



FIRST QUARTER REPORT – JANUARY – MARCH 2002

29th April 2002

Boliden announces profit for first quarter 2002

- Boliden reports a profit of SEK 17 million (-558 M) after financial items for the first quarter of 2002. The operating profit was SEK 97 million (-88 M), corresponding to an operating margin of 4.0 (-3.0) per cent.
- Increased production at the Rönnskär complex and a stronger USD exchange rate influenced the operating result positively during the period. Lower metal prices, lower treatment and refining charges and reduced production in the mining operations had a negative influence.
- In January Boliden acquired the assets of the Dutch copper-tubing manufacturer HME Nederland for SEK 50 million. The acquisition establishes Boliden as one of Europe's largest manufacturers of copper tubing.
- Production at the Canadian mine Myra Falls was resumed following the implementation of a program aimed at considerably improving efficiency.
- Boliden has hedged further dollar revenues, corresponding to nearly 100 per cent of the anticipated flow for the year 2002. The greater part of the company's gold production has also been hedged up to the end of the first quarter of 2003.
- Boliden's loans under the refinancing agreement signed in 2001 can again be classified as long term.

Turnover and result	2002	2001	
SEK million (unless stated otherwise)	Q 1	Q 1	
Turnover	2 406	2 897	
Operating result	97	-88	
Operating margin (%)	4.0	-3.0	
Earnings after financial items	17	-558	
Net result for period	17	-460	
Earnings per share ¹ , SEK	0.20	-5.36	
Return on shareholders' capital (%)	2.7	-171.8	
Return on capital employed (%)	5.4	-12.8	
Cash flow from operating activities before changes in working capital	125	22	
Cash flow for period	-328	-23	
Metal prices	2002	2001	Change
(average LME/LBM)	Q 1	Q 1	in %
Copper (USD/lb)	0.71	0.80	-11
Zinc (USD/lb)	0.36	0.46	-22
Lead (USD/lb)	0.22	0.22	0
Gold (USD/oz)	290	264	10
Silver (USD/oz)	4.49	4.54	-1
Rates of exchange			
USD/SEK	10.45	9.75	7
USD/CAD	1.59	1.53	4

¹ Full dilution results in only a negligible reduction in earnings per share. Dilution concerns options issued by Boliden Limited, which give the right to obtain shares in Boliden AB. The options give the right to obtain a total of 371 703 newly floated shares in Boliden AB.



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President's Statement.

Boliden is reporting a profit again. The result after financial items for the first quarter of 2002 was SEK 17 million (-558 M). The operating profit was SEK 97 million compared with SEK -88 million for the same period last year, corresponding to an operating margin of 4.0 (-3.0) per cent. The main reasons for the improved result were increased production at Rönnskär and a much stronger American dollar. However, lower metal prices, lower treatment and refining charges and reduced production from our mines had a negative influence on trend for the first quarter of 2002 compared with the first quarter of 2001.

Metal prices strengthened during the first quarter, compared with the fourth quarter of 2001. This is partly due to reduced world mine production and to more positive signals regarding the global economy. However, it is anticipated that the currently high stocks of metals will continue to have a restraining effect on metal prices in the short term. The contract levels for treatment and refining charges are lower for 2002 compared with 2001, due primarily to a shortage of high-quality concentrate in combination with good access to smelting and refining capacity in the world.

During the first quarter of 2002, Boliden has chosen to hedge additional dollar revenues for the year. The purpose of this is to safeguard the current year's operating plan. We have also hedged the greater part of our gold production up to the end of the first quarter of 2003. Moreover, Boliden's loans under the refinancing agreement signed in 2001 can again be classified as long term.

Production in our Business Area Mining Operations has decreased during the first quarter of 2002 as we now have fewer operating mines. This is a result of the comprehensive restructuring program implemented last year, mainly in Boliden's foreign mining operations. Mine production for the comparable units indicates a varying trend compared with the same period last year. Production at Aitik was lower during the quarter, due mainly to lower head grades. The grade is expected to improve during the latter part of the year. Production was also affected by a temporary stoppage at the beginning of the year, due to a breakdown of the ore conveyor belt between the mine and the concentrator. In the Boliden Area, new records continue to be set in precious-metals production. Production at Garpenberg also shows strong improvement during the first quarter of 2002.

Operations at Myra Falls mine in Canada, which was temporarily closed in December 2001, were resumed in the middle of March. A comprehensive action plan which will allow more efficient production at the mine has been implemented. It is envisaged that Myra Falls will report a positive operating result from the third quarter of this year. The Storliden project is progressing according to plan and the main ramp was completed at the end of March. Commercial production at the mine is scheduled to commence in June. An extensive mineralisation has been discovered at Garpenberg. Drill hole intersections and geophysical surveys indicate potential for a substantial tonnage with good grades.

