

# PHOTRONICS INC

## FORM 8-K

(Current report filing)

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Address	15 SECOR ROAD PO BOX 5226 BROOKFIELD, CT 06804
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Sector	Technology
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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) **October 21, 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))

**Item 2.05 Costs Associated with Exit or Disposal Activities**

On October 20, 2008, the Board of Directors of Photronics, Inc., (the "Company") approved a plan (the "Plan") regarding its intention to streamline its operating infrastructure in Europe by ceasing the manufacture of photomasks at its Manchester, United Kingdom facility. The Company plans to maintain a customer support and data preparation center in Manchester to ensure seamless customer transitions to comparably equipped global photomask fabrication facilities within the Photronics global network, including its U.S. NanoFab in Boise, Idaho.

In connection with the announced restructuring plan, Photronics expects to record a total after tax charge in the range of \$3.0 million to \$5.0 million through fiscal 2009. The charge will be reported in the Company's consolidated statements of operations under the caption "consolidation, restructuring and related charges". Approximately 25% of the total charge will be attributed to non-cash items. The Company estimates that approximately 85 employees will be affected by the planned closure; however, the Company will undertake a consultation process as required under UK law.

On October 21, 2008, the Company filed a press release announcing the Plan. A copy of the press release is filed as Exhibit 99.1

hereto and incorporated herein by reference.

## **SAFE HARBOR STATEMENT**

This report contains forward-looking statements, including those regarding the expected charges and future cash expenditures under, and the anticipated timing, of the Plan. All forward-looking statements are based on management's estimates, projections and assumptions as of the date hereof and include assumptions that underlie such statements. These statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including but not limited to: customer requirements, economic, competitive, legal, governmental and technological factors and other risks described in the Company's SEC filings. The Company undertakes no obligation to revise or update any forward-looking statement.

**Item 9.01 .** Financial Statements and Exhibits  
(d) Exhibits 99.1 Press Release dated October 21, 2008.

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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.**

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(Registrant)

**DATE** October 21, 2008

**BY** /s/ *Richelle E. Burr*

Richelle E. Burr

Vice President, Associate General Counsel

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PHOTRONICS, INC.

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**F O R F U R T H E R I N F O R M A T I O N :**

Sean T. Smith

SVP - CFO

Photronics, Inc.

(203) 775-9000

ssmith@photronics.com

## *Press Release*

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### **P H O T R O N I C S T O S T R E A M L I N E E U R O P E A N M A N U F A C T U R I N G N E T W O R K** High-End and Mainstream Manufacturing Equipment in Manchester, United Kingdom Being Redeployed Reorganization is Important Step in Company Strategy to Return to Profitability

BROOKFIELD, Connecticut October 21, 2008 -- Photronics, Inc. (Nasdaq:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, announced today its intention to streamline its operating infrastructure in Europe by ceasing the manufacture of photomasks at its Manchester, United Kingdom facility. The Company plans to maintain a customer support and data preparation center in Manchester to ensure seamless customer transitions to comparably equipped global photomask fabrication facilities within the Photronics global network, including its U.S. NanoFab in Boise, Idaho.

In connection with the announced restructuring plan, Photronics expects to record a total after tax charge in the range of \$3.0 million to \$5.0 million through fiscal 2009. Approximately 25% of the total charge will be attributed to non-cash items. As implemented, the Company expects to recover all related charges in less than a one-year period through lower operating costs and increased manufacturing efficiencies. The Company estimates that approximately 85 employees will be affected by the planned closure.

Constantine ("Deno") Macricostas, Chairman and Interim Chief Executive Officer, commented on the strategic intention to close the Manchester facility, "The European semiconductor landscape continues to change as segments of our customer base become more reliant on Asian foundries for IC manufacturing. Photronics is fully committed to continuing to provide high-quality photomasks and services to our European customers through our manufacturing locations within Europe, the U.S. and Asia. Our plan to streamline the Company's European manufacturing network is a significant step in our strategy to return Photronics to profitability. Finally, we want to acknowledge the dedication and efforts of our Manchester employees and thank them for their contributions to the Company."

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**Photronics, Inc .** 15 Secor Road • Brookfield, Connecticut 06804 • (203)775-9000 • [www.photronics.com](http://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](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. 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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