



3rd QUARTER 2005 : A CONFIRMED GROWTH

The MEMSCAP Group posts a 3 million euros quarter revenue

Grenoble, France and Durham, North Carolina, October 24, 2005 – MEMSCAP (Euronext: MEN), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announces its earnings** for the third quarter ending September 30, 2005.

A growth confirmed

The consolidated revenue for the third quarter amounts to 3 million euros (3.6 million US dollars), compared to 2.3 million euros (2.8 million US dollars) for the third quarter 2004. The Company has posted a steady growth of its quarter revenue since the beginning of the fiscal year and now shows its highest quarterly revenue since 2001.

In addition, the gross margin for this third quarter represents 41% of the consolidated quarterly revenue, against 22% for the third quarter 2004.

In parallel to this growth, consolidated operational result for the quarter is (0.4) million euros, representing a 67% improvement compared to third quarter 2004 and a 43% improvement compared to 2005 second quarter.

Net consolidated result amounts to (0.7) million euros, compared to (1.6) million euros in the third quarter 2004 and to (0.9) million euros in the second quarter 2005.

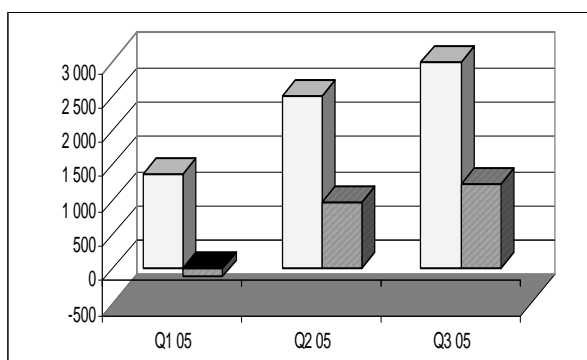
The Company's two core activities, Standard Products and Custom Products, contribute to the revenue and results as follows:

	Q3, 2005	Q2, 2005	Q1, 2005	Q3, 2004	
	IFRS	IFRS	IFRS	IFRS	French Gaap
Revenue:					
Standard Products*	1.5	1.4	0.9	0.8	0.8
Custom Products	1.5	1.1	0.5	1.5	1.5
Total Revenue	3.0	2.5	1.4	2.3	2.3
Cost of Revenue	(1.8)	(1.5)	(1.5)	(1.8)	(1.5)
Gross Margin	1.2	1.0	(0.1)	0.5	0.8
<i>% of Revenue</i>	41%	40%	(7%)	22%	35%
Operating Expenses	(1.6)	(1.7)	(1.8)	(1.7)	(1.7)
Operating Profit / (Loss)	(0.4)	(0.7)	(1.9)	(1.2)	(0.9)
Goodwill amortization	-	-	-	-	(0.2)
Financial Profit / (Loss)	(0.3)	(0.3)	(0.3)	(0.4)	(0.4)
Corporate Income taxes	0.0	0.1	0.0	0.0	0.0
Exceptional Result	-	-	-	-	(0.1)
Net Profit / (Loss)	(0.7)	(0.9)	(2.1)	(1.6)	(1.6)

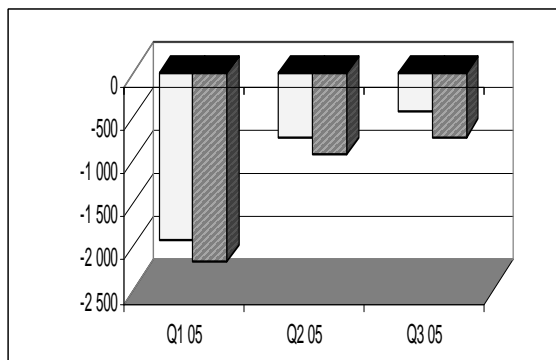
*IntuiSkin contribution to the Group revenue this quarter is 0.3 million euros.

Other key elements for the quarter

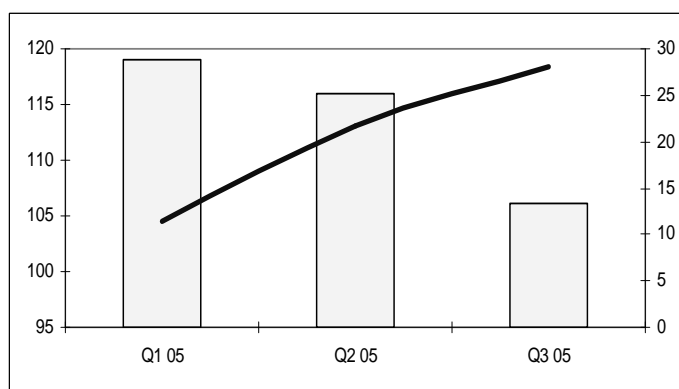
The Company has already announced (cf. press release-October 17, 2005) it has finalised the sale of its Bernin site office building, and has signed with its banking and financial partners a deal reducing the financial debts by over 50%. However, the impacts on the financial results of the Group will only start showing from fourth quarter onwards.



(a) Revenue and Gross margin progression



(b) Operational and net result progression



(c) Headcount and productivity (revenue / headcount) progression

« Since the beginning of 2005, MEMSCAP has increased its revenue each quarter, while seeing through specific actions such as the sale of our Bernin site office building », states Jean Michel Karam, Chief Executive Officer of MEMSCAP. « We remain focused on the Group growth and the increase of our productivity».

*** The figures herein given (third quarter 2005 and 2004 comparisons) are according to IFRS standards.*

About MEMSCAP

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP 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 Euronext Eurolist (FR0004155455-MEN), where MEMSCAP belongs to the Next Economy segment. More information on the company's products and services can be obtained at <http://www.memscap.com>

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