



MEMSCAP
The Power of a Small World™

Q4 2013 REVENUE OF EUR 2.9 MILLION LEADING TO FY 2013 REVENUE OF EUR 13.7 MILLION

2013 Annual Revenue Growth of 11%

Grenoble, France and Durham, North Carolina, January 28, 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 fourth quarter ending December 31, 2013.

Consolidated revenue for the fourth quarter of 2013 was 2.9 million euros (3.9 million US dollars) compared to 3.1 million euros (4.0 million US dollars) for the fourth quarter of 2012. The FY 2013 consolidated revenue increased by 11% (14% in US dollars) compared with FY 2012 and was 13.7 million euros (18.2 million US dollars) compared to 12.4 million euros (15.9 million US dollars) for FY 2012.

The Standard Products business unit, which addresses the avionics and medical market segments, keeps on demonstrating sustainable revenue at 2.1 million euros. On the mass market segment, MEMSCAP limited its deliveries during this quarter in order to further reduce the high levels of inventories still available within the supply chain. This low delivery rate impacted the quarterly sales to the benefit of FY 2014 revenue.

Consolidated revenue distribution by market segment, over the fourth quarter of 2013, is as follows:

Market Segments	Revenue (M€)	%
Aerospace	1.6	54%
Medical / Biomedical	0.7	23%
Optical Communications / Adaptive Optics	0.4	14%
Mass Market & Others	0.2	9%
Total	2.9	100%

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

Cost-control programs allowed to maintain a gross margin amount similar to the previous quarter at 0.7 million euros, e.g. a gross margin rate at 25% of the consolidated revenue versus 21% during Q3 2013. The control of operating costs at 1.1 million euros enabled the decrease in the operating loss compared to Q3 2013. The Q4 2013 operating loss amounted to (0.3) million.

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MEMSCAP's consolidated earnings for the fourth quarter of 2013 are given by the following table:

<i>In million euros – Non audited</i>	Q1 13	Q2 13	Q3 13	Q4 13	Q4 12
Revenue	3.7	4.0	3.2	2.9	3.1
- Standard Products	2.0	2.2	2.0	2.1	1.7
- Custom Products	1.7	1.8	1.2	0.8	1.4
Cost of revenue	(2.9)	(3.2)	(2.5)	(2.2)	(2.5)
Gross margin	0.7	0.8	0.7	0.7	0.6
% of revenue	20%	20%	21%	25%	20%
Operating expenses	(1.1)	(1.1)	(1.1)	(1.1)	(1.1)
Operating profit / (loss)	(0.4)	(0.3)	(0.4)	(0.3)	(0.4)
Financial profit / (loss)	--	--	0.1	--	--
Income tax expense	--	--	--	--	--
Net profit / (loss)	(0.4)	(0.3)	(0.3)	(0.3)	(0.4)

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

Group's available liquidities amount to 2.5 million euros at the end of December 2013.

Analysis and perspectives

At December 31, 2013, The Group's order backlog in avionics and medical market segments remains solid. Sales upturn in mass market segment is expected during the first half of 2014.

During the last 2 fiscal years, the MEMSCAP Group has focused its strategy on growing its turnover from 10 million euros (13.9 million US dollars) in 2011 to 13.7 million euros (18.2 million US dollars) in 2013. The Company has therefore totally absorbed the impact of the 2011 crisis and now focuses its efforts on the improvement of its net earnings.

FY 2013 earnings: March 26, 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 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.

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