

Boliden

Full-year Report 2006



Mines



Smelters



Zinc



Copper

Strong global demand for Copper and Zinc

• Global Twelve months 2006*

- Cu-consumption	5.4 %
- Cu-production	6.4 %
- Zn-consumption	3.9 %
- Zn-production	4.7 %

• USA

- Cu-consumption	1.5 %
- Zn-consumption	-0.2 %

• Europe

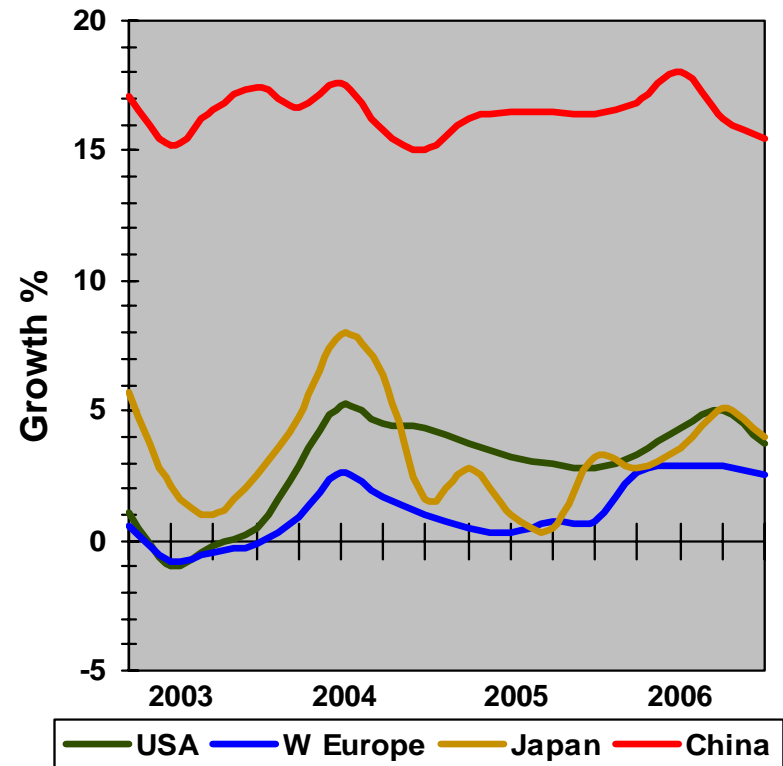
- Cu-consumption	10.7 %
- Zn-consumption	1.0 %

