

# Boliden

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Interim Report January - March 2006



Mines



Smelters



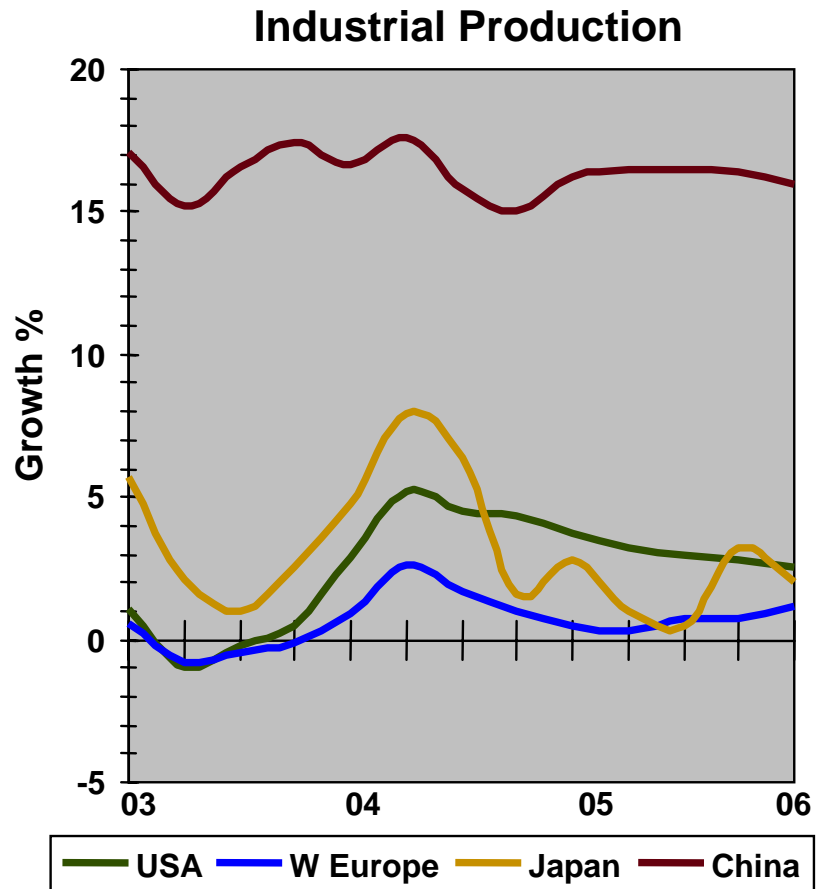
Zinc



Copper

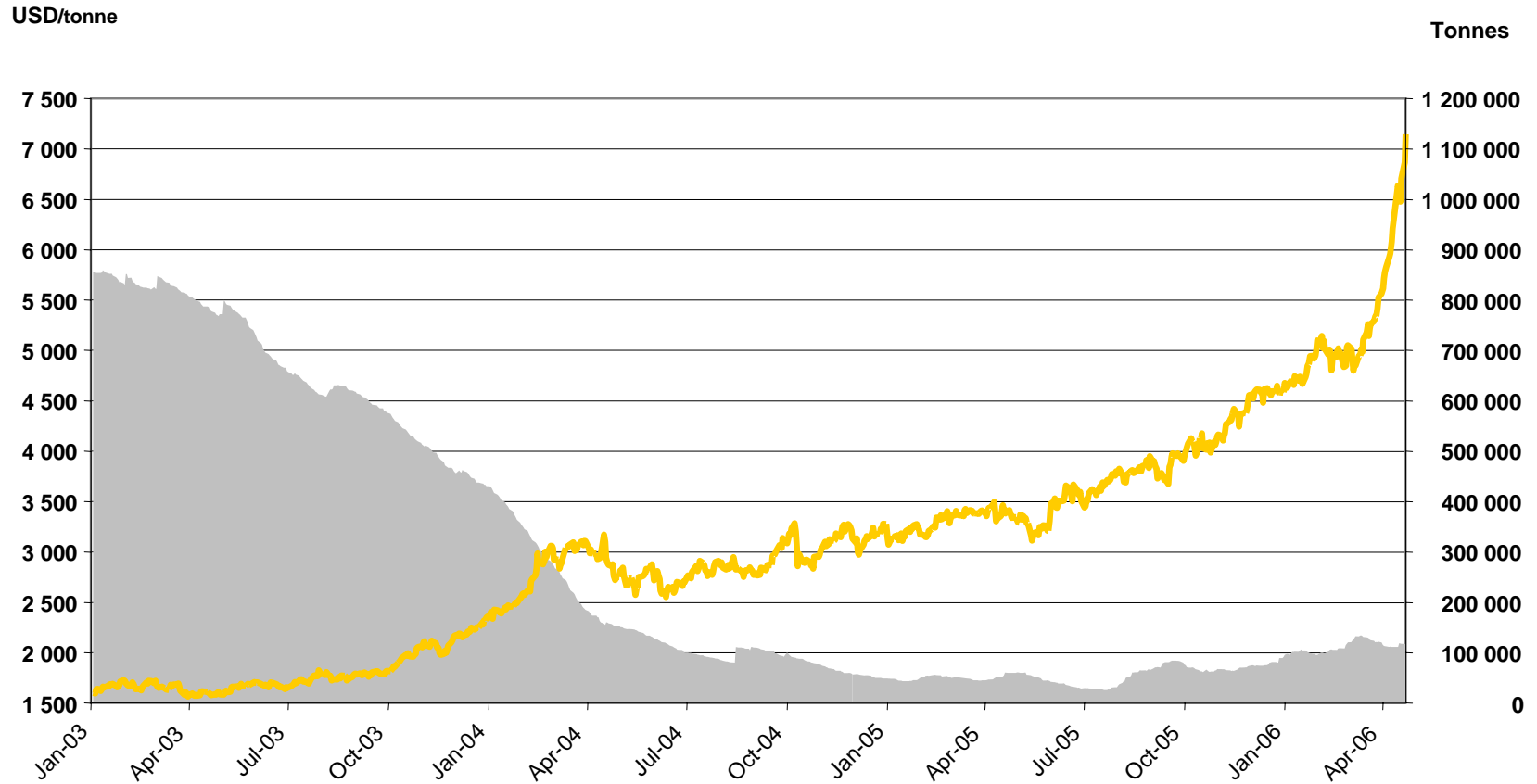
# Continued strong growth in China – lower growth rate in the rest of the world

