

PHOTRONICS INC

FORM 8-K

(Current report filing)

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Address	15 SECOR ROAD PO BOX 5226 BROOKFIELD, CT 06804
Telephone	2037759000
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Sector	Technology
Fiscal Year	10/31

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 31, 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 1.02. Entry into Material Definitive Agreement

On October 31, 2008, Photronics, Inc. (the "Company") entered into Amendment No. 2 to the Credit Agreement. The Credit Agreement was entered into on June 6, 2007 and was amended on April 25, 2008. The Credit Agreement was originally entered into among the Company, the Lenders Party thereto and JPMorgan Chase Bank, National Association as Administrative Agent and Collateral Agent, Citizens Bank of Massachusetts, HSBC Bank USA, National Association and Citibank, N.A. as Co-Syndication Agents (the "Credit Agreement"). Amendment No. 2 amends the definitions of Alternate Base Rate, Applicable Rate and provides that the Company will not permit its Senior Leverage Ratio to be greater than 2.25 to 1.00 for the fiscal quarter ending on November 2, 2008 and 1.50 to 1.00 for the fiscal quarter ending on January 31, 2009 and thereafter. Amendment No. 2 also provides that the Company will enter into further amendments to the Credit Agreement as required by the Required Lenders and extends from November 2, 2008 to December 5, 2008 the date whereby the Company must obtain permanent long term capital in an amount of at least \$75,000,000. Amendment No. 2 also requires the Company to provide additional collateral to the lenders in the form of security on most of its US assets.

On October 31, 2008, the Company also entered into Amendment No.2 to the Amended and Restated Guarantee Agreement by and among the Company and JPMorgan Chase Bank (China) Company Limited, Shanghai Branch, as Administrative Agent (for

and on behalf of itself and the Majority Lenders under the Restated Credit Agreement) dated August 23, 2007, as amended April 25, 2008 (the "Guarantee Agreement"). The Guarantee Agreement was amended to provide that the Company will not permit the Senior Leverage Ratio to be greater than the following: 2.25 to 1.00 for the fiscal quarter ending on November 2, 2008 and 1.50 to 1.00 for the fiscal quarter ending on January 31, 2009 and thereafter.

Item 9.01 . Financial Statements and Exhibits

(d) Exhibits

99.1 Press Release dated October 31, 2008.

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 November 5, 2008

BY /s/ *Richelle E. Burr*

Richelle E. Burr

Vice President, Associate General Counsel

PHOTRONICS, INC.



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
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Press Release

FOR IMMEDIATE RELEASE

October 31, 2008

P H O T R O N I C S A M E N D S \$ 1 5 5 M I L L I O N R E V O L V I N G C R E D I T A G R E E M E N T

Maximum Senior Leverage Ratio Revised to 2.25 to 1.0 Date to Obtain Permanent Long-Term Capital Extended to December 5, 2008

BROOKFIELD, Connecticut October 31, 2008 -- Photronics, Inc. (Nasdaq:PLAB), a worldwide leader in supplying innovative photomask-based imaging solutions for the global electronics and display industries, has amended its \$155 million revolving credit agreement (the "credit agreement"). Among other things, the maximum senior leverage ratio has been changed from a ratio of 1.5 to 1.0 to a ratio of 2.25 to 1.0 for the quarter ending November 2, 2008 and the date required for the Company to obtain \$75,000,000 in permanent long-term capital has been extended to December 5, 2008.

Previously, under the Company's \$155 million revolving credit agreement dated as of June 7, 2007, as amended on April 27, 2008, the Company was required to obtain permanent long-term capital in the amount of \$75,000,000 in form and on terms and conditions reasonably satisfactory to the Administrative Agent by November 2, 2008 and maintain a senior leverage ratio as defined, of 1.5 to 1.0 for the quarter ending November 2, 2008. JPMorgan Chase N.A. acts as administrative agent for the credit agreement. Other financial institutions participating in the credit agreement include Bank of America N.A., Citizens Bank of Massachusetts, HSBC Bank USA, Citibank N.A. and UBS Loan Finance LLC.

The Company plans to continue to work with its financial institutions under the credit agreement to seek a more permanent solution prior to December 5, 2008.

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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. 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.