News Release

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Evotec Restructures and Implements "Evotec 2012 - Action Plan to Focus and Grow"

- **Immediate significant cost reductions and focus on core R&D programs**
- **More assets will be made available for strategic partnering**
- **Invest and grow discovery alliances business**
- **Extension of cash reach beyond 2012 allows for optimal growth strategy**

Hamburg, Germany – Evotec AG (Frankfurt Stock Exchange: EVT; NASDAQ: EVTC) today announced that it will restructure to focus on core value programs and significantly reduce its operating costs. This follows the completion of a previously announced strategic business review which resulted in the implementation of the strategic plan "Evotec 2012 - Action Plan to Focus and Grow". The Company will reduce its SG&A expenses by more than 10% and its R&D costs by more than 30%. In absolute terms this means a cost reduction of more than € 14 million over 2008. As a result of the immediate restructuring measures, the Company expects its annual cash burn rate to be reduced by a minimum of 30% and its cash reach to be extended beyond 2012. The impact of restructuring is expected to amount to approximately € 2 million, attributable solely to 2009.

"To ensure that our efforts are focused on core differentiated projects and activities that will deliver the greatest value to stockholders and partners, we have made some prompt and clear decisions regarding our financial resources and strategic direction," **said Dr Werner Lanthaler, Chief Executive Officer of Evotec**. "We will significantly downsize our SG&A costs, focus on core research and development programs and make more projects available for strategic partnering. At the same time we have decided to invest and expand our successful discovery alliance business. We will also invest in highly innovative new research projects that address major unmet medical needs."

As a result of the internal concentration process more projects will be available for strategic partnering discussions in the near future. Despite the failed partnering process of Evotec's insomnia drug EVT 201, many of the current Evotec projects find high interest within the pharmaceutical industry. Strategically, Evotec will de-risk its business model further to become sustainable. The Company therefore intends to enter into strategic high value alliances with pharma partners and expand its indication focus to neuroscience, pain and inflammation. Keeping the opportunity and core competences to develop at least one of its pipeline products to the market is a further main element of this strategy.

The development alliance with Roche signed in March 2009 is an excellent example of a high value partnership that allows Evotec to de-risk but keep the upside of its current clinical assets. With this strategic approach, and its € 92 million of liquidity as of year-end 2008, Evotec is confident that the Company can fund its currently planned business operations comfortably for more than three years, reach very important milestones within its development programs, and advance and enhance its pipeline to demonstrate meaningful value over this period.

As a result of the strategic review, Evotec has to reduce its headcount immediately by approximately 50 positions which will bring its workforce to a total of below 370 from 420. Headcount reductions will take place across the entire organization in the US, UK and Germany.

The Company's current core pipeline programs consist of EVT 302 for smoking cessation, currently in a Phase II proof-of-concept trial for which Evotec will present data in Q2 2009; EVT 101 for use in treatment resistant depression, entering a proof-of-concept Phase II trial in partnership with Roche for which the companies expect to announce data in late 2010/2011; a $P2X_7$ antagonist for rheumatoid arthritis, currently in Phase I studies; and a H3 and a $P2X_3$ antagonist program which both are expected to start Phase I studies in 2010.

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 prod-

uct 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.