Production at Rönnskär was higher during the first quarter of 2002 compared with the same period last year, due mainly to the increased capacity achieved through the investment in the expansion of the copper smelter and refinery. The production increase was limited by a stoppage at Aitik and also by delayed deliveries of concentrate from Chile. Lower treatment and refining charges have affected Rönnskär's result negatively. At Boliden Bergsöe, production remains almost at the same level as for the corresponding quarter of 2001.

The Business Area Fabrication has been negatively affected by reduced activity in both the copper and brass markets in Europe compared with the same period last year. The market is expected to recover during the second half of the year. At the beginning of the year, Boliden acquired the assets of the Dutch copper-tubing manufacturer HME, which considerably strengthens our position on the European market for sanitary copper-tubing. An action plan in our British brass-manufacturing operations is running on schedule and will, together with the acquisition of HME, contribute positively to the operating result of the Business Area Fabrication during the remainder of the year.



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The comprehensive restructuring and refinancing of Boliden last year has created an organization now well positioned for continued development and growth in spite of lower metal prices. The operating profit for the first quarter is good evidence of this.

Jan Johansson
CEO and President

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Important events during the first quarter

Jan Boliden acquires the assets of Dutch copper-tube manufacturer HME Nederland for SEK 50 million.

Mar Boliden and North Atlantic Natural Resources, NAN, sign an agreement regarding exploration in the Skellefte field.

Production at Myra Falls mine in Canada resumed.

Main ramp in Storliden mine completed.

Sverker Martin-Löf, Chairman of SCA, proposed as new director on Boliden board.

Financial Statement

Boliden's turnover amounted to SEK 2 406 million (2 897 M) for the first quarter of 2002, a reduction of 17 per cent compared with the same period last year. Comparability between the years has been influenced by the sale of Norzink and Lomas Bayas, as well as the closure of Laisvall mine due to the depletion of ore reserves there in 2001. These units contributed SEK 495 million to turnover and SEK 77 million to the gross result for the first quarter of 2001.

The operating result for the period was positive, amounting to SEK 97 million (-88 M) and corresponding to an operating margin of 4.0 (3.0) per cent. It was influenced positively by increased production at the Rönnskär complex and a stronger USD exchange rate. It was influenced negatively by considerably lower metal prices, treatment charges and refining charges, as well as reduced production in the mining operations. The operating result after financial items was SEK 17 million (-558 M). Financial items have improved due mainly to improved loan conditions through the refinancing completed in August 2001. Also, last year's financial items include negative exchange rates with MSEK 275.

From the 2002 financial year onward, Boliden has chosen to show its shares of associated companies' profits under 'Operating result'. Previously, they were shown under 'Financial items' and as tax.

Cash flow for the period was SEK -328 million (-23 M). Cash flow from current operations was SEK -196 million (43 M), while acquisitions and investments in fixed assets totalled SEK 131 million (160 M). SEK -211 million of the period's cash flow of SEK -328 million are an adjustment of the accounts payable to a normal level. In addition, the financing of NAN's Storliden project and the acquisition of HME have negatively affected the working capital for the period.

Financial Statement	2002	2001	Change
SEK million (unless stated otherwise)	Q 1	Q 1	in %
Turnover	2 406	2 897	-17
Operating result	97	-88	
Operating margin (%)	4	-3	
Result after financial items	17	-558	
Result for period	17	-460	

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Market

The metal market

The prices of most of the metals Boliden produces were lower during the first quarter of 2002 than for the same period last year. During the period, Boliden has hedged approximately 90 per cent of its planned gold production up to the end of the first quarter of 2003 at an average of USD 300 an ounce. However, the company's exposure to changes in metal prices remains considerable, since only a limited proportion of planned overall production has been hedged.

The lower metal prices during the first quarter compared with the same period last year can be explained partly by lower world economic growth in 2001, which resulted in weaker demand. However, the prices of several of the metals Boliden produces have risen during the first quarter of 2002 compared with the fourth quarter of 2001. The improved metal-price picture can, to a certain extent, be explained by more positive signals regarding the world economy, as well as reduced supply. The price of gold has strengthened during the first quarter, due partly to developments in the Middle East and increased demand from Japanese investors.

