

Edgar Filing: PHOTRONICS INC - Form 424B3

PHOTRONICS INC
Form 424B3
March 11, 2002

Filed pursuant to Rule 424(b)(3) and 424(c)
Registration Statement No. 333-82080

PROSPECTUS SUPPLEMENT NO. 2
(To Prospectus Dated February 22, 2002)

\$200,000,000

Photronics, Inc.

4 3/4 Convertible Subordinated Notes Due 2006
and
Common Stock Issuable Upon Conversion of the Notes

This document supplements our prospectus dated February 22, 2002 relating to the resale of up to \$200,000,000 aggregate principal amount of our Notes and the shares of our common stock issuable upon conversion of the Notes, by certain holders of Notes who are named as selling security holders in the prospectus.

You should read this prospectus supplement in conjunction with the prospectus. This prospectus supplement updates information in the prospectus, and, accordingly, to the extent inconsistent, the information in this prospectus supplement supersedes the information contained in the prospectus.

Investing in the notes involves risks. See "Risk Factors" beginning on page 7 of the prospectus.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this prospectus supplement is March 11, 2002.

The table of selling security holders beginning on page 36 of the prospectus is hereby amended to add the entities named below as selling security holders:

Principal amount

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Name	of notes beneficially owned that may be sold	Percentage of notes outstanding	Number of share of common stock that may be sol (1)
Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd.	2,000,000	1.00	54,054
Argent Convertible Arbitrage Fund Ltd.	4,500,000	2.25	121,621
Federated Equity Income Fund, Inc.	7,300,000	3.65	197,297
Federated Insurance Series, on behalf of its Federated Income Fund II	300,000	*	8,108
Gartmore Variable Insurance Trust, on behalf of its Federated GVIT Equity Income Fund	180,000	*	4,864
Ohio National Fund, Inc., on behalf of its Equity Income Portfolio	30,000	*	810
Rockhaven Fund	80,000	*	2,162
Rockhaven Premier Dividend Fund	700,000	*	18,918
S G Cowen Securities Corporation	1,500,000	*	40,540

2

After giving effect to the addition of the foregoing selling security holders and the removal of an unnecessary footnote, the section of the prospectus entitled "Selling Security Holders" reads as follows:

SELLING SECURITY HOLDERS

We originally issued the notes in a private placement in December 2001. The notes were resold by the initial purchasers of the notes to qualified institutional buyers under Rule 144A under the Securities Act. Selling security holders may offer and sell the notes and the underlying common stock pursuant to this prospectus.

The following table sets forth information we have received as of March 11, 2002 about the principal amount of notes and the underlying common stock beneficially owned by each selling security holder that may be offered using this prospectus.

Name	Principal amount of notes beneficially owned that may be sold	Percentage of notes outstanding	Number of shares of common stock that may be sold
Advent Convertible Master Cayman L.P.	\$ 2,935,000	1.47%	79,324
AIG/National Union Fire Insurance	180,000	*	4,864
Allentown City Firefighters Pension Plan	29,000	*	783
Allentown City Officers & Employees Pension Fund	11,000	*	297
Allentown City Police Pension Plan	54,000	*	1,459

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Amaranth LLC	13,800,000	6.90	372,972
American Motorist Insurance Company	507,000	*	13,702
AmSouth Bank Custodian for AmSouth VA	2,100,000	1.05	56,756
Equity Income Fund			
AmSouth Bank Custodian for Silect Equity	1,320,000	*	35,67
Variable Annuity Fund			
Arapahoe County Colorado	49,000	*	1,32

