



MEMSCAP

The Power of a Small World™

FIRST HALF 2013 EARNINGS: REVENUE GROWTH OF 22%

EUR.7.6 million consolidated revenue

Grenoble, France and Durham, North Carolina, August 30, 2013 – MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, announced today its earnings for the first half of 2013, ending June 30, 2013.

Revenue and consolidated earnings for the first half of 2013

In accordance with the figures given in the first and second quarter press releases, consolidated revenue for the first half of 2013 amounted to EUR.7.6 million (US\$.10.0 million) compared to EUR.6.3 million (US\$.8.1 million) for the first half of 2012. Thus, the consolidated revenue increased by 22% compared to the first half year 2012.

Consolidated revenue distribution by market segment over the first half of 2013 is as follows:

Market Segments	Revenue (M€)	%
Aerospace	2.6	34%
Medical / Biomedical	1.9	25%
Mass Market	1.7	22%
Optical Communications / Adaptive Optics	0.9	12%
Other Applications	0.5	7%
Total	7.6	100%

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

MEMSCAP consolidated earnings for the first half of 2013 are given by the following table:

(In million euros)	For the 6 months ended 30 June 2013	For the 6 months ended 30 June 2012
Revenue	7.6	6.3
- Standard products	4.1	3.7
- Custom products	3.5	2.6
Gross Margin	1.5	1.8
Operating Expenses	(2.2)	(2.3)
Operating Profit / (Loss)	(0.7)	(0.6)
Financial profit / (Loss)	--	1.1
Net Profit / (Loss)	(0.7)	0.5

(Financial data were subject to a limited review by the Group's statutory auditors. On August 30th, 2013, the MEMSCAP board of directors authorized the release of the HY 2013 consolidated financial statements. Any apparent discrepancies in totals are due to rounding.)

First half year gross margin decreased by EUR.0.3 million compared to the first half of 2012 due to a less favorable mix in the Group's sales. Thus, the gross margin amounted to EUR.1.5 million which represented 20% of the consolidated revenue versus 28% for the first half of 2012.

* * *

The control of the operating costs which amounted EUR.2.2 million for the first half of 2013 compared to EUR.2.3 million for the first half of 2012, led to an operating loss of EUR.(0.7) million versus an operating loss of EUR.(0.6) million in the first half of 2012.

The consolidated financial profit reached a break-even level compared to EUR.1.1 million for the first half of 2012 due to the sale of the stake in the company INTUISKIN in 2012. Consequently the net consolidated loss amounted to EUR.(0.7) million versus a net consolidated profit of EUR.0.5 million for the first half of 2012 including the sale of the stake in INTUISKIN.

Cash flow evolution

At June 30, 2013, the Group's available liquidities amounted to EUR.2.3 million including cash investments (Corporate bonds) for EUR.1.1 million recorded under financial assets available for sale. In addition, the Group finalized a EUR.1.2 million capital increase on July 22, 2013.

MEMSCAP shareholders' equity totaled EUR.17.2 million at June 30, 2013.

Analysis and perspectives

During the first half of 2013, MEMSCAP experienced a sales increase for each one of its divisions. The sales growth related to the Custom products business unit (+EUR.0.9 million / +37% versus HY 2012) was mainly due to the growth of the Mass Market activity. In addition, the revenue of the Standard products business unit benefited from sustained avionics and medical markets and showed a EUR.0.4 million increase / +12% compared to the first half of 2012.

The Group expects to continue the development of its activities thanks to the successful EUR.1.2 million capital increase finalized on July 22, 2013.

Q3 2013 Earnings: October 25, 2013.

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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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Interim condensed consolidated financial statements at 30 June 2013

	30 June 2013	31 December 2012*
	€000	€000
Assets		
Non-current assets		
Property, plant and equipment	3 670	3 619
Goodwill and intangible assets	9 328	9 836
Available-for-sale financial assets	1 131	1 099
Deferred tax asset	1 186	1 226
	15 315	15 780
Current assets		
Inventories	4 091	3 694
Trade and other receivables	3 237	2 912
Income tax receivable	--	15
Prepayments	266	121
Other current assets	--	35
Cash and short-term deposits	1 156	2 671
	8 750	9 448
Total assets	24 065	25 228
Equity and liabilities		
Equity		
Issued capital	1 518	1 518
Share premium	19 419	19 419
Treasury shares	(131)	(132)
Retained earnings	(2 435)	(1 741)
Foreign currency translation	(1 135)	(455)
	17 236	18 609
Non-current liabilities		
Interest-bearing loans and borrowings	1 934	2 072
Employee benefit liability	170	172
	2 104	2 244
Current liabilities		
Trade and other payables	3 526	2 980
Interest-bearing loans and borrowings	1 068	1 242
Other current financial liabilities	53	75
Provisions	78	78
	4 725	4 375
Total liabilities	6 829	6 619
Total equity and liabilities	24 065	25 228

* Figures have been adjusted as mentioned in note 3 « Summary of significant accounting policies » of the accompanying notes of the interim condensed consolidated financial statements at 30 June 2013 following the application of IAS 19 amended.

