

Boliden

Interim Report January – June 2006



Mines



Smelters



Zinc



Copper

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

• Global First six months 2006*

- Cu-consumption	5.7 %
- Cu-production	5.1 %
- Zn-consumption	8.0 %
- Zn-production	2.8 %

• USA

- Cu-consumption	- 3.4 %
- Zn-consumption	1.2 %

• Europe

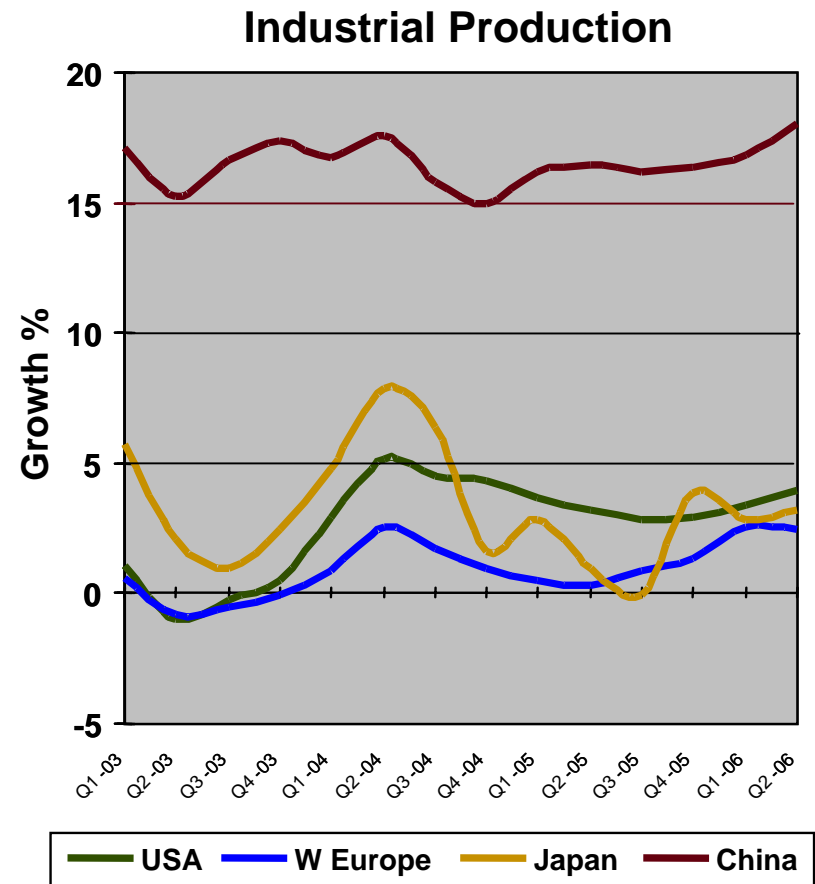
- Cu-consumption	9.0 %
- Zn-consumption	0.0 %

• China

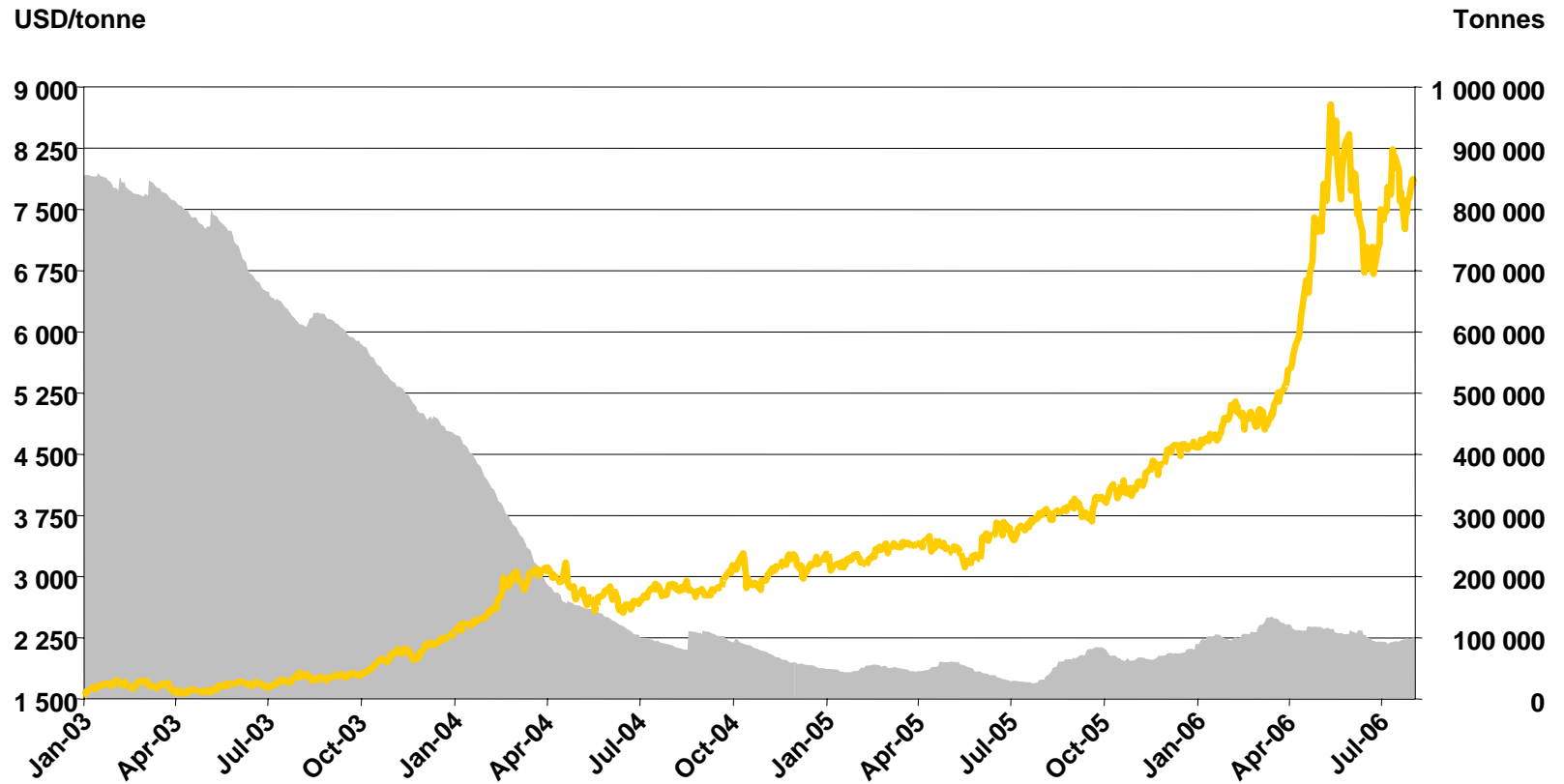
- Cu-consumption	6.1 %
- Zn-consumption	12.4 %

