



Year-end Report

January – December 2011

Lennart Evrell

President & CEO

Mikael Staffas

CFO

Summary

Full year

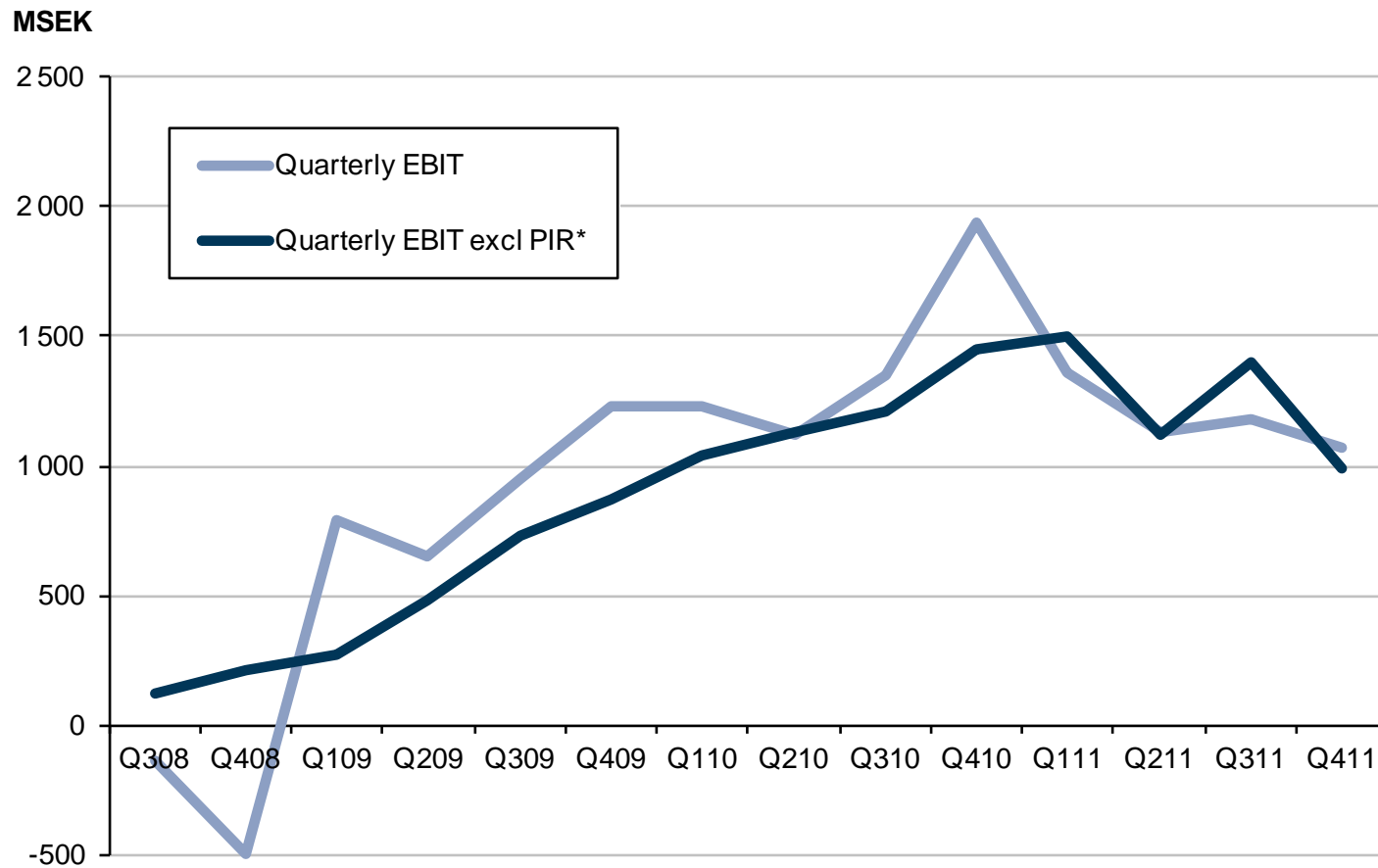
- Revenues MSEK 40,323 (36,716)
- EBIT ex PIR* MSEK 5,008 (4,830)
 - Operating profit MSEK 4,748 (5,643)
- Free Cash Flow MSEK -3 (3,202)
- Dividend 4 (5) SEK
- Projects on plan

Q4

- Revenues MSEK 9,716 (10,120)
- EBIT ex PIR* MSEK 991 (1,445)
 - Operating profit MSEK 1,075 (1,942)
 - 125 MSEK reclamation provision
- Free Cash Flow MSEK -482 (1,850)
- Lower prices
- High costs
- Exploration results

