2nd Interim Report
January – June 2013

morphosys
Engineering the Medicines of Tomorrow

Contents

MorphoSys Group:
2nd Interim Report January – June 2013

Highlights

Highlights of the Second Quarter of 2013

- MorphoSys signs a global development alliance agreement for MOR202 with Celgene. MOR202 is a HuCAL antibody targeting CD38 which is being developed for the treatment of multiple myeloma and other forms of leukemia. The agreement offers MorphoSys the opportunity to participate more fully in the future value of the MOR202 program through joint development activities and co-promotion in Europe. The agreement is subject to clearance by the US antitrust authorities under the Hart-Scott-Rodino Act, and will become effective as soon as this condition has been met. Therefore no financial impact of the transaction is included in the current financial guidance.
- MorphoSys signs a global licensing agreement for MOR103 with GlaxoSmithKline. MOR103 is a HuCAL antibody targeting GM-CSF which has completed the clinical phase 1b/2a study on patients with mild to moderate rheumatoid arthritis. This agreement provides for secured and performance-related payments of up to € 445 million as well as tiered double-digit royalties on net sales.
- MorphoSys initiates two phase 2 studies with the CD19 antibody, MOR208, in the area of non-Hodgkin lymphoma (NHL) respectively in B-cell acute lymphatic leukemia (B-ALL).
- The first scientific publication on the new antibody platform, Ylanthia, is published in the "mAbs" scientific journal.
- MorphoSys reaches a clinical milestone in its ophthalmology program with Novartis.
- MorphoSys purchases 84,475 of its own shares as part of a share buy-back program. The shares are primarily intended for use in its long-term incentive program for MorphoSys's management.
- The Annual General Meeting of MorphoSys AG approves all management proposals.
- MorphoSys's product pipeline comprises 21 clinical programs as of the end of the second quarter of 2013.

MORPHOSYS'S PRODUCT PIPELINE AS OF 30 JUNE 2013

Program, Partner	Indication	Discovery	Preclinic	Phase 1	Phase 2	Phase 3	Market
MOR103, GSK	Rheumatoid Arthritis						
MOR208	B-cell Malignancies						
MOR103, GSK	Multiple Sclerosis						7 MOR Programs
MOR202, Celgene/MOR	Multiple Myeloma						
3 Early-stage Programs	Various Indications						
Gantenerumab, Roche	Alzheimer's Disease						
Guselkumab, Janssen/J&J	Psoriasis						
Guselkumab, Janssen/J&J	Rheumatiod Athritis						
BHQ880, Novartis	Cancer						
BYM338, Novartis	Musculoskeletal						
NOV-3, Novartis	n. d.						
LFG316, Novartis	Ophthalmology						
OMP-59R5, OncoMed	Cancer						
BAY94-9343, Bayer HealthCare	Cancer						
BI-1, Boehringer Ingelheim	n. d.						
CNTO 3157, Janssen/J&J	Asthma						74 Partnered Programs
CNTO-5, Janssen/J&J	Inflammation						
VAY736, Novartis	Inflammation						
LJM716, Novartis	Cancer						
Vantictumab, OncoMed	Cancer						
PFE-1, Pfizer	Cancer						
NOV-7, Novartis	Ophthalmology						
22 Partnered Programs	Various Indications						
35 Partnered Programs	Various Indications						

Interim Group Management Report: 1 January – 30 June 2013

Business Environment and Activities

ECONOMIC DEVELOPMENT

The outlook for a recovery in the economic environment of the Eurozone remained bleak in the second quarter. In the first quarter of 2013, the Eurozone's economy contracted 0.2%. The continued high unemployment figures, particularly for young people, did not improve in the second quarter. The parliamentary election in Italy in March and the escalation of the debt crisis in Cypress provided further uncertainty. Furthermore, in April, Portugal's Constitutional Court proclaimed important portions of the adopted austerity budget as unconstitutional.

The US Federal Reserve's announcement to phase out the purchase of US treasury bonds over the course of the year and ahead of schedule caused temporary unrest in the international financial markets. Overall however, the US economy is on the rise. This was confirmed by the slightly positive development seen on the labour market in June. Hopes for a stabilisation in the global economy coupled with the continuation of a loose monetary policy by the central banks caused share prices to rise to new highs in the first half of 2013, particularly in Europe and the USA.

INDUSTRY OVERVIEW

In the second quarter of 2013, numerous advancements were published in the area of antibody technology and products.

In the area of licensing contracts, the agreements signed by MorphoSys with GlaxoSmithKline and Celgene count amongst the most comprehensive partnerships in the industry in the second quarter. In addition, the pharmaceutical groups Pfizer and Astellas signed larger cooperation agreements directed at immuno-conjugates with the biotechnology companies Cytomyx and Ambryx.

The US Food and Drug Administration (FDA) granted so-called "breakthrough designation" status to further compounds. This facilitates a faster approval process and closer cooperation with the FDA for compounds with significant medical potential, which in turn provides the prospect of quicker market access. The CD38 antibody daratumumab which addresses the same target molecule and follows the same basic approach as the MorphoSys antibody MOR202 was granted this status in the second quarter.

At ASCO 2013, the most important industry conference in the area of cancer research, innovative antibody compounds were one of the most discussed approaches. Especially the antibodies nivolumab and lambrolizumab were able to draw attention through positive results. These antibodies are directed against the disease-relevant target molecule PD-1 which helps the human immune system combat cancer cells.

OPERATIONAL PERFORMANCE

MorphoSys developed very favourably in the first half of the year.

At the end of 2012, MorphoSys had announced the sale of substantially all of the AbD Serotec business to Bio-Rad Laboratories, Inc. (Bio-Rad). The closing of the transaction was dependent upon the fulfilment of certain conditions which were complied with on 10 January 2013 (closing date). Hence, substantially all of the AbD Serotec segment was sold as of this date.

Lucrative licensing agreements were concluded for two of the Company's three proprietary product candidates. The MOR103 program will be continued and financed in the future in cooperation with the GlaxoSmithKline (GSK) pharmaceutical group. MorphoSys continues to participate in the success of the program's development through milestones and tiered double-digit revenue royalties without carrying out any further significant investments in the program. The MOR202 cancer program will be continued in the future in partnership with Celgene. The global agreement provides for the co-development of the program and co-promotion in Europe. As part of the contract, MorphoSys will receive a one-off payment and, in addition, Celgene will purchase shares in MorphoSys. As part of this cooperation, MorphoSys may receive additional development-related, regulatory, and sales related milestones in addition to tiered double-digit royalties on net sales outside of the co-promotion activities carried out in select European markets. This transaction must still be approved by the US antitrust authorities and will take effect as soon as approval is given. Antitrust clearance presumably will take 30 to 60 days from signing of the license agreement. This lays the further groundwork for an even higher level of added value from the MOR103 and MOR202 projects.

At the end of the second quarter of 2013, MorphoSys's product pipeline comprised 81 partner and proprietary programs, 21 of which are currently in clinical development.

Many of the business targets set out for the entire year have already been achieved by the results MorphoSys has shown in the first six months of 2013. The initial financial targets were raised following the announcement of the cooperation agreement with GlaxoSmithKline for MOR103.

Research and Development

PARTNERED DISCOVERY

In the course of the first six month of 2013, the number of therapeutic antibody programs operated with partners rose to a total of 74 active programs (31 December 2012: 70 partnered programs). Of those, currently 17 programs are in clinical development, 22 in pre-clinical development, and 35 are in the discovery phase.

PROPRIETARY DEVELOPMENT

MorphoSys currently has four proprietary clinical programs: MOR103 (anti-GM-CSF) in the areas of rheumatoid arthritis (RA) and multiple sclerosis (MS), the HuCAL antibody MOR202 targeting CD38 in the area of multiple myeloma, and MOR208, an Fc-optimized and humanized antibody targeting CD19 in the area of B-cell malignancies.

In two new phase 2 clinical trials for MOR208, the dosing of patients has begun in order to test the potential of the compound for indications of non-Hodgkin lymphoma (NHL) and acute lymphatic leukemia (ALL).

Currently, MorphoSys is pursuing various programs which are in the early discovery phase. This includes the joint development program with Galapagos N.V. as well as two further programs which are

in part being carried out in cooperation with external research institutions. One of these programs is in the area of infectious diseases.

Intellectual Property

In the first six months of 2013, MorphoSys has further consolidated and expanded the patent position of its development programs and its growing technology portfolio which represent the Company's important value drivers.

Currently, the Company maintains more than 40 different proprietary patent families worldwide in addition to the numerous patent families it pursues in cooperation with its partners.

Commercial Development

PARTNERED DISCOVERY

On 23 May 2013 Johnson & Johnson (J&J) held a Pharmaceuticals Business Review. In the course of this event first promising data regarding guselkumab (CNTO1959) were presented, a HuCAL antibody specifically targeting IL-23. The antibody has been developed in cooperation with Janssen Biotechnology and currently is in phase 2 studies in psoriasis and rheumatoid arthritis. The trials are due to complete in 2014.

PROPRIETARY DEVELOPMENT

MorphoSys significantly strengthened its proprietary development pipeline in the course of the second quarter.

On 3 June 2013 MorphoSys announced a global agreement with GlaxoSmithKline (GSK) to develop and commercialize MOR103. MOR103 is MorphoSys's proprietary HuCAL-derived antibody against GM-CSF, which has concluded phase 1b/2a development in patients with mild to moderate rheumatoid arthritis. Under the terms of the agreement, GSK will assume responsibility for all subsequent development and commercialization of MOR103. As part of the agreement, MorphoSys receives an immediate upfront payment of EUR 22.5 million. On achievement of certain developmental, regulatory, commercial and sales-based milestones, MorphoSys would be eligible to receive additional payments from GSK of up to EUR 423 million, in addition to tiered, double-digit royalties on net sales.

