NEWS RELEASE

Evolva reports financial results for 2011

Saffron - new product in Nutrition pipeline

Further shift towards Nutrition and Consumer products

Reinach, Switzerland, 22 March 2012 – Evolva Holding SA (SIX: EVE) today announced its financial results for the period 1 January to 31 December 2011. The annual report is available on Evolva's website.

Key achievements:

- Three new collaborations (with IFF, BASF and Roquette in early 2012) in the Nutrition & Consumer area
- The acquisition of Abunda to consolidate our ownership of the Stevia product
- Achievement of several milestones on partnered projects
- All internal projects maintained their timelines
- EV-077 entered Phase II clinical studies
- The emergence of promising novel antibiotics in the EV-035 series

Key financials:

- Spending remained within guidance
- Revenues of CHF 11.1m (2010: CHF 18.6m)
- Cash outflow from operating and investing activities CHF 18.4m (2010: CHF 18.1m)
- Total cash position at 31 December 2011: CHF 22.7m
- CHF 30 million equity standby facility obtained

Neil Goldsmith, CEO of Evolva said, "2011 saw the culmination of our shift in emphasis from pharmaceutical products to nutrition and consumer products. We are today announcing another project in our nutrition business, aimed at the production of the valuable spice saffron by fermentation. We continue to see significant value in our pharma products, but will look to partner these over the next 12-18 months."

CFO **Jakob Dynnes Hansen** commented, "We have kept 2011 spending under tight control and secured a CHF 30 million equity standby facility last August. In order to further accelerate our development and optimise our portfolio, we are exploring various options for financing and product partnering."

Operational Review

Nutrition & Consumer

Evolva has a proprietary, fermentation-based platform that allows radically different approaches to the production of ingredients for the food, beverage and consumer health sectors.

Stevia – zero-calorie, natural sweetener

During 2011 we made significant advances towards the commercialisation of Stevia, and in July acquired our partner Abunda, to achieve full ownership of the product. We have filed numerous patent applications around our approach. In December 2011, the European Commission authorised the use of steviol glycosides in food and beverages. After the earlier clearance by regulators in the US and many other regions of the world, this marks a major breakthrough in the acceptance of Stevia as a sugar substitute. Stevia research is conducted at our Copenhagen site. Over the next year, Evolva will focus on moving the program into pilot-scale.

Based on current plans and expectations, Evolva's first Stevia product is expected to be available in 2015.

Vanilla – a sustainable production route

We achieved all of our 2011-targets for the vanilla programme. Based on the yield we have reached, the production costs have been lowered to a level where our fermentation-derived vanillin will already be competitive in certain markets. We are continuing our drive to further increase the process yield while preparing to initiate process scale-up by early 2013.

Evolva is currently in discussions with potential partners regarding the next steps in the preparation of commercial-scale production, expected either in 2013 or 2014.

Saffron – colour, flavour and fragrance

Saffron is the world's most expensive spice, as well as one of the oldest. It comes from the stigma of the Saffron crocus and is used for food colouring and flavouring, as well as for its aroma properties. Currently, saffron prices range from c.USD 2,000 per kg upwards with high-grade saffron commanding much higher prices. More than 90% of the world's supply currently derives from Iran. The total world market is estimated to be worth c. USD 660 million p.a.

The characteristic saffron flavour, colour and odour come from several components, of which the most important are picrocrocin, crocin and safranal. All of these are present in the crocus stigma.

Producing the key saffron components by fermentation has three main benefits.
Firstly, it will allow saffron to be available at a much lower price than currently, which will both expand existing markets and open new ones. Secondly it will eliminate the many complexities involved in the current supply chain. Finally by making each of the key components separately it will enable the production of customised forms that are for example particularly rich in aroma, taste or colour and that can be adapted to specific food formulations and regional preferences.

Our work on saffron is located at Evolva's Chennai site. We have identified pathways for the fermentation production of the key saffron components, and filed multiple patent applications. Over the next few years we will be establishing a full commercial route for the production of these compounds. We expect products to be available either in 2015 or 2016.

Pomecin™ – natural mould protectants

Pomecins are potent mould inhibitors that derive from a pathway that occurs in pomegranates

Pomecin™ A has efficacy and other attributes ideal for applications in food protection, particularly as a fast acting mould inhibitor against food spoilage yeasts and filamentous fungi. In 2011, we made significant progress in defining the potency and efficacy spectrum of Pomecin™ A for common food spoilage organisms and its stability to important manufacturing processes. Preliminary tests in fruit juices suggest that Pomecin™ A has clear potential in shelf life extension of beverages.

