



MEMSCAP REVERSE STOCK SPLIT BEGINS

The new shares will start trading on March 18, 2006

Grenoble, France and Durham, North Carolina, March 3, 2006 – MEMSCAP (Euronext: MEM), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announces that its reverse stock split operation has started.

The reverse stock split will be implemented starting March 18, at stock market opening. The operation will be carried out as follows:

- Consolidation ratio : exchange of 40 existing shares against a single new share ;
- Number of existing shares to be consolidated : 182 053 857 with a 0,05 € nominal value;
- Number of new shares to be created through the consolidation : 4 551 346 with a 2 € nominal value ;
- Trading place of existing shares to be consolidated: Eurolist C, Euronext Paris ;
- ISIN Code of shares to be consolidated : FR0004155455 ;
- ISIN code of consolidated shares: FR0010298620.

The share capital value of the Company will not be modified.

The consolidation will happen automatically through financial or banking intermediaries for each lot of 40 existing shares. According to this consolidation operation, the exercise conditions of the still valid warrants (BSA) shall be modified by multiplying the pre-consolidation attribution ratio by the 1/40 ratio, i.e.: Warrants A (BSA A) : 160 BSA A will give right to subscribe 1 new MEMSCAP share at a price of 2€ each ; Warrants D (BSA D) : the new attribution ratio shall be applied to the calculation of the additional shares that can be subscribed at a price of 2 € each; Warrants F (BSA F) : 160 BSA F will give right to subscribe 1 new MEMSCAP share at a price of 16€ each. The exercise conditions of stock-options already issued by the Company and still valid, will also be modified in order to reflect the consolidation mechanism.

Shareholders who would not own a number of existing shares corresponding to a round number of new shares will be responsible for proceeding to purchase or sale of existing shares that are not in round numbers so as to permit the completion of the reverse stock-split. Those existing shares will trade until December 31, 2006.

At the end of a two-year period, new shares that would not have not been claimed by their beneficiaries will be sold on the stock market and the net product of the sale will be redirected to each financial intermediary in order to indemnify the beneficiaries. Should this not be feasible, this product of the sale will be held for them for a period of ten years on a blocked account opened with Société Générale, SGSS – GIS, 32 rue du Champ de Tir, 44 312 Nantes cedex.

About MEMSCAP

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS) based solutions. MEMSCAP 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 Euronext Eurolist (FR0004155455-MEM), where MEMSCAP belongs to the Next Economy segment. For more information on the Company's products and services, contact:

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