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'RESEARCH NEVER STOPS'

info@evotec.com | www.evotec.com

For further information,
please contact

Dr Werner Lanthaler
Chief Executive Officer
+49.(0)40.560 81-242
+49.(0)40.560 81-333 Fax
werner.lanthaler@evotec.com

Evotec AG
Manfred Eigen Campus
Essener Bogen 7
22419 Hamburg (Deutschland)

Evotec FY 2011: Significant Growth and Focused Investments Drive Profitability and Innovation

Hamburg, Germany – 20 March 2012: Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX) today reported financial results and corporate updates for the year ended 31 December 2011.

- **STRONG INCREASE IN 2011 REVENUES AND PROFITS; ALL FINANCIAL TARGETS MET OR EXCEEDED**
 - Revenue growth of +45% to € 80.1m, gross margin at 43.7%
 - Significantly increased profitability: Despite strategic impairments in Q4, operating result of € 5.2m (+204%), net result of € 6.7m (+123%)
 - Strong liquidity position of € 62m despite two acquisitions
- **BROAD PORTFOLIO OF PERFORMANCE BASED DRUG DISCOVERY ALLIANCES: SOLID BASIS FOR FURTHER GROWTH**
 - Multiple new alliances and contract extensions
- **PROMISING NEAR-TERM PRODUCT DEVELOPMENT OPPORTUNITIES: SIGNIFICANT UPSIDE WITHOUT FINANCIAL RISK**
 - Significant asset purchase agreement signed with Roche for EVT302 in Alzheimer's disease
 - Initial encouraging Phase III results for DiaPep277 in diabetes with Andromeda/Teva; final data to be presented mid 2012
 - EVT401 partnered with a leading animal health company
 - Broad long-term pipeline of approx. 50 targets
- **UPGRADING THE TECHNOLOGY PLATFORM AND INNOVATION OFFERING THROUGH ACQUISITIONS, INVESTMENTS AND ALLIANCES**
 - Successful acquisitions of Kinaxo (Evotec Munich) and Compound Focus (Evotec San Francisco) enhance drug discovery offering
 - Acquisition of the remaining 30% of the equity of Evotec (India)
 - Approx. € 10m technology infrastructure and upgrade investments
 - € 8.4m focused investments in scientific innovation
 - Harvard collaboration "CureBeta" in beta cell regeneration progressing well; expanded strategic alliance with Harvard into Kidney Disease "CureNephron" (after period end)
- **GUIDANCE 2012 – DOUBLE-DIGIT GROWTH AND FURTHER INCREASED PROFITABILITY**
 - Continued double-digit revenue growth € 88 to 90m supported by strong order book and good milestone opportunities
 - Further increased operating result - Strong strategic liquidity position above € 60m, despite significant investments

- **EVOTEC ACTION PLAN 2016 – INNOVATION EFFICIENCY; SETTING THE STAGE FOR LONG-TERM LEADERSHIP IN DRUG DISCOVERY SOLUTIONS**

- Action Plan 2012 successfully completed
- Action Plan 2016: Double digit y-o-y growth with extended offering for Innovation Efficiency; Accelerated innovation; Improved quality of revenue mix through milestone, service income and royalty latest by 2016

1. Operational performance

Revenue growth of 45%, significantly increased operating result, all financials in line with or above guidance

In 2011 the Company delivered on all financial targets and also exceeded the guidance raised at the time of its announcement of the EVT302-agreement with Roche. Revenues increased 45% over the same period of the previous year to € 80.1m (2010: € 55.3m). Growth was driven by a strong performance in the Company's drug discovery alliances as well as € 6.9m upfront payment from Roche in context of the development partnership in Alzheimer disease with EVT302. Revenues included significant milestone payments and licenses received from e.g. Boehringer Ingelheim, Ono Pharmaceutical, and Shionogi in the amount of € 12.4 m (2010: € 10.9 m). Despite the significant increase in sales, the gross margin for the Group remained essentially stable at 43.7% (2010: 44.1%), despite Evotec's acquisitions of lower margin compound management business since June 2011.

Due to the strong top-line performance and judicious cost containment in line with "Evotec Action Plan 2012" Evotec's operating result increased significantly to € 5.2m in its second full year of operating profitability (2010: € 1.7m). The net result increased by 123% to € 6.7m (2010: €3.0m). Operating Income increased significantly despite the strategic impairment of certain assets on the balance sheet (EVT201 with € 2.1m), and the significant investments especially in Q4 in the new `Manfred Eigen Campus` in Hamburg.

