

Boliden AB (publ)

Investor Relations

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Corp. ID no. 556051-4142

Interim Report, January-March 2009

Positive result in a continued weak market

Q1 2009

- Revenues fell by 37 per cent, totalling SEK 5,879 million (SEK 9,303 m)
- The operating profit totalled SEK 788 million (SEK 1,231 m). Excluding the revaluation of the smelters' process stocks, it totalled SEK 269 million (SEK 926 m)
- Cutbacks in copper production at the smelters
- The free cash flow totalled SEK -1,811 million (SEK 1,198 m), primarily due to higher stocks
- Earnings per share totalled SEK 2.06 (SEK 4.62)

Summary of financial performance

SEK m	Q1 2009	Q1 2008	April 2008 – March 2009	Full year 2008
Revenues	5 879	9 303	27 564	30 987
Operating profit (EBIT)	788	1 231	561	1 004
Profit before tax	668	1 133	257	723
Net profit	564	1 263	237	935
Earnings per share ¹ , SEK	2.06	4.62	0.87	3.42
Free cash flow ²	-1 811	1 198	-2 172	837
Net debt/equity ratio ³ , %			52	39
Return on shareholders' equity ⁴ , %			2	7
Return on capital employed ⁵ , %			3	5

¹ Before and after dilution.

² Refers to cash flow before financing operations.

³ Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

⁴ Profit after tax divided by average shareholders' equity.

⁵ Operating profit divided by average capital employed.

Q1 2009

Revenues

Boliden's revenues fell to SEK 5,879 million (SEK 9,303 m). The fall was primarily due to lower prices and production cutbacks in response to weak demand.

Production

Mined zinc production fell by 8 per cent in comparison with the corresponding period in 2008. The decline was due to lower metal grades at Tara and the cuts in production in the Boliden Area until the new tailings pond becomes operational in 2010. Tara's zinc grades were higher than during the fourth quarter of 2008, helping ensure that the Group's mined zinc production increased by 6 per cent between the two quarters. Mined copper production was on a par with levels during the first quarter last year, but copper production fell by 20 per cent in comparison with the fourth quarter, due to lower grades at Aitik.

The smelters' cast zinc production fell by 5 per cent in comparison with the first quarter of 2008 and by 6 per cent in comparison with the fourth quarter. The lower production resulted from the cutback in the zinc smelters' metal production from mid-December 2008 implemented in response to deteriorating market conditions. The copper smelters' production was also cut during the first quarter, again in response to reduced demand. Production of copper cathodes was 22 per cent lower than during the first quarter of 2008 and 19 per cent lower than during the fourth quarter.

Operating profit

The operating profit fell to SEK 788 million (SEK 1,231 m) during the first quarter. The rise in metal prices since the turn of the year had a positive effect on the operating profit in conjunction with the revaluation of the smelters' process stocks (primarily copper and zinc) of SEK 519 million (SEK 305 m). Excluding the revaluation of the smelters' process stocks, the profit fell from SEK 926 million to SEK 269 million.

Changes in prices and terms had a negative effect of SEK -1,233 million on the Group's operating profit in comparison with the first quarter of 2008. The majority of this effect on the operating profit is attributable to the substantially lower average prices for zinc and copper and to lower metal premiums. Metal price and currency hedging, which is also included in the prices and terms item, had a positive effect of SEK 408 million on the operating profit.

The table below analyses the operating profit trend between the first quarter of 2009 and the corresponding period last year.

OPERATING PROFIT ANALYSIS		
SEK m	Q1 2009	Q1 2008
Operating profit	788	1 231
Revaluation of process stocks	519	305
Operating profit excl. process stock revaluation	269	926
Change	-657	

Analysis of change in operating profit excl. process stock revaluation:

Volume variation	-26
Changes to prices and terms	-1 233
<i>Metal prices and terms</i>	-1 452
<i>Metal price and currency hedging</i>	408
<i>TC/RC terms</i>	-19
<i>Metal premiums</i>	-181
<i>Definitive pricing (MAMA)</i>	11
Costs	24
Currency effects	582
Other	-4
Total	-657

Operating costs (excluding raw material purchases) fell by 1 per cent in comparison with the first quarter of 2008 in local currencies but increased by 6 per cent in SEK. Costs fell by 8 per cent in comparison with the fourth quarter of 2008 and by 4 per cent in SEK. The weaker Swedish krona increased costs of all kinds, but had a particularly pronounced effect on the cost of energy, personnel and services bought in.

Exchange rate fluctuations – primarily the strengthening of the US dollar – had a positive effect of SEK 582 million on the operating profit in comparison with the corresponding quarter in 2008.

Net financial items during the first quarter totalled SEK -120 million (SEK -98 m). The deterioration was primarily due to changes in the time value of currency options. The increase in interest costs resulting from higher debt was countered, in part, by lower interest rates. The profit before tax fell to SEK 668 million (SEK 1,133 m).

The net profit for the quarter was SEK 564 million (SEK 1,263 m), corresponding to earnings per share of SEK 2.06 (SEK 4.62).

