



MEMSCAP
The Power of a Small World™

**MEMSCAP Q4 2015: PROFITABILITY CONFIRMED LEADING TO
A NET PROFIT OF 0.7 MILLION EUROS FOR FY 2015**

**Positive operating cash flow of 0.9 million euros generated over Q4 2015
and 1.5 million euros for FY 2015**

Grenoble, France and Durham, North Carolina, January 28, 2016 - MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its non-audited earnings for the fourth quarter ending December 31, 2015.

Consolidated revenue for the fourth quarter of 2015 was 2.8 million euros (3.0 million US dollars) compared to 3.6 million euros (4.5 million US dollars) for the fourth quarter of 2014 and 3.0 million euros (3.3 million US dollars) for the third quarter of 2015. The evolution of consolidated sales for the fourth quarter of 2015 is linked to the request of some significant customers to shift year-end deliveries to the beginning of the year 2016. Accordingly, the consolidated annual revenue amounted to 12.6 million euros.

Consolidated revenue distribution by market segment, over the fourth quarter of 2015, is as follows:

Market Segments	Revenue (M€)	%
Aerospace	1.4	48%
Optical Communications / Adaptive Optics	0.8	29%
Medical / Biomedical	0.4	15%
Mass Market & Others	0.2	8%
Total	2.8	100%

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

MEMSCAP's consolidated earnings for the fourth quarter of 2015 are given by the following table:

<i>In million euros – Non audited</i>	Q1 15	Q2 15	Q3 15	Q4 15	Q4 14
Revenue	3.4	3.5	3.0	2.8	3.6
- Standard Products*	1.9	2.0	1.9	1.8	2.2
- Custom Products	1.5	1.5	1.1	1.0	1.4
Cost of revenue	(2.1)	(2.2)	(1.9)	(1.9)	(2.4)
Gross margin	1.3	1.3	1.1	0.9	1.2
% of revenue	38%	38%	37%	33%	33%
Operating expenses**	(1.0)	(1.0)	(0.9)	(0.9)	(0.8)
Operating profit / (loss)	0.3	0.3	0.2	--	0.4
Financial profit / (loss)	(0.1)	--	--	--	(0.2)
Income tax expense	--	--	--	--	--
Net profit / (loss)	0.2	0.3	0.2	--	0.2

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

* Including the dermo-cosmetic segment.

** Net of research & development grants.

* * *

The Group's gross margin amounted to 0.9 million euros for the fourth quarter of 2015. Thus, the gross margin rate was 33% of the consolidated revenue for the fourth quarter of 2015. This gross margin rate is similar to the rate of the fourth quarter of 2014 despite the unfavorable volume effect over the fourth quarter of 2015. This confirmed the Group's business strategy centered on high-added value market segments.

The amount of the operating expenses, net of research & development grants, was 0.9 million euros for the fourth quarter of 2015 compared to 0.8 million euros for the fourth quarter of 2014.

Consequently, MEMSCAP reported break-even consolidated operating and net earnings for the fourth quarter of 2015 versus operating profit of 0.4 million euros and net profit of 0.2 million euros for the fourth quarter of 2014.

For FY 2015, the Group's operating profit amounted to 0.8 million euros representing 6.4% of consolidated sales (compared to 0.4 million euros for FY 2014 i.e. 2.8% of consolidated sales). Net consolidated profit for FY 2015 amounted to 0.7 million euros representing 5.3% of consolidated sales (compared to 0.2 million euros for FY 2014 i.e. 1.4% of consolidated sales).

Positive operating cash flow of 0.9 million euros generated over Q4 2015

Positive operating cash flow over the fourth quarter of 2015 amounted to 0.9 million euros and 1.5 million euros for FY 2015.

Available cash of the Group amounted to 3.9 million euros at December 31, 2015.

Analysis and perspectives

In accordance with its business strategy focused on high-added value market segments and productivity gains achieved by its production entities, MEMSCAP showed a significant enhancement of its operating and net profits. In the wake of FY 2014, this improvement of the Group's financial performance is reflected by a positive operating cash flow of 1.5 million euros for the year 2015. The Group intends to pursue this strategy over FY 2016.

FY 2015 earnings: March 22, 2016.

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 (ISIN: FR0010298620-MEMS) and belong to the CAC small, CAC Mid & Small, CAC All-Tradable and CAC All-Share indexes. More information on the company's products and services can be obtained at www.memscap.com.

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