2016

INTERIM REPORT Q1

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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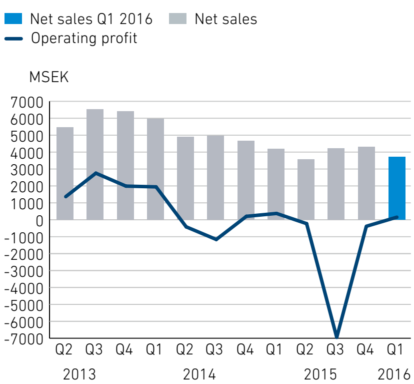
Financial information is also available on lkab.com

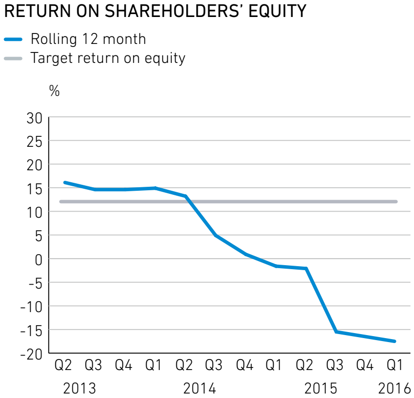
JANUARY – MARCH

- NET SALES TOTALLED MSEK 3,768 (4,177)
- OPERATING PROFIT WAS MSEK 171 (375)
- COSTS FOR URBAN TRANSFORMATION PROVISIONS TOTALLED MSEK 335 (224)
- PROFIT FOR THE PERIOD WAS MSEK 333 (607)
- DELIVERIES OF IRON ORE TOTALLED 6,3 (5,9) MT

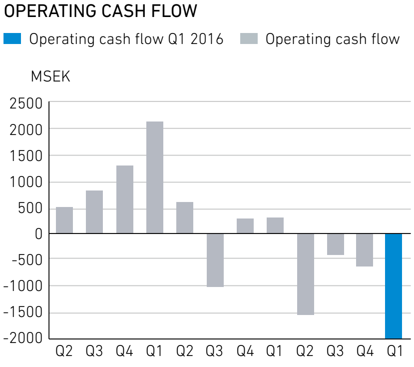
NET SALES AND OPERATING PROFIT



RETURN ON SHAREHOLDERS' EQUITY



OPERATING CASH FLOW



COMMENTS BY THE PRESIDENT AND CEO

POSITIONING FOR A MARKET IN CHANGE

Iron ore prices developed relatively strongly in the first quarter of 2016, on the rebound from the downturn in 2015. However, the price level was lower than in the same period last year, which meant that LKAB's operating profit for the quarter totalled MSEK 171 (375).

Demand for LKAB's products was stable and the spot price[1] for iron ore gradually recovered during the quarter. The average spot price was USD 48/tonne. The lowest spot price recorded was USD 39/tonne and the highest was USD 64/tonne.

LKAB's production volume continued to improve, amounting to 6.9 (6.2) Mt for the quarter, partly due to an increased supply of crushed ore from the underground mines and more stable processes in the processing plants. Deliveries reached 6.3 (5.9) Mt, with pellets accounting for 86 (87) percent.

Net sales totalled MSEK 3,768, which is 10 percent lower than in the same quarter last year. This was primarily due to lower prices; higher delivery volumes only partly compensated for this. Measures to reduce costs are ongoing. Compared with the same quarter in the previous year, costs excluding provisions for urban transformation reduced by 10 percent.

In the programme for reducing the number of employees by 400, approximately 90 percent has been achieved.

Within urban transformation the focus is on cost efficiency and compensation models in order to ensure access to land in both the phase-out and development areas. At the beginning of 2016 compensation principles for the acquisition of properties were presented, and in Kiruna construction of the new City Hall is in progress. Costs for urban transformation provisions affected operating profit by MSEK -335 (-224). Outstanding obligations at the end of the quarter amounted to MSEK 12,339.

In view of the expected continued oversupply of iron ore products, the recent upturn in iron ore prices is judged to be temporary. The situation therefore remains challenging for LKAB, and work to introduce a new Group structure in order to adapt the company to these market conditions and to shift responsibility closer to production is well under way.

As communicated previously, in the second quarter LKAB plans to present a detailed action plan aimed at reducing costs by at least MSEK 800 on an annual basis from the second quarter of 2017.

