SECURITIES AND EXCHANGE COMMISSION
Washington, DC. 20549

FORM 10-K

(Mark One)

|X| ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2001

or

| | TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to ______________.

Commission file number: 0-21121

TRANSACT TECHNOLOGIES INCORPORATED

(Exact name of registrant as specified in its charter)

DELAWARE	06-1456680
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7 LASER LANE, WALLINGFORD, CT	06492
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code 203-269-1198

Securities registered pursuant to Section 12 (b) of the Act:

NONE

Securities registered pursuant to Section 12 (g) of the Act:

COMMON STOCK, $0.01 PAR VALUE

(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No | |

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any other amendment to this Form 10-K. |X|

As of March 15, 2002 the aggregate market value of the registrant's issued and outstanding voting stock held by non-affiliates of the registrant was $24,600,000.

As of March 15, 2002 the registrant had outstanding 5,703,670 shares of common stock, $0.01 par value.

DOCUMENTS INCORPORATED BY REFERENCE

Proxy Statement for the Annual Meeting of Shareholders to be held on May 17, 2002 - Part III.

PART I

GENERAL

TransAct Technologies Incorporated ("TransAct" or the "Company") designs, develops, manufactures and markets transaction-based printers under the Ithaca(R) and Magnetec(R) brand names. In addition, the Company markets related consumables, spare parts and service. The Company's printers are used worldwide to provide transaction records such as receipts, tickets, coupons, register journals and other documents. The Company focuses on the following vertical markets: point-of-sale ("POS"), gaming and lottery, financial services and kiosk. The Company sells its products directly to end users, original equipment manufacturers ("OEMs"), value-added resellers ("VARs") and selected distributors, primarily in the United States, Canada, Europe and Latin America. TransAct has one primary operating facility located in Ithaca, New York, five sales offices located in the United States, and one sales office and service depot in the United Kingdom. The Company also has a manufacturing facility in Wallingford, CT which it expects to close in May 2002 (see "General Development of Business" below).

ITEM 1. BUSINESS.

(A) GENERAL DEVELOPMENT OF BUSINESS

TransAct began operating as a stand-alone business in August 1996 to operate the printer business that was formerly conducted by certain subsidiaries of Tridex Corporation. TransAct completed an initial public offering on August 22, 1996.

In February 2001, the Company announced plans to establish a global engineering and manufacturing center at its Ithaca, NY facility. As part of this strategic decision, the Company undertook a plan to consolidate all manufacturing and engineering into its existing Ithaca, NY facility and close its Wallingford, CT facility (the "Consolidation"). The Company's technology shift to inkjet and thermal printing from dot matrix impact printing has dramatically reduced the labor content in printers, and therefore, lowers the required production capacity. As of December 31, 2001, substantially all Wallingford product lines were successfully transferred to Ithaca, NY. The Company expects to maintain one small component production line in Wallingford until May 2002, after which the manufacturing facility will be closed. The closing of the Wallingford facility is expected to result in the termination of employment of approximately 70 production, administrative and management employees.

(B) FINANCIAL INFORMATION ABOUT INDUSTRY SEGMENTS

TransAct has assessed its operating and reportable segments and has determined that it operates in one reportable segment, the design, development, manufacture and marketing of transaction-based printers and printer-related products.

(C) NARRATIVE DESCRIPTION OF BUSINESS

(i) PRINCIPAL PRODUCTS AND SERVICES

TransAct designs, develops, manufactures and markets a broad array of transaction-based printers utilizing dot matrix, thermal and inkjet printing technology for applications requiring up to 60 character columns in each of the following vertical markets: POS, gaming and lottery, financial services and kiosk. The Company's printers are configurable and offer customers the ability to choose from a variety of features and functions. Options typically include PC board configuration, paper cutting devices, paper handling capacities and number of print stations. In addition to its configurable printers, TransAct manufactures custom printers for certain OEM customers. In collaboration with these customers, the Company provides engineering and manufacturing expertise for the design and development of specialized printers. In addition, the Company offers inkjet cartridges, printer ribbons, paper and replacement parts for all of its products.

The Company provides customers with telephone sales and technical support, a personal account representative for orders, shipping and general information and expedited shipping for orders of its configurable and custom products. Technical and sales support personnel receive training in all of the Company's products and services manufactured at their facility. The Company's printers generally carry a one- or two-year limited warranty; extended warranties are available for purchase on selected printers to supplement the original warranty. Service contracts for the repair and maintenance of printers beyond the original warranty period are also available for purchase.

(ii) STATUS OF PRODUCT REQUIRING MATERIAL INVESTMENT

None.

(iii) SOURCES AND AVAILABILITY OF RAW MATERIALS

The principal materials used in manufacturing are copper wire, magnetic metals, injection molded plastic parts, formed metal parts and electronic components. Although the Company could experience temporary disruption if certain suppliers ceased doing business with the Company, the Company's requirements generally are available from a number of sources, except as described below.

Okidata Americas, Inc. ("Okidata"), is the sole supplier for a printer component kit consisting of a printhead, control board and carriage (the "Oki Kit"), which is used in all of the Company's Ithaca(R) brand impact printers. The loss of the supply of Oki Kits would have a material adverse effect on the Company. TransAct has a supply agreement with Okidata to provide Oki Kits until June 2003 at fixed prices through at least March 31, 2002. The Company and Okidata are currently negotiating for future pricing. Additionally, Hewlett-Packard Company ("HP") is the sole supplier of inkjet cartridges which are used in all of the Company's inkjet printers. The loss of the supply of HP inkjet cartridges would have a material adverse effect on the sale of the Company's inkjet printers. TransAct has a supply agreement with HP to purchase inkjet cartridges until June 1, 2002 at a fixed price. TransAct believes its relations with Okidata and HP are good and has received no indication that either of the supply agreements will not be renewed beyond the respective expiration dates of the current contracts. TransAct cannot be certain, however, that either of the supply agreements will be renewed, or if renewed, that the terms will be as favorable as those under the current contracts.

(iv) PATENTS AND PROPRIETARY INFORMATION

The Company owns several patents, three of which it considers material. The earliest expiration date of these patents is in 2008. The first patent covers an automated paper cut-off device, which is a feature offered on certain of the Company's POS printers; the second is a patent that relates to an automatic paper loader for a printer; and the third is a patent that covers a method for converting a full color image into a two-color image, plus a background color. The Company also has sought patent protection for certain design features of 1) printers using inkjet technology, 2) POS printers using thermal technology, and 3) thermal printers for use in casino slot machines. The Company regards certain manufacturing processes and designs to be proprietary and attempts to protect them through employee and third-party nondisclosure agreements and similar means. It may be possible for unauthorized third parties to copy certain portions of the Company's products or to reverse engineer or otherwise obtain and use, to the Company's detriment, information that the Company regards as proprietary. Moreover, the laws of some foreign countries do not afford the same protection to the Company's proprietary rights as do United States laws. There can be no assurance that legal protections relied upon by the Company to protect its proprietary position will be adequate or that the Company's competitors will not independently develop technologies that are substantially equivalent or superior to the Company's technologies.

(v), (vi) SEASONALITY AND PRACTICES RELATING TO WORKING CAPITAL ITEMS

Retailers typically reduce purchases of new POS equipment in the fourth quarter, due to the increased volume of consumer transactions in that period, and the Company's sales of printers in the POS market historically have increased in the third quarter and decreased in the fourth quarter. However, the Company has not experienced material seasonality in its total net sales, due to offsetting sales in other markets.

(vii) CERTAIN CUSTOMERS

The Company has an OEM purchase agreement with GTECH Corporation ("GTECH") to provide on-line lottery printers and spare parts, at prices to be negotiated, through December 31, 2004. Firm purchase orders for printers may be placed annually by GTECH. The Company has received orders for approximately $9,800,000 worth of printers for delivery between January 2002 and February 2003. The Company also sells printers to GTECH for use in lottery terminals at grocery check-out lanes ("in-lane lottery printers"). Sales to GTECH accounted for approximately 33.0% and 22.1% of net sales in 2001 and 2000, respectively. The Company made no on-line lottery printer shipments and approximately $1,100,000 of in-lane lottery printer shipments to GTECH during 1999. The Company also provides printers to ICL Pathway for use in the British Post Office. During 2000, sales to ICL Pathway accounted for approximately 20.2% of net sales. The Company completed shipping printers to ICL Pathway for use in the British Post Office in February 2001 and no further shipments are expected. The Company had no sales to any one customer greater than 10% of net sales in 1999.

(viii) BACKLOG

The Company's backlog of firm orders was approximately $8,700,000 as of March 25, 2002 and $18,100,000 as of March 16, 2001, including approximately $6,600,000 and $7,800,000 to GTECH, respectively. Based on customers' current delivery requirements, TransAct expects to fill approximately $8,200,000 of its current backlog during 2002 and approximately $500,000 during 2003.

(ix) MATERIAL PORTION OF BUSINESS SUBJECT TO RENEGOTIATION OF PROFITS

None.

(x) COMPETITION

The market for transaction-based printers is extremely competitive, and the Company expects such competition to intensify in the future. The Company competes with a number of companies, many of which have greater financial, technical and marketing resources than the Company. TransAct believes its ability to compete successfully depends on a number of factors both within and outside its control, including durability, reliability, quality, design capability, product customization, price, customer support, success in developing new products, manufacturing expertise and capacity, supply of component parts and materials, strategic relationships with suppliers, the timing of new product introductions by the Company and its competitors, general market and economic conditions and, in some cases, the uniqueness of its products.

Three of the Company's competitors, Epson America, Inc., Axiohm Transaction Solutions and Star Micronics America, Inc. together control approximately 70% of the United States market for POS printers, a market in which the Company's strategy calls for increased market share. Another principal competitor in the POS market is Citizen -- CBM America Corporation. Certain competitors of the Company have greater financial resources, lower costs attributable to higher volume production and off-shore manufacturing locations, and offer lower prices than the Company from time to time.

In the gaming and lottery, financial services and kiosk markets, no single supplier holds a dominant position. Certain of the Company's products sold for gaming and lottery, kiosk and financial services applications compete based upon the Company's ability to provide highly specialized products, custom engineering and ongoing technical support.

The Company's strategy for competing in its markets is to continue to develop new products and product line extensions, to increase its geographic market penetration, and to take advantage of strategic relationships. The Company expects to particularly focus on (1) gaining market acceptance for its new family of printers utilizing Hewlett Packard's inkjet printing technology, (2) promoting its new line of slot machine printers into the gaming market and (3) expanding its consumables, spares and service business. Although the Company believes that its products, operations and relationships provide a competitive foundation, there can be no assurance that the Company will compete successfully in the future.

(xi) RESEARCH AND DEVELOPMENT ACTIVITIES

The Company spent approximately $3,070,000, $3,481,000 and $3,235,000 in 2001, 2000 and 1999, respectively, on engineering, design and product development efforts in connection with specialized engineering and design to introduce new products and to customize existing products. During 2002, the Company expects to focus the majority of its research and development activities on the continuing development and enhancement of (1) its family of printers for the POS market utilizing inkjet and thermal printing technology and (2) its ticket-issuing printers for use in the casino market.

(xii) ENVIRONMENT

The Company is not aware of any material noncompliance with federal, state and local provisions that have been enacted or adopted regulating the discharge of materials into the environment, or otherwise relating to the protection of the environment.

(xiii) EMPLOYEES

As of March 15, 2002, TransAct Technologies and its subsidiaries employed 176 persons, of whom 141 were full-time and 35 were temporary employees. None of the Company's employees is unionized and the Company considers its relationships with its employees to be good.

(D) FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

The Company has foreign operations primarily from TransAct Technologies Ltd., a wholly-owned subsidiary located in the United Kingdom, which had sales to its customers of $1,791,000, $11,164,000 (primarily to ICL Pathway for use in the British Post Office) and $700,000 in 2001, 2000 and 1999, respectively. The Company had export sales to its customers from its domestic operations of approximately $6,131,000, $5,156,000 and $7,807,000 in 2001, 2000 and 1999, respectively.

(E) EXECUTIVE OFFICERS OF THE REGISTRANT AS OF DECEMBER 31, 2001

Name	Age	Position
Bart C. Shuldman	44	Chairman of the Board, President and Chief Executive Officer
Richard L. Cote	60	Executive Vice President, Chief Financial Officer, Treasurer, Secretary and Director
James B. Stetson	44	Executive Vice President - Sales and Marketing
Steven A. DeMartino	32	Senior Vice President - Finance and Information Technology
Mark B. Goebel	47	Senior Vice President - General Manager (Wallingford, CT facility)
Michael S. Kumpf	52	Senior Vice President - Engineering
Lucy H. Staley	51	Senior Vice President - General Manager (Ithaca, NY facility)

BART C. SHULDMAN has been Chief Executive Officer, President and a Director of the Company since its formation in June 1996. Previously, Mr. Shuldman served as President of Magnetec and later the combined operations of Magnetec and Ithaca from August 1993 until June 1996. In February 2001, Mr. Shuldman was elected Chairman of the Board.

RICHARD L. COTE has been Executive Vice President, Chief Financial Officer, Treasurer, Secretary and a Director of the Company since its formation in June 1996. Prior thereto, he served as Senior Vice President and Chief Financial Officer of Tridex from September 1993 to June 1996.

JAMES B. STETSON was appointed Executive Vice President, Sales and Marketing in November 2001, and served as Senior Vice President of Worldwide Sales from February 2000 to November 2001, and Vice President of Sales, Latin America from October 1997 to February 2000. Prior to joining TransAct, Mr. Stetson served as Vice President and Sales Manager at Gekay Sales and Service Company from 1995 until October 1997.

STEVEN A. DEMARTINO joined TransAct as Corporate Controller in August 1996 and was appointed an officer of the Company in January 1998, Vice President in December 1999, and Senior Vice President, Finance and Information Technology in October 2001. Prior to joining TransAct, Mr. DeMartino was a self-employed financial consultant from May 1996 to August 1996. Prior thereto, Mr. DeMartino, served as Controller of NER/Copart, Inc. from September 1994 to May 1996.

MICHAEL S. KUMPF, Senior Vice President-Engineering since June 1996, served as Vice President of Engineering of Ithaca from 1991 until June 1996. Mr. Kumpf was appointed Executive Vice President of Engineering in January 2002.

MARK B. GOEBEL, Senior Vice President - General Manager (Wallingford, CT facility), served as Vice President-Engineering from April 1994 until he was appointed Senior Vice President of Engineering of Wallingford, and an officer of the Company, in January 2000. In November 2000, Mr. Goebel was named Senior Vice President - General Manager of the Wallingford, CT facility. As a result of the Consolidation, Mr. Goebel terminated employment with the Company on March 1, 2002.

LUCY H. STALEY, Senior Vice President-General Manager (Ithaca, NY facility) since June 1996, served as a Vice President of Ithaca from 1984 until June 1996. As a result of the Consolidation, Ms. Staley terminated employment with the Company on January 31, 2002.

ITEM 2. PROPERTIES.

The Company's operations are currently conducted at the facilities described below. In February 2001, the Company announced plans to establish a global engineering and manufacturing center at its Ithaca, NY facility. As part of this strategic decision, the Company will complete the consolidation of all manufacturing and engineering into its existing Ithaca, NY facility and close its Wallingford, CT manufacturing facility in May 2002. The Company expects to be able to sublease the Wallingford facility for the remaining term of the lease, however there can be no assurance that the Company will be successful in doing so, or that it will be able to do so at terms comparable to those of its existing lease.

In connection with the consolidation of facilities into Ithaca, the Company has entered into an agreement to add approximately 10,000 square feet of manufacturing space and 3,000 square feet of office space to its Ithaca facility. The Company expects to occupy the additional space in April 2002.

Location	Operations Conducted	Size (Approx. Sq. Ft.)	Owned or Leased	Lease Expiration Date
Wallingford, Connecticut	Manufacturing facility and executive offices	49,000	Leased	March 31, 2008
Ithaca, New York	Manufacturing facility	59,000	Leased	June 30, 2007
Doncaster, United Kingdom	Sales office and service depot	2,800	Leased	August 1, 2009
Georgia, Florida, Illinois, New York and Texas	Five (5) regional sales offices	600	Leased	Various

The Company believes that its facilities generally are in good condition, adequately maintained and suitable for their present and currently contemplated uses.

ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

No matters were submitted to a vote of security holders during the last quarter of the year covered by this report.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

The Company's common stock is traded on the Nasdaq National Market under the symbol TACT. As of March 15, 2002, there were 886 holders of record of the common stock. The high and low sales prices of the common stock reported during each quarter of the years ended December 31, 2001 and 2000 were as follows:

	Year Ended December 31, 2001		Year Ended December 31, 2000	
	High	Low	High	Low
First Quarter	$ 7.03	$ 3.88	$10.25	$ 6.03
Second Quarter	9.65	5.05	11.38	8.00
Third Quarter	9.85	3.95	11.50	5.75
Fourth Quarter	6.00	3.88	8.25	5.25

No dividends on common stock have been declared and the Company does not anticipate declaring dividends in the foreseeable future. The Company's credit agreement with LaSalle Business Credit restricts the payment of cash dividends on its common stock for the term of the agreement.

ITEM 6. SELECTED FINANCIAL DATA (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	Year Ended December 31,				
	2001	2000	1999	1998	1997
Statement of Operations Data:					
Net sales	$ 43,974	$ 53,720	$44,889	$52,239	$58,400
Gross profit	9,774	14,142	11,754	13,826	18,173
Operating income (loss)	(7,286)	(154)	35	2,148	7,831
Net income (loss)	(4,922)	(344)	324	1,206	4,893
Net income (loss) available to common shareholders	(5,280)	(664)	324	1,206	4,893
Net income (loss) per share:					
Basic	(0.95)	(0.12)	0.06	0.20	0.72
Diluted	(0.95)	(0.12)	0.06	0.20	0.71

	December 31,				
	2001	2000	1999	1998	1997
Balance Sheet Data:					
Total assets	$ 25,791	$ 27,619	$25,684	$23,788	$24,699
Long-term debt	5,344	5,944	7,100	5,075	--
Shareholders' equity:					
Preferred	3,746	3,668	--	--	--
Common	7,315	12,191	12,207	12,177	17,903

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

This discussion should be read in conjunction with the Consolidated Financial Statements and notes thereto.

Certain statements included in this report, including without limitation statements in this Management's Discussion and Analysis of Financial Condition and Results of Operations, which are not historical facts are "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All forward-looking statements involve risks and uncertainties, including, but 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 in Europe and Latin America; economic conditions in the United States, Europe and Latin America; marketplace acceptance of new products; risks associated with foreign operations; the Company's ability to successfully sublease its facility in Wallingford, CT subsequent to its closing; 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 this report and the Company assumes no duty to update them to reflect new, changing or unanticipated events or circumstances.

PLANT CONSOLIDATION DURING 2001

In February 2001, the Company announced plans to establish a global engineering and manufacturing center at its Ithaca, NY facility. As part of this strategic decision, the Company undertook a plan to consolidate all manufacturing and engineering into its existing Ithaca, NY facility and close its Wallingford, CT facility (the "Consolidation"). The Company's technology shift to inkjet and thermal printing from dot matrix impact printing has dramatically reduced the labor content in printers, and therefore, lowers the required production capacity. As of December 31, 2001, substantially all Wallingford product lines were successfully transferred to Ithaca, NY. The Company expects to maintain one small component production line in Wallingford until May 2002, after which the manufacturing facility will be closed. The closing of the Wallingford facility is expected to result in the termination of employment of approximately 70 production, administrative and management employees. The Company estimates that the non-recurring costs associated with the Consolidation, including severance pay, stay bonuses, employee benefits, moving expenses, non-cancelable lease payments, and other costs, will be approximately $4.2 million, of which approximately $4.1 million was recognized during 2001. See the "Liquidity and Capital Resources" section for a discussion of the expected impact of the Consolidation on the Company's future results of operations and cash flows.

CRITICAL ACCOUNTING POLICIES

The Company's consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States. In preparing the financial statements, the Company is required to make estimation judgments. Such judgments are based upon historical experience and certain assumptions that are believed to be reasonable in the particular circumstances. Those judgments affect both balance sheet items and income statement categories. The Company evaluates its assumptions on an ongoing basis by comparing actual results with its estimates. Actual results may differ from the original estimates. The following accounting policies are those that the Company believes to be most critical in the preparation of its financial statements.

Inventory Valuation--The Company's inventories are stated at the lower of cost or market. The Company writes down its inventory for any material that has become obsolete or may become unsaleable based on estimates of future demand in the market. Assumptions are reviewed at least quarterly and adjustments are made, as necessary, to reflect changed conditions.

Deferred Tax Assets--The Company has recorded deferred tax assets, largely as the result of the net operating loss incurred in 2001. Based on the Company's projection of future taxable income and certain prudent tax planning strategies, no valuation allowance against these deferred tax assets is considered necessary. Should circumstances change and the Company determine that some or all of the deferred taxes would not be realized, a valuation allowance would be recorded resulting in a charge to income in the period the determination is made.