3

Name	Principal amount of notes beneficially owned that may be sold	Percentage of notes outstanding	Number of shares of common stock that may be sold
Argent Classic Convertible Arbitrage Fund L.P.	500,000	*	13,513
Argent Classic Convertible Arbitrage Fund (Bermuda) Ltd.	2,000,000	1.00	54,054
Argent Convertible Arbitrage Fund Ltd.	4,500,000	2.25	121,621
Argent LowLev Convertible Arbitrage Fund LLC	500,000	*	13,513
Arkansas Teachers Retirement System	3,506,000	1.75	94,756
Aventis Pension Master Trust (5)	105,000	*	2,837
Bank Austria Cayman Islands, LTD	7,400,000	3.70	199,999
Bankers Trust Company Trustee for DaimlerChrysler Corp. Emp. #1 Pension Plan dtd. 4/1/89	3,465,000	1.73	93,648
Baptist Health of South Florida	577,000	*	15,594
Black Diamond Offshore Ltd.	565,000	*	15,270
Boilermaker - Blacksmith Pension Trust (5)	590,000	*	15,945
British Virgin Islands Social Security Board	38,000	*	1,027
CALAMOS(R) Convertible Fund - CALAMOS(R) Investment Trust (5)	2,400,000	1.20	64,864
CALAMOS(R) Convertible Growth and Income Fund - CALAMOS(R) Investment Trust (5)	4,400,000	2.20	118,918
CALAMOS(R) Convertible Portfolio - CALAMOS(R) Advisors Trust (5)	65,000	*	1,756
CALAMOS(R) Convertible Technology Fund - CALAMOS(R) Investment Trust (5)	65,000	*	1,756
CALAMOS(R) Global Convertible	70,000	*	1,891

4

Name	Principal amount of notes beneficially owned that may be sold	Percentage of notes outstanding	Number of shares of common stock that may be sold
Fund - CALAMOS(R) Investment Trust (5)			

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CALAMOS(R)Market Neutral Fund - CALAMOS(R) Investment Trust (5)	10,500,000	5.25	283,783
Chrysler Corporation Master Retirement Trust	2,035,000	1.01	54,999
City of Albany Pension Plan (5)	50,000	*	1,351
City of Knoxville Pension System (5)	145,000	*	3,918
City of New Orleans	203,000	*	5,486
City University of New York	122,000	*	3,297
Clarica Life Insurance Co.- U.S. (5)	145,000	*	3,918
Consulting Group Capital Markets Funds (5)	250,000	*	6,756
DeAm Convertible Arbitrage	3,300,000	1.65	89,189
Delta Airlines Master Trust (5)	950,000	*	25,675
Delta Air Lines Master Trust (c/o Oaktree Capital Management LLC)	490,000	*	13,243
Delta Pilots Disability and Survivorship Trust (5)	200,000	*	5,405
Delta Pilots D & S Trust (c/o Oaktree Capital Management LLC)	270,000	*	7,297
Deutsche Banc Alex Brown	15,624,000	7.81	422,269
Dorinco Reinsurance Company (5)	325,000	*	8,783
Double Black Diamond Offshore LDC	2,935,000	1.47	79,324
Drury University (5)	35,000	*	945
Engineers Joint Pension Fund	468,000	*	12,648
Federated Equity Income Fund, Inc.	7,300,000	3.65	197,297
Federated Insurance Series, on behalf of its Federated Income Fund II	300,000	*	8,108
Fidelity Financial Trust: Fidelity Convertible Securities Fund (6)	11,680,000	5.84	315,675

5

Name	Principal amount of notes beneficially owned that may be sold	Percentage of notes outstanding	Number of shares of common stock that may be sold
Franklin and Marshall College	190,000	*	5,135
Gartmore Variable Insurance Trust, on behalf of its Federated GVIT Equity Income Fund	180,000	*	4,864
Grady Hospital Foundation	107,000	*	2,891
Granville Capital Corporation	2,000,000	1.00	54,054
HFR Convertible Arbitrage Account	190,000	*	5,135
HFR Master Fund, LTD. (5)	50,000	*	1,351
H.K. Porter Company, Inc.	15,000	*	405
Independence Blue Cross	64,000	*	1,729
Innovest Finanzdienstleistungs AG	580,000	*	15,594
JP Morgan Chase (5)	950,000	*	25,675
KBC Financial Products USA Inc.	250,000	*	6,756
Kettering Medical Center Funded Depreciation Account (5)	35,000	*	945
Knoxville Utilities Board Retirement System (5)	120,000	*	3,243
Lipper Convertibles, L.P.	1,500,000	*	40,540
Lipper Offshore Convertibles, L.P.	1,500,000	*	40,540
Louisiana Workers' Compensation Corporation	150,000	*	4,054

