employees on its payroll.

Outokumpu Units to be Acquired

	9 m 2003	2002	2001	2000	1999	1998
Feed, tonnes						
Copper concentrate	411,861	525,376	531,057	501,178	504,019	529,378
Nickel concentrate	155,301	251,272	235,991	234,939	228,133	204,000
Production, tonnes						
Primary copper	120,829	160,896	169,251	155,431	149,594	155,609
Copper cathode	94,386	114,906	115,471	113,969	114,657	122,894
Nickel cathode ¹⁾	–	–	–	4,857	18,746	15,844
Gold	4	5	6	5	6	5
Silver	26	30	23	24	31	30
Sulphuric acid	457,983	631,842	636,103	591,329	602,229	588,277
Liquid SO ₂	35,585	40,598	37,552	42,812	43,522	43,223
Financial performance						
EBITDA (EURm)	17	33	34	43	41	58
EBIT (EURm)	3	15	16	21	9	23
Investments (EURm)	6	6	5	7	7	12
Capital employed (EURm)	86	83	115	137	290	298
ROCE (%)	5	15	13	10	3	7

1) Nickel refinery sold to OMG on April 4, 2000.

Kokkola zinc plant

Outokumpu's zinc plant in Kokkola, western Finland, started its operations in 1969. In October 2001, Outokumpu completed the expansion of the Kokkola plant, increasing its annual production capacity from 225,000 to 260,000 tonnes of Special High Grade (SHG) zinc (99.995 percent pure zinc). This corresponds to 3 percent of the world production. The expansion was accomplished through the implementation of a process technology developed by Outokumpu based on the direct leaching of zinc concentrates parallel to the conventional roasting stage of production. The main advantages of the new production process include more efficient use of zinc concentrates and greater environmental friendliness. As a consequence, the Kokkola plant is now one of the world's most technically advanced, low-cost zinc production facilities and is the second-largest zinc production plant in Europe.

The principal raw material of the Kokkola zinc plant is sulfidic zinc concentrates. These are supplied both by rail from Inmet Mining's Pyhäsalmi mine in Finland and by ship from other producers overseas. Various types of concentrates are blended to produce the optimal mix for the Kokkola process, including some from the Tara mine in Ireland.

More than 80 percent of the zinc produced at the Kokkola plant is exported, most of it to western European countries. Main end-use for the zinc produced in Kokkola is in galvanization of carbon steel. Outokumpu Zinc Commercial is in charge of the commercial functions (see section "Outokumpu Zinc Commercial" for further details).

On September 30, 2003 the Kokkola zinc plant had 701 employees on its payroll.

Outokumpu Units to be Acquired

	9 m 2003	2002 ¹⁾	2001	2000	1999	1998
Feed, tonnes						
Zinc concentrate	366,125	459,649	472,947	442,337	441,582	388,748
Production, tonnes						
Zinc	193,350	235,337	248,816	222,881	225,190	198,940
Cadmium	–	4	604	683	696	519
Mercury	18	51	71	76	55	54
Financial performance						
EBITDA (EURm)	18	17	29	42	30	22
EBIT (EURm)	5	–1	15	29	17	12
Investments (EURm)	6	9	27	27	10	63
Capital employed (EURm)	127	138	165	150	143	137
ROCE (%)	5	neg	10	20	12	10

1) Extended maintenance break (one month) in June 2002.

Odda zinc plant

Outokumpu Norzink AS (Odda zinc plant) was established in 1924 and acquired by Outokumpu in April 2001 (50 percent from Boliden and 50 percent from Rio Tinto) for a total acquisition cost of EUR 205 million. The plant is situated on Eitrheimsneset, a peninsula on the western side of Sørkjord approximately 4 kilometers north of Odda. The main products are zinc and aluminum fluoride. Currently the annual capacity is 150,000 and 28,000 tonnes respectively, and the plant is one of the world's most cost-efficient zinc producers. In addition, the Odda zinc plant also produces sulphuric acid.

Outokumpu is currently modernizing the Odda plant with a EUR 88 million investment, which will be spread over 2003 and 2004. The older roasting plant at Odda will be replaced by the direct leaching process developed by Outokumpu. The modernization program is progressing in line with the planned cost estimate and schedule and will be completed in the fall of 2004. The Odda plant is already at present among the most cost-efficient zinc plants in the world, partly due to low-cost hydro power. The direct leaching process of zinc concentrates developed by Outokumpu will further improve the cost-efficiency of the production. The new direct leaching process will, among other things, enable the use of a wider quality range of zinc concentrates and will lay the foundation for the utilization of modern, cost-efficient technology also in a possible future expansion of production. The direct leaching process has been in use at the Kokkola zinc plant since 1998.

The modernization will increase the concentrate feed capacity of the Odda plant by about 10 percent. The project will also secure the Odda plant as one of the world's most environmentally sound zinc plants.

The Odda facility has its own ice-free port, which is used for receiving zinc concentrates and other raw materials and for shipping refined zinc and aluminum fluoride powder. Through its 40 percent ownership interest in a nearby hydroelectric power plant, the Odda facility has access to abundant supplies of electrical power at rates that are highly competitive by international standards.

More than 90 percent of the zinc produced at the Odda zinc plant is exported, mainly to Scandinavia, Germany, the UK, the US and South East Asia. The refined zinc produced by Odda is marketed and sold through Outokumpu Zinc Commercial. The aluminum fluoride powder produced at the Odda facility is mainly sold to Norwegian aluminum smelters.

On September 30, 2003 the Odda zinc plant had 414 employees on its payroll.

Outokumpu Units to be Acquired

	9 m 2003	2002	2001	2000	1999	1998
Feed, tonnes						
Zinc concentrate	193,544	225,270	232,296	222,016	214,667	208,145
Production, tonnes						
Zinc	106,430	144,538	144,694	138,400	144,000	137,900
Cadmium	251	209	372	328	318	478
Aluminum fluoride	19,050	28,976	28,976	22,608	26,400	26,600
Financial performance						
EBITDA (EURm)	2	3	35	40	27	19
EBIT (EURm)	-3	-8	26	31	18	10
Investments (EURm)	26	14	10	10	6	7
Capital employed (EURm)	91	76	84	75	65	69
ROCE (%)	neg	neg	32	44	27	13

Outokumpu Zinc Commercial

Outokumpu Zinc Commercial B.V., located in Rotterdam in the Netherlands, purchases the zinc concentrate used as raw material, hedges against fluctuations in zinc prices and currency exchange rates and contracts the Kokkola and Odda facilities to process the zinc concentrates into zinc metal, which Outokumpu Zinc Commercial in turn sells on the open market. The zinc plants are paid a treatment charge for the processing of the zinc concentrate. In addition, any zinc metal extracted by the plants from the concentrates in excess of the agreed recovery rate as specified in the tolling agreement, is sold by Outokumpu's zinc plants to Outokumpu Zinc Commercial at the prevailing market price. By-products produced in the zinc refining process are sold by the zinc plants on the open market. However, the value of the by-products is taken into account in the treatment charge. Outokumpu Zinc Commercial also has a branch office located in Winterthur, Switzerland.

On September 30, 2003 the Outokumpu Zinc Commercial had 17 employees on its payroll.

	9 m 2003	2002	2001	2000	1999	1998
Financial performance						
EBITDA (EURm)	18	22	18	19	16	9
EBIT (EURm)	18	22	18	19	16	9
Investments (EURm)	0	0	0	0	0	0
Capital employed (EURm)	33	31	17	24	18	21
ROCE (%)	74	90	86	88	82	47

Employee structure

The Outokumpu units to be acquired by Boliden in the transaction had altogether an average total of 2,285 employees in 2002. At the year-end the number of personnel was 2,247 and 1,185 of them worked in Finland, 667 in Ireland, 380 in Norway, 10 in the Netherlands and 6 in Switzerland.

Environmental issues

General

Operations of the Outokumpu units to be acquired by Boliden are subject to a range of environmental laws and regulations adopted by governmental authorities in the countries in which the companies operate. Examples include those relating to major accidents, waste and waste water treatment, disposal of waste, air emissions or discharges and protection of sites.

Boliden has, together with external experts, conducted a due diligence of the environmental issues related to the acquired Outokumpu units. In this process, no material issues have been detected that could adversely effect the position of New Boliden.

Compliance with environmental requirements of the Outokumpu units

The acquired Outokumpu businesses are exposed to risks of environmental costs and liabilities arising from the manufacture, use, storage, transport and sale of materials that may be considered to cause harm when released into the environment. Liability may also arise through the acquisition or ownership of properties or businesses.

The environmental impact of Outokumpu units' operations is primarily related to the operation of its metallurgical process plants, particularly production of zinc and copper. Currently, the key environmental objective for the units is to reduce water and energy consumption in the production processes. Each of Outokumpu units to be acquired by Boliden is substantially in compliance with all material applicable environmental laws and regulations and guidelines both at the EU level and in all jurisdictions in which it operates. Regulatory compliance is reviewed annually and published in the form of environmental health and safety reports.

Certified or registered environmental management systems are in use at Harjavalta (ISO 14001 since 2001), Pori refinery (EMAS since 1998), Kokkola (ISO 14001 since 2000) and Odda (ISO 14001 since September 2003). The Tara mine's registration according to EMAS is still pending.

The operations of the Outokumpu units require various environmental permits covering, among others, water use and discharges, treatment of emissions into air and solid waste disposal. The Outokumpu units have valid environmental permits and it is not anticipated that the units will face any particular difficulties when applying for the renewal of such permits or for new permits.

Environmental incidents, emissions and accidents

In 2002, no significant emission limit non-compliances occurred at any of the Outokumpu sites to be acquired by Boliden. Implemented environmental programs have further decreased emissions. One target in particular, to reduce the consumption of fresh water and accordingly metal releases, has been reached. No environmental accidents or reportable incidents occurred during 2002, nor were there any compensations or fines.

In 2002, copper and zinc operations' metal releases to water, consisting primarily of zinc, copper and nickel, were reduced by nearly half from the previous year to a total of 20 tonnes. The Harjavalta figure also includes releases from nickel production of OMG Harjavalta Nickel Oy, which has a joint water treatment system and permit with Harjavalta Metals. Copper discharges from the Harjavalta copper smelter were reduced by 70 percent, after separation of anode foundry cooling water and improvements in water recycling. Kokkola zinc plant metal releases to water were reduced by as much as 39 percent due to changes made to processes. The Odda zinc plant surface water collection and recycling system and its improved water treatment reduced releases by 18 percent.