* PIR=Process Inventory Revaluation

Group EBIT Development



*Process Inventory Revaluation



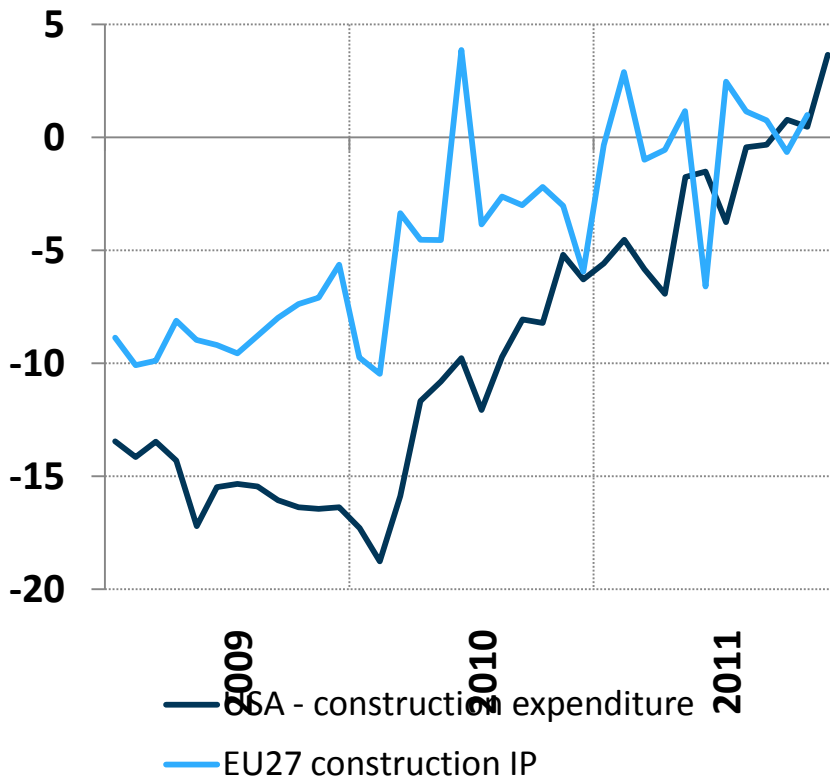
The Market

BOLIDEN

Construction

Change from the previous year %

USA and Europe



Source: Reuters Datastream

China

Fixed asset investments - urban areas

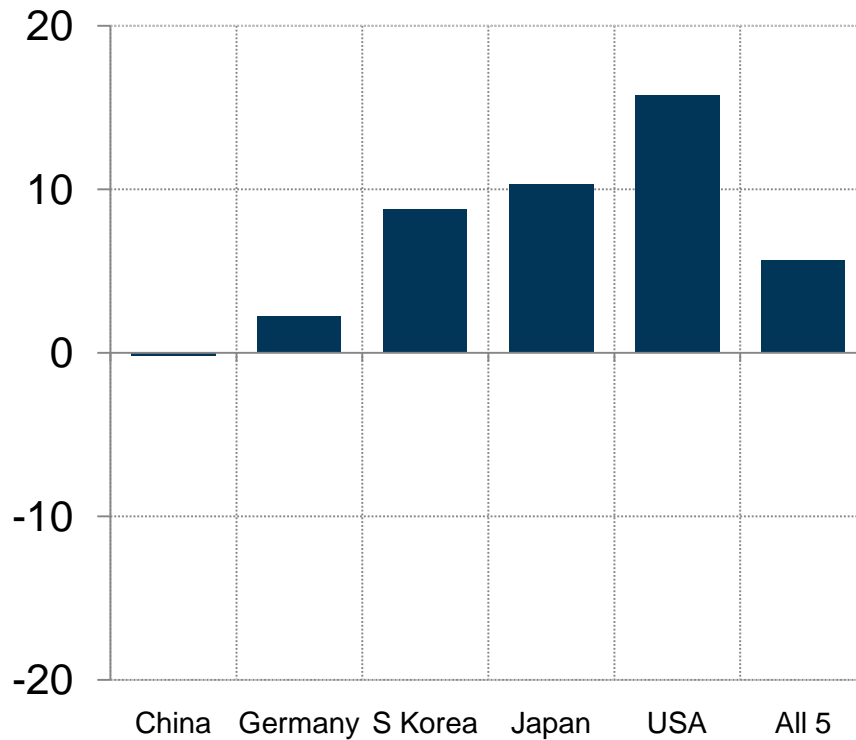


Source: Reuters Datastream

Car production

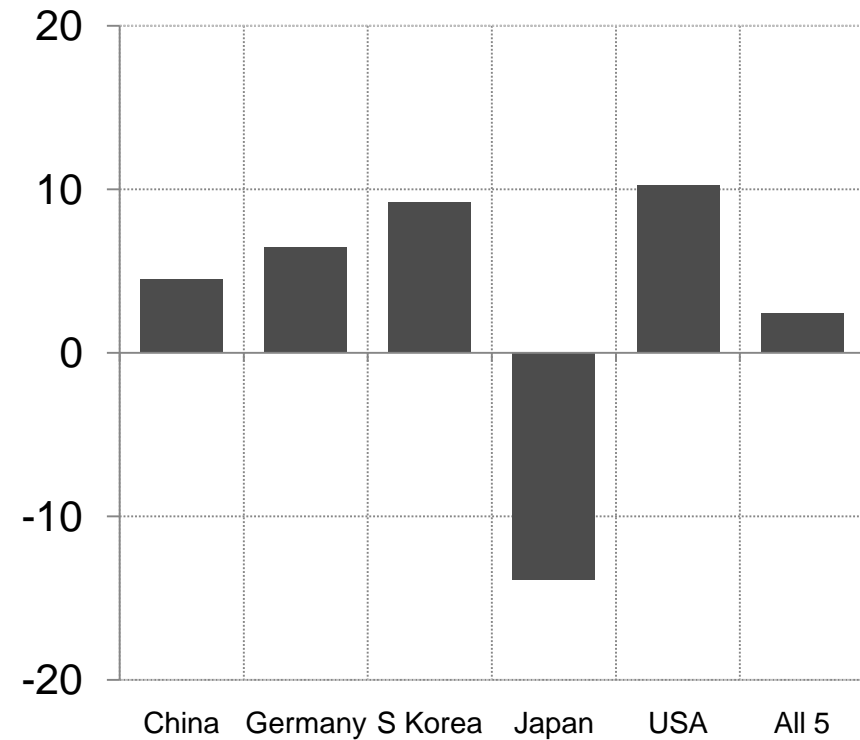
Change from the previous year %

Q4 2011



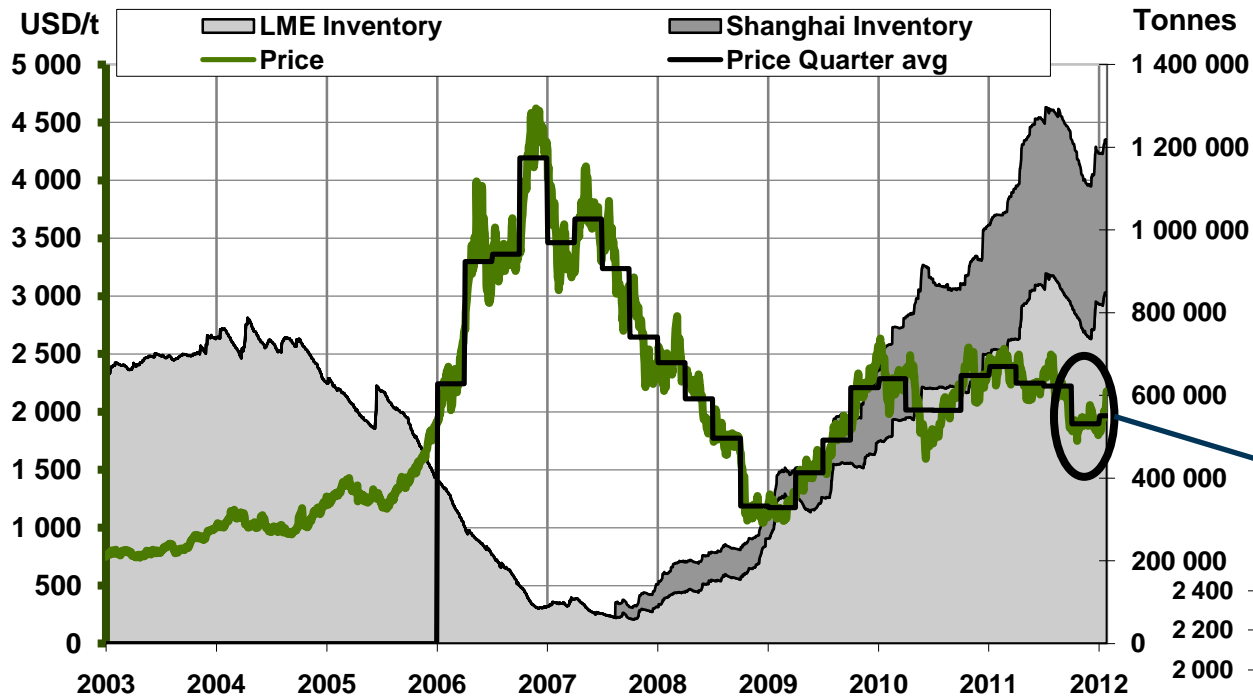
Source: Reuters Datastream, CRU, Wards Automotive

Full year 2011



Source: Reuters Datastream, CRU, Wards Automotive

Zinc price and inventories

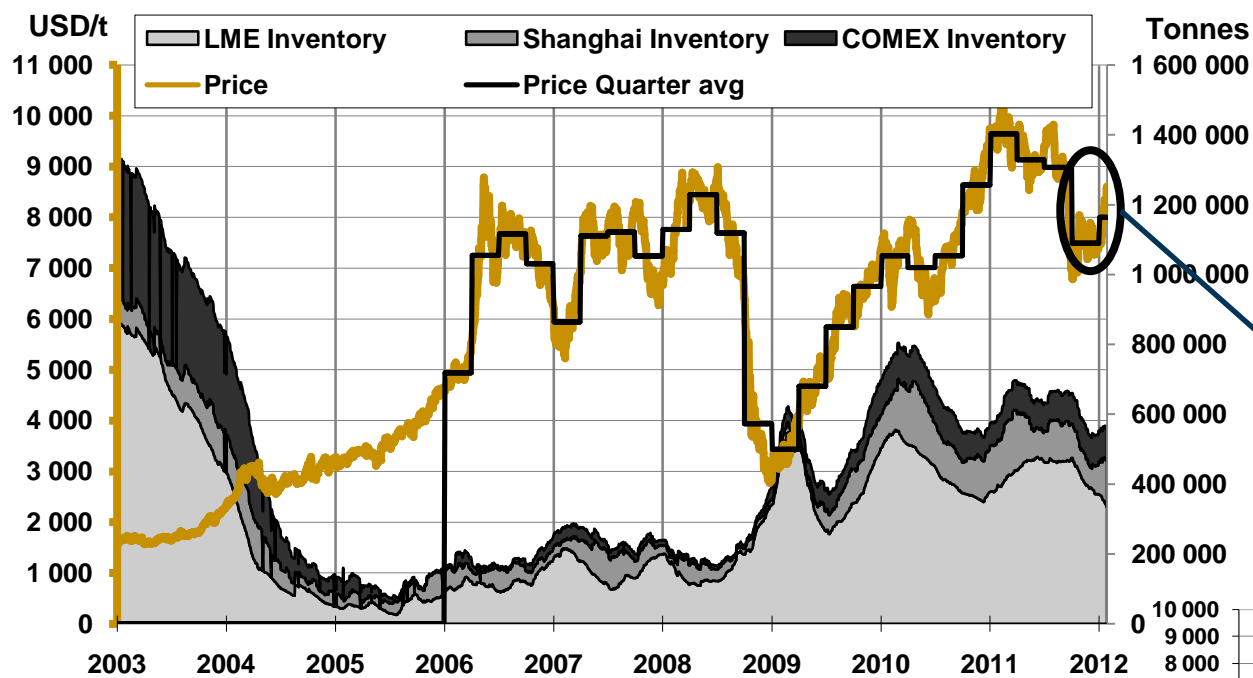


Zinc price (LME average)		
	USD/t	Q4-11 vs period
Q4 10	2,315	- 18%
Q1 11	2,393	- 20%
Q2 11	2,250	- 16%
Q3 11	2,224	- 15%
Q4 11	1,897	-

- Price down by 4% in the quarter
- Inventories down 3%



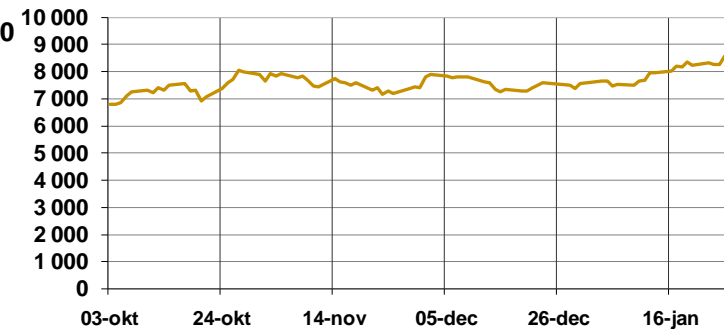
Copper price and inventories



Copper price (LME average)

	USD/t	Q4-11 vs period
Q4 10	8,634	- 13%
Q1 11	9,646	- 22%
Q2 11	9,137	-18%
Q3 11	8,982	- 17%
Q4 11	7,489	-

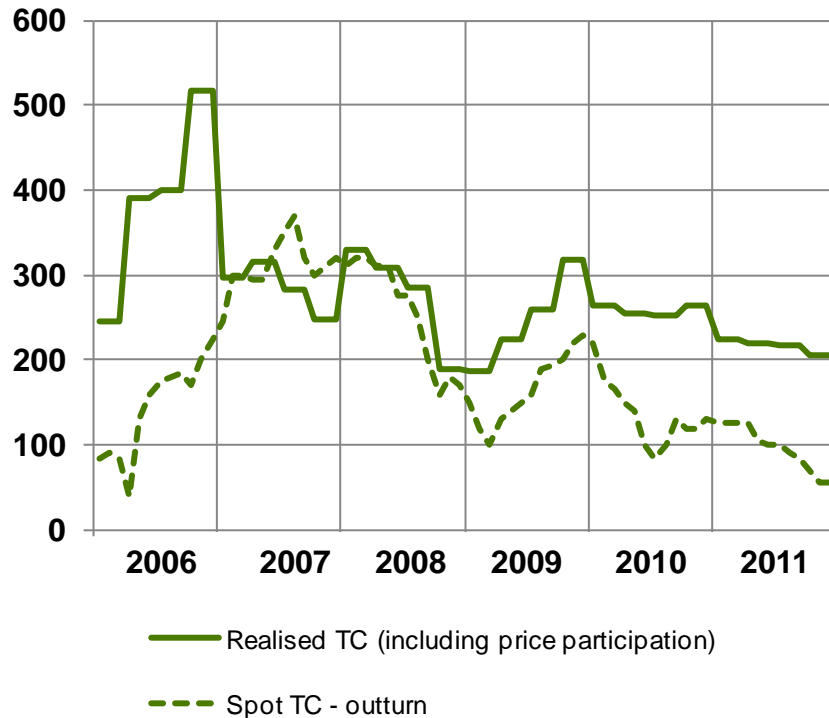
- Price increased by 6% in the quarter
- Inventories down 16%



