



Q2

Interim Report
January–June 2008

Lower zinc prices and weaker US dollar cut profits

Q2 2008

- Revenues totalled SEK 7,885 million (SEK 9,292 m).
- The operating profit was SEK 406 million (SEK 2,220 m).
- Earnings per share totalled SEK 0.95 (SEK 5.56).
- The free cash flow totalled SEK 290 million (SEK 451 m).
- Substantial decrease of operating capital
- Increased credit facility totalling approximately SEK 5 billion.
- Metal prices hedged for 2010.

FIRST SIX MONTHS, 2008

- Revenues totalled SEK 17,187 million (SEK 17,748 m).
- The operating profit was SEK 1,637 million (SEK 3,506 m).
- Earnings per share totalled SEK 5.56 (SEK 8.74).
- The free cash flow totalled SEK 1,488 million (SEK 1,586 m).
- Approval of a deficit deduction of SEK 1,557 million yielded a tax receipt of SEK 436 million.
- Increased ore reserves and mineral assets.

SUMMARY OF FINANCIAL PERFORMANCE

SEK m	Q2 2008	Q2 2007	6 months 2008	6 months 2007	July 2007- July 2008	Full year 2007
Revenues	7 885	9 292	17 187	17 748	32 643	33 204
Operating profit (EBIT)	406	2 220	1 637	3 506	3 559	5 428
Profit before tax	354	2 191	1 487	3 453	3 231	5 196
Profit after tax	259	1 602	1 522	2 523	2 786	3 787
Earnings per share	0.95	5.56	5.56	8.74	10.10	13.37
Free cash flow ¹	290	451	1 488	1 568	1 132	1 212
Net debt/equity ratio, % ²	39	27	39	27	39	43
Return on shareholders' equity, % ³					22	26
Return on capital employed ⁴					18	29

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) Profit after tax divided by average shareholders' equity.

4) Operating profit divided by average capital employed.

Q2 2008

REVENUES

Boliden's revenues fell to SEK 7,885 million (SEK 9,292 m). The fall was primarily due to the downturn in the price of zinc and the weakening of the US dollar. These factors were, however, partially countered by higher lead and precious metal prices.

PRODUCTION

The aggregate production of cast zinc at Boliden's smelters decreased with 4 per cent during the second quarter, primarily as a result of the planned maintenance shut-down at Kokkola. The production of copper cathodes increased with 9 per cent in comparison with the corresponding period in 2007.

The mines' aggregate production fell during the quarter. The zinc production decreased with 13 per cent and the copper production with 10 per cent. The Boliden Area's planned cutbacks resulted in a fall in the production of zinc, lead and precious metals at the same time as extraction of ore with lower levels of grindability at Aitik lay behind the fall in copper production.

OPERATING PROFIT

The operating profit (EBIT) fell to SEK 406 million (SEK 2,220 m). The fall in profits was mainly due to the drop in the price of zinc and the weakening of the US dollar.

OPERATING PROFIT ANALYSIS, SEK m	
	Q2
EBIT, 2007	2 220
Exchange rate effects	-410
Changes to prices and terms	-949
Volume variation	-281
Costs	-195
Other	21
EBIT, 2008	406

Exchange rate fluctuations had a negative effect on the profit of SEK 410 million in comparison with the second quarter of 2007, primarily as a result of the US dollar's weakening against the Swedish krona and Norwegian krone, and against the euro.

The effect on profits of changes to prices and terms was SEK -949 million, in comparison with the second quarter of 2007, with the fall in the price of zinc accounting for the majority of this sum. The operating profit includes SEK -125 million (SEK 213 m) from the revaluation of the smelters' zinc, copper, lead, gold and silver process stocks, with the majority of this sum deriving from the revaluation of the external part of process stocks, corresponding to approximately 17,000 tonnes of zinc and around 32,000 tonnes of copper. The MAMA effect had a positive effect on the result of SEK 5 million (SEK 118 m). Copper price hedging levels were higher than during the second quarter of 2007, and the combined effect of metal price hedging on the operating profit was SEK -165 million (SEK -609 m).

The effect on the operating profit of changes in volume totalled SEK -281 million. Volume trends are presented on pages 8 (Smelters) and 10 (Mines) of this Interim Report.

Operating costs increased by SEK 195 million in comparison with the corresponding period in 2007, primarily as a result of higher costs for energy, external services, input goods and transport, and of intensified exploration activities.

Net financial items during the second quarter totalled SEK -52 million (SEK -29 m). The deterioration was due to the increase in debt level in comparison with 2007. The profit before tax fell to SEK 354 million (SEK 2,191 m).

The profit after tax for the second quarter totalled SEK 259 million (SEK 1,602 m), corresponding to earnings per share of SEK 0.95 (SEK 5.56).

CASH FLOW AND INVESTMENTS

The cash flow from operating activities increased to SEK 1,607 million (SEK 1,139 m) during the second quarter.

The working capital fell by SEK 1,072 million, primarily as a result of lower concentrate and metal stocks which are now on normal levels.

Investments totalled SEK 1,316 million (SEK 688 m). The majority of the increase is attributable to the expansion of the Aitik copper mine.

The free cash flow fell to SEK 290 million (SEK 451 m).

First six months

REVENUES

Boliden's revenues totalled SEK 17,187 million (SEK 17,748 m). Revenues were positively affected by higher copper, lead and precious metal prices, but negatively affected by lower zinc prices and the weakening of the US dollar.

PRODUCTION

The smelters' production of cast zinc was 5 per cent lower in comparison with the first half of 2007, due to the planned maintenance shut-down at Kokkola during the second quarter and disruptions to Odda's roasting process during the first quarter. The smelters' production of copper cathodes increased with 5 per cent.

