



MEMSCAP REPORTS A 2004 FIRST QUARTER OPERATIONAL RESULT IN LINE WITH GROUP STRATEGY

Trend towards operational profitability holds steady

Grenoble, France and Durham, North Carolina, April 21, 2004 – MEMSCAP (Euronext: MEN), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announces its revenue and operational results for the first quarter ending March 31, 2004.

Consolidated revenue for first quarter 2004 amounts to 2 million euros (2.5 US million dollars), thus reaching the same level as in fourth quarter 2003, which was MEMSCAP highest revenue for fiscal year 2003. This trend is expected to continue and increase throughout 2004 as MEMSCAP backlog and customer base keep expanding.

Consolidated Operational result for first quarter 2004 is (1.9) million euros. This figure, compared to the level of operational loss throughout the first half of 2003 (i.e. 12.1 million euros), is a validation of the reorganisation the Group undertook in 2003 to better its efficiency and productivity worldwide. Indeed, these losses, compared to the same 2003 period, have been reduced by a factor superior to 3. In addition, the gross margin is positive and amounts to 23% of the consolidated revenue.

The Company two core activities, Standard Products (including the sensors and the skin station) and Custom Products, contribute to the revenue and result as follows:

Revenue:	
Standard Products	0.9
Custom Products	1.1
Total Revenue	2.0
Cost of Revenue	(1.5)
Gross Margin	0.5
<i>% of Revenue</i>	<i>23%</i>
Operating Expenses	(2.4)
Operating Profit/ (Loss)	(1.9)

The Group achieved several milestones during this first quarter, be it the agreement with its financial partners, the increase of its backlog, and the expansion of its customer base. Within this frame, the

Company had announced at the early beginning of the second quarter one major foundry agreement with US Client Knowles Acoustics, a division of Knowles Electronics LLC.

« MEMSCAP started the year with a clear strategy and several targets to be reached. This is being done steadily, and we are executing these milestones one after the other » states Jean Michel Karam, Chairman and Chief Executive Officer of MEMSCAP. « We are now maintaining our efforts to enhance the positive trend initiated, so as to try and reach operational profitability during the second half of the year».

About MEMSCAP

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP solutions include components, component designs (IP), design software, manufacturing and related services. MEMSCAP customers include Fortune 500 businesses, major research institutes and universities. The company's shares are traded on Euronext (FR0004155455-MEN), where MEMSCAP belongs to the Next Economy segment, to the SBF250 and ITCAC50 indexes. More information on the company's products and services can be obtained at <http://www.memscap.com>

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