



FOR IMMEDIATE RELEASE

Espey Reports Third Quarter and Record Nine Month Results; Sales and Profits Increase Sharply...

Saratoga Springs, NY; May 10, 2007 - Espey Mfg. & Electronics Corp., (AMEX:ESP), announces results for its third quarter and the nine months of fiscal 2007 ended March 31, 2007.

Net sales for the third quarter of fiscal 2007, January 1 to March 31, 2007, increased by \$3.4 million to \$8.1 million, 72% greater than fiscal 2006 third quarter net sales of \$4.7 million. Net income for the period nearly doubled to \$714,030, \$.34 per diluted share as compared with net income of \$365,057, \$.18 per diluted share for the corresponding period last fiscal year.

Net sales for the first nine months of fiscal 2007, July 1 to March 31, 2007, increased nearly \$6.0 million to \$20.3 million, as compared with \$14.3 million for the first nine months of fiscal 2006. This represents a new Company record for net sales for the nine-month period. Net income for the nine months increased more than 100% to \$1,736,991, \$.84 per diluted share, as compared with net income of \$857,061, \$.42 per diluted share, for the corresponding period last fiscal year.

The total sales order backlog for the Company at March 31, 2007 is \$32.1 million, compared with \$41.2 million at March 31, 2006. New sales orders for the nine-month period totaled \$14.7 million. Although the sales backlog is lower than at the same point in fiscal 2006, many new orders are in the late stage of negotiations with customers and the Company expects to book several in the final quarter of this fiscal year. Such projected new orders could represent in excess of \$20 million and would substantially increase the backlog by June 30, 2007.

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 and nine-month figures for the periods ended March 31, 2007 and 2006.

	Three Months		Nine Months	
	2007	2006	2007	2006
Sales:	\$8,059,695	\$4,677,808	\$20,250,921	\$14,294,465
Net Income:	714,030	365,057	1,736,991	857,061
Income per share:				
Basic	.35	.18	.85	.43
Diluted	.34	.18	.84	.42
Weighted average number of Shares outstanding:				
Basic	2,053,545	2,010,173	2,044,839	2,010,580
Diluted	2,077,994	2,041,443	2,069,730	2,048,022

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