



Boliden update & Market view

CMD 21 November 2013

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CEO, Boliden Group

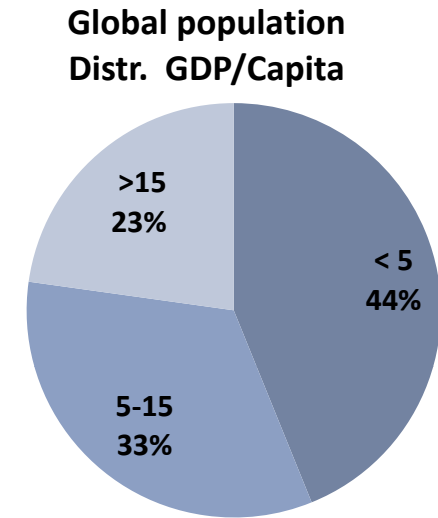
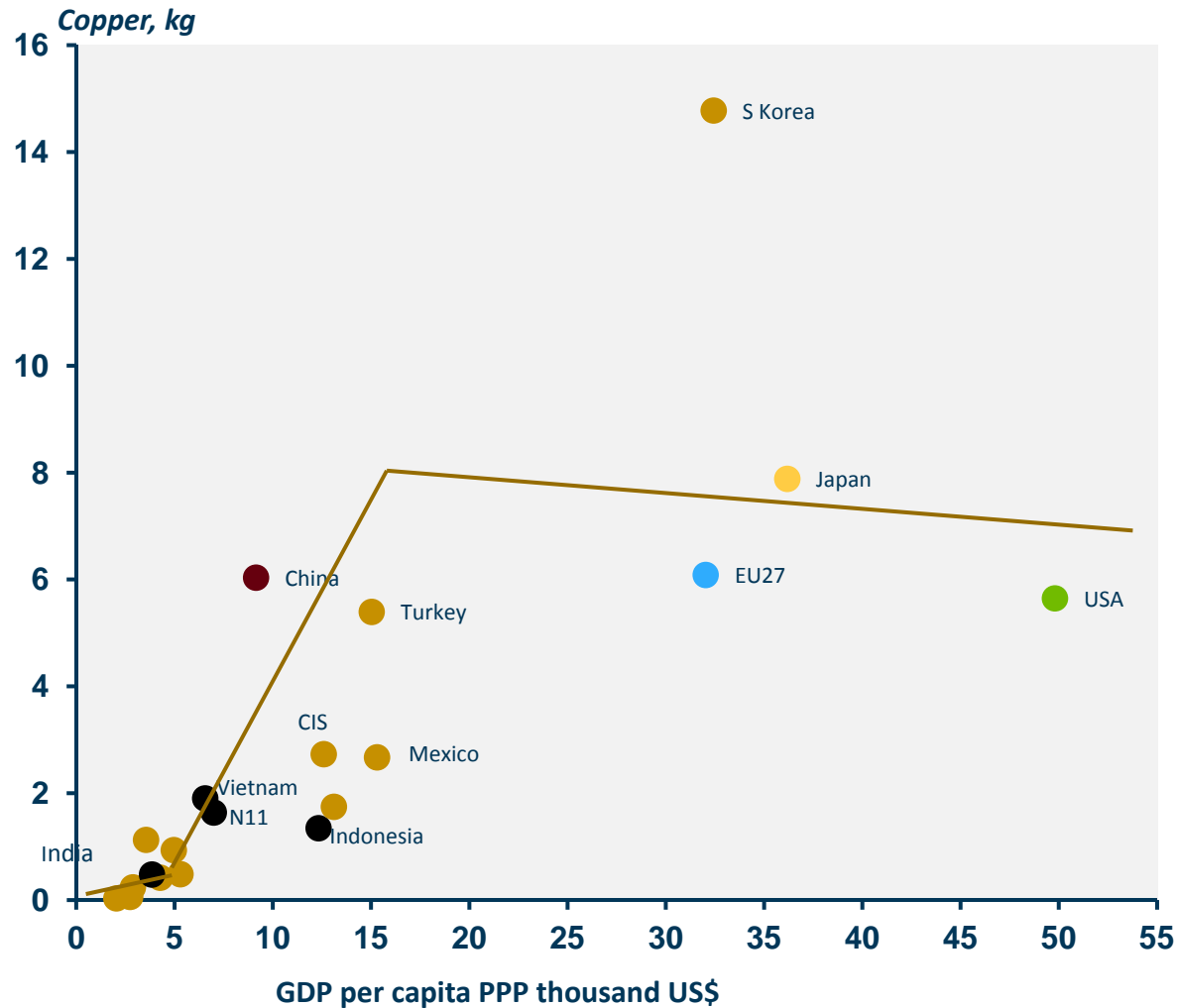
 **BOLIDEN**

Market

Boliden vs peers

Strategy

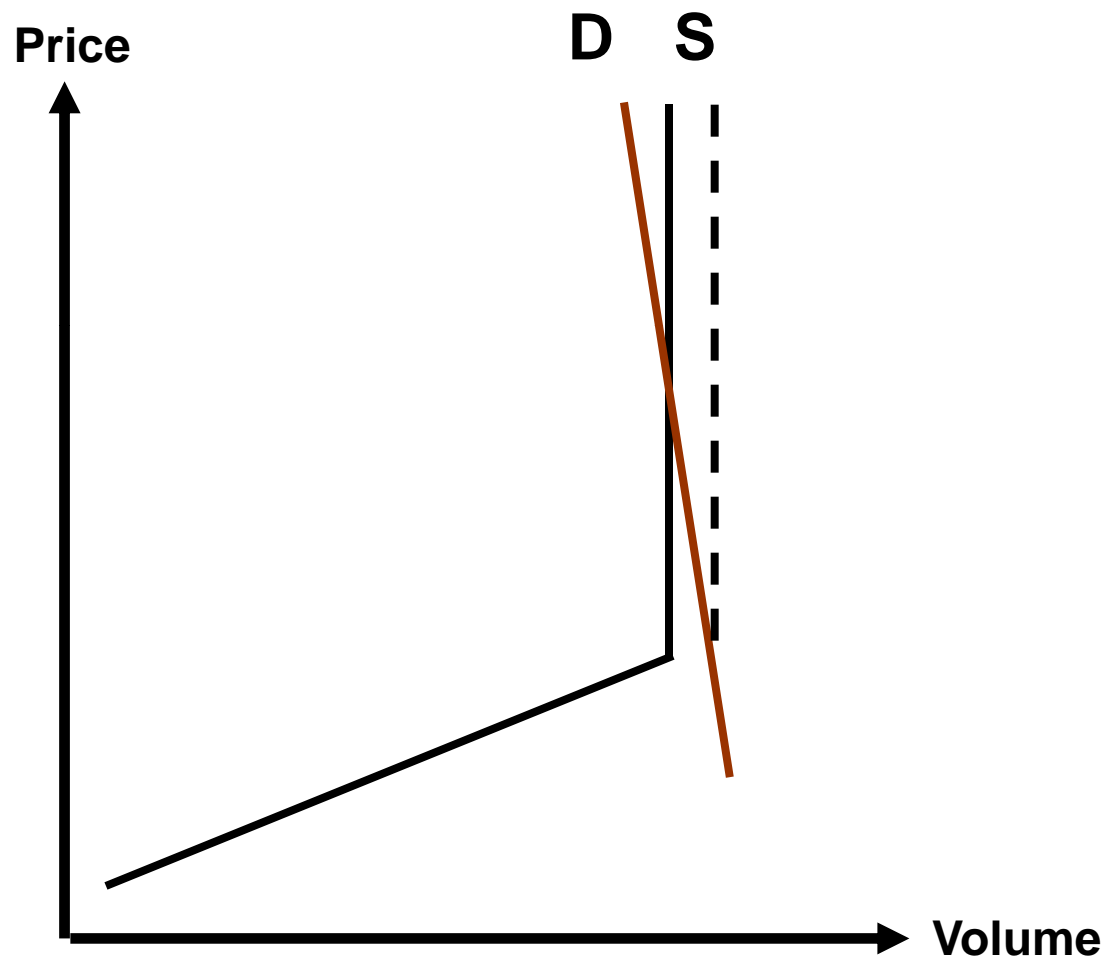
Long term demand outlook still looks solid



