

Boliden

Interim Report January - September 2005



Mines



Smelters



Zinc



Copper

Continued strong growth in China – lower growth rate in the rest of the world

- **Global 2005 9 months***

- Cu-consumption -0.4 %
- Cu-production 7.7 %
- Zn-consumption 3.5 %
- Zn-production -1.3 %

- **USA**

- Cu-consumption -6.7 %
- Zn-consumption -3.8 %

- **Europe**

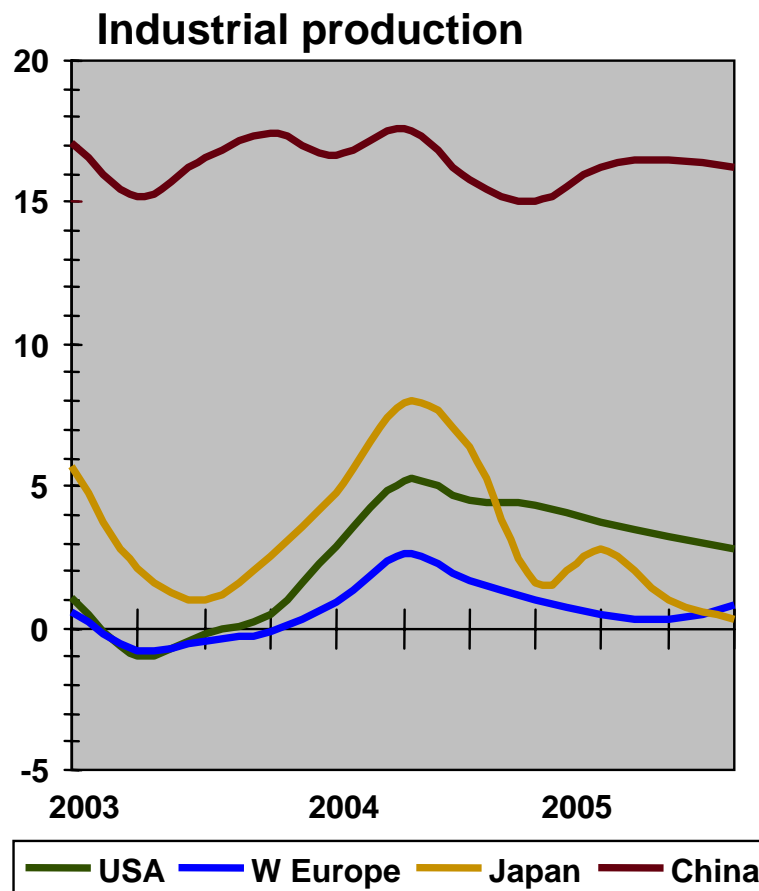
- Cu-consumption -4.3 %
- Zn-consumption -0.4 %

