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): January 10, 2000

Photronics, Inc.
(Exact name of registrant as specified in its charter)

Connecticut	0-15451	06-0854886
(State or other jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)

1061 East Indiantown Road, Jupiter, FL	33477
(Address of principal executive offices)	(Zip Code)

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

(Former name or former address, if changed since last report.)

Item 5. Other Events

On January 10, 2000, Photronics, Inc. ("Photronics") and Align-Rite International, Inc. ("Align-Rite") announced that they entered into an amendment, dated January 10, 2000 (the "Amendment") to the Agreement and Plan of Merger dated September 15, 1999 among Photronics, AL Acquisition Corp., a wholly owned subsidiary of Photronics, and Align-Rite (the "Original Merger Agreement") pursuant to which Photronics would acquire Align-Rite in a merger transaction (the "Merger"). The Amendment resulted from changes in Align-Rite's operating results since the signing of the Original Merger Agreement. As amended by the Amendment, the Original Merger Agreement is referred to below as the "Merger Agreement."

The Amendment provides, among other things, that: (i) each outstanding share of Align-Rite's common stock will be converted into .85 shares of Photronics common stock (the "Conversion Ratio"), (ii) the date by which either party may terminate the Merger Agreement if the Merger has not occurred is March 31, 2000, and (iii) Align-Rite may terminate the Merger Agreement if the average price per share of Photronics' common stock is less than $18.82 during a certain twenty-day trading period prior to the Align-Rite shareholders meeting called to vote upon the Merger.

The Merger remains subject to the approval of Align-Rite's shareholders, and to various regulatory and closing conditions,

including compliance with the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended. However, Photronics' shareholders will not be required to approve the Merger under rules of the NASDAQ Stock Market, as the maximum number of shares of Photronics common stock to be issued in the Merger will not equal or exceed 20% of Photronics' outstanding shares of common stock. In connection with the execution of the Amendment, certain major shareholders of Align-Rite have entered into an agreement with Photronics pursuant to which they reaffirmed, in light of the Amendment, their prior agreement to vote or cause to be voted their shares of Align-Rite common stock in favor of the Merger (the "Reaffirmation Agreement").

Copies of the Amendment, the Reaffirmation Agreement and Photronics' press release are filed herewith as Exhibits 2.1, 10.1 and 99.1, respectively and are incorporated herein by reference. The foregoing description of the Amendment and the Reaffirmation Agreement is qualified in its entirety by reference to the full text of such exhibits.

Item 7. Financial Statements and Exhibits

(a) Financial statements of business acquired
Not applicable

(b) Pro forma financial information
Not applicable

(c) See Exhibits Index for the list of exhibits filed herewith

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.
/s/ Jeffrey P. Moonan
By: Jeffrey P. Moonan
Title: Executive VP Finance & Administration

January 14, 2000

EXHIBITS INDEX

Exhibit No.	Description
2.1	Amendment No. 1 To Agreement and Plan of Merger dated January 10, 2000 among Photronics, Inc., AL Acquisition Corp. and Align-Rite International, Inc.
10.1	Reaffirmation of Voting Agreement dated January 10, 2000 among Photronics, Inc. and certain shareholders of Align-Rite International, Inc.
99.1	Press release dated January 10, 2000.

EXHIBIT 2.1

AMENDMENT NO. 1 TO AGREEMENT AND PLAN OF MERGER

This Amendment No. 1 (the "Amendment"), dated as of January 10, 2000, is entered into by and among Photronics, Inc., a Connecticut corporation ("Parent"), AL Acquisition Corp., a California corporation and a wholly owned subsidiary of Parent ("Merger Sub"), and Align-Rite International, Inc., a California corporation (the "Company").

WHEREAS, Parent, Merger Sub and the Company have previously executed and delivered that certain Agreement and Plan of Merger, dated as of September 15, 1999, by and among Parent, Merger Sub and the Company (the "Merger Agreement");

WHEREAS, Parent, Merger Sub and the Company desire to amend the Merger Agreement as set forth herein and pursuant to Section 7.3 of the Merger Agreement; and

WHEREAS, the shareholders of Company who are party to the Voting Agreement have reaffirmed the Voting Agreement in light of this Amendment.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, Parent, Merger Sub and Company hereby agree as follows:

1. Definitions. Capitalized terms used herein but not expressly defined shall have the meanings accorded such terms in the Merger Agreement.

