

Cerep reports second quarter 2001 consolidated sales up 56% and posts an operating profit for the first half

Rueil-Malmaison, France, August 1st, 2001 - Cerep (Nouveau Marché : CEREP) today announced consolidated second quarter sales of Euros 6.4 million (FF 41.7 million) compared to Euros 4.1 million (FF 26.6 million) for the same period in 2000, an increase of 56%. For the first half, the sales were Euros 12.6 million (FF 82.9 million) compared to Euros 8.1 million (FF 52.9 million) for the first half of 2000, an increase of 57%.

For the second quarter, service revenue alone increased by 95% to Euros 4.5 million (FF 29.7 million) compared to Euros 2.3 million (FF 15.3 million) for the same period in 2000. Revenue from the drug discovery collaborations grew to Euros 1.8 million (FF 12.3 million) for the second quarter 2001 versus Euros 1.7 million (FF 11.3 million) in 2000, an increase of 9%.

For the first half, service revenue increased to Euros 8.9 million (FF 58.6 million) compared to Euros 4.7 million (FF 30.6 million) for the same period in 2000 a progression of 92 % and drug discovery collaborations revenue grew by 10% to Euros 3.8 million (FF 24.6 million) compared to Euros 3.4 million (FF 22.3 million) for the first half 2000.

Operating profit for both the second quarter and the first half 2001

The operating result for the second quarter 2001 is a profit of Euros 0.4 million (FF 2.3 million), leading to an operating profit for the first half 2001 of approximately Euros 1.0 million (FF 6.2 million) compared to an operating loss of Euros 1.3 million (FF 8.7 million) for the same period in 2000.

For the first six months of the year, Cerep expects the result of the group – before research tax credit but after financial and exceptional result - to reach Euros 0.8 million (FF 5 million). The exceptional result includes exceptional charges linked to the increase of capital Cerep withdrew in the first half of 2001.

Stable cash position

The cash balance at June 30, 2001 was Euros 8.0 million (FF 52.2 million) compared to a balance of Euros 9.0 million (FF 59.0 million) at March 31, 2001 and Euros 8.0 million (FF 52.4 million) at December 31, 2000.

CEO comments on the financials

« The increase in Cerep's revenue for the second quarter and for the first half of 2001 illustrates the relevance of the innovative solutions that we offer to the pharmaceutical industry in the field of Drug Discovery. It is also a clear recognition of the quality of our services and products. The profitability of our fee-for-service activity allows us to finance ambitious R&D programs, supporting the future growth of Cerep, while maintaining an operating profit for the group » commented Thierry Jean, Chairman and CEO.

Recruitment of a Chief Financial Officer for the group

Cerep also announces the recruitment of Jean-Yves Latombe as Chief Financial Officer for the group. With over 25 years spent in the field of finance and capital development, Jean-Yves Latombe brings a strong experience in IPOs and merger-acquisitions. He is a specialist in the development and implementation of growth strategies. Prior to joining Cerep, Jean-Yves Latombe was President of Petit Jean SA, a 1500-employee company based both in France and in the US. He was also Chairman and CEO of Lebon Développement where he managed the capital-investment activity. As such, he served as Board member of Sofinnova SA. Jean-Yves Latombe is a graduate of

HEC and of the Institut d'Etudes Politiques of Paris. He will replace John Dwyer who leaves the company to pursue other activities in the US.

« John has made significant contributions to the development of Cerep and we wish him well in his new endeavours » added Thierry Jean.

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 and Solvay.

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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