- **China**

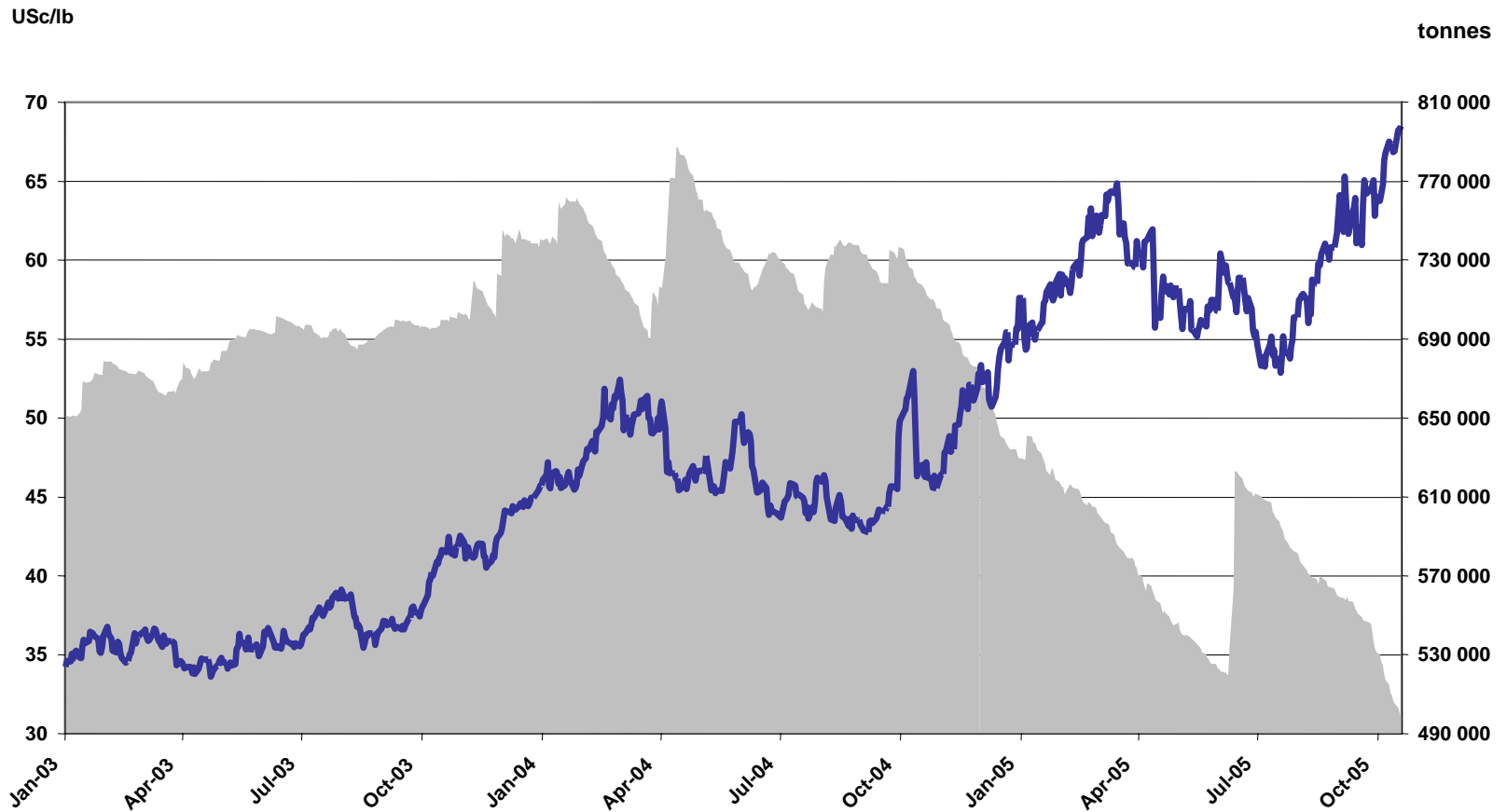
- Cu-consumption 6.7 %
- Zn-consumption 15.5 %

