



Press Release

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MorphoSys Initiates Program Against Drug-Resistant MRSA Infections

MorphoSys Secures Access to Innovative Targets through In-licensing and Collaboration Agreement with Absynth Biologics

MorphoSys AG (FSE: MOR; Prime Standard Segment, TecDAX) announced today a new proprietary development program against novel infectious disease targets. As part of this initiative, MorphoSys has signed a license and collaboration agreement with UK-based Absynth Biologics, providing access to novel target molecules associated with *Staphylococcus aureus* infections including MRSA (methicillin-resistant *S. aureus*). MorphoSys will generate antibodies using its proprietary HuCAL PLATINUM antibody library which Absynth will test in relevant disease models. MorphoSys will be solely responsible for the development and partnering of the resulting compounds. Absynth will receive an upfront payment and is eligible for development-dependent milestone payments and royalties. Further financial details were not disclosed.

"This collaboration brings together Absynth's novel, proprietary targets and expertise in *S. aureus* including MRSA and MorphoSys's expertise in the generation of antibody drugs. We see these new targets as a very promising basis of antibody therapy for an increasingly serious medical problem," commented Dr. Simon Moroney, Chief Executive Officer of MorphoSys AG. "Our goal is to create a valuable package of proprietary targets together with high-affinity antibodies, supported by compelling data, which will allow us to partner the program for subsequent development. The targets identified by Absynth represent a unique opportunity to generate value rather quickly and create out-licensing opportunities much earlier than in the areas of cancer and inflammation, which remain however the main focus areas for our discovery and development organization."

"We are delighted to be collaborating with MorphoSys," commented Dr Fiona Marston, Chief Executive, Absynth Biologics Limited. "The synergies between our technologies enhance the prospects of creating products to benefit patients suffering from *S. aureus* infections."

Absynth's genomics-based approach allows identification of previously overlooked targets, such as bacterial components which are crucial to the organism, conserved across different bacterial strains and accessible for antibodies. Absynth has demonstrated that monoclonal antibodies against the targets in-licensed by MorphoSys inhibit the growth of *S. aureus* and recruit the human immune system to eliminate bacteria via phagocytosis. Absynth has filed patent applications on all targets involved in the collaboration.

Hospital-acquired or nosocomial infections are a growing public health concern and are associated with increasing levels of mortality. The Center for Disease Control and Prevention estimates that in the United States alone about 1.7 million nosocomial infections and 99,000 associated deaths occur each year. These infections are caused by micro-organisms including drug-resistant MRSA. In the United Kingdom, *S. aureus* accounts for almost half of all hospital-acquired infections.

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/>

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About Absynth

Founded in 2007 by Fusion IP and based on discoveries from the University of Sheffield laboratories of Professor Simon Foster & Dr Jorge Garcia-Lara, Absynth is a private, UK biotechnology company focused on the discovery and development of products for the prevention and treatment of bacterial infections. The company's distinctive approach uses genomics to identify highly conserved bacterial protein targets, essential for life and capable of stimulating the immune system. Our platform has broad potential against a range of bacterial infections. Absynth's novel targets offer two lines of attacking infection: vaccines for prophylactic use to stimulate an immune response or antibodies for anti-infective treatments. In its vaccine programmes, the company has shown that its *S. aureus* antigens effectively harness the immune system and *in vivo* reproducibly protect against infection in the gold-standard *in vivo* model of infection. Absynth's novel antigens are also found in other infectious bacteria which forms the basis of the company's pipeline. Absynth is located in Sheffield, UK. For further information, visit <http://www.absynthbiologics.co.uk/>

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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