

Cerep reports 2000 consolidated results Profitability attained for the full year

Rueil-Malmaison, France, April 9, 2001

Sales of Cerep for the year ended December 31, 2000 were Euros 18.3 million (FF 119.9 million) compared to 1999 sales of Euros 10.8 million (FF 70.6 million), an increase of 70%. Exports represent more than 70% of the sales, up from 60% in 1999. Fee-for-service revenues increased 49% to Euros 11.0 million (FF 72.4 million) while collaboration revenues increased 117% to Euros 7.2 million (FF 47.5 million).

Cerep reached profitability in 2000, posting a net profit of Euros 0.2 million (FF 1.5 million), which compares to a loss of Euros 4.9 million (FF 31.9 million) the previous year. Operating income for 2000 was a loss of Euros 1.0 million (FF 6.9 million) compared to 1999 loss of Euros 5.4 million (FF 35.7 million).

For the second half, sales reached Euros 10.2 million (FF 67.1 million) an increase of 65% over the Euros 6.2 million (FF 40.6 million) recorded in 1999. Operating income was Euros 0.3 million (FF 1.8 million) compared to a loss of Euros 2.6 million (FF 17.2 million) in 1999 and net income was Euros 0.8 million (FF 5.8 million) compared to 1999's loss of Euros 2.9 million (FF 19.0 million).

Operating expenses increased 18% with sales increasing 70%

Operating expenses increased 18% to Euros 20.1 million (FF 131.6 million) from Euros 17.0 million (FF 111.4 million). The principal reason for the increase was higher employee expense, Euros 9.9 million (FF 65.1 million), 37% more than the Euros 7.2 million (FF 47.4 million) of the previous year reflecting higher headcount. At the end of 2000 Cerep had 212 employees versus 183 the year before. 1999's operating expenses include non-recurring charges of Euros 0.6 million (FF 3.5 million) associated with integrating new employees and reorganizing the business development department.

R&D costs significantly increased while attaining profitability

Research and development costs, included in operating expenses, increased 94% to Euros 10.3 million (FF 67.9 million) in 2000 from Euros 5.3 million (FF 34.9 million) in 1999.

Non-operating items

Financial income declined to Euros 0.14 million (FF 1.0 million) from Euros 0.6 (FF 3.9 million) in 1999 principally because of foreign exchange losses of Euros 0.2 million (FF 1.4 million) in 2000 compared to foreign gains of Euros 0.2 million (FF 1.4 million) in 1999.

Exceptional items were essentially zero in 2000 compared to a loss of Euros 1.0 million (FF 6.7 million) in 1999. The 1999 charge was incurred to establish a reserve for the costs associated with closing the sites of Paris and Lille and consolidating these activities in Rueil-Malmaison.

The tax credit is predominantly related to a research and development credit granted by the French government. The amount of the credit was Euros 1.1 million in 2000 (FF 7.5 million) compared to Euros 1.0 million (FF 6.4 million) in 1999.

Treasury : cash position stabilized during the second half of the year

At the end of 2000, Cerep had cash and cash equivalents of Euros 8.0 million (FF 52.4 million) versus Euros 9.7 million (FF 63.6 million) at the end of 1999 and Euros 7.6 million at June 30, 2000. The company's debt amounted to Euros 4.8 million (FF 31.6 million) compared to Euros 4.5 million (FF 29.8 million) in 1999.

CEO comments

Thierry Jean, President and CEO, commented: "Cerep attained profitability one year before forecasted. This success largely reflects the rapid return on strategic investments made since 1998. Sales were robustly higher in all business segments while we were able to limit the increase of operating expenses. We look to 2001 and beyond with optimism, thanks to our growing range of products, our stable financial situation, an encouraging backlog of orders and promising discussions in progress."

Significant achievements of 2000

- . Profitability attained while maintaining a high level of research & development activities.
- . Centralization in Rueil-Malmaison facility completed allowing leases of Lille and Paris facilities to be terminated. Operational and financial efficiencies are immediately realized.
- . First sales of pre-clinical tests, confirming Cerep's increased breadth of technologies. Pre-clinical pharmacology competencies had been incorporated to Cerep's platform at the end of 1999.
- . More than 80 new pre-clinical and in vitro pharmacological assays developed.
- . Number of clients reaches 160 worldwide.
- . Signature of a three-year worldwide agreement with Solvay for access to a large panel of Cerep's technologies available on a fee for service basis.
- . Signature of a three-year partnership with Roche (announced in January 2001).
- . Significant progress in its collaboration with Bristol-Myers Squibb both in drug discovery and in the pharmaco-informatic database tool, BioPrint™. First patents filed.
- . First predictive models using BioPrint™ knowledge developed.
- . Culminating months of competitive negotiations, signature of four collaborative agreements in combinatorial and medicinal chemistry in the fourth quarter. These two-year agreements provide for four pharmaceutical companies to be furnished with libraries synthesised by Cerep to exacting standards of purity and diversity (announced in January 2001).

Simplified consolidated financial statement

Balance sheet (k€)	2000	1999
Fixed assets	5,911	6,543
Current assets	17,757	16,139
Total assets	23,668	22,682
Shareholders' equity	11,970	11,389
Contingency reserves	445	958
Debt	11,253	10,335
Total liabilities	23,668	22,682
Income statement (k€)	2000	1999
Operating income	19,017	11,543
. sales	18,284	10,762
. other	732	782
Operating expenses	20,066	16,981
Net operating income	- 1,049	- 5,438
Financial income	149	600
Net profit before tax	- 900	- 4,838
Non-current income	- 8	- 1,015
Income tax	- 1,143	- 987
Net profit loss	235	- 4,866

Milestones for 2001

In 2001, Cerep plans to increase its revenues through growth of pharmaceutical profiling and pre-clinical pharmacology activities, as well as its traditional services. The fee for services business should grow by more than 30%. Cerep also intends to enter into new strategic partnership agreements and significantly increase the size of its BioPrint™ database, developing, consistent with its strategy, revenues over the short, medium, and longer terms.

Cerep's mission is to optimize the drug discovery process. Cerep provides solutions to the pharmaceutical industry allowing faster and more cost effective drug discovery by identifying at early stages the most promising drug candidates as well as eliminating those compounds likely to fail in development. Cerep's integrated platform encompasses a complete range of technologies including chemistry, biology, and informatics.

Cerep provides its technologies to more than 160 pharmaceutical and biotechnological companies worldwide including most of the top pharmaceutical firms. Cerep has signed several strategic alliances for drug discovery with leading pharmaceutical and agrochemical companies, including Bristol-Myers Squibb, Sanofi-Synthelabo and Aventis CropScience as well as multi-year service contracts with such companies as Pfizer, Solvay and Roche.

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 harbor 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 Company's Document de Référence.

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