The mines' production of zinc and copper fell with 10 per cent respectively during the first six months. The downturn is primarily a result of the planned production cutbacks at the Boliden Area's concentrator and ore with lower levels of grindability at Aitik.

OPERATING PROFIT

The weakening of the US dollar, the fall in the price of zinc, and volume changes resulted in the operating profit (EBIT) falling to SEK 1,637 million (SEK 3,506 m) during the first six months of 2008.

OPERATING PROFIT ANALYSIS, SEK m	First 6 months
EBIT, 2007	3 506
Exchange rate effects	-850
Changes to prices and terms	-174
Volume variation	-522
Costs	-347
Other	23
EBIT, 2008	1 637

Exchange rate fluctuations had a negative effect on the profit of SEK 850 million in comparison with the first six months of 2007.

The SEK -174 million effect on the operating profit of changes to prices and terms in comparison with the first six months of last year was primarily the result of the fall in the price of zinc. The revaluation of the smelters' process stocks had a positive effect of SEK 180 million (SEK 159 m) on the operating profit, while the MAMA effect boosted the operating profit by SEK 19 million (SEK -193 m). Metal price hedging had a combined effect on the operating profit of SEK -383 million (SEK -1,076 m).

The effect on the operating profit of changes in volume totalled SEK -522 million. Volume trends are presented on pages 8 (Smelters) and 10 (Mines) of this Interim Report.

Operating costs increased by SEK 347 million in comparison with the first six months of 2007, primarily as a result of higher costs for energy, external services, input goods and transport, and of intensified exploration activities.

Net financial items during the first six months of the year totalled SEK -150 million (SEK -53 m). The deterioration was primarily due to the increase in debt level in comparison with 2007. The profit before tax fell to SEK 1,487 million (SEK 3,453 m).

On 12th March 2008, the Administrative Court of Appeal granted Boliden a deficit deduction of SEK 1,557 million. This gave rise to a positive tax receipt of SEK 436 million during the first quarter, and the reported tax for the first six months of the year was, as a result, positive to the tune of SEK 35 million (SEK -930 m).

The profit after tax for the first six months totalled SEK 1,522 million (SEK 2,523 m), corresponding to earnings per share of SEK 5.56 (SEK 8.74).

CASH FLOW AND INVESTMENTS

The cash flow from operating activities increased to SEK 3,422 million (SEK 2,629 m) during the first six months of the year.

The working capital fell by SEK 1,285 million, primarily as a result of lower concentrate and metal stocks which now are on normal levels.

Investments totalled SEK 1,934 million (SEK 1,061 m).

The free cash flow totalled SEK 1,488 million (SEK 1,568 m), the fall in profits and increase in investments notwithstanding.

FINANCIAL POSITION

Boliden obtained a new credit facility totalling SEK 4,300 million during the second quarter. The agreement has a three-year term and runs, in part, in parallel with existing loan agreements totalling EUR 600 million. The new credit facility expires in 2011, while existing loan agreements expire in 2013. A further seven-year loan for EUR 75 million has also been agreed.

On 30th June 2008, Boliden's net debt totalled SEK 5,137 million (SEK 3,469 m). The net debt/equity ratio was 39 per cent (27%).

The average term of Boliden's debt portfolio on 30th June 2008 was 5.4 years. The average interest rate level within the portfolio at that time was 5.63 per cent.

Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities, totalled SEK 8,366 million.

The contribution to shareholders' equity of the net market valuation of currency and raw material derivatives, after fiscal effects, totalled SEK -999 million (SEK -1,026 m) on 30th June 2008.

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 17 of this Interim Report.

Metal Prices And Exchange Rates

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), and it is this that forms the basis for the pricing of metal concentrates and finished metals. Precious metal prices are set daily by the London Bullion Market Association

(LBMA). Boliden's revenues are affected not only by the metals' spot prices, but also by the payable metal content in the concentrates produced by the mines, by the percentage of so-called free metals produced by the smelters, by the trend in treatment and refining charges, and by pricing premiums.

METAL PRICES (average LME/LBMA)	Q2 2008	Q2 2007	Change in %	6 months 2008	6 months 2007	Change in %
Zinc (USD/tonne)	2 115	3 664	-42	2 269	3 561	-36
Copper (USD/tonne)	8 448	7 635	11	8 108	6 769	20
Lead (USD/tonne)	2 316	2 182	6	2 601	1 979	31
Gold (USD/troy oz)	897	668	34	911	659	38
Silver (USD/troy oz)	17.18	13.33	29	17.38	13.31	31

METAL PRICE HEDGING

On 31st March 2008, Boliden had outstanding metal positions for the period from 2008-2009. Futures contracts hedging some of the planned exposure for 2010 were signed during the second quarter. The corresponding USD/SEK exposure was hedged using option floors. The following table is a summary of Boliden's metal price hedging for copper, lead, gold and silver on 30th June 2008.

The Boliden Group is otherwise, in every significant respect, exposed to market prices. The hedging shown below means that changes in the prices of these metals have limited short-term effect on the Group's operating profit.

METAL FUTURES	Maturity year	Metal price (USD)	Quantity	Market value (SEK m)	Coverage rate ¹ %
Copper (tonnes)	2008	6 157	16 450	-280	65
	2009	5 920	42 600	-545	
	2010	7 606	62 700	-68	
Lead (tonnes)	2008	1 273	19 050	-68	50
	2009	1 252	36 300	-115	
				-183	
Gold (troy oz)	2008	753	46 600	-65	75
	2009	702	102 000	-147	
	2010	961	105 850	-15	
Silver (troy oz)	2008	13.60	3 660 000	-102	80
	2009	14.59	5 676 000	-115	
	2010	18.46	5 170 000	-8	
Market value of outstanding contracts, SEK m:				-1 528	

1) Approximate coverage rate on outstanding metal positions during the 2008-2010 period in relation to forecast production.

