TRANS LUX CORP
Form 10-Q
August 15, 2008

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2008

Commission file number 1-2257

TRANS-LUX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	13-1394750
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
26 Pearl Street, Norwalk, CT	06850-1647
(Address of principal executive offices)	(Zip code)

(203) 853-4321

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (check one)
Large accelerated filer ___ Accelerated filer ___ Non-accelerated filer X
Smaller reporting company ___

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

Indicate the number of shares outstanding of each of the issuer's classes of Common Stock, as of the latest practicable date.

Date	Class	Shares Outstanding
08/13/08	Common Stock - $1.00 Par Value	2,020,090
08/13/08	Class B Stock - $1.00 Par Value (Immediately convertible into a like	286,814

number of shares of Common Stock.)

TRANS-LUX CORPORATION AND SUBSIDIARIES

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Part I - Financial Information

TRANS-LUX CORPORATION AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

In thousands, except share data	June 30 2008	December 31 2007
	(unaudited)	(see Note 1)
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,488	$ 6,591
Available-for-sale securities	170	171
Receivables, less allowance of $872 - 2008 and $892 - 2007	6,534	5,233
Unbilled receivables	118	12
Other receivables	2,580	2,580
Inventories	6,531	6,768
Prepaids and other	1,199	1,204
Assets associated with discontinued operations (Note 2)	25,457	26,712
Total current assets	46,077	49,271
Rental equipment	68,261	66,626
Less accumulated depreciation	40,634	37,692
	27,627	28,934
Property, plant and equipment	7,697	7,323
Less accumulated depreciation	4,863	4,626
	2,834	2,697
Goodwill	1,004	1,004
Other assets	1,814	2,053
TOTAL ASSETS	$79,356	$83,959
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,413	$ 2,439
Accrued liabilities	6,863	6,537
Current portion of long-term debt	11,010	11,002
Liabilities associated with discontinued operations (Note 2)	19,046	16,250
Total current liabilities	39,332	36,228
Long-term debt:		
8 1/4% Limited convertible senior subordinated notes due 2012	10,129	10,129
9 1/2% Subordinated debentures due 2012	1,057	1,057
Notes payable	7,482	8,833
	18,668	20,019
Deferred credits, deposits and other	3,231	3,116
Stockholders' equity:		
Capital stock		
Common - $1 par value - 5,500,000 shares authorized, 2,453,591 shares issued in 2008 and 2007	2,453	2,453
Class B - $1 par value - 1,000,000 shares authorized, 286,814 shares issued in 2008 and 2007	287	287
Additional paid-in-capital	14,736	14,733
Retained earnings	5,466	11,848
Accumulated other comprehensive loss	(1,354)	(1,262)

	21,588	28,059
Less treasury stock - at cost - 433,596 common shares in 2008 and 2007	3,463	3,463
Total stockholders' equity	18,125	24,596
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$79,356	$83,959

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TRANS-LUX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	Three Months Ended June 30	
In thousands, except per share data	2008	2007
Revenues:		
Equipment rentals and maintenance	$ 2,845	$ 3,112
Equipment sales	7,491	6,295
Real estate rentals	81	108
Total revenues	10,417	9,515
Operating expenses:		
Cost of equipment rentals and maintenance	2,409	2,734
Cost of equipment sales	5,220	4,533
Cost of real estate rentals	24	23
Total operating expenses	7,653	7,290
Gross profit from operations	2,764	2,225
General and administrative expenses	(2,791)	(3,168)
Interest income	101	132
Interest expense	(516)	(626)
Debt conversion cost	-	-
Other income	-	593
Loss from continuing operations before income taxes	(442)	(844)
Income tax (expense) benefit	(99)	132
Loss from continuing operations	(541)	(712)
(Loss) income from discontinued operations	(4,814)	448
Net loss	$(5,355)	$ (264)
Loss per share continuing operations - basic and diluted	$ (0.23)	$ (0.30)
(Loss) income per share discontinued operations - basic and diluted	(2.09)	0.19

Total loss per share - basic and diluted	$ (2.32)	$ (0.11)
Weighted average common shares outstanding - basic and diluted	2,307	2,304

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TRANS-LUX CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	Six Months Ended June 30	
In thousands	2008	2007
Cash flows from operating activities		
Net loss	$(6,382)	$(2,666)
Loss (income) from discontinued operations	4,471	(916)
Loss from continuing operations	(1,911)	(3,582)
Adjustment to reconcile loss from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	3,280	3,984
Deferred income taxes	-	(787)
Exchange of 8 1/4% notes for common stock	-	1,345
Changes in operating assets and liabilities:		
Receivables	(1,407)	1,479
Inventories	237	(501)
Prepaids and other assets	143	(494)
Accounts payable and accruals	212	547
Deferred credits, deposits and other	115	(438)
Net cash provided by operating activities of continuing operations	669	1,553
Cash flows from investing activities		
Equipment manufactured for rental	(1,635)	(2,352)
Purchases of property, plant and equipment	(374)	(105)
Net cash used in investing activities of continuing operations	(2,009)	(2,457)
Cash flows from financing activities		
Payments of long-term debt	(1,343)	(1,176)
Net cash used in financing activities of continuing operations	(1,343)	(1,176)
Cash flows from discontinued operations		

