UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: March 31, 2005

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)

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

Not applicable
(Former name, former address and former fiscal year, if changed since last report.)

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 whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act).

YES [X] NO [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING APRIL 29, 2005
COMMON STOCK, $.01 PAR VALUE	10,194,808

TRANSACT TECHNOLOGIES INCORPORATED

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ITEM 1. FINANCIAL STATEMENTS

TRANSACT TECHNOLOGIES INCORPORATED

CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(In thousands)	MARCH 31, 2005	December 31, 2004
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 7,596	$ 8,628
Receivables, net	9,145	8,910
Inventories	8,038	8,074
Refundable income taxes	510	510
Deferred tax assets	2,565	2,370
Other current assets	554	586
Total current assets	28,408	29,078
Fixed assets, net	3,666	3,177
Goodwill	1,469	1,469
Deferred tax assets	274	274
Other assets	91	101
	5,500	5,021
Total assets	$ 33,908	$ 34,099
LIABILITIES AND SHAREHOLDERS' EQUITY:		
Current liabilities:		
Accounts payable	$ 2,999	$ 3,804
Accrued liabilities	3,559	3,812
Accrued restructuring	420	420
Deferred revenue	931	717
Total current liabilities	7,909	8,753
Accrued restructuring	925	1,034
Accrued product warranty	140	153
Deferred revenue	427	444
	1,492	1,631
Total liabilities	9,401	10,384
Shareholders' equity:		
Common stock	102	100
Additional paid-in capital	18,922	17,401
Retained earnings	7,275	7,112
Unamortized restricted stock compensation	(1,958)	(1,067)
Accumulated other comprehensive income	166	169
Total shareholders' equity	24,507	23,715
Total liabilities and shareholders' equity	$ 33,908	$ 34,099

See notes to condensed consolidated financial statements.

TRANSACT TECHNOLOGIES INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(UNAUDITED)

(In thousands, except per share data)	THREE MONTHS ENDED MARCH 31, 2005	2004
Net sales	$ 12,036	$ 15,075
Cost of sales	8,359	9,657
Gross profit	3,677	5,418
Operating expenses:		
Engineering, design and product development	731	614
Selling and marketing	1,349	1,362
General and administrative	1,364	1,332
	3,444	3,308
Operating income	233	2,110
Interest and other income (expense):		
Interest, net	20	(10)
Other, net	(1)	(3)
	19	(13)
Income before income taxes	252	2,097
Income taxes	89	755
Net income	$ 163	$ 1,342
Net income available to common shareholders	$ 163	$ 1,165
Net income per common share:		
Basic	$ 0.02	$ 0.13
Diluted	$ 0.02	$ 0.12
Shares used in per share calculation		
Basic	10,010	8,966
Diluted	10,452	9,800

See notes to condensed consolidated financial statements.

TRANSACT TECHNOLOGIES INCORPORATED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW
(UNAUDITED)

(In thousands)	THREE MONTHS ENDED MARCH 31, 2005	2004
Cash flows from operating activities:		
Net income	$ 163	$ 1,342
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Non-cash compensation expense	69	69
Depreciation and amortization	408	427
Changes in operating assets and liabilities:		
Receivables	(235)	1,286
Inventories	36	(536)
Other current assets	32	200
Accounts payable	(805)	(718)
Accrued liabilities and other liabilities	18	735
Accrued restructuring expenses	(109)	(131)
Net cash (used in) provided by operating activities	(423)	2,674
Cash flows from investing activities:		
Purchases of fixed assets	(887)	(194)
Net cash used in investing activities	(887)	(194)
Cash flows from financing activities:		
Term loan repayments	--	(420)
Proceeds from option and warrant exercises, and from issuance of shares under the Employee Stock Purchase Plan	281	435
Payment of cash dividends	--	(74)
Net cash provided by (used in) financing activities	281	(59)
Effect of exchange rate changes	(3)	6
(Decrease) increase in cash and cash equivalents	(1,032)	2,427
Cash and cash equivalents at beginning of period	8,628	498
Cash and cash equivalents at end of period	$ 7,596	$ 2,925

See notes to condensed consolidated financial statements.

TRANSACT TECHNOLOGIES INCORPORATED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. DESCRIPTION OF BUSINESS

TransAct Technologies Incorporated ("TransAct"), which has its headquarters in Wallingford, CT and 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) brand name. Our printers are used worldwide to provide transaction records such as receipts, tickets, coupons, register journals and other documents. We focus on two core markets: point-of-sale and banking ("POS") and gaming and lottery. In addition, we market related consumables, spare parts and service. We sell our products to original equipment manufacturers ("OEMs"), value-added resellers, selected distributors and directly to end-users. Our product distribution spans across the Americas, Europe, the Middle East, Africa, the Caribbean Islands and the South Pacific.

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. These accounting principles were applied on a basis consistent with those of the consolidated financial statements contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2004. In our opinion, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to state fairly TransAct's financial position as of March 31, 2005, the results of our operations for the three months ended March 31, 2005 and 2004, and our cash flows for the three months ended March 31, 2005 and 2004. The December 31, 2004 condensed consolidated balance sheet has been derived from the audited financial statements at that date. These interim financial statements should be read in conjunction with the audited financial statements for the year ended December 31, 2004 included in our Annual Report on Form 10-K.