Cash flow and investments

The cash flow from operating activities (including changes in working capital and before investments) totalled SEK -792 million (SEK 1,815 m) during the first quarter. The change in working capital totalled SEK -1,745 million (SEK 213 m). The majority of the change in working capital was due to higher stocks, around 75 per cent of which can be attributed to changes in metal prices and exchange rates. Accounts receivable were at a lower level than normal at the end of 2008.

Investments totalled SEK 1,019 million (SEK 617 m). The increase in comparison with the corresponding period in 2008 is attributable to the expansion of the Aitik copper mine (the Aitik 36 project).

The free cash flow (before financing operations) totalled SEK -1,811 million (SEK 1,198 m). The primary reason for the cash flow trend is the increase in stocks and investment disbursements in connection with the Aitik 36 project.

Financial position

The negative cash flow resulted in the net debt increasing to SEK 8,229 million (SEK 4,299 m). The net debt/equity ratio at the end of the reporting period was 52 per cent (31%).

The average term of Boliden's debt portfolio on 31st March 2009 was 4.5 years. The average interest rate level within the portfolio at that time was 3.85 per cent.

The contribution to shareholders' equity of the net market valuation of currency and raw materials derivatives, after fiscal effects, totalled SEK 1,752 million (SEK -1,259 m) on 31st March 2009.

Boliden's current liquidity at the end of the first quarter totalled SEK 6,411 million.

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 18 of this Interim Report.

MARKET PERFORMANCE

Demand for Boliden's main metals, zinc and copper, is primarily driven by the growth in the construction industry and the transport industry and, in particular, by infrastructural projects. China is the biggest market for base metals. Investments in the construction sector continued to fall in mature economies and the growth tapered off in developing countries. There was a substantial fall in global production of vehicles during the first quarter. Preliminary calculations show that global demand for zinc and copper fell worldwide by just over 15 per cent in comparison with the first quarter of last year and by 5 and 10 per cent, respectively, in comparison with the fourth quarter of 2008. Stimulus packages announced in several countries – with investments being made in the construction sector in general and infrastructure in particular – are expected to stimulate demand for base metals.

Zinc

The price of zinc on the LME, which stabilised at a low level at the end of 2008, was an average of 1 per cent lower during the first quarter than during the fourth quarter of 2008, and 52 per cent lower than during the first quarter of 2008.

Zinc stocks on the LME and Shanghai Futures Exchange (SHFE) stabilised in February and March after rising sharply in January. Production of zinc metal fell in China during January and February as a result of lower domestic production of zinc concentrate and increased metal imports. Higher zinc prices on the Shanghai metal exchange (SHFE) than in London (LME) gave rise to arbitrage opportunities and an increased inflow of zinc to Asia.

Weak demand for zinc metal in mature economies meant that spot premiums were low but stable in all regions during the first quarter, in comparison with the end of 2008.

Remuneration for the smelters' refining of mined concentrate into metal – TC/RC – is controlled by the supply of and demand for mined concentrate between mines and smelters. Spot market TC/RC have continued to fall during the first quarter as a result of high demand from smelters in China. The annual TC/RC negotiations have resulted in a few benchmark contracts in Europe, where TC/RC are at a lower level than in 2008. The realised contractual TC/RC was at a lower level than during the fourth quarter of 2008. A high degree of internal zinc concentrate supply is, however, limiting the effect of changes in TC/RC on the Boliden Group's profit as they are redistributed between Smelters and Mines.

Copper

The average price of copper on LME was 13 per cent lower than in the fourth quarter of 2008 and 56 per cent lower than during the first quarter of 2008. The price increased by 30 per cent during the quarter.

Imports of copper cathodes to China increased during the first quarter, which improved the market balance, and March saw a stabilising of the combined stock level at LME, SHFE and Comex. The increased import of copper metal to China improved the market balance in Europe as well and the spot premium rose from low levels.

Announcements of mining capacity cuts within the copper industry were few in number during 2008 and the first quarter of 2009. The opening of new mines has been postponed and the average grades in the world's copper mines are falling over time. Concentrate availability has consequently been limited in recent years, which resulted, up until 2008, in TC/RC falling to low levels. The smelting industry has cut production of copper metal since the end of 2008 in response to reduced demand for copper and sulphuric acid, which is an important by-product in the production of copper. The lower level of production by the smelting industry and a moderate increase in the availability of concentrate resulted, during the fourth quarter, in higher refining charges on the spot market. A lack of high quality copper scrap has, however, resulted in an increased demand for concentrate and spot refining charges have consequently fallen during the first quarter of 2009. A new higher TC/RC level was established in the yearly contracts during the first quarter, based on the higher spot market TC/RC at the end of 2008.

Sulphuric acid

Sulphuric acid is a by-product of the smelting process (mainly at copper smelters) which is primarily used by the artificial fertiliser, pulp and mining industries, and the petrochemical industry. Sulphuric acid can only be stored in special tanks and it is consequently vital for smelters to find an outlet for the sulphuric acid they produce and for a balance to obtain between demand for metal and acid. The marked deterioration in the sulphuric acid market situation during the fourth quarter of 2008 continued during the

first quarter of 2009, with falling prices limiting production levels for the smelting industry. Spot market prices were at historically low levels during the first quarter.

