



Full year Report

January – December 2008

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BOLIDEN

Fourth Quarter 2008

Market

- Lower demand for base metals
 - Negative growth in mature regions
 - Lower growth in developing countries
- Lower zinc and copper prices
 - Zn -55% and Cu -46% from Q4 2007
- Stable gold price and pressure on silver
- Weak sulphuric acid market
- Stronger USD

Fourth Quarter 2008

Boliden

- Stable production
- Revenues 6,287 MSEK (7,290)
 - Positive impact from higher copper production and stronger USD
 - Reduction in zinc smelter production
- Operating profit -491 MSEK (590)
 - Re-valuation of process inventory -702 MSEK (-277)

Full year 2008

Market

- Stable demand in 1H – accelerating weakening trend in 2H
- Metal prices fell
 - Zn across the year
 - Cu in Q4
- Stable gold price, pressure on silver across the year
- Strong sulphuric acid demand
- USD average somewhat lower than in 2007

Full year 2008

Boliden

- Lower mined production, higher smelter production
- Revenues 30,987 MSEK (33,204)
- Operating profit 1,004 MSEK (5,428)
 - Prices, terms and exchange rates -3,486 MSEK
- Operating margin 3% (16%)
- Aitik36 on time-plan
- Good cash flow generation considering Aitik project



The Market

End-user market fundamentals weaker

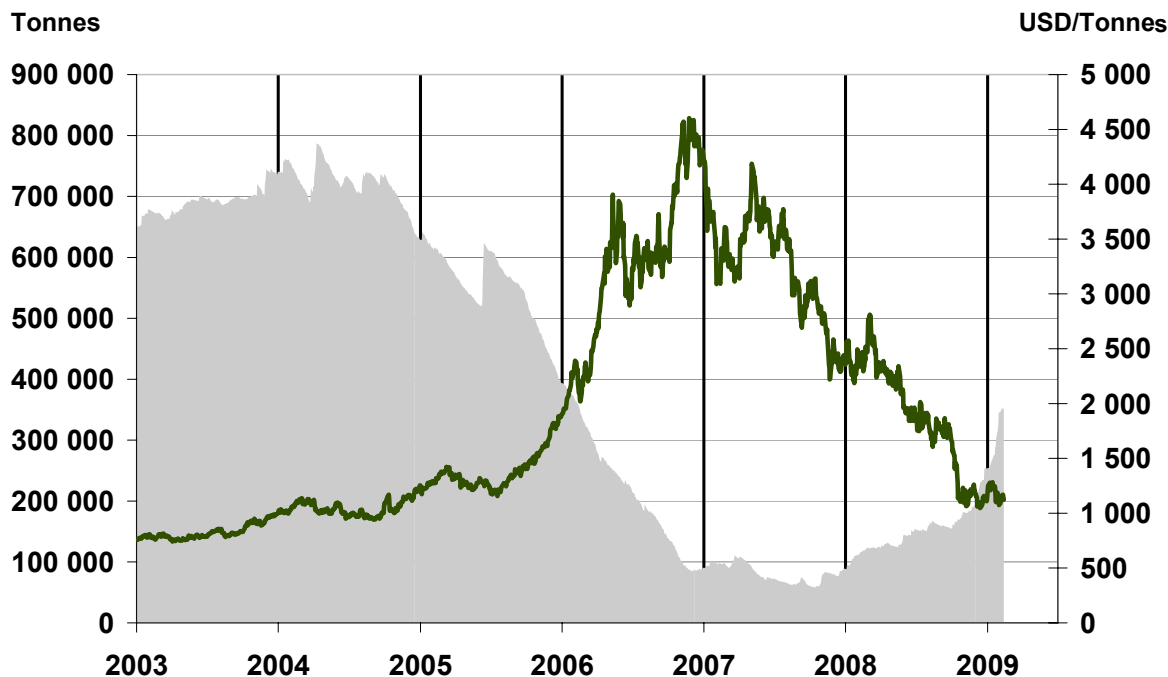
Automotive

- U.S. and European automotive sales declining
 - Car and light vehicle production reduced early 2009
- Asian automotive sales and production declined end 2008

Construction

- EU market weaker in the second half 2008
- US market continued to weaken in 2008 except in infrastructure
- Asian market weaker in the second half 2008

Zinc price fell 33% from Q3

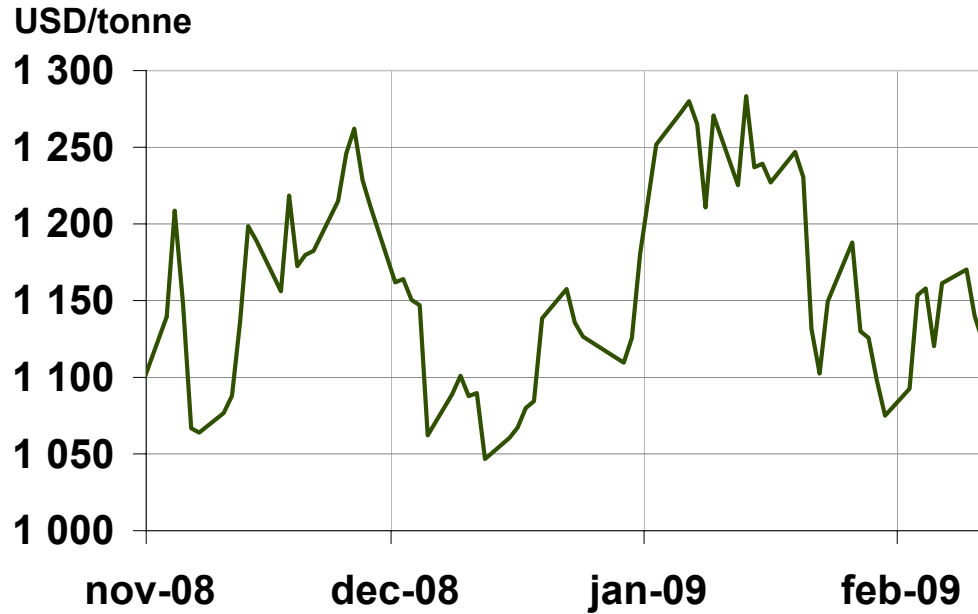


Zinc price (LME average)		
	USD/t	Q4-08 vs. period
Q4 2007	2,646	- 55%
Q1 2008	2,426	- 51%
Q2 2008	2,115	- 44%
Q3 2008	1,773	- 33%
Q4 2008	1,189	—

- Prices historically low relative to industry cash cost
- Around 50% of mines were cash flow negative at USD 1 100 per tonne
- Zinc industry output reductions 2009 of approximately 7%*

* Announced reductions/closures in the zinc mining and smelting industry, % of 2007 production