- **Continued good forecast for 2006**

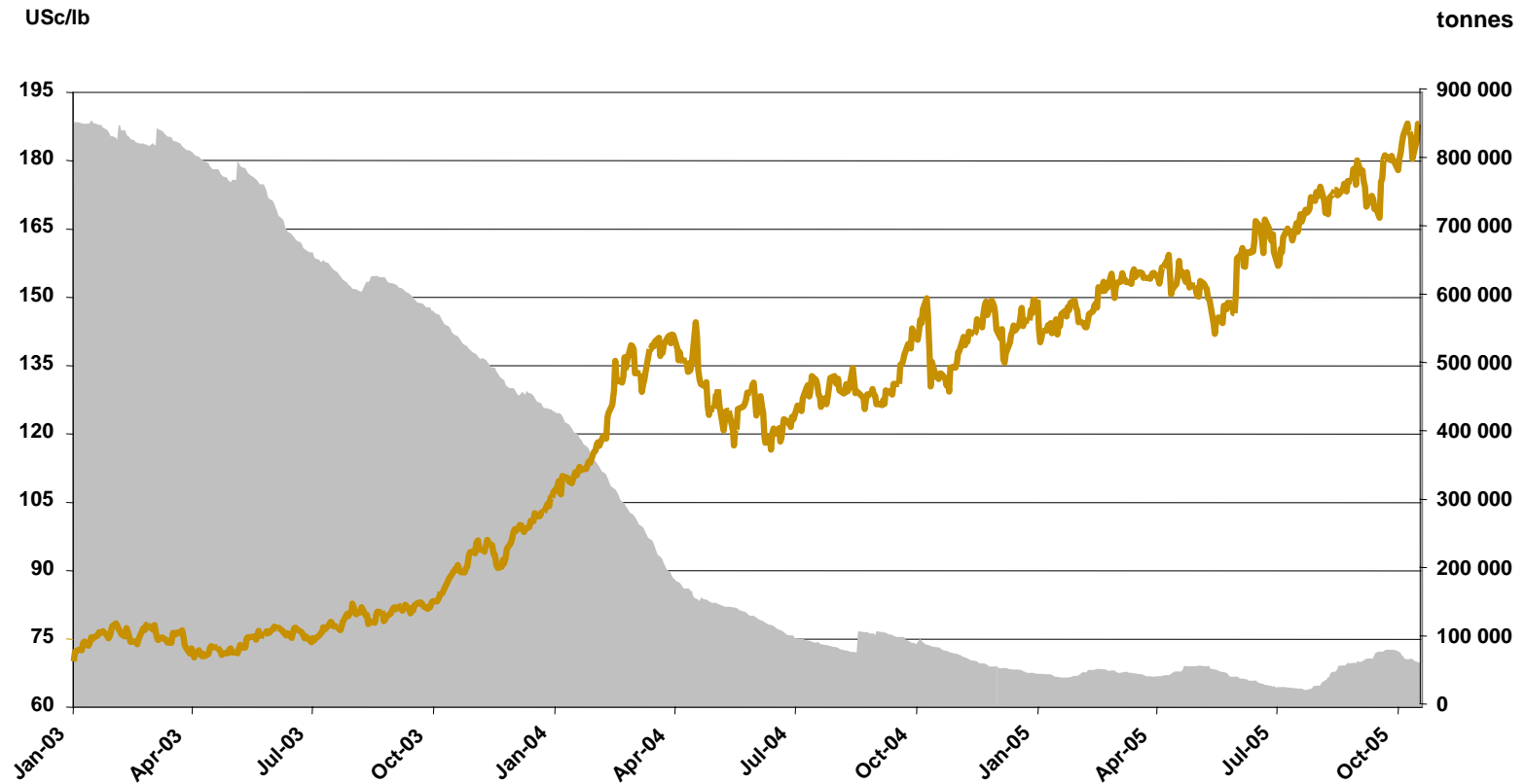
•9 months 2005 v.s. 9 months 2004



Zinc: Price and LME stocks

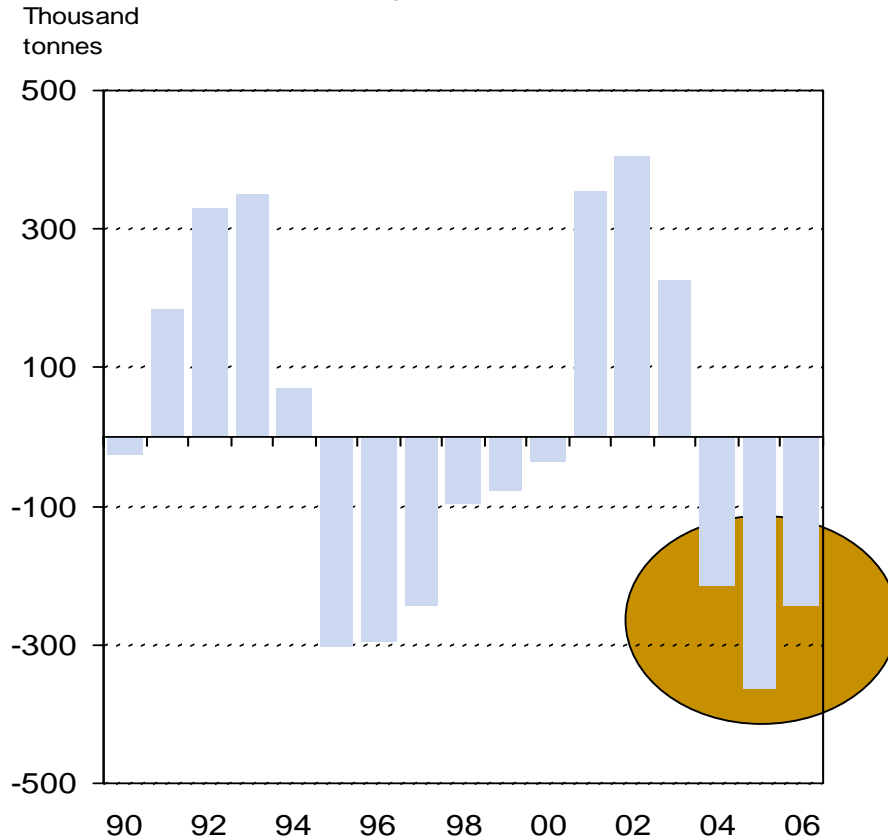


Copper: Price and LME stocks

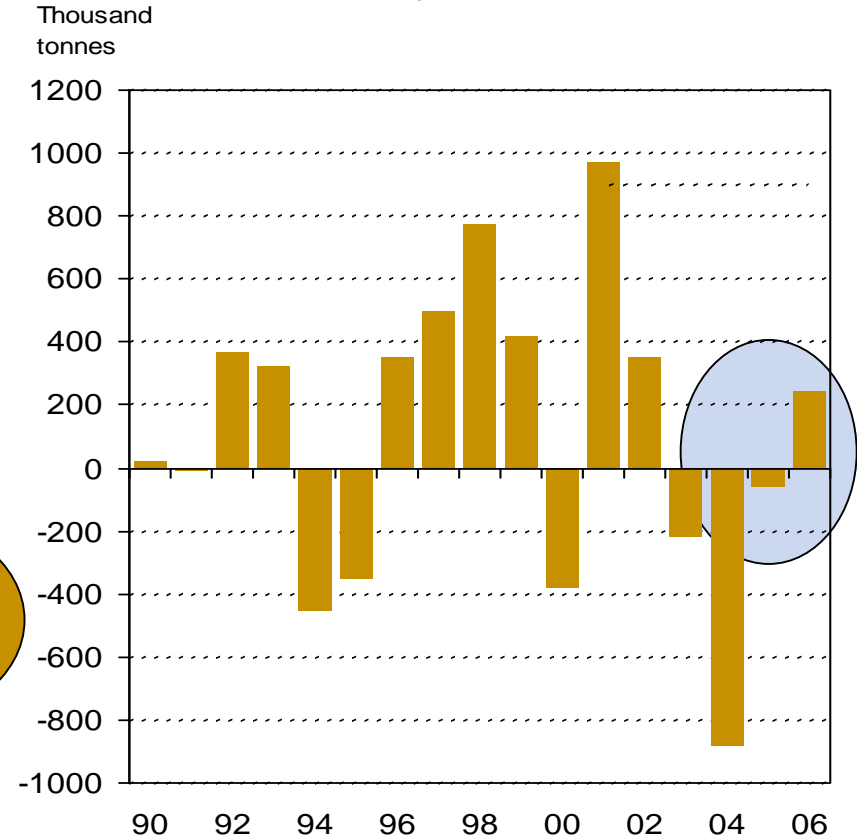


