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Interim Report, January-March 2012

Q1 2012

- Revenues totalled SEK 10,321 million (SEK 10,158 m).
- The operating profit totalled SEK 1,499 million (SEK 1,359 m).
 - Excluding the revaluation of process inventory, the operating profit totalled SEK 1,217 million (SEK 1,500 m).
- Free cash flow totalled SEK 888 million (SEK 448 m).
- Earnings per share totalled SEK 3.98 (SEK 3.51).
- New electronic recycling facility commissioned.

Summary of financial performance

SEK m	Q1 2012	Q1 2011	Q4 2011	April 2011- March 2012	Full year 2011
Revenues	10,321	10,158	9,716	40,486	40,323
Operating profit (EBIT)	1,499	1,359	1,075	4,888	4,748
Operating profit excl. revaluation of process inventory	1,217	1,500	991	4,725	5,008
Profit after financial items	1,463	1,301	1,045	4,722	4,560
Net profit	1,089	961	787	3,517	3,389
Earnings per share, SEK	3.98	3.51	2.88	12.86	12.39
Free cash flow ¹	888	448	-482	437	-3
Return on capital employed ² , %	-	-	-	17	17
Return on shareholders' equity ³ , %	-	-	-	17	17
Net debt/equity ratio ⁴ , %	24	21	29	24	29

¹ Refers to cash flow before financing operations.

² Operating profit divided by average capital employed.

³ Profit after tax divided by average shareholders' equity.

⁴ Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

Q1

Sales and production

Global demand for base metals fell slightly during the first quarter of the year in comparison with the previous quarter. Demand in the European metals market showed a similar development. Base metal prices were, on average, higher than in the previous quarter in both USD and SEK.

Boliden's revenues for the quarter totalled SEK 10,321 million (SEK 10,158 m). Sales increased in comparison with the previous quarter due to higher prices for all metals. The metal premium for copper rose during the quarter.

Boliden's mined zinc production increased in comparison with the previous quarter, while copper and silver production fell in comparison with both the previous quarter and the previous year.

Smelters' copper production fell slightly in comparison with the fourth quarter of 2011, but rose for other metals, and for gold and silver in particular. Metal production for all metals was higher than in the corresponding period last year.

Financial development

The operating profit totalled SEK 1,499 million (SEK 1,359 m). If the revaluation of process inventory is excluded, the operating profit totalled SEK 1,217 million (SEK 1,500 m). The Group's operating costs, excluding depreciation, totalled SEK 2,723 million (SEK 2,517 m).

The operating profit for Business Area Mines totalled SEK 822 million (SEK 1,156 m), while the operating profit excluding the revaluation of process inventory for Business Area Smelters totalled SEK 349 million (SEK 226 m).

OPERATING PROFIT ANALYSIS	Q1	Q1	Q4
SEK m	2012	2011	2011
Operating profit	1,499	1,359	1,075
Revaluation of process inventory (PIR)	282	-142	84
Operating profit excl. revaluation of process inventory	1,217	1,500	991
Change		-283	226
Analysis of change		Q1 vs.	Q4 2011:
		Q1 2011	
Volume effect		26	-3
Prices and terms		-169	187
<i>Metal prices and terms</i>		-215	310
<i>Realised metal price and currency hedging*</i>		9	-168
<i>TC/RC terms</i>		42	31
<i>Metal premiums</i>		-6	14
Exchange rate effects		153	-54
<i>Of which translation effects</i>		-2	-6
Costs		-202	-55
Depreciation		-66	-68
Internal profit elimination		-51	81
Other		27	140 ¹⁾
Change		-283	226
*Result for respective period	Q1 2012	Q1 2011	Q4 2011
Realised metal price and currency hedging	21	12	190

¹⁾Includes in Q4 2011 the effect of provisions for future reclamation costs totalling SEK -125 million.

Excluding provisions for reclamation costs made in the fourth quarter of 2011, costs increased in local currencies by 2 per cent in comparison with the fourth quarter and by 8 per cent in comparison with the corresponding period in 2011. Energy costs have increased in comparison with the previous quarter, while the cost of external services has fallen. The increase in costs in comparison with the previous year was due to costs in connection with external services, staff overheads and energy.

Stocks of internally supplied concentrate have fallen, resulting in a positive internal profit elimination of SEK 82 m during the quarter.

Net financial items during the first quarter of the year totalled SEK -36 million (SEK -58 m). The improvement in net financial items in comparison with the previous year was due to lower credit costs and higher interest rates on currency futures. The average interest rate payable during the quarter was 3.32 per cent (3.22%), which was on a par with levels during the previous quarter.

The profit before tax totalled SEK 1,463 million (SEK 1,301 m). The net profit was SEK 1,089 million (SEK 961 m), corresponding to earnings per share of SEK 3.98 (SEK 3.51).

Cash flow and investments

CASH FLOW	Q1	Q1	Q4	April 2011-	Full year
SEK m	2012	2011	2011	March 2012	2011
From operating activities before changes in operating capital					
Changes in working capital	1,424	958	1,222	5,505	5,039
Cash flow from operating activities	1,804	1,129	873	4,696	4,021
Investments and other	-915	-681	-1,355	-4,258	-4,024
Before financing (Free cash flow)	888	448	-482	437	-3

The cash flow improved by SEK 1,370 million in comparison with the fourth quarter of 2011, primarily due to a reduction in investment levels and reduced inventories. Investments have increased, however, in comparison with the previous year as a consequence of the ongoing expansion projects at Rönnskär, Kankberg and Garpenberg. Tax paid during the quarter totalled SEK 592 million (SEK 908 m).

Financial position

Boliden's net debt totalled SEK 5,152 million (SEK 4,105 m) on 31st March 2012 and its net debt/equity ratio at that time was 24 per cent (21%). The average term of the total limits on borrowing approved was 3.1 years (3.9 yrs.). The average interest level for Boliden's debt portfolio at the period end was 3.37 per cent (3.34%) and the fixed interest term was 0.9 years (1.7 yrs).

In April, Boliden agreed an EUR 40 million loan with the Nordic Investment Bank (NIB). The loan is an 8-year facility with repayments between 2017 and 2020.

The contribution to shareholders' equity of the net market valuations of financial instruments, after fiscal effects, totalled SEK -150 million (SEK -284 m) on 31st March 2012.

Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities with a term in excess of one year, less loans that mature within one year, totalled SEK 9,389 million (SEK 11,154 m) at the end of the first quarter.

PARENT COMPANY

The Parent Company, Boliden AB, conducts no operations and has no employees. The Parent Company's Income Statements and Balance Sheets can be found on page 18 of this Interim Report.

ONGOING EXPANSION PROJECTS

Expansion of electronic scrap recycling capacity at Rönnskär

The new electronics recycling facility at Rönnskär came online in mid-January. If the existing facility's output is included, approximately 19,000 (12,000) tonnes of electronic scrap was processed during the first quarter. The facility's annual capacity, once it is fully operational, will be approximately 120,000 tonnes of electronic scrap.

The Kankberg gold mine

The project involving the new gold mine at Kankberg is proceeding according to plan. Ore has been extracted during the quarter and the first ore has now been processed in the concentrator. The ore will initially only

undergo a leaching stage – the intermediate product will be stored and full concentration will begin once the new tellurium plant is completed at the end of the year. The average production by the mine will be in the order of 1,150 kg gold and 41 tonnes of tellurium per year up until 2020. The investment totals SEK 475 million.

Garpenberg

The expansion work at Garpenberg is proceeding according to plan. The new facilities will be commissioned in 2014 and full capacity will be achieved in 2015. Full capacity operation will see ore production increase to 2.5 million tonnes per year from the current production level of 1.4 million tonnes. The investment is expected to total SEK 3.9 billion.

On 31st January 2012, the Swedish Land & Environmental Court (MMD) granted a permit for continued and expanded operations of up to 3 million tonnes of ore per year at the Garpenberg mine. The ruling has gained legal force.

MARKET DEVELOPMENT

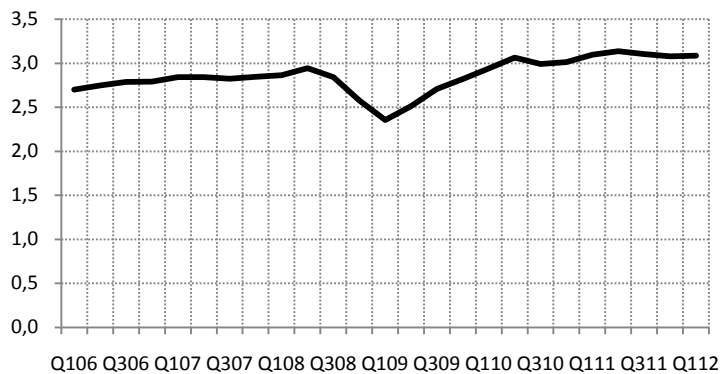
Industrial activity levels in mature economies fell in comparison with both the fourth quarter and the first quarter of 2011. The exception to this was in certain parts of the USA's industrial sector, where activity levels increased in comparison with last year. Production within metal-consuming sectors in mature economies is calculated to have fallen slightly as a whole in comparison with the fourth quarter of 2011.

Activity levels in the Chinese economy remained high during the first quarter, although the rate of growth slowed slightly.

Zinc

Global demand for zinc remained on a par with levels both during the previous quarter and during the first quarter of 2011. Demand fell in Europe as industrial activity levels declined. Demand was also slightly lower in China, but increased in North America.

Quarterly development in global demand for zinc (million tonnes of metal).



Source: © CRU (www.crugroup.com)

Global production by zinc smelters was on a par with levels during the first quarter of last year. Production levels fell slightly in China, but increased slightly in mature economies. Official zinc stock levels have increased during the quarter.

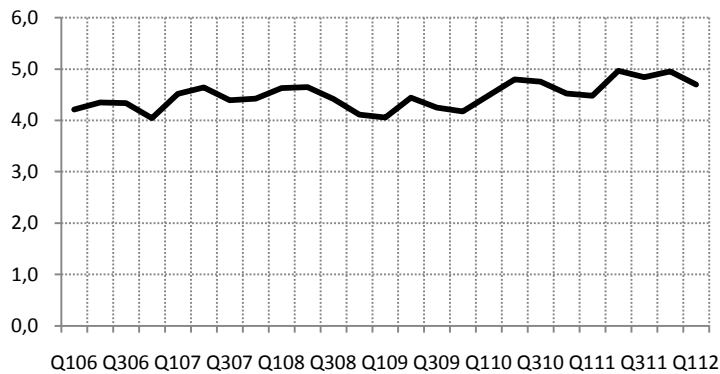
Global concentrate production was up on the previous year and is estimated to have matched demand from smelters overall, but to have generated a surplus in China.

TCs were stable at low levels on the spot market and were substantially lower than the realised level in the benchmark contracts for 2012. The concentrate surplus in China notwithstanding, TC on the spot market have continued to remain low. Spot premiums in Europe were stable in comparison with the fourth quarter of 2011.

Copper

Global demand for copper is estimated to have fallen in comparison with the fourth quarter of 2011. Demand rose, however, in comparison with the previous year due to a substantial increase in demand in China.

Quarterly development in global demand for copper (million tonnes of metal).



Source: © CRU (www.crugroup.com)

Global copper production levels were lower than in the previous quarter and slightly lower than in the first quarter of 2011. Production increased sharply in China, but global production is estimated to have been on a par with demand. Official stock levels on the metal exchanges increased slightly during the first quarter.

Global mined production levels are estimated to have been on a par with those during the first quarter of 2011, taking into account the estimated effects of disruptions to production in several countries. Production increased in several important producing countries, but fell in Europe. Concentrate production is estimated to have fallen slightly short of the demand from smelters and concentrate stocks are thought to have fallen as a result.

Spot market TC/RC has remained stable at a level that is lower than that in the benchmark contracts for 2012. Spot premiums in Europe rose during the quarter.

Lead

Demand for lead is driven to a considerable extent by the demand for automotive batteries and hence by automotive production, but to an even greater extent by demand for replacement batteries for vehicles and batteries for industrial use. The rate of change in demand between economic booms and recessions is normally lower than that for copper and zinc as the replacement market for automotive batteries is relatively stable.

Global demand for lead was slightly higher than during the first quarter of 2011. Smelter production is estimated to have increased and there was a surplus of lead metal. Official lead stock levels were higher at the end of the first quarter than at the end of the fourth quarter of 2011.

Sulphuric acid

Demand for sulphuric acid in northern Europe has continued to be stable. Both spot prices and contract prices fell, however, in comparison with the previous quarter.

