

Integration & Synergies

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Mining



Smelting
and
Refining



Zinc

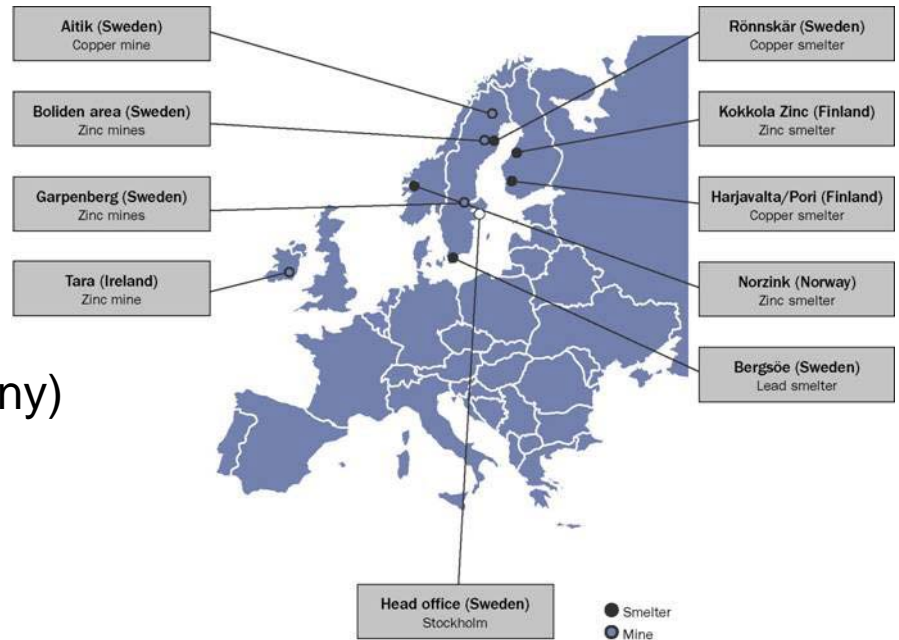


Copper



Integration

- A good industrial fit
- Operations in several countries
- A new business plan 2004
- Several cultures (country, company)
- Common professional skills
- A potential to make more money together than separately



”We want to be a showcase for cross-border integration”



People

- Customers are served by people
- Processes are run by people
- It is people, not systems, not machines, not computers...
- Only people make improvements



”We want to be a showcase for cross-border integration”



Successful Integrations

- "Hardware"
- Marketing&sales systems
- Operational assets
- Financial systems
 - planning
 - reporting
- Management systems
- Maintenance systems
- etc

Where to put emphasis ?



Integration Teams

- Commercial functions
- Integration of Copper BA
- Plant Services
- Accounting/Finance
- Administration
- Human resources
- Procurement
- Energy
- Environmental
- Communication
- IT
- Legal



More than 40 teams and 150 individuals work directly with the integration

”We want to be a showcase for cross-border integration”



Example: **Adding value**

Shipping anode copper from Harjavalta to Rönnskär instead of selling it on the market

- Harjavalta Cu-smelter is producing more anodes than the Pori plant can refine
- Started shipping anodes from Harjavalta to Rönnskär in the beginning of 2004
- Value added (RC) kept within New Boliden
- Precious metals revenues higher



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Example: **Bigger player in the marketplace**

New Boliden has become a larger seller on the Selenium market

- A small by-product becoming more important
- Sales volume going up
- Higher volume handled by same amount of work
- Focus also on small revenue streams



