



Corporate Factsheet

Spring 2007

The Company

MorphoSys is one of the world's leading biotechnology companies focusing on fully human antibodies. With its proprietary technologies, MorphoSys is developing not only the next generation of therapeutic antibodies, but also antibodies for research and diagnostics purposes. HuCAL® (Human Combinatorial Antibody Library) is a very powerful technology for the rapid and automated production of specific antibodies. The most distinctive feature of the library is the capability to optimize fully human antibodies to pre-defined specifications, allowing MorphoSys researchers and their partners to "Engineer the Medicines of Tomorrow". MorphoSys's goal is to establish HuCAL as the technology of choice for antibody generation in all market sectors.

Strategy

Presently, MorphoSys prosecutes its business in two operating segments. One segment, the Therapeutic Antibodies unit, develops drug candidates for commercial partners as well as MorphoSys's own proprietary product pipeline. In this regard, the Company has been successful in establishing a number of partnerships with renowned biotechnology and pharmaceutical companies and also generated several proprietary therapeutic antibody candidates for future out-licensing to partners. MorphoSys's second operating segment, the Research Antibodies unit, delivers high-quality antibodies to the research market, under the brand AbD Serotec. Two successful acquisitions of U.S. and U.K.-based antibody suppliers with strong catalog and industrial antibody production business have significantly strengthened and broadened MorphoSys's position in the research antibody market. The resulting combined activities of MorphoSys's AbD Serotec unit serve all segments of the research and diagnostics markets.

Technologies

MorphoSys has developed several new technologies relating to the generation of fully human antibodies, which set the standard for how antibodies will be made in the future. These technologies provide rapid and direct access to human antibodies as research tools, diagnostics and therapeutics. Foremost

among these technologies is HuCAL, the Human Combinatorial Antibody Library, a collection of more than 12 billion functional, distinct, fully human antibodies. Importantly, HuCAL antibody libraries possess features which enable systematic optimization of fully human antibodies – an essential differentiating feature compared to other human antibody generation technologies, and one which is of significant value. MorphoSys's core technology is protected in the U.S.A., Europe and Australia by issued patents. Further patent applications are pending. Additionally MorphoSys has in-licensed several technologies and has complete freedom to develop and commercialize its technologies.



HuCAL GOLD® – the latest and most powerful antibody library developed by MorphoSys.

Partnering Activities

A central objective of MorphoSys is to establish its HuCAL technology as a standard technology for antibody generation, spanning the research, diagnostic and therapeutic markets. MorphoSys has established a broad product pipeline of therapeutic antibody programs within the scope of commercial agreements with partners, in addition to its own proprietary programs. These therapeutic programs exemplify the primary focus of MorphoSys's commercial activities: leveraging the power of HuCAL for the development of new therapeutic agents.

I. Therapeutic Antibodies

1. Library & Technology Transfer

MorphoSys offers the transfer and installation of the HuCAL GOLD library and the automated screening system AutoCAL™ at the premises of its clients, for the purpose of generating antibody reagents as well as therapeutic and diagnostic antibody candidates. This offer includes a comprehensive training for prospective users, the HuCAL user manual and a specialized customer support. In return, MorphoSys receives technology access and research license fees. For commercial use, MorphoSys also receives development milestones and royalties on end products. Technology licensing agree-

MorphoSys AG

Stock Exchange: Prime Standard, Frankfurt, Germany

Index: TecDAX 30

Security Code Number: MOR/663200

ISIN: DE 0006632003

U.S. Security Code: (Cusip) 617760103 (MPSYY)

No. of Shares Issued (Dec. 31, 2006): 6,715,322

Share Price (Dec. 31, 2006): EUR 54.37 (XETRA)

No. of Employees Corporate Group (Dec. 31, 2006): 279

Revenues 2006 (IFRS): EUR 53.0 million

Net Income 2006 (IFRS): EUR 6.0 million

Diluted Net Profit per Share 2006 (IFRS): EUR 0.93

MorphoSys
Engineering the Medicines of Tomorrow

ments currently exist with companies including Astellas, Bayer Schering, Bristol-Myers Squibb, Daiichi Sankyo, ImmunoGen, Merck Inc., Schering-Plough and Shionogi.

