

Kempen & Co
4th Healthcare/Life Sciences Conference

morphosys



Brussels – March 29, 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



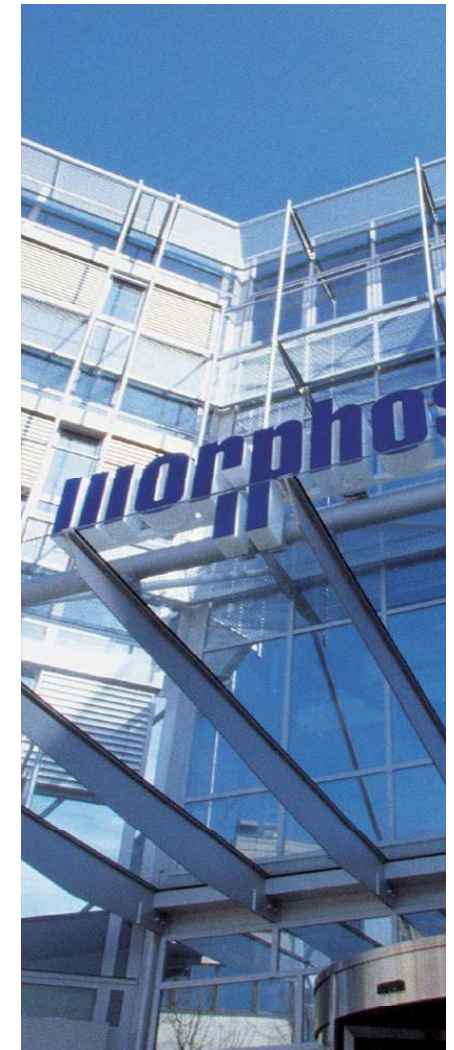
Pipeline

75 drug programs ongoing



Financial

Profitable, strong balance sheet



Business Model



Innovative, Proprietary Antibody Technology

- Commitment to delivering superior antibodies
- Next generation MAbs to be more efficacious
- Three business segments based on MorphoSys's technologies

Partnered Discovery

- Multiple therapeutic antibody products
- Generating strong flow of milestones & royalties