The financial position and results of operations of our foreign subsidiary are measured using local currency as the functional currency. Assets and liabilities of such subsidiary have been translated at end of period exchange rates, and related revenues and expenses have been translated at weighted average exchange rates with the resulting translation gain or loss recorded in accumulated other comprehensive income. Transaction gains and losses are included in other income.

The results of operations for the three months ended March 31, 2005 are not necessarily indicative of the results to be expected for the full year.

On March 4, 2004, we announced that our Board of Directors approved a three-for-two stock split of our common stock to be effected in the form of a 50 percent stock dividend. The additional shares were payable April 2, 2004 to shareholders of record at the close of business on March 17, 2004. As a result of the stock dividend, all shareholders of record received one additional share of common stock for every two shares of common stock held on the record date, and cash instead of any fractional shares. All share and per share amounts within the accompanying condensed consolidated financial statements and footnotes reflect the stock split on a retroactive basis.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

2. ACCOUNTING FOR STOCK-BASED COMPENSATION

We have elected to follow Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), and related interpretations in accounting for stock options. Since the exercise price of employee stock options granted by the Company equals the market price of the underlying stock on the date of grant, no compensation expense is recorded. We have adopted the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("FAS 123"), as amended by Statement of Financial Standards No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure - an amendment of FAS 123" ("FAS 148").

During the three months ended March 31, 2005, we granted 96,400 shares of restricted stock to key employees under the 1996 Stock Plan and the 2001 Employee Stock Plan. Deferred compensation of $960,000 was recorded with respect to these grants in the three months ended March 31, 2005 and will be recognized into compensation expense over the vesting period (between three and five years).

The following table illustrates the effect on net income, compensation expense and net income per share as if the Black-Scholes fair value method pursuant to FAS 123 had been applied to our stock plans.

	Three months ended March 31,	
(In thousands, except per share data)	2005	2004
Net income available to common shareholders:		
Net income available to common shareholders, as reported	$ 163	$ 1,165
Add: Stock-based compensation expense included in reported net income, net of tax	44	44
Deduct: Stock-based compensation expense determined under fair value based method for all awards, net of tax	(579)	(70)
Pro forma net income (loss) available to common shareholders	$ (372)	$ 1,139
Net income (loss) per common share:		
Basic:		
As reported	$ 0.02	$ 0.13
Pro forma	$ (0.04)	$ 0.13
Diluted:		
As reported	$ 0.02	$ 0.12
Pro forma	$ (0.04)	$ 0.12

TRANSACT TECHNOLOGIES INCORPORATED

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

2. ACCOUNTING FOR STOCK-BASED COMPENSATION (CONT)

During the three months ended March 31, 2005 and 2004, we received cash proceeds of approximately $284,000 and $423,000, respectively, from the issuance of approximately 61,000 and 109,000 shares of common stock resulting from stock option and warrant exercises. We also recorded a related tax benefit that was credited to Additional Paid-In Capital of approximately $282,000 and $503,000 in the three months ended March 31, 2005 and 2004, respectively, resulting from subsequent employee stock sales.

3. INVENTORIES

The components of inventories are:

(In thousands)	March 31, 2005	December 31, 2004
Raw materials and component parts	$7,585	$7,869
Finished goods	453	205
	$8,038	$8,074

4. ACCRUED PRODUCT WARRANTY LIABILITY

The following table summarizes the activity recorded in the accrued product warranty liability during the three months ended March 31, 2005 and 2004.

	Three months ended March 31,	
(In thousands)	2005	2004
Balance, beginning of period	$ 597	$ 495
Additions related to warranties issued	198	175
Warranty costs incurred	(151)	(143)
Balance, end of period	$ 644	$ 527

The current portion of the accrued product warranty liability is included in accrued liabilities in the accompanying balance sheet.

5. ACCRUED BUSINESS CONSOLIDATION AND RESTRUCTURING

In February 2001, we undertook a plan to consolidate all manufacturing and engineering into our existing Ithaca, NY facility and close our Wallingford, CT manufacturing facility (the "Consolidation"). As of December 31, 2001, substantially all Wallingford product lines were successfully transferred to Ithaca, NY. We continue to apply 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 relating to the consolidation. The remaining accrued restructuring balance relates to lease and other occupancy costs related to unused space at our Wallingford facility through the end of the lease term.

The following table summarizes the activity recorded in accrued restructuring expenses during the three months ended March 31, 2005 and 2004.