CONSOLIDATED STATEMENT OF INCOME

Interim condensed consolidated financial statements at 30 June 2013

	<i>For the six months ended 30 June</i>	
	2013	2012*
	€000	€000
Continuing operations		
Sales of goods and services.....	7 645	6 260
Revenue	7 645	6 260
Cost of sales.....	(6 109)	(4 498)
Gross profit	1 536	1 762
Other income.....	--	--
Research and development expenses.....	(899)	(865)
Selling and distribution costs.....	(374)	(434)
Administrative expenses.....	(962)	(1 043)
Operating profit / (loss)	(699)	(580)
Finance costs.....	(95)	(173)
Finance income.....	72	1 273
Profit / (loss) for the period from continuing operations before tax	(722)	520
Income tax expense.....	--	--
Profit / (loss) for the period from continuing operations	(722)	520
Profit / (loss) for the period	(722)	520
Earnings per share:		
- Basic, for profit / (loss) for the period attributable to ordinary equity holders of the parent (in euros).....	€ (0.12)	€ 0.09
- Diluted, for profit / (loss) for the period attributable to ordinary equity holders of the parent (in euros).....	€ (0,12)	€ 0.09

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Interim condensed consolidated financial statements at 30 June 2013

	<i>For the six months ended 30 June</i>	
	2013	2012*
	€000	€000
Profit / (loss) for the period	(722)	520
Items that will not be reclassified subsequently to profit or loss		
Actuarial gains / (losses)	(5)	22
Income tax on items that will not be reclassified to profit or loss.....	--	--
Total items that will not be reclassified to profit or loss	(5)	22
Items that may be reclassified subsequently to profit or loss		
Net gain / (loss) on available-for-sale financial assets	(14)	(267)
Exchange differences on translation of foreign operations	(680)	351
Income tax on items that may be reclassified to profit or loss	--	--
Total items that may be reclassified to profit or loss	(694)	84
Other comprehensive income for the period, net of tax	(699)	106
Total comprehensive income for the period, net of tax	(1 421)	626

** Figures have been adjusted as mentioned in note 3 « Summary of significant accounting policies » of the accompanying notes of the interim condensed consolidated financial statements at 30 June 2013 following the application of IAS 19 amended.*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Interim condensed consolidated financial statements at 30 June 2013

<i>(In thousands euros, except for number of shares)</i>	<i>Number of shares</i>	<i>Issued capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Retained earnings</i>	<i>Foreign currency translation</i>	<i>Total shareholders' equity</i>
		<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>	<i>€000</i>
At 1 January 2012*	4 715 349	9 431	12 703	(140)	(4 055)	(937)	17 002
Profit for the period	--	--	--	--	520	--	520
Other comprehensive income for the period, net of tax	--	--	--	--	(245)	351	106
Total comprehensive income	--	--	--	--	275	351	626
Reduction of capital	--	(8 252)	8 252	--	--	--	--
Capital increase	1 355 662	339	790	--	--	--	1 129
Retained earnings offset with share premium	--	--	(2 325)	--	2 325	--	--
Treasury shares	--	--	--	6	--	--	6
Share-based payment	--	--	--	--	42	--	42
At 30 June 2012*	6 071 011	1 518	19 420	(134)	(1 413)	(586)	18 805
At 1 January 2013	6 071 011	1 518	19 419	(132)	(1 741)	(455)	18 609
Loss for the period	--	--	--	--	(722)	--	(722)
Other comprehensive income for the period, net of tax	--	--	--	--	(19)	(680)	(699)
Total comprehensive income	--	--	--	--	(741)	(680)	(1 421)
Treasury shares	--	--	--	1	--	--	1
Share-based payment	--	--	--	--	47	--	47
At 30 June 2013	6 071 011	1 518	19 419	(131)	(2 435)	(1 135)	17 236

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CONSOLIDATED CASH FLOW STATEMENT

Interim condensed consolidated financial statements at 30 June 2013

	<i>For the six months ended 30 June</i>	
	2013	2012
	€000	€000
Cash flows from operating activities:		
Net profit / (loss) for the period	(722)	528
Non cash items written back:		
Amortization and depreciation	435	520
Capital gain or loss on disposal of fixed assets	(3)	(1 277)
Other non financial activities	47	43
Accounts receivable	(471)	(129)
Inventories	(593)	60
Other debtors	40	(7)
Accounts payable	541	(293)
Other liabilities	(7)	73
Income tax	15	30
Total net cash flows from operating activities	(718)	(452)
Cash flows from investing activities:		
Proceeds from sale of property, plant, equipment and intangible assets	--	9
Purchase of fixed assets	(277)	(180)
Proceeds from sale/(purchase) of financial assets	(43)	45
Net outflow from sale of a subsidiary, net of cash disposed	--	2 858
Total net cash flows from investing activities	(320)	2 732
Cash flows from financing activities:		
Repayment of borrowings	(305)	(308)
Payment of finance lease liabilities	(56)	(46)
Sale / (purchase) of treasury shares	1	6
Proceeds from issue of shares	--	1 129
Total net cash flows from financing activities	(360)	781
Net foreign exchange difference	23	19
Increase / (decrease) in net cash and cash equivalents	(1 375)	3 080
Opening cash and cash equivalents balance	2 069	28
Closing cash and cash equivalents balance	694	3 108