2014

YEAR-END REPORT

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.com

OCTOBER – DECEMBER

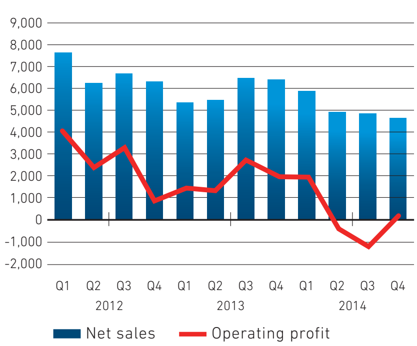
- NET SALES TOTALLED MSEK 4,662 (6,407)
- OPERATING PROFIT WAS MSEK 205 (1,989)
- OPERATING PROFIT BEFORE EXPENSES FOR URBAN TRANSFORMATION WAS MSEK 46 (2,213)
- PROFIT BEFORE TAX TOTALLED MSEK 82 (1,978)
- LOSS FOR THE PERIOD WAS MSEK -17 (1,524)
- OPERATING CASH FLOW WAS MSEK 292 (1,337)
- DELIVERIES OF IRON ORE TOTALLED 6.7 (6.6) MT

JANUARY – DECEMBER

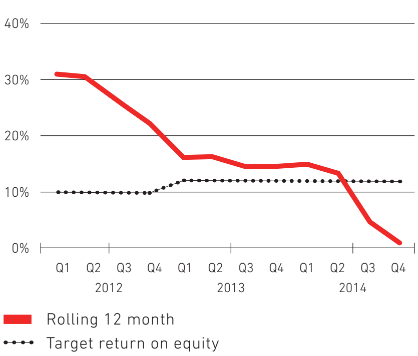
- NET SALES TOTALLED MSEK 20,615 (23,873)
- OPERATING PROFIT WAS MSEK 570 (7,639)
- OPERATING PROFIT BEFORE EXPENSES FOR URBAN TRANSFORMATION WAS MSEK 4,002 (8,259)
- PROFIT BEFORE TAX WAS MSEK 594 (7,768)
- PROFIT FOR THE PERIOD AMOUNTED TO SEK 347 MILLION (6,032)
- OPERATING CASH FLOW TOTALLED MSEK 2,072 (2,434)
- DELIVERIES OF IRON ORE TOTALLED 26.0 (25.5) MT
- THE BOARD PROPOSES TO THE AGM AN ORDINARY DIVIDEND OF SEK 139 PER SHARE, EQUIVALENT TO MSEK 139 (2,400). THE DIVIDEND IS IN ACCORDANCE WITH THE OWNER'S DIVIDEND POLICY.

COMMENTS BY THE PRESIDENT AND CEO

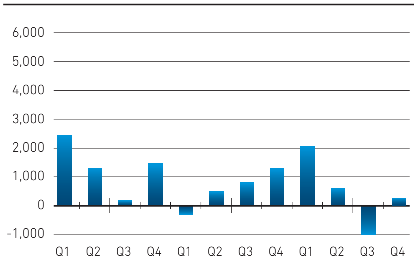
NET SALES AND OPERATING PROFIT MSEK



RETURN ON SHAREHOLDERS' EQUITY



OPERATING CASH FLOW MSEK



A changed market situation

With an operating profit of MSEK 205 (1,989) and an operating margin of 4 (31) percent for the fourth quarter, LKAB's earnings reflect a changed market situation. The market's continued structural oversupply of iron ore fines is putting pressure on the world market price of iron ore. During the quarter, the spot price[1] reached its lowest level in the last five years with a price of USD 66/tonne. Low steel prices in China and weaker demand for iron ore fines on the spot market also contributed to the spot price's decline.

Continued high demand for LKAB's high-quality processed iron ore products, such as pellets, offers price advantages. It shows that we are well positioned in our customer offering with climate-smart iron ore pellets. LKAB also intends to increase its supply of processed products, mainly through increased pellet production in Kiruna with a further 1.4 Mt of iron ore products.

Deliveries of iron ore for the quarter totalled 6.7 (6.6) Mt, which is about the same as the fourth quarter last year. Production volume for the quarter was three percent lower than last year and amounted to 6.7 (6.9) Mt. In addition to cost savings, it is essential for LKAB to streamline its processes in order to raise capacity and increase production. We will do this while taking responsibility for the impact that increased mining poses to the communities in which we operate.

