

2014

INTERIM REPORT Q3

Luossavaara-Kiirunavaara AB (publ) Corp. ID no. 556001-5835

JULY – SEPTEMBER

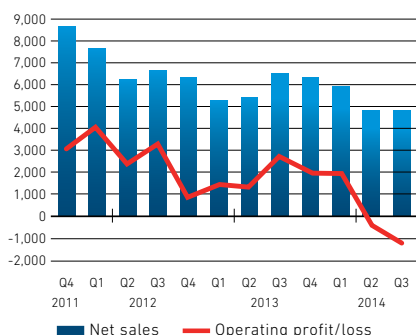
- NET SALES TOTALLED MSEK 4,943 (6,526)
- OPERATING PROFIT BEFORE EXPENSES FOR URBAN TRANSFORMATION WAS MSEK 1,074 (2,884)
- OPERATING LOSS WAS MSEK -1,164 (2,752)
- LOSS BEFORE TAX WAS MSEK -1,195 (2,815)
- LOSS FOR THE PERIOD WAS MSEK -979 (2,201)
- OPERATING CASH FLOW WAS MSEK -983 (844)
- DELIVERIES OF IRON ORE TOTALLED 6.7 (6.8) MT

JANUARY – SEPTEMBER

- NET SALES TOTALLED MSEK 15,810 (17,309)
- OPERATING PROFIT BEFORE EXPENSES FOR URBAN TRANSFORMATION WAS MSEK 3,957 (6,042)
- OPERATING PROFIT WAS MSEK 366 (5,646)
- PROFIT BEFORE TAX WAS MSEK 512 (5,757)
- PROFIT FOR THE PERIOD WAS MSEK 364 (4,482)
- OPERATING CASH FLOW TOTALLED MSEK 1,781 (1,098)
- DELIVERIES OF IRON ORE TOTALLED 19.3 (18.9) MT



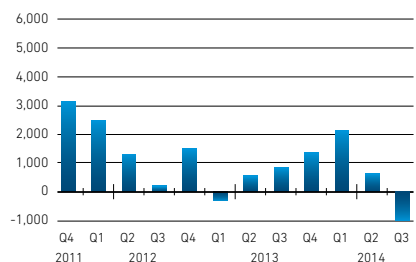
NET SALES AND OPERATING PROFIT/LOSS MSEK



RETURN ON SHAREHOLDERS' EQUITY



OPERATING CASH FLOW MSEK



COMMENTS BY THE PRESIDENT AND CEO

Demand for high-quality iron ore products, such as pellets, is increasing globally, while there is an oversupply of iron ore fines. This shows that our strategy of being a supplier of high-quality, climate-smart iron ore pellets is timely despite the fact that the global market for iron ore products continues to be challenging.

Global production of crude steel increased by 1 percent in the third quarter compared with the same period in 2013. The iron ore market during the third quarter was characterized by a continued increase in the supply of new volumes, mainly from Australia. The spot price¹ of iron ore in the third quarter was at its lowest level in five years (USD 78/tonne), and the average for the quarter was USD 90/tonne. By the end of September, the spot price had gone down 42 percent since year-end 2013. The decline was driven by weak steel prices in China and weak demand in the spot market for iron ore, combined with an oversupply of iron ore.

Demand for LKAB's products remained strong during the quarter. Deliveries of iron ore products totalled 6.7 (6.8) Mt. Production decreased by six percent to 6.3 (6.7) Mt. The decline is due partly to production disruptions in the haulage chain in the underground mines and partly to the effects of severe summer thunderstorms that impacted availability in mines and processing plants.

Operating profit before expenses for urban transformation decreased by 63 percent and totalled MSEK 1,074 (2,884), equivalent to an operating margin of 22 (44) percent. The year-on-year differences are primarily due to lower iron ore prices.

LKAB's mining operations affect the com-

munities neighbouring the Swedish ore fields. Successful urban transformation is crucial for the affected municipalities and for LKAB's competitiveness.

During the quarter, the provision for urban transformation totalled MSEK 2,238 (132), resulting in an operating loss for the quarter of MSEK -1,164 (2,752). The provision relates mainly to mining impacts on the community of MalMBERGET. Negotiations with Gällivare Municipality on a total solution for MalMBERGET continued during the quarter. Additional provisions for urban transformation may effect LKAB's income statement and balance sheet for the year.

Total provisions for urban transformation increased during the quarter by MSEK 1,102 and now total MSEK 11,776. Disbursements for urban transformation totalled MSEK 1,114 for the quarter.

In response to the drop in iron ore prices over the last two quarters, LKAB intensified its ongoing cost reduction program in mid-September with further efforts to curb costs in the short term.

Work on increasing LKAB's production and delivery volumes through new mines is progressing. Construction of the mine in Mertainen is underway and production is scheduled to start by late 2015.

