

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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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): May 5, 2014

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))
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**Item 2.02**                      **Results of Operations and Financial Condition**

Today, May 7, 2014, the Registrant is issuing a press release (furnished as Exhibit 99.1 to this report) announcing its fiscal year 2014 second 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 May 5, 2014, upon the unanimous recommendation of its Nominating and Corporate Governance Committee and by the unanimous written consent of its Board of Directors pursuant to Section 3.1 of its Bylaws, the Registrant increased the authorized size of its Board of Directors from six to eight members, and elected Leon J. Olivier and Robert J. Phillippy as directors to fill the two vacancies thereby created.

Mr. Olivier, age 65, was designated as a Class II Director, to serve until the 2016 Annual Meeting of Shareholders and until his successor shall be duly elected and qualified. He will also serve on the Nominating and Corporate Governance Committee of the Board of Directors.

Mr. Phillippy, age 53, was designated as a Class III Director, to serve until the 2017 Annual Meeting of Shareholders and until his successor shall be duly elected and qualified. He will also serve on the Audit and Finance Committee of the Board of Directors.

Each of the new directors will receive compensation for his service on the Board of Directors and its Committees pursuant to the Registrant's Compensation Plan for Non-Employee Directors, as amended, on the same basis as the Registrant's other directors; provided that (i) their cash compensation for calendar 2014 will be prorated based on eight months of service, and (ii) on May 5, 2014 they each received the standard quarterly stock award of 900 shares for the third quarter of fiscal 2014.

**Item 5.03**                      **Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year**

Effective May 5, 2014, upon the unanimous recommendation of its Nominating and Corporate Governance Committee and by the unanimous written consent of its Board of Directors pursuant to Section 3.1 of its Bylaws, the Registrant's Bylaws were amended in the following respects:

- (a) Section 3.1(a) was amended to eliminate reference to a provision of the Missouri corporation laws no longer in effect which formerly required the Registrant to report any change in the number of directors to the Secretary of State; and
- (b) Section 3.8 was amended to add a provision that a person first elected to the Board of Directors effective on or after May 5, 2014 shall not be eligible for election as a director if such person's 75th birthday shall fall on a date prior to the commencement of the term for which such person is to be elected or appointed. This provision is applicable to the two directors named in Item 5.02 of this Report.

A copy of the Registrant's bylaws as so amended is attached to this Report as Exhibit 3.

**Item 7.01**                      **Regulation FD Disclosure**

Today, May 7, 2014, the Registrant is issuing a press release (Exhibit 99.1) announcing its fiscal year 2014 second quarter financial and operating results and announcing the election of the directors named in Item 5.02 of this Report. 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.

**Item 9.01**                      **Financial Statements and Exhibits**

(d) Exhibits

<u>Exhibit No.</u>	<u>Exhibit</u>
3	Bylaws, as amended effective May 5, 2014
99.1	Press Release dated May 7, 2014 announcing quarterly earnings

**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 (the "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.

References to the Registrant's web site address are included in this Form 8-K and its Exhibits only as inactive textual references, and the Registrant does not intend them to be active links to its web site. Information contained on the Registrant's web site does not constitute part of this Form 8-K or its Exhibits.

**Forward Looking Statements**

Statements contained in this Form 8-K and its Exhibits regarding future events are considered “forward-looking statements” within the meaning of the safe harbor provisions of the Federal securities laws. These include, but are not necessarily limited to, statements about: the amount, timing and source of the Registrant’s expected 2014 EBIT, EBIT Margin, revenues, growth, tax rates, EPS from Continuing Operations – “As Adjusted”, EPS, sales, orders, earnings, and third quarter 2014 EPS from Continuing Operations – “As Adjusted”; the costs and timing of the exit and relocation of Crissair’s operations; the Registrant’s ability to increase shareholder value; the success of acquisition efforts; the success of new products and solutions; the size, number and timing of growth opportunities in the future; the win rate experienced by the Filtration group; the specific actions initiated as a result of the Capital Allocation Strategy including but not limited to the declaration of dividends and share repurchases; the long-term success of the Registrant; and any other statements which are not strictly historical. Words such as expects, anticipates, targets, goals, projects, intends, plans, believes, estimates, variations of such words, and similar expressions are intended to identify such forward-looking statements.

Investors are cautioned that such statements are only predictions and speak only as of the date of this Report, and the Registrant undertakes no duty to update them except as may be required by applicable laws or regulations. The Registrant’s actual results in the future may differ materially from those projected in the forward-looking statements. Factors that could cause actual results or events to differ materially from those indicated by such forward-looking statements include, without limitation: those described in Item 1A, Risk Factors, of the Registrant’s annual report on Form 10-K for the year ended September 30, 2013; and the other factors set forth under “Forward-Looking Statements” in Exhibit 99.1.

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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.

Date: May 7, 2014.

ESCO TECHNOLOGIES INC.

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

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EXHIBIT INDEX

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BYLAWS  
OF  
ESCO TECHNOLOGIES INC.  
(AS AMENDED THROUGH MAY 5, 2014)

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BYLAWS  
OF  
ESCO TECHNOLOGIES INC.

ARTICLE ONE

OFFICES

Section 1.1           Registered Office. The registered office of the Corporation in Missouri shall be located at 8888 Ladue Road, Suite 200, St. Louis, Missouri, 63124, or at such other address within the State of Missouri as the Board of Directors may from time to time authorize by duly adopted resolution.

Section 1.2           Other Offices. The Corporation may maintain such other offices both within and without the State of Missouri as the business of the Corporation may from time to time require or as the Board of Directors may determine.

ARTICLE TWO

SHAREHOLDERS' MEETINGS

Section 2.1           Annual Meetings. The annual meeting of shareholders for the election of Directors and for the transaction of such other business as properly may come before such meeting shall be held at such place within or without the State of Missouri as the Board of Directors may direct in the notice of such meeting, on the first Monday in February of each year if not a legal holiday or, if a legal holiday, on the next succeeding business day not a legal holiday, commencing with February 4, 1991; provided, however, the day fixed for such meeting in any year may be changed, by resolution of the Board of Directors, to such other day which is not a legal holiday, as the Board of Directors may deem to be desirable or appropriate, subject to any applicable limitations of law. Every meeting of the shareholders shall be convened at the hour stated in the notice for the meeting and continue until declared adjourned by a vote of the shareholders present or declared adjourned by the presiding officer.

