



EXTRACT FROM
THE 2012
ANNUAL REPORT





2012 AT A GLANCE

- Revenue up to DKK 328 million, equivalent to an increase of DKK 48 million (17%)
- Increase in sales resulting from sale within automation
- EBITDA positive at DKK 25.6 million, an increase of 6%
- Earnings before tax DKK 9.3 million as against DKK 5.6 million in 2011
- Cash flow from operating activities positive at DKK 24.7 million as against DKK 15.6 million in 2011
- Reduction of bank debt by DKK 17.9 million
- No dividend to shareholders

OUTLOOK FOR 2013

- Growing revenue for standard welding equipment
- Improved performance
- Improved cash flow from operating activities
- Improved level of development

FINANCIAL CALENDAR 2013

27 February	Annual Report 2012
25 April	Annual General Meeting at Migatronik at 17 pm
25 April	Interim Statement 1
22 August	Half-year Financial Report 2013
24 October	Interim Statement 2

This summary is an extract from the Migatronic Group's Annual Report 2012 and cannot be taken to replace this.

Migatronic's annual report has been prepared in accordance with International Financial Reporting Standards (IFRS) and additional Danish disclosure requirements for annual reports of listed companies. The accounting principles applied, as well as recognition and measurements, remain unchanged compared to last year.

The full annual report (available in Danish only) can be downloaded at www.migatronic.dk under Investor Relations.



CONTENTS

Company details and shareholder information	Page	4
Operating review	Page	5
Key figures	Page	8
Income statement	Page	9
Group structure	Page	9
Consolidated balance	Page	10
Consolidated equity and cash flows	Page	11

TO BECOME THE
PREFERRED PARTNER
FOR THE ARC
WELDING INDUSTRI



COMPANY DETAILS AND SHAREHOLDER INFORMATION

Svejsemaskinefabrikken

Migatronic A/S

Aggersundvej 33
9690 Fjerritslev

Telephone: 0045 96 50 06 00
Telefax: 0045 96 50 06 01

E-mail:
migatronic@migatronic.dk

Website: migatronic.com

Reg. No.: 34485216
Established: 1970
Registered office: Jammerbugt Kommune

AUDITORS

KPMG
Vestre Havnepromenade 1A
Postboks 710, 9100 Aalborg

BANKERS

Nordea Bank Danmark A/S, Aalborg

SUPERVISORY BOARD

Elected by the AGM (for one year at a time)

Peter Roed, Chairman

(year of birth 1943, has served on the Supervisory Board since 2012) Supervisory Board member of: Carsø & Aaby – Staal A/S, Stenhøj A/S, PanPac Engineering a/s. Manager of: Roed Invest ApS and Roed Invest II ApS

Freddy Frandsen, Vice-Chairman

(year of birth 1944, has served on the Supervisory Board since 2000) Chairman of: Hans Følsgaard A/S, Hans Følsgaard Fonden, Desmi A/S Holding Supervisory Board member of: Polaris Management A/S, Odense Stålskibsværft A/S, Desmi Pumping Technology A/S, Nordsøen Oceanarium/Forskerpark, Utzon Fonden

Jens Viskinge Jensen (year of birth

1942, has served on the Supervisory Board since 1994) Supervisory Board member of: Søby Værft A/S, Søby Værfts Fond

Anders Høiris (year of birth 1953, has served on the Supervisory Board since 2004 and is independent cf. definition in Corporate Governance)

Chairman of: Kabooki A/S, Middelalder-Centeret I/S. Vice-chairman of: Tack International A/S, Imagine Nørrebro I/S Manager of: Den erhvervsdrivende fond Business LF

Elected by the employees (election every 4 years, next time 2015)

Leif Larsen (year of birth 1953, has served on the Supervisory Board since 2007) Semi-skilled worker Migatronic A/S

Vibeke Kappel Andersen (year of birth 1971, has served on the Supervisory Board since 2009) Sales assistant Migatronic A/S

EXECUTIVE BOARD

Anders H. Jørgensen, CEO (year of birth 1979, employed with Migatronic since 2005, member of the Executive Board since 1 October 2012) Manager of: NAM Invest ApS