Smelter treatment charges

Zinc

US\$/t concentrate

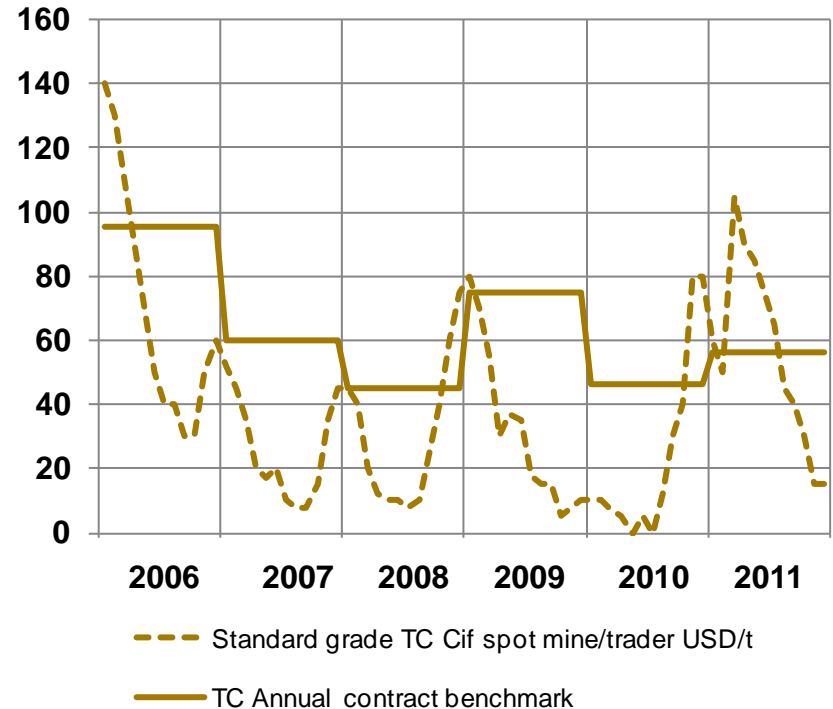


Source: © CRU (www.crugroup.com)

Spot to contract-gap has widened

Copper

US\$/t concentrate



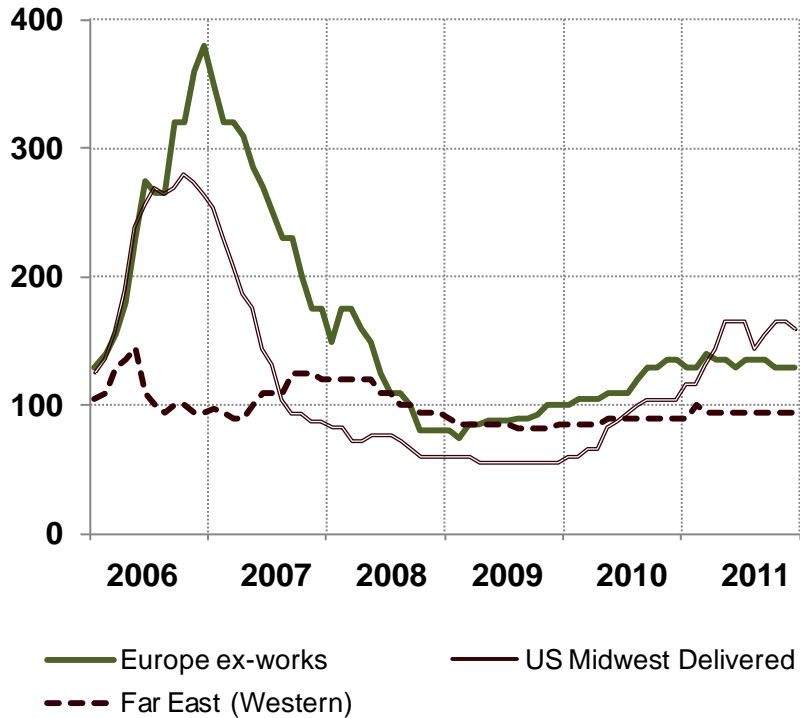
Source: © CRU (www.crugroup.com)

Shortage – spot below benchmark

Metal premiums

Zinc

US\$/t metal

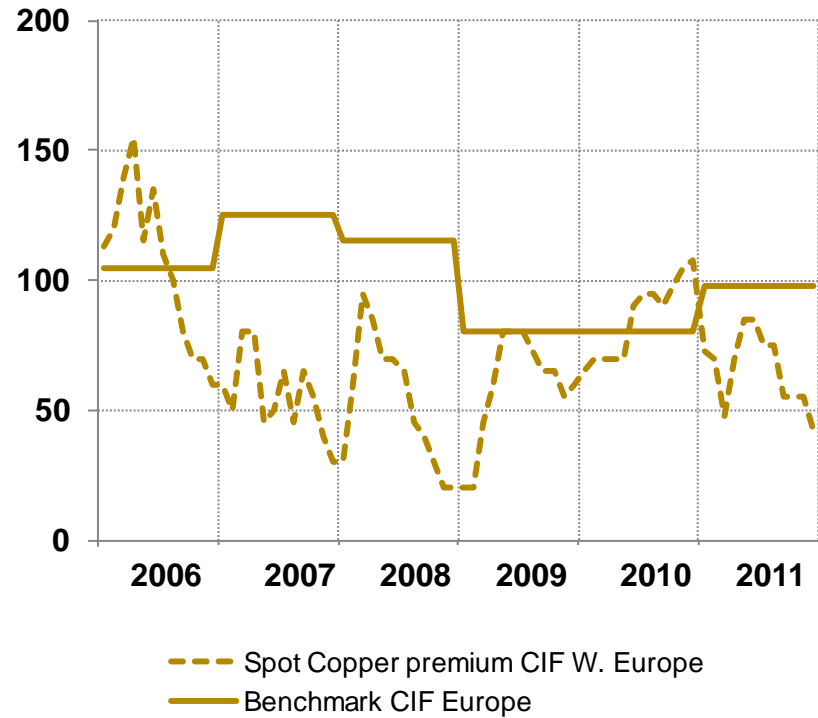


Source: © CRU (www.crugroup.com)

European premia stable through 2011

Copper

US\$/t metal



Source: © CRU (www.crugroup.com)

Spot below benchmark*

*According to analysts and research companies

Gold, Silver and Lead prices



Average prices Q4 2011 vs period

	Q4-10	Q3-11
Gold	+ 23%	- 1%
Silver	+ 21%	- 18%
Lead	- 17%	- 19%

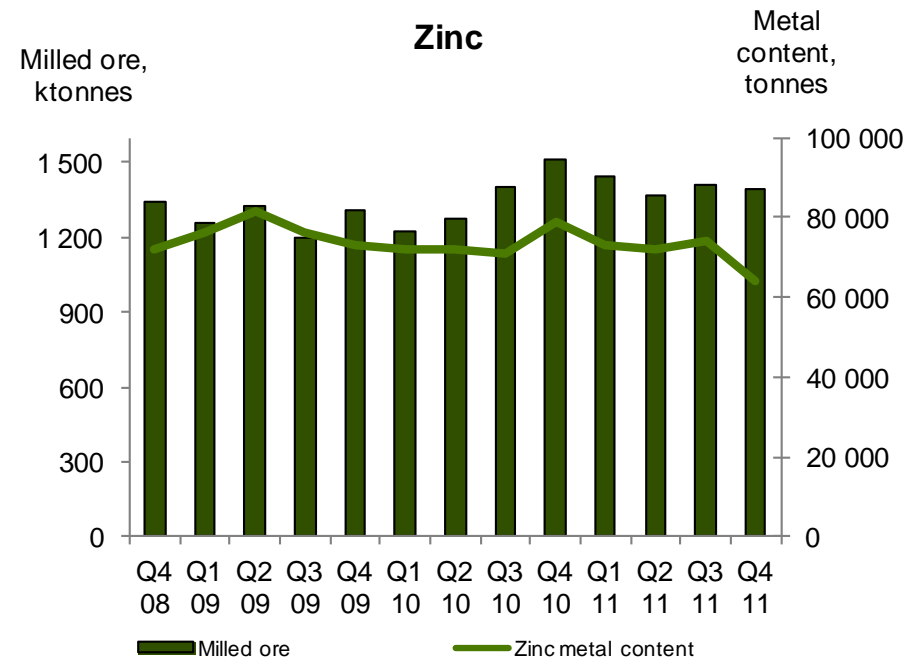
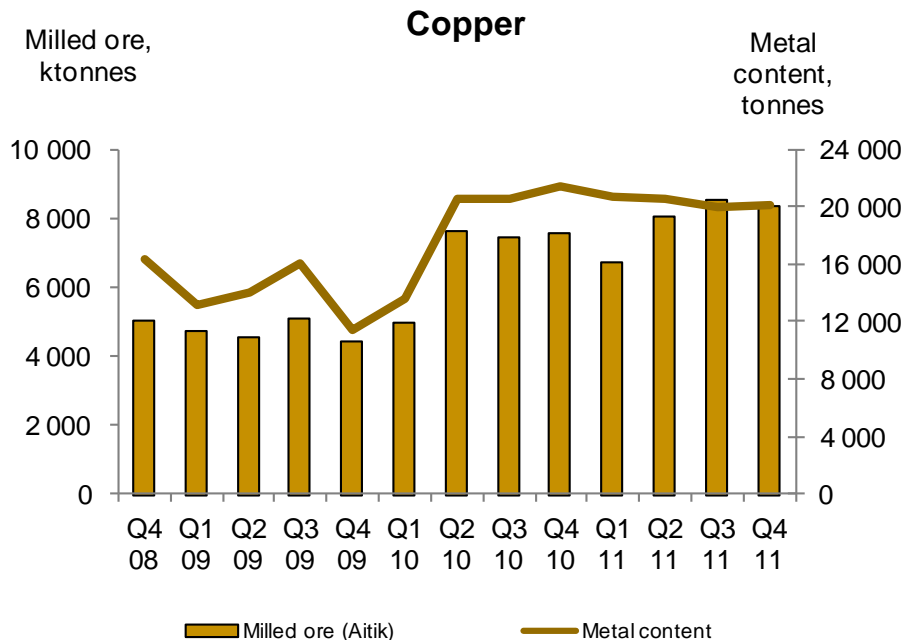