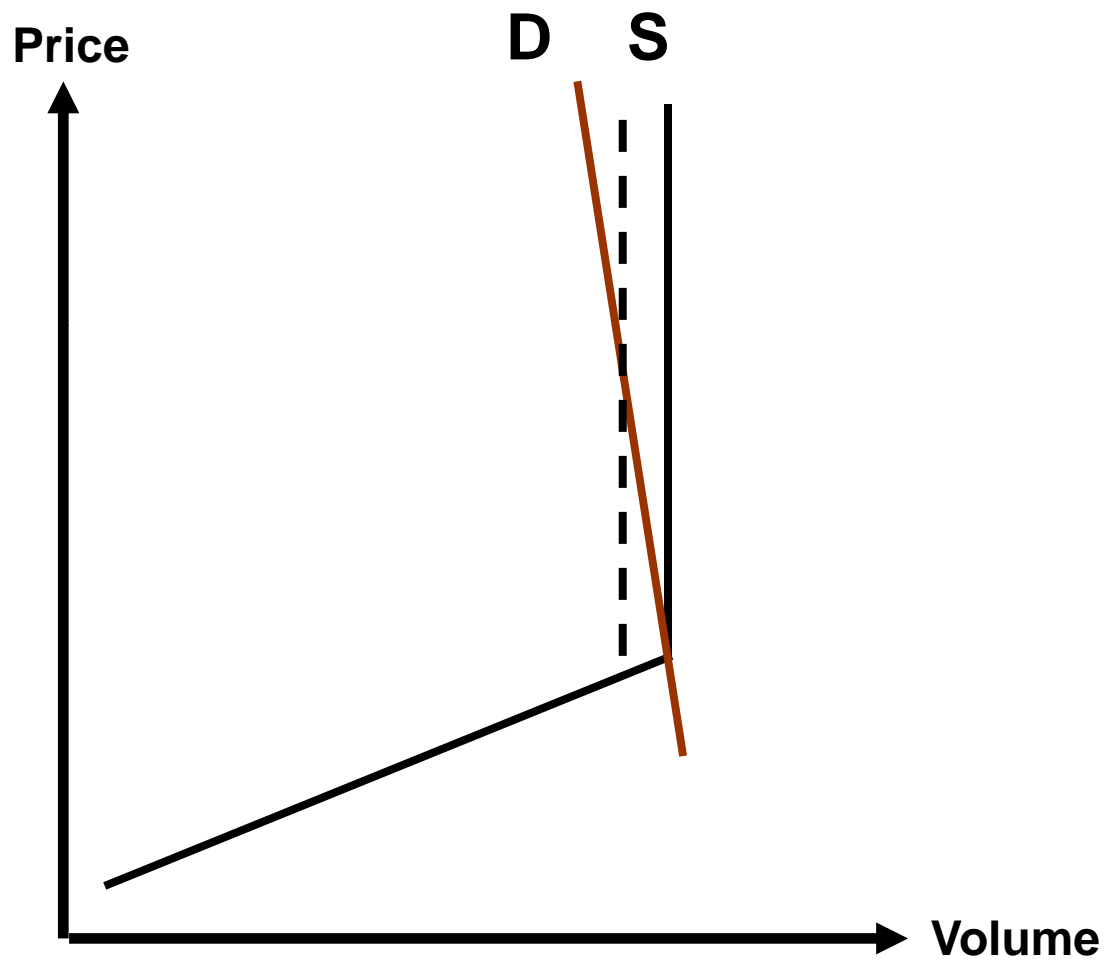
Källa: IMF, Wood Mackenzie



New supply in copper

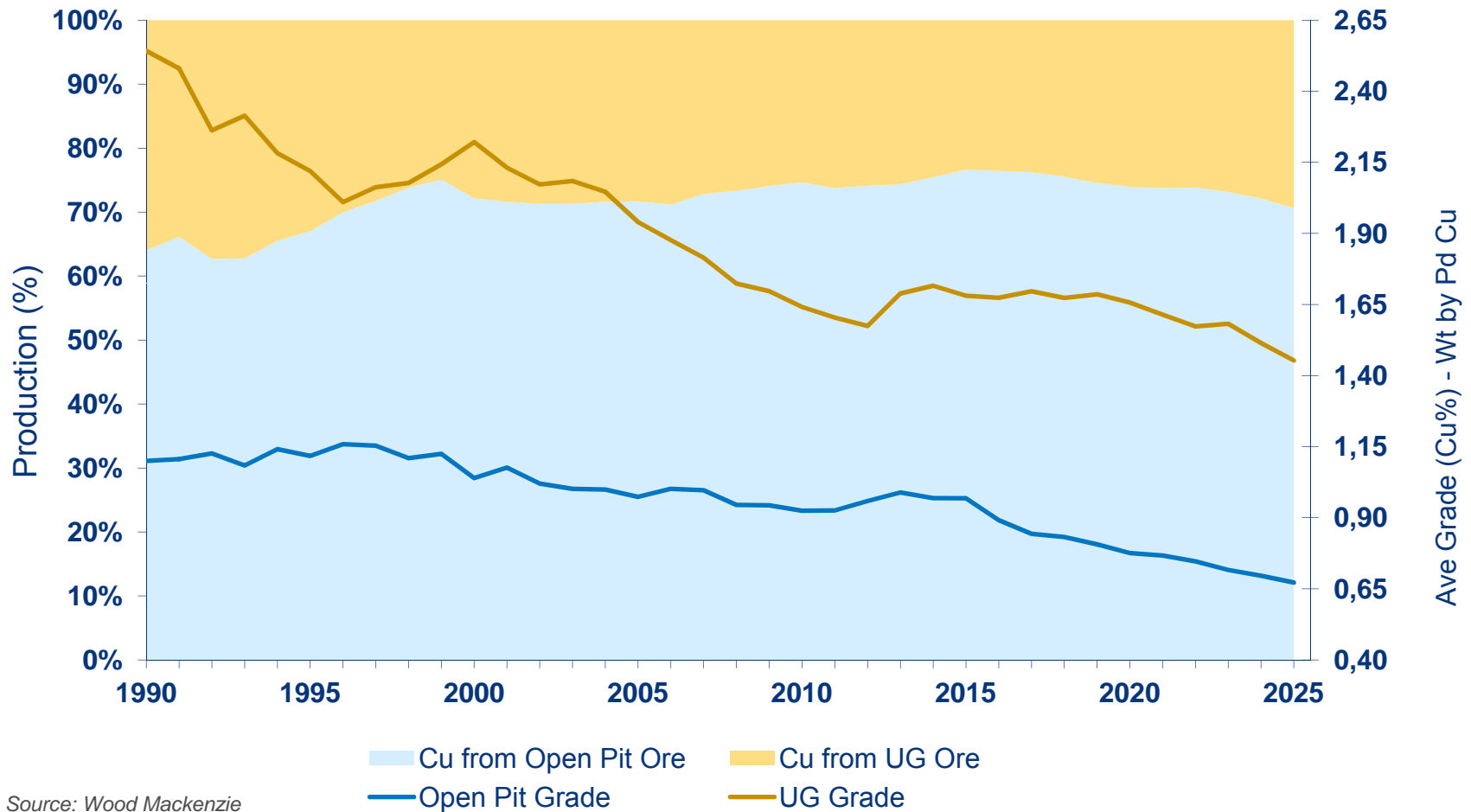


Depletions in zinc



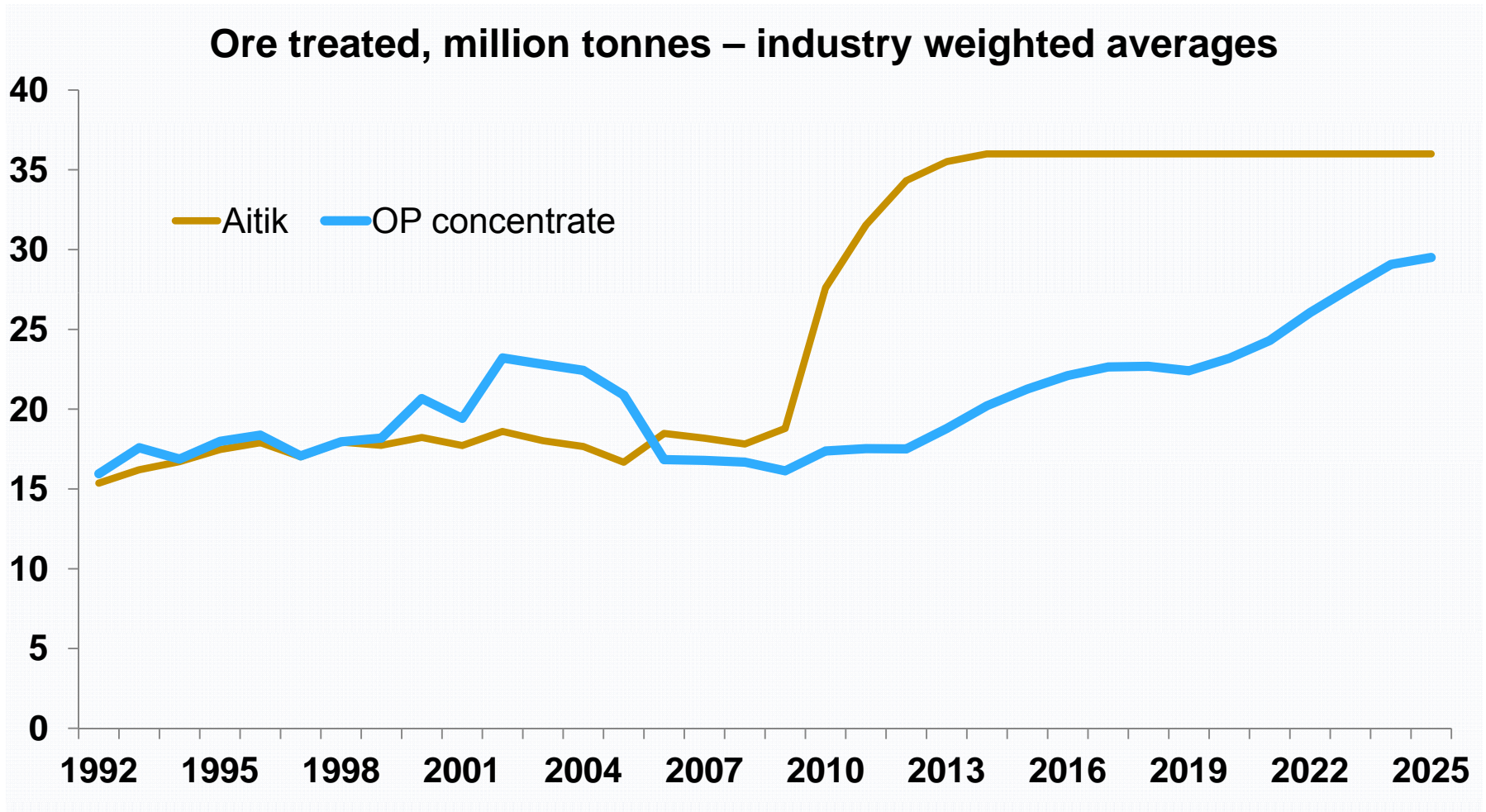
Trends OP-UG and grades

Copper mining



Size

Copper mines

