

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported) August 19, 2003

PHOTRONICS, INC.
(Exact name of registrant as specified in its charter)

<u>Connecticut</u> (State or other jurisdiction of incorporation)	<u>0-15451</u> (Commission File Number)	<u>06-0854886</u> (IRS Employer Identification Number)
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<u>15 Secor Road, Brookfield, CT</u> (Address of Principal Executive Offices)	<u>06804</u> (Zip Code)
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Registrant's Telephone Number, including area code (203) 775-9000

(Former name or former address, if changed since last report)

Item 7. Financial Statements and Exhibits.

(c) Exhibits

99.1 Press Release dated August 19, 2003.

Item 12. Results of Operations and Financial Condition.

On August 19, 2003, Photronics, Inc. issued a press release announcing its financial results of the third quarter ended August 3, 2003. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated herein in its entirety by reference. The information furnished in this Item 12 is not filed for purposes of the Securities Exchange Act of 1934 and is not deemed incorporated by reference by any general statements incorporating by reference this report or future filings into any filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent Photronics, Inc. specifically incorporates the information by reference.

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 hereunto duly authorized.

PHOTRONICS, INC.
(Registrant)

DATE: August 19, 2003

BY: /s/ Edwin L. Lewis
Edwin L. Lewis
Vice President, Secretary and General Counsel

PHOTRONICS, INC.

EXHIBIT INDEX

Exhibit No.	Subject Matter
99.1	Press Release dated August 19, 2003.

For Further Information:

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FOR IMMEDIATE RELEASE**August 19, 2003**

PHOTRONICS REPORTS THIRD QUARTER RESULTS
REVENUES AND EARNINGS FOR THE PERIOD EXCEED
COMPANY'S GUIDANCE

BROOKFIELD, Connecticut August 19, 2003 -- Photronics, Inc. (Nasdaq:PLAB), the world's leading sub-wavelength reticle solutions supplier, today reported fiscal third quarter and nine month 2003 sales and earnings results for the period ended August 3, 2003.

Sales for the quarter were \$90.5 million, down 7.8%, compared to \$98.1 million for the third quarter in 2002. Sequentially, sales were 5.7% higher than the \$85.5 million reported in the second quarter of the fiscal year. Net income for the third quarter amounted to \$1.3 million, or \$0.04 per diluted share compared to net income of \$1.2 million or \$0.04 per diluted share for the third quarter of fiscal 2002. Net income for the third quarter of fiscal 2003 includes the impact of an early extinguishment charge of \$900 thousand, or \$0.03 per diluted share associated with the Company's redemption of all of its previously outstanding \$62.1 million 6% Convertible Subordinated Notes. Excluding the impact of the early extinguishment charge, diluted earnings per share for the quarter was \$0.07.

Sequentially, the Company's third quarter marked a return to profitability and compared favorably to the net loss of \$44.1 million, or \$1.37 per diluted share reported in the second quarter of fiscal 2003. The net loss for the second quarter of fiscal 2003 includes the impact of after tax restructuring charges totaling \$39.9 million, or \$1.24 per diluted share, recorded in a previously announced consolidation of its North American operating infrastructure that included, among other items, the closure of the Company's Phoenix, Arizona manufacturing facility and a global reduction in its work force of approximately 10%. Excluding the previously mentioned consolidation charges recorded in the second quarter of 2003, the Company reported a net loss of \$4.2 million or \$0.13 per diluted share.

Sales for the first nine months of 2003 were \$257.4 million, down 13.3% from the \$296.8 million for the first nine months of fiscal 2002. The net loss for the first nine months of fiscal 2003 totaled \$51.3 million or \$1.60 per diluted share compared to net income of \$5.5 million, or \$0.17 per diluted share for the first nine months of 2002. The results for the first nine months of 2003 included consolidation and early extinguishment charges totaling \$40.8 million after tax, or \$1.27 per diluted share. Excluding these charges, the net loss for the first nine months of 2003 was \$10.5 million or \$0.33 per diluted share. There were no comparable charges in the same period of 2002. The Company has presented its results excluding these charges because it believes such presentation improves comparisons between periods.

Dan Del Rosario, Chief Executive Officer, commented, "Since reporting our fiscal first quarter results, we have regularly stated our goal to return to profitability this quarter. Each of us at Photronics is proud to see that our hard work and focus on serving the customer have enabled us to realize this aggressive goal. The 5.7% sequential increase in revenues was outstanding in this very challenging environment and is a function of Photronics' ability to perform to the highest standards and execute under the most difficult conditions." Mr. Del Rosario added, "Many difficult decisions were made over the last year. While we still have room for further improvements, today Photronics' competitive position is strong technologically, regionally and financially. As the photomask industry leader, we are poised to support an increasing number of semiconductor companies incorporating sub-130 nanometer processes into their products. Photronics' commitment to technology development and deployment will help the Company to strengthen its global competitive position further and achieve its longer term growth and profitability goals."

