

Boliden

Full Year Report 2004



Mines



Smelters



Zinc



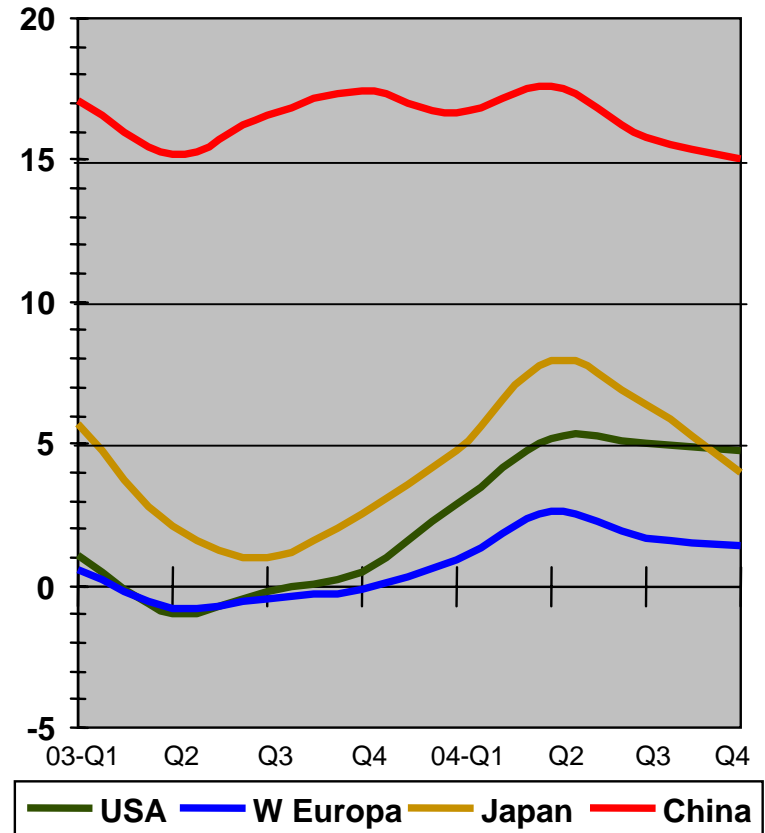
Copper

Strong global financial recovery

Growth 2004

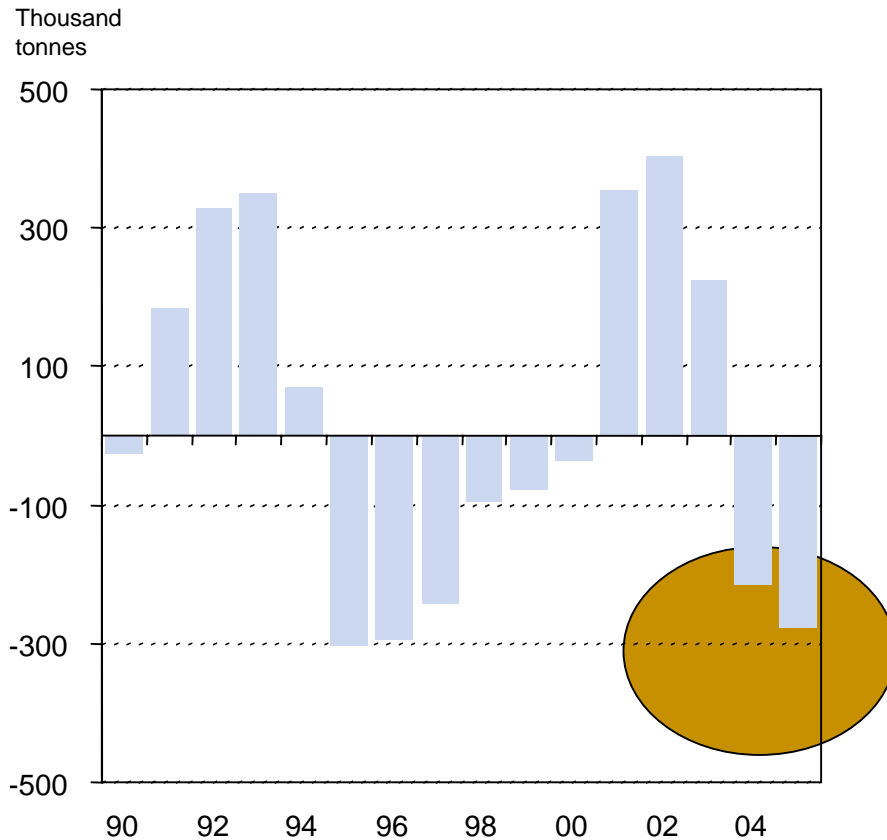
- **Global**
 - Cu consumption 7 %
 - Cu production 6 %
 - Zn consumption 7 %
 - Zn production 2 %
- **USA**
 - Cu consumption 8 %
 - Zn consumption 8 %
- **Europe**
 - Cu consumption 2 %
 - Zn consumption 3 %
- **China**
 - Cu consumption 14 %
 - Zn consumption 14 %
- **Outlook for 2005 – good**