Metal prices (average LME/LBM)	2002 Q 1	2001 Q 1	Change in %
Copper (USD/lb)	0,71	0,80	-11
Zinc (USD/lb)	0,36	0,46	-22
Lead (USD/lb)	0,22	0,22	0
Gold (USD/oz)	290	264	10
Silver (USD/oz)	4,49	4,54	-1

The currency market

The value of the US dollar was, on average, higher during the first quarter of 2002 than in the same period last year. Compared with the fourth quarter of 2001, however, the dollar has weakened. The recent strengthening of the Swedish krona can be explained partly by the increased possibility that Sweden will join the EMU.

Boliden has hedged further dollar revenues during the reporting period. In total, almost 100 per cent of the company's estimated dollar income is now hedged for 2002 at an average rate of USD/SEK 10.48; the average rate including a hedge reserve is USD/SEK 10,79. This has been done in order to ensure that the plans the company has drawn up for its operations during the year can be implemented.

Exchange rates (average)	2002 Q 1	2001 Q 1	Change in %
USD/SEK	10,45	9,75	7
USD/CAD	1,59	1,53	4

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Turnover and result per business area

The operating results of Boliden's different business areas for the first quarter of 2002 are set out below.

Turnover and Operating Result per Business Area MSEK	Turnover		Operating result	
	2002 Q 1	2001 Kv 1	2002 Q 1	2001 Q 1
Mines	480	479	10	-168
Smelters	1 794	1 830	94	-10
Fabrication	587	706	4	10
Other	-455	-118 ¹⁾	-11	80 ¹⁾
Total	2 406	2 897	97	-88

¹⁾ Includes the result from Norzink and Lomas Bayas

Mining Operations

In the first quarter of 2002, the turnover of Boliden's mining operations amounted to MSEK 480 (479 M). The operating result was SEK 10 million (-168 M), corresponding to an operating margin of 2.1 (-35.1) per cent. The operating result has been influenced positively by a stronger USD and negatively by considerably lower metal prices and lower production during the first quarter of 2002, compared with the same period last year.

Mines, SEK million	2002 Q 1	2001 Q 1	Change in %
Turnover	480	479	0
Operating result	10	-168	
Depreciation	70	108	-35
Investments	60	112	-46

The main metals produced by Boliden mines are copper, zinc, lead, gold and silver.

Total production of Boliden's most important metals, copper and zinc, was lower due primarily to the company having fewer producing mines now compared with the same period last year. Production at Aitik, which produces mostly copper, was lower during the first quarter due mainly to lower head grades. The grade can sometimes vary from average values, depending on the actual area being mined and is expected to improve during the latter part of the year. Also, there was a temporary stoppage at Aitik at the beginning of the year due to a breakdown of the ore conveyor belt between the mine and the concentrator. In the Boliden area, gold production continues to develop well. At Garpenberg, new production records were set for both zinc and silver during the first quarter of 2002.

In the middle of March, operations were resumed at the Myra Falls mine in Canada following the implementation of an action plan that will make production considerably more efficient. Production increased gradually after resuming operations and the planned production levels have now been reached.

The transfer of machinery and equipment to Aitik from the now closed Los Frailes mine in Spain has commenced in accordance with an agreement reached between Boliden and the local government in Andalusia.

The main ramp in the Storliden mine has been completed and commercial production is expected to begin in June. We estimate that the mine will reach full production toward the end of the year. An extensive mineralisation has been discovered at Garpenberg indicating substantial tonnage with good grades. Drill hole intersections and geophysical surveys indicate potential for a substantial tonnage with good grades.



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Metal production Total and per mine	2002 Q 1	2001 Q 1	Change in %
Total			
Copper (tonnes)	15 453	20 800	-26
Zinc (tonnes)	24 039	36 173	-33
Lead (tonnes)	4 913	4 961	-1
Gold (ounces)	37 132	36 354	2
Silver (thousand ounces)	2 087	1 955	7
Boliden area			
Copper (tonnes)	2 449	2 256	9
Zinc (tonnes)	12 935	14 582	-11
Lead (tonnes)	688	1 074	-36
Gold (ounces)	22 955	17 178	34
Silver (thousand ounces)	553	662	-16
Garpenberg			
Copper (tonnes)	226	250	-10
Zinc (tonnes)	10 558	8 359	26
Lead (tonnes)	4 225	3 887	9
Gold (ounces)	2 765	2 533	9
Silver (thousand ounces)	1 154	790	46
Aitik			
Copper (tonnes)	12 698	14 725	-14
Gold (ounces)	11 263	11 110	1
Silver (thousand ounces)	377	393	-4
Myra Falls			
Copper (tonnes)	80	3 569	-98
Zinc (tonnes)	546	13 232	-96
Gold (ounces)	149	5 533	-97
Silver (thousand ounces)	3	110	-97

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Smelter Operations

The turnover of the Business Area Smelter Operations fell by 2 per cent to SEK 1 794 million (1 830 M) in the first quarter of 2002 compared with the same period last year. The operating result was SEK 94 million (-10 M), corresponding to an operating margin of 5.2 (-0.5) per cent. The operating result was influenced positively by higher production at Rönnskär and a stronger USD, but negatively by lower metal prices and lower treatment and refining charges.

