1st Interim Report

January – March 2013

morphosys

Engineering the Medicines of Tomorrow

Contents

MorphoSys-Group:
1st Interim Report January – March 2013

Highlights

Highlights of the First Quarter of 2013

- MorphoSys completes Sale of AbD Serotec to Bio-Rad. With the divestment of AbD Serotec completed, MorphoSys can devote 100% of its attention to building value in its core therapeutics business.
- MorphoSys and Heptares sign alliance to develop antibody therapeutics targeting G protein-coupled receptors (GPCRs). The collaboration opens up new target space for therapeutic antibodies from MorphoSys' Ylanthia platform.
- MorphoSys receives first patent on novel antibody platform Ylanthia in the US.
- MorphoSys achieves first clinical milestone in a partnered program in 2013 as Novartis completes clinical trial application for a phase 1 study using a HuCAL antibody in ophthalmology.
- At the end of the first quarter of 2013, MorphoSys's partnered and proprietary pipeline comprises 80 programs, of which 21 are in clinical development.
- Shortly after the end of the first quarter, MorphoSys initiates a share buy-back program, and plans to acquire up to 85,000 shares. The Company intends to use the shares primarily for its long-term incentive programs for its management.

MORPHOSYS'S PRODUCT PIPELINE (31 MARCH 2013)

Program, Partner	Indication	Discovery	Preclinic	Phase 1	Phase 2	Phase 3	Market
MOR103	Rheumatoid Arthritis						
MOR208	B-cell Malignancies					7 Proprietary Programs	
MOR103	Multiple Sclerosis						
MOR202	Multiple Myeloma						
3 Early-stage Programs	Various Indications						
Gantenerumab, Roche	Alzheimer's Disease						
Guselkumab, Janssen/J&J	Psoriasis						
Guselkumab, Janssen/J&J	Rheumatiod Athritis						
BHQ880, Novartis	Cancer						
BYM338, Novartis	Musculoskeletal						
NOV-3, Novartis	n. d.						
LFG316, Novartis	Ophthalmology						
OMP-59R5, OncoMed	Cancer						
BAY94-9343, Bayer HealthCare	Cancer					73 Partnered Programs	
BI-1, Boehringer Ingelheim	n. d.						
CNTO 3157, Janssen/J&J	Asthma						
CNTO-5, Janssen/J&J	Inflammation						
VAY736, Novartis	Inflammation						
LJM716, Novartis	Cancer						
Vantictumab, OncoMed	Cancer						
PFE-1, Pfizer	Cancer						
NOV-7, Novartis	Ophthalmology						
21 Partnered Programs	Various Indications						
35 Partnered Programs	Various Indications						

Interim Group Management Report: 1 January – 31 March 2013

Business Environment and Activities

ECONOMIC DEVELOPMENT

The provisional compromise struck between the Democrats and Republicans in the USA at the end of 2012 regarding the fiscal cliff was still having a positive effect at the beginning of the year. In March, however, they failed to reach a definitive agreement, such that the automatic budget cuts that the term "fiscal cliff" represents will now come into effect.

The Eurozone crisis appears to have bottomed out in February, and Germany gave a positive signal by publishing strong export data. The European Central Bank held interest rates in the Eurozone at a low 0.75 %, based on its anticipation of economic recovery in the course of the year.

In March, attentions initially turned to the parliamentary elections in Italy. These failed to produce a clear winner, which caused further uncertainty within the Eurozone. Another factor that weighed heavily on economic developments was then Cyprus. In order for the country to avoid insolvency, a hotly debated austerity plan was drawn up, which included the country's small savers also being liable for the bailout. There were then fears that similar measures would be required in other problem countries within the EU, triggering further uncertainty and putting pressure on the stock markets.

INDUSTRY OVERVIEW

A number of announcements were made in the area of antibody technologies and products in the first quarter of 2013.

In the USA, the compound Kadcyla (Trastuzumab emtansine) was approved as a new antibody-drug conjugate for the treatment of HER2-positive metastatic breast cancer. The drug is marketed by the pharma company Roche.

With its "breakthrough therapy" designations, the USA's Food and Drug Administration agency (FDA) has introduced a new and much quicker drug approval process that grants compounds with significant medical potential quick access to the market. The FDA has already confirmed the first drugs to be put through this approval process, including the compound ibrutinib, which is being evaluated in the area of B-cell malignancies, for the indications mantle cell lymphoma and Waldenström's macroglobulinemia.

The biotechnology company Biogen Idec has announced that it will buy all of the rights relating to the multiple sclerosis antibody Tysabri from its development partner Elan Corp. Biogen will pay Elan US $ 3.25 billion for these rights.

OPERATIONAL PERFORMANCE

MorphoSys started as planned in the first three months of 2013. Its pipeline developed steadily and it had its first new IND filing through its partner company Novartis. In relation to its own development programs, MorphoSys made progress with preparations for the phase 2 study of the cancer drug

MOR208, and the first patients with ALL and NHL were therefore incorporated into the studies in Q2 2013. Negotiations regarding the out-licensing of the MOR103 drug program were ongoing.

At the end of the first quarter of 2013, MorphoSys's product pipeline comprised 80 partnered and proprietary programs, 21 of which were in clinical development.

MorphoSys was able to secure a second partner for its Ylanthia technology platform, namely the US biotechnology company Heptares. The access to new GPCR-class target molecules which is also part of this partnership could have a positive bearing on the ongoing commercialization of the Ylanthia platform.

The sale of the AbD Serotec business unit to the diagnostics company Bio-Rad was closed on 10 January 2013, just weeks after having been announced in December 2012.

MorphoSys's overall performance during the first three months of 2013 keeps the Company well on track to reach its operational and financial targets for the year.

Research and Development

PARTNERED DISCOVERY

During the first three months of 2013, MorphoSys's partnered therapeutic antibody pipeline increased to 73 active antibody development programs in total (31 December 2012: 70 partnered programs), of which currently 17 programs are in clinical development, 21 in preclinical development, and 35 in research.

In May 2013, MorphoSys announced the projected initiation of a phase 1 clinical trial in the Novartis collaboration. The corresponding milestone payment from Novartis, which resulted from the clinical trial application in March, was booked in Q1 2013. The HuCAL-derived, fully human antibody will be developed in the therapeutic area of ophthalmology. In total, Novartis currently evaluates four HuCAL-based antibodies in phase 2, and three in phase 1 clinical trials.

PROPRIETARY DEVELOPMENT

MorphoSys currently has four proprietary clinical programs: MOR103 (anti-GM-CSF) in the areas of rheumatoid arthritis (RA) and multiple sclerosis (MS), the HuCAL antibody MOR202 targeting CD38 in the area of multiple myeloma, and MOR208, an Fc-optimized and humanized antibody targeting CD19 in the area of B-cell malignancies.

With regard to projects at the preclinical development stage, MorphoSys decided to discontinue an early research program in the area of infectious diseases. The program launched in September 2010 in conjunction with the British biopharmaceutical company Absynth Biologics examined various antibodies to combat *Staphylococcus aureus* type pathogens.

MorphoSys is currently evaluating several programs in early discovery, including programs developed with third parties such as the joint development program with Galapagos N.V., and two additional programs of which one is located in the infectious disease space.

Intellectual Property

In the first three months of 2013, the Company continued to consolidate and extend the patent position on its development programs and its expanding technology portfolio, representing essential value-drivers for MorphoSys.

In February 2013, MorphoSys announced that the US Patent and Trademark Office (USPTO) granted a first patent covering the Company's latest antibody platform Ylanthia, which became commercially available for existing and new partners in 2012. The new patent (US 8,367,586) covers the composition of the Ylanthia antibody library, which comprises more than 100 billion distinct, fully human antibodies. The patent has a scheduled expiry date in 2031, not including any potential regulatory extensions.

