

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) February 14, 2013

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))

Item 1.01 **Entry into Material Definitive Agreement**

On February 12, 2013, the Company entered into a Capital Lease Agreement with TD Equipment Finance (the “Capital Lease”) to fund the purchase of a lithography tool. The Capital Lease for approximately \$30,000,000 has a five (5) year term and contains customary terms and conditions. The interest rate which will be determined upon acceptance of the lithography tool by the Company will be a fixed rate based on a spread plus a five year fixed swap rate.

Item 2.02 **Results of Operations and Financial Condition**

On February 13, 2013, the Company issued a press release reporting first quarter fiscal 2013 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 February 14, 2013, the Company will conduct a conference call during which certain unaudited, non-GAAP EBITDA financial information related to the Company’s operations for the three months ended January 27, 2013 will be disclosed. This information is set forth in Exhibit 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 5.02. Departure of Directors or Certain Officers, Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

Effective as of February 14, 2013, Soo Hong Jeong will become the Chief Operating Officer and President of Asia formerly the Chief Operating Officer of the Company

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 99.1 Press Release dated February 13, 2013
 - 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 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: February 14, 2013

BY /s/ *Richelle E. Burr*

Richelle E. Burr

Vice President, General Counsel

PHOTRONICS, INC.



PHOTRONICS REPORTS FIRST QUARTER FISCAL 2013 RESULTS

- Quarterly sales of \$99.8 million; within narrowed guidance of \$99 – \$100 million
- GAAP net income of \$2.3 million
- GAAP EPS of \$0.04; exceeds guidance of \$0.00 - \$0.03
- EBITDA of \$26 million
- Net Cash of \$43 million

BROOKFIELD, Connecticut February 13, 2013 — 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 2013 first quarter ended January 27, 2013.

Constantine (“Deno”) Macricostas, Photronics’ chairman and chief executive officer commented, “As anticipated, the soft demand environment for integrated circuit (IC) photomasks continued into our seasonally slow first fiscal quarter. Flat panel display (FPD) photomask demand gained strength during the quarter resulting in sales of \$99.8 million, which was at the high end of our guidance range. On the bottom line, we achieved EPS of \$0.04 per diluted share, exceeding our guidance range.”

“High-end flat panel display (FPD) photomask sales increased 49% sequentially as leading edge customers renewed investment in new designs,” continued Macricostas. “High-end IC sales declined \$5.7 million sequentially but high-end orders began to strengthen late in the quarter. In total our high-end sales were flat, sequentially. Our focus on maintaining a lean and flexible operating model enabled us to deliver solid earnings for the first quarter.”

Sales for the first quarter of fiscal 2013 were \$99.8 million, a decrease of 11% compared with \$112.2 million for the first quarter of fiscal 2012. Sales of semiconductor photomasks were \$74.4 million, or 75% of revenues, during the first quarter of fiscal 2013, and sales of flat panel display (FPD) photomasks were \$25.4 million, or 25% of revenues.

GAAP and non-GAAP net income attributable to Photronics, Inc. shareholders for the first quarter of fiscal 2013 was \$2.3 million, or \$0.04 per diluted share, compared with the first quarter of fiscal 2012 GAAP net income attributable to Photronics, Inc. of \$4.3 million, or \$0.07 per diluted share, and non-GAAP net income of \$5.3 million, or \$0.09 per diluted share. First quarter fiscal 2012 non-GAAP net income excludes a \$1.1 million charge related to the previously announced Singapore restructuring and \$0.1 million impact of warrants.

The section below entitled "*Non-GAAP Financial Measures*" provides a definition and information about the use of non-GAAP financial measures in this press release, and the attached financial supplement reconciles non-GAAP financial information with Photronics, Inc.'s financial results under GAAP.

Non-GAAP Financial Measures

Non-GAAP net income attributable to Photronics, Inc. shareholders, non-GAAP earnings per share and EBITDA 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. Photronics, Inc. believes that non-GAAP net income attributable to Photronics, Inc. shareholders, non-GAAP earnings per share and EBITDA 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:

- Consolidation and restructuring charges in the first quarter of fiscal 2012 are excluded because they are not a part of ongoing operations.
- Impact of warrants in the first quarter of fiscal 2012 is excluded because it does not affect cash earnings.

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.

A conference call with investors and the media to discuss these results is scheduled for 8:30 a.m. Eastern time on Thursday, February 14, 2013. 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 for instant replay access until the Company reports its fiscal 2013 second quarter results.

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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. 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. 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.

