

TRANSACT TECHNOLOGIES TO OFFER SPECIALIZED TWO-SIDED TRUE COLOR THERMAL PAPER IN THE U.S. MARKET

POWEROLL™

Receipts That Register™

POWEROLL delivers innovative, high-impact marketing that effectively reaches your current customers unlike any other paper roll through magazine-quality, 4 color images and two additional spot branded colors. Your message is reproduced exactly to your branding specifications, with up to 2 miles of real estate opportunity. Plus, POWEROLL's unique security features aggressively attack copy receipt fraud.







WALLINGFORD, CT, September 28, 2006 – TransAct Technologies, Incorporated. (Nasdaq: TACT), a global leader in market-specific printers for transaction-based industries, today announced that it has partnered with Merley Paper Converters Ltd., the U.K.'s largest independent manufacturer of receipt paper rolls, to exclusively distribute in the U.S thermal paper that will have true full color images printed on the front or back. This specialized thermal paper will be delivered to end-users in rolls that are pre-printed with the user's logo, product or other branded marketing material. Use of this paper allows users to leverage the receipt for branding and marketing purposes, while also helping to reduce copied receipt fraud. TransAct will market the paper under its newly created POWEROLL™ brand.

"We believe that this partnership is a wonderful opportunity for TransAct to continue the growth of the TransAct Services Group, which has been one of our primary objectives," said Bart C. Shuldman, Chairman, President and CEO. "TransAct has always strived to provide the market with innovative printing technologies and solutions. Merley has invested millions of dollars in what we believe to be the only true color receipt roll printing paper available in the market today. By introducing this specialized thermal paper to the U.S. market, we are providing customers with a new vehicle for promoting their brand and products. Customers across various industries including banking, casinos, retailers, and providers of consumer goods, will be able to print ads and promotions in full color including their spot, branded corporate and product colors on the back of their

receipts. We are excited about this exclusive U.S distribution partnership. We believe it further strengthens our competitive advantage in the marketplace."

James Stetson, SVP and Business Manager of TransAct Services Group, commented, "The TransAct Services Group is focused on finding opportunities for growth that leverage our printing industry expertise and our established sales force and distribution network. Clearly this is a one-of-a-kind opportunity for us to bring to the U.S. market a new innovative printing technology. More importantly, this new product represents an opportunity that goes beyond the normal footprint of TransAct printers and will permit us to reach out to a large group of prospective customers that we have not targeted in the past."

Several large companies in the U.K. including Harrods, Boots the Chemist, and Clinton Cards are currently using this thermal paper.

TransAct will showcase the POWEROLL™ paper at three upcoming tradeshows: · FS TEC - November 6th in Long Beach, CA · BAI - November 14th in Las Vegas, NV · G2E - November 14th in Las Vegas, NV

About TransAct Technologies Incorporated TransAct Technologies Incorporated (Nasdaq:TACT) is a leader in developing and manufacturing market-specific printers for transaction-based industries. These industries include gaming, lottery, banking and hospitality. Each individual market has distinct, critical requirements for printing and the transaction is not complete until the receipt and/or ticket is produced. TransAct printers are designed from the ground up based on market specific requirements and are sold under the Ithaca® and Epic product brands. TransAct distributes its products through OEMs, value-added resellers, selected distributors, and direct to end-users. TransAct has over two million printers installed around the world. TransAct also has a strong focus on the after-market side of the business, with a high commitment to printer service, supplies and spare parts. TransAct is headquartered in Wallingford, CT. For more information on TransAct, visit www.transact-tech.com or call 203.859.6800.

Contacts: Steven DeMartino, Chief Financial Officer, 203-859-6810 or David Pasquale, 646-536-7006, or Denise Roche, 646-536-7008, both with The Ruth Group

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Forward-Looking Statements: Certain statements in this press release include forward-looking statements. Forward-looking statements generally can be identified by the use of forward-looking terminology, such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "project" or "continue" or the negative thereof or other similar words. All forward-looking statements involve risks and uncertainties, including, but are not limited to, customer acceptance and market share gains, both domestically and internationally, in the face of substantial competition from competitors that have broader lines of products and greater financial resources; introduction of new products into the marketplace by competitors; successful product development; dependence on significant customers; dependence on significant vendors; the ability to recruit and retain quality employees as the Company grows; dependence on third parties for sales outside the United States, including Australia, New Zealand, Europe and Latin America; economic and political conditions in the United States, Australia, New Zealand, Europe and Latin America; marketplace acceptance of new products; risks associated with foreign operations; availability of third-party components at reasonable prices; price wars or other significant pricing pressures affecting the Company's products in the United States or abroad; risks associated with potential future acquisitions; and the outcome of lawsuits between TransAct and FutureLogic, Inc. Actual results may differ materially from those discussed in, or implied by, the forward-looking statements. The forward-looking statements speak only as of the date of this release and the Company assumes no duty to update them to reflect new, changing or unanticipated events or circumstances.