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(5)			
Lumbermans	491,000	*	13,270
Lyxor Master Fund Ref: Argent/LowLev CB	1,230,000	*	33,243
Macomb County Employees' Retirement System	145,000	*	3,918
(5)			
McMahan Securities Co., L.P.	1,500,000	*	40,540
Microsoft Corporation	410,000	*	11,081
Minnesota Power and Light	125,000	*	3,378
Motion Pictures Industry	545,000	*	14,729
Motion Picture Industry Health Plan --	190,000	*	5,135
Active Member Fund			
Motion Picture Industry Retiree Member Fund	80,000	*	2,162

6

Name	Principal amount of notes beneficially owned that may be sold	Percentage of notes outstanding	Number of shares of common stock that may be sold
Municipal Employees	183,000	*	4,945
New Orleans Firefighters Pension / Relief Fund	110,000	*	2,972
Nicholas Applegate Convertible Fund	1,395,000	*	37,702
Nicholas Applegate Global Holdings LP	35,000	*	945
1976 Distribution Trust FBO A.R. Lauder / Zinterhofer	7,000	*	189
1976 Distribution Trust FBO Jane A. Lauder	13,000	*	351
Occidental Petroleum Corporation	118,000	*	3,189
OCM Convertible Trust	1,180,000	*	8,918
Ohio National Fund, Inc., on behalf of its Equity Income Portfolio	30,000	*	810
Ondeo Nalco	40,000	*	1,081
Onex Industrial Partners	1,950,000	*	52,702
Palladin Securities LLC	1,200,000	*	32,432
Paloma Securities LLC	5,000,000	2.50	135,135
Partner Reinsurance Company Ltd.	330,000	*	8,918
Pebble Capital Inc.	650,000	*	17,567
Physician Life	183,000	*	4,945
Policemen and Firemen Retirement System of the City of Detroit	503,000	*	13,594
Port Authority of Allegheny County Retirement and Disability Allowance Plan for the Employees Represented by Local 85 of the Amalgamated Transit Union (5)	615,000	*	16,621
Pro-mutual	603,000	*	16,297
Qwest Occupational Health Trust	55,000	*	1,486
Ramius Capital Group	300,000	*	8,108
RAM Trading Ltd	1,750,000	*	47,297

7

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Name	Principal amount of notes beneficially owned that may be sold	Percentage of notes outstanding	Number of shares of common stock that may be sold
Raytheon Master Pension Trust	200,000	*	5,405
RCG Halifax Master Fund, LTD	550,000	*	14,864
RCG Latitude Master Fund, LTD	2,500,000	1.25	67,567
RCG Multi Strategy A/C LP	1,250,000	*	33,783
Robertson Stephens	5,000,000	2.50	135,135
Rockhaven Fund	80,000	*	2,162
Rockhaven Premier Dividend Fund	700,000	*	18,918
San Diego City Retirement	1,097,000	*	29,648
San Diego County Convertible	1,654,000	*	44,702
SCI Endowment Care Common Trust Fund - First Union (5)	20,000	*	540
SCI Endowment Care Common Trust Fund - National Fiduciary Services (5)	70,000	*	1,891
SCI Endowment Care Common Trust Fund - Suntrust (5)	30,000	*	810
Screen Actors Guild Pension Convertible	500,000	*	13,513
S G Cowen Securities Corporation	1,500,000	*	40,540
Shell Pension Trust	320,000	*	8,648
Silvercreek Limited Partnership	1,100,000	*	29,729
Silvercreek II Limited	900,000	*	24,324
Southdown Pension Plan (5)	60,000	*	1,621
Southern Farm Bureau Life Insurance	185,000	*	4,999
Starvest Combined Portfolio	190,000	*	5,135
State of Connecticut Combined Investment Fund	1,705,000	*	46,081
State of Maryland Retirement Agency	2,575,000	1.29	69,594
State Street Bank Custodian for GE Pension Trust	1,585,000	*	42,837
Sunrise Partners LLC	9,200,000	4.60	248,648
The Dow Chemical Company Employees' Retirement Plan (5)	1,150,000	*	27,631

