

Barclays Capital  
2011 Global Healthcare Conference



Miami  
March 15 – 17, 2011

# 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



Technology

Industry's most successful antibody library technology - HuCAL



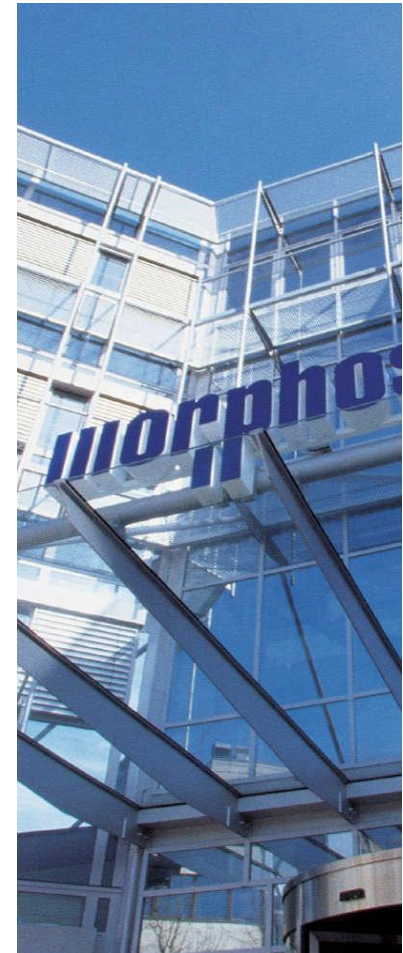
Pipeline

75 drug programs ongoing



Financial

Profitable, strong balance sheet



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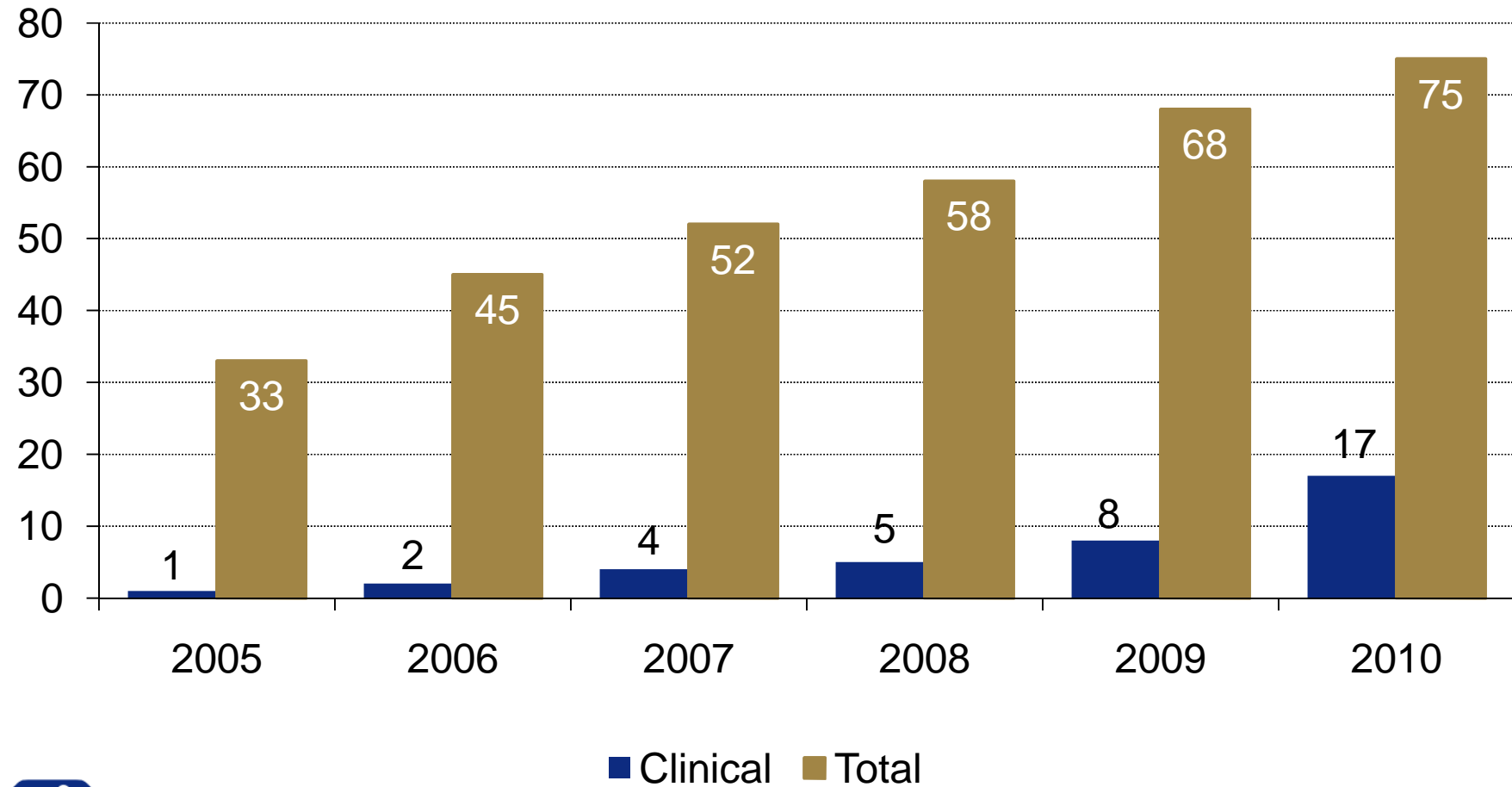
Use proprietary technologies to develop the broadest possible pipeline of therapeutic antibody drugs,

