News Release

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Evotec Announces Financial Results for 2008

Hamburg, Germany – Evotec AG (Frankfurt Stock Exchange: EVT; NASDAQ: EVTC) today reported financial results for the year ended December 31, 2008.

Evotec **revenues** for the twelve months ended December 31, 2008 amounted to € 39.6m, 20% above last year's level (2007: € 32.9m) mainly due to the achievement of three milestones, amounting to € 8.5m, as part of Evotec's collaboration with Boehringer Ingelheim. Underlying revenues from research collaborations were on last year's level despite negative currency effects in 2008 and the absence of library synthesis revenues following the transfer of this business into a joint venture with RSIL.

Despite a significant increase in gross profit the **operating loss** increased to € 73.2m (2007: € 58.1m). The increase was primarily a result of the Company's annual regular impairment review which resulted in a non-cash impairment of goodwill (€ 20.3m) and impairment of intangible assets (€ 7.3m). The impairment charges mainly result from the Company's decision to focus on core assets and to discontinue earlier discovery projects in order to reduce annual R&D spend in the current challenging environment. Additionally, total R&D expenses increased by 15% to € 42.5m (2007: € 36.9 m) primarily as a result of the inclusion of Renovis R&D costs following the acquisition, in May 2008, and a milestone payment to Roche for the start of Phase II studies with EVT 302. SG&A expenses increased to € 20.0m (2007: € 17.8m) mainly due to the inclusion of Renovis, Sarbanes-Oxley compliance related expenses and certain severance payments. However, savings were generated in SG&A personnel expenses as a result of realizing synergies following the merger with Renovis. As of December 31, 2008, headcount in SG&A on a pro-forma basis for Evotec and Renovis was 11 FTEs lower than at the same time in the previous year.

Net loss amounted to € 78.3m (2007: € 48.1m). The negative impact on net loss below the operating line primarily resulted from a non-cash foreign exchange loss of € 11.8m as a result of the reduction of the capital reserve of one subsidiary, paid to Evotec AG in 2008. Additionally, Evotec incurred income taxes related mainly to its subsidiary, Evotec (UK) Ltd, in the amount of € 1.9m which in 2008 reported a net profit. This was partially offset by an increase in other income from financial assets, resulting mainly from the sale of DIREVO convertible bonds (€ 4.6m) and a gain on the put option for auction rate securities (€ 1.8m), and net interest income (€ 2.1m).

At December 31, 2008 Evotec held **cash and investments** (including auction rate securities) of € 92.4m compared to € 93.7m at the end of 2007.

Operational milestones 2008

- Completed acquisition of Renovis, Inc. as of May 2, 2008
- Revenue growth driven by successful discovery alliances
- Strong pipeline news flow but missed EVT 201 partnering milestone
  - Successfully completed Phase I safety and tolerability studies with **EVT 302** and initiated a Phase II proof-of-concept study in smoking cessation (results expected in mid-2009);
  - Reported positive results of two Phase Ib studies with **EVT 101;** signed strategic alliance with Roche for the clinical development of EVT 101 in treatment-resistant depression with a total potential deal value exceeding $300m (after period end on March 9, 2009);
  - Initiated Phase I clinical studies with **$P2X_7$** receptor antagonist for treatment of rheumatoid arthritis and other inflammatory conditions;
  - Reported that Pfizer initiated Phase I clinical studies with a small molecule **VR1** (vanilloid receptor 1) antagonist for pain as part of its collaboration with Evotec;
  - Changed risk/reward ratio for **EVT 201** for insomnia; stopped internal investment

Dr Werner Lanthaler, Chief Executive Officer of Evotec AG said: "Operationally, 2008 was a very successful year for Evotec. We reported positive news on pipeline progress and revenues grew significantly thanks to a strong performance of our discovery alliances. We ended the year with a liquidity of more than € 92m, which is a very solid basis for future growth. However, we were also faced with two significant challenges: the failure to deliver on the partnership of our insomnia drug candidate EVT 201 and an unsustainable high cost base in the organization. We have addressed these issues in a strategic review the result of which, the "Evotec 2012 - Action Plan to Focus and Grow", we report in parallel today. This plan forms the basis of our financial guidance 2009 and the extension of our cash reach beyond 2012."

