

## **Park Electrochemical Corp.**

### **December 19, 2012 Investor Conference Call – Supplementary Financial Information**

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The financial and other data contained herein (the “Supplementary Data”) is being provided pursuant to the requirements of Regulation G promulgated by the U.S. Securities and Exchange Commission (the “SEC”). The Supplementary Data is time-sensitive information and is accurate as of December 19, 2012. Park Electrochemical Corp. (“Park” or the “Company”) is under no obligation to (and expressly disclaims any such obligation to) update or alter the Supplementary Data whether as a result of new information, future events or otherwise.

The Supplementary Data should be read in conjunction with our 2013 fiscal year third quarter earnings news release dated December 19, 2012 and the reports and documents that we file from time to time with the SEC. In particular, please read our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and any Current Reports on Form 8-K that we may file from time to time. Park currently expects to file its Quarterly Report on Form 10-Q for the third quarter ended November 25, 2012 on or about January 4, 2013. We make available free of charge on or through our website located at [www.parkelectro.com](http://www.parkelectro.com) our SEC filings on Forms 10-K, 10-Q and 8-K and any amendments to those filings as soon as reasonably practicable after electronic filing with the SEC.

#### **Information to be presented at the December 19, 2012 investor conference call by Matt Farabaugh**

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Certain statements we may make during the course of this discussion which do not relate to historical financial information may be deemed to constitute forward-looking statements. Any forward-looking statements are subject to various factors that could cause actual results to differ materially from our expectations. We have set forth in our most recent Annual Report on Form 10-K for the fiscal year ended February 26, 2012 various factors that could affect future results. Those factors are found in Item 1A and after Item 7 of that Form 10-K. Any forward-looking statements we may make are subject to those factors.

I would first like to summarize the financial information included in the news release for the third quarter ended November 25, 2012 and, in some cases, add a comparison to the second quarter of the 2013 fiscal year.

Net sales for the 2013 fiscal year third quarter ended November 25, 2012 were \$41.3 million compared to net sales of \$47.3 million for the prior fiscal year’s third quarter and compared to net sales of \$46.4 million in the second quarter of the 2013 fiscal year. Park’s sales for the first nine months were \$133.7 million compared to sales of \$149.6 million for the prior fiscal year’s first nine months.

Net earnings before special items for the 2013 fiscal year third quarter were \$5.1 million compared to net earnings of \$5.4 million for the prior fiscal year’s third quarter and compared to net earnings before special items of \$5.8 million in the second quarter of the 2013 fiscal year. During the current year’s third quarter, the Company recorded pre-tax charges of \$0.6 million in connection with the closure of its Nelco Technology (Zhuhai FTZ) Ltd. facility located in the Free Trade Zone in Zhuhai, China and its Park Advanced Composite Materials, Inc. facility located in Waterbury, Connecticut. Accordingly, net earnings were \$4.7 million for the third quarter ended November 25, 2012.

Park’s net earnings before special items for the first nine months were \$15.8 million compared to net earnings before special items of \$19.2 million for the prior fiscal year’s first nine months. The current year nine-month period included pre-tax charges of \$3.1 million primarily related to the facility closure mentioned above. The prior fiscal year’s nine-month period included other pre-tax income of \$1.6 million relating to the settlement of certain lawsuits. Accordingly, net earnings were \$12.9 million for the nine-month period ended November 25, 2012 compared to \$20.3 million for the nine-month period ended November 27, 2011.

Park's diluted earnings per share before special items were \$0.25 for the 2013 fiscal year third quarter compared to diluted earnings per share of \$0.26 for the prior fiscal year's third quarter and diluted earnings per share before special items of \$0.28 for the second quarter of the 2013 fiscal year. Diluted earnings per share were \$0.23 for the third quarter ended November 25, 2012.

Park's diluted earnings per share before special items were \$0.76 for the nine months ended November 25, 2012 compared to diluted earnings per share before special items of \$0.93 for the prior fiscal year's nine-month period. Diluted earnings per share were \$0.62 for the nine months ended November 25, 2012 compared to \$0.98 for the nine months ended November 27, 2011.

Now I'd like to briefly review some of the other significant items in our third quarter P&L:

During the fiscal year 2013 third quarter, North American sales were 46% of total sales, European sales were 8% of total sales and Asian sales were 46% of total sales, compared to 46%, 15% and 39%, respectively, for the third quarter of the prior fiscal year and 42%, 9% and 49%, respectively, for the second quarter of fiscal year 2013.

