

Press release

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Boliden's Q1: Good result in Smelters

Boliden's revenues totalled SEK 8,849 m (10,407) and the operating profit, excluding the revaluation of process inventory, was SEK 769 m (1,102). Higher production levels than in the previous year were, however, unable to compensate in full for lower metal prices.

“Boliden's strategic positioning, with mines and smelters that produce both base and precious metals, gives us an advantage in today's market. The market terms are currently favouring our smelters, which are continuing to post stable results. The mines' production levels have also been good, but have been hit hard by the lower metal prices,” says Boliden's President & CEO, Lennart Evrell.

Smelters' operating profit, excluding the revaluation of process inventory, was continued stable. Higher production and a new business model for nickel yielded improvements in both volumes of free metals and TC/RC in comparison with the corresponding quarter in 2015. Market terms for smelters continue to be favourable, but have deteriorated year on year.

Mines' production levels and cost control were good, but lower metal prices resulted in a year on year halving of the operating profit. The Garpenberg zinc-silver mine had another strong quarter and production at the Aitik copper mine, which is normally lower in the winter due to weather conditions, increased in comparison with the first quarter 2015.

On 10 March, Boliden signed an agreement with First Quantum to buy the Kevitsa nickel-copper mine in northern Finland. The total consideration on a debt free basis is USD 712 m. Relevant competition authorities have approved the acquisition and Boliden plans to close the deal around 1 June 2016.

“This acquisition is in line with our strategy and constitutes an opportunity to expand our operations with a high-quality mine that is a good fit for Boliden, both operationally and geographically. It also establishes a stable supply of concentrate for our smelters,” says Lennart Evrell.

For further information, please contact:

Sophie Arnius, Director Investor Relations and Acting Press Officer,
tel: +46 8 610 15 23, +46 70 590 8072

Boliden is a metals company with a commitment to sustainable development. Our roots are Nordic, but our business is global. The company's core competence is within the fields of exploration, mining, smelting and metals recycling. Boliden has approximately 4,900 employees and a turnover of SEK 40 billion. Its share is listed on NASDAQ OMX Stockholm, segment Large Cap.