2. Amendment of Section 2.3 of the Merger Agreement. The first sentence of Section 2.3 of the Merger Agreement is hereby amended and restated to read, in its entirety, as follows:

"At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any shares of Company Common Stock or any shares of capital stock of Merger Sub, subject to this Section 2.3 and Section 2.4(f), each share of Company Common Stock issued and outstanding immediately prior to the Effective Time (other than shares to be canceled in accordance with Section 2.2 (the "Canceled Shares") and Dissenting Shares) shall be converted into 0.85 (the "Conversion Number") of duly authorized, validly issued and nonassessable shares of Parent Common Stock (the "Merger Consideration"),

provided that, if between the date of this Agreement and the Effective Time, the outstanding shares of Parent Common Stock shall have been changed into a different number of shares or a different class, by reason of any declared or completed stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares, the Conversion Number shall be adjusted correspondingly to the extent appropriate to reflect such stock dividend, subdivision, reclassification, recapitalization, split, combination or exchange of shares."

All references in the Merger Agreement to the Conversion Number or the Merger Consideration shall be deemed to refer to the Conversion Number or the Merger Consideration, as the case may be, as such terms are defined in this Amendment.

3. Amendment of Section 3.11 of the Merger Agreement. Section 3.11 of the Merger Agreement is hereby amended and restated to read, in its entirety, as follows:

"SECTION 3.11 Proxy Statement; Registration Statement; Other Information. None of the information with respect to the Company or its Subsidiaries to be included in the Proxy Statement (as defined in Section 5.2) or the Registration Statement (as defined in Section 5.2) will, in the case of the Proxy Statement or any amendments thereof or supplements thereto, at the time of the mailing of the Proxy Statement or any amendments or supplements thereto, and at the time of the Company Meeting (as

defined in Section 5.3) or, in the case of the Registration Statement, at the time it becomes effective or at the time of any post-effective amendment, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, except that no representation is made by the Company with respect to information supplied in writing by Parent or any affiliate of Parent specifically for inclusion in the Proxy Statement. The Proxy Statement will comply as to form in all material respects with the provisions of the Exchange Act and the rules and regulations promulgated thereunder."

4. Amendment of Section 3.14 of the Merger Agreement. Section 3.14 of the Merger Agreement is hereby amended and restated to read, in its entirety, as follows:

"SECTION 3.14 Opinion of Financial Advisor. The Board of Directors of the Company has received an opinion of CIBC World Markets Corp., dated January 10, 2000, to the effect that, as of

such date, the Exchange Ratio (as defined therein) is fair to the Company's shareholders from a financial point of view. A copy of the written opinion of CIBC World Markets Corp. will be delivered to Parent as soon as practicable after the date of this Agreement."

5. Amendment of Section 4.3 of the Merger Agreement. Section 4.3(a) of the Merger Agreement is hereby amended and restated to read, in its entirety, as follows:

"(a) Each of Parent and Merger Sub has full corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly and validly authorized by the Boards of Directors of Parent and Merger Sub and by Parent as sole stockholder of Merger Sub, and no other corporate or stockholder proceedings on the part of Parent or Merger Sub are necessary to authorize this Agreement, the issuance of the Parent Common Stock and the other transactions contemplated hereby. This Agreement has been duly and validly executed and delivered by Parent and Merger Sub and, assuming this Agreement has been duly and validly executed and delivered by the other parties hereto, this Agreement constitutes the valid and binding agreements of Parent and Merger Sub, enforceable against each of them in accordance with its terms (except insofar as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies). Other than in connection with or in compliance with the provisions of the CGCL, the Securities Act, the Exchange Act, the HSR Act, any non-United States competition, antitrust and investments laws and the securities or blue sky laws of the various states and other jurisdictions, and, other than the filing of this Agreement and a duly executed officers' certificate by each of the Company and the Merger Sub with the California Secretary of State and any necessary state filings to maintain the good standing or qualification of the Surviving Corporation (collectively, the "Parent Required Approvals"), no authorization, consent or approval of, or filing with, any governmental body or authority is necessary on the part of Parent or Merger Sub for the consummation by Parent or Merger Sub of the transactions contemplated by this Agreement, except for such authorizations, consents, approvals or filings, the failure to obtain or make which would not in the aggregate have a Material Adverse Effect on Parent or Merger Sub; provided that Parent makes no representation with respect to such of the foregoing as

are required by reason or facts specifically pertaining to Company or any of its Subsidiaries."