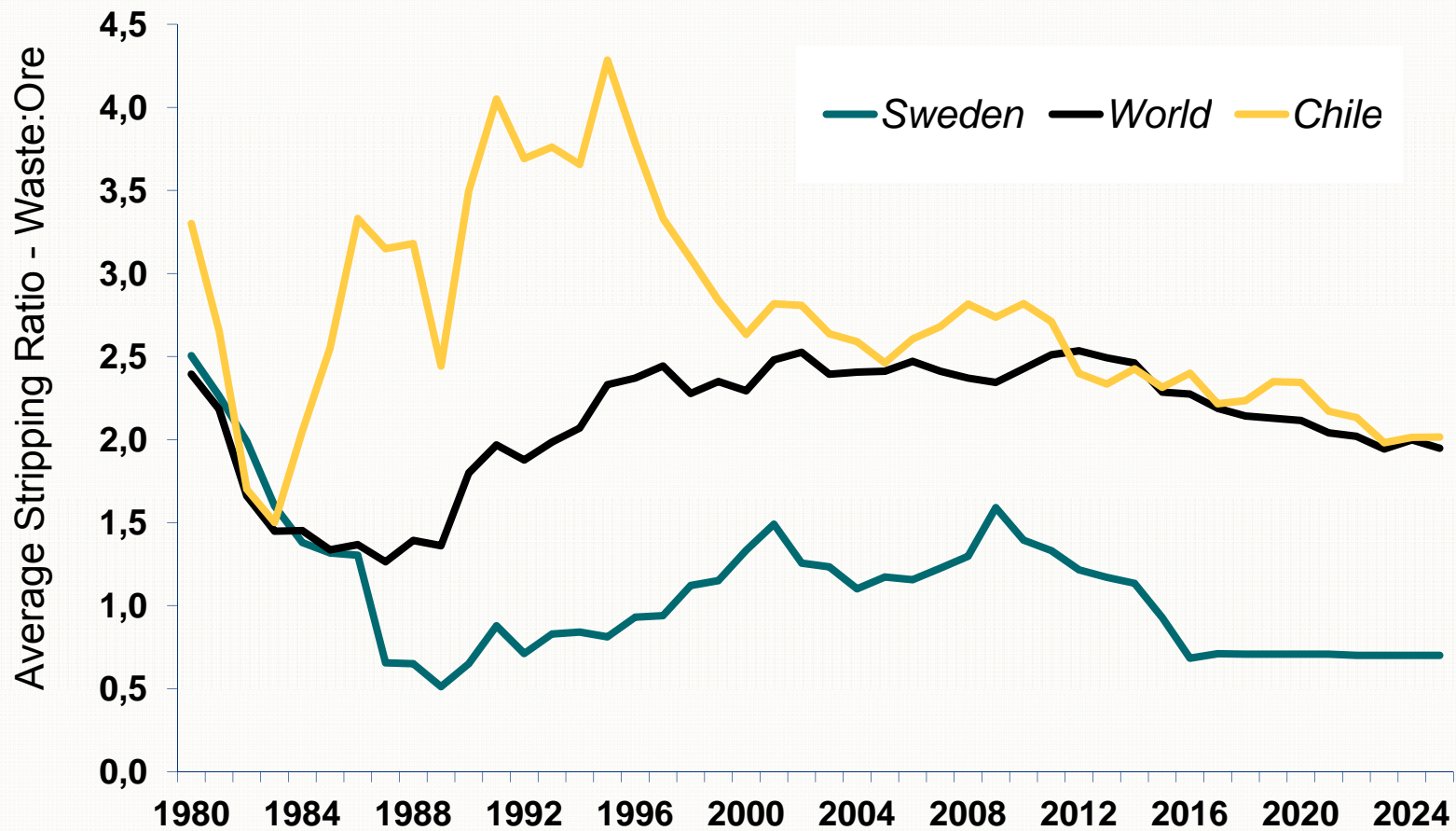


Source: Wood Mackenzie



Stripping ratio

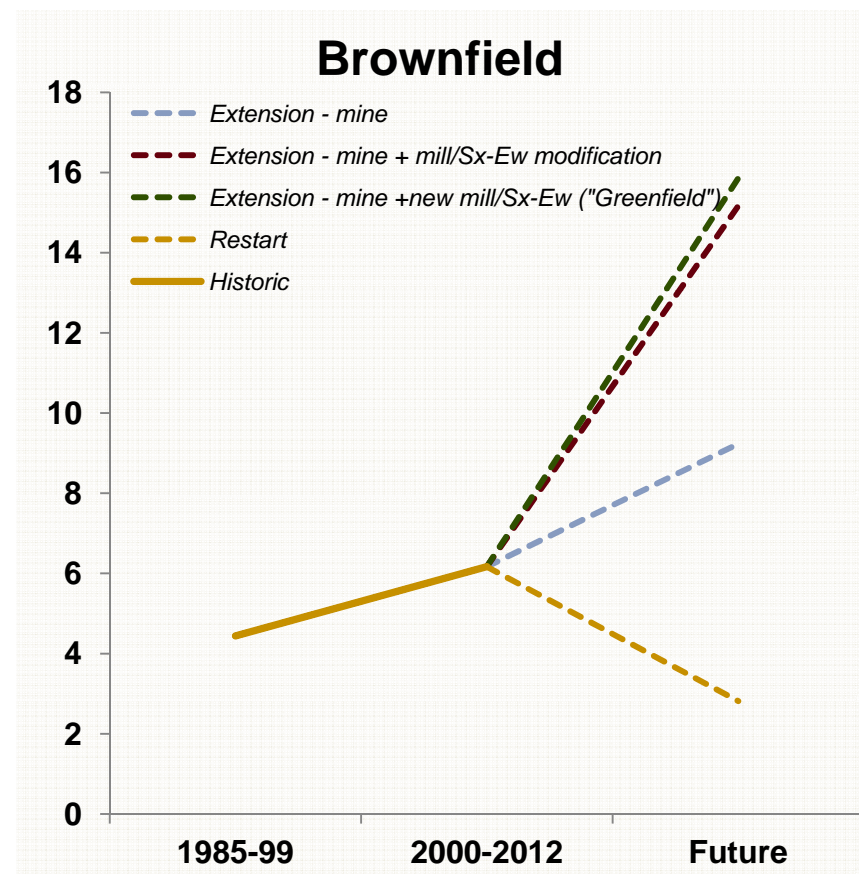
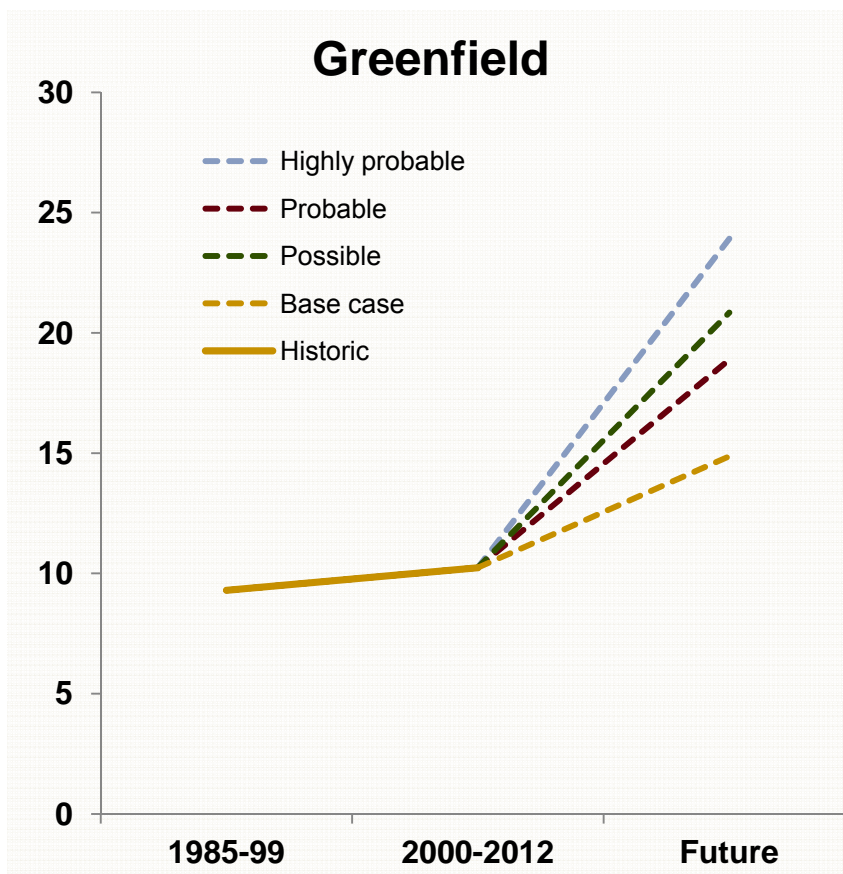
OP copper mines



Source: Wood Mackenzie

Capital cost for new projects (capital intensity)

