



Year End Results 2010 & Outlook

# Safe Harbour

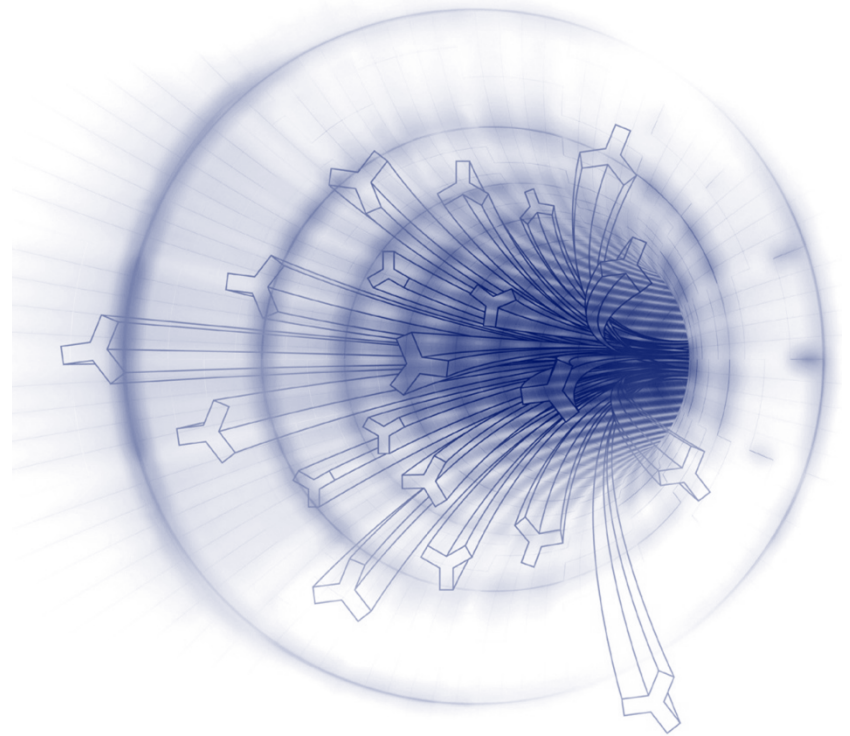
This presentation includes forward-looking statements.

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.

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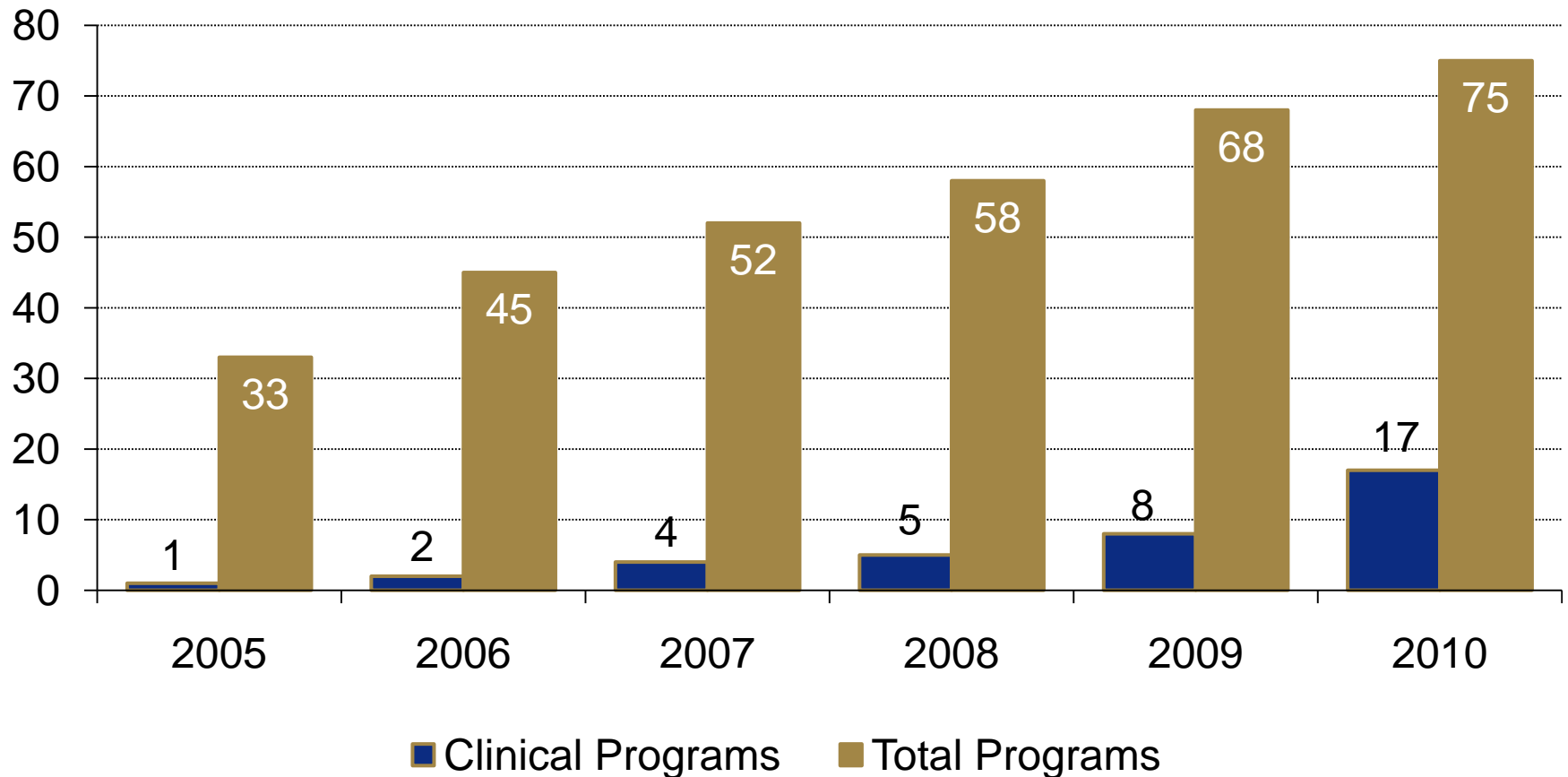




