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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): August 12, 2003

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.)

8888 Ladue Road, Suite 200, St. Louis, Missouri (Address of Principal Executive Offices)	63124-2056 (Zip Code)

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

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ITEM 7. FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(c) Exhibits

Exhibit No	Description of Exhibit
99.1	Press Release dated August 12, 2003

ITEM 9. REGULATION FD DISCLOSURE

Operations and Financial Information Furnished

On August 12, 2003, the Company issued a press release announcing its fiscal third quarter 2003 financial and operating results. This press release is furnished as Exhibit 99.1, and incorporated herein by reference.

In addition, the Company announced in a press release issued on July 22, 2003 that a webcast of a third quarter conference call will be held on August 12, 2003 at 9:30 a.m., central time.

The press release furnished herewith will be posted to the Company's website located at http://www.escotechnologies.com and can be viewed through the Investor Relations page of the website under the tab "Press Releases", although the Company reserves the right to discontinue that availability at any time.

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Operations and Financial Information Furnished

On August 12, 2003, the Company issued a press release (Exhibit 99.1 to this report) announcing its fiscal third quarter 2003 financial and operating results. The Company previously announced that a webcast of a third quarter conference call will be held on August 12, 2003, and the press release will be posted to the Company's website. See Item 9, Regulation FD Disclosure, above.

Non-GAAP Financial Measures

The press release furnished herewith contains financial measures and financial terms 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 Company's operating results in a manner that is focused on the performance of the Company's ongoing operations. The Company has provided definitions below for the non-GAAP financial measures utilized in the press release, together with an explanation of why management uses these measures, and why management believes that these non-GAAP financial measures are useful to investors. The press release uses the non-GAAP financial measures of "adjusted" sales, net earnings, earnings per share, and results of operations, "operational" sales, net earnings, earnings per share, and results of operations, "EBIT from continuing operations," "free cash flow," Filtration segment "operational" net sales and EBIT, and "EBITDA from continuing operations."

The Company defines "adjusted" sales, net sales, net earnings, earnings per share, results of operations as sales, net sales, net earnings, earnings per share, and results of operations in accordance with GAAP except for the exclusion of (i) asset impairment charges and severance charges related to the shutdown of the Filtration segment Puerto Rico facility and the move and restructuring of the Test segment UK operations, (ii) a one-time charge resulting from the termination of a Manufacturing and Supply Agreement (MSA) with Whatman HemaSure Inc., (iii) costs resulting from a Management Transition Agreement between the Company and its former Chairman (MTA), (iv) a gain from the settlement of certain patent litigation, and (v) a gain on the sale of Rantec Power Systems, Inc., which has been divested and is shown as “discontinued operations.” The Company defines “operational” sales, net sales, net earnings, earnings per share, results of operations as “adjusted” sales, net earnings, earnings per share, and results of operations, excluding revenues, costs and expenses relating to the Filtration segment Microfiltration and Separations businesses (MicroSep), which will be presented as discontinued operations beginning in the fourth quarter of fiscal 2003. The Company’s management uses these “adjusted” and “operational” results in evaluating the measures of continuing operations of the Company and believes that this information provides investors with additional insight into the period over period financial performance of the Company. The items excluded will not have a material effect on the Company’s results of operations after the fourth quarter ending September 30, 2003.

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

The Company defines “Free cash flow” as “Net cash provided by operating activities—continuing operations” less “Capital expenditures—continuing operations”. The Company’s management believes that free cash flow is useful to investors and management as a supplemental financial measurement in the evaluation of the Company’s business and believes that free cash flow may provide additional information with respect to the Company’s ability to meet its future debt service, capital expenditures and working capital requirements. Free cash flow can also be reinvested in the Company for future growth.

The Company defines Filtration segment “operational” net sales and EBIT as segment net sales and EBIT, excluding the costs related to the shutdown of the Puerto Rico facility, the gain from the settlement of certain patent litigation, revenue, costs and expenses relating to MicroSep businesses, and the MSA charge.

The Company defines “EBITDA” as earnings before interest, taxes, depreciation and amortization. The Company’s management uses EBITDA as a supplemental financial measurement in the evaluation of the Company’s business and believes that EBITDA may provide additional information with respect to the Company’s ability to meet its future debt service, capital expenditures and working capital requirements.

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

Other Matters

The information contained in this report, including Exhibit 99.1, shall not be deemed to be “filed” for the 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 Company specifically incorporates it by reference in a document filed under the Securities Act of 1933 as amended or the Exchange Act.

