TRANS LUX CORP
Form 10-K/A
April 22, 2009

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

FORM 10-K/A

[X] ANNUAL REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2008

Commission file number 1-2257

TRANS-LUX CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware	13-1394750
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

26 Pearl Street, Norwalk, CT 06850-1647
(Address of Registrant's principal executive offices) (Zip code)

Registrant's telephone number, including area code: (203) 853-4321

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $1.00 par value	NYSE Amex
8 1/4% Limited Convertible Senior Subordinated Notes due 2012	NYSE Amex

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the Registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ___ No X

Indicate by check mark if the Registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ___ No X

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 ___

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TRANS-LUX CORPORATION
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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company.

Large accelerated filer ___ Accelerated filer ___ Non-accelerated filer ___

Smaller reporting company X

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ___ No X

The aggregate market value of the Registrant's Common and Class B Stock held by non-affiliates of the Registrant based upon the last sale price of the Registrant's Common Stock reported on the NYSE Amex on June 30, 2008, was approximately $9,238,000. (The value of a share of Common Stock is used as the value for a share of Class B Stock, as there is no established market for Class B Stock, which is convertible into Common Stock on a share-for-share basis.)

As of the close of business on April 21, 2009, there were outstanding 2,020,090 shares of the Registrant's Common Stock and 286,814 shares of its Class B Stock.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the Registrant's definitive Proxy Statement for the Annual Meeting of Stockholders, to be filed with the Commission within 120 days of the Registrant's fiscal year end (the "Proxy Statement"), are incorporated by reference into Part III, Items 10-14 of this Form 10-K to the extent stated herein.

EXPLANATORY NOTE

This Amendment No. 1 on Form 10-K/A amends our Annual Report on Form 10-K for the fiscal year ended December 31, 2008, which was originally filed with the SEC on April 15, 2009. We are filing this Form 10-K/A to include the Quarterly Financial Data as set forth in Item 6(b), Management's Discussion and Analysis of Financial Condition and Results of Operations as set forth in Item 7, Financial Statements as set forth in Item 8, Controls and Procedures as set forth in Item 9A and to include the certifications.

Except as described above, no other changes have been made to the original filing.

TRANS-LUX CORPORATION
2008 Form 10-K/A Annual Report

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PART I

ITEM 1. BUSINESS

Unless the context otherwise requires, the term "Company" as used herein refers to Trans-Lux Corporation and its subsidiaries. The Company is a full-service provider of integrated multimedia systems for today's communications environments. The essential elements of these systems are the real-time, programmable electronic information displays the Company manufactures, distributes and services. These display systems utilize LED (light emitting diode) technologies. Designed to meet the evolving communications needs of both the indoor and outdoor markets, these display products include text, graphic and video displays for stock and commodity exchanges, financial institutions, college and high school sports stadiums, schools, casinos, convention centers,

corporate applications, government applications, theatres, retail sites, airports, billboard sites and numerous other applications. In addition to its core display business, the Company also owns an income-producing real estate property.

On June 26, 2008, the Board of Directors approved the sale of substantially all of the assets of the Entertainment Division, which was consummated on July 15, 2008 for a purchase price of $24.5 million, of which $7.4 million was paid in cash, $0.4 million is in escrow and $16.7 million of debt was assumed, including $0.3 million of debt of the joint venture, MetroLux Theatres. The Entertainment Division operated motion picture theatres in the western Mountain States. The Company has accounted for the Entertainment Division as discontinued operations in the accompanying financial statements.

The following provides information of our continuing businesses.

ELECTRONIC INFORMATION DISPLAY PRODUCTS

The Company's high performance electronic information displays are used to communicate messages and information in a variety of indoor and outdoor applications. The Company's product line encompasses a wide range of state-of-the-art electronic displays in various size and color configurations. Most of the Company's display products include hardware components and sophisticated software. In both the indoor and outdoor markets in which the Company serves, the Company adapts basic product types and technologies for specific use in various niche market applications. The Company also operates a direct service network throughout the United States and parts of Canada, which performs on-site project management, installation, service and maintenance for its customers and others.

The Company employs a modular engineering design strategy, allowing basic 'building blocks' of electronic modules to be easily combined and configured in order to meet the broad application requirements of the industries it serves. This approach ensures product flexibility, reliability, ease of service and minimum spare parts requirements.

The Company's electronic information display market is broken down into two distinct segments: the Indoor division and the Outdoor division. Electronic information displays are used by financial institutions, including brokerage firms, banks, energy companies, insurance companies and mutual fund companies; sports stadiums and venues; educational institutions; outdoor advertising companies; corporate and government communication centers; retail outlets; casinos, race tracks and other gaming establishments; airports, train stations, bus terminals and other transportation facilities; movie theatres; health maintenance organizations and in various other applications.

Indoor Division: The indoor electronic display market is currently dominated by three categories of users: financial, government/private sector and gaming. The financial sector, which includes trading floors, exchanges, brokerage firms, banks, mutual fund companies and energy companies, has long been a user of electronic information displays due to the need for real-time dissemination of data. The major stock and commodity exchanges depend on reliable information displays to post stock and commodity prices, trading volumes, interest rates and other financial data. Brokerage firms use electronic ticker displays for both customers and brokers; they have also installed other larger displays to post major headline news events in their brokerage offices to enable their sales force to stay up-to-date on events affecting general market conditions and specific stocks. Banks and other financial institutions also use information displays to advertise product offerings to consumers. The Indoor division has a product line of advanced last sale price displays, tri-color LED tickers and graphic displays.

The government/private sector includes applications found in major corporations, public utilities and government agencies for the display of real-time, critical data in command/control centers, data centers, help desks, visitor centers, lobbies, inbound/outbound telemarketing centers, retail applications to attract customers and for employee

communications. Electronic displays have found acceptance in applications for the healthcare industry such as outpatient pharmacies, military hospitals and HMOs to automatically post patient names when prescriptions are ready for pick up. Theatres use electronic displays to post current box office and ticket information, directional information and promote concession sales. Information displays are consistently used in airports, bus terminals and train stations to post arrival and departure, gate and baggage claim information, all of which help to guide passengers through these facilities.

The gaming sector includes casinos, Indian gaming establishments and racetracks. These establishments generally use large information displays to post odds for race and sporting events and to display timely information such as results, track conditions, jockey weights and scratches. Casinos and racetracks also use electronic displays throughout their facilities to advertise to and attract gaming patrons. Equipment for the Indoor display segment generally has a lead-time of 30 to 120 days depending on the size and type of equipment ordered and material availability.

Outdoor Division: The outdoor electronic display market is even more diverse than the Indoor division. Displays are being used by schools, sports stadiums, sports venues, gas stations, highway departments and outdoor advertisers, such as digital billboards, attempting to capture the attention of passers-by. The Outdoor division has a product line of LED message centers, scoreboards and video displays available in monochrome and full color. The Company has utilized its strong position in the Indoor display market combined with several acquisitions to enhance its presence in the Outdoor display market. Outdoor displays are installed in amusement parks, entertainment facilities, high schools, college sports stadiums, city park and recreational facilities, churches, racetracks, military installations, automobile dealerships, banks and other financial institutions. This division generally sells through dealers and distributors. Equipment for the Outdoor display segment generally has a lead-time of 10 to 120 days depending on the size and type of equipment ordered and material availability.

Sales Order Backlog (excluding leases): The amount of sales order backlog at December 31, 2008 and 2007 was approximately $3.9 million and $4.5 million, respectively. The December 31, 2008 backlog is expected to be recognized in 2009. These amounts include only the sale of products; they do not include new lease orders or renewals of existing lease agreements that may be presently in-house.

ENGINEERING AND PRODUCT DEVELOPMENT

The Company's ability to compete and operate successfully depends on its ability to anticipate and respond to the changing technological and product needs of its customers, among other factors. For this reason, the Company continually develops enhancements to its existing product line and examines and tests new display technologies.

During 2008 the Company's Outdoor display division continued to enhance CaptiVue(R), a line of outdoor full matrix LED message centers. CaptiVue offers

greater design flexibility, modularity and increased clarity at an economical price. Recent enhancements include the introduction of a high resolution 20mm full color model. The wireless scoreboard control was updated to incorporate the newer generation radio systems. In parallel with the new radio system, the Company introduced the MiScore(TM) and MiTime(TM) handheld, simple to operate controllers.

The Company supplements its LED product line with third-party LED products to remain competitive in price, product offerings and performance. The Company offers the product of a leading provider of advanced LED video display products that we distribute to the markets we serve. Trans-Lux is marketing these products for both indoor and outdoor applications under the name CaptiVision(TM). CaptiVision jumbo video monitors have the capability to deliver brilliant full motion video and animation in billions of colors to corporate, financial and entertainment markets where the presentation of multimedia, live-action, advertising and promotions is of major importance.

The Company continued enhancements to its line of economical full-matrix indoor graphic display products. GraphixWall(R) fixed size displays and GraphixMax(TM) tileable displays for larger custom sizes feature versatile functionality at a lower cost, presenting line art, graphics and variable-sized text. Applications for GraphixWall and GraphixMax displays include flight information, baggage claim and way-finding at airports, automatic call directories at contact centers, order processing support at manufacturing facilities and for posting prices and promoting products in financial and retail environments. Recent enhancements include a full color version for additional color flexibility and impact.

Continued development of indoor products includes new monochrome and tri-color ticker displays utilizing improved LED display technology; curved and flexible displays; greater integration of blue LEDs to provide full color text and graphic displays; wireless controlled displays; and a new graphic interface to display more data at higher resolutions.

As part of its ongoing development efforts, the Company seeks to package certain products for specific market segments as well as continually tracking emerging technologies that can enhance its products. Full color, live video and digital input technologies continue to be enhanced.

The Company maintains a staff of 17 people who are responsible for product development and support. The engineering, product enhancement and development efforts are supplemented by outside independent engineering consulting organizations where required. Engineering expense and product enhancement and development amounted to $2.0 million, $1.8 million and $2.0 million in 2008, 2007 and 2006, respectively.

MARKETING AND DISTRIBUTION

The Company markets its indoor and outdoor electronic information display products in the U.S. and Canada using a combination of distribution channels, including 14 direct sales representatives, three telemarketers and a network of independent dealers and distributors. By working with software vendors and using the internet to expand the quality and quantity of multimedia content that can be delivered to our electronic displays, we are able to offer customers relevant, timely information, content management software and display hardware in the form of turnkey display communications packages.

The Company employs a number of different marketing techniques to attract new

customers, including direct marketing efforts by its sales force to known and potential users of information displays; internet marketing; advertising in industry publications; and exhibiting at approximately 15 domestic and international trade shows annually.

Internationally, the Company uses a combination of internal sales people and independent distributors to market its products outside the U.S. The Company has existing relationships with approximately 18 independent distributors worldwide covering Europe, the Middle East, South and Central America, Africa, the Far East and Australia. Foreign sales have represented less than 10% of total revenues in the past three years.

Headquartered in Norwalk, Connecticut, the Company has sales and service offices in New York, New York; Des Moines, Iowa; Logan, Utah; Toronto, Ontario; and Burlington, Ontario; as well as approximately 17 satellite offices in the U.S.

The Company's equipment is both leased and sold. A significant portion of the electronic information display revenues is from equipment rentals with current lease terms ranging from 30 days to ten years.

The Company's revenues in 2008, 2007 and 2006 did not include any single customer that accounted for more than 10% of total revenues.

MANUFACTURING AND OPERATIONS

The Company's production facilities are located in Stratford, Connecticut and Des Moines, Iowa. The Company relocated from its facility in Norwalk, Connecticut to Stratford, Connecticut during 2008. The production facilities consist principally of the manufacturing, assembly and testing of display units and related components. The Company performs most subassembly and all final assembly of its products.

All product lines are design engineered by the Company and controlled throughout the manufacturing process. The Company has the ability to produce very large sheet metal fabrications, cable assemblies and surface mount and through-hole designed assemblies. Some of the subassembly processes are outsourced. The Company's production of many of the subassemblies and all of the final assemblies gives the Company the control needed for on-time delivery to its customers.

The Company has the ability to rapidly modify its product lines. The Company's displays are designed with flexibility in mind, enabling the Company to customize its displays to meet different applications with a minimum of lead-time. The Company designs certain of its materials to match components furnished by suppliers. If such suppliers were unable

to provide the Company with those components, the Company would have to contract with other suppliers to obtain replacement sources. Such replacement might result in engineering design changes, as well as delays in obtaining such replacement components. The Company believes it maintains suitable inventory and has contracts providing for delivery of sufficient quantities of such components to meet its needs. The Company also believes there presently are other qualified vendors of these components. The Company does not acquire significant amount of purchases directly from foreign suppliers, but certain key components such as the LEDs and LED modules are manufactured by foreign sources. The Company's products are third-party certified as complying with applicable safety, electromagnetic emissions and susceptibility requirements worldwide.

SERVICE AND SUPPORT

The Company emphasizes the quality and reliability of its products and the ability of its field service personnel and third-party agents to provide timely and expert service to the Company's rental equipment and maintenance bases and other types of customer-owned equipment. The Company believes that the quality and timeliness of its on-site service personnel are important components in the Company's ongoing and future success. The Company provides turnkey installation and support for the products it leases and sells in the United States and Canada. The Company provides training to end-users and provides ongoing support to users who have questions regarding operating procedures, equipment problems or other issues. The Company provides installation and service to those who purchase and lease equipment. The Company's dealers and distributors offer support for the products they sell in the market segment they cover.

Personnel based in regional and satellite service locations throughout the United States and Canada provide high quality and timely on-site service for the installed rental equipment and maintenance base and other types of customer-owned equipment. Purchasers or lessees of the Company's larger products, such as financial exchanges, casinos and sports stadiums, often retain the Company to provide on-site service through the deployment of a service technician who is on-site daily for scheduled events. The Company operates its National Technical Services and Repair Center from its Des Moines, Iowa facility. Equipment repairs are performed in Des Moines and service technicians are dispatched nationwide from the Des Moines facility. The Company's field service is augmented by various service companies in the United States, Canada and overseas. From time to time the Company uses various third-party service agents to install, service and/or assist in the service of certain displays for reasons that include geographic area, size and height of displays.

