

# Jefferies 2011 Global Healthcare Conference



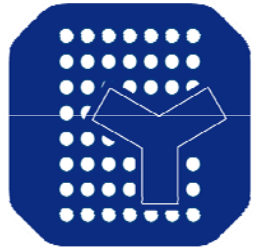
New York – June 6, 2011

This presentation includes forward-looking statements.

Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties including changes in business, economic competitive conditions, regulatory reforms, foreign exchange rate fluctuations and the availability of financing.

These and other risks and uncertainties are detailed in the Company's Annual Report.

# MorphoSys at a Glance



Technology

Industry's most successful antibody library technology - HuCAL



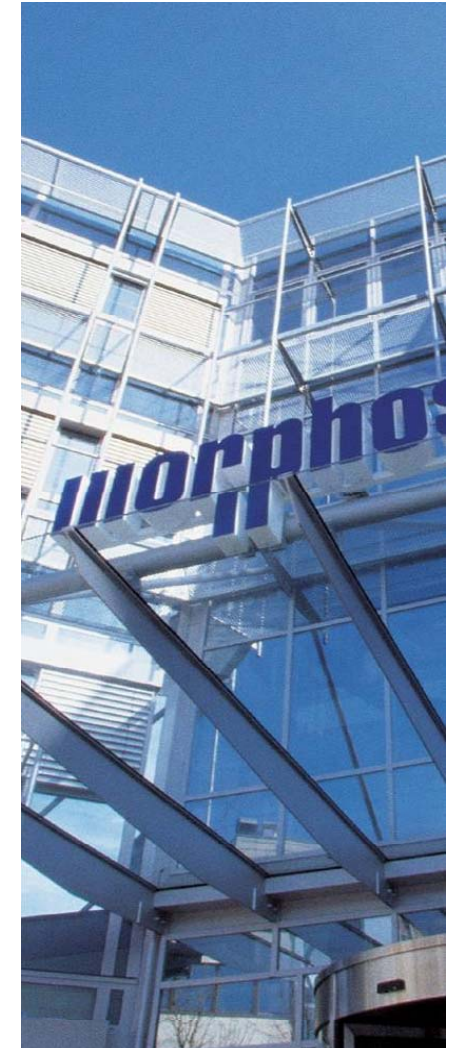
Pipeline

75 drug programs ongoing



Financial

Profitable, strong balance sheet



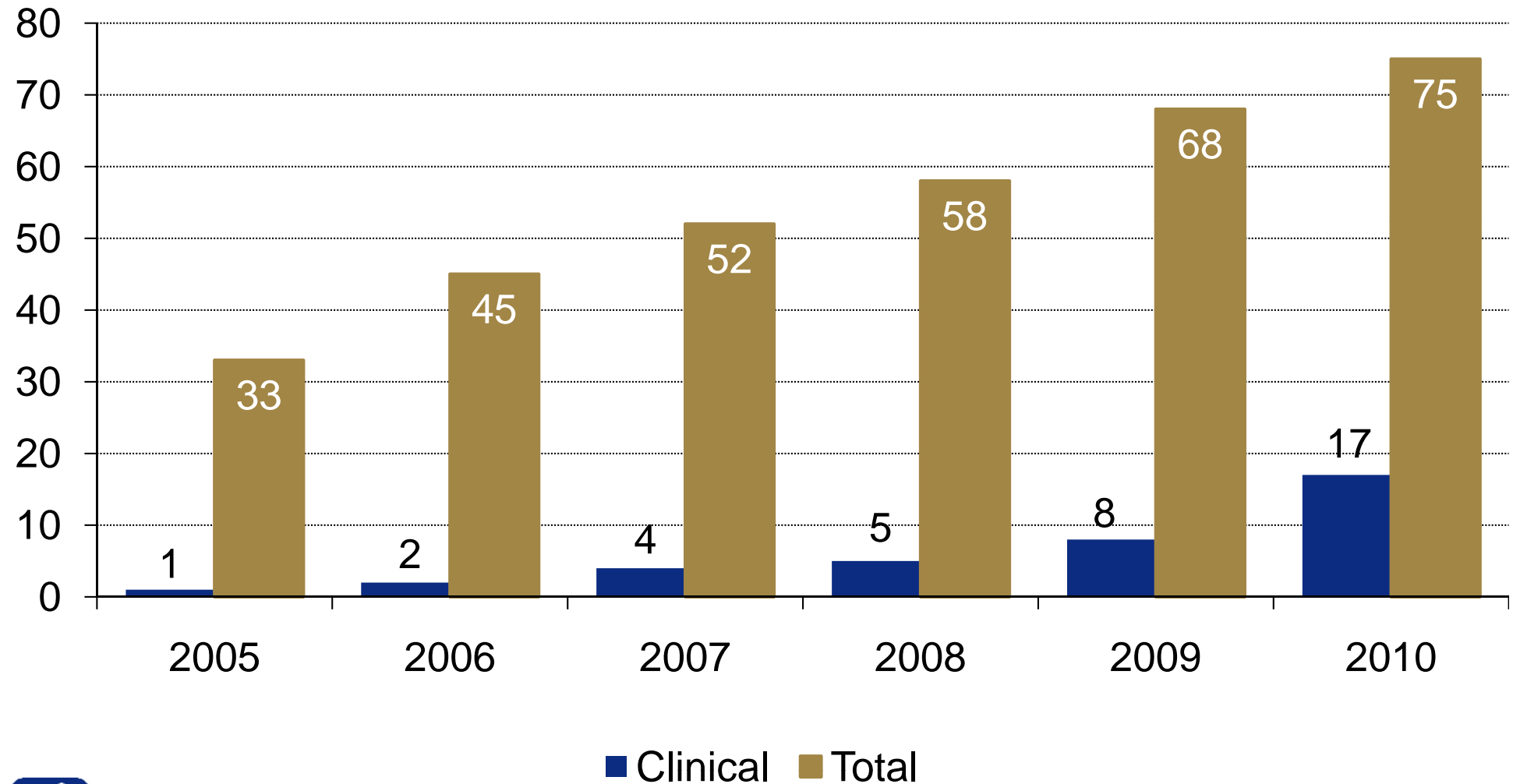
---

Use proprietary technologies to develop the broadest possible pipeline of therapeutic antibody drugs,

balanced between partnered and proprietary programs

# Growing Pipeline Illustrates Successful Execution of Strategy

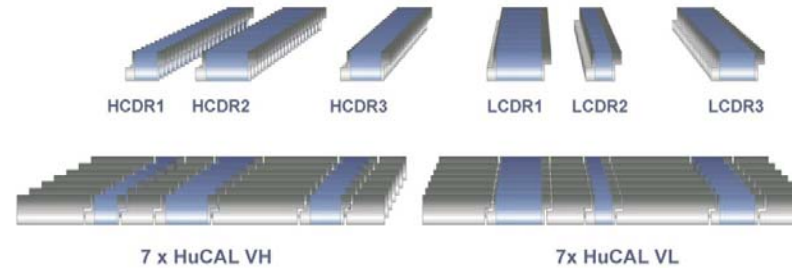
## Programs



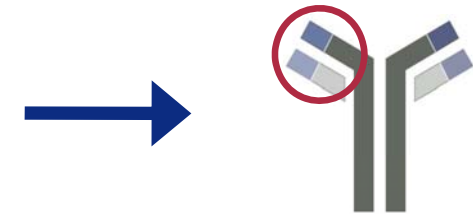
# Unique & Proprietary Technology for Generating Drug-Quality Antibodies