[1]Platts IODEX 62% Fe CFR North China

Jan Moström
President and CEO

THE LKAB GROUP IN SUMMARY

OPERATIONS – FIRST QUARTER

	Q1 2016	Q1 2015	Change	Full year 2015
Net sales, MSEK	3,768	4,177	-410	16,200
Underlying operating profit/loss[2], MSEK	507	599	-92	1,548
Urban transformation expenses, MSEK	-335	-224	-111	-1,568
Impairment of property, plant and equipment, MSEK				-7,136
Operating profit/loss, MSEK	171	375	-203	-7,156
Net financial income/expense, MSEK	180	361	-181	-115
Profit/loss before tax, MSEK	352	736	-384	-7,271
Profit/loss for the period, MSEK	333	607	-274	-5,686
Operating cash flow, MSEK	-2,000	293	-2,293	-2,348
Capital expenditures in property, plant and equipment, MSEK	888	1,597	-709	6,354
Depreciations, MSEK	-625	-659	34	-2,800
Production, Mt	6,9	6,2	0,7	24,5
Deliveries, Mt	6,3	5,9	0,4	24,2
Proportion of pellets, %	86	87		84
Stocks of finished products, Mt	2,2	1,2	1,0	1,6
Gross margin, %	12	15		neg
Operating margin, %	5	9		neg
Net financial indebtedness	5,232	-1	5,233	3,202

[2] Underlying operating profit is defined as operating profit excluding costs for urban transformation provisions and impairment of property, plant and equipment.

Operating profit for Q1 was MSEK 171 (375), corresponding to an operating margin of 5 (9) percent. Hedging activities had an effect of MSEK -98 (-226). Net sales decreased by 10 percent with price, currency and hedging activities having a negative effect of 16 percent and higher delivery-volumes having a positive effect of 6 percent.

LKAB's production continued to stabilize and the production volume totalled 6.9 (6.2) Mt for the quarter, partly due to an increased supply of crushed ore from the underground mines and more stable processes in the processing plants. Deliveries reached 6.3 (5.9) Mt, with pellets accounting for 86 (87) percent.

Net financial income totalled MSEK 180 (361). Returns on fixed income and equities investments were poorer than in the same period the previous year, but this was countered by positive effects of hedging activities to an amount of MSEK 288 (-48). In total the hedging activities had an effect on profit before tax amounted to MSEK 190 (-274).

(MSEK)	Q1 2016	Q1 2015	Change	Fulll year 2015
Cash flow from operating activities before change in working capital	534	1,510	-976	3,694
Change in working capital	-1,680	378	-2,058	162
Capital expenditures (net)	-854	-1,595	741	-6,204
Operating cash flow	**-2,000**	**293**	**-2,293**	**-2,348**

Operating cash flow for the quarter was MSEK -2,000 (293). Operating cash flow before change in working capital from financial transactions associated with hedging activities amounted to MSEK -310 (293). Cash flow from operating activities was negatively affected mainly by a lower price level, but also by a final payment of income tax for 2014. This was countered by the positive effect of lower capital expenditures.

Cash flow was negatively affected by increased capital tied up in financial receivables of MSEK 1,690. The main reason for this is that LKAB has provided security for unrealized hedging positions for iron ore which at the end of the quarter had a negative value due to the positive price movement during the quarter in relation to the hedged price level.

External financial liabilities at the end of the quarter were as follows:

(MSEK)	Nominal	Utilised (Nominal)	Available
Credit facilities			
Certificate programme, maturing 2016	5,000	-800	4,200
Bond programme, maturing 2019	7,000	-1,992	5,008
Credit facility	5,000	-	5,000
Total	**17,000**	**-2,792**	**14,208**

Loans maturing during the quarter were repaid in the amount of MSEK 208. All credit facilities are subject to 100 percent retention of title.

MARKET AND SALES

THE STEEL AND IRON ORE MARKET

The global steel and iron ore industry

Global production of crude steel decreased in the first quarter by 3.6 percent compared with the same period last year. The steel market remained weak, with subdued demand and decreased steel production in all regions. However, the price of steel developed positively during the quarter. China's steel exports increased in March, which ended the trend of decreased steel exports. The assessment remains that China's steel exports will be lower this year than in the previous year.

Demand for LKAB's iron ore products remains stable, particularly for pellets. Samarco's temporary absence from the market following the dam accident in November 2015 was more noticeable, particularly for DR pellets. There has been no major change in the underlying market situation.

