2012

INTERIM REPORT Q3

Luossavaara-Kiirunavaara AB (publ) Corp. ID No. 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.

JULY–SEPTEMBER

- NET SALES DECREASED 19 PER CENT TO MSEK 6,693 (8,239).
- OPERATING PROFIT WAS MSEK 3,317 (4,729).
- PROFIT BEFORE TAX WAS MSEK 3,372 (4,582).
- PROFIT FOR THE PERIOD AMOUNTED TO MSEK 2,475 (3,408).
- OPERATING CASH FLOW AMOUNTED TO MSEK 221 (2,486).
- SHIPMENTS OF IRON ORE PRODUCTS FOR THE QUARTER AMOUNTED TO 6.5 (6.5) MT.

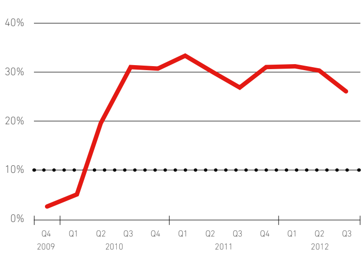
JANUARY–SEPTEMBER

- NET SALES DECREASED 8 PER CENT TO MSEK 20,593 (22,447).
- OPERATING PROFIT WAS MSEK 9,732 (11,565).
- PROFIT BEFORE TAX WAS MSEK 10,070 (11,533).
- PROFIT FOR THE PERIOD AMOUNTED TO MSEK 7,419 (8,520).
- OPERATING CASH FLOW AMOUNTED TO MSEK 3,988 (5,471).
- YEAR-TO-DATE SHIPMENTS OF IRON ORE PRODUCTS AMOUNTED TO 18.8 (18.9) MT.

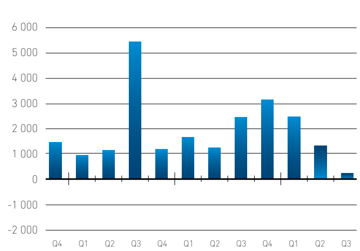
LKAB

NET SALES AND OPERATING PROFIT MSEK

RETURN ON SHAREHOLDERS' EQUITY



OPERATING CASH FLOW MSEK



COMMENTS BY THE PRESIDENT AND CEO

From a global perspective, slower growth in China has led to reduced demand for steel. A reduction in steel production and steel producers' iron ore stock reductions have curbed global sales of iron ore. Market fundamentals combined with the financial market's expectations of lower growth in China have resulted in declining and more volatile spot prices for iron ore. Demand for steel in Europe remains low and steel producers are still producing at reduced capacity, while contending with poor profitability and overcapacity. This uncertainty is caused by weak confidence in economic growth in Europe and the debt crisis. However, LKAB is planning for full production for the remainder of 2012.

Shipments of iron ore products were on par with last year and amounted to 6.5 (6.5) Mt. Production of iron ore products was down 1% to 6.7 (6.8) Mt.

Net sales decreased 19% to MSEK 6,693 (8,239) and operating profit fell 30% to MSEK 3,317 (4,729). In comparison with the same period last year, production costs are unchanged. Lower iron ore prices led to a decrease in the gross profit margin of circa 7 percentage points to 53%. The negative effects of the margin decline were partially offset by a higher average dollar rate.

Operating cash flow for the Group was MSEK 221 (2,486). Compared to the same period last year, cash flow was adversely affected by lower income. Increased sales in Q3 2012 compared to Q2 2012 led to more capital being tied up in trade receivables, which had a negative effect on cash flow. Capital expenditures on property, plant and equipment amounted to MSEK 1,313 (1,232) in the quarter and relate mainly to the new main level in Kiruna. During the quarter, LKAB also took decisions on future environmental investments of about SEK 1.5 billion, mainly concerning flue gas treatment in the pelletizing plants in Svappavaara and Malmberget.

LKAB 37, the strategic investment program, remains unchanged. The program aims to increase delivery capacity to more than 37 Mt of finished iron ore products by 2015. Capacity increases will come mainly from three new open pit mines in the Svappavaara area. During the quarter, an environmental permit was obtained for draining the old Leveäniemi pit. Pumping started in September and is scheduled for completion in 2014. Permit processing for mining in the other two open pit mines (Gruvberget and Mertainen) are ongoing.