2. Therapeutic Antibody Generation

For collaboration partners requiring fully human antibodies directed against their targets for further development as therapeutics, MorphoSys provides highly optimized antibodies to its partners' pre-defined specifications, including full *in vitro* profiling for biological activity. In return, MorphoSys receives R&D funding, licensing and success payments, development milestones, and royalties on end products. MorphoSys is currently developing therapeutic antibodies with leading pharmaceutical companies such as Bayer Schering, Boehringer Ingelheim, Centocor/Johnson & Johnson, Novartis, Pfizer and Roche.

3. Proprietary Product Pipeline

MorphoSys has developed proprietary therapeutic antibody candidates in the area of inflammation and oncology. These candidates are available for future partnering. The Company's proprietary antibody pipeline currently consists of the following programs:

MOR103

MOR103 is a fully human HuCAL antibody, developed in the area of inflammatory diseases, i.e. rheumatoid arthritis, where current treatment options are inadequate. MorphoSys intends to evaluate clinical efficacy. Filing of all necessary applications to commence a phase 1 clinical trial is planned for H2 2007.

MOR202

MOR202 is a fully human HuCAL antibody directed against CD38, a therapeutic target for the treatment of multiple myeloma and certain leukemias. CD38 is a membrane glycoprotein which is highly expressed on multiple myeloma tumor cells and certain leukemias. In pre-clinical studies, MOR202 effectively killed cancer cells from primary patient tumor material and specific hematologic cancer cell lines. Furthermore, pre-clinical efficacy was shown by demonstrating strong inhibition of tumor growth in a SCID-mouse tumor model.

Contact

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II. Research Antibodies (AbD Serotec)

The Research Antibodies segment serves the research and diagnostics antibody reagents market. In the future, the combined units offerings will be marketed under the AbD Serotec brand, focusing on three closely related product areas. In the custom monoclonal antibodies segment (formerly Antibodies by Design), **custom monoclonal antibodies** are generated for non-therapeutic applications using the HuCAL technology. The HuCAL technology allows novel antibodies to be generated within 8 weeks, significantly faster than the current market standard, and provides various other advantages over the use of animals for antibody production. Next, a **comprehensive catalog** of stock antibody products comprises more than 10,000 research antibodies and immunology reagents available for immediate purchase online. Finally, the **contract manufacturing** segment produces antibodies in the 10 milligram to 10 gram or more scale on behalf of customers. All products and services are offered globally to researchers in both industrial and academic institutions.

Commercial Partners

The Company has partnered with several pharmaceutical and biotechnology companies. Active partnerships currently include (in alphabetic order):

- Astellas
- Bayer Schering Pharma
- Boehringer Ingelheim
- Bristol-Myers Squibb
- Centocor (Johnson&Johnson)
- Eli Lilly
- Daiichi Sankyo
- F. Hoffmann-La Roche
- GPC Biotech
- Immunogen
- Merck & Co.
- Novartis
- Novoplant
- Oncomed Pharmaceuticals
- Pfizer
- Prochon Biotech
- Schering-Plough
- Shionogi
- Xoma

Management

Management Board

Dr. Simon E. Moroney, *Chief Executive Officer*
Dave Lemus, *Chief Financial Officer*
Dr. Marlies Sproll, *Chief Scientific Officer*

Supervisory Board

Dr. Gerald Möller, *Chairman*
Prof. Dr. Jürgen Drews, *Deputy Chairman*
Dr. Daniel Camus
Dr. Metin Colpan
Prof. Dr. Andreas Plücker
Dr. Geoffrey N. Vernon

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