Section 2.2           Special Meetings. Special meetings of the shareholders or of the holders of any special class of stock of the Corporation, unless otherwise prescribed by statute or by the Articles of Incorporation, may be called only by the affirmative vote of a majority of the entire Board of Directors or by the Chairman of the Board of Directors, any Vice Chairman of the Board of Directors or the President by request of such a meeting in writing. Such request shall be delivered to the Secretary of the Corporation and shall state the purpose or purposes of the proposed meeting. Upon such direction or request, subject to any requirements or limitations imposed by the Corporation's Articles of Incorporation, by these Bylaws or by law, it shall be the duty of the Secretary to call a special meeting of the shareholders to be held at such time as is specified in the request.

Section 2.3           Notice of Meetings. Written or printed notice of each meeting of shareholders, stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered or given not less than 10 nor more than 70 days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary to each shareholder of record entitled to vote at such meeting. Attendance of a shareholder at any meeting shall constitute a waiver of notice of such meeting except where such shareholder attends the meeting for the sole and express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Any notice of a shareholders' meeting sent by mail shall be deemed to be delivered when deposited in the United States mail with first class postage thereon prepaid, addressed to the shareholder at such shareholder's address as it appears on the records of the Corporation.

Section 2.4           Quorum; Adjournment. A majority of the outstanding shares entitled to vote at any meeting, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders; provided, that in no event shall a quorum consist of less than a majority of the outstanding shares entitled to vote, but less than such quorum shall have the right successively to adjourn the meeting to a specified date not longer than 90 days after such adjournment, and no notice need be given of such adjournment to shareholders not present at the meeting.

Section 2.5           Voting. Subject to the rights of any holders of preferred stock, each outstanding share entitled to vote under the provisions of the Articles of Incorporation shall be entitled to one vote on each matter submitted to a vote at a meeting of shareholders. If a quorum is present, the affirmative vote of a majority of the shares represented at the meeting shall be the act of the shareholders unless the vote of a greater number of shares is required by the Corporation's Articles of Incorporation, by these Bylaws or by law. No person shall be admitted to vote on any shares belonging or hypothecated to the Corporation. A shareholder may vote either in person or by proxy, executed in writing by the shareholder or by his duly authorized attorney-in-fact, or by electronic (internet and/or telephone) voting.

Section 2.6           Action by Consent. Unless otherwise prescribed by the Articles of Incorporation, any action required or permitted to be taken by the shareholders of the Corporation may, if otherwise allowed by law, be taken without a meeting of shareholders only if consents in writing, setting forth the action so taken, are signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE THREE

BOARD OF DIRECTORS

Section 3.1           Number, Election and Term.

(a) The Board of Directors shall consist of a minimum of three persons and a maximum of ten persons; provided, however, that except as otherwise provided in the Articles of Incorporation the number of Directors may be determined from time to time only by the affirmative vote of a majority

of the Board of Directors.

(b) The Board of Directors shall be divided into three classes, as nearly equal in number as possible. In the event of any increase in the number of Directors, any additional Directors shall be added to such classes as may be necessary so that all classes shall be as nearly equal in number as possible. In the event of any decrease in the number of Directors, all classes of Directors shall be decreased as nearly equally as may be possible. No reduction in the number of Directors shall affect the term of office of any incumbent Director. Subject to the foregoing, the Board of Directors shall determine the class or classes to which any additional Directors shall be added and the class or classes which shall be decreased in the event of any decrease in the number of Directors.

(c) With respect to the initial Board of Directors of the Corporation, the first class of Directors shall hold office until the first annual meeting of shareholders, the second class of Directors shall hold office until the second annual meeting of shareholders and the third class of Directors shall hold office until the third annual meeting of shareholders. Thereafter, Directors shall be elected to hold office for a term of three years, and at each annual meeting of shareholders, the successors to the class of Directors whose terms shall then expire shall be elected for a term expiring at the third succeeding annual meeting after that election.

Section 3.2 Powers. The property and business of the Corporation shall be managed and controlled by or under the direction of the Board of Directors, which shall exercise or direct the exercise of all of the powers of the Corporation and do or cause to be done all acts and things as are not, by the Corporation's Articles of Incorporation, by these Bylaws or by law, directed or required to be done or exercised by the shareholders.

Section 3.3 Meetings; Quorum. Regular meetings of the Board of Directors shall be held at such places, within or without the State of Missouri, and on such days and at such times as shall be fixed from time to time by the Board of Directors. Rules of procedure for the conduct of such meetings may be adopted by resolution of the Board of Directors. Notice of such regular meetings need not be given. A majority of members of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but a lesser number may adjourn a meeting to another time or day if a quorum is not present. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the act of a greater number is required by the Corporation's Articles of Incorporation, by these Bylaws or by law. Special meetings of the Board of Directors may be held at any time and place, within or without the State of Missouri, upon the call of the Chairman of the Board of Directors, the President or Secretary of the Corporation by oral, written, telefax or telegraphic notice duly given, sent or mailed to each Director, at such Director's last known address, not less than twenty-four hours before such meeting; provided, however, that any director may, at any time, in writing or by telegram, waive notice of any meeting at which he may not be or may not have been present. Attendance of a Director at any meeting shall constitute a waiver of notice of the meeting except where a Director attends a meeting for the sole and express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Members of the Board of Directors or of any committee designated by the Board of Directors may participate in a meeting of the Board of Directors or committee by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner shall constitute presence in person at the meeting.

Section 3.4 Action by Consent. Any action which is required to be or may be taken at a meeting of the Directors may be taken without a meeting if consents in writing, setting forth the action so taken, are signed by all the Directors. Any action which is required to be or may be taken at a meeting of a committee of Directors may be taken without a meeting if consents in writing, setting forth the action so taken, are signed by all the members of the committee.