A cost reduction program was started up this past summer. The program will take full effect by 2015 and is closely related to increased volumes.

Lars-Eric Aaro
President and CEO

THE LKAB GROUP IN SUMMARY

JULY–SEPTEMBER

Production of iron ore products in the Mining Division amounted to 6.7 (6.8) Mt. Total shipments for the period amounted to 6.5 (6.5) Mt, of which 5.4 (5.3) Mt were pellets. The proportion of pellets in the third quarter of 2012 was 84 (82) %. At the end of September, stocks of iron ore products amounted to 2.2 (1.5) Mt.

Net sales decreased 19% to MSEK 6,693 (8,239). The decrease is broken down into the factors: volume/mix -4% (principally in the Minerals Division), price -18%, and currency +3%. Without any hedging in USD, the currency effect would have been 1%.

Operating profit fell 30% to MSEK 3,317 (4,729). In comparison with the same period last year, production costs are unchanged. Lower iron ore prices led to a decrease in the gross profit margin of circa 7 percentage points to 53%. The negative effects of the margin dectline were partially offset by a higher average dollar rate.

Earnings from financial items totalled MSEK 55 (-147). Exchange gains/losses amounted to MSEK -93 (9). Net interest income was MSEK 0 (-14). Return on market portfolios and interest-bearing investments amounted to MSEK 166 (-127). Net pension expense amounted to MSEK -20 (-17). Dividends received from quoted shares amounted to MSEK 2 (2).

Operating cash flow for the Group was MSEK 221 (2,486). Compared to the same period last year, cash flow was adversely affected by lower income. Increased sales in Q3 2012 compared to Q2 2012 led to more capital being tied up in trade receivables, which had a negative effect on cash flow. Expenditures for work in progress with the new main level in Kiruna dominated capital expenditures, which amounted to MSEK 1,313 (1,232).

JANUARY–SEPTEMBER

Production of iron ore products in the Mining Division totalled 19.4 (19.3) Mt. Total shipments for the period amounted to 18.8 (18.9) Mt, of which 15.8 (15.5) Mt were pellets.

Group net sales decreased 8% to MSEK 20,593 (22,447). The decrease is attributable to the factors: volume/mix -3%, price -9%, and currency +4% . Without any hedging in USD, the currency effect would have been 3%.

Group operating profit decreased 16% to MSEK 9,732 (11,565). Lower iron ore prices led to a decrease in the gross profit margin of 4 percentage points to circa 52%. In comparison with the same period last year, production costs are essentially unchanged. The negative effects of the margin decline are partially offset by a higher average dollar rate.

Earnings from financial items totalled MSEK 338 (-32). Exchange gains/losses amounted to MSEK -90 (7). Net interest income was MSEK 22 (6). Return on market portfolios and interest-bearing investments amounted to MSEK 413 (-49). Net pension expense amounted to MSEK -60 (-51). Dividends received amounted to MSEK 53 (55).

Group operating cash flow for the period was MSEK 3,988 (5,471). Cash flow for the first three quarters of 2012 was affected negatively by lower income and more capital being tied up in stock. Higher capital expenditures compared to the same period in 2011also had a negative effect on operating cash flow.

THE LKAB GROUP IN SUMMARY

MSEK	Q 3 2012	Q 3 2011	Q 1–3 2012	Q 1–3 2011	Full year 2011
Net sales	6,693	8,239	20,593	22,447	31,122
Operating profit	3,317	4,729	9,732	11,565	14,705
Profit/loss from financial items	55	-147	338	-32	96
Profit before tax	3,372	4,582	10,070	11,533	14,801
Profit for the period	2,475	3,408	7,419	8,520	10,960
Operating cash flow*	221	2,486	3,988	5,471	8,639
Investments in property, plant and equipment*	1,313	1,232	4,059	3,659	5,126

**See the cash flow statement on page 12 for further information.*

MARKET AND SALES

THE STEEL AND IRON ORE MARKET

Demand for steel in Europe remains low and steel producers are still producing at reduced capacity, while contending with poor profitability and overcapacity. This uncertainty is caused by continued weak confidence in economic growth in Europe and the debt crisis. Although steel prices in the EU rose temporarily in the spring, demand for steel remains weak. Consumption by endusers has not increased significantly and new orders are at a low level with short lead times. Combined with a seasonal decline in steel consumption during the summer months, this has meant that demand for iron ore has been limited.