Accrued Restructuring Expenses--In connection with the Consolidation of manufacturing facilities, the Company has recorded significant accruals. These accruals comprise severance pay, stay bonuses, employee benefits, non-cancelable lease costs and certain other expenses. Management has made reasonable estimates of such costs and expenses, most of which it expects to be paid in 2002. However, if actual costs differ from the estimates, charges or credits to income could result in the period the adjustments are determined. Also, because certain moving and relocation costs are not accruable under generally accepted accounting principles in the U.S., those expenses are recorded as incurred. As a result, the Company expects to record some additional charges in 2002 related to the completion of the Consolidation.

Accrued Warranty Costs--The Company warranties its products for up to two years and records the estimated cost of such product warranties at the time the sale is recorded. Estimated warranty costs are based upon actual past experience of product returns and the related estimated cost of labor and material to make the necessary repairs. If actual future product return rates or the actual costs of material and labor differ from the estimates, adjustments to the accrued warranty liability would be made.

(A) RESULTS OF OPERATIONS

(i) YEAR ENDED DECEMBER 31, 2001 COMPARED TO YEAR ENDED DECEMBER 31, 2000

NET SALES. Net sales by market for the years ended December 31, 2001 and 2000 were as follows:

(In thousands)	Year ended December 31, 2001		Year ended December 31, 2000	
Point of sale	$20,007	45.5%	$29,396	54.7%
Gaming and lottery	19,869	45.2	19,298	35.9
Other	4,098	9.3	5,026	9.4
	$43,974	100.0%	$53,720	100.0%

Net sales for 2001 decreased $9,746,000, or 18%, from 2000 largely due to significantly lower shipments into the Company's point of sale ("POS") market. International sales decreased to $7,922,000, or 18.0% of net sales in 2001, from $16,320,000, or 30.4% of net sales in 2000.

Point of sale: Sales of the Company's POS printers decreased approximately $9,389,000, or 32%. International POS printer shipments decreased approximately $9,438,000, to $6,193,000, largely due to lower printer shipments to ICL Pathway for the British Post Office project. Sales for the British Post Office project, which include printer shipments and service revenue, were approximately $1,900,000 in 2001 compared to $10,900,000 in 2000. The Company completed shipping printers for the British Post Office project during the first quarter of 2001, and no future sales, other than spare parts and service, are expected. In addition to lower sales to ICL Pathway, the Company experienced a decrease in sales, primarily to Europe, of approximately $1,200,000 through Okidata, the Company's former exclusive distribution partner in Europe. As of May 2001, Okidata no longer exclusively distributes the Company's printers in Europe. The Company also experienced a decline of approximately $300,000 of sales to Latin America through Okidata, the Company's distribution partner in Latin America. The decrease in international POS sales to ICL Pathway and Okidata was somewhat offset by an increase of approximately $1,200,000 of shipments of the Company's thermal fiscal printer in Europe.

Despite adverse economic conditions, domestic POS printer sales increased slightly by $49,000 to $13,814,000. Due to on-going economic weakness, the Company expects continued worldwide softness in demand for its POS products during 2002.

Gaming and lottery: Sales of the Company's gaming and lottery printers increased approximately $571,000, or 3%, from the prior year. Sales of the Company's on-line lottery printers and spares to GTECH increased by approximately $2,400,000, to approximately $14,300,000 in 2001, compared to $11,900,000 in 2000. The Company has received follow-on orders from GTECH for approximately $9,800,000 of on-line lottery printers of which approximately $9,300,000 and $500,00 will be delivered in 2002 and 2003, respectively. In addition to the increase of printer sales to GTECH, sales of the Company's slot machine printers and other gaming printers increased by approximately $900,000. The slot machine printers are primarily for use in casinos in California and Nevada. The Company expects sales of its slot machine printers to continue to increase during 2002.

Offsetting the increase of on-line lottery printer and spares sales to GTECH and increased slot machine printer sales was a decrease of approximately $2,700,000 in sales of the Company's video lottery terminal ("VLT") printers to approximately $1,700,000 in 2001. Sales of these VLT printers were unusually high in the last half of 2000. Since VLT printer sales are largely project-oriented, the Company cannot predict if and when future sales may occur. However, based on existing orders, the Company expects higher sales of VLT printers in 2002 compared to 2001.

Other: Sales of the Company's printers into other markets decreased by $928,000, or 18%, from the prior year. During 2001, sales of the Company's ATM printer and related spares decreased by approximately $1,700,000. In addition, sales decreased by approximately $800,000 due to sales of kiosk printers to customers for projects primarily in the third quarter of 2000 that did not repeat in 2001. Offsetting these decreases was an increase of approximately $1,600,000 of the Company's thermal kiosk printers for use in a Canadian government application during 2001. No shipments of these printers were made in 2000. However, the Company expects to ship printers for this application in 2002. Since printer sales into the kiosk printer market are principally project-oriented, the Company cannot predict if and when future sales may occur.

GROSS PROFIT. Gross profit decreased $4,368,000, or 31%, and the gross margin also declined to 22.2% from 26.3%. Both gross profit and gross margin for 2001 were adversely impacted by lower sales volume, due primarily to the absence of printer shipments for the British Post Office project. The Company expects its gross margin for the full-year 2002 to improve to between 25% and 26% due to lower overhead costs resulting from the Consolidation.

ENGINEERING AND PRODUCT DEVELOPMENT. Engineering, design and product development expenses decreased $411,000, or 12%, to $3,070,000 from 2000. This decrease is primarily due to a reduction in engineering staff at the Company's Wallingford facility resulting from the Consolidation. Engineering and product development expense increased as a percentage of net sales to 7.0% from 6.5%, due to lower sales volume in 2001 compared to 2000. The Company expects engineering and product development expenses to be significantly lower in 2002 compared to 2001, due largely to staff reductions resulting from the Consolidation.

SELLING AND MARKETING. Selling and marketing expenses decreased $516,000, or 10%, to $4,570,000 from the prior year. Such expenses decreased primarily due to (1) unusually high marketing and promotional expenses incurred in 2000 related to the April 2000 launch of the Company's new family of printers utilizing inkjet printing technology and (2) a reduction in marketing staff. Selling and marketing expenses as a percentage of net sales increased to 10.3% from 9.5%, due to lower sales volume in 2001 compared to 2000. The Company expects that selling and marketing expenses for 2002 will be slightly lower than those reported in 2001, due mostly to lower planned promotional and advertising expenses and staff reductions resulting from the Consolidation.

GENERAL AND ADMINISTRATIVE. General and administrative expenses increased by $559,000, or 10%, to $6,099,000 from 2000 and increased as a percentage of net sales to 13.9% from 10.3%. The increase in expenses primarily resulted from the inclusion of $680,000 of accelerated depreciation on certain assets (primarily leasehold improvements and computer equipment) located at the Company's Wallingford, CT facility whose useful lives have been shortened as a result of the Consolidation. These increases were partially offset by a reduction of staff and certain related expenses at the Company's Wallingford, CT facility resulting from the Consolidation. The Company expects general and administrative expenses to be significantly lower in 2002 compared to 2001 due largely to staff reductions resulting from the Consolidation and non-recurring accelerated depreciation charges incurred in 2001.

BUSINESS CONSOLIDATION AND RESTRUCTURING. During 2001, the Company incurred approximately $3,321,000 of business consolidation and restructuring expenses related to the Consolidation. These expenses primarily included employee severance and termination related expenses, and facility closure and consolidation expenses (including moving expenses, estimated non-cancelable lease payments and other costs). Although the Consolidation was substantially completed in 2001, the Company estimates that it will incur an additional $50,000 to $100,000 of non-recurring costs associated with the Consolidation during 2002. These costs are expected to include (1) expenses incurred to physically move the remaining assets of the Wallingford, CT facility to Ithaca, NY and (2) severance costs for employees expected to terminate in 2002. See Note 8 to the Consolidated Financial Statements for further detail.

OPERATING LOSS. The Company incurred an operating loss of $7,286,000 in 2001 compared to an operating loss of $154,000 in 2000. The operating loss in 2001 resulted primarily from lower gross profit on lower sales in 2001 compared to 2000 as well as expenses related to the Consolidation.

INTEREST. Net interest expense decreased to $397,000 from $649,000 in 2000 due to decreased average outstanding borrowings on the Company's line of credit and a lower average interest rate on such borrowings. See "Liquidity and Capital Resources" below.

INCOME TAXES. As a result of the Company's loss before income taxes, the Company recorded an income tax benefit of $2,748,000 and $448,000, or an effective rate of 35.8% and 56.6%, in 2001 and 2000, respectively. The abnormally high effective tax benefit rate in 2000 is primarily due to the recognition of certain tax credits and the benefit from the Company's foreign sales corporation on relatively low pre-tax amounts.

NET LOSS. The Company incurred a net loss during 2001 of $4,922,000, or $0.95 per share (basic and diluted) after giving effect to $358,000 of dividends and accretion charges on preferred stock issued in April 2000. This compares to a net loss for 2000 of $344,000, or $0.12 per share (basic and diluted) after giving effect to $320,000 of dividends and accretion charges on preferred stock issued in April 2000. In future quarters, dividends and accretion charges on preferred stock will be approximately $90,000, before the effect of any conversion or redemption of the preferred stock.

(ii) YEAR ENDED DECEMBER 31, 2000 COMPARED TO YEAR ENDED DECEMBER 31, 1999

NET SALES. Net sales by market for the years ended December 31, 2000 and 1999 were as follows:

(In thousands)	Year ended December 31, 2000		Year ended December 31, 1999	
Point of sale	$29,396	54.7%	$26,653	59.4%
Gaming and lottery	19,298	35.9	8,782	19.5
Other	5,026	9.4	9,454	21.1
	$53,720	100.0%	$44,889	100.0%

Net sales for the year ended December 31, 2000 increased $8,831,000, or 20%, to $53,720,000 from $44,889,000 in 1999 due to increased shipments into the POS and gaming and lottery markets, partially offset by a decrease in sales in the Company's other markets. International sales increased to $16,320,000, or 30.4% of net sales in 2000, from $8,507,000, or 19.0% of net sales in 1999.

Point of sale: Sales of the Company's POS printers increased $2,743,000, or 10%. International POS printer shipments increased approximately $9,387,000 due to the resumption of printer shipments to ICL Pathway for the British Post Office project. Sales for this project, including printers, spares and service, totaled approximately $10,900,000 in 2000. The Company did not make any printer shipments related to this project in 1999. The Company completed shipping printers for the British Post Office project in February 2001 and no further shipments are expected. The increase in international shipments for the British Post Office project was offset by a net decrease of approximately $1,300,000 of printer shipments to other customers primarily in Europe and Latin America.

Domestic POS printer shipments decreased by approximately $6,644,000, due primarily to continued softness in demand from the Company's domestic distributors.

Gaming and lottery: Sales of the Company's gaming and lottery printers increased $10,516,000, or 120%, from 1999. This net increase resulted from a number of factors. The primary effect on the revenue in this market during 2000 was the resumption of shipments to GTECH of the Company's on-line lottery printers that totaled $11,400,000 compared to no on-line lottery printer shipments during 1999. In addition, the Company's new slot machine printer added approximately $2,800,000 to revenue in 2000. The new slot machine printer is primarily for use in Indian casinos in California and casinos in Nevada.

Offsetting the sales increases noted above was a decrease of approximately $2,400,000 in shipments of printers for use in video lottery terminals (VLTs), primarily due to the absence in 2000 of sales into the South Carolina market, which banned VLTs in October 1999. The absence of VLT printer sales for the South Carolina market was partially offset by increased sales of these printers into other jurisdictions. Also, sales of in-lane lottery printers to GTECH did not recur in 2000, resulting in a decrease in sales of $1,100,000. Sales of in-lane lottery printers are project-oriented and the Company cannot predict if and when future sales may occur.

Other: Sales of the Company's printers into other markets decreased $4,428,000, or 47% from 1999 due to decreased shipments of printers used in automated teller machines, decreased shipments of printers for use in bank teller applications, and the absence of shipments of the Company's thermal kiosk printers for use in a Canadian government application.

GROSS PROFIT. Gross profit increased $2,388,000, or 20%, to $14,142,000 from $11,754,000 in 1999 due primarily to higher sales volume in 2000. The gross margin remained essentially the same at 26.3% in 2000 compared to 26.2% in 1999.

ENGINEERING AND PRODUCT DEVELOPMENT. Engineering, design and product development expenses increased $246,000, or 8%, to $3,481,000 from $3,235,000 in 1999. The increase in spending was primarily due to increased development and design expenses related to inkjet printers, including additional engineering staff. These expenses decreased as a percentage of net sales to 6.5% from 7.2%, due to higher sales in 2000 compared to 1999.

SELLING AND MARKETING. Selling and marketing expenses increased $1,199,000, or 31%, to $5,086,000 from $3,887,000 in 1999, and increased as a percentage of net sales to 9.5% from 8.7% in 1999. Such expenses increased by approximately $1,400,000 due primarily to marketing and promotional activities related to the launch of the Company's new family of printers utilizing inkjet printing technology in April 2000, including additional marketing staff. This increase was somewhat offset by lower sales commissions resulting from a decrease in sales eligible for commissions in 2000 compared to 1999.

GENERAL AND ADMINISTRATIVE. General and administrative expenses increased by $943,000, or 21% to $5,540,000 in 2000 from $4,597,000 in 1999, and increased slightly as a percentage of net sales to 10.3% from 10.2%. The increase primarily resulted from (1) higher expenses resulting from the Company's upgrade of its telecommunications system, (2) an increase in administrative compensation-related expenses and (3) higher professional expenses.

PROVISION FOR RESTRUCTURING. During the year ended December 31, 2000, the Company recorded a provision for restructuring of $189,000 to cover severance costs related to the downsizing at the Company's manufacturing facility in Wallingford, Connecticut. At December 31, 2000, approximately $105,000 of restructuring expenses remained accrued.

OPERATING INCOME (LOSS). The Company incurred an operating loss of $154,000 in 2000 compared to operating income of $35,000 in 1999. The operating loss was primarily the result of higher operating expenses, including planned marketing and product development expenses related to the launch of the Company's new inkjet printer, higher general and administrative expenses, and the restructuring provision recorded in 2000.

OTHER INCOME. In 1999, the Company recorded a one-time pre-tax gain of $770,000 related to the favorable settlement of a lawsuit with GTECH.

INTEREST. Net interest expense increased to $649,000 from $399,000 in 1999 due to increased average outstanding borrowings on the Company's line of credit and a higher average borrowing rate in 2000 compared to 1999.

INCOME TAXES. As a result of the Company's loss before income taxes in 2000, the Company recorded an income tax benefit of $448,000, or an effective rate of 56.6%, compared to an income tax provision of $102,000 in 1999, or an effective rate of 24%. The abnormally high effective tax benefit rate in 2000 and the low effective tax rate in 1999 are primarily due to the recognition of certain tax credits and the benefit from the Company's foreign sales corporation on relatively low pre-tax amounts.

NET INCOME (LOSS). The Company incurred a net loss of $344,000 for 2000, or $0.12 per share (basic and diluted), after giving effect to $264,000 of dividends and accretion charges and a one-time beneficial conversion charge of approximately $56,000 on preferred stock issued in April of 2000. This compares to net income of $324,000, or $0.06 per share (basic and diluted) in 1999.

(B) LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

The Company generated cash from operations of $1,445,000, $333,000 and $2,033,000 in 2001, 2000 and 1999, respectively. The increase in cash generated from operations in 2001 compared to 2000 resulted from a number of factors: receivables decreased due to lower sales volume in the fourth quarter of 2001 compared to the fourth quarter of 2000; other current assets decreased due largely to the receipt of federal and state tax refunds; accounts payable and accrued liabilities increased largely due to higher inventory purchases at year-end; accrued restructuring expenses increased as a result of expenses related to the Consolidation; and increased depreciation and amortization, due primarily to accelerated depreciation on certain assets as a result of the Consolidation. Offsetting these increases in cash generated from operations in 2001 were the following: funding the Company's net loss of $4,922,000 in 2001 compared to $344,000 in 2000; higher inventory levels at December 31, 2001 due largely to inventory bought during the year for recently-introduced products; and increased deferred taxes resulting largely from expenses related to the Consolidation and the Company's net loss in 2001. Based on recent tax law changes, the Company will carry back its federal net operating losses to prior years, which is expected to result in a tax refund of approximately $700,000 in 2002.

WORKING CAPITAL

The Company's working capital decreased to $8,366,000 at December 31, 2001 from $13,631,000 at December 31, 2000. The current ratio also decreased to 1.90 to 1 at December 31, 2001 from 3.54 to 1 at December 31, 2000. The decrease in both working capital and the current ratio were largely due to (1) lower receivables at December 31, 2001 resulting from lower sales volume in the fourth quarter of 2001 compared to the fourth quarter of 2000 and (2) an increase in accrued restructuring expenses of approximately $2.9 million related to the Consolidation at December 31, 2001.

CREDIT FACILITY AND BORROWINGS

On May 25, 2001, the Company entered into a three-year, $13.5 million credit facility (the "LaSalle Credit Facility") with LaSalle Business Credit, Inc. ("LaSalle") expiring on May 25, 2004 to replace its prior credit facility with Webster Bank. The LaSalle Credit Facility provides a $12 million revolving credit line, a $0.5 million term loan and a $1 million equipment loan facility. Borrowings under the LaSalle Credit Facility bear a floating rate of interest based on LaSalle's prime rate. Under certain circumstances, the Company may select a fixed interest rate for a specified period of time of up to 180 days on borrowings based on the current LIBOR rate.

On October 30, 2001, the Company amended the LaSalle Credit Facility. Under the terms of the amendment ("LaSalle Amendment No.1"), LaSalle (1) waived compliance with the minimum EBITDA financial covenant as of September 30, 2001, (2) revised certain other financial covenants through December 31, 2001, (3) increased the floating rate of interest on borrowings under the revolving credit line to LaSalle's prime rate plus 1.0%, or the current LIBOR rate plus 3.5%, and (4) increased the floating rate of interest on borrowings under the term loan and equipment loan to LaSalle's prime rate plus 1.5%, or the current LIBOR rate plus 4.0%. Upon execution of LaSalle Amendment No. 1, the Company paid a fee of $20,000 to LaSalle.

On December 21, 2001, the Company amended the LaSalle Credit Facility to reset certain financial covenants for 2002 and beyond ("LaSalle Amendment No. 2). Upon execution of LaSalle Amendment No. 2, the Company paid a fee of $5,000 to LaSalle.

As of December 31, 2001, the Company had $4,994,000 and $450,000 outstanding on the revolving credit line and term loan, respectively, and no borrowings under the equipment loan. Annual principal payments on the term loan are $100,000.

On February 22, 2002, at the request of a major customer, the Company received a cash payment of approximately $5,800,000 in advance of printer shipments to be made from March through August 2002. This amount has been classified as a current liability and will be reduced by the sales value of shipments as they are made. As a result of this payment, the Company repaid all its outstanding revolving borrowings under the LaSalle Credit Facility in February 2002. However, as shipments are made to the customer between March and August 2002, the Company expects to resume borrowings under the LaSalle Credit Facility. The Company expects its revolving borrowings to return to approximately the same level as December 31, 2001 by the end of the third quarter 2002. Due to the classification of the advance payment as a current liability, the Company expects to report lower working capital and a lower current ratio at March 31, 2002 and June 30, 2002.

SALE OF PREFERRED STOCK

On April 7, 2000 the Company sold 4,000 shares of 7% Series B Cumulative Convertible Redeemable Preferred Stock (the "Preferred Stock") to Advance Capital Advisors, L.P. and its affiliate in consideration of $1,000 per share (the "Stated Value"), for a total of $4,000,000, less issuance costs of approximately $200,000. The Preferred Stock is redeemable at the holders on April 7, 2005 at $1,000 per share plus any unpaid dividends. The Company used the net proceeds repay outstanding borrowings under the Company's revolving credit facility. The Company paid $280,000 and $205,000 of cash dividends to Advance Capital Advisors, L.P. in 2001 and 2000, respectively, and expects to pay $280,000 in 2002.

CAPITAL EXPENDITURES

The Company's capital expenditures were approximately $1,382,000, $2,415,000 and $2,742,000 in 2001, 2000 and 1999, respectively. These expenditures primarily included new product tooling, computer equipment, and factory machinery and equipment. The Company's capital expenditures for 2002 are expected to be approximately $1,000,000, a majority for new product tooling.

CONSOLIDATION EXPENSES

During 2001, the Company incurred approximately $4,096,000 of business consolidation, restructuring and related charges as a result of the Consolidation. These expenses primarily included employee severance and termination related expenses, facility closure and consolidation expenses (including moving expenses, estimated non-cancelable lease payments and other costs) and accelerated depreciation and asset disposal losses on certain leasehold improvements and other fixed assets. Although the Consolidation was substantially completed in 2001, the Company estimates that it will incur an additional $50,000 to $100,000 of non-recurring costs associated with the Consolidation during 2002. These costs are expected to include (1) expenses incurred to physically move the remaining assets of the Wallingford, CT facility to Ithaca, NY and (2) severance costs for employees expected to terminate in 2002. The Company believes that the Consolidation will significantly lower the Company's cost structure in 2002, with estimated annual cost savings of at least $4 million compared to 2001. See Note 8 to the Consolidated Financial Statements for further detail.