The falling prices in the iron market are prompting us to take a number of measures. We are revising existing and planned investments for 2015 and 2016. Activities meant to reduce our tied-up working capital continue. Further cost reductions of MSEK 700 are also being implemented. Measures being taken include renegotiating purchasing agreements, a hiring freeze and reducing personnel by 400 positions by the end of 2016. The effects of these measures will be seen mainly in 2016.

Work on growth investments in the Svappavaara Field continues. The new mines give us increased flexibility and compensate for any disruptions in the underground mines. Gruvberget is already in production and preparatory work for starting production in Mertainen is underway. A process in the Land and Environment Court on mining in the Leveäniemi mine is in progress and we hope for a positive ruling in the second quarter of 2015. The protracted permit process for the new mines has resulted in significant delays in LKAB's growth program and considerable financial implications.

It is crucial to LKAB's growth and the continued development of the communities in which we operate that we succeed in our urban transformation efforts in cooperation with the municipalities involved. The year's disbursements for urban transformation amounted to MSEK 1,354 and outstanding commitments at year-end amounted to MSEK 11,683. In 2014, our operating profit was encumbered by costs for urban transformation of MSEK 3,432 (620).

The sharp decline in iron ore prices puts pressure on profitability. At the same time, a stable financial position will help LKAB navigate this new market situation. As we look ahead, our priorities are trouble-free production and lower costs through increased internal efficiency.

[1] Platts IODEX 62% Fe CFR North China

Lars-Eric Aaro
President and CEO

THE LKAB GROUP IN SUMMARY

OPERATIONS – FOURTH QUARTER

	Q4 2014	Q4 2013	Change	Change %
Net sales, MSEK	4,662	6,407	-1,745	-27
Operating profit before expenses for urban transformation, MSEK	46	2,213	-2,168	-98
- Urban transformation expenses, MSEK	159	-224	383	171
Operating profit, MSEK	205	1,989	-1,785	-90
Loss from financial items, MSEK	-122	-11	-111	
Profit before tax, MSEK	82	1,978	-1,896	-96
Profit/loss for the period, MSEK	-17	1,524	-1,541	
Operating cash flow, MSEK	292	1,337	-1,045	-78
Capital expenditures in property, plant and equipment, MSEK	1,635	1,722	-87	-5
Depreciations, MSEK	823	742	81	11
Production, Mt	6.7	6.9	-0.2	-3
Deliveries, Mt	6.7	6.6	0.1	2
Proportion of pellets, %	83	83	-	
Stocks of finished products, Mt	0.8	1.2	-0.4	-33
Gross margin, %	12	38	-26	
Operating margin, %	4	31	-27	
Net financial indebtedness [2]	-16	-7,315		

[2] Net financial indebtedness= interest-bearing liabilities less interest-bearing assets.

Operating profit before expenses for urban transformation was MSEK 46 (2,213), representing an operating margin of 1 (35) percent. Net sales fell by 27 percent, where price had a negative effect of 37 percent and volume/product mix and currency each had a positive effect of five percent. LKAB Minerals contributed to the rise in volume with an increase in magnetite sales.

During the last quarter, the provisions for urban transformation in the affected areas were revalued due to revised estimates of future spending, which had a positive effect on earnings for the quarter of MSEK 159. Negotiations continue with the municipalities concerned and additional provisions for urban transformation will continue to affect LKAB's income statement and balance sheet in 2015 and beyond.

Production decreased by three percent to 6.7 (6.9) Mt mainly due to disruptions in Kiruna's underground mine. This, together with a high degree of deliveries for the quarter, resulted in low stocks of finished products at year-end.

Earnings from financial items were lower compared to the same period last year. A currency exchange loss during the quarter contributed to the negative result.

In the fourth quarter, LKAB issued five-year corporate bonds under its Medium Term Notes program. Under this program, LKAB can issue corporate bonds in SEK or EUR to a maximum of SEK 7 billion. In accordance with the program's terms and conditions, issued corporate bonds are to be redeemed early if the Swedish state's ownership of LKAB falls below 100 percent, a so-called retention of title. At the end of the quarter, outstanding bond loans were valued at SEK 2 billion.

Operating cash flow was as follows:

(MSEK)	Q4 2014	Q4 2013	Change Mkr
Cash flow from operating activities before change in working capital	1,976	3,432	-1,456
Change in working capital	-70	-379	309
Capital expenditures (net)	-1,614	-1,716	102
Operating cash flow	**292**	**1,337**	**-1,045**

Operating cash flow for the fourth quarter was lower than the same period last year, mainly due to lower earnings resulting from low iron ore prices.

