

**Boliden AB (publ)**

Investor Relations

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Corp. ID no. 556051-4142

## Interim Report, January – March 2007

### Q1 profit down, but production and metal market continue strong

#### Q1 2007

- Revenues rose to SEK 8,455 million (SEK 7,337 m).
- The operating profit fell to SEK 1,286 million (SEK 1,750 m).
- The profit for the period fell to SEK 921 million (SEK 1,239 m).
- Earnings per share totalled SEK 3.18 (SEK 4.28).
- Cash flow from operating activities rose to SEK 1,490 million (SEK 999 m).
- Successful exploration work enabled Boliden to report a trebling of the Group's total ore reserves during the first quarter.

#### Key ratios

	Q1 2007 SEK m	Q1 2006 SEK m	Change in %
Revenues	8 455	7 337	15
Operating profit before depreciation (EBITDA)	1 637	2 079	-21
Operating profit (EBIT)	1 286	1 750	-27
Profit before tax	1 261	1 698	-26
Profit for the period	921	1 239	-26
Cash flow from operating activities	1 490	999	49
Earnings per share, SEK, before and after dilution	3.18	4.28	-26
Return on capital employed, %	28	44	
Net debt/shareholders' equity, %	-8	45	

**THE GROUP****Revenues**

Boliden's revenues increased to SEK 8,455 million (SEK 7,337 m) for the first quarter. Revenues were positively affected by improved metal prices in comparison with the corresponding period last year, but were negatively affected by lower levels of mining production of copper and gold and by a weaker dollar.

**Profit performance**

The operating profit (EBIT) fell to SEK 1,286 million (SEK 1,750 m) during the first quarter of 2007.

Volume changes made a net contribution of SEK -223 million in comparison with the first quarter last year. This is primarily due to the lower copper and gold head grades in the mining side in general and to the planned lower grades at the Aitik mine in particular, which had a negative effect of SEK -336 million on the operating profit. At the same time, the smelters generated higher volumes of finished metal overall, resulting in an improvement of SEK 133 million in the operating profit in comparison with the first quarter of 2006.

Prices and terms made a net contribution of SEK -70 million to the reduced operating profit for the first quarter. Higher metal prices generated SEK 834 million but this boost was counteracted by lower TC/RC for the smelters SEK -58 million, and poorer USD exchange rates SEK -361 million as well as the effect of metal price hedges SEK -134 million. The monthly correction in early 2007 of preliminarily priced metal sales from 2006 also resulted in a fall of SEK -251 million in the operating profit in comparison with last year. The combined stock result was SEK -54 million (SEK 46 m) during the first quarter of 2007, yielding a net change of SEK -100 million in comparison with 2006.

Costs increased by SEK -169 million, of which energy accounted for SEK -79 million.

The operating profit (EBIT) of SEK 1,286 million (SEK 1,750 m) breaks down into SEK 787 million (SEK 732 m) from the Segment Mines and SEK 544 million (SEK 1,029 m) from the Segment Smelters, and to SEK -45 million (SEK -11 m) under Other.

The profit before tax was SEK 1,261 million (SEK 1,698 m) for the first quarter. Net financial items fell to SEK -25 million (SEK -52 m) during the first quarter. Net financial items were positively affected by lower gross debts and better loan terms.

**Cash flow**

Capital tied up in stocks increased during the first quarter, primarily due to seasonally weaker demand. This was, however, countered by lower accounts receivable and higher accounts payable, which collectively resulted in a net reduction in operating capital of SEK 192 million. The operations conducted by Boliden are characterised by major changes in operating capital from one quarter to another, since individual incoming and outgoing deliveries of metal concentrate and outgoing deliveries of products from the smelters command substantial values.

The cash flow from operating activities improved to SEK 1,490 million (SEK 999 m) during the first quarter of 2007. The change is primarily attributable to the reduction in capital tied up. Investments totalled SEK 373 million (SEK 441 m) during the period.

**Financial position**

Boliden's financial position continued to improve during the first quarter of 2007 and by the end of the quarter, the net debt was SEK -1,293 million (SEK 4,951 m), and the net debt/equity ratio therefore improved to -8 (45). The market valuation of currency and metal price hedging during the reporting period reduced shareholders' equity by a further SEK 81 million in relation to the position at the end of 2006.

The average term of Boliden's debt portfolio was 6.45 years on 31<sup>st</sup> March 2007. The average interest rate on the debt portfolio was 4.23 per cent on 31<sup>st</sup> March. Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities, totalled SEK 9,887 million at the end of the reporting period.

**MARKET****Economic trends**

The rate of global economic growth, GDP, continued strong during the first quarter of 2007. This growth is expected to continue during the whole of 2007 with an anticipated growth rate of approximately 5 per cent.

**The copper and zinc market**

Preliminary production data for the first quarter shows an increase of approximately 8 per cent in global copper production in comparison with the corresponding period in 2006, totalling 4,600 k-tonnes. Copper consumption increased by approximately 4 per cent to 4,550 k-tonnes; with growth in consumption continuing to be particularly strong in China, while consumption in the USA is falling.

