



## **MEMSCAP ANNOUNCES THE EXERCISE OF 73 441 770 WARRANTS E LEADING TO A 6,1 MILLION EUROS CAPITAL INCREASE**

### *A new milestone in the Company growth strategy*

**Grenoble, France and Durham, North Carolina, March 28, 2005** – MEMSCAP (Euronext: MEN), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announces the results of the Warrants E (BSA E) issuance operation launched on February 28, 2005.

This operation realized in only 18 days, resulted in the successful exercise of 73 441 770 warrants leading to 24 480 590 new company shares. The subscription amount resulting from this operation has generated for the Company a contribution in cash of 6 120 147 euros.

Further to the Group strategic repositioning and rationalization of 2003, 2004 had showed the improvement of all the Group financials indicators along with a new growth momentum initiation. The cash generated by the operation will be one of the key elements enabling the Company to amplify its growth in the coming quarters and years, win significant or long term deals, specifically in the avionics and medical industry, and increase significantly in 2006, its market share on its segments.

The success of this operation that was launched under the control of the French Stock-Market Authorities (A.M.F) and with the advice of French company Avenir Finance, confirmed the support of MEMSCAP shareholders and enabled to welcome prestigious new investors into the Group share capital.

«This capital increase was an important milestone for MEMSCAP and we expect to see the results of our efforts throughout the coming quarters», states Jean Michel Karam, Chairman and Chief Executive Officer of MEMSCAP. «2005 is the year dedicated to the new impetus and growth development for MEMSCAP. Our foundations are now strong and in adequation with our potential.»

### **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-MEN), where MEMSCAP belongs to the Next Economy segment. More information on the company's products and services can be obtained at <http://www.memscap.com>

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