2x

The number of our antibodies in clinical development more than doubled in 2010

# Growing Significance of the MorphoSys Pipeline



# Range of Indications of Clinical Candidates Proves Broad Utility of MorphoSys's Therapeutic Antibodies

Alzheimer's Disease

Ophthalmology

Pulmonary Fibrosis

Cancer

Inflammatory Diseases

Musculoskeletal Diseases

> 1,500

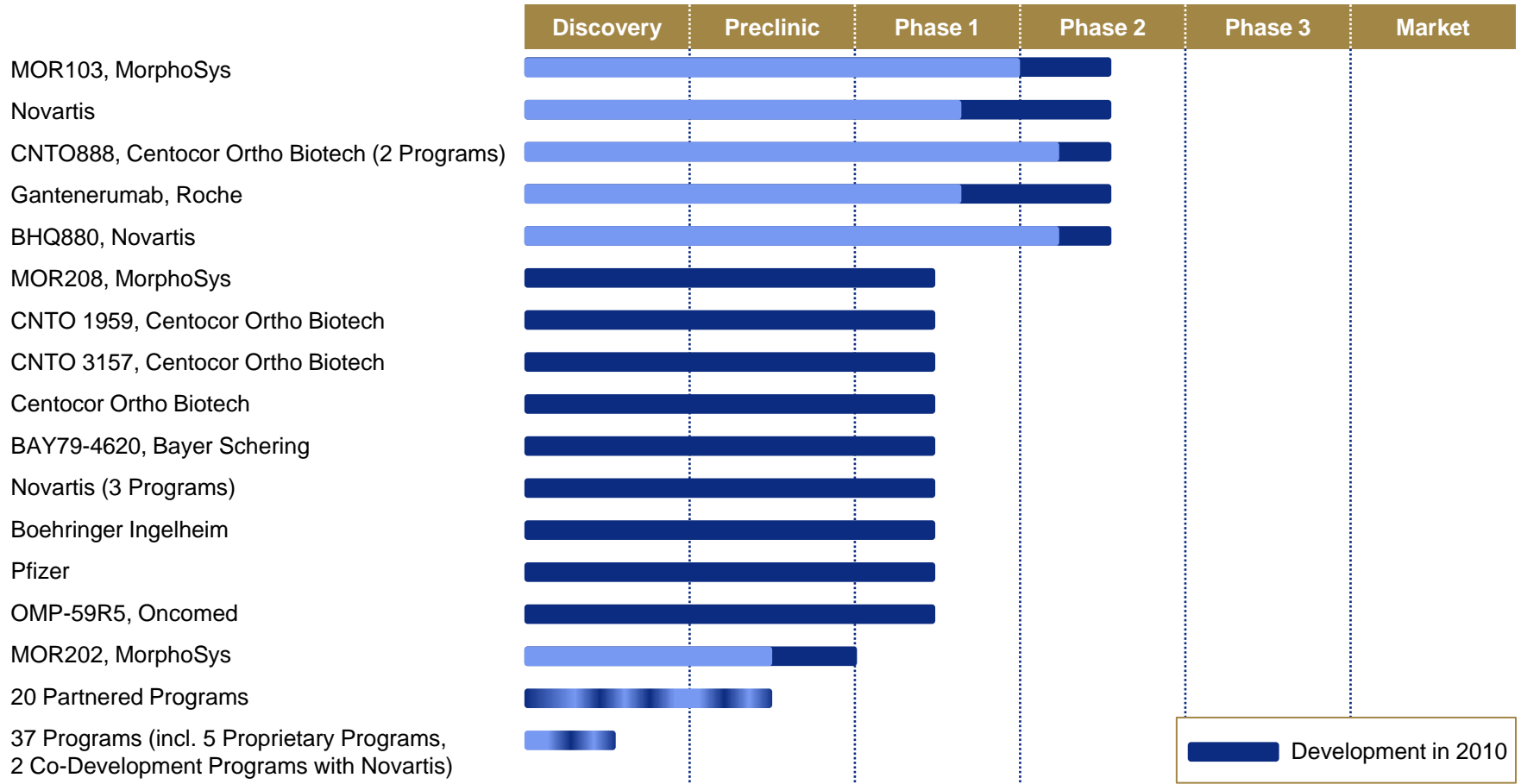
Patients & volunteers will have been administered HuCAL antibodies once ongoing trials are completed

