

## ***Todd Shipyards Corporation Announces Quarterly Financial Results for January 1, 2006***

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**SEATTLE, WASHINGTON February 6, 2006** Todd Shipyards Corporation (the "Company") announced financial results for the third quarter ended January 1, 2006. In accordance with the Company's policy of ending its fiscal year on the Sunday nearest March 31, the Company's fiscal year 2005 ended on April 3, 2005 and included 53 weeks. As a result, the Company's fiscal 2005 nine month period contained 40 weeks rather than 39 weeks in the nine month period ended January 1, 2006

For the third quarter ended January 1, 2006, the Company reported net income of \$1.5 million or \$0.26 per diluted share on revenue of \$31.6 million. For the nine month period then ended, the Company reported net income of \$8.4 million or \$1.49 per diluted share on revenue of \$169.2 million. For the prior year third quarter ended January 2, 2005, the Company reported net income of \$1.3 million or \$0.24 per diluted share on revenue of \$21.4 million. For the nine month period then ended, the Company reported income of \$5.0 million or \$0.90 per diluted share on revenue of \$90.1 million.

The Company's third quarter revenue of \$31.6 million reflects an increase of \$10.2 million (48%) from the same period last fiscal year. The quarter-to-quarter increase largely results from increased work volumes, primarily attributable to work for the US Coast Guard on the Polar Class Ice Breaker Polar Sea, for the Navy on the USS STENNIS and work on submarines for Electric Boat Corporation ("EB"). Revenues for the first nine months of fiscal year 2006 of \$169.2 million reflect an increase of \$79.1 million (88%) from fiscal year 2005 comparable periods. The increase in revenue in the first nine months of fiscal year 2006 is also primarily attributable to work for the Navy on the USS STENNIS, for the US Coast Guard on the Polar Class Ice Breakers Polar Star and Polar Sea and work on submarines for EB.

For the quarter ended January 1, 2006, the Company reported operating income of \$1.8 million, equal to the prior year quarter ended January 2, 2005. The year over year decrease in third quarter operating income as a percent of revenue is attributable to lower than historical expected profits recognized on the USS STENNIS as a result of cost overruns and production issues, compared to profits on Navy work in the third quarter of 2005.

For the nine month period then ended, the Company reported operating income of \$11.6 million, an increase of \$4.8 million from operating income reported during the comparable prior nine month period. As previously described, the increase in operating income during the first nine months of fiscal year 2006 is attributable to an increase in work for the US Coast Guard, for the Navy and for work on submarines under contracts with EB, partially offset by the lower than historical expected profits recognized on the USS STENNIS.

For the third quarter and nine month periods ending January 1, 2006, the Company reported net gains on the sale of available-for-sale securities, investment income and other income of \$0.5 million and \$1.1 million, respectively. During the same periods ending January 2, 2005, the Company reported net gains on the sale of available-for-sale securities, investment income and other income of \$0.2 million and \$0.6 million, respectively.

For the quarter ended January 1, 2006, the Company recorded \$0.8 million in federal income tax expense. During the nine month period then ended, the Company recorded \$4.3 million in federal income tax expense. During the same periods ended January 2, 2005, the Company recorded \$0.7 million and \$2.4 million in federal income tax expense, respectively.

The results of operations are as follows:

**TODD SHIPYARDS CORPORATION**  
**UNAUDITED CONSOLIDATED STATEMENTS OF INCOME**

Periods ended January 1, 2006 and January 2, 2005  
(in thousands of dollars, except per share data)

	<b>Quarter Ended</b>		<b>Nine Months Ended</b>	
	<b><u>01/01/06</u></b>	<b><u>01/02/05</u></b>	<b><u>01/01/06</u></b>	<b><u>01/02/05</u></b>
Revenues	\$ 31,557	\$ 21,353	\$ 169,200	\$ 90,068
Operating expenses:				
Cost of revenue	22,032	11,877	125,137	57,242
Administrative and manufacturing overhead expenses	7,824	7,729	32,708	26,067
Environmental reserve provision	-	-	-	125
Other - insurance settlements	(73)	(32)	(207)	(87)
Total operating expenses	<u>29,783</u>	<u>19,574</u>	<u>157,638</u>	<u>83,347</u>
Operating income	1,774	1,779	11,562	6,721
Investment and other income	453	230	1,116	635
Gain on sales of available-for-sale securities	<u>-</u>	<u>(1)</u>	<u>13</u>	<u>(8)</u>
Income before income taxes	2,227	2,008	12,691	7,348
Income tax expense	(775)	(678)	(4,340)	(2,366)
Net income	<u>\$ 1,452</u>	<u>\$ 1,330</u>	<u>\$ 8,351</u>	<u>\$ 4,982</u>
Net income per Common Share:				
Diluted	<u>\$ 0.26</u>	<u>\$ 0.24</u>	<u>\$ 1.49</u>	<u>\$ 0.90</u>
Number of shares used in the calculation of earnings per share (thousands)	<u>5,617</u>	<u>5,563</u>	<u>5,600</u>	<u>5,561</u>

A copy of the Company's financial statements for the quarter and nine-months ended January 1, 2006 will be filed with the Securities & Exchange Commission as part of its quarterly report on Form 10-Q. This earnings report should be read in conjunction with the Company's Form 10-Q.

**TODD SHIPYARDS CORPORATION**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**

January 1, 2006 and April 3, 2005  
(in thousands of dollars)

	<b>Period Ended</b>	
	<u><b>01/01/06</b></u> (Unaudited)	<u><b>04/03/05</b></u> (Audited)
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,681	\$ 3,823
Securities available-for-sale	41,400	34,964
Accounts receivable, net	9,108	17,664
Insurance receivable - current	7,101	14,328
Other current assets	<u>13,987</u>	<u>16,850</u>
Total Current Assets	76,277	87,629
Property, plant and equipment, net	29,101	27,333
Deferred pension asset	27,540	28,127
Insurance receivable	9,350	9,401
Other long-term assets	<u>4,601</u>	<u>3,961</u>
Total Assets	<u><u>\$ 146,869</u></u>	<u><u>\$ 156,451</u></u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Accounts payable and		
accruals including taxes payable	\$ 14,456	\$ 22,430
Environmental and other reserves - current	7,099	14,328
Other current liabilities	<u>4,280</u>	<u>4,676</u>
Total Current Liabilities	25,835	41,434
Environmental and other reserves	12,130	12,408
Accrued post retirement benefits	14,522	14,957
Other non-current liabilities	<u>8,679</u>	<u>8,845</u>
Total Liabilities	61,166	77,644
Total stockholders' equity	<u>85,703</u>	<u>78,807</u>
Total liabilities and stockholders' equity	<u><u>\$ 146,869</u></u>	<u><u>\$ 156,451</u></u>

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