

Company Update



Paris – February 9, 2011

This presentation includes forward-looking statements.

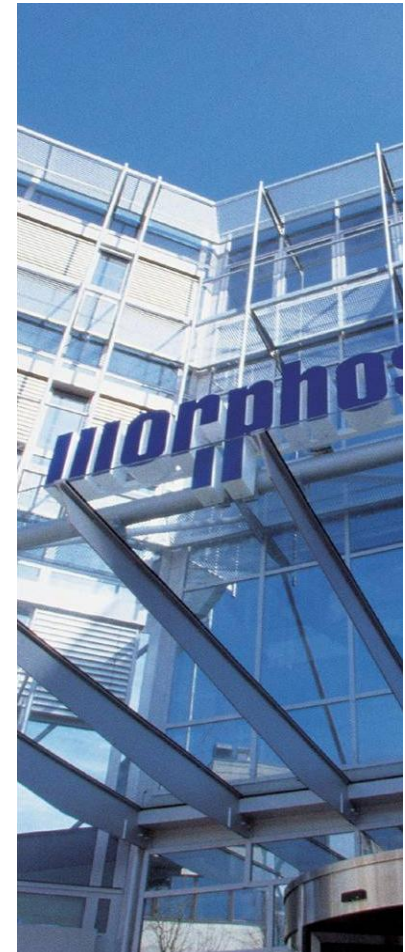
Actual results could differ materially from those included in the forward-looking statements due to various risk factors and uncertainties including changes in business, economic competitive conditions, regulatory reforms, foreign exchange rate fluctuations and the availability of financing.

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

MorphoSys at a Glance



Company	<ul style="list-style-type: none">■ An independent antibody company■ Martinsried/Germany, with sites in UK & US■ Frankfurt Stock Exchange – TecDAX
Business	<ul style="list-style-type: none">■ Therapeutic antibodies■ Research & diagnostic antibodies (AbD Serotec)
Technology	<ul style="list-style-type: none">■ Leading, proprietary HuCAL platform■ New technology from Sloning acquisition
Pipeline	<ul style="list-style-type: none">■ Over 70 therapeutic antibody programs■ Strong alliances with pharma companies
Financials	<ul style="list-style-type: none">■ Sustainable profitability funds proprietary R&D■ 10-year, \$1bn strategic alliance with Novartis■ Cash balance in excess of \$170m



PROPRIETARY DEVELOPMENT

- Own programs taken by MorphoSys to clinical proof-of-concept
- Lucrative potential upside

PARTNERED DISCOVERY

- Multiple therapeutic antibody products based on MorphoSys's technology
- Generate strong flow of milestones & royalties

AbD SEROTEC

- Growing roster of diagnostic partnerships developing novel tests
- Research antibody catalogue business

INNOVATIVE, PROPRIETARY ANTIBODY TECHNOLOGY

- Commitment to delivering superior antibodies
- Next generation MAbs to be more efficacious, able to hit new targets and lower cost

Broadest Antibody Pipeline in the Industry: 77 Programs Ongoing



Name	Partner/MOR	Target	Indication	Discovery	Preclinic	Phase 1	Phase 2	Phase 3	Market
MOR103	MOR	GM-CSF	RA MS	→	→	→	→		
BHQ880	Novartis	DKK-1	Cancer	→	→	→	→		
CNT0888	Centocor	MCP-1	Cancer IPF	→	→	→	→		
n.d.	Novartis	n.d.	n.d.	→	→	→	→		
Gantenerumab	Roche	Amyloid-β	AD	→	→	→	→		
MOR208	MOR	CD19	CLL	→	→	→	→		
CNT01959	Centocor	n.d.	Psoriasis	→	→	→	→		
BAY79-4620	Bayer Schering	CA IX (MN)	Cancer	→	→	→	→		
CNT03157	Centocor	n.d.	Asthma	→	→	→	→		
n.d.	Novartis	n.d.	Musculoskeletal	→	→	→	→		
n.d.	Novartis	n.d.	Ophthalmology	→	→	→	→		
n.d.	Centocor	n.d.	Inflammation/ Autoimmune	→	→	→	→		
n.d.	Novartis	n.d.	Inflammation	→	→	→	→		
n.d.	Boehringer Ingelheim	n.d.	n.d.	→	→	→	→		
OMP-59R5	Oncomed	Notch pathway	Cancer	→	→	→	→		
n.d.	Pfizer	n.d.	Cancer	→	→	→	→		
MOR202	MOR	CD38	Multiple Myeloma	→	→	→	→		
19 Programs	Partnered	Various	Various*	→	→	→	→		
32 Programs	Partnered	Various	Various*	→	→	→	→		
5 Programs	MOR	n.d.	Inflammation/ Cancer	→	→	→	→		
2 Programs	MOR/NOV	n.d.	Inflammation	→	→	→	→		

