



MEMSCAP

The Power of a Small World™

MEMSCAP ANNOUNCES ITS SECOND QUARTER 2008 EARNINGS

The Group, break-even over this quarter, confirms its constant progress

Grenoble, France and Durham, North Carolina, July 21, 2008 – MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, announced today its earnings for the second quarter ending June 30, 2008.

- A quarterly revenue growth of over 20% in dollars year to year
- The increase of the gross margin by 3 points compared to second quarter 2007, despite the over 16 points collapse of the €/€ exchange rate over the period
- Significant improvement of the operational result
- Net profitability of the Group over the quarter

Confirmation of the growth

Consolidated revenue for this second 2008 quarter is 4.1 million euros (6.5 million US dollars), compared to 3.8 million euros (5.6 million US dollars) in the first quarter 2008 and to 4.0 million euros (5.4 million US dollars) for the second quarter 2007. This amount represents a growth of over 20% in dollars year to year, and of over 14% from one quarter to another.

The Group gross margin is 48% against 45% in the second quarter 2007, an over 3 points improvement year to year.

In parallel to this growth, operational expenses are (2.1) million euros, thus bringing the consolidated operating result for this second quarter at (0.1) million euros compared to (0.3) million euros for the same period 2007 and to (0.2) million euros for the 1st quarter 2008.

Over this second quarter 2008, the net consolidated result is at 0, an improvement compared to first quarter 2008 and second quarter 2007 consolidated results, both at (0.2) million euros. This performance has been achieved by the Group despite the nearly 16 points collapse of the €/€ exchange rate year to year, this collapse having severely affected both the gross margin and the operational result.

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 07	Q1 08	Q2 08
	IFRS	IFRS	IFRS
Revenue			
Standard Products	2.1	2.7	2.9*
Custom Products	1.9	1.1	1.2
Total Revenue	4.0	3.8	4.1
Cost of Revenue	(2.2)	(1.9)	(2.2)
Gross Margin	1.8	1.9	2.0
<i>% of Revenue</i>	45%	51%	48%
Operating Expenses	(2.1)	(2.1)	(2.1)
Profit / (Loss) from operations	(0.3)	(0.2)	(0.1)
Financial Profit / (Loss)	0.0	(0.2)	0.0
Tax	0.1	0.2	0.1
Net Profit / (Loss)	(0.2)	(0.2)	0.0

** including 0.5 million euros for INTUISKIN*

Other achievements of the quarter

The Norwegian subsidiary (aerospace and medical) maintains its strong growth and achieves again the highest quarterly revenue of its history within the MEMSCAP Group, with 2.4 million euros (3.8 million US dollars). This revenue is split between 62% for the aerospace and 38% for the medical.

Furthermore, INTUISKIN has set up its IOMA Esthetics Concept in beauty parlours and SPAs, in France and abroad.

Finally, the Group achieved the following milestones over this second quarter:

- The successful ending of the HASTAC Project, whereby the Group sets the next generation sensors platform for the next 20 years (*cf. April 29, 2008 Press Release*) ;
- The Technical Standard Order (TSO) Authorization and Supplemental Type Certification (STC) from the Federal Aviation Administration (FAA) awarded to L-3 Communications Avionics Systems for the SmartDeck® Integrated Flight Controls and Display System, which uses MEMSCAP TP3100 high-performance transducers (*cf. June 23, 2008 Press Release*) ;
- The conquest by INTUISKIN of the Oceany market, with the choice of Advanced Skin Technology for the distribution of the Skin Evidence and the IOMA Medical products in Australia and New Zealand (*cf. June 24, 2008 Press Release*).

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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Meet us at the following trade-shows and conferences :

North Carolina Dermatology Association-
Massachusetts Academy of Dermatology-
Florida Society of Dermatologic Surgeons-
Beyond Beauty Paris-
Mondial Spa et Beauté-

July 25, 2008 (Hot Springs, USA)
September 19, 2008 (Woodstock, USA)
September 26, 2008 (Palm Beach, USA)
October 5- 8, 2008 (Paris, France)
March 14-16, 2009 (Paris, France)