

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 15, 2011

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 February 15th, 2011, the Company issued a press release reporting first quarter fiscal 2011 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 and 99.5 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.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

- 99.1 Press Release dated February 15, 2011
- 99.2 Reconciliation of GAAP to Non-GAAP Financial Information
- 99.3 Condensed Consolidated Statements of Operations
- 99.4 Condensed Consolidated Balance Sheets
- 99.5 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: February 15, 2011

BY /s/ *Richelle E. Burr*

Richelle E. Burr

Vice President, General Counsel

PHOTRONICS, INC.



Press Release

FOR FURTHER INFORMATION:
Sean T. Smith
Senior Vice President
Chief Financial Officer
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PHOTRONICS REPORTS FIRST QUARTER < font size="2" style="FONT-FAMILY: Times New Roman">RESULTS

First Quarter Highlights

- Record sales of \$120.8 million; sequential growth of 10%
- EPS of \$0.20 per diluted share
- IC photomasks increase 4% sequentially with high-end up 7%
- Record FPD photomask revenue; up 29% sequentially with high-end up 55%
- Net cash improves \$21 million sequentially to \$30 million
- EBIDTA of \$42 million

BROOKFIELD, Connecticut February 15, 2011 -- Photronics, Inc. (NASDAQ:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry today reported fiscal 2011 first quarter results for the period ended January 30, 2011.

Constantine (“Deno”) Macricostas, Photronics’ chairman and chief executive officer commented, “We began fiscal year 2011 with very strong financial performance, achieving record quarterly sales of \$120.8 million. As a result of robust demand for both IC and FPD photomasks we grew revenue by 23% year over year and 10% sequentially, even though the first quarter is typically seasonally slow. On the bottom line, the strong leverage in our business model resulted in EBITDA for the quarter of \$42 million and EPS of \$0.20 per diluted share.”

“We saw particular strength for high-end IC photomasks, which is a testament to the success of our strategy to invest in leading-edge IC capabilities,” continued Macricostas. “Our recent installation of an FPD tool also paid dividends in the quarter as FPD revenues increased significantly, especially at the high end. Looking forward, we are excited by our prospects for growth in 2011 and will continue to make the necessary investments to grow our position in the market.”

Sales for the first quarter were \$120.8 million, an increase of 23% compared to \$98.2 million for the first quarter of fiscal year 2010. Sales of semiconductor photomasks accounted for \$88.8 million, or 73.5% of revenues during the first quarter of fiscal 2011, and sales of flat panel display (FPD) photomasks accounted for \$32.0 million, or 26.5% of revenues. GAAP net income attributable to Photronics, Inc. for the first quarter of fiscal year 2011 was \$12.1 million, or \$0.20 earnings per diluted share, compared to \$0.2 million, or \$0.00 earnings per diluted share for the first quarter of fiscal 2010.

Non-GAAP net income attributable to Photronics, Inc. for the first quarter of 2011 was \$12.2 million, or \$0.20 earnings per diluted share, compared to \$0.6 million, or \$0.01 per diluted share, for the first quarter of 2010. 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. 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. Photronics, Inc. believes that non-GAAP net income attributable to Photronics, Inc. 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 from prior periods. These non-GAAP metrics, in particular non-GAAP net income attributable to Photronics, Inc. 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 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:

- Impact of financing expenses related to warrants are excluded because they do not affect cash earnings
- Consolidation and restructuring charges are excluded because they are not a part of ongoing operations

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 generally accepted accounting principles 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 Wednesday, February 16, 2011. The live dial-in number is (408) 774-4601. A live webcast of the call also can be accessed by logging onto Photronics’ web site at 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.

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.

04-2011

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

	Three Months Ended	
	January 30, 2011	January 31, 2010
Reconciliation of GAAP to Non-GAAP Net Income		
GAAP net income attributable to Photronics, Inc.	\$ 12,111	\$ 213
(a) Impact of warrants, net of tax	75	220
(b) Consolidation and restructuring charges, net of tax	-	193
Non-GAAP net income attributable to Photronics, Inc.	<u>\$ 12,186</u>	<u>\$ 626</u>
Weighted average number of diluted shares outstanding	66,411	54,824
Earnings per diluted share		
GAAP	\$ 0.20	\$ -
Non-GAAP	<u>\$ 0.20</u>	<u>\$ 0.01</u>

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

(b) Represents charges related to restructuring in China.

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

	Three Months Ended	
	January 30, 2011	January 31, 2010
Net sales	\$ 120,823	\$ 98,197
Costs and expenses:		
Cost of sales	(90,229)	(80,020)
Selling, general and administrative	(10,713)	(10,149)
Research and development	(3,771)	(3,954)
Consolidation, restructuring and related charges	-	(193)
Operating income	16,110	3,881
Other income (expense), net	957	(2,453)
Income before income taxes	17,067	1,428
Income tax provision	(3,483)	(1,020)
Net income	13,584	408
Net income attributable to noncontrolling interests	(1,473)	(195)
Net income attributable to Photronics, Inc.	<u>\$ 12,111</u>	<u>\$ 213</u>
Earnings per share:		
Basic	\$ 0.23	\$ 0.00
Diluted	<u>\$ 0.20</u>	<u>\$ 0.00</u>
Weighted-average number of common shares outstanding:		
Basic	53,817	53,102
Diluted	<u>66,411</u>	<u>54,824</u>

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

(in thousands)

(Unaudited)

	January 30, 2011	October 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	\$ 112,723	\$ 98,945
Accounts receivable	80,672	82,951
Inventories	21,139	15,502
Other current assets	8,296	8,404
Total current assets	222,830	205,802
Property, plant and equipment, net	386,860	369,814
Investment in joint venture	65,773	61,127
Intangible assets, net	46,242	47,748
Other assets	18,844	19,388
	<u>\$ 740,549</u>	<u>\$ 703,879</u>
Liabilities and Equity		
Current liabilities:		
Current portion of long-term borrowings	\$ 12,009	\$ 11,467
Accounts payable and accrued liabilities	129,304	107,762
Total current liabilities	141,313	119,229
Long-term borrowings	70,631	78,852
Deferred income taxes and other liabilities	10,143	9,855
Equity	518,462	495,943
	<u>\$ 740,549</u>	<u>\$ 703,879</u>

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

	Three Months Ended	
	January 30, 2011	January 31, 2010
Cash flows from operating activities:		
Net income	\$ 13,584	\$ 408
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	23,189	22,424
Changes in assets and liabilities and other	4,882	(6,417)
Net cash provided by operating activities	41,655	16,415
Cash flows from investing activities:		
Purchases of property, plant and equipment	(19,120)	(21,457)
Investment in joint venture	(3,999)	-
Deposit on sale of facility	-	4,190
Increase in restricted cash	-	(1,250)
Proceeds from sales of investments and other	-	43
Net cash used in investing activities	(23,119)	(18,474)
Cash flows from financing activities:		
Repayments of long-term borrowings	(24,346)	(7,250)
Proceeds from long-term borrowings	17,000	3,822
Proceeds from share-based payments	159	30
Net cash used in financing activities	(7,187)	(3,398)
Effect of exchange rate changes on cash	2,429	1,319
Net increase (decrease) in cash and cash equivalents	13,778	(4,138)
Cash and cash equivalents, beginning of period	98,945	88,539
Cash and cash equivalents, end of period	\$ 112,723	\$ 84,401
Supplemental disclosure of cash flow information:		
Change in accrual for purchases of property, plant and equipment	\$ 13,273	\$ (227)