* Includes cancer, inflammatory, autoimmune, infectious, musculoskeletal & central nervous system diseases
n.d. – not disclosed

The Target

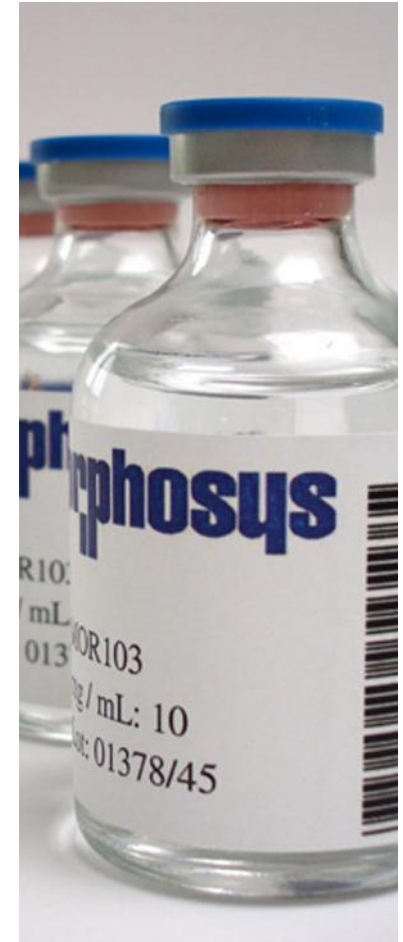
- GM-CSF, which plays a central role in activating granulocytes and macrophages
- Extensive evidence implicating GM-CSF in the inflammatory cascade

The Drug

- A HuCAL IgG1 antibody that neutralizes human GM-CSF
- High potency due to very high target affinity ($KD = 0.4 \text{ pM}$)
- Subcutaneous PK study in healthy volunteers planned for 2011

Intellectual Property

- Exclusive license to a US patent covering antibodies against GM-CSF for the treatment of chronic inflammatory conditions
- Patent filings on antibody



MOR103

Clinical Development



In Rheumatoid Arthritis

- European phase 1b/2a trial ongoing to assess safety, signs of efficacy and immunogenicity of MOR103 in patients with active RA
- 135 patients with active RA, randomized, double-blind, placebo controlled
- Four ascending doses i.v. 0.3, 1.0 and 1.5 mg/kg or placebo with stable regimen of concomitant RA therapy
- Objectives:
 - Primary objectives: Adverse event rate and safety profile
 - Secondary objectives: DAS28, ACR & EULAR28, cytokines, MRI (synovitis & bone edema), PK, immunogenicity & patient-reported outcomes up to 16 weeks
- Final phase 1b/2a RA data expected in H1 2012