As forecasted, internal Research & Development (R&D) expenditure rose by 38% to € 8.4m in 2011 (2010: € 6.1m). The increase was mainly due to full year contribution of Evotec Göttingen and from the acquisition of Kinaxo (Evotec Munich). Including the progression of the Evotec CureBeta franchise, as well as expenses for pre-clinical development of EVT501 (H3 antagonist). R&D expenses, however, still remained significantly lower and more focused than in the previous years. Evotec continued to follow its strategy of spending only on selected discovery projects in key medical areas. Clinical trials will be conducted only in partnerships with pharmaceutical companies.

Although Evotec invested € 8.4m in unfunded research, € 8.1m in infrastructure upgrades and € 26.6m (partly paid in shares) in two strategic acquisitions, the Company ended 2011 with a strong liquidity position of € 62.4m (2010: € 70.4m), which is composed of cash and cash equivalents (€17.8m) and of investments (€ 44.6m) and thereby maintained its liquidity target of > € 60m.

2. Update on discovery alliances

Evotec's strategy is to build innovative, performance-based drug discovery alliances. The need to improve R&D productivity is increasing pressure on pharmaceutical companies to outsource drug discovery and development. There is a clear trend towards large, multi-year contracts within a full-service outsourcing model. Evotec is one of the few drug discovery businesses that can execute a comprehensive outsourcing strategy, because it is able to undertake and integrate all parts of the drug discovery process.

The Company is now working with more than 20 pharma and biotech companies on a global scale. In 2011, new collaborations were announced with Active Biotech, Apeiron Biologics, Avixgen, NoNo, Roche, Takeda Cambridge, and UCB; contract extensions were signed with Ono Pharmaceutical, Cardioxyl, Epizyme and Epitherapeutics. With these deals the Company further strengthened its customer and revenue base and improved the foundation for further future growth.

At least equally important as the number of new collaborations and contract extensions is the further strategic development of Evotec's existing core alliances. The Company aims to strategically develop its large strategic alliances and deliver innovation as the core of all its partnering activities. In 2011, revenues from Evotec's TOP 10 customers grew by 35%.

3. Progress in development partnerships

Evotec continues to minimise any significant clinical risk and will run clinical development programmes only in partnerships in which a pharmaceutical company is funding the later- stage clinical trials.

EVT302, a MAO-B inhibitor, was partnered under an exclusive global licensing agreement with Roche for the development of treatments for Alzheimer's disease. Under the terms of the agreement, Roche paid Evotec an upfront fee of \$10m (€ 6.9m) and Evotec could receive further development and commercial milestone payments of up to \$ 820m as well as tiered double-digit royalties on sales. Roche will initiate Phase IIb studies with EVT302 in 2012 to demonstrate proof-of-concept.

DiaPep277 with Andromeda/Teva for type I diabetes delivered first positive and promising Phase III results. The first Phase III study with DiaPep277 was largely completed in 2011 and met all its Phase III endpoints. The next milestone for Evotec is triggered upon final completion of the report of this Phase III study and continued clinical development, which is expected in 2012. Good progress was achieved during the year with EVT401, a P2X7 antagonist for the treatment of inflammatory diseases which was partnered with a leading animal healthcare company.

The partnership with Zhejiang Jingxin Pharmaceutical Co., Ltd for EVT201 for insomnia is ongoing in China.

The clinical stage pipeline included also a significant setback in the development of EVT101/103 for treatment resistant depression. In May, Roche terminated the Phase II clinical trial with EVT101/103, and decided not to exercise an option to acquire the rights on the compounds. Evotec now retains all rights in the EVT100 series and continues to have partnering discussions for the continued clinical development of these assets.

4. Acquisitions, investments and partnerships opening new routes of growth and scientific innovation

In order to accelerate the drug discovery process with the best possible tools available Evotec is continually upgrading its technology platform through the acquisition of tangible assets and investments in companies. The major two acquisitions totalling € 26.6m (partly shares) included the small molecule compound management business of Compound Focus (Evotec San Francisco) and the chemical proteomics technologies of Kinaxo (Evotec Munich) applicable to drug response prediction as well as drug efficacy and safety assessment. In addition, Evotec acquired the remaining 30% of the equity of Evotec (India) Private Limited, its Indian medicinal chemistry operation,

expanding its global scientific resource to offer the most complete and cost efficient drug discovery solutions.