Shortly before the end of the second quarter 2013, MorphoSys was able to conclude another commercial agreement for its cancer program MOR202. MorphoSys and the US-based biotech company Celgene Corporation signed an agreement to jointly develop MOR202 globally and to co-promote MOR202 in Europe. MOR202 is a fully human monoclonal antibody targeting CD38 to treat patients with multiple myeloma (MM) and certain leukemias. MOR202 is currently being evaluated in a phase 1/2a trial in patients with relapsed/refractory myeloma. MorphoSys and Celgene will collaborate on the development of MOR202 in multiple myeloma and other indications and share costs on a 1/3:2/3 basis. Under the terms of the agreement, MorphoSys will receive an upfront license fee of EUR 70.8 million and Celgene will invest EUR 46.2 million to subscribe for new shares of MorphoSys AG. The new shares will be issued at a price to be determined upon the transaction becoming effective following clearance by the US antitrust authorities under the Hart-Scott-Rodino Act. The share price will include at least a premium of 15% of the closing price of the MorphoSys share prior to the signature of the agreement. MorphoSys

may be entitled to receive additional development, regulatory and sales milestones, in addition to tiered double digit royalties on net sales outside the co-promotion territory. MorphoSys retains a 50/50 profit sharing in its co-promotion territory. The total potential value of this transaction, assuming all development, regulatory and sales milestones are reached, may be up to EUR 628 million. The agreement is subject to clearance by the US antitrust authorities under the Hart-Scott-Rodino Act, and will become effective as soon as this condition has been met.

ACQUISITION UPDATE

In the 2012 business year, MorphoSys initiated a technology partnership with Lanthio Pharma for a new class of therapeutic peptides. Within the framework of the agreement, the companies will jointly implement their technologies to produce high-quality and diverse lantipeptide libraries. Furthermore, MorphoSys participated in the Series A financing round for Lanthio Pharma with an equity investment and now holds a minority stake in Lanthio Pharma.

Beyond that, MorphoSys did not acquire any development candidates or companies in the financial year 2012 and in the first six months of 2013.

Human Resources

Following the completed sale of AbD Serotec, the reported number of employees reflects solely the workforce of the continuing operations and thus shows a marked decline in comparison to the previous year. On 30 June 2013, the MorphoSys Group engaged 290 employees (31 December 2012: 421*). In the first six months of 2013, the MorphoSys Group employed 291 people on average (Q2/2012: 424*).

Of these 290 employees, 243 were employed in research and development, and 47 in sales, general, and administrative functions (31 December 2012: 278* and 143*, respectively).

On 30 June 2013, MorphoSys had a total of 120 employees with PhD degrees (31 December 2012: 142*).

Of the 290 employees, 188 were employed in the Partnered Discovery segment, and 55 in the Proprietary Development segment (31 December 2012: 184 in the Partnered Discovery segment, 54 in the Proprietary Development segment). The remaining 47 employees were not allocated to any of these segments (31 December 2012: 48).

On 30 June 2013, MorphoSys employed ten trainees (31 December 2012: 10).

* including AbD Serotec

EMPLOYEES BY SEGMENT AND FUNCTION

	30/06/2013	31/12/2012
TOTAL EMPLOYEES		
Partnered Discovery segment	188	184
Proprietary Development segment	55	54
AbD Serotec segment	-	135
Unallocated	47	48
Employees in research and development	243	278
Employees in sales, general, and administration	47	143

Financial Analysis

At the end of 2012, MorphoSys had announced the sale of substantially all of the AbD Serotec business to Bio-Rad Laboratories, Inc. (Bio-Rad). As of 31 December 2012, virtually the entire AbD Serotec operating segment represented a discontinued operation within the meaning of IFRS 5. The Partnered Discovery and Proprietary Development operating segments along with the continuing operations of the AbD Serotec segment were classified as continuing operations as of the balance sheet date of 31 December 2012. The closing of the transaction was dependent upon the fulfilment of certain conditions which were complied with on 10 January 2013 (closing date). Hence, substantially all of the AbD Serotec segment was sold as of this date. Therefore, the financial implications for the discontinued operations of AbD Serotec, which were owned by the MorphoSys Group until 10 January 2013, are explained below.

As of 30 June 2013, the companies MorphoSys UK Ltd., Oxford, Great Britain; MorphoSys US, Inc., Raleigh, USA; and MorphoSys AbD GmbH, Düsseldorf, Germany were no longer included in MorphoSys Group's scope of consolidation.

Revenues

Compared to the previous year, Group revenues from continuing operations rose by 98% to € 48.2 million (H1/2012: € 24.4 million). This increase was primarily attributable to the outlicensing of the MOR103 antibody program to GlaxoSmithKline as well as license fees in connection with the sale of the AbD Serotec business to Bio-Rad. As part of this sale, a non-exclusive license for the use of the HuCAL technology in the market for research reagents and diagnostics was also transferred to Bio-Rad.

The continuing operations of the Partnered Discovery and Proprietary Development segments contributed € 48.2 million to Group revenues (H1/2012: € 24.4 million).

From a geographical viewpoint, MorphoSys achieved 2%, or € 1.1 million, of its commercial revenues with biotechnology and pharmaceutical companies and non-profit organisations headquartered in North America and 98%, or € 47.1 million, with customers primarily located in Europe and Asia. This compares to 6% and 94% in the same period of the prior year.

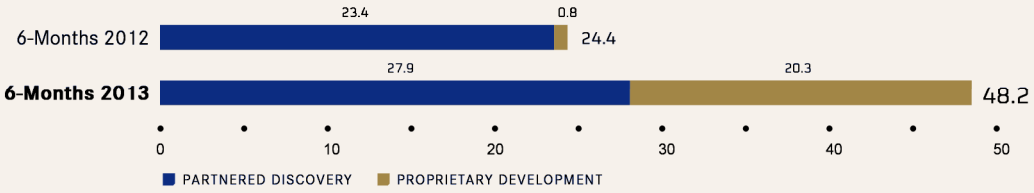
PARTNERED DISCOVERY AND PROPRIETARY DEVELOPMENT SEGMENTS

Revenues from the Partnered Discovery segment included € 27.0 million in funded research and licensing fees (H1/2012: € 21.5 million) and € 0.9 million (H1/2012: € 1.9 million) in success-based payments. Success-based payments amounted to 2% (H1/2012: 8%) of the total revenues of the Partnered Discovery and Proprietary Development segments. Funded research and licensing fees grew overall since in the context of the sale of substantially all of AbD Serotec business to Bio-Rad, a non-exclusive license was also transferred for the use of the HuCAL technology in the market for research reagents and diagnostics.

In the first six months, the Proprietary Development segment achieved revenues of € 20.3 million (H1/2012: € 0.8 million). In comparison to the previous year, this increase was primarily impacted by the recognition of an upfront payment as part of the outlicensing of the MOR103 antibody program to GlaxoSmithKline. Revenues from funded research in this segment declined to € 0.1 million (H1/2012: € 0.8 million) due to the abandonment of the co-development activities with Novartis.

Approximately 98% of Group revenues were attributed to the customers Novartis, GlaxoSmithKline, and Bio-Rad (H1/2012: 97% from Novartis, Roche, and Pfizer).

REVENUE DEVELOPMENT BY SEGMENT – CONTINUING OPERATIONS (in € million)*



* Differences due to inter-segment revenues to be eliminated

Operating Expenses

In the first six months of 2013, operating expenses increased by 21% to € 31.2 million (H1/2012: € 25.8 million). This increase by € 5.4 million was due to a rise in research and development expenses by 12% or € 2.5 million and an increase in sales, general and administrative expenses by 50% or € 2.8 million to € 8.4 million.

Operating expenses rose both in the Partnered Discovery segment (H1/2013: € 12.4 million; H1/2012: € 10.8 million) and in the Proprietary Development segment (H1/2013: € 12.2 million; H1/2012: € 10.5 million).

Personnel expenses arising from share-based payments are included in sales, general, and administrative expenses and also in research and development expenses. The expenses amounted to € 2.5 million (H1/2012: € 0.6 million) in the first six months of 2013 and represent a non-cash

expenditure. The rise is primarily due to an adjustment of the LTI programs granted in the years 2011 and 2012 and from the new LTI and convertible bond programs which were both granted in Q2 2013.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses in the first six month of 2013 grew by € 2.5 million to € 22.7 million (H1/2012: € 20.2 million). The main reasons for this rise were higher personnel expenses (H1/2013: € f10.6 million; H1/2012: € 9.1 million), costs for external laboratory services (H1/2013: € 5.7 million; H1/2012: € 5.2 million) as well as material expenses (H1/2013: € 1.0 million; H1/2012: € 0.6 million). This increase was partially offset by lower expenses for intangible assets (H1/2013: € 2.3 million; H1/2012: € 2.6 million).

In the first six months of 2013, the Company incurred expenses for the development of proprietary products of € 12.2 million (H1/2012: € 10.5 million) and expenses for technology development of € 2.4 million (H1/2012: € 1.8 million).

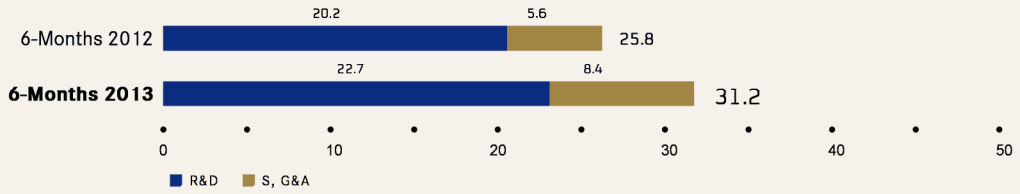
DISTRIBUTION OF R&D EXPENSES (IN MILLION €)

	H1/2013	H1/2012
R&D Expenses on behalf of partners	8.1	7.9
Proprietary Development expenses	12.2	10.5
Technology Development expenses	2.4	1.8
Total R&D	**22.7**	**20.2**

SALES, GENERAL, AND ADMINISTRATIVE EXPENSES

Compared to the same period in the previous year, sales, general, and administrative expenses rose by 50%, or € 2.8 million, to € 8.4 million (H1/2012: € 5.6 million). This increase was primarily due to higher personnel expenses (H1/2013: € 5.1 million; H1/2012: € 3.6 million) and expenses for external services (H1/2013: € 1.9 million; H1/2012: € 0.7 million).

DEVELOPMENT OF OPERATING EXPENSES – CONTINUING OPERATIONS (in € million)*



* Differences due to rounding

Other Income / Expenses

Other income amounted to € 0.4 million (H1/2012: € 0.2 million) and is mainly composed of service income from supporting Bio-Rad in the integration of the AbD Serotec business and government grants. Other expenses of € 0.2 million (H1/2012: € 0.03 million) were primarily composed of currency losses.