Section 3.5 Resignation of Directors. Any Director of the Corporation may resign at any time by giving written notice of such resignation to the Board of Directors, the Chairman of the Board of Directors, the President, or the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein or, if no time be specified, upon receipt thereof by the Board of Directors or one of the above-named Officers; and, unless specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.6 Compensation of Directors. Directors, as such, may receive such compensation and be reimbursed for expenses of attendance at any meeting of the Board of Directors as shall be determined by resolution of the Board of Directors. Nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 3.7 Committees; General Rules. The Board of Directors, by resolution adopted by a majority of the whole Board of Directors, may designate two or more Directors to constitute a committee. Each committee, to the extent provided in such resolution, shall have and may exercise the authority of the Board of Directors, as so delegated in the resolution, in the management of the Corporation. Each committee of the Board of Directors shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. Vacancies in the membership of each committee shall be filled by the Board of Directors at any regular or special meeting of the Board of Directors. At all meetings of a committee, a majority of the committee members then in office shall constitute a quorum for the purpose of transacting business, and the acts of a majority of the committee members present at any meeting at which there is a quorum shall be the acts of the committee. A Director who may be disqualified, by reason of personal interest, from voting on any particular matter before a meeting of a committee may nevertheless be counted for the purpose of constituting a quorum of the committee.

Section 3.8 Qualifications. A person first elected to the Board of Directors effective on or after May 5, 2014 shall not be eligible for election as a Director under Section 3.1 of this Article Three if such person's 75th birthday shall fall on a date prior to the commencement of the term for which such person is to be elected or appointed. No person shall be qualified to be elected and to hold office as a Director if such person is determined by a majority of the Board of Directors to have acted in a manner contrary to the best interests of the Corporation, including, but not limited to, the violation of either Federal or State law, or breach of any agreement between that Director and the Corporation relating to his services as a Director, employee or agent of the Corporation. A Director need not be a shareholder.

Section 3.9 Directors Emeritus and Advisory Directors. The Board of Directors may from time to time create one or more positions of Director Emeritus and Advisory Director, and may fill such position or positions for such terms as the Board of Directors deems proper. Each Director Emeritus and Advisory Director shall, upon the invitation of the Board of Directors, have the privilege of attending meetings of the Board of Directors but shall do so solely as an observer. Notice of meetings of the Board of Directors to a Director Emeritus or Advisory Director shall not be required under any applicable law, the Articles of Incorporation or these Bylaws. Each Director Emeritus and Advisory Director shall be entitled to receive such compensation as may be fixed from time to time by the Board of Directors. No Director Emeritus or Advisory Director shall be entitled to vote on any business coming before the Board of Directors, nor shall they be counted as members of the Board of Directors for the purpose of determining the number of Directors necessary to constitute a quorum, for the purpose of determining whether a quorum is present, or for any other purpose whatsoever. In the case of a Director Emeritus or Advisory Director, the occurrence of any event which in the case of a Director would create a vacancy on the Board of Directors, shall be deemed to create a

vacancy in such position; but the Board of Directors may declare the position terminated until such time as the Board of Directors shall again deem it proper to create and to fill the position.

## ARTICLE FOUR

### OFFICERS

Section 4.1 Number, Election and Term. The officers of the Corporation shall be a Chairman of the Board, a President and a Secretary who shall be chosen by the Board of Directors at its first meeting after each annual meeting of shareholders. The Board of Directors may also choose one or more Vice-Chairmen of the Board of Directors, one or more Vice Presidents, a Treasurer, one or more Assistant Secretaries and Assistant Treasurers and such other officers as the Board of Directors may deem appropriate. Any two or more offices may be held by the same person. Officers of the Corporation may be given distinctive designations such as Executive Vice President, Group Vice President, Senior Vice President, Chief Operating Officer and Chief Administrative Officer. All officers, unless sooner removed, shall hold their respective offices until the first meeting of the Board of Directors after the next succeeding election of the Board of Directors and until their successors shall have been duly elected and qualified.

Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors with or without cause whenever, in its judgment, the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

Section 4.2 Chairman of the Board. The Chairman shall be the Chief Executive Officer of the Corporation. In addition to his duties as Chairman and Chief Executive Officer, he shall be responsible for the general and active management of the business and affairs of the Corporation, subject only to the control of the Board of Directors, shall have full authority in respect to the signing and execution of deeds, bonds, mortgages, contracts and other instruments of the Corporation. Unless otherwise determined by the Board of Directors, he shall also be, ex officio, a member of all standing Committees of the Board of Directors, shall preside at all meetings of the shareholders and Directors at which he is present and shall perform any other duties prescribed by the Board of Directors or these Bylaws.

Section 4.3 President. The President shall, in the absence or disability of the Chairman and Vice Chairman, perform the duties and exercise the powers of the Chairman, including presiding at all meetings of the shareholders and directors at which he is present. He shall perform any duties prescribed by the Chairman of the Board of Directors and shall see that all orders and resolutions of the Board of Directors are carried into effect.

The President shall have equal authority with the Chairman and any Vice-Chairman to execute bonds, mortgages and other contracts requiring a seal, under the seal of the Corporation, except where permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

Section 4.4 Vice Chairmen of the Board. Vice Chairmen, if any, may but need not be executive officers of the Corporation. The Vice Chairman, or, if there shall be more than one, the Vice Chairmen in order of seniority, shall, in the absence or disability of the Chairman, perform the duties and exercise the powers of the Chairman, and shall perform such other duties, and have such other powers as the Chairman or the Board of Directors may, from time to time, prescribe. Each Vice Chairman shall have equal authority with the Chairman and the President with respect to the signing and execution of deeds, bonds, mortgages, contracts and other instruments of the Corporation.

Section 4.5 Vice Presidents. The Vice Presidents, if any, in the order of their seniority shall, in the absence or disability of the President, perform the duties and exercise the powers of the President, and shall perform any other duties prescribed by the Chairman, the President or the Board of Directors.

Section 4.6 Secretary and Assistant Secretaries. The Secretary shall keep or cause to be kept a record of all meetings of the shareholders and the Board of Directors and record all votes and the minutes of all proceedings in a book to be kept for that purpose. He shall give, or cause to be given, notice of all meetings of the shareholders and special meetings of the Board of Directors, and shall perform any other duties prescribed by the Board of Directors or the President, under whose supervision he shall be. He shall keep in safe custody the seal of the Corporation and shall affix the same to any instrument requiring it.