Business Area Mines



BOLIDEN

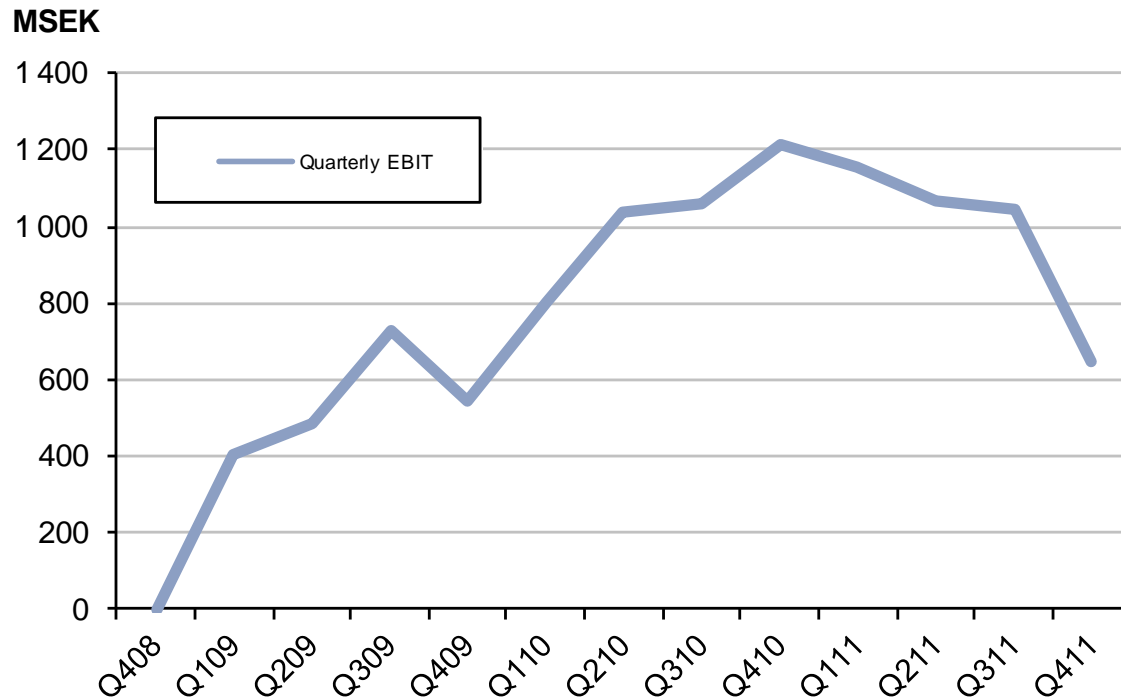
Mines – Production



- Mix Boliden – Aitik
 - Milled ore flat vs Q3, +10% vs PY
- Metal production
 - +1% vs Q3, Boliden area
 - -6% vs PY, lower grades in Aitik

- Milled ore -2% vs Q3 and -8% vs PY
- Metal production
 - Lower grades in Tara and Garpenberg
 - -13% vs Q3, -19 % vs PY

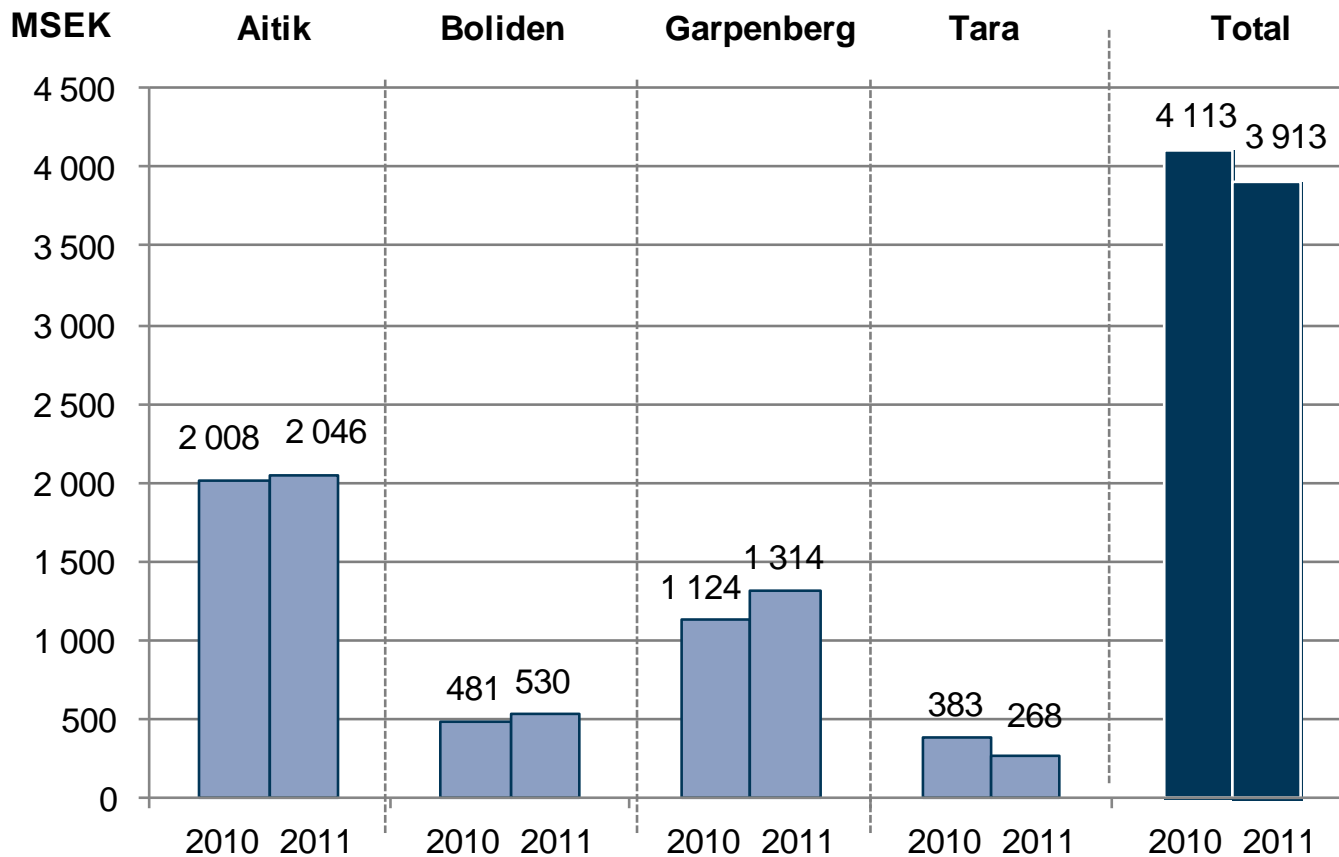
Mines - Financial Summary Q4



- EBIT 646 (1,217) MSEK
 - 1,047 MSEK in Q3 2011
- Provision reclamation costs 125 (80) MSEK
- Lower metal prices than Q3
 - Stronger USD/SEK
- High costs compared to Q3
 - External services and spare parts

Mines Full Year

EBIT by Unit





Ore Reserves & Mineral Resources

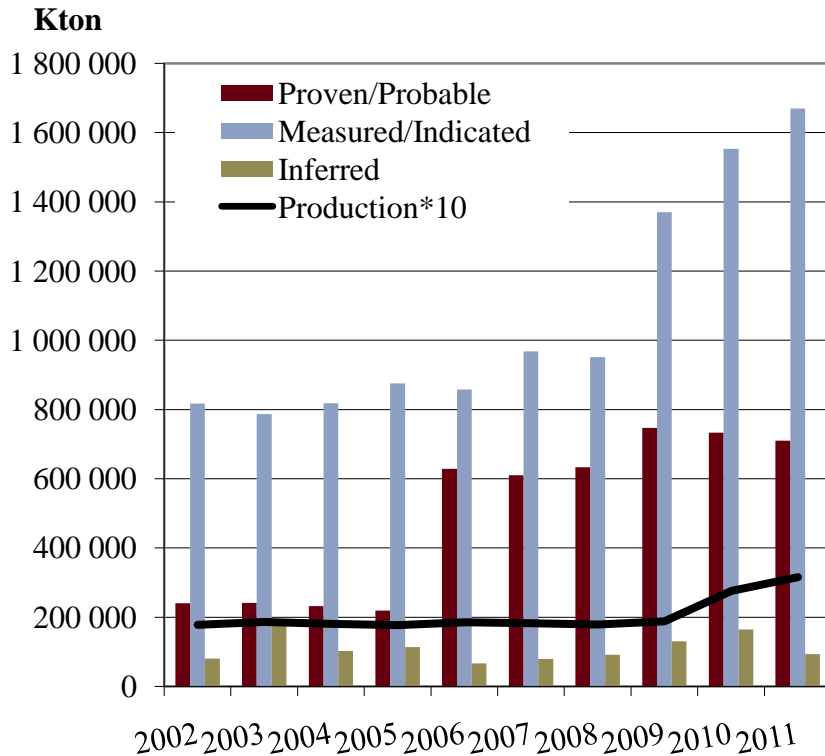
Mineral Reserves & Mineral Resources

- Increases in the Boliden Area
 - Mineral resources almost 30%
 - Mineral reserves by 10 %
 - Renström, Kristineberg
- Increased resources in Aitik and Garpenberg
- Modest decrease in Tara
- Exploration in 2011 282 (229) MSEK
 - 190 000 m drilled (140 000)



