2014

INTERIM REPORT Q1

Luossavaara-Kiirunavaara AB (publ) Org. nr. 556001-5835

Financial information from LKAB is available in Swedish and English and can be obtained from:
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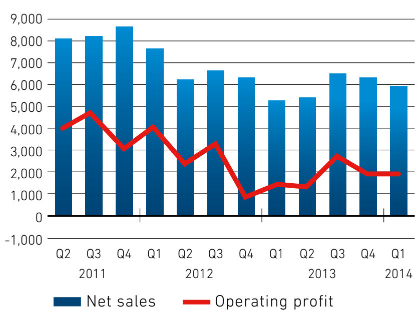
Financial information is also available on LKAB's website: www.lkab.com.

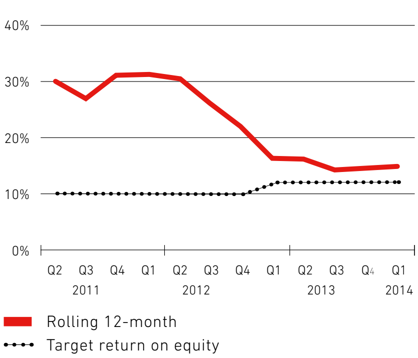
JANUARY–MARS

- NET SALES TOTALLED MSEK 5,959 (5,317)
- OPERATING PROFIT WAS MSEK 1,946 (1,527)
- PROFIT BEFORE TAX WAS MSEK 2,026 (1,558)
- PROFIT FOR THE PERIOD TOTALLED MSEK 1,590 (1,231)
- OPERATING CASH FLOW TOTALLED MSEK 2,121 (-300)
- DELIVERIES OF IRON ORE TOTALLED 6.6 (6.3) MT

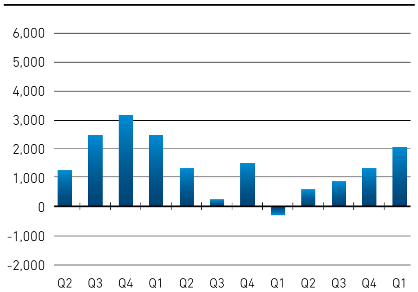
NET SALES AND OPERATING PROFIT MSEK



RETURN ON SHAREHOLDERS' EQUITY



OPERATING CASH FLOW MSEK



COMMENTS BY THE PRESIDENT AND CEO

LKAB's first quarter was characterized by good production results, continued high demand and a market in which quality and environmental impact are affecting the pricing of iron ore products.

Global crude steel production continues to increase. The first quarter total was 405.7 Mt[1], which is a 2.5 percent increase compared with the same period in 2013. In China, tougher credit regulations and increased focus on decreasing air pollution is resulting in capacity adjustments by some steelworks. Along with weak market statistics from China, this has led to some uncertainty in the market and a lower spot price for the period.

A lower spot price makes some domestic iron ore production in China unprofitable since they are mining low-grade iron ore with high production costs. This has led to a 19.4 percent increase in iron ore imports in the first quarter compared with the same period last year. With the tougher environmental requirements, demand for high-grade iron ore increased in the first quarter, mostly for direct charge material such as pellets and lump ore. There is a strong market for high-quality, energy-efficient iron ore pellets, which fits our strategy well.

Demand for LKAB's products continued to be strong during the quarter. We delivered 6.6 (6.3) Mt of iron ore products, a 5 percent increase.

Our own production during the quarter was at a high, steady level of 6.6 (6.1) Mt, which is 8 percent higher. The positive production trend from the second half of 2013 continued into early 2014. High production availability also results in lower costs per tonne. This clearly shows that our persistent preventive maintenance efforts continue to show results.

[1] *World Steel Association*

Consolidated net sales increased by 12 percent and operating profit increased by 27 percent compared to the first quarter of 2013 due to higher delivery volumes and higher prices. Improved operating profit together with less tied-up capital, primarily in accounts receivable, means that operating cash flow for the first quarter was significantly higher than in the same period last year. Operating cash flow stood at MSEK 2,121 (-300).