In 2002, emissions to air from copper and zinc operations remained at previous levels. Total sulphur dioxide emissions were approximately 3,400 tonnes. A majority of this (3,300 tonnes) comes from the Harjavalta copper and nickel smelters, which is far below the permit limit of 4,500 tonnes. This figure comprehends the entire site, also including fugitive emissions and emissions from sulphuric acid production. Specific sulphur dioxide emissions, or the emissions per smelted tonne of metal, amounted to 16 kilograms. Based on international comparative data, this means that the Harjavalta smelter is one of the cleanest in the world. Particulate emissions from copper and zinc production facilities totalled 123 tonnes, while their carbon dioxide emissions totalled 187,000 tonnes.

The Tara mine's location close to a rural/residential area, surrounded by dwellings and high-quality agricultural land and underlying a prime fishing river – the Blackwater – has resulted in the placing of considerable emphasis on environmental matters. Tara operates the mine within the terms of one of the strictest and most comprehensive planning/environmental permits of any mining operation. It has been essential to install environmental monitoring control technology at each stage of mine production and processing.

Legal proceedings

The Outokumpu units have extensive international operations and are in connection with such operations involved in various disputes and legal proceedings, either as a defendant or a plaintiff. These disputes and legal proceedings are not believed to have – neither alone nor in the aggregate – any material adverse effect on New Boliden's result of operation or financial condition.

Financial information – Outokumpu units combined¹⁾**Unaudited pro forma combined income statements**

<i>SEK million</i>	<i>9 m period ended Sept 30, 2003</i>	<i>9 m period ended Sept 30, 2002</i>	<i>Year ended Dec 31, 2002</i>
Net sales	5,635	5,559	7,526
Cost of goods sold	-5,484	-5,334	-7,169
Gross result	151	225	357
Cost of sales	-43	-32	-46
Administrative expenses	-128	-150	-196
Research and development costs	-24	-59	-86
Other operating income & expenses	29	38	20
Operating result	-15	22	49
Financial items, net	-49	-61	-79
Result after financial items	-64	-39	-30

Unaudited pro forma combined balance sheets

<i>SEK million</i>	<i>Sept 30, 2003</i>
Intangible fixed assets	6
Tangible fixed assets	4,199
Deferred tax asset	214
Interest-bearing receivables	244
Inventories	1,108
Other interest-bearing current receivables	513
Other current receivables	820
Liquid funds	173
Total assets	7,277
Shareholders' equity	2,447
Deferred tax liability	332
Interest-bearing non-current liabilities	569
Other long-term liabilities	29
Interest-bearing current liabilities	2,406
Other current liabilities	1,494
Total shareholders' equity and liabilities	7,277

Unaudited pro forma combined statements of cash flow

<i>SEK million</i>	<i>9 m period ended Sept 30, 2003</i>	<i>9 m period ended Sept 30, 2002</i>	<i>Year ended Dec 31, 2002</i>
Cash flow from ongoing operations before change in working capital	417	388	400
Change in working capital	-194	114	528
Cash flow from ongoing operations	223	502	928
Cash flow from investing activities	-569	-838	-960
Cash flow from financing activities	241	302	-64
Cash flow during the period	-105	-34	-96

1) The amounts are presented in SEK millions for the convenience of the reader. For a description of the combined units in EUR, please see section "Unaudited pro forma combined financial information of the Outokumpu units" on pages 53–57.

Outokumpu Units to be Acquired

Key ratios¹⁾

	<i>9 m period ended Sept 30, 2003</i>	<i>9 m period ended Sept 30, 2002</i>	<i>Year ended Dec 31, 2002</i>
Margins, %			
Gross margin	2.7	4.0	4.7
Operating margin	-0.3	0.4	0.7
Return on capital, %			
Return on capital employed	0.2		
Capital structure			
Capital employed, SEKm	5,035		
Investments			
Investments in tangible assets, SEKm	569	838	960
Investments in intangible assets, SEKm	0	0	0
Investments in financial assets, SEKm	0	0	0
Average no. of employees at end of period	2,257	n/a	n/a

1) For definitions see page 14.

Boliden Units to be Divested

For information on remaining Boliden units, please refer to previous annual reports and interim reports of Boliden.

Technology Sales (Boliden Contech)

Boliden's technology sales are conducted through Boliden Contech. The company supplies engineering services to Boliden's mines and smelters in conjunction with investments and upgradings. It also sells engineering services and technology externally. The company offers general engineering services, technical services, technology and products and has sales offices in Sweden, Russia, China and Chile.

Internal sales to Boliden's units account for approximately half of the business area's engineers, with the remainder working on international projects for external customers. The external account stand for 74 percent of total sales in 2002. The customer structure consists mainly of non-ferrous smelters, predominately copper smelters and refineries.

	9 m 2003	2002	2001	2000	1999	1998
Financial performance						
EBITDA (SEKm)	3	1	12	0	3	12
EBIT (SEKm)	1	-1	10	-2	0	9
Investments (SEKm)	1	3	1	1	2	5
Capital employed (SEKm)	-3	-17	-20	-14	7	17
ROCE (%)	n/a	n/a	n/a	n/a	n/a	n/a

Fabrication

Fabrication manufactures copper tubes and extruded brass products. The production and marketing of copper tubing is conducted through Boliden Cuivre & Zinc (BCZ) in Belgium and HME in the Netherlands. The production of brass products is conducted via Boliden MKM in the UK, Boliden LDM in the Netherlands and Boliden Gusum in Sweden. Fabrication has established itself as a leading player in Europe in the market for both copper tubing and brass products. Fabrication has sales companies in Spain, France, Germany, Poland, Denmark, the UK and Belgium.

On September 1, 2003, Boliden and Hexagon formed a 50/50 joint venture between their two Swedish brass plants, Boliden Gusum and Nordic Brass. During 2003–2004 all production at the Nordic Brass plant will be moved to the Gusum plant. This consolidation will create significant cost and productivity synergies.

On July 1, 2003, Boliden MKM acquired the operations in Cerro Extruded Metals. Cerro produces similar brass products as Boliden MKM. The production at the Cerro plant will be moved to the Boliden MKM plant during 2003. This consolidation will create significant cost and productivity synergies.

Boliden is mainly producing copper tubes for sanitary applications. The tubes are mainly sold to wholesalers who distribute the tubes to the plumbing industry. Some tubes are also sold directly to DIY-chains (Do-It-Yourself).

Boliden brass products are semi-finished products and are sold to industrial customers in various types of business.

	9 m 2003	2002	2001	2000	1999	1998
Production						
Brass and copper, tonnes	94,543	121,037	113,320	121,550	125,155	124,550
Financial performance						
EBITDA (SEKm)	-34	49	71	120	60	143
EBIT (SEKm)	-76	-6	14	63	3	83
Investments (SEKm)	52	85	25	35	55	79
Capital employed (SEKm)	759	750	790	890	799	845
ROCE (%)	neg	neg	2	7	0	10

Copper tube cartel investigation

On August 29, 2003, the European Commission decided to initiate proceedings under Article 81 of the EC Treaty and Article 53 of the EEA Agreement and adopted a Statement of Objections (“SOB”) addressed to Boliden Cuivre et Zinc SA (“BCZ”) Boliden Fabrication AB and Boliden AB. According to the Commission’s SOB, BCZ has participated in cartel activities in the European sanitary copper tubes market during the period 1988–2001. In the SOB it is stated that the cartel did include coordination of prices and market sharing. The Commission simultaneously initiated similar proceedings against eight other companies acting on the same market.

The decision by the Commission can be expected during 2004. Even though the outcome is premature to assess at this stage, Boliden must prudently take into account that Boliden Cuivre et Zinc SA, Boliden Fabrication AB and Boliden AB may be held liable to pay a fine in accordance with the applicable EU rules. Since Boliden Cuivre et Zinc SA and Boliden Fabrication AB will be transferred to Outokumpu upon completion of the transaction with Outokumpu, Boliden AB has agreed to indemnify Outokumpu for any consequences resulting from the above mentioned matter. It is Boliden's opinion, which is supported by external legal counsel, that it is not possible, at this stage, to evaluate with any reasonable degree of certainty what total financial impact this matter will cause to Boliden AB. No provision has been made in the consolidated financial statements for the Boliden group as of September 30, 2003.

Risk Factors

The operations of New Boliden will be affected by a number of factors, whose effect on the group's result and financial position can be controlled only to a limited extent. When evaluating the future development of the combined group it is important to also take into consideration the risk factors set forth below.

Risk factors related to the transaction

Integration process

The transaction involves the integration of operations that have previously operated independently. The difficulties of combining the operations include, inter alia, the necessity of coordinating geographically separated organizations, systems and facilities, from an operational, financial and legal perspective. The management will, in addition to the day-to-day business, have to spend considerable resources and time on the integration process.

Any delays or difficulties encountered in connection with the integration could adversely affect the business of the combined group after the transaction.

Synergies and non-recurring costs

Among the factors considered by Boliden's board of directors in connection with this transaction, were the possibilities of synergies that could result from the transaction. These synergies have been described in some detail in section "New Boliden – Synergies". There is no assurance that these synergies will be realized within the time frames or to the extent contemplated. Any delays or difficulties encountered in connection with the integration process or changes in the market conditions and technologies could adversely affect the possibility to achieve such synergies, thereby affecting the business of the combined group after the transaction. Neither is there any assurance that the realization of synergies does not entail additional integration expenses.

Valuation issues

The determination of the values of the acquired and sold businesses has been made using standard valuation methods. The valuations have been based, inter alia, on agreed assumptions on exchange rates and metal prices. These assumptions reflect the best available information to the parties at the time the transaction was negotiated. The value of the various units might change considerably if other assumptions regarding future metal prices and exchange rates, or other key value drivers, are made, and over time. As a result, the valuations made of Boliden and the Outokumpu units may not accurately reflect the intrinsic values of the operations, and, accordingly, the terms of the transaction may not accurately reflect the relative values of Boliden and the Outokumpu units.

Indebtedness of and financial covenants for New Boliden

As a result of Boliden's significant investments in the acquisition of the copper and zinc smelting and mining operations from Outokumpu, New Boliden's net debt level will be high. New Boliden's net interest-bearing debt and its debt-to-equity ratio are estimated to be SEK 5,831 million and 84 percent (excluding subordinated debenture), respectively, at September 30, 2003 pro forma after the completion of the transaction and the planned rights issue. Boliden is also required to comply with certain financial covenants imposed by its lenders under the credit facilities.