COMPETITION

The Company's offers of short and long-term leases to customers and its nationwide sales, service and installation capabilities are major competitive advantages in the display business. The Company believes that it is the largest supplier of large-scale stock, commodity, sports and race book gaming displays in the United States, as well as one of the larger outdoor electronic display and service organizations in the country.

The Company competes with a number of competitors, both larger and smaller than itself, with products based on different forms of technology. There are several companies whose current products utilize similar technology and who possess the resources necessary to develop competitive and more sophisticated products in the future.

REAL ESTATE RENTAL OPERATIONS

The Company owns an income-producing real estate property located in Santa Fe, New Mexico, which currently has a 81% occupancy rate. This property has been placed on the market for sale because it does not directly relate to our core business.

INTELLECTUAL PROPERTY

The Company owns or licenses a number of patents and holds a number of trademarks for its display equipment and considers such patents, licenses and trademarks important to its business.

EMPLOYEES

The Company has approximately 224 employees as of March 2, 2009. Approximately 21% of the employees are unionized. The Company believes its employee relations are good.

ITEM 1A. RISK FACTORS

THE CURRENT GLOBAL ECONOMIC CRISIS COULD NEGATIVELY IMPACT OUR BUSINESS

The current global economic crisis could adversely affect our customers and our suppliers and businesses such as ours. As a result, it could have a variety of negative effects on the Company such as reduction in revenues, increased costs, lower gross margin percentages, increased allowances for uncollectable accounts receivable and/or write-offs of accounts receivable, impair our ability to access credit markets and finance our operations and could otherwise have material adverse effects on our business, results of operations, financial condition and cash flows.

LEVERAGE

As of December 31, 2008, the Company's total long-term debt (including current portion) was $22.6 million. We expect we will incur indebtedness in connection with new rental equipment leases and working capital. Our ability to satisfy our obligations will be dependent upon our future performance, which is subject to prevailing economic conditions and financial, business and other factors, including factors beyond our control. There can be no assurance that our operating cash flows will be sufficient to meet our long-term debt service requirements or that we will be able to refinance indebtedness at maturity. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources."

RELIANCE ON KEY SUPPLIERS

We design certain of our materials to match components furnished by suppliers. If such suppliers were unable or unwilling to provide us with those components, we would have to contract with other suppliers to obtain replacement sources. In particular, we purchase almost all of the LED module blocks used in our electronic information displays from three suppliers. We do not have long-term supply contracts with these suppliers. A change in suppliers of either LED module blocks or certain other components may result in engineering design changes, as well as delays in obtaining such replacement components. We believe there are presently other qualified vendors of these components. Our inability to obtain sufficient quantities of certain components as required, or to develop alternative sources at acceptable prices and within a reasonable time, could result in delays or reductions in product shipments that could have a materially adverse effect on our business and results of operations.

COMPETITION

Our electronic information displays compete with a number of competitors, both larger and smaller than us, and with products based on different forms of technology. In addition, there are several companies whose current products

utilize similar technology and who possess the resources to develop competitive and more sophisticated products in the future. Our success is somewhat dependent upon our ability to anticipate technological changes in the industry and to successfully identify, obtain, develop and market new products that satisfy evolving industry requirements. There can be no assurance that competitors will not market new products which have perceived advantages over our products or which, because of pricing strategies, render the products currently sold by us less marketable or otherwise adversely affect our operating margins.

NATURE OF LEASING AND MAINTENANCE REVENUES

We derive a substantial percentage of our revenues from the leasing of our electronic information displays, generally pursuant to leases that have an average term of one to five years. Consequently, our future success is at least partly dependent on our ability to obtain the renewal of existing leases or to enter into new leases as existing leases expire. We also derive a significant percentage of our revenues from maintenance agreements relating to our display products. The average term of such agreements is generally one to five years. A portion of the maintenance agreements is cancelable

upon 30 days notice. There can be no assurance that we will be successful in obtaining renewal of existing leases or maintenance agreements, obtaining replacement leases or realizing the value of assets currently under leases that are not renewed. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations."

DEPENDENCE ON KEY PERSONNEL

We believe that our President and Chief Executive Officer, Michael R. Mulcahy, plays a significant role in the success of the Company and the loss of his services could have an adverse effect on the Company. There can be no assurance that the Company would be able to find a suitable replacement for Mr. Mulcahy. The Company has an employment agreement with Mr. Mulcahy that expires in 2010, which may be extended by the employee in case of a change-in-control approved by the present Board of Directors. The Company believes that in addition to the above referenced key personnel, there is a core group of executives that also plays a significant role in the success of the Company.

EFFECT OF CERTAIN ANTI-TAKEOVER PROVISIONS AND CONTROL BY EXISTING STOCKHOLDERS

Our Restated Certificate of Incorporation contains certain provisions that could have the effect of making it more difficult for a third party to acquire, or of discouraging a third party from attempting to acquire control of us. Such provisions could limit the price that certain investors might be willing to pay in the future for shares of our Common Stock, thus making it less likely that a stockholder will receive a premium on any sale of shares. Under our Restated Certificate of Incorporation, we have two classes of common stock outstanding, Common Stock and Class B Stock, each with its own rights and preferences. Each share of Class B Stock receives ten votes per share on all matters submitted to a vote of the stockholders versus the one vote received for each share of Common Stock. The Class B Stock is entitled to vote separately as a class on any proposal for merger, consolidation and certain other significant transactions. Moreover, our Board of Directors is divided into three classes, each of which serves for a staggered three-year term, making it more difficult for a third party to gain control of our Board. Our Restated Certificate of Incorporation

also has a provision that requires a four-fifths vote on any merger, consolidation or sale of assets with or to an "Interested Person" or "Acquiring Person."

Additionally, we are authorized to issue 500,000 shares of Preferred Stock containing such rights, preferences, privileges and restrictions as may be fixed by our Board of Directors, which may adversely affect the voting power or other rights of the holders of Common Stock or delay, defer or prevent a change in control of the Company, or discourage bids for the Common Stock at a premium over its market price or otherwise adversely affect the market price of the Common Stock. Our Board of Directors is also authorized to issue 3,000,000 shares of Class A Stock, which is identical to the Common Stock but is non-voting and is entitled to a 10% higher dividend than the Common Stock.

As of December 31, 2008, 13 stockholders who are executive officers and/or directors of the Company beneficially own approximately 81.96% of our outstanding Class B Stock, 10.19% of all classes and 49.21% of the voting power. So long as the Class B stock is outstanding, these stockholders collectively will continue to have the ability to elect all of our directors and to veto major transactions for which a stockholder vote is required under Delaware law, including mergers, consolidations and certain other significant transactions. These stockholders could also block tender offers for our Common Stock that could give stockholders the opportunity to realize a premium over the then prevailing market price for their shares of Common Stock.

LIMITED TRADING VOLUME AND VOLATILITY OF STOCK PRICE

Our Common Stock is not widely held and the volume of trading has been relatively low and sporadic. Accordingly, the Common Stock is subject to increased price volatility and reduced liquidity. There can be no assurance a more active trading market for the Common Stock will develop or be sustained if it does develop. The limited public float of our Common Stock could cause the market price for the Common Stock to fluctuate substantially. In addition, stock markets have experienced wide price and volume fluctuations in recent periods and these fluctuations often have been unrelated to the operating performance of the specific companies affected. Any of these factors could adversely affect the market price of the Common Stock.

SHARES ELIGIBLE FOR FUTURE SALE

Future sales of Common Stock in the public market by current stockholders of the Company could adversely affect the market price for the Common Stock. 289,785 shares of Common Stock (including Class B Stock if converted into equal amounts of Common Stock) may be sold in the public market by executive officers and directors, subject to the limitations contained in Rule 144 under the Securities Act of 1933, as amended. Sales of substantial amounts of the shares of Common Stock in the public market, or even the potential for such sales, could adversely affect the prevailing market price of our Common Stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

In June 2008, the Company relocated its headquarters and principal executive offices to a leased facility at 26 Pearl Street, Norwalk, Connecticut, which is used for administration and sales, and relocated its engineering, manufacturing and assembly of its indoor display products to a leased facility in Stratford, Connecticut. Prior to relocating the Company was located at 110 Richards Avenue, Norwalk, Connecticut. The Company owns a facility in Des Moines, Iowa where its outdoor operations are maintained.

In addition, the Company owns an income-producing real estate property in Santa Fe, New Mexico and land in Silver City, New Mexico. Both of these properties have been placed on the market for sale because they do not directly relate to our core business. The Company leases six other premises throughout North America for use as sales, service and/or administrative operations. The aggregate rental expense was $773,000, $662,000 and $781,000 for the years ended December 31, 2008, 2007 and 2006, respectively.

ITEM 3. LEGAL PROCEEDINGS

The Company is subject to legal proceedings and claims, which arise in the ordinary course of its business and/or which are covered by insurance. The Company and four of its directors are party to a pending legal proceeding entitled Gabelli Funds, LLC v. Brandt et al, 09 Civ. 0830 (KMK), and GAMCO Asset Management Inc., Gabelli Small Cap Growth Fund LLC, Gabelli Global Multimedia Trust, Inc. Gabelli Dividend and Income Trust, and Gabelli Convertible Fund LLC the owners of forty-three percent of the common stock of the Company. The proceeding, which is in the process of possibly being settled, is not expected to have an adverse impact on the consolidated financial position or operations of the Company.

The Company is also party to other pending legal proceedings and claims, which are covered by insurance, that it believes will not have a material adverse effect on the consolidated financial position or operations of the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

(a) The Company's Common Stock is traded on the NYSE Amex under the symbol "TLX." Sales prices are set forth in (d) below.

(b) The Company had approximately 594 holders of record of its Common Stock and approximately 59 holders of record of its Class B Stock as of April 14, 2009.

(c) The Board of Directors did not declare any cash dividends for Common Stock and Class B Stock during 2008 in order to conserve cash and pay down debt. Management and the Board of Directors will continue to review payment of quarterly cash dividends.

(d) The range of Common Stock prices on the NYSE Amex are set forth in the

quarterly financial data table below in Item 6(b).

(e) The Company did not purchase any of its equity securities during any month of the fourth fiscal quarter of 2008.

ITEM 6. SELECTED FINANCIAL DATA

(a) Not applicable.

(b) The following table sets forth quarterly financial data for years ended December 31, 2008 and 2007:

In thousands, except per share data Quarters ended	March 31	June 30	Septemb
2008			
Revenues	$ 8,000	$ 10,417	$ 1
Gross profit	2,003	2,764	
Loss from continuing operations	(1,186)	(1,719)	
Income (loss) from discontinued operations	159	(3,636)	
Net loss	(1,027)	(5,355)	
Loss per share continuing operations	(0.52)	(0.74)	
Earnings (loss) per share discontinued operations	0.07	(1.58)	
Total loss per share	(0.45)	(2.32)	
Cash dividends per share:			
Common stock	-	-	
Class B stock	-	-	
Range of Common Stock prices on the NYSE Amex	$3.00 - 6.70	$3.15 - 4.15	$1.80 -
2007 (1)			
Revenues	$ 8,703	$ 9,515	$ 1
Gross profit	1,998	2,225	
Loss from continuing operations	(2,623)	(472)	
Income from discontinued operations	221	208	
Net loss (2)	(2,402)	(264)	
Loss per share continuing operations	(1.80)	(0.19)	
Earnings per share discontinued operations	0.15	0.08	
Total loss per share	(1.65)	(0.11)	
Cash dividends per share:			
Common stock	-	-	
Class B stock	-	-	
Range of Common Stock prices on the NYSE Amex	$6.50 - 9.04	$5.85 - 7.45	$5.00 -

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Trans-Lux is a full service provider of integrated multimedia systems for today's communications environments. The essential elements of these systems are the real-time, programmable electronic information displays we manufacture, distribute and service. Designed to meet the evolving communications needs of

both the indoor and outdoor markets, these displays are used primarily in applications for the financial, banking, gaming, corporate, advertising, transportation, entertainment and sports industries. In addition to its display business, the Company owns and operates an income producing rental property. The Company operates in three reportable segments: Indoor display, Outdoor display and Real estate rental.

The Indoor display segment includes worldwide revenues and related expenses from the rental, maintenance and sale of indoor displays. This segment includes the financial, government/private and gaming markets. The Outdoor display segment includes worldwide revenues and related expenses from the rental, maintenance and sale of outdoor displays. Included in this segment are catalog sports, retail, digital billboards and commercial markets. The Real estate rental segment includes an income-producing real estate property.

On June 26, 2008, the Board of Directors approved the sale of the assets of the Entertainment Division. As a result of the sale, the Company has accounted for the Entertainment Division as discontinued operations beginning in the second quarter of 2008 and recorded long-lived asset impairment charges of $2.8 million as well as $2.0 million in disposal costs for the quarter ended June 30, 2008. See Note 2 - Discontinued Operations to the consolidated financial statements. The following discussion and analysis of financial condition and results of operations relates only to continuing operations.

Critical Accounting Policies and Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations discusses the Company's consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those related to percentage of completion, uncollectable accounts receivable, slow-moving and obsolete inventories, goodwill and intangible assets, income taxes, warranty obligations, pension plan obligations, contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Senior management has discussed the development and selection of these accounting estimates and the related disclosures with the audit committee of the Board of Directors.

Management believes the following critical accounting policies, among others, involve its more significant judgments and estimates used in the preparation of its consolidated financial statements:

Percentage of Completion: The Company recognizes revenue on long-term equipment sales contracts using the percentage of completion method based on estimated incurred costs to the estimated total cost for each contract. Should actual total cost be different from estimated total cost, an addition or a reduction to cost of sales may be required.

Uncollectable Accounts Receivable: The Company maintains allowances for uncollectable accounts receivable for estimated losses resulting from the inability of its customers to make required payments. Should non-payment by customers differ from the Company's estimates, a revision to increase or

decrease the allowance for uncollectable accounts receivable may be required.

Slow-Moving and Obsolete Inventories: The Company writes down its inventory for estimated obsolescence equal to the difference between the carrying value of the inventory and the estimated market value based upon assumptions about future demand and market conditions. If actual future demand or market conditions are less favorable than those projected by management, additional inventory write downs may be required.

