

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) February 15, 2012

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)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 Results of Operations and Financial Condition

On February 15, 2012 the Company issued a press release reporting first quarter fiscal 2012 results. A copy of the press release is attached to this 8-K.

A copy of the press release is furnished as Exhibit 99.1 to this report. The information contained in this Item 2.02 and the attached Exhibits 99.1, 99.2, 99.3, 99.4, 99.5 and 99.6 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 and shall not be incorporated by reference in any filing under the Securities Act of 1933 except as shall be expressly set forth by specific reference in such filing.

On February 16, 2012, the Company will conduct a conference call during which certain unaudited, non-GAAP EBITDA financial information related to the Company's operations for the three months ended January 29, 2012 will be disclosed. This information is set forth in Exhibit 99.6.

EBITDA is a non-GAAP financial measure that the Company defines pursuant to its credit agreement. The Company believes that EBITDA is generally accepted as providing useful information regarding the operational strength and performance of its business, including the ability of the Company to pay interest, service debt and fund capital expenditures. The Company's method for calculating EBITDA may not be comparable to methods used by other companies but is the same method the Company uses for calculating EBITDA under its credit facility.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 99.1 Press Release dated February 15, 2012
 - 99.2 Condensed Consolidated Statements of Income
 - 99.3 Condensed Consolidated Balance Sheets
 - 99.4 Condensed Consolidated Statements of Cash Flows
 - 99.5 Reconciliation of GAAP to Non-GAAP Financial Information
 - 99.6 Reconciliation of GAAP Net Income to EBITDA
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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: February 15, 2012

BY /s/ *Richelle E. Burr*

Richelle E. Burr

Vice President, General Counsel

PHOTRONICS, INC.



FOR FURTHER INFORMATION:
Pete Broadbent
Vice President, Investor Relations
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Press Release

PHOTRONICS REPORTS FIRST QUARTER FISCAL 2012 RESULTS

- Quarterly sales of \$112.2 million; within guidance of \$111 – \$116 million
- GAAP net income of \$4.3 million, or \$0.07 earnings per diluted share
- Non-GAAP EPS of \$0.09 per diluted share; within guidance of \$0.07 - \$0.11
- EBITDA of \$33 million
- Net cash improves \$13 million sequentially to \$45 million

BROOKFIELD, Connecticut February 15, 2012 -- Photronics, Inc. (NASDAQ:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today reported financial results for the fiscal 2012 first quarter ended January 29, 2012.

Constantine (“Deno”) Macricostas, Photronics’ chairman and chief executive officer commented, “As anticipated, the soft demand environment continued into our seasonally slow first fiscal quarter resulting in sales of \$112.2 million. On the bottom line, as a result of strict expense control we reported EBITDA for the quarter of \$33 million and Non-GAAP EPS in the middle of our guidance range of \$0.09 per diluted share.”

“We did see strength in high-end semiconductor photomask sales as leading edge customers continued to invest in new designs during the cycle,” continued Macricostas. “We increased high end IC sales 6% sequentially and 98% over the same period last year as our investments at the leading edge partially offset the slowdown in the mainstream business during the period. Our technology leadership, coupled with a lean and flexible operating structure, enabled us to deliver on our expectations for the quarter and should drive solid earnings growth when the market returns.”

Sales for the first quarter of fiscal 2012 were \$112.2 million, a decrease of 7% compared with \$120.8 million for the first quarter of fiscal 2011. Sales of semiconductor photomasks were \$86.8 million, or 77% of revenues, during the first quarter of fiscal 2012, and sales of flat panel display (FPD) photomasks were \$25.4 million, or 23% of revenues.

GAAP net income attributable to Photronics, Inc. for the first quarter of fiscal 2012 was \$4.3 million, or \$0.07 per diluted share, compared with GAAP net income attributable to Photronics, Inc. of \$12.1 million, or \$0.20 per diluted share, for the first quarter of fiscal 2011. First quarter fiscal 2012 GAAP net income includes a \$1.1 million charge related to the previously announced Singapore restructuring. Non-GAAP net income attributable to Photronics, Inc. for the first quarter of fiscal 2012, excluding charges related to the Singapore restructuring and the impact of warrants, was \$5.3 million, or \$0.09 per diluted share.