Of the total of $4,100,000 of expenses, approximately $3,300,000 require cash outlays. During 2001, the Company paid approximately $400,000 of these costs, with substantially all the remaining costs expected to be paid during 2002. The Company expects to realize improved gross margins and lower operating expenses in 2002 as a result of the Consolidation.

The Company believes that cash flows generated from operations and borrowings available under the LaSalle Credit Facility, as amended, will provide sufficient resources to meet the Company's working capital needs, including costs associated with the Consolidation, finance its capital expenditures and meet its liquidity requirements through December 31, 2002.

(C) IMPACT OF INFLATION

TransAct believes that its business has not been affected to a significant degree by inflationary trends because of the low rate of inflation during the past three years, nor does it believe it will be significantly affected during 2002.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

INTEREST RATE RISK

The Company's exposure to market risk for changes in interest rates relates primarily to borrowings under the Company's Credit Facility with LaSalle Business Credit. These borrowings bear interest at variable rates and the fair value of this indebtedness is not significantly affected by changes in market interest rates. An effective increase or decrease of 10% in the current effective interest rates under the Credit Facility would not have a material effect on the Company's results of operations or cash flow.

FOREIGN CURRENCY EXCHANGE RISK

A substantial portion of the Company's sales are denominated in U.S. dollars and, as a result, the Company has relatively little exposure to foreign currency exchange risk with respect to sales made. This exposure may change over time as business practices evolve and could have a material adverse impact on the Company's financial results in the future. The Company does not use forward exchange contracts to hedge exposures denominated in foreign currencies or any other derivative financial instruments for trading or speculative purposes. The effect of an immediate 10% change in exchange rates would not have a material impact on the Company's future results of operations or cash flow.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders
of TransAct Technologies Incorporated:

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, of cash flows and of changes in shareholders' equity present fairly, in all material respects, the financial position of TransAct Technologies Incorporated and its subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP
Hartford, Connecticut
February 8, 2002

TRANSACT TECHNOLOGIES INCORPORATED

CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31, 2001	December 31, 2000
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 417	$ 992
Receivables, net (Note 4)	4,047	6,137
Inventories (Note 5)	10,633	9,857
Deferred tax assets	2,382	1,205
Other current assets	212	811
Total current assets	17,691	19,002
Fixed assets, net (Note 6)	5,190	6,876
Goodwill, net (Note 6)	1,469	1,678
Deferred tax assets	1,120	--
Other assets	321	63
	8,100	8,617
	$ 25,791	$ 27,619
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Current portion of term loan	$ 100	$ --
Accounts payable	2,903	2,690
Accrued liabilities (Note 7)	3,320	2,576
Accrued restructuring expenses (Note 8)	3,002	105
Total current liabilities	9,325	5,371
Revolving bank loan payable (Note 10)	4,994	5,944
Long-term portion of term loan	350	--
Other liabilities	61	445
	5,405	6,389
Commitments and contingencies (Note 11)		
Mandatorily redeemable preferred stock, Series B, 7% cumulative convertible, $1,000 stated value, 8,000 shares authorized, 4,000 shares issued and outstanding (Note 16)	3,746	3,668
Shareholders' equity (Notes 12 and 13):		
Preferred stock, Series A, $0.01 par value, 5,000,000 authorized, none issued and outstanding	--	--
Common stock, $0.01 par value, 20,000,000 authorized, 5,684,770 and 5,607,827 shares issued and outstanding	57	56
Additional paid-in capital	6,303	6,069
Retained earnings	1,649	6,929
Unamortized restricted stock compensation	(286)	(477)
Loan receivable from officer	(330)	(330)
Accumulated other comprehensive income	(78)	(56)
Total shareholders' equity	7,315	12,191
	$ 25,791	$ 27,619

See accompanying notes to consolidated financial statements.

TRANSACT TECHNOLOGIES INCORPORATED

CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Year Ended December 31, 2001	2000	1999
Net sales	$ 43,974	$ 53,720	$ 44,889
Cost of sales	34,200	39,578	33,135
Gross profit	9,774	14,142	11,754
Operating expenses:			
Engineering, design and product development expenses	3,070	3,481	3,235
Selling and marketing expenses	4,570	5,086	3,887
General and administrative expenses (Note 8)	6,099	5,540	4,597
Business consolidation and restructuring expenses (Note 8)	3,321	189	--
	17,060	14,296	11,719
Operating income (loss)	(7,286)	(154)	35
Other income (expense):			
Interest, net	(397)	(649)	(399)
Other, net (Note 16)	13	11	790
	(384)	(638)	391
Income (loss) before income taxes	(7,670)	(792)	426
Income tax provision (benefit) (Note 14)	(2,748)	(448)	102
Net income (loss)	(4,922)	(344)	324
Dividends and accretion charges on preferred stock (Note 16)	(358)	(320)	--
Net income (loss) available to common shareholders	$ (5,280)	$ (664)	$ 324
Net income (loss) per share:			
Basic	$ (0.95)	$ (0.12)	$ 0.06
Diluted	$ (0.95)	$ (0.12)	$ 0.06
Shares used in per share calculation:			
Basic	5,551	5,504	5,565
Diluted	5,551	5,504	5,614

See accompanying notes to consolidated financial statements.

TRANSACT TECHNOLOGIES INCORPORATED

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)

	Year Ended December 31, 2001	2000	1999
Cash flows from operating activities:			
Net income (loss)	$ (4,922)	$ (344)	$ 324
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	3,398	2,750	2,238
Deferred income taxes	(2,643)	(78)	(19)
Loss on disposal of fixed assets	209	--	11
Changes in operating assets and liabilities:			
Receivables	2,090	(1,274)	371
Inventories	(776)	400	(1,475)
Other current assets	599	(415)	158
Other assets	(326)	(162)	(100)
Accounts payable	213	(366)	858
Accrued liabilities and other liabilities	706	(283)	(333)
Accrued restructuring expenses	2,897	105	--
Net cash provided by operating activities	1,445	333	2,033
Cash flows from investing activities:			
Purchases of fixed assets	(1,382)	(2,415)	(2,742)
Loans to officers	--	15	(345)
Acquisition of Tridex Ribbon Business	--	--	(295)
Proceeds from sale of assets	2	217	--
Net cash used in investing activities	(1,380)	(2,183)	(3,382)
Cash flows from financing activities:			
Revolving bank loan borrowings (repayments), net	(950)	(1,156)	1,300
Term loan borrowings, net	450	--	--
Proceeds from option exercises	262	175	24
Net proceeds from issuance of preferred stock	--	3,785	--
Payments of cash dividends on preferred stock	(280)	(205)	--
Tax charge related to restricted stock vested	(100)	--	--
Purchase of treasury stock	--	--	(229)
Net cash provided by (used in) financing activities	(618)	2,599	1,095
Effect of exchange rate changes on cash	(22)	(36)	(13)
Increase (decrease) in cash and cash equivalents	(575)	713	(267)
Cash and cash equivalents at beginning of period	992	279	546
Cash and cash equivalents at end of period	$ 417	$ 992	$ 279
Supplemental cash flow information:			
Interest paid	$ 403	$ 696	$ 433
Income taxes paid (refunded)	(637)	74	171

See accompanying notes to consolidated financial statements.

TransAct Technologies Incorporated

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(In thousands, except share data)

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Retained Earnings	Unamortized Restricted Stock Compensation	Loan Receivable from Officer	Accumulated Other Comprehensive Income	Treasury Stock
Balance, December 31, 1998	5,629,500	$ 56	$ 5,763	$ 7,268	$ (903)	$ --	$ (7)	$ --
Issuance of restricted stock	13,000	--	98	--	(98)	--	--	--
Issuance of shares from exercise of stock options	5,100	--	24	--	--	--	--	--
Amortization of restricted stock compensation	--	--	--	--	254	--	--	--
Purchase of treasury shares	(70,800)	--	--	--	--	--	--	(229)
Retirement of treasury shares	--	--	(229)	--	--	--	--	229
Issuance of loan to officer	--	--	--	--	--	(330)	--	--
Comprehensive income:								
Foreign currency translation adjustment	--	--	--	--	--	--	(13)	--
Net income	--	--	--	324	--	--	--	--
Balance, December 31, 1999	5,576,800	56	5,656	7,592	(747)	(330)	(20)	--
Issuance of restricted stock	5,000	--	44	--	(44)	--	--	--
Cancellation of restricted stock	(3,800)	--	(36)	--	36	--	--	--
Issuance of shares from exercise of stock options	25,000	--	150	--	--	--	--	--
Issuance of shares from employee stock purchase plan	4,827	--	24	--	--	--	--	--
Amortization of restricted stock compensation	--	--	--	--	278	--	--	--
Issuance of preferred stock warrants	--	--	175	--	--	--	--	--
Deemed dividend on beneficial conversion of preferred stock	--	--	56	(56)	--	--	--	--
Dividends paid on preferred stock	--	--	--	(205)	--	--	--	--
Accretion of preferred stock warrants and issuance costs	--	--	--	(58)	--	--	--	--
Comprehensive income (loss):								
Foreign currency translation	--	--						
adjustment	--	--	--	--	--	--	(36)	--
Net loss	--	--	--	(344)	--	--	--	--
Balance, December 31, 2000	5,607,827	56	6,069	6,929	(477)	(330)	(56)	--
Issuance of restricted stock	20,000	--	95	--	(95)	--	--	--
Cancellation of restricted stock	(3,000)	--	(22)	--	22	--	--	--
Issuance of shares from exercise of stock options	53,500	1	233	--	--	--	--	--
Issuance of shares from employee purchase plan stock	6,443	--	28	--	--	--	--	--
Amortization of restricted stock compensation	--	--	--	--	264	--	--	--
Tax charge related to restricted stock vested	--	--	(100)	--	--	--	--	--
Dividends paid on preferred stock	--	--	--	(280)	--	--	--	--
Accretion of preferred stock warrants and issuance costs	--	--	--	(78)	--	--	--	--
Comprehensive income (loss):								
Foreign currency translation adjustment	--	--	--	--	--	--	(22)	--
Net loss	--	--	--	(4,922)	--	--	--	--
Balance, December 31, 2001	5,684,770	$ 57	$ 6,303	$ 1,649	$ (286)	$ (330)	$ (78)	$ --

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

TransAct Technologies Incorporated ("TransAct" or the "Company") began operating as a stand-alone, publicly-held company in August 1996 to conduct the printer business that was formerly operated by certain subsidiaries of Tridex Corporation ("Tridex").

Certain prior year amounts have been reclassified to conform to the current year's presentation.

2. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BUSINESS AND PRODUCTS: TransAct, through its primary operating facility in Ithaca, NY, operates in one industry segment, transaction-based printers and related products. TransAct designs, develops, manufactures and markets transaction-based printers under the Ithaca(R) and Magnetec(R) brand names. In addition, the Company markets related consumables, spare parts and service. The Company also operates a small component production line in a manufacturing facility in Wallingford, CT that it expects to close in May 2002 (see Note 8 for a further discussion). The Company's printers are used worldwide to provide transaction records such as receipts, tickets, coupons, register journals and other documents. The Company focuses on the following vertical markets: point-of-sale ("POS"), gaming and lottery, financial services and kiosk. The Company sells its products directly to end users, original equipment manufacturers ("OEM"), value-added resellers and selected distributors, primarily in the United States, Canada, Europe and Latin America.

TransAct designs, develops, manufactures and markets a broad array of transaction-based printers utilizing inkjet, thermal and impact printing technology for applications requiring up to 60 character columns in each of its vertical markets. The Company's printers are configurable, which offer customers the ability to choose from a variety of features and functions. Options typically include printed circuit board configuration, paper cutting devices, paper handling capacities and number of print stations. In addition to its configurable printers, TransAct manufactures custom printers for certain OEM customers. In collaboration with these customers, the Company provides engineering and manufacturing expertise for the design and development of specialized printers.

USE OF ESTIMATES: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates have been made in areas including inventory valuation, estimated lives of fixed assets and goodwill, deferred tax assets, accrued liabilities, restructuring reserves related to the Consolidation, allowance for doubtful accounts and tax provisions (benefits). Actual results could differ from those estimates.

PRINCIPLES OF CONSOLIDATION: The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, after elimination of all material intercompany accounts and transactions.

CASH AND CASH EQUIVALENTS: The Company considers all highly liquid investments with a maturity date of three months or less at date of purchase to be cash equivalents.

INVENTORIES: Inventories are stated at the lower of cost (principally standard cost which approximates actual cost on a first-in, first-out basis) or market.

FIXED ASSETS: Fixed assets are stated at cost. Depreciation is provided for primarily by the straight-line method over the estimated useful lives. The estimated useful life of machinery, furniture and equipment is three to ten years. Leasehold improvements are amortized over the shorter of the term of the lease or the useful life of the asset. Depreciation amounted to $2,858,000, $2,176,000 and $1,699,000 in 2001, 2000 and 1999, respectively. Depreciation for 2001 included $680,000 of accelerated depreciation on certain leasehold improvements and other fixed assets due to the closing of the Company's Wallingford, CT facility.

2. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

GOODWILL: On July 20, 2001, the Financial Accounting Standards Board approved Statements of Financial Accounting Standards No. 141, "Business Combinations" ("FAS 141") and No. 142, "Goodwill and Other Intangible Assets" ("FAS 142").

FAS 141 supercedes Accounting Principles Board Opinion ("APB") No. 16, "Business Combinations." The most significant changes made by FAS 141 are: (1) requiring that the purchase method of accounting be used for all business combinations initiated after June 30, 2001, (2) establishing specific criteria for the recognition of intangible assets separately from goodwill, and (3) requiring unallocated negative goodwill to be written off immediately as an extraordinary gain instead of being deferred and amortized.

FAS 142 supercedes APB No. 17, "Intangibles Assets." FAS 142 primarily addresses the accounting for goodwill and intangible assets subsequent to their acquisition. The provisions of FAS 142 will be effective for the Company for the year ended December 31, 2002. The most significant changes made by FAS 142 are: (1) goodwill and indefinite lived intangible assets will no longer be amortized, (2) goodwill will be tested for impairment at least annually at the reporting unit level, (3) intangible assets deemed to have an indefinite life will be tested for impairment at least annually, and (4) the amortization period of intangible assets with finite lives will no longer be limited to forty years.

The Company has not entered into any business combinations subsequent to June 30, 2001. However, the Company is currently amortizing goodwill related to the acquisition of (i) Ithaca Peripherals, Inc. ("Ithaca") in 1991 and the (ii) ribbon business formerly conducted by Tridex ("Tridex Ribbon Business"). The original amount applicable to the Ithaca acquisition totaled $3,536,000 and is being amortized on the straight-line method over 20 years. The original amount applicable to the Tridex Ribbon Business acquisition totaled $180,000 and is being amortized on the straight-line method over five years. Accumulated amortization of goodwill was $2,247,000 and $2,038,000 at December 31, 2001 and 2000, respectively. The Company believes there will be no impact upon the adoption of FAS 142.

ACCRUED WARRANTY COSTS: The Company warranties its products for up to two years and records the estimated cost of such product warranties at the time the sale is recorded. Estimated warranty costs are based upon actual past experience of product returns and the related estimated cost of labor and material to make the necessary repairs.

REVENUE RECOGNITION: Sales are recognized when evidence of an arrangement exists, delivery has occurred, the selling price is fixed and determinable, and collectibility is reasonably assured. Revenue from extended warranty and maintenance agreements is recognized over the term of such agreements as services are performed. Sales to GTECH Corporation ("GTECH") (for lottery printers) accounted for approximately 33% of net sales during 2001. Sales to GTECH and ICL Pathway (for the British Post Office project) accounted for approximately 22% and 20% of net sales during 2000, respectively. No one customer accounted for more than 10% of net sales during 1999.

FOREIGN CURRENCY: The financial position and results of operations of the Company's foreign subsidiaries are measured using local currency as the functional currency. Assets and liabilities of such subsidiaries have been translated at end of period exchange rates, and related revenues and expenses have been translated at weighted average exchange rates. Transaction gains (losses) are included in other income and amounted to $12,000, $(26,000) and $11,000 in 2001, 2000 and 1999, respectively.

INCOME TAXES: The income tax amounts reflected in the accompanying financial statements are accounted for under the liability method in accordance with FAS 109 "Accounting for Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled.

2. BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

STOCK-BASED COMPENSATION: The Company has elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), and related interpretations in accounting for its stock options. Since the exercise price of employee stock options granted by the Company generally equals the market price of the underlying stock on the date of grant, no compensation expense is recorded. The Company has adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("FAS 123"). See Note 11.

SEGMENT REPORTING: FASB Statement of Financial Accounting Standards No. 131, "Disclosures about Segments of an Enterprise and Related Information" ("FAS 131") requires that a public business enterprise report financial and descriptive information about its reportable operating segments. Generally, financial information is required to be reported on the basis that it is used internally for evaluating segment performance and allocating resources. The Company has assessed its operating and reportable segments and determined that it operates in one reportable segment as defined in FAS 131.

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES: The Financial Accounting Standards Board ("FASB") issued Statement of Financial Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("FAS 133") in June 1998 which, as amended, is currently effective January 1, 2001 for the Company. The Company believes adoption of FAS 133 will not have a material impact on the Company's financial position, results of operations or cash flows.

ASSET RETIREMENT OBLIGATIONS: In July 2001, the FASB issued Statement of Financial Standards No. 143, "Accounting for Asset Retirement Obligations" ("FAS 143). FAS 143 requires recognition of the fair value of liabilities associated with the retirement of long-lived assets when a legal obligation to incur such costs arises as a result of the acquisition, construction, development and/or the normal operation of a long-lived asset. FAS 143 is effective for fiscal years beginning after June 15, 2002. The Company does not expect that the issuance of FAS 143 will have any impact on the Company's consolidated financial statements.

IMPAIRMENT OF DISPOSAL OF LONG-LIVED ASSETS: In August 2001, the FASB issued Statement of Financial Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("FAS 144), which supercedes FAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed." FAS 144 requires that long-lived assets to be disposed of by sale, including discontinued operations, be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. The provisions of FAS 144 are effective for fiscal years beginning after December 15, 2001. The Company does not expect that the issuance of FAS 144 will have any impact on the Company's consolidated financial statements.

3. ACQUISITION

On May 28, 1999, the Company acquired the business and substantially all the assets of the Tridex Ribbon Business for total cash consideration of approximately $295,000. The acquisition has been accounted for by the purchase method of accounting. The purchased assets and liabilities have been recorded in the Company's financial statements at their estimated fair values at the acquisition date. The results of operations of the acquired company have been included with those of the Company since the date of acquisition. The acquisition cost exceeded the fair value of the net assets acquired by $180,000. Such goodwill is being amortized over a five-year period on a straight-line basis. Prior to the acquisition, the Company provided Tridex with space within its Wallingford, CT manufacturing facility and certain support services for the Tridex Ribbon Business.

4. RECEIVABLES

Receivables are net of the allowance for doubtful accounts. The reconciliation of the allowance for doubtful accounts is as follows:

	Year Ended December 31, 2001	2000	1999
(In thousands)			
Balance at beginning of period	$ 107	$ 132	$ 139
Doubtful accounts provision (reversal)	45	(24)	--
Accounts written off, net of recoveries	(68)	(1)	(7)
Balance at end of period	$ 84	$ 107	$ 132

5. INVENTORIES

The components of inventories are:

(In thousands)	December 31, 2001	2000
Raw materials and component parts	$ 10,299	$ 9,603
Work-in-process	25	200
Finished goods	309	54
	$ 10,633	$ 9,857

6. FIXED ASSETS

The components of fixed assets are:

(In thousands)	December 31, 2001	2000
Tooling, machinery and equipment	$ 11,295	$ 10,974
Furniture, office and computer equipment	4,107	4,243
Leasehold improvements	794	749
	16,196	15,966
Less: accumulated depreciation	(11,006)	(9,090)
	$ 5,190	$ 6,876

7. ACCRUED LIABILITIES

The components of accrued liabilities are:

(In thousands)	December 31, 2001	2000
Payroll and fringe benefits	$ 533	$ 382
Income taxes	604	765
Warranty	710	657
Deferred revenue	551	108
Rent	290	292
Other	632	372
	$ 3,320	$ 2,576

8. ACCRUED BUSINESS CONSOLIDATION AND RESTRUCTURING EXPENSES

In February 2001, the Company announced plans to establish a global engineering and manufacturing center at its Ithaca, NY facility. As part of this strategic decision, the Company undertook a plan to consolidate all manufacturing and engineering into its existing Ithaca, NY facility and close its Wallingford, CT facility (the "Consolidation"). As of December 31, 2001, substantially all Wallingford product lines were successfully transferred to Ithaca, NY. The Company expects to maintain one small component production line in Wallingford until May 2002, after which the manufacturing facility will be closed. The closing of the Wallingford facility is expected to result in the termination of employment of approximately 70 production, administrative and management employees. The Company has applied the consensus set forth in EITF 94-3, "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring)" in recognizing the accrued restructuring expenses. The Company estimates that the non-recurring costs associated with the Consolidation, including severance pay, stay bonuses, employee benefits, moving expenses, non-cancelable lease payments, accelerated depreciation and other costs, will be approximately $4.2 million, of which approximately $4.1 million was recognized during 2001.