As a company, LKAB is highly responsible for promoting long-term sustainability in its surroundings where we operate. A successful urban transformation is crucial to the communities concerned and to LKAB's future business dealings. Urban transformation is a major challenge that will affect LKAB over a long period, so significant provisions will be made in order to meet future obligations.

LKAB is awaiting permission to start up new iron ore mines in Mertainen and Leveäniemi. The Mertainen permit is presently being assessed by the Land and Environment Superior Court, which is expected to announce a ruling soon. The planned production start in Mertainen is now delayed so that the full effect of LKAB's growth program has shifted. Dates for court hearings on the Leveäniemi permit have not been set yet.

Stable costs and production, high delivery levels and continued strong demand for LKAB's climate-smart iron ore pellets indicate that 2014 has gotten off to a good start for LKAB.

Lars-Eric Aaro
President and CEO

THE LKAB GROUP IN SUMMARY

OPERATIONS – FIRST QUARTER

	Q1 2014	Q1 2013	Change	Change %	Full year 2013
Net sales, MSEK	5,959	5,317	642	+12	23,656
Gross profit, MSEK	2,232	1,812	420	+23	8,910
Operating profit, MSEK	1,946	1,527	419	+27	7,639
Profit from financial items, MSEK	80	31	49	+58	129
Profit before tax, MSEK	2,026	1,558	468	+30	7,768
Profit for the period, MSEK	1,590	1,231	359	+29	6,032
Operating cash flow, MSEK	2,121	-300	2 421	+807	2,434
Capital expenditures on property, plant and equipment, MSEK	1,090	1,098	-8	-1	6,141
Depreciations, MSEK	636	493	143	+29	2,432
Production, Mt	6.6	6.1	0.5	+8	25.3
Deliveries, Mt	6.6	6.3	0.3	+5	25.5
Proportion of pellets, %	87	87	-	-	83
Stocks of finished products, Mt	1.1	1.0	0.1	+10	1.2
Gross profit margin, %	37	34	3	-	38
Operating margin, %	33	29	4	-	32

Net sales increased by 12%. The increase is broken down into these factors: volume/mix +4 percent, price +12 percent and currency effect -4 percent. Without any US dollar hedging the currency effect would have been -4 per cent.

The improved operating profit in the quarter was primarily due to higher net sales, which resulted in an increase in the operating margin of 4 percentage points.

Besides the increase in net sales, the improvement was also a result of lower costs for urban transformation compared to the same period in 2013. These costs totalled MSEK 73 (132) in the first quarter.

Profit from financial items increased compared to the same period last year mainly due to improved exchange gains/losses resulting from a weaker swedish krona (SEK).

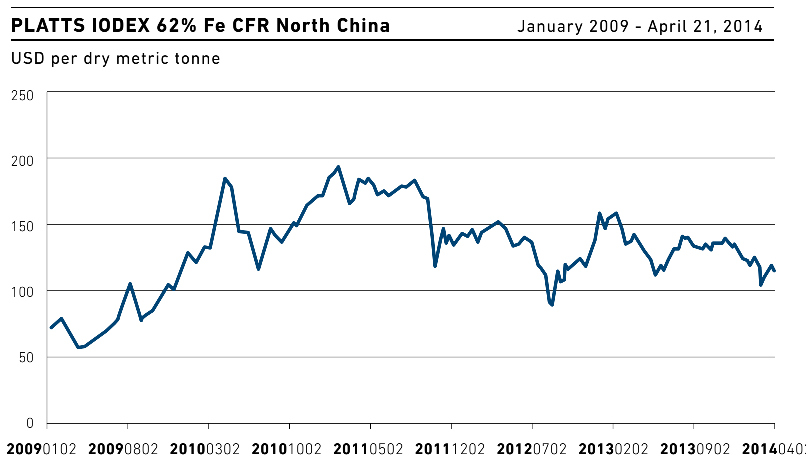
Operating cash flow was as follows:

(MSEK)	Q1 2014	Q1 2013	Change
Cash flow from operating activities	2,325	1,353	972
Change in working capital	882	-555	1,437
Capital expenditures (net)	-1,086	-1,098	12
Operating cash flow	**2,121**	**-300**	**2,421**

Improved operating profit together with less tied-up capital, primarily in accounts receivable, means that operating cash flow for the first quarter was higher than in the same period last year.

