

# BioEquity Europe 2009



Munich – June 9, 2009



## Safe Harbor

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



<b>Company</b>	<ul style="list-style-type: none"><li>■ An independent antibody company</li><li>■ Frankfurt Stock Exchange, TecDAX</li></ul>
<b>Organization</b>	<ul style="list-style-type: none"><li>■ Two business segments – Therapeutics and Research/Diagnostics</li><li>■ 340 employees at 4 sites in D, UK, US</li></ul>
<b>Technology</b>	<ul style="list-style-type: none"><li>■ Leading, proprietary HuCAL platform</li><li>■ Strong &amp; undisputed patent estate</li></ul>
<b>Financials</b>	<ul style="list-style-type: none"><li>■ Profitable, strong balance sheet</li></ul>





New Technology  
Development



Growing Drug  
Pipeline



Progress in Clinical  
Programs



Solid Progress  
in AbD



Expanded  
Management



Financials



The Future

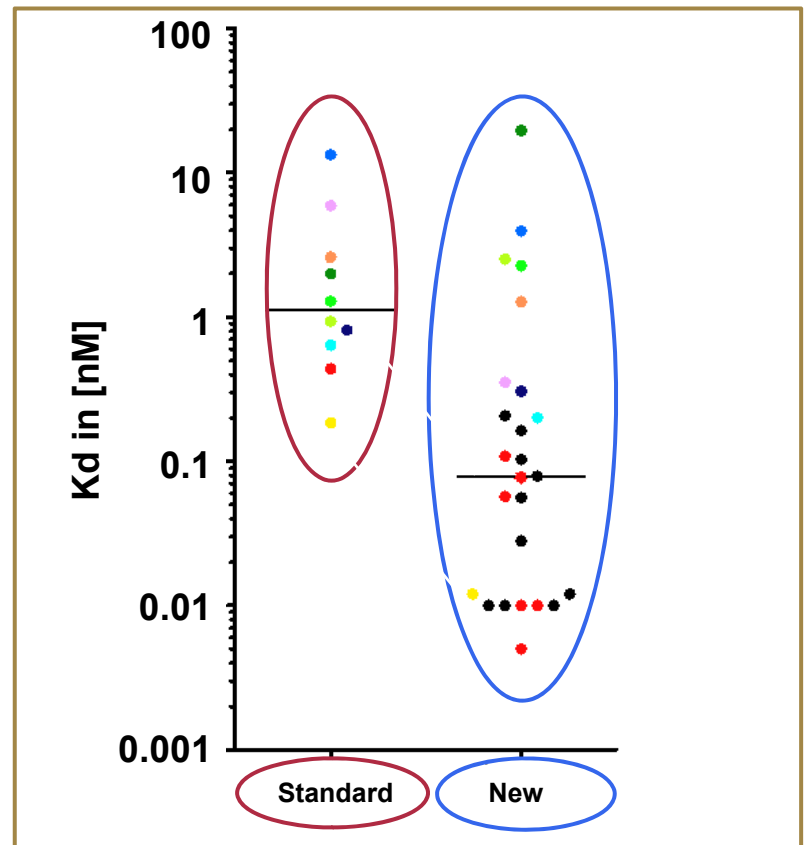
# Core, Proprietary Technology: HuCAL



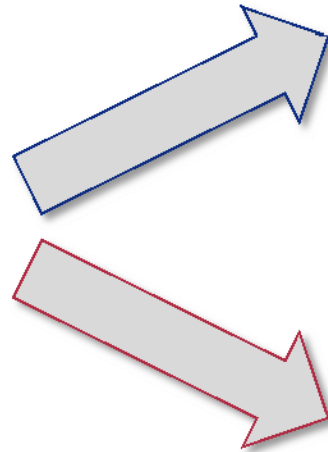
HuCAL: Human Combinatorial Antibody Library

New optimization technology delivers increased diversity & affinity

	<b>GOLD</b>		<b>PLATINUM</b>
Library size	12 Mrd.	➔	45 Mrd.
Underlying database	1997	➔	2008
Diversity of isolated antibodies	1x	➔	25x
Affinities	1x	➔	4x
Production (IgG)	1x	➔	3x