METAL PRICES

Boliden's revenues are affected by the global market prices of base and precious metals. Base metals are traded daily on the London Metal Exchange (LME), where prices are set. Precious metal prices are set daily by the London Bullion Market Association (LBMA). Boliden's income is also affected by treatment and refining charges and metal premiums. The value of so-called free metals in concentrates also affects the Group's income.

Average prices in USD increased for all metals during the first quarter in comparison with the previous quarter. In comparison with the corresponding quarter last year, however, base metal prices have fallen, while gold and silver prices have increased. The same trend can be seen for prices in Swedish kronor, but is slightly more subdued in comparison with the corresponding quarter last year, due to a stronger US dollar.

Metal prices (USD) (average LME/LBMA)	Q1 2012	Q1 2011	<i>Change in %</i>	Q4 2011	<i>Change in %</i>	Full year 2011
Zinc (USD/tonne)	2,025	2,393	-15	1,897	7	2,191
Copper (USD/tonne)	8,310	9,646	-14	7,489	11	8,811
Lead (USD/tonne)	2,093	2,605	-20	1,983	6	2,398
Gold (USD/troy oz.)	1,691	1,387	22	1,687	0	1,573
Silver (USD/troy oz.)	32.63	31.86	2	31.87	2	35.12

Metal prices (SEK) (average LME/LBMA)	Q1 2012	Q1 2011	<i>Change in %</i>	Q4 2011	<i>Change in %</i>	Full year 2011
Zinc (SEK/tonne)	13,665	15,515	-12	12,804	7	14,232
Copper (SEK/tonne)	56,089	62,532	-10	50,540	11	57,244
Lead (SEK/tonne)	14,129	16,889	-16	13,381	6	15,578
Gold (SEK/troy oz.)	11,414	8,990	27	11,384	0	10,221
Silver (SEK/troy oz.)	220.21	206.56	7	215.05	2	228.17

EXCHANGE RATES

The majority of Boliden's revenues and costs of raw materials bought in are in US dollars, but the majority of its other costs are in Swedish kronor, euro and Norwegian kroner. The development of the US dollar consequently has a significant effect on the Group's profit.

The euro weakened against the Swedish krona and the US dollar in comparison with the previous quarter, and the US dollar has strengthened against the krona in comparison with the previous year.

Exchange rates (average)	Q1 2012	Q1 2011	<i>Change in %</i>	Q4 2011	<i>Change in %</i>	Full year 2011
USD/SEK	6.75	6.48	4	6.75	0	6.50
EUR/USD	1.31	1.37	-4	1.35	-3	1.39
EUR/SEK	8.85	8.87	0	9.09	-3	9.03
USD/NOK	5.78	5.72	1	5.76	0	5.61

SENSITIVITY ANALYSIS

The following table contains an estimate of how changes in market terms affect the Group's operating profit (EBIT) over the next twelve-month period. The calculation is based on listings on 31st March 2012 and on Boliden's planned production volumes. The sensitivity analysis does not take into account the effects of metal price hedging, currency hedging, contracted TC/RC, or revaluations of process inventory in the smelters.

Change in metal prices +10%	Effect on operating profit, SEK m	Change in USD +10%	Effect on operating profit, SEK m	Change in TC/RC +10%	Effect on operating profit, SEK m
Copper	460	USD/SEK	1,070	TC/RC Copper	65
Zinc	450	EUR/USD	375	TC Zinc	45
Lead	85	USD/NOK	80	TC Lead	-10
Gold	180				
Silver	170				

METAL PRICE AND CURRENCY HEDGING

The following table shows Boliden's outstanding metal price and currency hedging contracts on 31st March 2012. The Boliden Group's production is otherwise, in every significant respect, exposed to changes in market prices. The hedging reduces the effect on the Group's profit of fluctuations in metal prices and exchange rates and critically, covers the most intensive period of the Garpenberg expansion project.

Metals	2012	2013	2014	2015	2016	2017
Zinc						
Hedged volume (tonnes)	94,050	62,250				
Future price, USD/tonne	2,230	2,125				
Market value, SEK m	137	35				
Copper						
Hedged volume (tonnes)	20,700	14,100				
Future price, USD/tonne	9,080	8,746				
Market value, SEK m	86	27				
Lead						
Hedged volume (tonnes)	17,325	11,400				
Future price, USD/tonne	2,324	2,219				
Market value, SEK m	31	10				
Silver						
Hedged volume (000 troy oz.)	2,205	1,524				
Future price, USD/troy oz.	28.45	27.12				
Market value, SEK m	-59	-55				
Gold						
Hedged volume (troy oz.)	54,315	58,200	38,400	48,600	47,000	29,000
Future price, USD/troy oz.	1,376	1,387	1,455	1,491	1,487	1,490
Market value, SEK m	-102	-107	-57	-63	-62	-38
Market value, SEK m	93	-90	-57	-63	-62	-38
Currencies						
USD/SEK						
Hedged volume (USD m)	398	293	56	72	70	43
Forward rate, USD/SEK	6.81	6.76	6.83	6.78	6.77	6.77
Market value, SEK m	57	12	0	-9	-9	-5
EUR/USD						
Hedged volume (USD m)	148	91				
Forward rate, EUR/USD	1.35	1.35				
Market value, SEK m	-11	-6				
USD/NOK						
Hedged volume (USD m)	29	18				
Forward rate, USD/NOK	5.96	6.03				
Market value, SEK m	8	5				
Market value, SEK m	54	11	0	-9	-9	-5

BUSINESS AREA MINES

Business Area Mine's revenues totalled SEK 2,498 million (SEK 2,647 m) during the quarter. The operating profit totalled SEK 822 million (SEK 1,156 m), corresponding to an improvement of SEK 176 million in the profit in comparison with the previous quarter.