Continued Zn imbalance - Cu approaches balance

Zinc balance
supply – demand



Copper balance
supply – demand



Recovery of the US dollar



Historically strong result

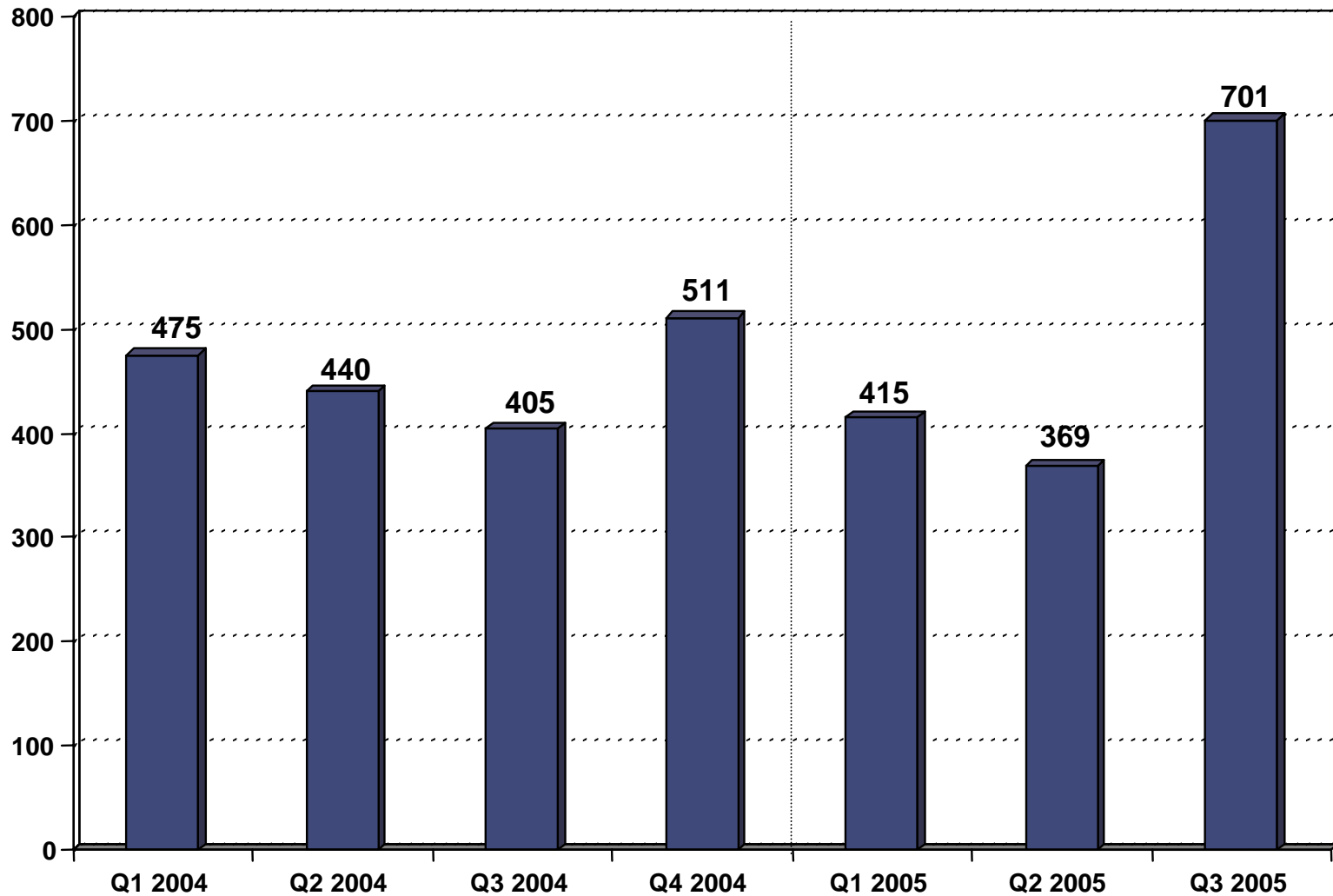
SEK m	First nine months		Q 3	Q 3
	2005	2004	2005	2004
Net sales	14 118	13 310	4 939	4 265
Operating result (EBIT)	1 484	1 320	701	405
Result after financial items	1 231	1 013	610	315
Earnings per share	2.96	3.90	1.50	1.18
Cash flow from operating activities	1 593	1 257	632	347
Return on capital employed, %	12.7	11.5	17.9	10.4
Net debt/shareholders' equity, %	64	94	64	94