Slower growth in China has led to reduced demand for steel. A reduction in steel production and steelmakers' stock reductions of iron ore have curbed global sales of iron ore. Large quantities of iron ore have also been forced onto the spot market when banks forced traders to sell in order to pay off loans with devalued steel stocks as collateral. In China, this caused at least temporary an oversupply, causing the price on the spot market to fall sharply from mid-July until early September, when prices began to rise slightly. The recent price recovery is due to a bolstering of the market's confidence caused by China's announcement in early September of major investments in infrastructure projects. Shortly thereafter the US Federal Reserve announced that they planned to start a new round of support purchases of fixed income securities, which also raised market confidence.

There is a shortage of steel in the Middle East relative to the region's growth, which boosts local steel production and means higher capacity utilisation in the steel industry. Lately, cheap Chinese steel imports have upset prices in countries that have low import tariffs for steel. The DRI market is expected to continue growing in the MENA region with increased demand for high-quality DR pellets.

THE INDUSTRIAL MINERALS MARKET

Decreased activity globally in the building and construction sector affects sales in the Minerals Division directly and indirectly. For the entire operation, expectations are for the fourth quarter to remain stable but with lower sales than last year. Market prices for most minerals are relatively unchanged except for iron ore, for which prices have followed developments in other markets.

MINING DIVISION

IRON ORE PRODUCTION AND SHIPMENTS

Production of iron ore products in the Mining Division amounted to 6.7 (6.8) Mt in the third quarter. Total shipments for the period amounted to 6.5 (6.5) Mt, of which 5.4 (5.3) Mt were pellets. Stocks amounted to 2.2 (1.5) Mt at the end of September.

SALES AND EARNINGS

In comparison with the same period last year, production costs are unchanged. Lower iron ore prices led to a decrease in the gross profit margin of circa 7 percentage points to 53%. The negative effects of the margin decline are partially offset by a higher average dollar rate. Net sales decreased to MSEK 6,233 (7,516) and operating profit amounted to MSEK 3,170 (4,481).

MINERALS DIVISION

SALES AND EARNINGS

Net sales stood at MSEK 445 (701) for Q3 2012. Operating profit decreased by MSEK 83 to MSEK 32 (115). Sales of pipe coating were transferred to the Mining Division in 2012.

SPECIAL BUSINESSES

SALES AND EARNINGS

Net sales decreased 3%, amounting to MSEK 579 (598). Operating profit amounted to MSEK 107 (99).

THE GROUP'S CAPITAL EXPENDITURES

Group expenditures on property, plant and equipment for the quarter amounted to MSEK 1,313 (1,232). Disbursements for the work in progress on the new main level in Kiruna account for most of these expenditures. Short-term investments of MSEK 1,920 (960) affected investing activities (net).

THE GROUP'S LIQUIDITY

Operating cash flow for the Group was MSEK 221 (2,486) in Q3. Compared to the same period last year, cash flow was adversely affected by lower income. Increased sales in Q3 2012 compared to Q2 2012 led to more capital being tied up in trade receivables, which had a negative effect on cash flow. Cash and cash equivalents and short-term investments amounted to MSEK 17,189 (15,034).

The inflow of US dollars from iron ore sales in the third quarter amounted to MUSD 794 (1,171), of which MUSD 445 (570) was hedged at an average rate of 6.96 (6.62) SEK/USD. The average exchange rate on the spot market was 6.75 (6.46) SEK/USD for the same period.

The inflow of US dollars from iron ore sales during the first three quarters of the year amounted to MUSD 2,948 (2,986), of which MUSD 1,345 (1,380) was hedged at an average rate of 6.79 (6.92). The average exchange rate on the spot market was 6.81 (6.40) SEK/USD for the same period.