EUROPE

Production of crude steel within the EU28 fell by 7 percent during Q1 compared with the same period last year. The automotive industry remains the sector that is doing best in Europe.

Middle East and North Africa (MENA)

Production of crude steel fell by 2.3 percent during Q1 compared with the same period last year. The oil price strengthened during the quarter but the political unrest remains, which means that the situation in the region is still uncertain.

USA

Production of crude steel decreased by 1.3 percent during Q1 compared with the same period last year. The lengthy running down of inventories has come to an end, which is expected to favour demand for steel.

China

Production of crude steel fell by 3.2 percent during Q1 compared with the same period last year. Domestic demand for steel remains weak, which has resulted in continued high exports of steel. China's iron ore imports amounted to 242 Mt in Q1, an increase of 6.4 percent as compared year-on-year. During the quarter, port inventories of iron ore in China increased slightly to around 95 Mt.

Iron ore spot price developments

Q1 began with a spot price[3] of USD 43/tonne. The spot price then fell somewhat in the early part of the quarter, reaching a low of USD 39/tonne. The price recovered and then rose substantially after expectations of China's steel industry were adjusted upwards. The peak was short-lived and the price then dropped back. At the end of the quarter it was USD 54/tonne. The average spot price for the quarter was USD 48/tonne, which is an increase of 4 percent compared with last quarter. The quoted pellet premiums also strengthened.

[3]Platts IODEX 62% Fe CFR North China

IRON ORE SPOT PRICE DEVELOPMENTS
January 1, 2009 - March 31, 2016
Source: PLATTS IODEX 62% Fe CFR North China

SEGMENT INFORMATION

As of January 2016 LKAB has a new Group structure that will be implemented during the year. During the implementation period, quarterly reporting will reflect the previous segmentation into the Mining Division, Minerals Division and Special Businesses Division. Reporting based on the new structure will begin at latest with Q4 2016.

MINING DIVISION – FIRST QUARTER

	Q1 2016	Q1 2015	Full year 2015
Net sales, MSEK	3,453	3,855	14,782
Underlying operating profit/loss[4], MSEK	432	584	1,102
Urban transformation expenses, MSEK	-335	-224	-1,568
Impairment of property, plant and equipment			-7,136
Operating profit/loss, MSEK	97	360	-7,602
Gross profit margin, %	9	14	neg
Operating margin, %	3	9	neg
Production, Mt	6,9	6,2	24,5
Deliveries, Mt	6,3	5,9	24,2
Proportion of pellets, %	86	87	84

[4] Underlying operating profit is defined as operating profit excluding costs for urban transformation provisions and impairment of property, plant and equipment.

Operating profit was MSEK 97 (360), corresponding to an operating margin of 3 (9) percent.

MINERALS DIVISION – FIRST QUARTER

	Q1 2016	Q1 2015	Full year 2015
Net sales, MSEK	292	348	1,534
Operating profit/loss, MSEK	9	35	134
Gross profit margin, %	18	21	18
Operating margin, %	3	10	9

Net sales in Q1 decreased by 16 percent when compared year-on-year. The somewhat lower sales levels were generally in line with expectations. The operating margin decreased from 10 to 3 percent, which is largely due to a product mix that includes a lower percentage of magnetite in combination with decreased total volumes.

The efficiency programme adopted previously is continuing according to plan and during the quarter resulted in a restructuring of profit centres. Both operational responsibility and sales responsibility are now coordinated into six geographical areas.

Demand from the oil and gas market remains at a low level. A few large oil and gas projects that are still active could take on great significance during this year and the forthcoming years. Sales in Asia and the US indicate a positive trend, while sales in the European markets are lower.

SPECIAL BUSINESSES DIVISION – FIRST QUARTER

	Q1 2016	Q1 2015	Full year 2015
Net sales, MSEK	458	417	2,005
Gross profit/loss, MSEK	43	16	188
Gross profit margin, %	13	9	14
Operating margin, %	9	4	9

Net sales and operating profit for Q1 were higher than last year, primarily due to increased volumes by LKAB Berg & Betong for the Mining Division.

