3rd Interim Report

January – September 2013

morphosys

Engineering the Medicines of Tomorrow

Contents

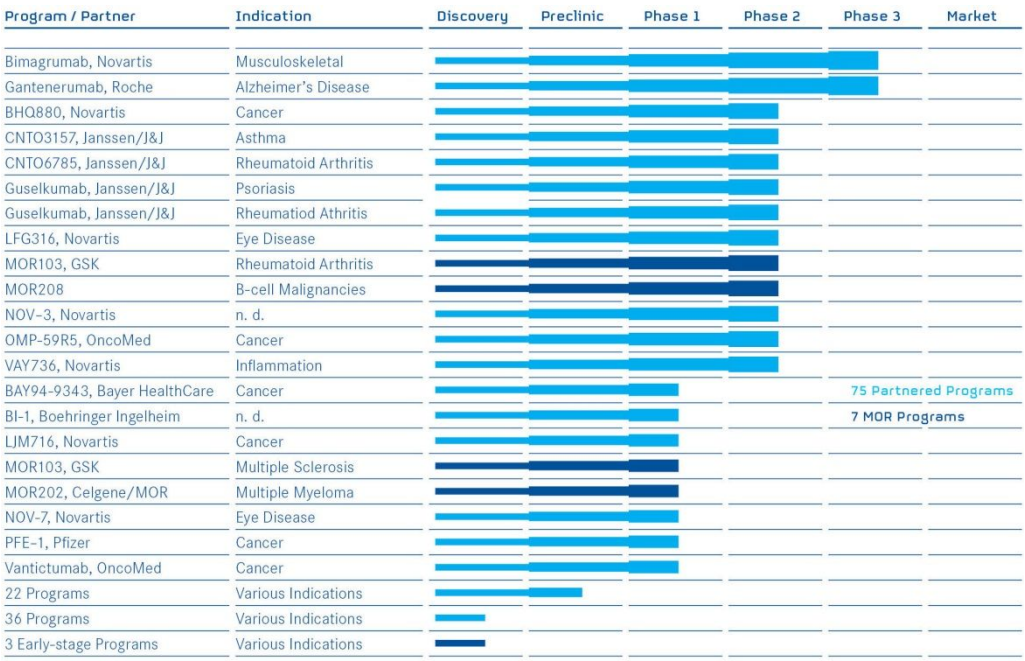
MorphoSys Group:
3rd Interim Report January – September 2013

Summary

Summary of the Third Quarter of 2013

- On 10 August 2013 the US antitrust authorities approved the development alliance with Celgene for MOR202 which was announced at the end of June 2013. As part of the agreement, Celgene acquired 797,150 new MorphoSys shares at € 57.90 per share. This represented a premium of 5.0% compared to the share's closing price on 9 August 2013. Currently Celgene holds about 3% of MorphoSys's registered share capital.
- On 24 October 2013, MorphoSys once again increased its financial guidance for the current year. For the full-year 2013, the Company expects an EBIT of EUR 7 million to EUR 10 million (up from previously EUR 2 million to EUR 6 million) and revenues at the upper end of the guidance range of EUR 74 million to EUR 78 million which originally has been communicated on 10 August 2013.
- The phase 1/2a study of the CD19 antibody MOR208 in the area of chronic lymphatic leukemia was successfully completed, showing an acceptable safety profile and the doubling of the overall response rate to 29.6% resulting from a longer treatment period with MOR208 in the 2a-part of the study compared with data from the shorter period.
- MorphoSys demonstrated further project progress in the Partnered Discovery segment. Novartis began a pivotal clinical phase 2/3 study with the HuCAL-based antibody compound bimagrumab and advanced the VAY736 project into phase 2. In addition, the partner company Janssen brought two projects into phase 2 of clinical development.
- By the end of the third quarter 2013, MorphoSys's product pipeline comprised 21 clinical programs including two programs in pivotal studies with bimagrumab (Novartis) and gantenerumab (Roche).
- MorphoSys issued a capital increase with proceeds of around € 84 million. Approximately 1.5 million new shares were issued to international institutional investors at € 55.76 per share (share's previous day closing price). The offer was multiple times over-subscribed.

MORPHOSYS PRODUCT PIPELINE



Interim Group Management Report: 1 January – 30 September 2013

Business Environment and Activities

ECONOMIC DEVELOPMENT

On the international markets, a possible escalation in the Syrian crisis is still concerning, as seen by a visible increase in oil prices. In September, the crisis eased somewhat when Syria agreed to the destruction of its chemical weapons.

In the Eurozone, the impact of the debt crisis is expected to diminish slowly. Nevertheless, the European Central Bank (ECB) is maintaining a low interest rate strategy as to not endanger Europe's economic recovery. The key interest rate in the Eurozone remains at a record low of 0.5%.

The German economy continues to grow with private consumption as a key contributor to Germany's overall economic growth. Growth of 0.5% is expected in the third quarter. The CDU/CSU decidedly won the German federal elections and the coalition negotiations remained inconclusive at the time of publishing this report.

The US economy is in the midst of an upward trend which is underlined by a marginally positive development in the labour market. US economic growth of 2% is expected in the third quarter. The market reacted positively to the US Federal Reserve's announcement that it will retain its low interest rate policy. In contrast, the US budget dispute escalated further and resulted in a shutdown of the public administration (government shutdown).

Compared to the previous year, the euro has continued to appreciate against the US dollar. After the first nine months, the euro closed at 1.3527 US dollars (at the start of 2013: 1.3193 US dollars).

IMPLICATIONS FOR MORPHOSYS

Possible effects on MorphoSys's business from the economic developments described are associated to a limited extent with the US budget dispute and the forced leave of the federal government. This can lead to delays in the work processes of the US Food and Drug Administration (FDA) and the study centres of the National Institutes of Health (NIH) and have a limited influence on the activities of drug development projects.

INDUSTRY OVERVIEW

Further significant progress was made in the area of antibody technology and products in the third quarter of 2013.

In August 2013, the HuCAL antibody bimagrumab (formerly: BYM338), which was developed by Novartis, was awarded so-called "Breakthrough Therapy Designation" by the US Food and Drug Administration (FDA). This status allows for faster approval and closer cooperation with authorities for compounds with substantial medical potential, which in turn provides the prospect of quicker market access. This may lead to MorphoSys receiving royalties from product sales sooner than expected.

In the third quarter, Arzerra, another antibody compound, was given this status by the FDA. As a result, there are now five therapeutic antibodies in development projects industry-wide which have "Breakthrough Therapy Designation".

The compound Inflectra, a generic of the compound Remicade® (infliximab), was the first biosimilar antibody to receive regulatory approval in Europe. Inflectra was approved for the treatment of inflammatory diseases such as rheumatoid arthritis and psoriasis.

With the acquisition of Onyx Pharmaceuticals Inc. for about 10 billion US dollars, the biotechnology group Amgen has carried out the largest corporate takeover in the sector during the reporting quarter. Onyx is specialised in the development of cancer drugs and is active in the in the treatment of multiple myeloma with the compound Kyprolis® (carfilzomib).

OPERATIONAL PERFORMANCE

In the third quarter, MorphoSys sustained its successful course of the 2013 financial year thus far.

Two of three of the Company's proprietary product candidates now have licensing agreements. These alliances were formed in order to support future development plans. This in turn lays the foundation for an even higher level of value generation in the future via the MOR103 and MOR202 projects.

The partner pipeline gained considerable maturity as a further project entered into a pivotal study and three other programs moved into phase 2 of clinical development. At the end of the third quarter of 2013, MorphoSys's product pipeline continued to comprise a total of 21 partner and proprietary programs in clinical development.

MorphoSys programs operated with partners address important indication areas having enormous medical potential as demonstrated by the progress of the projects and the awarding of "Breakthrough Therapy Designation" for the bimagrumab partner program in the third quarter.

Many of the Company's targets for the fiscal year have already been achieved with the results MorphoSys has shown in the first nine months of 2013. The financial guidance initially targeted was raised once again following the commencement of the cooperation with Celgene for MOR202 in the third quarter.

COMPANY STRATEGY AND MANAGEMENT

MorphoSys did not carry out any changes to the Company's strategy or management in the third quarter. On the contrary, the agreements with Celgene and GlaxoSmithKline further strengthened the dual business strategy for the development of medications. A comprehensive description of the Company's strategy and management can be found in the 2012 Annual Report beginning on page 13.

Research and Development

PARTNERED DISCOVERY

By September 2013, the number of therapeutic antibody programs operated with partners rose to a total of 75 active programs (31 December 2012: 70 partnered programs). Of those, 17 programs are currently in clinical development, 22 in pre-clinical development, and 36 are in the discovery phase. In the third quarter alone, four partnered projects made decisive progress in attaining regulatory approval.

MorphoSys's partner, Janssen, began two new clinical phase 2 studies for HuCAL antibodies in the third quarter. One study with the HuCAL antibody, CNTO3157, was started with asthma patients and a second study was begun with the CNTO6785 HuCAL antibody with patients having active rheumatoid arthritis.

Novartis began a clinical study of phase 2/3 with the HuCAL-based antibody compound bimagrumab (BYM338) in indications for sporadic inclusion body myositis and received the US Food and Drug Administration's (FDA) so-called "Breakthrough Therapy Designation" in August 2013. Using this status, the FDA prioritises compounds within its internal processes which are particularly innovative and promising. Additionally, one project proceeded to phase 2: VAY736, which is a HuCAL antibody directed against skin diseases caused by auto immune reactions.

PROPRIETARY DEVELOPMENT

The following clinical programs derived from proprietary development activities are currently in MorphoSys's pipeline: MOR103 in the areas of rheumatoid arthritis and multiple sclerosis (MS), MOR202 in the area of multiple myeloma, and MOR208 in the area of B-cell malignancies. MOR103 and MOR202 are already part of larger partnerships whereas MOR208 is still being developed entirely in-house. Those on-going clinical trials for MOR103 in MS and for MOR202 in the area of multiple myeloma, for which MorphoSys is still responsible as part of its partnerships with GlaxoSmithKline and Celgene, are continuing as planned.

The final data for MOR208 was published following the conclusion of clinical phase 1/2a trials in patients with relapsed or refractory chronic lymphatic leukemia (CLL/SLL). Initial data on the safety and objective response according to the original eight-week treatment plan were presented at the annual meeting of the American Society of Hematology in December 2012. Due to the first signs of efficacy in this difficult to treat patient group, the study protocol was amended to treat patients longer in the highest dosage group who benefited from the treatment. Eight patients qualified for an extended treatment period and received up to four additional treatment cycles with MOR208 including an extended follow-up on the response to the treatment. Final trial results, including the extended treatment arm, showed an overall response rate of 29.6% (according to the IWCLL criteria of 2008) based on the total number of participants treated in the study (n=27) – a doubling of 14.8% to 29.6% compared to the response rate published thus far. A detailed analysis of the trial's results will be published in a scientific journal.

