SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

(Mark One)
[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended ......January 30, 2000....

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from............. to ....

Commission file number...0-15451...

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

...Connecticut...	...06-0854886...
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
......1061 East Indiantown Road, Jupiter, FL......	..33477..
(Address of principal executive offices)	(Zip Code)

...(561) 745-1222...
(Registrant's telephone number, including area code)

....
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ..X.. No .....

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at January 30, 2000
Common Stock, $.01 par value	24,096,933 Shares

PHOTRONICS, INC.
AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

PHOTRONICS, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheet

(in thousands)

ASSETS

	January 30, 2000 (Unaudited)	October 31, 1999
Current assets:		
Cash and cash equivalents	$ 8,951	$ 16,269
Accounts receivable (less allowance for doubtful accounts of $235 in 2000 and 1999)	42,497	41,293
Inventories	14,398	13,888
Other current assets	15,321	14,757
Total current assets	81,167	86,207
Property, plant and equipment (less accumulated depreciation of $147,476 in 2000 and $139,742 in 1999)	276,191	282,157
Intangible assets (less accumulated amortization of $8,607 in 2000 and $8,062 in 1999)	30,030	28,357
Investments and other assets	18,699	13,635
	$406,087	$410,356

See accompanying notes to condensed consolidated financial statements.

PHOTRONICS, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheet

(dollars in thousands, except share and per share amounts)

LIABILITIES AND SHAREHOLDERS' EQUITY

	January 30, 2000 (Unaudited)	October 31, 1999
Current liabilities:		
Current portion of long-term debt	$ 252	$ 261
Accounts payable	35,270	45,608
Accrued salaries and wages	3,427	2,490
Other accrued liabilities	3,934	8,657
Total current liabilities	42,883	57,016
Long-term debt	116,634	116,703
Deferred income taxes and other liabilities	32,108	28,937
Total liabilities	191,625	202,656
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, $0.01 par value, 2,000,000 shares authorized, none issued and outstanding	-	-
Common stock, $0.01 par value, 75,000,000 shares authorized, 24,096,933 shares issued in 2000 and 23,948,807 shares in 1999	241	239
Additional paid-in capital	83,005	80,242
Retained earnings	133,772	130,759
Accumulated other comprehensive loss	(2,527)	(3,489)
Deferred compensation on restricted stock	(29)	(51)
Total shareholders' equity	214,462	207,700
	$406,087	$410,356

See accompanying notes to condensed consolidated financial statements.

PHOTRONICS, INC. AND SUBSIDIARIES

Condensed Consolidated Statement of Earnings
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	January 30, 2000	January 31, 1999
Net sales	$58,316	$47,815
Costs and expenses:		
Cost of sales	39,928	35,287
Selling, general and administrative	8,174	7,263
Research and development	4,493	3,519
Operating income	5,721	1,746
Other expense, net	(1,008)	(729)
Income before income taxes	4,713	1,017
Provision for income taxes	1,700	400
Net income	$ 3,013	$ 617
Earnings per share:		
Basic	$0.13	$0.03
Diluted	$0.13	$0.03
Weighted average number of common shares outstanding:		
Basic	23,983	24,102
Diluted	23,983	24,102

See accompanying notes to condensed consolidated financial statements.

PHOTRONICS, INC. AND SUBSIDIARIES

Condensed Consolidated Statement of Cash Flows
(in thousands)
(Unaudited)

	Three Months Ended	
	January 30, 2000	January 31, 1999
Cash flows from operating activities:		
Net income	$ 3,013	$ 617
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation and amortization	10,709	9,350
Other	(1,695)	(235)
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable	(1,330)	1,381
Inventories	(545)	291
Other current assets	(588)	(285)
Accounts payable and other liabilities	(14,254)	6,348
Net cash provided by (used in) operating activities	(4,690)	17,467
Cash flows from investing activities:		
Deposits on and purchases of property, plant and equipment	(4,671)	(20,863)
Net change in short-term investments	-	1,449
Other	445	616
Net cash used in investing activities	(4,226)	(18,798)
Cash flows from financing activities:		
Repayment of long-term debt	(62)	(1,869)
Proceeds from issuance of common stock	2,765	1,882
Purchase and retirement of common stock	-	(3,425)
Other	(5)	(301)
Net cash provided by (used in) financing activities	2,698	(3,713)
Effect of exchange rate changes on cash flows	(1,100)	(163)
Net decrease in cash and cash equivalents	(7,318)	(5,207)
Cash and cash equivalents at beginning of period	16,269	23,841
Cash and cash equivalents at end of period	$ 8,951	$18,634
Cash paid during the period for:		
Interest	$3,192	$3,120
Income taxes	$ 22	$ 185

See accompanying notes to condensed consolidated financial statements.

