



## **BERNIN SITE: MEMSCAP CONCLUDES AN AGREEMENT WITH ITS FINANCIAL PARTNERS AND MAINTAINS THE GROUP RESOURCES OPTIMISATION**

### *A major milestone in the path towards profitability*

**Grenoble, France and Durham, North Carolina, March 18, 2004** – MEMSCAP (Euronext: MEN), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announces the conclusion of an agreement with its banking and financial partners.

This agreement represents a major milestone in the plan set up by the Company targeting a return to operational profitability and Bernin site assets optimisation. It enables the Group to save 3.7 millions euros in cash for fiscal year 2004, as well as to reduce by 2.9 millions euros the financial liabilities linked to the Company lease-back obligations:

- For the real-estate lease-back, this agreement enables to freeze the reimbursement of the 2004 quarterly payments of its principal and to spread the amount of this un-reimbursed capital principal over the remaining term of the lease. The cash thus saved for 2004 is 1.6 million euros ;
- For the equipment lease-back, the agreement leads to a reduction of the Company financial liabilities of 2.9 million euros as well as to an amount of cash saved of 2.1 million euros ;
- The secured equities (“SICAV nanties”) presented as financial assets are reduced to 5.5 million euros.

Furthermore, the Company has initiated with its banking partners the factoring process for 2.1 million euros of its governmental research tax credit (“crédit impôt recherche”).

This agreement is an important step in the rationalisation of the Group resources, after the production activities were stopped on the Bernin site and concentrated in North Carolina (USA) and Skoppum (Norway). Concluding it enables the Group to reduce its operating expenses and its cash burn in 2004, which is key to reaching operational profitability.

« The support of our financial and banking partners has enabled us to implement another phase of the rationalisation strategy we initiated early 2003 », declares Jean Michel Karam, Chairman and Chief Executive Officer of MEMSCAP. « This agreement falls within our global plan towards returning to operational profitability in the second semester 2004».

MEMSCAP will publish its annual results for fiscal year 2003 on March 25, 2004.

### **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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