THE STEEL AND IRON ORE MARKET

Global iron ore price trend 2009-2014



THE GLOBAL STEEL AND IRON ORE MARKET

Global crude steel output continued to increase. In the first quarter output rose to 405.7 million tonnes (Mt), a 2.5 percent increase compared with the same period in 2013.

In the first quarter, the iron ore market was largely influenced by developments in China, which showed a downward trend in the spot price of iron ore (Platts IODEX 62% Fe CFR North China) as a result.

The Central Government of China has introduced stricter environmental regulations with a view to eliminating unprofitable steel production facilities using old technology that generates excessive emissions, while reducing structural overcapacity. Tighter credit controls have made it harder for steelworks to finance their operations. Together with weak market statistics from China, this has generated some uncertainty in the market that is reflected in the spot price. Despite weak statistics for the quarter, China's GNP growth in the first quarter landed at 7.4 percent as opposed to the expected 7.3 percent. Iron ore stocks in Chinese ports continue to increase.

China

A low spot price makes domestic production in China unprofitable since they are mining low-grade iron ore with high production costs. Seasonally, domestic production is low because of the climate. This has led to an increase in iron ore imports in the first quarter compared with the same period last year. Imports totalled 222 Mt, a 19.4 percent increase compared with the first quarter of 2013.

With the tougher environmental requirements, demand for high-grade iron ore increased in the first quarter, primarily for direct charge material such as pellets and lump ore. The price difference between low-grade and high-grade iron ore products is rising and the pellet premium is expected to stay high. Crude steel production in China totalled 202.7 Mt during the first quarter, an increase of 2.4 percent compared to the same period last year.

According to the China Iron and Steel Association (CISA), China's daily crude steel production reached a record high in March 2014 of 2.27 Mt a day. The aggregate production rate for the first quarter corresponds to an annual production of 811 Mt, which is 4.1 percent higher than 2013.

Europe

Crude steel production in Europe increased by 6.7 percent in the first quarter. Several countries in southern Europe showed positive growth compared with last year, which also suggests that their economies have begun to recover. LKAB's customers in Europe are generally positive about 2014.

The Middle East and North Africa (MENA)

MENA's crude steel production increased by 5.4 percent in the first quarter of 2014 to 6.5 Mt compared with 6.2 Mt over the same period in 2013. Demand for steel remains strong thanks to investments in new infrastructure and construction projects.

USA

Production of crude steel in the US fell by 0.1 percent in the first quarter compared with the same period in 2013. Demand for steel products during the same period was weak due to the cold winter, mainly from weather-impacted construction sectors. Steel manufacturing was also affected. U.S. Steel closed a steel mill in early April since the unusually difficult ice conditions on Lake Michigan stopped the transport of raw materials. This will most likely affect the US's raw steel production negatively for the month of April.

MINING DIVISION

OPERATIONS IN SUMMARY – FIRST QUARTER

	Q1 2014	Q1 2013	Change	Change %	Full year 2013
Net sales, MSEK	5,599	4,955	644	+13	21,984
Gross profit, MSEK	2,080	1,590	490	+31	7,877
Operating profit, MSEK	1,868	1,378	490	+36	6,951
Gross profit margin, %	37	32	5		36
Operating margin, %	33	28	5		32
Production, Mt	6.6	6.1	0.5	+8	25.3
Deliveries, Mt	6.6	6.3	0.3	+5	25.5
Proportion of pellets, %	87	87	-		83

Net sales increased by 13 percent. The increase is divided into these factors: volume/mix +5 percent, price +12 percent and currency effect -4 percent. Without any US dollar hedging the currency effect would have been -4 per cent.

The improved operating profit for the quarter was primarily due to higher net sales, which resulted in an increase in the operating margin of 5 percentage points. Besides the increase in net sales, the improvement was also a result of lower costs for urban transformation compared to the same period in 2013. These costs totalled MSEK 73 (132) in the first quarter.

