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Interim Report, January-September 2007

Weaker US dollar and lower production affected profits

Q3 2007

- Revenues fell to SEK 8,166 million (SEK 9,299 m).
- The operating profit totalled SEK 1,332 million (SEK 2,095 m).
- The profit for the period was SEK 900 million (SEK 1,541 m).
- Earnings per share totalled SEK 3.20 (SEK 5.32).
- Cash flow from operating activities totalled SEK 592 million (SEK 1,681 m).
- The cost of the buy-back of shares totalled approximately SEK 1.4 billion.

Nine months, 2007

- Revenues rose to SEK 25,913 million (SEK 25,485 m).
- The operating profit fell to SEK 4,838 million (SEK 6,297 m).
- The profit for the period was SEK 3,423 million (SEK 4,518 m).
- Earnings per share totalled SEK 11.96 (SEK 15.61).
- Cash flow from operating activities totalled SEK 3,221 million (SEK 5,063 m).
- The cost of dividends paid and the redemption and buy-back of shares totalled approximately SEK 6.6 billion.

Key ratios

	Q3 2007 SEK m	Q3 2006 SEK m	Change in %	Nine months 2007 SEK m	Nine months 2006 SEK m	Change in %
Revenues	8 166	9 299	-12	25 913	25 485	2
Operating profit before depreciation (EBITDA)	1 686	2 421	-30	5 887	7 280	-19
Operating profit (EBIT)	1 332	2 095	-36	4 838	6 297	-23
Profit before tax	1 234	2 067	-40	4 687	6 128	-24
Profit for the period	900	1 541	-42	3 423	4 518	-24
Cash flow from operating activities	592	1 681	-65	3 221	5 063	-36
Earnings per share, SEK before and after dilution	3.20	5.32	-40	11.96	15.61	-23
Return on capital employed, %	29	51		35	52	
Net debt/shareholders' equity, %	40	16		40	16	

THE GROUP

Revenues

Boliden's revenues for the third quarter fell to SEK 8,166 million (SEK 9,299 m) in comparison with the same period last year. Revenues were negatively affected by lower volumes and a lower US dollar exchange rate.

Revenues have increased during the first nine months of the year to SEK 25,913 million (SEK 25,485 m).

Profit performance

The operating profit (EBIT) fell by SEK 763 million to SEK 1,332 million (SEK 2,095 m) during the third quarter and by SEK 1,459 million to SEK 4,838 million (SEK 6,297 m) during the first nine months of the year in comparison with corresponding periods last year. A profit analysis is provided in the table below.

Profit analysis, EBIT, SEK m	Q3 2007 – Q3 2006	9 months 2007 – 9 months 2006
Exchange rate effects	-316	-1 042
Other prices and terms	118	681
Volume variation, Segment Mines	-222	-647
Volume variation, Segment Smelters	-163	-38
Costs	-147	-376
Other	-33	-37
Change in operating profit	-763	-1 459

The combined stock result was SEK -74 million (SEK 193 m) during the third quarter, giving a net change of SEK -267 million in comparison with the same period in 2006. The monthly correction (MAMA) in July of preliminarily priced metal sales from the second quarter boosted the profit by SEK 78 million (SEK 57 m). The net change (MAMA) in comparison with 2006 was SEK 21 million. Maintenance shutdowns during the third quarter had a negative effect on the operating profit of SEK 380 million (SEK 74 m), which in comparison with 2006, gives a change of SEK -306 million.

The operating profit (EBIT) for the third quarter of SEK 1,332 million (SEK 2,095 m) breaks down into SEK 691 million (SEK 716 m) from Mines and SEK 617 (SEK 1,406 m) from Smelters, and into SEK 24 million (SEK -27 m) from Other. The corresponding profit for the first nine months of the year were SEK 2,599 million (SEK 2,221 m) for Mines, SEK 2,297 million (SEK 4,140 m) for Smelters, and SEK -58 million (SEK -64 m) for Other.

The profit before tax was SEK 1,234 million (SEK 2,067 m) for the third quarter and SEK 4,687 million (SEK 6,128 m) for the first nine months of the year.

Cash flow

The cash flow from operating activities fell to SEK 592 million (SEK 1,681 m) during the third quarter, primarily due to the lower operating profit and a higher tax payments. The cash flow for the first nine months of the year was SEK 3,221 million (SEK 5,063 m).

Capital tied up in working capital rose during the third quarter by SEK 747 million (SEK 708 m), primarily due to an increase in concentrate stocks at the smelters. The increase for the first nine months of the year was SEK 1,449 million (SEK 1,981 m) in comparison with the corresponding period last year.

Investments during the first nine months of the year totalled SEK 1,591 million (SEK 1,273 m), with the majority of the increase resulting from the expansion projects at Aitik and Harjavalta.

Boliden has bought back its own shares at a total cost of SEK 1,430 million during the third quarter. The total cost of share buy-backs during the first nine months of the year was SEK 2,020 million.

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The buy-back of the company's own shares has been financed, in part, through loans. Net borrowing during the third quarter totalled SEK 668 million.

Taxes

The reported tax expense for the first nine months of the year was SEK 1,264 million (SEK 1,610 m), corresponding to 27 per cent (26%) of the result before tax. Taxes paid totalled SEK 766 million (SEK 228 m).

Financial position

A further SEK 1,430 million was redistributed to the shareholders during the third quarter in the form of share buy-backs. A total of SEK 6,642 million has been returned to the shareholders during the year in the form of a dividend payment totalling SEK 1,158 million, the redemption of shares for a total cost of SEK 3,464 million, and the buy-back of the company's own shares at a total cost of SEK 2,020 million. By the end of the third quarter, Boliden had a net debt/equity ratio of 40 per cent (16%).

The net market valuation of currency and raw material derivatives, after fiscal effects, had a total negative effect on shareholders' equity of SEK 1,359 million by the end of the third quarter.

