ASTRO MED INC /NEW/
Form DEF 14A
April 09, 2004

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a)

of the Securities Exchange Act of 1934

(Amendment No.)

Filed by the Registrant ¨

Filed by a Party other than the Registrant ¨

Check the appropriate box:

¨ Preliminary Proxy Statement
x Definitive Proxy Statement
¨ Definitive Additional Materials
¨ Soliciting Material Pursuant to §240.14a-12

¨ **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

Astro-Med, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x No fee required.

¨ Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

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¨ Fee paid previously with preliminary materials.

¨ Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

Astro-Med, Inc.

Astro-Med Industrial Park

600 East Greenwich Avenue

West Warwick, Rhode Island 02893

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

May 11, 2004

To the Shareholders of Astro-Med, Inc.:

Notice is hereby given that the 2004 Annual Meeting of Shareholders of Astro-Med, Inc. (the Company) will be held at the offices of the Company, Astro-Med Industrial Park, 600 East Greenwich Avenue, West Warwick, Rhode Island on Tuesday May 11, 2004, beginning at 10:00 a.m., for the purpose of considering and acting upon the following:

(1) Electing five directors to serve until the next annual meeting of shareholders or until their successors are elected and have qualified.

(2) Transacting such other business as may properly come before the meeting.

The close of business on March 26, 2004 has been fixed as the record date for determining shareholders entitled to vote at the Annual Meeting or any adjournment thereof.

By Order of the Board of Directors

Margaret D. Farrell

Secretary

April 12, 2004

Kindly fill in, date and sign the enclosed proxy and promptly return it in the enclosed addressed envelope, which requires no postage if mailed in the United States. If you are personally present at the meeting, your proxy will be returned to you if you desire to vote in person.

Astro-Med, Inc.

PROXY STATEMENT

ANNUAL MEETING OF SHAREHOLDERS

May 11, 2004

Solicitation and Revocation of Proxies

The accompanying proxy is solicited by the Board of Directors of Astro-Med, Inc. (herein called the Company) in connection with the annual meeting of the shareholders to be held May 11, 2004. The Company will bear the cost of such solicitation. It is expected that the solicitation of proxies will be primarily by mail. Proxies may also be solicited personally by regular employees of the Company at nominal cost. The Company may reimburse brokerage houses and other custodians, nominees and fiduciaries holding stock for others in their names, or in those of their nominees, for their reasonable out-of-pocket expenses in sending proxy material to their principals or beneficial owners and obtaining their proxies. Any shareholder giving a proxy has the power to revoke it at any time prior to its exercise, but the revocation of a proxy will not be effective until notice thereof has been given to the Secretary of the Company. Every properly signed proxy will be voted in accordance with the specification made thereon. This proxy statement and the accompanying proxy are expected to be first sent to shareholders on or about April 12, 2004.

Election of Directors

At the annual meeting, five directors are to be elected to hold office until the next annual meeting or until their respective successors are elected and qualified. The persons named in the accompanying proxy, who have been designated by the Board of Directors, intend to vote, unless otherwise instructed, for the election to the Board of Directors of the persons named below. Certain information concerning such nominees is set forth below:

Name and Age	**Business Experience During Past Five Years**	**Director Since**
Albert W. Ondis (78)	Chairman of the Company	1969
Everett V. Pizzuti (67)	President of the Company	1985
Jacques V. Hopkins (73)	Former Partner, Hinckley, Allen & Snyder LLP (Attorneys at Law) (Retired 1997)	1969
Hermann Viets, Ph.D. (61)	President, Milwaukee School of Engineering (since 1991); Director, Gehl Company (farm equipment)	1988
Graeme MacLetchie (66)	Director, Deutsche Bank Alex Brown (Private Client Division)	2002

Voting at Meeting

Only shareholders of record at the close of business on March 26, 2004 will be entitled to vote at the meeting. On the record date, there were 4,743,501 shares of common stock of the Company outstanding. There was no other outstanding class of voting securities. Each shareholder has one vote for every share owned.

