

Astro-Med's mission is to build shareholder value by applying our proprietary digital technology and shared manufacturing and administrative resources to serve the growing packaging, neurological and test & measurement markets with industry-leading capital products that produce on-going consumable revenues. 

Astro-Med,[®] Inc

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WWW.ASTRO-MEDINC.COM

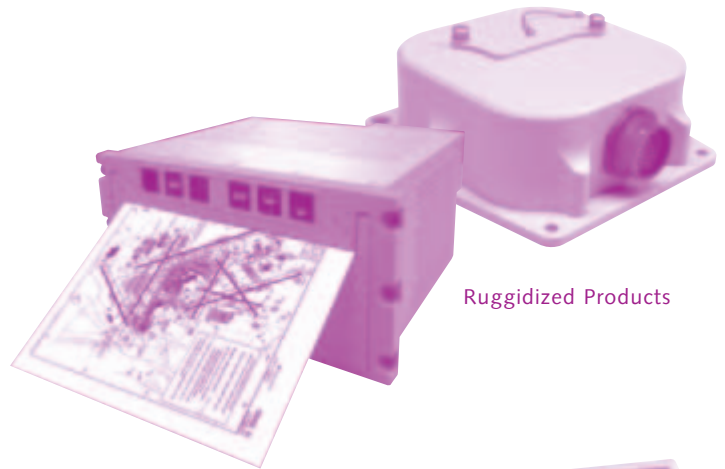
CORPORATE PROFILE

Astro-Med® Inc. is a leading manufacturer of specialty instrumentation systems and consumables. The Company's wide range of advanced products marketed under worldwide brand names including Astro-Med, QuickLabel® Systems and Grass® Technologies are based on a common underlying proprietary technology.

Astro-Med's product diversity and versatility are reflected in the Company's broad range of global customers including Fortune 500 companies as well as hospitals and smaller firms engaged in aerospace, electronics, food and beverages, transportation, automotive, energy, health care, metals, paper, pharmaceuticals, and education.

Astro-Med's digital products are widely used for demanding aerospace and industrial applications, for product identification applications in consumer and industrial markets, and for clinical and research purposes in the field of life sciences.

Astro-Med is a system certified ISO-9001 Company that focuses on product innovation, total quality and customer satisfaction.



Ruggedized Products



SleepTrek 3 System
For Home Sleep
Monitoring



Vivo! Digital Color Label Printer & Labels

TO OUR SHAREHOLDERS

We are pleased to report the Company's financial results for the fiscal year ended January 31, 2008 (FY 2008). During the year, your Company reached new milestones in customer bookings, sales volume and improved profitability, while strengthening Astro-Med's position in our global markets with a number of new initiatives.

New order bookings reached a record \$74.7 million for the year, representing an 11.5% improvement over the prior year and raising the current year's backlog by 15.9%. Our sales growth was up 10.5% for the second consecutive year, to a record \$72.4 million with our QuickLabel Systems brand reporting a stellar year and a sales increase of 22.5%. Gross Profits were also healthy, increasing 15.2% over the previous year and Gross Profit Margins improved to 43.0%. This year's Operating Income rose 35.1% to \$4.7 million, excluding the restructuring charge of \$.5 million, as well as the real estate gain of \$5.2 million from the prior year's operating income. Net Income for the year was \$4.3 million, or \$0.57 per diluted share against the prior year's Net Income of \$6.1 million or \$0.82 per diluted share. The prior year's net income includes a one-time gain of \$3.1 million or \$0.42 per diluted share related to the sale of excess real estate. This year's net income includes certain tax benefits due to favorable resolution of income tax examinations as well as restructuring of the Company's Italian subsidiary, representing \$0.11 per diluted share. Excluding the tax benefits realized in the current and prior years and the one-time real estate gain, our Net Income increased 27.3% over the previous year on a normal Operating Basis.

We improved the Company's Balance Sheet profile, raising our current ratio by 20.6% to 5.4:1, reducing the Days Sales Outstanding by 4 days and increasing the Company's book value to \$7.18 per share from \$6.78 per share. In addition, we expanded our capital assets with investments of \$4.7 million in new property and equipment, distributed \$1.4 million in earnings to shareholders as cash dividends and remained debt free at year end.

