



Acumen BioFin Rodman & Renshaw 4th Annual Global Healthcare Conference



May 14, 2007

Safe Harbour

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 Prospectus.

- **Leading provider of human therapeutic antibodies based on proprietary HuCAL technology**
 - Broad pipeline of therapeutic antibodies
 - Top 20 research antibody supplier

- **Successful partnering-driven strategy**
 - Profitable
 - Royalties on all therapeutic products

- **~300 Employees in Germany, UK, US, F, Scandinavia**

- **Listings**
 - Germany: Frankfurt Stock Exchange (TecDAX)
 - USA: ADR Level 1 Program



Therapeutic Antibodies

Maximize number and value of HuCAL-based therapeutic antibodies

- Partnerships
- Multiple programs in many partnerships
- Target exclusivity for premium license fees, milestones & royalties

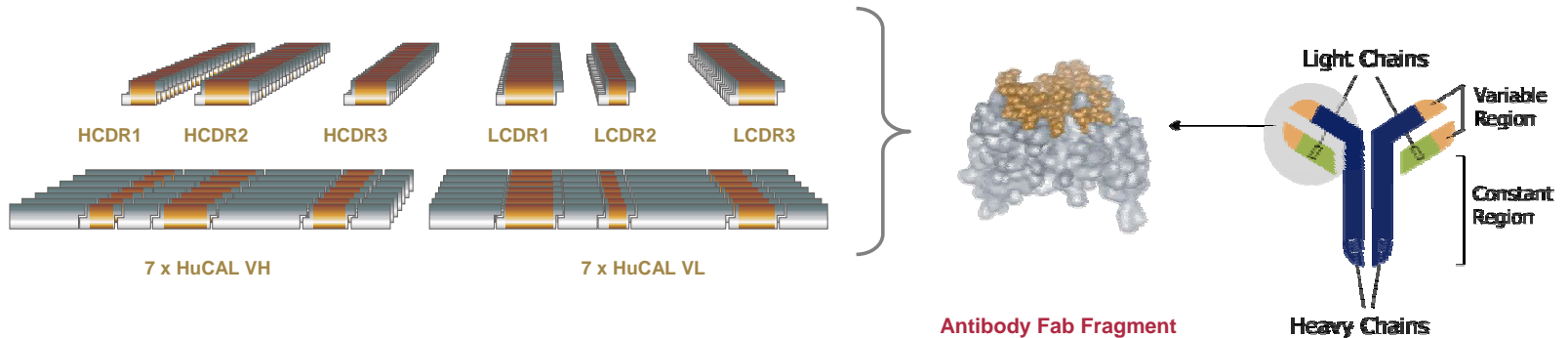
Research Products

Establish technology as an industry standard in research market

- Build sales channels and capabilities through acquisitions of catalogue companies
- “Feeder” of future diagnostics & therapeutic products



