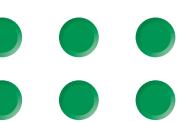


EXTRACT FROM THE 2009 ANNUAL REPORT



mIGATRONiC

2009 at a glance

Revenue down from DKK 421.2 million in 2008 to DKK 257.5 million in 2009, equivalent to a decline of 39%

Loss before tax of DKK 48.6 million

No dividend to shareholders

Positive cash flows from operating activities of DKK 7.5 million

Equity ratio of 51%

Outlook for 2010

Break-even results for the Group

Cost reduction of DKK 46.5 million compared to 2008

Many new product launches

Production capacity intact

Finance calendar 2010

1 March Annual report 2009

22 April Annual General Meeting at Migatronic at 17 pm

22 April Interim statement

26 August Half-year financial report 2010

26 October Interim statement

Contents:

This summary is an extract from the Migatronic Group's Annual Report 2009 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.

Furthermore, the annual report complies with International Financial Reporting Standards (IFRS) issued by IASB.

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

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Consolidated equity and cash flows	Page 11

Mission statement:

Migatronic's mission statement is to develop and produce products related to the welding industry (primarily arc welding) and to market both internally generated and purchased products within the same line of business.

Company details and shareholder information

**Svejsemaskinefabrikken
Migatronic A/S**
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Telefax: +45 96 50 06 01

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Website:
www.migatronic.dk

Reg. No.: 34485216
Established: 1970
Registered office: Fjerritslev

Auditors

KPMG
Vestre Havnepromenade 1A
Postboks 710, 9100 Aalborg

Bankers

Nordea Bank Danmark A/S,
Aalborg

Supervisory Board

Kjeld Ranum, Chairman
(Year of birth 1938, has served on the Supervisory Board since 1982)
Supervisory Board member of:
UIE United International Enterprises Ltd.

Jens Viskinge Jensen,
Vice-Chairman (year of birth 1942, has served on the Supervisory Board since 1994)
Supervisory Board member of:
Søby Værft A/S, Søby Værfts Fond

Freddy Frandsen
(year of birth 1944, has served on the Supervisory Board since 2000)
Chairman of: Hans Følsgaard A/S
Vice Chairman of: Hans Følsgaard Fonden

Supervisory Board member of:
Vestas Wind Systems A/S, Polaris Management A/S, Odense Stålskibsværft A/S, Aalborg University, Nordsøen Oceanarium/Forskerpark, Utzon Fonden

Anders Høiris
(year of birth 1953, has served on the Supervisory Board since 2004)

Chairman of: Intersport Danmark A/S, Brynje A/S, Kabooki A/S, Nørrebro Teater, Middelalder-Centeret I/S
Vice Chairman of: Tack International A/S
Supervisory Board member of:
Monk Automobiler A/S

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

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

Executive Board

Peter Roed, CEO
(Year of birth 1943, employed with Migatronic since 1971)
Supervisory board member of:
Carsø & Aaby – Staal A/S, Stenhøj A/S, PanPac Engineering a/s

Shareholder mix at 31 December 2009

	A shares Nominal amount DKK	B shares Nominal amount DKK	B shares Number of shares DKK 20 each	Capital %	Voting rights %
Major shareholders (>5%)					
Roed Invest ApS, Aabybro*	1,300,000	2,180,700	109,035	38.86	73.49
Konsortium Via Veneto A/S, Herning**		1,477,680	73,884	16.50	7.15
Peter Roed, Aabybro		601,100	30,055	6.71	2.91
Supervisory Board					
Kjeld Ranum, Langå		69,500	3,475	0.78	0.34
Freddy Frandsen, Vestbjerg		31,500	1,575	0.35	0.15
Anders Høiris, Charlottenlund		14,860	743	0.17	0.07
Vibeke Kappel Andersen, Fjerritslev		1,000	50	0.01	0.00
Other shareholders					
Treasury shares		8,380	419	0.09	0.04
Other registered shareholders		2,325,540	116,277	25.96	11.26
Unregistered shareholders		947,740	47,387	10.57	4.59
Total shares	1,300,000	7,658,000	382,900	100.00	100.00

* Peter Roed, CEO, holds a controlling interest in Roed Invest ApS.