• Continued good forecast for 2006

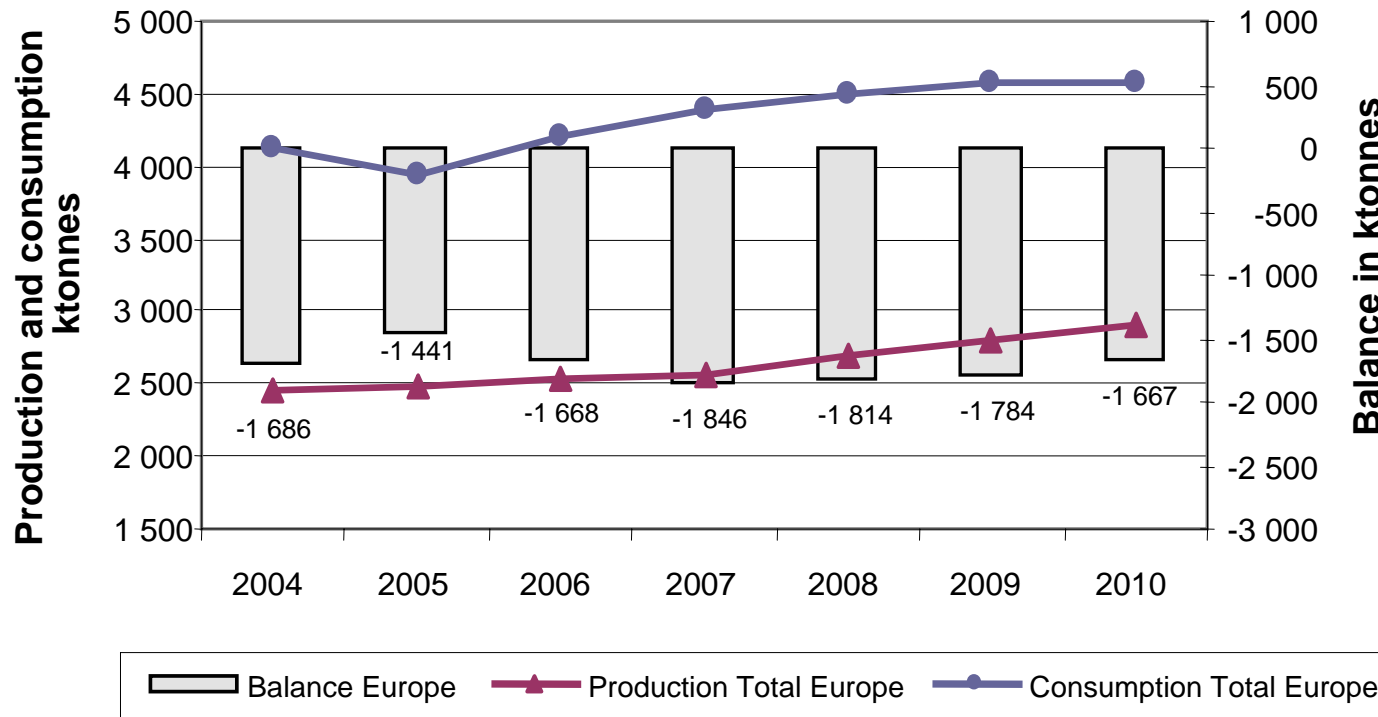
•First six months 2006 v.s. first six months 2005