During the year we also continued our productivity improvement program in manufacturing both domestically and in Europe. Domestically, we realigned our build-to-order manufacturing processes with both a cellular flow format and investments in advanced technology production and quality assurance systems. We expanded our media manufacturing capacity in Europe with the acquisition of state of the art equipment at our Germany subsidiary. Lastly, we restructured and closed our facilities in Italy and the Netherlands and refined our distribution strategy more efficiently to serve the Company's European markets.

Color Label Printers & Supplies – QuickLabel Systems Brand

Our color label printers and consumables, which comprise our largest revenue segment at 53% of the total, grew by over 23% in the year just ended. The great success of these products is attributable to our strategy of providing a technology solution for every niche in the short-run digital label printer market, and complementing each technology with matched, proprietary label and ink consumables.

During the year we introduced the Zeo! label printer to our direct markets in North America, Europe, and to our select resellers around the world. We developed the Zeo!, which utilizes inkjet technology, in partnership with Hewlett-Packard Company. The Zeo! produces photo-quality labels in light-duty quantities, providing the QuickLabel brand family with a lower-priced, entry-level product that offers a wide variety of customers a ready path to upgrade to one of QuickLabel's higher-performance printer products, including the higher-volume photo-quality Vivo! electrophotographic printer and the higher-throughput, industrial QLS-4100 Xe thermal transfer label printer.

Applications for in-house color label printers reside with nearly every manufacturer of products that require a label. Our slogan, "the labels you want when you need them," encourages them to print custom color labels on-demand in order to achieve higher sales and higher margins with just-in-time labeling for quick order turnaround and value-added, special-version labels for private label and export product sales.

Some of the many diverse applications for QuickLabel color label printers include labeling products for personal care, such as shampoo, to automobile tires, wine, medical devices, foods, beverages, apparel, and electrical items.

Ruggedized Printers & Data Recorders – Astro-Med Brand

Our ruggedized products, which include cockpit and cabin printers, Ethernet switches, and specialized power supplies, continue to be strong contributors to the recent growth of our Astro-Med brand. We currently have major military and commercial contracts that span requirements for the life of new aircraft, from 15 to 25 years. In addition to holding contracts to provide ruggedized printers for big jet aircraft such as the Airbus 380 and A400M and Boeing 787, 777, 767, and C17, we recently entered the business jet market with a printer contract for the Bombardier Global Express. We are in discussions with several other business jet manufacturers as we continue to develop this market.

And, ruggedized product applications are not limited to aircraft. Our ruggedized Ethernet switches are used in military ground vehicles, where environments require the switch to withstand harsh chemical exposure and the potential for EMP radiation. Astro-Med Ethernet switches are part of the laser targeting system in the Textron Knight armored vehicle.

Astro-Med's Test & Measurement product line continues to grow. During the year we introduced three new portable data recorders, the Dash 32HF, the Dash 20HF, and the Dash 2EZ+, which are used for field testing and troubleshooting by engineers in a wide range of industries, such as power generation and transmission, telecommunications, transportation, steel and aluminum production, and numerous others, who need to test machinery and systems. We expect these products to be strong contributors in the new year.

Instruments for Life Sciences – Grass Technologies Brand

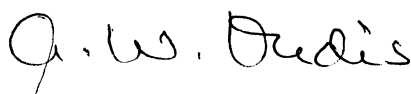
The Grass Technologies brand name is world-renowned in the fields of PSG (Sleep Diagnosis), EEG, and Long Term Epilepsy Monitoring. Sleep monitoring and diagnosis is the fastest growing market, driven by the 30 million Americans who estimated of having a sleep disorder. The number of sleep laboratories continues to grow in new free-standing labs as well as in hospitals.

We experienced some softening of the sleep market as labs and hospitals delayed purchases of new equipment pending a decision by CMS (Centers for Medicare & Medicaid Services) regarding whether “home sleep monitoring” would be reimbursed by Medicare (and subsequently private insurers), which was mentioned in our report to the shareholders last year. On March 14, 2008, Medicare approved the use of portable home sleep screeners, and we are pleased to report that Grass Technologies was ready with a hardware and software product solution. Our new SleepTrek3 portable home screener was introduced simultaneously with the CMS announcement. We expect this new product to drive additional growth in FY 2009.

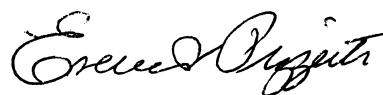
Outlook

With improvements in our manufacturing facilities and a strong workforce in place, we look forward to another good year for Astro-Med in FY 2009. We expect to reach new export markets, broaden our domestic presence, and improve operating margins with our strategy to meet and exceed customer expectations with innovative products, improved productivity, and strategic organizational alignment.

