



MEMSCAP
The Power of a Small World™

Q4 2012 REVENUE OF EUR.3.1 MILLION & 2013 RECORD BACKLOG

Increase of 24% in consolidated sales for FY 2012 compared to FY 2011

Grenoble, France and Durham, North Carolina, January 29, 2013 - MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for the fourth quarter ending December 31, 2012.

Consolidated revenue for the fourth quarter of 2012 was 3.1 million euros (4.0 million US dollars) compared to 3.0 million euros (4.1 million US dollars) for the fourth quarter of 2011 and 3.0 million euros (3.8 million US dollars) for the third quarter of 2012.

The revenue of the fourth quarter of 2012 rose by 3% compared to Q3 2012 despite the relative weakness of the optical communications market. The sales growth is 24% for FY 2012 compared to FY 2011.

Consolidated revenue distribution by market segment, over the fourth quarter of 2012, is as follows:

Market Segments	Revenue (M€)	%
Aerospace	1.0	32%
Medical / Biomedical	0.9	28%
Mass Market & Others	0.7	25%
Optical Communications / Adaptive Optics	0.5	15%
Total	3.1	100%

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

The ramp-up phase of the production of the mass market device as well as the related improvement in manufacturing yields are performed according to plans. The volume of production of that device rose from 7.4 million units in Q3 2012 to 11.8 million units in Q4 2012. The gross margin rate, which amounted to 20% of the consolidated revenue for Q4 2012, remained substantially the same than the last 2 quarters and reflects the costs of this ramp-up phase.

The control of costs enabled the decrease in the operating loss by 0.1 million euros compared to Q3 2012. The Q4 2012 operating loss amounted to (0.4) million.

Q4 2012 consolidated net loss amounted to (0.4) million euros. The Group's cumulated net loss is (0.3) million euros for FY 2012.

Group's available liquidities amount to 3.8 million euros at the end of December 2012.

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MEMSCAP's consolidated earnings for the fourth quarter of 2012 are given by the following table:

<i>In million euros – Non audited</i>	Q1 12	Q2 12	Q3 12	Q4 12	Q4 11
Revenue	3.2	3.1	3.0	3.1	3.0
- <i>Standard Products</i>	1.8	2.0	1.7	1.7	1.8
- <i>Custom Products</i>	1.4	1.1	1.3	1.4	1.2
Cost of revenue	(2.1)	(2.4)	(2.4)	(2.5)	(2.0)
Gross margin	1.1	0.6	0.6	0.6	1.1
% of revenue	35%	21%	21%	20%	35%
Operating expenses	(1.2)	(1.2)	(1.1)	(1.1)	(1.1)
Operating profit / (loss)	0.0	(0.5)	(0.5)	(0.4)	0.0
Financial profit / (loss)	(0.1)	1.2	--	0.1	(0.1)
Income tax expense	--	--	--	--	--
Net profit / (loss)	(0.1)	0.7	(0.5)	(0.4)	(1.0)

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

Analysis and perspectives

According to the level of the backlog which is historically high at the end of December 2012, the Group expects the continuation of the previous trend initiated in 2012.

FY 2012 earnings: March 25, 2013.

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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