The autumn's rise in copper stocks continued in January, resulting in falling copper prices. The beginning of the year is, seasonally, a weak period in Europe and the USA, but the trend turned around as early as February and stock levels once again began to fall, leading to rising copper prices. High net imports of copper to China in January and February, coupled with anticipated increases in copper consumption ahead of a seasonally stronger second quarter, led to the price of copper rising in March to almost USD 7,000 per tonne.

Copper stocks at the LME totalled 181,000 tonnes at the end of the quarter, corresponding to 3.6 days' global consumption. This is a reduction of 9,000 tonnes during the quarter.

Preliminary production data for the first quarter shows that global zinc production also increased by approximately 7 per cent in comparison with the corresponding period in 2006, totalling 2,750 k-tonnes, while zinc consumption increased by approximately 3 per cent totalling 2,800 k-tonnes.

Exports of zinc from China have increased recently, due to high levels of domestic production and an LME price that has been higher than the local Chinese price. The market was somewhat surprised by the exports and the price of zinc fell during the first half of the quarter, and then stabilised during the remainder of the period.

Zinc stocks at the LME totalled 106,000 tonnes at the end of the quarter, corresponding to 3.4 days' global consumption. This is an increase of 16,000 tonnes during the quarter.

**Metal prices**

Falls in copper and zinc prices of 16 per cent and 18 per cent, respectively, in comparison with Q4 2006 were noted, while the price of lead rose by 10 per cent. A rise of 6 per cent in the prices of both gold and silver was noted during the same period. All metal prices were higher in the first quarter of 2007 than during the corresponding period last year.

<b>Metal prices (average LME/LBMA)</b>	Q1 2007	Q1 2006	Change in %	Q1 2007	Q4 2006	Change in %
Copper (USD/tonne)	5 941	4 944	20	5 941	7 087	-16
Zinc (USD/tonne)	3 460	2 248	54	3 460	4 194	-18
Lead (USD/tonne)	1 787	1 240	44	1 787	1 622	10
Gold (USD/troy oz)	650	554	17	650	614	6
Silver (USD/troy oz)	13.29	9.71	37	13.29	12.58	6

### Metal price hedging

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

		Copper	Lead	Gold	Silver
Maturity year 2007	Percentage of price exposure hedged, price <sup>1</sup>	81%	46%	96%	56%
		4 381	1 215	601	9.91
Maturity year 2008	Percentage of price exposure hedged, price <sup>1</sup>	70%	50%	70%	70%
		6 394	1 315	665	13.15
Maturity year 2009	Percentage of price exposure hedged, price <sup>1</sup>	70%	50%	70%	70%
		5 920	1 252	702	14.59
Market value of outstanding contracts, SEK m		-637	-250	-104	-124

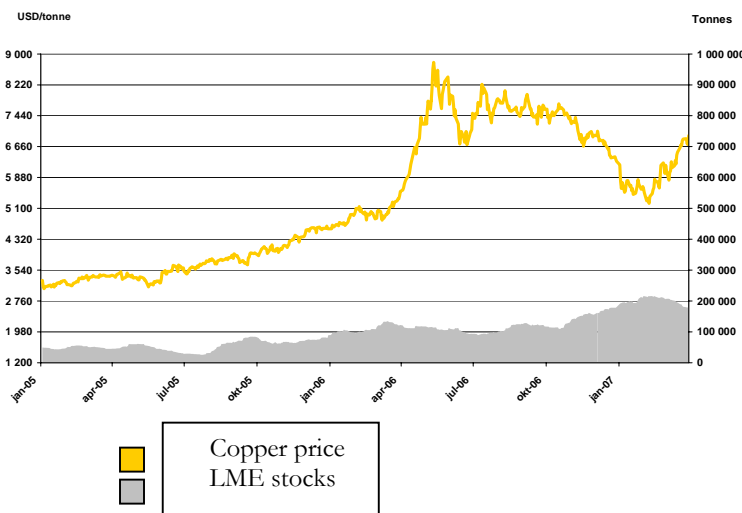
<sup>1)</sup> Contract price: USD/tonne for copper and lead, USD/tr.oz for gold and silver.

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

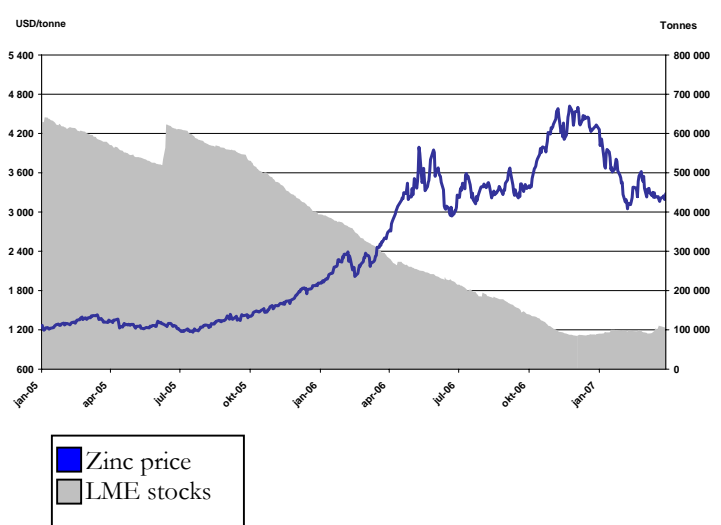
The table below contains a quarterly breakdown of Boliden's metal price hedging for 2007.