Cash provided by operating activities of discontinued operations	300	878
Cash (used in) provided by investing activities of discontinued operations	(1,963)	149
Cash provided by (used in) financing activities of discontinued operations	1,243	(457)
Net cash (used in) provided by discontinued operations	(420)	570
Net decrease in cash and cash equivalents	(3,103)	(1,510)
Cash and cash equivalents at beginning of year	6,591	5,765
Cash and cash equivalents at end of period	$ 3,488	$ 4,255
Interest paid	$ 1,578	$ 2,161
Income taxes paid	5	5
Supplemental disclosures of non-cash financing activities:		
Exchange of 8 1/4% notes for common stock	-	7,829

TRANS-LUX CORPORATION AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2008
(unaudited)

Note 1 - Basis of Presentation

Financial information included herein is unaudited, however, such information reflects all adjustments (of a normal and recurring nature), which are, in the opinion of management, necessary for the fair presentation of the condensed consolidated financial statements for the interim periods. The results for the interim periods are not necessarily indicative of the results to be expected for the full year. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with Rule 10-01 of Regulation S-X promulgated by the Securities and Exchange Commission and therefore do not include all information and footnote disclosures required under accounting principles generally accepted in the United States of America. It is suggested that the June 30, 2008 condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2007. The condensed consolidated balance sheet at December 31, 2007 is derived from the December 31, 2007 audited financial statements.

On June 26, 2008, the Board of Directors approved the sale of the assets of the Entertainment Division. As a result of the sale, the Company has accounted for the Entertainment Division as discontinued operations in the second quarter of 2008 and recorded non-cash long-lived asset impairment charges of $2.9 million for the quarter ended June 30, 2008, as well as $2.0 million in disposal costs, see Note 2.

The Company has incurred net losses from continuing operations for the three and six months ended June 30, 2008 of $541,000 and $1,911,000, respectively, but has generated cash provided by operating activities of continuing operations of $669,000 and $1,553,000 for the six months ended June 30, 2008 and 2007,

respectively. The Company has implemented several initiatives to continue to improve operational results and cash flows over future periods. The Company's engineering staff continues to work on areas to improve manufacturing efficiencies; and improving the outdoor commercial products, particularly digital billboards and fuel price changers to include larger LED arrays, smaller LED pixel sizes for higher resolutions and additional features. The Company believes the outdoor commercial market is a growing industry, and we see increasing usage of digital signage in the outdoor commercial market. The Company also continues to explore ways to reduce costs and has relocated its Norwalk facility to lower operating costs in the future, although the second quarter of 2008 includes moving costs. The Company continues to take steps to reduce the cost to maintain the equipment on rental and maintenance. In addition, the Company is recording less interest expense as a result of the exchange offer in the first quarter of 2007, see Note 5, and a reduction in interest rates of its variable rate debt. The Company has positive working capital of $6.7 million as of June 30, 2008. As of June 30, 2008, the Company has fully drawn its $5.0 million revolving loan facility, which matures on August 1, 2009. The Company's objective in regards to the Credit Agreement is to restructure the existing Credit Agreement or obtain additional funds from external sources through equity or additional debt financing and is in discussions with its senior

lender and others. While management believes it will be successful, there can be no assurance that management will be successful in achieving any of the above objectives. Management further believes that its current cash resources and cash provided by continuing operations will be sufficient to fund its continuing operations and its current obligations through June 30, 2009.

Note 2 - Discontinued Operations

On June 26, 2008, the Board of Directors approved the sale of the assets of the Entertainment Division, which was consummated on July 15, 2008, the Company sold the assets of its Entertainment division for a purchase price of $24.5 million, of which $7.4 million was paid in cash, $0.4 million is in escrow and $16.7 million in assumption of debt, which includes $0.3 million of debt of the joint venture, MetroLux Theatres. The buyer assumed the operating results effective as of June 27, 2008. In accordance with the provisions of SFAS No. 144, "Accounting For the Impairment or Disposal of Long-lived Assets," the Company has accounted for the Entertainment Division as discontinued operations. In addition to the $24.5 million purchase price, there is a potential additional purchase price of up to $2.3 million based on the performance of increased theatre operations at the DreamCatcher Cinema, which was expanded from a six-plex to a 10-plex in May 2008 and a six-month option to purchase raw land from the Company in Silver City, New Mexico for $0.9 million. As a result of the sale, the Company recorded long-lived asset impairment charges of $2.9 million for the quarter ended June 30, 2008, as well as $2.0 million in disposal costs.

The Company has agreed not to compete in the theatre business in the Western states of the United States for five years and has licensed the name "Trans-Lux Theatres" in connection with such movie theatre circuit. Matthew Brandt and Thomas Brandt, executive officers of the Company, will become full time officers of the buyer managing the theatre business purchased. The Company will be providing certain services on a transition basis for up to six months and will also be providing consulting services for a year, which consulting services will be rendered by Richard Brandt, a director and consultant to the Company. The Company has received an opinion from an independent third party that the transaction is fair to the stockholders of the Company from a financial point of

view. The net proceeds of the sale were used to prepay the term loan under the Credit Agreement with its senior lender and have been reclassified as current portion of long-term debt in the Condensed Consolidated Balance Sheet as of June 30, 2008 and December 31, 2007. A total of $22.4 million of long-term debt has been paid down or assumed by the buyer as a result of the sale.

