2013

INTERIM REPORT Q3

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.

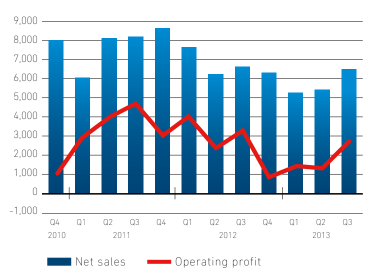
JULY – SEPTEMBER

- DELIVERIES OF IRON ORE TOTALLED 6.8 (6.5) MT.
- NET SALES DECREASED BY 2 PERCENT TO MSEK 6,526 (6,693).
- OPERATING PROFIT AMOUNTED TO MSEK 2,754 (3,317).
- PROFIT BEFORE TAX TOTALLED MSEK 2,824 (3,369).
- PROFIT FOR THE PERIOD AMOUNTED TO MSEK 2,208 (2,473).
- OPERATING CASH FLOW WAS MSEK 844 (221).

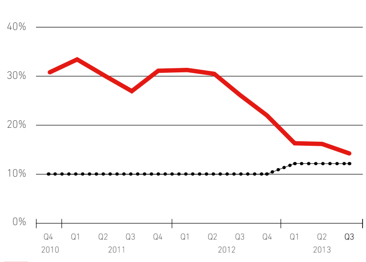
JANUARY – SEPTEMBER

- DELIVERIES OF IRON ORE TOTALLED 18.9 (18.8) MT.
- NET SALES DECREASED BY 16 PERCENT TO MSEK 17,309 (20,593).
- OPERATING PROFIT AMOUNTED TO MSEK 5,651 (9,732).
- PROFIT BEFORE TAX TOTALLED MSEK 5,782 (10,062).
- PROFIT FOR THE PERIOD AMOUNTED TO MSEK 4,502 (7,413).
- OPERATING CASH FLOW TOTALLED MSEK 1,098 (3,988).

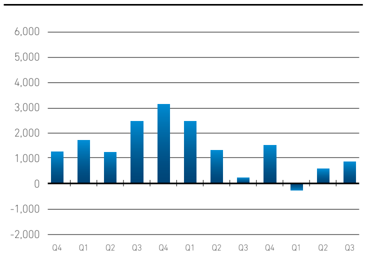
NET SALES AND OPERATING PROFIT MSEK



RETURN ON SHAREHOLDERS' EQUITY



OPERATING CASH FLOW MSEK



COMMENTS BY THE PRESIDENT AND CEO

Global production of crude steel increased during the quarter by 4.8 percent compared with the same period last year. The World Steel Association's forecast for steel production in 2013 specifies an increase of 3.1%.

The global demand for iron ore remains stable. During the third quarter the spot price (Platts IODEX 62% Fe CFR North China) for iron ore traded with lower volatility despite volume growth in the market. LKAB's average price for the third quarter was higher than in the second quarter but lower compared to the same period last year.

Demand for LKAB's products remained high during the quarter. Deliveries of iron ore products totalled 6.8 (6.5) Mt, an increase of 5 percent.

Production for the quarter was 6.7 (6.7) Mt. Availability increased during the quarter when compared to the first two quarters of 2013. Maintenance measures in accordance with the action programme that was adopted to increase availability were initiated during the quarter.

Net sales totalled MSEK 6,526 (6,693) and operating profit amounted to MSEK 2,754 (3,317). The slight drop in sales was mainly due to lower prices and a lower average dollar exchange rate. The drop was offset to some extent by slightly higher delivery volumes. The gross profit margin for the third quarter was 47 (53) percent, down six percentage points as a result of lower prices and higher costs, mainly for production disruptions and increased depreciation due to initiation of capital expenditures.

Operating cash flow was MSEK 844 (221). Cash flow for the period was better compared with the same period last year, mainly due to less working capital.

Capital expenditures on property, plant and equipment amounted to MSEK 1,405 (1,313).

The planned growth project at LKAB (LKAB 37), which entails a production increase to 37 Mt annually, is subject to investments being made in the three new open-pit mines: Mertainen, Gruvberget and Leveäniemi. On 3 July, the Land and Environment Court issued a separate judgement on the execution authorization for Mertainen, which meant that the company could undertake preparatory work. On 8 August, the Land and Environment Court of Appeal ruled to inhibit the execution authorization for Mertainen, which meant that LKAB immediately halted the ongoing preparatory work. The planned production increase in the Mertainen open-pit mine is now delayed so that the full effect of LKAB's growth program has shifted. LKAB 37 is crucial to LKAB's efforts to enhance its competitiveness. Higher production volumes mean a lower cost per tonne and that LKAB can maintain market share in a growing iron ore market.