Other metals

The LME price of lead was an average of 7 per cent lower than during the fourth quarter of 2008 and 60 per cent lower than during the first quarter of 2008. Recycled metals meet a high percentage of global lead consumption requirements and, consequently, changes in the market balance do not have the same volatility as is the case for other base metals. Lower levels of car production worldwide do not affect demand for lead at the same rate, as the aftermarket for batteries is more stable.

Average gold and silver prices rose by 14 per cent and 23 per cent, respectively, in comparison with the fourth quarter. Gold and silver prices were an average of 2 per cent and 60 per cent lower, respectively, than during the first quarter of 2008.

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 profit performance is affected not only by the spot prices of metals, but by the percentage of 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 pricing premiums.

Metal prices (average LME/LBMA) in USD

	Q1 2009	Q1 2008	Change in %	Q4 2008	Change in %
Zinc (USD/tonne)	1 174	2 426	-52	1 189	-1
Copper (USD/tonne)	3 435	7 763	-56	3 940	-13
Lead (USD/tonne)	1 160	2 891	-60	1 251	-7
Gold (USD/troy oz)	908	926	-2	798	14
Silver (USD/troy oz)	12.60	17.59	-28	10.21	23

Metal prices (average LME/LBMA) in SEK

	Q1 2009	Q1 2008	Change in %	Q4 2008	Change in %
Zinc (SEK/tonne)	9 864	15 251	-35	9 262	6
Copper (SEK/tonne)	28 871	48 808	-41	30 683	-6
Lead (SEK/tonne)	9 745	18 173	-46	9 745	0
Gold (SEK/troy oz)	7 628	5 820	31	6 215	23
Silver (SEK/troy oz)	106	111	-5	80	33

Metal price hedging

The following table is a summary of Boliden's metal price hedging for copper, lead, gold and silver on 31st March 2009 in respect of forecast pricing exposure. 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 has a limited short-term effect on the Group's profit.

Metal futures

	Maturity year	Metal price (USD)	Quantity	Market value (SEK m)	Coverage rate ¹ %
Copper (tonnes)	2009	5 864	31 950	479	65
	2010	7 606	62 700	1 804	
				2 283	
Lead (tonnes)	2009	1 232	27 225	-9	55
				-9	
Gold (troy oz)	2009	706	76 500	-137	75
	2010	961	105 850	27	
				-110	
Silver (troy oz)	2009	14.61	4 257 000	53	75
	2010	18.46	5 170 000	228	
				281	

Market value of outstanding contracts, SEK m **2 445**

¹ Approximate coverage rate on outstanding metal positions during the 2009-2010 period in relation to forecast production.

Exchange rates

The majority of Boliden's revenues and the cost of raw materials bought in are in US dollars, but the majority of its other 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 first quarter, the US dollar strengthened against the Swedish krona, the Norwegian krone, and the euro, in comparison with both the first and the fourth quarters of 2008.

Exchange rate (average)

	Q1 2009	Q1 2008	Change in %	Q4 2008	Change in %
USD/SEK	8.40	6.29	34	7.79	8
EUR/USD	1.30	1.50	-13	1.31	-1
EUR/SEK	10.94	9.40	16	10.23	7
USD/NOK	6.87	5.32	29	6.79	1

Currency hedging

The following table summarises Boliden's currency futures contracts on 31st March 2009 in respect of forecast currency exposure in USD/SEK. The Boliden Group is otherwise, in every significant respect, exposed to exchange rate fluctuations. The hedging shown below means that changes in USD/SEK has a limited short-term effect on the Group's profit.

Currency futures

	Maturity year	Forward rate	Amount sold (USD m)	Market value (SEK m)
USD/SEK	2009	8.33	338	19
	2010	8.26	688	21

Market value of outstanding contracts, SEK m **40**

SENSITIVITY ANALYSIS

Changes in the market terms for metal prices, in exchange rates and in treatment and refining charges affect Boliden's profit performance. An analysis of the way in which the Group's operating profit (EBIT) is affected over the subsequent twelve-month period by changes in market terms can be found on page 23.

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, primarily from car batteries. The zinc smelters' production primarily comprises zinc metal, but also includes aluminium fluoride, which is manufactured at Odda. The copper smelters' production primarily comprises 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 for purchases of metal concentrates and recycling material.

REVENUES, PROFIT AND INVESTMENTS			
SEK m	Q1 2009	Q1 2008	Full year 2008
Revenues	5 689	9 422	31 256
Operating profit	484	727	372
Investments	76	139	737
Capital employed	15 001	15 952	13 656

OPERATING PROFIT ANALYSIS, SMELTERS		
SEK m	Q1 2009	Q1 2008
Operating profit	484	727
Revaluation of process stocks	519	305
Operating profit ex. revaluation of process stocks	-35	422
Change	-457	

Analysis of change in operating profit ex. revaluation of process stocks

Volume variation	-117
Changes to prices and terms	-580
Costs	-6
Currency effects	265
Other	-19
Total	-457

The operating profit fell by SEK 243 million compared with the corresponding period last year, while the profit improved by SEK 898 million in comparison with the previous quarter.

The operating profit, excluding the revaluation of process stocks, totalled SEK -35 million in comparison with SEK 422 million in the previous year. Last quarter, the operating profit excluding revaluation was SEK 288 million, and the fall in profit in comparison with that quarter totalled SEK 323 million.