- **Global**                      **2006 Q1\***
  - Cu-consumption              **5.5 %**
  - Cu-production                **7.3 %**
  - Zn-consumption               **3.4 %**
  - Zn-production                 **1.1 %**
- **USA**
  - Cu-consumption              **9.9 %**
  - Zn-consumption               **0.0 %**
- **Europe**
  - Cu-consumption              **2.6 %**
  - Zn-consumption               **0.0 %**
- **China**
  - Cu-consumption              **10.6 %**
  - Zn-consumption               **9.5 %**
- **Continued good forecast for 2006**

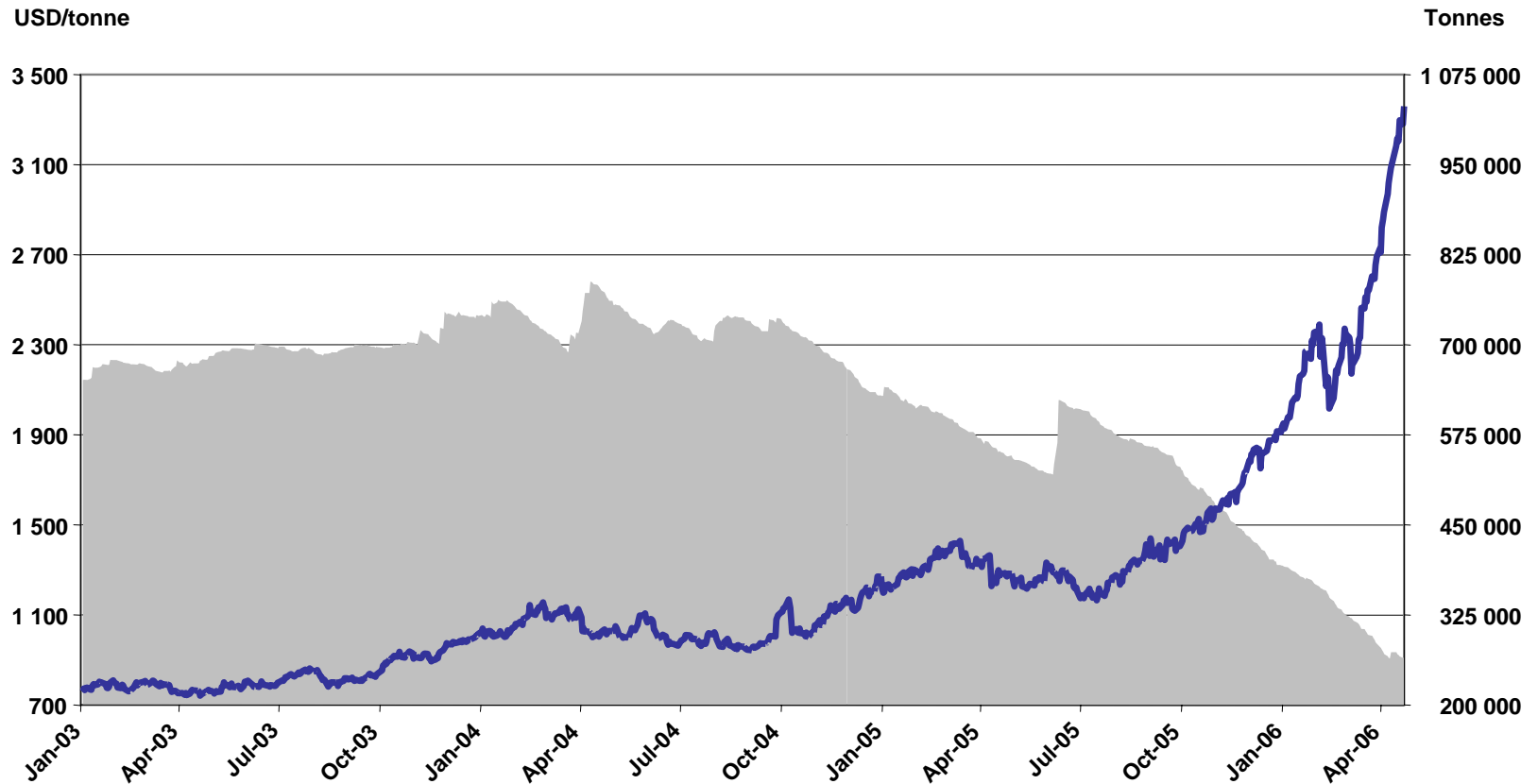


•Q1 2006 v.s. Q1 2005

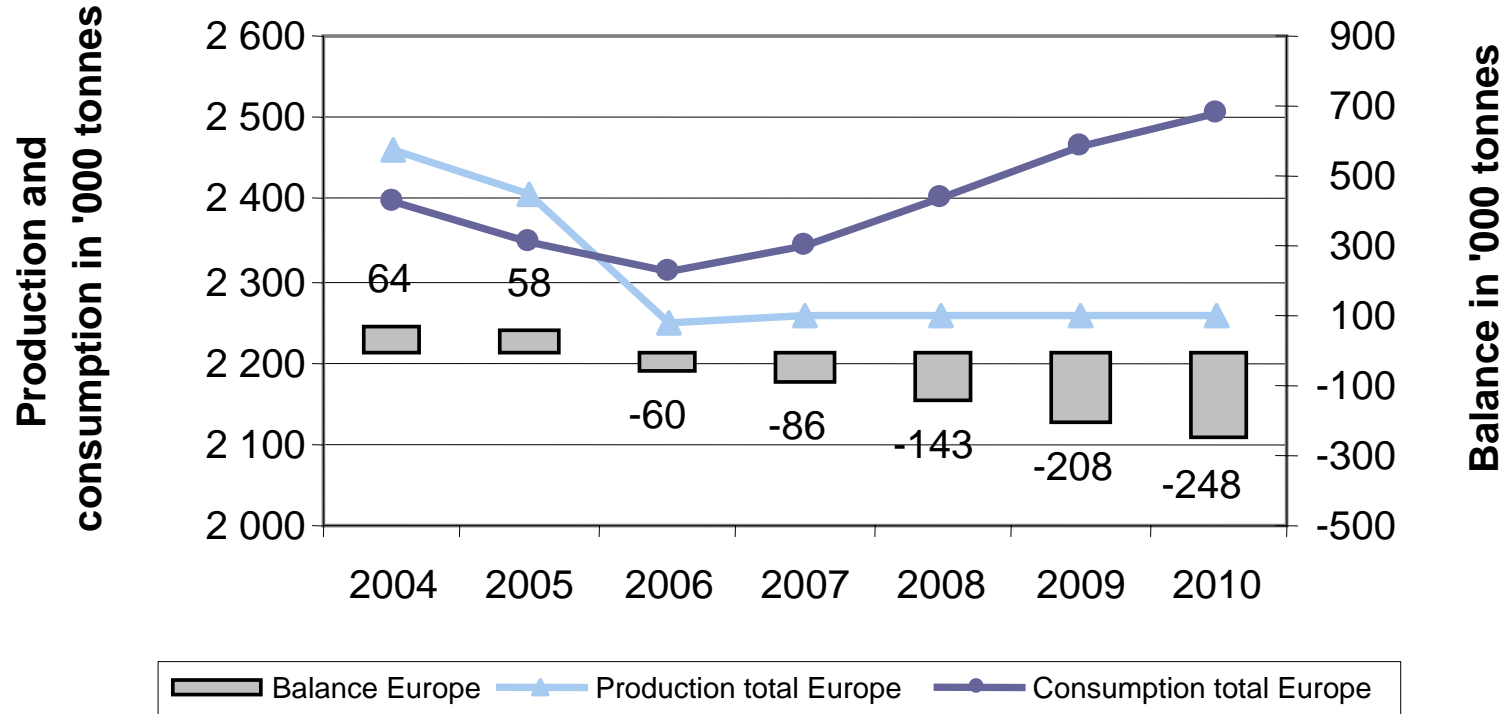
# LME Copper Price and Stocks



# LME Zinc Price and Stocks



# Increased demand for zinc import in Europe

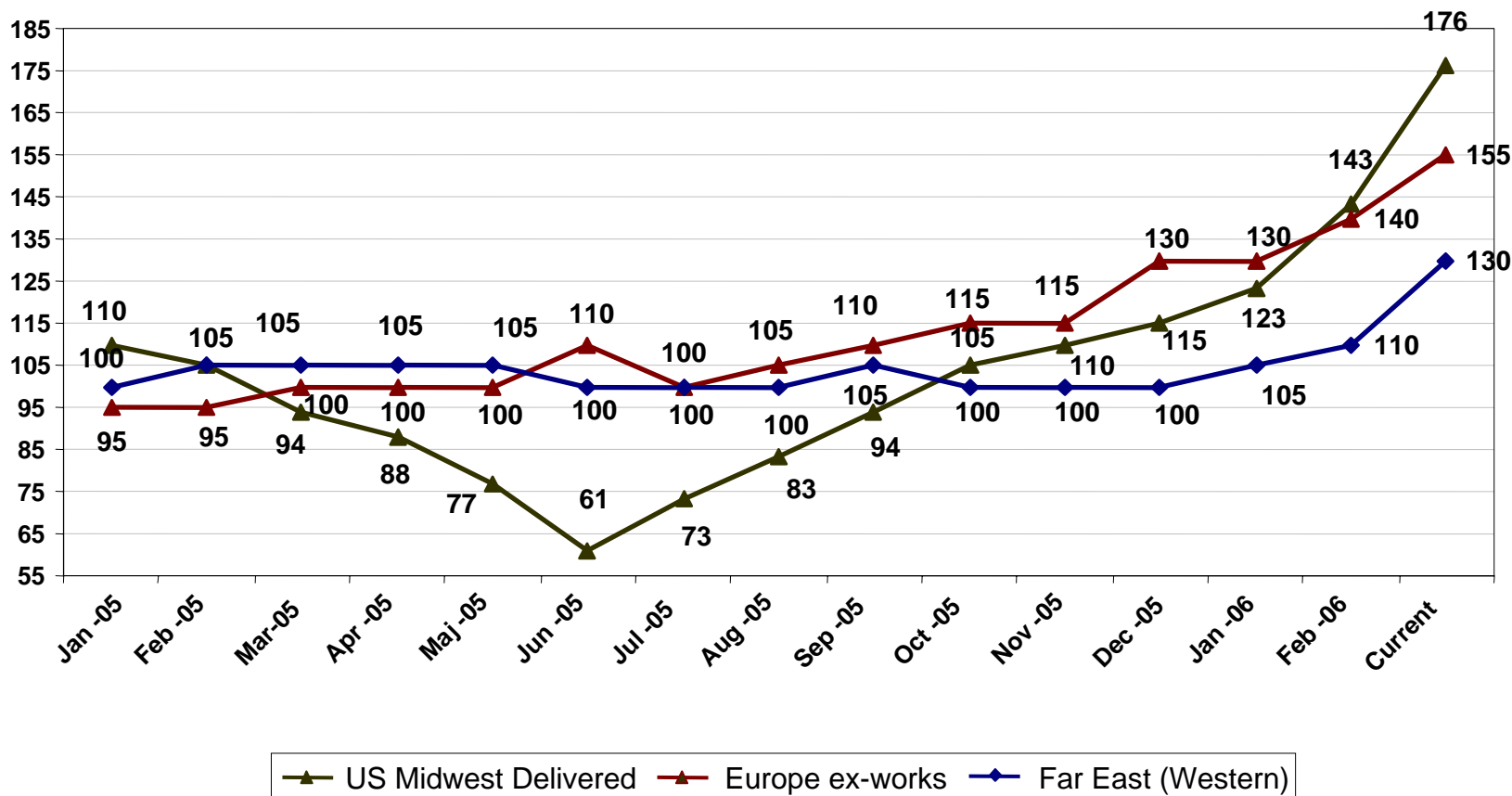


Data: CRU Zinc Quarterly, 4th quarter 2005; comparison of forecasted Zn metal production capacity and Zn metal consumption



