PARK ELECTROCHEMICAL CORP
Form 10-Q
July 07, 2011
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)
x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 14(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 29, 2011

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ________ to__________

Commission file number 1-4415

PARK ELECTROCHEMICAL CORP.
(Exact Name of Registrant as Specified in Its Charter)

New York (State or Other Jurisdiction of Incorporation or Organization)	11-1734643 (I.R.S. Employer Identification No.)
48 South Service Road, Melville, N.Y. (Address of Principal Executive Offices)	11747 (Zip Code)

(631) 465-3600
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former Name, Former Address and Former Fiscal Year,
if Changed Since Last Report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer o Accelerated Filer x Non-Accelerated Filer o Smaller Reporting Company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 20,726,671 as of July 6, 2011.

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PARK ELECTROCHEMICAL CORP.
AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

PARK ELECTROCHEMICAL CORP.
AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS
(Amounts in thousands)

	May 29, 2011 (Unaudited)	February 27, 2011
ASSETS		
Current assets:		
Cash and cash equivalents	$ 164,872	$ 112,195
Marketable securities (Note 4)	91,084	138,249
Accounts receivable, net	30,231	29,822
Inventories (Note 5)	14,268	12,888
Prepaid expenses and other current assets	3,484	3,805
Total current assets	303,939	296,959
Property, plant and equipment, net	41,379	41,292
Goodwill	7,576	6,476
Other assets	9,416	9,081
Total assets	$ 362,310	$ 353,808
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 11,160	$ 9,944
Accrued liabilities	10,039	9,497
Income taxes payable	6,766	5,812
Total current liabilities	27,965	25,253
Deferred income taxes	1,460	1,460
Other liabilities (Note 7)	1,637	1,787
Total liabilities	31,062	28,500
Stockholders' equity:		
Common stock	2,072	2,072
Additional paid-in capital	154,780	154,459
Retained earnings	171,965	166,795
Treasury stock, at cost	(1)	(1)
Accumulated other comprehensive income	2,432	1,983
Total stockholders' equity	331,248	325,308
Total liabilities and stockholders’ equity	$ 362,310	$ 353,808

*The balance sheet at February 27, 2011 has been derived from the audited financial statements at that date.

See accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

PARK ELECTROCHEMICAL CORP.
AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands, except per share amounts)

	13 weeks ended (Unaudited)	
	May 29, 2011	May 30, 2010
Net sales	$ 51,817	$ 59,026
Cost of sales	35,848	38,863
Gross profit	15,969	20,163
Selling, general and administrative expenses	7,550	7,762
Earnings from operations	8,419	12,401
Interest income and other income	221	76
Earnings from operations before income taxes	8,640	12,477
Income tax provision	1,398	2,608
Net earnings	$ 7,242	$ 9,869
Earnings per share (Note 8)		
Basic	$ 0.35	$ 0.48
Diluted	$ 0.35	$ 0.48
Weighted average number of common and common equivalent shares outstanding:		
Basic shares	20,723	20,561
Diluted shares	20,820	20,608
Dividends per share	$ 0.10	$ 0.10

See accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

PARK ELECTROCHEMICAL CORP.
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CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Amounts in thousands)

	13 Weeks Ended (Unaudited	
	May 29, 2011	May 30, 2010
Cash flows from operating activities:		
Net earnings	$ 7,242	$ 9,869
Depreciation and amortization	1,429	1,746
Amortization of bond premium	361	192
Stock-based compensation	210	289
Change in operating assets and liabilities	964	(3,627)
Net cash provided by operating activities	10,206	8,469
Cash flows from investing activities:		
Purchases of property, plant and equipment	(1,503)	(607)
Purchases of marketable securities	(21,993)	(109,267)
Proceeds from sales and maturities of marketable securities	69,007	59,328
Business acquisition	(1,100)	(1,100)
Net cash provided by (used in) investing activities	44,411	(51,646)
Cash flows from financing activities:		
Dividends paid	(2,072)	(2,054)
Proceeds from exercise of stock options	109	1,477
Tax benefits from exercise of stock options	2	460
Net cash used in financing activities	(1,961)	(117)
Change in cash and cash equivalents before exchange rate changes	52,656	(43,294)
Effect of exchange rate changes on cash and cash equivalents	21	77
Change in cash and cash equivalents	52,677	(43,217)
Cash and cash equivalents, beginning of period	112,195	134,030
Cash and cash equivalents, end of period	$ 164,872	$ 90,813
Supplemental cash flow information:		
Cash paid during the period for income taxes	$ 436	$ 632

See accompanying Notes to the Condensed Consolidated Financial Statements (Unaudited).

PARK ELECTROCHEMICAL CORP.
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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
(Amounts in thousands, except per share and option amounts)

1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated balance sheet as of May 29, 2011, the consolidated statements of operations for the 13 weeks ended May 29, 2011 and May 30, 2010 and the condensed consolidated statements of cash flows for the 13 weeks then ended have been prepared by Park Electrochemical Corp. (the "Company"), without audit. In the opinion of management, these unaudited consolidated financial statements contain all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position at May 29, 2011 and the results of operations and cash flows for all periods presented.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these consolidated financial statements be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended February 27, 2011.

Certain reclassifications have been made to the prior year's consolidated financial statements to conform to the current year's presentation.

2.ACCOUNTS RECEIVABLE

The majority of the Company's accounts receivable are due from purchasers of the Company's printed circuit materials. Credit is extended based on evaluation of a customer's financial condition and, generally, collateral is not required. Accounts receivable are due within established payment terms and are stated at amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding longer than established payment terms are considered past due. The Company determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the Company's previous loss history, the customer's current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. The Company writes off accounts receivable when they become uncollectible.