- **Strong metal prices, higher treatment and refining charges and high levels of production.**
- **Lower US dollar exchange rate.**
- **Reduced debt levels have positive effect on net financial items.**
- **Actual tax payments continue to be low.**
- **Return on capital employed above financial goals and the debt / equity ratio on a par with financial goals.**

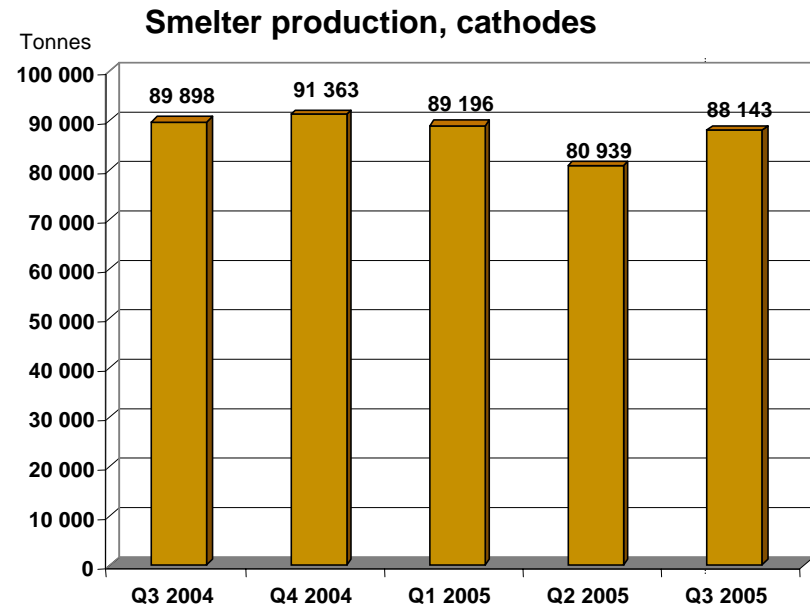
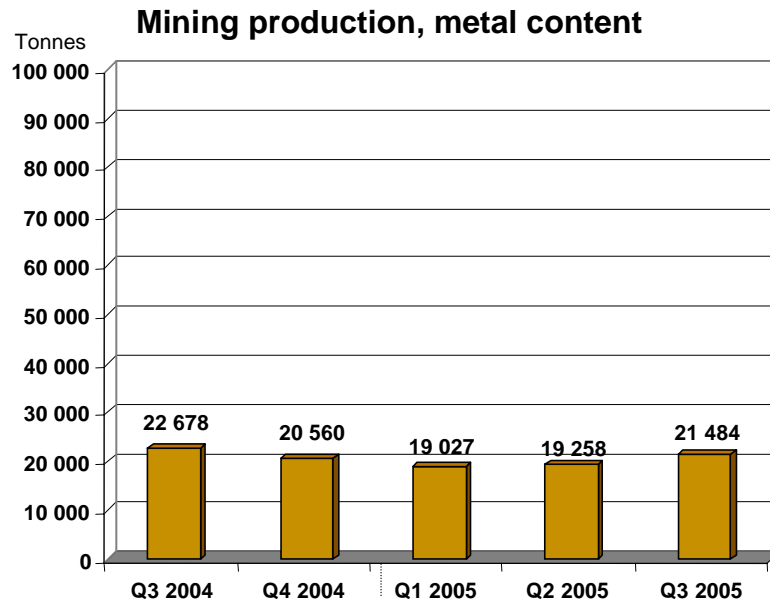