The assets and liabilities associated with discontinued operations and related results of operations for the current and prior periods have been reclassified in the Condensed Consolidated Financial Statements as discontinued operations. The following table presents the financial results of the discontinued operations:

	Three months ended June 30		Six months ended June 30	
In thousands,	2008	2007	2008	2007
Revenues	$ 3,144	$3,643	$ 6,245	$7,070
Operating expenses	2,623	2,750	4,992	5,219
Gross profit	521	893	1,253	1,851
General and administrative expenses	(297)	(266)	(559)	(530)
Interest expense, net	(224)	(311)	(470)	(629)
Income from joint venture	120	132	239	224
Asset impairment/disposal costs	(4,934)	-	(4,934)	-
Income tax expense	-	-	-	-
(Loss) income from discontinued operations	$(4,814)	$ 448	$(4,471)	$ 916
(Loss) earnings per share - basic and diluted	$ (2.09)	$ 0.19	$ (1.94)	$ 0.49

Interest expense allocated to discontinued operations relates to the Entertainment Division's long-term debt assumed by the buyer.

The following is a detail of the assets and liabilities reported as discontinued operations and classified as assets and liabilities associated with discontinued operations in the Condensed Consolidated Balance Sheet as of June 30, 2008, with comparative carrying amounts as of December 31, 2007:

In thousands	June 30 2008	December 31 2007
Inventories	$ 72	$ 85
Prepaids and other assets	127	171
Property and equipment, net	24,271	25,397
Other assets	987	1,059
Total assets associated with discontinued operations	$25,457	$26,712
Current liabilities	$ 2,649	$ 1,096

Long-term liabilities	16,397	15,154
Total liabilities associated with discontinued operations	$19,046	$16,250

Operations of the Joint Venture - Discontinued Operation

The Company has a 50% ownership in a joint venture partnership, MetroLux Theatres ("MetroLux"), accounted for by the equity method, which is included in the sold assets of its Entertainment Division. The Company's equity in partnership net assets is included in the assets associated with discontinued operations in the Condensed Consolidated Balance Sheets.

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The following results of operations summary information relates to MetroLux for the three and six months ended June 30, 2008 and 2007, and summary balance sheet information relates to MetroLux as of June 30, 2008 and December 31, 2007:

	Three months ended June 30		Six months ended June 30	
In thousands	2008	2007	2008	2007
Revenues	$1,367	$1,407	$2,704	$2,700
Gross profit	249	281	500	486
Net income	239	264	478	448
Company's share of partnership net income	120	132	239	224

	June 30	December 31
In thousands	2008	2007
Current assets	$ 529	$ 956
Noncurrent assets	1,435	1,573
Total assets	$1,964	$2,529
Current liabilities	$ 830	$1,086
Noncurrent liabilities	439	641
Total liabilities	$1,269	$1,727
Company's equity in partnership net assets	$ 340	$ 417

Note 3 - Other Receivables

The Company has a $2.6 million receivable that was due June 2008, relating to the sale/leaseback of the Company's Norwalk, Connecticut facility in 2004. The receivable is secured by a purchase money mortgage subordinated to a $3.5 million first mortgage in favor of the purchaser's bank. The purchaser has

defaulted on this payment and the Company is pursuing legal remedies.

The base four-year term of the sale/leaseback ended in June 2008. The Company terminated its subsequent three-year lease for part of the property during the second quarter of 2007 and recognized $293,000 of the deferred gain. The deferred gain represented the present value of the lease payments over the term of the leaseback and has been recognized proportionately to the rental charge over the base four-year term.

Note 4 - Inventories

Inventories are stated at the lower of cost or market and consist of the following:

In thousands	June 30 2008	December 31 2007
Raw materials	$4,681	$4,743
Work-in-progress	1,253	1,351
Finished goods	597	674
	$6,531	$6,768

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Note 5 - Long-Term Debt

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

The Company has a bank Credit Agreement that provides for a term loan of $10.0 million, a non-revolving line of credit of up to $6.2 million to finance purchases and/or redemptions of one-half of the 7 1/2% Notes, and a revolving loan of up to $5.0 million at variable interest rates ranging from LIBOR plus 2.25% to Prime (ranging from 4.71% to 5.00% at June 30, 2008). The Credit Agreement matures on August 1, 2009. Effective December 31, 2006, $6.1 million of the non-revolving line of credit was converted into a four-year term loan also maturing August 1, 2009. At June 30, 2008, the entire revolving loan facility had been drawn. The Credit Agreement requires an annual facility fee on the unused commitment of 0.25%, and requires compliance with certain financial covenants, which include a loan-to-value ratio of not more than 50%, a leverage ratio and maintaining accounts with an average monthly compensating

balance of not less than $750,000. Subsequent to the end of the quarter, the fixed charge coverage ratio was modified to 1.25 to 1.00 and the minimum tangible net worth covenant was modified to $17.0 million as of June 30, 2008. As of June 30, 2008, the Company was in compliance with the forgoing financial covenants, but was not in compliance with the cap on capital expenditures. The senior lender waived the non-compliance subsequent to the end of the quarter. The amounts outstanding under the Credit Agreement are collateralized by all of the Display Division assets.

Note 6 - Reporting Comprehensive Loss

Total comprehensive loss for the three and six months ended June 30, 2008 and 2007 is as follows:

In thousands	Three months ended June 30 2008	2007	Six months ended 2008
Net loss, as reported	$(5,256)	$(264)	$(6,283)
Other comprehensive income:			
Unrealized foreign currency translation gain (loss)	20	243	(91)
Unrealized holding gain (loss) on available-for-sale securities	2	(11)	(2)
Income tax benefit related to items of other comprehensive income	-	5	1
Total other comprehensive income (loss), net of tax	22	237	(92)
Comprehensive loss	$(5,234)	$ (27)	$(6,375)

Note 7 - Income Taxes

The Company adopted the provisions of FIN 48 on January 1, 2007. As a result of the implementation of FIN 48, the Company recognized a $250,000 adjustment for interest and penalties in connection with uncertain tax positions. This increase was accounted for as an adjustment to the beginning balance of retained earnings. The Company's policy is to classify interest and penalties related to uncertain tax positions in income tax expense.