In Multiple Sclerosis

- Phase 1b safety study in MS patients being prepared



The Target

- CD19, a pan B-cell marker

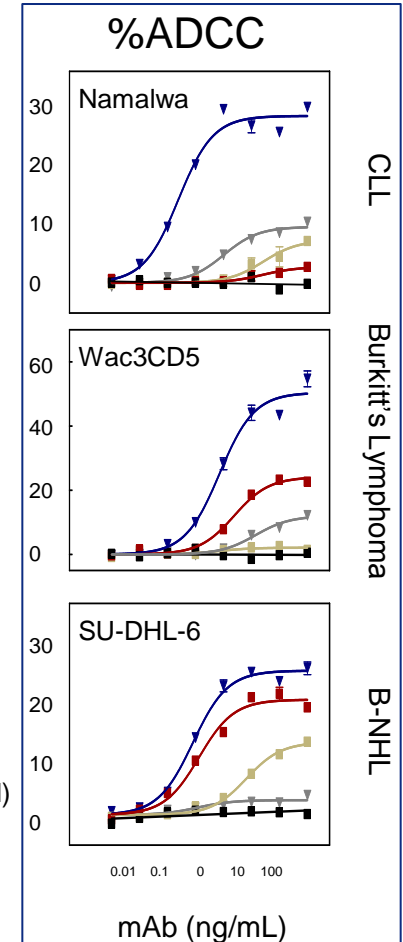
The Drug

- Humanized, affinity optimized anti-CD19 antibody, comprising a proprietary modification that enhances effector cell recruitment
- Exclusive license from Xencor

Selected Pre-clinical Observations

- Enhanced affinity for Fc receptor leads to rapid and sustained B-cell depletion
- Higher ADCC than both Rituxan & Campath against all lymphoma & leukemia cell lines tested (see selected data in figure)

- ▼ MOR208/XmAb5574
- ▼ Anti-CD19 IgG1 (unmodified)
- XmAb (-) control
- rituximab (CD20)
- alemtuzumab (CD52)



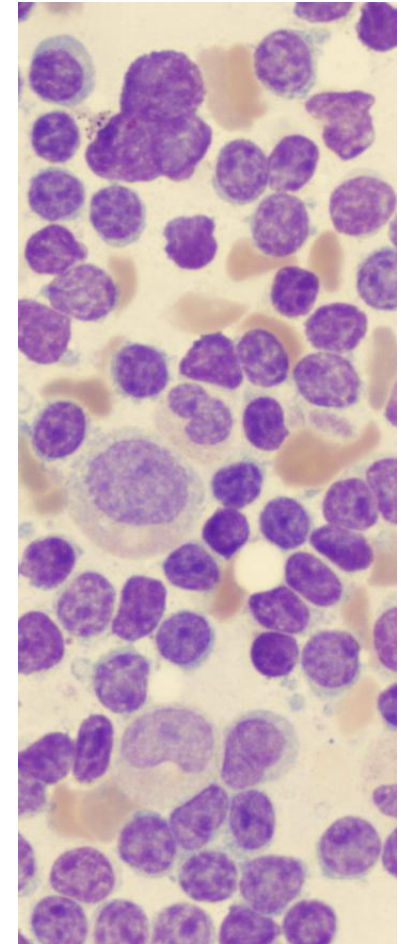
MOR208

Clinical Development



Clinical Trial Design

- 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
- Objectives:
 - Primary objectives: Investigate maximum tolerated dose, safety and tolerability, pharmacokinetics and immunogenicity
 - Secondary objectives: Assess preliminary anti-tumor activity
- Xencor funds phase 1 trial from \$13 m up-front payment
- Final data expected in 2012



The Target

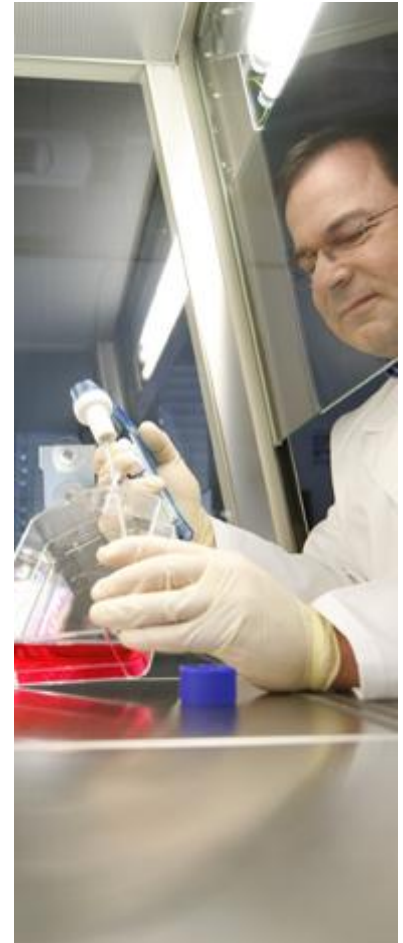
- CD38, a key target present on the vast majority of multiple myeloma cells