Niels Jørn Jakobsen, CFO (year of birth 1958, employed with Migatronic since 2002, member of the Executive Board since 1 May 2010) Manager of: NAM Invest ApS

Martha Holme, Communications/HR Manager (year of birth 1963, employed with Migatronic since 1987, member of the Executive Board since 1 October 2012) Manager of: NAM Invest ApS

Shareholder mix at 31 December 2012

Major shareholders (>5%)	A shares Nom. DKK	B shares Nom. DKK	B shares Number	Voting rights Number	Capital %	Voting rights %
Peter Roed, Aabybro*	1,300,000	2,668,560	133,428	783,428	40.81	73.14
NAM Invest ApS, Fjerritslev		972,380	48,619	48,619	10.00	4.54
Access Small Cap A/S, Kbh.		554,940	27,747	27,747	5.71	2.59
Supervisory Board						
Freddy Frandsen, Vestbjerg		31,500	1,575	1,575	0.32	0.15
Vibeke K. Andersen, Fjerritslev		1,000	50	50	0.01	0.00
Executive Board						
Niels Jørn Jakobsen, Arden		12,460	623	623	0.14	0.06
Martha Holme, Fjerritslev		860	43	43	0.01	0.00
Treasury shares		62,420	3,121	3,121	0.64	0.29
Other shareholders						
Other registered shareholders		2,892,240	144,612	144,612	29.74	13.50
Unregistered shareholders		1,227,360	61,368	61,368	12.63	5.73
Total shares	1,300,000	8,423,720	421,186	1,071,186	100.00	100.00

*Includes shareholdings held by the companies Roed Invest ApS and Roed Invest II ApS, where Peter Roed holds controlling interest.

OPERATING REVIEW

Profit for the year - Consolidated

DKK'000	2012	2011
Revenue	327.5	279.3
Earnings before interest, taxes, depreciation and amortization (EBITDA)	25.6	24.2
Earnings before interest and tax (EBIT)	11.2	9.3
Earnings before tax (EBT)	9.3	5.6
Profit/loss for the year	6.5	3.9

In the 2012 financial year, the Migatronik Group reported earnings before tax of DKK 9.3 million as against DKK 5.6 million in 2011, which is considered satisfactory under the current market conditions.

The Migatronik Group realised revenue of DKK 328 million as against DKK 279 million in 2011, equivalent to an increase of approx. DKK 49 million (approx. 17%).

EBITDA-earnings in the Group were up from DKK 24.2 million to DKK 25.6 million.

Earnings before interest and tax (EBIT) in the Group were up from DKK 9.3 million to DKK 11.2 million, equivalent to an increase of DKK 1.9 million.

Financial items developed positively at DKK 1.9 million which can be attributed primarily to value adjustment on bonds and stocks.

The generally changed market conditions following the global financial crisis are still a challenge also to Migatronik in its efforts to increase both sales and earnings.

2012 saw an increase in willingness to invest in the market for automated solutions. After a very difficult year in 2011, Migatronik Automation A/S had at the beginning of 2012 a considerable volume of orders for execution in 2012, and in the course of the year, there was a constant intake of new orders. This level of activity has enabled Migatronik Automation A/S to ensure a high level of efficiency in the production throughout the year.

As opposed to automated solutions, the demand for standard welding machines has been stagnant. Migatronik's sales performance on the individual markets to some extent follows the market conditions.



The slow demand for welding equipment in recent years has particularly in 2012 resulted in increased competition as well as need for efficiency improvements.

Consequently, Migatronik has introduced a management tool in order to maintain focus on the company's cost level. The strict cost control in both production and administration will continue in the years to come.

Migatronik has four production sites, two in Denmark, one in China and one in India. The factories in China and India produce primarily for the local markets, and the factory in China is also a small-scale supplier to the parent company.

The company's R&D department is still working on a large number of projects focusing on development of new products as well as update and production optimization of already marketed products.

Among several novelties in 2012 is one of the market's most reliable and powerful MIG/MAG welding machines for the heavy industry. At the other end of the scale, a portable multi-process machine for professional craftsmen was added to the product range.

BALANCE AND CASH FLOWS

The balance sheet total in the financial year was down by DKK 18.3 million, which was caused primarily by lower trade receivables and inventories related to the development in the activity.

