



MEMSCAP- Q4 2005 : 78% GROWTH

A steady growth for the quarterly and yearly revenue

Grenoble, France and Durham, North Carolina, January 30, 2006 – MEMSCAP (Euronext: MEM), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announces its revenue and net result for the fourth quarter and fiscal year ending December 31, 2005.

Rising performance indicators

Consolidated Q4 revenue amounts to 3.2 million euros (3.8 million US dollars), compared to 1.8 million euros (2.3 million US dollars) in Q4 2004, thus showing a 78% growth. This brings the Group consolidated revenue for fiscal year 2005 to 10.0 million euros (12.3 million US dollars). With these figures the Company shows a steady growth of its quarterly revenue since the beginning of fiscal year 2005.

In parallel to this growth, the consolidated operational result for Q4 is (0.7) million euros compared to (3.0) million euros for Q4 2004 and the consolidated net result, which has been continuously improving since the beginning of the year, is (0.4) million euros, compared to (3.4) million euros in Q4 2004.

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

	2005 IFRS	Q4, 05 IFRS	Q3, 05 IFRS	Q2, 05 IFRS	Q1, 05 IFRS	IFRS	Q4, 2004 French accounting standards
Revenue:							
Standard Products*	5.0	1.2*	1.5	1.4	0.9	0.8	0.8
Custom Products	5.0	1.9	1.5	1.1	0.5	1.0	1.0
Total Revenue	10.0	3.2	3.0	2.5	1.4	1.8	1.8
Cost of Revenue	(6.8)	(2.0)	(1.8)	(1.5)	(1.5)	(1.0)	(0.8)
Gross Margin	3.3	1.2	1.2	1.0	(0.1)	0.8	1.0
<i>% of Revenue</i>	32%	37%	41%	40%	(7%)	44%	56%
Operating Expenses	(7.0)	(1.8)	(1.6)	(1.7)	(1.8)	(3.8)	(0.9)
Operating Profit / (Loss)	(3.8)	(0.7)	(0.4)	(0.7)	(1.9)	(3.0)	0.1
Goodwill amortization	-	-	-	-	-	-	(0.2)
Financial Profit / (Loss)	(0.9)	(0.1)	(0.3)	(0.3)	(0.3)	(0.5)	(0.5)
Corporate Income taxes	0.4	0.4	0.0	0.1	0.0	0.1	0.1
Exceptional Result	-	-	-	-	-	-	(2.9)
Net Profit / (Loss)	(4.2)	(0.4)	(0.7)	(0.9)	(2.1)	(3.4)	(3.4)

**IntuiSkin contribution to the Group revenue for 4th quarter is 0.1 million euros.

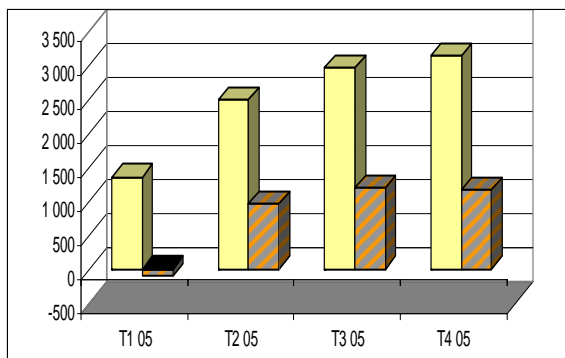
After the successful finalisation, during first semester 2005, of the 6 inch upgrade of the North Carolina plant, the revenue of the American subsidiary has been steadily growing all through fiscal year, as shown by the following table:

American subsidiary	2005	T4, 05	T3, 05	T2, 05	T1, 05
Revenue (in million US dollars)	4.9	2.0	1.5	0.9	0.5
Revenue (in million euros)	4.0	1.7	1.2	0.7	0.4

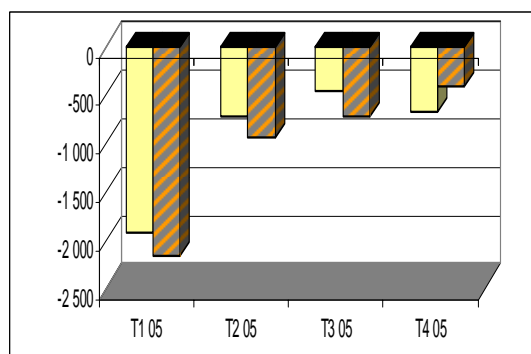
Furthermore, during this 4th quarter, the American subsidiary has reached profitability, a milestone already achieved by the Norwegian subsidiary of the Group since the second quarter 2005.

Other achievements of the quarter

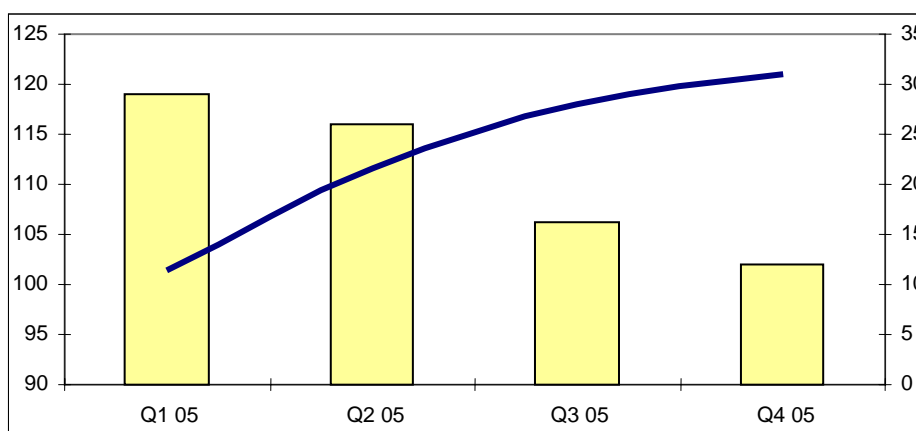
- MEMSCAP (cf. press release-October 17, 2005) has finalised the sale of its Bernin site office building, and has signed with its banking and financial partners a deal that significantly reduces the financial debts;
- The Group (cf. press release- December 12, 2005), made a capital increase through issuance of warrants ('ABSA F'), with an full exercise of the green shoe, for a total amount of 5.2 million euros;
- MEMSCAP has signed commercial deals in the aerospace and medical business (cf. press release- November 30, and December 14, 2005) including with Liebherr and Therakos (a Johnson&Johnson Company);
- The Company has changed its ticker symbol which becomes « MEM » (cf. press release- December 21, 2005).



(a) Revenue and Gross margin progression



(b) Operational and net result progression



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

« MEMSCAP had targeted clear and specific objectives for 2005. All throughout this year we have increased our revenue, our productivity, while improving our result each quarter. This was done at the same time as we have furthered and supported our clients' projects, and opened the way for new applications in the medical and aerospace industry», states Jean Michel Karam, Chairman and Chief Executive Officer of MEMSCAP. « At the end of this fiscal year, the improvement of all our indicators, as well as the profitability of our Custom Products and Standard Products business units, strengthen the choices we have made and enable us to start 2006 with all the necessary might and energy. »

*** The figures herein given (4th 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-MEM), where MEMSCAP belongs to the Next Economy segment. For more information on the Company's products and services, visit us at www.memscap.com or contact:

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