# Exploiting HuCAL in Therapeutics, Diagnostics and Research Products



## Therapeutic Antibodies

- Strong alliances with pharma
- Growing proprietary pipeline

## AbD Serotec

- Established sales channels
- Increasing focus on diagnostics

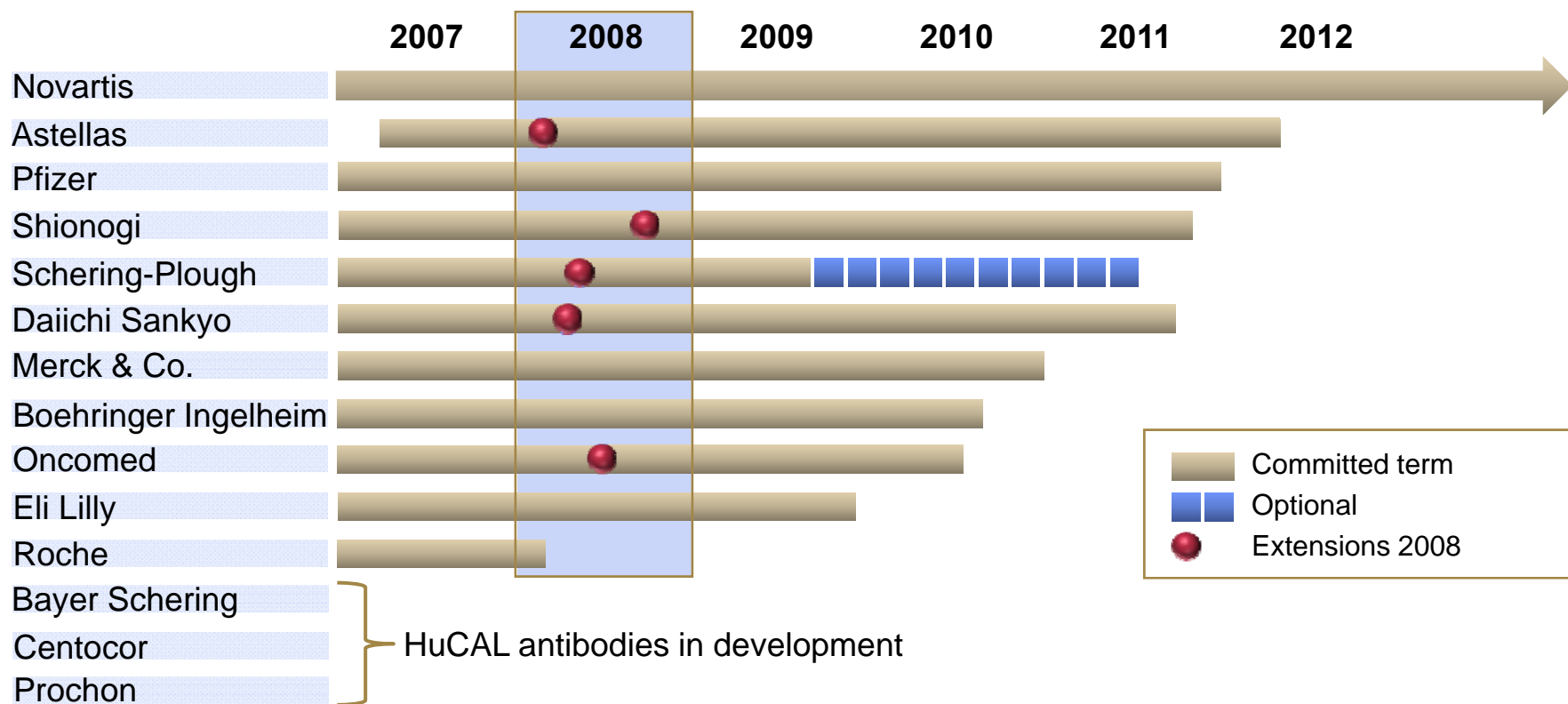
# Current Product Pipeline: 62 Programs Ongoing



Name	Partner	Indication	Discovery	Preclinic	Phase 1	Phase 2	Phase 3	Market
Gantenerumab	Roche	Alzheimer's Disease	→			} <b>58 Partnered Programs</b>		
BHQ880	Novartis	Cancer	→					
n.d.	Centocor	Immunology/ Cancer	→					
n.d.	Novartis	n.d.	→					
30 Partnered Programs	Various	Various*	→					
23 Partnered Programs	Various	Various*	→					
MOR103	-	Rheumatoid Arthritis	→			} <b>3 Proprietary Programs</b>		
MOR202	-	Cancer	→					
MOR203	-	Cancer	→					
n.d.	MorphoSys/ Novartis	n.d.	→			} <b>1<sup>st</sup> Co-Dev. Option</b>		