# Zinc metal premiums

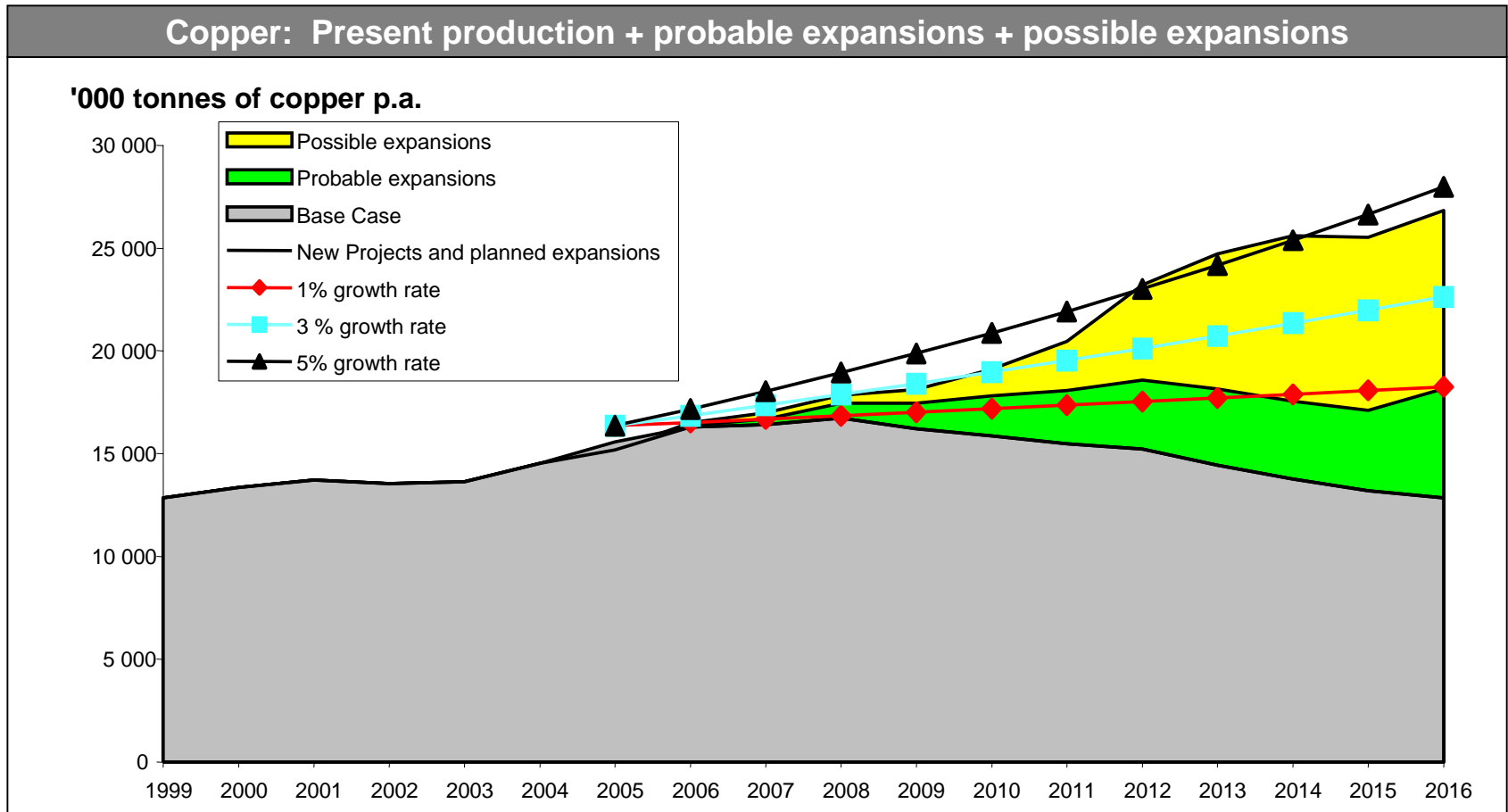
USD/tonne



Data: CRU Monitor Zinc, March 2006



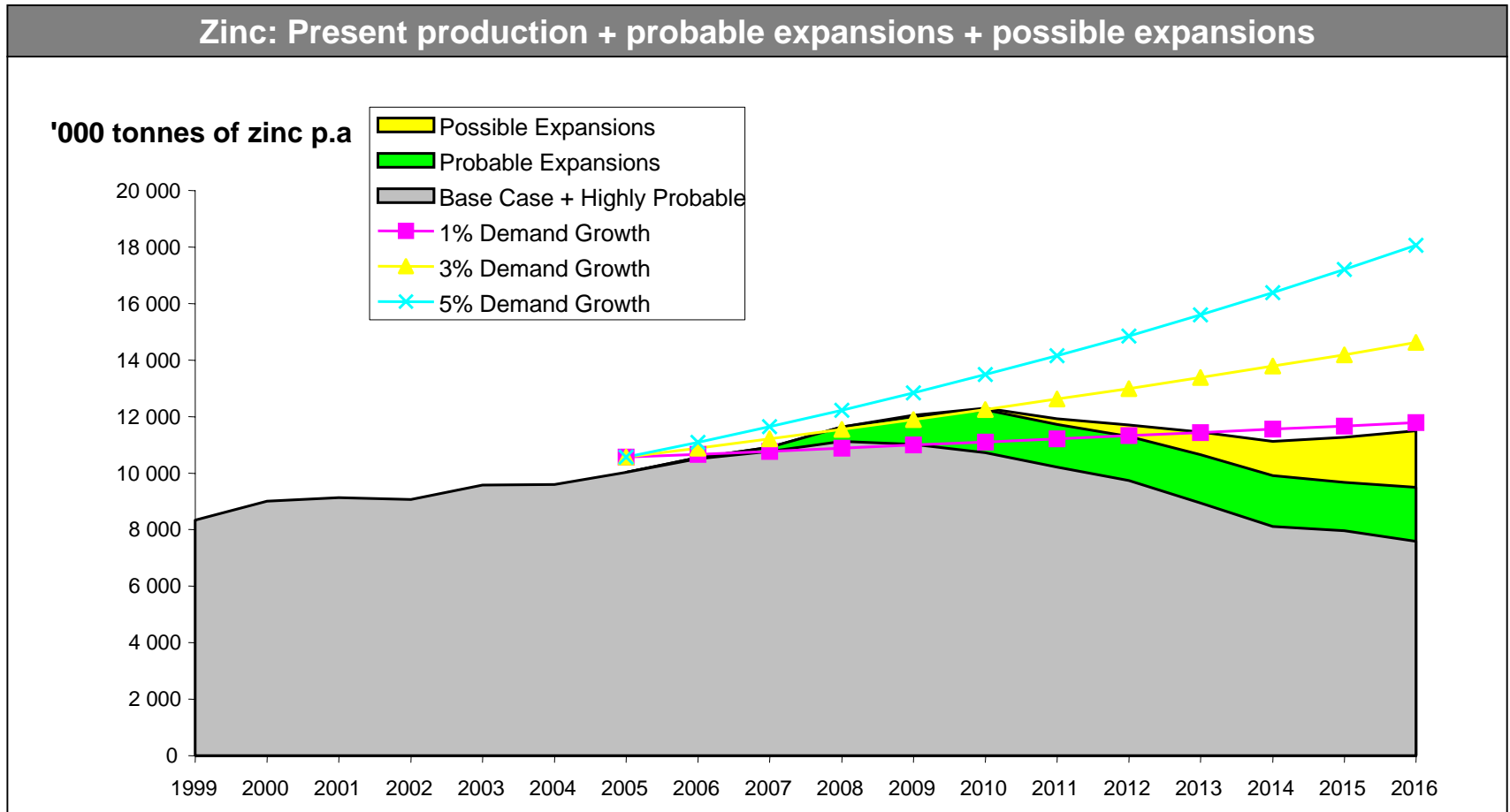
# Shortage of copper concentrate?