Smelters, SEK million	2002 Q 1	2001 Q 1	Change in %
Turnover	1 794	1 830	-2
Operating result	94	-10	
Depreciation	72	52	39
Investments	10	35	-71

Boliden's smelters (Rönnskär and Bergsöe) produce mainly copper, zinc clinker, lead and precious metals. The increase in production at Rönnskär during the first quarter of 2002 compared with the same period last year can be attributed to a gradual production increase to design capacity. However, production did not reach planned levels during the first quarter of 2002 due to a production stoppage at Aitik and delayed concentrate deliveries from Chile.

Metal production	2002 Q 1	2001 Q 1	Change in %
Copper (tonnes)	54 313	50 307	8
Zinc clinker (tonnes)	9 223	8 658	7
Lead (tonnes)	6 329	9 410	-33
Gold (kg)	4 543	2 719	67
Silver (kg)	114 764	97 131	18
Lead alloy, Bergsöe (tonnes)	13 246	12 717	4

Fabrication

Sales in the Boliden Business Area Fabrication, which focuses on manufacturing copper tubing and brass rods, fell to SEK 587 million (706 M) during the first quarter of 2002 compared with the same period in 2001. The operating result was SEK 4 million (10 M), corresponding to an operating margin of 0.7 (1.4) per cent. The business has been negatively influenced by reduced volumes for brass products, mainly in England, where a comprehensive plan of remedial action is currently running on schedule. In January 2002, Boliden acquired the assets of a copper-tube manufacturer in the Netherlands, and this has contributed positively to sales and the result for the period.

Fabrication, SEK million	2002 Q 1	2001 Q 1	Change in %
Turnover	587	706	-17
Operating result	4	10	-60
Depreciation	14	15	-7
Investments	9	7	29

Technology Sales

Boliden Contech, which markets and sells technical solutions mainly for smelters, has developed according to plan during the first quarter of 2002.



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Employees

The average number of employees at the end of the first quarter of 2002 was 3 731 compared with 3 749 at the beginning of the year, a reduction of 18.

Stockholm, 29th April 2002

Jan Johansson
President and CEO

This quarterly report has been prepared in accordance with the recommendations of the Swedish Financial Accounting Standards Council. These same accounting standards were used in the latest annual financial statements. The quarterly report has not been subject to specific examination by the company's auditors.

The next interim report will be issued on 14th August 2002.

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INCOME STATEMENTS

Group	<u>1st Quarter</u>		<u>Full year</u>
	2002	2001	2001
Million SEK			
Net sales	2 406	2 897	10 250
Cost of goods sold	-2 168	-2 828	-9 686
Gross result	238	69	564
Selling expenses	-77	-88	-373
Administrative expenses	-82	-72	-361
Research & Development costs	-23	-25	-107
Items affecting comparability (IAC)	0	0	-724
Other operating income and expenses	28	26	52
Result from non-consolidated companies	13	2	0
Operating result	97	-88	-949
Financial items net	-80	-470	-2 807
Earnings after financial items	17	-558	-3 756
Taxes	0	42	562
Minority shares in earnings	0	56	957
Net result	17	-460	-2 237

Earnings excluding IAC	<u>1st Quarter</u>		<u>Full year</u>
Million SEK	2002	2001	2001
Operating result, excl. IAC	97	-88	-225
Earnings after financial items, excl. IAC	17	-558	-3 032
Net result, excl. IAC	17	-460	-1 513

Earnings per Share	<u>1st Quarter</u>		<u>Full year</u>
SEK	2002	2001	2001
Earnings per share	0.20	-5.36	-26.08
Earnings per share, excl. IAC	0.20	-5.35	-17.64
<i>Number of shares</i>	<i>85 811 638</i>		<i>85 811 638</i>

Items Affecting Comparability (IAC)	<u>1st Quarter</u>		<u>Full year</u>
Million SEK	2002	2001	2001
Write-down of Myra Falls			-1 159
Profit from sale of Norzink			478
Other	0	0	-43
	0	0	-724