LME Copper Price and Stocks



Demand for import of copper cathodes in Europe is still on a high level

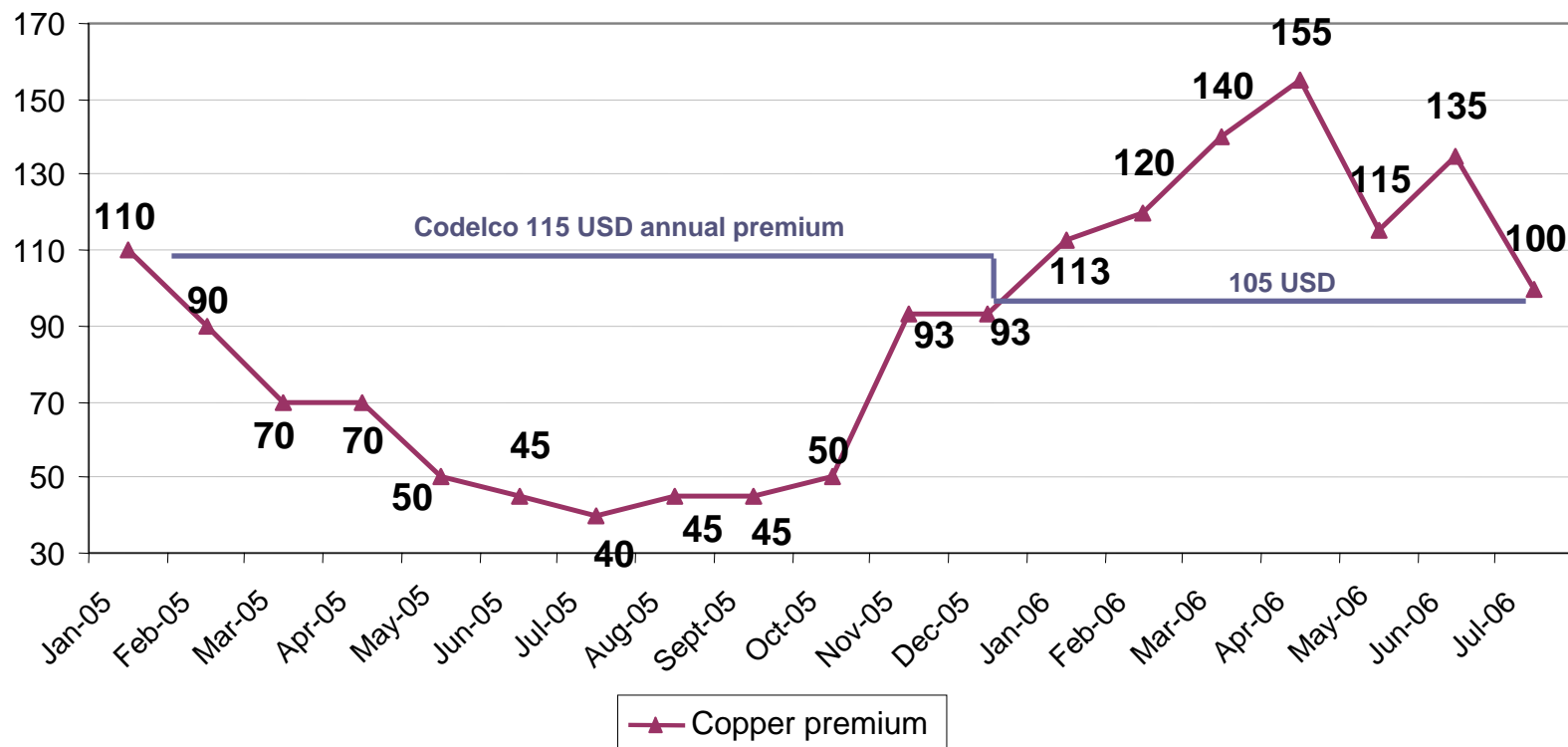


