



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

Saratoga Springs, NY, September 15, 2014- Espey Mfg. & Electronics Corp. (NYSE MKT: ESP) announces results for its fiscal year and fourth quarter, both ended June 30, 2014.

For the fiscal year ended June 30, 2014, the Company reported net sales of \$27,136,919, compared with \$34,298,210 for the fiscal year ended June 30, 2013. Net income decreased to \$1,167,885, \$.51 per diluted share for the year, compared with net income of \$5,562,425, \$2.48 per diluted share, for the fiscal year ended June 30, 2013. At June 30, 2014, the sales order backlog was \$35.7 million, compared with last year's \$42.1 million at June 30, 2013.

For the fourth quarter ended June 30, 2014, net sales decreased to \$7,096,700, compared with last year's fourth quarter net sales of \$11,553,916. The net loss for the fourth quarter ended June 30, 2014 was \$698,204, \$.31 per diluted share, compared with the net income of \$2,294,700, \$1.02 per diluted share, for the corresponding period last year.

Also, new sales orders for the fiscal year ended June 30, 2014 were \$21 million compared with \$26.1 million for the corresponding period last year.

Mr. David O'Neil, Interim President and CEO, commented,

It was a difficult quarter and year compared to last year's record results. The loss for the quarter directly relates to a cancelled engineering design contract we are no longer working on. The trend of increased competition for diminishing federal defense contracts and deferred and scaled-back military programs continue, and we are doing our best to manage through this difficult environment. Our focus remains on the capture and execution of long-range programs. To that end, we have reinforced our sales resources and refined our target opportunities. We expect to benefit from these moves, but our strategy is longer term and will take focus, persistence and time.

Furthermore, the Espey Board of Directors has declared a cash dividend. The regular first quarter dividend for the fiscal year ending June 30, 2015 is \$0.25 per share. The dividend will be payable on September 30, 2014, to all shareholders of record at September 25, 2014.

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 (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 twelve-month figures for the periods ended June 30, 2014 and 2013.

	Three Months		Twelve Months	
	2014	2013	2014	2013
Sales:	\$ 7,096,700	\$11,553,916	\$27,136,919	\$34,298,210
Net (Loss) Income:	(698,204)	2,294,700	1,167,885	5,562,425
(Loss) Income per share:				
Basic	(.31)	1.03	.52	2.52
Diluted	(.31)	1.02	.51	2.48
Weighted average number of Shares outstanding:				
Basic	2,258,436	2,222,950	2,245,222	2,206,937
Diluted	2,284,422	2,250,074	2,285,535	2,242,648