

12 August 2010

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
Schnackenburgallee 114
22525 Hamburg (Germany)

Strong Milestone Income Leads to Profitable 1st Half for Evotec

DRUG DISCOVERY BUSINESS REPORTS STRONG REVENUE GROWTH (+33%) AND A POSITIVE OPERATING RESULT OF € 0.3 M; REVENUE GUIDANCE RAISED FOR THE FULL YEAR 2010

Hamburg, Germany – 12 August 2010: Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX) today reported financial results and corporate updates for the first half of 2010.

RECENT HIGHLIGHTS:

- **Strong operational performance**
 - Discovery alliances growing significantly: supported by strong milestone income and growth in core business, revenues were up 33% and the operating result was positive in H1 2010 (€ 0.3 m)
 - Liquidity improved over the end of Q1 2010 to € 67.9 m
- **Strong progress and significant milestone achievements in discovery alliances**
 - New multi-year strategic alliance with Genentech started in May
 - Significant milestone achievements in a number of disease areas in multi-target collaboration with Boehringer Ingelheim; Phase I initiation in Neuropathic Pain
 - Very good progress in many alliances (e.g. Vifor, Ono); many new projects started
 - Full capacity utilisation in high quality partnerships and proprietary innovation programmes
- **Proprietary pipeline projects progressing**
 - Start of Phase II with EVT 101 in treatment-resistant depression
 - Good progress with early discovery programmes (e.g. H3)
- **Expansion into new disease areas through acquisition of DeveloGen (after period-end)**
 - Adds key metabolic disease know-how and complementary drug discovery expertise in regenerative medicine
 - Adds two high-value alliances with Boehringer Ingelheim and Andromeda (Teva)
- **Enlarged management team to accelerate growth**
 - Colin Bond appointed new CFO effective 12 August
 - Cord Dohrmann appointed new CSO effective 1 September
 - Klaus Maleck to assume new board role in Corporate Development
- **Revenue guidance for 2010 raised; liquidity guidance confirmed despite acquisition**
 - More than 20% revenue growth expected, leading to revenues of € 52 to 54 m (before € 48 to 50 m)
 - Liquidity guidance of >€ 64 m at year-end confirmed despite € 2 m cash to be used in the DeveloGen acquisition
 - Strong order book (end of June 2010: € 40 m; +21% over 2009); indicates continuing growth into 2011

1. OPERATIONAL PERFORMANCE

Discovery alliances growing significantly

For the first half of 2010, **revenues** grew significantly by 33% to € 25.0 m (2009: € 18.7 m), driven by multiple milestone achievements and strong growth in Evotec's drug discovery alliances. The Company operates on a strong **gross margin** of 45.1% (2009: 37.6%). R&D expenses declined by 82% to € 2.9 m (2009: € 16.3 m), and SG&A costs by 15% to € 7.7 m (2009: € 9.0 m). On this basis, supported by the high margin milestone income, Evotec's **operating result** for the first half of 2010 was positive at € 0.3 m (2009: € 29.1 m loss).

Liquidity including cash, cash equivalents and investments as well as on March 2010, auction rate securities at the end of June 2010 increased over end of March 2010 to € 67.9 m; this strongest half year in the Company's history represents a solid foundation to develop Evotec to sustainable profitability latest in 2012.

2. DISCOVERY ALLIANCES UPDATE

Strong progress and significant milestone achievements in discovery alliances

Due to its scale, the seamless integration of drug discovery technologies and disease biology know-how, as well as its strong reputation in the industry, Evotec is ideally positioned as the partner of choice for integrated drug discovery alliances with the pharmaceutical and biotech industry. The Company recorded strong revenue growth in Q2 2010, achieved significant milestones within its multi-target collaboration with Boehringer Ingelheim, and signed a number of important new contracts and extensions.

New multi-year strategic alliance with Genentech started

In May 2010, Evotec signed a significant, multi-year, multi-target drug discovery alliance with **Genentech**, a wholly owned subsidiary of Roche. Within this alliance, Evotec will use its full drug discovery capabilities and expertise to prosecute Genentech targets.

