



## ***Espey Mfg. & Electronics Corp. Reports Second Quarter Results***

*Saratoga Springs, NY, February 13, 2013* - Espey Mfg. & Electronics Corp. (NYSE-MKT: ESP) reports results for the second quarter and the first six months of fiscal year 2013, ended December 31, 2012.

Net sales for the second quarter of fiscal year 2013, October 1 to December 31, 2012, remained consistent at \$8.1 million as compared with last year's second quarter net sales of \$8.3 million. The net income for the period was \$1,071,776, \$.48 per diluted share, as compared with \$1,070,863, \$.49 per diluted share for the corresponding period the last fiscal year.

For the first six months of fiscal 2013, July 1 to December 31, 2012, net sales also remained consistent at \$16 million, as compared with \$16.3 million for the first six months of fiscal 2012. Net income for the six months increased to \$2,352,494, \$1.05 per diluted share, as compared with net income of \$1,997,767, \$.91 per diluted share, for the corresponding period last fiscal year.

The sales order backlog for the Company increased to \$48.5 million at December 31, 2012, compared with last year's sales backlog of \$36.1 million at December 31, 2011. New sales orders in the first half of fiscal 2013 were approximately \$14 million, compared with new sales orders in the first half of fiscal 2012 of approximately \$13.8 million.

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

*“Espey’s second quarter and half-year financial results can best be described as ‘solid’—sales are trending flat and earnings, while up some 17% from last year at the half-year, have also trended flat for the most recent quarter. Sales and engineering development work on substantial, long-term new programs continue satisfactorily, but as predicted, is experiencing the effect of the continuing budgetary uncertainty in Washington D.C. Quite simply, all markets hate uncertainty, and the federal defense budgets upon which Espey largely depends are no different. Espey—in common with the entire defense industry- expects some continued softening until a long- term budgetary solution is finalized.*

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. 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, 2012 and 2011.

|   | Three Months |             | Six Months   |              |
|---|--------------|-------------|--------------|--------------|
|   | 2012         | 2011        | 2012         | 2011         |
| Sales:  | \$8,052,447  | \$8,265,754 | \$15,944,324 | \$16,259,681 |
| Net Income:                                       | 1,071,776    | 1,070,863   | 2,352,494    | 1,997,767    |
| Income per share:                                 |              |             |              |              |
| Basic   | .49          | .49         | 1.07         | .92          |
| Diluted   | .48          | .49         | 1.05         | .91          |
| Weighted average number of<br>Shares outstanding: |              |             |              |              |
| Basic   | 2,201,140    | 2,172,601   | 2,193,782    | 2,168,401    |
| Diluted   | 2,238,745    | 2,200,633   | 2,236,553    | 2,198,368    |

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