New Boliden intends to use the net proceeds of the approximately EUR 150 million rights issue, which is planned to take place during the first quarter 2004, to reduce the net debt level. New Boliden's ability to reduce its net debt will depend substantially on its ability to generate cash flow from its operations, to successfully complete the rights issue and to divest some of its non-core assets. In the event that Boliden's plans do not succeed as intended or take longer to implement than it expects, the high net debt level and, particularly, any breach of covenants could restrict or postpone further investments, increase the cost of capital, and/or negatively affect the financial stability of the company.

Approvals from authorities

Completion of the transaction is conditional upon the receipt of all governmental authorizations, consents, orders, and approvals, including the expiration or termination of the applicable waiting periods (and any extension thereof) under any competition, merger control or similar law or regulation, including the EC Council Regulation 4064/89, subject to the waiver, if permissible, of such conditions in accordance with the terms of the transaction agreements. Boliden and Outokumpu intend to pursue vigorously all required regulatory approvals. No assurance can be given, however, that such approvals will be obtained, or, if they are obtained, that they will be obtained in a timely manner. Failure to obtain such approvals, or failure to obtain unconditional approvals, could have a negative impact on Boliden's business or financial position.

Customers

In copper the main customers will be Outokumpu and Elektrokoppar, which together represent about 65 percent of the metal sold. Both Outokumpu and Elektrokoppar have been the main customers to the Harjavalta and Rönnskär operations, respectively, for several years and there are no indications about any changes in their willingness to continue the relationship.

In zinc, the customer base will continue to be the same as under Outokumpu's ownership and there are no reasons to believe that there will be any major changes in the behavior of these customers.

Concentration of ownership

Following the completion of the transaction, Outokumpu will own 49 percent of the shares and voting rights of New Boliden. The ownership may enable Outokumpu to significantly influence the outcome of any shareholder vote.

Risk factors related to the businesses

Mining risks and insurance

The mining operations of New Boliden are subject to risks normally encountered in the mining business. Such risks include environmental hazards, industrial accidents, labour disputes, unusual or unexpected geological formations or pressures, rock bursts, cave-ins, flooding and periodic interruptions due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or production facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Although New Boliden attempts to maintain insurance against such risks within ranges of coverage consistent with industry practice, there can be no assurance that New Boliden will be able to obtain such insurance or, if it can, that it will be able to do so at economically feasible premiums. Insurance against environmental risks (including potential liability for pollution or other hazards as a result of disposal of waste products occurring from exploration and production) is not generally available to New Boliden, or to other companies within the industry. To the extent that New Boliden is subject to environmental liabilities, the payment of such liabilities would reduce the funds available to the company. If New Boliden is unable to fund fully the cost of remedying an environmental problem, the company might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy.

Nature of mineral exploration and development

The exploration for and development of mineral properties includes significant financial risk which even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an orebody may result in substantial rewards, few properties which are explored are ultimately developed into producing mines. Major expenses may be required to establish mineral reserves by drilling, constructing mining and processing facilities at a site, developing metallurgical processes and extracting metals from the ore. It is impossible to ensure that the current exploration and development programs of New Boliden will result in profitable commercial mining operations.

Sourcing of metal concentrate to smelting operations

Smelters are typically either integrated smelters or custom smelters. Integrated smelters are integrated with their own mines. Custom smelters are customers to independent mines. Smelters in Chile are typically integrated whereas European smelters typically are custom smelters. Integrated smelters have the advantage of steady supplies. Custom smelters on the other side, have to purchase raw materials on the global market for concentrates. Custom smelters may be more exposed to risks of external supply disturbances, such as logistical disruptions, political bad will, tariffs etc.

The Rönnskär smelter has since long benefited from the combination of both alternatives: a well documented steady supply of copper concentrate from Boliden's own mines and purchased external raw materials such as concentrate and scrap. The Harjavalta smelter has been sourcing its raw material from external mines, with favourable contract terms. Both the Kokkola and Odda zinc smelters use an optimal mix of internal and external raw material feed.

Concentrates are available from various sources and under various forms of contracts and with various durations. Mines sell concentrates directly to smelters or they may choose to sell via traders. Agreements with mines and traders may be made under variable form of firmness. As parties foresee variations of smelting and refining charges, terms are traditionally fixed for one year. If the parties cannot agree on the treatment and refining charges an alternative can be to take temporary “holiday” for deliveries.

Metal price volatility

Because a significant portion of New Boliden’s revenues are derived from the sale of zinc, copper, lead, gold and silver (primarily zinc and copper), New Boliden’s earnings are directly related to the prices of these metals. Zinc, copper, lead, gold and silver prices fluctuate widely and are affected by numerous factors beyond New Boliden’s control, including expectations for inflation, speculative activities, the relative exchange rate of the US dollar and Swedish krona and US dollar and Euro, global and regional demand and production, political and economic conditions and production costs in major producing regions. The effects of these factors, all of which are beyond New Boliden’s control, are impossible for New Boliden to predict. If the market prices for these metals fall below New Boliden’s full production costs and remain at such level for any sustained period, New Boliden will experience losses and may determine to discontinue the development of a project or mining at one or more of its properties. For the approximate impact on New Boliden’s operating income of changes in metal prices, see section “New Boliden – Key factors affecting revenues and earnings”.

Competition for properties

Because mines have limited lives based on proven mineral reserves, New Boliden is continuously seeking to replace and expand its mineral reserves. New Boliden encounters strong competition from other mining companies in connection with the acquisition of properties producing or capable of producing zinc, copper, lead and gold and other minerals. As a result of this competition, New Boliden may be unable to acquire attractive mining properties on terms it considers acceptable. In addition, there are a number of uncertainties inherent in any program relating to the location of mineral reserves, the development of appropriate metallurgical processes, the receipt of necessary governmental permits and the construction of mining and mineral processing facilities. Accordingly, there can be no assurance that New Boliden’s programs will yield new mineral reserves to replace and expand current mineral reserves.

Reserves

New Boliden’s mineral reserves are, in large part, estimates made by New Boliden’s technical personnel, and no assurance can be given that the indicated level of recovery of these metals will be realized. Reserves estimated for properties that have not yet commenced production may require revision based on actual production experience. Market price fluctuations of New Boliden’s metals, as well as increased production costs or reduced recovery rates, may render reserves containing relatively lower grades of mineralization uneconomic and may ultimately result in a restatement of mineral reserves. Moreover, short-term operating factors relating to the mineral reserves, such as the need for sequential development of orebodies and the processing of new or different ore grades, may adversely affect New Boliden’s profitability in any particular accounting period.

Exchange rates

Fluctuations in currency exchange rates can significantly impact New Boliden’s earnings and cash flows. Most of New Boliden’s revenues and debt are denominated in US dollars and euro whereas most of New Boliden’s operating costs are denominated in Swedish kronor, euro, Norwegian kronor and Canadian dollar. (See section “New Boliden – Key factors affecting revenues and earnings”).

Government regulations

New Boliden’s activities are subject to extensive laws and regulations controlling not only the mining of and exploration for mineral properties, but also the possible effects of such activities upon the environment. Permits from a variety of regulatory authorities are required for many aspects of mine operation and reclamation. Future legislation and regulations could cause additional expense, capital expenditures, restrictions and delays in the development of properties, the extent of which cannot be predicted. In the context of environmental permitting, including the

approval of reclamation plans, New Boliden must comply with known standards, existing laws and regulations which may entail greater or lesser costs and delays depending on the nature of the activity to be permitted and how stringently the regulations are implemented by the permitting authority.

Furthermore, subsequent to the transaction with Outokumpu, laws and regulations relating to market behaviour, including market and competition or similar laws or regulations, could restrain the manner in which New Boliden may conduct its business or operations in comparison to the manner in which Boliden has conducted its business and operations prior to the transaction since, among other things, New Boliden will be a more significant participant in its field of business.

New Boliden's businesses are subject to detailed and extensive government regulations relating to the protection of health and the environment, including those relating to air, soil and water quality, solid and hazardous waste management and disposal and mine reclamation and closure. Although New Boliden believes that its current provision for mine reclamation and mine closure costs as well as its current estimates for total mine reclamation and closure costs are sufficient, there can be no assurance that they will not prove inadequate for various reasons. In addition, if New Boliden were required for any reason to cease operations at either of its smelters or to remediate its concentrate handling facilities, which have been operated at their current sites for extended periods, the reclamation costs could be substantial. (See also section "Outokumpu units to be acquired – Environmental issues").

Employee relations

A portion of New Boliden's workforce is unionized and represented by different unions. The current contracts expire at different times. If these contracts are not renewed on their expiry, there is a risk of work stoppages due to strike or lockout. The unionization of the workforce implies restrictions to any adjustment of capacity.

Legal proceedings

Boliden and the Outokumpu units are involved in various legal proceedings that arise, from time to time, in the ordinary course of business (for a description of legal proceedings related to Outokumpu units see section "Outokumpu units to be acquired – Legal proceedings").

Deferred tax assets

The book value of deferred tax assets accounted for as assets in the balance sheet of New Boliden is dependent on the ability of the company to generate future taxable profits (pro forma deferred taxes for New Boliden amounted to SEK 525 million at September 30, 2003, of which SEK 278 million related to Tara).

Any long-term deterioration in the ability to generate taxable profits (for the units to which the deferred tax assets relate) may cause an impairment of these assets.

Unaudited Pro Forma Combined Financial Information of New Boliden

The following unaudited pro forma combined financial information presents the effects of the agreements entered into between Boliden AB (“Boliden”) and Outokumpu Oyj (“Outokumpu”) whereby Boliden will acquire Outokumpu’s mining and smelting operations within zinc and copper (the “acquisition”) and Outokumpu will acquire Boliden’s Fabrication (“Fabrication”) and Technology Sales units (“Contech”) (jointly the “transaction”) as well as a planned rights issue.

The transaction is subject to certain conditions which are further described in the section “Transaction structure and financing”. The consideration together with the acquired assets and liabilities will be accounted for at fair values at the date of exchange of control, a date dependent on when the conditions established are fulfilled. In order to present the unaudited pro forma combined balance sheet, it is assumed that the transaction was consummated on September 30, 2003. The unaudited pro forma combined income statements and cash flow statements are presented assuming that the transaction was consummated on January 1, 2002 (the “assumed transaction date” for the balance sheet, income statements and cash flow statements respectively).

