



***Espey Mfg. & Electronics Corp. reports second quarter results.
Net Sales and Net Income increase significantly.***

Saratoga Springs, NY, February 14, 2012 - Espey Mfg. & Electronics Corp. (NYSE-Amex: ESP) reports results for the second quarter and the first six months of fiscal year 2012, ended December 31, 2011.

Net sales for the second quarter of fiscal year 2012, October 1 to December 31, 2011, rose by 25.6% to \$8.3 million as compared with last year's second quarter net sales of \$6.6 million. The net income for the period was \$1,070,863, \$.49 per diluted share, as compared with \$649,747, \$.30 per diluted share for the corresponding period the last fiscal year.

For the first six months of fiscal 2012, July 1 to December 31, 2011, net sales also increased by 29% to \$16.3 million, as compared with \$12.6 million for the first six months of fiscal 2011. Net income for the six months increased to \$1,997,767, \$.91 per diluted share, as compared with net income of \$1,403,286, \$.65 per diluted share, for the corresponding period last fiscal year.

The sales order backlog for the Company fell to \$36.1 million at December 31, 2011, compared with last year's sales backlog of \$42.9 million at December 31, 2010. New sales orders in the first half of fiscal 2012 were approximately \$13.8 million, compared with new sales orders in the first half of fiscal 2011 of approximately \$24.6 million.

Mr. Mark St. Pierre, President and CEO, commented:

"We are once again pleased to report strong earnings and net sales for our fiscal 2012 Q2 and year-to-date. YTD Earnings per diluted share rose to \$.91 from \$.65 per diluted share for the same period last year.

The 29% increase in net sales this year vs. last has caused the backlog to drop by about 16%, a function of both the cyclical nature of Espey's new orders, and very strong demand from our core customers.

For the future, we continue to focus on new product and new market development, lean initiatives and cost reductions on our way to becoming the 'supplier of choice' to the world's best defense and industrial companies."

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. Mark St. Pierre 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, 2011 and 2010.

	Three Months		Six Months	
	2011	2010	2011	2010
Sales:	\$8,265,754	\$6,581,342	\$16,259,681	\$12,607,672
Net Income:	1,070,863	649,747	1,997,767	1,403,286
Income per share:				
Basic	.49	.30	.92	.65
Diluted	.49	.30	.91	.65
Weighted average number of Shares outstanding:				
Basic	2,172,601	2,152,270	2,168,401	2,146,859
Diluted	2,200,633	2,185,544	2,198,368	2,169,585

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