



Q4

Full-year Report 2007
January–December 2007

This final Full-year Report 2007 is identical to the Preliminary Full-year Report 2007 published by Boliden on 24th January, 2008 with the exception of page 14 and the Board of Directors' dividend proposal.

” Boliden’s operating profit for the fourth quarter totalled SEK 590 million, which is a significant fall in comparison with previous quarters and is expected to be below market estimates.

Boliden is greatly exposed to US dollar exchange rates, the price of zinc metal and TC/RC’s for copper and zinc. A fall in the price of zinc affects mines and smelters negatively both in ongoing business and revaluation of stocks. During the fourth quarter the zinc price has fallen by 37% compared with the same period in 2006 and by 18% since the third quarter.

A large amount of Boliden’s copper production is based on purchased concentrate where prices are regulated by long-term contracts, which are adjusted annually. The TC/RC’s for copper have decreased significantly during the fourth quarter compared with the previous year, due to a shortage of copper concentrate.

Production during the fourth quarter was stable. ”

Lennart Evrell

Stable production but lower prices and market terms as well as weaker dollar affect profits

Q4 2007

- Revenues fell to SEK 7,290 million (SEK 9,728 m).
- The operating profit totalled SEK 590 million (SEK 2,225 m).
- The profit for the period was SEK 364 million (SEK 1,750 m).
- Earnings per share totalled SEK 1.33 (SEK 6.04).
- Cash flow from operating activities totalled SEK 509 million (SEK 2,947 m).

FULL YEAR 2007

- Revenues fell to SEK 33,204 million (SEK 35,213 m).
- The operating profit fell to SEK 5,428 million (SEK 8,522 m).
- The profit for the period was SEK 3,787 million (SEK 6,268 m).
- Earnings per share totalled SEK 13.37 (SEK 21.66).
- Cash flow from operating activities totalled SEK 3,730 million (SEK 8,010 m).
- The cost of dividends paid and the redemption and buy-back of shares totalled approximately SEK 6.8 billion.

IMPORTANT EVENTS

- The Board of Directors proposes to the Annual General Meeting an ordinary dividend of SEK 4 (4) per share.
- Lennart Evrell new CEO on 1st January 2008.
- Boliden Area reduces production 2008–2009.

KEY RATIOS

	Q4 2007 SEK m	Q4 2006 SEK m	Change in %	Full year 2007 SEK m	Full year 2006 SEK m	Change in %
Revenues	7,290	9,728	-25	33,204	35,213	-6
Operating profit before depreciation (EBITDA)	918	2,551	-64	6,805	9,831	-31
Operating profit (EBIT)	590	2,225	-73	5,428	8,522	-36
Profit before tax	509	2,185	-77	5,196	8,313	-37
Profit for the period	364	1,750	-79	3,787	6,268	-40
Cash flow from operating activities	509	2,947	-83	3,730	8,010	-53
Earnings per share, before and after dilution, SEK	1.33	6.04	-78	13.37	21.66	-38
Return on capital employed, %	12	51		29	52	
Net debt/shareholders' equity, %	43	-1		43	-1	

The Group

REVENUES

Boliden's revenues for the fourth quarter fell to SEK 7,290 million (SEK 9,728 m) in comparison with the same period last year. Revenues were negatively affected by lower zinc prices and a lower US dollar exchange rate.

Revenues for the full year fell to SEK 33,204 million (SEK 35,213 m).

PROFIT PERFORMANCE

The operating profit (EBIT) fell to SEK 590 million (SEK 2,225 m) during the fourth quarter and to SEK 5,428 million (SEK 8,522 m) for the full year. A weaker US dollar and lower zinc prices had a negative impact on the result. An analysis of the profit is provided in the table below. There is a more detailed deviation analysis on page 23.

Deviation analysis, EBIT, SEK m	Q4	Full year
EBIT 2006	2,225	8,522
Exchange rate effects	-362	-1,299
Metal prices and terms	-849	-552
Volume variation, Segment Mines	-198	-689
Volume variation, Segment Smelters	-161	-78
Costs	-46	-422
Other	-19	-54
EBIT 2007	590	5,428

The operating profit (EBIT) for the fourth quarter breaks down between the segments into SEK 536 million (SEK 790 m) from Segment Mines, SEK 1 million (SEK 1,513 m) from Segment Smelters, and SEK 53 million (SEK -78 m) from Other.

A WEAKER US DOLLAR NEGATIVELY AFFECTED BOTH SEGMENTS.

The zinc price dropped dramatically during the fourth quarter, impacting Mines' revenues and Smelters' revenues from the free zinc metal in concentrate, plus the revaluation of the zinc process stock.

The total effect of metal price hedging on the operating profit during the fourth quarter was SEK -187 million (SEK -605 m), where the copper price hedging has improved considerably during the fourth quarter, providing a positive variation, compared with the same period last year.

The negative volume variations are primarily attributable to Tara, the Boliden Area and Harjavalta.

FULL YEAR

The operating profit (EBIT) for the full year was SEK 3,135 million (SEK 3,010 m) for Mines, SEK 2,297 million (SEK 5,652 m) for Smelters, and SEK -4 million (SEK -140 m) from Other.

As of 2007, Boliden applies the same pricing model to concentrate deliveries from own mines as it does to external concentrates, i.e. the average price one month after arriving at the smelters (MAMA). In 2006, the company applied a metals price that was based on the annual average price of concentrate deliveries

from own mines. The full-year effect of this change in pricing model on the operating profit is approximately SEK 900 million lower operating profit 2006 for Mines, which must be taken into account when comparing the segments' performance from one year to the next, but has no effect on the Group.

A weaker US dollar negatively affected both segments.

The total effect of metal-price hedgings on the operating profit during 2007 amounted to SEK -1,674 million (SEK -2,301 m), where the level for the copper-price hedging has improved considerably during the year which results in a positive deviation compared to 2006.

The extremely negative stock result is attributable to Smelters and is due to a revaluation of the process stocks at lower zinc and copper prices. The basis for the zinc treatment charges was considerably higher in 2007, but was counteracted by negative price escalators. Copper treatment charges were poorer in 2007 in comparison with the previous year. Both copper and zinc premiums were higher in 2007 than in 2006.