Proprietary Development

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

AbD Serotec

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

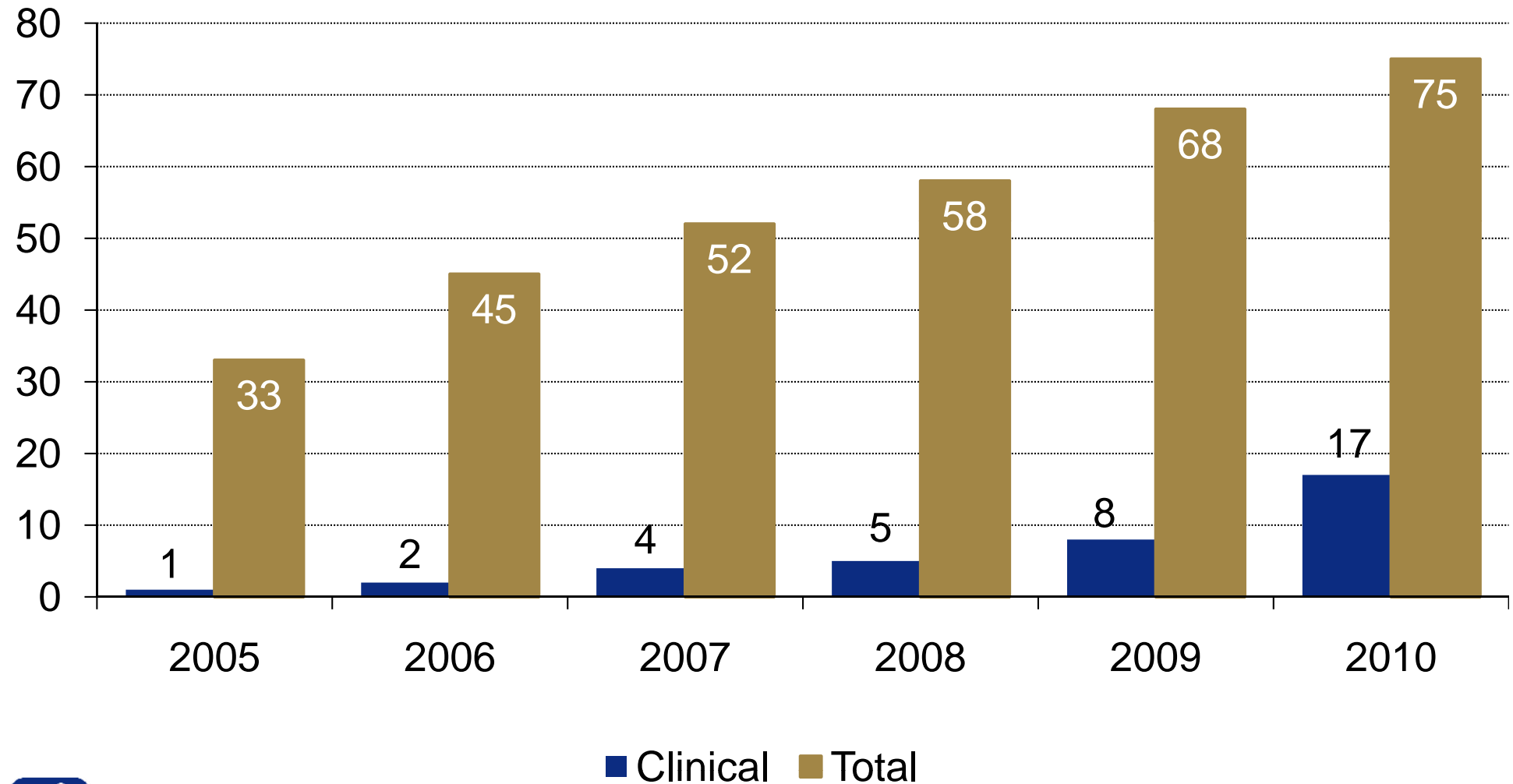
Strategy