Intellectual Property

In the first nine months of 2013, MorphoSys has further consolidated and expanded the patent position of its development programs and its growing technology portfolio which represent the Company's important value drivers.

Shortly after the end of the quarter, MorphoSys announced the receipt of a new US patent for the protection of its cancer compound MOR208. The newly awarded patent encompasses the antibody protein sequence

and the pharmaceutical compounds containing the same sequences. The new patent has a scheduled term until 2029, barring any potential patent office or regulatory extensions.

Currently, the Company maintains more than 40 different proprietary patent families worldwide in addition to the numerous patent families it pursues in cooperation with its partners.

Commercial Development

PARTNERED DISCOVERY

Three partnered program achievements were directly coupled to revenue-relevant milestone payments in the third quarter of 2013. The progress with bimagrumab/BYM338 (Novartis, start of a phase 2/3 trial), CNTO3157, and CNTO 6785 (both Janssen, both start of a phase 2 trial) projects triggered clinical milestone payments. All payments were completely recognised in the third quarter of 2013, resulting in performance-related payments of € 3.0 million for the first nine months. This was higher than last year's level. The commencement of phase 2 trials for the VAY736 project was not linked to milestone payments.

PROPRIETARY DEVELOPMENT

MorphoSys significantly strengthened its proprietary development pipeline in the course of the third quarter.

The alliance with the American biotechnology company, Celgene Corporation, for the MOR202 program which was announced in the second quarter of 2013, entered into force on 10 August 2013 following the approval received from the US antitrust authorities under the Hart-Scott-Rodino Act. As a result, MorphoSys received an up-front license fee amounting to € 70.8 million. Moreover, Celgene acquired 797,150 new MorphoSys shares at € 57.90 per share.This represented a premium of 5.0% compared to the share's closing price on 9 August 2013. Compared with the share price before the cooperation has been announced on 26 June 2013, this represents a premium of about 59%. Currently Celgene holds about 3% of MorphoSys’s registered share capital.

MorphoSys and Celgene will now jointly develop MOR202 for the treatment of multiple myeloma and other indications and share the development costs at a ratio of 1/3 (MorphoSys) to 2/3 (Celgene). As part of this cooperation, MorphoSys may receive additional development-related as well as regulatory and revenue-related milestones, as well as tiered, double-digit royalties on net sales outside of the co-promotion activities carried out in select European markets. MorphoSys will receive 50% of the earnings generated in those European countries destined for co-promotion. The total volume of the contract could amount to € 628 million should all of the development-related, regulatory, and revenue-related milestones be achieved.

The phase 1/2a trial in CLL for the MOR208 program has concluded. MorphoSys's partner company, Xencor, was responsible for this trial as a sponsor. Now, MorphoSys has sole responsibility for any further development and commercialisation.

ACQUISITION UPDATE

In financial year 2012, MorphoSys agreed to a technological partnership with Lanthio Pharma for a new class of therapeutic peptides. Within the framework of this cooperation, both companies will jointly implement their technologies to produce high-quality and diverse lantipeptide libraries. Furthermore,

MorphoSys participated in the Series A financing round for Lanthio Pharma via an equity investment and holds a minority stake in Lanthio Pharma.

Beyond that, MorphoSys did not acquire any development candidates or companies in the 2012 financial year or in the first nine months of 2013.

Human Resources

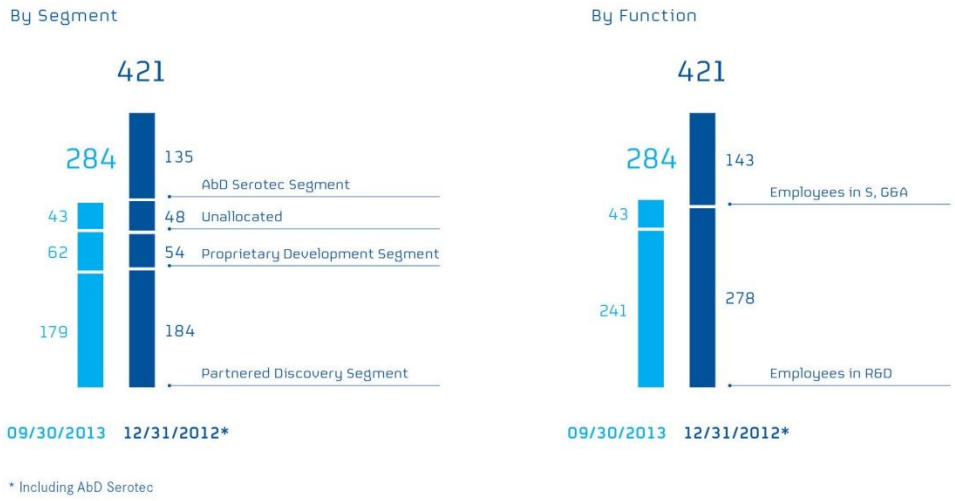
Following the completed sale of AbD Serotec, the reported number of employees solely reflects the workforce of continued operations and thus shows a strong decline in comparison to the previous year. On 30 September 2013, the MorphoSys Group engaged 284 employees (31 December 2012: 421*). Of these 284 employees, 241 were employed in research and development (R&D), and 43 in sales, general, and administrative (S, G&A) functions (31 December 2012: 278* and 143*, respectively). On average, the MorphoSys Group employed 289 people in the first nine months of 2013 (first nine months of 2012: 422*).

On 30 September 2013, MorphoSys had a total of 117 employees with PhD degrees (31 December 2012: 142*).

Of the 284 employees, 179 were employed in the Partnered Discovery segment and 62 were employed in the Proprietary Development segment (31 December 2012: 184 in Partnered Discovery segment, 54 in Proprietary Development segment). The remaining 43 employees were not allocated to any of these segments (31 December 2012: 48).

On 30 September 2013, MorphoSys employed seven trainees (31 December 2012: 10).

EMPLOYEE BY SEGMENT AND FUNCTION



* Including AbD Serotec

Financial Analysis

At the end of 2012, MorphoSys announced the sale of substantially all of the AbD Serotec business to Bio-Rad Laboratories, Inc. (Bio-Rad). As of 31 December 2012, substantially all of the AbD Serotec operating segment represented a discontinued operation within the meaning of IFRS 5. The Partnered Discovery and Proprietary Development operating segments along with the continuing operations of the AbD Serotec segment were classified as continuing operations as of the balance sheet date of 31 December 2012. The closing of the transaction was dependent upon the fulfilment of certain conditions which were met on 10 January 2013 (closing date). Hence, substantially all of the AbD Serotec segment was sold as of this date. The financial implications of the discontinued operations of AbD Serotec, owned by the MorphoSys Group until 10 January 2013, are explained below.

As of 30 September 2013, the companies MorphoSys UK Ltd., Oxford, Great Britain; MorphoSys US, Inc., Raleigh, USA; and MorphoSys AbD GmbH, Düsseldorf, Germany were no longer included in MorphoSys Group's scope of consolidation.

Revenues

Compared to the previous year, Group revenues from continuing operations rose by 80% to € 63.6 million (1-9/2012: € 35.4 million). This increase was primarily attributable to the out-licensing of the MOR103 antibody program to GlaxoSmithKline as well as license fees in connection with the sale of the AbD Serotec business to Bio-Rad. As part of this sale, a non-exclusive license for the use of the HuCAL technology in the market for research reagents and diagnostics was transferred to Bio-Rad as well. The global agreement with Celgene Corporation for the co-development of the MOR202 cancer program and the co-promotion in Europe also drove the revenue increase.

The continuing operations of the Partnered Discovery and Proprietary Development segments contributed € 63.6 million to Group revenues (1-9/2012: € 35.2 million).

From a geographical viewpoint, MorphoSys achieved 8% or € 4.9 million of its commercial revenues with biotechnology and pharmaceutical companies and non-profit organisations headquartered in North America and 92% or € 58.7 million with customers primarily located in Europe and Asia. In the comparable - period of the previous year, these shares were 5% and 95%, respectively.

PARTNERED DISCOVERY AND PROPRIETARY DEVELOPMENT SEGMENTS

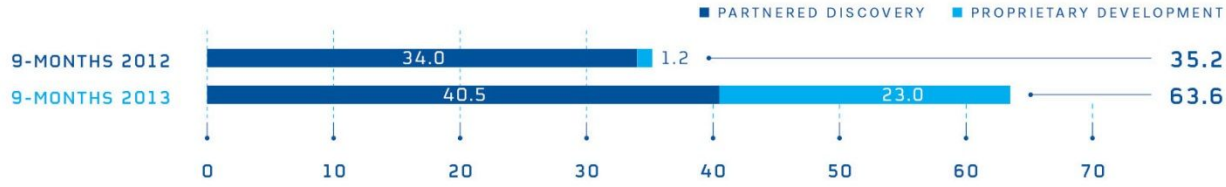
Revenues from the Partnered Discovery segment included € 37.5 million in funded research and licensing fees (1-9/2012: € 32.1 million) and € 3.0 million € (1-9/2012: € 1.9 million) in success-based payments. Success-based payments amounted to 5% (1-9/2012: 5%) of the total revenues of the Partnered Discovery and Proprietary Development segments. Funded research and licensing fees grew overall due to a non-exclusive license transferred for the use of the HuCAL technology in the market for research reagents and diagnostics in the context of the sale of substantially all of the AbD Serotec business to Bio-Rad.

In the first nine months, the Proprietary Development segment achieved revenues of € 23.0 million (1-9/2012: € 1.2 million). This year-on-year increase was mainly impacted by the recognition of an up-front payment as part of the out-licensing of the MOR103 antibody program to GlaxoSmithKline and by

the pro-rata recognition of an up-front payment as part of the agreement with Celgene for the co-development of the MOR202 antibody program. Revenues from funded research in this segment declined to € 0.3 million (1-9/2012: € 1.2 million) as co-development activities with Novartis were stopped.

Approximately 92% of Group revenues were attributed to Novartis, GlaxoSmithKline, and Bio-Rad (1-9/2012: 97% from Novartis, Roche, and Pfizer).

REVENUE DEVELOPMENT BY SEGMENT – CONTINUING OPERATIONS (IN € MILLION)*



* Differences due to rounding

Operating Expenses

In the first nine months of 2013, operating expenses increased by 31% to € 49.1 million (1-9/2012: € 37.6 million). This € 11.5 million increase is due to a 24% or € 6.9 million rise in research and development expenses as well as a 53% or € 4.6 million rise in sales, general, and administrative expenses to € 13.2 million.

Operating expenses rose both in the Partnered Discovery segment (1-9/2013: € 18.2 million; 1-9/2012: € 16.1 million) and in the Proprietary Development segment (1-9/2013: € 20.8 million; 1-9/2012: € 14.5 million).