HuCAL: World Leading Antibody Technology

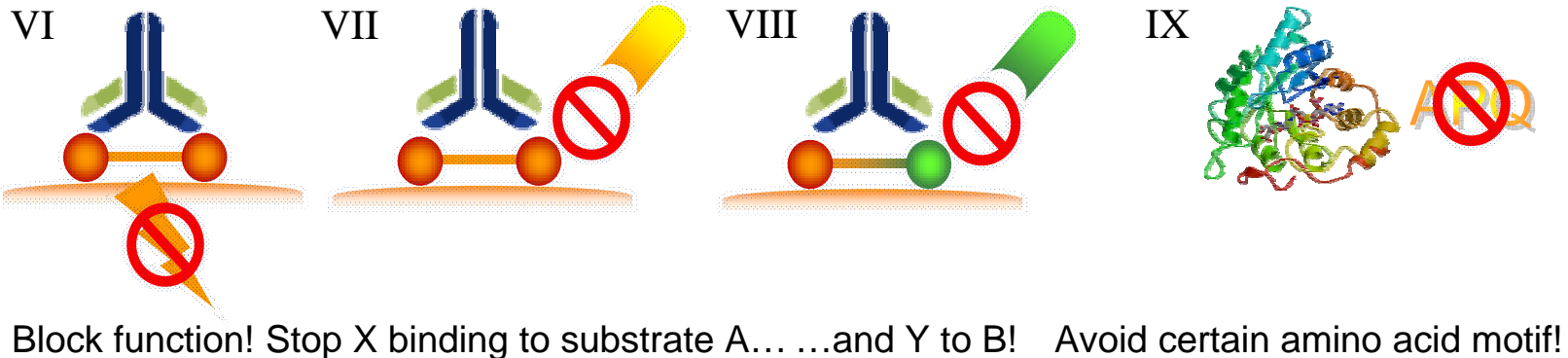
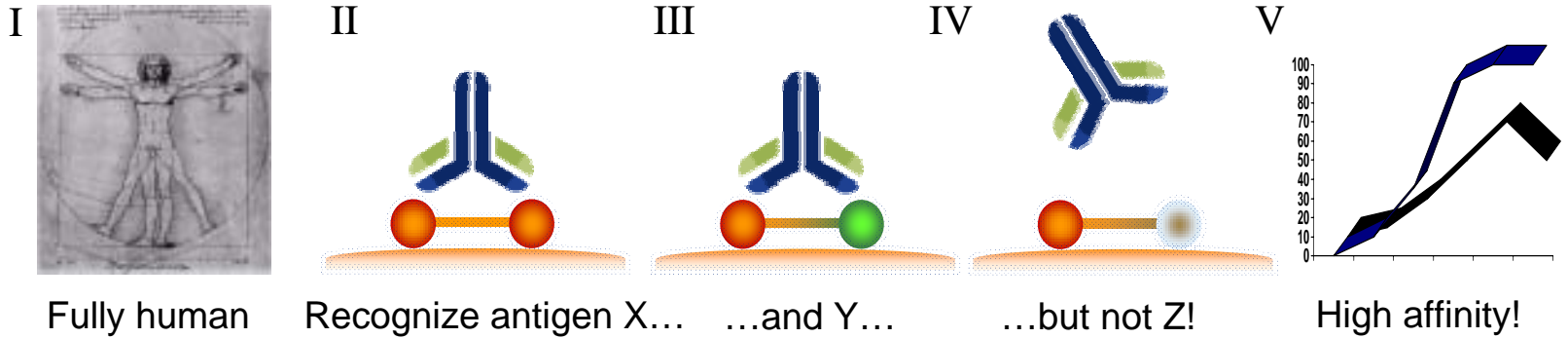


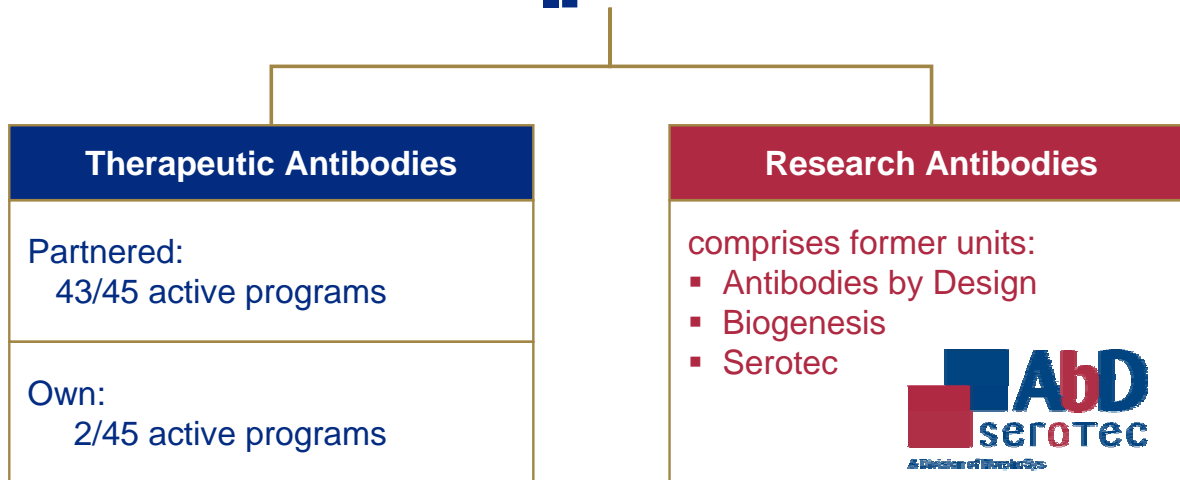
- **Antibodies can be...**
systematically optimized to match therapeutic application
- **Antibodies are...**
fully human
- **High throughput provides...**
economy of scale for research uses
- **Proprietary to MorphoSys**