LKAB – PARENT COMPANY

OPERATIONS SUMMARY – FIRST QUARTER

	Q1 2016	Q1 2015	Full year 2015
Net sales, MSEK	2,824	3,851	14,770
Underlying operating profit/loss[5], MSEK	-260	503	1,010
Urban transformation expenses, MSEK	-335	-224	-1,568
Impairment of property, plant and equipment, MSEK			-6,096
Operating profit/loss, MSEK	-596	279	-6,654
Capital expenditures in property, plant and equipment, MSEK	860	1,405	5,817
Liquidity, MSEK	11,903	16,489	14,138
Gross profit margin, %	neg	12	neg
Operating margin, %	neg	7	neg

[5] Underlying operating profit/loss is defined as operating profit excluding costs for urban transformation provisions and impairment of property, plant and equipment.

The operating result for Q1 was a loss of MSEK -596, of which MSEK -593 was an effect of unrealized negative values for hedging instruments. The net effect of the positive and negative effects of unrealized values for hedging instruments is reported for the Group.

TRANSACTIONS WITH RELATED PARTIES

No transactions that have significantly affected the company's financial position and earnings took place between LKAB and related parties.

EVENTS AFTER THE END OF THE REPORTING PERIOD

There are no significant events after the end of the reporting period to report.

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, analyze 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.

Major risks are LKAB's access to land for the mining operations, volume dependency, the price of iron ore products and transaction exposure in USD.

For further information concerning risks, please refer to LKAB's 2015 Annual Report.

SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The preparation of financial statements requires management and the Board of Directors to make assessments and assumptions that affect recognized assets, liabilities, income and expenses and other information provided, such as contingent liabilities. For further information concerning these, please refer to LKAB's 2015 Annual Report.

OUTLOOK FOR 2016

LKAB expects the market situation to remain largely unchanged in 2016; in other words, that the oversupply situation in iron ore fines will remain, putting pressure on iron prices and thus also on LKAB's profitability.

With iron ore prices expected to remain low, LKAB is intensifying its adaptation work, focusing on productivity improvements and cost cutting in order to improve competitiveness. Both ongoing and planned capital expenditures are being revised continuously. In the second quarter of 2016 LKAB will present a detailed action plan aimed at reducing costs from the second quarter of 2017 by at least MSEK 800 on an annual basis.

The strategy to maximize pellet production remains in place. Demand for LKAB's pellet products is expected to be stable, while the supply on the market is limited by the fact that Samarco, one of the world's biggest producers of iron ore pellets, currently has no production following the dam accident in Brazil in November 2015.

Work on urban transformation continues in 2016. Urban transformation provisions during the year will continue to be substantial.

ACCOUNTING PRINCIPLES

This interim report was prepared in accordance with IAS 34, Interim Financial Reporting, and applicable regulations in the Annual Accounts Act. Disclosures in accordance with IAS 34 are provided both in notes and elsewhere in the interim report. 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 SEK millions (MSEK) unless otherwise indicated. Rounding differences may occur.

The accounting principles applied in this interim report conform with the accounting principles applied in the preparation of the 2015 Annual Report. New and amended standards and interpretations from the IASB have had no impact on consolidated earnings, financial position or formulation of the interim report. There have been no significant changes in the structure of the Group during the period.

The Board of Directors and the Chief Executive Officer hereby confirm that this interim report provides a true and fair representation of the operations, financial position and results of the Parent Company and the Group, and describes significant risks and uncertainties faced by the company.

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

Luleå, April 28 2016
Luossavaara-Kiirunavaara AB (plc)

Jan Moström
President and CEO

FINANCIAL INFORMATION

FINANCIAL INFORMATION	DATE
Interim report Q2 2016	August 12 2016
Interim report Q3 2016	October 26 2016
Year-end report 2016	February 2017
Annual General Meeting	April 2017

Reports are available at www.lkab.com.
Any questions concerning the Q1 Interim Report may be directed to Jan Moström, President and CEO, +46 920 381 00, or Peter Hansson, Senior Vice President, Finance, +46 920 381 88.

