

PARK ELECTROCHEMICAL CORP. REPORTS THIRD QUARTER RESULTS

Melville, New York, December 20, 2006.....Park Electrochemical Corp. (NYSE-PKE) reported sales of \$68,195,000 for its 2007 fiscal year third quarter ended November 26, 2006 compared to sales of \$57,159,000 for the third quarter of last year. Park's sales for the first nine months were \$197,551,000 compared to sales of \$165,277,000 for last year's first nine months.

Park reported net earnings of \$9,529,000 for the third quarter ended November 26, 2006 compared to net earnings before special items of \$8,233,000 for the third quarter ended November 27, 2005. During last year's third quarter, the Company recognized a tax benefit of \$1,512,000 relating to the elimination of certain valuation allowances previously established related to deferred tax assets in the United States. Accordingly, net earnings were \$9,529,000 for the third quarter ended November 26, 2006 compared to net earnings of \$9,745,000 for the third quarter ended November 27, 2005.

For the nine-month period ended November 26, 2006, Park reported net earnings before special items of \$26,893,000 compared to net earnings before special items of \$20,677,000 for last year's nine-month period. 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 agreement with Jerry Shore, Park's founder and former Chairman, and recognized a \$499,000 tax benefit relating to the insurance termination charge, a tax benefit of \$3,500,000 relating to the elimination of certain valuation allowances previously established related 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 completion of a tax audit. Last year's nine-month period included the tax benefit of \$1,512,000 relating to the elimination of valuation allowances mentioned above and an after tax charge of \$1,059,000 in last year's first quarter for employment termination benefits related to the reduction in workforce at the Company's Neltec Europe SAS subsidiary in Mirebeau, France. Accordingly, net earnings were \$30,967,000 for the nine-month period ended November 26, 2006 compared to \$21,130,000 for last year's first nine-months.

Park reported diluted earnings per share before special items of \$.47 and \$1.32, respectively, for the third quarter and nine-month period ended November 26, 2006, compared to \$.41 and \$1.03, respectively, for last year's third quarter and nine-month period. Diluted earnings per share after special items were \$.47 and \$1.52, respectively, for the third quarter and nine month period ended November 26, 2006 compared to \$.48 and \$1.05, respectively, for last year's third quarter and nine-month period.

The Company will conduct a conference call to discuss its financial results at 11:00 a.m. EST today. Forward-looking and other material information may be discussed in this conference call. The conference call dial-in number is (877) 704-5384.

For those unable to listen to the call live, a conference call replay will be available from approximately 2:00 p.m. EST today through 11:59 p.m. EST on Sunday, December 24, 2006. The conference call replay can be accessed by dialing (888) 203-1112 and entering pass code 3341185 or on the Company's web site at 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 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 raw materials and 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.

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

	<u>13 weeks Ended</u>		<u>39 weeks Ended</u>	
	<u>11/26/06</u>	<u>11/27/05</u>	<u>11/26/06</u>	<u>11/27/05</u>
Sales	\$68,195	\$57,159	\$197,551	\$165,277
Net Earnings before Special Items	\$9,529	\$8,233	\$26,893	\$20,677
Special Items	<u>-</u>	<u>1,512</u>	<u>4,074</u>	<u>453</u>
Net Earnings	\$9,529	\$ 9,745	\$ 30,967	\$21,130
Basic and Diluted Earnings per Share:				
Basic Earnings before Special items	\$0.47	\$0.41	\$1.33	\$1.04
Special Items	<u>0.00</u>	<u>0.07</u>	<u>0.20</u>	<u>0.02</u>
Basic Earnings per Share	\$0.47	\$0.48	\$1.53	\$1.06
Diluted Earnings before Special Items	\$0.47	\$0.41	\$1.32	\$1.03
Special Items	<u>0.00</u>	<u>0.07</u>	<u>0.20</u>	<u>0.02</u>
Diluted Earnings per Share	\$0.47	\$0.48	\$1.52	\$1.05
Weighted Average Shares Outstanding:				
Basic	20,189	20,099	20,169	20,026
Diluted	20,332	20,251	20,328	20,183

The comparative balance sheets (in thousands):

	<u>11/26/06</u> (unaudited)	<u>2/26/06</u>
<u>Assets</u>		
Current Assets		
Cash and Marketable Securities	\$196,835	\$199,652
Accounts Receivable, Net	43,936	35,964
Inventories	16,191	15,022
Other Current Assets	<u>4,459</u>	<u>3,023</u>
Total Current Assets	261,421	253,661
Fixed Assets, Net	50,653	54,370
Other Assets	<u>6,880</u>	<u>3,281</u>
Total Assets	<u>\$318,954</u>	<u>\$311,312</u>
<u>Liabilities and Stockholders' Equity</u>		
Current Liabilities		
Accounts Payable	\$ 14,446	\$ 13,259
Accrued Liabilities	16,137	14,651
Income Taxes Payable	<u>5,966</u>	<u>10,817</u>
Total Current Liabilities	36,549	38,727
Deferred Income Taxes	5,185	5,193
Restructuring Accruals – Non-Current	4,349	4,718
Liability from Discontinued Operations	<u>17,251</u>	<u>17,251</u>
Total Liabilities	63,334	65,889
Stockholders' Equity	<u>255,620</u>	<u>245,423</u>
Total Liabilities and Stockholders' Equity	<u>\$318,954</u>	<u>\$311,312</u>
Equity per Share	<u>\$12.66</u>	<u>\$12.20</u>

Detailed operating information (in thousands - unaudited):

	<u>13 Weeks Ended</u>		<u>39 Weeks Ended</u>	
	<u>11/26/06</u>	<u>11/27/05</u>	<u>11/26/06</u>	<u>11/27/05</u>
Net Sales	\$ 68,195	\$ 57,159	\$ 197,551	\$ 165,277
Cost of Sales	50,954	41,867	147,903	126,360
%	74.7%	73.2%	74.9%	76.5%
Gross Profit	17,241	15,292	49,648	38,917
%	25.3%	26.8%	25.1%	23.5%
Selling, General and Administrative Expenses	6,744	6,092	20,341	18,314
%	9.9%	10.7%	10.3%	11.0%
Profit from Operations	10,497	9,200	29,307	20,603
%	15.4%	16.1%	14.8%	12.5%
Other Income	1,871	1,562	5,612	4,381
%	2.7%	2.7%	2.8%	2.7%
Pre-Tax Operating Profit	12,368	10,762	34,919	24,984
%	18.1%	18.8%	17.7%	15.1%
Income Tax Provision	2,839	2,529	8,026	4,307
Effective Tax Rate	23.0%	23.5%	23.0%	17.2%
Net Profit before Special Items	9,529	8,223	26,893	20,677
%	14.0%	14.4%	13.6%	8.2%
Special Items:				
Employment Termination Benefits Charge	-	-	-	1,059
%	-	-	-	0.6%
Insurance Arrangement Termination Charge	-	-	1,316	-
%	-	-	0.7%	-
Income Tax Provision (Benefit)	-	(1,512)	(5,390)	(1,512)
Effective Tax Rate	-	(14.0%)	(15.4%)	(6.0%)
After-Tax Special Items	-	1,512	4,074	453
%	-	2.6%	2.1%	0.3%
After Special Items:				
Earnings before Income Taxes	12,368	10,762	33,603	23,925
%	18.1%	18.8%	17.0%	14.5%
Income Tax Provision (Benefit)	2,839	1,017	2,636	2,795
Effective Tax Rate	23.0%	9.4%	7.8%	11.7%
Net Earnings	9,529	9,745	30,967	21,130
%	14.0%	17.0%	15.7%	12.8%

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