



MEMSCAP
The Power of a Small World™

**REVENUE GROWTH: 29% FOR THE FOURTH QUARTER
AND 41% FOR FISCAL YEAR 2010**

Continuing operations ending at break-even level for 2010

Grenoble, France and Durham, North Carolina, January 28, 2011 – MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, announced today its earnings for the fourth quarter ending December 31, 2010.

Both fourth quarter and fiscal year 2010 ending break even

Revenue for this fourth quarter is 3.2 million euros (4.3 million US dollars) compared to 2.5 million euros (3.6 million dollars) for fourth quarter 2009, thus a quarterly revenue increase by 29% in euro and 19% in US dollar.

Overall fiscal year 2010, MEMSCAP revenue amounted to 13.0 million euros (17.3 million US dollar) compared to 9.3 million euros (12.9 million US dollar) for fiscal year 2009, thus a growth of 41% in euro and 34% in US dollar.

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

| Market Segments | Revenue (M€) | % |
|--|---------------------|-------------|
| Aerospace | 1.2 | 36% |
| Optical Communications / Adaptive Optics | 1.1 | 35% |
| Medical / Biomedical | 0.7 | 22% |
| Other Applications | 0.2 | 7% |
| Total | 3.2 | 100% |

The Group gross margin rate for the fourth quarter 2010 is 37% of the revenue, increasing by 4 points compared to the fourth quarter of 2009.

Operating profit and net profit for this quarter are at break-even level compared to (0.5) million euros of operating loss and (0.9) million euros of net loss for fourth quarter 2009.

Overall fiscal year 2010, MEMSCAP Group reported earnings at break-even level from continuing operations compared to (3.6) million euros loss for fiscal year 2009.

MEMSCAP Group consolidated earnings for this fourth quarter and fiscal year 2010 are given by the following table:

| In million euros | Q4 10 | Q4 09 | Full-Year 2010 | Full-Year 2009 |
|---|------------|--------------|----------------|----------------|
| Continuing Operations: | | | | |
| Revenue | 3.2 | 2.5 | 13.0 | 9.3 |
| Cost of Revenue | (2.0) | (1.7) | (7.9) | (6.5) |
| Gross Margin | 1.2 | 0.8 | 5.2 | 2.7 |
| % of Revenue | 37% | 33% | 40% | 29% |
| Other Income | 0.1 | 0.1 | 0.3 | 0.4 |
| Operating Expenses | (1.3) | (1.4) | (5.4) | (6.7) |
| Operating Profit / (Loss) | 0.0 | (0.5) | 0.0 | (3.6) |
| Financial Profit / (Loss) | -- | (0.1) | -- | (0.1) |
| Income Tax Expense | -- | -- | -- | -- |
| Profit / (Loss) from Continuing Operations | 0.0 | (0.5) | 0.0 | (3.6) |
| Discontinued Operations *: | | | | |
| Loss from Discontinued Operations | -- | (0.4) | (0.4) | (1.5) |
| Net Profit / (Loss) | 0.0 | (0.9) | (0.4) | (5.1) |

* Loss related to INTUISKIN operations sold on May 26, 2010.

(Any apparent discrepancies in totals are due to rounding)

Analysis and perspectives

“2010 earnings show a business recovery in all our market segments and confirm the rationale of INTUISKIN spin-off” stated Jean Michel Karam, Chairman and CEO of MEMSCAP. “The strong growth of our sales associated with productivity improvement in our industrial operations resulted in a significant enhancement in Group earnings”.

Given the continuing demand increase in the optical communications segment and the stability within the aerospace market, this trend is expected to continue over 2011.

FY 2010 financial statements will be released on March 25, 2011.

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). More information on the company's products and services can be obtained at www.memscap.com.

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