THE LKAB GROUP IN SUMMARY

OPERATIONS – JANUARY TO DECEMBER

	Full year 2014	Full year 2013	Change	Change (%)
Net sales, MSEK	20,615	23,873	-3,258	-14
Operating profit before expenses for urban transformation, MSEK	4,002	8,259	-4,257	-52
- Urban transformation expenses, MSEK	-3,432	-620	-2,812	-454
Operating profit	570	7,639	-7,069	-93
Profit from financial items, MSEK	24	129	-105	-81
Profit before tax, MSEK	594	7,768	-7,174	-92
Profit for the period, MSEK	347	6,032	-5,685	-94
Operating cash flow, MSEK	2,072	2,434	-362	-15
Capital expenditures in property, plant and equipment, MSEK	5,491	6,141	-650	-11
Depreciations, MSEK	2,866	2,432	434	18
Production, Mt	25.7	25.3	0.4	2
Deliveries, Mt	26.0	25.5	0.5	2
Proportion of pellets, %	83	83	-	
Stocks of finished products, Mt	0.8	1.2	-0.4	-33
Gross margin, %	9	38	-29	
Operating margin, %	3	32	-29	
Net financial indebtedness [2]	-16	-7,315		

[2] Net financial indebtedness= interest-bearing liabilities less interest-bearing assets.

Operating profit before expenses for urban transformation decreased by 52 percent to MSEK 4,002 (8,259), equivalent to an operating margin of 19 (35) percent. Net sales fell by 14 percent, where the lower iron ore price had a negative effect of 19 percent and volume/product mix and currency had a positive effect of four and one percent, respectively.

Present commitments for urban transformation at year-end amounted to MSEK 11,683. During the year, costs for urban transformation provisions in the affected areas totalled MSEK 3,432, of which Kiruna stood for MSEK 1,200 and Malmberget for MSEK 2,232.

Earnings from financial items were lower compared with last year mainly due to lower income from investments and losses on holdings of Northland Resources. All holdings are impaired. A weaker SEK has, however, contributed to an exchange gain for the year.

Operating cash flow was as follows:

(MSEK)	Full year 2014	Full year 2013	Change MSEK
Cash flow from operating activities before change in working capital	5,911	9,423	-3,512
Change in working capital	1,624	-866	2,490
Capital expenditures (net)	-5,463	-6,123	660
Operating cash flow	**2,072**	**2,434**	**-362**

Cash flow from operating activities was lower than last year, mainly due to lower iron ore prices. Disbursements for urban transformation were also MSEK 1,059 higher than the same period last year, which resulted in lower cash flow from operating activities. Lower iron ore prices also resulted in less capital tied up in accounts receivable. This, together with lower investment disbursements, offset the decline in cash flow.

Besides the issuance of corporate bonds in the fourth quarter, a number of other activities in LKAB's long-term financing strategy were implemented during the year. LKAB's commercial paper program with a limit of SEK 5 billion was capitalized in the second quarter. Utilization at the end of 2014 was MSEK 798. In addition to this, LKAB procured a revolving credit facility of SEK 5 billion in the third quarter. This replaces a previous credit facility for the same amount. The credit facility is subject to retention of title.

MARKET AND SALES

THE STEEL AND IRON ORE MARKET

The global steel and iron ore industry

The steel industry

Global production of crude steel increased in the fourth quarter to 1,637 Mt, which is a 1.8 percent increase compared with the same period last year. Market prices of finished steel products were weak in all markets during the quarter. The negative price trend is driven by the steel industry's overcapacity in production leading to an oversupply of steel products. During the quarter, demand for steel increased, mainly in Europe and the US, while decreasing slightly in China.

