2012

INTERIM REPORT

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.

OCTOBER–DECEMBER

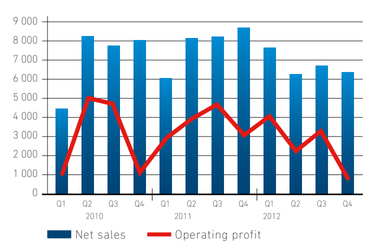
- NET SALES DECREASED 27 PER CENT TO MSEK 6,378 (8,675).
- OPERATING PROFIT WAS MSEK 863 (3,140).
- PROFIT BEFORE TAX WAS MSEK 953 (3,269).
- PROFIT FOR THE PERIOD TOTALLED MSEK 1,370 (2,440).
- OPERATING CASH FLOW TOTALLED MSEK 1,484 (3,168).
- SHIPMENTS OF IRON ORE PRODUCTS FOR THE QUARTER TOTALLED 7.6 (6.8) MT.

JANUARY–DECEMBER

- NET SALES DECREASED 13 PER CENT TO MSEK 26,971 (31,122).
- OPERATING PROFIT WAS MSEK 10,595 (14,705).
- PROFIT BEFORE TAX WAS MSEK 11,023 (14,801).
- PROFIT FOR THE PERIOD TOTALLED MSEK 8,789 (10,960).
- OPERATING CASH FLOW TOTALLED MSEK 5,471 (8,639).
- YEAR-TO-DATE SHIPMENTS OF IRON ORE PRODUCTS TOTALLED 26.3 (25.7) MT.
- THE BOARD OF DIRECTORS PROPOSES TO THE ANNUAL GENERAL MEETING THAT AN ORDINARY DIVIDEND OF SEK 5,000 (7,143) PER SHARE, TOTALLING MSEK 3,500 (5,000), AND ALSO AN ADDITIONAL DIVIDEND OF MSEK 2,000 CORRESPONDING TO SEK 2,857 PER SHARE TO BE PAID.

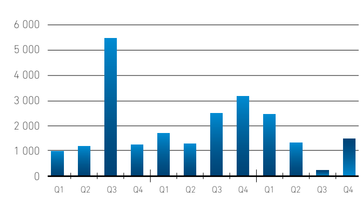
COMMENTS BY THE PRESIDENT AND CEO

NET SALES AND OPERATING PROFIT MSEK



RETURN ON SHAREHOLDERS' EQUITY

OPERATING CASH FLOW MSEK



LKAB's production and shipments reached record high levels in the fourth quarter, while lower iron ore prices had a negative impact on sales and earnings. The global supply of iron ore increased slightly during the year due to increased capacity in Australia. Steel producers in Europe are still producing at reduced capacity, while uncertainty about developments in China resulted in large fluctuations in iron ore prices during the autumn and at the end of the year. Long-term demand for iron ore is expected to continue to be strong.

Net sales totalled MSEK 6,378 (8,675) and operating profit totalled MSEK 863 (3,140). Lower sales and earnings were chiefly due to lower iron ore prices over the period. The decrease was counteracted to some extent by increased delivery volume. The quarterly operating profit was encumbered by a provision of MSEK 1,057 (1,234) for costs incurred due to the effects of mining on the mining communities.

Consolidated full year sales were MSEK 26,971 (31,122), a 13 per cent decrease. Operating profit for the full year was MSEK 10,595 (14,705). The lower earnings were mainly due to lower iron ore prices during the year, which were offset by increased volume and an improved exchange rate.

Shipments of iron ore products totalled 7.6 (6.8) million tonnes (Mt) in the fourth quarter, which is a record, and represents an annual capacity of more than 30 Mt. Production for the quarter was 6.7 (6.8) Mt. Total shipments for the year were 26.3 (25.7) Mt of iron ore products, of which 22.0 (21.0) Mt were pellets. LKAB's ability to move volumes between continents from the weaker northern European market to the Middle East and China was instrumental in reaching this record high delivery volume.