• China

- Cu-consumption	4.5 %
- Zn-consumption	11.8 %

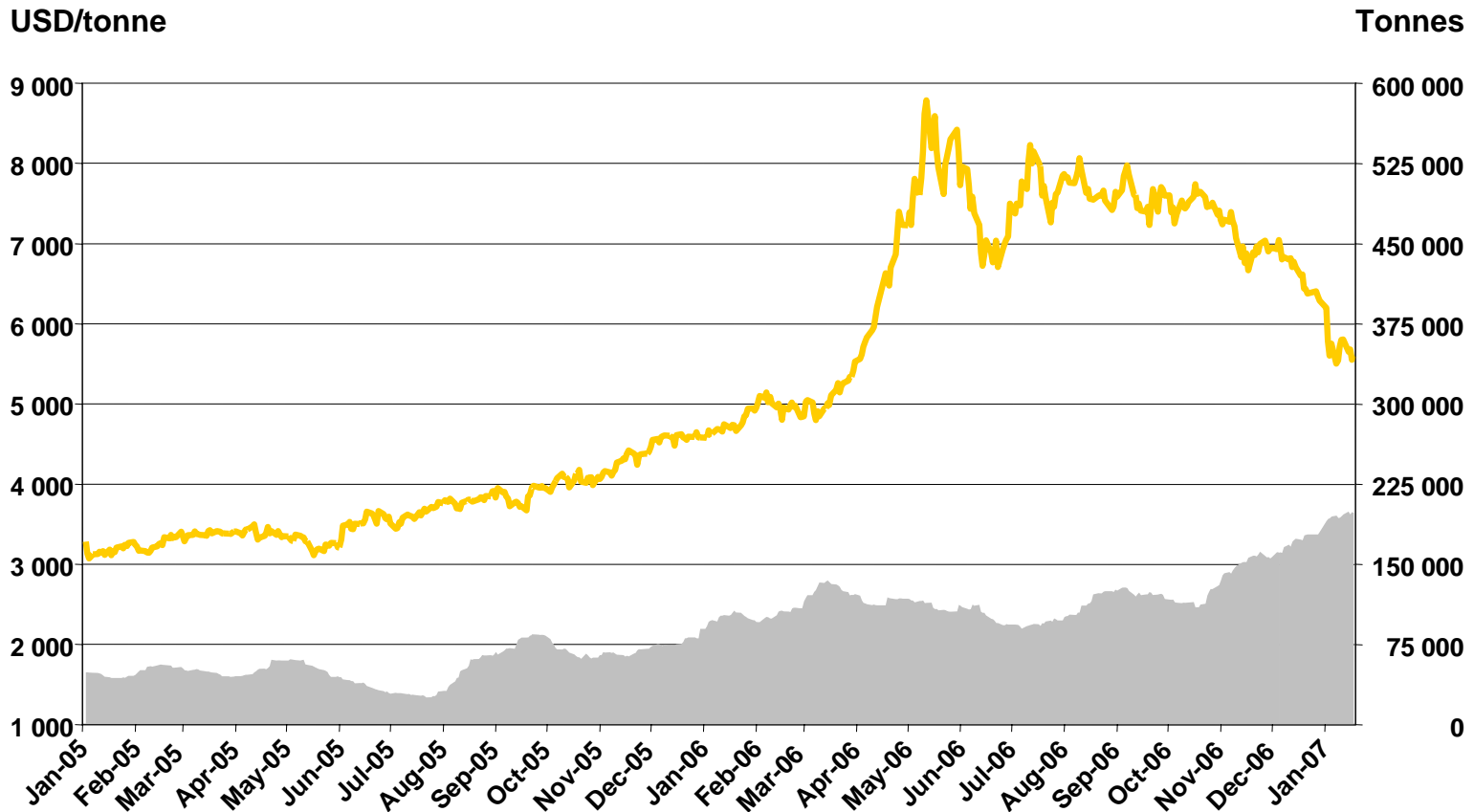
• Continued good forecast for 2007

Industrial Production



*Twelve months 2006 v.s. twelve months 2005

LME Copper Price and Stocks



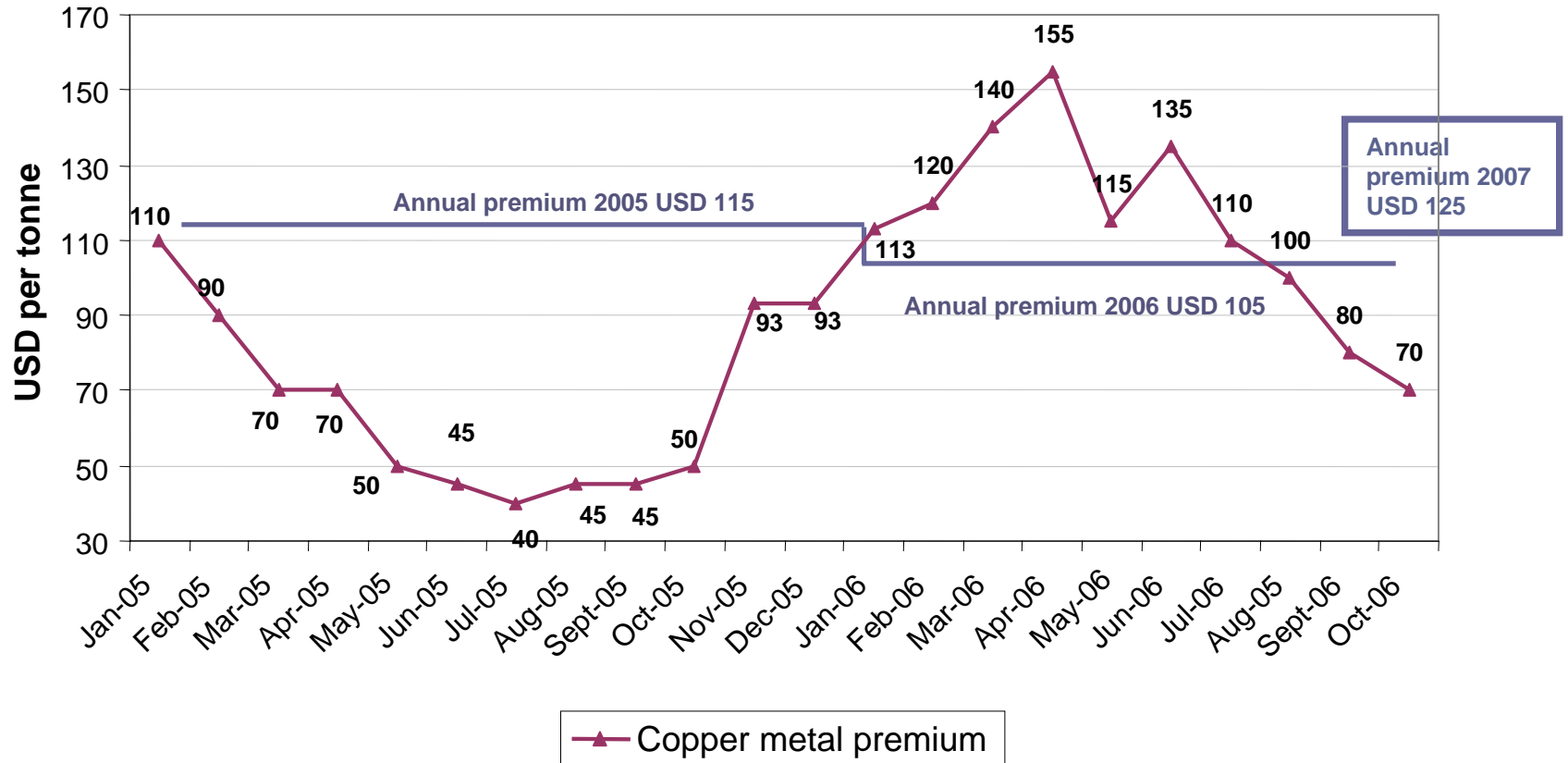
China's net import of copper has increased considerably during recent months