MARKET**The copper and zinc market**

Global copper production during the third quarter totalled approximately 4.4 million tonnes, while copper consumption totalled 4.5 million tonnes. Copper consumption grew over the first nine months of the year by 4 per cent, with the traditional industrialised countries reporting a negative growth rate during the period, whereas Asia in general and China in particular continued to account for the major part of the growth.

The trend in falling copper stocks continued during the third quarter, reinforcing the high copper price. China's net import levels continued high, compared with last year.

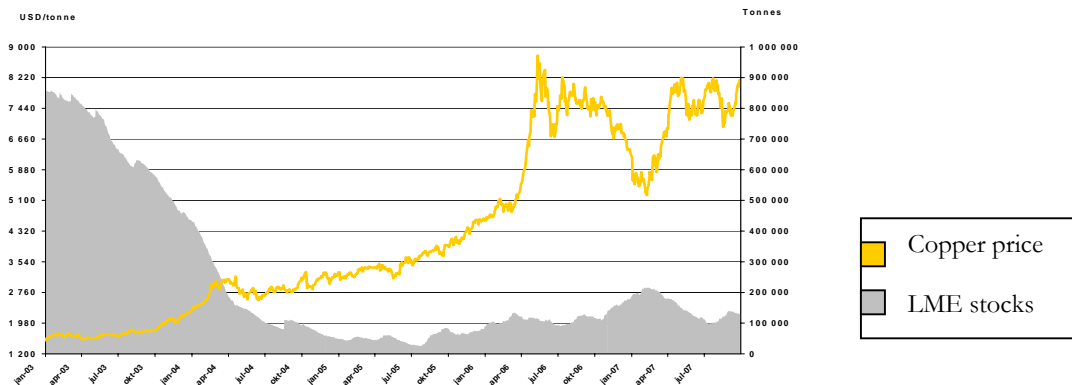
Combined official LME/Comex/SHFE copper stocks totalled 197,000 tonnes at the end of the third quarter, corresponding to 4.0 days' global consumption. This is a reduction during the quarter of 26,000 tonnes.

The global zinc market was balanced during the third quarter, with production and consumption both totalling approximately 2.8 million tonnes.

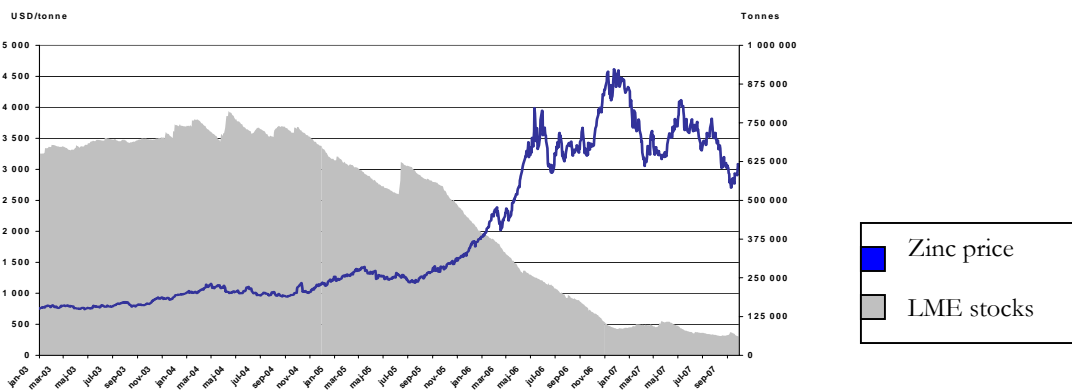
Low and falling zinc stocks notwithstanding, the price of zinc has fallen during the third quarter. The price of zinc is still, however, at an historically high levels. China was again a net exporter of zinc at the beginning of the quarter.

Combined official LME/SHFE zinc stocks totalled 89,000 tonnes at the end of the third quarter, corresponding to a mere 2.8 days' global consumption. This was a reduction during the quarter of 29,000 tonnes.

Copper price (spot) and stocks (LME), Jan 2003 – Sep 2007



Zinc price (spot) and stocks (LME), Jan 2003 - Sep 2007



Metal prices

A rise of 1 per cent was noted in the price of copper and a fall of 4 per cent in the price of zinc during the third quarter, in comparison with the corresponding period in 2006. The price of lead continued to be further strengthened during the third quarter with a rise of 164 per cent.

All metal prices performed favourably during the first nine months of the year. Rises of 7 per cent, 16 per cent and 102 per cent were reported for copper, zinc and lead, respectively, in comparison with last year.

The price of zinc has fallen by 12 per cent in comparison with the second quarter this year, while the price of copper remained largely unchanged, increasing by 1 per cent.

Metal prices (average LME/LBMA)	Q3	Q3	Change in %	Nine	Nine	Change in %
	2007	2006		months	months	
Copper (USD/tonne)	7 714	7 670	1	7 089	6 612	7
Zinc (USD/tonne)	3 238	3 363	-4	3 452	2 966	16
Lead (USD/tonne)	3 141	1 189	164	2 373	1 176	102
Gold (USD/troy oz)	679	622	9	666	601	11
Silver (USD/troy oz)	12.70	11.70	9	13.10	11.21	17

Metal price hedging

The following table contains a summary of Boliden's metal price hedging for copper, lead, gold and silver on 30th September 2007 with regard to forecast metal price exposure.

Metal futures		Copper	Lead	Gold	Silver
Maturity year 2007	Percentage of price exposure hedged	78%	37%	79%	55%
	Price ¹	6 105	1 371	690	12.11
Maturity year 2008	Percentage of price exposure hedged	70%	50%	70%	70%
	Price ¹	6 394	1 315	665	13.15
Maturity year 2009	Percentage of price exposure hedged	70%	50%	70%	70%
	Price ¹	5 920	1 252	702	14.59
Market value of outstanding contracts, SEK m		-854	-988	-137	-64

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

Price escalation clauses have been excluded in their entirety for 2008-2009 as has been, therefore, the percentage hedged. The level of escalators in purchasing contracts during 2008-2009 may affect the hedged percentage for these years.

