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Evotec Reaches Second Milestone and Receives Success Payment in Alzheimer's Disease Collaboration with Takeda

Hamburg, Germany – Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX 30, "Evotec") announced today that the second milestone has been achieved in its four-year drug discovery collaboration with Takeda Pharmaceutical Company Limited (Osaka, Japan, "Takeda").

Evotec has granted Takeda exclusive rights to a novel target in Alzheimer's disease based on successful target identification and validation work triggering a milestone payment of over one million Euros. Importantly, Evotec is eligible for substantial future milestone payments on the successful clinical development of compounds acting on the selected target. The collaboration is productively progressing into the fourth year and Evotec is entitled to further milestone payments should Takeda select additional targets from Evotec's target database.

Dr John Kemp, Executive Vice President Research & Development at Evotec, commented: "We are extremely proud that we have reached our second project milestone with Takeda. Over the past three years we have made excellent progress in building substantial expertise and IP around novel Alzheimer's disease targets. The relationship with Takeda is very productive and we are looking forward to jointly leveraging our innovative Alzheimer's disease toolbox during the years to come."

The four-year collaboration between Evotec and Takeda (see press release of 1 August 2003) is aimed at jointly identifying and validating novel targets relating to different aspects of the causes and progression of Alzheimer's disease, with the goal of developing innovative small molecule therapeutics. Total payments to Evotec will reach up to EUR 20 million covering access fees to Evotec's proprietary database of Alzheimer's disease-related targets, research funding and success based milestone payments relating to the selection of targets for further drug discovery. Additional substantial milestones would also be payable on the successful clinical development of compounds acting on selected targets. Further financial details of the collaboration are not disclosed.

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 contract research partnerships, 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 recep-

tor complex for the treatment of insomnia, EVT 101, a subtype selective NMDA receptor antagonist for the treatment of Alzheimer's disease and/or neuropathic pain and EVT 301, a selective and reversible inhibitor of MAO-B for the treatment of Alzheimer's disease.

In contract research, 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.

In 2005, Evotec has generated sales of EUR 80 million with 600 employees located in Hamburg, Germany and near Oxford and in Glasgow, UK.

www.evotec.com

About Takeda Pharmaceutical Company, Ltd.

Takeda, located in Osaka, Japan, is a research-based global company with its main focus on pharmaceuticals. As the largest pharmaceutical company in Japan and one of the global leaders of the industry, Takeda is committed to striving toward better health for individuals and progress in medicine by developing superior pharmaceutical products. Additional information about Takeda is available through its corporate website, <http://www.takeda.com/index-e.html>