

**Boliden AB (publ.)**

Investor Relations

Box 44, 101 20 Stockholm, Sweden

Tel +46 8 610 15 00, Fax +46 8 31 55 45

www.boliden.com

Corp. ID no. 556051-4142

## Full-year Report 2008

### Profits down as zinc and copper prices continued to fall

#### Q4 2008

- Revenues totalled SEK 6,287 million (SEK 7,290 m).
- The operating profit was SEK -491 million (SEK 590 m). This includes a revaluation of the smelters' process stocks totalling SEK -702 million (SEK -277 m).
- Earnings per share totalled SEK -1.65 (SEK 1.33).
- Zinc and copper prices fell in USD by 33 per cent and 49 per cent, respectively, from the previous quarter, and by 55 per cent and 46 per cent from Q4 2007.
- The free cash flow totalled SEK -534 million (SEK -418 m).
- Cutbacks in the smelters' zinc production.

#### Full year 2008

- Revenues totalled SEK 30,987 million (SEK 33,204 m).
- The operating profit was SEK 1,004 million (SEK 5,428 m).
- Earnings per share totalled SEK 3.42 (SEK 13.37).
- Free cash flow totalled SEK 837 million (SEK 1,212 m).
- The Board of Directors proposes that the Annual General Meeting approve payment of a dividend of SEK 1 (SEK 4) per share.

#### Important events after the fourth quarter

- USD/SEK exposure currency hedged for previously price hedged mine production.
- Cutbacks in smelters' copper production

#### Summary of financial performance

SEK m	Q4 2008	Q4 2007	Full year 2008	Full year 2007
Revenues	6 287	7 290	30 987	33 204
Operating profit (EBIT)	-491	590	1 004	5 428
Profit before tax	-566	509	723	5 196
Profit after tax	-451	364	935	3 787
Earnings per share, SEK <sup>5</sup>	-1.65	1.33	3.42	13.37
Free cash flow <sup>1</sup>	-534	-418	837	1 212
Net debt/equity ratio <sup>2</sup> , %	39	43	39	43
Return on shareholders' equity <sup>3</sup> , %	-12	12	7	26
Return on capital employed <sup>4</sup> , %	-8	12	5	29

<sup>1</sup> Refers to cash flow before financing activities.

<sup>2</sup> Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

<sup>3</sup> Profit after tax at annual rates divided by the average shareholders' equity.

<sup>4</sup> Operating profit at annual rate divided by average capital employed.

<sup>5</sup> Before and after dilution

**Q4 2008****Revenues**

Boliden's revenues fell to SEK 6,287 million (SEK 7,290 m). The decline was primarily due to the continued fall in the price of zinc and the sharp fall in the price of copper seen during the fourth quarter. The strengthening of the US dollar also had a positive effect on revenues.

**Production**

Mined production of zinc was down 12 per cent on the fourth quarter of 2007. The mines' zinc production did, however, increase by 7 per cent in comparison with the third quarter of 2008 due to a higher amount of milled tonnage in the Boliden Area and higher metal grades at Garpenberg. Mined production of copper was down 8 per cent in comparison with the corresponding period in 2007. Copper production did, however, increase by 29 per cent in comparison with the third quarter of 2008, primarily as a result of higher copper grades at Aitik coupled with increased grindability and throughput at the mine's concentrator.

Production of cast zinc by the smelters was 3 per cent down on both the fourth quarter of 2007 and the third quarter of 2008. The lower production level resulted from the decision to reduce the zinc smelters' metal production from mid-December in response to the deterioration in market conditions and the maintenance shut down at Odda. Production of copper cathodes increased by 11 per cent in comparison with the fourth quarter of 2007 and by 6 per cent in comparison with the third quarter of 2008, primarily as a result of increased production at Harjavalta since the capacity-boosting measures were implemented there in 2007. Production was, however, reduced in December as a result of deteriorating market conditions.

**Operating profit**

<b>Operating profit analysis</b>	
<b>SEK m</b>	<b>Q4</b>
<b>EBIT 2007</b>	590
Exchange rate effects	337
Changes to prices and terms	- 1 377
Volume variation	49
Costs	-96
Other	6
<b>EBIT 2008</b>	-491

The operating profit (EBIT) was down by SEK 1,081 million on the fourth quarter of 2007 and totalled SEK -491 million (SEK 590 m).

The total effect on the result of changes in prices and terms was SEK -1,377 million, with the fall in the price of zinc and copper metals accounting for a substantial part thereof. Other changes to the result that come under the heading of prices and terms are as follows: the revaluation of the smelters' process stocks – primarily copper and zinc – had a negative effect on the result of SEK -702 million (SEK -277 m), corresponding to a net change of SEK -425 million since last year. Lower treatment and refining charges (TC/RC) had a negative effect on the Group's profit of SEK -74 million, while lower metal pricing premiums had a negative effect of SEK -199 million. Definite pricing of delivered material (MAMA) affected the result to the tune of SEK -171 million (SEK -14 m), corresponding to a net change of SEK -157 million since last year. Metal price and foreign currency exposure hedging had a positive effect on the operating profit totalling SEK 174 million (SEK -187 m), corresponding to a net change since last year of SEK 361 million.

Currency fluctuations, primarily in relation to the strengthening of the US dollar, had a positive effect of SEK 337 million on the operating profit in comparison with the corresponding quarter of 2007.

Increased volumes affected the profit to the tune of SEK 49 million in comparison with the fourth quarter of 2007, with a positive effect coming from Segment Smelters, due to higher copper production, and a negative effect coming from Segment Mines, due to lower levels of zinc and copper production.

Operating costs (excluding raw materials bought in) increased by 4 per cent in comparison with the fourth quarter of 2007. The increased costs are primarily due to higher electricity prices, higher prices for input goods, and higher transport costs, some of which resulted from longer haul distances. Costs also increased as a result of the weakening of the Swedish krona. Staff overheads fell by 13 per cent due to the variable component (primarily comprising profit shares) of payroll expenses for the fourth quarter of 2007.

Action programmes aimed at cutting costs were initiated during the fourth quarter. The number of employees will be reduced by 250 and the number of contractors by 200. These measures are scheduled for implementation during the first half of 2009 and will achieve their full impact on costs during the latter half of the year. The annual cost saving is estimated at approximately SEK 200 million. A three-year programme designed to increase the efficiency of the purchasing processes and to reduce materials consumption has also been launched.

Net financial items during the fourth quarter totalled SEK -75 million (SEK -81 m). The profit before tax fell to SEK -566 million (SEK 509 m).

The profit after tax for the fourth quarter was SEK -451 million (SEK 364 m), corresponding to earnings per share of SEK -1.65 (SEK 1.33).

### **Cash flow and investments**

The cash flow from operating activities (including changes in operating capital and before investments) increased to SEK 1,004 million (SEK 509 m) during the fourth quarter. Working capital fell by SEK 1,524 million (SEK 406 m) due to reduced stocks and lower metal prices.

