

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

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**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 18, 2009

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)
<u>15 Secor Road, Brookfield, CT</u> (Address of Principal Executive Offices)	<u>06804</u> (Zip Code)	

Registrant's Telephone Number, including area code (203) 775-9000

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(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 August 18, 2009, the Company issued a press release reporting third quarter fiscal 2009 results. A copy of the press release is attached to this 8-K.

**Item 9.01. Financial Statements and Exhibits**

- (d) Exhibits
- 99.1 Press Release dated August 18, 2009
  - 99.2 Condensed Consolidated Statement of Operations
  - 99.3 Condensed Consolidated Balance Sheets
  - 99.4 Condensed Consolidated Statements of Cash Flows

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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 August 19, 2009

BY /s/ *Richelle E. Burr*

Richelle E. Burr

Vice President, Associate General Counsel

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PHOTRONICS, INC.

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## Press Release

FOR IMMEDIATE RELEASE

August 18, 2009

FOR FURTHER INFORMATION:

Scott J. Gish  
Vice President  
Corporate Communications  
(203)775-9000  
sgish@photronics.com

### PHOTRONICS REPORTS THIRD QUARTER RESULTS

#### RESULTS INCLUDE IMPACT OF CONSOLIDATION AND WARRANT CHARGES

**Third Quarter Highlights** (sequential results excluding the effects of restructure and impairment charges):

- Sales increased 14.6%
- High-end IC sales increased 23%
- High-end FPD sales increased 41%
- Gross margin increased by 520 basis points
- Operating margin improved by \$7.6 million
- Working capital increased by \$37 million

BROOKFIELD, Connecticut August 18, 2009 -- Photronics, Inc. (Nasdaq:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today reported fiscal 2009 third quarter results for the period ended August 2, 2009.

Sales for the third quarter were \$95.4 million, down 9.7% compared to \$105.7 million for the third quarter of fiscal year 2008. Sales of semiconductor photomasks accounted for \$71.7 million, or 75.1% of revenues during the third quarter of fiscal 2009, and sales of flat panel display (FPD) photomasks accounted for \$23.7 million, or 24.9% of revenues.

Net loss for the third quarter of fiscal year 2009 was \$22.8 million, or \$0.55 loss per share, compared to a net loss of \$205.6 million, or \$4.93 per share, for the third quarter of fiscal 2008. Net loss for the third quarter of fiscal 2009 included after tax charges of approximately \$10.7 million in connection with the Company's previously disclosed closures of its operations in Shanghai, China and Manchester, United Kingdom and a non-cash mark-to-market charge of \$6.8 million for warrants relating to its May 2009 credit facility amendment. Excluding the effect of the aforementioned charges, the Company's adjusted net loss for the third quarter of fiscal year 2009 was \$5.3 million, or \$0.13 loss per share.

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### PHOTRONICS REPORTS THIRD QUARTER RESULTS.....PAGE TWO

Sales for the first nine months of 2009 were \$266.7 million, down 16.5% from the \$319.2 million for the first nine months of fiscal 2008. Net loss for the first nine months of fiscal 2009 amounted to \$43.2 million, or \$1.03 loss per share, which included the impact of consolidation, impairment and warrant charges, as compared to the prior year's first nine months net loss of \$211 million, or \$5.07 loss per share which included the impact of impairment charges. Net loss for the first nine months of 2009 included after tax charges of approximately \$20.1 million in connection with warrants and the announced restructurings in China and the United Kingdom. Excluding the effect of the aforementioned charges, the Company's adjusted net loss for the first nine months of 2009 was \$23.0 million, or \$0.55 loss per share.

Constantine ("Deno") Macricostas, Photronics' chairman and chief executive officer commented, "The significant sequential sales growth achieved this quarter encompassed all product lines and technology nodes. The revenue growth was a result of successfully executing our high-end market penetration strategy which was clearly evident during the last few weeks of the quarter. The combination of superior sequential revenue performance coupled with continued management of operating expenses allowed Photronics to achieve an operating profit of \$4.2 million, excluding restructuring costs," concluded Macricostas.

A conference call with investors and the media to discuss these results is scheduled for 8:30 a.m. Eastern time on Wednesday, August 19, 2009. The live dial-in number is (719) 325-2232. The call can also be accessed by logging onto Photronics' web site at [www.photronics.com](http://www.photronics.com).