The volume variations within Mines are mainly attributable to Aitik and the Boliden Area, and are countered by an increase in volume at Garpenberg. Within Smelters, there is a negative volume deviation attributable to Harjavalta and a positive one to Kokkola.

Costs increased by 5 per cent when compared with 2006, including approximately 1 per cent due to costs from increased exploration activities. External services, followed by supplies, energy and personnel, account for the largest cost increase. As in the previous year, Boliden has made allocations for the employees' profit sharing schemes amounting to approximately SEK 126 million (SEK 114 m). For 2006 an allocation was made for a bonus to all employees.

CASH FLOW

The cash flow from operating activities fell to SEK 509 million (SEK 2,947 m) during the fourth quarter, and to SEK 3,730 million (SEK 8,010 m) for the full year, primarily due to the lower operating profit and higher tax payments.

Capital tied up in working capital fell during the fourth quarter by SEK 406 million (SEK 345 m), primarily due to a reduction in concentrate stocks at the copper smelters. Capital tied up increased for the full year by SEK 1,043 million (SEK 1,636 m).

Investments in 2007 totalled SEK 2,512 million (SEK 1,847 m), with the majority of the increase resulting from the expansion projects at Aitik and Harjavalta.

During the year, Boliden redistributed SEK 6,832 million to its shareholders by means of a regular dividend of SEK 1,158 million, a share redemption of SEK 3,464 million and a share buy-back of SEK 2,210 million.

Net borrowing during the fourth quarter totalled SEK 891 million.

TAXES

The reported tax expense for the full year was SEK 1,409 million (SEK 2,045 m), corresponding to 27 per cent (25%) of the result before tax. Taxes paid totalled SEK 1,426 million (SEK 328 m).

FINANCIAL POSITION

Boliden's cash flow after investments totalled SEK 1,212 million and the redistribution to shareholders amounted to SEK 6,832 million, which resulted in an increased net debt, from SEK -195 million to SEK 5,524 million, in 2007. Boliden had a net debt/equity ratio of 43 per cent (-1%) by the end of the full year.

The net market valuation of currency and raw material derivatives, after fiscal effects, had a total negative effect on shareholders' equity of SEK 762 million (SEK 658 m) by the end of the full year 2007.

Market

COPPER

Global copper production during the fourth quarter totalled approximately 4.4 million tonnes, while copper consumption totalled approximately 4.3 million tonnes. Copper consumption in the traditional industrialised countries levelled off, while China accounted for most of the growth. Asia, as a whole, represented approximately 49 per cent of global consumption in 2007, with China accounting for some 25 percentage points.

Combined official LME/Comex/SHFE copper stocks totalled 238,000 tonnes at the end of the fourth quarter, corresponding to 4.8 days' global consumption. This is an increase of 41,000 tonnes during the quarter. Copper stocks rose in October, but have since fallen. China's net import levels of copper have stabilised over the past months at a high level.

The increase in mining production notwithstanding, there is still a shortage of copper concentrate as a result of China's greater smelter capacity. China's imports of copper concentrate and copper scrap have increased by some 36 per cent and 18 per cent, respectively, until the end of November.

Negotiations with regard to the 2008 TC terms took place in Q4 2007. Benchmark levels, that have to date been concluded in China, have been below the half-yearly benchmark negotiations that resulted in a deterioration in terms to benchmark prices of USD 52.5/tonne and 5.25 US\$/lb. (Source: CRU).

Boliden has a pricing system, whereby approximately 50 per cent of the external long-term contracts are priced annually. In 2008, the part from 2006 at 95 USD/tonne and 9.5 US\$/lb will be exchanged.

The benchmark price for the 2008 premiums for copper metal in Europe (CIF) has been set at USD 115/tonne.

Treatment and refining charges, copper	2007	2006	2005
- Treatment charge (TC) USD/ton	60	95	85
- Refining charge (RC) US\$/lb	6.0	9.5	8.5

Source: CRU, Brook Hunt

ZINC

Global zinc production during the fourth quarter totalled approximately 3.0 million tonnes and exceeded consumption. Consumption totalled approximately 2.8 million tonnes. The strongest consumption growth was in China, while the USA experienced negative growth. Europe reported marginal growth. China accounts for some 31 per cent of global consumption, and the rest of Asia accounts for an approximately further 19 per cent.

Combined official LME/SHFE zinc stocks totalled 143,000 tonnes at the end of the fourth quarter, corresponding to 4.5 days' global consumption. This is an increase of 54,000 tonnes during the quarter. China has been a net importer of zinc over the past months.

The high price of zinc is now being clearly reflected in global mining production, which has risen by 11 per cent during the

year. Good availability of zinc concentrate has resulted in historically high spot treatment charges during the year. China's zinc concentrate imports have, however, increased by over 150 per cent during the period January – November applying some pressure to spot treatment charges. At the end of the year, spot treatment charges were in the interval between USD 290–300/tonne, CIF without price escalators.

The 2008 benchmark negotiations have taken place during the fourth quarter, but no official benchmark is yet available.

The high net import levels of cast zinc into Europe have put pressure on the zinc premium during the year.

Boliden, essentially, maintains a balance (75 per cent) between zinc mines and zinc smelters, and consequently zinc TC changes and changes in their price escalators have only a limited impact on Boliden's result.

Treatment and refining charges, zinc	2007	2006	2005
- Treatment charges (TC) base 1 000 USD/ton +16/-14%			126
- Treatment charges (TC) base 1 400 USD/ton +14/-12%		128	
- Treatment charges (TC) base 3 500 USD/ton +8/-6%	300		

Source: CRU, Brook Hunt

LEAD

China has introduced export tariffs on lead metal, which has made the country reduce its imports of lead concentrate for domestic processing. At the end of the quarter, spot treatment charges were around USD 400/tonne, CIF without price escalators – an increase of approximately USD 350/tonne since the beginning of the year.

China's dramatically reduced export of lead metal during the third quarter caused the price of lead in the West to reach historically high levels.

The 2008 benchmark negotiations have taken place during the fourth quarter, but no consensus benchmark terms are as yet available. The base treatment charges are expected to rise significantly, but the actual base and the scales are still undetermined.