Goodwill and Intangible Assets: The Company evaluates goodwill and intangible assets for possible impairment annually for goodwill and when events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable for other intangible assets. The Company uses the fair market value approach to test for impairment of its goodwill, and considers other factors including economic trends and our market capitalization relative to net book value. The fair market valuations used for the impairment tests can be affected by changes in the estimates of revenue multiples and the discount rate used in the calculations. The October 1, 2008 annual review indicated an impairment of $194,000 of the goodwill associated with the commercial outdoor display business, predominantly due to economic trends. Goodwill in our other businesses was not impaired. No impairment resulted from the annual reviews performed in 2007 or 2006. Future adverse changes in market conditions or poor operating results of underlying assets could result in an inability to recover the carrying value of the assets, thereby possibly requiring an impairment charge in the future.

Income Taxes: The Company records a valuation allowance to reduce its deferred tax assets to the amount that it believes is more likely than not to be realized. While the Company has considered future taxable income and ongoing feasible tax planning strategies in assessing the need for the valuation allowance, in the event the Company were to determine that it would not be able to realize all or part of its net deferred tax assets in the future, an adjustment to the deferred tax assets would be charged to income in the period such determination was made. Likewise, should the Company determine that it would be able to realize its deferred tax assets in the future in excess of its net recorded amount, an adjustment to the deferred tax assets would increase income in the period such determination was made.

Warranty Obligations: The Company provides for the estimated cost of product warranties at the time revenue is recognized. While the Company engages in product quality programs and processes, including evaluating the quality of the component suppliers, the warranty obligation is affected by product failure rates. Should actual product failure rates differ from the Company's estimates, revisions to increase or decrease the estimated warranty liability may be required.

Pension Plan Obligations: The Company is required to make estimates and assumptions to determine the obligation of our pension benefit plan, which include investment returns, rates of salary increases and discount rates. During 2008 and 2007, the Company recorded an after tax change in unrecognized pension liability in other comprehensive loss of $1.5 million and ($103,000), respectively. Estimates and assumptions are reviewed annually with the assistance of external actuarial professionals and adjusted as circumstances change. At December 31, 2008, plan assets were invested 52.9% in guaranteed investment contracts, 44.0% in equity and index funds and 3.1% in bonds. The investment return assumption takes the asset mix into consideration. The assumed discount rate reflects the rate at which the pension benefits could be settled. At December 31, 2008, the weighted average rates used for the computation of benefit plan liabilities were: investment returns, 8.75%; rates

of salary increases, 3.00%; and discount rate, 6.25%. Net periodic cost for 2009 will be based on the December 31, 2008 valuation. The defined benefit plan periodic cost was $291,000 in 2008, $628,000 in 2007 and $285,000 in 2006. The 2007 periodic pension cost included a settlement charge of $366,000. See Note 14 - Pension Plan to the consolidated financial statements. At December 31, 2008, assuming no change in the other assumptions, a one percentage point change in investment returns would affect the net periodic cost by $72,000 and a one percentage point change in the discount rate would affect the net periodic cost by $95,000. As of December 31, 2003, the benefit service under the defined benefit plan had been frozen and, accordingly, there is no service cost for each of the three years ended December 31, 2008.

Results of Operations

2008 Compared to 2007

Total revenues for the year ended December 31, 2008 decreased 1.7% to $36.7 million from $37.3 million for the year ended December 31, 2007, principally due to decreases in both Indoor and Outdoor display equipment rentals and maintenance revenues and Outdoor display sales revenues, offset by an increase in Indoor display sales revenues.

Indoor display revenues increased $641,000 or 5.9%. Of this increase, Indoor display equipment sales increased $1.2 million or 36.5%, primarily due an increase in sales from the financial services, gaming and transportation markets.

Indoor display equipment rentals and maintenance revenues decreased $606,000 or 8.2%, primarily due to disconnects and non-renewals of equipment on rental and maintenance on existing contracts in the financial services market. The financial services market continues to be negatively impacted by the current investment climate resulting in consolidation within that industry and the wider use of flat-panel screens for smaller applications. Also, due to the global recession, both Indoor sales and rentals and maintenance revenues have been negatively impacted and continue to be in 2009.

Outdoor display revenues decreased $1.1 million or 4.4%. Of this decrease, Outdoor display equipment rentals and maintenance revenues decreased $672,000 or 13.8%, primarily due to the continued expected revenue decline in the older Outdoor display equipment rental and maintenance bases acquired in the early 1990s. Outdoor display equipment sales decreased $465,000 or 2.2%, primarily in the commercial market, offset by increased sales in the catalog sports market. Also, due to the global recession, both Outdoor sales and rentals and maintenance revenues have been negatively impacted and continue to be in 2009.

Real estate rental revenues decreased $137,000 or 33.2%, primarily due to less than full occupancy of the sub-leased portion of our former Norwalk, CT location, which sub-leases terminated in June 2008.

Total operating income for the year ended December 31, 2008 increased to $1.4 million from $115,000 for the year ended December 31, 2007, principally due to the increase in Indoor sales revenues, a reduction in general and administrative expenses in both the Indoor and Outdoor display segments and a decrease in the cost of Outdoor equipment rentals and maintenance.

Indoor display operating loss decreased to $505,000 in 2008 compared to a loss of $1.6 million in 2007, primarily as a result of the increase in revenues in the financial services, gaming and transportation markets, a decrease in

depreciation expense related to the equipment rentals base and a decrease in general and administrative expenses. The cost of Indoor displays represented 80.3% of related revenues in 2008 compared to 81.5% in 2007. Indoor displays cost of equipment rentals and maintenance as a percentage of related revenues decreased primarily due to the relationship between the cost of equipment rentals and maintenance decreasing, and the revenues from Indoor display equipment rentals and maintenance also decreasing, but not at the same rate. The Company continues to monitor and address the cost of its field service operations to bring it in line with the revenues. Indoor displays cost of equipment rentals and maintenance decreased $375,000 or 5.3%, primarily due to a $422,000 decrease in depreciation expense, offset by a $47,000 increase in field service costs to maintain the equipment. Cost of Indoor display equipment rentals and maintenance includes field service expenses, plant repair costs, maintenance and depreciation. Indoor display cost of equipment sales increased $757,000 or 42.3%, primarily due to the increase in Indoor display sales and reduced margins of the Indoor display equipment sales due to product mix of sales to the transportation market. Indoor display general and administrative expenses decreased $796,000 or 22.3%, primarily due to a reduction in selling payroll and benefits and related expenses and a $265,000 decrease in bad debt expense. Due to the current economic condition, subsequent to year-end, certain personnel and related expenses of the Indoor display business were reduced, resulting in annual cash savings of approximately $0.9 million.

Outdoor display operating income increased $365,000 or 26.4%, primarily as a result of a decrease in depreciation expense related to the equipment rentals base, offset by $194,000 for the write down of goodwill, predominantly due to economic trends, relating to a 1995 acquisition in the outdoor commercial business. The cost of Outdoor displays represented 75.7% of related revenues in 2008 compared to 77.7% in 2007. Outdoor displays cost of equipment rentals and maintenance decreased $1.2 million or 30.6%, primarily due to a $573,000 decrease in depreciation expense and a $642,000 decrease in field service costs to maintain the equipment. Cost of Outdoor display equipment rentals and maintenance includes field service expenses, plant repair costs, maintenance and depreciation. Outdoor display cost of equipment sales decreased $170,000 or 1.0%, principally due to the decrease in volume. Outdoor display general and administrative expenses decreased $311,000 or 7.0%, primarily due to a $231,000 reduction in engineering expense. Due to the current economic condition, subsequent to year-end, certain personnel and related expenses of the commercial business were reduced, and all non-union personnel salaries were reduced, resulting in an annual cash savings of approximately $1.0 million.

Real estate rental operating income decreased $137,000 or 46.6%, primarily due the decrease in revenues due to less than full occupancy. The cost of Real estate rental represented 37.7% of related revenues in 2008 compared to 26.4% in 2007. Both the cost of Real estate rental and the general and administrative expenses remained level.

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Corporate general and administrative expenses decreased $1.1 million or 26.4%, primarily due a foreign currency gain of $569,000 compared to a foreign currency loss of $259,000 in the prior year and decreases in personnel, benefits, legal fees and audit fees. The Company continues to monitor and reduce certain overhead costs. Due to current economic conditions, subsequent to year-end, all personnel salaries and consulting fees were reduced, resulting in an annual savings of approximately $0.3 million.

Net interest expense decreased $431,000 or 22.0%, due to lower interest rates of the variable debt and a reduction in total debt.

Goodwill impairment is a charge relating to a 1995 acquisition in the outdoor

commercial business the Company wrote off. See Goodwill and Intangibles section above. The Company's goodwill evaluation indicated an impairment as of October 1, 2008.

Other (loss) income includes an $81,000 loss on investments that were sold in January 2009.

The effective tax rate for continuing operations for the years ended December 31, 2008 and 2007 was 39.5% and (15.9%), respectively. The 2008 effective tax rate was affected by the $2.7 million valuation allowance on its deferred tax assets as a result of reporting a pre-tax loss and the effect of allocating income taxes between continuing operations and discontinued operations. The 2007 effective tax benefit rate was affected by the $1.5 million one-time, non-cash, non-tax deductible debt conversion cost and the $1.0 million valuation allowance on its deferred tax assets as a result of reporting a pre-tax loss in recent years.

2007 Compared to 2006

Total revenues for the year ended December 31, 2007 decreased 8.7% to $37.3 million from $40.9 million for the year ended December 31, 2006, principally due to a decrease in Indoor display sales.

Indoor display revenues decreased $3.0 million or 21.7%. Of this decrease, Indoor display equipment sales decreased $2.1 million or 38.4%, primarily due to a reduction in sales from the financial services and transportation markets. Indoor display equipment rentals and maintenance revenues decreased $872,000 or 10.5%, primarily due to disconnects and non-renewals of equipment on rental and maintenance on existing contracts in the financial services market. The financial services market continues to be negatively impacted by the current investment climate, resulting in consolidation within that industry; and the wider use of flat-panel screens.

Outdoor display revenues decreased $559,000 or 2.1%. Of this decrease, Outdoor display equipment rentals and maintenance revenues decreased $440,000 or 8.3%, primarily due to the continued expected gradual revenue decline in the older Outdoor display equipment rental and maintenance bases acquired in the early 1990s. Outdoor display equipment sales decreased less than 1.0%, predominantly in the catalog sports market, offset by increases of billboard and commercial revenues.

Real estate rental revenues remained level.

Total operating income for the year ended December 31, 2007 decreased to $115,000 from $1.3 million for the year ended December 31, 2006, principally due to the increased losses of the Indoor display segment.

Indoor display operating loss increased $1.2 million to a loss of $1.6 million in 2007 compared to a loss of $361,000 in 2006, primarily as a result of the decrease in revenues in the financial services and transportation markets. The cost of Indoor displays represented 81.5% of related revenues in 2007 compared to 75.0% in 2006. The cost of Indoor displays as a percentage of related revenues increased primarily due to the relationship between field service costs of equipment rentals and maintenance decreasing, and the revenues from Indoor display equipment rentals and maintenance also decreasing, but not at the same rate. The Company continues to monitor and address the cost of its field service operations to try and bring it in line with the revenues and has centralized the dispatch, help desk and repair functions into the Des Moines, Iowa facility. Indoor display cost of equipment rentals and maintenance decreased $223,000 or 3.1%, largely due to a $502,000 reduction in depreciation expense, offset by an increase of $279,000 of field service costs. Cost of

Indoor display equipment rentals and maintenance includes field service expenses, plant repair costs, maintenance and depreciation expense. Indoor display cost of equipment sales decreased $1.3 million or 42.5%, primarily due to the decrease in Indoor display sales. Indoor display general and administrative expenses decreased

$261,000 or 6.8%, primarily due to a reduction in salaries, related benefits and travel costs, offset by an increase in the allowance for doubtful accounts.

Outdoor display operating income decreased $12,000 or 0.9%, primarily as a result of a decrease in catalog sports revenue and an increase in the allowance for doubtful accounts, offset by a reduction in depreciation expense. The cost of Outdoor displays represented 77.7% of related revenues in 2007 compared to 78.3% in 2006. Outdoor display cost of equipment sales increased by 1.1%, primarily due to the cost of raw materials. Outdoor display cost of equipment rentals and maintenance decreased $777,000 or 16.4%, primarily due to a decrease in field service costs of $436,000 and a reduction in depreciation expense of $341,000. Cost of Outdoor display equipment rentals and maintenance includes field service expenses, plant repair costs, maintenance and depreciation expense. Outdoor display general and administrative expenses increased slightly.

Real estate rental operating income decreased $15,000 or 4.9%. The cost of Real estate rental represented 26.4% of related revenues in 2007 compared to 24.3% in 2006. Real estate rental general and administrative expenses remained level.

Corporate general and administrative expenses increased $1.1 million or 35.9%, primarily due to the negative effect of a $406,000 change in the currency exchange gain/loss in 2007 compared to 2006, an increase of $374,000 in pension expense and an increase in the cost of medical benefits.

Net interest expense decreased $633,000 or 24.4%, primarily due to the reduction in the 8 1/4% Limited Convertible Senior Subordinated Notes due 2012, as a result of the exchange offer in the first quarter of 2007, coupled with the reduction of other long-term debt due to regularly scheduled payments and a reduction in the interest rates of the variable rate debt.

The debt conversion cost relates to a $1.5 million one-time, non-cash, non-tax deductible charge for the exchange of debt for Common Stock as a result of the exchange offer. See Note 11 - Long-Term Debt to the consolidated financial statements.

The effective tax benefit rate for continuing operations for the years ended December 31, 2007 and 2006 was 15.9% and 46.9%, respectively. The 2007 effective tax benefit rate was affected by the $1.5 million one-time, non-cash, non-tax deductible debt conversion cost and the $1.0 million valuation allowance on its deferred tax assets as a result of reporting a pre-tax loss in recent years. The 2006 effective tax benefit rate was affected by the reversal of a deferred tax liability related to prior repurchases of the Company's convertible debt.

