UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 29, 2010

ESCO TECHNOLOGIES INC.
(Exact Name of Registrant as Specified in Charter)

Missouri (State or Other Jurisdiction of Incorporation)	1-10596 (Commission File Number)	43-1554045 (I.R.S. Employer Identification No.)

9900A Clayton Road, St. Louis, Missouri (Address of Principal Executive Offices)	63124-1186 (Zip Code)

Registrant’s telephone number, including area code: 314-213-7200

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

[ ] Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act (17 CFR 240.14d-2 (b))

[ ] Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act (17 CFR 240.113d-4 (c))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Today, August 3, 2010, the Registrant is issuing a press release (furnished herewith as Exhibit 99.1 to this report) announcing its fiscal year 2010 third quarter financial and operating results. See Item 7.01, Regulation FD Disclosure below.

ITEM 5.02 DEPARTURE OF DIRECTORS OR CERTAIN OFFICERS; ELECTION OF DIRECTORS; APPOINTMENT OF CERTAIN OFFICERS; COMPENSATORY ARRANGEMENTS OF CERTAIN OFFICERS

Effective July 29, 2010, the employment agreement dated as of November 3, 1999, as amended (the “Employment Agreement”), between the Registrant and A.S. Barclay, Senior Vice President, Secretary and General Counsel of Registrant (the “executive”) was further amended (the “Amendment”) to extend, in the case of a termination as described below, from one year to two years the period for which the executive will receive (i) the continuation of her then-current base salary and bonus (bonus calculated using the annual percentage of base salary for the last fiscal year prior to termination), and (ii) continuation of her perquisites and certain employee benefits. Such a termination would exist if the executive’s employment is terminated by the Registrant other than for cause, or if the executive terminates her employment following certain actions by the Registrant, such as failing to comply with the Employment Agreement, materially reducing the executive’s responsibilities or requiring the executive to relocate. The Amendment is filed herewith as Exhibit 10.1. The description of the terms of the Amendment does not purport to be complete and is qualified in its entirety by the full text of the Amendment which is attached hereto as Exhibit 10.1 and incorporated by reference herein.

If the executive’s employment is terminated in connection with a Change of Control (as defined), she will not receive the foregoing benefits, and will receive instead the benefits payable under the Registrant’s Severance Plan.

For further information concerning the Employment Agreement as in effect prior to the Amendment, reference is hereby made to the description under the caption “Employment Agreements” beginning on page 19 in the Registrant’s proxy statement filed December 22, 2009 with the Securities and Exchange Commission, which description is incorporated herein by reference as Exhibit 99.2.

ITEM 7.01 REGULATION FD DISCLOSURE

Today, the Registrant is issuing a press release (Exhibit 99.1) announcing its fiscal year 2010 third quarter financial and operating results. The Registrant will conduct a related Webcast conference call today at 4:00 p.m. central time. This press release will be posted on the Registrant’s web site located at http://www.escotechnologies.com. It can be viewed through the “Investor Relations” page of the web site under the tab “Press Releases”, although the Registrant reserves the right to discontinue that availability at any time.

NON-GAAP FINANCIAL MEASURES

The press release furnished herewith as Exhibit 99.1 contains the financial measures “EBIT” and “EBIT margin”, which are not calculated in accordance with generally accepted accounting principles in the United States of America (“GAAP”), in order to provide investors and management with an alternative method for assessing the Registrant’s operating results in a manner that is focused on the performance of the Registrant’s ongoing operations.

The Registrant defines EBIT as earnings before interest and taxes from continuing operations. The Registrant defines EBIT margin as EBIT as a percent of net sales. The Registrant’s management evaluates the performance of its operating segments based in part on EBIT and EBIT margin, and believes that EBIT and EBIT margin are useful to investors to demonstrate the operational profitability of the Registrant’s business segments by excluding interest and taxes, which are generally accounted for across the entire Registrant on a consolidated basis. EBIT is also one of the measures used by management in determining resource allocations within the Registrant and incentive compensation.

