

MorphoSys AG
Martinsried/Planegg
Securities' code numbers: 663200 and A1MBF5
ISIN:DE0006632003 and DE000A1MBF50

Invitation to the Annual Shareholders' Meeting 2012 of MorphoSys AG

We hereby invite the shareholders of our Company to the Annual Shareholders' Meeting which is taking place on May 31, 2012 at 10:00 a.m., in the Conference Centre Munich, Hanns-Seidel-Stiftung, Lazarettstraße 33, 80636 Munich.

I.

Agenda

- 1. Presentation of the confirmed annual financial statements as of December 31, 2011, the management report together with the consolidated financial statements, the consolidated management report and the report of the Supervisory Board for the business year 2011 and the statement of the Board of Management to the items pursuant to § § 289 para. 4, 315 para. 4 HGB**

The above mentioned documents are available in the business office of MorphoSys AG in 82152 Martinsried/Planegg, Lena-Christ-Straße 48, and may also be downloaded in the internet under www.morphosys.com/agm. If so requested, they can also be sent to the shareholders. The Supervisory Board has agreed to the financial statements and consolidated financial statements as drafted by the Board of Management; the financial statements are hereby approved. For this reason, a shareholders' resolution has not to be passed under this topic.

- 2. Resolution on the use of the net earnings of MorphoSys AG**

The Board of Management and the Supervisory Board recommend that the total net profit of the business year 2011 in the amount of EUR 8,155,014.58 is carried forward in the amount of the accumulated income of EUR 3,114,617.85.

The other partial amount of EUR 5,040,396.73 of the net profit of the business year 2011 has already been allocated to other earnings reserves by virtue of a resolution of the Board of Management and the Supervisory Board in accordance with § 21 para. 3 of the Articles. Insofar, a shareholders' resolution is not required.

3. Resolution on the formal approval on behalf of the Board of Management

The Board of Management and the Supervisory Board recommend formally approving the activities of the Board of Management in the business year 2011.

4. Resolution on the formal approval on behalf of the Supervisory Board

The Board of Management and the Supervisory Board recommend formally approving the activities of the Supervisory Board in the business year 2011.

5. Resolution on the appointment of the auditors for the business year 2012

In accordance with the recommendation of the audit committee, the Supervisory Board proposes to appoint PricewaterhouseCoopers AG Wirtschaftsprüfungsgesellschaft, Munich, as auditors of the Company and the MorphoSys group for the business year 2012 and of the interim statement as to June 30, 2012.

6. Resolution on the new election of supervisory board members

Pursuant to §§ 95, 96 para. 1 AktG and § 8 para. 1 of the Articles, the Supervisory Board comprises only members elected by the shareholders and consists of six members. The shareholders are not bound to election proposals. According to the resolutions of the ordinary shareholders' meetings 2008 and 2011, the term of office of the supervisory board members Dr. Gerald Möller, Prof. Dr. Jürgen Drews, Dr. Daniel Camus, Dr. Geoffrey Vernon and Dr. Metin Colpan ends on the date of today's shareholders' meeting. The term of office of the supervisory board member Dr. Walter Blättler only ends on the date of the Annual Shareholders' Meeting 2014. Therefore, the Supervisory Board recommends electing the following candidates according to the following terms by virtue of an individual vote:

- a) Dr. Gerald Möller, chemist, currently active as independent business consultant life science, residence: Heidelberg, Germany, shall be elected to the Supervisory Board. His appointment shall be valid for the time until the end of the annual shareholders' meeting which resolves on the formal approval on behalf of the Supervisory Board regarding the second business year after the beginning of his term of office (Annual Shareholders' Meeting 2015); in this regard, the business year 2012 shall not be counted.

- b) Dr. Marc Cluzel, physician and biochemist, currently active as consultant for C&F consulting, Paris, France residence: Montpellier, France, shall be elected to the Supervisory Board. His appointment shall be valid for the time until the end of the annual shareholders' meeting which resolves on the formal approval on behalf of the Supervisory Board regarding the second business year after the beginning of his term of office (Annual Shareholders' Meeting 2015); in this regard, the business year 2012 shall not be counted.

