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GENUS ANNOUNCES INCREASED PROFITABILITY FOR THIRD QUARTER 1999

SUNNYVALE, Calif., October 26, 1999 – Genus, Inc. (NASDAQ: GGNS), announced today that it was profitable for the third quarter ended September 30, 1999. Net income for the third quarter of 1999 was \$313,000 or \$0.02 per share, compared to \$40,000 or less than one cent per share for the same quarter of 1998. The company recorded net sales of \$8.8 million, compared with \$9.8 million for the third quarter of 1998, which included shipments of both ion implant and thin film products.

"As expected, we shipped the systems that were booked earlier in the quarter, and met our financial performance objectives for the fifth consecutive quarter," said Kenneth Schwanda, chief financial officer of Genus. "Customer interest is strong for our new products and makes the first half of 2000 look promising. The fourth quarter will be challenging, as we still need to book and ship business to meet our operating plan. Several sales opportunities exist and we are focused on closing these for delivery in the fourth quarter."

"I am pleased that we continue to perform to our expectations, and that we increased profitability in the third quarter," said Dr. William W.R. Elder, Genus chairman and CEO. "We believe we have built the foundation for accelerating growth in 2000 and beyond, based on anticipated demand for our technology and continued improvement in the semiconductor industry."

About Genus

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,

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communications, medical, military, transportation and consumer electronics industries. Genus' 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 section, 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 for the fiscal year ended December 31, 1998, and the Company's quarterly report on Form 10-Q for the quarter ended June 30, 1999.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Net sales	\$ 8,818	\$ 9,804	\$ 22,736	\$ 27,312
Costs and expenses:				
Cost of goods sold	5,021	5,889	13,120	22,554
Research and development	1,474	1,517	4,018	7,788
Selling, general and administrative	2,072	2,347	5,954	12,253
Special charge	-	-	-	13,216
Income(loss) from operations	251	51	(356)	(28,499)
Other, net	62	(11)	237	(404)
Income(loss) before income taxes	313	40	(119)	(28,903)
Deemed dividends on preferred stock	-	-	-	(1,903)
Net income(loss) available to common shareholders	<u>\$ 313</u>	<u>\$ 40</u>	<u>\$ (119)</u>	<u>\$ (30,806)</u>
Net income(loss) per common share available to common shareholders and per common share assuming dilution	<u>\$ 0.02</u>	<u>\$ 0.00</u>	<u>\$ (0.01)</u>	<u>\$ (1.79)</u>
Shares used in per share calculations-basic	18,267	17,361	18,083	17,216
Shares used in per share calculations-diluted	18,943	17,413	18,083	17,216

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

	September 30, 1999	December 31, 1998
Assets		
Cash and cash equivalents	\$ 5,534	\$ 8,125
Accounts receivable, net	12,081	13,008
Inventories	5,561	5,338
Other current assets	418	379
Total current assets	23,594	26,850
Property and equipment, net	4,496	4,659
Other assets, net	332	318
Total assets	<u>\$ 28,422</u>	<u>\$ 31,827</u>
Liabilities, redeemable preferred stock, and shareholders' equity		
Short-term borrowings	\$ -	\$ 4,000
Total current liabilities	7,637	7,051
Long-term debt	-	50
Redeemable preferred stock	-	773
Shareholders' equity	20,785	19,953
Total liabilities, redeemable preferred stock, and shareholders' equity	<u>\$ 28,422</u>	<u>\$ 31,827</u>