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

Commercial Development

PARTNERED DISCOVERY

In February 2013, MorphoSys and UK-based Heptares Therapeutics, the leading GPCR drug discovery and development company, have signed an agreement to discover novel antibody therapeutics targeting G protein-coupled receptors (GPCRs), which are membrane proteins involved in a broad range of biological processes and diseases. Under the terms of the agreement, Heptares will generate stabilized receptors (StaRs) for a set of GPCR disease targets proposed by MorphoSys. MorphoSys will then apply its Ylanthia antibody library to discover and develop antibody therapeutics against these StaRs. MorphoSys has the right to sublicense to third parties access to these targets in conjunction with therapeutic antibody candidates. Heptares will receive upfront and research funding payments, plus a share of future sublicensing revenues generated by MorphoSys. Heptares also chose Ylanthia to develop and commercialize one therapeutic antibody created by MorphoSys against a GPCR target selected by Heptares. In this case, MorphoSys is eligible to receive license fees, milestones and royalties on any Ylanthia antibody developed by Heptares.

PROPRIETARY DEVELOPMENT

MorphoSys further strengthened its proprietary development pipeline in the course of the first quarter. Progress was made in developing the cancer drug MOR208, with two phase 2 studies expected to demonstrate the antibody's commercial potential in relation to the new indications non-Hodgkin's lymphoma (NHL) and acute lymphoblastic leukemia (ALL).

ACQUISITION UPDATE

During 2012 and Q1 2013, MorphoSys did not acquire any development assets or companies.

Human Resources

After completion of the sale of AbD Serotec, the number of employees reported for the first time solely reflects the workforce of continued operations. As of 31 March 2013, 287 employees worked for MorphoSys Group (31 December 2012: 421*). In the first three months of 2013, 289 employees on average worked for MorphoSys Group (Q1/2012: 426*).

Of the 287 employees, 240 and 47 worked in research and development and sales, general and administration, respectively (31 December 2012: 278* and 143*).

As of 31 March 2013, 118 of MorphoSys's employees had a PhD degree (31 December 2012: 142*).

Of the 287 employees, 191 worked for the Partnered Discovery segment, 49 for the Proprietary Development segment (31 December 2012: 184 for the Partnered Discovery segment, 54 for the Proprietary Development segment), while the remaining 47 employees were not allocated to a specific segment (31 December 2012: 48).

As of 31 March 2013, MorphoSys had ten apprenticeship positions (31 December 2012: 10).

* including AbD Serotec

EMPLOYEES BY SEGMENT AND FUNCTION

	03/31/2013	12/31/2012
TOTAL EMPLOYEES		
Partnered Discovery segment	191	184
Proprietary Development segment	49	54
AbD Serotec segment	-	135
Unallocated	47	48
Employees in R&D	240	278
Employees in S,G&A	47	143

Financial Analysis

At the end of 2012, MorphoSys announced the sale of substantially all of its AbD Serotec business to Bio-Rad Laboratories, Inc. (Bio-Rad). As of 31 December 2012, substantially all of the AbD Serotec segment constituted discontinued operations within the meaning of IFRS 5. The operating segments Partnered Discovery and Proprietary Development and the non-discontinued operations of the AbD Serotec segment were categorized as continuing operations at the balance sheet date 31 December 2012. The closing of the sale transaction was dependent on certain conditions, which were complied with on 10 January 2013 (closing date). Hence, substantially all of the AbD Serotec segment was sold as of this date. As a consequence, the financial implications of the discontinued operations AbD Serotec, being part of MorphoSys Group until 10 January 2013, are explained hereafter.

As of 31 March 2013, the companies MorphoSys UK Ltd., Oxford, UK, MorphoSys US, Inc., Raleigh, USA, and MorphoSys AbD GmbH, Düsseldorf, Germany, were no longer included in MorphoSys Group's basis of consolidation.

Revenues

Compared to the previous year, Group revenues from continuing operations increased by 44 % to € 16.9 million (Q1/2012: € 11.7 million). This increase was primarily attributable to licensing fees relating to the sale of the AbD Serotec business to Bio-Rad. This sale also entailed Bio-Rad being transferred a non-exclusive license for use of the HuCAL technology in the market for research reagents and diagnostics.

The continuing operations of the Partnered Discovery and Proprietary Development segments contributed € 16.9 million to Group revenues (Q1/2012: € 11.6 million). This includes revenues from the continuing operations of the AbD Serotec segment of € 0.1 million (Q1/2012: € 0.1 million).

The discontinued operations of the AbD Serotec segment generated revenues of € 0.6 million in the first three months of 2013 (Q1/2012: € 4.5 million).

Geographically, MorphoSys generated 4 % or € 0.6 million of its commercial revenues with biotechnology and pharmaceutical companies and non-profit organizations based in North America, while 96 % or € 16.3 million primarily resulted from customers based in Europe and Asia. In the same period of the previous year, these percentages amounted to 5 % and 95 %, respectively.

PARTNERED DISCOVERY AND PROPRIETARY DEVELOPMENT SEGMENTS

The revenues of the Partnered Discovery segment comprised € 16.5 million from funded research and licensing fees (Q1/2012: € 10.7 million) and success-based payments amounting to € 0.4 million (Q1/2012: € 0.4 million). Success-based payments accounted for 2 % of total revenues of the Partnered Discovery and Proprietary Development segments (Q1/2012: 3 %). Funded research and licensing fees increased in general, because in connection with the sale of substantially all of the AbD Serotec business to Bio-Rad a non-exclusive license for the use of the HuCAL technology in the market for research reagents and diagnostics was transferred.

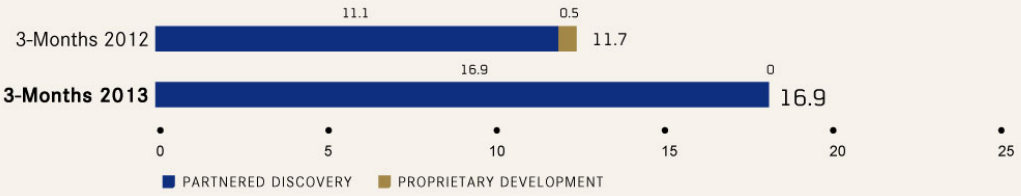
In the Proprietary Development segment, no revenues were generated in the first quarter of 2013 (Q1/2012: € 0.5 million), as the joint development activities (co-development) with Novartis had been abandoned.

Approximately 99 % of Group revenues were generated with the customers Novartis, Bio-Rad, and Pfizer (Q1/2012: 99 % with Novartis, Pfizer, and Astellas).

ABD SEROTEC SEGMENT

Compared to the same period of the previous year, revenues of the AbD Serotec segment decreased by 87 % or € 3.9 million to € 0.6 million (Q1/2012: € 4.5 million). This substantial year-on-year drop in revenues is attributable to MorphoSys Group's disposal of substantially all of its AbD Serotec business on 10 January 2013. Due to the application of IFRS 5, € 0.6 million of the revenues of the discontinued AbD Serotec operations are not included in Group revenues, instead being recognized as revenues from discontinued operations (Q1/2012: € 4.5 million).

REVENUE DEVELOPMENT BY SEGMENT – CONTINUING OPERATIONS (in € million)*



* Differences due to rounding

Operating Expenses

In the first three months of 2013, operating expenses increased by 17 % to € 14.6 million (Q1/2012: € 12.5 million). This increase by € 2.1 million is attributable to an increase in research and development expenses by 11 % or € 1.1 million as well as an increase in sales, general and administrative expenses by 44 % or € 1.1 million to € 3.6 million.

