



## **FOR IMMEDIATE RELEASE**

### ***Espey Mfg. & Electronics Corp. reports second quarter results.***

*Saratoga Springs, NY, February 12, 2009* - Espey Mfg. & Electronics Corp. (NYSE Alternext US: ESP) reports results for the second quarter and the first six months of fiscal year 2009, ended December 31, 2008.

Net sales for the second quarter of fiscal 2009, October 1 to December 31, 2008, decreased by 8% to \$6.2 million as compared with last year's second quarter net sales of \$6.7 million. The net loss for the period was \$42,412, \$.02 per diluted share, as compared with net income of \$797,086, \$.37 per diluted share for the corresponding period the last fiscal year.

For the first six months of fiscal 2009, July 1 to December 31, 2008, net sales decreased by \$.8 million to \$12.2 million, as compared with \$13.0 million for the first six months of fiscal 2008. Net income for the six months decreased to \$355,884, \$.17 per diluted share, as compared with net income of \$1,388,669, \$.65 per diluted share, for the corresponding period the last fiscal year.

The sales order backlog for the Company was \$44.0 million at December 31, 2008, up \$12.6 million, compared with last year's sales backlog of \$31.4 million at December 31, 2007. New sales orders in the first half of fiscal 2009 increased to approximately \$11.5 million, compared with \$8.2 million in the first half of fiscal 2008.

Mr. Howard Pinsley, President and CEO, commented, *"The reported net loss is directly attributable to ongoing investments in two programs which anticipate long-term profits and growth. The significant increase in the sales order backlog reflects that our Company remains in a strong financial position."*

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](http://www.espey.com).

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

This press release may contain certain statements that 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 six-month figures for the periods ended December 31, 2008 and 2007.

|   | Three Months |             | Six Months   |              |
|---|--------------|-------------|--------------|--------------|
|   | 2008         | 2007        | 2008         | 2007         |
| Sales:  | \$6,194,177  | \$6,732,144 | \$12,247,696 | \$13,033,930 |
| Net (Loss) Income:                                | (42,412)     | 797,086     | 355,884      | 1,388,669    |
| Income per share:                                 |              |             |              |              |
| Basic   | (.02)        | .38         | .17          | .67          |
| Diluted   | (.02)        | .37         | .17          | .65          |
| Weighted average number of<br>Shares outstanding: |              |             |              |              |
| Basic   | 2,107,257    | 2,074,789   | 2,104,782    | 2,070,334    |
| Diluted   | 2,114,363    | 2,109,650   | 2,115,201    | 2,125,632    |

#####