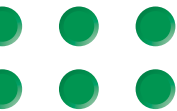


EXTRACT FROM THE 2011 ANNUAL REPORT



2011 at a glance

Revenue up to DKK 279 million, equivalent to an increase of DKK 12 million (5%)

20% growth in the sale of welding machines, declining sale within automation

EBITDA positive at DKK 24 million, an increase of DKK 17 million

Earnings before tax DKK 6 million

Cash flow positive at DKK 16 million

No dividend to shareholders

Outlook for 2012

Growing revenue

Improved performance

Increased activity within automation

The outlook for world economy remains uncertain

Financial Calendar 2012

7 March	Annual Report 2011
26 April	Annual General Meeting at Migatronic at 17 p.m.
26 April	Interim Statement 1
23 August	Half-year Financial Report 2012
25 October	Interim Statement 2

Contents:

This summary is an extract from the Migatronic Group's Annual Report 2011 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.

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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

Svejemaskinefabrikken

Migatronic A/S
Aggersundvej 33
9690 Fjerritslev

Telephone: 96 50 06 00
Telefax: 96 50 06 01
E-mail: migatronic@migatronic.dk
Website: www.migatronic.dk

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)

Kjeld Ranum, Chairman
(year of birth 1938, has served on the Supervisory Board since 1982)

Supervisory Board member of: UIE United International Enterprises Ltd., H.F. Christiansens Mindefond ApS

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, Hans Følsgaard Fonden. Supervisory Board member of: Vestas Wind Systems A/S, Polaris Management A/S, Odense Stålskibsværft A/S, Desmi A/S, Nordsøen Oceanarium/ Forskerpark, Utzon Fonden

Anders Høiris
(year of birth 1953, has served on the Supervisory Board since 2004)
Chairman of: Kabooki A/S, Nørrebro

Teater, Middelalder-Centeret I/S
Vice Chairman of: Tack International A/S. Supervisory Board member of: Monk Automobiler A/S

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

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

Niels Jørn Jakobsen, CFO
(year of birth 1958, employed with Migatronic since 2002, member of the management Board since May 2010)

Shareholder mix at 31 December 2011

	A shares Nominal amount DKK	B shares Nominal amount DKK	B shares Number of shares DKK 20 each	Voting rights Number of shares DKK 20 each	Capital %	Voting rights %
Major shareholders (>5%)						
Peter Roed, Aabybro*	1,300,000	2,810,960	140,558	790,558	45.90	76.54
Access Small Cap A/S, Kbh.		478,420	23,921	23,921	5.34	2.32
Supervisory Board						
Kjeld Ranum, Langå		69,500	3,475	3,475	0.78	0.34
Freddy Frandsen, Vestbjerg		31,500	1,575	1,575	0.35	0.15
Vibeke K. Andersen, Fjerritslev		1,000	50	50	0.01	0.00
Management						
Niels Jørn Jakobsen, Arden		12,460	623	623	0.14	0.06
Treasury shares		17,640	882	882	0.20	0.09
Other shareholders						
Other registered shareholders		3,025,420	151,271	151,271	33.77	14.65
Unregistered shareholders		1,210,900	60,545	60,545	13.52	5.86
Total shares	1,300,000	7,658,000	382,900	1,032,900	100.00	100.00

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



Operating review

Profit for the year - Consolidated

DKK'000	2011	2010
Revenue	279.3	267.1
Earnings before interest, taxes, depreciation and amortization (EBITDA)	24.2	6.9
Earnings before tax (EBT)	5.6	-9.0
Profit/loss for the year	3.9	-6.3

In the 2011 financial year, the Migatron Group reported earnings before tax of DKK 5.6 million as against a loss before tax of DKK 9.0 million in 2010, an improvement in results of approx. DKK 15 million.

Results are in line with the budgetted forecast for the year, except for major changes in the product mix.

Results are positively affected by the capacity adjustments made in recent years and in 2011 and by a significant (20%) growth in the sale of welding machines in the Group, whereas results are adversely affected by 50% decline in the sale of automated equipment.

The Migatron Group realised revenue of DKK 279 million as against DKK 267 million in 2010, equivalent to an increase of approx. DKK 12 million (approx. 5%).

EBITDA earnings in the Group were up from DKK 6.9 million to DKK 24.2 million, equivalent to an increase of approx. DKK 17.3 million and an EBITDA margin of 8.7%, the highest for the past five years.

