



Interim Report January - June 2002
August 14, 2002

Highlights First Six Months 2002

- **Boliden reports a profit of SEK 21 million (-624 million) after financial items for the first half of 2002. This indicates an improvement of SEK 1 195 million, excluding operations that have been sold or shut down, as well as items affecting comparability (IAC).**
- **The operating profit for the first half of 2002 amounted to SEK 173 million (154 million). This indicates an improvement of SEK 569 million, excluding operations that have been sold or shut down, as well as items affecting comparability (IAC).**
- **Cash flow from current operations amounted to SEK 78 million. This indicates an improvement of SEK 860 million compared with the same period last year. The improvement between the first and second quarters 2002 amounted to SEK 470 million.**
- **An extensive mineralization was discovered at “Lappberget” near Garpenberg. It indicates the potential for substantial volumes and high grades of mainly zinc, lead and silver.**
- **Commercial production has begun at the Storliden mine.**
- **The current prices of Boliden’s main metals are expected to improve as a result of increased demand in combination with diminished supplies on the metal market.**

Metal Prices

Metal Prices (average LME/LBM)	First 6 months			Second Quarter		
	2002	2001	Change in %	2002	2001	Change in %
Copper (USD/lb)	0.72	0.77	-6	0.73	0.75	-3
Zinc (USD/lb)	0.36	0.44	-18	0.36	0.42	-14
Lead (USD/lb)	0.21	0.22	-5	0.21	0.21	-
Gold (USD/oz)	301	266	13	313	267	17
Silver (USD/oz)	4.60	4.46	3	4.72	4.39	8

