

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) **December 2, 2015**

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))
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Item 2.02 Results of Operations and Financial Condition

On December 2, 2015, the Company issued a press release reporting fourth quarter fiscal 2015 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 December 3, 2015, the Company will conduct a conference call during which certain unaudited, non-GAAP financial information related to the Company's operations for the three months ended November 1, 2015 will be disclosed. This information is set forth in Exhibit 99.5 and 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 December 2, 2015
 - 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 Non-GAAP 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: December 3, 2015

BY /s/ *Richelle E. Burr*

Richelle E. Burr

Vice President, General Counsel

PHOTRONICS, INC.



For Further Information:
R. Troy Dewar, CFA
Director, Investor Relations
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Press Release

Photronics Reports Fourth Quarter Fiscal 2015 Results

- Record quarterly sales of \$141.7 million, up 14% compared with last year and the sixth consecutive quarter of year-over-year revenue growth
- Net income rose to \$18.6 million (\$0.25 per diluted share)
- Gross margin of 31.5% and operating margin of 19.2%, driven by high incremental margins
- High-End IC and FPD increased 49% and 48% Y/Y, respectively
- EBITDA of \$50 million, up 54% from Q414
- Net cash of \$73 million, up \$23 million from 2014, providing financial strength and flexibility to fund growth

BROOKFIELD, Connecticut – December 2, 2015 — 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 2015 fourth quarter and fiscal year ended November 1, 2015.

Fourth quarter sales were \$141.7 million, a sequential increase of 8% and up 14% compared with last year. Sales of semiconductor photomasks were \$111.5 million, up 12% compared with the fourth quarter of 2014, and sales of flat panel display (FPD) photomasks were \$30.2 million, up 21% compared with last year. Net income attributable to Photronics, Inc. shareholders was \$18.6 million, or \$0.25 per diluted share, compared with \$4.3 million, or \$0.07 per diluted share, for the fourth quarter of 2014.

"We benefited from very strong demand for High-End photomasks in both IC and FPD," stated Peter Kirlin, chief executive officer. "High-End memory and flat panel display have been strong all year, and those trends continued through the fourth quarter. High-End logic also contributed as customers introduced new designs at advanced nodes. Coupled with these strong demand drivers, we realized a high level of operating leverage, allowing us to deliver strong bottom line growth. Finally, our net cash position expanded to \$73 million, providing additional flexibility as we look to invest in our future and increase shareholder value. Needless to say, I'm very pleased with these results and the performance by everyone in the organization to achieve them."

Full Year Results

Sales for fiscal year 2015 were a record \$524.2 million, growing 15% over fiscal year 2014. Sales of IC photomasks increased 19% while sales of FPD photomasks were up 1%. Non-GAAP net income attributable to Photronics, Inc. shareholders for fiscal 2015 was a record \$45.5 million, or \$0.64 per diluted share, compared with \$12.1 million, or \$0.19 per diluted share, in fiscal 2014.

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. The attached financial supplement reconciles non-GAAP financial information with Photronics, Inc.'s financial results under GAAP. 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:

- Financing expenses in fiscal 2015 related to the exchange of convertible senior notes are excluded because they are not a part of ongoing operations.
 - Non-cash acquisition gain and transaction expenses in fiscal 2014 related to the joint venture, PDMC, in Taiwan are excluded because they are not part of ongoing operations.
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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.

Conference Call

A conference call with investors and the media to discuss these results is scheduled for 8:30 a.m. Eastern Time on Thursday, December 3, 2015. 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 on Photronics' web site for instant replay access.

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About Photronics

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. These forward-looking statements generally can be identified by phrases such as "believes", "expects", "anticipates", "plans", "projects", and similar expressions. 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.

18-2015

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

	Three Months Ended		Year Ended	
	November 1, 2015	November 2, 2014	November 1, 2015	November 2, 2014
Net sales	\$ 141,692	\$ 124,251	\$ 524,206	\$ 455,527
Costs and expenses:				
Cost of sales	(97,078)	(97,626)	(381,070)	(355,181)
Selling, general and administrative	(12,189)	(11,547)	(48,983)	(49,638)
Research and development	(5,177)	(5,801)	(21,920)	(21,913)
Operating income	27,248	9,277	72,233	28,795
Gain on acquisition	-	-	-	16,372
Other income (expense), net	308	(574)	(2,193)	(3,837)
Income before income taxes	27,556	8,703	70,040	41,330
Income tax provision	(5,406)	(2,004)	(13,181)	(9,295)
Net income	22,150	6,699	56,859	32,035
Net income attributable to noncontrolling interests	(3,527)	(2,422)	(12,234)	(6,039)
Net income attributable to Photronics, Inc. shareholders	<u>\$ 18,623</u>	<u>\$ 4,277</u>	<u>\$ 44,625</u>	<u>\$ 25,996</u>
Earnings per share:				
Basic	<u>\$ 0.28</u>	<u>\$ 0.07</u>	<u>\$ 0.67</u>	<u>\$ 0.42</u>
Diluted	<u>\$ 0.25</u>	<u>\$ 0.07</u>	<u>\$ 0.63</u>	<u>\$ 0.41</u>
Weighted-average number of common shares outstanding:				
Basic	66,575	63,106	66,331	61,779
Diluted	<u>78,631</u>	<u>64,085</u>	<u>78,383</u>	<u>66,679</u>