¹Platts IODEX 62% Fe CFR North China

Lars-Eric Aaro
President and CEO



THE LKAB GROUP IN SUMMARY

OPERATIONS – THIRD QUARTER

	Q3 2014	Q3 2013	Change	Change %
Net sales, MSEK	4,943	6,526	-1,582	-24
Gross profit/loss, MSEK	-875	3,039	-3,914	
Operating profit/loss, MSEK	-1,164	2,752	-3,916	
Profit/loss from financial items, MSEK	-31	63	-94	
Profit/loss before tax, MSEK	-1,195	2,815	-4,010	
Profit/loss for the period, MSEK	-979	2,201	-3,180	
- Urban transformation expenses, MSEK	2,238	132	2,106	+1,595
Operating cash flow, MSEK	-983	844	-1,827	
Capital expenditures in property, plant and equipment, MSEK	1,457	1,405	52	+4
Depreciations, MSEK	689	588	101	+17
Production, Mt	6.3	6.7	-0.4	-6
Deliveries, Mt	6.7	6.8	-0.1	-1
Proportion of pellets, %	80	81	-1	
Stocks of finished products, Mt	0.9	1.0	-0.1	-10
Gross margin, %	-18	47	-65	
Operating margin, %	-24	42	-66	

Operating profit before expenses for urban transformation decreased by 63 percent and totalled MSEK 1,074 (2,884), equivalent to an operating margin of 22 (44) percent. Net sales fell by 24 percent, with prices accounting for a drop of -25 percent, volume/product mix for a drop of -1 percent and currency for a rise of +2 percent. Disruptions in production resulted in lower deliveries which also had a negative effect on operating profit. Production disruptions in the haulage chain in the underground mines and the effects of severe summer thunderstorms limited availability in mines and processing plants.

Profit from financial items decreased compared to the same period last year. Improved exchange rates

during the quarter due to a weaker Swedish currency were offset by impairment of bond loans to Northland Resources.

During the second quarter LKAB's commercial papers program was capitalized with a limit of five billion. Utilization at 30 September 2014 was MSEK 798. Apart from this, an agreement was signed for a revolving credit facility of five billion in the third quarter to replace a previous credit facility of the same amount. These measures should be regarded as part of the company's long-term funding strategy. The new credit facility is subject to ownership reservation. The revolving credit facility had not been utilised by the end of the quarter.

Operating cash flow was as follows:

(MSEK)	Q3 2014	Q3 2013	Change MSEK
Cash flow from operating activities before change in working capital	399	3,048	-2,649
Change in working capital	73	-802	+875
Capital expenditures (net)	-1,455	-1,402	-53
Operating cash flow	-983	844	-1,827

Operating cash flow for the third quarter was lower than the same period last year due to lower iron ore prices and the fact that disbursements for urban transformation during the quarter were MSEK 1,114 compared to

MSEK 79 in the same period last year. A positive change in working capital offset the weakened cash flow.

THE LKAB GROUP IN SUMMARY

OPERATIONS JANUARY TO SEPTEMBER

	Q1-3 2014	Q1-3 2013	Change	Change (%)	Full year 2013
Net sales, MSEK	15,810	17,309	-1,499	-9	23,656
Gross profit, Mkr	1,297	6,500	-5,203	-80	8,910
Operating profit, MSEK	366	5,646	-5,280	-94	7,639
Profit from financial items, MSEK	146	111	35	+32	129
Profit before tax, MSEK	512	5,757	-5,245	-91	7,768
Profit for the period, MSEK	364	4,482	-4,118	-92	6,032
- Urban transformation expenses, MSEK	3,591	396	3,195	+807	620
Operating cash flow, MSEK	1,781	1,098	683	+62	2,434
Capital expenditures in property, plant and equipment, MSEK	3,856	4,419	-563	-13	6,141
Depreciations, MSEK	2,043	1,690	353	+21	2,432
Production, Mt	18.9	18.5	0.4	+2	25.3
Deliveries, Mt	19.3	18.9	0.4	+2	25.5
Proportion of pellets, %	84	84			83
Stocks of finished products, Mt	0.9	1.0	-0.1	-10	1.2
Gross profit margin, %	8	38	-30		38
Operating margin, %	2	33	-31		32

Operating profit before expenses for urban transformation decreased by 35 percent and totalled MSEK 3,957 (6,042), equivalent to an operating margin of 25 (35) percent. Net sales decreased by 9 percent with lower iron ore prices having an impact of -11 percent and volume/product mix +2 percent.

Profit from financial items is higher compared to the same period last year thanks mainly to improved exchange rates resulting from a weaker Swedish currency. This was offset negatively by impairment of bond loans to Northland Resources during the period.

Operating cash flow was as follows:

(MSEK)	Q1-3 2014	Q1-3 2013	Change MSEK	Full year 2013
Cash flow from operating activities before change in working capital	3,936	5,991	-2,055	9,423
Change in working capital	1,693	-487	2,180	-866
Capital expenditures (net)	-3,848	-4,406	+558	-6,123
Operating cash flow	1,781	1,098	+683	2,434

Cash flow from operating activities was lower than for the same period last year mainly due to lower prices and the fact that disbursements for urban transformation were MSEK 1,041 higher than the same period last year. During the January to September period, a total of MSEK

1,242 of the provisions were paid. Lower amounts of tied-up capital and lower investment disbursements resulted in an operating cash flow that was higher than for the same period last year.

THE STEEL AND IRON ORE MARKET

The global steel and iron ore industry

Global production of crude steel increased in the third quarter by 1 percent, compared with the same period last year.

The iron ore market during the third quarter was characterised by a continued increase in the supply of new volumes, mainly from Australia. Previously, the iron ore market was considered a producer's market with high ore prices, but in the third quarter the scenario changed into a buyer's market. The increased supply of iron ore volumes from Australia increased demand for bulk shipping between Australia and China, with volatile freight rates as a result.

Demand for iron ore pellets remains stable in LKAB's most important markets in Europe and MENA, whereas the demand for iron ore pellets in China is more volatile and is now in a weak period.