Investments totalled SEK 1,530 million (SEK 920 m). The increase since 2007 is attributable to the expansion of the Aitik copper mine (the Aitik 36 project). The total investment level for Aitik 36 is estimated at approximately SEK 6 billion.

The free cash flow (before financing operations) totalled SEK -534 million (SEK -418 m).

**FULL YEAR 2008****Revenues**

Boliden's revenues fell to SEK 30,987 million (SEK 33,204 m). The fall in the price of zinc and the steep fall in the price of copper at the end of the year, coupled with lower volumes from Segment Mines, had a negative effect. Higher average prices for gold and silver had a positive effect on revenues.

**Production**

Mined production of zinc was 11 per cent down on 2007. The production cutbacks in the Boliden Area, coupled with the imbalance between Tara's development work and production, were the primary causes of this decline. The Mines' copper production was 9 per cent down on 2007. The lower production level was due to planned lower metal grades and production cutbacks in the Boliden Area and to lower levels of grindability in the Aitik ore during the first half of the year.

The smelters' cast zinc production was down by 4 per cent in comparison with 2007. The decline was due to process instability at Odda and the decision to cut the zinc smelters' metal production from mid-December in response to deteriorating market conditions. Production of copper cathodes increased by 11 per cent, primarily as a result of increased production at Harjavalta.

**Operating profit**

<b>Operating profit analysis</b>	
<b>SEK m</b>	<b>Full year</b>
<b>EBIT 2007</b>	5 428
Exchange rate effects	-499
Changes to prices and terms	-2 987
Volume variation	-368
Costs	-594
Other	24
<b>EBIT 2008</b>	1 004

The operating profit (EBIT) was down SEK 4,424 million on 2007 and totalled SEK 1,004 million (SEK 5,428 m).

The total effect on the result of changes in prices and terms was SEK -2,987 million, in comparison with 2007, with the fall in the price of zinc metal accounting for a substantial part thereof. Other changes to the result that come under the heading of prices and terms are as follows: the revaluation of the smelters' process stocks had a negative effect on the result of SEK -789 million (SEK -192 m), corresponding to a net change of SEK -597 million since last year. Lower treatment and refining charges (TC/RC) had a negative effect on the Group's profit of SEK -312 million, while lower metal pricing premiums had a negative effect of SEK -405 million. Definite pricing of delivered material (MAMA) affected the result to the tune of SEK -19 million (SEK -190 m), corresponding to a net change of SEK 209 million since last year. Metal price and foreign currency exposure hedging improved from last year and totalled SEK -350 million (SEK -1,674 m), corresponding to a net change of SEK 1,324 million.

Volume variations had a negative effect on the profit of SEK -368 million in comparison with 2007, and were primarily due to production cutbacks in the Boliden Area, an imbalance at Tara between the mine's development work and production, and lower copper production at Aitik. Increased copper production by the smelters had a positive effect.

Operating costs increased by 6 per cent in comparison with 2007. The increased costs are due to higher energy prices, higher prices for input goods, and higher transport costs, some of which resulted from longer haul distances. Costs also increased as a result of the weakening of the Swedish krona during the second half of the year. Staff overheads were on a par with those last year.

Net financial items deteriorated to SEK -281 million (SEK -232 m) as a result of the increased debt/equity ratio since 2007. The profit before tax fell to SEK 723 million (SEK 5,196 m).

On 12th March 2008, the Administrative Court of Appeal granted Boliden a deficit deduction of SEK 1,557 million. This gave rise to a positive tax receipt of SEK 436 million during the first quarter, and the reported tax for 2008 as a whole was, as a result, positive to the tune of SEK 212 million (SEK -1,409 m).

The profit after tax was SEK 935 million (SEK 3,787 m), corresponding to earnings per share of SEK 3.42 (SEK 13.37).

### **Cash flow and investments**

The cash flow from operating activities (including changes in operating capital and before investments) increased to SEK 5,470 million (SEK 3,730 m). Working capital fell by SEK 3,894 million, in comparison with an increase of SEK 1,043 million during 2007. The reduction in the amount of capital tied up in working capital was due to reduced stock volumes and lower metal prices.

Investments totalled SEK 4,621 million (SEK 2,511 m). The increase is primarily attributable to the expansion of the Aitik copper mine.

The free cash flow (before financing operations) totalled SEK 837 million (SEK -1,212 m).

### **FINANCIAL POSITION**

Boliden procured a new credit facility totalling SEK 4,300 million during the second quarter. The agreement has a three-year term and runs, in part, in parallel with existing syndicate loan agreements totalling EUR 600 million. The new credit facility expires in 2011, while existing loan agreements expire in 2012-2013. A further seven-year loan for EUR 75 million has also been agreed. This increased Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities, by a total of approximately SEK 5 billion. The current liquidity totalled SEK 8,319 million at the end of the fourth quarter.

On 31st December 2008, Boliden's net debt totalled SEK 6,305 million (SEK 5,524 m). The net debt/equity ratio was 39 per cent (43%).

The average term of Boliden's debt portfolio on 31st December 2008 was 4.8 years. The average interest rate level within the portfolio at that time was 5.18 per cent.

The contribution to shareholders' equity of the net market valuation of currency and raw material derivatives, after fiscal effects, totalled SEK 2,602 million (SEK -762 m) on 31st December 2008.

### **PARENT COMPANY**

The Parent Company, Boliden AB, conducts no operations and has no employees. The Parent Company's Income Statements and Balance Sheets can be found on page 21 of this Full-year Report.

**MARKET PERFORMANCE**

Demand for Boliden's main metals, zinc and copper, is primarily driven by growth in the automotive and construction industries, and in particular, by infrastructural projects. Car sales fell rapidly in mature economies during the fourth quarter and investments in the construction sector declined, particularly with regard to housing construction in Europe and North America. Car manufacturers cut production during the fourth quarter of 2008 and many have announced further restrictions on production for early 2009. Stimulus packages have been announced for 2009 in several of the major economies, with investments being made in the construction sector in general and infrastructure in particular.

**Zinc**

The price of zinc continued to fall sharply during the fourth quarter and was an average of 33 per cent lower than during the third quarter, and 55 per cent lower than in the fourth quarter of 2007. By mid-December, the price had fallen to its lowest level for the year at USD 1,042/tonne, rising again to USD 1,180 by the end of the year. The low price has meant the closure of mining capacity, while smelters' metal production has either been shut down or reduced. The combined LME, Shanghai Futures Exchange (SHFE) and Comex stock levels increased during the fourth quarter but remained at historically low levels in relation to global consumption over a business cycle. Economic trends have also resulted in falling spot premiums in all of the important markets.

The falling price of zinc meant a reduction in smelters' TC during the latter half of the year, due to the current pricing mechanism whereby price changes during the contract period are, to some extent, shared between mines and smelters. By the end of the year, TC in the Asian spot market were lower than contracted prices and realised levels during the fourth quarter. TC levels depend on the availability of concentrate from the mining industry.

