

First quarter 2006 consolidated sales revenues

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■ First quarter 2006 sales revenues

Cerep (Eurolist: Cerep) consolidated sales revenues for the first quarter 2006 amounted to EUR 13.19 million, compared to EUR 12.11 million for the first quarter year in 2005, reflecting an increase of 8.9%. Although it decreased against the euro, the US dollar did not significantly impact sales revenues for the period.

For the first quarter drug discovery service and collaboration activities generated sales revenues that increased 4.8% to EUR 8.93 million from EUR 8.52 million for the first quarter 2005. Adjusted for *in vivo* pharmacology¹ revenues and for payments received for the research phase of the partnership with Sanofi-Aventis², sales revenues for the first quarter would have increased 17.6% compared to 2005.

Over the period, sales revenues of profiling activities are stable, whereas chemistry activities face a significant drop compared to first quarter 2005. This period in 2005 reflected an exceptional achievement, however unusual in this activity, which bears high seasonality as revenues are concentrated around the end of the year.

Growth in drug discovery service and collaboration activities stems essentially from the sale to AstraZeneca of a BioPrint® license. This sale shows the pharmaceutical industry's growing recognition of BioPrint® and its positioning as a performing tool for drug discovery. Leveraging on this success, Cerep is developing new services associated with the use of BioPrint®, as a potential source of future revenues.

For the same period, clinical service activities show a very satisfying growth of 18.6% to total sales revenues of EUR 4.26 million, compared to EUR 3.59 million in 2005. These results reflect the continuing expansion of Hesperion, Cerep's subsidiary dedicated to clinical services, and confirm its strategic choices of international development.

First quarter figures are in line with 2006 outlooks for growth in sales revenues in the range of 5- to 15% announced by the Company.

■ Result before financial and tax items

The consolidated result before financial and tax items for the first quarter is a loss of EUR 0.38 million, compared to a loss of EUR 2.18 million for the same period in 2005.

The consolidated result before financial and tax items in drug discovery service and collaboration activities is a loss of EUR 0.57 million for the period, it includes expenses relating to the Group's oncology program in the amount of approximately EUR 1 million.

Clinical service activities generated a positive result before financial and tax items of EUR 0.19 million although the clinical subsidiary of the Group pursues its investments for growth.

■ Cash position

The Group's cash and cash equivalents (including Hesperion and excluding treasury shares) amounted to EUR 13.22 million at March 31, 2006, compared to EUR 15.75 million at December 31, 2005. The decrease in cash reflects notably cash paid in connection with provisions recorded in 2005.

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.

1 : this activity was ceased in 2005.

2 : the research phase of the partnership entered into in 1997 ended in December 2005.

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