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'RESEARCH NEVER STOPS'

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Evotec reports nine months results: Upside materialising

- DISCOVERY ALLIANCE BUSINESS REPORTS PROFITABLE GROWTH WITH REVENUES UP 54% AND A POSITIVE OPERATING RESULT OF € 9.5 M
- STRONG Q3 PROPELLED BY SIGNIFICANT NEW PRODUCT PARTNERING WITH ROCHE

Hamburg, Germany – 10 November 2011: Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX) today reported financial results and corporate updates for the first nine months of 2011.

- **Strong improvement on all key financial results**
 - Nine months revenues +54% to € 59.7 m, Q3 revenues up 90% driven by a € 6.9 m upfront payment from Roche
 - Positive nine months operating result of € 9.5 m
 - Strong liquidity of € 60.4 m despite the use of € 15.1 m for acquisitions and earn-out payments as well as € 6.1 m for technology investments for sustainable growth
- **New product development partnership with Roche for MAO-B inhibitor in patients with Alzheimer's disease (AD)**
 - Innovative approach to treat AD symptoms and potentially slow disease progression; Roche to initiate proof-of-concept studies in 2012
 - Upfront payment of \$ 10 m (€ 6.9 m); development and commercial milestone payments of up to \$ 820 m plus tiered double-digit royalties on sales
- **Research and development programmes advancing well**
 - EVT 401 partnered in animal health indication with major animal health company
 - Diapep277 Phase III programme on track to deliver data from first Phase III study in 2012
 - Focused first-in-class research investments in proprietary platform technologies, pre-clinical assets and selected discovery programmes (e.g. CureBeta); increased partnering efforts
- **Very good progress in existing and initiation of significant new integrated discovery alliances**
 - First integrated discovery collaboration with UCB in CNS signed in July; second multi-target collaboration in the field of immunology already signed in October (after period-end)
 - Milestone achievement with Boehringer Ingelheim triggering € 4 m for initiation of pre-clinical development within oncology portfolio
- **Acquisition of remaining 30% share in Evotec (India) from DIL**
 - Acquisition for € 1.7 m in cash
 - Transaction closed on 5 October 2011 (after period-end)

- Evotec is now able to operate and accelerate the business with full control
- **Increased financial guidance for 2011 confirmed**
 - Approximately 40% revenue growth expected for the full year 2011, leading to revenues of € 77 to 79 m (original guidance March 2011: € 64 to 66 m)
 - Liquidity guidance of > € 60 m at year-end confirmed despite cash required for the various acquisitions and earn-out payments in respect of Kinaxo, Compound Focus, DeveloGen and Evotec (India)
 - Order book indicates revenue growth into 2012 and continuing increase in operating income
- **Key management additions in scientific management positions**
 - Top-class talent joining Evotec, e.g. Dr Arnd Steuernagel as SVP Biologics, former CSO of Scil Proteins GmbH, and Dr Dirk Ullmann, as EVP Lead Discovery, former CSO of Proteros biostructures GmbH

1. Operational performance

Exceptionally strong Q3 results propelled by upfront payment from development partnership with Roche

Evotec reported an exceptionally strong operational performance for the first nine months of 2011. Results were positively impacted in Q3 by a \$ 10 m (€ 6.9 m) upfront payment from a significant partnering signed with Roche. Consequently, total Group **revenues** for the first nine months increased by 54% to € 59.7 m (2010: € 38.8 m) including € 8.7 m (2010: € 0.2 m) from the acquisitions of DeveloGen (Evotec Göttingen), Kinaxo (Evotec Munich) and Compound Focus (Evotec San Francisco). **R&D expenses** increased by € 2.6 m (62%), mainly from the strategic build-up of Evotec's beta cell franchise "CureBeta" and the inclusion of Evotec Göttingen and Evotec Munich R&D expenses. Despite the aforementioned acquisitions, **SG&A costs** declined by 1%. On this basis, Evotec's **operating income** for the first nine months was € 9.5 m (2010: € 1.0 m). The Company continues to operate at a strong **gross margin** of more than 40%.