Lower production at mines

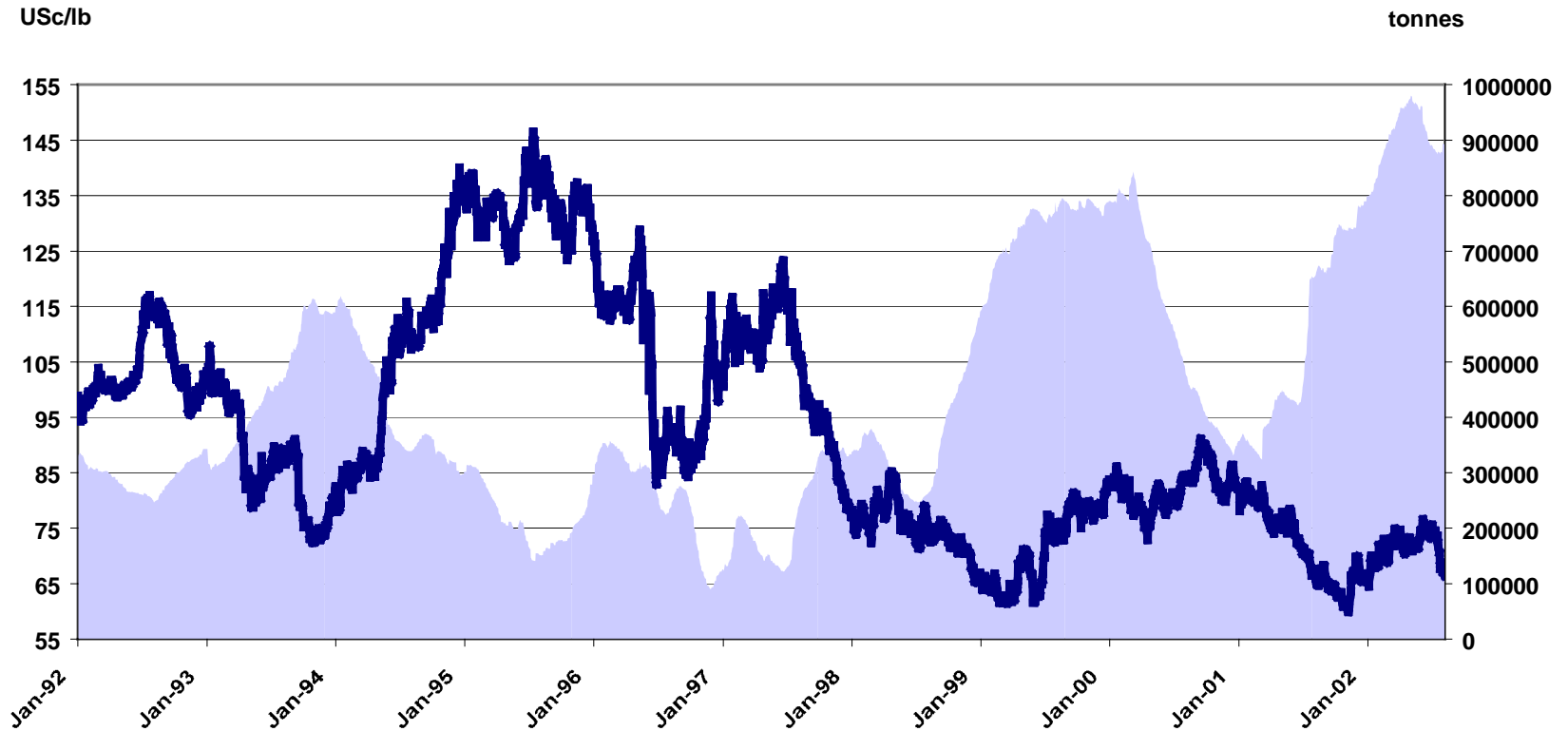
Reduction of copper stocks

Positive signals about the world economy

Lower demand for metals mainly due to lower economic growth in the world

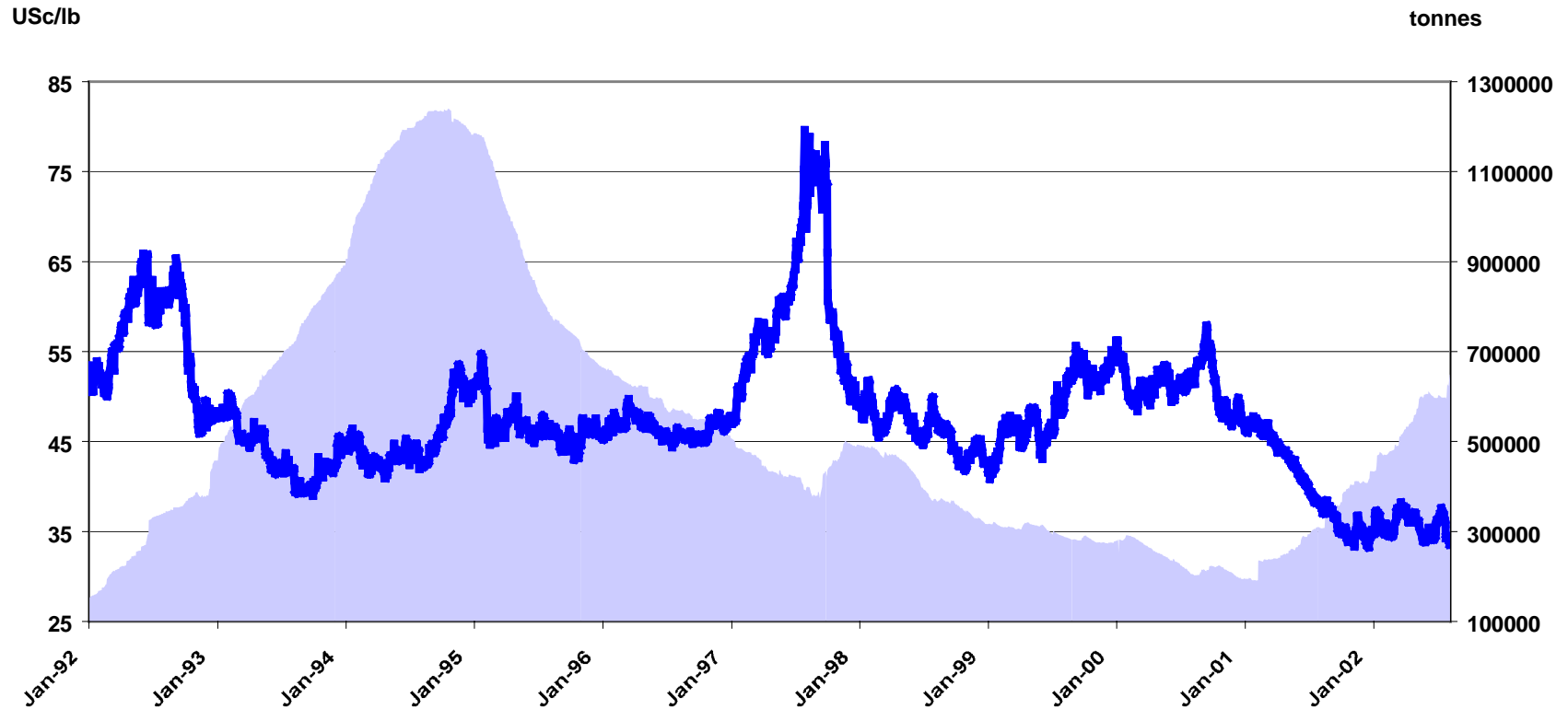
LME Copper Price and Stock

Boliden



LME Zinc Price and Stock

Boliden



Turnover, Results and Cash Flow

Boliden

The Boliden Group

SEK million	First six months		Change in %	Second quarter		Change in %
	2002	2001		2002	2001	
Turnover	5 056	5 444	-7	2 651	2 548	4
Operating result	173	154	12	76	242	-69
Operating margin (%)	3.4	2.8	21	2.9	9.5	-69
Earnings after financial items	21	-624	-	4	-66	-
Net result for period	30	-506	-	13	-46	-
Cash flow from operating activities	78	-782	-			

Improved realized USD exchange rate

Higher production at Rönnskär

Increased efficiency after restructuring

Lower metal prices

Lower smelting and refining charges

Lower production at mining operations

Mining Operations

Boliden

Mines (SEK million)	First six months			Second quarter		
	2002	2001	Change in %	2002	2001	Change in %
Turnover	1 084	961	13	604	482	25
Operating result	55	-356	-	45	-188	-
Depreciation	144	255	-44	74	147	-50
Investments	122	186	-34	62	74	-16

Improved realized USD exchange rate
Lower smelting and refining charges
Action plan at Myra Falls
The Storliden mine

Lower metal prices
Lower production at mines
Lower grades at Aitik

Mining Areas

AITIK

- Breakdown of ore conveyor belt Q1
- Lower grades
- Costs - related to volume
- New production equipment Q3

BOLIDEN AREA

- Improved milling efficiency
- Increased production of precious metals
- Storliden Mine Q2

GARPENBERG

- Increased production