balanced between partnered and proprietary programs

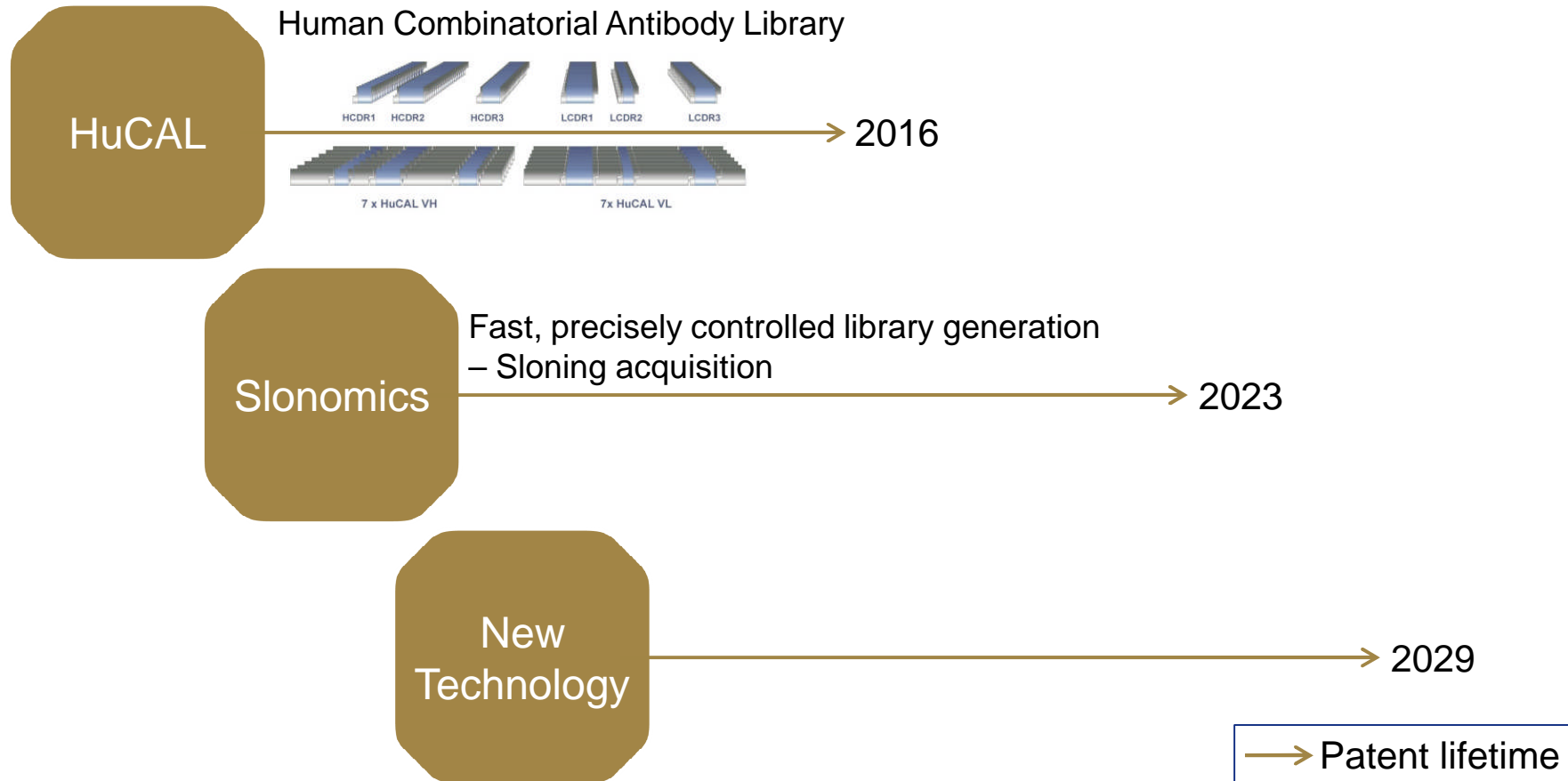
# Growing Pipeline Illustrates Successful Execution of Strategy