Treatment and refining charges, lead	2007	2006	2005
- Treatment charges (TC) base 500 USD/ton +10/-10%			125
- Treatment charges (TC) base 750 USD/ton +15%		149	
- Treatment charges (TC) base 1500 USD/ton +7/-5%	158		

Source: CRU, Brook Hunt

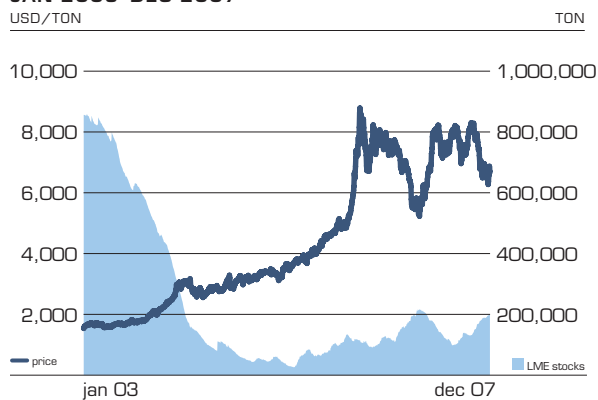
METAL PRICES

In comparison with the corresponding period in 2006, the zinc price fell heavily (-37%) during the fourth quarter, but remained relatively unchanged for the full year compared with 2006. The price of copper has risen during both the fourth quarter and the

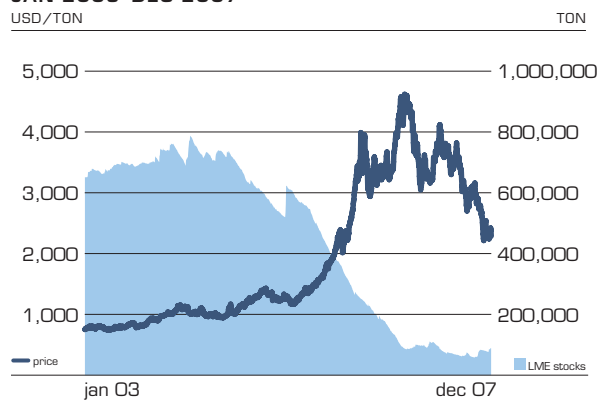
full year. Other metals that have performed strongly include lead, the price of which doubled during both the fourth quarter and 2007 as a whole in comparison with the previous year. The prices of gold and silver have also performed well during both periods.

Metal prices (average LME/LBMA)	Q4 2007	Q4 2006	Change in %	Full year 2007	Full year 2006	Change in %
Copper (USD/tonne)	7,239	7,087	2	7,126	6,731	6
Zinc (USD/tonne)	2,646	4,194	-37	3,250	3,273	-1
Lead (USD/tonne)	3,262	1,622	101	2,595	1,287	102
Gold (USD/troy oz)	788	614	28	696	604	15
Silver (USD/troy oz)	14.21	12.58	13	13.38	11.55	16

COPPER PRICE (SPOT) AND STOCKS (LME)
JAN 2003-DEC 2007



ZINC PRICE (SPOT) AND STOCKS (LME)
JAN 2003-DEC 2007



EXCHANGE RATES

In comparison with last year, the US dollar has weakened against both the Swedish krona and the Norwegian krone, and against

the euro, during both the fourth quarter and the full year. The Swedish krona has remained largely unchanged against the euro.

Exchange rate (average)	Q4 2007	Q4 2006	Change in %	Full year 2007	Full year 2006	Change in %
USD/SEK	6.42	7.08	-9	6.76	7.38	-8
EUR/USD	1.45	1.29	12	1.37	1.25	9
EUR/SEK	9.30	9.13	2	9.25	9.25	0
USD/NOK	5.44	6.41	-15	5.86	6.41	-9

CURRENCY HEDGING

Currency contracts on 31st December 2007 in respect of the hedging of forecast currency exposure in USD/SEK are shown in summary form in the table below. Boliden's other currency risks in respect of forecast exposure are, essentially, unhedged.

The hedge coverage rates for exposure to USD/SEK are 42 and 41 per cent, respectively, for 2008 and 2009, calculated on the basis of price assumptions in the Sensitivity Analysis table.

Currency options (floor)		
Maturity year 2008	amount, sold, USD m	444
	rate ¹	6.70
Maturity year 2009	amount, sold, USD m	452
	rate ¹	6.00
Total unrealised contracts, USD m		896
Market value of outstanding contracts, SEK m		213

1) Refers to average strike rates for currency options.

The floors in the options portfolios are spread between USD/SEK 6.00–7.00

METAL PRICE HEDGING

Boliden's zinc sales are entirely exposed to market price. The majority of other metals' price exposure are hedged, which means that price changes in these metals will have limited impact on the Group's revenues.

The following table contains a summary of Boliden's metal price hedging for copper, lead, gold and silver on 31st December 2007 with regard to forecast metal price exposure.

Metal futures		Copper	Lead	Guld	Silver
Maturity year 2008	Percentage of price exposure hedged	64 %	50 %	85 %	84 %
	Price ¹	6,394	1,315	665	13,15
Maturity year 2009	Percentage of price exposure hedged	71 %	48 %	80 %	81 %
	Price ¹	5,920	1,252	702	14,59
Market value of outstanding contracts, SEK m		-257	-552	-232	-115

1) Price USD/tonne for copper and lead, USD/tray oz for gold and silver

SENSITIVITY ANALYSIS

The following table shows an estimate of the effects on the operating profit of changes in market conditions for the next year, calculated from 31st December 2007. The estimate is based on

closing day prices on 31st December 2007 and on planned production volumes.

Förändring av metallpriser +10%	Effect on op. profit SEK m	Effect on op. profit incl. hedge SEK m	Change in USD +10%	Effect on op. profit SEK m	Change in TC/RC +10%	Effect on op. profit SEK m
Copper	270	100	USD/SEK	690	TC/RC Copper	75
Zinc	500	500	EUR/USD	430	TC Zinc	60
Lead	120	60	USD/NOK	100	TC Lead	-10
Guld	60	10				
Silver	65	10				

Segment Mines

Segment Mines comprises the operations of the Aitik, Boliden Area and Garpenberg mines in Sweden 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 as well as some gold and silver. Tara produces zinc and lead concentrates.