6. Amendment of Section 4.14 of the Merger Agreement. Section 4.14 of the Merger Agreement is hereby amended and restated to read, in its entirety, as follows:

"SECTION 4.14 Vote of Parent Shareholders. Neither the vote of the holders of the outstanding shares of Parent Common Stock nor of any other class of the capital stock of Parent is required to approve the issuance of Parent Common Stock in the Merger."

7. Amendment of Section 4.15 of the Merger Agreement. Section 4.15 of the Merger Agreement is hereby amended to read, in its entirety, as follows:

"SECTION 4.15 Opinion of Financial Advisor. The Board of Directors of Parent has received the opinion of Banc of America Securities LLC, dated January 10, 2000, to the effect that, as of such date, the Exchange Ratio (as defined therein) is fair from a financial point of view to Parent. A copy of the written opinion of Banc of America Securities LLC will be delivered to the Company as soon as practicable after the date of this Agreement."

8. Amendment of Section 5.2 of the Merger Agreement. Subsections (a) and (b) of Section 5.2 of the Merger Agreement are hereby amended and restated to read, in their entirety, as follows:

"(a) The Company will, as promptly as practicable following the date of this Agreement, prepare and file with the SEC, will use reasonable efforts to have cleared by the SEC and thereafter mail to its shareholders as promptly as practicable, a proxy statement that will be the same proxy statement/prospectus contained in the Registration Statement (as hereinafter defined) and a form of proxy, in connection with the vote of the Company's shareholders with respect to the matters contemplated hereby (such proxy statement/prospectus, together with any amendments thereof or supplements thereto, in each case in the form or forms mailed to the Company's shareholders, is herein called the "Proxy Statement").

(b) Parent will, as promptly as practicable following the date of this Agreement, prepare and file with the SEC a registration statement of the Parent on Form S-4 (such

registration statement, together with all and any amendments and supplements thereto, being herein referred to as the "Registration Statement"). Such Registration Statement shall be used for the purposes of registering with the SEC the issuance of Parent Common Stock to holders of Company Common Stock in connection with the Merger. In addition, each of Parent and the Company will upon reasonable advance notice provide the other with all information and other data as may be reasonably requested by Parent or the Company, as the case may be, in connection with the preparation and filing of the Registration Statement and the Proxy Statement."

9. Amendment of Section 5.3 of the Merger Agreement. Section 5.3 of the Merger Agreement is hereby amended and restated to read, in its entirety, as follows:

"SECTION 5.3 Shareholders' Meeting. The Company shall, in accordance with applicable law and its articles of incorporation and by laws, duly call, give notice of, convene and hold a meeting (which, as may be duly adjourned, shall be referred to as the "Company Meeting") of its shareholders as soon as practicable for the purpose of approving by the holders of a majority of the outstanding shares of Company Common Stock this Agreement and the Merger (the "Company Shareholder Approval"). The Company agrees to use its reasonable best efforts to cause the Company Meeting to occur within forty-five (45) days after the date on which the Registration Statement becomes effective. The Company shall include in the Proxy Statement the recommendation of its Board of Directors that shareholders vote in favor of the Company Shareholder Approval, subject to the duties of the Board of Directors of the Company to make any further disclosure to the shareholders (which shall not, unless expressly stated, constitute a withdrawal or adverse modification of such recommendation) and to the right to change such recommendation or terminate this Agreement following receipt of a Superior Proposal (as defined in Section 5.10)."

10. Amendment of Section 6.1 of the Merger Agreement. Section 6.1(b) of the Merger Agreement is hereby amended and restated to read, in its entirety, as follows:

"(b) The Company Shareholder Approval shall have been obtained;"

11. Amendments of Section 7.1 of the Merger Agreement. All references in subsections (c) and (e) of Section 7.1 of the Merger Agreement to "February 25, 2000" are hereby amended to

read "March 31, 2000." Subsection (b) of Section 7.1 of the Merger Agreement is hereby amended and restated to read, in its entirety, as follows:

"(b) by Parent (provided that Parent is not then in material breach of any representation, warranty, covenant or other agreement contained herein), (i) upon a breach of any representation, warranty, covenant or agreement on the part of the Company set forth in this Agreement, or (ii) if any representation or warranty of the Company shall have become untrue, in either case continuing ten (10) days following notice to the Company of such breach or untruth and of a nature such that the conditions set forth in Section 6.2(a) or Section 6.2(b), as the case may be, would be incapable of being satisfied by March 31, 2000;"

Subsection (g) of Section 7.1 of the Merger Agreement is hereby amended and restated, in its entirety, to read: "[Intentionally Omitted]", and subsection (j) of Section 7.1 of the Merger Agreement is hereby amended and restated, in its entirety, to read as follows:

"(j) by the Company if the Average Parent Price is less than $18.82."