Lars-Eric Aaro
President and CEO

THE LKAB GROUP IN SUMMARY

THE GROUP IN SUMMARY

(MSEK)	Q3 2013	Q3 2012	Q1-Q3 2013	Q1-Q3 2012	Full year 2012
Net sales	*6,526*	*6,693*	*17,309*	*20,593*	*26,971*
Operating profit	*2,754*	*3,317*	*5,651*	*9,732*	*10,595*
Income from financial items	*70*	*53*	*132*	*330*	*417*
Profit before tax	*2,824*	*3,369*	*5,782*	*10,062*	*11,012*
Profit for the period	*2,208*	*2,473*	*4,502*	*7,413*	*8,781*
Operating cash flow	*844*	*221*	*1,098*	*3,988*	*5,471*
Capital expenditures in property, plant and equipment	*1,405*	*1,313*	*4,419*	*4,059*	*5,808*

EVENTS DURING THE THIRD QUARTER

Deliveries for the period totalled 6.8 (6.5) Mt, of which 5.5 (5.4) Mt were pellets. The proportion of pellets in the third quarter of 2013 was 81 (84) percent. Production of iron ore products in the Mining Division totalled 6.7 (6.7) Mt. Stocks of iron ore products amounted to 1.0 (2.2) Mt at the end of September.

Net sales decreased by 2 percent to MSEK 6,526 (6,693). The decrease is broken down into these factors: volume/mix +5 percent, price –4 percent and currency effect –3 percent. Without any hedging in USD, the currency effect would have been –5 percent.

The gross profit margin for the third quarter was 47 (53) percent, down six percentage points as a result of lower prices and higher costs, mainly for production disruptions and increased depreciation due to initiation of capital expenditures. Operating profit decreased 17 percent to MSEK 2,754 (3,317). The quarterly operating profit was encumbered by a provision of MSEK 132 (43) for urban transformation costs incurred due to the effects of mining on the communities involved.

Income from financial items was MSEK 70 (53). Exchange losses totalled MSEK –64 (–93). Net interest income was MSEK 3 (0). The year's net interest income includes interest on debts for urban transformation in the amount of MSEK –23 (–). Return on market portfolios and interest-bearing investments totalled MSEK 136 (166). Net pension expense amounted to MSEK –5 (–22). Dividends received from quoted shares amounted to MSEK 0 (2).

Operating cash flow was MSEK 844 (221). Cash flow for the period was better compared with the same period last year, mainly due to less working capital. Capital expenditures for the Group on property, plant and equipment amounted to MSEK 1,405 (1,313).

EVENTS DURING JANUARY–SEPTEMBER

Deliveries for the period totalled 18.9 (18.8) Mt, of which 15.9 (15.8) Mt were pellets. The proportion of pellets for the period was 84 (84) percent. Production of iron ore products in the Mining Division totalled 18.5 (19.4) Mt.

Net sales decreased 16 percent to MSEK 17,309 (20,593). The decrease is broken down into these factors: price –15 percent, currency effect –2 percent and volume/mix +1 percent. Without any hedging in USD, the currency effect would have been –4 percent.

Operating profit decreased to MSEK 5,651 (9,732). The gross profit margin for the period was 38 (52) percent mostly as a result of price declines. The period's operating profit was encumbered by a provision of MSEK 396 (43) for urban transformation costs incurred due to the effects of mining on the communities involved.

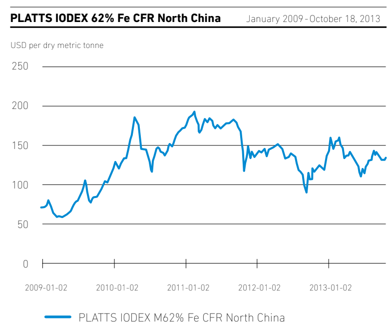
Earnings from financial items totalled MSEK 132 (330). Exchange losses totalled MSEK –157 (–90). Net interest income was MSEK 1 (22). Return on market portfolios and interest-bearing investments totalled MSEK 294 (413). Net pension expense amounted to MSEK –49 (–68). Dividends amounted to MSEK 43 (53).

Operating cash flow for the period was MSEK 1,098 (3,988). Cash flow was lower compared with the same period last year mainly due to lower earnings during the period.

MARKET AND SALES

THE STEEL AND IRON ORE MARKET

Global price trend for iron ore 2009-2013



Global steel and iron ore industry

Global production of crude steel increased during the quarter by 4.8 percent compared with the same period last year. The World Steel Association's forecast for steel production in 2013 specifies an increase of 3.1 percent.

During the third quarter the spot price (Platts IODEX 62% Fe CFR North China) was relatively stable despite new volumes of iron ore reaching the spot market from Australian iron ore producers.

China

Stock levels in China have declined and continue to be at low levels, ensuring sustained stable imports. The financial situation of the Chinese steelworks is better this year than in previous years. China is now moving towards a period of seasonally lower demand for steel in the construction sector. Crude steel production increased during the quarter by 10 percent in China, compared year-on-year, while imports of iron ore increased by 17 percent during the same period.

USA

Crude steel production in the US increased during the quarter by 1.8 percent compared with the same period last year.

EU

After weak demand in the first half of 2013, demand for steel has stabilized in recent months, affecting prices, which have rebounded slightly since July. For the European steel industry, the World Steel Association predicts that consumption of steel will rebound over the next year after an unusually weak year. Steel stocks in Europe have fallen to a new "normal" lower level. Demand for high-quality iron ore products remains high. The construction industry is still weak and shows no or few signs of growth, while the automotive industry, particularly in Germany, shows improved sales.