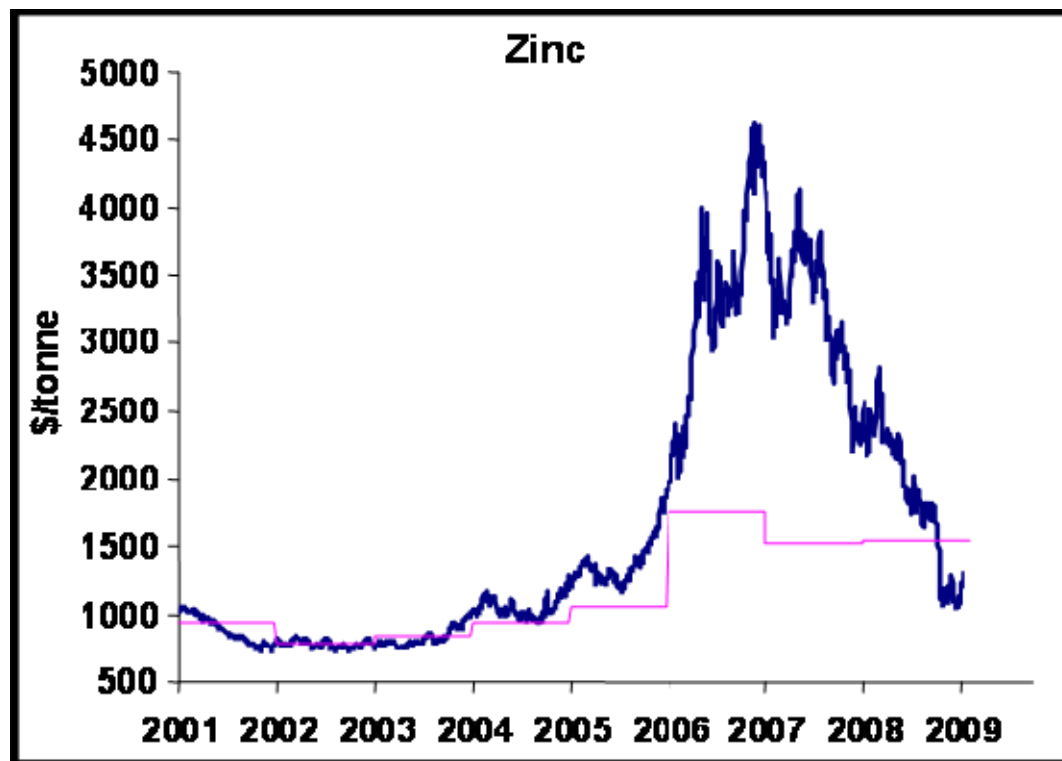
Flat zinc price since November



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Zinc price below 90th percentile cash cost

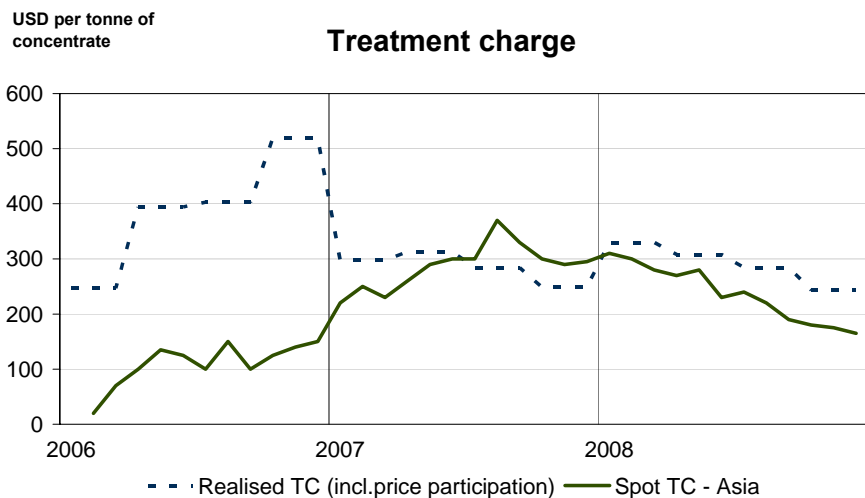


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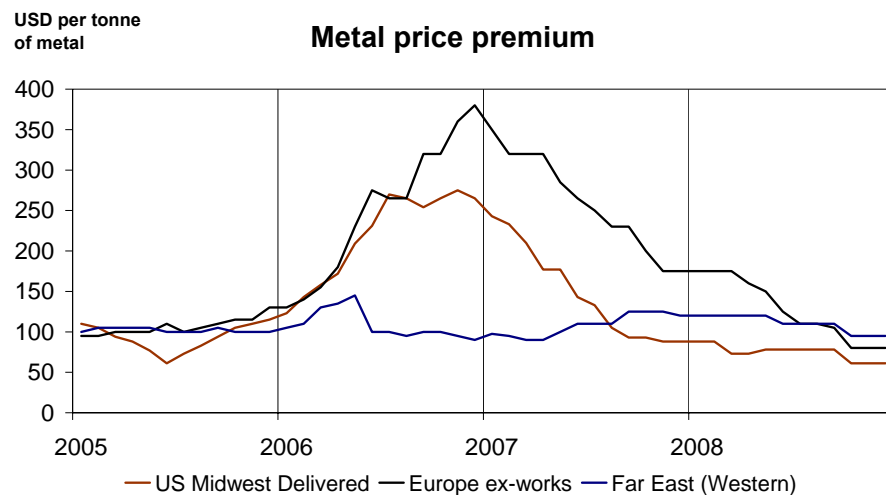
— 90th percentile industry cast cost