# HuCAL Drugs Target Large Markets

Drug	Market	Market Size
BHQ880	Osteolytic bone disease	> \$1bn
MOR103	Rheumatoid arthritis (RA) Multiple sclerosis (MS)	> \$5bn > \$5bn
CNTO888	Prostate Cancer Idiopathic pulmonary fibrosis (IPF)	> \$5bn > \$1bn
Gantenerumab	Alzheimer's disease (AD)	> \$5bn

Source: GBI Research, Datamonitor, MorphoSys estimates

# MorphoSys Has Built One of the Industry's Broadest Antibody Pipelines





41%

Success rate for HuCAL antibodies from target to clinic\*

\* Excluding projects where lead discovery was started within last 3 years

# MorphoSys Transforms Antibody Technologies in Response to Customer Needs

## Three Leading Technology Platforms

HuCAL

Source of  
therapeutic  
and diagnostic  
antibodies

arYla

Optimization of  
therapeutic  
and diagnostic  
antibodies

Slonomics

Generation of  
customized  
protein libraries

# Patent Protection on Platform Expanded Significantly

HuCAL

2016



Slonomics

2023



New technologies\*

2029



Patent lifetime on key platform technologies

\* Patent applications filed



12

Number of diagnostic HuCAL antibodies in development  
within AbD Serotec



# Financial Review 2010



87<sub>m</sub>

Revenues

27<sub>m</sub>

Proprietary R&D

10<sub>m</sub>

Operating Profit

Increased R&D investment and still solid profits

# FY2010: Operating Result

in million €	2010	2009	Change
<b>Revenues</b>	<b>87.0</b>	81.0	7%
Cost of Goods Sold	7.3	6.7	9%
Research and Development Expenses	46.9	39.0	20%
Sales, General & Administrative Expenses	23.2	23.9	(3%)
<b>Total Operating Expenses</b>	<b>77.4</b>	<b>69.6</b>	<b>11%</b>
<b>Other Operating Income</b>	<b>0.2</b>	<b>0.1</b>	<b>100%</b>
<b>Profit from Operations*</b>	<b>9.8</b>	<b>11.4</b>	<b>(14%)</b>