Maturity year 2007	Copper (USD/tonne)	Lead (USD/tonne)	Gold (USD/tr.oz)	Silver (USD/tr.oz)
Q2 approx.	3 330	1 120	530	8.10
Q3 approx.	4 110	1 150	590	9.60
Q4 approx.	6 100	1 370	690	12.10

Copper price and stocks, Jan 2005 – March 2007



Zinc price and stocks, Jan 2005 – March 2007



**Treatment charges/Refining charges (TC/RC)**

Mining production was lower than planned in 2006 and this, combined with the continued expansion of smelter capacity in Asia in general and China in particular, has affected the availability of copper concentrate with lower spot treatment charges as a result. Spot treatment and refining charges were approximately USD 42/tonne and USc 4.2/lb, respectively, without price escalators, at the end of the quarter. The year's benchmark negotiations have now been concluded with a consensus of USD 60/tonne and USc 6.0/lb without price escalators for TC/RC.

Boliden will be renegotiating approximately 50 per cent of the contract volume of copper concentrate in 2007, i.e. the part that is priced at 2005 terms at USD 85/tonne and USc 8.5/lb. See table below.

The spot zinc concentrate market was balanced during the quarter, with continued rises in spot treatment charges. Towards the end of the quarter, spot treatment charges were in the interval between USD 220 and 250/tonne, without price escalators, with the lower figures coming from China and the higher from Europe. The year's benchmark negotiations for zinc concentrate have now been partly concluded. Treatment charges for 2007 will be approximately USD 300/tonne with a base of USD 3,500/tonne of zinc, but as yet it has not been possible to determine the size of the price escalators. There is, however, every indication that the plus and the minus escalators will both be lower.

Boliden essentially maintains a balance (75 per cent) between its zinc mines and zinc smelters and consequently, changes in zinc treatment charges and their price escalators have only a limited effect on the company's result.

The lead concentrate market is still experiencing a shortage and spot treatment charges continue to be low. The treatment charges remain unchanged at approximately USD 55/tonne without price escalators. This shortage has been exacerbated by a series of disruptions to production in the global mined production sector, and the shortage of raw materials is now so severe that it has also impacted the price of lead. Negotiations with regard to the 2007 treatment charges have not, as yet, yielded a generally accepted benchmark.

For Boliden, which is a net seller of lead concentrate, any reduction in treatment charges would have a positive effect on the result.

The table below shows European benchmark prices for 2007, 2006 and 2005.

<b>Treatment and refining charges</b>	2007	2006	2005
<b>Copper</b>			
- Treatment charge (TC) USD/tonne	60	95	85
- Refining charge (RC) USc/lb	6.0	9.5	8.5
<b>Zinc</b>			
-Treatment charge (TC) base USD 1,400/tonne +14/-12%		128	
-Treatment charge (TC) base USD 1,000/tonne +16/-14%			126
-Treatment charge (TC) base USD 3,500/tonne	-*		
<b>Lead</b>			
-Treatment charge (TC) base USD 750/tonne +15%		149	
-Treatment charge (TC) base USD 500/tonne +10/-10%			125
-Treatment charge (TC)	-*		

Source: CRU, \* Negotiations for 2007 are, as yet, incomplete.

## Interim Report, January-March 2007

### Exchange rates

Only small fluctuations between Boliden's main currencies (SEK, USD, EUR, NOK) were noted during the first quarter of 2007. The Swedish krona has, however, strengthened against the US dollar and strengthened marginally against the euro in comparison with the first quarter last year.

<b>Exchange rate (average)</b>	Q1 2007	Q1 2006	Change in %	Q1 2007	Q4 2006	Change in %
USD/SEK	7.01	7.78	-10	7.01	7.08	-1
EUR/USD	1.31	1.20	9	1.31	1.29	2
EUR/SEK	9.19	9.35	-2	9.19	9.13	1
USD/NOK	6.23	6.67	-7	6.23	6.41	-3

### Currency hedging

Currency contracts on 31<sup>st</sup> March 2007 in respect of the hedging of forecast commercial payment flows 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.