Statements in this report, including Exhibit 99.1, regarding the Company’s ability to negotiate a successful settlement and/or enforce the terms of the MSA, results of future closures, consolidations, relocations, divestitures and real estate sales, the associated costs and resulting savings to be achieved, future fiscal 2003 revenues, gains/charges and earnings and other written or oral 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 report. 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 timing and terms of the planned divestiture of the MicroSep businesses; further weakening of economic conditions in served markets; changes in customer demands or customer insolvencies; competition; intellectual property rights; the Company's successful exploitation of acquired intellectual property rights; the performance of discontinued operations prior to completing the divestiture; successful execution of planned facility closures, sales, consolidations and relocations with regard to the Company's Puerto Rico facility and U.K. facility; the impact of FASB Interpretation No. 46; consolidation of internal operations; integration of recently acquired businesses; delivery delays or defaults by customers; termination for convenience of customer contracts; the Company's enforcement of its contractual rights under the MSA; timing and magnitude of future contract awards; performance issues with key suppliers and subcontractors; collective bargaining and labor disputes; changes in laws and regulations including changes in accounting standards and taxation requirements; litigation uncertainly; and the Company's successful execution of internal operating plans.

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 12, 2003

By: /s/ G.E. Muenster

G.E. Muenster
Vice President and
Chief Financial Officer

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Exhibit No.	Description of Exhibit
99.1	Press release dated August 12, 2003

EXHIBIT 99.1

NEWS FROM

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ESCO ANNOUNCES THIRD QUARTER RESULTS AND PROVIDES UPDATE TO FY 2003 EARNINGS OUTLOOK

St. Louis, MO, August 12, 2003, — ESCO Technologies Inc. (NYSE: ESE) today announced its results for the fiscal third quarter and nine months ended June 30, 2003, and has provided an update to its fiscal year 2003 earnings outlook.

These results, as well as the fiscal year 2003 earnings outlook, reflect the following items: the potential impact of the previously announced “Gains and Charges” and the cumulative effect of the accounting change related to the synthetic lease obligation described in detail within the second quarter earnings release (May 13, 2003); the recently announced divestiture of the Microfiltration and Separations businesses (MicroSep) and the close-out of the interest rate swap; and the costs associated with the Management Transition Agreement (MTA) incurred during the first six months of fiscal 2003. As a result of the complexities involved with presenting the financial results including these items, a comprehensive reconciliation of GAAP reported earnings to the “Operational” earnings is included in the Exhibits attached to this release. The Company believes that the presentation of “Operational” earnings provides additional insight into the Company’s performance.

In April 2003, the Company sold its Rantec Power Systems Inc. (Rantec) subsidiary for $6 million plus future consideration. The Rantec financial results, previously reported in the “Other” segment, are accounted for as “discontinued operations” at June 30, 2003.

The Company uses the following definitions in describing its results of operations for the periods noted:

- “GAAP”: Represents the results of operations required by accounting principles generally accepted in the United States of America.

- “Adjusted”: Represents the “GAAP” results adjusted to exclude the applicable amounts described in the “Gains and Charges” narrative later in this release. The MTA incurred during the first six months of fiscal 2003 is also excluded.

- “Operational”: Represents the “Adjusted” results excluding MicroSep. The MicroSep businesses will be presented as discontinued operations beginning in the fourth quarter of fiscal 2003.

Results of Operations ($'s in millions, except EPS)

Sales and net earnings for the fiscal 2003 and 2002 third quarter and nine-month periods ended June 30 are noted below:

3rd Qtr. - FY 2003	Sales	Net Earnings	Diluted EPS
GAAP	$102.3M	$4.2M	$0.32
Adjusted	$102.3M	$5.3M	$0.40
Operational	$ 90.9M	$6.7M	$0.51

3rd Qtr. - FY 2002	Sales	Net Earnings	Diluted EPS
GAAP	$92.2M	$5.7M	$0.44
Adjusted	$92.2M	$5.7M	$0.44
Operational	$81.7M	$6.4M	$0.49

9 Months - FY 2003	Sales	Net Earnings	Diluted EPS
GAAP	$323.8M	$16.3M	$1.25
Adjusted	$323.8M	$19.3M	$1.47
Operational	$291.4M	$24.2M	$1.85

9 Months - FY 2002	Sales	Net Earnings	Diluted EPS
GAAP	$258.8M	$15.7M	$1.21
Adjusted	$258.8M	$15.7M	$1.21
Operational	$228.7M	$17.0M	$1.31

Sales

On a GAAP basis, fiscal 2003 third quarter and nine-month consolidated sales increased 11 percent and 25 percent, respectively, as compared to the fiscal 2002 third quarter and nine-month periods.

On a segment basis for the fiscal 2003 third quarter and nine months, respectively, Communications sales increased 14 percent and 64 percent; Filtration sales increased 5 percent and 7 percent; and Test sales increased 23 percent and 26 percent, as compared to the respective prior year periods.