China

Demand for steel in China continues at a lower growth rate than expected with slowing growth in housing starts and the lowest increase in industrial output in six years: +6.9 percent. In addition, prices of newly built homes fell in August in 68 of China's 70 largest cities.

Stock levels of iron ore in Chinese ports decreased slightly early in the third quarter, but remained at a high level. China is now entering a seasonal period of reduced demand for steel, since the construction industry typically slows down during the fourth quarter. Crude steel production increased by 0.8 percent in the third quarter compared year-on-year, while imports of iron ore increased by 11.7 percent during the same period.

EU

The Eurozone's performance was weaker in the third quarter and included falling inflation and weak growth in industrial output.

In order to boost the economies of the Eurozone, the European Central Bank carried out its own program for quantitative easing.

Most European steel companies have shown improved earnings and margins, since announced cost reduction programs are now beginning to show results in combination with falling commodity prices. Production of crude steel within the EU28 fell in the third quarter by 1.7 percent, compared with the same period last year.

USA

The American economic recovery is looking positive. Crude steel production increased in the third quarter by 1.7 percent, compared with the same period last year.

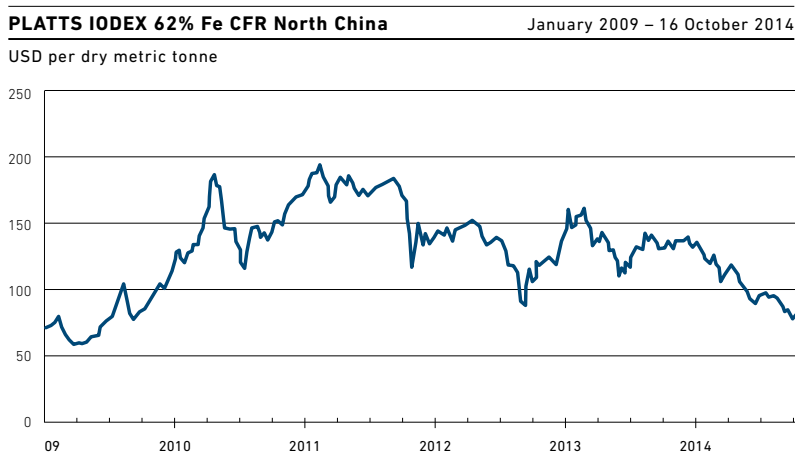
The Middle East and North Africa (MENA)

Demand for DR pellets remains strong in the region, driven by large construction and infrastructure projects. The expansive construction sector and the rapid rise in house prices in Dubai has made several observers, including the United Arab Emirates' central bank, fear an overheated housing market and expressed concern about a housing bubble. Production of crude steel within MENA rose 10.1 percent during the quarter, compared with the same period last year.

Iron ore spot price developments

The spot price¹ of iron ore in the third quarter was at its lowest level in five years (USD 78/tonne), and the average for the quarter was USD 90/tonne. By the end of September, the spot price had gone down 42 percent since year-end 2013. The decline was driven by weak steel prices in China and weak demand in the spot market for iron ore, combined with an oversupply of iron ore.

¹Platts IODEX 62% Fe CFR North China



MINING DIVISION

OPERATIONS SUMMARY – THIRD QUARTER AND ACCRUED

	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	Full year 2013
Net sales, MSEK	4,503	6,068	14,603	15,986	21,984
Gross profit/loss, MSEK	-1,087	2,753	695	5,753	7,877
Operating profit/loss MSEK	-1,308	2,554	-6	5,138	6,951
- Urban transformation expenses, MSEK	2,238	132	3,591	396	620
Gross margin, %	-24	45	5	36	36
Operating margin, %	-29	42	0	32	32
Production, Mt	6.3	6.7	18.9	18.5	25.3
Deliveries, Mt	6.7	6.8	19.3	18.9	25.5
Proportion of pellets, %	80	81	84	84	83

Third quarter

Operating profit before expenses for urban transformation decreased by 65 percent and totalled MSEK 930 (2,686), equivalent to an operating margin of 21 (44) percent. Net sales fell by 26 percent, with prices accounting for a drop of -27 percent, volume/product mix for a drop of -1 percent and currency for a rise of +2 percent. Disruptions in production resulted in lower deliveries, which also had a negative effect on operating result. Production disruptions in the haulage chain in the underground mines and the effects of severe summer thunderstorms limited availability in mines and processing plants.

January to September

Operating profit before expenses for urban transformation decreased by 35 percent and totalled MSEK 3,585 (5,534), equivalent to an operating margin of 25 (35) percent. Net sales decreased by 9 percent, with prices having an impact of -11 percent and volume/product mix +2 percent.

MINERALS DIVISION

OPERATIONS SUMMARY – THIRD QUARTER AND ACCRUED

	Q3 2014	Q3 2013	Q1–3 2014	Q1–3 2013	Full year 2013
Net sales, MSEK	557	465	1,341	1,285	1,661
Gross profit, MSEK	104	68	242	175	226
Operating profit, MSEK	71	30	147	65	63
Gross profit margin, %	19	15	18	14	14
Operating margin, %	13	6	11	5	4

The improvement in operating profit for the quarter as well as the January-September period was due to increased sales of magnetite with improved operating margins.