**Copper**

Copper prices fell sharply during the fourth quarter after a stable performance during the first nine months of the year. The average price was 49 per cent down on the previous quarter and 46 per cent down on the fourth quarter of 2007. LME, SHFE and Comex stock levels continued to increase during the fourth quarter as a result of falling copper consumption and of production rates continuing high until December. The level continues, however, to be low from an historic perspective.

Global mined production of copper continued to be limited in 2008 as a result of disruptions and of planned start-up dates for new mines being delayed. Lower capacity utilisation levels within the smelting industry during the latter part of the fourth quarter meant, however, that the availability of copper concentrate increased in comparison with the situation obtaining in recent years. TC/RC rose in the spot market from low levels to a level higher than the contract levels in place for 2008.

**Other metals**

The average price of lead fell by 35 per cent in comparison with the third quarter of 2008 and by 62 per cent in comparison with the fourth quarter of 2007. The fall in price reflects a downturn in production on the part of the automotive industry.

The average price of gold fell by 8 per cent in comparison with the third quarter, but was 1 per cent up on the fourth quarter of 2007. The average price of silver fell by 32 per cent in comparison with the previous quarter and by 28 per cent in comparison with the fourth quarter of 2007.

**Sulphuric acid**

Sulphuric acid is a by-product of the smelting process and is primarily used in the fertiliser, pulp and mining industries. The price of sulphuric acid rose steeply during the first half of 2008, but then fell sharply during the fourth quarter as a result of reduced demand.

## METAL PRICES AND EXCHANGE RATES

### Metal prices

Boliden's revenues are affected by the global market prices of base and precious metals. Base metals are traded daily on the London Metal Exchange (LME), and it is this that forms the basis for the pricing of metal concentrates and finished metals. Precious metal prices are set daily by the London Bullion Market Association (LBMA). Boliden's earnings are affected not only by the metals' spot prices, but also by the payable metal content in the concentrates produced by the mines, by the percentage of so-called free metals produced by the smelters, by the trend in treatment and refining charges, and by metal price premiums.

#### Metal prices (average LME/LBMA)

	Q4 2008	Q4 2007	Change in %	Full year 2008	Full year 2007	Change in %
Zinc (USD/tonne)	1 189	2 646	-55	1 870	3 250	-42
Copper (USD/tonne)	3 940	7 239	-46	6 952	7 126	-2
Lead (USD/tonne)	1 251	3 262	-62	2 085	2 595	-20
Gold (USD/troy oz)	798	788	1	872	696	25
Silver (USD/troy oz)	10.21	14.21	-28	14.99	13.38	12

### Metal price hedging

The following table is a summary of Boliden's metal price hedging for copper, lead, gold and silver on 31st December 2008 in respect of forecast price exposure in the mining operations. The Boliden Group is otherwise, in every significant respect, exposed to market prices. The hedging shown below means that changes in the prices of these metals during the terms of the contracts have less of a current effect on the Group's operating profit.

#### Metal futures

	Maturity year	Metal price (USD)	Quantity	Market value <sup>2</sup> (SEK m)	Coverage rate <sup>1</sup> %
<b>Copper (tonnes)</b>	2009	5 920	42 600	933	
	2010	7 606	62 700	2 160	
				<b>3 093</b>	65
<b>Lead (tonnes)</b>	2009	1 252	36 300	71	
				<b>71</b>	50
<b>Gold (troy oz)</b>	2009	702	102 000	-131	
	2010	961	105 850	72	
				<b>-59</b>	80
<b>Silver (troy oz)</b>	2009	14.59	5 676 000	167	
	2010	18.46	5 170 000	305	
				<b>472</b>	75
<b>Market value of outstanding contracts, SEK m</b>				<b>3 577</b>	

<sup>1)</sup> Approximate coverage rate on outstanding metal positions during the 2009–2010 period in relation to forecast mined production.

<sup>2)</sup> The market value of other outstanding metals contracts (< 10% coverage rate), not included in the table's figures, totals SEK 118 million.

## Exchange rates

The majority of Boliden's revenues are in US dollars, but the majority of its costs are in Swedish kronor, euro and Norwegian kroner. The development of the US dollar consequently has a significant effect on the Group's profit.

During the fourth quarter, the US dollar strengthened against the Swedish krona, the Norwegian krone, and against the euro in comparison with the corresponding quarter of 2007 and the third quarter of 2008.

### Exchange rates (average)

	Q4 2008	Q4 2007	Change in %	Full year 2008	Full year 2007	Change in %
USD/SEK	7.79	6.42	21	6.58	6.76	-3
EUR/USD	1.31	1.45	-9	1.46	1.37	7
EUR/SEK	10.23	9.30	10	9.61	9.25	4
USD/NOK	6.79	5.44	25	5.62	5.86	-4

## Currency hedging

The following table summarises Boliden's currency contracts on 31st December 2008 in respect of forecast currency exposure in USD/SEK. The Boliden Group is, in every significant respect, with regard to other currencies and over more extended periods of time, exposed to current market rates.

### Currency options (floor)

	Maturity year	Rate <sup>1</sup>	Amount sold (USD m)	Market value <sup>2</sup> (SEK m)	Coverage rate <sup>3</sup> %
USD/SEK	2009	6.00	452	20	80
	2010	5.30	695	45	
<b>Market value of outstanding contracts, SEK m</b>				<b>65</b>	

<sup>1</sup> Strike rates for currency options.

<sup>2</sup> The market value of other outstanding currency contracts (< 10% coverage rate) not included in the table's figures totalled SEK 5 million.

<sup>3</sup> Approximate coverage rate on outstanding currency positions during the 2009–2010 period in relation to forecast mined production.

## Currency hedging since 31st December 2008

The following table summarises Boliden's currency futures contracts entered into in January 2009 in respect of forecast currency exposure in USD/SEK. The hedge refers to the part of the metal production in 2009 and 2010 that was already price hedged in USD, see table Metal futures. These replace previous hedging positions in the form of currency option floors as of 31st December 2008, presented in the table above under the heading Currency options (floor).

### Currency futures

	Maturity year	Forward rate	Amount sold (USD m)
USD/SEK	2009	8.30	414
	2010	8.26	688

## Sensitivity analysis

Changes in the market terms for metal prices, in exchange rates and in treatment and refining charges (TC/RC) affect Boliden's profit performance. An analysis of the way in which changes in the market terms affects the Group's operating profit (EBIT) for the subsequent twelve-month period is reported on page 26.



## SEGMENT SMELTERS

Segment Smelters comprises Business Area Smelters and Business Area Market. Business Area Smelters comprises the Kokkola and Odda zinc smelters, and the Rönnskär and Harjavalta copper smelters. The Business Area also includes the Bergsöe lead smelter, which recycles lead metal. The zinc smelters primarily produce zinc metal, but also produce aluminium fluoride, which is manufactured at Odda. The copper smelters primarily produce copper, gold, silver, lead and sulphuric acid. The copper smelters also recycle metal and electronic scrap and smelt nickel. Business Area Market is responsible for sales of metals and metal concentrates and purchases of metal concentrates and recycling material from external suppliers.