Personnel expenses resulting from share-based compensation are included both in sales, general, and administrative expenses and in research and development expenses. These amounted to € 4.1 million in the first nine months of 2013 (1-9/2012: € 1.0 million) and represent a non-cash expenditure. The rise is primarily due to an adjustment of the LTI programs granted in the years 2011 and 2012 and from the new LTI and convertible bond programs which were both granted in Q2 2013.

RESEARCH AND DEVELOPMENT EXPENSES

Research and development expenses grew by € 6.9 million in the first nine months of 2013 to € 35.9 million (1-9/2012: € 29.0 million). Higher personnel expenses were the main reason for this increase (1-9/2013: € 15.7 million; 1-9/2012: € 13.1 million), as were costs for external laboratory services (1-9/2013: € 10.1 million; 1-9/2012: € 6.6 million). Research and development expenses also comprised an impairment of licenses in the amount of € 0.7 million.

In the first nine months of 2013, the Company incurred expenses of € 20.8 million (1-9/2012: € 14.5 million) for the development of proprietary products and € 3.3 million (1-9/2012: € 2.7 million) in expenses for technology development.

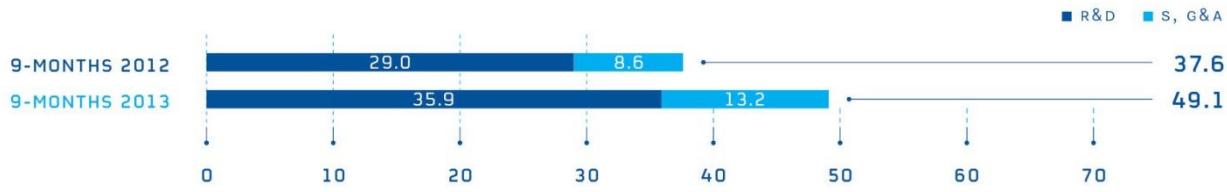
DISTRIBUTION OF R&D-EXPENSES (IN MILLION €)

	1-9/2013	1-9/2012
R&D expenses on behalf of partners	11.8	11.8
Proprietary Development expenses	20.8	14.5
Technology Development expenses	3.3	2.7
Total R&D	**35.9**	**29.0**

SALES, GENERAL, AND ADMINISTRATIVE EXPENSES

In comparison to the same period in the previous year, sales, general, and administrative expenses rose 53%, or € 4.6 million, to € 13.2 million (1-9/2012: € 8.6 million), primarily due to higher personnel expenses (1-9/2013: € 8.2 million; 1-9/2012: € 5.5 million), and expenses for external services (1-9/2013: € 2.6 million; 1-9/2012: € 1.3 million). Sales, general, and administrative expenses also comprised an impairment of patents in the amount of € 0.3 million.

DEVELOPMENT OF OPERATING EXPENSES – CONTINUING OPERATIONS (IN € MILLION)



Other Income and Expenses

Other income amounted to € 0.6 million (1-9/2012: € 0.3 million) and mainly comprised service income from supporting Bio-Rad in the integration of the AbD Serotec business and government grants. Other expenses of € 0.4 million (1-9/2012: € 0.1 million) were primarily composed of currency losses.

EBIT

Earnings before interest and taxes (EBIT) from continuing operations amounted to € 14.6 million compared to an EBIT of € -1.9 million in the previous year. Split by segments, EBIT from the continuing operations of the Partnered Discovery and Proprietary Development segments amounted to € 22.4 million (1-9/2012: € 17.9 million) and € 2.4 million (1-9/2012: € -13.1 million), respectively.

Finance Income and Expenses

Finance income amounted to € 0.6 million (1-9/2012: € 0.6 million) and largely included realised gains from securities which were sold in the reporting period. Finance expenses of € 0.1 million (1-9/2012:

€ 0.1 million) mainly resulted from bank fees, interest expenses, and losses from currency hedging transactions.

Gains from the Sales of Discontinued Operations

Taking into account transaction costs, the sale of substantially all of the AbD Serotec business resulted in a gain from deconsolidation of € 8.0 million. The gain was recorded as other income in the result from discontinued operations.

Taxes

In the first nine months of 2013, continuing operations reported income tax expenses of € 4.3 million (1-9/2012: income tax benefit of € 0.5 million) which were composed of current tax expenses of € 4.7 million and deferred tax income of € 0.4 million.

Consolidated Result for the Period

In the first nine months of 2013, continuing operations reported a net profit for the period of € 10.9 million (1-9/2012: net loss € 0.9 million). The resulting basic net profit per share for the first nine months of 2013 amounted to € 0.45 (1-9/2012: € -0.04).

Results from Discontinued Operations

The sale of substantially all of the AbD Serotec business to Bio-Rad was completed on 10 January 2013.

Upon deconsolidation, a disposal gain of € 8.0 million was achieved. Net income for the period from discontinued operations amounted to € 6.0 million (1-9/2012: € -0.4 million).

The result from discontinued operations was composed as follows:

For the Nine Months Period Ended 30 September (in 000's €)	2013*	2012
Revenues	**603**	**13,468**
Cost of Goods Sold	158	4,797
Research and Development	29	1,394
Sales, General and Administrative	2,078	7,543
Total Operating Expenses	**2,265**	**13,734**
Other Income / (Expenses)	9	(137)
Earnings before Interest and Taxes (EBIT)	**(1,653)**	**(403)**
Finance Income / (Expenses)	(4)	(65)
Other Income from Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	8,001	0
Profit / (Loss) before Taxes	**6,344**	**(468)**
Income Tax (Expenses) / Income from Discontinued Operations	(35)	113
Income Tax Expenses in connection with the Sale of Assets and Liabilities of the Disposal Group Classified as Held for Sale	(337)	0
Profit / (Loss) from Discontinued Operations	**5,972**	**(355)**

* Comprises the period from 1 January to 10 January 2013

In the first ten days of 2013, discontinued operations generated revenues of € 0.6 million (1-9/2012: € 13.5 million).

Operating expenses totalled € 2.3 million (1-9/2012: € 13.7 million), including cost of goods sold in the amount of € 0.2 million (1-9/2012: € 4.8 million). Sales, general, and administrative expenses of € 2.1 million (1-9/2012: € 7.5 million) included transaction costs of € 1.8 million (1-9/2012: € 0.2 million) related to the sale of the AbD Serotec business.

The AbD Serotec segment's gross margin improved to 74% (1-9/2012: 64%) in comparison to 2012. This increase over the previous year was primarily due to the sale of products with higher margins.

The significant decline in revenues and operating expenses in comparison to the previous year was caused by the MorphoSys Group's disposal of substantially all of the AbD Serotec segment on 10 January 2013.

The discontinued operations of the AbD Serotec segment generated an EBIT of € -1.7 million in 2013 (1-9/2012: € -0.4 million).

Profit before taxes amounted to € 6.3 million (1-9/2012: € -0.5 million). Income tax expenses amounted to € 0.4 million in 2013 (1-9/2012: income of € 0.1 million). This amount included income tax expenses related to a disposal gain from the discontinued operations of € 0.34 million.

Financial Position

CASH FLOWS

The net cash inflow from operating activities totalled € 100.8 million in the first nine months of 2013 (1-9/2012: cash inflow of € 2.4 million). Of this amount, a net cash outflow of € 1.8 million was attributable to discontinued operations in 2013 (1-9/2012: cash inflow of € 1.0 million), while continuing operations achieved a cash inflow from operating activities of € 102.6 million (1-9/2012: cash inflow of € 1.5 million).

In the first nine months of 2013, the Company invested in various financial assets, like securities and bonds available for sale, short-term commercial paper and term deposits. These investments resulted in a cash outflow of € 171.1 million (1-9/2012: cash outflow of € 9.3 million) of which cash inflows of € 36.6 million were caused by discontinued operations (1-9/2012: cash outflow of € 0.1 million) and cash outflows of € 207.7 million were caused by continuing operations (1-9/2012: cash outflow of € 9.2 million).

The cash inflow from financing activities amounted to € 129.3 million in 2013 (1-9/2012: cash inflow of € 0.9 million) which was entirely attributable to continuing operations.

INVESTMENTS

In the first nine months of 2013, MorphoSys carried out investments in property, plant, and equipment for continuing operations of € 0.5 million (1-9/2012: € 0.5 million). Depreciation of property, plant, and equipment amounted to € 1.0 million in the nine-month period of 2013 compared to € 1.3 million in 2012.

In the first nine months of 2013, the Company invested € 3.9 million in intangible assets (1-9/2012: € 0.6 million) for continuing operations. Amortisation of intangible assets amounted to € 2.5 million in the first nine months of 2013 and was thus below the level of the prior year (1-9/2012: € 2.9 million). In the third quarter of 2013, an impairment of licenses and patents was accounted for in the amount of € 1.0 million.

LIQUIDITY

On 30 September 2013, the Company held cash, cash equivalents, and financial assets available for sale totalling € 302.2 million (31 December 2012: € 120.4 million). Additionally, further financial assets of € 99.7 million (31 December 2012: € 10.0 million) were reported under other receivables and allocated to the category "Loans and Receivables". The increase in liquidity resulted primarily from the Celgene agreement (up-front payment of approx. € 71 million and purchase of MorphoSys shares amounting to approx. € 46 million), the capital increase carried out in September (approx. € 84 million), the proceeds from the purchase price of the divested AbD Serotec operations (approx. € 53 million including the escrow account), as well as from the agreement with GlaxoSmithKline (up-front payment of approx. € 22 million).

Balance Sheet

ASSETS

On 30 September 2013, total assets amounted to € 456.4 million, € 232.1 million higher than on 31 December 2012 (€ 224.3 million). The € 271.9 million increase in current assets was mainly the result of the cash proceeds in connection with the Celgene agreement, the capital increase carried out in September, the proceeds from the purchase price of the divested AbD Serotec operations, and the GlaxoSmithKline agreement.

A substantial portion of the cash proceeds was invested in various securities. As of 30 September 2013, an amount of € 186.1 million (31 December 2012: € 79.7 million) was invested in various money market funds which are recorded under the line item "Securities, Available for Sale". The line item "Bonds, Available for Sale" contained a total of € 11.1 million in bonds (31 December 2012: € 0 million).

Other receivables grew from € 10.3 million as per 31 December 2012 to € 99.9 million. This line item primarily contained various investments allocated to the category "Loans and Receivables" (€ 95.0 million) and a partial amount of € 4.7 million of the purchase price for the divested AbD Serotec business held in an escrow account.

Compared to 31 December 2012, non-current assets increased only marginally by € 1.0 million. The line item "Intangible Assets under Development" rose by € 2.3 million as a result of the capitalisation of milestone payments. In addition, the share in Lanthio Pharma B.V. increased by € 0.8 million. This was partially offset by a decline in licenses of € 1.9 million as a result of scheduled amortisation and impairments.

LIABILITIES

The increase in current liabilities from € 11.9 million on 31 December 2012 to € 39.5 million on 30 September 2013 essentially resulted from a higher current portion of deferred revenues (€ +18.8 million) as a result of the deferred up-front payment from Celgene. Accounts payable and accrued expenses rose by € 5.6 million compared to the level on 31 December 2012, mainly as a result of increased expenses accrued for external laboratory services. In addition, tax liabilities increased € 3.2 million due to the earnings situation.