Volume changes reduced the segment's operating profit by SEK 117 million in comparison with the corresponding quarter in 2008, primarily as a result of lower copper production.

Changes to metal prices and terms affected the profit to the tune of SEK -580 million in comparison with the first quarter of 2008. This item primarily comprises lower treatment and refining charges (TC/RC) and lower metal premiums, which had a combined negative effect on the profit of SEK -377 million. Metal price and currency hedging, which is also included in changes to prices and terms, had a positive effect on the profit of SEK 40 million.

In comparison with the first quarter in 2008, operating costs remained largely unchanged in local currencies but increased by 9 per cent in SEK. In comparison with the fourth quarter, costs fell by 4 per cent in local currencies, and by 1 per cent in SEK.

A weaker Swedish krona had a positive effect on the profit.

PRODUCTION, SMELTERS

	Q1 2009	Q1 2008	Change in %	Q4 2008	Change in %
Zinc, tonnes	102 963	108 807	-5	109 181	-6
Copper, tonnes	71 710	91 432	-22	88 931	-19
Lead, tonnes	5 391	7 046	-23	3 964	36
Lead alloys, tonnes (Bergsöe)	9 451	11 868	-20	11 857	-20
Gold, kg	3 632	4 666	-22	3 964	-8
Silver, kg	133 013	136 655	-3	141 139	-6
Sulphuric acid, tonnes	284 996	352 240	-19	357 863	-20
Aluminium fluoride, tonnes	10 542	8 554	23	9 613	10

Information about production at individual units can be found on page 20.

Production of zinc fell by 5 per cent in comparison with the first quarter of 2008 and by 6 per cent in relation to the fourth quarter. The decline was a result of the decision to cut zinc production from mid-December 2008, due to reduced demand.

Deteriorating market conditions for copper metal and the by-product, sulphuric acid, resulted in the decision to cut production at the copper smelters too by an amount corresponding to 68,000 tonnes on a yearly basis, which equates to 19 per cent of production in 2008. Production of copper cathodes was 22 per cent lower during the first quarter than during the corresponding period in 2008 and 19 per cent lower than during the fourth quarter.

Production of gold and silver fell in comparison with both the first and the fourth quarters of 2008 due to production cutbacks at the copper smelters. Precious metal production has, however, continued high, despite the cutbacks, due to high grades in copper concentrates bought in and to an increased percentage of electronic scrap.

No planned maintenance shutdown costs were charged to the first quarter profit, in comparison with the SEK 50 million in costs charged during the corresponding period in 2008. Costs totalling SEK 100 million (SEK 50 m) and arising from maintenance shutdowns, principally at Rönnskär and Harjavalta, are expected to be charged to the second quarter profit.

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 variable gold and silver content.

REVENUES, PROFIT AND INVESTMENTS			
	Q1	Q1	Full year
SEK m	2009	2008	2008
Revenues	1 457	1 566	5 178
Operating profit	404	457	734
Investments	957	479	3 886
Capital employed	9 490	5 367	8 292

OPERATING PROFIT, MINES	
SEK m	Q1
Operating profit, 2008	457
Volume variation	91
Changes to prices and terms	-570
Costs	100
Currency effects	318
Other	8
Operating profit, 2009	404

Segment Mines' revenues totalled SEK 1,457 million (SEK 1,566 m). The operating profit fell by SEK 53 million to SEK 404 million in comparison with the first quarter of 2008, but was SEK 402 million higher than in the fourth quarter. The improvement from the preceding quarter was primarily due to a favourable trend in prices and terms for metals and currencies, and to lower operating costs.

Volume variations had a positive effect of SEK 91 million on the profit in comparison with the first quarter of last year. The effect on the profit was positive, despite lower levels of mined production, primarily due to a higher percentage of payable metal.

Changes to prices and terms affected the operating profit to the total tune of SEK -570 million in comparison with the first quarter of 2008. This item includes the effect of the considerably lower average prices, which negatively affected the profit to the tune of SEK 1,126 million. Metal price hedging, which is included in the effect on the profit of changes to prices and terms, had a positive effect of SEK 368 million on the segment's operating profit, while lower TC/RC paid to smelters improved the profit by SEK 176 million.

Operating costs fell by 9 per cent in comparison with the corresponding period in 2008, and by 4 per cent in SEK. The reduction is primarily due to lower costs for exploration and external services and to lower energy prices. Operating costs fell by 10 per cent in local currencies in comparison with the fourth quarter, and by 8 per cent in SEK.

An action programme designed to improve the mine's profitability was launched at Tara in early 2009. Measures have included reducing the mobile machine park, introducing continuous shifts, and cutting the amount of overtime worked.

METAL PRODUCTION*, MINES

	Q1 2009	Q1 2008	<i>Change in %</i>	Q4 2008	<i>Change in %</i>
Zinc, tonnes	76 167	82 362	-8	71 963	6
Copper, tonnes	13 165	13 314	-1	16 362	-20
Lead, tonnes	13 701	13 362	3	13 913	-2
Gold, kg	700	595	18	830	-16
Silver, kg	54 826	48 789	12	57 115	-4

* Refers to metal content in concentrates.

Information about production and metal grades at individual units can be found on page 21.