- Lappberget

MYRA FALLS

- Efficiency program
- Start-up in March 2002
- 20% reduction of costs
- Production according to plan
- Financing

Metal Production

Boliden

Mines total	First 6 months		Change	Second quarter		Change
	2002	2001	in %	2002	2001	in %
Copper (tonnes)	34 289	45 202	-24	18 836	24 402	-23
Zinc (tonnes)	65 213	73 969	-12	41 174	37 796	9
Lead (tonnes)	8 950	9 252	-3	4 037	4 293	-6
Gold (ounces)	80 169	80 736	-1	43 037	44 382	-3
Silver (thousand ounces)	4 119	3 880	6	2 032	1 925	6

Copper Lower grades at Aitik and production stop at Myra Falls

Zinc Production stop at Myra Falls

Lead Lower production of lead in the Boliden Area

Gold Increased production of precious metals in the Boliden Area

Silver Increased production at Garpenberg

Smelter Operations

Boliden

Smelters (SEK million)	First 6 months		Change	Second quarter		Change
	2002	2001	in %	2002	2001	in %
Turnover	3 639	3 538	3	1 853	1 708	8
Operating result	174	-19	-	80	-8	-
Depreciation	145	105	38	73	53	38
Investments	30	70	-57	21	35	-40

Increased production – expansion

Increased processing of secondary raw materials

Lower smelting- and refining charges

Disturbances in supply of concentrate - increased spot purchases

Lower grades at Aitik

Metal Production

Boliden

Smelters total	First 6 months		Change	Second quarter		Change
	2002	2001	in %	2002	2001	in %
Copper(tonnes)	112 382	105 452	7	58 069	55 145	5
Zinc clinker (tonnes)	19 079	17 570	9	9 856	8 912	11
Lead (tonnes)	10 307	18 649	-45	3 978	9 239	-57
Gold (kg)	8 598	6 267	37	4 055	3 548	14
Silver (kg)	221 414	171 562	29	106 650	74 431	43
Lead alloy, Bergsöe (tonnes)	25 575	24 391	5	12 329	11 674	6

