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Interim Report January - March 2011
Running-in problems at Aitik
Q1 2011

- Revenues totalled SEK 10,158 million (SEK 8,316 m)
- The operating profit totalled SEK 1,359 million (SEK 1,230 m). Excluding the revaluation of process inventory, the operating profit was SEK 1,500 million (SEK 1,043 m)
- Free cash flow totalled SEK 448 million (SEK -52 m)
- Earnings per share totalled SEK 3.51 (SEK 3.21)

Summary of financial performance

SEK m	Q1 2011	Q1 2010	April 2010- March 2011	Full year 2010
Revenues	10,158	8,316	38,558	36,716
Operating profit (EBIT)	1,359	1,230	5,772	5,643
Operating profit excl. revaluation of process inventory	1,500	1,043	5,288	4,830
Profit after financial items	1,301	1,196	5,436	5,331
Net profit	961	878	4,040	3,957
Earnings per share, SEK	3.51	3.21	14.77	14.46
Free cash flow ¹	448	-52	3,702	3,202
Return on capital employed ² , %	–	–	21	21
Return on shareholders' equity ³ , %	–	–	24	23
Net debt/equity ratio ⁴ , %	21	43	21	24

¹ Refers to cash flow before financing operations.

² Operating profit divided by average capital employed.

³ Profit after tax divided by average shareholders' equity.

⁴ Net of interest-bearing provisions and liabilities minus financial assets including liquid assets divided by shareholders' equity.

Q1

Sales and production

The global metals market continued to develop positively. Political unrest in North Africa, the earthquake in Japan, and reduced Chinese activity in the metals market, have, however, contributed to variations in the price of raw materials. Metal prices for the quarter as a whole have increased in USD but the effect was moderated by an increasingly strong Swedish krona. Demand for base metals continues to be good.

Boliden's revenues for the quarter totalled SEK 10,158 million (SEK 8,316 m). Income remained largely unchanged, however, in comparison with the previous quarter. Higher copper, lead and silver prices in SEK have been counteracted by lower volumes.

Mined copper, zinc, gold and silver production fell in comparison with the previous quarter. Copper, gold and silver production did, however, increase markedly in comparison with last year.

Smelters' zinc and copper production fell slightly in comparison with the previous quarter. Gold production fell, but silver production increased. Production of copper and sulphuric acid, in particular, rose in comparison with last year, but gold production fell.

Operating profit

The operating profit totalled SEK 1,359 million (SEK 1,230 m). The revaluation of process inventory impacted the quarterly profit to the tune of SEK -142 million. If the revaluation is excluded, the operating profit totalled SEK 1,500 million (SEK 1,043 m).

The operating profit for Business Area Mines totalled SEK 1,156 million (SEK 800 m) and the operating profit excluding the revaluation of process inventory for Business Area Smelters totalled SEK 226 million (SEK 256 m).

OPERATING PROFIT ANALYSIS

SEK m	Q1 2011	Q1 2010	Q4 2010
Operating profit	1,359	1,230	1,942
Revaluation of process inventory (PIR)	-142	187	496
Operating profit ex. revaluation of process inventory	1,500	1,043	1,445
Change		457	55
Analysis of change		Q1 vs. Q1 2010:	Q1 vs. Q4 2010:
Volume effect		529	-238
Costs		-464	144
Prices and terms		819	400
<i>Metal prices and terms¹⁾</i>		1,045	411
<i>Realised metal price and currency hedging*</i>		-184	45
<i>TC/RC terms</i>		-80	-68
<i>Metal premiums</i>		34	47
<i>Definitive pricing (MAMA)*</i>		4	-35
Exchange rate effects		-426	-239
<i>Of which translation effects</i>		-33	-11
Other		-1	-12
Change		457	55
* Result for respective period	Q1 2011	Q1 2010	Q4 2010
Realised metal price and currency hedging	12	196	-33
Definitive pricing (MAMA)	-10	-14	25

¹⁾ Includes in Q4 2010 the effect of amended valuation of inventories, totalling SEK 119 million.

The profit was negatively affected by lower production volumes than in the previous quarter. Grades were lower in Garpenberg and the Boliden Area and volumes at Aitik were negatively affected by ongoing problems with crusher availability. Reduced volumes of free metals from Rönskär have also had a

negative effect on the profit in comparison with the fourth quarter of 2010. The reduction was due to a less favourable raw materials mix. The volume effect is, however, positive in relation to the first quarter of last year, largely due to increased volumes from Aitik and the Boliden Area.

Costs fell in comparison with the previous quarter. The results for the fourth quarter of 2010 included various non-recurring items, but even excluding these particular costs, costs overall fell slightly. Energy costs and depreciation increased while other costs fell. Costs increased significantly in comparison with the previous year, with the increase largely attributable to Business Area Mines. Much of the increase was due to higher volumes in Aitik, including start-up problems, and to increased depreciation.

Changes to prices and terms had a positive effect on the profit of SEK 400 million in comparison with the previous quarter and of SEK 819 million in comparison with the corresponding period last year. The main reason for the improvement is the positive trend in metal prices in USD, although this was, in part, counteracted by a stronger Swedish krona. Modest improvements in copper TC/RC failed to compensate for lower zinc TC/RC. Higher metal premiums had a positive effect in comparison both with the previous quarter and with the corresponding period last year.

Net financial items during the first quarter of the year totalled SEK -58 million (SEK -34 m). Net financial items improved in comparison with the previous quarter by SEK 8 million. Net financial items deteriorated, however, in comparison with the corresponding period in 2010, primarily due to the fact that interest charges on the Aitik investment have been charged to net financial items since the facility became operational and the interest is no longer being capitalised. The average interest rate during the quarter was 3.22 per cent, in comparison with 2.95 per cent in the previous quarter and 2.62 per cent in the previous year.

The profit before tax totalled SEK 1,301 million (SEK 1,196 m). The net profit was SEK 961 million (SEK 878 m), corresponding to earnings per share of SEK 3.51 (SEK 3.21).