HuCAL

(**H**uman **C**ombinatorial **A**ntibody **L**ibrary):
A vast collection or „library“ of over 12 billion human antibodies in a system that enables systematic optimization of antibody properties

Increasing target understanding drives demands on antibody!

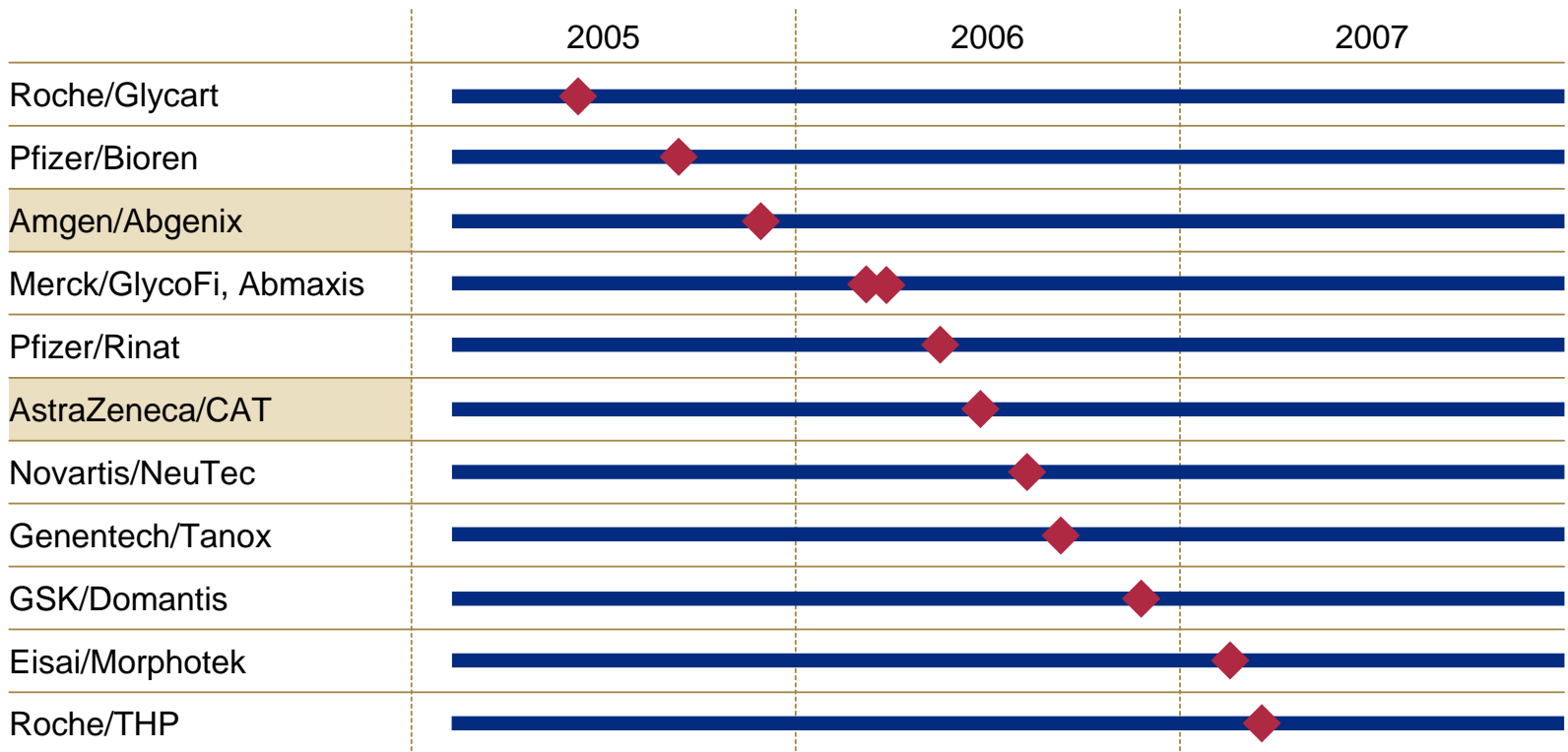




Therapeutic Antibodies: A Rapidly Expanding Segment of the Pharma Industry



- **Acquisitions** prove importance of antibodies to big pharma
- **Sales** of therapeutic antibodies pass US\$ 15 billion



