

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) May 14, 2013

PHOTRONICS, INC.

(Exact name of registrant as specified in its charter)

Connecticut

(State or other jurisdiction
of incorporation)

0-15451

(Commission
File Number)

06-0854886

(IRS Employer
Identification Number)

15 Secor Road, Brookfield, CT

(Address of Principal Executive Offices)

06804

(Zip Code)

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))

Item 2.02 Results of Operations and Financial Condition

On May 14, 2013, the Company issued a press release reporting second quarter fiscal 2013 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 May 15, 2013, 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 April 28, 2013 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 May 14, 2013
 - 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: May 15, 2013

BY /s/ *Richelle E. Burr*

Richelle E. Burr

Vice President, General Counsel

PHOTRONICS, INC.



PHOTRONICS REPORTS SECOND QUARTER FISCAL 2013 RESULTS

- Quarterly sales of \$106.7 million; within guidance of \$106 – \$110 million
- High-end IC photomask sales increase sequentially by 31%
- GAAP EPS of \$0.08 per diluted share; within guidance of \$0.07 - \$0.10
- Gross margin improves 210 bps sequentially to 23.2%
- Operating margin improves by 240 bps sequentially to 7.6%
- EBITDA of \$28 million

BROOKFIELD, Connecticut May 14, 2013 — 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 2013 second quarter ended April 28, 2013.

Constantine (“Deno”) Macricostas, Photronics' chairman and chief executive officer commented, “We achieved top and bottom line results within our expectations. High-end IC orders were up 31% sequentially even though we experienced some softness with a key Asian foundry customer. Flat panel orders were generally in line with the improved performance in the previous quarter. We continue to expect conditions in the market to be favorable for us in the coming quarters, especially at the high-end with our new equipment deployments.”

Sales for the second quarter of fiscal 2013 were \$106.7 million, a decrease of 9% compared with \$117.5 million for the second quarter of fiscal 2012. Sales of semiconductor photomasks were \$82.2 million, or 77% of revenues, during the second quarter of fiscal 2013, and sales of flat panel display (FPD) photomasks were \$24.5 million, or 23% of revenues. GAAP and non-GAAP net income attributable to Photronics, Inc. shareholders for the second quarter of fiscal 2013 was \$4.9 million, or \$0.08 per diluted share, compared with the second quarter of fiscal 2012 GAAP net income attributable to Photronics, Inc. shareholders of \$8.8 million, or \$0.14 per diluted share, and non-GAAP net income attributable to Photronics, Inc. shareholders of \$8.9 million, or \$0.14 per diluted share. Non-GAAP net income attributable to Photronics, Inc. shareholders for the second quarter of fiscal 2012 excluded restructuring charges of \$0.1 million.

Sales for the first six months of fiscal 2013 were \$206.5 million, compared with \$229.6 million for the first six months of fiscal 2012. For the first six months of fiscal 2013, sales of semiconductor photomasks were \$156.6 million, or 76% of revenues, and sales of FPD photomasks were \$49.9 million, or 24% of revenues. GAAP and non-GAAP net income attributable to Photronics, Inc. shareholders for the first six months of fiscal 2013 was \$7.2 million, or \$0.12 per diluted share, compared with the first six months of fiscal 2012 GAAP net income attributable to Photronics, Inc. shareholders of \$13.1 million, or \$0.21 per diluted share, and non-GAAP net income attributable to Photronics, Inc. shareholders of \$14.2 million, or \$0.23 per diluted share. Non-GAAP net income attributable to Photronics, Inc. shareholders for the first six months of fiscal 2012 excludes \$1.2 million of restructuring charges and a \$0.1 million gain relating to warrants.

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. shareholders 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. shareholders 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. shareholders 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 fiscal 2012 are excluded because they are not a part of ongoing operations.
- Impact of financing expenses related to warrants in fiscal 2012 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 Wednesday, May 15, 2013. The call can be accessed by logging onto Photronics' web site at www.photronics.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 2013 third quarter results.

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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 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.

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements made by or on behalf of Photronics, Inc. and its subsidiaries (the Company). The forward-looking statements contained in this press release and other parts of Photronics' 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 as well as decisions we may make in the future regarding our business, capital structure and other matters. 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.

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PHOTRONICS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Income

(in thousands, except per share amounts)

(Unaudited)

	Three Months Ended		Six Months Ended	
	April 28, 2013	April 29, 2012	April 28, 2013	April 29, 2012
Net sales	\$ 106,680	\$ 117,451	\$ 206,519	\$ 229,605
Costs and expenses:				
Cost of sales	(81,891)	(87,590)	(160,632)	(174,286)
Selling, general and administrative	(12,151)	(12,201)	(23,218)	(23,526)
Research and development	(4,556)	(4,441)	(9,395)	(8,885)
Consolidation, restructuring and related charges	-	(58)	-	(1,176)
Operating income	8,082	13,161	13,274	21,732
Other expense, net	(916)	(968)	(1,507)	(1,377)
Income before income tax provision	7,166	12,193	11,767	20,355
Income tax provision	(1,724)	(2,663)	(3,466)	(5,984)
Net income	5,442	9,530	8,301	14,371
Net income attributable to noncontrolling interests	(579)	(712)	(1,114)	(1,285)
Net income attributable to Photronics, Inc. shareholders	<u>\$ 4,863</u>	<u>\$ 8,818</u>	<u>\$ 7,187</u>	<u>\$ 13,086</u>
Earnings per share:				
Basic	\$ 0.08	\$ 0.15	\$ 0.12	\$ 0.22
Diluted	<u>\$ 0.08</u>	<u>\$ 0.14</u>	<u>\$ 0.12</u>	<u>\$ 0.21</u>
Weighted average number of common shares outstanding:				
Basic	60,493	60,086	60,385	59,952
Diluted	<u>61,501</u>	<u>76,590</u>	<u>61,298</u>	<u>76,472</u>

