

## **STOCK EXCHANGE RELEASE**

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### **A new world-leading mining and smelting company - New Boliden - is born**

Boliden and Outokumpu have today completed the transaction whereby Boliden acquires Outokumpu's mining and smelting operations within zinc and copper and sells its fabrication and technology sales operations to Outokumpu. New Boliden becomes one of the world-leading mining and smelting companies within zinc and copper. New Boliden starts operations on January 1, 2004.

- There is a clear logic in combining Boliden's and Outokumpu's mining and smelting operations within zinc and copper. In New Boliden, world-class assets are now combined, which with increased competitive strength from a strong Nordic base will be able to create long-term profitability and substantial growth potential. New Boliden will also get a strong industrial owner with long experience and extensive knowledge of the mining and smelting industry. All this will create added value for shareholders, customers and employees, says Jan Johansson, President and CEO of Boliden.

The transaction has now been completed as planned, as all conditions to the completion of the transaction have been fulfilled. According to latest estimate available at closing, the total consideration will be EUR 849 million (SEK 7.7 billion). The increase is primarily due to estimated changes in the capital employed of the acquired mining and smelting assets during 2003. Boliden's consideration to Outokumpu for the acquired mining and smelting assets consists of:

- issuance of new shares in kind to Outokumpu, corresponding to 49 percent of all shares in New Boliden
- cash payment of EUR 373 million (SEK 3.4 billion) and
- issue of a subordinated debenture to Outokumpu.

The final consideration will be adjusted depending on the closing accounts of the transaction, which will be finalized in March 2004 at the latest. Any changes in the capital employed of the acquired assets in the closing accounts will be reflected in the subordinated debenture part of the total consideration. It is currently estimated that the subordinated debenture will amount to some EUR 137 million (SEK 1.2 billion).

As a partial payment for the mining and smelting assets that Boliden acquired from Outokumpu, Boliden has today issued and Outokumpu has subscribed for 82 446 475 new shares in Boliden AB. Following the subscription, Outokumpu now owns 49 percent of all the shares and votes in Boliden, and has no intention to increase such holding and will not seek a majority position. Outokumpu may in time decrease its shareholding in Boliden by way of well-controlled transactions. Based on the closing price of the Boliden share on the Stockholm stock exchange on December 29, 2003, the total value of issued shares is some EUR 339 million (SEK 3.1 billion). The increase in Boliden AB's share capital will be registered with the Swedish Companies Register in early January. The new shares will be registered to Outokumpu's securities account on or about January 7, 2004 and will be eligible for trading from thereon. The new shares are entitled to full dividends as from the financial year that commenced on January 1, 2003, and carry the same rights as all other outstanding shares in Boliden.

Following the registration of the increase in Boliden's share capital Boliden's share capital will amount to SEK 336 516 226 consisting of 168 258 113 shares.

As a payment for the fabrication and technology sales operations that Outokumpu acquired from Boliden, Outokumpu has today issued, and Boliden has subscribed for, 5 000 000 new shares in Outokumpu Oyj in deviation of the shareholder's pre-emptive subscription right. Following the subscription, Boliden now owns 2.8 percent of all the shares and votes in Outokumpu. Based on the closing price of the Outokumpu share on the Helsinki Exchanges on December 29, 2003 the total value of the issued shares is some EUR 53.3 million (SEK 484 million). The corresponding increase in Outokumpu Oyj's share capital will be registered with the Finnish Trade Register on or about December 31, 2003. The new shares will be registered to Boliden's account at the Finnish Central Securities Depository on December 31, 2003 and will be eligible for trading on or about January 2, 2004. The new shares are entitled to full dividends as from the financial year that commenced on January 1, 2003, and carry the same rights as all other outstanding shares in Outokumpu.

Following the registration of the increase in Outokumpu's share capital Outokumpu's share capital will amount to EUR 303 576 080.50 consisting of 178 574 165 shares.

Boliden will consolidate all the assets acquired from Outokumpu at the end of the fourth quarter 2003, while the results from these assets will be consolidated as from January 1, 2004. The divestiture of Fabrication and Technology Sales, which is a part of the total deal with Outokumpu, is estimated to result in a loss for Boliden of approximately EUR 36 million (SEK 330 million), which will be accounted for during the fourth quarter of 2003.

Outokumpu will de-consolidate all the assets sold to Boliden at the end of the fourth quarter 2003, while the results from these assets will be consolidated until the end of 2003. The assets acquired from Boliden will be consolidated to Outokumpu at year-end. Outokumpu's gross gain on the sale of its mining and smelting assets to Boliden is estimated at some EUR 200 million, of which EUR 100 million will be booked in the fourth quarter 2003 results as an unusual item and it will be tax free. The deal is expected to decrease Outokumpu's gearing by some 40 percentage points. In addition to the EUR 100 million gain to be booked in the fourth quarter, there is a deferred gain element corresponding to 49 percent of the gross gain. The deferred gain will be released in the same period, as Boliden will amortize the consolidation goodwill arising from the transaction. The deferred gain can also be released proportionately in the event that Outokumpu's ownership in Boliden decreases and entirely if Outokumpu's ownership in Boliden decreases below 20 percent.

As the transaction was completed, the new Board of Directors of Boliden AB took office. The Board of Directors of New Boliden consists of Mr. Carl Bennet, Ms. Marie Berglund, Ms. Satu Huber, Mr. Jan Johansson, Mr. Tapani Järvinen, Mr. Anders Sundström, Mr. Christoffer Taxell and Mr. Risto Virrankoski. Altogether, the Board of Directors of New Boliden comprises 11 members including also three personnel representatives appointed by the labour unions. At its first Board meeting today, Mr. Risto Virrankoski was appointed Chairman and Mr. Carl Bennet Vice Chairman of New Boliden.

As previously announced, the Board of Directors of New Boliden intends to use the authorization granted at the extraordinary shareholders' meeting in December to carry out an issue of new shares with preferential rights for Boliden's shareholders in the order of EUR 150 million (SEK 1.4 billion). The rights issue will be fully underwritten and is expected to take place during the first quarter of 2004. Nordea Securities and Swedbank Markets are acting as financial advisors to Boliden in connection with the planned rights issue.

For further information, please contact:

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**Outokumpu Oyj has, in accordance with applicable Canadian securities laws, filed a report detailing the transaction described herein. A copy of such report can be obtained by contacting the Outokumpu representatives identified above.**