



MEMSCAP
The Power of a Small World™

MEMSCAP JOINS FORCES WITH INVESTORS AND MANAGEMENT TO FURTHER DEVELOP INTUISKIN

The transaction, submitted to shareholders' approval, puts MEMSCAP on the profitability path while reserving a strong potential for return on its investment in INTUISKIN

Grenoble, France and Durham, North Carolina, April 19, 2010 – MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, announced today having engaged an alliance process with investors and management to develop INTUISKIN.

Background and transaction details

Fiscal year 2009 was particularly difficult urging the Group to constantly adjusting its operational expenses and shaping its resources to meet the global economic data. Although the business revival initiated in the third quarter 2009 has allowed the Group to significantly reduce the cash burn by its operations, and that this business improvement trend is expected to continue overall 2010, MEMSCAP Group cannot take the risk to proceed alone with the heavy investments required to develop its subsidiary INTUISKIN, despite the strong potential embedded in this activity. It is in such context, that the Board of Directors of MEMSCAP has approved the transaction proposal of teaming up with investors and some members of the Group and INTUISKIN management, under the closing condition of its approval by the General Shareholders Meeting convened for May 10.

In the frame of this preliminary agreement, the MEMSCAP Group:

- Sells its subsidiary INTUISKIN to, iCosmeceuticals, a newly formed company by some of the Group and INTUISKIN management members, associated to some investors, among whom CIC Vizille Capital Innovation and SUDINNOVA, for an amount of 1.6 million euros in shares in this company. This contribution, realized on a valuation of iCosmeceuticals of 8.5 million euros, allows MEMSCAP to have a stake of 15,8% in that company, which would have raised, prior to the acquisition closing, around 3M€ of cash.
The value of the assets and liabilities of INTUISKIN in the consolidated balance sheet of MEMSCAP being at 1.6 million euros on December 31, 2009, this trade sale does not generate any negative impact to the 2010 P&L of MEMSCAP.
- Enters into an exclusive license agreement with iCosmeceuticals over the assets of Laboratoires La Licorne, including the IOMA brand, under which MEMSCAP receives royalties on the sales of the cosmetics and dermoceutics IOMA, with a buy-out option on those assets, which can be executed by iCosmeceuticals, at any moment, by the payment to MEMSCAP of 3.5 million euros in cash.

As this agreement involves a company having among its shareholders individuals from the MEMSCAP management team, one of whom Jean Michel Karam, Chairman and CEO of MEMSCAP, it enters into the frame of the regulated conventions submitted to the vote of the General Shareholders Meeting of May 10. It is in that sense that the Board of Directors of MEMSCAP has followed the proposition of its

Chairman to submit the whole transaction to the approval of the General Shareholders Meeting prior to its execution.

Outlook

This transaction allows:

- INTUISKIN to dispose the necessary financing and means for its commercial development, having access to an initial cash position around 3M€ entirely reserved for its operations, as well as additional funds which later can be raised by iCosmeceuticals. This agreement, on one side frees INTUISKIN from the constraints of a publicly listed Group focused on the profitability path and on the limitation of shareholders dilution, and from the other side allows it to act as a real start-up. In addition, it will avoid INTUISKIN the loss of opportunity for lack of means.
- MEMSCAP Group:
 - o on one side, to benefit from a significant operational expenses reduction, enabling the Group to be more rapidly on the path of profitability. In fact, the consolidated net loss resulting from INTUISKIN in 2009 was 1.4 million euros ; thus this agreement enables MEMSCAP to eliminate the operational expenses of INTUISKIN as well as some headquarters G&A expenses;
 - o on the other side, to assure a new source of revenue associated to the royalty payments by iCosmeceuticals on the sales of IOMA products. This license includes a buy-out option on the assets of Laboratoires La Licorne, which can be executed at any time by iCosmeceuticals, enabling MEMSCAP to generate an additional amount of 3.5 million euros ;
 - o finally, to participate to the future success of this business activity, which becomes better funded, by having a stake of 15,8% of iCosmeceuticals.
- At last, brings a financial clarity to MEMSCAP and INTUISKIN. MEMSCAP will from now on focus on the aerospace, medical and biomedical, optical communications and display, as well as defense market segments, on which its Standard Products and Custom Products MEMS Business Units are strongly active; with the headquarters G&A expenses particularly reduced.

This agreement thus appears to be the best answer to the immediate financing needs of INTUISKIN and to the short, medium and long term interests of MEMSCAP.

Annual Shareholders Meeting: May 10, 2010.

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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