Liquidity and Capital Resources

The Company has a bank Credit Agreement, which provides for a term loan of $10.0 million, a non-revolving line of credit of up to $6.2 million to finance purchases and/or redemptions of one-half of the 7 1/2% Subordinated Notes due 2006 (which were redeemed in June 2006 and no longer outstanding), and a revolving loan of up to $5.0 million at variable interest rates ranging from

LIBOR plus 2.25% to Prime (3.25% at December 31, 2008). Subsequent to year-end the rate of interest was modified to Prime plus 2.00%, with a floor of 6.00%, and the maturity date of the Credit Agreement was extended to April 1, 2010. The Credit Agreement requires an annual facility fee on the unused commitment of 0.25%, and requires compliance with certain financial covenants, which include a a loan-to-value ratio of not more than 50% and a leverage ratio. Subsequent to year-end, the fixed charge coverage ratio was modified to 1.1 to 1.0 for two quarters and the tangible net worth was redefined and modified to $24.0 million. As of December 31, 2008, the Company was in compliance with the forgoing financial covenants, but was not in compliance with the cap on capital expenditures, which the senior lender waived subsequent to year-end. At December 31, 2008, the entire revolving loan facility had been drawn. The non-revolving line of credit is no longer available. The Company's objective in regards to the Credit Agreement is to obtain additional funds from external sources through equity or additional debt financing and the Company is in discussions with senior lenders and others to obtain additional borrowing capacity, which management believes it should be able to accomplish within the next twelve months, but the current global credit market has been impacting the timing of accomplishing these objectives. While management believes it will be successful, there can be no assurance that management will be successful in achieving these objectives. The Company continually evaluates the need and availability of long-term capital in order to meet its cash requirements and fund potential new opportunities.

On March 15, 2007, the Company completed an offer to exchange 133 shares of its Common Stock, $1 par value per share, for each $1,000 principal amount of its 8 1/4% Limited convertible senior subordinated notes due 2012 (the "8 1/4% Notes"). The offer was for up to $9.0 million principal amount, or approximately 50% of the $18.0 million principal amount outstanding of the 8 1/4% Notes. A total of $7.8 million principal amount of the 8 1/4% Notes were exchanged, leaving $10.1 million principal amount of the 8 1/4% Notes outstanding. A total of 1,041,257 shares of Common Stock were issued in the exchange. In accordance with FASB No. 84, "Induced Conversions of Convertible Debt," the Company recorded a non-cash, non-tax deductible charge for the exchange of debt for Common Stock and additional amortization of prepaid financing costs aggregating $1.5 million in debt conversion cost as a result of the exchange offer.

During 2007, the Company secured a five-year $2.0 million financing of its real estate rental property in New Mexico at prime rate of interest, with a floor of 6.75%, which was the rate of interest at December 31, 2008.

No cash dividends for Common Stock and Class B Stock were declared by the Board of Directors during 2008 or 2007 in order to conserve cash and pay down debt.

The Company has incurred net losses from continuing operations for the years ended December 31, 2008, 2007 and 2006 of $4.6 million, $5.8 million and $2.3 million, respectively, but has generated cash provided by operating activities of continuing operations of $1.6 million, $4.7 million and $2.4 million for the years December 31, 2008, 2007 and 2006, respectively. The Company has implemented several initiatives to continue to improve operational results and cash flows over future periods. The Company's engineering staff continues to work on areas to improve manufacturing efficiencies as well as expanding and improving the outdoor commercial products, particularly controllers and digital billboards to include larger LED arrays, smaller LED pixel sizes for higher resolutions and additional features. The Company believes the outdoor commercial market is a growing industry, and we see increasing usage of digital signage in the outdoor commercial market once the economy begins to recover. The Company also continues to explore ways to reduce costs and relocated its

Norwalk facility in the second quarter of 2008 to lower operating costs in the future. The Company continues to take steps to reduce the cost to maintain the equipment on rental and maintenance. In addition, the Company is recording less interest expense as a result of the exchange offer in the first quarter of 2007, see Note 11 - Long-Term Debt to the consolidated financial statements, paid down debt with the net proceeds from the sale of the assets of the Entertainment Division, see Note 2 - Discontinued Operations to the consolidated financial statements, and a reduction in interest rates of its variable rate debt. The Company has positive working capital of $1.8 million as of December 31, 2008. Management believes that its current cash resources and cash provided by continuing operations should be sufficient to fund its continuing operations and its current obligations through December 31, 2009.

Cash and cash equivalents decreased $5.2 million in 2008 compared to an increase of $0.8 million in 2007 and a decrease of $7.8 million in 2006. The decrease in 2008 was primarily attributable to a $5.7 million payment of long-term debt with the net proceeds from the sale of the assets of the Entertainment Division, in addition to $2.7 million of regularly scheduled payments of long-term debt. Operating activities provided $1.6 million, offset by the investment in equipment manufactured for rental of $4.1 million and purchases of property, plant and equipment of $0.4 million. The increase in 2007 was primarily attributable to proceeds received from loan borrowings of $2.0 million and operating activities of $4.7 million, offset by the investment in equipment manufactured for rental of $3.9 million and purchases of property, plant and equipment of $0.1 million. The decrease in 2006 is primarily attributable to the net reduction of long-term debt of $6.8 million, investment in equipment manufactured for rental of $4.3 million and purchases of property, plant and equipment of $0.2 million, offset by increases from operating activities of $2.4 million and proceeds from the sale of available-for-sale securities of $0.3 million. The current economic environment has increased the Company's trade receivables collection cycle, but continues to be favorable.

Under various agreements, the Company is obligated to make future cash payments in fixed amounts. These include payments under the Company's long-term debt agreements, employment and consulting agreement payments and rent payments required under operating lease agreements. The Company has both variable and fixed interest rate debt. Interest payments are projected based on actual interest payments incurred in 2008 until the underlying debts mature.

The following table summarizes the Company's fixed cash obligations as of December 31, 2008 over the next five fiscal years:

In thousands	2009	2010	2011	2012	2013
Long-term debt, including interest	$4,469	$8,049	$1,249	$13,226	$ -
Employment and consulting agreement obligations	911	425	302	197	197
Operating lease payments	534	417	402	271	77
Total	$5,914	$8,891	$1,953	$13,694	$274

Off-Balance Sheet Arrangements: The Company has no majority-owned subsidiaries that are not included in the consolidated financial statements nor does it have any interests in or relationships with any special purpose off-balance sheet

financing entities.

Safe Harbor Statement under the Private Securities Reform Act of 1995

The Company may, from time to time, provide estimates as to future performance. These forward-looking statements will be estimates, and may or may not be realized by the Company. The Company undertakes no duty to update such forward-looking statements. Many factors could cause actual results to differ from these forward-looking statements, including loss of market share through competition, introduction of competing products by others, pressure on prices from competition or purchasers of the Company's products, interest rate and foreign exchange fluctuations, terrorist acts and war.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is subject to interest rate risk on its long-term debt. The Company manages its exposure to changes in interest rates by the use of variable and fixed interest rate debt. The fair value of the Company's fixed rate long-term debt is disclosed in Note 11 to the consolidated financial statements. A one percentage point change in interest rates would result in an annual interest expense fluctuation of approximately $111,000. In addition, the Company is exposed to foreign currency exchange rate risk mainly as a result of investment in its Canadian subsidiary. A 10% change in the Canadian dollar relative to the U.S. dollar would result in a currency exchange expense fluctuation of approximately $5,000, based on dealer quotes, considering current exchange rates. The Company does not enter into derivatives for trading or speculative purposes and did not hold any derivative financial instruments at December 31, 2008.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The consolidated financial statements and supplementary financial information are set forth below:

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Consolidated Statements of Operations

In thousands, except per share data Years ended December 31	2008	2007	
Revenues:			
Equipment rentals and maintenance	$ 11,031	$ 12,310	$
Equipment sales	25,376	24,593	
Real estate rentals	276	413	
Total revenues	36,683	37,316	
Operating expenses:			
Cost of equipment rentals and maintenance	9,443	11,033	
Cost of equipment sales	18,640	18,053	
Cost of real estate rentals	104	109	
Total operating expenses	28,187	29,195	

Gross profit from operations	8,496	8,121	
General and administrative expenses	(10,010)	(12,227)	(
Goodwill impairment	(194)	-	
Interest income	145	210	
Interest expense	(1,672)	(2,168)	
Debt conversion cost	-	(1,475)	
Other (loss) income	(75)	629	
Loss from continuing operations before income taxes	(3,310)	(6,910)	
Income tax (expense) benefit:			
Current	(203)	(131)	
Deferred	(1,103)	1,229	
Total income tax (expense) benefit (Note 9)	(1,306)	1,098	
Loss from continuing operations	(4,616)	(5,812)	
Income (loss) from discontinued operations, net of income taxes	(3,426)	717	
Net loss	$ (8,042)	$ (5,095)	$
Loss per share continuing operations - basic and diluted	$ (2.00)	$ (2.77)	$
(Loss) earnings per share discontinued operations - basic and diluted	(1.49)	0.34	
Total loss per share - basic and diluted	$ (3.49)	$ (2.43)	$
Weighted average common shares outstanding - basic and diluted	2,307	2,098	

Consolidated Balance Sheets

In thousands, except share data December 31	2008	2007
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,422	$ 6,591
Cash in escrow	400	-
Available-for-sale securities	135	171
Receivables, less allowance of $926 - 2008 and $892 - 2007	4,594	5,233
Unbilled receivables	120	12
Other receivable	-	2,580
Inventories	6,592	6,768
Prepaids and other	1,167	1,204
Assets associated with discontinued operations (Note 2)	149	25,792
Total current assets	14,579	48,351
Rental equipment	62,483	66,626
Less accumulated depreciation	35,358	37,692
	27,125	28,934

Property, plant and equipment	7,511	7,323
Less accumulated depreciation	4,784	4,626
	2,727	2,697
Asset associated with discontinued operations (Note 2)	920	920
Other receivable	2,580	-
Goodwill	810	1,004
Other assets	2,106	2,053
TOTAL ASSETS	$50,847	$83,959
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,151	$ 2,439
Accrued liabilities	6,146	6,537
Current portion of long-term debt	2,945	11,002
Liabilities associated with discontinued operations (Note 2)	544	16,250
Total current liabilities	12,786	36,228
Long-term debt:		
8 1/4% Limited convertible senior subordinated notes due 2012	10,129	10,129
9 1/2% Subordinated debentures due 2012	951	1,057
Notes payable	8,566	8,833
	19,646	20,019
Deferred credits, deposits and other	3,968	3,116
Stockholders' equity:		
Capital stock		
Common - $1 par value - 5,500,000 shares authorized, 2,453,591 shares issued in 2008 and 2007	2,453	2,453
Class B - $1 par value - 1,000,000 shares authorized, 286,814 shares issued in 2008 and 2007	287	287
Additional paid-in-capital	14,741	14,733
Retained earnings	3,806	11,848
Accumulated other comprehensive loss	(3,377)	(1,262)
	17,910	28,059
Less treasury stock - at cost - 433,596 common shares in 2008 and 2007	3,463	3,463
Total stockholders' equity	14,447	24,596
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$50,847	$83,959

Consolidated Statements of Cash Flows

In thousands Years ended December 31	2008	2007
Cash flows from operating activities		
Net loss	$(8,042)	$(5,095

(Loss) income from discontinued operations	(3,426)	717
Loss from continuing operations	(4,616)	(5,812
Adjustment to reconcile loss from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	6,398	7,752
Deferred income taxes	(18)	(1,137
Exchange of 8 1/4% Notes for Common Stock	-	1,345
Loss on available-for-sale securities	81	-
Goodwill impairment	194	-
Changes in operating assets and liabilities:		
Receivables	531	2,438
Inventories	176	(378
Prepaids and other assets	(147)	(51
Accounts payable and accruals	(366)	1,044
Deferred credits, deposits and other	(595)	(494
Net cash provided by operating activities of continuing operations	1,638	4,707
Cash flows from investing activities		
Equipment manufactured for rental	(4,050)	(3,898
Purchases of property, plant and equipment	(438)	(149
Proceeds from sale of available-for-sale securities	-	-
Net cash used in investing activities of continuing operations	(4,488)	(4,047
Cash flows from financing activities		
Proceeds from long-term debt	-	2,000
Payments of long-term debt	(8,430)	(2,235
Proceeds from exercise of stock options	-	-
Cash dividends	-	-
Net cash used in financing activities of continuing operations	(8,430)	(235
Cash flows from discontinued operations		
Cash (used in) provided by operating activities of discontinued operations	(441)	1,236
Cash provided by (used in) investing activities of discontinued operations	12,785	(375
Cash used in financing activities of discontinued operations	(6,233)	(460
Net cash provided by discontinued operations	6,111	40
Net (decrease) increase in cash and cash equivalents	(5,169)	82
Cash and cash equivalents at beginning of year	6,591	5,76
Cash and cash equivalents at end of year	$ 1,422	$ 6,59
Interest paid	$ 2,477	$ 3,93
Income taxes paid	170	4
Supplemental disclosures of non-cash financing activities:		
Exercise of stock options	-	1
Exchange of 7 1/2% Notes	-	
Exchange of 8 1/4% Notes for Common Stock	-	7,82

Consolidated Statements of Stockholders' Equity

In thousands, except share data For the three years ended December 31, 2008	Common Stock Shares	Amt	Class B Shares	Amt	Add'l Paid-in Capital	Treasu Sto
Balance January 1, 2006	2,453,591	$2,453	286,814	$287	$13,901	$(11,8
Net loss	-	-	-	-	-	
Cash dividends	-	-	-	-	-	
Stock option compensation expense	-	-	-	-	4	
Common stock issued (2,000 shares)	-	-	-	-	-	
Stock options exercised (2,500 shares)	-	-	-	-	(8)	
Other comprehensive income (loss), net of tax:						
Unrealized foreign currency translation	-	-	-	-	-	
Unrealized holding gain on securities	-	-	-	-	-	
Minimum pension liability adjustment	-	-	-	-	-	
Pension liability adjustment - SFAS 158	-	-	-	-	-	
Balance December 31, 2006	2,453,591	2,453	286,814	287	13,897	(11,8
Net loss	-	-	-	-	-	
Stock option compensation expense	-	-	-	-	1	
Common stock issued (1,041,257 shares)	-	-	-	-	844	8,3
Stock options exercised (2,500 shares)	-	-	-	-	(9)	
Tax liability adjustment - FIN 48	-	-	-	-	-	
Other comprehensive income (loss), net of tax:						
Unrealized foreign currency translation	-	-	-	-	-	
Unrealized holding loss on securities	-	-	-	-	-	
Change in unrecognized pension cost	-	-	-	-	-	
Balance December 31, 2007	2,453,591	2,453	286,814	287	14,733	(3,4
Net loss	-	-	-	-	-	
Stock option compensation expense	-	-	-	-	8	
Other comprehensive income (loss), net of tax:						
Unrealized foreign currency translation	-	-	-	-	-	
Unrealized holding loss on securities	-	-	-	-	-	
Realized loss on securities reclassified to operating statement	-	-	-	-	-	
Change in unrecognized pension cost	-	-	-	-	-	
Balance December 31, 2008	2,453,591	$2,453	286,814	$287	$14,741	$ (3,4

Consolidated Statements of Comprehensive Loss

In thousands Years ended December 31	2008	2007	2006
Net loss	$ (8,042)	$(5,095)	$(1,647
Other comprehensive (loss) income:			

Unrealized foreign currency translation gain (loss)	(695)	505	(23
Unrealized holding gain (loss) on securities	(37)	(28)	40
Realized loss on securities reclassified to operating statement	81	-	-
Change in unrecognized pension costs	(1,447)	172	-
Minimum pension liability adjustment	-	-	306
Pension liability adjustment - SFAS 158	-	-	(1,536
Income tax benefit (expense) related to items of other comprehensive (loss) income	(17)	(58)	647
Total other comprehensive (loss) income, net of tax	(2,115)	591	(566
Comprehensive loss	$(10,157)	$(4,504)	$(2,213

Notes To Consolidated Financial Statements

1. Summary of Significant Accounting Policies

Trans-Lux Corporation is a leading manufacturer and supplier of programmable electronic information displays and owner of a rental property.

