

TODD SHIPYARDS CORPORATION ANNOUNCES QUARTERLY FINANCIAL RESULTS FOR DECEMBER 31, 2006

VIA FACSIMILE
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SEATTLE, WASHINGTON...February 8th, 2007...Todd Shipyards Corporation (the "Company") announced financial results for the third quarter ended December 31, 2006. For the quarter, the Company reported net income of \$2.4 million or \$0.43 per diluted share on revenue of \$44.2 million. For the nine month period then ended, the Company reported net income of \$1.9 million or \$0.33 per diluted share on revenue of \$80.8 million. For the prior year 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.

The Company's third quarter revenue of \$44.2 million reflects an increase of \$12.6 million (40%) from the same period last fiscal year. The quarter to quarter increase largely results from higher work volumes primarily attributable to work for the Navy on the aircraft carrier USS Lincoln.

Revenues for the first nine months of fiscal year 2007 of \$80.8 million reflect a decrease of \$88.4 million (52%) from the comparable period of fiscal year 2006. The revenue decrease in the first nine months of fiscal year 2007 is primarily attributable to reductions in Navy and Coast Guard volumes. The majority of the Company's Navy work volumes are associated with vessel availabilities executed under multi-year option contracts. In the first nine months of the prior year, revenues were favorably impacted by overhaul work on the Navy aircraft carrier USS Stennis, post shakedown availability work on the Navy destroyer USS Momsen, the scheduled service availability (docking) of the Navy frigate USS Ford 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 first nine months of the current year coincided with planning and overhaul work on the aircraft carrier USS Lincoln and lower volumes associated with work for the Coast Guard on the Polar Star and Healy icebreakers.

For the quarter ended December 31, 2006, the Company reported operating income of \$2.7 million, an increase of \$0.9 million from operating income reported for the prior year quarter ended January 1, 2006. The year over year increase in third quarter operating income is attributable to the aforementioned increases work volumes.

For the nine month period ended December 31, 2006, the Company reported operating income of \$0.4 million, a decrease of \$11.2 million from operating income reported during the comparable period of the prior fiscal year. As previously described, the decrease in operating income during the first nine months of fiscal year 2007 is attributable to decreases in work for the Navy and Coast Guard.

For the third quarter and nine month period ending December 31, 2006, the Company reported net gains on available-for-sale securities, investment income and other income of \$1.1 million and \$2.5 million, respectively. During the same periods ending January 1, 2006, the Company reported net gains on available-for-sale securities, investment income and other income of \$0.5 million and \$1.1 million, respectively.

For the third quarter ended December 31, 2006, the Company recorded \$1.3 million in federal income tax expense. During the nine month period then ended, the Company recorded \$1.0 million in federal income

tax expense. During the same periods ended January 1, 2006, the Company recorded \$0.8 million and \$4.3 million in federal income tax expense, respectively.

"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 December 31, 2006 and January 1, 2006
(in thousands of dollars, except per share data)

	Three Months Ended		Nine Months Ended	
	12/31/2006	1/1/2006	12/31/2006	1/1/2006
Revenues	\$ 44,150	\$ 31,557	\$ 80,771	\$ 169,200
Operating expenses:				
Cost of revenue	31,226	22,032	55,936	125,137
Administrative and manufacturing overhead	10,278	7,824	24,511	32,708
Other insurance settlements	(17)	(73)	(69)	(207)
Total operating expenses	41,487	29,783	80,378	157,638
Operating income	2,663	1,774	393	11,562
Investment and other income	997	453	2,058	1,116
Gain on available-for-sale securities	59	-	429	13
Income before income tax expense	3,719	2,227	2,880	12,691
Income tax benefit (expense)	(1,279)	(775)	(994)	(4,340)
Net income	\$ 2,440	\$ 1,452	\$ 1,887	\$ 8,351
Net income per common share				
Diluted	\$ 0.43	\$ 0.26	\$ 0.33	\$ 1.49
Weighted average shares outstanding				
Diluted	5,637	5,617	5,708	5,600

A copy of the Company's financial statements for the quarter ended December 31, 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

December 31, 2006 and January 1, 2006

(in thousands of dollars)

	<u>12/31/06</u>	<u>04/02/06</u>
ASSETS		
Cash and cash equivalents	\$ 579	\$ 6,581
Securities available-for-sale	15,633	40,349
Accounts receivable	10,037	10,532
Insurance receivable	165	165
Other current assets	<u>23,607</u>	<u>16,988</u>
<i>Total current assets</i>	50,021	74,615
Property, plant and equipment, net	29,618	29,893
Deferred pension assets	26,609	27,199
Insurance receivable	9,605	11,203
Other long-term assets	4,378	4,345
<i>Total assets</i>	<u>\$ 120,231</u>	<u>\$ 147,255</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable and accruals, including taxes payable	15,183	17,888
Environmental and other reserves	165	165
Other current liabilities	<u>5,836</u>	<u>6,301</u>
<i>Total current liabilities</i>	21,184	24,354
Environmental and other reserves	12,062	13,994
Accrued post retirement health benefits	14,176	14,440
Other non-current liabilities	<u>8,348</u>	<u>8,754</u>
<i>Total liabilities</i>	55,770	61,542
<i>Total stockholders' equity</i>	<u>64,461</u>	<u>85,713</u>
<i>Total liabilities and stockholders' equity</i>	<u>\$ 120,231</u>	<u>\$ 147,255</u>

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