CONSOLIDATED INCOME STATEMENT

(MSEK)	Q1 2016	Q1 2015	Full year 2015
Net sales	3,768	4,177	16,200
Cost of goods sold	-3,350	-3,546	-22,280
Gross profit/loss	**418**	**631**	**-6,080**
Selling expenses	-38	-38	-165
Administrative expenses	-125	-139	-512
Research and development expenses	-51	-72	-365
Other operating income	55	68	318
Other operating expenses	-87	-76	-354
Operating profit/loss	**171**	**375**	**-7,156**
Financial income	264	521	293
Financial expenses	-84	-160	-408
Net financial income/expense	**180**	**361**	**-115**
Profit/loss before tax	**352**	**736**	**-7,271**
Tax	-19	-130	1,585
Profit/loss for the period	**333**	**607**	**-5,686**
Attributable to Parent Company shareholders	333	607	-5,686
Earnings per share before and after dilution (SEK)	476	866	-8,122
Number of shares	700,000	700,000	700,000

CONSOLIDATED COMPREHENSIVE INCOME

(MSEK)	Q1 2016	Q1 2015	Full year 2015
Profit/loss for the period	**333**	**607**	**-5,686**
Other comprehensive income for the period			
Items that cannot be transferred to profit for the year			
Actuarial gains and losses	-38	-253	173
Tax attributable to actuarial gains and losses	7	56	-38
Total items that cannot be transferred to profit for the year	**-31**	**-197**	**135**
Items that have been or can be transferred to profit for the year			
Gains/losses on translation of foreign entities for the period	18	11	-85
Change in fair value of available-for-sale financial assets for the period	82	-39	-284
Changes in fair value of cash flow hedges for the period	-860	513	126
Changes in fair value of cash flow hedges transferred to profit for the year	-88	83	414
Tax attributable to components of cash flow hedges	208	-131	-119
Total items that have been or can be transferred to profit for the year	**-640**	**437**	**52**
Other comprehensive income	**-671**	**240**	**187**
Comprehensive income attributable to Parent Company shareholders for the period	**-338**	**847**	**-5,499**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(MSEK)	31 March 2016	31 March 2015	31 Dec 2015
ASSETS			
Non-current assets			
Intangible assets	168	236	215
Property, plant and equipment for operations	32,723	37,132	32,462
Property, plant and equipment for urban transformation	2,106	3,137	2,235
Shares in associated companies	38	0	45
Financial investments	681	866	581
Deferred tax asset	15	28	19
Non-current receivables	0	63	0
Total non-current assets	**35,730**	**41,462**	**35,558**
Current assets			
Inventories	2,970	2,533	2,915
Accounts receivable	1,683	1,303	1,320
Prepaid expenses and accrued income	1,158	312	282
Other current receivables	2,918	1,654	1,392
Current investments	10,021	12,603	10,225
Cash and cash equivalents	2,332	4,565	4,335
Total current assets	**21,082**	**22,970**	**20,470**
TOTAL ASSETS	**56,812**	**64,432**	**56,028**
EQUITY AND LIABILITIES			
Equity			
Share capital	700	700	700
Reserves	-487	537	152
Retained earnings including profit for the year	31,566	37,364	31,264
Equity attributable to Parent Company shareholders	**31,778**	**38,601**	**32,116**
Total equity	**31,778**	**38,601**	**32,116**
Non-current liabilities			
Non-current interest-bearing liabilities	1,988	1,995	1,996
Provisions for pensions and similar commitments	1,889	2,416	1,860
Provisions for urban transformation	10,342	10,188	10,951
Other provisions	1,174	1,185	1,178
Deferred tax liabilities	1,716	3,443	1,915
Total non-current liabilities	**17,108**	**19,228**	**17,900**
Current liabilities			
Liabilities to credit institutions	800	800	1,000
Trade payables	1,310	1,506	1,573
Other current liabilities	2,428	1,505	443
Accrued expenses and deferred income	1,268	1,186	1,560
Provisions for urban transformation	1,997	1,500	1,283
Other provisions	122	106	152
Total current liabilities	**7,925**	**6,603**	**6,011**
Total liabilities	**25,033**	**25,831**	**23,911**
TOTAL EQUITY AND LIABILITIES	**56,812**	**64,432**	**56,028**

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 2015	**700**	**-65**	**481**	**-316**	**39,954**	**37,754**
Profit/loss for the period					-5,686	-5,686
Other comprehensive income for the period		-85	-284	421	135	187
Comprehensive income for the period		-85	-284	421	-5,551	-5,499
Dividend					-139	-139
Closing equity 31 Dec 2015	**700**	**-150**	**197**	**105**	**31,264**	**32,116**

