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FOR IMMEDIATE RELEASE

Tuesday, May 1, 2001

Source: INRAD, Inc.

INRAD, INC. REPORTS STRONG RESULTS FOR 1ST QUARTER

NORTHVALE, N.J., May 1 - INRAD, Inc. (OTC Bulletin Board: INRD) today reported financial results for its first quarter, which ended March 31, 2001. The Company reported earnings of \$251,278 on revenues of \$2,388,648 for the first three months, as compared with earnings of \$11,555 on revenues of \$1,458,697 for the same period last year.

Diluted EPS computed on net income was \$0.04 for the first quarter compared to \$0.01 for the first quarter a year ago. Basic EPS computed on net income was \$0.05 for the first quarter compared with \$0.01 for the same period last year.

Product sales for the quarter were \$2,351,270 as compared with \$1,099,200 in the first quarter last year, up 114%.

Product bookings were \$2,486,000 for the first quarter as compared with \$1,609,000 for the same quarter a year ago, up 55%. Product backlog at March 31, 2001 reached a new high of \$3,553,000 compared to \$3,448,000 on December 31, 2000 and \$1,946,000 on March 31, 2000.

Operating income for the first quarter was \$154,528, compared with \$14,578 for the same period last year.

Net income for the quarter of \$251,278 includes \$100,000 in "other income" from liquidation of a portion of the Company's reserve against its net operating loss carry-forward for offset of future federal income taxes.

Actual gross profit margin as a percentage of product revenues for the quarter was 35.8%. This compares to an actual gross profit margin of 45.5% for all of 2000.

Dan Lehrfeld, President and CEO of INRAD, commented, "We are off to a good start on what we expect to be a key transition year for our company. Our re-engineering, modernization and expansion programs are well underway, reflected in our increased production capacity but also in our decreased gross profit margin due to expenses on these special projects. We have entered into two strategic alliances in the custom optics sector; one with a major customer, the other with a supply-chain partner. We have reached agreement on terms and procurement intent with a major defense EO customer on a pending multi-year production subcontract for filter components. Our outlook for the second quarter remains good at this point. We are pursuing new customers armed with expanded production capacity and capability, seeking new qualification opportunities for future OEM sales.

Slow-down in capital equipment spending and the economy generally is affecting several key customers and their rate of new order placement, while demand in the defense and R&D sectors is strengthening. Although crystals are one of our fields of expertise, our crystal ball is no better than other's in predicting when the economy's rebound will occur. We are working to be better positioned than previously when it does. There are challenges ahead, the largest being hitting our revenue objectives for the full year. We are focused on addressing these challenges head-on, both to continue to make progress in strengthening and expanding our operations and thereby our future prospects, and to achieve our revenue growth and profitability goals in fiscal 2001."

Mr. Lehrfeld added, "The dramatic decline in equity prices in recent months eventually affected INRAD in late-March. The bid price on our common stock began to dip below the minimum required by the NASDAQ for listing just as their decision process on our application was nearing its conclusion. As a consequence, we have withdrawn our application for listing, which we had submitted on December 7 of last year. We intend to reapply in future when our Board decides it is once again appropriate to do so."

INRAD, Inc. develops, manufactures, and supplies products for key Photonics Industry sectors via its three related product areas: Crystals and Crystal Components, Custom Optics, and Systems and Instruments. Its customers include leading corporations in the Laser Systems, Semiconductor Inspection Equipment, Telecommunications and Defense industries, as well as the U.S. Government. Its products are also used extensively by researchers at National Laboratories and Universities world-wide.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this press release that are not purely historical are forward looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Act of 1934. These statements may be identified by their use of forward-looking terminology such as "believes" and "expects" or similar words. Such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected. Risks and uncertainties that could cause actual results to differ materially from such forward looking statements are, but are not limited to, uncertainties in market demand for the company's products or the products of its customers, future actions by competitors, inability to implement its growth strategy, and other factors discussed from time to time in reports filed by Inrad with the Securities and Exchange Commission. The forward looking statements made in this news release are made as of the date hereof and Inrad does not assume any obligation to update the reasons why actual results could differ materially from those projected.