Cash flows from operating activities were positive at DKK 24.7 million as against DKK 15.6 million in 2011, which is a satisfactory development.

Cash flows from investing activities were DKK -12.0 million net. DKK 8.4 million were invested in product development as against DKK 6.8 million in 2011.

OPERATING REVIEW

In 2012, Migatronic implemented raising of additional capital which gave proceeds of DKK 4.1 million. These proceeds and the above mentioned cash flows resulted in a reduction of bank debt by DKK 17.9 million.

MANAGEMENT CHANGES

As part of management succession plans, Peter Roed stepped down from his position as CEO as of 1 October 2012.

R&D manager Anders H. Jørgensen was appointed CEO, Martha K. Holme was appointed communications and HR manager and Niels Jørn Jakobsen continued as CFO.

As he stepped down as CEO, Peter Roed took over the office of chairman of the Board.

OUTLOOK FOR 2013

The slightly positive development in the market in 2011 and 2012 is expected to continue in 2013, and as compared to Migatronic's continued development of new and more efficient standard welding machines, an increase in revenue for these products is expected.

The increase in revenue for welding automation in 2012 was partly achieved through one single major order, for which reason the revenue level for this business area is not expected to be maintained in 2013. Leaving out of account the effect of this single major order, an increase in revenue for welding automation is also expected.

Migatronic is not forecasting major growth in its European markets and the expected increase in revenue will result from increased market shares.



China and India are still growth markets where Migatronic has a large potential. In these markets, Migatronic has subsidiaries that are now well established, and there is great confidence in the company's ability to take part in the growth in these markets and to increase market shares, by introducing several market adjusted products, among other things.

In view of this, Migatronic is expecting an unchanged level of revenue and a slight increase in result.

BUSINESS RISKS

Business Trends

The Migatronic Group is dependent on the development in overall economic trends, in particular within the iron and metal processing industry. Negative business trends within these segments have an adverse impact on the earnings of the Migatronic Group as a cost adjustment to a lower revenue level will have to take place over a long time period.

The Group strives to obtain geographically diversified sales, reducing its dependency on individual market trends.

Markets

The Migatronic Group holds a very strong position on the Danish market. This position must be further strengthened, in particular within automation of the welding process.

Further progress is to be made primarily on the foreign markets. Today, group revenue is derived from numerous countries, mainly in Europe. The geographical diversification in Europe takes place primarily through the Group's subsidiaries and on other markets through subsidiaries in India and China as well as its importers.

Additional market opportunities in Europe are seen especially in North Eastern Europe, including Russia. For the past couple of years, Migatronic has stepped up its sales efforts in the South American market where an increase in revenue is seen and expected in the years to come.

Competition

The market for welding machines is exposed to fierce price competition. The Migatronic Group is faced with major international competitors both in Denmark and abroad, and with local manufacturers on the individual markets.

Financial Risks

The Group's and the parent company's financial risks and the management thereof are mentioned in note 22 of the Annual Report, showing that the Group and the parent company are only slightly affected by movements in exchange rates and interest rates.

Insurance, etc.

The Group strives to take out insurance

OPERATING REVIEW

against risks which may jeopardize its financial position. In addition to statutory insurance, the Group has taken out product liability insurance and consequential loss insurance. Buildings, operating equipment and inventories are insured at replacement cost.

Intellectual Capital

Employees and innovative products are Migatronic's most important competitive factors in the welding market.

Owing to investments in innovative product development at a relatively high level, Migatronic manages to maintain its position as one of the world's technologically leading manufacturers of welding machines. Furthermore, Migatronic manages to use its extensive knowledge of the market and customer requirements and to convert it to products that live up to customer's requests and specifications.

The Group's organisation is being continuously developed with a view to having well-educated and highly qualified employees. This will ensure continuous development of the Group and required skills to develop new products and new markets and in the end to attract new customers.

Migatronic has a very stable and loyal workforce that is highly motivated by working in a company where it is possible to follow the product all the way from idea to sale of the finished product to the customer.

Environment

All production departments of Migatronic have obtained the necessary environmental approvals from the public authorities, and the Group is not a party to any environmental cases.

Events after Balance Sheet Day

In addition to conditions already allowed for, no events of importance to consolidated financial statements 2012 have taken place after the year-end closing.