The industrial minerals market for iron ore (magnetite) outside the steel industry is linked strongly to the building and construction industry and the energy sector. Consistently high quality and customer-focused logistics

solutions have provided business opportunities in many parts of the world – even in competition with locally produced products. This is particularly noticeable in ballasting and casting for maritime structures (oil and gas platforms, wave and wind turbines, pipe coating), which presents great potential in the short and long terms.

LKAB Minerals' market share of magnetite for water treatment in Europe and the US remains stable.

SPECIAL BUSINESSES DIVISION

OPERATIONS SUMMARY – THIRD QUARTER AND ACCRUED

	Q3 2014	Q3 2013	Q1–3 2014	Q1–3 2013	Full year 2013
Net sales, MSEK	458	456	1,264	1,471	1,942
Gross profit, MSEK	74	101	163	263	326
Operating profit, MSEK	74	86	112	219	276
Gross profit margin, %	16	22	13	18	17
Operating margin, %	16	19	9	15	14

The lower sales and operating profit for the first three quarters were primarily due to lower business activity and lower margins in LKAB Berg & Betong's assignments

for the Mining Division during the year compared with the same period last year.

OPERATIONS SUMMARY – THIRD QUARTER AND ACCRUED

	Q3 2014	Q3 2013	Q1–3 2014	Q1–3 2013	Full year 2013
Net sales, MSEK	4,481	6,051	14,545	15,939	21,918
Gross profit/loss, MSEK	-1,122	2,708	577	5,632	7,567
Operating profit/loss, MSEK	-1,327	2,537	-82	5,077	6,732
– Urban transformation expenses, MSEK	2,238	132	3,591	396	620
Capital expenditures in property, plant and equipment, MSEK	1,124	1,251	3,248	4,098	5,681
Liquidity, MSEK	14,115	13,796	14,115	13,796	15,243
Gross margin, %	-25	45	4	35	35
Operating margin, %	-30	42	-1	32	31

Third quarter

Operating profit before expenses for urban transformation decreased by 66 percent and totalled MSEK 911 (2,669), equivalent to an operating margin of 20 (44) percent. Net sales fell by 26 percent, with prices accounting for a drop of -27 percent, volume/product mix for a drop of -1 percent and currency for a rise of +2 percent. Disruptions in production resulted in lower deliveries, which also had a negative effect on operating result. Production disruptions in the haulage chain in the underground mines and the effects of severe summer thunderstorms limited availability in mines and processing plants.

January to September

Operating profit before expenses for urban transformation decreased by 36 percent and totalled MSEK 3,509 (5,473), equivalent to an operating margin of 24 (34) percent. Net sales decreased by 9 percent, with prices having an impact of -11 percent and volume/product mix +2 percent.

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 plays a vital role in minimizing the impact of factors that lie beyond the Group's control. The Group employs methods for evaluating and limiting these risks to ensure they are managed according to approved 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 confront them.

Effective risk management is a business-critical success factor. During 2014 LKAB has appointed a Chief Risk Officer (CRO).

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

Protracted approval processes constitute a high risk of substantial delay to LKAB's planned production increase. This is illustrated further in the Future Development section below.

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

FUTURE DEVELOPMENT

The iron ore market is growing and the 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 deliver greater volumes. Tougher environmental regulations and a greater focus on reducing air pollution, especially in China, are a strong driving force behind an increasing demand for high quality iron ore products. This shows that our strategy of being a supplier of high-quality, climate-smart iron ore pellets provides access to a more stable market segment.

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 2016. Most of the additional iron ore will come from new mines and mainly from the three surface mines in the so-called Svappavaara field: Gruvberget, Mertainen and Leveäniemi.

The permit for the Mertainen surface mine has been validated and preparatory work has begun. Production

is expected to start in late 2015. The date for the court hearing regarding a permit for the Leveäniemi mine is not yet set. The new surface mines increase LKAB's competitiveness through higher volumes, resulting in a lower cost per tonne.

Continued investments are required to safeguard research and development if LKAB is to maintain its technological leadership role in iron ore pellets.

Investment projects in progress and LKAB's future plans will entail major strategic 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 field will entail major costs for their impact on communities in all three areas. LKAB must therefore remain financially strong and maintain 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 MSEK 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 with the exception of changes in the application of the accounting principle regarding provisions for urban transformation; refer to Note 2. New and amended standards and interpretations from the IASB have had no impact on consolidated earnings, financial position or formulation of the interim report

Luleå, 24 October 2014
Luossavaara-Kiirunavaara AB (publ)

Lars-Eric Aaro
President and CEO



FINANCIAL INFORMATION

DATE

Year-end report 2014	13 February 2015
Annual report 2014	31 March 2015
Annual General Meeting	28 April 2015
Interim Report Q1 2015	28 April 2015

Reports are available at www.lkab.com
Any questions concerning the Q3 Interim Report may be directed to
Lars-Eric Aaro, President and CEO, +46 920 381 06, or
acting Senior Vice President, Finance, Katarina Holmgren, +46 920 381 58.