(In thousands)	Three Months Ended March 31, 2005	Three Months Ended March 31, 2004
Accrual balance, beginning of period	$ 1,454	$ 2,125
Cash payments	(109)	(131)
Accrual balance, end of period	$ 1,345	$ 1,994

6. EARNINGS PER SHARE

Beginning in the second quarter of 2004, the Company applied the consensus set forth in EITF 03-06 "Participating Securities and the Two-Class Method under FASB Statement No. 128, Earnings Per Share", which requires the two-class method of computing earnings per share when participating securities, such as our previously outstanding redeemable preferred stock, are outstanding. The two-class method is an earnings allocation formula that determines earnings per share for common stock and participating securities based upon an allocation of earnings as if all of the earnings for the period had been distributed in accordance with participation rights on undistributed earnings. EITF 03-6 became effective for reporting periods beginning after March 31, 2004. The calculation of earnings per share for the three months ended March 31, 2004 has been retroactively restated to reflect this guidance.

6. EARNINGS PER SHARE (CONTINUED)

	Three Months Ended March 31,	
	2005	2004
Net income	$ 163	$ 1,342
Dividends and accretion charges on preferred stock	--	(90)
Earnings allocation to preferred shareholders	--	(87)
Net income available to common shareholders	$ 163	$ 1,165
Shares:		
Basic: Weighted average common shares outstanding	10,010	8,966
Add: Dilutive effect of outstanding options, warrants and restricted stock as determined by the treasury stock method	442	834
Diluted: Weighted average common and common equivalent shares outstanding	10,452	9,800
Net income per common share:		
Basic	$ 0.02	$ 0.13
Diluted	$ 0.02	$ 0.12

Unvested restricted stock is excluded from the calculation of weighted average common shares for basic EPS. For diluted EPS, weighted average common shares include the impact of restricted stock under the treasury method.

For the three months ended March 31, 2005 and March 31, 2004, potentially dilutive shares that were excluded from the earning per share calculation consisted of out-of-the-money stock options and warrants, and amounted to 44,250 and 750 shares, respectively. In addition, for the three months ended March 31, 2004, diluted earnings per share calculations assumed no conversion of the convertible mandatorily redeemable preferred stock (which was converted into 666,665 shares of common stock, partly on April 20, 2004 and the remainder on April 26, 2004), as the effect would have been anti-dilutive.

7. COMPREHENSIVE INCOME

The following table summarizes the Company's comprehensive income:

	Three Months Ended March 31,	
(In thousands)	2005	2004
Net income	$ 163	$1.342
Foreign currency translation adjustment	(3)	6
Total comprehensive income	$ 160	$1,348

8. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

FOREIGN EARNINGS REPATRIATION: In December 2004, the FASB issued FASB Staff Position No. 109-2, "Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004" ("FSP 109-2"), which provides guidance under FAS 109, "Accounting for Income Taxes," with respect to recording the potential impact of the repatriation provisions of the American Jobs Creation Act of 2004 (the "Jobs Act") on enterprises' income tax expense and deferred tax liability. The Jobs Act was enacted on October 22, 2004. The Jobs Act creates a temporary incentive for U.S. corporations to repatriate accumulated income earned abroad by providing an 85% dividends received deduction for certain dividends from controlled foreign corporations. FSP 109-2 states that an enterprise is allowed time beyond the financial reporting period of enactment to evaluate the effect of the Jobs Act on its plan for reinvestment or repatriation of foreign earnings for purposes of applying FAS 109. The deduction is subject to a number of limitations and uncertainty remains as to how to interpret certain provisions in the Act. As such, we have not yet determined whether, and to what extent, we might repatriate foreign earnings that have not yet been remitted to the U.S.

9. SIGNIFICANT TRANSACTIONS

On March 25, 2005, our Board of Directors approved a stock repurchase program (the "Stock Repurchase Program"). Under the program, we are authorized to repurchase up to $10 million of our outstanding shares of common stock from time to time on the open market over the next three years. As of March 31, 2005, we had not repurchased any shares of our common stock under the program.

On March 28, 2005, we amended the Banknorth Credit Facility to permit us to repurchase our common stock pursuant to the terms of the Stock Repurchase Program.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD LOOKING STATEMENTS

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. 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 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 we grow; 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; availability of third-party components at reasonable prices; and the absence of price wars or other significant pricing pressures affecting our products in the United States and abroad. Actual results may differ materially from those discussed in, or implied by, the forward-looking statements. The forward-looking statements speak only as of the date of this report and we assume no duty to update them to reflect new, changing or unanticipated events or circumstances.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

Our discussion and analysis of our financial condition and results of operations are based upon our condensed consolidated financial statements, which have been prepared by us in accordance with accounting principles generally accepted in the United States of America. The presentation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and disclosure of contingent assets and liabilities. Our estimates include those related to revenue recognition, inventory obsolescence, the valuation of deferred tax assets and liabilities, depreciable lives of equipment, warranty obligations, contingent liabilities and restructuring accruals. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. For a complete description of our accounting policies, see Item 7 - - Management's Discussion and Analysis of Financial Condition and Results of Operations, "Critical Accounting Policies and Estimates," included in our Form 10-K for the year ended December 31, 2004. There were no material changes to the application of our critical accounting policies for the three months ended March 31, 2005

RESULTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 2005 COMPARED TO THREE MONTHS ENDED MARCH 31, 2004

NET SALES. Net sales by business unit for the current and prior year's quarter were as follows:

(In thousands)	Three months ended March 31, 2005		Three months ended March 31, 2004		Change $	Change %
Point of sale and banking	$ 3,954	32.8%	$ 5,006	33.2%	$(1,052)	(21.0%)
Gaming and lottery	5,471	45.5%	7,608	50.5%	(2,137)	(28.1%)
TransAct Services Group	2,611	21.7%	2,461	16.3%	150	6.1%
	$12,036	100.0%	$15,075	100.0%	$(3,039)	(20.2%)
International *	$ 2,083	17.3%	$ 1,216	8.1%	$ 867	71.3%

*International sales do not include sales of printers made to domestic distributors or other customers who in turn ship those printers to international destinations.