The iron ore market

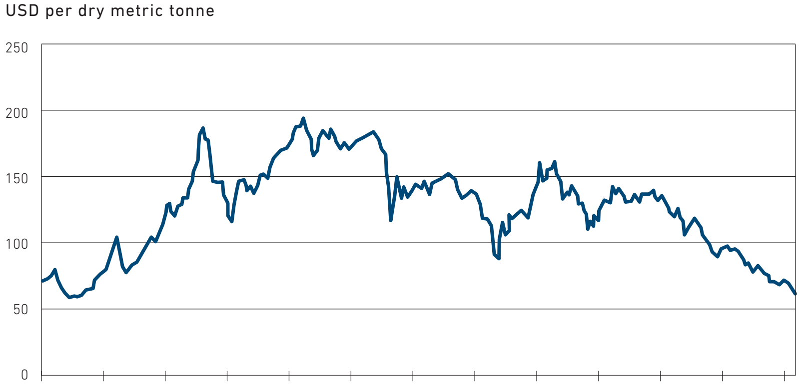
The total volume of iron ore produced in 2014 was 2,200 Mt. This amount included about 1,400 Mt of sinter fines or concentrates, 300 Mt lump ore and 500 Mt pellets. During the year, the iron ore market was characterized by a continued increase in the supply of new volumes of fines, primarily from Australia. The increased supply of fines products continued to put pressure on the spot price[1] of iron ore during the quarter.

The spot price's negative trend continued in the fourth quarter, recording its lowest level in the past five years: USD 66/tonne. The average for the quarter ended up at USD 74/tonne, which is a decrease of 18 percent compared with last quarter. The decline was driven by low steel prices in China, weak demand for iron ore on the spot market and the structural oversupply of iron ore fines. The average spot price for 2014 was USD 97/tonne compared with USD 135/tonne in 2013, which is a 28 percent decline.

Of LKAB's deliveries in 2014, iron ore fines accounted for only 17 percent, while iron ore pellets accounted for the remaining 83 percent. The price of iron ore pellets is based on the spot price for iron ore fines plus a pellet premium. The pellet premium is negotiated annually, and since the spot price for iron ore fines fell during the year, the fixed pellet premium represented a buffer for LKAB's prices.

PLATTS IODEX 62% Fe CFR North China Januari 2009 - Februari 4, 2015

USD per dry metric tonne



EU

Production of crude steel within the EU28 fell in the fourth quarter by 1.6 percent, compared with the same period last year. Sanctions against Russia by the EU and US as a result of the geopolitical turmoil in Ukraine had a negative effect on the euro zone's economic development. Economic data indicates a decline in industrial production.

USA

Production of crude steel increased in the fourth quarter by 1.5 percent, compared with the same period last year. The recovery of the US economy is looking positive. Negative developments in oil prices in the fourth quarter increased the uncertainty surrounding several shale gas projects, which US steel producers with exposure to the oil industry are already feeling.

Middle East and North Africa (MENA)

Production of crude steel in MENA increased in the quarter by 6.0 percent, compared with the same period last year. Demand for DR pellets remains strong in the region, driven by large construction and infrastructure projects. The region's rapid growth is threatened by continued low oil prices, which led the World Bank to issue recommendations for several countries in the region to review their public spending and investments.

China

Production of crude steel increased in the fourth quarter by 0.3 percent compared year-on-year. China's GDP growth during the fourth quarter was slightly stronger than expected, but the demand for steel indicates a lower rate of growth. This development is strongly linked to the Chinese government's goal of converting from an investment-driven to a consumption-driven economy. This has affected industrial production, especially the construction sector, as shown by symptoms such as a negative price trend for newly built homes. Prices declined by 4.3 percent in December alone, compared with the same month last year. Overall, this affected market prices of finished steel products negatively during the quarter, which in turn was reflected in the spot price of iron ore.

China's iron ore imports were low in November but they recovered and hit a new record in December. China's imports of iron ore totalled 234 Mt in the fourth quarter, an increase of 6.7 percent compared with the fourth quarter of 2013.

[1] Platts IODEX 62% Fe CFR North China

MINING DIVISION

OPERATIONS SUMMARY – FOURTH QUARTER AND ACCRUED

	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales, MSEK	4,249	6,069	19,013	22,240
Operating profit before expenses for urban transformation, MSEK	70	2,035	3,655	7,571
- Urban transformation expenses, MSEK	159	-224	-3,432	-620
Operating profit, MSEK	229	1,811	223	6,951
Gross margin, %	12	35	6	35
Operating margin, %	5	30	1	31
Production, Mt	6.7	6.9	25.7	25.3
Deliveries, Mt	6.7	6.6	26.0	25.5
Proportion of pellets, %	83	83	83	83

Fourth quarter

Operating profit before expenses for urban transformation decreased by 97 percent to MSEK 70 (2,035), equivalent to an operating margin of 2 (34) percent. Net sales fell by 30 percent, where price had a negative effect of 36 percent and volume/product mix and currency had a positive effect of one and five percent, respectively.