Corporate Management

Migatronic has made a statement on corporate management, as required by law, cf. the Danish Financial Statements Act § 107b, for the 2012 financial year and published it on the Group's website www.migatronic.com/da/virksomhedsledelse2012 (available in Danish language only).

The statement elaborates on Migatronic's compliance with Recommendations for corporate governance and describes the main elements of the Group's internal control and risk management systems as well as the composition of the Group's management bodies.

Corporate Social Responsibility

Migatronic does not at present have a structured approach to or an established policy on Corporate Social Responsibility. Consequently, no separate statement on Corporate Social Responsibility will be made.



MISSION

TO PROVIDE OUR
CUSTOMERS
WITH AMAZING
WELDING SOLUTIONS
AND SERVICES

KEY FIGURES

Key figures

		2012	2011	2010	2009	2008
Revenue	DKKm	327.5	279.3	267.1	257.5	421.2
EBITDA	DKKm	25.6	24.2	6.9	-34.6	31.7
EBIT	DKKm	11.2	9.3	-8.3	-48.3	16.3
Profit/loss from financial income and expenses	DKKm	-1.9	-3.7	-0.6	-0.2	-7.2
Profit/loss before tax (EBT)	DKKm	9.3	5.6	-9.0	-48.6	9.2
Profit/loss for the year	DKKm	6.5	3.9	-6.3	-36.8	8.2
Total assets	DKKm	223.9	242.2	227.7	218.3	277.1
Equity	DKKm	119.7	109.0	106.6	111.8	149.0
Cash flows from operating activities	DKKm	24.7	15.6	-5.2	7.5	14.5
Cash flows from investing activities	DKKm	-12.0	-9.9	-5.7	-12.7	-8.7
Portion rela. to invest. in prop., plant and equip.	DKKm	-5.3	-4.3	-4.3	-6.1	-9.9
Cash flows from financing activities	DKKm	-14.0	-1.7	9.1	1.9	-12.1
Total cash flows	DKKm	-1.3	4.0	-1.8	-3.2	-6.3
Number of employees		313	313	313	355	447

Financial ratios

		2012	2011	2010	2009	2008
Revenue per employee	DKK'000	1.046	892	853	725	942
Staff costs per employee	DKK'000	332	331	341	345	325
EBITDA margin		7,8%	8,7%	2,6%	-13,4%	7,5%
Operating margin (EBIT margin)		3,4%	3,3%	-3,1%	-18,8%	3,9%
Return on equity (ROE)		5,7%	3,6%	-5,8%	-28,3%	4,8%
Return on invested capital (ROIC)		7,5%	6,2%	-5,6%	-28,4%	8,7%
Equity ratio		53,5%	45,0%	46,8%	51,2%	53,8%
Current ratio		1.7	1.4	1.5	1.8	2.3
Net asset value per share of DKK 20 (BVPS)	DKK	247	244	238	250	333
Market price at year end	DKK	114	85	120	115	105
Earnings per share of DKK 20 (EPS)	DKK	14.0	8.8	-14.1	-82.3	15.8
Price Earnings Ratio (P/E Basic)	DKK	8	10	Neg.	Neg.	7
Dividend per share of DKK 20	DKK	0	0	0	0	0
Payout ratio		0	0	0	0	0
Cash flow share of DKK 20	DKK	53.1	35.0	-11.7	16.8	32.3
Price/Cash flow	DKK	2.1	2.4	-10.3	6.8	3.2