Liquidity including cash, cash equivalents and investments including long-term financial assets at the end of September 2011 amounted to € 60.4 m.

2. Status of clinical and pre-clinical programmes

Development partnerships to provide upside potential

Evotec focuses on a number of carefully selected core assets, which the Company is progressing towards clinical development and for which it is seeking strategic product development partnerships to fund these developments. To reduce Evotec's risk profile the Company is not investing in larger clinical trials on its own. The Company's current clinical stage portfolio comprises several development partnerships. In Q3, Evotec reported a significant partnering with Roche:

New product development partnership with Roche for MAO-B inhibitor in patients with Alzheimer's disease (AD)

In September, Evotec and Roche announced that they have entered into an exclusive worldwide agreement for the development and commercialization of Evotec's MAO-B inhibitor in AD patients. Roche paid Evotec an upfront fee of \$ 10 million and Evotec could receive further development and commercial milestone payments of up to \$ 820 million as well as tiered double-digit royalties on sales.

The addition of EVT-302 to Roche's CNS pipeline complements other approaches the company is investigating including tau- and amyloid-targeted therapies. Evotec's compound (EVT 302) is a novel, potent inhibitor of monoamine oxidase type B (MAO-B), an enzyme that

breaks down the chemical messenger dopamine in the brain and contributes to the production of free radicals. Free radicals are known to cause oxidative stress which may contribute to pathogenesis of AD as demonstrated by the up-regulation of MAO-B expression in the brain of AD patients. For these reasons, this selective MAO-B inhibitor is targeted to treat AD symptoms and potentially slow disease progression. Roche will initiate proof-of-concept studies in 2012 and will be responsible for all clinical development, manufacturing and commercialization activities.

EVT 401 partnered in animal health indication with major animal health company

In August, Evotec announced it had entered into a world-wide license and collaboration agreement with a top tier animal health company that intends to develop the proprietary Evotec compound EVT 401, a selective, small molecule P2X7 antagonist, in the companion animal market. Evotec can receive technology access fees, development and commercial milestone payments, and significant tiered royalties on net sales. Evotec retains all rights to the programme for human therapeutic use. This partnering event triggered a reversal of impairment in the amount of € 1.5 m.

Diapep277 Phase III programme on track to deliver data of first Phase III study in 2012

DiaPep277, a synthetic peptide in development for the treatment of type 1 diabetes, acquired through the acquisition of DeveloGen, is progressing as planned in Phase III studies conducted by Andromeda Biotech and Teva Pharmaceutical. First Phase III data is expected to be published in 2012.

Focused first-in-class research investments in proprietary platform technologies, pre-clinical assets, partnering efforts and selected discovery programmes (e.g. CureBeta)

Upgrading the scientific background and the technological infrastructure of Evotec is a key strategic initiative in 2011. As part of Evotec's unfunded research initiatives, certain pre-clinical assets (e.g. BetaCell molecules, etc.) are progressing as potential entry points for drug discovery alliances.

For Evotec's NMDA antagonist EVT 101/103 a partnering initiative is ongoing, which could result in a partnership for EVT 101/103 within the next 12 – 18 months.

The existing product development alliance with Pfizer (VR1) for neuropathic pain is progressing well, and Pfizer expects to enter into a clinical trial in 2012.

Evotec's partner Jingxin Pharma has filed for regulatory approval for the first clinical trials in China for EVT 201.

3. Discovery alliances update

Expanding portfolio of discovery alliances leads to significant growth in sales; good progress and milestone achievements in collaborations

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. The Company signed a number of important new contracts, contract extensions and expansions and made good progress in many of its current programmes.

First integrated discovery collaboration with UCB in CNS signed in July; second multi-year, multi-target collaboration in the field of immunology already signed in October (after period-end)

In July 2011, Evotec entered into a three year integrated drug discovery collaboration with UCB to identify small molecule modulators

of important biological targets, selected by UCB, involved in CNS disorders. In October, based on the Company's resource bandwidth and drug hunting expertise, Evotec was again selected for a second multi-target collaboration in the field of immunology to complement UCB's internal efforts.

