



Interim Report January - September 2002
October 23, 2002

Highlights First Nine Months 2002

- **Boliden reports a profit after financial items of SEK 33 million (SEK -3,436 m) for the first nine months of 2002 despite a fall in metal prices. This corresponds to an improvement of SEK 2,847 million excluding operations that have been sold or shut down and items affecting comparability (IAC).**
- **The profit after financial items for Q3 2002 totalled SEK 13 million (SEK -2,813 m).**
- **Cash flow from operating activities was SEK -65 million for the period. During the third quarter cash flow was affected by payment in connection with prior agreements in Spain and currently lower trade payables. Cash flow is expected to improve in the fourth quarter.**
- **The Business Area Mining Operations reports a substantial improvement in profits for the third quarter in comparison with the first two quarters of 2002. The Rönnskär smelter's result was affected negatively in Q3 2002 by inventory price adjustments due to lower metal prices.**
- **The Myra Falls mine reports a profit for the third quarter, 2002**

Metal Prices

Boliden

Metal prices (average LME/LBM)	Nine months		Change in %	Third quarter		Change in %
	2002	2001		2002	2001	
Copper (USD/lb.)	0.71	0.74	-4	0.69	0.67	3
Zinc (USD/lb.)	0.35	0.42	-17	0.35	0.37	-5
Lead (USD/lb.)	0.21	0.22	-5	0.20	0.21	-5
Gold (USD/oz)	306	269	14	314	275	14
Silver (USD/oz)	4.63	4.40	5	4.67	4.27	9

Lower production at mines

Increase in gold and silver prices

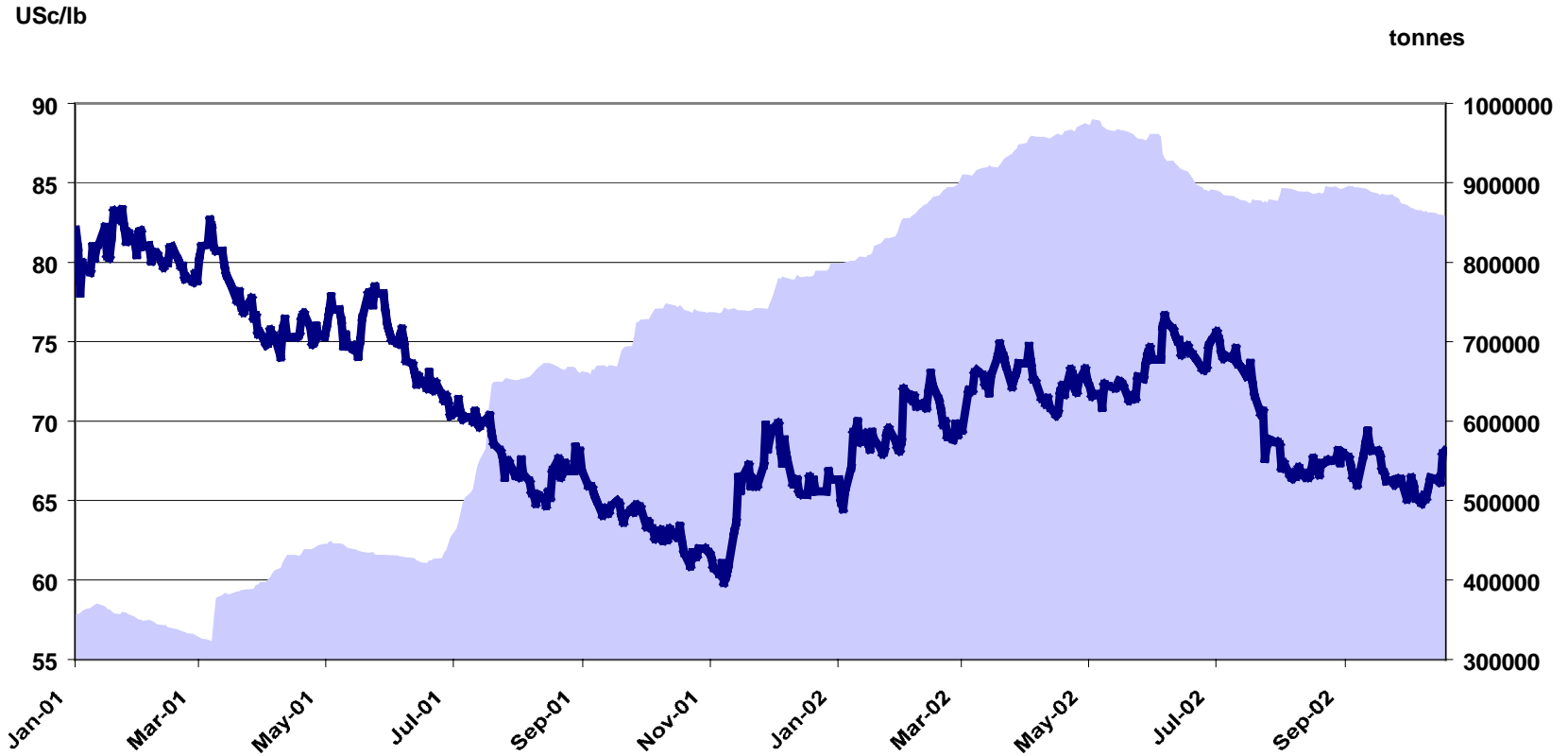
The unbalance in supply and demand continued in spite of increased industrial production