The Assistant Secretaries, if any, in order of their seniority shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform any other duties prescribed by the Chairman, the President or the Board of Directors.

Section 4.7 Treasurer and Assistant Treasurers. The Treasurer, if any, shall have the custody of the corporate funds and securities, shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation, shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors and shall perform any other duties prescribed by the Chairman, the President or the Board of Directors.

The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and Directors, at the regular meetings of the Board of Directors, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the Corporation.

If required by the Board of Directors, the Treasurer shall give the Corporation a bond in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

The Assistant Treasurers, if any, in the order of their seniority shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer and shall perform any other duties prescribed by the Board of Directors.

Section 4.8 Controller and Assistant Controllers. The Controller, if one is elected by the Board of Directors, shall have charge of the accounting records of the Corporation, shall maintain appropriate internal control and auditing of the Corporation, and shall perform such other duties as directed by the Board of Directors, the Chairman or other senior officers. The Assistant Controllers, if any, in order of their seniority shall, in the absence or disability of the Controller, perform the duties and exercise the powers of the Controller and shall have any other duties prescribed by the Board of Directors.

Section 4.9 Appointed Officers. In addition to the corporate officers elected by the Board of Directors, the Chairman may, from time to time, appoint one or more other persons as appointed officers who shall not be deemed to be corporate officers, but may, respectively, be designated with such titles as the Chairman may deem appropriate. The Chairman may prescribe the powers to be exercised and the duties to be performed by each such appointed officer, may designate the term for which each such appointment is made, and may, from time to time, terminate any or all of such appointments with or without cause. Such appointments and termination of appointments shall be reported periodically to the Board of Directors.

## ARTICLE FIVE

### CAPITAL STOCK

Section 5.1 Stock Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate, in any form approved by the Board of Directors, certifying the number and class of shares owned by the shareholder in the Corporation, signed by the Chairman, the President or a Vice President and by the Secretary or Treasurer or an Assistant Secretary or Assistant Treasurer of the Corporation and sealed with the seal of the Corporation. If the certificate is countersigned by a transfer agent other than the Corporation or its employee, or by a registrar other than the Corporation or its employee, any other signature on the certificate may be a facsimile signature, or may be engraved or printed. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on the certificate shall have ceased to be an officer, transfer agent or registrar before the certificate is Issued, the certificate may nevertheless be issued by the Corporation with the same effect as if such person were an officer, transfer agent or registrar at the date of Issue.

Section 5.2 Transfer of Stock. The shares of stock of the Corporation shall be transferable only upon its books by the holders thereof in person or by their duly authorized attorneys or legal representatives. Upon transfer, the old certificates shall be surrendered to the Corporation by the delivery thereof to the person in charge of the stock and transfer books and ledgers, or to such other persons as the Board of Directors may designate, by whom they shall be cancelled and new certificates shall thereupon be issued. Except as otherwise expressly provided by the statutes of the State of Missouri, the Corporation shall be entitled to treat the holder of record of any share or shares of stock as the absolute owner thereof for all purposes and, accordingly, shall not be bound to recognize any legal, equitable or other claim to or interest in such share or shares on the part of any other person whether or not it or they shall have express or other notice thereof.

Section 5.3 Closing of Transfer Books and Fixing of Record Date. The Board of Directors shall have the power to close the transfer books of the Corporation for a period not exceeding 70 days prior to the date of any meeting of shareholders, or the date for payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of shares shall go into effect. In lieu of so closing the transfer books, the Board of Directors may fix in advance a record date for the determination of the shareholders entitled to notice of and to vote at any meeting and any adjournment thereof, or entitled to receive payment of any dividend or any allotment of rights, or entitled to exercise the rights in respect of any change, conversion or exchange of shares, up to 70 days prior to the date of any meeting of shareholders, or the date for the payment of any dividend, or the date for the allotment of rights, or the date when any change or conversion or exchange of shares shall go into effect. In such case only the shareholders who are shareholders of record on the record date so fixed shall be entitled to receive notice of and to vote at such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the date of closing of the transfer books or the record date fixed as aforesaid. If the Board of Directors does not close the transfer books or set a record date for the determination of the shareholders entitled to notice of and to vote at any meeting of shareholders, only the shareholders who are shareholders of record at the close of business on the 20th day preceding the date of the meeting shall be entitled to notice of and to vote at the meeting and upon any adjournment of the meeting, except that if prior to the meeting written waivers of notice of the meeting are signed and delivered to the Corporation by all of the shareholders of record at the time the meeting is convened, only the shareholders who are shareholders of record at the time the meeting is convened shall be entitled to vote at the meeting and any adjournment of the meeting.

Section 5.4 Lost or Destroyed Certificates. The holder of any shares of stock of the Corporation shall immediately notify the Corporation and its transfer agents and registrars, if any, of any loss or destruction of the certificates representing the same. The Corporation may issue a new certificate in place of any certificate theretofore Issued by it which is alleged to have been lost or destroyed and the Board of Directors may require the owner of the lost or destroyed certificate or the owner's legal representative to give the Corporation a bond in a sum and in a form approved by the Board of Directors, and with a surety or sureties which the Board of Directors finds satisfactory, to indemnify the Corporation and its transfer agents and registrars, if any, against any claim or liability that may be asserted against or incurred by it or any transfer agent or registrar on account of the alleged loss or destruction of any certificate or the issuance of a new certificate. A new certificate may be issued without requiring any bond when, in the judgment of the Board of Directors, it is proper so to do. The Board of Directors may delegate to any Officer or Officers of the Corporation any of the powers and authorities contained in this section.

Section 5.5 Transfer Agents and Registrars. The Board of Directors may appoint one or more transfer agents or transfer clerks and one or more registrars which may be banks, trust companies or other financial institutions located within or without the State of Missouri; may define the authority of such transfer agents and registrars of transfers; may require all stock certificates to bear the signature of a transfer agent or a registrar of transfers, or both; and may change or remove any such transfer agent or registrar of transfers.

