

Balance Sheet in Accordance with German GAAP (HGB)

MorphoSys AG Financial Statements as of December 31, 2003 and December 31, 2002

Assets	12/31/2003 €	12/31/2002 €
A. Fixed Assets		
I. Intangible Assets		
1. Franchises, Trademarks, Patents Licences, and Similar Rights and Licences to Such Rights	7,877,584	1,025,961
II. Tangible Assets		
1. Land, Leasehold Rights and Buildings, Including Leasehold Improvements	518,777	599,859
2. Other Equipment, Furniture and Fixtures	983,625	926,873
	1,502,402	1,526,732
III. Financial Assets		
1. Shares in Subsidiary Companies	184,916	186,916
2. Loans to Affiliated Companies	25,000,000	25,000,000
	25,184,916	25,186,916
B. Current Assets		
I. Inventories		
1. Work in Progress	119,360	264,592
2. Raw Materials, Supplies and Production Materials	40,755	40,755
	160,115	305,347
II. Receivables and Other Assets		
1. Trade Accounts Receivable All Due within One Year	1,992,350	5,642,224
2. Receivables Due from Enterprises in which the Company has a Participating Interest, All Due within One Year	0	3,626
3. Other Assets, Due after One Year € 7,555 (Prior Year: € 7,555)	1,188,655	1,106,792
	3,181,005	6,752,642
III. Short-Term Securities Investments		
1. Treasury Stock	21,934	21,934
2. Other Short-term Investments	16,627,644	18,398,797
	16,649,578	18,420,731
IV. Cash on Hand and Cash in Banks	6,782,279	740,627
C. Prepaid Expenses and Deferred Charges	397,981	679,763
	61,735,860	54,638,719

Liabilities and Shareholders' Equity	12/31/2003 €	12/31/2002 €
A. Equity		
I. Capital Subscribed	14,703,996	11,849,118
II. Capital Surplus	59,291,294	53,710,300
III. Earnings Reserves		
1. Reserve for Treasury Stock	21,934	21,934
IV. Accumulated Deficit	(32,167,506)	(26,975,675)
	41,849,718	38,605,677
B. Accruals		
1. Other Accruals	1,980,495	3,330,800
	1,980,495	3,330,800
C. Liabilities		
1. Bonds, thereof Convertible € 63,400 (Prior Year: € 0)	151,800	74,800
2. Trade Accounts Payable	454,854	2,512,684
3. Liabilities to Companies in which Investments are Held Thereof Due after One Year € 2,000,000 (Prior Year: € 3,000,000)	3,000,000	5,000,000
4. Liabilities Due to Enterprises in which the Company Has a Participating Interest	4,265,675	516,200
5. Other Liabilities Due within One Year € 313,747 (Prior Year: € 283,002) Thereof for Taxes € 177,721 (Prior Year: € 151,489) Thereof for Social Security € 117,933 (Prior Year: € 131,512)	313,747	283,002
	8,186,076	8,386,686
D. Deferred Income	9,719,571	4,315,556
	61,735,860	54,638,719

Profit and Loss Statement in Accordance with German GAAP (HGB)

MorphoSys AG Financial Statements for the Period from January 1 to December 31, 2003 and 2002

	2003 €	2002 €
1. Sales	14,975,087	16,423,769
2. Cost of Sales	13,766,099	19,547,999
3. Gross Profit/(Loss) on Sales	1,208,988	(3,124,230)
4. Selling Expenses	608,039	2,567,295
5. General Administration Expenses	6,354,591	16,045,805
6. Other Operating Expenses	247,421	313,549
7. Other Operating Income	(100,551)	(190,482)
8. Expenses from Transfer of Losses	1,260,330	0
9. Expenses/(Income) from Other Short-term Securities	(994,231)	518,897
10. Other Interest and Similar Income (thereof € 755,938 from Affiliated Companies)	(974,366)	(440,592)
11. Result from Ordinary Activities	(5,192,245)	(21,938,702)
12. Extraordinary Income	0	25,000,000
13. Other Taxes	414	(225)
14. Net Gain/(Loss)	(5,191,831)	3,061,073
15. Loss Carried Forward	(26,975,675)	(30,036,748)
16. Accumulated Deficit	(32,167,506)	(26,975,675)