Significant milestone achievements in a number of disease areas in multi-target collaboration with Boehringer Ingelheim

During the second quarter of 2010, strong progress was made in Evotec's discovery collaboration with Boehringer Ingelheim. The first compound in this strategic alliance has advanced into clinical trials. With the initiation of the Phase I clinical studies, Evotec earned a milestone payment of € 2.0 m. The compound, which was discovered and optimised within the alliance, is being developed as a novel treatment for neuropathic pain. Evotec also received a first milestone payment of € 2.5 m within its recently started oncology programmes for the progression of a compound into pre-clinical studies. In July (after period-end) a similar milestone in the amount of € 2.5 m was achieved for the progression of another candidate into pre-clinical studies. In total, Evotec has now achieved 10 milestones within this collaboration that was initiated in 2004.

Very good progress in many alliances (e.g. Vifor, Ono); many new projects started

During the second quarter of 2010, collaborations with **Epitherapeutics** and **Spermatech** were extended and new screening projects were initiated with five partners. June saw the completion of the hit-to-lead phase of the collaboration with **Vifor Pharma** for the discovery of compounds to treat anaemia. A milestone was achieved for completing this stage and the programme now moves into lead

optimisation. The ion channel project initiated within the *Ono* collaboration in October 2009 also moved into hit-to-lead studies.

3. STATUS OF CLINICAL AND PRECLINICAL PROGRAMMES

Proprietary pipeline projects progressing

Evotec is focusing its proprietary programmes on carefully selected core assets, which the Company is progressing towards clinical development. To reduce Evotec's risk profile and limit its R&D expenses the Company is seeking strategic product development alliances to further advance these developments. In the second quarter of 2010, Evotec started an important proof-of-concept study in its collaboration with Roche, continued evaluating clinical indications for the further development of EVT 401, nominated the final development candidate, EVT 501, in its H3 receptor antagonist programme and received BMBF funding to further progress this project.

Start of Phase II with EVT 101 in treatment-resistant depression

The EVT 100 programme is partnered with Roche. The proof-of-concept Phase II study in treatment-resistant depression with the lead compound EVT 101 started to recruit patients on 30 June 2010. The study, which is being conducted in the United States, has the main objective of studying the safety and tolerability of EVT 101 while also exploring the efficacy of this intervention. Approximately 100 patients suffering from treatment-resistant depression will participate. Treatment-resistance of patients will be confirmed in a 6-week prospective antidepressant treatment phase preceding the actual 4-week double-blind treatment.

If Roche exercises its buy-back option after completion of this Phase II trial, Evotec would receive an immediate \$65 m lump-sum payment in exchange for the assignment of all rights and would be eligible for further development, sales performance, and scalable double-digit commercial payments.

Good progress with early discovery programmes (e.g. H3)

In Evotec's H3 receptor antagonist programme, lead optimisation studies have resulted in the nomination of a development candidate named EVT 501. API (Active Pharmaceutical Ingredient) production will commence imminently for use in regulatory (GLP) toxicology and safety pharmacology studies. H3 receptor antagonists have potential in a number of CNS indications, including excessive fatigue associated with conditions such as multiple sclerosis as well as cognition impairment. The initiation of a Phase I programme is planned within the next 12 months.

4. EXPANSION INTO NEW DISEASE AREAS THROUGH ACQUISITION OF DEVELOGEN (AFTER PERIOD-END)

On 14 July, Evotec signed a definitive agreement to acquire DeveloGen, a biopharmaceutical company engaged in the discovery of novel therapeutic approaches for the treatment of metabolic and endocrine disorders. The transaction adds two complementary alliances - one with Boehringer Ingelheim and one with Andromeda (Teva) - to Evotec's portfolio of core assets. In addition, it augments and complements Evotec's high-end drug discovery platform and capability with DeveloGen's target discovery, validation and *in vivo/in vitro* pharmacology expertise and adds core disease biology know-how in metabolic diseases and endocrine disorders. These skills further

enhance Evotec's ability to deliver high quality, innovative solutions to its partners on a global scale.

