

TODD SHIPYARDS CORPORATION ANNOUNCES QUARTERLY FINANCIAL RESULTS FOR OCTOBER 1, 2006

VIA FACSIMILE
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SEATTLE, WASHINGTON...November 9, 2006...Todd Shipyards Corporation (the "Company") announced financial results for the second quarter ended October 1, 2006. For the quarter, the Company reported net income of \$0.2 million or \$0.03 per diluted share on revenue of \$16.5 million. For the prior year second quarter ended October 2, 2005, the Company reported net income of \$4.4 million or \$0.79 per diluted share on revenue of \$70.8 million.

Revenue and profitability continue to be adversely impacted by lower Navy work volumes, as compared with the prior year. The majority of the Company's Navy work volumes are associated with vessel availabilities executed under multi-year option contracts. In first quarter of the prior year, revenues and profitability were favorably impacted by overhaul work on the aircraft carrier USS Stennis, Post Shakedown Availability work on the destroyer USS Momsen, and the planned maintenance availability (docking) of the U.S. Coast Guard Polar Sea icebreaker, all of which completed prior to the current fiscal year. In contrast, the second quarter of the current year coincided with the beginning execution phase for overhaul work on the aircraft carrier USS Lincoln.

For the quarter ended October 1, 2006, the Company reported an operating loss of \$0.1 million. In the prior year quarter ended October 2, 2005, the Company reported operating income of \$6.4 million. The decrease in operating income is primarily attributable to the above mentioned decreases in work volumes.

The Company reported investment and other income of \$0.3 million and \$0.4 million for the quarters ended October 1, 2006 and October 2, 2005, respectively.

For the second quarter ended October 1, 2006, the Company reported a gain before income taxes of \$0.3 million and recorded \$87,000 of federal income tax expense, resulting in net income for the period of \$0.2 million. For the prior year second quarter ended October 2, 2005, the Company reported income before income taxes of \$6.7 million and recorded \$2.3 million in federal income tax expense, resulting in net income reported for the period of \$4.4 million.

"SAFE HARBOR" STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

Statements contained in this Release which are not historical facts or information are "forward-looking statements." Words such as "believe," "expect," "intend," "will," "should," and other expressions that indicate future events and trends identify such forward-looking statements. These forward-looking statements involve risks and uncertainties, which could cause the outcome to be materially different than stated. Such risks and uncertainties include matters which relate directly to the Company's operations and properties and are discussed in the Company's filings with the Securities & Exchange Commission, as well as general economic risks and uncertainties. The Company cautions that any forward-looking statement reflects only the belief of the Company or its management at the time the statement was made. Although the Company believes such forward-looking statements are based upon reasonable assumptions, such assumptions may ultimately prove to be inaccurate or incomplete. The Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement was made.

The results of operations are as follows:

TODD SHIPYARDS CORPORATION UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

Periods ended October 1, 2006 and October 2, 2005

(in thousands of dollars, except per share data)

	Three Months Ended		Six Months Ended	
	10/01/06	10/02/05	10/01/06	10/02/05
Revenues	\$ 16,471	\$ 70,761	\$ 36,621	\$ 137,644
Operating expenses:				
Cost of revenue	11,308	53,269	24,356	103,104
Administrative and manufacturing overhead	5,278	11,212	14,233	24,885
Other insurance settlements	(12)	(72)	(52)	(135)
Total operating expenses	16,574	64,409	38,537	127,854
Operating income (loss)	(103)	6,352	(1,916)	9,790
Investment and other income	259	376	707	661
Gain on available-for-sale securities	99	-	371	13
Income (loss) before income tax expense	255	6,728	(838)	10,464
Income tax benefit (expense)	(87)	(2,292)	285	(3,565)
Net income (loss)	\$ 168	\$ 4,436	\$ (553)	\$ 6,899
Net income (loss) per common share				
Diluted	\$ 0.03	\$ 0.79	\$ (0.10)	\$ 1.23
Weighted average shares outstanding				
Diluted	5,712	5,589	5,562	5,590

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

TODD SHIPYARDS CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS

October 1, 2006 and April 2, 2006

(in thousands of dollars)

	<u>10/01/06</u>	<u>04/02/06</u>
ASSETS		
Cash and cash equivalents	\$ 3,032	\$ 6,581
Securities available-for-sale	15,679	40,349
Accounts receivable	6,848	10,532
Insurance receivable	165	165
Other current assets	19,607	16,988
<i>Total current assets</i>	45,332	74,615
Property, plant and equipment, net	29,995	29,893
Deferred pension assets	26,805	27,199
Insurance receivable	9,790	11,203
Other long-term assets	4,301	4,345
<i>Total assets</i>	<u>\$ 116,223</u>	<u>\$ 147,255</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accruals, including taxes payable	11,123	17,888
Environmental and other reserves	165	165
Other current liabilities	6,863	6,301
<i>Total current liabilities</i>	18,151	24,354
Environmental and other reserves	12,446	13,994
Accrued post retirement health benefits	14,264	14,440
Other non-current liabilities	8,487	8,754
<i>Total liabilities</i>	53,348	61,542
<i>Total stockholders' equity</i>	62,875	85,713
<i>Total liabilities and stockholders' equity</i>	<u>\$ 116,223</u>	<u>\$ 147,255</u>

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