Källa: Metals Insider



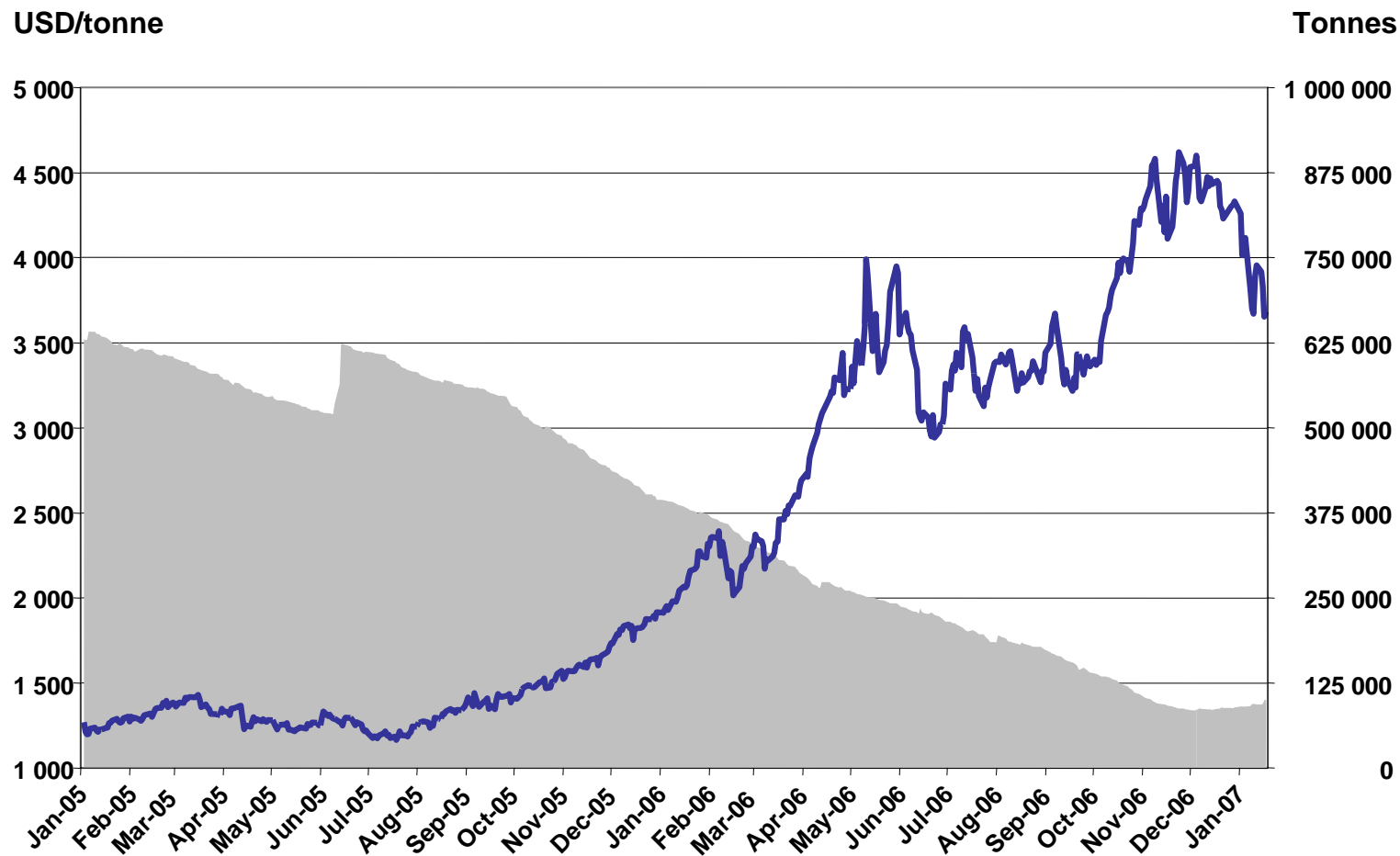
Increased copper metal premium



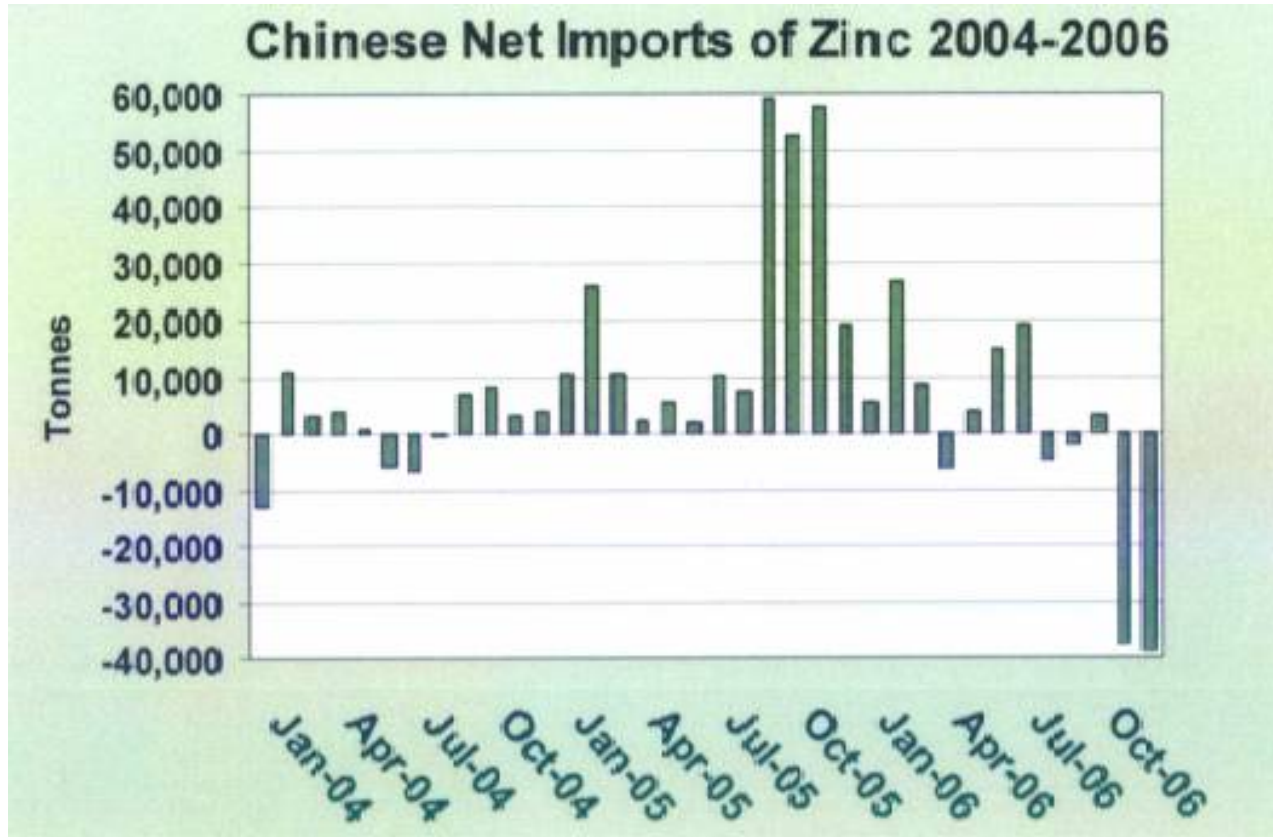
Source: CRU Monitor Zinc



LME Zinc Price and Stocks