Operating result - quarterly

SEK m



Production Copper*

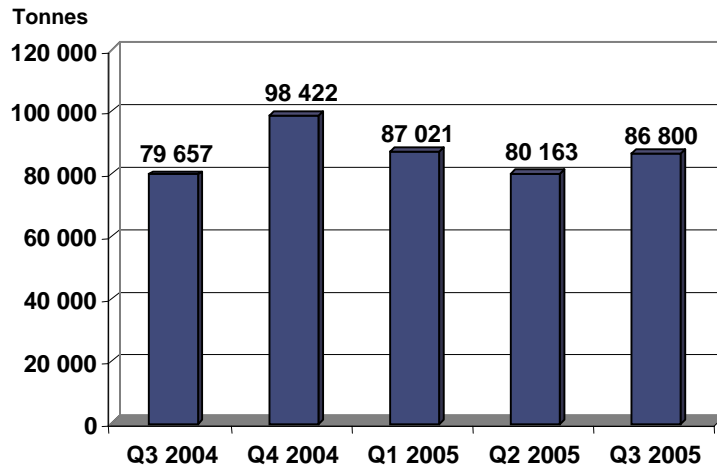


- **Aitik – lower levels of production but gradually higher grades during 2005.**
- **Boliden Area – increase in copper production.**
- **Lower cathode production at copper smelters mainly due to planned maintenance shutdowns during Q2.**
- **Full production levels at copper smelters during Q3 and early Q4.**

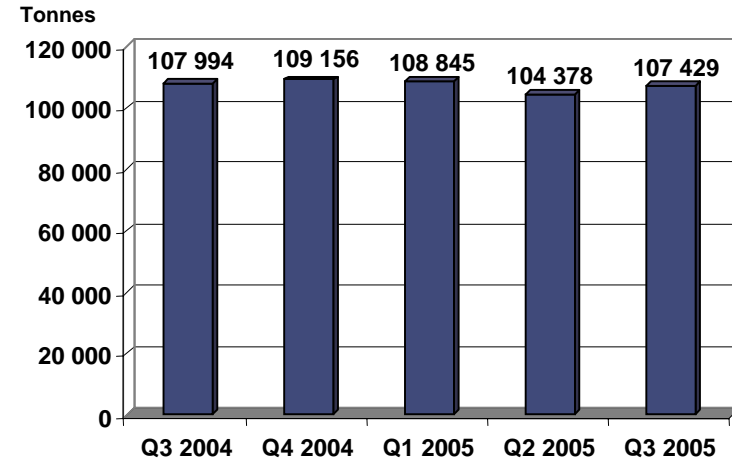
*2004 pro-forma, excl Myra Falls Q1 2004, 2 198 t. Q2 2004 2 159 t.

Production Zinc*

Mining production, metal content



Smelter production, casted zinc



- **Tara – weak start to this year’s production – ended with high level of production during Q3.**
- **Boliden Area and Garpenberg – healthy production results.**
- **Boliden Kokkola – stable production of zinc.**
- **Boliden Odda – the running in of the new plant completed and production at planned level.**

*2004 pro-forma, excl Myra Falls Q1 2004, 13 999 t. Q2 2004, 12 405 t.

Operating result per segment

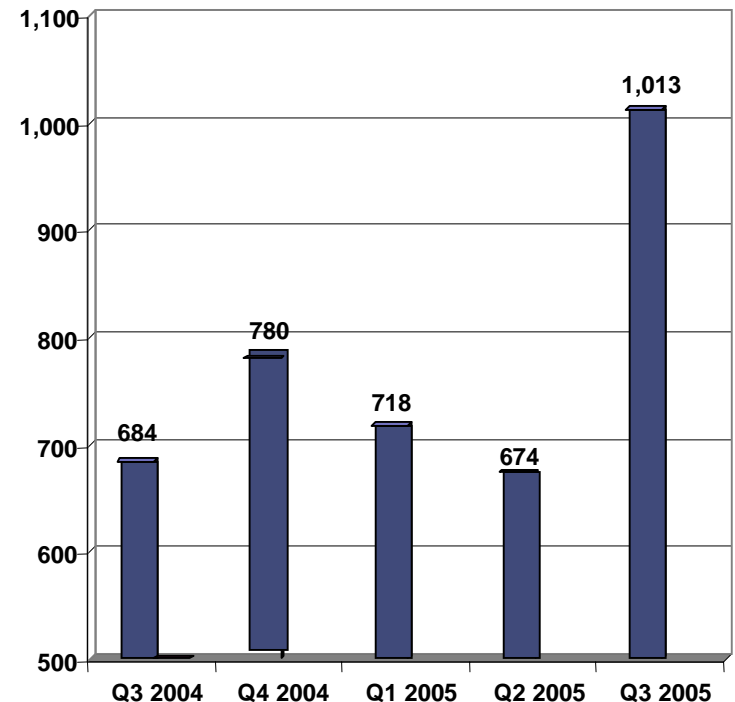
SEK m	First nine months		Q 3	Q 3
	2005	2004	2005	2004
Copper	917	1 095	462	386
Zinc	630	638	238	304
Other	-63	-413	1	-285
Total	1 484	1 320	701	405

