

9 January 2006

Evotec Licenses Two Phase I Compounds with Disease Modifying Potential in Alzheimer's Disease

**For further information
please contact:**

Joern Aldag
President &
Chief Executive Officer

+49.(0)40.560 81-242
+49.(0)40.560 81-333 Fax
joern.aldag@evotec.com

Anne Hennecke
Director,
Investor Relations &
Corporate Communications

+49.(0)40.560 81-286
+49.(0)40.560 81-333 Fax
anne.hennecke@evotec.com

Evotec AG
Schnackenburgallee 114
22525 Hamburg
Germany
www.evotec.com

Hamburg, Germany | Oxford, UK – Evotec AG (Frankfurt Stock Exchange: EVT, TecDAX 30) today announced that it has signed an exclusive worldwide licensing agreement with Roche for two compounds in phase I clinical development for the treatment of Alzheimer's disease (AD).

The compounds are orally active, selective and reversible inhibitors of monoamine oxidase-B (MAO-B). They have favourable preclinical profiles, were well tolerated and showed excellent pharmacokinetic properties in phase I studies. The most advanced compound will be known as EVT 301.

John Kemp, Executive Vice President of Research and Development, Pharmaceuticals Division, Evotec, commented: "In addition to a solid scientific rationale, unpublished clinical trials show proof-of-concept for MAO-B inhibition as a treatment for Alzheimer's disease. Importantly, these large, one year duration, multinational studies, strongly support the concept that inhibition of this target slows symptom progression in Alzheimer's disease.

As such, MAO-B inhibition represents the only clinically validated approach to slowing the progressions of symptoms in Alzheimer's disease. These compounds hold exceptional promise as future treatments for this devastating condition."

Under the terms of the agreement, Evotec will receive a worldwide exclusive license to two MAO-B compounds. In exchange, Roche will receive an upfront fee, and is eligible for down stream milestone payments and royalties on net sales of products. Roche retains a late stage co-development option on these compounds. In addition, upon initiation of phase II clinical trials, in lieu of a milestone payment, Roche will receive Evotec stock.

Jörn Aldag, President and CEO of Evotec, commented: "EVT 301 is an excellent fit with our growing CNS pipeline. We are encouraged by the potential of this compound as a disease modifier, which is the highest unmet medical need in Alzheimer's disease. These drugs would be used in combination with, rather than in competition to, the currently available symptomatic treatments. Thus EVT 301 is complimentary to current treatments as well as to EVT 101."

Peter Hug, Global Head of Roche Pharma Partnering said: "Roche and Evotec's partnership has grown into a true strategic alliance with cooperation taking place on many levels from building chemical libraries to licensing drug candidates. Evotec is building a strong CNS pipeline and Roche is

pleased to help them achieve this.”

About MAO-B inhibitors in Alzheimer’s disease

Oxidative stress is a central feature of Alzheimer’s disease (AD) and is considered to contribute to its pathogenesis. MAO-B activity is greatly upregulated in reactive astrocytes surrounding amyloid plaques in the brain of AD patients in comparison to age-matched controls. MAO-B activity is stoichiometrically linked to hydrogen peroxide production, a reactive oxygen species able to produce the highly reactive, and toxic, hydroxyl radical (HO[•]). In this way, upregulated MAO-B activity is thought contribute to the progression of AD pathology.

A compound from an earlier series of MAO-B inhibitors showed significant efficacy, including slowing of progression of symptoms, in late stage clinical trials in mild to moderate Alzheimer’s disease, but development was stopped due to isolated reports of safety issues. EVT 301 is from a chemically distinct series and was developed as a follow up based on the positive clinical findings above.

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 providing 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 (CNS). Evotec has three Phase I clinical programmes: EVT 201, a GABA_A modulator for the treatment of insomnia, EVT 101, a subtype selective NMDA receptor antagonist for the treatment of Alzheimer’s disease, Parkinson’s disease and 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, based on preliminary numbers Evotec has generated sales of EUR 79 million with 600 people located in Hamburg, Germany and near Oxford and in Glasgow, UK.

www.evotec.com