PHOTRONICS, INC. AND SUBSIDIARIES

Condensed Consolidated Statement of Shareholders' Equity
(in thousands)
(unaudited)

	Common Stock				Accumulated Other Comprehensive Income (Loss)				
	Shares	Amount	Add'l Paid-In Capital	Retained Earnings	Unrealized Investment Gains	Foreign Currency Translation	Total	Deferred Compensation on Restricted Stock	Total Shareholders' Equity
Balance at November 1, 1998	24,164	$ 242	$82,377	$120,091	$1,167	$(3,308)	$(2,141)	$ (139)	$200,430
Comprehensive income:									
Net income	-	-	-	617	-	-	-	-	617
Change in unrealized gains on investments	-	-	-	-	1,340	-	1,340	-	1,340
Foreign currency translation adjustment	-	-	-	-	-	(35)	(35)	-	(35)
Total comprehensive income	-	-	-	617	1,340	(35)	1,305	-	1,922
Sale of common stock through employee stock option and purchase plans	116	1	1,881	-	-	-	-	-	1,882
Amortization of restricted stock to compensation expense	-	-	-	-	-	-	-	22	22
Common stock repurchases	(250)	(3)	(3,422)	-	-	-	-	-	(3,425)
Balance at January 31, 1999	24,030	$240	$80,836	$120,708	$2,507	$(3,343)	$ (836)	$(117)	$200,831
Balance at October 31, 1999	23,949	$239	$80,242	$130,759	$2,524	$(6,013)	$(3,489)	$ (51)	$207,700
Comprehensive income:									
Net income	-	-	-	3,013	-	-	-	-	3,013
Change in unrealized gains on investments	-	-	-	-	3,041	-	3,041	-	3,041
Foreign currency translation adjustment	-	-	-	-	-	(2,079)	(2,079)	-	(2,079)
Total comprehensive income	-	-	-	3,013	3,041	(2,079)	962	-	3,975
Sale of common stock through employee stock option and purchase plans	148	2	2,763	-	-	-	-	-	2,765
Amortization of restricted stock to compensation expense	-	-	-	-	-	-	-	22	22
Balance at January 30, 2000	24,097	$241	$83,005	$133,772	$5,565	$(8,092)	$(2,527)	$(29)	$214,462

See accompanying notes to Condensed Consolidated Financial Statements.

PHOTRONICS, INC. AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

Three Months Ended January 30, 2000 and January 31, 1999
(Unaudited)

NOTE 1 - BASIS OF FINANCIAL STATEMENT PRESENTATION

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended January 30, 2000 are not necessarily indicative of the results that may be expected for the year ending October 30, 2000. For further information, refer to the consolidated financial statements and footnotes thereto included in Company's Annual Report on Form 10-K for the year ended October 31, 1999.

NOTE 2 - EARNINGS PER SHARE

Basic Earnings Per Share ("EPS") is based on the weighted average number of common shares outstanding for the period, excluding any dilutive common share equivalents. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted.

A reconciliation of basic and diluted EPS for the three months ended January 30, 2000 and January 31, 1999 is as follows (in thousands, except per share amounts):

	Net Income	Average Shares Outstanding	Earnings Per Share
2000:			
Basic	$3,013	23,983	$0.13
Effect of potential dilution from exercise of stock options and conversion of notes (a)	-	-	
Diluted	$3,013	23,983	$0.13
1999:			
Basic	$ 617	24,102	$0.03
Effect of potential dilution from exercise of stock options and conversion of notes (a)	-	-	
Diluted	$ 617	24,102	$0.03

(a) The effect of the exercise of stock options and the conversion of notes for the three months ended January 30, 2000 and January 31, 1999 is anti-dilutive.