AUDITOR'S REVIEW REPORT

Introduction

We have reviewed the interim report for Company AB (publ) for the period January 1 - September 30, 2014. 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 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 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 24, 2014

Deloitte AB



Peter Ekberg

Authorised Public Accountant

CONSOLIDATED INCOME STATEMENT

	Q3	Q3	Q1-3	Q1-3	Full year
(MSEK)	2014	2013	2014	2013	2013
Net sales	4,943	6,526	15,810	17,309	23,656
Cost of goods sold	-5,818	-3,487	-14,513	-10,809	-14,746
Gross profit/loss	-875	3,039	1,297	6,500	8,910
Selling expenses	-39	-37	-106	-104	-148
Administrative expenses	-133	-133	-439	-440	-643
Research and development expenses	-101	-74	-324	-228	-356
Other operating income	143	77	372	316	436
Other operating expenses	-159	-120	-434	-398	-560
Operating profit/loss	-1,164	2,752	366	5,646	7,639
Financial income	158	185	496	467	583
Financial expenses	-189	-122	-350	-356	-454
Net financial income/expense	-31	63	146	111	129
Profit/loss before tax	-1,195	2,815	512	5,757	7,768
Tax	216	-614	-148	-1,275	-1,736
Profit/loss for the period	-979	2,201	364	4,482	6,032
Attributable to Parent Company shareholders	-979	2,201	364	4,482	6,032
Earnings per share before and after dilution (SEK)	neg	3,144	520	6,403	8,617

CONSOLIDATED COMPREHENSIVE INCOME

	Q3	Q3	Q1-3	Q1-3	Full year
MSEK	2014	2013	2014	2013	2013
Profit/loss for the period	-979	2,201	364	4,482	6,032
Other comprehensive income for the period					
Items that cannot be transferred to profit for the year					
Actuarial gains and losses	-132	-	-233	-13	106
Tax attributable to actuarial gains and losses	29	-	51	3	-23
Total items that cannot be transferred to profit for the year	-103	-	-182	-10	83
Items that have been or can be transferred to profit for the year					
Exchange rate differences on translation for foreign entities for the period	30	-30	82	-78	-18
Change in fair value of available-for-sale financial assets for the period	-3	24	156	-180	-90
Changes in fair value of cash flow hedges for the period	-189	287	-336	104	72
Changes in fair value of cash flow hedges transferred to profit for the year	-17	-28	-52	-198	-226
Tax attributable to components of cash flow hedges	45	-57	85	21	34
Total items that have been or can be transferred to profit for the year	-134	196	-65	-331	-228
Other comprehensive income	-237	196	-247	-341	-145
Total comprehensive income for the period attributable to the Parent Company shareholders	-1,216	2,397	117	4,141	5,887

STATEMENT OF FINANCIAL POSITION

(MSEK)	30 Sep 2014	30 Sep 2013	31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets	231	230	257
Property, plant and equipment	38,707	32,791	33,759
Participations in associates	0	0	0
Financial investments	1,014	935	1,075
Deferred tax asset	7	17	19
Non-current receivables	70	140	103
Total non-current assets	40,029	34,113	35,213
Current assets			
Inventories	2,387	2,447	2,611
Accounts receivable	1,850	3,211	3,291
Prepaid expenses and accrued income	158	139	131
Other current receivables	1,366	2,115	1,079
Current investments	10,830	10,956	10,801
Cash and cash equivalents	3,749	3,169	4,696
Total current assets	20,340	22,037	22,609
TOTAL ASSETS	60,369	56,150	57,822
EQUITY AND LIABILITIES			
Equity			
Share capital	700	700	700
Reserves	378	339	443
Retained earnings including profit for the period	37,009	38,686	40,329
Equity attributable to Parent Company shareholders	38,087	39,725	41,472
Total equity	38,087	39,725	41,472
Non-current liabilities			
Provisions for pensions and similar commitments	2,005	2,853	1,886
Provisions for urban transformation	10,091	4,844	4,804
Other provisions	1,223	1,075	1,167
Deferred tax liabilities	3,390	3,435	3,813
Total non-current liabilities	16,709	12,207	11,670
Current liabilities			
Liabilities to credit institutions	798		
Trade payables	1,390	1,614	1,744
Other current liabilities	514	251	227
Accrued expenses and deferred income	1,157	1,029	1,103
Provisions for urban transformation	1,685	1,294	1,500
Other provisions	29	30	106
Total current liabilities	5,573	4,218	4,680
Total liabilities	22,282	16,425	16,350
TOTAL EQUITY AND LIABILITIES	60,369	56,150	57,822

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to Parent Company shareholders					
	Share capital	Reserves			Retained earnings incl. profit for the year	Total equity
		Translation reserve	Fair value reserve	Hedging reserve		
(MSEK)						
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

	Equity attributable to Parent Company shareholders					
	Share capital	Reserves			Retained earnings incl. profit for the year	Total equity
		Translation reserve	Fair value reserve	Hedging reserve		
(MSEK)						
Opening equity 1 Jan 2014	700	-139	526	56	40,329	41,472
Profit for the period					364	364
Other comprehensive income for the period		82	156	-303	-182	-247
Comprehensive income for the period		82	156	-303	181	117
Dividend					-3,500	-3,500
Closing equity 30 Sep 2014	700	-57	682	-247	37,009	38,087