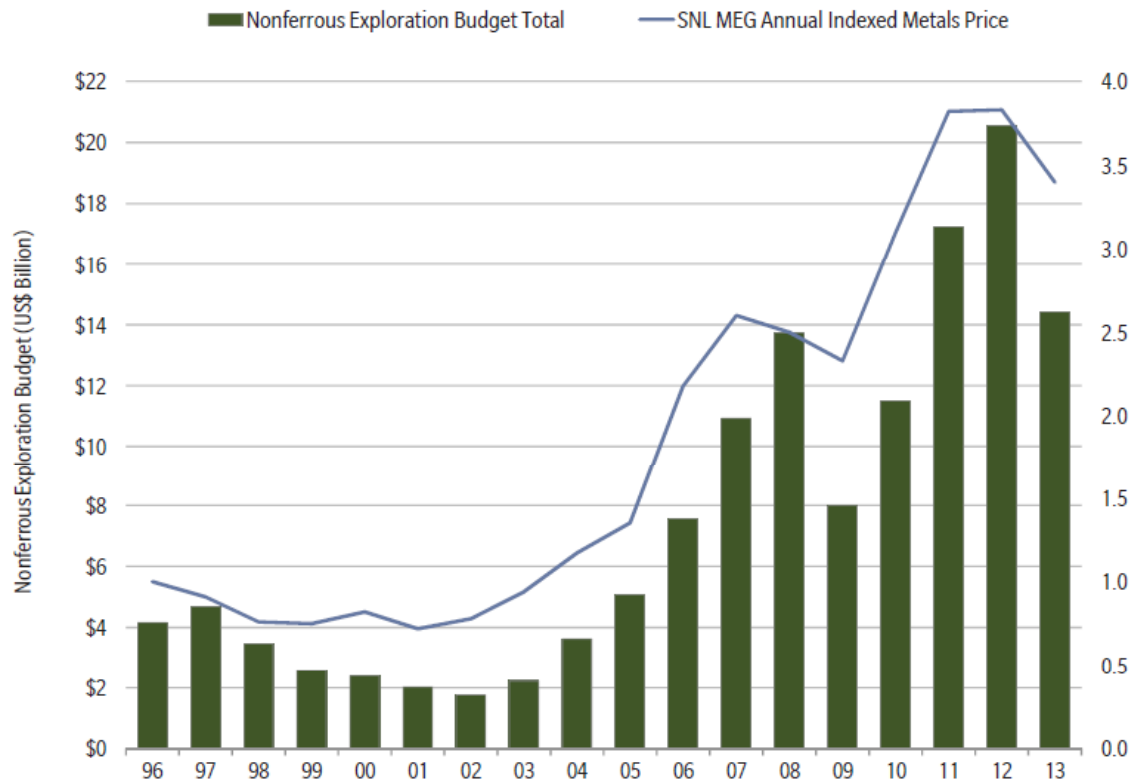
US\$/tonne Cu equivalent



Source: Wood Mackenzie

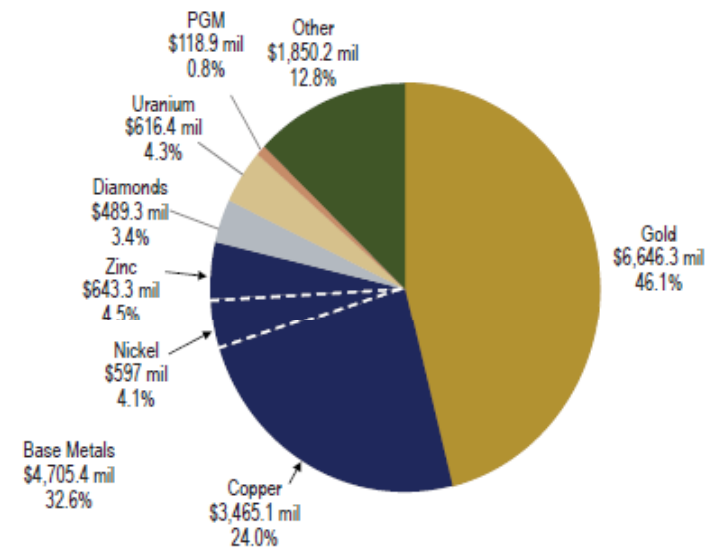


Exploration expenditures – non-ferrous metals bn US\$

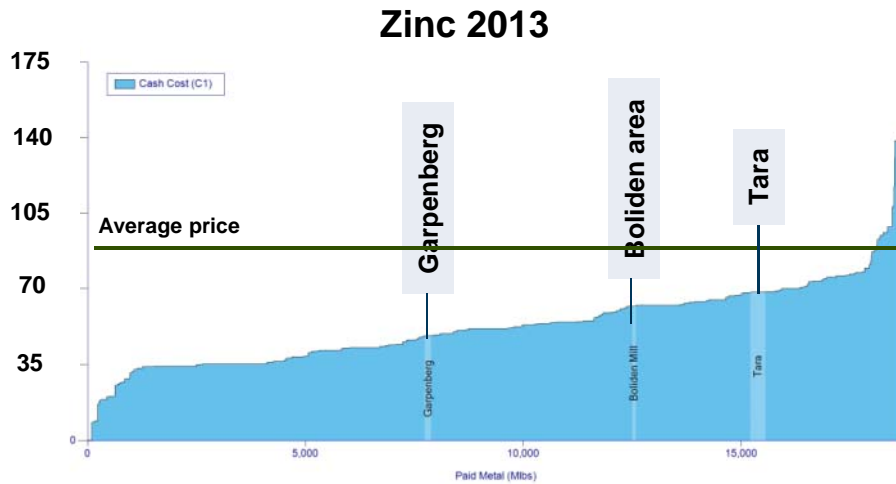


Source: SNL MEG

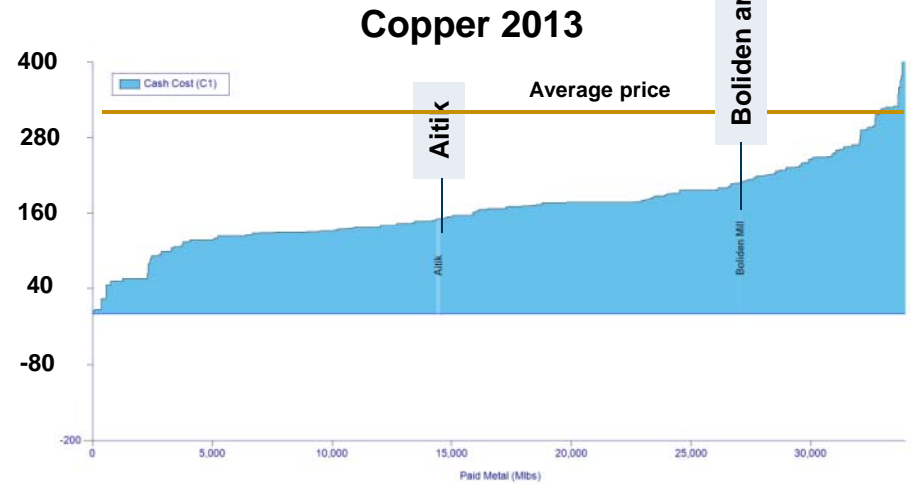
Distribution by metal 2013



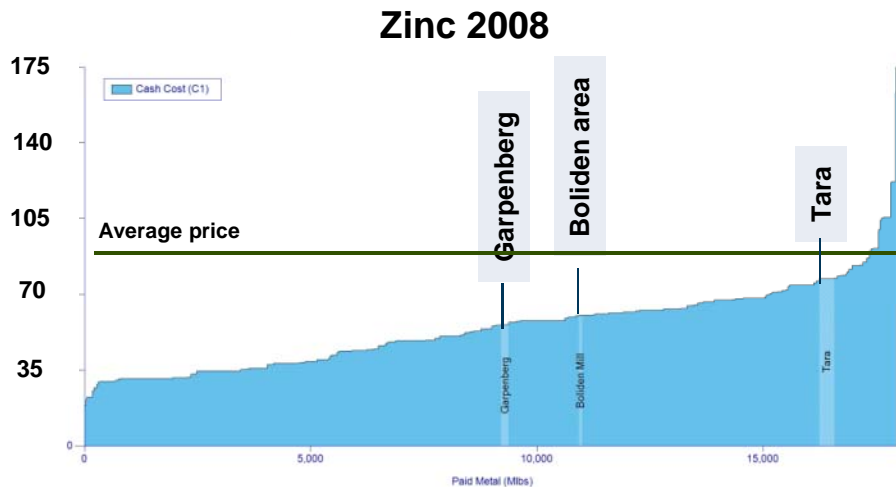
Cash cost 5 years, Cu and Zn (composite costing)



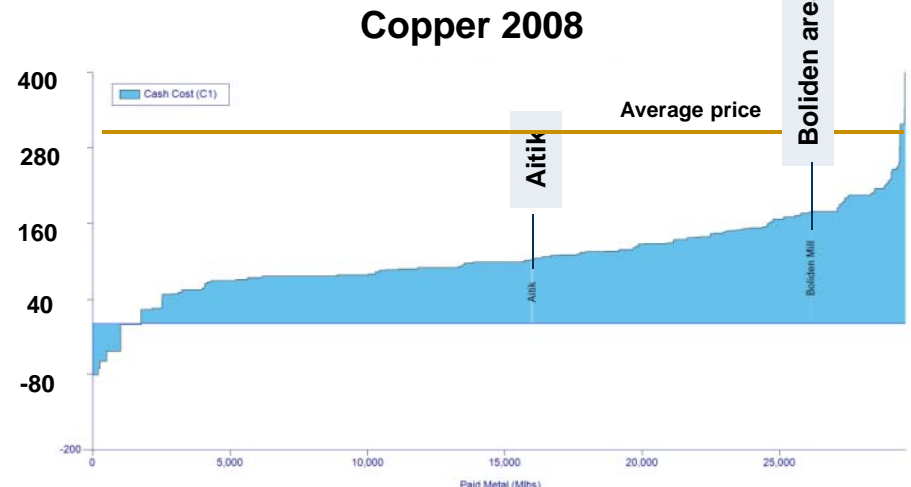
Source: Wood Mackenzie Ltd, Dataset: 2013 Q4



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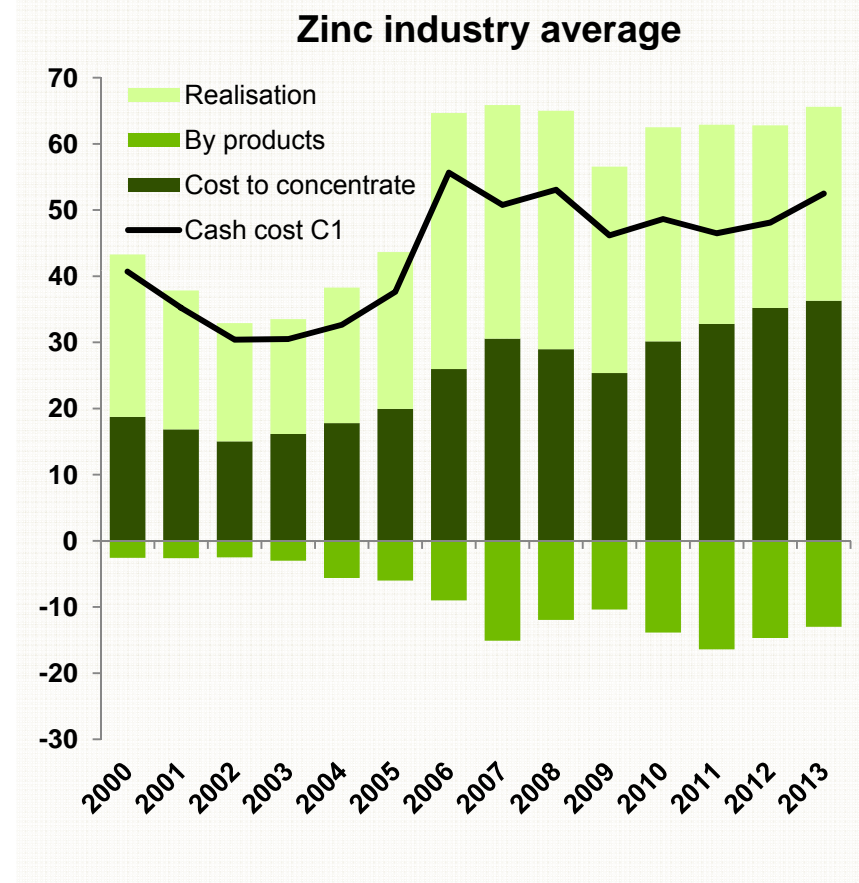
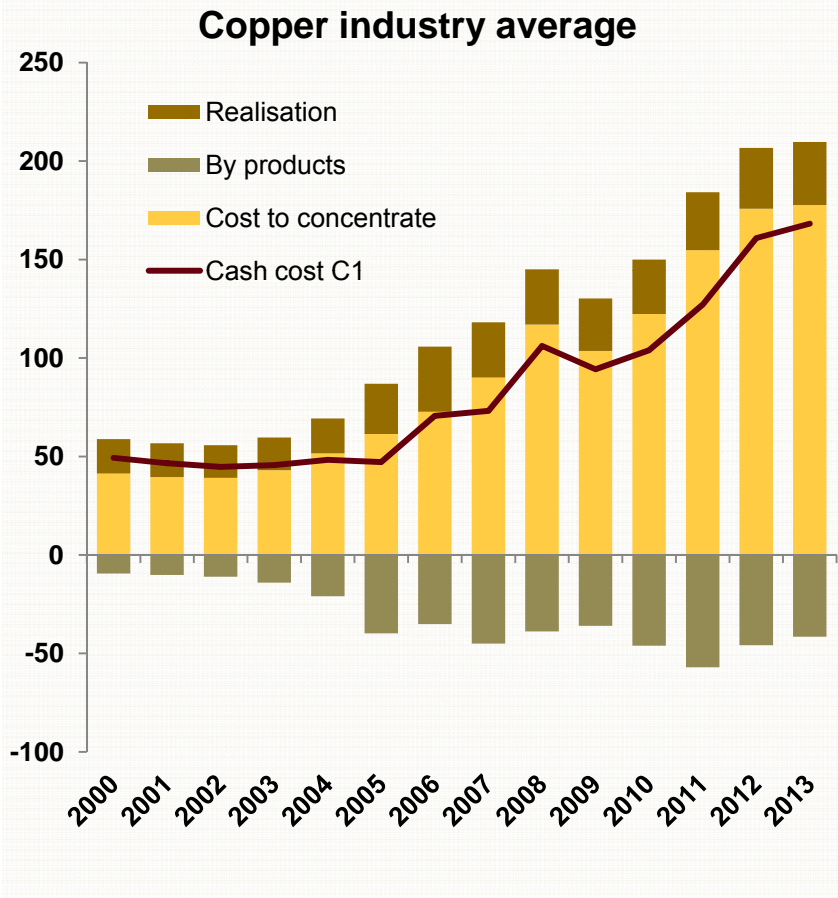
Source: Wood Mackenzie Ltd, Dataset: 2013 Q4