Data: CSFB, Brook Hunt



# Shortage of zinc concentrate?



Data: CSFB, Brook Hunt





# Historically strong result

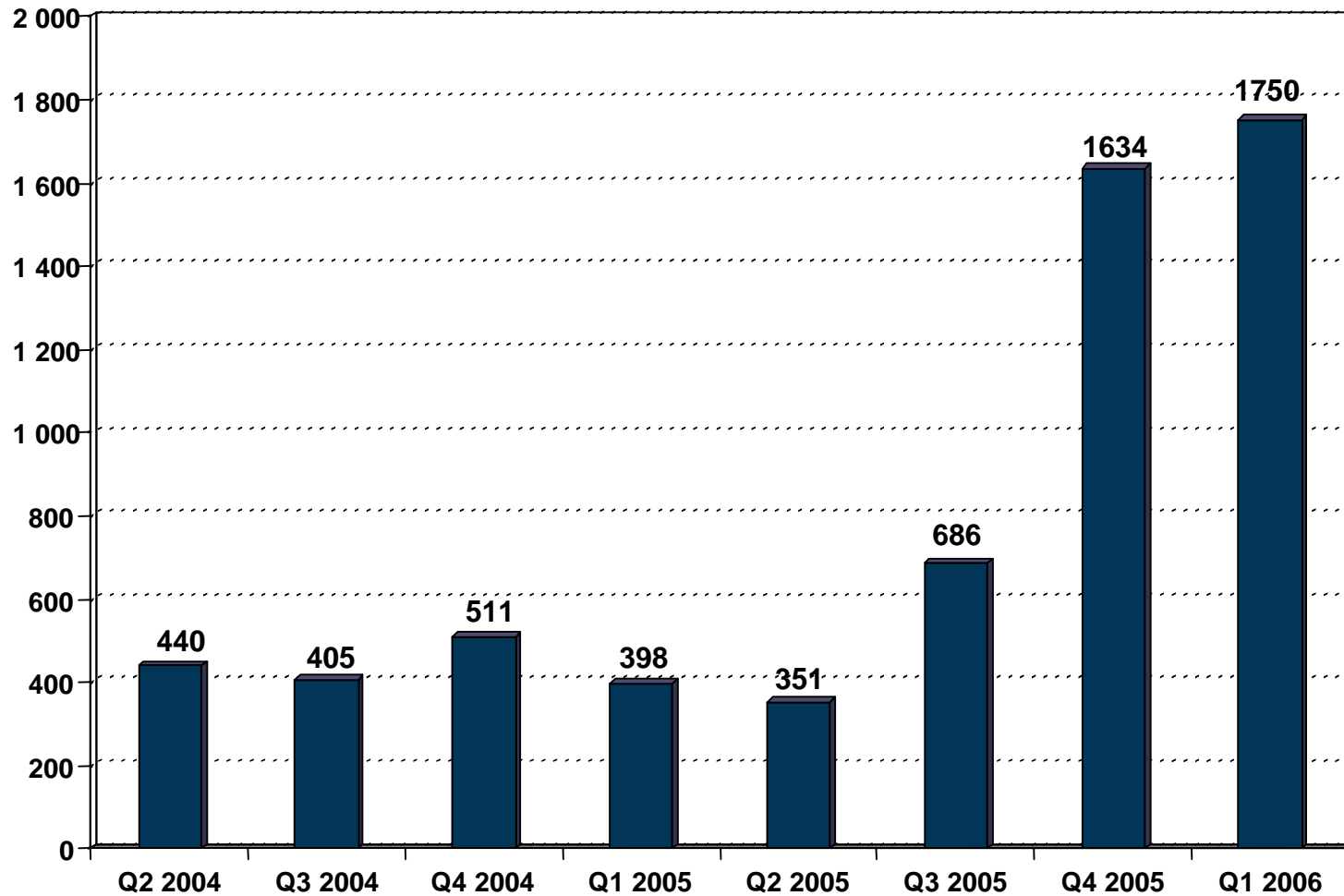
SEK m	First quarter		Change in %
	2006	2005	
Net sales	7 337	4 458	65
Operating result (EBIT)	1 750	398	340
Result after financial items	1 697	353	381
Earnings per share	4.28	0.88	387
Cash flow from operating activities	999	249	301
Return on capital employed, %	44	10	
Net debt/shareholders' equity, %	45	71	

- **Improved metal prices, increase in TC/RC and higher US dollar exchange rate.**
- **Higher levels of production.**
- **Reduced debt levels have positive effect on net financial items.**
- **Actual tax payments continued to be low.**
- **Return on capital employed well above financial goal.**



