



**Capital Markets Day
2 September 2009**

Smelters Update
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President BA Smelters

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2009-09-02

Content

- Planned actions implemented
- Development of revenue drivers
- Summing up of situation for our main metals
- Strategic priorities
- Production outlook

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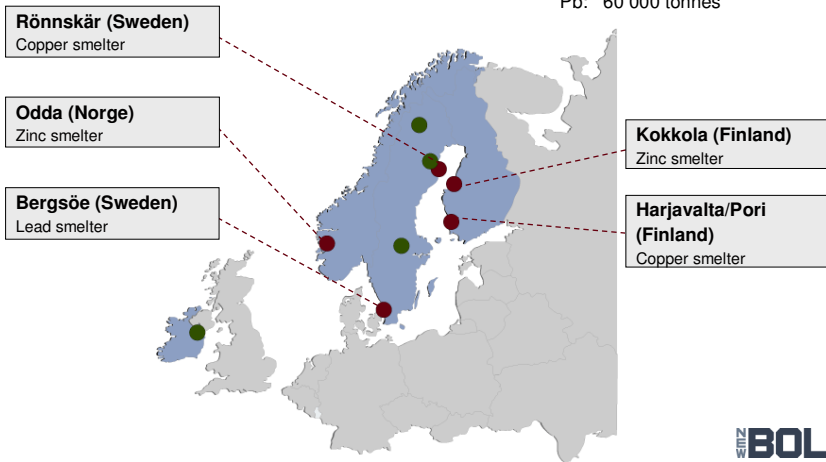
Boliden's Smelter Units

Smelter production 2008:

Cu: 350 000 tonnes

Zn: 440 000 tonnes

Pb: 60 000 tonnes



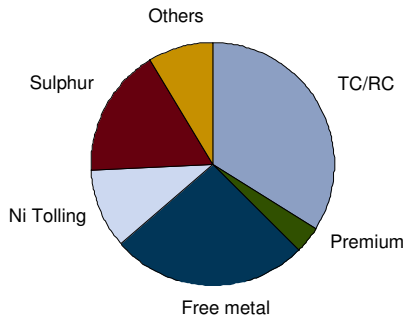
Planned actions implemented in H1

- Head count reduction down 12% in June y-o-y of which 5-6% is sustainable
- Procurement project have saved 90 MSEK annualized
- Total operating costs are down with 4%
- Restrictive investment policy implemented

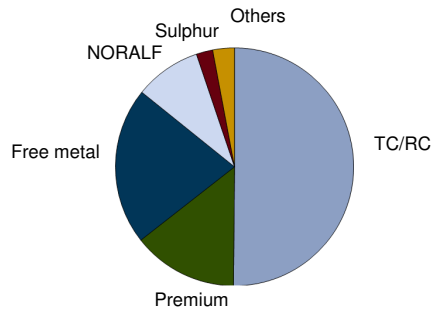


Revenue drivers

Copper Net Sales (MSEK)

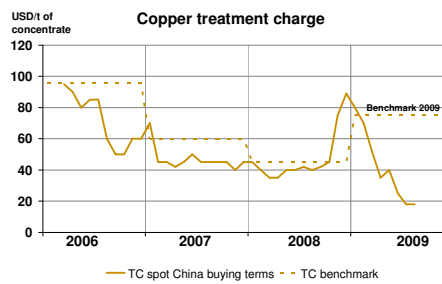
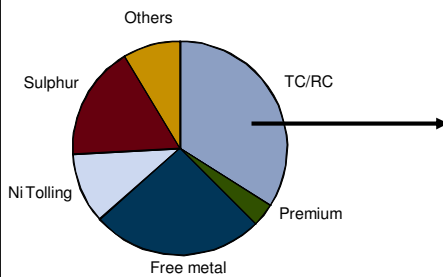


Zinc Net Sales (MSEK)



Copper: TC/RC

Copper Net Sales (MSEK)



Source: CRU

Market:

- Spot TC/RC under pressure
- Mid year terms holding up
- Continued shortage of concentrates