Source: Macquarie Research

Zinc TC and spot premiums down in 2008



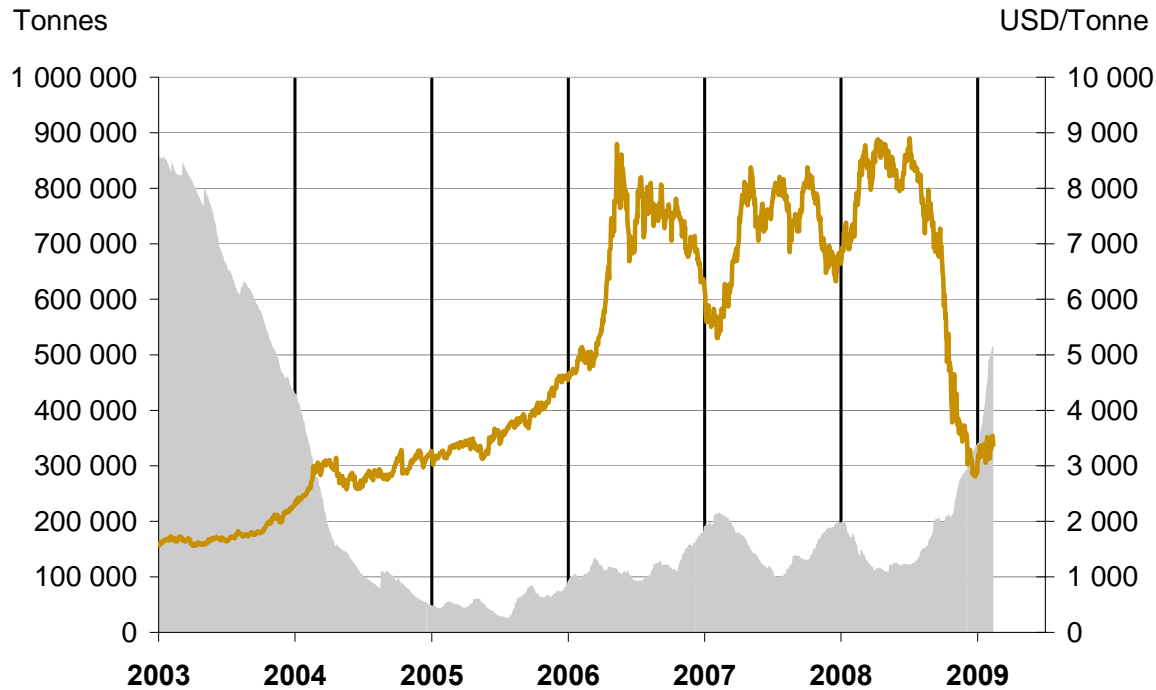
Source: Brook Hunt, CRU



Source: CRU

- Realised TC declined in 2H 2008
 - Spot TC below realised TC in 2008
- Spot metal price premiums fell further

Copper price fell steeply in Q4



Copper price (LME average)		
	USD/t	Q4-08 vs. period
Q4 2007	7,239	- 46%
Q1 2008	7,763	- 49%
Q2 2008	8,448	- 53%
Q3 2008	7,693	- 49%
Q4 2008	3,940	—

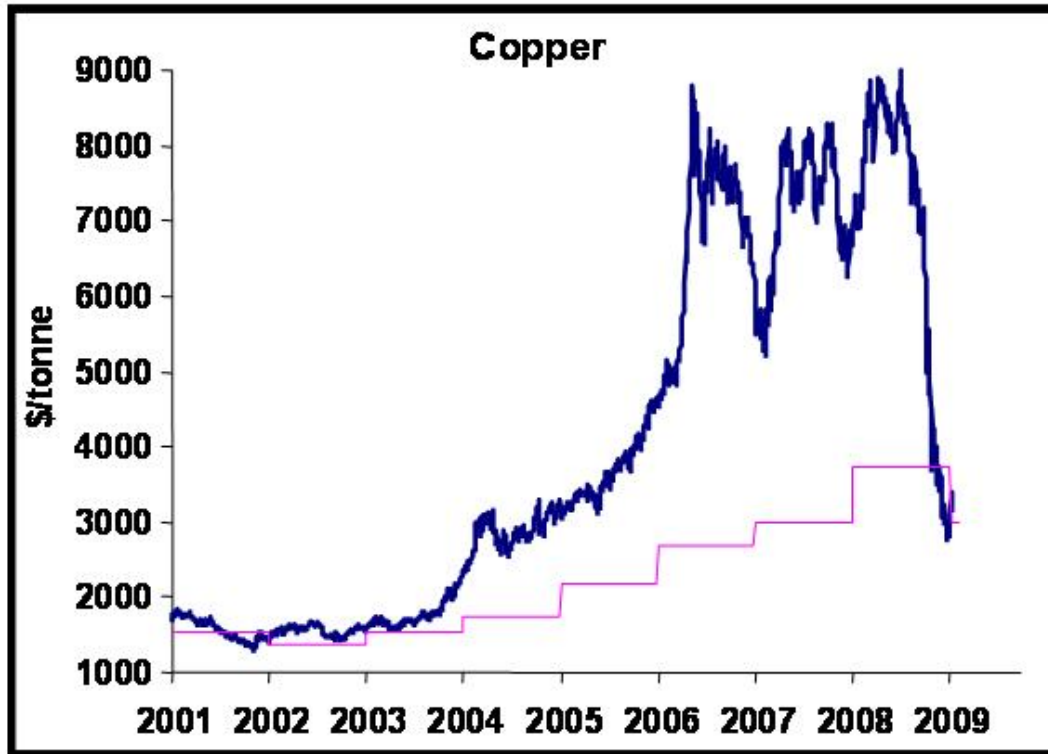
Almost flat copper price since December



Copper price (LME average)

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Q4 2007	7,239	- 46%
Q1 2008	7,763	- 49%
Q2 2008	8,448	- 53%
Q3 2008	7,693	- 49%
Q4 2008	3,940	—

Current copper price at the 90th percentile

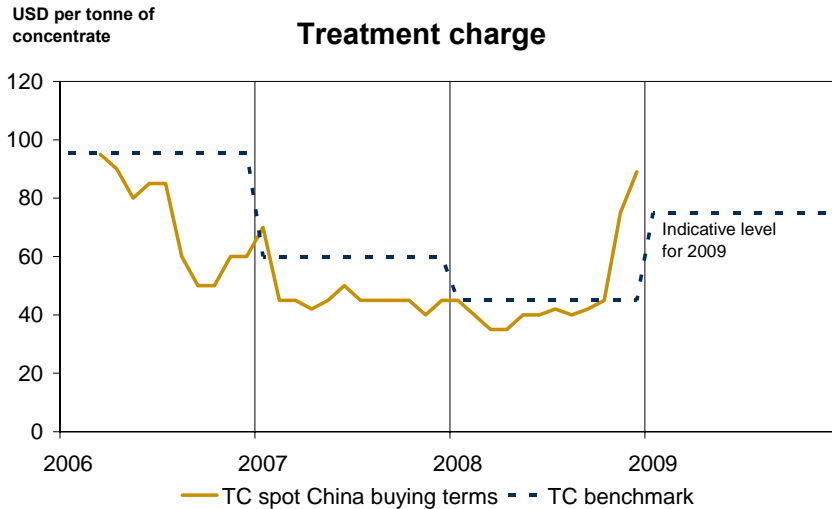


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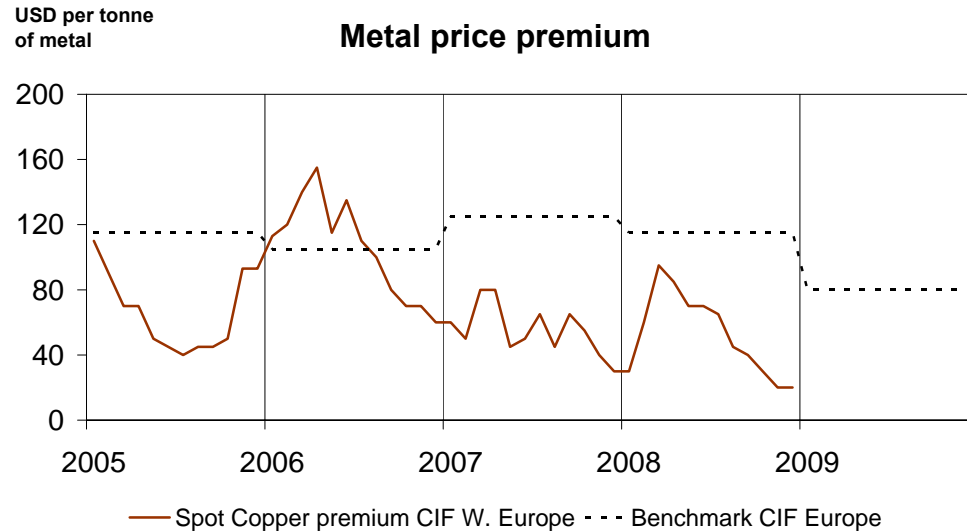
— 90th percentile industry cast cost