Sales of Park's high performance (non-FR-4) printed circuit materials were 82% of total laminate and prepreg material sales in the third quarter of fiscal year 2013, 79% in the third quarter of the prior fiscal year and 82% in the second quarter of fiscal year 2013.

Sales of Park's aerospace materials and parts were \$5.5 million in the third quarter of the 2013 fiscal year compared to \$7.0 million in the third quarter of the prior fiscal year and compared to \$5.8 million in the second quarter of the 2013 fiscal year. Sales of aerospace materials and parts were \$18.9 million for the first nine months of the current fiscal year compared to \$19.8 million for the prior year's comparable period.

The gross profit percentage for the third quarter of fiscal 2013 was 30.4% compared to 27.5% for the prior fiscal year third quarter and 28.4% in the second quarter of the 2013 fiscal year. Selling, general and administrative expenses were 15.4% of net sales for the 2013 fiscal year third quarter compared to 14.8% for the prior year's third quarter and 14.2% in the second quarter of the 2013 fiscal year. Selling, general and administrative expenses include net foreign exchange gains of \$53,000 in the third quarter of fiscal year 2013 and foreign exchange losses of \$94,000 in the prior fiscal year third quarter and \$75,000 in second quarter of fiscal year 2013.

Park reported earnings before income taxes and special items of \$6.3 million for the third quarter ended November 25, 2012 compared to earnings before income taxes of \$6.2 for the prior fiscal year third quarter and earnings before income taxes and special items of \$6.8 million in the second quarter of the 2013 fiscal year. Park recorded no special items during the 2012 fiscal year third quarter.

Investment income for the third quarter was \$143,000 compared to \$188,000 for the third quarter of fiscal year 2012 and \$179,000 in the second quarter of the 2013 fiscal year.

As a result, pre-tax operating profit before special items was 15.3% of net sales for the 2013 fiscal year third quarter compared to 13.1% for the prior fiscal year third quarter and 14.6% in the second quarter of the 2013 fiscal year. Pre-tax operating profit was 14.0% for the 2013 fiscal year third quarter.

The effective tax rate before special items was 19.1% for the 2013 fiscal year third quarter compared to an effective tax rate of 13.1% for the prior fiscal year third quarter and 15.0% in the second quarter of the 2013 fiscal year. The effective tax rate for the fiscal year 2013 third quarter was 18.2%.

Turning to Park's balance sheet, cash and marketable securities were \$273.5 million at November 25, 2012 compared to \$268.8 million at the end of the prior fiscal year. Working capital was \$301.7 million at the end of the 2013 fiscal year third quarter compared to \$290.1 million at the end of the prior fiscal year. During the current fiscal year's first nine months, the Company had capital expenditures of \$1.2 million and depreciation

expense of \$3.2 million compared to capital expenditures of \$3.4 million and depreciation expense of \$4.3 million for the prior fiscal year's first nine-month period.

Stockholders' equity was \$349.5 million at November 25, 2012 compared to \$343.2 million at the end of the prior fiscal year. Finally, stockholders' equity per share at November 25, 2012 was \$16.80 compared to \$16.50 per share at the end of the prior fiscal year.

### Safe Harbor Statement

The Supplementary Data may contain "forward-looking statements," as defined under the Federal Securities Laws, including the Private Securities Litigation Reform Act of 1995. Certain portions of the Supplementary Data which do not relate to historical financial information 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 or from results which might be projected, forecasted, estimated or budgeted by the Company in forward-looking statements. Generally, you can identify forward-looking statements by the use of words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "goal," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue" and similar expressions or the negative or other variations thereof. Such forward-looking statements are based on current expectations that involve a number of uncertainties and risks that may cause actual events or results to differ materially from Park's expectations. Factors that could cause actual events or results to differ materially include but are not limited to general conditions in the electronics and aerospace industries, 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, transportation and utilities, and the various other 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, 2012. These and other risks may be detailed from time to time in Park's periodic reports filed with the Securities and Exchange Commission, including, but not limited to, its fiscal year 2012 Annual Report on Form 10-K and other SEC filings, copies of which may be obtained from <http://www.sec.gov/>. Park is under no obligation to (and expressly disclaims any such obligation to) update any of the information contained herein if any forward-looking statement later turns out to be inaccurate whether as a result of new information, future events or otherwise.