MINERALS DIVISION

OPERATIONS IN SUMMARY – FIRST QUARTER

	Q1 2014	Q1 2013	Change	Change %	Full year 2013
Net sales, MSEK	356	352	4	+1	1,661
Gross profit, MSEK	55	47	8	+17	226
Operating profit, MSEK	31	13	18	+138	63
Gross profit margin, %	15	13	2		14
Operating margin, %	9	4	5		4

The improvement in operating profit is due to a higher gross profit margin for delivered products. Also during the quarter, the operating profit was positively affected by SEK 12 million of non-recurring income.

As of 1 January 2014, LKAB Minerals took over responsibility from LKAB for sales of magnetite used in the concrete coating of underwater pipelines. The customers and projects in this area have much in common with existing sales of heavy aggregates to oil and gas platforms. In general, the market has shown a positive trend during the quarter with an increasing amount of inquiries in all business areas.

SPECIAL BUSINESSES DIVISION

OPERATIONS IN SUMMARY – FIRST QUARTER

	Q1 2014	Q1 2013	Change	Change %	Full year 2013
Net sales, MSEK	416	503	-87	-17	1,942
Gross profit, MSEK	64	86	-22	-26	326
Operating profit, MSEK	47	74	-27	-36	276
Gross profit margin, %	15	17	-2		17
Operating margin, %	11	15	-4		14

The lower sales in 2014 were primarily due to less business activity in the Mining Division during the year compared with the same period last year. This mainly affects LKAB Berg & Betong AB.

PARENT COMPANY

OPERATIONS IN SUMMARY – FIRST QUARTER

	Q1 2014	Q1 2013	Change	Change %	Full year 2013
Net sales, MSEK	5,585	4,938	647	+13	21,918
Gross profit, MSEK	2,015	1,546	469	+30	7,567
Operating profit, MSEK	1,816	1,352	464	+34	6,732
Capital expenditures on property, plant and equipment	968	1,076	-108	-10	5,681
Liquidity	17,286	17,959	-673	-4	15,243
Gross profit margin, %	36	31	5		35
Operating margin, %	33	27	6		31

Net sales increased by 13 percent. The increase is broken down into these factors: volume/mix +5 percent, price +12 percent and currency effect -4 percent. Without any US dollar hedging the currency effect would have been -4 per cent.

The improved operating profit for the quarter was primarily due to higher net sales, which resulted in an increase in the operating margin of 6 percentage points. The MSEK 464 improvement for the quarter was also due to lower costs for urban transformation compared to the same period in 2013. These costs totalled MSEK 73 (132) in the first quarter.

TRANSACTIONS WITH RELATED PARTIES

No transactions that have significantly affected the company's financial position and earnings took place between LKAB and related parties.

RISKS AND UNCERTAINTY FACTORS

LKAB is exposed to various risks. Risk management is vital to minimizing the impact of factors that are beyond the Group's control. The Group can assess and mitigate these risks by ensuring that they are handled according to established guidelines and methods.

LKAB works actively to identify, analyse and control how various types of risks affect our business and how we can best avoid or face them. Effective risk management is a business-critical success factor, so LKAB created a new position during the quarter: chief risk officer (CRO).

Major risks are LKAB's volume dependency, the pricing of iron ore and transaction exposure in US dollars.

Being in a phase of strong growth with high demand for iron ore products, protracted approval processes constitute a high risk that LKAB's planned production increase will be substantially delayed. This is illustrated further in the following Future Development section.

For further information concerning risks, please refer to LKAB's Annual Report for 2013.

FUTURE DEVELOPMENT

The iron ore market is growing, and demand for direct reduction pellets for gas-based iron and steel production in particular is expected to increase in coming years. If it is to continue as a preferred supplier, LKAB must be able to grow with its customers. Tougher environmental regulations and increased focus on reducing air pollution, especially in China, are helping to increase demand for high quality iron ore products. This shows that there is a strong market for high-quality, energy-efficient iron ore pellets, which fits our strategy well.