The discontinued operations of AbD Serotec incurred operating expenses of € 2.3 million in the first three months of 2013 (Q1/2012: € 4.6 million), of which € 0.1 million were attributable to cost of goods sold (Q1/2012: € 1.7 million) and € 1.8 million to transaction costs in connection with the sale of the AbD Serotec segment (Q1/2012: € 0.02 million). The decline of operating expenses in comparison to the previous year is primarily resulting from MorphoSys Group's disposal of substantially all of its AbD Serotec operations on 10 January 2013.

Operating expenses in the Partnered Discovery segment rose to € 6.1 million (Q1/2012: € 4.9 million) and remained almost unchanged in the Proprietary Development segment at € 5.6 million.

Personnel expenses from share-based payments are included in sales, general and administrative expenses and in research and development expenses. These personnel expenses amounted to € 1.1 million in the first three months of 2013 (Q1/2012: € 0.3 million) and were a non-cash charge. The increase is due to a modification of the LTI programs from 2011 and 2012.

COST OF GOODS SOLD

Cost of goods sold comprised cost of goods sold for all the products sold up to 10 January 2013 of the discontinued operations of the AbD Serotec segment and compared to the previous year decreased by 94 % from € 1.7 million to € 0.1 million. This decrease is primarily attributable to MorphoSys Group's disposal of substantially all of its AbD Serotec operations on 10 January 2013. Compared to 2012, the AbD Serotec segment's gross margin increased to 76 % (Q1/2012: 63 %), essentially due to the sale of high-margin products.

RESEARCH AND DEVELOPMENT EXPENSES

In the first three months of 2013, research and development expenses rose by € 1.1 million to € 11.0 million (Q1/2012: € 9.9 million). This was first and foremost due to higher personnel costs (Q1/2013: € 5.0 million; Q1/2012 € 4.1 million) and higher material costs (Q1/2013: € 0.5 million; Q1/2012 € 0.1 million). This increase was partly compensated by a reduction in the costs incurred for external laboratory services (Q1/2013: € 2.9 million; Q1/2012: € 3.0 million) and intangibles (Q1/2013: € 1.2 million; Q1/2012: € 1.3 million).

The discontinued operations AbD Serotec incurred research and development expenses of € 0.04 million in the first three months of 2013 (Q1/2012: € 0.5 million).

In the first three months of 2013, the Company incurred proprietary product development costs amounting to € 5.6 million (Q1/2012: € 5.6 million) as well as technology development costs of € 1.4 million (Q1/2012: € 0.8 million).

TAB. 8: SPLIT OF R&D EXPENSES

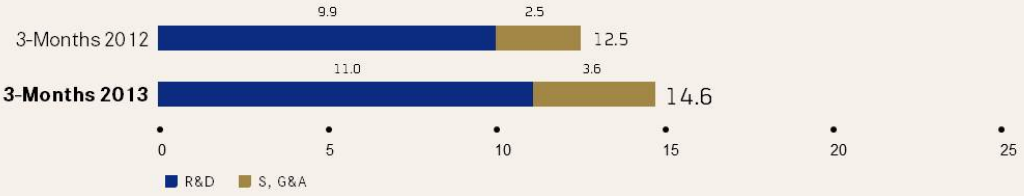
In € million	Q1/2013	Q1/2012
R&D expenses on behalf of partners	4.0	3.5
Proprietary development expenses	5.6	5.6
Technology development expenses	1.4	0.8
Total R&D expenses	**11.0**	**9.9**

SALES, GENERAL AND ADMINISTRATIVE EXPENSES

Compared to the same period in the previous year, sales, general and administrative expenses increased by 44 % or € 1.1 million to € 3.6 million (Q1/2012: € 2.5 million), primarily due to higher expenses for personnel (Q1/2013: € 2.3 million; Q1/2012: € 1.7 million) and for external services (Q1/2013: € 0.7 million; Q1/2012: € 0.1 million).

The discontinued operations AbD Serotec incurred sales, general and administrative expenses of € 2.1 million in the first three months of 2013 (Q1/2012: € 2.4 million).

DEVELOPMENT OF OPERATING EXPENSES – CONTINUING OPERATIONS (in € million)*



* Differences due to rounding

Other Income and Expenses

Other income amounted to € 0.2 million (Q1/2012: € 0.1 million) and predominantly comprised service income from assisting Bio-Rad with its integration of the AbD Serotec operations and government grants, while other expenses of € 0.1 million (Q1/2012: € 0.1 million) primarily consisted of currency losses.

The discontinued operations AbD Serotec generated other income of € 0.01 million in the first three months of 2013 (Q1/2012: other expenses of € 0.03 million).

EBIT

Earnings before interest and taxes (EBIT) from continuing operations amounted to € 2.5 million, in comparison to € -0.7 million in the previous year. EBIT from continuing operations of the segments Partnered Discovery and Proprietary Development totaled € 10.9 million (Q1/2012: € 6.2 million) and € -5.5 million (Q1/2012: € -5.1 million), respectively.

The AbD Serotec segment's EBIT from operations until 10 January 2013 came in at € 0.2 million (Q1/2012: € -0.02 million).

In the first three months of 2013, the discontinued operations AbD Serotec generated EBIT of € -1.7 million (Q1/2012: € -0.1 million). This includes EBIT from operations until 10 January 2013 of € 0.2 million as well as transaction costs from the sale of substantially all of the AbD Serotec business in the amount of € 1.8 million (Q1/2012: € 0.02 million).

Finance Income and Expenses

Finance income amounted to € 0.1 million (Q1/2012: € 0.1 million) and primarily included gains realized on marketable securities sold in the reporting period. Finance expenses amounting to € 0.05 million (Q1/2012: € 0.03 million) mainly resulted from bank charges and losses from currency hedging transactions.

The discontinued operations hardly generated any finance expenses in the first three months of 2013 (Q1/2012: € 0.02 million).

Income from Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale

The gain from the sale of substantially all of the AbD Serotec business in the amount of € 8.0 million was shown as other income within the result from discontinued operations.

Taxes

The continuing operations generated income tax expenses of € 0.7 million in the first three months of 2013 (Q1/2012: tax income of € 0.3 million). This amount consisted of current tax expenses in the amount of € 0.8 million and deferred tax income in the amount of € 0.1 million.

The discontinued operations generated income tax expenses of € 0.4 million in the first three months of 2013 (Q1/2012: € 0.05 million), comprising income tax expenses in connection with the sale of assets and liabilities of the disposal group classified as held for sale of € 0.33 million and income tax expenses from discontinued operations of € 0.04 million (Q1/2012: € 0.05 million).

Net Profit

A net profit after taxes of € 1.9 million was generated by continuing operations in the first three months of 2013 (Q1/2012: € -0.3 million).

Discontinued operations generated a net profit after taxes of € 6.0 million (Q1/2012: € -0.2 million) after deduction of the transaction costs directly attributable to the agreement regarding the acquisition of these operations. This profit included the disposal gain from the sale of substantially all of the AbD Serotec business in the amount of € 8.0 million.