The Registrant believes that the presentation of EBIT and EBIT margin provides important supplemental information to management and investors regarding financial and business trends relating to the Registrant’s financial condition and results of operations. The Registrant’s management believes that these measures provide an alternative method for assessing the Registrant’s expected future performance that is useful because it facilitates comparisons with other companies in the Utility Solutions Group segment industry, many of which use similar non-GAAP financial measures to supplement their GAAP results. The Registrant provides this information to investors to enable them to perform additional analyses of present and future operating performance, compare the Registrant to other companies, and evaluate the Registrant’s ongoing financial operations.

The presentation of the information described above is intended to supplement investors’ understanding of the Registrant’s operating performance. The Registrant’s non-GAAP financial measures may not be comparable to other companies’ non-GAAP financial performance measures. Furthermore, the use of these measures is not intended to replace net earnings (loss), cash flows, financial position, comprehensive income (loss), or any other measure as determined in accordance with GAAP.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(d) Exhibits

Exhibit No.	Description of Exhibit
10.1	Fourth Amendment to Employment Agreement with A.S. Barclay, dated July 29, 2010
99.1	Press Release dated August 3, 2010
99.2	Description under the caption “Employment Agreements” beginning on page 19 in the Registrant’s proxy statement filed December 22, 2009 with the Securities and Exchange Commission, which description is incorporated herein by reference

OTHER MATTERS

The information in this report furnished pursuant to Item 2.02 and Item 7.01, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 as amended (“Exchange Act”) or otherwise subject to the liabilities of that section, unless the Registrant incorporates it by reference into a filing under the Securities Act of 1933 as amended or the Exchange Act.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ESCO TECHNOLOGIES INC.

Dated: August 3, 2010

By: /s/ G.E. Muenster
G.E. Muenster
Executive Vice President and
Chief Financial Officer

EXHIBIT INDEX

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EXHIBIT 10.1

FOURTH AMENDMENT TO EMPLOYMENT AGREEMENT

THIS AGREEMENT entered into as of the 29th day of July, 2010 between ESCO Technologies Inc. (“Company”) and Alyson S. Barclay (“Executive”).

WITNESSETH:

WHEREAS, the Company and the Executive entered into an Employment Agreement as of the 3rd day of November, 1999 (“Agreement”), which Agreement was amended as of the 9th day of August, 2001; the 5th day of May, 2004; and the 31st day of December, 2007; and

WHEREAS, the parties retained the right to amend the Agreement pursuant to Article 15 thereof; and

WHEREAS, the parties desire to again amend the Agreement effective as of July 29, 2010.

NOW, THEREFORE, effective as of July 29, 2010 the Agreement is amended as follows:

1. The first sentence of Subparagraph (1) of Paragraph 9.a is revised to read as follows:

The Company shall pay the Executive an amount equal to her base salary for 24 months following such termination of employment (“Severance Period”) at the rate in effect at the date of such termination.

2. The first sentence of Subparagraph (2) of Paragraph 9.a is revised to read as follows:

As a supplement to the payment of the Executive’s base salary under Subparagraph (a)1, above, the Company shall also pay the Executive an amount equal to her PCP Percentage and ICP Percentage (as herinafter defined), as applicable, for 24 months following such termination in the same manner as determined under Subparagraph (a)1.

IN WITNESS WHEREOF, the foregoing Agreement was executed effective as of July 29, 2010.

ESCO TECHNOLOGIES INC.

By: /s/ D.J. Hanlon

/s/ A.S. Barclay
Executive

Exhibit 99.1

NEWS FROM ESCO TECHNOLOGIES

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ESCO ANNOUNCES THIRD QUARTER RESULTS;

ST. LOUIS, August 3, 2010 – ESCO Technologies Inc. (NYSE: ESE) today reported its operating results for the third quarter ended June 30, 2010.

EPS is presented from "*Continuing Operations*" and "*Discontinued Operations.*" Fiscal 2009 discontinued operations include the results of Comtrak which was sold in March 2009.

