

Cerep reports third quarter 2002 consolidated sales 18% growth in revenue and increased profitability

Rueil-Malmaison, France, November 13, 2002/press release 2002/10

Third quarter sales

Cerep (Nouveau Marché : CEREP) today announced consolidated 2002 third quarter sales of EUR 8.061 million compared to EUR 6.827 million for the third quarter 2001, an increase of 18.1%.

For the first nine months, the sales were EUR 23.720 million, an increase of 21.8% compared to EUR 19.470 million for the same period of 2001.

At September 30, 2002 service revenue alone amounted to EUR 5.946 million, an increase of 19.7% compared to EUR 4.968 million for the third quarter 2001.

During the third quarter 2002, collaboration revenue increased by 13.8% to EUR 2.115 million over the EUR 1.859 million in 2001. The growth is essentially due to sales of BioPrint® derived products.

For the first nine months of 2002, the growth of fee for service revenue was 25.9% to reach EUR 17.506 million compared to EUR 13.905 million in 2001.

For the same period the collaboration revenue grew to EUR 6.214 million versus EUR 5.565 million in 2001, an increase of 11.7%.

Sales in all service areas continue to grow significantly. Historically, fourth quarter revenue has exceeded that of other quarters and we expect this trend to be repeated this year. For the whole year, the overall growth of our service activities should be in line with that observed during the first three quarters of 2002.

Negotiations that we are currently pursuing around BioPrint® and related drug discovery activities are expected to be finalized before the end of the year. This leaves us confident in our ability to reach our targeted revenue of about EUR 37 million in 2002.

Service revenue in 2002 comes from over 200 pharmaceutical and biotech companies worldwide. This diversified customer base protects us from local fluctuations in economic conditions. Our top ten clients, representing less than 35% of our global revenue, are major, long-term strategic customers (among which are Aventis, BMS¹, J&J², Pfizer, Roche, Sanofi-Synthelabo, Sepracor, Solvay) which use Cerep's technologies for ongoing support to their internal discovery efforts. These companies have in past years, and continue to provide a strong and stable foundation for sustained growth.

Operating profit for the period

The operating result for the third quarter 2002 is a profit of EUR 0.522 million compared to a profit of EUR 0.252 million for the same period of 2001, an increase of 107.1%.

For the nine months, the operating result is a profit of EUR 1.534 million, a growth of 27.6% versus a profit of EUR 1.202 million in 2001.

Cash position

At September 30, 2002, Group cash and cash equivalents (which includes marketable securities) amounted to EUR 18.886 million, compared to EUR 19.442 million at June 30, 2002.

1 BMS : Bristol-Myers Squibb

2 J&J : Johnson & Johnson Pharmaceutical Research & Development

Sales by activity and operating result

EUR in thousands	3 rd quarter 2002	3 rd quarter 2001	Change %	9 months 2002	9 months 2001	Change %
Sales revenue						
Services	5,946	4,968	19.7	17,506	13,905	25.9
Collaborations	2,115	1,859	13.8	6,214	5,565	11.7
Total	8,061	6,827	18.1	23,720	19,470	21.8
Operating result	522	252	107.1	1,534	1,202	27.6

Sylvie Etienne named as Director of Clinical Development

Sylvie Etienne, MD, PhD, has recently joined the company as Director of Clinical Development. Her mission will be to develop the portfolio of drug candidate research programs through drug discovery collaborations with partners or through programs carried out by Cerep leading to candidates for outlicensing. She will also be involved in the development of certain drug discovery tools, especially BioPrint®.

Sylvie Etienne graduated from the University of Medicine of la Pitié Salpêtrière (Paris, France) and obtained her PhD in neuro-psycho pharmacology. After two years with Wellcome France, followed by a five year experience with Rhone Poulenc Rorer, she joined Hoescht Marion Roussel in 1994, then after Aventis as Medical Director.

Cerep's mission is to build a pipeline of drug candidates aimed to be licensed out at the beginning of clinical phases. The drug discovery effort is financed through profitable fee for services activities.

Cerep provides solutions allowing faster and 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's technologies benefit to more than 200 pharmaceutical and biotechnological companies worldwide including most of the top pharmaceutical firms.

Cerep's drug pipeline includes collaborative drug candidates developed with Bristol-Myers Squibb, Sanofi-Synthelabo and Sepracor, as well as products discovered on its own.

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 référenc

Contact

Thierry Jean, President and CEO
 Jean-Yves Latombe, Chief Financial Officer
 Tel : + (33) 1 55 94 84 00

fincom@cerep.fr

Code Euroclear France : 6179 – Nouveau Marché