**HuCAL**  
Human Combinatorial  
Antibody Library



Modular gene design & construction



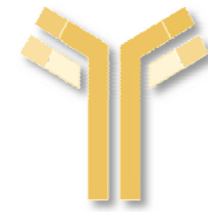
**Slonomics**



Lead antibody

One-step optimization

- 30% less time to lead antibody
- Increase success rate into clinic to 50%



**Superior**  
optimized drug  
candidate

New technologies in development



# 75 Therapeutic Antibody Programs Ongoing, 18 in Clinical Trials

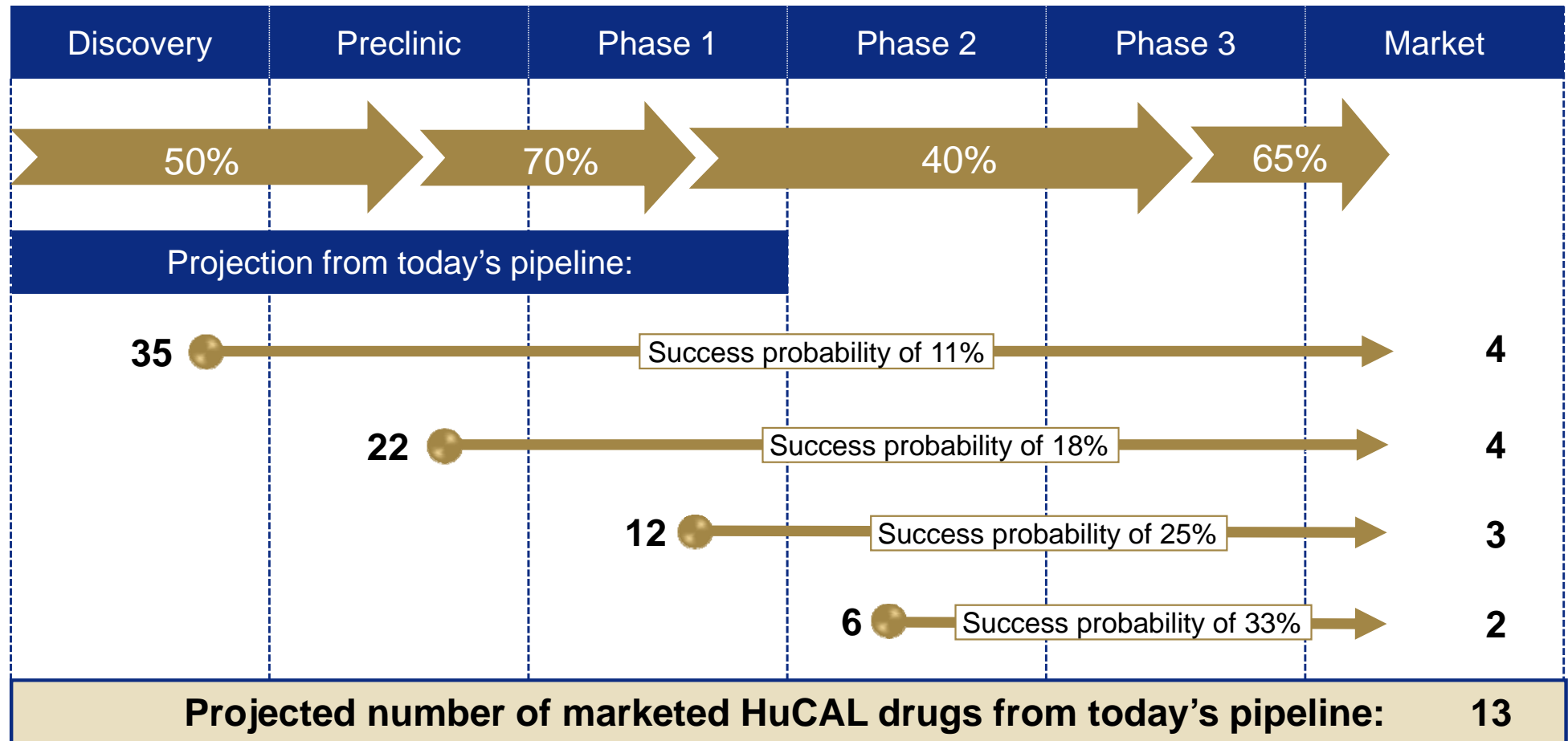


Program	Partner	Indication	Discovery	Pre-clinic	Phase 1	Phase 2
MOR103 (2 programs)		Rheumatoid arthritis, Multiple sclerosis				
not discl.	Novartis	not discl.				
CNTO888 (2 programs)	Centocor/J&J	Cancer, Idiopathic pulmonary fibrosis				
Gantenerumab	Roche	Alzheimer's Disease				
BHQ880	Novartis	Cancer				
MOR208		Cancer				
CNTO 1959	Centocor/J&J	Psoriasis				
CNTO 3157	Centocor/J&J	Asthma				
not discl.	Centocor/J&J	Inflammation				
BAY79-4620	Bayer Schering	Cancer				
not discl.	Novartis	Musculoskeletal				
not discl.	Novartis	Ophthalmology				
not discl.	Novartis	Inflammation				
not discl.	Boehringer Ingelheim	not discl.				
not discl.	Pfizer	Cancer				
OMP-59R5	Oncomed	Cancer				
OMP-18R5	Oncomed	Cancer				
MOR202		Cancer				
20 Partnered Programs		Various Indications				
35 Programs, incl. 2 co-dev with Novartis		Various Indications	 <b>65 Partnered Programs</b> <b>10 Proprietary Programs</b>			



# Current Pipeline

## Projected HuCAL Drugs on the Market



Source: MorphoSys internal statistics & Tufts Centre for the Study of Drug Development



