



## **TransAct Technologies and ATSI Terminate Proposed Acquisition**

Wallingford, CT, July 8, 2004 - TransAct Technologies Incorporated (Nasdaq: TACT), a leading producer of transaction-based printers for customers worldwide, today announced it and ATSI Holdings Inc. (formerly known as Axiohm Transaction Solutions) have agreed to terminate their letter of intent regarding TransAct's proposed acquisition of ATSI's transaction printer and printhead business known as TPG. TransAct announced it signed the letter of intent to acquire TPG on June 2, 2004, subject to TransAct's completion of final due diligence and the negotiation of definitive agreements.

Bart C. Shuldman, Chairman, President and CEO, said, "During our due diligence, issues arose that we were unable to resolve by negotiation. Accordingly, TransAct and ATSI have agreed to terminate the letter of intent. I believe that this action is in the best interests of our shareholders and employees."

Mr. Shuldman concluded, "While we are disappointed with the outcome, we are very pleased with the due diligence and analysis work our team did in such a short period of time. This effort enabled us to make the important decision we are announcing today. I would also like to express my appreciation to the TPG employees who were so cooperative during our due diligence work."

### **About TransAct Technologies Incorporated**

TransAct (Nasdaq: TACT) designs, develops, manufactures and markets transaction-based printers under the ITHACA® and MAGNETEC® names. In addition, the Company markets related consumables, spare parts and service. The Company's printers are used worldwide to provide receipts, tickets, coupons, register journals and other documents. TransAct focuses on two core markets: point-of-sale (POS), and gaming and lottery. TransAct sells its products to original equipment manufacturers, value-added resellers and selected distributors, as well as directly to end-users. The Company's product distribution spans across the Americas, Europe, the Middle East, Africa, the Caribbean Islands and the South Pacific. For further information, visit TransAct's web site located at [www.transact-tech.com](http://www.transact-tech.com).

### **CONTACTS:**

Steven A. DeMartino, Chief Financial Officer, 203-269-1198 Ext. 6059  
or David Pasquale, 646-536-7006, or Moon Lee, 646-536-7001 both with The Ruth Group

### **Forward-Looking Statements:**

The Company's forward-looking statements in this press release are subject to a number of risks and uncertainties. Risks and uncertainties that have a general impact on the Company's forward-looking statements include, but are not limited to, customer acceptance and market share gains, both domestically and internationally, in the face of substantial competition from competitors that have broader lines of products and greater financial resources; introduction of new products into the marketplace by competitors; successful product development; dependence on significant customers; dependence on third parties for sales outside the United States, including Australia, New Zealand, Europe and Latin America; economic and political conditions in the United States, Australia, New Zealand, Europe and Latin America; marketplace acceptance of new products, risks associated with foreign operations; availability of third-party components at reasonable prices; and the absence of price wars or other significant pricing pressures affecting the Company's products in the United States or abroad. Actual results may differ materially from those discussed in, or implied by, the forward-looking statements. The forward-looking statements speak only as of the date of this release and the Company assumes no duty to update them to reflect new, changing or unanticipated events or circumstances.