Cerep announces sales revenues for 2008

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Sales revenues

At December 31, 2008, consolidated sales revenues of continuing activities of Cerep [Euronext: Cerep] are EUR 30.80 million, 1.9% below sales revenues of 2007. At constant dollar, sales revenues for 2008 would grow by 1.7% compared to 2007.

These revenues do not take into consideration revenues of discontinued activities.

Consolidated sales revenues (kEUR)

1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Year	
2008	2007	2008	2007	2008	2007	2008	2007	**2008**	**2007**
7,580	7,511	**6,658**	7,470	**7,394**	7,186	**9,167**	9,233	**30,799**	31,400

Cash position

Cash and cash equivalents at December 31, 2008 amounted to EUR 22.29 million, compared to EUR 22.78 million at December 31, 2007 and EUR 19.80 million at September 30, 2008.

Significant events for the fourth quarter 2008 and recent events

Service activities

Cerep's main service agreements have been renewed for 2009. Strategic alliances with Pfizer and Eli Lilly & Company will continue in 2009.

License agreements for two drug-candidates discovered by Cerep

- In December 2008, Cerep has announced the signature of a license agreement for the NPY1 antagonist co-discovered by Cerep and sanofi-aventis as part of their collaboration initiated in 1998. The drug candidate is currently in pre-clinical development for the treatment of type-2 diabetes.

  The signature of this agreement triggered a milestone payment and the re-imbursement of certain expenses incurred by Cerep. Other payments are associated to the success of the program, including royalties on sales once the drug will reach the market. (See press release dated December 10, 2008)

- In December 2008, Cerep has concluded a license agreement with Théa for the development of an LFA-1 antagonist discovered by Cerep as part of its collaboration with Bristol-Myers Squibb. The development of this drug-candidate had been stopped for hepatotoxic effects observed after oral administration. In 2008, Cerep and Théa have identified a potential novel application for this compound in ophthalmology. In these new indications, the compound should be administered topically, thus strongly reducing the risk of hepatotoxic effects. The terms of the contract provide a first payment to be paid by Théa to Cerep upon signature of the agreement as well as milestones payments associated to the success of the program and royalties on sales once the drug will reach the market. (See press release dated January 7, 2009)

Oncology

Over the past 18 months, Cerep has allocated significant resources to find a potential partner for the development of its program in oncology. The interest of the scientific approach and the quality of the products discovered by the Group have been recognized by all companies that have evaluated the project. Companies that have showed an interest in licensing-in the program have nevertheless all requested additional information, including more advanced clinical trial data, in order to lower the risk profile of the program. Generating these data would require significant new investments which are not compatible with the Group strategy and its cash position. In a difficult economical environment, Cerep will focus its resources on the development of its profitable service activities, and thus decided to stop all expenses associated to this program (including the research of potential partners and the maintenance of intellectual property).

The consequence of this decision will trigger both a depreciation of the Group assets and a decrease of net result of discontinued activities of EUR 4.87 million in 2008 consolidated financial statements.

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Development and outlook for 2009

The restructuring of pharmaceutical industry and the difficulties of refinancing encountered by some biotechnology companies could lead to a decrease in commercial demand in the coming months. In this context Cerep does not anticipate a growth of its revenue in 2009 compared to 2008 for its recurrent activities.

However, the Group is confident in its ability to capture new markets that will come from current reorganization of pharmaceutical companies. Cerep will continue the development of its activities close to its clients to better meet new market needs and reduce its risk exposure to currency exchange rates by balancing its structure costs in euro and dollar zones.

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Cerep

Cerep's mission is to provide pharmaceutical companies with high quality services in drug discovery and drug development. 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 has developed a unique know-how based on technologies of in vitro screening and profiling using its proprietary database BioPrint®, which allows the modelling of clinical effects of drug candidates from their molecular properties.
Cerep's technologies benefit to more than 460 pharmaceutical and biotechnological companies worldwide including most of the top pharmaceutical firms.
Over the past years, Cerep also developed a pipeline of drug candidates which includes collaborative products developed with Sanofi-Aventis and Bristol-Myers Squibb, as well as proprietary compounds (including one compound in phase I/II clinical trial in the field of cancer). These programs and associated compounds are either partnered or being licensed-out.

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.