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

# Value Through Strong Partnerships



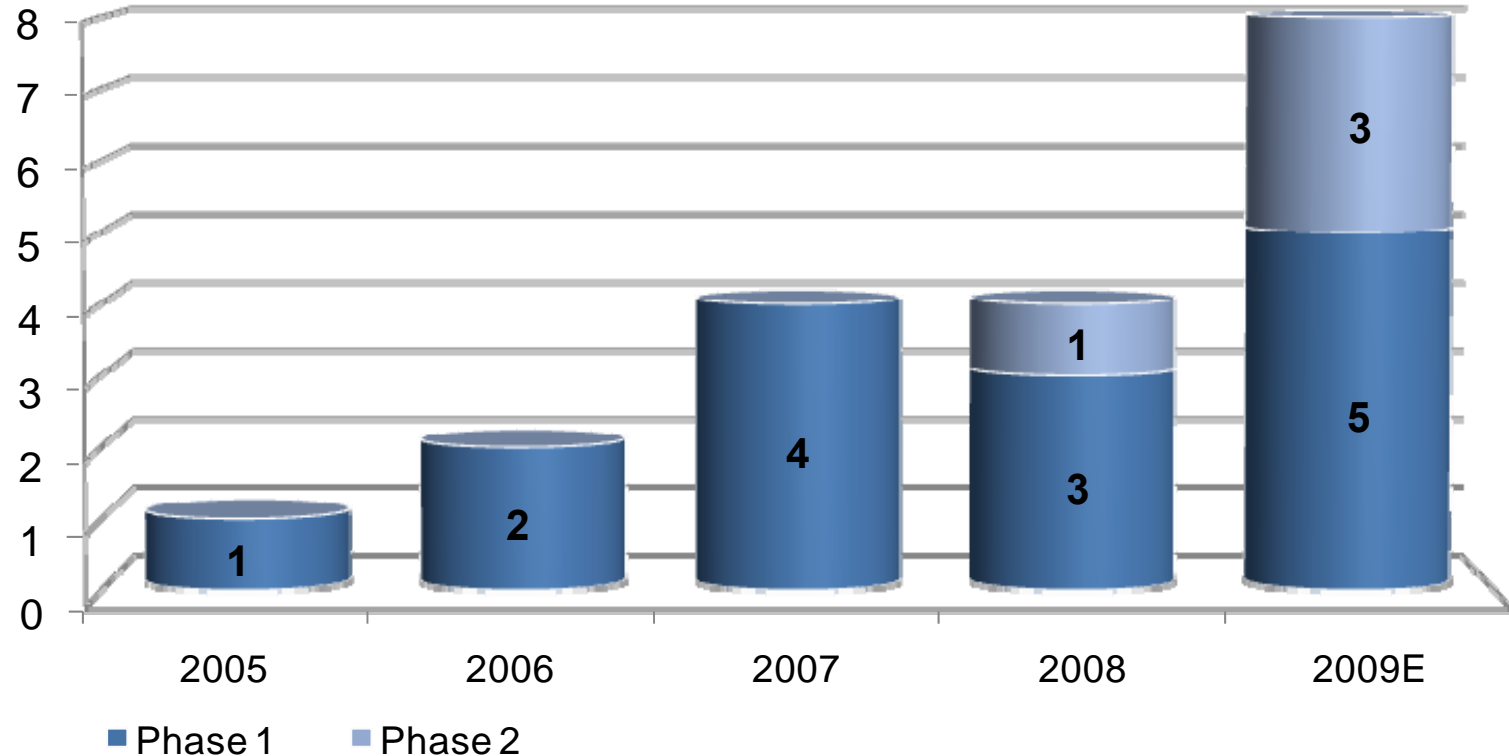
- 58 active partnered therapeutic antibody programs
- Potential for > 100 new programs