		Currency forwards	Currency options
			Floor
Maturity year 2007	amount, sold, USD m	22	280
	rate <sup>1</sup>	7.56	7.14
Maturity year 2008	amount, sold, USD m		444
	rate <sup>1</sup>		6.70
Maturity year 2009	amount, sold, USD m		452
	rate <sup>1</sup>		6.00
<b>Total unrealised contracts</b>		<b>22</b>	<b>1 176</b>
Market value of outstanding contracts, SEK m		13	206

<sup>1)</sup> Refers to weighted rates for currency forwards and weighted strike rates for currency options. The floors in the options portfolio are divided between USD/SEK 6.00 and 7.40.

The hedge coverage rates for exposure to USD/SEK are 35, 40 and 42 per cent respectively for 2007, 2008 and 2009, calculated on the basis of the price assumptions in the sensitivity analysis table.

### Sensitivity analysis

The following table shows an estimate of the effects of changes in market conditions for the next year, calculated from 31<sup>st</sup> March 2007. The estimate is based on closing day prices on 31<sup>st</sup> March 2007 and on planned production volumes. The sensitivity analysis does not take into account the effect of contracted treatment charges.

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	330	60	USD/SEK	820	TC/RC Copper	80
Zinc	860	860	EUR/USD	830	TC Zinc	110
Lead	100	50	USD/NOK	140	TC Lead	-5
Gold	60	0				
Silver	70	30				
Nickel	0	0				

## SEGMENT MINES

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

### Production

Metal production	Q1	Q1	Change in %
	2007	2006	
Zinc, tonnes	89 031	89 225	0
Copper, tonnes	14 703	25 617	-43
Lead, tonnes	13 288	12 233	9
Gold, kgs	739	1 139	-35
Silver, kgs	62 303	55 470	12

Production of milled tonnage was higher during the first quarter in all mining areas, with the exception of Tara, where production was marginally lower than last year (-1 per cent).

Production of copper concentrate was, however, substantially lower during the first quarter in comparison with 2006, mainly due to the planned lower grades in the ore mined at the Aitik mine. This is due to the gradual shift in 2006 of mining from high-grade areas to areas with more normal grades. The average grade of the ore mined during the first quarter of 2006 was 0.50 per cent, and 0.35 per cent during the fourth quarter. Grades are expected to continue close to the mine's average level of 0.28 per cent during 2007. Gold production also fell in Segment Mines as a result of lower grades. 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. The majority of the capital-intensive and most extensive purchases are either completed or are nearing completion. Applications for environmental permits have been submitted and are being processed.

During the first quarter, production of zinc concentrate for Segment Mines remained largely on a par with levels during the corresponding period in 2006.

The production of copper, zinc and gold concentrate in the Boliden Area also fell due to lower grades and a lower mill throughput. Lead and silver production did, however, increase during the quarter.

Production of all metals apart from gold (-19 per cent) improved at Garpenberg during the first quarter in comparison with the corresponding period in 2006, primarily due to better grades and a high mill throughput.

Grades have improved according to plan at Tara during the first quarter in comparison with the fourth quarter of 2006, but are slightly down on the corresponding period last year. The plans are to mine areas with higher grades during the rest of the year and it is estimated, therefore, that the average grade for 2007 will exceed the average grade for 2006.

### Revenues, results and investments

SEK m	Q1	Q1	Change in %
	2007	2006	
Revenues	1 820	1 779	2
Operating profit	787	732	8
Investments	220	203	8
Capital employed	4 824	4 223	14

The operating profit of Segment Mines for the first quarter of 2007 totalled SEK 787 million (SEK 732 m). Prices and terms improved the operating profit by SEK 444 million during the first quarter, but reduced volumes and, in particular, lower grades at Aitik made a negative contribution of SEK -336 million. Costs also increased by SEK -53 million.

**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. The segment also includes the Kokkola and Odda zinc smelters, which mainly produce zinc. Odda also produces aluminium fluoride. Segment Smelters includes Market.

**Production**

<b>Metal production</b>	Q1 2007	Q1 2006	<i>Change in %</i>
Copper, tonnes	90 072	90 029	0
Gold, kgs	4 512	5 606	-20
Silver, kgs	108 253	113 591	-5
Lead, tonnes	8 229	7 763	6
Lead alloys, tonnes (Bergsöe)	12 062	12 633	-5
Zinc, tonnes	114 759	108 455	6
Aluminium fluoride, tonnes	8 980	8 200	10

Production of copper cathodes from the Rönnskär and Harjavalta smelters was stable and on a level that was as high during the first quarter of 2007 as in the previous year. Production of copper cathodes was higher at Rönnskär than during the first quarter of 2006. However, production of gold and silver was down and was negatively affected by lower precious metal content in the material feed.

Harjavalta's production of copper cathodes fell during the first quarter in comparison with the corresponding period last year, due to a number of minor disruptions to production. Nickel smelting performed very well and achieved substantially higher levels during the quarter than in 2006.

Bergsöe's lead production during the first quarter of 2007 was slightly down compared to the corresponding period in 2006.

Production of zinc metal from Boliden's zinc smelters in Kokkola in Finland and Odda in Norway was higher during the first quarter than during the corresponding period in 2006. Production of zinc metal at Kokkola was stable during the quarter and was significantly higher than during the corresponding period in 2006. Production records were broken in two of the quarter's three months.

