News Release

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Evotec Announces Strong Second Quarter Financial Results

Hamburg, Germany – Evotec AG (Frankfurt Stock Exchange: EVT; NASDAQ: EVTC) today reported results and corporate updates for the second quarter 2009.

Recent Highlights:

- **Strong quarterly performance leads to 46% revenue growth and 29% improvement of operating result**
- **Further milestone payment received in drug discovery collaboration with Boehringer Ingelheim (after period-end)**
- **Royalty income earned from DeveloGen**
- **Several new discovery contracts signed**
- **Failure of EVT 302 in smoking cessation; positive Phase I results with EVT 401; alliance with Roche on EVT 100 compound family**
- **Execution of restructuring program "Evotec 2012 – Action Plan to Focus and Grow" yields first results**
- **Acquisition of Indian RSIPL to strategically leverage Discovery Alliance Business and create a global leader in drug discovery and development services (after period-end)**
- **Revenue guidance increased; all other financial projections confirmed despite the acquisition of RSIPL**

1. Operational performance

Strong quarterly performance leads to 46% revenue growth and 29% improvement of operating result

Evotec's **revenues** for the second quarter 2009 grew strongly by 46% to EUR 10.5 million (Q2 2008: EUR 7.2 million). This is mainly the result of strong underlying revenues from Evotec's Discovery Alliances Business, of a portion of the upfront payment for the EVT 100 compound family from Roche (EUR 0.9 million) as well as of license and royalty income totaling EUR 1.8 million from Roche and DeveloGen. **Gross margin** improved strongly to 38.8% (Q2 2008: 20.8%)

Evotec's **operating loss** for the second quarter 2009 improved by 29% to EUR 8.9 million (Q2 2008: EUR 12.5 million) despite restructuring expenses in the amount of EUR 2.7 million. This improvement is a result of the Company's strong top-line performance and its cost reductions in SG&A and R&D following the implementation of "Evotec 2012 - Action Plan to Focus and Grow".

Net loss for the second quarter 2009 amounted to EUR 8.6 million (Q2 2008: EUR 12.0 million).
Liquidity, which includes cash and cash equivalents (EUR 38.4 million), short-term investments (EUR 25.2 million) and auction rate securities (EUR 9.1 million), at the end of June 2009 amounted to EUR 72.7 million (December 31, 2008: EUR 92.4 million).

Royalty income earned from DeveloGen
The royalty income from DeveloGen was a result of the upfront payment DeveloGen received in its collaboration with Boehringer Ingelheim (published on May 13, 2009) on a target addressing insulin resistance. The target formed part of the Joint Venture between Evotec and DeveloGen which ended in 2005. As part of the agreement, DeveloGen maintained certain IP rights including those for the insulin target, and Evotec retained participation right on all future income DeveloGen might generate from the target. Under the terms of the agreement with Boehringer Ingelheim, DeveloGen received an upfront payment of EUR 7 million, and has the opportunity to earn potential additional milestone payments as well as tiered sales performance payments.

Further milestone payment received in drug discovery collaboration with Boehringer Ingelheim
On July 29, 2009, Evotec announced that a further research milestone, leading to payments to Evotec, has been successfully achieved in its drug discovery collaboration with Boehringer Ingelheim. The milestone was achieved for the identification and selection of a second compound to be advanced into preclinical development within an existing program. This represents the sixth milestone achieved in this multi-year, multi-target collaboration and is the second compound selected for pre-development in the last twelve months.

Several new discovery contracts signed
In July 2009, Evotec announced a significant research collaboration with Cubist Pharmaceuticals utilizing Evotec's world-leading fragment-based drug discovery platform and a high-throughput screening collaboration with Alios Biopharma. In addition, Evotec-RSIL extended its library synthesis collaboration with Ferrer Grupo.

2. Status of clinical programs and partnering of assets

Failure of EVT 302 in smoking cessation; positive Phase I results with EVT 401; alliance with Roche on EVT 100 compound family
In April 2009, Evotec reported that the Phase II smoking cessation study of

its MAO-B inhibitor EVT 302 failed to meet its clinical endpoints and Evotec subsequently stopped the development of the compound in this indication. All other clinical pipeline projects developed on track during the second quarter. On June 29, 2009, Evotec announced the successful completion of the first Phase I study with EVT 401, a potential novel oral treatment for inflammatory conditions such as Rheumatoid Arthritis. The compound was safe and well tolerated and demonstrated the desired pharmacodynamic activity in healthy volunteers. Evotec is now focusing its efforts on optimizing the oral dose formulation, completing the Phase I studies, and preparing for Phase II studies in Rheumatoid Arthritis.
Preparations of the Phase II clinical study for EVT 101 in treatment-resistant depression and a Phase I program for EVT 103 are on track to start in the second half of 2009. In March 2009, Evotec signed a partnership with Roche for the development of the EVT 100 compound family with total potential payments exceeding $300 million.

