

# Boliden

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Interim Report January – March 2005



Mines



Smelters



Zinc



Copper

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

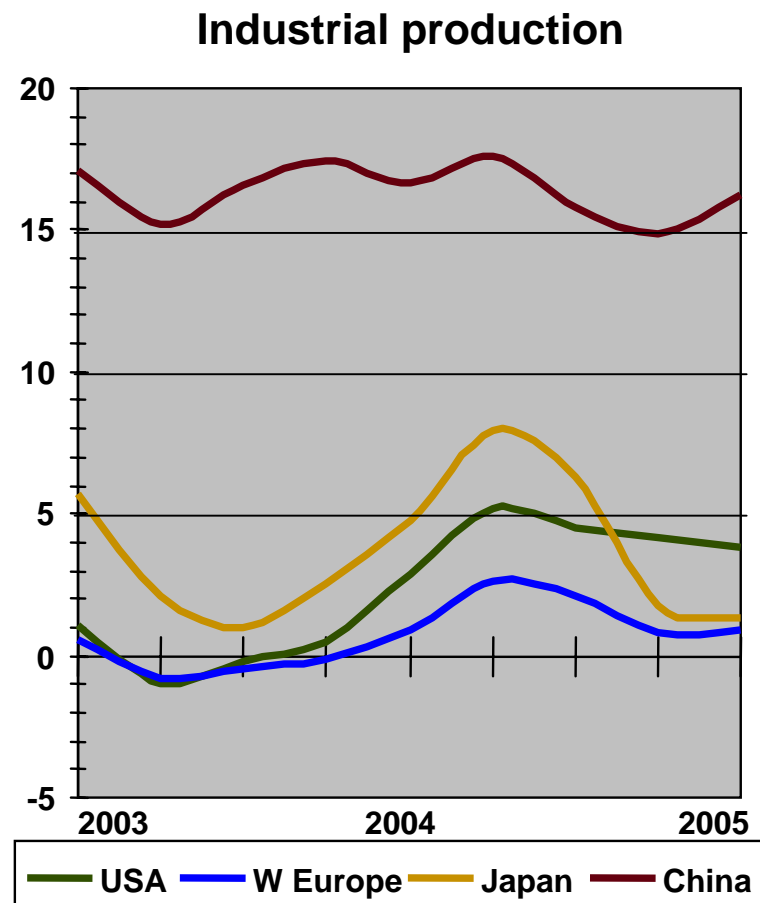
- **Global**

	<b>Q1 2005*</b>
- Cu consumption	5.7 %
- Cu production	1.9 %
- Zn consumption	1.5 %
- Zn production	-1.9 %
- **USA**