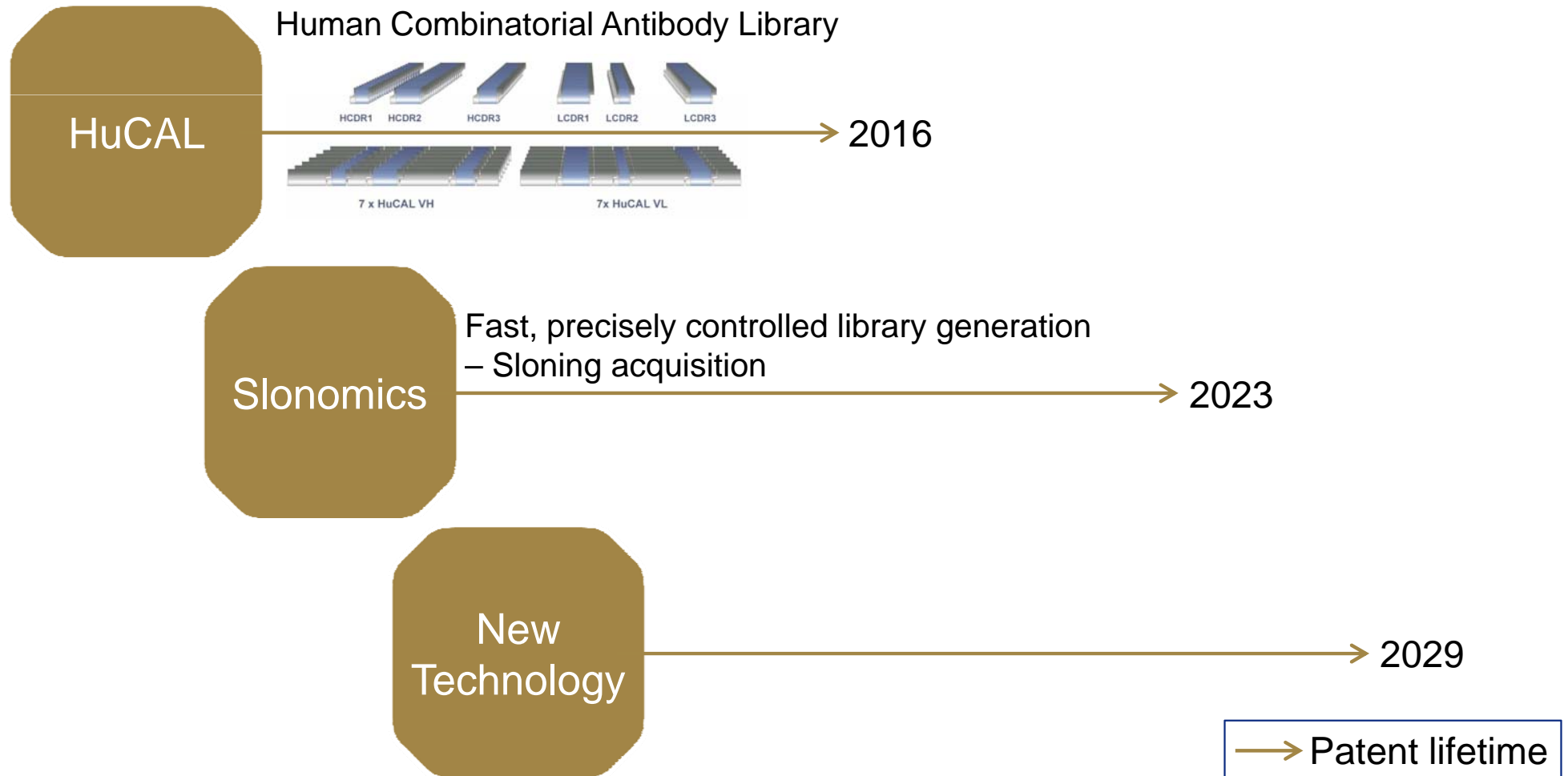
Use proprietary technologies to develop the broadest possible pipeline of therapeutic antibody drugs, balanced between partnered and proprietary programs