EBIT

Earnings before interest and taxes (EBIT) from continuing operations amounted to € 17.3 million compared to an EBIT of € -1.3 million in the previous year. EBIT from continuing operations of the Partnered Discovery and Proprietary Development segments amounted to € 15.6 million (H1/2012: € 12.6 million) and € 8.2 million € (H1/2012: € -9.6 million), respectively.

Finance Income and Expenses

Finance income amounted to € 0.6 million (H1/2012: € 0.6 million) and mainly included realized gains from marketable securities which were sold in the reporting period. Finance expenses of € 0.1 million (H1/2012: € 0.1 million) mainly resulted from bank fees and losses from currency hedging transactions.

Gains from the Sale of Discontinued Operations

Considering transaction costs, the sale of substantially all of the AbD Serotec business resulted in a gain from deconsolidation of € 8.0 million. The gain was recorded as other income in the result from discontinued operations.

Taxes

In the first six months of 2013, continuing operations reported income tax expenses of € 4.9 million (H1/2012: income tax benefit of € 0.5 million) which was composed of current tax expenses of € 5.1 million and deferred tax income of € 0.2 million.

Consolidated Result for the Period

In the first six months of 2013, continuing operations reported a net profit for the period of € 13.0 million (H1/2012: € -0.3 million). The resulting basic net profit per share for the first six months of 2013 amounted to € 0.56 (H1/2012: € -0.01).

Result from Discontinued Operations

The sale of substantially all of the AbD Serotec business to Bio-Rad was completed on 10 January 2013.

Upon deconsolidation, a disposal gain of € 8.0 million was achieved. Net income for the period from discontinued operations amounted to € 6.0 million (H1/2012: € -0.7 million).

The result from discontinued operations was composed as follows:

For the Six Months Period Ended 30 June (in 000's €)	2013*	2012
Revenues	**603**	**8,635**
Cost of Goods Sold	147	3,231
Research and Development	41	938
Sales, General and Administrative	2,063	5,030
Total Operating Expenses	**2,251**	**9,199**
Other Income / (Expenses)	9	(85)
Earnings before Interest and Taxes (EBIT)	**(1,639)**	**(649)**
Finance Income / (Expenses)	(4)	(42)
Other Income from Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	8,001	0
Profit before Taxes	**6,358**	**(691)**
Income Tax Expenses from Discontinued Operations	(35)	(10)
Income Tax Expenses in connection with the Sale of Assets and Liabilities of the Disposal Group Classified as Held for Sale	(339)	0
Profit / (Loss) from Discontinued Operations	**5,984**	**(701)**

* comprises the period from 1 January to 10 January 2013

In the first ten days of 2013, discontinued operations generated revenues of € 0.6 million (H1/2012: € 8.6 million).

Operating expenses totalled € 2.3 million (H1/2012: € 9.2 million), including costs of goods sold in the amount of € 0.1 million (H1/2012: € 3.2 million). Sales, general, and administrative expenses amounted to € 2.1 million (H1/2012: 5.0 million) and included transaction costs in the amount of € 1.8 million (H1/2012: € 0.04 million).

The AbD Serotec segment's gross margin improved to 76% in comparison to 2012 (H1/2012: 63%). This increase over the previous year was primarily due to the sale of products with higher margins.

The significant decline in revenues and operating expenses in comparison to the previous year was caused by the Group's disposal of substantially all of the AbD Serotec segment on 10 January 2013.

The discontinued operations of the AbD Serotec segment generated an EBIT of € -1.6 million in 2013 (H1/2012: € -0.6 million).

Profit before taxes amounted to € 6.4 million (H1/2012: € -0.7 million). Income tax expenses amounted to € 0.4 million in 2013 (H1/2012: € 0.01 million). This included income tax expenses related to the disposal gain of € 0.34 million.

Financial Position

CASH FLOWS

The net cash inflow from operating activities totalled € 0.2 million in 2013 (H1/2012: cash outflow of € 1.2 million). Of this amount, a net cash outflow of € 1.8 million was attributable to discontinued operations (H1/2012: cash inflow of € 0.5 million) while continuing operations achieved a cash inflow from operating activities of € 2.0 million (H1/2012: cash outflow of € 1.7 million).

Investment activities resulted in a cash inflow of € 4.8 million (H1/2012: cash outflow of € 10.0 million), of which cash inflows of € 36.6 million were generated by discontinued operations (H1/2012: cash outflow of € 0.05 million) and cash outflows of € 31.8 million were recorded by continuing operations (H1/2012: € 10.0 million).

The cash outflow from financing activities amounted to € 2.3 million in 2013 (H1/2012: cash inflow of € 0.2 million) which was entirely attributable to continuing operations.

INVESTMENTS

In the first six months of 2013, MorphoSys invested € 0.4 million (H1/2012: € 0.3 million) in property, plant, and equipment for continuing operations. The depreciation of property, plant, and equipment amounted to € 0.7 million in the first six months of 2013 compared to € 0.9 million in 2012.

In the first six months of 2013, the Company invested € 3.6 million in intangible assets (H1/2012: € 0.3 million) for continuing operations. Amortization of intangible assets amounted to € 1.8 million in the first six month of 2013 and was thus below the level of the prior year (H1/2012: € 2.1 million).

LIQUIDITY

On 30 June 2013, the Company had cash, cash equivalents, and financial assets available for sale totalling € 141.3 million compared to € 120.4 million at the end of 2012. This increase in liquidity resulted primarily from the proceeds from the purchase price of the divested AbD Serotec operations. A further interest-bearing assignable loan in the amount of € 5.0 million was granted. By 30 June 2013, MorphoSys had granted interest-bearing assignable loans in the total amount of € 15 million, which were recorded in the balance sheet line item "other receivables". In addition, € 5.0 million were invested in a commercial paper program which was also included in the balance sheet line item "other receivables". The balance sheet line item "bonds, available for sale" contained bonds from the federal state of Schleswig-Holstein in the amount of € 5.0 million.

Liquidity as of 30 June 2013 did not include the upfront payment of € 22.5 million for MOR103 under the license agreement with GlaxoSmithKline as the Company did not receive the amount before the balance sheet date.

Balance Sheet

ASSETS

On 30 June 2013, total assets amounted to € 246.4 million, € 22.1 million higher than on 31 December 2012 (€ 224.3 million). The € 56.7 million increase in current assets was mainly the result of the proceeds from the sale of the divested operations of AbD Serotec. The majority of this amount was invested in securities. Other receivables increased by € 10.5 million primarily due to the granting of a further interest-bearing assignable loan and the purchase of a commercial paper program in the amount of € 5.0 million each. The balance sheet item "bonds, available for sale" contained € 5.0 million in bonds from the federal state of Schleswig-Holstein. Accounts receivables grew by € 20.7 million due to the upfront payment as part of the outlicensing of the MOR103 antibody program to GlaxoSmithKline.

Compared to 31 December 2012, non-current assets rose by € 6.2 million mainly as a result of the purchase price received for the sale of the AbD Serotec operations being partially held in an escrow account (other receivables) and due to the capitalization of milestone payments within the line item "intangible assets under development".

LIABILITES

The increase in current liabilities from € 11.9 million on 31 December 2012 to € 18.1 million on 30 June 2013 was essentially due to higher tax liabilities and an increase by € 0.5 million in the current portion of deferred revenues.

Non-current liabilities only had a minor change of € 0.6 million compared to their level on the closing date of 31 December 2012. This resulted from the decline in deferred revenues and deferred tax liabilities.

STOCKHOLDER'S EQUITY

On 30 June 2013, Group equity amounted to € 222.3 million, compared to € 202.0 million on 31 December 2012.

As of 30 June 2013, the number of shares issued totalled 23,400,632 of which 23,060,742 shares were outstanding (31 December 2012: 23,358,228 and 23,102,813 shares, respectively). Compared to 31 December 2012, the number of authorised common stock fell from 43,142,455 to 34,320,756 since Authorised Capital 2008-I had not been utilised since the 2008 Annual General Meeting and had therefore expired on 30 April 2013.

Financing

On 30 June 2013 and 31 December 2012, the Group's equity ratio amounted to 90%. Currently, the Group is not financed through financial debt.

Risks and Opportunities Report

The risks and opportunities as well as their assessment remain largely unchanged as compared to the situation described on pages 51 to 57 of the 2012 Annual Report. Should antitrust clearance for the transaction with Celgene become effective, MorphoSys will consider related opportunities (accompaniment of clinical trials up to market entry as well as commercialization of the compound) and risks (higher financial commitment by involvement in phase 2 and phase 3 studies) accordingly.

Subsequent Events

On 26 June 2013, MorphoSys AG and Celgene Corporation announced a global agreement for the co-development of the MOR202 cancer program and the co-promotion of the product in Europe. Under the terms of the agreement, MorphoSys will receive a one-off payment of € 70.8 million (US$ 92 million) and, in addition, Celgene will invest € 46.2 million (US$ 60 million) in shares of MorphoSys. The purchase price will be determined when the agreement receives clearance by the US antitrust authorities and will include a premium of at least 15% above the closing price of MorphoSys's shares prior to the conclusion of the agreement. As part of this cooperation, MorphoSys may receive additional development, regulatory, and sales-related milestones, in addition to tiered double-digit royalties on net sales outside of the co-promotion activities carried out in select European markets. MorphoSys retains 50% of the profits arising from the co-promotion activities in the targeted European countries. The total volume of the agreement could amount to € 628 million (US$ 818 million) assuming all development, regulatory, and sales-related milestones are met. Since this transaction is still awaiting the approval of US antitrust authorities, it has had no effect on the quarterly financial statements as of 30 June 2013.

No further significant events have occurred that require reporting.

Outlook

EXPECTED DEVELOPMENT OF THE LIFE SCIENCES SECTOR

The pharmaceutical sector continues to face an array of challenges. The sector is occupied with expiring patent protection for blockbuster drugs and increased competition on the market due to the rising penetration of generics. Higher consolidation and innovation pressure is the result. Possible alternative strategies lie within an increasing trend toward outsourcing and in the stronger attempts at acquisitions. According to the Reuters news agency, in the first half of 2013, 30% more mergers and acquisitions were initiated in the life science sector than in the comparable period of 2012. The demand from pharmaceutical companies for novel product candidates and technological innovations continues to offer attractive opportunities to the biotechnology sector. Accordingly, German biotech companies expect slightly higher revenues in 2013 as per a survey carried out by the German Association of Biotechnology Industries (DIB).