- Cu consumption	0.0 %
- Zn consumption	1.0 %
- **Europe**

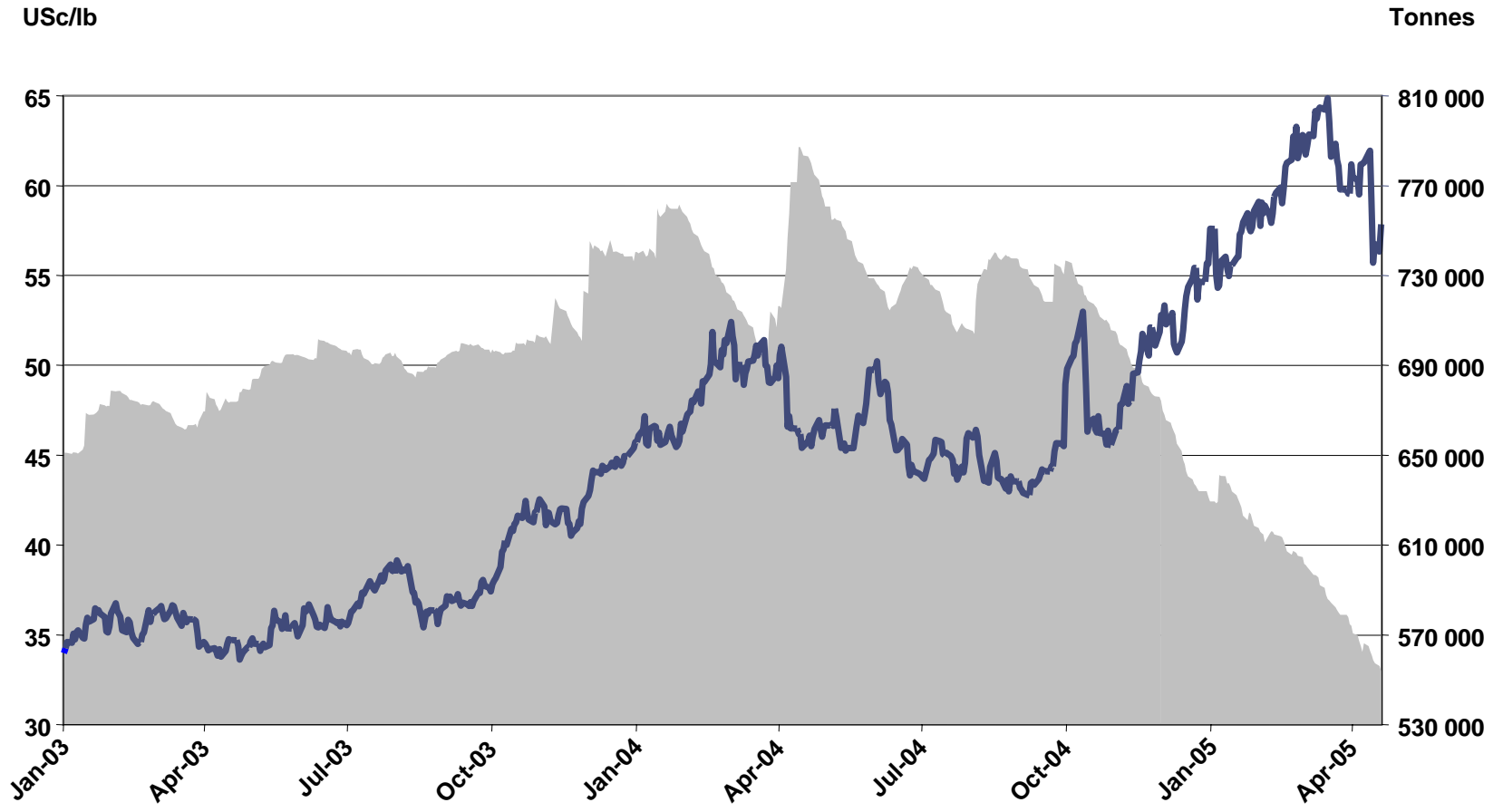
- Cu consumption	1.9 %
- Zn consumption	0.6 %
- **China**

- Cu consumption	20.3 %
- Zn consumption	4.5 %
- **Forecast for 2005 – continued good**