Non-current liabilities had a significant change of € 57.0 million in comparison to the reporting date of 31 December 2012. This change was mainly due to deferred revenues in connection with the up-front payment made by Celgene.

STOCKHOLDER'S EQUITY

On 30 September 2013, Group equity totalled € 353.3 million compared to € 202.0 million on 31 December 2012.

As of 30 September 2013, the number of shares issued totalled 26,111,009 of which 25,771,119 shares were outstanding (31 December 2012: 23,358,228 and 23,102,813 shares, respectively). In the course of the capital increase in September 2013 and Celgene's acquisition of MorphoSys shares, a total of 2,311,216 new shares were issued.

Compared to 31 December 2012, the number of authorised ordinary shares fell from 43,142,455 to 37,031,133 since the Authorised Capital 2008-I had not been utilised since the 2008 Annual General Meeting and had therefore expired on 30 April 2013.

Financing

On 30 September 2013, the Group's equity ratio amounted to 77% (31 December 2012: 90%). Currently, the Company is not financed through financial debt.

Risk and Opportunity Report

The risks and opportunities as well as their assessment remain unchanged as compared to the situation described on pages 50 to 55 of the 2012 Annual Report. Following antitrust clearance for the Celgene alliance, MorphoSys's risk and opportunity profile presents significantly higher opportunities for increasing value (accompanying clinical trials up to market entry and subsequent commercialisation of the compound) and risks (higher financial commitment by involvement in phase 2 and phase 3 studies). The financial risks associated with licensing agreements (for example, when projects are either not out-licensed, out-licensing is delayed, or they are out-licensed to a different degree than planned) declined for the two proprietary programs MOR103 and MOR202, since these could be successfully introduced into partnerships.

Subsequent Events

No events occurred that require reporting.

Outlook

EXPECTED DEVELOPMENT OF THE LIFE SCIENCES SECTOR

The pharmaceutical sector continues to face an array of challenges. The sector is occupied with expiring patent protection for blockbuster drugs and increased competition on the market due to the rising penetration of generics. Higher consolidation and innovation pressure is the result. Possible alternative strategies lie within an increasing trend toward outsourcing and in stronger attempts at acquisitions. According to a survey conducted by the German Association of Biotechnology Industries (DIB), 80% of the companies surveyed nevertheless expected increasing revenues for the full year of 2013.

FINANCIAL GUIDANCE

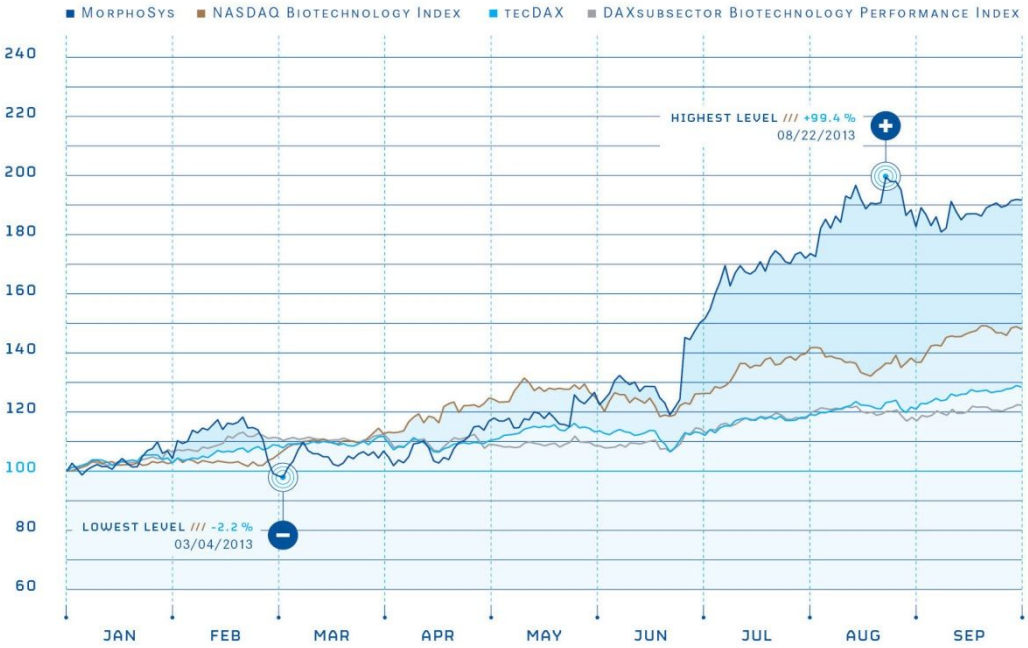
On 24 October 2013, MorphoSys once again increased its financial guidance for the current year. For the full-year 2013, the Company expects an EBIT of EUR 7 million to EUR 10 million (up from previously EUR 2 million to EUR 6 million) and revenues at the upper end of the guidance range of EUR 74 million to EUR 78 million which originally has been communicated on 10 August 2013. The change of the EBIT range is mainly driven by the positive revenue development as well as lower than originally anticipated costs for the development of the cancer program MOR202 under the co-development and cost-sharing agreement with Celgene. On 10 August 2013 the financial guidance has been increased once before as a result of the entry into force of the global alliance with Celgene for the MOR202 program in the third quarter.

The statements made in the 2012 Annual Report on pages 56 to 58 regarding the strategic outlook, the expected operational and human resource development, future research and development, as well as the dividend policy are essentially unchanged.

Share Price Performance

After performing strongly in the first six month of 2013, MorphoSys shares continued to rise in the 3rd quarter (+30.0%). After the end of the third quarter, the shares reached a new twelve-year high in early October following the clinical milestone with Novartis in the bimagrumab program. Within an overall positive stock market environment, MorphoSys shares have gained a total of +95.9% year-to-date until 30 September 2013. The key benchmark indices also developed positively, albeit at a lower level: In the first nine months of 2013, the NASDAQ Biotechnology Index rose 53.0%, the TecDAX increased 30.8%, and the DAX Subsector Biotechnology Performance Index gained 8.1%.

THE MORPHOSYS SHARE (2 JANUARY 2013 = 100 %)



Consolidated Income Statement (IFRS)

€	Note	Three Months Ended 09/30/2013	Three Months Ended 09/30/2012	Nine Months Ended 09/30/2013	Nine Months Ended 09/30/2012
Continuing Operations:					
Revenues	2	**15,358,815**	**11,032,492**	**63,590,890**	**35,389,931**
Operating Expenses	2				
Research and Development		13,150,628	8,734,889	35,895,473	28,951,323
Sales, General and Administrative		4,822,698	3,013,395	13,246,828	8,610,575
Total Operating Expenses		**17,973,326**	**11,748,284**	**49,142,301**	**37,561,898**
Other Income		201,593	96,707	**620,601**	326,089
Other Expenses		269,963	29,441	**421,165**	57,660
Earnings before Interest and Taxes (EBIT)		**(2,682,881)**	**(648,526)**	**14,648,025**	**(1,903,538)**
Finance Income		41,166	70,187	**613,696**	629,845
Finance Expenses		17,958	9,927	**76,038**	80,492
Income Tax (Expenses) / Income		565,937	(5,799)	**(4,296,341)**	486,523
Profit / (Loss) from Continuing Operations		**(2,093,736)**	**(594,065)**	**10,889,342**	**(867,662)**
Profit / (Loss) from Discontinued Operations	10	**(12,427)**	**345,593**	**5,971,812**	**(354,915)**
Consolidated Net Profit / (Loss)		**(2,106,163)**	**(248,472)**	**16,861,154**	**(1,222,577)**
Basic Net Profit / (Loss) per Share		**(0.08)**	**(0.01)**	**0.69**	**(0.05)**
thereof from Continuing Operations		(0.08)	(0.03)	0.45	(0.04)
thereof from Discontinued Operations		(0.00)	0.02	0.24	(0.01)
Diluted Net Profit / (Loss) per Share		**(0.08)**	**(0.01)**	**0.68**	**(0.05)**
thereof from Continuing Operations		(0.08)	(0.03)	0.44	(0.04)
thereof from Discontinued Operations		(0.00)	0.01	0.24	(0.01)
Shares Used in Computing Basic Net Profit / (Loss) per Share		25,692,619	23,007,832	24,546,256	22,981,315
Shares Used in Computing Diluted Net Profit / (Loss) per Share		26,113,148	23,220,562	24,815,427	23,185,409

See accompanying Notes

Consolidated Statement of Comprehensive Income (IFRS)

€	Three Months Ended 09/30/2013	Three Months Ended 09/30/2012	Nine Months Ended 09/30/2013	Nine Months Ended 09/30/2012
Consolidated Net Profit / (Loss)	**(2,106,163)**	**(248,472)**	**16,861,154**	**(1,222,577)**
Change in Unrealized Gains and Losses on Available for sale Financial Assets and Bonds	8,427	17,962	(427,481)	(204,596)
(Thereof Reclassifications of Unrealized Gains and Losses to Profit and Loss)	(3,216)	(31,833)	(483,148)	(420,546)
Deferred Taxes	(2,219)	(4,729)	112,556	53,870
Change in Unrealized Gains and Losses on Available for sale Financial Assets and Bonds, Net of Deferred Taxes	6,208	13,233	(314,925)	(150,726)
Effects from Equity-related Recognition of Deferred Taxes	0	(370)	28,098	1,390
Foreign Currency Gains and Losses from Consolidation	18,210	83,426	1,310,969	451,050
Comprehensive Income	**(2,081,745)**	**(152,184)**	**17,885,296**	**(920,863)**
thereof from Continuing Operations	(2,081,745)	(549,455)	16,508,617	(1,326,842)
thereof from Discontinued Operations	0	397,271	1,376,679	405,979

Consolidated Balance Sheet (IFRS)

€	Note	09/30/2013	12/31/2012
ASSETS			
Current Assets			
Cash and Cash Equivalents		104,921,724	40,689,865
Available For Sale Financial Assets	3	186,147,025	79,722,222
Bonds, Available for Sale	3	11,092,019	0
Accounts Receivable		9,509,237	8,924,197
Income Tax Receivables		114,073	109,789
Other Receivables	3	99,920,244	10,297,901
Inventories		777,877	757,386
Prepaid Expenses and Other Current Assets		2,308,934	2,357,163
Total Current Assets		**414,791,133**	**142,858,523**
Non-current Assets			
Property, Plant and Equipment, Net		2,734,895	3,191,837
Patents, Net		8,089,716	8,666,367
Licenses, Net		5,264,019	7,128,425
Intangible Assets under Development		12,807,800	10,513,100
Software, Net		1,831,401	1,351,932
Goodwill		7,352,467	7,352,467
Shares available for Sale, Net of Current Portion		1,726,633	881,633
Deferred Tax Asset		66,154	0
Prepaid Expenses and Other Assets, Net of Current Portion		1,752,002	1,489,063
Total Non-current Assets		**41,625,087**	**40,574,825**
Assets of Disposal Group Classified as Held for Sale	10	**0**	**40,855,433**
TOTAL ASSETS		**456,416,220**	**224,288,780**