<b>REVENUES, PROFITS AND INVESTMENTS</b>				
SEK m	Q4 2008	Q4 2007	Full year 2008	Full year 2007
Revenues	6 066	7 381	31 256	34 704
Operating profit	-414	1	372	2 297
Investments	274	317	737	1 008
Capital employed	13 656	16 738	13 656	16 738

Segment Smelters' operating profit was SEK 415 down on the fourth quarter of 2007, totalling SEK -414 million (SEK 1 m). The deterioration in the profit is mainly due to the effect of falling copper and zinc prices in conjunction with the revaluation of the smelters' process stocks, and to falling income from free metals and lower metal price premiums. At the same time, higher sales volumes for copper and the strengthening of the US dollar had a positive effect on the result. The decline in the result from the third quarter of 2008 was primarily due to a revaluation of process stocks and to lower income from free metals and lower TC for zinc. The rise in the US dollar had a positive effect.

<b>Operating profit analysis, Smelters</b>		
SEK m	Q4	Full year
<b>EBIT 2007</b>	1	2 297
Exchange rate effects	198	-228
Changes to prices and terms	-612	-1 527
Volume variation	100	244
Costs	-98	-438
Other	-3	24
<b>EBIT 2008</b>	-414	372

Changes to metal prices and terms negatively affected the result to the tune of SEK -612 million in comparison with the fourth quarter of 2007. The revaluation of the smelters' process stocks, which is included in changes to prices and terms, caused a deterioration of SEK 425 million in the result posted for the fourth quarter in comparison with that posted for the corresponding period in 2007, with the revaluation of copper accounting for a substantial part of the total sum. Lower metal prices meant a fall in the realisable value of free metals, while TC for zinc fell due to the fact that smelters and mines share the change in metal prices for zinc under the current pricing model. The weakened Swedish krona had a positive effect on the result, while metal price and currency hedging, which is included in changes to prices and terms, had a positive effect on the profit of SEK 41 million in comparison with the corresponding period last year.

Aggregate volume variations had a positive effect of SEK 100 million in comparison with the fourth quarter of 2007, with the majority of the change attributable to higher production by the copper smelters and increased volumes from free metals.

Operating costs rose by 10 per cent in comparison with the fourth quarter of last year, mainly due to higher prices for electricity and input goods, and to the weakened Swedish krona. Costs increased by 9 per cent for 2008 as a whole.

The planned maintenance work at Odda continued until mid-October, affecting the segment's operating profit to the tune of SEK -50 million (SEK -100 m).

## PRODUCTION, SMELTERS

	Q4 2008	Q4 2007	Change in %	Full year 2008	Full year 2007	Change in %
Zinc, tonnes	109 181	112 603	-3	443 191	462 570	-4
Copper, tonnes	88 931	79 828	11	349 593	314 881	11
Lead, tonnes	2 084	5 791	-64	14 235	25 865	-45
Lead alloys, tonnes (Bergsöe)	11 857	11 855	0	42 577	43 865	-3
Gold, kg	3 964	3 142	26	15 489	14 876	4
Silver, kg	141 139	90 317	56	488 285	379 749	29
Sulphuric acid, tonnes	357 863	314 881	14	1 328 904	1 230 861	8
Aluminium fluoride, tonnes	9 613	8 223	17	34 611	34 833	-1

Information about production at individual units can be found on page 23.

No planned maintenance shutdowns will be implemented during the first quarter of 2009. One maintenance shutdown will be implemented at Rönnskär during the second quarter.

Production of zinc fell by 3 per cent in comparison both with the preceding quarter and with the fourth quarter of 2007. The decline was due to the decision to reduce metal production from mid-December at a rate that corresponds to 60,000 tonnes on an annual basis, coupled with instability in Odda's production process. Odda's improvement work, carried out in cooperation with Kokkola, led to improvements in the production process during the fourth quarter.

Production of copper cathodes increased by 11 per cent in comparison with the corresponding quarter in 2007. The increase was due to Harjavalta's higher production rate since the expansion project in 2007. Production at Harjavalta was reduced in December in response to the deterioration in market conditions for copper metal and by-products.

Lead production was down by 64 per cent in comparison with the fourth quarter of 2007 as a result of the decision to prioritise the processing of electronic scrap over that of lead at Rönnskär. The prioritisation of electronic scrap led to an increase in Rönnskär's percentage of metal production from free metals. Lead production fell by 8 per cent in comparison with the third quarter.

Gold and silver production increased by 7 per cent and 22 per cent, respectively, in comparison with the third quarter, and by 26 per cent and 56 per cent, respectively, in comparison with the fourth quarter of 2007. The production increase was due to higher precious metal grades in concentrates bought in and to Harjavalta's higher production level.

## SEGMENT MINES

Segment Mines comprises the operations of the Swedish mines, Aitik, the Boliden Area and Garpenberg, and the Tara mine in Ireland. Aitik produces copper concentrate with some gold and silver content. The other Swedish mines produce zinc, copper and lead concentrates with varying levels of gold and silver. Tara produces mainly zinc concentrate.

<b>REVENUES, PROFITS AND INVESTMENTS</b>				
SEK m	Q4 2008	Q4 2007	Full year 2008	Full year 2007
Revenues	1 113	1 735	5 178	7 567
Operating profit	2	536	734	3 135
Investments	1 258	604	3 886	1 503
Capital employed	8 292	4 970	8 292	4 970

Segment Mines' revenues fell to SEK 1,113 million (SEK 1,735 m) during the fourth quarter. The decline was primarily due to lower metal prices and, to some extent, to lower production volumes for zinc and copper. The operating profit was consequently SEK 534 million lower than in the fourth quarter of 2007, totalling SEK 2 million (SEK 536 m). The fall in profit evident from a comparison with the third quarter is primarily due to lower metal prices. Production volumes and the strengthening of the US dollar both had positive effects on the result compared to the third quarter.

<b>Operating profit analysis, Mines</b>		
SEK m	Q4	Full year
<b>EBIT 2007</b>	536	3 135
Exchange rate effects	139	-272
Changes to prices and terms	-683	-1 375
Volume variation	-51	-612
Costs	54	-151
Other	7	9
<b>EBIT 2008</b>	2	734

Changes to prices and terms affected the operating profit by a total of SEK -683 million in comparison with the fourth quarter of 2007. The average prices for all metals fell, with the exception of gold. At the same time, metal price hedging, which is included in changes to prices and terms, had a positive effect on the profit of SEK 320 million in comparison with the corresponding period last year. TC/RC paid to internal and external smelters were lower, which had a positive effect on the result.

Lower production volumes affected the quarterly profit to the tune of SEK -51 million in comparison with 2007. The majority of the volume effect was due to production cutbacks in the Boliden Area, coupled with the imbalance between Tara's development work and production. Improved grindability at Aitik, coupled with an ongoing healthy production trend at Garpenberg did, however, compensate for this effect to some degree. The volume effect for the year as a whole totalled SEK -612 million as a result of the cutbacks in the Boliden Area, the imbalance between development work and production at Tara, and poorer grindability for Aitik's ore during the first half of the year.