The section below entitled "*Non-GAAP Financial Measures*" provides a definition and information about the use of non-GAAP financial measures in this press release, and the attached financial supplement reconciles non-GAAP financial information with Photronics, Inc.'s financial results under GAAP.

Non-GAAP Financial Measures

Non-GAAP net income attributable to Photronics, Inc. and non-GAAP earnings per share are "non-GAAP financial measures," as such term is defined by the Securities and Exchange Commission, and may differ from non-GAAP financial measures used by other companies. Photronics, Inc. believes that non-GAAP net income attributable to Photronics, Inc. and non-GAAP earnings per share that exclude certain non-cash or non-recurring income or expense items are useful for analysts and investors to evaluate Photronics, Inc.'s future on-going performance because they enable a more meaningful comparison of Photronics, Inc.'s projected earnings and performance with its historical results of prior periods. These non-GAAP metrics, in particular non-GAAP net income attributable to Photronics, Inc. and non-GAAP earnings per share are not intended to represent funds available for Photronics, Inc.'s discretionary use and are not intended to represent, or be used as a substitute for, operating income, net income or cash flows from operations data as measured under GAAP. The items excluded from these non-GAAP metrics, but included in the calculation of their closest GAAP equivalent, are significant components of the consolidated statements of operations and must be considered in performing a comprehensive assessment of overall financial performance. Non-GAAP financial information is adjusted for the following items:

- Consolidation and restructuring charges in the first quarter of fiscal 2012 are excluded because they are not a part of ongoing operations.
- Impact of warrants is excluded because it does not affect cash earnings.

The presentation of this financial information should not be considered in isolation or as a substitute for the financial information prepared and presented in accordance with accounting principles generally accepted in the United States. The attached financial supplement reconciles non-GAAP financial information with Photronics, Inc.'s financial results under GAAP.

A conference call with investors and the media to discuss these results is scheduled for 8:30 a.m. Eastern time on Thursday, February 16, 2012. The call can be accessed by logging onto Photonics' web site at www.photonics.com. The live dial-in number is 408-774-4601. The call will be archived for instant replay access until the Company reports its fiscal 2012 second quarter results.

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Photonics 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.photonics.com.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements made by or on behalf of Photonics, Inc. and its subsidiaries (the Company). The forward-looking statements contained in this press release and other parts of Photonics' web site involve risks and uncertainties that may affect the Company's operations, markets, products, services, prices, and other factors. These risks and uncertainties include, but are not limited to, economic, competitive, legal, governmental, and technological factors. Accordingly, there is no assurance that the Company's expectations will be realized. For a fuller discussion of the factors that may affect the Company's operations, see "Forward Looking Statements" in the Company's Quarterly and Annual Reports to the Securities and Exchange Commission on Forms 10-Q and 10-K. The Company assumes no obligation to provide revisions to any forward-looking statements.

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

	Three Months Ended	
	January 29, 2012	January 30, 2011
Net sales	\$ 112,154	\$ 120,823
Costs and expenses:		
Cost of sales	(86,696)	(90,229)
Selling, general and administrative	(11,325)	(10,713)
Research and development	(4,444)	(3,771)
Consolidation, restructuring and related charges	(1,118)	-
Operating income	8,571	16,110
Other income (expense), net	(409)	957
Income before income taxes	8,162	17,067
Income tax provision	(3,321)	(3,483)
Net income	4,841	13,584
Net income attributable to noncontrolling interests	(573)	(1,473)
Net income attributable to Photronics, Inc.	\$ 4,268	\$ 12,111
Earnings per share:		
Basic	\$ 0.07	\$ 0.23
Diluted	\$ 0.07	\$ 0.20
Weighted-average number of common shares outstanding:		
Basic	59,817	53,817
Diluted	60,930	66,411

PHOTRONICS, INC. AND SUBSIDIARIES**Condensed Consolidated Balance Sheets**

(in thousands)

(Unaudited)