Third Quarter 2010 Summary:

- Net sales were $157.6 million, an increase of $9.5 million, or 6.4 percent, over Q3 2009 sales of $148.1 million;
- Sequentially, Q3 2010 net sales increased $28.3 million, or 21.9 percent, over Q2 2010 sales of $129.3 million;
- EPS was $0.55 per share, an increase of $0.12 per share, or 27.9 percent, over Q3 2009 EPS of $0.43 per share;
- Sequentially, Q3 2010 EPS increased $0.33 per share, or 150 percent, over Q2 2010 EPS of $0.22 per share;
- Entered orders were $150.0 million resulting in book-to-bill ratio of .95x;
- Aclara RF AMI gas orders with PG&E were $20.8 million, bringing total PG&E gas orders to 4.4 million units and $247 million, exceeding the 4.1 million units originally expected under the contract; and
- Aclara RF AMI water orders with New York City Water were $9.4 million, bringing total NYC orders to 866,000 units and $66.8 million.

Chairman's Commentary

Vic Richey, Chairman and Chief Executive Officer, commented, "I am very pleased with our third quarter results compared to both the prior year third quarter and our fiscal 2010 second quarter. We continue to focus on sales growth and execution, and again demonstrated our success in the third quarter.

"Compared to the prior year third quarter, we increased sales by $9.5 million in spite of a $9.7 million decrease at Aclara RF related to the wind-down of PG&E's gas deployment. We increased our EBIT contribution $8.0 million, or 84 percent of the sales increase, resulting from exceptional operating performance at Doble and Aclara PLS.

"Filtration delivered a 19.4 percent EBIT margin on strong performance from all three operating units. Test reported an EBIT margin of nearly 10 percent as changes in sales mix impacted its EBIT margins compared to the prior year. The Utility Solutions Group was clearly the brightest spot in the quarter with an EBIT margin of 22.3 percent compared to 14.4 percent in the prior year.

"Coming off our significant second quarter orders, I'm very pleased with the $150 million in orders we received in Q3. This brings our year-to-date orders to a record $507 million resulting in a book-to-bill ratio of 1.27x for the nine months of fiscal 2010.

"Nearly halfway through the fourth quarter, I'm very comfortable with where we are in relation to meeting our full-year operating goals. My confidence in the remainder of the fiscal year is supported by the level and mix of our shippable backlog.

"Looking forward, we remain confident in our ongoing prospects across all segments of our business, both domestically and internationally. Our Aclara products, in particular, are well positioned on several international projects in Central America and South America as well as Asia. We expect these geographic areas to be significant contributors to our multi-year growth outlook."

Business Outlook

Statements contained in the preceding and following paragraphs are based on current expectations. Statements that are not strictly historical are considered forward-looking, and actual results may differ materially.

Dividend Payment

The next quarterly cash dividend of $0.08 per share will be paid on October 20 to stockholders of record on October 6.

FY 2010

Management's expectations for fiscal year 2010 remain consistent with the Business Outlook discussions noted in the Company's Earnings Release dated November 12, 2009.

Chairman's Commentary – Wrap-Up

Mr. Richey concluded, "I am very pleased with our selection to begin negotiations of a definitive agreement for SoCalGas' Advanced Metering Infrastructure (AMI) project. I remain very optimistic about our current business prospects, both domestically and internationally, as well as our new product roadmap. Our commitment remains the same − to achieve our long-term goal of increasing shareholder value."

Conference Call

The Company will host a conference call today, August 3, at 4 p.m. Central Time, to discuss the Company's third quarter fiscal 2010 operating results. A live audio webcast will be available on the Company's web site at www.escotechnologies.com. Please access the web site at least 15 minutes prior to the call to register, download and install any necessary audio software. A replay of the conference call will be available for seven days on the Company's web site noted above or by phone (dial 1-888-203-1112 and enter the pass code 4585825).