### The Target

- GM-CSF – a growth factor and inflammatory mediator

### The Drug

- Ultra-high affinity HuCAL IgG1

### Clinical Development in Rheumatoid Arthritis

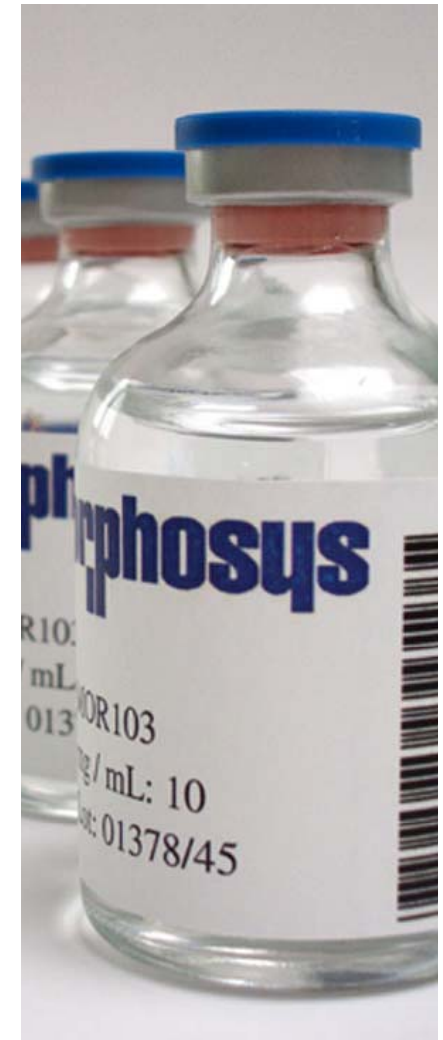
- Phase 1b/2a trial ongoing in Europe in patients with active RA
- Completion of enrollment H2 2011, final results H1 2012

### Clinical Development in Multiple Sclerosis

- Phase 1b safety study in MS patients starting H2 2011

### Intellectual Property

- Exclusive license to a US patent covering antibodies against GM-CSF for the treatment of chronic inflammatory conditions
- US patent on MOR103 composition of matter



# MOR208

## A Novel Anti-Cancer Antibody



### The Target

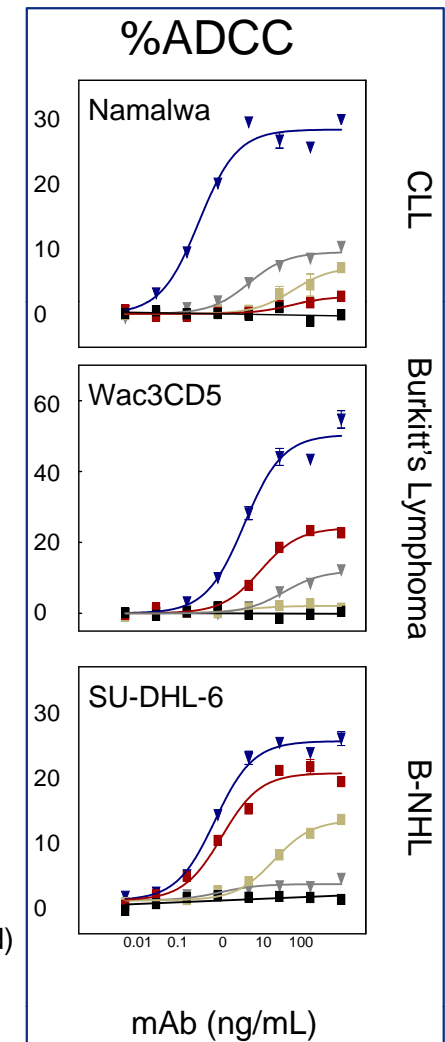
- CD19 – a pan B-cell marker

### The Drug

- Humanized, high affinity anti-CD19 antibody
- Exclusive license from Xencor
- Comprises a proprietary Xencor modification that leads to rapid and sustained B-cell depletion

### Clinical Development in Chronic Lymphocytic Leukemia

- Multi-centre, open-label, multi-dose, single-arm phase 1, dose-escalation study in USA
- Patients with chronic lymphocytic leukemia, who have not responded to or have become refractory to previous therapies
- Xencor funds phase 1 trial from \$13m up-front payment
- Final data expected in 2012



