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GENUS POSTS 1998 FINANCIAL RESULTS

SUNNYVALE, Calif., February 16, 1999 – Genus, Inc. (NASDAQ: GGNS), announced today results for the fourth quarter and year end 1998. The Company reported net sales of \$5.1 million, compared to \$20.9 million for the fourth quarter of 1997. Net income for the fourth quarter of 1998 was \$1.3 million or \$0.07 per share, compared to a net loss of \$20.3 million or \$1.20 per share for the same quarter of 1997.

The Company's net sales for 1998 were \$32.4 million and net loss was \$29.5 million, resulting in a loss of \$1.71 per share available to common shareholders. In comparison, Genus' net sales for the previous year were \$84.3 million and net loss was \$19.3 million or \$1.15 per share.

Kenneth Schwanda, Genus' vice president of finance, commented, "Genus posted a \$1.3 million profit for the quarter although operationally the company incurred a loss of \$830,000. This profit is attributed to non-recurring cost reversals of \$2.1 million related to inventory, warranty, and restructuring charges. We exited the quarter maintaining our strong balance sheet and with today's announcement of a multiple system order from a major DRAM manufacturer, Genus is well positioned going into 1999."

"We are encouraged by the improving signs we are seeing in the semiconductor marketplace," said William W.R. Elder, Genus' chairman and CEO. "The multiple system order announced today confirms this trend. In addition, Genus' new product announcements in the fourth quarter of 1998 position us extremely well for the upturn projected by the industry analysts for the second half of this year."

Founded in 1982, Genus, Inc. designs, manufactures and markets capital equipment and deposition processes for advanced semiconductor manufacturing. The Company's thin film deposition products are used worldwide to produce integrated circuits for the data processing, communications, medical, military, transportation and consumer electronics industries. Genus'

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customers include semiconductor manufacturers located throughout the United States, Europe and the Pacific Rim including Korea, Japan and Taiwan. Genus' headquarters are located at 1139 Karlstad Drive, Sunnyvale, CA 94089; telephone (408) 747-7120; fax (408) 747-7199. For the most up-to-date company, product and financial information, visit Genus' web site at <http://www.genus.com>.

This release contains forward looking statements dependent on a number of risks and uncertainties, including, but not limited to, retrenchment in the semiconductor industry, general conditions in the Company's industry sector, and the additional risks and uncertainties detailed under "Management's Discussion and Analysis of Results of Operations and Financial Condition" contained in the Company's Annual Report on Form 10-K/A for the fiscal year ended December 31, 1997, and the Company's quarterly report on Form 10-Q for the quarter ended September 30, 1998.

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Genus, Inc.
Condensed Consolidated Statement of Operations (Unaudited)
(Amounts in thousands, except per share data)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|---|------------------------------------|-------------|-------------------------------------|-------------|
| | 1998 | 1997 | 1998 | 1997 |
| Net sales | \$ 5,119 | \$ 20,879 | \$ 32,431 | \$ 84,286 |
| Costs and expenses: | | | | |
| Cost of goods sold | 3,271 | 14,885 | 26,029 | 54,762 |
| Inventory and warranty reserve reversals | (1,623) | - | (1,828) | - |
| Research and development | 1,134 | 3,012 | 8,921 | 12,327 |
| Selling, general and administrative | 1,862 | 7,912 | 14,115 | 20,326 |
| Restructuring charge | (509) | - | 12,707 | - |
| Income(loss) from operations | 984 | (4,930) | (27,513) | (3,129) |
| Other, net | 318 | (1,172) | (86) | (1,363) |
| Income(loss) before income taxes | 1,302 | (6,102) | (27,599) | (4,492) |
| Provision for income taxes | - | 14,223 | 1 | 14,844 |
| Net income(loss) | \$ 1,302 | \$ (20,325) | \$ (27,600) | \$ (19,336) |
| Deemed dividends on preferred stock | \$ - | \$ - | \$ (1,903) | \$ - |
| Net income(loss) available to common shareholders | \$ 1,302 | \$ (20,325) | \$ (29,503) | \$ (19,336) |
| Net income(loss) per common share available to common shareholders and per common share assuming dilution | \$ 0.07 | \$ (1.20) | \$ (1.71) | \$ (1.15) |
| Shares used in per share calculations-basic | 17,362 | 16,965 | 17,248 | 16,860 |
| Shares used in per share calculations-diluted | 18,106 | 16,965 | 17,248 | 16,860 |

GENUS, INC.
Condensed Consolidated Balance Sheets (Unaudited)
(Amounts in thousands)

| | December 31, 1998 | December 31, 1997 |
|---|----------------------|----------------------|
| Assets | | |
| Cash and cash equivalents | \$ 8,125 | \$ 8,700 |
| Accounts receivable, net | 13,008 | 19,469 |
| Inventories | 5,338 | 28,986 |
| Other current assets | 379 | 1,029 |
| Total current assets | 26,850 | 58,184 |
| Property and equipment, net | 4,659 | 15,276 |
| Other assets, net | 318 | 3,278 |
| Total assets | \$ 31,827 | \$ 76,738 |
| Liabilities, redeemable preferred stock, and shareholders' equity | | |
| Short-term borrowings | \$ 4,000 | \$ 7,345 |
| Other current liabilities | 6,989 | 20,065 |
| Long-term debt | 114 | 971 |
| Redeemable preferred stock | 897 | - |
| Shareholders' equity | 19,827 | 48,357 |
| Total liabilities, redeemable preferred stock, and shareholders' equity | \$ 31,827 | \$ 76,738 |