3.FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date.

Fair value measurements are broken down into three levels based on the reliability of inputs as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. The valuation under this approach does not entail a significant degree of judgment.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets or liabilities in active markets, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates and yield curves observable at commonly quoted intervals or current market) and contractual prices for the underlying financial instrument, as well as other relevant economic measures.

Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The fair value of the Company's cash and cash equivalents, accounts receivable, accounts payable and current liabilities approximate their carrying values due to their short-term nature. Certain assets and liabilities of the Company are required to be recorded at fair value on either a recurring or non-recurring basis. On a recurring basis, the Company records its marketable securities (see Note 4) at fair value using Level 1 inputs.

The Company's non-financial assets measured at fair value on a non-recurring basis include goodwill and any assets and liabilities acquired in a business combination or any long-lived assets written down to fair value. To measure fair value for such assets, the Company uses Level 3 inputs consisting of techniques including an income approach and a market approach. The income approach is based on a discounted cash flow analysis and calculates the fair value by estimating the after-tax cash flows attributable to a reporting unit and then discounting the after-tax cash flows to a present value using a risk-adjusted discount rate. Assumptions used in the discounted cash flow analysis require the exercise of significant judgment, including judgment about appropriate discount rates and terminal value, growth rates and the amount and timing of expected future cash flows.

4.MARKETABLE SECURITIES

The following is a summary of available-for-sale securities:

	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
May 29, 2011:			
U.S. Treasury and other government securities	$ 78	$ -	$ 54,837
U.S. corporate debt securities	113	2	36,247
Total marketable securities	$ 191	$ 2	$ 91,084
February 27, 2011:			
U.S. Treasury and other government securities	$ 39	$ 78	$ 94,777
U.S. corporate debt securities	47	12	43,472
Total marketable securities	$ 86	$ 90	$ 138,249

The estimated fair values of such securities were determined based on observable inputs, which were quoted market prices for identical assets in active markets. The estimated fair values of such securities at May 29, 2011, by contractual maturity, are shown below:

Due in one year or less	$41,304
Due after one year through five years	49,780
	$91,084

5. INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out method) or market. Inventories consisted of the following:

	May 29, 2011	February 27, 2011
Raw materials	$ 7,494	$ 6,257
Work-in-progress	3,014	2,927
Finished goods	3,464	3,404
Manufacturing supplies	296	300
	$ 14,268	$ 12,888

6. STOCK-BASED COMPENSATION

As of May 29, 2011, the Company had a 1992 Stock Option Plan and a 2002 Stock Option Plan, and no other stock-based compensation plan. Both Stock Option Plans have been approved by the Company’s stockholders and provide for the grant of stock options to directors and key employees of the Company. All options granted under such Plans have exercise prices equal to the fair market value of the underlying common stock of the Company at the time of grant, which pursuant to the terms of the Plans, is the reported closing price of the common stock on the New York Stock Exchange on the date preceding the date the option is granted. Options granted under the Plans become exercisable 25% one year from the date of grant, with an additional 25% exercisable each succeeding anniversary of the date of grant, and expire 10 years from the date of grant. The authority to grant additional options under the

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1992 Stock Option Plan expired on March 24, 2002, and options to purchase a total of 1,800,000 shares of common stock were authorized for grant under the 2002 Stock Option Plan. At May 29, 2011, 1,748,545 shares of common stock of the Company were reserved for issuance upon exercise of stock options under the 1992 Stock Option Plan and the 2002 Stock Option Plan and 951,306 options were available for future grant under the 2002 Stock Option Plan. No options of common stock were granted during the 13 week periods ended May 29, 2011 and May 30, 2010, respectively.

The Company records its stock-based compensation at fair value.

The future compensation expense to be recognized in earnings before income taxes for options outstanding at May 29, 2011 will be $1,106 and will be recognized over the next four fiscal years.

The following is a summary of options for the 13 weeks ended May 29, 2011:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contract Life in Months	Aggregated Intrinsic Value
Outstanding at February 27, 2011	802,089	$ 26.05	66.67	$ 4,684
Granted	-	-		
Exercised	(4,450)	24.49		
Terminated or expired	(400)	24.39		
Outstanding at May 29, 2011	797,239	$ 26.06	52.32	$ 2,269
Exercisable at May 29, 2011	584,395	$ 25.79	41.26	$ 2,091

The total intrinsic values of options exercised during the 13 weeks ended May 29, 2011 and May 30, 2010 were $27 and $1,233, respectively.

A summary of the status of the Company's nonvested options at May 29, 2011, and changes during the 13 week period then ended, is presented below:

	Shares Subject to Options	Weighted Average Grant Date Fair Value
Nonvested at February 27, 2011	212,919	$ 6.31
Granted	-	-
Vested	-	-
Terminated	(75)	8.15
Nonvested at May 29, 2011	212,844	$ 6.31

7. RESTRUCTURING CHARGES

As of February 27, 2011, the Company had remaining obligations of $1,314 related to the closure of the Neltec Europe SAS business unit. The Company paid $7 of these obligations in the 13 weeks ended May 29, 2011 and expects to pay the remaining $1,307 during the 2012 fiscal year.

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During the 2004 fiscal year, the Company recorded charges related to the realignment of its North American volume printed circuit materials operations. The charges were for employment termination benefits of $1,258, which were fully paid in fiscal year 2004, and lease and other obligations of $7,292. All costs other than the lease obligations were settled prior to fiscal year 2007. The future lease obligations are payable through September 2013. The remaining balances on the lease obligations relating to the realignment were $1,066 and $1,182 as of May 29, 2011 and February 27, 2011, respectively. For the 13 weeks ended May 29, 2011, the Company applied $116 of lease payments against such lease obligations.

