

Financial Calendar

February 24, 2006	Year-End 2005 Results Analyst Meeting and Press Conference Frankfurt, Germany
April 28, 2006	Three Months' Report Publication
May 17, 2006	Annual Shareholders' Assembly Munich, Germany
July 28, 2006	Six Months' Report Publication
October 27, 2006	Nine Months' Report Publication

MorphoSys AG
Lena-Christ-Str. 48
82152 Martinsried/Planegg
Germany
Tel.: +49-89-89927-0
Fax: +49-89-89927-222
www.morphosys.com

Annual Report 2005 MorphoSys AG



ANNUAL REPORT 2005

Expanding Into New Markets

2005 witnessed a substantial expansion of MorphoSys's technologies across a variety of new geographic markets, applications and customers. Expansion into new markets is an important focus of MorphoSys's growth strategy. Thanks to the innovative HuCAL GOLD antibody technology, MorphoSys is establishing itself as a market leader in various antibody markets.

In terms of therapeutic antibodies, MorphoSys has a strong global presence. Of the twenty largest pharmaceutical groups, ten have already decided in favor of MorphoSys's technologies for the purposes of identifying new therapeutic approaches and developing future antibody drugs. MorphoSys will further enhance its position, expanding its footprint in Japan as well as in key markets such as Europe and the U.S.

In the research antibody field, MorphoSys is targeting customers worldwide, with a strong focus on Europe, Asia and the U.S. Additionally, the Company will seek to enter new fields of application – in 2006, MorphoSys obtained its first FDA-approved diagnostic. Moreover, the MorphoSys AbD – Antibodies Direct unit will strengthen its market presence with the combined offerings of the Antibodies by Design, Biogenesis and Serotec brands.

On the basis of profitable growth, MorphoSys intends to further invest in the Company's long-term prospects and establish its proprietary technologies as global market leader in all fields in which it is active.

morphosys
Engineering the Medicines of Tomorrow

Key Figures

MorphoSys Group (in million €, except share and personnel data)

	IFRS		
	12/31/2005	12/31/2004	12/31/2003
Results			
Revenues	33.5	22.0	15.3
Cost of Goods Sold	2.5	0.9	-
R&D Expenses	13.6	11.4	9.0
S,G&A Expenses	10.1	7.5	7.2
Personnel Expenses (Excluding Stock-Based Compensation)	10.8	9.1	7.5
Depreciation	0.9	0.7	0.5
Amortization of Intangible Assets	2.7	2.0	1.5
Profit/(Loss) from Operations	6.2	0.6	(3.1)
EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization, Excluding Stock-Based Compensation)	10.0	4.6	1.8
Net Profit/(Loss)	4.7	0.3	(3.1)
Balance Sheet			
Total Assets	80.1	55.8	42.9
Cash, Cash Equivalents and Marketable Securities	53.6	37.2	23.2
Intangible Assets	12.4	12.8	14.5
Total Liabilities	16.1	16.4	15.6
Stockholders' Equity	64.0	39.4	27.3
MorphoSys Share			
Number of Shares Issued	6,025,863	5,438,852	4,901,332
Net Profit/(Loss) per Share (Diluted) (in €)	0.83	0.05	(0.72)
Dividend (in €)	-	-	-
Share Price (in €)	41.32	38.10	11.14
Personnel Data			
Total Group Employees (number)	172	132	95