Source: Brook Hunt



Increased copper metal premium

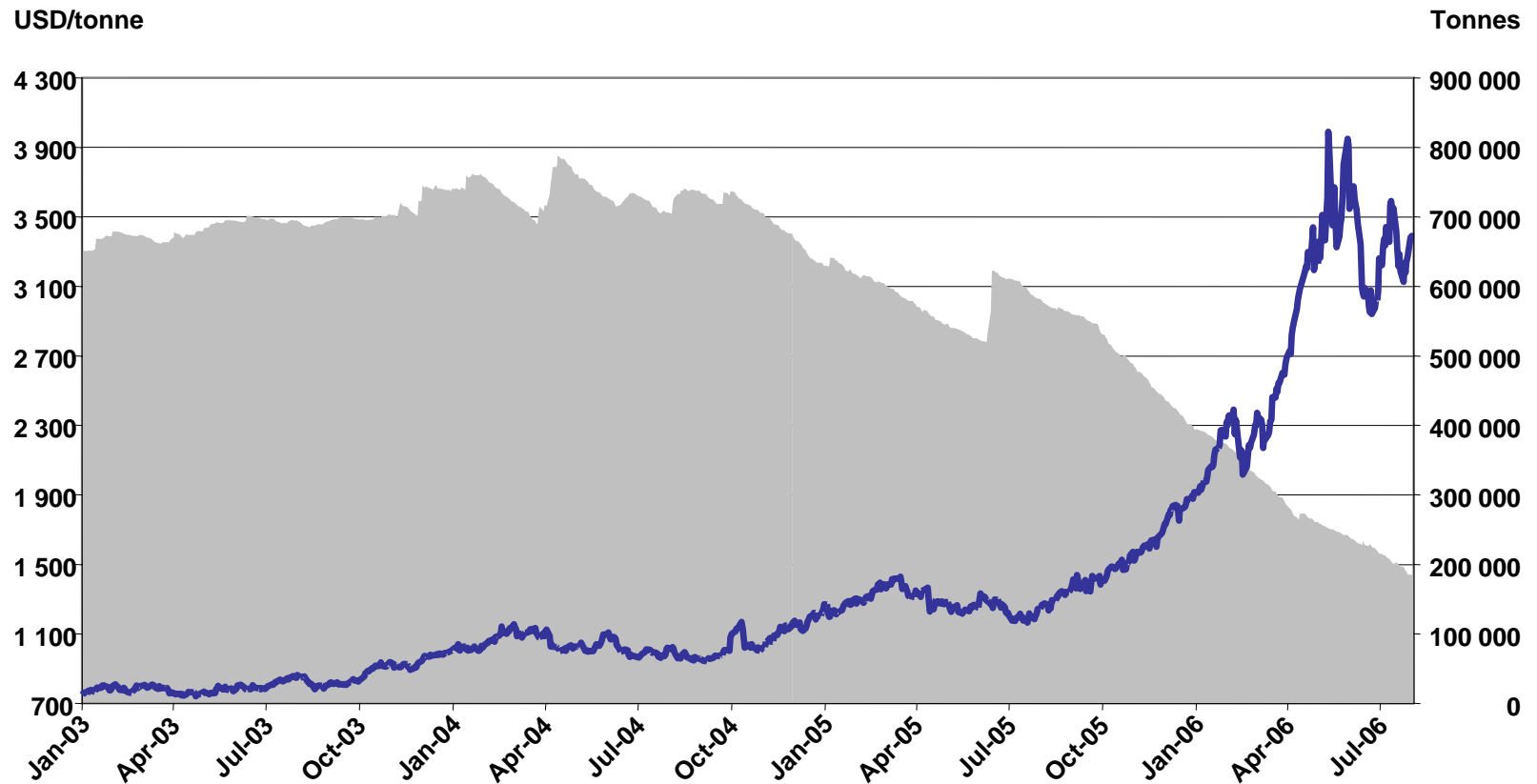
USD/tonne



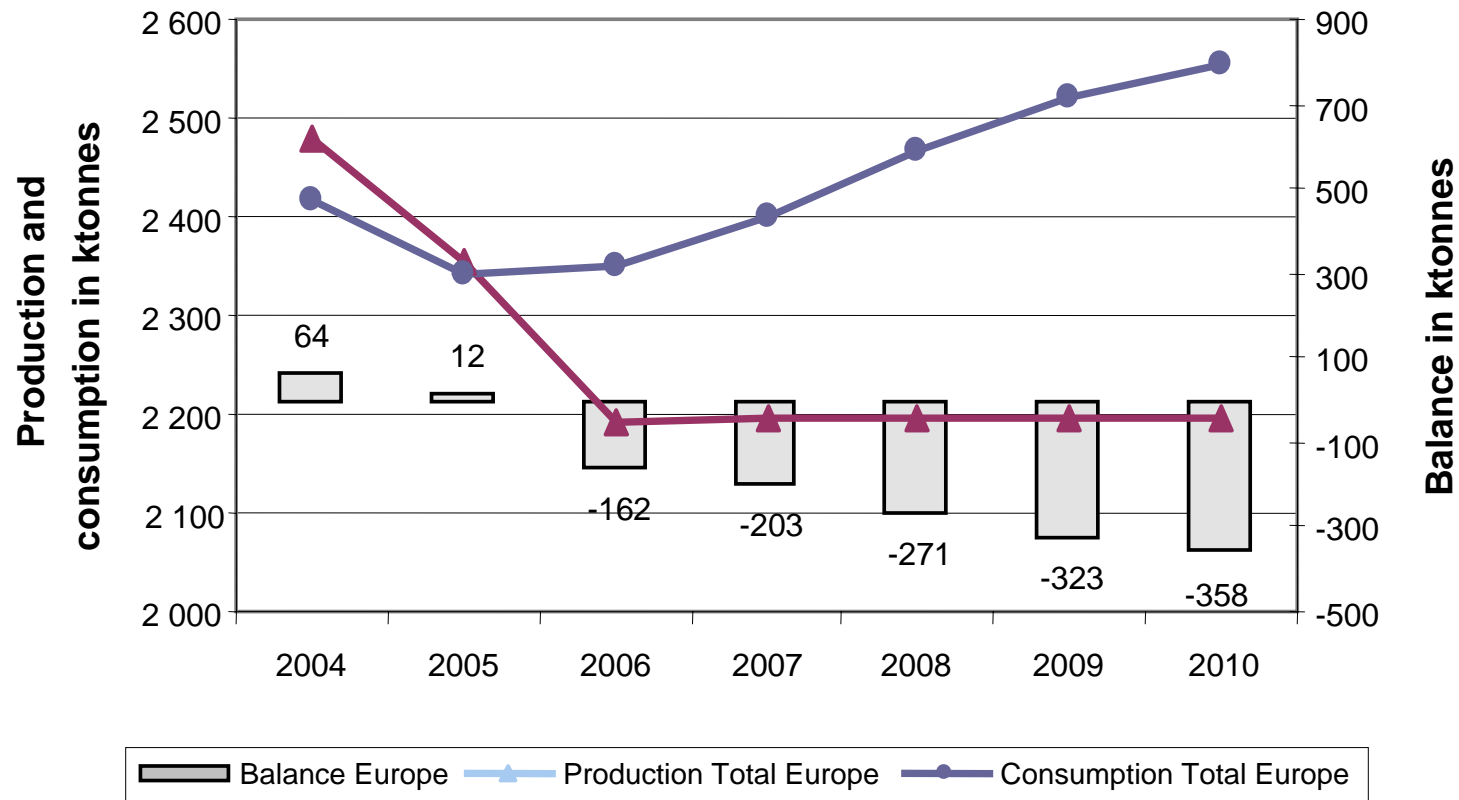