NOTE 3 - COMPREHENSIVE INCOME

The Company's comprehensive income as reported in the Condensed Consolidated Statement of Shareholders' Equity, consists of net earnings, and all changes in equity during a period except those resulting from investments by owners and distributions to owners, which are presented before tax. The Company does not provide for U.S. income taxes on foreign currency translation adjustments because it does not provide for such taxes on undistributed earnings of foreign subsidiaries. Other comprehensive income (loss) consists of unrealized gains and losses on certain investments in equity securities and foreign currency translation adjustments. The related tax effects allocated to each component of other comprehensive income (loss) for the three months ended January 30, 2000 and January 31, 1999 were as follows:

	Before-Tax Amount	Tax (Expense) or Benefit	Net-of-Tax Amount
2000:			
Foreign currency translation adjustment	$(8,092)	$ -	$(8,092)
Unrealized gains on investments:			
Unrealized holding gains arising during the period	11,745	(4,463)	7,282
Less: reclassification adjustment for gains realized in net income	(2,769)	1,052	(1,717)
Net unrealized gains	8,976	(3,411)	5,565
Other comprehensive income (loss)	$ 884	$(3,411)	$(2,527)
1999:			
Foreign currency translation adjustment	$(3,343)	$ -	$(3,343)
Unrealized losses on investments:			
Unrealized holding gains arising during the period	4,578	(1,740)	2,838
Less: reclassification adjustment for gains realized in net income	(534)	203	(331)
Net unrealized gains	4,044	(1,537)	2,507
Other comprehensive income (loss)	$ 701	$(1,537)	$ (836)

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Material Changes in Results of Operations
Three Months ended January 30, 2000 versus January 31, 1999.

Net sales for the three months ended January 30, 2000 increased 22.0% to $58.3 million compared with $47.8 million for the three months ended January 31, 1999, primarily due to an increase in new design releases, principally in the United States, and a better mix of orders for high-end technology products. The first quarter of fiscal 1999 reflected the downturn in the global semi-conductor industry which resulted in extended customer shut-downs, a slow-down in the releases of new designs, and price reductions for mature products. The Company continues to see a weakness in selling prices for mature technologies but has benefitted from its investment in high-end manufacturing capability through a mix shift toward high-end technology products. Sales outside of the U.S. were consistent in the first quarter of 2000 compared to the first quarter of 1999 at approximately 23% of total sales.

Cost of sales for the three months ended January 30, 2000, increased 13.2% to $39.9 million, compared with $35.3 million for the same period in the prior fiscal year. Gross margins increased to 31.5% of sales in the first quarter of fiscal 2000, compared with 26.2% for the first quarter of 1999. The gross margin increase was primarily attributable to an increase in higher margin .25 micron and below product shipments, partially offset by increases in costs, principally higher depreciation and service contract expenses from the Company's expansion of its technological capability.

Selling, general and administrative expenses increased 12.5% to $8.2 million for the three months ended January 30, 2000, compared with $7.3 million for the same period in the prior fiscal year. As a percentage of net sales, selling, general and administrative expenses decreased to 14.0% for the three months ended January 30, 2000, compared with 15.2% for the same period in the prior fiscal year. The higher expenses were due principally to staffing and other costs associated with the Company's expansion, both domestically and internationally, together with increases in information systems and communications costs.

Research and development expenses for the three months ended January 30, 2000, increased 27.7% to $4.5 million, compared with $3.5 million for the same period in the prior fiscal year. This increase reflects the continuing development efforts on high-end, more complex photomasks such as phase shift and optical proximity correction applications, and on process enhancements for the manufacture of high-end photomasks. In addition, R&D expenses in the current year increased as a result of the new Mask Center of Competency, a joint effort with IBM, established in the second half of fiscal 1999. As a percentage of net sales, research and development was 7.7% for the three months ended January 30, 2000 compared to 7.4% for the quarter ended January 31, 1999.

Net other expenses of approximately $1.0 million in the first quarter of 2000 was comprised principally of interest expense on the convertible notes offset by interest and other income earned on investments. This compares to $0.7 million of net interest and other expenses in the first quarter of 1999. The prior year included higher income earned on investments whereas the current year included higher interest expense as a result of utilization of revolving credit lines.