Industrial Production

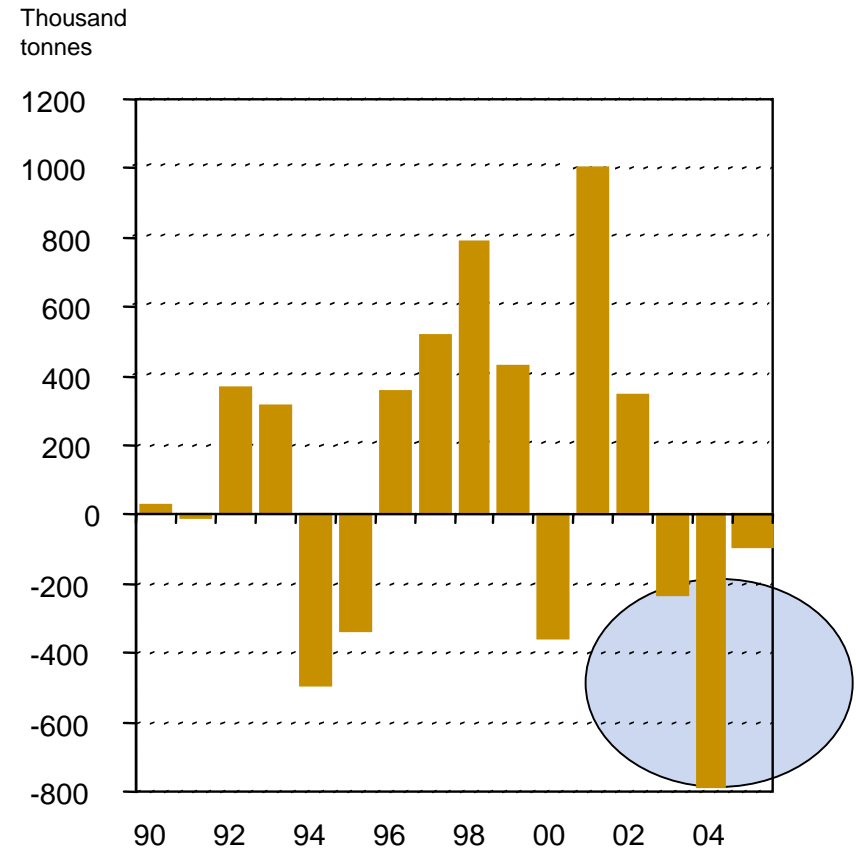


Major Zn and Cu imbalance in 2004 and 2005

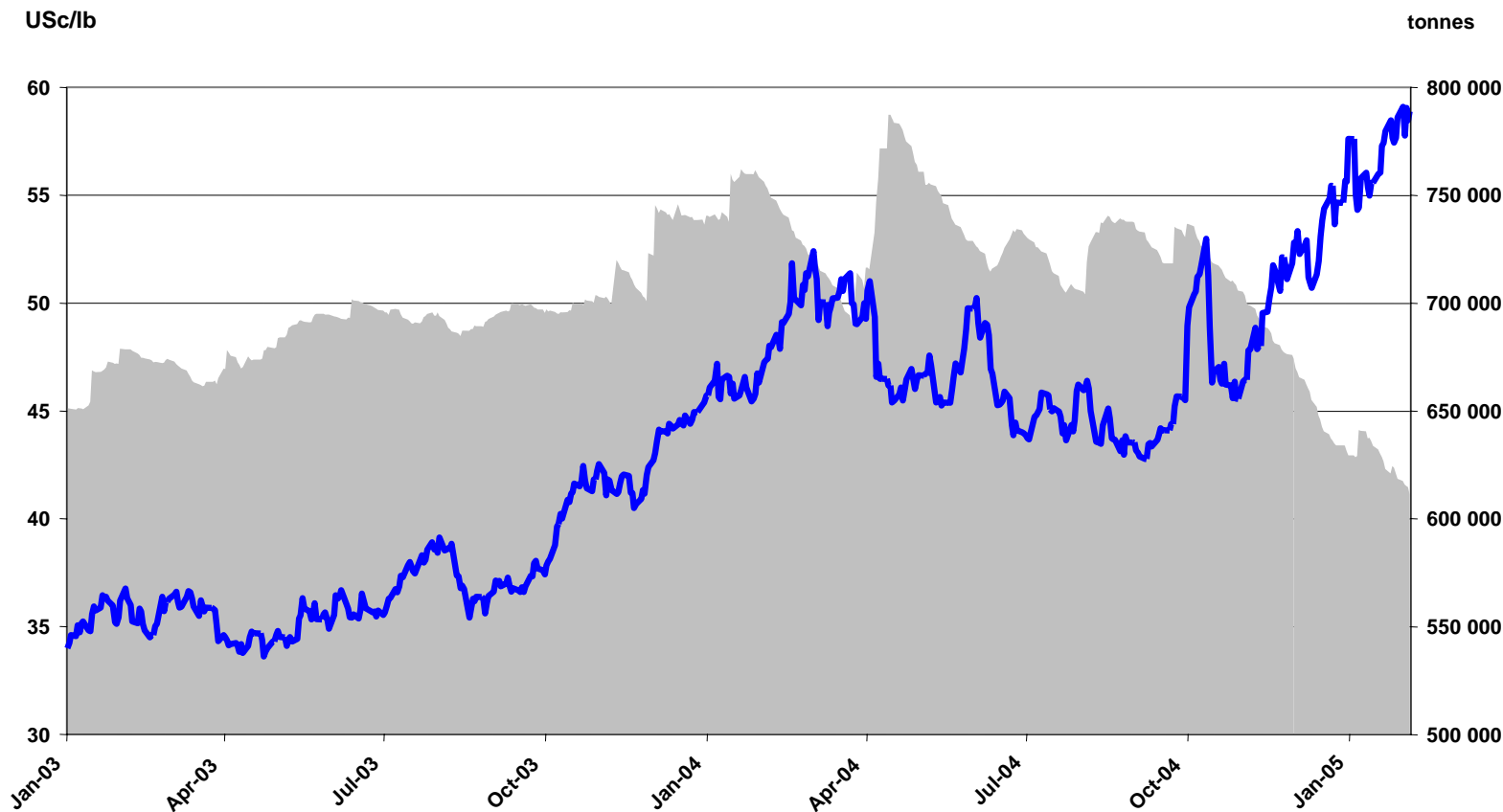
Zinc balance supply – demand



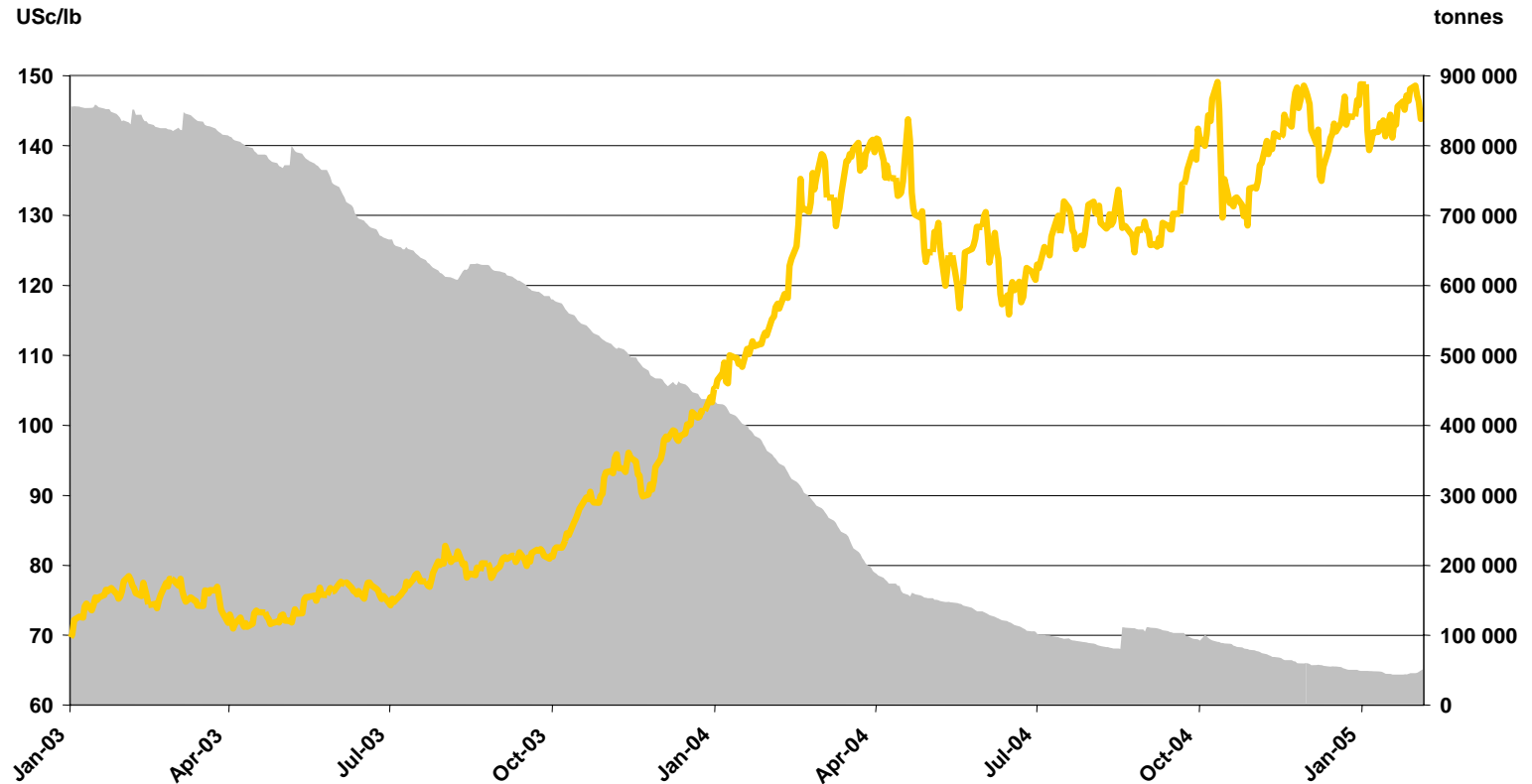
Copper balance supply – demand



Zinc: Price and LME stocks



Copper: Price and LME stocks



Exchange rates: USD/SEK – EUR/USD



Sensitivity analysis 2005

Change in metal prices +10%	Effect on op. result SEK m	Change in USD +10%	Effect on op. result SEK m	Change in TC/RC +10%	Effect on op. result SEK m
Copper	208	USD/SEK	447	TC/RC Copper	56
Zinc	304	EUR/USD	263	TC Zinc	24
Lead	55	USD/NOK	52	TC Lead	-9
Gold	49				
Silver	42				
Nickel	13				

Metal prices and exchange rates

	Full year		Change	Fourth quarter		Change
	2004	2003	in %	2004	2003	in %
Metal prices						
Copper (USD/lb)	1.30	0.81	60	1.40	0.93	51
Zinc (USD/lb)	0.48	0.38	26	0.51	0.42	21
Lead (USD/lb)	0.40	0.23	74	0.43	0.29	48
Gold (USD/oz)	410	364	13	434	392	11
Silver (USD/oz)	6.66	4.88	36	7.23	5.27	37
Exchange rates						
USD/SEK	7.32	8.09	-10	6.93	7.58	-9
EUR/USD	1.24	1.13	10	1.30	1.19	9
EUR/SEK	9.08	9.14	-1	9.01	9.02	0
USD/NOK	6.73	7.07	-5	6.33	6.91	-8