Production decreased by three percent to 6.7 (6.9) Mt mainly due to disruptions in Kiruna's underground mine. This, together with a high level of deliveries for the quarter, resulted in low stocks of finished products at year-end.

Full year

Operating profit before expenses for urban transformation decreased by 52 percent to MSEK 3,655 (7,571), equivalent to an operating margin of 19 (34) percent. Net sales fell by 15 percent, where price had a negative effect of 18 percent and volume/product mix and currency had a positive effect of two and one percent, respectively.

MINERALS DIVISION

OPERATIONS SUMMARY – FOURTH QUARTER AND ACCRUED

	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales, MSEK	529	376	1,870	1,661
Gross profit, MSEK	98	51	340	226
Operating profit/loss, MSEK	65	-2	212	63
Gross margin, %	19	14	18	14
Operating margin, %	12	-1	11	4

Increased sales and improved margins, particularly for magnetite (iron ore products), contributed to the significantly improved results for the quarter and the full-year. During the fourth quarter final delivery of iron ore to a project for ballasting an offshore structure was made. Overall, sales for this type of application had a very positive effect during the year and LKAB Minerals has established itself in the market.

Performance was mixed in markets for other minerals. Europe remains cautious or neutral while there is greater potential for growth in Asia and North America.

SPECIAL BUSINESSES DIVISION

OPERATIONS SUMMARY – FOURTH QUARTER AND ACCRUED

	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales, MSEK	468	471	1,732	1,942
Gross profit, MSEK	95	63	258	326
Operating profit, MSEK	41	57	153	276
Gross margin, %	20	13	15	17
Operating margin, %	9	12	9	14

The lower sales and operating profit in the fourth quarter and full-year were primarily due to lower activity and margins in LKAB Berg & Betong in assignments for the Mining Division during the year, compared with the same period last year.

PARENT COMPANY

OPERATIONS SUMMARY – FOURTH QUARTER AND ACCRUED

	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales, MSEK	4,214	6,083	18,970	22,265
Operating profit before expenses for urban transformation, MSEK	11	1,874	3,520	7,352
- Urban transformation expenses, MSEK	159	-224	-3,432	-620
Operating profit, MSEK	170	1,650	88	6,732
Capital expenditures in property, plant and equipment, MSEK	1,665	1,583	4,913	5,681
Liquidity, MSEK	16,408	15,243	16,408	15,243
Gross margin, %	10	32	6	34
Operating margin, %	4	27	0	30

Fourth quarter

Operating profit before expenses for urban transformation decreased by 99 percent to MSEK 11 (1,874), equivalent to an operating margin of 0 (31) percent. Net sales fell by 31 percent, where price had a negative effect of 37 percent and volume/product mix and currency had a positive effect of one and five percent, respectively.

Production decreased by three percent to 6.7 (6.9) Mt mainly due to disruptions in Kiruna's underground mine. This, together with a high level of deliveries for the quarter, resulted in low stocks of finished products at year-end.

Full year

Operating profit before expenses for urban transformation decreased by 52 percent to MSEK 3,520 (7,352), equivalent to an operating margin of 19 (33) percent. Net sales fell by 15 percent, where price had a negative effect of 18 percent and volume/product mix and currency had a positive effect of two and one percent, respectively.

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 part in minimizing the impact of factors that lie beyond the Group's control. The Group employs methods for evaluating and limiting these risks by ensuring that 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. Because effective risk management is a business-critical success factor, LKAB appointed a Chief Risk Officer (CRO) in 2014.

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

Protracted permit processes pose a big risk that LKAB's planned production increase is substantially delayed.

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

OUTLOOK FOR 2015

Demand for LKAB's pellet products is expected to remain strong. However, the market is also expected to be characterized by an oversupply of iron ore fines in 2015, putting pressure on spot prices[1] and thus on LKAB's profitability.

LKAB's growth strategy remains unchanged, with a planned long-term volume increase of 35 percent, as previously announced. LKAB aims to increase the volume of processed products.

Work on growth investments in the Svappavaara Field continues. The new mines give us increased flexibility and compensate for any disruptions in the underground mines. Preparatory work for production start-up in Mertainen continues. A process is underway in the Land and Environment Court regarding mining in the Leveäniemi mine with the hope of a positive ruling in the second quarter of 2015.