Net sales for the first quarter of 2005 decreased $3,039,000, or 20%, from the same period last year due primarily to lower printer shipments into our gaming and lottery (a decrease of approximately $2,137,000, or 28%) and point of sale ("POS") and banking (a decrease of approximately $1,052,000, or 21%) markets. Sales from our Services Group increased by $150,000, or 6%, as our installed base of printers grows and we continue to aggressively pursue these after-market sales. Overall, international sales increased by $867,000, or 71%, due largely to higher international shipments of our gaming printers, primarily to Australia and Europe.

POINT OF SALE AND BANKING:

Revenue from the POS and banking market includes sales of inkjet, thermal and impact printers used primarily by retailers in the hospitality, restaurant (including fine dining, casual dining and fast food) and specialty retail industries to print receipts for consumers, validate checks, or print on other inserted media. Revenue from this market also includes sales of printers used by banks, credit unions and other financial institutions to print and/or validate receipts at bank teller stations Sales of our POS and banking printers worldwide decreased approximately $1,052,000, or 21%.

(In thousands)	Three months ended March 31, 2005		Three months ended March 31, 2004		Change $	Change %
Domestic	$ 3,418	86.4%	$ 4,670	93.3%	$(1,252)	(26.8%)
International	536	13.6%	336	6.7%	200	59.5%
	$ 3,954	100.0%	$ 5,006	100.0%	$(1,052)	(21.0%)

Domestic POS and banking revenue decreased to $3,418,000, representing a $1,252,000, or 27%, decrease from the first quarter of 2004, due to significantly lower sales (approximately 85%) of our Bankjet(R) line of inkjet printers, as we substantially completed shipments to two major financial services companies to upgrade bank teller stations during 2004. Although we are currently pursuing several banking opportunities, due to the project-oriented nature of these sales, we cannot predict if and when future sales may occur. This decrease was partially offset by increasing sales of our other POS product lines, including our iTherm(TM)280 thermal printer and our family of impact printers. Excluding banking printers, sales of our POS printers increased by over 50% in the first quarter of 2005 compared to the first quarter of 2004.

International POS and banking printer shipments increased by approximately $200,000, or 60%, to $536,000, due primarily to higher sales through our network of international POS distributors.

We expect sales into the POS and banking market for the second quarter of 2005 to be higher than those reported for the first quarter of 2005, as our additional sales staff and initiatives put in place in 2005 begin to take hold.

GAMING AND LOTTERY:

Revenue from the gaming and lottery market includes sales of printers used in slot machines and video lottery terminals ("VLT") that print tickets instead of issuing coins ("ticket-in, ticket-out" or "TITO") at casinos worldwide. Revenue from this market also includes sales of lottery printers to GTECH, the world's largest provider of lottery terminals, for various lottery applications. Sales of our gaming and lottery products decreased by $2,137,000, or 28%, from the first quarter a year ago, primarily due to a decrease in sales of our slot machine and other gaming printers in North America. This decrease was somewhat offset by higher international sales of our slot machine and other gaming printers in Australia and Europe and by higher sales of lottery printers to GTECH.

(In thousands)	Three months ended March 31, 2005		Three months ended March 31, 2004		Change $	Change %
Domestic	$ 4,481	81.9%	$ 7,320	96.2%	$(2,839)	(38.8%)
International	990	18.1%	288	3.8%	702	243.8%
	$ 5,471	100.0%	$ 7,608	100.0%	$(2,137)	(28.1%)

Domestic sales of our gaming and lottery printers declined by $2,839,000, or 39%. Due to a significant decline in slot machine sales into the domestic casino market, we experienced significantly lower sales of our TITO casino printers throughout North America. We expect the significant downturn in domestic casino slot machine sales to continue at least through the second quarter of 2005.

Printer sales to GTECH Corporation (a worldwide lottery terminal provider and major customer), which include impact and thermal on-line lottery printers, increased by approximately 47% in the first quarter of 2005 compared to the first quarter of 2004. Our quarterly sales to GTECH are directly dependent on the timing and number of new and upgraded lottery terminal installations GTECH performs, and are not indicative of GTECH's overall business or revenue. Based on the timing of orders, we expect sales of lottery printers to GTECH for the second quarter of 2005 to be less than those reported in the first quarter of 2005.

We also sell spare parts and provide repair services for GTECH's significant installed base of impact and thermal lottery printers. Such sales are included in those reported for the TransAct Services Group.

