



## MEMSCAP ANNOUNCES Q2 AND FIRST HALF 2003 REVENUE

### Term Highlighted by Persisting Growth of Operations

**Grenoble, France and San Jose, California, July 24, 2003 --** MEMSCAP (Euronext:MENS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems), today announced Q2 and first half 2003 revenue. Revenues for Q2 ended at 1.8 million euros (US\$ 2 million), leading to 3.8 million euros (US\$ 4.2 million) for the first half of 2003.

**Year to year, first half revenue grew by a ratio of 52% in euros and 75% in dollars.**

The split in business is shown in the table below, both in euros and dollars.

	H1, 2003		H1, 2002	
	€ millions	US\$ millions	€ millions	US\$ millions
Sensor Solutions	2,0	2,1	1,9	1,8
Wireless Communications	0,3	0,4	0,0	0,0
Optical Communications	0,3	0,3	0,0	0,0
Software	0,3	0,4	0,6	0,6
Foundry Services	0,9	1,0	NA	NA
<b>TOTAL</b>	<b>3,8</b>	<b>4,2</b>	<b>2,5</b>	<b>2,4</b>

First half figures confirm the return to growth anticipated by the Company and shows a better revenue dispatch for the company different businesses, as all MEMSCAP business units contribute to this 2003 first half revenue.

The Sensor Solutions business unit has increased its sales from Q1 to Q2. Medical applications contributed to 65% of the revenue of the first half, where aerospace and defence made the remaining 35%. MEMSCAP expects a significant growth in the aerospace and defence contribution made by the implementation of its new TP3100 sensor which gained several design wins with customers and major plane/aircraft programs.

The diversification of the wireless activity business model has made the revenue of the first half 2003. The Company, through its partnership with Walsin Lihwa Corporation, shipped successfully the first engineering lots using its patented Above-IC technology to two North American customers and expects to deliver two new customers, from Asia and Europe, in the coming quarter.

Where biggest optical communications revenue contribution comes from JDS Uniphase, Q2 has been marked by a strategic partnership with GalayOr on closed-loop variable optical attenuator (DVOA) and the qualification of the newly released 1x4 switch at new customers. During this quarter, the Company has also concluded strategic letters of intents with major Far East companies.

Foundry Services progressed from Q1 to Q2 and the company has shipped successfully one major customer with whom it expects to conclude a supply agreement in the second half of this year.

Software revenue has significantly declined in Q2 due to postponement of two major deals in North America and Europe. On the other hand, MEMSCAP has suffered in its second quarter from the exchange rates between the euro, dollar and the Norwegian currency (NOK).

Other significant milestones for this first half 2003 include the completion of the Skin Station, with the first series expected to be delivered to client during the third quarter; the consolidation of MEMSCAP large patent portfolio (209 patents) and the signature of a memorandum of agreement with a North American customer for patent licensing expected to be followed in less than 11 months by the Agreement with initial license fee and royalties on production.

“MEMSCAP initiated at the end of last year a pragmatic policy of focusing the company on its core businesses. This strategy showed promising results over the last nine months, and we intend to maintain the trend throughout the second semester 2003”, said Jean-Michel Karam, President and Chief executive officer, MEMSCAP.

#### **About MEMSCAP**

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP solutions include components, component designs (IP), design software, manufacturing and related services. MEMSCAP customers include Fortune 500 businesses, major research institutes and universities. The company's shares are traded on Euronext under the ticker symbol MENS (FR0004155455-MEN), where MEMSCAP belongs to the Next Economy segment, to the SBF250 and ITCAC50 indexes. More information on the company's products and services can be obtained at <http://www.memscap.com>

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