Security Ownership of Certain Beneficial Owners and Management

The following table sets forth as of March 26, 2004 (except as noted) the record and beneficial ownership of the Company s outstanding shares of common stock by each person who is known to the Company to own of record or beneficially more than 5 percent of such stock, by each director of the Company, by each executive officer named in the Summary Compensation Table and by all directors and executive officers of the Company as a group:

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percent of Class
Albert W. Ondis 600 East Greenwich Avenue West Warwick, Rhode Island	1,474,911(1)	29.4%
Everett V. Pizzuti 600 East Greenwich Avenue West Warwick, Rhode Island	472,043(2)	9.4%
Dimensional Fund Advisors, Inc. 1299 Ocean Avenue Santa Monica, California	245,100(3)	5.2%
Jacqueline B. Ondis 40 Oak Grove Street Warwick, Rhode Island	310,000	6.5%
Hermann Viets	133,212(4)	2.8%
Joseph P. O Connell	192,093(5)	3.9%
Elias G. Deeb	92,013(6)	1.9%
Jacques V. Hopkins	41,107(7)	0.9%
Michael J. Sullivan	43,007(8)	0.9%
Graeme MacLetchie	56,000(9)	1.2%
All directors and executive officers of the Company as a group (12)	2,613,220(10)	45.5%

(1) Includes 142,478 shares held in trust for children, 274,000 shares deemed to be beneficially owned because of exercisable options to acquire shares and 2,850 shares allocated to his account under the Company s Employee Stock Ownership Plan.

(2) Includes 296,225 shares deemed to be beneficially owned because of exercisable options to acquire shares and 2,903 shares allocated to his account under the Company s Employee Stock Ownership Plan.

(3) Dimensional Fund Advisors Inc. (Dimensional), an investment advisor registered under Section 203 of the Investment Advisors Act of 1940, is deemed to have beneficial ownership of the number of shares shown as of December 31, 2003, all of which shares are held in portfolios of DFA Investment Dimensions Group Inc., a registered open-end investment company, or in a series of the DFA Investment Trust Company, Delaware business trust, or the DFA Group Trust and DFA Participation Group Trust, investment vehicles for qualified employee benefit plans. Dimensional serves as investment advisor or manager to all of such entities. Dimensional disclaims beneficial ownership of all such shares.

(4) Includes 112 shares held by Dr. Viets as custodian for a child and 7,000 shares deemed to be beneficially owned because of exercisable options to acquire shares.
(5) Includes 191,000 shares deemed to be beneficially owned because of exercisable options to acquire shares and 815 shares allocated to his account under the Company s Employee Stock Ownership Plan.
(6) Includes 80,500 shares deemed to be beneficially owned because of exercisable options to acquire shares and 2,061 shares allocated to his account under the Company s Employee Stock Ownership Plan.
(7) Includes 25,607 shares held as a trustee of a trust for the benefit of a child of Mr. Ondis, and 7,000 shares deemed to be beneficially owned because of exercisable options to acquire shares.
(8) Includes 39,500 shares deemed to be beneficially owned because of exercisable options to acquire shares and 273 shares allocated to his account under the Company s Employee Stock Ownership Plan.
(9) Includes 1,000 shares deemed to be beneficially owned because of exercisable options to acquire shares.
(10) Includes 1,002,725 shares deemed to be beneficially owned because of exercisable options to acquire shares and 12,670 shares allocated to the accounts of officers under the Company s Employee Stock Ownership Plan.

Meetings and Committees

During the fiscal year ended January 31, 2004, the Board of Directors held four formal meetings and two meetings by telephone conference. The Board of Directors has adopted a policy that requires members of the Board to make every effort to attend each annual shareholders meeting. All members of the Board of Directors attended the 2003 annual shareholders meeting.

The Board of Directors currently has three standing committees: an Audit Committee, a Compensation Committee and a Nominating Committee, which was formed in March 2004. The members and chairs of each of those committees are appointed each year. Membership of the Audit, Compensation or Nominating Committee is comprised of the Company s three outside directors, Messrs. Hopkins and MacLetchie and Dr. Viets, all of whom are independent as defined under the applicable NASDAQ listing standards and Securities and Exchange Commission (SEC) rules.

Each of the Audit, Compensation and Nominating Committees has a written charter approved by the Board of Directors. A copy of each charter is available on the Company s website at www.astromed.com under Investor Relations Corporate Governance . Additionally, a copy of the Audit Committee Charter is included as Appendix A to this Proxy Statement.