		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 2016	**700**	**-150**	**197**	**105**	**31,264**	**32,116**
Profit/loss for the period					333	333
Other comprehensive income for the period		18	82	-740	-31	-671
Comprehensive income for the period		18	82	-740	302	-338
Dividend						
Closing equity 31 Mar 2016	**700**	**-132**	**279**	**-635**	**31,566**	**31,778**

CONSOLIDATED STATEMENT OF CASH FLOW

(MSEK)	Q1 2016	Q1 2015	Full year 2015
Operating activities			
Profit/loss before tax	352	736	-7,271
Adjustment for items not included in cash flow	633	944	11,581
Income tax paid	-369	-80	-315
Expenditures, urban transformation	-82	-80	-291
Payment to retirement benefit plan		-10	-10
Cash flow from operating activities before changes in working capital	**534**	**1,510**	**3,694**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories	-56	20	-362
Increase (-)/Decrease (+) in operating receivables	-1,373	595	300
Increase (+)/Decrease (-) in operating liabilities	-251	-237	224
Change in working capital	**-1,680**	**378**	**162**
Cash flow from operating activities	**-1,146**	**1,888**	**3,856**
Investing activities			
Acquisition of property, plant and equipment	-888	-1,597	-6,354
Disposal of property, plant and equipment	34	2	150
Acquisition/divestment of financial assets	205	-1,088	1,357
Cash flow from investing activities	**-649**	**-2,683**	**-4,847**
Financing activities			
Borrowing	-208	2	204
Adjustment of other provisions			-96
Dividends paid to Parent Company shareholders			-139
Cash flow from financing activities	**-208**	**2**	**-31**
Cash flow for the period	**-2,003**	**-793**	**-1,022**
Cash and cash equivalents at start of period	4,335	5,358	5,358
Cash and cash equivalents at end of period	2,332	4,565	4,335
Change in cash and cash equivalents	**-2,003**	**-793**	**-1,022**
Sub-components of cash and cash equivalents			
Cash and bank balances	1,498	2,012	2,548
Current investments (maturity <90 days)	834	2,553	1,787
Cash and cash equivalents	**2,332**	**4,565**	**4,335**
LIQUIDITY			
Cash and cash equivalents	2,332	4,565	4,335
Current investments (maturity >90 days <1 year)	10,021	12,603	10,225
	12,353	**17,168**	**14,560**

OPERATING CASH FLOW

(MSEK)	Q1 2016	Q1 2015	Full year 2015
Cash flow from operating activites	**-1,146**	**1,888**	**3,856**
Acquisition of property, plant and equipment	-888	-1,597	-6,354
Disposal of property, plant and equipment	34	2	150
Operating cash flow (excluding current investments)	**-2,000**	**293**	**-2,348**
Acquisition/divestment of financial assets	205	-1,088	1,357
Cash flow from financing activities	-208	2	-31
Cash flow for the period	**-2,003**	**-793**	**1,022**

THE LKAB GROUP

PERSONNEL

	31 March 2016	31 March 2015	31 Dec 2015
Average number of employees	4,082	4,330	4,463
– of which women	783	833	887
– of which men	3,299	3,497	3,576

KEY RATIOS IN PERCENT

	31 March 2016	31 March 2015	31 Dec 2015
Gross margin	11,1	15,1	neg
Profit margin	9,3	17,6	neg
Return on equity	neg	neg	neg
Net debt/equity ratio	16,5	0	10,0

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.

LKAB – PARENT COMPANY

INCOME STATEMENT

(MSEK)	Q1 2016	Q1 2015	Full year 2015
Net sales	2,824	3,851	14,770
Cost of goods sold	-3,268	-3,396	-20,675
Gross profit/loss	**-444**	**455**	**-5,905**
Selling expenses	-10	-12	-51
Administrative expenses	-82	-95	-343
Research and development expenses	-64	-70	-373
Other operating income	1	5	36
Other operating expenses	3	-5	-17
Operating profit/loss	**-596**	**279**	**-6,654**
Profit/loss from financial items	**446**	**183**	**-52**
Profit/loss after financial items	**-149**	**461**	**-6,706**
Appropriations			1,645
Profit/loss before tax	**-149**	**461**	**-5,061**
Tax	71	-101	1,082
Profit/loss for the period	**-78**	**360**	**-3,979**