Fall of the stock markets

High stocks of copper and zinc

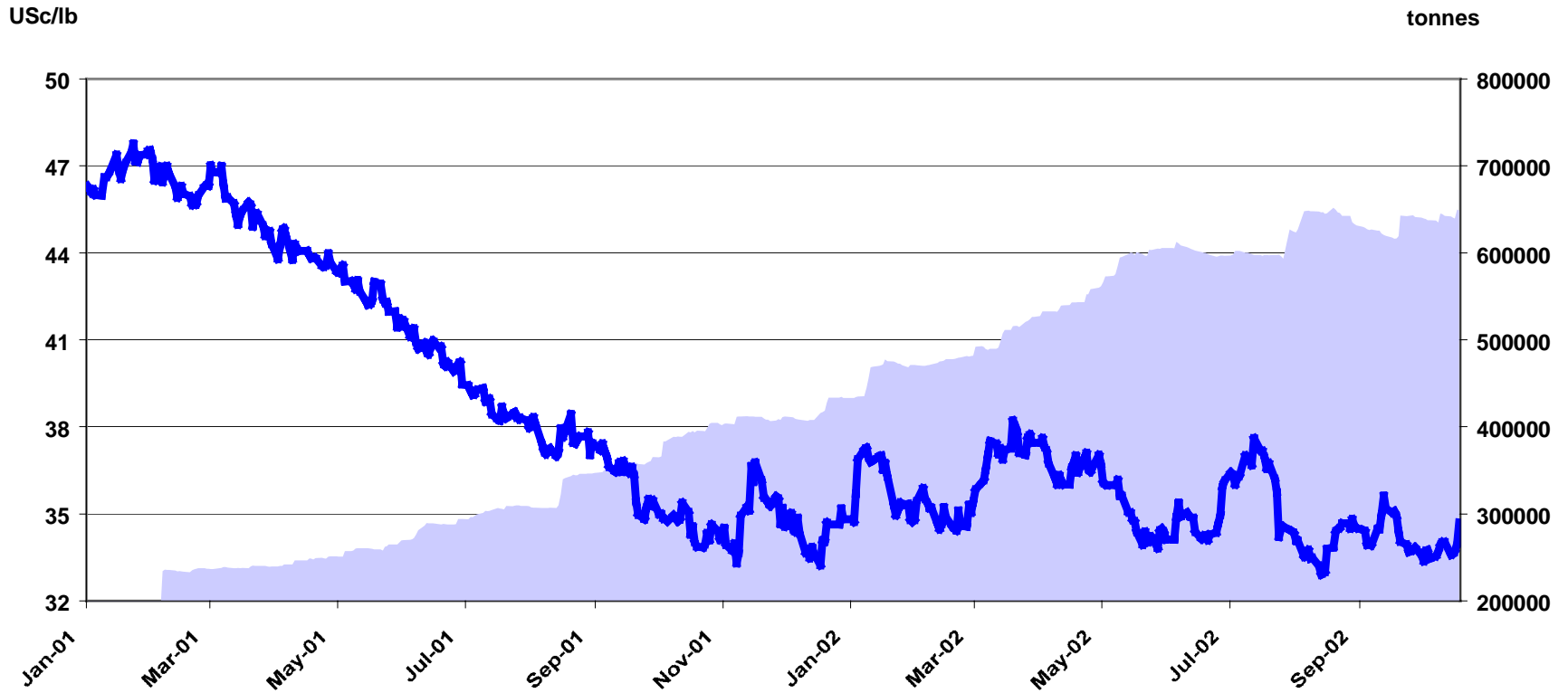
LME Copper Price and Stock

Boliden



LME Zinc Price and Stock

Boliden



Turnover, Results and Cash Flow

Boliden

The Boliden Group SEK million	Nine months			Third quarter		
	2002	2001	Change in %	2002	2001	Change in %
Turnover	7 252	7 825	-7	2 196	2 380	-8
Operating result	260	-870	-	87	-1 025	-
Operating margin (%)	3,6	-11.1	-	4.0	-43.1	-
Earnings after net financial items	33	-3 436	-	13	-2 813	-
Net result for the period	52	-2 254	-	22	-1 749	-
Cash flow from operating activities	-65	-2 727	-	-143	-1 945	-

Increased production at Rönnskär
Improved results at BA Mining Operations
Productivity increases and cost cutting at all operations
Improved realized USD exchange rate

Lower metal prices
Lower smelting and refining charges

Mining Operations

Boliden

Mines (SEK million)	Nine months			Third quarter		
	2002	2001	Change in %	2002	2001	Change in %
Turnover	1 684	1 677	-	600	716	-16
Operating result	145	-282	-	90	74	22
Depreciation	217	399	-46	73	144	-49
Investments	187	347	-46	65	162	-60

Productivity improvements

Improved realized USD exchange rate

Lower smelting and refining charges

Positive effects of action plan at Myra Falls

The Storliden Mine

Lower metal prices

Lower grades at Aitik

Mining Areas

AITIK

- Lower grades (gradual improvement during the third quarter)
- Costs - related to volume
- Increased capacity due to production equipment from Spain

BOLIDEN AREA

- Improved milling efficiency
- Increased production of copper, zinc and precious metals
- The Storliden Mine

GARPENBERG

- Increased production
- Lappberget

MYRA FALLS

- Profit Q3