\* Differences due to rounding

# Results by Segment

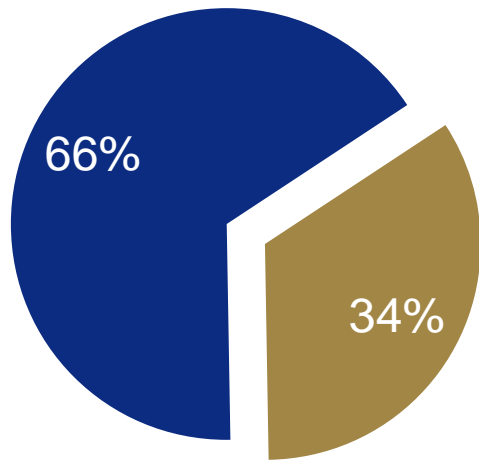
in million €

	2010	2009
<b>Partnered Discovery</b>		
<b>Segment Revenues</b>	<b>66.3</b>	<b>61.7</b>
Operating Expenses	23.6	22.1
<b>Segment Result</b>	<b>42.7</b>	<b>39.6</b>
<b>Proprietary Development</b>		
<b>Segment Revenues</b>	<b>1.8</b>	<b>1.0</b>
Operating Expenses	26.5	19.3
Other Operating Income	0.2	0
<b>Segment Result</b>	<b>(24.5)</b>	<b>(18.3)</b>
<b>AbD Serotec</b>		
<b>Segment Revenues</b>	<b>20.2</b>	<b>19.3</b>
Operating Expenses	18.9	18.4
Other Operating Income	0.02	0.1
<b>Segment Result*</b>	<b>1.2</b>	<b>1.0</b>