In the parent company, EBITDA earnings were up from DKK 12.7 million to DKK 24.6 million, equivalent to an increase of approx. DKK 12.0 million.

Earnings before interest and tax (EBIT) in the Group were up from DKK -8.3 million to DKK 9.3 million, equivalent to an increase of DKK 17.6 million.

Financial items developed negatively at DKK 3.1 million which can be attributed primarily to value adjustment on bonds and stocks at DKK 1.9 million and exchange rate adjustments at DKK 1.2 million.

Profit for the year of DKK 5.6 million before tax is still not satisfactory. However, the improvement of approx. DKK 15 million compared to 2010 is satisfactory.

Migatron's sales at home and abroad are still adversely affected by the global financial crisis and in particular its after-effects. Throughout the year, cost adjustments were made in the Group, and the efforts to adjust the Group's capacity level to the present market are now deemed to be completed.

Despite a strong decline in the demand for welding machines on a global scale, no consolidation and structural rationalisation of the trade has taken place. With an unchanged number of manufacturers to share a smaller market, competition has been further intensified. This puts further pressure on the Group's profit margins and increases the

need for rationalisation and efficiency improvement.

2011 saw an increase in the prices for raw materials which also makes heavier demands on efficiency in all corporate functions.

In order to reduce cost prices, an increasing number of Danish and foreign sub-suppliers of modules and components for the machines are used, while the majority of products are still assembled at the factory in Denmark.

Migatron 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.

Migatron still maintains a high level of development in order to meet the constant market demand for state-of-the-art technology and improved welding properties that will improve customers' competitive power.

In modern production industry, heavy demands are made on quality and documentation of welding. Prespecification and subsequent documentation of the quality are required, so automation and documentation of the welding process are important parameters when it comes to choosing supplier of welding equipment. That is why improving and optimising products to meet these demands is an area of priority.

Migatron Automation A/S operates in a very challenging market with strong interest in quotations for automated solutions, but only a limited part of the quotations lead to specific

Operating review

projects. Customers' continuing reluctance is probably caused by the uncertain market situation that has prevailed since the outbreak of the financial crisis. This resulted in an unsatisfactory volume of orders for Migatronic Automation A/S; at the end of 2011, however, several new contracts were entered into which might indicate increasing willingness in the market to invest.

Balance and cash flows

The balance sheet total in the financial year was up by DKK 14.5 million, which was caused primarily by higher trade receivables and inventories related to the development in the activity, in particular large automation projects.

Cash flows from operating activities were positive at DKK 15.6 million.

Cash flows from investing activities were DKK -9.9 million net. DKK 6.8 million were invested in product development which is the same level as previous years. Cash flows of the year were positive at DKK 4.0 million.

Outlook for 2012

A modest global economic growth is expected also for 2012 owing to the after-effects of the financial crisis and the subsequent sovereign-debt problems in the Eurozone. However, the market will remain extremely sensitive to the general financial development in the world.

2011 saw some increase in revenue, especially for standard welding machines, but the improvement covers widely



different developments in Migatronic's markets. In particular some Northern European and Scandinavian markets were recovering while the Southern European markets were flat. Consequently, it is difficult to predict market developments.

In view of this, Migatronic is not expecting any significant growth in the Group's principal markets in Europe in 2012.

Migatronic is counting on significant growth in the Chinese and Indian markets where market shares are very small compared to the sizes of the markets. In these countries, sales efforts will be intensified by means of more sales outlets, improved knowledge of the markets and more market adjusted products.

Significant investments will be made in 2012 to support the business activities planned. In addition to investments in innovative product development and improvement of production efficiency, the further development of the organisation remains an area of priority.

A slight increase in general investments in automation equip-

ment is expected. The development in this market, however, depends on a stable positive development in world economy, to a still larger extent than the welding machine market.

In view of this, Migatronic is expecting a slight increase in both revenue and 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 a negative 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 in the Danish market for welding machines; a position which may be further strengthened, in particular in terms of automation of the welding

Operating review

process and new welding methods.

Further progress is to be made primarily in 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 in 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, Migatronik 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 Migatronik Group is faced with major international competitors both in Denmark and abroad, and with local manufacturers on the individual export markets.

In the present-day low-end market there is a growing number of Far East suppliers. Over a short span of years, there will be major Asian suppliers also in the market segments in which Migatronik operates today. This will increase the number of international suppliers and further intensify the competition.

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 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 Migatronik have obtained the necessary environmental approvals from the public authorities, and the Group is not a party to any environmental cases.