8

Name	Principal amount of notes beneficially owned that may be sold	Percentage of notes outstanding	Number of shares of common stock that may be sold
The Fondren Foundation (5)	35,000	*	945
The Grable Foundation	95,000	*	2,567
Trustmark Insurance Company	280,000	*	7,567
2000 Revocable Trust FBO A.R. Lauder / Zinterhofer	6,000	*	162
Union Carbide Retirement Account (5)	600,000	*	16,216
United Food and Commercial Workers Local	270,000	*	7,297

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1262 and Employee Pension Fund (5)			
Vanguard Convertible Securities Fund, Inc.	1,945,000	*	52,567
Vopak USA Inc., Retirement Plan (f.k.a. Van Waters & Rogers, Inc. Retirement Plan) (5)	140,000	*	3,783
Wake Forest University	686,000	*	18,540
Wake Forest University Convertible Arbitrage	355,000	*	9,594
Writers Guild Industry Health Fund	293,000	*	7,918
Wyoming State Treasurer	971,000	*	26,243
Any other holder of notes or future transferee, pledgee, donee or successor of any holder (3)	20,778,000	10.39	561,567
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Total.....	\$200,000,000	100.00%	5,405,400 (4)
	=====	=====	=====

* Less than 1%.

- (1) Assumes conversion of all of the holder's notes at a conversion rate of 27.027 shares of common stock per \$1,000 principal amount of notes. However, this conversion rate will be subject to adjustment as described under "Description of Notes--Conversion Rights." As a result, the amount of common stock issuable upon conversion of the notes may increase or decrease in the future.
- (2) Calculated based on 30,315,494 shares of common stock outstanding as of

9

December 31, 2001. In calculating this amount for each selling security holder, we treated as outstanding that number of shares of common stock issuable upon conversion of all of that holder's notes. However, we did not assume the conversion of any other holder's notes, except in calculating the percentage for all selling security holders as a group.

- (3) Information about other selling security holders will be set forth in prospectus supplements, if required.
- (4) Column does not add up correctly because the fractional shares to which the holders would be entitled have been disregarded.
- (5) Pursuant to an Investment Management Agreement, CALAMOS(R) Investments is not acting individually, but solely as an Investment Manager for the selling security holder.
- (6) The entity is either an investment company or a portfolio of an investment company registered under Section 8 of the Investment Company Act of 1940, as amended, or a private investment account advised by Fidelity Management and Research Company ("FMR Co."). FMR Co. is a Massachusetts corporation and an investment advisor registered under Section 203 of the Investment Advisers Act of 1940, as amended, and provides investment advisory services to each of such Fidelity entities identified above, and to other registered investment companies and to certain other funds which are generally offered to a limited group of investors. FMR Co. is a wholly owned subsidiary of FMR Corp. ("FMR"), a Massachusetts corporation. The holdings are as of January 23, 2002.

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We prepared this table based on the information supplied to us on or before March 11, 2002 by the selling security holders named in the table. The selling security holders listed in the above table may have sold or transferred, in transactions exempt from the registration requirements of the Securities Act, some or all of their notes since the date they have supplied the information to us. Information about the selling security holders may change further over time. Any changed information supplied to us will be set forth in future prospectus supplements.

None of the selling security holders listed above has, or within the past three years has had, any position, office or other material relationship with us or any of our predecessors or affiliates.

Because the selling security holders may offer all or some of their notes or the underlying common stock from time to time, we cannot estimate the amount of the notes or the underlying common stock that will be held by the selling security holders upon the termination of any particular offering. See "Plan of Distribution."