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Evotec OAI and Serono Extend Discovery Chemistry Agreement**For further information
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First compounds resulting from the collaboration progressing into pre-clinical testing.

Hamburg, Germany/ Abingdon, UK — Evotec OAI AG, Hamburg, Germany (Neuer Markt: EVT), a supplier of integrated high-value-added drug discovery services, announced today a one year, EUR 2.4 million lead optimisation programme with Serono S.A., Europe's leading biotechnology company (SWX: SEO, NYSE: SRA). This is an extension of a chemical library collaboration first signed in 1998.

Under the terms of the agreement, Evotec OAI scientists provide lead optimisation services and synthesise small molecule focused libraries exclusively for Serono's drug discovery projects. These high-quality libraries are being created using Evotec OAI's proprietary high-speed synthesis, autopurification and medicinal chemistry platforms. In addition to programme fees of EUR 2.4 million Evotec OAI will receive milestone payments for all patented compounds which may enter clinical trials and royalties for those which may be commercialised.

The collaboration with Serono, which started in October 1998 as a focused chemical library agreement, has grown into a long-term discovery and development partnership. As a result, Serono has already filed several patent applications. Several of these compounds have progressed into pre-clinical testing at Serono, supported by Evotec OAI's Chemical Development arm.

"We are impressed by the quality of services and the scientific expertise of the chemists at Evotec OAI, which is greatly enhancing our search for new drug products. Several compounds synthesised during the overall collaboration have already been progressed into pre-clinical testing and are now being produced in Evotec OAI's state-of-the-art development facilities," said Dr. Timothy Wells, Head of Discovery for Serono.

"The second time extension of our collaboration with Serono is a true validation for the quality of our integrated drug discovery services. We are delighted that our collaboration has continuously grown since 1998 including, today, our complete service offering from combinatorial chemistry, assay development and screening to development and scale-up services," said Dr Mario Polywka, Chief Operating Officer of Evotec OAI.

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About Evotec OAI AG

Evotec OAI offers the full range of high-value added products and services required to discover and develop drugs more effectively and efficiently. By integrating accelerated methods in biology, chemistry and screening, the Company has established a unique position as a one-stop-shop for all the critical elements in the drug discovery research and development process - from target to clinical development. More than 570 people are based in Hamburg, Germany and Abingdon, U.K. Evotec OAI already has close links with many of the leading companies in the pharmaceutical and biotechnology industries including Novartis, GlaxoSmithKline, Pfizer, Aventis, Pharmacia/Sugen, Bayer, BMS, Merck & Co., Roche, Amgen, Biogen, Vertex, Serono and Immunex. The Company's shares are listed on the Neuer Markt of the Frankfurt Stock Exchange.

About Serono

Serono is a global biotechnology leader. The Company has six recombinant products on the market, Gonal-F®, Luveris®, Ovidrel®/Ovitrelle®, Rebif®, Serostim® and Saizen® (Rebif® and Luveris® are not approved in the USA). In addition to being the world leader in reproductive health, Serono has strong market positions in neurology, metabolism and growth. The Company's research programs are focused on growing these businesses and on establishing new therapeutic areas. Currently, there are fifteen new molecules in development.

In 2000, Serono achieved worldwide revenues of US\$1.240 billion, and a net income of US\$301 million, making it the third largest biotech company in the world based on revenues. The Company operates in 45 countries, and its products are sold in over 100 countries. Bearer shares of Serono S.A., the holding company, are traded on the SWX Swiss Exchange (SEO) and its American Depositary Shares are traded on the New York Stock Exchange (SRA).