Bio€quity Europe 2010

morphosys

Zurich – May 19, 2010

Safe Harbour

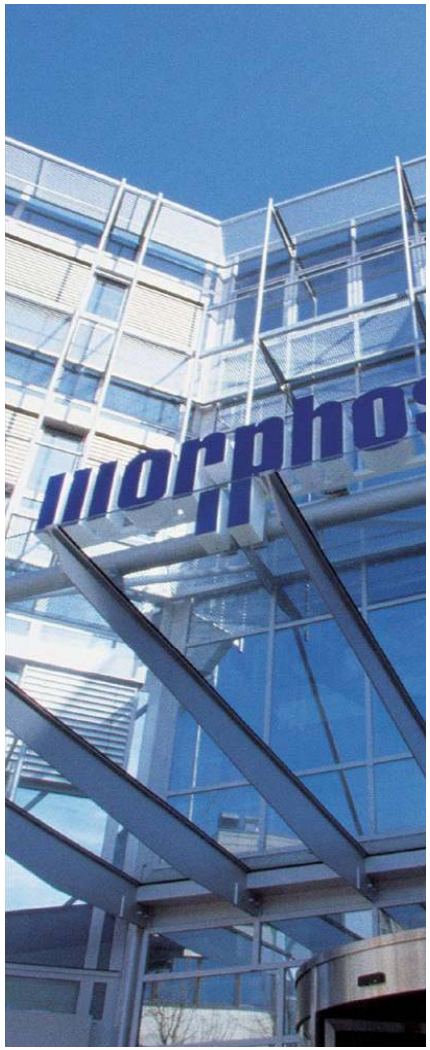
This presentation includes forward-looking statements.

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 Annual Report.

MorphoSys at a Glance

Company	■ An independent antibody company ■ Frankfurt Stock Exchange – TecDAX ■ Munich/Germany HQ, sites in UK, US
Technology	■ Leading, proprietary HuCAL platform ■ Strong & undisputed patent estate
Therapeutic	■ Over 70 antibody programs based on HuCAL ■ Strong alliances with pharma companies ■ Growing proprietary antibody portfolio ■ Milestones and royalties on all programs
Research / Diagnostics	■ AbD Serotec profitable, outgrowing market ■ Increasing penetration of diagnostics market
Financials	■ Sustained profitability, € 90 million cash generated from operations since 2003



Recent Developments

01/10: First Patient in Phase 1b/2a Clinical Trial for MOR103 Program in Rheumatoid Arthritis Enrolled

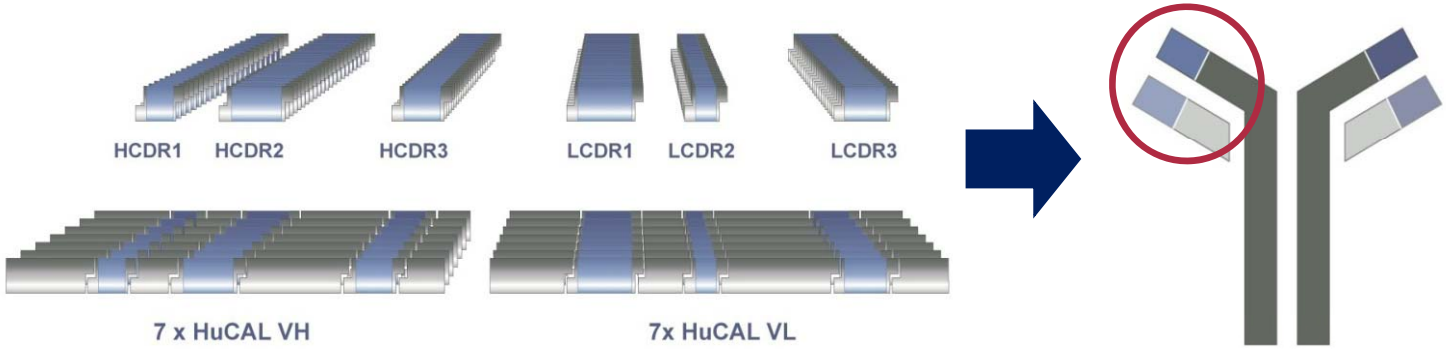
01/10: MorphoSys Licenses HuCAL PLATINUM Antibody Library to Shionogi in Research Partnership

02/10: MorphoSys and Galapagos Expand Antibody Alliance

02/10: AbD Serotec Significantly Improves Antibody Generation Process Success Rates