Result from Discontinued Operations

The result from discontinued operations was composed as follows:

For the Three Months Period Ended 31 March (in 000's €)	2013*	2012
Revenues	**603**	**4,460**
Cost of Goods Sold	147	1,693
Research and Development	42	454
Sales, General and Administrative	2,077	2,405
Total Operating Expenses	**2,266**	**4,552**
Other Income / (Expenses)	10	(25)
Earnings before Interest and Taxes (EBIT)	**(1,653)**	**(117)**
Finance Income / (Expenses)	(4)	(21)
Other Income from Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	8,000	0
Profit before Taxes	**6,343**	**(138)**
Income Tax Expenses from Discontinued Operations	(35)	(45)
Income Tax Expenses in connection with Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	(330)	0
Profit / (Loss) from Discontinued Operations	**5,978**	**(183)**

* covers the period from 1 January to 10 January 2013

The sale of the AbD Serotec segment to Bio-Rad was completed on 10 January 2013. The segment generated revenues of € 0.6 million (Q1/2012: € 4.5 million) in the first ten days of the year 2013. Total operating expenses amounted to € 2.3 million (Q1/2012: € 4.6 million). After deduction of directly-related transaction costs of € 1.8 million (Q1/2012: € 0.02 million), the discontinued operations generated EBIT of € -1.7 million (Q1/2012: € -0.1 million). In connection with the deconsolidation, a disposal gain of € 8.0 million was accounted for, resulting in profit before taxes of € 6.3 million (Q1/2012: € -0.1 million). Net profit of the discontinued operations amounted to € 6.0 million (Q1/2012: € -0.2 million).

Financial Position

CASH FLOWS

The net cash inflow from operating activities amounted to € 5.8 million in 2013 (Q1/2012: € 2.3 million). Of this amount, a net cash outflow of € 1.5 million is attributable to discontinued operations (Q1/2012: cash inflow of € 0.3 million), while continuing operations contributed a cash inflow from operating activities in the amount of € 7.3 million in 2013 and € 2.0 million in 2012.

Investment activities resulted in a cash outflow of € 11.9 million (Q1/2012: € 19.2 million), of which a cash inflow of € 36.6 million was caused by discontinued operations (Q1/2012: cash outflow of

€ 0.04 million), whereas a cash outflow of € 48.5 million was attributable to continuing operations (Q1/2012: € 19.2 million).

Financing activities neither generated a cash inflow nor a cash outflow in 2013 (Q1/2012: cash inflow of € 0.6 million in 2012, which is fully attributable to continuing operations).

INVESTMENTS

MorphoSys made investments in property, plant and equipment amounting to € 0.2 million in the first three months of 2013 (Q1/2012: € 0.3 million) for the continuing operations. In the first quarter of 2013, depreciation of property, plant and equipment amounted to € 0.4 million, compared to € 0.4 million in 2012.

There were no investments for discontinued operations in the first three months of 2013 (Q1/2012: € 0.3 million). Depreciation in the amount of € 0.01 million (Q1/2012: € 0.1 million) related to discontinued operations.

In the first three months of 2013, the Company invested € 0.5 million in intangible assets of the continuing operations (Q1/2012: € 0.2 million). Amortization of intangible assets amounted to € 0.9 million in the first three months of 2013, and was below the level of the previous year (Q1/2012: € 1.0 million).

No investments were made for discontinued operations in the first three months of 2013 (Q1/2012: € 0.01 million). Amortization in the amount of € 0.01 million (Q1/2012: € 0.1 million) related to discontinued operations.

LIQUIDITY

As of 31 March 2013, the Company held cash and cash equivalents and financial assets available for sale in the amount of € 162.4 million, compared with € 120.4 million at the end of 2012. This increase in liquidity primarily resulted from the payment of the purchase price for the AbD Serotec operations that were sold. Furthermore, another interest-bearing transferable loan in the amount of € 5.0 million was granted. On 31 March 2013, MorphoSys granted interest-bearing transferable loans in the amount of € 15.0 million, which are presented in the balance sheet item “other receivables”.

Balance Sheet

ASSETS

Total assets amounted to € 232.8 million as of 31 March 2013, € 8.5 million higher than on 31 December 2012 (€ 224.3 million). The increase in current assets by € 45.3 million essentially arose from the purchase price received for the AbD Serotec operations sold. Substantially all of this amount was immediately invested in securities. In addition, other receivables increased by € 5.0 million as a result of the grant of another interest-bearing transferable loan.

Non-current assets increased by € 4.1 million compared to 31 December 2012, mainly due to the purchase price for the AbD Serotec operations sold, which was partly retained in an escrow account.

As of 31 December 2012, the Company recorded assets belonging to a disposal group classified as held for sale amounting to € 40.9 million. This item primarily comprised cash and cash equivalents in the amount of € 5.3 million, inventories totaling € 2.8 million, and trade receivables of € 1.7 million from the discontinued operations of the AbD Serotec segment. Goodwill totaling € 26.8 million, property, plant and equipment worth € 1.5 million, and know-how and customer lists amounting to € 1.0 million were also recognized under this item.

LIABILITIES

The increase in current liabilities from € 11.9 million on 31 December 2012 to € 14.2 million on 31 March 2013 mainly resulted from the current portion of deferred revenues, being higher by € 3.3 million. In addition, tax liabilities rose by € 1.0 million due to the tax effect of the sale of the AbD Serotec operations. Both of the aforementioned balance sheet movements were partially offset by the decline in trade payables and accrued expenses in the amount of € 2.0 million.

Non-current liabilities slightly decreased by € 0.2 million compared to 31 December 2012 due to a decrease in deferred revenues and deferred tax liabilities.

The item "liabilities of disposal group classified as held for sale" amounting to € 3.7 million as of 31 December 2012, essentially comprised trade payables, accrued expenses, and provisions in the amount of € 2.4 million, deferred revenues totaling € 0.4 million, and deferred tax liabilities of € 0.4 million.

EQUITY

Group equity amounted to € 212.2 million as of 31 March 2013, compared with € 202.0 million on 31 December 2012.

A total of 23,358,228 shares was issued as of 31 March 2013, of which 23,102,813 were outstanding (31 December 2012: 23,358,228 and 23,102,813 shares respectively).

Financing

The Company had an equity ratio of 91 % on 31 March 2013, compared with 90 % as of 31 December 2012. The Company is currently not financed via financial debt.

Risk and Opportunity Report

The risks and opportunities as well as the assessment thereof remained unchanged compared to the situation described on pages 49 to 55 of the 2012 annual report.

Subsequent Events

On 22 April 2013, MorphoSys announced the decision to repurchase its own shares on the stock market. In this vein, during April/May 2012, up to 85,000 MorphoSys shares will be repurchased on the stock market.

The Company intends to use the shares for its long-term incentive programs for its management, but the shares can also be used for all purposes stated in the authorization of the Annual General Meeting of 19 May 2011.

As of 1 April 2013, a new LTI program as well as a new program for convertible bonds was granted to the Management Board and the Senior Management Group.

There were no events subject to mandatory disclosure beyond that.

Outlook

EXPECTED DEVELOPMENT IN THE LIFE SCIENCES SECTOR

The pharmaceutical sector continues to face a multitude of challenges. Sales and marketing practices are being reviewed in order to confront emerging generic brands. Outsourcing continues to increase, even within core areas of the business, such as R&D. In-licensing agreements and M&A activities continue to be the means of choice for pharmaceutical companies in order to strengthen their pipelines. The demand of pharmaceutical companies for novel product candidates and technological innovations continues to provide attractive opportunities for the biotechnology industry. Securing the required financial backing for extensive development activities in turn forms the biggest challenge for the biotechnology industry.

MorphoSys is well prepared to act in this challenging environment. MorphoSys's established and validated technologies are used to develop a broad and sustainable pipeline of innovative antibody drug candidates, together with partners and for its own account. In the therapeutics area, commercialization of these technologies provides secure cash flows from long-term partnerships with large pharmaceutical companies. Unlike most of the biotechnology companies, the Group has stable cash flows and a strong cash position, enabling it to further strengthen its business through investments in proprietary drug and technology development.