Source: Macquarie Research

Copper spot TC up in Q4, spot premiums down



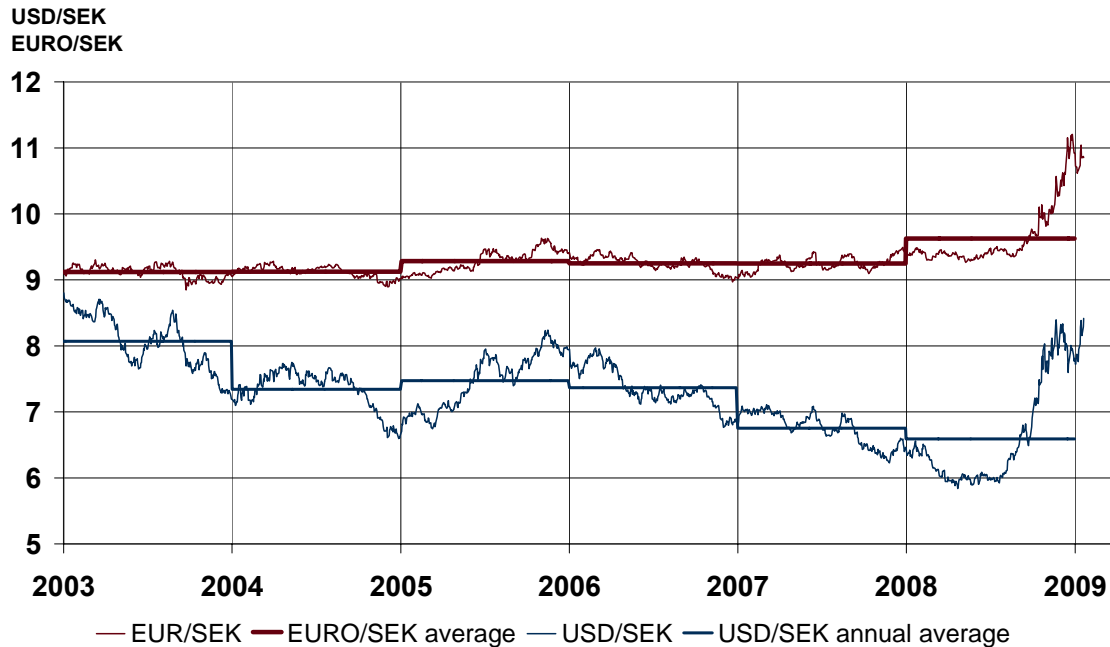
Source: CRU



Source: Brook Hunt

- Spot TC/RC rebound
 - Sulphuric acid demand impacts TC/RC
- Spot premiums below benchmark levels

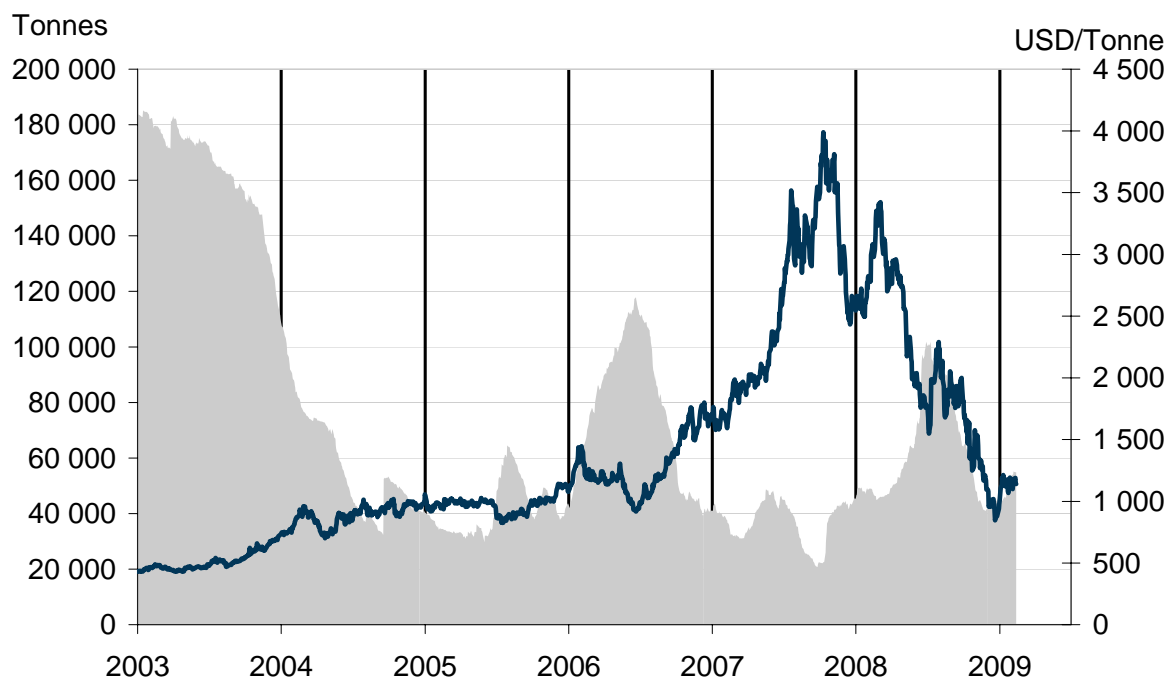
USD strengthened in the second half



USD/SEK

	USD/SEK	Q4-08 vs. period
Q4 2007	6.42	21%
Q1 2008	6.29	24%
Q2 2008	5.99	30%
Q3 2008	6.31	23%
Q4 2008	7.79	—

Lead price declined



Lead price (LME average)

	USD/t	Q4-08 vs. period
Q4 2007	3,262	- 62%
Q1 2008	2,891	- 57%
Q2 2008	2,316	- 46%
Q3 2008	1,912	- 35%
Q4 2008	1,251	—

Gold price remained stable



Gold price (LBMA)

	USD/oz	Q4-08 vs. period
Q4 2007	788	1%
Q1 2008	926	- 14%
Q2 2008	897	- 11%
Q3 2008	871	- 8%
Q4 2008	798	—