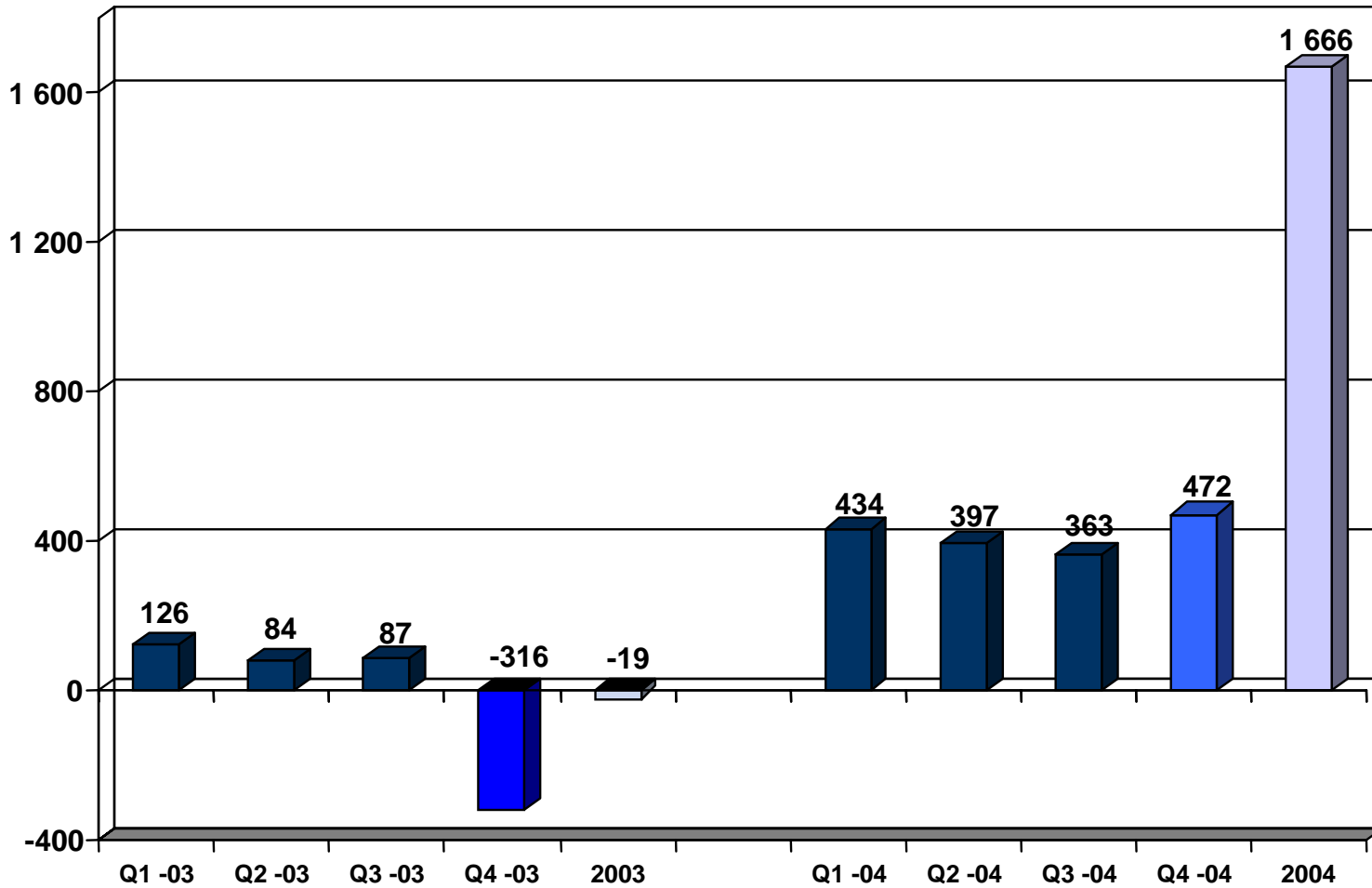
Historically strong full-year results 2004

SEK m	Full year		Fourth quarter	
	2004	2003	2004	2003
Net sales	17 928	9 545	4 618	2 583
Operating result	1 666	-19	472	-316
Earnings per share	4.31	0.12	0.98	-2.18
Return on capital employed, %	11.1	-	12.4	-
Net debt/Shareholders' equity, %	74	147	74	147

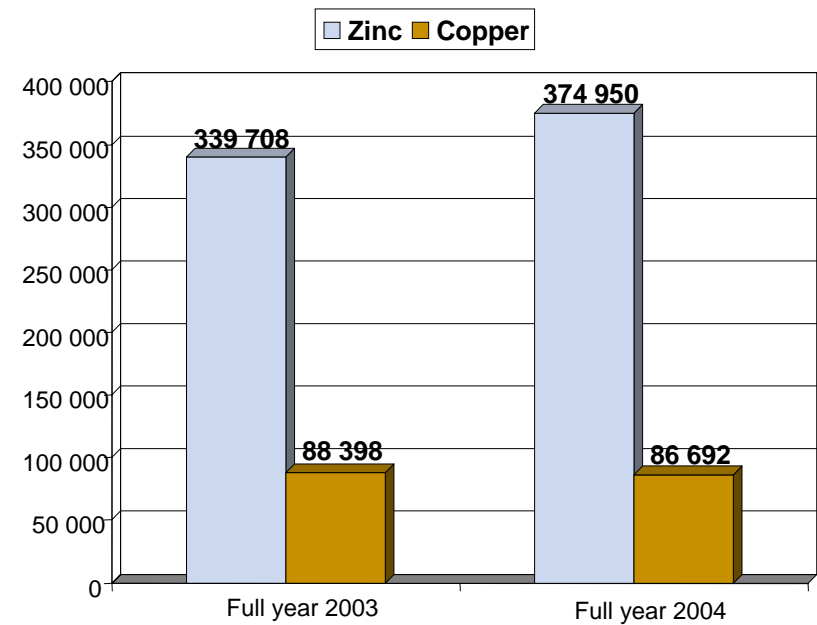
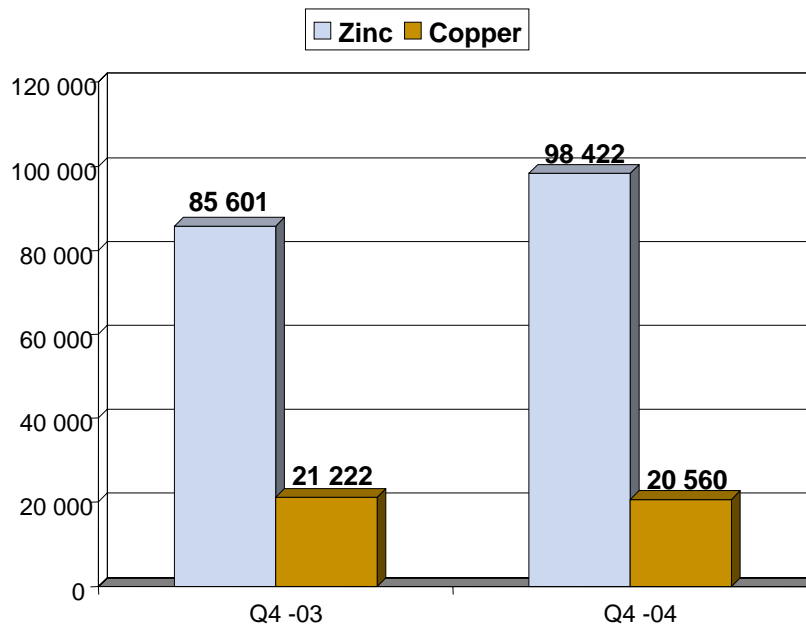
- **Structural transaction, higher metal prices and good production boosted the result**
- **Lower USD exchange rates and lower TC/RC negatively affected the result**
- **Improved earnings per share**
- **Return on capital employed on a par with financial goals**
- **Financial position strengthened**