FINANCIAL GUIDANCE

As a result of the global licensing agreement for the MOR103 program with GlaxoSmithKline, MorphoSys raised its financial guidance for the current year on 3 June 2013. The initial guidance did not take into consideration any successful outlicensing of the Company's proprietary development programs. The management of MorphoSys now expects revenues of approximately € 68 million to € 72 million (previously € 48 million to € 52 million) and an EBIT of € -2 million to € +2 million (previously € -18 million to € -22 million). Of the € 22.5 million upfront payment from GSK, approximately € 20 million are recognised as revenue upon the signing of the contract. The remaining amount is distributed over the years 2013 and 2014 according to a development plan for MOR103 in multiple sclerosis.

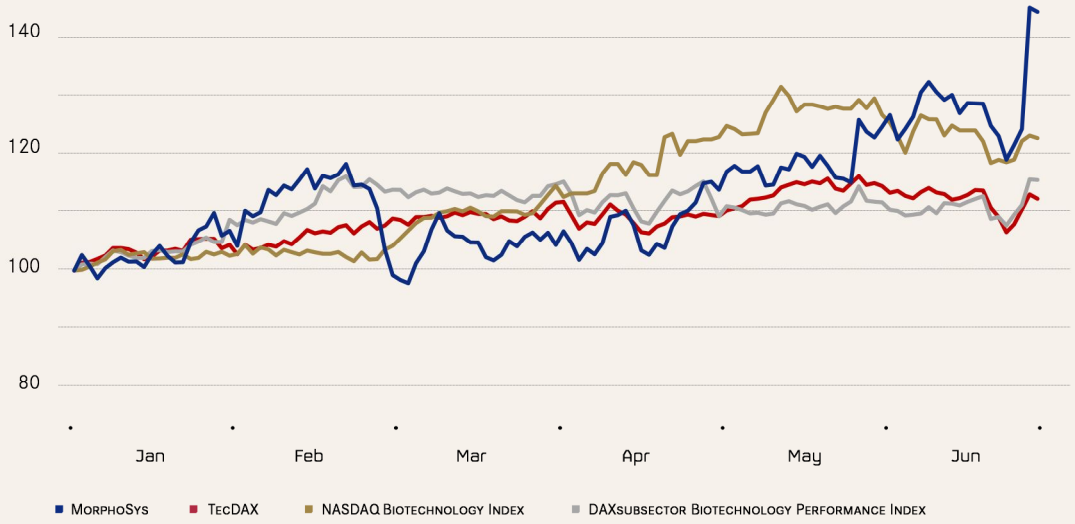
The licensing agreement with Celgene for MOR202 is subject to clearance by the US antitrust authorities under the Hart-Scott-Rodino Act, and will become effective as soon as this condition has been met. Therefore, potential financial implications are not yet reflected in the current guidance.

The statements made in the 2012 Annual Report on pages 58 to 61 regarding the strategic outlook, the expected operational and human resource development, future research and development, and the dividend policy continue to be essentially valid.

Share Price Performance

After performing very favourably in 2012, the MorphoSys shares continued to increase in price in the early weeks of 2013. In the course of the licensing agreements with GlaxoSmithKline and Celgene, the shares reached a new twelve-year high in June. MorphoSys shares have risen a total of 47.6% year-to-date within an overall positive stock market environment. The most important benchmark indices have also developed favourably: In the first six months of 2013, the NASDAQ Biotechnology Index rose 26.7%, the TecDAX increased 14.3%, and the DAX Subsector Biotechnology Performance Index gained 15.5 %.

THE MORPHOSYS SHARE (January 2, 2013 = 100 %)



Consolidated Income Statement (IFRS)

	Note	Three Months Ended 06/30/2013	Three Months Ended 06/30/2012	Six Months Ended 06/30/2013	Six Months Ended 06/30/2012
Continuing Operations:					
Revenues	2	**31,312,116**	**12,686,444**	**48,232,075**	**24,357,439**
Operating Expenses	2				
Research and Development		11,748,553	10,287,856	22,744,845	20,216,434
Sales, General and Administrative		4,849,939	3,070,578	8,424,130	5,597,180
Total Operating Expenses		**16,598,492**	**13,358,434**	**31,168,975**	**25,813,614**
Other Income		208,669	129,307	419,008	229,382
Other Expenses		93,951	25,699	151,202	28,219
Earnings before Interest and Taxes (EBIT)		**14,828,342**	**(568,382)**	**17,330,906**	**(1,255,012)**
Finance Income		467,374	467,381	572,530	559,658
Finance Expenses		8,730	42,472	58,080	70,565
Income Tax (Expenses) / Income		(4,181,456)	212,419	(4,862,278)	492,322
Profit / (Loss) from Continuing Operations		**11,105,530**	**68,946**	**12,983,078**	**(273,597)**
Profit / (Loss) from Discontinued Operations	10	**6,210**	**(517,654)**	**5,984,239**	**(700,508)**
Consolidated Net Profit / (Loss)		**11,111,740**	**(448,708)**	**18,967,317**	**(974,105)**
Basic Net Profit / (Loss) per Share		**0.48**	**(0.02)**	**0.82**	**(0.04)**
thereof from Continuing Operations		0.48	0.00	0.56	(0.01)
thereof from Discontinued Operations		0.00	(0.02)	0.26	(0.03)
Diluted Net Profit / (Loss) per Share		**0.47**	**(0.02)**	**0.81**	**(0.04)**
thereof from Continuing Operations		0.47	0.00	0.55	(0.01)
thereof from Discontinued Operations		0.00	(0.02)	0.26	(0.03)
Shares Used in Computing Basic Net Profit per Share		23,025,405	22,974,446	23,075,103	22,976,791
Shares Used in Computing Diluted Net Profit per Share		23,514,986	23,175,575	23,545,236	23,187,059

See accompanying Notes

Consolidated Statement of Comprehensive Income (IFRS)

€	Three Months Ended 06/30/2013	Three Months Ended 06/30/2012	Six Months Ended 06/30/2013	Six Months Ended 06/30/2012
Consolidated Net Profit / (Loss)	**11,111,740**	**(448,708)**	**18,967,317**	**(974,105)**
Change in Unrealized Gain on Available for sale Financial Assets and Bonds	(398,620)	(324,560)	(435,908)	(222,558)
(Thereof Reclassifications of Unrealized Gains and Losses to Profit and Loss)	(427,500)	(397,145)	(483,732)	(393,829)
Deferred Taxes	104,957	85,457	114,775	58,600
Change in Unrealized Gains and Losses on Available for sale Financial Assets and Bonds, Net of Deferred Taxes	(293,663)	(239,103)	(321,133)	(163,958)
Effects from Equity-related Recognition of Deferred Taxes	0	1,850	28,098	1,760
Foreign Currency Gains and Losses from Consolidation	(10,441)	358,213	1,292,759	367,624
Comprehensive Income	**10,807,636**	**(327,748)**	**19,967,041**	**(768,679)**
thereof from Continuing Operations	10,807,636	(656,025)	18,590,362	(1,103,813)
thereof from Discontinued Operations	0	328,277	1,376,679	335,135

Consolidated Balance Sheet (IFRS)

€	Note	06/30/2013	12/31/2013
ASSETS			
Current Assets			
Cash and Cash Equivalents		48,684,830	40,689,865
Available For Sale Financial Assets		92,614,569	79,722,222
Bonds, Available For Sale	3	5,002,843	0
Accounts Receivable		29,637,573	8,924,197
Income Tax Receivables		123,822	109,789
Other Receivables	3	20,785,850	10,297,901
Inventories, Net		740,858	757,386
Prepaid Expenses and Other Current Assets		2,009,558	2,357,163
Total Current Assets		**199,599,903**	**142,858,523**
Non-current Assets			
Property, Plant and Equipment, Net		2,911,335	3,191,837
Patents, Net		8,619,171	8,666,367
Licenses, Net		6,299,502	7,128,425
Intangible Assets under Development		12,807,800	10,513,100
Software, Net		1,742,242	1,351,932
Goodwill		7,352,467	7,352,467
Other Receivables, Net of Current Portion	3	4,682,667	0
Shares available for Sale, Net of Current Portion		881,633	881,633
Prepaid Expenses and Other Assets, Net of Current Portion		1,492,062	1,489,063
Total Non-current Assets		**46,788,879**	**40,574,825**
Assets of Disposal Group Classified as Held for Sale	10	**0**	**40,855,433**
TOTAL ASSETS		**246,388,782**	**224,288,780**

See accompanying Notes

€	Note	06/30/2013	12/31/2013
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable and Accrued Expenses		11,305,554	10,660,090
Tax Liabilities		5,693,562	629,686
Current Portion of Deferred Revenue		1,149,738	628,167
Total Current Liabilities		**18,148,854**	**11,917,943**
Non-current Liabilities			
Provisions, Net of Current Portion		200,215	187,521
Deferred Revenue, Net of Current Portion		5,607,693	5,915,102
Convertible Bonds Due to Related Parties		73,607	73,607
Deferred Tax Liability		89,552	452,074
Total Non-current Liabilities		**5,971,067**	**6,628,304**
Liabilities of Disposal Group Classified as Held for Sale	10	**0**	**3,732,516**
Total Liabilities		**24,119,921**	**22,278,763**
Stockholders' Equity			
Common Stock	5	23,400,632	23,358,228
Ordinary Shares Authorized (34,320,756 and 43,142,455 for 2013 and 2012, respectively)			
Ordinary Shares Issued (23,400,632 and 23,358,228 for 2013 and 2012, respectively)			
Ordinary Shares Outstanding (23,060,742 and 23,102,813 for 2013 and 2012, respectively)			
Treasury Stock (339,890 and 255,415 shares for 2013 and 2012, respectively), at Cost	5	(6,418,018)	(3,594,393)
Additional Paid-in Capital	5	178,318,290	175,245,266
Revaluation Reserve	5	193,708	486,743
Translation Reserve	5	182,894	(1,109,865)
Accumulated Income		26,591,355	7,624,038
Total Stockholders' Equity		**222,268,861**	**202,010,017**
Total Liabilities and Stockholders' Equity		**246,388,782**	**224,288,780**

See accompanying Notes

Consolidated Statement of Changes in Stockholders' Equity (IFRS)