Section 5.6 Book-Entry Ownership and Transfer of Stock. As an alternative to stock ownership and transfer by certificate, the stock of the Corporation may be included in a direct registration system operated by a securities depository and available for stocks traded on the New York Stock Exchange, under which the stock may be issued, recorded, owned and transferred electronically in book-entry form.

## ARTICLE SIX

### CORPORATE SEAL

The corporate seal shall be circular in form and shall bear the name of the Corporation, the year of Its incorporation and the words "Corporate Seal" and "Missouri" and otherwise shall be such form as shall be approved from time to time by the Board of Directors.

## ARTICLE SEVEN

### FISCAL YEAR

The fiscal year of the Corporation shall begin on the first day of October of each year.



# NEWS FROM



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## ESCO ANNOUNCES SECOND QUARTER 2014 RESULTS

ST. LOUIS, May 7, 2014 – ESCO Technologies Inc. (NYSE: ESE) (ESCO or the “Company”) today reported its operating results for the second quarter ended March 31, 2014.

As noted in the prior earnings release, the 2014 results and earnings guidance are presented on a Continuing Operations –As Adjusted basis, consistent with the 2013 presentation. The 2014 outlook excludes approximately \$2 million, or \$0.05 per share, of anticipated charges to complete the exit and relocation of Crissair’s Palmdale, California (Filtration segment) operation into the Canyon Engineering facility in Valencia, California. This move is expected to be completed by September 30, 2014. The move costs incurred through March 31, 2014 impacted second quarter results by (\$0.01) per share, and cumulatively, (\$0.02) per share for the six months year-to-date.

Management believes EPS from Continuing Operations –As Adjusted is more representative of the Company’s 2014 ongoing performance and allows shareholders better visibility into the Company’s underlying operations.

All references to Continuing Operations exclude Aclara Technologies LLC, which was divested on March 28, 2014. Aclara’s results for all periods presented are included as Discontinued Operations as described below.

### EPS Summary

EPS from Continuing Operations –As Adjusted for the quarter ended March 31, 2014 was \$0.36 per share and reflects the add-back of \$0.01 per share of non-operating charges related to the Crissair consolidation. This compares to EPS from Continuing Operations –As Adjusted of \$0.31 per share in the second quarter of 2013, which reflects the add-back of \$0.10 per share related to prior year’s actions.

Management previously provided EPS guidance from Continuing Operations – As Adjusted in the range of \$0.27 to \$0.32 per share for the second quarter of 2014.

For the six months ended March 31, 2014, EPS from Continuing Operations – As Adjusted was \$0.70 per share, which reflects a \$0.02 per share add-back of non-operating charges, compared to EPS from Continuing Operations – As Adjusted of \$0.55 per share in the comparable six months of 2013, which reflects a \$0.14 per share add-back of non-operating charges.

### Continuing Operations Highlights

- Q2 2014 sales increased \$7 million, or 6 percent to \$125 million compared to \$118 million in Q2 2013. During 2014, Q2 Filtration sales increased \$5 million (9 percent), Test sales increased \$1 million (3 percent), and Utility Solutions Group (USG, or Doble) sales increased \$1 million (3 percent) compared to prior year Q2;
- Q2 2014 gross margin was approximately 38 percent in both periods presented due to the similar sales mix in the respective quarters;
- Q2 2014 SG&A increased \$0.2 million compared to Q2 2013. This is the result of the addition of Canyon Engineering and higher engineering costs incurred at PTI related to the recently announced new aerospace platform wins, partially offset by lower costs at Doble and Corporate;
- The effective tax rate in Q2 2014 was 30 percent compared to 31 percent (as adjusted) in Q2 2013. The Q2 2013 GAAP effective tax rate included a \$1.8 million write-off of the Doble-Lemke deferred tax asset resulting from the prior year closure of the German facility. For comparability, the \$1.8 million tax charge is excluded from EPS from Continuing Operations – As Adjusted in Q2 2013;
- GAAP EPS from Continuing Operations was \$0.35 per share in Q2 2014, compared to \$0.21 per share in Q2 2013;
- During Q2 2014, net cash provided by operating activities was \$11 million;
- At March 31, 2014, the Company had \$36 million of cash and \$40 million of debt outstanding for a net debt position of \$4 million;
- Orders received in Q2 2014 were \$136 million resulting in a book-to-bill ratio of 1.1x, and an order backlog of \$273 million at March 31, 2014.

### Chairman’s Commentary – FY 2013

Vic Richey, Chairman and Chief Executive Officer, commented, “I’m very pleased with the way our second quarter and the first six months of 2014 have played out. Our sales, EBIT, EPS, and cash flow from across the company are tracking at or above our earlier expectations and have increased from prior year. All three operating segments have contributed to this success.

“With the Aclara transaction behind us, we can now refocus our full attention on the core operating business. Looking at the second quarter and year-to-date results, I’m pleased to see that the Company continues to show it can be more profitable on a percentage basis and more predictable on an outlook basis.

“We recently completed our mid-year planning meetings across the business and I came away pleased with our outlook and growth opportunities.

“Our Filtration group prospects are solid, as the momentum from our recent new platform wins in commercial aerospace appears to be really shaping up for a long up-cycle of growth, which bodes well for our future in this segment. Our entire Filtration group continues to differentiate itself with exceptional engineering design and functional advancements in product performance which should improve our win rate as new program opportunities present themselves.

“At Doble, we continue to introduce new products and solutions and we are seeing increased international proposal activities with large utility customers. Doble just completed their 81<sup>st</sup> Annual Conference with another year of record attendance from customers across the globe. I continue to be impressed with the customer reactions and interactions supporting Doble’s success. Test’s electro-magnetic pulse (EMP) interference market continues to develop and we remain positive about this new market’s growth prospects.

“As we’ve reached the half-way mark of 2014, we continue to see solid growth in the second half across the Company. Our market leadership positions across the three segments, along with the breadth of our new product offerings, continue to allow us to grow organically at a meaningful level.

“Consistent with our earlier commentary, we intend to supplement this organic growth through disciplined acquisitions around our existing core. We plan to continue to invest in new products and solutions which will allow us to retain and expand our leadership positions in all of our operations.

“I continue to maintain a favorable view of our future and our goal remains the same – to increase long-term shareholder value.”