International gaming and lottery printer sales increased $702,000, or 244%, to $990,000 in the first quarter of 2005. Such sales represented 18% and 4% of total sales into our gaming and lottery market during the first quarter of 2005 and 2004, respectively. We continued to experience growth in international printer sales as markets in Europe and Australia begin to adopt ticket printing in slot machines and other gaming and amusement machines. We expect sales of our gaming printers related to the rollout of ticket printing to accelerate in Europe and Australia in the second quarter of 2005, and more substantially in the second half of 2005.

TRANSACT SERVICES GROUP ("TSG"):

Revenue from TSG includes sales of consumable products (inkjet cartridges, ribbons and paper), replacement parts, maintenance and repair services, refurbished printers, and shipping and handling charges. Sales from TSG increased by approximately $150,000, or 6%

(In thousands)	Three months ended March 31, 2005		Three months ended March 31, 2004		Change $	Change %
Domestic	$2,054	78.7%	$ 1,869	75.9%	$ 185	9.9%
International	557	21.3%	592	24.1%	(35)	(5.9)%
	$2,611	100.0%	$ 2,461	100.0%	$ 150	6.1%

Sales in our TSG group increased domestically by approximately $185,000, to $2,054,000 largely due to higher sales of inkjet cartridges, spare parts and refurbished printers. Internationally, sales decreased by approximately $35,000 to $557,000 due largely to a decrease in services revenue. We expect sales from TSG to accelerate throughout the remainder of 2005, as the additional sales staff and our new service center in Las Vegas, NV and expanded service center in Wallingford, CT gain momentum. Sales from TSG in the first quarter of 2004 included unusually high sales to one of our major customers.

GROSS PROFIT. Gross profit decreased $1,741,000, or 32%, and gross margin decreased to 30.6% from 35.9%, due primarily to a lower volume of sales and a less favorable sales mix, including lower sales of higher margin gaming and lottery printers, in the first quarter of 2005 compared to the first quarter of 2004. We expect gross margin for the second quarter of 2005 to be consistent with the gross margin reported for the first quarter of 2005.

ENGINEERING AND PRODUCT DEVELOPMENT. Engineering, design and product development expenses primarily include salary and payroll related expenses for our engineering staff, depreciation and design expenses (including prototype printer expense, outside design and testing services, and supplies). Such expenses increased by $117,000, or 19%, to $731,000, as we incurred expenses related to IGT's integration and attainment of jurisdictional approvals for our new Epic950(TM) thermal casino printer on all of IGT's slot platforms worldwide (the "IGT Integration") (approximately $100,000). Engineering and product development expenses increased as a percentage of net sales to 6.1% from 4.1%, due primarily to these increased costs in proportion to lower sales in the first quarter of 2005 compared to the first quarter of 2004. We expect engineering and product development expenses for the second quarter of 2005 to be somewhat higher than those reported in the first quarter of 2005 as we have added engineering staff and continue to increase product development to significantly expand our product offerings in both the POS and gaming and lottery markets.

SELLING AND MARKETING. Selling and marketing expenses primarily include salaries and payroll related expenses for our sales and marketing staff, sales commissions, travel expenses, expenses associated with the lease of sales offices, advertising, trade show expenses and other promotional marketing expenses. Selling and marketing expenses for the first quarter of 2005 were consistent with those reported for the first quarter of 2004, decreasing slightly by $13,000, or 1%, to $1,349,000. Lower spending on marketing and other promotional activities was largely offset by increased expenses related to the addition of new sales staff and our new service centers in Las Vegas, NV and Wallingford, CT. Selling and marketing expenses increased as a percentage of net sales to 11.2% from 9.0%, due primarily to lower sales volume in the first quarter of 2005 compared to the first quarter of 2004. We expect selling and marketing expenses to be higher in the second quarter of 2005 compared to the first quarter of 2005, as we experience the full-quarter effect of the addition of new sales and marketing staff (including the initial staffing of our newly-formed TransAct Services Group) and the establishment our two new service centers during the first quarter of 2005. We believe that this investment in selling and marketing is necessary in 2005 to achieve our sales growth strategy for 2005 and beyond.

GENERAL AND ADMINISTRATIVE. General and administrative expenses primarily include salaries and payroll related expenses for our executive, accounting, human resource and information technology staff, expenses for our corporate headquarters, professional and legal expenses; and telecommunication expenses. General and administrative expenses increased by $32,000, or 2%, to $1,364,000, due primarily to higher professional expenses, including those related to compliance with Sarbanes-Oxley. General and administrative expenses increased as a percentage of net sales to 11.3% from 8.8% due primarily to the factor listed above, and due to lower volume of sales. We expect general and administrative expenses to be higher in the second quarter of 2005 than the first quarter of 2005, largely due to higher expected legal expenses related to our lawsuit against a competitor, increased staffing in finance and accounting, and expenses associated with our implementation of a new Oracle ERP system.

