



2nd QUARTER 2005: MEMSCAP IS BACK TO GROWTH AND ACHIEVES AN IMPORTANT MILESTONE ON ITS WAY TO PROFITABILITY

IntuiSkin first contribution to the Group revenue

Grenoble, France and Durham, North Carolina, July 27, 2005 – MEMSCAP (Euronext: MEN), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announces its earnings for the second quarter ending June 30, 2005.

Improving results

Consolidated revenue for second quarter amounts to 2.5 million euros (3.2 million US dollars). This 79% increase compared to first quarter 2005 shows a back to growth trend for the Group.

Consolidated Operational result for second quarter 2005 is (0.7) million euros, representing a 52% improvement compared to (1.9) million euros for the first quarter, and a 70% improvement compared to the 2004 second quarter.

In addition, the gross margin for the second quarter represents 40% of the consolidated revenue, against (7%) for the first quarter 2005.

Net consolidated result amounts to (0.9) million euros, compared to (2.2) million euros in the first quarter 2005 and to (2.4) million euros in the second quarter 2004.

Those results milestone the Group progression, whose achievements were made in parallel to a significant debt reduction started end of the year 2004.

A concrete start for IntuiSkin

This second quarter also constitutes an important milestone for the Group, as IntuiSkin business contributes for the first time, up to 0.3 million euros, to the Group quarter consolidated revenue.

IntuiSkin, specialized in solutions, products and services related to consumer medical applications, for markets such as dermatology and cosmetics, was spun-off on December 2004, based on the Group research and intellectual property.

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

	Q2. 2005	Q1. 2005	Q2. 2004	
	<i>IFRS</i>	<i>IFRS</i>	<i>IFRS</i>	French Gaap
Revenue:				
Standard Products*	1.4*	0.9	1.1	1.1
Custom Products	1.1	0.5	1.7	1.7
Total Revenue	2.5	1.4	2.8	2.8
Cost of Revenue	(1.5)	(1.5)	(1.8)	(1.6)
Gross Margin	1.0	(0.1)	1.0	1.2
<i>% of Revenue</i>	<i>40%</i>	<i>-7%</i>	<i>36%</i>	<i>43%</i>
Operating Expenses	(1.7)	(1.8)	(3.3)	(2.4)
Operating Profit / (Loss)	(0.7)	(1.9)	(2.3)	(1.2)
Goodwill amortization	-	-	-	(0.2)
Financial Profit / (Loss)	(0.3)	(0.3)	(0.1)	(0.1)
Corporate Income taxes	0.1	-	-	-
Exceptional Result	-	-	-	(0.9)
Net Profit / (Loss)	(0.9)	(2.2)	(2.4)	(2.4)
<i>*Including IntuiSkin</i>				

« The results of our repeated efforts for a cost reduction management together with a constant progression, are starting to show », explains Jean Michel Karam, Chairman and CEO of MEMSCAP. « Our teams have dedicated an incredible amount of work to achieve this, including IntuiSkin, which is now starting to contribute to the Group revenue ».

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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