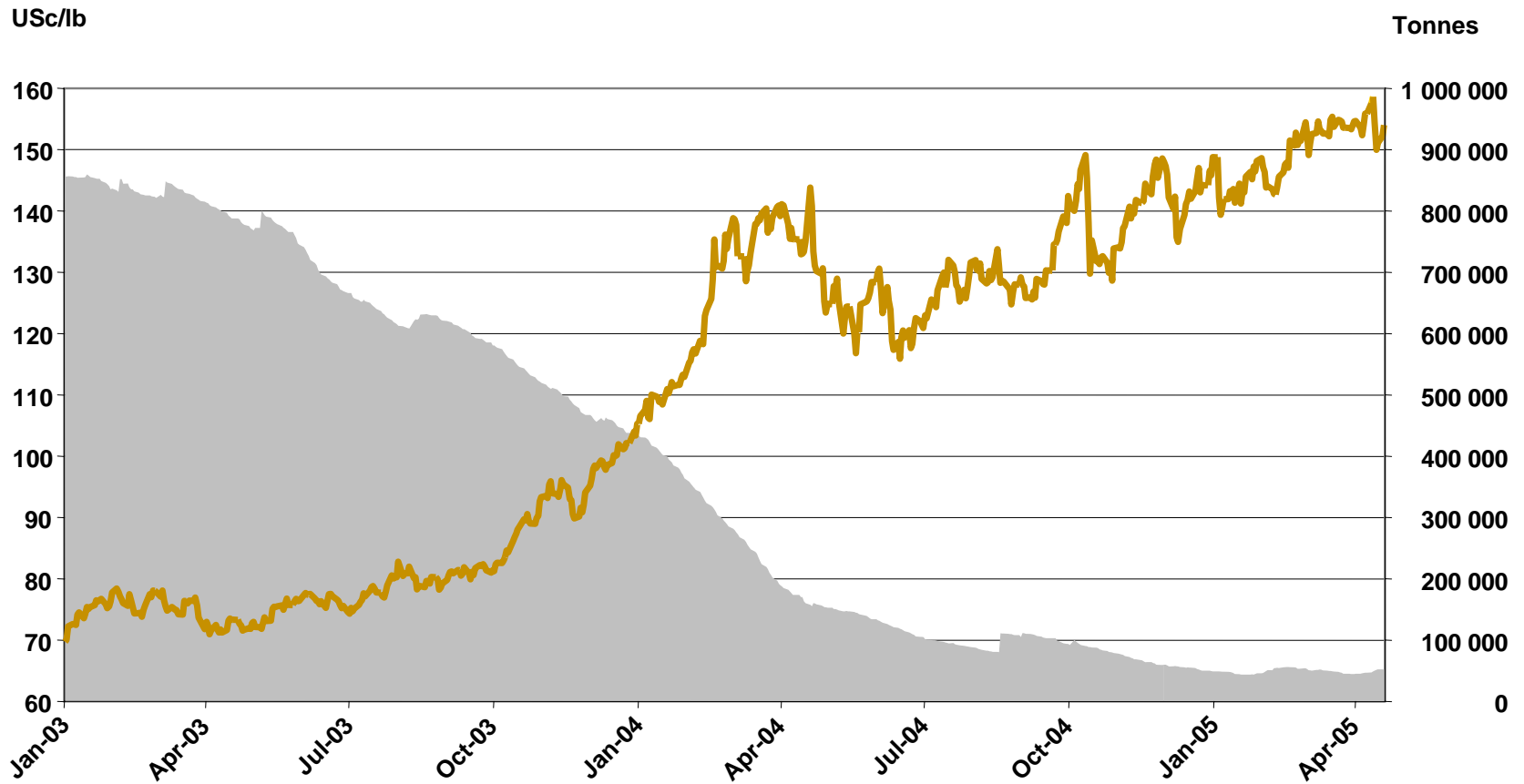


\*Q1-05 v.s. Q4-04

# Zinc: Price and LME stocks



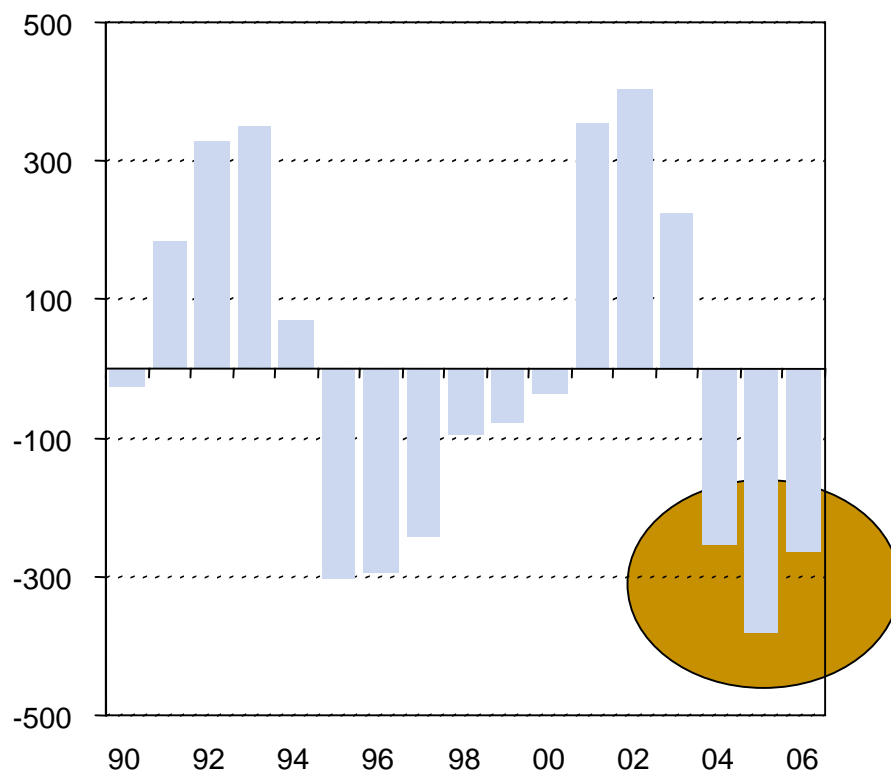
# Copper: Price and LME stocks



# Continued Zn and Cu imbalance in 2005

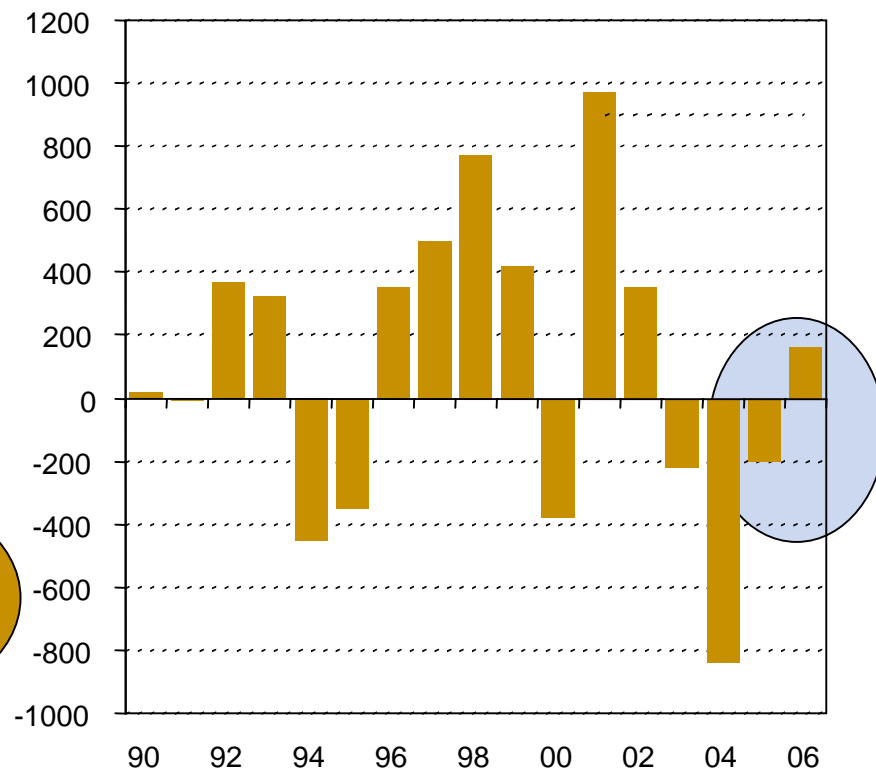
## Zinc balance supply – demand

Thousand tonnes



## Copper balance supply – demand

Thousand tonnes