The falling iron ore prices are prompting us to take a number of measures. Ongoing and planned investments for 2015 and 2016 are being revised and activities meant to reduce our tied-up working capital continue. Efforts are being made to reduce costs by MSEK 700. Measures being taken include renegotiating purchasing agreements, a hiring freeze and reducing personnel by 400 positions by the end of 2016. The effects of these measures will be seen mainly in 2016.

[1] Platts IODEX 62% Fe CFR North China

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.

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.

This report has not been subject to review by the company's auditor.

Luleå, 13 February 2015
Luossavaara-Kiirunavaara AB (publ)

Lars-Eric Aaro
President and CEO

FINANCIAL INFORMATION	DATE
2014 Annual Report	31 March 2015
Annual General Meeting	28 April 2015
Interim report Q1 2015	28 April 2015
Interim report Q2 2015	14 August 2015
Interim report Q3 2015	23 October 2015
Year-end report 2015	February 2016

Reports are available at www.lkab.com
Any questions concerning the Q4 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.

CONSOLIDATED INCOME STATEMENT

(MSEK)	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales	4,662	6,407	20,615	23,873
Cost of goods sold	-4,125	-4,002	-18,781	-14,994
Gross profit	**537**	**2,405**	**1,834**	**8,879**
Selling expenses	-46	-49	-151	-148
Administrative expenses	-153	-201	-596	-648
Research and development expenses	-129	-128	-451	-360
Other operating income	82	63	311	219
Other operating expenses	-83	-101	-377	-303
Operating profit	**205**	**1,989**	**570**	**7,639**
Financial income	83	144	519	611
Financial expenses	-205	-155	-495	-482
Net financial income/expense	**-122**	**-11**	**24**	**129**
Profit before tax	**82**	**1,978**	**594**	**7,768**
Tax	-99	-454	-247	-1,736
Profit/loss for the period	**-17**	**1,524**	**347**	**6,032**
Attributable to Parent Company shareholders	-17	1,524	347	6,032
Earnings per share before and after dilution (SEK)	neg	2,177	496	8,617
Number of shares			700,000	700,000

CONSOLIDATED COMPREHENSIVE INCOME

(MSEK)	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Profit/loss for the period	**-17**	**1,524**	**347**	**6,032**
Other comprehensive income for the period				
Items that cannot be transferred to profit for the year				
Actuarial gains and losses	-51	119	-284	106
Tax attributable to actuarial gains and losses	11	-26	62	-23
Total items that cannot be transferred to profit for the year	**-40**	**93**	**-222**	**83**
Items that have been or can be transferred to profit for the year				
Gains/losses on translation of foreign entities for the period	-8	60	74	-18
Change in fair value of available-for-sale financial assets for the period	-201	90	-45	-90
Changes in fair value of cash flow hedges for the period	-74	-32	-410	72
Changes in fair value of cash flow hedges transferred to profit for the year	-15	-28	-67	-226
Tax attributable to components of cash flow hedges	20	13	105	34
Total items that have been or can be transferred to profit for the year	**-278**	**103**	**-343**	**-228**
Other comprehensive income	**-318**	**196**	**-565**	**-145**
Comprehensive income attributable to Parent Company shareholders for the period	**-335**	**1,720**	**-218**	**5,887**

STATEMENT OF FINANCIAL POSITION

(MSEK)	31 Dec 2014	31 Dec 2013
ASSETS		
Non-current assets		
Intangible assets	228	257
Property, plant and equipment	39,529	33,759
Financial investments	912	1,075
Deferred tax asset	44	19
Non-current receivables	62	103
Total non-current assets	**40,775**	**35,213**
Current assets		
Inventories	2,553	2,611
Accounts receivable	1,908	3,291
Prepaid expenses and accrued income	158	131
Other current receivables	876	1,079
Current investments	11,505	10,801
Cash and cash equivalents	5,358	4,696
Total current assets	**22,358**	**22,609**
TOTAL ASSETS	**63,133**	**57,822**
EQUITY AND LIABILITIES		
Equity		
Share capital	700	700
Reserves	100	443
Retained earnings including profit for the year	36,954	40,329
Equity attributable to Parent Company shareholders	**37,754**	**41,472**
Total equity	**37,754**	**41,472**
Non-current liabilities		
Non-current interest-bearing liabilities	1,995	
Provisions for pensions and similar commitments	2,156	1,886
Provisions for urban transformation	9,644	4,804
Other provisions	1,167	1,167
Deferred tax liabilities	3,423	3,813
Total non-current liabilities	**18,385**	**11,670**
Current liabilities		
Liabilities to credit institutions	798	
Trade payables	1,691	1,744
Other current liabilities	1,121	227
Accrued expenses and deferred income	1,207	1,103
Provisions for urban transformation	2,039	1,500
Other provisions	**138**	**106**
Total current liabilities	**6,994**	**4,680**
Total liabilities	**25,379**	**16,350**
TOTAL EQUITY AND LIABILITIES	**63,133**	**57,822**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to Parent Company					
		Reserves				
(MSEK)	Share capital	Translation reserve	Fair value reserve	Hedging reserve	Retained earnings incl. profit for the year	Total equity
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					
		Reserves				
(MSEK)	Share capital	Translation reserve	Fair value reserve	Hedging reserve	Retained earnings incl. profit for the year	Total equity
Opening equity 1 Jan 2014	**700**	**-139**	**526**	**56**	**40,329**	**41,472**
Profit for the period					347	347
Other comprehensive income for the period		74	-45	-372	-222	-565
Comprehensive income for the period		74	-45	-372	125	-218
Dividend					-3,500	-3,500
Closing equity 31 Dec 2014	**700**	**-65**	**481**	**-316**	**36,954**	**37,754**

