ICG East Kentucky, LLC
Form 424B3
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Registration Statement No. 333-190654

PROSPECTUS

Offer to Exchange

Up to $375,000,000 aggregate principal amount of 9.875% Senior Notes due 2019 (CUSIP No. 039380AJ9) which have been registered under the Securities Act of 1933, as amended, for any and all of our outstanding 9.875% Senior Notes due 2019 (CUSIP Nos. 039380AH3 and U0393CAD7).

The exchange offer will expire at 12:00 midnight, New York City time, at the end of October 9, 2013, unless earlier terminated or extended.

The principal features of the exchange offer are as follows:

- We will issue up to $375,000,000 aggregate principal amount of 9.875% Senior Notes due 2019 (the "exchange notes") which have been registered under the Securities Act of 1933, as amended (the "Securities Act"), in exchange for any and all of our outstanding 9.875% Senior Notes due 2019 (the "original notes") that are validly tendered and not withdrawn prior to the expiration of the exchange offer.

- You may withdraw tenders of original notes at any time prior to the expiration of the exchange offer.

- The terms of the exchange notes are substantially identical to those of the original notes, except that the transfer restrictions, registration rights and provisions relating to additional interest with respect to the original notes generally do not apply to the exchange notes.

- The exchange of exchange notes for original notes will not be a taxable transaction for U.S. federal income tax purposes. You should read the discussion under the caption "Material United States Federal Income Tax Consequences" for more information.

- Neither Arch Coal nor any guarantor will receive any proceeds from the exchange offer.

Arch Coal does not intend to apply for listing of the exchange notes on any securities exchange or for inclusion of the exchange notes in any automated quotation system.

You should consider carefully the "Risk Factors" beginning on page 13 of this prospectus before participating in the exchange offer.

Each broker-dealer that receives exchange notes for its own account in the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an "underwriter" within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We and the guarantors have agreed that, starting on the date of the expiration of the exchange offer and ending on the close of business one year after the date of the expiration of the exchange offer, we will make this prospectus available to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is August 27, 2013.

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The information contained in this prospectus speaks only as of the date of this prospectus unless the information specifically indicates that another date applies. No person has been authorized to give any information or to make any representations other than those contained in this prospectus in connection with the exchange offer described herein and, if given or made, such information or representations must not be relied upon as having been authorized by us. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances create an implication that there has been no change in our affairs or that of our subsidiaries since the date hereof.

This prospectus incorporates important business and financial information about Arch Coal and the guarantors that is not included in or delivered with this prospectus. Arch Coal will provide without charge to each person, including any beneficial owner, to whom a copy of this prospectus is delivered, upon the written or oral request of such person, a copy of any or all of the information incorporated by reference into this prospectus, other than exhibits to such information (unless such exhibits are specifically incorporated by reference into the information that this prospectus incorporates). Requests for such copies should be directed to Arch Coal, Inc., One CityPlace Drive, Suite 300, St. Louis, Missouri 63141, Attn. Robert G. Jones. To obtain timely delivery, you must request the information no later than five business days before October 9, 2013, the expiration date of the exchange offer.

The exchange notes initially will be represented by permanent global certificates in fully registered form without coupons and will be deposited with a custodian for, and registered in the name of, a nominee of The Depository Trust Company ("DTC"), New York, New York, as depositary.

INDUSTRY AND MARKET DATA

We obtained the market and competitive position data incorporated by reference into this prospectus from our own research, surveys or studies conducted by third parties and industry or general publications. Industry publications and surveys generally state that they have obtained information from sources believed to be reliable, but do not guarantee the accuracy and completeness of such information. While we believe that each of these studies and publications is reliable, we have not independently verified such data, and we make no representation as to the accuracy of such information. Similarly, we believe our internal research is reliable, but it has not been verified by any independent sources. Market and competitive position data involve risks and uncertainties and are subject to change based on various factors, including those discussed under the caption "Risk Factors."

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FORWARD-LOOKING STATEMENTS

Information we have included or incorporated by reference into this prospectus contains or may contain forward-looking statements. These forward-looking statements include, among others, statements of our expected future business and financial performance. The words "anticipates," "believes," "could," "estimates," "expects," "intends," "may," "plans," "predicts," "projects," "seeks," "should," "will" or other comparable words and phrases identify forward-looking statements, which speak only as of the respective dates of such statements. Forward-looking statements, by their nature, address matters that are, to different degrees, uncertain. Actual results may vary significantly from those anticipated due to many factors, including:

- market demand for coal and electricity;
- geologic conditions, weather and other inherent risks of coal mining that are beyond our control;
- competition, both within our industry and with producers of competing energy sources;
- excess production and production capacity;
- our ability to acquire or develop coal reserves in an economically feasible manner;
- inaccuracies in our estimates of our coal reserves;
- availability and price of mining and other industrial supplies;
- availability of skilled employees and other workforce factors;
- disruptions in the quantities of coal produced by our contract mine operators;
- our ability to collect payments from our customers;
- defects in title or the loss of a leasehold interest;
- railroad, barge, truck and other transportation performance and costs;
- our ability to successfully integrate the operations that we acquire;
- our ability to secure new coal supply arrangements or to renew existing coal supply arrangements;
- our relationships with, and other conditions affecting, our customers;

the deferral of contracted shipments of coal by our customers;

our ability to service our outstanding indebtedness;

our ability to comply with the restrictions imposed by our credit facility and other financing arrangements;

the availability and cost of surety bonds;

our ability to manage the market and other risks associated with certain trading and other asset optimization strategies;

terrorist attacks, military action or war;

our ability to obtain and renew various permits, including permits authorizing the disposition of certain mining waste;

existing and future legislation and regulations affecting both our coal mining operations and our customers' coal usage, governmental policies and taxes, including those aimed at reducing emissions of elements such as mercury, sulfur dioxides, nitrogen oxides, particulate matter or greenhouse gases;

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- the accuracy of our estimates of reclamation and other mine closure obligations;
- the existence of hazardous substances or other environmental contamination on property owned or used by us; and
- other factors, including those discussed under "Risk Factors."

These and other relevant factors, including those risk factors identified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and our other filings with the Securities and Exchange Commission (the "SEC") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), which are incorporated by reference into this prospectus, should be carefully considered when reviewing any forward-looking statement. See "Where You Can Find More Information."

These factors are not necessarily all of the factors that could affect us. These risks and uncertainties, as well as other risks of which we are not aware or which we currently do not believe to be material, may cause our actual future results to be materially different than those expressed in our forward-looking statements. We do not undertake to update our forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by law.

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PROSPECTUS SUMMARY

Except as otherwise indicated or where the context otherwise requires, in this prospectus, "Arch Coal," "the company," "we," "us" and "our" refer to Arch Coal, Inc. and its consolidated subsidiaries. This summary highlights selected information contained elsewhere in this prospectus or incorporated by reference into this prospectus. This summary may not contain all of the information that you should consider before exchanging any of your original notes. You should read the entire prospectus carefully, including the sections entitled "Risk Factors" in this prospectus and in our Annual Report on Form 10-K for the fiscal year ended December 31, 2012, which is incorporated by reference into this prospectus, before making a decision to participate in the exchange offer.

Business Overview

We are one of the world's largest coal producers. For the year ended December 31, 2012, we sold approximately 140.8 million tons of coal, including approximately 4.3 million tons of coal we purchased from third parties, representing roughly 14% of the 2012 U.S. coal supply. For the six months ended June 30, 2013, we sold approximately 69 million tons of coal. We sell substantially all of our coal to power plants, steel mills and industrial facilities.

We estimate that we owned or controlled approximately 5.5 billion tons of proven and probable recoverable reserves as of December 31, 2012. Of these reserves, approximately 68.4% consist of compliance coal, or coal which emits 1.2 pounds or less of sulfur dioxide per million Btus upon combustion, while an additional approximately 5.4% could be sold as low-sulfur coal, or coal which emits 1.6 pounds or less of sulfur dioxide per million Btus upon combustion. The balance is classified as high-sulfur coal. Most of our reserves are suitable for the domestic steam coal markets.

For a further discussion of our business, we urge you to read our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and our Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2013, which are incorporated by reference into this prospectus. See "Where You Can Find More Information" in this prospectus.

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Corporate Structure

The following chart shows a summary of the corporate organization of Arch Coal and its direct and indirect ownership interests in its principal subsidiaries. This chart does not show all subsidiaries, including certain intermediate subsidiaries. This chart also indicates whether or not the subsidiaries shown will be guarantors of the exchange notes. Each subsidiary shown in this chart is wholly owned directly or indirectly by Arch Coal.

(1) Our other senior notes consist of Arch Coal's currently outstanding $1,000.0 million aggregate principal amount of 7.000% Senior Notes due 2019 (the "2019 Notes"), $1,000.0 million aggregate principal amount of 7.250% Senior Notes due 2021 (the "2021 Notes"), $600.0 million aggregate principal amount of $8^3/_4$% Senior Notes due 2016 (the "2016 Notes") and $500.0 million aggregate principal amount of $7^1/_4$% Senior Notes due 2020 (the "2020 Notes"), in each case guaranteed by our subsidiaries that guarantee indebtedness under our senior secured credit facility.

(2) Ark Land Company holds many of our federal and state coal leases.

(3) Arch Coal Sales Company, Inc. is a party to substantially all of our long-term coal supply arrangements and other coal sales agreements.