Forward-Looking Statements

Statements in this press release regarding the Company's success in capturing international and domestic AMI opportunities, achievement of fiscal 2010 operating goals, negotiation of a contract with SoCalGas, success of new products and technologies, the long-term success of the Company, and any other statements which are not strictly historical 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: the risk factors described in Item 1A of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2009; the success of negotiations between SoCalGas and the Company; changes in requirements of SoCalGas; SoCalGas' ability to successfully negotiate appropriate terms and conditions with other subcontractors and project participants; financial constraints impacting SoCalGas; the receipt of necessary regulatory approvals pertaining to the SoCalGas project; the effect of the American Recovery and Reinvestment Act of 2009; the success of the Company's competitors; changes in Federal or State energy laws; the Company's successful performance of its AMI contracts; site readiness issues with Test segment customers; weakening of economic conditions in served markets; changes in customer demands or customer insolvencies; competition; intellectual property rights; technical difficulties; unforeseen charges impacting corporate operating expenses; the performance of the Company's international operations; material changes in the costs and availability of certain raw materials including steel and copper; worldwide availability of electronic components; delivery delays or defaults by customers; termination for convenience of customer contracts; timing and magnitude of future contract awards; containment of engineering and development costs; performance issues with key customers, suppliers and subcontractors; labor disputes; changes in laws and regulations including but not limited to changes in accounting standards and taxation requirements; costs relating to environmental matters; uncertainty of disputes in litigation or arbitration; and the Company's successful execution of internal operating plans.

ESCO, headquartered in St. Louis, is a proven supplier of special purpose utility solutions for electric, gas, and water utilities, including hardware and software to support advanced metering applications and fully automated intelligent instrumentation. In addition, the Company provides engineered filtration products to the aviation, space, 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 web site at www.escotechnologies.com.

- tables attached -

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations (Unaudited)
(Dollars in thousands, except per share amounts)

	Three Months Ended June 30, 2010	Three Months Ended June 30, 2009
Net Sales	$ 157,582	148,102
Cost and Expenses:		
Cost of sales	91,994	88,040
SG&A	38,144	36,636
Amortization of intangible assets	2,891	4,792
Interest expense	791	1,587
Other expenses (income), net	551	2,617
Total costs and expenses	134,371	133,672
Earnings before income taxes	23,211	14,430
Income taxes	8,664	3,337
Net earnings from continuing operations	14,547	11,093
Earnings from discontinued operations, net of tax benefit of $456	-	332
Net earnings	$ 14,547	11,425
Earnings per share:		
Basic		
Continuing operations	0.55	0.42
Discontinued operations	-	0.02
Net earnings	$ 0.55	0.44
Diluted		
Continuing operations	0.55	0.42
Discontinued operations	-	0.01
Net earnings	$ 0.55	0.43
Average common shares O/S:		
Basic	26,448	26,241
Diluted	26,679	26,586

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Operations (Unaudited)
(Dollars in thousands, except per share amounts)

	Nine Months Ended June 30, 2010	Nine Months Ended June 30, 2009
Net Sales	$ 399,568	449,615
Cost and Expenses:		
Cost of sales	238,829	272,880
SG&A	114,161	114,158
Amortization of intangible assets	8,662	14,379
Interest expense	3,028	5,961
Other expenses (income), net	1,862	2,860
Total costs and expenses	366,542	410,238
Earnings before income taxes	33,026	39,377
Income taxes	12,076	11,839
Net earnings from continuing operations	20,950	27,538
Earnings from discontinued operations, net of tax benefit of $568	-	135
Loss on sale from discontinued operations, net of tax benefit of $905	-	(32)
Net earnings from discontinued operations	-	103
Net earnings	$ 20,950	27,641
Earnings per share:		
Basic		
Continuing operations	0.79	1.05
Discontinued operations	-	0.01
Net earnings	$ 0.79	1.06
Diluted		
Continuing operations	0.79	1.04
Discontinued operations	-	-
Net earnings	$ 0.79	1.04
Average common shares O/S:		
Basic	26,437	26,176
Diluted	26,697	26,494