Audit Committee. The Audit Committee s primary duties and responsibilities include overseeing the integrity of the Company s financial reports, appointing, setting the compensation and overseeing the Company s independent accountants, and assessing the qualifications and independence and performance of the Company s independent accountants and the adequacy of internal controls. The Audit Committee meets with the Company s independent accountants to review quarterly financial results, the annual audit scope, the results of the audit and other relevant matters. Mr. Hopkins serves as Chairman of the Audit Committee, which held three in person meetings and one meeting by telephone conference during the fiscal year ended January 31, 2004. The Board of Directors has determined that all three members of the Audit Committee satisfy the financial literacy requirements of the NASDAQ listing standards and are independent as defined under the NASDAQ listing requirements and applicable SEC rules. Additionally, the Board of Directors has determined that Graeme MacLetchie satisfies the financial sophistication requirement of the NASDAQ listing requirements, but that none of the Audit Committee members qualifies as an audit committee financial expert as defined by the SEC rules, which, in the view of the Board of Directors, require an advanced understanding of internal controls and procedures. However, the Board believes that the members of the Audit Committee have a thorough understanding of the Company s business, the accounting issues relevant to the Company s financial statements and audit committee functions and possess the requisite skills to perform effectively their oversight function. The Audit Committee members expect to increase their understanding of internal controls and procedures as the Company assesses and evaluates its internal control processes and procedures in order to provide the attestation report on internal control over financial reporting that the Company must file with respect to its fiscal year ending January 31, 2006.

Compensation Committee. The Compensation Committee assists the Board of Directors in discharging the Board s responsibilities relating to director and executive compensation. The Compensation Committee s responsibilities include establishing and reviewing the Company s executive and director compensation philosophy, strategies, plans and policies, making recommendations with respect to the design of the Company s incentive compensation plans and equity based plans, granting awards under such plans and overseeing generally the administration of such plans, evaluating the performance and determining the compensation of the Chief Executive Officer and reviewing and approving recommendations on compensation of other executives. Dr. Viets serves as chairman of the Compensation Committee, which held one in person meeting and one meeting by telephone during the fiscal year ended January 31, 2004.

Nominating Committee. The Nominating Committee is responsible for: identifying individuals qualified to be members of the Board of Directors and recommending such individuals to be nominated by the Board of Directors for election to the Board of Directors by the shareholders. The Nominating Committee was formed in March 2004 and, accordingly, did not hold any meetings in the fiscal year ended January 31, 2004. Dr. Viets serves as chairman of the Nominating Committee.

Nomination of Directors

The Nominating Committee considers suggestions from many sources, including shareholders, regarding possible candidates for director. The Nominating Committee does not set specific criteria for directors but seeks individuals who possess the highest ethical standards and integrity, have a history of achievement that reflects superior standards for themselves and others, have the ability to provide wise, informed and thoughtful counsel to management on a range of issues, exercise independence of thought and possess skills and expertise appropriate to meet the Company s needs and advance the long-term interests of the shareholders. All non-employee directors must be independent within the meaning of applicable NASDAQ rules. The Nominating Committee must also ensure that members of the Board of Directors as a group maintain the requisite qualifications under the NASDAQ listing standards for populating the Audit, Compensation and Nominating Committees. The Nominating Committee will consider shareholder nominees for director in the same manner as nominees for director from other sources.

Shareholders may send recommendations for director nominees to the Nominating Committee at the Company s offices at 600 East Greenwich, West Warwick, Rhode Island 02893. Submissions should include information regarding a candidate s background, qualifications, experience and willingness to serve as a director. In addition, Section 10 of Article II of the Company s By-Laws set forth specific procedures that, if followed, enable any shareholder entitled to vote in the election of directors to make nominations directly at an annual meeting of shareholders. These procedures include a requirement for written notice to the Company at least 60 days prior to the scheduled annual meeting and must contain the name and certain information concerning the nominee and the Shareholders who support the nominee s election. For the annual meeting to be held in 2005, the notice deadline under the By-Laws is March 11, 2005. A copy of this By-Law provision may be obtained by writing to Astro-Med, Inc., Attn: Investor Relations Department, 600 East Greenwich, West Warwick, Rhode Island 02893.