Pomecin™ B has efficacy, stability and production properties that make it particularly suitable for use in applications in crop protection, post-harvest processing of fruits, vegetables, and grains as well as fungal infections of farmed fish and livestock.
In 2011, we developed a stable micro-emulsion formulation suitable for application on plants. Field studies against Downy mildew on grape vines have been completed. Formulated Pomecin™ B significantly reduced the disease intensity in a manner that was superior to commercial products and no phytotoxicity was observed. Further studies are under way.

In 2011 we also developed innovative formulations of **Pomecin™ A** for topical treatment of onychomycosis. We have made significant progress in defining the utility of Pomecin™ A for use in treatment of fungal infections of the mouth.

We expect the first Pomecin™ products to be available in either 2014 or 2015.

Pharmaceuticals

In pharmaceuticals, we focus on oral, small molecule drugs with application in complications of diabetes and infectious diseases. We see our pharmaceutical pipeline as having considerable value, and we will seek partners to fund late stage clinical trials on novel chemical entities.

EV-077 for the treatment of diabetic complications

In November, Evolva received regulatory clearance to progress EV-077 into Phase IIa clinical studies for the treatment of complications of diabetes. It is a single-centre study, conducted in Germany. The study is currently ongoing and the intention is to enrol up to 64 patients. The study is randomised, double-blind, and placebo-controlled, and investigates the efficacy and safety of EV-077 in type 2 diabetics with a heightened risk of diabetic vascular complications. Measurements include blood flow and platelet reactivity, biomarkers for oxidative stress and vascular inflammation as well as markers of the function of organs that are often impaired in diabetes (e.g. kidney, retina). Top-line data are expected in mid-2012.
In parallel with the Phase IIa study, Evolva is conducting epidemiological studies to identify high risk diabetic patient sub-groups that can potentially derive particular benefit from EV-077. Given success this is expected to expedite both further clinical development (by reducing the size and duration of late stage clinical trials) and the eventual approval process.

EV-077 for the treatment of viral infections

In March 2011, the US Food and Drug Administration (FDA) cleared Evolva's request to test EV-077 in man, under an Investigational New Drug (IND) application for influenza. However Evolva does not currently intend to initiate clinical studies in this indication without a partner.

EV-035 – addressing the threat of bad bugs

In early in vivo infection models, EV-035 has shown an efficacy comparable or better than gold standard drugs against both Gram-positive and Gram-negative strains, including E. coli and MRSA as well as other multidrug-resistant pathogens. The final selected lead compound has good oral bio-availability and exhibits a favourable safety profile. Data generated to date indicate that EV-035 is an excellent candidate for further characterisation and promotion as broad-spectrum, first-line antibiotic in the hospital as well as the community.

Partnerships

Evolva has, and intends to maintain, a handful of partnerships around its technology and research capabilities – deploying its technology to solve problems for other companies.

2011 was a year of transition in our partnerships. We added three new partnerships in the nutrition and food chain space, whilst our pharma oriented partnerships with the US Department of Defense came to a successful conclusion during 2011 or early 2012.
More information on our existing partnerships is available in the 2011 annual report.

Personnel

The overall head count for the group at year-end 2011 was 110. Since then it has declined, following the end of the US bio-defence projects. The Board of Directors was strengthened in 2011 by two experts in the field of nutrition and food ingredients. The Management team was strengthened with the addition of Norbert Bender as CMO and with Simon Waddington, CEO of Abunda (now Evolva Nutrition, Inc.). One of Evolva's co-founders, Alexandra Santana Sorensen left the company for personal reasons.

Share Performance

The Evolva stock price ended the year 2011 at CHF 0.54, compared with CHF 1.55 at the end of 2010. Evolva's stock declined broadly in line with our peers, being dragged down by the general negative investor sentiment, not least in relation to biotech companies. On average, some 98,000 Evolva shares were traded per day in 2011.

Financial review

Key financials

CHF million (IFRS, consolidated)	**2011**	2010
Revenues	**11.1**	18.6
Research & Development costs (R&D)	**-27.5**	-30.9
General & Administrative costs (G&A)	**-9.5**	-10.8
Net result	**-22.9**	-23.3
Cash flow from operating and investing activities	**-18.4**	-18.1
Equity financing	**0.9**	3.6
Earnings per share (CHF)	**-0.14**	-0.17
Cash at end of period	**22.7**	37.7
Equity at end of period	**73.2**	53.0

Income statement

2011 saw a clear shift in the Company's revenues away from projects for the US Department of Defense (51% of revenues in 2011, versus 78% in 2010) towards revenues from commercial clients such as BASF, IFF and Roche. The Company also had revenues from Abunda prior to the acquisition in July 2011.

Technology and discovery costs (excl. option charges) amounted to CHF 17.7 million, compared to CHF 18 million in 2010. This includes an impairment of CHF 1.3 million on assets transferred from the US Department of Defense as equipment under this contract is being returned to the client.