See accompanying Notes

€	Note	09/30/2013	12/31/2012
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable and Accrued Expenses		16,298,424	10,660,090
Tax Liabilities		3,788,749	629,686
Current Portion of Deferred Revenue		19,422,476	628,167
Total Current Liabilities		**39,509,649**	**11,917,943**
Non-current Liabilities			
Provisions, Net of Current Portion		627,210	187,521
Deferred Revenue, Net of Current Portion		62,694,493	5,915,102
Convertible Bonds Due to Related Parties		298,606	73,607
Deferred Tax Liability		28,469	452,074
Total Non-current Liabilities		**63,648,778**	**6,628,304**
Liabilities of Disposal Group Classified as Held for Sale	10	**0**	**3,732,516**
Total Liabilities		**103,158,427**	**22,278,763**
Stockholders' Equity			
Common Stock	5	26,111,009	23,358,228
Ordinary Shares Authorized (37,031,133 and 43,142,455 for 2013 and 2012, respectively)			
Ordinary Shares Issued (26,111,009 and 23,358,228 for 2013 and 2012, respectively)			
Ordinary Shares Outstanding (25,771,119 and 23,102,813 for 2013 and 2012, respectively)			
Treasury Stock (339,890 and 255,415 shares for 2013 and 2012, respectively), at Cost	5	(6,418,018)	(3,594,393)
Additional Paid-in Capital	5	308,678,590	175,245,266
Revaluation Reserve	5	199,916	486,743
Translation Reserve	5	201,104	(1,109,865)
Accumulated Income		24,485,192	7,624,038
Total Stockholders' Equity		**353,257,793**	**202,010,017**
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		**456,416,220**	**224,288,780**

See accompanying Notes

Consolidated Statement of Changes in Stockholders' Equity (IFRS)

	Common Stock	
	Shares	**€**
BALANCE AS OF 1 JANUARY 2012	**23,112,167**	**23,112,167**
Compensation Related to the Grant of Stock Options and Convertible Bonds	0	0
Exercise of Options and Convertible Bonds Issued to Related Parties, Net of Issuance Costs of € 15,500	196,455	196,455
Repurchase of Treasury Stock	0	0
Reserves:		
Change in Unrealized Gain on Available for sale Financial Assets and Bonds, Net of Deferred Taxes	0	0
Effects from Equity-related Recognition of Deferred Taxes	0	0
Foreign Currency Gains and Losses from Consolidation	0	0
Consolidated Net Loss for the Period	0	0
Comprehensive Income	0	0
BALANCE AS OF 30 SEPTEMBER 2012	**23,308,622**	**23,308,622**
BALANCE AS OF 1 JANUARY 2013	**23,358,228**	**23,358,228**
Compensation Related to the Grant of Stock Options and Convertible Bonds	0	0
Exercise of Options and Convertible Bonds Issued to Related Parties, Net of Issuance Costs of € 11,419 (Net of Tax Effects)	441,565	441,565
Repurchase of Treasury Stock	0	0
Capital Increase, Net of Issuance Cost of € 1,635,686 (Net of Tax Effects)	2,311,216	2,311,216
Reserves:		
Change in Unrealized Gain on Available for sale Financial Assets and Bonds, Net of Deferred Taxes	0	0
Effects from Equity-related Recognition of Deferred Taxes	0	0
Foreign Currency Gains and Losses from Consolidation	0	0
Consolidated Net Profit for the Period	0	0
Comprehensive Income	0	0
BALANCE AS OF 30 SEPTEMBER 2013	**26,111,009**	**26,111,009**

See accompanying Notes

	Treasury Stock		Additional Paid-in Capital	Revaluation Reserve	Translation Reserve	Accumulated Income	Total Stockholders' Equity
	Shares	€	€	€	€	€	€
	163,915	**(1,756,841)**	**170,778,474**	**612,226**	**(1,292,325)**	**5,681,893**	**197,135,594**
	0	0	943,108	0	0	0	943,108
	0	0	2,586,180	0	0	0	2,782,635
	91,500	(1,837,552)	0	0	0	0	(1,837,552)
	0	0	0	(150,726)	0	0	(150,726)
	0	0	0	1,390	0	0	1,390
	0	0	0	0	451,050	0	451,050
	0	0	0	0	0	(1,222,577)	(1,222,577)
	0	0	0	(149,336)	451,050	(1,222,577)	(920,863)
	255,415	**(3,594,393)**	**174,307,762**	**462,890**	**(841,275)**	**4,459,316**	**198,102,922**
	255,415	**(3,594,393)**	**175,245,266**	**486,743**	**(1,109,865)**	**7,624,038**	**202,010,017**
	0	0	3,692,085	0	0	0	3,692,085
			5,308,970	0	0	0	5,750,535
	84,475	(2,823,625)	0	0	0	0	(2,823,625)
	0	0	124,432,269	0	0	0	126,743,485
	0	0	0	(314,925)	0	0	(314,925)
	0	0	0	28,098	0	0	28,098
	0	0	0	0	1,310,969	0	1,310,969
	0	0	0	0	0	16,861,154	16,861,154
	0	0	0	(286,827)	1,310,969	16,861,154	17,885,296
	339,890	**(6,418,018)**	**308,678,590**	**199,916**	**201,104**	**24,485,192**	**353,257,793**

Consolidated Statement of Cash Flows (IFRS)

For the Period Ended 30 September (in €)	Note	2013	2012
OPERATING ACTIVITIES:			
Consolidated Net Profit / (Loss)		16,861,154	(1,222,577)
Adjustments to Reconcile Net Profit / (Loss) to Net Cash Provided by Operating Activities:			
Impairment of Assets		1,044,751	0
Depreciation and Amortization of Tangible and Intangible Assets		3,532,823	4,760,000
Net Gain on Sales of Financial Assets		(508,088)	(480,912)
Purchases of Derivative Financial Instruments		(22,800)	(40,870)
Unrealized Net Loss on Derivative Financial Instruments		15,617	37,893
Loss on Sale of Property, Plant and Equipment		3,129	1,591
Net Gain on Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	10	(8,000,712)	(5,538)
Recognition of Deferred Revenue		(16,308,316)	(15,991,973)
Stock-based Compensation	9	4,085,717	991,674
Income Tax Expenses (+) / Income (-)		4,664,592	(601,203)
Changes in Operating Assets and Liabilities:			
Accounts Receivable		(739,463)	3,195,501
Prepaid Expenses, Other Assets and Tax Receivables		(527,551)	(306,489)
Accounts Payable and Accrued Expenses and Provisions		5,489,186	(7,098,819)
Other Liabilities		53,516	(14,395)
Deferred Revenue		91,860,930	19,603,805
Interest Paid		(21,089)	0
Interest Received		96,982	145,363
Income Taxes Paid		(816,157)	(525,548)
Net Cash Provided by Operating Activities		**100,764,221**	**2,447,503**
thereof from Continuing Operations		102,587,363	1,476,522
thereof from Discontinued Operations		(1,823,142)	970,981

See accompanying Notes

For the Period Ended 30 September (in €)	Note	2013	2012
INVESTING ACTIVITIES:			
Purchases of Financial Assets		(175,563,295)	(29,688,781)
Proceeds from Sales of Financial Assets		69,265,822	31,053,715
Purchases of Bonds, Available for Sale	3	(11,138,742)	0
Purchase of Assets Classified as Loans and Receivables	3	(104,980,807)	(10,000,000)
Proceeds from Sale of Assets Classified as Loans and Receivables	3	19,995,413	0
Purchase of Shares Classified as Available for Sale		(845,000)	0
Purchases of Property, Plant and Equipment		(547,945)	(842,870)
Proceeds from Disposals of Property, Plant and Equipment		5,950	0
Additions to Intangibles		(3,896,443)	(651,008)
Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	10	36,580,716	815,284
Net Cash Used in Investing Activities		**(171,124,331)**	**(9,313,660)**
thereof from Continuing Operations		(207,705,047)	(9,246,578)
thereof from Discontinued Operations		36,580,716	(67,082)
FINANCING ACTIVITIES:			
Repurchase of Treasury Stock	5	(2,823,625)	(1,837,552)
Net Cost of Share Issuance	5	128,379,156	0
Proceeds from the Exercise of Options and Convertible Bonds Granted to Related Parties	5	5,762,091	2,782,635
Net of Proceeds and Payments from the Issuance of Convertible Bonds Granted to Related Parties		225,000	0
Cost of Share Issuance	5	(2,235,789)	0
Net Cash Provided by Financing Activities		**129,306,833**	**945,083**
thereof from Continuing Operations		129,306,833	945,083
thereof from Discontinued Operations		0	0
Effect of Exchange Rate Differences on Cash		4,161	213,563
Increase / (Decrease) in Cash and Cash Equivalents		58,950,884	(5,707,511)
Cash and Cash Equivalents at the Beginning of the Period		**45,970,840**	**54,596,099**
thereof included in Cash and Cash Equivalents		40,689,865	0
thereof included in Assets of Disposal Group Classified as Held for Sale		5,280,975	0
Cash and Cash Equivalents at the End of the Period		**104,921,724**	**48,888,588**

See accompanying Notes

Notes

These interim consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS), taking into account the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Interpretations Committee (IFRIC), as applied by the European Union. These interim consolidated financial statements comply with IAS 34 "Interim Financial Reporting".

The consolidated financial statements as of 30 September 2013 comprise MorphoSys AG; MorphoSys IP GmbH; Sloning BioTechnology GmbH; MorphoSys USA, Inc.; and Poole Real Estate Ltd. (formerly Biogenesis UK Ltd.), collectively as the "Group".

On 16 December 2012, MorphoSys AG and a subsidiary of Bio-Rad Laboratories, Inc., Hercules, California, USA (Bio-Rad Inc.), agreed upon the acquisition of all shares of MorphoSys UK Ltd., Oxford, Great Britain, with a notarial authentication dated 17 December 2012. The agreed acquisition also comprised all shares of both MorphoSys UK Ltd.'s subsidiaries. At the time of signature on 16 December 2012, MorphoSys UK Ltd. held all of the shares in MorphoSys AbD GmbH, Düsseldorf, Germany and MorphoSys US, Inc., Raleigh, USA. Additionally, on 16 December 2012, MorphoSys AG and a further subsidiary of Bio-Rad Inc. agreed upon the acquisition of individual assets (trademarks) of the AbD Serotec segment of MorphoSys AG and the purchase of a non-exclusive license for the use of the HuCAL technology in the market for research reagents and diagnostics. Furthermore, on 16 December 2012, following the acquisition of the shares by the Bio-Rad Inc. subsidiary, it was agreed that all remaining assets and liabilities of the AbD Serotec segment of MorphoSys AG should be transferred to MorphoSys AbD GmbH. MorphoSys AG's interest in Poole Real Estate Ltd., Poole, Great Britain, was not sold. The closing of the transaction was dependent upon the fulfilment of certain conditions which were complied with on 10 January 2013 (closing date). Hence, substantially all of AbD Serotec segment was sold as of this date. Therefore, as of 31 December 2012 and as of 30 September 2013, substantially all of MorphoSys AG's AbD Serotec operating segment represented a discontinued operation within the meaning of IFRS 5. As of the reporting date, the Partnered Discovery and Proprietary Development operating segments along with the non-discontinued operations of the AbD Serotec segment were classified as continuing operations.