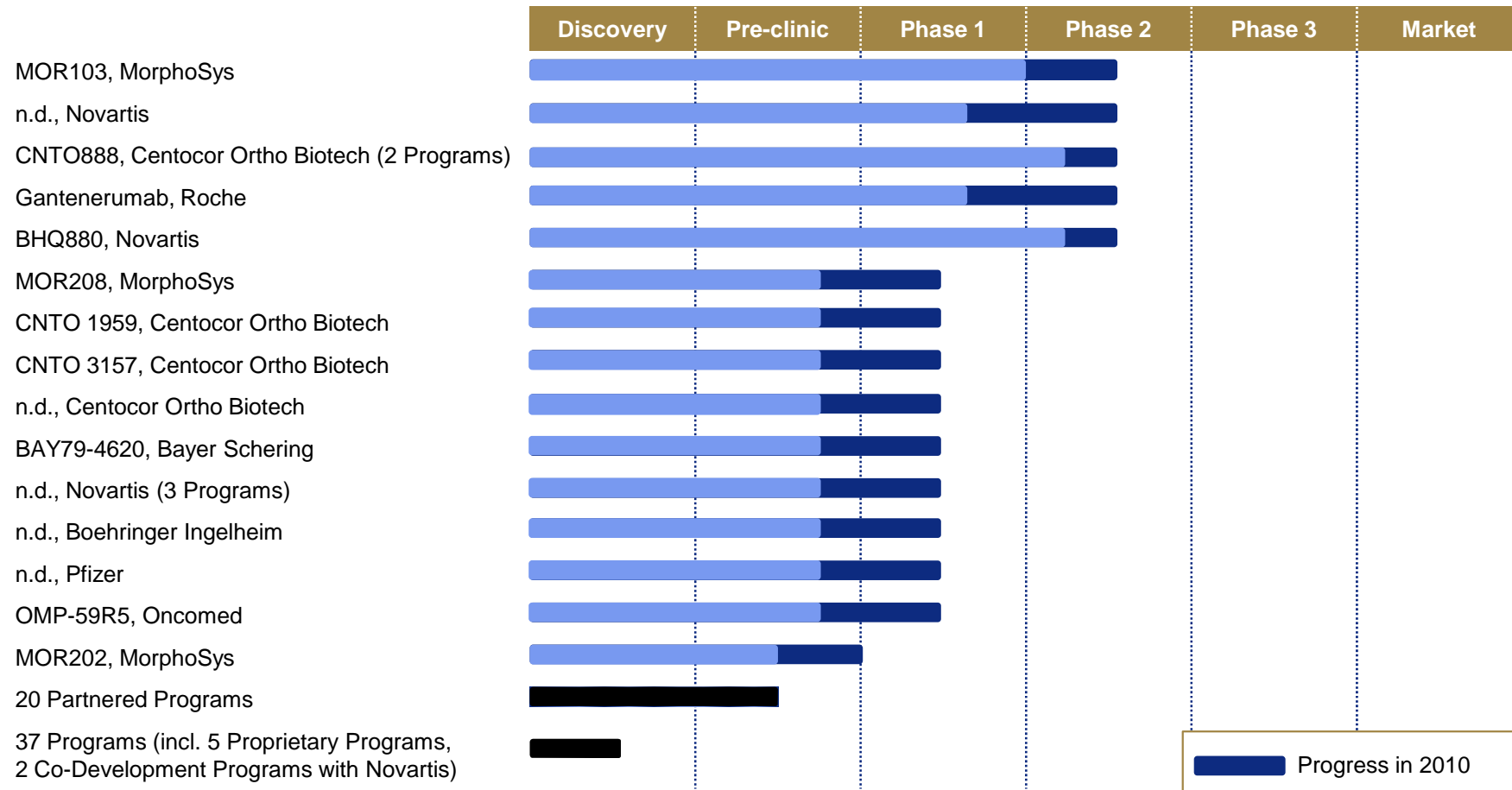
Programs



# Unique & Proprietary Technology for Generating Drug-Quality Antibodies



# 75 Therapeutic Antibody Programs Ongoing



# MOR103

## A Novel Anti-Inflammatory Antibody



### The Target

- GM-CSF – a growth factor and inflammatory mediator

### The Drug

- Ultra-high affinity HuCAL IgG1

### Clinical Development in Rheumatoid Arthritis

- Phase 1b/2a trial ongoing in Europe in patients with active RA
- Completion of enrollment H2 2011, final results H1 2012

### Clinical Development in Multiple Sclerosis

- Phase 1b safety study in MS patients starting H2 2011