The strategy for the next few years includes a planned volume increase of just over 35 percent to reach an annual capacity of 37 Mt iron ore products by 2015. The planned production start in Mertainen's open-pit mine is now delayed so that the full effect of LKAB's growth program has shifted. Most of the additional iron ore will come from new mines and mainly from the three open-pit mines in the so-called Svappavaara field: Gruvberget, Mertainen and Leveäniemi. Growth generated by the new open-pit mines will increase LKAB's competitiveness through higher volumes, resulting in a lower cost per tonne.

Further initiatives are required to ensure research and development efforts if LKAB is to maintain its technological leadership in iron ore pellets. LKAB is studying the possibility of creating a new research facility for direct reduction, which is the fastest-growing, most climate-efficient method of ironmaking.

Investment projects in progress and LKAB's future plans will entail major investments and thus large expenditures over the next few years. Furthermore, continued underground mining in Kiruna and Malmberget and the start-up of new mines in the Svappavaara ore field will entail major costs for their impact on communities in all three areas. LKAB must therefore remain financially strong and maintain a good earning capacity to meet the future obligations that structural change will entail.

ACCOUNTING PRINCIPLES

The interim report was prepared in accordance with IAS 34 Interim Financial Reporting. The condensed consolidated interim report was prepared in accordance with IAS 34, Interim Financial Reporting and applicable regulations in the Annual Accounts Act. The interim report for the Parent Company was prepared in accordance with Chapter 9 of the Annual Accounts Act, Interim Reporting.

All amounts in this interim report are presented in SEK millions unless otherwise indicated. Rounding differences may occur.

The accounting principles applied in the interim report correspond to the accounting principles applied when preparing the consolidated financial statements and annual report for 2013. New and amended standards and interpretations from the IASB have had no impact on consolidated earnings, financial position or formulation of the interim report.

This report was not subject to specific review by the company's auditors.

Luleå, 29 April 2014
Luossavaara-Kiirunavaara AB (plc)

Lars-Eric Aaro
President

FINANCIAL INFORMATION	DATE
Interim report Q2 2014	15 August, 2014
Interim report Q3 2014	24 October, 2014
Year-end report 2014	12 February 2015

Reports are available on LKAB webbsite lkab.com
Questions concerning this interim report may be directed immediately after the AGM, Tuesday, 29 April 2014 at 4 PM and answered by
Lars-Eric Aaro, President and CEO, +46 920 38106, or
Leif Boström, Senior Vice President, Finance (CFO), +46 920 38162.

CONSOLIDATED INCOME STATEMENT

(MSEK)	Q 1 2014	Q 1 2013	Full year 2013
Net sales	5,959	5,317	23,656
Cost of goods sold	-3,727	-3,505	-14,746
Gross profit	**2,232**	**1,812**	**8,910**
Seles expenses	-33	-37	-148
Administration expenses	-147	-155	-643
Research and development expenses	-93	-74	-356
Other operating income	135	108	436
Other operating expenses	-148	-127	-560
Operating profit	**1,946**	**1,527**	**7,639**
Financial income	179	175	583
Financial expenses	-99	-144	-454
Net financial income/expense	**80**	**31**	**129**
Profit before tax	2,026	1,558	7,768
Tax	-436	-327	-1,736
Profit for the period	**1,590**	**1,231**	**6,032**
Attributable to Parent Company shareholder´s	1,590	1,231	6,032
Earnings per share before and after dilution (SEK)	2,271	1,759	8,617