## A Novel Antibody for Multiple Myeloma

---

### The Target

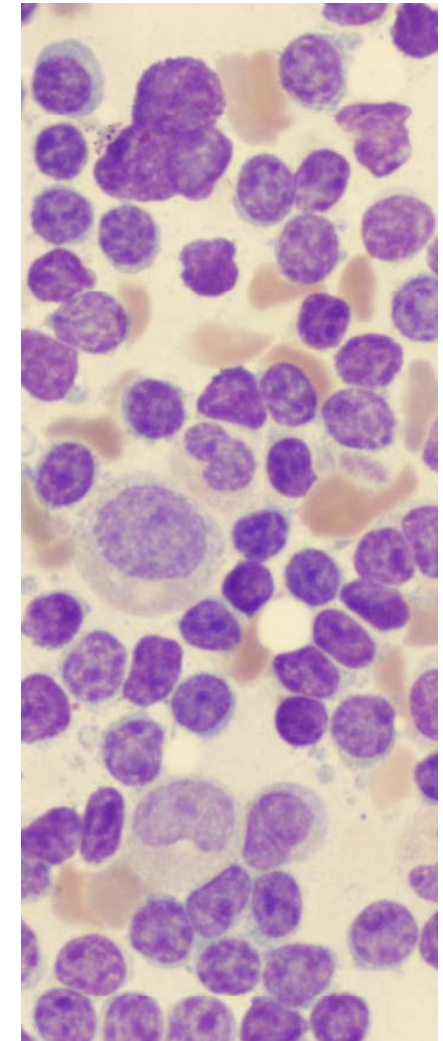
- CD38 – a protein on multiple myeloma cells

### The Drug

- High affinity HuCAL antibody
- Excellent cross-reactivity to non-human primate (tox)

### Clinical Development in Multiple Myeloma

- Start multi-centre, open-label, dose-escalation study in Europe H1 2011
- Patients with relapsed/refractory multiple myeloma; failure of at least 2 prior therapies
- Maximum tolerated dose, safety and tolerability, pharmacokinetics and immunogenicity; assessment of preliminary activity
- Final data expected in 2013



# AbD Serotec Segment Complements Therapeutic Business



## Antibodies for research and diagnostic markets

### Diagnostic Antibodies

- Using proprietary technologies to deliver superior Dx antibodies
- Future upside via royalties

### Research Antibodies

- Catalogue of 15,000+ products & custom HuCAL antibodies
- Stable and recurring cash flows

EUR millions	Guidance 2011	2010
<b>AbD Serotec Segment Revenues</b>	22 - 23	20.2
<b>AbD Serotec Profit Margin</b>	~ 4%	6%



# P&L and Guidance 2011

EUR millions	2010	Q1 2011	Guidance 2011
<b>Revenues</b>	<b>87.0</b>	<b>48.6</b>	<b>105 – 110</b>
<b>Total Operating Expenses</b>	<b>77.4</b>	<b>19.9</b>	
<b>Other Operating Income</b>	<b>0.2</b>	<b>0.1</b>	
<b>Profit from Operations</b>	<b>9.8</b>	<b>28.8</b>	<b>10 – 13</b>

- Investment in Proprietary R&D will amount to EUR 40-45 million (2010: EUR 26.3 million)