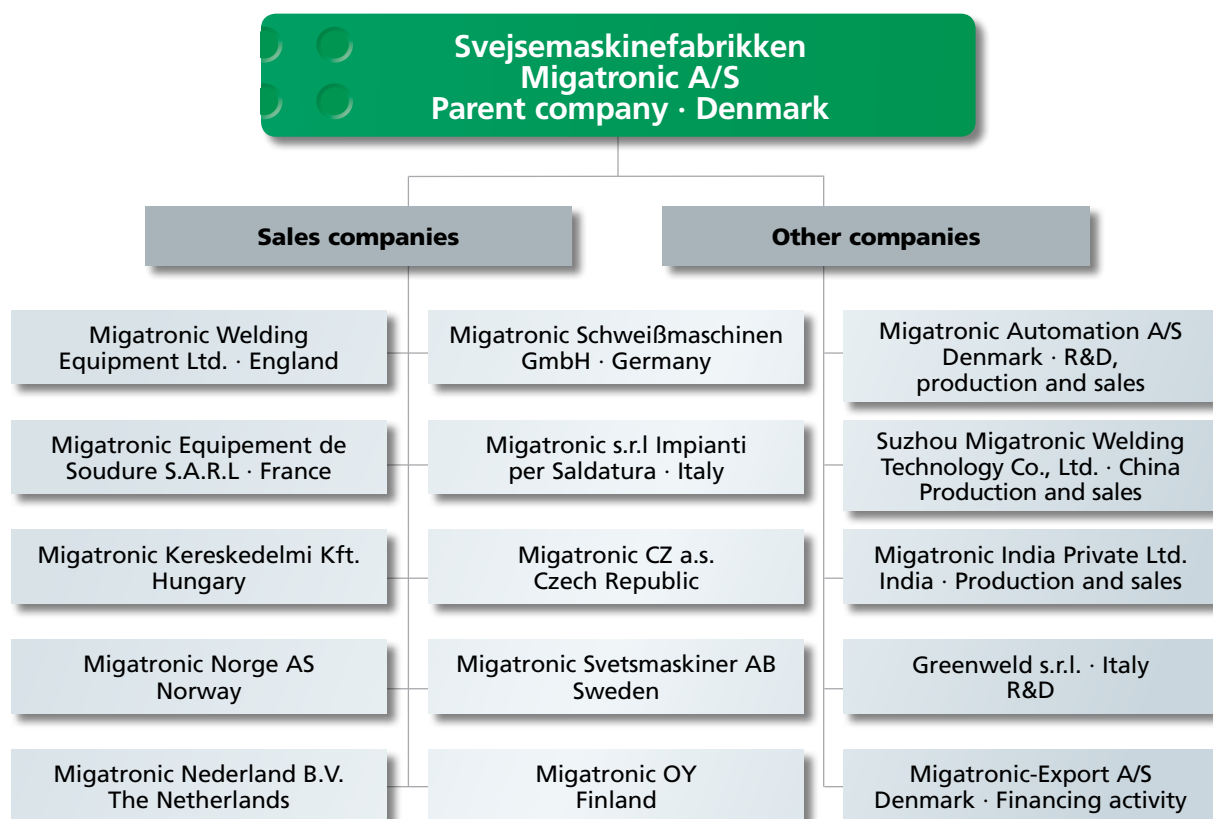
The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2010", apart from "Earnings per share" that has been calculated according to IAS 33.

INCOME STATEMENT

Consolidated income statement for 1 January – 31 December

DKK'000	2012	2011
Revenue	327.538	279.251
Changes in inventories of finished goods and work in progress	-5.252	1.362
Other operating income	1.116	828
Total income	323.402	281.441
Costs of raw materials and consumables	151.700	115.665
Other external costs	47.697	43.907
Staff costs	97.998	97.549
Other operation income	407	152
EBITDA	25.600	24.168
Depreciation/amortisation and impairment of non-current assets	14.450	14.854
EBIT	11.150	9.314
Financial income	940	210
Financial expenses	2.785	3.953
Profit/loss before tax (EBT)	9.305	5.571
Tax on profit/loss for the year	2.797	1.643
Profit/loss for the year	6.508	3.928

Group structure

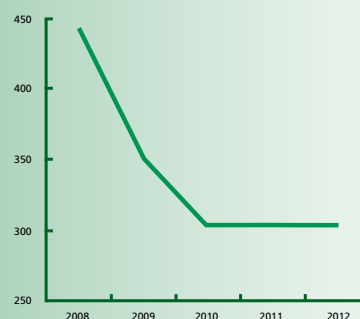


CONSOLIDATED BALANCE

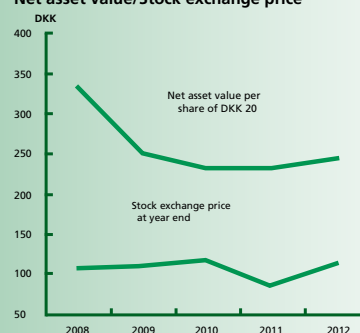
Consolidated balance sheet at 31 December