Metal production	Q4 2007	Q4 2006	Change in %	Full year 2007	Full year 2006	Change in %
Zinc, tonnes	81,480	82,040	-1	333,293	327,643	2
Copper, tonnes	17,827	19,515	-9	62,803	86,824	-28
Lead, tonnes	13,537	13,606	-1	54,166	48,778	11
Gold, kg	642	1,198	-46	2,834	4,510	-37
Silver, kg	63,164	55,977	13	241,701	211,640	14

AITIK

Ore production during the fourth quarter at Aitik was the highest for the year. The full-year figure, however, is lower than for 2006 due to lower grindability and the subsequent poorer mill throughput during the third quarter.

Aitik's copper production during the fourth quarter was the highest for the full year and somewhat higher than the corresponding period in 2006. As a result of the planned lower head grades and reduced ore production in the third quarter, copper production for the full year was down.

The average head grade of the ore mined was lower during 2007 compared with 2006 (0.32 (0.40) per cent). Gold metal production was significantly lower in 2007 due to poorer head grades, in contrast to silver which enjoyed higher grades and metal production levels.

AITIK 36 MTONNES

The expansion project at the Aitik mine, entailing a doubling of its annual ore production capacity up to 36 million tonnes, is proceeding according to plan. Ore production capacity will increase to 33 million tonnes in 2010 and reach full capacity in 2014.

The investment amounts to an approximate total of SEK 5.2 billion, broken down by SEK 302 million in 2007, approximately SEK 2,500 million in 2008, SEK 1,900 million in 2009 and SEK 500 million in 2010.

In October, the Environmental Court announced that Boliden had been granted permission to commence construction work for the expansion to 36 million tonnes of ore. The main proceedings with regard to conditions and an economic guarantee for reclamation costs were held in November and a ruling by the Environmental Court is expected at the end of January.

THE BOLIDEN AREA

The Boliden Area reported an increased metal production of lead and silver, a largely unchanged zinc production, and a sharp reduction in copper and gold production for the full year. This is mainly attributable to a planned changed ore mix in the Boliden Area, entailing more ore from the Maurliden and Renström mines, a different mining plan in the Kristineberg mine, less ore from Storliden and the final mining at the Petiknäs mine.

As a result of the delay in granting the environmental permit

required for the new tailings pond facility, Hötjärn, production in the Boliden Area will be significantly reduced in 2008 and 2009. The Boliden Area concentrator will consequently cut its operations by 50 per cent during 2008–2009. This means, that compared with production levels in 2007, the 2008 mining plan for the area will reduce zinc and copper production by 45 and 37 per cent, respectively. Production in the 2009 mining plan will be on a similar level.

In December, the Environmental Court granted a permit for the deposition of tailings in the new Hötjärn tailings pond and provided the conditions for the operations and the reclamation. The Swedish Environmental Protection Agency appealed to the Superior Environmental Court regarding method of reclamation and economic guarantees for reclamation costs. Boliden is planning to make a definite decision on the Hötjärn tailings pond during the first quarter 2008 in order for the tailings pond to be in operation by spring 2010.

GARPENBERG

Garpenberg's milled tonnage production levels reached a record high and metal production levels for zinc, lead and silver were high during 2007. The main reasons for the increases are higher mill throughput as a result of investments in increased capacity as well as better head grades.

A pre-study investigating the potential for increasing production is currently being conducted at Garpenberg.

TARA

Metal production at Tara during the fourth quarter and for 2007 as a whole was somewhat below that of the corresponding periods in 2006 due to lower head grades.

During the year, a decision was taken to invest in a new autogenous grinding circuit at the concentrator. The investment will halve the operating costs for grinding. This, coupled with previous investments in Tara, e.g. in dewatering, will reduce the concentrator's total operating costs by 30 per cent. Boliden anticipates that the replacement of the existing crushing and grinding system with a new autogenous grinding circuit will improve not only the zinc yield but the working environment. The project is scheduled for completion at the end of 2009.

Revenues, results and investment						
SEK m	Q4 2007	Q4 2006	Change in %	Full year 2007	Full year 2006	Change in %
Revenues	1,736	1,866	-7	7,567	7,261	4
Operating profit	536	790	-32	3,135	3,010	4
Investments	603	347	74	1,503	1,065	41
Capital employed	4,970	4,393	13	4,970	4,392	13

Deviation analysis EBIT, Mines		
SEK m	Q4	Full year
EBIT 2006	790	3010
Prices and terms	51	1,109
Volym variation	-198	-689
Costs	-97	-285
Other	-10	-10
EBIT, 2007	536	3,135

The operating profit of Mines for the fourth quarter totalled SEK 536 million (SEK 790 m) compared to the same period in 2006. The discrepancy between this year's figure and last year's is due to depressed zinc prices which were countered by an improved exchange rate in copper price hedging.

The operating profit for 2007 is somewhat improved over that for 2006 where SEK 1,109 m is a result of improved prices and

terms mainly related to a higher realised copper price (taking into account copper price hedging) and better terms for treatment charges and a change in the internal pricing which were countered by a weaker US dollar. Overall, volumes were lower which resulted in a negative volume variation of SEK -689 m. Increased costs weakened the result by SEK 285 m, which also included costs from increased exploration of just over SEK 100 million. Realised metal price hedging of SEK -1,508 million (SEK -2,259 m) is included in Mines' operating profit.

During the first quarter of 2008, no planned major maintenance shutdowns will be implemented within Mines. Only normal maintenance will take place.

Segment Smelters

Segment Smelters comprises the Rönnskär and Harjavalta copper smelters which produce primarily copper, gold, silver, lead and sulphuric acid. These smelters also recycle electronic waste and smelt nickel. The segment also includes the Kokkola and Odda

zinc smelters, which mainly produce zinc, but also aluminium fluoride. Segment Smelters also includes the Bergsöe lead smelter as well as Business Area Market.