Mined zinc production fell by 8 per cent in comparison with the first quarter of 2008. The fall was primarily due to lower grades at Tara and a lower throughput at the mine's concentrator, and to the production cutback in the Boliden Area. At the same time, Garpenberg's increase in milled tonnage and the higher zinc grade had a positive effect on the segment's zinc production. Production of zinc increased by 6 per cent in comparison with the fourth quarter, primarily as a result of higher production at Tara resulting from higher metal grades, but also as a result of improved returns at the Boliden Area's concentrator.

Copper production remained largely unchanged in comparison with the first quarter last year. Aitik increased its milled tonnage and improved the metal returns, and copper production consequently increased by 10 per cent, while the Boliden Area's production of copper fell. Copper production fell by 20 per cent in comparison with the fourth quarter as a result of lower milled tonnage and grades at Aitik, although higher metal returns were achieved in the concentrator.

Aitik's higher throughput and improved returns, coupled with higher gold grades, led to an increase in gold production in comparison with the first quarter of 2008. Silver production also increased as a result of higher silver grades at Garpenberg.

AITIK 36

The expansion of Aitik (Aitik 36) 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 to 36 million tonnes per year. The average grade will be lower than current levels in the long-term, but increased ore mining and concentration capacity will mean an increase in copper concentrate production.

The increased production capacity is scheduled to come on line in March 2010 and to reach full capacity in 2014. The total investment sum for the project is estimated at just over SEK 6 billion.

SUSTAINABLE DEVELOPMENT**Employees**

The average number of employees in Boliden at the end of the first quarter was 4,337 (4,473). Of these, 2,367 work in Sweden, 945 in Finland, 681 in Ireland, 328 in Norway, and 16 in other countries. This represents a decrease of 271 in comparison with 2008 as a whole, when the average number of employees was 4,608. The decrease in comparison with the first quarter of 2008 was 136.

The sick-leave rate during the first quarter was 4.8 per cent, corresponding to an increase of 0.1 percentage points in comparison with 2008 as a whole. This figure does, however, represent a fall of 0.5 percentage points in comparison with the first quarter of 2008. Boliden's goal is for the sick-leave rate to be 4.0 per cent or less by the end of 2013.

The accident frequency during the first quarter was 4.5 accidents per one million hours worked. This represents a reduction in comparison with 2008 as a whole, when the frequency was 9.1, and in comparison with the first quarter of 2008, when the corresponding figure was 5.0.

Boliden's goal, as of 2009, is for all units to have zero accidents every month. Five of Boliden's nine production units were accident-free during the first quarter.

The staff functions have been included in the sick leave and accident frequency statistics from March 2009. The accident frequency of 4.5 and the sick-leave rate of 4.8 are consequently slightly lower for the first quarter for the Group as a whole than would have been the case for the operating units alone. The accident frequency and sick-leave rate for the operating units alone are 4.8 per one million hours worked and 5.0 per cent, respectively.

Environment

Boliden's operations at all of its facilities are subject to licensing requirements and are conducted in accordance with the legislation in the various countries in which they operate. Environmental performance was generally good during the first quarter, in that no limit values were reported to have been exceeded.

Permit applications in respect of recommencing mining at the Kankberg mine (Åkulla) have been submitted to the Environmental Court.

RISKS AND UNCERTAINTY FACTORS

For further information on risks and risk management, please see Boliden's 2008 Annual Report. 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 pricing trends for zinc, copper and other base metals. The rapid deterioration in the global economic climate gives rise to a general climate of uncertainty that may entail increased risks with regard to Boliden's operations and profitability, and to its financial position, including risks that Boliden may come into conflict with loan terms and conditions.

PREPARATION PRINCIPLES FOR THE INTERIM REPORT

The Consolidated Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU, and with the Swedish Financial Reporting Board recommendation RFR1, complementary accounting rules for Groups, which specifies the supplementary information required in addition to that required under IFRS standards, pursuant to the provisions of the Swedish Annual Accounts Act. This Interim Report has been prepared in accordance with IAS 34, Interim Financial Reporting. The Parent Company accounts are prepared in accordance with the Swedish Annual Accounts Act and RFR 2, accounting for legal entities. The Group uses the same accounting principles as those described in the 2008 Annual Report, with the exception of those detailed below.

The revised standard, IAS 1, Presentation of Financial Statements, is applied from 1st January 2009. The standard divides changes in shareholders' equity into those resulting from transactions with owners and other changes. The presentation of changes in shareholders' equity will only contain details of transactions with owners. The "Statement of Comprehensive Income" concept, which shows all income and expense

items previously reported under shareholders' equity, is also introduced. Boliden has chosen to present a statement of comprehensive income in a separate report.

IFRS 8 requires information to be presented on the Group's operating segments and replaces the requirement to identify the Group's primary and secondary segments. The implementation of this standard has had no effect on the Group's financial position. The implementation of IFRS 8 has not given rise to any segments other than those reported as primary in accordance with IAS 14.

INTERIM REPORTS

- The Interim Report for January-June 2009 will be published on 20th July 2009.
- The Interim Report for January-September 2009 will be published on 26th October 2009.
- The Preliminary Financial Statement for 2009 as a whole will be published on 11th February 2010.

