

# Acquisition of MEL confirmed – Sales revenues for the second quarter increase by more than 75%

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## ■ Acquisition of MEL

Cerep (French Nouveau Marché: Cerep) announces that all the conditions precedent to the acquisition of Molecular Engines Laboratories – MEL – have been fulfilled. The acquisition will be achieved in the coming months and will be paid through an increase in share capital reserved to MEL's shareholders by issuance of 400,000 shares<sup>1</sup>, in exchange of 100% of MEL's shares, subject to the approval of the general assembly of Cerep. Should the increase of share capital not be voted, the acquisition will be paid in cash (see May 25, 2004 press release).

## ■ Second quarter 2004 consolidated sales revenues

Cerep also announces that second quarter 2004 consolidated sales revenues should exceed EUR 12.5 million, an increase of more than 75% compared to EUR 7.03 million for the second quarter 2003 (an increase of 30% on a pro forma basis). Cerep will release the results for the first half 2004 (detailed sales revenues, operating result and cash position) on August 5, 2004.

## ■ About MEL

MEL is a French biotechnology company created in 2000 which has developed an innovative approach in cancer therapy. The scientific founders of the company evidenced that some cancer cells can spontaneously loose their malignant phenotype. This rare phenomenon called reversion could happen at a rate of one per million cancer cells in different cancer types. It also stops tumor cells growth. The founders of MEL, Robert Amson and Adam Telerman led the department of Cancer genetics of the Jean Dausset Foundation for more than six years. Since its creation MEL has developed several models of tumor reversion and identified many genes involved in this phenomenon. A phase II clinical study on patients suffering of cancers is ongoing in order to validate the approach of MEL. The company has also identified several chemical leads acting on targets involved in tumor reversion. These products are being optimized. MEL's scientific advisory board comprises prestigious experts recognized in the fields of molecular biology and oncology.

*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-Synthelabo, 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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<sup>1</sup> approximately 3.35% of the outstanding shares