Cash flow and investments

CASH FLOW	Q1	Q1	Q4	Full year
SEK m	2011	2010	2010	2010
From working activities before changes in operating capital	958	1,824	2,388	7,672
Changes in working capital	171	-1,274	483	-1,475
Cash flow from operating activities	1,129	550	2,871	6,197
Investments and other	-681	-602	-1,021	-2,995
Before financing (Free cash flow)	448	-52	1,850	3,202

The cash flow from operating activities and before investments totalled SEK 1,129 million (SEK 550 m). The cash flow deteriorated by SEK 1,742 million in comparison with the fourth quarter of 2010. The quarter's cash flow was affected not only by an increase in working capital, primarily in respect of accounts receivable and accounts payable, but also by a tax payment of SEK 908 million, SEK 871 million of which referred to 2010.

Financial position

Boliden's net debt totalled SEK 4,105 million (SEK 7,216 m) on 31st March 2011 and the net debt/equity ratio at that time was 21 per cent (43%). The average term of the total limits on borrowing approved was 3.9 years (2.7 yrs.). The average interest level for Boliden's debt portfolio at that time was 3.34 per cent (2.56%) and the fixed interest term was 1.7 years (1.9 yrs.).

The contribution to shareholders' equity of the net market valuation of financial instruments, after fiscal effects, totalled SEK -284 million (SEK 180 m) on 31st March 2011.

Boliden's current liquidity, in the form of liquid assets and unutilised binding credit facilities, totalled SEK 11,154 million (SEK 7,232 m) at the end of the first quarter.

PARENT COMPANY

The Parent Company, Boliden AB, conducts no operations and has no employees. The Parent Company's Income Statements and Balance Sheets can be found on page 18 of this Interim Report.

MARKET PERFORMANCE

Industrial activity levels in mature economies improved during the first quarter and the level for some subsidiary sectors can be deemed to have normalised. Overall levels of industrial capacity utilisation are, however, still below the norm in several countries. Activity levels in the Chinese economy remained high in early 2011 with a high total growth rate for both investments and industrial production. The description of trends during the quarter includes the inherent uncertainty arising from the earthquake in Japan and the degree to which it has affected production volumes.

Zinc

The average price of zinc on the London Metal Exchange (LME) rose by 3 per cent in comparison with the fourth quarter of 2010 and by 5 per cent in comparison with the first quarter of that year. The corresponding changes in SEK were -1 per cent and -6 per cent, respectively.

Global demand for zinc metal is estimated to have increased by approximately 5 per cent in comparison with the first quarter of 2010. The growth rates in mature economies and in China are calculated to have been more or less on a par. The automotive industry's production of cars increased in mature economies, but the construction industry remained weak, with the exception of a recovery in northern Europe.

Global smelter production of zinc is estimated to have increased by 5 per cent in comparison with the first quarter of 2010, which is slightly below the growth rate in the fourth quarter of 2010. Global production of zinc has continued to exceed demand during the first quarter and stock levels have further increased.

Zinc stocks on the LME and Shanghai Futures Exchange (SHFE) increased by approximately 95 ktonnes or just under 9 per cent in comparison with figures at the end of the fourth quarter of 2010.

Global mined production is estimated to have increased by 5 per cent in comparison with the first quarter of 2010. The production increase notwithstanding, production of mined concentrate is estimated to have fallen short of the demand from smelters.

Spot premiums rose slightly during the first quarter in Europe and the USA and were stable in Asia. TC/RC remained stable on the spot markets in comparison with the fourth quarter of 2010, but were below the anticipated benchmark level for 2011.

Copper

The average price of copper on the LME was 12 per cent higher than during the fourth quarter of 2010 and 33 per cent higher than during the first quarter of 2010. The corresponding changes in SEK were 7 per cent and 20 per cent, respectively.

Global demand for copper metal is estimated to have increased by approximately 2 per cent in comparison with the first quarter of 2010, which is a lower growth rate than during the fourth quarter of 2010. The industrial recovery in mature economies has resulted in an ongoing increase in demand.

Global copper production by smelters is estimated to have increased by 7 per cent in comparison with the first quarter of 2010, increasing by 9 per cent in China and by 5 per cent in Europe.

Global mined production is estimated to have increased by 5 per cent in comparison with the first quarter of 2010, with a steep increase noted in South America, Australia and North America. The concentrate market is calculated to have been in balance, i.e. that mined concentrate production was on a par with demand from smelters.

Global official stock levels for metals increased by approximately 110 ktonnes, or just over 21 per cent, in comparison with levels at the end of 2010.

Spot premiums in Europe fell sharply during the first quarter to a level below that of the benchmark contract levels. The mined concentrate market is calculated to have been in balance and the spot market TC/RC fell at the beginning of the quarter. TC/RC rose sharply in March when concentrate availability increased as a result of Japan shutting down smelting capacity during the quarter as a result of the earthquake.

Sulphuric acid

Demand for sulphuric acid continued to be good from several important customer segments during the first quarter and prices rose in the northern European contracts concluded for the first half of 2011 to an average of EUR 80 per tonne. This should be compared with an average price of EUR 66 during the latter half of 2010. The market price for 2010 in Europe was approximately EUR 55 per tonne.

Lead

The LME price of lead was an average of 9 per cent higher than during the fourth quarter of 2010 and 17 per cent higher than during the first quarter of 2010. Lead stock levels on the LME have increased by approximately 35 per cent during the first quarter of 2011.

Demand for lead in developing countries in general, and in China in particular, continues to grow apace with the increasing demand for batteries in the automotive industry. Supply has been periodically impacted by the shutdown of smelter capacity for environmental reasons. Global lead consumption is estimated to have increased by approximately 7 per cent in the first quarter of 2011 in comparison with the corresponding period in 2010, and global metal production in smelters by approximately 9 per cent.

Global mined production is estimated to have risen by approximately 9 per cent in comparison with the first quarter of 2010, but is estimated to have fallen short of smelters' demand. Lead supply from mines tracks, to some extent, mined production of zinc, in that large amounts of lead are extracted from zinc mines.

