



Photronics Reports First Quarter Results

February 14, 2007

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First Quarter Highlights:

- Revenues of \$106.0 million
- Net income of \$7.9 million

BROOKFIELD, Connecticut February 14, 2007 -- Photronics, Inc. (Nasdaq:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today reported fiscal 2007 first quarter results for the period ended January 28, 2007.

Sales for the quarter were \$106.0 million, down 5.3 %, compared to \$111.9 million for the first quarter of fiscal year 2006. Net income for the first quarter of fiscal year 2007 amounted to \$7.9 million, or \$0.17 per diluted share compared to net income of \$9.7 million, or \$0.21 per diluted share for the first quarter of fiscal 2006. Net income for the 2007 first quarter includes an after-tax gain of \$2.3 million, or \$0.04 per diluted share, in connection with the sale of a former manufacturing facility.

Michael J. Luttati, Chief Executive Officer commented, "Although Photronics met its earnings guidance, our revenue performance during the quarter was impacted by a measurable delay in the release of new semiconductor and flat panel designs as our customers accelerated the reduction of their inventories as the calendar year came to a close. Semiconductor wafer fab shutdowns during the year-end holidays were both larger in number and longer in duration than expected. Quarter over quarter declines in our flat panel business were primarily the result of a reduction in high-end sets (Generation 6 and up)."

In closing Mr. Luttati added, "During the past 18 months, Photronics has experienced higher than normal levels of quarterly volatility. Market conditions are a contributing factor, but we are also in the process of changing Photronics' profile. We are investing to expand our capabilities to service the semiconductor industry's need for advanced mask technology, to grow our flat panel market share, and expand our geographical reach. We remain optimistic about the long term prospects for the Company based on our execution of strategic actions and continue to be diligent in managing our infrastructure as we improve our business model."

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, 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 Time on Thursday, February 15th and will be archived for instant replay access until the Company reports its fiscal second quarter results after the market closes on Tuesday, May 15, 2007. The live call dial-in number is 212-748-2807.

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 the joint venture, the planned fabrication facility, 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; uncertainties with respect to the integration and management of a new joint venture, delays in the construction and equipping of the planned fabrication facility, the ability to transfer licensed applications to other applications, 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.

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FOR FURTHER INFORMATION:
Michael W. McCarthy

Vice President – Corporate Communications
Photronics, Inc.
(203)775-9000
mmccarthy@brk.photronics.com