



MEMSCAP
The Power of a Small World™

Q3 2012 EARNINGS: CONSOLIDATED REVENUE GROWTH OF 58%

Launch of the production of a mass market device

Grenoble, France and Durham, North Carolina, October 25, 2012 - MEMSCAP (NYSE Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announced its earnings for the third quarter ending September 30, 2012.

Consolidated revenue for the third quarter 2012 was 3.0 million euros (3.8 million US dollars) compared to 1.9 million euros (2.7 million US dollars) for the third quarter 2011 and 3.1 million euros (4.0 million US dollars) for the second quarter 2012.

The revenue of the third quarter 2012 rose by 58% compared to Q3 2011 and confirms the trend shown during the three previous quarters. The sales growth amounts to 33% for the nine-month period ending September 30, 2012 compared to the previous period in 2011.

Consolidated revenue distribution by market segment, over the third quarter 2012, is as follows:

Market Segments	Revenue (M€)	%
Aerospace	1.1	37%
Medical / Biomedical	0.7	22%
Optical Communications / Adaptive Optics	0.6	21%
Other Applications	0.6	20%
Total	3.0	100%

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

The costs related to the launch of the production of a new mass market device, which was initiated in Q2 2012, kept on impacting the Q3 2012 consolidated gross margin rate (21% of the revenue, similar level compared to Q2 2012).

Due to the strong growth in Group's sales, operational loss was divided by two compared to Q3 2011. Consequently, Q3 2012 operating loss amounted to (0.5) million euros at the same level than Q2 2012.

As financial profit reached the break-even point, Q3 2012 consolidated net loss amounted to (0.5) million euros. Group's cumulated profit is 0.1 million euros for the nine-month period ending September 30, 2012.

Group's available liquidities amount to 4.1 million euros at the end of September 2012.

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MEMSCAP's consolidated earnings for the third quarter of 2012 are given by the following table:

<i>In million euros – Non audited</i>	Q1 12	Q2 12	Q3 12	Q3 11
Revenue	3.2	3.1	3.0	1.9
- Standard Products	1.8	2.0	1.7	1.0
- Custom Products	1.4	1.1	1.3	0.9
Cost of revenue	(2.1)	(2.4)	(2.4)	(1.8)
Gross margin	1.1	0.6	0.6	0.1
% of revenue	35%	21%	21%	5%
Operating expenses	(1.2)	(1.2)	(1.1)	(1.1)
Operating profit / (loss)	0.0	(0.5)	(0.5)	(1.0)
Financial profit / (loss)	(0.1)	1.2	--	--
Income tax expense	--	--	--	--
Net profit / (loss)	(0.1)	0.7	(0.5)	(1.0)

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

Analysis and perspectives

In accordance with the launch of the production of a new mass market device during this quarter, MEMSCAP expects a significant revenue growth on this market segment starting from Q4 2012.

Q4 2012 Earnings: January 29, 2013

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.

For more information, please contact:

Yann Cousinet
 CFO
 Ph: +33 (0) 4 76 92 85 00
 Email: yann.cousinet@memscap.com