The Drug

- A high affinity, fully human HuCAL antibody

Clinical Trial Design and Development Timeline

- Multicentre, open-label, dose-escalation study (EU)
- Patients with relapsed/refractory multiple myeloma; failure of at least 2 prior therapies
- Objectives: Investigate maximum tolerated dose, safety and tolerability, pharmacokinetics and immunogenicity; assessment of preliminary activity
- Final data expected in 2012



Partnered Programs

Phase 2 Clinical Development



Partner & Program	Disease	Status
Novartis BHQ880	Osteolytic bone disease	<ul style="list-style-type: none"> ■ HuCAL antibody targeting DKK-1 ■ Clinical trials in multiple myeloma patients ■ Early data show stimulation of bone formation
Novartis n.d.	n.d.	<ul style="list-style-type: none"> ■ June 2009: Start of phase 1/2 ■ Clinical proof of concept achieved
Centocor Ortho Biotech CNTO888	Oncology & immunology	<ul style="list-style-type: none"> ■ HuCAL antibody targeting MCP-1 ■ MCP-1 regulates prostate cancer growth and metastasis ■ 2 oncology trials and 1 IPF trial ongoing
Roche Gantenerumab	Alzheimer's disease	<ul style="list-style-type: none"> ■ HuCAL antibody targeting amyloid-β ■ Amyloid-β implicated as causal factor in AD ■ Phase 2 study in patients with prodromal AD initiated in Q4 2010