	Common Stock	
	Shares	€
BALANCE AS OF 1 JANUARY 2012	**23,112,167**	**23,112,167**
Compensation Related to the Grant of Stock Options and Convertible Bonds	0	0
Exercise of Options and Convertible Bonds Issued to Related Parties	140,805	140,805
Repurchase of Treasury Stock	0	0
Reserves:		
Change in Unrealized Gain on Available for sale Financial Assets and Bonds, Net of Deferred Taxes	0	0
Effects from Equity-related Recognition of Deferred Taxes	0	0
Foreign Currency Gains and Losses from Consolidation	0	0
Consolidated Net Loss for the Period	0	0
Comprehensive Income	0	0
BALANCE AS OF 30 JUNE 2012	**23,252,972**	**23,252,972**
BALANCE AS OF 1 JANUARY 2013	**23,358,228**	**23,358,228**
Compensation Related to the Grant of Stock Options and Convertible Bonds	0	0
Exercise of Options and Convertible Bonds Issued to Related Parties	42,404	42,404
Repurchase of Treasury Stock	0	0
Reserves:		
Change in Unrealized Gain on Available for sale Financial Assets and Bonds, Net of Deferred Taxes	0	0
Effects from Equity-related Recognition of Deferred Taxes	0	0
Foreign Currency Gains and Losses from Consolidation	0	0
Consolidated Net Profit for the Period	0	0
Comprehensive Income	0	0
BALANCE AS OF 30 JUNE 2013	**23,400,632**	**23,400,632**

See accompanying Notes

	Treasury Stock		Additional Paid-in Capital	Revaluation Reserve	Translation Reserve	Accumulated Deficit / Income	Total Stockholders' Equity
	Shares	€	€	€	€	€	€
	163,915	**(1,756,841)**	**170,778,474**	**612,226**	**(1,292,325)**	**5,681,893**	**197,135,594**
	0	0	614,945	0	0	0	614,945
	0	0	1,905,294	0	0	0	2,046,099
	91,500	(1,837,552)	0	0	0	0	(1,837,552)
	0	0	0	(163,958)	0	0	(163,958)
	0	0	0	1,760	0	0	1,760
	0	0	0	0	367,624	0	367,624
	0	0	0	0	0	(974,105)	(974,105)
	0	0	0	(162,198)	367,624	(974,105)	(768,679)
	255,415	**(3,594,393)**	**173,298,713**	**450,028**	**(924,701)**	**4,707,788**	**197,190,407**
	255,415	**(3,594,393)**	**175,245,266**	**486,743**	**(1,109,865)**	**7,624,038**	**202,010,017**
	0	0	2,550,347	0	0	0	2,550,347
			522,677	0	0	0	565,081
	84,475	(2,823,625)	0	0	0	0	(2,823,625)
	0	0	0	(321,133)	0	0	(321,133)
	0	0	0	28,098	0	0	28,098
	0	0	0	0	1,292,759	0	1,292,759
	0	0	0	0	0	18,967,317	18,967,317
	0	0	0	(293,035)	1,292,759	18,967,317	19,967,041
	339,890	**(6,418,018)**	**178,318,290**	**193,708**	**182,894**	**26,591,355**	**222,268,861**

Consolidated Statement of Cash Flows (IFRS)

For the Period Ended 30 June (in €)	Note	2013	2012
OPERATING ACTIVITIES:			
Consolidated Net Profit / (Loss)		18,967,317	(974,105)
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities:			
Depreciation and Amortization of Tangible and Intangible Assets		2,446,672	3,200,277
Net Gain on Sales of Financial Assets		(503,399)	(448,789)
Purchases of Derivative Financial Instruments		(22,800)	(40,870)
Unrealized Net Loss on Derivative Financial Instruments		18,522	34,836
Loss on Sale of Property, Plant and Equipment		3,216	1,024
Net Gain on Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	10	(8,000,712)	(5,468)
Recognition of Deferred Revenue		(8,932,494)	(10,175,521)
Stock-based Compensation	9	2,516,985	632,909
Income Tax Expenses (+) / Income (-)		5,233,715	(481,370)
Changes in Operating Assets and Liabilities:			
Accounts Receivable		(20,867,702)	1,329,604
Prepaid Expenses, Other Assets and Tax Receivables		(352,783)	(260,213)
Accounts Payable and Accrued Expenses and Provisions		539,120	(4,038,555)
Other Liabilities		249,942	98,731
Deferred Revenue		9,125,571	10,626,278
Interest Paid		(5,351)	0
Interest Received		56,203	103,597
Income Taxes Paid		(282,908)	(814,312)
Net Cash Provided by / (Used in) Operating Activities		**189,114**	**(1,211,947)**
thereof from Continuing Operations		**1,988,693**	**(1,677,514)**
thereof from Discontinued Operations		**(1,799,579)**	**465,567**

See accompanying Notes

For the Period Ended 30 June (in €)	Note	2013	2012
INVESTING ACTIVITIES:			
Purchases of Financial Assets		(74,568,954)	(28,889,655)
Proceeds from Sales of Financial Assets		61,743,207	29,021,230
Purchases of Bonds, Available for Sale	3	(5,001,953)	0
Purchase of Assets Classified as Loans and Receivables	3	(9,995,413)	(10,000,000)
Purchases of Property, Plant and Equipment		(381,406)	(626,051)
Proceeds from Disposals of Property, Plant and Equipment		5,950	0
Additions to Intangibles		(3,584,275)	(355,472)
Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	10	36,580,716	804,982
Net Cash Provided by / (Used in) Investing Activities		**4,797,872**	**(10,044,966)**
thereof from Continuing Operations		(31,782,844)	(9,995,528)
thereof from Discontinued Operations		36,580,716	(49,438)
FINANCING ACTIVITIES:			
Repurchase of Treasury Stock		(2,823,625)	(1,837,552)
Proceeds from the Exercise of Options and Convertible Bonds Granted to Related Parties		565,125	2,046,099
Net Cash (Used in) / Provided by Financing Activities		**(2,258,500)**	**208,547**
thereof from Continuing Operations		(2,258,500)	208,547
thereof from Discontinued Operations		0	0
Effect of Exchange Rate Differences on Cash		(14,496)	183,565
Increase / (Decrease) in Cash and Cash Equivalents		2,713,990	(10,864,801)
Cash and Cash Equivalents at the Beginning of the Period		**45,970,840**	**54,596,099**
thereof included in Cash and Cash Equivalents		**40,689,865**	**0**
thereof included in Assets of Disposal Group Classified as Held for Sale		**5,280,975**	**0**
Cash and Cash Equivalents at the End of the Period		**48,684,830**	**43,731,298**

See accompanying Notes

Notes

These interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS), taking into account the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), as applied by the European Union. These interim consolidated financial statements comply with IAS 34 "Interim Financial Reporting".

These consolidated financial statements as of 30 June 2013 comprise MorphoSys AG as well as MorphoSys IP GmbH, Sloning BioTechnology GmbH, MorphoSys USA, Inc., and Poole Real Estate Ltd. (formerly Biogenesis UK Ltd.), collectively the "Group".

On 16 December 2012, MorphoSys AG and a subsidiary of Bio-Rad Laboratories, Inc., Hercules, California, USA (Bio-Rad Inc.), agreed upon the acquisition of all shares of MorphoSys UK Ltd., Oxford, Great Britain, with a notarial authentication dated 17 December 2012. The agreed acquisition also comprised all shares of both MorphoSys UK Ltd.'s subsidiaries. At the time of signature on 16 December 2012, MorphoSys UK Ltd. held all of the shares in MorphoSys AbD GmbH, Düsseldorf, Germany, and MorphoSys US, Inc., Raleigh, USA. Additionally, on 16 December 2012, MorphoSys AG and a further subsidiary of Bio-Rad Inc. agreed upon the acquisition of individual assets (trademarks) of the AbD Serotec segment of MorphoSys AG and the purchase of a non-exclusive license for the use of the HuCAL technology in the market for research reagents and diagnostics. Furthermore, on 16 December 2012, following the acquisition of the shares by the subsidiary of Bio-Rad Inc., it was agreed that all remaining assets and liabilities of the AbD Serotec segment of MorphoSys AG should be transferred to MorphoSys AbD GmbH. MorphoSys AG's interest in Poole Real Estate Ltd., Poole, Great Britain was not sold. The closing of the transaction was dependent upon the fulfilment of certain conditions which were complied with on 10 January 2013 (closing date). Hence, substantially the entire AbD Serotec segment was sold as of this date. Therefore, as of 31 December 2012 and as of 30 June 2013, nearly the entire AbD Serotec segment represents a discontinued operation within the meaning of IFRS 5. As of the reporting date, the business segments Partnered Discovery and Proprietary Development along with the non-discontinued operations of the AbD Serotec segment were classified as continuing operations.

Due to the sale of nearly the entire AbD Serotec segment, the entities MorphoSys UK Ltd. (formerly Serotec Ltd.), MorphoSys US, Inc. (formerly Serotec, Inc.), and MorphoSys AbD GmbH (formerly Serotec GmbH) are no longer included in the MorphoSys Group's scope of consolidation.

1 Accounting Policies

The accounting and valuation principles applied to the consolidated statements of 31 December 2012 were also applied to the first six months of 2013 and can be found on our website at www.morphosys.com/financial-reports.

In addition, several standards and interpretations of IFRS have to be applied obligatory starting 1 January 2013. However, only the application of IFRS 13 “Fair Value Measurement” is mentioned in the following, as this standard is applicable for the Groups’ Interim Consolidated Statements. No impact arose for the Group from the changes of other standards and interpretations that became effective. The application of

IFRS 13 “Fair Value Measurement” resulted in additional disclosures in the Notes of this Interim Consolidated Statements. Changes in valuation were not necessary for the determination of fair values due to the application of IFRS 13.

2 Segment Reporting

The MorphoSys Group applies IFRS 8 "Operating Segments". An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

Segment information is presented with respect to the Group's operating segments. The operating segments are based on the Group's management and internal reporting structures. The segment results include items that can be either directly attributed to the individual segment or can be allocated to the segments on a reasonable basis. Intersegment pricing is determined on an arm's length basis according to a Group policy.