8. EARNINGS PER SHARE

Basic earnings per share are computed by dividing net earnings by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share are computed by dividing net earnings by the sum of (a) the weighted average number of shares of common stock outstanding during the period and (b) the potential common stock equivalents outstanding during the period. Stock options are the only common stock equivalents, and the number of dilutive options is computed using the treasury stock method.

The following table sets forth the calculation of basic and diluted earnings per share for the 13 weeks ended May 29, 2011 and May 30, 2010.

	13 weeks ended			
	May 29, 2011		May 30, 2010	
Net Earnings	$	7,242	$	9,869
Weighted average common shares outstanding for basic EPS		20,723		20,561
Net effect of dilutive options		97		47
Weighted average shares outstanding for diluted EPS		20,820		20,608
Basic earnings per share	$	0.35	$	0.48
Diluted earnings per share	$	0.35	$	0.48

Common stock equivalents, which were not included in the computation of diluted earnings per share because the effect would have been antidilutive as the options' exercise prices were greater than the average market price of the common stock, were 20 and 206 for the 13 weeks ended May 29, 2011 and May 30, 2010, respectively.

9. SHAREHOLDERS' EQUITY

During the 13 weeks ended May 29, 2011, the Company issued 4,450 shares pursuant to the exercise of stock options and recognized stock-based compensation expense and tax benefits from stock-based compensation of $210 and $2, respectively. These transactions resulted in the $321 increase in additional paid-in capital during the period.

10. INCOME TAXES

The Company's effective tax rate for the 13-week period ended May 29, 2011 was 16.2% compared to 20.9% for the 13-week period ended May 30, 2010. The effective rates varied from the U.S. Federal statutory rate primarily due to foreign income taxed at lower rates.

During the third quarter of the 2010 fiscal year, the Company received a retroactive extension and amendment of a development and expansion tax incentive in Singapore for the period July 1, 2007 through June 30, 2011. The extension and amendment provided for reduced tax rates for taxable income in excess of a stipulated base level of taxable income. The Company's policy is to include applicable interest and penalties related to unrecognized tax benefits as a component of income tax expense.

The Internal Revenue Service (the "IRS") conducted an examination of the Company's tax returns for the fiscal years ended 2006, 2007 and 2008. The Company recorded additional reserves and current payables of $385 in fiscal year 2011 based on preliminary findings by the IRS primarily related to transfer pricing. As a result of completing the examination in the first quarter of the 2012 fiscal year, the Company accrued additional current tax liabilities of $250. Upon paying the $1,005 Federal tax assessment, unrecognized tax benefits of $2,044, which were disclosed in Note 7 of the Notes to Consolidated Financial Statements in Item 8 of Part II of the Company's Form 10-K Annual Report for the fiscal year ended February 27, 2011, will decrease by $755.

11.COMPREHENSIVE INCOME

The following table summarizes the components of comprehensive income for the 13 weeks ended May 29, 2011 and May 30, 2010:

	13 weeks ended May 29, 2011	May 30, 2010
Net earnings	$ 7,242	$ 9,869
Exchange rate changes	326	153
Net unrealized gain(loss) on marketable securities, net of tax	123	(80)
Comprehensive income	$ 7,691	$ 9,942

12.GEOGRAPHIC REGIONS

The Company is a global advanced materials company which develops, manufactures, markets and sells high technology digital and RF/microwave printed circuit materials principally for the telecommunications and internet infrastructure and high-end computing markets and advanced composite materials, parts and assemblies for the aerospace markets. The Company's printed circuit materials products, the Company's advanced composite materials products and the Company's composite parts and assemblies products are sold to customers in North America, Europe and Asia.

Sales are attributed to geographic region based upon the region in which the materials were delivered to the customer.

Financial information concerning the Company's operations by geographic region follows:

	13 weeks ended May 29, 2011	May 30, 2010
Sales:		
North America	$ 21,840	$ 26,718
Europe	5,417	7,526
Asia	24,560	24,782
Total sales	$ 51,817	$ 59,026

	May 29, 2011	February 27, 2011
Long-lived assets:		
North America	$ 38,843	$ 38,072
Europe	439	444
Asia	19,089	18,333
Total long-lived assets	$ 58,371	$ 56,849

13. CONTINGENCIES

a. Litigation – The Company is subject to a small number of proceedings, lawsuits and other claims related to environmental, employment, product and other matters. The Company is required to assess the likelihood of any adverse judgments or outcomes in these matters as well as potential ranges of probable losses. A determination of the amount of reserves required, if any, for these contingencies is made after careful analysis of each individual issue. The required reserves may change in the future due to new developments in each matter or changes in approach, such as a change in settlement strategy in dealing with these matters.

b. Environmental Contingencies - The Company and certain of its subsidiaries have been named by the Environmental Protection Agency (the "EPA") or a comparable state agency under the Comprehensive Environmental Response, Compensation and Liability Act (the "Superfund Act") or similar state law as potentially responsible parties in connection with alleged releases of hazardous substances at eight sites. In addition, two subsidiaries of the Company have received cost recovery claims under the Super‒fund Act or a similar state law from other private parties involving two other sites, and a subsidiary of the Company has received requests from the EPA under the Superfund Act for information with respect to its involvement at three other sites.