Copper **Expansion of production capacity**

Zinc **Increased processing of secondary raw materials**

Lead **Closure of the Laisvall mine following the depletion of ore reserves in 2001**

Gold **Increased processing of secondary raw materials**

Silver **Increased processing of secondary raw materials and increased production at Garpenberg**

Lead alloy **Continued stable production**

Fabrication

Boliden

Fabrication (SEK million)	First 6 months			Second quarter		
	2002	2001	Change in %	2002	2001	Change in %
Turnover	1 204	1 319	-9	617	613	1
Operating result	2	11	-82	-3	1	-
Depreciation	28	30	-7	13	15	-13
Investments	21	12	75	12	6	100

Improved market shares for both copper and brass products

Boliden MKM - action plan

Synergies between BCZ - HME

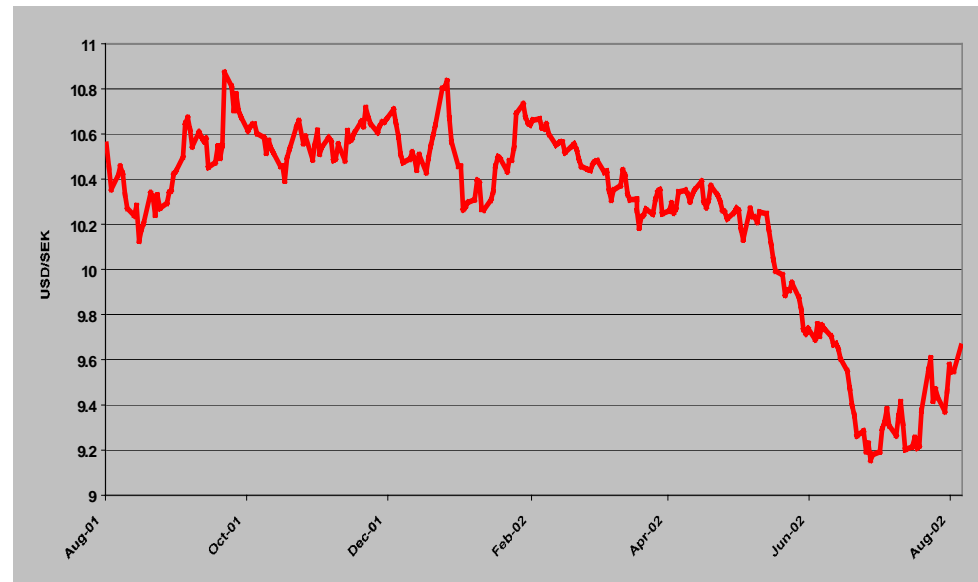
Continued weak demand for copper and brass products

Pressure on prices for copper products

Hedging

2002	100% to USD/SEK 10:76
2003	80% to USD/SEK 10:68
2004	80% to USD/SEK 10:61
2005-Q2	60% to USD/SEK 10:42
<u>Floor</u>	
2003--	
2004-Q3	25% to USD/SEK 9:00

Exchange rates USD/SEK



Summary

- **Improved earnings after financial items for both the first 6 months and for the second quarter 2002, compared to the corresponding period of the previous year.**
- **Considerable improvement of cash flow from the operations**
- **Mines - Increased revenues and good results at Myra Falls. Lower grades at Aitik. Interesting deposit at Lappberget. Production from the Storliden Mine**
- **Smelters - Increased production despite disturbances in supply of concentrate. Concentrate supplies will stabilize during the next 6 months.**
- **Fabrication - Good results of internal action plan could not balance a weaker demand and price pressure on the market.**
- **Stabilization due to increased USD hedge .**
- **Prices for Boliden's main metals are expected to increase from the existing level as a consequence of an increased demand in combination with a reduced supply on the metal market.**