Operating costs fell by 5 per cent in comparison with the fourth quarter of 2007, the cost-boosting effect of the weakened Swedish krona notwithstanding. The decline was due to reduced exploration costs and the lower production level in the Boliden Area. Operating costs for 2008 as a whole increased by 4 per cent, primarily as a result of higher costs for external services in conjunction with increased exploration activities earlier in the year, higher staff overheads and higher energy costs. Staff overheads increased partly as an effect of the work on the Aitik 36 project and the expanded exploration organisation. The cost increase, excluding exploration costs, was 2 per cent for 2008 as a whole.

## METAL PRODUCTION, MINES

	Q4 2008	Q4 2007	Change in %	Full year 2008	Full year 2007	Change in %
Zinc, tonnes	71 963	81 480	-12	297 423	333 293	-11
Copper, tonnes	16 362	17 827	-8	57 220	62 803	-9
Lead, tonnes	13 913	13 537	3	53 041	54 166	-2
Gold, kg	830	642	29	2 603	2 834	-8
Silver, kg	57 115	63 165	-10	211 683	241 701	-12

Information about production and metal contents at individual units can be found on page 24.

Mined production of zinc fell by 12 per cent during the fourth quarter and by 11 per cent during 2008 as a whole. The decline is primarily an effect of the planned and implemented cutback in the Boliden Area and of the imbalance between development work and production at Tara. Zinc production increased by 7 per cent in comparison with the third quarter, primarily as a result of higher levels of milled tonnage in the Boliden Area and higher metal grades at Garpenberg. Milled tonnage increased at Tara, but metal grades were lower, and production was consequently on a par with levels in the third quarter.

The segment's copper production fell by 8 per cent during the fourth quarter and by 9 per cent during the year as a whole. The decline is due not only to the cutbacks in the Boliden Area, but to planned lower metal grades at Aitik and to poorer grindability, which hindered throughput at the mine's concentrator during the first half of the year. Copper production increased by 29 per cent in comparison with the third quarter, primarily due to improved grindability and higher metal grades at Aitik.

The Boliden Area's zinc and copper production fell by 46 per cent and 19 per cent, respectively, in 2008. The mining area's zinc production was, however, expected to fall by 45 per cent and its copper production by 38 per cent in comparison with 2007, and the considerably higher level of copper production was due to the postponement of the closure of the Storliden mine.

An action programme designed to enhance the mine's profitability was launched at Tara in February 2009.

Garpenberg reported a positive production trend during both the fourth quarter and for 2008 as a whole. Ore production and concentrator throughput both achieved record levels, resulting in increased zinc, lead and silver production.

### AITIK 36

The Aitik 36 project is proceeding on schedule. The project will extend Aitik's lifespan from 2016 to 2027 and will double the amount of ore mined from 18 million to 36 million tonnes per year. The expansion will also cut the production cost per tonne of metal for the mine and will enable ore with lower grades than at present to be mined profitably. The average grade will, in the long term, be lower than current levels. The increased production capacity is expected to come on line, as planned, in March 2010, achieving full capacity in 2014. The estimated total investment cost for the project is approximately SEK 6 billion.

**EVENTS AFTER THE FOURTH QUARTER END****USD/SEK currency hedging for previously hedged mined production**

Boliden has currency hedged the US dollar against the Swedish krona in January 2009. The hedging is in respect of metal production (primarily of copper) for 2009 and 2010, previously price hedged in US dollars. The currency hedging was achieved at average rates of USD/SEK 8.30 for 2009 and 8.26 for 2010. The forward hedging totals USD 1,102 million and covers a substantial percentage of the exchange rate risk for both years.

Boliden has previously hedged the metal prices for the majority of the planned mined production of copper, gold, lead and silver for 2009 and 2010 (see Boliden's Interim Report for January-June 2008 and the press release dated 3rd January 2007).

The currency hedging carried out will, in combination with the previous metal price hedging, provide a shield against any weakening of the US dollar against the Swedish krona.

**Cutbacks in smelters' copper production**

On 30th January 2009, Boliden announced that copper production at the smelters in Finland and Sweden would be reduced by some 17,000 tonnes during the first quarter of 2009. The cutback is an adaptation to current market conditions for copper metal and by-products. Boliden's smelters produced a total of 349,593 tonnes of copper in 2008.

**Changes to the Group Management team**

Johan Fant took over the position of Group CFO in early January 2009. Svante Nilsson, formerly President of Business Area Smelters, has been appointed as the new President of Business Area Market, effective as of 1st January 2009. Svante Nilsson is also the Acting President of Business Area Smelters.

**EXPLORATION****Mine-site exploration**

Boliden continued to develop all of its mineral assets during the fourth quarter, albeit with reduced intensity. The results continued to be favourable, particularly at the Garpenberg and Renström mines in the Boliden Area. The long-term investigations are continuing according to plan at Aitik, with promising results being achieved in the southern part of Salmijärvi and equally positive results coming from the SWEX area in Tara.

**Field exploration**

Boliden's field exploration in Sweden is concentrated on base metal and gold exploration in the Skellefte field and on base metals in the Dorotea region, Norrbotten and Bergslagen. Some 20 projects are currently being investigated. Exploration activities in all areas were adapted to the current economic climate during the fourth quarter.

Promising results have been obtained in Rockliden, where a higher potential than that previously inferred has been demonstrated. Concentration trials are now in progress. An interesting new copper mineralisation has been identified on the edge of the Skellefte field and will be explored further during the first quarter of 2009. In Ireland, where Boliden's exploration work focuses mainly on zinc, investigations have continued in all areas, but at a lower intensity.

The total number of exploration permits increased by 14 in 2008 in comparison with 2007. The majority of the exploration permits in Sweden is held by Boliden – 156 permits. Boliden holds 122 exploration permits in Ireland.

**SUSTAINABLE DEVELOPMENT****Employees**

The average number of employees in Boliden at the end of the fourth quarter was 4,608. Of these, 2,437 work in Sweden, 1,074 in Finland, 691 in Ireland, 392 in Norway and 14 in other countries. This corresponds to an increase of 84 in comparison with 2007 as a whole, when the average number of employees totalled 4,524.

The sick-leave rate during both the fourth quarter and 2008 as a whole was approximately 4.7 per cent, corresponding to an increase of 0.1 percentage points in comparison with 2007 as a whole. Boliden's goal was to achieve a sick-leave rate of 4.5 or less by the end of 2008.

The accident frequency during the fourth quarter was 8.0 accidents per one million hours worked. The aggregate frequency for 2008 was 9.1, corresponding to a decrease in comparison with 2007 as a whole, when the accident frequency was 9.9.

A fatal accident occurred at Tara in October. Boliden has an established zero accidents philosophy at work and has now further intensified its focus on reducing accidents by setting a goal of zero accidents every month for all units, as of 2009.

Boliden's goal was for all of its production units to be certified in accordance with the work environment standard, OHSAS 18001, by the end of 2008. The goal was achieved at all units with the exception of Rönnskär, which will achieve its certification in the spring of 2009.