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

(in thousands)

(Unaudited)

	April 28, 2013	October 28, 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 210,552	\$ 218,043
Accounts receivable	82,715	75,685
Inventories	18,585	17,702
Other current assets	9,525	8,364
Total current assets	321,377	319,794
Property, plant and equipment, net	410,757	380,808
Investment in joint venture	93,050	93,252
Intangible assets, net	36,776	37,384
Other assets	18,899	17,996
	<u>\$ 880,859</u>	<u>\$ 849,234</u>
Liabilities and Equity		
Current liabilities:		
Current portion of long-term borrowings	\$ 10,473	\$ 7,781
Accounts payable and accrued liabilities	103,925	77,732
Total current liabilities	114,398	85,513
Long-term borrowings	169,348	168,956
Other liabilities	9,665	8,764
Equity	587,448	586,001
	<u>\$ 880,859</u>	<u>\$ 849,234</u>

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

(in thousands)

(Unaudited)

	Six Months Ended	
	April 28, 2013	April 29, 2012
Cash flows from operating activities:		
Net income	\$ 8,301	\$ 14,371
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	37,490	44,135
Consolidation, restructuring, and related charges	-	262
Changes in assets and liabilities and other	(9,857)	3,631
Net cash provided by operating activities	35,934	62,399
Cash flows from investing activities:		
Purchases of property, plant and equipment	(31,866)	(67,626)
Investment in joint venture	-	(5,899)
Other	(2,822)	(1,600)
Net cash used in investing activities	(34,688)	(75,125)
Cash flows from financing activities:		
Proceeds from long-term borrowings	-	25,000
Repayments of long-term borrowings	(3,319)	(2,343)
Repurchase of common stock by subsidiary	(4,190)	(7,577)
Payments of deferred financing fees	(40)	(198)
Proceeds from exercise of share-based arrangements	588	431
Net cash provided by (used in) financing activities	(6,961)	15,313
Effect of exchange rate changes on cash	(1,776)	(555)
Net increase (decrease) in cash and cash equivalents	(7,491)	2,032
Cash and cash equivalents, beginning of period	218,043	189,928
Cash and cash equivalents, end of period	\$ 210,552	\$ 191,960

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>April 28,</u> <u>2013</u>	<u>April 29,</u> <u>2012</u>	<u>April 28,</u> <u>2013</u>	<u>April 29,</u> <u>2012</u>
Reconciliation of GAAP to Non-GAAP Net Income				
<u>Attributable to Photonics, Inc. Shareholders</u>				
GAAP net income attributable to Photonics, Inc. shareholders	\$ 4,863	\$ 8,818	\$ 7,187	\$ 13,086
(a) Consolidation and restructuring charges, net of tax	-	58	-	1,176
(b) Impact of warrants, net of tax	-	-	-	(94)
Non-GAAP net income attributable to Photonics, Inc. shareholders	<u>\$ 4,863</u>	<u>\$ 8,876</u>	<u>\$ 7,187</u>	<u>\$ 14,168</u>
Reconciliation of GAAP to Non-GAAP Net Income				
<u>Applicable to Common Shareholders</u>				
Weighted average number of diluted shares outstanding				
GAAP	<u>61,501</u>	<u>76,590</u>	<u>61,298</u>	<u>76,472</u>
Non-GAAP	<u>61,501</u>	<u>76,590</u>	<u>61,298</u>	<u>76,435</u>
Net income per diluted share				
GAAP	<u>\$ 0.08</u>	<u>\$ 0.14</u>	<u>\$ 0.12</u>	<u>\$ 0.21</u>
Non-GAAP	<u>\$ 0.08</u>	<u>\$ 0.14</u>	<u>\$ 0.12</u>	<u>\$ 0.23</u>

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

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

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>April 28,</u> <u>2013</u>	<u>April 29,</u> <u>2012</u>	<u>April 28,</u> <u>2013</u>	<u>April 29,</u> <u>2012</u>
GAAP Net income (a)	\$ 5,442	\$ 9,530	\$ 8,301	\$ 14,371
Add: interest expense	1,909	1,795	3,796	3,575
Add: income tax expense	1,724	2,663	3,466	5,984
Add: depreciation and amortization	17,959	21,089	36,742	43,384
Add (less): special items (b)	939	746	1,825	1,540
EBITDA	\$ 27,973	\$ 35,823	\$ 54,130	\$ 68,854

(a) Includes net income attributable to noncontrolling interests.

(b) Special items consist of stock compensation expense, and in 2012 non-cash consolidation and restructuring charges and warrants expense (income).