Boliden has presented this unaudited pro forma combined financial information for illustrative purposes only. The unaudited pro forma combined financial information is not necessarily indicative of the actual results of the operations or financial position that would have occurred had the transaction been consummated on the dates indicated above, nor are they necessarily indicative of future operating results or financial position.

The unaudited pro forma combined financial information does not take into account any future expected cost savings as effects of synergies or changes in the operating structure, nor do they reflect any restructuring provisions as a consequence of decisions that may be taken in connection with closing of the transactions, nor any potential liabilities with regards to “Certain undertakings etc. under the transaction agreements”, as described on page 4.

The unaudited pro forma combined financial information is presented assuming the following events occurred on the assumed transaction date:

A. Acquisition of Outokumpu’s mining and smelting operations

- Boliden AB acquired all outstanding shares in Outokumpu Norzink A/S, Outokumpu Harjavalta Metals Oy, Outokumpu Zinc Commercial BV, Outokumpu Zinc Oy and Tara Mines Holding Ltd including all subsidiaries of these units (the “acquired Outokumpu units”); and
- Boliden acquired all net intra-group receivables that the acquired Outokumpu units owed to group companies within the Outokumpu group at nominal value.
- Boliden AB financed the acquisitions above through
 - Issuance of 82,446,475 new shares in Boliden AB at SEK 32.50¹⁾ per share, after which Outokumpu will own 49 percent of the shares and votes of Boliden AB (the “issue in kind”). The issue in kind represents a value of SEK 2,670 million after deduction of estimated costs of SEK 10 million in connection with the issuance
 - Issuance of new debt amounting to EUR 373 million to certain credit institutions (the “new credit facility”)
 - Issuance of a subordinated debenture to Outokumpu amounting to EUR 56 million plus a change in capital employed from December 31, 2002 to the assumed transaction date and net of any third party interest-bearing assets and liabilities in the acquired Outokumpu units.

B. Sale of Boliden’s Fabrication and Technology Sales units

- Boliden sold all outstanding shares in Boliden Contech AB together with all outstanding shares in Boliden Fabrication AB and
- Boliden sold all outstanding net intra-group receivables owed by Contech and Fabrication or any of its subsidiaries
- As consideration for the sale of Fabrication and Contech units, Boliden received 5,000,000 shares in Outokumpu Oyj at EUR 10.40 per share¹⁾ valued at the EUR/SEK exchange rate of the balance sheet date, 8.913.

1) Represents closing price for the Boliden AB share on the Stockholm Exchange on October 31, 2003 and the closing price for the Outokumpu Oyj share on the Helsinki Exchanges on October 31, 2003.

C. Completion of an underwritten rights issue

Subsequent to completion of the transaction, an underwritten rights issue amounting to approximately EUR 150 million (the "rights issue") is planned. The unaudited pro forma combined financial information has been presented assuming that the rights issue has been completed at the assumed transaction date and that EUR 50 million of the proceeds from such rights issue has been used to repay the lenders under the new credit facility and that EUR 50 million of the proceeds has been used to repay the lenders under Boliden's existing credit facilities prior to completion of the transaction. The remaining EUR 50 million has increased Boliden's liquid funds.

Following the transaction, Boliden AB will obtain a controlling influence over the acquired Outokumpu units and will therefore consolidate these units from the date when the transaction is completed. Similarly, Boliden will lose its controlling influence over Contech and Fabrication, and therefore deconsolidate these units from the date when the transaction is completed. In the unaudited pro forma combined financial information the assets, liabilities and results of operations of the Outokumpu units have been added for each period presented as if the date of transfer of control occurred at the assumed transaction date and Contech and Fabrication have been deducted from the financial information presented for Boliden for each period presented as if Contech and Fabrication were sold at the assumed transaction date.

In order to finance the cash consideration Boliden will enter into a credit facility arrangement with certain credit institutions and also issue subordinated debentures to Outokumpu. The unaudited pro forma combined financial information is presented as if the credit facilities and the subordinated debentures were issued at the assumed transaction date.

The unaudited pro forma combined financial information is prepared assuming that all proceeds from issuance of new Boliden shares are based on the share price at the Stockholm Stock Exchange on October 31, 2003, i.e. SEK 32,50 for all pro forma periods presented.

The following unaudited pro forma combined financial information is based on historical audited consolidated financial statements of Boliden AB as of and for the year ended December 31, 2002 and the historical unaudited consolidated interim financial statements as of and for the nine-month period ended September 30, 2002 and September 30, 2003 prepared in accordance with generally accepted accounting principles in Sweden. For a description of the basis under which the acquired Outokumpu units have been prepared, please see section "Unaudited pro forma combined financial information of the Outokumpu units". The unaudited pro forma combined financial information has been prepared by combining the consolidated financial information for Boliden AB with the combined financial information for the acquired Outokumpu units deducting the combined financial information for Contech and Fabrication and adjusting for the transaction and the rights issue.

The unaudited pro forma combined financial information should be read in conjunction with information included elsewhere in this document and the historical consolidated financial statements of Boliden AB.

**Unaudited pro forma combined income statement for the nine-month period ended
September 30, 2003 (all amounts in millions of SEK)**

	<i>Boliden consolidated</i>	<i>Fabrication and Contech combined</i>	<i>The acquired Outokumpu units</i>	<i>Transaction adjust- ments</i>	<i>New Boliden</i>	<i>Rights issue</i>	<i>New Boliden adjusted for rights issue</i>
	Note 1	Note 2	Note 3	Note 4		Note 5	
Net sales	6,962	-1,782	5,635	-267 (a)	10,548	0	10,548
Cost of goods sold	-6,200	1,636	-5,484	164 (b)	-9,884	0	-9,884
Gross result	762	-146	151	-103	664	0	664
Cost of sales	-256	163	-43	0	-136	0	-136
Administrative expenses	-237	75	-128	0	-290	0	-290
Research and development costs	-61	1	-24	0	-84	0	-84
Other operating income & expenses	74	-24	29	0	79	0	79
Share in associated companies' profits	15	0	0	0	15	0	15
Operating result	297	69	-15	-103	248	0	248
Financial items, net	-217	18	-49	-109 (c)	-357	41 (s)	-316
Result after financial items	80	87	-64	-212	-109	41	-68

**Unaudited pro forma combined income statement for the nine-month period ended
September 30, 2002 (all amounts in millions of SEK)**

	<i>Boliden consolidated</i>	<i>Fabrication and Contech combined</i>	<i>The acquired Outokumpu units</i>	<i>Transaction adjust- ments</i>	<i>New Boliden</i>	<i>Rights issue</i>	<i>New Boliden adjusted for rights issue</i>
	Note 1	Note 2	Note 3	Note 4		Note 5	
Net sales	7,252	-1,776	5,559	-307 (a)	10,728	0	10,728
Cost of goods sold	-6,610	1,590	-5,334	204 (b)	-10,150	0	-10,150
Gross result	642	-186	225	-103	578	0	578
Cost of sales	-223	149	-32	0	-106	0	-106
Administrative expenses	-210	78	-150	0	-282	0	-282
Research and development costs	-71	0	-59	0	-130	0	-130
Other operating income & expenses	109	-50	38	0	97	0	97
Share in associated companies' profits	13	0	0	0	13	0	13
Operating result	260	-9	22	-103	170		170
Financial items, net	-227	15	-61	-100 (c)	-373	43 (s)	-330
Result after financial items	33	6	-39	-203	-203	43	-160

The accompanying notes to the unaudited pro forma combined financial information is an integral part of and should be read in conjunction with these unaudited statements.

**Unaudited pro forma combined income statement for the year ended December 31, 2002
(all amounts in millions of SEK)**

	<i>Boliden consolidated</i>	<i>Fabrication and Contech combined</i>	<i>The acquired Outokumpu units</i>	<i>Transaction adjust- ments</i>	<i>New Boliden</i>	<i>Rights issue</i>	<i>New Boliden adjusted for rights issue</i>
	Note 1	Note 2	Note 3	Note 4		Note 5	
Net sales	9,556	-2,429	7,526	-399 (a)	14,254	0	14,254
Cost of goods sold	-8,569	2,159	-7,169	261 (b)	-13,318	0	-13,318
Gross result	987	-270	357	-138	936	0	936
Cost of sales	-316	210	-46	0	-152	0	-152
Administrative expenses	-280	111	-196	0	-365	0	-365
Research and development costs	-94	1	-86	0	-179	0	-179
Other operating income & expenses	101	-51	20	0	70	0	70
Share in associated companies' profits	16	0	0	0	16	0	16
Operating result	414	1	49	-138	326		326
Financial items, net	-303	33	-79	-142 (c)	-491	58(s)	-433
Result after financial items	111	34	-30	-280	-165	58	-107

**Unaudited pro forma combined balance sheet as of September 30, 2003
(all amounts in millions of SEK)**

	<i>Boliden consolidated</i>	<i>Fabrication and Contech combined</i>	<i>The acquired Outokumpu units</i>	<i>Transaction adjust- ments</i>	<i>New Boliden</i>	<i>Rights issue</i>	<i>New Boliden adjusted for rights issue</i>
	Note 1	Note 2	Note 3	Note 4		Note 5	
Intangible fixed assets	54	7	6	0	67	0	67
Tangible fixed assets	7,426	-447	4,199	3,284 (d)	14,462	0	14,462
Deferred tax asset	245	-16	214	64 (e)	507	18 (t)	525
Interest-bearing receivables	3	284	244	-284 (f)	247	0	247
Other financial non-current assets	64	0	0	53 (g)	117	-7 (u)	110
Inventories	1,426	-418	1,108	0	2,116	0	2,116
Interest-bearing current receivables	0	0	513	-513 (h)	0	0	0
Other current receivables	1,044	103	820	-626 (i)	1,341	0	1,341
Other short term investments	0	0	0	464 (j)	464	0	464
Liquid funds	798	-105	173	0	866	446 (v)	1,312
Total assets	11,060	-592	7,277	2,442	20,187	457	20,644
Shareholders' equity	3,324	-94	2,447	-68 (k)	5,609	1,291 (w)	6,900
Minority interests	2	-2	0	0	0	0	0
Deferred tax liability	11	-11	332	1,028 (l)	1,360	0	1,360
Other provisions	714	-67	0	0	647	0	647
Pension reserves	84	-20	0	0	64	0	64
Interest-bearing non-current liabilities	5,190	0	569	1,896 (m)	7,655	-445	7,210
Pro forma subordinated interest-bearing debentures (Outokumpu)	0	0	0	1,164 (n)	1,164	0	1,164
Other long-term liabilities	101	46	29	-47 (o)	129	0	129
Interest-bearing current liabilities	160	-25	2,406	-1,515 (p)	1,026	-446 (x)	580
Other current liabilities	1,474	-419	1,494	-16 (q)	2,533	57 (y)	2,590
Total shareholders' equity and liabilities	11 060	-592	7,277	2,442	20,187	457	20,644

The accompanying notes to the unaudited pro forma combined financial information is an integral part of and should be read in conjunction with these unaudited statements.