# Operating result - quarterly

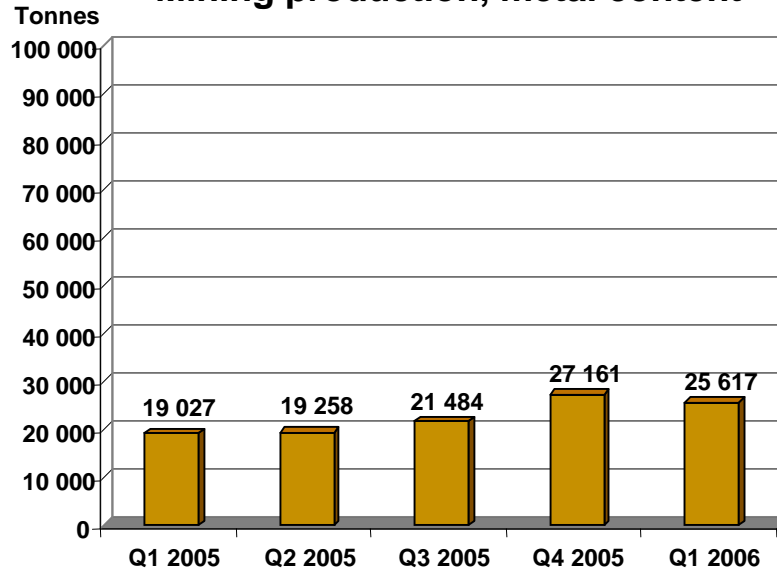
SEK m



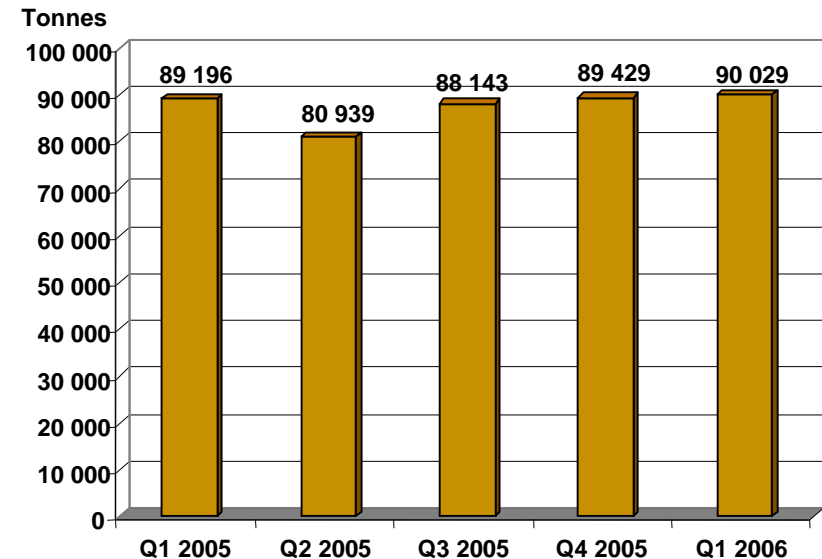
**BOLIDEN**

# Production Copper

## Mining production, metal content



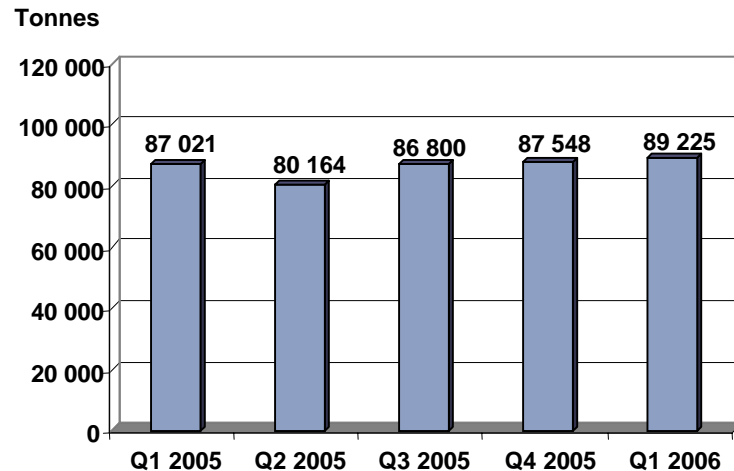
## Smelter production, cathodes



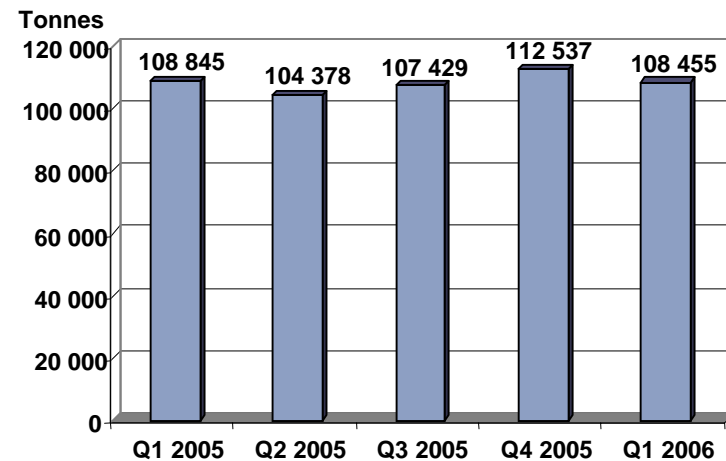
- Aitik – continued high production during Q1 due to good grades.
- Boliden Area – increase in copper production.
