

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>April 29 2007</u>	<u>April 30 2006</u>	<u>April 29 2007</u>	<u>April 30 2006</u>
Net sales	\$ 109,626	\$ 119,471	\$ 215,607	\$ 231,419
Costs and expenses:				
Cost of sales	83,433	77,663	159,749	153,428
Selling, general and administrative	14,442	15,726	30,883	30,914
Research and development	4,324	7,993	9,044	16,243
Consolidation, restructuring, and related charges	-	(11,426)	-	(11,426)
Gain on sale of facility	-	-	2,254	-
Operating income	<u>7,427</u>	<u>6,663</u>	<u>18,185</u>	<u>19,408</u>
Other income (expense), net	<u>430</u>	<u>3,792</u>	<u>145</u>	<u>5,564</u>
Income before income taxes and minority interest	7,857	10,455	18,330	24,972
Income tax benefit (provision)	<u>6,400</u>	<u>(3,814)</u>	<u>5,088</u>	<u>(7,632)</u>
Income before minority interest	14,257	6,641	23,418	17,340
Minority interest	<u>(191)</u>	<u>(1,376)</u>	<u>(1,495)</u>	<u>(2,382)</u>
Net income	<u>\$ 14,066</u>	<u>\$ 5,265</u>	<u>\$ 21,923</u>	<u>\$ 14,958</u>
Earnings per share:				
Basic	<u>\$ 0.34</u>	<u>\$ 0.13</u>	<u>\$ 0.53</u>	<u>\$ 0.36</u>
Diluted	<u>\$ 0.30</u>	<u>\$ 0.12</u>	<u>\$ 0.47</u>	<u>\$ 0.34</u>
Weighted average number of common shares outstanding:				
Basic	<u>41,513</u>	<u>41,334</u>	<u>41,494</u>	<u>41,325</u>
Diluted	<u>51,399</u>	<u>50,987</u>	<u>51,380</u>	<u>50,966</u>

PHOTRONICS, INC. AND SUBSIDIARIES

Condensed Consolidated Balance Sheets

(in thousands)

	<u>April 29 2007</u>	<u>October 29 2006</u>
<u>Assets</u>		
Current assets:		
Cash, cash equivalents and short-term investments of \$21,934 in 2007 and \$69,899 in 2006	\$ 153,724	\$ 199,324
Accounts receivable	76,543	84,299
Inventories	18,254	19,209
Other current assets	8,618	16,055
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Total current assets	257,139	318,887
Property, plant and equipment, net	441,259	443,637
Goodwill	138,534	138,534
Investment in joint venture	64,553	64,365
Other intangibles, net	70,917	71,763
Other assets	4,917	8,497
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	\$ 977,319	\$ 1,045,683
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<u>Liabilities and Shareholders' Equity</u>		
Current liabilities:		
Current portion of long-term debt	\$ 25,000	\$ 86,903
Accounts payable	59,490	53,907
Other accrued liabilities	29,403	50,386
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Total current liabilities	113,893	191,196
Long-term debt	149,106	170,288
Deferred income taxes and other liabilities	23,683	23,920
Minority interest	47,474	45,997
Shareholders' equity	643,163	614,282
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	\$ 977,319	\$ 1,045,683
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PHOTRONICS, INC. AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six Months Ended	
	April 29	April 30
	2007	2006
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Cash flows from operating activities:		
Net income	\$ 21,923	\$ 14,958
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	47,840	44,921
Gain on sale of facility	(2,254)	-
Gain on sale of investments	(257)	-
Minority interest in income of consolidated subsidiaries	1,495	2,382
Consolidation, restructuring and related charges	-	11,426
Changes in assets and liabilities and other	2,798	(23,532)
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Net cash provided by operating activities	71,545	50,155
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Cash flows from investing activities:		
Purchases of property, plant and equipment	(37,346)	(56,572)
Purchases of short-term investments	-	(32,819)
Proceeds from sales of investments and other	48,507	47,877
Proceeds from sale of facility	5,011	-
Acquisition of additional interest in PK Ltd.	-	(8,432)
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Net cash provided by (used in) investing activities	16,172	(49,946)
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Cash flows from financing activities:		
Repayments of long-term debt	(87,087)	(4,725)
Proceeds from long-term debt	3,369	9,289
Proceeds from issuance of common stock	552	730
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Net cash provided by (used in) financing activities	(83,166)	5,294
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Effect of exchange rate changes on cash	(2,186)	1,330
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Net increase in cash and cash equivalents	2,365	6,833
Cash and cash equivalents, beginning of period	129,425	196,049
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Cash and cash equivalents, end of period	<u>\$ 131,790</u>	<u>\$ 202,882</u>
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Supplemental disclosure of cash flow information:		
Change in accrual for purchases of property, plant and equipment	\$ (702)	\$ 8,993