Gold and silver

The prices of gold and silver were an average of 1 per cent and 21 per cent higher, respectively, in comparison with the fourth quarter of 2010 (-3 per cent and 15 per cent, respectively, in SEK). The price of gold increased by 25 per cent and the price of silver by 88 per cent in comparison with the first quarter of 2010 (13 per cent and 70 per cent, respectively, in SEK). Demand for gold and silver in the jewellery industry and for industrial applications has increased over the last 12 months, but the price trend has primarily been driven by increased demand from financial players.

METAL PRICES

Boliden's revenues are affected by the global market prices of base and precious metals. Base metals are traded daily on the London Metal Exchange (LME), where prices are set. Precious metal prices are set daily by the London Bullion Market Association (LBMA). Boliden's income is also affected by treatment and refining charges and metal premiums. The value of so-called free metals in concentrates also affects the Group's income.

Metal prices (USD) (average LME/LBMA)	Q1 2011	Q1 2010	<i>Change in %</i>	Q4 2010	<i>Change in %</i>
Zinc (USD/tonne)	2,393	2,288	5	2,315	3
Copper (USD/tonne)	9,646	7,243	33	8,634	12
Lead (USD/tonne)	2,605	2,219	17	2,390	9
Gold (USD/troy oz.)	1,387	1,111	25	1,370	1
Silver (USD/troy oz.)	31.86	16.93	88	26.43	21

Metal prices (SEK) (average LME/LBMA)	Q1 2011	Q1 2010	<i>Change in %</i>	Q4 2010	<i>Change in %</i>
Zinc (SEK/tonne)	15,515	16,456	-6	15,700	-1
Copper (SEK/tonne)	62,532	52,093	20	58,566	7
Lead (SEK/tonne)	16,889	15,959	6	16,209	4
Gold (SEK/troy oz.)	8,990	7,987	13	9,290	-3
Silver (SEK/troy oz.)	206.56	121.76	70	179.28	15

Metal price hedging

The following table is a summary of Boliden's metal price hedging on 31st March 2011 and refers to forecast pricing exposure. The Boliden Group is otherwise, in every significant respect, exposed to market prices. The hedging shown below comprises a total of approximately one third of the metal price risk and limits the effect on the profit of changes in the prices of these metals.

Metals	2011	2012	2013	2014	2015	2016	2017
Zinc							
Hedged volume (tonnes)	88,650	125,400	62,250				
Future price, USD/tonne	2,402	2,230	2,125				
Market value, SEK m	16	-151	-122				
Copper							
Hedged volume (tonnes)	22,275	27,600	14,100				
Future price, USD/tonne	9,664	9,080	8,746				
Market value, SEK m	32	-56	-44				
Lead							
Hedged volume (tonnes)	15,525	23,100	11,400				
Future price, USD/tonne	2,595	2,324	2,219				
Market value, SEK m	-9	-45	-27				
Silver							
Hedged volume (000 troy oz.)	1,899	2,940	1,524				
Future price, USD/troy oz.	28.97	28.45	27.12				
Market value, SEK m	-107	-173	-102				
Gold							
Hedged volume (troy oz.)	33,300	72,420	58,200	38,400	48,600	47,000	29,000
Future price, USD/troy oz.	1,372	1,376	1,387	1,455	1,491	1,487	1,490
Market value, SEK m	-13	-29	-21	0	8	7	5
Total market value, SEK m	-81	-454	-316	0	8	7	5

EXCHANGE RATES

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

The US dollar weakened further against both the Swedish krona and the Norwegian krone during the first quarter. The dollar remained unchanged against the euro in comparison with the fourth quarter and was unchanged in comparison with last year. The Swedish krona has continued to strengthen against the euro.

Exchange rates (average)	Q1 2011	Q1 2010	<i>Change in %</i>	Q4 2010	<i>Change in %</i>
USD/SEK	6.48	7.19	-10	6.78	-4
EUR/USD	1.37	1.38	-1	1.36	1
EUR/SEK	8.87	9.94	-11	9.22	-4
USD/NOK	5.72	5.86	-2	5.93	-3

Currency hedging

The following table summarises Boliden's currency future contracts on 31st March 2011 in respect of forecast currency exposure. The Boliden Group is otherwise, in every significant respect, exposed to exchange rate fluctuations. The hedging shown below covers approximately one third of the Group's exchange rate risk and limits the effect on the Group's profit by changes in the USD exchange rate.

Currencies	2011	2012	2013	2014	2015	2016	2017
USD/SEK							
Hedged volume (USD m)	390	531	293	56	72	70	43
Forward rate, USD/SEK	6.68	6.79	6.76	6.83	6.78	6.77	6.77
Market value, SEK m	124	155	46	7	4	3	2
EUR/USD							
Hedged volume (USD m)	153	197	91				
Forward rate, EUR/USD	1.35	1.35	1.35				
Market value, SEK m	47	43	16				
USD/NOK							
Hedged volume (USD m)	26	39	18				
Forward rate, USD/NOK	5.91	5.95	6.03				
Market value, SEK m	9	9	4				
Total market value, SEK m	180	207	66	7	4	3	2

SENSITIVITY ANALYSIS

The following table contains an estimate of how changes in market terms from listings on 31st March 2011, calculated on the basis of Boliden's planned production volumes, affect the Group's operating profit (EBIT) over the next twelve-month period. The sensitivity analysis is based on a number of assumptions and does not take into account the effects of metal price hedging, currency hedging, contracted TC/RC, or revaluations of process inventory in the smelters.