Further capital investments were made in expanding and upgrading its capabilities in screening, protein production, structural biology, and chemical proteomics. A major part of this strategy was the move into a new high-tech facility in Hamburg "Manfred Eigen Campus", which will be the centre for Evotec's screening and pharmacology.

To keep the Company at the forefront of scientific innovation and to drive early stage collaborations, Evotec focuses on developing early assets and invests in highly innovative approaches to address key therapeutic areas and markets, e.g. beta cell technology and technologies that facilitate drug discovery in oncology or metabolic and kidney diseases. One such example is the collaboration with Harvard University and the Howard Hughes Medical Institute (HHMI) signed in March 2011. The initial goal of this collaboration is to pursue a comprehensive and systematic approach towards the identification and development of physiological mechanisms and targets that regulate beta cell replication "CureBeta" to discover and develop new treatments for diabetes. In the field of diabetic complications, Evotec is currently also focusing on chronic kidney disease by designing screens and assays geared towards the identification of mechanisms and targets that protect and/or regenerate key cell types affected during disease progression "CureNephron". To drive this initiative, Evotec announced a second strategic alliance with Harvard University in January 2012 (after period end). The early assets and targets from such research will be actively partnered with third parties.

5. Guidance 2012

Double digit revenue growth, improved operating result and strong liquidity of above €60 m

In 2012, double-digit growth of Group revenues is expected to reach **€ 88 to 90m**. This assumption is based on a strong order book, expected new contracts and contract extensions as well as good milestone opportunities. Evotec expects R&D expenses in 2012 to remain broadly in line with 2011 levels at approximately € 10m. The Company will continue to focus on first-in-class innovation. On that basis Evotec's Group operating result before impairment and changes in contingent consideration, if any, for the year 2012 is expected to further improve over 2011.

In 2012, Evotec will invest to support its long-term growth aspirations. This will be reflected in another year of significant investment in capital expenditures, even exceeding the high levels of 2011. More than € 10m are planned to be invested in the long-term upgrading of Evotec's capacities. The Evotec Group started 2012 with more than € 60m of cash and cash equivalents as well as investments. In 2012, top-line growth is expected to generate a positive operating cash flow. A significant proportion of the cash generated will be reinvested into the upgrading of capacities, as a consequence, at constant year-end 2011 currencies, the Company expects to maintain its liquidity above € 60m at the end of 2012, excluding any potential cash outflow for M&A transactions and related payments.

6. Action Plan 2016

Setting the stage for long-term leadership in drug discovery solutions

"Evotec 2012 – Action Plan to Focus and Grow" has been successfully completed and delivered all its strategic results. Evotec has managed to stop the cash outflow of previous years and is now "cash neutral/positive", despite significant capital expenditures and its continued commitment to R&D. With "Action Plan 2016 – Innovation Efficiency" Evotec has now defined the next goals the Company wants to achieve in the years to come. Three key building blocks (**EVT**

Execute, EVT Integrate, EVT Innovate) will help Evotec to achieve long-term leadership in the drug discovery solutions market and continue to drive strong double digit y-o-y growth in revenues and strong profitability to 2016.

Webcast / Conference Call

Evotec will broadcast its press & analyst conference in Frankfurt live on the internet. The Management Board will inform you about the FY 2011 results as well as update you on the status of "Evotec 2012 – Action Plan to Focus and Grow", introduce the "Action Plan 2016 – Innovation Efficiency in Drug Discovery" and present an outlook for the fiscal year 2012.

Date: **Tuesday, 20 March 2012**

Time: **9.30 am CET (08.30 am GMT/04.30 am EDT)**

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.

For those who prefer to listen to the presentation via *phone*, please dial:

From Germany: +49 (0)69 20 17 44 210

From UK: +44 207 153 9154

From USA: +1 877 423 0830

Access Code: 605956#

A replay of the conference call will be available for 24 hours and can be accessed in Europe by dialing +49 (0)69 20 17 44 222 (Germany) or +49 (0)69 20 17 44 221 (UK, USA). The access code is 343184#. The on-demand version of the webcast will be available on our website: www.evotec.com - Investors – Events - Financial Calendar.

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, and Ono Pharmaceutical. In addition, the Company has existing development partnerships and product candidates both in clinical and preclinical development. These include partnerships with Boehringer Ingelheim, MedImmune and Andromeda (Teva) in the field of diabetes, and with Roche in the field of Alzheimer's disease. 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 release. 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.*