3. Update on Evotec 2012 Action Plan and cost reductions

Execution of restructuring program "Evotec 2012 – Action Plan to Focus and Grow" yields first results
Based on the "Evotec 2012 – Action Plan to Focus and Grow" Evotec implemented strict restructuring measures during the course of the second quarter. Evotec initiated headcount reductions in administrative functions by 20% and, following the setback in the progress of Evotec's clinical pipeline, headcount reductions in the clinical development group by approximately 50%. In addition, the Company re-engineered its drug discovery and development operations to more efficiently leverage its research and development infrastructure. All proprietary programs are now managed through Evotec's European operations and the Company is on course to finally close its US operations in South San Francisco, California, by the end of the third quarter.
As a consequence of these measures, as compared to the prior year, Evotec's headcount as of June 30, 2009 decreased by 60 people to 370; R&D expenses were down 35% and SG&A expenses were down 11% in the second quarter, despite the fact that in the same quarter last year, the US research and developments programs were consolidated into European operations only after May 2. Expenses are expected to further decline and the full impact of Evotec's restructuring will be reflected in the financial results for the second half of 2009.

4. Acquisitions

Acquisition of Indian RSIPL to strategically leverage DAB and create a

global leader in drug discovery and development services
On August 6, 2009, Evotec announced the acquisition of a controlling majority shareholding of the Indian organization Research Support International Private Limited (RSIPL) for approximately EUR 2.8 million in cash, a portion of which includes a potential earn-out. With this acquisition Evotec expands its chemistry capacity by approximately 160 scientists and delivers on its strategy as described in the "Evotec 2012 - Action Plan to Focus and Grow" to create the global partner of choice for the pharmaceutical and biotechnology industries in discovery and early development services. This transaction adds a complementary drug discovery operation and capability in a cost-effective location to Evotec's already world-leading discovery platform and efficiently increases its ability to deliver high quality drug discovery and development services to its partners.
On May 7, 2009, Evotec also acquired the zebrafish screening operations of Summit Corporation plc to further strengthen its state-of-the-art technology platform. These strategic technology and capacity additions further validate Evotec's goal to become the number one global provider of discovery and development services.

5. Guidance

Revenue guidance increased; all other financial targets confirmed despite the acquisition of RSIPL
The Company increases its 2009 revenue guidance to above EUR 40 million (previously above EUR 35 million) and confirms all other financial targets for the fiscal year 2009 published in March despite the acquisition of RSIPL. Liquidity at the end of June 2009 is at EUR 72.7 million. With the contribution of milestone receipts from research collaborations and the full impact of Evotec's restructuring measures, cash consumption is expected to be reduced considerably in the second half of the year. On this basis, Evotec remains confident to deliver on its liquidity guidance of above EUR 65 million by the end of 2009.

Conference Call
The Company is going to hold a conference call to discuss the results:

Conference call details

Date:	Friday, August 7, 2009
Time:	09.30 a.m. CEST
	08.30 a.m. BST
	03.30 a.m. US time (East Coast)
From Europe:	+49.(0)69.5007 1308 (Germany)
	+44.(0)20.7806 1956 (UK)
From the US:	+1.718.354 1388
Access Code:	8676443

A simultaneous slide presentation for participants dialing in via phone is available at www.equitystory.com, password: evotec0809.

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)69.22222 0418 (Germany) or +44.(0)20.7806 1970 (UK) and in the US by +1.718.354 1112. The access code is 8676443#. The on-demand version of the webcast will be available on our website: www.evotec.com - Investors – Financial Reports.

About Evotec AG
Evotec is a leader in the discovery and development of novel small molecule drugs. The Company has built substantial drug discovery expertise and an industrialized 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, 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. The Company has a P2X7 antagonist for the treatment of inflammatory diseases in clinical development and a series of preclinical compounds and development partnerships, including a strategic alliance with Roche for EVT 101, a subtype selective NMDA receptor antagonist, 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 expectations and assumptions concerning 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 the Company may be unable to reduce its cash burn through recent restructuring and cost containment measures and may not recognize the results of such measures within the expected timeframe; 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.