Source: Wood Mackenzie



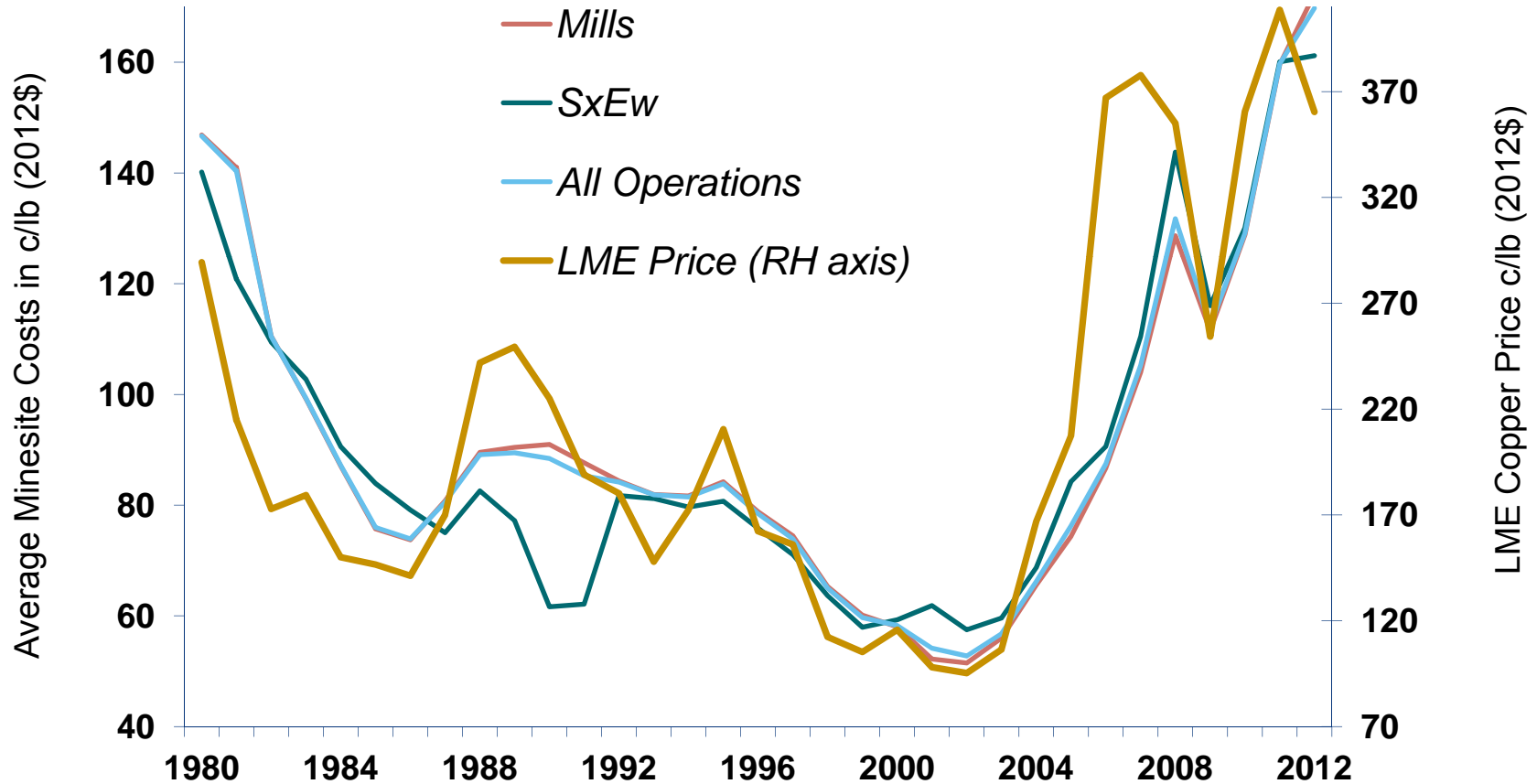
Cash cost development

Copper and zinc



Price follows average mine site cost

Copper

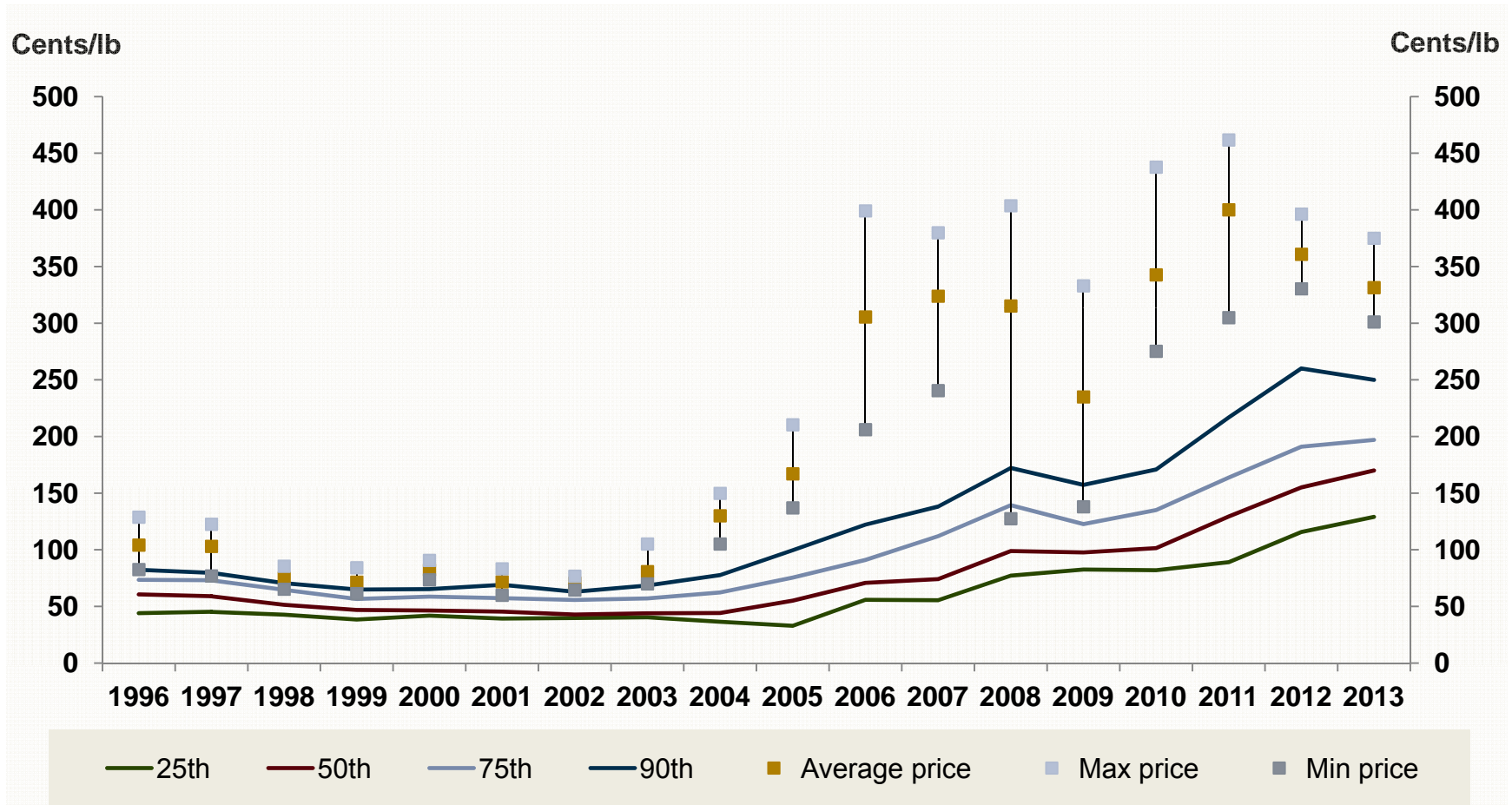


Source Wood Mackenzie



Copper cash cost and price

Composite costing

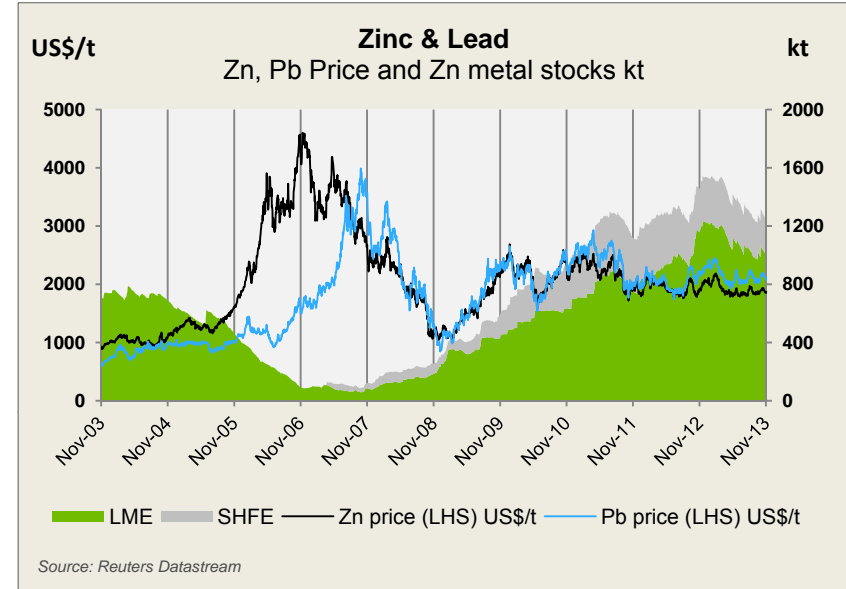
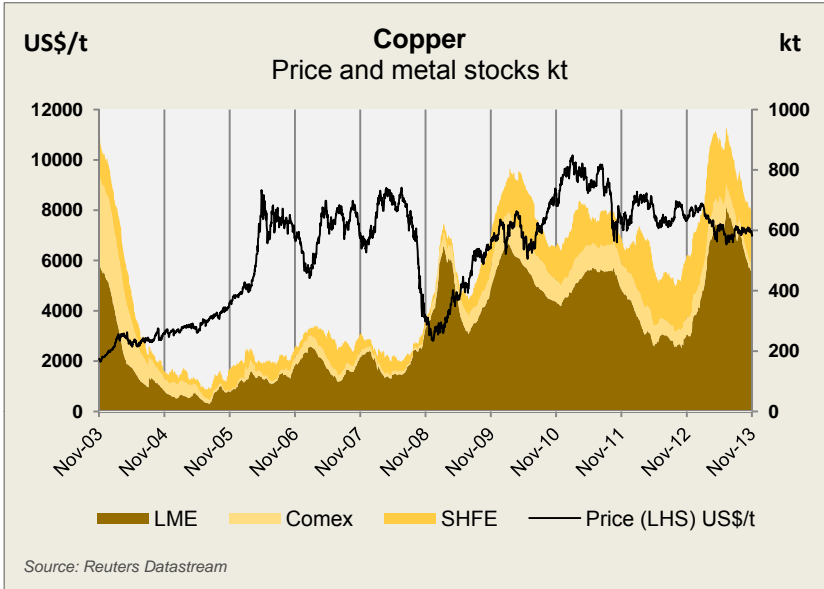