EXCHANGE RATES

The majority of Boliden's revenues are in US dollars, but the majority of its 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 US dollar has continued to weaken against the Swedish krona, the Norwegian krone and the euro during the second quarter of 2008.

EXCHANGE RATE (average)	Q2 2008	Q2 2007	Change in %	6 months 2008	6 months 2007	Change in %
USD/SEK	5.99	6.87	-13	6.14	6.94	-12
EUR/USD	1.56	1.35	16	1.53	1.33	15
EUR/SEK	9.35	9.26	1	9.38	9.22	2
USD/NOK	5.08	6.01	-15	5.20	6.12	-15

CURRENCY HEDGING

The following table summarises Boliden's currency contracts on 30th June 2008 in respect of the hedging of currency exposure in USD/SEK. The Boliden Group is, in every significant respect,

with regard to other currencies and over more extended periods of time, exposed to market rates.

CURRENCY OPTIONS (floor)	Maturity year	Rate ¹	Amount sold (USD m)	Market value (SEK m)	Coverage rate ²
USD/SEK	2008	6.50	196	99	45%
	2009	6.00	452	111	
	2010	5.30	695	78	
Market value of outstanding contracts, SEK m:				288	

1) Refers to the average strike rates for currency options.

2) Approximate coverage rate on outstanding currency positions during the 2008-2010 period in relation to forecast production.

SENSITIVITY ANALYSIS

Changes in the market terms for metal prices, in exchange rates and in treatment and refining charges (TC/RC) affect Boliden's profit performance. An analysis of the way in which the Group's operat-

ing profit (EBIT) is affected for the subsequent twelve-month period by changes in market terms can be found on page 21.

Market Performance

ZINC

After a stable performance during the first quarter of the year, the price of zinc weakened during the second quarter of 2008. The average LME price was 13 per cent lower than in the previous quarter and 42 per cent lower than in the second quarter of 2007.

The growth in zinc consumption remained stable, but zinc production rose at a faster rate, contributing to the build-up in stocks. Continued rises in global zinc stocks at LME and SHFE, albeit at a slower rate than in the first quarter, had a significantly negative impact on price trends. Good global availability of zinc also resulted in continued pressure on zinc premiums in Europe.

The continued good availability of zinc concentrate meant that spot TC/RC remained at high levels throughout the quarter. Negotiations regarding 2008's benchmark levels for zinc concentrate have not resulted in a global consensus level for base TC/RC and price escalators. Those contracts that have been agreed in the market in 2008 to date show a higher level than the benchmark established last year. Changes in zinc TC/RC have a limited effect on the Group's profits, however, due to the fact that smelter capacity is 75 per cent covered by concentrates from Boliden's own mines.

COPPER

The price of copper continued to rise during the second quarter. The average LME price was 9 per cent higher than during the first quarter of this year and 11 per cent higher than in the second quarter of 2007.

The continued vigorous growth in demand for copper from China compensated for stagnating demand in the West. Mine production was characterised by technical disruptions and strikes, while a number of planned maintenance shut-downs among players in the smelting sector restricted global production of copper cathodes. The decline in copper stocks at LME, SHFE and Comex that resulted from demand outpacing copper production supported this price trend.

Copper concentrate continued to be in short supply and competition for the raw material among smelters was fierce, which put pressure on TC/RC. The average metal content of copper concentrates available in the global market is also falling and the quality is increasingly variable.

LEAD

The price of lead fell during the second quarter as a result of substantial increases in global lead stocks. The average LME price was 20 per cent lower in comparison with the first quarter of this year, but 6 per cent up on the second quarter of 2007.

The increase in stocks is due to continued healthy production growth on the part of mines and smelters alike, coupled with a steady but more moderate rate of increase in lead consumption. The increase notwithstanding, lead stocks are still at historically low levels. Good lead availability resulted in prices falling slightly during the quarter.

Good lead availability also resulted in continued high spot TC/RC. 2008's benchmark negotiations for lead concentrate were concluded without reaching an unequivocal consensus level.

OTHER PRODUCTS

Gold and silver prices were slightly down on the average prices during the first quarter of 2008, but were considerably higher than during the second quarter of 2007.

The positive pricing trend for sulphuric acid continued due to very high levels of demand from the copper industry and fertiliser manufacturers, in particular. Prices have multiplied in North and South America over the past 18 months, while a slightly less dramatic price rise has prevailed in Europe. The current high prices mean that smelters which, in common with Boliden's copper smelters, have the technology needed to extract sulphuric acid from the metal concentrates, can largely compensate for the deterioration in TC/RC.

Segment Smelters

Segment Smelters comprises the Kokkola and Odda zinc smelters, which primarily produce zinc, but also produce aluminium fluoride, and the Rönnskär and Harjavalta copper smelters, which primarily produce copper, gold, silver, lead and sulphuric acid. The copper smelters also recycle metal and electronic scrap

and smelt nickel. The segment also includes the Bergsöe lead smelter and Business Area Market, which is responsible for sales and purchases of metal concentrates and recycling material from external suppliers.