Principles of consolidation: The consolidated financial statements include the accounts of Trans-Lux Corporation, a Delaware corporation, and all wholly-owned subsidiaries (the "Company"). Intercompany balances and transactions have been eliminated in consolidation.

Discontinued operations: On June 26, 2008, the Board of Directors approved the sale of substantially all of the assets of the Entertainment Division. As a result of the sale, the Company has accounted for the Entertainment Division as discontinued operations beginning in the second quarter of 2008 and recorded long-lived asset impairment charges of $2.8 million as well as $2.0 million in disposal costs in that quarter. Accordingly, the Company has restated all prior period information to conform to the current year presentation. See Note 2 - Discontinued Operations.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period in which they are determined to be necessary. Estimates are used when accounting for such items as costs of long-term sales contracts, allowance for uncollectable accounts receivable, inventory valuation allowances, depreciation and amortization, intangible assets, income taxes, warranty obligation, benefit plans, contingencies and litigation.

Cash and cash equivalents: The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Available-for-sale securities: Available-for-sale securities consist of fixed income mutual funds and are stated at fair value based on quoted market prices (level 1 inputs). The Company determines realized gains and losses on the specific identification basis. Unrealized gains and losses on investments

available for sale are reflected in accumulated other comprehensive loss in the Consolidated Balance Sheets and as a separate item in the Consolidated Statements of Comprehensive Loss.

Accounts receivable: Receivables are carried at net realizable value. Credit is extended based on an evaluation of each customer's financial condition, collateral is generally not required. Reserves for uncollectable accounts receivable are provided based on historical experience and current trends. The Company evaluates the adequacy of these reserves regularly.

The following is a summary of the allowance for uncollectable accounts receivable at December 31:

In thousands	2008	2007	2006
Balance at beginning of year	$ 892	$1,034	$ 935
Provisions	334	607	258
Deductions	(300)	(749)	(159)
Balance at end of year	$ 926	$ 892	$1,034

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers and relatively small account balances within the majority of the Company's customer base, and their dispersion across different businesses.

Inventories: Inventories are stated at the lower of cost (first-in, first-out method) or market value. Valuation allowances for slow moving and obsolete inventories are provided based on historical experience and demand for servicing of the displays. The Company evaluates the adequacy of these valuation allowances regularly.

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Rental equipment and property, plant and equipment: Rental equipment and property, plant and equipment are stated at cost and depreciated over their respective useful lives using the straight line method. Leaseholds and improvements are amortized over the lesser of the useful lives or term of the lease.

The estimated useful lives are as follows:

	Years
Rental equipment	10 - 15
Buildings and improvements	10 - 40
Machinery, fixtures and equipment	5 - 15
Leaseholds and improvements	5 - 10

When rental equipment and property, plant and equipment are fully depreciated, retired or otherwise disposed of, the cost and accumulated depreciation are

eliminated from the accounts.

Goodwill and intangibles: Goodwill represents the excess of purchase price over the estimated fair value of net assets acquired. Identifiable intangible assets are recorded at cost and amortized over their estimated useful life on a straight line basis and deferred financing costs over the life of the related debt of two to eight years. Total goodwill is $810,000, of which $744,000 relates to the Outdoor display segment and $66,000 relates to the Indoor display segment.

The Company annually evaluates the value of its goodwill on October 1 and determines if it is impaired by comparing the carrying value of goodwill to its estimated fair value. Fair value is determined using cash flow and other valuation models. In 2008, the Company determined that all of the $194,000 of goodwill associated with its commercial outdoor display business was impaired and wrote it off in the fourth quarter. The impairment was primarily due to economic trends. Goodwill in our other businesses was not impaired. There were no impairments of goodwill in 2007 and 2006. The Company also evaluates the value of its other intangible assets by comparing the carrying value with estimated future cash flows when indicators of possible impairment exist. There were no impairments of other intangibles in 2008, 2007 or 2006.

Impairment or disposal of long-lived assets: The Company evaluates whether there has been an impairment in any of its long-lived assets, excluding goodwill, if certain circumstances indicate that a possible impairment may exist. An impairment in value may exist when the carrying value of a long-lived asset exceeds its undiscounted cash flows. If it is determined that an impairment in value has occurred, the carrying value is written down to its fair value. There were no impairments in 2008, 2007 or 2006.

Maintenance contracts: Purchased maintenance contracts are stated at cost and were amortized over their economic lives of 15 years using an accelerated method, which contemplated contract expiration, fall-out and non-renewal. As of December 31, 2008, the purchased maintenance contracts are fully amortized.

Revenue recognition: Revenue from rental of equipment and revenue from maintenance contracts are recognized during the term of the respective agreements, which generally run for periods of one month to 10 years. At December 31, 2008, the future minimum lease payments due the Company under operating leases that expire at varying dates through 2018 for its rental equipment and maintenance contracts, assuming no renewals of existing leases or any new leases, aggregating $14,937,000 was as follows: $7,804,000 - 2009, $3,412,000 - 2010, $1,995,000 - 2011, $953,000 - 2012, $475,000 - 2013, $298,000 - thereafter. The Company recognizes revenues on long-term equipment sales contracts, which require more than three months to complete, using the percentage of completion method. The Company records unbilled receivables representing amounts due under these long-term equipment sales contracts, which have not been billed to the customer. Income is recognized based on the percentage of incurred costs to the estimated total costs for each contract. The determination of the estimated total costs is susceptible to change on these sales contracts. Revenues on equipment sales, other than long-term equipment sales contracts, are recognized upon shipment when title and risk of loss passes to the customer. Real estate rental revenue is recognized monthly on a straight line basis during the term of the respective lease agreements.

Warranty obligations: The Company provides for the estimated cost of product warranties at the time revenue is recognized. While the Company engages in product quality programs and processes, including evaluating the quality of the component suppliers, the warranty obligation is affected by product failure rates. Should actual product failure rates differ from the Company's estimates, revisions to increase or decrease the estimated warranty liability may be required.

Taxes on income: Deferred income tax assets and liabilities are established for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities at tax rates expected to be in effect when such temporary differences are expected to reverse and for operating loss carryforwards. The temporary differences are primarily attributable to operating loss carryforwards and depreciation. The Company records a valuation allowance against net deferred income tax assets if, based upon the available evidence, it is not more likely than not that the deferred income tax assets will be realized.

Effective January 1, 2007, the Company adopted the provisions of Financial Accounting Standard Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109" ("FIN 48"). FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken in a tax return. The Company must determine whether it is "more-likely-than-not" that a tax position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. Once it is determined that a position meets the more-likely-than-not recognition threshold, the position is measured to determine the amount of benefit to recognize in the financial statements. FIN 48 applies to all tax positions related to income taxes subject to FASB Statement No. 109, "Accounting for Income Taxes." The interpretation scopes out income tax positions related to FASB Statement No. 5, "Accounting for Contingencies." See Note 9 - Income Taxes.

As a result of the adoption of FIN 48 in 2007, the Company recognized a $250,000 adjustment for state income taxes, interest and penalties in connection with uncertain tax positions. This increase was accounted for as an adjustment to the beginning balance of retained earnings. The Company's policy is to classify interest and penalties related to uncertain tax positions in income tax expense. To date, there have been no interest or penalties charged to the Company in relation to the underpayment of income taxes.

Foreign currency: The functional currency of the Company's non-U.S. business operation is the applicable local currency. The assets and liabilities of such operation are translated into U.S. dollars at the year-end rate of exchange, and the income and cash flow statements are converted at the average annual rate of exchange. The resulting translation adjustment is recorded in accumulated other comprehensive loss in the Consolidated Balance Sheets and as a separate item in the Consolidated Statements of Comprehensive Income (Loss). Gains and losses related to the settling of transactions not denominated in the functional currency are recorded as a component of general and administrative expenses in the Consolidated Statements of Operations.

Share-based compensation plans: On January 1, 2006, the Company adopted Statement of Financial Accounting Standards ("SFAS") No. 123 (revised 2004) "Share-Based Payment" ("SFAS 123R"), which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options based on estimated fair values. Under the fair value recognition provisions of SFAS 123R compensation is estimated at the grant date based on the fair value of the awards expected to vest and recognized as expense ratably over the requisite service period of the award. The Company has used the binomial options-pricing valuation model to estimate fair value of share-based awards, which requires various assumptions including estimating stock price volatility, expected life of the stock option and risk free interest rate. For details on the accounting effect of share-based compensation see Note 15 - Share-Based Compensation. The Company

elected the "modified prospective method" of transition as permitted by SFAS 123R. Under this transition method, the Company is required to record compensation expense for all awards granted after the date of adoption and for the unvested portion of previously granted awards that were outstanding at the date of adoption, and accordingly, periods prior to adoption were not restated. SFAS 123R required the Company to apply an estimated forfeiture rate in calculating the period expense, as opposed to recognizing forfeitures as an expense reduction as they occur. The Company has not experienced any forfeitures that would need to be taken into consideration in SFAS 123R calculations.

Recent accounting pronouncements: In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157") that defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States and expands the disclosures about fair value measurements. On February 12, 2008, the FASB issued FASB Staff Position No. FAS 157-2, "Effective Date of FASB Statement No. 157" ("FSP 157-2"). FSP 157-2 amended SFAS 157 by delaying the effective date of SFAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (that is, at least annually). FSP 157-2 defers the effective date of SFAS 157 to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years for items within the scope of FSP 157-2. The Company adopted the other provisions of SFAS 157 on January 1, 2008. The adoption of SFAS 157 did not have a

significant effect on the Company's financial statements.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. SFAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that chose different measurement attributes for similar assets and liabilities, if elected. SFAS 159 is effective for the Company's 2008 financial statements. The Company has not elected to measure any additional assets or liabilities at fair value that are not already measured at fair value under existing standards.

In December 2007, the FASB issued SFAS No. 141R, "Business Combinations" ("SFAS 141R"), which replaces FASB Statement No. 141. Under SFAS 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition date fair value with limited exceptions. SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements that will enable users to evaluate the nature and financial effects of the business combination. SFAS 141R is effective for transactions completed in fiscal years beginning after December 15, 2008. Early adoption is prohibited.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51" ("SFAS 160"). SFAS 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. Specifically, SFAS 160 requires the recognition of a noncontrolling interest (minority interest) as equity in the consolidated financial statements and separate from the parent's equity. The amount of net income attributable to

the noncontrolling interest will be included in consolidated net income on the face of the income statement. SFAS 160 clarifies that changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest. In addition, SFAS 160 requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. Such gain or loss will be measured using the fair value of the noncontrolling equity investment on the deconsolidation date. SFAS 160 also includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008. Earlier adoption is prohibited.

Reclassifications: Certain reclassifications of prior years' amounts have been made to conform to the current year's presentation.

2. Discontinued Operations

On June 26, 2008, the Board of Directors approved the sale of substantially all of the assets of the Entertainment Division, which was consummated on July 15, 2008 for a purchase price of $24.5 million, of which $7.4 million was paid in cash, $0.4 million is in escrow and $16.7 million of debt was assumed by the purchaser, including $0.3 million of debt of the joint venture, MetroLux Theatres. The $0.4 million cash held in escrow will be released to the Company on July 15, 2009, net of any purchase price adjustments. The buyer assumed the operating results effective as of June 27, 2008. In accordance with the provisions of SFAS No. 144, "Accounting For the Impairment or Disposal of Long-lived Assets," the Company has accounted for the Entertainment Division as discontinued operations, and accordingly, has restated all prior period information.

In addition to the $24.5 million purchase price, there is a potential additional purchase price of up to $2.3 million based on the performance of increased theatre operations at the DreamCatcher Cinema, which was expanded from a six-plex to a 10-plex in May 2008. However, there can be no assurance that there will be any additional purchase price earned and none has been earned as of December 31, 2008. There was also a six-month option to purchase raw land from the Company in Silver City, New Mexico for $0.9 million, which went unexercised. As a result of the sale, the Company recorded a long-lived asset impairment charge of $2.8 million as well as $2.0 million in disposal costs during the quarter ended June 30, 2008.

The Company has agreed not to compete in the theatre business in certain Western states of the United States for five years and has licensed the name "Trans-Lux Theatres" in connection with such movie theatre circuit. Matthew Brandt

and Thomas Brandt, former executive officers of the Company, terminated their employment with the Company and became full time officers of the buyer, managing the theatre business purchased. The Company provided certain services on a transition basis for six months and is also providing consulting services for a year, which consulting services will be rendered by Richard Brandt, a director and consultant to the Company. The Company received an opinion from an independent third party that the transaction was fair to the stockholders of the Company from a financial point of view.