Communications segment sales increased primarily as a result of higher shipments of DCSI's Automatic Meter Reading (AMR) equipment. Filtration segment sales increased primarily as a result of higher aerospace shipments and deliveries of Filtertek products. The Test segment sales increases are the result of additional test chamber installations, increased volume from the Company's Asian operations, and sales from the recently acquired acoustic business which contributed $4.1 million to net sales for the nine months ended June 30, 2003.

Earnings Before Interest and Taxes (EBIT)

EBIT for the third quarter and nine-month periods ended June 30, 2003 was negatively affected by the impact of the "Gains and Charges." The pretax charges were ($3.0) million and ($5.9) million for the third quarter and nine months, respectively, and are identified as footnote (1) shown within "Earnings before income taxes" in Exhibits 1 and 3, respectively. The Exhibits are attached at the end of this release.

On a segment basis, the following operational items impacted EBIT during the third quarter. In the Communications segment, EBIT is lower than prior year as DCSI's third quarter sales included a higher amount of lower margin commercial and industrial (C&I) meter modules. In the Filtration segment, EBIT margins were negatively impacted by the operations of MicroSep and increases in operating expenses. Economic softness in the European marketplace, where the Company is continuing its consolidation efforts, negatively impacted the Test segment EBIT margin.

New Orders and Cash Flow

New orders in the third quarter and first nine months of fiscal 2003 were $103.8 million and $308.2 million, respectively, resulting in a backlog at June 30, 2003 of $269.7 million.

During the first nine months of fiscal 2003, the Company generated $18.6 million of free cash flow, which included $7.3 million from the patent litigation settlement. Free cash flow is defined as "Net Cash Provided by Operating Activities — Continuing Operations" less "Capital Expenditures - Continuing Operations". The MicroSep businesses used approximately $6 million of cash during the first nine months of fiscal 2003. For a reconciliation of free cash flow, see attached Exhibit 9.

Chairman's Commentary

Victor L. Richey, Chairman and Chief Executive Officer, commented, "In our last two communications, we identified a number of actions directed at enhancing shareholder value. I appreciate that one by-product of the actions, together with the gains and charges during the year, is that it is difficult to understand the results of our continuing operations.

"In order to provide additional insight into our operational results and outlook, we have included several tables with this release that provide a detailed reconciliation of the operational results to our GAAP reported numbers. I encourage you to fully review the tables. In short, what is indicated is an operational earnings per share outlook of between $2.45 and $2.55 per share for fiscal 2003. The third quarter operational earnings were $0.51 per share, and the fourth quarter is expected to be between $0.60 and $0.70 per share.

"On a GAAP basis, and primarily as a result of the charge related to the MicroSep divestiture, Management estimates EPS for fiscal 2003 to be a loss of between ($3.25) and ($3.75) per share. For a reconciliation of fiscal 2003 GAAP EPS to Operational EPS, refer to Exhibit 6.

"The second half operational earnings per share profile is primarily driven by two issues we had in the third quarter which impacted the timing of our sales and earnings. In Communications, we were late in completing a modification of our automatic meter-reading module to interface with a new electronic meter. The modification was completed early in the fourth quarter and we are now delivering the new product to several customers. In our Test business, we had a number of programs where we experienced customer-driven delays primarily as a result of the late completion of the parent buildings which house our test chambers. While some of this is characteristic of the Test business, the third quarter issues were at an unusually high level. The deliveries and installations we anticipated in the third quarter are now expected to take place over the next two quarters.

Mr. Richey concluded, "We are on track for a strong fourth quarter across all segments, and as a result of the actions we have taken, we are well positioned going forward to take advantage of the opportunities in our core markets."

Fiscal 2003 Business Outlook

Statements contained in the preceding and following paragraphs are based on current expectations. These statements are forward-looking, and actual results may differ materially.

Revenues

Management expects fourth quarter revenue in the range of $35 million to $37 million for the Communications segment, $53 million to $55 million for the Filtration segment ($40 million to $42 million, excluding MicroSep) and $23 million to $25 million for the Test segment.

Earnings Per Share (GAAP and Operational)

Considering the items described in the “Gains / Charges” section below, which impact both the amount and the timing of GAAP reported earnings per share (EPS) throughout the third and fourth quarters, and giving consideration to the uncertainties and estimates surrounding the outcome of the final amounts of these items, Management estimates the range of fiscal 2003 GAAP EPS to be a loss of between ($3.25) and ($3.75) per share.

Management believes earnings per share on an “Operational” basis, as defined above, will be in the range of $0.60 to $0.70 per share for the fourth fiscal quarter and between $2.45 and $2.55 per share for the full fiscal year 2003.

For a reconciliation of fiscal 2003 GAAP EPS to Operational EPS, see Exhibit 6 attached to this release.