** After the balance date, Konsortium via Veneto A/S has sold its Migatronic shares, whereas Access Small Cap A/S has acquired 23,921 shares, equivalent to 5.34% of the share capital.

Operating review

Profit for the year - Consolidated

DKK'000	2009	2008
Revenue	257,487	421,182
Operating profit/loss	-48,321	16,326
Profit/loss before tax	-48,551	9,164
Profit/loss for the year	-36,841	8,220

In the 2009 financial year, the Migatronic Group reported a loss before tax of DKK 48.6 million as against a profit of DKK 9.2 million in 2008.

The negative performance can primarily be attributed to a sharp fall in revenue and costs in connection with staff reductions both at home and abroad and to the fact that the implemented cost reductions did not have full effect in 2009.

Results were considerably down on the company's forecast at the beginning of the financial year but in line with the forecasts stated in the company's interim statement.

The Migatronic Group realised revenue of DKK 257 million as against DKK 421 million in 2008, equivalent to a decline of approx. DKK 164 million.

Operating results (EBIT) was down from a profit of DKK 16.3 million in 2008 to a loss of DKK 48.3 million in 2009.

The Supervisory Board considers the loss unacceptable but expects a substantial improvement in the coming year, taking into consideration the measures that have been taken to adjust the company to the given market conditions.

The financial crisis and the general slowdown in the world market for welding machines have influenced the whole year. This has led to a sharp decline in demand for welding machines both on the home market and on the export markets. This development underlines the fact that Migatronic is operating in a cyclic market, and that consequently the company is highly dependent on world market trends in terms of revenue and profit/loss.

The Group's revenue was down by a total of 39% compared to last year. However, the volume of sales stabilized at a low level in the course of the year and as a consequence hereof, the company has adjusted its cost level to the lower revenue. Cost adjustments have been made in all companies both at home and abroad, which is why large redundancy payments have been made. The implemented changes have resulted in a reduction of costs by DKK 46.5 million from the realised level in 2008 to the 2010 budget.

India and China, which both house Migatronic production facilities, enjoy growth.

In 2009, Migatronic took over the shares held by the partner in the former joint venture company, Suzhou Migatronic Welding Technology Co. Ltd., and now fully owns the company. This takeover opens up possibilities for increased activity in the Chinese company that may contribute to increasing Migatronic's competitive power in China as well as on other markets.

2009 has seen a minor increase in revenue in India, which is expected to continue. Positive operating results have also been achieved.

As a result of the worldwide decline in demand for welding machines combined with the fact that the supply of welding machines is still characterized by overcapacity, Migatronic is up against intensified competition. Despite the crisis, Migatronic maintains a high level of development and introduces new state-of-the-art and sought-after products on the market on a regular basis, so as to make sure that the market is constantly presented with new

and attractive products in terms of improved welding properties and user-friendliness.

Migatronic Automation A/S has endured a turbulent year. At the beginning of the financial year, the company had a relatively high volume of sales to several sub-suppliers to car manufacturers. As a result, the Migatronic Group enjoyed relatively high revenue in the first half-year compared with the second half of 2009. By contrast, the volume of orders for standard automation solutions was at a very low level, which persisted throughout the year.

Combined with the fact that orders to the automotive industry had been taken at an unsatisfactory price level, this had the effect that the results of Migatronic Automation A/S were quite unsatisfactory and thereby contributed strongly to the unsatisfactory results of the Group. Measures to prevent a similar situation in 2010 have been taken in the subsidiary.

The company is hit hard by the crisis in the industry, which is currently postponing many automation projects. The general view is, however, that many projects have not quite been given up but just put off till better times. So Migatronic Automation A/S still counts on competing for orders when the wheels of industry turn again. A positive development in the automation market is therefore expected, although also this market is cyclic.

