



Press Release

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MorphoSys Enrolls First Patient in Phase 1b/2a Clinical Trial for MOR103 Program in Rheumatoid Arthritis

Company Provides Guidance on R&D Investment in 2010

MorphoSys AG (FSE: MOR; Prime Standard Segment, TecDAX) announced today that it has enrolled the first patient in its Phase 1b/2a clinical trial of its lead drug MOR103. The Company's lead development program, MOR103, is a fully human HuCAL antibody directed against GM-CSF (**g**ranulocyte **m**acrophage-**c**olony **s**timulating factor), being developed in the area of inflammatory diseases, such as rheumatoid arthritis (RA), where current treatment options are inadequate.

"We are very pleased that our Phase 1b/2a study in patients with rheumatoid arthritis has now started according to plan," commented Dr. Arndt Schottelius, Chief Development Officer. "This is an important step for MorphoSys, since we will test an antibody from our growing proprietary pipeline for the first time in patients. We have thus made significant progress in bringing a potential future drug with a promising new mechanism of action closer to patients. The past year saw a major expansion of MorphoSys's development team and capabilities. Today's news also demonstrates that we have made major progress in building an excellent development organization capable of producing and advancing valuable drug candidates."

In total, the randomized, double-blind, placebo-controlled, dose-escalation trial is expected to enroll 135 patients and will be conducted in multiple centers in several European countries. Patients with active RA despite previous therapy with NSAIDs, corticosteroids, DMARDs and/or anti-TNF-alpha therapies will each receive four infusions of either the HuCAL-derived antibody MOR103 or placebo in three ascending dose cohorts. Enrollment is expected to be completed in the first half of 2011 with the final results expected in H1 2012.

The primary endpoint of the trial is to determine the safety and tolerability of multiple doses of up to 1.5 mg/kg of MOR103 in patients with active RA. Secondary outcome measures will evaluate pharmacokinetics, immunogenicity, and the drug's potential to improve clinical signs and symptoms of RA as measured by reduction of synovitis and bone edema as well as by ACR/ EULAR28 response criteria and patient reported outcomes.

Proprietary R&D Investment 2010

The phase 1b/2a trial for MOR103 is expected to constitute a significant share of MorphoSys's anticipated proprietary R&D investment in 2010 of EUR 26 million to EUR 29 million. In addition to conducting the phase 1b/2a trial in RA and preparing for phase 2 testing of MOR103 in a second

indication, MorphoSys will further accelerate and expand its proprietary development activities during the next 12 months. The Company plans to add up to four new proprietary programs including both fully owned and co-development opportunities. MorphoSys today reconfirmed its commitment to remaining profitable and expects the solid business performance and top-line growth of previous years to continue through 2010. More specific financial guidance for 2010 will be given at the Company's full year 2009 results presentation on February 25th, 2010.

About MorphoSys:

MorphoSys is an independent biotechnology company that develops novel antibodies for therapeutic, diagnostic and research applications. The Company's HuCAL technology is one of the most powerful methods available for generating fully human antibodies. By successfully applying this and other proprietary technologies, MorphoSys has become a leader in the field of therapeutic antibodies, one of the fastest-growing drug classes in human health-care. Through its alliances with some of the world's leading pharmaceutical companies, MorphoSys has created a pipeline of more than 60 drug candidates. The Company is expanding its drug pipeline by adding new partnered programs, and by building a portfolio of fully-owned therapeutic antibodies. For its proprietary portfolio, the Company is focused on the areas of oncology and inflammation. Its most advanced program MOR103, a first-in-class, fully human antibody against GM-CSF, is currently tested in a Phase Ib/IIa trial in rheumatoid arthritis patients. Via its business unit AbD Serotec, MorphoSys is expanding the reach of its technologies in the diagnostics and research markets. MorphoSys is headquartered in Munich, Germany and listed on the Frankfurt Stock Exchange under the symbol "MOR". For further information, visit <http://www.morphosys.com/>

About MOR103 to treat RA:

Rheumatoid arthritis (RA) is traditionally considered a chronic, inflammatory autoimmune disorder that causes the immune system to attack the joints and affects in particular a membrane, called synovium, which lines each movable joint. It is a disabling and painful inflammatory condition, which can lead to substantial loss of mobility due to pain and joint destruction. As a systemic disease, RA often affects extra-articular tissues throughout the body including the skin, blood vessels, heart, lungs, and muscles. The disease affects approximately 4-6 million people worldwide. In patients suffering from RA, white blood cells move from the bloodstream into the synovium. Here, these blood cells appear to play an important role in causing the synovial membrane to become inflamed. The HuCAL-based antibody MOR103 targets GM-CSF thereby having the potential to treat inflammatory diseases such as psoriasis, multiple sclerosis (MS), chronic obstructive pulmonary disease (COPD), asthma, and especially RA. The granulocyte macrophage colony-stimulating factor (GM-CSF) stimulates stem cells to produce granulocytes and macrophages and subsequently activates these differentiated immune cells. GM-CSF is part of the natural immune and inflammatory cascade but has also been identified as an inflammatory mediator in autoimmune disorders like RA leading to an increased production of pro-inflammatory cytokines, chemokines and proteases and thereby ultimately to articular destruction. By neutralizing GM-CSF the HuCAL-based antibody MOR103 reduced in pre-clinical models undesired proliferation and activation of inflammatory granulocytes and macrophages and intervenes in several pathophysiological pathways. More information and picture material is available at: <http://www.morphosys.com/en/mor103>

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This communication contains certain forward-looking statements concerning the MorphoSys group of companies. The forward-looking statements contained herein represent the judgment of MorphoSys as of the date of this release and involve risks and uncertainties. Should actual conditions differ from the Company's assumptions, actual results and actions may differ from those anticipated. MorphoSys does not intend to update any of these forward-looking statements as far as the wording of the relevant press release is concerned.

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