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Evotec to Launch its First Innovation Centre for Fragment Based Drug Discovery

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Hamburg, Germany | Oxford, UK – Evotec AG (Frankfurt Stock Exchange: EVT) announced today the launch of its Innovation Centre for Fragment Based Drug Discovery ('FBDD'). FBDD offers an alternative approach for identifying novel, small molecule hits (fragments) for a number of biological targets including those that have proved problematic using traditional drug discovery methods as successfully demonstrated by companies such as Astex. Fragments, ideal starting points for rapid evolution to subsequent lead compounds due to their low molecular weight, are difficult to detect due to their weak interactions with protein targets. Evotec has implemented a unique and powerful fragment screening platform, EVOLution, capable of identifying low molecular weight fragments in a biologically relevant environment. The initial step is carried out using Evotec's ultra sensitive screening technologies and its library of 20,000 fragments designed and selected by its medicinal chemists. Combining this screening process with subsequent protein-ligand X-ray crystallography, Evotec's EVOLution technology can identify novel small molecule fragment hits for various, often difficult biological targets in a very short period of time. Leveraging its expertise in medicinal chemistry in combination with its fragment optimisation technology, Evotec can then rapidly progress the fragment programmes to identify novel lead structures and preclinical development candidates.

Evotec has already validated the EVOLution technology against a number of biologically relevant targets including kinases, proteases and protein-protein interactions for therapeutic applications including the Central Nervous System (CNS), oncology, inflammation, metabolic disease and cardiovascular diseases. In these therapeutic areas Evotec is building a pipeline of programmes for early partnering with pharmaceutical and biotechnology companies. In excess of 10 programmes will be initiated in 2007 and activities are ongoing against targets such as Bcl-2/Bcl-xl (oncology), Renin (cardiovascular), BACE (Alzheimer's disease), PI3K (inflammation) and PKC (inflammation). Evotec will seek to partner these programmes once they are in lead optimisation. Evotec is also collaborating with a number of partners using the EVOLution technology to identify novel small molecule leads for their targets and plans to enter into additional such collaborations. Last year the Company partnered its HSP-90 programme in oncology with the Italian biotech company, DAC, a wholly owned subsidiary of Genextra SPA.

Evotec has established a scientific advisory board of eminent scientists for this Innovation Centre to advise on the selection of high quality biological targets for Evotec's pipeline of projects for partnering as well as advising on

the development of the programmes and to identify areas to further enhance the technology base. Its members include **Professor Sir Ravinder Nath "Tiny" Maini**, recently retired as the Director of the Kennedy Research Institute at Imperial College London, **Professor Peter Ratcliffe**, Nuffield Professor of Medicine and Head of Department at the University of Oxford, **Professor David Kerr**, Rhodes Professor of Clinical Pharmacology and Cancer Therapeutics at the Department of Clinical Pharmacology, University of Oxford, **Professor Dame Louise Johnson**, David Phillips Professor of Molecular Biophysics at Oxford and **Dr Michael Sundstrom**, leader of the Structural Genomics Consortium operations in Oxford, UK (for more details see also "Notes to the editor", below).

Jörn Aldag, President & CEO, Evotec commented: "We are excited and delighted that such well regarded scientists have recognised the value of our FBDD technology and have agreed to advise Evotec on the associated research and technology. We strongly believe that this technology will bring innovation to the drug discovery process and will allow us and our clients to develop novel small molecules for a number of therapeutically relevant targets such as enzymes and protein-protein interactions that to date have proven challenging for conventional drug discovery approaches. We have demonstrated that our technology can significantly reduce the timelines traditionally associated with preclinical research and can positively impact programme attrition. In addition, we strongly believe that the implementation of our Innovation Centres will provide innovative solutions to our partners and our internal efforts and will positively address some of the critical issues associated with drug discovery such as attrition, speed and access to novel chemical structures."

Over the next two years Evotec plans to create a number of Innovation Centres in key areas that will bring new innovative solutions for the identification of therapeutic products for the pharmaceutical industry. The Centres will combine existing capabilities and expertise within Evotec with external scientific and technical expertise and investment.