(4) These entities represent our operations in the Appalachian region and the Illinois Basin. These entities also guarantee our existing senior notes and our senior secured credit facility. The subsidiaries in this group are Allegheny Land Company, Arch Coal Terminal, Inc., Arch Reclamation Services, Inc., Ashland Terminal, Inc., Bronco Mining Company, Inc., Coal-Mac, Inc., CoalQuest Development LLC, Cumberland River Coal Company, Hawthorne Coal Company, Inc., Hunter Ridge, Inc., Hunter Ridge Coal Company, Hunter Ridge Holdings, Inc., ICG ADDCAR Systems, LLC, ICG Beckley, LLC, ICG East Kentucky, LLC, ICG Eastern Land, LLC, ICG Eastern, LLC, ICG Hazard Land, LLC, ICG Hazard, LLC, ICG Illinois, LLC, ICG Knott County, LLC, ICG Natural Resources, LLC, ICG Tygart Valley, LLC, ICG, Inc., ICG, LLC, Juliana Mining Company, Inc., King Knob Coal Co., Inc., Lone Mountain Processing, Inc., Marine Coal Sales Company, Melrose Coal Company, Inc., Mingo Logan Coal Company, Mountain Gem Land, Inc., Mountain Mining, Inc., Mountaineer Land Company Patriot Mining Company, Inc.,

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Powell Mountain Energy, LLC, Simba Group, Inc., Upshur Property, Inc., Vindex Energy Corporation, White Wolf Energy, Inc. and Wolf Run Mining Company.

(5) These entities represent our operations in the Powder River Basin and the Western Bituminous regions. The subsidiaries in this group are Arch Western Resources, LLC, Arch Western Bituminous Group, LLC, Arch of Wyoming, LLC, Mountain Coal Company, L.L.C., Thunder Basin Coal Company, L.L.C. and Triton Coal Company, LLC. On August 19, 2013, we announced that we completed our sale of Canyon Fuel Company, LLC and certain related assets to Bowie Resources, LLC for approximately $423 million in cash. Prior to August 19, 2013, Canyon Fuel Company, LLC was included in this group.

Additional Information

We are incorporated under the laws of the State of Delaware. Our principal executive offices are located at One CityPlace Drive, Suite 300, St. Louis, Missouri 63141. Our telephone number is (314) 994-2700. Our Internet address is www.archcoal.com. Information on, or accessible through, our website is not part of or incorporated by reference into this prospectus.

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Summary of the Exchange Offer

On November 21, 2012, we completed the private placement of original notes in the aggregate principal amount of $375,000,000. As part of that private placement, we entered into a registration rights agreement with the initial purchasers of the original notes (the "registration rights agreement") in which we agreed, among other things, to deliver this prospectus to you and to complete an exchange offer for the original notes. Below is a summary of the terms of the exchange offer. For a more complete discussion of the exchange offer, see "The Exchange Offer" in this prospectus.

Original Notes	9.875% Senior Notes due 2019, which were issued on November 21, 2012.
Exchange Notes	9.875% Senior Notes due 2019, which have been registered under the Securities Act. The terms of the exchange notes are substantially identical to those of the original notes, except that the transfer restrictions, registration rights and provisions relating to additional interest with respect to the original notes do not apply to the exchange notes.
Exchange Offer	As of the date of this prospectus, there are $375,000,000 aggregate principal amount of original notes outstanding. We are offering to exchange up to $375,000,000 aggregate principal amount of exchange notes in exchange for a like principal amount of original notes. This exchange offer is intended to satisfy our obligations under the registration rights agreement. In order to be exchanged, original notes must be properly tendered and accepted. All original notes that are validly tendered and not withdrawn prior to 12:00 midnight, New York City time, at the end of the expiration date of the exchange offer will be exchanged.
Expiration Date	The exchange offer will expire at 12:00 midnight, New York City time, at the end of October 9, 2013 (the "expiration date"), unless we earlier terminate or extend the exchange offer in our sole and absolute discretion. We currently do not intend to extend the expiration of the exchange offer.
Representations	By tendering your original notes, you represent to us that:
	you are not our "affiliate," as defined in Rule 405 under the Securities Act;
	you are acquiring the exchange notes in the exchange offer in the ordinary course of your business;
	you are not engaged in or intend to engage in, and do not have an arrangement or understanding with any person to participate in, a distribution, as defined in the Securities Act, of the exchange notes you will receive in the exchange offer;
	you are not holding original notes that have, or are reasonably likely to have, the status of an unsold allotment in the initial offering of original notes; and
	you are not acting on behalf of a person who, to your knowledge, falls into one of the above categories.

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	For further information regarding resales of the exchange notes by participating broker-dealers, see "Plan of Distribution."
Accrued Interest	The exchange notes will bear interest from November 21, 2012 or, if interest has already been paid, from the most recent date to which interest has been paid on the original notes. If your original notes are accepted for exchange in the exchange offer, you will receive interest on the exchange notes and not on the original notes following the completion of the exchange offer. Any original notes not tendered in the exchange offer will remain outstanding and continue to accrue interest according to their terms following the completion of the exchange offer.
Conditions to the Exchange Offer	The exchange offer is not conditioned upon any minimum aggregate principal amount of original notes being tendered for exchange. The exchange offer is subject to customary conditions. We may assert or waive these conditions in our sole and absolute discretion. See "The Exchange Offer Conditions" for more information regarding the conditions to the exchange offer.
Procedures for Tendering Original Notes	To tender original notes you must deliver a letter of transmittal and deliver the original notes to the exchange agent. Delivery of your original notes may be made by book-entry transfer to the exchange agent's account at DTC. If you hold your original notes in book-entry form through DTC, then in lieu of the procedure for physical delivery of a letter of transmittal and your original notes, you may follow the procedures for DTC's Automated Tender Offer Program ("ATOP").
	Specifically, to tender original notes in the exchange offer by delivery of a letter of transmittal and original notes:

- you must complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, have the signature on the letter of transmittal guaranteed if the letter of transmittal so requires and deliver the letter of transmittal or facsimile to the exchange agent, including all the required documents, prior to the expiration of the exchange offer; and
- either
  - the exchange agent must receive your original notes along with the letter of transmittal; or
  - the exchange agent must receive, before expiration of the exchange offer, timely confirmation of book-entry transfer of your original notes into the exchange agent's account at DTC, according to the procedure for book-entry transfer described in "The Exchange Offer Procedures for Tendering Delivery of Letter of Transmittal and Original Notes."

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	If you hold your original notes in book-entry form through DTC, in lieu of the above procedures:
	you may instruct DTC, in accordance with the ATOP system, to transmit on your behalf a computer-generated message to the exchange agent in which the holder of the original notes acknowledges and agrees to be bound by the terms of the letter of transmittal, which computer-generated message must be received by the exchange agent prior to 12:00 midnight, New York City time, at the end of the expiration date; and
	the exchange agent must receive, before expiration of the exchange offer, timely confirmation of book-entry transfer of your original notes into the exchange agent's account at DTC, according to the procedure for book-entry transfer described in "The Exchange Offer Procedures for Tendering Automatic Tender Offer Program."
Special Procedures for Beneficial Owners	If you are a beneficial owner whose original notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you want to tender original notes in the exchange offer, you should contact the registered owner promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, before completing and executing the letter of transmittal and delivering your original notes, either make appropriate arrangements to register ownership of the original notes in your name or obtain a properly completed bond power from the registered holder. See "The Exchange Offer Procedures for Tendering."
Withdrawal Rights	Tenders of original notes may be withdrawn at any time before 12:00 midnight, New York City time, at the end of the expiration date. Any original notes that you tender and then validly withdraw will be returned without expense to you promptly after the expiration or termination of the exchange offer.
Delivery of Exchange Notes	Subject to the conditions stated in the section "The Exchange Offer Conditions" of this prospectus, we will accept for exchange any and all original notes which are properly tendered in the exchange offer before 12:00 midnight, New York City time, at the end of the expiration date. The exchange notes to be issued in exchange for any properly tendered original notes will be delivered as soon as practicable after the expiration date. If any valid tender of original notes is subsequently validly withdrawn or if we decide for any reason not to accept any original notes tendered for exchange because they have not been tendered properly, the withdrawn or unaccepted original notes will be returned to the tendering holder or credited to the tendering holder's account at DTC, as the case may be, promptly after the expiration or termination of the exchange offer. See "The Exchange Offer General."

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Regulatory Approvals	Other than the federal securities laws, there are no federal or state regulatory requirements with which we must comply, and there are no approvals which we must obtain, in connection with the exchange offer.
Material United States Federal Tax Consequences	Your exchange of original notes for exchange notes pursuant to the exchange offer will not be a taxable event for U.S. federal income tax purposes. See "Material United States Federal Tax Consequences."
Exchange Agent	UMB Bank National Association is serving as exchange agent in connection with the exchange offer. The address and telephone number of the exchange agent are listed under the heading "The Exchange Offer Exchange Agent."
Use of Proceeds	We will not receive any proceeds from the issuance of exchange notes in the exchange offer. See "Use of Proceeds."
Resales	Based on interpretations by the staff of the SEC, as detailed in a series of no-action letters issued to third parties that are not related to us, we believe that the exchange notes to be issued in the exchange offer generally may be offered for resale, resold or otherwise transferred without further compliance with the registration and prospectus delivery provisions of the Securities Act as long as: you are not our "affiliate," as defined in Rule 405 under the Securities Act; you are acquiring the exchange notes in the exchange offer in the ordinary course of your business; you are not engaged in or intend to engage in, and do not have an arrangement or understanding with any person to participate in, a distribution, as defined in the Securities Act, of the exchange notes you will receive in the exchange offer; you are not holding original notes that have, or are reasonably likely to have, the status of an unsold allotment in the initial offering of original notes; and you are not acting on behalf of a person who, to your knowledge, falls into one of the above exceptions. Our belief that transfers of exchange notes would be permitted without registration or prospectus delivery under the conditions described above is based on SEC interpretations given to unrelated issuers in similar exchange offers. We cannot assure you that the SEC would make a similar interpretation with respect to this exchange offer. We do not intend to seek our own interpretation from the SEC with respect to this exchange offer.

