First quarter 2009 sales revenues

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Consolidated sales revenues

Consolidated sales revenues of continued activities of Cerep [Nyse Euronext: Cerep] for the first quarter 2009 were EUR 5.94 million, a decrease of 21.6% compared to EUR 7.58 million for the same period in 2008. At constant currency exchange rates, sales revenues for the period would have declined by 29.8% compared to the first quarter of 2008.

Decrease in sales revenues results primarily from a delay in the initiation of several significant annual contracts, which have little or not contributed to first quarter revenues but which should be completed before year end. Consequently the Group anticipates a growth in revenue linked to these contracts in the next three quarters.

Since the middle of 2008, Cerep has also observed a down turn in commercial demand from big pharmas as a result of outsourcing budget restrictions that are naturally linked to consolidation and restructuring processes in the pharmaceutical industry worldwide. If these major changes impact the conclusion of new contracts, they also announce in the medium to long term an increase in outsourcing which today accounts for a limited part of global drug discovery budgets.

Cerep estimates that the growth potential of its market is high, and that, as a global leader in its field, the Group is ideally positioned to capture upcoming R&D outsourcing market. Cerep also considers that the mutation of the pharmaceutical industry, over the past 12 months, validates its strategy and its positioning.

The total number of clients increased to 248 in the first quarter 2009, from 234 for the same period in 2008. This growth is mainly due to new clients. Cerep is continuously increasing its market shares in Europe, North America and Asia and has not experienced a loss of clients in favor of competition.

Cash position

The Group's cash and cash equivalent (excluding treasury shares) was EUR 19.21 million at March 31, 2009.

Significant events for the quarter

Major services agreements have been renewed for 2009.

In January 2009, Cerep has announced a licensing agreement with Thea laboratories for the development of a LFA-1 antagonist jointly discovered by Cerep and Bristol-Myers Squibb (see press release dated January 7, 2009).

Significant recent events

- Sanofi-aventis has recently decided to stop the type 2 diabetes program on its NPY1 receptor antagonist jointly discovered with Cerep. Considering FDA's increasingly stringent position on products developed for metabolism diseases, the pharmaceutical group, as part as its annual portfolio review, decided that the advantage/risk ratio of the NPY1 antagonist was too low to pursue its development in the selected therapeutic indication, in particular as hepatotoxicity was observed at certain dosing in recent animal testing. Cerep will analyze available preclinical data on this product and will evaluate the opportunity to license it out in another indication. Sanofi-aventis decision to abandon this program will have no impact on the financials of Cerep.
- The co-marketing agreement signed with PerkinElmer in April 2008 has been expanded to extensively address the market of kinase testing. This range of available assays should allow Cerep to capture new market shares ■

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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.