12. Amendment of Section 7.5(a) of the Merger Agreement. Section 7.5(a) of the Merger Agreement is hereby amended and restated to read, in its entirety, as follows:

"(a) In the event (i) the Company terminates this Agreement pursuant to Section 7.1(h) or (ii) Parent terminates this Agreement pursuant to Section 7.1(b)(i) or 7.1(i), then the Company shall pay Parent an amount equal to $3,640,000 (the "Termination Fee") by wire transfer of immediately available funds upon the occurrence of such event, and as a condition to termination in the case of termination pursuant to Section 7.1(h). The Termination Fee shall be the sole remedy of Parent for any breach of any representation, warranty, covenant or agreement on the part of the Company set forth in this Agreement."

13. Amendment of Section 8.3 of the Merger Agreement. Section 8.3 of the Merger Agreement is hereby amended by adding the following as a new subsection (d), renumbering the current subsections (d) through (l) as subsections (e) through (m) and deleting the reference to "Average Parent Price" in renumbered subsection (m):

"(d) "Average Parent Price" means the average of the daily average per share high and low sales prices of one share of Parent Common Stock as reported on the Nasdaq National Market (as reported in the New York City edition of The Wall Street Journal or, if not reported thereby, another authoritative source) for each of the 20 trading days ending on the third trading day prior to the Company Meeting (as defined in Section 5.3, so long as the Closing Date occurs within five business days of the Company Meeting or, if the Closing Date is more than five business days after the Company Meeting, the Closing Date) rounded to the nearest cent."

Renumbered subsection (i) of Section 8.3 of the Merger Agreement is hereby amended by adding the following at the end of that subsection:

";provided, however, that events, circumstances and prospects disclosed by the Company to Parent in the Company Disclosure Letter, as amended as of January 7, 2000, and any consequences thereof, shall not constitute or form the basis of a Material Adverse Change or Material Adverse Effect."

In addition, renumbered subsection (m) of Section 8.3 of the Merger Agreement is hereby amended to delete the following defined terms: "Parent Meeting," "Parent Shareholder Approval" and "Meetings" and to add the defined term "Proxy Statement" and the accompanying section reference "5.2(a)." All references to "Joint Proxy Statement" in the Table of Contents of the Merger Agreement and in Section 4.11 of the Merger Agreement shall be to "Proxy Statement."

14. Authority.

(a) Each of Parent and Merger Sub has full corporate power and authority to enter into this Amendment. The execution and delivery of this Amendment and the consummation by each of Parent and Merger Sub of the transactions contemplated by the Merger Agreement, as amended hereby, have been duly and validly authorized by the Boards of Directors of Parent and Merger Sub. This Amendment has been duly and validly executed and delivered by each of Parent and Merger Sub and constitutes the valid and binding obligation of each of Parent and Merger Sub, enforceable against each of Parent and Merger Sub in accordance with its terms (except insofar as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies).

(b) The Company has full corporate power and authority to enter into this Amendment. The execution and delivery of this Amendment and the consummation by the Company of the transactions contemplated by the Merger Agreement, as amended hereby, have been duly and validly authorized by the Board of Directors of the Company. This Amendment has been duly and validly executed and delivered by the Company and constitutes the valid and binding obligation of the Company, enforceable against the Company in accordance with its terms (except insofar as enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium, or similar laws affecting creditors' rights generally, or by principles governing the availability of equitable remedies).

15. Governing Law. This Amendment shall be governed by and construed in accordance with the laws of the State of California, without regard to any applicable conflicts of law.

16. Counterparts; Effect. This Amendment may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which shall constitute one and the same agreement.

17. Merger Agreement Confirmed. Except as amended hereby, the Merger Agreement is ratified and confirmed in all respects. Each reference in the Merger Agreement or any other related document to the Merger Agreement, the Agreement or this Amendment shall be deemed to be a reference to the Merger Agreement as amended hereby.

IN WITNESS WHEREOF, Parent, Merger Sub and the Company have caused this Amendment to be signed by their respective officers thereunto duly authorized, all as of the date first written above.

PHOTRONICS, INC.

By: /s/ Michael J. Yomazzo

Name: Michael J. Yomazzo
Title: Vice Chairman

By: /s/ Jeffrey P. Moonan

Name: Jeffrey P. Moonan
Title: Executive Vice President, Finance and Administration

AL ACQUISITION CORP.