Skellefteå, 29th April 2009

Lennart Evrell
President & CEO

The Interim Report for January-March 2009 has not been subject to special review by the company's auditors.

The information provided in the Interim Report comprises the information that Boliden is obliged to present pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on 29th April.

CONFERENCE CALL AND PRESENTATION

Conference call, online broadcast, and presentation (English)

The report will be presented on 29th April at 13.00 (CET) in the form of a conference call and on 30th April at 09.00 (CET) at Operaterrassen in Stockholm.

Please notify the company of your intention to attend the presentation at Operaterrassen no later than 29th April, via Boliden's website at www.boliden.com.

To participate in the conference call on 29th April, call one of the following telephone numbers a few minutes before the conference begins:

Telephone number from Sweden: 08-5051 3785 (include the area code)

Telephone number from other countries: +44 20 7138 0824

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CONSOLIDATED INCOME STATEMENTS

SEK m	Q1 2009	Q1 2008	April 2008 - March 2009	Full year 2008
Revenues	5 879	9 303	27 564	30 987
Cost of goods sold	-4 836	-7 789	-25 880	-28 832
Gross profit	1 043	1 514	1 684	2 155
Selling expenses	-104	-124	-482	-502
Administrative expenses	-131	-103	-438	-411
Research and development costs	-50	-86	-341	-377
Other operating income and expenses	30	29	136	136
Results from participations in associated companies	–	1	2	3
Operating profit	788	1 231	561	1 004
Financial income	1	7	76	37
Financial expenses	-121	-105	-380	-318
Profit after financial items	668	1 133	257	723
Taxes	-104	130	-20	212
Profit for the period	564	1 263	237	935
Profit for the period attributable to				
The Parent Company's shareholders	564	1 263	237	935
Minority shareholdings	–	–	–	–

Earnings and shareholders' equity per share	Q1 2009	Q1 2008	April 2008 - March 2009	Full year 2008
Earnings per share ¹ , SEK	2.06	4.62	0.87	3.42
Shareholders' equity per share, SEK	57.97	50.09	57.97	58.98
Number of shares	273 511 169	273 511 169	273 511 169	273 511 169
Average number of shares	273 511 169	273 511 169	273 511 169	273 511 169
Average number of own shares held ²	–	15 946 000	–	–

1) There are no potential shares and, as a result, no dilution effect.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Q1 2009	Q1 2008	April 2008 - March 2009	Full year 2008
Net profit	564	1 263	237	935
Market valuation of financial instruments	-1 153	-692	4 126	4 587
Translation differences	12	2	-31	-41
Tax in relation to other comprehensive income	303	194	-1 079	-1 188
Other net comprehensive income for the period after tax	-838	-496	3 016	3 358
Total comprehensive income for the period	-274	767	3 253	4 293
Total comprehensive income attributable to				
The Parent Company's shareholders	-274	767	3 253	4 293
Minority shareholdings	–	–	–	–
Other key ratios	Q1 2009	Q1 2008	April 2008 - March 2009	Full year 2008
Return on capital employed ¹ , %			3	5
Return on shareholders' equity ² , %			2	7
Equity/assets ratio, %	50	50	50	53
Net debt/equity ratio ³ , %	52	31	52	39
Depreciation, SEK m	382	361	1 442	1 422
Investments, SEK m	1 019	617	5 026	4 624
Capital employed, SEK m	26 249	19 408	26 249	24 733
Net debt, SEK m	8 229	4 299	8 229	6 305

1) Operating profit divided by average capital employed.

2) Profit after tax divided by average shareholders' equity.

3) Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

CONSOLIDATED BALANCE SHEETS

SEK m	31 st March 2009	31 st March 2008	31 st Dec. 2008
Fixed assets			
Intangible fixed assets	3 425	3 169	3 331
Tangible fixed assets	17 995	13 661	17 192
Deferred tax	–	–	–
Interest-bearing assets	39	12	22
Other financial fixed assets	50	46	46
Current assets			
Inventories	5 427	6 399	4 051
Interest-bearing current receivables	8	6	7
Tax receivables	22	23	114
Other receivables	4 044	2 856	4 285
Liquid assets	428	1 049	1 204
Total assets	31 438	27 221	30 252
Shareholders' equity	15 857	13 699	16 131
Long-term liabilities			
Pension provisions	507	503	506
Deferred tax provisions	2 174	1 286	2 410
Other provisions	1 015	976	1 018
Interest-bearing long-term liabilities	8 177	3 620	6 670
Other long-term liabilities	–	–	–
Current liabilities			
Interest-bearing current liabilities	20	1 243	362
Tax liabilities	11	147	2
Other current liabilities	3 677	5 747	3 153
Total liabilities and shareholders' equity	31 438	27 221	30 252

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

SEK m	31 st March 2009	31 st March 2008	31 st Dec. 2008
Opening balance	16 131	12 932	12 932
Dividend	–	–	-1 094
Total comprehensive income for the period	-274	767	4 293
Closing balance	15 857	13 699	16 131

On 31st March 2009, the accumulated market valuation of financial instruments, after fiscal effect, and since the contracts were agreed, was SEK 1,752 million.