CONSOLIDATED COMPREHENSIVE INCOME

(MSEK)	Q 1 2014	Q 1 2013	Full year 2013
Profit for the period	**1,590**	**1,231**	**6,032**
Other comprehensive income			
Items that cannot be transferred to profit for the period			
Actuarial gains and losses on defined benefit pension plans	-56	-	106
Tax attributable to actuarial gains and losses	12	-	-23
	-44	**-**	**83**
Items that have been or can be transferred to profit for the year			
Exchange rate differences on translation of foreign entities for the period	17	-80	-18
Change in fair value of available-for-sale financial assets	8	-113	-90
Changes in fair value of cash flow hedges	-25	-67	72
Change in fair value of cash flow hedges transferred to profit for the year	-7	-89	-226
Tax attributable to components in cash flow hedges	7	34	34
	0	**-315**	**-228**
Other comprehensive income	**-44**	**-315**	**-145**
Total comprehensive income for the period attributable to Parent Company shareholder´s	**1,546**	**916**	**5,887**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MSEK)	31 March 2014	31 March 2013	31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets	258	213	257
Property, plant and equipment	34,253	30,776	33,759
Participations in associated companies	0	0	0
Financial investments	931	860	1,075
Deferred tax asset	6	16	19
Non-current receivables	112	104	103
Total non-current assets	**35,560**	**31,969**	**35,213**
Current assets			
Inventories	2,376	2,268	2,611
Accounts receivable	2,498	3,321	3,291
Prepaid expenses and accrued income	209	202	131
Other current receivables	807	2,117	1,079
Current investments	11,456	8,886	10,801
Cash and cash equivalents	6,144	9,486	4,696
Total current assets	**23,490**	**26,280**	**22,609**
TOTAL ASSETS	**59,050**	**58,249**	**57,822**
SHAREHOLDER´S EQUITY AND LIABILITIES			
Equity			
Share capital	700	700	700
Reserves	443	356	443
Retained earnings including profit for the year	41,875	40,945	40,329
Equity attributable to Parent Company shareholder´s	**43,018**	**42,001**	**41,472**
Total shareholder´s equity	**43,018**	**42,001**	**41,472**
Non-current liabilities			
Provisions for pensions and similar obligations	1,810	2,944	1,886
Provisions for urban transformation	4,352	5,039	4,804
Other provisions	1,207	1,601	1,167
Deferred tax liability	3,758	3,485	3,813
Total non-current liabilities	**11,127**	**12,529**	**11,670**
Current liabilities			
Trade payable	1,490	1,414	1,744
Other current liabilities	154	119	227
Accrued expenses and deferred income	1,221	1,226	1,103
Provisions for urban transformation	1,990	950	1,500
Other provisions	50	10	106
Total current liabilities	**4,905**	**3,719**	**4,680**
Total liabilities	**16,032**	**16,248**	**16,350**
TOTAL EQUITY AND LIABILITIES	**59,050**	**58,249**	**57,822**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(MSEK)	Share capital	Translation reserve	Fair value reserve	Hedge reserve	Profit brought forward incl. profit for the year	Total equity
	Equity attributable to Parent Company shareholders					
		Reserves				
Opening equity 1 Jan 2013	**700**	**-121**	**616**	**176**	**39,714**	**41,085**
Profit for the year					6,032	6,032
Other comprehensive income for the year		-18	-90	-120	83	-145
Comprehensive income for the year		-18	-90	-120	6,115	5,887
Dividend					-5,500	-5,500
Closing equity 31 Dec 2013	**700**	**-139**	**526**	**56**	**40,329**	**41,472**

(MSEK)	Share capital	Translation reserve	Fair value reserve	Hedge reserve	Profit brought forward incl. profit for the year	Total equity
	Equity attributable to Parent Company shareholders					
		Reserves				
Opening equity 1 Jan 2014	**700**	**-139**	**526**	**56**	**40,329**	**41,472**
Profit for the period					1,590	1,590
Other comprehensive income for the period		17	8	-25	-44	-44
Comprehensive income for the period		17	8	-25	1,546	1,546
Dividend						
Closing equity 31 March 2014	**700**	**-122**	**534**	**31**	**41,875**	**43,018**