### **Dividend Payment**

The next quarterly cash dividend of \$0.08 per share will be paid on July 17, 2014 to stockholders of record on July 3, 2014.

### **Business Outlook – Fiscal Year 2014**

Management’s expectations for 2014 are consistent with the guidance presented in the February 6, 2014 release.

Management continues to see strong growth in 2014 across the business. Based on projected revenue growth of approximately 8 to 10 percent, and growth in EBIT of 10 to 13 percent, Management expects 2014 EPS from Continuing Operations – As Adjusted in the range of \$1.50 to \$1.60 per share, which excludes the above noted Filtration segment charges. The 2014 annual effective tax rate is expected to be approximately 35 percent.

Third quarter 2014 EPS from Continuing Operations – As Adjusted is expected to be in the range of \$0.36 to \$0.41 per share.

### **Discontinued Operations**

As previously announced the Company completed the Aclara divestiture on March 28, 2014 and used the proceeds to significantly pay-down its outstanding debt at March 31, 2014.

The Company has sufficient available liquidity under its existing credit facility to support its strategy of profitable organic growth, accretive acquisitions around its existing core businesses, and opportunistic repurchases of outstanding shares. The completion of this transaction will allow the Company to accelerate the realization of shareholder value through these means.

The results of operations for Aclara prior to its divestiture, and the net loss on sale are reflected in the financial statements as Discontinued Operations and Assets Held for Sale.

### **Capital Allocation Strategy**

The Company has historically utilized a capital allocation strategy in determining the appropriate uses of its cash and debt to support investment and growth.

Management and the Board of Directors have now defined a formal Capital Allocation Strategy which will be utilized to enhance shareholder value.

The strategy includes allocating approximately 40 percent of annual free cash flow to provide a cash return to shareholders through ongoing dividends and opportunistic share repurchases. The balance will be used to support growth initiatives such as research and development, capital spending, and merger and acquisition initiatives. The existing credit facility will also be used to support acquisition activities where the purchase price exceeds annual free cash flows.

The goal of this strategy is to continue investing in growth, supplemented by prudently returning cash to shareholders, while maintaining reasonable levels of debt.

### **Corporate Governance Update – New Board Members**

To further enhance Corporate Governance and to facilitate board refreshment and director succession, as well as seeking new and relevant experience to supplement existing director oversight, the Company has added two additional board members effective May 5, 2014, as described in a separate release dated May 7, 2014.

### **Conference Call**

The Company will host a conference call today, May 7, at 4 p.m. Central Time, to discuss the Company’s second quarter 2014 results from Continuing Operations. A live audio webcast will be available on the Company’s website at [www.escotechnologies.com](http://www.escotechnologies.com). Please access the website 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 website noted above or by phone (dial 1-888-843-7419 and enter the pass code 37014149).

### **Forward-Looking Statements**

Statements in this press release regarding the amount, timing and source of the Company’s expected 2014 EBIT, EBIT Margin, revenues, growth, tax rates, and EPS from Continuing Operations – “As Adjusted”, EPS, sales, orders, earnings, third quarter 2014 EPS from Continuing Operations – “As Adjusted”, the costs and timing of the exit and relocation of Crissair’s operations, the Company’s ability to increase shareholder value, the success of acquisition efforts, the success of new products and solutions, the size, number and timing of growth opportunities in the future, the win rate experienced by the Filtration group, the specific actions initiated as a result of the Capital Allocation Strategy including but not limited to the declaration of dividends and share repurchases, 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 them except as may be required by applicable laws or regulations. 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 described in Item 1A, "Risk Factors", of the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2013; and the following: the success of the Company's competitors; 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; delivery delays or defaults by customers; the performance of the Company's international operations; material changes in the costs and availability of certain raw materials; termination for convenience of customer contracts; timing and content of future contract awards and customer orders; containment of engineering and development costs; performance issues with key customers, suppliers and subcontractors; labor disputes; the impacts of natural disasters on the Company's operations and those of the Company's customers and suppliers; changes in laws and regulations, including but not limited to changes in accounting standards and taxation requirements; costs relating to environmental matters arising from current or former facilities; financial exposure in connection with Company guarantees of certain Aclara contracts; uncertainty regarding the ultimate resolution of current disputes, claims, litigation or arbitration; and the Company's successful execution of profit improvement initiatives and restructuring activities.

**Non-GAAP Financial Measures**

The financial measures EBIT, EBIT margin, EPS – "As Adjusted" and EPS – from Continuing Operations "As Adjusted" are presented in this press release. The Company defines EBIT as earnings before interest and taxes from continuing operations, EBIT margin as a percent of net sales, EPS – "As Adjusted" and EPS – from Continuing Operations "As Adjusted" as GAAP EPS less the Filtration segment restructuring charges (representing \$0.01 per share during the second quarter of 2014, and \$0.02 per share during the first six months of 2014). EBIT, EBIT margin, EPS – "As Adjusted" and EPS – from Continuing Operations "As Adjusted" are not recognized in accordance with U.S. generally accepted accounting principles (GAAP). However, Management believes that EBIT and EBIT margin are useful in assessing the operational profitability of the Company's business segments because they exclude interest and taxes, which are generally accounted for across the entire Company on a consolidated basis. EBIT is also one of the measures used by Management in determining resource allocations within the Company as well as incentive compensation. The Company believes that the presentation of EBIT, EBIT margin, EPS – "As Adjusted" and EPS – from Continuing Operations "As Adjusted" provides important supplemental information to investors by facilitating comparisons with other companies, many of which use similar non-GAAP financial measures to supplement their GAAP results. The use of non-GAAP financial measures is not intended to replace any measures of performance determined in accordance with GAAP.

ESCO, headquartered in St. Louis, provides engineered filtration products to the aviation, space and process markets worldwide and is the industry leader in RF shielding and EMC test products. In addition, the Company provides diagnostic instruments, services and the world's premier library of statistically significant apparatus test results for the benefit of energy generation, transmission, and delivery companies and industrial power users worldwide. Further information regarding ESCO and its subsidiaries is available on the Company's website at [www.escotechnologies.com](http://www.escotechnologies.com).