Under the Superfund Act and similar state laws, all parties who may have contributed any waste to a hazardous waste disposal site or contaminated area identified by the EPA or comparable state agency may be jointly and severally liable for the cost of cleanup. Generally these sites are locations at which numerous persons disposed of hazardous waste. In the case of the Com‒pany's subsidiaries, generally the waste was removed from their manufacturing facilities and disposed at waste sites by various companies which contracted with the subsidiaries to provide waste disposal services. Neither the Company nor any of its subsidiaries have been accused of or charged with any wrongdoing or illegal acts in connection with any such sites. The Company believes it maintains an effective and comprehensive environmental compliance program.

The insurance carriers who provided general liability insurance coverage to the Company and its subsidiaries for the years dur–ing which the Company's subsidiaries' waste was disposed at these sites have agreed to pay, or reimburse the Company and its subsidiaries for, 100% of their legal defense and remediation costs associated with three of these sites and 25% of such costs associated with another one of these sites.

The total costs incurred by the Company and its subsidiaries in connection with these sites, including legal fees incurred by the Company and its subsidiaries and their assessed share of remediation costs and excluding amounts paid or reimbursed by insurance carriers, were $1 and $1 in the 13 weeks ended May 29, 2011 and May 30, 2010, respectively. The recorded liabilities included in accrued liabilities for environmental matters were $9 at both May 29, 2011 and February 27, 2011.

Such recorded liabilities do not include environmental liabilities and related legal expenses for which the Company has indemnification agreements with the insurance carriers who provided general liability insurance coverage to the Company and its subsidiaries for the years during which the Company's subsidiaries' waste was disposed at three sites for which certain subsidiaries of the Company have been named as potentially responsible parties. Pursuant to these agreements, such insurance carriers have been paying 100% of the legal defense and remediation costs associated with such three sites since 1985.

The Company accrues estimated costs asso–ciated with known environmental matters, when such costs can be reasonably estimated and when the outcome appears probable. The Company believes that the ultimate disposition of known environmental matters will not have a material adverse effect on the liquidity, capital resources, business or consolidated results of operations or financial position of the Company. However, one or more of such environmental mat–ters could have a significant negative impact on the Company's consolidated results of operations or financial position for a particular reporting period.

c. Acquisition – The Company is obligated to pay up to an additional $2,200 over the next two years depending on the achievement of specified earn-out objectives in connection with the acquisition by the Company's wholly owned subsidiary, Park Aerospace Structures Corp., of substantially all the assets and business of Nova Composites, Inc., located in Lynnwood, Washington, in addition to a cash purchase price of $4,500 paid at the closing of the acquisition on April 1, 2008 and additional payments of $1,100 in the first quarter of the 2012 fiscal year, $1,100 in the first quarter of the 2011 fiscal year and $1,025 in the second quarter of the 2010 fiscal year pursuant to the earn-out provision. Such additional payments were recorded as additional goodwill, and any additional amount paid will be recorded as goodwill.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

General:

Park Electrochemical Corp. (“Park” or the “Company”) is a global advanced materials company which develops, manufactures, markets and sells high technology digital and RF/microwave printed circuit materials principally for the telecommunications and internet infrastructure and high-end computing markets and advanced composite materials, parts and assemblies principally for the aerospace markets. The Company’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, Kansas, Arizona, California and Washington.

The Company's total net sales declined in the three-month period ended May 29, 2011 compared with last year's comparable period principally as a result of decreases in sales of the Company’s printed circuit materials products in North America and Europe.

The Company’s earnings from operations and net earnings were lower in the 2012 fiscal year first quarter than in the 2011 fiscal year first quarter as a result of the decline in the Company’s total net sales in the 2012 fiscal year first quarter compared to the 2011 fiscal year first quarter and as a result of additional, and in some instances duplicative, costs associated with transferring aerospace composite materials, parts and assemblies manufacturing from the Company’s Park Advanced Composite Materials, Inc. business unit in Waterbury, Connecticut and Park Aerospace Structures Corp. business unit in Lynnwood, Washington to the Company’s Park Aircraft Technologies Corp. business unit in Newton, Kansas and the Company’s donation to The Japanese Red Cross Society after the March 2011 earthquake in Japan. Such factors were only partially offset by the benefits from the higher percentage of sales of higher margin, high performance printed circuit materials products in such quarter than in the 2011 fiscal year first quarter and from the higher interest income earned by the Company in such quarter compared to the interest income earned by the Company in the 2011 fiscal year first quarter.

The decline in sales of printed circuit materials products resulted in lower gross profits and lower earnings from operations in the 2012 fiscal year first quarter compared to the 2011 fiscal year first quarter. The Company’s gross profit margin, measured as a percentage of sales, declined to 30.8% in the 2012 fiscal year first quarter from 34.2% in the 2011 fiscal year first quarter. The Company’s operating and earnings performances in both the 2012 and 2011 fiscal year first quarters were adversely affected by losses incurred at the Company’s Park Aircraft Technologies Corp. business unit in Newton, Kansas.

The markets in North America, Asia and Europe for the Company’s printed circuit materials products strengthened in the 2010 fiscal year third and fourth quarters after prevailing weakness in the 2010 fiscal year first and second quarters, and such strength continued in the 2011 fiscal year first, second and fourth quarters but dissipated in the 2012 fiscal year first quarter. Sales of the Company’s advanced composite materials, parts and assemblies products weakened during the 2009 fiscal year third and fourth quarters, and such weakness continued during the 2010 fiscal year. However, sales of the Company's advanced composite materials, parts and assemblies showed some small improvement during the 2011 fiscal year and in the 2012 fiscal year first quarter.

The global markets for the Company's printed circuit materials products continue to be very difficult to forecast, and it is not clear to the Company what the condition of the global markets for the Company's printed circuit materials products will be in the 2012 fiscal year second quarter. Further, the Company is not able to predict the impact the current global economic and financial conditions will have on the markets for its advanced composite materials, parts and assemblies products in the 2012 fiscal year second quarter or beyond.

