

Astro-Med, Inc[®]

ALGERIA ARGENTINA AUSTRALIA BELGIUM BRAZIL CAMEROON CANADA CHILE CHINA COLOMBIA DENMARK DOMINICAN REPUBLIC EGYPT FINLAND FRANCE GERMANY GREECE GUATEMALA HAITI INDIA ISRAEL ITALY JAPAN KOREA LITHUANIA MALAYSIA MEXICO MOROCCO NEW ZEALAND NETHERLANDS NIGERIA NORWAY OMAN POLAND PORTUGAL RUSSIA SAUDI ARABIA SINGAPORE SOUTH AFRICA SPAIN SWEDEN TAIWAN THAILAND TUNISIA TURKEY UNITED KINGDOM VENEZUELA YEMEN



■ ALOT Global Coverage

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profile

C O R P O R A T E

Astro-Med,® Inc. is a leading supplier of specialty instrumentation systems and supplies. The Company develops a wide range of advanced products marketed under brand names including Astro-Med, QuickLabel® Systems and Grass-Telefactor® based on a common underlying proprietary technology.

Astro-Med's product diversity and versatility are reflected in the Company's broad range of customers. Global customers include Fortune 500 companies as well as smaller firms throughout major industries such as aerospace, electronics, transportation, automotive, energy, health care, metals, paper, pharmaceutical, and education.

Astro-Med products are widely used for industrial and scientific test and measurement 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. Astro-Med is a growing company of dedicated employees committed to enhancing shareholder value.



highlights

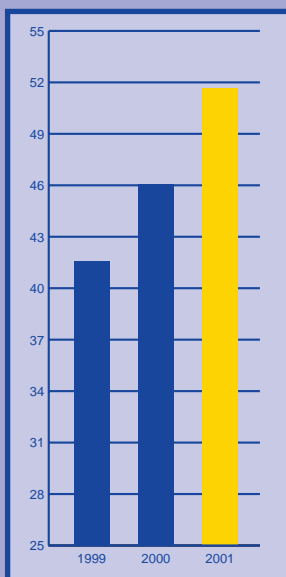
FINANCIAL

YEARS ENDED JANUARY 31,

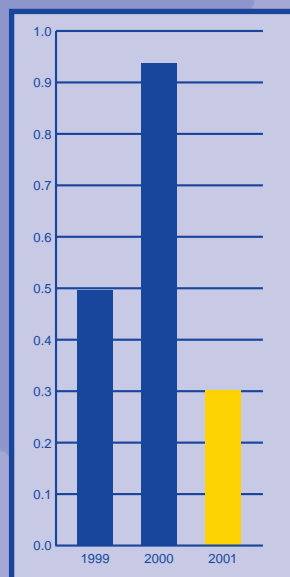
2001 2000 1999

NET SALES	\$51,688,000	\$46,143,000	\$42,166,000
GROSS PROFIT	\$20,792,000	\$18,862,000	\$16,579,000
GROSS PROFIT MARGIN (%)	40.2%	40.9%	39.3%
NET INCOME	\$302,000	\$937,000	\$496,000
EARNINGS PER SHARE (1)	\$0.07	\$0.21	\$0.11
AVERAGE NUMBER OF SHARES OUTSTANDING (1)	4,408,000	4,475,000	4,679,000
CASH DIVIDENDS PER SHARE	\$0.16	\$0.16	\$0.16
BOOK VALUE PER COMMON SHARE (2)	\$7.63	\$7.52	\$7.52

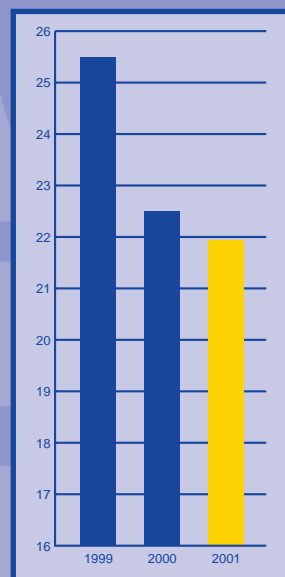
(1) Assuming dilution. (2) Based on the number of shares outstanding at each year end.