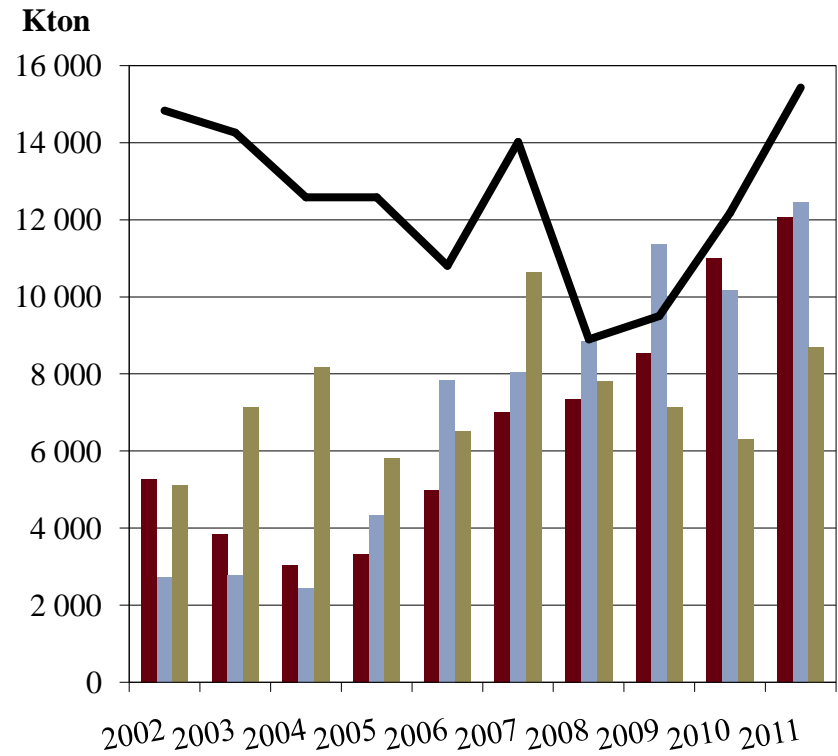
Boliden Area and Aitik

Aitik



- Mineral reserves -3% - less than prod.
- Mineral resources +3%

Boliden Area

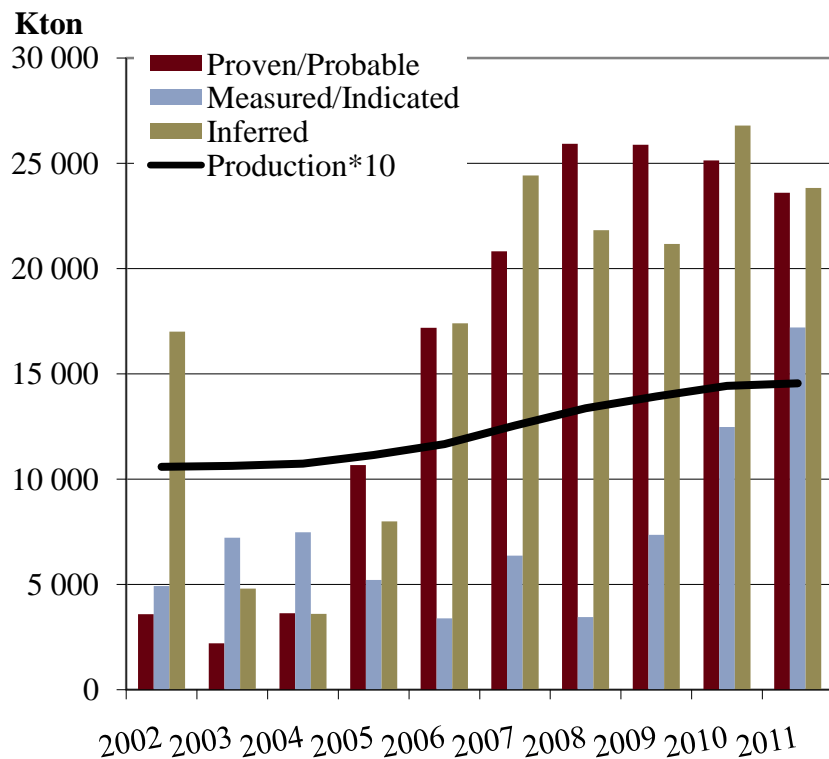


- Mineral reserves +10%
- Mineral resources +28%
- Renström and Kristineberg mines



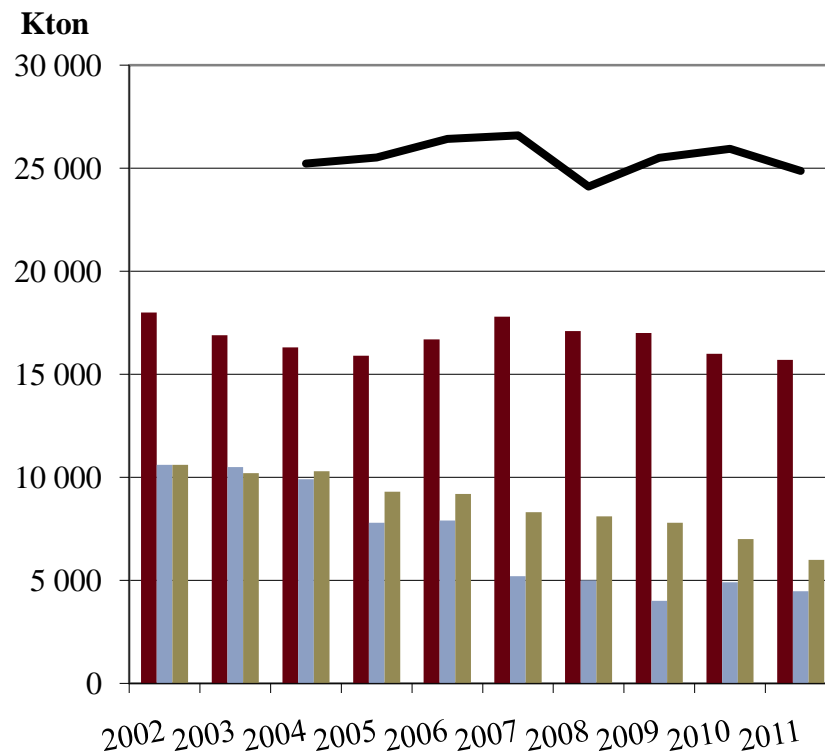
Garpenberg and Tara

Garpenberg



- Mineral reserves -6%
- Mineral resources +4%
- Maintained potential

Tara



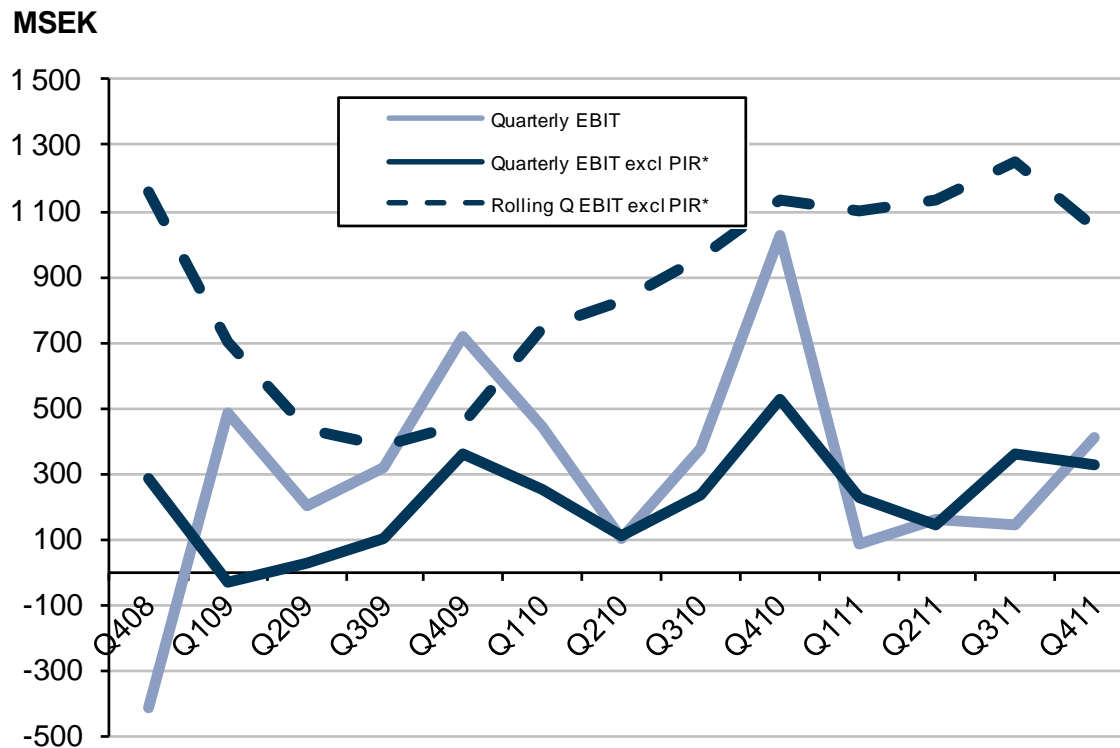
- Mineral reserves -2%
- Mineral resources -12%



