



MEMSCAP TO ACQUIRE CRONOS MEMS UNIT FROM JDS UNIPHASE

Company To Become Exclusive Supplier of MEMS-Based Products to JDS Uniphase, Reinforcing its MEMS Leadership Position

Grenoble, France and San Jose, California, July 31, 2002 – MEMSCAP

(Euronext:MEMS), the leading provider of innovative solutions based on MEMS (micro-electromechanical systems), today announced it has entered an agreement to acquire substantially all of the business and assets of JDS Uniphase's Cronos MEMS business unit.

As JDS Uniphase's exclusive supplier of MEMS-based products, MEMSCAP will provide ongoing access to MEMS technology as well as a secure source for the continued availability of MEMS optical products. As part of the agreement, JDS Uniphase has provided MEMSCAP with initial purchase commitments for products and services. In addition to JDS Uniphase, MEMSCAP will gain access to leading systems companies, as well as most of the active optical MEMS product vendors in the market today.

The acquisition provides MEMSCAP with a fully operational unit that is well established in MEMS design and foundry services, as well as in optical MEMS. MEMSCAP expects to derive substantial technical and operating efficiencies through integration of Cronos into MEMSCAP's state-of-the-art manufacturing facility in Bernin. The Cronos acquisition will provide MEMSCAP with several active contracts and key customer relationships, a strong base of manufacturing equipment and an extensive intellectual property portfolio encompassing 27 existing patents and 27 patent applications. Cronos is also widely known for its Multi-User MEMS Processes (MUMPS[®]) foundry service, currently being expanded from polysilicon-based technology to metal and silicon-on-insulator (SOI).

MEMSCAP expects the transaction to be neutral to slightly accretive to earnings in Fiscal 2002 and further expects to derive a significant contribution to earnings beyond 2002.

"Our commitment is to offer our customers an extensive portfolio of advanced MEMS technology and products as well as the infrastructure to support those products and continue innovation," said Jean-Michel Karam, president and chief executive officer, MEMSCAP. "This acquisition further enhances the company's foundation by reinforcing MEMSCAP's position as the world's leading MEMS company, and strengthens our presence in North America with a distinguished partner for the company's optical MEMS products."

"Through this relationship with MEMSCAP, JDS Uniphase is assured of access to state-of-the-art MEMS technology and a reliable and stable supply of MEMS-based optical products," said Karen Markus, Vice President, Technology Strategy, JDS Uniphase. "In addition, MEMSCAP's advancements and growth through application of MEMS technology in other

markets offers additional potential for cost reductions and other advantages for optical applications.”

Cronos, originally a commercial spin-off of MCNC, was acquired by JDS Uniphase in April 2000 as a platform for its MEMS business unit.

Acquisition financed through stock

According to the terms of the acquisition agreement, MEMSCAP will acquire Cronos free of debt, other liabilities, and any other working capital or cash balances. MEMSCAP will issue 10,500,000 common shares initially to JDS Uniphase, upon closing of the transaction (subject to certain conditions described below). In addition, MEMSCAP may be required to issue up to 6,500,000 additional shares as consideration, contingent on Cronos achieving certain revenue targets over the two and a half year period after closing. The acquisition is subject to customary approvals and review including the approval of MEMSCAP shareholders, review of the transaction by an independent appraiser (commissaire aux apports) and approval by the stock market regulatory authorities.

Exclusive supplier relationship with JDS Uniphase

MEMSCAP and JDS Uniphase will enter into a commercial agreement that will make MEMSCAP the exclusive supplier to JDS Uniphase of MEMS chips for MEMS-based products for a period of not less than three years following closing of the acquisition.

About MEMSCAP

MEMSCAP is a provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP solutions include components, component designs (IP), CAD design tools, manufacturing and related services. . The MEMSCAP RF-MEMS portfolio aims at supplying semiconductor manufacturers and IC designers with process know-how, design IP, CAD tools and methodologies to facilitate the creation and integration of RF-MEMS into semiconductor products. Besides integrated passives, MEMSCAP also designs RF and millimeter wave switches, variable capacitors and tunable filters for wireless handset, wireless LAN and MMDS/LMDS (Multipoint Microwave Distribution System/Local Multipoint Distribution Services) applications MEMSCAP customers include Fortune 500 businesses, major research institutes and universities. The company's shares are traded on Euronext under the ticker symbol MEMS (Euroclear France code: 7939), where MEMSCAP belongs to the Next Economy segment, to the SBF250 and ITCAC50 indexes. More information on the company's products and services can be obtained at <http://www.memscap.com>.

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