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**TVM Capital Portfolio Company, Evotec AG, Named M&A Advisor Global Healthcare Turnaround Company of the Year - Implementation of Turnaround Plan resulted in significant increase in revenue, a reduction in R&D costs by 50% and a significant increase of shareholder value**

**Hamburg, Germany - 23 March 2010:** Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX) has been named the M&A Advisor Healthcare Turnaround Company of the Year for the development and implementation of the 'Evotec 2012 - Action Plan to Focus and Grow'. Elements of this Plan include:

- A reduction of R&D expenses by ca. 50% and SG&A expenses by ca. 15% compared to the same period of the prior year, leading to a significant improvement of the operating result
- Eight signed or renewed collaborations or research agreements since the announcement of the restructuring
- Two completed acquisitions to further enhance company research capabilities
- Despite significant restructuring, an increase in Evotec headcount by approximately 300 people to 500, and
- An increase in shareholder value represented by a company market capitalisation from €60 million in March 2009 to ca. €240 million in December 2009.

As a major shareholder, TVM Capital nominated Evotec and Dr Lanthaler for the award and is pleased with the positive outcome given the strong nominee finalists group.

“Werner refocused Evotec to be a revenue generating business, reduced the cash burn significantly and substantially improved the company’s market capitalisation,” **said Helmut M. Schühlsler, Managing Partner of TVM Capital.** “We have had the opportunity to work with him before when Werner served as CFO of TVM Capital Portfolio Company Intercell where he also played a major role in making the company a significant success for its venture investors.”

This year, the finalist nominee pool for all M&A Advisor Turnaround Awards was nearly 100, highlighting the best of the distressed investing, restructuring and turnaround marketplace.

**Evotec AG**

Evotec is a leader in the discovery and development of novel small molecule drugs with operational sites in Europe and Asia. The Company has built substantial drug

discovery expertise and an industrialised 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. Evotec has product candidates in clinical development and a series of preclinical compounds and development partnerships, including for example a strategic alliance with Roche for the EVT 100 compound family, subtype selective NMDA receptor antagonists for use in treatment-resistant depression. For additional information please go to [www.evotec.com](http://www.evotec.com).

#### **TVM Capital in Healthcare**

TVM Capital currently manages committed capital of about 850 million Euros (\$1.15bn) for investments in the life sciences and healthcare sector. The TVM Capital healthcare and life science team builds on the expertise, experience, international approach and demonstrated success in more than 110 previous life sciences investments and more than 70 exits, including almost 40 IPOs from our portfolio of companies. Twenty years of successful investing and value creation, in traditional early and late-stage venture as well as growth capital, make TVM Capital a preferred partner for rapidly growing companies in the life science and healthcare industry. For more than 20 years, our business has been to invest in the growth of exciting companies who are or aspire to be leaders in their market segment, and to be resourceful and supportive strategic partners to founders and managers alike.

#### **TVM Capital**

TVM Capital is an international growth and venture capital firm with a focus investing in the growth of companies through innovation, international market access, capital efficiency and operational excellence. The firm has a 25-year investing track record in the European and U.S. markets derived from more than 260 investments in a broad range of companies in the life science / healthcare and information technology fields. From this portfolio, the firm exited from about 200 companies to date. The highly innovation driven investment focus of TVM Capital has led to specialized, focused industry teams and dedicated industry funds to serve the target markets best. TVM Capital is Private Equity International's "German Private Equity Firm of the Year 2008", was ranked 18<sup>th</sup> in the list of the leading 100 venture capital companies in the world by Red Herring Magazine in September 2009, and received the *M&A Advisor Corporate/Strategic Acquisition of the Year Award* in December 2009 for the \$300 million acquisition of portfolio company Di-revo Biotech AG by Bayer HealthCare AG in September 2008.

For more information, please visit: [www.tvm-capital.com](http://www.tvm-capital.com)

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**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 our strategic collaborations, our regulatory, clinical and business strategies, the progress of our clinical development programmes 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; 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.*