Change in metal prices +10%	Effect on operating profit, SEK m	Change in USD +10 %	Effect on operating profit, SEK m	Change in TC/RC +10%	Effect on operating profit, SEK m
Copper	475	USD/SEK	1,060	TC/RC Copper	45
Zinc	530	EUR/USD	395	TC Zinc	40
Lead	105	USD/NOK	75	TC Lead	-10
Gold	115				
Silver	185				

BUSINESS AREA MINES

Business Area Mines comprises the operations of the Swedish units, Aitik, the Boliden Area and Garpenberg, and the Tara mine in Ireland. The Business Area also includes the exploration activities, technological development and sales of mined concentrates. Aitik produces copper concentrate with some gold and silver content. The other Swedish mines produce zinc, copper and lead concentrates, with variable gold and silver content. Tara produces zinc and lead concentrates.

REVENUES, PROFITS AND INVESTMENTS

	Q1	Q1	Q4	Full
SEK m	2011	2010	2010	year
Revenues	2,647	1,881	2,821	9,580
Operating profit	1,156	800	1,217	4,113
Investments	431	528	738	2,189
Capital employed	13,808	12,856	13,501	13,501

Business Area Mines' revenues totalled SEK 2,647 million (SEK 1,881 m) during the quarter. The operating profit was SEK 1,156 million (SEK 800 m), corresponding to a decrease of SEK 61 million in comparison with the fourth quarter and an increase of SEK 356 million in comparison with the same period last year.

PROFIT ANALYSIS	Q1	Q1	Q4
SEK m	2011	2010	2010
Operating profit	1,156	800	1,217
Change		356	-61
Analysis of change		Q1 vs.	Q1 vs.
		Q1 2010:	Q4 2010
Volume effect		478	-131
Costs		-389	75
Prices and terms*		553	163
Exchange rate effects		-284	-160
Other		-2	-8
Change		356	-61
*Operating profit for respective period	Q1 2011	Q1 2010	Q4 2010
Realised metal price and currency hedging	8	162	-51
Definitive pricing (MAMA)	-34	-38	40

Reduced production in comparison with the previous quarter had a negative volume effect of SEK 131 million. The biggest effect in comparison with the previous quarter was due to lower production volumes at Aitik. The increase in comparison with last year, however, was attributable to the increased volumes at Aitik and the production increases in the Boliden Area that yielded a positive effect on the profit of SEK 478 million.

A one-off provision of SEK 85 million in respect of increased reclamation provisions was made in the fourth quarter of 2010. If this provision is excluded, costs rose slightly in comparison with the previous quarter, primarily with regard to increased energy costs and depreciation. Other costs were lower. The pronounced increase in costs in comparison with last year is largely due to Aitik and derives partly from the increased volume, but partly from the start-up problems that characterised 2010 and which continued into the first quarter of 2011. The item also included an increase of SEK 98 million in depreciation.

METAL PRODUCTION*

	Q1	Q1	Change	Q4	Change	Full
	2011	2010	in %	2010	in %	year
						2010
Zinc, tonnes	73,201	71,844	2	79,000	-7	293,814
Copper, tonnes	20,606	13,603	51	21,367	-4	75,977
Lead, tonnes	12,613	13,212	-5	12,628	0	49,585
Gold, kg	858	709	21	1,121	-23	3,727
Silver, kg	59,656	49,104	21	69,720	-14	230,756

* Refers to metal content in concentrates.

Information on production and metal contents at individual units can be found on page 20.

The volume of zinc concentrate produced was lower than in the previous quarter. Increased production at Tara due to improved yields was unable to compensate for lower zinc volumes at Garpenberg and in the Boliden Area where grades were lower during the quarter. Production fell in comparison with the previous year at Tara and Garpenberg as a result of lower grades, but increased in the Boliden Area, where production expanded during the latter half of 2010.

Copper production was down on the previous quarter. Volumes increased sharply in the Boliden Area as the ore produced at Maurliden Östra now primarily comprises copper ore. Most of the ore mined when production at Maurliden Östra began comprised zinc ore. Continued production disruptions at Aitik resulted in lower volumes than in the previous quarter, but copper production did increase markedly in comparison with 2010 due to the Aitik expansion.

Gold and silver production fell due, in part, to the lower volumes and grades at Aitik, and in part, to lower grades in the Boliden Area and reduced ore production at Garpenberg. The pronounced increase in production at Aitik and in the Boliden Area, coupled with better silver grades at Garpenberg, resulted in increased production of precious metals in comparison with 2010.

Lead production remained unchanged in comparison with the previous quarter. Improved yields at Tara were unable to compensate for the reduced volumes at Garpenberg and in the Boliden Area. Lead production fell in comparison with the previous year due to lower grades at Tara and reduced ore production at Garpenberg.

Continued running-in problems at Aitik

The availability of ore concentrate terminals and crushers has been unsatisfactory during the quarter, and has resulted in low production volumes. Truck availability has also been low. The reconnection of the old crusher to the new system is now in progress and the work is scheduled for completion at the end of the second quarter. A forced engine renovation programme is also being carried out in order to increase mine truck availability. The programme will be conducted throughout 2011. The expansion is still in the fine-tuning phase and work on improving availability continues. The work will include making further adjustments to the new crushers once the old ones are connected up to the new system. Aitik's ore production is expected to reach full capacity – 36 million tonnes of ore – in 2014.

BUSINESS AREA SMELTERS

Business Area Smelters comprises the Kokkola and Odda zinc smelters, the Rönnskär and Harjavalta copper smelters, and the Bergsöe lead smelter. It also includes the smelters' concentrate purchases and metal sales. The zinc smelters' production primarily comprises zinc metal, but also includes aluminium fluoride, which is produced at Odda, and sulphuric acid. The copper smelters primarily produce copper, gold, silver, lead and sulphuric acid. The copper smelters also recycle metal and electronic scrap. Harjavalta also smelts nickel concentrate. The Bergsöe lead smelter recycles lead metal, primarily from car batteries.

REVENUES, PROFITS AND INVESTMENTS

	Q1 2011	Q1 2010	Q4 2010	Full year 2010
SEK m				
Revenues	9,667	7,817	9,554	34,390
Operating profit	84	443	1,026	1,946
Operating profit ex. revaluation of process inventory	226	256	530	1,134
Investments	232	69	286	804
Capital employed	13,747	14,440	14,225	14,225

Business Area Smelters' operating profit, excluding the revaluation of process inventory, totalled SEK 226 million (SEK 256 m), corresponding to a decrease of SEK 304 million in comparison with the fourth quarter of 2010.