CONSOLIDATED STATEMENT OF CASH FLOW

(MSEK)	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	Full year 2013
Operating activities					
Profit/loss before tax	-1,195	2,815	512	5,757	7,768
Adjustment for items not included in cash flow	3,088	791	5,777	2,261	3,404
Income tax paid	-380	-479	-1,111	-1,826	-573
Expenditures, urban transformation	-1,114	-79	-1,242	-201	-295
Payment to retirement benefit plan	-	-	-	-	-881
Cash flow from operating activities before changes in working capital	399	3,048	3,936	5,991	9,423
Cash flow from changes in working capital					
Increase (-)/Decrease (+) in inventories	106	-180	282	68	-118
Increase (-)/Decrease (+) in operating receivables	103	-321	1,760	-61	-444
Increase (+)/Decrease (-) in operating liabilities	-136	-301	-348	-494	-304
Change in working capital	73	-802	1,693	-487	-866
Cash flow from operating activities	472	2,246	5,630	5,504	8,557
Investing activities					
Acquisition of property, plant and equipment	-1,457	-1,405	-3,856	-4,419	-6,141
Disposal of property, plant and equipment	2	3	7	13	18
Acquisition/divestment of financial assets	946	1,020	-25	2,135 ¹	2,325 ¹
Cash flow from investing activities	-509	-383	-3,874	-2,271	-3,798
Financing activities					
Borrowing	-	-	798	-	-
Dividends paid to Parent Company shareholders	-	-	-3,500	-5,500	-5,500
Cash flow from financing activities	-	-	-2,702	-5,500	-5,500
Cash flow for the period	-37	1,863	-947	-2,268	-741
Cash and cash equivalents at start of period		1,306	4,696	5,437	5,437
Cash and cash equivalents at end of period		3,169	3,749	3,169	4,696
Change in cash and cash equivalents		1,863	-947	-2,268	-741
Sub-components of cash and cash equivalents					
Cash and bank balances			867	1,624	508
Current investments (maturity <90 days)			2,882	1,545	4,188
Cash and cash equivalents			3,749	3,169	4,696
LIQUIDITY					
Cash and cash equivalents			3,749	3,169	4,696
Current investments (maturity >90 days <1 year)			10,830	10,956	10,801
			14,579	14,125	15,497

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

OPERATING CASH FLOW

(MSEK)	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	Full year 2013
Cash flow from operating activities	472	2,246	5,630	5,504	8,557
Acquisition of property, plant and equipment	-1,457	-1,405	-3,856	-4,419	-6,141
Disposal of property, plant and equipment	2	3	7	13	18
Operating cash flow (excluding current investments)	-983	844	1,781	1,098	2,434
Acquisition/divestment of financial assets	946	1,020	-25	2,135 ¹	2,325 ¹
Cash flow from financing activities	-	-	-2,702	-5,500	-5,500
Cash flow for the period	-37	1,863	-947	-2,268	-741

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

PERSONNEL

	30 Sep 2014	30 Sep 2013	Full year 2013
Average number of employees	4,564	4,428	4,427
– of which women	904	848	838
– of which men	3,660	3,580	3,589

KEY RATIOS IN PERCENT

	30 Sep 2014	30 Sep 2013	Full year 2013
Gross margin	8.2	37.6	37.8
Profit margin	3.2	33.3	33.0
Return on equity	4.9	14.6	14.7
Equity/assets ratio at end of period	63.1	70.7	71.7

INCOME STATEMENT

(MSEK)	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	Full year 2013
Net sales	4,481	6,051	14,545	15,939	21,918
Cost of goods sold	-5,603	-3,343	-13,968	-10,307	-14,351
Gross profit/loss	-1,122	2,708	577	5,632	7,567
Selling expenses	-20	-10	-51	-46	-67
Administrative expenses	-97	-106	-327	-343	-497
Research and development expenses	-102	-68	-324	-214	-345
Other operating income	101	69	275	261	377
Other operating expenses	-87	-56	-232	-213	-303
Operating profit/loss	-1,327	2,537	-82	5,077	6,732
Profit from financial items	139	116	404	426	513
Profit/loss after financial items	-1,188	2,653	322	5,503	7,245
Appropriations	-	-	-	-	-1,762
Profit/loss before tax	-1,188	2,653	322	5,503	5,483
Tax	242	-591	-82	-1,212	-1,171
Profit/loss for the period	-946	2,062	240	4,291	4,312

STATEMENT OF COMPREHENSIVE INCOME

(MSEK)	Q3 2014	Q3 2013	Q1-3 2014	Q1-3 2013	Full year 2013
Profit/loss for the period	-946	2,062	240	4,291	4,312
Other comprehensive income for the period	-	-	-	-	-
Comprehensive income for the period	-946	2,062	240	4,291	4,312

BALANCE SHEET

(MSEK)	30 Sep 2014	30 Sep 2013	31 Dec 2013
ASSETS			
Non-current assets			
Intangible assets	36	18	42
Property, plant and equipment	31,747	26,673	27,294
Financial assets			
Participations in subsidiaries	1,490	1,450	1,490
Participations in associates	0	0	0
Receivables from subsidiaries	855	1,047	1,042
Other non-current securities	129	129	129
Other non-current receivables	136	199	170
Deferred tax asset	974	588	678
Total financial assets	3,584	3,413	3,509
Total non-current assets	35,367	30,104	30,845
Current assets			
Inventories	1,829	1,972	2,111
Current receivables			
Accounts receivable	1,310	3,006	3,008
Receivables from subsidiaries	2,498	1,967	2,053
Other current receivables	1,321	1,711	814
Prepaid expenses and accrued income	87	88	95
Total current receivables	5,216	6,772	5,970
Current investments	13,494	12,361	14,878
Cash and bank balances	621	1,435	365
Total current assets	21,160	22,540	23,324
TOTAL ASSETS	56,527	52,644	54,169

