



2009

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated results and selected information for the last five operating periods

at December 31

CAPITAL INFORMATION

Share capital (kEUR)

Number of shares issued and outstanding at period end

Number of preferred (non-voting) shares issued

Weighted average number of shares

Maximum potential number of shares to be issued:

. from conversion of bonds

. from exercise of stock subscription rights

Weighted average number of potentially dilutive shares to be issued:

. potentially dilutive shares to be issued from exercise of stock options

. total weighted average number of shares outstanding and potentially dilutive shares used in diluted per share calculations

REVENUES AND RESULTS FOR THE PERIOD (kEUR) ON CONTINUING ACTIVITIES

Net sales revenue

Current operating result

Operating result

Operating income before tax, amortization, depreciation, and provisions

Income tax expense (negative number indicates an income tax profit)

Net income

Result of discontinued activities and activities held for sale

Net consolidated result

BASIC PER SHARE RESULTS (EUR)

Current operating result

Operating result

Basic income before tax, amortization, depreciation, and provisions per share

Net income

Result on discontinued activities

DILUTED EARNING PER SHARE (EUR)

Current operating result

Operating result

Basic income before tax, amortization, depreciation, and provisions per share

Net income

Result on discontinued activities

PERSONNEL

Average headcount for the period

Total payroll expense (kEUR)

Social security and employee benefit (kEUR)

¹ Following changes to the R&D tax credit presentation method in 2008, the 2007 published items have been restated accordingly for easier comparison

	2005	2006	2007	2007	2008	2009
	IFRS	IFRS	published IFRS	IFRS comparative restated in 2008 ¹	IFRS	IFRS
	3,753	3,768	3,784	3,784	3,784	3,784
	12,509,625	12,559,675	12,611,875	12,611,875	12,611,875	12,611,875
	N/A	N/A	N/A	N/A	N/A	N/A
	12,373,581	12,541,258	12,609,700	12,609,700	12,611,875	12,611,875
	N/A	N/A	N/A	N/A	N/A	N/A
	1,174,040	1,062,416	915,550	915,550	518,500	500,000
	170,929	52,608	-	-	-	-
	12,373,581	12,541,258	12,609,700	12,609,700	12,611,875	12,611,875
	52,887	30,906	31,400	31,400	30,799	26,299
	-4,175	2,828	3,039	3,302	1,950	-1,712
	-5,908	2,636	3,039	3,302	1,950	-1,712
	-1,172	4,718	5,743	6,006	4,282	211
	274	-20	341	581	342	-515
	-6,692	2,266	2,665	2,665	1,918	-1,403
	-	-19,202	6,497	6,497	-4,063	-766
	-6,692	-16,936	9,162	9,162	-2,145	-2,169
	-0.34	0.23	0.24	0.26	0.15	-0.14
	-0.48	0.21	0.24	0.26	0.15	-0.14
	-0.12	0.38	0.43	0.43	0.31	0.06
	-0.54	0.18	0.21	0.21	0.15	-0.11
		-1.53	0.52	0.52	-0.32	-0.06
	-0.34	0.23	0.24	0.26	0.15	-0.14
	-0.48	0.21	0.24	0.26	0.15	-0.14
	-0.12	0.38	0.43	0.43	0.31	0.06
	-0.54	0.18	0.21	0.21	0.15	-0.11
		-1.53	0.52	0.52	-0.32	-0.06
	518	285	315	315	290	278
	22,184	9,906	9,906	9,906	10,564	10,067
	7,899	4,187	4,116	4,116	4,432	4,267

