

Cerep Reports 1999 Consolidated Results

Rueil-Malmaison, France, 19 April 2000

Cerep SA today announced sales for the year ended 31 December 1999 of FF70.6m (EUR10.8m) compared to FF56.1m (EUR8.6m) in 1998, an increase of 26%.

The net result in 1999 was a loss of FF31.9m (EUR4.9m), in line with the company's forecast, and compared to a loss of FF15.3m (EUR2.3m) the previous year. This increased loss was mainly due to R&D spending that rose by more than 60% to FF34.9m (EUR5.3m), compared to FF21.8m (EUR3.3m) in 1998. R&D expenditures in 1999 principally reflected investment in the group's subsidiary, Cerep Inc., for the enhancement of its pharmaceutical profiling activity, the validation of new tests, development of BioPrint™, and the synthesis of the high quality chemical library, Odyssey 5000. R&D also includes the costs of the drug discovery program jointly conducted with the Belgian company Tibotec NV. These investments are expected to provide returns in the short, medium, and longer terms.

Thierry Jean, President and CEO, commented: " In 1999, Cerep continued to strengthen its technological platform by enhancing its existing tools and by developing new expertise. The important strategic agreements signed by the company, and the commercial successes achieved in this past year, show that our strategy is sound and give us confidence in our ability to reach break-even in the near future".

Exceptional charges in 1999 amounted to FF6.7m (EUR1.0m), compared to FF0.4m (EUR0.06m) the year before. They were mainly due to consolidating operations at Cerep's Rueil-Malmaison (France) facility. They also reflect the reorganisation costs incurred as a result of the strategic agreement concluded between Cerep and Bristol-Myers Squibb. In addition to non-recurring charges estimated at FF3.5m (EUR0.7m), were incurred. This charges included onetime costs associated with integrating the new research team hired by the company according to the terms of the agreement with UPSA.

At the end of 1999, Cerep had cash and cash equivalent of FF63.6m (EUR9.7m) versus FF72.8m (EUR11.1m) at the end of 1998. The company's debt amounted to FF29.8m (EUR4.5m), compared to FF20.3m (EUR3.1m) in 1998.

THE KEY EVENTS IN 1999

February: Expansion of the R&D agreement signed with Sanofi in 1997, to include the screening of an additional two targets.

May : Signature of a three-year world-wide agreement with Pfizer for access to high throughput pharmaceutical and pharmacological profiling technologies.

Marketing launch of the pharmaceutical profiling services developed by the company's US subsidiary, Cerep Inc.

June : Signature of an R&D agreement with Tibotec NV to search for new treatments in the field of HIV.

August : Commercial launch of the company's database, BioPrint™, which contains the biological and physical-chemical data of all drugs currently in the market, and compounds which failed in late developmental phases.

First marketing of the chemical library, Odyssey 5000.

September : Signature of two partnership agreements with Aventis CropScience, which include the right to royalties on any products that come out of this collaboration.

October: Signature of a five-year partnership with Bristol-Myers Squibb, by which BMS subscribes to BioPrint™ and funds three research projects. The whole agreement is valued at \$43m, plus the payment of royalties on any marketed products resulting from the collaboration.

In 2000, Cerep plans to increase its revenues through growth of pharmaceutical profiling and pre-clinical pharmacology activities, as well as its traditional services. Cerep also intends to enter into new strategic collaborative agreements and conclude new subscriptions to its BioPrint™ database, thus generating, consistent with its strategy, revenues over the short, medium, and longer terms.

About Cerep:

Founded in 1989 by Thierry Jean, Cerep's mission is to optimise the drug discovery process.

Cerep provides solutions to the pharmaceutical for faster and cost effective drug discovery by identifying at early stages compounds that will fail in development. Cerep integrated platform encompasses a whole range of technologies including chemistry, biology, and informatics.

The company was introduced on the Nouveau Marché on 18 February 1998 (Sicovam code: 6179).

Statements included in this press release which are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements" for purposes of the safe harbour provided by Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words including "anticipates", "believes", "intends", "estimates", "expects" and similar expressions. The company cautions readers that forward-looking statements, including without limitation those relating to the company's future operations and business prospects, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements. Factors that may affect future operations and business prospects include, but are not limited to, clinical and scientific results and developments concerning corporate collaborations and the company's proprietary rights and other factors described in the prospectus relating to the company's recent public offering.