BALANCE SHEET

	30 Sep 2014	30 Sep 2013	31 Dec 2013
(MSEK)			
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (700,000 shares)	700	700	700
Statutory reserve	697	697	697
Non-restricted equity			
Retained earnings	19,420	18,608	18,608
Profit for the period	240	4,291	4,312
Total equity	21,057	24,296	24,317
Untaxed reserves	18,487	16,866	18,487
Provisions			
Provisions for urban transformation	10,091	4,844	4,804
Other provisions	1,606	2,190	1,597
Total provisions	11,697	7,034	6,401
Current liabilities			
Liabilities to credit institutions	798	-	-
Trade payables	1,037	1,232	1,406
Liabilities to subsidiaries	712	861	945
Other current liabilities	131	169	143
Accrued expenses and deferred income	894	862	864
Provisions for urban transformation	1,685	1,294	1,500
Other provisions	29	30	106
Total current liabilities	5,286	4,448	4,964
TOTAL EQUITY AND LIABILITIES	56,527	52,644	54,169
Pledged assets	245	236	245
Contingent liabilities	440	126	102

KEY RATIOS IN PERCENT

	30 Sep 2014	30 Sep 2013	31 Dec 2013
Gross margin	4.0	35.3	34.5
Profit margin	2.2	34.5	33.1
Return on equity	0.7	7.6	11.1
Equity/assets ratio at end of period	62.8	71.1	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**

The table below shows how fair value is determined for the financial instruments measured at fair value in the statement of financial position. Fair value is determined based on three levels.

Level 1: based on prices listed on an active market for the same instruments

Level 2: based on directly or indirectly observable market data not included in level 1

Level 3: based on input data not observable in the market.

Group 30 September 2014

(MSEK)	Level 1	Level 2	Level 3	Total
Shares, financial assets	815			815
Interest-bearing financial assets	10			10
Shares, current holdings	774			774
Interest-bearing instruments		10,056		10,056
Non-current receivables		63		63
Cash and cash equivalents	3,749			3,749
Derivatives, cash flow hedges		-289		-289
Total	5,348	9,830		15,178

Fair value calculation

The following summarizes the main methods and assumptions used in determining the fair value of financial instruments reported in the table above.

Level 1

The fair values of listed financial assets correspond to the assets' listed price on the closing date.

Level 2*Interest-bearing instruments*

Share index bonds were valued using listed market data from the interest and derivatives market. This category also includes certificates valued on the basis of defined market-priced return curves.

Non-current receivables

Non-current receivables are calculated by measuring the present value of capital cash flows.

Derivatives

The fair value of forward exchange contracts is calculated on the basis of a valuation model 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

The carrying amount of other receivables and liabilities constitutes a reasonable approximation of fair value.

NOTE 2. PROVISIONS FOR URBAN TRANSFORMATION

A limit to impact-related compensation has been defined by LKAB and designated as the impact boundary. Previously, all damage/compensation claims within the impact boundary were calculated and reported as provisions and expensed in the income statement.

A contract boundary has been introduced for provisions in Kiruna as of 2014. In cases where there is an agreement or clear implicit undertaking that defines an obligation in respect of a future impact area, the provision will be reported according to the contract boundary. The impact boundary will continue to act as the boundary for mining to date and when the obligation is expensed.

The area between the impact boundary and the contract boundary constitutes a mine asset with regard to future mining operations. The mine asset will be expensed with respect to impact boundary movement, i.e. when properties, infrastructure etc. are encroached upon by the impact boundary.

The effect of the accounting change entails that a mining asset of MSEK 3,024 was recognized at the end of the third quarter with a corresponding increase in provisions for urban transformation.

LKAB

Group head office
Box 952
SE-971 28 Luleå, Sweden.
Tel +46 771 760 000. Fax +46 771 760 001.
info@lkab.com
Lars-Eric Aaro, President and CEO

IRON ORE

MARKET AND LOGISTICS

LKAB

Nordic Sales Office
Box 952, SE-971 28 Luleå, Sweden.
Tel +46 771 760 000. Fax +46 771 760 001
lkab.norden@lkab.com
Johan Heyden, Sales Manager

LKAB S.A.

Chaussée de la Hulpe 150, BE-1170 Bryssel, Belgium.
Tel +32-2 663 36 70. Fax +32-2 675 05 91
lkab.sa@lkab.com
Göran Ottosson, President

LKAB SCHWEDENERZ GmbH

Bredeneyer Strasse 182, D-45133 Essen, Germany.
Tel +49 201 879 440. Fax +49 201 879 4444
lkab.se@lkab.com
Göran Ottosson, President

LKAB FAR EAST Pte. Ltd

300 Beach Road #29-02, The Concourse,
Singapore 199555.
Tel +65 6392 49 22. Fax +65 6392 49 33
lkab.fe@lkab.com
Stig Nordlund, President

LKAB Malmtrafik AB

SE-981 86 Kiruna, Sweden.
Tel +46 771 760 500. Fax +46 771 760 002
Anders Björnström, President

LKAB Norge AS

Postboks 314, NO-8504 Narvik, Norway.
Tel +47 769 238 00. Fax +47 769 449 25
Magne Leinan, President

LKAB

Luleå malmhamn
Box 821, SE-971 25 Luleå, Sweden.
Tel +46 771 760 000. Fax +46 771 760 001
Sofia Jonsson, Site Manager

PRODUCTION

LKAB

SE-981 86 Kiruna, Sweden.
Tel +46 771 760 000. Fax +46 771 760 002

LKAB

Svappavaara
SE-981 86 Kiruna, Sweden
Tel +46 771 760 000. Fax +46 771 760 002

LKAB

SE-983 81 MalMBERGET, Sweden.
Tel +46 771 760 000. Fax +46 771 760 003

INDUSTRIAL MINERALS

LKAB Minerals AB

Box 952, SE-971 28 Luleå, Sweden.
Tel +46 920-381 60. Fax +46 920-190 88.
sweden@lkabminerals.com
Leif Boström, President and Group CEO

LKAB Minerals Ltd.