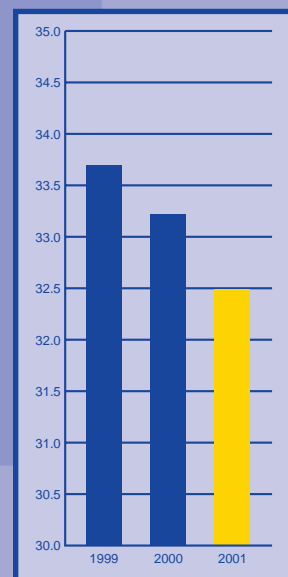
NET SALES
(\$ in millions)



NET INCOME
(\$ in millions)



WORKING CAPITAL
(\$ in millions)



SHAREHOLDER EQUITY
(\$ in millions)

shareholders

TO OUR

Each year through the medium of our Annual Report we recap the year just ended and provide our shareholders with our estimates of what the New Year will bring. This year in addition to discussing last year's results we are sharing with our shareholders our vision of what Astro-Med may achieve in sales and profits over a longer horizon: Three-to-Five Years.

Through the pages of this report you will also view our latest new products and meet some of the people who are propelling the Company to the world stage where we feel we belong. Of course, there are many other key people not shown who are making major contributions in Research and Development, in Manufacturing, in Sales and in Administration. In future reports we will tell you of their creative and important work.

Operations

In Fiscal 2001 we exceeded \$50 million in sales for the first time with sales of \$51,688,000, on which we earned \$302,000, equal to 7 cents per share. Last year we recorded sales of \$46,143,000, on which we earned \$937,000, equal to 21 cents per share.

Profits this year were affected by the strong dollar which made export sales more difficult, and by delays in completion of major new life sciences software package we call *TWin*[™]. Additionally, profits were impacted by expenses associated with the absorption of Telefactor Corporation, which we acquired just prior to the beginning of the fiscal year, and with its consolidation with our life sciences operation, Grass Instruments.

The process is nearly complete and consolidation

expenses are expected to decline to an insignificant level by the end of the First Quarter. We expect to obtain significant benefits from this acquisition beginning in the current fiscal year.

During the year we made the first shipments of our new *Everest*[™] telemetry workstation system, a major product we had under development for more than two years. During the year we also made first shipments of our *Aurora*[™] neurology system along with the very major and powerful software product, *TWin*, mentioned above. It is to be noted that these products and several others exist as a direct result of the acquisition of Telefactor.

These new products are being exceptionally well received by international as well as by domestic customers.



Albert W. Ondis, Chairman and Chief Executive Officer (left) and **Everett V. Pizzuti**, President and Chief Operating Officer

New Products

In keeping with a policy established many years ago, Astro-Med invests heavily in Research & Development. In the year which just ended, we spent \$4,255,000 on new product development. In the prior year we spent \$3,354,000 on such expenditures.

In addition to the *Everest*, the *Aurora*, and the *TWin* products mentioned above, we also introduced the *LRU Print and Apply*™ system along with several other new products plus upgrades to major application software products engineered by Astro-Med software scientists.

Markets for Astro-Med Products

We participate in three major, and several minor, markets, all with significant export opportunities. The major markets are: Test & Measurement, Life Sciences, and Product Identification and Marking.

Test & Measurement is the science of testing systems and components such as aircraft, power generators, metal or paper making machinery, automotive engine and power transmissions systems, telecommunications networks and the like. To this market we sell our *Everest*, the *K2 System* and our *Dash*® products. About 80% of these sales are domestic because these products are sold primarily in highly industrialized nations.

Product Identification and Marking involves printing labels and placing them on products so that the product can be tracked as it moves through distribution channel. An example of this is the omnipresent barcode label. To this market we sell our advanced digital color label printers, our barcode label printers, our

label applicators, our computer software and our broad line of consumable supplies such as labels and printer ribbons. About 70% of these sales are domestic.

Life Sciences includes instruments for cellular research, neurological research and clinical applications of sleep science (polysomnography) and brain wave recording and analysis (electroencephalography or EEG). Sleep study and treatment is a particularly rapid growing clinical practice and our products such as the *Aurora* are in the forefront. In the area of EEG we have been historic leaders for years. Currently, we offer the *Aurora*, the *Beehive*™, the *H2O*™, and our powerful software product, *TWin*. Approximately 75% of these sales are domestic.

Three-to-Five Year Sales and Profit Goals

Our achievable sales goal at the end of this period is to reach a sales level in excess of \$100 million.

Our achievable profit goal is to return to our historic after tax profit levels of 7% to 9% of revenue.

We believe we have all of the resources necessary to achieve these goals: a trained and dedicated workforce, a continuing flow of exciting new products, an existing infrastructure of strong financial controls and administration, and the financial strength.



Albert W. Ondis, Chairman and Chief Executive Officer



Everett V. Pizzuti, President and Chief Operating Officer

shopping

ONE STOP

Astro-Med® has achieved its market position through a proven marketing and sales program that builds the QuickLabel® brand and serves customers directly while nurturing customer relationships to develop, maintain and build new business. In placing primary importance on the direct customer relationship, the QuickLabel sales force ensures both maximum customer satisfaction and customer loyalty to the QuickLabel brand.



