

**PARK ELECTROCHEMICAL REPORTS SECOND QUARTER RESULTS**

Melville, New York, September 20, 2006.....Park Electrochemical Corp. (NYSE-PKE) reported sales of \$66,518,000 for its 2007 fiscal year second quarter ended August 27, 2006 compared to sales of \$52,442,000 for the second quarter of last year. Park's sales for the first six months were \$129,356,000 compared to sales of \$108,118,000 for last year's first six months.

Park reported net earnings before special items of \$8,470,000 for the second quarter ended August 27, 2006 compared to net earnings of \$6,057,000 for last fiscal year's second quarter ended August 28, 2005. During the current year's second quarter, the Company recorded a pre-tax charge of \$1,316,000 in connection with the termination of an insurance arrangement with Jerry Shore, Park's founder and former Chairman, and recognized a \$499,000 tax benefit relating to this insurance termination charge. During the quarter, Park also recognized a tax benefit of \$3,500,000 relating to the elimination of certain valuation allowances previously established relating to deferred tax assets in the United States and a tax benefit of \$1,391,000 relating to the elimination of reserves no longer required as the result of the satisfactory completion of a tax audit. Accordingly, net earnings were \$12,544,000 for the second quarter ended August 27, 2006 compared to net earnings of \$6,057,000 for last fiscal year's second quarter ended August 28, 2005.

For the six-month period ended August 27, 2006, Park reported net earnings before special items of \$17,364,000 compared to net earnings of \$12,444,000 for last year's first six-month period. As mentioned above, the Company recorded a pre-tax charge of \$1,316,000 in connection with the termination of an insurance arrangement and recognized a tax benefit of \$499,000 relating to the insurance termination charge, a tax benefit of \$3,500,000 relating to the elimination of valuation allowances and a tax benefit of \$1,391,000 relating to the elimination of reserves no longer required. Last year's six-month period included an after-tax charge of \$1,059,000 for employment termination benefits related to the reduction in workforce at the Company's Neltec Europe SAS subsidiary in Mirebeau, France, which the Company recorded in the first quarter ended May 29, 2005. Accordingly, net earnings were \$21,438,000 for the six-month period ended August 27, 2006 compared to net earnings of \$11,385,000 for last year's first six-months.

Park reported diluted earnings per share before special items of \$.42 and \$.86, respectively for the second quarter and six-month period ended August 27, 2006 compared to \$.30 and \$.62 for last year's second quarter and six-month period. Diluted earnings per share were \$.62 and \$1.06, respectively, for the second quarter and six-months ended August 27, 2006 compared to \$.30 and \$.57, respectively, for last year's second quarter and first six-month period.

The Company will conduct a conference call to discuss its financial results at 11:00 a.m. EDT today. Forward-looking and other material information may be discussed in this conference call. The conference call dial-in number is (888) 802-2280.

For those unable to listen to the call live, a conference call replay will be available from approximately 2:00 p.m. EDT today through 11:59 p.m. EDT on Sunday, September 24, 2006. The conference call replay can be accessed by dialing (888) 203-1112 and entering passcode 4729798 or on the Company's web site at [www.parkelectro.com](http://www.parkelectro.com) under the caption "Investor Conference Calls".

Any additional material financial or statistical data disclosed in the conference call will also be available at the time of the conference call on the Company's web site at [www.parkelectro.com](http://www.parkelectro.com) under the caption "Investor Conference Calls".

Park believes that an evaluation of its ongoing operations would be difficult if the disclosure of its financial results were limited to generally accepted accounting principles ("GAAP") financial measures, which include special items, such as insurance arrangement termination charges, tax benefits and employment termination benefits charges. Accordingly, in addition to disclosing its financial results determined in accordance with GAAP, Park discloses non-GAAP operating results that exclude special items in order to assist its shareholders and other readers in assessing the Company's operating performance, since the Company's on-going, normal business operations do not include such special items. The detailed operating information presented below reconciles the non-GAAP operating results before special items to net earnings determined in accordance with GAAP. Such non-GAAP financial measures are provided to supplement the results provided in accordance with GAAP.

Certain portions of this press release may be deemed to constitute forward looking statements that are subject to various factors which could cause actual results to differ materially from Park's expectations. Such factors include, but are not limited to, general conditions in the electronics industry, Park's competitive position, the status of Park's relationships with its customers, economic conditions in international markets, the cost and availability of utilities, and the various factors set forth in Item 1A "Risk Factors" and under the caption "Factors That May Affect Future Results" after Item 7 of Park's Annual Report on Form 10-K for the fiscal year ended February 26, 2006.

Park Electrochemical Corp. is a global advanced materials company which develops and manufactures high-technology digital and RF/microwave printed circuit materials (the Nelco® product line) and advanced composite materials (the Nelcote™ product line) principally for the telecommunications and internet infrastructure, high-end computing and aerospace markets. Park's core capabilities are in the areas of polymer chemistry formulation and coating technology. The Company's manufacturing facilities are located in Singapore, China, France, Connecticut, New York, Arizona and California.