05/10 First HuCAL-based Antibody Shows Clinical Proof-of-Concept

HuCAL PLATINUM: Technology Leadership

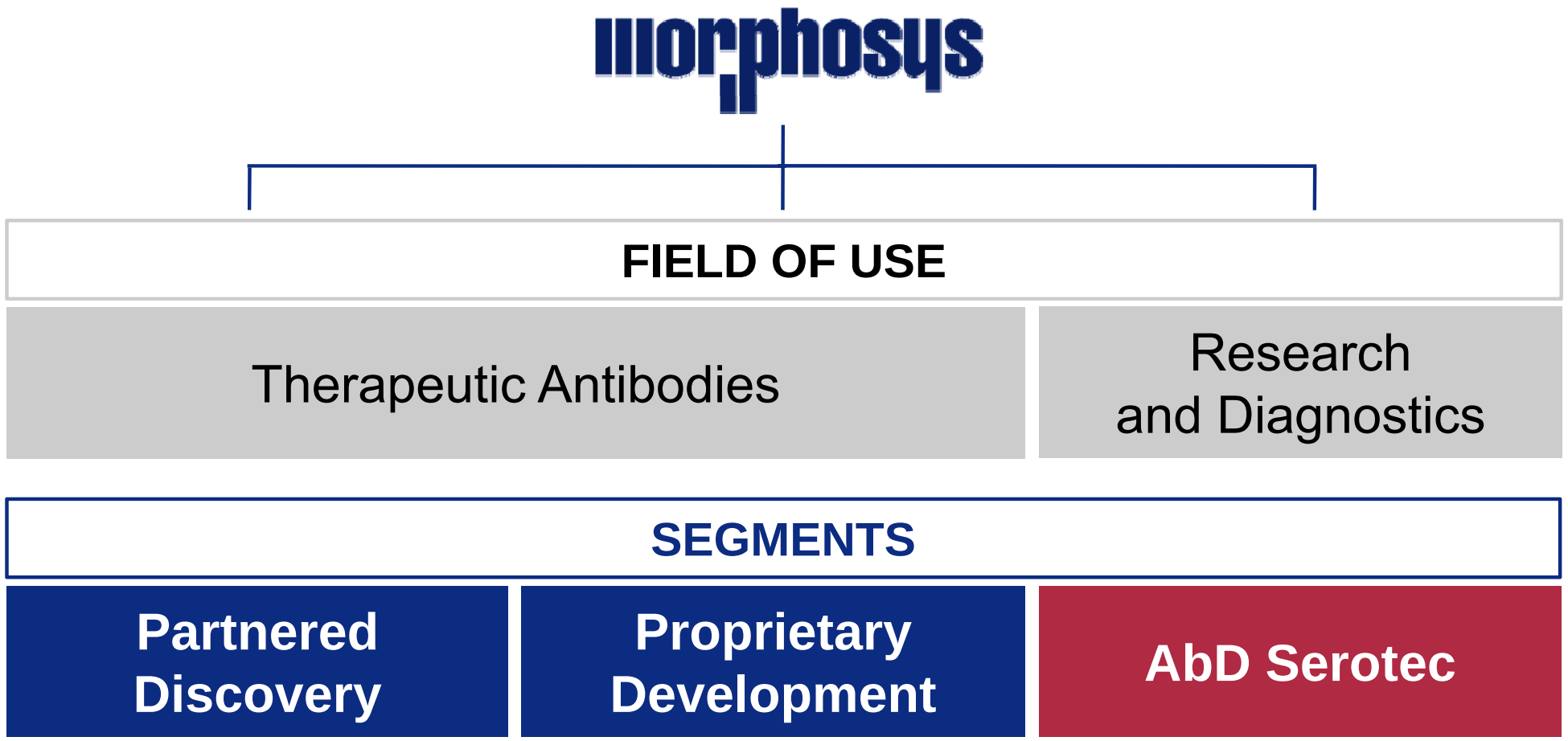


Modular gene design & construction

- HuCAL (Human Combinatorial Antibody Library)
- Antibodies are fully human
- HuCAL PLATINUM launched in December 2008
- Unique, built-in optimization capabilities
- Robust intellectual property position

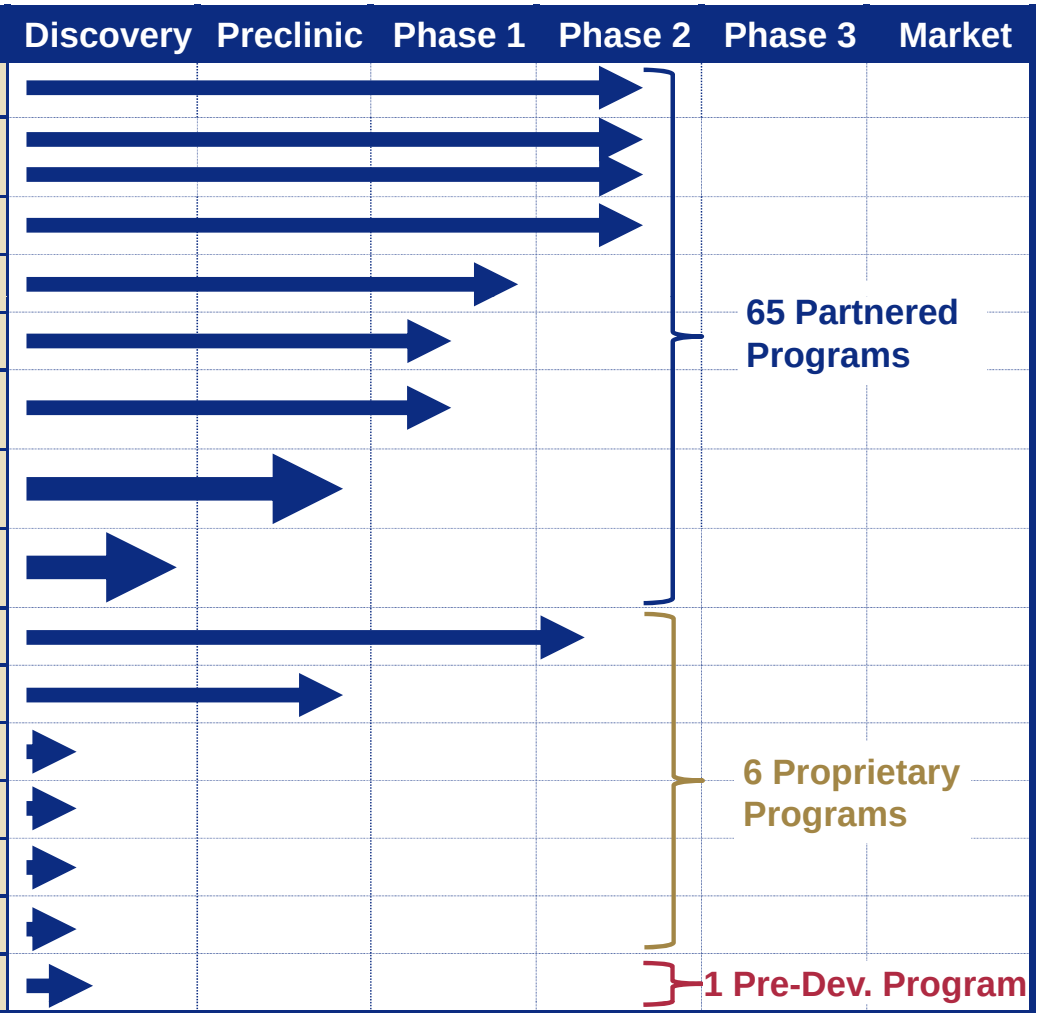
Optimization of antibodies delivers superior drug candidates