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

	November 1, 2015	November 2, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 205,867	\$ 192,929
Accounts receivable	110,056	94,515
Inventories	24,157	22,478
Other current assets	24,034	26,570
Total current assets	364,114	336,492
Property, plant and equipment, net	547,284	550,069
Investment in joint venture	93,021	93,122
Intangible assets, net	24,616	30,294
Other assets	16,520	19,206
	\$ 1,045,555	\$ 1,029,183
Liabilities and Equity		
Current liabilities:		
Current portion of long-term borrowings	\$ 65,495	\$ 10,381
Accounts payable and accrued liabilities	127,197	128,736
Total current liabilities	192,692	139,117
Long-term borrowings	67,120	131,805
Other liabilities	23,677	18,767
Photronics, Inc. shareholders' equity	646,555	628,050
Noncontrolling interests	115,511	111,444
Total equity	762,066	739,494
	\$ 1,045,555	\$ 1,029,183

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

	Year Ended	
	November 1, 2015	November 2, 2014
Cash flows from operating activities:		
Net income	\$ 56,859	\$ 32,035
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	82,413	80,136
Gain on acquisition	-	(16,372)
Changes in assets and liabilities and other	(6,077)	562
Net cash provided by operating activities	133,195	96,361
Cash flows from investing activities:		
Purchases of property, plant and equipment	(104,033)	(91,085)
Cash from acquisition	-	4,508
Other	(272)	(908)
Net cash used in investing activities	(104,305)	(87,485)
Cash flows from financing activities:		
Repayments of long-term borrowings	(9,571)	(29,782)
Payment of deferred financing fees	-	(346)
Proceeds from share-based arrangements	2,651	1,298
Other	(179)	(711)
Net cash used in financing activities	(7,099)	(29,541)
Effect of exchange rate changes on cash	(8,853)	(2,021)
Net increase (decrease) in cash and cash equivalents	12,938	(22,686)
Cash and cash equivalents, beginning of period	192,929	215,615
Cash and cash equivalents, end of period	\$ 205,867	\$ 192,929
Noncash net assets from acquisition	\$ -	\$ 110,211

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>Year Ended</u>	
	<u>November 1, 2015</u>	<u>November 2, 2014</u>	<u>November 1, 2015</u>	<u>November 2, 2014</u>
Reconciliation of GAAP to Non-GAAP Net Income				
<u>Attributable to Photronics, Inc. Shareholders</u>				
GAAP net income attributable to Photronics, Inc. shareholders	\$ 18,623	\$ 4,277	\$ 44,625	\$ 25,996
(a) Financing expenses, net of tax	-	-	901	-
(b) Gain on acquisition, net of tax	-	-	-	(16,372)
(c) Acquisition transaction expenses, net of tax	-	-	-	2,455
Non-GAAP net income attributable to Photronics, Inc. shareholders	<u>\$ 18,623</u>	<u>\$ 4,277</u>	<u>\$ 45,526</u>	<u>\$ 12,079</u>

Reconciliation of GAAP to Non-GAAP Net Income

Applicable to Common Shareholders

Weighted average number of diluted shares outstanding

GAAP	<u>78,631</u>	<u>64,085</u>	<u>78,383</u>	<u>66,679</u>
Non-GAAP	<u>78,631</u>	<u>64,085</u>	<u>78,383</u>	<u>62,734</u>
Net income per diluted share				
GAAP	<u>\$ 0.25</u>	<u>\$ 0.07</u>	<u>\$ 0.63</u>	<u>\$ 0.41</u>
Non-GAAP	<u>\$ 0.25</u>	<u>\$ 0.07</u>	<u>\$ 0.64</u>	<u>\$ 0.19</u>

(a) Represents financing expenses related to the exchange of \$57.5 million of 3.25% convertible senior notes, recorded in other expense, net

(b) Represents gain on acquisition of DNP Photomask Technology Taiwan Co., Ltd (DPTT), a wholly-owned subsidiary of Dai Nippon Printing Co., Ltd.

(c) Represents transaction expenses in connection with the acquisition of DPTT

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

	<u>Three Months Ended</u>		<u>Year Ended</u>	
	<u>November 1, 2015</u>	<u>November 2, 2014</u>	<u>November 1, 2015</u>	<u>November 2, 2014</u>
GAAP Net Income (a)	\$ 22,150	\$ 6,699	\$ 56,859	\$ 32,035
Add: interest expense	1,178	1,638	4,991	7,247
Add: income tax expense	5,406	2,004	13,181	9,295
Add: depreciation and amortization	20,777	21,421	81,653	78,685
Add (less): special items (b)	905	941	4,590	(9,846)
Non-GAAP EBITDA	<u>\$ 50,416</u>	<u>\$ 32,703</u>	<u>\$ 161,274</u>	<u>\$ 117,416</u>

(a) Includes net income attributable to noncontrolling interests.

(b) Special items consist of stock compensation expense, and in 2015 financing expenses in connection with the exchange of \$57.5 million of 3.25% convertible senior notes, and in 2014 noncash gain on acquisition of DNP Photomask Technology Taiwan, Co., Ltd., a wholly-owned subsidiary of Dai Nippon Printing Co., Ltd., and related acquisition transaction expenses.