

2005 consolidated sales revenues

Paris, France, February 9, 2006 – press release 2006/01

■ Sales revenues

Fourth Quarter 2005

Cerep (Eurolist : Cerep) consolidated sales revenues reached EUR 15.14 million in the fourth quarter of 2005, compared to EUR 14.86 million in fourth quarter 2004, thereby reflecting an increase of 1.9%.

Drug discovery service and collaboration activities generated stable sales revenues in fourth quarter 2005 of EUR 10.67 million compared to EUR 10.61 million earned in the fourth quarter of 2004, despite the closing of *in vivo* pharmacology activities. Sales revenues in this segment increased 21.7% compared to third quarter 2005.

The sustained growth of *in vitro* profiling activities since the beginning of the year as a result of commercial options implemented in early 2005 was confirmed in the fourth quarter. Sales revenues from these activities in the fourth quarter of 2005 increased 20% compared to third quarter, 38% compared to second quarter 2005, and 56% compared to first quarter 2005.

Sales revenues in clinical service activities grew 5.3% to EUR 4.47 million in the fourth quarter of 2005, compared to EUR 4.25 million in the same quarter in 2004; fourth quarter 2004 revenues reflected the recognition of services performed during previous quarters.

Full year 2005

Consolidated sales revenues for the year 2005 grew 3% to EUR 52.89 million compared to EUR 51.34 million in 2004. Foreign exchange rates did not significantly impact sales revenues in 2005.

During the year, Cerep earned sales revenues from drug discovery service and collaboration activities of EUR 36.05 million compared to EUR 37.35 million in 2004, thereby reflecting a decrease of 3.5%. This decrease reflects the reduction in revenue of EUR 1.68 million of *in vivo* pharmacology activities ceased in June 2005.

For the same period, clinical service activities grew continuously to total sales revenues of EUR 16.84 million, reflecting a strong increase (+20.3%) compared to EUR 13.99 million earned in 2004.

■ Result before financial and tax items

For the fourth quarter in 2005, the consolidated result before financial and tax items is a loss of EUR 1.24 million compared to a profit of EUR 0.63 million for the same quarter in 2004.

The consolidated result before financial and tax items for the year 2005 is a loss of EUR 5.88 million, compared to a profit of EUR 0.79 million for the same period in 2004.

This result reflects expenses relating to drug discovery, which were larger in 2005 than in previous years, and notably over EUR 4 million devoted to the Group's research program in the field of cancer.

It also includes non-recurring expenses and provisions of approximately EUR 2 million, attributable to the closing of the *in vivo* pharmacology activities and around EUR 1.2 million related to the transfer of chemistry activities to the new site of Villebon-sur-Yvette.

In 2005, Hesperion contributed a positive EUR 0.74 million to the Group result.

■ Cash position

The Group's cash and cash equivalents (including Hesperion and excluding treasury shares) amounted to EUR 15.75 million at December 31, 2005 compared to EUR 17.44 million at September 30, 2005 and to EUR 16.62 million at December 31, 2004.

Code ISIN FR0004042232
Euronext Paris
Eurolist - Local securities

Cerep SA
155 boulevard Haussmann
75008 Paris
France
tel + 33(0)1 45 64 44 60
fax +33(0)1 45 64 44 64
e-mail: fincom@cerep.fr
www.cerep.com

■ Breakdown of consolidated sales revenues and consolidated result before financial and tax items

Sales revenues (euros, thousands)	4 th Quarter		Change %	Year		Change %
	2005	2004		2005	2004	
Drug discovery services and collaborations	10,673	10,615	+0.5%	36,052	37,348	-3.5%
Clinical services	4,472	4,246	+5.3%	16,835	13,994	+20.3%
Total	15,145	14,861	+1.9%	52,887	51,342	+3.0%
Consolidated result before financial and tax items	-1,224	-626	-	-5,882	+786	-

■ Consolidated sales revenues by geography

Sales revenues (euros, thousands)	2005	2004	Change %
Europe	27,924	28,346	-1.5%
Of which, France	7,378	7,317	+0.8%
North America	21,972	20,333	+8.1%
Asia	2,901	2,618	+10.8%
Other	90	45	
Total	52,887	51,342	+3.0%

■ Main events of the fourth quarter and since the end of the year

In December 2005, Cerep announced the entry into phase I of a second LFA-1 antagonist discovered during the collaboration with Bristol-Myers Squibb. The first compound identified by the partners entered clinical phase I in the second half of 2003 and is currently in phase II clinical trial. Milestones payments are associated to the success of these programs. In addition Cerep will receive royalties on sales when a compound reaches the market*.

In December 2005, Cerep also reported encouraging interim results of Phase I/II trial for its anti cancer drug.

The major service agreements concluded by Cerep during the past two years were all renewed for 2006.

* subject to the successful completion of the clinical trials

■ Contacts

Thierry Jean, Chairman & CEO
 Jean-Yves Latombe, Chief Financial Officer
 Sophie Macault, General Counsel & Corporate Secretary
 Tel. +33 (0)1 55 94 84 00
 fincom@cerep.fr



Cerep's mission is to provide pharmaceutical companies with high quality services in drug discovery and drug development as well as drug candidates at different preclinical and clinical stages. 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 360 pharmaceutical and biotechnological companies worldwide including most of the top pharmaceutical firms. Cerep's drug pipeline includes collaborative drug candidates developed with Sanofi-Aventis and Bristol-Myers Squibb (with two compounds in clinical trials for immuno-inflammatory disorders), as well as products discovered on its own (including one compound in phase I/II clinical trial in the field of cancer). Cerep's development strategy aims at self-financing its research.

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.