Source: CRU Monitor Zinc



LME Zinc Price and Stocks



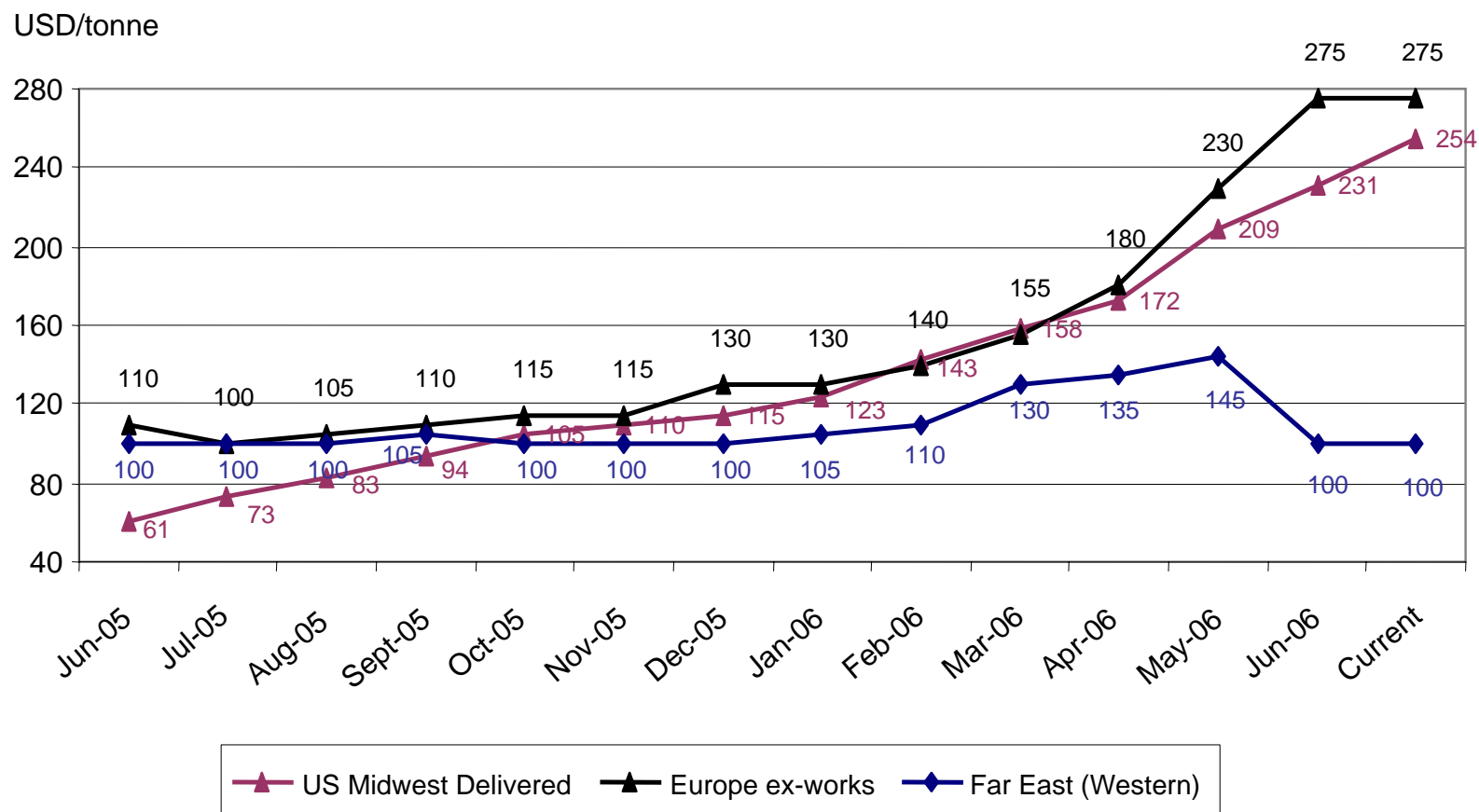
Increased demand for zinc import in Europe