Odda was affected by production disruptions in the leaching and purification process during the first quarter.

**Revenues, results and investments**

SEK m	Q1 2007	Q1 2006	<i>Change in %</i>
Revenues	8 943	7 651	17
Operating profit	544	1 029	-47
Investments	153	238	-36
Capital employed	14 452	14 075	3

The operating profit of Segment Smelters fell to SEK 544 million (SEK 1,029 m) during the first quarter. The improvement in average metal prices in comparison with the first quarter of 2006 notwithstanding, prices and terms collectively caused a deterioration in the operating profit of SEK -487 million. This was due partly to lower TC/RC and poorer exchange rates, and partly to the monthly correction in the beginning of 2007 of preliminarily priced metal sales from 2006. Higher production levels boosted the operating profit by SEK 113 million, while increased costs, principally resulting from increases in energy prices, caused a fall of SEK -112 million in the operating profit in comparison with the corresponding period in 2006.

During the second quarter of 2007, the Hajarvalta copper smelter and Bergsöe lead smelter will carry out planned maintenance shut-downs, scheduled to take three and four weeks, respectively. These stops will affect the operating profit negatively by approximately SEK -100 million.



## Exploration

Boliden's increased investments in exploration are yielding results. Boliden presented its new ore reserve calculations at the end of 2006/beginning of 2007. The calculations showed a substantial increase in Boliden's total ore reserves in comparison with the previous year, with the biggest increases occurring at Aitik and Garpenberg. Drilling, drift mining work and geophysical ground survey activities have been intensified in all mining areas during the first quarter. The exploration budget was almost doubled to SEK 300 million for 2007, making Boliden the dominant player in European exploration.

### Mine-site exploration

Boliden has recorded interesting results from all of its mine-site exploration projects during the first quarter. In Sweden, in the L-zone at Kristineberg, results indicate a potential of approximately 500 ktonnes per 100 metres in a westerly strike length. A new zone with good grades has been found at Renström, and Aitik Östra is reporting interesting mineralised areas. In Ireland, in the Navan area, drilling is taking place to both the north and the south west of currently known ore areas, and the results are promising. Electromagnetic measurements have been successfully carried out in drilling holes.

### Field exploration

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

In Sweden, during the first quarter, drilling has taken place in three locations in the Skellefte field. Diamond drilling has been carried out in the Boliden Area since the beginning of the year in order to investigate a potential mineralisation in the bedrock under the town of Boliden. A preliminary calculation of the Maurliden Östra mineralisation has been conducted and has shown a potential of 1.5 to 2 million tonnes, and Boliden intends to apply for an exploitation concession for this mineralisation. Additional drilling in the area has begun during April.

Drilling work has been carried out in the Dorotea area (Ursvattnet, Långmyran and Havsnäs) since February. A total of 19 holes have been drilled and have resulted in, among other things, the discovery of a 20 metre substantial horizontal containing zinc and lead, which is currently being analysed.

Exploration work is taking place in Ireland in the Eastern section of the Limerick Adare area (2,403 metres drilled to date). Work will begin in other areas during the coming period.

Gold exploration during the quarter has focused on, among other locations, the Skellefte field and the Älgträsket (Jörn). Work has begun in Norrbotten in Vaikijaur, where new analyses have shown promising grades, while in the Aitik area, the first EM34 ground survey square showed a distinct continuation of the previously known Liikavaara Östra anomaly.

## **Sustainability**

### **Employees**

The average number of employees in Boliden at the end of the reporting period was 4,417. Of these, 2,298 work in Sweden, 1,054 in Finland, 372 in Norway, 667 in Ireland, and 26 in other countries. This represents a decrease of 102 in comparison with the figure for the full year 2006, when the average number of employees was 4,519. The difference is primarily related to temporary summer staff.

Absence due to sickness during the first quarter totalled 5.5 per cent, which represents an increase in comparison with 2006 as a whole, when the absence due to sickness figure was 5.0 per cent. Boliden's goal is for absence due to sickness to be under 4.8 per cent by the end of 2008.

The accident frequency during the first quarter was 12.1 accidents per million hours worked. This represents a decrease in comparison with the fourth quarter of 2006 when the corresponding figure was 14.7 accidents per million hours worked but an increase in comparison with 2006 as a whole, when the figure was 11.2. 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 an environmental management system in accordance with the ISO 14001 standard is proceeding according to plan for Segment Mines. All smelters in Segment Smelters are now certified, with the exception of the Rönnskär copper smelter. A certification audit was carried out at Rönnskär during the first quarter and it is estimated that the certification process will be completed during the second quarter this year.

The County Administrative Board decided, in accordance with the "application for a minor change" that Boliden may carry out drift mining and surface work before the Environmental Court has ruled on the expansion project at the Aitik mine. An application was submitted to the Environmental Court during the first quarter, requesting authorisation to start construction of parts of the expansion project.