During recent months China has been a temporarily zinc exporter



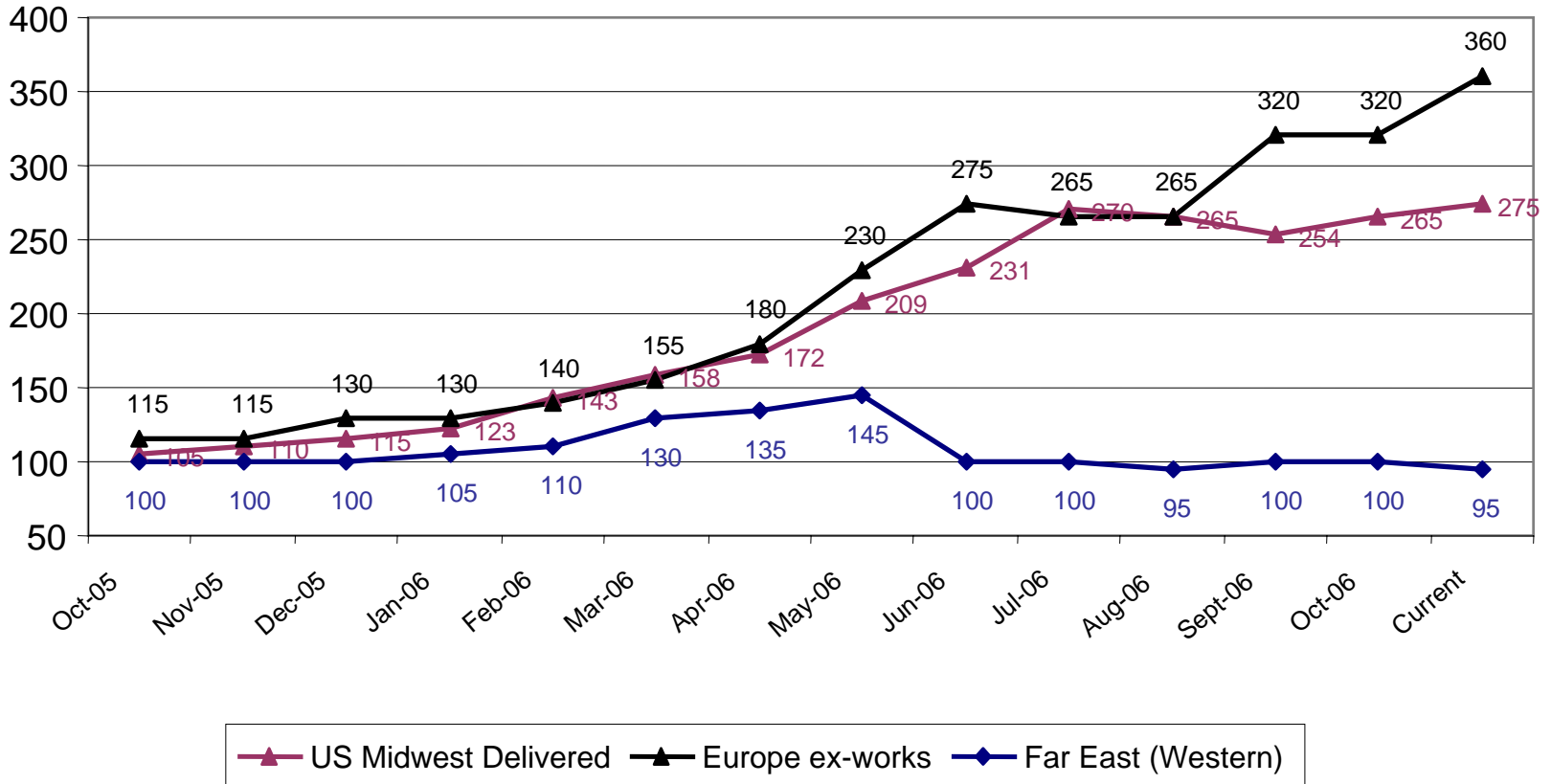
- 5% additional export tax from 1st January 2007
- High prices