# Partnerships Drive Pipeline and Profit



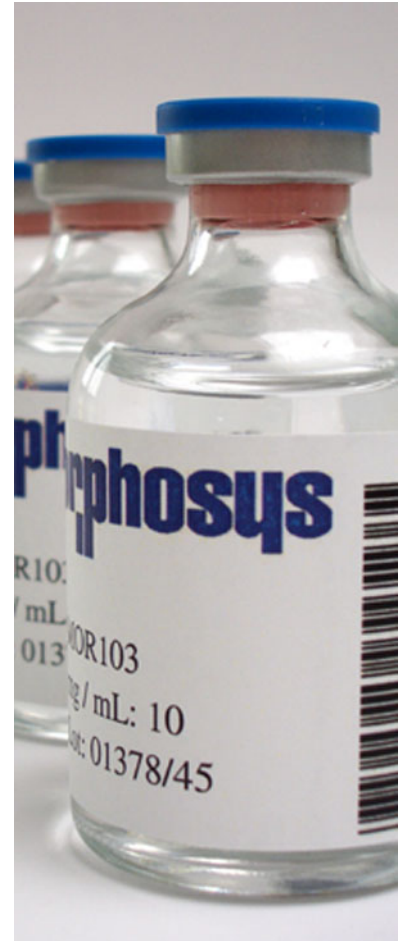
	2009	2010 →
Expected partnering revenues	> € 50 million	> € 320 million
Expected new program starts	20	> 100
Expected milestones	€ 10 million	> € 250 million
Expected HuCAL drugs	-	>18
Expected royalties	-	>> € 1 billion

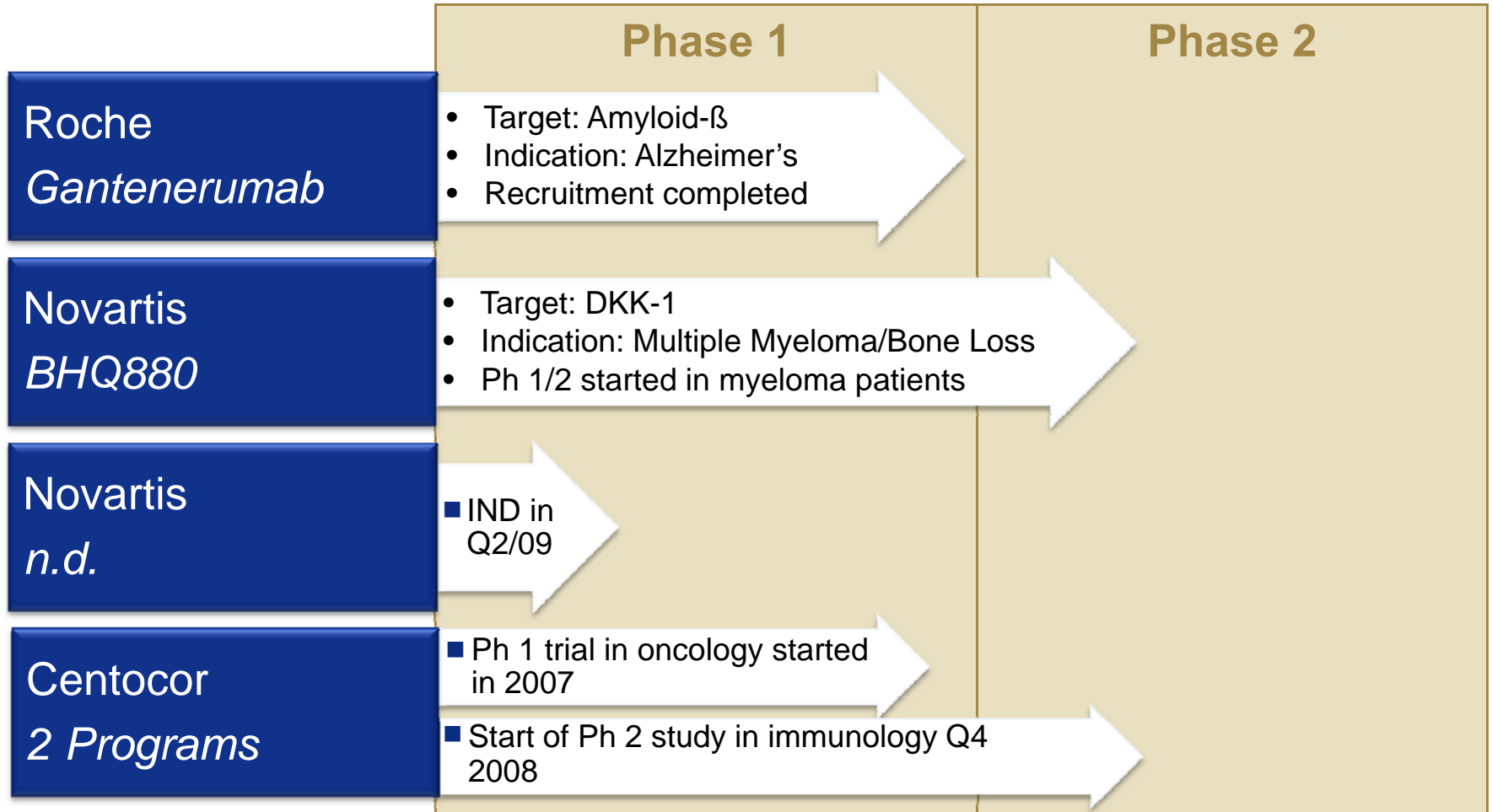
## Number of Partnered and Proprietary Clinical Compounds at Year-End