Exploiting the Technology's Full Potential



Current Product Pipeline

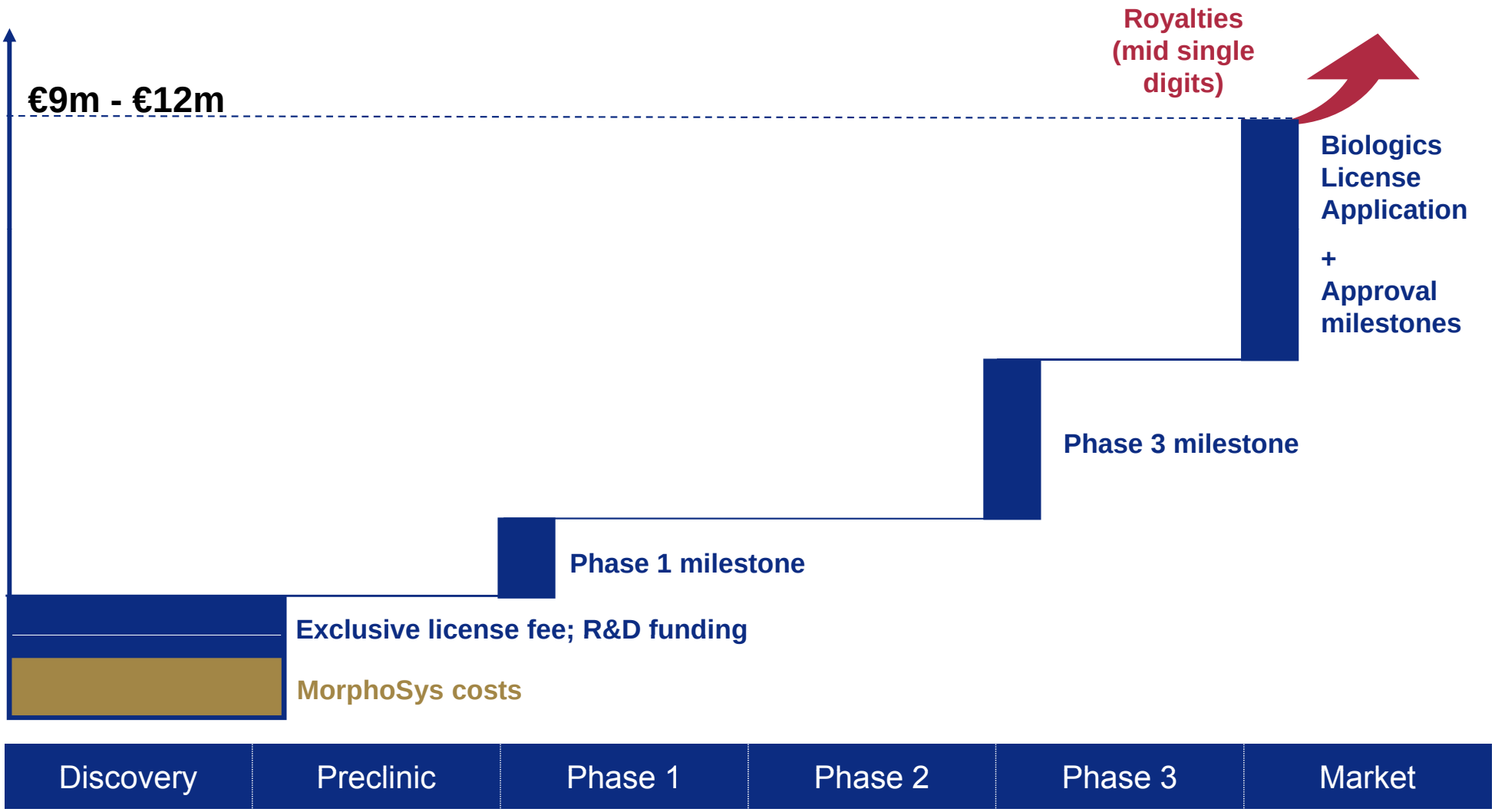
Name	Partner	Target	Indication
BHQ880	Novartis	DKK-1	Cancer
n.d.	Centocor	n.d.	Immunology/ Cancer
n.d.	Novartis	n.d.	n.d.
Gantenerumab	Roche	Amyloid-β	AD
n.d.	Centocor	n.d.	Inflammation
BAY79-4620	Bayer Schering	CA IX (MN)	Cancer
27 Partnered Programs	Various	Various	Various*
31 Partnered Programs	Various	Various	Various*
MOR103	-	GM-CSF	RA
MOR202	-	CD38	Multiple Myeloma
MOR205	-	n.d.	Cancer
MOR104	-	n.d.	Inflammation
MOR105	-	n.d.	Inflammation
MOR206	-	n.d.	Cancer
n.d.	MOR/NOV	n.d.	n.d.



* Includes cancer, inflammatory, autoimmune, infectious, musculoskeletal & central nervous system diseases

n.d. – not disclosed

Partnerships: Typical Terms per Program

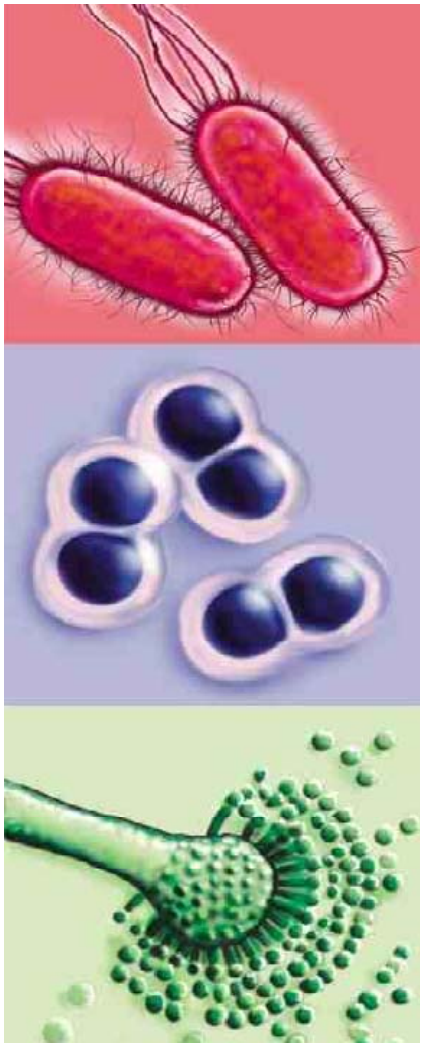


Novartis Alliance: Landmark Deal

Timeline	■ May 2004: Initial deal, including equity stake ■ November 2007: Major expansion ■ November 2017: End, subject to 2-year extension option
Novartis pays…	■ Approx. €20m p.a. technology license including HuCAL internalization fees ■ Approx. €20m p.a. in research funding ■ Over €250m milestones (probability adjusted) ■ Royalties on all resulting drugs
Novartis gets…	■ Preferred access to HuCAL for use in over 100 discovery programs
Co-development option	■ Shared costs & profits (20% – 50%) on selected co-developed programs
Excluded	■ Most infectious disease targets

Infectious Diseases: First New Alliance

Partner	■ Daiichi Sankyo
Timeline	■ March 2006: Initial alliance ■ October 2009: Execution of infectious disease deal
Focus	■ Discovery and development of therapeutic antibodies against certain targets associated with hospital-acquired infections
Daiichi Sankyo Pays…	■ Target-specific license fees ■ R&D funding for drug discovery ■ R&D funding for development of infectious disease related technologies ■ Milestones & royalties on resulting drugs