REVENUES, PROFIT AND INVESTMENTS					
SEK m	Q2	Q2	6 months	6 months	Full year
	2008	2007	2008	2007	2007
Revenues	8 043	9 887	17 465	18 831	34 704
Operating profit	176	1 136	903	1 680	2 297
Investments	181	319	320	472	1 008
Capital employed	15 338	15 412	15 338	15 412	16 738

Segment Smelters' operating profit fell to SEK 176 million (SEK 1,136 m) during the second quarter. The decline was mainly due to falls in the price of zinc, the weakening of the US dollar, and increased costs.

OPERATING PROFIT ANALYSIS		
SEK m	Q2	First 6 months
EBIT, 2007	1 136	1 680
Exchange rate effects	-185	-392
Changes to prices and terms	-728	-174
Volume variation	71	-3
Costs	-124	-229
Other	5	21
EBIT, 2008	176	903

Changes to metal prices and terms had a negative effect on profits of SEK -728 million in comparison with the second quarter of 2007. The fall is due to the effect of metal price changes on process stocks, free metals and TC/RC price escalators, with the

majority of the fall attributable to the revaluation of process stocks.

Volume variations had an aggregate positive effect of SEK 71 million. Segment Smelter's turn out of zinc concentrate decreased while the turn out of copper concentrate increased in comparison with the second quarter 2007. Free metals derived from the copper smelters' production process, i.e. the percentage of metals produced free of cost from raw materials, made a positive contribution, while lower production volumes by the zinc smelters had a negative effect on the segment's profits.

Operating expenses increased by 7 per cent in comparison with the second quarter of 2007 as a result of higher costs for energy, external services, input goods and spare parts, and transport.

Planned maintenance shut-downs at Rönnskär, Odda and Bergsöe will take place during the third quarter, and are expected to impact the segment's operating profit to the tune of approximately SEK -100 million (SEK -240 m).

PRODUCTION, SMELTERS

	Q2 2008	Q2 2007	Change in %	6 months 2008	6 months 2007	Change in %
Zinc, tonnes	1 12 648	1 17 731	-4	2 21 455	2 32 490	-5
Copper, tonnes	85 533	78 377	9	1 76 964	1 68 449	5
Gold, kg	3 143	4 224	-26	7 809	8 736	-11
Silver, kg	94 940	104 677	-9	2 31 595	2 12 930	9
Lead, tonnes	2 850	7 085	-60	9 896	15 314	-35
Lead alloys, tonnes (Bergsöe)	10 992	11 962	-8	22 860	24 024	-5
Sulphuric acid, tonnes	303 460	292 128	4	655 700	610 856	7
Aluminium fluoride, tonnes	8 565	10 386	-18	17 119	19 366	-12

Information about production at individual units can be found on page 19.

Production of cast zinc fell slightly, primarily as a result of Kokkola's planned maintenance shut-down, which took place last year during the fourth quarter. Zinc production remained at a stable level in comparison with levels in the first quarter of this year.

Production of copper cathodes rose in comparison with the second quarter of 2007 as a result of last year's capacity expansion at Harjavalta. The annual maintenance shut-down at Harjavalta contributed to the segment's copper cathode production being lower than in the first quarter of this year. Harjavalta's production volumes were negatively affected not only by the maintenance shut-down, but continued to be affected by the fact that the

purchased copper concentrate is of varying quality and with lower metal content.

Lead production fell during the quarter due to Rönnskär's decision to prioritise the processing of electronic scrap over that of lead concentrate as a consequence of the fall in the price of lead and in an effort to optimise stock levels.

Production of precious metals fell as a result of generally lower precious metal content in externally procured concentrates.

The smelters' sulphuric acid production increased in comparison with the second quarter of 2007.

Segment Mines

Segment Mines comprises the operations of the Swedish mines, Aitik, the Boliden Area and Garpenberg, and the Tara mine in Ireland. Aitik produces copper concentrate with some gold and

silver content. The other Swedish mines produce zinc, copper and lead concentrates, and gold and silver. Tara produces zinc and lead concentrates.

REVENUES, PROFIT AND INVESTMENTS

SEK m	Q2 2008	Q2 2007	6 months 2008	6 months 2007	Full year 2007
Revenues	1 332	2 345	2 898	4 164	7 567
Operating profit	201	1 121	657	1 907	3 135
Investments	1 135	370	1 613	590	1 503
Capital employed	6 058	5 003	6 058	5 003	4 970

Segment Mines' revenues fell by 43 per cent during the second quarter as a result of negative price and currency effects and lower production levels. The operating profit fell to SEK 201 million (SEK 1,121 m).

The weakening of the US dollar had a negative effect of SEK 225 million on the operating profit.

Changes to prices and terms had a total negative effect on the profit of SEK 286 million, the majority of which was due to the fall in the price of zinc.

Lower production volumes than in the second quarter of 2007 had a negative effect of SEK 352 million on profits. The majority of the volume effect derives from the planned production cutbacks implemented in the Boliden Area, but lower production levels at Tara and Aitik also played their part.

Operating costs increased by 7 per cent in comparison with the second quarter of 2007. The increase was mainly accounted for by higher energy, staff, and external services costs arising, in part, from the intensification of exploration work.

OPERATING PROFIT ANALYSIS, MINES

SEK m	Q2	First 6 months
EBIT, 2007	1 121	1 907
Exchange rate effects	-225	-458
Changes to prices and terms	-285	-142
Volume variation	-353	-519
Costs	-68	-142
Other	11	11
EBIT, 2008	201	657

METAL PRODUCTION, MINES

	Q2 2008	Q2 2007	Change in %	6 months 2008	6 months 2007	Change in %
Zinc, tonnes	75 561	86 682	-13	157 923	175 713	-10
Copper, tonnes	14 875	16 598	-10	28 189	31 301	-10
Lead, tonnes	12 975	14 200	-9	26 337	27 488	-4
Gold, kg	566	883	-36	1 161	1 622	-28
Silver, kg	53 519	58 210	-8	102 307	120 513	-15

Information on production and metal grades at the individual units can be found on page 20.