Crude steel production within the EU27 decreased during the quarter by 1.2 percent compared with the same period last year.

The Middle East and North Africa (MENA)

MENA has been influenced partially by political unrest in Egypt and Syria. Demand for DR pellets remains strong, driven by large infrastructure projects. Crude steel production within ME (Middle East exclusive North Africa) increased during the quarter by 16.7 percent compared with the same period last year.

THE INDUSTRIAL MINERALS MARKET

LKAB Minerals has had a lower than anticipated sales in the first three quarters as Europe continues to muddle through what seems to be an enduring level of fairly low activity in the construction market. While issues with funding often seems to push projects forward we have not seen a general trend of projects being cancelled altogether.

The offshore market for minerals continues to provide many interesting opportunities. The offshore market for minerals continues to provide many interesting opportunities.

MINING DIVISION

IRON ORE PRODUCTION AND DELIVERIES

Deliveries for the period totalled 6.8 (6.5) Mt, of which 5.5 (5.4) Mt were pellets. Production of iron ore products in the Mining Division amounted to 6.7 (6.7) Mt in the third quarter. Stocks amounted to 1.0 (2.2) Mt at the end of September.

Deliveries for the period totalled 18.9 (18.8) Mt for January–September, of which 15.9 (15.8) Mt were pellets. Production of iron ore products in the Mining Division totalled 18.5 (19.4) Mt for the period.

SALES AND EARNINGS

Net sales decreased to MSEK 6,068 (6,233) in third quarter and operating profit amounted to MSEK 2,554 (3,170). The somewhat lower sales were mainly due to lower prices and a lower average dollar exchange rate. The drop was offset by somewhat higher delivery volumes. The gross profit margin in the third quarter amounted to 45 (54) percent, resulting in lower earnings compared to the same period last year. Maintenance measures in accordance with the action programme that was adopted to increase availability were initiated during the quarter. Quarterly operating profit was encumbered by a provision of MSEK 132 (43) for costs incurred due to the effects of mining on the communities involved.

Net sales for January–September were MSEK 15,986 (19,243). Operating profit amounted to MSEK 5,138 (9,347). The gross profit margin for the period was 36 (52) percent mostly as a result of price declines. The quarter's operating profit was encumbered by a provision of MSEK 396 (34) for urban transformation costs incurred due to the effects of mining on the communities involved.

MINERALS DIVISION

SALES AND EARNINGS

Net sales totalled MSEK 465 (445) for the third quarter of 2013. Operating profit fell slightly to MSEK 30 (32).

Cumulative net sales in September 2013 totalled MSEK 1,285 (1,308) and operating profit totalled MSEK 65 (104). The decrease in operating profit was mainly due to a lower gross profit margin and thereby less activity in the construction industry in Europe.

SPECIAL BUSINESSES

SALES AND EARNINGS

Net sales decreased in the third quarter by 21 percent to MSEK 456 (579). Operating profit totalled MSEK 86 (107).

Net sales for January–September totalled MSEK 1,471 (1,852) and operating profit totalled MSEK 219 (197).

THE GROUP'S CAPITAL EXPENDITURES

Capital expenditures on property, plant and equipment in the third quarter amounted to MSEK 1,405 (1,313). Current investments of MSEK 2,279 (1,920) affected investing activities (net).

Capital expenditures on property, plant and equipment for January–September amounted to MSEK 4,419 (4,059).

THE GROUP'S LIQUIDITY

Operating cash flow was MSEK 844 (221). Cash flow for the period was affected positively, mainly due to less working capital during the quarter compared to the same period last year. Capital expenditures amounted to MSEK 1,405 (1,313).

Cash and cash equivalents and current investments amounted to MSEK 14,125 (17,189).

Operating cash flow for January–September was MSEK 1,098 (3,988). Cash flow was lower compared with the same period last year mainly due to lower earnings during the period.

Capital expenditures amounted to MSEK 4,419 (4,059).

PARENT COMPANY

Parent Company net sales for the third quarter totalled MSEK 6,051 (6,217), of which MSEK 70 (58) was invoiced to subsidiaries. Profit before tax totalled MSEK 2,659 (3,202). Quarterly operating profit was encumbered by a provision of MSEK 132 (43) for costs incurred due to the effects of mining on the communities involved.

Expenditures on property, plant and equipment amounted to MSEK 1,300 (1,248). Cash and cash equivalents and current investments amounted to MSEK 13,796 (16,948) at the end of the quarter.

Parent Company net sales for January–September amounted to MSEK 15,938 (19,188), of which MSEK 146 (201) was invoiced to subsidiaries. Profit before tax totalled MSEK 5,525 (10,298). Operating profit for the period was encumbered by a provision of MSEK 396 (43) for costs incurred due to the effects of mining on the communities involved. Expenditures on property, plant and equipment for the period amounted to MSEK 4,098 (3,766).