During the fourth quarter of 2000, the Company recorded a restructuring charge of $189,000 for severance costs related to the downsizing and reorganization of its manufacturing facility in Wallingford, CT. Severance costs resulted from the reduction of 11 employees.

The following table summarizes the activity recorded in the restructuring accrual during 2001 and 2000.

(In thousands)	Year ended December 31, 2001	Year ended December 31, 2000
Accrual balance, beginning of year	$ 105	$ --
Business consolidation and restructuring expenses:		
Employee severance and termination expenses (1)	2,070	189
Facility closure and consolidation expenses (2)	1,251	--
	3,321	189
Cash payments	(424)	(84)
Accrual balance, end of year	$ 3,002	$ 105

(1) Employee severance and termination related expenses are the estimated termination salaries, benefits, outplacement, counseling services and other related costs expected to be paid to employees who will be involuntarily terminated.

(2) Facility closure and consolidation expenses are the estimated costs to close the Wallingford, CT facility including lease termination costs and other related costs, in accordance with the restructuring plan. The Wallingford facility closure was substantially completed by December 31, 2001.

The following table summarizes the components of all charges related to the Consolidation.

(In thousands)	Year ended December 31, 2001	Year ended December 31, 2000
Business consolidation and restructuring expenses	$ 3,321	$ 189
Accelerated depreciation and asset disposal losses (1)	775	--
Total business consolidation, restructuring and related charges	$ 4,096	$ 189

(1) Represents accelerated depreciation ($680) and asset disposal losses ($95) on certain leasehold improvements and other fixed assets, due to the closing of the Wallingford facility. These charges are included in general and administrative expenses.

9. EMPLOYEE BENEFIT PLANS

RETIREMENT SAVINGS PLAN: On April 1, 1997, the Company established the TransAct Technologies Retirement Savings Plan (the "401(k) Plan"), a defined contribution plan under Section 401(k) of the Internal Revenue Code. All full-time employees are eligible to participate in the 401(k) Plan at the beginning of the calendar quarter immediately following their date of hire. The Company matches employees' contributions at a rate of 50% of employees' contributions up to the first 6% of the employees' compensation contributed to the 401(k) Plan. The Company's matching contributions were $204,000, $203,000 and $145,000 in 2001, 2000 and 1999, respectively. During 1999 and 1998, the Company's rate of matching contributions was 50% of the employees' contributions up to the first 5% and 4% of the employees' compensation contributed to the 401(k) Plan, respectively.

EMPLOYEE STOCK PURCHASE PLAN: In May 2000, the Company's shareholders approved the Employee Stock Purchase Plan (the "ESPP"), under which 50,000 shares of the Company's common stock are available for issuance to employees beginning June 1, 2000. All full-time employees are eligible to participate in the ESPP at the beginning of each six-month period (the "Offering Period"), which begin on June 1 and December 1. Eligible employees may elect to withhold up to 5% of their salary to purchase shares of the Company's common stock at a price equal to 85% of the fair market value of the stock on the first or last day of each Offering Period, whichever is lower. The ESPP will terminate at the earlier of May 31, 2005 or the date on which all 50,000 shares available for issuance under the ESPP have been sold. The Company sold 6,443 and 4,827 shares of common stock under the ESPP during 2001 and 2000, respectively. At December 31, 2001, 38,730 shares remained available for sale. Compensation costs related to the ESPP are immaterial.

10. BORROWINGS

On March 14, 2000, the Company entered into a two-year $13,000,000 revolving credit facility (the "Fleet Credit Facility") with Fleet Bank ("Fleet"). The Fleet Credit Facility replaced a previous credit facility also with Fleet. The Fleet Credit Facility provided the Company with a $13,000,000 credit facility used to fund working capital. Borrowings under the Fleet Credit facility bore interest on outstanding borrowings at Fleet's prime rate plus a margin ranging from zero to 0.75 percentage points and bore a commitment fee ranging from 0.375% to 0.75% on any unused portion of the Fleet Credit Facility. The Fleet Credit Facility also permitted the Company to designate a LIBOR rate on outstanding borrowings with a margin ranging from 1.5 to 3.0 percentage points over the market rate, depending on the Company meeting certain ratios. The Fleet Credit Facility was secured by a lien on substantially all the assets of the Company, imposed certain financial covenants and restricted the creation of liens.

On September 21, 2000, the Company entered into a two-year revolving credit facility (the "Webster Credit Facility) with Webster Bank ("Webster") expiring on September 21, 2002. The Webster Credit Facility replaced the Fleet Credit Facility. Under the Webster Credit Facility, the Company may borrow up to $12 million, based on certain financial criteria of the Company at the time of any borrowing, to fund working capital. Borrowings under the Webster Credit Facility bear a floating rate of interest at the higher of the "Prime Rate" as published in The Wall Street Journal or one-half of one percent (1/2%) over the federal funds rate (as defined in the Webster Credit Facility) (9.5% at December 31, 2000). Under certain circumstances, the Company may select a fixed interest rate for a specified period of up to 90 days on borrowings based on the current LIBOR rate (as adjusted as specified in the Webster Credit Facility) plus 2.5%, which may be reduced to 2.25% on July 1, 2001 if there is no Event of Default (as defined in the Webster Credit Facility). The Company will also pay a fee of three-eighths of one percent (3/8%) on unused borrowing capacity under the Webster Credit Facility. Borrowings under the Webster Credit Facility are secured by a lien on substantially all the assets of the Company. The Webster Credit facility also imposes certain financial covenants on the Company and restricts the payment of dividends on its common stock and the creation of other liens. The Company had $5,944,000 of outstanding borrowings under this facility at December 31, 2000.

On February 27, 2001, the Company amended the Webster Credit Facility to (1) provide the Company with the ability to borrow up to $1,500,000 in excess of the amount permitted under the Webster Credit Facility's borrowing base formula ("Permitted Over-Formula Borrowing") and (2) revise certain financial covenants. The Permitted Over-Formula Borrowing is effective from March 1, 2001 through August 31, 2001.

10. BORROWINGS (CONTINUED)

On May 25, 2001, the Company entered into a new, three-year, $13.5 million credit facility (the "LaSalle Credit Facility") with LaSalle Business Credit, Inc. ("LaSalle") expiring on May 25, 2004. The LaSalle Credit Facility replaced the Webster Credit Facility. The LaSalle Credit Facility provides a $12 million revolving credit line, a $0.5 million term loan and a $1 million equipment loan facility. Borrowings under the revolving credit line bear a floating rate of interest at LaSalle's prime rate. Borrowings under both the term loan and equipment loan bear a floating rate of interest at LaSalle's prime rate plus 0.50%. Under certain circumstances, the Company may select a fixed interest rate for a specified period of time of up to 180 days on borrowings based on the current LIBOR rate plus 2.50% and 3.0% under the revolving credit line facility, and the term and equipment loan facilities, respectively. The Company also pays a fee of 0.25% on unused borrowings under the revolving credit line and equipment loan facilities. Borrowings under the LaSalle Credit Facility are secured by a lien on all the personal property assets of the Company. The LaSalle Credit Facility also imposes certain financial covenants on the Company and restricts the payment of dividends on its common stock and the creation of other liens. Concurrent with the signing of the LaSalle Credit Facility, the Company borrowed $500,000 under the term loan. Principal installment payments for the term loan of $8,333, plus accrued interest, are due on the first day of each month beginning July 1, 2001, with the unpaid principal balance due on May 25, 2004. The Company had no borrowings under the equipment loan during 2001.

On October 30, 2001, the Company amended the LaSalle Credit Facility. Under the terms of the amendment ("LaSalle Amendment No.1"), LaSalle (1) waived compliance with the minimum EBITDA financial covenant as of September 30, 2001, (2) revised certain other financial covenants through December 31, 2001, (3) increased the floating rate of interest on borrowings under the revolving credit line to LaSalle's prime rate plus 1.0% (5.75% at December 31, 2001), or the current LIBOR rate plus 3.5%, and (4) increased the floating rate of interest on borrowings under the term loan and equipment loan to LaSalle's prime rate plus 1.5% (6.25% at December 31, 2001), or the current LIBOR rate plus 4.0%. Upon execution of LaSalle Amendment No. 1, the Company paid a fee of $20,000 to LaSalle.

On December 21, 2001, the Company amended the LaSalle Credit Facility to reset certain financial covenants for 2002 and beyond ("LaSalle Amendment No. 2). Upon execution of LaSalle Amendment No. 2, the Company paid a fee of $5,000 to LaSalle. As of December 31, 2001, the Company had $4,994,000 and $450,000 outstanding on the revolving credit line and term loan, respectively, and no borrowings outstanding on the equipment loan.

11. COMMITMENTS AND CONTINGENCIES

At December 31, 2001, the Company was lessee on operating leases for equipment and real property. The terms of certain leases provide for escalating rent payments in later years of the lease as well as payment of minimum rent and real estate taxes. Rent expense amounted to approximately $983,000, $991,000 and $953,000 in 2001, 2000 and 1999, respectively. Minimum aggregate rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2001 are as follows: $873,000 in 2002; $875,000 in 2003; $855,000 in 2004; $868,000 in 2005; $877,000 in 2006 and $786,000 thereafter.

12. STOCK INCENTIVE PLANS AND WARRANTS

STOCK INCENTIVE PLANS. The Company currently has three primary stock incentive plans: the 1996 Stock Plan which provides for the grant of awards to officers and other key employees of the Company, the 1996 Directors' Stock Plan which provides for non-discretionary awards to non-employee directors, and the 2001 Employee Stock Plan which provides for the grant of awards to key employees of the Company and other non-employees who may provide services to the Company. The plans generally provide for awards in the form of: (i) incentive stock options, (ii) non-qualified stock options, (iii) shares of restricted stock, (iv) restricted units, (v) stock appreciation rights or (vi) limited stock appreciation rights. However, the 2001 Employee Stock Plan does not provide for incentive stock option awards. Options granted under these plans are at prices equal to 100% of the fair market value of the common stock at the date of grant. Options granted have a ten-year term and generally vest over a three- to five-year period, unless automatically accelerated for certain defined events. At December 31, 2001, the Company has reserved 1,150,000, 110,000 and 150,000 shares of common stock for issuance under the 1996 Stock Plan, the 1996 Directors' Stock Plan, and the 2001 Employees Stock Plan, respectively.

12. STOCK INCENTIVE PLANS AND WARRANTS (CONTINUED)

OPTION EXCHANGE OFFER. In November 2001, the Company announced an offer to certain officers to exchange outstanding employee stock options having an exercise price of $9.00 or more per share in return for new stock options to be granted by the Company (the "Exchange Offer"). Pursuant to the Exchange Offer, the option holder received a commitment for the grant of one new option for each option tendered and accepted for exchange, no sooner than six months and one day from November 16, 2001. A total of 215,000 options were accepted for exchange under the Exchange Offer and were canceled in November 2001 (and treated as canceled in 2001 in the table below). The new option grants of 215,000 are expected to be granted no sooner than May 17, 2002, and will vest 25% immediately upon grant with the remainder vesting 25% annually over the next three years. The new options will have an exercise price equal to the fair market value of the Company's common stock on the date of grant.

The 1996 Stock Plan, 1996 Directors' Stock Plan and 2001 Employee Stock Plan option activity is summarized below:

	Year Ended December 31, 2001		2000		1999	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Outstanding at beginning of period:	919,000	$8.34	818,100	$7.89	752,300	$8.04
Granted	189,500	5.67	190,500	9.86	104,500	5.86
Exercised	(53,500)	4.37	(25,000)	6.05	(5,100)	4.75
Canceled	(312,250)	10.71	(64,600)	7.53	(33,600)	5.07
Outstanding at end of period	742,750	$6.95	919,000	$8.34	818,100	$7.89
Options exercisable at end of period	383,350	$7.34	436,580	$8.19	296,140	$8.33

Range of Exercise Prices	Options Outstanding: Outstanding at December 31, 2001	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Options Exercisable: Exercisable at December 31, 2001	Weighted-Average Exercise Price
			(In years)		
$ 2.50 - $ 5.00	203,200	$4.34	5.5	120,100	$4.38
5.01 - 7.50	184,700	5.55	8.0	28,300	6.20
7.51 - 10.00	277,200	8.69	4.9	203,800	8.58
10.01 - 12.50	64,650	10.31	6.4	20,750	10.59
12.51 - 15.00	12,000	13.75	2.3	9,600	13.75
15.01 - 17.50	1,000	16.38	0.4	800	16.38

The Company applies APB 25 and related interpretations in accounting for its long-term incentive stock plans. Accordingly, no compensation cost has been recognized for its stock options.

Had compensation expense been recognized based on the fair value of the options at their grant dates, as prescribed in FAS 123, the Company's net income (loss) and net income (loss) per share would have been as follows:

12. STOCK INCENTIVE PLANS AND WARRANTS (CONTINUED)

	Year Ended December 31, 2001	2000	1999
(In thousands, except per share data)			
Net income (loss) available to common shareholders:			
As reported	$ (5,280)	$ (664)	$ 324
Pro forma under FAS 123	(5,981)	(1,171)	(422)
Net income (loss) per share:			
Basic and diluted:			
As reported	(0.95)	(0.12)	0.06
Pro forma under FAS 123	(1.08)	(0.21)	(0.08)

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for the grants made during the years ended December 31, 2001, 2000 and 1999.

	Year Ended December 31, 2001	2000	1999
Risk-free interest rate	4.6%	6.3%	5.8%
Dividend yield	0%	0%	0%
Expected volatility factor	85.5%	83.1%	78.0%
Expected option term	6.1 years	7.1 years	7.5 years
Weighted average fair value of options granted during period	$ 4.25	$ 7.78	$ 4.55

RESTRICTED STOCK: Under the 1996 Stock Plan, the Company has granted shares of restricted common stock, for no consideration, to its officers, one outside director and certain key employees. The 1996 Stock Plan restricted stock activity is summarized below:

	Year Ended December 31, 2001	2000	1999
Outstanding shares at beginning of period	83,320	95,080	91,440
Granted	20,000	5,000	13,000
Vested	(10,960)	(12,960)	(9,360)
Canceled	(3,000)	(3,800)	--
Outstanding shares at end of period	89,360	83,320	95,080

The weighted average fair value of restricted stock granted was $4.75, $8.75 and $7.50 for 2001, 2000 and 1999, respectively. Of the 89,360 shares of restricted stock outstanding at December 31, 2001, 15,360 shares vest over a five-year period, 54,000 shares vest at the end of a five-year period, 10,000 shares vest over a three-year period and 10,000 shares vest over a two-year period. Under certain conditions, vesting may be automatically accelerated. Upon issuance of the restricted stock, unearned compensation equivalent to the market value at the date of grant is charged to a separate component of shareholders' equity and subsequently amortized over the vesting period. Amortization expense of $264,000, $277,000 and $254,000 was recorded during 2001, 2000 and 1999, respectively.

WARRANTS: On August 22, 1996, the Company sold to the underwriters of its initial public offering, for nominal consideration, a warrant to purchase from the Company up to 115,000 shares of common stock at an exercise price of $10.20 per share. The warrant expired on August 20, 2001.

On April 7, 2000, in connection with the sale of the Preferred Stock, the Company issued to its investment advisors, McFarland Dewey & Co., warrants to purchase from the Company up to 10,000 shares of common stock at an exercise price of $9.00 per share. The warrants are exercisable through April 7, 2005.

13. STOCKHOLDER RIGHTS PLAN

In December 1997, the Board of Directors adopted a Stockholder Rights Plan declaring a distribution of one right (the "Rights") for each outstanding share of the Company's common stock to shareholders of record at December 15, 1997. Initially, each of the Rights will entitle the registered holder to purchase from the Company one one-thousandth of a share of Series A Preferred Stock, $0.01 par value, at a price of $69 per one one-thousandth of a share. The Rights, however, will not become exercisable unless and until, among other things, any person or group of affiliated persons acquires beneficial ownership of 15 percent or more of the then outstanding shares of the Company's Common Stock. If a person, or group of persons, acquires 15 percent or more of the outstanding Common Stock of the Company (subject to certain conditions and exceptions more fully described in the Rights Agreement), each Right will entitle the holder (other than the person, or group of persons, who acquired 15 percent or more of the outstanding Common Stock) to purchase Preferred Stock of the Company having a market value equal to twice the exercise price of the Right. The Rights are redeemable, under certain circumstances, for $0.0001 per Right and will expire, unless earlier redeemed, on December 2, 2007.

On February 16, 1999, the Company amended its Stockholder Rights Plan to remove the provision in the plan that stipulated that the plan may be modified or redeemed only by those members of the Board of Directors who are defined as continuing directors.

14. INCOME TAXES

The components of the income tax provision are as follows:

(In thousands)	Year Ended December 31, 2001	2000	1999
Current:			
Federal	$ (62)	$ (561)	$ 88
State	--	43	18
Foreign	56	194	12
	(6)	(324)	118
Deferred:			
Federal	(2,523)	(94)	(37)
State	(219)	(34)	18
Foreign	--	4	3
	(2,742)	(124)	(16)
Total income tax provision (benefit)	$ (2,748)	$ (448)	$ 102

At December 31, 2001, the Company has $1,754,000 of federal net operating loss carryforwards that begin to expire in 2021, and $3,526,000 of state net operating loss carryforwards that begin to expire in 2005. The Company also has approximately $147,000 in federal research and development tax credit carryforwards that expire in 2020. The Company had foreign income before taxes of $232,000, $665,000 and $65,000 in 2001, 2000 and 1999, respectively.

Deferred income taxes arise from temporary differences between the tax basis of assets and liabilities and their reported amounts in the financial statements. The Company's gross deferred tax assets and liabilities were comprised of the following:

14. INCOME TAXES (CONTINUED)

(In thousands)	December 31, 2001	December 31, 2000
Gross deferred tax assets:		
Net operating losses	$ 700	$ 39
Accrued restructuring expenses	1,109	46
Other liabilities and reserves	1,693	1,350
	$3,502	$1,435
Gross deferred tax liabilities:		
Depreciation	$ --	$ 576

The gross deferred tax asset is largely the result of the Company's net operating loss in 2001 due to the Consolidation. Based on recent tax law changes, the Company will carry back its federal net operating losses to prior years, which is expected to result in a tax refund of approximately $700,000 in 2002. Based on annual cost savings expected to be realized as a result of the Consolidation, future financial projections and the ability to carry back net operating losses, the Company has determined that no valuation allowance is considered necessary.

Differences between the U.S. statutory federal income tax rate and the Company's effective income tax rate are analyzed below:

	Year Ended December 31, 2001	2000	1999
Federal statutory tax rate	(34.0)%	(34.0)%	34.0%
State income taxes, net of federal income taxes	(0.9)	(0.3)	13.2
Non-deductible purchase accounting adjustments	1.6	9.9	41.6
Tax benefit from foreign sales corporation	--	(3.1)	--
Tax benefit from tax credits	(1.7)	(22.9)	(60.0)
Foreign rate differential	--	(3.5)	(1.6)
Other	(0.8)	(2.7)	(3.2)
Effective tax rate	(35.8)%	(56.6)%	24.0%

15. DISCLOSURE REGARDING FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount for cash and cash equivalents approximates fair value because of the short maturity of these instruments. The carrying amount of receivables, other current assets, other assets, accounts payable and accrued liabilities is a reasonable estimate of fair value because of the short nature of the transactions. The carrying value of long-term debt approximates the fair value based upon the variable rate on that debt.

Off-balance sheet derivative financial instruments include interest-rate swaps. At December 31, 1999, interest-rate swaps, held for purposes other than trading, had a fair value settlement of $35,000, based on the underlying principal amount of $3,000,000. The Company sold its interest-rate swap during 2000.

