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'RESEARCH NEVER STOPS'

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Evotec reports 54% Q1 revenue growth and significant expansion of drug discovery alliance business

Hamburg, Germany – 12 May 2011: Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX) today reported financial results and corporate updates for the first quarter of 2011.

- **Strong Q1 growth; sustainability of business clearly visible**
 - Discovery alliances revenues +54% to € 15.1 m
 - Clear reduction of operating loss (-45%) to € 0.8 m
 - Continued strong liquidity position of € 68.7 m despite acquisitions
- **Expanding portfolio of performance-based long-term drug discovery alliances**
 - Extension and/or expansion of several on-going discovery alliances (e.g. CHDI, Ono Pharmaceutical, Epitherapeutics, Epizyme)
 - Milestone achieved in Boehringer Ingelheim collaboration
- **Expansion of scientific and technology leadership in innovative areas of drug discovery**
 - Acquisition of Kinaxo: Best-in-class mass spectrometry technology opens route to oncology and response prediction (effective after period- end)
 - Research collaboration with Harvard University and the Howard Hughes Medical Institute in diabetes
 - Initiation of most significant technology infrastructure upgrading programme of the last 10 years
- **Good progress within product development partnerships**
 - DiaPep277 Phase III programme in diabetes progressing with Andromeda Biotech and TEVA, data expected in 2012
 - EVT 101/103 Phase II data against Treatment Resistant Depression in partnership with Roche expected 2012
- **Financial guidance for 2011 confirmed**
 - At least 15% revenue growth to € 64 – 66 m
 - Increased operating profitability over 2010
 - Approximately € 65 m liquidity at year-end, despite major strategic technology upgrading investments
- **Others**
 - Deregistration from SEC completed
 - New nominations for elections to supervisory board at the AGM (Roland Oetker and Prof Andreas Pinkwart) and a key strategic scientific advisor (Prof Doug Melton)
 - Management service contract of Dr Werner Lanthaler extended for five years

1. Operational performance

Sustainability of business clearly visible: revenues +54%; significantly decreased operating loss -45% at € 0.8 m

Evotec reported a strong top-line performance in the first quarter of 2011. Total Group **revenues** increased by 54% to € 15.1 m compared to the same period of the previous year (2010: € 9.8 m). Meanwhile **R&D expenses** increased by 33% mainly due to higher clinical expenses and the inclusion of DeveloGen post acquisition. **SG&A expenses** increased by 13% mainly due to transaction costs and the impact of DeveloGen. The overall **operating result** improved by 45% to € (0.8) m (2010: € (1.5) m). On this basis, **liquidity** which includes cash, cash equivalents, investments and long-term financial investments at the end of March remained strong at € 68.7 m. Going forward, increased milestone achievements are expected to further improve Evotec's operating performance giving a strong basis for increased operating profitability over 2010 (before potential impairment).

2. Update on discovery alliances

Evotec's strategy is to build sustainable, performance-based drug discovery alliances. Consequently, Evotec focuses on high value, revenue generating partnerships with pharmaceutical and biotechnology companies.

Several discovery alliances initiated and extended; progress and milestone achievements in current partnerships

In the first quarter of 2011, Evotec signed new contracts with **Avixgen** and **NoNO** for medicinal chemistry support and extended ongoing collaborations with **Epitherapeutics** and **Epizyme**. Good progress was also achieved in Evotec's multi-year collaborations with **CHDI** and **Ono Pharmaceutical**. CHDI expanded the programme by a number of scientists and Ono extended an on-going project and initiated a number of additional screening campaigns. In addition, Evotec achieved a further milestone in its discovery collaboration with **Boehringer Ingelheim**. Evotec will receive € 2.0 m for the progression of an oncology drug candidate into lead optimisation.

3. Status of preclinical research, clinical programmes and partnering of assets

Expansion of scientific and technology leadership in innovative areas of drug discovery

Evotec increasingly focuses on developing early assets in highly innovative areas of drug discovery such as beta cell biology and technologies to develop leading expertise in certain areas of oncology or metabolic diseases, which provide a basis for new discovery alliances. In 2010, the acquisition of DeveloGen added expertise and early discovery assets in two key fields of high unmet medical needs, diabetes and metabolic disorders and additionally opened the field of regenerative medicine - a key strategic step for Evotec.

In the first quarter of 2011, Evotec entered into a research collaboration with **Harvard University** and the **Howard Hughes Medical Institute (HHMI)** aimed at discovering and developing new orally available, small molecule treatments in the field of diabetes, through restoring beta cell function. Leveraging key insights into beta cell replication and forming alliances with pharmaceutical companies at the appropriate point in the development chain are the core strategic drivers of the collaboration. Dr Doug Melton, Thomas Dudley Cabot Professor at Harvard University, and an investigator at the Howard Hughes Medical Institute, will be the principal investigator.