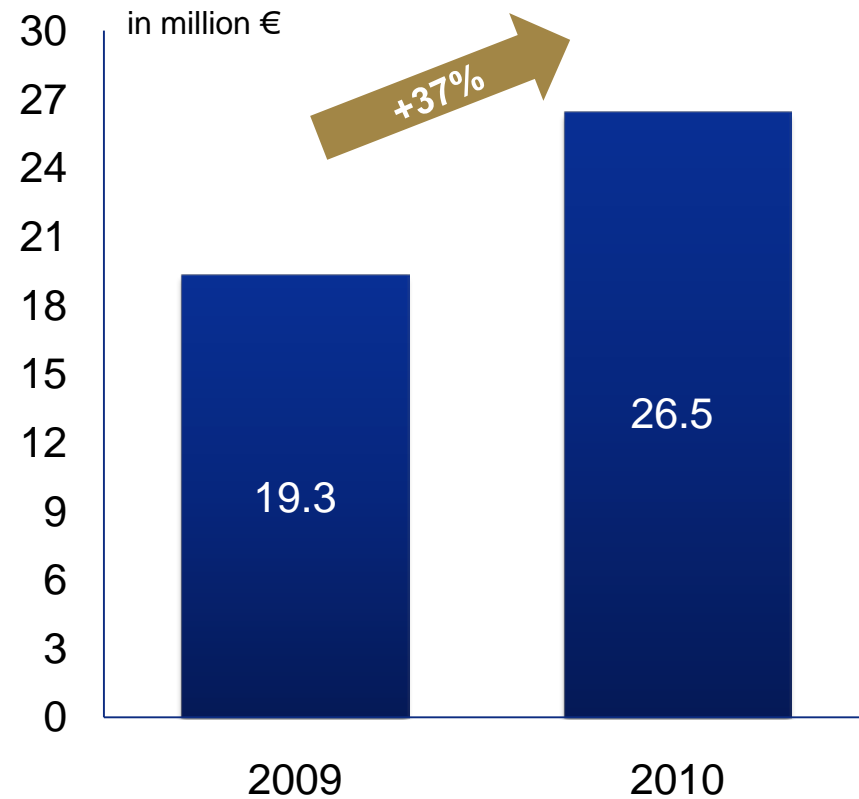
\* Differences due to rounding

# Investment Into Proprietary R&D

Split of MorphoSys's investment in proprietary development in 2010



- MOR103, MOR202, MOR208
- Other programs and overhead



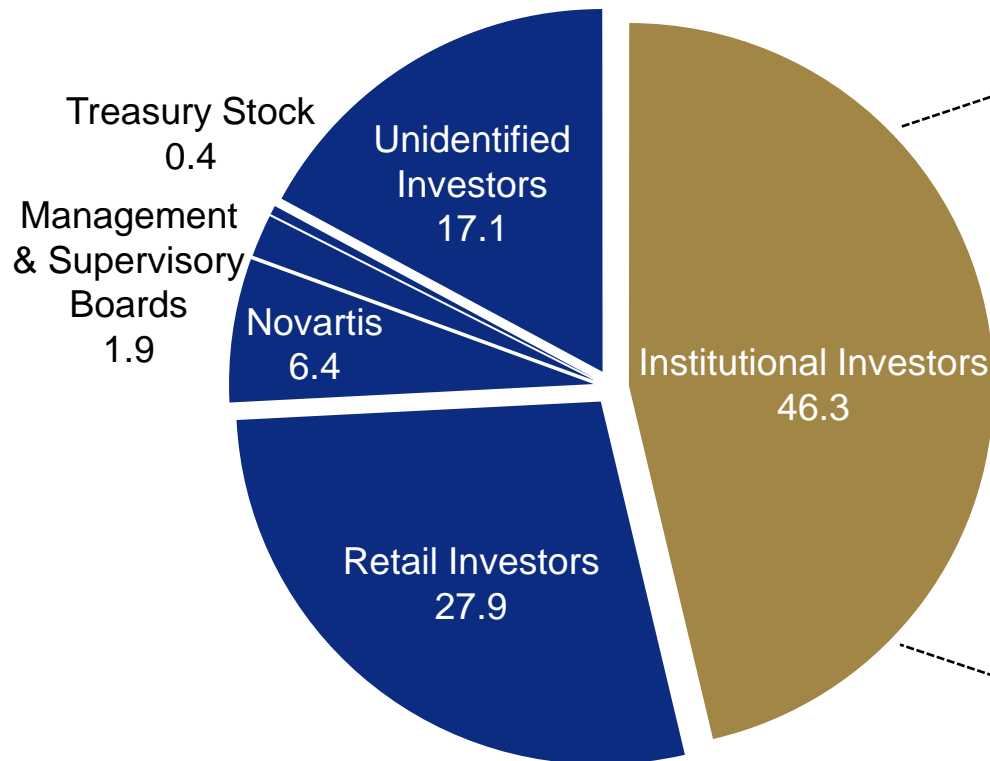
# Condensed Balance Sheet

in million €	2010	2009
<b>Assets</b>		
Cash, Cash Equivalents & Marketable Securities	108.4	135.1
Other Current Assets	24.1	20.5
Total Non-Current Assets	80.0	50.5
<b>Total Assets*</b>	<b>212.6</b>	<b>206.1</b>
<b>Liabilities</b>		
Total Current Liabilities	21.4	24.3
Total Non-Current Liabilities	5.3	7.9
Total Shareholders' Equity	185.9	173.9
<b>Total Liabilities</b>	<b>212.6</b>	<b>206.1</b>