Communications with the Board of Directors

The Company s Board of Directors provides a process for shareholders to communicate directly with the members of the Board of Directors or the individual chairman of standing committees. Any shareholder with a concern, question or complaint regarding our compliance with any policy or law, or would otherwise like to contact the Board of Directors may communicate directly with the directors by writing directly to those individuals c/o Astro-Med, Inc., 600 East Greenwich, West Warwick, Rhode Island 02893. The Company s general policy is to forward, and not to intentionally screen, any mail received at the Company s corporate offices that is sent directly to an individual unless the Company believes the communication may pose a security risk.

Compensation of Directors

Messrs. Hopkins, MacLetchie and Viets are paid an annual retainer of $3,500 plus $500 for each Board meeting attended. Directors who are also officers or employees of the Company are not entitled to receive any compensation in addition to their compensation for services as officers or employees.

Those directors who are not also officers and employees of the Company receive options to purchase common stock under the Company s Non-Employee Director Stock Option Plan (the Director Plan) as compensation for their services to the Company. Under the Director Plan, Messrs. Hopkins and Viets each received non-qualified option to purchase 1,000 shares of common stock on May 21, 1996, the date the Company s shareholders approved the Director Plan and Mr. MacLetchie received a non-qualified option to purchase 1,000 share of common stock upon his initial election to the Board of Director in May 2002, Any non-employee director who is elected in the future will receive non-qualified option to purchase 1,000 shares of common stock on the date of the director s initial election to the Board of Directors. Each non-employee director (other than a director first elected after June 30 of the prior year) receives an annual non-qualified option to purchase 1,000 shares of common stock as of the first business day of January of each year. All options have an exercise price equal to the market price of the common stock on the day of the grant and are exercisable for a term of ten years. Options vest six months after the grant date, unless automatically accelerated in the event of death, disability, or a change of control. A total of 30,000 shares have been reserved for issuance under the Director Plan. Messrs. Hopkins, MacLetchie and Viets each received options to acquire 1,000 shares at $13.18 per share on January 2, 2004. Options for an aggregate of 24,000 shares, with exercise prices ranging from $3.75 to $13.18 per share were outstanding under the Director Plan at January 31, 2004.

Other Information Relating to Directors

The law firm of Hinckley Allen & Snyder LLP, of which Mr. Hopkins is a retired partner, provides legal services to the Company.

Other than as described under Indebtedness of Management , no officer, director or nominee for director of the Company or any associate of any of the foregoing had during the fiscal year ended January 31, 2004 any material interest, direct or indirect, in any material transaction or any material proposed transaction to which the Company was or is to be a party.

Report On Executive Compensation

The Board of Directors has delegated to the Compensation Committee the authority to fix compensation (including stock options) for the Company s Chief Executive Officer and other key employees. The Compensation Committee is comprised of the Company s three non-employee directors, Dr. Viets (Chairman), Mr. MacLetchie and Mr. Hopkins. Mr. Ondis meets with the Compensation Committee to review the compensation program and make recommendations for senior executive officers. Compensation consists of three principal elements (salary, bonus and stock options).

Executive Compensation Philosophy. Compensation of the Company s executive officers should link management initiatives with the actual financial performance of the Company. Similarly, the compensation should attract, retain and motivate highly qualified individuals to achieve the Company s business goals and link their interests with shareholder interests.

Salary. Base salaries for executive officers were established a number of years ago after reviewing compensation for competitive positions at manufacturing companies of comparable size and profitability operating in a similar industry. Historically, base salaries have been increased at annual rates which approximate the general rates of increase of compensation for all employees of the Company and for generally publicized competitive positions elsewhere in industry. Effective November, 2001, the base salaries of executives were reduced as part of a general cost reduction program, with the results that base salaries for fiscal 2003 were at or below fiscal 2002 levels. Base salaries for executives were increased 3% from 2003 levels during fiscal 2004, which approximates the rate of increase for all employees at the Company.