Källa: Metals Insider

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Record zinc metal premiums

USD/tonne



Data: CRU Monitor Zinc



Strong global metals market – improved result

SEK m	Fourth quarter		Change	Full year		Change
	2006	2005	in %	2006	2005	In %
Revenues	9 728	6 372	53	35 213	20 441	72
Operating profit (EBIT)	2 225	1 634	36	8 522	3 069	178
Profit before tax	2 185	1 581	38	8 313	2 812	196
Earnings per share, SEK	6.04	4.11	47	21.66	7.07	206
Cash flow from operating activities	2 947	947	211	8 010	2 540	215
Return on capital employed, %	51	42		52	20	
Net debt/shareholders' equity, %	- 1	54		- 1	54	

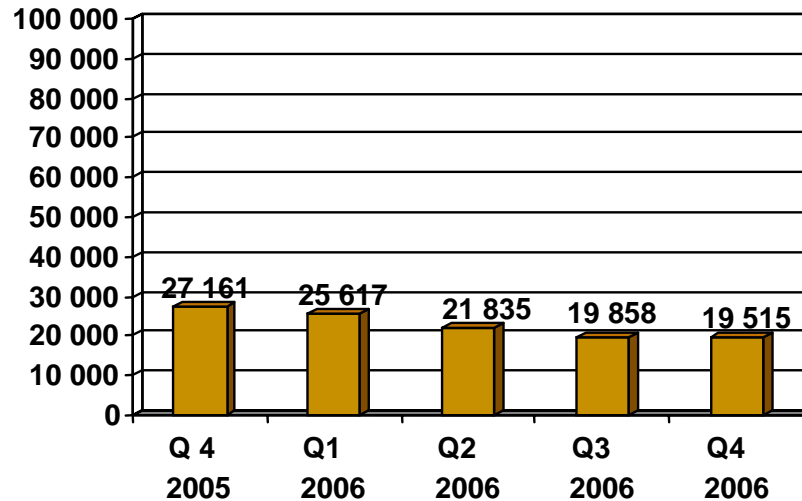
- Higher metal prices and increase in TC/RC
- Improved mine production, but decrease in zinc and copper production due to lower head grades
- Increase in metal production within the smelters
- Reduced debt levels have positive effect on net financial items
- Actual tax payments continued to be low
- Return on capital employed well above financial goal



Production Copper

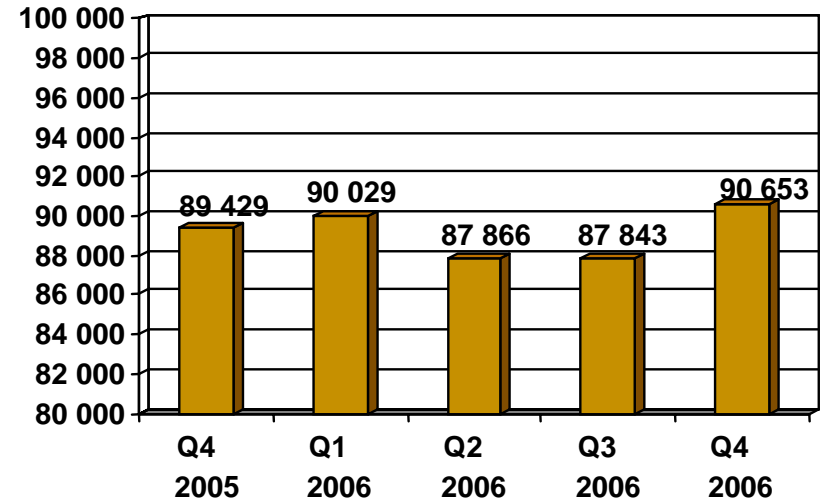
Mine production, metal content

Tonnes



Smelter production, cathodes

Tonnes

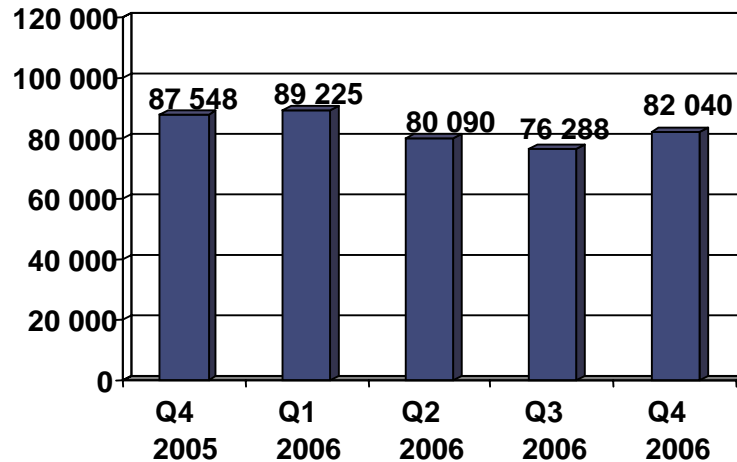


- Aitik – high mill throughput but lower head grades during Q4 in comparison with Q1, Q2 and Q3
- Boliden Area – increase in mill throughput, lower head grades and change in ore mix
- Copper Smelters – continued high and stable production

