

First quarter 2004 consolidated sales revenues increased – Positive operating result

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■ Sales revenues

Cerep (French Nouveau Marché: Cerep) first quarter 2004 consolidated sales revenues were EUR 11.58 million, an increase of 46.8% compared to EUR 7.88 million for the first quarter 2003, and an increase of 9.0% compared to first quarter 2003 pro forma –including Hesperion*– of EUR 10.62 million.

Based on constant euro/US dollar and euro/Swiss franc exchange rates from first quarter 2003, this increase would have been 58.5% (17.7% pro forma).

According to the new structure of its activities (including Hesperion) and to its obligations in terms of segment reporting, Cerep segmented its financial statements in two sectors: Drug Discovery Services and Collaboration activities, and Clinical Services activities.

At March 31, 2004, Drug Discovery Services and Collaboration activities generated sales revenues of EUR 8.43 million, an increase of 6.9% compared to EUR 7.88 million for the same period last year. On a constant euro/US dollar basis, these activities would have increased 15.9%.

Sales revenues from Clinical Services activities were EUR 3.14 million for the first quarter 2004, compared to pro forma first quarter 2003 sales revenues of EUR 2.73 million, reflecting an increase of 15.0% (23.0% on a constant currency basis).

■ Operating result

Operating result for the first quarter 2004 was a profit of EUR 0.12 million compared to an operating loss of EUR 0.75 million for the same period last year.

■ Cash position

The Group's net cash and cash equivalents (including Hesperion – excluding Cerep shares held and related cash) were EUR 17.53 million at March 31, 2004, compared to EUR 20.52 million at December 31, 2003. The cash position at the end of first quarter 2004 reflects the impact of the acquisition of Hesperion in cash for approximately EUR 10.2 million.

■ Consolidated sales revenues by sector

Consolidated sales revenues (kEUR)	Q1 2004	Q1 2003		Change	
		pro forma	actual	pro forma	actual
Drug Discovery Services and Collaborations	8,433	7,885	7,885	6.9%	6.9%
Clinical Services	3,142	2,733	-	15.0%	-
Total	11,575	10,618	7,885	9.0%	46.8%

* Swiss subsidiary acquired by Cerep at the beginning of 2004.

Cerep's mission is to provide pharmaceutical companies with high quality services in drug discovery and drug development as well as drug candidates from proprietary and partnered R&D programs.

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 300 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-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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