04-2013

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

	Three Months Ended	
	January 27, 2013	January 29, 2012
Net sales	\$ 99,839	\$ 112,154
Costs and expenses:		
Cost of sales	(78,741)	(86,696)
Selling, general and administrative	(11,067)	(11,325)
Research and development	(4,839)	(4,444)
Consolidation, restructuring and related charges	-	(1,118)
Operating income	5,192	8,571
Other income (expense), net	(591)	(409)
Income before income taxes	4,601	8,162
Income tax provision	(1,742)	(3,321)
Net income	2,859	4,841
Net income attributable to noncontrolling interests	(536)	(573)
Net income attributable to Photronics, Inc. shareholders	\$ 2,323	\$ 4,268
Earnings per share:		
Basic	\$ 0.04	\$ 0.07
Diluted	\$ 0.04	\$ 0.07
Weighted-average number of common shares outstanding:		
Basic	60,277	59,817
Diluted	61,095	60,930

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

(in thousands)

(Unaudited)

	January 27	October 28,
	2013	2012
<u>Assets</u>		
Current assets:		
Cash and cash equivalents	\$ 217,771	\$ 218,043
Accounts receivable	74,291	75,685
Inventories	18,964	17,702
Other current assets	11,414	8,364
Total current assets	322,440	319,794
Property, plant and equipment, net	395,895	380,808
Investment in joint venture	93,086	93,252
Intangible assets, net	36,153	37,384
Other assets	19,924	17,996
	<u>\$ 867,498</u>	<u>\$ 849,234</u>
<u>Liabilities and Equity</u>		
Current liabilities:		
Current portion of long-term borrowings	\$ 7,645	\$ 7,781
Accounts payable and accrued liabilities	89,215	77,732
Total current liabilities	96,860	85,513
Long-term borrowings	167,265	168,956
Other liabilities	9,532	8,764
Equity	593,841	586,001
	<u>\$ 867,498</u>	<u>\$ 849,234</u>

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

(in thousands)

(Unaudited)

	Three Months Ended	
	January 27, 2013	January 29, 2012
Cash flows from operating activities:		
Net income	\$ 2,859	\$ 4,841
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	19,157	22,667
Changes in assets and liabilities and other	(3,351)	6,527
Net cash provided by operating activities	18,665	34,035
Cash flows from investing activities:		
Purchases of property, plant and equipment	(15,539)	(18,127)
Other	(1,043)	(1,602)
Investment in joint venture	-	(400)
Net cash used in investing activities	(16,582)	(20,129)
Cash flows from financing activities:		
Repurchase of common stock by subsidiary	(4,190)	(885)
Repayments of long-term borrowings	(1,655)	(999)
Proceeds from exercise of share-based arrangements	203	233
Net cash used in financing activities	(5,642)	(1,651)
Effect of exchange rate changes on cash	3,287	(383)
Net (decrease) increase in cash and cash equivalents	(272)	11,872
Cash and cash equivalents, beginning of period	218,043	189,928
Cash and cash equivalents, end of period	\$ 217,771	\$ 201,800

PHOTRONICS, INC. AND SUBSIDIARIES
Reconciliation of GAAP to Non-GAAP Financial Information
(in thousands, except per share data)
(Unaudited)

	Three Months Ended	
	January 27, 2013	January 29, 2012
Reconciliation of GAAP to Non-GAAP Net Income		
Attributable to Photronics, Inc. Shareholders		
GAAP net income attributable to Photronics, Inc. shareholders	\$ 2,323	\$ 4,268
(a) Consolidation and restructuring charges, net of tax	-	1,118
(b) Impact of warrants, net of tax	-	(94)
Non-GAAP net income attributable to Photronics, Inc. shareholders	\$ 2,323	\$ 5,292
Reconciliation of GAAP to Non-GAAP Net Income		
Applicable to Common Shareholders		
Weighted average number of diluted shares outstanding		
GAAP	61,095	60,930
Non-GAAP	61,095	60,856
Net income per diluted share		
GAAP	\$ 0.04	\$ 0.07
Non-GAAP	\$ 0.04	\$ 0.09

(a) Represents consolidation and restructuring charges primarily related to restructuring in Singapore.

(b) Represents financing expenses related to warrants, which are recorded in other income (expense), net.

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

	Three Months Ended	
	January 27, 2013	January 29, 2012
GAAP Net income (a)	\$ 2,859	\$ 4,841
Add: interest expense	1,887	1,781
Add: income tax expense	1,742	3,321
Add: depreciation and amortization	18,783	22,295
Add (less): special items (b)	886	794
EBITDA	\$ 26,157	\$ 33,032

(a) Includes net income attributable to noncontrolling interests.

(b) Special items consist of stock compensation expense, and in 2012 non-cash consolidation and restructuring charges, and warrants income.