Operating result – quarterly



Mines: Zinc & copper production*

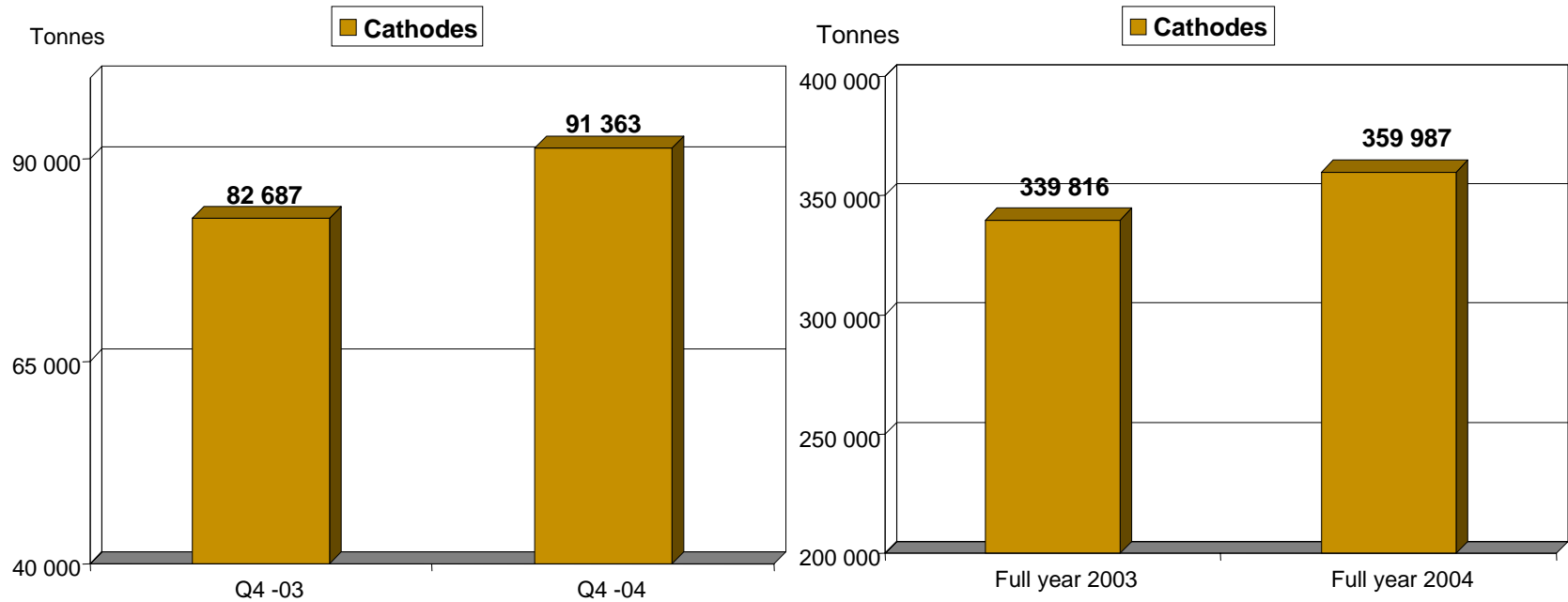


- Aitik – higher production of copper and gold
- Boliden Area – decreased production of copper from Storliden
- Garpenberg – high grades of zinc, silver and lead in the ore from Lappberget boost production
- Tara – Nevinstown ore body has improved levels of both zinc and lead

*2003 proforma. Production from Myra Falls is included in the first six months of 2003 och 2004.