Source: Wood Mackenzie, Reuters Datastream, Boliden calculations



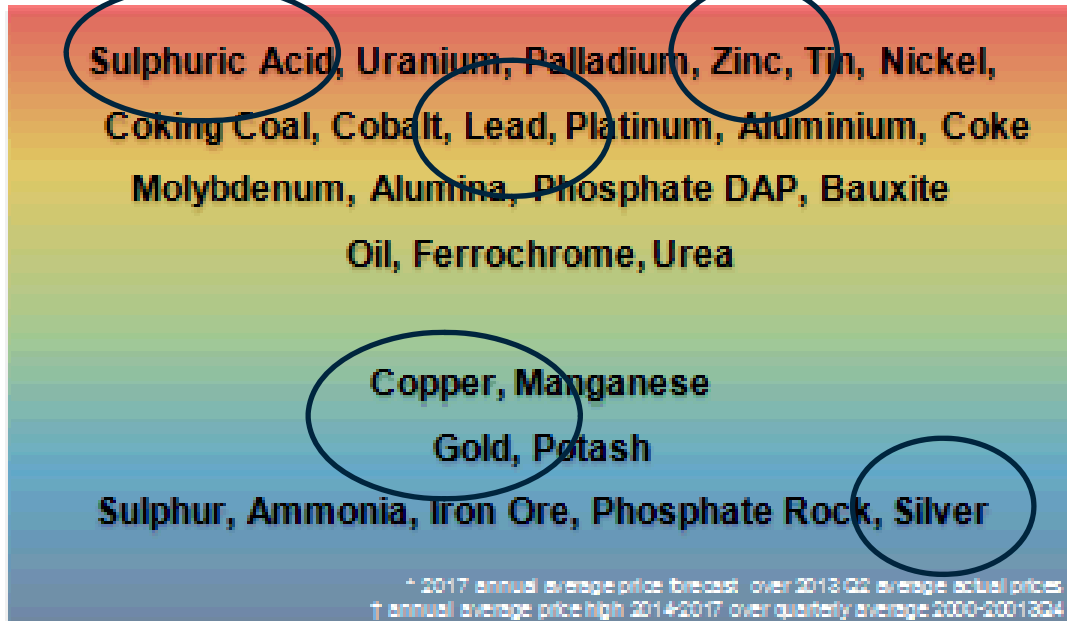
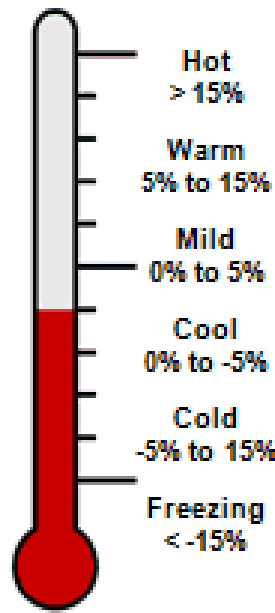
Volatility 10 years

Prices Zn, Cu, Pb Au Ag



CRU thermometer 2017

Commodities heat up again: by 2017 prices will increase 17% on ave.*
 This is a relative story, on average commodities' prices will still be down by ~20% from their cyclical peaks & just two commodities will see prices soar to record highs†



* 2017 annual average price forecast over 2013 Q3 average actual prices
 † annual average price high 2014-2017 over quarterly average 2000-2001 Q4



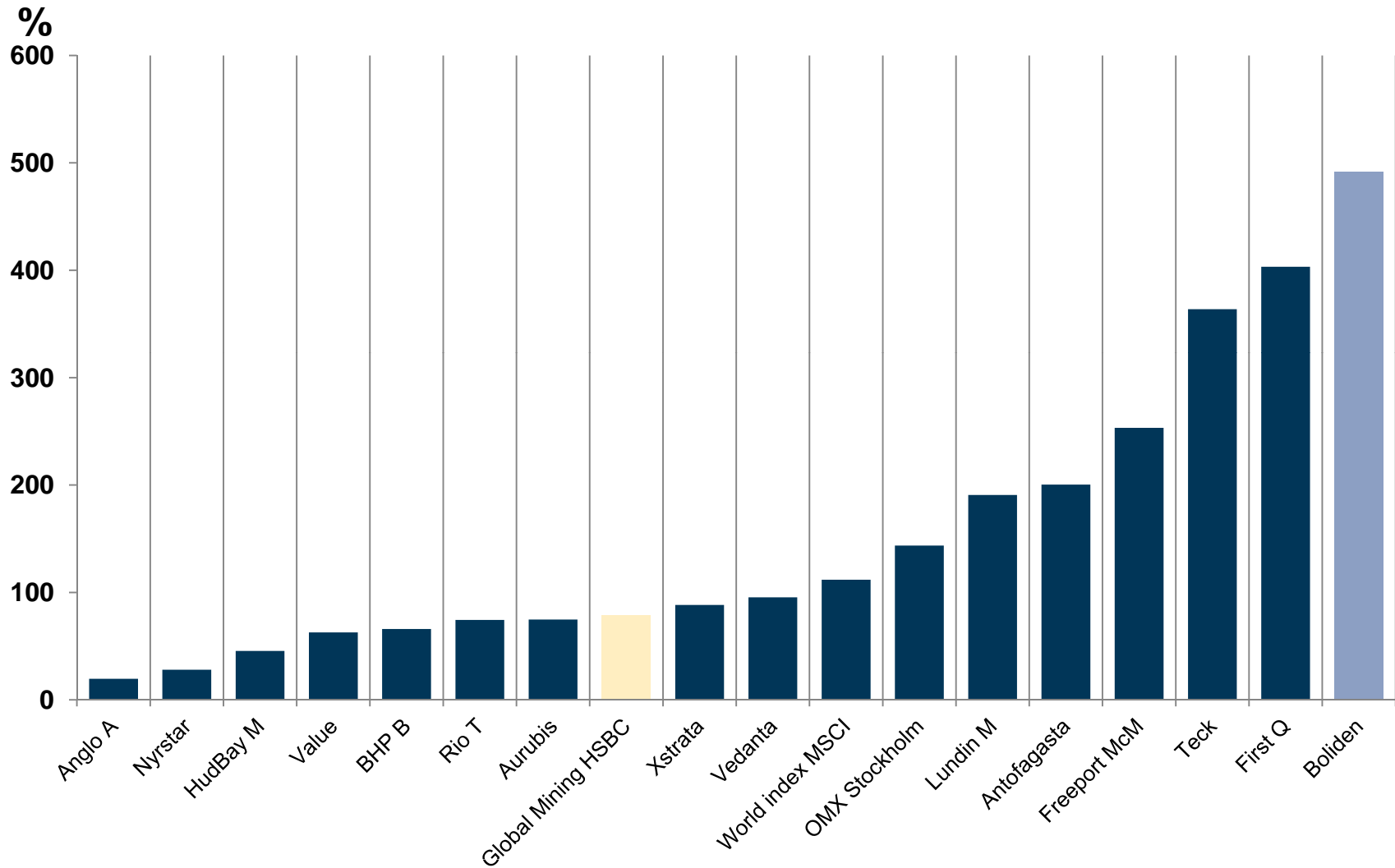
Market

Boliden vs peers

Strategy



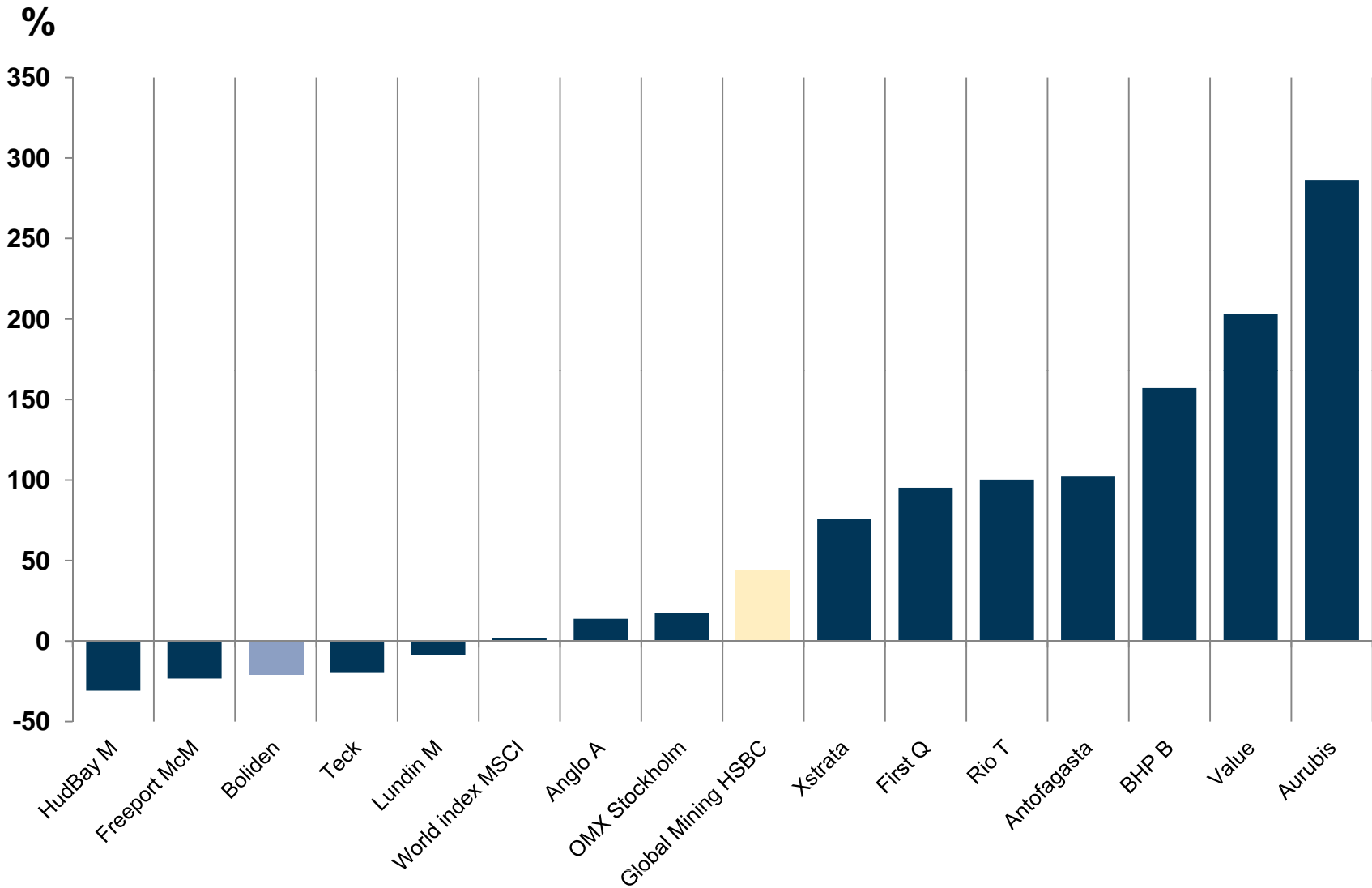
TSR 5 years...(2008-2013)



Source: Reuters Datastream



TSR previous 5 years...(2003-2008)