Silver price down 32% in Q4

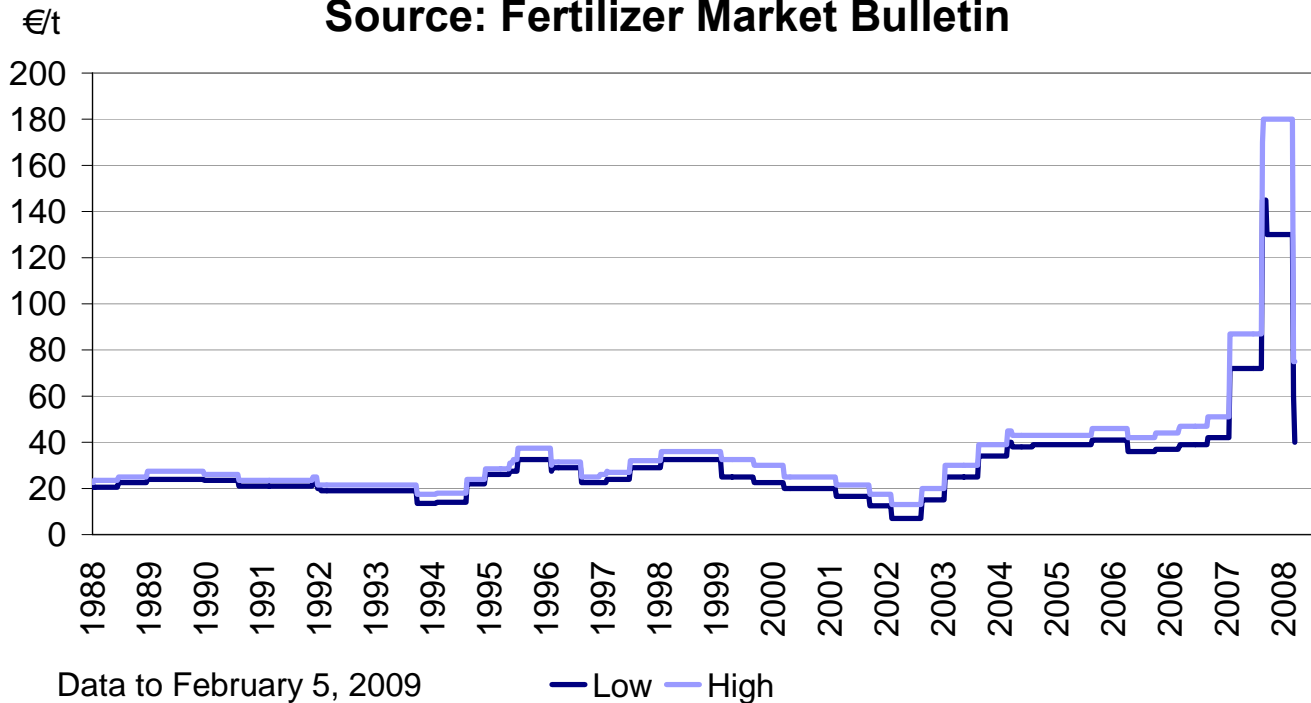


Silver price (LBMA)

	USD/oz	Q4-08 vs. period
Q4 2007	14.21	- 28%
Q1 2008	17.59	- 42%
Q2 2008	17.18	- 41%
Q3 2008	15.09	- 32%
Q4 2008	10.21	—

Sulphuric acid prices fell in Q4

Sulphuric acid, contract CFR NW Europe 1988-
Source: Fertilizer Market Bulletin



- Demand declined and prices fell sharply



Segment Smelters

Zinc smelters reduced production in December

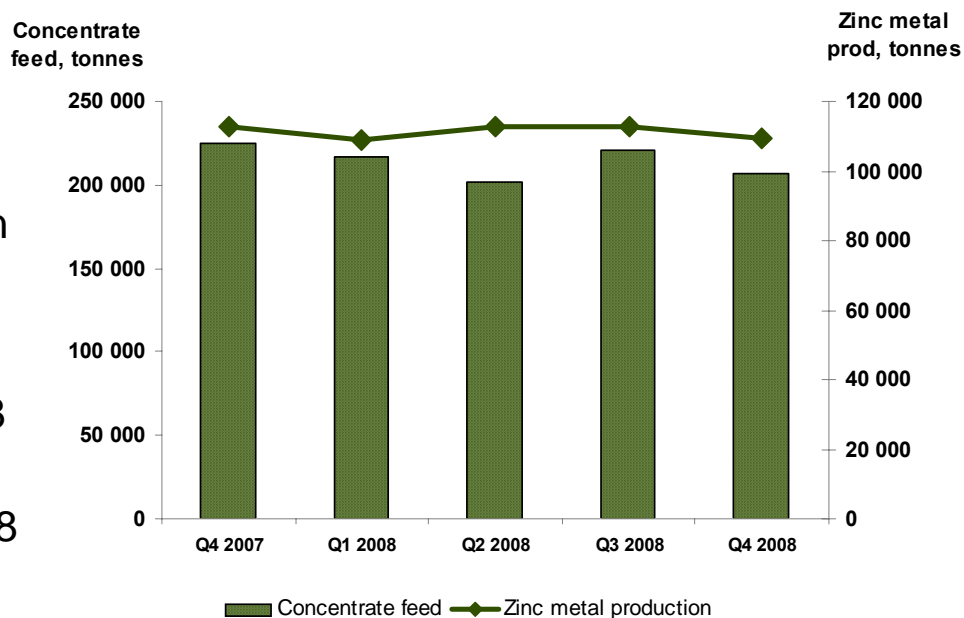
Comments on Q4 2008

■ Odda

- Maintenance stop to mid October
- Production running well after stop
- Lower feed and cast production than Q4 2007 and Q3 2008

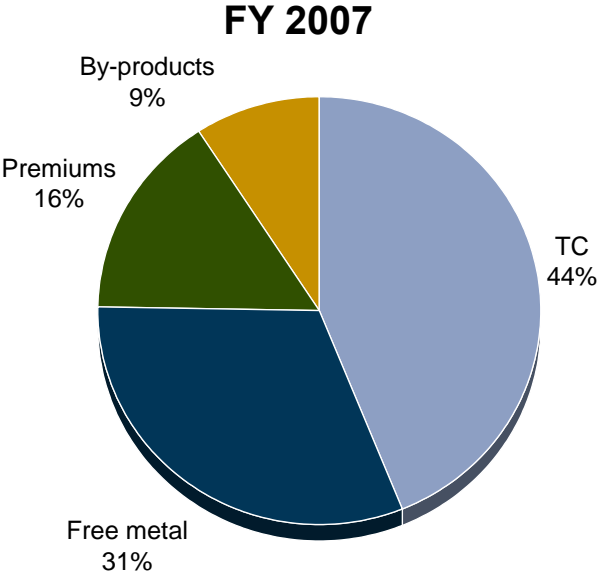
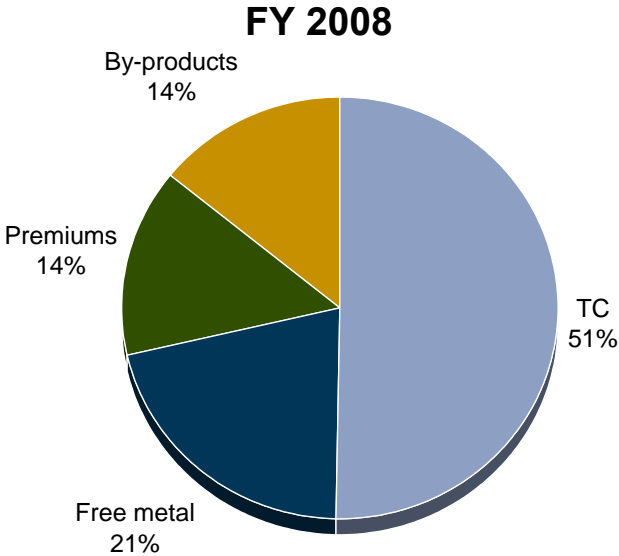
■ Kokkola