Financial guidance

In 2009, total Group revenues before out-licensing income are expected to reach last year's guidance of above € 35m. These assumptions are based on the current order book, expected new contracts and contract extensions as well as, to a lesser extent, the achievement of certain research milestones. In the context of its "Evotec 2012 – Action Plan to Focus and Grow" Evotec expects R&D expenses to significantly decrease from 2008 levels. The Company will focus its pipeline investments on four core value assets, spending below € 30m in 2009. SG&A expenses are expected to decrease due to cost reductions in all parts of the Group. Consequently, Evotec's Group operating result for 2009, not including impairment charges, is expected to improve significantly over 2008. The Evotec Group started the year 2009 with € 92.4m of cash, investments and auction rate securities. The Company expects these funds to be sufficient to fund Evotec's operations comfortably over more than three years. The year-end 2009 liquidity position is expected to exceed € 65m.

Note
All 2008 results shown and discussed above in this press release are compared to the 2007 continuing operations. On November 30, 2007, Evotec sold a major line of business, its Chemical Development Business to Aptuit. From this date onward this business was no longer consolidated into the Evotec Group accounts and income and expenses for that business are retrospectively disclosed as discontinued operations in the accompanying Consolidated Statements of Operations. In addition, on May 2, 2008, the Company completed its acquisition of Renovis, Inc. The operating results of Renovis from the period May 2, 2008 through December 31, 2008 are included in the accompanying Consolidated Statements of Operations for the twelve months ended December 31, 2008 and the assets and liabilities of Renovis at December 31, 2008 are included in the accompanying Consolidated Balance Sheet.

Webcast / Conference Call
Evotec is going to broadcast today's analyst and press conference in Frankfurt starting at 10.00 am CET (09.00 am GMT/05.00 am EDT) live on the internet. Dr Werner Lanthaler, Chief Executive Officer, will discuss the FY 2008 results and provide an update on the Company's strategy as well as the outlook for 2009. The presentation will be held in English.

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 Europe: +49.(0)69.5007 1308 (Germany)
+44.(0)20.7806 1956 (UK)
From the US: +1.718.354 1388
Access Code: 8545060

A replay of the conference call will be available for 24 hours and can be accessed in Europe by dialing +49.(0)69.22222 0418 (Germany) or +44.(0)20.7806 1970 (UK) and in the US by +1.718.354 1112. The access code is 8545060#. The on-demand version of the webcast will be available on our website: www.evotec.com - Investors – Webcasts.

About Evotec AG
Evotec is a leader in the discovery and development of novel small molecule drugs. Both through its own discovery programs and through research collaborations, it is generating the highest quality research results to its partners in the pharmaceutical and biotechnology industries. In proprietary projects, Evotec specializes in finding novel therapies for neuroscience, pain, and inflammation. Evotec's portfolio comprises five clinical compounds: EVT 101, a subtype selective NMDA receptor antagonist for the treatment of depression in partnership with Roche, EVT 201, a partial positive allosteric modulator (pPAM) of the $GABA_A$ receptor complex for the treatment of insomnia, EVT 302, a MAO-B inhibitor in development for smoking

cessation, a $P2X_7$ antagonist for the treatment of inflammatory diseases and a vanilloid receptor (VR1) antagonist for the treatment of pain in partnership with Pfizer. In addition, Evotec has a number of proprietary projects in preclinical development.
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 expectations and assumptions concerning future reductions in operating expenses and cash burn, regulatory, clinical and business strategies, the progress of our clinical development programs and timing of the 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; 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; 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.