As part of both collaborations, Evotec will apply its integrated drug discovery expertise and technologies to identify interesting small molecules against a selected number of targets. The molecules will be further optimised and progressed through lead optimization to pre-clinical candidates. Evotec will receive ongoing research funding and will be further rewarded on achieving the goals of the research collaboration with early stage discovery, pre-clinical and clinical milestones. In addition, Evotec will receive royalties based on net sales of any approved drugs from the collaboration.

Milestone achievement with Boehringer Ingelheim within an oncology programme triggering € 4 m payment

During the third quarter of 2011, Evotec reported the achievement of another milestone in its collaboration with Boehringer Ingelheim, triggering a payment of € 4 m to Evotec. The milestone was achieved for the identification and selection of a compound to be advanced into pre-clinical development within the oncology programme and represents the fourteenth milestone achieved in this multi-year, multi-target collaboration.

4. Acquisition update

Continued expansion of scientific and technology leadership

Evotec focuses on augmenting its technology platform to continuously strengthen its ability to provide integrated drug discovery solutions for customers. At the same time, the Company is developing early assets in highly innovative areas of drug discovery such as beta cell biology and technologies to better understand oncology or metabolic diseases to kick-start new alliances. In line with this strategy, the Company has acquired Kinaxo and Compound Focus and has announced another transaction during the first nine months of 2011:

Acquisition of remaining 30% of Evotec (India) from DIL

In September, Evotec signed a Share Purchase Agreement to acquire the remaining 30% of the equity of its successful Indian subsidiary for € 1.7 m. The acquisition of DIL's 30% outstanding equity in Evotec (India) gives Evotec 100% ownership of this subsidiary, allowing it to operate and accelerate the business with full control. Evotec acquired 70% of the equity of Research Support International Private Limited (RSIPL), in August 2009 which was subsequently renamed Evotec (India) Private Limited. The transaction closed on 5 October 2011 (after period-end).

With its now 100% owned Indian subsidiary Evotec has successfully expanded its global scientific resource to offer the most complete and cost efficient drug discovery solutions to the pharmaceutical and biotech industry. This transaction will allow financial optimization and a significant reduction in administration. The deal also gives Evotec complete freedom to expand its activity in India in future without any restrictions. Operating out of Thane, Mumbai, Evotec India has 140 scientists, focusing primarily on Medicinal Chemistry. Going forward the intention is to further grow and expand this capacity.

5. Guidance 2011

Increased financial guidance for 2011 confirmed

Following the development partnership with Roche in September 2011,

Evotec for the third time in 2011 raised its revenue guidance for the current fiscal year that was originally published on 24 March: In 2011, total Group revenues are now expected to grow by approximately 40%, leading to revenues of € 77 to 79 m (March: € 64 to 66 m; June: € 68 to 70 m; August: € 70 to 72 m).

Evotec also raised its 2011 year-end liquidity target to > € 60 m at constant year-end 2010 currencies despite € 15.1 m cash required for the various acquisition and earn-out payments for Kinaxo (Evotec Munich), Compound Focus (Evotec San Francisco), DeveloGen (Evotec Göttingen) and Evotec (India).

All other financial targets remain unchanged. Focusing on key programmes, especially in the fields of innovation in metabolic diseases and regenerative medicine, the Company expects research & development (R&D) expenses to increase to approximately € 10 m from 2010 levels. On this basis, Evotec's Group operating result before impairment charges, if any, is expected to be profitable and improve over 2010.

Going forward, the Company's order book indicates revenue growth into 2012 and continuing increase in operating income before impairment charges, if any. However, operating income may vary significantly between quarters and prior year periods as the timing of performance based milestones and partnering events cannot be predicted within specific quarterly reporting periods.

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, 10 November 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 3001 (Germany)

+44-207-153-2027 (UK)

From the US: +1-480-629-9726

Access Code: 4483499

A simultaneous slide presentation for participants dialing in *via* phone is available at www.equitystory.com, password: evotec1111.

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 4483499#. The on-demand version of the webcast will be available on our website:

<http://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 and Ono Pharmaceutical. In addition, the Company has existing development partnerships and product candidates both in clinical and pre-clinical 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 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.