The Group consists of the following operating segments:

PARTNERED DISCOVERY

MorphoSys possesses one of the leading technologies for the generation of therapeutics based on human antibodies. The Group commercially markets this technology via partnerships with numerous pharmaceutical and biotechnology companies. This segment encompasses all business activities relating to these partnerships as well as the majority of the technological development.

PROPRIETARY DEVELOPMENT

This segment comprises all of the activities relating to the proprietary development of therapeutic antibodies. Presently, this segment comprises the proprietary compounds in clinical development like MOR208 and MOR202 as well as further proprietary programs in earlier stages or co-development.

ABD SEROTEC

Up to the sale of substantially all of the AbD Serotec business to Bio-Rad on 10 January 2013 (closing date), the segment AbD Serotec utilised the HuCAL technology for the tailored generation of research antibodies and generated revenues with catalogue antibodies and with the industrial production of antibodies. With the disposal of substantially all of the segment, the quantitative and qualitative criteria of IFRS 8.12 f. are no longer fulfilled, therefore the AbD segment is no longer a reportable segment under IFRS 8.11. Thus, the result for the first ten days of 2013 was reclassified to “unallocated”. To provide comparative figures, prior years’ figures were adjusted accordingly.

CROSS-SEGMENT DISCLOSURES

In the case of cross-segment disclosures, segment revenues are based on the customers' geographical location. The information on segment assets is based on the relevant location of the assets.

For the Six Months Period Ended 30 June (in 000's €)	Partnered Discovery		Proprietary Development	
	2013	2012	2013	2012
External Revenues	27,931	23,419	20,294	823
Inter-segment Revenues	0	0	0	0
REVENUES, TOTAL	**27,931**	**23,419**	**20,294**	**823**
Cost of Goods Sold	0	0	0	0
Other Operating Expenses	12,424	10,786	12,175	10,480
Inter-segment Costs	0	43	0	0
TOTAL OPERATING EXPENSES	**12,424**	**10,829**	**12,175**	**10,480**
Other Income	46	34	99	103
Other Expenses	0	0	0	0
SEGMENT EBIT	**15,553**	**12,624**	**8,218**	**(9,554)**
Finance Income	0	0	0	0
Finance Expenses	0	0	0	0
Other Income from Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	0	0	0	0
Profit before Taxes	**15,553**	**12,624**	**8,218**	**(9,554)**
Income Tax (Expenses) / Income	0	0	0	0
Income Tax Expenses in connection with the Sale of Assets and Liabilities of the Disposal Group Classified as Held for Sale	0	0	0	0
Consolidated Net Profit / (Loss)	**15,553**	**12,624**	**8,218**	**(9,554)**

For the Three Months Period Ended 30 June (in 000's €)	Partnered Discovery		Proprietary Development	
	2013	2012	2013	2012
External Revenues	11,018	12,313	20,294	300
Inter-segment Revenues	0	0	0	0
REVENUES, TOTAL	**11,018**	**12,313**	**20,294**	**300**
Cost of Goods Sold	0	0	0	0
Other Operating Expenses	6,342	5,911	6,622	4,854
Inter-segment Costs	0	0	0	0
TOTAL OPERATING EXPENSES	**6,342**	**5,911**	**6,622**	**4,854**
Other Income	10	16	61	55
Other Expenses	0	0	0	0
SEGMENT EBIT	**4,686**	**6,418**	**13,733**	**(4,499)**
Finance Income	0	0	0	0
Finance Expenses	0	0	0	0
Profit before Taxes	**4,686**	**6,418**	**13,733**	**(4,499)**
Income Tax (Expenses) / Income	0	0	0	0
Income Tax Expenses in connection with the Sale of Assets and Liabilities of the Disposal Group Classified as Held for Sale	0	0	0	0
Consolidated Net Profit / (Loss)	**4,686**	**6,418**	**13,733**	**(4,499)**

Unallocated		Elimination		Group		thereof from Discontinued Operations		thereof from Continuing Operations	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
610	8,751	0	0	48,835	32,993	603	8,635	48,232	24,357
0	43	0	(43)	0	0	0	0	0	0
610	**8,794**	**0**	**(43)**	**48,835**	**32,993**	**603**	**8,635**	**48,232**	**24,357**
147	3,231	0	0	147	3,231	147	3,231	0	0
8,674	10,516	0	0	33,273	31,782	2,104	5,968	31,169	25,814
0	0	0	(43)	0	0	0	0	0	0
8,821	**13,747**	**0**	**(43)**	**33,420**	**35,013**	**2,251**	**9,199**	**31,169**	**25,814**
464	99	0	0	609	236	12	8	597	229
331	121	0	0	331	121	2	93	330	28
(8,078)	**(4,975)**	**0**	**0**	**15,693**	**(1,905)**	**(1,638)**	**(649)**	**17,330**	**(1,256)**
572	564	0	0	572	564	0	4	573	559
63	116	0	0	63	116	4	46	58	70
8,001	0	0	0	8,001	0	8,001	0	0	0
432	**(4,527)**	**0**	**0**	**24,203**	**(1,457)**	**6,359**	**(691)**	**17,845**	**(767)**
(4,897)	483	0	0	(4,897)	483	(35)	(10)	(4,862)	493
(339)	0	0	0	(339)	0	(339)	0	0	0
(4,804)	**(4,044)**	**0**	**0**	**18,967**	**(974)**	**5,985**	**(701)**	**12,983**	**(274)**

Unallocated		Elimination		Group		thereof from Discontinued Operations		thereof from Continuing Operations	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
0	4,249	0	0	31,312	16,862	0	4,175	31,312	12,686
0	0	0	0	0	0	0	0	0	0
0	**4,249**	**0**	**0**	**31,312**	**16,862**	**0**	**4,175**	**31,312**	**12,686**
0	1,538	0	0	0	1,538	0	1,538	0	0
3,620	5,703	0	0	16,584	16,468	(15)	3,109	16,599	13,359
0	0	0	0	0	0	0	0	0	0
3,620	**7,241**	**0**	**0**	**16,584**	**18,006**	**(15)**	**4,647**	**16,599**	**13,359**
316	36	0	0	387	107	0	(21)	387	129
272	64	0	0	272	64	0	39	273	25
(3,576)	**(3,020)**	**0**	**0**	**14,843**	**(1,101)**	**15**	**(532)**	**14,827**	**(569)**
467	469	0	0	467	469	0	2	468	467
10	65	0	0	10	65	0	23	9	42
(3,119)	**(2,616)**	**0**	**0**	**15,300**	**(697)**	**15**	**(553)**	**15,286**	**(144)**
(4,181)	248	0	0	(4,181)	248	0	35	(4,181)	213
(9)	0	0	0	(9)	0	(9)	0	0	0
(7,309)	**(2,368)**	**0**	**0**	**11,110**	**(449)**	**6**	**(518)**	**11,105**	**69**

The following table shows the regional breakdown of the Group's revenues:

For the Period Ended 30 June (in 000's €)	2013	2012
Germany	4	0
Other Europe and Asia	47,114	22,984
USA and Canada	1,114	1,374
Total from Continuing Operations	**48,232**	**24,358**
Total from Discontinued Operations	**603**	**8,635**
Total	**48,835**	**32,993**

3 Financial Instruments

In the first half of 2013, the Company granted an interest-bearing assignable loan to a third party in the amount of € 5.0 million. In the second quarter of 2013, an additional € 5.0 million was invested in a commercial paper program. In accordance with IAS 39 "Financial Instruments", both products were allocated to the category "loans and receivables" and were recorded in other receivables.

In addition, the Company purchased bonds from the federal state of Schleswig-Holstein in the amount of € 5.0 million in the second quarter of 2013. In accordance with IAS 39 "Financial Instruments", these bonds were allocated to the category "available for sale" and were recorded as "bonds, available for sale". They are measured at fair value.

A portion of the purchase price in the amount of € 4.7 million from the sale of substantially all of the AbD Serotec business was retained in a segregated escrow account and allocated to the category "loans and receivables" in accordance with IAS 39 and categorised as non-current other receivables.

4 Fair Value Measurements

MorphoSys uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The carrying value of financial assets and liabilities such as cash and cash equivalents, marketable securities, accounts receivable and accounts payable approximates their fair value due to the short-term maturities of these instruments. The fair value of marketable securities is based upon quoted market prices (hierarchy Level 1, quoted prices in active markets). None of the financial assets and liabilities are categorized in Level 2 or 3. There were no transfers from one fair value hierarchy level to another in 2013 and 2012.

The fair values of financial assets and liabilities, together with the carrying amounts presented in the consolidated balance sheet, were composed as follows:

30 June 2013	Note	Fair Value - Hedging Instruments	Receivables	Available For Sale	Other Financial Liabilities	Total Carrying Amount	Fair Value
(in T €)							
Cash and Cash Equivalents		0	48,685	0	0	48,685	48,685
Accounts Receivable		0	92,615	0	0	92,615	92,615
Forward Exchange Contracts Used for Hedging		4	0	0	0	4	4
Other Receivables	3	0	29,638	0	0	29,638	29,638
Other Receivables, Net of Current Portion	3		4,683			4,683	4,683
Shares available for Sale, Net of Current Portion		0	0	882	0	882	882
Available For Sale Financial Assets		0	0	92,615	0	92,615	92,615
Bonds, Available for Sale	3	0	0	5,003	0	5,003	5,003
		4	**175,620**	**98,499**	**0**	**274,123**	**274,123**
Convertible Bonds - Liabilitiy Component		0	0	0	(74)	(74)	(74)
Accounts Payable and Accrued Expenses		0	0	0	(11,306)	(11,306)	(11,306)
		0	**0**	**0**	**(11,380)**	**(11,380)**	**(11,380)**

31 December 2012	Note	Fair Value - Hedging Instruments	Receivables	Available For Sale	Other Financial Liabilities	Total Carrying Amount	Fair Value
(in 000's €)							
Cash and Cash Equivalents		0	40,690	0	0	40,690	40,690
Accounts Receivable		0	79,722	0	0	79,722	79,722
Other Receivables	3	0	8,924	0	0	8,924	8,924
Shares available for Sale, Net of Current Portion		0	0	882	0	882	882
Available For Sale Financial Assets		0	0	79,722	0	79,722	79,722
Assets of Disposal Group Classified as Held for Sale	10	0	0	40,855	0	40,855	40,855
		0	**129,336**	**121,459**	**0**	**250,796**	**250,796**
Convertible Bonds - Liabilitiy Component		0	0	0	(74)	(74)	(74)
Accounts Payable and Accrued Expenses		0	0	0	(10,660)	(10,660)	(10,660)
Liabilities of Disposal Group Classified as Held for Sale	10	0	0	(3,733)	0	(3,733)	(3,733)
		0	**0**	**(3,733)**	**(10,734)**	**(14,466)**	**(14,466)**

5 Changes in Stockholders' Equity

SUBSCRIBED CAPITAL

As of 30 June 2013, the Company's common stock amounted to € 23,400,632 (31 December 2012: € 23,358,228). In the first six months of 2013, common stock increased by € 42,404 as a result of the exercise of 42,404 stock options granted to the Senior Management Group. The weighted average exercise price per exercised stock option amounted to € 13.33. As of 30 June 2013, treasury stock increased to € 6,418,018 compared to € 3,954,393 on 31 December 2012 due to MorphoSys's repurchase of 84,475 of its own shares on the stock exchange. The treasury shares may be used for all purposes named in the authorisation of the Annual General Meeting of 19 May 2011 and in particular for any existing or future employee participation schemes and / or to finance acquisitions. The shares may also be redeemed.