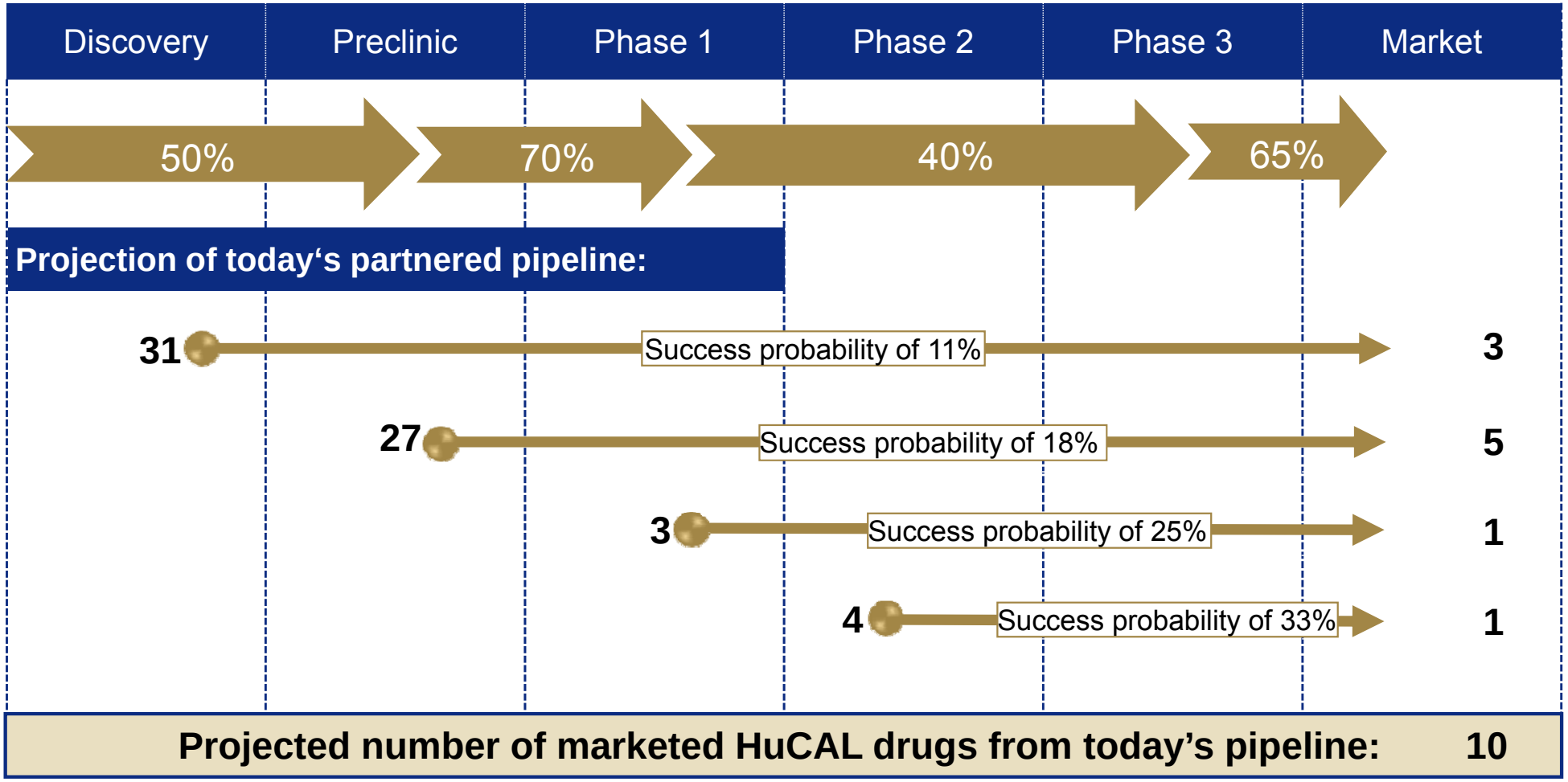


Partnered Programs in Clinical Trials

Name	Partner	Target / Indication	Phase 1	Phase 2	Phase 3	Market
BHQ880	Novartis	DKK-1 Multiple Myeloma	→	→	02/2009: Start phase 1/2 combination study with Zometa in multiple myeloma	
n.d.	Centocor	n.d. Oncology/IPF	→	→	10/2009: Start phase 2 in oncology 10/2008: Start phase 2 in IPF	
n.d.	Novartis	n.d.	→	→	06/2009: Start phase 1 05/2010: PoC achieved	
Gantenerumab	Roche	Amyloid-β Alzheimer's Disease	→		2009: Two phase 1 studies completed 2010: Start phase 2 scheduled	
n.d.	Centocor	n.d. Inflammation	→		06/2009: Start phase 1 in inflammation	
BAY79-4620	Bayer Schering	CA IX (MN) - ADC Oncology	→		10/2009: Start phase 1 with ADC 04/2010: Pre-clinical data at AACR	

- Potential for first P-o-C data from partnered HuCAL program
- 4 - 6 INDs with various partners
- Roche plans to move into Ph 2 in 2010 with Gantenerumab (AD); potentially others