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	Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. See "Plan of Distribution."
Consequences of Not Exchanging Original Notes	Original notes that are not properly tendered in the exchange offer will continue to be subject to their existing transfer restrictions. We will have no further obligation, except under limited circumstances, to provide for registration of any resale of such original notes under the Securities Act. In general, you may offer or sell your original notes only if: the offer and sale of your original notes is registered under the Securities Act and applicable state securities laws; your original notes are offered or sold under an exemption from registration under the Securities Act and applicable state securities laws; or your original notes are offered or sold in a transaction not subject to the Securities Act and applicable state securities laws. We currently do not anticipate that we will register any resales of original notes under the Securities Act. See "The Exchange Offer Consequences of Failure to Tender."
Registration Rights Agreement	On the date of the initial issuance of the original notes, we entered into the registration rights agreement for the benefit of all of the holders of the original notes. Under the terms of the registration rights agreement, we agreed to file with the SEC a registration statement relating to an offer to exchange the original notes for substantially similar notes. This exchange offer is being conducted to satisfy our obligations under the registration rights agreement. If we do not, among other things, complete the exchange offer within 365 days of November 21, 2012, the interest rate borne by the old notes will be increased at a rate of 0.25% per annum with respect to the first 90-day period following such deadline and an additional 0.25% per annum with respect to each subsequent 90-day period, up to a maximum of 1.00% per annum, until the registration default has been cured. Under some circumstances set forth in the registration rights agreement, holders of original notes, including holders who are not permitted to participate in the exchange offer or who may not freely sell exchange notes received in the exchange offer, may require us to file, and cause to become effective, a shelf registration statement covering resales of the original notes by these holders.

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	A copy of the registration rights agreement is incorporated by reference as an exhibit to the registration statement of which this prospectus is a part. See "Description of the Exchange Notes Registration Rights."
Risk Factors	You should consider carefully the information set forth in the section of this prospectus entitled "Risk Factors Risks Related to the Exchange Offer" and all the other information included in or incorporated by reference into this prospectus in deciding whether to participate in the exchange offer.

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Summary of the Terms of the Exchange Notes

The following is a summary of the terms of the exchange notes. The form and terms of the exchange notes are identical in all material respects to those of the original notes, except that the exchange notes are registered under the Securities Act and the transfer restrictions, registration rights and additional interest provisions applicable to the original notes do not apply to the exchange notes. The exchange notes will be governed by the same indenture as the original notes. For a more complete description of the terms of the exchange notes, see "Description of The Exchange Notes."

Issuer	Arch Coal, Inc.
Securities Offered	Up to $375,000,000 aggregate principal amount of 9.875% Senior Notes due 2019.
Maturity Date	June 15, 2019.
Interest	Interest on the exchange notes will be payable semi-annually in arrears on each June 15 and December 15, beginning on June 15, 2013.
Ranking and Guarantees	All of our subsidiaries that guarantee indebtedness under our senior secured credit facility will initially guarantee the exchange notes. The guarantees may be released under certain circumstances. On August 19, 2013, we announced that we completed our sale of Canyon Fuel Company, LLC and certain related assets to Bowie Resources, LLC for approximately $423 million. As a result of the transaction, Canyon Fuel Company, LLC is no longer a guarantor under our senior secured credit facility or a guarantor of the original notes, and it will not be a guarantor of the exchange notes. The exchange notes will rank equal in right of payment to all of our existing and future unsecured unsubordinated indebtedness and senior in right of payment to all future subordinated indebtedness. The exchange notes, however, will be effectively subordinated to our secured obligations to the extent of the collateral securing such obligations. Additionally, the exchange notes will be effectively subordinated to all liabilities, including trade payables, of any of our subsidiaries that are not guarantors. The guarantees will rank equal in right of payment with all existing and future unsecured unsubordinated indebtedness of the guarantors. In addition, the guarantees will be effectively subordinated to all of the guarantors' secured obligations to the extent of the collateral securing such obligations. As of June 30, 2013: Arch Coal, Inc. had approximately $5.1 billion of indebtedness outstanding on a consolidated basis, excluding intercompany notes;

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	on a combined basis, the guarantors (including Canyon Fuel Company, LLC) had total indebtedness of approximately $24.4 million, excluding an intercompany note and guarantees of our senior secured credit facility, the original notes, our 2016 Notes, our 2019 Notes, our 2020 Notes and our 2021 Notes; and
	on a combined basis, the subsidiaries that are not guaranteeing the notes had no indebtedness.
Optional Redemption	We may redeem some or all of the exchange notes, at our option, at any time on or after December 15, 2016, at the redemption prices described under "Description of the Exchange Notes Optional Redemption," plus accrued and unpaid interest, if any, to the date of redemption. Prior to December 15, 2016, we may redeem some or all of the exchange notes, at our option, at a make-whole price described under "Description of the Exchange Notes Optional Redemption," plus accrued and unpaid interest, if any, to the date of redemption. At any time prior to December 15, 2015, we may redeem up to 35% of the aggregate principal amount of the exchange notes, plus accrued and unpaid interest, if any, to the date of the redemption, with the net proceeds from certain equity offerings. All redemption provisions, including prices, are discussed under the caption "Description of the Exchange Notes Optional Redemption."
Change of Control	If a change of control of our company occurs, we must give holders the opportunity to sell their exchange notes to us at 101% of their principal amount, plus accrued and unpaid interest. We might not be able to pay the required price for exchange notes presented to us at the time of a change of control because:
	we might not have enough funds at the time; or
	the terms of our other debt may prevent us from paying for the exchange notes.
Certain Covenants	The covenants contained in the indenture governing the exchange notes, among other things, limit our ability and the ability of our restricted subsidiaries to:
	incur more debt;
	pay dividends and make distributions or repurchase stock;
	make investments;
	create liens;
	sell assets;
	enter into agreements affecting the ability of restricted subsidiaries to make distributions, loans or advances to us;

engage in transactions with our affiliates; and

merge or consolidate or transfer and sell assets.

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	These covenants are subject to a number of important exceptions, limitations and qualifications that are described under "Description of the Exchange Notes."
	Many of the restrictive covenants will terminate if the notes achieve an investment grade rating from both Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services ("Standard & Poor's") and no default or event of default has occurred and is continuing under the indenture. Covenants that cease to apply as a result of achieving these ratings will not be restored, even if the credit ratings assigned to the notes later fall below investment grade. See "Description of the Exchange Notes Certain Covenants Covenant Termination."
No Established Trading Market	We do not intend to list the exchange notes on any securities exchange or include the exchange notes in any automated quotation system. We cannot assure you that an active or liquid trading market for the exchange notes will develop. If an active or liquid trading market for the exchange notes does not develop, the market price and liquidity of the exchange notes may be adversely affected. See "The Exchange Offer Consequences of Failure to Tender."
Risk Factors	You should consider carefully the information set forth in the section of this prospectus entitled "Risk Factors Risks Related to the Exchange Notes" and all the other information included in or incorporated by reference into this prospectus in deciding whether to participate in the exchange offer.

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RISK FACTORS

You should carefully consider the following risk factors in addition to the other information included in and incorporated by reference into this prospectus before tendering your original notes in the exchange offer. In particular, you should carefully consider the matters discussed under "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2012 and in other documents which we subsequently file with the SEC, which are incorporated by reference into this prospectus. If any of the following risks actually occur, our business, financial condition, prospects, results of operations or cash flow could be materially and adversely affected. Additional risks or uncertainties not currently known to us, or that we currently deem immaterial, may also impair our business operations. We cannot assure you that any of the events discussed below will not occur, and if such events do occur, you may lose all or part of your investment in the exchange notes. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See "Forward Looking Statements."

Risks Related to the Exchange Offer

You may have difficulty selling any original notes that you do not exchange.

If you do not exchange all of your original notes for exchange notes pursuant to the exchange offer, the original notes that you continue to hold after we have completed the exchange offer will continue to be subject to the currently existing transfer restrictions. The original notes may not be offered, sold or otherwise transferred, except in compliance with the registration requirements of the Securities Act, pursuant to an exemption from registration under the Securities Act or in a transaction not subject to the registration requirements of the Securities Act, and, in any case, in compliance with applicable state securities laws. We do not anticipate that we will register any resales of the original notes under the Securities Act, except as may be required under the registration rights agreement. After the exchange offer is consummated, the trading market for the remaining untendered original notes may be small and inactive. Consequently, you may find it difficult to sell any original notes you continue to hold because there will be fewer original notes outstanding.

Some holders of the exchange notes may be required to comply with the registration and prospectus delivery requirements of the Securities Act.

If you exchange your original notes in the exchange offer for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities and, if so, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. In addition, a broker-dealer that purchased original notes for its own account as part of market-making or trading activities must deliver a prospectus when it resells the exchange notes it receives in the exchange offer. Our obligation to make this prospectus available to broker-dealers is limited. We cannot assure you that a proper prospectus will be available to broker-dealers wishing to resell their exchange notes. Further, any commission or concessions received by a broker-dealer in connection with any resale of exchange notes may be deemed to be underwriting compensation under the Securities Act.

Failure to comply with the exchange offer procedures could prevent a holder from exchanging its original notes.

Holders of the original notes are responsible for fully complying with all exchange offer procedures. The issuance of exchange notes in exchange for original notes will only occur upon completion of the procedures described in this prospectus under "The Exchange Offer." Therefore, holders of original notes who wish to exchange them for exchange notes should allow sufficient time for

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timely completion of the exchange procedures. Neither we nor the exchange agent are obligated to extend the offer or notify you of any failure to follow the proper procedures.

Risks Related to the Exchange Notes

We have a substantial amount of debt, which limits our flexibility and imposes restrictions on us, and a downturn in economic or industry conditions may materially affect our ability to meet our future financial commitments and liquidity needs.