**THE PARENT COMPANY**

The Parent Company, Boliden AB, conducts no operations and has no employees.

**OTHER****Taxes**

The reported tax expense for the first quarter was SEK 340 million (SEK 458 m), corresponding to 27 per cent (27%) of the result before tax. Taxes paid were considerably lower and totalled SEK 39 million (SEK 21 m).

**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 1<sup>st</sup> January 2007. IFRIC 7, 8, 9, 10 and 11 are also, as a complement to the above, applicable from 1<sup>st</sup> 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.

**Interim Reports**

The Interim Report for January-June 2007 will be presented on 19<sup>th</sup> July 2007.

The Interim Report for January-September 2007 will be presented on 30<sup>th</sup> October 2007.

The Full-year Report for the full year of 2007 will be presented on 7<sup>th</sup> February 2008.

Stockholm, 3<sup>rd</sup> May 2007

Jan Johansson  
President & CEO

The Interim Report has not been subject to special examination auditing by the company's auditors.

**Conference call on 3<sup>rd</sup> May and lunch presentation on 4<sup>th</sup> May**

With reference to this Interim Report, the capital market is hereby invited to a conference call on Thursday, 3<sup>rd</sup> May, and a lunch presentation on Friday, 4<sup>th</sup> May, with Boliden's President and CEO, Jan Johansson, and members of the Group Management.

**Conference call (in English) on 3<sup>rd</sup> May**

The conference call will start at 16.00 CET

To take part in the conference call, please phone:

- from Sweden: 08-50 52 01 10 (remember to dial the area code)

- from abroad: +44 (0)207 162 00 25

a couple of minutes before the conference call starts.

A presentation will be available on Boliden's website, [www.boliden.com](http://www.boliden.com), approximately one hour before the conference call starts. The conference call can be followed "live", including presentation slides, on Boliden's website.

**Lunch presentation (in Swedish) on 4<sup>th</sup> May**

The lunch presentation will start at 12.00 CET at Operaterrassen, Karl XII:s torg, Stockholm. Please send confirmation of your intention to attend the lunch presentation to Financial Hearings, [hearings@financialhearings.com](mailto:hearings@financialhearings.com).

A recording of the conference call and the lunch presentation will be available on Boliden's website, [www.boliden.com](http://www.boliden.com).



**Interim Report, January-March 2007**

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THE GROUP IN SUMMARY

**INCOME STATEMENTS**

	<b>Q1</b>	<b>Q1</b>	<b>Full year</b>
	<b>2007</b>	<b>2006</b>	<b>2006</b>
Revenues	8 455	7 337	35 213
Cost of goods sold	-6 928	-5 364	-25 831
<b>Gross profit</b>	<b>1 527</b>	<b>1 973</b>	<b>9 382</b>
Selling expenses	-108	-119	-404
Administrative expenses	-98	-89	-409
Research and development costs	-64	-46	-215
Other operating income and expenses	29	31	151
Results from participations in associated companies	-	-	17
<b>Operating profit</b>	<b>1 286</b>	<b>1 750</b>	<b>8 522</b>
Financial income	27	13	85
Financial expenses	-52	-65	-294
<b>Profit before tax</b>	<b>1 261</b>	<b>1 698</b>	<b>8 313</b>
Income tax expense	-340	-459	-2 045
<b>Profit for the period</b>	<b>921</b>	<b>1 239</b>	<b>6 268</b>
Earnings per share, SEK	3.18	4.28	21.66
Earnings per share after dilution, SEK	3.18	4.28	21.66
Shareholders' equity per share, SEK	58.51	37.69	55.58
Number of shares	289 457 169	289 387 169	289 457 169
Average number of shares	289 457 169	289 387 169	289 429 169
Average number of shares after dilution	289 457 169	289 782 863	289 429 169

<b>Other key ratios</b>	<b>Q1</b>	<b>Q1</b>	<b>Full year</b>
	<b>2007</b>	<b>2006</b>	<b>2006</b>
Return on capital employed, %	28	44	52
Return on shareholders' equity, %	22	47	51
Equity/assets ratio, %	60	45	60
Net debt/shareholders' equity, %	-8	45	-1
Depreciation, SEK m	351	329	1 309
Investments, SEK m	373	441	1 847
Capital employed, SEK m	17 675	16 067	17 667
Net debt, SEK m	-1 293	4 951	-195