PROFIT ANALYSIS	Q1 2011	Q1 2010	Q4 2010
SEK m			
Operating profit	84	443	1,026
Revaluation of process inventory	-142	187	496
Operating profit ex. revaluation of process inventory	226	256	530
Change		-30	-304
Analysis of change		Q1 vs. Q1 2010:	Q1 vs. Q4 2010:
Volume effect		51	-107
Costs		-70	29
Prices and terms*		130	-139
Exchange rate effects		-142	-80
Other		1	-7
Change		-30	-304
*Result for respective period	Q1 2011	Q1 2010	Q4 2010
Realised metal price and currency hedging	4	33	18
Definitive pricing (MAMA)	0	-3	1

The negative volume effect of SEK 107 million in comparison with the previous quarter was due to lower volumes of free metals from Rönnskär which were primarily due to a less favourable raw materials mix.

Lower costs for external services and consumables had a positive effect on the profit in comparison with the previous quarter. The previous quarter included a positive non-recurring item of approximately SEK 60 million in Odda, due to changes to pension regulations in Norway. The increase in costs in comparison with the first quarter of 2010 is primarily due to the increase in the cost of external services and energy. Staff overheads did, however, fall.

The profit was negatively affected to the tune of SEK 139 million in comparison with the fourth quarter by lower TC/RC, a fall in the results of metal price and currency hedging, and periodisation effects. This was countered, in part, by higher metal premiums and an underlying positive price trend. The deterioration in TC/RC in comparison with last year has had a negative effect, while metal prices, premiums and sulphuric acid prices have, collectively, had a positive effect of SEK 130 million.

PRODUCTION

	Q1 2011	Q1 2010	<i>Change in %</i>	Q4 2010	<i>Change in %</i>	Full year 2010
Zinc, tonnes	116,449	113,675	2	117,494	-1	456,006
Copper, tonnes	81,629	65,474	25	85,323	-4	303,184
Lead, tonnes	5,135	5,182	-1	4,499	14	17,013
Lead alloys, tonnes (Bergsöe)	10,671	10,468	2	12,579	-15	42,166
Gold, kg	3,375	3,778	-11	3,904	-14	14,220
Silver, kg	123,655	117,689	5	112,691	10	450,280
Sulphuric acid, tonnes	405,571	278,373	46	412,811	-2	1,397,002
Aluminium fluoride, tonnes	8,371	7,051	19	7,950	5	21,951

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

Zinc smelter production increased slightly in comparison with the fourth quarter. Odda's production stability was good during the quarter and its cast zinc production increased. Kokkola's production fell slightly, but its production levels were still both high and stable.

Production by the copper smelters fell slightly in comparison with the previous quarter due to an increased percentage of raw materials with lower metal grades. Volumes were up on the previous year when they were limited by a shortage of raw materials. The ice in the northern part of the Gulf of Bothnia has delayed some shipments of raw material which to some extent affected production during the first quarter.

Sulphuric acid production has increased substantially as a consequence of the acquisition of Kemira's sulphuric acid plant by the Kokkola zinc smelter in May 2010. Demand and prices have continued to improve.

Gold production fell in comparison with the previous quarter and the previous year, while silver production increased in comparison with both of these periods. The production result for both metals is due to grades in component raw materials at Rönnskär.

Bergsöe's production was limited in the first quarter by the availability of materials. Raw material availability improved towards the end of the period.

Maintenance shutdowns will be implemented at Harjavalta, Rönnskär and Odda during the second quarter of 2011. The estimated combined effect on the operating profit is one of SEK 170 million.

SUSTAINABLE DEVELOPMENT**Employees**

The average number of employees at Boliden at the end of the first quarter was 4,402. Of these, 2,414 work in Sweden, 944 in Finland, 695 in Ireland, 334 in Norway, and 15 in other countries.

The sick leave rate during the quarter was 4.6 per cent, corresponding to an increase in comparison with the previous quarter of 0.6 percentage points. The sick leave rate for the year as a whole in 2010 was 4.0 per cent. The Group's long-term goal is for the sick leave rate to be no higher than 4.0 per cent.

The accident frequency (the number of accidents per one million hours worked) during the first quarter was 5.9. This corresponds to a reduction in comparison with the fourth quarter of 2010 when the figure was 13.2. The accident frequency for 2010 as a whole was 8.2.

Environment

Boliden's operations at all of its facilities are subject to licensing requirements and are conducted in accordance with the legislation in the various countries in which they operate. Environmental performance was generally good during the first quarter and there were no reports of limits having been exceeded or significant incidents occurring during the period.

Boliden's Group-wide goals for discharges and emissions of metals into water and the air, and for emissions of sulphur dioxide into the air, have been met during the first quarter.

RISKS AND UNCERTAINTY FACTORS

The Group's and Parent Company's significant risks and uncertainty factors include market and external risks, financial risks, operational and commercial risks, and legal risks. The global economic climate in general, and global industrial production in particular, affects demand for zinc, copper and other base metals. For further information on risks and risk management, please see Boliden's 2010 Annual Report: Risk Management on page 40 and Note 19 financial risk management, on pages 71-72.

PREPARATION PRINCIPLES FOR THE INTERIM REPORT

The Consolidated Interim Report has been prepared in accordance with the International Financial Reporting Standards (IFRS) approved by the EU, and with the Swedish Financial Reporting Board recommendation RFR1, complementary accounting rules for Groups, which specifies the supplementary information required in addition to that required under IFRS standards, pursuant to the provisions of the Swedish Annual Accounts Act. This Interim Report has been prepared for the Group in accordance with IAS 34, Interim Financial Reporting, and in accordance with the Swedish Annual Accounts Act. The Parent Company accounts have been prepared in accordance with the Swedish Annual Accounts Act. The accounting principles and calculation methods used are the same as those used in the 2010 Annual Accounts.

