



MEMSCAP
The Power of a Small World™

**MEMSCAP Q2 2016: QUARTERLY NET EARNINGS AT BREAKEVEN
& EBITDA AT EUR.0.4 MILLION**

Cumulated EBITDA at EUR.0.7 million for HY 2016

Grenoble, France and Durham, North Carolina, July 22, 2016 - MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for the second quarter ending June 30, 2016.

Consolidated revenue for the second quarter of 2016 was 2.8 million euros (3.2 million US dollars) similar to the first quarter of 2016 at 2.8 million euros (3.1 million US dollars) and compared to 3.5 million euros (3.8 million US dollars) for the second quarter of 2015. In the wake of the first quarter of 2016, the strength of the aerospace and optical communications segments compensated a slower demand on the medical and biomedical markets.

Consolidated revenue distribution by market segment, over the second quarter of 2016, is as follows:

Market Segments	Revenue (M€)	%
Aerospace	1.4	50%
Optical Communications / Adaptive Optics	0.8	30%
Medical / Biomedical	0.4	15%
Mass Market & Others	0.2	5%
Total	2.8	100%

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

MEMSCAP's consolidated earnings for the second quarter of 2016 are given by the following table:

<i>In million euros – Non audited</i>	Q1 16	Q2 16	Q2 15
Revenue	2.8	2.8	3.5
- Standard Products*	1.6	1.8	2.0
- Custom Products	1.2	1.0	1.5
Cost of revenue	(1.9)	(1.9)	(2.2)
Gross margin	1.0	0.9	1.3
% of revenue	35%	32%	38%
Operating expenses**	(1.0)	(1.0)	(1.0)
Operating profit / (loss)	0.0	(0.1)	0.3
Financial profit / (loss)	0.0	0.1	0.0
Income tax expense	--	--	--
Net profit / (loss)	0.0	0.0	0.3

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

* Including the dermo-cosmetic segment.

** Net of research & development grants.

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The consolidated gross margin amounted to 0.9 million euros compared to 1.0 million euros for the first quarter of 2016 and 1.3 million euros for the second quarter of 2015.

The amount of the operating expenses during the second quarter of 2016, net of research & development grants, remained similar to the previous quarters at 1 million euros. Consequently, the Group presented an operating loss of (0.1) million euros and net earnings at break-even point over the second quarter of 2016 compared to operating and net earnings at break-even point for the first quarter of 2016 and operating and net profits at 0.3 million euros for the second quarter of 2015.

The consolidated EBITDA amounted to 0.4 million euros for the second quarter of 2016 and at 0.7 million euros for the six-month period ended June 30, 2016. MEMSCAP follows its strategy based on the development of its high added value activities and the increase of its net cash.

Half-year 2016 revenue and earnings: August 31, 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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