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

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

Estimates of the annual effective tax rate benefit at the end of interim periods are, of necessity, based on evaluations of possible future events and transactions and may be subject to subsequent revision.

Note 8 - Pension Plan

As of December 31, 2003, the benefit service under the pension plan had been frozen and, accordingly, there is no service cost for the three and six months ended June 30, 2008 and 2007.

The following table presents the components of net periodic pension cost:

	Three months ended June 30		Six months ended June 30	
In thousands	2008	2007	2008	2007
Interest cost	$ 160	$ 160	$ 320	$ 320
Expected return on plan assets	(158)	(168)	(316)	(336)
Amortization of prior service cost	4	4	8	8
Amortization of net actuarial loss	66	71	132	142
Net periodic pension cost	$ 72	$ 67	$ 144	$ 134

As of June 30, 2008, the Company has recorded current and long-term pension liabilities of $0.1 million and $3.1 million, respectively. The minimum required contribution for 2008 is expected to be $0.2 million, of which $0.1 million has already been contributed.

Note 9 - Stock Option Plans

The Company issued options for 3,000 shares with an exercise price of $3.85 per share under the Non-Employee Director Stock Option Plan in June 2008; none were issued during the six-month period ended June 30, 2007. The unrecognized compensation costs related to unvested stock options granted under the Company's stock option plans was nominal.

Expected volatility is based on historical volatility of the Company's stock and the expected life of options is based on historical data with respect to exercise periods.

The following summarizes the activity of the Company's stock options for the six months ended June 30, 2008:

	Options	Weighted Average Exercise Price ($)	Weighted Average Remaining Contractual Term (Yrs)	Aggregate Intrinsic Value ($)

Outstanding at beginning of year	65,000	6.08		
Granted	3,000	3.85		
Exercised	-	-		
Terminated	(2,000)	5.69		
Outstanding at end of period	66,000	5.99	3.2	
Vested and expected to vest at end of period	66,000	5.99	3.2	-
Exercisable at end of period	60,500	6.12	2.9	-

Note 10 - Loss Per Common Share

Basic loss per common share is computed by dividing net loss by the weighted average number of common shares outstanding for the period. At June 30, 2008 and 2007, outstanding stock options to purchase 66,000 and 66,300 shares, respectively, of Common Stock were excluded from the calculation of diluted loss per share because their impact would have been anti-dilutive.

Note 11 - Legal Proceedings and Claims

The Company is subject to legal proceedings and claims, which arise in the ordinary course of its business. The Company is not a party to any pending legal proceedings and claims that it believes will have a material adverse effect on the consolidated financial position or results of operations of the Company.

Note 12 - Business Segment Data

The Company evaluates segment performance and allocates resources based upon operating income. The Company's continuing operations are managed in three reportable business segments. The

Display Division comprises two operating segments, Indoor display and Outdoor display. Both design, produce, lease, sell and service large-scale, multi-color, real-time electronic information displays. Both operating segments are conducted on a global basis, primarily through operations in the U.S. The Company also has operations in Canada. The Indoor display and Outdoor display segments are differentiated primarily by the customers they serve. The Real estate segment owns an income-producing real estate property. Segment operating income is shown after operating expenses and sales, general and administrative expenses directly associated with the segment. Corporate general and administrative items relate to costs that are not directly identifiable with a segment. There are no intersegment sales. Of the total goodwill of $1.0 million, $0.9 million relates to the Outdoor display segment and $0.1 million relates to the Indoor display segment.

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

the domestic operation and has similar profit margins.

Information about the Company's operations in its three business segments for the three and six months ended June 30, 2008 and 2007 is as follows:

In thousands	Three months ended June 30 2008	Three months ended June 30 2007	Six months ended June 30 2008	Six months ended June 30 2007
Revenues:				
Indoor display	$ 3,374	$ 2,714	$ 6,082	$ 5,232
Outdoor display	6,962	6,693	12,167	12,770
Real estate	81	108	168	216
Total revenues	$10,417	$ 9,515	$18,417	$18,218
Operating income (loss):				
Indoor display	$ 221	$ (436)	$ 82	$ (922)
Outdoor display	775	542	1,088	833
Real estate	54	81	113	164
Total operating income	1,050	187	1,283	75
Other income	-	593	4	593
Corporate general and administrative expenses	(1,077)	(1,130)	(2,126)	(2,361)
Interest expense - net	(415)	(494)	(922)	(1,201)
Debt conversion cost	-	-	-	(1,475)
Income tax (expense) benefit	(99)	132	(150)	787
Net loss from continuing operations	(541)	(712)	(1,911)	(3,582)
Net (loss) income from discontinued operations	(4,814)	448	(4,471)	916
Net loss	$(5,355)	$ (264)	$(6,382)	$(2,666)

Note 13 - Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements" ("SFAS 157") that defines fair value, establishes a framework for measuring fair value in accordance with accounting principles generally accepted in the United States and expands the disclosures about fair value measurement. In February 2008, the FASB amended SFAS 157 and issued FASB Staff Position No. 157-2 ("FSP 157-2"). FSP 157-2 excludes fair value lease calculations pursuant to SFAS 13, as amended, from SFAS 157, but does not exclude assets and liabilities acquired pursuant to SFAS

141R. FSP 157-2 defers the effective date of SFAS 157 for non-financial assets and liabilities that are not recognized or disclosed at fair value on a recurring basis by one year. The adoption of SFAS 157 and the related FSPs on January 1, 2008 did not have a material impact on the financial condition or results of operations of the Company.