Treatment charges/Refining charges (TC/RC)
Copper

Global mining production of copper rose by just under 5 per cent during the first half of the year, which is higher than the corresponding period in 2006. The increase notwithstanding, there is still a shortage of copper concentrate as a result of the expansion of smelter capacity in China. China's imports of copper concentrate and copper scrap have increased by approximately 36 per cent and 18 per cent, respectively, during the first eight months of the year. TC/RC have fallen during the year and the half-yearly benchmark negotiations resulted in a deterioration in terms to benchmark prices of USD 52.5/tonne and USc 5.25/lb without price escalators, from USD 60/tonne and USc 6.0/lb, which are the benchmarks for the 2007 calendar year. Negotiations with regard to the 2008 benchmark terms will begin in Q4 2007.

Codelco's benchmark price for the 2008 copper premium in Europe (CIF) has been set at USD 115/tonne.

Zinc

The high price of zinc is now being clearly reflected in global mining production, which rose by approximately 8 per cent during the first half of the year. This increased the availability of zinc concentrate, resulting in continued high spot treatment prices during the third quarter. The zinc concentrate trade does not conduct half-yearly benchmark negotiations. Towards the end of the quarter, spot treatment charges were between USD 300 and USD 340/tonne, without price escalators. The 2008 benchmark negotiations have just begun, but no conclusion is expected before next year. China's zinc concentrate imports increased by approximately 160 per cent during the first eight months of the year as a result of the expansion in the country's smelter capacity.

High imports of cast zinc to Europe have put pressure on the zinc premium during the first nine months of the year, but the premium in Europe is still more than twice as high as those in the USA and Asia.

Lead

Despite a number of production disturbances, the market for lead concentrate in the West is now, unlike before, showing a surplus, due to a reduction in China's imports caused by the very high price of lead at the LME. The market surplus of lead concentrate is the reason for rising TC/RC. Spot treatment charges were around USD 250/tonne without price escalators at the end of the third quarter, corresponding to an increase of approximately USD 200/tonne during a 12-month period.

The 2007 benchmark negotiations have now concluded, but no consensus benchmark was established, because the market is too small and the variation in the quality of the lead concentrate is too great. One estimate suggests that the TC/RC for 2007 was USD 158/tonne with a base for price escalators of USD 1,500/tonne and an escalator size of +7/-5 per cent.

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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 third quarter and the first nine months of the year. The Swedish krona has remained largely unchanged against the euro.

The US dollar weakened against the Swedish krona by 2 per cent during the quarter in comparison with Q2 2007.

Exchange rate (average)	Q3		Change in %	Nine months		Change in %
	2007	2006		2007	2006	
USD/SEK	6.75	7.24	-7	6.88	7.47	-8
EUR/USD	1.37	1.27	8	1.34	1.24	8
EUR/SEK	9.27	9.23	0	9.24	9.29	-1
USD/NOK	5.76	6.32	-9	6.00	6.41	-6

Currency hedging

Currency contracts on 30th September 2007 in respect of the hedging of forecast commercial payment flows in USD/SEK are shown in summarized 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 40, 40 and 42 per cent, respectively, for 2007, 2008 and 2009, calculated on the basis of price assumptions in the Sensitivity Analysis table.

Currency options (floor)

Maturity year 2007	amount, sold, USD m	120
	rate ¹	6.96
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		1 016
Market value of outstanding contracts, SEK m		266

¹⁾ Refers to strike rates for currency options.

The floors in the options portfolios are spread between USD/SEK 6.00 – 7.15

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 30th September 2007. The estimate is based on closing day prices on 30th September 2007 and on planned production volumes. The sensitivity analysis does not take into account the effect of contracted TC/RC.

Change in metal prices +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	310	87	USD/SEK	780	TC/RC Copper	75
Zinc	690	690	EUR/USD	460	TC Zinc	65
Lead	160	101	USD/NOK	120	TC Lead	-12
Gold	55	12				
Silver	65	23				

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	Q3	Q3	Change in %	Nine	Nine	Change in %
	2007	2006		months	months	
Zinc, tonnes	76 100	76 288	0	251 813	245 603	3
Copper, tonnes	13 675	19 858	-31	44 976	67 309	-33
Lead, tonnes	13 141	12 160	8	40 629	35 172	16
Gold, kgs	570	1 001	-43	2 192	3 313	-34
Silver, kgs	58 024	47 493	22	178 537	155 663	15

Aitik

Copper metal production was, as planned, considerably lower during the third quarter than during the corresponding period last year, totalling 11,453 tonnes (15,132 tonnes). Milled tonnage figures were also down on those for 2006. The average head grade of the ore mined was 0.32 per cent (0.36%). The mill throughput has, furthermore, been negatively affected by lower grindability. The grade is expected to be slightly higher than the average grade of the ore reserves, which is 0.28 per cent, for the rest of the year.

Aitik 36 million tonnes

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 both in terms of costs and schedule. In October, the Environmental Court announced that Boliden had been granted a permit to commence the expansion of the Aitik mine to 36 million tonnes. The main proceedings with regard to conditions and economic guarantees for reclamation costs will be held on 7th and 8th November this year.

The Boliden Area

Milled tonnage was considerably higher during the third quarter than in the corresponding period last year. A changed ore mix in the Boliden Area resulted in increased production of lead and silver, largely unchanged zinc production, and a sharp reduction in copper and gold production during the first nine months of the year. Zinc, copper and gold head grades have fallen during both the third quarter and the first nine months of the year in comparison with corresponding periods last year. Head grades for the rest of the year are expected to be lower than the average grade for the ore reserve.

Operations at the Storliden mine have been extended and mining will continue until the end of Q1 2008, due to continued high metal prices that enable good profitability to be achieved from mining marginal ore positions.