QuickLabel Applications Successes

Throughout the world, Astro-Med supplies QuickLabel brand printers, applicators, print and apply systems and consumables to leading companies including Michelin Tire, General Motors, Becton-Dickinson, General Mills, Rubbermaid, Hart Schaffner & Marx, Pharmacia, and Stryker Endoscopy, to name just a few. QuickLabel printing systems label some of the most ubiquitous products, from automobile tires to auto parts to surgical instruments to clothing.

Astro-Med Growth Vision

Astro-Med is committed to remain in the vanguard of product identification and working technology by continuous reinvestment in Research and Development. This disciplined growth strategy has earned Astro-Med the distinction of being the first company to successfully engineer, manufacture, market and sell digital color label printers using thermal transfer technology.

In Fiscal 2002, with its new *iPRONTO!*™ family of barcode printers dedicated to mainline barcode printing applications, and innovative products like the *LRU Print and Apply* system for on-the-fly labeling of products on a manufacturing line, the QuickLabel Systems' product line continues to set the standard in On-Demand product identification.



Elias G. Deeb, Vice President of Media Products, with QLS-4100 digital process color label printer and LRU™ barcode printer (above); Tires with QuickLabel printed labels (above left)

history

RECORDING

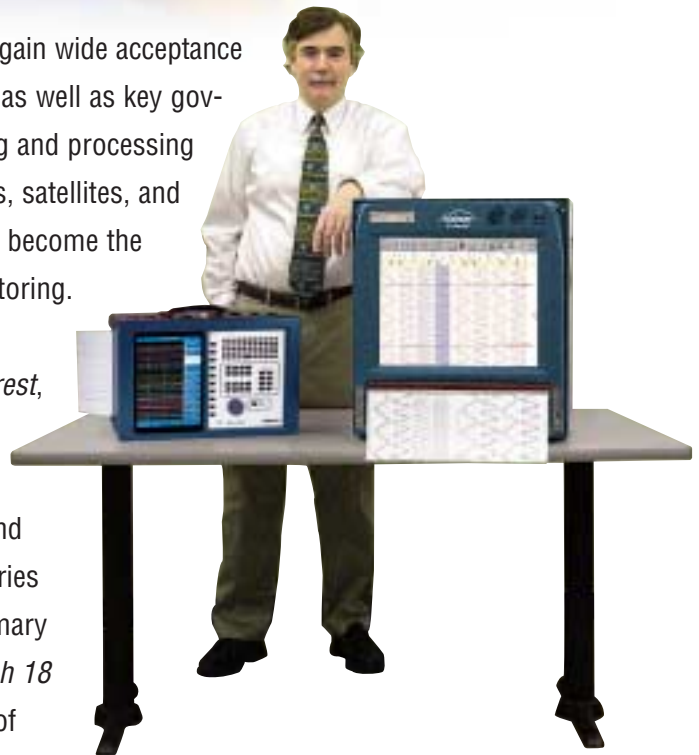
In the Test & Measurement market place Astro-Med continues to strengthen its position as a leader in the data recording industry. In today's rapidly changing world, test and measurement customers are demanding complete hardware and software to fulfill their requirements. They want products that are easy to use and give them fast access to their data in any format they desire.



From chart recording to computerized analysis, Astro-Med's Test and Measurement products provide turnkey solutions that make our customers more efficient by helping them to do their job better.

Fiscal 2001 saw the *Everest* Telemetry Workstation gain wide acceptance at many aerospace and defense related companies as well as key government facilities. Designed especially for recording and processing data from commercial and military aircraft, missiles, satellites, and other spacecraft, this one-of-a-kind instrument has become the system of choice for telemetry recording and monitoring.

Leveraging many of the technologies from the *Everest*, the recently introduced *Dash 18* sets new standards for portable recording instruments. The *Dash 18* is designed for service, troubleshooting and maintenance applications in a wide range of industries including pulp and paper, telecommunications, primary metals, power generation and automotive. The *Dash 18* offers unprecedented capabilities in a single piece of instrumentation that allows customers to minimize downtime and maximize efficiency.



Michael J. Sullivan, Vice President - Chief Technology Officer, with Dash 16u data acquisition recorder and Everest Telemetry Recorder-Workstation (*above*); Dash 18 data acquisition system (*above left*)

The *Everest* and the *Dash 18* broaden Astro-Med's successful Test & Measurement product line and provide a versatile platform for future products.

world MONITORING THE

Astro-Med's Life Sciences products are known worldwide in the neurophysiological field through its Grass Instrument brand of products. Telefactor Corporation, with a strong reputation of long-term epilepsy monitoring, was acquired in 1999. With the combined talents of Astro-Med, Grass, and Telefactor, an exciting line of new products continues to be developed and introduced.