In January 2010, Migatronic Automation A/S entered into a major contract with a sub-supplier to the car manufacture industry.

Cash flows

The balance sheet total in the financial year was down by DKK 58.8 million, which primarily was caused by lower trade receivables and inventories related to the development in the activity.

Cash flows from operating activities were positive at DKK 7.5 million.

Operating review

Cash flows from investing activities were negative at DKK 12.7 million, of which DKK 7.5 million relates to investment in product development.

Cash flows from financing activities were positive at DKK 1.9 million.

Outlook

The sharp decline in revenue which the Migatronic Group suffered in 2009 is estimated to have slowed down, and the cost level has been adjusted to the present volume of sales so that break-even results are expected for 2010. The implemented reductions have not reduced Migatronic's production capacity.

There is nothing in the market indicating significant growth in revenue in 2010.

It is estimated that the whole welding business is hit at least as hard as Migatronic, and that the over-capacity of welding machine production on the world market will make the competitive conditions more difficult.

The cutthroat pricing may impact the profit margins, which are therefore considered a significant risk factor in 2010.

China and India are still growth markets, and increased volumes of sales are expected in both countries, in particular in China where the Migatronic Group now fully owns the subsidiary.



New products introduced on the markets in 2010 will also contribute positively to business.

Furthermore, sales efforts are being focused on a number of new markets which, however, are not expected to increase sales in 2010 materially.

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 has held a very strong position on the Danish market for several years.

Further progress is to be made primarily on the foreign markets. Today, group revenue is derived

from numerous countries, mainly in Europe, which is instrumental in reducing the above-mentioned risk. 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.

Competitive situation

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 export markets.

The market for welding machines seems to offer easy penetration, as capital requirements, etc. of production start-up of welding machines are fairly modest.

Financial risks

The Group's and the parent company's financial risks and the management thereof are mentioned in note 23 to the Annual Report, showing that the Group and the parent company are only slightly affected by movements in exchange rates and interest rates.



Operating review

Insurance, etc.

The Group strives to take out insurance against risks which may jeopardise 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.

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 for 2009 have taken place after the year-end closing.



Key figures

Key figures			2009	2008	2007	2006	2005
Revenue	DKKm	257.5	421.2	417.1	356.7	296.4	
Ordinary operating profit/loss (EBIT)	DKKm	-48.3	16.3	19.6	14.3	6.8	
Profit/loss from financial income and expenses	DKKm	-0.2	-7.2	-1.7	-0.3	1.9	
Profit/loss before tax	DKKm	-48.6	9.2	17.9	14.0	8.7	
Profit/loss for the year	DKKm	-36.8	8.2	12.4	9.8	6.1	
Total assets	DKKm	218.3	277.1	294.0	271.6	245.4	
Equity	DKKm	111.8	149.0	196.1	180.5	172.4	
Cash flows from operating activities	DKKm	7.5	14.5	12.8	27.9	28.7	
Cash flows from investing activities	DKKm	-12.7	-8.7	-8.2	-19.8	-15.4	
Portion rela. to invest. in prop., plant and equip.	DKKm	-6.1	-9.9	-9.2	-14.9	-6.8	
Cash flows from financing activities	DKKm	1.9	-12.1	3.8	-6.1	-2.7	
Total cash flows	DKKm	-3.2	-6.3	8.4	2.0	10.6	
Number of employees		355	447	449	396	353	
Staff costs per employee	DKK'000	345	325	318	335	327	
Revenue per employee	DKK'000	725	942	929	901	840	