DKK'000	2012	2011
ASSETS		
Non-current assets		
Intangible assets		
Product development costs	26,176	24,638
Property, plants and equipment		
Land and buildings	42,536	43,059
Plant and machinery	5,773	7,440
Fixtures and fittings, other plant and equipment	8,493	9,108
	56,802	59,607
Other non-current assets		
Deferred tax	0	1,164
	0	1,164
Total non-current assets	82,978	85,409
Current assets		
Inventories	57,327	61,781
Receivables	62,964	74,343
Construction contracts	3,648	2,689
Corporation tax	684	245
Securities	6,611	6,784
Cash at bank and in hand	9,661	10,952
Total current assets	140,895	156,794
Total assets	223,873	242,203
EQUITY AND LIABILITIES		
Share capital	9,724	8,958
Share premium	3,372	0
Treasury share reserve	-335	-102
Translation reserve	-72	-389
Hedging reserve	-1,439	-1,410
Retained earnings	108,444	101,936
	119,694	108,993
Non-current liabilities		
Deferred tax	1,543	0
Mortgage credit institutions	19,885	24,556
	21,428	24,556
Current liabilities		
Mortgage credit institutions	22,019	35,237
Prepayments for construction	7,621	11,879
Trade payables	19,257	30,168
Corporation tax	0	488
Provisions	4,436	3,587
Other payables	27,498	25,414
Financial derivatives (negative current value)	1,920	1,881
	82,751	108,654
Total liabilities	104,179	133,210
Total equity and liabilities	223,873	242,203

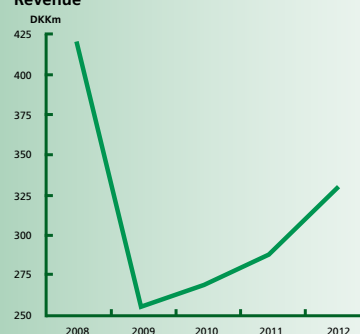
Number of employees



Net asset value/Stock exchange price



Revenue



CONSOLIDATED EQUITY AND CASH FLOWS

Statement of comprehensive income

DKK'000	2012	2011
Profit/loss for the year	6,508	3,928
Other comprehensive income		
Foreign exchange adjustments on translation of foreign entities	-173	-673
Value adjustment of hedging instruments (interest swaps):		
Value adjustment for the year	-760	-1,762
Value adjustments transferred to financial expenses	721	555
Tax on exchange rate adjustments recognised directly in equity	490	0
Tax on value adjustments of hedging instruments	10	302
Other comprehensive income after tax	288	-1,578
Total comprehensive income	6,796	2,350

Statement of changes in equity

DKK'000	2012	2011
Equity at 1 January	108,993	106,586
Total income for the year	6,796	2,350
Acquisition of treasury shares	-233	0
Share-based payment	-	57
Capital increase	4,138	-
Equity at 31. December	119,694	108,993

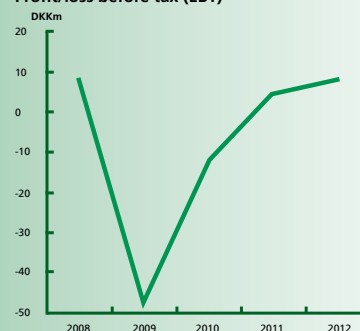
Cash flow statement

DKK'000	2012	2011
Operating profit/loss	11,150	9,314
Financial income received	152	209
Financial expenses paid	-2,756	-3,282
Depreciation/amortisation and impairment	14,450	14,854
Other non-cash operation items	-249	-42
Exchange rate adjustments, etc.	-177	-286
Change in inventories	4,454	566
Change in receivables	10,420	-18,763
Changes in other provisions	849	-4
Changes in trade and other payables	-13,085	12,318
Corporation tax paid	-517	746
Cash flows from operating activities	24,691	15,630
Acquisition of intangible assets	-8,351	-6,843
Acquisition of property, plant and equipment	-5,347	-4,265
Disposal of property, plant and equipment	769	456
Disposal of securities	932	743
Cash flows from investing activities	-11,997	-9,909
Capital increase	4,138	0
Acquisition of treasury shares	-233	0
Repayment of mortgage debt	-4,669	-4,763
Changes in bank loans	-13,220	3,030
Cash flows from investing financing activities	-13,984	-1,733
Net cash flows from operating, financing and investing activities	-1,290	3,988
Cash and cash equivalents 1 January	10,952	6,968
Exchange rate adjustments	-1	-4
Cash and cash equivalents 31 december	9,661	10,952