Costs related to product development (excl. option charges) decreased from CHF 9.7 million to CHF 7.3 million. Certain costs associated with the Phase IIa trial with EV-077 that were anticipated to be incurred in late 2011 will instead be incurred in 2012.

The Company incurred non-cash expenses of CHF 5 million for the incentive option plans, compared with CHF 7 million in 2010. Non cash financial expenses of CHF 0.6 million were recorded with regard to the set-up of the SEDA equity facility.

Due to the decrease in the share price since July 2011, the contingent liability related to the acquisition of Abunda in the purchase price allocation, created as at the purchase date, has been re-valued leading to an accounting gain of CHF 2.6 million.

Total General & administrative costs (excl. option charges) were stable at CHF 7 million and include CHF 0.6 million of acquisition expenses for Abunda.

Balance sheet and cash flow

Evolva's cash balance decreased by CHF 15 million from CHF 37.7 million to CHF 22.7 million at the end of 2011.

The cash outflow was driven by operating activities of CHF 17.4 million, purchase of equipment (CHF 1 million) and amortisation of loans and leases (CHF 0.4 million). Inflows included the cash that came with the Abunda acquisition (CHF 3.1 million), proceeds from SEDA financing (CHF 0.8 million) and proceeds from stock options exercises (CHF 0.1 million).

As a result of the acquisition of Abunda, patents and patent applications in the amount of CHF 34.5 million and goodwill of CHF 12.3 million have been recognised as intangible assets. Deferred income decreased mainly due to the release of technology access fees.

In 2011, Evolva increased its ownership in its Indian subsidiary from 58.8% to 60% by acquiring part of the shareholding of the Indian investor, Ventureast/APIDC. In return, Evolva transferred the proceeds of the sale of treasury shares (CHF 0.5 million) to the investor.

Equity increased from CHF 53 million to CHF 73.2 million in 2011 primarily because of the capital increase of CHF 30 million from to the acquisition of Abunda and a CHF 7.7 million increase of other reserves.

Outlook

Revenues in 2012 will be influenced by the expiry of one project for the US Department of Defense at the end of January 2012 (as per contract). Existing projects with commercial partners are expected to continue throughout the year and some could reach milestones. The Company also expects revenues from new partnerships, the first of which was established with Roquette in January 2012. Subject to the uncertainty about size and timing of new projects, revenues in 2012 are currently estimated to be around the 2011 level.

Based on current plans and budgets, the Company expects a net loss in 2012 of CHF 21 – 23 million (2011: CHF 22.9 million). The net cash outflow from operating and investing activities is expected to be CHF 16 - 17 million in 2012.

Based on the currently available funds and the projections above, Evolva expects that it is financed well into 2013.

Evolva expects to draw additional funding from its SEDA equity facility. Evolva is also exploring various options for financing and product partnering to enable the company to move downstream on some of its activities.

- Ends –

Press/analyst conference at 16.00pm CET on 22 March 2012

Neil Goldsmith, CEO and Jakob Dynnes Hansen, CFO, will present the results in a meeting for media and analysts in SIX Convention Point in Zürich. The meeting will be accessible via dial-in.

The dial-in numbers:

+41 (0)91 610 5600	Switzerland / Continental Europe
+44 (0)203 059 5862	UK
+ 1 (1) 866 291 4166	(USA – Toll-Free)

A replay will be available as a podcast for 2 weeks after the call. The link to the podcast will be posted on Evolva's website.

The news release, annual report and Powerpoint presentation are available on the website.

About Evolva Holding SA

Evolva's mission is to discover and provide **innovative, sustainable ingredients for health, nutrition and wellness.** Evolva uses biosynthetic and evolutionary technologies to create and optimise small molecule compounds and their production routes. We are active in pharma (infectious disease and complications of diabetes) as well as in consumer healthcare and nutrition. In both areas we have partnered projects as well as proprietary programmes. For more information see www.evolva.com.

Contact Details

Neil Goldsmith, CEO	Jakob Dynnes Hansen, CFO	Paul Verbraeken, IR
neilg@evolva.com	jakobdh@evolva.com	paulv@evolva.com
+ 41 61 485 2005	+ 41 61 485 2034	+ 41 61 485 2035

This press release contains specific forward-looking statements, e.g. statements including terms like believe, assume, expect or similar expressions. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors which may result in a substantial divergence between the actual results, financial situation, development or performance of the company and those explicitly or implicitly presumed in these statements. Against the background of these uncertainties readers should not place undue reliance on forward-looking statements. The company assumes no responsibility to update forward-looking statements or to adapt them to future events or developments.