Production	Q4 2007	Q4 2006	Change in %	Full year 2007	Full year 2006	Change in %
Zinc, tonnes	112,604	112,073	0	462,570	442,908	4
Copper, tonnes	79,828	90,653	-12	314,881	356,392	-12
Gold, kg	3,142	4,535	-31	14,876	19,693	-24
Silver, kg	90,317	102,989	-12	379,749	414,402	-8
Lead, tonnes	5,791	7,765	-25	25,865	25,548	1
Lead alloys, tonnes (Bergsöe)	11,855	12,025	-1	43,865	44,691	-2
Sulphuric acid, tonnes	280,626	296,692	-5	1,100,919	1,183,452	-7
Aluminium fluoride, tonnes	8,223	7,631	8	34,833	28,762	21

RÖNNSKÄR

Volumes of concentrate processed were slightly higher in 2007 than in 2006, but copper production was lower as a result of fewer anode shipments from Harjavalta.

A pre-study evaluating the possibility of doubling capacity for recycling electronic scrap is underway.

HARJAVALTA

Harjavalta's start-up problems following the expansion project have now been resolved and production at the end of the year was near full capacity. The variable quality of its input concentrate has also had a negative effect on processing levels. The combined effect of this has been a 21 per cent reduction in copper production during 2007 compared to the previous year as well as fewer shipments of anode copper to Rönnskär.

BERGSÖE

Bergsöe's production of lead alloys during 2007 was marginally below that for 2006. Profitability has been high, however, as a result of the significant increase in the price of lead.

KOKKOLA

Zinc production levels at Kokkola reached a record high during 2007, both in terms of concentrates processed and finished metal. Kokkola has enjoyed stable production conditions and the implementation of its expansion project increased capacity during the third quarter by just under 3.5 per cent. The second stage of the project will be completed during the third quarter of 2008, at which time the capacity is planned to increase by an additional 3.5 per cent.

ODDA

Processing and production of zinc metal during 2007 was on par with 2006.

Aluminium fluoride production substantially exceeded last year's production. The plant achieved full capacity after the 2006 expansion project.

Revenues, results and investments						
	Q4 2007	Q4 2006	Change in %	Full year 2007	Full year 2006	Change in %
Revenues	7,381	10,348	-29	34,704	37,514	-7
Operating profit	1	1,513	-100	2,297	5,652	-59
Investments	317	224	42	1,008	782	29
Capital employed	16,738	14,474	16	16,738	14,474	16

Deviation analysis EBIT, Smelters SEK m		
	Q4	Full year
EBIT 2006	1,513	5,652
Prices and terms	-1,396	-3,139
Volume variations	-161	-78
Costs	44	-159
Other	1	21
EBIT, 2007	1	2,297

The Smelters' operating profit during the fourth quarter totalled SEK 1 million (SEK 1,513 m). This significant decline in profit is primarily due to the revaluation of the copper and zinc process stocks, the effect of the zinc price on that part of the zinc concentrate for which Smelters do not pay (the so-called free metals) and poorer realised treatment charges. The overall effect of changes to prices and terms was a decline in the operating profit by SEK 1,396 million compared to the fourth quarter last year. The change in volumes, primarily attributable to Harjavalta, had a negative effect of SEK 161 million on the operating profit. Costs during the fourth quarter fell by SEK 44 million compared to the same period 2006.

The full-year result was SEK 2,297 million (SEK 5,652 m). The main reason is an overall weakening of treatment charge levels where the realised zinc smelting charges were lower due to negative price escalators, despite a significantly higher basis for the zinc smelting charges in 2007. Additionally, copper smelting charges during 2007 were lower compared to the year before. Both copper and zinc premiums have been higher in 2007 than in 2006. Furthermore, the lower zinc price and a weaker US dollar, in combination with changed internal pricing levels, contributed to a large extent to the profit decline. The profit fell by a total of SEK 3,139 million as a result of prices and terms. Costs increased by SEK 159 million and the volume-related decline was SEK 78 million compared to the full year 2006. The operating profit includes realised metal price hedging totalling SEK -166 million (SEK -42 m).

The effect on the operating profit of planned maintenance shutdowns during the fourth quarter was approximately SEK 100 million (SEK 5 m). Only minor maintenance shutdowns are planned during the first quarter 2008 and these are expected to have a negative effect on the operating profit by a total of approximately SEK 50 million.

Corporate Social Responsibility

EMPLOYEES

The average number of employees in Boliden during 2007 was 4,524. Of these, 2,340 work in Sweden, 1,091 in Finland, 678 in Ireland, 389 in Norway and 26 in other countries. This represents an increase of 5 employees in comparison with 2006 as a whole, when the average number of employees was 4,519.

Absence due to sickness during the fourth quarter totalled 4.7 per cent and 4.6 per cent for the full year, which represents a reduction of 0.4 percentage points in comparison with 2006 as a whole. Boliden's revised goal is for absence due to sickness not to exceed 4.5 per cent by the end of 2008.

The accident frequency during the fourth quarter was 7.9 accidents per million hours worked. The accumulated frequency for 2007 is 9.7. This represents a decrease in comparison with 2006 as a whole when the corresponding figure was 11.2. Boliden has adopted a zero vision with regard to accidents and the first sub-goal is to reduce the frequency to fewer than 5.0 accidents per million hours worked by the end of 2011. Two units, the Odda and Kokkola zinc smelters, have today more than met this goal.

Boliden's goal is for all production units to be certified in accordance with the Occupational Health and Safety Management System standard (OHSAS 18001 or ISRS) by the end of 2008. Five of the nine units were certified by the end of 2007.

ENVIRONMENT

Operations at all of Boliden facilities require permits. Boliden's organic growth strategy has entailed Boliden submitting a number of applications for new environmental permits, particularly within the Segment Mines.

Proceedings for a new environmental permit for the Garpenberg zinc mine were held in October 2007. Boliden has applied for a permit to increase production from today's 1.3 million tonnes of ore per annum to 2 million tonnes. Furthermore, Boliden has applied for a permit to continue expanding the

existing Ryllshyttan tailings pond in order to secure possibilities for continued tailings deposits. The Environmental Court's ruling on the matter is expected end January 2008.

Main proceedings with regard to the expansion of the Aitik copper mine were held in the Environmental Court in November. A permit to commence construction work had been issued at an earlier stage. The Environmental Court's ruling on emissions, noise and other environmental impact from the expanded operations and on the issue of economic guarantees for reclamation costs is expected end January 2008.

