

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 13, 2008

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 May 13, 2008, the Company issued a press release reporting fiscal second quarter 2008 results for the period ended April 27, 2008. A copy of the press release is attached to this 8-K.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

Exhibits 99.2, 99.3 and 99.4 are filed with this Report. Exhibits 99.1 is furnished with this report.

- 99.1 Press Release dated May 13, 2008.
- 99.2 Condensed Consolidated Statements of Income
- 99.3 Condensed Consolidated Balance Sheets
- 99.4 Condensed Consolidated Statements of Cash Flows

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 14, 2008

BY: /s/Richelle E. Burr

Richelle E. Burr

Associate General Counsel and Assistant Secretary

EXHIBIT INDEX

Exhibit No.	Subject Matter
99.1	Press Release dated May 13, 2008.
99.2	Condensed Consolidated Statements of Income
99.3	Condensed Consolidated Balance Sheets
99.4	Condensed Consolidated Statements of Cash Flows



FOR FURTHER INFORMATION:

Sean T. Smith
Senior Vice President
Chief Financial Officer
Photronics, Inc.
(203)775-9000
ssmith@photronics.com

Press Release

FOR IMMEDIATE RELEASE

May 13, 2008

PHOTRONICS REPORTS SECOND QUARTER RESULTS

BROOKFIELD, Connecticut May 13, 2008 -- Photronics, Inc. (Nasdaq:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today reported fiscal 2008 second quarter results for the period ended April 27, 2008.

Sales for the quarter were \$110.3 million compared to \$109.6 million for the second quarter of fiscal year 2007. Semiconductor photomasks accounted for \$80.0 million, or 72.5% of revenues during the second quarter of fiscal 2008, while flat panel display (FPD) photomasks accounted for \$30.3 million, or 27.5% of revenues. During the second quarter of fiscal 2007, semiconductor photomasks accounted for 80.5% of revenues and FPD photomasks accounted for 19.5% of revenues.

Net loss for the second quarter of fiscal year 2008 amounted to \$2.1 million, or \$0.05 per diluted share compared to net income of \$14.1 million, or \$0.30 per diluted share for the second quarter of fiscal 2007. Net income for the second quarter of 2007 included a net benefit of \$7.9 million, or \$0.16 per diluted share, related to the resolution and settlement of United States and foreign tax liabilities associated with uncertain tax positions in prior years.

Sales for the first six months of 2008 were \$213.5 million compared to \$215.6 million for the first six months of fiscal 2007. Semiconductor photomasks accounted for \$160.4 million, or 75.1% of revenues during the first six months of fiscal 2008, while FPD photomasks accounted for \$53.1 million, or 24.9% of revenues. Year-over-year, semiconductor photomask revenues decreased 7.7%, while FPD photomask revenues increased 27.3%.

Net loss for the first six months of fiscal 2008 amounted to \$5.4 million, or \$0.13 per diluted share, compared to the prior year's first six months net income of \$21.9 million, or \$0.47 per diluted share.

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PHOTRONICS REPORTS SECOND QUARTER RESULTS ... PAGE TWO

Michael J. Luttati, Chief Executive Officer, commented, "Results for the quarter were in line with our projections. Flat panel sales were up considerably and marked a record quarter for the Company. As planned, we began revenue generating shipments from the U.S. NanoFab, just 18 months after breaking ground at the site. We continue to be pleased with the execution progress we are making against our strategic plans and expect continued improvements in our operational and financial performance through the remainder of the year."

A conference call with investors and the media to discuss these results can be accessed by logging onto Photronics' web site at www.photronics.com, then clicking on the "Conference Calls" button in the top right corner of the home page. The call is scheduled for 8:30 a.m. Eastern Time on Wednesday, May 14th and will be archived for instant replay access until the Company reports its fiscal third quarter results after the market closes on Wednesday, August 13, 2008. The live call dial-in number is 719-325-4930.