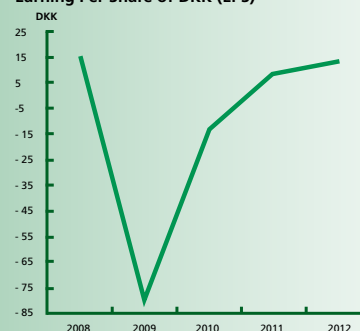
Net profit ratio



Profit/loss before tax (EBT)



Earning Per Share of DKK (EPS)



MIGATRONIC WORLDWIDE

DENMARK:

Main office:

SVEJSEMASKINEFABRIKKEN MIGATRONIC A/S
Aggersundvej 33, 9690 Fjerritslev
Tel. 96 500 600, www.migatronicon.com

MIGATRONIC AUTOMATION A/S

Knøsgårdvej 112, 9440 Aabybro
Tel. 96 962 700, www.migatronicon-automation.dk

MIGATRONIC-EXPORT A/S

Aggersundvej 33, 9690 Fjerritslev
Tel. 96 500 600, www.migatronicon.com

MIGATRONIC EUROPE:

England

MIGATRONIC WELDING EQUIPMENT LTD.
21 Jubilee Drive, Belton Park, Loughborough
Leicestershire LE11 5XS, England
Tel. (+44) 01509 267499, www.migatronicon.co.uk

France

MIGATRONIC EQUIPEMENT DE SOUDURE S.A.R.L.
Parc Avenir II, 313 Rue Marcel Merieux
69530 Brignais, France
Tel. (+33) 04 78 50 65 11, www.migatronicon.fr

Italy

MIGATRONIC s.r.l. IMPIANTI PER SALDATURA
Via Dei Quadri 40, 23871 Vimercate (MB), Italy
Tel. (+39) 039 9278093, www.migatronicon.it

Norway

MIGATRONIC NORGE AS
Industriveien 1, 3300 Hokksund, Norway
Tel. (+47) 32 25 69 00, www.migatronicon.no

Czech Republic

MIGATRONIC CZ a.s.
Tolstého 451, 415 03 Teplice 3, Česká republika
Tel. (+420) 411 135 600, www.migatronicon.cz

Hungary

MIGATRONIC KERESKEDELMI KFT.
Szent Miklós u. 17/a, 6000 Kecskemét, Hungary
Tel. (+36) 76 481 412, www.migatronicon.hu

Finland

MIGATRONIC OY
Koulutie 13 As. 6, 25130 Muurla, Finland
Tel. (+358) 0102 176 500, www.migatronicon.fi

The Netherlands

MIGATRONIC NEDERLAND B.V.
Hallenweg 34, 5683 CT Best, Holland
Tel. (+31) 499 375 000, www.migatronicon.nl

Italy

GREENWELD s.r.l.
Via Dei Quadri 40, 20871 Vimercate (MB), Italy
Tel. (+39) 039 9278100

Sweden

MIGATRONIC SVETSMASKINER AB
Näås Fabriker, Box 5015, 44 850 Tollered, Sweden
Tel. (+46) 031 44 00 45, www.migatronicon.se

Germany

MIGATRONIC SCHWEISSMASCHINEN GMBH
Sandusweg 12, 35435 Wettenberg, Germany
Tel. (+49) 641 982840, www.migatronicon.de

MIGATRONIC ASIA:

China

SUZHOU MIGATRONIC WELDING TECHNOLOGY CO. LTD.
#4 FengHe Road, Industrial Park, SuZhou, Kina
Tel.. 0512-87179800, www.migatronicon.cn

India

MIGATRONIC INDIA PRIVATE LTD.
No.22 & 39/20H Sowri Street, Alandur
600 016 Chennai, Indien
Tel. (+91) 223 00074 www.migatronicon.com