16. SIGNIFICANT TRANSACTIONS

PREFERRED STOCK SALE: On April 7, 2000 the Company sold 4,000 shares of 7% Series B Cumulative Convertible Redeemable Preferred Stock (the "Preferred Stock") to Advance Capital Advisors, L.P. and its affiliate in consideration of $1,000 per share (the "Stated Value"), for a total of $4,000,000, less issuance costs. The Preferred Stock is convertible at any time by the holders at a conversion price of $9.00 per common share. In addition, the Company issued warrants pro-rata to the Preferred Stock holders to purchase an aggregate of 44,444 shares of the Company's common stock at an exercise price of $9.00 per common share. The warrants, valued at $175,000, are exercisable at any time until April 7, 2005, and will be accreted to preferred stock ratably over 60 months. The Preferred Stock is subject to mandatory conversion into shares of the Company's common stock when such stock has traded at $35 per share or more for a 30-day period ending on or after April 7, 2003, or for a 60-day period beginning on or after April 7, 2002. The Preferred Stock is redeemable at the option of the holders on April 7, 2005 at $1,000 per share plus any unpaid dividends. On or after April 7, 2007, the Company has the right to require (1) redemption of the Preferred Stock at $1,000 per share plus any unpaid dividends or (2) conversion of the Preferred Stock at $9.00 per common share. Upon a change of control (which the Company does not believe probable), holders have the right to redeem the Preferred Stock for 200% of the Stated Value plus any unpaid dividends. The holders of the Preferred Stock have certain voting rights and are entitled to receive a cumulative annual dividend of $70 per share, payable quarterly and have preference to any other dividends, if any, paid by the Company.

Concurrent with the issuance of the Preferred Stock, the Company recorded a beneficial conversion charge. The beneficial conversion charge was calculated as the difference between the assigned fair value of the Preferred Stock and the fair value of the related common stock, as of April 7, 2000, into which the Preferred Stock was immediately convertible. Accordingly, a deemed preferred dividend of approximately $56,000 as of the issuance date has been recognized as a charge to retained earnings and net loss attributable to common shareholders, and as an increase to additional paid-in capital.

GTECH LAWSUIT SETTLEMENT: On June 25, 1999, the Company commenced a lawsuit in the United States District Court for the District of Rhode Island against GTECH for misappropriation of trade secrets, breach of contract and related claims, seeking injunctive relief and compensatory and punitive damages. On July 15, 1999, GTECH and the Company signed a new five-year agreement under which the Company will be the exclusive manufacturer and supplier to GTECH of an impact printer for use in GTECH's Isys(R) online lottery terminal. As part of the agreement, GTECH agreed to pay the Company $1 million for past design efforts, development costs and manufacturing interruption costs and agreed to place a non-cancelable order for delivery of a minimum of approximately $8 million of printers in the year 2000. In connection with the execution of this agreement, the parties agreed to have all claims under the lawsuits dismissed and filed dismissal stipulations to terminate the federal and state lawsuits. As a result of the settlement, the Company reported $770,000 ($1 million cash settlement, less $230,000 of directly-related expenses) in other income during 1999.

LOAN TO OFFICER: On February 23, 1999, with the Board of Directors' approval, the Company provided a $330,000 loan to an officer of the Company. The loan proceeds were used to purchase 104,000 shares of the Company's common stock on the open market during January and February 1999. The loan is payable on February 23, 2004, and is a full recourse obligation to the officer collateralized by 154,000 shares of the Company's common stock, which includes 50,000 shares of restricted stock. The loan currently bears compounded interest at a rate equivalent to the Company's average borrowing rate under its current credit facility. Accrued interest through 2002 is deferred until maturity. The principal amount of the loan is deducted from shareholders' equity.

STOCK REPURCHASE PROGRAM: Under a stock repurchase program, the Company acquired 70,800 shares of its common stock for $229,000 in 1999. The Company has not repurchased any shares since 1999, and management does not expect to repurchase any additional shares in the foreseeable future.

17. INTERNATIONAL OPERATIONS

The Company has foreign operations primarily from TransAct Technologies Ltd., a wholly-owned subsidiary, which had sales to its customers of $1,791,000, $11,164,000 and $700,000 in the year ended December 31, 2001, 2000 and 1999, respectively. The Company had export sales to its foreign customers from the United States of approximately $6,131,000, $5,156,000 and $7,807,000 in the year ended December 31, 2001, 2000 and 1999, respectively.

18. SUBSEQUENT EVENTS (UNAUDITED)

On February 22, 2002, at the request of a major customer, the Company received a cash payment of approximately $5,800,000 in advance of printer shipments to be made from March through August 2002. This amount has been classified as a current liability, and will be reduced by the sales value of shipments as they are made. As a result of this payment, the Company repaid all its outstanding revolving borrowings under the LaSalle Credit Facility in February 2002.

19. QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

The Company's quarterly results of operations for the years ended December 31, 2001, 2000 and 1999 (unaudited) are as follows:

	Quarter Ended			
(In thousands, except per share amounts)	March 31	June 30	September 30	December 31
2001:				
Net sales	$9,773	$10,796	$ 13,234	$ 10,171
Gross profit	1,803	2,413	3,570	1,988
Net loss	(1,757)	(1,220)	(162)	(1,783)
Net loss available to common shareholders	(1,847)	(1,309)	(252)	(1,872)
Net loss per share:				
Basic and diluted	(0.33)	(0.24)	(0.05)	(0.34)

	March 25	June 24	September 23	December 31
2000:				
Net sales	$11,238	$13,740	$ 14,604	$ 14,138
Gross profit	3,013	3,665	3,867	3,597
Net income (loss)	(300)	(186)	290	(148)
Net income (loss) available to common Shareholders	(300)	(326)	200	(238)
Net income (loss) per share:				
Basic and diluted	(0.05)	(0.06)	0.04	(0.04)

	March 27	June 26	September 25	December 31
1999:				
Net sales	$9,201	$12,524	$ 13,020	$ 10,144
Gross profit	2,428	3,238	3,335	2,753
Net income (loss)	(279)	146	837	(380)
Net income (loss) per share:				
Basic and diluted	(0.05)	0.03	0.15	(0.07)

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT.

Information contained in "Election of Directors" and "Section 16(a) Beneficial Ownership Reporting Compliance" of the Company's Proxy Statement (the "Proxy Statement") for its Annual Meeting of Shareholders which is scheduled to be held on May 17, 2002 is hereby incorporated herein by reference. Also, see information under "Executive Officers of Registrant" in Item 1.

ITEM 11. EXECUTIVE COMPENSATION.

The information contained in "Executive Compensation" other than the "Compensation Committee Report on Executive Compensation" of the Proxy Statement is hereby incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The information contained in "Security Ownership of Certain Beneficial Owners and Management" of the Proxy Statement is hereby incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information contained in "Certain Relationships and Related Transactions" of the Proxy Statement is hereby incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(A) THE FOLLOWING FINANCIAL STATEMENTS AND EXHIBITS ARE FILED AS PART OF THIS REPORT:

Financial statements

(i) See Item 8.

(ii) Financial statement schedules

All schedules are omitted since the required information is either (a) not present or not present in amounts sufficient to require submission of the schedule or (b) included in the financial statements or notes thereto.

(iii) List of exhibits

3.1(a)	Certificate of Incorporation of the Company, filed with the Secretary of State of Delaware on June 17, 1996.	(2)
3.1(b)	Certificate of Amendment of Certificate of Incorporation of the Company, filed with the Secretary of State of Delaware on May 30, 1997.	(4)
3.2	Amended and Restated By-laws of the Company.	(6)
4.1	Specimen Common Stock Certificate.	(2)
4.2	Amended and Restated Rights Agreement between TransAct and American Stock Transfer & Trust Company dated February 16, 1998.	(5)
10.1	Tax Sharing Agreement dated as of July 31, 1996 between Tridex and TransAct.	(3)
10.2(x)	1996 Stock Plan, effective July 30, 1996.	(3)
10.3(x)	Non-Employee Directors' Stock Plan, effective August 22, 1996.	(3)
10.4(x)	2000 Employee Stock Purchase Plan	(9)
10.5(x)	2001 Employee Stock Plan	(11)
10.6	Lease Agreement by and between Bomax Properties and Ithaca, dated as of March 23, 1992.	(2)
10.7	Second Amendment to Lease Agreement by and between Bomax Properties and Ithaca, dated December 2, 1996.	(4)
10.8	Agreement regarding the Continuation and Renewal of Lease by and between Bomax Properties, LLC and TransAct, dated July 18, 2001.	(1)
10.9	Lease Agreement by and between Pyramid Construction Company and Magnetec, dated July 30, 1997.	(4)
10.10(x)	Employment Agreement, dated July 31, 1996, by and between the Company and Bart C. Shuldman.	(2)
10.11(x)	Employment Agreement, dated July 31, 1996, by and between the Company and Richard L. Cote.	(2)
10.12(x)	Severance Agreement by and between TransAct and Lucy H. Staley, dated September 4, 1996.	(3)
10.13(x)	Release and Settlement Agreement by and between TransAct and Lucy H. Staley, dated December 4, 2001	(1)
10.14(x)	Severance Agreement by and between TransAct and Michael S. Kumpf, dated September 4, 1996.	(3)
10.15(x)	Severance Agreement by and between TransAct and Steven A. DeMartino, dated January 21, 1998.	(6)
10.16(x)	Severance Agreement by and between TransAct and Mark Goebel, dated July 31, 1996.	(10)
10.17(x)	Release and Settlement Agreement by and between TransAct and Mark Goebel, dated March 1, 2002	(1)
10.18(x)	Severance Agreement by and between TransAct and James B. Stetson, dated January 24, 2001.	(10)
10.19	Loan Agreement by and between the Company and Bart C. Shuldman, dated July 1, 2001	(1)
10.20	OEM Purchase Agreement by and between GTECH Corporation, TransAct Technologies and Magnetec Corporation commencing July 14, 1999. (Pursuant to Rule 24-b-2 under the Exchange Act, the Company has	(7)

requested confidential treatment of
portions of this exhibit deleted from the
filed copy.)

10.21	OEM Purchase Agreement by and between Okidata Americas, Inc. and TransAct, dated June 8, 2001. (Pursuant to Rule 24b-2 under the Exchange Act, the Company has requested confidential treatment of portions of this exhibit exhibit deleted from the filed copy.)	(1)
10.22	Preferred Stock Purchase Agreement and Certificate of Designation dated as of March 20, 2000 between TransAct Technologies Incorporated and Advance Capital Partners, L.P. and affiliate	(8)
10.23	Loan and Security Agreement dated as of May 25, 2001 among TransAct, LaSalle Business Credit, Inc. ("LaSalle") and the institutions from time to time a party hereto.	(12)
10.24	Waiver and Amendment No. 1 to Loan and Security Agreement dated as of May 25, 2001 among TransAct, LaSalle and the institutions from time to time a party hereto.	(13)
10.25	Amendment No. 2 to Loan and Security Agreement dated as of May 25, 2001 among TransAct, LaSalle and the institutions from time to time a party hereto.	(1)
11.1	Computation of earnings per share.	(1)
21.1	Subsidiaries of the Company.	(1)
23.1	Consent of PricewaterhouseCoopers LLP.	(1)

(1) These exhibits are filed herewith.

(2) These exhibits, which were previously filed with the Company's Registration Statement on Form S-1 (No. 333-06895), are incorporated by reference.

(3) These exhibits, which were previously filed with the Company's Quarterly Report on Form 10-Q for the period ended September 30, 1996, are incorporated by reference.

(4) These exhibits, which were previously filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1997, are incorporated by reference.

(5) This exhibit, which was previously filed with the Company's Current Report on Form 8-K filed February 18, 1999, is incorporated by reference.

(6) These exhibits, which were previously filed with the Company's Annual Report on Form 10-K for the year ended December 31, 1998, are incorporated by reference.

(7) This exhibit, which was previously filed with the Company's Quarterly Report on Form 10-Q for the period ended September 25, 1999, is incorporated by reference.

(8) This exhibit, which was previously filed with the Company's Quarterly Report on Form 10-Q for the period ended March 25, 2000, is incorporated by reference.

(9) This exhibit, which was previously filed with the Company's Registration Statement on Form S-8 (No. 333-49540), is incorporated by reference.

(10) These exhibits, which were previously filed with the Company's Annual Report on Form 10-K for the year ended December 31, 2000, are incorporated by reference.

(11) This exhibit, which was previously filed with the Company's Registration Statement on Form S-8 (No. 333-59570), is incorporated by reference.

(12) This exhibit, which was previously filed with the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2001, is incorporated by reference.

(13) This exhibit, which was previously filed with the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2001, is incorporated by reference.

(x) Management contract or compensatory plan or arrangement required to be filed pursuant to Item 14(c).

(B) REPORTS ON FORM 8-K.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

TRANSACT TECHNOLOGIES INCORPORATED

By: /s/ Bart C. Shuldman
Bart C. Shuldman
Chairman of the Board, President and
Chief Executive Officer
Date: March 28, 2002

Pursuant to the requirements of the Securities Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Bart C. Shuldman Bart C. Shuldman	Chairman of the Board, President and Chief Executive Officer (Principal Executive Officer)	March 28, 2002
/s/ Richard L. Cote Richard L. Cote	Executive Vice President, Chief Financial Officer, Treasurer, Secretary and Director (Principal Financial Officer)	March 28, 2002
/s/ Steven A. DeMartino Steven A. DeMartino	Senior Vice President, Finance and Information Technology (Principal Accounting Officer)	March 28, 2002
/s/ Charles A. Dill Charles A. Dill	Director	March 28, 2002
/s/ Jeffrey T. Leeds Jeffrey T. Leeds	Director	March 28, 2002
/s/ Thomas R. Schwarz Thomas R. Schwarz	Director	March 28, 2002
/s/ Graham Y. Tanaka Graham Y. Tanaka	Director	March 28, 2002

EXHIBIT LIST

The following exhibits are filed herewith.

Exhibit	
10.8	Agreement regarding the Continuation and Renewal of Lease by and between Bomax Properties, LLC and TransAct, dated July 18, 2001.
10.13(x)	Release and Settlement Agreement by and between TransAct and Lucy H. Staley, dated December 4, 2001
10.17(x)	Release and Settlement Agreement by and between TransAct and Mark Goebel, dated March 1, 2002
10.19	Loan Agreement by and between the Company and Bart C. Shuldman, dated July 1, 2001
10.21	OEM Purchase Agreement by and between Okidata Americas, Inc. and TransAct, dated June 8, 2001.(Pursuant to Rule 24b-2 under the Exchange Act, the Company has requested confidential treatment of portions of this exhibit deleted from the filed copy.)
10.25	Amendment No. 2 to Loan and Security Agreement dated as of May 25, 2001 among TransAct, LaSalle and the institutions from time to time a party hereto.
11.1	Computation of earnings per share.
21.1	Subsidiaries of the Company.
23.1	Consent of PricewaterhouseCoopers LLP.

Exhibit 10.8

AGREEMENT REGARDING
THE CONTINUATION AND RENEWAL
OF THE LEASE OF PREMISES AT
20 BOMAX DRIVE, VILLAGE OF LANSING,
TOMPKINS COUNTY, NEW YORK

AGREEMENT made this 18th day of July, 2001, by and between BOMAX PROPERTIES, LLC, a New York limited liability company with an office at 42 Esty Drive, Ithaca, New York 14850 (f/k/a Bomax Properties) ("Bomax"), and TRANSACT TECHNOLOGIES INCORPORATED, a Delaware corporation with an office at 7 Laser Lane, Wallingford, Connecticut 06492 ("TransAct").

RECITALS

A. Bomax and TransAct are parties to a Lease Agreement dated as of March 23, 1992, pursuant to which Bomax leased to Ithaca Peripherals (TransAct's predecessor-in-interest) approximately 5.34 acres of land in the Village of Lansing, Tompkins County, State of New York, and agreed to construct a manufacturing and office building for Ithaca Peripherals on the Premises. Such building was constructed and permanent occupancy thereof was delivered to Ithaca Peripherals on or about November 20, 1992; the Lease commencement date under the Lease Agreement was November 20, 1992.

B. Bomax transferred the Premises to the Tompkins County Industrial Development Agency ("the IDA"), subject to the Lease, on or about June 11, 1993 and entered into an installment sales contract to purchase the property back from the IDA. Under the installment sales contract, Bomax retained all beneficial rights and interest in the Premises.

C. Ithaca Peripherals then requested that Bomax construct an addition of approximately 10,476 square feet ("Addition No. 1") to the Premises (as then defined in the

Lease Agreement) and the parties entered into a Lease Amendment dated as of October 18, 1993 ("First Amendment") providing for the construction of such Addition No. 1 and to amend the Lease Agreement accordingly.

D. The parties entered into a Lease Amendment dated as of December 2, 1996 ("Second Amendment"), wherein and whereby Ithaca Peripherals exercised the option to lease Parcel 2 (as defined in the Lease Agreement and Second Amendment).

E. The Second Amendment reflected the facts that:

1) Parcel 2 was conveyed by Bomax to IDA, subject to the Lease Agreement, as amended by the First Amendment and Second Amendment, and Bomax entered into an installment sales contract to purchase the property back from the IDA. Under the installment sales contract, Bomax retained all beneficial rights and interest in the premises.

2) Bomax constructed a second addition of approximately 23,000 square feet ("Addition No. 2"), possession of which was delivered to Ithaca Peripherals on July 1, 1997.

F. The Second Amendment provided:

1) The term of the Lease Agreement, as amended by the First Amendment and the Second Amendment, was extended to provide for its expiration ten years after the issuance of a certificate of occupancy for Addition No. 2. The certificate of occupancy was issued on July 1, 1997, so the expiration is June 30, 2007.

2) The agreed rent in the Second Amendment was as follows:

Years 1 through 5 (i.e., 7/1/97-6/30/02) - $7.00 per gross sq. ft.

Years 6 through 10 (i.e., 7/1/02-6/30/07) - $7.50 per gross sq. ft.

G. The Lease Agreement, the First Amendment and the Second Amendment are collectively referred to as the "Lease."

H. TransAct has requested that Bomax make certain additional improvements to the Premises, and more particularly:

1) The conversion of "the Courtyard" to office space; and

2) The construction of a 10,548 square feet warehouse addition.

(1 and 2 above are collectively referred to as "Addition No. 3")

NOTE: TransAct agrees to remove the greenhouse at its sole cost and expense.

I. Bomax is willing to make such Addition No. 3 subject to satisfaction of the contingencies set forth below.

J. The parties desire to set forth their agreement regarding Lease terms until Addition No. 3 is completed and to enter into a renewal Lease to be effective thereafter.

NOW THEREFORE, the parties agree:

1. Until such time as Addition No. 3 is completed and the certificate of compliance and/or certificate of occupancy therefor issued, all provisions of the Lease dated March 23, 1992, as modified by the amendments dated as of October 18, 1993 and December 2, 1996 shall remain in full force and effect except as set forth below.

a. The following new paragraph shall be added at the end of Article I, Section C of the Lease:

"Bomax agrees to construct on the Premises, at its own cost and expense, an addition of approximately 10,548 square feet on the south side of the building currently located on the Premises for warehouse purposes and to convert "the Courtyard" to office space (3,260 sq. ft.) (collectively, "Addition No. 3").

Addition No. 3 shall be constructed in accordance with the following plans and drawings prepared by Tallman & Tallman, Architects, which plans have previously been reviewed and approved by Bomax and TransAct, along with such other changes thereto as may be hereinafter approved by Bomax and TransAct:

T-T1 - Site Plan - Revised 5-24-01

T-T2 - Foundation Plan - 5-24-01

T-T3 - First Floor Plan - 5-24-01

T-T4 - Elevations - 5-24-01

T-T5 - Sections - 5-24-01

T-T6 - Wall Sections - 5-24-01

T-T7 - Plan at Existing Courtyard - revised 6-12-01

T-T8 - Sections - Existing Courtyard - 5-24-01

NOTE: TransAct shall remove the greenhouse (441 sq. ft.)

b. The following new paragraph shall be added at the end of Article I, Section E of the Lease:

"Construction of Addition No. 3 shall commence on or about August 1, 2001 and shall be completed and delivered to TransAct for lawful occupation on our about December 1, 2001, both dates being subject to the satisfaction of the contingencies set forth below. Addition No. 3 shall be constructed and rendered to TransAct for occupancy, in compliance with the Building Code of the Town and Village of Lansing, County of Tompkins and State of New York for use as a light manufacturing facility."

c. Article I, Section F (1) of the Lease (as previously amended) is hereby amended to read as follows:

> "(1) Bomax has obtained or will obtain all governmental permits, licenses, certificates and approvals to construct and occupy the building and Addition No. 3 contemplated by this Agreement."

2. Bomax repeats each of the other representations and warranties set forth in Article I, Section F and acknowledges that the representations and warranties apply with equal force to Addition No. 3 and to the construction to be undertaken hereunder.

3. Effective upon the date of the issuance of a certificate of occupancy for Addition No. 3, the new Lease, annexed hereto shall be and become effective.

4. During the construction of Addition No. 3, Bomax agrees to use its best efforts to coordinate construction so as to minimize disruption of TransAct's business operations.

5. Except as specifically amended hereby, the Lease Agreement and the Lease Amendments as of October 18, 1993 and December 2, 1996 shall remain in full force and effect in accordance with their terms.

6. All capitalized terms herein, unless defined herein, shall have the same meanings as set forth in the Lease.

7. The IDA is signing this Agreement solely for the purpose of signifying its consent hereto, but does not undertake and shall not be liable or responsible for any of the obligations or liabilities of Bomax under the Lease.