KEY RATIOS	Q1	Q1	<i>Change</i>	Q4	<i>Change</i>	April 2011-	Full year
SEK m	2012	2011	<i>in %</i>	2011	<i>in %</i>	March 2012	2011
Revenues	2,498	2,647	-6	2,426	3	10,130	10,279
Operating expenses	1,362	1,237	10	1,485	-8	5,314	5,189
Depreciation	322	274	18	267	21	1,158	1,110
Operating profit	822	1,156	-29	646	27	3,579	3,913
Investments	645	431	50	802	-20	2,552	2,338
Capital employed	14,863	13,808	8	14,272	4	14,863	14,272

PROFIT ANALYSIS	Q1	Q1	Q4
SEK m	2012	2011	2011
Operating profit	822	1,156	646
Change		-334	176
Analysis of change		Q1 vs.	Q1 vs.
		Q1 2011:	Q4 2011
Volume effect		-112	-21
Prices and terms		-164	158
<i>Metal prices and terms</i>		-221	264
<i>Realised metal price and currency hedging*</i>		6	-127
<i>TC/RC terms</i>		50	21
Exchange rate effects		101	-26
<i>Of which translation effects</i>		0	-1
Costs		-126	-8
Depreciation		-48	-59
Other		15	133 ¹⁾
Change		-334	176

*Result for respective period	Q1 2012	Q1 2011	Q4 2011
Realised metal price and currency hedging	14	8	141

¹⁾ Q4 2011 includes provision made for future reclamation costs, totalling SEK -125 million.

The volume effect was limited in comparison with the previous quarter. Volume increases for zinc, lead and gold compensated for lower copper production levels. This reduction in copper production levels in comparison with the previous year had a negative effect on the profit of SEK 112 million.

Metal price trends made a positive contribution to the profit performance in comparison with the fourth quarter of 2011, while the reverse was true in comparison with the previous year. The US dollar has strengthened against the Swedish krona since the first quarter of 2011, yielding a positive exchange rate effect.

Operating expenses for the quarter totalled SEK 1,362 million. Costs in local currency, excluding provision for reclamation costs, were on a par with levels in the previous quarter. Energy costs increased, but the cost of external services fell. Costs increased by approximately 10 per cent in comparison with the previous year, with just over 2 per cent of this rise due to the increased investment in exploration. Staff overheads, external services, consumables and energy accounted for the rest of the increase. The staff overheads item includes new recruits employed ahead of the start-up of production at the Kankberg mine.

Production*

	Q1 2012	Q1 2011	<i>Change in %</i>	Q4 2011	<i>Change in %</i>	April 2011- March 2012	Full year 2011
Zinc, tonnes	73,790	73,201	1	64,234	15	283,805	283,217
Copper, tonnes	18,888	20,606	-8	20,140	-6	79,487	81,205
Lead, tonnes	12,629	12,613	0	11,070	14	49,493	49,477
Gold, kg	898	858	5	828	8	3,721	3,681
Silver, kg	55,388	59,656	-7	55,833	-1	227,120	231,388

* Refers to metal content in concentrates. Information on production and metal content at individual units can be found on page 20.

The volume of zinc concentrate produced increased by 15 per cent in comparison with the fourth quarter of 2011. The increase was due to stable production and higher grades at Tara, and to higher grades at Garpenberg.

Copper concentrate production was down on both the previous quarter and the previous year. The reduction in comparison with the previous quarter was due to lower grades in the Boliden Area. Lower grades at Aitik and in the Boliden Area in comparison with the previous year resulted in reduced copper production.

Lead production increased in comparison with the previous quarter, due to increased volumes at Tara.

Gold production increased in comparison with both comparison periods due to an increase in the amount of gold ore from the Kristineberg mine (in the Boliden Area) concentrated during the quarter.

Upgrade to the Aitik crusher

One of the crushers at Aitik was adjusted and upgraded during February and March in order to improve performance. The upgrade had a negative effect on BA Mines' operating profit of approximately SEK 50 million during the quarter. The measures implemented are currently being evaluated and the preliminary results look good with regard to production stability. The other crusher will be upgraded later during the year and is expected to have only a limited effect on the profit.

BUSINESS AREA SMELTERS

Business Area Smelters' operating profit, excluding the revaluation of process inventory, totalled SEK 349 million (SEK 226 m). The profit increased slightly in comparison with the fourth quarter of 2011.

KEY RATIOS SEK m	Q1 2012	Q1 2011	<i>Change</i> <i>in %</i>	Q4 2011	<i>Change</i> <i>in %</i>	April 2011- March 2012	Full year 2011
Revenues	10,011	9,667	4	9,130	10	38,815	38,471
Gross profit, ex. revaluation of process inventory	1,899	1,691	12	1,885	1	7,368	7,160
Operating expenses	1,349	1,282	5	1,362	-1	5,425	5,358
Depreciation	220	199	11	214	3	841	823
Operating profit, ex. revaluation of process inventory	349	226	54	326	7	1,175	1,051
Operating profit	631	84	652	410	54	1,338	790
Investments	270	232	16	561	-52	1,712	1,674
Capital employed	15,534	13,747	13	16,213	-4	15,534	16,213

PROFIT ANALYSIS SEK M	Q1 2012	Q1 2011	Q4 2011
Operating profit	631	84	410
Revaluation of process inventory	282	-142	84
Operating profit, ex. revaluation of process inventory	349	226	326
Change		123	23
Analysis of change		Q1 vs. Q1 2011:	Q1 vs. Q4 2011
Volume effect		142	20
Prices and terms*		10	43
<i>Metal prices and terms</i>		20	61
<i>Realised metal price and currency hedging*</i>		3	-42
<i>TC/RC terms</i>		-8	10
<i>Metal premiums</i>		-6	14
Exchange rate effects		48	-28
<i>Of which translation effects</i>		-5	-4
Costs		-64	-5
Depreciation		-18	-8
Other		4	1
Change		123	23

*Result for respective period	Q1 2012	Q1 2011	Q4 2011
Realised metal price and currency hedging	7	4	49

The volume effect was weakly positive in comparison with the fourth quarter of 2011 due to higher volumes of free metals and a slightly higher zinc concentrate processing level at Kokkola. The positive effect on the profit in comparison with the previous year was due to higher volumes of free metals and also, in part, to changes in the routines for monitoring free metals.

Prices and terms had a collectively weakly positive effect. Higher metal prices and metal premiums were countered by poorer TC for the zinc smelters.

The operating expenses for the Business Area, excluding depreciation, totalled SEK 1,349 million. Costs remained unchanged in local currencies in comparison with the previous quarter. Energy and consumables costs increased, but this was compensated for by lower costs for external services. Costs increased by 5 per cent in comparison with the previous year. Staff overheads, external services, consumables and energy accounted for the increase. The staff overheads item includes new recruits employed ahead of the new electronic scrap recycling facility at Rönnskär.