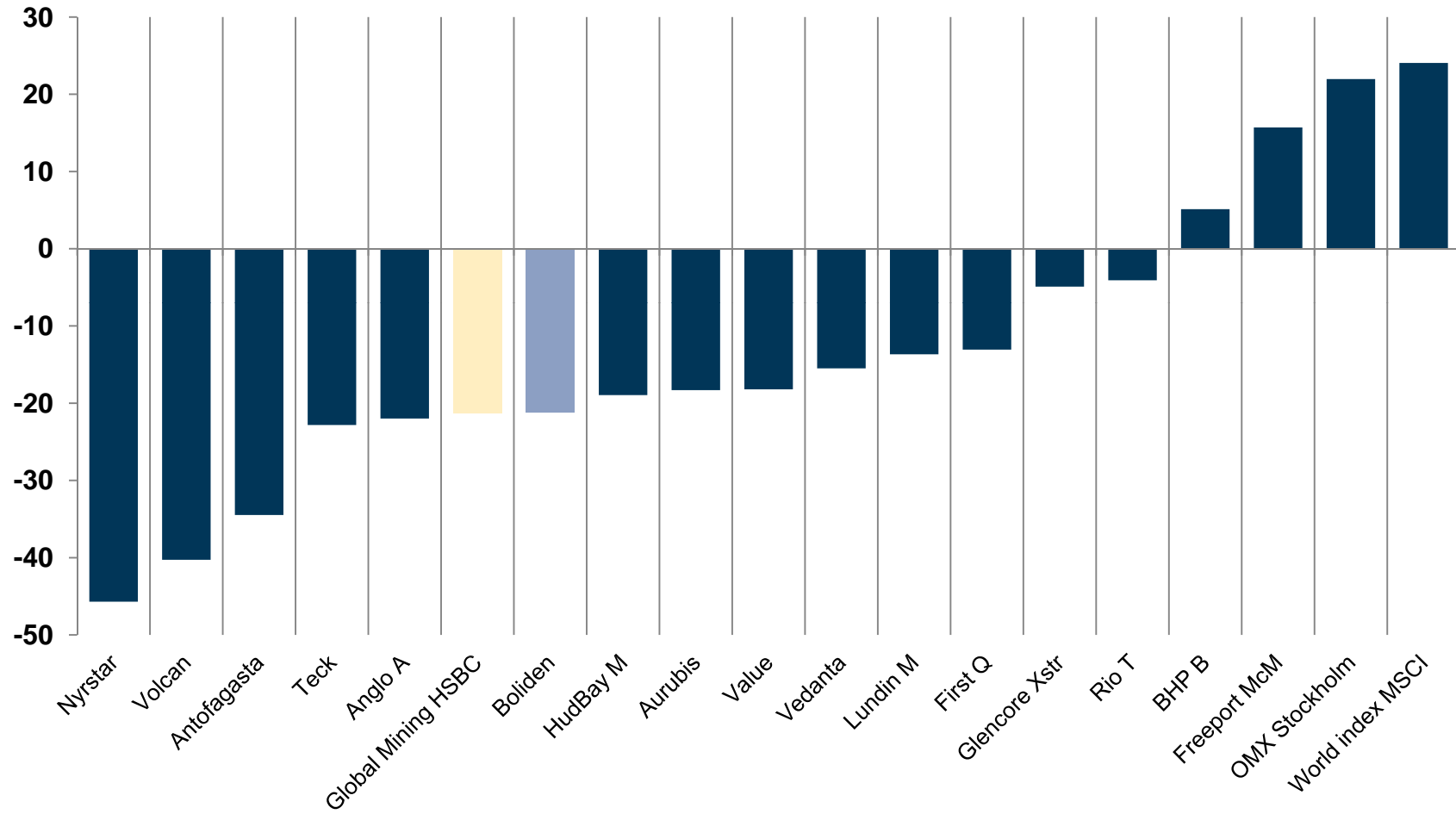


Source: Reuters Datastream



...TSR this year

%



Source: Reuters Datastream



Benchmark		Ranking Quartile						
Year 2013 (numbers rounded)		Industry OP	Aitik	Percentile	1st	2nd	3rd	4th
REVENUE VARIABLES								
Head Grade	% Cu	1.1	0.2	98				●
Yield	%	83	86	26		●		
OPERATING VARIABLES								
Productivity								
Mine	<i>t ore/hour</i>	12	40	1	●			
Mill	<i>t ore/hour</i>	26	166	0	●			
G&A	<i>t ore/hour</i>	53	583	0	●			
Overall	<i>t ore/hour</i>	6	31	0	●			
Wage Rate	<i>\$/hour</i>	31	61	91				●
Labour Cost	\$/t	10.2	2.0	12	●			
Energy Cost	\$/t	5.7	1.4	0	●			
Other Costs	\$/t	20.2	4.6	3	●			
Cost To Conc	\$/t	36.1	8.0	2	●			
CASH COST								
Cost To Conc	c/lb Cu	142	138	51				●
Freight	<i>c/lb Cu</i>	7	3	34		●		
TC/RC	<i>c/lb Cu</i>	27	22	61				●
Realisation	c/lb Cu	34	25	31		●		
C1 Cost	c/lb Cu	177	163	47		●		

Source: Wood Mackenzie



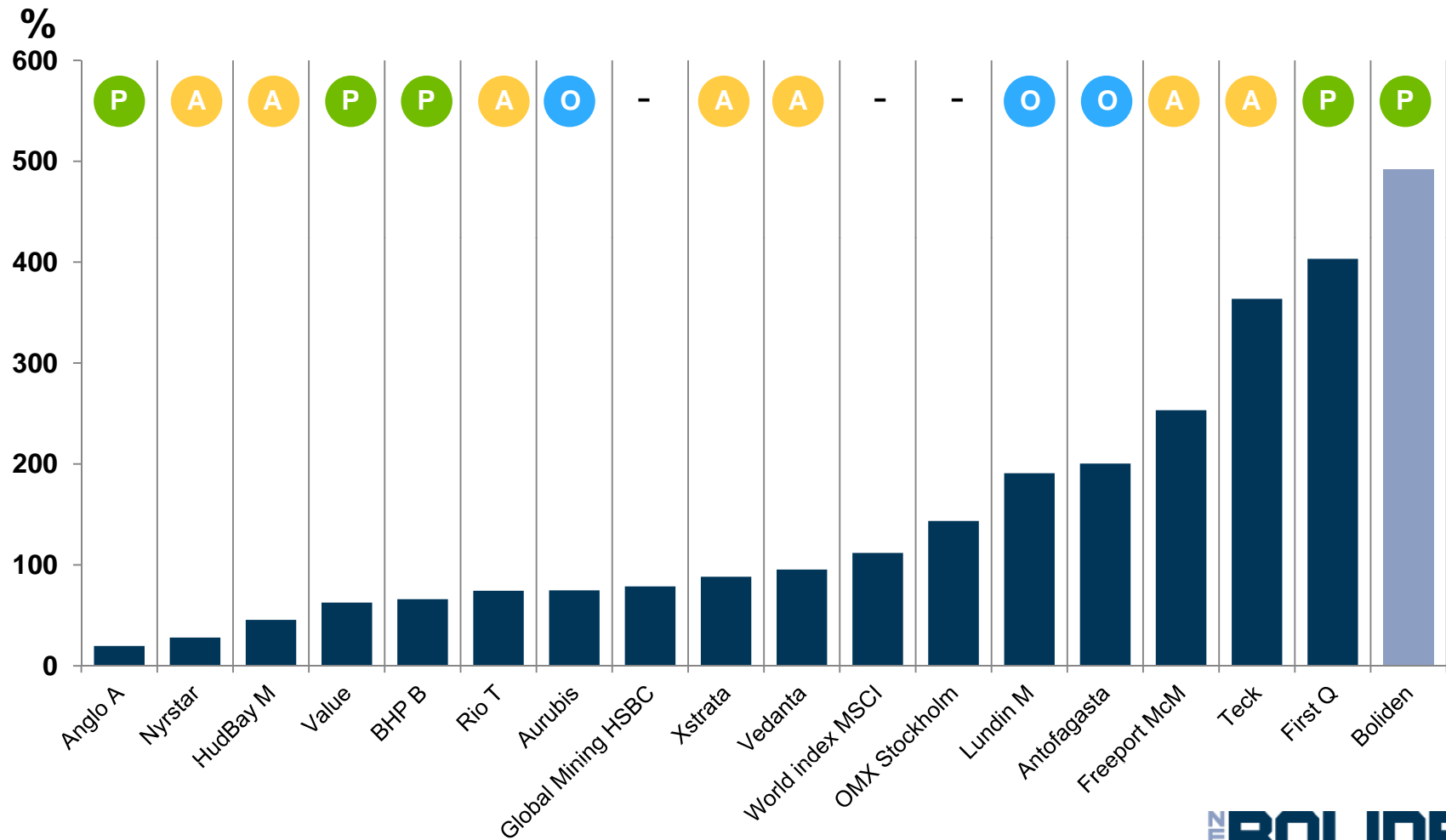
Market

Boliden vs peers

Strategy

Winning Strategies, 5 years

- Operational Excellence
- Acquisitions
- Projects



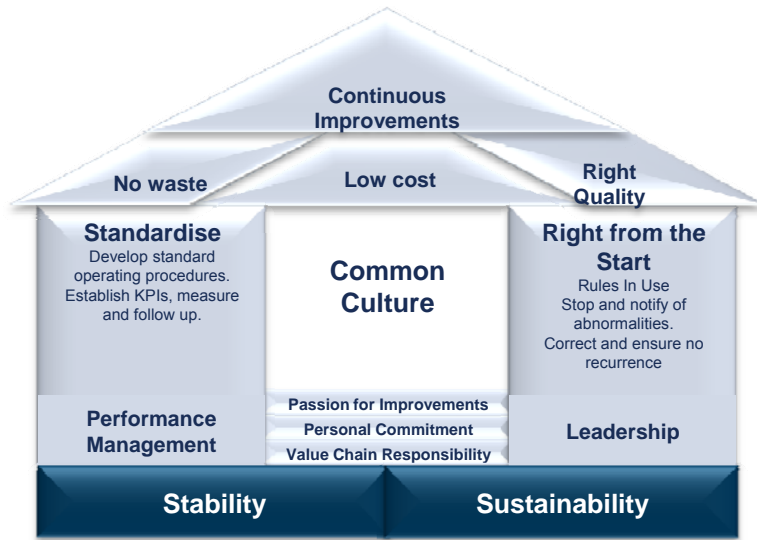
Boliden

- Operational excellence
- Organic Growth
 - Project execution critical
- Acquisitions
 - At the right time, right price