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 minimizing 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.

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 2012 Annual Report.

FUTURE DEVELOPMENT

The iron ore market is growing and the demand for direct reduction pellets for gas-based iron and steel production is particularly expected to increase in coming years. In order to continue as a preferred supplier to its customers, LKAB needs to deliver greater volumes.

LKAB's strategic plan for the coming years includes a planned increase in volume of more than 35 percent to an annual capacity of 37 Mt of iron ore products by 2015. The planned production increase in the Mertainen 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 increases LKAB's competitiveness through higher volumes, resulting in a lower cost per tonne. Growth requires increased availability of iron ore to process into high-quality, climate-smart iron ore products – mainly pellets.

In December 2012, production resumed in the Gruvberget pit, which is estimated to provide an extra two million tonnes of ore in 2013. In June 2012, 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. On 3 July, the Land and Environment Court issued an execution authorization for Mertainen, which meant that the company had permission to undertake preparatory work. On 8 August, the Land and Environment Court of Appeal ruled to inhibit the execution authorization for Mertainen, which meant that LKAB immediately halted the ongoing preparatory work. The planned production increase in the Mertainen open-pit mine is now delayed so that the full effect of LKAB's growth program has shifted. LKAB 37 is crucial to LKAB's efforts to enhance its competitiveness. Higher production volumes mean a lower cost per tonne and that LKAB can maintain market share in a growing iron ore market.

Exploration for additional iron ore deposits is proceeding in the mines and in the vicinities of existing operations. The exploration organization is being expanded and total exploration costs are estimated at MSEK 80 in 2013 compared with MSEK 40 in 2012..

The growth strategy calls for a rail haulage capacity on the Iron Ore Line, 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 Iron Ore Line. This is necessary, especially since other actors operate on and plan to operate on the railway. On 15 April, the Norwegian government presented its new national transport plan for 2013–2023. Of the NOK 8.3 billion to be spent on rail freight over the period, NOK 1.6 billion is earmarked for the Ofotbanen Line. These measures should make for adequate rail capacity in the short term.

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.

Continued initiatives are required in order to guarantee research and development if LKAB is to maintain its technological leadership in iron ore pellets. LKAB is investigating possibilities for establishing a new research facility for direct reduction, which is the fastest growing and climate-efficient iron production method.

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 dealing with impacts on communities in all locations. LKAB must therefore remain financially strong and maintain a good earning capacity in order to meet future obligations imposed by the structural transformation.

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 the applicable provisions of 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 stated in MSEK unless otherwise stated. Rounding differences may occur.

The accounting principles applied in this interim report conform with the accounting principles applied in the preparation of the 2012 Annual Report except for the amendments and new standards as described in Note 1 of this report.

Luleå, 25 October 2013
Luossavaara-Kiirunavaara AB (publ)

Lars-Eric Aaro
President and CEO

FINANCIAL INFORMATION	**DATE**
Year-end report 2013	14 February 2014
Annual report	28 March 2014
Annual General Meeting	29 April 2014
Interim report Q1 2014	29 April 2014

Reports are available at www.lkab.com.
Questions concerning this interim report may be directed to
Lars-Eric Aaro, President and CEO, +46 70-3738106, or Leif Boström, CFO, +46 70 3738162,
after its publication at www.lkab.com on Friday, 25 October at 2:00 pm.

REVIEW REPORT

INTRODUCTION

We have reviewed the interim report for Luossavaara-Kiirunavaara AB (publ) for the period January 1 - September 30, 2013. The Board of Directors and the President are responsible for the preparation and 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 Standard on Review Engagements (SÖG) 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 has a different focus and is substantially less in scope than an audit conducted in accordance with ISA and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give 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 interim report is not, in all material respects, prepared for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm, October 25, 2013
Deloitte AB

Peter Ekberg
Authorized Public Accountant

CONSOLIDATED INCOME STATEMENT

(MSEK)	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	Full year 2012
Net sales	6,526	6,693	17,309	20,593	26,971
Cost of goods sold	-3,485	-3,145	-10,803	-9,994	-15,177
Gross profit	**3,041**	**3,548**	**6,505**	**10,599**	**11,794**
Selling expenses	-37	-39	-105	-191	-249
Administrative expenses	-134	-118	-440	-420	-608
Research and development expenses	-74	-68	-228	-223	-283
Other operating income	77	128	316	414	539
Other operating expenses	-120	-134	-398	-447	-598
Operating profit	**2,754**	**3,317**	**5,651**	**9,732**	**10,595**
Financial income	185	199	467	578	733
Financial expenses	-115	-147	-335	-248	-316
Profit from financial items	**70**	**53**	**132**	**330**	**417**
Profit before tax	**2,824**	**3,369**	**5,782**	**10,062**	**11,012**
Tax	-616	-896	-1,281	-2,650	-2,231
Profit for the period	**2,208**	**2,473**	**4,502**	**7,413**	**8,781**
Attributable to Parent Company shareholders	2,208	2,473	4,502	7,413	8,781
Earnings per share before and after dilution (SEK)	3,154	3,533	6,431	10,590	12,544