Source: CRU Zinc Quarterly



Increased zinc metal premiums



Source: CRU Monitor Zinc, July 2006



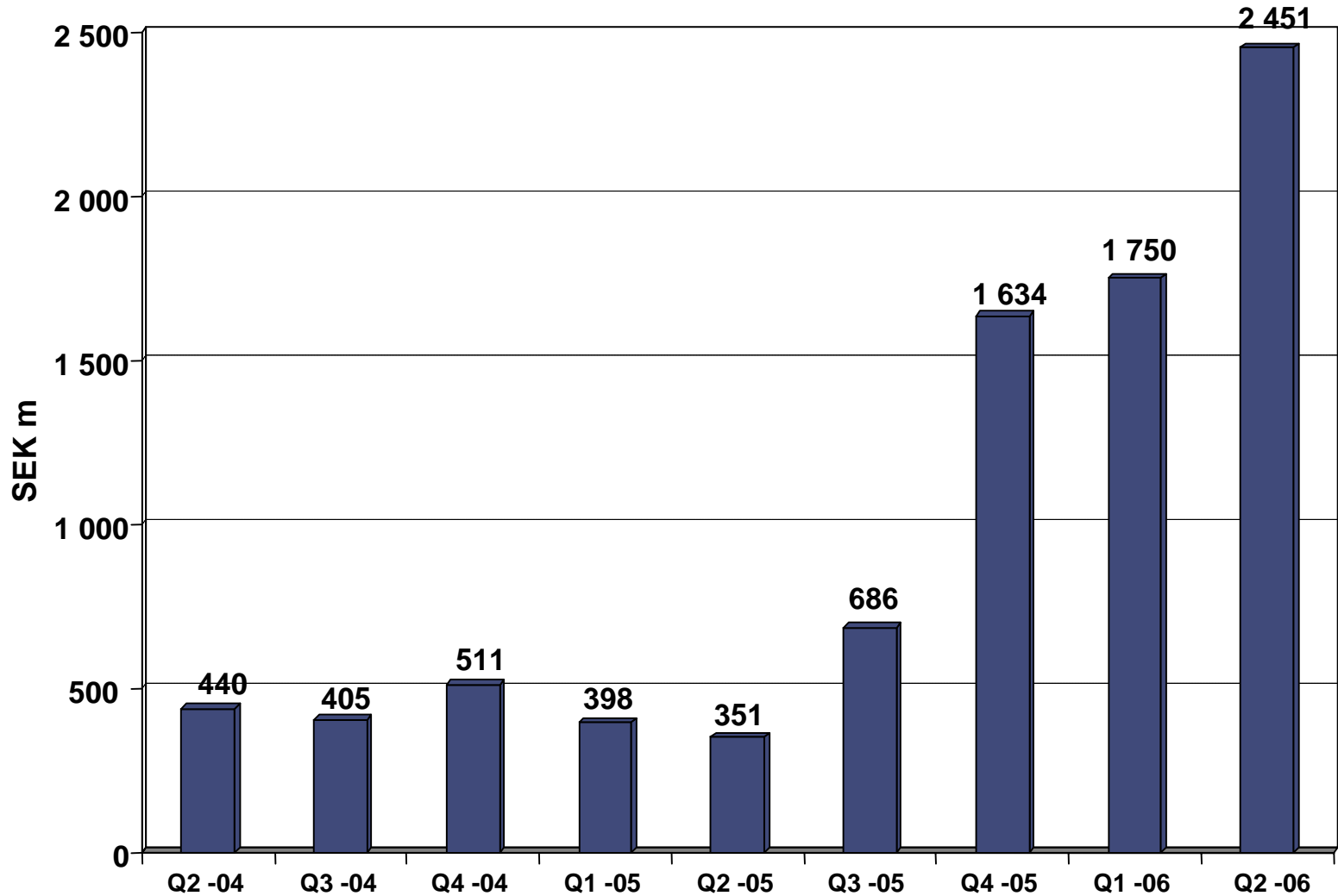
Strong global metal market – new record result

SEK m	Second quarter		Change	First six months		Change
	2006	2005	in %	2006	2005	in %
Net sales	8 850	4 687	89	16 186	9 144	77
Operating profit (EBIT)	2 451	351	598	4 202	749	461
Result after financial items	2 364	269	779	4 061	621	554
Earnings per share, SEK	6.01	0.57	954	10.29	1.46	605
Cash flow from operating activities	2 383	712	235	3 382	961	252
Return on capital employed, %	62	9		53	10	
Net debt/shareholders' equity, %	30	69		30	69	

- Higher 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.