The $5.7 million net proceeds from the sale were used to prepay the term loan under the Credit Agreement with the Company's senior lender and accordingly, the amount of the term loan repayment also has been reclassified as current portion of long-term debt in the Consolidated Balance Sheet as of December 31, 2007. A

total of $22.4 million of long-term debt has been paid down or assumed by the buyer as a result of the sale.

The assets and liabilities associated with discontinued operations and related results of operations have been reclassified in the consolidated financial statements as discontinued operations. The Company had a 50% ownership in a joint venture partnership, MetroLux Theatres, accounted for by the equity method, which was included in the sold assets of its Entertainment Division. Interest expense allocated to discontinued operations relates to the Entertainment Division's long-term debt assumed by the buyer and/or repaid at the closing and related to the portion of the Credit Agreement paid with the sales proceeds. The following table presents the financial results of the discontinued operations for the period from January 1, 2008 through June 27, 2008 and for the years ended December 31, 2007 and 2006:

In thousands, except per share data	2008	2007	200
Revenues	$ 6,249	$13,889	$13,02
Operating expenses	4,954	10,419	9,71
Gross profit	1,295	3,470	3,30
General and administrative expenses	(647)	(1,075)	(1,01
Interest expense, net	(626)	(1,687)	(1,63
Income from joint venture	239	454	34
Asset impairment and loss on sale of division	(4,808)	-	
(Loss) income from discontinued operations before income taxes	(4,547)	1,162	1,00
Income tax benefit (expense)	1,121	(445)	(38
Net (loss) income from discontinued operations	$(3,426)	$ 717	$ 61
(Loss) income per share discontinued operations - basic and diluted	$ (1.49)	$ 0.34	$ 0.4

The following is a detail of the assets and liabilities reported as discontinued operations and classified as assets and liabilities associated with discontinued operations in the Consolidated Balance Sheets as of December 31, 2008 and 2007:

In thousands	2008	2007
Inventories	$ -	$ 85
Prepaids and other assets	149	171
Property and equipment, net	920	25,397
Other assets	-	1,059
Total assets associated with discontinued operations	$1,069	$26,712
Current liabilities	$ 544	$ 1,096
Long-term liabilities	-	15,154
Total liabilities associated with discontinued operations	$ 544	$16,250

3. Available-for-Sale Securities

Available-for-sale securities are carried at estimated fair values and the unrealized holding gains and losses are excluded from earnings and reported net of income taxes in accumulated other comprehensive income (loss) until realized. At December 31, 2008, the Company recorded a write down of available-for-sale securities by $81,000 to reflect other than temporary losses that were realized in January 2009. An adjustment of $28,000 was recorded in accumulated other comprehensive income (loss) to reflect the unrealized loss on available-for-sale securities at December 31, 2007.

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Available-for-sale securities consist of the following:

In thousands	2008		2007	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mutual funds	$135	$-	$171	$45

4. Inventories

Inventories consist of the following:

In thousands	2008	2007
Raw materials	$4,769	$4,743
Work-in-progress	1,317	1,351
Finished goods	506	674
	$6,592	$6,768

5. Rental Equipment

Rental equipment consist of the following:

In thousands	2008	2007
Indoor rental equipment	$44,613	$48,506
Outdoor rental equipment	17,870	18,120
	$62,483	$66,626

All the rental equipment is pledged as collateral under the Company's credit facility.

6. Property, Plant and Equipment

Property, plant and equipment consist of the following:

In thousands	2008	2007
Land, buildings and improvements	$2,838	$2,790
Machinery, fixtures and equipment	4,169	4,193
Leaseholds and improvements	504	340
	$7,511	$7,323

Land, buildings and equipment having a net book value of $2.4 million and $2.6 million at December 31, 2008 and 2007, respectively, are pledged as collateral under various mortgage and other financing agreements.

7. Other Assets

Other assets consist of the following:

In thousands	2008	2007
Spare parts	$ 550	$ 650
Deferred financing costs, net of accumulated amortization of $752 - 2008 and $821 - 2007	464	314
Prepaids	358	339
Maintenance contracts, net of accumulated amortization of $2,345 - 2007	-	41
Deposits and other	734	709
	$2,106	$2,053

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Deferred financing costs relate to the issuance of the 8 1/4% Limited convertible senior subordinated notes due 2012, the 9 1/2% Subordinated debentures due 2012, mortgages and other financing agreements.

Maintenance contracts represented the present value of acquired agreements to service outdoor display equipment. The 1993 acquisition of outdoor maintenance contracts was fully amortized as of December 31, 2008 and the cost and accumulated amortization were eliminated from the accounts.

Future amortization expense of intangible assets over the next five years is

expected as follows: $158,000 - 2009, $40,000 - 2010, $40,000 - 2011, $11,000 - 2012, $0 - 2013.

8. Other Receivable

The Company has a $2.6 million note receivable that was due June 2008, relating to the sale/leaseback of the Company's Norwalk, Connecticut facility in 2004. The receivable is secured by a purchase money mortgage subordinated to a $3.5 million first mortgage in favor of the purchaser's bank. The purchaser has defaulted on this payment and the Company is pursuing legal remedies. The Company reclassified the receivable to long term as of December 31, 2008 pending the outcome. The base four-year term of the sale/leaseback ended in June 2008. The Company terminated its subsequent three-year lease for part of the property during the second quarter of 2007 and recognized the remaining $293,000 of the deferred gain. The deferred gain represented the present value of the lease payments over the term of the leaseback and had been recognized proportionately to the rental charge over the base four-year term.

9. Taxes on Income

The Company adopted the provisions of FIN 48 on January 1, 2007. As a result of the implementation of FIN 48, the Company recognized a $250,000 adjustment for state income taxes, interest and penalties in connection with uncertain tax positions. This increase was accounted for as an adjustment to the beginning balance of retained earnings. The Company's policy is to classify interest and penalties related to uncertain tax positions in income tax expense. The accrual for uncertain tax positions did not change significantly in 2008 and 2007. The Company does not believe that the liability for uncertain tax positions will change significantly in 2009. The unrecognized tax liability, if recognized, would reduce the Company's effective tax rate.

The Company is subject to U.S. federal income tax as well as income tax in multiple state and local jurisdictions and Canadian federal and provincial income tax. Currently, no federal or state or provincial income tax returns are under examination. The tax years 2004 through 2007 remain open to examination by the major taxing jurisdictions and the 2003 tax year remains open to examination by some state and local taxing jurisdictions to which the Company is subject. The Company believes that adequate accruals have been recorded for all open years.

The components of income tax expense (benefit) are as follows:

In thousands	2008	2007	2006
Current:			
Federal	$ -	$ -	$ -
State and local	-	-	-
Foreign	203	131	234
	203	131	234
Deferred:			
Federal	1,359	(882)	(1,884)
State and local	(256)	(347)	(354)
	1,103	(1,229)	(2,238)

Income tax expense (benefit) - continuing operations	1,306	(1,098)	(2,004)
Income tax (benefit) expense - discontinued operations	(1,121)	445	383
Total income tax expense (benefit)	$ 185	$ (653)	$(1,621)

Loss from continuing operations before income taxes from the United States is $4,255,000 and $7,073,000, offset by income from Canada of $945,000 and $163,000 for the years ended December 31, 2008 and 2007, respectively.

Income tax benefits for continuing operations differed from the expected federal statutory rate of 34.0% as follows:

	2008	2007	2006
Statutory federal income tax benefit rate	(34.0%)	(34.0%)	(34.0%)
State income taxes, net of federal benefit	(5.1)	(3.3)	(5.5)
Foreign income taxed at different rates	(3.6)	1.1	1.8
Gain on purchase of the Company's 9% subordinated debentures	-	-	(8.7)
Debt conversion costs	-	6.6	-
Deferred tax asset valuation allowance	82.4	13.9	-
Other	(0.2)	(0.2)	(0.5)
Effective income tax rate - continuing operations	39.5%	(15.9%)	(46.9%)

Deferred income taxes reflect the net tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of the Company's deferred income tax assets and liabilities are as follows:

In thousands	2008	2007
Deferred income tax asset:		
Tax credit carryforwards	$ 1,034	$ 1,038
Operating loss carryforwards	8,455	7,790
Net pension costs	1,786	1,274
Bad debts	336	297
Accruals	723	599
Other	160	209
Valuation allowance	(4,570)	(1,270)
	7,924	9,937
Deferred income tax liability:		
Depreciation	7,502	8,394
Other	422	422
	7,924	8,816

Net deferred income tax asset - continuing operations	-	1,121
Net deferred income tax liability - discontinued operations	-	(1,121)
Net deferred income taxes	$ -	$ -

Tax credit carryforwards primarily relate to federal alternative minimum taxes of $0.9 million paid by the Company, which may be carried forward indefinitely and applied against regular federal taxes. Operating tax loss carryforwards primarily relate to U.S. federal net operating loss carryforwards of approximately $21.0 million, which begin to expire in 2019.

A valuation allowance has been established for the amount of deferred tax assets related to Federal and state net operating loss carryforwards, which management estimates will more likely than not expire unused.

10. Accrued Liabilities

Accrued liabilities consist of the following:

In thousands	2008	2007
Deferred revenues	$1,418	$1,950
Compensation and employee benefits	841	953
Current portion of pension liability (see Note 14)	695	210
Warranty obligations	489	317
Taxes payable	396	525
Interest payable	349	608
Other	1,958	1,974
	$6,146	$6,537

Warranty obligations: The Company provides for the estimated cost of product warranties at the time revenue is recognized. While the Company engages in product quality programs and processes, including evaluating the quality of the component suppliers, the warranty obligation is affected by product failure rates. Should actual product failure rates differ from the Company's estimates, revisions to increase or decrease the estimated warranty liability may be required. A summary of the warranty liabilities for each of the three years ended December 31, 2008 is as follows:

In thousands	2008	2007	2006
Balance at beginning of year	$ 317	$ 186	$ 212
Provisions	307	265	139
Deductions	(135)	(134)	(165)
Balance at end of year	$ 489	$ 317	$ 186

11. Long-Term Debt

Long-term debt consist of the following:

In thousands	2008	2007
8 1/4% Limited convertible senior subordinated notes due 2012	$10,129	$10,129
9 1/2% Subordinated debentures due 2012	1,057	1,057
Term loan - bank secured, due in quarterly installments through 2010	3,935	12,206
Revolving loan - bank secured	5,000	5,000
Real estate mortgages - bank secured, due in monthly installments through 2012	2,397	2,526
Loans payable - CEBA, secured, due in monthly installments through 2011	73	103
	22,591	31,021
Less portion due within one year	2,945	11,002
Long-term debt	$19,646	$20,019

Payments of long-term debt due for the next five years are:

In thousands	2009	2010	2011	2012	2013
	$2,945	$6,859	$195	$12,592	$-

On March 15, 2007, the Company completed an offer to exchange 133 shares of its Common Stock, $1 par value per share, for each $1,000 principal amount of its 8 1/4% Limited convertible senior subordinated notes due 2012 (the "8 1/4% Notes"). The offer was for up to $9.0 million principal amount, or approximately 50% of the $18.0 million principal amount outstanding of the 8 1/4% Notes. A total of $7.8 million principal amount of the 8 1/4% Notes were exchanged, leaving $10.1 million principal amount of the 8 1/4% Notes outstanding. A total of 1,041,257 shares of Common Stock were issued in the exchange. In accordance with FASB No. 84 "Induced Conversions of Convertible Debt," the Company recorded a non-cash, non-tax deductible charge for the exchange of debt for Common Stock and additional amortization of prepaid financing costs aggregating $1.5 million in debt conversion cost as a result of the exchange offer. The 8 1/4% Notes, which are no longer convertible into common shares, are due in 2012, interest is payable semi-annually and may be redeemed, in whole or in part, at par.

The 9 1/2% Subordinated debentures due 2012 (the "Debentures") are due in annual sinking fund payments of $105,700 beginning in 2009, with the remainder due in 2012. Interest is payable semi-annually and may be redeemed, in whole or in part, at par.

The Company has a bank Credit Agreement, which provides for a term loan of $10.0 million, a non-revolving line of credit of up to $6.2 million to finance purchases and/or redemptions of one-half of the 7 1/2% Subordinated Notes due 2006 (which were redeemed in June 2006 and no longer outstanding), and a revolving loan of up to $5.0 million at variable interest rates ranging from LIBOR plus 2.25% to Prime (3.25% at December 31, 2008). Subsequent to year-end the rate of interest was modified to Prime plus 2.00%, with a floor of 6.00%, and the maturity date of the Credit Agreement was extended to April 1, 2010. The Credit Agreement requires an annual facility fee on the unused commitment of 0.25%, and requires compliance with certain financial covenants, which include a a loan-to-value ratio of not more than

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50% and a leverage ratio. Subsequent to year-end, the fixed charge coverage ratio was modified to 1.1 to 1.0 for two quarters and the tangible net worth was redefined and modified to $24.0 million. As of December 31, 2008, the Company was in compliance with the forgoing financial covenants, but was not in compliance with the cap on capital expenditures, which the senior lender waived subsequent to year-end. At December 31, 2008, the entire revolving loan facility had been drawn. The non-revolving line of credit is no longer available. The amounts outstanding under the Credit Agreement are collateralized by all of the Display division assets.

The Company has a mortgage on its facility located in Des Moines, Iowa at a variable rate of interest of LIBOR plus 1.75% (3.69% at December 31, 2008) payable in monthly installments. Subsequent to year-end, certain modification were made to the mortgage, including increasing the rate of interest to LIBOR plus 3.00%, the cash flow coverage ratio calculation at the subsidiary level and the maturity date to July 1, 2009. Accordingly, the outstanding balance is recorded as a currently liability as of December 31, 2008. The Company also has a mortgage on its real estate rental property located in Santa Fe, New Mexico at a variable rate of interest of Prime, with a floor of 6.75%, which was the interest rate in effect at December 31, 2008, payable in monthly installments through 2012.