Growing Pipeline Illustrates Successful Execution of Strategy

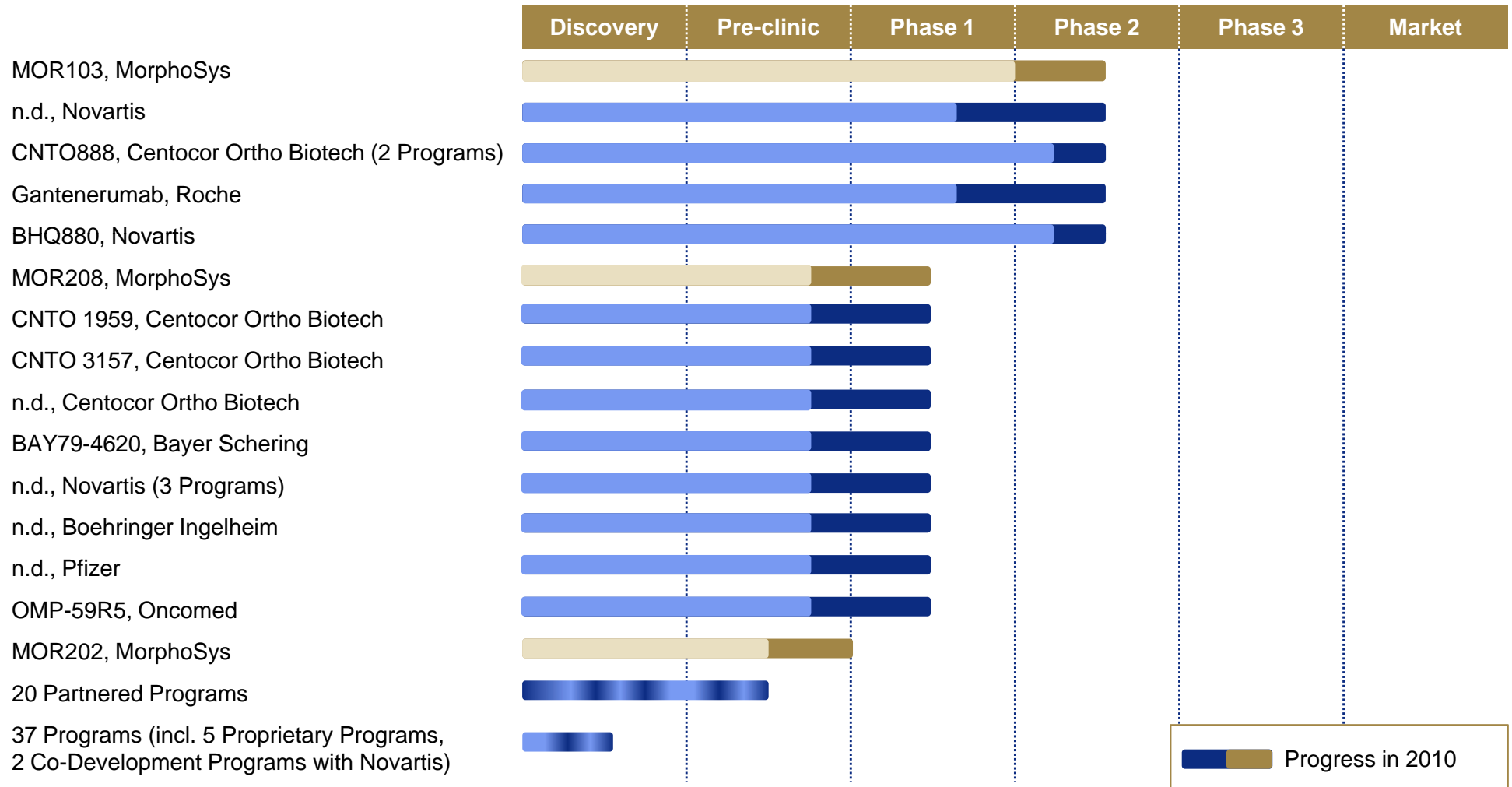
Programs



Unique & Proprietary Technology for Generating Drug-Quality Antibodies



75 Therapeutic Antibody Programs Ongoing



The Target

- GM-CSF – a growth factor and inflammatory mediator

The Drug

- Ultra-high affinity HuCAL IgG1

Clinical Development in Rheumatoid Arthritis

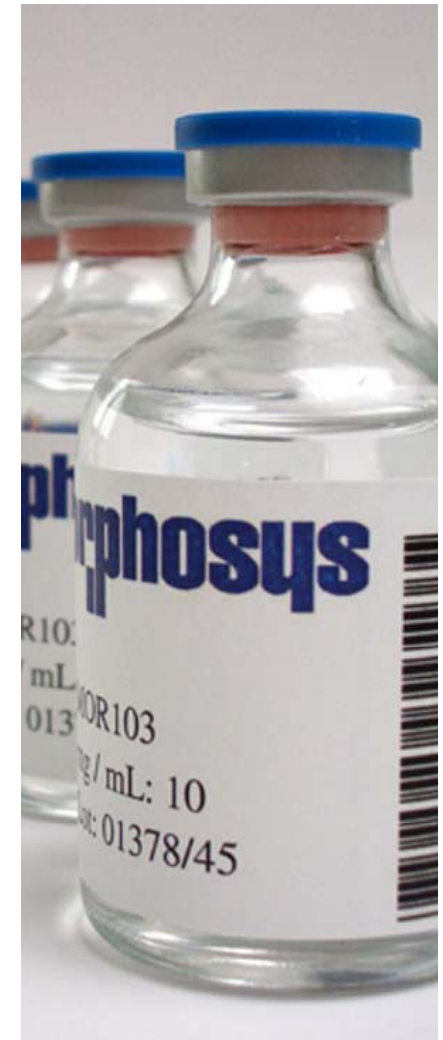
- Phase 1b/2a trial ongoing in Europe in patients with active RA
- Completion of enrollment H2 2011, final results H1 2012