Production Zinc

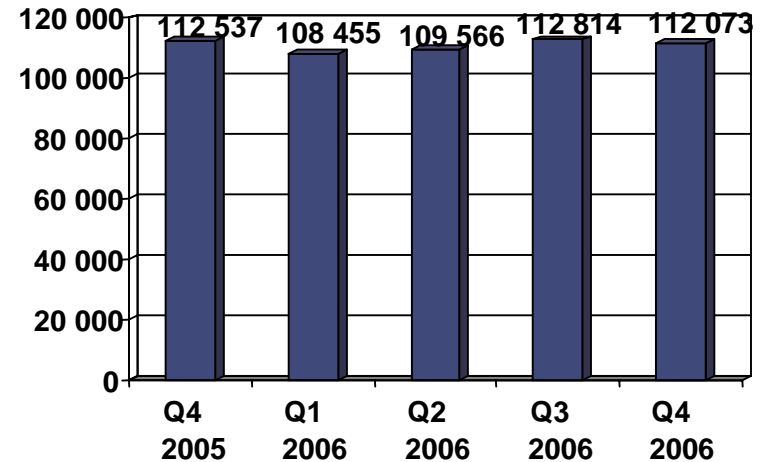
Mine production, metal content

Tonnes



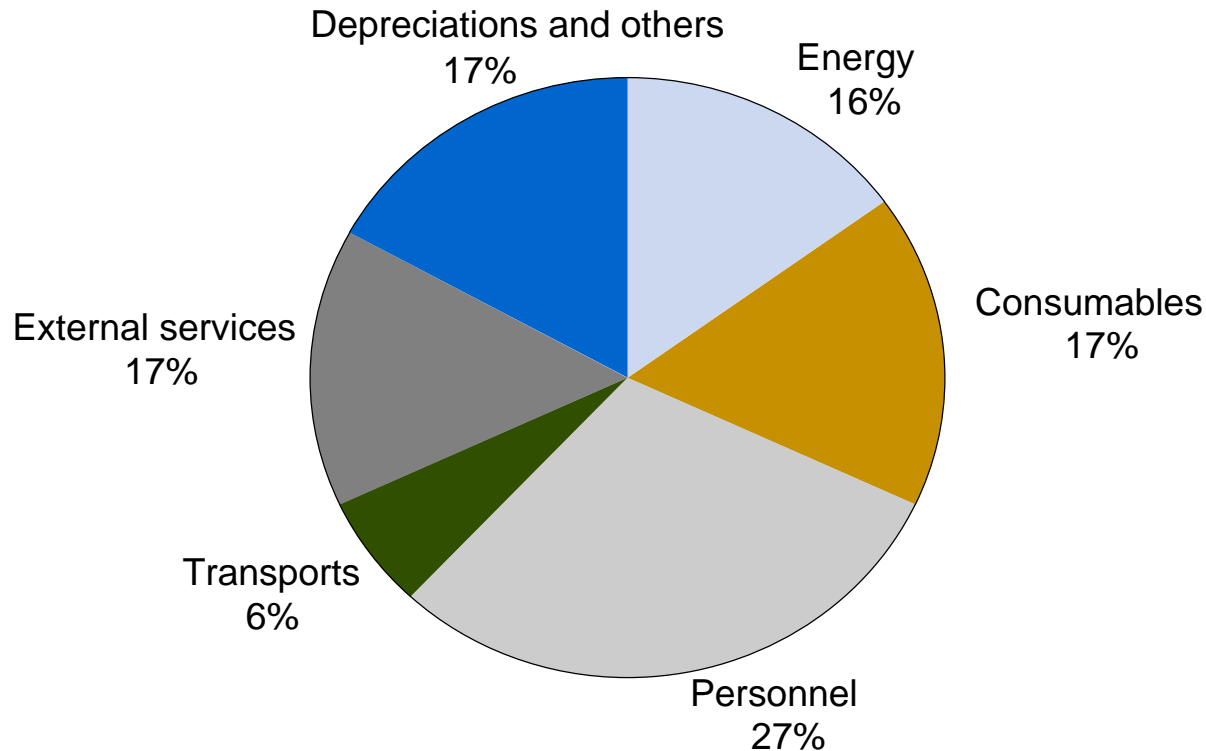
Smelter production, casted zinc

Tonnes



- High zinc price – profitable to mine ore with lower head grades – increase in ore reserves
- Tara – decrease in mill throughput but higher head grades during Q4 in comparison with Q3
- Boliden Area – increase in mill throughput, lower head grades and change in ore mix
- Garpenberg – healthy production with good head grades during Q4
- Boliden Kokkola – stable production of zinc
- Boliden Odde – improved zinc production

Cost Structure



- Increased costs, mainly due to electricity price increases, but also due to price increases for other raw material-related input goods
- Costs increased by 7 per cent during 2006 in comparison with 2005. Excluding increased energy costs, the cost increase was 4 per cent.