- **Copper – higher metal prices and stock profit counteracted by lower US dollar exchange rate and decline in production.**
- **Zinc – increase in production and the positive effect of higher zinc prices were partly counteracted by lower US dollar exchange rate.**

Cash flow

- **Cash flow from operating activities SEK 1 593 million (SEK 1 257 m).**
- **Cash flow from investment activities SEK -605 million (SEK -1 234 m).**
- **Free cash flow SEK 988 million (SEK 23 m).**
- **Net loan amortisation SEK 787 million (SEK 1 659 m).**

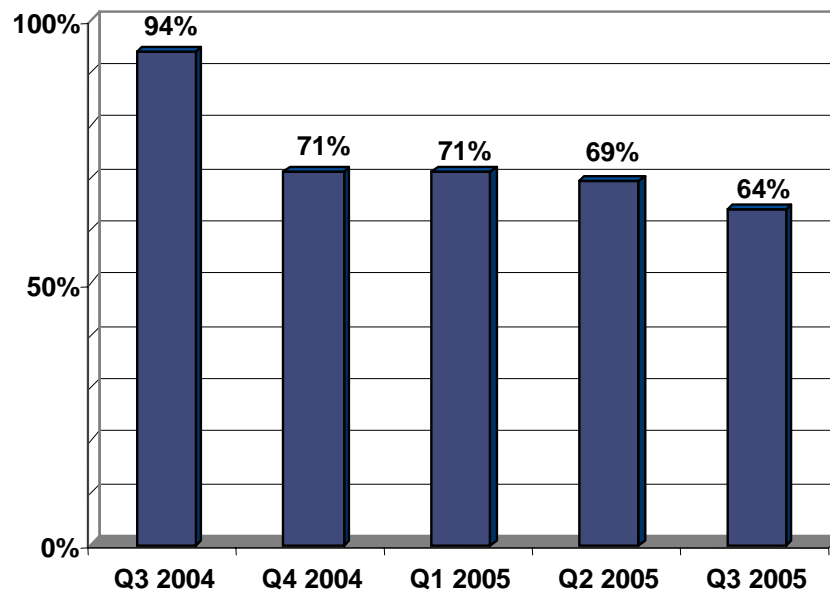
Operating result before depreciation (EBITDA), SEK m



Capital structure

	30 Sep 2005	30 Sep 2004
Balance Sheet total, SEK bn	21.3	20.3
Capital employed, SEK bn	15.3	15.4
Shareholders' equity, SEK bn	9.5	8.1
Net debt, SEK bn	6.0	7.5
Gearing, %	64	94
Equity/assets ratio,%	44.7	39.7

Net debt / Shareholders' equity, %



Summary first nine months and forecasts 2005

- Continued strong and stable growth in the global economy.
- Higher metal prices but lower US dollar exchange rate.
- High production levels from all units during Q3.
- Result after financial items first nine months SEK 1 231 million (SEK 1 013 m), Q3 SEK 610 million (SEK 315 m).
- Production on planned levels in early Q4.
- New Board of Directors in Boliden
- Continued good market forecasts for Boliden's metals.
- Result after financial items higher in 2005 than in 2004 and significant improvement of free cash flow in 2005.