Due to the sale of substantially all of the AbD Serotec segment, the entities MorphoSys UK Ltd. (formerly Serotec Ltd.), MorphoSys US, Inc. (formerly Serotec, Inc.), and MorphoSys AbD GmbH (formerly Serotec GmbH) are no longer included in the MorphoSys Group's scope of consolidation.

1 Accounting Policies

The accounting and valuation principles applied to the consolidated statements of 31 December 2012 were also applied to the first nine months of 2013 and can be found on our website at www.morphosys.com/financial-reports. In addition, several standards and interpretations of IFRS have to be applied mandatorily as of 1 January 2013. In the following, only the application of IFRS 13 "Fair Value Measurement" is discussed since this standard is applicable to the interim consolidated financial statements of MorphoSys AG. No impact arose from other standards and interpretations that became effective. The changes resulting from the application of IFRS 13 "Fair Value Measurement" exclusively

relate to additional information in the notes of these interim financial statements. Changes in valuation did not occur in the measurement of fair values due to the application of IFRS 13.

2 Segment Reporting

The MorphoSys Group applies IFRS 8 "Operating Segments". An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses and whose operating results are regularly reviewed by the entity's chief operating decision maker and for which discrete financial information is available.

Segment information is presented with respect to the Group's operating segments. The operating segments are based on the Group's management and internal reporting structures. The segment results include items that can be either directly attributed to the individual segment or can be allocated to the segments on a reasonable basis. Intersegment pricing is determined on an arm's length basis according to a Group policy.

The Group consists of the following operating segments:

PARTNERED DISCOVERY

MorphoSys possesses one of the leading technologies for the generation of therapeutics based on human antibodies. The Group commercially markets this technology via partnerships with numerous pharmaceutical and biotechnology companies. This segment encompasses all operating activities relating to these partnerships as well as the majority of the technological development.

PROPRIETARY DEVELOPMENT

This segment comprises all of the activities relating to the proprietary development of therapeutic antibodies. Presently, the activities of this segment comprise the clinical development of the proprietary program MOR208, the co-development of MOR202 with Celgene as well as completing clinical development of the program MOR103 within the cooperation with GSK. In addition, MorphoSys is pursuing further programs in earlier stages in proprietary development or in co-development.

ABD SEROTEC

Up to the sale of substantially all of the AbD Serotec business on 10 January 2013 to Bio-Rad, the AbD Serotec segment utilised the HuCAL technology for the tailored generation of research antibodies and generated revenues with catalogue antibodies and the production of antibodies in industrial quantities. With the disposal of substantially all of the segment, the quantitative and qualitative criteria of IFRS 8.12 f. are no longer fulfilled. Therefore, the AbD segment is no longer a reportable segment under IFRS 8.11 and the results of the AbD segment generated up to 10 January 2013 were reclassified to "Unallocated". The previous year's figures were adjusted accordingly for comparative purposes.

CROSS-SEGMENT DISCLOSURES

In the case of cross-segment disclosures, segment revenues are based on the customers' geographical locations. The information on segment assets is based on the relevant location of the assets.

For the Nine Months Period Ended 30 September (in 000's €)	Partnered Discovery		Proprietary Development	
	2013	2012	2013	2012
External Revenues	40,543	33,973	23,040	1,228
Inter-segment Revenues	0	0	0	0
REVENUES, TOTAL	**40,543**	**33,973**	**23,040**	**1,228**
Cost of Goods Sold	0	0	0	0
Other Operating Expenses	18,163	16,075	20,821	14,468
Inter-segment Costs	0	43	0	0
TOTAL OPERATING EXPENSES	**18,163**	**16,118**	**20,821**	**14,468**
Other Income	72	72	136	145
Other Expenses	102	0	0	0
SEGMENT EBIT	**22,350**	**17,927**	**2,355**	**(13,095)**
Finance Income	0	0	0	0
Finance Expenses	0	0	0	0
Other Income from Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	0	0	0	0
Profit / (Loss) before Taxes	**22,350**	**17,927**	**2,355**	**(13,095)**
Income Tax (Expenses) / Income	0	0	0	0
Income Tax Expenses in connection with the Sale of Assets and Liabilities of the Disposal Group Classified as Held for Sale	0	0	0	0
Consolidated Net Profit / (Loss)	**22,350**	**17,927**	**2,355**	**(13,095)**

For the Three Months Period Ended 30 September (in 000's €)	Partnered Discovery		Proprietary Development	
	2013	2012	2013	2012
External Revenues	12,612	10,554	2,746	405
Inter-segment Revenues	0	0	0	0
REVENUES, TOTAL	**12,612**	**10,554**	**2,746**	**405**
Cost of Goods Sold	0	0	0	0
Other Operating Expenses	5,739	5,289	8,646	3,988
Inter-segment Costs	0	0	0	0
TOTAL OPERATING EXPENSES	**5,739**	**5,289**	**8,646**	**3,988**
Other Income	26	38	37	42
Other Expenses	102	0	0	0
SEGMENT EBIT	**6,797**	**5,303**	**(5,863)**	**(3,541)**
Finance Income	0	0	0	0
Finance Expenses	0	0	0	0
Profit / (Loss) before Taxes	**6,797**	**5,303**	**(5,863)**	**(3,541)**
Income Tax (Expenses) / Income	0	0	0	0
Income Tax Expenses in connection with the Sale of Assets and Liabilities of the Disposal Group Classified as Held for Sale	0	0	0	0
Consolidated Net Profit / (Loss)	**6,797**	**5,303**	**(5,863)**	**(3,541)**

Unallocated		Elimination		Group		thereof from Discontinued Operations		thereof from Continuing Operations	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
610	13,657	0	0	64,193	48,858	603	13,468	63,590	35,390
0	43	0	(43)	0	0	0	0	0	0
610	**13,700**	**0**	**(43)**	**64,193**	**48,858**	**603**	**13,468**	**63,590**	**35,390**
158	4,797	0	0	158	4,797	147	4,797	0	0
12,265	15,956	0	0	51,249	46,499	2,118	8,937	49,142	37,562
0	0	0	(43)	0	0	0	0	0	0
12,423	**20,753**	**0**	**(43)**	**51,407**	**51,296**	**2,265**	**13,734**	**49,142**	**37,562**
424	112	0	0	632	329	11	3	621	326
321	197	0	0	423	197	2	139	421	58
(11,710)	**(7,138)**	**0**	**0**	**12,995**	**(2,306)**	**(1,653)**	**(402)**	**14,648**	**(1,904)**
613	637	0	0	613	637	0	7	613	630
80	153	0	0	80	153	4	73	76	80
8,001	0	0	0	8,001	0	8,001	0	0	0
(3,176)	**(6,654)**	**0**	**0**	**21,529**	**(1,822)**	**6,344**	**(468)**	**15,185**	**(1,354)**
(4,331)	599	0	0	(4,331)	599	(35)	113	(4,296)	486
(337)	0	0	0	(337)	0	(337)	0	0	0
(7,844)	**(6,055)**	**0**	**0**	**16,861**	**(1,223)**	**5,972**	**(355)**	**10,889**	**(868)**

Unallocated		Elimination		Group		thereof from Discontinued Operations		thereof from Continuing Operations	
2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
0	4,906	0	0	15,358	15,865	0	4,833	15,358	11,032
0	0	0	0	0	0	0	0	0	0
0	**4,906**	**0**	**0**	**15,358**	**15,865**	**0**	**4,833**	**15,358**	**11,032**
11	1,566	0	0	11	1,566	0	1,566	11	0
3,591	5,440	0	0	17,976	14,717	3	2,969	17,973	11,748
0	0	0	0	0	0	0	0	0	0
3,602	**7,006**	**0**	**0**	**17,987**	**16,283**	**14**	**4,535**	**17,973**	**11,748**
(40)	13	0	0	23	93	(1)	(5)	24	98
(10)	76	0	0	92	76	0	46	92	30
(3,632)	**(2,163)**	**0**	**0**	**(2,698)**	**(401)**	**(15)**	**247**	**(2,683)**	**(648)**
41	73	0	0	41	73	0	3	41	70
17	37	0	0	17	37	0	27	17	10
(3,608)	**(2,127)**	**0**	**0**	**(2,674)**	**(365)**	**(15)**	**223**	**(2,659)**	**(588)**
566	116	0	0	566	116	0	123	566	(7)
2	0	0	0	2	0	2	0	0	0
(3,040)	**(2,011)**	**0**	**0**	**(2,106)**	**(249)**	**(13)**	**346**	**(2,093)**	**(595)**

The following table shows the regional breakdown of the Group's revenues:

For the Period Ended 30 September (in 000's €)	2013	2012
Germany	4	0
Other Europe and Asia	58,670	33,459
USA and Canada	4,916	1,931
Total from Continuing Operations	**63,590**	**35,390**
Total from Discontinued Operations	**603**	**13,468**
TOTAL	**64,193**	**48,858**

3 Financial Instruments

As of 30 September 2013, an amount of € 186.1 million (31 December 2012: € 79.7 million) was invested in various money market funds. An amount totalling € 11.1 million (31 December 2012: € 0 million) was invested in government bonds (€ 6.1 million) and two floating-rate money market bonds (€ 5.0 million). These products were categorized as "Available for Sale" in accordance with IAS 39 "Financial Instruments".

As per 30 September 2013, the Company held financial assets in the amount of € 99.7 million (31 December 2012: € 10.0 million), which were classified as "Loans and Receivables". This included different types of investments (€ 95.0 million) and a partial amount of € 4.7 million of the purchase price for the divested AbD Serotec business held in an escrow account.

4 Fair Value Measurement

MorphoSys uses the following hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted (unadjusted) prices on active markets for identical assets or liabilities.

Level 2: Inputs from other than quoted prices included with Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is derived from prices).

Level 3: Inputs for assets and liabilities that are not based on observable market data (that is, unobservable inputs).

The carrying amounts of financial assets and liabilities such as cash and cash equivalents, marketable securities, accounts receivable, and accounts payable approximates their fair value due to the short-term maturities of these instruments. The fair value of marketable securities is based upon quoted market prices (hierarchy Level 1, quoted prices in active markets). None of the financial assets and liabilities have been categorised as Level 2 or 3. There were no transfers from one fair value hierarchy level to another in 2013 and 2012.