Smelters: Copper production*

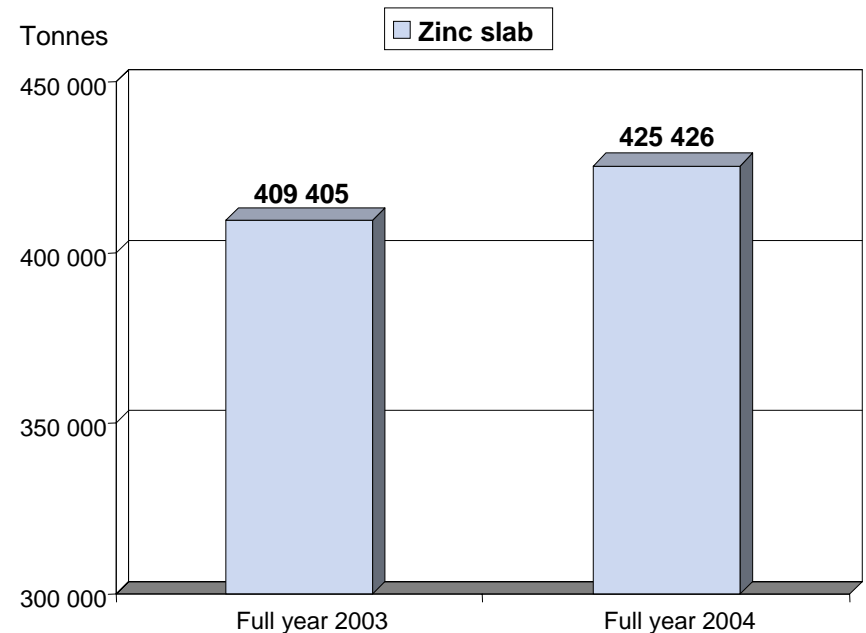
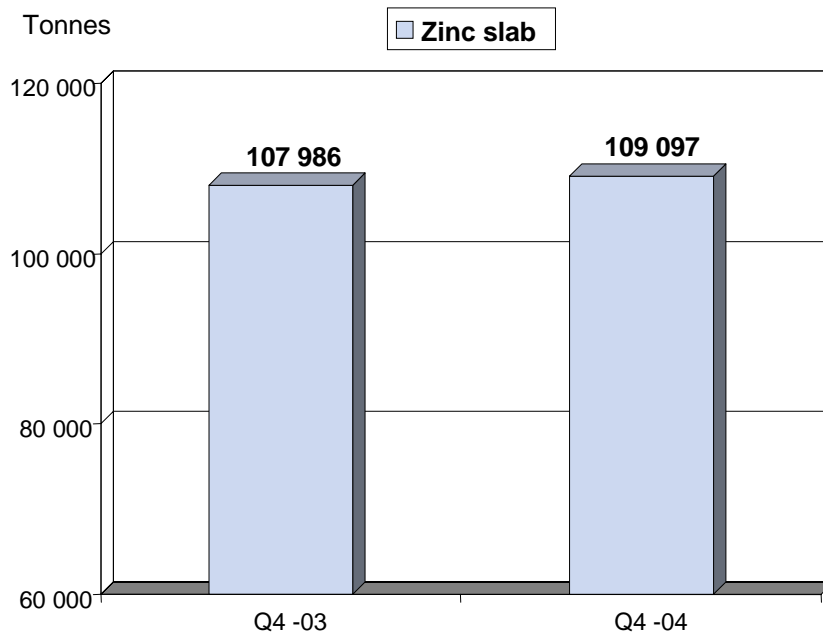


- Increased production of copper cathodes, lead and gold
- Production record at Rönnskär
- Continued production optimisation
- Stable flows of external copper concentrate
- External concentrate availability good also for 2005

*2003 proforma

BOLIDEN

Smelters: Zinc production*



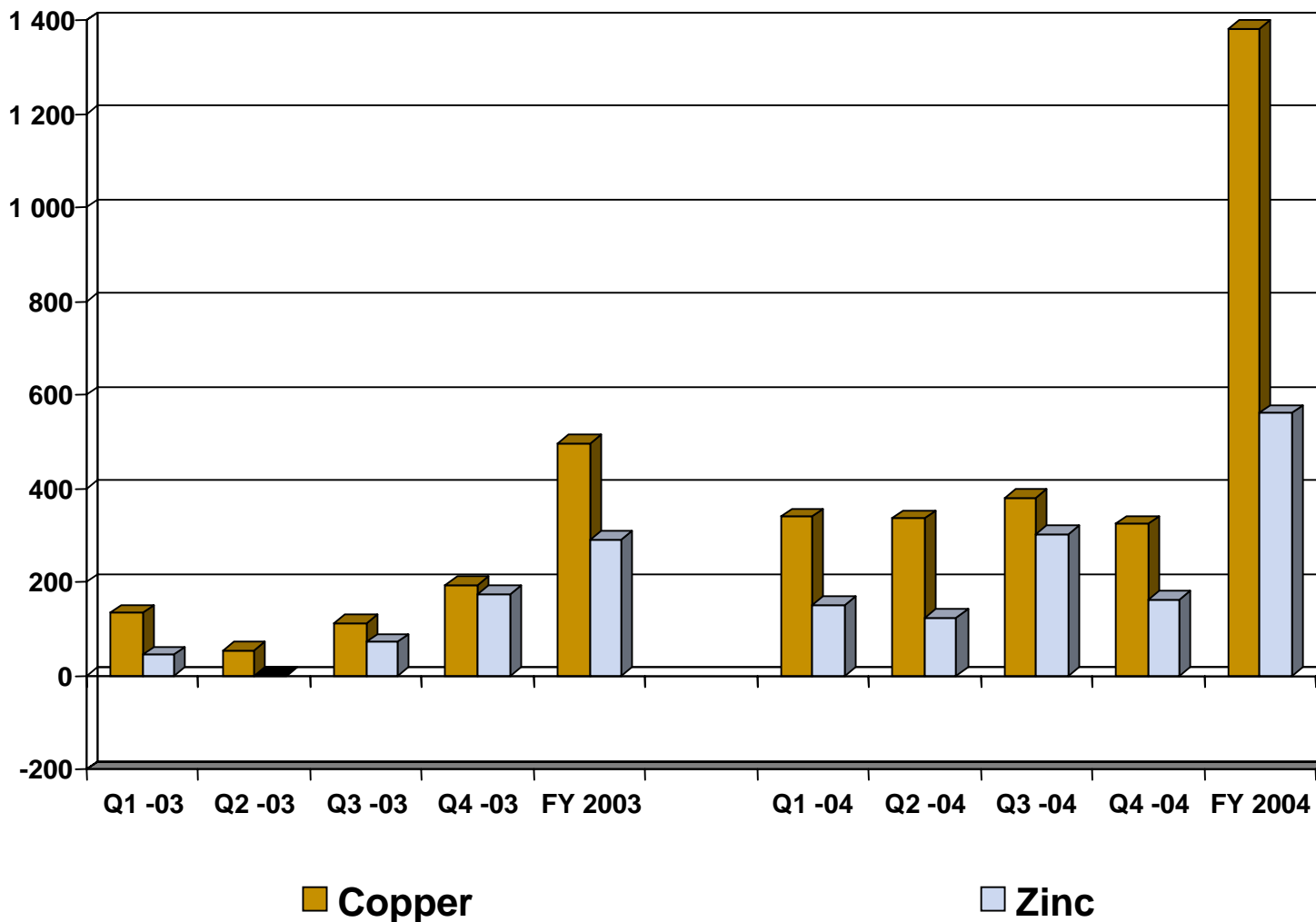
- **Increased production of zinc, new production record at Kokkola 2004**
- **The start-up of the Odda modernisation project during the fourth quarter of 2004 involved small disturbances**