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

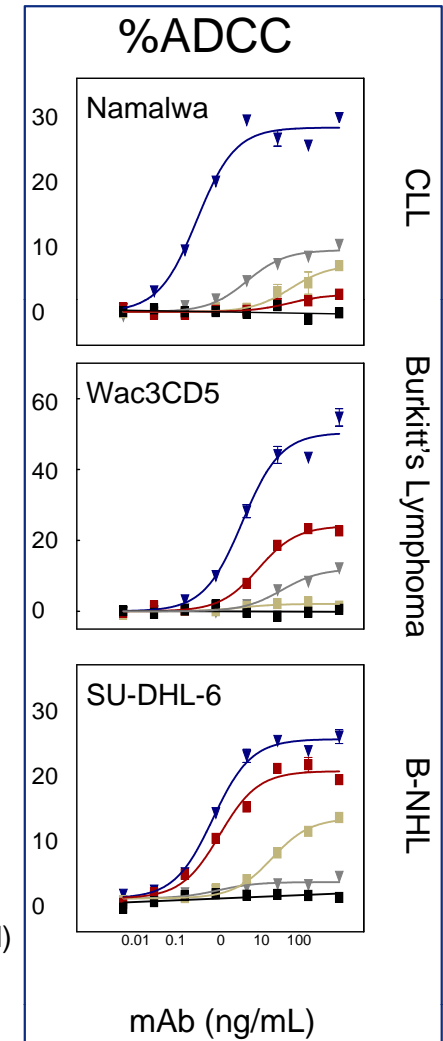
- CD19 – a pan B-cell marker

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

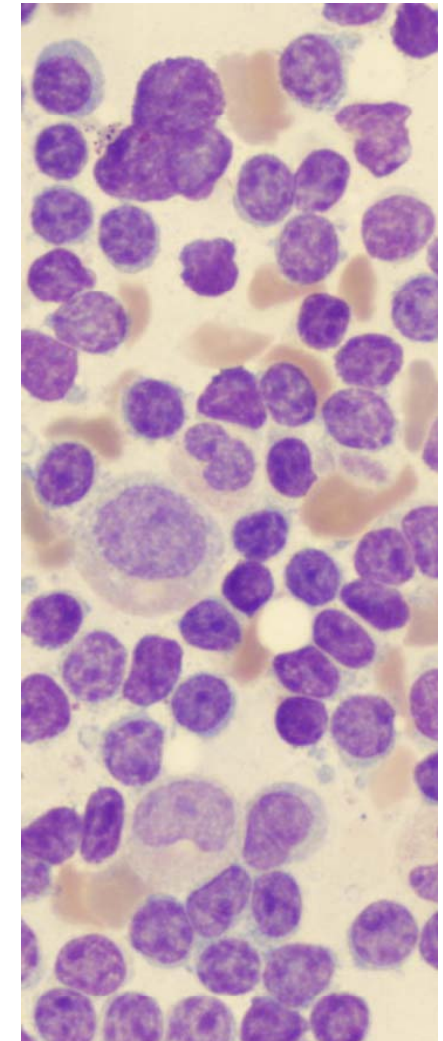
- CD38 – a protein on multiple myeloma cells

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



Partnered Programs

Phase 2 Clinical Development

Program	Partner	Disease	Target	Status
BHQ880	Novartis	Osteolytic bone disease	DKK-1	Early data show stimulation of bone formation
n.d.	Novartis	n.d.	n.d.	Clinical proof of concept achieved
CNTO888	Centocor Ortho Biotech	Oncology	MCP-1	Two trials ongoing
CNTO888	Centocor Ortho Biotech	Idiopathic pulmonary fibrosis	MCP-1	One trial ongoing
Gantenerumab	Roche	Alzheimer's disease	Amyloid- β	Study in patients with prodromal AD



Partnered Programs

Phase 1 Clinical Development

Program	Partner	Disease	Status
CNTO1959	Centocor Ortho Biotech	Psoriasis	Study completed Q4 2010
BAY79-4620	Bayer Healthcare	Oncology	Antibody-drug conjugate vs. CA IX
CNTO3157	Centocor Ortho Biotech	Asthma	Phase 1 start June 2010
n.d.	Novartis	Musculoskeletal	Phase 1 start July 2010
n.d.	Novartis	Ophthalmology	Phase 1 start August 2010
n.d.	Novartis	Inflammation	Phase 1 start December 2010
n.d.	Centocor	Inflammation/ Autoimmune	Phase 1 start December 2010
n.d.	Boehringer Ingelheim	n.d.	Phase 1 start December 2010
n.d.	Pfizer	Oncology	Phase 1 start December 2010
OMP-59R5	Oncomed	Oncology	Phase 1 start December 2010