**BALANCE SHEETS**

	31 <sup>st</sup> March	31 <sup>st</sup> March	31 <sup>st</sup> Dec
	2007	2006	2006
Intangible fixed assets	3 154	3 185	3 077
Tangible fixed assets	12 252	12 011	12 062
Deferred tax	–	445	–
Interest-bearing assets	21	21	21
Other financial fixed assets	37	55	46
Inventories	5 844	4 697	5 351
Interest-bearing current receivables	19	–	–
Other receivables	2 840	2 909	3 176
Liquid assets	4 288	858	3 196
<b>Total assets</b>	<b>28 455</b>	<b>24 181</b>	<b>26 929</b>
Shareholders' equity	16 937	10 908	16 089
Pension provisions	504	503	493
Deferred tax provisions	1 301	284	1 277
Other provisions	1 025	958	1 016
Interest-bearing long-term liabilities	2 330	4 116	2 302
Interest-bearing current liabilities	200	1 211	228
Other current liabilities	6 158	6 201	5 524
<b>Total liabilities and shareholders' equity</b>	<b>28 455</b>	<b>24 181</b>	<b>26 929</b>
<b>Specification of change in shareholders' equity</b>	<b>31<sup>st</sup> March</b>	<b>31<sup>st</sup> March</b>	<b>31<sup>st</sup> Dec</b>
SEK m	2007	2006	2006
Opening balance	16 089	10 289	10 289
New share issue	–	–	2
Dividend	–	–	-579
Profit for the period	921	1 239	6 268
Market valuation of financial instruments, after fiscal effect <sup>1)</sup>	-81	-619	124
Translation differences	8	-1	-15
Closing balance	16 937	10 908	16 089

<sup>1)</sup> As of March 31<sup>st</sup> 2007, the after-tax market valuation of financial instruments amounted to SEK -739 million.

**STATEMENTS OF CASH FLOW**

SEK m	Q1 2007	Q1 2006	Full year 2006
<b>Cash flow from operating activities before</b>			
<b>changes in operating capital</b>	1 298	2 030	9 646
Cash flow from changes in operating capital	192	-1 031	-1 636
<b>Cash flow from operating activities</b>	<b>1 490</b>	<b>999</b>	<b>8 010</b>
Investment activities			
- Acquisition of tangible fixed assets	-373	-441	-1 843
- Other	-	-	104
Cash flow from investment activities	-373	-441	-1 739
<b>Cash flow before financing activities</b>	<b>1 117</b>	<b>558</b>	<b>6 271</b>
Dividend	-	-	-579
Other financing activities	-26	-1 220	-4 014
Cash flow from financing activities	-26	-1 220	-4 593
<b>Cash flow for the period</b>	<b>1 091</b>	<b>-662</b>	<b>1 678</b>
Exchange rate difference on liquid assets	1	-	-2
<b>Change in liquid assets</b>	<b>1 092</b>	<b>-662</b>	<b>1 676</b>

**INFORMATION PER SEGMENT**

SEK m

**Q1 2007**

	<u>Mines</u>	<u>Smelters</u>	<u>Other</u>	<u>The Group</u>
Revenues	1 820	8 943	-2 308	8 455
Operating profit	787	544	-45	1 286
Depreciation	153	186	12	351
Investments	220	153	–	373
Capital employed	4 824	14 452	-1 601	17 675

**Q1 2006**

	<u>Mines</u>	<u>Smelters</u>	<u>Other</u>	<u>The Group</u>
Revenues	1 779	7 651	-2 093	7 337
Operating profit	732	1 029	-11	1 750
Depreciation	141	188	–	329
Investments	203	238	–	441
Capital employed	4 223	14 130	-2 285	16 067

**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.



**PRODUCTION**

**SEGMENT MINES**

<b>MINES</b>	Share holding, %	Q1 2007	Q1 2006	Change in %
<b>AITIK</b>	100			
Refined ore, ktonnes		4 678	4 342	8
Head grades				
Copper (%)		0.28	0.50	-44
Gold (g/tonne)		0.14	0.28	-50
Silver (g/tonne)		3.09	2.87	8
Metal production				
Copper, tonnes		11 116	19 190	-42
Gold, kgs		322	605	-47
Silver, kgs		9 723	8 766	11
<b>THE BOLIDEN AREA</b>	100			
Refined ore, ktonnes		454	447	2
Head grades				
Zinc (%)		5.1	6.0	-15
Copper (%)		1.0	1.8	-44
Lead (%)		0.5	0.5	0
Gold (g/tonne)		1.5	1.6	-6
Silver (g/tonne)		75	70	7
Metal production				
Zinc, tonnes		18 229	21 010	-13
Copper, tonnes		3 407	6 258	-46
Lead, tonnes		932	479	95
Gold, kgs		368	473	-22
Silver, kgs		22 406	19 886	13
<b>GARPENBERG</b>	100			
Refined ore, ktonnes		314	269	17
Head grades				
Zinc (%)		6.1	5.5	11
Copper (%)		0.1	0.1	0
Lead (%)		2.3	2.2	5
Gold (g/tonne)		0.3	0.3	0
Silver (g/tonne)		128	132	-3
Metal production				
Zinc, tonnes		17 056	13 227	29
Copper, tonnes		180	169	7
Lead, tonnes		5 588	4 784	17
Gold, kgs		50	62	-19
Silver, kgs		29 537	26 818	10
<b>TARA</b>	100			
Refined ore, ktonnes		686	694	-1
Head grades				
Zinc (%)		8.5	8.6	-1
Lead (%)		1.5	1.6	-6
Metal production				
Zinc, tonnes		53 746	54 988	-2
Lead, tonnes		6 768	6 970	-3