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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](http://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 as discussed in filings with the U. S. Securities and Exchange Commission (SEC). 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. 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 Operations**

(in thousands, except per share amounts)  
(Unaudited)

	Three Months Ended		Nine Months Ended	
	August 2, 2009	July 27, 2008	August 2, 2009	July 27, 2008
Net sales	\$ 95,401	\$ 105,697	\$ 266,676	\$ 319,242
Costs and expenses:				
Cost of sales	(77,347)	(91,813)	(226,622)	(264,487)
Selling, general and administrative	(9,963)	(13,741)	(30,995)	(43,620)
Research and development	(3,854)	(4,298)	(11,655)	(13,148)
Consolidation, restructuring and related charges	(10,660)	-	(12,746)	-
Impairment of goodwill and long-lived assets	-	(205,408)	(1,458)	(205,408)
Operating loss	(6,423)	(209,563)	(16,800)	(207,421)
Other income (expense), net	(14,220)	(2,575)	(22,845)	(6,340)
Loss before income taxes and minority interest	(20,643)	(212,138)	(39,645)	(213,761)
Income tax benefit (provision)	(1,805)	7,020	(2,927)	4,216
Loss before minority interest	(22,448)	(205,118)	(42,572)	(209,545)
Minority interest	(399)	(474)	(580)	(1,456)
Net loss	\$ (22,847)	\$ (205,592)	\$ (43,152)	\$ (211,001)
Loss per share:				
Basic	\$ (0.55)	\$ (4.93)	\$ (1.03)	\$ (5.07)
Diluted	\$ (0.55)	\$ (4.93)	\$ (1.03)	\$ (5.07)
Weighted average number of common shares outstanding:				
Basic	41,819	41,662	41,772	41,642
Diluted	41,819	41,662	41,772	41,642

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

(in thousands)

(Unaudited)

	August 2, 2009	November 2, 2008
<b><u>Assets</u></b>		
Current assets:		
Cash, cash equivalents and short-term investments of \$146 in 2009 and \$1,343 in 2008	\$ 85,677	\$ 85,106
Accounts receivable	68,993	68,095
Inventories	15,459	17,548
Other current assets	10,263	11,748
Total current assets	180,392	182,497
Property, plant and equipment, net	354,572	436,528
Investment in joint venture	60,930	65,737
Other intangibles, net	56,715	62,386
Other assets	19,402	10,859
	<u>\$ 672,011</u>	<u>\$ 758,007</u>
<b><u>Liabilities and Shareholders' Equity</u></b>		
Current liabilities:		
Current portion of long-term borrowings	\$ 31,424	\$ 20,630
Accounts payable and accrued liabilities	71,496	95,448
Total current liabilities	102,920	116,078
Long-term borrowings	155,922	202,979
Deferred income taxes and other liabilities	17,465	6,552
Minority interest	49,695	49,616
Shareholders' equity	346,009	382,782
	<u>\$ 672,011</u>	<u>\$ 758,007</u>

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

(in thousands)  
(Unaudited)

	Nine Months Ended	
	August 2, 2009	July 27, 2008
<b>Cash flows from operating activities:</b>		
Net loss	\$ (43,152)	\$ (211,001)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	64,419	79,794
Minority interest in income of consolidated subsidiaries	580	1,456
Consolidation, restructuring, and related charges	10,517	-
Impairment of goodwill and long-lived assets	1,458	205,408
Changes in assets and liabilities and other	7,785	(9,740)
<b>Net cash provided by operating activities</b>	<b>41,607</b>	<b>65,917</b>
<b>Cash flows from investing activities:</b>		
Purchases of property, plant and equipment	(29,867)	(94,941)
Purchases of short-term investments and other	-	(327)
Proceeds from sales of investments and other	996	3,558
Distribution from joint venture	5,000	-
Investment in joint venture	-	(2,598)
<b>Net cash used in investing activities</b>	<b>(23,871)</b>	<b>(94,308)</b>
<b>Cash flows from financing activities:</b>		
Repayments of long-term borrowings	(39,342)	(179,968)
Proceeds from long-term borrowings	27,204	139,640
Payments of deferred financing fees	(4,317)	(498)
Other	(88)	(452)
<b>Net cash used in financing activities</b>	<b>(16,543)</b>	<b>(41,278)</b>
Effect of exchange rate changes on cash	575	790
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,768</b>	<b>(68,879)</b>
Cash and cash equivalents, beginning of period	83,763	146,049
<b>Cash and cash equivalents, end of period</b>	<b>\$ 85,531</b>	<b>\$ 77,170</b>
<b>Supplemental disclosure of cash flow information:</b>		
Change in accrual for purchases of property, plant and equipment	\$ (18,712)	\$ (40,144)
Capital lease obligation for purchases of property, plant and equipment	\$ (28,244)	\$ 61,662
Common stock warrants issuance and fair value adjustment	\$ 10,086	\$ -