We have, and after this exchange offer will continue to have, a substantial amount of indebtedness. As of June 30, 2013, we had consolidated indebtedness of approximately $5.1 billion outstanding, representing approximately 65% of our total capitalization. Our ability to satisfy our debt, lease and royalty obligations, and our ability to refinance our indebtedness, will depend upon our future operating performance, which will be affected by prevailing economic conditions in the markets that we serve and financial, business and other factors, many of which are beyond our control. We may be unable to generate sufficient cash flow from operations and future borrowings or other financing may be unavailable in an amount sufficient to enable us to fund our future financial obligations or our other liquidity needs.

The amount and terms of our debt could have material consequences to our business, including, but not limited to:

- limiting our ability to obtain additional financing to fund growth, such as new lease-by-application acquisitions or other mergers and acquisitions, working capital, capital expenditures, debt service requirements or other cash requirements;
- exposing us to the risk of increased interest costs if the underlying interest rates rise;
- limiting our ability to invest operating cash flow in our business due to existing debt service requirements;
- making it more difficult to obtain surety bonds, letters of credit or other financing, particularly during weak credit markets;
- causing a decline in our credit ratings;
- limiting our ability to compete with companies that are not as leveraged and that may be better positioned to withstand economic downturns;
- limiting our ability to acquire new coal reserves and/or plant and equipment needed to conduct operations; and
- limiting our flexibility in planning for, or reacting to, and increasing our vulnerability to, changes in our business, the industry in which we compete and general economic and market conditions.

If we further increase our indebtedness, the related risks that we now face, including those described above, could intensify. In addition to the principal repayments on our outstanding debt, we have other demands on our cash resources, including capital expenditures and operating expense. Our ability to pay our debt depends upon our operating performance. In particular, economic conditions could cause our revenues to decline and hamper our ability to repay our indebtedness. If we do not have enough cash to satisfy our debt service obligations, we may be required to refinance all or part of our debt, sell assets or reduce our spending. We may not be able to, at any given time, refinance our debt or sell assets on terms acceptable to us or at all.

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We are a holding company and depend on our subsidiaries to generate sufficient cash flow to meet our debt service obligations, including payments on the exchange notes.

We are a holding company, and substantially all of our consolidated assets are held by our subsidiaries. As a holding company, we conduct substantially all of our business through our subsidiaries. Accordingly, our cash flows and ability to meet our debt service obligations, including payments on the exchange notes, are largely dependent upon the earnings of our subsidiaries and the payment of such earnings to us in the form of dividends, distributions, loans or otherwise, and repayment of such loans or advances from us. These subsidiaries are separate and distinct legal entities, and we may not exercise sufficient control to cause them to provide us with funds for our payment obligations, whether by dividends, distributions, loans or otherwise. The ability of our subsidiaries to pay dividends or make other advances or transfer of funds will depend on their respective results of operations and may be restricted by, among other things, applicable law and contractual provisions limiting the amount of funds available to make dividends and agreements of those subsidiaries. In addition, on August 19, 2013, we announced that we completed our sale of Canyon Fuel Company, LLC and certain related assets to Bowie Resources, LLC for approximately $423 million. As a result of the transaction, Canyon Fuel Company, LLC is no longer a subsidiary of ours.

The exchange notes and the related guarantees will not be secured by any of our assets and therefore will be effectively subordinated to our existing and future secured indebtedness.

The exchange notes and the related guarantees will be general unsecured obligations ranking effectively junior in right of payment to all existing and future secured debt, including under our senior secured credit facility, to the extent of the collateral securing such debt. In addition, the indenture governing the exchange notes permits the incurrence of additional debt, some of which may be secured debt. In the event that Arch Coal or a guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, creditors whose debt is secured by assets of Arch Coal or the guarantor, as the case may be, will be entitled to the remedies available to secured holders under applicable laws, including the foreclosure of the collateral securing such debt, before any payment may be made with respect to the exchange notes or the affected guarantees. As a result, there may be insufficient assets to pay amounts due on the exchange notes, and holders of the exchange notes may receive less, ratably, than holders of secured indebtedness. As of June 30, 2013, the total amount of secured debt that we had outstanding was approximately $1.6 billion, consisting entirely of amounts under our senior secured credit facility, with approximately $245.8 million of undrawn borrowing capacity available under our credit facilities. We may also incur additional senior secured indebtedness.

The exchange notes are structurally subordinated to the existing and future liabilities of our subsidiaries that do not guarantee the exchange notes to the extent of the assets of such non-guarantor subsidiaries.

Some of our subsidiaries will not guarantee the exchange notes. As a result, the exchange notes will be structurally subordinated to all existing and future liabilities of our subsidiaries that do not guarantee the exchange notes. Therefore, our rights and the rights of our creditors to participate in the assets of any subsidiary in the event that such a subsidiary is liquidated or reorganized are subject to the prior claims of such subsidiary's creditors. As a result, all indebtedness and other liabilities, including trade payables, of the non-guarantor subsidiaries, whether secured or unsecured, must be satisfied before "bottom"> 3,031,628 4,075,368

Cash Flows from Investing Activities:

Proceeds from Sales/Maturities of Securities Available for Sale

14,965,000 8,905,000

Purchases of Securities Available for Sale

(11,815,817) (7,366,676)

Line of Credit Issuance

(300,000)

Additions to Property, Plant and Equipment

(527,472) (970,867)

Net Cash Provided by Investing Activities

2,321,711 567,457

Cash Flows from Financing Activities:

Proceeds from Common Shares Issued Under Employee Benefit Plans and Employee Stock Option Plans, Net of Payment of Minimum Tax Withholdings

60,881 (170,604)

Purchase of Treasury Stock

(770,000)

Dividends Paid

(1,558,504) (1,537,299)

Net Cash Used in Financing Activities

(2,267,623) (1,707,903)

Net Increase in Cash and Cash Equivalents

3,085,716 2,934,922

Cash and Cash Equivalents, Beginning of Period

11,703,621 7,720,135

Cash and Cash Equivalents, End of Period

$14,789,337 $10,655,057

Supplemental Disclosures of Cash Flow Information:

Cash Paid During the Period for Income Taxes, Net of Refunds

$1,354,432 $553,599

See Notes to condensed consolidated financial statements (unaudited).

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ASTRO-MED, INC.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

(1) Overview

Headquartered in West Warwick, Rhode Island, Astro-Med Inc. designs, develops, manufactures and distributes a broad range of specialty printers and data acquisition and analysis systems. Our products are distributed through our own sales force and authorized dealers in the United States. We also sell to customers outside of the United States primarily by using authorized dealers and international sales representatives, who are managed from our foreign sales offices. Astro-Med, Inc. products are sold under the brand names Astro-Med ® Test & Measurement, Grass ® Technologies and QuickLabel ® Systems and are employed around the world in a wide range of aerospace, automotive, communications, chemical, food and beverage, medical, military, industrial, and packaging applications.

Unless otherwise indicated, references to Astro-Med, the Company, we, our, and us in this Quarterly Report on Form 10-Q refer to Astro-M Inc. and its consolidated subsidiaries.

(2) Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by Astro-Med pursuant to the rules and regulations of the Securities and Exchange Commission, and reflect all adjustments consisting of normal recurring adjustments which, in the opinion of management, are necessary for a fair presentation of the results of the interim periods included herein. These financial statements do not include all disclosures associated with annual financial statements and, accordingly, should be read in conjunction with footnotes contained in the Company s Annual Report on Form 10-K for the fiscal year ended January 31, 2012.

Results of operations for the interim periods presented herein are not necessarily indicative of the results that may be expected for the full year.

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported and disclosed in the consolidated financial statements and accompanying notes. Some of the more significant estimates relate to the allowances for doubtful accounts and credits, inventory valuation, impairment of long-lived assets and goodwill, income taxes, share-based compensation and warranty reserves. Management s estimates are based on the facts and circumstances available at the time estimates are made, past historical experience, risk of loss, general economic conditions and trends, and management s assessments of the probable future outcome of these matters. Consequently, actual results could differ from those estimates.

Certain amounts in prior year s financial statements have been reclassified to conform to the current year s presentation.

(3) Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant intercompany accounts and transactions are eliminated in consolidation.

(4) Net Income Per Common Share

Basic net income per share is calculated by dividing net income by the weighted average number of shares outstanding during the period. Diluted net income per share is calculated by dividing net income by the weighted average number of shares and, if dilutive, common equivalent shares for stock options, restricted stock awards and restricted stock units outstanding during the period. A reconciliation of the shares used in calculating basic and diluted net income per share is as follows:

	Three Months Ended		**Nine Months Ended**	
	October 27, 2012	**October 29, 2011**	**October 27, 2012**	**October 29, 2011**
Weighted Average Common Shares Outstanding Basic	7,379,094	7,339,639	7,414,273	7,300,167
Effect of Dilutive Options, Restricted Stock Awards and Restricted Stock Units	82,864	81,196	72,315	122,620

Weighted Average Common Shares Outstanding Diluted	7,461,958	7,420,835	7,486,588	7,422,787

For the three and nine months ended October 27, 2012, the diluted per share amounts do not reflect common equivalent shares outstanding of 595,394 and 654,194, respectively, because their effect would have been anti-dilutive. For the three and nine months ended October 29, 2011, the diluted per share amounts do not reflect options outstanding of 679,890 and 664,690, respectively. These outstanding options were not included due to their anti-dilutive effect, as the exercise price was greater than the average market price of the underlying stock during the period presented.

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(5) Share-Based Compensation

Astro-Med has one equity incentive plan (the Plan) under which incentive stock options, non-qualified stock options, restricted stock units (RSUs), restricted stock awards (RSAs) and other equity based awards may be granted to officers and certain employees. An aggregate of 1,000,000 shares were authorized for awards under the Plan. Options granted to employees vest over four years. The exercise price of each stock option will be established at the discretion of the Compensation Committee; however, any incentive stock options granted must be at an exercise price of not less than fair market value at the date of grant. Beginning in fiscal year 2013, a portion of the Company s long-term incentive compensation will be awarded in the form of RSUs. The RSUs vest fifty-percent on the first anniversary of the grant date and fifty-percent on the second anniversary of the grant date provided that the grantee is employed on each vesting date by Astro-Med or an affiliate company and provided the Company achieves specific thresholds of net sales and annual operating income as established under the Management Bonus Domestic Plan. At October 27, 2012, 460,444 shares were available for grant under the Plan.

