



MEMSCAP
The Power of a Small World™

MEMSCAP ANNOUNCES ITS FIRST QUARTER 2010 EARNINGS

28% growth for the Group consolidated revenue and profitability for both of its US and Norwegian subsidiaries

Grenoble, France and Durham, North Carolina, April 26, 2010 – 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 quarter ending March 31, 2010.

Consolidated revenue for this first 2010 quarter is 3.4 million euros to which must be added 0.1 million euros of other revenues (representing a total of 4.8 million US dollars), compared to 2.6 million euros to which must be added 0.1 million euros of other revenues (representing a total of 4.0 million US dollars) in the fourth quarter 2009, thus an increase of the quarterly operating income by 28% in euros and 20% in US dollars.

The Group gross margin is 37% of the consolidated revenue, increasing by 4 points compared to the fourth quarter 2009.

Consolidated operational result is (0.5) million euros, compared to (0.8) over the previous quarter. Consolidated net result is (0.5) million euros, compared to (0.9) million euros or the fourth quarter 2009.

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

| <i>In million euros</i> | Q1 09 | Q2 09 | Q3 09 | Q4 09 | Q1 10 |
|---|--------------|--------------|--------------|--------------|--------------|
| Revenue : | | | | | |
| Standard Products | 2.0 | 1.6 | 1.4 | 1.5 | 2.0* |
| Custom Products | 1.1 | 0.6 | 1.0 | 1.1 | 1.4 |
| Total Revenue | 3.1 | 2.2 | 2.4 | 2.6 | 3.4 |
| Cost of Revenue | (1.9) | (1.7) | (1.6) | (1.7) | (2.1) |
| Gross Margin | 1.2 | 0.5 | 0.8 | 0.9 | 1.2 |
| <i>% of Revenue</i> | 40% | 22% | 32% | 33% | 37% |
| Other Income** | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Operating Expenses | (2.4) | (2.3) | (1.8) | (1.8) | (1.9) |
| Other Expenses | - | (0.5) | - | - | - |
| Profit / (Loss) from operations before tax and finance costs | (1.0) | (2.2) | (0.9) | (0.8) | (0.5) |
| Financial Profit / (Loss) | (0.2) | 0.1 | 0.04 | (0.1) | - |
| Taxes | - | - | - | - | - |
| Net Profit / (Loss) | (1.2) | (2.1) | (0.9) | (0.9) | (0.5) |

*including 0.4 million euros (0.6 million US dollars) for IntuiSkin over Q1 2010.

** consists of the income associated to the Norwegian program MEDICARE (cf. Press Release, April 29, 09).

Analysis and Perspectives

The trend initiated in the third quarter 2009 has been confirmed and covers, this quarter, all of the Group activities. In fact,

- the Standard Products business whose revenue increased by 23% compared to the fourth quarter 2009, ties again with profit thanks to an initial revival in the aerospace and medical market segments,
- the Custom Products business unit (the US subsidiary) continues to benefit from a strong increase of its activity in the field of optical communications, and registers its third consecutive quarterly growth with 20% increase of its revenue compared to the fourth quarter 2009 after the 29% and 73% growth demonstrated in the last 2 quarters. This consecutive quarterly growth allows this subsidiary to confirm its profitable situation.

In addition, the Group has continued to adjust its cost structure and resources during this first quarter, particularly those located in its headquarters. Actually, the results of this quarter include some additional lay-off costs.

Although the revenue of INTUISKIN increases significantly this quarter compared to the fourth quarter 2009, this activity contributes to approximately 40% of the net quarterly losses. The results of this quarter confirm that the transaction, submitted to shareholders' approval during the upcoming general meeting, puts MEMSCAP on the profitability path while reserving a strong potential for return on its investment in INTUISKIN. In fact, this transaction allows MEMSCAP:

- to eliminate the operational expenses of INTUISKIN as well as some headquarters G&A expenses, enabling the Group to tie back with profit and to preserve its cash position, assailed by requests in 2009;
- to benefit from the potential success of INTUISKIN, which receives the required funding to execute on its ambitious plan,
 - o both on the short and medium term, by having a new source of revenue associated to the royalty payments on the sales of IOMA products, in addition to the potential of receiving additional 3.5 million euros through the exercise of the buy-out option of purchase of the Laboratoires La Licorne's assets,
 - o and, on the long term, by maintaining a stake of 15.8% in the consolidating company, iCosmeceuticals.

It is to be noted that the development of INTUISKIN is tightly linked to the access to new funds, whether they come from this transaction or from other sources. Without those funds, the MEMSCAP Group may be led to cease the operations of INTUISKIN if it wants to avoid the risk of affecting the totality of its financial fundamentals.

Finally, the Group expects this business improvement observed during the last three quarters to continue in 2010.

General Shareholders Meeting: May 10, 2010.

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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