Gains/Charges

As indicated in the Chairman’s commentary and the second quarter earnings release (May 13, 2003), the Company has incurred, and expects to incur certain gains and charges throughout the second half of fiscal 2003 related to the following items and events. Management’s assessment of the current pretax ranges is provided below:

Patent Litigation Settlement Gain ($2.1M):

During the third quarter, the Company received the full settlement amount of $7.3 million in cash. The Company recorded a gain of $2.1 million, after deducting $1.4 million of professional fees, related to the patent settlement. The net gain is allocated to past and future licensing periods and the unrealized gain of $3.8 million will be recognized in pretax income over the remaining eight years of the patent.

Rantec Divestiture Gain ($1.6M):

During the third quarter, the post-closing balance sheet was prepared and the gain was finalized. The gain is included in discontinued operations in the third quarter. Cash of $6.0 million was received in April at closing. The Company is also entitled to additional consideration based on the future operating results of Rantec, which will be recognized as earned.

Whatman MSA Settlement ($0 to $2.3M):

The Company and Whatman continue to be in settlement discussions and Management continues to believe it will be successful in negotiating a settlement, or otherwise enforcing its contractual rights. Management may not reach a settlement before September 30, 2003, but expects to recover its damages and specified costs either through a negotiated settlement or litigation.

Puerto Rico Facility Exit ($4.3M):

During the third quarter, Management took a non-cash charge of $4.3 million which adjusted the carrying value of the Puerto Rico facility and equipment to its estimated net realizable value.

Puerto Rico Severance / Move (Total = $1.6M to $1.8M):

The current assessment reflects the severance agreements with the related personnel at the Puerto Rico facility and the cost of the physical move to Juarez Mexico. The charge incurred to date was $0.5 million, with the balance being expensed as incurred through the exit date. Approximately $0.4 million of the total costs will be incurred in the first half of fiscal 2004.

U.K. Test Move / Restructure ($0.3M to $0.6M):

These estimates are related to the U.K. restructuring. The charge incurred to date was $0.3 million, with the balance being expensed as incurred through December 31, 2003.

Interest Rate Swap Charge ($2.5M to $3.0M):

As previously announced, and incident to the decision to divest the MicroSep businesses, Management has decided to close out the interest rate swap related to the synthetic lease obligations. This pretax cash charge will be recognized in the fourth quarter of fiscal 2003.

MicroSep Divestiture Charge ($65M to $75M):

On July 31, 2003, the Company announced its decision to sell the MicroSep businesses resulting in an estimated non-cash pretax charge of $65 million to $75 million in the fourth quarter of fiscal 2003. The amount of the charge is calculated as the difference between the MicroSep book value (primarily goodwill and other intangible assets) and the estimated proceeds to be received upon completion of the divestiture.

Cumulative Effect of Accounting Change — Synthetic Lease ($2.3M):

As discussed in the May 13, 2003 earnings release, the Financial Accounting Standards Board (FASB) recently issued Interpretation No. 46, “Consolidation of Variable Interest Entities.” As a result of this new accounting guidance, during the fourth quarter of fiscal 2003, the Company expects to incur an after-tax charge of approximately $1.4 million reported as a cumulative effect of a change in accounting principle related to the synthetic lease.

Conference Call

The Company will host a conference call today, August 12, 2003, at 9:30 a.m., Central Daylight Time (CDT), to discuss the Company’s fiscal 2003 third quarter operating results and the fiscal 2003 earnings outlook. A live audio web cast 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 today from 12:30 p.m., CDT, until 11:59 p.m., CDT on August 19, 2003. To access the replay, dial 1-888-203-1112 and enter the pass code 262034. In addition, a replay will be available for seven days on the Company’s web site noted above.

Forward-Looking Statements

Statements in this press release regarding the Company’s ability to negotiate a successful settlement and/or enforce the terms of the MSA, results of future closures, consolidations, relocations, divestitures and real estate sales, the associated costs and resulting savings to be achieved, future fiscal 2003 revenues, gains/charges and earnings and other written or oral 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. 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 timing and terms of the divestiture; further weakening of economic conditions in served markets; changes in customer demands or customer insolvencies; competition; intellectual property rights; the Company’s successful exploitation of acquired intellectual property rights; the performance of discontinued operations prior to completing the divestiture; successful execution of planned facility closures, sales, consolidations and relocations with regard to the Company’s Puerto Rico facility and U.K. facility; the impact of FASB Interpretation No. 46; consolidation of internal operations; integration of recently acquired businesses; delivery delays or defaults by customers; termination for convenience of customer contracts; the Company’s enforcement of its contractual rights under the MSA; timing and magnitude of future contract awards; performance issues with key suppliers and subcontractors; collective bargaining and labor disputes; changes in laws and regulations including changes in accounting standards and taxation requirements; litigation uncertainty; and the Company’s successful execution of internal operating plans.

ESCO, headquartered in St. Louis, is a leading supplier of engineered filtration products to the process, health care and transportation markets worldwide. In addition, the Company markets proprietary, special purpose communications systems and is the industry leader in RF shielding and EMC test products.