5. MANAGEMENT TEAM

Enlarged management team to accelerate growth

Evotec appointed Colin Bond as its new Chief Financial Officer and member of the Management Board effective 12 August 2010 and Cord Dohrmann, Ph.D., as Chief Scientific Officer and member of the Management Board starting 1 September 2010 (for both CVs see full half year 2010 report). Following successful restructuring of the Company, Dr Klaus Maleck, Evotec's current Chief Financial Officer, will take responsibility for the Company's Corporate Development activities, including licensing of proprietary discovery and development projects and M&A.

6. GUIDANCE

Revenue guidance for 2010 raised; liquidity guidance confirmed despite acquisition

Based on a strong H1 2010 operational performance, Evotec raised its revenue guidance for the fiscal year 2010 published on 25 March 2010: Total Group revenues are now expected to grow by more than 20%, leading to revenues of € 52 to 54 m (before: € 48 to 50 m). All other financial targets remain unchanged. Despite € 2 m cash to be used in the acquisition of DeveloGen, mainly for DeveloGen working capital needs, Evotec also confirms its 2010 year-end liquidity target of >€ 64 m at constant year-end 2009 currencies.

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 August 2010

Time:

09.30 a.m. CEST

08.30 a.m. BST

03.30 a.m. US time (East Coast)

From Europe:

+49 (0)69.2222 3105 (Germany)

+44 (0)20.7784 1036 (UK)

From the US: +1 718.354.1152

Access Code: 7555444

A simultaneous slide presentation for participants dialing in via phone is available at www.equitystory.com, password: evotec0810.

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 (0)69 2222 2236 (Germany) or +44 (0)20 7111 1244 (UK) and in the US by dialing +1 347 366 9565. The access code is 7555444#. The on-demand version of the webcast will be available on our website: www.evotec.com/Investors/Finance.

ABOUT EVOTEC AG

Evotec is a leader in the discovery and development of novel small molecule drugs with operational sites in Europe and Asia. The Company has built substantial drug discovery expertise and an industrialised platform that can

drive new innovative small molecule compounds into the clinic. In addition, Evotec has built a deep internal knowledge base in the treatment of diseases related to neuroscience, pain, oncology and inflammation. Leveraging these skills and expertise the Company intends to develop best-in-class differentiated therapeutics and deliver superior science-driven discovery alliances with pharmaceutical and biotechnology companies. Evotec has long-term discovery alliances with partners including Boehringer Ingelheim, CHDI, Novartis, Ono Pharmaceutical and Roche. Evotec has product candidates in clinical development and a series of preclinical compounds and development partnerships, including for example a strategic alliance with Roche for the EVT 100 compound family, subtype selective NMDA receptor antagonists for use in treatment-resistant depression. 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. Such forward-looking statements include, but are not limited to, statements about our 2010 financial outlook and our expected financial results in future quarters, our revised revenue guidance for 2010 and expected revenue growth, our ability to deliver on our liquidity guidance, our belief that we are on course to sustainable profitability latest in 2012, our expectations and assumptions concerning regulatory, clinical and business strategies, the progress of our clinical development programmes and timing of the commencement and results of our clinical trials, strategic collaborations and management's plans, objectives and strategies. These 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. In particular, the risks and uncertainties include, among other things: risks that product candidates may fail in the clinic or may not be successfully marketed or manufactured; the risk that we will not achieve the anticipated benefits of our collaborations, partnerships and acquisitions in the timeframes expected, or at all; risks relating to our ability to advance the development of product candidates currently in the pipeline or in clinical trials; our inability to further identify, develop and achieve commercial success for new products and technologies; the risk that competing products may be more successful; our inability to interest potential partners in our technologies and products; our inability to achieve commercial success for our products and technologies; our inability to protect our intellectual property and the cost of enforcing or defending our intellectual property rights; our failure to comply with regulations relating to our products and product candidates, including FDA requirements; the risk that the FDA may interpret the results of our studies differently than we have; the risk that clinical trials may not result in marketable products; the risk that we may be unable to successfully secure regulatory approval of and market our drug candidates; and risks of new, changing and competitive technologies and regulations in the U.S. and internationally.

The list of risks above is not exhaustive. Our most recent Annual Report on Form 20-F, filed with the Securities and Exchange Commission, and other documents filed with, or furnished to the Securities and Exchange Commission, contain additional factors that could impact our businesses and financial performance. 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.