Financial ratios			2009	2008	2007	2006	2005
Operating margin		-18.8%	3.9%	4.7%	4.0%	2.3%	
Return on equity		-28.3%	4.8%	6.6%	5.6%	3.6%	
ROIC		-28.4%	8.7%	11.2%	8.6%	4.1%	
Equity ratio		51.2%	53.8%	66.7%	66.5%	70.3%	
Current ratio		1.8	2.3	2.5	2.5	3.0	
Net asset value per share of DKK 20	DKK	250	333	331	302	287	
Market price at year end	DKK	115	105	380	298	234	
Earnings per share of DKK 20 (EPS)	DKK	-82.3	15.8	20.8	16.4	10.2	
Price Earnings Ratio (PE)	DKK	Neg.	7	18	18	23	
Dividend per share of DKK 20	DKK	0.00	0.00	5.00	5.00	3.00	
Payout ratio		0	0	24	30	29	
Cash flow share of DKK 20	DKK	16.8	32.3	21.6	46.7	47.8	
Price/Cash flow	DKK	6.8	3.2	17.6	6.4	4.9	

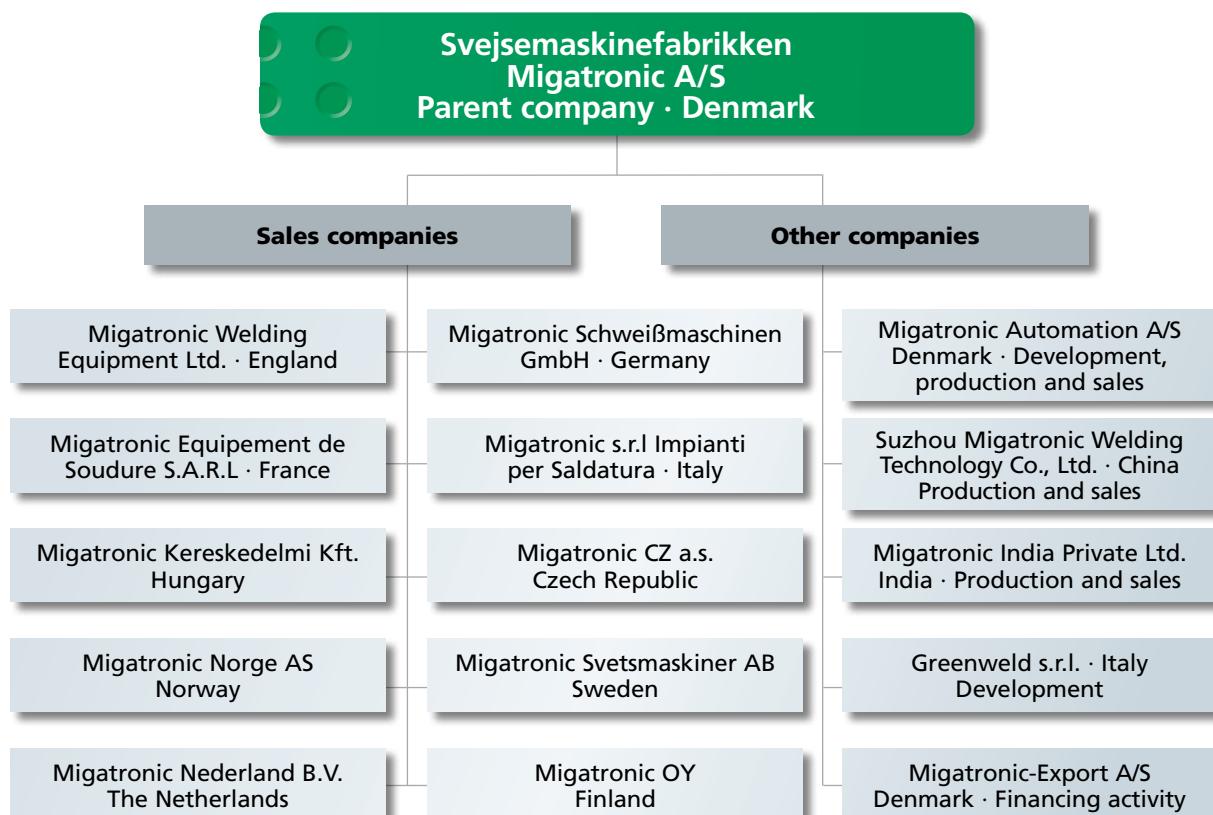
The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2005" apart from "earnings per share" that has been calculated according to IAS 33.