(Tables Attached)

Exhibit 1

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

	Three Months Ended June 30, 2003				
	GAAP	(1) Adj.	(2) "Adjusted"	xMicro Sep	(3) "Opera-tional"
Net Sales	$102,343		102,343	(11,426)	90,917
Cost and Expenses:					
Cost of sales	70,970		70,970	(8,077)	62,893
Asset impairment	4,528	(4,528)(**4**)	—		
SG&A	22,406	(302)(**5**)	22,104	(4,660)	17,444
Interest expense	377		377	(202)	175
Other expenses, net	(1,264)	1,801(**6**)	537	(240)	297
Total costs and expenses	97,017	(3,029)	93,988	(13,179)	80,809
Earnings before income taxes	5,326	(3,029)	8,355	(1,753)	10,108
Income taxes	2,056	1,018(**7**)	3,074	322	3,396
Net earnings from continuing operations	3,270	2,011	5,281	1,431	6,712
Earnings (loss) from discontinued operations, net of tax (**8**)	(10)		(10)		(10)
Gain (loss) on sale of discontinued operations, net of tax (**8**)	894	(894)	—		—
Net earnings from discontinued operations	884		(10)		(10)
Net earnings	$ 4,154		5,271		6,702
Earnings per share:					
Basic	$ 0.33		0.41		0.53
Diluted	$ 0.32		0.40		0.51
Average common shares O/S:					
Basic	12,717		12,717		12,717
Diluted	13,153		13,153		13,153

(1) Adjustments represent items previously described in the “Gains/Charges” section of this Release.

(2) Represents results on an adjusted basis, after removing the items described below in (4) — (7).

- more -

(3) Excludes the operating results of the Microfiltration and Separations businesses for the three-month period ended June 30, 2003. These businesses will be classified as "discontinued operations" beginning in the fourth quarter of fiscal 2003.

(4) Excludes asset impairment charges of $4,348K related to the Filtertek Puerto Rico facility shutdown consisting of building and equipment write-downs; and $180K of costs related to the U.K. move/restructuring consisting of leasehold improvement write-downs.

(5) Excludes severance charges consisting of $192K related to the exit of the Puerto Rico facility and $110K related to the U.K. restructuring.

(6) Excludes the following items:

	Amount
Gain from settlement of patent litigation	(2,056)
Puerto Rico shutdown/move costs & other	255
	(1,801)

(7) Represents the tax impact of items described above in (4)-(6).

(8) Relates to Rantec Power Systems, Inc., which was divested on April 11, 2003 and is classified as "discontinued operations."

Exhibit 2

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

	Three Months Ended June 30, 2002		
	GAAP	**xMicroSep**	**(1) "Operational"**
Net Sales	$92,154	(10,444)	81,710
Cost and Expenses:			
Cost of sales	61,968	(6,946)	55,022
SG&A	20,414	(3,788)	16,626
Interest expense	113	(148)	(35)
Other expenses, net	571	(270)	301
Total costs and expenses	83,066	(11,152)	71,914
Earnings before income taxes	9,088	(708)	9,796
Income taxes	3,404	73	3,477
Net earnings from continuing operations	5,684	635	6,319
Earnings (loss) from discontinued operations, net of tax(**2**)	54		54
Gain (loss) on sale of discontinued operations, net of tax(**2**)	—		—
Net earnings from discontinued operations	54		54
Net earnings	$ 5,738		6,373
Earnings per share:			
Basic	$ 0.46		0.51
Diluted	$ 0.44		0.49
Average common shares O/S:			
Basic	12,581		12,581
Diluted	13,094		13,094

(1) Excludes the operating results of the Microfiltration and Separations businesses for the three-month period ended June 30, 2002. These businesses will be classified as “discontinued operations” beginning in the fourth quarter of fiscal 2003.

(2) Relates to Rantec Power Systems, Inc., which was divested on April 11, 2003 and is classified as “discontinued operations.”

Exhibit 3

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

	Nine Months Ended June 30, 2003				
	GAAP	**(1) Adj.**	**(2) "Adjusted"**	**xMicro Sep**	**(3) "Opera-tional"**
Net Sales	$323,828		323,828	(32,467)	291,361
Cost and Expenses:					
Cost of sales	223,433		223,433	(24,184)	199,249
Asset impairment	4,528	(4,528)(**4**)	0		0
SG&A	67,757	(1,713)(**5**)	66,044	(13,634)	52,410
Interest expense	299		299	(393)	(94)
Other expenses, net	2,463	312(**6**)	2,775	(1,144)	1,631
Total costs and expenses	298,480	(5,929)	292,551	(39,355)	253,196
Earnings before income taxes	25,348	(5,929)	31,277	(6,888)	38,165
Income taxes	9,979	2,106(**7**)	12,085	1,988	14,073
Net earnings from continuing operations	15,369	3,823	19,192	4,900	24,092
Earnings (loss) from discontinued operations, net of tax (**8**)	74		74		74
Gain (loss) on sale of discontinued operations, net of tax (**8**)	894	(894)	—		—
Net earnings from discontinued operations	968		74		74
Net earnings	$ 16,337		19,266		24,166
Earnings per share:					
Basic	$ 1.29		1.52		1.91
Diluted	$ 1.25		1.47		1.85
Average common shares O/S:					
Basic	12,634		12,634		12,634
Diluted	13,085		13,085		13,085

