

## Cerep reports a strong increase in first half 2001 consolidated results Net profit for the period

Rueil-Malmaison, France, September 25, 2001

### Sales

For the six month period ending June 30, 2001, Cerep reported sales of Euros 12.6 million compared to Euros 8.1 million for the first half of 2000, an increase of 57%.

For the first half, service revenue alone increased by 92% to Euros 8.9 million compared to Euros 4.7 million for the same period in 2000. Drug discovery collaborations revenue grew by approximately 10% to Euros 3.7 million compared to Euros 3.4 million for the first half 2000.

### Results

The operating result for the first half 2001 is a profit of approximately Euros 1.0 million compared to an operating loss of Euros 1.3 million for the same period in 2000.

For the first six months of the year, the net result of the group is a profit of Euros 0.9 million compared to a net loss of Euros 0.6 million for the same period of 2000.

Consolidated results are summarized as follows :

K€	First half 2001	First half 2000	Change %
Net sales	12 643	8 059	+ 57 %
Operating result	950	<1 323>	+ 172 %
Financial income	376	233	+ 61 %
Net profit before tax	1 326	<1 090>	+ 222 %
Exceptional result	<517>	<16>	ns
Net result	937	<642>	+ 246 %

The public offering launched during the first half of the year has been withdrawn on June 21, 2001 due to market conditions that make it impossible to fix a price that respects the interests of both current shareholders and new investors. The exceptional result includes the exceptional charges of Euros 0.5 million linked to the increase of capital Cerep withdrawn in June.

Cerep intends to proceed to an increase in its share capital by way of a private placement with qualified investors, which principle has been approved by the shareholders in the general meeting held on September 20, 2001. The Board of Directors of Cerep may implement this increase of the share capital, representing approximately 9,2 % of the existing capital, within a period of two months from the general meeting.

### Research & development – tax credit

R&D costs for the six months ended June 30, 2001 are Euros 5.3 million compared to Euros 4.9 million for the same period in 2000.

The tax credit of Euros 0.1 million for the period is essentially a research and development credit which compares to Euros 0.4 million for the first half of 2000.

### Cash position

Cerep's cash and cash equivalents position at June 30, 2001 was Euros 8 million, consistent with Euros 9 million at March 31, 2001 and Euros 8 million at December 31, 2000.

Operating activities for the first half-year 2001 provided Euros 1.6 million in cash, compared to cash used of Euros 0.3 million for the year ended December 31, 2000. For the six months ended June 30, 2001, investments used Euros 1.6 million in cash and were primarily financed on the Company's funds.

### CEO comments on the financials

« Cerep's results illustrate the increasing interest of pharmaceutical companies in our products and services. The re-organization of our activities implemented in 2000 also contributed to these results » commented Thierry Jean, President and CEO. « Strengthening our commercial team had immediate positive impact and we are confident in our ability to increase the revenue in the second half of 2001 compared to that generated in the second half of last year » he added.

## Highlights of the period

### Recent collaborations

In January 2001 Cerep announced the signature of four collaborations in combinatorial and medicinal chemistry concluded in the last quarter of 2000 with the German company Grünenthal, the French company Laboratoires Fournier, the Italian Zambon and a fourth European pharmaceutical company. Cerep has been selected for its expertise in combinatorial chemistry, medicinal chemistry and chemo-informatics.

In the course of the two-year collaborations, the pharmaceutical companies will receive Cerep's synthesized libraries of diverse and optimally purified molecules that will meet pre-defined physical-chemical criteria.

In February 2001, the Company announced the signature of a three-year drug discovery partnership with Roche. Under the terms of the worldwide agreement, Roche uses Cerep's proprietary drug discovery platform for the identification and selection of its drug candidates through Cerep's expertise in high throughput screening, in pharmacological and pharmaceutical profiling and in classical pharmacology.

In June 2001, Cerep also concluded a three-year drug discovery partnership with Aventis Pharma (Frankfort, Germany). Under the terms of this agreement, Aventis benefits on a non-exclusive basis from Cerep's drug discovery platform in its pre-clinical research process generating novel, advanced candidates for drug development. Cerep provides on a fee-for-service basis access to its technologies in pharmaceutical and pharmacological screening and profiling and to its general pharmacology services.

### Recruitments

During the first six months of 2001, Cerep strengthened its European commercial team through the recruitment of two sale managers.

Cerep also hired 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. Jean-Yves Latombe is a graduate of HEC and of the Institut d'Etudes Politiques of Paris. He joined Cerep in September 2001.

### Technologies and Services

The 2001 catalogue presenting all Cerep services was published in January. For the first year, it includes *in vivo* pharmacological models developed and validated since the integration of the scientists of UPSA within Cerep's teams.

Chemical information and biological data generated by Cerep for additional reference drugs have been included into BioPrint™. As for the end of 2001, BioPrint™ will include information on 2000 reference successful drugs or failed compounds.

Cerep has sold its services and products to more than 170 biotechnology and pharmaceutical companies since the beginning of 2001, more than for the full year 2000.

*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 170 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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