*2003 proforma

Operating result per Area

SEK m	Full year		Fourth quarter	
	2004	2003	2004	2003
Mining Operations	1 395	369	349	159
Copper	741	225	202	36
Zinc	10	-	-32	-
Other	-480	-613	-47	-511
Totalt	1 666	-19	472	-316

Operating result per product*



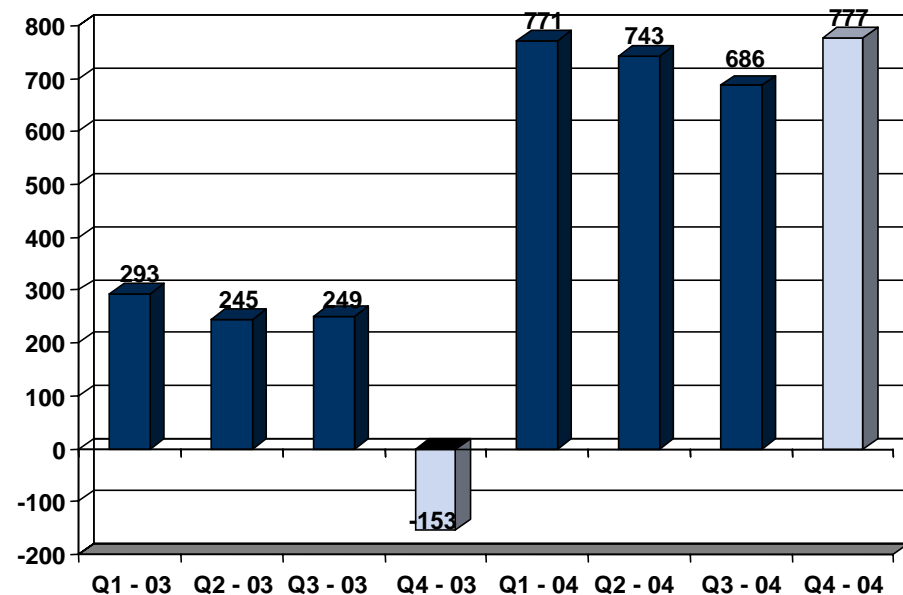
*Excl OH & other



Cash flow

- Cash flow from operating activities SEK 1 552 million (SEK 956 m)
- Cash flow from investment activities SEK -1 508 million (SEK -8 031 m)
- Net loan amortisation SEK 2 799 million (SEK - 4 613 m)
- Share issue generated SEK 2 250 million

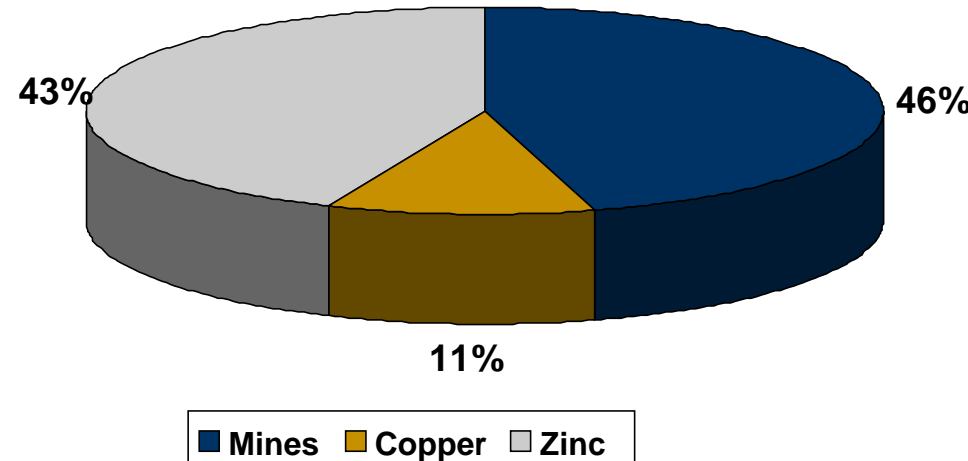
Operating result before depreciation (EBITDA), SEK m



Investments

- Total investments for the full year of 2004 SEK 1 535 million (SEK 611 m)
- Odda and Tara investment programmes completed in the fourth quarter of 2004
- Investments below depreciations during 2005

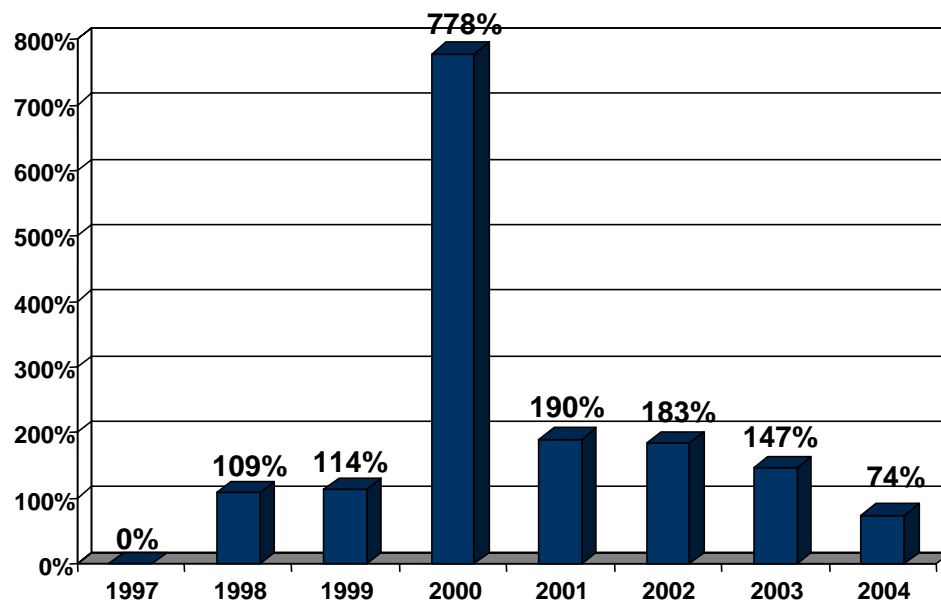
Full year 2004
breakdown of investments %