Production

	Q1 2012	Q1 2011	Change in %	Q4 2011	Change in %	April 2011- March 2012	Full year 2011
Zinc, tonnes	118,345	116,449	2	114,237	4	462,448	460,552
Copper, tonnes	84,516	81,629	4	87,611	-4	338,658	335,771
Lead, tonnes	5,498	5,135	7	2,182	152	11,792	11,429
Lead alloys, tonnes (Bergsöe)	10,939	10,671	3	11,738	-7	41,277	41,009
Gold, kg	3,869	3,375	15	3,170	22	13,342	12,848
Silver, kg	150,859	123,655	22	119,599	26	515,351	488,147
Sulphuric acid, tonnes	433,112	405,571	7	411,391	5	1,624,613	1,597,072
Aluminium fluoride, tonnes	10,016	8,371	20	10,704	-6	36,457	34,812

Information on the profit and production at individual units can be found on page 21.

The increase in zinc production in comparison with the previous quarter was primarily due to the strike in Finland in October 2011, which reduced production volumes at Kokkola. Odda's zinc production was affected by a maintenance shutdown brought forward from April to February.

Copper production was lower than in the previous quarter due to quality problems in Rönskärs cathode production line. Copper production increased in comparison with the previous year due to improved production stability at Harjavalta.

Increased processing of lead concentrate in the existing Kaldo furnace at Rönskärs helped increase lead production in comparison with the previous quarter. The increased production of precious metals was due to higher grades in input raw materials and, to some extent, to an increase in electronic scrap processing.

The slight fall in lead alloy production at Bergsöe during the quarter was due to an unplanned production shutdown during the quarter. Production has increased in comparison with the previous year, due to better raw material availability.

Maintenance shutdowns in the coming quarter

Major maintenance shutdowns will be implemented at Harjavalta and Rönskärs during the second quarter of 2012. The total effect on the operating profit for BA Smelters is estimated at approximately SEK 130 million.

SUSTAINABLE DEVELOPMENT**Employees**

The average number of employees¹ at Boliden during the first quarter was 4,783 (4,535). Of these, 2,811 work in Sweden, 948 in Finland, 700 in Ireland, 310 in Norway, and 14 in other countries. The average number of Group employees in 2011 was 4,597. The adjusted comparison figures for the previous quarter and year are due to changes in the calculation method. The increase in the total number is due to new recruits taken on at Rönnskär and in the Boliden Area as a result of the ongoing expansion projects there.

The sick leave rate during the first quarter was 4.3 per cent (4.6%), while for 2011 as a whole, it was 3.7 per cent – an historically low level. The Group's long-term goal is for its sick leave rate not to exceed 4.0 per cent.

The accident frequency during the first quarter was 5.3 (5.9) accidents per one million hours worked by Boliden's own employees, corresponding to an increase in comparison with the fourth quarter of 2011 when the corresponding figure was 4.1. The accident frequency for the year as a whole was 4.9 (8.2).

Environment

The limit value for discharges of mercury to water was exceeded on one occasion during the first quarter at the Kokkola sulphuric acid plant. The limit value of 0.75kg/month was exceeded by 0.3 kg. Measures to prevent a recurrence have been taken. These measures include increased monitoring of the processes and more frequent equipment checks, as well as improved filter automation.

An oil spill of approximately 100 litres occurred during the first quarter when an hydraulic oil pipe on a digger at Aitik burst. The spill was immediately cleaned up.

Emissions and discharges of metals to air and water, and discharges of nutrient salts to water, were both below Boliden's Group-wide maximum emission target figures, while emissions of sulphur dioxide to air exceeded the target figure slightly during the first quarter.

Boliden's operations at all of its facilities are subject to licensing requirements and are conducted in accordance with the legislation in the various countries in which they operate. Group-wide environmental goals have been defined for the period from 2009 to 2013. These goals cover metal emissions and discharges to air and water, energy consumption, and sulphur dioxide and carbon dioxide emissions to air. The goals are followed up monthly, with the exception of the carbon dioxide emissions/energy consumption goals, which are followed up at the end of each year. Goals and results are reported in Boliden's Sustainability Report for 2011.

RISKS AND UNCERTAINTY FACTORS

The Group's and Parent Company's significant risks and uncertainty factors include market and external risks, financial risks, operational and commercial risks, and legal risks. The global economic climate in general, and global industrial production in particular, affect the demand for zinc, copper and other base metals. For further information on risks and risk management, please see Risk management on pages 46-47 and Note 19 Financial risk management, on pages 77-78 of Boliden's Annual Report for 2011.

¹ Full-time equivalents

PREPARATION PRINCIPLES FOR THE INTERIM REPORT

The Consolidated Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU, and with the Swedish Financial Reporting Board recommendation RFR1, complementary accounting rules for Groups, which specifies the supplementary information required in addition to that required under IFRS standards, pursuant to the provisions of the Swedish Annual Accounts Act. This Interim Report has been prepared for the Group in accordance with IAS 34, Interim Financial Reporting, and in accordance with the Swedish Annual Accounts Act, while the Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act.

A number of new addenda to IFRS standards and interpretations by IFRIC came into force on 1st January 2012. None of the changes that have come into force have had any significant effect on Boliden's financial reporting.

The accounting principles and calculation methods used in the Full-year Report are the same as those used in the 2011 Annual Accounts.

The undersigned declare that the Interim Report gives a true and fair overview of the Parent Company's and the Group's operations, position and results and describes the material risks and uncertainties faced by the Parent Company and the companies that make up the Group.

Stockholm, 3rd May 2012

Lennart Evrell
President & CEO

The information provided comprises information that Boliden is obliged to present pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on 3rd May 2012 at 08.00 (CET).

The Interim Report has not been subject to special review by the company's auditors.

FINANCIAL CALENDAR

The Interim Report for the second quarter of 2012 will be published on 19th July 2012.
The Interim Report for the third quarter of 2012 will be published on 25th October 2012.
The Full-year Report for 2012 will be published on 11th February 2013.