CONSOLIDATED STATEMENT OF CASH FLOW

(MSEK)	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Operating activities				
Profit before tax	82	1,978	594	7,768
Adjustment for items not included in cash flow	942	1,177	6,719	3,404
Income tax paid	1,063	1,252	-48	-573
Expenditures, urban transformation	-111	-94	-1,354	-295
Payment to retirement benefit plan		-881		-881
Cash flow from operating activities before changes in working capital	**1,976**	**3,432**	**5,911**	**9,423**
Cash flow from changes in working capital				
Increase (-)/Decrease (+) in inventories	-223	-186	59	-118
Increase (-)/Decrease (+) in operating receivables	-538	-383	1,222	-444
Increase (+)/Decrease (-) in operating liabilities	691	190	343	-304
Change in working capital	**-70**	**-379**	**1,624**	**-866**
Cash flow from operating activities	**1,906**	**3,053**	**7,535**	**8,557**
Investing activities				
Acquisition of property, plant and equipment	-1,635	-1,722	-5,491	-6,141
Disposal of property, plant and equipment	21	6	28	18
Acquisition/divestment of financial assets	-678	190	-703	2 325[1]
Cash flow from investing activities	**-2,292**	**-1,526**	**-6,166**	**-3,798**
Financing activities				
Borrowing	1,995		2,793	
Dividends paid to Parent Company shareholders			-3,500	-5,500
Cash flow from financing activities	**1,995**		**-707**	**-5,500**
Cash flow for the period	**1,609**	**1,527**	**662**	**-741**
Cash and cash equivalents at start of period	3,749	3,169	4,696	5,437
Cash and cash equivalents at end of period	5,358	4,696	5,358	4,696
Change in cash and cash equivalents	**1,609**	**1,527**	**662**	**-741**
Sub-components of cash and cash equivalents				
Cash and bank balances			2,623	508
Current investments (maturity <90 days)			2,735	4,188
Cash and cash equivalents			**5,358**	**4,696**
LIQUIDITY				
Cash and cash equivalents			5,358	4,696
Current investments (maturity >90 days <1 year)			11,505	10,801
			16,863	**15,497**

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

OPERATING CASH FLOW

(MSEK)	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Cash flow from operating activites	**1,906**	**3,053**	**7,535**	**8,557**
Acquisition of property, plant and equipment	-1,635	-1,722	-5,491	-6,141
Disposal of property, plant and equipment	21	6	28	18
Operating cash flow (excluding current investments)	**292**	**1,337**	**2,072**	**2,434**
Acquisition/divestment of financial assets	-678	190	-703	2 3251
Cash flow from financing activities	1,995		-707	-5,500
Cash flow for the period	**1,609**	**1,527**	**662**	**-741**

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

PERSONNEL

	Full year 2014	Full year 2013
Average number of employees	4,539	4,427
– of which women	896	838
– of which men	3,643	3,589

KEY RATIOS IN PERCENT

	Full year 2014	Full year 2013
Gross margin	8.9	37.2
Profit margin	2.9	32.5
Return on equity	0.9	14.7
Net debt/equity ratio	0,0	-17.6

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).
Net debt/equity ratio: Difference between interest-bearing liabilities and interest-bearing assets divided by equity.

