



FOR IMMEDIATE RELEASE

Espey Reports First Quarter Results

Saratoga Springs, NY; November 13, 2006- Espey Mfg. & Electronics Corp., (AMEX:ESP) reports results for the first three months of fiscal year 2007.

Net sales for the first quarter of fiscal 2007, July 1 to September 30, 2006, increased over 33% to \$6,071,906, compared with last year's first quarter net sales of \$4,560,574. Net income for the period rose nearly 150% to \$543,050, \$.26 per diluted share, as compared with net income of \$217,744, \$.11 per diluted share for the same period last year.

New sales orders in the first quarter of fiscal 2007 were approximately \$3.9 million, compared with \$18.1 million in the first quarter of fiscal 2006. Additional orders are expected to be received in the next several months and new orders for fiscal 2007 are expected to be equivalent to or exceed the value of orders received in fiscal 2006 of approximately \$26.8 million. The sales order backlog for the Company was \$35.6 million on September 30, 2006, down \$9.7 million, compared with last year's sales backlog of \$45.3 million on September 30, 2005.

Espey's primary business is the development, design, and production of specialized military and industrial power supplies/electronic equipment. The Company's web site can be found on the Internet at www.espey.com.

For further information, contact Mr. David O'Neil or Mr. Howard Pinsley at (518) 245-4400.

Certain statements in this press release are "forward-looking statements" and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements represent the Company's current expectations or beliefs concerning future events. The matters covered by these statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those set forth in the forward-looking statements. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made.

Espey Mfg. & Electronics Corp. comparative unaudited three-month figures for the periods ended September 30, 2006 and 2005.*

	<i>Three Months</i>	
	<u><i>FY 2007</i></u>	<u><i>FY 2006</i></u>
<i>Sales:</i>	<i>\$6,071,906</i>	<i>\$4,560,574</i>
<i>Net Income:</i>	<i>543,050</i>	<i>217,744</i>
<i>Income per share:</i>		
<i>Basic</i>	<i>.27</i>	<i>.11</i>
<i>Diluted</i>	<i>.26</i>	<i>.11</i>
<i>Weighted average number of shares outstanding:</i>		
<i>Basic</i>	<i>2,034,014</i>	<i>2,017,164</i>
<i>Diluted</i>	<i>2,060,338</i>	<i>2,054,942</i>

**Please note that on December 30, 2005, the Company effected a one-for-one stock split in the form of a dividend of one share of common stock for each share of common stock issued. All per share and share amounts have been adjusted to reflect this dividend.*

#####