Also in the first quarter of 2011, Evotec signed a definitive agreement to acquire all shares in **Kinaxo Biotechnologies GmbH**, a Munich-

based drug discovery alliance company supporting the development of targeted drugs. The transaction became effective 18 April 2011. The acquisition added proprietary technologies for compound profiling and target deconvolution and response prediction, important for timely decisions on drug efficacy and safety, especially in the area of oncology. In the first three months of the year, Kinaxo signed collaborations with Takeda Pharmaceutical and AstraZeneca.

Good progress within product development partnerships

DiaPep277, a synthetic peptide in development for the treatment of type 1 diabetes, acquired through the acquisition of DeveloGen, is progressing as planned in a Phase III global study conducted by Andromeda Biotech and Teva Pharmaceutical. First Phase III data are expected to be published in 2012. The development of the **EVT 100 compound family** (NR2B-selective NMDA antagonists) should lead to Phase II data in the first indication – Treatment Resistant Depression (TRD) - in 2012. A long-term toxicology programme in primates is also on-going with EVT 101. In its histamine H3 receptor antagonist programme, Evotec nominated **EVT 501** and a back-up candidate in 2010. During the first quarter of 2011, kilogramme scale manufacturing of EVT 501 was completed for use in regulatory toxicology and safety pharmacology studies. It is the strategic goal to build a development partnership around this programme.

4. Guidance 2011

Evotec confirms financial targets for the fiscal year 2011

All financial targets published on 24 March 2011 in Evotec's 2010 Annual Report (page 56) remain unchanged. In 2011, total Group revenues are expected to grow by more than 15% to € 64 - € 66 m. This assumption is supported by the strong April 2011 order book (includes only achieved milestones) of €47 m (+57%, 2010: € 30 m), expected new contracts and contract extensions as well as the achievement of certain milestones. Focusing on key programmes especially in the fields of metabolic diseases and regenerative medicine, Evotec expects research & development (R&D) expenses to increase to approximately € 10m. Even on this basis, Evotec's Group operating result before impairment, if any, is expected to be profitable and improved over 2010.

In 2011, Evotec will invest to support its long-term growth aspirations. More than € 8 m is planned for investment in the long-term upgrading of the Evotec capacities and capabilities. One very visible sign for this strategy will be the move into a new facility in Hamburg: The "Manfred-Eigen-Campus", which will be the center for Evotec's screening and biology operations. These planned investments will increase cash requirements over 2010, although top-line growth in operating activities is expected to significantly reduce the cash requirements compared to the 2010 fiscal year. At constant year-end 2010 currencies, the Company therefore expects to end 2011 with a liquidity of approximately € 65 m, excluding any potential cash outflow for M&A or similar transactions.

Webcast/ Conference Call

The Company is going to hold a conference call to discuss the results as well as to provide an update on its performance:

Conference call details:

Date: Thursday, 12 May 2011

Time:

09.30 a.m. CEST

08.30 a.m. BST

03.30 a.m. US time (East Coast)

From Europe:

+49 (0) 6103 485 3002 (Germany)
+44-207-153-2027 (UK)
From the US: +1-480-629-9771

Access Code: 4435030

A simultaneous slide presentation for participants dialing in *via* phone is available at www.equitystory.com , password: evotec0511.

Webcast details

To join the *audio webcast* and to access the *presentation slides* you will find a link on our home page www.evotec.com shortly before the event.

A replay of the conference call will be available for 24 hours and can be accessed in Europe by dialing +49 69 58 99 90 568 (Germany) or +44 207 154 2833 (UK) and in the US by dialing +1 303 590 3030. The access code is 4435030#. The on-demand version of the webcast will be available on our website: www.evotec.com > Investors > Financial Reports -2010-2011

ABOUT EVOTEC AG

Evotec is a drug discovery alliance and development partnership company focused on rapidly progressing innovative product approaches with leading pharmaceutical and biotechnology companies. We operate worldwide providing the highest quality stand-alone and integrated drug discovery solutions, covering all activities from target-to-clinic. The Company has established a unique position by assembling top-class scientific experts and integrating state-of-the-art technologies as well as substantial experience and expertise in key therapeutic areas including neuroscience, pain, metabolic diseases as well as oncology and inflammation. Evotec has long-term discovery alliances with partners including Boehringer Ingelheim, CHDI, Genentech, Medimmune/Astra Zeneca, Novartis, Ono Pharmaceutical and Roche. In addition, the Company has existing development partnerships and product candidates both in clinical and preclinical development. These include a strategic alliance with Roche for the development of subtype-selective NMDA receptor antagonists for use in treatment-resistant depression as well as other partnerships with Boehringer Ingelheim, MedImmune and with Andromeda (Teva) in the field of diabetes. For additional information please go to www.evotec.com.

FORWARD-LOOKING STATEMENTS — *Information set forth in this press release contains forward-looking statements, which involve a number of risks and uncertainties. The forward-looking statements contained herein represent the judgement of Evotec as of the date of this report. Such forward-looking statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, and which could cause actual results to differ materially from those contemplated in these forward-looking statements. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any such statements to reflect any change in our expectations or any change in events, conditions or circumstances on which any such statement is based.*