PRESENTATION OF THE REPORT

The Interim Report will be presented via web cast and conference call.
Time: Thursday, 3rd May, 10.30 (CET)

The web cast will be broadcast online at www.boliden.com.
To participate in the conference call, please dial one of the following telephone numbers 3-5 minutes before the conference starts:

Telephone number from Sweden: 08-505 598 53 (include the area code)
Telephone number from other countries: +44 (0) 203 043 24 36

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CONSOLIDATED INCOME STATEMENTS

SEK m	Q1 2012	Q1 2011	Q4 2011	April 2011- March 2012	Full year 2011
Revenues	10,321	10,158	9,716	40,486	40,323
Cost of goods sold	-8,548	-8,524	-8,348	-34,429	-34,404
Gross profit	1,773	1,634	1,368	6,057	5,919
Selling expenses	-83	-96	-95	-371	-384
Administrative expenses	-126	-119	-119	-546	-540
Research and development costs	-108	-77	-109	-389	-358
Other operating income and expenses	43	18	30	136	111
Results from participations in associated companies	0	-1	0	1	0
Operating profit	1,499	1,359	1,075	4,888	4,748
Financial income	28	13	29	86	71
Financial expenses	-64	-71	-59	-252	-259
Profit after financial items	1,463	1,301	1,045	4,722	4,560
Taxes	-374	-340	-258	-1,205	-1,171
Net profit	1,089	961	787	3,517	3,389

Net profit attributable to:

The Parent Company's shareholders	1,089	961	787	3,515	3,387
Holdings with non-controlling interest	0	0	0	2	2

Earnings and shareholders' equity per share

	Q1 2012	Q1 2011	Q4 2011	April 2011- March 2012	Full year 2011
Earnings per share ¹ , SEK	3.98	3.51	2.88	12.86	12.39
Shareholders' equity per share, SEK	79.90	71.54	76.90	79.90	76.90
Number of shares	273,511,169	273,511,169	273,511,169	273,511,169	273,511,169
Average number of shares	273,511,169	273,511,169	273,511,169	273,511,169	273,511,169
Number of own shares held	-	-	-	-	-

¹ There are no potential shares and, as a result, no dilution effect.

CONSOLIDATED REPORT OF COMPREHENSIVE INCOME

SEK m	Q1 2012	Q1 2011	Q4 2011	April 2011- March 2012	Full year 2011
Profit for the period	1,089	961	787	3,517	3,389
Other comprehensive income					
Cash flow hedging					
Change in market value of derivative instruments	-349	-319	-79	495	523
Fiscal effect on derivative instruments	92	84	21	-130	-138
Transfers to the Income Statement	-16	-3	-185	-313	-297
Tax on transfers to the Income Statement	4	1	49	82	78
	-269	-237	-194	134	167
The period's translation difference on overseas operations	-52	-34	-171	-50	-32
Profit on hedging of net investments in overseas operations	72	47	233	67	42
Tax on the profit for the period from hedging instruments	-19	-15	-61	-15	-11
	1	-2	1	2	-1
Other items included in comprehensive income	-	2	1	-	-
Total other comprehensive income	-268	-237	-192	136	166
Comprehensive income for the period	821	724	595	3,653	3,555
Total comprehensive income for the period attributable to:					
The Parent Company's shareholders	821	724	595	3,651	3,553
Holdings with non-controlling interest	0	0	0	2	2

KEY RATIOS

	Q1 2012	Q1 2011	Q4 2011	April 2011- March 2012	Full year 2011
Return on capital employed ¹ , %	-	-	-	17	17
Return on shareholders' equity ² , %	-	-	-	17	17
Equity/assets ratio, %	58	56	56	58	56
Net debt/equity ratio ³ , %	24	21	29	24	29
Depreciation, SEK m	542	475	481	2,002	1,937
Investments ⁴ , SEK m	917	664	1,368	4,298	4,045
Capital employed, SEK m	30,068	26,750	30,473	30,068	30,473
Net debt, SEK m	5,152	4,105	6,063	5,152	6,063

¹ Operating profit divided by average capital employed.

² Profit after tax divided by average shareholders' equity.

³ Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

⁴ Including allocation in respect of reclamation provisions.

CONSOLIDATED BALANCE SHEETS

SEK m	31 st March 2012	31 st Dec. 2011	31 st March 2011
Intangible fixed assets	3,186	3,184	3,156
Tangible fixed assets	23,256	22,927	21,032
Deferred tax	51	46	51
Interest-bearing assets	60	55	46
Other financial fixed assets	126	127	142
Inventories	7,262	7,737	6,888
Interest-bearing current receivables	3	3	3
Tax receivables	30	30	–
Other receivables	2,683	3,151	2,558
Liquid assets	780	355	1,197
Total assets	37,437	37,615	35,073
Shareholders' equity	21,853	21,032	19,568
Pension provisions	656	653	624
Deferred tax provisions	2,981	3,004	2,640
Other provisions	1,163	1,164	1,007
Interest-bearing long-term liabilities	3,646	4,967	4,549
Interest-bearing current liabilities	1,634	801	178
Tax liabilities	164	450	488
Other current liabilities	5,340	5,544	6,019
Total liabilities and shareholders' equity	37,437	37,615	35,073

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

SEK m	31 st March 2012	31 st Dec. 2011	31 st March 2011
Opening balance	21,032	18,846	18,846
Total comprehensive income for the period	821	3,555	724
Acquisition of minority holding	–	–	–
Dividend	–	-1,369	-2
Closing balance	21,853	21,032	19,568
Total shareholders' equity attributable to:			
The Parent Company's shareholders	21,840	21,020	19,556
Holdings with non-controlling interest	13	12	12

On 31st March 2012, the market valuation of financial instruments, after fiscal effect, was SEK -150 million.

CONSOLIDATED CASH FLOW ANALYSIS

SEK m	Q1 2012	Q1 2011	Q4 2011	April 2011- March 2012	Full year 2011
Operating activities					
Profit after financial items	1,463	1,301	1,045	4,722	4,560
Adjustments for items not included in the cash flow:					
- Depreciation, amortisation and write-down of assets	542	477	481	2,002	1,937
- Provisions	5	2	22	35	32
- Translation differences, etc.	6	85	156	-29	50
Tax paid	-592	-908	-483	-1,224	-1,540
Cash flow from operating activities before changes in working capital	1,424	958	1,222	5,505	5,039
Cash flow from changes in working capital	379	171	-349	-809	-1,017
Cash flow from operating activities	1,804	1,129	873	4,696	4,021
Investment activities					
- Acquisition of tangible fixed assets	-908	-664	-1,359	-4,236	-3,992
- Acquisition of intangible fixed assets	-4	-	-7	-27	-23
- Acquisition of financial fixed assets	-5	-19	-3	-15	-29
- Other	2	2	14	20	20
Cash flow from investment activities	-915	-681	-1,355	-4,258	-4,024
Cash flow before financing activities	888	448	-482	437	-3
Dividend	-	-2	-	-1,366	-1,369
Net borrowing/net amortisation	-463	-68	215	510	905
Cash flow from financing activities	-463	-70	215	-856	-464
Cash flow for the period	426	377	-267	-419	-467
Liquid assets at beginning of period	355	821	623	1,197	821
Exchange rate difference on liquid assets	-2	-1	-1	-	1
Liquid assets at period end	780	1,197	355	780	355