Therapeutic Antibody Partnerships



- Partner provides target, initiates program, brings disease-specific expertise

	MOR	Partner
Lead generation	■	■
Optimization	■	
Development		■
Marketing		■

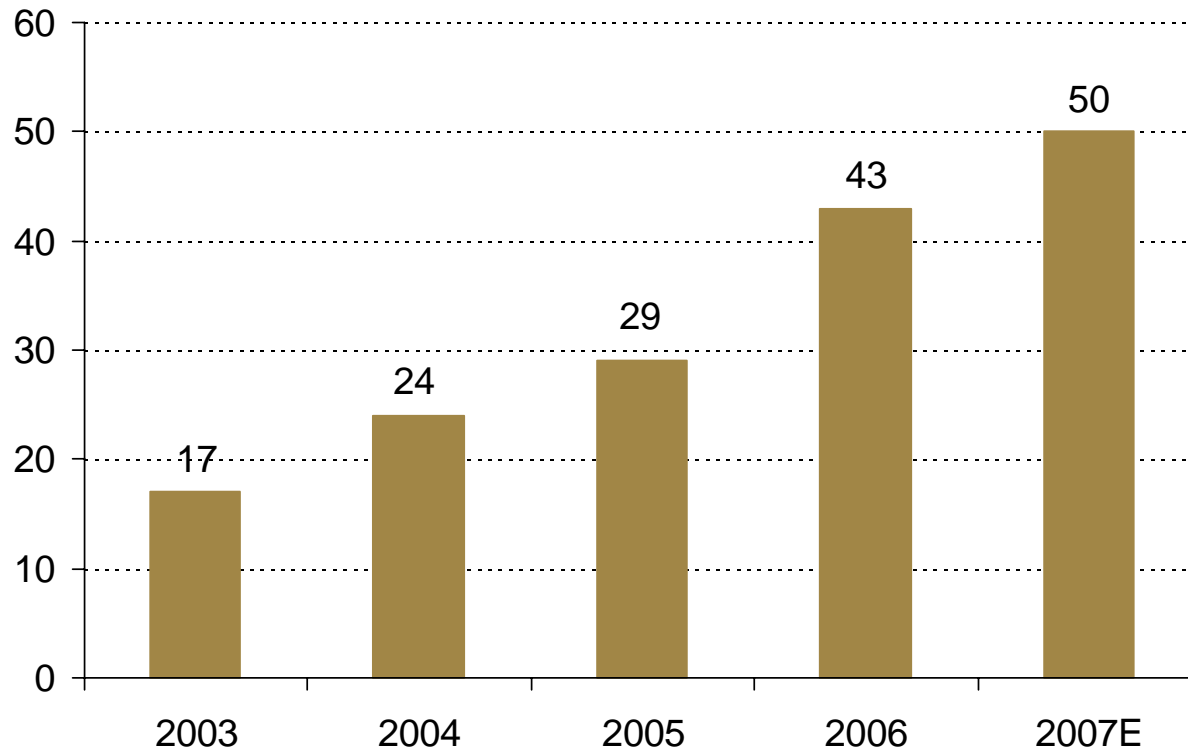
- Programs exclusive on „per target“ basis
- Partnerships typically multi-year, often multi-target
- Potential clinical milestones on average ~ € 10 million
- Royalties : mid-single digits



Partnered Pipeline Growing at 30% p.a.