The new *Aurora* provides a high-end and affordable solution for monitoring patients with sleep disorders or epilepsy. With powerful Astro-Med designed, Windows®-based *TWin* software, EEG and PSG recordings are done on the same platform. The highly-flexible software and high-quality amplifiers provide a complete package for data acquisition, recording and reviewing.

Using the same software, the *H20* (Home to Office) allows ambulatory EEG or PSG recording in or out of the lab. The *H20* is lightweight and rugged. The *H20* battery pack allows 24-hour recording for overnight recording at the patient's home.

Our *Beehive Millennium*, combines decades of experience in epilepsy monitoring with the latest technology to provide the ultimate instrument for long-term epilepsy monitoring.

Model 15RXi, an exceptionally compact portable Physiodata Amplifier System provides researchers the ability to record EEG, EMG, and other electrophysiological studies.

Astro-Med clinical sales are conducted through a combination of direct and dealer sales persons. Products for research applications are offered through a 186 page catalog which is distributed throughout the world.



Terry J. Jones, Senior Vice President, with *Aurora* PSG (above); *H20* Portable Ambulatory (above left)

international MARKETS

Astro-Med deploys a global expansion strategy designed to bring its products into new international markets. This global expansion strategy has delivered double-digit sales growth and significant profits during the past three years. The Company has made strategic investments in certain key international markets through a combination of a direct presence (branch sales and service centers) and independent dealers and representatives. At present, these international channels represent 27% of the Company's annual sales revenues.

The Company established its first Company-owned branch sales and service office in the United Kingdom in 1988 and now has offices in Canada, England, France, Germany, Italy and Holland. Each office is staffed with local sales service and administrative personnel.

In addition to sales and service support, our branch in Frankfurt, Germany manufactures label and thermal transfer ribbons for the European product identification market.

Astro-Med supplements its international branches with a network of 91 representatives covering 59 other countries of the world. We have expanded this dealer contingent by 33% over the past three years. Dealers for the company's products are selected very carefully and are required to visit our headquarters for training.

The Company will continue to expand its direct presence in international markets as well as partnering with qualified representatives and dealers in selected markets.



International Branch Managers: (left to right) Adrian Hawley, England; Peter Bergsma, Netherlands; Michael Morawetz, Germany; Xavier Berthe, France; Roberto DeDionigi, Italy; Richard Letourneau, Canada.



Eric R. Menke, International Sales Manager, Representatives and Dealers

directors

B O A R D O F



(left to right) Jacques V. Hopkins, Everett V. Pizzuti, Hermann Viets, Albert W. Ondis, Neil K. Robertson

Albert W. Ondis, *Founder, Chairman and Chief Executive Officer of Astro-Med, Inc.*, founded the Company in 1969. He has been a Director and CEO since 1969 and serves on various public and private company boards. Mr. Ondis is a graduate of Boston University with a B.A. in Political Science.

Everett V. Pizzuti, *President and Chief Operating Officer of Astro-Med, Inc.*, Director of the Company since 1985. Mr. Pizzuti has been with the Company since 1971. He is a graduate of Brown University with an A.B. degree in economics. He holds several patents related to the business of the Company.

Jacques V. Hopkins, ESQ, Director of the Company since 1969. Mr. Hopkins is a retired partner of Hinckley, Allen & Snyder LLP (Attorneys at Law).

Neil K. Robertson, CFA, Director of the Company since 1991. Mr. Robertson is an independent investment research consultant.

Hermann Viets, Ph.D, Director of the Company since 1988. President of the Milwaukee School of Engineering since 1991. Prior to that Dr. Viets was Dean of the College of Engineering at the University of Rhode Island.

information

C O R P O R A T E A N D S H A R E H O L D E R

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INDEPENDENT ACCOUNTANTS

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Boston, Massachusetts

TRANSFER AGENT AND REGISTRAR

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(781) 575-3100
www.equiserve.com

ANNUAL MEETING

The Annual Meeting of Shareholders will be held at 10:00 a.m. on Tuesday, May 15, 2001 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
(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 17, 2001 was \$4.12.

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 38 consecutive quarterly dividends.

INVESTOR INQUIRIES

Securities analysts, portfolio managers and other interested investors seeking information about the Company may send inquiries to our E-mail address at: InvestorRelations@astromed.com.

WORLDWIDE WEB SITES

www.astro-med.com
www.quicklabelsystems.com
www.grass-telefactor.com
E-mail: astromed@astromed.com

PRODUCT INFORMATION

For information about any Astro-Med products or services, call us toll-free in the US at (800) 343-4039.

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



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