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 permits

entities to choose to measure many financial instruments and certain other items at fair value that are not currently required to be measured at fair value. SFAS 159 also establishes presentation and disclosure requirements designed to facilitate comparisons between entities that chose different measurement attributes for similar assets and liabilities. The adoption of SFAS 159 on January 1, 2008 did not have a material impact on the financial condition or results of operations of the Company.

In December 2007, the FASB issued SFAS No. 141R, "Business Combinations" ("SFAS 141R"), which replaces SFAS No. 141. Under SFAS 141R, an acquiring entity will be required to recognize all the assets acquired and liabilities assumed in a transaction at the acquisition date fair value with limited exceptions. SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements, which will enable users to evaluate the nature and financial effects of the business combination. SFAS 141R is effective for financial statements issued for fiscal years beginning after December 15, 2008. Early adoption is prohibited. We have not yet determined the impact, if any, that the implementation of SFAS 141R will have on our results of operations or financial condition.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements - An Amendment of ARB No. 51" ("SFAS 160"). SFAS 160 establishes new accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. Specifically, SFAS 160 requires the recognition of a noncontrolling interest (minority interest) as equity in the consolidated financial statements and separate from the parent's equity. The amount of net income attributable to the noncontrolling interest will be included in consolidated net income on the face of the income statement. SFAS 160 clarifies that changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation are equity transactions if the parent retains its controlling financial interest. In addition, SFAS 160 requires that a parent recognize a gain or loss in net income when a subsidiary is deconsolidated. Such gain or loss will be measured using the fair value of the noncontrolling equity investment on the deconsolidation date. SFAS 160 also includes expanded disclosure requirements regarding the interests of the parent and its noncontrolling interest. SFAS 160 is effective for fiscal years beginning on or after December 15, 2008. Early adoption is prohibited. We have not yet determined the impact, if any, that the implementation of SFAS 160 will have on our results of operations or financial condition.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Trans-Lux is a full service provider of integrated multimedia systems for today's communications environments. The essential elements of these systems are the real-time, programmable electronic information displays we manufacture, distribute and service. Designed to meet the evolving communications needs of both the indoor and outdoor markets, these displays are used primarily in applications for the financial, banking, gaming, corporate, advertising, transportation, entertainment and sports industries. In addition to its display business, the Company owns and operates an income producing rental property. The Company operates in three reportable segments: Indoor display, Outdoor display and Real estate.

On June 26, 2008, the Board of Directors approved the sale of the assets of the Entertainment Division. As a result of the sale, the Company has accounted for the Entertainment Division as discontinued operations in the second quarter of 2008 and recorded non-cash long-lived asset impairment charges of $2.9 million for the quarter ended June 30, 2008, as well as $2.0 million in disposal costs, see Note 2. The following discussion and analysis of financial condition and results of operations relates only to continuing operations.

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

Results of Operations

Six Months Ended June 30, 2008 Compared to Six Months Ended June 30, 2007

Total revenues for the six months ended June 30, 2008 increased $199,000 or 1.1% from $18.2 million to $18.4 million for the six months ended June 30, 2007. Indoor display sales revenues increased, but were offset by decreases in Indoor display rental and maintenance revenues, Outdoor display revenues and Real estate rentals revenues.

Indoor display revenues increased $850,000 or 16.2%. Of this increase, Indoor display equipment sales increased $1.1 million or 79.4%, primarily due to an increase in sales from the gaming and transportation markets. Indoor display equipment rentals and maintenance revenues decreased $292,000 or 7.7%, primarily due to disconnects and non-renewals of equipment on rental and maintenance on existing contracts in the financial services market. The financial services market continues to be negatively impacted by the ongoing consolidation within that industry and the wider use of flat-panel screens.

Outdoor display revenues decreased $603,000 or 4.7%. Of this decrease, Outdoor display equipment sales decreased $247,000 or 2.4%, primarily in the commercial market. Outdoor display equipment

rentals and maintenance revenues decreased $356,000 or 14.6%, primarily due to the continued expected revenue decline in the older Outdoor display equipment rental and maintenance bases acquired in the early 1990s.

Real estate revenues decreased $48,000 or 22.2%, primarily due to less than full occupancy of the sub-leased portion of our Norwalk, CT location, which sub-leases terminated in June 2008.

Total operating income for the six months ended June 30, 2008 increased $1.2 million to $1.3 million compared to $75,000 for the six months ended June 30, 2007, principally due to the increase in Indoor sales revenues and a reduction in general and administrative expenses in the Indoor display segment.