(1) Adjustments represent items previously described in the “Gains/Charges” section of this Release and the MTA costs and Whatman MSA charge discussed in the second quarter.

(2) Represents results on an adjusted basis, after removing the items described below in (4)-(7).

- more -

(3) Excludes the operating results of the Microfiltration and Separations businesses for the nine months ended June 30, 2003. These businesses will be classified as "discontinued operations" beginning in the fourth quarter of fiscal 2003.

(4) Excludes asset impairment charges of $4,348K related to the Filtertek Puerto Rico facility shutdown consisting of building and equipment write-downs; and $180K of costs related to the U.K. move/restructuring consisting of leasehold improvement write-downs.

(5) Excludes $1,411K of costs related to the previously disclosed MTA between the Company and its former Chairman, and $302K of severance charges consisting of $192K related to the exit of the Filtertek Puerto Rico facility and $110K related to the U.K. move/restructuring.

(6)	Excludes the following items:	Amount
	Whatman MSA settlement	1,542
	Gain from settlement of patent litigation	(2,056)
	Puerto Rico shutdown/move costs	202
		(312)

(7) Represents the tax impact of items described above in (4)-(6) described above.

(8) Relates to Rantec Power Systems, Inc., which was divested on April 11, 2003 and is classified as "discontinued operations."

Exhibit 4

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

	Nine Months Ended June 30, 2002		
	GAAP	**xMicroSep**	**(1) "Operational"**
Net Sales	$258,829	(30,160)	228,669
Cost and Expenses:			
Cost of sales	174,721	(20,306)	154,415
SG&A	57,826	(10,744)	47,082
Interest expense (income)	220	(410)	(190)
Other expenses, net	1,445	(346)	1,099
Total costs and expenses	234,212	(31,806)	202,406
Earnings before income taxes	24,617	(1,646)	26,263
Income taxes	9,260	313	9,573
Net earnings from continuing operations	15,357	1,333	16,690
Earnings (loss) from discontinued operations, net of tax **(2)**	346		346
Gain (loss) on sale of discontinued operations, net of tax **(2)**	—		—
Net earnings from discontinued operations	346		346
Net earnings	$ 15,703		17,036
Earnings per share:			
Basic	$ 1.26		1.36
Diluted	$ 1.21		1.31
Average common shares O/S:			
Basic	12,492		12,492
Diluted	13,029		13,029

(1) Excludes the operating results of the Microfiltration and Separations businesses for the nine months ended June 30, 2002. These businesses will be classified as “discontinued operations” beginning in the fourth quarter of fiscal 2003.

(2) Relates to Rantec Power Systems, Inc., which was divested on April 11, 2003 and is classified as “discontinued operations.”

Exhibit 5

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2003	**2002**	**2003**	**2002**
Net Sales (GAAP)				
Filtration	$ 53.1	50.4	153.3	142.8
Communications	28.5	25.0	105.9	64.7
Test	20.7	16.8	64.6	51.3
Totals	$102.3	92.2	323.8	258.8
EBIT (GAAP basis)(1)				
Filtration	$ (0.5)(**2**)	4.3(**2**)	1.2(**3**)	9.7(**3**)
Communications	4.8	5.1	23.0	14.3
Test	0.7(**4**)	0.9	3.2(**4**)	3.2
Other	0.7(**5**)	(1.1)	(1.8)(**6**)	(2.4)
Totals	$ 5.7	9.2	25.6	24.8

Note: Amounts presented above exclude the operations of Rantec, which were classified as “discontinued operations,” beginning in the second quarter of fiscal 2003.

(1) EBIT is defined as Earnings Before Interest and Taxes.