In the fourth quarter of the Company's 2009 fiscal year, the Company completed the construction of a new 52,000 square foot development and manufacturing facility in Newton, Kansas to produce advanced composite materials principally for the aircraft and space vehicle industries. The Company spent approximately $15 million on the facility and equipment. In the first quarter of the Company's 2012 fiscal year, the Company completed construction of a major expansion of its facility in Kansas in order to manufacture composite parts and assemblies for the aircraft and space vehicle industries. The expansion includes approximately 37,000 square feet of manufacturing and storage space, and the Company is spending approximately $5 million on the facility expansion and equipment. The Company is in the final stages of installing equipment in the expanded facility, and the Company expects the expansion to be operational by the third quarter of the 2012 fiscal year.

Three Months Ended May 29, 2011 Compared with Three Months Ended May 30, 2010:

The Company's total net sales and its net sales of both its printed circuit materials products and its advanced composite materials, parts and assemblies products decreased during the three-month period ended May 29, 2011 compared to the three-month period ended May 30, 2010. Sales of the Company's advanced composite materials, parts and assemblies products were $5.7 million, or 11% of the Company's total net sales worldwide, in the 2012 fiscal year first quarter compared to $6.5 million, or 11%, in the 2011 fiscal year first quarter and $6.2 million, or 17%, in the 2010 fiscal year first quarter.

Earnings from operations and net earnings were lower in the three months ended May 29, 2011 compared to the three months ended May 30, 2010 as a result of the decreased sales, additional, and in some instances duplicative, costs associated with transferring aerospace composite materials, parts and assemblies manufacturing from the Company's Park Advanced Composite Materials, Inc. business unit in Waterbury, Connecticut and Park Aerospace Structures Corp. business unit in Lynnwood, Washington to the Company's Park Aircraft Technologies Corp. business unit in Newton, Kansas and the Company's donation to The Japanese Red Cross Society, partially offset by the benefits from a higher percentage of sales of higher margin, high performance printed circuit materials products.

The Company's earnings from operations and net earnings in both the 2012 and 2011 fiscal year first quarters were reduced by losses incurred at the Company's Park Aircraft Technologies Corp. business unit in Newton, Kansas.

Results of Operations

The Company’s total net sales worldwide for the three-month period ended May 29, 2011 decreased 12% to $51.8 million from $59.0 million for last fiscal year's comparable period. The decrease in net sales was principally the result of lower sales of printed circuit materials products in North America and Europe. Sales volumes decreased 18% in North America, 28% in Europe and 1% in Asia during the 2012 fiscal year first quarter compared to the first quarter in the prior year.

The Company's foreign sales were $30.0 million, or 58% of the Company's total net sales worldwide, during the three-month period ended May 29, 2011 compared with $32.3 million of sales, or 55% of total net sales worldwide, during last fiscal year's comparable period. The Company's foreign sales during the 2012 fiscal year first quarter decreased by 7% from the 2011 fiscal year comparable period primarily as the result of lower sales in Europe.

For the three-month period ended May 29, 2011, the Company’s sales in North America, Asia and Europe were 42%, 47% and 11% respectively, of the Company’s total net sales worldwide compared with 45%, 42% and 13%, respectively, for the three-month period ended May 30, 2010.

The Company’s gross profit in the three months ended May 29, 2011 was lower than the gross profit in the prior year’s comparable period and the gross profit as a percentage of sales in the three months ended May 29, 2011 declined to 30.8% from 34.2% in the three months ended May 30, 2010 principally due to lower total net sales and additional, and in some instances duplicative, costs associated with transferring aerospace composite materials, parts and assemblies manufacturing from the Company’s Park Advanced Composite Materials, Inc. business unit in Waterbury, Connecticut and Park Aerospace Structures Corp. business unit in Lynnwood, Washington to the Company’s Park Aircraft Technologies Corp. business unit in Newton, Kansas, although the Company’s gross profit in the three months ended May 29, 2011 benefited from the higher percentage of sales of higher margin, high performance printed circuit materials products in the three months ended May 29, 2011 than in the three months ended May 30, 2010.

During the three-month period ended May 29, 2011, the Company’s total net sales worldwide of high performance printed circuit materials were 78% of the Company’s total net sales worldwide of printed circuit materials, compared to 73% for last fiscal year’s comparable period.

The Company’s high performance materials (non-FR4 printed circuit materials) consist of high-speed, low-loss materials for digital and RF/microwave applications requiring lead-free compatibility and high bandwidth signal integrity, bismalimide triazine (“BT”) materials, polyimides for applications that demand extremely high thermal performance, cyanate esters, quartz reinforced materials, and polytetrafluoroethylene (“PTFE”) and modified epoxy materials for RF/microwave systems that operate at frequencies up to 77GHz.

The Company’s cost of sales decreased by 8% in the 2012 fiscal year first quarter from the 2011 fiscal year first quarter as a result of lower sales and lower production volumes in the 2012 fiscal year first quarter than in the 2011 fiscal year first quarter, offset in part by additional, and in some instances duplicative, costs associated with transferring aerospace composite materials, parts and assemblies manufacturing from the

Company’s Park Advanced Composite Materials, Inc. business unit in Waterbury, Connecticut and Park Aerospace Structures Corp. business unit in Lynnwood, Washington to the Company’s Park Aircraft Technologies Corp. business unit in Newton, Kansas, but the Company’s cost of sales as a percentage of net sales increased to 69.2% in the 2012 fiscal year first quarter from 65.8% in the 2011 fiscal year first quarter resulting in a gross profit margin decrease from 34.2% to 30.8%, which was partially offset by the higher percentage of sales of higher margin, high performance printed circuit materials products in the 2012 fiscal year first quarter than in the 2011 fiscal year first quarter.

