

MorphoSys Enlarges Therapeutic Antibody Collaboration With Pfizer -- Expansion Doubles Potential Deal Volume for MorphoSys

MARTINSRIED, Germany, Dec. 20, 2006 (PRIME NEWSWIRE) -- MorphoSys AG (Frankfurt:MOR), (Prime Standard Segment), announced today an early expansion of its therapeutic antibody collaboration with Pfizer Inc., until the end of 2011. Under the extended agreement, Pfizer has the option to begin new therapeutic antibody projects with MorphoSys resulting in an increased level of programs to be performed within the collaboration. As a result, the potential value for MorphoSys in research funding and potential developmental milestone payments increases to more than US\$ 100 million, not including royalties. Additionally, the extension triggers a one-off payment from Pfizer to MorphoSys. Further financial details were not disclosed.

The cooperation agreement, originally signed in December 2003, was scheduled to end in December 2008. Within the framework of the extended agreement, MorphoSys will continue to use its HuCAL GOLD library to generate therapeutic antibodies against multiple new targets from Pfizer. Pfizer will carry out the preclinical and clinical development and the subsequent marketing of resulting products. MorphoSys stands to receive an increased level of research funding as well as milestone and royalty payments on any antibody products derived from the collaboration. Today, the collaboration encompasses five active therapeutic antibody programs.

"We are very pleased by the successful progress in our collaboration with Pfizer and their decision to intensify this alliance, which will now run until 2011," said Dr. Simon Moroney, Chief Executive Officer of MorphoSys AG. "The year 2006 in review has been very successful for MorphoSys. Today's news represents the fourth substantial expansion of an existing deal for MorphoSys in 2006. In combination with three new commercial partnerships signed during the year, this development clearly demonstrates the strong performance of our partnered therapeutic business."

About MorphoSys: MorphoSys develops and applies innovative technologies for the production of synthetic antibodies, which accelerate drug discovery and target characterization. Founded in 1992, the Company's proprietary Human Combinatorial Antibody Library (HuCAL) technology is used by researchers worldwide for human antibody generation. The Company currently has licensing agreements and/or research collaborations with Bayer (USA), Boehringer Ingelheim (Germany), Bristol-Myers Squibb (USA), Centocor Inc. (USA), Daiichi Sankyo & Co., Ltd. (Japan), GPC Biotech AG (Germany), Hoffmann-La Roche AG (Switzerland), ImmunoGen Inc. (USA), Merck & Co., Inc. (USA), Novartis AG (Switzerland), Novoplant GmbH (Germany), OncoMed Pharmaceuticals, Inc. (USA), Pfizer Inc. (USA), ProChon Biotech Ltd. (Israel), Schering AG (Germany), Schering-Plough (USA), Shionogi & Co., Ltd. (Japan), Xoma Ltd. (USA) and others. Additionally, MorphoSys is active in the antibody research market through its AbD Serotec business unit. The business unit was founded in 2003 for the purpose of exploiting the MorphoSys non-therapeutic antibody markets. MorphoSys' activities in the research antibody segment were significantly strengthened through the acquisition of the U.K. and U.S.-based Biogenesis Group in January 2005 and Serotec Group in 2006. For further information please visit the corporate website at: <http://www.morphosys.com/>.

Statements included in this press release which are not historical in nature are intended to be, and are hereby identified as, "forward-looking statements" for purposes of the safe harbour provided by Section 21E of the Securities Exchange Act of 1934, as amended by the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by words including "anticipates", "believes", "intends", "estimates", "expects" and similar expressions. The company cautions readers that forward-looking statements, including without limitation those relating to the company's future operations and business prospects, are subject to certain risks and uncertainties that could cause actual results to differ materially from those indicated in the forward-looking statements. Factors that may affect future operations and business prospects include, but are not limited to, clinical and scientific results and developments concerning corporate collaborations and the company's proprietary rights and other factors described in the prospectus relating to the company's recent public offering.

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<http://hugin.info/130295/R/1094185/193793.pdf>

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