



MEMSCAP®
The Power of a Small World™

**MEMSCAP COMPLETES THE SALE
OF ITS BERNIN MANUFACTURING SITE TO SOITEC**

The two companies have signed today the official sale of property act

Grenoble, France and Durham, North Carolina, July 28, 2006 – MEMSCAP (Euronext: MEMS), the leading provider of innovative solutions based on MEMS (micro-electro-mechanical systems) technology, today announces the completion of the sale of its Bernin manufacturing plant to SOITEC (Euronext : SOI).

The Company had announced on July 6, the conclusion of a sale agreement of its Bernin industrial site which finalisation occurred today. This sale is made for a net amount of 13 million euros which includes the transfer of the existing site lease-back agreement

One of the results of the sale is that it totally annuls MEMSCAP financial liabilities (with net cash over 10 million euros) and enables the Company to increase its cash by 7 million euros, as reminded in the table below:

<i>In thousand euros</i>	Prior to sale <i>(Estimated amounts as of June 30, 2006)</i>	Post sale
Financial Liabilities	(10 449)	(1 710)
Financial Assets	3 676	1 121
Cash *	3 880*	10 601*
Net Cash / (Net Liabilities)	(2 893)	10 012

* excluding an unused overdraft of 0.5 M€

The sale impact on the Group annual net result should be an improvement of over 1 million euros per year.

<i>Annual basis, In thousand euros</i>	Prior to sale <i>(Estimated amounts as of June 30, 2006)</i>	Post sale
Financial Loss generated by the lease and buy-back agreement	(360)	0
Financial Profit generated by the net proceeds of the sale transaction	0	210*
Operational expenses (maintenance fees) and taxes related to the Bernin site	(500)	0
Total	(860)	210
Impact of the sale		1070

*on an interest rates basis of 3% based on the cash generated by the sale

The impact of the sale on the annual consolidated Group cash flow (taking into account the reimbursement of the lease-back agreement from the financial assets) should be an improvement of around 2.4 million euros.

<i>Annual basis, In thousand euros</i>	Prior to sale <i>(Estimated amounts as of June 30, 2006)</i>	Post sale
Annual payment related to the lease and buy-back agreement from Cash	(1 184)	0
Annual payment related to the lease and buy-back agreement from Financial Assets	(471)	0
Financial Profit generated by the net proceeds of the sale transaction	0	210*
Operational expenses (maintenance fees) and taxes related to the Bernin site	(500)	0
Total	(2 155)	210
<i>Impact of the sale</i>		2 365

**on an interest rates basis of 3% based on the cash generated by the sale*

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 Euronext Paris S.A (ISIN: FR0010298620-MEMS), where MEMSCAP belongs to the Next Economy segment. More information on the company's products and services can be obtained at www.memscap.com.

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