



MEMSCAP

The Power of a Small World™

MEMSCAP ANNOUNCES ITS THIRD QUARTER 2008 EARNINGS

Grenoble, France and Durham, North Carolina, October 20, 2008 – MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, announced today its earnings for the third quarter ending September 30, 2008.

- 4.1 million euros revenue despite unplanned events having affected 4 customers of the Standard Products business unit.
- Year to date profitability for the historical business of the Group (Standard Products, Custom Products), covering the entire Corporate G&A cost.
- Continued set-up of INTUISKIN strategy, that aims to increase the recurring revenue part of this activity, and representing the Group major investment segment.

Consolidated revenue for the third 2008 quarter is 4.1 million euros (6.2 million US dollars), compared to 4.6 million euros (6.3 million US dollars) in the third quarter 2007, despite the unplanned events having affected 4 customers of the Standard Products business unit and representing a revenue shift of over six months for a total amount of around 1 million euros.

The Group gross margin is 45% against 47% in the third quarter 2007.

In parallel, operational expenses are (2.1) million euros, i.e the same level as for the first and second quarters 2008, bringing the consolidated operating result for this third quarter at (0.3) million euros compared 0.1 million euros for the same period 2007.

Over this third quarter 2008, the net consolidated result is at (0.2) million euros compared to 0.2 million euros for the same 2007 period.

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

<i>In million euros</i>	Q3 07	Q2 08	Q3 08
	IFRS	IFRS	IFRS
Revenue			
Standard Products	2.4	2.9*	2.6*
Custom Products	2.2	1.2	1.5
Total Revenue	4.6	4.1	4.1
Cost of Revenue	(2.4)	(2.2)	(2.3)
Gross Margin	2.2	2.0	1.8
<i>% of Revenue</i>	47%	48%	45%
Operating Expenses	(2.1)	(2.1)	(2.1)
Profit / (Loss) from operations	0.1	(0.1)	(0.3)
Financial Profit / (Loss)	0.0	0.0	0.03
Tax	0.1	0.1	0
Net Profit / (Loss)	0.2	0.0	(0.2)

* including 0.5 million euros for INTUISKIN

Finally, the main features of this quarter were:

- The realisation by the Norwegian Standard Products business unit of a 2.1 million euros revenue (3.2 million US dollars), despite the problems encountered by 3 of its aerospace customers and 1 medical customer. One aerospace customer has indeed requested a stop shipment until 2009 after a fire devastated its US manufacturing facility; another one also requested a stop shipment until 2009 after the manufacturing of the plane into which our components are embarked was interrupted. The global loss generated by these 4 events is 7.9 million NOK, i.e 1 million euros. Thanks to the diversification, of its customer portfolio, the Standard Products business unit managed to generate a revenue at the same level as the one of the 1st quarter 2008, and to maintain a net profit of 18% over the quarter;
- The third consecutive quarter of profit for the Custom Products business unit;
- The progression of the evolution of INTUISKIN business model towards a recurring revenue, including through the deployment of the network of beauty specialists, parlours, Spas, aesthetics surgeons and dermatologist using the IOMA Derm and IOMA Esthetics Concept and associated products range. INTUISKIN represents today the major investment field of the Group;
- The expansion in Greece of IntuiSkin, which reaches with this new distribution agreement, a new milestone of its development (*cf. Press Release, September 1st, 2008*);
- A popular presence of IntuiSkin at the following shows and conferences: North Carolina Dermatology Association, held on July 25, 2008 in Hotsprings, USA; Florida Society of Dermatologic Surgeons held on September 26, 2008 in Palm Beach, USA and Beyond Beauty Paris, a show held in October 5 to 8, 2008 in Paris, 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). More information on the company's products and services can be obtained at www.memscap.com.

For more information, please contact:

Aurora Foulon
Vice-President.
Corporate Communications
Tel. : +33 (0)4 76 92 85 00
aurora.foulon@memscap.com

Yann Cousinet
Chief Financial Officer
Tel.: +33 (0) 4 76 92 85 00
yann.cousinet@memscap.com

Meet us at the following shows & conferences :

*American Society of Cosmetic, Dermatology
and Aesthetics Surgery (ASCDAS)*
Mondial Spa and Beauty
*American Academy of Dermatology's
67th Annual Meeting*

December 4 to 6, 2008 (Las Vegas, Nevada, USA)
March 14 to 16, 2009 (Paris, France)
March 6 to 10, 2009, (San Francisco, CA, USA)