FINANCIAL GUIDANCE

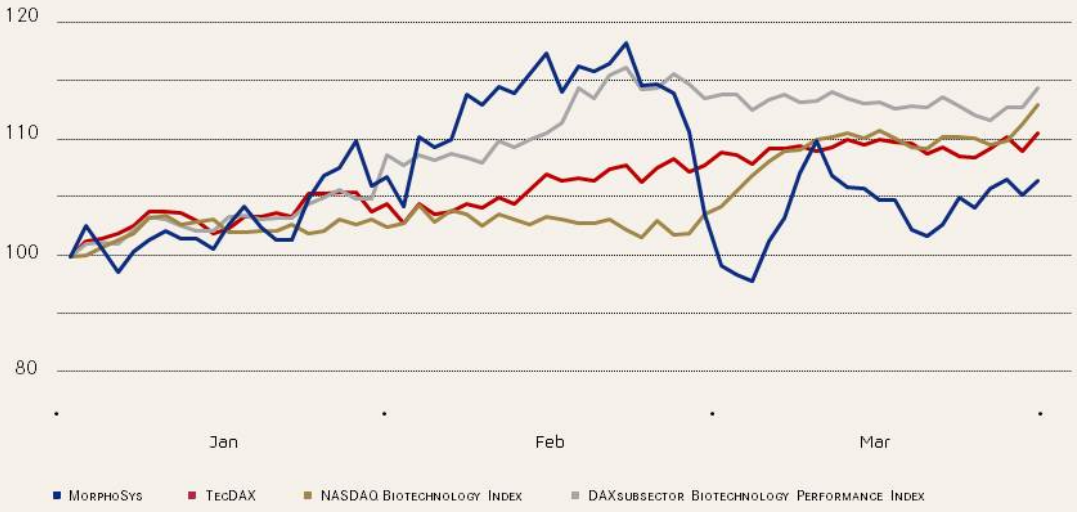
The Company published its financial guidance for 2013 on 5 March 2013. For 2013, MorphoSys anticipates total Group revenues between € 48 million and € 52 million and an EBIT of € -18 million to € -22 million. This guidance does not include a successful out-licensing of any of the Company's proprietary development programs, which could lead to an out-performance of this guidance. Investment in proprietary product and technology development in 2012 will be approximately € 32-37 million.

The statements on the strategic outlook, expected commercial, personnel and R&D outlook and dividends continue to be valid as published in MorphoSys's Annual Report 2012 on pages 55 to 58.

Share Price Performance

After performing very positively in the course of 2012, the MorphoSys share price continued to rise in the first weeks of the year 2013. It hit new twelve-year highs in February, but subsequently came under pressure due to the turbulence surrounding the elections in Italy and ahead of the presentation of the 2012 figures. In a generally positive market environment, the MorphoSys share showed a 6.5 % increase year to date, while its major benchmark indices also showed a positive development. More specifically, the NASDAQ Biotechnology Index increased during the first three months of 2013 by 13 % and the TecDAX increased by 10.6 %; the DAXsubsector Biotechnology Performance Index increased by 14.5 %.

THE MORPHOSYS SHARE (January 2, 2013 = 100%)



Consolidated Income Statement (IFRS) – (unaudited)

€	Note	Three Months Ended 03/31/2013	Three Months Ended 03/31/2012
Continuing Operations:			
Revenues	**2**	**16,919,959**	**11,670,995**
Operating Expenses	**2**		
Cost of Goods Sold		0	0
Research and Development		10,996,292	9,928,578
Sales, General and Administrative		3,574,191	2,526,602
Total Operating Expenses		**14,570,483**	**12,455,180**
Other Income		210,339	100,075
Other Expenses		57,251	2,520
Earnings before Interest and Taxes (EBIT)		**2,502,564**	**(686,630)**
Finance Income		105,156	92,277
Finance Expenses		49,350	28,093
Income Tax (Expenses) / Income		(680,822)	279,903
Profit / (Loss) from Continuing Operations		**1,877,548**	**(342,543)**
Profit / (Loss) from Discontinued Operations		**5,978,029**	**(182,854)**
Consolidated Net Profit / (Loss)		**7,855,577**	**(525,397)**
Basic Net Profit / (Loss) per Share		**0.34**	**(0.02)**
thereof from Continuing Operations		0.08	(0.01)
thereof from Discontinued Operations		0.26	(0.01)
Diluted Net Profit / (Loss) per Share		**0.33**	**(0.02)**
thereof from Continuing Operations		0.08	(0.01)
thereof from Discontinued Operations		0.25	(0.01)
Shares Used in Computing Basic Net Profit per Share		23,102,813	22,974,826
Shares Used in Computing Diluted Net Profit per Share		23,577,706	23,210,040

See accompanying Notes

Consolidated Statement of Comprehensive Income (IFRS) – (unaudited)

€	Three Months Ended 03/31/2013	Three Months Ended 03/31/2012
Consolidated Net Profit / (Loss)	**7,855,577**	**(525,397)**
Change in Unrealized Gains and Losses on Available-for-sale Financial Assets	(37,289)	102,002
(Thereof Reclassifications of Unrealized Gains and Losses to Profit and Loss)	(66,950)	(36,260)
Deferred Taxes	9,818	(26,857)
Change in Unrealized Gains and Losses on Available-for-sale Financial Assets, Net of Deferred Taxes	(27,470)	75,145
Effects from Equity-related Recognition of Deferred Taxes	28,098	(90)
Foreign Currency Gains and Losses from Consolidation	1,303,200	9,411
Comprehensive Income	**9,159,405**	**(440,931)**
thereof from Continuing Operations	7,782,725	(447,789)
thereof from Discontinued Operations	1,376,679	6,858

Consolidated Balance Sheet (IFRS)

€	Note	31 March 2013 (unaudited)	31 Dec. 2012 (audited)
ASSETS			
Current Assets			
Cash and Cash Equivalents		39,826,731	40,689,865
Available-for-sale Financial Assets		122,569,510	79,722,222
Accounts Receivable		8,171,654	8,924,197
Income Tax Receivables		109,660	109,789
Other Receivables	3	15,277,506	10,297,901
Inventories, Net		753,298	757,386
Prepaid Expenses and Other Current Assets		1,460,737	2,357,163
Total Current Assets		**188,169,096**	**142,858,523**
Non-current Assets			
Property, Plant and Equipment, Net		3,004,753	3,191,837
Patents, Net		8,658,475	8,666,367
Licenses, Net		6,796,032	7,128,425
Intangible Assets under Development		10,513,100	10,513,100
Software, Net		1,308,429	1,351,932
Goodwill		7,352,467	7,352,467
Other Receivables, Net of Current Portion	3	4,682,362	0
Shares available for Sale, Net of Current Portion		881,633	881,633
Deferred Tax Asset		0	0
Prepaid Expenses and Other Assets, Net of Current Portion		1,471,226	1,489,063
Total Non-current Assets	**7**	**44,668,477**	**40,574,825**
Assets of Disposal Group Classified as Held for Sale		**0**	**40,855,433**
TOTAL ASSETS		**232,837,573**	**224,288,780**