Unaudited pro forma combined cash flow statement for the nine month period ended September 30, 2003 (all amounts in millions of SEK)

	<i>Boliden consolidated</i>	<i>Fabrication and Contech combined</i>	<i>The acquired Outokumpu units</i>	<i>Transaction adjustments</i>	<i>New Boliden</i>	<i>Rights issue</i>	<i>New Boliden adjusted for rights issue</i>
	Note 1	Note 2	Note 3	Note 4		Note 5	
Cash flow from ongoing operations before change in working capital	495	67	417	-96 (r)	883	41 (z)	924
Change in working capital	123	-89	-194	-76 (r)	-236	0	-236
Cash flow from ongoing operations	618	-22	223	-172	647	41	688
Cash flow from investing activities	-393	53	-569	0	-909	0	-909
Cash flow from financing activities	-191	-11	241	0	39	0	39
Cash flow for the period	34	20	-105	-172	-223	41	-182

For the nine month period ended September 30, 2002 (all amounts in millions of SEK)

	<i>Boliden consolidated</i>	<i>Fabrication and Contech combined</i>	<i>The acquired Outokumpu units</i>	<i>Transaction adjustments</i>	<i>New Boliden</i>	<i>Rights issue</i>	<i>New Boliden adjusted for rights issue</i>
	Note 1	Note 2	Note 3	Note 4		Note 5	
Cash flow from ongoing operations before change in working capital	443	-28	388	-86 (r)	717	43 (z)	760
Change in working capital	-508	-28	114	-76 (r)	-498	0	-498
Cash flow from ongoing operations	-65	-56	502	-162	219	43	262
Cash flow from investing activities	-324	80	-838	0	-1,082	0	-1,082
Cash flow from financing activities	-91	0	302	0	211	0	211
Cash flow for the period	-480	24	-34	-162	-652	43	-609

For the year ended December 31, 2002 (all amounts in millions of SEK)

	<i>Boliden consolidated</i>	<i>Fabrication and Contech combined</i>	<i>The acquired Outokumpu units</i>	<i>Transaction adjustments</i>	<i>New Boliden</i>	<i>Rights issue</i>	<i>New Boliden adjusted for rights issue</i>
	Note 1	Note 2	Note 3	Note 4		Note 5	
Cash flow from ongoing operations before change in working capital	626	-34	400	-124 (r)	868	58 (z)	926
Change in working capital	-129	-80	528	-101 (r)	218	0	218
Cash flow from ongoing operations	497	-114	928	-225	1,086	58	1,144
Cash flow from investing activities	-520	99	-960	0	-1,381	0	-1,381
Cash flow from financing activities	9	0	-64	0	-55	0	-55
Cash flow for the period	-14	-15	-96	-225	-350	58	-292

The accompanying notes to the unaudited pro forma combined financial information is an integral part of and should be read in conjunction with these unaudited statements.

Notes to the unaudited pro forma combined financial information (all amounts in millions of SEK unless otherwise stated)

Note 1: Historical Financial Statements of Boliden

This column represents Boliden's audited consolidated income statement and cash flow statement for the year ended December 31, 2002 and unaudited consolidated income statements and cash flow statements for the nine month periods ended September 30, 2002 and 2003 and historical unaudited consolidated balance sheet as of September 30, 2003 prepared and presented in accordance with generally accepted accounting principles in Sweden.

Note 2: Historical Financial Statements of the Boliden Contech group and the Boliden Fabrication group

This column represent a combination of the Boliden Contech group and the Boliden Fabrication group where the income statements and cash flow statements for the year ended December 31, 2002 have been derived from Boliden AB's audited consolidated financial statements. The income statements and cash flow statements for the nine-month periods ended September 30, 2002 and 2003 have been derived from Boliden AB's unaudited consolidated interim financial statements and the unaudited balance sheets as of September 30, 2003 for the Boliden Contech AB and subsidiaries and Boliden Fabrication AB and subsidiaries have been derived from Boliden AB's unaudited consolidated interim financial statements prepared and presented in accordance with generally accepted accounting principles in Sweden.

Note 3: Historical Financial Statements of the Outokumpu units

This column represents a combination of the historical income statements and cash flow statements for the year ended December 31, 2002 and for the nine-month periods ended September 30, 2002 and 2003 and historical consolidated balance sheets as of September 30, 2003 for the Outokumpu entities prepared and presented as outlined in section "Unaudited pro forma combined financial information of the Outokumpu units". The Outokumpu units include the following legal entities:

- Outokumpu Norzink A/S and subsidiaries;
- Outokumpu Harjavalta Metals Oy and subsidiaries;
- Outokumpu Zinc Commercial BV;
- Outokumpu Zinc Oy;
- Tara Mines Holding Ltd and subsidiaries.

Note 4: Pro forma adjustments – Transaction adjustments

In the pro forma financial information the transaction has been accounted for as one acquisition and one sales transaction. The acquisition has been accounted for applying the purchase method of accounting. The unaudited pro forma combined balance sheet for the acquired Outokumpu entities reflect the book values of the acquired assets and liabilities at the balance sheet date. An allocation of the total consideration to the estimated fair value of acquired assets and liabilities have been made assuming all of the consideration in excess of book value of the acquired net assets can ultimately be allocated to tangible fixed assets. The final allocation of the total consideration at the closing date may therefore differ from the assumptions made in the pro forma financial information. All Euro (EUR) denominated amounts have been translated at the average rate for the income statement periods presented and at the rate of the balance sheet date for the balance sheet presented. The exchange rates used for translation from EUR to SEK for the unaudited pro forma combined financial information have been as follows:

	<i>SEK per EUR average rate</i>	<i>SEK per EUR period end rate</i>
As of and for the 9 months ended September 30, 2003	9.164	8.913
For the year ended December 31, 2002	9.163	
For the 9 months ended September 30, 2002	9.186	

The following eliminations and adjustments have been made to the pro forma financial information presented.

Income statement adjustments

- a) Represents the reduction in net sales as a result of eliminations of sales between Boliden and the acquired Outokumpu units. The pro forma financial information has not reflected adjustments for any potential internal profit in inventory, since adjustments are not estimated to have a significant impact on the income statements or balance sheet presented.
- b) Represents the reduction in cost of goods sold as a result of eliminations of sales between Boliden and the acquired Outokumpu units offset by increased depreciation as a result of the allocation of the total purchase price to the fair value of acquired identifiable assets and liabilities. The pro forma financial information has been presented assuming that, to the extent that the purchase price is in excess of the acquired Outokumpu units book value of net assets at the transaction date, the excess value can be fully allocated to identifiable tangible fixed assets. These excess values have been depreciated over an assumed remaining useful life, assuming that the transaction had been completed at the beginning of each pro forma period. The assumed useful lives are as follows:

Buildings	10–20 years
Machinery and processing plants	20 years
Equipment, tools and fixtures & fittings	20 years
Development	20 years

The pro forma adjustments to Cost of goods sold for each period represent:

	<i>Nine month periods ended</i>		<i>Twelve month period ended</i>
	<i>September 30, 2003</i>	<i>September 30, 2002</i>	<i>December 31, 2002</i>
Depreciation of values in excess of book values of tangible fixed assets	-103	-103	-138
Elimination of cost of goods sold between Boliden and the acquired Outokumpu units	267	307	399
Total net incremental Cost of goods sold	164	204	261

- c) The following pro forma adjustments have been made to financial items, net to reflect the increase in interest expense as a result of the transaction.

	<i>Nine month periods ended</i>		<i>Twelve month period ended</i>
	<i>September 30, 2003</i>	<i>September 30, 2002</i>	<i>December 31, 2002</i>
New credit facility (EUR million) (1)	373	373	373
New subordinated debenture to Outokumpu (EUR million) (2)	56	56	56
Subtotal	429	429	429
Average rate EUR/SEK	9,164	9,186	9,163
Interest rate	5,50%	5,50%	5,50%
Calculated interest expense	-162	-163	-216
Interest on loan to compensate for estimated change in capital employed (in the acquired Outokumpu units) (3)	-13	-13	-17
Interest on loan to compensate for net third party interest-bearing assets (in the acquired Outokumpu units) (3)	-15	-15	-20
Less Outokumpu units' historical interest expense net for acquired intra-group receivables (4)	76	76	101
Total incremental interest expense	-114	-115	-152
Amortization of deferred financing costs (5)	-13	-13	-18
Dividend on Outokumpu shares	18	28	28
Total adjustment to Financial items, net	-109	-100	-142

- (1) Increased interest expense as a result of issuance of new debt under the new credit facility of EUR 373 million. The interest rate is dependent on a certain ratio between consolidated senior debt and consolidated EBITDA. For pro forma purposes, the interest expense has been calculated using an assumed effective interest rate of 5.5 percent for all periods.
- (2) Increased interest expense as a result of the issuance of the subordinated debenture to Outokumpu of EUR 56 million has been calculated assuming an annual interest expense of 5.5 percent for all periods.
- (3) Increased interest expense as a result of changes in capital employed compared to December 31, 2002 and acquired net third party interest-bearing assets in the Outokumpu units. Interest expense for the nine-month and twelve-month periods respectively, has been calculated using an assumed interest rate of 5.5 percent.
- (4) Reduction in interest expense assuming that all intra-group net liabilities owed by the acquired Outokumpu units to Outokumpu and its subsidiaries is replaced by borrowings from Boliden. The reduction in interest expense has been based on the historic intra group interest expense for the acquired Outokumpu units.
- (5) In connection with issuance of the new credit facility and the subordinated loans Boliden will incur certain debt issue costs. These costs have been deferred and amortized over the term of the loan assumed at 3 years, which means an annual amortization of SEK 18 million for the year ended December 31, 2002 and SEK 13.5 million for the nine-month periods.