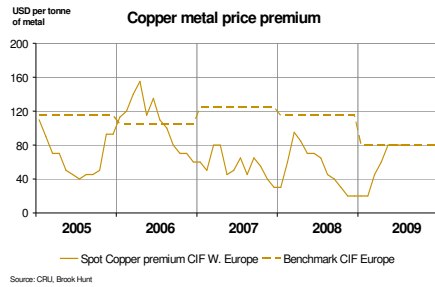
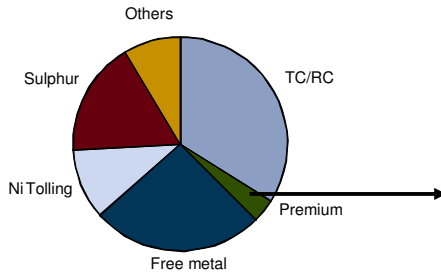
Boliden:

- Volumes are down due to reduced production with 20%
- Aitik expansion is important
- Secondaries holding up



Copper: Premiums

Copper Net Sales (MSEK)



Market:

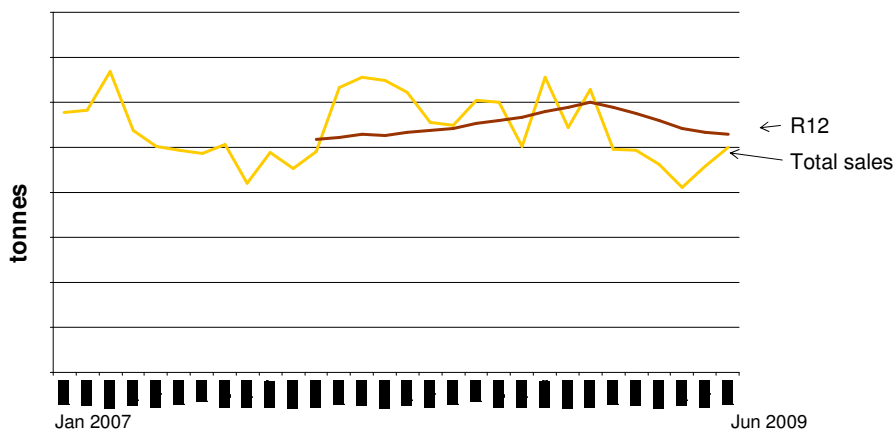
- Low stocks in the supply chain (Europe)
- Spot premium have improved.
- Signs of improvements from fabricators
- Arbitration

Boliden:

- Volumes down due to reduced production
- Decreased spot sales to traders during H1 (not y-o-y)
- We have not placed metal on LME

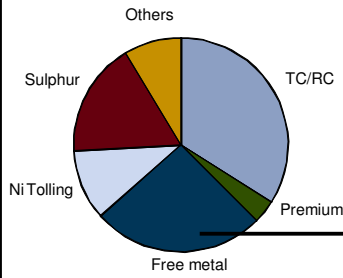


Copper sales



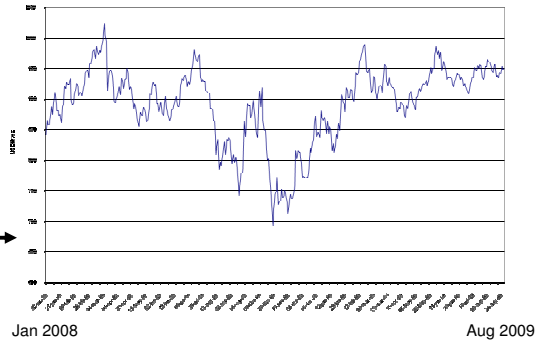
Copper: Free metals

Copper Net Sales (MSEK)



- Gold
- Zinc
- Silver
- PGMs
- Copper
- Lead
- Etc.

