



MEMSCAP
The Power of a Small World™

MEMSCAP REPORTS Q1 2011 EARNINGS

Despite solid demand in the aerospace market, Q1 2011 weakened by the impact of earthquake in Japan on the Group's customers operating in this country

Grenoble, France and Durham, North Carolina, April 29, 2011 – MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for the first quarter ending March 31, 2011.

Solid demand in aerospace and temporary weakness in optical communications

Revenue for first quarter 2011 was 2.5 million euros (3.4 million US dollars) compared with 2.9 million euros (4.1 million dollars) for first quarter 2010, thus a quarterly revenue decrease by 14% in euro and 17% in US dollar.

Consolidated revenue distribution by market segment, over the first quarter 2011 is as follows:

Market Segments	Revenue (M€)	%
Aerospace	1.3	50%
Optical Communications / Adaptive Optics	0.6	25%
Medical / Biomedical	0.5	21%
Other Applications	0.1	4%
Total	2.5	100%

Despite low sales, MEMSCAP gross margin rate for this quarter ended at 30% of the revenue compared to 34% for the first quarter of 2010.

Operating loss and net loss for the quarter amounted to (0.4) million euros compared to (0.3) million euros operating loss and (0.5) net loss for first quarter 2010. Despite revenue weakness, quarterly loss was limited by constant cost reduction efforts.

MEMSCAP consolidated earnings for the first quarter of 2011 are given by the following table:

In million euros	Q1 11	Q1 10
Continuing Operations:		
Revenue	2.5	2.9
Cost of Revenue	(1.7)	(1.9)
Gross Margin	0.7	1.0
% of Revenue	30%	34%
Other Income	0.1	0.1
Operating Expenses	(1.3)	(1.4)
Operating Profit / (Loss)	(0.4)	(0.3)
Financial Profit / (Loss)	--	--
Income Tax Expense	--	--
Profit / (Loss) from Continuing Operations	(0.4)	(0.3)
Discontinued Operations *:		
Loss from Discontinued Operations	--	(0.2)
Net Profit / (Loss)	(0.4)	(0.5)

* Loss related to INTUISKIN operations sold on May 26, 2010.

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

Analysis and perspectives

Usually the lowest quarter in term of revenue, the first quarter 2011 was in addition weakened by the temporary impact of Japan earthquake on MEMSCAP's customers in optical communications operating in that country.

Having achieved additional cost cutting measures within the quarter and expecting continuing solid demand in avionics and recovery of optical communications in the second half, MEMSCAP maintains its profitability target for fiscal year 2011 despite the losses registered in the first quarter.

Shareholders Meeting: June 20, 2011, at 16:00 in MEMSCAP's Headquarters (Bernin – France).

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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