Production of all metals in Segment Mines fell in comparison with the second quarter of 2007.

Zinc production fell in the Boliden Area as a result of the cutbacks in the Area's concentrator in conjunction with the installation of the new Hötjärn tailings pond. The full effect of the cutback, which has been implemented more slowly than planned, was achieved at the end of the second quarter. The lower zinc production figures were also due to the Area mining, as planned, ore containing lower zinc grades. Copper grades were, however, up on those for both the second quarter of last year and the first quarter of this year. The Storliden deposit was mined out at the end of the second quarter, since when the Area's production has comprised the Kristineberg, Renström and Maurliden mines. The Boliden Area is planned to return to full production in 2010.

Zinc production at Tara fell due to an imbalance between the mine's development, i.e. the extraction of waste rock in order to access the ore bodies, and production. Production is expected to

fall slightly over the next six to nine months. Production was also disrupted in conjunction with trade union negotiations held during the quarter.

A strong performance at Garpenberg in terms of milled ore, grades and metal production had a positive effect on the segment's zinc production.

Lower levels of grindability of Aitik ore, resulting in reduced concentrator throughput, led to a fall in copper production. Copper grades at Aitik exceeded average levels during the quarter, ameliorating the effects of a fall in milled ore. Measures designed to ensure a higher and more consistent throughput level over time have now been implemented.

The reduction in lead production resulted primarily from reduced production levels at Tara. The fall in gold and silver production was largely due to production cutbacks in the Boliden Area.

The ongoing Aitik 36 project, which will double Aitik's production capacity, is proceeding according to schedule.

Exploration

Mine-site Exploration

Boliden continued to develop all of its mineral assets during the second quarter. The results continued to be favourable, particularly at the Garpenberg and Kristineberg mines.

After promising results at the Renström mine, exploration has continued eastwards, and preparatory work is in progress at Åkulla for the mine survey that will begin in the third quarter. Exploration work is continuing according to plan at Aitik, while drilling work is proceeding in the area around Tara.

Field Exploration

Boliden's field exploration in Sweden is concentrated on base metal and gold exploration in the Skellefte field and on base metals in Dorotea, Norrbotten and Bergslagen. Some 20 projects

are currently being investigated using geochemical sampling, deep-penetrating electromagnetic geophysics and diamond drilling, etc.

The majority of the exploratory work in Maurliden Östra was completed during the second quarter and the evaluation process is now underway. Drilling work will continue throughout the remainder of the year in Älgträsk. Field exploration has now begun in the Aitik area and efforts there will be intensified throughout the rest of the year.

In Ireland, where Boliden's exploration work focuses mainly on zinc, investigations have continued in all areas and here too, efforts will be intensified throughout the rest of 2008.

Sustainable Development

EMPLOYEES

The average number of employees in Boliden at the end of the second quarter was 4,600. Of these, 2,447 work in Sweden, 1,065 in Finland, 683 in Ireland, 391 in Norway and 14 in other countries. This represents an increase of 76 in comparison with 2007 as a whole, when the average number of employees was 4,524.

The sick-leave rate during the second quarter totalled 4.8 per cent, corresponding to a fall in the figure for the first quarter, but an increase in comparison with 2007 as a whole of 0.2 percentage points. Boliden's goal is for the sick-leave rate to not exceed 4.5 per cent by the end of 2008.

The accident frequency during the second quarter was 9.8 cases per one million hours worked, representing a decrease in comparison with 2007 as a whole, when the corresponding figure was 9.9. Boliden has a zero accidents at work philosophy and its initial subsidiary goal is to reduce the frequency to below 5.0 cases per one million hours worked by the end of 2011.

ENVIRONMENT

Boliden's operations at all of its facilities are subject to licensing requirements in the countries in which the company operates. The maximum limit value was exceeded slightly at the Harjavalta copper smelter in June in terms of waterborne emissions of copper, nickel and cadmium. The incident occurred in conjunction with heavy rainfall and construction work, and is not expected to have any legal consequences.

The Rönnskär copper smelter is working on a renewal of its operating permit, and expects to be ready to submit its application in September. The Bergsöe lead smelter began the application process for the renewal of its operating permit in June.

Boliden's goal is for all production units to be certified in accordance with the work environment (OHSAS 18001) and external environment (ISO 14001) standards by the end of 2008. By the end of the second quarter, six of Boliden's nine units were environmentally certified and five units were work environment certified.

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. No significant risks, other than those described in Boliden's 2007 Annual Report, are deemed to have arisen.

Preparation Principles For The Interim Report

The Interim Report has been prepared in accordance with IAS 34, Interim Reporting. The accounting principles remain unchanged from the annual accounts for 2007. The new or revised IFRS standards or IFRIC interpretations that came into force on 1st January 2008 have had no significant effect on Boliden's financial result or position.

The Interim Report for January to March 2008 has not been subject to special examination by the company's auditors.

The Interim Report gives a fair overview of the Group's and the Parent Company's business, financial condition and results, and describes significant risks and uncertainty factors faced by the Parent Company and its subsidiaries.

Stockholm 21st July 2008
Anders Ullberg
Chairman of the Board

Carl Bennet
Deputy Chairman

Marie Berglund

Staffan Bohman

Lennart Evrell
President & CEO

Bo Karlsson

Marie Holmberg

Ulla Litzén

Leif Rönnbäck

Matti Sundberg

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REPORTS, 2008

– The Interim Report for January-September 2008 will be published on 28th October 2008.