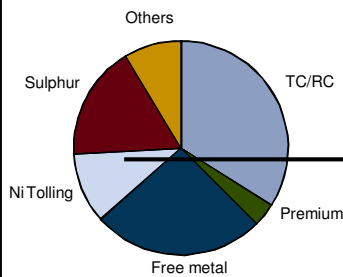
London Gold A.M Fixing



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Copper: Ni-tolling

Copper Net Sales (MSEK)

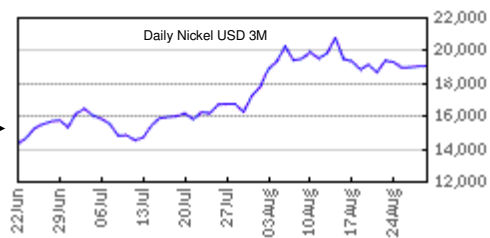


Market:

- Ni price has improved significantly

Boliden:

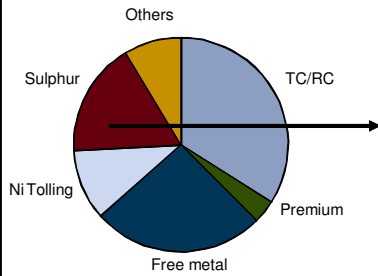
- Long-term agreements
- No direct impact from Ni-price
- Stable business
- Volumes down 20 % in 2009



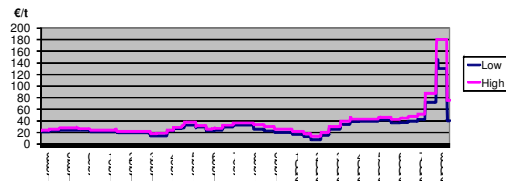
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Copper: Sulphur products

Copper Net Sales (MSEK)



Sulphuric acid, contract CFR NW Europe 1988-
Source: Fertilizer Market Bulletin



Market:

- Acid market is improving
- Still not any impact on prices

Boliden:

- New customers are being established
- Sulphur free materials are prioritized

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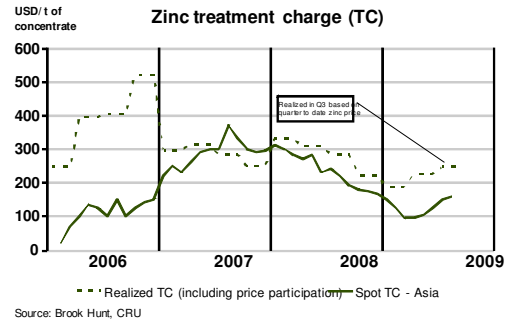
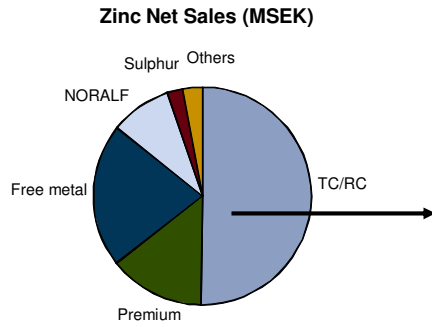
Copper summary

- Pressure on TC/RC
- Short concentrate market
- Positive signs from fabricators
- Sulphuric acid market is recovering
- No decision to start up full production
- Market development is monitored very closely



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Zinc: TC

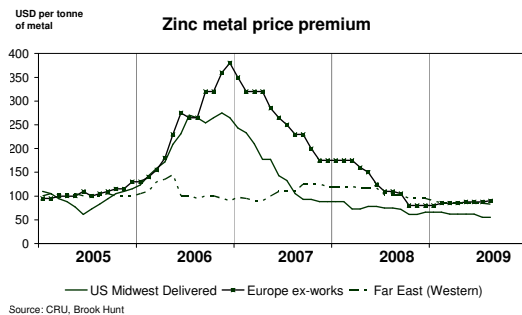
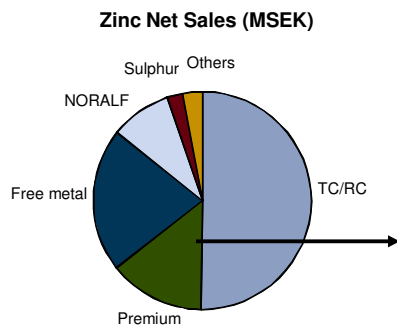


Market:

- Improved realized TC through PP
- Spot TC follows
- Swing producers likely to start up