Indoor display operating income increased to $82,000 in 2008 compared to a loss of $922,000 in 2007, primarily as a result of the increase in revenues in the gaming and transportation markets. The cost of Indoor displays represented 75.4% of related revenues in 2008 compared to 78.4% in 2007. The cost of Indoor displays as a percentage of related revenues decreased primarily due to a $249,000 decrease in depreciation expense, offset by a $153,000 increase in

field service costs to maintain the equipment. The Company continues to address the cost of field service to align with revenue levels. Cost of Indoor display equipment rentals and maintenance includes field service expenses, plant repair costs, maintenance and depreciation. Indoor display cost of equipment sales increased $582,000 or 90.5%, primarily due to the increase in revenues. There was an increase in the gross margin of Indoor display equipment sales due to the product mix of sales. Indoor display general and administrative expenses decreased $640,000 or 31.1%, primarily due to a reduction in selling payroll and benefits and related expenses and a $275,000 decrease in the allowance for uncollectable accounts.

Outdoor display operating income increased $255,000 or 30.6% to $1.1 million in 2008 compared to $833,000 in 2007, primarily as a result of a decrease in field service costs to maintain the equipment on rental and maintenance contracts. The cost of Outdoor displays represented 74.1% of related revenues in 2008 compared to 77.1% in 2007. Outdoor display cost of equipment sales decreased $216,000 or 2.8%, principally due to the decrease in volume. Outdoor display cost of equipment rentals and maintenance decreased $617,000 or 30.4%, primarily due to a $324,000 decrease in field service costs to maintain the equipment and a $293,000 decrease in depreciation expense. Outdoor display general and administrative expenses decreased slightly. Cost of Outdoor display equipment rentals and maintenance includes field service expenses, plant repair costs, maintenance and depreciation.

Real estate rentals operating income decreased $51,000 or 31.1%, primarily due to the decrease in revenues. Cost of Real estate rentals remained level. The cost of Real estate rentals represented 29.2% of related revenues in 2008 compared to 21.3% in 2007. The cost of Real estate rentals as a percentage of related revenues increased primarily due the reduction in revenues. Real estate rentals general and administrative expenses remained level.

Corporate general and administrative expenses decreased $234,000 or 9.9%, primarily due to decreases in benefits, legal and general insurance expenses and a foreign currency gain of $20,000 compared to a foreign currency loss of $73,000 in the prior year, offset by an increase in audit fees.

The Company continues to monitor and reduce certain overhead costs.

Net interest expense decreased $279,000, due to lower interest rates of the variable debt and a reduction in total debt. The debt conversion cost of $1.5 million relates to the one-time, non-cash, non-tax deductible charge for the exchange of debt for Common Stock relating to the exchange offer, that was completed March 14, 2007, see Note 5.

Other income of $593,000 in 2007 relates to a gain resulting from the termination of an office lease.

The effective tax rate for the six months ended June 30, 2008 and 2007 was 2.4% and 22.8%, respectively. The 2008 rate was affected by the $2.5 million increase in the valuation allowance on its deferred tax assets as a result of reporting a pre-tax loss. The 2007 rate was affected by the $1.5 million one-time, non-cash, non-tax deductible charge relating to exchange of debt for Common Stock, see Note 5. The Company adopted the provisions of FIN 48 on January 1, 2007, see Note 7. The current year's income tax expense relates to the Company's Canadian subsidiary.

Three Months Ended June 30, 2008 Compared to Three Months Ended June 30, 2007

Total revenues for the three months ended June 30, 2008 increased $902,000 or

9.5% to $10.4 million from $9.5 million for the three months ended June 30, 2007, primarily due to increases in both Indoor and Outdoor display sales revenues, offset by decreases in both Indoor and Outdoor display rentals and maintenance revenues.

Indoor display revenues increased $660,000 or 24.3%. Of this increase, Indoor display equipment sales increased $748,000 or 88.0%, primarily due to an increase in sales from the gaming and transportation markets. Indoor display equipment rentals and maintenance revenues decreased $88,000 or 4.7%, primarily due to disconnects and non-renewals of equipment on rental and maintenance on existing contracts in the financial services market. The financial services market continues to be negatively impacted by the ongoing consolidation within that industry.

Outdoor display revenues increased $269,000 or 4.0%. Of this increase, Outdoor display equipment sales increased $448,000 or 8.2%, primarily in the outdoor catalog sports market, offset by a decrease in the outdoor commercial market. Outdoor display equipment rentals and maintenance revenues decreased $179,000 or 14.3%, primarily due to the continued expected revenue decline in the older Outdoor display equipment rental and maintenance bases acquired in the early 1990s.

Real estate revenues decreased $27,000 or 25.0%, primarily due to less than full occupancy of the sub-leased portion of our Norwalk, CT location, which sub-leases terminated in June 2008.

Total operating income for the three months ended June 30, 2008 increased $863,000 to $1.1 million from $187,000 for the three months ended June 30, 2007, principally due to the increases in the Indoor and Outdoor sales revenues.

Indoor display operating income increased $657,000 to $221,000 in 2008 compared to a loss of $436,000 in 2007, primarily as a result of the increase in revenues in the gaming and transportation markets. The cost of Indoor displays represented 73.1% of related revenues in 2008 compared to

79.4% in 2007. The cost of Indoor displays as a percentage of related revenues decreased primarily due to a $127,000 decrease in depreciation expense and an improvement in the gross profit margin of equipment sales due to the product mix of sales, offset by a $124,000 increase in field services costs to maintain the equipment. The Company continues to address the cost of field service to align with revenue levels. Cost of Indoor display equipment rentals and maintenance includes field service expenses, plant repair costs, maintenance and depreciation. Indoor display cost of equipment sales increased $314,000 or 70.7%, primarily due to the increase in revenues. Indoor display general and administrative expenses decreased $309,000 or 31.0%, primarily due to a reduction in selling payroll and benefits and related expenses and a $118,000 decrease in the allowance for uncollectable accounts.

