



MEMSCAP REPORTS Q3 EARNINGS

Positive net cash variation despite low sales volume for Q3 2011

Grenoble, France et Durham, Caroline du Nord, October 27, 2011 - MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for the third quarter ending September 30, 2011.

Revenue for the third quarter 2011 was 1.9 million euros (2.7 million US dollars) compared to 3.5 million euros (4.5 million US dollars) for the third quarter 2010 and 2.6 million euros (3.7 million dollars) for the second quarter 2011. This temporary slowdown in sales is mainly due to the postponement of some aerospace products deliveries which were originally planned for September 2011. In the same time, the optical communications segment has not yet recovered up to its 2010 sales level.

Consolidated revenue distribution by market segment, over the third quarter 2011 is as follows:

| Market Segments | Revenue (M€) | % |
|--|--------------|-------------|
| Aerospace | 0.7 | 34% |
| Medical / Biomedical | 0.6 | 31% |
| Optical Communications / Adaptive Optics | 0.4 | 22% |
| Other Applications | 0.2 | 13% |
| Total | 1.9 | 100% |

Due to the temporary weakness of sales, MEMSCAP gross margin rate for this quarter ended at 5% of the revenue compared to 43% for the third quarter 2010 and 30% for the second quarter of 2011.

Operating loss and net loss for the quarter amounted to (1.0) million euros compared to (0.4) million for the second quarter 2011 and to an operating profit and net profit of 0.3 million for the third quarter 2010.

MEMSCAP consolidated earnings for the third quarter of 2011 are given by the following table:

| <i>In million euros</i> | Q1 11 | Q2 11 | Q3 11 | Q3 10 |
|---|--------------|--------------|--------------|------------|
| Continuing Operations: | | | | |
| Revenue | 2.5 | 2.6 | 1.9 | 3.5 |
| Cost of Revenue | (1.7) | (1.8) | (1.8) | (2.0) |
| Gross Margin | 0.7 | 0.8 | 0.1 | 1.5 |
| <i>% of Revenue</i> | 30% | 30% | 5% | 43% |
| Other Income | 0.1 | -- | -- | 0.1 |
| Operating Expenses | (1.3) | (1.2) | (1.1) | (1.3) |
| Operating Profit / (Loss) | (0.4) | (0.4) | (1.0) | 0.3 |
| Financial Profit / (Loss) | -- | -- | -- | -- |
| Income Tax Expense | -- | -- | -- | -- |
| Profit / (Loss) from Continuing Operations | (0.4) | (0.4) | (1.0) | 0.3 |

(Any apparent discrepancies in totals are due to rounding.)

Analysis and perspectives

MEMSCAP's earnings for Q3 2011 were strongly impacted by the postponement of avionics product deliveries. Considering the current backlog related to optical communications and avionics segments, MEMSCAP expects a significant sales recovery for Q4 2011.

Following the optimization of the working capital requirement, consolidated net cash increased by 0.1 million euros in Q3 2011 despite decrease in sales. Over the 9 months period ending September 30, 2011, net cash variation amounted to (0.5) million euros, as shown in the table below.

| <i>In million euros</i> | Q1 11 | Q2 11 | Q3 11 | Total (9 months) Sept. 30, 2011 |
|-----------------------------------|--------------|--------------|------------|------------------------------------|
| Consolidated cash flow : | | | | |
| Operating cash flow | (0.1) | 0.1 | 0.3 | 0.3 |
| Investing cash flow | (0.1) | (0.2) | (0.1) | (0.4) |
| Financing cash flow | (0.2) | (0.1) | (0.1) | (0.4) |
| Net consolidated cash flow | (0.4) | (0.2) | 0.1 | (0.5) |

At September 30, 2011, MEMSCAP's available cash amounted to 1.6 million euros.

As growth projections driven by current development programs, initiated during 2011, may require specific funding, MEMSCAP' board of directors engaged the management to proceed with the analysis of the different transaction possibilities to strengthen Company cash. The selected scheme should be executed before fiscal year end.

Q4 2011 Earnings: January 27, 2012

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) and belong to the CAC small, CAC Mid & Small, CAC All-Tradable and CAC All-Share indexes. More information on the company's products and services can be obtained at www.memscap.com.

For more information, please contact:

Yann Cousinet

CFO

Ph: +33 (0) 4 76 92 85 00

Email: yann.cousinet@memscap.com