

MorphoSys and Schering-Plough Sign R&D Agreement

MorphoSys AG (Frankfurt: MOR; Prime Standard Segment, TecDAX) announced today the signing of an initial two year license agreement with Schering-Plough Corporation for the use of MorphoSys's HuCAL GOLD® technology in the research and development of human therapeutic antibodies. Under the terms of the agreement, MorphoSys grants access to its proprietary antibody library to Schering-Plough for use in its drug discovery programs at one research site. Furthermore, the contract provides Schering-Plough with the option to develop HuCAL®-derived therapeutic antibodies against up to 10 disease-related targets. According to the agreement, MorphoSys will receive an up-front payment, annual user fees and optional R&D funding. For therapeutic antibody projects undertaken by Schering-Plough, MorphoSys is eligible to receive license and milestone payments related to the successful advancement of projects in clinical development, and royalties on HuCAL® antibodies developed under the agreement. Further financial details were not disclosed.

During the initial two-year term of the agreement, which also provides Schering-Plough with the option of an extension of up to three more years, MorphoSys's HuCAL GOLD® antibody library will be installed at Schering-Plough's research site in Palo Alto, California, the location of Schering-Plough Biopharma, an affiliate of Schering-Plough Research Institute.

"The agreement signed today is our twelfth with a top 20 pharmaceutical company", commented Dr. Simon Moroney, Chief Executive Officer of MorphoSys. "This deal marks further progress in the successful execution of our strategy to strengthen the pipeline of therapeutic antibodies based on our proprietary technology through strategic deals with quality partners."

MorphoSys will hold its ordinary Shareholders' Assembly today at 13:00 CET in Munich, Germany, to present the Annual Financial Results 2005 and report on current developments.

In addition, MorphoSys offers participants the opportunity to follow the Management Report through a slide presentation (in German only) online at <http://www.morphosys.com>.

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