Net income for the three months ended January 30, 2000, increased to $3.0 million, or $0.13 per share on a basic and a diluted basis, compared with $0.6 million or $0.03 per basic and diluted share for the corresponding prior year period.

LIQUIDITY AND CAPITAL RESOURCES

Photronics' cash and cash equivalents decreased $7.3 million during the three months ended January 30, 2000, largely as a result of capital expenditures for equipment of approximately $5 million and the timing of payments of amounts accrued at the end of fiscal 1999, including semi-annual interest on the Company's convertible notes.

Accounts receivable increased 2.9% from October 31, 1999 due to higher international sales, especially in Asia, and a stretch-out in days sales outstanding. Inventory increased by 3.7% during the quarter as a result of the Company's strategic decision to increase quantities of certain critical materials in anticipation of any potential Year 2000 issues.

Property, plant and equipment decreased to $276.2 million at January 30, 2000, from $282.2 million at October 31, 1999, primarily as a result of depreciation expense, offset by approximately $5 million of new capital additions.

Intangible and other non-current assets increased $6.7 million during the quarter ended January 30, 2000, principally due to an increase in the market value of investments available for sale.

Accounts payable and accruals decreased 24.9% or $14.1 million from October 31, 1999, due to the timing of payments principally for capital equipment, interest on the convertible notes and property taxes.

Photronics' commitments represent investments in additional manufacturing capability as well as advanced equipment for research and development of high-end, more complex photomasks. At January 30, 2000, Photronics had commitments outstanding for capital expenditures of approximately $30 million. Additional commitments for capital requirements are expected to be incurred during fiscal 2000. Photronics will continue to use its working capital and bank lines of credit to finance its capital expenditures. Photronics believes that its currently available resources, together with its capacity for substantial growth and its access to other debt and equity financing sources, are sufficient to satisfy its currently planned capital expenditures, as well as its anticipated working capital requirements for the foreseeable future.

YEAR 2000

As of the date of this filing, the Company has not experienced any Year 2000 problems that have affected its operations, the realization of financial assets, or the Company's results of operations. The Company will continue to monitor its operations for non-compliant components. The Company is also monitoring its open transactions with customers and vendors to ensure that there are no undetected problems that could have a future impact.

As of the date of this filing, the Company believes there are no remaining significant risks or exposure as a result of the Year 2000 issue.

"SAFE HARBOR" STATEMENT UNDER THE PRIVATE
SECURITIES LITIGATION REFORM ACT OF 1995:

Except for historical information, the matters discussed above may be considered forward-looking statements and may be subject to certain risks and uncertainties that could cause the actual results to differ materially from those projected, including uncertainties in the market, pricing, competition, procurement and manufacturing efficiencies, and other risks.

PART II. OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

27 Financial Data Schedule

(b) Reports on Form 8-K

During the quarter for which this report is filed, the following reports on Form 8-K were filed by the Company, each reporting information under Item 5, as follows:

(i) Form 8-K dated November 4, 1999 reported certain information with respect to Photronics' withdrawal and refiling of a notification and report under the Hart-Scott-Rodino Antitrust Improvements Act ("Hart-Scott") related to Photronics' proposed acquisition of Align-Rite International, Inc. ("Align-Rite").

(ii) Form 8-K dated November 29, 1999 reported certain additional information regarding Photronics' and Align-Rite's receipt from the United States Department of Justice of a request for additional information related to the Hart-Scott filing.

(iii) Form 8-K dated January 14, 2000 reported that Photronics and Align-Rite entered into an amendment of the merger agreement pursuant to which Photronics would acquire Align-Rite.

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 thereunto duly authorized.

PHOTRONICS, INC.
(Registrant)

By:______ROBERT J. BOLLO_________
Robert J. Bollo
Vice President/Finance
(Duly Authorized Officer and
Principal Financial Officer)

Date: March 10, 2000

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This schedule contains summary financial information extracted from the Condensed Consolidated Statement of Earnings and the Consolidated Balance Sheet and is qualified in its entirety by reference to such financial statements.

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OCT-30-2000
JAN-30-2000
8,951
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42,732
235
14,398
81,167
423,667
147,476
406,087
42,883
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