– The year-end report for 2008 as a whole will be published on 13th February 2009.

Income Statements

SEK m	Q2 2008	Q2 2007	First 6 months 2008	First 6 months 2007	July 2007- June 2008	Full year 2007
Revenues	7 885	9 292	17 187	17 748	32 643	33 204
Cost of goods sold	-7 166	-6 826	-14 954	-13 755	-27 909	-26 711
Gross profit	719	2 466	2 233	3 993	4 734	6 493
Selling expenses	-134	-84	-258	-191	-474	-406
Administrative expenses	-121	-104	-224	-202	-473	-452
Research and development costs	-101	-80	-187	-144	-365	-322
Other operating income and expenses	42	22	71	50	128	109
Results from participations in associated companies	1	-	2	-	9	6
Operating profit	406	2 220	1 637	3 506	3 559	5 428
Financial income	9	31	16	58	190	79
Financial expenses	-61	-60	-166	-111	-518	-311
Profit before tax	354	2 191	1 487	3 453	3 231	5 196
Income tax expense	-95	-589	35	-930	-445	-1 409
Profit for the period	259	1 602	1 522	2 523	2 786	3 787
Earnings per share, SEK ¹⁾	0.95	5.56	5.56	8.74	10.10	13.37
Shareholders' equity per share, SEK	47.94	45.66	47.94	45.66	47.94	47.28
Number of shares	273 511 169	285 407 169	273 511 169	285 407 169	273 511 169	273 511 169
Average number of shares	273 511 169	288 079 147	273 511 169	288 764 351	275 841 584	283 276 511
Number of own shares held ²⁾	-	4 050 000	-	4 050 000	-	15 946 000

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

2) During the second quarter 15 946 000 treasury shares were cancelled in accordance with the resolution of the AGM of May 8, 2008

KEY RATIOS	Q2 2008	Q2 2007	First 6 months 2008	First 6 months 2007	July 2007- June 2008	Full year 2007
Return on capital employed, %	8	49	17	39	18	29
Return on shareholders' equity, %	8	40	23	31	22	26
Equity/assets ratio, %	48	50	48	50	48	47
Net debt/shareholders' equity, %	39	27	39	27	39	43
Depreciation, SEK m	346	344	708	695	1 390	1 377
Investments, SEK m	1 316	688	1 934	1 061	3 384	2 512
Capital employed, SEK m	19 727	18 492	19 727	18 492	19 727	20 145
Net debt, SEK m	5 137	3 469	5 137	3 469	5 137	5 524

Balance Sheets

SEK m	30th June 2008	30th June 2007	31st Dec 2007
Intangible fixed assets	3 188	3 152	3 197
Tangible fixed assets	14 676	12 581	13 466
Interest-bearing assets	12	21	14
Other financial fixed assets	48	38	46
Inventories	5 624	5 623	6 904
Interest-bearing current receivables	6	7	7
Tax receivables	33	-	143
Other receivables	2 643	3 429	2 576
Liquid assets	982	1 294	878
Total assets	27 212	26 145	27 231
Shareholders' equity	13 113	13 030	12 932
Pension provisions	505	503	506
Deferred tax provisions	1 423	1 354	1 649
Other provisions	976	1 032	1 031
Interest-bearing long-term liabilities	4 389	3 573	4 434
Interest-bearing current liabilities	1 243	716	1 483
Tax liabilities	86	638	183
Other current liabilities	5 477	5 299	5 013
Total liabilities and shareholders' equity	27 212	26 145	27 231

SPECIFICATION OF CHANGE IN SHAREHOLDERS' EQUITY SEK m	30th June 2008	30th June 2007	31st Dec 2 007
Opening balance	12 932	16 089	16 089
Dividend	-1 094	-1 158	-1 158
Share redemption	-	-3 464	-3 464
Buy-back of own shares	-	-590	-2 210
Profit for the period	1 522	2 523	3 787
Market valuation of financial instruments, after fiscal effect	-238	-368	-104
Translation differences	-9	-2	-8
Closing balance	13 113	13 030	12 932

On 30th June 2008, the market valuation of financial instruments, after fiscal effect, was SEK -999 million.

Statements Of Cash Flow

SEK m	Q2 2008	Q2 2007	First 6 months 2008	First 6 months 2007	Full year 2007
Cash flow from operating activities before changes in operating capital	535	2 033	2 137	3 331	4 773
Cash flow from changes in operating capital	1 072	-894	1 285	-702	-1 043
Cash flow from operating activities	1 607	1 139	3 422	2 629	3 730
Investment activities					
- Acquisition of tangible fixed assets	-1 316	-688	-1 934	-1 061	-2 511
- Other	-1	-	-	-	-7
Cash flow from investment activities	-1 317	-688	-1 934	-1 061	-2 518
Cash flow before financing activities	290	451	1 488	1 568	1 212
Dividend	-1 094	-1 158	-1 094	-1 158	-1 158
Share redemption	-	-3 464	-	-3 464	-3 464
Buy-back of own shares	-	-590	-	-590	-2 210
Net borrowing/net amortisation	737	1 767	-290	1 741	3 300
Cash flow from financing activities	-357	-3 445	-1 384	-3 471	-3 532
Cash flow for the period	-67	-2 994	104	-1 903	-2 320
Exchange rate difference on liquid assets	-	-	-	1	2
Change in liquid assets	-67	-2 994	104	-1 902	-2 318

Income Statements – Parent Company

SEK m	Q2 2008	Q2 2007	First 6 months 2008	First 6 months 2007	Full year 2007
Dividends from subsidiaries	1	0	1	0	2 350
Profit before tax	1	0	1	0	2 350
Taxes	-	-	-	-	-
Profit for the period	1	0	1	0	2 350

The operations of Boliden AB are conducted on commission from Boliden Mineral AB, and hence the results of the operations are reported under Boliden Mineral AB.