Partnered Business:
Projected HuCAL Drugs on the Market



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

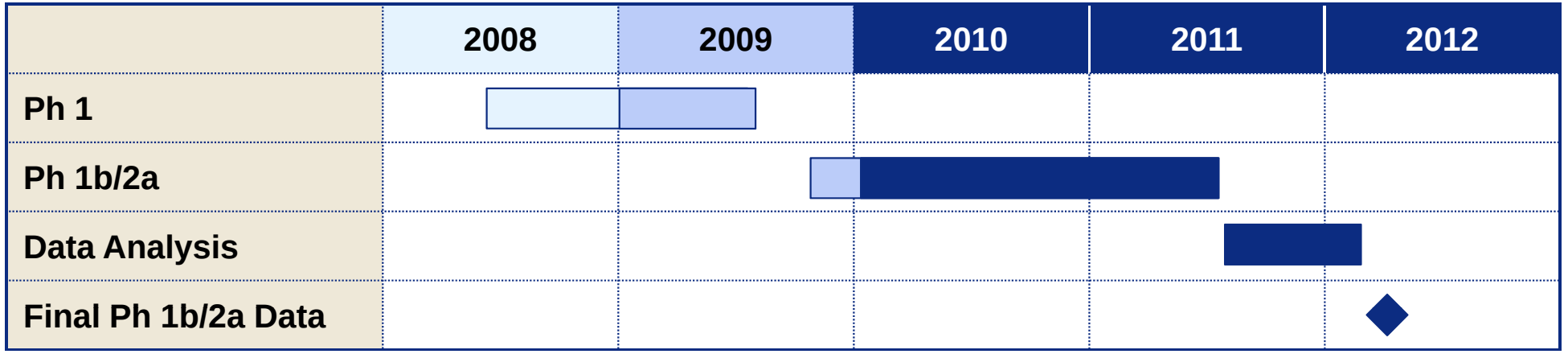
MOR103
Proprietary Inflammation Program

Target	■ MOR103 is a fully human HuCAL antibody targeting GM-CSF ▪ Primary indication: rheumatoid arthritis ▪ Promising pre-clinical data for second indication ■ Clinical material is produced using PER.C6® cell-line (Crucell/DSM) ■ Phase 1 successfully completed: 63 healthy volunteers, double-blind, placebo-controlled, single ascending dose
Market	■ Market >$10bn ■ Fewer than 25% of RA patients adequately treated ■ 50% of TNF-responders stop responding within 2 years
IP	■ Broad patent protection in the USA ■ Exclusive license to granted US patent covering key uses of antibodies against GM-CSF

Genuine blockbuster potential

MOR103 – Ph 1b/2a (MSC-1001) in Rheumatoid Arthritis – Clinical Trial Update

- Trial approved in Germany, Bulgaria, The Netherlands
  - Study in 135 RA patients, randomized, double-blind, placebo-controlled, multiple ascending dose
  - Geographic mix provides access to full spectrum from biologics-pretreated to biologics-naïve RA patients
  - Primary outcome measures: Adverse event rate and safety profile
  - Secondary outcome measures: DAS28, ACR score set measures and EULAR28 response criteria, cytokines, synovitis, bone edema, pharmacokinetics, immunogenicity and patient reported outcomes up to 16 weeks
  - Stable regimen of concomitant RA therapy (including anti-TNFs)



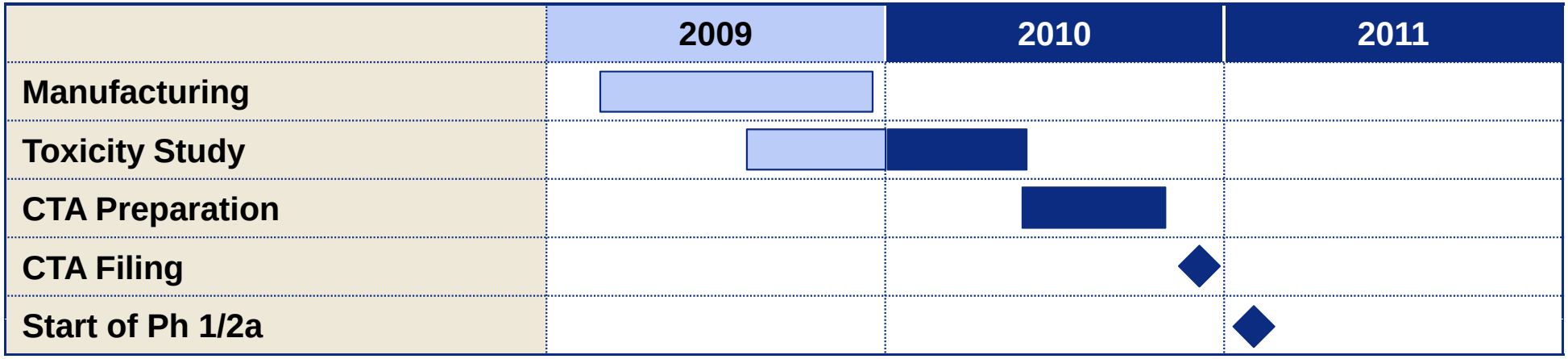
MOR202: The Opportunity

Target	CD38; found on the surface of many immune cells ▪ Primary indication: Multiple myeloma ▪ Heavily over-expressed in 95% of multiple myeloma and some leukemia cell lines ▪ Antibody induces cell-killing
Market	Multiple myeloma: ▪ 10% of hematological cancers ▪ 1% of all cancers ▪ 2% of cancer deaths ▪ No curative therapies on the market ▪ Median survival 24-30 months, all patients eventually relapse
Other Indications	Leukemia being evaluated

