



Q2 2012 EARNINGS: EUR.0.7 MILLION NET PROFIT

EUR.3.1 million consolidated revenue

Grenoble, France and Durham, North Carolina, July 26, 2012 - 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, 2012.

Consolidated revenue for the second quarter 2012 was 3.1 million euros (4.0 million US dollars) compared to 2.6 million euros (3.7 million US dollars) for the second quarter 2011 and 3.2 million euros (4.2 million US dollars) for the first quarter 2012. The revenue of the second quarter 2012 is therefore increasing by 19% compared to Q2 2011 and confirms the sales recovery of the Group that was initiated during the two previous quarters.

Consolidated revenue distribution by market segment, over the second quarter 2012, is as follows:

Market Segments	Revenue (M€)	%
Aerospace	1.3	42%
Medical / Biomedical	0.8	24%
Optical Communications / Adaptive Optics	0.6	21%
Other Applications	0.4	13%
Total	3.1	100%

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

Costs related to the initialization of a new product line during this quarter, in accordance with the goals of the last capital increase, impacted the Q2 2012 gross margin rate (21% of the revenue compared to 30% for Q2 2011 and 35% for Q1 2012) as well as the operating loss which ended at (0.5) million euros versus (0.4) million euros for Q2 2011 and break-even operating earnings for Q1 2012. Operating expenses remained stable over this quarter.

Following the sale of its 11.6% stake in the company INTUISKIN/ICOSMECEUTICALS (See Press release dated 06/26/2012), the Group recorded a 1.3 million euros gain in financial profit for Q2 2012.

Net profit for the second quarter 2012 amounted to 0.7 million euros compared to a net loss of (0.4) million euros for the second quarter 2011 and a net loss of (0.1) million euros for the first quarter 2012.

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MEMSCAP's consolidated earnings for the second quarter of 2012 are given by the following table:

<i>In million euros – Non audited</i>	Q1 12	Q2 12	Q2 11
Revenue	3.2	3.1	2.6
- Standard Products	1.8	2.0	1.7
- Custom Products	1.4	1.1	0.9
Cost of revenue	(2.1)	(2.4)	(1.8)
Gross margin	1.1	0.6	0.8
% of revenue	35%	21%	30%
Operating expenses	(1.2)	(1.2)	(1.2)
Operating profit / (loss)	0.0	(0.5)	(0.4)
Financial profit / (loss)	(0.1)	1.2	--
Income tax expense	--	--	--
Net profit / (loss)	(0.1)	0.7	(0.4)

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

Analysis and perspectives

Following the sale of its stake in the company INTUISKIN/ICOSMECEUTICALS, MEMSCAP's available liquidities amounted to 4.8 million euros at June 30, 2012. The Group will pursue during the second half-year 2012 the industrialization of its development programs.

Half-year 2012 revenue and earnings: August 31st, 2012

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 S.A (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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