Business Area Smelters

BOLIDEN

Smelters – Financial Summary Q4

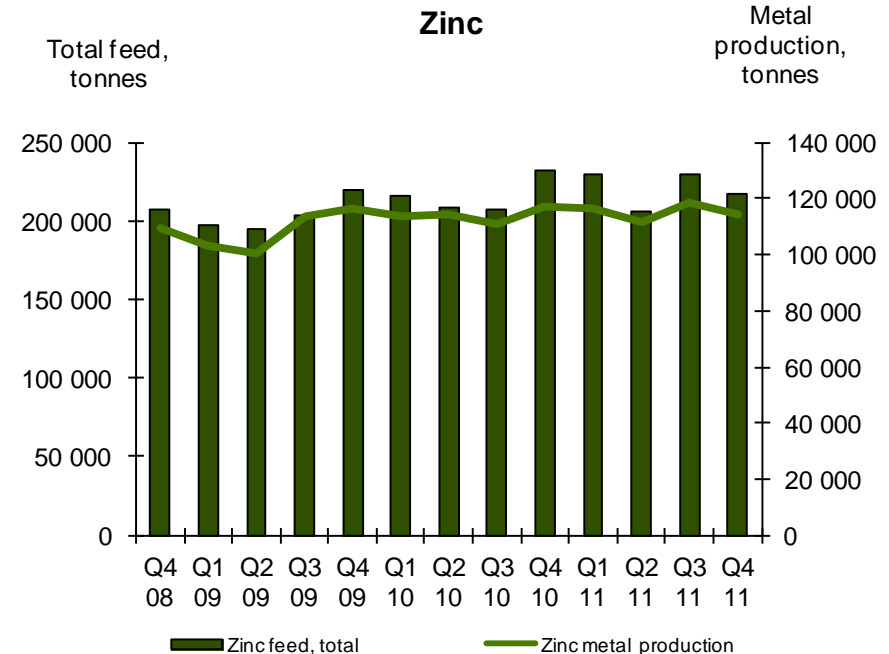
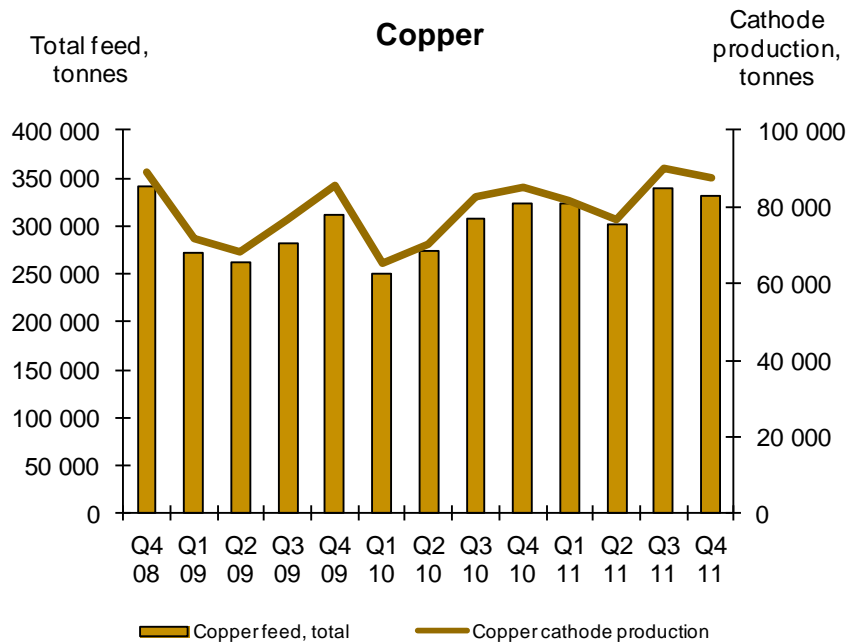


- EBIT excl. PIR*
 - MSEK 326 (530) in Q4
 - MSEK 356 in Q3
- E-scrap prioritized Q4 (and Q3)
- Lower metal prices, TC, premiums vs Q3
- Higher volume and prices bi-products vs Q3
- E-scrap expansion, initial production in Q1

* Process Inventory Revaluation



Smelters – Production

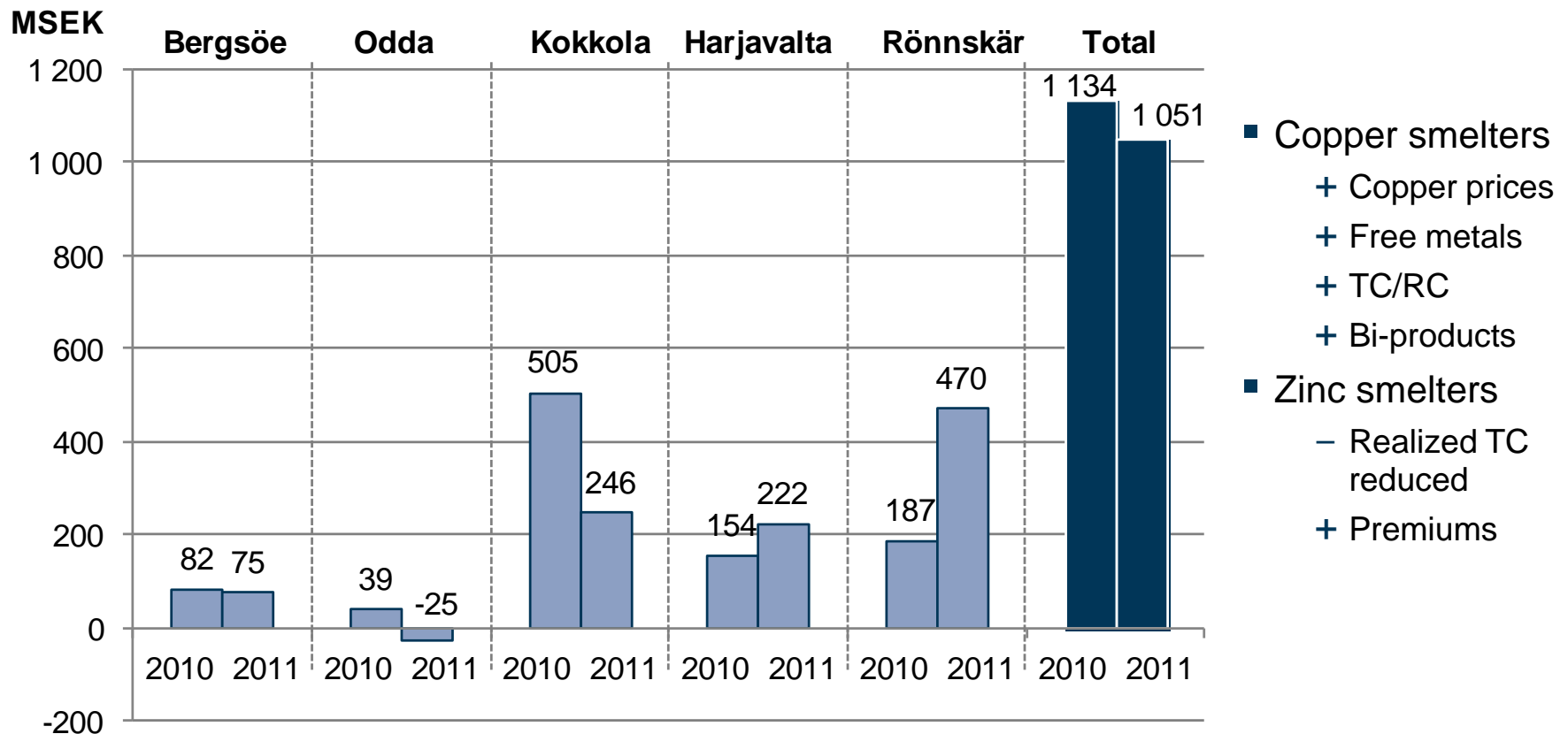


- Rönnskär strong performance
- Lower stability Harjavalta
- High e-scrap volumes 60 kton/y pace