The production volume for 2012 was slightly better than 2011 at 26.2 (26.1) Mt. That is the highest volume of finished products in more than 35 years. A total of 23.8 (22.9) Mt of pellets were produced. A production stop in LKAB's largest pelletizing plant, KK4 in Kiruna, caused a production drop-off in May, and a ten-day district traffic controller strike on the Ofotbanen Railway in Norway in late May and early June resulted in stock build-up at the Malmfälten production sites. Our ability to transport these volumes to port was limited by the capacity of the Ore Railway. Stock volumes returned to normal by the end of the year.

Capital expenditures for the year totalled MSEK 5,808 (5,126), of which MSEK 2,176 concerned expenditures for the new main level in Kiruna's underground mine. During the year, environmental investments of just over MSEK 1,500 in flue gas treatment installations for three pelletizing plants were determined and initiated.

LKAB's planned increase in shipments of circa 35 per cent by 2015 remains unchanged. At the end of the quarter, mining in the Gruvberget open pit was resumed after a six-month production interruption pending a lengthy court process for environmental permits. The Gruvberget restart provides the extra mining capacity necessary for optimal utilisation of existing pelletizing plants. The water-filled Leveäniemi open pit is being drained and is scheduled to be operational in 2014, and the permit process for the Mertainen open pit continues with a view to starting production by 2015. All open pit mines are located in Svappavaara. A prerequisite for the planned increase in delivery capacity is that the Ore Railway expansion in Sweden is accompanied by a corresponding increase in capacity on the Ofotbanen Railway in Norway. In 2012, LKAB launched a cost reduction program to ensure future competitiveness.

Demand is high, particularly for direct reduction pellets, in countries with access to natural gas. The market outlook for 2013 continues to be favourable for LKAB's products, despite considerable uncertainty, especially on the European market.

Lars-Eric Aaro
President and CEO

THE LKAB GROUP IN SUMMARY

OCTOBER–DECEMBER

Production of iron ore products in the Mining Division totalled 6.8 (6.8) Mt. Shipments for the period totalled 7.6 (6.8) Mt, of which 6.3 (5.5) Mt were pellets. The proportion of pellets in the fourth quarter of 2012 was 84% (81). At the end of December, stocks of iron ore products totalled 1.2 (1.6) Mt.

Net sales decreased 27% to MSEK 6,378 (8,675). Within the iron ore operation, the decrease is broken down into these factors: volume/mix +11.8%, price -38.6% and currency +2.1%. Without any hedging in USD, the currency effect would have been +0.5%.

Operating profit decreased 73% to MSEK 863 (3,140). Lower iron ore prices entailed a gross profit margin decline of circa 22 percentage points to 18% (40%) for the period. In comparison with the same period last year, costs are essentially unchanged. Quarterly earnings were also encumbered by a provision of MSEK 1,057 (1,234) for costs incurred due to the effects of mining on the mining communities. The negative effects of margin erosion and provisions were partly offset primarily by increased delivery volumes.

Earnings from financial items were MSEK 90 (129). Exchange gains/losses totalled MSEK 38 (-36). Net interest income was MSEK -45 (43). The year's net interest income includes interest on debts for urban transformation in the amount of MSEK -87 (0). Return on market portfolios and interest-bearing investments totalled MSEK 120 (146). Net pension expense amounted to MSEK -17 (-24). Dividends from quoted shares totalled MSEK 0 (0). In the fourth quarter, due to decreased corporate income tax, an effect is included by MSEK 719.

Consolidated operating cash flow was MSEK 1,484 (3,168). The lower earnings had a negative impact on cash flow for the period, compared year-on-year. A reduction in capital tied up in stock and account receivables had a positive effect on the quarter. Capital expenditures totalling MSEK 1,748 (1,467) were dominated by expenditures on the new main level in Kiruna.

JANUARY–DECEMBER

Production of iron ore products in the Mining Division totalled 26.2 (26.1) Mt. Shipments for the period totalled 26.3 (25.7) Mt, of which 22.0 (21.0) Mt were pellets.

Consolidated net sales decreased 13.3% to MSEK 26,971 (31,122). Within the iron ore operation, the decrease was broken down into these factors: volume/mix +2.8%, price -17.5% and currency 3.4%. Without any hedging in USD, the currency effect would have been +2.8%.