- tables attached-

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

	Three Months Ended March 31, 2014	Three Months Ended March 31, 2013
Net Sales	124,762	118,039
Cost and Expenses:		
Cost of sales	77,436	72,888
Selling, general and administrative expenses	31,818	31,577
Amortization of intangible assets	1,679	1,500
Interest expense	654	636
Other (income) expenses, net	(39)	901
Total costs and expenses	<u>111,548</u>	<u>107,502</u>
Earnings before income taxes	13,214	10,537
Income taxes	<u>3,950</u>	<u>5,014</u>
Net earnings from continuing operations	9,264	5,523
Earnings (loss) from discontinued operations, net of tax expense (benefit) of \$4,407 and \$(3,028), respectively	7,501	(3,964)
Loss on sale of discontinued operations, net of tax benefit of \$9,499	(50,442)	0
Net loss from discontinued operations	<u>(42,941)</u>	<u>(3,964)</u>
Net (loss) earnings	<u>\$ (33,677)</u>	<u>1,559</u>
Earnings (loss) per share:		
Diluted - GAAP		
Continuing operations	0.35	0.21
Discontinued operations	(1.61)	(0.15)
Net (loss) earnings	<u>\$ (1.26)</u>	<u>0.06</u>
Diluted - As Adjusted Basis		
Continuing operations	<u>\$ 0.36(1)</u>	<u>0.31(2)</u>
Average common shares O/S:		
Diluted	<u>26,713</u>	<u>26,745</u>

(1) Adjusted basis includes \$0.2 million (or \$0.01 per share) of add back adjustments for restructuring charges incurred at Crissair during the second quarter of fiscal 2014.

(2) Adjusted basis includes \$2.7 million (or \$0.10 per share) of add back adjustments for restructuring charges incurred at ETS and Doble Lemke during the second quarter of fiscal 2013. The \$2.7 million of adjustments includes \$1.8 million of tax charges.

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

	Six Months Ended March 31, 2014	Six Months Ended March 31, 2013
Net Sales	249,212	228,557
Cost and Expenses:		
Cost of sales	151,717	139,645
Selling, general and administrative expenses	65,690	65,254
Amortization of intangible assets	3,365	3,035
Interest expense	1,346	1,219
Other (income) expenses, net	140	847
Total costs and expenses	<u>222,258</u>	<u>210,000</u>
Earnings before income taxes	26,954	18,557
Income taxes	<u>8,858</u>	<u>7,691</u>
Net earnings from continuing operations	18,096	10,866
Earnings (loss) from discontinued operations, net of tax expense (benefit) of \$5,713 and \$(5,654), respectively	9,858	(9,061)
Loss on sale of discontinued operations, net of tax benefit of \$9,499	<u>(50,442)</u>	<u>0</u>
Net loss from discontinued operations	(40,584)	(9,061)
Net (loss) earnings	<u>\$ (22,488)</u>	<u>1,805</u>
Earnings (loss) per share:		
Diluted - GAAP		
Continuing operations	0.68	0.41
Discontinued operations	(1.52)	(0.34)
Net (loss) earnings	<u>\$ (0.84)</u>	<u>0.07</u>
Diluted - As Adjusted Basis		
Continuing operations	<u>\$ 0.70(1)</u>	<u>0.55(2)</u>
Average common shares O/S:		
Diluted	<u>26,749</u>	<u>26,763</u>

(1) Adjusted basis includes \$0.3 million (or \$0.02 per share) of add back adjustments for restructuring charges incurred at Crissair during the first six months of fiscal 2014.

(2) Adjusted basis includes \$3.6 million (or \$0.14 per share) of add back adjustments for restructuring charges incurred at ETS and Doble Lemke during the first six months of fiscal 2013.

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

	Three Months Ended March 31, GAAP		Adjustments		Three Months Ended March 31, As Adjusted	
	2014	2013	2014	2013	2014	2013
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Net Sales</b>						
Filtration	\$ 58,397	53,626			58,397	53,626
Test	41,025	39,821			41,025	39,821
Utility Solutions Group	25,340	24,592			25,340	24,592
Totals	<u>\$ 124,762</u>	<u>118,039</u>	<u>0</u>	<u>0</u>	<u>124,762</u>	<u>118,039</u>
<b>EBIT</b>						
Filtration	\$ 10,100	10,894	306 (1)		10,406	10,894
Test	3,533	2,559		1,423 (2)	3,533	3,982
Utility Solutions Group	5,518	4,149			5,518	4,149
Corporate	(5,283)	(6,429)			(5,283)	(6,429)
Consolidated EBIT	13,868	11,173	306	1,423	14,174	12,596
Less: Interest expense	(654)	(636)			(654)	(636)
Earnings before income taxes from Cont Ops	<u>\$ 13,214</u>	<u>10,537</u>	<u>306</u>	<u>1,423</u>	<u>13,520</u>	<u>11,960</u>

Note: The above table is presented on a continuing operations basis.

Note: Depreciation and amortization expense was \$4.1 million and \$4.0 million for the quarters ended March 31, 2014 and 2103, respectively.

(1) Includes \$0.3 million (or \$0.01) of restructuring charges at Crissair during the second quarter 2014.

(2) Includes \$1.4 million (or \$0.04) of restructuring charges for ETS during the second quarter 2013.

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

	Six Months Ended March 31, GAAP		Adjustments		Six Months Ended March 31, As Adjusted	
	2014	2013	2014	2013	2014	2013
<b>Net Sales</b>						
Filtration	\$ 113,875	99,977			113,875	99,977
Test	80,503	76,116			80,503	76,116
Utility Solutions Group	54,834	52,464			54,834	52,464
Totals	<u>\$ 249,212</u>	<u>228,557</u>	<u>0</u>	<u>0</u>	<u>249,212</u>	<u>228,557</u>
<b>EBIT</b>						
Filtration	\$ 19,584	19,695	507 (1)		20,091	19,695
Test	7,108	3,078		2,864 (2)	7,108	5,942
Utility Solutions Group	13,165	9,603			13,165	9,603
Corporate	(11,557)	(12,600)			(11,557)	(12,600)
Consolidated EBIT	<u>28,300</u>	<u>19,776</u>	<u>507</u>	<u>2,864</u>	<u>28,807</u>	<u>22,640</u>
Less: Interest expense	<u>(1,346)</u>	<u>(1,219)</u>			<u>(1,346)</u>	<u>(1,219)</u>
Earnings before income taxes from Cont Ops	<u>\$ 26,954</u>	<u>18,557</u>	<u>507</u>	<u>2,864</u>	<u>27,461</u>	<u>21,421</u>

Note: The above table is presented on a continuing operations basis.