# Weakening of the US dollar



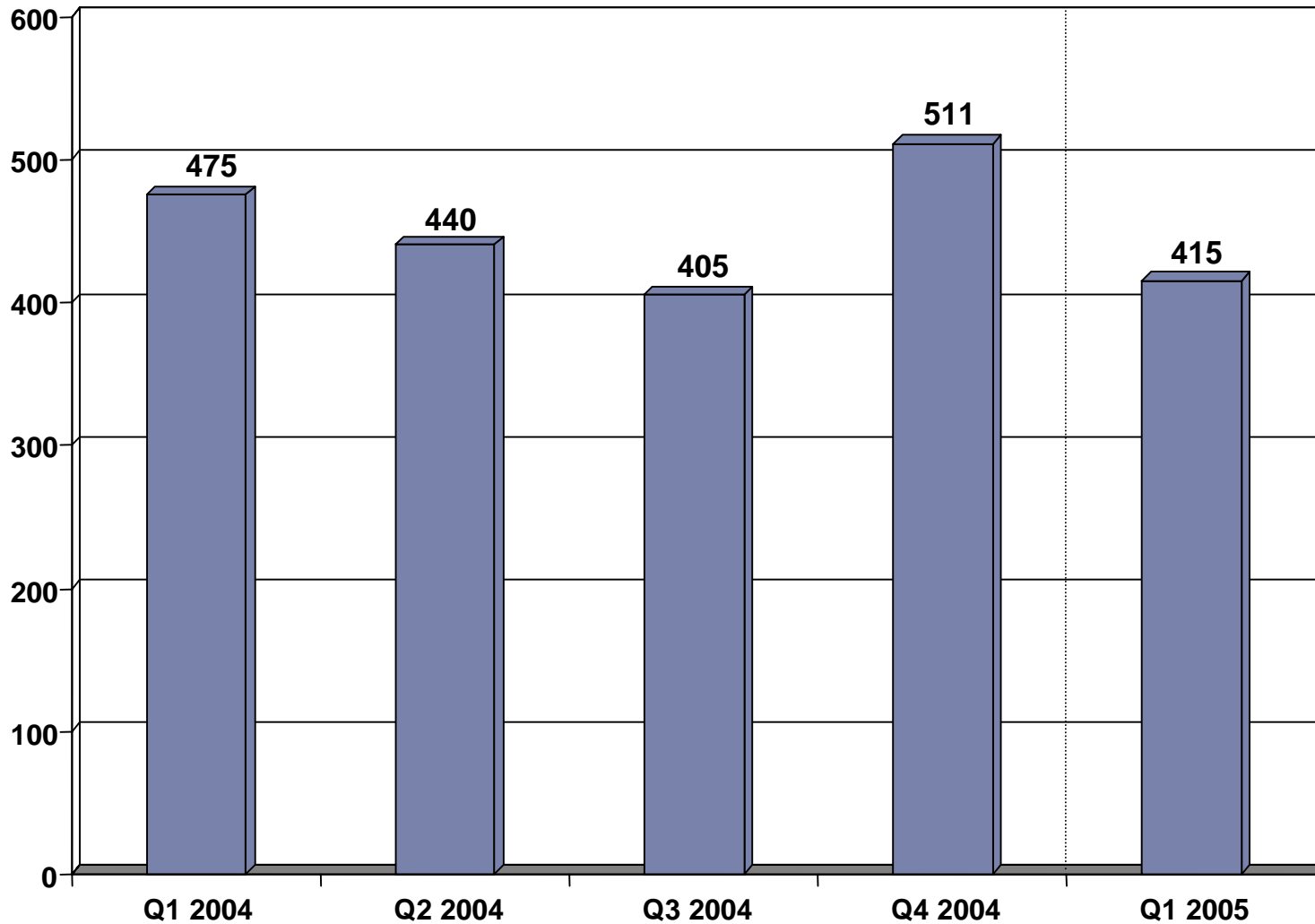
# Earnings trend

SEK m	Quarter 1		Q 1	Q 4
	2005	2004	2005	2004
Net sales	4 475	4 498	4 475	4 618
Operating result (EBIT)	415	475	415	511
Result after financial items	353	348	353	352
Earnings per share	0.88	1.47	0.88	1.13
Return on capital employed, %	10.7	12.7	10.7	13.7
Net debt/shareholders' equity, %	71	101	71	71

- **Continued strong metal prices**
- **Lower US dollar exchange rate**
- **Lower mining production due to lower grades compared with Q4 2004**
- **Improved net financial income**
- **Tax accounted for at 27 % – actual tax payments continue to be low**
- **Return on capital employed and the debt / equity ratio on a par with financial goals**