Partnered Programs

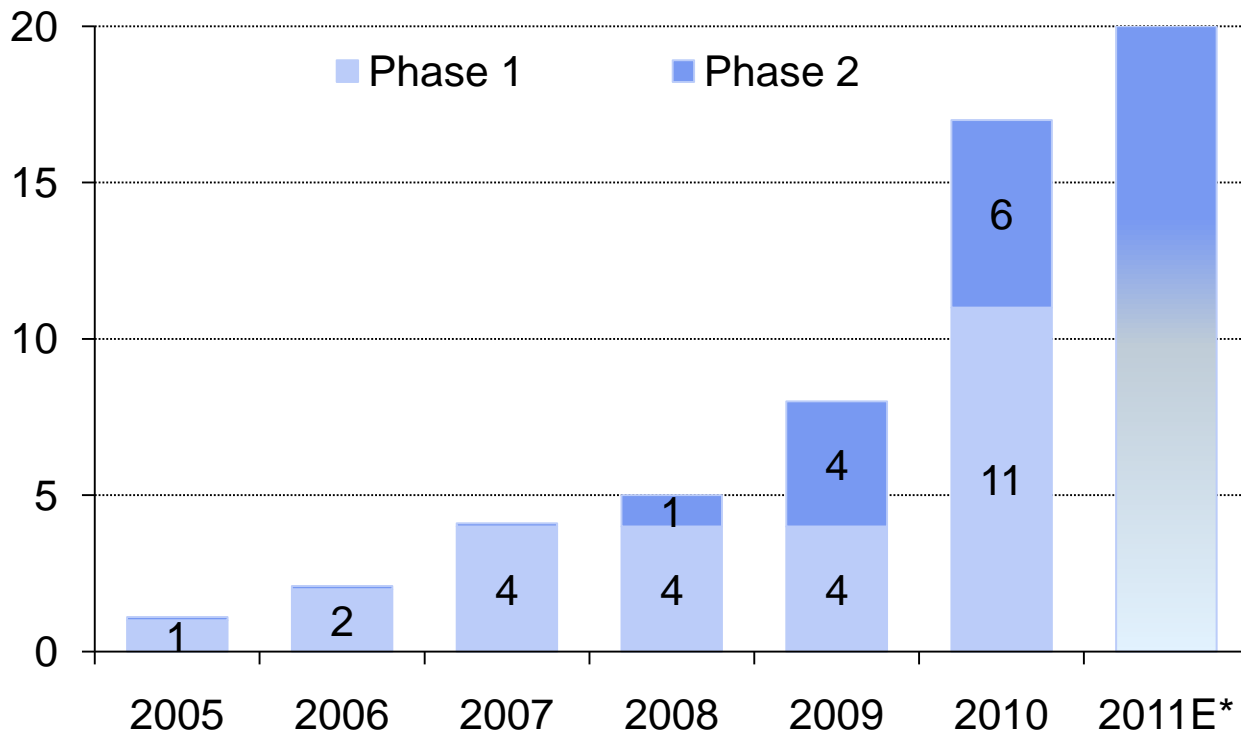
Phase 1 Clinical Development



Partner & Program	Disease	Status
Centocor Ortho Biotech CNT01959	Psoriasis	<ul style="list-style-type: none"> ■ June 2009: Start of phase 1 ■ Study completed in Q4 2010
Bayer Healthcare BAY79-4620	Oncology	<ul style="list-style-type: none"> ■ October 2009: Start of phase 1 trial ■ Antibody-drug conjugate targeting CA IX
Centocor Ortho Biotech CNT03157	Asthma	<ul style="list-style-type: none"> ■ June 2010: Start of phase 1
Novartis – n.d.	Musculoskeletal diseases	<ul style="list-style-type: none"> ■ July 2010: Start of phase 1
Novartis – n.d.	Ophthalmology	<ul style="list-style-type: none"> ■ August 2010: Start of phase 1
Novartis – n.d.	Inflammation	<ul style="list-style-type: none"> ■ December 2010: Filing for phase 1
Centocor – n.d.	Inflammation/ Autoimmune	<ul style="list-style-type: none"> ■ December 2010: Filing for phase 1
Boehringer Ingelheim – n.d.	n.d.	<ul style="list-style-type: none"> ■ December 2010: Filing for phase 1
Pfizer – n.d.	Oncology	<ul style="list-style-type: none"> ■ December 2010: Filing for phase 1
Oncomed – OMP-59R5	Oncology	<ul style="list-style-type: none"> ■ December 2010: Filing for phase 1