8. This Agreement is subject to and contingent upon the following:

a. Bomax obtaining financing satisfactory to it in its sole discretion.

b. Bomax obtaining IDA approval, including such approvals as may be required in order to be exempt from the payment of sales taxes on the purchase of materials required for the construction of Addition No. 3.

c. Issuance of a building permit for the construction of Addition No. 3.

9. This Agreement may be signed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have subscribed this Agreement as of the date first written above.

BOMAX PROPERTIES, LLC	TRANSACT TECHNOLOGIES INCORPORATED
By: /s/ Robert T. Dean	By: /s/ Richard L. Cote
Robert T. Dean, Manager	Richard L. Cote, Executive Vice President & CFO

By:

Maxine P. Dean, Manager

THE TOMPKINS COUNTY INDUSTRIAL

DEVELOPMENT AGENCY

By:

RELEASE AND SETTLEMENT AGREEMENT

This Settlement Agreement and Release Of All Claims (hereinafter "Agreement") dated the 4th day of December, 2001, is made by and among Lucy Staley (hereinafter "EXECUTIVE") and TransAct Technologies, Inc. (hereinafter the "COMPANY"), all of the COMPANY's past, present and future directors, officers, administrators, agents, servants, representatives, employees, former members, and any person acting thereby, through, under, or in concert with any of them, in light of the following circumstances:

WHEREAS, EXECUTIVE is employed by the Company as a Senior Vice President and General Manager; and

WHEREAS, EXECUTIVE and the COMPANY have previously entered into a Severance Agreement dated the 31st day of July, 1996; and

WHEREAS, said Severance Agreement obligated the COMPANY to provide EXECUTIVE with a severance package upon terminating EXECUTIVE's employment; and

WHEREAS, the COMPANY and EXECUTIVE are desirous of maintaining said Severance Agreement's terms and conditions as a general matter but wish to modify the specific terms of the severance package that EXECUTIVE will receive from the COMPANY upon the COMPANY's termination of her employment in order to reflect the mutual understanding they have now reached as to those terms of the severance package; and

WHEREAS, said Severance Agreement obligated EXECUTIVE to execute a General Release of any and all claims which EXECUTIVE might have against the COMPANY as a condition precedent to EXECUTIVE's receipt of any severance package or payments; and

WHEREAS, the COMPANY and EXECUTIVE are also desirous of EXECUTIVE continuing in employment with the COMPANY until March 1, 2002;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, EXECUTIVE and the COMPANY, acting of their own free will, hereby agree as follows:

1. The COMPANY and EXECUTIVE hereby incorporate by reference the Severance Agreement they entered into dated July 31st, 1996, as if more fully set forth herein. The COMPANY and EXECUTIVE acknowledge and agree that, except as set forth in Section 2 of this Agreement the Severance Agreement of July 31st, 1996 continues in full force and effect.

2. EXECUTIVE and the COMPANY agree that Sections 3, 4, 5 and 6 of this Agreement are entered into by EXECUTIVE and the COMPANY in substitution for any severance package, payment or benefit of any kind set forth in the Severance Agreement of July 31st, 1996. EXECUTIVE hereby acknowledges and agrees that any and all provisions of the Severance Agreement of July 31st, 1996 regarding the COMPANY's obligation to provide any severance package, payment or benefit of any kind are hereby rendered null and void.

3. (a) The COMPANY will pay EXECUTIVE a severance benefit commencing March 1, 2002, upon EXECUTIVE's separation from employment with the COMPANY on that date. The COMPANY shall pay the severance benefit as follows: (i) for a ten (10) month period after EXECUTIVE's separation from employment, March 2002 through December 2002 (the "severance period"), payment on the first business day of each month in the severance period of an amount equal to one-twelfth (1/12) of EXECUTIVE's then current annual base salary; (ii) payment on the first business day of each month in the severance period of an amount equal to one-twelfth (1/12) of EXECUTIVE's annual target bonus amount under the "TransAct Executive Incentive Compensation Plan", incorporated by reference within the

Severance Agreement of July 31st, 1996. Calculation of the bonus amount shall be based on the COMPANY's October, 2001 notification and not the EXECUTIVE's March 1, 2002 separation from employment date. The COMPANY shall issue a W-2 form to EXECUTIVE in connection with the payments described herein.

(b) COMPANY will pay EXECUTIVE her then current total accrued but unused vacation time as of March 1, 2002. The COMPANY will pay this amount in a lump sum on the first business day after March 1, 2002 and shall issue a W-2 form to EXECUTIVE in connection with such payment.

4. The COMPANY shall continue to provide to EXECUTIVE the same group health insurance benefits (medical, dental, vision), life insurance benefit (including individual supplemental life policy) and Long Term Disability insurance benefit (including individual supplemental "LTD" policy) that it provided to her during her period of employment with the COMPANY during the severance period. For those benefits toward which the EXECUTIVE currently contributes, the COMPANY shall provide such benefits to the EXECUTIVE during the severance period at the same cost to the EXECUTIVE as that charged regular active employees of similar position status. For those benefits toward which the EXECUTIVE does not currently contribute, the COMPANY will continue to provide such benefits to the EXECUTIVE at no cost to the EXECUTIVE during the severance period. At the expiration of the severance period the COMPANY shall provide to EXECUTIVE such notice of access to continuation of benefits as is required by law.

5. The COMPANY will take such actions as are necessary with respect to stock options and restricted stock that the COMPANY granted to EXECUTIVE during her employment with the COMPANY in order to accelerate their vesting so that all such outstanding stock options and restricted stock are one-hundred percent (100%) vested no later than March 1, 2002.

6. (a) As a further benefit to EXECUTIVE, the COMPANY will pay an out-placement firm mutually agreed upon by EXECUTIVE and the COMPANY to provide EXECUTIVE professional out-placement services commencing not later than March 1, 2002. EXECUTIVE acknowledges that the COMPANY's obligation is limited to the payment actually provided to the mutually agreed upon out-placement firm for its standard professional out-placement services and assistance as described in materials from that firm, which materials the COMPANY will obtain and shall provide to EXECUTIVE for her consideration upon request.

(b) The COMPANY's Chief Executive Officer and its Chief Financial Officer shall each provide EXECUTIVE with a letter of recommendation for EXECUTIVE's use in seeking future employment. The COMPANY shall provide EXECUTIVE these letters not later than March 1, 2002.

(c) The COMPANY consents to EXECUTIVE commencing and conducting job searches following the execution of this Agreement and in the months preceding March 1, 2002. EXECUTIVE agrees that such searches must be conducted in a reasonable fashion, and limited to a reasonable amount of time, so as not to detract from EXECUTIVE's ongoing obligation to carry out her duties as Senior Vice President and General Manager up to her separation from employment with the COMPANY on March 1, 2002.

7. EXECUTIVE shall continued to be employed by the COMPANY and shall continue to serve as Senior Vice President and General Manager until March 1, 2002. EXECUTIVE acknowledges and agrees that during her period of ongoing employment with the COMPANY following execution of this Agreement she will carry out her duties to the best of her ability and in conformance with all policies and procedures of the COMPANY. EXECUTIVE further acknowledges and agrees that she will undertake all necessary efforts to effect a professional and effective transition and transfer of her knowledge and experience to the COMPANY or its designee(s)

during this time period. EXECUTIVE shall separate from her employment with the COMPANY effective March 1, 2002.

8. With exception of the substitute severance payments described in Section 3 of this Agreement, the insurance benefits described in Section 4 of this Agreement, the acceleration of Stock Options described in Section 5 of this Agreement, and the outplacement and related job search benefits described in Section 6 of this Agreement, EXECUTIVE expressly acknowledges that she is not entitled to any payments, benefits, assistance or compensation, in any form for any reason, from the COMPANY other than her regular salary and benefits during her continuation of employment up to March 1, 2002.

9. EXECUTIVE acknowledges that she would not be entitled to the substitute severance payments described in Section 3 of this Agreement, the insurance benefits described in Section 4 of this Agreement, the acceleration of Stock Options described in Section 5 of this Agreement, and the outplacement and related job search benefits described in Section 6 of this Agreement, if she did not enter into this Agreement. COMPANY acknowledges that EXECUTIVE would not otherwise release the potential claims hereinafter set forth but for her receipt of such payments, insurance benefits, acceleration of Stock Options and outplacement and related job search benefits.

10. For and in consideration of the payments described in this Agreement, EXECUTIVE, for herself, and for her heirs, executors, administrators, successors and assigns, knowingly releases and forever discharges the COMPANY from any and all claims, demands, obligations, damages, liabilities and causes of action, including, but not limited to claims and causes of action for wrongful discharge, tort, defamation, breach of any contract (including but not limited to grievances under any applicable collective bargaining agreement) whether express or implied, misrepresentation, breach of the duty of good faith and fair dealing, the negligent or intentional infliction of

emotional distress, and causes of action and claims under any and all New York and Connecticut Workers' Compensation statutes or regulations, Title VII of the Civil Rights Act of 1964, 42 U.S.C. sections 2000e et. seq., the Civil Rights Act of 1991, 42 U.S.C. sections 1981, et. seq., Section 1983 of the Civil Rights Act, 42 U.S.C. section 1983, any and all New York and Connecticut Fair Employment Practices and/or Discriminatory Practices statutes and regulations, the Americans with Disabilities Act, 42 U.S.C. sections 12101 et. seq., the Age Discrimination in Employment Act, 29 U.S.C. sections 621 et. seq., the Employee Retirement Income Security Act, 29 U.S.C. sections 1132, et seq., the Family and Medical Leave Act of 1993, 29 U.S.C. sections 2601 et seq., any and all New York and Connecticut Family and Medical Leave statutes or regulations, the Fair Credit Reporting Act, 15 U.S.C. sections 1681, et seq., any and all New York and Connecticut Whistle Blowers' Protection statutes or regulations, any and all New York and Connecticut statutes or regulations concerning the payment of wages, the Fair Labor Standards Act, 29 U.S.C. sections 201 et seq., and all other federal, state and local laws, ordinances or regulations, in law or in equity, which EXECUTIVE now has or ever had against the COMPANY, for any losses, injuries or damages (including but not limited to back pay, front pay, liquidated, compensatory or punitive damages, attorneys' fees and litigation costs), resulting from and/or arising out of or in any way connected with EXECUTIVE's employment by the COMPANY or her separation from such employment.

11. The COMPANY and EXECUTIVE agree that they will not publish, publicize or disseminate, or cause to be published, publicized or disseminated, in any manner, the terms or contents of this Agreement to any third person, including, but not limited to, any current or former COMPANY employee, except EXECUTIVE's spouse, legal counsel and tax preparer, and as may be required to effectuate the terms of this Agreement.

12. EXECUTIVE and the COMPANY further understand and agree that this Agreement does not constitute any admission by the COMPANY that the COMPANY is in any way liable to EXECUTIVE or that the COMPANY harmed or damaged EXECUTIVE or violated any rights she may have or in any respect treated her unfairly or unlawfully.

13 (a) The COMPANY and EXECUTIVE expressly acknowledge that they will not make any claim or demand and each of them hereby waives any rights any of them may now have or may hereafter have or claim to have, based upon any alleged oral alteration, amendment, modification or any other alleged change in this Agreement; and that the validity, effect and operation of this Agreement shall be determined by the laws of the State of Connecticut; and that there is no written or oral understanding or agreement between them that is not recited herein.

(b) The COMPANY and EXECUTIVE expressly agree and consent to the jurisdiction of a competent court in Connecticut to hear any dispute arising out of this Agreement.

14. Except as provided otherwise in this Agreement, if any of the provisions, terms or clauses of this Agreement are declared illegal, unenforceable or ineffective in a legal forum or by operation of law, those provisions, terms and clauses shall be deemed severable, such that all other provisions, terms and clauses of this Agreement shall remain valid and binding upon both parties.

15. EXECUTIVE affirmatively states that she has been advised of her right to consult with an attorney in order to consider the provisions of this Agreement, and, specifically with reference to her release of any and all claims under the Age Discrimination in Employment Act, 29 U.S.C. sections 621 et. seq., that she was afforded up to twenty-one (21) days to consult with an attorney and to consider this Agreement, and that if she signs the Agreement prior to the expiration of such twenty-one (21) days, she does so voluntarily and of her own free will.

16. Should EXECUTIVE commence or prosecute any action or proceeding contrary to the provisions of this Agreement, she agrees to indemnify COMPANY for all costs, including court costs and reasonable attorneys' fees, incurred by COMPANY in the defense of such action or in establishing or maintaining the application or validity of this Agreement or the provisions thereof, to the extent allowed by applicable law.

17. This Agreement shall not become effective or enforceable until seven (7) days following its execution by EXECUTIVE. Prior to the end of this seven (7) day period, EXECUTIVE may revoke her assent to this Agreement.

18. COMPANY and EXECUTIVE affirmatively state that they have a full understanding of the contents of the Agreement and the effects thereof, and that they have executed the same voluntarily and of their own free will, without any coercion.

IN WITNESS WHEREOF, the aforementioned parties, intending to be legally bound hereby, have executed this Agreement.

LUCY STALEY

/s/ Lucy H. Staley

STATE OF NEW YORK
: ss: Date:
COUNTY OF _______)

Personally appeared LUCY STALEY, Signer of the foregoing Instrument, and acknowledged the same to be her free act and deed before me.

Notary Public/Commissioner of the Superior Court

TransAct Technologies, Inc.

By: /s/ Richard L. Cote

Richard L. Cote

STATE OF CONNECTICUT
: ss: Date:
COUNTY OF _________)

Personally appeared Richard L. Cote, EVP and CFO of TransAct Technologies, Inc., Signer of the foregoing Instrument, and acknowledged the same to be his free act and deed on behalf of TransAct Technologies, Inc.

Notary Public/Commissioner of the Superior Court

MEMORANDUM OF AGREEMENT

This Memorandum of Agreement (hereinafter "Agreement") dated the 23rd day of January, 2002, is made by Lucy Staley (hereinafter "EXECUTIVE") and TransAct Technologies, Inc. (hereinafter the "COMPANY"), is an addendum to the Settlement And Release Agreement dated December 4, 2001. The Parties mutually agree that Executive's employment will cease on February 1, 2002 (rather than March 1, 2002 as previously agreed), resulting in an additional 4 weeks of severance. As such, Paragraphs 3, 5, 6, 7 and 8 of the Settlement And Release Agreement are modified only to the extent stated below. All other text and language of the original December 4, 2001 Agreement shall remain unchanged.

Paragraph 3.a.

The Company will pay Executive a severance benefit commencing February 1, 2002, upon Executive's separation from employment with the Company on that date. The Company shall pay the severance benefit as follows: "(i) for an 11 month period after Executive's separation from employment, February, 2002 through December 2002 (the "Severance period"), payment on the first business day of each month in the severance period of an amount equal to one-twelfth (1/12) of Executive's then current annual base salary; and, (ii) bonus pay under the "TransAct Executive Incentive Compensation Plan" totaling $30,927.92 (calculated at 10/12 of 25% of current annual base salary of $148,454), paid in 11 essentially equal monthly installments of $2811.63 on the first of each month, beginning February 1, 2002 through December 1, 2002.

Paragraphs 3.b., 5, 6.a., 6.c., 7 and 8

References to "March 1, 2002" in the original agreement are now changed to "February 1, 2002".

The aforementioned parties, intending to be legally bound hereby, have executed this Agreement.

LUCY STALEY

/s/ Lucy H. Staley

TransAct Technologies, Inc.

By: /s/ Richard L. Cote

Richard Cote

EXHIBIT 10.17(x)

RELEASE AND SETTLEMENT AGREEMENT

This Settlement Agreement and Release Of All Claims (hereinafter "Agreement") dated the 1st day of March, 2002, is made by and among Mark Goebel (hereinafter "EXECUTIVE") and TransAct Technologies, Inc. and its subsidiaries (hereinafter the "COMPANY"), all of the COMPANY's past, present and future directors, officers, administrators, agents, servants, representatives, employees, former members, and any person acting thereby, through, under, or in concert with any of them, in light of the following circumstances:

WHEREAS, EXECUTIVE is employed by the COMPANY as Senior Vice President-General Manager and

WHEREAS, EXECUTIVE and the COMPANY have previously entered into a Severance Agreement dated the 31st day of July, 1996; and

WHEREAS, said Severance Agreement obligated the COMPANY to provide EXECUTIVE with a severance package upon terminating EXECUTIVE's employment; and

WHEREAS, the COMPANY and EXECUTIVE are desirous of maintaining said Severance Agreement's terms and conditions as a general matter but wish to modify the specific terms of the severance package that EXECUTIVE will receive from the COMPANY upon the COMPANY's termination of his employment in order to reflect the mutual understanding they have now reached as to those terms of the severance package; and

WHEREAS, said Severance Agreement obligated EXECUTIVE to execute a General Release of any and all claims which EXECUTIVE might have against the COMPANY as a condition precedent to EXECUTIVE's receipt of any severance package or payments; and

WHEREAS, the COMPANY and EXECUTIVE are also desirous of EXECUTIVE continuing in employment with the COMPANY until March 1, 2002;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, EXECUTIVE and the COMPANY, acting of their own free will, hereby agree as follows:

1. The COMPANY and EXECUTIVE hereby incorporate by reference the Severance Agreement they entered into dated July 31st, 1996, as if more fully set forth herein. The COMPANY and EXECUTIVE acknowledge and agree that, except as set forth in Section 2, 3, 4, 5 and 6 of this Agreement, the Severance Agreement of July 31st, 1996 continues in full force and effect.

2. EXECUTIVE and the COMPANY agree that Sections 3, 4, 5 and 6 of this Agreement are entered into by EXECUTIVE and the COMPANY in substitution for any severance package, payment or benefit of any kind set forth in the Severance Agreement of July 31st, 1996. EXECUTIVE hereby acknowledges and agrees that any and all provisions of the Severance Agreement of July 31st, 1996 regarding the COMPANY's obligation to provide any severance package, payment or benefit of any kind are hereby rendered null and void.

3. (a) The COMPANY will pay EXECUTIVE a severance benefit commencing March 1, 2002, or upon expiration of the revocation period set forth in Section 17 below, if that period has not expired prior to March 1, 2002, and following EXECUTIVE'S separation from employment with the COMPANY on March 1, 2002. The COMPANY shall pay the severance benefit as follows: (i) for a seven (7) month period after EXECUTIVE's separation from employment, March 2002 through September 2002 (the "severance period"), payment on the first business day of each month in the severance period of an amount equal to one-twelfth (1/12) of EXECUTIVE's then current annual base salary; (ii) payment on the first business day of each month in the severance period of an amount equal to one-seventh (1/7) of EXECUTIVE's annual target bonus amount under the "TransAct Executive Incentive

Compensation Plan", incorporated by reference within the Severance Agreement of July 31st, 1996. Calculation of the bonus amount shall be based on the EXECUTIVE's March 31, 2002 original separation date and not the EXECUTIVE's March 1, 2002 separation from employment date. An additional lump-sum bonus payment will be made on March 7, 2002, or upon expiration of the revocation period set forth in Section 17 below if that period has not expired prior to March 1, 2002, and following EXECUTIVE'S separation from employment with the COMPANY on March 1, 2002, in the amount of thirty thousand dollars ($30,000). The COMPANY shall issue a W-2 form to EXECUTIVE in connection with the payments described herein.

(b) COMPANY will pay EXECUTIVE his then current total accrued but unused vacation time as of March 1, 2002, and also the EXECUTIVE'S vacation accrual award that would have been granted on April 1, 2002. The COMPANY will pay this amount in a lump-sum on the first bi-weekly pay period after March 1, 2002 and shall issue a W-2 form to EXECUTIVE in connection with such payment.

4. The COMPANY shall continue to provide to EXECUTIVE the same group health insurance benefits (medical, dental, vision), life insurance benefit (including individual supplemental life policy) and Long Term Disability insurance benefit (including individual supplemental "LTD" policy) that it provided to him during his period of employment with the COMPANY during the severance period. For those benefits toward which the EXECUTIVE currently contributes, the COMPANY shall provide such benefits to the EXECUTIVE during the severance period at the same cost to the EXECUTIVE as that charged regular active employees of similar position status. For those benefits toward which the EXECUTIVE does not currently contribute, the COMPANY will continue to provide such benefits to the EXECUTIVE at no cost to the EXECUTIVE during the severance period. At the expiration of the severance period the COMPANY shall provide to EXECUTIVE such notice of access to continuation of benefits as is required by law.

5. The COMPANY will take such actions as are necessary with respect to stock options and restricted stock that the COMPANY granted to EXECUTIVE during his employment with the COMPANY in order to accelerate their vesting so that all such outstanding stock options and eight hundred (800) shares of restricted stock due to vest on April 1, 2002 are one-hundred percent (100%) vested no later than March 1, 2002, or upon expiration of the revocation period set forth in Section 17 below if that period has not expired prior to March 1, 2002, and following EXECUTIVE'S separation from employment with the COMPANY on March 1, 2002.

