

FOR IMMEDIATE RELEASE

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Source: INRAD, Inc.

**DIRECTORS RE-ELECTED AT INRAD INC. ANNUAL MEETING;
INRAD REPORTS RESULTS FOR 2nd QUARTER OF 2002**

NORTHVALE, N.J., August 14 - INRAD, Inc. (OTC Bulletin Board: INRD) today reported that all five members of its Board of Directors were re-elected at its annual meeting of shareholders on August 7, 2002. Additionally, the shareholders approved an amendment to its certificate of incorporation, providing for the classification of its Board of Directors into three classes with staggered terms of office.

INRAD today reported financial results for its second quarter and first half, which ended June 30, 2002. In compliance with the recently enacted Sarbanes-Oxley Act of 2002, certifications were filed as correspondence with the Company's latest 10-Q filing.

The Company reported total revenues for the second quarter of \$1,686,000 and for the first half of \$2,906,000, down 28% and 38% respectively from the same periods last year.

Net income was a loss of \$(202,000) for the second quarter and \$(678,000) through June 30, as compared with profits in 2001 of \$176,000 for the second quarter and \$427,000 for the first half.

Basic and diluted earnings per share for the first six months of 2002 was a loss of \$(0.15) per share as compared with a profit of \$0.05 per share for the same period in 2001. EPS includes a reduction to net income of \$121,000 in 2002 and \$155,000 in 2001 for the common stock dividends paid on Company preferred stock in each year.

Product bookings for the second quarter were \$1,330,000 vs. \$1,279,000 for the same period last year, up 4%. Product bookings for the first half of 2002 were \$3,280,000 as compared with \$3,765,000 a year ago, down 13%.

The book-to-bill ratio for the second quarter of 2002 was 0.80 compared with 0.74 for the same quarter in 2001 indicating similar seasonal slowness and a continuation of the lower demand experienced for the prior four quarters, especially from customers in the semiconductor equipment, metrology and instrumentation sectors. The book to bill ratio for the second half of 2002 was 1.15 vs. 0.81 for the first half of 2001, reflecting increased order intake from customers in the defense, R&D, and governmental sectors.

Product backlog at June 30, 2002 was \$1,970,000 as compared with \$2,540,000 on June 30, 2001, down 22%.

Dan Lehrfeld, President and CEO of INRAD, commented, "While the pundits currently debate whether the economy is facing a "double-dip", many of our customers, and we, continue to experience its realities. They and we project continuing slowness throughout the rest of this year. We are focusing on revenue generation with our expanded sales force. Currently,

however, we expect sales to be off approximately 10% in the second half in comparison to the same period last year.”

Mr. Lehrfeld added, “Our Board has re-affirmed its commitment to our implementing Phase 2 of our multi-year growth plan, looking beyond the current recession. In Phase 1 we transformed INRAD into a platform for growth. This month we executed our first letter of intent to acquire a complementary business operation. We intend to raise capital to finance additional acquisitions, and, given the state of the public equity markets, will to do so in the private equity arena.”

INRAD, Inc. develops, manufactures, and supplies products for key Photonics Industry sectors via its four related product areas: Crystals and Crystal Components, Custom Optics, Systems and Instruments, and Thin Film Services. 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", "expects", "will", "plan", 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, inability to raise capital, and other factors discussed from time to time in the Company's filings 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 publicly any forward looking statement.