- Kokkola - 6 % compared to Q3
- Odda, -3 % compared to Q3

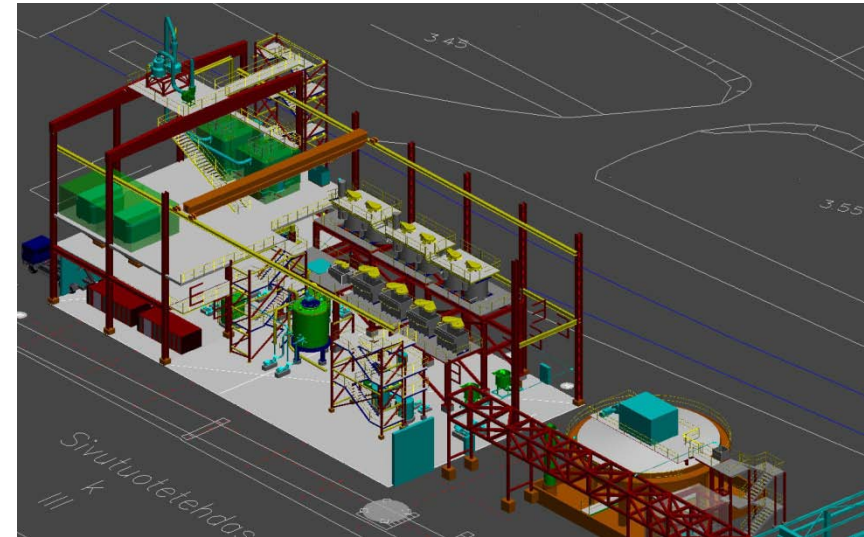
Smelters Full Year

EBIT excl PIR by Unit



Silver recovery at Kokkola

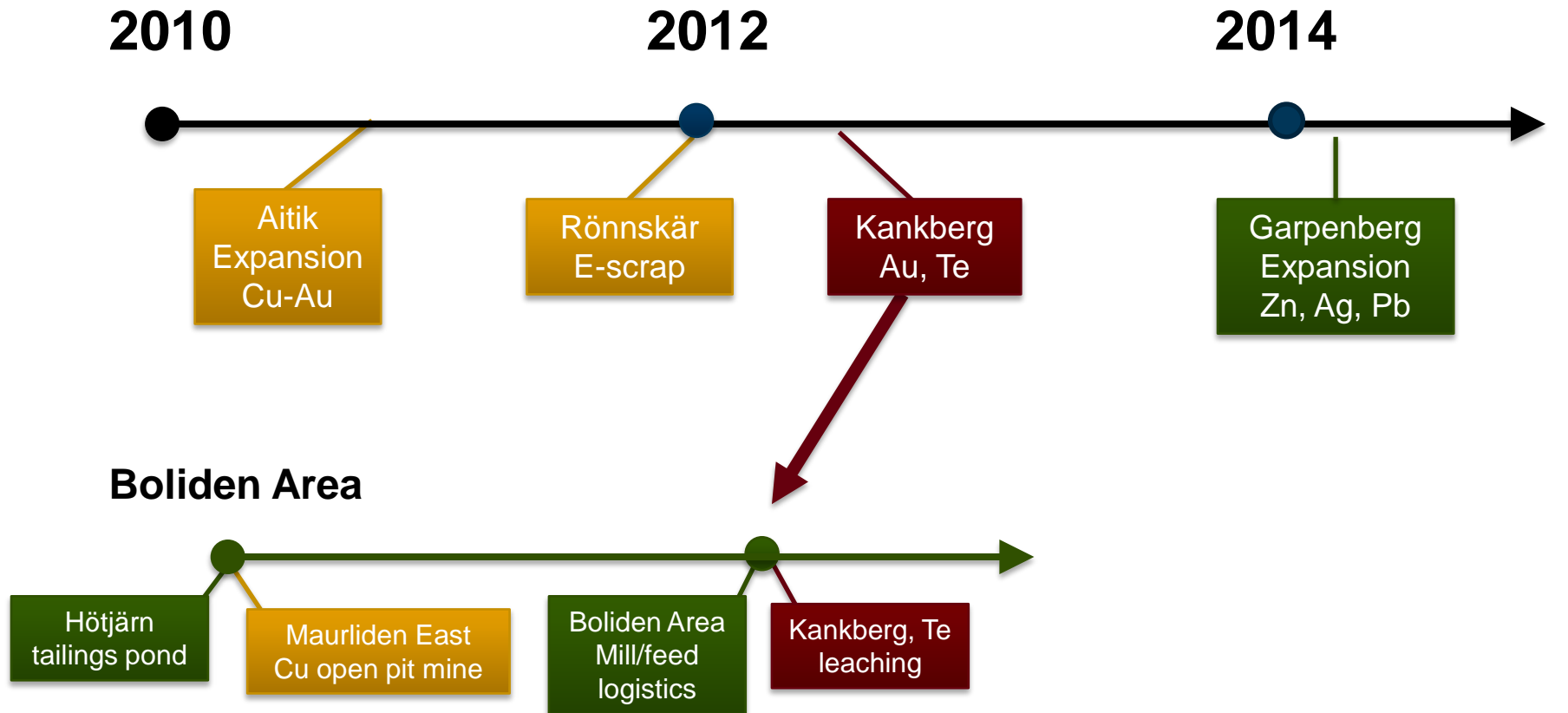
- Increasing silver content in Zn concentrates
- Higher silver prices
- Proven technology
- 25 tonnes silver, depending on raw material
- Production Q3 2014
- Capex 27 MEUR
- High return





Expansion projects

Project portfolio



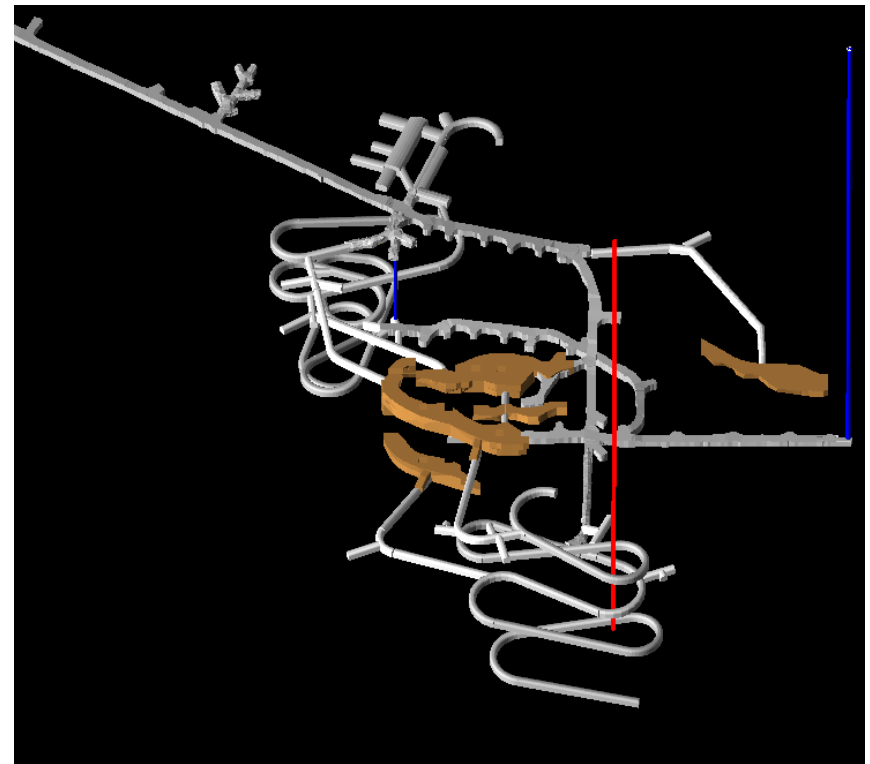
Aitik expansion 2010-2014

- Status February 2012
 - Ramping up continues
 - Refurbishment in Q1 2012 of one crusher
 - Next crusher summer 2012



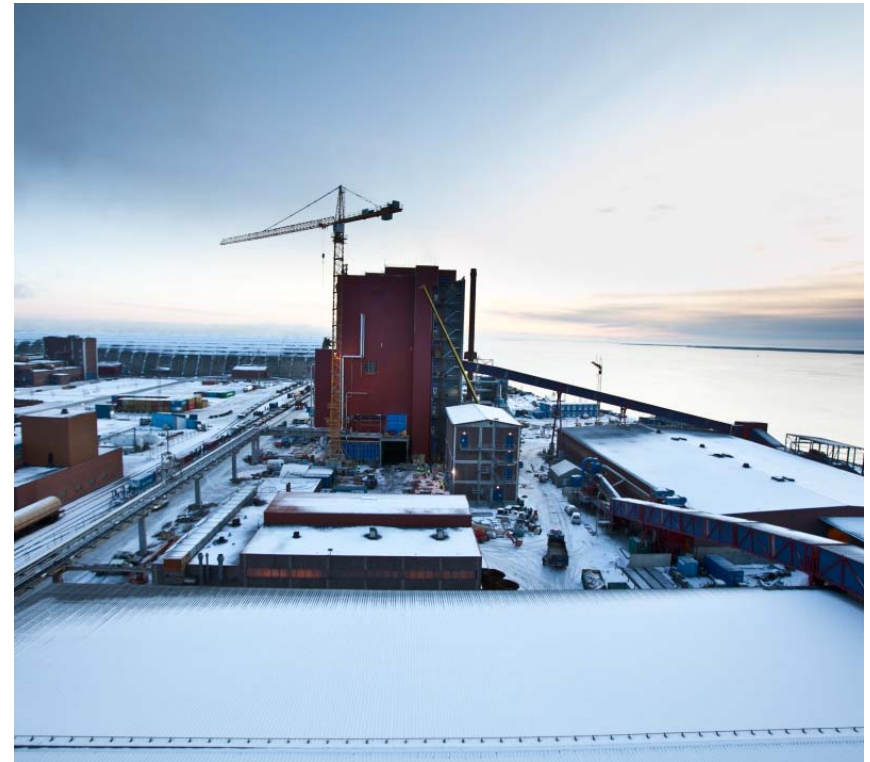
Kankberg – mid 2012

- Production
 - Ore 320 ktonnes
 - Gold 1,150 kg¹⁾ (high yearly variations)
 - Tellurium 41 tonnes¹⁾
- Start mid 2012, life of mine 2020
- Capex: MSEK 475
- Status February 2012
 - Many access ramps ready
 - Gold/Tellurium equipment on plan
 - Gold production Q3
 - Tellurium production Q4



E-scrap expansion - 2012

- No 1 electronics recycling plant
- 120,000 tonnes/year
 - 2 tonnes gold
 - 14,500 tonnes copper
- Electronics from phones, computers
- Capex MSEK 1,300
- Status February 2012
 - Test production started in January
 - Full capacity during Q2



18 January 2012



BOLIDEN

Garpenberg expansion - 2014

- Ore production from 1.4 to 2.5 mtonnes
- New concentrator
- Shafts and underground infrastructure
- Production start 2014
- Capex: SEK 3.9 billion

- Status February 2012
 - Underground developments on plan
 - Environmental permit January 2012
 - Concentrator construction starts
 - On plan





Financials

Financial Summary

MSEK	Q4 2011	Q4 2010	YTD 11	YTD 10
Revenues	9 716	10 120	40 323	36 716
Operating profit (EBIT)	1 075	1 942	4 748	5 643
EBIT excl Process Inventory Revaluation	991	1 445	5 008	4 830
Free cash flow	-482	1 850	-3	3 202
Capex	1 368	1 025	4 045	2 996
Earnings per share, SEK	2,88	5,17	12,39	14,47
Gearing, %	29	24	29	24
ROCE, %			17	21

Group EBIT Q4 2011 versus Q3 2011

MSEK	Q4 2011	Q4 2010	Q3 2011
EBIT	1 075	1 942	1 180
Process Inventory revaluation	84	496	-216
EBIT excl Process Inventory	991	1 445	1 397
Revaluation			
Deviation		-454	-405
Specification of deviation			
Volume		-199	18
Prices & Terms		-340	-214
Metal prices and terms		-514	-299
Realised Metal- & Currency hedge*		222	147
TC/RC terms		-68	-47
Premiums		20	-15
Currency effects		-33	96
w hereof translation effects		0	10
Costs		-69	-178
Depreciation		-23	13
Internal profit elimination		246	-22
Others		-37	-119
Deviation		-454	-405
*Result for respective period			
Realised Metal- & Currency hedge	190	-33	43

Metal prices down 15-20%

Positive hedge effect Q4

USD/SEK + 4 %
EUR/USD - 5 %

External services and seasonal effects

125 MSEK for reclamation

Group EBIT Q4 2011 versus Q4 2010

MSEK	Q4 2011	Q4 2010	Q3 2011
EBIT	1 075	1 942	1 180
Process Inventory revaluation	84	496	-216
EBIT excl Process Inventory	991	1 445	1 397
Revaluation			
Deviation		-454	-405
Specification of deviation			
Volume		-199	18
Prices & Terms		-340	-214
Metal prices and terms		-514	-299
Realised Metal- & Currency hedge*		222	147
TC/RC terms		-68	-47
Premiums		20	-15
Currency effects		-33	96
w hereof translation effects		0	10
Costs		-69	-178
Depreciation		-23	13
Internal profit elimination		246	-22
Others		-37	-119
Deviation		-454	-405
*Result for respective period			
Realised Metal- & Currency hedge	190	-33	43