Balance sheet adjustments

- d) The pro forma adjustments to tangible assets represent the difference between the agreed total consideration, net assets of the acquired Outokumpu units, adjusted for change in capital employed for Outokumpu units since December 31, 2002 as specified in the table below.

	<i>September 30, 2003</i>
Issue in kind*	2,680
Cash consideration EUR 373 million	3,325
Outokumpu subordinated debentures EUR 56 million	499
Outokumpu subordinated debentures related to change in capital employed	308
Acquisition costs	30
Total consideration	6,842
Book value of net assets of the Outokumpu units acquired	-2,447
Net interest-bearing intra-group receivables due from acquired Outokumpu units transferred to Boliden	-2,075
Less deferred tax on fair value adjustments	964
Total net incremental value of identifiable tangible fixed assets	3,284

* The new share issue in Boliden has been calculated based on the closing price for the Boliden AB share on October 31, 2003.

- e) The pro forma adjustments to deferred tax represent deferred tax asset to fair value adjustment of certain assets for the acquired Tara group.
- f) The pro forma adjustments to interest-bearing receivables represent certain of the intra-group receivables and payables between Boliden and Fabrication/Contech that are transferred as part of the transaction.

	<i>September 30, 2003</i>
<i>Net financial assets transferred</i>	
Interest-bearing receivables	284
Other current receivables (note 4i)	603
Other non-current liabilities (note 4o)	-47
Other current liabilities (note 4q)	-85
Total net financial receivables transferred (Fabrication/Contech)	755

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- g) The pro forma adjustment to other financial non-current assets represents deferred financing costs in connection with establishing the new bank credit facility of EUR 373 million. Deferred financing costs are amortized over 3 years representing the assumed life of the loan.
- h) The pro forma adjustment to interest-bearing current receivables represents the elimination of acquired receivables between Boliden and the acquired Outokumpu units.
- i) The pro forma adjustment to other current receivables represent a decrease as a result of the transfer of parts of the financial asset in Fabrication/Contech (as further described in note 4 f) and the elimination of intra-group receivables and payables between Boliden and the acquired Outokumpu units.

September 30, 2003

Transfer of parts of the intra-group balances to and from Fabrication/Contech	-603
Elimination of other receivables between Boliden and the acquired Outokumpu units	-23
Total net adjustment to other current receivables	-626

- j) The pro forma adjustment to other short term investments represents 5 million shares in Outokumpu Oyj at EUR 10.40 per share translated from EUR to SEK at the balance sheet rate of 8.913.
- k) The pro forma adjustment to Equity represents the transaction value of shares issued in kind to Outokumpu, representing 49 percent, or 82,446,475 ordinary shares in Boliden AB, at SEK 32.50 per share. The adjustments also include elimination of the combined equity of the acquired Outokumpu units, and reversal of equity of the units Fabrication/Contech, as a result of de-consolidation of these units net of value of Outokumpu shares, as specified below:

September 30, 2003

Issue in kind*	2,680
Costs associated with issue in kind	-10
Fair value of shares in Outokumpu*	464
Reversal of equity of Fabrication/Contech Group on the assumed transaction date	94
Net assets of Fabrication/Contech and net financial receivables transferred to Outokumpu	-849
Net assets of Outokumpu units acquired	-2,447
Total net change in equity	-68

* The new shares in Boliden and Outokumpu Oyj have been calculated based on the closing price for the respective share on October 31, 2003.

- l) The pro forma adjustments to deferred tax represent the tax effect of the fair value adjustment for the acquired Outokumpu units excluding the Tara group where tax effect is classified as a deferred tax asset.
- m) The pro forma adjustment to interest-bearing non-current liabilities represents the non-current portion of the new credit facilities and elimination of certain acquired intra-group payables.

September 30, 2003

Cash consideration (EUR 373 million)	3,325
Less: current portion (EUR 100 million)	-891
Elimination of acquired intra-group payables to the Outokumpu units	-538
Total net adjustment to interest-bearing non-current liabilities	1,896

- n) The pro forma adjustment to pro forma subordinated debentures refers to debentures issued to Outokumpu as follows:

September 30, 2003

Outokumpu subordinated debenture EUR 56 million	499
Loans related to change in capital employed	308
Increase in borrowing due to third party interest-bearing assets and liabilities acquired	357
Total net increase pro forma subordinated debenture Outokumpu	1,164

- o) The pro forma adjustment to other long-term liabilities represents the transfer of parts of the financial asset in Fabrication/Contech (as further described in note 4 f).

- p) The pro forma adjustment to interest-bearing current liabilities represents the assumed short-term portion of the new facility financing of EUR 373 million and elimination of acquired intra-group debt in the acquired Outokumpu units, which is eliminated when combining these entities.

	<i>September 30, 2003</i>
Short-term portion of term loan (EUR 100 million of the EUR 373 million)	891
Elimination of acquired intra-group receivables and payables	-2,406
Total net incremental interest-bearing current liabilities	-1,515

- q) The pro forma adjustment to other current liabilities represent increase in accrued expense, due to acquisition and financing costs and elimination of internal items between Boliden and Outokumpu and the transfer of parts of the financial asset in Fabrication/Contech (as further described in note 4 f).

	<i>September 30, 2003</i>
Debt issue costs	53
Expenses related to issue in kind	10
Acquisition costs	30
Transfer of parts of the intragroup balances to and from Fabrication/Contech	-85
Total accrued expenses	8
Elimination of internal current liabilities between Boliden and the acquired Outokumpu units	-24
Total net reduction other current liabilities	-16

Cash flow adjustments

- r) The pro forma adjustments to cash flow from ongoing operations before change in working capital represent the net cash effect of dividend received on Outokumpu shares, interest payments relating to new credit facility, interest payments relating to pro forma subordinated debentures and reversal of interest expense on inter-company loans in Outokumpu units, eliminated for consolidation purposes (all described in note 4c)

The pro forma adjustment to change in working capital represents the reversal of interest expense on inter-company loans in Outokumpu units, eliminated for consolidation purposes (described in note 4c), since these expenses are assumed not to have an impact on the cash flow for pro forma purposes.

Note 5: Pro forma adjustments – rights issue

Subsequent to the transaction and included in the terms for the new credit facilities being offered to Boliden, a rights issue is planned. The unaudited pro forma combined financial information reflects such rights issue as if completed on January 1, 2002 for all unaudited pro forma combined income statements presented and completed on September 30, 2003 for the unaudited pro forma combined balance sheet.

Income statement adjustments

- s) The pro forma adjustment to financial items represents the interest income on increases in the cash element due to the proceeds from the rights issue and also a reduction of interest expense from the repayment of term loans as described in the table below. The number of shares to be issued and the subscription price per share is assumed to correspond to total proceeds of EUR 150 million (before share issue costs). For pro forma purposes, the subscription price is assumed to be SEK 32.50, which represents the closing share price for Boliden AB on October 31, 2003.

<i>Use of proceeds from the rights issue</i>	<i>EURm</i>
Repayment of existing term loan	50
Repayment of new term loan	50
Increase of liquid funds	50
Total proceeds from the rights issue	150

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	September 30, 2003	September 30, 2002	December 31, 2002
Excess cash from new rights issue EUR 50 million	446	456	460
Interest rates	1.00%	1.00%	1.00%
Interest income on excess cash	3	3	5
Repayment of new credit facility EUR 50 million	446	456	460
Interest rates	5.50%	5.50%	5.50%
Reduction on interest expense on new credit facility	18	19	25
Repayment of existing credit facility EUR 50 million	446	456	460
Interest rates	5.50%	5.50%	5.50%
Reduction on interest expense on existing credit facility	18	19	25
Write-off of deferred financing costs for new credit facility	2	2	3
Total net incremental in Financial items net	41	43	58

The pro forma interest rate on excess cash is assumed to be 1.0 percent and the assumed interest cost savings from repayment of interest bearing liabilities is assumed to be 5.5 percent of the repayment amount. Also, the pro forma adjustment to financial items include a write-off of deferred financing costs with SEK 3 million proportionate to the repayment of the previously issued new credit facilities and term loans explained in note 4. Components of the adjustment for financial items are outlined in the table above.

Balance sheet adjustments

- t) The pro forma adjustments to deferred tax assets represent the tax effect of the assumed costs associated with the rights issue of SEK 57 million and tax effect on reversal of a portion of deferred financing costs of SEK 7 million.
- u) The pro forma adjustment to other financial non-current assets represents the reduction in deferred financing costs as a result of certain of the new credit facilities being replaced as described in note 4 r) above with SEK 7 million.
- v) The pro forma adjustment to liquid funds represents an increase as a result of the rights issue as outlined in note 5 s) above.
- w) The pro forma adjustment to equity represents the net proceeds from the rights issue, net of estimated expenses as follows;

	September 30, 2003
Equity from rights issue	1,337
Less: Estimated costs incurred in connection with rights issue	-41
Reversal of a portion of deferred financing costs for term loan net of tax	-5
Total change in equity	1,291

- x) The pro forma adjustment to interest-bearing current liabilities represents repayment of loans out of proceeds from the rights issue, as described in note 5 s).
- y) The pro forma adjustment to other current liabilities represent an increase in accrued expense as a result of accounting for assumed costs in connection with the rights issue.

Cash flow adjustments

- z) The pro forma adjustment to cash flow from ongoing operations before change in working capital represents the improvements in cash position as a result of reduced interest expense as further described under note 5 s).

Statement of Boliden AB's Auditors

The financial information regarding Boliden, that is included under the column "Boliden Consolidated" on pages 43–45 of the "Circular to Shareholders relating to the proposed transaction between Boliden and Outokumpu" (the Circular) has been derived from the annual report as of and for the year ended December 31, 2002 and the interim reports as of and for the 9 months ended September 30, 2002 and 2003 respectively and has been accurately stated.

The financial information regarding Boliden Contech and Boliden Fabrication that is included under the column "Fabrication and Contech Combined" on pages 43–45 of the Circular has been derived from the consolidated income statements, balance sheets and cash flow statements of Boliden AB included in the annual report as of and for the year ended December 31, 2002 and included in the interim reports as of and for the 9 months ended September 30, 2002 and 2003 respectively and has been accurately stated.