A conference call with investors and the media to discuss these results can be accessed by logging onto Photronics' web site at www.photonics.com, then clicking on the "Conference Calls" button in the upper right hand corner of the home page. The call is scheduled for 8:30 a.m. Eastern Standard Time on Wednesday, August 20th and will be archived for instant replay access until the Company reports its fiscal fourth quarter results during December 2003. The live call dial-in number is (706) 634-5086.

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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, photomasks are used to transfer circuit patterns onto semiconductor wafers during the fabrication of integrated circuits. They are produced in accordance with circuit 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.photonics.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.

03-Q3 Earnings

PHOTRONICS, INC. AND SUBSIDIARIES
Consolidated Condensed Balance Sheets
(in thousands)

	August 3, 2003	November 3, 2002
<u>Assets</u>		
Current assets:		
Cash, cash equivalents and short-term investments of \$16,425 in 2003 and \$15,148 in 2002	\$ 211,375	\$ 129,092
Accounts receivable	58,767	62,545
Inventories	16,548	19,948
Other current assets	37,429	37,475
Total current assets	324,119	249,060
Property, plant and equipment, net	389,311	443,860
Intangible assets, net	118,867	121,217
Other assets	19,992	18,305
	\$ 852,289	\$ 832,442
<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Current portion of long-term debt	\$ 6,444	\$ 10,649
Accounts payable	39,415	57,401
Other accrued liabilities	31,961	38,982
Total current liabilities	77,820	107,032
Long-term debt	379,706	296,785
Deferred income taxes and other liabilities	46,050	44,539
Minority interest	51,504	44,971
Shareholders' equity	297,209	339,115
	\$ 852,289	\$ 832,442

PHOTRONICS, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Operations
(in thousands, except per share amounts)

	Three Months Ended		Nine Months Ended	
	August 3, 2003	July 31, 2002	August 3, 2003	July 31, 2002
Net sales	\$ 90,454	\$ 98,070	\$ 257,396	\$ 296,813
Costs and expenses:				
Cost of sales	62,030	69,992	188,597	209,011
Selling, general and administrative	13,625	15,075	42,611	43,629
Research and development	7,322	7,692	22,474	22,276
Consolidation, restructuring and related charges	-	-	42,000 (b)	-
Operating income (loss)	7,477	5,311	(38,286) (b)	21,897
Other expenses, net	(2,984) (a)	(4,060)	(9,312) (a)	(11,252)
Income (loss) before income taxes and minority interest	4,493 (a)	1,251	(47,598) (a)(b)	10,645
Income tax provision (benefit)	1,576	(900)	(798)	400
Income (loss) before minority interest	2,917 (a)	2,151	(46,800) (a)(b)	10,245
Minority interest	(1,645)	(966)	(4,485)	(4,794)
Net income (loss)	\$ 1,272	\$ 1,185	\$ (51,285)	\$ 5,451

	(a)		(a)(b)	
Earnings (loss) per share:				
Basic	\$ 0.04 (a)	\$ 0.04	\$ (1.60) (a)(b)	\$ 0.18
Diluted	\$ 0.04 (a)	\$ 0.04	\$ (1.60) (a)(b)	\$ 0.17
Weighted average number of common shares outstanding:				
Basic	32,096	31,895	32,062	31,030
Diluted	32,371	32,237	32,062	31,783

(a) Includes early extinguishment charge incurred in the third quarter of 2003 of \$0.9 million after tax or \$0.03 per diluted share in connection with the early redemption of the company's 6% \$62.1 million convertible notes due June 2004.

(b) Includes consolidation charges incurred in the second quarter of 2003 of \$42.0 million (\$39.9 million after tax or \$1.24 per diluted share) in connection with the consolidation of the company's North American operating infrastructure

PHOTRONICS, INC. AND SUBSIDIARIES
Consolidated Condensed Statements of Cash Flows
(in thousands)

	Nine Months Ended August 3, 2003	Nine Months Ended July 31, 2002
Cash flows from operating activities:		
Net income (loss)	\$ (51,285)	\$ 5,451
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	64,127	61,807
Consolidation, restructuring and related charges	42,000	-
Changes in assets and liabilities and other	(13,024)	2,355
Net cash provided by operating activities	41,818	69,613
Cash flows from investing activities:		
Deposits on and purchases of property, plant and equipment	(34,745)	(88,416)
Other	(826)	(16,636)
Net cash used in investing activities	(35,571)	(105,052)
Cash flows from financing activities:		
Repayment of long-term debt, net	(73,220)	(68,224)
Proceeds from issuance of common stock	661	4,467
Issuance of convertible debt, net	145,170	193,237
Net cash provided by financing activities	72,611	129,480
Effect of exchange rate changes on cash flows	2,148	4,973
Net Increase in cash and cash equivalents	81,006	99,014
Cash and cash equivalents, beginning of period	113,944	34,684
Cash and cash equivalents, end of period	\$ 194,950	\$ 133,698