### Intellectual Property

- Exclusive license to a US patent covering antibodies against GM-CSF for the treatment of chronic inflammatory conditions
- US patent on MOR103 composition of matter



# MOR208

## A Novel Anti-Cancer Antibody



### The Target

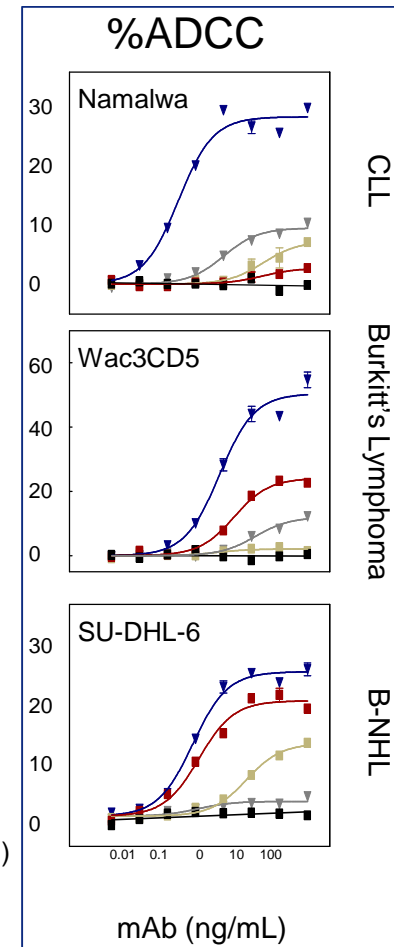
- CD19 – a pan B-cell marker

### The Drug

- Humanized, high affinity anti-CD19 antibody
- Exclusive license from Xencor
- Comprises a proprietary Xencor modification that leads to rapid and sustained B-cell depletion

