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Daiichi Pharmaceutical Selects Evotec as Partner for Medicinal Chemistry and Compound Profiling

Hamburg, Germany | Oxford, UK – Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX 30) today announced that it has signed a research collaboration agreement with Daiichi Pharmaceutical Co., Ltd. (a wholly owned subsidiary of DAIICHI SANKYO COMPANY, LIMITED), Tokyo, Japan, for medicinal chemistry and compound profiling.

A dedicated group of Evotec FTEs will work initially on two programmes for Daiichi to identify lead structures for further progression into clinical trials. Daiichi will take advantage of Evotec's expertise and full range of state-of-the-art medicinal chemistry capabilities including compound design, parallel synthesis, computational chemistry as well as ADMET services. In addition, Evotec will provide assay development and compound profiling skills to determine the activity and selectivity of the compounds generated.

“Evotec is an industry leader in the supply of medicinal chemistry services to the biotechnology and pharmaceutical industries,” **commented Dr Hirofumi Terasawa, General Manager, Medicinal Chemistry Research Laboratory of Daiichi.** “With their depth and level of scientific expertise, their track record, and their outstanding communications skills, Evotec is a trusted partner and we look forward to working with their team in developing novel compounds to treat unmet medical needs.”

Dr Mark Ashton, Executive Vice President Business Development Services at Evotec, said: “We are very pleased that Daiichi has selected Evotec as their partner of choice to support them in the advancement of this new class of compounds. This agreement serves as another confirmation of our expertise in both, chemistry and biology for small molecule drug discovery and our commitment to supporting Japanese Pharmaceutical companies such as Daiichi.”

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 two programmes in clinical development: EVT 201, a partial positive allosteric modulator (pPAM) of the GABA_A receptor complex for the treatment of insomnia, and EVT 101, a subtype selective NMDA receptor antagonist for the treatment of Alzheimer's disease and/or neuropathic pain.

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 DAIICHI SANKYO COMPANY, LIMITED

DAIICHI SANKYO COMPANY, LIMITED was established on September 28, 2005 as the joint holding company of two major Japanese pharmaceutical companies – Sankyo Company, Limited and Daiichi Pharmaceutical Co., Ltd.

DAIICHI SANKYO is a global pharmaceutical innovator, continuously generating innovative drugs and services and maximizing its corporate value. Sankyo and Daiichi Pharmaceutical have a broad range of major drug products on the Japanese market, including the antihypertensive Benicar® (Olmesartan medoxomil) and the synthetic antibacterial agent Cravit® (levofloxacin). Both companies have used their cumulative knowledge and expertise in the field of cardiovascular disease as a foundation for developing an abundant product line-up and R&D pipeline.

For further details, please refer to the company web site at

www.daiichisankyo.co.jp/eng