On September 6, 2012, Astro-Med, Inc. announced the appointment of Gregory A. Woods, as Executive Vice President and Chief Operating Officer. Upon this appointment, Mr. Woods was granted 50,000 shares of restricted stock and options to purchase 50,000 shares of the Registrant s common stock, all of which vest in four equal, annual installments commencing on the first anniversary of his appointment. Mr. Woods will be eligible to participate in the incentive compensation and bonus plans applicable to executive officers of the Company.

The Plan provides for an automatic annual grant of ten-year options to purchase 5,000 shares of stock to each non-employee director upon the adjournment of each annual shareholders meeting. Each such option is exercisable at the fair market value as of the grant date and vests immediately prior to the next succeeding annual shareholders meeting. In addition to the automatic option grant under Plan, the Company adopted a Non-Employee Director Annual Compensation Program (the Program) effective as of February 1, 2012. The Program provides that each non-employee director is entitled to an annual cash retainer of $7,000 (the Cash Retainer), plus $500 for each Board and committee meeting attended, provided that if more than one meeting occurs on the same day, no more than $500 shall be paid for such day. The non-employee director may elect for any fiscal year to receive all or a portion of the Cash Retainer in the form of common stock of the Company, which will be issued under the Plan. If a non-employee director elects to receive all or a portion of the Cash Retainer in the form of common stock, such shares shall be issued in four quarterly installments on the first day of each fiscal quarter, and the number of shares of common stock to be issued shall be based on the fair market value of such common stock on the date such installment is payable. The common stock received in lieu of such Cash Retainer will be fully vested. However, a non-employee director who receives common stock in lieu of all or a portion of the Cash Retainer may not sell, transfer, assign, pledge or otherwise encumber the common stock prior to the first anniversary of the date on which such shares were issuable. In the event of the death or disability of a nonemployee director, or a change in control of the Company, any shares of common stock issued in lieu of such Cash Retainer, shall no longer be subject to such restrictions on transfer.

In addition, under the Program, commencing with the 2012 annual meeting, each non-employee director will receive RSAs with a value equal to $20,000 (the Equity Retainer). If a non-employee director is first appointed or elected to the Board of Directors effective on a date other than at the annual shareholders meeting, on the date of such appointment or election, the director shall receive a pro rata award of restricted common stock having a value based on the number of days remaining until the next annual meeting. The Equity Retainer will vest on the earlier of 12 months after the grant date or the date immediately prior to the next annual meeting of the shareholders following the meeting at which such RSAs were granted. However, a non-employee director may not sell, transfer, assign, pledge or otherwise encumber the vested common stock prior to the second anniversary of the vesting date. In the event of the death or disability of a non-employee director, or a change in control of the Company, the RSAs shall immediately vest and shall no longer be subject to such restrictions on transfer.

We account for compensation cost related to share-based payments based on fair value of the stock options, RSUs and RSAs when awarded to an employee or director. We have estimated the fair value of each option on the date of grant using the Black-Scholes option-pricing model. Our estimate requires a number of complex and subjective assumptions including our stock price volatility, employee exercise patterns (expected life of the options), the risk-free interest rate and the Company s dividend yield. The stock price volatility assumption is based on the historical weekly price data of our common stock over a period equivalent to the weighted average expected life of our options. Management evaluated whether there were factors during that period which were unusual and would distort the volatility figure if used to estimate future volatility and concluded that there were no such factors. In determining the expected life of the option grants, the Company has observed the actual terms of prior grants with similar characteristics and the actual vesting schedule of the grant and has assessed the expected risk tolerance of different option groups. The risk-free interest rate is based on the actual U.S. Treasury zero coupon rates for bonds matching the expected term of the option as of the option grant date. Our accounting for share-based compensation for RSUs and RSAs is also based on the fair value method. The fair value of the RSUs and RSAs is based on the closing market price of the Company s common stock on the grant date of the RSU or RSA.

Share-based compensation expense was recognized as follows:

	Three Months Ended		Nine Months Ended	
	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011
Stock Options	$ 42,167	$ 42,996	$ 120,497	$ 161,242
Restricted Stock Awards and Restricted Stock Units	137,924		185,054	
Total	$ 180,091	$ 42,996	$ 305,551	$ 161,242

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Stock Options

The fair value of stock options granted during the nine months ended October 27, 2012 and October 29, 2011 was estimated using the following assumptions:

	Nine Months Ended	
	October 27, 2012	October 29, 2011
Risk Free Interest Rate	0.9%	1.9%
Expected Volatility	39.2%	39.3%
Expected Life (in years)	5.0	5.0
Dividend Yield	3.4%	3.8%

The weighted average fair value per share for options granted was $2.09, $2.01 and $1.93 during the first, second and third quarter of fiscal 2013, respectively. On a comparative basis, the weighted average fair value per share for options granted was $2.03, $2.05 and $1.86 during the first, second and third quarter of fiscal 2012, respectively.

Aggregated information regarding stock options granted under the Plan for the nine months ended October 27, 2012 is summarized below:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in Years)	Aggregate Intrinsic Value
Outstanding at January 31, 2012	888,097	$ 8.27	4.7	$ 547,874
Granted	144,000	8.09		
Exercised	(43,048)	4.40		
Expired or canceled	(42,022)	8.51		
Outstanding at October 27, 2012	947,027	$ 8.41	4.8	$ 554,850
Exercisable at October 27, 2012	733,627	$ 8.58	3.6	$ 430,720

As of October 27, 2012 there was $342,314 of unrecognized compensation expense related to unvested options.

Restricted Stock Units (RSUs) and Restricted Stock Awards (RSAs)

Aggregated information regarding RSUs and RSAs granted under the Plan for the nine months ended October 27, 2012 is summarized below:

	RSAs & RSUs	Weighted Average Grant Date Fair Value
Outstanding at January 31, 2012		$
Granted	96,900	8.10
Exercised		
Expired or canceled		
Outstanding at October 27, 2012	96,900	$ 8.10

As of October 27, 2012 there was $599,388 of unrecognized compensation expense related to unvested RSUs and RSAs.

Employee Stock Purchase Plan

Astro-Med has an Employee Stock Purchase Plan allowing eligible employees to purchase shares of common stock at a 15% discount from fair value on the date of purchase. A total of 247,500 shares were reserved for issuance under this plan. During the quarters ended October 27, 2012 and October 29, 2011, 1,535 and 1,210 shares respectively, were purchased under this plan. During the nine months ended October 27, 2012 and October 29, 2011, 4,082 and 4,487 shares respectively, were purchased under this plan. As of October 27, 2012, 66,125 shares remain available.

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(6) Inventories

Inventories are stated at the lower of cost (first-in, first-out) or market and include material, labor and manufacturing overhead. The components of inventories are as follows:

	October 27, 2012	January 31, 2012
Materials and Supplies	$ 8,664,879	$ 9,204,853
Work-In-Process	1,531,561	1,274,397
Finished Goods	4,290,860	3,649,349
	$ 14,487,300	$ 14,128,599

(7) Income Taxes

The Company s effective tax rates for the periods, which are based on the projected effective tax rate for the full year, are as follows:

	Three Months Ended	Nine Months Ended
Fiscal 2013	38.9%	32.0%
Fiscal 2012	28.5%	32.0%

During the nine months ended October 27, 2012, the Company recognized an income tax expense of approximately $1,471,000 which included an expense of $1,773,000 on the nine month s pretax income and a benefit $302,000 primarily related to the favorable resolution of a previously uncertain tax positions. During the nine months ended October 29, 2011, the Company recognized income tax expense of approximately $1,070,000 which included an expense of $1,183,000 on the nine month s pretax income and a benefit $113,000 related to the difference between the prior year s tax provision and the actual returns as filed.

As of October 27, 2012, the Company s cumulative unrecognized tax benefits totaled $533,354 compared to $779,543 as of January 31, 2012. There were no developments affecting unrecognized tax benefits during the quarter ended October 27, 2012.

(8) Line of Credit and Note Receivable

On January 30, 2012, we completed the sale of our label manufacturing operations in Asheboro, North Carolina to Label Line Ltd. The net sales price of $1,000,000 was received in the form of a promissory note issued by Label Line Ltd. and is fully secured by a first lien on various collateral, including the Asheboro plant and plant assets. The note bears interest at a rate equal to the lesser of (i) the United States prime rate as of January 30, 2013 plus 50 basis points or (ii) six percent per annum and is payable in sixteen quarterly installments of principal and interest commencing on January 30, 2013. The Note Receivable is disclosed at its present value on the accompanying condensed consolidated balance sheet for the periods ended October 27, 2012 and January 31, 2012.

The terms of the Asheboro sale also included an agreement for Astro-Med to provide Label Line Ltd. with additional financing in the form of a revolving line of credit in the amount of $600,000. This line of credit is fully secured by first lien on various collateral of Label Line Ltd., including the Asheboro plant and plant assets and bears interest at a rate equal to the United States prime rate plus an additional margin of two percent of the outstanding credit balance. The line of credit has an initial term of one-year from the date of the sale which may be extended for consecutive one-year terms on mutual agreement of both parties. There were no outstanding borrowings due as of January 31, 2012. As of October 27, 2012, Astro-Med has extended $300,000 on this revolving line of credit.

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(9) Segment Information

The Company reports three segments consistent with its sales product groups: Test & Measurement (T&M); QuickLabel Systems (QuickLabel) and Grass Technologies (Grass). The Company evaluates segment performance based on the segment profit before corporate expenses.