Lower grades

Base metals down
approx 15%
Precious up approx 20%

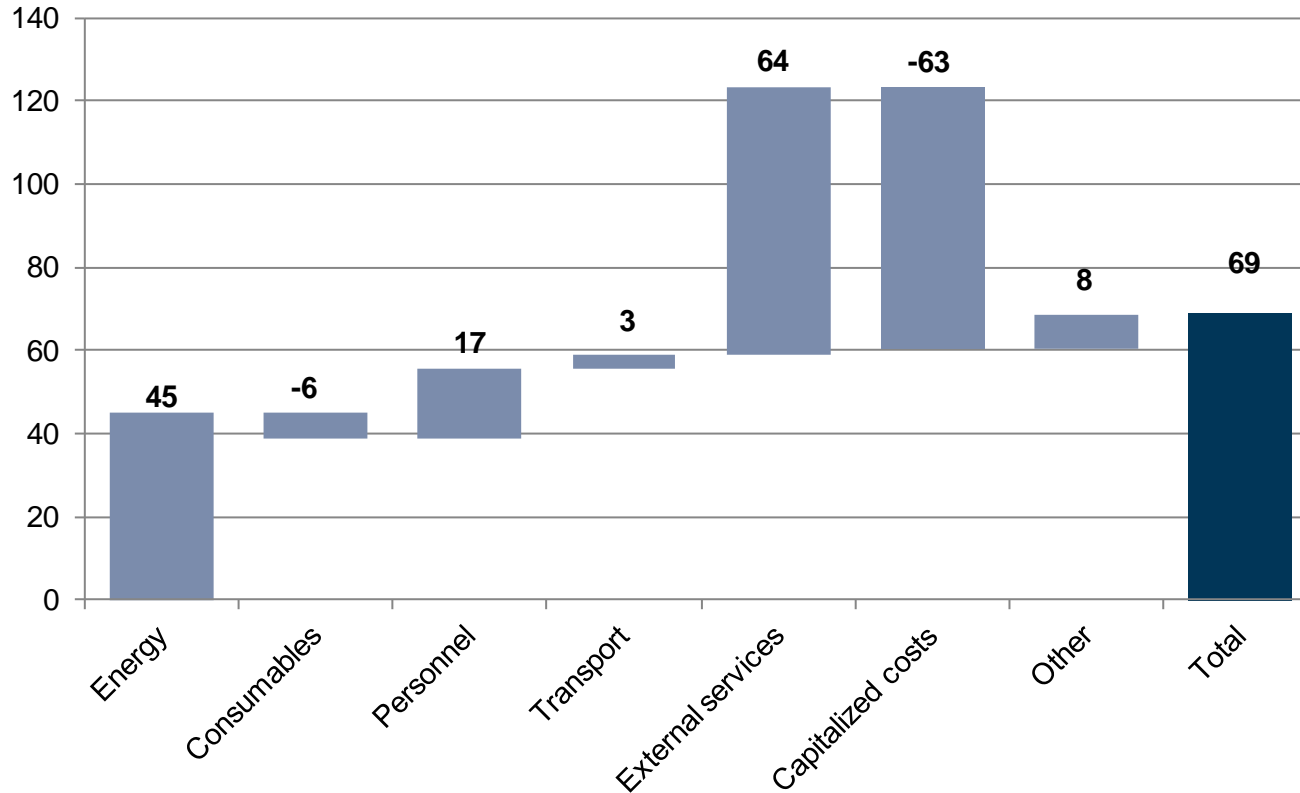
Positive hedge effects

Cost increases
external services and
energy

Cost development Q4 2011 vs Q4 2010

MSEK

(adjusted for transl differences)



Cost break-down and actions

- High inflation
- Staffing up Kankberg Gold mine towards end of quarter
- Cost overruns in Aitik – actions initiated
 - Crushers
 - Conveyor system

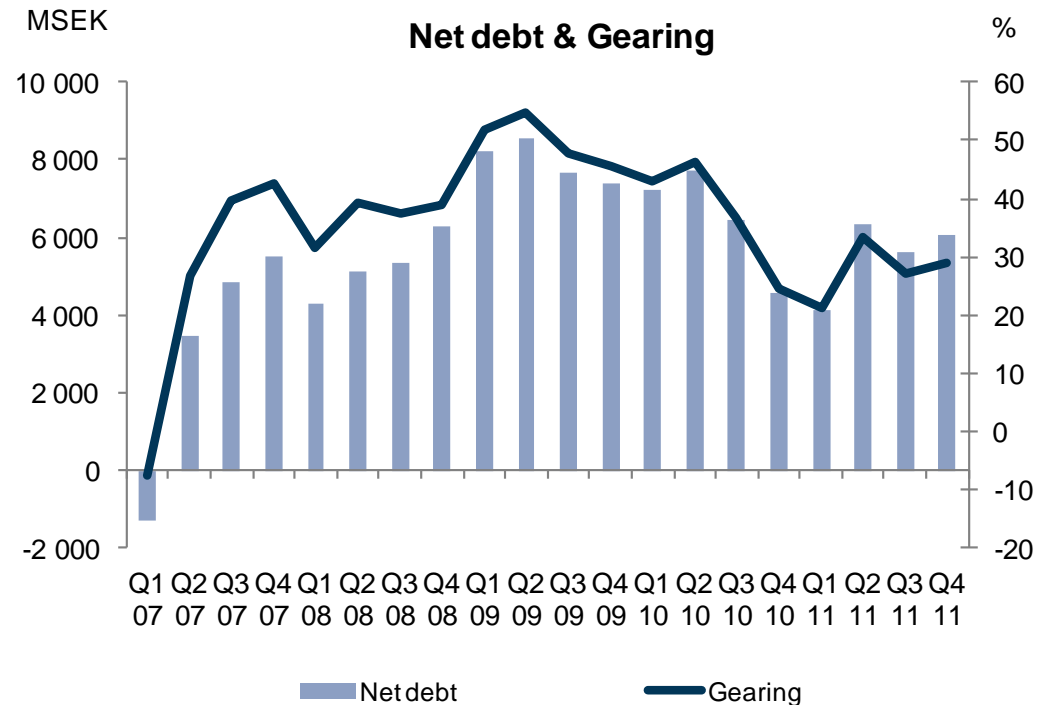
Cash Flow

MSEK	Q4 11	Q4 10	YTD 11	YTD 10
Op profit before depreciation (EBITDA)*	1 552	2 397	6 674	7 445
Change in inventories	-675	-1 401	182	-2 820
Change in receivables	108	-321	-827	423
Change in liabilities	218	2 210	-372	1 199
Other change in working capital	0	-7	0	-277
Changes in working capital*	-349	483	-1 017	-1 475
Investments	-1 355	-1 021	-4 024	-2 995
Financial net	-29	-66	-188	-311
Paid tax	-483	-29	-1 540	-197
Other	181	87	92	736
Free cash flow	-482	1 850	-3	3 202

*Includes Process Inventory Revaluation

Capital Structure

SEK bn Unless otherwise stated	31 Dec 2011	31 Dec 2010
Total Asset	37,6	35,1
Capital employed	30,5	27,2
Shareholders' equity ¹	21,0	18,8
Net debt	6,1	4,6
Gearing %	29	24
Equity/asset ratio, %	56	54
Duration of committed credit facilities, years	3,3	4,2
Average interest rate, %	3,29	3,29
Interest duration, years	1,0	2,0
Net payment capacity	8,7	10,7



1. Shareholders' equity includes the value of outstanding hedge contracts

Summary

- Macro worries remain but prices holding up well
- Average prices lower – stronger into 2012
- Boliden Q4
 - Copper increase in Boliden Area compensated lower Aitik volume
 - Mined zinc down on grades
 - Smelter bi-products better
 - Reclamation provision 125 MSEK
 - Underlying cost increase
- Expansion projects on plan

Going forward

- E-scrap recycling
 - High E-scrap volume Q4 2011
 - Start-up Q1
- Kankberg start mid-year
 - Gold Q3
 - Tellurium-gold Q4
- Garpenberg expansion 2014
- Aitik refurbishments, production impact Q1

Disclaimer

- This presentation has been prepared by Boliden for information purposes only. Nothing in this material shall be construed as an offer or solicitation to buy or sell any security or product, or to engage in or refrain from engaging in any transaction.
- This presentation has been prepared as per the indicated date and Boliden does not undertake any obligation to correct or update the information or any statements made therein. Views that may have been expressed may be subject to change without notice.
- Certain statements in this presentation are forward-looking and are based on plans, estimates, assumptions, projections and expectations and are subject to risks and uncertainties. In addition to the factors explicitly discussed, other circumstances may also have a material effect on the actual outcome. Such factors include, but are not limited to, general economic or political conditions, fluctuations in exchange or interest rates or metal prices, technological factors, interruptions in supply or production, actions of courts, regulators, governmental agencies, competitors, customers, suppliers, employees or other third parties.
- Nothing contained herein shall constitute any representation or warranty as to the accuracy or completeness and Boliden accepts no responsibility or liability as to the accuracy or completeness of the information contained herein. The material may include information from third party sources believed to be reliable. However, Boliden has not made an independent verification of the information provided.
- Save as by prior approval in writing, this material may not be copied, transmitted or disclosed, whether in print, electronic or any other format. All rights to the material are reserved.
- Boliden does not accept any liability whatsoever for any direct, indirect, consequential or other loss arising from or in connection with any use of this information.
- This material has not been reviewed, registered or approved by any authority under any applicable laws.



**Boliden produces metals that
make modern life work**