- Positive effects of action plan
- 20% reduction in costs

Metal Production

Boliden

Mines total	Nine months		Change in %	Third quarter		Change in %
	2002	2001		2002	2001	
Copper (tonnes)	55 867	67 819	-18	21 578	22 617	-5
Zinc (tonnes)	109 121	111 924	-3	43 908	37 955	16
Lead (tonnes)	13 842	13 695	1	4 892	4 443	10
Gold (ounces)	122 075	121 849	0	41 906	41 113	2
Silver (thousand ounces)	6 157	5 789	6	2 038	1 909	7

Copper Lower grades at Aitik, which improved gradually during Q3

Zinc Production stop at Myra Falls Q1. Gradual increase in production from Q2

Lead Increased production at Garpenberg

Gold Increased production of precious metals within the Boliden Area

Silver Increased production at Garpenberg

Smelter Operations

Boliden

Smelters (SEK million)	Nine months			Third quarter		
	2002	2001	Change in %	2002	2001	Change in %
Turnover	5 060	4 985	2	1 405	1 447	-3
Operating result	195	4	-	21	22	-5
Depreciation	217	168	29	72	63	14
Investments	69	109	-37	38	39	-3

Increased production – expansion

Decreased operative costs

**Increased processing of
secondary raw materials**

Lower metal prices

Lower smelting- and refining charges

Inventory valuation

Lower grades at Aitik

**Disturbances in supply of
concentrate - increased spot
purchases**

Metal Production

Boliden

Smelters total	Nine months		Change in %	Third quarter		Change in %
	2002	2001		2002	2001	
Copper (tonnes)	168 148	158 869	6	55 766	53 417	4
Zinc clinker (tonnes)	25 526	26 759	-5	6 447	9 189	-30
Lead (tonnes)	12 937	22 391	-42	2 630	3 742	-30
Gold (kg)	11 859	9 358	27	3 261	3 091	5
Silver (kg)	311 265	233 687	33	89 851	62 125	45
Lead alloy, Bergsöe (tonnes)	33 259	31 707	5	7 684	7 316	5

