MEMSCAP ANNOUNCES ITS FOURTH QUARTER 2009 EARNINGS

14% growth for the Group global activities in US dollars boosted by the performance of its US subsidiary

Grenoble, France and Durham, North Carolina, January 29, 2010 – MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, announced today its earnings for the fourth quarter ending December 31, 2009.

Consolidated revenue for this fourth 2009 quarter is 2.6 million euros to which must be added 0.1 million euros of other revenues (representing a total of 4.0 million US dollars), compared to 2.4 million euros to which must be added 0.1 million euros of other revenues (representing a total of 3.5 million US dollars) in the third quarter 2009, thus an increase of the quarterly operating income by 10% in euros and 14% in US dollars.

The Group gross margin is 33% of the consolidated revenue, increasing by 1 point compared to the third quarter 2009.

Consolidated operational result is (0.8) million euros, compared to (0.9) over the previous quarter. Consolidated net result is (0.9) million euros, identical to the one of the third quarter. Those fourth quarter results are impacted by lay-off costs. As a result, the Group headcount went from 131 employees in December 31, 2008 to 115 by December 31, 2009.

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

In million euros	Q1 09	Q2 09	Q3 09	Q4 09	Q4 08
Revenue :					
Standard Products	2.0	1.6	1.4	1.5*	1.9
Custom Products	1.1	0.6	1.0	1.1	1.5
Total Revenue	**3.1**	**2.2**	**2.4**	**2.6**	**3.4**
Cost of Revenue	(1.9)	(1.7)	(1.6)	(1.7)	(2.5)
Gross Margin	**1.2**	**0.5**	**0.8**	**0.9**	**0.9**
% of Revenue	*40%*	*22%*	*32%*	*33%*	*28%*
Other Income**	0.1	0.1	0.1	0.1	-
Operating Expenses	(2.4)	(2.3)	(1.8)	(1.8)	(2.6)
Other Expenses	-	(0.5)	-	-	(6.2)
Profit / (Loss) from operations before tax and finance costs	**(1.0)**	**(2.2)**	**(0.9)**	**(0.8)**	**(7.9)**
Financial Profit / (Loss)	(0.2)	0.1	0.04	(0.1)	0.3
Taxes	-	-	-	-	-
Net Profit / (Loss)	**(1.2)**	**(2.1)**	**(0.9)**	**(0.9)**	**(7.6)**

including 0.2 million euros (0.2 million US dollars) for IntuiSkin over Q4 2009.
*** consists of the income associated to the Norwegian program MEDICARE (cf. Press Release, April 29, 09).*

Analysis and Perspectives

Since the lowest level of activities reached during the second quarter, the trend initiated mid 2009 has been confirmed this quarter. While the Standard Products business, lower by 24% compared to the 4th quarter 2008, still affected by the lack of significant global growth in the aerospace and medical industries, the Custom Products business unit benefited from a strong increase of its activity in the field of optical communications, and increased its revenue by 29% compared to the third quarter 2009 after the 73% growth demonstrated last quarter. This business unit is back to profit thanks to this consecutive quarterly growth.

Finally, the Group had consistently adjusted its cost structure and resources to absorb the reduction of business. Although, most of the headcount reduction has been made in 2009, the efforts of reducing cost will continue in the first half of 2010.

Despite an uncertain global economical environment, the Group expects this business improvement observed during the last two quarters to continue in 2010.

FY2009 financial statements will be released on March 29, 2010 after stock exchange closure.

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:

Yann Cousinet
CFO
Ph: +33 4 76 92 85 00
Email: yann.cousinet@memscap.com