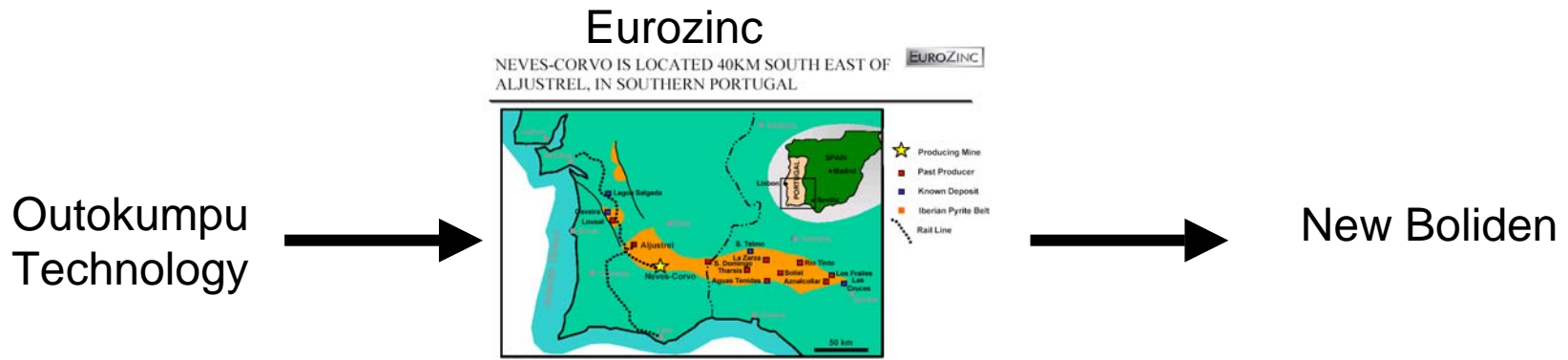
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Example: **Volumes / Technology**

Possibility to process up to 200,000 tons of copper concentrates from Neves Corvo

- Rönnskär or Harjavalta were unable to commit to the large volume as individual smelters
- New Boliden / Eurozinc / Outokumpu Technology signed the agreement in Q2 2004
- Supply from Neves Corvo on stream as of 1.1.2005



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Example: **Internal benchmarking**

Decrease of Flash Furnace slag copper content at Rönnskär

- There is a much higher copper content in the flotation plant slag in Rönnskär than in Harjavalta
- It should be possible to improve the recovery at Rönnskär
- People from both Rönnskär and Harjavalta are involved
- Pilot testing ongoing

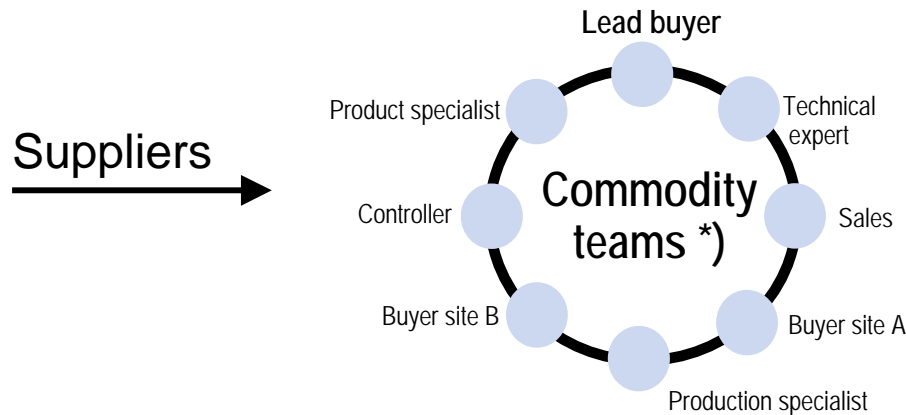


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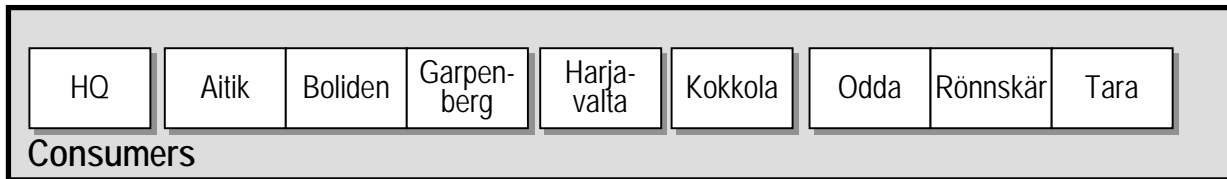


Example: Reduce costs

From local buying to
Global procurement in 2005



- *) examples:
- Chemicals
 - Explosives
 - Transportation



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Summary Integration & Synergies

- Focus on people has paid off
- Minimum cultural issues
- Minimum “ring-fencing”
- A lot of smiling faces

September 2003:

”Annual synergies from 2006 are estimated at SEK 225-270 million”

February 2005:

”Synergies totalling at least SEK 270 million has been attained earlier than planned”

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