On 19th December 2007, the Environmental Court provided Boliden with the conditions for operating and reclaiming the Hötjärn tailings pond, adjacent to the company's mines and concentrator in the Boliden Area. The Environmental Court had previously granted Boliden's application to build the pond. The Environmental Court approved Boliden's proposals concerning emission levels, methods of reclamation and level of the economic guarantee for the reclamation costs. The Swedish Environmental Protection Agency appealed to the Superior Environmental Court regarding the conditions relating to reclamation method and the economic guarantee, and are of the opinion that reclamation should be in the form of a qualified dry cover, as it is known, and the economic guarantee be in the form of a bank guarantee, while Boliden prefers the tested model with water cover and an economic guarantee in the form of a so-called parent company guarantee. The Swedish Environmental Protection Agency's proposal would entail SEK 160 million in additional costs for reclamation. Boliden plans to make a definite decision on the Hötjärn tailings pond during the first quarter of 2008 in order for the tailings pond to be in operation by spring 2010.

Boliden's work on implementing certified environmental management systems continued during 2007. The goal is for all of the production units to be certified in accordance with ISO 14001 by the end of 2008. Six of Boliden's nine production units were certified by the end of 2007.

The 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 22 of this Report.

OTHER

Risks and uncertainties

The Group's and Parent Company's significant risks and uncertainties include commercial risks and financial risks. No significant risks, other than those described in Boliden's Annual Report 2006 and those described below, are deemed to have arisen.

In June 2007, and in connection with the bankruptcy proceedings of Boliden's Spanish subsidiary, Apirsa, the local Commercial Court of Seville issued a preliminary injunction for the seizure of assets belonging to Boliden AB and Boliden Mineral AB up to a value of EUR 141 million as security for alleged claims relating to the dam breach accident in Spain in 1998. Boliden disputes the court's order.

Boliden has previously stated its belief that the Company will suffer no substantial financial damage as a result of the legal proceedings against it relating to the dam breach accident in Spain. The preliminary injunction issued by the Commercial Court of Seville has not changed Boliden's opinion.

President and CEO

Lennart Evrell took up the position of President and CEO as of 1st January 2008.

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 2006.

IFRS 7, Financial instruments: Disclosures, and IAS 1, Presentation of Financial Statements, are also applied from 1st January 2007. IFRIC 7, 8, 9, and 10 are also, as a complement to the above, applicable from 1st January 2007. These recommendations and interpretations are not expected to have any effect on the consolidated accounts, other than in terms of the structuring and scope of the supplementary disclosures made in the financial statements.

NOMINATION COMMITTEE

Boliden's Nomination Committee for the 2008 Annual General Meeting of the company's shareholders, comprises Mats Guldbrand of AMF (Nomination Committee Chairman), Anders Algotsson of AFA, Lars-Erik Forsgårdh and Björn Franzon of Fjärde AP-fonden, Björn Lind of SEB fonder/SEB Trygg Liv, Åsa Nisell of Swedbank Robur Fonder, and Anders Ullberg (Boliden's Chairman of the Board).

ANNUAL REPORT

The Annual Report 2007 will be presented in April 2008. The report will be available at Boliden's Head Office in Stockholm and at www.boliden.com

INTERIM REPORTS AND ANNUAL GENERAL MEETING

The Interim Report for January–March 2008 will be published on 8th May 2008

The Annual General Meeting will be held in Garpenberg on 8th May 2008

The Interim Report for January–June 2008 will be published on 21st July 2008

The Interim Report for January–September 2008 will be published on 28th October 2008

Stockholm, 7th February 2008

Lennart Evrell
President and CEO

The full-year report has not been subject to special examination by the company's auditors.

CONFERENCE CALL AND PRESENTATION HELD ON 24TH JANUARY

Conference call (in English): 24th January

With reference to the Preliminary Full-year Report, a conference call and presentation for the capital market was held on Thursday, 24th January, with Boliden's President and CEO, Lennart Evrell, and members of the Group Management.

A recording and OHs from the conference call (Eng.) plus the presentation (Swe.) are available at Boliden's website www.boliden.com until 8th May 2008, inclusive.

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Income Statements

SEK m	Q4 2007	Q4 2006	Full year 2007	Full year 2006
Revenues	7,290	9,728	33,204	35,213
Cost of goods sold	-6,358	-7,239	-26,711	-25,831
Gross profit	932	2,489	6,493	9,382
Selling expenses	-109	-109	-406	-404
Administrative expenses	-155	-134	-452	-409
Research and development costs	-108	-69	-322	-215
Other operating income and expenses	27	34	109	151
Results from participations in associated companies	3	14	6	17
Operating profit	590	2,225	5,428	8,522
Financial income	9	18	79	85
Financial expenses	-90	-58	-311	-294
Profit after financial items	509	2,185	5,196	8,313
Taxes	-145	-435	-1,409	-2,045
Profit for the period	364	1,750	3,787	6,268
Earnings per share, SEK	1.33	6.04	13.37	21.66
Earnings per share after dilution, SEK	1.33	6.04	13.37	21.66
Shareholders' equity per share, SEK	47.28	55.58	47.28	55.58
Number of shares	273,511,169	289,457,169	273,511,169	289,457,169
Average number of shares	274,177,039	289,457,169	283,276,511	289,429,169
Average number of shares after dilution	274,177,039	289,457,169	283,276,511	289,429,169
Number of own shares held	15,946,000	-	15,946,000	-

Other key ratios	Q4 2007	Q4 2006	Full year 2007	Full year 2006
Return on capital employed, %	12	51	29	52
Return on shareholders' equity, %	12	48	26	51
Equity/assets ratio, %	47	60	47	60
Net debt/shareholders' equity, %	43	-1	43	-1
Depreciation, SEK m	328	326	1,377	1,309
Investments, SEK m	920	571	2,512	1,847
Capital employed, SEK m	20,145	17,667	20,145	17,667
Net debt, SEK m	5,524	-195	5,524	-195

