



ESCO Announces Test Segment Claim Resolution

May 22, 2007

ST. LOUIS, May 22 /PRNewswire-FirstCall/ -- ESCO Technologies Inc. (NYSE: ESE) today announced that an arbitrator has ruled that Lindgren R.F. Enclosures, Inc. was responsible for construction delays incurred on a U.S. Government contract completed in June 2005 and has awarded the prime contractor damages of \$2.2 million, payable in 30 days. As disclosed in the 2006 Form 10-K, the prime contractor was asserting damages of \$3.7 million.

This dispute related to a delivery and installation contract signed in 2003 for a shielded communication room in a remote third world location. The challenging geopolitical environment of this region resulted in lengthy site access issues, material delivery (import) delays, shortages of qualified labor, and personnel security issues. The Company vigorously defended its position, but the arbitrator rejected Lindgren's assertions.

Vic Richey, Chairman and Chief Executive Officer, commented, "Although we are very disappointed with the arbitrator's ruling, we are still able to reaffirm our full year earnings per share (EPS) guidance of \$1.50 to \$1.65 per share, but with this after-tax charge of approximately \$0.06 per share in our fiscal third quarter, we will come in at the low end of our projected 2007 EPS range. This ruling does not affect the current year's operational performance of our Test segment, and we remain confident in the ongoing performance of this business unit."

Forward Looking Statement

Statements in this release regarding fiscal 2007 EPS and third quarter after-tax charges are "forward looking" statements within the meaning of the safe harbor provisions of the federal securities laws. Investors are cautioned that such statements are only predictions and speak only as of the date of this release, and the Company undertakes no duty to update. The Company's actual results in the future may differ materially from those projected in the forward-looking statements due to risks and uncertainties that exist in the Company's operations and business environment including, but not limited to, those risks identified in the company's press release issued May 8, 2007 and the risk factors described in Item 1A of the company's Annual Report on Form 10-K for the fiscal year ended September 30, 2006.

ESCO, headquartered in St. Louis, is a proven supplier of special purpose communications systems for electric, gas and water utilities, including hardware and software to support advanced metering applications. In addition, the Company provides engineered filtration products to the transportation, health care and process markets worldwide and is the industry leader in RF shielding and EMC test products. Further information regarding ESCO and its subsidiaries is available on the Company's website at <http://www.escotechnologies.com>.

SOURCE ESCO Technologies Inc.

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