A Rapidly Growing Clinical Pipeline

Number of Partnered & Proprietary Programs in Clinical Trials at Year-end



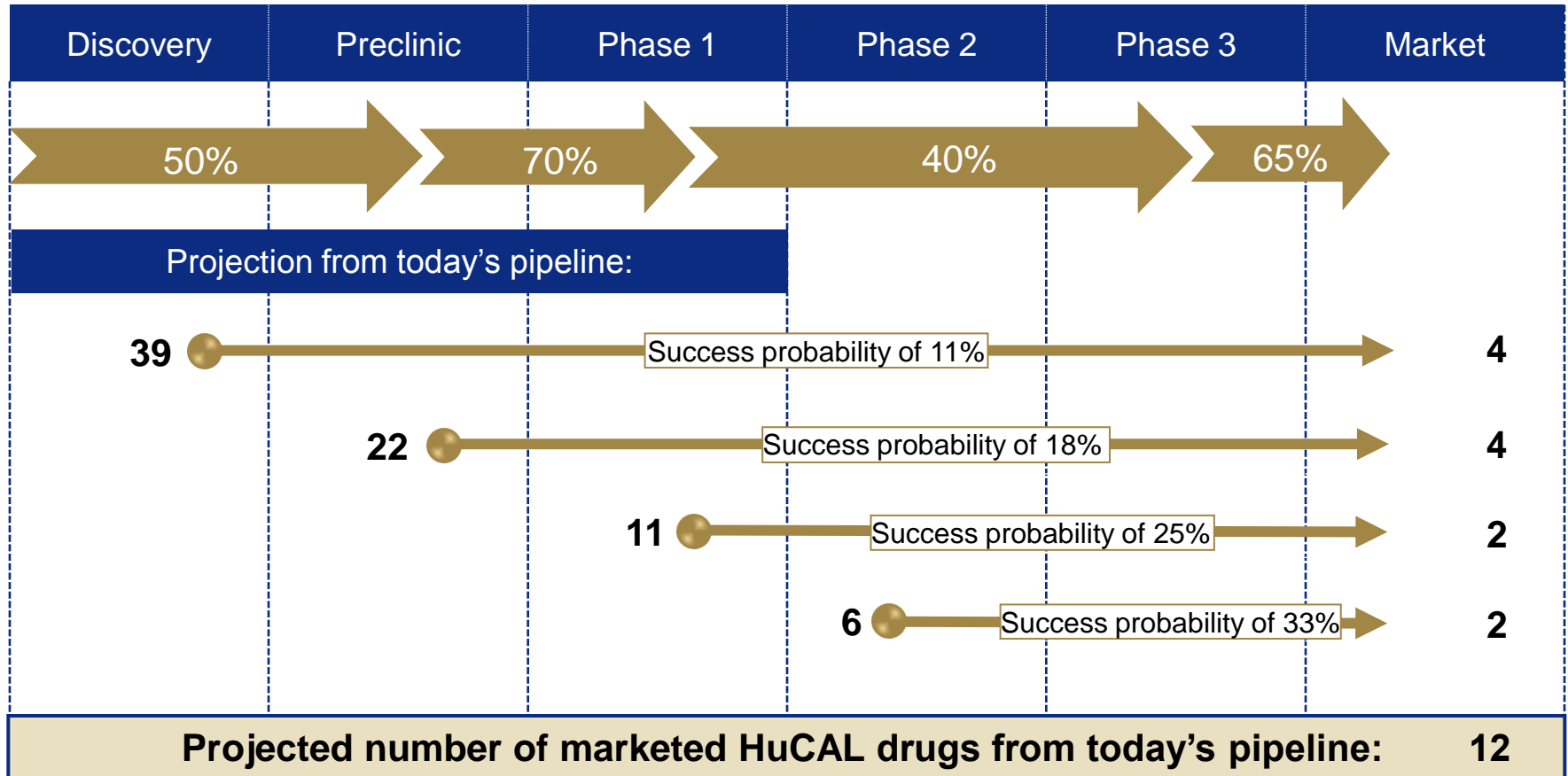
Clinical Antibody Pipeline is a Key Value Driver



* assuming no attrition

Current Pipeline

Projected HuCAL Drugs on the Market



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

AbD Serotec Complements Therapeutic Segment of the Business



- Antibodies for research and diagnostic markets
- Cash-generative since 2007

Market

Diagnostic Antibodies

- Using proprietary technologies to deliver superior antibodies for diagnostic uses
- Future upside via royalties
- Potential synergies with therapeutic side of business

\$ 7bn

Research Antibodies

- Catalogue comprising 15,000+ products
- Custom antibody generation using HuCAL
- Stable and recurring cash flows

\$2bn



Technology Offers Exciting Growth Opportunities in Diagnostics



AbD Serotec is working with over 20 diagnostics companies

Application	Technology Feature
Poorly served targets	<ul style="list-style-type: none">▪ HuCAL provides antibodies where traditional approaches fail
New biomarkers	<ul style="list-style-type: none">▪ HuCAL offers best possible selectivity & sensitivity
Clinical monitoring	<ul style="list-style-type: none">▪ HuCAL is very well-suited to making anti-idiotypic antibodies
Thermal stability	<ul style="list-style-type: none">▪ <i>In vitro</i> method HuCAL offers key advantages compared to <i>in vivo</i> antibody generation
Diagnostic standards	<ul style="list-style-type: none">▪ HuCAL offers precise and indefinite reproducibility

In million EUR	Preliminary Numbers	Guidance 2010E	2009A
		Issued in February	
Total Group Revenues	87	89 – 93	81.0
Group Operating Profit	10	5 – 9	11.4
AbD Serotec			
Revenue		21 – 22	19.4
Operating Profit Margin		5 – 8%	5%

