



## Photronics Announces First Quarter Earnings Results

February 15, 2005

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### FIRST QUARTER HIGHLIGHTS

- Revenues of \$101.2 million exceed expectations
- Total long-term debt reduced to \$276.5 million from \$318.9 million at the end of fiscal 2004

**BROOKFIELD, Connecticut** February 15, 2005 -- Photronics, Inc. (Nasdaq:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today reported fiscal 2005 first quarter results for the period ended January 30, 2005.

Sales for the quarter were \$101.2 million, up 11.8%, compared to \$90.5 million for the first quarter of fiscal year 2004. Net income for the first quarter of fiscal year 2005 amounted to \$4.5 million, or \$0.13 per diluted share compared to net income of \$2.1 million, or \$0.07 per diluted share for the first quarter of fiscal 2004. Net income for the first quarter of fiscal year 2005 included:

- \$1.2 million of expense, or \$0.03 per diluted share related to the open market repurchase of \$41.4 million of the Company's outstanding 4  $\frac{3}{4}$ % Convertible Subordinated Notes.

Sean T. Smith, Chief Financial Officer, commented on the Company's financial performance. "Revenues and earnings exceeded expectations as a result of our expanded ability to supply large area mask technology and services into the flat panel display market. Our operations performed well and showed strong operating margin improvement from the year ago period." He added, "Going forward, every department in our global organization will be focusing on maximizing asset utilization so that we can leverage the investments we have made to grow our business."

Constantine "Deno" Macricostas, Chairman and Chief Executive Officer stated, "I am pleased with the momentum with which we are beginning the new fiscal year. Design activity in the 180 nanometer node has been active, while we are seeing an increasing number of customers beginning to shift the focus of their design teams

toward 130 nanometer process technologies. Our position in these nodes, across all regions we serve, is quite strong and we have positioned the Company to increase its share of these growing markets." He added, "Since acquiring majority control of our Korean operation in 2001, we have been steadily expanding our large area mask capabilities. Our disciplined approach to supporting this market has enabled us to establish a potent competitive presence upon which we continue to build. We believe that through our global leadership position, we can continue to grow our share in this expanding market by sharing with these customers our experience in providing cost effective mask technology solutions."

A conference call with investors and the media to discuss these results can be accessed by logging onto Photronics' web site at [www.photronics.com](http://www.photronics.com), then clicking on the "Conference Calls" button in the top right corner of the home page. The call is scheduled for 8:30 a.m. Eastern Standard Time on Wednesday, February 16th and will be archived for instant replay access until the Company reports its fiscal second quarter results the week of May 16, 2005. The live call dial-in number is (706) 634-5086.

Photronics is a leading worldwide manufacturer of photomasks. Photomasks are high precision quartz plates that contain microscopic images of electronic circuits. A key element in the manufacture of semiconductors and flat panel displays, photomasks are used to transfer circuit patterns onto semiconductor and flat panel display substrates during the fabrication of integrated circuits and flat panel displays. The photomask produced by Photronics are in accordance with designs provided by customers at strategically located manufacturing facilities in Asia, Europe, and North America. Additional information on the Company can be accessed at [www.photronics.com](http://www.photronics.com).

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Certain statements in this release are considered "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All forward-looking statements involve risks and uncertainties. In particular, any statement contained in this release regarding the consummation and benefits of future acquisitions, expectations with respect to future sales, financial performance, operating efficiencies and product expansion, are subject to known and unknown risks, uncertainties and contingencies, many of which are beyond the control of the Company. These factors may cause actual results, performance or achievements to differ materially from anticipated results, performances or achievements. Factors that might affect such forward looking statements include, but are not limited to, overall economic and business conditions; the demand and receipt of orders for the Company's products; competitive factors in the industries and geographic markets in which the Company competes; changes in federal, state and foreign tax requirements (including tax rate changes, new tax laws and revised tax law interpretations); the Company's ability to place new equipment in service on a timely basis; interest rate fluctuations and other capital market conditions, including foreign currency rate fluctuations; economic and political conditions in international markets; the ability to obtain a new bank facility or other financings; the ability to achieve anticipated synergies and other cost savings in connection with acquisitions and productivity programs; the timing, impact and other uncertainties of future acquisitions and investments; the seasonal and cyclical nature of the semiconductor industry; the availability of capital; management changes; damage or destruction to our facilities by natural disasters, labor strikes, political unrest or terrorist activity; the ability to fully utilize its tools; the ability of the Company to receive desired yields, pricing, product

mix, and market acceptance of its products; changes in technology; and other risks and uncertainties set forth in the Company's SEC filings from time to time. Any forward-looking statements should be considered in light of these factors. The Company assumes no obligation to update the information in this release.

CyberMask is a trademark of Photronics, Inc.

**FOR FURTHER INFORMATION:**

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