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
AbD Serotec Segment Revenues	22 - 23	20.2
AbD Serotec Profit Margin	~ 4%	6%



P&L and Guidance 2011

EUR millions	2009	2010	Guidance 2011
Revenues	81.0	87.0	105 – 110
Cost of Goods Sold	6.7	7.3	
Proprietary R&D Expenses	19.3	26.5	40 – 45
Sponsored R&D Expenses	19.7	20.4	
S,G&A Expenses	23.9	23.2	
Total Operating Expenses	69.6	77.4	
Other Operating Income	0.1	0.2	
Profit from Operations	11.4	9.8	10 – 13



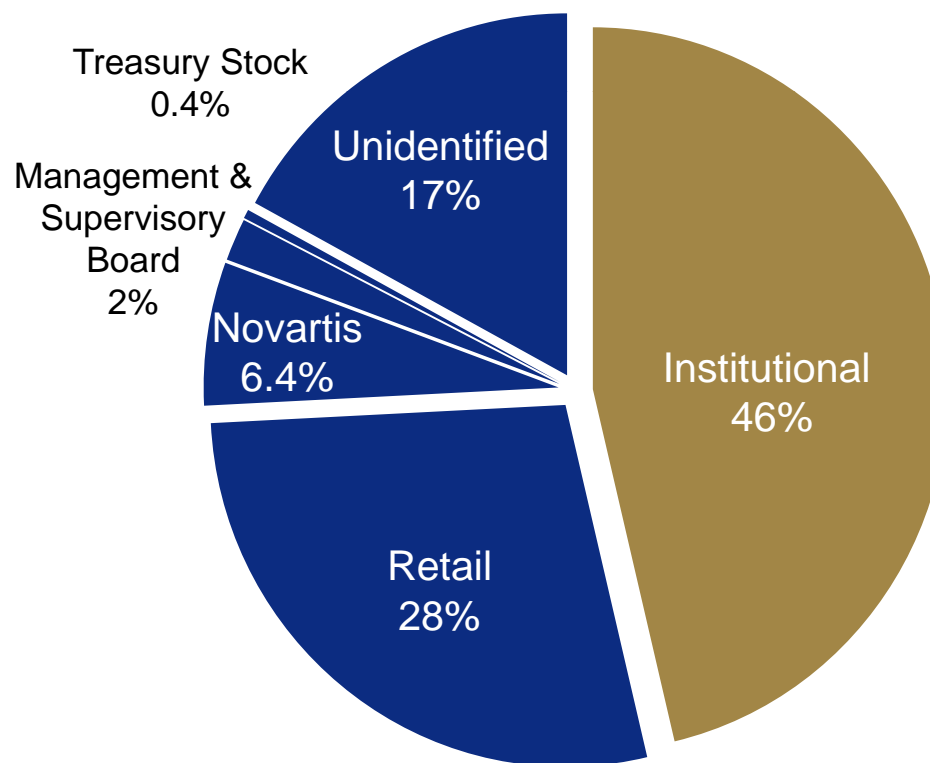
Balance Sheet and Shareholder Structure



Balance Sheet

EUR millions	2009	2010
Assets		
Cash, Cash Equivalents & Marketable Securities	135.1	108.4
Other Current Assets	20.5	24.1
Total Non-Current Assets	50.5	80.0
Total Assets	206.1	212.6
Liabilities		
Total Current Liabilities	24.3	21.4
Total Non-Current Liabilities	7.9	5.3
Total Shareholders' Equity	173.9	185.9
Total Liabilities	206.1	212.6

Shareholdings by Investor Type



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



A Rich Potential News-flow in 2011



H1 2011

- US patent granted on MOR103 ✓
- Double digit EUR million technology milestone payment received from Novartis ✓
- Commence Phase 1 study of MOR202 in multiple myeloma
- Release MOR202 pre-clinical data
- 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

Thank You



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