At the end of the third quarter, outstanding forward exchange contracts totalled MUSD 965, hedged at an average rate of 7.02 SEK/USD. At the same time last year, forward exchange contracts amounted to MUSD 1,300 and the average rate was 6.62 SEK/USD.

PARENT COMPANY

Parent Company net sales amounted to MSEK 6,217 (7,498), of which MSEK 58 (68) was invoiced to subsidiaries. Profit before tax was MSEK 3,202 (4,489).

Expenditures on property, plant and equipment amounted to MSEK 1,248 (1,126). Cash and cash equivalents and shortterm investments amounted to MSEK 16,948 (14,739) at the end of the quarter.

TRANSACTIONS WITH RELATED PARTIES

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

RISKS AND UNCERTAINTY FACTORS

As an international group, LKAB is exposed to various risks. Risk management is vital for minimising the impact of factors that lie beyond the Group's control. Within the Group there are methods for ensuring that the risks to which the company is exposed are managed according to established guidelines and methods, as well as for assessing and limiting these risks.

Fluctuations in the world economy can strongly influence global steel production, which, in turn, directly affects the demand for iron ore. Other risks may be a weakening of the dollar, falling pellet prices, higher energy tariffs and taxes, and increased costs for emissions rights.

Unlike LKAB, LKAB's major competitors mine their ore in open pits. Consequently, their production costs are significantly lower. For LKAB, high and consistent product quality and cost effectiveness are critical factors for meeting the competition. LKAB's highquality magnetite ore is a significant competitive advantage.

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

During an economic boom, demand for pellets is greater than demand for fines. Pellets account for about 82% of LKAB's deliveries. Sea freight rates have a major effect, but LKAB is at an advantage, since 75% of the company's customers are in Europe. LKAB has relatively few customers, which means that each individual customer is significant. High and consistent product quality combined with valueadding services to customers are risk-mitigating factors.

There are currently several different ways of setting global iron ore prices. Most commonly used for volume trading are index-based monthly and quarterly prices and, in some cases, longer periods of up to six months or annual pricing. Spot price trading combined with financial hedging instruments is also increasing. LKAB has largely preferred to maintain a long-term view of pricing, with annual pricing being the dominant method used with most customers.

Iron ore trading is conducted in US dollars. LKAB's future inflows of payments (transaction exposure) are exposed to risks associated with currency fluctuations, which is why they are hedged with forward contracts in US dollars in accordance with the company's currency policy. The exact magnitude of the transaction exposure is difficult to ascertain far in advance, since it is largely dependent on the market price of iron ore.

LKAB's operations are subject to permits and are regulated by extensive legislation. Different permit applications are coupled with different types of risks depending on the type of project and permit being sought. Risks may vary from insignificant to severe, but can in general terms entail project delays that may lead to cost increases or interruptions/stoppages in production mines/plants that have a major economic impact. The extreme would be that no permit is granted. Earlier applications with long turnaround times have significantly prolonged decisions on permitting.

LKAB's expansion of mining operations in the ore fields entails a successive expansion of deformation zones – a result of mining. Changes in social structures are therefore inevitable in the long term. Together with the state/owner, municipalities, public authorities, other companies, property owners and other stakeholders, LKAB is working actively to find joint solutions for these structural transformations. As impact due to mining activities (economic/physical damage to property) is incurred and where legal or informal commitments to external stakeholders exist, LKAB allocates funds for these commitments. Urban transformation will entail considerable costs and expenditures.

Impacts on the ore field communities have encumbered, and will encumber, LKAB's earnings and liquidity considerably in the years to come. LKAB must therefore remain financially strong and maintain a good earning capacity in order to meet future obligations imposed by the structural transformation.

For further information concerning risks, please refer to LKAB's 2011 Annual Report.

FUTURE DEVELOPMENT

LKAB's strategic plan for the coming years includes an increase in volume of more than 35 per cent to an annual capacity of 37 Mt of iron ore products by 2015. Growth is necessary to increase LKAB's competitiveness via greater volumes that have a lower cost per tonne, and to meet a changing market in which customers are growing and demand from emerging markets is increasing, particularly for DR pellets for gas-based iron and steel manufacturing. In order to be a "preferred" supplier to the customers, LKAB needs to deliver top quality products in greater volumes.