2010

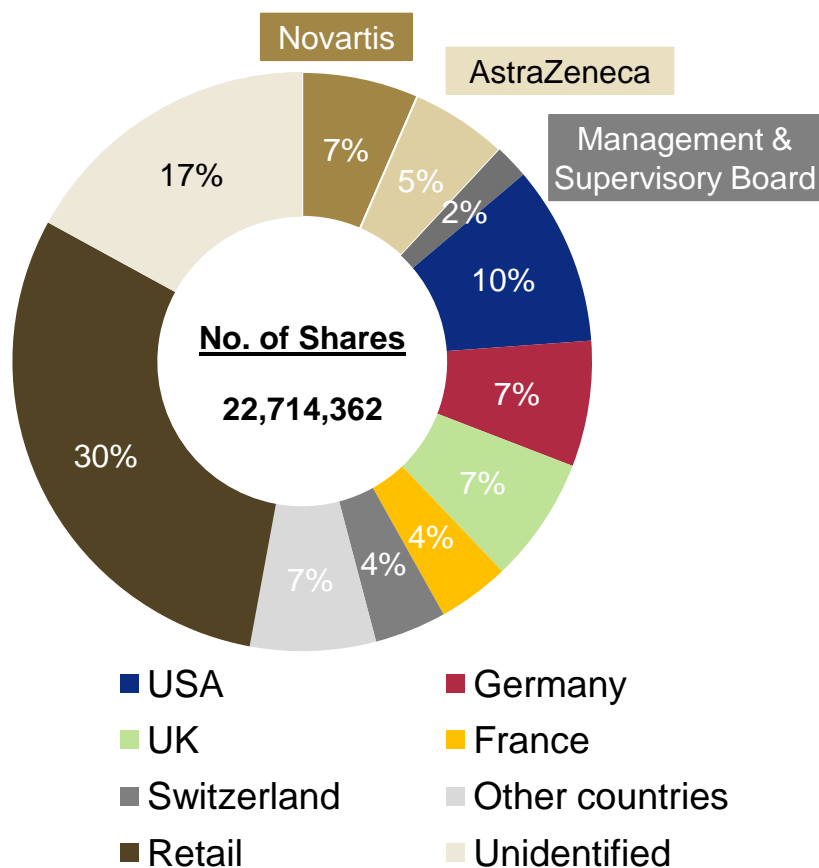
- Increase of total proprietary R&D investment to € 27 – 29 million (2009: € 19.3 million)

2011 – 2012

- Aiming for 10% – 20% annual revenue growth
- Maintain profitability while strengthening pipeline



Shareholder Structure (Dec. 2009)



MorphoSys (MOR GR) Key Financials

In million EUR	9M 2010	9M 2009
Revenues	62.8	57.6
Cost of Goods Sold	5.5	5.1
R&D Expenses	32.5	27.5
S,G&A Expenses	16.8	15.7
Total Operating Expenses	54.8	48.3
Operating Profit	8.0	9.3
Net Profit	7.2	7.7
EPS (diluted) in EUR	0.32	0.34

Cash, Cash Equivalents and Available-for-sale
Financial Assets as of September 30, 2010:

€ 132.1 million

H1 2011

- Commence Phase 1 study of MOR202 in multiple myeloma
- Release MOR202 pre-clinical data
- Clinical data from trial of BAY79-4620 in oncology*
- New partner INDs
- First diagnostic kit based on a HuCAL antibody comes to market
- Further technology announcements

H2 2011

- Complete enrollment in MOR103 Phase 1b/2a RA study
- Commence Phase 1b MS study of MOR103
- Clinical data from trial of CNTO888 in oncology*
- Clinical data from trial of CNTO1959 in psoriasis*
- Clinical data from trial of CNTO3157 in asthma*
- New partner INDs
- New deal(s) based on Slonomics technology

* MorphoSys estimates only



Appendix



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)



Mr. Dave Lemus, CFO

- Joined MorphoSys in 1998 from Roche, last position: Controller & Operations Manager of 90 pharmaceutical markets; Prior positions: Group Treasurer of Lindt & Sprüngli in Zurich/CH, treasury management for Electrolux AB
- B.S. (University of Maryland), M.S. (Sloan School of Management, MIT)
- Certified Public Accountant (CPA) in the USA