Outdoor display operating income increased $233,000 or 42.9% to $775,000 in 2008 compared to $542,000 in 2007, primarily as a result of a reduction in the cost of Outdoor equipment rentals and maintenance. The cost of Outdoor displays represented 74.2% of related revenues in 2008 compared to 76.4% in 2007. Outdoor display cost of equipment sales increased $373,000 or 9.1%, principally due to the increase in volume and the volume mix. Outdoor display cost of equipment rentals and maintenance decreased $322,000 or 31.4%, primarily due to a $176,000 decrease in field service costs to maintain the equipment and a $146,000 decrease in depreciation expense. Outdoor display general and administrative expenses remained level. Cost of Outdoor display equipment rentals and maintenance includes field service expenses, plant repair costs,

maintenance and depreciation.

Real estate operating income decreased $27,000 or 33.3%, primarily due to the decrease in revenues. Cost of Real estate rentals remained level. The cost of Real estate rentals represented 28.4% of related revenues in 2008 compared to 21.3% in 2007. The cost of Real estate rentals as a percentage of related revenues increased primarily due to the reduction in revenues. Real estate rental general and administrative expenses remained level.

Corporate general and administrative expenses decreased $53,000 or 4.6%, primarily due to a decrease in benefits, legal and general insurance expenses and a foreign currency gain of $10,000 compared to a foreign currency loss of $70,000 in the prior year, offset by an increase in audit fees. The Company continues to monitor and reduce certain overhead costs.

Net interest expense decreased $79,000, due to lower interest rates of the variable debt and a reduction in total debt. Other income in 2007 of $593,000 related to a gain resulting from the termination of an office lease.

The effective tax rate for the three months ended June 30, 2008 and 2007 was 1.9% and 33.3%, respectively. The 2008 rate was affected by the $2.1 million increase in the valuation allowance on its deferred tax assets as a result of reporting a pre-tax loss. The current year's income tax expense relates to the Company's Canadian subsidiary.

Liquidity and Capital Resources

On March 15, 2007, the Company completed an offer to exchange 133 shares of its Common Stock, $1 par value per share, for each $1,000 principal amount of its 8 1/4% Limited Convertible Senior

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Subordinated Notes due 2012 (the "8 1/4% Notes"). The offer was for up to $9.0 million principal amount, or approximately 50% of the $18.0 million principal amount outstanding of the 8 1/4% Notes. A total of $7.8 million principal amount of the 8 1/4% Notes were exchanged, leaving $10.1 million principal amount of the 8 1/4% Notes outstanding. A total of 1,041,257 shares of Common Stock were issued in the exchange. In accordance with FASB No. 84, "Induced Conversions of Convertible Debt," the Company recorded a non-cash, non-tax deductible charge for the exchange of debt for Common Stock an additional amortization of prepaid financing costs aggregating $1.5 million in debt conversion cost as a result of the exchange offer.

During the six months ended June 30, 2008, long-term debt, including current portion, decreased $1.3 million due to regularly scheduled payments of long-term.

The Company has a bank Credit Agreement that provides for a term loan of $10.0 million, a non-revolving line of credit of up to $6.2 million to finance purchases and/or redemptions of one-half of the 7 1/2% Convertible Subordinated Notes due December 1, 2006 (the "7 1/2% Notes") in June 2006 and a revolving loan of up to $5.0 million at variable interest rates ranging from LIBOR plus 2.25% to Prime (ranging from 4.71% to 5.00% at June 30, 2008). The Credit Agreement matures on August 1, 2009. Effective December 31, 2006, $6.1 million of the non-revolving line of credit was converted into a four-year term loan also maturing August 1, 2009. At June 30, 2008, the entire revolving loan facility had been drawn. The Credit Agreement requires an annual facility fee on the unused commitment of 0.25%, and requires compliance with certain financial covenants, which include a loan-to-value ratio of not more than 50%, a

leverage ratio and maintaining accounts with an average monthly compensating balance of not less than $750,000. Subsequent to the end of the quarter, the fixed charge coverage ratio was modified to 1.25 to 1.00 and the minimum tangible net worth covenant was modified to $17.0 million as of June 30, 2008. As of June 30, 2008, the Company was in compliance with the forgoing financial covenants, but was not in compliance with the cap on capital expenditures. The senior lender waived the non-compliance subsequent to the end of the quarter. The Company continues to be in discussion with its senior lenders and others to restructure the Credit Agreement or refinance to further extend the maturity date and obtain additional liquidity.

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

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The following table summarizes the Company's fixed cash obligations of its continuing operations as of June 30, 2008 for the remainder of 2008 and the next four years:

In thousands	Remainder of 2008	2009	2010	2011	2012
Long-term debt, including interest	$4,874	$14,016	$1,362	$1,345	$13,736
Employment and consulting agreement obligations	628	912	427	303	198
Operating lease payments	293	419	381	388	272
Total	$5,795	$15,347	$2,170	$2,036	$14,206

From continuing operations, cash and cash equivalents decreased $2.7 million for the six months ended June 30, 2008 compared to a decrease of $2.1 million for the six months ended June 30, 2007. The decrease in 2008 is primarily attributable to the investment in equipment for rental of $1.6 million and $1.3 million of scheduled payments of long-term debt, offset by $0.7 million of cash provided by operating activities of continuing operations. The decrease in 2007 is primarily attributable to the investment in equipment for rental of $2.4 million and $1.2 million of scheduled payments of long-term debt, offset by $1.6 million of cash provided by operating activities of continuing operations.

