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INRAD REPORTS RECORD RESULTS
FOR THIRD QUARTER AND FIRST NINE MONTHS

NORTHVALE, NJ, October 25 - INRAD, Inc. (OTC Bulletin Board: INRD) today reported financial results for its third quarter and first nine months, which ended September 30, 2000. The Company reported record earnings of \$597,400 on revenues of \$5,158,000 for the first nine months of 2000 vs. a loss of \$283,000 on revenues of 4,716,000 for the same period last year. Net income for the third quarter of 2000 was \$253,700 on revenues of \$1,736,000 compared with a loss of \$159,700 on revenues of \$1,352,000 for the third quarter of 1999. Product bookings for the third quarter were also a record; \$2,280,800 vs. \$1,235,00 for the same period a year ago, up 85%. Product bookings for the first nine months of 2000 were up 48% to \$5,648,000 vs. \$3,822,000 for the first nine months of 1999. The book to bill ratio for the first nine months was 1.30 vs. 1.0 for the same period last year. Product backlog at the end of the current period was \$2,777,000 vs. \$1,149,000 at the same point in 1999.

Product sales for the third quarter were \$1,736,000 vs. \$1,118,000 for the same period in 1999. Sales for the first nine months of 2000 totaled \$4,317,000 vs. \$3,918,000 for the first nine months of 1999

Contract R&D revenues for the first nine months were \$841,000, including a one-time adjustment in the first quarter for under-absorbed overhead costs of \$130,000, vs. \$798,000 for the same period in 1999

Internal research and development expenditures for the first nine months of 2000 were \$340,000 vs. \$203,700 for the same period last year. In August the Company sold its tunable mid-infrared laser technology to an instrument systems company for \$325,000 plus an equity derivative, part of the Company's strategy to concentrate its resources on its core businesses.

Dan Lehrfeld, President and CEO of INRAD, commented, "The performance figures for the first nine months tell the INRAD story eloquently. Our customer relationships continue to strengthen and blossom, reflected in new orders, which are up sharply. Our expansion program, aimed at enlarging our production capacity and capabilities, has begun to be consistently evident in higher product run rates and shipments. We have successfully raised approximately \$2 million in new capital and are deploying it where it will do the most good. Our customers, who include some of the finest technology corporations in the world, are working closely with us as we work our way through our growing pains. Operating and net income are new records for INRAD, and margins continue to improve. Our operations are now providing positive cash flow. Our growth rate, as measured by new orders, is ahead of the 35% compound multi-year

rate we have been targeting. We are ahead of plan at this point, and we expect these trends will continue through the fourth quarter."

Mr. Lehrfeld added, "The transformation within INRAD is now becoming apparent to all our stakeholders. We have a fine team, and are adding to it continually. Their hard work and dedication are paying off. But we are not complacent, as the challenges we face in executing are not trivial. We are focused and trying to "work smarter", targeting improvements in all areas of our operations. We have pruned some activities, but we are not sacrificing our future prospects for income today; our investments in new capabilities are at an all time high."

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 and Telecom 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.

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, inability to raise capital, inability to recruit new employees, 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.