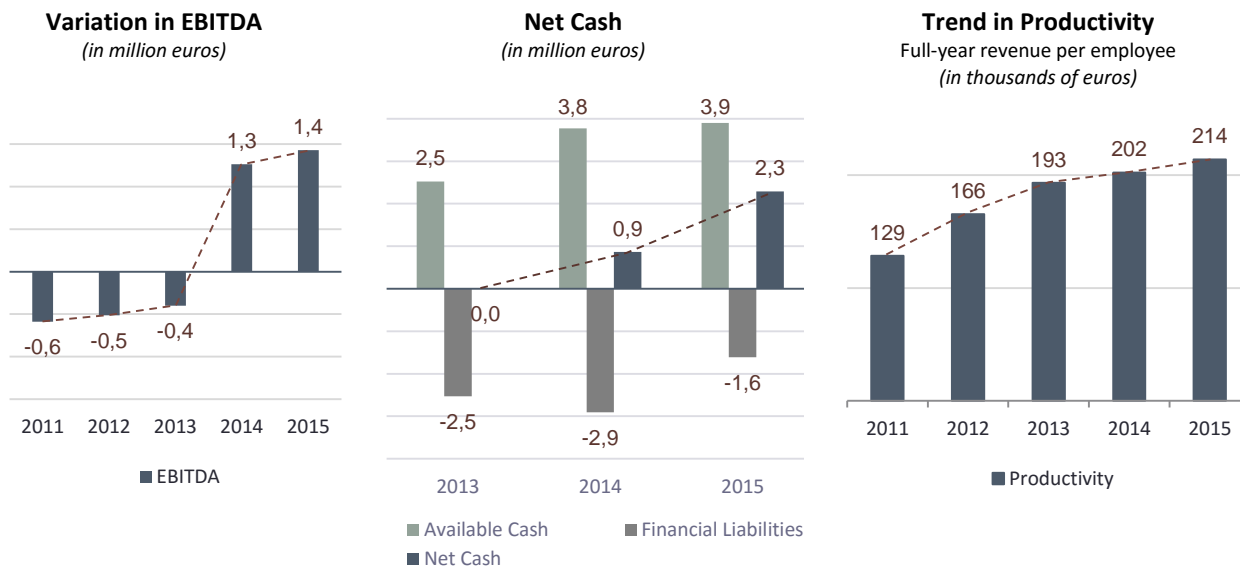




MEMSCAP
The Power of a Small World™

MEMSCAP EARNINGS FOR FISCAL YEAR 2015: NET CASH INCREASE OF EUR 1.4 MILLION

Operating profit at EUR 0.8 million & Net profit at EUR 0.7 million



Grenoble, France and Durham, North Carolina, March 22, 2016 - MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for fiscal year 2015 ending December 31, 2015.

Analysis of the consolidated income statement

Matching previous quarterly press releases, revenue for FY 2015 amounted to EUR 12.6 million (US\$ 14.0 million). Consolidated revenue distribution by market segment over FY 2015 is as follows:

Market segments	Revenue (M€)	%
Aerospace	5.2	41%
Medical / Biomedical	3.2	26%
Optical Communications / Adaptive Optics	3.2	25%
Mass Market	1.0	8%
Total	12.6	100%

(Any apparent discrepancies in totals are due to rounding.)

MEMSCAP consolidated earnings for FY 2015 are given by the following table:

(In million euros)	<i>For the year ended</i> 31 December 2015	<i>For the year ended</i> 31 December 2014
Revenue	12.6	13.2
- Standard products*	7.5	8.1
- Custom products	5.1	5.1
Gross margin	4.6	4.1
Operating expenses**	(3.8)	(3.7)
Operating profit / (loss)	0.8	0.4
Financial profit / (loss)	(0.1)	(0.2)
Net profit / (loss)	0.7	0.2

(Financial data were subject to an audit by the Group's statutory auditors who will issue their reports at a later date. On March 21st, 2016, the MEMSCAP board of directors authorized the release of the FY 2015 consolidated financial statements. Any apparent discrepancies in totals are due to rounding.)

* Including the royalties from the dermo-cosmetics segment.

** Net of research & development grants.

The gross margin rate ended at 37% of consolidated sales for FY 2015 which represents an increase by 6 points compared to the previous year. This improvement resulted mainly from the MEMSCAP business strategy focused on high-added value market segments and the amplification of productivity within the production entities of the Group. Consolidated gross margin for FY 2015 amounted to EUR 4.6 million against EUR 4.1 million for FY 2014.