The annual report of Boliden AB as of and for the year ended December 31, 2002 has been audited by us and an unqualified auditors' report has been issued. Financial information corresponding to an interim report as of and for the 9 months ended September 30, 2003 has been subject to a limited review by us. As described on page 36 of the Circular, Boliden has not made a provision in the interim consolidated financial statements as of September 30, 2003 for the potential financial obligation relating to the copper tube cartel investigation. Financial information corresponding to an interim report as of and for the 9 months ended September 30, 2002 has not been subject to a review by us.

The unaudited pro forma combined financial information and the principles used in their preparation that has been included on pages 41–51 of the Circular is the responsibility of Boliden's Board of Directors and the Managing Director.

The unaudited pro forma combined financial information that has been included on pages 41–51 of the Circular has been prepared in accordance with the assumptions described on pages 41–42.

Stockholm, December 4, 2003

Hans Pihl
Authorized public accountant
Deloitte & Touche AB

Mats Fredricson
Authorized public accountant

Unaudited Pro Forma Combined Financial Information of the Outokumpu Units

The Outokumpu units included in the transaction between Boliden and Outokumpu (the “Outokumpu units”) were not formerly held in a separate group or entity and accordingly, audited consolidated or combined financial statements have not previously been prepared for the Outokumpu units. For the purpose of this Circular, historical unaudited pro forma combined financial information set forth below is presented to illustrate the combined results of the Outokumpu units for the year ended December 31, 2002 and for the nine-month periods ended September 30, 2002 and September 30, 2003 as if they had been a separate group of entities. The unaudited pro forma combined financial information is derived from the income statements and balance sheets of the Outokumpu units that were consolidated to the Outokumpu group audited consolidated financial statements for the year ended December 31, 2002 and from the income statements and balance sheets of the Outokumpu units that were consolidated to the unaudited Outokumpu group interim consolidated financial statements for the nine-month periods ended September 30, 2002 and September 30, 2003. Such financial information has been adjusted as described below.

The unaudited pro forma adjustments reflect the elimination of intra-group sales and purchases and intra-group receivables and liabilities between the Outokumpu units, elimination of Harjavalta Metals Oy’s shareholding in Nickel og Olivin A/S (a closed-down mine), elimination of intra-group margin in inventories of the Outokumpu units, the adjustment of inventory value from last-in-first-out principle (LIFO) to first-in-first-out principle (FIFO) and the related deferred tax adjustment for the intra-group margin in inventories and the adjustment of inventory value from last-in-first-out principle (LIFO) to first-in-first-out principle (FIFO). The unaudited pro forma adjustments for the nine-month period ended September 30, 2002 include also a compensation of EUR 2.9 million to Tara mines’ customers for the suspension period not accrued in Tara mines’ income statements and balance sheets for the nine-month period ended September 30, 2002.

The unaudited pro forma adjustments do not comprise any consolidation goodwill or fair value adjustments or related amortization or depreciation on such fair value adjustments, increase of equity or increase of interest bearing debt arising from Outokumpu group’s acquisitions relating to the Outokumpu units, nor do the unaudited pro forma adjustments include any adjustments related to consolidation goodwill, fair value allocations, amortization and depreciation or increase of equity or increase of interest-bearing debt that would arise as a result of Boliden’s acquisition of the Outokumpu units.

The unaudited pro forma combined financial information has been provided solely for illustrative purposes and is not necessarily indicative of the actual results of operations or financial position that would have occurred for the periods indicated had the Outokumpu units been operating as a separate group, nor is it necessarily indicative of future results of operations or financial position of the Outokumpu units.

The Outokumpu units have been presented in accordance with generally accepted accounting standards in Finland. An adjustment has been made for the accounting of inventory (FIFO vs. LIFO), because last-in-first-out principle is not in accordance with Swedish generally accepted accounting standards. There might also be other differences between Swedish and Finnish generally accepted accounting standards, but these differences have not been analyzed further.

Outokumpu units combined as of and for the nine-month period ended September 30, 2003

Income statements

<i>In million euros</i>	<i>Harjavalta Metals Oy</i>	<i>Outokumpu Zinc Oy</i>	<i>Outokumpu Zinc Commercial BV</i>	<i>Outokumpu Norzink and subs.</i>	<i>Tara Mines Holding and subs.</i>	<i>Nickel og Olivin ¹⁾</i>	<i>Elimination ²⁾</i>	<i>Adjustment to FIFO inventory value</i>	<i>The acquired Outokumpu units, pro forma</i>	<i>Convenience translation to SEK millions³⁾</i>
Net sales	291	80	243	52	56	0	-108		615	5,635
Cost of goods sold	-283	-72	-223	-50	-76	-1	109	-3	-598	-5,484
Gross result	9	8	21	1	-20	0	2	-3	16	151
Sales and marketing expenses	-1	0	-3	0	0	0	-1		-5	-43
Administrative expenses	-4	-4	0	-4	-1	0	0		-14	-128
Research and development costs	-1	-1	0	0	0	0	0		-3	-24
Other operating income & expenses	1	2	0	0	0	0	0		3	29
Operating result	3	4	18	-3	-22	0	1	-3	-2	-15
Financial items, net	-1	-1	0	0	-4	0	0		-5	-49
Result after financial items	3	3	18	-3	-26	0	1	-3	-7	-64

1) Subsidiary of Harjavalta Metals Oy (a closed-down mine).

2) Includes elimination of intra-group items, intra-group margin of inventories and the related deferred tax and the elimination of Harjavalta Metals Oy's shareholding in Nickel og Olivin A/S.

3) For the convenience of the reader, the EUR denominated amounts have been translated using an average exchange of SEK 9,164 for each EUR for the period ended September 30, 2003.

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Information of the Outokumpu Units

Balance sheets

<i>In million euros</i>	<i>Harjavalta Metals Oy</i>	<i>Outo- kumpu Zinc Oy</i>	<i>Outo- kumpu Zinc Commer- cial BV</i>	<i>Outo- kumpu Norzink and subs.</i>	<i>Tara Mines Holding and subs.</i>	<i>Nickel og Olivin ¹⁾</i>	<i>Elimi- nation ²⁾</i>	<i>Adjust- ment to FIFO inventory value³⁾</i>	<i>The acquired Outo- kumpu units, pro forma</i>	<i>Conve- nience translation to SEK millions⁴⁾</i>
Intangible fixed assets	0	0	0	0	0	0	0		1	6
Tangible fixed assets	96	141	0	72	162	0	0		471	4,199
Deferred tax	0	0	0	0	24	0	0		24	214
Interest-bearing assets	22	0	0	5	0	0	0		27	244
Inventories	59	15	28	20	6	0	-1	-3	124	1,108
Interest-bearing										
current receivables	34	16	1	6	1	3	-3		58	513
Other receivables	37	10	37	14	13	0	-19		92	820
Liquid funds	0	0	16	1	1	0	0		19	173
Total assets	249	182	82	118	208	4	-24	-3	816	7,277
Shareholders' equity	91	102	48	91	-57	3	-1	-2	275	2,447
Deferred tax liability	14	15	0	1	8	0	0	-1	37	332
Interest-bearing										
long-term liabilities	22	41	0	0	0	0	0		64	569
Other long-term liabilities	1	2	0	0	0	0	0		3	29
Interest-bearing										
current liabilities	29	0	1	13	230	0	-3		270	2,406
Other current liabilities	92	22	33	14	27	0	-20		168	1,494
Total shareholders' equity and liabilities	249	182	82	118	208	4	-24	-3	816	7,277

1) Subsidiary of Harjavalta Metals Oy (a closed-down mine).

2) Includes elimination of intra-group items, intra-group margin of inventories and the related deferred tax and the elimination of Harjavalta Metals Oy's shareholding in Nickel og Olivin A/S.

3) Inventories as per FIFO principles (EUR 126 million) less inventories as per LIFO principles (EUR 128 million).

4) For the convenience of the reader, the EUR denominated amounts have been translated using an exchange rate of SEK 8,913 for each EUR as of September 30, 2003.

Cash flow statements

<i>In million euros</i>	<i>Harjavalta Metals Oy</i>	<i>Outo- kumpu Zinc Oy</i>	<i>Outo- kumpu Zinc Commer- cial BV</i>	<i>Outo- kumpu Norzink and subs.</i>	<i>Tara Mines Holding and subs.</i>	<i>Nickel og Olivin ¹⁾</i>	<i>Elimi- nation</i>	<i>Adjust- ment to FIFO inventory value</i>	<i>The acquired Outo- kumpu units, pro forma</i>	<i>Conve- nience translation to SEK millions²⁾</i>
Cash flow from ongoing operations before										
change in working capital	16	16	17	2	-6	0			46	417
Change in working capital	-7	2	-1	-1	-13	0			-21	-194
Cash flow from operating activities	9	18	15	1	-19	-1	0	0	24	223
Cash used in										
investing activities	-6	-6	-0	-26	-24	0			-62	-569
Cash provided by financing activities	-3	-13	-5	4	42	1			26	241
Change in cash and marketable securities	0	0	10	-21	-1	0	0	0	-11	-105

1) Subsidiary of Harjavalta Metals Oy (a closed-down mine).

2) For the convenience of the reader, the EUR denominated amounts have been translated using an average exchange of SEK 9,164 for each EUR for the period ended September 30, 2003.

Outokumpu entities combined as of and for the nine-month period ended September 30, 2002

Income statements

<i>In million euros</i>	<i>Harjavalta Metals Oy</i>	<i>Outo- kumpu Zinc Oy</i>	<i>Outo- kumpu Zinc Commer- cial BV</i>	<i>Outo- kumpu Norzink and subs.</i>	<i>Tara Mines Holding and subs.</i>	<i>Nickel og Olivin ¹⁾</i>	<i>Elimi- nation ²⁾</i>	<i>Adjust- ment to FIFO inventory value</i>	<i>The acquired Outo- kumpu units, pro forma</i>	<i>Conve- nience translation to SEK millions³⁾</i>
Net sales	286	75	291	61	0	10	-118		605	5,559
Cost of goods sold	-274	-71	-270	-59	-15	-9	116	0	-581	-5,334
Gross result	12	5	21	2	-15	0	-2	0	24	225
Sales and marketing expenses	-1	0	-2	0	0	0	0		-3	-32
Administrative expenses	-5	-4	-1	-5	-1	0	0		-16	-150
Research and development costs	-1	-1	0	-4	0	0	0		-6	-59
Other operating income & expenses	4	-3	0	0	3	0	0		4	38
Operating result	10	-4	18	-7	-13	0	-2	0	2	22
Financial items, net	-1	-2	0	0	-4	0	0		-7	-61
Result after financial items	9	-6	18	-7	-17	0	-2	0	-4	-39

1) Subsidiary of Harjavalta Metals Oy (a closed-down mine).