# Operating result – quarterly

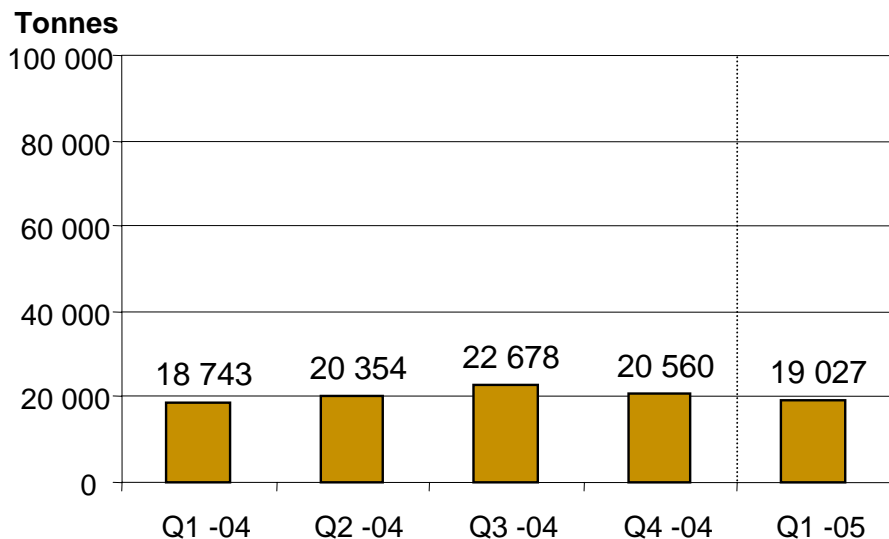
SEK m



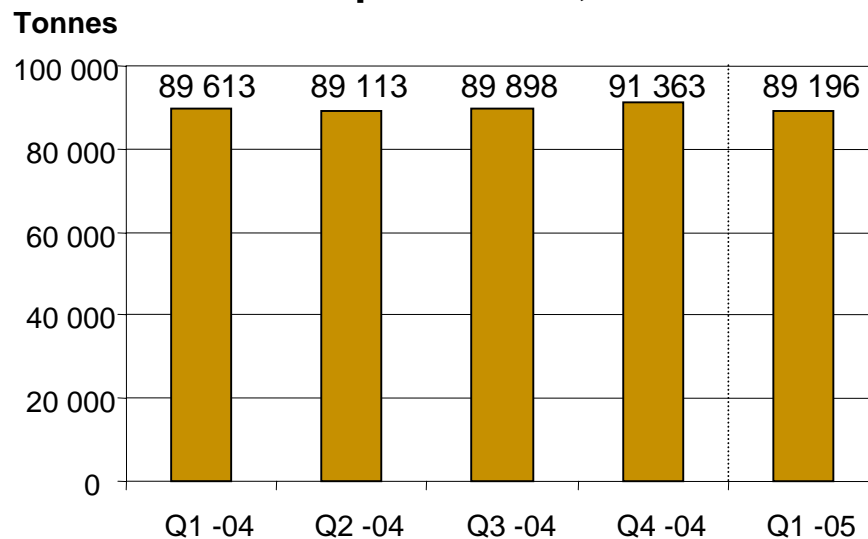


# Production Copper\*

## Mining production, metal contents



## Smelter production, cathodes



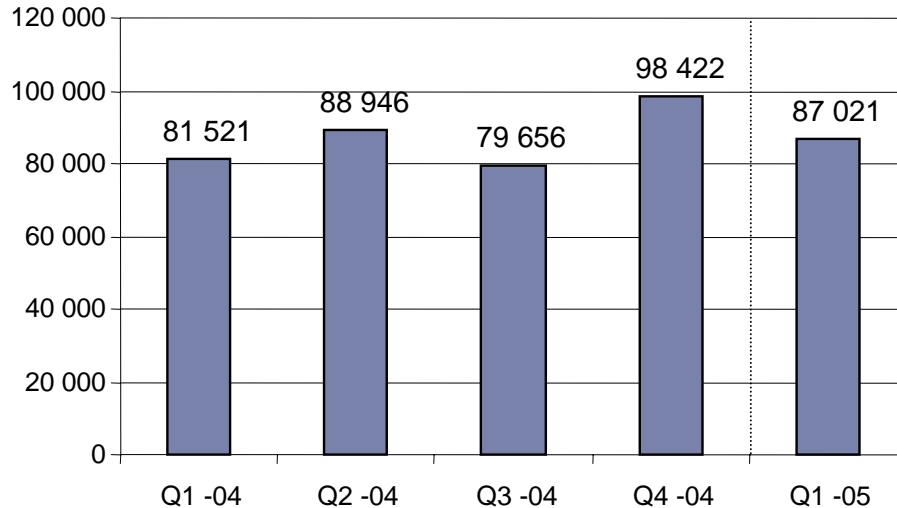
- **Aitik – lower production of copper and gold due to lower grades**
- **Rönnskär – healthy production of cathodes continues**
- **Harjavalta – healthy production of cathodes continues**
- **Good supply of external copper concentrate**
- **Maintenance stop at the copper smelters during Q2-05**

