



**MEMSCAP**  
The Power of a Small World™

## MEMSCAP Q4 2016: SALES GROWTH OF 20% OVER THE QUARTER

### Net and operating profitability confirmed over the quarter and the full year 2016

**Grenoble, France and Durham, North Carolina, January 27, 2017** - MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its non-audited earnings for the fourth quarter ending December 31, 2016.

Consolidated revenue for the fourth quarter of 2016 was 3.3 million euros (3.6 million US dollars) compared to 2.8 million euros (3.0 million US dollars) for the fourth quarter of 2015 and 2.8 million euros (3.1 million US dollars) for the third quarter of 2016. In accordance with the previous press release, the sustained medical activity led to a 20% increase of consolidated sales compared to both the fourth quarter of 2015 and the third quarter of 2016.

Consolidated revenue distribution by market segment, over the fourth quarter of 2016, is as follows:

Market Segments	Revenue (M€)	%
Aerospace	1.5	46%
Optical Communications / Adaptive Optics	1.1	32%
Medical / Biomedical	0.5	15%
Mass Market & Others	0.2	7%
<b>Total</b>	<b>3.3</b>	<b>100%</b>

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

MEMSCAP's consolidated earnings for the fourth quarter of 2016 are given by the following table:

<i>In million euros – Non audited</i>	Q1 16	Q2 16	Q3 16	Q4 16	Q4 15
Revenue	2.8	2.8	2.8	3.3	2.8
- Standard Products*	1.6	1.8	1.6	2.0	1.8
- Custom Products	1.2	1.0	1.2	1.3	1.0
Cost of revenue	(1.9)	(1.9)	(1.9)	(2.2)	(1.9)
Gross margin	1.0	0.9	0.8	1.1	0.9
% of revenue	35%	32%	30%	32%	33%
Operating expenses**	(1.0)	(1.0)	(0.8)	(1.0)	(0.9)
Operating profit / (loss)	0.0	(0.1)	0.0	0.1	0.0
Financial profit / (loss)	--	0.1	--	--	--
Income tax expense	--	--	--	--	--
Net profit / (loss)	0.0	0.0	0.0	0.1	0.0

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

\* Including the dermo-cosmetic segment.

\*\* Net of research & development grants.

\* \* \*

The Group's gross margin amounted to 1.1 million euros for the fourth quarter of 2016, representing 32% of the consolidated revenue of the fourth quarter. This gross margin rate, substantially in line with the fourth quarter of 2015, is up by 2 points compared to the third quarter of 2016.

The amount of the operating expenses, net of research & development grants, was 1.0 million euros for the fourth quarter of 2016 compared to 0.9 million euros for the fourth quarter of 2015 and 0.8 million euros for the third quarter of 2016.

Consequently, MEMSCAP reported net and operating profits of 0.1 million euros over the fourth quarter of 2016 compared to break-even consolidated operating and net earnings for the fourth quarter of 2015 and the third quarter of 2016.

### **Positive operating cash flow of 0.6 million euros generated over Q4 2016**

Positive operating cash flow amounted to 0.6 million euros over the fourth quarter of 2016. Available cash of the Group increased to 4.2 million euros at December 31, 2016 compared to 3.9 million euros at December 31, 2015 and June 30, 2016.

### **Analysis and perspectives**

The significant sales growth over the fourth quarter of 2016 confirmed the net profitability of the Group as well as the increase in net cash in line with the last two years. The Group intends to pursue its strategy based on high value-added markets and the optimization of its production structures.

### **FY 2016 earnings: March 20, 2017.**

#### ***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 (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](http://www.memscap.com).

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