CONSOLIDATED CASH FLOW ANALYSIS

SEK m	Q1 2009	Q1 2008	Full year 2008
Cash flow from operating activities before changes in operating capital	953	1 602	1 576
Cash flow from changes in operating capital	-1 745	213	3 894
Cash flow from operating activities	-792	1 815	5 470
Investment activities			
- Acquisition of tangible fixed assets	-1 019	-617	-4 621
- Other	-	-	-12
Cash flow from investment activities	-1 019	-617	-4 663
Cash flow before financing activities	-1 811	1 198	837
Dividend	-	-	-1 094
Net borrowing/net amortisation	1 035	-1 027	580
Cash flow from financing activities	1 035	-1 027	-514
Cash flow for the period	-776	171	323
Exchange rate difference on liquid assets	-	-	3
Change in liquid assets	-776	171	326

INCOME STATEMENTS – PARENT COMPANY

SEK m	Q1 2009	Q1 2008	Full year 2008
Dividends from subsidiaries	–	–	768
Profit after financial items	–	–	768
Taxes	–	–	–
Profit for the period	–	–	768

The operations of Boliden AB are, by mutual agreement, conducted on its behalf by Boliden Mineral AB, which means that the profit is reported as part of Boliden Mineral AB.

BALANCE SHEETS – PARENT COMPANY

SEK m	31 st March 2009	31 st March 2008	31 st Dec. 2008
Participations in Group companies	3 911	3 911	3 911
Other shares and participations	2	0	2
Long-term financial receivables, Group companies	3 177	1 922	3 177
Current financial receivables, Group companies	777	3 590	1 120
Total assets	7 867	9 423	8 210
Shareholders' equity	7 857	8 183	7 857
Current liabilities to credit institutions	10	1 240	353
Total liabilities and shareholders' equity	7 867	9 423	8 210

INFORMATION PER SEGMENT

SEK m	Q1 2009	Q1 2008	Full year 2008
SMELTERS			
Revenues	5 689	9 422	31 256
Operating profit	484	727	372
Depreciation	223	201	803
Investments	76	139	737
Capital employed	15 001	15 952	13 656
MINES			
Revenues	1 457	1 566	5 178
Operating profit	404	457	734
Depreciation	159	161	618
Investments	957	479	3 886
Capital employed	9 490	5 367	8 292
OTHER/ELIMINATIONS			
Revenues	-1 267	-1 685	-5 447
Operating profit	-100	47	-102
Depreciation	-	-1	1
Investments	-14	-1	1
Capital employed	1 758	-1 911	2 785
THE GROUP			
Revenues	5 879	9 303	30 987
Operating profit	788	1 231	1 004
Depreciation	382	361	1 422
Investments	1 019	617	4 624
Capital employed	26 249	19 408	24 733

Capital employed reported under Other refers, mainly, to market valuations of hedges.

PRODUCTION PER UNIT

SMELTERS	Q1 2009	Q1 2008	Change in %	Full year 2008
KOKKOLA				
Smelted material, tonnes				
Zinc concentrate	138 657	146 349	-5	576 239
Production, tonnes				
Zinc, tonnes	70 474	71 908	-2	297 722
ODDA				
Smelted material, tonnes				
Zinc concentrate, incl. zinc clinker	59 188	70 164	-16	269 820
Production, tonnes				
Zinc, tonnes	32 489	36 899	-12	145 469
of which reprocessed zinc	0	1 009		1 198
Aluminium fluoride, tonnes	10 542	8 554	23	34 611
Sulphuric acid, tonnes	30 230	29 789	1	112 946
RÖNNSKÄR				
Smelted material, tonnes				
Copper, tonnes				
Primary	140 207	150 184	-7	611 202
Secondary	33 903	40 637	-17	172 950
Total	174 110	190 821	-9	784 152
Production				
Cathode copper, tonnes	48 601	58 223	-17	227 774
Lead, tonnes	5 391	7 046	-23	14 235
Zinc clinker, tonnes	11 251	10 364	9	40 803
Gold, kg	3 162	4 061	-22	13 425
Silver, kg	117 318	123 789	-5	429 637
Sulphuric acid, tonnes	126 988	150 869	-16	556 863
HARJAVALTA				
Smelted material, tonnes				
Copper concentrate	94 267	145 330	-35	529 466
Production, tonnes				
Cathode copper	23 109	33 209	-30	121 819
Gold, kg	470	605	-22	2 064
Silver, kg	15 695	12 866	22	58 648
Sulphuric acid, tonnes	127 778	171 582	-26	659 095
BERGSÖE				
Production, tonnes				
Lead alloys	9 451	11 868	-20	42 577
Tin alloys	99	148	-33	516

