



## **MEMSCAP REPORTS STRONG YEARLY GROWTH RATE DESPITE SLOW DOWN OF ACTIVITY DURING THIRD QUARTER 2001**

**GRENOBLE, France, and OAKLAND, Calif., October 19, 2001** – MEMSCAP (Euronext: MEMS), a leading provider of MEMS-based solutions for the design, development and manufacture of communications products announces today its revenue for the third quarter 2001, ending September 30, 2001.

Third quarter 2001 consolidated revenue amounts to €1 million. The current backlog is €5.7 millions.

This slowdown in growth, due to a postponing of purchase orders and the non-conclusion of letters of intent this quarter, partly derives from September 11<sup>th</sup> events.

Consolidated revenue for the nine months ending September 30, 2001, is €7.1 millions and compared with €1.9 million, amounts 3.7 times the revenue for the same period in 2000.

### **Projections 2001-2002**

The most conservative scenario, taking only into account booked orders, led the board of directors to forecast consolidated revenue for year 2001 of €10.5 millions, amounting 3.4 times revenue for year 2000 results.

Within this scenario:

- Net cash position at end 2001 will amount to at least €85 millions (compared with €83.5 millions on June 30, 2001), the lease back contract for the financing of its fabrication facility construction in Bernin, near Grenoble, being under finalisation by MEMSCAP,
- Net result after integration of financial products will be slightly positive.

For fiscal year 2002, the ramp-up of the fabrication facility (being completed in accordance with the initial schedule) will allow MEMSCAP to maintain the steady growth rate of its revenue as well as generate a positive operating income and cash flow.

"At the beginning of next year, MEMSCAP will be the only MEMS company worldwide with a full offer, ranging from components design to mass production all the way through test laboratories and failure analysis and the mastering of a new technology in fiber alignment. This offer will allow us to meet market demands in terms of cost-effective mass production", states Jean-Michel Karam, MEMSCAP President & CEO.

**About MEMSCAP**

MEMSCAP is a leading provider of micro-electro-mechanical systems (MEMS)-based solutions for the design, development and manufacture of communications products. MEMSCAP solutions include components, component designs (IP), and CAD design tools, manufacturing and related services. MEMSCAP customers include Fortune 500 businesses, major research institutes and universities. The company's shares are traded on Euronext under the ticker symbol MEMS. More information on the company's products and services can be obtained at <http://www.memscap.com>.

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