OPERATING INCOME. During the first quarter of 2005 we reported operating income of $233,000, or 1.9% of net sales, compared to $2,110,000, or 14.0% of net sales in the first quarter of 2004. The substantial decrease in our operating income and operating margin was due largely to lower sales in the first quarter of 2005 compared to that of 2004.

INTEREST. We recorded net interest income of $20,000 compared to net interest expense of $10,000 in the first quarter of 2004, as we repaid all outstanding revolving borrowings, and our term loan, by January 2004. We do not expect to draw on our revolving borrowings as we continue to generate cash from operations through the remainder of 2005. As a result, we expect to continue to report net interest income throughout 2005. See "Liquidity and Capital Resources" below for more information.

INCOME TAXES. We recorded an income tax provision of $89,000 and $755,000 in the first quarter of 2005 and 2004, respectively, at an effective rate of 35.3% and 36.0%, respectively.

NET INCOME. We reported net income during the first quarter of 2005 of $163,000, or $0.02 per diluted share, compared to net income of $1,342,000, or $0.12 per diluted share, for the first quarter of 2004. Earnings per share for the first quarter of 2004 has been retroactively restated for adoption of EITF 03-06 "Participating Securities and the Two-Class Method under FASB Statement No. 128, Earnings Per Share", which requires the two-class method of computing earnings per share. The two-class method is an earnings allocation formula that determines earnings per share for common stock and participating securities based upon an allocation of earnings as if all of the earnings for the period had been distributed in accordance with participation rights on undistributed earnings. There were no preferred stock dividend payments or allocation of earnings to preferred shareholders beyond the second quarter of 2004, as the preferred stock was converted to common stock in April 2004.

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

Overview: In the first three months of 2005, our cash flows reflected the results of lower sales volume and our increased investment in infrastructure, compared to the same period in 2004. Cash decreased by $1,032,000 from December 31, 2004, due in large part to increased capital spending in the first quarter of 2005. We ended the quarter with approximately $7.6 million in cash and cash equivalents. We expect to earn interest income on our available cash balance throughout 2005.

Operating activities: The following significant factors affected our cash used in operations of $423,000 in the first three months of 2005:

- We reported net income of $163,000

- We recorded depreciation, amortization and non-cash compensation expense of $476,000

- Accounts receivable increased by $235,000 due to timing of sales during the quarter

- Accounts payable decreased by $805,000 due to lower inventory purchases related to lower sales volume during the quarter

- Deferred tax assets increased by $195,000, primarily due to a tax benefit of $282,000 related to employee stock sales

The following payments also affected our cash from operations during the quarter:

Royalty Payments:

During the second quarter of 2004, we signed a cross licensing agreement with Seiko Epson. Under the agreement, Seiko Epson received a license to three of our patents, and we received a license to eighteen of Seiko Epson's patents relating to printing applications for the point of sale and banking markets. In addition, we agreed to pay $900,000 as a royalty for the usage of certain Seiko Epson technology prior to January 1, 2003. We had accrued for the $900,000 royalty for past usage as of December 31, 2003. In accordance with the terms of the agreement, we paid $525,000 of the royalty in the second quarter of 2004, and have paid the remaining $375,000 in the first quarter of 2005. Under the agreement, we continue to pay royalties on a quarterly basis related to the current sales of licensed printers, which is reflected in cost of sales.

Accrued Restructuring Payments:

As of March 31, 2005 and December 31, 2004, our restructuring accrual amounted to $1,345,000 and $1,454,000, respectively. The decrease of $109,000 is related solely to payments made on our Wallingford lease obligation. We expect to pay approximately $420,000 of these expenses per year from 2005 through 2007, and the remaining $194,000 in 2008. These payments from 2005 through 2008 relate primarily to lease obligation costs for unused space in our Wallingford, CT facility.

Investing activities: Our capital expenditures were approximately $887,000 and $194,000 in the first three months of 2005 and 2004, respectively. Expenditures in 2005 included approximately $500,000 for the purchase of hardware, software and outside consulting costs related to our implementation of a new Oracle ERP system, and the remaining amount primarily for the purchase of new product tooling. We expect capital expenditures for the full year 2005 to be approximately $3,000,000. During 2005, we expect to invest in two significant projects: (1) the purchase and implementation of Oracle software and (2) office renovations to our new gaming and lottery headquarters and western region service center in Las Vegas, NV. We believe these projects will provide us with improved efficiency and will enable us to streamline and more cost effectively manage our business as it grows in size, number of locations and overall complexity. In addition to these projects, we also expect to continue our focus on product development and the purchase of tooling for new products and enhanced versions of existing products.

Financing activities: We generated approximately $281,000 from financing activities during the first three months of 2005, largely due to proceeds from stock option exercises (approximately $284,000).

WORKING CAPITAL

Our working capital increased to $20,499,000 at March 31, 2005 from $20,325,000 at December 31, 2004. The current ratio also increased to 3.6 to 1 at March 31, 2005 from 3.3 to 1 at December 31, 2004. The increase in both working capital and the current ratio was due largely to lower accounts payable and accrued liabilities, partly offset by lower cash and cash equivalents ($7,596,000) compared to December 31, 2004.