Incentive programmes

2011 saw the establishment of a stock option programme for the parent company's management group. The supervisory board, the executive board and other members of the staff are not part of the programme. The purpose of the establishment was to attach the employees in question closer to the company and to create a performance-based incentive. The programme ended at the end of 2011.

Events after balance sheet day

In addition to conditions already allowed for, no events of importance to consolidated financial statements 2011 have taken place after the year-end closing.



Key figures

Key figures		2011	2010	2009	2008	2007
Revenue	DKKm	279.3	267.1	257.5	421.2	417.1
EBITDA	DKKm	24.2	6.9	-34.6	37.7	34.4
EBIT	DKKm	9.3	-8.3	-48.3	16.3	19.6
Profit/loss from financial income and expenses	DKKm	-3.7	-0.6	-0.2	-7.2	-1.7
Profit/loss before tax (EBT)	DKKm	5.6	-9.0	-48.6	9.2	17.9
Profit/loss for the year	DKKm	3.9	-6.3	-36.8	8.2	12.4
Total assets	DKKm	242.2	227.7	218.3	277.1	294.0
Equity	DKKm	109.0	106.6	111.8	149.0	196.1
Cash flows from operating activities	DKKm	15.6	-5.2	7.5	14.5	12.8
Cash flows from investing activities	DKKm	-9.9	-5.7	-12.7	-8.7	-8.2
Portion rela. to invest. in prop., plant and equip.	DKKm	-4.3	-4.3	-6.1	-9.9	-9.2
Cash flows from financing activities	DKKm	-1.7	9.1	1.9	-12.1	3.8
Total cash flows	DKKm	4.0	-1.8	-3.2	-6.3	8.4
Number of employees		313	313	355	447	449

Financial ratios		2011	2010	2009	2008	2007
Revenue per employee	DKK'000	892	853	725	942	929
Staff costs per employee	DKK'000	331	341	345	325	318
EBITDA margin		8.7%	2.6%	-13.4%	7.5%	8.2%
Operating margin (EBIT margin)		3.3%	-3.1%	-18.8%	3.9%	4.7%
Return on equity (ROE)		3.6%	-5.8%	-28.3%	4.8%	6.6%
Return of invested capital (ROIC)		6.2%	-5.6%	-28.4%	8.7%	11.2%
Equity ratio		45.0	46.8%	51.2%	53.8%	66.7%
Current ratio		1.4	1.5	1.8	2.3	2.5
Net asset value per share of DKK 20 (BVPS)	DKK	244	238	250	333	331
Market price at year end	DKK	85	120	115	105	380
Earnings per share of DKK 20 (EPS)	DKK	8.8	-14.1	-82.3	15.8	20.8
Price Earnings Ratio (P/E Basic)	DKK	10	Neg.	Neg.	7	18
Dividend per share of DKK 20 (DPS)	DKK	0.0	0.0	0.0	0.0	5.0
Payout ratio		0	0	0	0	24
Cash flow share of DKK 20 (CFPS)	DKK	35.0	-11.7	16.8	32.3	21.6
Price/Cash flow (P/CF)	DKK	2.4	-10.3	6.8	3.2	17.6