MINES	Q1 2009	Q1 2008	Change in %	Full year 2008
TARA				
Milled ore, ktonnes	595	646	-8	2 411
Head grades				
Zinc (%)	7.7	8.7	-11	7.8
Lead (%)	1.4	1.6	-13	1.5
Metal production				
Zinc, tonnes	43 046	52 259	-18	175 006
Lead, tonnes	5 263	7 056	-25	22 631
GARPENBERG				
Milled ore, ktonnes	352	310	14	1 365
Head grades				
Zinc (%)	7.6	6.6	15	6.9
Copper (%)	0.1	0.1	0	0.1
Lead (%)	2.7	2.4	13	2.6
Gold (g/tonne)	0.3	0.3	0	0.3
Silver (g/tonne)	133	114	17	130
Metal production				
Zinc, tonnes	24 170	18 337	32	83 938
Copper, tonnes	135	155	-13	581
Lead, tonnes	7 944	5 923	34	28 514
Gold, kg	58	57	2	243
Silver, kg	33 676	26 779	26	130 287
BOLIDEN AREA				
Milled ore, ktonnes	309	411	-25	1 355
Head grades				
Zinc (%)	4.3	3.6	19	4.0
Copper (%)	0.9	0.9	0	1.0
Lead (%)	0.5	0.3	67	0.4
Gold (g/tonne)	1.9	1.5	27	1.5
Silver (g/tonne)	82	53	55	61
Metal production				
Zinc, tonnes	8 951	11 767	-24	38 479
Copper, tonnes	1 905	3 037	-37	9 413
Lead, tonnes	495	384	29	1 896
Gold, kg	334	350	-5	1 141
Silver, kg	14 454	13 578	6	47 671
AITIK				
Milled ore, ktonnes	4 704	4 328	9	17 813
Head grades				
Copper (%)	0.27	0.27	0	0.30
Gold (g/tonne)	0.13	0.10	30	0.14
Silver (g/tonne)	2.07	3.02	-31	2.81
Metal production				
Copper, tonnes	11 125	10 122	10	47 225
Gold, kg	308	188	64	1 218
Silver, kg	6 489	8 044	-19	32 087

QUARTERLY DATA

	Q2 2007	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	Q4 2008	Q1 2009
Financial performance, the Group								
Revenues, SEK m	9 292	8 166	7 290	9 303	7 885	7 513	6 287	5 879
Operating profit before depreciation (EBITDA), SEK m	2 564	1 686	918	1 592	752	208	-127	1 170
Operating profit (EBIT), SEK m	2 220	1 332	590	1 231	406	-142	-491	788
Profit after financial items, SEK m	2 191	1 234	509	1 133	354	-199	-566	668
Net profit, SEK m	1 602	900	364	1 263	259	-135	-451	564
Free cash flow ¹ , SEK m	451	62	-418	1 198	290	-117	-534	-1 811
Earnings per share, SEK	5.56	3.20	1.33	4.62	0.95	-0.49	-1.65	2.06
Return on capital employed, %	49	29	12	25	8	-3	-8	12
Net debt/equity ratio ² , %	27	40	43	31	39	37	39	52
Metal production, Segment Smelters								
Zinc, tonnes	117 731	117 476	112 603	108 807	112 648	112 555	109 181	102 963
Copper, tonnes	78 377	66 605	79 828	91 432	85 533	83 697	88 931	71 710
Lead, tonnes	7 085	4 760	5 791	7 046	2 850	2 255	3 964	5 391
Lead alloys, tonnes (Bergsöe)	11 962	7 986	11 855	11 868	10 992	7 860	11 857	9 451
Gold, kg	4 224	2 998	3 142	4 666	3 143	3 717	3 964	3 632
Silver, kg	104 677	76 502	90 317	136 655	94 940	115 552	141 139	133 013
Aluminium fluoride, tonnes	10 386	7 244	8 223	8 554	8 565	7 879	9 613	10 542
Metal production, Segment Mines³								
Zinc, tonnes	86 682	76 100	81 480	82 362	75 561	67 538	71 963	76 167
Copper, tonnes	16 598	13 675	17 827	13 314	14 875	12 668	16 362	13 165
Lead, tonnes	14 200	13 141	13 537	13 362	12 975	12 791	13 913	13 701
Gold, kg	883	570	642	595	566	611	830	700
Silver, kg	58 210	58 024	63 165	48 789	53 519	52 261	57 115	54 826
Metal prices								
Zinc (USD/tonne)	3 664	3 238	2 646	2 426	2 115	1 773	1 189	1 174
Copper (USD/tonne)	7 635	7 714	7 239	7 763	8 448	7 693	3 940	3 435
Lead (USD/tonne)	2 182	3 141	3 262	2 891	2 316	1 912	1 251	1 160
Gold (USD/oz)	668	679	788	926	897	871	798	908
Silver (USD/oz)	13.33	12.70	14.21	17.59	17.18	15.09	10.21	12.60
Exchange rates								
USD/SEK	6.87	6.75	6.42	6.29	5.99	6.31	7.79	8.40
EUR/USD	1.35	1.37	1.45	1.50	1.56	1.50	1.31	1.30
EUR/SEK	9.26	9.27	9.30	9.40	9.35	9.47	10.23	10.94
USD/NOK	6.01	5.76	5.44	5.32	5.08	5.36	6.79	6.87

¹⁾ Refers to cash flow before financing activities.

²⁾ The net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

³⁾ Refers to the metal content of concentrates.

SENSITIVITY ANALYSIS

The following table contains an estimate of how changes in market terms from listings on 31st March 2009, calculated on the basis of Boliden's planned production volume, affect the Group's operating profit (EBIT) over the next twelve-month period. 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
Zinc	385	USD/SEK	605	TC Zinc	40
Copper	225	EUR/USD	275	TC/RC Copper	70
Lead	70	USD/NOK	75	TC Lead	-10
Gold	95				
Silver	75				