Number of active, partnered HuCAL programs at the end of each year



- Drug: A HuCAL antibody made & optimized at MorphoSys
 - Phase I Trials
 - Trial 1
 - Randomized, double-blind, multiple ascending dose study in patients
 - Target sample size is <100 individuals
 - Trial II
 - Randomized, double-blind, single dose study in patients
 - Target sample size is <100 individuals
- Conducted in Denmark, Netherlands, Sweden and the UK
- First results expected 2008 (MorphoSys estimate)



- Drug: 1D09C3, a HuCAL antibody made & optimized at MorphoSys
- Phase I Trial
 - At three European sites, in patients
 - Preliminary clinical phase I data showed:
 - Drug is well tolerated
 - First hints of anti-tumor activity
- GPC has communicated:
 - Final phase I results expected in mid 2007
 - Intend to move into Phase II testing thereafter
- Drug has orphan status in CLL, MM, and Hodgkin's lymphoma



MOR103: A HuCAL Antibody for Rheumatoid Arthritis (RA)

■ Medical Need

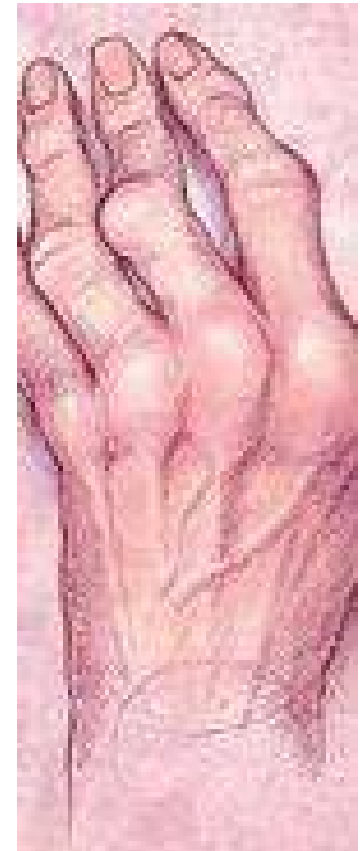
- RA patients adequately treated: Under 25%
- Non-responders to anti-TNFs: 30%
- Non-responders after 2 years on anti-TNF: 50%
- Long-term safety issues with anti-TNFs

■ Drug Candidate

- HuCAL antibody vs. undisclosed target
- Very high affinity and expression: potential CoGS advantage
- Potential in other inflammatory indications

■ Milestones

- H2 2006: Manufacturing agreement with Crucell/DSM
- H2 2007: Planned filing for phase I clinical trial



MOR202: A HuCAL Antibody for Multiple Myeloma (MM)

■ Medical Need

- MM accounts for 10-15% of hematological & 1% of all cancers
- Few available treatment options, no curative therapies
- New agents, Velcade and Revlimid, have efficacy (non-responders) and safety issues