Consolidated operating profit decreased 28% to MSEK 10,595 (14,705). Lower iron ore prices led to a fall in the gross profit margin of 7 percentage points to 44%. Lower iron ore prices were offset by increased volume and an improved exchange rate. In comparison with the same period last year, costs were essentially unchanged. The operating profit was also encumbered by a provision of MSEK 1,094 (1,234) for costs incurred due to the effects of mining on the mining communities.

Earnings from financial items were MSEK 428 (96). Exchange losses totalled MSEK -52 (-29). Net interest income was MSEK -23 (50). The year's net interest income includes interest on debts for urban transformation in the amount of MSEK -87 (0). Return on market portfolios and interest-bearing investments totalled MSEK 533 (105). Net pension expense amounted to MSEK -77 (-75). Dividends from quoted shares totalled MSEK 56 (54). In the year, due to decreased corporate income tax, an effect is included by MSEK 719.

Consolidated operating cash flow for the period was MSEK 5,471 (8,639). Cash flow for the year was adversely affected by lower earnings and higher capital expenditures and positively affected by reduced capital tied up in accounts receivable as compared with 2011.

THE LKAB GROUP IN SUMMARY

MSEK	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
Net sales	6,378	8,675	26,971	31,122
Operating profit	863	3,140	10,595	14,705
Profit from financial items	90	129	428	96
Profit before tax	953	3,269	11,023	14,801
Profit for the period[1]	1,370	2,440	8,788	10,960
Operating cash flow[2]	1,484	3,168	5,471	8,639
Investments in property, plant and equipment[2]	1,748	1,467	5,808	5,126

[1] *Effect of MSEK 719 reduction in Swedish corporate tax included in full year and fourth quarter.*

[2] *See Cash Flow Statement on page 12 for further information.*

MARKET AND SALES

THE STEEL AND IRON ORE MARKET

The steel and iron ore market in Europe remains weak compared with the period before the financial crisis, and indications are that it will be a slow recovery. Consumption by end-users is limited and new orders for steel are at a low level with short lead times. This has resulted in overcapacity in Europe, forcing steelworks to produce at reduced capacity. The prevailing steel prices in Europe also suggest that steel producers are finding it difficult to compensate for rising raw material costs, thus forcing them to implement cost reduction programs. Market conditions in the steel and iron ore markets in Europe reflect the general economic situation, and it now looks as if Europe will not come out of this crisis without the help of other regions.

The global outlook for the steel and iron ore markets did improve in the fourth quarter due to positive statistics, such as the rise in the Chinese purchasing managers' index, and the market had renewed hope that China's new leaders would focus on reforms leading to growth for the country. This meant that demand for iron ore in Asia increased as the supply to the spot market decreased at year-end due to bad weather in the major exporting countries and the price rose.

There are also signs that demand for steel in Europe has improved somewhat. Several steel producers in Europe have recently announced price increases, which suggests that they see a slight improvement in demand in the first half of 2013.

Seen from a long-term perspective, nothing fundamental has changed in the iron ore market. Growth in China is expected to require more steel and the country will be dependent on iron ore imports. As long as the supply of seaborne iron ore is limited, China's low-grade, high-cost mines will keep spot prices in Asia up. At the end of the year, China's imports of iron ore reached an historical second highest monthly level.

The Middle East-North Africa region is expected to continue to be a growing market with an increased need for imports of high-quality pellets.

THE INDUSTRIAL MINERALS MARKET

The world market for Minelco's products is estimated to exceed SEK 20 billion. In the market for industrial use of magnetite outside the iron and steel industry, the company is a market leader in Europe. Minelco also takes a leading position with Mica and Huntite in the plastics and paint industry and a significant position in refractory products, especially in the UK.

Demand for industrial minerals has clearly been affected by the negative macroeconomic trends, with weaker demand in Europe as well as Asia. LKAB's broad exposure to a variety of industries and regions is positive for the company as it enables greater risk diversification and alleviation of the impact of individual industries and regions.

Sales of pipe coating were transferred to the Mining Division in 2012, which affects year-on-year comparisons.