Income statement

(kEUR)	12.31.09	12.31.08
CONTINUING ACTIVITIES		
Net sales revenues	26,299	30,799
Other revenues	540	790
Total current revenues	26839	31,589
Purchase of raw materials, supplies and change in inventory of materials and products	6,369	6,653
Other supplies and external expenses and services	4,729	5,066
Tax and related charges	774	712
Wages	10,067	10,564
Payroll taxes and benefits	4,267	4,432
Net provision expense for pension benefit obligation	51	17
Fixed assets depreciation and amortization	1,884	1,983
Impairment of assets	-12	65
Other expenses	422	147
Total net current expenses	28,551	29,639
Current operating result	-1,712	1,950
Other operating income and expenses	-	-
Operating result	-1,712	1,950
Expenses related to interest-bearing debts	-542	-627
Net income from investments	168	350
Net foreign exchange result	-60	-135
Other financial expenses or revenue	228	722
Financial result	-206	310
Consolidated net result	-1,918	2,260
Current income tax expense	-466	90
Deferred income tax expense	-49	252
Consolidated net result of continuing activities	-1,403	1,918
DISCONTINUED ACTIVITIES		
Net result of discontinued activities	-766	-4,063
Net result	-2,169	-2,145
Basic earning per share (EUR)	-0.17	-0.17
Continuing activities	-0.11	0.15
Discontinued activities	-0.06	-0.32
Diluted earning per share (EUR)	-0.17	-0.17
Continuing activities	-0.11	0.15
Discontinued activities	-0.06	-0.32

Statement of net result and gain/loss recorded directly to shareholders' equity

(kEUR)	12.31.09	12.31.08
Net result	-2,169	-2,145
Translation adjustments	-30	150
Revaluation of hedging derivatives	-340	-484
Revaluation of financial assets available for sale		
Revaluation of fixed assets		
Actuarial gain/loss on defined benefit plans	-27	34
Share of gain/loss recorded directly to shareholders' equity of companies put in equivalence	-	-
Total gain/loss recorded directly to shareholders' equity	-397	-300
Net result and gains/loss recorded directly to shareholders' equity	-2,566	-2,445

The amounts above are net of taxes.

Balance sheet

(kEUR)	12.31.09	12.31.08
Goodwill	–	–
Intangible assets	333	667
Fixed assets	8,212	9,316
Long-term assets (more than 1 year)	1,030	1,126
Deferred tax assets	50	
Non-current assets	9,625	11,109
Long-term assets (less than 1 year)	106	101
Materials and products in progress and inventories	4,503	4,028
Trade receivables and related	4,629	7,992
Prepaid expenses	382	367
Other receivables	4,057	5,022
Financial instruments held for transactions	15,851	19,320
Derivative financial instruments	68	220
Cash deposits	1,318	2,977
Current assets	30,914	40,027
Non-current assets held for sale	3,770	3,770
Total assets	44,309	54,906
Share capital	3,784	3,784
Paid-in capital	31,587	32,273
Treasury shares	-120	-120
Legal, regulated and other reserves	765	765
Foreign currency cumulative translation adjustment	-268	-236
Income and expenses recognized directly to equity	-371	-4
Group reserves and retained deficit	-14,304	-12,846
Amounts recorded directly to shareholder's equity relating to non-current assets held for sale		
Net income for the year	-2,169	-2,145
Shareholders' equity	18,904	21,471
Borrowings and debt with financial institutions (non-current portion)	4,856	7,141
Retirement benefit obligation and similar	495	360
Deferred tax liabilities	–	151
Non-current liabilities	5,351	7,652
Borrowings and debt with financial institutions (current portion)	2,723	3,948
Provision for risk and contingency due within one year	21	682
Deposits and advances from customers	689	1,567
Deferred revenue	932	2,026
Trade payables and related	1,916	2,905
Tax, payroll and related payable	2,646	3,135
Other liabilities	113	104
Derivative financial instruments	626	259
Current liabilities	9,666	14,626
Liabilities related to non-current assets held for sale	10,388	11,157
Total shareholders' equity and liabilities	44,309	54,906