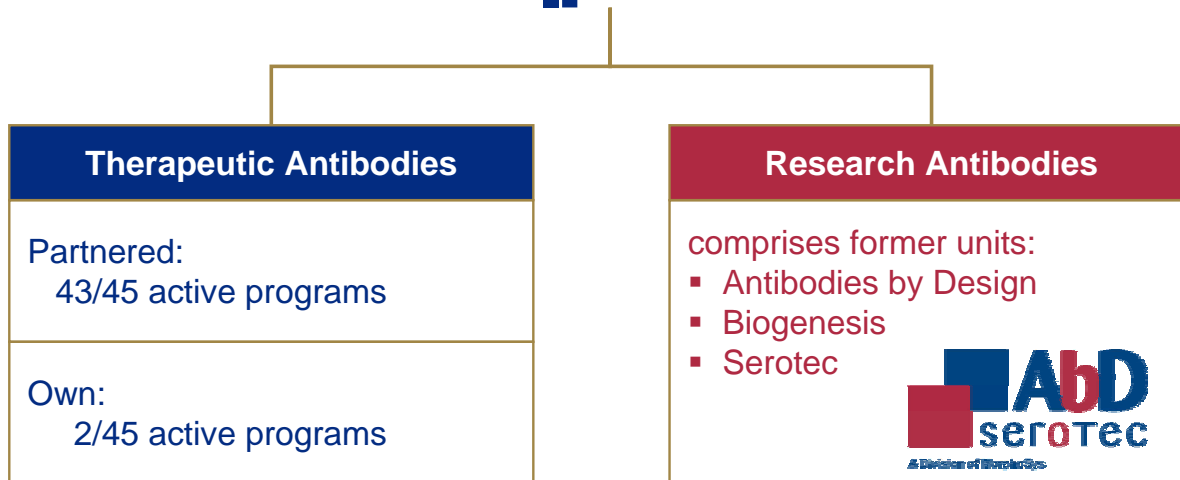
■ Drug Candidate

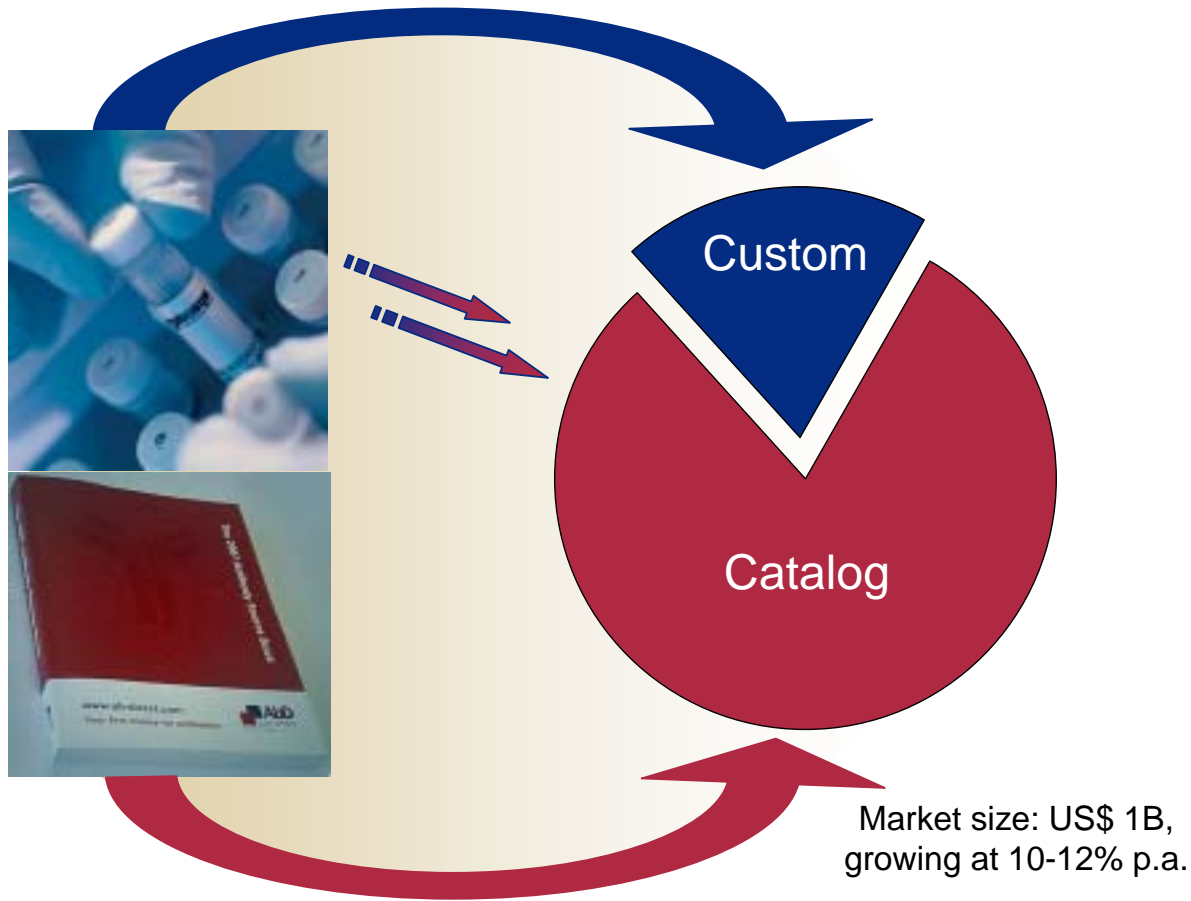
- HuCAL antibodies vs. CD 38, a 45kDa glycoprotein
- Over-expressed on MM (95%) and some leukemia cell-lines
- Compelling efficacy data *in vitro* and *in vivo* (SCID mouse)
- Mechanism is ADCC plus effector cell independent

