

# 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

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**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) **July 9, 2009**

**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**

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(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 2.05** Cost Associated with Exit or Disposal Activities

On July 8, 2009, the Company announced it is closing its integrated circuit photomask manufacturing facility in Shanghai, China. The closure is consistent with the Company's strategy to reduce costs and lower its operational breakeven point. In connection with the announced closure, the Company expects to record an after tax charge of approximately \$10 million to \$14 million in fiscal 2009. Approximately 90% of the total charges will be attributed to non-cash items. The Company also estimates that seventy five (75)

employees will be affected by the closure. Once completed the Company expects to realize annual savings ranging from \$4 to \$5 million.

The Company issued a press release on July 8, 2009 announcing the closure. A copy of the press release is filed as Exhibit 99.1 and incorporated herein by reference.

### **SAFE HARBOR STATEMENT**

This report contains forward-looking statements, including those regarding the expected charges and annual savings. 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 July 8, 2009

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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 July 9, 2009**

**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 :**

Scott J. Gish

Vice President

Corporate Communications

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## *Press Release*

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# **PHOTRONICS TO CLOSE SHANGHAI, CHINA FACILITY**

## **COMPANY CONTINUES TO REDUCE OPERATING COSTS**

### **MINIMAL, IF ANY REVENUE IMPACT**

BROOKFIELD, Connecticut July 8, 2009 - Photronics, Inc. (Nasdaq:PLAB), a worldwide leader in supplying innovative imaging technology solutions for the global electronics industry, today announced that it is closing its integrated circuit photomask manufacturing facility in Shanghai, China. The closure is consistent with Photronics strategy to reduce costs and lower its operational breakeven point.

In connection with the announced closure, Photronics expects to record an after tax charge of approximately \$10 million to \$14 million in fiscal 2009. Approximately 90% of the total charges will be attributed to non-cash items. The Company also estimates that 75 employees will be affected by the closure. Due to the ability to service customers from other Photronics' locations, the Company expects minimal, if any revenue impact.

"While we remain extremely optimistic in our ability to continue growing our business within Asia, the integrated circuit mask market in China is not materializing as we had hoped" explained Constantine S. Macricostas, Photronics' chairman and chief executive officer. "Unfortunately China's photomask market remains relatively small and we do not foresee a viable path to profitability within an acceptable timeframe. To retain our cost competitiveness we must align our manufacturing capacity with end-market demand" concluded Mr. Macricostas.

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After the closure, Photronics will have nine global manufacturing facilities with four located within Asia. The remaining Asian locations include Korea, Singapore, and two sites in Taiwan. Once completed the Company expects to realize annual savings ranging from \$4 to \$5 million.

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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.

12-2009

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