Copper **Expansion of production capacity**

Zinc **Planned maintenance stop Q3**

Lead **Closure of the Laisvall mine following the depletion of ore reserves in 2001 and decreased production within the Boliden Area**

Gold **Increased production within the Boliden Area and increased processing of secondary raw materials**

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

Lead alloy **Continued stable production**

Fabrication

Boliden

Fabrication (SEK million)	Nine months			Third quarter		
	2002	2001	Change in %	2002	2001	Change in %
Turnover	1 719	1 849	-7	515	530	-3
Operating result	5	6	-17	4	-5	-
Depreciation	41	44	-7	13	13	0
Investments	36	18	100	14	5	180

Improved market shares for both copper and brass products

Efficiency-improvement programmes – costs and capital

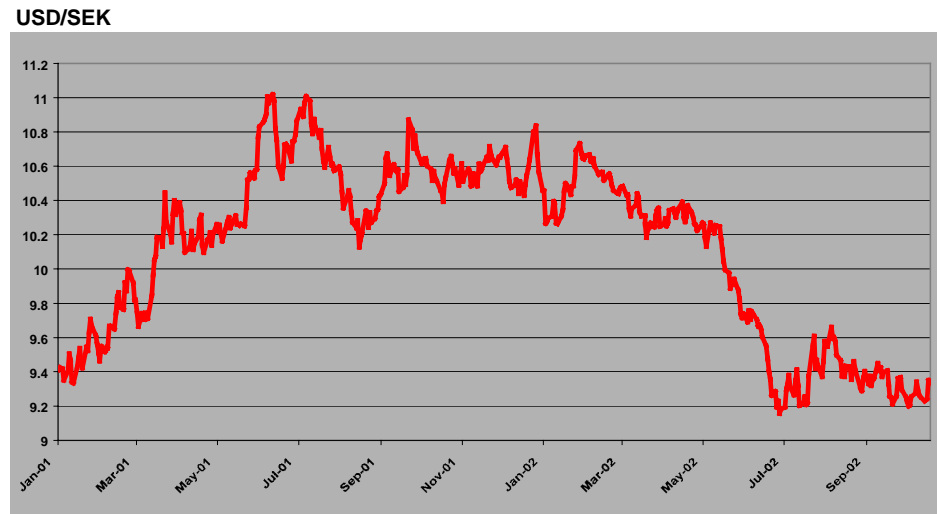
Continued weak demand for copper and brass products

Pressure on prices for copper products

Hedging

2002	100% to USD/SEK 10:77
2003	80% to USD/SEK 10:68
2004	80% to USD/SEK 10:61
2005	60% to USD/SEK 10:33
Jan-Jul	
Floor	
2003--	
2004-Q3	25% to USD/SEK 9:00

Exchange rates USD/SEK



Summary

- **Improved earnings after financial items for both the first nine months and for the third quarter 2002, compared to the corresponding periods of the previous year**
- **Cash flow during the period was negative, mainly due to debt repayment (MSEK 195) and lower operating liabilities (MSEK 515) at the end of the third quarter, 2002. Cash flow is expected to improve in the fourth quarter**
- **Mines – Myra Falls reports profit for the third quarter. Positive development of the production within the Boliden Area and Garpenberg. Interesting mineral deposit at Lappberget. Lower grades at Aitik (gradual improvement during the third quarter). Production from the Storliden Mine**
- **Smelters – Increased production despite disturbances in supply of concentrate, which stabilized during the third quarter. Adjustment of value of inventory due to lower metal prices**
- **Fabrication – Good results of cost- and capital efficiency improvement programmes were unable to compensate for a weaker demand and price pressure on the market**
- **Stabilization due to increased USD hedge**
- **Cost cutting and productivity increases at all operations**