

Kontaktperson: Frank Hojem, Senior Vice President Communications  
Telefon: +46 920 380 70  
E-Mail: Frank.hojem@lkab.com

## **Year-end Report 2014: A changed market situation**

**Further cost reductions, reducing personnel with by 400 positions by the end of 2016 and continuing work on growth investments in the Svappavaara Field. This is presented in the Year-end Report presented on the 13<sup>th</sup> of February.**

The falling prices in the iron market are prompting us to take a number of measures. 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.

At the same time, LKAB has continued high demand for LKAB's high-quality processed iron ore products,

- 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, says CEO Lars-Eric Aaro in the report.

Further cost reductions of MSEK 700 are 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, says Lars-Eric Aaro.

The protracted permit process for the new mines has resulted in significant delays in LKAB's growth program and considerable financial implications.

*Follow the press conference at [www.lkab.com/presskonferens](http://www.lkab.com/presskonferens) (in Swedish) starting 12:15.*