6. (a) As a further benefit to EXECUTIVE, the COMPANY will pay an out-placement firm mutually agreed upon by EXECUTIVE and the COMPANY to provide EXECUTIVE professional out-placement services commencing not later than March 1, 2002, or upon expiration of the revocation period set forth in Section 17 below if that period has not expired prior to March 1, 2002, and following EXECUTIVE'S separation from employment with the COMPANY on March 1, 2002. EXECUTIVE acknowledges that the COMPANY's obligation is limited to the payment actually provided to the mutually agreed upon out-placement firm for its standard professional out-placement services and assistance as described in materials from that firm, which materials the COMPANY will obtain and shall provide to EXECUTIVE for his consideration upon request.

(b) The COMPANY's Chief Executive Officer shall provide EXECUTIVE with a letter of recommendation for EXECUTIVE's use in seeking future employment. The COMPANY shall provide EXECUTIVE this letter not later than March 1, 2002.

(c) The COMPANY consents to EXECUTIVE maintaining for his own personal use the following COMPANY items, one Palm Pilot and one personal computer including HP printer that currently resides on EXECUTIVE'S desk.

7. EXECUTIVE shall continue to be employed by the COMPANY and shall continue to serve as Senior Vice President-General Manager until March 1, 2002. EXECUTIVE acknowledges and agrees that during his period of ongoing employment with the COMPANY following execution of this Agreement he will carry out his duties to the best of his ability and in conformance with all policies and procedures of the COMPANY. EXECUTIVE further acknowledges and agrees that he will undertake all necessary efforts to effect a professional and effective transition and transfer of his knowledge and experience to the COMPANY or its designee(s) during this time period. EXECUTIVE shall separate from his employment with the COMPANY effective March 1, 2002.

8. With exception of the substitute severance payments described in Section 3 of this Agreement, the insurance benefits described in Section 4 of this Agreement, the acceleration of Stock Options described in Section 5 of this Agreement, and the outplacement and related job search benefits described in Section 6 of this Agreement, EXECUTIVE expressly acknowledges that he is not entitled to any payments, benefits, assistance or compensation, in any form for any reason, from the COMPANY other than his regular salary and benefits during his continuation of employment up to March 1, 2002.

9. EXECUTIVE acknowledges that he would not be entitled to the substitute severance payments described in Section 3 of this Agreement, the insurance benefits described in Section 4 of this Agreement, the acceleration of Stock Options described in Section 5 of this Agreement, and the outplacement and related job search benefits described in Section 6 of this Agreement, if he did not enter into this Agreement. COMPANY acknowledges that EXECUTIVE would not otherwise release the potential claims hereinafter set forth but for his receipt of such payments, insurance benefits, acceleration of Stock Options and outplacement and related job search benefits.

10. For and in consideration of the payments described in this Agreement, EXECUTIVE, for himself, and for his heirs, executors, administrators, successors and assigns, knowingly releases and forever discharges the COMPANY from any and all claims, demands, obligations, damages, liabilities and causes of action, including, but not limited to claims and causes of action for wrongful discharge, tort, defamation, breach of any contract (including but not limited to grievances under any applicable collective bargaining agreement) whether express or implied, misrepresentation, breach of the duty of good faith and fair dealing, the negligent or intentional infliction of emotional distress, and causes of action and claims under any and all New York and Connecticut Workers' Compensation statutes or regulations, Title VII of the Civil Rights Act of 1964, 42 U.S.C. sections 2000e et. seq., the Civil Rights Act of 1991, 42 U.S.C. sections 1981, et. seq., Section 1983 of the Civil Rights Act, 42 U.S.C. section 1983, any and all New York and Connecticut Fair Employment Practices and/or Discriminatory Practices statutes and regulations, the Americans with Disabilities Act, 42 U.S.C. sections 12101 et. seq., the Age Discrimination in Employment Act, 29 U.S.C. sections 621 et. seq., the Employee Retirement Income Security Act, 29 U.S.C. sections 1132, et seq., the Family and Medical Leave Act of 1993, 29 U.S.C. sections 2601 et seq., any and all New York and Connecticut Family and Medical Leave statutes or regulations, the Fair Credit Reporting Act, 15 U.S.C. sections 1681, et seq., any and all New York and Connecticut Whistle Blowers' Protection statutes or regulations, any and all New York and Connecticut statutes or regulations concerning the payment of wages, the Fair Labor Standards Act, 29 U.S.C. sections 201 et seq., and all other federal, state and local laws, ordinances or regulations, in law or in equity, which EXECUTIVE now has or ever had against the COMPANY, for any losses, injuries or damages (including but not limited to back pay, front pay, liquidated, compensatory or punitive damages, attorneys' fees and litigation costs), resulting from and/or arising out of or in any way

connected with EXECUTIVE's employment by the COMPANY or his separation from such employment.

11. The COMPANY and EXECUTIVE agree that they will not publish, publicize or disseminate, or cause to be published, publicized or disseminated, in any manner, the terms or contents of this Agreement to any third person, including, but not limited to, any current or former COMPANY employee, except EXECUTIVE's spouse, legal counsel and tax preparer, and as may be required to effectuate the terms of this Agreement.

12. EXECUTIVE and the COMPANY further understand and agree that this Agreement does not constitute any admission by the COMPANY that the COMPANY is in any way liable to EXECUTIVE or that the COMPANY harmed or damaged EXECUTIVE or violated any rights he may have or in any respect treated him unfairly or unlawfully.

13 (a) The COMPANY and EXECUTIVE expressly acknowledge that they will not make any claim or demand and each of them hereby waives any rights any of them may now have or may hereafter have or claim to have, based upon any alleged oral alteration, amendment, modification or any other alleged change in this Agreement; and that the validity, effect and operation of this Agreement shall be determined by the laws of the State of Connecticut; and that there is no written or oral understanding or agreement between them that is not recited herein.

(b) The COMPANY and EXECUTIVE expressly agree and consent to the jurisdiction of a competent court in Connecticut to hear any dispute arising out of this Agreement.

14. Except as provided otherwise in this Agreement, if any of the provisions, terms or clauses of this Agreement are declared illegal, unenforceable or ineffective in a legal forum or by operation of law, those provisions, terms and clauses shall be

deemed severable, such that all other provisions, terms and clauses of this Agreement shall remain valid and binding upon both parties.

15. EXECUTIVE affirmatively states that he has been advised of his right to consult with an attorney in order to consider the provisions of this Agreement, and, specifically with reference to his release of any and all claims under the Age Discrimination in Employment Act, 29 U.S.C. sections 621 et. seq., that he was afforded up to twenty-one (21) days to consult with an attorney and to consider this Agreement, and that if he signs the Agreement prior to the expiration of such twenty-one (21) days, he does so voluntarily and of his own free will.

16. Should EXECUTIVE commence or prosecute any action or proceeding contrary to the provisions of this Agreement, he agrees to indemnify COMPANY for all costs, including court costs and reasonable attorneys' fees, incurred by COMPANY in the defense of such action or in establishing or maintaining the application or validity of this Agreement or the provisions thereof, to the extent allowed by applicable law.

17. This Agreement shall not become effective or enforceable until seven (7) days following its execution by EXECUTIVE. Prior to the end of this seven-(7) day period, EXECUTIVE may revoke his assent to this Agreement.

18. COMPANY and EXECUTIVE affirmatively state that they have a full understanding of the contents of the Agreement and the effects thereof, and that they have executed the same voluntarily and of their own free will, without any coercion.

IN WITNESS WHEREOF, the aforementioned parties, intending to be legally bound hereby, have executed this Agreement.

MARK GOEBEL

/s/ Mark Goebel   Date: March 1, 2002
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BART C. SHULDMAN

/s/ Bart C. Shuldman   Date: March 1, 2002
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EXHIBIT 10.19

PROMISSORY NOTE

$396,786 July 1, 2001

FOR VALUE RECEIVED, the undersigned, BART C. SHULDMAN (the "Maker"), promises to pay to the order OF TRANSACT TECHNOLOGIES INCORPORATED (the "Lender"), at its office at 7 Laser Lane, Wallingford, Connecticut (the "Holder"), or at such other place as the Holder hereof may designate from time to time, in lawful money of the United States, the principal sum of THREE HUNDRED NINETY SIX THOUSAND, SEVEN HUNDRED EIGHTY SIX DOLLARS ($396,786), together with interest thereon computed. Such new principal amount represents the original loan of $330,000 made on February 23, 1999, plus interest accrued to June 30, 2001.

1. (a) The Maker shall repay the principal amount of this Note, together with accrued interest on February 23, 2004 (the "Maturity Date"), unless the Maturity Date has been advanced pursuant to the terms hereof; provided, however, the Holder, in its sole and absolute discretion, may elect to accelerate the indebtedness of this Note upon the occurrence of an Event of Default (as defined below).

(b) The Maker may prepay all or any part of the amounts outstanding under this Note at any time and from time to time without premium or penalty.

(c) Only such amounts advanced to the undersigned (less repayments, if any), together with (a) interest thereon, (b) all taxes levied or assessed against the Holder on this Note or the debt evidenced hereby, except for income or other similar taxes, however designated, on income derived by the Holder herefrom, and (c) all costs, expenses, attorneys' fees and professionals' fees incurred by the Holder in (i) any action to collect this Note or to foreclose any security for this Note, or (ii) in protecting or sustaining the lien of any security, or (iii) in any litigation or controversy arising from or connected with any security agreement or this Note, shall be deemed due hereunder.

2. (a) Interest under this Note shall accrue hereunder at a variable rate per annum that is the greater of (i) the average interest rate paid by the Company during the Company's immediately preceding fiscal year, as calculated under the Lender's credit facility with its primary lender (currently LaSalle Business Credit), and which rate shall be subject to adjustment as and when adjusted under the terms of such credit facility or any replacement credit facility or (ii) the Applicable Federal Rate published by the Internal Revenue Service each month in the Internal Revenue Bulletin during the term of this Note (the "Note Rate"). Interest shall be due and payable annually in arrears on the fifteenth (15th) day of March. The Company shall timely notify the Maker of the applicable rate for each payment to permit the Maker to remit payment in compliance with this Section 2.

(b) The Maker agrees that the interest rate shall increase by 2% per annum above the Note Rate from and after the date of an Event of Default or after maturity, by acceleration or otherwise, or judgment, and such additional rate shall remain in effect until all unpaid principal and interest are satisfied in full.

(c) Notwithstanding any provisions of this Note, the maximum rate of interest to be paid hereunder shall not exceed the maximum rate of interest permissible to be charged by the Holder under applicable laws. Any amount paid in excess of such rate shall be considered to have been payments in reduction of principal.

3. Term of the Note. The term of the Note shall be the indicated Maturity Date; provided that the Maturity Date shall be affected by the termination of employment, disability or death of the Maker as follows:

(a) In the event that (i) the Maker's employment with the Company is terminated for Cause as that term is defined in any employment agreement between the Maker and the Company in effect on the date of such termination or (ii) the Maker voluntarily terminates his employment with the Company, the Maturity Date of the Note shall be advanced to the date that is six months after the date of such termination.

(b) In the event that the Maker's employment with the Company is terminated by the Company without Cause or in the event of the Maker's disability, in each case as defined in any employment agreement between the Maker and the Company in effect on the date of such termination or disability, or in the event of the Maker's death, the Maturity Date of the Note shall remain unaffected.

4. The Maker agrees that (i) if Maker shall fail to make any of the payments required herein and fails to remedy such failure within thirty (30) days, (ii) if Maker shall suffer or permit the filing by or against him of any petition for relief, arrangement, reorganization or the like under any bankruptcy or insolvency law, make an assignment for the benefit of creditors or suffer or permit the appointment of a receiver for any party of his property; (iii) if any Event of Default shall occur under any agreement securing this Note or executed in connection with this Note; or (iv) if any Event of Default shall occur under any other liability, indebtedness or obligation of the Maker to the Holder (each of the events and circumstances in (i), (ii), (iii) and (iv) being an Event of Default), then, upon the happening of any such Event of Default, the entire indebtedness with accrued interest due under this Note and all other expenses, including, but not limited to, attorneys' fees incurred by the Holder in collecting or enforcing payment hereof, shall accelerate and become immediately due and payable at the option of the Holder without notice and without regard to the Maturity Date and the Holder may proceed to exercise any rights or remedies that it may have by law or at equity under this Note or any other agreement relating to the loan evidenced by this Note.

5. Failure of the Holder to exercise its option to accelerate the indebtedness of this Note shall not constitute a waiver of the Holder's right to exercise the same in the event of any subsequent Event of Default.

6. Unless applicable law provides otherwise, all payments received by the Holder under this Note shall, at the option of the Holder, be applied (a) to the then outstanding charges and expenses incurred by the Holder in sustaining and/or enforcing this Note or any security granted for this Note; then (b) to any unpaid and accrued interest; and finally, (c) to the outstanding principal indebtedness.

7. The Holder's failure to insist upon the strict performance of any term herein shall not be deemed to be a waiver, and the Holder shall retain the right thereafter to insist upon strict performance by the Maker of all terms of this Note or any agreement securing this Note or executed in connection herewith.

8. All amounts due under this Note are secured by the Maker's pledge to the Lender of shares of the Lender's common stock described in and pursuant to a Stock Pledge Agreement between the Maker and the Lender and dated the date hereof.

9. THE MAKER ACKNOWLEDGES THAT THE LOAN EVIDENCED BY THIS NOTE IS A COMMERCIAL TRANSACTION AND WAIVES HIS RIGHTS TO NOTICE AND HEARING AS ALLOWED BY ANY STATE OR FEDERAL LAW WITH RESPECT TO ANY PREJUDGMENT REMEDY WHICH THE HOLDER MAY DESIRE TO USE. THE MAKER WAIVES DILIGENCE, DEMAND, PRESENTMENT FOR PAYMENT, NOTICE OF NONPAYMENT, PROTEST AND NOTICE OF PROTEST, AND NOTICE OF ANY RENEWALS OR EXTENSIONS OF THIS NOTE, AND ALL RIGHTS UNDER ANY STATUTES OF LIMITATIONS. THE MAKER ACKNOWLEDGES THAT HE MAKES THIS WAIVER KNOWINGLY, VOLUNTARILY AND ONLY AFTER CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER WITH HIS ATTORNEYS.

10. THE MAKER WAIVES TRIAL BY JURY IN ANY COURT IN ANY SUIT, ACTION OR PROCEEDING ON ANY MATTER ARISING IN CONNECTION WITH OR IN ANY WAY RELATED TO THE TRANSACTION OF WHICH THIS NOTE IS A PART AND/OR TO THE DEFENSE OR ENFORCEMENT OF ANY OF THE HOLDER'S RIGHTS AND REMEDIES, INCLDUING, WITHOUT LIMITATION, TORT CLAIMS. THE MAKER ACKNOWLEDGES THAT HE MAKES THIS WAIVER KNOWINGLY, VOLUNTARILY AND ONLY AFTER CONSIDERATION OF THE RAMIFICATIONS OF THIS WAIVER WITH HIS ATTORNEYS.

11. This Note and the provisions hereof shall inure to the benefit of the Holder, its successors and assigns and shall be binding upon the undersigned, his heirs, executors, administrators and assigns.

12. This Note shall be governed by and construed in accordance with the laws of the State of Connecticut. The Maker submits to personal jurisdiction in the State of Connecticut for the enforcement of the Maker's obligations hereunder and under any agreement securing this Note, and the Maker waives all rights under the laws of any other state to object to jurisdiction within the State of Connecticut. If litigation is commenced, the Maker agrees that service of process may be made and personal jurisdiction over the Maker obtained, by service of a copy of the summons, complaint and other pleadings required to commence such litigation upon the Maker by registered or certified mail to or by personal service at the last known address of the Maker.

/s/ Bart C. Shuldman

BART C. SHULDMAN

EXHIBIT 10.21

Oki Data Americas, Inc.

OEM PURCHASE AGREEMENT

Transact Technologies Inc., with a location at 7 Laser Lane, Wallingford, CT 06492 (hereinafter "Customer") agrees to purchase and Oki Data Americas, Inc., with a location at 2000 Bishops Gate Boulevard, Mt. Laurel, New Jersey 08054-4620 (hereinafter "Oki Data") agrees to sell the Product(s), in the quantity specified in the annexed Exhibit A (the Specified Quantity), at the prices set forth in that Exhibit A and upon the terms and conditions set forth herein. "Products" as used herein and throughout the Agreement pertain to printer kits which will be further modified by Customer to create Customer's end product for resale

1. TERM OF AGREEMENT

The term of this Agreement shall be two (2) years commencing on June 8, 2001 (the Effective Date). Orders placed during this twenty-four (24) month ordering period must be scheduled for delivery within thirty (30) months of the Effective Date.

2. CUSTOMER ORDERS

Purchases by Customer will be by individual written Customer purchase orders made during the term of this Agreement issued to and accepted by Oki Data. Each purchase order, subject to the conditions set forth in Paragraph 4 below, shall set forth the desired delivery schedule for each Product.

3. QUANTITY OF PRODUCT

During the term of this Agreement, Customer anticipates purchasing a total quantity of fifty thousand (50,000) units of Product over the term of the Agreement.

4. PRICES

A. The unit price for the Specified Quantity and any quantity in excess thereof purchased by Customer shall be as set forth in Exhibit A. Prices will be firm through March 31, 2001. The parties agree to meet mid October of 2001 to discuss pricing which will become effective for purchases after March 31, 2001.

B. Oki Data warrants that the prices, terms and conditions offered under this Agreement are no less favorable than those offered to other OEM customers buying similar products in similar quantities.

C. Should Oki Data decrease the price of like products to its other OEM customers, any such decrease will be passed on to the Customer to the extent that Oki Data offers the same price reduction to its other customers, procuring the same volumes and who are similarly situated. Price decreases do not include marketing programs or price changes that Oki Data may offer through its other channels of distribution, including, but not limited to, spiffs, rebates, one time offers and or marketing incentives.

5. RESCHEDULING OF DELIVERIES

Deliveries pursuant to each purchase order shall be scheduled to commence no earlier than one hundred and twenty (120) days after receipt of such purchase order by Oki Data. With respect to any Product on any single purchase order, Customer may, by issuing a written amendment to that purchase order, and upon the following conditions, reduce the quantity of the Product to be delivered in accordance with the purchase order delivery schedule:

(i) There has been no prior reduction in delivery of that Product on that purchase order. A new delivery schedule will be set forth in the amendment for Products deleted from the original delivery schedule of the purchase order.

(ii) A maximum reduction of seventy-five percent (75%) of the quantity may be made provided the written amendment is received by Oki Data more than sixty (60) days prior to the scheduled delivery.

(iii) A maximum reduction of fifty percent (50%) of the quantity may be made provided the written amendment is received by Oki Data more than thirty (30) days prior to the scheduled delivery.

(iv) Any attempted reduction exceeding the quantities set forth in this Paragraph 5, and any attempted reduction made within sixty (60) days prior to the scheduled delivery may, at the option of Oki Data, be treated as a cancellation, effective on the date of Oki Data's receipt of the amendment to the purchase order, and Customer shall pay the cancellation charges set forth in the Paragraph 6 below.

6. CANCELLATION CHARGES

A. In the event Customer cancels any purchase order or portion thereof, Customer, upon receipt of invoice shall pay Oki Data cancellation charges computed for Product as follows:

Cancellation Notice Received By Oki Data	Cancellation Charge
Excess of sixty (60) days.	No charge.
31 to 60 days prior to originally scheduled delivery date.	Ten (10%) percent of the Specified Quantity price.

Cancellation notices received within the thirty (30) day period prior to the originally scheduled delivery or attempted cancellation of a previously rescheduled deliveries will be void and of no force and effect, and Customer will be liable for the full unit price of each Product.

7. CUSTOMER FORECASTS

Once each month, at the end of the third week of each month, Customer will furnish to Oki Data a written non-binding forecast of its requirements for the Product(s) and ribbons for the ensuing one hundred eighty (180) days.

8. PAYMENT

A. Payment shall be made within thirty (30) days from the date of invoice. Interest shall accrue thereafter at the rate of one and one-half (1 1/2%) percent per month on the unpaid balance.

B. Prices are exclusive of any sales, use, property, and like taxes. Any such tax Oki Data may be required to collect or pay upon the sale or delivery of the Products shall be promptly reimbursed by Customer.

9. PATENT INDEMNITY

A. Oki Data shall defend or settle any suit or proceeding brought against Customer to the extent that such suit or proceeding is based on a claim that Products manufactured to Oki Data's design and purchased hereunder constitute an infringement of an existing United States Patent, copyright, or other intellectual property right provided Oki Data is notified promptly in writing and given complete authority, information and assistance required for defense of same, and Oki Data shall pay all damages and costs awarded as a result thereof against Customer. Oki Data, however, shall not be responsible for any cost, expense, or compromise incurred or made by Customer without Oki Data's prior written consent.