Bonus. The Compensation Committee adopted a management bonus plan for the purpose of providing incentive compensation to employees of the Company. Awards are based on the Company s achieving specified financial objectives, such as net income and return on net assets, as well as each individual s specific business objectives. The specified threshold and target financial objectives and business objectives and the related bonus payouts are established annually and, accordingly, individual awards may vary, up or down, from year to year. No bonus payments were made in fiscal years 2002 and 2003. Bonuses paid or accrued during fiscal year 2004 amounted to $669,210 of which $297,058 was to executives.

Stock Options. Total executive compensation includes long-term incentives afforded by stock options. Stock option grants are made by the Compensation Committee upon consideration of recommendations made by senior management. The objectives of option grants are to align the long-term interests of executives and key employees with shareholder interests, by creating a strong and direct link between compensation and total shareholder return. In this connection, grants are intended to enable recipients to develop and maintain significant long-term stock ownership in the Company. Stock options are the principal vehicle for the payment of long-term compensation. Grants of stock options reflect subjective consideration of such matters as other compensation and the employee s position in the Company and contributions to the Company.

Compensation of Chief Executive Officer. Mr. Ondis is eligible to participate in the same executive compensation plans available to other senior executives. Effective in February, 2004, his base salary was increased from $229,500 to $236,400, a 3% increase, deemed consistent with salary increases among executives in comparable position in similar industries. No option grants were made to Mr. Ondis during fiscal year 2004.

Deductibility of Compensation. Section 162(m) of the Internal Revenue Code limits the deductibility of compensation paid to a public company s five highest paid executive officers to the extent any such officer s annual compensation exceeds $1,000,000, subject to certain exceptions. The Board of Directors has deferred adopting a policy on this issue, as it does not expect the compensation of these individuals to reach relevant levels in the near future.

Conclusion. Through the program described above, the Compensation Committee firmly believes a direct link has been established between the Company s financial performance, executive compensation and resultant stock price performance.

Compensation Committee

Hermann Viets, Ph.D. (Chairman)

Graeme MacLetchie

Jacques V. Hopkins

Executive Compensation

The following table sets forth the total annual compensation paid or accrued, together with other information for the fiscal years ended January 31, 2004, 2003 and 2002, for the Chief Executive Officer and each of the four most highly compensated executive officers of the Company whose total annual salary and bonus for the fiscal year ended January 31, 2004 exceeded $100,000.

Summary Compensation Table

		Annual Compensation				
Name and Principal Position	**Year**	**Salary($)**	**Bonus($)**	**Other ($)(a)**	**Securities Underlying Options Granted(#)**	**All Other Compensation($)(b)**
Albert W. Ondis	2004	235,373	69,249	26,219		4,538
Chairman, Chief	2003	225,087		31,237	62,000	2,301
Executive Officer	2002	253,837		42,360	62,000	878
Everett V. Pizzuti	2004	229,643	65,538	31,660	15,200	4,559
President, Chief	2003	215,117		29,068	62,000	2,939
Operating Officer	2002	231,469		31,820	62,000	2,605
Joseph P. O Connell	2004	170,220	42,220	14,114	10,000	4,168
Vice President and Treasurer,	2003	158,395		15,434	48,500	2,376
Chief Financial Officer	2002	173,304		15,289	50,000	2,513
Elias G. Deeb	2004	136,239	34,553		10,000	3,407
Vice President, Media Products	2003	130,492			15,000	1,949
	2002	136,424			5,000	2,145
Michael J. Sullivan	2004	133,475	32,675		10,000	3,353
Vice President and Chief	2003	127,945			15,000	1,919
Technology Officer	2002	132,825			5,000	2,082

(a) Represents imputed interest on indebtedness of management in the amount of $4,889 for Mr. Ondis and $2,001 for Mr. Pizzuti and reimbursement for taxes attributable to use of Company provided vehicles and cash compensation in lieu of Company provided vehicles.

(b) Amounts consist of the Company s annual contributions, including matching contribution, to the Astro-Med, Inc. Retirement Savings Plan and $604 for each individual to the Astro-Med, Inc. Employee Stock Ownership Plan.

Indebtedness of Management

The following information describes loans to directors and executive officers of the Company whose indebtedness to the Company exceeded $60,000 at any time during the fiscal year ended January 31, 2004.