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MSEK)	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	Full year 2012
Profit for the period	**2,208**	**2,473**	**4,502**	**7,413**	**8,781**
Other comprehensive income for the period					
Items not to be reversed to net profit for the period					
Actuarial gains and losses	-	-100	-13	-200	-203
Tax attributable to components of actuarial gains and losses	-	26	3	53	44
Total items not to be reversed to net profit for the period	**-**	**-74**	**-10**	**-147**	**-159**
Items to be reversed to net profit for the period					
Exchange rate differences on translation of foreign entities for the period	-30	-50	-78	-42	-18
Change in fair value of available-for-sale financial assets for the period	24	-82	-180	-172	-50
Change in fair value of cash flow hedges for the period	287	290	104	304	226
Change in fair value of cash flow hedges transferred to profit for the period	-28	3	-198	68	65
Tax attributable to components of cash flow hedges	-57	-77	21	-98	-67
Total items reversed to profit for the period	**196**	**84**	**-331**	**60**	**156**
Other comprehensive income	**196**	**10**	**-341**	**-87**	**-3**
Comprehensive income for the period attributable to Parent Company shareholders	**2,404**	**2,483**	**4,161**	**7,326**	**8,778**

SALES BY DIVISION

(MSEK)	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	Full year 2012
Mining Division	6,068	6,233	15,986	19,243	25,144
of which intra-group revenue	*69*	*59*	*146*	*202*	*235*
Minerals Division	465	445	1,285	1,308	1,762
of which intra-group revenue	*0*	*0*	*1*	*2*	*2*
Special Businesses Division	456	579	1,471	1,852	2,350
of which intra-group revenue	*395*	*506*	*1,286*	*1,605*	*2,049*
Eliminations	-464	-565	-1,433	-1,809	-2,286
Total revenue	**6,526**	**6,693**	**17,309**	**20,593**	**26,971**

OPERATING PROFIT BY DIVISION

(MSEK)	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	Full year 2012
Mining Division	2,554	3,170	5,138	9,347	10,127
Minerals Division	30	32	65	104	132
Special Businesses Division	86	107	219	197	230
Consolidation adjustments	84	8	227	85	106
Operating profit	**2,754**	**3,317**	**5,651**	**9,732**	**10,595**
Profit before tax	**2,824**	**3,369**	**5,782**	**10,062**	**11,012**

STATEMENT OF FINANCIAL POSITION

(MSEK)	30 Sept 2013	30 Sept 2012	31 Dec 2012
ASSETS			
Non-current assets			
Intangible assets	230	262	277
Property, plant, and equipment	32,653	28,888	30,173
Participations in associated companies	0	0	0
Financial investments	935	877	993
Non-current receivables	140	97	106
Total non-current assets	**33,957**	**30,124**	**31,549**
Current assets			
Inventories	2,447	3,087	2,515
Accounts receivable	3,211	3,132	3,060
Prepaid expenses and accrued income	139	175	93
Other current receivables	1,935	1,093	1,732
Current investments	10,956	11,083	13,235
Cash and cash equivalents	3,169	6,106	5,437
Total current assets	**21,859**	**24,676**	**26,072**
TOTAL ASSETS	**55,816**	**54,800**	**57,621**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Share capital	700	700	700
Reserves	339	574	671
Retained earnings	39,292	38,944	40,300
Equity attributable to Parent Company shareholders	**40,331**	**40,218**	**41,671**
Total shareholders' equity	**40,331**	**40,218**	**41,671**
Non-current liabilities			
Provisions for pensions and similar commitments	2,853	2,990	2,970
Provisions for urban transformation	4,844	3,856	4,934
Other provisions	160	140	160
Deferred tax liability	3,428	3,819	3,516
Total non-current liabilities	**11,285**	**10,806**	**11,580**
Current liabilities			
Accounts payable	1,614	1,451	1,760
Other current liabilities	233	157	192
Accrued expenses and deferred income	1,029	1,095	1,418
Provisions for urban transformation	1,294	1,020	943
Other provisions	30	54	57
Total current liabilities	**4,200**	**3,777**	**4,370**
Total liabilities	**15,485**	**14,583**	**15,950**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**55,816**	**54,800**	**57,621**

STATEMENT OF CHANGES IN GROUP EQUITY

	Equity attributable to Parent Company shareholders					
		Reserves				
MSEK	**Share capital**	**Translation reserve**	**Fair value reserve**	**Hedge reserve**	**Profit brought forward incl. profit for the year**	**Total equity**
Opening equity 1 January 2012	700	-103	666	-48	36,678	37,893
Profit for the period					8,781	8,781
Other comprehensive income for the period		-18	-50	224	-159	-3
Comprehensive income for the period		-18	-50	224	8,622	8,778
Dividend					-5,000	-5,000
Closing equity 31 December 2012	**700**	**-121**	**616**	**176**	**40,300**	**41,671**

