



MEMSCAP
The Power of a Small World™

MEMSCAP: NET EARNINGS AT BREAK-EVEN LEVEL FOR THE THIRD CONSECUTIVE QUARTER

Positive operating cash flow of 0.9 million euros for the first 9 months of 2014

Grenoble, France and Durham, North Carolina, October 24, 2014 - 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, 2014.

Consolidated revenue for the third quarter of 2014 was 3.1 million euros (4.1 million US dollars) compared to 3.2 million euros (4.2 million US dollars) for the third quarter of 2013 and 3.5 million euros (4.7 million US dollars) for the second quarter of 2014.

Consolidated revenue distribution by market segment, over the third quarter of 2014, is as follows:

Market Segments	Revenue (M€)	%
Aerospace	1.4	45%
Mass Market & Others	0.8	27%
Optical Communications / Adaptive Optics	0.5	15%
Medical / Biomedical	0.4	13%
Total	3.1	100%

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

MEMSCAP's consolidated earnings for the third quarter of 2014 are given by the following table:

<i>In million euros – Non audited</i>	Q1 14	Q2 14	Q3 14	Q3 13
Revenue	3.0	3.5	3.1	3.2
- Standard Products*	2.1	2.1	1.7	2.0
- Custom Products	0.9	1.4	1.4	1.2
Cost of revenue	(2.0)	(2.5)	(2.2)	(2.5)
Gross margin	1.0	1.0	0.9	0.7
% of revenue	33%	29%	29%	21%
Operating expenses**	(1.0)	(1.0)	(0.9)	(1.1)
Operating profit / (loss)	0.0	0.0	0.0	(0.4)
Financial profit / (loss)	--	--	--	0.1
Income tax expense	--	--	--	--
Net profit / (loss)	0.0	0.0	0.0	(0.3)

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

* Including the dermo-cosmetic segment.

** Net of research & development grants.

* * *

The Group's gross margin amounted to 0.9 million euros for the third quarter of 2014, increasing by 0.2 million euros compared to the third quarter of 2013. The consolidated gross margin rate was 29% for the third quarter of 2014, showing an increase by 8 points compared to the third quarter of 2013.

The amount of the operating expenses, net of research & development grants, was 0.9 million euros for the third quarter of 2014. The decrease of 0.2 million euros in operating expenses compared to the third quarter of 2013 confirmed the outcomes of the cost control programs within the Group.

Like the two previous quarters, operating and net earnings were at break-even level for the third quarter of 2014 compared to an operating loss of 0.4 million euros and a net loss of 0.3 million euros for the third quarter of 2013.

Analysis and perspectives

MEMSCAP presents operating and net earnings at break-even level for the third consecutive quarter over FY 2014 due to the strength of all its market segments. The improvement of the Group's profitability led to a positive operating cash flow at 0.9 million euros for the first 9 months of 2014.

MEMSCAP expects an increase of its businesses for the coming quarter due to a strong backlog as of September 30, 2014.

Q4 2014 revenue and earnings: January 28, 2015

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 (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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