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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 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)

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>April 27,</u> <u>2008</u>	<u>April 29,</u> <u>2007</u>	<u>April 27,</u> <u>2008</u>	<u>April 29,</u> <u>2007</u>
Net sales	\$ 110,330	\$ 109,626	\$ 213,545	\$ 215,607
Costs and expenses:				
Cost of sales	(90,056)	(83,433)	(172,675)	(159,749)
Selling, general and administrative	(13,575)	(14,442)	(29,878)	(30,883)
Research and development	(4,613)	(4,324)	(8,851)	(9,044)
Gain on sale of facility	-	-	-	2,254
Operating income	2,086	7,427	2,141	18,185
Other income (expense), net	(3,196)	430	(3,764)	145
Income (loss) before income taxes and minority interest	(1,110)	7,857	(1,623)	18,330
Income tax benefit (provision)	(932)	6,400	(2,804)	5,088
Income (loss) before minority interest	(2,042)	14,257	(4,427)	23,418
Minority interest	(27)	(191)	(982)	(1,495)
Net income (loss)	<u>\$ (2,069)</u>	<u>\$ 14,066</u>	<u>\$ (5,409)</u>	<u>\$ 21,923</u>
Earnings (loss) per share:				
Basic	<u>\$ (0.05)</u>	<u>\$ 0.34</u>	<u>\$ (0.13)</u>	<u>\$ 0.53</u>
Diluted	<u>\$ (0.05)</u>	<u>\$ 0.30</u>	<u>\$ (0.13)</u>	<u>\$ 0.47</u>
Weighted average number of common shares outstanding:				
Basic	<u>41,638</u>	<u>41,513</u>	<u>41,632</u>	<u>41,494</u>
Diluted	<u>41,638</u>	<u>51,399</u>	<u>41,632</u>	<u>51,380</u>

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

(in thousands)

(Unaudited)

	April 27, 2008	October 28, 2007
Assets		
Current assets:		
Cash, cash equivalents and short-term investments of \$2,494 in 2008 and \$5,657 in 2007	\$ 69,597	\$ 151,706
Accounts receivable	79,034	68,248
Inventories	19,655	17,716
Other current assets	8,916	9,315
Total current assets	177,202	246,985
Property, plant and equipment, net	590,953	531,578
Goodwill	138,534	138,534
Investment in joint venture	70,506	67,900
Other intangibles, net	65,763	68,835
Other assets	5,848	5,948
	<u>\$ 1,048,806</u>	<u>\$ 1,059,780</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Current portion of long-term borrowings	\$ 17,523	\$ 4,482
Accounts payable and accrued liabilities	117,418	145,897
Total current liabilities	134,941	150,379
Long-term borrowings	204,938	191,253
Deferred income taxes and other liabilities	14,034	14,399
Minority interest	53,362	49,465
Shareholders' equity	641,531	654,284
	<u>\$ 1,048,806</u>	<u>\$ 1,059,780</u>

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

(in thousands)
(Unaudited)

	Six Months Ended	
	April 27, 2008	April 29, 2007
Cash flows from operating activities:		
Net income (loss)	\$ (5,409)	\$ 21,923
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	51,280	47,840
Gain on sale of facility	-	(2,254)
Minority interest in income of consolidated subsidiaries	982	1,495
Changes in assets and liabilities and other	(11,750)	2,541
Net cash provided by operating activities	35,103	71,545
Cash flows from investing activities:		
Purchases of property, plant and equipment	(78,067)	(37,346)
Purchases of short-term investments and other	(306)	-
Proceeds from sales of investments and other	3,487	48,507
Proceeds from sale of facility and other	65	5,011
Investment in joint venture	(2,598)	-
Net cash provided by (used in) investing activities	(77,419)	16,172
Cash flows from financing activities:		
Repayments of long-term borrowings	(168,991)	(87,087)
Proceeds from long-term borrowings	132,140	3,369
Proceeds from issuance of common stock	-	552
Other	(498)	-
Net cash used in financing activities	(37,349)	(83,166)
Effect of exchange rate changes on cash	719	(2,186)
Net increase (decrease) in cash and cash equivalents	(78,946)	2,365
Cash and cash equivalents, beginning of period	146,049	129,425
Cash and cash equivalents, end of period	\$ 67,103	\$ 131,790
Supplemental disclosure of cash flow information:		
Change in accrual for purchases of property, plant and equipment	\$ (25,991)	\$ (702)
Capital lease obligation for purchases of property, plant and equipment	\$ 61,662	\$ -