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**CONSOLIDATED
BALANCE SHEET**

Group	31 Mar	31 Dec
SEK million	2002	2001
Intangible capital assets	9	8
Tangible capital assets	7 645	7 728
Deferred tax assets	225	239
Interest-bearing financial investments	3	2
Other financial capital assets	170	87
Inventories	1 417	1 387
Interest-bearing receivables	0	6
Other receivables	983	932
Cash and short-term capital expenditure	454	787
Total assets	10 906	11 176
Equity	2 495	2 527
Minority interest	1	1
Pensions reserves	415	430
Provisions	634	636
Interest-bearing long-term debts	5 140	124
Other long-term liabilities	6	5
Interest-bearing short-term debts	4	5 044
Other short-term liabilities	2 211	2 409
Liabilities and shareholders' equity	10 906	11 176
Specification of Changes in Shareholders' equity		
Million SEK		
Opening balance 01-01-2002		2 527
Net result		17
Translation differences		-49
Closing balance 31-03-2002		2 495
Key Ratios	31 Mar	Full year
	2002	2001
Capital expenditure in capital assets, million SEK	79	665
Capital employed, million SEK	7 294	7 039
Net debt, million SEK	-5 101	-4 803
Return on capital employed, %	5.4	-12.8
Return on equity %	2.7	-171.8
Equity ratio %	22.9	22.6

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Cash Flow Statement

<i>SEK million</i>	<i>Jan-Mar 2002</i>	<i>Jan-Mar 2001</i>	<i>Full Year 2001</i>
Operating Activities			
Earnings after financial items	17	-557	-3 756
Adjustments for items not included in cash flow, etc.	<u>108</u>	<u>587</u>	<u>1 144</u>
	125	30	-2 612
Tax paid	<u>–</u>	<u>-8</u>	<u>-38</u>
Cash Flow from Operating Activities before Changes in Working Capital	125	22	-2 650
<i>Cash flow from changes in working capital</i>			
Changes in inventories	-6	96	-52
Changes in current receivables	-104	-331	804
Changes in short-term liabilities	<u>-211</u>	<u>256</u>	<u>-442</u>
Cash Flow from Operating Activities	<u>-196</u>	<u>43</u>	<u>-2 340</u>
Investment Activities			
Sale of subsidiaries	–	–	1 714
Acquisition of business operations	-52	–	–
Investments in tangible fixed assets	<u>-79</u>	<u>-160</u>	<u>-665</u>
Cash Flow from Investment Activities	<u>-131</u>	<u>-160</u>	<u>1 049</u>
Financing Activities			
Shareholders' contributions received	–	–	1 649
Additions to debt	–	104	5 266
Repayment of debt	<u>-1</u>	<u>-10</u>	<u>-5 233</u>
Cash Flow from Financing Activities	<u>-1</u>	<u>94</u>	<u>1 682</u>
Cash flow for period	-328	-23	391
Cash, beginning of period	787	391	391
Exchange rate differences on cash balances	<u>-5</u>	<u>1</u>	<u>5</u>
Cash, end of period	454	369	787

Liquid Assets

<i>SEK million</i>	<u>Jan-Mar 2002</u>	<u>Jan-Mar 2001</u>	<u>Full year 2001</u>
<i>The following are included as liquid assets:</i>			
Cash and bank	369	210	507
Short-term capital expenditure	<u>85</u>	<u>159</u>	<u>280</u>
	454	369	787



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INFORMATION BY BUSINESS AREA

MSEK

As of Mars 2002

	<u>Mines</u>	<u>Smelters</u>	<u>Fabrication</u>	<u>Others, incl elim</u>	<u>Group</u>
Net turnover	480	1 794	587	-455	2 406
Operating result	10	94	4	-11	97
Investments	60	10	9	–	79
Depreciation	70	72	14	2	158

As of Mars 2001

	<u>Mines</u>	<u>Smelters</u>	<u>Fabrication</u>	<u>Others, incl elim</u>	<u>Group</u>
Net turnover	479	1 830	706	-118	2 897
Operating result	-168	-10	10	80	-88
Investments	112	35	7	6	160
Depreciation	108	52	15	26	201

As of December 2001

	<u>Mines</u>	<u>Smelters</u>	<u>Fabrication</u>	<u>Others, incl elim</u>	<u>Group</u>
Net turnover	2 197	6 710	2 412	-1 069	10 250
Operating result	-300	111	14	-774	-949
Investments	474	152	25	14	665
Depreciation	477	227	57	76	837