Many thanks for your continued support as valued shareholders.



Albert W. Ondis, Chairman
and Chief Executive Officer



Everett V. Pizzuti, President
and Chief Operating Officer

FINANCIAL HIGHLIGHTS

Years ended January 31,

	2008 (1)	2007 (2)	2006 (3)
NET SALES	\$72,371,000	\$65,519,000	\$59,301,000
GROSS PROFIT	\$31,111,000	\$26,998,000	\$24,658,000
GROSS PROFIT MARGIN (%)	43.0%	41.2%	41.6%
OPERATING INCOME	\$ 4,199,000	\$ 8,741,000	\$ 3,155,000
NET INCOME	\$ 4,310,000	\$ 6,059,000	\$ 2,551,000
ADJUSTED EBITDA (4)	\$ 6,615,000	\$10,779,000	\$ 4,274,000
NET INCOME PER SHARE (5)	\$ 0.57	\$ 0.82	\$ 0.35
NUMBER OF SHARES OUTSTANDING	6,874,000	6,781,000	6,647,500
CASH FLOW FROM OPERATIONS	\$ 2,712,000	\$ 2,383,000	\$ 2,407,000
FREE CASH FLOW	\$(3,402,000)	\$(1,061,000)	\$ 523,000
CASH DIVIDENDS PER SHARE	\$ 0.20	\$ 0.20	\$ 0.13
BOOK VALUE PER COMMON SHARE (6)	\$ 7.18	\$ 6.78	\$ 6.06

(1) Fiscal 2008 Operating Income and Adjusted EBITDA includes a restructuring charge of \$515,000. Fiscal 2008 Net Income Per Share includes \$.06 of favorable tax adjustments and \$.05 of favorable adjustments related to the restructuring of the sales and service centers located in Italy and the Netherlands.

(2) Fiscal 2007 Operating Income and Adjusted EBITDA includes \$5,252,000 related to the gain on the sale of the Braintree property. Fiscal 2007 Net Income Per Share includes \$.42 related to the sale of the Braintree property and \$.03 of favorable tax adjustments.

(3) Fiscal 2006 Net Income Per Share includes \$.05 related to favorable tax adjustments.

(4) Adjusted EBITDA includes Share-Based compensation expense

(5) Assuming Dilution

(6) Based on the number of shares outstanding at each year end

CORPORATE AND SHAREHOLDER INFORMATION

DIRECTORS

Albert W. Ondis, Chairman and Chief Executive Officer of Astro-Med, Inc.

Everett V. Pizzuti, President and Chief Operating Officer of Astro-Med, Inc.

Jacques V. Hopkins, ESQ, Retired Partner, Hinckley, Allen & Snyder LLP (Attorneys at Law)

Hermann Viets, Ph.D, President of the Milwaukee School of Engineering

Graeme MacLetchie, Director, Deutsche Bank Alex Brown (Private Client Division)

GENERAL COUNSEL

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Providence, Rhode Island 02903

INDEPENDENT ACCOUNTANTS

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Boston, MA 02114

TRANSFER AGENT AND REGISTRAR

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(800) 368-5948

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ANNUAL MEETING

The Annual Meeting of Shareholders will be held at 10:00 a.m. on Tuesday, May 13, 2008 at the offices of the Company, located at 600 East Greenwich Avenue, West Warwick, Rhode Island.

CORPORATE HEADQUARTERS

600 East Greenwich Avenue
West Warwick, Rhode Island 02893 USA
(401) 828-4000

COMMON STOCK

Astro-Med, Inc.'s common stock is listed on the Nasdaq Stock Market.

Ticker Symbol: ALOT

The closing price on April 16, 2008 was \$8.55.

DIVIDENDS

Astro-Med, Inc.'s quarterly dividends on common stock are paid on or about the fourth day of January, April, July and October. The Company has paid 66 consecutive quarterly dividends.

INVESTOR INQUIRIES

Securities analysts, portfolio managers and other interested investors seeking information about the Company may visit our website at:

www.Astro-MedInc.com or send inquiries to:
InvestorRelations@astromed.com.

PRODUCT INFORMATION

For information about Astro-Med products and services, please call us at (800) 343-4039 (toll-free US & Canada) or +44 (401) 828-4000 or visit our product group websites:

www.Astro-Med.com

www.GrassTechnologies.com

www.QuickLabel.com

Astro-Med, Inc. is System Certified to ISO-9001.



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