Balance Sheets – Parent Company

SEK m	30th June 2008	30th June 2007
Participations in Group companies	3 911	3 911
Long-term financial receivables, Group companies	3 179	3 542
Current financial receivables, Group companies	1 240	714
Total assets	8 330	8 167
Shareholders' equity	7 090	7 453
Current liabilities to credit institutions	1 240	714
Total liabilities and shareholders' equity	8 330	8 167

Information Per Segment

SEK m	Q2 2008	Q2 2007	First 6 months 2008	First 6 months 2007	Full year 2007
SMELTERS					
Revenues	8 043	9 887	17 465	18 831	34 704
Operating profit	176	1 136	903	1 680	2 297
Depreciation	196	200	397	387	771
Investments	181	319	320	472	1 008
Capital employed	15 338	15 412	15 338	15 412	16 738

SEK m	Q2 2008	Q2 2007	First 6 months 2008	First 6 months 2007	Full year 2007
MINES					
Revenues	1 332	2 345	2 898	4 164	7 567
Operating profit	201	1 121	657	1 907	3 135
Depreciation	150	155	311	308	605
Investments	1 135	370	1 613	590	1 503
Capital employed	6 058	5 003	6 058	5 003	4 970

SEK m	Q2 2008	Q2 2007	First 6 months 2008	First 6 months 2007	Full year 2007
OTHER/ELIMINATIONS					
Revenues	-1 490	-2 940	-3 176	-5 247	-9 067
Operating profit	29	-37	77	-81	-4
Depreciation	-	-11	-	-	1
Investments	-	-1	1	-1	1
Capital employed	-1 669	-1 923	-1 669	-1 923	-1 563

SEK m	Q2 2008	Q2 2007	First 6 months 2008	First 6 months 2007	Full year 2007
THE GROUP					
Revenues	7 885	9 292	17 187	17 748	33 204
Operating profit	406	2 220	1 637	3 506	5 428
Depreciation	346	344	708	695	1 377
Investments	1 316	688	1 934	1 061	2 512
Capital employed	19 727	18 492	19 727	18 492	20 145

Capital employed reported under Other refers, mainly, to market valuations of hedges.

Smelters

	Q2 2008	Q2 2007	Change in %	First 6 months 2008	First 6 months 2007	Change in %
KOKKOLA						
Smelted material, tonnes						
Zinc concentrate	132 050	147 120	-10	278 399	288 279	-3
Production, tonnes						
Zinc, tonnes	75 598	78 454	-4	147 506	153 994	-4
ODDA						
Smelted material, tonnes						
Zinc concentrate, incl. zinc clinker	69 942	71 792	-3	140 106	144 929	-3
Production, tonnes						
Zinc, tonnes	37 050	39 277	-6	73 949	78 496	-6
of which reprocessed zinc	0	510		1 009	1 529	
Aluminium fluoride, tonnes	8 565	10 386	-18	17 119	19 366	-12
Sulphuric acid, tonnes	32 538	29 313	11	62 327	60 170	4
RÖNSKÄR						
Smelted material, tonnes						
Copper, tonnes						
Primary	152 584	149 217	2	302 768	299 541	1
Secondary	47 167	40 785	16	87 804	79 350	11
Total	199 751	190 002	5	390 572	378 891	3
Production						
Cathode copper, tonnes	55 786	52 379	7	114 009	111 725	2
Lead, tonnes	2 850	7 085	-60	9 896	15 314	-35
Zinc clinker, tonnes	11 200	9 549	17	21 564	18 496	17
Gold, kg	2 645	3 654	-28	6 706	6 942	-3
Silver, kg	83 900	95 053	-12	207 689	193 810	7
Sulphuric acid, tonnes	134 111	138 435	-3	284 980	278 056	2
HARJAVALTA						
Smelted material, tonnes						
Copper concentrate	125 804	98 436	28	271 134	216 933	25
Production, tonnes						
Cathode copper	29 747	25 998	14	62 955	56 724	11
Gold, kg	498	570	-13	1 103	1 794	-39
Silver, kg	11 040	9 624	15	23 906	19 120	25
Sulphuric acid, tonnes	136 811	124 380	10	308 393	272 630	13
BERGSÖE						
Production, tonnes						
Lead alloys	10 992	11 962	-8	22 860	24 024	-5
Tin alloys	197	228	-14	345	431	-20