By: /s/ Michael J. Yomazzo

Name: Michael J. Yomazzo
Title: President

By: /s/ Jeffrey P. Moonan

Name: Jeffrey P. Moonan
Title: Vice President

ALIGN-RITE INTERNATIONAL, INC.

By: /s/ James L. MacDonald

Name: James L. MacDonald
Title: Chairman of the Board, Chief Executive Officer and President

By: /s/ Petar N. Katurich

Name: Petar N. Katurich
Title: Vice President of Finance, Chief Financial Officer

EXHIBIT 10.1

REAFFIRMATION OF VOTING AGREEMENT

This REAFFIRMATION OF VOTING AGREEMENT, dated as of January 10, 2000 (this "Agreement"), reaffirms the Voting Agreement, dated as of September 15, 1999 by and among Photronics, Inc., a Connecticut corporation ("Parent") and the other parties listed on the signature page hereof (collectively the "Shareholder") as amended by that certain Amended and Restated Voting Agreement, dated as of October 26, 1999 among Parent and the other parties listed on the signature page thereof (the "Voting Agreement").

WHEREAS, simultaneously with the execution of the Voting Agreement, Parent, Al Acquisition Corp. ("Merger Sub") and Align-Rite International, Inc. (the "Company") entered into an Agreement and Plan of Merger (the "Merger Agreement") providing for, among other things, the merger of Merger Sub with and into the Company (the "Merger");

WHEREAS, the parties intend concurrently with the execution of this Agreement to execute Amendment No.1 ("Amendment No. 1") to the Merger Agreement in order to provide for certain changes to the terms and conditions thereof.

WHEREAS, the parties to the Voting Agreement now desire to reaffirm the Voting Agreement;

WHEREAS, as of the date hereof, the Shareholder is the beneficial owner of the number of shares (the "Shares") of common stock, par value $.01 per share, of the Company set forth opposite such Shareholder's name on Schedule 1 attached hereto. Except as specified herein, terms defined in the Merger Agreement are used herein as defined therein.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Reaffirmation of Voting Agreement.

1.1 Supplement. Section 1 of the Voting Agreement is hereby amended by adding the following as Section 1.3: "The Shareholder acknowledges receipt and review of a copy of the Amendment No. 1."

1.2 Reaffirmation. The Shareholder reaffirms the Voting Agreement in its entirety.

2. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

3. Governing Law. This Agreement shall be governed in all respects, including validity, interpretation and effect, by the laws of the State of California (without giving effect to the provisions thereof relating to conflicts of law).

4. Public Announcements. Shareholder shall not issue any press release or other statement with respect to the transactions contemplated by this Agreement and the Merger Agreement, as amended by Amendment No. 1 without the prior written consent of Parent.

5. Severability. Any term or provision of this Agreement which is invalid or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement or affecting the validity or enforceability of any of the terms of provisions of this Agreement in any other jurisdiction. If any provision of this Agreement is so broad as to be unenforceable, the provision shall be interpreted to be only so broad as is enforceable.

6. Shareholder Capacity. James L. MacDonald makes no agreement or understanding herein in his capacity as a director or officer

of the Company. The Shareholder signs solely in its capacity as the record holder and beneficial owner of the Shares and nothing herein shall restrict James L. MacDonald in the exercise of his fiduciary duties as a director or officer of the Company.

7. Voting Agreement Confirmed. The Voting Agreement shall remain in full force and effect.

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IN WITNESS WHEREOF, this Agreement has been duly executed and delivered by the Shareholder and a duly authorized officer of Parent on the day and year first written above.

Photronics, Inc.

By: /s/ Michael J. Yomazzo

Michael J. Yomazzo,
Vice Chairman

/s/ James L. MacDonald

James L. MacDonald

/s/ James L. MacDonald

James L. MacDonald, as
Joint Tenant of 18,000
Shares

/s/ Robin A. MacDonald

Robin A. MacDonald, as
Joint Tenant of
18,000 Shares

/s/ James L. MacDonald

James L. MacDonald, Jr., as
Trustee under the Trust
Agreement, dated
November 17, 1983, for the
MacDonald Family Trust

/s/ Robin A. MacDonald

Robin A. MacDonald, as
Trustee under the Trust
Agreement, dated
November 17, 1983, for the
MacDonald Family Trust

Acknowledgment and Agreement of Spouse

The undersigned, being the spouse of James L. MacDonald, acknowledges that she has read and understands the terms of this Agreement and hereby agrees to be bound by the terms hereof to the extent she has a community property or other interest in the Shares.