The fair value of financial assets and liabilities, and the carrying amounts presented in the consolidated balance sheet, were composed as follows:

30 September 2013	Note	Fair Value - Hedging Instruments	Receivables	Available For Sale	Other Financial Liabilities	Total Carrying Amount	Fair Value
(in T €)							
Cash and Cash Equivalents		0	104,922	0	0	104,922	104,922
Accounts Receivable		0	9,509	0	0	9,509	9,509
Forward Exchange Contracts Used for Hedging		7	0	0	0	7	7
Other Receivables	3	0	99,913	0	0	99,913	99,913
Shares available for Sale, Net of Current Portion		0	0	1,727	0	1,727	1,727
Available For Sale Financial Assets		0	0	186,147	0	186,147	186,147
Bonds, Available for Sale	3	0	0	11,092	0	11,092	11,092
		7	**214,344**	**198,966**	**0**	**413,317**	**413,317**
Convertible Bonds - Liabilitiy Component		0	0	0	(299)	(299)	(299)
Accounts Payable and Accrued Expenses		0	0	0	(16,298)	(16,298)	(16,298)
		0	**0**	**0**	**(16,597)**	**(16,597)**	**(16,597)**

31 December 2012	Note	Fair Value - Hedging Instruments	Receivables	Available For Sale	Other Financial Liabilities	Total Carrying Amount	Fair Value
(in 000's €)							
Cash and Cash Equivalents		0	40,690	0	0	40,690	40,690
Accounts Receivable		0	79,722	0	0	79,722	79,722
Other Receivables	3	0	8,924	0	0	8,924	8,924
Shares available for Sale, Net of Current Portion		0	0	882	0	882	882
Available For Sale Financial Assets		0	0	79,722	0	79,722	79,722
Assets of Disposal Group Classified as Held for Sale	10	0	0	40,855	0	40,855	40,855
		0	**129,336**	**121,459**	**0**	**250,796**	**250,796**
Convertible Bonds - Liabilitiy Component		0	0	0	(74)	(74)	(74)
Accounts Payable and Accrued Expenses		0	0	0	(10,660)	(10,660)	(10,660)
Liabilities of Disposal Group Classified as Held for Sale	10	0	0	(3,733)	0	(3,733)	(3,733)
		0	**0**	**(3,733)**	**(10,734)**	**(14,466)**	**(14,466)**

5 Changes in Stockholder's Equity

SUBSCRIBED CAPITAL

As of 30 September 2013, the Company's common stock amounted to € 26,111,009 (31 December 2012: € 23,358,228). Common stock increased € 2,311,216 or 2,311,216 shares as a result of the newly created shares from the capital increase carried out in September 2013 and the acquisition of MorphoSys shares by Celgene. In addition, common stock increased by € 441,565 in the first nine months of 2013 through the exercise of 441,565 stock options granted to the Management Board and the Senior Management Group. The weighted-average exercise price per exercised stock option amounted to € 13.05. As of 30 September 2013, treasury stock increased from € 3,594,393 on 31 December 2012 to € 6,418,018. This was due to MorphoSys's repurchase of 84,475 of its own shares on the stock exchange. The treasury shares may be used for all purposes named in the authorisation of the Annual General Meeting of 19 May 2011 and particularly for any existing or future employee participation schemes and / or to finance acquisitions. The shares may also be redeemed.

AUTHORISED CAPITAL

The number of authorised ordinary shares declined in comparison to 31 December 2012 from 43,142,455 to 37,031,133. The main reason for this effect was the fact that the Authorised Capital 2008-I had not been utilised since the 2008 Annual General Meeting and had therefore expired on 30 April 2013.

ADDITIONAL PAID-IN CAPITAL

On 30 September 2013, the additional paid-in capital amounted to € 308,678,590 (31 December 2012: € 175,245,266). The total increase of € 133,433,324 was primarily due to the capital increase in September 2013 and the capital increase in connection with the agreement with Celgene (€ 124,432,269, net of issuance costs and the respective taxes). A further increase of € 5,308,970 (net of issuance costs and the respective taxes) resulted from the exercise of stock options. Furthermore, the additional paid-in capital increased by € 3,692,085 from personnel expenses resulting from share-based compensation.

REVALUATION RESERVE

On 30 September 2013, the revaluation reserve amounted to € 199,916 (31 December 2012: € 486,743). The overall decrease of € 286,827 was due to the change in unrealised gains on available for sale securities and bonds in the amount of € -427,481, net of deferred taxes of € 112,556 and the effects from equity-related recognition of deferred taxes of € 28,098.

TRANSLATION RESERVE

Compared to 31 December 2012, the translation reserve changed by an amount of € +1.310.969 from € -1,109,865 to € 201,104 as per 30 September 2013. This item includes exchange rate differences arising from the revaluation of assets and liabilities denominated in foreign currencies as per 31 December 2012 as well as differences between the exchange rates used in the balance sheet and the income statement. The differences mainly arose from the entities of the discontinued operations of AbD Serotec which report in foreign currencies. The change compared to the previous year is mainly a result of the disposal of currency translation differences in connection with the sale of substantially all of the AbD Serotec business unit on 10 January 2013.

6 Changes in Stock Options, Convertible Bonds, and Performance Shares

No further stock options were issued to the Management Board, the Senior Management Group, or to the employees in the first nine months of 2013. In April 2013, 449,999 convertible bonds and 61,600 performance shares were issued to the Management Board and the Senior Management Group under the third long-term incentive plan (LTI plan). Further information may be found in Sections 7 and 8.

7 Convertible Bonds

On 1 April 2013, MorphoSys AG granted the Management Board and members of the Senior Management Group convertible bonds with equal rights in a total nominal value of € 225,000 and divided into 450,000 bearer bonds from the Conditional Capital 2008-III. The beneficiaries have the right to convert the bonds granted into shares of the Company. Each convertible bond may be exchanged for one of the Company's bearer shares equal to the proportional amount of common stock of currently € 1. The exercise of the convertible bonds is subject to several conditions such as achieving performance targets, the expiration of a vesting period, the exercisability of the conversion rights, the existence of an employment or service contract which is not under notice, and the commencement of the exercise period.

The conversion price amounted to € 31.88 and was derived from the Company's share price in the XETRA closing auction on the Frankfurt Stock Exchange on the trading day preceding the issuance of the convertible bonds. The exercise of the conversion rights is only admissible if, on at least one trading day during the lifetime of the convertible bonds, the share price of the Company has amounted to more than 120% of the price in the XETRA closing auction on the Frankfurt Stock Exchange on the trading day preceding the issuance of the convertible bonds.

The exercise of the conversion rights is only admissible after the expiration of a four-year vesting period from the grant date. In the event of a change of control, the vesting period will be shortened to two years from the grant date. For every year without notice of resignation of the employment relationship with the Company or affiliated company, 25% of the conversion rights will become vested. In the event of a change of control, all unvested conversion rights become vested.

If an employment or service contract of a beneficiary is terminated without notice, no further conversion rights can be vested in line with the above mentioned vesting scheme. Thus, upon rendition of the notice, all conversion rights unvested by then will expire without substitution. In the event of a contractual notice of termination of such employment or service contract of a beneficiary or a mutually agreed dissolution contract, the previous sentence applies respectively and is effective as of the date of termination of the employment or service contract.

The term of the convertible bonds will end on 31 March 2020 and at this time the conversion rights will lapse without replacement. The Company will redeem the convertible bonds on 1 April 2020 at their nominal value if they have not yet been redeemed, converted, or repurchased and invalidated.

8 Long-term Incentive Program

On 1 April 2013, MorphoSys established a third long-term incentive plan (LTI plan) for the Management Board and the Senior Management Group. According to IFRS 2, the program is considered a share-based payment program with a settlement in equity instruments and is accounted for accordingly. The LTI plan is a performance share plan and will be paid out in ordinary shares of MorphoSys AG if predefined key performance criteria have been achieved. These criteria are evaluated annually by the Supervisory Board. The grant date was 1 April 2013 and the vesting/performance period is four years. If the predefined key performance criteria for the respective period have been fully achieved, 25% of the performance shares will become vested in each year of the four-year vesting period. The number of shares vested each year will be reduced or increased to the same extent that the key performance criteria of the respective year have only been achieved by 50% to 99.9% (<100%) or that achievement of the key performance criteria has exceeded 100% (200% as a maximum). If in one year the key performance criteria has been achieved by less than 50%, "0" shares will become vested in that year. In either case, the maximum pay-out at the end of four-year period is capped by a factor determined by the Group which generally amounts to "1". However, the Supervisory Board may set this factor freely between "0" and "2" in justifiable cases, e.g. in the case that the payout level is deemed inadequate in comparison to the overall development of the Company. The right to receive a certain share allocation from the LTI plan only arises at the end of the four-year vesting/performance period.

If the number of repurchased shares is not adequate for servicing the LTI plan, MorphoSys reserves the right to pay out a certain amount of the LTI plan in cash. This payment would be equivalent to the value of the performance shares at the end of the vesting period, provided the cash amount does not exceed 200% of the fair value of the performance shares on the grant date.

If a member of the Management Board ceases to hold an office within the MorphoSys Group through reason of termination (or if the member of the Management Board terminates the employment contract), resignation, death, injury, disability, or by reaching the retirement age (receipt of a normal retirement pension, early-retirement pension or disability pension, as long as the requirements for the disability pension entitlement are met), or under other circumstances subject to the Supervisory Board's discretion, the Management Board member (or his/her beneficiary) is entitled to performance shares determined on a precise daily pro-rata basis.

If a member of the Management Board ceases to hold an office within the MorphoSys Group for good reason within the meaning of Section 626 para. 2 of the German Civil Code (BGB) and / or within the meaning of Section 84 para. 3 of the German Stock Corporation Act (AktG), the beneficiary shall not be entitled to an allocation of performance shares.

If there is a change in control during the four-year vesting period, all performance shares shall become fully vested. In this case, the allocation of the performance shares takes place at the end of the four-year vesting period.

In April and May of 2013, MorphoSys repurchased a total of 84,475 of its own shares on the stock exchange at an average price of € 33.39 per share. The treasury shares can be used for all purposes named in the authorisation of the Annual General Meeting of 19 May 2011 and in particular for existing and future employee participation schemes and / or to finance acquisitions. However, the shares may also be redeemed. 61,600 of these shares were granted to the beneficiaries retroactively as of 1 April 2013. Of these shares, 36,729 shares were granted to the Management Board (further information can be found in the table "Performance Shares" in Section 10 "Directors' Dealings" and 24,871 shares were granted to the Senior Management Group. The fair value of the performance shares amounted to € 31.88 per share as of the grant date (1 April 2013). No dividends were taken into account for the fair value measurement of the repurchased shares since the Group does not intend to pay dividends in the foreseeable future. From the grant date until 30 September 2013, no beneficiary at MorphoSys has left the Company and no performance shares have lapsed. For the calculation of the personnel expenses resulting from share-based payments for the LTI program 2013, it was assumed that one beneficiary will leave the Company during the four-year period.