Boliden has made no amendments to the accounting principles applied in conjunction with the preparation of this Interim Report.

The undersigned declare that the Interim Report gives a true and fair overview of the Parent Company's and the Group's operations, position and results and describes the material risks and uncertainties faced by the Parent Company and the companies that make up the Group.

Stockholm, 3rd May 2011

Lennart Evrell
President and CEO

The information provided in the Interim Report comprises the information that Boliden is obliged to present pursuant to the Swedish Securities Market Act and/or the Swedish Financial Instruments Trading Act. The information was released for publication on 3rd May 2011 at 11.30 a.m.

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

FINANCIAL CALENDAR

- The Interim Report for the second quarter of 2011 will be published on 19th July 2011
- The Interim Report for the third quarter of 2011 will be published on 25th October 2011
- The Full-year Report for 2011 will be published on 10th February 2012

CONFERENCE CALL AND PRESENTATION

Conference call and online broadcasts (English)

The report for the first quarter will be presented on Tuesday, 3rd May 2011 at 14.30 (CET) via web cast and conference call.

The web cast will be broadcast online at www.boliden.com.

To take part in the conference call, please dial one of the following telephone numbers 3-5 minutes before the conference starts:

Telephone number from Sweden: 08-505 598 53 (include the area code)

Telephone number from other countries: +44 (0) 203 043 24 36

Contact persons for information

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CONSOLIDATED INCOME STATEMENTS

	Q1	Q1	April 2010- March	Full year
SEK m	2011	2010	2011	2010
Revenues	10,158	8,316	38,558	36,716
Cost of goods sold	-8,524	-6,827	-31,735	-30,038
Gross profit	1,634	1,489	6,823	6,678
Selling expenses	-96	-97	-407	-408
Administrative expenses	-119	-122	-427	-431
Research and development costs	-77	-59	-304	-286
Other operating income and expenses	18	18	88	90
Results from participations in associated companies	-1	1	-1	–
Operating profit	1,359	1,230	5,772	5,643
Financial income	13	–	21	7
Financial expenses	-71	-34	-357	-319
Profit after financial items	1,301	1,196	5,436	5,331
Taxes	-340	-318	-1,396	-1,374
Net profit	961	878	4,040	3,957
Net profit attributable to:				
The Parent Company's shareholders	961	878	–	3,955
Holdings with non-controlling interest	–	–	–	2

Earnings and shareholders' equity per share

	Q1	Q1	April 2010- March	Full year
	2011	2010	2011	2010
Earnings per share ¹ , SEK	3.51	3.21	14.77	14.47
Shareholders' equity per share, SEK	71.54	61.50	–	68.90
Number of shares	273,511,169	273,511,169	273,511,169	273,511,169
Average number of shares	273,511,169	273,511,169	273,511,169	273,511,169
Number of own shares held	–	–	–	–

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

CONSOLIDATED REPORT OF COMPREHENSIVE INCOME

	Q1	Q1	April 2010-	Full year
SEK m	2011	2010	March 2011	2010
Profit for the period	961	878	4,040	3,957
Other comprehensive income				
Cash flow hedging				
Change in market value of derivative instruments	-321	-428	-198	-305
Fiscal effect on derivative instruments	84	113	52	80
Transfers to the Income Statement	–	–	-431	-431
Tax on transfers to the Income Statement	–	–	113	113
	-237	-315	-464	-543
The period's translation difference on overseas operations	-34	–	-422	-697
Profit from hedging on net investments in overseas operations	47	–	560	942
Tax on the period's profit from hedging instruments	-15	–	-150	-248
	-2	–	-12	-3
Other items included in comprehensive income	2	2	7	–
Total other comprehensive income	-237	-313	-470	-546
Comprehensive income for the period	724	565	3,570	3,411
Total comprehensive income for the period attributable to:				
The Parent Company's shareholders	724	565	–	3,409
Holdings with non-controlling interest	–	–	–	2

KEY RATIOS

	Q1	Q1	April 2010-	Full year
	2011	2010	March 2011	2010
Return on capital employed ¹ , %	–	–	21	21
Return on shareholders' equity ² , %	–	–	23	23
Equity/assets ratio, %	56	50	56	54
Net debt/equity ratio ³ , %	21	43	21	24
Depreciation, SEK m	475	403	1,875	1,802
Investments, SEK m	664	598	3,062	2,996
Capital employed, SEK m	26,750	26,849	26,750	27,151
Net debt, SEK m	4,105	7,216	4,105	4,584

¹ Operating profit divided by average capital employed.

² Profit after tax divided by average shareholders' equity.

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

CONSOLIDATED BALANCE SHEETS

SEK m	31st March 2011	31st Dec. 2010	31st March 2010
Intangible fixed assets	3,156	3,181	3,254
Tangible fixed assets	21,032	20,888	20,355
Deferred tax	51	35	24
Interest-bearing assets	46	29	33
Other financial fixed assets	142	144	61
Inventories	6,888	7,924	6,142
Interest-bearing current receivables	3	4	5
Tax receivables	–	–	–
Other receivables	2,558	2,102	2,707
Liquid assets	1,197	821	833
Total assets	35,073	35,128	33,414
Shareholders' equity	19,568	18,846	16,822
Pension provisions	624	623	575
Deferred tax provisions	2,640	2,739	2,699
Other provisions	1,007	1,001	1,036
Interest-bearing long-term liabilities	4,549	4,365	6,468
Interest-bearing current liabilities	178	449	1,044
Tax liabilities	488	1,018	136
Other current liabilities	6,019	6,087	4,634
Total liabilities and shareholders' equity	35,073	35,128	33,414

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

SEK m	31st March 2011	31st Dec. 2010	31st March 2010
Opening balance	18,846	16,257	16,257
Total comprehensive income for the period	724	3,411	565
Minority holding in conjunction with acquisition	–	–	–
Dividend	-2	-822	–
Closing balance	19,568	18,846	16,822
Total shareholders' equity attributable to			
The Parent Company's shareholders	19,556	18,834	16,813
Holdings with non-controlling interest	12	12	9

On 31st March 2011, the market valuation of financial instruments, after fiscal effect, was SEK -284 million.