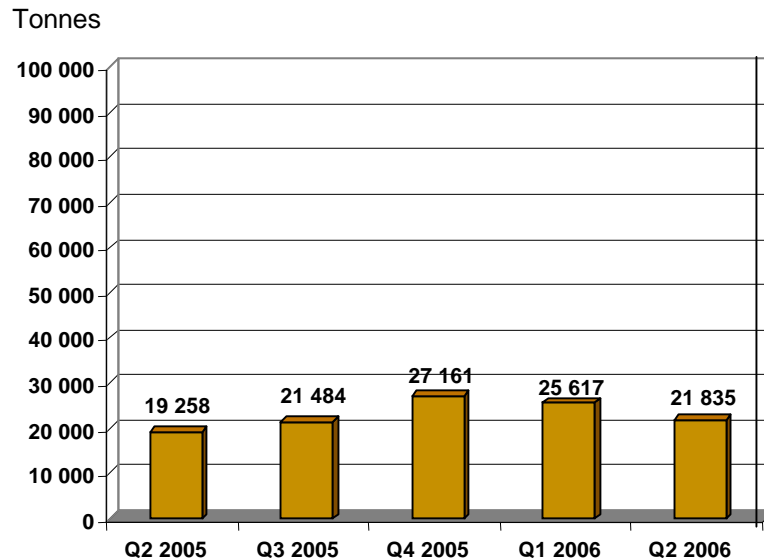


Operating profit – quarterly

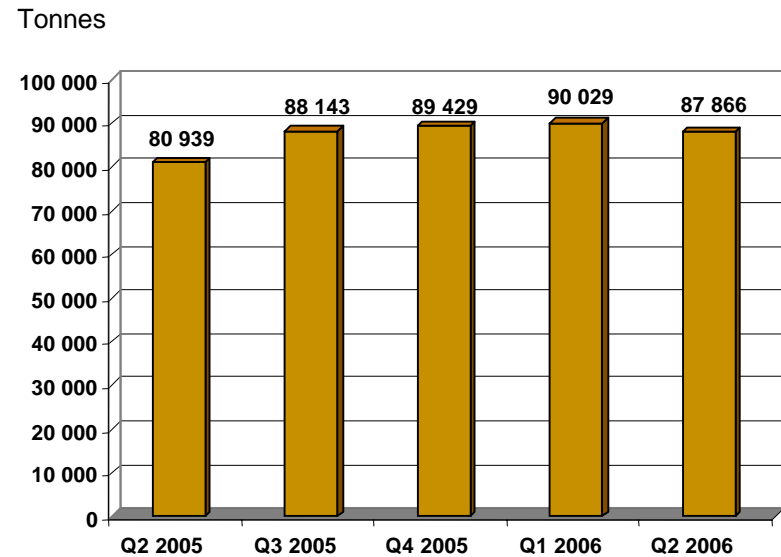


Production Copper

Mining production, metal content



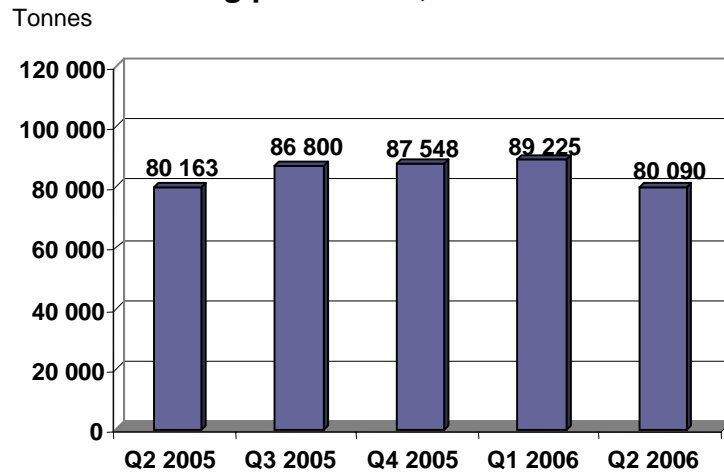
Smelter production, cathodes



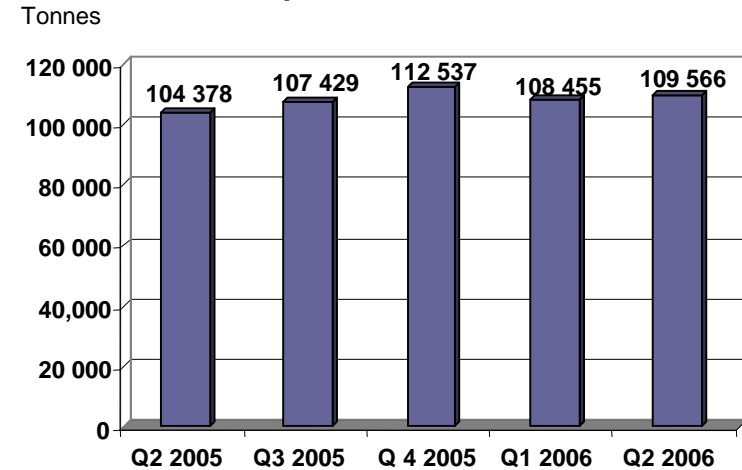
- Aitik – high mill throughput but lower grades during Q2 in comparison with Q1.
- Boliden Area – decrease in mill throughput and change in ore mix.
- Copper Smelters – high, stable production despite planned maintenance shutdowns.

Production Zinc

Mining production, metal content

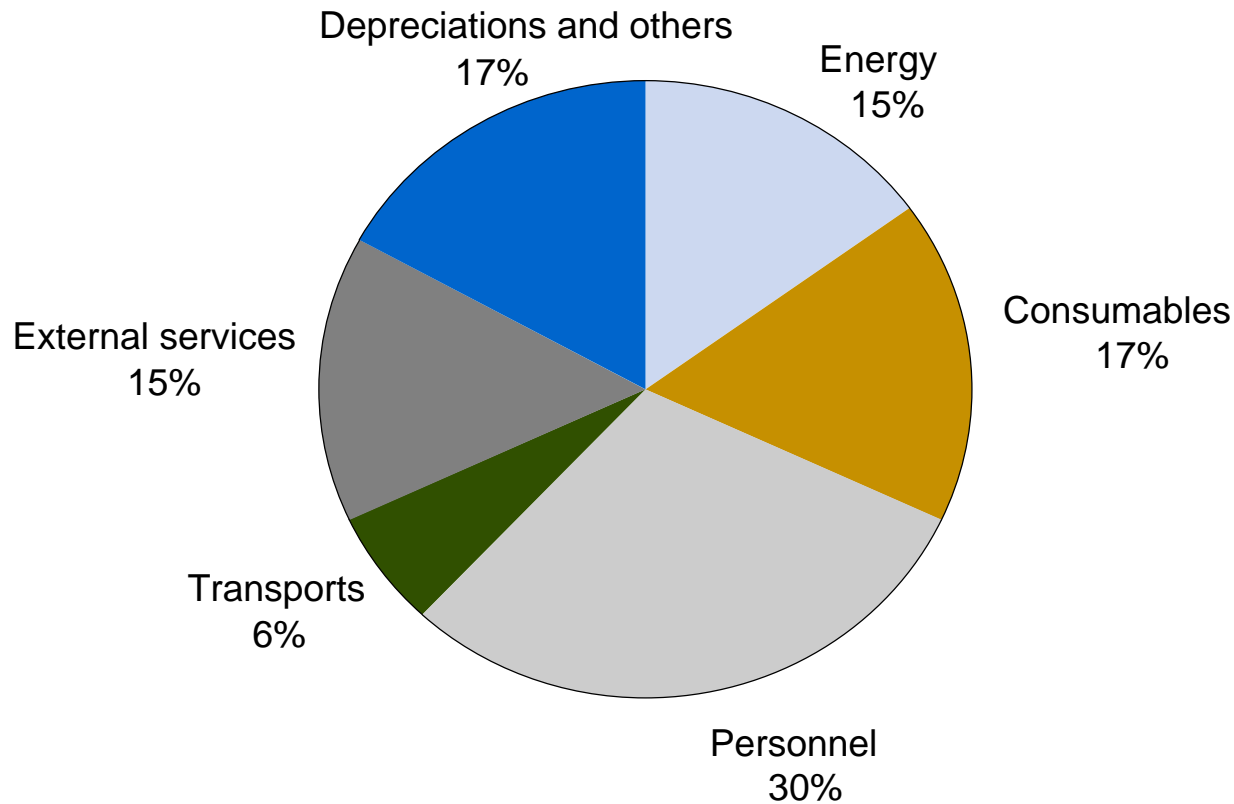


Smelter production, casted zinc



- Tara – high mill throughput but lower grades during Q2 in comparison with Q1.
- Boliden Area – decrease in mill throughput – final mining of Petiknäs.
- Garpenberg – healthy production with higher grades.
- Boliden Kokkola – stable production of zinc.
- Boliden Odda – improved production due to new direct leaching process.

