



MEMSCAP
The Power of a Small World™

MEMSCAP ANNOUNCES ITS THIRD QUARTER 2009 EARNINGS

Confirmed improvement for the Group US subsidiary

Grenoble, France and Durham, North Carolina, October 20, 2009 – MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, announced today its earnings for the third quarter ending September 30, 2009.

Consolidated revenue for this third 2009 quarter is 2.4 million euros to which must be added 0.1 million euros of other income (representing a total of 3.5 million US dollars), compared to 2.3 million euros (3.1 million US dollars) in the second quarter 2009, thus an increase of the quarterly operating income by 7% in euros and 12% in US dollars.

The Group gross margin is 32% of the consolidated revenue, increasing by 10 points compared to the second quarter 2009.

Consolidated operational result is (0.9) million euros, compared to (2.2) over the previous quarter. Consolidated net result is (0.9) million euros compared to (2.1) million euros over second quarter 2009. This net improvement results, among others, from the cost reduction initiated by the Group at the beginning of the year.

The Company's two core activities, Standard Products and Custom Products, contribute to the revenue and results as follows:

| <i>In million euros</i> | Q2 09 | Q3 09 | Q3 08 |
|---|--------------|--------------|--------------|
| Revenue : | | | |
| Standard Products | 1.6 | 1.4* | 2.6 |
| Custom Products | 0.6 | 1.0 | 1.5 |
| Total Revenue | 2.2 | 2.4 | 4.1 |
| Cost of Revenue | (1.7) | (1.6) | (2.3) |
| Gross Margin | 0.5 | 0.8 | 1.8 |
| <i>% of Revenue</i> | 22% | 32% | 45% |
| Other Income** | 0.1 | 0.1 | - |
| Operating Expenses | (2.3) | (1.8) | (2.1) |
| Other Expenses | (0.5) | - | - |
| Profit / (Loss) from operations before tax and finance costs | (2.2) | (0.9) | (0.3) |
| Financial Profit / (Loss) | 0.1 | 0.04 | 0.03 |
| Taxes | - | - | - |
| Net Profit / (Loss) | (2.1) | (0.9) | (0.2) |

*including 0.2 million euros (0.3 million US dollars) for IntuiSkin over Q3 2009

** consists of the income associated to the Norwegian program MEDICARE (cf. Press Release, April 29, 2009).

While the Standard Products business unit still suffered from a lower than expected revenue due to purchase orders' postponement in the aerospace field, the Custom Products business unit benefited from a strong increase of its activity with a revenue progressing by 73% in US dollars.

Finally, the Group expects this business improvement to continue over the 4th quarter, but will maintain its cost reductions plans, as the global economical environment remains uncertain.

4th Quarter earnings and FY2009 results will be released on January 29, 2010 after stock exchange closure.

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). More information on the company's products and services can be obtained at www.memscap.com.

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