2) Includes elimination of intra-group items, intra-group margin of inventories and the related deferred tax and the elimination of Harjavalta Metals Oy's shareholding in Nickel og Olivin A/S.

3) For the convenience of the reader, the EUR denominated amounts have been translated using an average exchange of SEK 9.186 for each EUR for the period ended September 30, 2002.

Cash flow statements

<i>In million euros</i>	<i>Harjavalta Metals Oy</i>	<i>Outo- kumpu Zinc Oy</i>	<i>Outo- kumpu Zinc Commer- cial BV</i>	<i>Outo- kumpu Norzink and subs.</i>	<i>Tara Mines Holding and subs.</i>	<i>Nickel og Olivin ¹⁾</i>	<i>Elimi- nation</i>	<i>Adjust- ment to FIFO inventory value</i>	<i>The acquired Outo- kumpu units, pro forma</i>	<i>Conve- nience translation to SEK millions²⁾</i>
Cash flow from ongoing operations before										
change in working capital	23	7	17	3	-8	0			42	388
Change in working capital	8	9	-20	21	-6	1			12	114
Cash flow from operating activities	31	16	-3	24	-15	1			55	502
Cash used in investing activities	-6	-7	0	-10	-69	0			-91	-838
Cash provided by financing activities	-19	-9	-7	-18	86	0			33	302
Change in cash and marketable securities	6	0	-10	-3	2	1			-4	-34

1) Subsidiary of Harjavalta Metals Oy (a closed-down mine).

2) For the convenience of the reader, the EUR denominated amounts have been translated using an average exchange of SEK 9.186 for each EUR for the period ended September 30, 2002.

Outokumpu entities combined as of and for the year ended December 31, 2002

Income statements

<i>In million euros</i>	<i>Harjavalta Metals Oy</i>	<i>Outo- kumpu Zinc Oy</i>	<i>Outo- kumpu Zinc Commer- cial BV</i>	<i>Outo- kumpu Norzink and subs.</i>	<i>Tara Mines Holding and subs.</i>	<i>Nickel og Olivin¹⁾</i>	<i>Elimi- nation²⁾</i>	<i>Adjust- ment to FIFO inventory value</i>	<i>The acquired Outo- kumpu units, pro forma</i>	<i>Conve- nience translation to SEK millions³⁾</i>
Net sales	391	103	377	80	18	11	-159		821	7,526
Cost of goods sold	-372	-93	-351	-75	-41	-11	159	2	-782	-7,169
Gross result	19	9	26	5	-23	0	0	2	39	357
Sales and marketing expenses	-1	0	-4	0	0	0	0		-5	-46
Administrative expenses	-6	-5	-1	-7	-2	0	0		-21	-196
Research and development costs	-1	-2	0	-6	-1	0	0		-9	-86
Other operating income & expenses	5	-3	0	0	0	0	0		2	20
Operating result	15	-1	22	-8	-25	0	0	2	5	49
Financial items, net	-1	-3	0	1	-6	0	0		-9	-79
Result after financial items	14	-4	22	-7	-31	1	0	2	-3	-30

1) Subsidiary of Harjavalta Metals Oy (a closed-down mine).

2) Includes elimination of intra-group items, intra-group margin of inventories and the related deferred tax and the elimination of Harjavalta Metals Oy's shareholding in Nickel og Olivin A/S.

3) For the convenience of the reader, the EUR denominated amounts have been translated using an average exchange of SEK 9.163 for each EUR for the period ended December 31, 2002.

Cash flow statements

<i>In million euros</i>	<i>Harjavalta Metals Oy</i>	<i>Outo- kumpu Zinc Oy</i>	<i>Outo- kumpu Zinc Commer- cial BV</i>	<i>Outo- kumpu Norzink and subs.</i>	<i>Tara Mines Holding and subs.</i>	<i>Nickel og Olivin¹⁾</i>	<i>Elimi- nation</i>	<i>Adjust- ment to FIFO inventory value</i>	<i>The acquired Outo- kumpu units, pro forma</i>	<i>Conve- nience translation to SEK millions²⁾</i>
Cash flow from ongoing operations before change in working capital	32	14	18	2	-23	0			44	400
Change in working capital	22	14	-14	23	12	0			58	528
Cash flow from operating activities	55	28	3	25	-11	1			101	928
Cash used in investing activities	-6	-9	0	-14	-76	0			-105	-960
Cash provided by financing activities	-54	-19	-19	-5	89	0			-7	-64
Change in cash and marketable securities	-5	0	-16	7	3	1			-11	-96

1) Subsidiary of Harjavalta Metals Oy (a closed-down mine).

2) For the convenience of the reader, the EUR denominated amounts have been translated using an average exchange of SEK 9.163 for each EUR for the period ended December 31, 2002.

Statements of Outokumpu's Auditors

Statement regarding 2002 financials

As auditors of Outokumpu Oyj we have audited the Outokumpu group consolidation forms (the "OAS Forms") of Outokumpu Norzinc A/S, Outokumpu Harjavalta Metals Oy, Outokumpu Zinc Oy and Tara Mines Holdings Ltd and its subsidiaries as at December 31, 2002 and for the period then ended. We conducted our audits in accordance with International Standards on Auditing. We have reviewed the OAS Forms of Outokumpu Zinc Commercial B.V. as at December 31, 2002 and for the period then ended. We conducted our review in accordance with the International Standard on Auditing applicable to review engagements.

The OAS Forms referred to above have been originally prepared solely to enable Outokumpu Oyj to prepare consolidated financial statements in accordance with accounting principles generally accepted in Finland and not to report on Outokumpu Norzinc A/S, Outokumpu Harjavalta Metals Oy, Outokumpu Zinc Oy, Tara Mines Holdings Ltd or its subsidiaries or Outokumpu Zinc Commercial B.V. (collectively the "Companies") as separate entities and thus are not intended to present fairly as such the financial position of the Companies as at December 31, 2002, or the results of their operations for the period then ended.

The OAS Forms referred to above have been included in the consolidated financial statements of Outokumpu Oyj for the respective period. We have issued an unqualified Auditor's Report on Outokumpu Oyj consolidated financial statements for the period ended December 31, 2002.

We have compared the income statement amounts for the period ended December 31, 2002 presented on columns "Harjavalta Metals Oy", "Outokumpu Zinc Oy", "Outokumpu Zinc Commercial B.V.", "Outokumpu Norzinc A/S" and "Tara Mines Holdings and subs." expressed in euros, included on page 57 of this Circular dated December 4, 2003 to the OAS Forms referred to above and found the amounts to be in agreement after giving effect to aggregation or rounding, if applicable.

Helsinki, December 4, 2003

PricewaterhouseCoopers Oy
Authorized Public Accountants

Markku Marjomaa
Authorized Public Accountant

Statement regarding 9 months 2003 and 9 months 2002 financials

As auditors of Outokumpu Oyj we have reviewed the Outokumpu group consolidation forms (the "OAS Forms") of Outokumpu Norzinc A/S, Outokumpu Harjavalta Metals Oy, Outokumpu Zinc Oy, Outokumpu Zinc Commercial B.V. and the consolidated OAS Forms of Tara Mines Holdings Ltd and its subsidiaries (collectively the "Companies") as at September 30, 2002 and 2003 and for the nine-month periods then ended. We conducted our reviews in accordance with the International Standard on Auditing applicable to review engagements. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we have not expressed an audit opinion. We have issued a Review Report on these OAS Forms on December 4, 2003 in which we brought the following matter to management's attention:

Compensation to customers of EUR 2,880,000, which relates to the period ended September 30, 2002 was not accrued at September 30, 2002 in the consolidated OAS Forms of Tara Mines Holdings Ltd. The amount was, however, properly recorded at December 31, 2002.

The OAS Forms referred to above have been prepared solely to enable Outokumpu Oyj to prepare consolidated financial statements in accordance with accounting principles generally accepted in Finland and not to report on the Companies as separate entities and thus are not intended to present fairly as such the financial position of the Companies as of September 30, 2002 or 2003, or the results of their operations for the periods then ended in conformity with accounting principles generally accepted in Finland.

We have compared the interim income statement amounts for the nine-month period ended September 30, 2002 and the interim balance sheet and income statement amounts as at September 30, 2003 and for the nine-month period then ended, presented on columns "Harjavalta Metals Oy", "Outokumpu Zinc Oy", "Outokumpu Zinc Commercial B.V.", "Outokumpu Norzinc A/S" and "Tara Mines Holdings and subs." expressed in euros, included on pages 54-56 of this Circular dated December 4, 2003 to the OAS Forms referred to above and found the amounts to be in agreement after giving effect to aggregation or rounding, if applicable.

Helsinki, December 4, 2003

PricewaterhouseCoopers Oy
Authorized Public Accountants

Markku Marjomaa
Authorized Public Accountant

Statement regarding pro forma combined financials

We report on the unaudited pro forma combined financial information of the Outokumpu units as at September 30, 2003 and for the nine-month period then ended, for the nine-month period ended September 30, 2002 and for the period ended December 31, 2002, included on pages 54-57 of this Circular dated December 4, 2003. Outokumpu Oyj's management is solely responsible for the unaudited pro forma combined financial information and the principles used in their preparation.

Our work has been conducted in accordance with generally accepted auditing standards in Finland applicable to the examination of pro forma financial information. Our work, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma combined financial information with the management of Outokumpu Oyj. We have not performed an audit of the unaudited pro forma combined financial information and, accordingly, we do not express an audit opinion.

The purpose of the unaudited pro forma combined financial information and the principles used in their compilation has been described in this Circular on page 53. The unaudited pro forma combined financial information has been compiled for illustrative purposes only and is not necessarily indicative of the results of operations or financial position of the Outokumpu units had they been operating separately on a combined basis.

In our opinion the unaudited pro forma combined financial information presented in the column "The Acquired Outokumpu entities, pro forma" expressed in euros, has been properly compiled on the basis stated in this Circular on page 53.

Helsinki, December 4, 2003

PricewaterhouseCoopers Oy
Authorized Public Accountants

Markku Marjomaa
Authorized Public Accountant

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