Growth requires increased availability of iron ore to process into high-quality, climate-friendly iron ore products – mainly pellets. Most of the additional iron ore will come from new mines and mainly from three open pit mines in the Svappavaara field. In June, the Supreme Court announced that it would not grant leave to LKAB's appeal of the environmental decision on Gruvberget. Thus, the Land and Environmental Court of Appeal's decision to reject LKAB's permit application is legally binding. This means that the company's so-called execution authorisation, under which LKAB has been running operations at Gruvberget since 2010, is no longer valid. Accordingly, LKAB has no mining permit for Gruvberget and operations have been discontinued. In July 2011, LKAB supplemented its previously submitted application for a new permit concerning the mineral processing operation in Svappavaara with a permit application for the Gruvberget operation. At the end of June this year the Land and Environmental Court made this application public, which means that the application is considered complete. When operations at Gruvberget can be started up again, however, remains unclear.

In June, the Norrbotten County Administrative Board gave LKAB permission to drain the water from the Leveäniemi open pit mine. Drainage started in September 2012 and should be completed in 2014. Additional studies of the ore body will be done in parallel. The mining permit application for Mertainen was submitted to the Land and Environmental Court in early March. The schedule for the planned expansion in LKAB's mining capacity is critically dependent on obtaining environmental permits. The risk that the necessary permits for the three open pit mines in Svappavaara will not be granted in time has decreased. LKAB's planned investments in new mining capacity for an annual delivery volume of about 37 Mt of finished iron ore products by 2015 remain unchanged, providing that the necessary permits are obtained.

Exploration for additional iron ore deposits is proceeding in the mines and in the vicinities of existing operations. The exploration organisation is being expanded and total exploration costs are estimated at MSEK 120 for 2012-2013.

The growth strategy calls for a rail haulage capacity on the Ore Railway for LKAB alone of at least 40 Mt of iron ore products by 2015. This necessitates longer passing loops on the line between Luleå and Narvik. The Swedish Transport Administration will extend four passing loops along the Ore Railway. This is necessary, especially since other actors operate on and plan to operate on the railway.

LKAB's exposure on the electricity market is increasing. The overall growth strategy will lead to increased use of electricity, despite major energy conservation initiatives. A long-term strategy was developed for energy procurement and conservation in order to address future price trends and increased energy consumption.

Continuous world-class research and development is required if LKAB is to maintain its position as the technological global leader in iron ore pellets.

Ongoing investment projects and LKAB's future plans involve major strategic investments, and thus considerable expenditures in the coming years. Continued underground mining in Kiruna and Malmberget and the opening of new mines in the Svappavaara field also entail high costs for urban transformation in all locations. This places high demands on the Group's ability to generate sufficient operating result and cash flows in future years.

ACCOUNTING PRINCIPLES

This 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.

The same accounting principles and calculation methods that were used in the most recent annual report were applied. All amounts in this interim report are stated in MSEK unless otherwise stated. Rounding differences may occur. This report was subject to review by the auditor.

Luleå, 25 October 2012
Luossavaara-Kiirunavaara AB (publ)

Lars-Eric Aaro
President and CEO

FINANCIAL INFORMATION	DATE
Interim report Q4	2013-02-14
Annual report	2012-03-29
Annual General Meeting	2013-04-23
Interim report Q1 2013	2013-04-23

Reports are available at www.lkab.com.
Questions concerning this report may be directed to
Lars-Eric Aaro, President and CEO, +46 920-381 06, or
Leif Boström, Senior Vice President, Finance, +46 920-381 62.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of
Luossavaara-Kiirunavaara AB
Corp. ID no. 556001-5835

INTRODUCTION

We have reviewed the interim financial information (interim report) of Luossavaara-Kiirunavaara AB (publ) as of 30 September 2012 and for the nine-month period then ended. The Board and the CEO are responsible for the preparation and fair presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements (ISRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in ac-cordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not provide the same level of assurance as a conclusion expressed based on an audit.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim report, in all material respects, was not prepared in accordance with IAS 34 and the Annual Accounts Act for the Group and the Annual Accounts Act for the Parent Company.