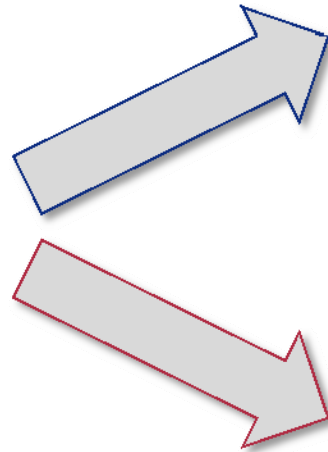
Clinical Antibody Pipeline is a Key Value Driver

- HuCAL IgG1 antibody targeting GM-CSF
- Primary indication: Rheumatoid arthritis
  - Potential in asthma, COPD, multiple sclerosis...
- Clinical Development
  - Ph 1: 7 cohorts @ 9 volunteers in a randomized, double-blind, placebo-controlled, single-ascending dose trial
  - Safety, tolerability, pharmacokinetics
  - Q2 2009: Report Ph 1 results
  - H2 2009: File for Ph 1b/2a trial
- MOR103 Advantages
  - Femtomolar affinity: potential CoGS advantage
  - Strong IP Position
    - Exclusive license to US patent covering inhibitors of GM-CSF in inflammatory conditions
    - Patent applications on the MOR103 antibody family





# Exploiting HuCAL in Therapeutics, Diagnostics and Research Products



## Therapeutic Antibodies

- Strong alliances with pharma
- Growing proprietary pipeline

## AbD Serotec

- Established sales channels
- Increasing focus on diagnostics

## ■ Growth

- AbD Serotec Q1 2009 revenues: +13%
- Market growing at 3 – 5%

## ■ Profit

- AbD Serotec now solidly profitable
- Investing now for future growth

## ■ Diagnostics

- First HuCAL antibody in a diagnostic kit (Phadia)
- Multiple diagnostic projects ongoing

## ■ Management

- Dieter Feger, SVP and new head of unit
- 20 years in sales & marketing at Abbott Diagnostics





**Dr. Simon E. Moroney, CEO**

- Co-founder (1992)
- ImmunoGen



**Mr. Dave Lemus, CFO**

- Joined MorphoSys 1998
- Roche
- Lindt & Sprüngli
- Electrolux AB



**Dr. Arndt Schottelius, CDO**

- Joined MorphoSys 12/2008
- MD (internal medicine) and PhD
- Genentech, San Francisco - Medical Director, Immunology Development
- Berlex Biosciences
- Schering AG