**Environment**

Boliden's operations at all of its facilities are subject to licensing requirements, and are conducted in accordance with applicable legislation in every country in which the company operates. The environmental performance was generally good during the fourth quarter.

In November 2008, the Environmental Court approved the parent company guarantee of SEK 660 million posted by Boliden as security for future reclamation costs for the Aitik mine. The Swedish Environmental Protection Agency has appealed the ruling to the Supreme Environmental Court.

In November 2008, the Supreme Environmental Court ruled that security must be posted for future reclamation costs in relation to the Hötjärn tailings pond in the Boliden Area, in the form of a bank guarantee for SEK 36 million. Boliden has appealed the ruling to the Supreme Court, requesting that a parent company guarantee be accepted as security.

In November 2008, Boliden submitted an application to the Environmental Court for a permit to increase production at the Maurliden mine and a permit for a new mine called Maurliden Östra. Boliden has also applied for a permit to start up a satellite mine to the Aitik mine, known as Salmijärvi.

New Group-wide environmental goals have been set for the period from 2009 to 2013. The goals relate to metals emissions into the air and water, energy consumption, and sulphur dioxide and carbon dioxide emissions into the air.

## **RISKS AND UNCERTAINTY FACTORS**

The Group's and Parent Company's significant risks and uncertainty factors include market and external risks, financial risks, operational and commercial risks, and legal risks. The global economic climate in general, and global industrial production in particular, affect the pricing trends for zinc, copper and other base metals. The rapid deterioration in the global economic climate has caused a higher level of uncertainties, which could also increase the risks for Boliden's business, profitability and financial condition, including risks that Boliden may come into conflict with loan terms and conditions. For further information on risks and risk management, please see Boliden's Annual Report for 2007.

**PREPARATION PRINCIPLES FOR THE INTERIM REPORT**

The Interim Report has been prepared in accordance with IAS 34, Interim Reporting. The accounting principles remain unchanged from the annual accounts for 2007. The new or revised IFRS standards or IFRIC interpretations that came into force on 1st January 2008 have had no significant effect on Boliden's financial result or position.

**NOMINATION COMMITTEE**

The following Members were elected to the Nomination Committee at the Annual General Meeting of the company's shareholders held on 8th May 2008: Anders Algotsson (Chairman of the Nomination Committee) from AFA Försäkring, Lars-Erik Forsgårdh, Michael Gobitschek from Skagen Fonder, Åsa Nisell from Swedbank Robur Fonder, and Anders Ullberg, Chairman of the Board of Boliden.

Boliden's Nomination Committee will propose the re-election of the following Members to the Annual General Meeting of Boliden's shareholders to be held on 29th April 2009: Marie Berglund, Staffan Bohman, Lennart Evrell, Ulla Litzén, Leif Rönnbäck, Matti Sundberg, Anders Sundström and Anders Ullberg (Chairman). Carl Bennet has declined re-election.

The Nomination Committee's other proposals will be presented in the notice convening the Annual General Meeting and on the company's website.

**FINANCIAL CALENDAR AND ANNUAL GENERAL MEETING**

- The Annual General Meeting will be held on 29th April 2009 in Skellefteå
- The Interim Report for the period from January to March 2009 will be published on 29th April 2009
- The Interim Report for the period from January to June 2009 will be published on 20th July 2009
- The Interim Report for the period from January to September 2009 will be published on 26th October 2009

**ANNUAL REPORT**

The Annual Report for 2008 will be presented in April 2009 and will be available from Boliden's Head Office in Stockholm and at [www.boliden.com](http://www.boliden.com)

Stockholm, 13th February 2009

Lennart Evrell  
President and CEO

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The Full-year Report has not been subject to special review by the company's auditors.

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## **CONFERENCE CALL AND PRESENTATION**

### **Conference call, online broadcast and presentation (in English)**

The capital market is hereby invited to a presentation of the Full-year Report, to be held on 13th February at Operaterrassen in Stockholm. The presentation can also be followed via Boliden's website and by telephone. For further information, please see below.

Date: Friday, 13th February

Time: 16.00 CET

Location: Operaterrassen, Karl XII:s torg, Stockholm, Sweden

Telephone no: from Sweden 08-5051 36 43; from abroad +44 (0) 20 7 806 1968

### **Contact persons for information:**

Lennart Evrell, President & CEO

Tel (exchange): +46 8 610 15 00

Johan Fant, CFO

Tel (exchange): +46 8 610 15 00

Stefan Lundewall, Acting IR contact

Tel: +46 70 208 32 13

**INCOME STATEMENTS**

SEK m	Q4 2008	Q4 2007	Full year 2008	Full year 2007
Revenues	6 287	7 290	30 987	33 204
Cost of goods sold	-6 480	-6 358	-28 832	-26 711
<b>Gross profit</b>	<b>-193</b>	<b>932</b>	<b>2 155</b>	<b>6 493</b>
Selling expenses	-129	-109	-502	-406
Administrative expenses	-113	-155	-411	-452
Research and development costs	-92	-108	-377	-322
Other operating income and expenses	37	27	136	109
Results from participations in associated companies	-1	3	3	6
<b>Operating profit</b>	<b>-491</b>	<b>590</b>	<b>1 004</b>	<b>5 428</b>
Financial income	15	9	37	79
Financial expenses	-90	-90	-318	-311
<b>Profit before tax</b>	<b>-566</b>	<b>509</b>	<b>723</b>	<b>5 196</b>
Taxes	115	-145	212	-1 409
<b>Profit for the period</b>	<b>-451</b>	<b>364</b>	<b>935</b>	<b>3 787</b>
Earnings per share, SEK <sup>1)</sup>	-1.65	1.33	3.42	13.37
Shareholders' equity per share, SEK	58.98	47.28	58.98	47.28
Number of shares	273 511 169	273 511 169	273 511 169	273 511 169
Average number of shares	273 511 169	274 177 039	273 511 169	283 276 511
Number of own shares held <sup>2)</sup>	-	15 946 000	-	15 946 000

<sup>1)</sup> There are no potential shares and, as a result, no dilution effect.

<sup>2)</sup> During the second quarter 2008, 15,946,000 treasury shares were cancelled in accordance with the resolution of the AGM of 8th May, 2008.