Production at the Boliden Area concentrator will fall, starting in April 2008, due to a delay in granting permits for the expansion of the Hötjärn tailings pond.

Garpenberg

Garpenberg's milled tonnage was high and metal production levels for its principal metals – zinc, lead and silver – were high during the first nine months of the year. Zinc production increased by 14 per cent, lead by 19 per cent and silver by 10 per cent in comparison with last year. The main reasons for the increases are better head grades and a higher mill throughput.

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

Tara

Metal production at Tara during the third quarter was more or less on a par with levels last year, but milled tonnage was down. Head grades are expected to be below the ore reserves' average grade during the fourth quarter.

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During the third quarter, the Board decided to invest approximately SEK 250 million in a new autogenous grinding circuit at the concentrator, which will halve 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 investments

SEK m	Q3		Change in %	Nine months		Change in %
	2007	2006		2007	2006	
Revenues	1 667	1 741	-4	5 831	5 395	8
Operating profit	691	716	-3	2 599	2 221	17
Investments	310	293	6	900	718	25
Capital employed	4 859	4 344	12	4 859	4 344	12

The operating profit of Mines for the third quarter totalled SEK 691 million (SEK 716 m). The discrepancy between this year's figure and last year's is due to improvements in prices and terms primarily attributable to higher metal prices and totalling SEK 289 million, which were countered by a negative volume variation of SEK 222 million and increased costs totalling SEK 106 million. The operating profit during the third quarter includes realised metal price hedging totalling SEK -350 million (SEK -673 m).

The operating profit for the first nine months of the year increased to SEK 2,599 million (SEK 2,221 m) including realised metal price hedging totalling SEK -1,370 million (SEK -1,666 m). The discrepancy between this period's figures and those for same period last year is due to prices and terms, which have increased by SEK 1,214 million, primarily due to metal prices. Volume variations, primarily attributable to lower metal production at Aitik, accounted for SEK -647 million and costs increased by SEK 188 million.

The concentrators at Tara and Garpenberg implemented planned maintenance shutdowns during the third quarter. The effect on the operating profit was SEK -140 million (SEK -10 m) in comparison with the same period in 2006. No major maintenance shutdowns will be implemented during the fourth quarter, during which time only normal maintenance will take place.

SEGMENT SMELTERS

Segment Smelters comprises the Rönnskär and Harjavalta copper smelters and the Bergsöe lead smelter. These smelters mainly produce copper, gold, silver, lead and lead alloys, 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 produce aluminium fluoride. Segment Smelters also includes Business Area Market.

Metal production	Q3		Change in %	Nine months		Change in %
	2007	2006		2007	2006	
Copper, tonnes	66 605	87 843	-24	235 053	265 739	-12
Gold, kgs	2 998	5 315	-44	11 734	15 158	-23
Silver, kgs	76 502	95 846	-20	289 432	311 413	-7
Lead, tonnes	4 760	3 111	53	20 074	17 783	13
Lead alloys, tonnes (Bergsöe)	7 986	7 110	12	32 010	32 666	-2
Zinc, tonnes	117 476	112 814	4	349 966	330 835	6
Aluminium fluoride, tonnes	7 244	5 040	44	26 610	21 131	26

Rönnskär

Rönnskär implemented a planned maintenance shutdown during the third quarter, which had a negative effect on the production of copper cathodes. The maintenance shutdown in 2006 took place in the second quarter, which affects the quarterly comparison. This year's maintenance shutdown was the most extensive in ten years.

Volumes of concentrate processed were high during the first nine months of the year, but copper head grades were lower than during the corresponding period last year, which is another reason why copper production levels fell. The operating profit was hardly affected as the refining charges relate to the tonnage of concentrate processed.

A pre-study for a possibility to double the capacity for recycling electronic scrap at the Rönnskär copper smelter is currently taking place. The pre-study is scheduled for completion at the end of the year.

Harjavalta

Harjavalta has experienced start-up problems since the expansion project and has also suffered problems with the quality of its input concentrate, leading to lower processing and lower anode and cathode production levels, both during the third quarter and for the first nine months of the year as a whole. As a result of the start-up problems, Harjavalta has increased concentrate stocks and the amount of capital tied up at the end of the third quarter was, therefore, higher than at the corresponding period last year.

The expansion and efficiency-boosting project, which aimed to achieve production increases of 30 per cent and 20 per cent, respectively, for anode and cathode production, will be phased up during the fourth quarter, with full production capacity achieved at the beginning of 2008.

Nickel smelting continued to perform very well and the levels achieved during the first nine months of the year were far higher than those achieved during the same period in 2006.

Bergsöe

Bergsöe's production of lead during the third quarter was higher, but production levels during the first nine months of the year were marginally below those for the corresponding period in 2006.

Kokkola

Zinc metal production levels at Kokkola remained high during the third quarter and production levels during the first nine months of the year were 10 per cent higher than levels during the corresponding period last year.

Odda

Processing and production of zinc metal was on a par with levels in 2006, both during the third quarter and during the first nine months of the year.

Aluminium fluoride production during the third quarter substantially exceeded last year's production due to the plant achieving full capacity after the expansion project.

Revenues, results and investments

SEK m	Q3	Q3	<i>Change in %</i>	Nine	Nine	<i>Change in %</i>
	2007	2006		months	months	
Revenues	8 492	9 999	-15	27 323	27 166	1
Operating profit	617	1 406	-56	2 297	4 140	-45
Investments	220	138	59	692	558	24
Capital employed	16 589	14 920	11	16 589	14 920	11

The operating profit of Smelters fell to SEK 617 million (SEK 1,406 m) including realised metal price hedging totalling SEK -61 million (SEK -11 m) during the third quarter. Changes to prices and terms collectively accounted for deterioration in the operating profit of SEK 575 million in comparison with the third quarter of 2006. This was due, partly, to lower realised TC/RC, a lower exchange rate against the US dollar and a less positive stock revaluation, and partly to a lower monthly correction in July of preliminarily

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priced metals sales from the second quarter. Lower production reduced the operating profit by SEK 163 million. The cost increase during the third quarter in comparison with the same period in 2006 was SEK 51 million.

