



MEMSCAP INCREASES VOLUME AND SHIPS WAFERS TO MANUFACTURE 2 MILLION MICROPHONES TO KNOWLES

The MEMS leader crosses the million unit threshold with client Knowles Acoustics and upgrades its North Carolina manufacturing capabilities

Grenoble, France and Durham, North Carolina, August 9, 2004 – MEMSCAP (Euronext: MEN), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announces the shipment of more than 2 million wafer equivalent products to client Knowles Acoustics, the number one worldwide provider of applied MEMS acoustic components. Concurrently, MEMSCAP is upgrading its wafer processing capabilities to enable higher volume production in its North Carolina manufacturing facility.

In April, 2004, MEMSCAP announced it had been chosen by Knowles Acoustics for the manufacture of its SiSonic™ silicon microphones' MEMS wafers. The successful integration of these microphones, used in cellular phones, PDAs, MP3 recorders and digital cameras, made it necessary for Knowles to expand its strategic partners.

In response to the increased production demands of its customers, MEMSCAP is currently engaged in an upgrade of its facility from 4 inch to 6 inch wafers. MEMSCAP's North Carolina manufacturing facility boasts a track record of success. Since 1992, it has leveraged its proven expertise, exceptional development and production teams, along with ISO and TL9000 certification to meet customer requirements. The strengths of this facility represent an integral part of MEMSCAP's ongoing commitment to its customers through short production cycles, established and reliable delivery procedures and unparalleled technical assistance.

Currently running three shifts, MEMSCAP's fabrication facility employs effective cost control methodology, well-established manufacturing processes and continuous process improvement practices. The upgraded toolset will continue to support MEMSCAP's primary process technologies, ranging from thick metal to SOI and polysilicon surface micromachining, which combine to enable a broad range of commercial MEMS devices. MEMSCAP has also expanded its globally recognized MUMPS™ multi-user MEMS prototyping service to include all three of its primary process platforms.

“MEMSCAP's capabilities range from prototyping to high-volume manufacturing. Shipping millions of units to Knowles Acoustics was a challenge. Our success in this objective means we now have to step up to even higher volume as our backlog and incoming orders make it necessary to drastically increase our volume production capabilities”, explains Ron Wages, General Manager, MEMSCAP Manufacturing Business Unit. “Being a MEMS leader means ensuring high quality standards and complete customer satisfaction including continuity of supply.”

Migrating to 6 inch wafers will enable MEMSCAP to dramatically accelerate delivery time for high volume orders through efficiency improvement and cost reduction. Transition plans have been developed for each customer to enable continuity of supply during the upgrade process, and MEMSCAP targets shipment of the 6 inch production wafers for fourth quarter 2004.

About Knowles

Knowles Acoustics is a division of Knowles Electronics LLC, the world leader in micro acoustic technology for the Hearing Health Industry. Leveraging the company's heritage of 50 plus years supplying acoustic expertise to this market, Knowles Acoustics has applied this capability to new markets and customers. Knowles is a leading supplier of acoustic interface solutions, specifically surface mount microphones, sub miniature transducers, and microphone arrays. For more information contact Knowles Acoustics, 1151 Maplewood Drive, Itasca, IL 60143; phone 630-250-5935; fax 630-250-5932; or visit www.knowlesacoustics.com

About MEMSCAP

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP solutions include components, component designs (IP), design software, manufacturing and related services. MEMSCAP customers include Fortune 500 businesses, major research institutes and universities. The company's shares are traded on Euronext (FR0004155455-MEN), where MEMSCAP belongs to the Next Economy segment, to the SBF250 and ITCAC50 indexes. More information on the company's products and services can be obtained at <http://www.memscap.com>

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