Additional corporate information is available on the Company's web site at [www.parkelectro.com](http://www.parkelectro.com).

The performance table (in thousands, except per share amounts—unaudited):

	<u>13 weeks Ended</u>		<u>26 weeks Ended</u>	
	<u>8/27/06</u>	<u>8/28/05</u>	<u>8/27/06</u>	<u>8/28/05</u>
Sales	\$66,518	\$52,442	\$129,356	\$108,118
Net Earnings before Special Items	\$8,470	\$6,057	\$17,364	\$12,444
Special Items	<u>4,074</u>	<u>-</u>	<u>4,074</u>	<u>(1,059)</u>
Net Earnings	\$12,544	\$6,057	\$21,438	\$11,385
Basic and Diluted Earnings Per Share:				
Basic Earnings before Special Items	\$0.42	\$0.30	\$0.86	\$0.62
Special Items	<u>0.20</u>	<u>-</u>	<u>0.20</u>	<u>(0.05)</u>
Basic Earnings Per Share	\$0.62	\$0.30	\$1.06	\$0.57
Diluted Earnings before Special Items	\$0.42	\$0.30	\$0.86	\$0.62
Special Items	<u>0.20</u>	<u>-</u>	<u>0.20</u>	<u>(0.05)</u>
Diluted Earnings Per Share	\$0.62	\$0.30	\$1.06	\$0.57
Weighted Average Shares Outstanding:				
Basic	20,183	20,032	20,159	19,989
Diluted	20,295	20,223	20,311	20,149

The comparative balance sheets (in thousands):

	<u>8/27/06</u> (unaudited)	<u>2/26/06</u>
<u>Assets</u>		
Current Assets		
Cash and Marketable Securities	\$192,458	\$199,652
Accounts Receivable, Net	41,299	35,964
Inventories	16,319	15,022
Other Current Assets	<u>4,607</u>	<u>3,023</u>
Total Current Assets	254,683	253,661
Fixed Assets, Net	51,556	54,370
Other Assets	<u>6,891</u>	<u>3,281</u>
Total Assets	<u>\$313,130</u>	<u>\$311,312</u>
<u>Liabilities and Stockholders' Equity</u>		
Current Liabilities		
Accounts Payable	\$ 14,893	\$ 13,259
Accrued Liabilities	16,885	14,651
Income Taxes Payable	<u>7,743</u>	<u>10,817</u>
Total Current Liabilities	39,521	38,727
Deferred Income Taxes	5,185	5,193
Restructuring Accruals – Non-Current	4,472	4,718
Liability from Discontinued Operations	<u>17,252</u>	<u>17,251</u>
Total Liabilities	66,430	65,889
Stockholders' Equity	<u>246,700</u>	<u>245,423</u>
Total Liabilities and Stockholders' Equity	<u>\$313,130</u>	<u>\$311,312</u>
Equity Per Share	<u>\$12.22</u>	<u>\$12.20</u>

Detailed operating information (in thousands – unaudited):

	<u>13 Weeks Ended</u>		<u>26 Weeks Ended</u>	
	<u>8/27/06</u>	<u>8/28/05</u>	<u>8/27/06</u>	<u>8/28/05</u>
Net Sales	\$ 66,518	\$ 52,442	\$ 129,356	\$ 108,118
Cost of Sales	50,474	40,847	96,949	84,493
%	75.9%	77.9%	74.9%	78.1%
Gross Profit	16,044	11,595	32,407	23,625
%	24.1%	22.1%	25.1%	21.9%
Selling, General and Administrative Expenses	6,836	5,953	13,597	12,222
%	10.3%	11.3%	10.6%	11.4%
Profit from Operations	9,208	5,642	18,810	11,403
%	13.8%	10.8%	14.5%	10.5%
Other Income	1,792	1,483	3,741	2,819
%	2.7%	2.8%	2.9%	2.6%
Pre-Tax Operating Profit	11,000	7,125	22,551	14,222
%	16.5%	13.6%	17.4%	13.2%
Income Tax Provision	2,530	1,068	5,187	1,778
Effective Tax Rate	23.0%	15.0%	23.0%	12.5%
Net Profit Before Special Items	8,470	6,057	17,364	12,444
%	12.7%	11.5%	13.4%	11.5%
Special Items:				
Employment Termination Benefits Charge	-	-	-	1,059
%	-	-	-	1.0%
Insurance Arrangement Termination Charge	1,316	-	1,316	-
%	2.0%	-	1.0%	-
Income Tax Provision (Benefit)	(5,390)	-	(5,390)	-
Effective Tax Rate	-55.7%	-	-25.4%	-
After-Tax Special Items	4,074	-	4,074	1,059
%	6.1%	-	3.1%	1.0%
After Special Items:				
Earnings Before Income Taxes	9,684	7,125	21,235	13,163
%	14.6%	13.6%	16.4%	12.2%
Income Tax Provision (Benefit)	(2,860)	1,068	(203)	1,778
Effective Tax Rate	-29.5%	15.0%	-1.0%	13.5%
Net Earnings	12,544	6,057	21,438	11,385
%	18.9%	11.5%	16.6%	10.5%

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