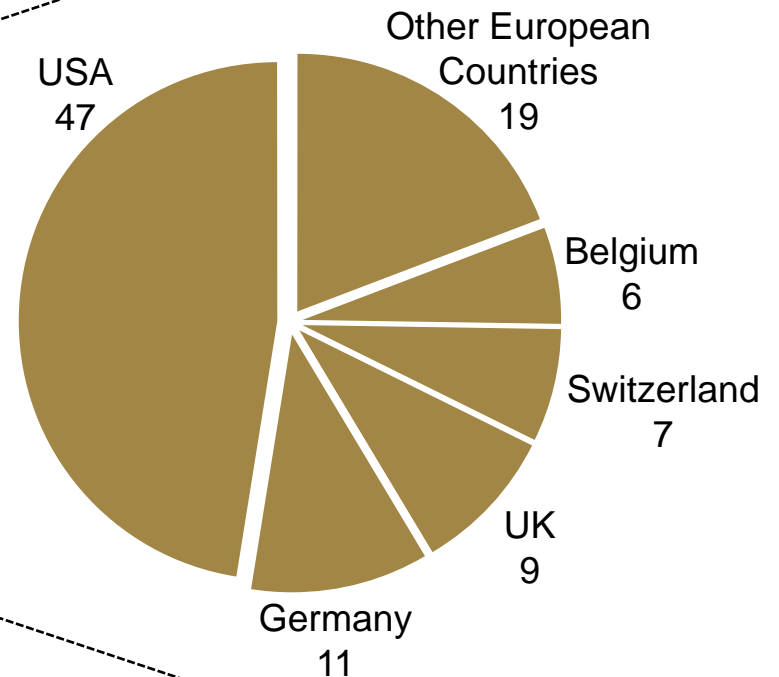
\* Differences due to rounding

# MorphoSys's Story Wins Recognition in the USA

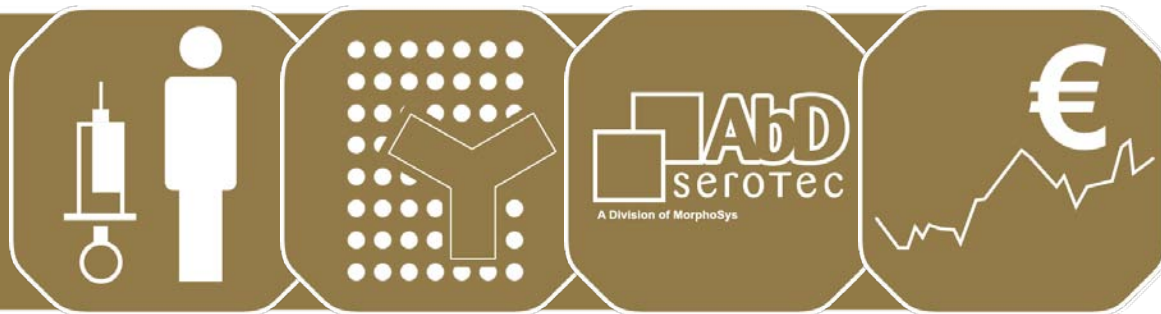
Shareholdings by Investor Type in %



Geographic Split of Institutional Holdings in %



# Outlook 2011



>100m

Revenues

# Number of Proprietary Clinical Programs to Double in 2011



# Partnered Programs Set to Generate Clinical Data\*

Centocor

CNTO888

Centocor

CNTO1959

2011

Centocor

CNTO3157

\* Information according to [www.clinicaltrials.gov](http://www.clinicaltrials.gov) and MOR estimates

## Pipeline Continues to Advance & Mature

+ 10

Expected number of new program starts in 2011

+ 3 to 5

Expected number of new clinical programs

# Technology Development will Lead to New Offering

## Three Leading Technology Platforms

HuCAL

Source of  
therapeutic and  
diagnostic  
antibodies

arYla

Optimization of  
therapeutic and  
diagnostic  
antibodies

Slonomics

Generation of  
customized  
protein libraries

New  
Technology

# AbD Serotec Poised to Exploit Opportunities in Diagnostics Market



HuCAL-based diagnostic kit  
close to market



Investment for Growth

# Guidance: +20% Revenue Growth, Continued Investment

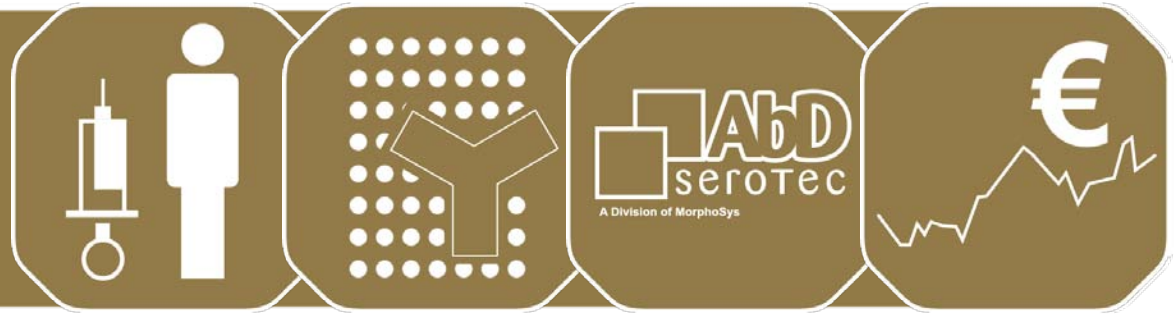
in million €	2011	2010
<b>Group Revenues</b>	105 - 110	87.0
<b>Investment in Proprietary R&amp;D</b>	40 - 45	26.5
<b>Group Operating Profit</b>	10 - 13	9.8

in million €	2011	2010
<b>AbD Serotec Segment Revenues</b>	22 - 23	20.2
<b>AbD Serotec Profit Margin</b>	~ 4%	6%



Q&A Session

# Take Home Message



Expanding pipeline



Augmenting technology



Growing top-line



Driven by Diagnostics