Notes to the editor

EVolution is a proprietary technology that Evotec utilises to rapidly identify fragment-like molecules that, by their nature, bind to proteins through very weak interactions that can not be detected by traditional methodology. Because they are soluble, low molecular weight compounds are an ideal starting point for novel small molecule drugs and through Evotec's EVolution technology can be rapidly evolved into lead compounds and preclinical development candidates.

Further details on the FBDD Innovation Centre's scientific advisory board:

Professor Sir Ravinder Nath "Tiny" Maini

Professor Sir Ravinder Nath "Tiny" Maini, is recently retired as the Director

of the Kennedy Research Institute at Imperial College, London where he led a team of researchers over a 15 year period looking for new treatments for rheumatoid arthritis. In 2003 he was a co-recipient of the prestigious 2003 Albert Lasker Award for Clinical Medical Research for the discovery of anti-TNF (tumour necrosis factor) as an effective treatment for rheumatoid arthritis and other related diseases. For this work he received a knighthood in 2003.

Professor Peter Ratcliffe

Professor Peter Ratcliffe is Nuffield Professor of Medicine and Head of Department at the University of Oxford. He trained as a Nephrologist and was Academic Director of Renal Medicine prior to his appointment to his current position in 2004. He has a broad range of interests in clinical and experimental medicine and has worked extensively on hypoxia signalling pathways, publishing over 150 peer-reviewed manuscripts in this and related fields. In 2002 he was elected Fellow of the Royal Society, and in 2006 member of EMBO.

Professor David Kerr

Professor David Kerr is Rhodes Professor of Clinical Pharmacology and Cancer Therapeutics at the Department of Clinical Pharmacology, University of Oxford where he is currently involved in building a new Institute for Cancer Medicine. He has an international reputation for research into and the treatment of colorectal cancer, and is developing new approaches to cancer treatment involving gene therapy. His work has been recognised by the award of several international prizes and the first NHS Nye-Bevan award for innovation. He was elected Fellow of the Academy of Medical Sciences in 2000 and appointed Commander of the British Empire in 2002.

Professor Dame Louise Johnson

Dame Louise Johnson is an expert in the field of structural biology. She was appointed as David Phillips Professor of Molecular Biophysics and Professorial Fellow at Corpus Christi, Oxford in 1990. The focus of her current research is on cell cycle regulatory proteins and protein kinases. She was elected as Fellow of the Royal Society in 1990. In 2003 she took up the position of Director of Life Sciences at the Diamond Light Source, the UK's new synchrotron source that will provide new opportunities for both the Life and Physical Sciences.

Dr Michael Sundstrom

Dr Michael Sundstrom leads the Structural Genomics Consortium operations at the site in Oxford, UK. His previous experience includes PhD studies and Post-Doctoral training in protein crystallography and protein biochemistry in Sweden plus solid experience from structural biology/structure based drug design approaches in the pharmaceutical industry with companies such as Pharmacia.

About Evotec AG

Evotec is a leader in the discovery and development of novel small molecule drugs. Both through its own discovery programmes and through research collaborations, the Company is generating the highest quality research results to its partners in the pharmaceutical and biotechnology industries.

In proprietary projects, Evotec specialises in finding new treatments for diseases of the Central Nervous System. Evotec has three programmes in clinical development: EVT 201, a partial positive allosteric modulator (pPAM) of the GABA_A receptor complex for the treatment of insomnia, EVT 101, a subtype selective NMDA receptor antagonist for the treatment of Alzheimer's disease and/or pain, and EVT 302, a MAO-B inhibitor in development for smoking cessation.

In research collaborations, Evotec has established itself as the partner of choice for pharmaceutical and biotechnology companies worldwide. The Company provides innovative and often integrated solutions from drug target to clinic through an unmatched range of capabilities, including early stage assay development and screening through to medicinal chemistry and drug manufacturing.

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