	Equity attributable to Parent Company shareholders					
		Reserves				
MSEK	**Share capital**	**Translation reserve**	**Fair value reserve**	**Hedge reserve**	**Profit brought forward incl. profit for the year**	**Total equity**
Opening equity 1 Jan 2013	700	-121	616	176	40,300	41,671
Profit for the period					4,502	4,502
Other comprehensive income for the period		-79	-180	-73	-10	-342
Comprehensive income for the period		-79	-180	-73	4,492	4,160
Dividend					-5,500	-5,500
Closing equity 30 Sep 2013	**700**	**-200**	**436**	**103**	**39,292**	**40,331**

CONSOLIDATED STATEMENT OF CASH FLOW (INDIRECT METHOD)

(MSEK)	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	Full year 2012
Operating activities					
Profit before tax	2,824	3,369	5,782	10,062	11,012
Adjustments for items not included in cash flow	783	569	2,235	1,253	2,856
Income tax paid	-479	-830	-1,826	-2,795	-3,169
Cash flow from operating activities before changes in working capital	**3,127**	**3,108**	**6,192**	**8,520**	**10,699**
Disbursements for urban transformation	-79	-132	-201	-265	-407
Cash flow from changes in working capital					
Increase (–)/Decrease (+) in inventories	-180	-280	68	-638	-66
Increase (–)/Decrease (+) in operating receivables	-321	-973	-61	1,474	1,412
Increase (+)/Decrease (–) in operating liabilities	-301	-189	-504	-1,044	-366
Change in working capital	**-802**	**-1,442**	**-487**	**-208**	**980**
Cash flow from operating activities	**2,246**	**1,534**	**5,504**	**8,047**	**11,272**
Investing activities					
Acquisition of property, plant, and equipment	-1,405	-1,313	-4,419	-4,059	-5,808
Disposal of property, plant and equipment	3		13		6
Acquisition/divestment of financial assets	1,020	1,920	2,135 [1]	-1,577	-3,729
Cash flow from investing activities	**-383**	**607**	**-2,271**	**-5,636**	**-9,531**
Financing activities					
Dividend paid to Parent Company shareholders	-	-	-5,500	-5,000	-5,000
Cash flow from financing activities	**-**	**-**	**-5,500**	**-5,000**	**-5,000**
Cash flow for the period	**1,863**	**2,141**	**-2,268**	**-2,589**	**-3,259**
Cash and cash equivalents at start of period	1,306	3,965	5,437	8,695	8,695
Cash and cash equivalents at end of period	3,169	6,106	3,169	6,106	5,437
Change in cash and cash equivalents	**1,863**	**2,141**	**-2,268**	**-2,589**	**-3,259**
Subcomponents of cash and cash equivalents					
Cash and bank balances			1,624	1,169	642
Current investments (maturity <90 days)			1,545	4,937	4,794
Cash and cash equivalents			**3,169**	**6,106**	**5,437**
LIQUIDITY					
Cash and cash equivalents			3,169	6,106	5,437
Current investments					
(90 days < maturity <1 year)			10,956	11,083	13,235
			14,125	17,189	18,672

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

OPERATING CASH FLOW

(MSEK)	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	Full year 2012
Cash flow from operating activities	**2,246**	**1,534**	**5,504**	**8,047**	**11,272**
Acquisition of property, plant, and equipment	-1,405	-1,313	-4,419	-4,059	-5,808
Disposal of property, plant and equipment	3		13		6
Operating cash flow (excluding current investments)	**844**	**221**	**1,098**	**3,988**	**5,471**
Acquisition/divestment of financial assets	1,020	1,920	2,135 [1]	-1,577	-3,729
Cash flow from financing activities	-	-	-5,500	-5,000	-5,000
Cash flow for the period	**1,863**	**2,141**	**-2,268**	**-2,589**	**-3,259**

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

PERSONNEL

	Q1-3 2013	Q 1-3 2012	Full year 2012
Average number of employees	4,428	4,374	4,357
– of which women	848	799	788
– of which men	3,580	3,575	3,569

KEY RATIOS IN PERCENT

	Q1-3 2013	Q 1-3 2012	Full year 2012
Gross profit margin	37.6	51.8	43.7
Profit margin	33.4	48.9	40.9
Return on equity	14.6	25.9	22.1
Equity/assets ratio at end of period	72.3	73.4	72.3

LKAB – PARENT COMPANY

INCOME STATEMENT

(MSEK)	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	Full year 2012
Net sales	6,051	6,217	15,939	19,188	25,054
Cost of goods sold	-3,342	-2,913	-10,302	-9,181	-14,145
Gross profit	**2,709**	**3,304**	**5,637**	**10,007**	**10,909**
Selling expenses	-10	-18	-46	-124	-153
Administrative expenses	-107	-90	-343	-331	-468
Research and development expenses	-68	-65	-214	-212	-271
Other operating income	69	104	261	348	466
Other operating expenses	-56	-88	-214	-295	-395
Operating profit	**2,538**	**3,148**	**5,082**	**9,393**	**10,088**
Income from financial items	**121**	**54**	**443**	**905**	**754**
Profit after financial items	**2,659**	**3,202**	**5,525**	**10,298**	**10,842**
Appropriations	-	-	-	-	-2,358
Profit before tax	**2,659**	**3,202**	**5,525**	**10,298**	**8,485**
Tax	-592	-824	-1,218	-2,666	-2,216
Profit for the period	**2,067**	**2,378**	**4,308**	**7,632**	**6,269**