Operating expenses (net of research & development grants) amounted to EUR 3.8 million for FY 2015. This amount is in line with the previous year (FY 2014: Net operating expenses at EUR 3.7 million).

The significant growth of the Group's gross margin over FY 2015 combined with the control of operating costs led to a EUR 0.8 million operating profit (representing 6.4% of consolidated revenue) compared to an operating profit at EUR 0.4 million for FY 2014 (representing 2.8% of consolidated revenue).

The financial loss for FY 2015 amounted to EUR 0.1 million compared to a financial loss of EUR 0.2 million for FY 2014. This loss mainly included foreign exchange losses on Group's sales for EUR 0.1 million (FY 2014: Foreign exchange losses of EUR 0.2 million).

Finally, the net profit for FY 2015 amounted to EUR 0.7 million (representing 5.3% of consolidated revenue) compared to a net profit of EUR 0.2 million for FY 2014 (representing 1.4% of consolidated revenue).

Net cash increase of EUR 1.4 million over FY 2015

The positive operating cash flow amounted to EUR 1.5 million for FY 2015 compared to EUR 1.7 million for FY 2014. At December 31, 2015, consolidated available cash was EUR 3.9 million including cash and short term deposits as well as cash investments (Corporate bonds) recorded under financial assets available for sale. In addition to this amount, the available unused credit lines amounted to EUR 0.4 million at December 31, 2015.

At December 31, 2015, net cash was EUR 2.3 million increasing by EUR 1.4 million compared to the net cash position at December 31, 2014.

MEMSCAP shareholder's equity totaled EUR 17.8 million at December 31, 2015.

Analysis and perspectives

At the end of the fiscal year 2013, the Group announced its intention to focus its efforts on improving its profitability. The significant increase in the Group's financial performances during the fiscal year 2014 materialized a business strategy focused on high-value markets and productivity gains within the Group's production entities.

In the wake of 2014, the fiscal year 2015 confirmed the growth of the Group's profitability resulting from this business strategy. This dynamic enabled the Group to generate free cash flow and to significantly strengthen its net cash which represented 13% of the shareholders' equity at December 31, 2015.

MEMSCAP intends to pursue this strategy in the coming year while expanding its international sales network.

Q1 2016 earnings: April 19, 2016

Annual meeting of shareholders: May 6, 2016

About MEMSCAP

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP standard and custom products and solutions include components, component designs (IP), manufacturing and related services. MEMSCAP customers include Fortune 500 businesses, major research institutes and universities. The company's shares are traded on the Eurolist of NYSE Euronext Paris S.A (ISIN: FR0010298620-MEMS) and belong to the CAC small, CAC Mid & Small, CAC All-Tradable and CAC All-Share indexes. More information on the company's products and services can be obtained at www.memscap.com.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 31 December 2015

	<i>31 December 2015</i>	<i>31 December 2014</i>
	<u>€000</u>	<u>€000</u>
Assets		
Non-current assets		
Property, plant and equipment	3 151	3 057
Goodwill and intangible assets	8 254	8 635
Available-for-sale financial assets	1 265	1 277
Deferred tax asset	1 103	1 107
	13 773	14 076
Current assets		
Inventories	2 793	2 809
Trade and other receivables	2 051	2 591
Prepayments	138	237
Cash and short-term deposits	2 636	2 494
	7 618	8 131
Total assets	21 391	22 207
Equity and liabilities		
Equity		
Issued capital	1 782	1 772
Share premium	18 675	18 771
Treasury shares	(133)	(117)
Retained earnings	(394)	(1 656)
Foreign currency translation	(2 168)	(1 972)
	17 762	16 798
Non-current liabilities		
Interest-bearing loans and borrowings	1 068	1 282
Employee benefit liability	54	199
	1 122	1 481
Current liabilities		
Trade and other payables	1 883	2 224
Interest-bearing loans and borrowings	451	1 150
Other current financial liabilities	95	476
Provisions	78	78
	2 507	3 928
Total liabilities	3 629	5 409
Total equity and liabilities	21 391	22 207