	January 29, 2012	October 30, 2011
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 201,800	\$ 189,928
Accounts receivable	84,092	85,540
Inventories	21,626	22,100
Other current assets	8,137	7,639
Total current assets	315,655	305,207
Property, plant and equipment, net	359,814	368,680
Investment in joint venture	80,365	79,984
Intangible assets, net	41,194	42,462
Other assets	22,663	21,521
	<u>\$ 819,691</u>	<u>\$ 817,854</u>
<u>Liabilities and Equity</u>		
Current liabilities:		
Current portion of long-term borrowings	\$ 5,529	\$ 5,583
Accounts payable and accrued liabilities	89,638	90,318
Total current liabilities	95,167	95,901
Long-term borrowings	151,257	152,577
Other liabilities	8,821	9,620
Equity	564,446	559,756
	<u>\$ 819,691</u>	<u>\$ 817,854</u>

PHOTRONICS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows

(in thousands)

(Unaudited)

	Three Months Ended	
	January 29, 2012	January 30, 2011
Cash flows from operating activities:		
Net income	\$ 4,841	\$ 13,584
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	22,667	23,189
Changes in assets and liabilities and other	6,527	4,882
Net cash provided by operating activities	34,035	41,655
Cash flows from investing activities:		
Purchases of property, plant and equipment	(18,127)	(19,120)
Investment in joint venture	(400)	(3,999)
Other	(1,602)	-
Net cash used in investing activities	(20,129)	(23,119)
Cash flows from financing activities:		
Repayments of long-term borrowings	(999)	(24,346)
Repurchase of common stock of subsidiary	(885)	-
Proceeds from share-based payments	233	159
Proceeds from long-term borrowings	-	17,000
Net cash used in financing activities	(1,651)	(7,187)
Effect of exchange rate changes on cash	(383)	2,429
Net increase in cash and cash equivalents	11,872	13,778
Cash and cash equivalents, beginning of period	189,928	98,945
Cash and cash equivalents, end of period	\$ 201,800	\$ 112,723
Supplemental disclosure of cash flow information:		
Change in accrual for purchases of property, plant and equipment	\$ 5,159	\$ 13,273

PHOTRONICS, INC. AND SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP Financial Information
(in thousands, except per share data)
(Unaudited)

	Three Months Ended	
	January 29, 2012	January 30, 2011
Reconciliation of GAAP to Non-GAAP Net Income		
<u>Attributable to Photronics, Inc.</u>		
GAAP net income attributable to Photronics, Inc.	\$ 4,268	\$ 12,111
(a) Consolidation and restructuring charges, net of tax	1,118	-
(b) Impact of warrants, net of tax	(94)	75
Non-GAAP net income attributable to Photronics, Inc.	<u>\$ 5,292</u>	<u>\$ 12,186</u>
Reconciliation of GAAP to Non-GAAP Net Income		
<u>Applicable to Common Shareholders</u>		
Weighted average number of diluted shares outstanding		
GAAP	<u>60,930</u>	<u>66,411</u>
Non-GAAP	<u>60,856</u>	<u>66,411</u>
Net income per diluted share		
GAAP	<u>\$ 0.07</u>	<u>\$ 0.20</u>
Non-GAAP	<u>\$ 0.09</u>	<u>\$ 0.20</u>

(a) Represents consolidation and restructuring charges primarily related to the announced restructuring in Singapore.

(b) Represents financing expenses related to warrants, which are recorded in other income (expense), net.

PHOTRONICS, INC. AND SUBSIDIARIES
Non-GAAP Financial Measure
Reconciliation of GAAP Net income to EBITDA
(in thousands)
(Unaudited)

	Three Months Ended	
	January 29, 2012	January 30, 2011
GAAP Net income (a)	\$ 4,841	\$ 13,584
Add: interest expense	1,781	1,711
Add: income tax expense	3,321	3,483
Add: depreciation and amortization	22,295	22,808
Add (less): special items (b)	794	553
EBITDA	\$ 33,032	\$ 42,139

(a) Includes net income attributable to noncontrolling interests.

(b) Special items consist of non-cash consolidation and restructuring charges, warrants expense (income), and stock compensation expense.