9 Personnel Expenses Resulting from Stock-based Compensation

In the first nine months of 2013, personnel expenses resulting from share-based payments in the amount of € 4.1 million were recognised in the income statement (1-9/2012: € 1.0 million). This amount comprised € 3.6 million in share-based payments settled with equity instruments and included personnel expenses of € 2.2 million related to performance shares from LTI programs. Further personnel expenses of € 0.4 million resulted from cash-settled share-based payments related to stock appreciation rights. For the LTI programs 2011 and 2012, it was assumed that no beneficiary will leave the Company during the four-year period. Assuming 100% target achievement, total personnel expenses from share-based payments for the four-year period of the LTI programs 2011, 2012, and 2013 will amount to € 1.7 million, € 1.7 million and € 1.9 million, respectively.

The total increase in personnel expenses from share-based payments compared to the prior year mainly resulted from a modification of the LTI programs 2011 and 2012. For the LTI program 2011, vesting periods were modified such that the beneficiaries' claims become vested by one quarter on a yearly basis. However, in the case of the LTI program 2012, claims become vested on a pro-rata basis. With this modification, changes in the interpretation and development of labour law were taken into account. As a consequence of the adaptation, personnel expenses are accounted for comparatively earlier within the four-year period, resulting in an increase of personnel expenses compared to the previous year.

10 Assets Held For Sale and Discontinued Operations

On 16 December 2012, MorphoSys and Bio-Rad agreed on the acquisition of substantially all of the segment for research and diagnostic antibodies of AbD Serotec. In accordance with IFRS 5, the AbD Serotec segment's result from operating activities is recorded in the results from discontinued operations. The previous year's figures of the income statement and segment report have been adjusted accordingly. The assets and liabilities of the discontinued AbD Serotec business were recorded as assets and liabilities held for sale from discontinued operations as of the balance sheet date 31 December 2012. On 16 December 2012, the Management Board and the Supervisory Board passed a resolution approving the sale of the AbD Serotec segment to an American purchaser. The closing of this transaction took place on 10 January 2013.

The following assets were recorded in the balance sheet as "Assets of Disposal Group Classified as Held for Sale" as of 31 December 2012 and considered for the deconsolidation as of 10 January 2013:

(in 000's €)	01/10/2013	12/31/2012
Cash and Cash Equivalents	5,560	5,281
Accounts Receivable	1,902	1,703
Inventories	2,763	2,769
Other Current Assets	1,018	1,101
Total Current Assets	**11,243**	**10,855**
Property, Plant and Equipment, Net	1,519	1,519
Licenses, Net	376	376
Software, Net	174	174
Know-how and Customer Lists, Net	978	978
Goodwill	26,788	26,788
Other Non-current Assets	168	166
Total Non-current Assets	**30,003**	**30,001**
Assets of Disposal Group Classified as Held for Sale	**41,246**	**40,855**

The following liabilities were recorded in the balance sheet as "Liabilities of Disposal Group Classified as Held for Sale" as of 31 December 2012 and considered for the deconsolidation as of 10 January 2013:

(in 000's €)	01/10/2013	12/31/2012
Accounts Payable and Accrued Expenses	2,490	2,424
Current Portion of Deferred Revenue	414	435
Other Current Liabilities	519	466
Total Current Liabilities	**3,423**	**3,325**
Deferred Tax Liability	427	407
Total Non-current Liabilities	**427**	**407**
Liabilities of Disposal Group Classified as Held for Sale	**3,850**	**3,733**

The result of discontinued operations was comprised as follows:

For the Nine Months Period Ended 30 September (in 000's €)	2013*	2012
Revenues	**603**	**13,468**
Cost of Goods Sold	158	4,797
Research and Development	29	1,394
Sales, General and Administrative	2,078	7,543
Total Operating Expenses	**2,265**	**13,734**
Other Income / (Expenses)	9	(137)
Earnings before Interest and Taxes (EBIT)	**(1,653)**	**(403)**
Finance Income / (Expenses)	(4)	(65)
Other Income from Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	8,001	0
Profit / (Loss) before Taxes	**6,344**	**(468)**
Income Tax (Expenses) / Income from Discontinued Operations	(35)	113
Income Tax Expenses in connection with the Sale of Assets and Liabilities of the Disposal Group Classified as Held for Sale	(337)	0
Profit / (Loss) from Discontinued Operations	**5,972**	**(355)**

* Comprises the period from 1 January to 10 January 2013

11 Directors' Dealings

The Group engages in commercial relationships with its Management Board and the members of its Supervisory Board as related parties. In addition to cash compensation, the Company has issued stock options, convertible bonds, and performance shares to members of the Management Board.

The following overview shows the shares, stock options, convertible bonds, and performance shares held by members of the Management Board and the Supervisory Board in the first nine months of 2013, as well as any changes in their ownership:

SHARES

	01/01/2013	Additions	Forfeitures	Sales	09/30/2013
Management Board					
Dr. Simon E. Moroney	419,885	110,445	0	110,445	419,885
Jens Holstein	6,500	0	0	0	6,500
Dr. Arndt Schottelius	2,000	90,000	0	90,000	2,000
Dr. Marlies Sproll	7,105	102,867	0	82,602	27,370
TOTAL	**435,490**	**303,312**	**0**	**283,047**	**455,755**
Supervisory Board					
Dr. Gerald Möller	7,500	1,500	0	0	9,000
Dr. Walter Blättler	2,019	0	0	0	2,019
Dr. Daniel Camus	0	0	0	0	0
Dr. Marc Cluzel	0	0	0	0	0
Karin Eastham	0	1,000	0	0	1,000
Dr. Geoffrey N. Vernon	0	0	0	0	0
TOTAL	**9,519**	**2,500**	**0**	**0**	**12,019**

STOCK OPTIONS

	01/01/2013	Additions	Forfeitures	Exercises	09/30/2013
Management Board					
Dr. Simon E. Moroney	191,445	0	0	110,445	81,000
Jens Holstein	0	0	0	0	0
Dr. Arndt Schottelius	90,000	0	0	90,000	0
Dr. Marlies Sproll	102,867	0	0	102,867	0
TOTAL	**384,312**	**0**	**0**	**303,312**	**81,000**

CONVERTIBLE BONDS

	01/01/2013	Additions	Forfeitures	Exercises	09/30/2013
Management Board					
Dr. Simon E. Moroney	58,800	88,386	0	0	147,186
Jens Holstein	0	90,537	0	0	90,537
Dr. Arndt Schottelius	33,000	60,537	0	0	93,537
Dr. Marlies Sproll	33,000	60,537	0	0	93,537
TOTAL	**124,800**	**299,997**	**0**	**0**	**424,797**

PERFORMANCE SHARES

	01/01/2013	Additions	Forfeitures	Exercises	09/30/2013
Management Board					
Dr. Simon E. Moroney	36,652	12,024	0	0	48,676
Jens Holstein	25,104	8,235	0	0	33,339
Dr. Arndt Schottelius	25,104	8,235	0	0	33,339
Dr. Marlies Sproll	25,104	8,235	0	0	33,339
TOTAL	**111,964**	**36,729**	**0**	**0**	**148,693**

The Supervisory Board of MorphoSys AG does not hold any stock options, convertible bonds, or performance shares.

12 Related Party Transactions

Except for the transactions described in section "Directors' Dealings", no further transactions with related parties were entered into in the first nine months of 2013.

On 30 September 2013, the Senior Management Group held 23,500 stock options (31 December 2012: 150,026 units), 300,002 convertible bonds (31 December 2012: 180,000 units), 15,000 share appreciation rights (SARs) (31 December 2012: 15,000 units) and 77,009 performance shares (31 December 2012: 63,184 units), which were granted to them by the Company. In the first nine months of 2013, a new program was issued to the Senior Management Group in the form of convertible bonds and performance shares. A total of 11,045 performance shares and 3,750 convertible bonds forfeited in the first nine months of 2013 due to two beneficiaries leaving MorphoSys. These beneficiaries continue to own 26,250 convertible bonds and 7,500 stock options.

13 Subsequent Events

No events occurred that require reporting.

Imprint

MorphoSys AG
Lena-Christ-Str. 48
82152 Martinsried / Planegg
Germany
Phone: +49-89-89927-0
Fax: +49-89-89927-222
E-mail: info@morphosys.com
Internet: www.morphosys.com

Corporate Communications & Investor Relations
Phone: +49-89-89927-404
Fax: +49-89-89927-5404
E-mail: investors@morphosys.com

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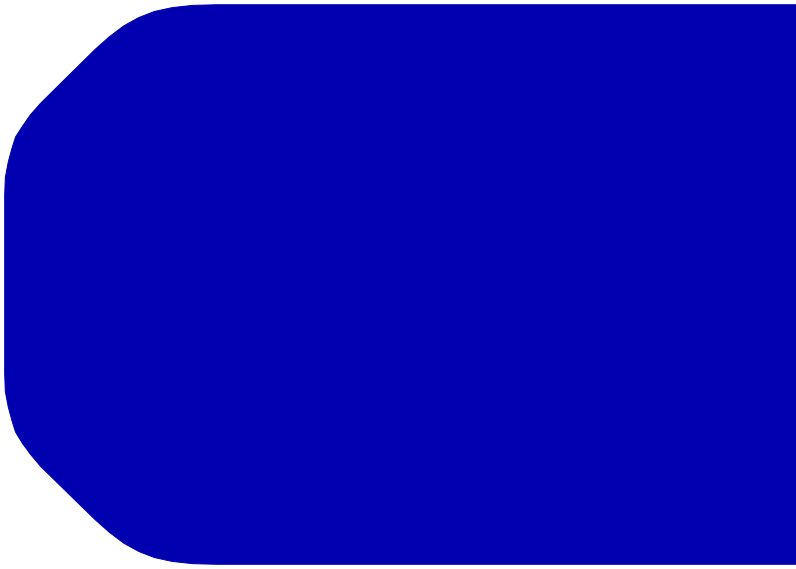
Financial Calendar 2013

MARCH 5, 2013	PUBLICATION OF 2012 YEAR END RESULTS
MAY 3, 2013	PUBLICATION OF THREE MONTHS' REPORT 2013
JUNE 4, 2013	ANNUAL SHAREHOLDERS' MEETING 2013 IN MUNICH
JULY 31, 2013	PUBLICATION OF SIX MONTHS' REPORT 2013
NOVEMBER 7, 2013	PUBLICATION OF NINE MONTHS' REPORT 2013



MorphoSys AG
Lena-Christ-Str. 48
82152 Martinsried / Planegg
Germany
Phone: +49-89-89927-0
Fax: +49-89-89927-222
www.morphosys.com