### Clinical Development in Chronic Lymphocytic Leukemia

- Multi-centre, open-label, multi-dose, single-arm phase 1, dose-escalation study in USA
- Patients with chronic lymphocytic leukemia, who have not responded to or have become refractory to previous therapies
- Xencor funds phase 1 trial from \$13m up-front payment
- Final data expected in 2012



# MOR202

## A Novel Antibody for Multiple Myeloma



### The Target

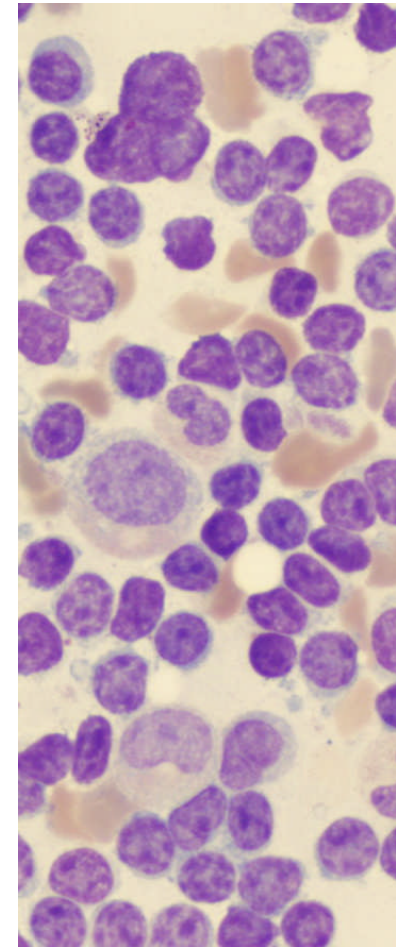
- CD38 – a protein on multiple myeloma cells

### The Drug

- High affinity HuCAL antibody
- Excellent cross-reactivity to non-human primate (tox)

### Clinical Development in Multiple Myeloma

- Start multi-centre, open-label, dose-escalation study in Europe H1 2011
- Patients with relapsed/refractory multiple myeloma; failure of at least 2 prior therapies
- Maximum tolerated dose, safety and tolerability, pharmacokinetics and immunogenicity; assessment of preliminary activity
- Final data expected in 2013



# Partnered Programs

## Phase 2 Clinical Development



Program	Partner	Disease	Target	Status
BHQ880	Novartis	Osteolytic bone disease	DKK-1	Early data show stimulation of bone formation
n.d.	Novartis	n.d.	n.d.	Clinical proof of concept achieved
CNTO888	Centocor Ortho Biotech	Oncology	MCP-1	Two trials ongoing
CNTO888	Centocor Ortho Biotech	Idiopathic pulmonary fibrosis	MCP-1	One trial ongoing
Gantenerumab	Roche	Alzheimer's disease	Amyloid- $\beta$	Study in patients with prodromal AD



# Partnered Programs

## Phase 1 Clinical Development



Program	Partner	Disease	Status
CNTO1959	Centocor Ortho Biotech	Psoriasis	Study completed Q4 2010
BAY79-4620	Bayer Healthcare	Oncology	Antibody-drug conjugate vs. CA IX
CNTO3157	Centocor Ortho Biotech	Asthma	Phase 1 start June 2010
n.d.	Novartis	Musculoskeletal	Phase 1 start July 2010
n.d.	Novartis	Ophthalmology	Phase 1 start August 2010
n.d.	Novartis	Inflammation	Phase 1 start December 2010
n.d.	Centocor	Inflammation/ Autoimmune	Phase 1 start December 2010
n.d.	Boehringer Ingelheim	n.d.	Phase 1 start December 2010
n.d.	Pfizer	Oncology	Phase 1 start December 2010
OMP-59R5	Oncomed	Oncology	Phase 1 start December 2010



# AbD Serotec Segment Complements Therapeutic Business



## Antibodies for research and diagnostic markets

### Diagnostic Antibodies

- Using proprietary technologies to deliver superior Dx antibodies
- Future upside via royalties