During 2006, the Company received $150,000 from the State of Iowa and City of Des Moines as a zero percent interest loan, amortizing on a straight-line basis for five years. At December 31, 2008, the present value of this loan, assuming a 6% interest rate, the rate of previous loans from the State of Iowa and City of Des Moines, is $65,000. The premium is being amortized using the effective interest method and is included in the carrying value of the loan.

During 2008, the Company incurred $1.7 million of interest costs. At December 31, 2008, the estimated fair value of the 8 1/4% Notes and the Debentures was $3.5 million and $1.0 million, respectively. The estimated fair value of the remaining long-term debt approximates the carrying value. At December 31, 2008, the Company was not involved in any derivative financial instruments.

12. Stockholders' Equity

During 2008, the Board of Directors did not declare any quarterly cash dividends on the Company's Common Stock or on the Company's Class B Stock in order to preserve cash and pay down debt. Each share of Class B Stock is convertible at any time into one share of Common Stock and has ten votes per share, as compared to Common Stock, which has one vote per share but receives a 10% higher dividend.

The Company has 3.0 million shares of authorized and unissued capital stock designated as Class A Stock, $1.00 par value. Such shares have no voting rights

except as required by law and would receive a 10% higher dividend than the Common Stock.

The Company also has 0.5 million shares of authorized and unissued capital stock designated as Preferred Stock, $1.00 par value.

The stockholders previously approved an increase in the authorized shares of Common Stock to 11.0 million and Class A Stock to 6.0 million. A Certificate of Amendment increasing the authorized shares will be filed when deemed necessary.

Shares of Common Stock reserved for future issuance in connection with stock option plans were 33,500 and 65,000 at December 31, 2008 and 2007, respectively.

On March 15, 2007, 1,041,257 shares of Common Stock were issued in exchange for $7,829,000 principal amount of the 8 1/4% Notes, resulting in an increase in stockholder's equity of the same amount.

13. Engineering Development

Engineering development expense was $183,000, $414,000 and $449,000 for 2008, 2007 and 2006, respectively, which is included in general and administrative expenses in the Consolidated Statements of Operations.

14. Pension Plan

On September 29, 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans" ("SFAS 158"). SFAS 158 requires, among other things, an employer to recognize the funded status of its benefit plans in its balance sheet. The Company adopted SFAS 158 as of December 31, 2006. The adoption of SFAS 158 resulted in an increase to the Company's accrued pension liability of $1,536,000.

All eligible salaried employees of Trans-Lux Corporation and certain of its subsidiaries are covered by a non-contributory defined benefit pension plan. Pension benefits vest after five years of service and are based on years of service and final average salary. The Company's general funding policy is to contribute at least the required minimum amounts sufficient to satisfy regulatory funding standards, but not more than the maximum tax-deductible amount. As of December 31, 2003, the benefit service under the pension plan had been frozen and, accordingly, there is no service cost for each of the three years ended December 31, 2008. Effective April 30, 2009, the compensation increments will be frozen, and accordingly, no additional benefits are being accrued under the plan.

For 2008 and 2007, the accrued benefit obligation of the plan exceeded the fair value of plan assets, due primarily to the plan's investment experience at the December 31 measurement dates on the valuation of plan assets. The Company's pension obligations for this plan exceeded plan assets by $4.5 million at December 31, 2008.

The Company employs a total return investment approach whereby a mix of equities and fixed income investments are used to maximize the long-term return of plan assets for a prudent level of risk. The intent of this strategy is to minimize plan expenses by outperforming plan liabilities over the long run. Risk tolerance is established through careful consideration of plan liabilities, plan funded status and corporate financial condition. The portfolio contains a diversified blend of equity and fixed income investments. Investment risk is measured and monitored on an ongoing basis through annual liability

measurements, periodic asset/liability studies and quarterly investment portfolio reviews.

At December 31, 2008 and 2007, the Company's pension plan weighted average asset allocations by asset category are as follows:

	2008	2007
Guaranteed investment contracts	52.9%	42.2%
Equity and index funds	44.0	55.4
Bonds	3.1	2.3
Money market funds	-	0.1
	100.0%	100.0%

Bonds include $167,000 of the Company's 9 1/2% subordinated debentures for 2008 and 2007.

The funded status of the plan as of December 31, 2008 and 2007 is as follows:

In thousands	2008	2007
Change in benefit obligation:		
Projected benefit obligation at beginning of year	$10,481	$10,906
Interest cost	640	641
Actuarial (gain) loss	(413)	101
Benefits paid	(803)	(1,167)
Projected benefit obligation at end of year	9,905	10,481
Change in plan assets:		
Fair value of plan assets at beginning of year	7,284	7,878
Actual return on plan assets	(1,511)	286
Company contributions	460	287
Benefits paid	(803)	(1,167)
Fair value of plan assets at end of year	5,430	7,284
Funded status (underfunded)	$(4,475)	$(3,197)
Amounts recognized in other comprehensive loss:		
Net actuarial loss	$ 5,099	$ 3,635
Unrecognized prior service cost	59	76
	$ 5,158	$ 3,711
Weighted average assumptions as of December 31:		
Discount rate:		
Components of cost	6.25%	6.00%
Benefit obligations	6.25%	6.25%

Expected return on plan assets	8.75%	8.75%
Rate of compensation increase	3.00%	3.00%

In 2009, the Company expects to amortize $420,000 of actuarial losses and $17,000 of prior service costs to pension expense. The accumulated benefit obligation at December 31, 2008 and 2007 was $9.4 million and $9.3 million, respectively. The minimum required contribution for 2009 is expected to be $695,000.

Expected projected benefit payments due for the next five years are:

In thousands	2009	2010	2011	2012	2013
	$517	$402	$817	$762	$1,127

The following table presents the components of the net periodic pension cost for the three years ended December 31, 2008:

In thousands	2008	2007	2006
Interest cost	$ 640	$ 641	$ 611
Expected return on plan assets	(631)	(677)	(654)
Amortization of prior service cost	17	17	17
Amortization of net actuarial loss	265	281	311
Settlement charge	-	366	-
Net periodic pension cost	$ 291	$ 628	$ 285

In the fourth quarter of 2007 the Company recognized $366,000 of its unrecognized losses as a settlement charge relating to the total lump sum payments made during the year.

The following table presents the change in unrecognized pension costs recorded in other comprehensive loss as of December 31, 2008 and 2007:

In thousands	2008	2007
Balance at beginning of year	$3,711	$3,883
Net actuarial loss	1,729	492
Recognized loss	(265)	(647)
Recognized prior service cost	(17)	(17)
Balance at end of year	$5,158	$3,711

The Company does not offer any post-retirement benefits other than the pension retirement benefits described herein.

15. Share-Based Compensation

Effective January 1, 2006, the Company adopted the provisions of SFAS 123R, which establishes the accounting for stock-based awards exchanged for employee services. SFAS 123R requires all share-based payments to employees, including grants of employee stock options, to be measured at fair value and expensed in the Consolidated Statements of Operations over the service period (generally the vesting period). The Company elected the "modified prospective method" of transition as permitted by SFAS 123R. Under this transition method, the Company is required to record compensation expense for all awards granted after the date of adoption and for the unvested portion of previously granted awards that were outstanding at the date of adoption, and accordingly, periods prior to adoption were not restated. SFAS 123R required the Company to apply an estimated forfeiture rate in calculating the period expense, as opposed to recognizing forfeitures as an expense reduction as they occur. The Company has not experienced any forfeitures that would need to be taken into consideration in SFAS 123R calculations. The Company previously accounted for share-based compensation plans under APB 25 and the related interpretations and provided the required SFAS 123 pro forma disclosures for employee stock options.

The Company has three stock option plans. Under the 1995 Stock Option Plan, 125,000 shares of Common Stock were authorized for grant to key employees. Under the Non-Employee Director Stock Option Plan, 30,000 shares of Common Stock were authorized for grant. Under the Non-Statutory Stock Option Agreement, 10,000 shares of Common Stock were authorized and issued to the former Chairman of the Board.

Changes in the stock option plans are as follows:

	Number of Shares			Weighted Average Exercise
	Authorized	Granted	Available	Price
Balance January 1, 2006	82,800	71,300	11,500	$6.10
Terminated	-	(2,000)	2,000	6.08
Exercised	(2,500)	(2,500)	-	4.95
Granted	-	500	(500)	5.95
Balance December 31, 2006	80,300	67,300	13,000	6.15
Terminated	(1,300)	(2,300)	1,000	9.63
Exercised	(2,500)	(2,500)	-	4.03
Granted	-	2,500	(2,500)	5.45
Balance December 31, 2007	76,500	65,000	11,500	6.08
Terminated	(32,500)	(34,500)	2,000	6.72
Granted	-	3,000	(3,000)	3.85
Balance December 31, 2008	44,000	33,500	10,500	5.22

Under the 1995 Stock Option Plan, option prices must be at least 100% of the

market value of the Common Stock at time of grant. No option may be exercised prior to one year after date of grant. Exercise periods are for ten years from date of grant and terminate at a stipulated period of time after an employee's termination of employment. At December 31, 2008, options for 12,500 shares with exercise prices ranging from $5.40 to $7.00 per share were outstanding, all of which were exercisable. During 2008, no shares were exercised or granted, and options for 32,500 shares expired. During 2007, no options were exercised or granted, and options for 1,300 shares expired. During 2006, no options were exercised, granted or expired. No additional options can be granted under the 1995 Plan.

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Under the Non-Employee Director Stock Option Plan, option prices must be at least 100% of the market value of the Common Stock at time of grant. No option may be exercised prior to one year after date of grant and the optionee must be a director of the Company at time of exercise, except in certain cases as permitted by the Compensation Committee. Exercise periods are for six years from date of grant and terminate at a stipulated period of time after an optionee ceases to be a director. At December 31, 2008, options for 11,000 shares with exercise prices ranging from $3.85 to $7.00 per share were outstanding, 8,000 of which were exercisable. During 2008, options for 3,000 shares were granted with an exercise price of $3.85, options for 2,000 shares expired and no options were exercised. During 2007, options for 2,500 shares were granted with an exercise price of $5.45 per share, 2,500 options were exercised, which had an intrinsic value of $10,000 determined as a difference between the market price at the date of exercise and the exercise price, and options for 1,000 shares expired. During 2006, options for 500 shares were granted with an exercise price of $5.95 per share, 2,500 options were exercised, which had an intrinsic value of $7,000, and options for 2,000 shares expired.

Under the Non-Statutory Stock Option Agreement for the former Chairman of the Board, the option price must be at least 100% of the market value of the Common Stock at time of grant and the exercise period is for 10 years from date of grant. At December 31, 2008, the options for 10,000 shares with an exercise price of $4.025 were outstanding and exercisable. During 2008, 2007 and 2006, no options were exercised, granted or expired.

The following tables summarize information about stock options outstanding at December 31, 2008:

Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Aggregate Intrinsic Value
$3.85 - $4.00	3,000	5.7	$3.85	-
4.01 - 5.39	12,000	2.6	4.18	-
5.40 - 6.09	8,000	4.1	5.45	-
6.10 - 6.99	5,000	3.2	6.20	-
7.00 - 8.59	5,500	5.1	7.00	-
	33,500	3.7	5.22	-

Weighted

Range of Exercise Prices	Number Exercisable	Average Exercise Price	Aggregate Intrinsic Value
$3.85 - $4.00	-	$ -	-
4.01 - 5.39	12,000	4.18	-
5.40 - 6.09	8,000	5.45	-
6.10 - 6.99	5,000	6.20	-
7.00 - 8.59	5,500	7.00	-
	30,500	5.35	-

All outstanding option prices are substantially over the current market price. As of December 31, 2008 there was $2,000 of total unrecognized compensation cost related to non-vested options granted under the Plans, which will be recognized in 2009.

The estimated fair value of options granted during 2008, 2007 and 2006 was $1.67, $1.83 and $2.86 per share, respectively. The fair value of options granted under the Company's stock option plans during 2008, 2007 and 2006 was estimated on dates of grant using the binomial options-pricing model with the following weighted average assumptions used:

	2008	2007	2006
Dividend yield	-	-	-
Expected volatility	36.20%	23.82%	42.17%
Risk free interest rate	4.64%	4.34%	4.76%
Expected lives of option grants (years)	4.0	4.0	4.0

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16. Loss Per Common Share

Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding for the period. The Company's diluted loss per common share is calculated by adjusting net loss for the after-tax interest expense on convertible debt and dividing that amount by the weighted average number of common shares outstanding, adjusted for shares that would be assumed outstanding after convertible debt conversion and stock options vested under the treasury stock method. At December 31, 2008 and 2007, there were outstanding stock options to purchase 30,500 and 65,000 shares of Common Stock, respectively, which were excluded from the calculation of diluted loss per share because their impact would have been anti-dilutive. At December 31, 2006, outstanding debt convertible into 1,994,000 shares of Common Stock and outstanding stock options to purchase 67,300 shares of Common Stock were excluded from the calculation of diluted loss per share because their impact would have been anti-dilutive.

17. Commitments and Contingencies

Commitments: The Company has employment agreements with certain executive

officers, which expire at various dates through March 2010 and a consulting agreement with a private consulting company owned by the family of a certain board member who is a former officer of the Company and performs the consulting services on behalf of the consulting company, which expires December 2014. At December 31, 2008, the aggregate commitment for future salaries and consulting fees, excluding bonuses, was approximately $2.2 million. Salaries/consulting expense was $1.3 million, $1.2 million and $1.2 million for the years ended December 31, 2008, 2007 and 2006, respectively.

Contingencies: The Company is subject to legal proceedings and claims which arise in the ordinary course of its business and/or which are covered by insurance. The Company is party to a pending legal proceeding, which is in the process of possibly being settled, which is not expected to have an adverse impact on the consolidated financial position or operations of the Company. The Company is also party to other pending legal proceedings and claims, which are covered by insurance, that it believes will not have a material adverse effect on the consolidated financial position or operations of the Company.

Operating leases: Certain premises are occupied under operating leases that expire at varying dates through 2013. Certain of these leases provide for the payment of real estate taxes and other occupancy costs. Future minimum lease payments due under operating leases at December 31, 2008 aggregating $1,701,000 are as follows: $534,000 - 2009, $417,000 - 2010, $402,000 - 2011, $271,000 - 2012, $77,000 - 2013. Rent expense was $773,000, $662,000 and $781,000 for the years ended December 31, 2008, 2007 and 2006, respectively.

