



MEMSCAP
The Power of a Small World™

Q1 2014: OPERATING AND NET EARNINGS AT BREAK-EVEN LEVEL

Significant increase of the gross margin rate

Grenoble, France and Durham, North Carolina, April 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 first quarter ending March 31, 2014.

Consolidated revenue for the first quarter of 2014 was 3.0 million euros (4.1 million US dollars) compared to 2.9 million euros (3.9 million US dollars) for the fourth quarter of 2013 and 3.7 million euros (4.8 million US dollars) for the first quarter of 2013.

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

Market Segments	Revenue (M€)	%
Aerospace	1.5	51%
Medical / Biomedical	0.7	23%
Mass Market & Others	0.5	15%
Optical Communications / Adaptive Optics	0.3	11%
Total	3.0	100%

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

The Group benefited from the strong demand on its avionics and medical market segments which represented 74% of the consolidated sales for the first quarter of 2014. As previously announced, the mass market segment initiated a gradual recovery during this quarter.

The gross margin rate for the first quarter 2014 increased significantly to 33% compared to 25% for the fourth quarter of 2013 and 20% for the first quarter of 2013. Hence, the gross margin amounted at 1.0 million euros versus 0.7 million euros for the fourth quarter of 2013 and for the first quarter of 2013.

Operating expenses are reduced to 1.0 million euros compared to 1.1 million euros for the fourth quarter of 2013 and for the first quarter of 2013.

Consequently, the Group showed operating and net earnings at break-even level for the first quarter 2014 compared to a net loss of (0.3) million euros for the fourth quarter of 2013 and (0.4) million euros for the first quarter 2013.

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

<i>In million euros – Non audited</i>	Q1 13	Q1 14	Q4 13
Revenue	3.7	3.0	2.9
- Standard Products	2.0	2.1	2.1
- Custom Products	1.7	0.9	0.8
Cost of revenue	(2.9)	(2.0)	(2.2)
Gross margin	0.7	1.0	0.7
% of revenue	20%	33%	25%
Operating expenses	(1.1)	(1.0)	(1.1)
Operating profit / (loss)	(0.4)	0.0	(0.3)
Financial profit / (loss)	--	--	--
Income tax expense	--	--	--
Net profit / (loss)	(0.4)	0.0	(0.3)

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

Analysis and perspectives

At March 31, 2014, the Group benefits from a solid order backlog in avionics and medical market segments. As previously announced, the Company intends to continue its efforts focused on the improvement of its net earnings.

MEMSCAP general shareholders' meeting: May 21 2014.

Q2 2014 earnings: July 24, 2014.

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.

For more information, please contact:

Yann Cousinet

CFO

Ph: +33 (0) 4 76 92 85 00

Email: yann.cousinet@memscap.com