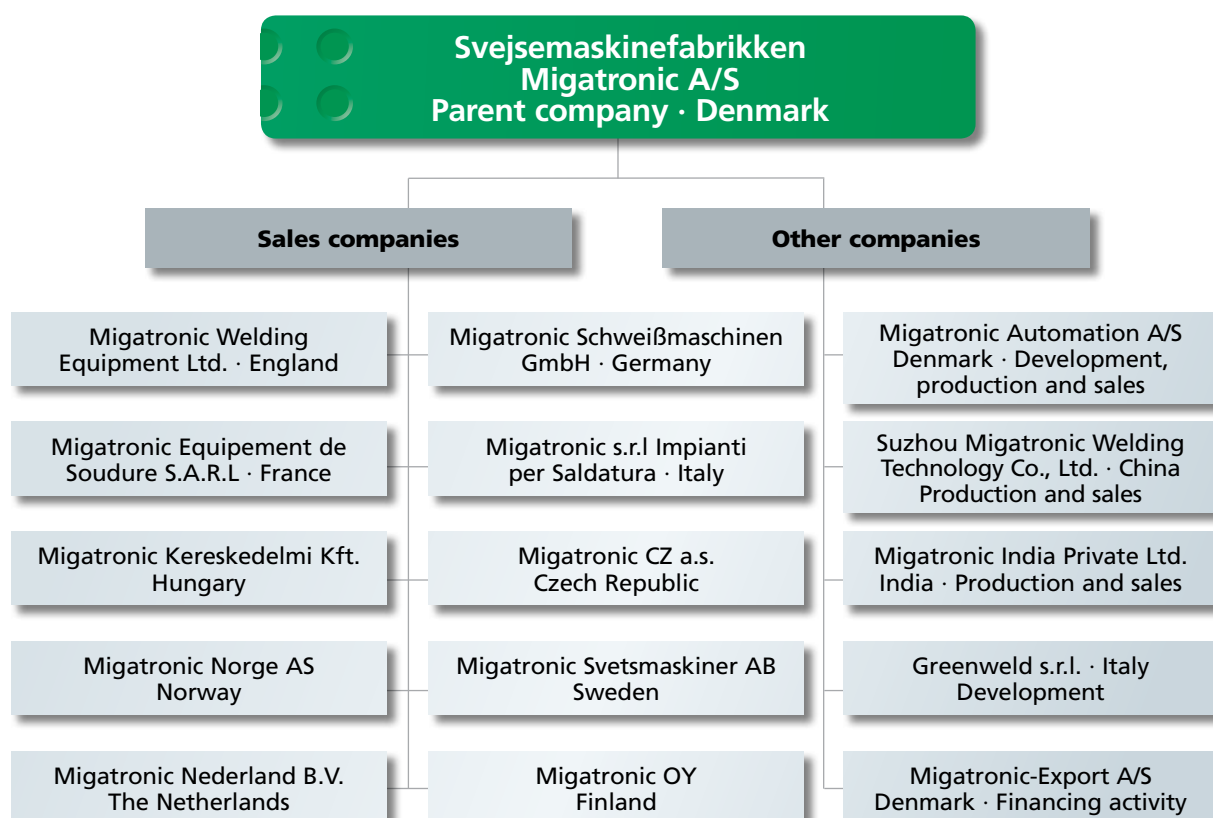
The financial ratios have been calculated in accordance with the Danish Society of Financial Analysts' guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2010", apart from "Earnings per share" that has been calculated according to IAS 33.

Income statement

Consolidated income statement for 1 January – 31 December

DKK'000	2011	2010
Revenue	279,251	267,129
Changes in inventories of finished goods and work in progress	1,362	1,129
Other operating income	828	3,974
Total income	281,441	272,232
Costs of raw materials and consumables	115,665	120,957
Other external costs	43,907	43,175
Staff costs	97,549	101,003
Other operation income	152	213
EBITDA	24,168	6,884
Depreciation/amortisation and impairment of non-current assets	14,854	15,204
EBIT	9,314	-8,320
Financial income	210	2,843
Financial expenses	3,953	3,483
Profit/loss before tax (EBT)	5,571	-8,960
Tax on profit/loss for the year	3,928	-2,632
Profit/loss for the year	3,928	-6,328

Group structure

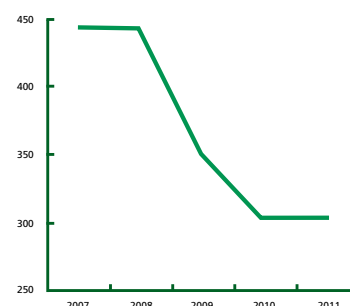


Consolidated balance

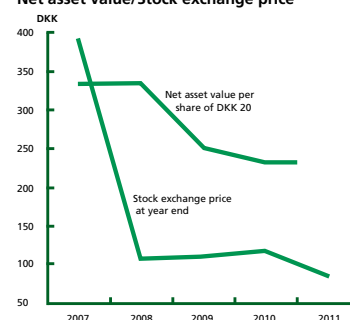
Consolidated balance sheet at 31 December