THE PARENT COMPANY'S INCOME STATEMENTS

SEK m	Q1 2012	Q1 2011	Q4 2011	April 2011- March 2012	Full year 2011
Dividends from subsidiaries	–	–	–	3,218	3,218
Profit after financial items	–	–	–	3,218	3,218
Taxes	–	–	–	–	–
Profit for the period	–	–	–	3,218	3,218

The Parent Company, Boliden AB, conducts no operations and has no employees. Boliden AB has no amounts to report under Other comprehensive income.

THE PARENT COMPANY'S BALANCE SHEETS

SEK m	31 st March 2012	31 st Dec. 2011	31 st March 2011
Participations in Group companies	3,911	3,911	3,911
Other shares and participations	5	5	5
Long-term financial receivables, Group companies	5,521	5,521	3,672
Current financial receivables, Group companies	798	166	177
Total assets	10,236	9,605	7,765
Shareholders' equity	9,438	9,438	7,588
Current liabilities to credit institutions	798	166	177
Total liabilities and shareholders' equity	10,236	9,605	7,765

INFORMATION PER SEGMENT

SEK m	Q1 2012	Q1 2011	Q4 2011	April 2011- March 2012	Full year 2011
MINES					
Revenues	2,498	2,647	2,426	10,130	10,279
Operating profit	822	1,156	646	3,579	3,913
Depreciation	322	274	267	1,158	1,110
Investments	645	431	802	2,552	2,338
Capital employed	14,863	13,808	14,272	14,863	14,272
SMELTERS					
Revenues	10,011	9,667	9,130	38,815	38,471
Operating profit	631	84	326	1,338	790
Operating profit ex. revaluation of process inventory	349	226	410	1,175	1,051
Depreciation	220	199	214	841	823
Investments	270	232	561	1,712	1,674
Capital employed	15,534	13,747	16,213	15,534	16,213
OTHER/ELIMINATIONS					
Revenues	-2,188	-2,156	-1,840	-8,459	-8,427
Operating profit, other	46	119	19	-28	45
<i>Of which internal profit eliminations</i>	82	133	2	69	119
Depreciation	0	2	-	1	3
Investments	1	1	5	33	33
Capital employed	-329	-805	-12	-329	-12
THE GROUP					
Revenues	10,321	10,158	9,716	40,486	40,323
Operating profit	1,499	1,359	1,075	4,888	4,748
Operating profit ex. revaluation of process inventory	1,217	1,500	991	4,725	5,008
Depreciation	542	475	481	2,002	1,937
Investments	917	664	1,368	4,298	4,045
Capital employed	30,068	26,750	30,473	30,068	30,473

Capital employed reported under Other refers, mainly, to market valuations of hedges and internal profit elimination.

PRODUCTION PER UNIT - MINES

	Q1 2012	Q1 2011	Change in %	Q4 2011	Change in %	April 2011- March 2012	Full year 2011
TARA							
Milled ore, ktonnes	677	656	3	585	16	2,508	2,486
Head grades							
Zinc (%)	7.2	6.9	4	6.8	6	7.1	7.0
Lead (%)	1.4	1.3	8	1.3	8	1.4	1.4
Metal production							
Zinc, tonnes	45,664	42,250	8	37,574	22	167,349	163,935
Lead, tonnes	5,799	4,938	17	4,550	27	20,648	19,787
GARPENBERG							
Milled ore, ktonnes	358	337	6	340	5	1,477	1,456
Head grades							
Zinc (%)	6.0	6.8	-12	5.8	3	6.0	6.2
Copper (%)	0.1	0.1	0	0.1	0	0.1	0.1
Lead (%)	2.2	2.6	-15	2.2	0	2.3	2.4
Gold (g/tonne)	0.3	0.2	50	0.3	0	0.3	0.3
Silver (g/tonne)	122	154	-21	119	3	125	133
Metal production							
Zinc, tonnes	19,148	21,364	-10	17,740	8	78,852	81,068
Copper, tonnes	92	86	7	113	-19	425	419
Lead, tonnes	6,469	7,328	-12	6,127	6	27,471	28,330
Gold, kg	64	42	52	65	-2	267	246
Silver, kg	31,151	38,756	-20	30,032	4	132,517	140,121
THE BOLIDEN AREA							
Milled ore, ktonnes	465	455	2	465	0	1,687	1,677
Of which slag	59	46	28	51	16	147	134
Head grades							
Zinc (%)	2.5	2.7	-7	2.5	0	2.8	2.9
Copper (%)	0.8	1.1	-27	1.1	-27	1.0	1.0
Lead (%)	0.2	0.3	-33	0.3	-33	0.3	0.3
Gold (g/tonne)	1.4	1.3	8	0.9	56	1.2	1.2
Silver (g/tonne)	39	41	-5	43	-9	40	41
Metal production							
Zinc, tonnes	8,978	9,587	-6	8,920	1	37,605	38,214
Copper, tonnes	3,009	3,861	-22	4,159	-28	13,058	13,910
Lead, tonnes	361	347	4	392	-8	1,374	1,360
Gold, kg	393	251	57	221	78	1,130	989
Silver, kg	11,392	12,610	-10	12,985	-12	44,099	45,318
AITIK							
Milled ore, ktonnes	7,961	6,700	19	8,334	-4	32,802	31,541
Head grades							
Copper (%)	0.22	0.27	-19	0.22	0	0.23	0.24
Gold (g/tonne)	0.12	0.16	-25	0.13	-8	0.13	0.14
Silver (g/tonne)	2.63	1.87	41	2.36	11	2.33	2.15
Metal production							
Copper, tonnes	15,787	16,659	-5	15,868	-1	66,004	66,876
Gold, kg	441	564	-22	542	-19	2,323	2,447
Silver, kg	12,424	8,072	54	12,636	-2	49,392	45,040