(2) A reconciliation for the three months ended June 30, of Filtration segment Net Sales — GAAP and EBIT-GAAP basis to Net Sales — “Operational” and EBIT — “Operational” is shown below:

	Q3 FY 03 Net Sales	**Q3 FY 03 EBIT**	**Q3 FY 02 Net Sales**	**Q3 FY 02 EBIT**
Filtration Segment-GAAP	$ 53.1	$(0.5)	$ 50.4	$4.3
Add: Puerto Rico related costs	—	4.7	—	—
Less: Gain from settlement of patent litigation	—	(2.1)	—	—
Microfiltration/Separations Revenue/Loss	(11.4)	1.6	(10.4)	0.6
Filtration Segment-“Operational”	$ 41.7	$ 3.7	$ 40.0	$4.9

(3) A reconciliation for the nine months ended June 30, of Filtration segment Net Sales — GAAP and EBIT — GAAP basis to Net Sales — “Operational” and EBIT — “Operational” is shown below:

	YTD FY 2003 Net Sales	**YTD FY 2003 EBIT**	**YTD 2002 Net Sales**	**FY YTD FY 2002 EBIT**
Filtration Segment-GAAP	$153.3	$ 1.2	$142.8	$ 9.7
Add: Puerto Rico related costs	—	4.7	—	—
Less: Gain from settlement of patent litigation	—	(2.1)	—	—
Add: Whatman MSA charge	—	1.5	—	—
Microfiltration/Separations Revenue/Loss	(32.5)	6.5	(30.2)	1.2
Filtration Segment-“Operational”	$120.8	$11.8	$112.6	$10.9

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(4) Test segment amounts include a pretax charge of $0.3 million related to the U.K./Test restructuring, recorded in the third quarter of fiscal 2003.

(5) Corporate allocations were greater than corporate operating expenses for the quarter ended June 30, 2003.

(6) Includes $1.4 million of MTA costs recorded in the first six months of fiscal 2003.

Exhibit 6

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

EBIT from continuing operations (**1**) — As Reported

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2003	2002	2003	2002
EBIT	$5,703	$9,201	$25,647	$24,837
Interest expense (income)	377	113	299	220
Less: Income taxes	2,056	3,404	9,979	9,260
Net earnings from continuing operations	$3,270	$5,684	$15,369	$15,357

EBITDA from continuing operations (**1**)

	Q3 FY 2003	Q3 FY 2002	YTD FY 2003	YTD FY 2002
EBITDA	$8,997	$12,566	$35,972	$34,050
Interest expense (income)	377	113	299	220
Less: Income taxes	2,056	3,404	9,979	9,260
Less: Depreciation	2,482	2,899	7,902	8,127
Less: Amortization	812	466	2,423	1,086
Net earnings from continuing operations	$3,270	$ 5,684	$15,369	$15,357

(1) Excludes the operations of Rantec, which is classified as "discontinued operations."

EPS - FY 2003 Reconciliation	Range		
GAAP Outlook	$(3.25)	to	$(3.75)
Estimated Add Back:			
(2) MicroSep asset write-down	4.70	to	5.19
(3) MicroSep operating losses	.45	to	.50
(4) Defined "Gains/Charges"	.45	to	.50
(5) Cumulative effect of accounting change	.10	to	.11
EPS Operational Outlook	$ 2.45	to	$ 2.55

(2) Represents the estimated impact of the MicroSep asset writedown, consisting primarily of goodwill and other intangible assets.

(3) Represents the estimated operating losses for MicroSep for the fiscal year ended September 30, 2003.

(4) Represents "Gains/Charges" as defined in the narrative, excluding MicroSep asset writedown and cumulative effect of accounting change separately identified.

(5) Represents the cumulative effect of accounting change, related to the synthetic lease obligation.

Exhibit 7

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

	June 30, 2003	March 31, 2003	Sept. 30, 2002
	(Unaudited)	(Unaudited)	
Assets			
Cash and cash equivalents	$ 45,392	$ 29,657	$ 25,160
Accounts receivable, net	71,966	78,034	67,347
Costs and estimated earnings on long-term contracts	5,382	4,793	2,951
Inventories	63,010	63,464	50,991
Current portion of deferred tax assets	18,527	20,038	22,796
Other current assets	7,766	7,511	8,500
Current assets from discontinued Operations (**1**)	—	3,540	3,643
Total current assets	212,043	207,037	181,388
Property, plant and equipment, net	66,615	68,443	66,254
Goodwill	105,213	105,078	103,283
Deferred tax assets	22,467	24,062	26,950
Other assets	26,936	26,077	26,219
Other assets from discontinued operations (**1**)	—	3,411	3,858
	$433,274	$434,108	$407,952
Liabilities and Shareholders' Equity			
Short-term borrowings and current maturities of long-term debt	$ 35	$ 67	$ 121
Other current liabilities	68,702	77,181	67,357
Current liabilities from discontinued operations (**1**)	—	785	1,309
Total current liabilities	68,737	78,033	68,787
Deferred income (**2**)	3,308	—	—
Other liabilities	22,748	24,271	24,313
Long-term debt	9,319	8,086	8,277
Liabilities from discontinued operations (**1**)	—	1,092	647
Shareholders' equity	329,162	322,626	305,928
	$433,274	$434,108	$407,952

(1) Relates to Rantec Power Systems, Inc., which was divested on April 11, 2003 and is classified as "discontinued operations."