Name	**Largest Amount of Indebtedness Outstanding at Any Time**	**Amount of Indebtedness Outstanding at Year End**

Albert W. Ondis, Chairman and Director	$ 321,640	$ 321,640
Everett V. Pizzuti, President and Director	131,624	131,624

The indebtedness is comprised of unsecured non-interest bearing demand notes for loans made to the persons named prior to fiscal year 1992.

Profit-Sharing Plan

The Company has a qualified Profit-Sharing Plan which provides retirement benefits to substantially all employees of the Company and provides for contributions into a trust fund in such amounts as the Board of Directors may annually determine. Each eligible employee shares in contributions on the basis of relative (limited to $200,000) compensation.

In addition, participants are permitted to defer up to 50% of their cash compensation and make contributions of such deferral to this Plan through payroll deductions. The Company makes matching contributions equal to 50% of the first percent of compensation contributed and 25% of the second, third, fourth and fifth percent. The deferrals are made within the limits prescribed by Section 401(k) of the Internal Revenue Code.

The Plan provides for the vesting of 100% of matching contributions made by the Company to the account of an employee after three years of service. Contributions by an employee are 100% vested immediately. The Company s contributions paid or accrued for the fiscal year ended January 31, 2004 totaled $223,100.

Employee Stock Ownership Plan

The Company has an Employee Stock Ownership Plan which provides retirement benefits to substantially all employees of the Company. Contributions in such amounts as the Board of Directors may annually determine are allocated among eligible employees on the basis of relative (limited to $100,000) compensation. Participants are 100% vested in any and all allocations to their accounts. Contributions, which may be in cash or stock, are invested by the Plan s Trustee in shares of common stock of the Company. The Company s contributions paid or accrued for the fiscal year ended January 31, 2004 totaled $75,000.

Stock Option Plans

The Company has a Non-Qualified Stock Option Plan adopted in the fiscal year ended January 31, 1999 and amended in the fiscal year ended January 31, 2002 under which options for an aggregate of 1,000,000 shares of common stock may be granted to officers and key employees as well as consultants or other persons who render services to the Company at an exercise price of not less than 50% of the market price on the date of grant. Options granted under this plan for an aggregate of 25,200 shares, with an exercise price of $3.30 were granted during the fiscal year ended January 31, 2004. Options granted under this plan for an aggregate of 480,900 shares with exercise prices ranging from $3.30 to $7.50 per share were outstanding at January 31, 2004. A total of 452,300 shares remain available for option grants under this plan.

The Company also has an Incentive Stock Option Plan adopted in the fiscal year ended January 31, 1994 under which options for an aggregate of 250,000 shares of common stock may be granted to officers and key employees at an exercise price of not less than 100% of the market price on the date of grant. Options granted under this plan for an aggregate of 12,000 shares with an exercise price of $3.30 were granted during the fiscal year ended January 31, 2004. Options granted under this plan for an aggregate of 164,500 shares with exercise prices ranging from $3.30 to $10.25 per share were outstanding at January 31, 2004. No shares remain available for option grants under this plan.

In addition, the Company has an Incentive Stock Option Plan adopted in the fiscal year ended January 31, 1998 and amended in the fiscal years ended January 31, 1999 and 2001, under which options for an aggregate of 1,250,000 shares of common stock may be granted to officers and key employees at an exercise price of not less than 100% of the market price on the date of grant. Options granted under this plan for an aggregate of 115,000 shares with an exercise price of $3.30 were granted during the fiscal year ended January 31, 2004. Options granted under this plan for an aggregate of 443,950 shares with exercise prices ranging from $3.30 to $8.13 per share were outstanding at January 31, 2004. A total of 400,050 shares remain available for option grants under this plan.

The following tables present certain information concerning stock options granted and exercised by each executive officer named in the Summary Compensation Table during the fiscal year ended January 31, 2004, and the year-end value of unexercised options held by each of those officers.

Aggregated Option Exercises in Fiscal Year Ended

January 31, 2004 and Held at January 31, 2004

Name	Shares Acquired On Exercise (#)	Value Realized ($) (a)	Securities Underlying Unexercised Options at Fiscal Year End(#)		Value of Unexercised In-The-Money Options at Fiscal Year End($)(b)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Albert W. Ondis			274,000		2,496,723	
Everett V. Pizzuti	66,800	840,803	296,225	175	2,395,153	1,521
Joseph P. O Connell	10,000	109,775	191,000		1,808,728	
Elias G. Deeb	10,000	89,900	80,500		695,989	
Michael J. Sullivan	10,000	125,800	39,500		366,529	

(a) Amount represents excess of market value over exercise price on date of exercise. The table does not reflect income taxes which may have been payable by the individual in connection with the exercise of the options.

