



MEMSCAP
The Power of a Small World™

MEMSCAP SHOWS GROWTH AND PROFITABILITY FOR ITS Q3 2007

A quarter of operational and net profitability

Grenoble, France and Durham, North Carolina, October 22, 2007 – 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, 2007.

Growth and profitability

Consolidated revenue for this third quarter 2007, the highest of the whole Group history, amounts to 4.6 million euros (6.3 million US dollars), compared to 4 million euros (5.4 million US dollars) in the second quarter 2007 and to 3.8 million euros (4.8 million US dollars) for the third quarter 2006. This figure represents a year to year increase of over 30% in US dollars.

The Group Gross Margin is 2.2 million euros and represents 47% of the consolidated revenue, thus showing a 2 points increase compared to second quarter 2007.

In parallel to this growth, consolidated operating profit for this third quarter has strongly increased up to 0.1 million euros compared to (0.3) million euros for the second quarter 2007, which signs the Group return to operational profitability.

Company consolidated net result also improved significantly up to 0.2 million euros compared to (0.2) million euros for the second quarter 2007.

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

<i>In millions of euros</i>	Q3 06	Q2 07	Q3 07
	IFRS	IFRS	IFRS
Revenue			
Standard Products	1.7	2.1	2.4
Custom Products	2.1	1.9	2.2
Total Revenue	3.8	4.0	4.6
Cost of Revenue	(1.8)	(2.2)	(2.4)
Gross Margin	2.0	1.8	2.2
<i>% of Revenue</i>	<i>52%</i>	<i>45%</i>	<i>47%</i>
Operating Expenses	(2.1)	(2.1)	(2.1)
Profit / (Loss) from operations	(0.1)	(0.3)	0.1
Financial Profit / (Loss)	0.0	0.0	0.0
Tax	0.1	0.1	0.1
Net Profit / (Loss)	0.0	(0.2)	0.2

* IntuiSkin contribution to this quarter revenue rises above 0.4 million euros, thus bringing IntuiSkin year-to-date revenue to 1 million euros compared to less than 0.5 million euros for the whole 2006 fiscal year.

A strong growth quarter

Each Group division shows its highest level of activity and of quarterly revenue ever:

- With 33% for medical, 50% for avionics and 17% for IntuiSkin, the global revenue of the Standard Products activity goes up to 2.4 million euros (3.3 million US dollars),
- Mainly supported by an increased activity in Optical communications, in telecommunications as well as by a good progress of its development contracts in the field of inertial sensors, the Custom Products business unit offers a revenue of 2.2 million euros (3.0 million US dollars).

Other achievements of the quarter

- The award to MEMSCAP and IntuiSkin of the ISO 9001:2000 certification in a record time (cf. Press Release September 3. 2007).
- The revelation of the new MEMSCAP optical technology possibilities (cf. Press Release September 12. 2007).
- The announcement by MEMSCAP that its technology protects human vision and that it has been selected by BMC (cf. Press Release September 13. 2007).
- The analysis of the effect of Danone latest dairy product, Essensis, thanks to IntuiSkin systems (cf. Press Release September 17. 2007)
- The participation of MEMSCAP to the 7th edition of « Midcap Events » 2007 at Palais Brongniart in Paris (cf. Press Release September 18. 2007).
- The choice by L-3 Communications Avionics Systems of MEMSCAP as a major supplier for its revolutionary SmartDeck® Integrated Flight Controls and Display System (cf. Press Release September 26. 2007).

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), where MEMSCAP belongs to the Next Economy segment. More information on the company's products and services can be obtained at **www.memscap.com**.

For more information, please contact:

Aurore Foulon
Vice-President.
Corporate Communications
Tel. : +33 (0)4 76 92 85 00
aurore.foulon@memscap.com

Yann Cousinet
Chief Financial Officer
Tel.: +33 (0) 4 76 92 85 00
yann.cousinet@memscap.com