Selling, general and administrative expenses declined by $0.2 million, or by 3%, during the three months ended May 29, 2011 compared with last fiscal year's comparable period, but these expenses, measured as a percentage of sales, were 14.6% during the three months ended May 29, 2011 compared with 13.2% during last fiscal year's comparable period. Such expenses in the 2012 fiscal year first quarter were inflated by additional, and in some instances duplicative, costs associated with transferring aerospace composite materials, parts and assemblies manufacturing from the Company’s Park Advanced Composite Materials, Inc. business unit in Waterbury, Connecticut and Park Aerospace Structures Corp. business unit in Lynnwood, Washington to the Company’s Park Aircraft Technologies Corp. business unit in Newton, Kansas, increases in legal fees and expenses and a donation to The Japanese Red Cross Society. Selling, general and administrative expenses included $210,000 for the three months ended May 29, 2011 for stock option expense compared to $289,000 for the three months ended May 30, 2010.

The Company’s earnings from operations in both the 2012 and 2011 fiscal year first quarters were reduced by losses incurred at the Company’s Park Aircraft Technologies Corp. business unit in Newton, Kansas.

For the reasons set forth above, the Company's earnings from operations were $8.4 million for the three months ended May 29, 2011, compared to $12.4 million for the three months ended May 30, 2010.

Interest income was $221,000 for the three-month period ended May 29, 2011 compared to $76,000 for last fiscal year's comparable period. The increase in interest income was attributable to higher prevailing interest rates and higher levels of cash available for investment during the 2012 fiscal year first quarter than during the 2011 fiscal year first quarter. The Company's investments were primarily in short-term instruments and money market funds.

The Company's effective income tax rate for the three-month period ended May 29, 2011 was 16.2%, compared to 20.9% for last fiscal year's comparable period. The lower tax provision for the 2012 fiscal year first quarter was attributable principally to higher taxable income in jurisdictions with lower effective income tax rates.

The Company's net earnings for the three months ended May 29, 2011 were $7.2 million, compared to net earnings of $9.9 million for the three months ended May 30, 2010.

Basic and diluted earnings per share were $0.35 for the three-month period ended May 29, 2011 compared to $0.48 for the three-month period ended May 30, 2010.

Liquidity and Capital Resources:

At May 29, 2011, the Company's cash and marketable securities were $256.0 million compared with $250.4 million at February 27, 2011, the end of the Company's 2011 fiscal year. The Company's working capital (which includes cash and marketable securities) was $276.0 million at May 29, 2011 compared with $271.7 million at February 27, 2011.

The increase in working capital at May 29, 2011 compared with February 27, 2011 was due principally to the increase in cash and marketable securities and an increase in inventories slightly offset by increases in accounts payable, accrued liabilities and income taxes payable.

Inventories were 11% higher at May 29, 2011 than at February 27, 2011 primarily as a result of higher raw materials. At May 29, 2011, accounts payable were 12% higher than at February 27, 2011 principally as a result of higher purchases of raw materials during the period ended May 29, 2011 than during the period ended February 27, 2011, and accrued liabilities were 6% higher than at February 27, 2011 principally as a result of increases in employee benefits. Income taxes payable were 16% higher at May 29, 2011 than at February 27, 2011 primarily as a result of recorded tax on income in excess of tax payments.

The Company's current ratio (the ratio of current assets to current liabilities) was 10.9 to 1 at May 29, 2011 compared to 11.8 to 1 at February 27, 2011.

During the three months ended May 29, 2011, net earnings from the Company's operations, before depreciation and amortization, of $8.7 million increased by a net decrease in working capital items, resulted in $10.2 million of cash provided by operating activities. During the same three-month period, the Company expended $1.5 million primarily for the installation of an additional advanced, high speed treater at the Company’s business unit in Singapore and the purchase of equipment for the Company’s new development and manufacturing facility in Newton, Kansas, compared with $0.6 million for the three-month period ended May 30, 2010, and paid $2.1 million in dividends on its common stock in each of such three-month periods. Net expenditures for property, plant and equipment were $2.8 million in the 2011 fiscal year and $3.4 million in the 2010 fiscal year.

In the first quarter of the Company’s 2009 fiscal year, the Company’s wholly owned subsidiary, Park Aerospace Structures Corp., acquired substantially all the assets and business of Nova Composites, Inc., a manufacturer of aircraft composite parts and assemblies and the tooling for such parts and assemblies, located in Lynnwood, Washington, for a cash purchase price of $4.5 million paid at the closing of the acquisition and up to an additional $5.5 million payable over five years depending on the achievement of specified earn-out objectives. The Company paid an additional $1.0 million in the 2010 fiscal year second quarter, an additional $1.1 million in the 2011 fiscal year first quarter and an additional $1.1 million in the 2012 fiscal year first quarter, leaving up to an additional $2.2 million payable over two years depending on the achievement of the earn-out objectives.

During the 2009 fiscal year, the Company expended approximately $10.2 million for the construction of its new development and manufacturing facility in Newton, Kansas to produce advanced composite materials and for equipment for such facility. During the 2010 fiscal year, the Company expended approximately $1.1 million for equipment for such facility and approximately $1.1 million for the construction of an expansion of such facility to produce advanced composite parts and assemblies. During the 2011 fiscal year, the Company expended approximately $0.3 million for equipment for such facility, approximately $1.3 million for the construction of such expansion and approximately $0.6 million for equipment for such expanded facility. During the 2012 fiscal year first quarter, the Company expended approximately $0.5 million for equipment for such expanded facility.