Balance Sheets

SEK m	31st Dec. 2007	31st Dec. 2006
Intangible fixed assets	3,197	3,077
Tangible fixed assets	13,466	12,062
Interest-bearing assets	14	21
Other financial fixed assets	46	46
Inventories	6,904	5,351
Interest-bearing current receivables	7	-
Other receivables	2,719	3,176
Liquid assets	878	3,196
Total assets	27,231	26,929
Shareholders' equity	12,932	16,089
Pension provisions	506	493
Deferred tax provisions	1,649	1,277
Other provisions	1,031	1,016
Interest-bearing long-term liabilities	4,434	2,302
Interest-bearing current liabilities	1,483	228
Other current liabilities	5,196	5,524
Total liabilities and shareholders' equity	27,231	26,929

Specification of change in shareholders' equity SEK m	31st Dec. 2007	31st Dec. 2006
Opening balance	16,089	10,289
New share issue	-	2
Dividend	-1,158	-579
Share redemption	-3,464	-
Buy-back of own shares	-2,210	-
Profit for the period	3,787	6,268
Market valuation of financial instruments, after fiscal effect	-104	124
Translation differences	-8	-15
Closing balance	12,932	16,089

On 31st Dec. 2007, the market valuation of financial instruments, after fiscal effect, amounted to SEK -762 m.

Statements Of Cash Flow

SEK m	Q4 2007	Q4 2006	Full year 2007	Full year 2006
Cash flow from operating activities before changes in operating capital	103	2,602	4,773	9,646
Cash flow from changes in operating capital	406	345	-1,043	-1,636
Cash flow from operating activities	509	2,947	3,730	8,010
Investment activities				
- Acquisition of tangible fixed assets	-920	-570	-2,511	-1,843
- Other	-7	-1	-7	104
Cash flow from investment activities	-927	-571	-2,518	-1,739
Cash flow before financing activities	-418	2,376	1,212	6,271
Dividend	-	-	-1,158	-579
Share redemption	-	-	-3,464	-
Buy-back of own shares	-190	-	-2,210	-
Other financing activities	891	-612	3,300	-4,014
Cash flow from financing activities	701	-612	-3,532	-4,593
Cash flow for the period	283	1,764	-2,320	1,678
Exchange rate difference on liquid assets	1	-1	2	-2
Change in liquid assets	284	1,763	-2,318	1,676

Information Per Segment – Business Areas

Q4 2007				
SEK m	Mines	Smelters	Other	The Group
Revenues	1,735	7,381	-1,826	7,290
Operating profit	536	1	53	590
Depreciation	134	194	-	328
Investments	604	317	-1	920
Capital employed	4,970	16,738	-1,563	20,145

Q4 2006				
SEK m	Mines	Smelters	Other	The Group
Revenues	1,866	10,348	-2,486	9,728
Operating profit	790	1,513	-78	2,225
Depreciation	129	197	-	326
Investments	347	224	-	571
Capital employed	4,393	14,474	-1,199	17,667

Full year 2007				
SEK m	Mines	Smelters	Other	The Group
Revenues	7,567	34,704	-9,067	33,204
Operating profit	3,135	2,297	-4	5,428
Depreciation	605	771	1	1,377
Investments	1,503	1,008	1	2,512
Capital employed	4,970	16,738	-1,563	20,145

Full year 2006				
SEK m	Mines	Smelters	Other	The Group
Revenues	7,261	37,514	-9,562	35,213
Operating profit	3,010	5,652	-140	8,522
Depreciation	543	765	1	1,309
Investments	1,065	782	-	1,847
Capital employed	4,393	14,474	-1,199	17,667

Capital employed reported under Other refers mainly to market valuation of hedge.

Mines

	Q4 2007	Q4 2006	Change in %	Full year 2007	Full year 2006	Change in %
AITIK						
Refined tonnage, ktonnes	4,766	4,705	1	18,178	18,481	-2
Head grades						
Copper (%)	0.36	0.35	3	0.32	0.40	-20
Gold (g/tonne)	0.13	0.22	-41	0.14	0.25	-44
Silver (g/tonne)	3.92	2.82	39	3.67	2.72	35
Metal production						
Copper, tonnes	14,914	14,847	0	50,487	66,133	-24
Gold, kg	304	540	-44	1,178	2,342	-50
Silver, kg	12,157	8,994	35	42,301	35,730	18
THE BOLIDEN AREA						
Refined tonnage, ktonnes	459	450	2	1,848	1,679	10
Head grades						
Zinc (%)	4.8	4.7	2	4.8	5.6	-14
Copper (%)	0.8	1.3	-38	0.8	1.6	-50
Lead (%)	0.5	0.4	25	0.5	0.5	0
Gold (g/tonne)	1.4	1.9	-26	1.6	1.8	-11
Silver (g/tonne)	64	62	3	66	66	0
Metal production						
Zinc, tonnes	17,581	16,849	4	70,913	71,650	-1
Copper, tonnes	2,755	4,553	-39	11,633	20,098	-42
Lead, tonnes	784	613	28	3,409	2,099	62
Gold, kg	286	587	-51	1,412	1,900	-26
Silver, kg	19,492	17,800	10	79,753	67,828	18
GARPENBERG						
Refined tonnage, ktonnes	328	305	8	1,255	1,182	6
Head grades						
Zinc (%)	6.9	5.8	19	6.3	5.7	11
Copper (%)	0.1	0.1	0	0.1	0.1	0
Lead (%)	2.6	2.4	8	2.5	2.2	14
Gold (g/tonne)	0.2	0.4	-50	0.3	0.4	-25
Silver (g/tonne)	127	131	-3	125	123	2
Metal production						
Zinc, tonnes	20,206	16,172	25	71,464	60,992	17
Copper, tonnes	158	115	37	682	593	15
Lead, tonnes	6,950	5,753	21	25,139	21,099	19
Gold, kg	51	70	-27	244	269	-9
Silver, kg	31,097	29,182	7	117,798	108,082	9
TARA						
Refined tonnage, ktonnes	659	654	1	2,658	2,751	-3
Head grades						
Zinc (%)	7.1	8.2	-13	7.7	7.7	0
Lead (%)	1.4	1.5	-7	1.5	1.4	7
Metal production						
Zinc, tonnes	43,693	49,019	-11	190,916	195,001	-2
Lead, tonnes	5,803	7,240	-20	25,618	25,580	0