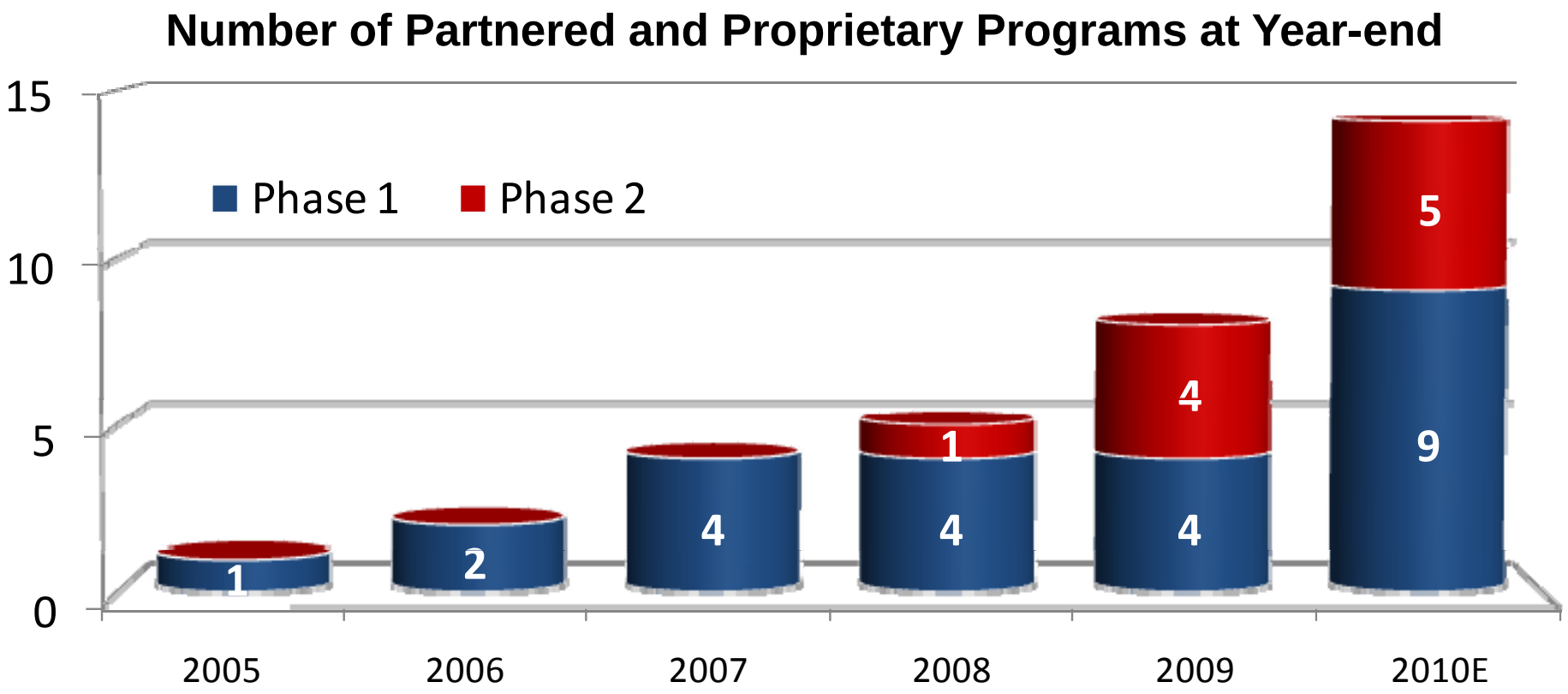
Targeting a major unmet medical need

MOR202 – Development Plan

- Manufacturing of clinical grade material completed according to plan
  - Clinical material is produced using PER.C6® cell-line (Crucell/DSM)
- Prepare for Ph 1/2 in multiple myeloma in 2011
  - File CTA in Q4 2010
- Rationale for extended timeline of MOR202
  - Sharpened competitive profile
  - Longer chronic toxicity study to enable long-term clinical development
  - Competitive advantage: Tox species available (cross-reactivity to non-human primate), robust development plan