CONSOLIDATED STATEMENT OF INCOME

For the year ended 31 December 2015

	2015	2014
	€000	€000
Continuing operations		
Sales of goods and services	12 623	13 152
Revenue	12 623	13 152
Cost of sales	(8 009)	(9 070)
Gross profit	4 614	4 082
Other income	503	508
Research and development expenses	(1 673)	(1 856)
Selling and distribution costs	(783)	(592)
Administrative expenses	(1 851)	(1 772)
Operating profit / (loss)	810	370
Finance costs	(207)	(276)
Finance income	61	86
Profit / (loss) for the year from continuing operations before tax	664	180
Income tax expense	--	--
Profit / (loss) for the year from continuing operations	664	180
Profit / (loss) for the year	664	180
Earnings per share:		
- Basic, for profit / (loss) for the year attributable to ordinary equity holders of the parent (in euros)	€ 0.09	€ 0.03
- Diluted, for profit / (loss) for the year attributable to ordinary equity holders of the parent (in euros)	€ 0.09	€ 0.03

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2015

	2015	2014
	€000	€000
Profit / (loss) for the year	664	180
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains / (losses)	129	(95)
Income tax on items that will not be reclassified to profit or loss	--	--
Total items that will not be reclassified to profit or loss	129	(95)
Items that may be reclassified subsequently to profit or loss		
Net gain / (loss) on available-for-sale financial assets	(12)	(2)
Hedging instruments	319	(395)
Exchange differences on translation of foreign operations	(196)	(130)
Income tax on items that may be reclassified to profit or loss	--	--
Total items that may be reclassified to profit or loss	111	(527)
Other comprehensive income for the year, net of tax	240	(622)
Total comprehensive income for the year, net of tax	904	(442)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2015

<i>(In thousands of euros, except for number of shares)</i>	<i>Number of shares</i>	<i>Issued capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Retained earnings</i>	<i>Foreign currency translation</i>	<i>Total shareholders' equity</i>
		<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
At 1 January 2014	6 943 718	1 736	20 383	(123)	(3 074)	(1 842)	17 080
Profit for the year.....	--	--	--	--	180	--	180
Other comprehensive income for the period, net of tax	--	--	--	--	(492)	(130)	(622)
Total comprehensive income	--	--	--	--	(312)	(130)	(442)
Capital increase	145 497	36	101	--	(14)	--	123
Retained earnings offset with share premium	--	--	(1 713)	--	1 713	--	--
Treasury shares	--	--	--	6	--	--	6
Share-based payment	--	--	--	--	31	--	31
At 31 December 2014	7 089 215	1 772	18 771	(117)	(1 656)	(1 972)	16 798
At 1 January 2015	7 089 215	1 772	18 771	(117)	(1 656)	(1 972)	16 798
Profit for the year.....	--	--	--	--	664	--	664
Other comprehensive income for the period, net of tax	--	--	--	--	436	(196)	240
Total comprehensive income	--	--	--	--	1 100	(196)	904
Capital increase	39 471	10	43	--	--	--	53
Retained earnings offset with share premium	--	--	(139)	--	139	--	--
Treasury shares	--	--	--	(16)	--	--	(16)
Share-based payment	--	--	--	--	23	--	23
At 31 December 2015	7 128 686	1 782	18 675	(133)	(394)	(2 168)	17 762

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2015

	2015	2014
	€000	€000
Cash flows from operating activities:		
Net profit / (loss) for the year	664	180
Non-cash items written back:		
Amortization and depreciation	836	817
Loss / (capital gain) on disposal of fixed assets	12	(11)
Other non-financial activities	(96)	257
Accounts receivable	547	86
Inventories	(23)	863
Other debtors	(121)	(185)
Accounts payable	(221)	(271)
Other liabilities	(106)	11
Total net cash flows from operating activities	1 492	1 747
Cash flows from investing activities:		
Purchase of fixed assets	(288)	(379)
Proceeds from sale / (purchase) of financial assets	(16)	(148)
Total net cash flows from investing activities	(304)	(527)
Cash flows from financing activities:		
Repayment of borrowings	(522)	(577)
Payment of finance lease liabilities	(114)	(108)
Sale / (purchase) of treasury shares	(16)	6
Proceeds from issue of shares	53	124
Total net cash flows from financing activities	(599)	(555)
Net foreign exchange difference	88	119
Increase / (decrease) in net cash and cash equivalents	677	784
Opening cash and cash equivalents balance	1 959	1 175
Closing cash and cash equivalents balance	2 636	1 959