DEFERRED TAXES

As of March 31, 2005, we had a net deferred tax asset of approximately $2,839,000. In order to utilize this deferred tax asset, we will need to generate approximately $8.0 million of taxable income in future years. Based on future projections of taxable income, we have determined that it is more likely than not that the existing net deferred tax asset will be realized.

CREDIT FACILITY AND BORROWINGS

On August 6, 2003, we entered into a $12.5 million credit facility (the "Banknorth Credit Facility") with Banknorth N.A. The Banknorth Credit Facility provides for an $11.5 million revolving credit line expiring on July 31, 2006, and a $1 million equipment loan facility which, as amended, may be drawn down through July 2005. Borrowings under the revolving credit line bear a floating rate of interest at the prime rate. Borrowings under the equipment loan bear a floating rate of interest at the prime rate plus 0.25% and are secured by a lien on the assets of the company. The Banknorth Credit Facility imposes certain quarterly financial covenants on the Company and restricts the payment of dividends on its common stock and the creation of other liens.

On November 12, 2004, we amended the Banknorth Credit Facility. Under the terms of the agreement, we renewed, through July 31, 2005, our $1.0 million equipment loan, which had expired on July 31, 2004. The amendment also revised certain other terms of the revolving credit facility.

On March 28, 2005, we amended the Banknorth Credit Facility to permit us to repurchase our common stock pursuant to the terms of the Stock Repurchase Program as explained below.

The borrowing base of the revolving credit line under Banknorth Credit Facility is based on the lesser of (a) $11.5 million or (b) 85% of eligible accounts receivable plus (i) the lesser of (1) $5,500,000 and (2) 45% of eligible raw material inventory plus 50% of eligible finished goods inventory, less (ii) a $40,000 credit reserve.

As of March 31, 2005, we had no balances outstanding on the revolving credit line and term loan, respectively. Undrawn commitments under the Banknorth Credit Facility were approximately $12,500,000 at March 31, 2005. However, our maximum additional available borrowings under the facility were limited to approximately $9,000,000 at March 31, 2005 based on the borrowing base of our collateral. We were in compliance with all financial covenants of the Banknorth Credit Facility at March 31, 2005.

STOCK REPURCHASE PROGRAM

On March 25, 2005 our Board of Directors approved a stock repurchase program ("the Stock Repurchase Program"). Under the Stock Repurchase Program, we are authorized to repurchase up to $10 million of our outstanding shares of common stock from time to time in the open market over the next three years, depending on market conditions, share price and other factors. As of March 31, 2005, we did not repurchase any shares of our common stock under the Stock Repurchase Program.

PREFERRED STOCK

In connection with our 7% Series B Cumulative Convertible Redeemable Preferred Stock (the "Preferred Stock"), we paid $70,000 of cash dividends per quarter. In April 2004, all holders of our Series B Preferred Stock converted all their preferred shares into common stock. Under the conversion, a total 666,665 new shares of common stock were issued. No future dividend payments are required beyond the second quarter of 2004.

SHAREHOLDERS' EQUITY

Shareholders' equity increased by $792,000 to $24,507,000 at March 31, 2005 from $23,715,000 at December 31, 2004. The increase was primarily due to the following for the three months ended March 31, 2005: (1) net income of $163,000 (2) proceeds of approximately $284,000 from the issuance of approximately 61,000 shares of common stock from stock option exercises, (3) an increase in additional paid in capital of approximately $282,000 resulting from the tax benefits resulting from the sale of employee stock from stock option exercises, and (4) compensation expense related to restricted stock grants of $69,000.

CONTRACTUAL OBLIGATIONS

We have experienced no material changes in our contractual obligations outside the ordinary course of business during the three months ended March 31, 2005.

RESOURCE SUFFICIENCY

We believe that our cash on hand and cash flows generated from operations and borrowings available under the Banknorth Credit Facility will provide sufficient resources to meet our working capital needs, including costs associated with the Consolidation, to finance our capital expenditures, to fund our Stock Repurchase Program, and meet our liquidity requirements through at least the next 12 months.

ITEM 4. CONTROLS AND PROCEDURES

As of the end of the period covered by this quarterly report, an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures was conducted under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that the Company's disclosure controls and procedures were adequate and designed to ensure that information required to be disclosed by the Company in this report is recorded, processed, summarized and reported in a timely manner, including that such information is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

There were no significant changes in internal controls or in other factors that could be reasonably likely to materially affect internal controls, including any corrective actions with regard to significant deficiencies and material weaknesses in internal controls, during the period covered by this report.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On April 28, 2005 we announced that we had filed a complaint in Connecticut Superior Court against FutureLogic, Inc. of Glendale, California. The complaint charges FutureLogic with disseminating false and misleading statements, which impugn the business reputation of TransAct with the intent of damaging TransAct's business. TransAct asserts claims of defamation, tortious interference with contractual relations, tortious interference with business expectancy, and violation of the Connecticut Unfair Trade Practices Act, and seeks an award of compensatory and punitive damages, attorneys' fees and costs.