Luleå, 25 October 2012
Deloitte AB

Peter Ekberg
Authorised public accountant

CONDENSED INCOME STATEMENT

(MSEK)	Q3 2012	Q3 2011	Q 1–3 2012	Q 1–3 2011	Full year 2011
Net sales	6,693	8,239	20,593	22,447	31,122
Cost of goods sold	-3,124	-3,240	-9,931	-9,989	-15,190
Gross profit	**3,569**	**4,999**	**10,662**	**12,458**	**15,932**
Other operating income and expenses*	-252	-270	-930	-893	-1,227
Operating profit	**3,317**	**4,729**	**9,732**	**11,565**	**14,705**
Profit/loss from financial income and expenses	55	-147	338	-32	96
Profit before tax	**3,372**	**4,582**	**10,070**	**11,533**	**14,801**
Tax	-897	-1,174	-2,652	-3,013	-3,841
Profit for the period	**2,475**	**3,408**	**7,419**	**8,520**	**10,960**
Profit for the period attributable to Parent Company shareholder	2,475	3,408	7,419	8,520	10,960
Earnings per share before and after dilution (SEK)	3,536	4,868	10,598	12,172	15,657

STATEMENT OF COMPREHENSIVE INCOME, CONDENSED

(MSEK)	Q3 2012	Q3 2011	Q 1-3 2012	Q 1-3 2011	Full year 2011
Profit for the period	**2,475**	**3,408**	**7,419**	**8,520**	**10,960**
Exchange differences on translation of foreign entities for the period	-50	21	-42	18	-10
Change in fair value of available for sale financial assets for the period	-82	-531	-172	-759	-646
Change in fair value of cash flow hedges for the period	294	-386	372	-472	-283
Actuarial gains and losses	-104		-207		-172
Tax attributable to components of cash flow hedges and actuarial gains and losses	-50	101	-43	124	94
Other comprehensive income	**8**	**-795**	**-93**	**-1,089**	**-1,017**
Comprehensive income for the period attributable to Parent Company shareholder	**2,483**	**2,613**	**7,326**	**7,431**	**9,943**

SALES BY DIVISION

(MSEK)	Q3 2012	Q3 2011	Q 1-3 2012	Q 1-3 2011	Full year 2011
Mining Division	6,233	7,516	19,243	20,469	28,335
of which intra-group revenue	59	68	202	212	310
Minerals Division	445	701	1,308	1,875	2,628
of which intra-group revenue	0	2	2	2	5
Special Businesses Division	579	598	1,852	1,783	2,523
of which intra-group revenue	506	506	1,605	1,466	2,049
Eliminations	-565	-576	-1,809	-1,680	-2,364
Total net sales	**6,693**	**8,239**	**20,593**	**22,447**	**31,122**

OPERATING PROFIT BY DIVISION

(MSEK)	Q3 2012	Q3 2011	Q 1-3 2012	Q 1-3 2011	Full year 2011
Mining Division	3,170	4,481	9,347	10,909	13,624
Minerals Division	32	115	104	338	603
Special Businesses Division	107	99	197	252	405
Group adjustments	8	34	85	66	73
Operating profit	**3,317**	**4,729**	**9,732**	**11,565**	**14,705**
Profit before tax	3,372	4,582	10,070	11,533	14,801

**Other operating income and expenses also includes selling, administrative, and research and development expenses.*

CONDENSED STATEMENT OF FINANCIAL POSITION

(MSEK)	30 Sep 2012	30 Sep 2011	31 Dec 2011
ASSETS			
Non-current assets			
Intangible assets	262	320	270
Property, plant and equipment	28,888	25,375	26,285
Financial assets	974	1,034	1,124
Total non-current assets	**30,124**	**26,729**	**27,679**
Current assets			
Inventories	3,087	2,313	2,449
Current receivables	4,401	3,888	5,401
Short-term investments	11,083	6,516	9,506
Cash and cash equivalents	6,106	8,518	8,695
Total current assets	**24,676**	**21,235**	**26,051**
TOTAL ASSETS	**54,800**	**47,964**	**53,730**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity attributable to Parent Company shareholder	40,218	35,850	37,893
Total shareholders' equity	**40,218**	**35,850**	**37,893**
Non-current liabilities			
Provisions for pensions and similar commitments	2,990	1,910	2,775
Provisions for urban transformation	3,856	3,416	4,664
Other provisions	140	152	161
Deferred tax liabilities	3,819	3,275	3,775
Total non-current liabilities	**10,806**	**8,753**	**11,375**
Current liabilities			
Trade payables	1,451	1,412	1,982
Other liabilities	1,306	1,363	2,041
Provision for urban transformation	1,020	586	439
Total current liabilities	**3,777**	**3,361**	**4,462**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**54,800**	**47,964**	**53,730**