■ Milestones

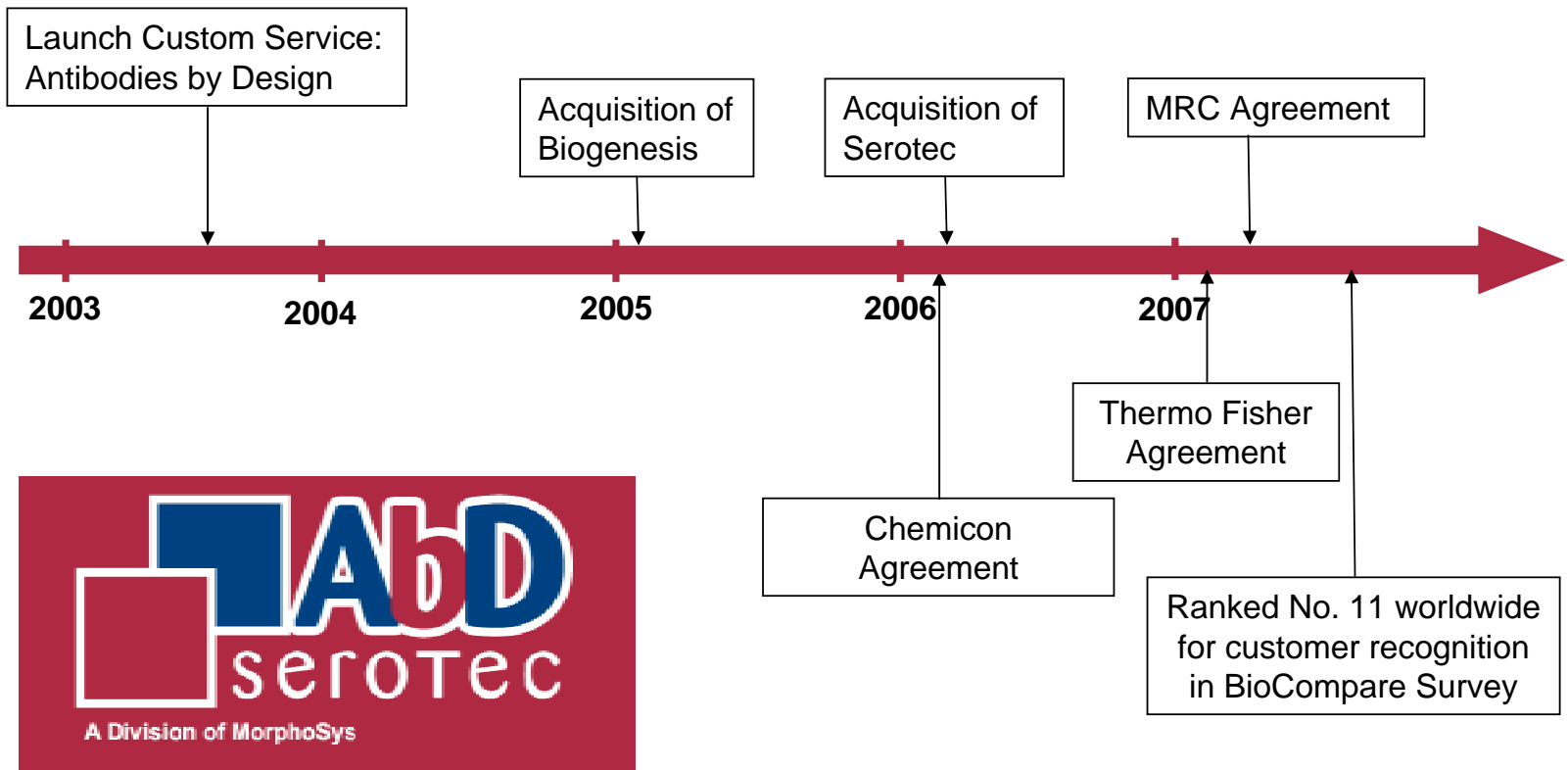
- End 2006: Lead candidate selected
- 2007: Define therapeutic window and effective dose level, stability study