MINING DIVISION

IRON ORE PRODUCTION AND SHIPMENTS

Production of iron ore products in the Mining Division totalled 6.8 (6.8) Mt in the fourth quarter. Shipments for the period totalled 7.6 (6.8) Mt, of which 6.3 (5.5) Mt were pellets. Stocks totalled 1.2 (1.6) Mt at the end of December.

SALES AND EARNINGS

Net sales decreased to MSEK 5,902 (7,866) and operating profit totalled MSEK 779 (2,715). Lower iron ore prices were offset by increased delivery volumes. Costs are basically on par with last year.

MINERALS DIVISION

SALES AND EARNINGS

Net sales totalled MSEK 454 (753) for Q4 2012. Operating profit fell to MSEK 28 (265). Over the same period last year, the Mining Division was invoiced for costs related to the closure of the olivine mine in Greenland, which is the main reason for the change in earnings.

SPECIAL BUSINESSES

SALES AND EARNINGS

Net sales decreased 33% to MSEK 499 (740). Operating profit totalled MSEK 34 (153).

THE GROUP'S CAPITAL EXPENDITURES

Group expenditures on property, plant and equipment for the quarter totalled MSEK 1,748 (1,467). Short-term investments of MSEK -3,729 (-2,991) affected investing activities (net).

Capital expenditures for the year totalled MSEK 5,808 (5,126), of which MSEK 2,176 concerned expenditures for the new main level in Kiruna's underground mine. During the year, environmental investments of just over MSEK 1,500 in flue gas treatment installations for three pelletizing plants were determined and initiated.

THE GROUP'S LIQUIDITY

Operating cash flow for the Group was MSEK 1,484 (3,168) in Q4. The lower earnings had a negative impact on cash flow for the period, compared year-on-year. A reduction in capital tied up in stock and account receivables had a positive effect on the quarter. Cash and cash equivalents and short-term investments amounted to MSEK 18,672 (18,201).

In the fourth quarter, the inflow of US dollars from iron ore sales amounted to MUSD 858 (1,070), of which MUSD 495 (880) was hedged at an average rate of 6.95 (6.66) SEK/USD. The average exchange rate on the spot market was 6.66 (6.75) SEK/USD for the same period.

During the year, the inflow of US dollars from iron ore sales totalled MUSD 3,805 (4,061), of which MUSD 1,840 (2,260) was hedged at an average rate of 6.83 (6.82). The average exchange rate on the spot market was 6.78 (6.50) SEK/USD for the same period.

At the end of the year, outstanding forward exchange contracts totalled MUSD 1,040, hedged at an average rate of 6.90 SEK/USD. At the same time last year, forward exchange contracts amounted to MUSD 970 and the average rate was 6.76 SEK/USD.

PARENT COMPANY

Parent Company net sales for the fourth quarter totalled MSEK 5,866 (7,852), of which MSEK 33 (98) was invoiced to subsidiaries. Profit before tax and appropriations was MSEK 544 (2,753). Quarterly earnings were encumbered by a provision of MSEK 1,144 (1,234) for costs incurred due to the effects of mining on the mining communities.

Expenditures on property, plant and equipment for the fourth quarter totalled MSEK 1,653 (1,359). Cash and cash equivalents and short-term investments totalled MSEK 18,340 (17,903) 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.

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

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

FUTURE DEVELOPMENT

The iron ore market is growing and in particular the demand for DR pellets for gas-based iron and steel production is 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 an increase in volume of more than 35 per cent to an annual capacity of 37 Mt of iron ore products by 2015. 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-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 December 2012, production resumed in the Gruvberget open pit mine after a six-month break pending environmental permits. Production at Gruvberget is expected to give an additional 2 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. The mining permit application for Mertainen was submitted to the Land and Environment 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.

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 93 in 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.

LKAB's agglomeration laboratory in Malmberget was inaugurated in 2012. Since 1997, LKAB has had a unique experimental blast furnace in Luleå that is a key component in LKAB's customer relationships. Continued initiatives are required in order to guarantee world-class research and development 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 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

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. A new accounting principle regarding provisions for the effects from the urban transformation will be applied from year 2013.