Income statement

Consolidated income statement for 1 January – 31 December

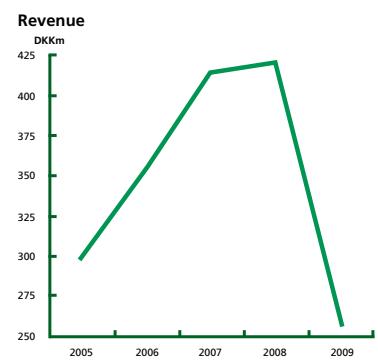
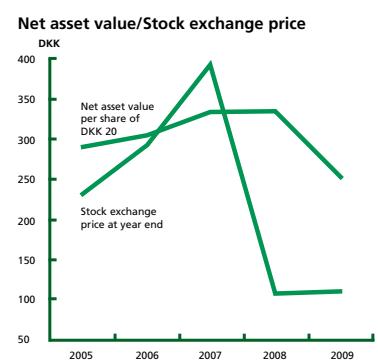
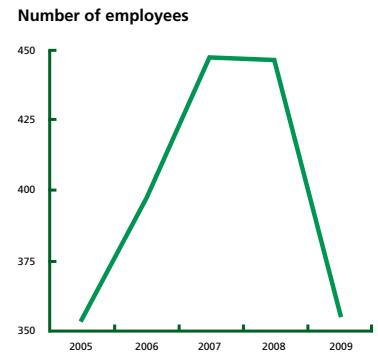
DKK'000	2009	2008
Revenue	257,487	421,182
Changes in inventories of finished goods and work in progress	-20,774	-711
Other operating income	590	699
Total income	237,303	421,170
Costs of raw materials and consumables	103,770	183,687
Other external costs	49,471	63,847
Staff costs	117,858	141,465
Depreciation/amortisation and impairment of non-current assets	13,758	15,441
Other operating income	767	404
Operating profit/loss	-48,321	16,326
Financial income	2,423	1,290
Financial expenses	2,653	8,452
Profit/loss before tax	-48,551	9,164
Tax on profit/loss for the year	-11,710	944
Profit/loss for the year	-36,841	8,220
Attributable to:		
Shareholders of Svejsemaskinefabrikken Migatronic A/S	-36,841	10,521
Minority shareholders	-	-2,301
	-36,841	8,220

Group structure



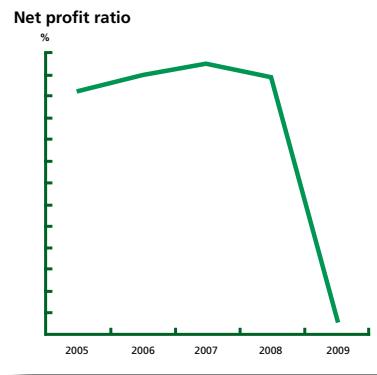
Consolidated balance

Consolidated balance sheet at 31 December		
DKK'000	2009	2008
ASSETS		
Non-current assets		
Intangible assets		
Product development costs	24,419	22,646
Property, plant and equipment		
Land and buildings	44,915	48,183
Plant and machinery	10,044	11,520
Fixtures and fittings, other plant and equipment	12,636	12,357
	67,595	72,060
Other non-current assets		
Long-term lending	0	642
Total non-current assets	92,014	95,348
Current assets		
Inventories	55,570	85,073
Receivables	50,972	70,788
Construction contracts	333	4,573
Corporation tax	1,570	2,372
Securities	7,406	6,897
Cash at bank and in hand	8,828	12,053
	124,679	181,756
Assets held for sale	1,638	0
Total current assets	126,317	181,756
Total assets	218,331	277,104
EQUITY AND LIABILITIES		
Equity		
Share capital	8,958	9,822
Treasury share reserve	-46	-14,442
Translation reserve	-976	-945
Hedging reserve	-384	-170
Retained earnings	104,279	152,181
Proposed dividends	0	0
Equity attributable to the shareholders of Svejsemaskinefabrikken Migatronic A/S	111,831	146,446
Minority interests	0	2,514
	111,831	148,960
Non-current liabilities		
Deferred tax	929	11,964
Mortgage credit institutions	34,003	38,747
	34,932	50,711
Current liabilities		
Mortgage credit institutions	18,307	11,603
Prepayments for construction	1,133	2,218
Trade payables	13,561	17,272
Corporation tax	172	0
Provisions	4,827	5,783
Other payables	33,568	40,557
	71,567	77,433
Total liabilities	106,500	128,144
Total equity and liabilities	218,331	277,104