The operating profit during the first nine months of the year totalled SEK 2,297 million (SEK 4,140 m). The difference can be attributed to poorer prices and terms, totalling SEK -1,622 million, as a result of lower realised TC/RC, lower exchange rates, a less positive stock revaluation and a negative monthly correction in January of preliminarily priced metals sales from the fourth quarter of 2006. Costs increased by SEK 203 million due to, among other things, salary increases, maintenance work and increases in energy prices. There was a negative volume variation in comparison with the corresponding period in 2006 totalling SEK 38 million. The operating profit during the first nine months of the year included realised metal-price hedging totalling SEK -117 million (SEK -30 m).

Rönnskär and Odda implemented planned maintenance shutdowns during the third quarter. Harjavalta also experienced a production shutdown during the quarter. The overall effect on the operating profit was SEK -240 million (SEK -64 m), in comparison with the corresponding period last year. Minor maintenance shutdowns are planned for the fourth quarter at Rönnskär, Kokkola and Bergsöe and these, coupled with the start-up activities at Harjavalta, are expected to have a total negative effect on the operating profit of approximately SEK 100 million.

EXPLORATION

Boliden's exploration budget for the year is SEK 300 million. Exploration costs during the first nine months of the year totalled SEK 177 million (SEK 110 m), corresponding to an increase of 61 per cent in comparison with last year. Drilling, drift mining, and geophysical ground survey activities all proceeded according to plan during the third quarter and have yielded good results in all areas for exploration activities.

Mine-site exploration

Boliden continued to record interesting results from all of its mine-site exploration projects during the third quarter. In the Boliden area, the L-zone, with good zinc, gold and copper grades, is being developed at the Kristineberg mine, while at the Renström mine, new mineralised zones have been discovered, with good grades at the 1,450 m level both around the main ore body (Julia) and to the east of the Simon ore body. A new high grade mineralised zone has been drilled out at Åkulla Östra and will generate additional mineral resources for the mining project.

A wide mineralisation has been discovered at the 1,200 m level in the Garpenberg mining area, underneath the Dammsjö ore body.

In Ireland, in the Navan area, survey work in the form of electromagnetic measurements and follow-up drilling work, is being carried out to both the north and the south-west of currently known ore areas.

Field exploration

Boliden's field exploration in Sweden is concentrated on base metals and gold exploration in the Skellefte field and on base metals in Dorotea, Norrbotten and Bergslagen. Some 20 projects are currently being investigated using geochemical sampling, deep-penetrating electromagnetic geophysics and diamond drilling.

Drilling work has been carried out in a number of locations in the Skellefte field during the third quarter. Diamond drilling has continued in the Boliden Area in order to investigate a potential mineralisation in the bedrock under the town of Boliden. Drilling in Maurliden Östra has also shown additional potential and the aim is to have evaluated the deposit thoroughly by the end of the year. Gold exploration in the Skellefte field is still focusing on the Älgträsk area (Jörn), where drilling continues and an evaluation of the deposit and its potential has begun.

Drilling continues in the Dorotea area (Ursvattnet, Långmyran and Havsnäs), as does the drilling of the Rockliden deposit in Ångermanland.

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Good results have been achieved in Norrbotten, including to the south of Aitik, where core drilling has revealed a new trend.

Exploration work is taking place in Ireland in the eastern section of the Limerick and Wexford areas. Data processing, already in progress for the Longford area, has now also begun for these areas.

SUSTAINABLE DEVELOPMENT**Employees**

The average number of employees in Boliden during the third quarter was 4,509. Of these, 2,330 work in Sweden, 1,077 in Finland, 683 in Ireland, 393 in Norway and 26 in other countries. This represents a decrease of 10 in comparison with 2006 as a whole, when the average number of employees was 4,519.

Absence due to sick leave during the third quarter totalled 4.0 per cent, which represents a reduction in comparison with the second quarter, when the absence due to sick leave figure was 4.5 per cent. Boliden's goal is for absence due to sick leave to be under 4.8 per cent by the end of 2008.

The accident frequency during the third quarter was 10.3 accidents per million hours worked. This represents a decrease in comparison with the second quarter when the corresponding figure was 10.8. Boliden has adopted a zero vision with regard to accidents and the goal is to reduce the frequency to under 5.0 accidents per million hours worked by the end of 2011.

Environment

Work on introducing ISO 14001-compliant environmental management systems continued during the third quarter. The Tara zinc mine has completed its certification audit, resulting in a recommendation for certification. This will mean that by the end of 2007, six of Boliden's nine production units will have certified environmental management systems in place. The goal is for all of the production units to be certified in accordance with ISO 14001 by the end of 2008.

Proceedings concerning the final conditions for operation, reclamation and economic guarantees for reclamation costs in respect of the planned tailings pond, Hötjärnsmagasinet, in the Boliden Area, were held between 24th and 26th September in the Environmental Court. The Environmental Court will issue its ruling on 21st November.

On 5th October, the Environmental Court issued a so-called planning ruling with regard to the expansion of the Aitik mine. In its ruling, the Environmental Court declared that the operation for which Boliden had sought a permit was permissible, and granted Boliden permission to start work immediately on constructing certain roads and carrying out foundation work for industrial areas, etc. The main proceedings in relation to Boliden's application for Aitik will be held on 7th and 8th November 2007, after which, the Environmental Court will decide on conditions for emissions, noise and other environmental impact from the expanded operations. A ruling will also be made at that time regarding reclamation and the issue of economic guarantees for reclamation costs.

The Norwegian Pollution Control Authority (SFT) has increased the Odda zinc smelter's permit for emissions to water of, among others, zinc in 2007. This was triggered by the inadequate treatment capacity noted in conjunction with heavy rainfall in the spring of 2007 and the incident in May that led to zinc emissions. Changes aimed at improving the treatment capacity will be implemented in late 2007. SFT's report on the incident is now complete and a police investigation of the course of events has begun.

