

2001 consolidated results

Cerep confirms performance

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Strong growth in sales revenue and results

Consolidated sales revenue for the year ended December 31, 2001 were € 27.67 million, an increase of 51.3% from € 18.28 million in 2000.

Service activities generated revenue of € 20.26 million in 2001, representing an increase of 83.5% compared to € 11.04 million recorded in 2000. This growth stems from all of Cerep's activities, but is particularly high in chemistry and in the pharmacology pre-clinical testing lines of business.

Revenue from strategic collaborations was € 7.41 million in 2001, consistent with € 7.24 million in 2000, and represented a change of 2.3% as no new similar agreement produced effect in 2001.

Consolidated net result for 2001 was a profit of € 2.40 million, compared to a profit of € 0.24 million in 2000. Cerep confirms the amount of net operating income for 2001, already disclosed in February, that reflected a profit of € 2.01 million compared to a net operating loss of € 1.05 million in 2000.

Operating expenses

Operating expenses for 2001 were € 26.36 million, representing an increase of 31.3% from € 20.07 million in 2000, principally attributable to the growth in salaries and payroll benefits and the rise in raw materials used. Wages and salaries increased 31.5% to € 13.05 million in 2001 compared to € 9.92 million in 2000. This increase reflects the growth in the number of employees to 271 at the end of 2001, from 212 at the end of 2000, intended to support in good conditions the growth in revenue and the sustained research and development efforts. Consumption of raw materials rose 54.6% to € 4.87 million in 2001, from € 3.15 million in 2000; relative to total sales for the year, cost of raw materials was 17.6% in 2001, compared to 17.2% in 2000, reflecting in particular the additional R&D efforts engaged by Cerep.

Research and development

Research and development costs increased 10% to € 11.39 million in 2001, compared to € 10.35 million in 2000, and to € 5.30 million in 1999.

Other income statement items

Net consolidated financial income for the year was € 0.26 million, compared to € 0.15 million in 2000.

Cerep reports a consolidated exceptional loss of € 0.52 million in 2001, principally attributable to the costs incurred as part of the capital offering initiated in the first half of 2001.

Research tax credit amounted to € 0.51 million in 2001, compared to € 1.10 million in 2000.

Cash position

At December 31, 2001, Group cash and cash equivalents (which includes marketable securities) amounted to € 19.13 million, compared to € 7.99 million at December 31, 2000. Working capital at year-end 2001 amounted to € 24.71 million, compared to € 11.31 million at the beginning of the year.

In October 2001, a capital increase allowed Cerep to consolidate its equity by € 11.63 million.

At the end of 2001, debt with financial institutions amounted to € 4.15 million, of which € 2.45 million consisted of financial leases on Celle L'Evescault laboratories, and on several items of equipment.

In addition, € 1.30 million is relating to an ANVAR's reimbursable innovation loans.

Consolidated balance sheet and income statement (extracts)

Year - In thousands of euros	2001	2000
Fixed assets and other assets	7,264	5,911
Current assets	33,634	17,757
Total assets	40,898	23,668
Shareholders' equity	26,171	11,970
Provisions and accrued costs	355	445
Liabilities	14,372	11,254
Total liabilities and Shareholders' equity	40,898	23,668

Income statement - In thousands of euros	2001	2000
Operating revenues	28,366	19,017
. <i>Net sales revenue</i>	27,668	18,284
Operating expenses	26,356	20,066
Net operating income	2,010	- 1,049
Net Financial income	264	149
Net income (loss) before exceptional and tax	2,274	- 900
Net exceptional income	- 520	- 4
Income tax	- 643	- 1,139
Net Income	2,397	235

Significant achievements

- . Positive net result obtained while maintaining a high level of research & development activities.
- . € 11.63 million capital increase in October 2001.
- . Extension of Rueil-Malmaison and Celle L'Evescault laboratories.
- . Production in January of Cerep's 2002 catalogue, featuring the services proposed by the company. It includes 51 new assays developed in 2001, bringing the total number of assays offered in 2002 to 579.
- . Over 200 customers worldwide.
- . Sustained commercial efforts in Japan which amounted to 11% of sales revenues in 2001.
- . Approximately 1,100,000 records in BioPrint™.
- . Extension for year 2002 of the strategic collaboration agreement signed with Sanofi-Synthélabo. Both parties decided to focus and pursue discovery efforts on two of the more advanced programs and to initiate high throughput screening and lead optimization on two novel targets of therapeutic interest.
- . Signing of several multi-year service agreements which reassert the recurrence of these activities (including the Aventis agreement announced in June 2001).
- . Continuation of the four combinatorial and medicinal chemistry agreements signed at the end of 2000. These agreements last through the first half of 2002 (January 2001 press release).
- . Signing of a scientific cooperation agreement in medicinal chemistry with Aventis Pharma. Under the terms of the agreement, Cerep provides Aventis Pharma, on a fee for services basis, resources in medicinal chemistry for the realization of a research program essentially focused on optimizing molecules that are protein-kinase inhibitors.
- . Signing of a 5-year R&D agreement with Sepracor. This agreement is based on the use of BioPrint™ technology in specific discovery efforts. Under the terms of the agreement, Sepracor has also access to Cerep's *in vitro* and *in vivo* assays to support discovery and development of new drug candidates.
- . Inception by Cerep of its first internal drug discovery aimed at building a pipeline of products that could be licensed out at the end of pre-clinical phase, or, at the latest, while in clinical phase I or IIa. In particular, one program is under way in collaboration with an academic laboratory, focused on an active target of the gastrointestinal and cardiovascular areas. The first patents were filed in February 2001.

2002 Outlook

Assuming a stable economic environment, Cerep's expected growth in all of its activities could allow 2002 sales revenue to reach € 37 million.

Cerep intends to maintain sustained research and development efforts throughout 2002. Cerep will particularly pursue efforts in developing informatics systems and tools to process data, and to process information for its own needs.

Cerep also intends to initiate additional drug discovery programs as part of strategic collaborations but also on its own. Cerep believes BioPrint™ provides a significant competitive advantage and will leverage from it in its own drug discovery effort.

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 drugs pipeline includes collaborative drug candidates developed with Bristol-Myers Squibb, Sanofi-Synthélabo 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 référence.

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