B. In the event any Product furnished hereunder is, in Oki Data's opinion, likely to or does become the subject of a claim of infringement of a patent, Oki Data may, at its option and expense, procure for Customer the right to continue using the Product, replace same with a non-infringing Product of similar capability, or modify the Product so it becomes non-infringing. If, in Oki Data's opinion, none of the foregoing alternatives is reasonably available to Oki Data, Oki Data may terminate this Agreement forthwith by written notice to Customer and, upon return or disposal of the Product in accordance with the written instructions of Oki Data, refund the price paid by Customer, less straight line depreciation on the basis of a five (5) year life of the Product.

C. Oki Data shall have no responsibility or liability for any claim of infringement (i) arising out of the use of its Products in combination with non-Oki Data products, or (ii) if such infringement arises out of Product manufactured to Customer's design, or (iii) if such infringement arises as a result of a customer modification to the Product.

D. The foregoing states the entire liability of Oki Data with respect to infringement of any patent by the Products of Oki Data or any parts thereof and, anything herein to the contrary notwithstanding, Oki Data's liability to Customer hereunder shall in no event exceed the total price plus taxes and other associated charges paid to Oki Data by Customer for each infringing Product purchased pursuant to this Agreement.

10. TERMINATION

This Agreement may be terminated or canceled as follows:

A. By either party at any time if the other party violates any provision of this Agreement. The defaulting party shall have a period of thirty (30) days from the date of receipt of written notice from the non-defaulting party describing the fact and nature of the default within which to remedy the default. Should Customer be the defaulting party, Oki Data, during the aforesaid thirty (30) day period, shall be relieved of any obligations imposed on it by this Agreement until the default is cured. The termination shall become effective at the end of the thirty (30) day period if the defaulting party has failed to remedy the default.

B. If either party (i) admits in writing its inability to pay its debts generally as they become due, or (ii) makes an assignment for the benefit of its creditors, or (iii) institutes or consents to the filing of a petition in bankruptcy, whether for reorganization or liquidation, under federal or similar applicable state laws, or (iv) is adjudged bankrupt or insolvent by a court having jurisdiction, then in either of such events, the other party may, by written notice, immediately terminate this Agreement.

C. Customer's obligation to pay for all Products received by it hereunder shall survive termination of this Agreement. Moreover, should termination be effected by Oki Data for any of the reasons set forth in this Paragraph10, Customer shall be liable for the undelivered quantity of Products to the same extent as if Customer had canceled deliveries pursuant to Paragraphs 5 or 6 above, at Oki Data's option.

11. SHIPPING AND RISK OF LOSS

All prices are F.O.B. Oki Data's facilities, Mt. Laurel New Jersey. Oki Data will package the Products in accordance with accepted standard commercial practices for normal shipment considering the type of Product involved and the normal risks encountered in shipments. Customer shall designate the method of shipment on each individual purchase order issued against this Agreement. Oki Data shall arrange for shipment by the designated method. All transportation charges are freight collect.

12. LIMITATION OF LIABILITY

In no event will Oki Data be liable for loss of profits or incidental, special, or consequential damages arising out of any breach of obligations under this Agreement, nor will Oki Data be liable for any damages caused by delay in delivery of the Products being purchased hereunder.

13. VALUE ADDED

Customer warrants and represents that the Products purchased hereunder are for use and resale by Customer as part of, or as accessories to, equipment manufactured or assembled by Customer, or are modified by Customer so as to change the Products normal functionality from that Product as sold to Customer by Oki Data.

14. EXPORT RESTRICTIONS

Customer warrants that it shall not at any time make or permit any export or reexport of Oki Data Products directly or indirectly to any country, without full compliance with United States export laws and regulations as issued by the United States Department of Commerce, Office of Export Administration, as amended from time to time, as those laws and regulations apply to Oki Data Products, and all other things delivered to, or derived from things delivered to, Customer under the OEM Purchase Agreement. Customer's failure to comply with the requirements of this paragraph constitutes an event of default giving Oki Data the right to terminate the OEM Purchase Agreement immediately.

15. CONFIDENTIALITY AND PROPRIETARY RIGHTS

Each party (including its agents and employees) warrants that it shall not disclose to any third party, or use or reproduce for any purpose whatsoever the Intellectual Property of the other party, and shall treat as proprietary the other parties , trade secrets, technical data, methods, processes or procedures or any other confidential, financial, or business information or data obtained from the other party which the receiving party has access to or becomes aware of during the course of its performance of the OEM Purchase Agreement, without the prior written consent of the disclosing party.

Nothing herein shall limit Customer's use or dissemination of information not derived from Oki Data, or any information that was, or subsequently has been, made public by Oki Data. This obligation shall survive the cancellation or other termination of the OEM Purchase Agreement.

16. WARRANTY

All Products purchased under this Agreement are sold without warranty. Receiving inspection quality issues will be addressed between the parties.

17. SPARE PARTS

A. Spare parts, and the prices therefor, for Products purchased hereunder shall be listed in Oki Data's Suggested End-User Price List issued from time to time by Oki Data. Suitable spare parts will be available for a period of seven (7) years from the date of last delivery under this Agreement and may be purchased by the issuance of a Customer purchase order acceptable to Oki Data. If Customer requires spare parts after they are no longer available from Oki Data, Oki Data will provide available drawings or purchase specifications to assist Customer in obtaining the products from other sources. The documentation to be supplied will be that documentation as is in existence at that time.

B. The minimum spare parts order is fifty dollars ($50.00).

C. Spare parts for the Products and their prices will be listed in the Recommended end user Spare Parts List (RSPL) which will be issued from time to time by Oki Data. Effective October 1, 2001, spare parts pricing will go from fifty (50%) percent off list price to forty (40%) percent off list price with exception of the following spare parts for which the discount will remain at fifty (50%) percent off list price; part number 55080201, main control board, M90 serial; and part number 40140601, M150 Serial I/F board; and, part number 40297801, M150 Parallel I/F board.

D. Ribbons and manuals have special pre-discounted prices and are therefor not subject to the above discount. Purple ribbon part number 52108701 is $* each, and the black ribbon part number 52109401 is $* each.

E. The aforementioned pricing, as contained in this paragraph 17 will remain in effect until March 31, 2002.

18. GENERAL PROVISIONS

A. All notices required to be given hereunder will be sent by registered or certified mail, return receipt requested, postage prepaid or by prepaid overnight courier, forwarded to the appropriate party at the address shown below, or at such other addresses as that party may, from time to time, advise in writing, and which have been received in the ordinary course of post.

* Confidential treatment requested

B. Neither party shall have the right to assign its rights or obligations under this Agreement except with the written consent of the other party, provided, however, that a successor in interest by merger, by operation of law, or by assignment, purchase of otherwise of the entire business of either party, shall acquire all interest of such party hereunder. Any prohibited assignment shall be null and void.

C. The failure of either party to enforce at any time the terms, conditions, requirements, or any other provisions of this Agreement shall not be construed as a waiver by such party of any succeeding non-performance of the same term, condition, requirement or any other provision of this Agreement.

D. The headings of paragraphs contained herein are for convenience and reference only and are not a part of this Agreement, nor shall they in any way affect the interpretation thereof.

E. The parties agree that if any portion of this Agreement shall be held illegal and/or unenforceable, the remaining portions of this Agreement shall continue to be binding and enforceable provided that the effectivity of the remaining portion of this Agreement would not defeat the overall business intent of the parties, or give one party any substantial financial benefit to the detriment of the other party.

F. This Agreement and its appendices shall be governed by the laws of the party against whom a claim is being made in any dispute, or if such claim is made in litigation, by the laws of the state of the defendant.

G. This Agreement constitutes the entire Agreement between the parties and supersedes all prior discussion either oral or in writing.

H. The terms and conditions of this Agreement will prevail notwithstanding any variance with the terms and conditions of any order or release submitted by Customer, or any release acknowledgment returned by Oki Data. Except as expressly set forth in this Agreement, this Agreement shall not be deemed, or construed to be, modified, amended, rescinded, or canceled in whole or in part, except by written amendment executed by the parties hereto.

I. EXHIBIT A, PRICES attached hereto, are hereby incorporated herein by this reference.

IN WITNESS WHEREOF, the parties hereto have set their names on the dates hereinafter set forth.

Transact Technologies, Inc.	Oki Data Americas, Inc.
/s/ Bart C. Shuldman	/s/ David L. Vaughn
Signature	Signature
Bart C. Shuldman	David L. Vaughn
Name	Name
Chairman and CEO	Sr. Manager, Legal Affairs
Title	Title
June 21, 2001	June 26, 2001
Date	Date

EXHIBIT A

PRICES

OKIDATA KIT	PART NUMBER	MINIMUM ORDER	NEW PRICING
M90	58238101	500	$*
M150P	40248402	500	$*
M150S	40248401	500	$*
M172P	58221401	500	$*
M172S	58221501	500	$*
ML172IGT	40248403	500	$*

The pricing table above is effective for orders for delivery after December 8, 2001 through March 31, 2002.

* Confidential treatment requested.

EXHIBIT 10.25

AMENDMENT NO. 2

TO

LOAN AND SECURITY AGREEMENT

THIS AMENDMENT NO. 2 ("Amendment") is entered into as of December 21, 2001, by and among TransAct Technologies Incorporated, a Delaware corporation having its principal place of business at 7 Laser Lane, Wallingford, Connecticut 06492 ("Borrower"), LaSalle Business Credit, Inc. having its principal place of business at 135 South LaSalle Street, Chicago, Illinois 60603 with an office located at 565 Fifth Avenue, New York, New York 10017 ("LaSalle"), the undersigned financial institutions (each individually a "Lender" and, collectively, "Lenders") and LaSalle as agent for the Lenders (LaSalle, in such capacity, "Agent").

BACKGROUND

Pursuant to a Loan and Security Agreement dated as of May 25, 2001, (as the same has been and may further be amended, restated, supplemented or otherwise modified from time to time, the "Loan Agreement") by and among Borrower, Agent and Lenders, Agent and Lenders provide Borrower with certain financial accommodations.

Borrower has requested that, among other things, Agent and Lenders (i) amend certain financial covenants contained in the Loan Agreement and (ii) amend certain other provisions of the Loan Agreement and Agent and Lenders are willing to do so on the terms and conditions hereafter set forth.

NOW, THEREFORE, in consideration of any loan or advance or grant of credit heretofore or hereafter made to or for the account of Borrower by Agent and Lenders, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Loan Agreement.

2. Amendment to Loan Agreement. Subject to satisfaction of the conditions precedent set forth in Section 4 below, the Loan Agreement is hereby amended as follows:

(a) Paragraph 1(a) is hereby amended as follows:

(i) the following defined term is hereby added in its appropriate alphabetical order:

"Amendment No. 2" shall mean Amendment No. 2 to this Agreement dated as of December 21, 2001.

"Amendment No. 2 Effective Date" shall mean the date on which all of the conditions precedent contained in Section 4 of Amendment No. 2 shall have been satisfied.

"Miscellaneous Charges" shall mean the sum of (a) the aggregate amount of restructuring charges incurred by Borrower in connection with the closing of Borrower's plant in Wallingford, Connecticut during the Fiscal Year ending December 31, 2001, plus (b) the aggregate amount of charges incurred by Borrower in connection with the discontinuance of the product line consisting of model 181 front exit thermal printers during the Fiscal Year ending December 31, 2001.

(ii) the following defined term is hereby amended in its entirety to provide as follows:

"EBITDA" shall mean, with respect to any applicable fiscal period, the following for Borrower on a consolidated basis, each calculated for such period: net income before taxes for such period (excluding pre-tax gains or losses on the sale of assets (other than the sales of Inventory in the ordinary course of business) and excluding other pre-tax extraordinary gains), plus interest expense, depreciation, amortization and other non-cash charges deducted in determining net income for such period, plus the Miscellaneous Charges, minus interest income calculated in determining net income for such period.

(iii) the defined term "Wallingford Restructuring Charges" is hereby deleted in its entirety.

(b) Paragraph 15(p) is hereby amended in its entirety to provide as follows:

"(p) Borrower on a consolidated basis shall maintain and keep in full force and effect each of the financial covenants set forth below. The calculation and determination of each such financial covenant, and all accounting terms contained therein, shall be so calculated and construed in accordance with GAAP, applied on a basis consistent with the financial statements of Borrower delivered on or before the Closing Date:

(i) Tangible Net Worth. Borrower on a consolidated basis shall maintain as of the end of each month a Tangible Net Worth of not less than the amount set forth below shown opposite such month:

MONTH ENDED	TANGIBLE NET WORTH
December 31, 2001	$8,900,000
March 31, 2002	The difference of (A) the Tangible Net Worth as of the Fiscal Year ending December 31, 2001 as calculated based on the 2001 Annual Financial Statements minus (B) $750,000 (the difference of (A) and (B), the "Base Amount")
April 30, 2002 and each month thereafter (each such month, the "current month")	The sum of (A) the Base Amount plus (B) an aggregate amount equal to eighty five percent (85%) of the cumulative net income after taxes of Borrower on a consolidated basis for the period commencing on April 1, 2002 through and including the last day of the current month, provided, however, that such cumulative amount shall not be reduced by the amount of any net loss before taxes of Borrower on a consolidated basis for any preceding month.

(ii) Fixed Charge Coverage Ratio. Borrower on a consolidated basis shall maintain as of the end of each month a Fixed Charge Coverage Ratio of not less than the ratio set forth below shown opposite such month with respect to the twelve (12) months then ended, provided that the applicable period being tested on the month ending (i) June 30, 2002 shall be for the six month period then ended, (ii) July 31, 2002 shall be for the seven month period then ended, (iii) August 31, 2002 shall be for the eight month period then ended, (iv) September 30, 2002 shall be for the nine month period then ended, (v) October 31, 2002 shall be for the ten month period then ended and (vi) November 30, 2002 shall be for the eleven month period then ended:

MONTH ENDED	FIXED CHARGE COVERAGE RATIO
June 30, 2002	1.0 to 1.0
July 31, 2002	1.25 to 1.0
August 31, 2002	1.25 to 1.0
September 30, 2002 and each month thereafter	1.5 to 1.0

(iii) Capital Expenditures. Borrower on a consolidated basis shall not make Capital Expenditures of an aggregate amount of more than (x) two million two hundred thousand dollars ($2,200,000) during the Fiscal Year ending December 31, 2001 and (y) two million five hundred thousand dollars ($2,500,000) during any Fiscal Year thereafter.

(iv) Minimum Consolidated EBITDA. Borrower on a consolidated basis shall maintain EBITDA of not less than the amounts set forth below shown opposite such month with respect to the twelve (12) months then ended, provided that the applicable period being tested on the month ending (i) January 31, 2002 shall be for the one month period then ended, (ii) February 28, 2002 shall be for the two month period then ended, (iii) March 31, 2002 shall be for the three month period then ended, (iv) April 30, 2002 shall be for the four month period then ended, (v) May 31, 2002 shall be for the five month period then ended, (vi) June 30, 2002 shall be for the six month period then ended, (vii) July 31, 2002 shall be for the seven month period then ended, (viii) August 31, 2002 shall be for the eight month period then ended, (ix) September 30, 2002 shall be for the nine month period then ended, (x) October 31, 2002 shall be for the ten month period then ended and (xi) November 30, 2002 shall be for the eleven month period then ended:

MONTH ENDED	MINIMUM CONSOLIDATED EBITDA
January 31, 2002	($500,000)
February 28, 2002	($315,000)
March 31, 2002	($50,000)
April 30, 2002	$125,000
May 31, 2002	$300,000
June 30, 2002	$715,000
July 31, 2002	$1,175,000
August 31, 2002	$1,375,000
September 30, 2002	$1,765,000
October 31, 2002	$1,850,000
November 30, 2002	$2,000,000
December 31, 2002 and each month thereafter	$2,175,000"

3. Amendment Fee. On the Amendment No. 2 Effective Date, Borrower shall pay Agent for the benefit of Lenders an amendment fee of $5,000 (the "Amendment Fee"). The Amendment Fee shall be deemed fully earned on the Amendment No. 2 Effective Date and shall not be subject to reduction, rebate or proration whatsoever. Borrower hereby authorizes Agent to automatically charge Borrower's loan account with Agent for the Amendment Fee on the Amendment No. 2 Effective Date.

4. Conditions of Effectiveness. This Amendment shall become effective as of the date hereof when and only when Agent shall have received in form and substance satisfactory to Agent and its counsel (i) four (4) copies of this Amendment executed by Borrower and consented and agreed to by TransAct.com, TransAct UK and TransAct Barbados as Guarantors and (ii) such other certificates, instruments, documents, agreements and opinions of counsel as may be required by Agent or its counsel, each of which shall be in form and substance satisfactory to Agent and its counsel.

5. Representations and Warranties. Borrower hereby represents and warrants as follows:

(a) This Amendment and the Loan Agreement, as amended hereby, constitute legal, valid and binding obligations of Borrower and are enforceable against Borrower in accordance with their respective terms.

(b) Upon the effectiveness of this Amendment, Borrower hereby reaffirms all covenants, representations and warranties made in the Loan Agreement to the extent the same are not amended hereby and agree that all such covenants, representations and warranties shall be deemed to have been remade as of the effective date of this Amendment.

(c) After giving effect to this Amendment, no Event of Default or Default has occurred and is continuing or would exist.

(d) Borrower has no defense, counterclaim or offset with respect to the Loan Agreement.

(e) The chief executive office of Borrower is 7 Laser Lane, Wallingford, Connecticut 06492.

6. Effect on the Loan Agreement.

(a) Upon the effectiveness of Section 2 hereof, each reference in the Loan Agreement to "this Agreement," "hereunder," "hereof," "herein" or words of like import shall mean and be a reference to the Loan Agreement as amended hereby.

(b) Except as specifically amended herein, the Loan Agreement, and all other documents, instruments and agreements executed and/or delivered in connection therewith, shall remain in full force and effect, and are hereby ratified and confirmed.

(c) The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of Agent or Lenders, nor constitute a waiver of any provision of the Loan Agreement, or any other documents, instruments or agreements executed and/or delivered under or in connection therewith.

7. Governing Law. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns and shall be governed by and construed in accordance with the laws of the State of New York.

8. Headings. Section headings in this Amendment are included herein for convenience of reference only and shall not constitute a part of this Amendment for any other purpose.

9. Counterparts; Facsimile. This Amendment may be executed by the parties hereto in one or more counterparts, each of which shall be deemed an original and all of which taken together shall be deemed to constitute one and the same agreement. Any signature delivered by a party hereto by facsimile shall be deemed to be an original signature hereto.

[Signature Page to Follow]

IN WITNESS WHEREOF, this Amendment has been duly executed as of the day and year first written above.

TRANSACT TECHNOLOGIES INCORPORATED,
as Borrower

By: /s/ Richard L. Cote

Name: Richard L. Cote
Title: Executive Vice President and CFO

LASALLE BUSINESS CREDIT, INC., as Agent
and Lender

By: /s/ Daniel Maresca

Name: Daniel Maresca
Title: First Vice President

CONSENTED AND AGREED TO:

TRANSACT.COM, INC., as Guarantor

By: /s/ Bart C. Shuldman

Name: Bart C. Shuldman
Title: President

TRANSACT TECHNOLOGIES LIMITED, as Guarantor

By: /s/ Bart C. Shuldman

Name: Bart C. Shuldman
Title: Director

TRANSACT TECHNOLOGIES INTERNATIONAL LTD., as Guarantor

By: /s/ Richard L. Cote

Name: Richard L. Cote
Title: President

EXHIBIT 11.1

TRANSACT TECHNOLOGIES INCORPORATED
COMPUTATION OF EARNINGS PER SHARE

	Year Ended December 31, 2001	2000	1999
Net Income (loss)	$(4,922,000)	$ (344,000)	$ 324,000
Dividends and accretion on preferred stock	(358,000)	(320,000)	--
Net income (loss) available to common shareholders	$(5,280,000)	$ (664,000)	$ 324,000
Shares:			
Basic - Weighted average common shares outstanding	5,551,000	5,504,000	5,565,000
Dilutive effect of outstanding options and warrants as determined by the treasury Stock method	--	--	49,000
Diluted - Weighted average common and common equivalent shares outstanding	5,551,000	5,504,000	5,614,000
Net income (loss) per common and common equivalent share:			
Basic	$ (0.95)	$ (0.12)	$ 0.06
Diluted	$ (0.95)	$ (0.12)	$ 0.06

EXHIBIT 21.1

TRANSACT TECHNOLOGIES INCORPORATED
SUBSIDIARIES OF TRANSACT TECHNOLOGIES INCORPORATED

Name	Jurisdiction of Incorporation	Owner	Percentage Owned
TransAct.com, Inc.	Delaware	TransAct Technologies Incorporated	100%
TransAct Technologies Limited (formerly Ithaca Peripherals Limited)	United Kingdom	TransAct Technologies Incorporated	100%
TransAct Technologies International Ltd	Barbados	TransAct Technologies Incorporated	100%

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-49532, No. 333-49530, No. 333-49540 and No. 333-59570) of TransAct Technologies Incorporated of our report dated February 8, 2002 relating to the financial statements and financial statement schedules, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Hartford, CT
March 26, 2002