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

# Production Zinc\*

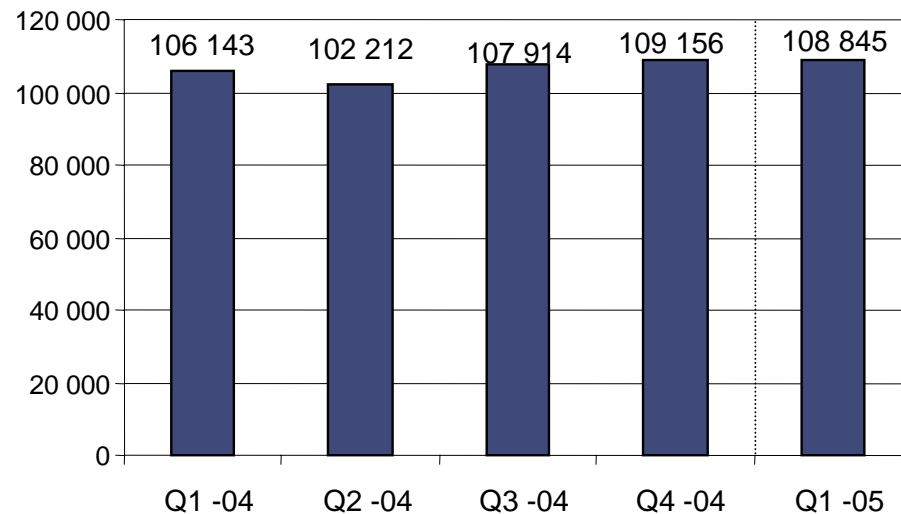
## Mining production, metal contents

Tonnes



## Smelter production, casted zinc

Tonnes



- **Tara – lower production of zinc and lead due to lower grades**
- **The Boliden Area and Garpenberg – healthy production results**
- **Boliden Kokkola – continued healthy production of zinc**
- **Boliden Odda – the running-in of the new plant successful with increased production levels**

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



# Operating result per segment

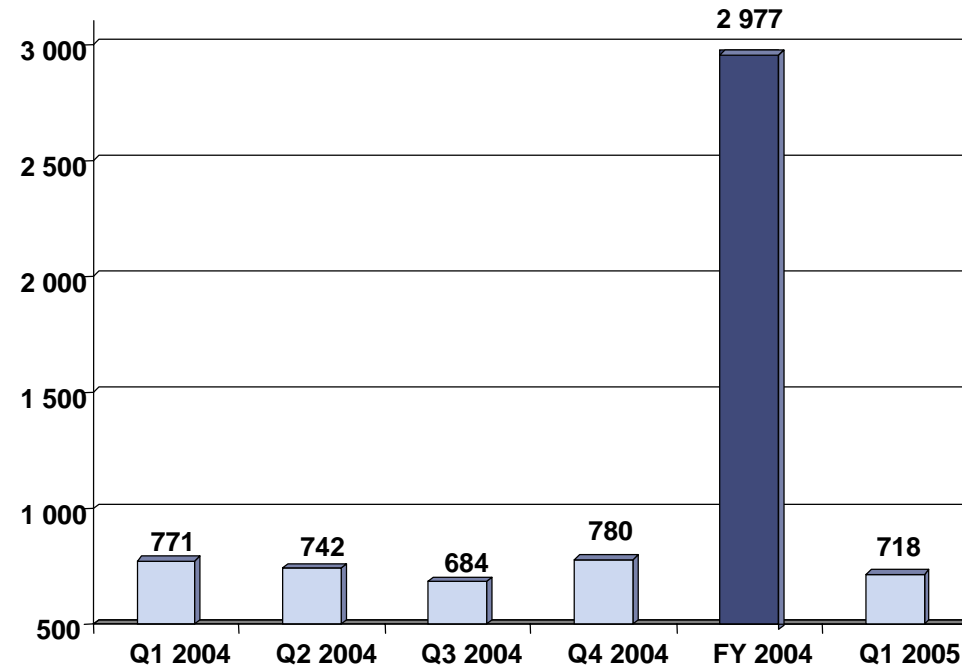
SEK m	Quarter 1		Q 1 2005	Q 4 2004
	2005	2004		
Copper	231	339	231	298
Zinc	218	216	218	170
Other	-34	-80	-34	43
Total	415	475	415	511