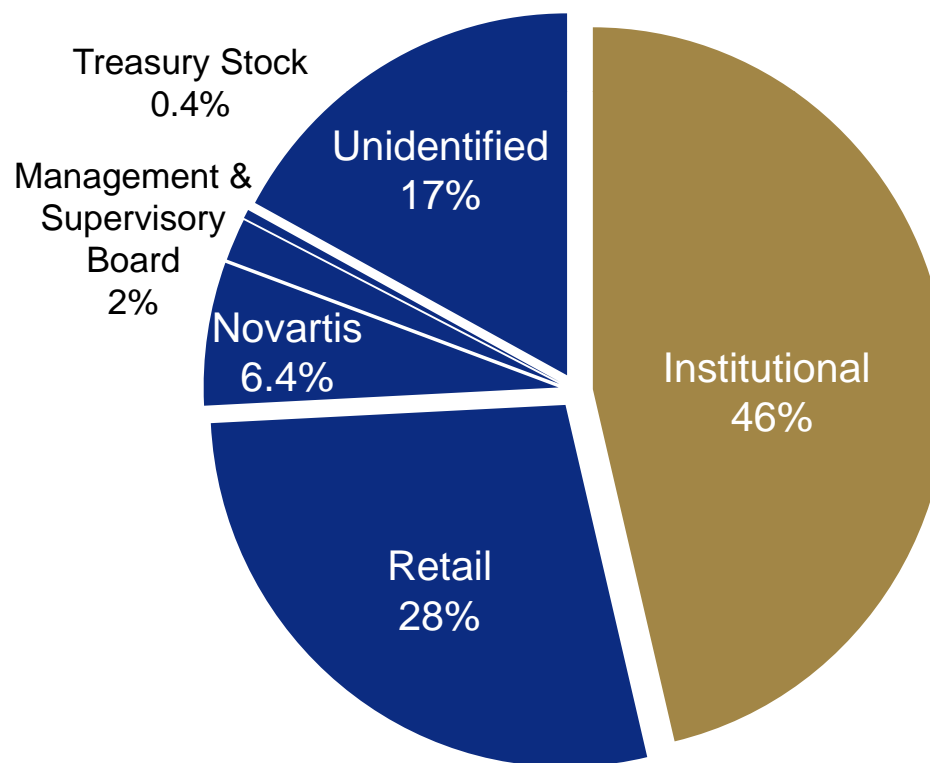


# Balance Sheet and Shareholder Structure

## Balance Sheet

EUR millions	March 31, 2011	Dec. 31, 2010
<b>Assets</b>		
Cash, Cash Equivalents & Marketable Securities	119.8	108.4
Other Current Assets	47.9	24.1
Total Non-Current Assets	79.0	80.0
<b>Total Assets</b>	<b>246.7</b>	<b>212.6</b>
<b>Liabilities</b>		
Total Current Liabilities	30.3	21.4
Total Non-Current Liabilities	10.6	5.3
Total Shareholders' Equity	205.8	185.9
<b>Total Liabilities</b>	<b>246.7</b>	<b>212.6</b>

## Shareholdings by Investor Type



Shares issued: 22,890,252 (Dec 31, 2010)





## Dr. Simon E. Moroney, CEO

- Co-founder; prior positions: University of Cambridge/UK, University of British Columbia/Canada, ETH Zurich/CH, ImmunoGen Inc., Associate in the Harvard Medical School, Boston/USA
- Commonwealth Scholar to the University of Oxford – D. Phil. 1984
- German Cross of the Order of Merit (2002), Bavarian State Medal for Outstanding Services to the Bavarian Economy (2009)



## Jens Holstein, CFO

- Joined MorphoSys in 2011 from Fresenius Kabi
- Prior positions: Regional CFO for the region EME of Fresenius Kabi AG; variety of financial and general management positions at Fresenius
- Prior to joining Fresenius, Mr. Holstein spent several years in the consulting industry (Frankfurt and London)
- Mr. Holstein holds a Diploma in Business Administration from University of Münster.



## Dr. Arndt Schottelius, CDO

- Joined MorphoSys in 2008 from Genentech Inc., SF, position: Medical Director, Immunology Development
- Prior positions: Berlex Biosciences, USA; Schering, Germany; Charité University Hospital, Berlin
- PhD and MD degrees from the Albert-Ludwigs-University, Freiburg/Germany
- Medical studies in Germany, UK and Switzerland



## Dr. Marlies Sproll, CSO

- Joined MorphoSys in 2000 as R&D department head, promoted to CSO in 2005
- Prior positions: Vienna research facility of Boehringer Ingelheim, lab leader at Merck KGaA in Darmstadt/Germany, involved in preclinical development of therapeutic antibodies
- Ph.D. from the Max Planck Institute in Tübingen/Germany, Doctor of Natural Science by the University of Stuttgart

# A Rich Potential News-flow in 2011



- US patent granted on MOR103 ✓
- Double digit EUR million technology milestone received from Novartis ✓
- MOR202:
  - Publish MOR202 pre-clinical data at ASCO ✓
  - Start of Phase 1 study in multiple myeloma
- MOR103:
  - Complete enrollment in MOR103 Phase 1b/2a RA study
  - Start Phase 1b in Multiple Sclerosis patients
- 1–3 partner INDs ✓
- Data from ongoing trials of partnered programs



- First diagnostic kit based on a HuCAL antibody will be launched ✓



- Further technology announcements
- New deal(s) based on Slonomics technology

# Thank You



[www.morphosys.com](http://www.morphosys.com)

**Dr. Simon Moroney**  
Chief Executive Officer

Phone +49 (0)89 / 899 27-311  
Fax +49 (0)89 / 899 27-5311  
Email [investors@morphosys.com](mailto:investors@morphosys.com)

**Jens Holstein**  
Chief Financial Officer

Phone +49 (0)89 / 899 27-439  
Fax +49 (0)89 / 899 27-5439  
Email [investors@morphosys.com](mailto:investors@morphosys.com)