Note: Depreciation and amortization expense was \$8.1 million and \$7.6 million for the six-month period ended March 31, 2014 and 2013, respectively.

(1) Includes \$0.5 million (or \$0.02) of restructuring charges at Crissair during the first six months of 2014.

(2) Includes \$2.9 million (or \$0.07) of restructuring charges for ETS during the first six months of 2013.

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

	March 31, 2014	September 30, 2013
<b>Assets</b>		
Cash and cash equivalents	\$ 36,362	42,850
Accounts receivable, net	91,668	91,980
Costs and estimated earnings on long-term contracts	16,765	20,717
Inventories	92,481	90,228
Current portion of deferred tax assets	16,447	23,349
Other current assets	23,270	15,930
Assets held for sale - current	0	108,867
<b>Total current assets</b>	<b>276,993</b>	<b>393,921</b>
Property, plant and equipment, net	74,656	75,536
Intangible assets, net	181,096	180,217
Goodwill	283,420	282,949
Other assets	9,211	9,469
Assets held for sale - other	0	150,236
	<b>\$ 825,376</b>	<b>1,092,328</b>
<b>Liabilities and Shareholders' Equity</b>		
Current maturities of long-term debt	\$ 40,000	50,000
Accounts payable	32,092	38,537
Current portion of deferred revenue	16,910	17,508
Other current liabilities	63,027	60,726
Liabilities held for sale - current	0	63,585
<b>Total current liabilities</b>	<b>152,029</b>	<b>230,356</b>
Deferred tax liabilities	75,861	99,795
Other liabilities	21,160	22,437
Long-term debt	0	122,000
Liabilities held for sale - other	0	16,026
Shareholders' equity	576,326	601,714
	<b>\$ 825,376</b>	<b>1,092,328</b>

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES  
Consolidated Statements of Cash Flows (Unaudited)  
(Dollars in thousands)

	Six Months Ended March 31, 2014
Cash flows from operating activities:	
Net loss	\$ (22,488)
Adjustments to reconcile net loss	
to net cash provided by operating activities:	
Net loss from discontinued operations	40,584
Depreciation and amortization	8,113
Stock compensation expense	2,581
Changes in current assets and liabilities	(9,394)
Effect of deferred taxes	1,061
Change in deferred revenue and costs, net	(677)
Pension contributions	(1,120)
Change in uncertain tax position liability	(701)
Other	(1,241)
Net cash provided by operating activities - continuing operations	16,718
Net cash used by operating activities - discontinued operations	(1,629)
Net cash provided by operating activities	<u>15,089</u>
Cash flows from investing activities:	
Capital expenditures	(5,799)
Additions to capitalized software	(4,044)
Net cash used by investing activities - continuing operations	(9,843)
Net cash provided by investing activities - discontinued operations	123,512
Net cash provided by investing activities	<u>113,669</u>
Cash flows from financing activities:	
Proceeds from long-term debt	33,000
Principal payments on long-term debt	(165,000)
Dividends paid	(4,245)
Net cash used by financing activities	<u>(136,245)</u>
Effect of exchange rate changes on cash and cash equivalents	<u>999</u>
Net decrease in cash and cash equivalents	(6,488)
Cash and cash equivalents, beginning of period	42,850
Cash and cash equivalents, end of period	<u><u>\$ 36,362</u></u>

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

Backlog And Entered Orders - Q2 FY 2014	USG	Test	Filtration	Total
Beginning Backlog - 1/1/14	\$ 22,910	81,943	156,376	261,229
Entered Orders	25,805	52,420	58,146	136,371
Sales	(25,340)	(41,025)	(58,397)	(124,762)
Ending Backlog - 3/31/14	<u>\$ 23,375</u>	<u>93,338</u>	<u>156,125</u>	<u>272,838</u>
<b>Backlog And Entered Orders - YTD Q2 FY 2014</b>				
Backlog And Entered Orders - YTD Q2 FY 2014	USG	Test	Filtration	Total
Beginning Backlog - 10/1/13	\$ 24,047	90,427	157,675	272,149
Entered Orders	54,162	83,414	112,325	249,901
Sales	(54,834)	(80,503)	(113,875)	(249,212)
Ending Backlog - 3/31/14	<u>\$ 23,375</u>	<u>93,338</u>	<u>156,125</u>	<u>272,838</u>

Note: The above table is presented on a continuing operations basis and excludes Aclara.

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES  
Reconciliation of Non-GAAP Financial Measures (Unaudited)

EPS – Adjusted Basis Reconciliation – Q2 FY 2014

EPS from Continuing Ops – GAAP Basis – Q2 2014	\$	0.35
Adjustments (defined below)		0.01
EPS from Continuing Ops – As Adjusted Basis – Q2 2014	\$	<u>0.36</u>

Adjustments exclude \$0.01 per share consisting of restructuring costs associated with the Filtration segment facility consolidation.

EPS – Adjusted Basis Reconciliation – YTD Q2 FY 2014

EPS from Continuing Ops – GAAP Basis – YTD Q2 2014	\$	0.68
Adjustments (defined below)		0.02
EPS from Continuing Ops – As Adjusted Basis – YTD Q2 2014	\$	<u>0.70</u>

Adjustments exclude \$0.02 per share consisting of restructuring costs associated with the Filtration segment facility consolidation.

EPS – Adjusted Basis Reconciliation – FY 2014

EPS from Continuing Ops – GAAP Basis – FY 2014	\$	1.45	1.55
Adjustments (defined below)		0.05	0.05
EPS from Continuing Ops – As Adjusted Basis – FY 2014	\$	<u>1.50</u>	<u>1.60</u>

Adjustments exclude \$0.05 per share consisting of restructuring costs associated with the Filtration segment facility consolidation.