



Espey Mfg. & Electronics Corp. Reports Third Quarter and Nine Month Results Sales and Net Income Increase

Saratoga Springs, NY, May 10, 2012 - Espey Mfg. & Electronics Corp. (NYSE-Amex: ESP) announces results for its third quarter and the nine months of fiscal 2012, ended March 31, 2012.

Net sales for the third quarter of fiscal year 2012, January 1 to March 31, 2012, increased to \$7,661,946 as compared with last fiscal year's third quarter net sales of \$7,005,795. Net income for the period was \$1,262,863, \$.58 per diluted share, as compared with net income of \$1,012,031, \$.46 per diluted share for the corresponding period the last fiscal year.

For the first nine months of fiscal year 2012, July 1, 2011 to March 31, 2012 net sales increased to \$23,921,627, as compared with \$19,613,467 for the first nine months of fiscal 2011. Net income for the period increased to \$3,260,630, \$1.48 per diluted share, as compared with net income of \$2,415,317, \$1.11 per diluted share, for the corresponding period last fiscal year.

The sales order backlog for the Company was \$36.9 million at March 31, 2012, compared with last fiscal year's sales order backlog of \$41.5 million at March 31, 2011.

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

As the Defense community continues to transition from the war-time tempo of the last decade in Iraq and Afghanistan, uncertainty translates to postponed defense acquisitions and additional scrutiny on every dollar spent. We are therefore especially gratified by both sales and earnings results for our fiscal 3rd quarter. In a general economic climate still suffering the lingering effects of persistently high unemployment, slow housing starts and depressed consumer spending, Espey is growing, albeit it a modest pace. While both defense spending and general economic sluggishness are a concern, we remain cautiously optimistic that Espey will register modest growth while maintaining profitability through this uncertain period.

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 nine-month figures for the periods ended March 31, 2012 and 2011.

	Three Months		Nine Months	
	2012	2011	2012	2011
Sales:	\$7,661,946	\$7,005,795	\$23,921,627	\$19,613,467
Net Income:	1,262,863	1,012,031	3,260,630	2,415,317
Income per share:				
Basic	.58	.47	1.50	1.12
Diluted	.58	.46	1.48	1.11
Weighted average number of Shares outstanding:				
Basic	2,174,640	2,157,427	2,170,466	2,150,330
Diluted	2,196,366	2,181,559	2,197,677	2,173,518