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, mainly price risks related to currencies and metals. No significant risks, other than those described in Boliden's Annual Report (see Notes 18 and 22) 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 view 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 view.

President and CEO

In September, Jan Johansson announced that he would be leaving Boliden after six years with the Group. Boliden's Board of Directors has appointed Svante Nilsson Acting President and CEO.

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 (Chairman of the Board).

Interim Reports and Annual General Meeting

The Preliminary Financial Statement for 2007 will be published on 7th February 2008

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, 30th October 2007

Svante Nilsson
Acting President & CEO

AUDITORS' REVIEW REPORT FOR THE INTERIM REPORT**Introduction**

We have reviewed the interim report for the period 1st January 2007 to 30th September 2007 for Boliden AB (publ). The Board of Directors and Chief Executive Officer are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Reports Act. Our responsibility is to express a conclusion on this interim report based on our review.

The focus and scope of the review

We conducted our review in accordance with the Standard on Review Engagements SÖG 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than and the focus is different from that of an audit conducted in accordance with the Standards on Auditing in Sweden (RS) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report has not been prepared, in all material respects, in accordance with IAS 34 and with the Swedish Annual Reports Act.

Stockholm, 30th October 2007

Hans Pihl
Authorised Public Accountant

Björn Sundkvist
Authorised Public Accountant

Conference call (30th October) and lunch presentation (31st October)**Conference call (in English): 30th October**

With reference to this Interim Report, the capital market is hereby invited to participate in a conference call on Tuesday, 30th October, with Boliden's Acting President & CEO, Svante Nilsson, and members of the Group Management.

The conference call starts at 4 p.m. (CET 16:00).

To participate in the conference call, please dial:

– from Sweden: 08-50 52 01 14 (remember to dial the area code)

– from abroad: +44 (0)207 162 01 25

a couple of minutes before the conference call starts.

A presentation will be available on Boliden's website at www.boliden.com in conjunction with the publication of the Quarterly Report. The conference call can be followed "live" using the presentation images on the website.

Lunch presentation (in Swedish): 31st October

The lunch presentation begins at 12:00 noon (CET 12:00) at Operaterrassen, Karl XII:s torg, Stockholm, Sweden. Please notify Boliden of your intention to attend the lunch presentation by e-mailing us at hearings@financialhearings.com. The lunch presentation can also be followed from Boliden's website.

A recording of the conference call and the lunch presentation will be available at www.boliden.com.

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INCOME STATEMENTS

SEK m	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
Revenues	8 166	9 299	25 913	25 485	35 213
Cost of goods sold	-6 598	-7 050	-20 352	-18 592	-25 831
Gross profit	1 568	2 249	5 561	6 893	9 382
Selling expenses	-106	-96	-297	-295	-404
Administrative expenses	-94	-80	-297	-275	-409
Research and development costs	-70	-45	-214	-147	-215
Other operating income and expenses	31	63	82	118	151
Results from participations in associated companies	3	4	3	3	17
Operating profit	1 332	2 095	4 838	6 297	8 522
Financial income	11	28	70	69	85
Financial expenses	-109	-56	-221	-238	-294
Profit before tax	1 234	2 067	4 687	6 128	8 313
Income tax expense	-334	-526	-1 264	-1 610	-2 045
Profit for the period	900	1 541	3 423	4 518	6 268
Earnings per share, SEK	3.20	5.32	11.96	15.61	21.66
Earnings per share after dilution, SEK	3.20	5.32	11.96	15.61	21.66
Shareholders' equity per share, SEK	44.19	46.38	44.19	46.38	55.58
Number of shares	275 301 169	289 457 169	275 301 169	289 457 169	289 457 169
Average number of shares	281 579 256	289 457 169	286 343 001	289 419 733	289 429 169
Average number of shares after dilution	281 579 256	289 457 169	286 343 001	289 419 733	289 429 169
Number of own shares held	14 156 000	—	14 156 000	—	—

Other key ratios	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
Return on capital employed, %	29	51	35	52	52
Return on shareholders' equity, %	28	49	30	53	51
Equity/assets ratio, %	45	54	45	54	60
Net debt/shareholders' equity, %	40	16	40	16	-1
Depreciation, SEK m	354	326	1 049	983	1 309
Investments, SEK m	530	431	1 591	1 276	1 847
Capital employed, SEK m	19 004	16 705	19 004	16 705	17 667
Net debt, SEK m	4 844	2 200	4 844	2 200	-195

BALANCE SHEETS

SEK m	30 th Sept. 2007	30 th Sept. 2006	31 st Dec. 2006
Intangible fixed assets	3 171	3 130	3 077
Tangible fixed assets	12 786	11 975	12 062
Interest-bearing assets	23	21	21
Other financial fixed assets	42	34	46
Inventories	7 307	5 119	5 351
Interest-bearing current receivables	7	–	–
Other receivables	3 065	3 363	3 176
Liquid assets	594	1 433	3 196
Total assets	26 995	25 075	26 929
Shareholders' equity	12 165	13 424	16 089
Pension provisions	504	497	493
Deferred tax provisions	1 298	695	1 277
Other provisions	1 036	957	1 016
Interest-bearing long-term liabilities	3 282	2 419	2 302
Interest-bearing current liabilities	1 681	737	228
Other current liabilities	7 029	6 346	5 524
Total liabilities and shareholders' equity	26 995	25 075	26 929

Specification of change in shareholders' equity	30 th Sept. 2007	30 th Sept. 2006	31 st Dec. 2006
Opening balance	16 089	10 289	10 289
New share issue	–	2	2
Dividend	-1 158	-579	-579
Share redemption	-3 464	–	–
Buy-back of own shares	-2 020	–	–
Profit for the period	3 423	4 518	6 268
Market valuation of financial instruments, after fiscal effect	-701	-800	124
Translation differences	-4	-6	-15
Closing balance	12 165	13 424	16 089

On 30th September 2007, the market valuation of financial instruments, after fiscal effect, amounted to SEK -1,359 million.

