

## 2003 fourth quarter results

### Sales revenue and operating result

Rueil-Malmaison, France, February 12, 2004 - press release 2004/03

#### Fourth quarter and year 2003 consolidated sales

##### ■ Fourth quarter 2003

Cerep fourth quarter 2003 consolidated sales revenues (French Nouveau Marché : Cerep) totalled M€ 10.90 compared to M€ 10.78 for the fourth quarter 2002, an increase of 1.1%. Based on constant exchange rates\* from the fourth quarter last year, consolidated sales for the period would have increased by 10.3%.

At December 31, 2003, service activities generated sales worth M€ 9.69, an increase of 22.2%. At constant exchange rates\*, service sales for the period would have increased by 33.9%.

Revenues from strategic partnerships amounted to M€ 1.20 for the quarter, reflecting a decrease of 57.7% (-55.6% at constant exchange rates\*).

##### ■ Year ended December 31, 2003

For the year ended December 31, 2003, total sales revenues were M€ 34.12, a decrease of 1.1% from M€ 34.50 in 2002. At constant exchange rates\*, sales for the period would have grown by 9.3%.

For the same period, service activities generated sales of M€ 29.52, reflecting an increase of 16.0%. At constant exchange rates\* this growth would have been 28.8%.

Revenues from strategic partnerships totalled M€ 4.60 during the year (-49.2%).

##### ■ Positive operating income for the fourth quarter

Operating income for the fourth quarter 2003 was a profit of M€ 1.50, compared to a profit of M€ 2.04 in 2002, which reflected a non recurrent revenue from Pfizer under the terms of the BioPrint® subscription agreement signed in December 2002.

Operating profit for the fourth quarter 2003 partly reflected the impact of the measures put in place in 2003 aiming at increasing the profitability of service activities.

At December 31, 2003, Cerep reported an operating loss of M€ 0.99 compared to a profit of M€ 3.57 for the year 2002.

*"The offset, during the fourth quarter, of a significant part of the first nine month operating loss, together with the positive financial income expected for the year, allow us to be confident in our ability to be close to or reach net profitability in 2003"* commented Thierry Jean, President and CEO of Cerep. *"We are very satisfied with these results, considering our decision not to decrease our R&D efforts in 2003. Sustained investments in research are a key factor of Cerep's future performance and growth"* Thierry Jean added.

##### ■ Outlook

On the basis of an unchanged economic environment and in spite of the worsening of the euro/dollar exchange rate in 2004 compared to the average rate of exchange incurred in 2003, Cerep expects for 2004 a global increase in pro-forma sales revenues (including Hesperion) of 10 to 15%.

Gains in productivity and the effect of persistent measures in 2003, already noticeable during the fourth quarter of 2003, allow Cerep to anticipate a net operating profit for the year 2004 (assuming an unchanged economic environment).

Cerep's net revenues in US dollar were hedged against exchange risk for the year 2004 (at a target protected rate of 1.15). A small portion of Hesperion's revenues are in US dollar and are not included in the hedging strategy.

\*essentially euro/dollar

## ■ Cash position

Net consolidated cash and cash equivalents (excluding Cerep shares held and related cash) were M€ 20.35 at December 31, 2003 compared to M€ 20.15 at September 30, 2003.

## ■ Sales by activity and operating result

k€	4 <sup>th</sup> quarter	4 <sup>th</sup> quarter	Change	Full year	Full year	Change
	2003	2002	%	2003	2002	%
Services	9,694	7,936	+22.2%	29,522	25,442	+16.0%
Strategic partnerships	1,204	2,847	-57.7%	4,599	9,061	-49.2%
<b>Total</b>	<b>10,898</b>	<b>10,783</b>	<b>+1.1%</b>	<b>34,121</b>	<b>34,503</b>	<b>-1.1%</b>
<b>Operating result</b>	<b>1,505</b>	<b>2,040</b>	<b>-26.2%</b>	<b>-0.988</b>	<b>3,574</b>	<b>NS</b>

## ■ Sales by geography

k€	2003	2002	Change %
France	7,114	7,590	-6.3%
Europe excluding France	9,022	7,960	+13.3%
North America	15,431	16,409	-6.0%
Asia	2,532	2,542	-0.4%
Others	21	1	NS

## ■ Significant recent events

- Acquisition by Cerep of 100% of Hesperion, a company specialized in clinical development services, has been completed by February 9, 2004. Sales revenue of Hesperion totalled about M€ 11 for the year 2003.
- The scientific collaboration agreement signed with Eli Lilly & Cie in 2003 for intensive profiling program associated to BioPrint® has been renewed and expanded for the year 2004.

*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. With the acquisition of Hesperion, finalized in February 2004, the Group adds Clinical development services to its platform.*

*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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► Cerep will release its annual results for the year 2003 on March 26, 2004