Flixborough Industrial Estate, Flixborough,
North Lincolnshire, DN15 8SF, England.
Tel +44 1724 277411. Fax +44 1724 866405
uk@lkabminerals.com
Darren Wilson, President
LKAB Minerals Group

LKAB Minerals Oy

Kaivoksentie 300, FI-171800 Siilinjärvi, Finland.
Tel +358 17 266 0160. Fax +358 17 266 0161
finland@lkabminerals.com
Kari Laukkanen, President

LKAB Minerals, Inc.

2020 Scripps Center, 312 Walnut Street,
Cincinnati, OH 45202, USA.
Tel +1 513 322 5530. Fax +1 513 322 5531
us@lkabminerals.com
Mats Drugge, President

LKAB Minerals GmbH

P.O. Box 10 25 54, DE-450 25 Essen, Germany.
Tel +49 201 45060. Fax +49 201 4506 490
germany@lkabminerals.com
Thomas Tepper, President

LKAB Minerals B.V.

Vlasweg 19, Harbour M164, P.O. Box 16,
NL-4780 AA Moerdijk, The Netherlands.
Tel +31 168 388 500. Fax +31 168 388 599
netherlands@lkabminerals.com
Yvonne Dirken, President

LKAB Minerals Asia Pacific Ltd.

3407 China Resources Building, 26 Harbour Road,
Wanchai, Hong Kong.
Tel +852 2827 3000. Fax +852 2827 5574
hongkong@lkabminerals.com
John Engel, President

LKAB Minerals (Tianjin) Minerals Co., Ltd.

Junyi Industrial Park, Jungliangcheng, Dongli District,
Tianjin, P.R. China 300301.
Tel +86 22 2435 1706. Fax +86 22 2435 1708
china@lkabminerals.com
James Qi, President

Likya Minelco

ITOB Organize Sanay Bölgesi Tekeli Beldesi,
Menderes, Izmir, Turkey.
Tel +90 232 799 01 60. Fax +90 232 799 01 74

LKAB Minerals Slovak Republic

Representative Office, Panenska 13,
SK-81103 Bratislava, Slovak Republic.
Tel +421 2 5930 5753. Fax +421 2 5930 5754
marian.zilinsky@lkabminerals.com
Marian Zilinsky, Sales Manager

LKAB Minerals Spain

Representative Office, C./Nord no. 2 Ent.5,
08500 Vic, Spain.
Tel/Fax +34 93 886 1330
albert.senyer@lkabminerals.com

LKAB Minerals France

Representative Office, 85 Rue Jean Rache
59310 Saméon, France
Tel +33 320 055 167
robert.egea@lkabminerals.com

LKAB Minerals Greece

Representative Office, 13, N.Kountouriotou str.,
546 25 Thessaloniki, Greece.
Tel +30 2310 539073. Fax +30 2310 552882.
sakis.chatzinikolaou@lkabminerals.com

LKAB Minerals Singapore

c/o LKAB Far East Pte Ltd
300 Beach Road #29-02, The Concourse,
Singapore 199555.
Tel +65 6392 49 22. Fax +65 6392 49 33.
christina.cheong@lkabminerals.com

SUBSIDIARIES

LKAB Wassara AB

Elektronvägen 4
SE-141 49 Huddinge, Sweden.
Tel +46 771-760 100.
stefan.swartling.wassara@lkab.com
Stefan Swartling, President

LKAB Berg & Betong AB

Box 817, SE-981 28 Kiruna, Sweden.
Tel +46 771-760 200. Tel +46 771-760 201.
peter.soderman@lkab.com
Peter Söderman, President

LKAB Mekaniska AB

Tel +46 771-760 210. Tel +46 771-760 211.
peter.soderman@lkab.com
Peter Söderman, President

LKAB Kimit AB

Tel +46 771-760 220. Tel +46 771-760 221.
peter.soderman@lkab.com
Peter Söderman, President

LKAB Fastigheter AB

SE-981 86 Kiruna, Sweden.
Tel +46 771-760 300. Tel +46 771-760 301.
siv.aidanpaa-edlert@lkab.com
Siv Aidanpää Edlert, President

LKAB Nät AB

SE-981 86 Kiruna, Sweden.
Tel +46 771-760 700. Tel +46 771-760 002.
agneta.engberg@lkab.com

LKAB Försäkring AB

Box 952, SE-971 28 Luleå, Sweden.
Tel +46 771-760 600. Tel +46 771-760 001.
magnus.forsberg@lkab.com

LKAB Trading (Shanghai) Co., Ltd.

Unit 2007, 889 Yueda Plaza,
1111 Changshou Road,
Shanghai 200042
China
Tel +86 21 521 25103. Fax +86 21 521 26029.
E-mail office: hui.huang@lkab.com
anders.lundgren@lkab.com
Anders Lundgren, President



Box 952, SE-971 28 Luleå, Sweden.

Tel. +46 (0)771-76 00 00

Fax +46 (0)771-76 01

www.lkab.com