Operating Profit per segment

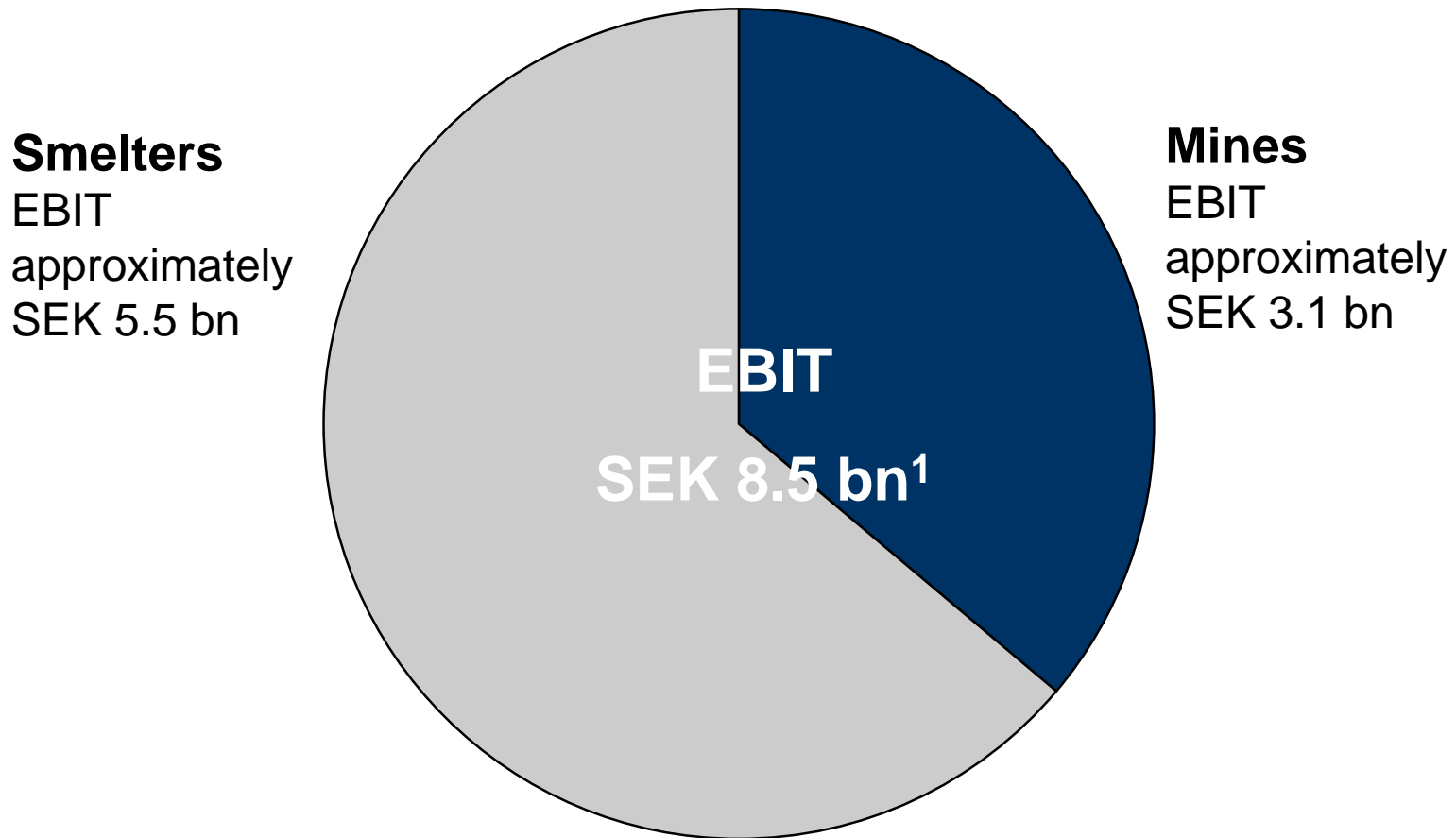
SEK m	Fourth quarter		Change in %	Full year		Change in %
	2006	2005		2006	2005	
Copper	248	1 004	-75	2 813	1 921	46
Zinc	2 054	778	164	5 849	1 408	315
Other	- 77	- 148	-48	- 140	- 260	-46
Total	2 225	1 634		8 522	3 069	

- Copper – higher metal prices and increase in TC/RC and lower costs were partly offset by decrease in production and stock losses in Q4 2006 in comparison with Q4 2005.

