



Espey reports record fourth quarter and year-end results and announces regular dividend

Saratoga Springs, NY, August 26, 2013- Espey Mfg. & Electronics Corp. (NYSE MKT: ESP) announces results for its fiscal year and fourth quarter, both ended June 30, 2013. For a third consecutive fiscal year, net sales and net income achieved record highs over any previous year in Espey's 85-year history.

For the fiscal year ended June 30, 2013, the Company reported net sales of \$34,298,210, compared with \$32,037,357 for the fiscal year ended June 30, 2012. Net income increased to \$5,562,425, \$2.48 per diluted share for the year, compared with net income of \$4,390,268, \$1.99 per diluted share, for the fiscal year ended June 30, 2012. At June 30, 2013, the sales order backlog was \$42.1 million, compared with last year's \$50.8 million at June 30, 2012.

For the fourth quarter ended June 30, 2013, net sales increased by \$3,438,186, to \$11,553,916, compared with last year's fourth quarter net sales of \$8,115,730. Net income for the fourth quarter ended June 30, 2013 was \$2,294,700, \$1.02 per diluted share, compared with net income of \$1,129,638, \$.51 per diluted share, for the corresponding period last year.

Also, new sales orders for the fiscal year ended June 30, 2013 were \$26.1 million compared with \$44.4 million for the corresponding period last year.

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

We are certainly pleased to report achievement of planned sales and record earnings for the quarter and year-end results. Our focus remains on the capture and execution of long-range programs that we believe are key to a healthy future for Espey, despite the twin impediments of a slowly recovering economy and the uncertain military defense budget, both of which we believe will slowly improve over the next 24 months.

The year-end backlog of \$42M is lower than we would like but consistent with our statements over the last several quarters, in which we have been predicting a slow-down in the defense markets that are a major portion of Espey's business. Our commercial business, dominated by heavy freight rail, has also slowed due to weaker demand in China for rail-borne raw materials. Both trends have depressed our new orders.

Furthermore, the Espey Board of Directors has declared a cash dividend. The regular first quarter dividend for the fiscal year ending June 30, 2014 is \$.25 per share. The dividend will be payable on September 27, 2013, to all shareholders of record at September 10, 2013.

Espey's primary business is the development, design, and production of specialized military and industrial power supplies/transformers. The Company can be found on the internet at www.espey.com. For further information, contact Mr. David O'Neil or 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 audited twelve-month figures for the periods ended June 30, 2013 and 2012.

	Three Months		Twelve Months	
	2013	2012	2013	2012
Sales:	\$11,553,916	\$8,115,730	\$34,298,210	\$32,037,357
Net Income:	2,294,700	1,129,638	5,562,425	4,390,268
Income per share:				
Basic	1.03	.52	2.52	2.02
Diluted	1.02	.51	2.48	1.99
Weighted average number of Shares outstanding:				
Basic	2,222,950	2,179,004	2,206,937	2,172,589
Diluted	2,250,074	2,212,391	2,242,648	2,203,060