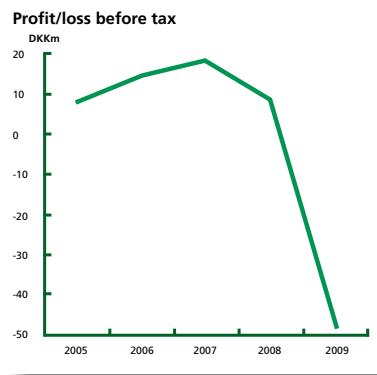


Consolidated equity and cash flows

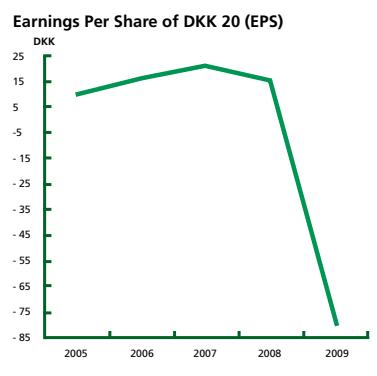
Statement of comprehensive income			
DKK'000	2009	2008	
Profit/loss for the year	-36,841	8,220	
Other comprehensive income			
Foreign exchange adjustments on translation of foreign entities (no tax effect)	-31	-1,212	
Value adjustment of hedging instruments (interest swaps):			
Value adjustment for the year	-796	-342	
Value adjustments transferred to financial expenses	511	190	
Tax on value adjustments of hedging instruments recognised directly in equity	71	368	
Other comprehensive income after tax	-245	-996	
Total comprehensive income	-37,086	7,224	
Comprehensive income attributable to minority interests	0	-2,301	



Statement of changes in equity			
DKK'000	2009	2008	
Equity at 1 January	148,960	196,109	
Total income for the year	-37,086	7,224	
Acquisition of treasury shares	-43	-51,418	
Dividends paid	0	-2,955	
Equity at 31 December	111,831	148,960	
Equity attributable to minority interests at 31 Dec.	0	2,514	



Cash flow statement			
DKK'000	2009	2008	
Operating profit/loss	-48,321	16,326	
Financial income received	2,423	590	
Financial expenses paid	-2,504	-9,772	
Depreciation/amortisation and impairment	13,757	15,441	
Other non-cash operating items	175	-126	
Exchange rate adjustments, etc.	69	447	
Changes in inventories	29,503	182	
Changes in receivables	24,056	5,815	
Changes in other provisions	-956	-188	
Changes in trade and other payables	-12,070	-12,078	
Corporation tax paid	1,399	-2,149	
Cash flows from operating activities	7,531	14,488	
Acquisition of property, plant and equipment	-6,122	-9,871	
Disposal of property, plant and equipment	864	496	
Disposal of securities	131	7,313	
Acquisition of intangible assets	-7,545	-6,593	
Cash flows from investing activities	-12,672	-8,655	
Distributed dividends	0	-2,967	
Acquisition of treasury shares	-43	-51,418	
Repayment of mortgage debt	-4,744	-6,816	
Loan proceeds	0	43,469	
Changes in bank loans	6,704	5,647	
Cash flows from financing activities	1,917	-12,085	
Net cash flows from operating, financing and investing activities	-3,224	-6,252	
Cash and cash equivalents at 1 January	12,053	18,305	
Exchange rate adjustments	-1	0	
Cash and cash equivalents at 31 December	8,828	12,053	



MIGATRONIC WORLDWIDE

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migatronic