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## *Press Release*

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### **PHOTRONICS TO ENTER INTO NEW LEASE AGREEMENT**

BROOKFIELD, Connecticut May 20, 2009 - Photronics, Inc. (Nasdaq:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, announced today that it has reached agreement with Micron Technology, Inc. to enter into a new operating lease agreement for the NanoFab and terminate its original capital lease agreement. Under the terms of the agreement, quarterly lease payments will be reduced from \$3.8 million to \$2.0 million, and the lease term will be extended from December 31, 2012 to December 31, 2014. In connection therewith, the outstanding debt and assets associated with the NanoFab will be reduced by approximately \$30 million.

"The new lease agreement is another important step toward improving Photronics' balance sheet and cash flows," stated Constantine S. Macricostas, Photronics' chairman and chief executive officer. "In addition to reducing our debt this change demonstrates the strong working relationship Photronics has with our joint venture partner," concluded Mr. Macricostas.

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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.