- Feed somewhat lower than Q3 2008 and Q4 2007
- Cast production higher than Q3 2008 and Q4 2007



Zinc smelters' approximate revenue distribution

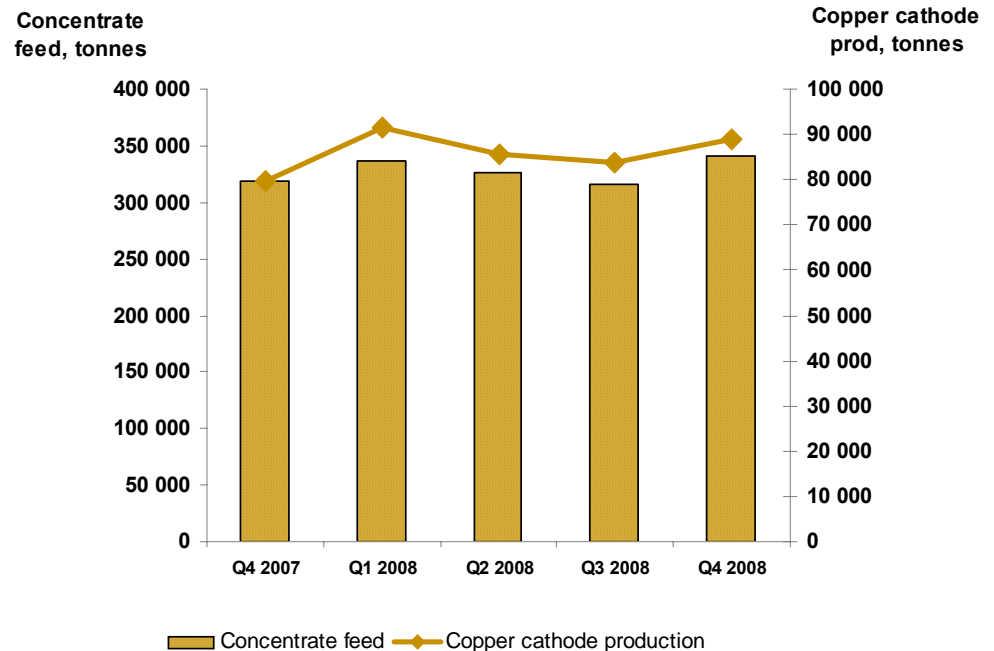
Lower value of free metals



Copper Smelters increased production

Comments on Q4 2008

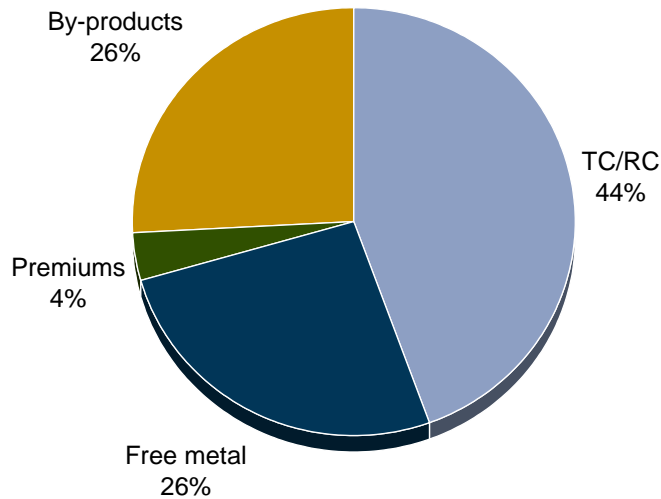
- Rönnskär
 - Increased copper and precious metals production
- Harjavalta
 - Higher feed and copper production from Q3 2008 and Q4 2007
- Bergsöe (lead)
 - Production higher than Q3 2008, in line with Q4 2007



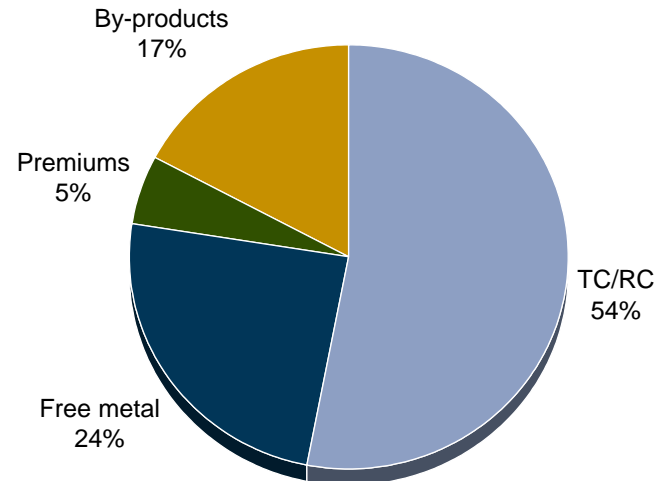
Copper smelters' approx. revenue distribution

Decrease in TC/RC

FY 2008



FY 2007





Segment Mines

WIM BOLIDEN

Mines' zinc production increased from Q3

Comments on Q4 2008

■ Tara

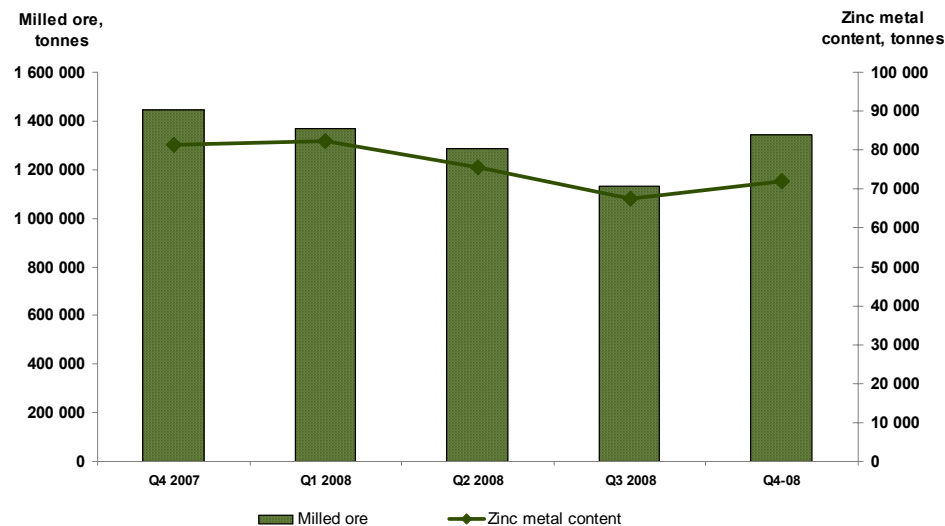
- Lower grades and lower production than in Q3 2008