**PRODUCTION**
**SEGMENT SMELTERS**

<b>SMELTERS</b>	Q1 2007	Q1 2006	<i>Change in %</i>
<b>RÖNNSKÅR</b>			
Smelted material, tonnes			
Copper, tonnes			
Primary	150 324	147 085	2
Secondary	38 565	36 400	6
Total	188 889	183 485	3
Production			
Cathode copper, tonnes	59 346	57 901	2
Lead, tonnes	8 229	7 763	6
Zinc clinker, tonnes	8 947	8 871	1
Gold, kgs	3 288	4 368	-25
Silver, kgs	98 757	103 125	-4
<b>HARJAVALTA</b>			
Smelted material, tonnes			
Copper concentrate	118 497	135 730	-13
Production, tonnes			
Cathode copper	30 726	32 128	-4
Gold, kgs	1 224	1 238	-1
Silver, kgs	9 496	10 466	-9
<b>BERGSÖE</b>			
Production, tonnes			
Lead alloys	12 062	12 633	-5
Tin alloys	203	233	-13
<b>KOKKOLA</b>			
Smelted material, tonnes			
Zinc concentrate	141 159	139 358	1
Production, tonnes			
Zinc, tonnes	75 540	68 230	11
<b>ODDA</b>			
Smelted material, tonnes			
Zinc concentrate, incl. zinc clinker	73 137	72 131	1
Production, tonnes			
Zinc, tonnes	39 219	40 225	-3
of which reprocessed zinc	1 019	0	
Aluminium fluoride, tonnes	8 980	8 200	10

## CONSOLIDATED QUARTERLY DATA

CONSOLIDATED QUARTERLY DATA	Q2 2005	Q3 2005	Q4 2005	Q1 2006	Q2 2006	Q3 2006	Q4 2006	Q1 2007
Metal prices								
Copper (USD/tonne)	3 394	3 759	4 299	4 944	7 251	7 670	7 087	5 941
Zinc (USD/tonne)	1 274	1 298	1 631	2 248	3 301	3 363	4 194	3 460
Lead (USD/tonne)	987	892	1 058	1 240	1 095	1 189	1 622	1 787
Gold (USD/oz)	428	440	485	554	629	622	614	650
Silver (USD/oz)	7.15	7.07	8.05	9.71	12.25	11.70	12.58	13.29
Exchange rates								
USD/SEK	7.28	7.65	7.93	7.78	7.40	7.24	7.08	7.01
EUR/USD	1.26	1.22	1.19	1.20	1.26	1.27	1.29	1.31
EUR/SEK	9.19	9.35	9.46	9.35	9.30	9.23	9.13	9.19
USD/NOK	6.38	6.37	6.61	6.67	6.23	6.32	6.41	6.23
Metal production, Mines								
Zinc, tonnes	80 164	86 800	87 548	89 225	80 090	76 288	82 040	89 031
Copper, tonnes	19 258	21 484	27 161	25 617	21 835	19 858	19 515	14 703
Lead, tonnes	11 085	13 470	12 864	12 233	10 779	12 160	13 606	13 288
Gold, kgs	969	1 101	1 349	1 139	1 172	1 001	1 198	739
Silver, kgs	62 799	50 158	54 629	55 470	52 700	47 493	55 977	62 303
Metal production, Smelters								
Copper, tonnes	80 939	88 143	89 429	90 029	87 866	87 843	90 653	90 072
Gold, kgs	5 082	5 459	4 715	5 606	4 238	5 315	4 535	4 512
Silver, kgs	128 432	125 608	91 492	113 591	101 976	95 846	102 989	108 253
Lead, tonnes	7 460	2 510	8 156	7 763	6 909	3 111	7 765	8 229
Lead alloys, tonnes (Bergsöe)	12 006	8 779	12 053	12 633	12 923	7 110	12 025	12 062
Zinc, tonnes	104 378	107 429	112 537	108 455	109 566	112 805	112 073	114 759
Aluminium fluoride, tonnes	8 292	6 014	8 203	8 200	7 891	5 040	7 631	8 980
Revenues								
	4 687	4 924	6 372	7 337	8 850	9 299	9 728	8 455
Operating profit before depreciation (EBITDA)								
	655	998	1 949	2 079	2 779	2 421	2 551	1 637
Operating profit (EBIT)								
	351	686	1 634	1 750	2 451	2 095	2 225	1 286
Result after financial items								
	269	610	1 581	1 697	2 364	2 067	2 185	1 261
Result for the period								
	166	435	1 189	1 239	1 738	1 541	1 750	921
Cash flow from operating activities								
	712	632	947	999	2 383	1 681	2 947	1 490
Earnings per share, SEK								
	0.57	1.50	4.11	4.28	6.01	5.32	6.04	3.18
Return on capital employed, %								
	9	18	42	44	62	51	51	28
Net debt/shareholders' equity, %								
	69	64	54	45	30	16	-1	-8