- Copper Smelters – high, stable production.

# Production Zinc

Mining production, metal content



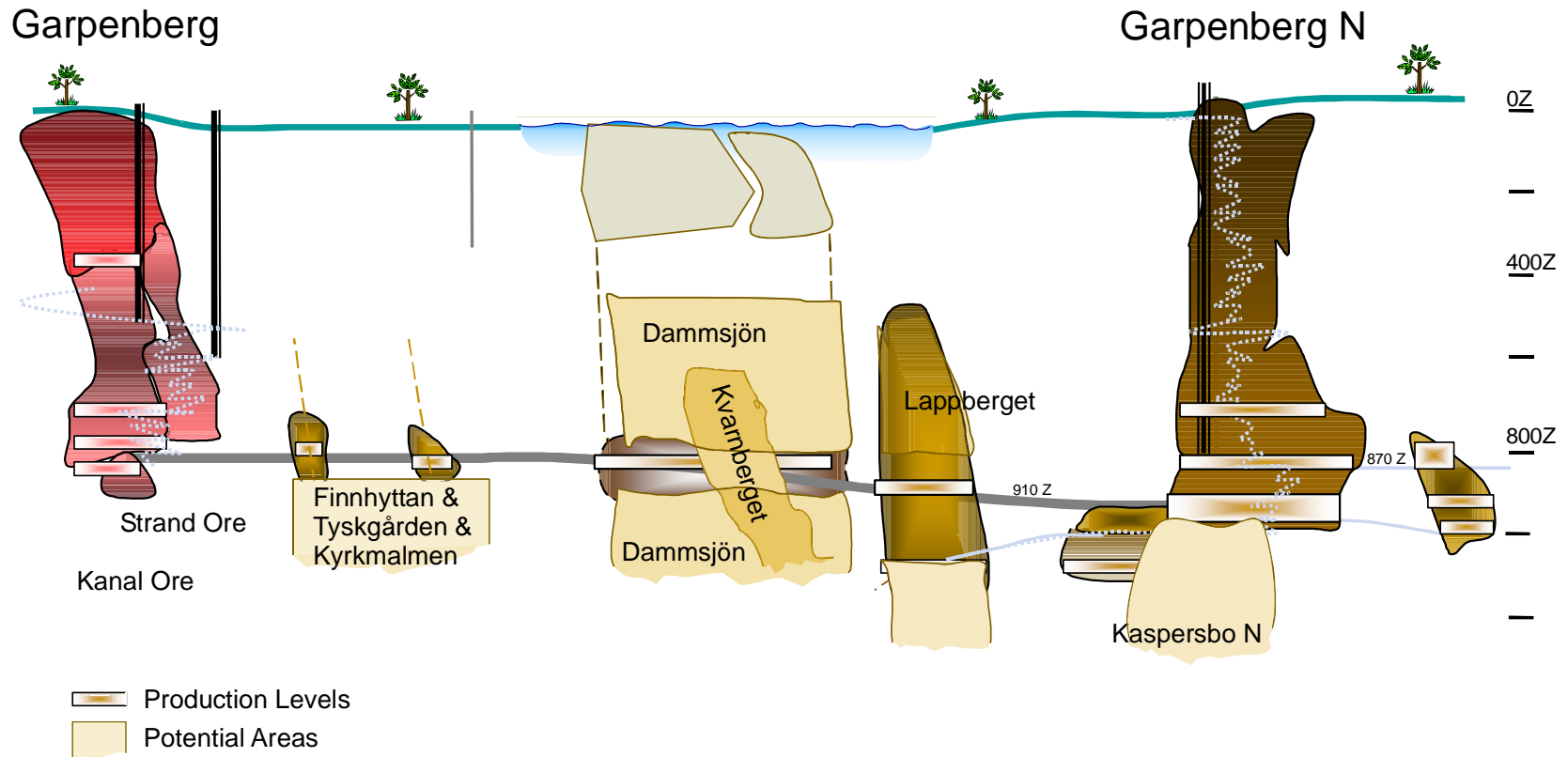
Smelter production, casted zinc



- Tara – good production levels during Q1.
- Boliden Area – lower zinc production due to change in concentrate mix.
- Garpenberg – healthy production with higher grades.
- Boliden Kokkola – stable production of zinc.
- Boliden Odda – improved production due to new direct leach process.