PARENT COMPANY

INCOME STATEMENT

(MSEK)	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Net sales	4,214	6,083	18,970	22,265
Cost of goods sold	-3,784	-4,127	-17,911	-14,624
Gross profit	**430**	**1,956**	**1,059**	**7,641**
Selling expenses	-19	-21	-69	-67
Administrative expenses	-116	-158	-447	-502
Research and development expenses	-131	-131	-453	-349
Other operating income	7	14	72	30
Other operating expenses	-1	-10	-74	-21
Operating profit	**170**	**1,650**	**88**	**6,732**
Profit/loss from financial items	**-33**	**70**	**371**	**513**
Profit after financial items	**137**	**1,720**	**459**	**7,245**
Appropriations	535	-1,762	535	-1,762
Profit/loss before tax	**672**	**-42**	**994**	**5,483**
Tax	-189	46	-272	-1,171
Profit for the period	**483**	**4**	**722**	**4,312**

STATEMENT OF COMPREHENSIVE INCOME

(MSEK)	Q4 2014	Q4 2013	Full year 2014	Full year 2013
Profit for the period	483	4	722	4,312
Other comprehensive income for the period				
Comprehensive income for the period	**483**	**4**	**722**	**4,312**

BALANCE SHEET

(MSEK)	31 Dec 2014	31 Dec 2013
ASSETS		
Non-current assets		
Intangible assets	36	42
Property, plant and equipment	32,813	27,294
Financial assets		
Participations in subsidiaries	1,768	1,490
Receivables from subsidiaries	1,545	1,042
Other non-current securities	129	129
Other non-current receivables	134	170
Deferred tax asset	872	678
Total financial assets	**4,448**	**3,509**
Total non-current assets	**37,297**	**30,845**
Current assets		
Inventories	1,940	2,111
Current receivables		
Accounts receivable	1,385	3,008
Receivables from subsidiaries	1,450	2,053
Other current receivables	729	814
Prepaid expenses and accrued income	115	95
Total current receivables	**3,679**	**5,970**
Current investments	14,035	14,878
Cash and bank balances	2,373	365
Total current assets	**22,027**	**23,324**
TOTAL ASSETS	**59,324**	**54,169**

PARENT COMPANY

BALANCE SHEET

(MSEK)	31 Dec 2014	31 Dec 2013
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital (700,000 shares)	700	700
Statutory reserve	697	697
Non-restricted equity		
Retained earnings	19,420	18,608
Profit for the period	722	4,312
Total equity	**21,539**	**24,317**
Untaxed reserves	18,144	18,487
Provisions		
Provisions for urban transformation	9,644	4,804
Other provisions	1,490	1,597
Total provisions	11,134	6,401
Non-current liabilities		
Bond loans	1,995	
Total non-current liabilities	1,995	
Current liabilities		
Liabilities to credit institutions	798	-
Trade payables	1,236	1,406
Liabilities to subsidiaries	883	945
Other current liabilities	420	143
Accrued expenses and deferred income	998	864
Provisions for urban transformation	2,039	1,500
Other provisions	138	106
Total current liabilities	**6,512**	**4,964**
TOTAL EQUITY AND LIABILITIES	**59,324**	**54,169**
Pledged assets	251	245
Contingent liabilities	640	134

KEY RATIOS IN PERCENT

(MSEK)	31 Dec 2014	31 Dec 2013
Gross margin	5.6	34.3
Profit margin	2.4	32.4
Return on equity	1.9	11.1

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).

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 31 December 2014

(MSEK)	Level 1	Level 2	Level 3	Total
Shares, financial assets	614			614
Shares, current holdings		2,179		2,179
Interest-bearing instruments		9,222		9,222
Cash and cash equivalents (short-term investments with maturities under three months)		2,735		2,735
Derivatives, cash flow hedges		-586		-586
Total	**614**	**13,550**		**14,164**

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 at the end of the reporting period.

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.

Derivatives
The fair value of forward exchange contracts is calculated on the basis of a valuation model based on discounted cash flows, derived from listed market prices obtained from Reuters.

Fair value of other receivables and liabilities
The carrying amount of other receivables and liabilities is estimated to be a reasonable approximation of fair value.

Note 2 Provisions for urban transformation

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

A contract boundary was 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 the impact of mining done to date and when the obligation is expensed.

The area between the contract boundary and the impact 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 3,159 was recognized at the end of the year with a corresponding increase in provisions for urban transformation.

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