Summarized below are the Net Sales and Segment Operating Profit for each reporting segment:

	Three Months Ended				Nine Months Ended			
	Net Sales		Segment Operating Profit		Net Sales		Segment Operating Profit	
(In thousands)	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011
T&M	$ 5,359	$ 4,325	$ 1,280	$ 595	$ 13,187	$ 12,550	$ 2,391	$ 1,469
QuickLabel	10,680	10,352	1,164	392	31,851	32,364	3,142	1,798
Grass	4,523	4,892	919	1,176	13,521	13,850	2,464	2,587
Total	$ 20,562	$ 19,569	3,363	2,163	$ 58,559	$ 58,764	7,997	5,854
Corporate Expenses			1,270	975			3,339	2,886
Operating Income			2,093	1,188			4,658	2,968
Other Income (Expense) Net			47	(69)			(56)	379
Income Before Income Taxes			2,140	1,119			4,602	3,347
Income Tax Provision			832	319			1,471	1,070
Net Income			$ 1,308	$ 800			$ 3,131	$ 2,277

(10) Recent Accounting Pronouncements

Intangibles

In July 2012, the Financial Accounting Standards Board (FASB) issued ASU 2012-02, Testing Indefinite-Lived Intangible Assets for Impairment, which allows entities to use a qualitative approach to test indefinite-lived intangible assets for impairment. ASU 2012-02 permits an entity to first assess qualitative factors to determine whether it is more likely than not that the fair value of the indefinite-lived intangible asset is less than its carrying value. If it is concluded that this is the case, it is necessary to perform the currently prescribed quantitative impairment test. Otherwise, the quantitative impairment test is not required. ASU 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012. The adoption of the provisions of ASU 2012-02 will not have a material impact on the Company s financial position or results of operations.

Comprehensive Income

In June 2011, the FASB issued ASU 2011-05, Presentation of Comprehensive Income, which requires entities to present the components of net income and other comprehensive income either as one continuous statement or as two consecutive statements. ASU 2011-05 eliminates the option to present the components of other comprehensive income as part of the statement of changes in shareholders equity. While ASU 2011-05 changes the presentation of comprehensive income, it does not change the components that are recognized in net income or comprehensive income under current accounting guidance. ASU 2011-05 also requires entities to present reclassification adjustments out of accumulated other comprehensive income by component in both the statement in which net income is presented and the statement in which other comprehensive income is presented. In December 2011, the FASB issued ASU 2011-12, Deferral of the Effective Date for Amendments to the Presentation of Reclassification of Items Out of Accumulated Other Comprehensive Income in Accounting Standard Update No. 2011-05, which indefinitely defers the guidance related to the presentation of reclassification adjustments. ASU 2011-05 is effective for interim and annual periods beginning after December 15, 2011, and must be applied retrospectively. We adopted this guidance in the first quarter of fiscal 2013 and have provided the disclosures required for the three and nine months ended October 27, 2012 and October 29, 2011, in the accompanying Condensed Consolidated Statements of Comprehensive Income.

No new accounting pronouncements, issued or effective during the third quarter of the current year, have had or are expected to have a material effect on our consolidated financial statements.

(11) Securities Available for Sale

Pursuant to our investment policy, securities available for sale include state and municipal securities with various contractual or anticipated maturity dates ranging from one to 34 months. Securities available for sale are carried at fair value, with unrealized gains and losses reported as a component of accumulated other comprehensive income (loss) in shareholders equity until realized. Realized gains and losses from the sale of available for sale securities, if any, are determined on a specific identification basis. A decline in the fair value of any available for sale security below cost that is determined to be other than temporary will result in a write-down of its carrying amount to fair value. No such impairment charges were recorded for any period presented. All short-term investment securities have original maturities greater than 90 days. The fair value, amortized cost and gross unrealized gains and losses of the securities are as follows:

October 27, 2012	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
State and Municipal Obligations	$ 8,163,830	$ 10,090	$ (85)	$ 8,173,835

January 31, 2012	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
State and Municipal Obligations	$ 11,313,013	$ 22,933	$ (22)	$ 11,335,924

(12) Fair Value

We measure our financial assets at fair value on a recurring basis in accordance with the guidance provided in ASC 820, Fair Value Measurement and Disclosures which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In addition, ASC 820 establishes a three-tiered hierarchy for inputs used in management s determination of fair value of financial instruments that emphasizes the use of observable inputs over the use of unobservable inputs by requiring that observable inputs be used when available. Observable inputs are inputs that reflect management s belief about the assumptions market participants would use in pricing a financial instrument based on the best information available in the circumstances.

The fair value hierarchy is summarized as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities;

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Cash and cash equivalents; accounts receivables; line of credit receivable; accounts payable, accrued compensation and other expenses; and income tax payable are reflected in the condensed consolidated balance sheet at carrying value, which approximates fair value due to the short term nature of the these instruments.

Assets measured at fair value on a recurring basis are summarized below:

October 27, 2012	Level 1	Level 2	Level 3	Total

Money Market Funds (included in Cash and Cash Equivalents)	$ 9,104,455	$	$	$ 9,104,455
State and Municipal Obligations (included in Securities Available for Sale)	8,173,835			8,173,835
Total	$ 17,278,290	$	$	$ 17,278,290

January 31, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
Money Market Funds (included in Cash and Cash Equivalents)	$ 5,922,179	$	$	$ 5,922,179
State and Municipal Obligations (included in Securities Available for Sale)	11,335,924			11,335,924
Total	$ 17,258,103	$	$	$ 17,258,103

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For our money market funds and state and municipal obligations, we utilize the market approach to measure fair value. The market approach is based on using quoted market prices for identical assets.

(13) Life Insurance Proceeds

During the second quarter of fiscal 2012, we recognized income on key-man life insurance proceeds of $300,000. This income is included in other income in the accompanying consolidated statement of operations for the nine month period ended October 29, 2011.

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Item 2.

ASTRO-MED, INC.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

Business Overview

This section should be read in conjunction with Astro-Med s Condensed Consolidated Financial Statements included elsewhere herein and our Annual Report on Form 10-K for the fiscal year ended January 31, 2012.

Astro-Med is a multi-national enterprise, which designs, develops, manufactures, distributes and services a broad range of products that acquire, store, analyze and present data in multiple formats. The Company organizes its structure around a core set of competencies, including research and development, manufacturing, service, marketing and distribution. We market and sell our products and services through the following three sales product groups:

Test and Measurement Product Group (T&M) offers a suite of Ruggedized Printer products designed for military and commercial applications to be used in the avionics industry to print weather maps, communications and other critical flight information. T&M also comprises a suite of telemetry recorder products sold to the aerospace and defense industries, as well as portable data acquisition recorders, which offer diagnostic and test functions to a wide range of manufacturers including automotive, energy, paper and steel fabrication.

QuickLabel Systems Product Group (QuickLabel) offers label printer hardware, labeling software, service contracts and label and ink consumable products that digitally print color labels on a broad range of label and tag substrates.

Grass Technologies Product Group (Grass) offers diagnostic and monitoring instrumentation that serve the clinical and research neurophysiology markets and the life science markets, as well as a range of consumable supplies.

Astro-Med markets and sells its products and services globally through a diverse distribution structure of sales personnel, manufacturing representatives and authorized dealers that deliver a full complement of branded products and services to customers in our respective markets.

Results of Operations

Three Months Ended October 27, 2012 vs. Three Months Ended October 29, 2011

Net sales by product group and current quarter percentage change over prior year for the three months ended October 27, 2012 and October 29, 2011 were:

(Dollars in thousands)	**October 27, 2012**	**As a % of Net Sales**	**October 29, 2011**	**As a % of Net Sales**	**% Change Over Prior Year**
T&M	$ 5,359	*26.1%*	$ 4,325	*22.1%*	*23.9%*
QuickLabel	10,680	*51.9%*	10,352	*52.9%*	*3.2%*
Grass	4,523	*22.0%*	4,892	*25.0%*	*(7.5)%*
Total	$ 20,562	*100.0%*	$ 19,569	*100.0%*	*5.1%*

Net sales for the third quarter of the current year were $20,562,000, representing a 5.1% increase as compared to both the previous year s third quarter sales of $19,569,000 and current year second quarter sales of $19,572,000. Sales through the domestic channels for the current quarter were $14,642,000, an increase of 3.7% over the prior year. International shipments for the third quarter of the current year were $5,920,000, representing an 8.8% increase from the previous year. Current year s third quarter international sales include an unfavorable foreign exchange rate impact of $204,000.

Hardware sales in the current quarter were $9,750,000, an increase of 17.1% as compared to prior year s third quarter sales of $8,329,000, and a 9.9% improvement over the current year second quarter sales of $8,875,000. The current quarter increase is primarily due to the increase in demand for T&M s Ruggedized products, as sales have increased 55.8% as compared to the prior year. Also contributing to the current quarter increase in hardware sales are sales of QuickLabel s color printer product line, which has more than doubled as compared to prior year third quarter sales. The overall hardware sales increase is somewhat tempered by a decline in Grass s hardware products.

Consumables sales in the current quarter were $9,504,000, representing a 4.0% decrease over prior year s third quarter consumable sales of $9,899,000, and an almost 1.0% decrease as compared to current year second quarter consumable sales of $9,589,000. The current quarter decrease in consumable sales as compared to the prior year is an outgrowth of the January 2012 divestiture of the Asheboro, North Carolina label business, which contributed sales of $938,000 in the third quarter of the prior year. The overall decrease in third quarter consumable sales was tempered by Grass s double-digit increase in sales of the electrodes and cream product lines and the single digit increase in sales of QuickLabel s digital color printer supplies as compared to prior year s third quarter.

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Service and other revenues of $1,308,000 in the current quarter were down from prior year s third quarter service and other revenues of $1,341,000, primarily due to the decrease in repair revenue during the quarter.