■ Garpenberg

- Higher grades and higher production

■ Boliden area

- Planned reduction
- Higher production than in Q3 2008



Mines' copper production improved from Q3

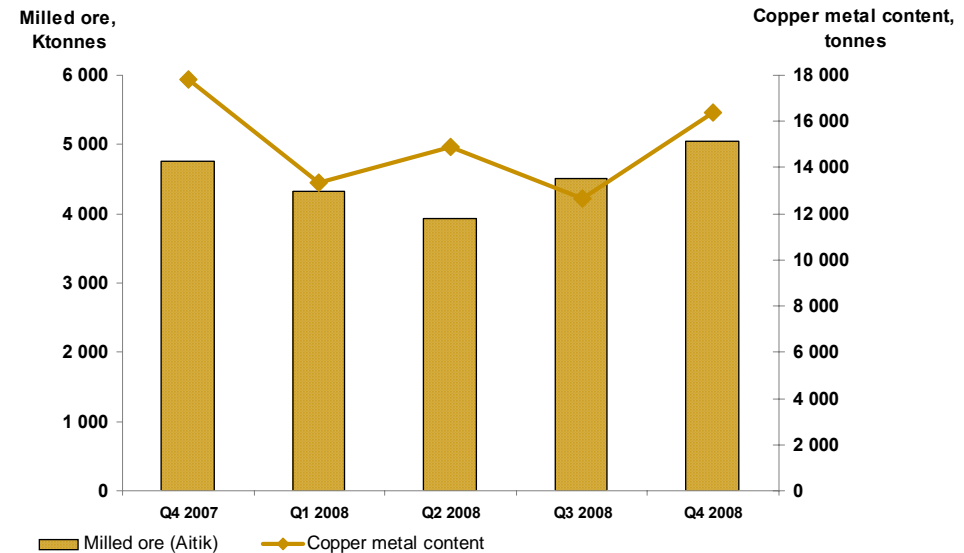
Comments on Q4 2008

■ Aitik

- Increased production from Q3 2008
- Higher grades, improved grindability from Q3 2008

■ Boliden area

- Planned reductions
- Higher production than in Q3 2008





Financials

Financial summary

SEK m	Q4 08	Q4 07	2008	2007
Revenues	6,287	7,290	30,987	33,204
Operating profit (EBIT)	-491	590	1,004	5,428
EBIT margin, %	-8	8	3	16
Free cash flow (before financing activities)	-534	-418	837	1,212
Earnings per share, SEK	-1.65	1.33	3.42	13.37
Gearing	39%	43%	39%	43%

2008 vs 2007

	QUARTERLY		FULL YEAR	
	Q4 2008	Q4 2007	FY 2008	FY 2007
EBIT YTD, (MSEK)	-491	590	1 004	5 428
<i>whereof:</i>				
Iron stock revaluation	-702	-277	-789	-192
Hedgeresult	174	-187	-350	-1 674
MAMA	-171	-14	19	-190
EBIT excl Iron stock, Hedge, MAMA	208	1 068	2 124	7 484
DEVIATION	-860		-5 360	
<i>Specification of deviations:</i>				
Currency	337		-499	
Prices & Terms	-1 155		-3 923	
<i>Metal prices and terms</i>	-883		-3 206	
<i>TC/RC terms</i>	-74		-312	
<i>Premiums</i>	-199		-405	
Volume	49		-368	
Costs	-96		-594	
Others	6		24	
DEVIATION	-860		-5 360	

Q4 2008 vs Q3 2008

	QUARTERLY	
	Q4 2008	Q3 2008
EBIT QTD, (MSEK)	-491	-142
<i>whereof:</i>		
Iron stock revaluation	-702	-267
Hedgeresult	174	-141
MAMA	-171	-9
EBIT excl Iron stock, Hedge, MAMA	208	275
DEVIATION	-67	
<i>Specification of deviations:</i>		
Currency	302	
Prices & Terms	-414	
<i>Metal prices and terms</i>	-322	
<i>TC/RC terms</i>	-29	
<i>Premiums</i>	-63	
Volume	322	
Costs	-284	
Others	7	
DEVIATION	-67	

EBIT by segment

SEK m	Q4 08	Q4 07	2008	2007
Smelters	-414	1	372	2,297
Mines	2	536	734	3,135
Other / Eliminations	-79	53	-102	-4
The Boliden Group	-491	590	1,004	5,428

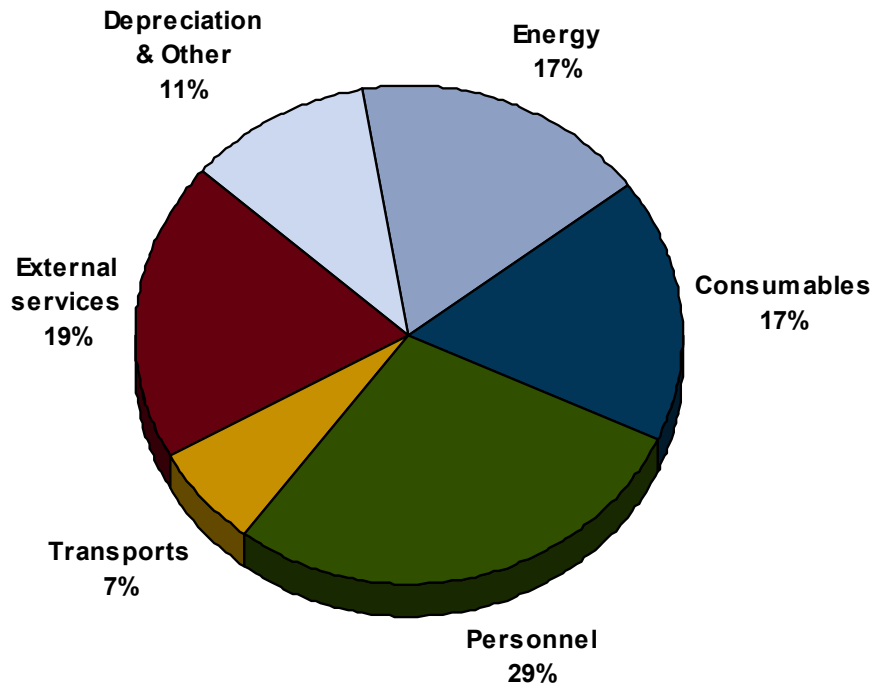
Smelters – EBIT analysis FY period

- Exchange rate effects SEK -228 million
- Prices and terms SEK -1,527 million
- Volume variation SEK 244 million
- Cost changes SEK -438 million
- Other SEK 24 million