STATEMENTS OF CASH FLOW

SEK m	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Full year 2006
Cash flow from operating activities before changes in operating capital	1 339	2 389	4 670	7 044	9 646
Cash flow from changes in operating capital	-747	-708	-1 449	-1 981	-1 636
Cash flow from operating activities	592	1 681	3 221	5 063	8 010
Investment activities					
- Acquisition of tangible fixed assets	-530	-428	-1 591	-1 273	-1 843
- Other	-	105	-	105	104
Cash flow from investment activities	-530	-323	-1 591	-1 168	-1 739
Cash flow before financing activities	62	1 358	1 630	3 895	6 271
Dividend	-	-	-1 158	-579	-579
Share redemption	-	-	-3 464	-	-
Buy-back of own shares	-1 430	-	-2 020	-	-
Other financing activities	668	-1 101	2 409	-3 402	-4 014
Cash flow from financing activities	-762	-1 101	-4 233	-3 981	-4 593
Cash flow for the period	-700	257	-2 603	-86	1 678
Exchange rate difference on liquid assets	-	-	1	-1	-2
Change in liquid assets	-700	257	-2 602	-87	1 676

INFORMATION PER SEGMENT – BUSINESS AREAS

SEK m

Q3 2007

	<u>Mines</u>	<u>Smelters</u>	<u>Other</u>	<u>The Group</u>
Revenues	1 667	8 492	-1 993	8 166
Operating profit	691	617	24	1 332
Depreciation	163	191	–	354
Investments	310	220	–	530
Capital employed	4 859	16 589	-2 444	19 004

Q3 2006

	<u>Mines</u>	<u>Smelters</u>	<u>Other</u>	<u>The Group</u>
Revenues	1 741	9 999	-2 441	9 299
Operating profit	716	1 406	-27	2 095
Depreciation	138	189	-1	326
Investments	293	138	–	431
Capital employed	4 344	14 920	-2 559	16 705

Nine months, 2007

	<u>Mines</u>	<u>Smelters</u>	<u>Other</u>	<u>The Group</u>
Revenues	5 831	27 323	-7 241	25 913
Operating profit	2 599	2 297	-58	4 838
Depreciation	471	578	–	1 049
Investments	900	692	-1	1 591
Capital employed	4 859	16 589	-2 444	19 004

Nine months, 2006

	<u>Mines</u>	<u>Smelters</u>	<u>Other</u>	<u>The Group</u>
Revenues	5 395	27 166	-7 076	25 485
Operating profit	2 221	4 140	-64	6 297
Depreciation	415	567	1	983
Investments	718	558	–	1 276
Capital employed	4 344	14 920	-2 559	16 705

Full year, 2006

	<u>Mines</u>	<u>Smelters</u>	<u>Other</u>	<u>The Group</u>
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	Q3	Q3	Change in %	Nine months	Nine months	Change in %
	2007	2006		2007	2006	
AITIK						
Refined tonnage, ktonnes	4 097	4 611	-11	13 412	13 776	-3
Head grades						
Copper (%)	0.32	0.36	-11	0.31	0.42	-26
Gold (g/tonne)	0.14	0.23	-39	0.14	0.26	-46
Silver (g/tonne)	3.87	2.37	63	3.58	2.69	33
Metal production						
Copper, tonnes	11 453	15 132	-24	35 573	51 286	-31
Gold, kgs	235	568	-59	874	1 802	-51
Silver, kgs	10 191	8 080	26	30 144	26 736	13
THE BOLIDEN AREA						
Refined tonnage, ktonnes	479	380	26	1 389	1 228	13
Head grades						
Zinc (%)	4.0	5.6	-29	4.8	5.9	-19
Copper (%)	0.6	1.7	-65	0.8	1.7	-53
Lead (%)	0.5	0.4	25	0.5	0.5	0
Gold (g/tonne)	1.5	1.7	-12	1.6	1.7	-6
Silver (g/tonne)	60	56	7	67	67	0
Metal production						
Zinc, tonnes	15 334	14 979	2	53 332	54 801	-3
Copper, tonnes	2 026	4 565	-56	8 878	15 545	-43
Lead, tonnes	800	374	114	2 625	1 486	77
Gold, kgs	258	377	-32	1 126	1 312	-14
Silver, kgs	17 494	11 217	56	60 261	50 027	20
GARPENBERG						
Refined tonnage, ktonnes	319	322	-1	927	877	6
Head grades						
Zinc (%)	6.0	6.0	0	6.1	5.6	9
Copper (%)	0.1	0.1	0	0.1	0.1	0
Lead (%)	2.4	2.2	9	2.4	2.2	9
Gold (g/tonne)	0.3	0.3	0	0.3	0.4	-25
Silver (g/tonne)	124	119	4	125	121	3
Metal production						
Zinc, tonnes	17 562	17 793	-1	51 258	44 820	14
Copper, tonnes	196	161	22	524	478	10
Lead, tonnes	6 291	5 686	11	18 189	15 346	19
Gold, kgs	78	57	37	193	199	-3
Silver, kgs	29 545	28 196	5	86 701	78 900	10
TARA						
Refined tonnage, ktonnes	653	710	-8	1 999	2 097	-5
Head grades						
Zinc (%)	7.1	6.7	6	7.9	7.6	4
Lead (%)	1.4	1.3	8	1.5	1.4	7
Metal production						
Zinc, tonnes	43 204	43 516	-1	147 223	145 982	1
Lead, tonnes	6 050	6 100	-1	19 815	18 340	8