Capital structure

	31 dec 2004	31 dec 2003
Balance Sheet total, SEK bn	20.0	19.9
Capital employed, SEK bn	15.2	14.8
Shareholders' equity, SEK bn	9.0	6.1
Net debt, SEK bn	6.7	9.0
Gearing, %	74	147
Equity/assets ratio, %	45.0	30.7

Net debt/Shareholders' equity, %

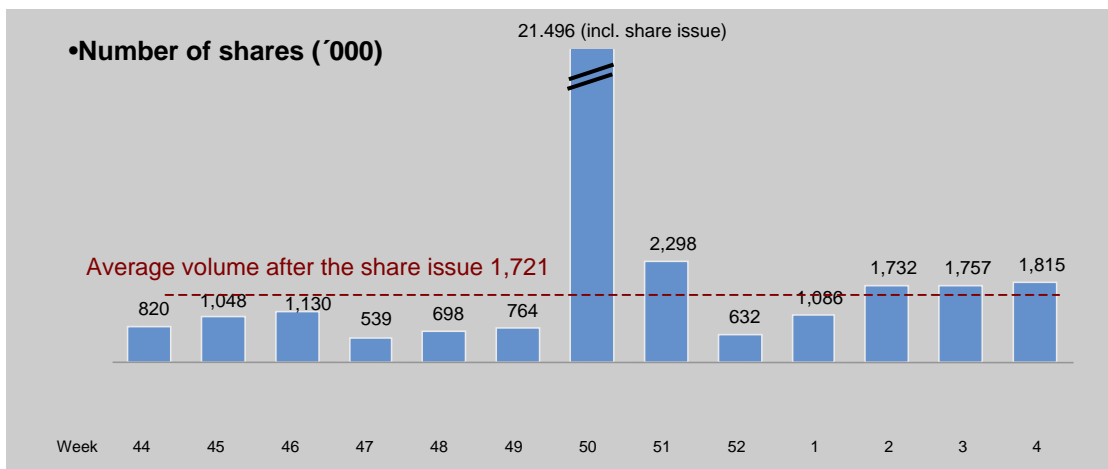


Goals of directed issue in December 2004

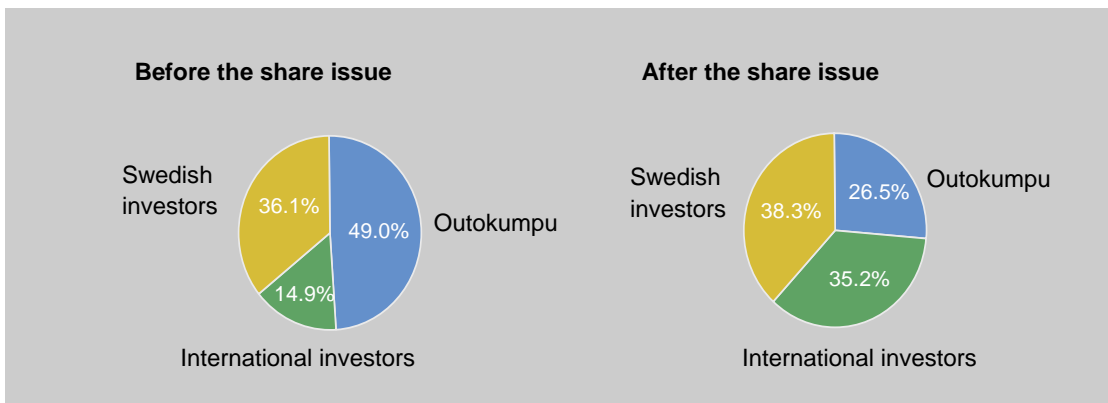
- ✓ Stronger financial position with increased flexibility
- ✓ Wider and larger international institutional ownership
- ✓ Eliminating Outokumpu's overhang of Boliden shares
- ✓ Improved liquidity for Boliden's shares

Improved liquidity and international ownership

Average daily turnover per week



Ownership structure before and after the share issue



The project portfolio 2004

- ✓ The share issue, completed in Q2, was over-subscribed and generated SEK 1,374 million for the company.
- ✓ A new partnership agreement will increase supplies of copper concentrate from the Portuguese mine, Neves Corvo.
- ✓ The Canadian Myra Falls mine was sold in Q3. Boliden received 18 million newly issued shares in Breakwater. The sale generated a capital gain of SEK 19 million.
- ✓ Land adjacent to the Tara mine generated a capital gain of SEK 175 million.
- ✓ The integration of the operations within new Boliden is proceeding better than planned. The synergies realised during 2004 correspond to approximately SEK 270 million on a full year basis.
- ✓ Boliden's refinancing of the company's bank loans for a total of EUR 840 million was completed in October.
- ✓ In December, a directed issue aimed at international and Swedish investors was implemented, generating a total of SEK 889 million for the company
- ✓ Boliden sold all its shares in NAN in December, making a capital gain of SEK 67 million

Dividend Policy and Goals

Boliden's Board of Directors has established a dividend policy, by which shareholders obtain a dividend of 1/3 of the result, after tax, to be paid over the course of an economic cycle.

In the annual dividend proposal the Board of Directors will consider the company's development and investment requirements.

The Board of Directors aims to propose at the Annual General Meeting that a dividend be paid according to this policy as of the 2005 financial year.

Summary and outlook 2005

- **Strong global economic recovery**
- **Higher prices for all of Boliden's metals**
- **Full capacity in all operations within new Boliden**
- **Historically strong operating result for the full year of 2004: SEK 1 666 million (SEK -19 m)**
- **Stronger financial position**
- **Improvements in the underlying operations in 2005**
- **Good market conditions in 2005**
- **Continued good result after financial items and significant improved free cash flow in 2005**