See accompanying Notes

€	Note	31 March 2013 (unaudited)	31 Dec. 2012 (audited)
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable and Accrued Expenses		8,650,502	10,660,090
Tax Liabilities		1,639,413	629,686
Provisions		0	0
Current Portion of Deferred Revenue		3,926,813	628,167
Total Current Liabilities		**14,216,728**	**11,917,943**
Non-current Liabilities			
Provisions, Net of Current Portion		193,868	187,521
Deferred Revenue, Net of Current Portion		5,757,064	5,915,102
Convertible Bonds Due to Related Parties		73,607	73,607
Deferred Tax Liability		365,337	452,074
Total Non-current Liabilities		**6,389,876**	**6,628,304**
Liabilities of Disposal Group Classified as Held for Sale	**7**	**0**	**3,732,516**
Total Liabilities		**20,606,604**	**22,278,763**
Stockholders' Equity			
Common Stock	4	23,358,228	23,358,228
Ordinary Shares Authorized (43,388,516 and 43,142,455 for 2013 and 2012, respectively)			
Ordinary Shares Issued (23,358,228 and 23,358,228 for 2013 and 2012, respectively)			
Ordinary Shares Outstanding (23,102,813 and 23,102,813 for 2013 and 2012, respectively)			
Treasury Stock (255,415 and 255,415 shares for 2013 and 2012, respectively), at Cost	4	(3,594,393)	(3,594,393)
Additional Paid-in Capital	4	176,306,813	175,245,266
Revaluation Reserve	4	487,371	486,743
Translation Reserve	4	193,335	(1,109,865)
Accumulated Income		15,479,615	7,624,038
Total Stockholders' Equity		**212,230,969**	**202,010,017**
Total Liabilities and Stockholders' Equity		**232,837,573**	**224,288,780**

See accompanying Notes

Consolidated Statement of Changes in Stockholders' Equity (IFRS) – (unaudited)

	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	42,639	42,639
Reserves:		
Change in Unrealized Gain on Available-for-sale Financial Assets, 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 31 March 2012	**23,154,806**	**23,154,806**
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	0	0
Reserves:		
Change in Unrealized Gain on Available-for-sale Financial Assets, 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 31 March 2013	**23,358,228**	**23,358,228**

See accompanying Notes

	Treasury Stock		Additional Paid-in Capital	Revaluation Reserve	Translation Reserve	Accumulated Deficit / 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	328,329	0	0	0	328,329
	0	0	564,368	0	0	0	607,007
	0	0	0	75,145	0	0	75,145
	0	0	0	(90)	0	0	(90)
	0	0	0	0	9,411	0	9,411
	0	0	0	0	0	(525,397)	(525,397)
	0	0	0	75,055	9,411	(525,397)	(440,931)
	163,915	**(1,756,841)**	**171,671,171**	**687,281**	**(1,282,914)**	**5,156,496**	**197,629,999**
	255,415	**(3,594,393)**	**175,245,266**	**486,743**	**(1,109,865)**	**7,624,038**	**202,010,017**
	0	0	1,061,547	0	0	0	1,061,547
	0	0	0	0	0	0	0
	0	0	0	(27,470)	0	0	(27,470)
	0	0	0	28,098	0	0	28,098
	0	0	0	0	1,303,200	0	1,303,200
	0	0	0	0	0	7,855,577	7,855,577
	0	0	0	628	1,303,200	7,855,577	9,159,405
	255,415	**(3,594,393)**	**176,306,813**	**487,371**	**193,335**	**15,479,615**	**212,230,969**

Consolidated Statement of Cash Flows (IFRS) – (unaudited)

For the Period Ended 31 March (in €)	Note	2013	2012
Operating Activities:			
Consolidated Net Profit / (Loss)		7,855,577	(525,397)
Adjustments to Reconcile Net Profit to Net Cash Provided by Operating Activities:			
Depreciation and Amortization of Tangible and Intangible Assets		1,263,355	1,626,495
Net Gain on Sales of Financial Assets		(71,397)	(40,930)
Purchases of Derivative Financial Instruments		(22,800)	(40,870)
Unrealized Net Loss on Derivative Financial Instruments		17,475	1,082
(Gain) / Loss on Sale of Property, Plant and Equipment		3,383	(276)
Net Gain on Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	7	(8,000,389)	0
Net Gain on Sale of Assets Classified as Available for Sale		0	(5,392)
Recognition of Deferred Revenue		(5,213,811)	(5,925,544)
Stock-based Compensation	6	1,067,894	338,553
Income Tax Expenses (+) / Income (-)		1,044,154	(234,798)
Changes in Operating Assets and Liabilities:			
Accounts Receivable		598,314	1,932,827
Prepaid Expenses, Other Assets and Tax Receivables		911,726	414,906
Accounts Payable and Accrued Expenses and Provisions		(2,151,030)	(4,902,261)
Other Liabilities		177,104	104,294
Deferred Revenue		8,333,333	9,633,791
Interest Paid		(1,849)	(2,463)
Interest Received		24,402	44,087
Income Taxes Paid		(66,233)	(156,981)
Cash Generated from Operations		**5,769,208**	**2,261,123**
thereof from Continuing Operations		7,292,188	1,988,751
thereof from Discontinued Operations		(1,522,980)	272,372

See accompanying Notes

in €	Note	2013	2012
Investing Activities:			
Purchases of Financial Assets		(50,991,188)	(13,989,950)
Proceeds from Sales of Financial Assets		8,178,007	4,757,822
Purchase of Assets Classified as Loans and Receivables	3	(5,000,000)	(10,000,000)
Purchases of Property, Plant and Equipment		(196,407)	(556,240)
Additions to Intangibles		(480,877)	(198,848)
Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	7	36,581,020	793,889
Net Cash Used in Investing Activities		**(11,909,445)**	**(19,193,327)**
thereof from Continuing Operations		(48,490,465)	(19,154,409)
thereof from Discontinued Operations		36,581,020	(38,918)
Financing Activities:			
Proceeds from the Exercise of Options and Convertible Bonds Granted to Related Parties		0	607,032
Net Cash Provided by Financing Activities		**0**	**607,032**
thereof from Continuing Operations		0	607,032
thereof from Discontinued Operations		0	0
Effect of Exchange Rate Differences on Cash		(3,872)	10,661
Decrease in Cash and Cash Equivalents		(6,144,109)	(16,314,511)
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		**39,826,731**	**38,281,588**

See accompanying Notes

Notes (unaudited)

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".

In addition to MorphoSys AG, these consolidated financial statements as of 31 March 2013, comprise MorphoSys IP GmbH, Sloning BioTechnology GmbH, MorphoSys USA, Inc., and Poole Real Estate Ltd. (formerly Biogenesis UK Ltd.), collectively called the "Group".

On 16 December 2012, MorphoSys AG and a subsidiary of Bio-Rad Laboratories, Inc., Hercules, California, USA (Bio-Rad Inc.), agreed to acquire all of the shares in MorphoSys UK Ltd., Oxford, UK, with the agreement being notarized on 17 December 2012. The agreed acquisition also included all of the shares in the two subsidiaries of MorphoSys UK Ltd. At the time of the agreement being signed on 16 December 2012, MorphoSys UK Ltd. held all of the shares in MorphoSys AbD GmbH, Düsseldorf, Germany, and in MorphoSys US, Inc., Raleigh, USA. Also on 16 December 2012, an agreement was reached between MorphoSys AG and another subsidiary of Bio-Rad Inc. regarding the acquisition of individual assets (trademark rights) from the AbD Serotec segment of MorphoSys AG and the purchase of a non-exclusive license for use of the HuCAL technology in the market for research reagents and diagnostics. In addition, it was agreed on 16 December 2012, that following the purchase of the shares by the subsidiary of Bio-Rad Inc., all remaining assets and liabilities of the AbD Serotec segment of MorphoSys AG would be transferred to MorphoSys AbD GmbH. The shares in Poole Real Estate Ltd., Poole, UK, held by MorphoSys AG were not sold. The closing of the sale transaction was dependent on certain conditions, which were complied with on 10 January 2013 (closing). As such, substantially all of the AbD Serotec segment was sold as of this date. As of 31 December 2012, and 31 March 2013, substantially all of the AbD Serotec segment of MorphoSys AG constituted discontinued operations within the meaning of IFRS 5. The operating segments Partnered Discovery and Proprietary Development and the non-discontinued operations of the AbD Serotec segment were categorized as continuing operations at the balance sheet date.