Cost structure



Operating profit per segment

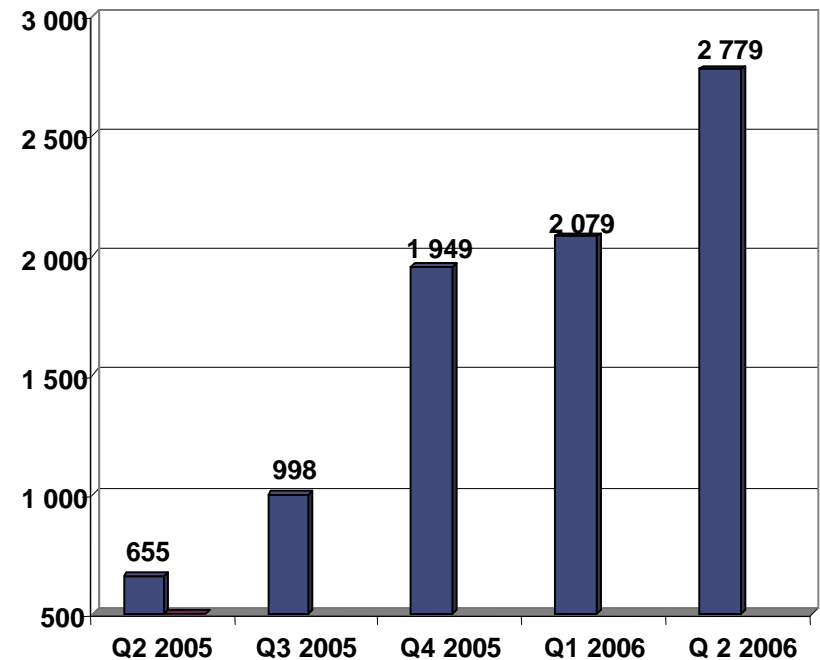
SEK m	Second quarter		Change in %	First six months		Change in %
	2006	2005		2006	2005	
Copper	1 025	224	358	1 758	455	286
Zinc	1 452	174	734	2 480	392	533
Other	-26	-47	-45	-36	-98	-63
Total	2 451	351		4 202	749	

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

Cash flow

- Cash flow from operating activities SEK 3 382 million (SEK 961 m).
- Cash flow from investment activities SEK -845 million (SEK -337 m).
- Free cash flow SEK 2 537 million (SEK 624 m).
- Net loan amortisation SEK 2 301 million (SEK 466 m).
- Dividend to shareholders SEK 579 million (SEK 0 m).

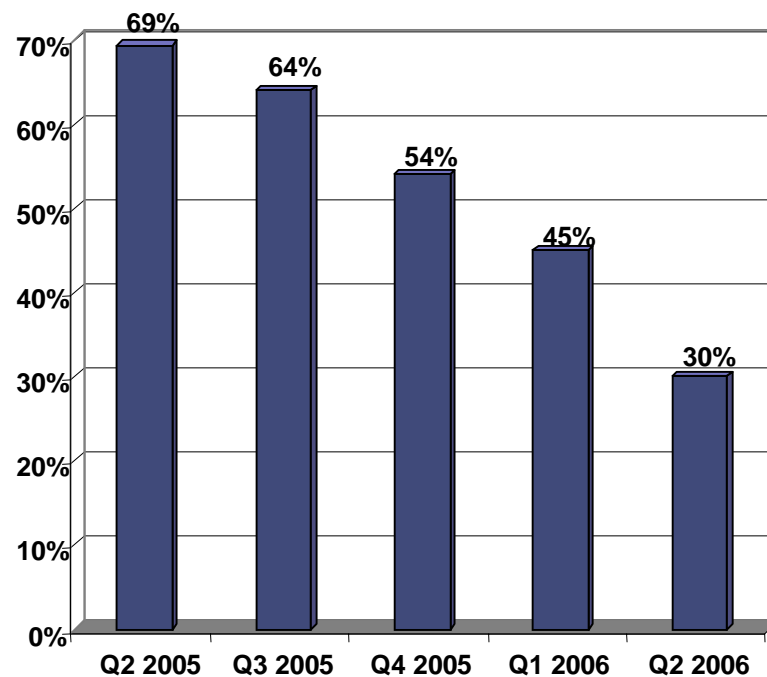
Operating profit before depreciation (EBITDA), SEK m



Capital structure

	30 June 2006	30 June 2005
Balance Sheet total, SEK bn	24.7	21.2
Capital employed, SEK bn	15.9	15.4
Shareholders' equity, SEK bn	11.8	9.3
Net debt, SEK bn	3.6	6.4
Gearing, %	30	69
Equity/assets ratio,%	47.5	43.8

Net debt / Shareholders' equity



Summary Q2 and forecast 2006

Summary

- Continued strong and stable growth in the global economy.
- Higher metal prices and US dollar exchange rate.
- Good production levels from all units – lower grades at Aitik and Tara.
- Result after financial items SEK 2 364 million (SEK 269 m).
- Production on planned levels early Q3 2006.

Forecasts

- Continued good market forecasts for Boliden's metals.

www.boliden.com



Mines



Smelters



Zinc



Copper

BOLIDEN