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Zinc: Premiums



Market:

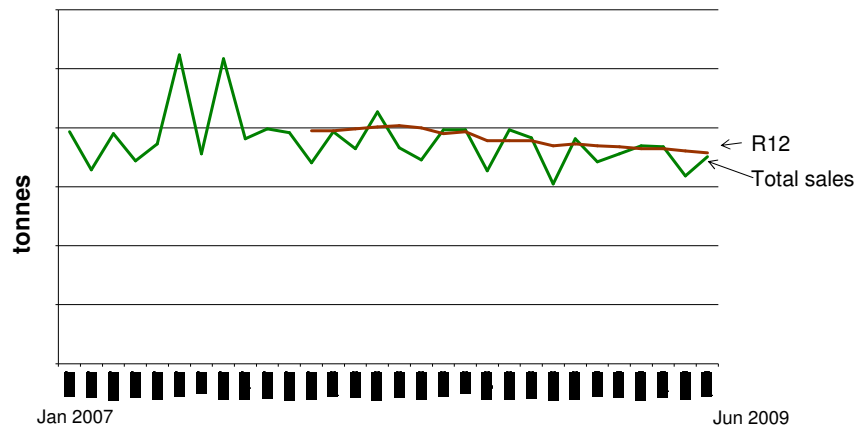
- Premiums flat
- Clear signs of recovery in European steel industry

Boliden:

- We have not placed metal on LME
- Product development

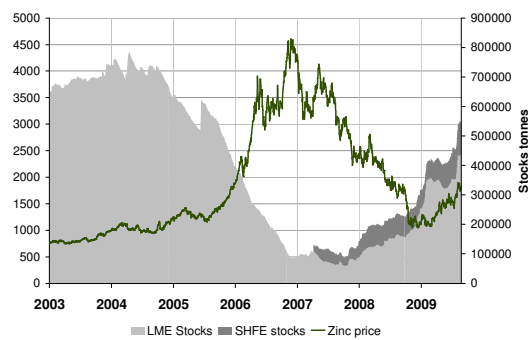
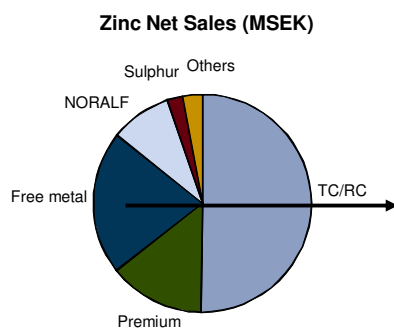
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Zinc sales



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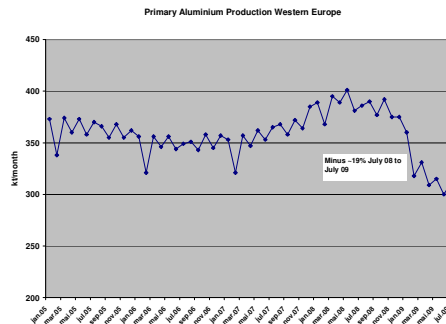
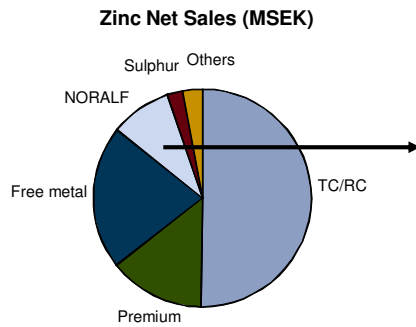
Zinc: Free metals



- LME-price recovery influence free metal revenues directly

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Zinc: Aluminum fluoride



- Norwegian aluminum industry have reduced production significantly

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Zinc summary

- Realized TC is improving
- Positive outlook for European steel industry
- Improved LME-price improves free metal revenues
- Concentrate out-look fairly positive
- Full production has started up in Q3
- Some 20 people have or will be reemployed
- Market development is monitored very closely



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Strategic priorities

- “The New Boliden Way”, our lean concept, is under implementation and will lead to further productivity improvement
- Product development
- Procurement project
- Secondary raw-materials



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