Due to the sale of substantially all of the AbD Serotec operations, the companies 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 basis of consolidation.

1 Accounting Policies

The accounting and valuation methods which served as a basis for the consolidated financial statements as of 31 December 2012 were also applied to the first three months of 2013 and can be found on our website at www.morphosys.com/financial-reports.

2 Segment Reporting

The MorphoSys Group applies IFRS 8 "Operating Segments". An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses, 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 in respect of 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 either be directly attributed to a specific segment or that can be shared among the segments on a reasonable basis. Intersegment pricing is determined on an arm's length basis according to the Group's transfer pricing policy.

The Group consists of the following operating segments:

PARTNERED DISCOVERY

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

PROPRIETARY DEVELOPMENT

This segment pools all of the activities relating to proprietary therapeutic antibody development. There are currently three lead compounds in the Group's proprietary product portfolio, namely MOR103, MOR202, and MOR208. The Group currently plans to out-license the compounds it develops once their clinical efficacy has been proven.

ABD SEROTEC

The AbD Serotec operating segment expands MorphoSys's core capabilities to include the development and manufacture of antibodies for research and diagnostic purposes. It uses the HuCAL technology for the tailored manufacture of research antibodies for its customers. The AbD Serotec operating segment also generates revenues with catalog antibodies and with the industrial production of antibodies. This operating segment will no longer be part of MorphoSys Group due to the sale of substantially all of the AbD Serotec business to Bio-Rad on 10 January 2013 (closing date).

ENTITY-WIDE DISCLOSURES

In relation to entity-wide disclosures, segment revenues are based on the customers' geographical locations. Segment asset disclosures are based on the geographical location of the asset in question.

For the Three Months Period Ended 31 March (in 000's €)	Partnered Discovery		Proprietary Development	
	2013	**2012**	**2013**	**2012**
External Revenues	16,913	11,106	0	523
Inter-segment Revenues	0	0	0	0
Revenues, total	**16,913**	**11,106**	**0**	**523**
Cost of Goods Sold	0	0	0	0
Other Operating Expenses	6,082	4,875	5,553	5,626
Inter-segment Costs	0	43	0	0
Total Operating Expenses	**6,082**	**4,918**	**5,553**	**5,626**
Other Income	36	18	38	48
Other Expenses	0	0	0	0
Segment EBIT	**10,867**	**6,206**	**(5,515)**	**(5,055)**
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	**10,867**	**6,206**	**(5,515)**	**(5,055)**
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)	**10,867**	**6,206**	**(5,515)**	**(5,055)**

	AbD Serotec		Unallocated		Elimination		Group		thereof from Discontinued Operations		thereof from Continuing Operations	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	610	4,502	0	0	0	0	17,523	16,131	603	4,460	16,920	11,671
	0	43	0	0	0	(43)	0	0	0	0	0	0
	610	**4,545**	**0**	**0**	**0**	**(43)**	**17,523**	**16,131**	**603**	**4,460**	**16,920**	**11,671**
	147	1,693	0	0	0	0	147	1,693	147	1,693	0	0
	310	2,850	4,744	1,963	0	0	16,689	15,314	2,119	2,859	14,570	12,455
	0	0	0	0	0	(43)	0	0	0	0	0	0
	457	**4,543**	**4,744**	**1,963**	**0**	**(43)**	**16,836**	**17,007**	**2,266**	**4,552**	**14,570**	**12,455**
	12	16	136	47	0	0	222	129	12	29	210	100
	2	41	57	16	0	0	59	57	2	54	57	3
	163	**(23)**	**(4,665)**	**(1,932)**	**0**	**0**	**850**	**(804)**	**(1,653)**	**(117)**	**2,503**	**(687)**
	0	0	105	95	0	0	105	95	0	2	105	92
	0	0	53	51	0	0	53	51	4	23	49	28
	0	0	8,000	0	0	0	8,000	0	8,000	0	0	0
	163	**(23)**	**3,387**	**(1,888)**	**0**	**0**	**8,902**	**(760)**	**6,343**	**(138)**	**2,559**	**(623)**
	0	0	(716)	235	0	0	(716)	235	(35)	(45)	(681)	280
	0	0	(330)	0	0	0	(330)	0	(330)	0	0	0
	163	**(23)**	**2,341**	**(1,653)**	**0**	**0**	**7,856**	**(525)**	**5,978**	**(183)**	**1,878**	**(343)**

As compensation for therapeutic revenues from contracts originally initiated by the AbD Serotec segment, the Partnered Discovery segment made a compensatory payment of € 0.04 million to the AbD Serotec segment in the first three months of 2012, on the basis of a revenue-sharing agreement concluded between the two segments in 2007. In the first three months of 2013, no such payment was made.

The following table shows the Group's revenues by geographical market:

For the Period Ended 31 March (in 000's €)	2013	2012
Germany	4	0
Other Europe and Asia	16,361	11,113
USA and Canada	555	558
Total from Continuing Operations	**16,920**	**11,671**
Total from Discontinued Operations	**603**	**4,460**
Total	**17,523**	**16,131**

3 Financial Instruments

In the first quarter of 2013, the Company granted an interest-bearing transferable loan of € 5.0 million to a third party. In accordance with IAS 39 "Financial Instruments", the loan was allocated to the category "loans and receivables" and was presented under other receivables. The portion of the purchase price from the sale of substantially all of the AbD Serotec business, which was retained in an escrow account in the amount of € 4.7 million, was allocated to the category “loans and receivables” and recognized as long-term other receivable.

4 Changes in Stockholders' Equity

SUBSCRIBED CAPITAL

The Company's capital stock amounted to € 23,358,228 as of 31 March 2013 (31 December 2012: € 23,358,228). Compared to 31 December 2012, treasury shares remained unchanged at € 3,594,393 as of 31 March 2013.

CAPITAL SURPLUS

Additional paid-in capital totaled € 176,306,813 as of 31 March 2013 (31 December 2012: € 175,245,266). The increase of € 1,061,547 resulted from personnel expenses in connection with share-based payments.

REVALUATION RESERVE

As of 31 March 2013, the revaluation reserve amounted to € 487,371 (31 December 2012: € 486,743). The increase by € 628 was caused by the change in unrealized gains on available-for-sale financial assets, net of deferred taxes, in the amount of € 27,470 and the effects from the equity-related recognition of deferred taxes in the amount of € 28,098.

TRANSLATION RESERVE

The translation reserve changed from € -1,109,865 as of 31 December 2012 by € 1,303,200 to € 193,335 as of 31 March 2013. The line item comprises foreign exchange rate differences from the currency translation of assets and liabilities as of 31 December 2012 as well as differences from foreign exchange rates as used in the balance sheet and the income statement. The differences mainly arise from entities of the discontinued operation AbD Serotec, which are led in their local foreign currencies.

5 Changes of Stock Options, Convertible Bonds, and Performance Shares

No further stock options, convertible bonds, or performance shares were issued to the Management Board, the Senior Management Group, or the employees in the first three months of 2013.

6 Stock-based Compensation

Personnel expenses from share-based payments totaling € 1.07 million were recognized in the income statement in the first three months of 2013 (Q1/2012: € 0.3 million). This amount comprised € 1.06 million share-based payments settled with equity instruments, of which personnel expenses in the amount of € 0.95 million related to performance shares from LTI programs. Further personnel expenses in the amount of € 0.01 million resulted from cash-settled share-based payments in connection with stock appreciation rights.