Mines – EBIT analysis FY period

- Exchange rate effects SEK -272 million
- Prices and terms SEK -1,375 million
- Volume variation SEK -612 million
- Cost changes SEK -151 million
- Other SEK 9 million

Operating costs increased



Change in operating costs	2008 vs. 2007	Q4 2008 vs. Q4 2007
Energy	+11%	+10%
Consumables	+5%	+8%
Personnel	+1%	-13%
Transports	+33%	+64%
External services	+9%	-
Depreciation & other	-2%	+18%

- Costs increased by 6% FY 2008 and 4% in Q4 2008
- Weaker SEK pushing costs up in 2H
 - +4.5% FY 2008 and unchanged Q408 excluding FX
- Higher prices for energy, consumables and transport

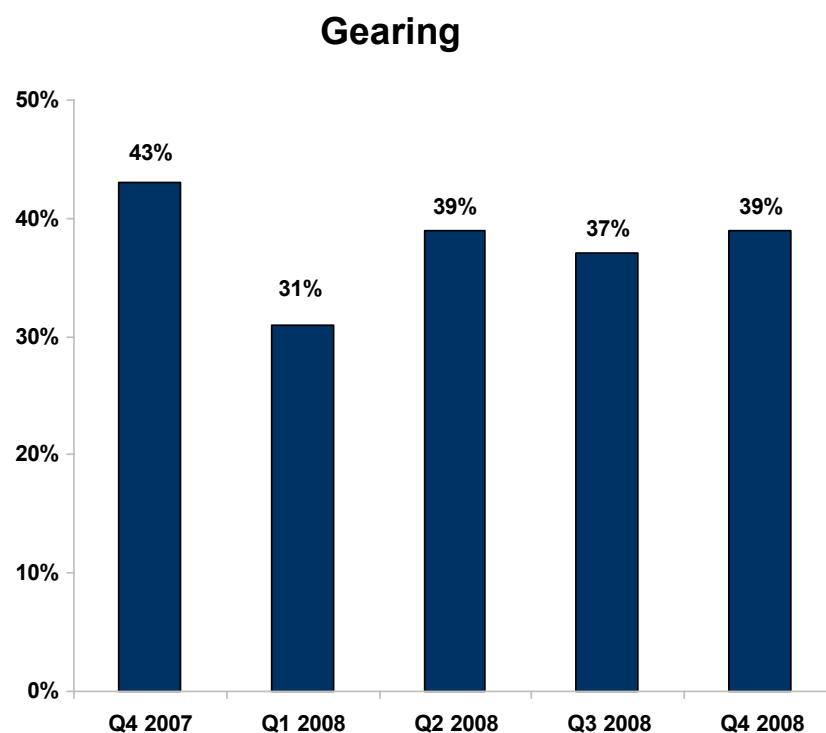
Cash flow

SEK m	Q4 08	Q4 07	2008	2007
Cash flow from operating activities	-520	103	1,576	4,773
Cash flow from changes in working capital	1,524	406	3,894	-1,043
Investments	-1,533	-920	-4,624	-2,512
Other	-5	-7	-9	-6
Free cash flow (before financing activities)	-534	-418	837	1,212
Net debt	6,305	5,524	6,305	5,524

- Reduction of working capital up to December

Capital structure on December 31 2008

SEK bn Unless otherwise stated	31 Dec 2008	31 Dec 2007
Balance sheet turnover	30.3	27.2
Capital employed	24.7	20.1
Shareholders' equity	16.1	12.9
Net debt	6.3	5.5
Gearing, %	39	43
Equity/assets ratio, %	53	47
Average maturity in years	4.8	5.0
Average interest rate	5.18%	5.17%
Liquidity reserves*	8.3	4.0



* Defined as unutilised credit lines and cash less outstanding commercial papers

Sensitivity analysis on December 31 2008

Change in metal prices, +10%	EBIT effect, SEK m	Change in USD, +10%	EBIT effect, SEK m	Change in TC/RC, +10%	EBIT effect, SEK m
Zinc	325	USD/SEK	450	TC Zn	45
Copper	140	EUR/USD	290	TC/RC Cu	60
Lead	55	USD/NOK	70	TC Pb	-15
Gold	70				
Silver	55				

Estimate of the 12-month effect on Group EBIT on December 31 2008, based on planned production volumes. Effects of hedging, contracted TC/RC or stock exposures are not taken into account.

Metal price hedging on December 31 2008

Metal futures	Maturity year	Metal price, USD	Quantity	Market value², SEK m	Metal Volume Coverage rate¹
Copper (tonne)	2009	5,920	42,600	933	65%
	2010	7,606	62,700	2 160	
				3 093	
Lead (tonne)	2009	1,252	36,300	71	50%
				71	
Gold (troy oz)	2009	702	102,000	-131	80%
	2010	961	105,850	72	
				-59	
Silver (troy oz)	2009	14.59	5,676,000	167	75%
	2010	18.46	5,170,000	305	
				472	
Market value of outstanding contracts, SEK m				3 577	

1) Approximate metal price hedging on outstanding metal positions during the 2009-2010 period.

2) Market value on other outstanding metal contracts, not included in above table, totals MSEK 118.

Currency hedging after December 31 2008

Currency future contracts	Maturity year	Rate	Amount sold, MUSD
USD/SEK	2009	8.30	414
	2010	8.26	688

To summarize 2008

Q4 2008

- Price pressure in main metals
- Re-valuation of process inventory
- Smelter output reduced in December
- Mining output improved

Full year 2008

- Zinc prices fell across the year
- Copper price fell in Q4
- Stronger USD in 2H
- Smelter output higher
- Mining production lower (Boliden Area)
- Reduction of working capital – higher capex

Actions in 2009

- Reduction of workforce
- Procurement project
- Reduced zinc and copper smelter production
- Cost reduction programme in Tara

Forward-looking statements

Certain statements in this presentation are forward-looking, and the actual outcome could be materially different. Such forward-looking statements are based on Boliden's present plans, estimates, assumptions, projections and expectations and are subject to risks and uncertainties. In addition to the factors explicitly discussed, other could have a material effect on the actual outcome. Such factors include, but are not limited to, general economic or political conditions, fluctuations in exchange rates, interest rates and in metal prices, production disruptions, technological issues, interruptions in supply, actions of courts, regulators, government agencies, competitors, customers, suppliers, employees and other third parties.

A nighttime photograph of a city skyline, likely New York City, featuring several illuminated skyscrapers. The buildings are lit up with warm yellow and white lights, contrasting against the dark blue and black sky. In the foreground, a dark body of water is visible, reflecting some of the city lights. The overall scene is a classic urban nightscape.

**Boliden produces metals
that make modern life work**

BOLIDEN