18. Business Segment Data

Operating segments are based on the Company's business components about which separate financial information is available, and are evaluated regularly by the Company's chief operating decision makers in deciding how to allocate resources and in assessing performance.

The Company evaluates segment performance and allocates resources based upon operating income. The Company's operations are managed in three reportable business segments. The Display Division comprises two operating segments, Indoor display and Outdoor display. Both design, produce, lease, sell and service large-scale, multi-color, real-time electronic information displays. Both operating segments are conducted on a global basis, primarily through operations in the U.S. The Company also has operations in Canada. The Indoor display and Outdoor display segments are differentiated primarily by the customers they serve. The Real estate rental segment owns an income-producing property. Segment operating income is shown after operating expenses and sales, general and administrative expenses directly associated with the segment. Corporate general and administrative items relate to costs that are not directly identifiable with a segment. There are no intersegment sales.

Foreign revenues represent less than 10% of the Company's revenues and therefore are not separately disclosed. The foreign operation does not manufacture its own equipment; the domestic operation provides the equipment that the foreign operation leases or sells. The foreign operation operates similarly to the domestic operation and has similar profit margins.

Information about the Company's continuing operations in its three business segments as of December 31, 2008 and 2007 and for the three years ended December 31, 2008 is as follows:

In thousands	2008	2007	2006
Revenues:			
Indoor display	$11,496	$10,855	$13,859
Outdoor display	24,911	26,048	26,607
Real estate rental	276	413	420
Total revenues	$36,683	$37,316	$40,886
Operating income (loss):			
Indoor display	$ (505)	$(1,560)	$ (361)
Outdoor display	1,746	1,381	1,393
Real estate rental	157	294	309
Total operating income	1,398	115	1,341
Other (loss) income	(75)	629	87
Corporate general and administrative expenses	(3,106)	(4,221)	(3,105)
Interest expense - net	(1,527)	(1,958)	(2,591)
Debt conversion cost	-	(1,475)	-
Loss from continuing operations before income taxes	(3,310)	(6,910)	(4,268)
Income tax (expense) benefit	(1,306)	1,098	2,004
Net loss from continuing operations	$(4,616)	$(5,812)	$(2,264)
Assets:			
Indoor display	$25,629	$27,855	
Outdoor display	21,271	21,711	
Real estate rental	921	919	
Discontinued operations	1,069	26,712	
Total identifiable assets	48,890	77,197	
General corporate	1,957	6,762	
Total assets	$50,847	$83,959	
Depreciation and amortization:			
Indoor display	$ 4,726	$ 5,229	$ 5,709
Outdoor display	1,474	2,111	2,532
Real estate rental	55	55	50
General corporate	143	357	264
Total depreciation and amortization	$ 6,398	$ 7,752	$ 8,555
Capital expenditures:			
Indoor display	$ 2,923	$ 3,182	$ 3,690
Outdoor display	1,296	857	748
Real estate rental	48	5	35
General corporate	221	3	1
Total capital expenditures	$ 4,488	$ 4,047	$ 4,474

Reports of Independent Registered Public Accounting Firms

Report of UHY LLP, Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of Trans-Lux Corporation

We have audited the accompanying consolidated balance sheet of Trans-Lux Corporation and subsidiaries (the "Company") as of December 31, 2008, and the related consolidated statements of operations, comprehensive loss, stockholders' equity, and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal controls over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2008, and the consolidated results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ UHY LLP

Hartford, Connecticut
April 22, 2009

Report of Eisner LLP, Independent Registered Accounting Firm

To the Board of Directors and Stockholders of Trans-Lux Corporation

We have audited the consolidated balance sheet of Trans-Lux Corporation and its subsidiaries (the "Company") as of December 31, 2007 and the related consolidated statements of operations, stockholders' equity, comprehensive loss and cash flows for each of the years in the two-year period ended December 31, 2007. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audits include consideration of internal control over financial reporting as

a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the consolidated financial position of Trans-Lux Corporation and its subsidiaries as of December 31, 2007, and the consolidated results of their operations and their consolidated cash flows for each of the years in the two-year period ended December 31, 2007, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 9 to the consolidated financial statements, the Company adopted the provisions of Financial Accounting Standard Board Interpretation No. 48, "Accounting for Uncertainty in Income Taxes, an Interpretation of FASB Statement No. 109," effective January 1, 2007.

As discussed in Note 2 to the consolidated financial statements, the accompanying December 31, 2007 and 2006 consolidated financial statements have been retroactively restated to report amounts attributable to discontinued operations separately.

/s/ Eisner LLP

New York, New York
March 28, 2008 (April 22, 2009 as to the discontinued operations presentation discussed in Note 2)

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A(T). CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures. As of the end of the period covered by this Annual Report, we carried out an evaluation, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (its principal executive officer and principal financial officer), of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in the Securities Exchange Act of 1934 Rules 13a-15(e) and 15d-15(e)). Our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and that such information is accumulated and communicated to our management (including our Chief Executive Officer and Chief Financial Officer) to allow timely decisions regarding required disclosures, except this filing, which we

believe will be a one time event, was not timely filed. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded these disclosure controls are effective as of December 31, 2008.

(b) Changes in internal control over financial reporting. There has been no change in the Company's internal control over financial reporting that occurred in the fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

(c) Management's Report on Internal Control Over Financial Reporting. The management of the Company is responsible for establishing and maintaining adequate internal control over financial reporting for the Company as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States. A company's internal control over financial reporting includes policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements. Our internal control system was designed to provide reasonable assurance to our management and Board of Directors regarding the preparation and fair presentation of published financial statements. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by the Company's registered public accounting firm pursuant to temporary rules of the Securities and Exchange Commission that permit the Company to provide only management's report in this annual report.

The Company's management assessed its internal control over financial reporting as of December 31, 2008 using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Management, including the Company's Chief Executive Officer and its Chief Financial Officer, based on their evaluation of the Company's internal control over financial reporting (as defined in Securities Exchange Act Rule 13a-15(f)), have concluded that the Company's internal control over financial reporting was effective as of December 31, 2008.

ITEM 9B. OTHER INFORMATION

All information required to be reported in a report on Form 8-K during the fourth quarter covered by this Form 10-K has been reported.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

(a) The information required by this Item with respect to directors is incorporated herein by reference to the Section entitled "Election of Directors" in the Company's Proxy Statement.

(b) The following executive officers were elected by the Board of Directors for the ensuing year and until their respective successors are elected:

Name	Office	Age
Michael R. Mulcahy	President and Chief Executive Officer	60
Angela D. Toppi	Executive Vice President, Treasurer, Secretary and Chief Financial Officer	53
Al L. Miller	Executive Vice President	63
Karl P. Hirschauer	Senior Vice President	61
Thomas F. Mahoney	Senior Vice President	61

Messrs. Mulcahy, Miller, Hirschauer, Mahoney and Ms. Toppi have each been associated in an executive capacity with the Company for more than five years.

(c) The information required by Items 405, 406 and 407 of Regulation S-K is incorporated herein by reference to the Sections entitled "Compliance with Section 16(a) of the Securities Exchange Act of 1934," "Code of Ethics" and "Corporate Governance" in the Company's Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated herein by reference to the Section entitled "Executive Compensation and Transactions with Management" in the Company's Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated herein by reference to the Section entitled "Security Ownership of Certain Beneficial Owners, Directors and Executive Officers" in the Company's Proxy Statement.

Equity Compensation Plan Information

December 31, 2008	Securities to be issued upon exercise	Weighted average exercise price	Sec ava future

Equity compensation plans approved by stockholders	23,500	$5.72	1
Equity compensation plans not approved by stockholders	10,000	4.03	
Total	33,500	5.22	1

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated herein by reference to the Section entitled "Executive Compensation and Transactions with Management" in the Company's Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTING FIRM FEES AND SERVICES

The information required by this Item is incorporated herein by reference to the Section entitled "Ratification of the Selection of Independent Registered Accounting Firm" in the Company's Proxy Statement.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) The following documents are filed as part of this report:

1 Consolidated Financial Statements of Trans-Lux Corporation:
- Consolidated Statements of Operations for the Years Ended December 31, 2008, 2007 and 2006
- Consolidated Balance Sheets as of December 31, 2008 and 2007
- Consolidated Statements of Cash Flows for the Years Ended December 31, 2008, 2007 and 2006
- Consolidated Statements of Stockholders' Equity for the Years Ended December 31, 2008, 2007 and 2006
- Consolidated Statements of Comprehensive Loss for the Years Ended December 31, 2008, 2007 and 2006
- Notes to Consolidated Financial Statements
- Reports of Independent Registered Public Accounting Firms

2 Financial Statement Schedules: None.

3 Exhibits:

3(a) Form of Restated Certificate of Incorporation of the Registrant (incorporated by reference to Exhibit 3.1 of Registration No. 333-15481).

(b) By-Laws of the Registrant (incorporated by reference to Exhibit 3(b) of Form 10-K for the year ended December 31, 2001).

4(a) Indenture dated as of December 1, 1994 (form of said indenture is incorporated by reference to Exhibit 6 of Schedule 13E-4 Amendment No. 2 dated December 23, 1994).

(b) Indenture dated as of March 1, 2004 (form of said indenture is incorporated by reference to Exhibit 12(d) of Schedule TO dated March 2, 2004).

10.1 Form of Indemnity Agreement - Directors (form of said agreement is incorporated by reference to Exhibit 10.1 of Registration No. 333-15481).

10.2 Form of Indemnity Agreement - Officers (form of said agreement is incorporated by reference to Exhibit 10.2 of Registration No. 333-15481).

10.3 Amended and Restated Pension Plan dated January 1, 2001 and Amendment No. 1 dated as of April 1, 2002 (incorporated by reference to Exhibit 10.3 of Form 10-K for the year ended December 31, 2001). Amendment No. 2 dated as of December 31, 2002 (incorporated by reference to Exhibit 10.3 of Form 10-K for the year ended December 31, 2002). Amendment No. 3 dated as of December 31, 2003 (incorporated by reference to Exhibit 10.3 of Form 10-K for the

year ended December 31, 2003). Amendment No. 4 dated as of December 31, 2008 (incorporated by reference to Exhibit 10.3 of Form 10-K for the year ended December 31, 2008).

10.4 Supplemental Executive Retirement Plan dated January 1, 2009 (incorporated by reference to Exhibit 10.1 of Form 8-K dated January 6, 2009).

10.5(a) 1989 Non-Employee Director Stock Option Plan, as amended (incorporated by reference to Exhibit 10.4(a) of Form 10-K for the year ended December 31, 1999).

(b) 1995 Stock Option Plan, as amended (incorporated by reference to Proxy Statement dated April 7, 2000).

10.6 Amended and Restated Commercial Loan and Security Agreement with People's Bank dated December 23, 2004 (incorporated by reference to Exhibit 10(a) of Form 8-K filed December 28, 2004). Amendment No. 1 dated as of December 31, 2005 (incorporated by reference to Exhibit 10.2 of Form 10-Q for the quarter ended March 31, 2006). Letter amendments dated as of September 30, 2006 and December 31, 2006 (incorporated by reference to Exhibit 10.5 of Form 10-K for the year ended December 31, 2006). Amendment No. 5 dated August 9, 2007 (incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarter ended June 30, 2007). Amendment No. 9 dated July 15, 2008 (incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarter ended June 30, 2008).

10.7 Consulting Agreement with Moving Images, LLC dated as of December 1, 2004 and termination letter with Richard Brandt (incorporated by reference to Exhibit 10.6 of Form 10-K for the year ended December 31, 2004). Amendment dated December 7, 2005 (incorporated by reference to Exhibit 10.6 of Form 10-K for the year ended December 31, 2005). Amendment dated as of March 28, 2007 (incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarter ended March 31, 2007). Amendment dated December 31, 2008 (incorporated by reference to Exhibit 10.4 of Form 8-K dated January 6, 2009).

10.8 Amended and Restated Employment Agreement with Michael R. Mulcahy dated January 1, 2009 (incorporated by reference to Exhibit 10.2 of Form 8-K dated January 6, 2009).

10.9 Employment Agreement with Angela D. Toppi dated as of April 1, 2005 (incorporated by reference to Exhibit 10.9 of Form 10-K for the year ended December 31, 2004).

10.10 Amended and Restated Employment Agreement with Al Miller dated January 1, 2009 (incorporated by reference to Exhibit 10.3 of Form 8-K dated January 6, 2009).

10.11 Employment Agreement with Karl Hirschauer dated as of April 1, 2008 (incorporated by reference to Exhibit 10.1 of Form 10-Q for the quarter ended March 31, 2008).

21 List of Subsidiaries (incorporated by reference to Exhibit 21 of Form 10-K for the year ended December 31, 2008).

31.1 Certification of Michael R. Mulcahy, President and Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

31.2 Certification of Angela D. Toppi, Executive Vice President and Chief Financial Officer, pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.1 Certification of Michael R. Mulcahy, President and Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

32.2 Certification of Angela D. Toppi, Executive Vice President and Chief Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, filed herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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:

TRANS-LUX CORPORATION

by: /s/ Angela D. Toppi

Angela D. Toppi
Executive Vice President and
Chief Financial Officer

Dated: April 22, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the date indicated:

Signature	Date
/s/ Gene F. Jankowski Gene F. Jankowski, Chairman of the Board	April 22, 2009
/s/ Victor Liss Victor Liss, Vice Chairman of the Board	April 22, 2009
/s/ Matthew Brandt Matthew Brandt, Director	April 22, 2009
/s/ Richard Brandt Richard Brandt, Director	April 22, 2009
/s/ Thomas Brandt Thomas Brandt, Director	April 22, 2009
Howard M. Brenner, Director	April 22, 2009
/s/ Jean Firstenberg Jean Firstenberg, Director	April 22, 2009
/s/ Howard S. Modlin Howard S. Modlin, Director	April 22, 2009
/s/ Michael R. Mulcahy Michael R. Mulcahy, President, Chief Executive Officer and Director	April 22, 2009