At May 29, 2011 and at February 27, 2011, the Company had no long-term debt.

The Company believes its financial resources will be sufficient, for the foreseeable future, to provide for continued investment in working capital and property, plant and equipment and for general corporate purposes. Such resources would also be available for purchases of the Company's common stock, appropriate acquisitions and other expansions of the Company's business.

The Company is not aware of any circumstances or events that are reasonably likely to occur that could materially affect its liquidity.

The Company's contractual obligations and other commercial commitments to make future payments under contracts, such as lease agreements, consist only of operating lease commitments, commitments to purchase equipment and services for the installation of an additional treater at the Company’s electronic materials manufacturing facility in Singapore and to purchase equipment for the expansion of the Company’s development and manufacturing facility in Newton, Kansas and the Company’s obligation to pay up to an additional $2.2 million over two years in connection with the acquisition of the assets and business of Nova Composites, Inc., described above. The Company has no long-term debt, capital lease obligations, unconditional purchase obligations or other long-term obligations, standby letters of credit, guarantees, standby repurchase obligations or other commercial commitments or contingent commitments, other than two standby letters of credit in the total amount of $1.3 million to secure the Company's obligations under its workers' compensation insurance program.

As a result of the completion of an Internal Revenue Service examination, the Company is obligated to pay $1.0 million of Federal income tax during the 2012 fiscal year.

As of May 29, 2011, there were no material changes outside the ordinary course of the Company’s business in the Company’s contractual obligations disclosed in Item 7 of Part II of its Form 10-K Annual Report for the fiscal year ended February 27, 2011.

Off-Balance Sheet Arrangements:

The Company's liquidity is not dependent on the use of, and the Company is not engaged in, any off-balance sheet financing arrangements, such as securitization of receivables or obtaining access to assets through special purpose entities.

Environmental Matters:

In each of the three-month periods ended May 29, 2011 and May 30, 2010, the Company charged approximately $1,000 against pre-tax income for environmental remedial response and voluntary cleanup costs (including legal fees). While annual expenditures have generally been constant from year to year and may increase over time, the Company expects it will be able to fund such expenditures from cash flow from operations. The timing of expenditures depends on a number of factors, including regulatory approval of cleanup projects, remedial techniques to be utilized and agreements with other parties. At May 29, 2011 and February 27, 2011, the amount recorded in accrued liabilities for environmental matters was $9,000.

Management does not expect that environmental matters will have a material adverse effect on the liquidity, capital resources, business, consolidated results of operations or consolidated financial position of the Company.

Critical Accounting Policies and Estimates:

The following information is provided regarding critical accounting policies that are important to the Consolidated Financial Statements and that entail, to a significant extent, the use of estimates, assumptions and the application of management's judgment.

General

The Company's discussion and analysis of its financial condition and results of operations are based upon the Company's Consolidated Financial Statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these Financial Statements requires the Company to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and the related disclosure of contingent liabilities. On an on-going basis, the Company evaluates its estimates, including those related to sales allowances, allowances for doubtful accounts, inventories, valuation of long-lived assets, income taxes, contingencies and litigation, and employee benefit programs. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Revenue Recognition

The Company recognizes revenues when products are shipped and title has been transferred to a customer, the sales price is fixed and determinable, and collection is reasonably assured. All material sales transactions are for the shipment of manufactured printed circuit materials products and advanced composite materials, parts and assemblies.

Sales Allowances

The Company provides for the estimated costs of sales allowances at the time such costs can be reasonably estimated. The Company’s products are made to customer specifications and tested for adherence to such specifications before shipment to customers. Composite parts and assemblies may be subject to “airworthiness” acceptance by customers after receipt at the customers’ locations. There are no future performance requirements other than the products’ meeting the agreed specifications. The Company’s bases for providing sales allowances for returns are known situations in which products may have failed due to manufacturing defects in the products supplied by the Company. The Company is focused on manufacturing the highest quality printed circuit materials and advanced composite materials, parts and assemblies possible and employs stringent manufacturing process controls and works with raw material suppliers who have dedicated themselves to complying with the Company’s specifications and technical requirements. The amounts of returns and allowances resulting from defective or damaged products have been approximately 1.0% of sales for each of the Company’s last three fiscal years.

Allowances for Doubtful Accounts

Accounts receivable are due within established payment terms and are stated at amounts due from customers net of an allowance for doubtful accounts. Accounts outstanding longer than established payment terms are considered past due. The Company maintains allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. The Company determines its allowance by considering a number of factors, including the length of time accounts receivable are past due, the Company’s previous loss history, the customer’s current ability to pay its obligation to the Company, and the condition of the general economy and the industry as a whole. If the financial condition of the Company's customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The Company writes off accounts receivable when they become uncollectible.

Inventories

Inventories are stated at the lower of cost (first-in, first-out method) or market. The Company writes down its inventory for estimated obsolescence or unmarketability based upon the age of the inventory and assumptions about future demand for the Company's products and market conditions.

Valuation of Long-lived Assets

The Company assesses the impairment of long-lived assets whenever events or changes in circumstances indicate that the carrying value of such assets may not be recoverable. In addition, the Company assesses the impairment of goodwill at least annually. Important factors that could trigger an impairment review include, but are not limited to, significant negative industry or economic trends and significant changes in the use of the Company’s assets or strategy of the overall business.