Current year third quarter gross profit was $8,838,000, reflecting a 6.5% improvement over current year second quarter gross profit of $8,299,000 and a 10.3% improvement over prior year s third quarter gross profit of $8,014,000. The Company s gross profit margin of 43.0% in the current quarter reflects an increase from the prior year s third quarter gross profit margin of 41.0%. The higher gross profit and related margin for the current quarter as compared to prior year is primarily attributable to higher sales volume, favorable product mix and lower manufacturing costs.

Operating expenses for the current quarter were $6,745,000, a slight decrease as compared to prior year s third quarter operating expenses of $6,826,000. Specifically, selling and marketing expenses for the current quarter decreased 2.7% to $4,431,000 as compared to the previous year s third quarter selling and marketing expenses of $4,555,000. The decrease in selling and marketing for the current quarter was primarily due to decreases in wages and benefits, as well as advertising spend. The overall decrease in third quarter operating expenses was tempered by the increase in General and administrative (G&A) expenses. G&A expenses increased 17.6% to $1,187,000 in the third quarter of the current year as compared to prior year s third quarter G&A expenses of $1,009,000. The increase in G&A was primarily due to a increase in wages and benefits and professional service costs. Investment in R&D in the third quarter of the current year of $1,126,000 represents a 10.8% decrease compared to prior year s third quarter investment of $1,262,000. The current quarter spending in R&D represents 5.5% of sales, an increase as compared to prior year s third quarter level of 6.4%.

Third quarter operating income of $2,093,000 increased 76.2% as compared to the prior year s third quarter operating income of $1,188,000. Operating margin for the third quarter of the current year of 10.2% is also up as compared to the prior year s third quarter margin of 6.1%. The increase in operating income and related margin is primarily attributable to higher sales volume and reduced selling and marketing expenses during the current quarter.

Other income during the third quarter was $47,000 compared to other expense of $69,000 in the third quarter of the previous year. The increase was primarily due to the increase in foreign exchange gain recognized in the third quarter of the current year.

The provision for federal, state and foreign income taxes for the third quarter of the current year was $832,000 reflecting an effective tax rate of 38.9%. This result compares to the prior year s third quarter income tax expense of $319,000 reflecting an effective tax rate of 28.5%. The increased effective tax rate for the third quarter of the current year as compared to the prior year is primarily due to a $113,000 tax benefit related to the difference between the prior year s tax provision and the actual returns as filed recognized in the third quarter of the prior year.

The Company reported $1,308,000 in net income for the third quarter of the current year, reflecting a return on sales of 6.4% and generating EPS of $0.18 per diluted share. On a comparative basis, in the prior year s third quarter the Company recognized net income of $800,000 reflecting a return on sales of 4.1% and an EPS of $0.11 per diluted share, which includes $0.02 per diluted share attributable to a $113,000 tax benefit related to the difference between the prior year s tax provision and the actual returns as filed.

Nine Months Ended October 27, 2012 vs. Nine Months Ended October 29, 2011

Net sales by product group and current quarter percentage change over prior year for the nine months ended October 27, 2012 and October 29, 2011 were:

(Dollars in thousands)	**October 27, 2012**	**As a % of Net Sales**	**October 29, 2011**	**As a % of Net Sales**	**% Change Over Prior Year**
T&M	$ 13,187	*22.5%*	$ 12,550	*21.3%*	*5.1%*
QuickLabel	31,851	*54.4%*	32,364	*55.1%*	*(1.6)%*
Grass	13,521	*23.1%*	13,850	*23.6%*	*(2.4)%*
Total	$ 58,559	*100.0%*	$ 58,764	*100.0%*	*(0.3)%*

Net sales for the nine month period of the current fiscal year were $58,559,000, slight decrease as compared to sales of $58,764,000 as reported for the first nine months of the prior fiscal year. Sales through the domestic channels for the first nine months of the current year were $41,394,000, a slight increase from prior year s domestic sales of $40,975,000. International sales for the first nine months of the current year of

$17,165,000 includes an unfavorable impact of $872,000 due to foreign exchange rates and reflects an 3.5% decrease as compared to the prior year.

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The Company s hardware sales were $26,546,000 in the first nine months of fiscal 2013, a 3.7% increase as compared to the same period in the prior year. Contributing to the increase in hardware growth in the current year was T&M hardware sales for the first nine months of the current year of $11,857,000, a 7.4% increase compared to prior year s sales of $11,043,000 and QuickLabel s hardware sales for the first nine months of the current year of $6,621,000, a 15.8% increase as compared to prior year s sales of $5,719,000. The increase was partially offset by the 8.6% decrease in Grass Technologies hardware sales for the first nine months of the current year with sales of $8,069,000 compared to prior year s sales of $8,830,000.

Consumables sales for the first nine months of the current year were $28,405,000, representing a decrease of 3.3% as compared to the prior year s consumable sales of $29,361,000. The overall decrease in consumable sales for the first nine months of the current year was primarily attributable to lower label and tag sales in the QuickLabel product group due to the January 2012 divestiture of the Asheboro, North Carolina facilities, which contributed sales of approximately $3,000,000 in the first nine months of the prior year. This overall decrease in consumable sales in the current year was somewhat tempered by the increase in sales of digital color printer supplies within the QuickLabel product group, which were up 17.8% as compared to the prior year.

Service and other revenues of $3,608,000 in the first nine months of fiscal 2013 were down 5.3% from prior year s service and other revenues of $3,811,000, primarily due to the decrease in repair revenue.

The Company achieved $24,508,000 in gross profit for the first nine months of fiscal 2013 and generated a gross profit margin of 41.9% as compared to prior year s gross profit of $23,416,000 and related gross profit margin of 39.8%. The increase in gross profit and related margin for the first nine months of the current year is due to lower manufacturing costs and favorable product mix.

Operating expenses in the first nine months of the current year were $19,850,000, representing a 2.9% decrease from the prior year. Selling and marketing expenses for the first nine months of the current year decreased 4.9% from the prior year to $12,973,000, with the decrease traceable primarily to lower trade shows, commissions and advertising spending. R&D spending for the current nine months is $3,538,000, representing a 9.7% decrease as compared with prior year R&D spending of $3,917,000. Spending in R&D represents 6.0% of sales for the first nine months of the current year as compared to 6.7% in the prior year. General and administrative (G&A) expenses for the first nine months of the current year were $3,339,000, a 15.8% increase from the prior year. The increased spending level for G&A in the current year is mainly attributed to the increase in benefits and higher professional services costs.

The Company earned $4,658,000 in operating income during the first nine months of fiscal year 2013, a 56.9% increase as compared to $2,968,000 for the same period in the prior year. On a margin basis, this year s operating income reflects an operating margin of 8.0% on sales compared to prior year s operating margin of 5.1%.

Other expense realized during the first nine months of the current fiscal year is $56,000 as compared to the other income of $379,000 reported in the same period of the previous year. This decrease in the current year is a result of income recognized of $300,000 related to the disposition of a key-man life insurance policy in the prior year. Also contributing to the current period decline is the recognition of a foreign exchange loss of $148,000 in the current year as compared to a foreign exchange gain of $50,000 in the prior year.

The Company has provided federal, state and foreign income tax expense of $1,471,000 for the nine month period ended October 27, 2012. This year s provision reflects an effective tax rate of 32.0%, no change from the prior year s effective tax rate of 32.0%. Included in the current year income tax expense is a benefit of $302,000 related to the favorable resolution of a previously uncertain tax position. This compares to a $113,000 benefit recognized in the prior year related to prior year s tax provision and the actual returns as filed.

Net income earned during the first nine months of the current fiscal year was $3,131,000, a 37.5% increase as compared to prior year s first nine months of net income of $2,277,000, and reflects a return on sales of 5.3%. This year s net income resulted in an EPS of $0.42 per diluted share which includes a favorable tax benefit of $0.04 per share which was recognized in the first quarter. On a comparative basis, prior year s first nine months net income reflected a return on sales of 3.9% and generated an EPS of $0.31 per diluted share which includes $0.04 per diluted share related to $300,000 of income from key-man life insurance proceeds recognized in the prior year as well as $0.02 per diluted share related to a $113,000 tax benefit for the difference in the prior year s tax provision and the actual returns as filed.

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Segment Analysis

The Company reports three segments consistent with its sales product groups: Test & Measurement (T&M); QuickLabel Systems (QuickLabel) and Grass Technologies (Grass). The Company evaluates segment performance based on the segment profit before corporate and financial administration expenses.

Summarized below are the Net Sales and Segment Operating Profit for each reporting segment:

	Three Months Ended				Nine Months Ended			
	Net Sales		Segment Operating Profit		Net Sales		Segment Operating Profit	
(In thousands)	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011	October 27, 2012	October 29, 2011
T&M	$ 5,359	$ 4,325	$ 1,280	$ 595	$ 13,187	$ 12,550	$ 2,391	$ 1,469
QuickLabel	10,680	10,352	1,164	392	31,851	32,364	3,142	1,798
Grass	4,523	4,892	919	1,176	13,521	13,850	2,464	2,587
Total	$ 20,562	$ 19,569	3,363	2,163	$ 58,559	$ 58,764	7,997	5,854
Corporate Expenses			1,270	975			3,339	2,886
Operating Income			2,093	1,188			4,658	2,968
Other Income (Expense) Net			47	(69)			(56)	379
Income Before Income Taxes			2,140	1,119			4,602	3,347
Income Tax Provision			832	319			1,471	1,070
Net Income			$ 1,308	$ 800			$ 3,131	$ 2,277

Test & Measurement T&M

Sales revenues from the T&M product group were $5,359,000 for the third quarter of the current fiscal year, representing a 23.9% increase as compared to sales of $4,325,000 for the same period in the prior year. The increase is primarily attributable to the hardware product line, as Ruggedized and TMX product line sales recognized double-digit growth as compared to prior year s sales volume. T&M s third quarter segment operating profit of $1,280,000 resulted in a 23.9% profit margin as compared to the prior year s segment operating profit of $595,000 and related operating margin of 13.7%. The increase in both segment operating profit and related margin was due to higher sales and favorable product mix.