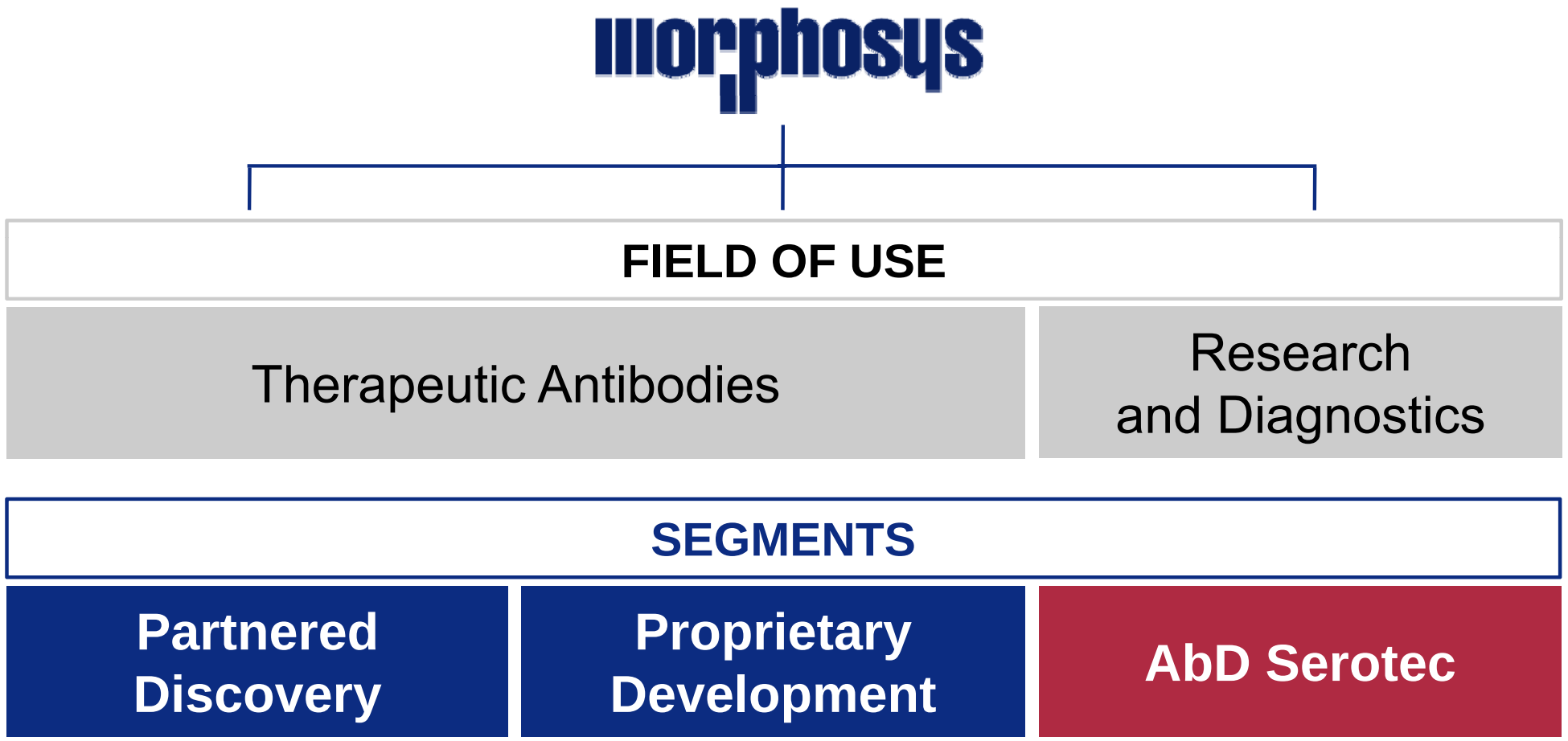


Clinical Pipeline



Clinical Antibody Pipeline is a Key Value Driver

Exploiting the Technology's Full Potential



Opportunities in Two Major Markets

Research Antibodies

Market: ~US$ 2bn

Market growth: 3 – 5%

Immunodiagnostics

Market: ~US$ 7bn

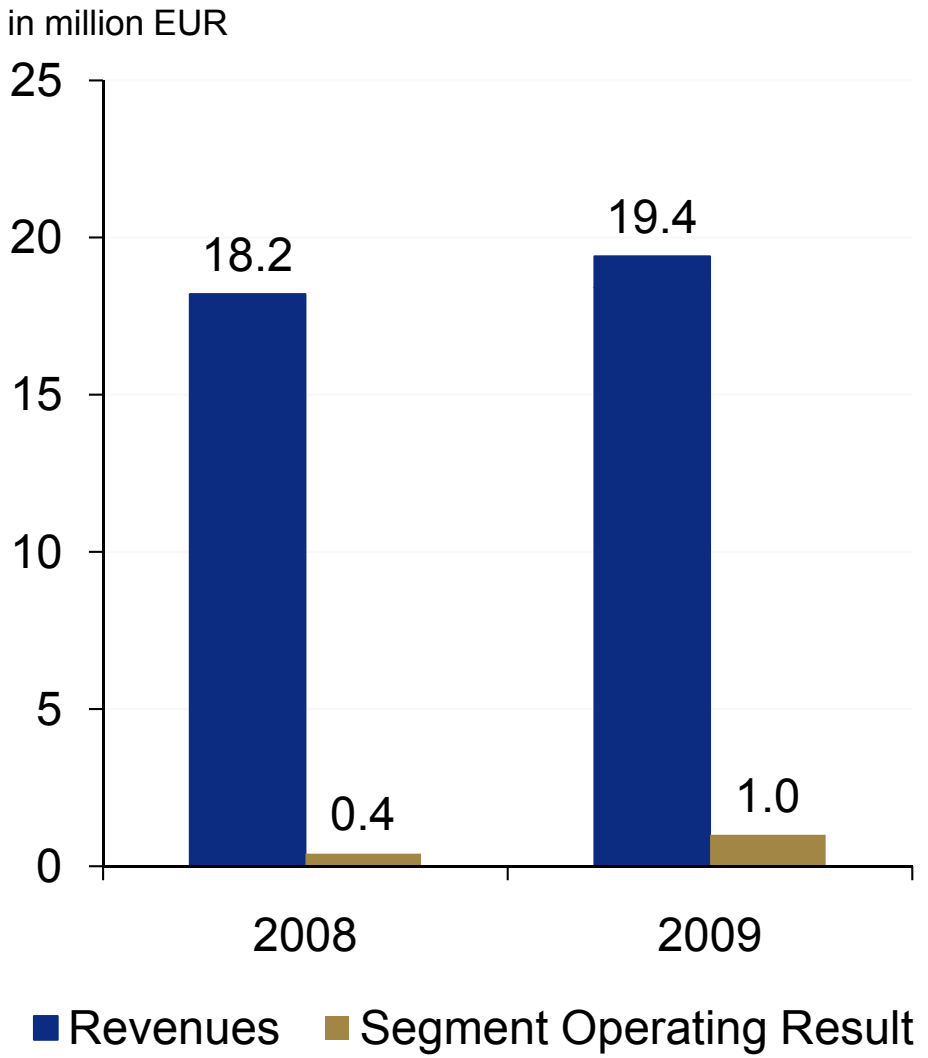
Market growth: 6 – 8%

- Serving research market via catalog comprising over 13,000 products
- Building on reputation for quality

- Drive uptake of HuCAL in diagnostic industry
- Exploit opportunities to create truly differentiated products

AbD Serotec – Future Prospects

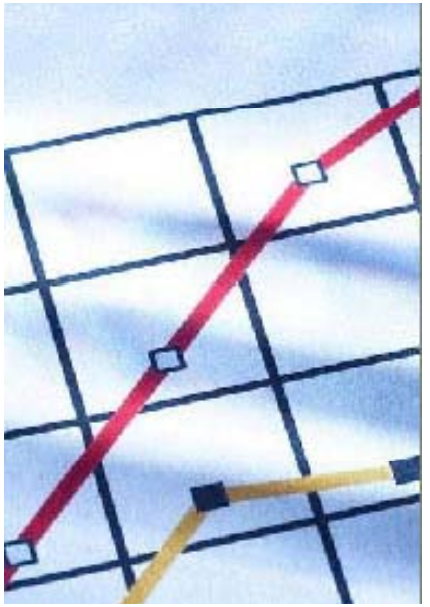
- Continue executing the strategy
  - Intensify penetration of Dx market
  - Keep investing in organization
- Expand geographically
  - Strengthen direct sales force in Europe
  - Tighten distributor network
  - Mid- to long-term plan includes build-up of Asian sales team
- Financials: Above market top-line growth, continuously improve margins



Guidance 2010

In million EUR	2010E*	2009A
Total Group Revenues	**89 – 93**	**81.0**
AbD Serotec	21 – 22	19.4
Group Operating Profit	**5 – 9**	**11.4**
AbD Serotec Operating Profit Margin	5% – 8%	5%