Other key ratios	Q4 2008	Q4 2007	Full year 2008	Full year 2007
Return on capital employed, %	-8	12	5	29
Return on shareholders' equity, %	-12	12	7	26
Equity/assets ratio, %	53	47	53	47
Net debt/Shareholders' equity, %	39	43	39	43
Depreciation, SEK m	364	328	1 422	1 377
Investments, SEK m	1 533	920	4 624	2 512
Capital employed, SEK m	24 733	20 145	24 733	20 145
Net debt, SEK m	6 305	5 524	6 305	5 524

## BALANCE SHEETS

	31st Dec.	31st Dec.
SEK m	2008	2007
Intangible fixed assets	3 331	3 197
Tangible fixed assets	17 192	13 466
Interest-bearing assets	22	14
Other financial fixed assets	46	46
Inventories	4 051	6 904
Interest-bearing current receivables	7	7
Tax receivables	114	143
Other receivables	4 285	2 576
Liquid assets	1 204	878
<b>Total assets</b>	<b>30 252</b>	<b>27 231</b>
Shareholders' equity	16 131	12 932
Pension provisions	506	506
Deferred tax provisions	2 410	1 649
Other provisions	1 018	1 031
Interest-bearing long-term liabilities	6 670	4 434
Interest-bearing current liabilities	362	1 483
Tax liabilities	2	183
Other current liabilities	3 153	5 013
<b>Total liabilities and shareholders' equity</b>	<b>30 252</b>	<b>27 231</b>

Specification of change in shareholders' equity	31st Dec.	31st Dec.
SEK m	2008	2 007
Opening balance	12 932	16 089
Dividend	-1 094	-1 158
Share redemption	–	-3 464
Buy-back of own shares	–	-2 210
Profit for the period	935	3 787
Market valuation of financial instruments, after fiscal effect	3 363	-104
Revaluation of deferred tax reported directly to shareholders' equity	36	–
Translation differences	-41	-8
Closing balance	16 131	12 932

On 31st December 2008, the market valuation of financial instruments, after fiscal effect, was SEK 2,602 million.

## CASH FLOW ANALYSIS

SEK m	Q4 2008	Q4 2007	Full year 2008	Full year 2007
<b>Cash flow from operating activities before changes in working capital</b>	-520	103	1 576	4 773
Cash flow from changes in working capital	1 524	406	3 894	-1 043
<b>Cash flow from operating activities</b>	<b>1 004</b>	<b>509</b>	<b>5 470</b>	<b>3 730</b>
Investment activities				
- Acquisition of tangible fixed assets	-1 530	-920	-4 621	-2 511
- Other	-8	-7	-12	-7
Cash flow from investment activities	-1 538	-927	-4 633	-2 518
<b>Cash flow before financing activities</b>	<b>-534</b>	<b>-418</b>	<b>837</b>	<b>1 212</b>
Dividend	-	-	-1 094	-1 158
Share redemption	-	-	-	-3 464
Buy-back of own shares	-	-190	-	-2 210
Net borrowing/net amortisation	953	891	580	3 300
Cash flow from financing activities	953	701	-514	-3 532
<b>Cash flow for the period</b>	<b>419</b>	<b>283</b>	<b>323</b>	<b>-2 320</b>
Exchange rate difference on liquid assets	1	1	3	2
<b>Change in liquid assets</b>	<b>420</b>	<b>284</b>	<b>326</b>	<b>-2 318</b>

## INCOME STATEMENTS – PARENT COMPANY

SEK m	Q4 2008	Q4 2007	Full year 2008	Full year 2007
Dividends from subsidiaries	767	2 350	768	2 350
<b>Profit before tax</b>	<b>767</b>	<b>2 350</b>	<b>768</b>	<b>2 350</b>
Taxes	–	–	–	–
<b>Profit for the period</b>	<b>767</b>	<b>2 350</b>	<b>768</b>	<b>2 350</b>

The operations of Boliden AB are conducted on commission from Boliden Mineral AB, and hence the results of the operations are reported under Boliden Mineral AB.

## BALANCE SHEETS – PARENT COMPANY

SEK m	31st Dec. 2008	31st Dec. 2007
Participations in Group companies	3 911	3 911
Other shares and participations	2	0
Long-term financial receivables, Group companies	3 177	1 922
Current financial receivables, Group companies	1 120	3 829
<b>Total assets</b>	<b>8 210</b>	<b>9 662</b>
Shareholders' equity	7 857	8 183
Current liabilities to credit institutions	353	1 479
<b>Total liabilities and shareholders' equity</b>	<b>8 210</b>	<b>9 662</b>

**INFORMATION PER SEGMENT**

SEK m	Q4 2008	Q4 2007	Full year 2008	Full year 2007
<b>SMELTERS</b>				
Revenues	6 066	7 381	31 256	34 704
Operating profit	-414	1	372	2 297
Depreciation	209	194	803	771
Investments	274	317	737	1 008
Capital employed	13 656	16 738	13 656	16 738
<b>MINES</b>				
Revenues	1 113	1 735	5 178	7 567
Operating profit	2	536	734	3 135
Depreciation	155	134	618	605
Investments	1 258	604	3 886	1 503
Capital employed	8 292	4 970	8 292	4 970
<b>OTHER/ELIMINATIONS</b>				
Revenues	-892	-1 826	-5 447	-9 067
Operating profit	-79	53	-102	-4
Depreciation	-	-	1	1
Investments	1	-1	1	1
Capital employed	2 785	-1 563	2 785	-1 563
<b>THE GROUP</b>				
Revenues	6 287	7 290	30 987	33 204
Operating profit	-491	590	1 004	5 428
Depreciation	364	328	1 422	1 377
Investments	1 533	920	4 624	2 512
Capital employed	24 733	20 145	24 733	20 145

Capital employed reported under Other refers primarily to the market valuation of metal futures contracts.

<b>SMELTERS</b>	Q4 2008	Q4 2007	Change in %	Full year 2008	Full year 2007	Change in %
<b>KOKKOLA</b>						
Smelted material, tonnes						
Zinc concentrate	147 341	149 414	-1	576 239	581 229	-1
Production, tonnes						
Zinc, tonnes	77 211	74 497	4	297 722	305 543	-3
<b>ODDA</b>						
Smelted material, tonnes						
Zinc concentrate, incl. zinc clinker	59 698	75 459	-21	269 820	291 745	-8
Production, tonnes						
Zinc, tonnes	31 970	38 107	-16	145 469	157 027	-7
of which reprocessed zinc	189	0		1 198	1 629	
Aluminium fluoride, tonnes	9 613	8 223	17	34 611	34 833	-1
Sulphuric acid, tonnes	23 342	34 255	-32	112 946	129 942	-13
<b>RÖNNSKÄR</b>						
Smelted material, tonnes						
Copper, tonnes						
Primary	158 381	155 030	2	611 202	598 240	2
Secondary	41 002	43 316	-5	172 950	159 792	8
Total	199 383	198 346	1	784 152	758 032	3
Production						
Cathode copper, tonnes	58 644	53 941	9	227 774	213 894	6
Lead, tonnes	2 084	5 791	-64	14 235	25 865	-45
Zinc clinker, tonnes	10 486	11 653	-10	40 803	36 418	12
Gold, kg	3 390	2 517	35	13 425	12 086	11
Silver, kg	123 579	82 142	50	429 637	346 574	24
Sulphuric acid, tonnes	148 394	136 918	8	556 863	543 524	2
<b>HARJAVALTA</b>						
Smelted material, tonnes						
Copper concentrate	138 434	118 227	17	529 466	450 870	17
Production, tonnes						
Cathode copper	30 287	25 887	17	121 819	100 987	21
Gold, kg	574	625	-8	2 064	2 790	-26
Silver, kg	17 560	8 175	115	58 648	33 175	77
Sulphuric acid, tonnes	186 127	143 708	30	659 095	557 395	18
<b>BERGSÖE</b>						
Production, tonnes						
Lead alloys	11 857	11 855	0	42 577	43 865	-3
Tin alloys	59	118	-50	516	701	-26