(b) Amount represents excess of market value as of January 31, 2004 over exercise price.

Option Grants Fiscal Year

Ended January 31, 2004

Name	Option Grants (#) (a)	% Of Total Options Granted to Employees in Fiscal Year	Per Share Exercise Price ($)	Expiration Date	Grant Date Value ($)(b)
Albert W. Ondis		%			
Everett V. Pizzuti	15,200	10.0%	3.30	3/31/13	14,896
Joseph P. O Connell	10,000	6.6%	3.30	3/31/13	9,800
Elias G. Deeb	10,000	6.6%	3.30	3/31/13	9,800
Michael J. Sullivan	10,000	6.6%	3.30	3/31/13	9,800

(a) Options became exercisable on October 31,2004.

(b) Amounts represent the fair value of each option granted and were estimated as of the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions: expected volatility of 45%; expected life of 5 years; risk-free interest rate of 3.5% and dividend yield of 4.3%.

Performance Graph

Set forth below is a line graph comparing the cumulative total return on the Company s common stock against the cumulative total return of a NASDAQ market index and a peer index for the period of five fiscal years ended January 31, 2004. The University of Chicago s Center for Research in Security Prices (CRSP) total return index for the NASDAQ Stock Market is calculated using all companies which trade on the NASDAQ National Market System (NMS) or on the NASDAQ supplemental listing. It includes both domestic and foreign companies. The index is weighted by the then current shares outstanding and assumes dividends reinvested. The return is calculated on a monthly basis. The peer group index, the CRSP Index for NASDAQ Electronic Components Stock designated below as the industry index, is comprised of companies classified as electronic equipment manufacturers. The total returns assume $100 invested on February 1, 1999 with reinvestment of dividends.

COMPARE 5-YEAR CUMULATIVE TOTAL RETURN AMONG

ASTRO-MED, INC., NASDAQ MARKET INDEX AND PEER GROUP INDEX

ASSUMES $100 INVESTED ON FEBRUARY 1, 1999

ASSUMES DIVIDEND REINVESTED FISCAL YEAR ENDING JANUARY 31, 2004

	Fiscal Years Ended January 31					
	1999	**2000**	**2001**	**2002**	**2003**	**2004**
Astro-Med, Inc.	100	109.31	81.22	70.46	69.63	300.06
Peer Group Index	100	185.71	151.30	95.28	48.01	94.77
Nasdaq Market Index	100	157.77	110.59	77.06	52.90	83.27

The Board of Directors and its Compensation Committee recognize that the market price of stock is influenced by many factors, only one of which is issuer performance. The Company s stock price may also be influenced by market perception of the Company in particular and the electronic equipment manufacturing industry in general, economic conditions and government regulation. The stock price performance shown in the graph is not necessarily indicative of future price performance.

Audit Committee Report

The Audit Committee of the Board is responsible for providing independent, objective oversight of the Company s accounting functions and internal controls. The Audit Committee is composed of three directors, each of whom is independent as defined by the NASDAQ listing standards and SEC rules. The Audit Committee operates under a written charter approved by the Board of Directors a copy of which is attached as Appendix A to this Proxy Statement.

Management is responsible for the Company s internal controls and financial reporting process. The independent accountants are responsible for performing an independent audit of the Company s consolidated financial statements in accordance with generally accepted auditing standards and to issue a report thereon. The Audit Committee s responsibility is to monitor and oversee these processes.

The Audit Committee s responsibilities focus on two primary areas: (1) the adequacy of the Company s internal controls and financial reporting process and the reliability of the Company s financial statements; and (2) the independence and performance of the Company s independent accountants. The Audit Committee has sole authority to select, evaluate and when appropriate, to replace the Company s independent auditors.

The Audit Committee has met with management and the Company s independent accountants, Ernst & Young LLP, to review and discuss the January 31, 2004