AUTHORISED CAPITAL

As compared to 31 December 2012, the number of authorised common stock declined from 43,142,455 to 34,320,756. As the Authorised Capital 2008-I was not utilised since the 2008 Annual General Meeting and thus expired on 30 April 2013, the Company’s authorized capital was reduced accordingly.

ADDITIONAL PAID-IN CAPITAL

As of 30 June 2013, the additional paid-in capital totalled € 178,318,290 (31 December 2012: € 175,245,266€). The total increase of € 3,073,024 partly resulted from personnel expenses in connection with share-based payments amounting to € 2,550,347. An additional increase of € 522,677 was due to the exercise of granted stock options.

REVALUATION RESERVE

As of 30 June 2013, the revaluation reserve amounted to € 193,708 (31 December 2012: € 486,743). The decline of € 293,035 resulted from a change in unrealised gains on available for sale securities in the amount of € 435,909, net of taxes of € 114,775, and the effects from the equity-related recognition of deferred taxes in the amount of € 28,098.

TRANSLATION RESERVE

Compared to 31 December 2012, the translation reserve changed by € +1,292,759 from € -1,109,865 to € 182,894 as reported on 30 June 2013. The line item comprises foreign exchange rate differences from the revaluation of assets and liabilities denominated in foreign currencies as of 31 December 2012 as well as differences in the foreign exchange rates used in the balance sheet and the income statement. The differences mainly arise from the entities of the discontinued operations of AbD Serotec which report in foreign currencies. The change compared to the prior year is primarily due to the disposal of the currency translation differences in connection with the sale of substantially all of the AbD Serotec business on 10 January 2013.

6 Changes in Stock Options, Convertible Bonds, and Performance Shares

No further stock options were issued to the Management Board, the Senior Management Group, or the employees in the first six months of 2013. In April 2013, 449,999 convertible bonds and 61,600 performance shares under the third long-term incentive plan (LTI plan) were issued to the Management Board and the Senior Management Group. Further information can be found in sections 7 and 8.

7 Convertible Bonds

On 1 April 2013, MorphoSys AG granted the Management Board and members of the Senior Management Group convertible bonds with equal rights in a total nominal value of € 225,000 and divided into 450,000 bearer bonds from the Conditional Capital 2008-III. The beneficiaries have the right to convert the bonds granted into shares of the Company. Each convertible bond may be exchanged for one of the Company's bearer shares equal to the proportional amount of common stock of currently € 1. The exercise of the convertible bonds is subject to several conditions such as achieving performance targets, the expiration of a vesting period, the exercisability of the conversion rights, the existence of an employment or service contract which is not under notice, and the commencement of the exercise period.

The conversion price amounted to € 31.88 and was derived from the Company's share price in the XETRA closing auction on the Frankfurt Stock Exchange on the trading day preceding the issuance of the convertible bonds. The exercise of the conversion right is only admissible if, on at least one trading day during the lifetime of the convertible bonds, the share price of the Company has amounted to more than 120% of the price in the XETRA closing auction on the Frankfurt Stock Exchange on the trading day preceding the issuance of the convertible bonds.

The exercise of the conversion rights is only admissible after the expiration of a four-year vesting period from the grant date. In the event of a change of control, the vesting period will be shortened to two years from the grant date. For every year without notice of resignation of the employment relationship with the Company or affiliated company, 25% of the conversion rights will become vested. In the event of a change of control, all unvested conversion rights become vested.

In case an employment or service contract of a beneficiary is terminated without notice, no further conversion rights can be vested in line with the above mentioned vesting scheme. Thus, upon rendition of the notice all conversion rights unvested by then will expire without substitution. In the event of a contractual notice of termination of such employment or service contract of a beneficiary or a mutually agreed dissolution contract, the previous sentence applies respectively, effective as of the date of termination of the employment or service contract.

The term of the convertible bonds will end on 31 March 2020 and at this time the conversion rights will lapse without replacement. The Company will redeem the convertible bonds on 1 April 2020 at their nominal value if they have not yet been redeemed, converted, or repurchased and invalidated.

8 Long-term Incentive Program

On 1 April 2013, MorphoSys established a third long-term incentive plan (LTI plan) for the Management Board and the Senior Management Group. According to IFRS 2, the program is considered a share-based payment program with a settlement in equity instruments and is accounted for accordingly. The LTI plan is a performance share plan and will be paid out in ordinary shares of MorphoSys AG if predefined key performance criteria have been achieved. These criteria are evaluated annually by the Supervisory Board. The grant date was 1 April 2013 and the vesting/performance period is four years. If the predefined key performance criteria for the respective period have been fully achieved, 25% of the performance shares will become vested in each year of the four-year vesting period. If the key performance criteria of the respective year have only been achieved by 50% to 99.9% (<100%), the number of

vested shares will be reduced. If achievement of the key performance criteria has exceeded 100% (200% as a maximum) the number of vested shares will be increased. If in one year the key performance criteria has been achieved by less than 50%, "0" shares will become vested in that year. In either case, the maximum pay-out at the end of four-year period is capped by a factor determined by the Group which generally amounts to "1". However, the Supervisory Board may set this factor freely between “0” and “2” in justifiable cases, e.g. in the case that the payout level is deemed inadequate in comparison to the overall development of the Company. The right to receive a certain share allocation from the LTI plan only arises at the end of the four-year vesting/performance period.

If the number of repurchased shares is not adequate for servicing the LTI plan, MorphoSys reserves the right to pay out a certain amount of the LTI plan in cash. This payment would be equivalent to the value of the performance shares at the end of the vesting period, provided the cash amount does not exceed 200% of the fair value of the performance shares on the grant date.

If a member of the Management Board ceases to hold an office within the MorphoSys Group through reason of termination (or if the member of the Management Board terminates the employment contract), resignation, death, injury, disability, or by reaching the retirement age (receipt of a normal retirement pension, early-retirement pension or disability pension, as long as the requirements for the disability pension entitlement are met), or under other circumstances subject to the Supervisory Board's discretion, the Management Board member (or his/her beneficiary) is entitled to performance shares determined on a precise daily pro-rata basis.

If a member of the Management Board ceases to hold an office within the MorphoSys Group for good reason within the meaning of Section 626 para. 2 of the German Civil Code (BGB) and / or within the meaning of Section 84 para. 3 of the German Stock Corporation Act (AktG), the beneficiary shall not be entitled to an allocation of performance shares.

If there is a change of control during the four-year vesting period, all performance shares shall become fully vested. However, in this event, the right to receive a certain share allocation from the LTI plan only arises at the end of the four-year vesting period.

In April and May of 2013, MorphoSys repurchased a total of 84,475 of its own shares on the stock exchange at an average price of € 33.39 per share. The treasury shares can be used for all purposes named in the authorisation of the Annual General Meeting of 19 May 2011 and in particular for existing and future employee participation schemes and / or to finance acquisitions. However, the shares may also be redeemed. Retroactively, as of 1 April 2013, 61,600 of these shares were granted to the beneficiaries. Of these shares, 36,729 shares were granted to the Management Board (further information can be found in the table "Performance Shares" under Item 10 "Directors' Dealings" and 24,871 shares were granted to the Senior Management Group. The fair value of the performance shares amounted to € 31.88 per share as of the grant date (1 April 2013). No dividends were taken into account for the fair value measurement of the repurchased shares since the Group does not intend to pay dividends in the foreseeable future. From the grant date until 30 June 2013, no beneficiary at MorphoSys has left the Company and no performance shares have lapsed. For the calculation of the personnel expenses resulting from share-based payments for the LTI-program 2013, it was assumed that one beneficiary will leave the Company during the four-year period.

9 Personnel Expenses Resulting from Stock-based Compensation

In the first six months of 2013, personnel expenses resulting from share-based payments in the amount of € 2.5 million were recognized in the income statement (H1/2012: € 0.6 million). This amount comprised € 2.5 million in share-based payments settled with equity instruments and included personnel expenses of € 1.7 million related to performance shares from LTI programs. Further personnel expenses of € 0.01 million resulted from cash-settled share-based payments related to stock appreciation rights. For the LTI programs 2011 and 2012, it was assumed that no beneficiary will leave the Company during the four-year period. Assuming 100% target achievement, total personnel expenses from share-based payments for the four-year period of the LTI programs 2011, 2012 and 2013 will amount to € 1.7 million, € 1.7 million and € 1.9 million, respectively.

The total increase in personnel expenses from share-based payments compared to the prior year mainly resulted from a modification of the LTI programs from 2011 and 2012. For the LTI program 2011, vesting periods were modified such that the beneficiaries' claims become vested by one quarter on a yearly basis, whereas for the LTI program 2012, claims become vested on a pro rata basis. With this modification, changes in the interpretation and development of labor law were taken into account. As a consequence of the adaption, personnel expenses are accounted for comparatively earlier within the four-year period, resulting in an increase of personnel expenses compared to the previous year.