(2) Represents long-term portion of unearned income related to the Filtertek patent litigation settlement. Amount is being amortized into income on a straight-line basis over the remaining patent life through 2011. The current portion of $0.5 million is classified in other current liabilities.

Exhibit 8

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

	Nine Months Ended June 30, 2003
Cash flows from operating activities:	
Net earnings	$ 16,337
Adjustments to reconcile net earnings to net cash provided by operating activities:	
Depreciation and amortization	10,211
Changes in operating working capital	(10,133)
Effect of deferred taxes	4,483
Proceeds from settlement of patent litigation, net	5,244
Other	2,045
Net cash provided by operating activities	28,187
Net cash provided by discontinued operations(1)	(485)
Net cash provided by operating activities	28,672
Cash flows from investing activities:	
Capital expenditures	(9,568)
Capital expenditures of discontinued operations (1)	(147)
Acquisition of businesses	(5,364)
Proceeds from divestiture of business	6,000
Net cash used by investing activities	(9,079)
Cash flows from financing activities:	
Net decrease in short-term borrowings	(86)
Principal payments on long-term debt	(626)
Purchases of common stock into treasury	(1,438)
Other	2,789
Net cash provided by financing activities	639
Net increase in cash and cash equivalents	20,232
Cash and cash equivalents, beginning of period	25,160
Cash and cash equivalents, end of period	$ 45,392
Changes in Working Capital:	
Accounts Receivable	$ (2,052)
Costs and Estimated Earnings on Long-Term Contracts/Inventories	(12,171)
Accounts Payable/Accruals	4,669
Other Current Assets/Other Current Liabilities	(579)
	$(10,133)

(1) Relates to Rantec Power Systems, Inc., which was divested on April 11, 2003 and is classified as “discontinued operations.”

Exhibit 9

ESCO TECHNOLOGIES INC. AND SUBSIDIARIES
Free Cash Flow
(Dollars in thousands)

	Nine Months Ended June 30, 2003
Net cash provided by operating activities — continuing operations	$28,187
Less: Capital expenditures — continuing operations	9,568
Free cash flow (**1**)	$18,619

(1) Includes $7.3 million of proceeds from the settlement of patent litigation received during the third quarter of fiscal 2003.

Exhibit 10

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

Backlog And Entered Orders-Q3 FY 2003	Filtration	Comm.	Test	Other	Total
Beginning Backlog- 3/31/03	$ 89,521	140,121	38,559	—	268,201
Entered Orders	56,836	24,770*	22,236	—	103,842
Sales	(53,146)	(28,496)*	(20,701)	—	(102,343)
Ending Backlog- 6/30/03	$ 93,211	136,395	40,094	—	269,700(**1**)

Backlog And Entered Orders-YTD FY 2003	Filtration	Comm.	Test	Other	Total
Beginning Backlog- 9/30/02	$ 80,305	170,668	34,315	7,957	293,245
Entered Orders	166,252	71,574*	70,412	—	308,238
Sales	(153,346)	(105,847)*	(64,633)	—	(323,826)
Less: Rantec	—	—	—	(7,957)	(7,957)
Ending Backlog- 6/30/03	$ 93,211	136,395	40,094	—	269,700(**1**)

(1) Ending backlog at June 30, 2003 excluding the Microfiltration/ Separations businesses is $258.3 million.

*Communications Recap:	Q3 FY 2003 Entered Orders	Q3 FY 2003 Sales	YTD FY 2003 Entered Orders	YTD FY 2003 Sales
AMR Products (DCSI)	$23,351	27,077	64,452	98,644
SecurVision Video Security (Comtrak)	1,419	1,419	7,122	7,203
Total	24,770	28,496	71,574	105,847
Orders/Sales to PPL	(3,200)	(12,529)	(3,200)	(50,356)
Excluding PPL	$21,570	15,967	68,374	55,491

EBITDA (2)	Q3 FY 2003	Q3 FY 2002	YTD FY 2003	YTD FY 2002
EBIT	$5,703	9,201	25,647	24,837
Depreciation	2,482	2,899	7,902	8,127
Amortization	812	466	2,423	1,086
EBITDA (**4**)	$8,997(**3**)	12,566	35,972(**3**)	34,050

(2) Excludes Rantec in all periods presented.

(3) EBITDA includes $3.0 million and $5.9 million of net charges previously described in the “Gains/Charges” section of this Release for the three and nine-month periods ended June 30, 2003, respectively.

(4) EBITDA includes MicroSep amounts of ($1.1) million and ($0.1) million for the three-month periods ended June 30, 2003 and 2002, respectively, and ($4.7) million and zero for the nine-month periods ended June 30, 2003 and 2002, respectively.

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