

## The MorphoSys Share

The year 2007 was marked by a number of high-profile product setbacks, which weighed heavily on market sentiment and affected all German biotech stocks. Against this difficult backdrop, the MorphoSys share suffered as well, falling 12 % for the year, but nonetheless significantly outperformed all other German bi-therapeutic stocks.

### KEY DATA FOR THE MORPHOSYS SHARE

		2003	2004	2005	2006	2007
Total Stockholders' Equity	in million €	27.3	39.4	64.0	100.1	145.5
Number of Shares Issued (Total)	shares	4,901,332	5,438,852	6,025,863	6,715,322	7,386,753
Market Capitalization	in million €	55	207	249	365	357
Closing Price (Xetra)						
End of December	€	11.14	38.10	41.32	54.37	48.30
High	€	13.42	43.49	44.69	55.20	59.49
Low	€	6.51	10.65	28.20	35.10	34.40
Average Daily Trading Volume	€	334,021	1,448,640	1,440,103	2,405,525	2,918,278
Dividend	€	-	-	-	-	-
EPS (Diluted)	€	(0,72)	0.05	0.83	0.93	1.59

### STOCK PERFORMANCE INFLUENCED BY NEGATIVE INDUSTRY SENTIMENT

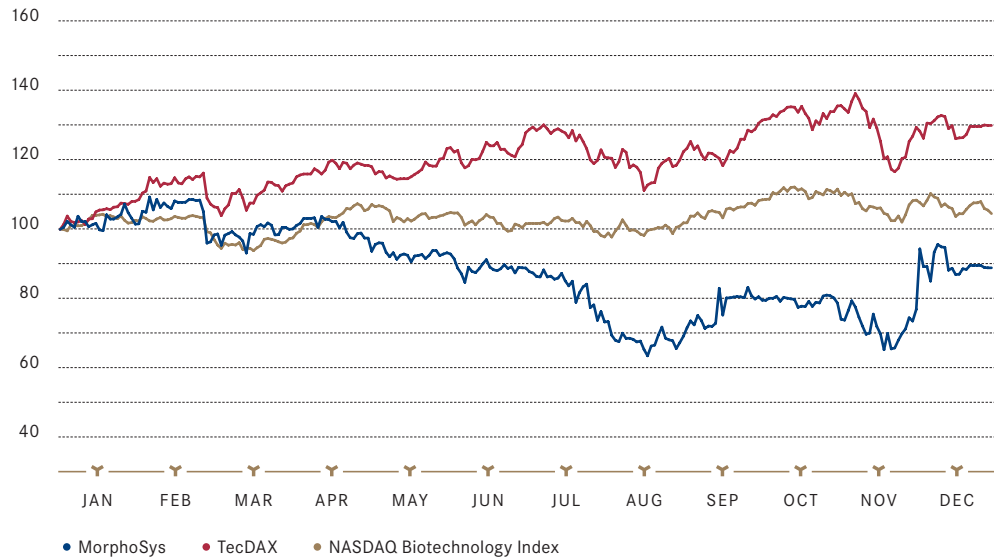
During the 2007 fiscal year, the MorphoSys stock price decreased by 12%, while the TecDAX index increased by 30%. Key factors contributing to the underperformance in comparison to the index were on the one hand the positive development of solar energy companies' stocks, and on the other hand several prominent failures and investor disappointments within the German biotechnology sector, leading to a massive flow of funds out of the sector. Additional factors included the sub-prime mortgage crisis in the US, and the associated fears in the capital markets about a worldwide economic downswing. At the end of the fiscal year, MorphoSys's market capitalization amounted to approximately € 357 million (Dezember 31, 2006: € 365 million).

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Further details of the stock's performance are shown in the following chart.

**THE MORPHOSYS SHARE** (January 2, 2007 = 100 %)

During 2007, the MorphoSys stock price decreased by 12%, while the TecDAX increased by 30%, and the NASDAQ Biotechnology Index by 5%.



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#### INDEX MEMBERSHIP AND LIQUIDITY

Since September 2004, MorphoSys has continuously been a member of the TecDAX\* index, which includes the 30 largest technology stocks on the Frankfurt Stock Exchange. At the end of 2007, the Company occupied the 24th position based on market capitalization (December 31, 2006: 26th place) and 21st place based on trading volume (December 31, 2006: 15th place).

Stock liquidity remained relatively high. The average daily trading volume was € 2.9 million per day – an increase of 21% (2006: € 2.4 million), which represented an average of 18% of outstanding shares traded per month. Stock volatility increased to 49% in 2007 compared to 41% in 2006.

#### STOCKHOLDER BASE

The countries with the highest percentage of MorphoSys shares are traditionally in Europe, namely Germany, Switzerland, the United Kingdom and France. From the analysis of the stockholder structure, the Company gathers important information which is used to further optimize the regional focus of investor relations activities.

In May 2007, MorphoSys successfully placed 652,188 shares with international institutional investors in Europe (mainly France and Germany) and in North America, at a price of € 50.00 per share. Through the issue, the Company raised gross proceeds of approximately € 32.6 million.

At the end of 2007, the two largest shareholders held - according to the Company's latest information - approximately 12% of shares. Novartis Pharma AG held approximately 7% of total shares, which were acquired as part of the strategic partnership with MorphoSys in May 2004. AstraZeneca held a further 5% of total shares.

The free float, which is generally taken into account in the weighting of MorphoSys's stock in stock indices, is 88% of the capital stock.

#### KEY DATA FOR THE MORPHOSYS SHARE IN 2007

Deutsche Börse, Prime Standard, Frankfurt	
Securities Identification Number	663 200
International Securities Identification Number	DE0006632003
Stock Exchange Abbreviation	MOR
Reuters	MORG.DE
Bloomberg	MOR GR
Index membership	TecDAX, and others

#### INVESTOR RELATIONS: CONTINUITY AND TRANSPARENCY

The Company further optimized investor relations efforts in 2007; the focus was on targeted investor relations as well as further improvement of the online information service via the corporate website.

Over the course of the year, more than 150 investor meetings were held in ten countries. The Management Board presented MorphoSys's business model and strategy at a total of 16 international investor conferences.

MorphoSys's corporate website provides all stakeholders with a high degree of transparency of all investor relations activities. Financial reports, presentations and publications are available online and for downloading. Analysts' and investors' meetings, conference calls, the Annual Press Conference and Annual Shareholders' Meeting are available in video or audio format and also as podcasts. There are also several sections with detailed information on the MorphoSys stock, financial guidance, corporate governance and the Annual Shareholders' Assembly.

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As of December 31, 2007, 14 analysts regularly produced analyst reports on the Company's progress, as compared to twelve in the previous year. As of that year-end date, analyst coverage of MorphoSys remained primarily positive, with ten stating "Buy" or the equivalent, one "Sell" or the equivalent, and three "Hold" or the equivalent (2006: nine "Buy," three "Sell" and one "Hold"). In January 2008, Commerzbank initiated a research coverage with a "Buy" rating.

LIST OF ANALYSTS (IN ALPHABETICAL ORDER)

B. Metzler seel. Sohn & Co. KGaA

Berenberg Bank

Commerzbank\*\*

Credit Suisse First Boston

Deutsche Bank AG

Dutton Associates

DZ Bank AG

Equinet Institutional Services AG

Landesbank Baden-Württemberg

MIDAS Research GmbH

Sal. Oppenheim\*

SG Securities

VISCARDI Securities GmbH

Vontobel

WestLB AG

\* Added in 2007

\*\* Added in January 2008