CONSOLIDATED STATEMENT OF CASH FLOW

(MSEK)	Q1 2014	Q1 2013	Full year 2013
Operating activities			
Profit before tax	2,026	1,558	7,768
Adjustment for items not included in cash flow	716	744	3,404
Income tax paid	-357	-909	-573
Expenditures, urban transformation	-60	-40	-295
Payment to retirement benefit plan			-881
Cash flow from operating activities before changes in working capital	**2,325**	**1,353**	**9,423**
Cash flow from changes in working capital			
Increase (-) / Decrease (+) in inventories	235	247	-118
Increase (-) / Decrease (+) in operating receivables	874	-191	-444
Increase (+)/Decrease (-) in operating liabilities	-227	-611	-304
Change in working capital	**882**	**-555**	**-866**
Cash flow from operating activities	**3,207**	**797**	**8,557**
Investing activities			
Acquisition of property, plant and equipment	-1,090	-1,098	-6,141
Disposal of property, plant and equipment	4	-	18
Acquisition/divestment of financial assets	-673	4,349	2,325[1]
Cash flow from investing activities	**-1,759**	**3,251**	**-3,798**
Financing activities			
Dividends paid to Parent Company shareholder´s	-	-	-5,500
Cash flow from financing activities	**-**	**-**	**-5,500**
Cash flow for the period	**1,448**	**4,049**	**-741**
Cash and cash equivalents at start of period	4,696	5,437	5,437
Cash and cash equivalents at end of period	6,144	9,486	4,696
Change in cash and cash equivalents	**1,448**	**4,049**	**-741**
Sub-components of cash and cash equivalents			
Cash and bank balances	523	746	508
Short-term investments (maturity <90 days)	5,621	8,740	4,188
Cash and cash equivalents	**6,144**	**9,486**	**4,696**
LIQUIDITY			
Cash and cash equivalents	6,144	9,486	4,696
Short-term investments (maturity >90 days <1 year)	11,456	8,886	10,801
	17,600	18,372	15,497

1) Amount includes investment in a bond via Norrskenet AB for Northland Resources.

OPERATING CASH FLOW

(MSEK)	Q 1 2014	Q 1 2013	Full year 2013
Cash flow from operating activities	**3,207**	**797**	**8,557**
Acquisition of property, plant and equipment	-1,090	-1,098	-6,141
Disposal of property, plant and equipment	4	-	18
Operating cash flow (excl. current investments)	**2,121**	**-300**	**2,434**
Acquisition/divestment of financial assets	-673	4,349	2,325[1]
Cash flow from financing activities	-	-	-5,500
Cash flow for the period	**1,448**	**4,049**	**-741**

1) Amount includes investment in a bond via Norrskenet AB for Northland Resources

PERSONNEL

	Q 1 2014	Q 1 2013	Full year 2013
Average number of employees	4,348	4,220	4,427
– of which women	816	748	838
– of which men	3,532	3,472	3,589

KEY RATIOS IN PERCENT

	Q 1 2014	Q 1 2013	Full year 2013
Gross margin	37.5	34.1	37.8
Profit margin	34.0	29.3	33.0
Return on equity	14.9	16.2	14.7
Equity/assets ratio at end of period	72.9	72.1	71.7

LKAB - PARENT COMPANY

INCOME STATEMENT

(MSEK)	Q 1 2014	Q 1 2013	Full year 2013
Net sales	5,585	4,938	21,918
Cost of goods sold	-3,570	-3,392	-14,351
Gross profit	**2,015**	**1,546**	**7,567**
Selling expenses	-14	-21	-67
Administration expenses	-108	-121	-497
Research and development expenses	-93	-71	-345
Other operating income	101	88	377
Other operating expenses	-85	-69	-303
Operating profit	**1,816**	**1,352**	**6,732**
Profit from financial items	**80**	**-5**	**513**
Profit after financial items	**1,896**	**1,347**	**7,245**
Appropriations	-	-	-1,762
Profit before tax	**1,896**	**1,347**	**5,483**
Tax	-426	-296	-1,171
Profit for the period	**1,470**	**1,051**	**4,312**

COMPREHENSIVE INCOME

(MSEK)	Q 1 2014	Q 1 2013	Full year 2013
Profit for the period	1,470	1,051	4,312
Other comprehensive income for the period			
Comprehensive income for the period	**1,470**	**1,051**	**4,312**