CONSOLIDATED CASH FLOW ANALYSIS

SEK m	Q1 2011	Q1 2010	April 2010- March 2011	Full year 2010
Cash flow from operating activities before changes in working capital	958	1,824	6,806	7,672
Cash flow from changes in working capital	171	-1,274	-30	-1,475
Cash flow from operating activities	1,129	550	6,776	6,197
Investment activities				
- Acquisition of tangible fixed assets	-664	-598	-2,977	-2,911
- Acquisition of intangible fixed assets	-	-	-85	-85
- Other	-17	-4	-12	1
Cash flow from investment activities	-681	-602	-3,074	-2,995
Cash flow before financing activities	448	-52	3,702	3,202
Dividend	-2	-	-824	-822
Net borrowing/net amortisation	-68	62	-2,506	-2,376
Cash flow from financing activities	-70	62	-3,331	-3,199
Cash flow for the period	377	10	370	3
Liquid assets at beginning of period	821	825	821	825
Exchange rate difference on liquid assets	-1	-2	-6	-7
Liquid assets at period end	1,197	833	1,186	821

INCOME STATEMENTS – PARENT COMPANY

SEK m	Q1 2011	Q1 2010	Full year 2010
Dividends from subsidiaries	–	–	825
Profit after financial items	–	–	825
Taxes	–	–	–
Profit for the period	–	–	825

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

BALANCE SHEETS – PARENT COMPANY

SEK m	31st March 2011	31st Dec. 2010	31st March 2010
Participations in Group companies	3,911	3,911	3,911
Other shares and participations	5	5	5
Long-term financial receivables, Group companies	3,672	3,672	3,667
Current financial receivables, Group companies	177	449	1,043
Total assets	7,765	8,037	8,626
Shareholders' equity	7,588	7,588	7,584
Current liabilities to credit institutions	177	449	1,043
Total liabilities and shareholders' equity	7,765	8,037	8,626

INFORMATION PER SEGMENT

SEK m	Q1 2011	Q1 2010	Q4 2010	Full year 2010
MINES				
Revenues	2,647	1,881	2,821	9,580
Operating profit	1,156	800	1,217	4,113
Depreciation	274	183	254	954
Investments	431	528	738	2,189
Capital employed	13,808	12,856	13,501	13,501
SMELTERS				
Revenues	9,667	7,817	9,554	34,390
Operating profit	84	443	1,026	1,946
Operating profit excl. revaluation of process inventory	226	256	530	1,134
Depreciation	199	219	201	848
Investments	232	69	286	804
Capital employed	13,747	14,440	14,225	14,225
OTHER/ELIMINATIONS				
Revenues	-2,156	-1,382	-2,255	-7,254
Operating profit	119	-13	-301	-416
Depreciation	2	1	–	–
Investments	1	1	1	3
Capital employed	-805	-447	-575	-575
THE GROUP				
Revenues	10,158	8,316	10,120	36,716
Operating profit	1,359	1,230	1,942	5,643
Operating profit excl. revaluation of process inventory	1,500	1,043	1,445	4,830
Depreciation	475	403	455	1,802
Investments	664	598	1,025	2,996
Capital employed	26,750	26,849	27,151	27,151

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

PRODUCTION PER UNIT – MINES*

	Q1 2011	Q1 2010	Change in %	Q4 2010	Change in %	Full year 2010
TARA						
Milled ore, ktonnes	656	595	10	647	1	2,593
Head grades						
Zinc (%)	6.9	7.8	-12	6.8	1	7.0
Lead (%)	1.3	1.5	-13	1.3	0	1.4
Metal production						
Zinc, tonnes	42,250	42,408	0	40,295	5	167,334
Lead, tonnes	4,938	5,448	-9	4,207	17	18,515
GARPENBERG						
Milled ore, ktonnes	337	352	-4	373	-10	1,443
Head grades						
Zinc (%)	6.8	7.0	-3	7.1	-4	6.6
Copper (%)	0.1	0.1	0	0.1	0	0.1
Lead (%)	2.6	2.6	0	2.6	0	2.5
Gold (g/tonne)	0.2	0.3	-33	0.2	0	0.3
Silver (g/tonne)	154	129	19	148	4	133
Metal production						
Zinc, tonnes	21,364	21,991	-3	24,429	-13	86,022
Copper, tonnes	86	104	-17	138	-38	517
Lead, tonnes	7,328	7,455	-2	7,949	-8	29,310
Gold, kg	42	66	-36	52	-19	234
Silver, kg	38,756	32,131	21	40,665	-5	140,138
THE BOLIDEN AREA						
Milled ore, ktonnes	455	275	65	490	-7	1,375
Head grades						
Zinc (%)	2.7	3.5	-23	3.7	-27	3.7
Copper (%)	1.1	0.9	22	0.6	83	0.8
Lead (%)	0.3	0.4	-25	0.3	0	0.4
Gold (g/tonne)	1.3	1.5	-13	1.5	-13	1.6
Silver (g/tonne)	41	56	-27	52	-21	55
Metal production						
Zinc, tonnes	9,587	7,445	29	14,276	-33	40,458
Copper, tonnes	3,861	1,842	110	2,337	65	8,291
Lead, tonnes	347	310	12	471	-26	1,760
Gold, kg	251	278	-10	357	-30	1,285
Silver, kg	12,610	10,387	21	17,520	-28	52,806
AITIK						
Milled ore, ktonnes	6,700	4,975	35	7,578	-12	27,596
Head grades						
Copper (%)	0.27	0.26	4	0.27	0	0.27
Gold (g/tonne)	0.16	0.15	7	0.19	-16	0.16
Silver (g/tonne)	1.87	1.93	-3	2.25	-17	2.07
Metal production						
Copper, tonnes	16,659	11,657	43	18,892	-12	67,168
Gold, kg	564	364	55	712	-21	2,208
Silver, kg	8,072	6,125	32	11,279	-28	36,468

* Refers to metal content in concentrates.

