



MEMSCAP ANNOUNCES FIRST QUARTER 2005 EARNINGS

This first quarter 2005 ends the North Carolina manufacturing plant qualification to 6 inches

Grenoble, France and Durham, North Carolina, April 21, 2005 – MEMSCAP (Euronext: MEN), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announces its earnings for the first quarter ending March 31, 2005.

This quarter data are given under IFRS accounting principles, according to the new financial market authorities (AMF) regulations.

Consolidated revenue for first quarter 2005 amounts to 1.4 million euros (1.8 million US dollars). This figure is mainly generated by the sales of the Standard Products Business Unit, as the Custom Products business unit has generated most of its quarter revenue in March, when it finalised the qualification of its products to 6 inch. Today this business unit has successfully characterised its new manufacturing tools and equipments, and achieved the 6-inch qualification of all its front-end processes.

Consolidated Operational result for first quarter 2005 is (1.9) million euros compared to (2.1) million euros for the same 2004 period and restated under the same accounting principles (IFRS). This improvement of the operational result has been achieved mostly thanks to the cost reduction efforts the Company made, despite an increase of the Group perimeter, since Optogone has been integrated in the Group consolidated income statements starting from January 1st, 2005. Thus, the operational expenses have been reduced by 25%, going from 2.4 million euros down to 1.8 million euros.

Consolidated net result for this first quarter 2005 is (2.2) million euros compared to (2.5) million euros for the same period in 2004, thanks to a Group financial result improved by over 25%, resulting from an important decrease of the Group financial liabilities all through year 2004.

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

	Q1, 2005	Q1, 2004	
	IFRS	IFRS	French Gaap
Revenue:			
Standard Products	0.9	0.9	0.9
Custom Products	0.5	1.1	1.1
Total Revenue	1.4	2.0	2.0
Cost of Revenue	(1.5)	(1.7)	(1.5)
Gross Margin	(0.1)	0.3	0.5

% of Revenue	-7%	15%	23%
Operating Expenses	(1.8)	(2.4)	(2.4)
Operating Profit / (Loss)	(1.9)	(2.1)	(1.9)
Goodwill amortization	-	-	(0.4)
Financial Profit / (Loss)	(0.3)	(0.4)	(0.2)
Net Profit / (Loss)	(2.2)	(2.5)	(2.5)

MEMSCAP has dedicated this quarter to finalizing its technical infrastructure and increasing its cash (*cf. press release March 28, 2005*) necessary to enable the planned Group growth. Starting from the second quarter, the first tangible signs of this growth should start emerging.

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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