- **Copper – lower US dollar exchange rate and full effect of higher TC/RC are not expected to be felt until Q 2**
- **Zinc – the positive effect of higher zinc prices was partly counteracted by lower US dollar exchange rate**

# Cash flow

- Cash flow from operating activities SEK 249 million (SEK 476 m)
- Increased operating capital due to higher metal prices and temporarily higher copper stock levels
- Cash flow from investment activities SEK -76 million (SEK -482 m)
- Net loan amortisation SEK 314 million (SEK 508 m)

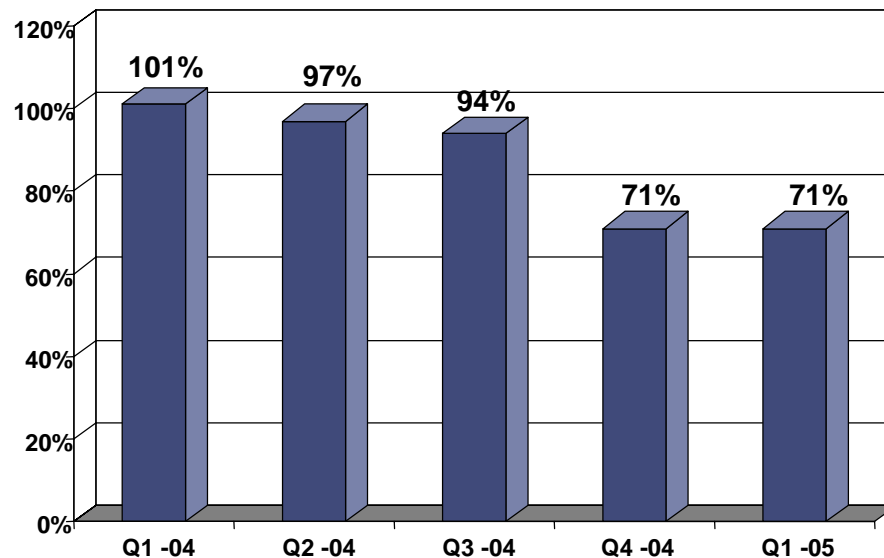
Operating result before depreciation (EBITDA), SEK m



# Capital structure

	31 Mar 2005	31 Mar 2004
<b>Balance Sheet total, SEK bn</b>	<b>20.6</b>	<b>21.4</b>
<b>Capital employed, SEK bn</b>	<b>15.4</b>	<b>15.1</b>
<b>Shareholders' equity, SEK bn</b>	<b>9.2</b>	<b>7.6</b>
<b>Net debt, SEK bn</b>	<b>6.5</b>	<b>7.7</b>
<b>Gearing, %</b>	<b>71</b>	<b>101</b>
<b>Equity/assets ratio, %</b>	<b>44.5</b>	<b>35.5</b>

Net debt/Shareholders' equity, %



# Summary Q1 and forecast 2005

- **Continued strong growth in China, but lower growth rate in the rest of the world**
- **Higher metal prices but lower US dollar exchange rate**
- **Lower production at Tara and Aitik due to lower grades**
- **The result after financial items SEK 353 million (SEK 348 m)**
- **New division in product segments – Copper and Zinc**
- **Good market conditions in 2005**
- **Continued good result after financial items and significant improvement of free cash flow in 2005**