# Garpenberg Area

## Long section



# Operating result per segment

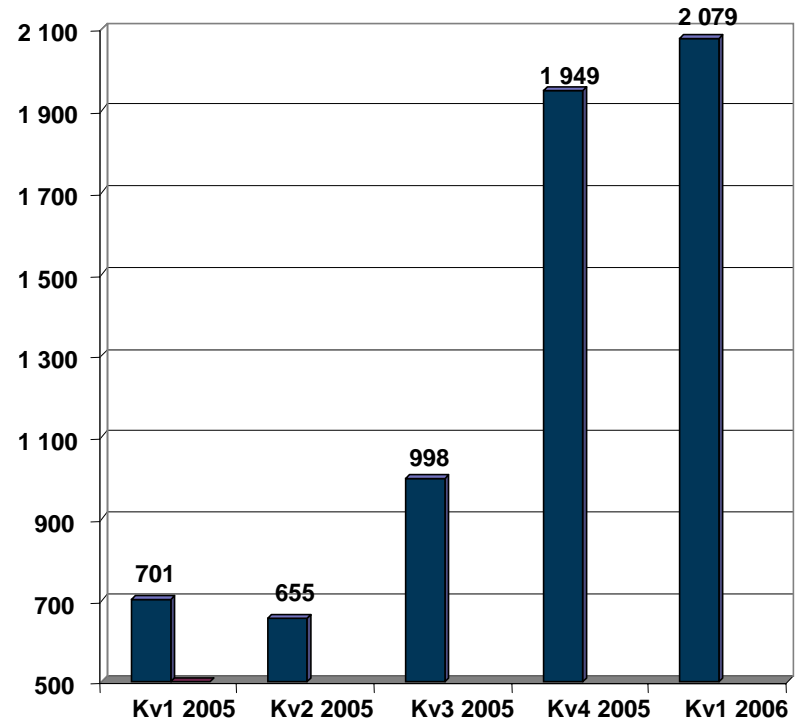
SEK m	First quarter	
	2006	2005
Copper	733	231
Zinc	1 027	218
Other	-10	-51
Total	1 750	398

- **Copper – higher metal prices, US dollar exchange rate, TC/RC, increased production and stock profit were counteracted mainly by higher costs.**
- **Zinc – higher metal prices, US dollar exchange rate and increased production were counteracted mainly by stock loss and higher costs.**

# Cash flow

- Cash flow from operating activities SEK 999 million (SEK 249 m).
- Cash flow from investment activities SEK -441 million (SEK -76 m).
- Free cash flow SEK 558 million (SEK 173 m).
- Net loan amortisation SEK 1 220 million (SEK 314 m).

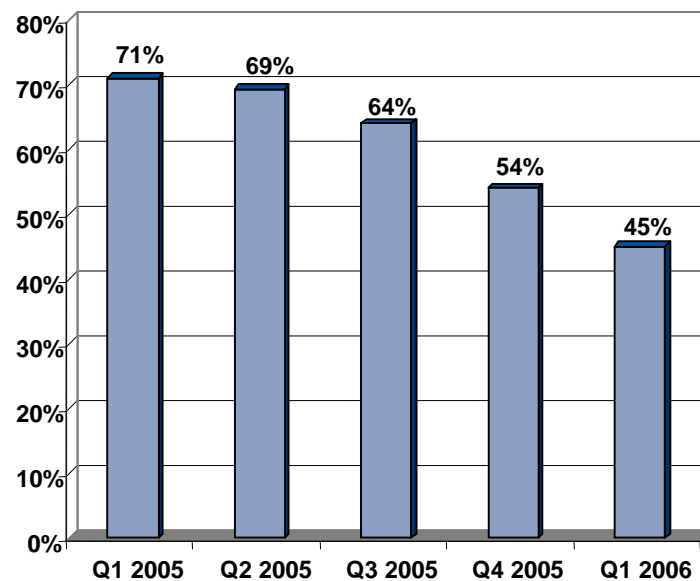
Operating result before depreciation (EBITDA), SEK m



# Capital structure

	31 Mar 2006	31 Mar 2005
<b>Balance Sheet total, SEK bn</b>	<b>24.2</b>	<b>20.6</b>
<b>Capital employed, SEK bn</b>	<b>16.1</b>	<b>15.4</b>
<b>Shareholders' equity, SEK bn</b>	<b>10.9</b>	<b>9.2</b>
<b>Net debt, SEK bn</b>	<b>5.0</b>	<b>6.5</b>
<b>Gearing, %</b>	<b>45</b>	<b>71</b>
<b>Equity/assets ratio,%</b>	<b>45.1</b>	<b>44.5</b>

Net debt / Equity





# Summary Q1 and forecast 2006

- Continued strong and stable growth in the global economy.
- Higher metal prices and US dollar exchange rate.
- Good production levels from all units during Q1.
- Result after financial items SEK 1 697 million (SEK 353 m)
- Production on planned levels in early Q2 2006.
- Continued good market forecasts for Boliden's metals.

# [www.boliden.com](http://www.boliden.com)



Mines



Smelters



Zinc



Copper

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