BALANCE SHEET

(MSEK)	31 March 2014	31 March 2013	31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets	42	18	42
Property, plant and equipment	27,803	24,674	27,294
Financial assets			
Participations in subsidiaries	1,490	1,410	1,490
Participations in associates	0	0	0
Receivables from subsidiaries	987	1,041	1,042
Other non-current securities	129	129	129
Other non-current receivables	178	182	170
Deferred tax asset	701	519	678
Total financial assets	**3,485**	**3,282**	**3,509**
Total non-current assets	**31,330**	**27,974**	**30,845**
Current assets			
Inventories	1,873	1,803	2,111
Current receivables			
Accounts receivable	2,242	3,174	3,008
Receivables from subsidiaries	1,965	1,901	2,053
Other current receivables	577	1,852	814
Prepaid expenses and accrued income	104	71	95
Total current receivables	**4,888**	**6,998**	**8,081**
Current investments	16,928	17,406	14,878
Cash and bank deposits	358	552	365
Total current assets	**24,047**	**26,759**	**23,324**
TOTAL ASSETS	**55,377**	**54,733**	**54,169**

BALANCE SHEET

(MSEK)	31 March 2014	31 March 2013	31 Dec 2013
SHAREHOLDER´S EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (700,000 shares)	700	700	700
Statutory reserve	697	697	697
Non-restricted equity			
Retained earnings	22,920	24,108	18,608
Profit for the period	1,470	1,051	4,312
Total shareholder´s equity	**25,787**	**26,556**	**24,317**
Untaxed reserves	18,487	16,866	18,487
Provisions			
Provisions, urban transformation	4,352	5,039	4,804
Other provisions	1,630	2,163	1,597
Total provisions	**5,982**	**7,202**	**6,401**
Current liabilities			
Trade payables	1,118	1,078	1,406
Liabilities to subsidiaries	898	957	945
Other current liabilities	74	37	143
Accrued expenses and prepaid income	991	1,077	864
Provisions, urban transformation	1,990	950	1,500
Other provisions	50	10	106
Total current liabilities	**5,121**	**4,109**	**4,964**
TOTAL SHAREHOLDER´S EQUITY AND LIABILITIES	**55,377**	**54,733**	**54,169**
Pledged assets	**245**	**236**	**245**
Contingent liabilities	**109**	**126**	**109**

KEY RATIOS IN PERCENT

	31 March 2014	31 March 2013	31 Dec 2013
Gross margin	36.1	31.3	34.5
Profit margin	33.9	27.3	33.1
Return on equity	11.7	10.7	11.1
Equity/assets ratio at end of period	72.6	72.6	71.5

Definitions

Gross margin: Gross profit as a percentage of net sales for the period.

Profit margin: Profit after financial items as a percentage of net sales for the period.

Return on equity: Profit after tax as a percentage of average equity (rolling 12-month figures).

Equity/assets ratio: Equity as a percentage of total assets.

NOTE 1 DISCLOSURES REGARDING FINANCIAL INSTRUMENTS

Fair value - financial instruments

Information is given in the following tables about how fair value is determined for the financial instruments that are measured at fair value in the statement of financial position. The division of how fair value is determined is done on three levels.

Level 1: According to prices listed on an active market for the same instrument
Level 2: Based on direct or indirect observable market data that is not included in level 1
Level 3: Based on input that is not observable on the market

Group, 31 March 2014

(MSEK)	Level 1	Level 2	Level 3	Total
Shares, financial assets	667			667
Derivatives, financial assets		14		14
Interest-bearing financial assets	90			90
Shares, current holdings	786			786
Interest-bearing instruments		10,670		10,670
Non-current receivables		112		112
Cash and cash equivalents	6,144			6,144
Derivatives (forward contracts USD)		71		71
Total	**7,687**	**10,867**		**18,554**

Calculation of fair value
The following summarises the methods and assumptions that are primarily used to establish fair value of the financial instruments that are reported in the table above.

Level 1:
The fair value of listed financial assets corresponds to the asset's listed price on the closing date.

Level 2:
Interest-bearing instruments
Share index bonds have been valued with listed market data from the interest and derivatives market. This category also includes certificates that are valued on the basis of defined market priced return curves.

Non-current receivables
Non-current receivables are calculated using a present value calculation of the capital flows.

Derivatives
Fair value of forward exchange contracts is calculated on the basis of a valuation model that is based on discounted cash flow, derived from listed market prices obtained from Reuters.
Derivatives, financial assets are valued on the basis of market data from brokers.

Fair value of other receivables and liabilities
Reported value of other receivables and liabilities is assessed to represent a reasonable approximation of fair value.

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