



MEMSCAP ANNOUNCES THE ACQUISITION OF OPSITECH AND GIVES ITS THIRD QUARTER 2003 REVENUE

Another step on the path to profitability for the MEMS leader

Grenoble-based Integrated Optics Specialist Becomes a MEMSCAP Company

Grenoble, France and San Jose, California, October 27, 2003 – MEMSCAP (Euronext:MENS), the leading provider of innovative solutions based on MEMS (micro-electromechanical systems), today announces it has entered into definitive agreement to acquire the Grenoble-based company Opsitech SA. In parallel, MEMSCAP gives its revenue for the third quarter 2003.

A spin-off from the French “Laboratoire d’Electronique et des Technologies de l’Information (LETI)” of the “Commissariat à l’Energie Atomique (CEA)”, Opsitech is specialized in integrated optics that can be associated with MEMS.

This acquisition strengthens MEMSCAP optical expertise. Its complementarity with the activities of recently acquired GalayOr, will increase MEMSCAP optical business activity and patent portfolio.

This acquisition realized with the active support of CEA-LETI, will enable MEMSCAP new configuration to get access to the CEA-LETI intellectual property in silicon integrated optics technologies and team expertise specifically through a license and research and development agreement, key element of this transaction.

This agreement will consolidate the Grenoble based Micro and Nano technology center of expertise and give it a new impetus.

“I am glad this agreement between OPSITECH, MEMSCAP and CEA took place. It comes in the frame of the consolidation of Grenoble microtechnology regional platform. This agreement will give it a new momentum through a company with wider capabilities and international recognition”, declares Jean Therme, Director of CEA Technology Research.

1. ACQUISITION FINANCED THROUGH STOCK

According to the terms of the acquisition agreement, MEMSCAP will acquire Opsitech for 3,75 million euros by issuing common shares to Opsitech shareholders, upon closing of the transaction. The acquisition is subject to customary approvals and review including the approval of MEMSCAP shareholders, review of the transaction by an independent appraiser (commissaire aux apports) and approval of the stock market regulatory authorities.

In addition to the products and technologies, to the patent portfolio and the strategic relationship with CEA-LETI, this acquisition reinforces MEMSCAP net cash position by 2 million euros.

“MEMSCAP has established itself for the past years as the MEMS leader and more recently as a major actor of the consolidation taking place in our industry”, declares Joël Alanis, Chief Executive Officer of Opsitech. “The acquisition of Opsitech will strengthen the Grenoble and regional ties of MEMSCAP, specifically through the support of the CEA-LETI, our incubator».

2. THIRD QUARTER 2003 REVENUE

The third quarter revenue ended at 1,9 million euros (2,1 million US dollars) when the third quarter revenue in 2002 was 1,3 million euros (1,2 million US dollars).

Year to year, third quarter revenue grew by a ratio of 46% in euros and 75% in dollars.

The split in business is shown in the table below, both in euros and dollars.

	Q3, 2003	
	In million €	In million US\$
Sensor Solutions	0,9	1,0
Wireless Communications	0,2	0,2
Optical Communications	0,1	0,1
Software	0,2	0,2
Foundry Services	0,5	0,6
TOTAL	1,9	2,1

Third quarter revenue, traditionally the most difficult in MEMSCAP business sectors, confirms a return to growth that started showing during first semester.

These figures are significant if compared with the 2002 figures: the three first quarters of year 2003 already equal the full year 2002 revenue. Fourth quarter will then represent for the Company the net growth value.

Other major events of this third term 2003 include the acquisition by MEMSCAP of GalayOr, and the capital increase opened to MEMSCAP shareholders with the issuance of free warrants exercisable before November 11, 2003. Furthermore, MEMSCAP next capital increase for a

minimum of 1,5 million dollars, as announced by the company in its press release of August 28, 2003, will take place before the end of fiscal year 2003.

“The growth MEMSCAP managed since the beginning of the year represents the results of steady efforts realised by our Company. We have put in place the tools and elements that are necessary to maintain and develop this growth in parallel to drastic cost reduction and cash increase measures. Those efforts focus on enabling the return to profitability of the Company in 2004”, declares Jean-Michel Karam, Chief Executive Officer of MEMSCAP. “The acquisition of Opsitech, following the one of GalayOr, consolidates our leadership position”.

About MEMSCAP

MEMSCAP is the leading provider of innovative micro-electro-mechanical systems (MEMS)-based solutions. MEMSCAP solutions include components, component designs (IP), CAD design tools, manufacturing and related services. MEMSCAP customers include Fortune 500 businesses, major research institutes and universities. The company's shares are traded on Euronext under the ticker symbol MEN , where MEMSCAP belongs to the Next Economy segment, to the SBF250 and ITCAC50 indexes. More information on the company's products and services can be obtained at <http://www.memscap.com>

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