STATEMENT OF CHANGES IN GROUP EQUITY

	Shareholders' equity attributable to Parent Company shareholders					
		Reserves				
MSEK	Share capital	Translation reserve	Fair value reserve	Hedge reserve	Retained profits including net profit for the year	Total equity
Opening equity 1 Jan 2011	700	-93	1,313	160	30,871	32,951
Profit for the year					10,960	10,960
Other comprehensive income for the period		-10	-647	-208	-153	-1,018
Comprehensive income for the period		-10	-647	-208	10,807	9,942
Dividend					-5,000	-5,000
Closing equity 31 Dec 2011	**700**	**-103**	**666**	**-48**	**36,678**	**37,893**

	Shareholders' equity attributable to Parent Company shareholders					
		Reserves				
MSEK	Share capital	Translation reserve	Fair value reserve	Hedge reserve	Retained profits including net profit for the year	Total equity
Opening equity 1 Jan 2012	700	-103	666	-48	36,678	37,893
Profit for the period					7,419	7,419
Other comprehensive income for the period		-42	-172	273	-153	-94
Comprehensive income for the period		-42	-172	273	7,266	7,325
Dividend					-5,000	-5,000
Closing equity 30 Sep 2012	**700**	**-145**	**494**	**225**	**38,944**	**40,218**

CONDENSED CASH FLOW STATEMENT

(MSEK)	Q3 2012	Q3 2011	Q 1–3 2012	Q 1–3 2011	Full year 2011
Operating activities					
Profit before tax	3,372	4,582	10,070	11,533	14,802
Adjustments for non-cash items	432	325	1,244	1,070	2,886
Income tax paid	-830	-961	-2,795	-3,786	-4,032
Operating cash flow before working capital changes	2,975	3,946	8,520	8,817	13,656
Cash flow from changes in working capital	-1,441	-228	-473	313	92
Operating cash flow	**1,534**	**3,718**	**8,047**	**9,130**	**13,748**
Investments in property, plant and equipment	-1,313	-1,232	-4,059	-3,659	-5,126
Other operating investments					17
Short-term investments (net)	1,920	960	-1,577	1	-2,990
Cash flow after investing activities	2,141	3,446	2,411	5,472	5,649
Cash flow from financing activities – dividend paid			-5,000	-5,000	-5,000
Cash flow for the period	**2,141**	**3,446**	**-2,589**	**472**	**649**
Cash and cash equivalents at start of period	3,965	5,072	8,695	8,046	8,046
Cash and cash equivalents at end of period	6,106	8,518	6,106	8,518	8,695
Change in cash and cash equivalents	**2,141**	**3,446**	**-2,589**	**472**	**649**
Subcomponents of cash and cash equivalents					
Cash and bank balances			1,169	828	1,056
Short-term investments (maturity <90 days)			4,937	7,690	7,639
Cash and cash equivalents			**6,106**	**8,518**	**8,695**
LIQUIDITY					
Cash and cash equivalents			6,106	8,518	8,695
Short-term investments (maturity >90 days <1 year)			11,083	6,516	9,506
			17,189	**15,034**	**18,201**

OPERATING CASH FLOW

(MSEK)	Q3 2012	Q3 2011	Q 1–3 2012	Q 1–3 2011	Full year 2011
Operating cash flow	1,534	3,718	8,047	9,130	13,748
Investments in property, plant and equipment	-1,313	-1,232	-4,059	-3,659	-5,126
Other operating investments					17
Operating cash flow (excluding short-term investments)	**221**	**2,486**	**3,988**	**5,471**	**8,639**
Short-term investments (net)	1,920	960	-1,577	1	-2,990
Cash flow after investing activities	2,141	3,446	2,411	5,472	5,649
Cash flow from financing activities – dividend paid			-5,000	-5,000	-5,000
Cash flow for the period	**2,141**	**3,446**	**-2,589**	**472**	**649**