Smelters

	Q4 2007	Q4 2006	Change in %	Full year 2007	Full year 2006	Change in %
RÖNNSKÄR						
Smelted material, tonnes						
Copper, tonnes						
Primary	155,030	155,558	0	598,240	587,168	2
Secondary	43,316	44,116	-2	159,792	159,257	0
Total	198,346	199,674	-1	758,032	746,425	2
Production						
Cathode copper, tonnes	53,941	59,079	-9	213,894	229,241	-7
Lead, tonnes	5,791	7,765	-25	25,865	25,548	1
Zinc clinker, tonnes	11,653	9,242	26	36,418	33,285	9
Gold, kg	2,517	3,702	-32	12,086	15,726	-23
Silver, kg	82,142	91,697	-10	346,574	373,981	-7
Sulphuric acid, tonnes	136,918	144,967	-6	543,524	551,301	-1
HARJAVALTA						
Smelted material, tonnes						
Copper concentrate	118,227	130,632	-9	450,870	537,763	-16
Production, tonnes						
Cathode copper	25,887	31,574	-18	100,987	127,151	-21
Gold, kg	625	833	-25	2,790	3,967	-30
Silver, kg	8,175	11,292	-28	33,175	40,421	-18
Sulphuric acid, tonnes	143,708	151,725	-5	557,395	632,151	-11
BERGSÖE						
Production, tonnes						
Lead alloys	11,855	12,025	-1	43,865	44,691	-2
Tin alloys	118	194	-39	701	841	-17
KOKKOLA						
Smelted material, tonnes						
Zinc concentrate	149,414	144,027	4	581,229	548,245	6
Production, tonnes						
Zinc, tonnes	74,497	71,433	4	305,543	282,238	8
ODDA						
Smelted material, tonnes						
Zinc concentrate, incl. zinc clinker	75,459	71,188	6	291,745	290,556	0
Production, tonnes						
Zinc, tonnes	38,107	40,640	-6	157,027	160,670	-2
of which reprocessed zinc	0	458		1,629	2,231	
Aluminium fluoride, tonnes	8,223	7,631	8	34,833	28,762	21

Consolidated Quarterly Data

	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007	Q4 2007
Metal prices								
Copper (USD/tonne)	4,944	7,251	7,670	7,087	5,941	7,635	7,714	7,239
Zinc (USD/tonne)	2,248	3,301	3,363	4,194	3,460	3,664	3,238	2,646
Lead (USD/tonne)	1,240	1,095	1,189	1,622	1,787	2,182	3,141	3,262
Gold (USD/oz)	554	629	622	614	650	668	679	788
Silver (USD/oz)	9.71	12.25	11.70	12.58	13.29	13.33	12.70	14.21
Exchange rates								
USD/SEK	7.78	7.40	7.24	7.08	7.01	6.87	6.75	6.42
EUR/USD	1.20	1.26	1.27	1.29	1.31	1.35	1.37	1.45
EUR/SEK	9.35	9.30	9.23	9.13	9.19	9.26	9.27	9.30
USD/NOK	6.67	6.23	6.32	6.41	6.23	6.01	5.76	5.44
Metal production, Mines								
Zinc, tonnes	89,225	80,090	76,288	82,040	89,031	86,682	76,100	81,480
Copper, tonnes	25,617	21,835	19,858	19,515	14,703	16,598	13,675	17,827
Lead, tonnes	12,233	10,779	12,160	13,606	13,288	14,200	13,141	13,537
Gold, kg	1,139	1,172	1,001	1,198	739	883	570	642
Silver, kg	55,470	52,700	47,493	55,977	62,303	58,210	58,024	63,165
Metal production, Smelters								
Copper, tonnes	90,029	87,866	87,843	90,653	90,072	78,377	66,605	79,828
Gold, kg	5,606	4,238	5,315	4,535	4,512	4,224	2,998	3,142
Silver, kg	113,591	101,976	95,846	102,989	108,253	104,677	76,502	90,317
Lead, tonnes	7,763	6,909	3,111	7,765	8,229	7,085	4,760	5,791
Lead alloys, tonnes (Bergsöde)	12,633	12,923	7,110	12,025	12,062	11,962	7,986	11,855
Zinc, tonnes	108,455	109,566	112,805	112,073	114,759	117,731	117,476	112,603
Aluminium fluoride, tonnes	8,200	7,891	5,040	7,631	8,980	10,386	7,244	8,223
Revenues								
Operating profit before depreciation (EBITDA)	2,079	2,779	2,421	2,551	1,637	2,564	1,686	918
Operating profit (EBIT)	1,750	2,451	2,095	2,225	1,286	2,220	1,332	590
Profit after financial items	1,697	2,364	2,067	2,185	1,261	2,191	1,234	509
Profit for the period	1,239	1,738	1,541	1,750	921	1,602	900	364
Cash flow from operating activities								
Earnings per share, SEK	4.28	6.01	5.32	6.04	3.18	5.56	3.20	1.33
Return on capital employed, %	44	62	51	51	28	49	29	12
Net debt/shareholders' equity, %	45	30	16	-1	-8	27	40	43

Income Statements – Parent Company

SEK m	Q4 2007	Q4 2006	Full year 2007	Full year 2006
Dividends from subsidiaries	2,350	1,997	2,350	6,531
Profit after financial items	2,350	1,997	2,350	6,531
Taxes	-	-	-	-
Profit for the period	2,350	1,997	2,350	6,531

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	31st Dec. 2007	31st Dec. 2006
Participants in Group companies	3,911	3,911
Long-term financial receivables, Group companies	1,922	4,219
Current financial receivables, Group companies	3,829	4,733
Total assets	9,662	12,863
Shareholders' equity	8,183	12,664
Current liabilities to credit institutions	1,479	199
Total liabilities and shareholders' equity	9,662	12,863

Profit Analysis – The Group

Deviation analysis, EBIT, SEK m	Q4	Full year
EBIT 2006	2,225	8,522
Exchange rate effects	-362	-1,299
Metal prices	-962	-82
Difference – metal price hedging	418	627
Difference – stock result	-241	-878
Definite prices (MAMA)	-130	-247
TC/RC terms	-116	-642
Premiums	182	670
Total prices and terms	-1,211	-1,850
Volume variation, Segment Mines	-198	-689
Volume variation, Segment Smelters	-161	-78
Costs	-46	-422
Other	-19	-54
EBIT 2007	590	5,428