
LKAB will be restructured as a public limited company

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An extraordinary shareholders' meeting voted to restructure LKAB as a public limited company. The aim is to facilitate possible future borrowing. The decision on restructuring will take effect when it has been registered with Bolagsverket, the Swedish Companies Registration Office which is expected to take place within the next several weeks.

The initiative comes from LKAB's executive management, says board chairman Björn Sprängare. The intention is to enable the company, if necessary, to turn to the capital market for borrowing or other forms of financing. Considering the prevailing economic downturn and the company's major future expenditures, about five billion kronor per year in the coming years for new main levels in both iron ore mines, the management and board wish to create conditions for the company to be able to utilize this financing alternative. We have also to remember that LKAB will be facing high costs for the structural transitions that will take place in Malmberget and Kiruna over the coming years.

External financing is not the preferred alternative, Björn Sprängare points out. The goal is still to be able to manage major investments and expenditures with our own funds. In practical terms, the restructuring to a public limited company entails very few changes for LKAB. More stringent demands are placed on public limited companies as compared to private limited companies, for example, with respect to the way the company is managed and LKAB already meets these demands.

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