

## 2003 third quarter sales and operating result

# Service activities grow 30% at constant exchange rates

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### Third quarter and nine months 2003 consolidated sales

#### ■ Third quarter 2003

Cerep third quarter 2003 consolidated sales revenues (French Nouveau Marché : Cerep) totalled M€ 8.31 compared to M€ 8.06 for the third quarter 2002, an increase of 3.1%. Based on constant exchange rates (essentially euro/dollar) from the third quarter last year, consolidated sales for the period would have increased 14.9%.

At September 30, 2003, service activities generated sales worth M€ 6.96 compared to M€ 5.95 for the same quarter in 2002, an increase of 17.0%. On a constant currency basis, service sales for the period would have increased by 30.3%. This increase is essentially due to the growth in pharmacological profiling activities, as illustrated by the successful collaboration signed with Lilly for the year 2003.

Revenues from strategic partnerships amounted to M€ 1.35 for the quarter, reflecting a decrease of 36.3% (-28.3% on a constant currency basis) compared to M€ 2.12 for the same period last year. During the third quarter, Cerep received a milestone payment from Bristol-Myers Squibb (BMS) as provided by the terms of the drug discovery agreement signed in October 1999 (see hereafter).

#### ■ First nine months 2003

For the first nine months of 2003, total sales revenues were M€ 23.22, consistent with sales revenues of M€ 23.72 in 2002. On a constant currency basis, sales for the period would have grown 8.9%.

For the same period, service activities generated sales of M€ 19.83, reflecting an increase of 13.3% from € 17.51 in 2002. At constant exchange rates this growth would have been 26.5%.

Revenues from strategic partnerships totalled M€ 3.40 during the first nine months of the year, thereby reflecting a decrease of 45.3% (-40.8% at constant exchange rates) compared to M€ 6.21 in 2002.

### Operating income

Operating income for the second quarter 2003 was a loss of M€ 0.21, compared to a profit of M€ 0.52 in 2002.

At September 30, 2003, Cerep reported an operating loss of M€ 2.49 compared to a profit of M€ 1.53 for the first nine months of 2002.

### Cash position

Net consolidated cash and cash equivalents (excluding Cerep shares held and related cash) was M€ 20.15 at September 30, 2003 compared to M€ 20.89 at June 30, 2003 and M€ 18.89 at September 30, 2002.

### Sales by activity and operating result

Sales revenue (K€)	3 <sup>rd</sup> quarter 2003	3 <sup>rd</sup> quarter 2002	Change %	9 months 2003	9 months 2002	Change %
• Services	6,960	5,946	17.0%	19,828	17,506	13.3%
• Strategic partnerships	1,349	2,115	-36.3%	3,395	6,214	-45.3%
Total	8,309	8,061	3.1%	23,223	23,720	-2.1%
Operating result	-213	522	-	-2,493	1,534	-

### Significant event during the third quarter

On September 16, 2003, Cerep announced an Investigational New Drug (IND) filing with the U.S. Food and Drug Administration (FDA) for a novel LFA-1 antagonist as a result of its collaboration with Bristol-Myers Squibb Company.

Under the terms of the agreement signed with Bristol-Myers Squibb in late 1999, the IND filing triggered the first milestone payment to Cerep.

The impact of measures put in place since the beginning of the year aimed at reducing operating expenses produced noticeable results during the third quarter, as reflected by the improvement of the operating results compared to the first two quarters of the year. Cerep expects this trend to continue through fourth quarter 2003.

*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 service 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 290 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 and Sanofi-Synthélabo, 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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