All amounts in this interim report are stated in MSEK unless otherwise stated. Rounding differences may occur.

Luleå, 15 February 2013
Luossavaara-Kiirunavaara AB (publ)

Lars-Eric Aaro
President and CEO

FINANCIAL INFORMATION	DATE
Annual report	29 Mar 2013
Annual General Meeting	29 Apr 2013
Interim report Q1 2013, published 1:00 pm at www.lkab.com	29 Apr 2013

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. Lars-Eric Aaro and Leif Boström will be available by telephone for questions on the report at 15.00.

CONSOLIDATED INCOME STATEMENT

(MSEK)	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
Net sales	6,378	8,675	26,971	31,122
Cost of goods sold	-5,183	-5,202	-15,177	-15,190
Gross profit	**1,195**	**3,473**	**11,794**	**15,932**
Selling expenses	-59	-121	-249	-223
Administrative expenses	-188	-198	-608	-640
Research and development expenses	-60	-9	-283	-328
Other operating income	125	126	539	366
Other operating expenses	-151	-131	-598	-403
Operating profit	**863**	**3,140**	**10,595**	**14,705**
Financial income	158	143	744	503
Financial expenses	-68	-15	-316	-407
Net financial items	**90**	**129**	**428**	**96**
Profit before tax	**953**	**3,269**	**11,023**	**14,801**
Tax	417	-829	-2,234	-3,841
Profit for the period	**1,370**	**2,440**	**8,789**	**10,960**
Attributable to Parent Company shareholders	1,370	2,440	8,789	10,960
Earnings per share before and after dilution (SEK)	1,957	3,486	12,555	15,657

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(MSEK)	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
Profit for the period	1,370	2,440	8,789	10,960
Other comprehensive income for the period				
Exchange differences on translation of foreign entities for the period	24	-63	-18	-10
Change in fair value of available for sale financial assets for the period	122	113	-50	-646
Change in fair value of cash flow hedges for the period	-80	190	226	-65
Change in fair value of cash flow hedges transferred to profit for the year			65	-218
Actuarial gains and losses	-7	-172	-214	-172
Tax attributable to components of cash flow hedges and actuarial gains and losses	23	-30	-20	94
Other comprehensive income	**82**	**38**	**-11**	**-1,017**
Total comprehensive income for the period attributable to Parent Company shareholder	**1,452**	**2,478**	**8,778**	**9,943**

SALES BY DIVISION

(MSEK)	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
Mining Division	5,902	7,866	25,144	28,335
of which intra-group revenue	33	98	235	310
Minerals Division	454	753	1,762	2,628
of which intra-group revenue	0	3	2	5
Special Businesses Division	499	740	2,350	2,523
of which intra-group revenue	443	583	2,049	2,049
Eliminations	-476	-684	-2,286	-2,364
Total net sales	6,378	8,675	26,971	31,122

OPERATING PROFIT BY DIVISION

(MSEK)	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
Mining Division	779	2,715	10,127	13,624
Minerals Division	28	265	132	603
Special Businesses Division	34	153	230	405
Consolidation adjustments	22	7	106	73
Operating profit	863	3,140	10,595	14,705
Profit before tax	953	3,269	11,023	14,801

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Mkr)	31 Dec 2012	31 Dec 2011
ASSETS		
Non-current assets		
Intangible assets	277	270
Property, plant and equipment	30,173	26,285
Participations in associated companies	0	1
Financial investments	993	1,038
Non-current receivables	106	85
Total non-current assets	**31,549**	**27,679**
Current assets		
Inventories	2,515	2,449
Account receivable	3,060	4,592
Prepayments and accrued income	93	144
Other current receivables	1,732	665
Current investments	13,235	9,506
Cash and cash equivalents	5,437	8,695
Total current assets	**26,072**	**26,051**
TOTAL ASSETS	**57,621**	**53,730**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity		
Share capital	700	700
Reserves	671	515
Retained earnings including profit for the year	40,300	36,678
Shareholders' equity attributable to Parent Company shareholder	**41,671**	**37,893**
Total shareholders' equity	**41,671**	**37,893**
Non-current liabilities		
Provisions for pensions and similar commitments	2,970	2,775
Provisions for urban transformation	4,934	4,664
Other provisions	160	161
Deferred tax liabilities	3,516	3,775
Total non-current liabilities	**11,580**	**11,375**
Current liabilities		
Trade payables	1,760	1,982
Other current liabilities	192	570
Accrued expenses and prepaid income	1,418	1,241
Provisions for urban transformation	943	439
Other provisions	57	230
Total current liabilities	**4,370**	**4,462**
Total liabilities	**15,950**	**15,837**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**57,621**	**53,730**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