/s/ Robin A. MacDonald
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Robin A. MacDonald

The undersigned, being the spouse of Robin A. MacDonald, acknowledges that he has read and understands the terms of this Agreement and hereby agrees to be bound by the terms hereof to the extent that he has a community property or other interest in the Shares.

/s/ James L. MacDonald
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James L. MacDonald

SCHEDULE I

Name	Shares of Common Stock Owned	Options to Acquire Shares of Common Stock
James L. MacDonald	100,000	241,396, of which 164,558 are vested
James L. MacDonald and Robin A. MacDonald as Joint Tenants	18,000	
James L. MacDonald and Robin A. MacDonald as Trustees under the Trust Agreement, dated November 17, 1983, of the MacDonald Family Trust	440,000	

EXHIBIT 99.1

For Further Information:
At The Company
Michael W. McCarthy
Director - Investor Relations & Corporate Communications
(203)775-9000
mmccarthy@brk.photronics.com
www.photronics.com

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FOR IMMEDIATE RELEASE
January 10, 2000

Photronics & Align-Rite International Amend Merger Agreement

JUPITER, Florida January 10, 2000 -- Photronics, Inc. (Nasdaq:PLAB), the world's leading photomask supplier, announced today that it reached an agreement with Align-Rite International, Inc. (Nasdaq:MASK) to amend the terms of its previously announced definitive agreement to merge the two companies in a stock transaction. Under the terms of the amendment, which was unanimously approved by the Board of Directors of both companies, shareholders of Align-Rite will receive 0.85 shares of Photronics common stock for each share of Align-Rite common stock. As a result, Align-Rite shareholders will hold approximately 15% of Photronics shares after the merger is completed.

The amendment resulted from changes in Align-Rite's operating results since the signing of the original merger agreement on September 15, 1999. The merger, once completed, is expected to create the world's largest and fastest growing merchant photomask supplier at a time when the demand for advanced photomask manufacturing technology is accelerating. Based on Photronics' current stock price, the transaction is valued at approximately $114 million and is expected to be accretive to earnings.

The merger is subject to the approval of Align-Rite shareholders and is expected to close during the first calendar quarter of 2000. As amended, the terms of the agreement will no longer require Photronics to obtain approval of its shareholders to complete the merger. The merger remains subject to certain regulatory approvals, including Hart-Scott-Rodino, and other customary closing

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conditions. The transaction will be accounted for as a pooling of interests. As such, Photronics is required to resell the one million shares it acquired as part of its share repurchase program instituted in October 1998.

Constantine S. Macricostas, Photronics' Chairman reiterated his view that this merger is strategically important for both shareholders of Align-Rite and Photronics, as well as each of the 500 plus global semiconductor manufacturers that they serve. "The fundamentals driving photomask demand ! new applications for semiconductors and an increasing variety of new integrated circuit designs ! are gaining fresh momentum as semiconductor manufacturers establish new markets and differentiate themselves with the greater use of advanced, very deep sub-micron process technologies. While Align-Rite's recently reported preliminary results are below expectations, the reasons for the shortfall reinforce the strategic importance of bringing our two companies together. By enhancing our critical mass and strengthening our global manufacturing infrastructure, we will be better positioned to expand our leadership in this industry of rapidly accelerating technology requirements."

Photronics reported record sales of $63.0 million, a 20% increase year-over-year, during its fourth quarter of fiscal 1999, which ended October 31, 1999, and operates from 10 manufacturing facilities worldwide. Align Rite International reported sales of $15.6 million, an increase of 16%, during the second quarter of its fiscal year 2000, which ended on September 30, 1999, and operates from four manufacturing facilities in Europe and North America.

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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, photomasks are used to transfer circuit patterns onto semiconductor wafers during the fabrication of integrated circuits. They are produced in accordance with circuit 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.

Align-Rite International, Inc. manufactures and markets quality photomasks and has grown to become the third largest independent manufacturer of photomasks in the United States and Europe. The Company currently serves over 250 customers in 21 countries from four manufacturing facilities and six customer service centers strategically located throughout the United States and Europe. For additional information, please visit the Company's website at www.alignrite.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Except for historical information, the matters discussed in this news release that may be considered forward-looking statements 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 detailed from time to time in the Company's SEC reports. The Company assumes no obligation to update the information in this release.