DKK'000	2011	2010
ASSETS		
Non-current assets		
Intangible assets		
Product development costs	24,638	24,385
Property, plant and equipment		
Land and buildings	43,059	43,963
Plant and machinery	7,440	9,114
Fixtures and fittings, other plant and equipment	9,108	10,964
	59,607	64,041
Other non-current assets		
Deferred tax	1,164	2,050
	1,164	2,050
Total non-current assets	85,409	90,476
Current assets		
Inventories	61,781	62,347
Receivables	74,343	57,725
Construction contracts	2,689	544
Corporation tax	245	1,473
Securities	6,784	8,199
Cash at bank and in hand	10,952	6,968
Total current assets	156,794	137,256
Total assets	242,203	227,732
EQUITY AND LIABILITIES		
Equity		
Share capital	8,958	8,958
Treasury share reserve	-102	-102
Translation reserve	-389	284
Hedging reserve	-1,410	-505
Retained earnings	101,936	97,951
	108,993	106,586
Non-current liabilities		
Deferred tax	0	0
Mortgage credit institutions	24,556	29,319
	24,556	29,319
Current liabilities		
Mortgage credit institutions	35,237	32,207
Prepayments for construction	11,879	1,671
Trade payables	30,168	21,876
Corporation tax	488	213
Provisions	3,587	3,591
Other payables	25,414	31,596
Financial derivatives (negative current value)	1,881	673
	108,654	91,827
Total liabilities	133,210	121,146
Total equity and liabilities	242,203	227,732

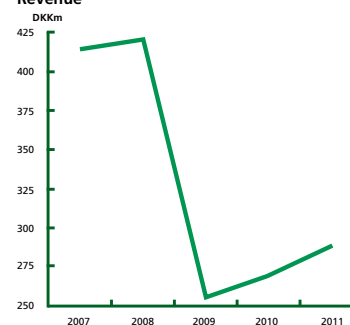
Number of employees



Net asset value/Stock exchange price



Revenue



Consolidated equity and cash flows

Statement of comprehensive income

DKK'000	2011	2010
Profit/loss for the year	3,928	-6,328
Other comprehensive income		
Foreign exchange adjustments on translation of foreign entities (no tax effect)	-673	1,260
Value adjustment of hedging instruments (interest swaps):		
Value adjustment for the year	-1,762	-834
Value adjustments transferred to financial expenses	555	673
Tax on value adjustments of hedging instruments recognised directly in equity	302	40
Other comprehensive income after tax	-1,578	1,139
Total comprehensive income	2,350	-5,189

Statement of changes in equity

DKK'000	2011	2010
Equity at 1 January	106,586	111,831
Total income for the year	2,350	-5,189
Acquisition of treasury shares	0	-56
Share-based payment	57	0
Equity at 31 December	108,993	106,586

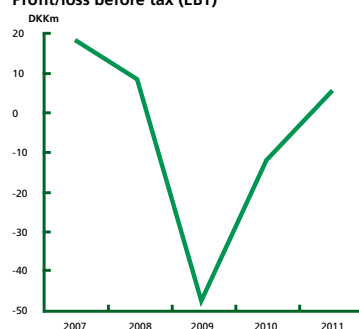
Cash flow statement

DKK'000	2011	2010
Operating profit/loss	9,314	-8,320
Financial income received	209	1,600
Financial expenses paid	-3,282	-3,483
Depreciation/amortisation and impairment	14,854	15,204
Other non-cash operation items	-42	-3,292
Exchange rate adjustments, etc.	-286	829
Changes in inventories	566	-6,777
Changes in receivables	-18,763	-6,964
Changes in other provisions	-4	-1,236
Changes in trade and other payables	12,318	7,392
Corporation tax paid	746	-169
Cash flows from operating activities	15,630	-5,216
Acquisition of intangible assets	-6,843	-7,420
Acquisition of property, plant and equipment	-4,265	-4,260
Disposal of property, plant and equipment	456	5,493
Disposal of securities	743	449
Cash flows from investing activities	-9,909	-5,738
Acquisition of treasury shares	0	-56
Repayment of mortgage debt	-4,763	-4,684
Changes in bank loans	3,030	13,900
Cash flows from investing financing activities	-1,733	9,160
Net cash flows from operating, financing and investing activities	3,988	-1,794
Cash and cash equivalents 1 January	6,968	8,828
Exchange rate adjustments	-4	-66
Cash and cash equivalents 31 December	10,952	6,968

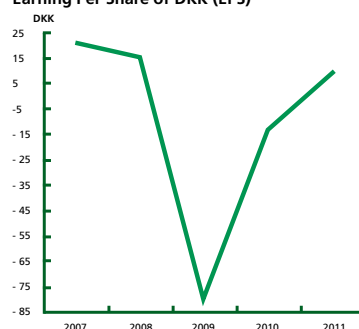
Net profit ratio



Profit/loss before tax (EBT)



Earning Per Share of DKK (EPS)



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MIGATRONIC