* Estimated numbers



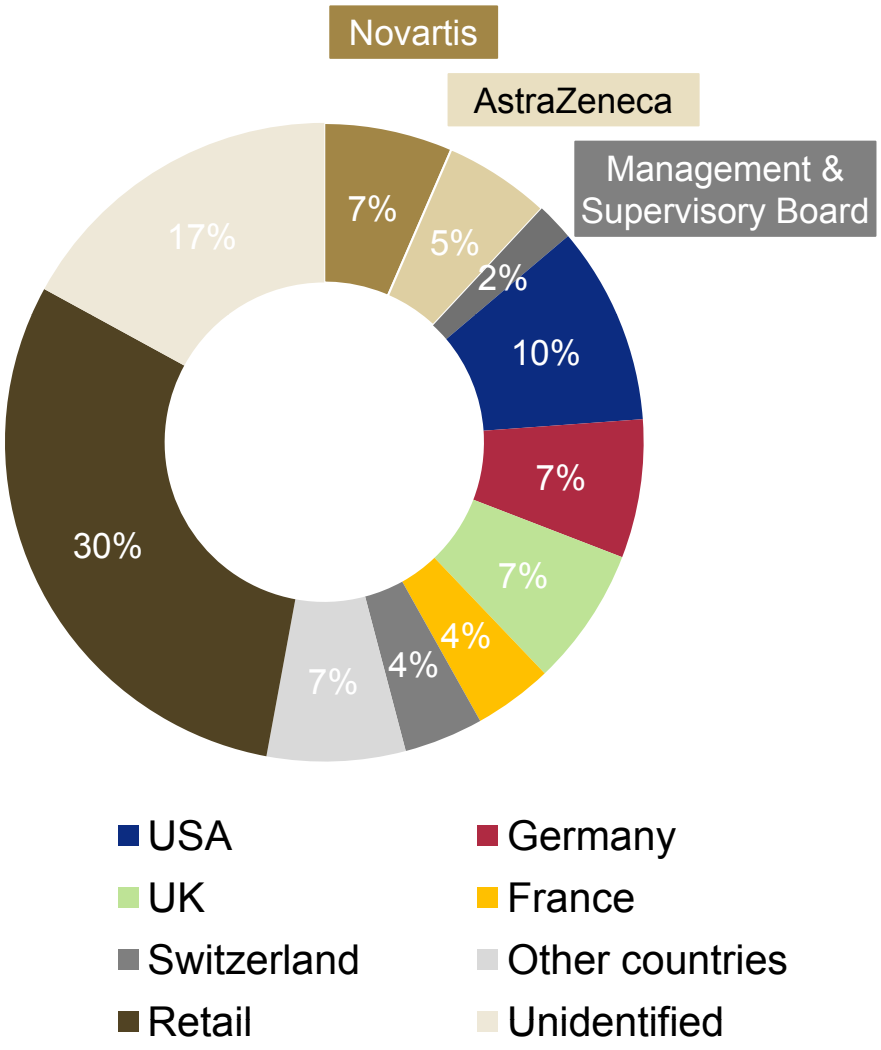
2010

- Increase of total proprietary R&D investment to € 26 – 29 million (2009: € 19.3 million)

2011 – 2012

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

Shareholder Structure and Key Financials



Key Financials

	Q1 2010	Q1 2009
Revenues	**20.6**	**19.1**
Cost of Goods Sold	1.7	1.7
R&D Expenses	9.3	8.5
S,G&A Expenses	4.9	4.8
Total Operating Expenses	**15.9**	**14.9**
Operating Profit	**4.7**	**4.2**
Net Profit	**3.2**	**3.5**

Cash, Cash Equivalents and Available-for-sale Financial Assets as of March 31, 2010:

€ 147.3 million

Goals 2010

Partnered Discovery

- Clinical Proof-of-Concept
  - First Ph 2 read-out possible
- More Clinical Starts
  - At least one additional Ph 2
  - 4 – 6 new INDs

Proprietary Development

- Recruitment MOR103
  - Advance ongoing Ph 1b/2a trial
  - Progress second indication
- MOR202
  - File CTA in Q4 2010
- Strengthen Portfolio
  - New projects, including co-developments

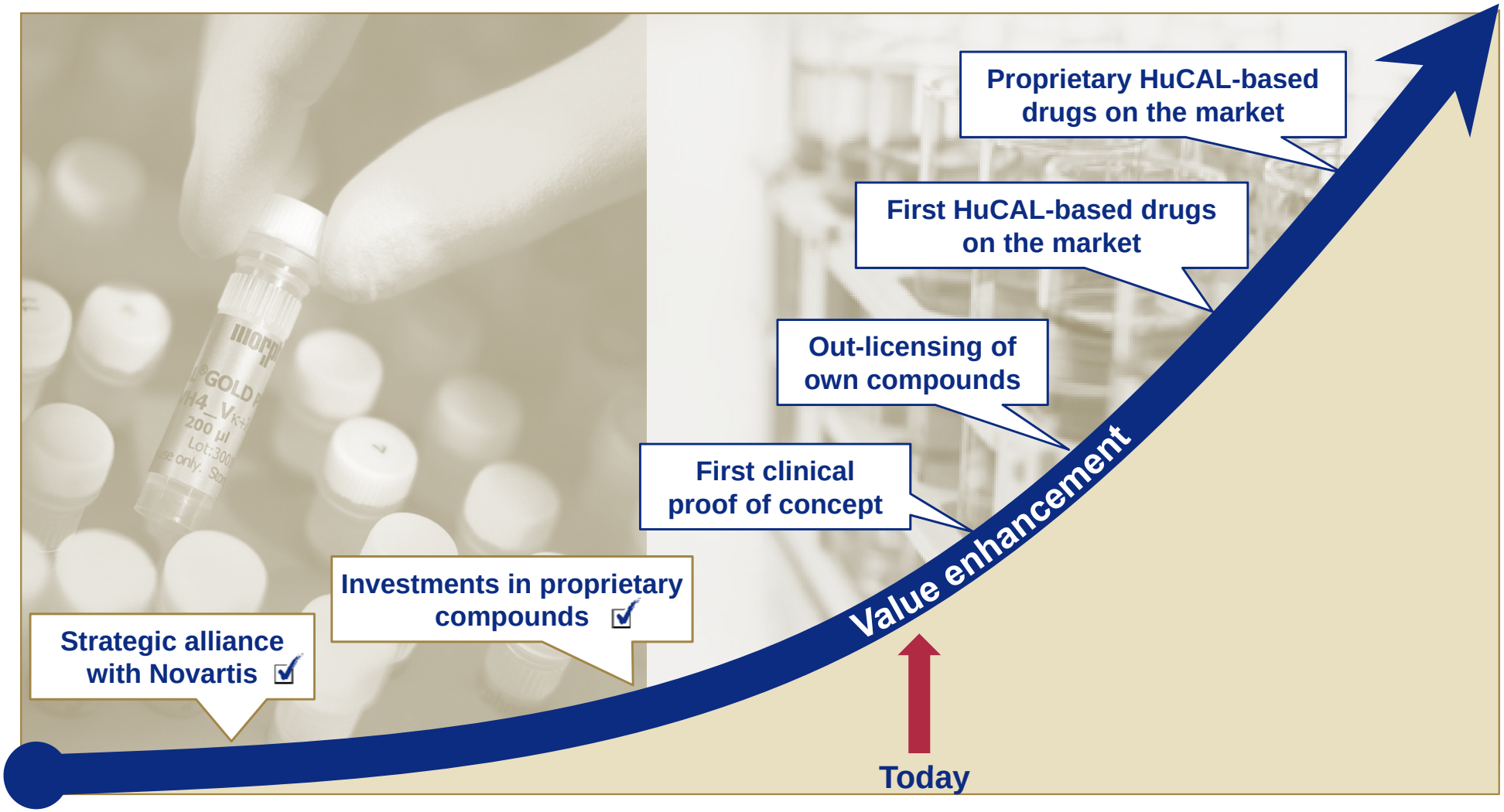
AbD Serotec

- Expand market share
- Revenue growth of ~10%
- Operating profit margin of 5-8%

Corporate

- Revenue growth of 10-15%
- Increase proprietary R&D investment
- Operating profit of € 5 – 9m
- Technology
  - Announce technology developments
- Potential Strategic Transactions
  - Focus on fit & financials

Future Value Creation



Thank You.

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