PRODUCTION PER UNIT - SMELTERS

	Q1 2012	Q1 2011	Change in %	Q4 2011	Change in %	April 2011- March 2012	Full year 2011
KOKKOLA							
Smelted material, tonnes							
Zinc concentrate	150,280	155,498	-3	145,210	3	595,010	600,228
Production							
Zinc, tonnes	80,169	76,460	5	75,072	7	311,061	307,352
Sulphuric acid, tonnes	80,417	78,611	2	75,170	7	303,751	301,945
ODDA							
Smelted material, tonnes							
Zinc concentrate, incl. zinc clinker	71,514	74,182	-4	72,219	-1	280,291	282,959
Production							
Zinc, tonnes	38,176	39,989	-5	39,165	-3	151,387	153,200
Aluminium fluoride, tonnes	10,016	8,371	20	10,704	-6	36,457	34,812
Sulphuric acid, tonnes	30,572	32,305	-5	33,475	-9	122,929	124,662
RÖNNSKÄR							
Smelted material, tonnes							
Copper concentrate	161,356	166,840	-3	166,719	-3	645,568	651,052
Secondary raw materials	47,081	37,180	27	47,938	-2	184,965	175,064
Copper, total	208,437	204,020	2	214,657	-3	830,533	826,116
Lead							
Lead concentrate	11,380	6,386	78	0		16,395	11,401
Secondary raw materials	898	2,211	-59	890	1	3,818	5,131
Lead, total	12,278	8,597	43	890	1 280	20,213	16,532
Production							
Cathode copper, tonnes	53,963	53,306	1	57,655	-6	219,973	219,316
Lead, tonnes	5,498	5,135	7	2,182	152	11,792	11,429
Zinc clinker, tonnes	9,904	7,506	32	9,895	0	38,255	35,857
Gold, kg	2,975	2,775	7	2,600	14	10,800	10,600
Silver, kg	119,879	109,075	10	97,536	23	425,870	415,066
Sulphuric acid, tonnes	156,210	148,247	5	149,618	4	578,832	570,869
HARJAVALTA							
Smelted material, tonnes							
Copper concentrate	124,877	116,037	8	114,008	10	465,190	456,350
Secondary raw materials	3,284	3,298	0	3,262	1	14,261	14,275
Copper, total	128,161	119,335	7	117,270	9	479,451	470,625
Nickel concentrate	69,140	60,880	14	68,509	1	267,519	259,259
Production							
Cathode copper, tonnes	30,553	28,323	8	29,956	2	118,685	116,455
Gold, kg	894	600	49	570	57	2,541	2,248
Silver, kg	30,980	14,580	112	22,063	40	89,481	73,081
Sulphuric acid, tonnes	165,913	146,408	13	153,128	8	619,101	599,596
BERGSÖE							
Production, tonnes							
Lead alloys	10,939	10,671	3	11,738	-7	41,277	41,009

CONSOLIDATED QUARTERLY DATA

	Q2 2010	Q3 2010	Q4 2010	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012
Financial performance, the Group								
Revenues, SEK m	8,908	9,373	10,120	10,158	9,896	10,553	9,716	10,321
Operating profit before depreciation (EBITDA), SEK m	1,589	1,826	2,397	1,834	1,616	1,672	1,552	2,041
Operating profit (EBIT)	1,123	1,348	1,942	1,359	1,134	1,180	1,075	1,499
Operating profit ex. revaluation of process inventory, SEK m	1,130	1,213	1,445	1,500	1,120	1,397	991	1,217
Profit after financial items, SEK m	996	1,264	1,876	1,301	1,082	1,131	1,045	1,463
Net profit, SEK m	755	910	1,414	961	804	837	787	1,089
Earnings per share, SEK	2.76	3.33	5.17	3.51	2.94	3.06	2.88	3.98
Free cash flow ¹ , SEK m	201	1,151	1,850	448	-790	820	-482	888
Net debt/equity ratio ² , %	46	37	24	21	33	27	29	24
Metal production Mines³								
Zinc, tonnes	71,818	71,152	79,000	73,201	71,905	73,877	64,234	73,790
Copper, tonnes	20,509	20,497	21,367	20,606	20,481	19,979	20,140	18,888
Lead, tonnes	12,402	11,343	12,628	12,613	11,656	14,138	11,070	12,629
Gold, kg	918	979	1,121	858	994	1,001	828	898
Silver, kg	58,464	53,469	69,720	59,656	53,862	62,037	55,833	55,388
Metal production Smelters								
Zinc, tonnes	114,240	110,597	117,494	116,449	111,450	118,416	114,237	118,345
Copper, tonnes	70,012	82,375	85,323	81,629	76,496	90,035	87,611	84,516
Lead, tonnes	4,379	2,953	4,499	5,135	2,372	1,740	2,182	5,498
Lead alloys, tonnes (Bergsöe)	10,649	8,470	12,579	10,671	11,615	6,985	11,738	10,939
Gold, kg	2,515	4,022	3,904	3,375	2,966	3,337	3,170	3,869
Silver, kg	99,755	120,144	112,691	123,655	123,118	121,775	119,599	150,859
Aluminium fluoride, tonnes	3,206	3,744	7,950	8,371	9,130	6,607	10,704	10,016
Metal prices, average per quarter								
Zinc, USD/tonne	2,018	2,013	2,315	2,393	2,250	2,224	1,897	2,025
Copper, USD/tonne	7,013	7,242	8,634	9,646	9,137	8,982	7,489	8,310
Lead, USD/tonne	1,944	2,031	2,390	2,605	2,550	2,459	1,983	2,093
Gold, USD/troy oz.	1,196	1,227	1,370	1,387	1,507	1,705	1,687	1,691
Silver, USD/troy oz.	18.33	18.97	26.43	31.86	37.96	38.80	31.87	32.63
Exchange rates, average per quarter								
USD/SEK	7.58	7.27	6.78	6.48	6.26	6.48	6.75	6.75
EUR/USD	1.27	1.29	1.36	1.37	1.44	1.41	1.35	1.31
EUR/SEK	9.64	9.38	9.22	8.87	9.01	9.15	9.09	8.85
USD/NOK	6.22	6.17	5.93	5.72	5.44	5.50	5.76	5.78

¹ Refers to cash flow before financing activities.

² Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

³ Refers to metal content of concentrates.