<b>MINES</b>	Q4 2008	Q4 2007	Change in %	Full year 2008	Full year 2007	Change in %
<b>TARA</b>						
Milled ore, ktonnes	602	659	-9	2 411	2 658	-9
Head grades						
Zinc (%)	6.9	7.1	-3	7.8	7.7	1
Lead (%)	1.4	1.4	0	1.5	1.5	0
Metal production						
Zinc, tonnes	39 018	43 693	-11	175 006	190 916	-8
Lead, tonnes	5 395	5 803	-7	22 631	25 618	-12
<b>GARPENBERG</b>						
Milled ore, ktonnes	356	328	9	1 365	1 255	9
Head grades						
Zinc (%)	7.6	6.9	10	6.9	6.3	10
Copper (%)	0.1	0.1	0	0.1	0.1	0
Lead (%)	2.8	2.6	8	2.6	2.5	4
Gold (g/tonne)	0.3	0.2	50	0.3	0.3	0
Silver (g/tonne)	136	127	7	130	125	4
Metal production						
Zinc, tonnes	24 101	20 206	19	83 938	71 464	17
Copper, tonnes	130	158	-18	581	682	-15
Lead, tonnes	7 906	6 950	14	28 514	25 139	13
Gold, kg	60	51	18	243	244	0
Silver, kg	34 754	31 097	12	130 287	117 798	11
<b>THE BOLIDEN AREA</b>						
Milled ore, ktonnes	388	459	-15	1 355	1 848	-27
Head grades						
Zinc (%)	4.3	4.8	-10	4.0	4.8	-17
Copper (%)	0.9	0.8	13	1.0	0.8	25
Lead (%)	0.6	0.5	20	0.4	0.5	-20
Gold (g/tonne)	1.7	1.4	21	1.5	1.6	-6
Silver (g/tonne)	78	64	22	61	66	-8
Metal production						
Zinc, tonnes	8 844	17 581	-50	38 479	70 913	-46
Copper, tonnes	1 799	2 755	-35	9 413	11 633	-19
Lead, tonnes	612	784	-22	1 896	3 409	-44
Gold, kg	297	287	3	1 141	1 412	-19
Silver, kg	13 419	19 491	-31	47 671	79 753	-40
<b>AITIK</b>						
Milled ore, ktonnes	5 051	4 766	6	17 813	18 178	-2
Head grades						
Copper (%)	0.32	0.36	-11	0.30	0.32	-6
Gold (g/tonne)	0.19	0.13	46	0.14	0.14	0
Silver (g/tonne)	2.52	3.92	-36	2.81	3.67	-23
Metal production						
Copper, tonnes	14 434	14 914	-3	47 225	50 487	-6
Gold, kg	473	304	56	1 218	1 178	3
Silver, kg	8 502	12 157	-30	32 087	42 301	-24



**CONSOLIDATED QUARTERLY DATA**

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008
<b>Financial performance, the Group</b>								
Revenues	8 455	9 292	8 166	7 290	9 303	7 885	7 513	6 287
Operating profit before depreciation (EBITDA)	1 637	2 564	1 686	918	1 592	752	208	-127
Operating profit (EBIT)	1 286	2 220	1 332	590	1 231	406	-142	-491
Profit before tax	1 261	2 191	1 234	509	1 133	354	-199	-566
Profit for the period	921	1 602	900	364	1 263	259	-135	-451
Free cash flow <sup>1</sup>	1 117	451	62	-418	1 198	290	-117	-534
Earnings per share, SEK	3.18	5.56	3.20	1.33	4.62	0.95	-0.49	-1.65
Return on capital employed, %	28	49	29	12	25	8	-3	-8
Net debt/shareholders' equity, %	-8	27	40	43	31	39	37	39
<b>Metal production, Segment Smelters</b>								
Zinc, tonnes	114 759	117 731	117 476	112 603	108 807	112 648	112 555	109 181
Copper, tonnes	90 072	78 377	66 605	79 828	91 432	85 533	83 697	88 931
Lead, tonnes	8 229	7 085	4 760	5 791	7 046	2 850	2 255	3 964
Lead alloys, tonnes (Bergsöe)	12 062	11 962	7 986	11 855	11 868	10 992	7 860	11 857
Gold, kg	4 512	4 224	2 998	3 142	4 666	3 143	3 717	3 964
Silver, kg	108 253	104 677	76 502	90 317	136 655	94 940	115 552	141 139
Aluminium fluoride, tonnes	8 980	10 386	7 244	8 223	8 554	8 565	7 879	9 613
<b>Metal production, Segment Mines</b>								
Zinc, tonnes	89 031	86 682	76 100	81 480	82 362	75 561	67 538	71 963
Copper, tonnes	14 703	16 598	13 675	17 827	13 314	14 875	12 668	16 362
Lead, tonnes	13 288	14 200	13 141	13 537	13 362	12 975	12 791	13 913
Gold, kg	739	883	570	642	595	566	611	830
Silver, kg	62 303	58 210	58 024	63 165	48 789	53 519	52 261	57 115
<b>Metal prices</b>								
Zinc (USD/tonne)	3 460	3 664	3 238	2 646	2 426	2 115	1 773	1 189
Copper (USD/tonne)	5 941	7 635	7 714	7 239	7 763	8 448	7 693	3 940
Lead (USD/tonne)	1 787	2 182	3 141	3 262	2 891	2 316	1 912	1 251
Gold (USD/oz)	650	668	679	788	926	897	871	798
Silver (USD/oz)	13.29	13.33	12.70	14.21	17.59	17.18	15.09	10.21
<b>Exchange rates</b>								
USD/SEK	7.01	6.87	6.75	6.42	6.29	5.99	6.31	7.79
EUR/USD	1.31	1.35	1.37	1.45	1.50	1.56	1.50	1.31
EUR/SEK	9.19	9.26	9.27	9.30	9.40	9.35	9.47	10.23
USD/NOK	6.23	6.01	5.76	5.44	5.32	5.08	5.36	6.79

<sup>1</sup>) Refers to cash flow before financing activities

## SENSITIVITY ANALYSIS

The following table shows an estimate of the effect over a 12-month period on the Group's operating profit (EBIT) of changes in market terms on 31st December 2008, based on Boliden's planned production volume. The sensitivity analysis does not take into account the effects of metal price hedging, currency hedging, contracted TC/RC, or stock exposure in the smelters.

Change in metal prices +10%	Effect on profit SEK m	Change in USD +10%	Effect on profit SEK m	Change in TC/RC +10%	Effect on profit SEK m
Copper	140	USD/SEK	450	TC/RC Copper	60
Zinc	325	EUR/USD	290	TC Zinc	45
Lead	55	USD/NOK	70	TC Lead	-15
Gold	70				
Silver	55				