STATEMENT OF COMPREHENSIVE INCOME

(MSEK)	Q1 2016	Q1 2015	Full year 2015
Profit/loss for the period	-78	360	-3,979
Other comprehensive income for the period			
Comprehensive income for the period	**-78**	**360**	**-3,979**

BALANCE SHEET

(MSEK)	31 March 2016	31 March 2015	31 Dec 2015
ASSETS			
Non-current assets			
Intangible assets		36	38
Property, plant and equipment for operations	27,450	30,359	27,076
Property, plant and equipment for urban transformation	2,106	3,137	2,235
Financial assets			
Participations in subsidiaries	1,859	1,768	1,884
Participations in associated companies	40	0	40
Receivables from subsidiaries	1,225	1,526	1,242
Other non-current securities	131	130	131
Other non-current receivables	107	135	107
Deferred tax asset	2,031	927	1,960
Total financial assets	**5,394**	**4,486**	**5,365**
Total non-current assets	**34,949**	**38,018**	**34,714**
Current assets			
Inventories	2,385	1,957	2,277
Current receivables			
Accounts receivable	1,522	823	1,063
Receivables from subsidiaries	1,364	1,560	1,324
Other current receivables	1,692	644	961
Prepaid expenses and accrued income	1,491	251	296
Total current receivables	**6,068**	**3,278**	**3,645**
Current investments	10,711	14,733	11,800
Cash and bank balances	1,191	1,756	2,338
Total current assets	**20,356**	**21,725**	**20,060**
TOTAL ASSETS	**55,305**	**59,743**	**54,774**

BALANCE SHEET

(MSEK)	31 March 2016	31 March 2015	31 Dec 2015
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital (700,000 shares)	700	700	700
Statutory reserve	697	697	697
Non-restricted equity			
Retained earnings	16,025	20,143	20,003
Profit/loss for the year	-78	360	-3,979
Total equity	**17,343**	**21,900**	**17,422**
Untaxed reserves	16,624	18,144	16,624
Provisions			
Provisions for urban transformation	10,342	10,188	10,951
Other provisions	1,508	1,503	1,526
Total provisions	**11,850**	**11,691**	**12,478**
Non-current liabilities			
Bond loans	1,988	1,995	1,996
Total non-current liabilities	**1,988**	**1,995**	**1,996**
Current liabilities			
Liabilities to credit institutions	800	800	1,000
Trade payables	877	1,179	1,099
Liabilities to subsidiaries	1,211	933	1,170
Other current liabilities	1,433	484	204
Accrued expenses and deferred income	1,061	1,011	1,346
Provisions for urban transformation	1,997	1,500	1,283
Other provisions	122	106	152
Total current liabilities	**7,500**	**6,013**	**6,254**
TOTAL EQUITY AND LIABILITIES	**55,305**	**59,743**	**54,774**
Pledged assets	1,104	911	727
Contingent liabilities	219	316	240

KEY RATIOS IN PERCENT

	31 March 2016	31 March 2015	31 Dec 2015
Gross margin	neg	11,8	neg
Profit margin	neg	12,0	neg
Return on equity	neg	neg	neg

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

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

Group 31 March 2016

(MSEK)	Level 1	Level 2	Level 3	Total
Shares, financial assets	279			279
Shares, current holdings		3,014		3,014
Interest-bearing instruments, short-term holding		7,211		7,211
Cash and cash equivalents (short-term investments with maturities under three months)		1,787		1,787
Derivatives, cash flow hedges	244	-70		174
Total	**523**	**11,942**		**12,465**

Group 31 December 2015

(MSEK)	Level 1	Level 2	Level 3	Total
Shares, financial assets	361			361
Shares, current holdings		3,038		3,038
Interest-bearing instruments, short-term holding		6,868		6,868
Cash and cash equivalents (short-term investments with maturities under three months)		834		834
Derivatives, cash flow hedges	-687	-21		-708
Total	**-323**	**10,719**		**10,393**

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

Level 1
Quoted prices (unadjusted) on active markets for identical assets or liabilities.

Level 2
Inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3
Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Interest-bearing instruments
The value of interest-bearing instruments is calculated using data from the interest-bearing securities market, obtained from Bloomberg.

Shares and alternative investments
The value of these investments is calculated using data from the stock market or received directly from brokers.

Derivatives
The fair value of derivative contracts is calculated using official quotations obtained from Bloomberg.

No transfers have been made between Levels 1 and 2.

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.

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