**Dr. Marlies Sproll, CSO**

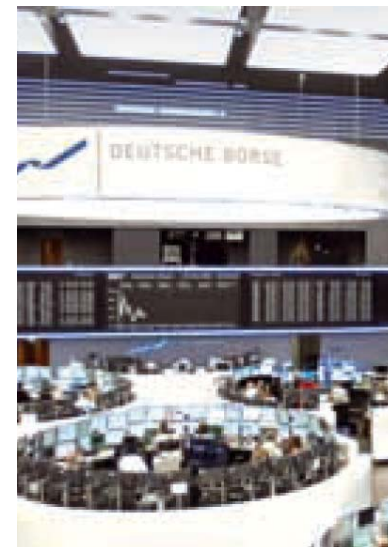
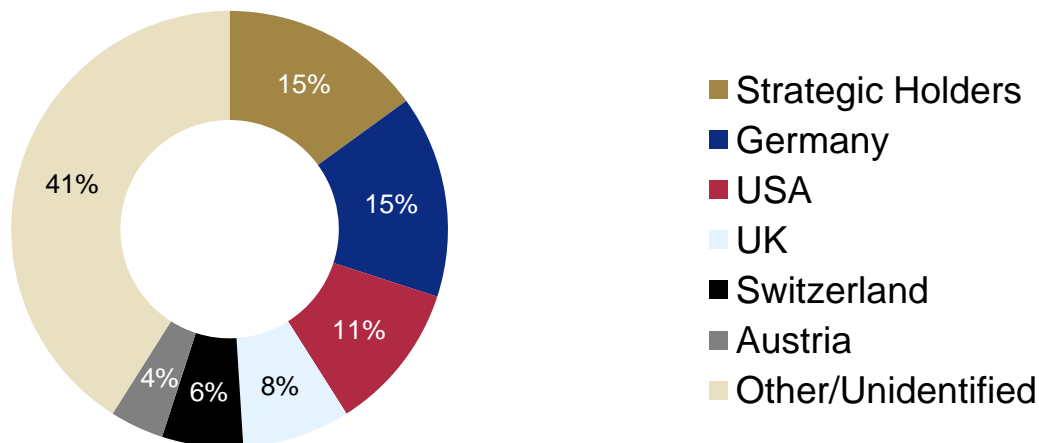
- Joined MorphoSys 2000
- Boehringer Ingelheim
- Merck KGaA

# Key Financials

In EUR millions	31/03/2009	12/31/2008
Cash, Cash Equiv. & Market. Securities	136.1	137.9
Other Current Assets	13.5	12.3
Total Non-Current Assets	51.8	53.2
<b>Total Assets</b>	<b>201.3</b>	<b>203.3</b>
Total Current Liabilities	22.7	27.4
Total Non-Current Liabilities	12.9	13.9
Total Shareholders' Equity	165.7	162.0
<b>Total Liabilities</b>	<b>201.3</b>	<b>203.3</b>
	Q1 2009	Q1 2008
<b>Revenues</b>	<b>19.1</b>	<b>16.3</b>
Cost of Goods Sold	1.7	1.7
R&D Expenses	8.5	5.3
S,G&A Expenses	4.8	5.2
<b>Total Operating Expenses</b>	<b>14.9</b>	<b>12.2</b>
<b>Net Profit</b>	<b>3.5</b>	<b>3.3</b>



# Shareholder Structure



3-for-1 stock split took place on Dec. 23, 2008

Shares Issued at March 31, 2009		22,492,287
■ Novartis		~ 7 %
■ AstraZeneca		~ 5 %
■ Management & Supervisory Board		~ 2 %
■ Massachusetts Mutual Life Insurance		3.15 %
Free float		88 %

Frankfurt Stock Exchange  
 ISIN: DE0006632003  
 SE Code: MOR  
 Bloomberg: MOR GR

## Group

**Revenues: € 80 - 85 million**

**Operating Profit: € 8 - 11 million**

## Partnered R&D

**2 – 4 INDs**

**20 new program starts**

## Proprietary R&D

**MOR103:**

**Phase 1 data**

**Phase 2 RA study start**

**Up to 5 new programs**



**Revenues: € 20 million**

**Operating Profit:  
Margin at least as high  
as 2008**

# What's on the Horizon?



Nearing clinical proof of concept in multiple programs				Clinical PoC
MorphoSys	MOR103	RA		
Roche	Gantenerumab	Alzheimer's Disease		
Novartis	BHQ880	Oncology		
Centocor	Unnamed	Oncology		
		Inflammation		
Novartis	Unnamed	n.d.		

## New deals (alliances, partnerships, in-licensing...)

Thank You.



[www.morphosys.com](http://www.morphosys.com)

**Dr. Simon Moroney**  
Chief Executive Officer

Phone +49 (0)89 / 899 27-311  
Fax +49 (0)89 / 899 27-5311  
Email [moroney@morphosys.com](mailto:moroney@morphosys.com)

**Dr. Claudia Gutjahr-Löser**  
Head of Corp. Comm. & IR

Phone +49 (0)89 / 899 27-122  
Fax +49 (0)89 / 899 27-5122  
Email [gutjahr@morphosys.com](mailto:gutjahr@morphosys.com)

HuCAL®, HuCAL GOLD®, HuCAL PLATINUM®, CysDisplay®, RapMAT® and AutoCAL® are registered trademarks of MorphoSys AG