

Photronics Announces Fourth Quarter and Record Fiscal Year Results

December 7, 2005

Photronics Announces Fourth Quarter and Record Fiscal Year Results

Fourth Quarter Highlights:

- Revenues of \$111.8 million
- Net income of \$8.7 million

Fiscal Year Highlights:

- \$440.8 million in revenues - a new fiscal year record
- Net income of \$38.7 million - a new fiscal year record
- Net Cash (cash minus debt) position improved by \$135 million

BROOKFIELD, Connecticut December 6, 2005 -- Photronics, Inc. (Nasdaq:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today reported fiscal 2005 fourth quarter and fiscal year results for the fiscal year ended October 30, 2005.

Sales for the fourth quarter of fiscal 2005 were \$111.8 million, up 7.3%, compared to \$104.2 million for the fourth quarter of 2004. Net income for the quarter amounted to \$8.7 million, or \$0.19 per diluted share, compared to the prior year's fourth quarter net income of \$7.9 million, or \$0.21 per diluted share.

Sales for the 2005 fiscal year were a record \$440.8 million, up 11.4% from the \$395.5 million in fiscal 2004. Net income for the 2005 fiscal year amounted to \$38.7 million, or \$0.95 per diluted share, compared to the prior fiscal year's net income of \$24.5 million, or \$0.68 per diluted share.

Michael J. Luttati, Chief Executive Officer, stated, "Photronics' results for the quarter were at the high end of the revised guidance that was issued earlier in November. While market conditions were the large contributor to our revised guidance and a disappointment to us, we were pleased with our year-over-year performance. We are encouraged that during the quarter our high end mix increased to 28% of revenues, up from 22% in the third quarter and also increased on an absolute dollar basis. This improvement gives us a high degree of confidence in our expanding market penetration into the high end."

In discussing several of Photronics' many achievements in fiscal 2005, Mr. Luttati commented, "Revenues and earnings were at record levels, in large part because the Company began to realize the benefits of disciplined investments made over the last several years. These have included strategic investments designed to enhance our manufacturing and sales capabilities in Asia; increase our capability to support semiconductor companies moving rapidly in technology nodes at and below 130 nanometer; and to build out our capability to fabricate flat panel display masks. Each of these areas has proven to serve as strong revenue drivers and we are well positioned to capitalize on growth opportunities in the year ahead. Additionally, there are the new facilities in Shanghai, China to support integrated circuit mask fabrication and a flat panel display mask fab in Taichung, Taiwan, which will be Photronics' first stand alone flat panel manufacturing site. Both facilities are expected to come on line in early 2006, enabling Photronics to further expand its leadership."

A conference call with investors and the media to discuss the fourth quarter and fiscal 2005 results is scheduled for 8:30 a.m. Eastern Time on Wednesday, December 7th and will be archived for instant replay access on this site until the Company reports its fiscal first quarter results on February 14, 2006 after the equity markets close. The live call can be accessed by logging onto Photronics' web site at www.photronics.com, then clicking on the "Conference Calls" button in the top right corner of the home page or by dialing in at (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 wafers and flat panel substrates during the fabrication of integrated circuits, a variety of flat panel displays and, to a lesser extent, other types of electrical and optical components. They are produced in accordance with product 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.

"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.

[Click here for financial information](#)

FOR FURTHER INFORMATION:

Michael W. McCarthy
VP- Corporate Communications
Photronics, Inc.
(203)775-9000
mmccarthy@brk.photronics.com