Income Taxes

As part of the processes of preparing its consolidated financial statements, the Company is required to estimate the income taxes in each of the jurisdictions in which it operates. This process involves estimating the actual current tax expense together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in deferred tax assets and liabilities, which are included in the Company's Consolidated Balance Sheets. The carrying value of the Company's net deferred tax assets assumes that the Company will be able to generate sufficient future taxable income in certain tax jurisdictions, based on estimates and assumptions. If these estimates and assumptions change in the future, the Company may be required to record additional valuation allowances against its deferred tax assets resulting in additional income tax expense in the Company's consolidated statement of operations, or conversely to further reduce the existing valuation allowance resulting in less income tax expense. The Company evaluates the realizability of the deferred tax assets quarterly and assesses the need for additional valuation allowances quarterly.

Tax benefits are recognized for an uncertain tax position when, in the Company's judgment, it is more likely than not that the position will be sustained upon examination by a taxing authority. For a tax position that meets the more-likely-than-not recognition threshold, the tax benefit is measured as the largest amount that is judged to have a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority. The liability associated with unrecognized tax benefits is adjusted periodically due to changing circumstances and when new information becomes available. Such adjustments are recognized entirely in the period in which they are identified. The effective tax rate includes the net impact of changes in the liability for unrecognized tax benefits and subsequent adjustments as considered appropriate by the Company. While it is often difficult to predict the final outcome or the timing of resolution of any particular tax matter, the Company believes its liability for unrecognized tax benefits is adequate. Interest and penalties recognized on the liability for unrecognized tax benefits are recorded as income tax expense.

As a result of the completion of an Internal Revenue Service examination, the Company is obligated to pay $1.0 million of Federal income tax during the 2012 fiscal year.

Contingencies

The Company is subject to a small number of proceedings, lawsuits and other claims related to environmental, employment, product and other matters. The Company is required to assess the likelihood of any adverse judgments or outcomes in these matters as well as potential ranges of probable losses. A determination of the amount of reserves required, if any, for these contingencies is made after careful analysis of each individual issue. The required reserves may change in the future due to new developments in each matter or changes in approach, such as a change in settlement strategy in dealing with these matters.

The Company is obligated to pay up to an additional $2.2 million over two years depending on the achievement of specified earn-out objectives in connection with the acquisition by the Company's wholly owned subsidiary, Park Aerospace Structures Corp., of substantially all the assets and business of Nova Composites, Inc., a manufacturer of composite parts and assemblies and the tooling for such parts and assemblies, located in Lynnwood, Washington, in addition to a cash purchase price of $4.5 million paid at the closing of the acquisition on April 1, 2008 and payments of $1.0 million in the 2010 fiscal year second quarter, $1.1 million in the 2011 fiscal year first quarter and $1.1 million in the 2012 fiscal year first quarter.

Employee Benefit Programs

The Company's obligations for workers' compensation claims are effectively self-insured, although the Company maintains individual and aggregate stop-loss insurance coverage for such claims. The Company accrues its workers' compensation liability based on estimates of the total exposure of known claims using historical experience and projected loss development factors less amounts previously paid.

The Company and certain of its subsidiaries have a non-contributory profit sharing retirement plan covering their regular full-time employees. In addition, the Company's subsidiaries have various bonus and incentive compensation programs, most of which are determined at management's discretion.

The Company's reserves associated with these self-insured liabilities and benefit programs are reviewed by management for adequacy at the end of each reporting period.

Factors That May Affect Future Results.

Certain portions of this Report 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, forecast, estimated or budgeted by the Company in forward-looking statements. Such factors include, but are not limited to, general conditions in the electronics and aerospace industries, the Company's competitive position, the status of the Company's relationships with its customers, economic conditions in international markets, the cost and availability of raw materials, transportation 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 27, 2011.

Item 3. Quantitative and Qualitative Disclosure About Market Risk.

The Company's market risk exposure at May 29, 2011 is consistent with, and not greater than, the types of market risk and amount of exposures presented in the Annual Report on Form 10-K for the fiscal year ended February 27, 2011.

Item 4. Controls and Procedures.

(a) Disclosure Controls and Procedures.

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of May 29, 2011, the end of the quarterly fiscal period covered by this quarterly report. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures are effective in recording, processing, summarizing and reporting, on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and are effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the

Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting.

There has not been any change in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

None.

Item 1A. Risk Factors.

There have been no material changes from the risk factors as previously disclosed in the Company's Form 10-K Annual Report for the fiscal year ended February 27, 2011.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The following table provides information with respect to shares of the Company's Common Stock acquired by the Company during each month included in the Company's 2012 fiscal year first quarter ended May 29, 2011.

Period	Total Number of Shares (or Units) Purchased	Average Price Paid per Share (or Unit)	Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
February 28 - March 29	0	$ -	0	
March 30 - April 29	0	-	0	
April 30 - May 29	0	-	0	
Total	0	$ -	0	2,000,000(a)

(a) Aggregate number of shares available to be purchased by the Company pursuant to a previous share purchase authorization announced on October 20, 2004. Pursuant to such authorization, the Company is authorized to purchase its shares from time to time on the open market or in privately negotiated transactions.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Reserved.

None.

Item 5. Other Information.

None.

Item 6. Exhibits.

31.1 Certification of principal executive officer pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a).

31.2 Certification of principal financial officer pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a).

32.1 Certification of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of principal financial officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	Park Electrochemical Corp. (Registrant)
Date: July 7, 2011	/s/ Brian E. Shore Brian E. Shore President and Chief Executive Officer (principal executive officer)
Date: July 7, 2011	/s/ David R. Dahlquist David R. Dahlquist Vice President and Chief Financial Officer (principal financial officer)

EXHIBIT INDEX

Exhibit No.	Name	Page
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32.1	Certification of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	33
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