PRODUCTION PER UNIT – SMELTERS

	Q1 2011	Q1 2010	Change in %	Q4 2010	Change in %	Full year 2010
KOKKOLA						
Smelted material, tonnes						
Zinc concentrate	155,498	145,411	7	158,637	-2	587,330
Production, tonnes						
Zinc, tonnes	76,460	76,658	0	79,461	-4	307,144
Sulphuric acid, tonnes	78,611	0	100	78,947	0	199,484
ODDA						
Smelted material, tonnes						
Zinc concentrate, incl. zinc clinker	74,182	70,860	5	73,522	1	276,811
Production, tonnes						
Zinc, tonnes	39,989	37,017	8	38,033	5	148,862
of which reprocessed zinc	285	0		0		1,087
Aluminium fluoride, tonnes	8,371	7,051	19	7,950	5	21,951
Sulphuric acid, tonnes	32,305	31,137	4	32,077	1	122,549
RÖNNSKÄR						
Smelted material, tonnes						
Copper, tonnes						
Primary	166,840	120,396	39	155,051	8	544,242
Secondary	37,180	35,381	5	41,958	-11	155,024
Total	204,020	155,777	31	197,009	4	699,266
Production						
Cathode copper, tonnes	53,306	41,180	29	54,462	-2	190,497
Lead, tonnes	5,135	5,182	-1	4,499	14	17,013
Zinc clinker, tonnes	7,506	8,921	-16	9,823	-24	36,950
Gold, kg	2,775	3,380	-18	3,343	-17	12,450
Silver, kg	109,075	101,854	7	95,051	15	385,684
Sulphuric acid, tonnes	148,247	103,040	44	143,530	3	501,873
HARJAVALTA						
Smelted material, tonnes						
Copper concentrate	116,037	88,964	30	122,110	-5	433,511
Production, tonnes						
Cathode copper	28,323	24,294	17	30,861	-8	112,687
Gold, kg	600	398	51	562	7	1,770
Silver, kg	14,580	15,835	-8	17,640	-17	64,596
Sulphuric acid, tonnes	146,408	134,196	9	158,257	-7	573,096
BERGSÖE						
Production, tonnes						
Lead alloys	10,671	10,468	2	12,579	-15	42,166
Tin alloys	11	126	-91	131	-92	497

CONSOLIDATED QUARTERLY DATA

	Q2 2009	Q3 2009	Q4 2009	Q1 2010	Q2 2010	Q3 2010	Q4 2010	Q1 2011
Financial performance, the Group								
Revenues, SEK m	6,439	6,960	8,356	8,316	8,908	9,373	10,120	10,158
Operating profit before depreciation (EBITDA), SEK m	1,056	1,340	1,620	1,633	1,589	1,826	2,397	1,834
Operating profit (EBIT)	654	949	1,232	1,230	1,123	1,348	1,942	1,359
Operating profit ex. revaluation of process inventory, SEK m	477	734	870	1,043	1,130	1,213	1,445	1,500
Profit after financial items, SEK m	587	923	1,199	1,196	996	1,264	1,876	1,301
Net profit, SEK m	432	684	821	878	755	910	1,414	961
Earnings per share, SEK	1.58	2.50	3.00	3.21	2.76	3.33	5.17	3.51
Free cash flow ¹ , SEK m	-97	610	350	-52	201	1,151	1,850	448
Return on capital employed, %	10	15	19	19	17	20	29	20
Net debt/equity ratio ² , %	55	48	46	43	46	37	24	21
Metal production, Segment Mines³								
Zinc, tonnes	81,608	76,397	72,956	71,844	71,818	71,152	79,000	73,201
Copper, tonnes	13,991	16,076	11,370	13,603	20,509	20,497	21,367	20,606
Lead, tonnes	14,916	14,164	13,888	13,212	12,402	11,343	12,628	12,613
Gold, kg	701	876	853	709	918	979	1,121	858
Silver, kg	50,024	58,479	50,791	49,104	58,464	53,469	69,720	59,656
Metal production, Segment Smelters								
Zinc, tonnes	100,801	113,550	116,708	113,675	114,240	110,597	117,494	116,449
Copper, tonnes	68,059	76,783	85,804	65,474	70,012	82,375	85,323	81,629
Lead, tonnes	2,735	2,269	2,618	5,182	4,379	2,953	4,499	5,135
Lead alloys, tonnes (Bergsöe)	10,022	6,674	12,414	10,468	10,649	8,470	12,579	10,671
Gold, kg	3,151	4,060	4,185	3,778	2,515	4,022	3,904	3,375
Silver, kg	143,740	133,200	129,610	117,689	99,755	120,144	112,691	123,655
Aluminium fluoride, tonnes	8,898	6,097	7,624	7,051	3,206	3,744	7,950	8,371
Metal prices, quarterly average								
Zinc, USD/tonne	1,476	1,757	2,211	2,288	2,018	2,013	2,315	2,393
Copper, USD/tonne	4,676	5,840	6,643	7,243	7,013	7,242	8,634	9,646
Lead, USD/tonne	1,506	1,925	2,292	2,219	1,944	2,031	2,390	2,605
Gold, USD/troy oz.	923	960	1,101	1,111	1,196	1,227	1,370	1,387
Silver, USD/troy oz.	13.76	14.69	17.57	16.93	18.33	18.97	26.43	31.86
Exchange rates, quarterly average								
USD/SEK	7.92	7.29	7.00	7.19	7.58	7.27	6.78	6.48
EUR/USD	1.36	1.43	1.48	1.38	1.27	1.29	1.36	1.37
EUR/SEK	10.78	10.42	10.35	9.94	9.64	9.38	9.22	8.87
USD/NOK	6.50	6.12	5.68	5.86	6.22	6.17	5.93	5.72

¹ Refers to cash flow before financing activities.

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

³ Refers to metal content of concentrates.