



FOR IMMEDIATE RELEASE

Espey Reports Third Quarter and Nine Month Results; Earnings Per Share Increases 56 Percent, Backlog Increases, Sales Decline.

Saratoga Springs, NY; May 14, 2008- Espey Mfg. & Electronics Corp., (AMEX:ESP), announces results for its third quarter and the nine months of fiscal 2008 ended March 31, 2008.

Net sales for the third quarter of fiscal 2008, January 1 to March 31, 2008, decreased by \$1.6 million to \$6.5 million as compared with last fiscal year's third quarter net sales of \$8.1 million. Net income for the period increased by approximately 54 percent, from \$714,030 to \$1,099,205, or by approximately 56 percent on a per diluted share basis, from \$.34 to \$.53.

For the first nine months of fiscal 2008, July 1 to March 31, 2008, net sales decreased by \$.7 million to \$19.5 million, as compared with \$20.2 million for the first nine months of fiscal 2007. Net income for the nine months increased by approximately 43 percent from \$1,736,991 to \$2,487,874, or by approximately 40 percent on a per diluted share basis from \$.84 to \$ 1.18.

Mr. Howard Pinsley, President & CEO, commented *"Our improved net income is the result of higher profit margins attributable to certain programs moving from the engineering phase into the production phase. These programs, while in the engineering phase, had a negative impact on earnings."*

Furthermore, the total sales order backlog for the Company at March 31, 2008 increased by \$.9 million to \$33 million, compared with \$32.1million at March 31, 2007. New sales orders for the nine-month period totaled approximately \$16.3 million, an increase of approximately \$1.6 million as compared with \$14.7 million for the first nine months of fiscal 2007.

The Company's backlog is \$41.8 million at May 12, 2008.

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, 2008 and 2007.

	Three Months		Nine Months	
	2008	2007	2008	2007
Sales:	\$6,479,020	\$8,059,695	\$19,512,950	\$20,250,921
Net Income:	1,099,205	714,030	2,487,874	1,736,991
Income per share:				
Basic	.53	.35	1.20	.85
Diluted	.53	.34	1.18	.84
Weighted average number of Shares outstanding:				
Basic	2,083,659	2,053,545	2,074,743	2,044,839
Diluted	2,098,596	2,077,994	2,101,177	2,069,730

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