PERSONNEL

	Q 1–3 2012	Q 1–3 2011	Full year 2011
Average number of employees	4,374	4,185	4,191
- of which women	799	711	702
- of which men	3,575	3,474	3,489

KEY RATIOS IN PER CENT

	Q 1–3 2012	Q 1–3 2011	Full year 2011
Gross profit margin	51.8	55.5	51.2
Profit margin	48.9	51.4	47.6
Return on equity	25.9	27.3	30.9
Equity/assets ratio at end of period	73.4	74.7	70.5

LKAB – PARENT COMPANY

CONDENSED INCOME STATEMENT

(MSEK)	Q3 2012	Q3 2011	Q 1–3 2012	Q 1–3 2011	Full year 2011
Net sales	6,217	7,498	19,188	20,430	28,282
Cost of goods sold	-2,892	-2,795	-9,118	-8,882	-13,579
Gross profit	**3,325**	**4,703**	**10,070**	**11,548**	**14,703**
Other operating income and expenses*	-177	-199	-677	-686	-1,124
Operating profit	**3,148**	**4,504**	**9,393**	**10,862**	**13,579**
Profit/loss from financial income and expenses	54	-15	905	411	447
Profit before appropriations and tax	3,202	4,489	10,298	11,273	14,026
Appropriations	0	0	0	0	-2,373
Tax	-824	-1,166	-2,666	-2,963	-3,046
Profit for the period	**2,378**	**3,323**	**7,632**	**8,310**	**8,607**

STATEMENT OF COMPREHENSIVE INCOME

(MSEK)	Q3 2012	Q3 2011	Q 1–3 2012	Q 1–3 2011	Full year 2011
Other comprehensive income for the period	2,378	3,323	7,632	8,310	8,607
Comprehensive income for the period	2,378	3,323	7,632	8,310	8,607

CONDENSED BALANCE SHEET

(MSEK)	30 Sep 2012	30 Sep 2011	31 Dec 2011
ASSETS			
Non-current assets			
Intangible assets	55	115	58
Property, plant and equipment	23,479	20,448	21,165
Financial assets in Group companies	2,573	2,241	2,707
Other financial assets	599	627	586
Total non-current assets	**26,705**	**23,431**	**24,516**
Current assets			
Inventories	2,502	1,747	1,879
Current receivables from Group companies	1,808	1,941	1,570
Other current receivables	3,567	4,107	4,914
Short-term investments	15,941	14,087	17,073
Cash and bank balances	1,007	652	830
Total current assets	**24,824**	**22,534**	**26,266**
TOTAL ASSETS	**51,529**	**45,965**	**50,782**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	27,418	24,489	24,786
Untaxed reserves	14,509	12,135	14,509
Provisions for urban transformation	4,876	4,002	5,103
Other provisions	1,598	1,665	1,777
Current liabilities			
Trade payables	1,032	893	1,398
Liabilities to Group companies	1,120	1,327	1,906
Other liabilities	977	1 454	1 303
Total current liabilities	**3,128**	**3,674**	**4,607**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**51,529**	**45,965**	**50,782**

(MSEK)	Q 1–3 2012	Q 1–3 2011	Full year 2011
Assets pledged	240	248	240
Contingent liabilities	146	319	176

**Other operating income and expenses also includes selling, administrative, and research and development expenses.*

KEY RATIOS IN PER CENT

	Q 1–3 2012	Q 1–3 2011	Full year 2011
Gross profit margin	52.5	56.5	52.0
Profit margin	53.7	55.2	49.6
Return on equity	22.2	29.6	26.2
Equity/assets ratio at end of period	74.0	72.7	69.9

Definitions

Gross profit 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 shareholders' equity (rolling 12-month figures)

Equity/assets ratio: Shareholders' equity as a percentage of total assets

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