For the first nine months of the current fiscal year, sales revenues of the T&M product group were $13,187,000, a 5.1% increase as compared to sales of $12,550,000 for the same period of the previous year. The increase in sales is primarily attributable to the double digit increase in hardware product line sales, as both Ruggedized and TMX hardware product lines sales have increased from the prior year. However, the overall increase in sales of T&M s hardware business was slightly tempered by the decline in sales of traditional recorder hardware. T&M current year s segment operating profit of $2,391,000 represents a 62.8% increase from the prior year s segment operating profit of $1,469,000 and provided an operating profit margin of 18.1%, an increase from the prior year s margin of 11.7%. The increase in T&M current year s segment operating profit and related margin is traceable to higher sales and favorable.

QuickLabel Systems QuickLabel

Sales revenues from the QuickLabel product group were $10,680,000 in the third quarter of the current year as compared to $10,352,000 in the same quarter of the prior year. The increase in sales is primarily due to the hardware product line which increased 62.6% from the prior year primarily attributed to the demand for the Vivo! Touch and the new Kiaro! product line. Also contributing to the current quarter increase was the 8.1% increase in the digital color printer supplies. The year-over-year increase in sales was somewhat tempered by lower consumable product sales of labels and tags, an outgrowth of the January 2012 divestiture of the Asheboro, North Carolina business. QuickLabel s current quarter segment operating profit was $1,164,000, reflecting a profit margin of 10.9% and an increase from prior year s third quarter segment profit of $392,000 and with a related profit margin of 3.8%. The increase in QuickLabel s current year s segment operating profit and related margin is due to higher sales, favorable product mix and lower manufacturing costs and operating expenses.

The QuickLabel product group had sales revenue of $31,851,000 for the first nine months of the current fiscal year, a 1.6% decline as compared with $32,364,000 in sales revenues reported for the same period in the prior year. The key driver of the decrease was the decline in label and tag sales in the QuickLabel product group due to the January 2012 divestiture of the Asheboro, North Carolina facilities, which contributed sales of approximately $3,000,000 in the first nine months of the prior year. This decline was slightly tempered by the 17.8% increase in the consumable sales of digital color printer supplies and sales of the new Kiaro! product line, which was introduced in July 2012, as well as the double-digit increase in sales of monochromatic printers as compared to the prior year. The segment operating profit margin of 9.9% for the first nine months of the current year has improved relative to a 5.6% profit margin for the same period of the previous year. The current year increase in QuickLabel s profit margin is due to lower manufacturing costs, favorable product mix and lower operating expenses.

Grass Technologies Grass

Sales revenues in the third quarter of the current year for the Grass product group were $4,523,000 representing a 7.5% decrease as compared to prior year s third quarter sales of $4,892,000. The decrease in sales is primarily attributable to sales in the Clinical hardware line, as current quarter sales were lower as compared to prior year s third quarter sales. Also contributing to the decrease for the current quarter are sales of the Research product line which was down 12.1% as compared to prior year. The lower hardware sales are slightly tempered by an increase in the consumable products of electrodes and creams, which have increased 15.4% as compared to the prior year. The segment operating profit in the current quarter of $919,000 generated a segment operating profit margin of 20.3% and compares to a segment operating profit margin of 24.0% as reported in the third quarter of the prior year. The lower segment operating profit and related margin is primarily due to lower sales and unfavorable product mix.

Grass sales were $13,521,000 for the first nine months of the current year, a 2.4% decrease as compared to sales of $13,850,000 for the same period of the prior year. The year over year decrease is primarily attributed to the 11.2% decrease in current year sales of the clinical hardware product line. This decrease was slightly tempered by the 9.3% increase in consumable sales of electrodes and creams. The segment operating profit of $2,464,000 produced an 18.2% operating profit margin and compares to prior year s segment operating profit margin of 18.7%. The decrease in segment profit and related margin is primarily due to lower sales and unfavorable product mix.

Financial Condition and Liquidity

The Company believes that cash provided by operations will continue to be sufficient to meet operating and capital needs for at least the next twelve months. However, in the event that cash from operations is not sufficient, the Company has a substantial cash and short term marketable securities balance, as well as a $5.0 million revolving bank line of credit, all of which is currently available. Borrowings under this line of credit bear interest at either a fluctuating rate equal to 75 basis points below the base rate, as defined in the agreement, or at a fixed rate equal to 150 basis points above LIBOR.

The Company s statements of cash flows for the nine months ended October 27, 2012 and October 29, 2011 are included on page 6. Net cash flows provided by operating activities was $3,032,000 in the current year compared to net cash provided by operating activities of $4,075,000 in the previous year. The decline in operating cash flow provided in the first nine months of the current year as compared to the previous year is related to higher inventory and lower accounts payable, accrued compensation and other expenses. This decline in the current year was slightly offset by the increase in current year s net income. Accounts receivables remained flat at $11,804,000 at the end of the third quarter as compared to $11,800,000 at year-end, but the accounts receivable collection cycle decreased to 46 days sales outstanding at the end of the current quarter as compared to 51 days outstanding at year end. Inventory increased to $14,487,000 at the end of the third quarter compared to $14,129,000 at year end and inventory days on hand also increased to 111 days on hand at the end of the current quarter from 105 days at year end.

The Company s cash, cash equivalents and investments at the end of the third quarter totaled $22,963,000 compared to $23,040,000 at year end. The lower cash and investment position at October 27, 2012 resulted from the increase in inventory and the decrease in accounts payable, accrued compensation and other expense, as noted above, as well as cash used to acquire property, plant and equipment of $527,000 and to pay cash dividends of $1,558,000. Cash of $770,000 was also used during the period to purchase treasury shares.

The Company s backlog increased 27.9% from year-end to $7,954,000 at the end of the third quarter.

Critical Accounting Policies, Commitments and Certain Other Matters

In the Company s Annual Report on Form 10-K for the fiscal year ended January 31, 2012, the Company s most critical accounting policies and estimates upon which our financial status depends were identified as those relating to revenue recognition, warranty claims, bad debts, inventories, income taxes, long-lived assets, goodwill and share-based compensation. We considered the disclosure requirements of Financial Release (FR) 60 (FR-60) regarding critical accounting policies and FR-61 regarding liquidity and capital resources, certain trading activities and related party/certain other disclosures, and concluded that nothing materially changed during the quarter that would warrant further disclosure under these releases.

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Forward-Looking Statements

This Quarterly Report on Form 10-Q may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not statements of historical fact, but rather reflect our current expectations concerning future events and results. We generally use the words believes, expects, intends, plans, anticipates, likely, continues, may, will, and similar ex identify forward-looking statements. Such forward-looking statements, including those concerning our expectations, involve risks, uncertainties and other factors, some of which are beyond our control, which may cause our actual results, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. Factors which could cause actual results to differ materially from those anticipated include, but are not limited to (a) general economic, financial and business conditions; (b) declining demand in the test and measurement markets, especially defense and aerospace; (c) competition in the specialty printer industry; (d) ability to develop market acceptance of our products and effective design of customer required features; (e) competition in the data acquisition industry; (f) competition in the neurophysiology industry; (g) the impact of changes in foreign currency exchange rates on the results of operations; (h) the ability to successfully integrate acquisitions; (i) the business abilities and judgment of personnel and changes in business strategy; (j) the efficacy of research and development investments to develop new products; (k) the launching of significant new products which could result in unanticipated expenses; (l) bankruptcy or other financial problems at major suppliers or customers that could cause disruptions in the Company s supply chain or difficulty in collecting amounts owed by such customers; (m) and other risks included under Item 1A-Risk Factors in our Annual Report on Form 10-K for the fiscal year ended January 31, 2012. We assume no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The registrant is a smaller reporting company and is not required to provide this information.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management has evaluated, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures as of the end of the period covered by this report pursuant to Rule 13a- 15(b) under the Securities Exchange Act of 1934, as amended (Exchange Act). Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that, as of the end of the period covered by this report, our disclosure controls and procedures are effective in ensuring that information required to be disclosed in our Exchange Act reports is (1) recorded, processed, summarized and reported in a timely manner, and (2) accumulated and communicated to our management, including our Chief Executive Officer and our Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to have materially affected, our internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings

There are no pending or threatened legal proceedings against the Company believed to be material to the financial position or results of operations of the Company.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A Risk Factors in our Annual Report on Form 10-K for the fiscal year ended January 31, 2012, which could materially affect our business, financial condition or future operating results. The risks described in our Annual Report on 10-K are not the only risks that we face, as additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition and/or operating result as well as adversely affect the value of our investments in our common stock.

There have been no material updates to the risk factors previously disclosed in our Annual Report on Form 10-K for the fiscal year ended January 31, 2012.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On August 22, 2011, the Company s Board of Directors approved an increase in the number of shares authorized for repurchase from 254,089 to 500,000 shares of common stock. This is an ongoing authorization without any expiration date.

During the third quarter of fiscal 2013, the Company made the following repurchases of its common stock:

	Total Number of Shares Repurchased	Average Price paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares That May Be Purchased Under The Plans or Programs
July 29 August 25		$		500,000
August 26 September 22	110,000	$ 7.00	110,000	390,000
September 22 October 27		$		390,000

Item 6. Exhibits

The following exhibits are filed as part of this report on Form 10-Q:

31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer Pursuant 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Database
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASTRO-MED, INC.

(Registrant)

Date: December 5, 2012

By /s/ Everett V. Pizzuti
Everett V. Pizzuti,
President and Chief Executive Officer

(Principal Executive Officer)

By /s/ Joseph P. O Connell
Joseph P. O Connell
Senior Vice President, Treasurer and Chief Financial Officer

(Principal Financial Officer)