	Equity attributable to Parent Company shareholder					
		Reserves				
MSEK	Share capital	Translation reserve	Fair value reserve	Hedging reserve	Profit brought forward including net profit for the year	Total equity
Shareholders' equity 1 Jan 2012	700	-103	666	-48	36,678	37,893
Profit for the period					8,789	8,789
Other comprehensive income for the period		-18	-50	224	-167	-11
Comprehensive income for the period		-18	-50	224	-8,622	8,778
Dividends					-5,000	-5,000
Shareholders' equity 31 Dec 2012	**700**	**-121**	**616**	**176**	**40,300**	**41,671**

CONSOLIDATED STATEMENT OF CASH FLOW (INDIRECT METHOD)

(Mkr)	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
Operating activities				
Profit before tax	953	3,269	11,023	14,802
Adjustments for non-cash items	1,600	1,958	2,845	3,268
Income tax paid	-373	-246	-3,169	-4,032
Cash flow from operating activities before changes in working capital	**2,180**	**4,981**	**10,699**	**14,038**
Payments for urban transformation	**-131**	**-125**	**-406**	**-382**
Cash flow from changes in working capital				
Increase (-)/decrease (+) in inventories	572	-136	-66	-375
Increase (-)/decrease (+) in operating receivables	-62	-1,237	1,412	-463
Increase (+)/Decrease (-) in operating liabilities	667	1,152	-367	930
Cash flow from operating activities	**3,226**	**4,635**	**11,273**	**13,748**
Investing activities				
Acquisition of property, plant and equipment	-1,748	-1,467	-5,808	-5,126
Disposal of property, plant and equipment	6		6	17
Divestments/acquisitions (net) in current investments	-2,152	-2,991	-3,729	-2,990
Cash flow from investing activities	**-669**	**-4,458**	**-9,531**	**-8,099**
Financing activities				
Dividend paid to Parent Company shareholder	-	-	-5,000	-5,000
Cash flow from financing activities	**-**	**-**	**-5,000**	**-5,000**
Cash flow for the period	**-669**	**177**	**-3,259**	**649**
Cash and cash equivalents at start of period	6,106	8,518	8,695	8,046
Cash and cash equivalents at end of period	5,437	8,695	5,437	8,695
Change in cash and cash equivalents	**-669**	**177**	**-3,259**	**649**
Subcomponents of cash and cash equivalents				
Cash and bank balances			642	1,056
Short-term investments (maturity <90 days)			4,794	7,639
Cash and cash equivalents			**5,437**	**8,695**
LIQUIDITY				
Cash and cash equivalents			5,437	8,695
Short-term investments (90 days <maturity <1 year)			13,235	9,506
			18,672	**18,201**

CONSOLIDATED OPERATING CASH FLOW

(Mkr)	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
Cash flow from operating activities	**3,226**	**4,635**	**11,273**	**13,748**
Investments in property, plant and equipment	-1,748	-1,467	-5,808	-5,126
Other operating investments	6		6	17
Operating cash flow (excluding current investments)	**1,484**	**3,168**	**5,471**	**8,639**
Current investments (net)	-2,152	-2,991	-3,729	-2,990
Cash flow after investing activities	**-669**	**177**	**1,741**	**5,649**
Cash flow from financing activities – dividend paid	-	-	-5,000	-5,000
Cash flow for the period	**-669**	**177**	**-3,259**	**649**

