



MEMSCAP
The Power of a Small World™

MEMSCAP: PROFITABILITY CONFIRMED ON THE 2ND QUARTER 2014

Sequential growth of the consolidated revenue of 15%

Grenoble, France and Durham, North Carolina, July 24, 2014 - MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for the second quarter ending June 30, 2014.

Consolidated revenue for the second quarter of 2014 was 3.5 million euros (4.7 million US dollars) compared to 3.0 million euros (4.1 million US dollars) for the first quarter of 2014 and 4.0 million euros (5.2 million US dollars) for the second quarter of 2013. During the second quarter of 2014, the consolidated revenue benefited from the strength of all activities of the Group.

Consolidated revenue distribution by market segment, over the second quarter of 2014, is as follows:

Market Segments	Revenue (M€)	%
Aerospace	1.5	45%
Mass Market & Others	0.9	26%
Medical / Biomedical	0.7	19%
Optical Communications / Adaptive Optics	0.4	10%
Total	3.5	100%

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

MEMSCAP's consolidated earnings for the second quarter of 2014 are given by the following table:

<i>In million euros – Non audited</i>	Q1 14	Q2 14	Q2 13
Revenue	3.0	3.5	4.0
- Standard Products*	2.1	2.1	2.2
- Custom Products	0.9	1.4	1.8
Cost of revenue	(2.0)	(2.5)	(3.2)
Gross margin	1.0	1.0	0.8
% of revenue	33%	29%	20%
Operating expenses**	(1.0)	(1.0)	(1.1)
Operating profit / (loss)	0.0	0.0	(0.3)
Financial profit / (loss)	--	--	--
Income tax expense	--	--	--
Net profit / (loss)	0.0	0.0	(0.3)

(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 1.0 million euros for the second quarter of 2014, similar to the first quarter of 2014 and increasing by 28% compared to the second quarter of 2013. Consequently, the consolidated gross margin rate was 29% for the second quarter 2014, showing an increase by 9 points compared to the second quarter of 2013.

The amount of the operating expenses, net of research & development grants, was 1 million euros for the second quarter of 2014. This level is identical to the first quarter of 2014 and decreased by 9% compared to the second quarter 2013.

The Group's profitability was confirmed over the second quarter of 2014 versus a net loss of 0.3 million euros for the second quarter of 2013. For the first half of the year 2014, MEMSCAP presents operating and net earnings at break-even level compared to a net and operating loss of 0.7 million euros for the first half of the year 2013.

Analysis and perspectives

The first half of the year 2014 validated the actions engaged in order to improve the net income of the Company. Relying on a solid backlog at 30 June 2014, MEMSCAP will actively pursue during the coming quarter the Group's profitability improvement programs.

Half-year 2014 revenue and earnings: August 29, 2014

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.

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