Statement of cash flows

(kEUR)	12.31.09	31.12.08
Net result of continuing activities	-1,403	1,918
Adjustments		
Depreciation and amortization	1,884	1,983
Impairment of assets	-6	65
Interest expense	411	635
Tax expense	-49	100
Change in fair value of financial instruments*	-515	-484
Change in retirement benefit obligations	135	17
Income tax paid	-	-570
Loss on sales of assets	367	-36
Cash flow from operations excluding interest and taxes	824	3,628
Net change in assets and liabilities		
Net change in inventory	-476	57
Net change in receivables	3,636	1,080
Net change in payables	-1,528	230
Net change in current provisions (including restructuring)	-679	-921
Net change in financial instruments	518	896
Prepaid expenses and deferred revenue	-1,110	-87
Net change in working capital	361	1,255
Cash flow from operating activities	1,185	4,883
Purchase of fixed assets	-797	-1,582
Sale and disposal of fixed assets	13	8
Increase in deposits and long-term assets	90	87
Change in scope	-1	-
Cash flow from investing activities	-695	-1,487
Issuance of shares	-	-
Proceeds from borrowings	244	329
Repayment on borrowings	-3,772	-4,005
Interests paid	374	-611
Cash flow from financing activities	-3,902	-4,287
Cash flow from discontinued activities	-1,726	392
Change in cash flows and cash equivalents	-5,138	-499
Effect of changes in exchange rates on cash at beginning of the year	-21	41
Change in fair value of financial instruments held for transactions	-	-
Cash and cash equivalent at beginning of the year	22,257	22,715
Cash and cash equivalent at end of the year	17,098	22,257

Change in shareholders' equity

(kEUR)	Share capital	Paid-in capital	Legal reserve	Regulated reserves	Other reserves	Treasury shares	Foreign currency cumulative translation adjustment	Retained deficit	Income and expenses recognized directly to equity	Amounts recorded directly to shareholder's equity relating to discontinued activities	Net income for the year	Shareholders' equity
01.01.08	3 784	32 273	241	74	450	-120	-378	-22 016	446	-	9 162	23 916
Income and expenses recognized directly to equity	-	-	-	-	-	-	142	8	-450	-	-	-300
Result for the year	-	-	-	-	-	-	-	-	-	-	-2,145	-2,145
Income and expenses for the year	-	-	-	-	-	-	142	8	-450	-	-2,145	-2,445
Allocation of net income	-	-	-	-	-	-	-	9,162	-	-	-9,162	-
Issuance of shares	-	-	-	-	-	-	-	-	-	-	-	-
12.31.08	3,784	32,273	241	74	450	-120	-236	-12,846	-4	-	-2,145	21,471
Income and expenses recognized directly to equity	-	-	-	-	-	-	-30	-	-367	-	-	-397
Result for the year	-	-	-	-	-	-	-	-	-	-	-2,169	-2,169
Income and expenses for the year	-	-	-	-	-	-	-30	-	-367	-	-2,169	-2,566
Allocation of net income	-	-	-	-	-	-	-	-2,145	-	-	2,145	-
Change in scope	-	-	-	-	-	-	-1	-	-	-	-	-
Issuance of shares	-	-	-	-	-	-	-	-	-	-	-	-
Other movements	-	-686	-	-	-	-	-	-	-	-	-	-
12.31.09	3,784	31,587	241	74	450	-120	-267	-14,305	-371	-	-2,169	18,904

Significant events in 2009

Continuing activities

Cerep has extended for the year 2009 its major service agreements as well as its strategic collaborations signed in 2002 and 2003 with Pfizer and Eli Lilly & Company respectively.

The supply and co-marketing agreement signed with PerkinElmer, Inc. in April 2008 has been extended to kinases. One of the first successes of this extension is the signature with Eli Lilly & Company of a major kinase profiling agreement in June 2009.

During the second quarter 2009, Cerep announced the signature of a 3-year collaboration agreement with Servier for the discovery and optimization of new drugs.

In October 2009, Cerep announced the signature of a BioPrint® evaluation licence with Roche. Under the terms of the agreement Roche will be granted access to the BioPrint® database and related pharmacoinformatics tools. At the end of the evaluation period, Roche will have the option to subscribe a perpetual licence at a predetermined price.

Discontinued activities

At the end of 2006, Cerep decided to refocus all efforts on the development of profitable activities only; the Company had also announced, in early 2009, its decision to stop all expenses associated to its oncology program. Financial impacts of these decisions are totally reflected in the Group results.

As part of its annual portfolio review and arbitration, sanofi-aventis decided during the first half of the year, to discontinue the program on the NPY1 antagonist co-discovered by Cerep and sanofi-aventis.

In January 2009, Cerep announced the signature of a license agreement with Thea for the development of an LFA-1 antagonist. Several months of assays and research led Thea to the conclusion that the licensed product was not appropriate for the development in ophthalmology and thus decided to discontinue this program. The termination of the license agreement triggered the payment to Cerep of a termination fee paid in January 2010.

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