Mines

	Q2 2008	Q2 2007	Change in %	First 6 months 2008	First 6 months 2007	Change in %
TARA						
Milled ore, ktonnes	590	661	-11	1 236	1 346	-8
Head grades						
Zinc (%)	8.0	8.1	-1	8.4	8.3	1
Lead (%)	1.7	1.5	13	1.6	1.5	7
Metal production						
Zinc, tonnes	44 436	50 273	-12	96 695	104 019	-7
Lead, tonnes	5 232	6 997	-25	12 288	13 765	-11
GARPENBERG						
Milled ore, ktonnes	332	293	13	642	608	6
Head grades						
Zinc (%)	6.7	6.2	8	6.6	6.2	6
Copper (%)	0.1	0.1	0	0.1	0.1	0
Lead (%)	2.7	2.7	0	2.6	2.5	4
Gold (g/tonne)	0.3	0.3	0	0.3	0.3	0
Silver (g/tonne)	127	123	3	121	126	-4
Metal production						
Zinc, tonnes	20 056	16 640	21	38 392	33 696	14
Copper, tonnes	165	148	11	320	328	-2
Lead, tonnes	7 284	6 310	15	13 206	11 898	11
Gold, kg	67	65	3	124	115	8
Silver, kg	32 063	27 619	16	58 842	57 156	3
BOLIDEN AREA						
Milled ore, ktonnes	362	456	-21	774	910	-15
Head grades						
Zinc (%)	3.9	5.4	-28	3.8	5.3	-28
Copper (%)	1.1	1.0	10	1.0	1.0	0
Lead (%)	0.4	0.5	-20	0.4	0.5	-20
Gold (g/tonne)	1.1	1.8	-39	1.3	1.7	-24
Silver (g/tonne)	52	67	-22	52	71	-27
Metal production						
Zinc, tonnes	11 069	19 769	-44	22 836	37 998	-40
Copper, tonnes	3 131	3 446	-9	6 169	6 853	-10
Lead, tonnes	460	893	-48	843	1 825	-54
Gold, kg	237	500	-53	587	868	-32
Silver, kg	11 559	20 361	-43	25 137	42 767	-41
AITIK						
Milled ore, ktonnes	3 924	4 637	-15	8 252	9 315	-11
Head grades						
Copper (%)	0.33	0.32	3	0.30	0.30	0
Gold (g/tonne)	0.14	0.15	-7	0.12	0.14	-14
Silver (g/tonne)	3.84	3.82	1	3.41	3.45	-1
Metal production						
Copper, tonnes	11 578	13 004	-11	21 700	24 120	-10
Gold, kg	262	318	-18	450	639	-30
Silver, kg	9 655	10 230	-6	17 699	19 953	-11

Consolidated Quarterly Data

	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008
Financial performance, the Group								
Revenues	9 299	9 728	8 455	9 292	8 166	7 290	9 303	7 885
Operating profit before depreciation (EBITDA)	2 421	2 551	1 637	2 564	1 686	918	1 592	752
Operating profit (EBIT)	2 095	2 225	1 286	2 220	1 332	590	1 231	406
Profit before tax	2 067	2 185	1 261	2 191	1 234	509	1 133	354
Profit for the period	1 541	1 750	921	1 602	900	364	1 263	259
Free cash flow ¹	1 358	2 376	1 117	451	62	-418	1 198	290
Earnings per share, SEK	5.32	6.04	3.18	5.56	3.20	1.33	4.62	0.95
Return on capital employed, %	51	51	28	49	29	12	25	8
Net debt/Shareholders' equity, %	16	-1	-8	27	40	43	31	39
Production, Segment Smelters								
Zinc, tonnes	112 805	112 073	114 759	117 731	117 476	112 603	108 807	112 648
Copper, tonnes	87 843	90 653	90 072	78 377	66 605	79 828	91 432	85 533
Lead, tonnes	3 111	7 765	8 229	7 085	4 760	5 791	7 046	2 850
Lead alloys, tonnes (Bergsöe)	7 110	12 025	12 062	11 962	7 986	11 855	11 868	10 992
Gold, kg	5 315	4 535	4 512	4 224	2 998	3 142	4 666	3 143
Silver, kg	95 846	102 989	108 253	104 677	76 502	90 317	136 655	94 940
Aluminium fluoride, tonnes	5 040	7 631	8 980	10 386	7 244	8 223	8 554	8 565
Metal production, Segment Mines								
Zinc, tonnes	76 288	82 040	89 031	86 682	76 100	81 480	82 362	75 561
Copper, tonnes	19 858	19 515	14 703	16 598	13 675	17 827	13 314	14 875
Lead, tonnes	12 160	13 606	13 288	14 200	13 141	13 537	13 362	12 975
Gold, kg	1 001	1 198	739	883	570	642	595	566
Silver, kg	47 493	55 977	62 303	58 210	58 024	63 165	48 789	53 519
Metal prices								
Zinc (USD/tonne)	3 363	4 194	3 460	3 664	3 238	2 646	2 426	2 115
Copper (USD/tonne)	7 670	7 087	5 941	7 635	7 714	7 239	7 763	8 448
Lead (USD/tonne)	1 189	1 622	1 787	2 182	3 141	3 262	2 891	2 316
Gold (USD/oz)	622	614	650	668	679	788	926	897
Silver (USD/oz)	11.70	12.58	13.29	13.33	12.70	14.21	17.59	17.18
Exchange rates								
USD/SEK	7.24	7.08	7.01	6.87	6.75	6.42	6.29	5.99
EUR/USD	1.27	1.29	1.31	1.35	1.37	1.45	1.50	1.56
EUR/SEK	9.23	9.13	9.19	9.26	9.27	9.30	9.40	9.35
USD/NOK	6.32	6.41	6.23	6.01	5.76	5.44	5.32	5.08

1) Refers to cash flow before financing activities.

Sensitivity analysis

The following table shows an estimate of the effect over a 12-month period on the Group's operating profit (EBIT) of changes in market terms on 30th June 2008, based on Boliden's planned production volume. The sensitivity analysis

does not take into account the effects of metal price hedging, currency hedging, contracted TC/RC, or stock exposure in the smelters.

Change in metal prices, +10%	Effect on profit, SEK m	Change of USD, +10%	Effect on profit, SEK m	Change in TC/RC, +10%	Effect on profit, SEK m
Zinc	360	USD/SEK	570	TC Zinc	35
Copper	315	EUR/USD	310	TC/RC Copper	50
Lead	75	USD/NOK	90	TC Lead	-15
Gold	65				
Silver	75				

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