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Condensed Business Segment Information
(Unaudited)
(Dollars in thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2010	2009	2010	2009
Net Sales				
Utility Solutions Group	$ 91,718	91,113	224,950	273,380
Test	34,575	29,108	93,143	98,310
Filtration	31,289	27,881	81,475	77,925
Totals	$ 157,582	148,102	399,568	449,615
EBIT				
Utility Solutions Group	$ 20,424	13,158	35,615	39,851
Test	3,397	3,400	6,193	10,382
Filtration	6,072	4,837	11,419	11,927
Corporate	(5,891) (1)	(5,378) (1)	(17,173) (2)	(16,822) (2)
Consolidated EBIT	24,002	16,017	36,054	45,338
Less: Interest expense	(791)	(1,587)	(3,028)	(5,961)
Earnings before income taxes	$ 23,211	14,430	33,026	39,377

Note: Depreciation and amortization expense was $5.4 million and $7.6 million for the quarters ended June 30, 2010 and 2009, respectively, and $16.6 million and $22.7 million for the nine-month periods ended June 30, 2010 and 2009, respectively.

(1) Includes $1.2 million of amortization of acquired intangible assets.

(2) Includes $3.5 million of amortization of acquired intangible assets.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Condensed Consolidated Balance Sheets (Unaudited)
(Dollars in thousands)

	June 30, 2010	September 30, 2009
Assets		
Cash and cash equivalents	$ 20,334	44,630
Accounts receivable, net	121,952	108,620
Costs and estimated earnings on long-term contracts	9,065	10,758
Inventories	84,411	82,020
Current portion of deferred tax assets	21,240	20,417
Other current assets	17,395	13,750
Total current assets	274,397	280,195
Property, plant and equipment, net	70,606	69,543
Goodwill	330,860	330,719
Intangible assets, net	218,445	221,600
Other assets	21,329	21,630
	$ 915,637	923,687
Liabilities and Shareholders’ Equity		
Current maturities of long-term debt	$ 50,000	50,000
Accounts payable	38,577	47,218
Current portion of deferred revenue	25,737	20,215
Other current liabilities	48,312	46,552
Total current liabilities	162,626	163,985
Deferred tax liabilities	76,564	78,471
Other liabilities	31,251	33,424
Long-term debt	114,000	130,467
Shareholders’ equity	531,196	517,340
	$ 915,637	923,687

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)
(Dollars in thousands)

	Nine Months Ended June 30, 2010
Cash flows from operating activities:	
Net earnings	$ 20,950
Adjustments to reconcile net earnings to net cash provided by operating activities:	
Depreciation and amortization	16,559
Stock compensation expense	2,996
Changes in current assets and liabilities	(25,642)
Effect of deferred taxes	(2,730)
Change in deferred revenue and costs, net	3,780
Other	4
Net cash provided by operating activities	15,917
Cash flows from investing activities:	
Acquisition of business	(1,250)
Additions to capitalized software	(6,237)
Capital expenditures	(10,108)
Net cash used by investing activities	(17,595)
Cash flows from financing activities:	
Proceeds from long-term debt	12,000
Principal payments on long-term debt	(28,467)
Dividends paid	(4,230)
Proceeds from exercise of stock options	429
Other	936
Net cash used by financing activities	(19,332)
Effect of exchange rate changes on cash and cash equivalents	(3,286)
Net decrease in cash and cash equivalents	(24,296)
Cash and cash equivalents, beginning of period	44,630
Cash and cash equivalents, end of period	$ 20,334

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Other Selected Financial Data
(Unaudited)
(Dollars in thousands)

Backlog And Entered Orders – Q3 FY 2010		Utility Solutions	Test	Filtration	Total
Beginning Backlog – 3/31/10	$	214,460	84,951	114,951	414,362
Entered Orders		88,592	30,331	31,062	149,985
Sales		(91,718)	(34,575)	(31,289)	(157,582)
Ending Backlog – 6/30/10	$	211,334	80,707	114,724	406,765

Backlog And Entered Orders – YTD Q3 FY 2010		Utility Solutions	Test	Filtration	Total
Beginning Backlog – 9/30/09	$	132,376	54,240	112,755	299,371
Entered Orders		303,908	119,610	83,444	506,962
Sales		(224,950)	(93,143)	(81,475)	(399,568)
Ending Backlog – 6/30/10		211,334	80,707	114,724	406,765

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