10 Assets Held-for-Sale and Discontinued Operations

On 16 December 2012, MorphoSys and Bio-Rad Laboratories agreed on the acquisition of nearly the entire segment for research and diagnostic antibodies of AbD Serotec. In accordance with IFRS 5, the AbD Serotec segment's result from operating activities is recorded in the result from discontinued operations. The previous year's figures of the income statement and segment report have been adjusted accordingly. The assets and liabilities of the discontinued AbD Serotec business were recorded as assets and liabilities held-for-sale from discontinued operations as of the balance sheet date 31 December 2012. The Management Board and the Supervisory Board passed resolutions on 16 December 2012 approving the sale of the AbD Serotec segment to an American purchaser. The closing of the transaction took place on 10 January 2013.

The following assets were recorded within the balance sheet as "Assets of Disposal Group Classified as Held for Sale" as of 31 December 2012 and considered for the deconsolidation as of January 10 2013:

(in 000's €)	01/10/2013	12/31/2012
Cash and Cash Equivalents	5,560	5,281
Accounts Receivable	1,902	1,703
Inventories, Net	2,763	2,769
Other Current Assets	1,018	1,101
Total Current Assets	**11,243**	**10,855**
Property, Plant and Equipment, Net	1,519	1,519
Licenses, Net	376	376
Software, Net	174	174
Know-how and Customer Lists, Net	978	978
Goodwill	26,788	26,788
Other Non-current Assets	168	166
Total Non-current Assets	**30,003**	**30,001**
Assets of Disposal Group Classified as Held for Sale	**41,246**	**40,855**

The following liabilities were recorded within the balance sheet as "Liabilities of Disposal Group Classified as Held for Sale" as of 31 December 2012 and considered for the deconsolidation as of January 10 2013:

(in 000's €)	01/10/2013	12/31/2012
Accounts Payable and Accrued Expenses	2,490	2,424
Current Portion of Deferred Revenue	414	435
Other Current Liabilities	519	466
Total Current Liabilities	**3,423**	**3,325**
Deferred Tax Liability	427	407
Total Non-current Liabilities	**427**	**407**
Liabilities of Disposal Group Classified as Held for Sale	**3,850**	**3,733**

The result of discontinued operations comprises the following:

For the Six Months Period Ended 30 June (in 000's €)	2013	2012
Revenues	**603**	**8,635**
Cost of Goods Sold	147	3,231
Research and Development	41	938
Sales, General and Administrative	2,063	5,030
Total Operating Expenses	**2,251**	**9,199**
Other Income / (Expenses)	9	(85)
Earnings before Interest and Taxes (EBIT)	**(1,639)**	**(649)**
Finance Income / (Expenses)	(4)	(42)
Other Income from Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	8,001	0
Profit before Taxes	**6,358**	**(691)**
Income Tax Expenses from Discontinued Operations	(35)	(10)
Income Tax Expenses in connection with the Sale of Assets and Liabilities of the Disposal Group Classified as Held for Sale	(339)	0
Profit / (Loss) from Discontinued Operations	**5,984**	**(701)**

11 Directors' Dealings

The Group engages in commercial relationships with its Management Board and the members of its Supervisory Board as related parties. In addition to cash compensation, the Company has issued stock options, convertible bonds, and performance shares to members of the Management Board.

The following overview shows the shares, stock options, convertible bonds, and performance shares held by members of the Management Board and the Supervisory Board in the first six months of 2013, and also any changes in their ownership:

SHARES

	01/01/2013	Additions	Forfeitures	Sales	06/30/2013
Management Board					
Dr. Simon E. Moroney	419,885	0	0	0	419,885
Jens Holstein	6,500	0	0	0	6,500
Dr. Arndt Schottelius	2,000	0	0	0	2,000
Dr. Marlies Sproll	7,105	0	0	0	7,105
Total	**435,490**	**0**	**0**	**0**	**435,490**
Supervisory Board					
Dr. Gerald Möller	7,500	0	0	0	7,500
Dr. Walter Blättler	2,019	0	0	0	2,019
Dr. Daniel Camus	0	0	0	0	0
Dr. Marc Cluzel	0	0	0	0	0
Karin Eastham	0	0	0	0	0
Dr. Geoffrey N. Vernon	0	0	0	0	0
Total	**9,519**	**0**	**0**	**0**	**9,519**

STOCK OPTIONS

	01/01/2013	Additions	Forfeitures	Exercises	06/30/2013
Management Board					
Dr. Simon E. Moroney	191,445	0	0	0	191,445
Jens Holstein	0	0	0	0	0
Dr. Arndt Schottelius	90,000	0	0	0	90,000
Dr. Marlies Sproll	102,867	0	0	0	102,867
Total	**384,312**	**0**	**0**	**0**	**384,312**

CONVERTIBLE BONDS

	01/01/2013	Additions	Forfeitures	Exercises	06/30/2013
Management Board					
Dr. Simon E. Moroney	58,800	88,386	0	0	147,186
Jens Holstein	0	90,537	0	0	90,537
Dr. Arndt Schottelius	33,000	60,537	0	0	93,537
Dr. Marlies Sproll	33,000	60,537	0	0	93,537
Total	**124,800**	**299,997**	**0**	**0**	**424,797**

PERFORMANCE SHARES

	01/01/2013	Additions	Forfeitures	Exercises	06/30/2013
Management Board					
Dr. Simon E. Moroney	36,652	12,024	0	0	48,676
Jens Holstein	25,104	8,235	0	0	33,339
Dr. Arndt Schottelius	25,104	8,235	0	0	33,339
Dr. Marlies Sproll	25,104	8,235	0	0	33,339
Total	**111,964**	**36,729**	**0**	**0**	**148,693**

No stock options, convertible bonds or performance shares are held by the Supervisory Board.

12 Related Party Transactions

Except for the transactions described in section "Directors' Dealings", no further transactions with related parties were entered into in the first six months of 2013.

On 30 June 2013, the Senior Management Group held 103,849 stock options (31 December 2012: 150,026), 315,002 convertible bonds (31 December 2012: 180,000), 15,000 stock appreciation rights (SARs) (31 December 2012: 15,000) and 84,578 performance shares (31 December 2012: 63,184), which were granted to them by the Company. In the first six months of 2013, a new program was issued to the Senior Management Group in the form of convertible bonds and performance shares. In the first six months of 2013, 3,476 performance shares lapsed due to a beneficiary leaving MorphoSys. This beneficiary continues to own 15,000 convertible bonds and 7,500 stock options.

13 Subsequent Events

On 26 June 2013, MorphoSys AG and Celgene Corporation announced a global agreement for the co-development of the MOR202 cancer program and the co-promotion of the product in Europe. Under the terms of the agreement, MorphoSys will receive a one-off payment of € 70.8 million (US$ 92 million) and, in addition, Celgene will invest € 46.2 million (US$ 60 million) in shares of MorphoSys. The purchase price will be determined when the agreement receives clearance by the US antitrust authorities and will include a premium of at least 15% above the closing price of MorphoSys's shares prior to the conclusion of the agreement. As part of this cooperation, MorphoSys may receive additional development, regulatory, and sales-related milestones, in addition to tiered double-digit royalties on net sales outside of the co-promotion activities carried out in select European markets. MorphoSys retains 50% of the profits arising from the co-promotion activities in the targeted European countries. The total volume of the agreement could amount to € 628 million (US$ 818 million) assuming all development, regulatory, and sales-related milestones are met. Since this transaction is still awaiting the approval of US antitrust authorities, it has had no effect on the quarterly financial statements as of 30 June 2013.

No further significant events have occurred that require reporting.

Responsibility Statement

"To the best of our knowledge and in accordance with the applicable principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the net assets, financial position, and results of operations of the Group. The interim management report gives a fair view of the development and performance of the business and the position of the Group, together with a description of the principal opportunities and risks associated with the future development of the Group in the remaining months of the fiscal year."

Martinsried, 23 July 2013

Dr. Simon E. Moroney
Chief Executive Officer

Jens Holstein
Chief Financial Officer

Dr. Arndt Schottelius
Chief Development Officer

Dr. Marlies Sproll
Chief Scientific Officer

Review Report

TO MORPHOSYS AG, MARTINSRIED,

We have reviewed the condensed consolidated interim financial statements - comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of stockholders' equity, consolidated statement of cash flows and notes to the interim consolidated financial statements - and the interim group management report of MorphoSys AG, Martinsried, for the period from January 1 to June, 30, 2013 which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Munich, 23 July 2013

PricewaterhouseCoopers

Aktiengesellschaft

Wirtschaftsprüfungsgesellschaft

Stefano Mulas

Wirtschaftsprüfer

(German Public Auditor)

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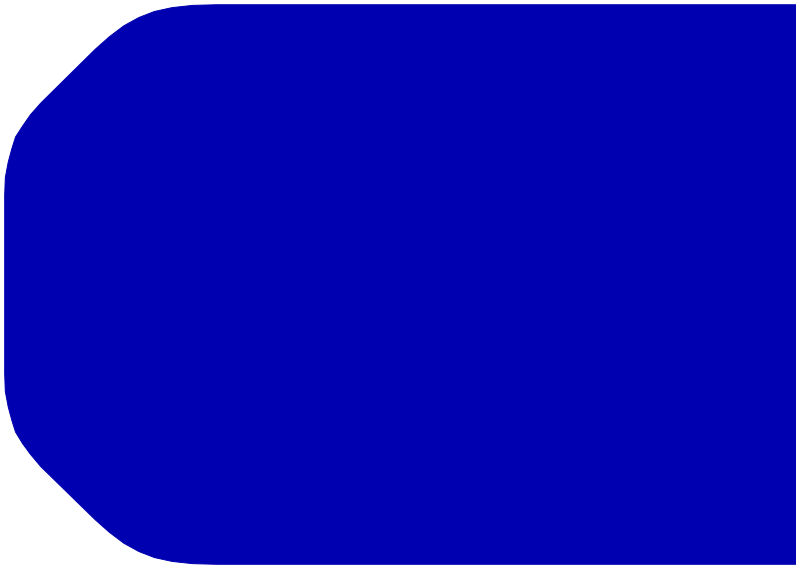
Financial Calendar 2013

MARCH 5, 2013	PUBLICATION OF 2012 YEAR END RESULTS
MAY 3, 2013	PUBLICATION OF THREE MONTHS' REPORT 2013
JUNE 4, 2013	ANNUAL SHAREHOLDERS' MEETING 2013 IN MUNICH
JULY 31, 2013	PUBLICATION OF SIX MONTHS' REPORT 2013
NOVEMBER 7, 2013	PUBLICATION OF NINE MONTHS' REPORT 2013



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