PERSONNEL

	Full year 2012	Full year 2011
Average number of employees	4,357	4,191
– of which women	788	702
– of which men	3,569	3,489

KEY RATIOS IN PER CENT

	Full year 2012	Full year 2011
Gross profit margin	43.7	51.2
Profit margin	40.9	47.6
Return on equity	22.1	30.9
Equity/assets ratio at end of period	72.3	70.5

PARENT COMPANY

INCOME STATEMENT

(Mkr)	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
Net sales	5,866	7,852	25,054	28,282
Cost of goods sold	-4,964	-4,698	-14,145	-13,579
Gross profit	**902**	**3,154**	**10,909**	**14,703**
Selling expenses	-30	-96	-153	-138
Administrative expenses	-137	-153	-468	-508
Research and development expenses	-59	-6	-271	-318
Other operating income	119	80	466	219
Other operating expenses	-100	-262	-395	-379
Operating profit	**695**	**2,717**	**10,088**	**13,579**
Income from financial items				
Income from participations in Group companies	-199	-133	324	43
Income from participations in associated companies			1	
Income from other securities and receivables held as non-current assets	31	37	140	147
Other interest income and similar profit/loss items	74	180	520	380
Interest expenses and similar profit/loss items	-57	-47	-231	-123
Profit after financial items	**544**	**2,753**	**10,842**	**14,026**
Appropriations	-2,358	-2,373	-2,358	-2,373
Profit/loss before tax	**-1,813**	**379**	**8,485**	**11,653**
Tax	451	-82	-2,216	-3,046
Profit/loss for the period	**-1,363**	**298**	**6,269**	**8,607**

STATEMENT OF COMPREHENSIVE INCOME

(Mkr)	Q 4 2012	Q 4 2011	Full year 2012	Full year 2011
Profit/loss for the period	-1,363	298	6,269	8,607
Other comprehensive income for the period	0	0	0	0
Comprehensive income for the period	**-1,363**	**298**	**6,269**	**8,607**

BALANCE SHEET

(Mkr)	31 Dec 2012	31 Dec 2011
ASSETS		
Non-current assets		
Intangible assets	73	58
Property, plant and equipment	24,675	21,165
Financial assets		
Participations in Group companies	1,410	1,410
Participations in associated companies	0	1
Receivables from Group companies	1,142	1,296
Other non current securities	129	127
Other non-current receivables	185	170
Deferred tax asset	486	288
Total financial assets	3,352	3,292
Total non-current assets	**28,100**	**24,516**
Current assets		
Inventories etc.	1,946	1,879
Current receivables		
Accounts receivables	2,918	4,146
Receivables from Group companies	1,398	1,570
Other current receivables	1,352	688
Prepayments and accrued income	70	80
Total current receivables	**5,738**	**6,484**
Current investments	17,883	17,073
Cash and bank balances	457	830
Total current assets	**26,024**	**26,266**
TOTAL ASSETS	**54,124**	**50,782**

PARENT COMPANY

BALANCE SHEET

(Mkr)	Full year 2012	Full year 2011
SHAREHOLDERS' EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital (700,000 shares)	700	700
Statutory reserve	697	697
Non-restricted equity		
Accumulated profit	18,390	14,782
Profit for the year	6,269	8,607
Total shareholders' equity	**26,056**	**24,786**
Untaxed reserves	**16,866**	**14,509**
Provisions		
Provision for urban transformation, long term	4,934	4,664
Other provisions	1,616	1,777
Total provisions	**6,550**	**6,441**
Current liabilities		
Trade payables	1,394	1,398
Liabilities to Group companies	991	1,906
Current tax liabilities		
Other current liabilities	99	255
Accrued expenses and deferred income	1,225	1,048
Provision for urban transformation, short term	943	439
Total current liabilities	**4,652**	**5,046**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**54,124**	**50,782**

	Full year 2012	Full year 2011
Assets pledged	236	240
Contingent liabilities	112	176

KEY RATIOS IN PER CENT

	Full year 2012	Full year 2011
Gross profit margin	43.5	52.0
Profit margin	43.3	49.6
Return on equity	16.6	26.2
Equity/assets ratio at end of period	72.4	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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