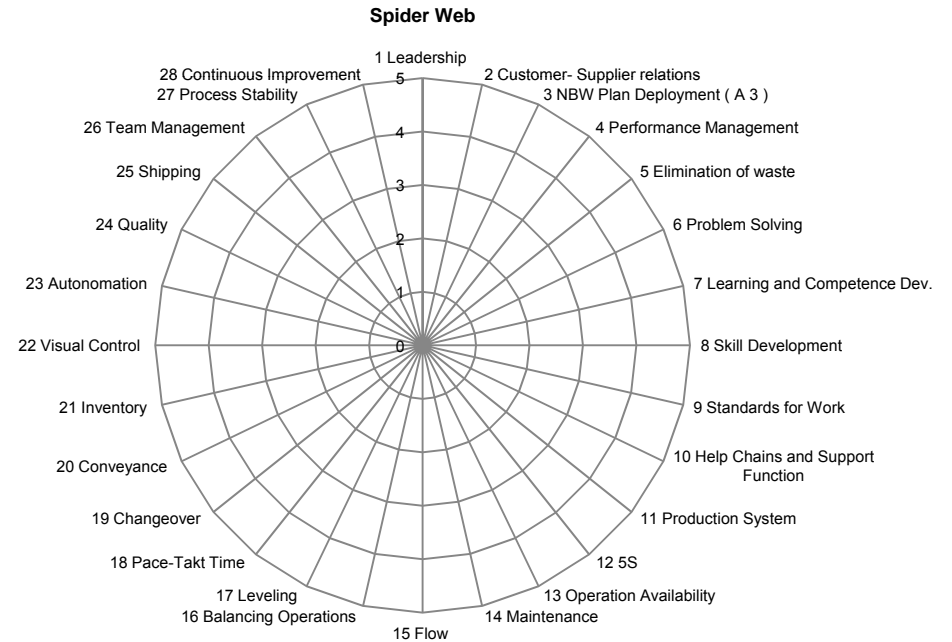
Operational Excellence

NBW holistic management

Who we are



How we do it



Under cover boss



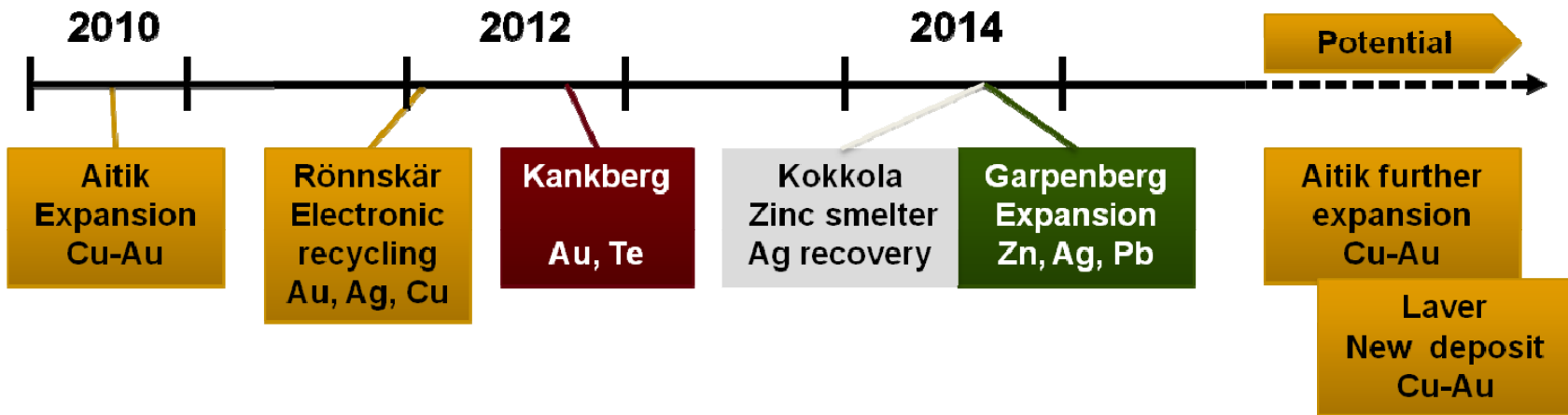


Cleaning floor,
no shoes inside!

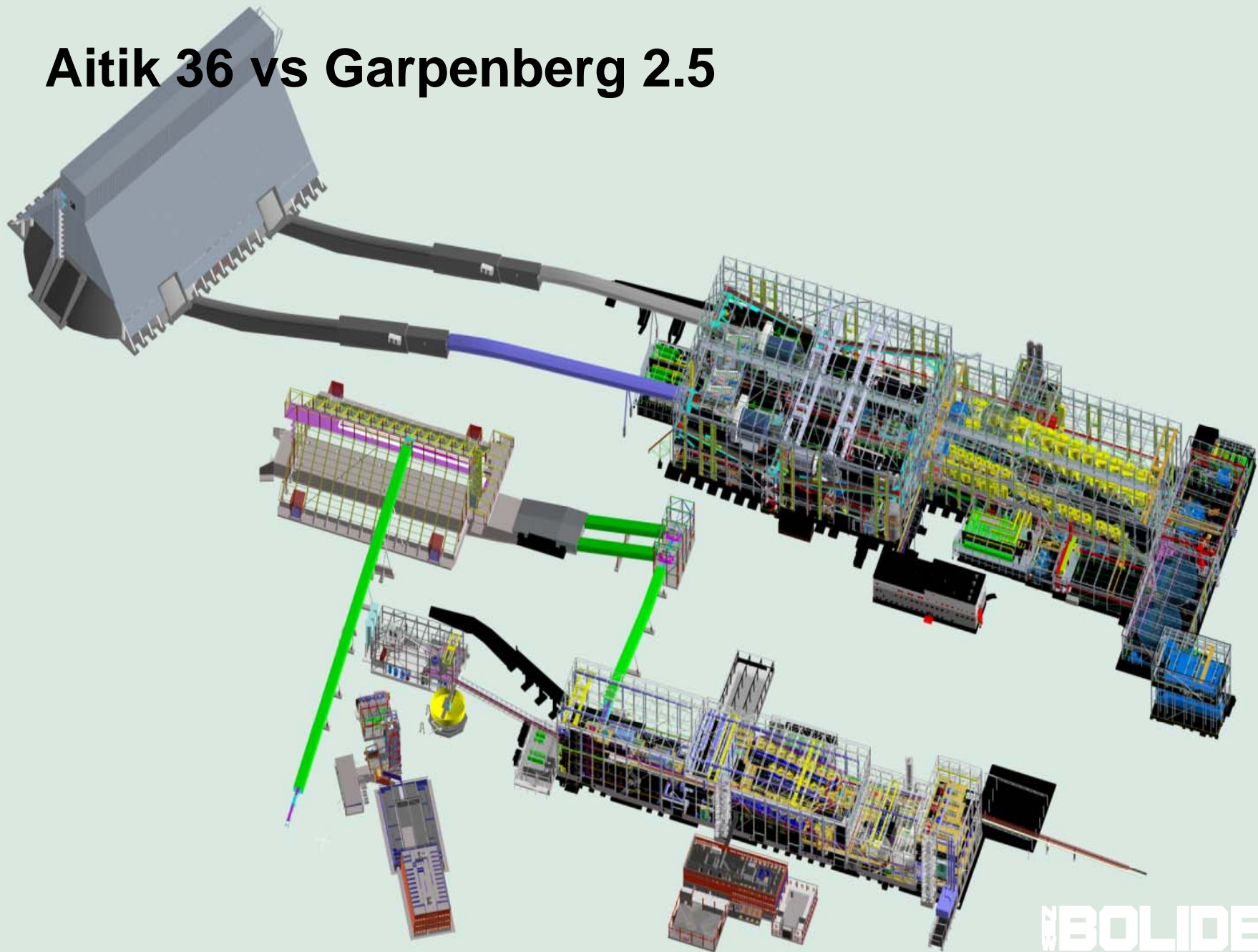


Organic Growth

Project Execution



Aitik 36 vs Garpenberg 2.5



BOLIDEN

Acquisitions

- More for sale
- Buyers are reluctant
- Some will be very good...

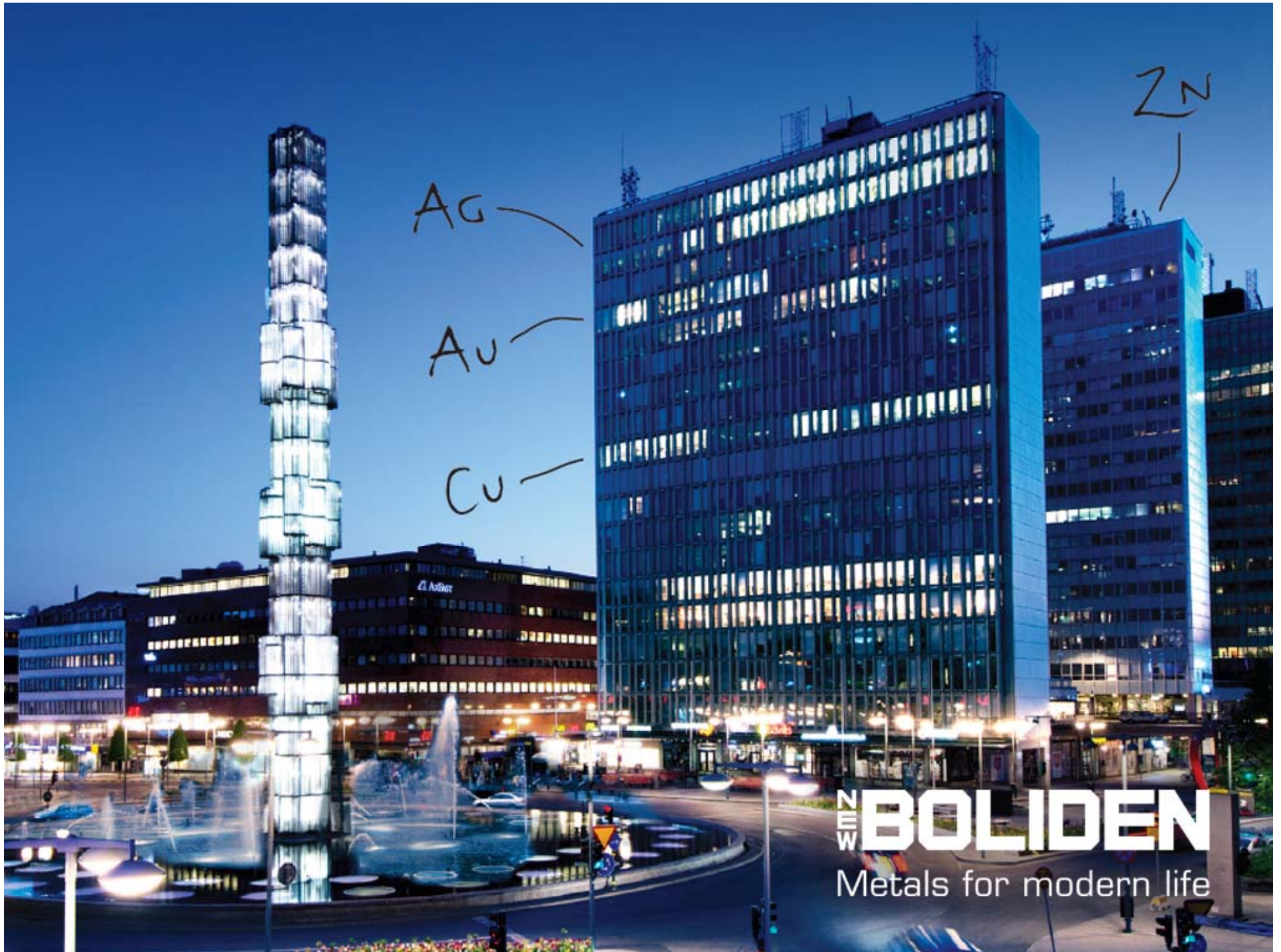
Awards 2013

- **Fifth best annual report in the world**
 - ReportWatch ranking of 400 companies
- **SveMins EHS prize 2013**
 - Boliden Garpenberg
- **Swedish Industry Equal Opportunity Prize 2013**

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Ag

Au

Cu

Zn

N W **BOLIDEN**
Metals for modern life