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



Dr. Gerald Möller
Chairman

- Managing Director of HBM BioVentures,
Former President Boehringer-Mannheim



Prof. Dr. Jürgen Drews
Vice Chairman

- Former Director Global Research,
F.Hoffmann-La Roche



Dr. Walter A. Blättler

- Former Executive Vice President,
Science and Technology, ImmunoGen



Dr. Daniel Camus

- COO, Electricité de France,
Former CFO, Aventis



Dr. Metin Colpan

- Supervisory Director, QIAGEN
Former CEO and Founder, QIAGEN



Dr. Geoffrey Vernon

- Chairman, Ziggus Holding Limited
Former Executive Director Rothschild
Asset Management

Timeline	<ul style="list-style-type: none">■ May 2004: Initial deal, including equity stake■ November 2007: Major expansion■ November 2017: End, subject to 2-year extension option	
Novartis pays...	<ul style="list-style-type: none">■ Approx. €20m p.a. technology license including HuCAL internalization fees■ Approx. €20m p.a. in research funding■ Over €250m milestones (probability adjusted)■ Royalties on all resulting drugs	
Novartis gets...	<ul style="list-style-type: none">■ Preferred access to HuCAL for use in over 100 discovery programs	
Co-development option	<ul style="list-style-type: none">■ Shared costs & profits (20% – 50%) on selected co-developed programs	
Excluded	<ul style="list-style-type: none">■ Most infectious disease targets	

Institution	Contact
Commerzbank	Mr. Daniel Wendorff
Credit Suisse	Dr. Yasir Al-Wakeel
Deutsche Bank	Mr. Holger Blum
DZ Bank	Dr. Elmar Kraus
Equinet Institutional Services	Dr. Martin Possienke
Helvea	Dr. Olav Zilian
Kempen & Co.	Mr. Sachin Soni / Mr. Mark Pospisilik
Landesbank Baden-Württemberg	Dr. Hanns Frohnmeyer
Macquarie	Dr. Christian Peter
MIDAS Research	Mr. Thomas Schiessle
Nomura Code	Dr. Gary Waanders
SG Securities	Mr. Rudolphe Besserve
WestLB AG	Dr. Cornelia Thomas



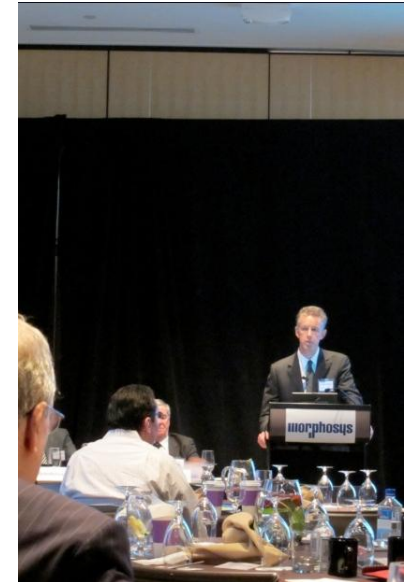
- Feb 24, 2011 Publication of Year End 2010 Results
- April 29, 2011 Publication of Three Months' Report
- May 19, 2011 Annual Shareholders' Meeting 2011
- Jul 29, 2011 Publication of Six Months' Report
- Oct 28, 2011 Publication of Nine Months' Report



Confirmed Conferences in H1 2011



- Feb. 9, 2011 Société Général Healthcare and Biotechnology Conference, Paris
- March 1-3, 2011 Credit Suisse Healthcare Conference, London
- March 15, 2011 Barclays Capital 2011 Global Healthcare Conference, Miami
- March 21-23, 2011 8th BofA Merrill Lynch Biotech 1-on-1 Forum London
- March 29, 2011 Kempen & Co Healthcare/Life Sciences Conference, Brussels
- May 10, 2011 Deutsche Bank 36th Annual Health Care Conference, Boston
- May 20, 2011 German & Austrian Corporate Conference Frankfurt
- June 7, 2011 Jefferies Global Healthcare Conference 2011, New York



For more information please visit www.morphosys.com

Thank You.



www.morphosys.com

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