SMELTERS	Q3	Q3	<i>Change in %</i>	Nine months	Nine months	<i>Change in %</i>
	2007	2006		2007	2006	
RÖNNSKÄR						
Smelted material, tonnes						
Copper, tonnes						
Primary	143 669	148 477	-3	443 210	431 610	3
Secondary	37 126	42 830	-13	116 476	115 141	1
Total	180 795	191 307	-5	559 686	546 751	2
Production						
Cathode copper, tonnes	48 228	56 226	-14	159 953	170 162	-6
Lead, tonnes	4 760	3 111	53	20 074	17 783	13
Zinc clinker, tonnes	6 269	9 406	-33	24 765	24 043	3
Gold, kgs	2 627	4 244	-38	9 569	12 024	-20
Silver, kgs	70 622	86 950	-19	264 432	282 284	-6
HARJAVALTA						
Smelted material, tonnes						
Copper concentrate	115 710	146 325	-21	332 643	407 131	-18
Production, tonnes						
Cathode copper	18 377	31 617	-42	75 100	95 577	-21
Gold, kgs	371	1 071	-65	2 165	3 134	-31
Silver, kgs	5 880	8 896	-34	25 000	29 129	-14
BERGSÖE						
Production, tonnes						
Lead alloys	7 986	7 110	12	32 010	32 666	-2
Tin alloys	152	161	-6	583	647	-10
KOKKOLA						
Smelted material, tonnes						
Zinc concentrate	143 536	142 976	0	431 815	404 218	7
Production, tonnes						
Zinc, tonnes	77 052	72 420	6	231 046	210 805	10
ODDA						
Smelted material, tonnes						
Zinc concentrate, incl. zinc clinker	71 357	71 936	-1	216 286	219 368	-1
Production, tonnes						
Zinc, tonnes	40 424	40 394	0	118 920	120 030	-1
of which reprocessed zinc	100	763		1 629	1 773	
Aluminium fluoride, tonnes	7 244	5 040	44	26 610	21 131	26

QUARTERLY DATA

	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007	Q2 2007	Q3 2007
Metal prices								
Copper (USD/tonne)	4 299	4 944	7 251	7 670	7 087	5 941	7 635	7 714
Zinc (USD/tonne)	1 631	2 248	3 301	3 363	4 194	3 460	3 664	3 238
Lead (USD/tonne)	1 058	1 240	1 095	1 189	1 622	1 787	2 182	3 141
Gold (USD/oz)	485	554	629	622	614	650	668	679
Silver (USD/oz)	8.05	9.71	12.25	11.70	12.58	13.29	13.33	12.70
Exchange rates								
USD/SEK	7.93	7.78	7.40	7.24	7.08	7.01	6.87	6.75
EUR/USD	1.19	1.20	1.26	1.27	1.29	1.31	1.35	1.37
EUR/SEK	9.46	9.35	9.30	9.23	9.13	9.19	9.26	9.27
USD/NOK	6.61	6.67	6.23	6.32	6.41	6.23	6.01	5.76
Metal production, Mines								
Zinc, tonnes	87 548	89 225	80 090	76 288	82 040	89 031	86 682	76 100
Copper, tonnes	27 161	25 617	21 835	19 858	19 515	14 703	16 598	13 675
Lead, tonnes	12 864	12 233	10 779	12 160	13 606	13 288	14 200	13 141
Gold, kgs	1 349	1 139	1 172	1 001	1 198	739	883	570
Silver, kgs	54 629	55 470	52 700	47 493	55 977	62 303	58 210	58 024
Metal production, Smelters								
Copper, tonnes	89 429	90 029	87 866	87 843	90 653	90 072	78 377	66 605
Gold, kgs	4 715	5 606	4 238	5 315	4 535	4 512	4 224	2 998
Silver, kgs	91 492	113 591	101 976	95 846	102 989	108 253	104 677	76 502
Lead, tonnes	8 156	7 763	6 909	3 111	7 765	8 229	7 085	4 760
Lead alloys, tonnes								
(Bergsöe)	12 053	12 633	12 923	7 110	12 025	12 062	11 962	7 986
Zinc, tonnes	112 537	108 455	109 566	112 814	112 073	114 759	117 731	117 476
Aluminium fluoride, tonnes	8 203	8 200	7 891	5 040	7 631	8 980	10 386	7 244
Revenues	6 372	7 337	8 850	9 299	9 728	8 455	9 292	8 166
Operating profit before depreciation (EBITDA)	1 949	2 079	2 779	2 421	2 551	1 637	2 564	1 686
Operating profit (EBIT)	1 634	1 750	2 451	2 095	2 225	1 286	2 220	1 332
Profit before tax	1 581	1 697	2 364	2 067	2 185	1 261	2 191	1 234
Profit for the period	1 189	1 239	1 738	1 541	1 750	921	1 602	900
Cash flow from operating activities	947	999	2 383	1 681	2 947	1 490	1 139	592
Earnings per share, SEK	4.11	4.28	6.01	5.32	6.04	3.18	5.56	3.20
Return on capital employed, %	42	44	62	51	51	28	49	29
Net debt/shareholders' equity, %	54	45	30	16	-1	-8	27	40

INCOME STATEMENTS, PARENT COMPANY

SEK m	Q3 2007	Q3 2006	Nine months 2007	Nine months 2006	Dec. 2006
Dividends from subsidiaries	-	1 997	-	1 997	6 531
Profit before tax	-	1 997	-	1 997	6 531
Taxes	-	-	-	-	-
Profit for the period	-	1 997	-	1 997	6 531

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

BALANCE SHEETS, PARENT COMPANY

SEK m	30 th Sept. 2007	30 th Sept. 2006	31 st Dec. 2006
Participations in Group companies	3 911	4 097	3 911
Long-term financial receivables, Group companies	2 233	4 033	4 219
Current financial receivables, Group companies	1 480	734	4 733
Total assets	7 624	8 864	12 863
Shareholders' equity	6 022	8 130	12 664
Current liabilities to credit institutions	1 480	734	199
Other current liabilities	122	-	-
Total liabilities and shareholders' equity	7 624	8 864	12 863