AbD Serotec: Timeline



Financial Growth



In EUR millions	Guidance 2007	2006	2005
Revenues			
Segment Therapeutic Antibodies	2/3 of total revenues	34.7	29.1
Segment AbD	1/3 of total revenues	18.3	4.3
Total Revenues	60 - 65	53.0	33.5*
Total Operating Expenses	-	46.9	27.3
Profit from Operations	7 - 10	6.2*	6.2



* Differences due to rounding

Profit & Loss Statement (Group)

Q1 2007



In EUR millions	Q1 2007	Q1 2006
Revenues	14.1	14.8
Cost of Goods Sold	2.7	2.1
R&D Expenses	4.9	3.8
S,G&A Expenses	5.2	4.2
Total Operating Expenses	12.8	10.2
Profit from Operations	1.3	4.7
Non-Operating Expenses	0.2	0.2
Profit Before Taxes	1.5	4.9
Income Tax Expense	0.9	-
Net Profit	0.6	4.9
Earnings per Share (diluted) in EUR	0.09	0.78



* Differences due to rounding

Condensed Balance Sheets (Group)

Q1 2007

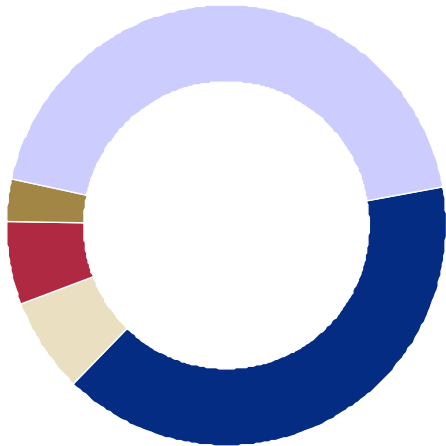


In EUR millions	03/31/2007	12/31/2006
Assets		
Cash, Cash Equivalents & Marketable Securities	72.0	66.0
Other Current Assets	11.7	10.1
Total Non-Current Assets	50.5	51.7
Total Assets	134.2	127.8
Liabilities		
Total Current Liabilities	19.4	18.3
Total Non-Current Liabilities	12.8	9.5
Total Shareholders' Equity	102.0	100.1
Total Liabilities	134.2	127.8*



* Differences due to rounding

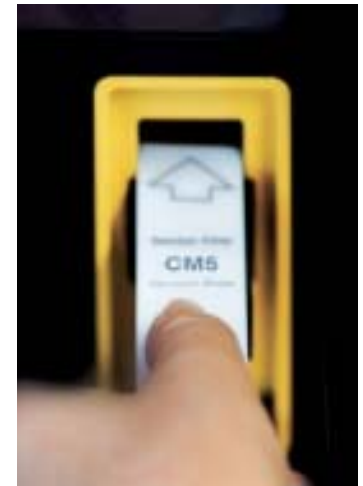
Shareholder Structure



- Institutional Shareholders
- Novartis
- AstraZeneca
- Management & Supervisory Boards
- Retail & Others

Number of Shares Issued at March 31, 2007 **6,724,410**

■ Novartis	ca. 7 %
■ AstraZeneca	ca. 6 %
Free float	ca. 87 %
■ Institutional Shareholders (roughly doubled during 2006)	ca. 40 %
■ Retail & Others	ca. 44 %
■ Management & Supervisory Boards	ca. 3 %



Group

- Revenue EUR 60 – 65 million (2/3 therapeutics: 1/3 research products)
- Operating profit EUR 7 – 10 million

Therapeutic Segment

- MOR103 IND
- With partners:
 - 1-3 INDs
 - 50 therapeutic programs by year-end
 - New / expanded partnerships

AbD Serotec

- Over 20% revenue growth
- EBIT margin: 5 - 10%
- New marketing alliance to drive uptake of HuCAL in research community



Thank You.



www.morphosys.com