Although the Company has incurred losses from continuing operations, it believes that cash generated from continuing operations together with cash and cash equivalents on hand should be sufficient to fund anticipated current and near term cash requirements. The Company is in discussions with its senior lender and other lenders to restructure its existing Credit Agreement, which includes the revolving loan facility, to extend the maturity, reduce the annual amortization and obtain additional liquidity. The Company continually evaluates the need and availability of long-term capital in order to meet its cash requirements.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

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

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The Company is subject to interest rate risk on its long-term debt. The Company manages its exposure to changes in interest rates by the use of variable and fixed interest rate debt. In addition the Company is exposed to foreign currency exchange rate risk mainly as a result of its investment in its Canadian subsidiary. The Company may, from time to time, enter into derivative contracts to manage its interest risk. The Company does not enter into derivatives for trading or speculative purposes. At June 30, 2008, the Company did not hold any derivative financial instruments.

A one-percentage point change in interest rates would result in an annual interest expense fluctuation of approximately $158,000. A 10% change in the Canadian dollar relative to the U.S. dollar would result in a currency exchange expense fluctuation of approximately $249,000, based on dealer quotes, considering current exchange rates.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. As required by Rule 13a-15 under the Securities Exchange Act of 1934, as of the end of the period covered by this report, we have carried out an evaluation, under the supervision and with the participation of our management, including our Co-Chief Executive Officers and Chief Financial Officer (our principal executive officers and principal financial officer), of the effectiveness of the design and operation of our disclosure controls and procedures. Our Co-Chief Executive Officers and Chief Financial Officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission and that such information is accumulated and communicated to our management (including our Co-Chief Executive Officers and Chief Financial Officer) to allow timely decisions regarding required disclosures. Based on such evaluation, our Co-Chief Executive Officers and Chief Financial Officer have concluded these disclosure controls are effective as of June 30, 2008.

Changes in Internal Control over Financial Reporting. There has been no change in the Company's internal control over financial reporting, that occurred in 2008, that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Part II - Other Information

Item 1A. Risk Factors

The Company is subject to a number of risks including general business and financial risk factors. Any or all of such factors could have a material adverse effect on the business, financial condition or results of operations of the Company. You should carefully consider the following risk factors, in addition to those identified in our Annual Report on Form 10-K for the year ended December 31, 2007.

On June 26, 2008, the Board of Directors approved the sale of the assets of the Entertainment Division. As a result of the sale, the Company has accounted for the Entertainment Division as discontinued operations in the second quarter of 2008 and recorded non-cash long-lived asset impairment charges of $2.9 million for the quarter ended June 30, 2008, as well as $2.0 million in disposal costs, see Note 2.

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The Company has incurred net losses from continuing operations for the three and six months ended June 30, 2008 of $541,000 and $1,911,000, respectively, but has generated cash provided by operating activities of continuing operations of $669,000 and $1,553,000 for the six months ended June 30, 2008 and 2007, respectively, and has positive working capital of $6.7 million as of June 30, 2008. As of June 30, 2008, the Company has fully drawn its $5.0 million revolving loan facility, which matures on August 1, 2009. The Company's objective in regards to the Credit Agreement is to restructure the existing Credit Agreement or obtain additional funds from external sources through equity or additional debt financing and is in discussions with its senior lender and others. While management believes it will be successful, there can be no assurance that management will be successful in achieving any of the above objectives. Management further believes that its current cash resources and cash provided by operations will be sufficient to fund its operations and its current obligations through June 30, 2009.

Item 2. Unregistered Sales of Securities and Use of Proceeds

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Stockholders of Trans-Lux Corporation was held on June 4, 2008 for the purpose of electing directors and ratifying the retention of auditors as set forth below.

All of management's nominees for directors for a three-year term as listed in the proxy statement were elected by the following vote:

	For	Withheld
Matthew Brandt	3,641,387	75,720
Howard S. Modlin	3,637,963	79,144
Michael R. Mulcahy	3,642,287	74,820

The following directors are continuing their terms as directors:

- Richard Brandt - One Year Remaining
- Thomas Brandt - One Year Remaining
- Howard M. Brenner - One Year Remaining
- Jean Firstenberg - Two Years Remaining
- Gene Jankowski - Two Years Remaining
- Victor Liss - Two Years Remaining

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The recommendation to ratify the retention of Eisner LLP as the independent auditors for the Company was approved by the following vote:

	For	Against	Abstain
Totals	3,716,528	500	79

Item 5. Other Information

Subsequent to the annual meeting ratifying Eisner LLP as the independent auditors for the Company, see Item 4, on July 10, 2008, the Company filed a Form 8-K announcing it has replaced Eisner LLP with UHY LLP as its independent registered public accountants.

Item 6. Exhibits

10.1 Amendment No. 9 to the Amended and Restated Commercial Loan and Security Agreement with People's United Bank dated July 15, 2008, filed herewith.

10.2 Employment Agreement with Al Miller dated as of April 1, 2008, filed herewith.

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

31.2 Certification of Thomas Brandt, Executive Vice President and Co-Chief Executive Officer, pursuant to Rule 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

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

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

32.2 Certification of Thomas Brandt, Executive Vice President and Co-Chief Executive Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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

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.

TRANS-LUX CORPORATION

(Registrant)

Date: August 14, 2008

by /s/ Angela D. Toppi

Angela D. Toppi
Executive Vice President and
Chief Financial Officer