STATEMENT OF COMPREHENSIVE INCOME

(Mkr)	Q 3 2013	Q 3 2012	Q 1-3 2013	Q 1-3 2012	Full year 2012
Profit for the period	2,067	2,378	4,308	7,632	6,269
Other comprehensive income for the period	-	-	-	-	-
Comprehensive income for the period	**2,067**	**2,378**	**4,308**	**7,632**	**6,269**

BALANCE SHEET

(MSEK)	30 Sept 2013	30 Sept 2012	31 Dec 2012
ASSETS			
Non-current assets			
Intangible assets	18	55	73
Property, plant, and equipment	26,787	23,479	24,675
Financial assets			
Participations in subsidiaries	1,450	1,410	1,410
Participations in associated companies	0	0	0
Receivables from subsidiaries	1,047	1,163	1,142
Other non-current securities holdings	129	129	129
Other non-current receivables	199	181	185
Deferred tax asset	588	288	486
Total financial assets	**3,413**	**3,172**	**3,352**
Total non-current assets	**30,218**	**26,705**	**28,100**
Current assets			
Inventories	1,972	2,502	1,946
Current receivables			
Accounts receivable	3,006	2,950	2,918
Receivables from subsidiaries	1,967	1,808	1,398
Other current receivables	1,551	539	1,352
Prepaid expenses and accrued income	88	79	70
Total current receivables	**6,612**	**5,375**	**5,738**
Current investments	12,361	15,941	17,883
Cash and bank balances	1,435	1,007	457
Total current assets	**22,380**	**24,824**	**26,024**
TOTAL ASSETS	**52,598**	**51,529**	**54,124**

BALANCE SHEET

(MSEK)	30 Sept 2013	30 Sept 2012	31 Dec 2012
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (700,000 shares)	700	700	700
Statutory reserve	697	697	697
Non-restricted equity			
Retained earnings	19,159	18,389	18,390
Profit for the year	4,308	7,632	6,269
Total shareholders' equity	**24,864**	**27,418**	**26,056**
Untaxed reserves	**16,866**	**14,509**	**16,866**
Provisions			
Provisions for urban transformation	4,844	3,856	4,934
Other provisions	1,606	1,598	1,616
Total provisions	**6,449**	**5,454**	**6,550**
Current liabilities			
Accounts payable	1,232	1,032	1,394
Liabilities to subsidiaries	861	1,120	991
Other current liabilities	171	97	99
Accrued expenses and deferred income	862	880	1,225
Provisions for urban transformation	1,294	1,020	943
Total current liabilities	**4,419**	**4,148**	**4,652**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**52,598**	**51,529**	**54,124**
Pledged assets	236	240	236
Contingent liabilities	126	146	126

KEY RATIOS IN PERCENT

	Q 1-3 2013	Q 1-3 2012	Full year 2012
Gross profit margin	35.4	52.2	43.5
Profit margin	34.7	53.7	43.3
Return on equity	7.7	22.2	16.6
Equity/assets ratio at end of period	72.3	74.0	72.4

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

Note 1 Changed accounting principles and new standards

Revised IAS 19: Employee Benefits – Defined-Benefit Pension Plans

The revised IAS 19 (IAS 19R) is applicable as of 1 January 2013. Among other things, IAS 19 states that it is no longer permissible to report actuarial gains and losses according to the so-called corridor method. The revised recommendation also contains guidance concerning how taxes payable on pension benefits must be reported, so the Swedish Financial Reporting Board's UFR 4 Reporting Special Contribution Tax on Pension Expenses and Capital Gains Tax is no longer applied. When reporting capital gains tax, a new declaration from the Swedish Financial Reporting Board UFR 9 Reporting Capital Gains Tax is applied. Because LKAB already reports actuarial gains and losses directly in other comprehensive income, the change to IAS 19R, which removes the so-called corridor method, will have no significant effect on LKAB's financial position and reported pension expenses. Previously, LKAB also reported taxes payable on pension benefits according to a method consistent with IAS 19R. This means that the introduction of IAS 19R will not have any material effect on equity as per 1 January 2012 and 31 December 2012.

According to IAS 19R, actuarial gains and losses are reported as a revaluation of defined-benefit pension plans in other comprehensive income. Revaluations reported in other comprehensive income may not be reversed to the income statement in subsequent periods.

Furthermore, IAS 19R explains that when calculating defined-benefit pension expenses in the income statement, anticipated returns on plan assets no longer constitute an assumption that must be reported in the income statement. Instead, the anticipated return on plan assets and the discount effect are replaced by net interest income which must be calculated using the same discount rate used when calculating the defined-benefit pension obligation. This means that the presentation of pension expenses has changed as a result of the introduction of IAS 19R, which has also affected the reporting of items in other comprehensive income. The comparative figures for 2012 were restated in compliance with the transition rules in IAS 19R. These changes had a negative effect on net financial income/expense of MSEK 11 for the full year 2012 and MSEK 2.8 for Q3 2012. The corresponding amount increased for the periods concerned in other comprehensive income.