Full year 2006 – higher metal prices, increase in TC/RC and increase in production and stock profits were partly offset by higher costs

- Zinc – higher metal prices and stock profits were partly offset by decrease in production and higher costs

Operating Profit – Mines and Smelters



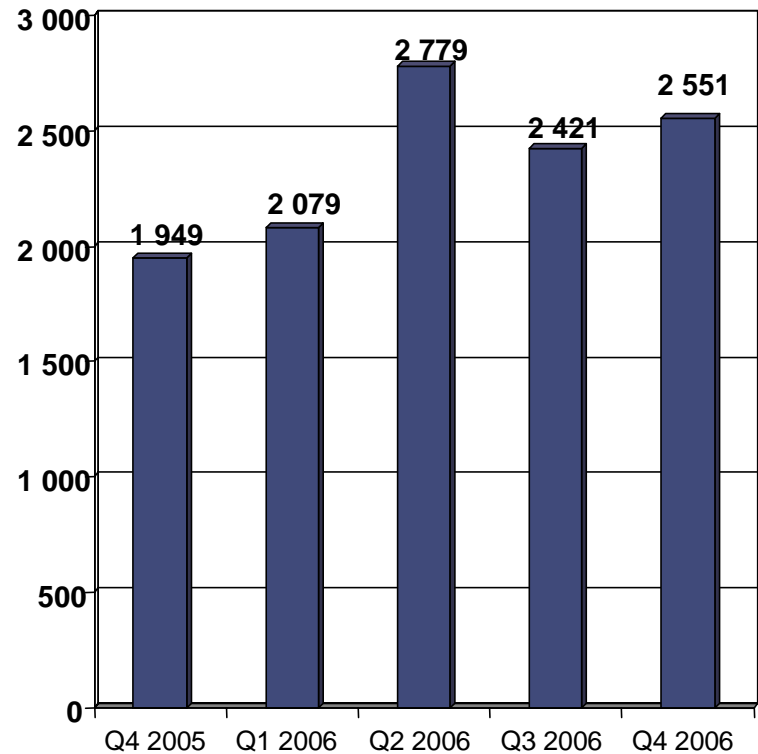
Excluding the impact on the result of the currency and metal-price hedging of SEK -2.3 bn, the operating profit was distributed evenly between Mines and Smelters

¹Including "Others" SEK -0.1 bn

Cash Flow

- Cash flow from operating activities SEK 8 010 million (SEK 2 540 m)
- Cash flow from investment activities SEK -1 739 million (SEK -982 m)
- Free cash flow SEK 6 271 million (SEK 1 558 m)
- Net loan amortisation SEK 4 016 million (SEK 912 m)

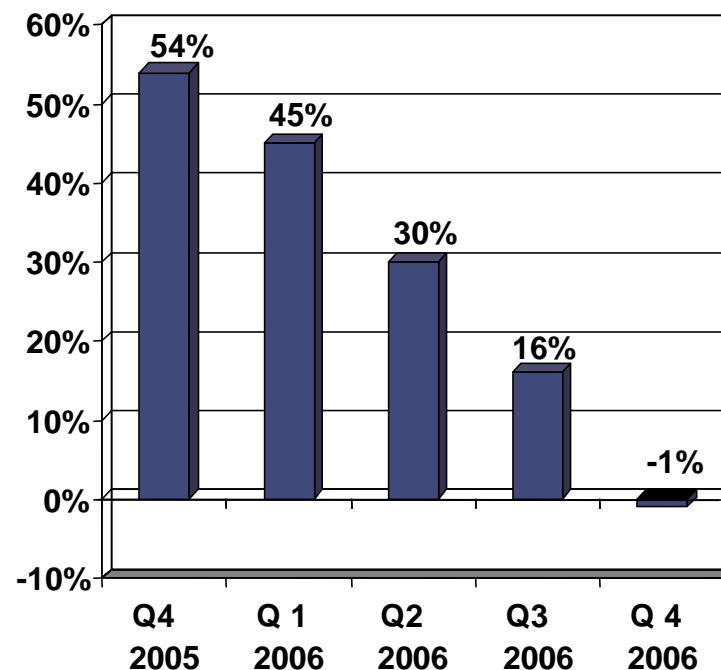
Operating profit before depreciation
(EBITDA), SEK m



Capital Structure

	31 Dec 2006	31 Dec 2005
Balance Sheet total, SEK bn	26.9	22.9
Capital employed, SEK bn	17.7	15.8
Shareholders' equity, SEK bn	16.1	10.3
Net debt, SEK bn	-0.2	5.5
Gearing, %	-1	54
Equity/assets ratio,%	60	45

Net debt / Shareholders' equity



Proposals from the Board of Directors to the Annual General Meeting

- Ordinary dividend of SEK 4 (2) per share. In total SEK 1 158 million
- Share redemption of SEK 12 per share. In total SEK 3 474 million
- It is proposed that, in all, SEK 4.6 billion be returned to share holders
- Mandate for a buy-back program of the company's own shares, up to a maximum of 10 per cent of the outstanding shares

Summary Fourth Quarter 2006

- Continued strong and stable growth in the global economy
- Strong metal prices
- Healthy production levels from all units
- Increased profit before tax SEK 2 185 million (SEK 1 581 m).

Market forecasts 2007

- GNP in the USA and China – better than expected
- Strong economic growth within EU, specially in northern Europe
- The forecasts for the copper and zinc markets are good during 2007 after a strong 2006 (low stock levels, growth in consumption over trend)
- Current zinc price is equal to the average zinc price of 2006
- Just over 1 000 USD higher copper price for hedged volumes
- 50% of the production affected by decrease in copper TC/RC and inferior conditions
- Increased copper metal and zinc metal premiums
- Continued good market forecasts for Boliden's metals

www.boliden.com



Mines



Smelters



Zinc



Copper

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