The total increase of personnel expenses from share-based payments compared to the previous year mainly resulted from a modification of the LTI programs from 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, whereas for the LTI program 2012, claims become vested on a pro rata basis. With this modification, changes in the interpretation and development of labor law were taken into account. As a consequence of the adaption, personnel expenses are accounted for comparatively earlier within the four-year period, resulting in an increase of personnel expenses compared to the previous year.

7 Assets Held for Sale and Discontinued Operations

On 16 December 2012, an agreement was reached between MorphoSys and Bio-Rad regarding the takeover of substantially all of the segment for research and diagnostic antibodies, AbD Serotec. The AbD Serotec segment's result from operating activities is presented as result from discontinued operations in accordance with IFRS 5. The previous year's income statement and segment report figures have been adjusted accordingly. Assets and liabilities of the discontinued AbD Serotec operations were presented as held-for-sale assets and liabilities of discontinued operations as of the balance sheet date 31 December 2012. The Management Board and the Supervisory Board passed resolutions on 16 December 2012, approving the sale of the AbD Serotec segment to an American purchaser, and the transaction was closed on 10 January 2013.

The following assets and liabilities were presented in accordance with IFRS 5 as of 31 December 2012, or were taken into account for deconsolidation purposes on 10 January 2013:

(in 000's €)	01/10/2013	12/31/2012
Assets of Disposal Group Classified as Held for Sale		
Cash and Cash Equivalents	5,560	5,281
Accounts Receivable	1,902	1,703
Inventories, Net	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**
Liabilities of Disposal Group Classified as Held for Sale		
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**
Total Assets and Liabilities of Disposal Group Classified as Held for Sale	**37,396**	**37,123**

The result of discontinued operations was composed as follows:

For the Three Months Period Ended 31 March (in 000's €)	2013	2012
Revenues	**603**	**4,460**
Cost of Goods Sold	147	1,693
Research and Development	42	454
Sales, General and Administrative	2,077	2,405
Total Operating Expenses	**2,266**	**4,552**
Other Income / (Expenses)	10	(25)
Earnings before Interest and Taxes (EBIT)	**(1,653)**	**(117)**
Finance Income / (Expenses)	(4)	(21)
Other Income from Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale	8,000	0
Profit before Taxes	**6,343**	**(138)**
Income Tax Expenses from Discontinued Operations	(35)	(45)
Income Tax Expenses in connection with the Sale of Assets and Liabilities of the Disposal Group Classified as Held for Sale	(330)	0
Profit / (Loss) from Discontinued Operations	**5,978**	**(183)**

8 Directors' Dealings

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

The tables below show the shares, stock options, convertible bonds, and performance shares held by members of the Management Board and the Supervisory Board in the first three months of 2013, and also the changes in ownership of these:

SHARES

	01/01/2013	Additions	Forfeitures	Sales	03/31/2013
Management Board					
Dr. Simon E. Moroney	419,885	0	0	0	419,885
Jens Holstein	6,500	0	0	0	6,500
Dr. Arndt Schottelius	2,000	0	0	0	2,000
Dr. Marlies Sproll	7,105	0	0	0	7,105
Total	**435,490**	**0**	**0**	**0**	**435,490**
Supervisory Board					
Dr. Gerald Möller	7,500	0	0	0	7,500
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	0	0	0	0
Dr. Geoffrey N. Vernon	0	0	0	0	0
Total	**9,519**	**0**	**0**	**0**	**9,519**

STOCK OPTIONS

	01/01/2013	Additions	Forfeitures	Exercises	03/31/2013
Management Board					
Dr. Simon E. Moroney	191,445	0	0	0	191,445
Jens Holstein	0	0	0	0	0
Dr. Arndt Schottelius	90,000	0	0	0	90,000
Dr. Marlies Sproll	102,867	0	0	0	102,867
Total	**384,312**	**0**	**0**	**0**	**384,312**

CONVERTIBLE BONDS

	01/01/2013	Additions	Forfeitures	Exercises	03/31/2013
Management Board					
Dr. Simon E. Moroney	58,800	0	0	0	58,800
Jens Holstein	0	0	0	0	0
Dr. Arndt Schottelius	33,000	0	0	0	33,000
Dr. Marlies Sproll	33,000	0	0	0	33,000
Total	**124,800**	**0**	**0**	**0**	**124,800**

PERFORMANCE SHARES

	01/01/2013	Additions	Forfeitures	Exercises	03/31/2013
Management Board					
Dr. Simon E. Moroney	36,652	0	0	0	36,652
Jens Holstein	25,104	0	0	0	25,104
Dr. Arndt Schottelius	25,104	0	0	0	25,104
Dr. Marlies Sproll	25,104	0	0	0	25,104
Total	**111,964**	**0**	**0**	**0**	**111,964**

No stock options, convertible bonds or performance shares are held by the Supervisory Board.

9 Transactions with Related Parties

With the exception of the transactions laid out under "Directors' Dealings", no further transactions were effected with related parties in the first three months of 2013.

As of 31 March 2013, the Senior Management Group held 142,526 stock options (31 December 2012: 150,026), 165,000 convertible bonds (31 December 2012: 180,000), 15,000 SARs (31 December 2012: 15,000), and 59,708 performance shares (31 December 2012: 63,184), all of which were granted by the Company. No further stock options, convertible bonds, stock appreciation rights or performance shares were issued to the Senior Management Group in the first three months of 2013. 3,476 performance shares expired in the first three months of 2013 due to an individual with subscription rights leaving MorphoSys. 15,000 convertible bonds and 7,500 stock options remain under the ownership of said individual.

10 Subsequent Events

On 22 April 2013, MorphoSys announced the decision to repurchase its own shares on the stock market. In this vein, during April/May 2012, up to 85,000 MorphoSys shares will be repurchased on the stock market. The Company intends to use the shares for its long-term incentive programs for its management, but the shares can also be used for all purposes stated in the authorization of the Annual General Meeting of 19 May 2011.

As of 1 April 2013, a new LTI program as well as a new program for convertible bonds was granted to the Management Board and the Senior Management Group.

There were no events subject to mandatory disclosure beyond that.

Imprint

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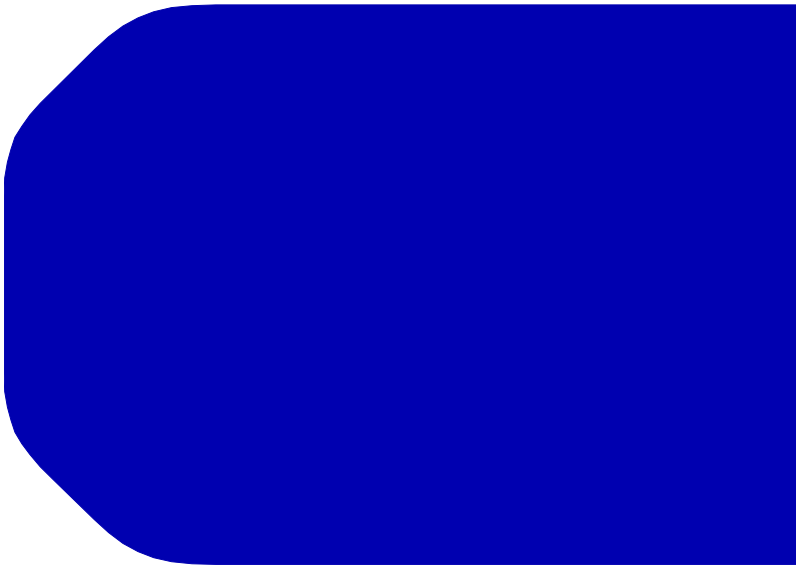
Financial Calendar 2013

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



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