Revised IAS 19 also resulted in changed principles for reporting termination benefits. However, this change had no effect on LKAB's financial statements.

IFRS 13 Fair Value Measurement

The new IFRS 13 standard replaces earlier guidance provided in standards concerning fair value measurement. The standard applies to fair value measurement of both financial and non-financial items. Fair value is defined as the price that would have been received for the sale of an asset or the compensation that would be paid for transferring a liability in a normal transaction between market players at the time of valuation (exit price). IFRS 13 was applied prospectively as of 1 January 2013. However, this change had no material effect on LKAB's financial statements.

IFRS 13 requires that several quantitative and qualitative disclosures be presented in the annual report concerning fair value measurement. As a result of the disclosure requirements in IFRS 13, IAS 34 Interim Financial Reporting has also been updated and now requires interim reports published as of 1 January 2013 to contain specific disclosures regarding financial instruments reported at fair value. The change to IAS 34 also requires disclosures to be made in interim reports regarding the fair value of financial instruments reported at accrued cost. Refer to Note 2 for this information in the interim report.

IFRIC 20 Stripping Costs in the Production Phase of a Open-pit Mine

Current mining operations in the LKAB Mining Division are carried out in underground mines. In 2013 mining began in the Gruvberget open-pit mine in Svappavaara, which is currently LKAB's only open-pit mine. In 2012, open-pit mining operations were limited so earnings and financial position for 2012 would not have been reported differently if IFRIC 20 had been applied in 2012. Commencing 1 January 2013, LKAB reports stripping costs as an asset written off on the basis of production.

In compliance with the transition rules in IFRIC 20, stripping costs are recognized according to the above principle and applied to stripping costs that arose after 31 December 2011.

IAS 1 Presentation of Financial Statements – Presentation of Other Comprehensive Income

Changes to IAS 1 Presentation of Financial Statements require additional disclosures in other comprehensive income so that items are grouped into two categories: a) items that will not be transferred to earnings and b) items that will be transferred to earnings if certain criteria are met. The way LKAB applied the changes introduced into IAS 1 is shown in the consolidated statement of comprehensive income. These changes only affected the presentation of items reported in other comprehensive income but had no effect on reported financial position or profit for 2012 nor are they anticipated to have any effect on future presentations of profit/loss.

Revised IFRS 7 Financial Instruments: Disclosures

The changes to IFRS 7 entail future disclosure requirements regarding financial assets and liabilities whose value is offset in the balance sheet or which are subject to various legally binding master netting agreements or other risk-reducing agreements.

Other IFRS changes

No other new or revised IFRSs or interpretations from IFRIC other than those mentioned above were applied or had any material effect on the Group's or Parent Company's financial position, profit or disclosures. LKAB has chosen not to apply IFRS 10–12 and the changed standards in IAS 27 and IAS 28 in advance, but will apply them commencing 1 January 2014.

Note 2 Disclosures regarding financial instruments

The following tables show how fair value was determined for financial instruments reported at fair value in the statement of financial position. A breakdown of how fair value is determined is carried out on three levels.

Level 1: According to prices quoted on an active market for such instruments.
Level 2: According to direct or indirect observable market data not included in Level 1.
Level 3: According to input data that is not observable on the market.

Group, 30 September 2013

(MSEK)	Level 1	Level 2	Level 3	Total
Shares, financial assets	692			692
Shares, current holdings	691			691
Interest-bearing instruments	10,199	67		10,266
Non-current receivables		140		140
Cash and cash equivalents	3,169			3,169
Forward exchange contracts (USD)		142		142
Total	**14,751**	**350**		**15,101**

The interest-bearing instruments category (Level 2) refers to bond obligations that are reported at prices quoted on the bond and derivatives market. Non-current receivables (Level 2) are calculated by measuring the present value of capital cash flows. Forward exchange contracts (Level 2) are calculated based on a model using prices from Reuters.

Fair value calculation. Following is a summary of the principal methods and assumptions used in determining the fair value of financial instruments reported in the previous table.

Securities. For listed financial assets, fair value corresponds to the asset's buying rate on the closing date.

Derivative instruments. Forward exchange contracts are calculated at current market prices by using quoted market prices. The discount rate used is the market interest rate on similar instruments quoted on the closing date.

Other receivables and liabilities. The carrying amount of other receivables and liabilities is equivalent to fair value.

Note 3 Provisions for urban transformation

Commencing 1 January 2013 costs resulting from the effects of mining activities on the communities concerned will be reported on an ongoing basis during the year, and for Q3 said expenses amount to MSEK 132.

Note 4 Remediation costs

Analysis and measurement of remediation costs for both discontinued and active operations commenced in 2013. This work is likely to be completed and the effects reported in the fourth quarter.

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