ITEM 2C. STOCK REPURCHASE

On March 25, 2005, our Board of Directors approved a stock repurchase program ("the Stock Repurchase Program"). Under the Stock Repurchase Program, we are authorized to repurchase up to $10 million of our outstanding shares of common stock from time to time in the open market over the next three years, depending on market conditions, share price and other factors. As of March 31, 2005, we did not repurchase any shares of our common stock under the Stock Repurchase Program.

ITEM 6. EXHIBITS

a. Exhibits filed herein

Exhibit 31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
Exhibit 32.1	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 32.2	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
Exhibit 10.22	Second Amendment to Revolving Credit, Equipment Loan and Security Agreement dated as of March 28, 2005 between TransAct Technologies Incorporated and Banknorth, N.A.

SIGNATURES

Pursuant to the requirements of the Securities Exchange 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

(Registrant)

May 10, 2005	/s/ Steven A. DeMartino Steven A. DeMartino Executive Vice President, Secretary, Treasurer and Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT LIST

The following exhibits are filed herewith.

Exhibit	
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350 as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002
10.22	Second Amendment to Revolving Credit, Equipment Loan and Security Agreement dated as of March 28, 2005 between TransAct Technologies Incorporated and Banknorth, N.A.

Exhibit 10.22

Banknorth
Massachusetts

1441 Main Street
P.O. Box 3034
Springfield, MA 01103

TransAct Technologies Incorporated
7 Laser Lane
Wallingford, Connecticut 06492
Attn: Steven A. DeMartino, Executive Vice President and Chief Financial Officer

Rate: Stock Buyback

Gentlemen:

Reference made to that certain Revolving Credit, Equipment Loan and Security Agreement by and between you and the undersigned dated as of August 6, 2003 (the "Loan Agreement").

You have indicated to the undersigned that you wish to initiate a stock buyback program for your publicly traded common stock. You further indicated that this program would extend over the next three years. You have requested our consent to this program, which Transact Technologies would like to commence in calendar year 2005.

As you are aware such a stock buyback is not permitted under the terms of section 6.3 of the Loan Agreement, and you have asked us to amend the Loan Agreement to provide for the stock buyback. You have agreed to certain terms and conditions limiting the stock buyback as to the source of funds to be used for the buyback, the outside date for such stock buyback and the total amount of funds which may be used for the buyback.

Based on the information you have provided to us and your representations to us, we agree to amend the Loan Agreement by adding the following paragraph (4) to section 6.3 of the Loan Agreement:

> (4) use of up to $10,000,000 to purchase the common stock of the Borrower upon the terms and conditions set forth in this paragraph (4). Such buyback shall be accomplished entirely through the use of free cash of the Borrower and will not require any additional borrowing by the Borrower under this Agreement or any other borrowing. At no time shall the Borrower have less than $2,000,000.00 of free cash (that is cash not borrowed from the Bank or otherwise). The Borrower shall buyback the stock at a price authorized by its Board of Directors. The Borrower shall commence the stock buyback program in calendar year 2005, and the stock buyback program will terminate no later than three years from the date of its commencement. The Borrower shall not use more than $10,000,000 of its free cash in total for the entire buyback program. The Borrower shall

not repurchase any stock if it would violate the conditions to such buyback as provided in this Section 6.3 (4) or be made when and Event of Default has occurred and is continuing or would cause an Event of Default. The Borrower shall report to the Bank at the end of each fiscal month all transactions under the buyback program including the terms of such buyback, the amount of common stock repurchased and the free cash available to the Borrower after such buyback. All repurchased common stock of the Borrower shall be treated as a reduction in equity in accordance with GAAP.

By signing a copy of this letter you agree to the terms of the amendment contained in this letter. You further agree that the Loan Agreement is not modified or amended except as specifically provided in this letter agreement.

BANKNORTH, N.A.

By: /s/ James Hickson

James Hickson
Its Vice President

ACCEPTED AND AGREED TO AS OF THE 28TH
DAY OF MARCH 2005.
TRANSACT TECHNOLOGIES INCORPORATED

By: /s/ Steven A. DeMartino

Steven A. DeMartino
Its Executive Vice President and
Chief Financial Officer

Exhibit 31.1

CERTIFICATION

I, Bart C. Shuldman, certify that:

1. I have reviewed this annual report on Form 10-Q of TransAct Technologies Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2005

/s/ Bart C. Shuldman

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Bart C. Shuldman

Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Steven A. DeMartino, certify that:

1. I have reviewed this annual report on Form 10-Q of TransAct Technologies Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 10, 2005

/s/ Steven A. DeMartino

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Steven A. DeMartino
Executive Vice President, Secretary,
Treasurer and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of TransAct Technologies Incorporated (the "Company") on Form 10-Q for the period ending March 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Bart C. Shuldman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2005

/s/ Bart C. Shuldman
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Bart C. Shuldman
Chief Executive Officer

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of TransAct Technologies Incorporated (the "Company") on Form 10-Q for the period ending March 31, 2005, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Steven A. DeMartino, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 10, 2005

/s/ Steven A. DeMartino
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Steven A. DeMartino
Chief Financial Officer