### Research Antibodies

- Catalogue of 15,000+ products & custom HuCAL antibodies
- Stable and recurring cash flows

EUR millions	Guidance 2011	2010
<b>AbD Serotec Segment Revenues</b>	22 - 23	20.2
<b>AbD Serotec Profit Margin</b>	~ 4%	6%



## P&L and Guidance 2011

EUR millions	2009	2010	Guidance 2011
<b>Revenues</b>	<b>81.0</b>	<b>87.0</b>	<b>105 – 110</b>
Cost of Goods Sold	6.7	7.3	
Proprietary R&D Expenses	19.3	26.5	40 – 45
Sponsored R&D Expenses	19.7	20.4	
S,G&A Expenses	23.9	23.2	
<b>Total Operating Expenses</b>	<b>69.6</b>	<b>77.4</b>	
<b>Other Operating Income</b>	<b>0.1</b>	<b>0.2</b>	
<b>Profit from Operations</b>	<b>11.4</b>	<b>9.8</b>	<b>10 – 13</b>



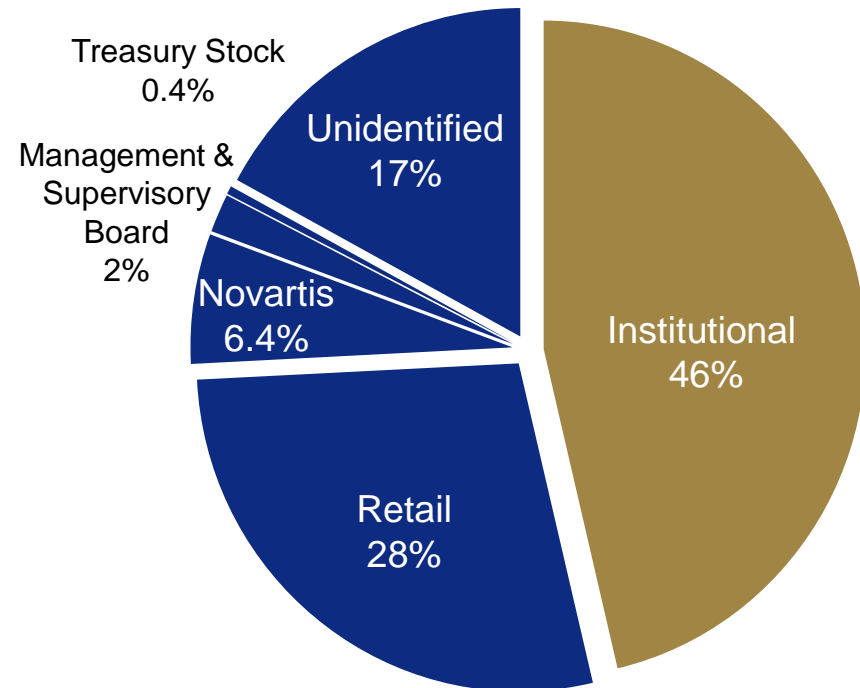
# Balance Sheet and Shareholder Structure



## Balance Sheet

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

## Shareholdings by Investor Type



Shares issued: 22,890,252 (Dec 31, 2010)



# A Rich Potential News-flow in 2011



## H1 2011

- US patent granted on MOR103 ✓
- Double digit EUR million technology milestone payment received from Novartis ✓
- Commence Phase 1 study of MOR202 in multiple myeloma
- Release MOR202 pre-clinical data
- New partner INDs
- First diagnostic kit based on a HuCAL antibody comes to market
- Further technology announcements

## H2 2011

- Complete enrollment in MOR103 Phase 1b/2a RA study
- Commence Phase 1b MS study of MOR103
- Clinical data from trial of CNTO888 in oncology\*
- Clinical data from trial of CNTO1959 in psoriasis\*
- Clinical data from trial of CNTO3157 in asthma\*
- New partner INDs
- New deal(s) based on Slonomics technology

\* MorphoSys estimates only