- c) Dr. Daniel Camus, finance and business economist, currently active as senior advisor of Roland Berger Strategy Consultants, Paris, France, residence: Croissy-sur-Seine, France, shall be elected to the Supervisory Board. His appointment shall be valid for the time until the end of the annual shareholders' meeting which resolves on the formal approval on behalf of the Supervisory Board regarding the second business year after the beginning of his term of office (Annual Shareholders' Meeting 2015); in this regard, the business year 2012 shall not be counted.

- d) Ms. Karin Eastham, business and financial professional (MBA), currently active as independent business consultant life science, residence: Rancho Santa Fe, California, USA, shall be elected to the Supervisory Board. Her appointment shall be valid for the time until the end of the annual shareholders' meeting which resolves on the formal approval on behalf of the Supervisory Board regarding the second business year after the beginning of her term of office (Annual Shareholders' Meeting 2015); in this regard, the business year 2012 shall not be counted.

- e) Dr. Geoffrey Vernon, pharmacist and business consultant (MBA), currently CEO and chairman of the consulting company Ziggus Holdings Ltd., Tavistock, Great Britain, residence: Devon, Great Britain, shall be elected to the Supervisory Board. His appointment shall be valid for the time until the end of the annual shareholders' meeting which resolves on the formal approval on behalf of the Supervisory Board regarding the second business year after the beginning of his term of office (Annual Shareholders' Meeting 2015); in this regard, the business year 2012 shall not be counted.

Additional information pursuant to § 125 para. 1 sen. 5 AktG:

The candidates Dr. Möller, Dr. Cluzel, Dr. Camus, Karin Eastham und Dr. Vernon are members of legally to be established supervisory boards in the following companies,

respectively members of the following comparable German or foreign monitoring committees:

- Dr. Möller: director of Illumina Inc., San Diego, California, USA; director (chairman) of Invendo Medical GmbH, Kissing, Deutschland; director of 4Sigma Inc., Bermuda; director of Bionostics, Inc. Devens, MA., USA; director of Vivacta Ltd., Great Britain; director of Adrenomed GmbH, Hennigsdorf, Deutschland
- Dr. Cluzel: no further supervisory board or similar positions;
- Dr. Camus: director of Cameco Corp, Saskatoon, Saskatchewan, Canada; supervisory board member of SGL Group SE, Wiesbaden, Germany; director of Valeo SA, Paris, France; director of Vivendi SA, Paris, France;
- Ms. Karin Eastham: director of Illumina Inc., San Diego, California, USA; director of Amylin Inc., San Diego, California, USA; director of Geron Corporation, Menlo Park, California, USA; director of Trius Therapeutics Inc., San Diego, California, USA;
- Dr. Vernon: director (chairman) of respectively Genable Ltd., Ireland; Veryan Medical Ltd., Great Britain; XL TechGroup, Inc., Melbourne, USA; Cornwall Farmers Ltd., Great Britain; Medpharm Ltd., Great Britain.

In case of his election to the Supervisory Board of MorphoSys AG, Dr. Gerald Möller intends to candidate for the re-appointment as Chairman of the Supervisory Board. Because of his expertise in the field of accounting and auditing, the candidate Dr. Camus shall assume the position of an independent financial expert within the meaning of § 100 para. 5 AktG in case of his re-election.

7. Resolution on the deletion of the Authorized Capital 2008-I and creation of a new Authorized Capital 2012-I with the possibility to exclude pre-emptive rights of the shareholders; amendment of the Articles

Pursuant to the shareholders' resolution of the Annual Shareholders' Meeting 2008 to topic 5, § 5 para. 5 of the Articles provides an Authorized Capital 2008-I in the amount of EUR 8,864,103.00 which authorizes the Board of Management (with the approval of the Supervisory Board) to increase the Company's share capital against cash or kind on one or several occasions by issuing up to 8,864,103 young bearer shares during the time period until April 30, 2013. Subject to the conditions defined in § 5 para. 5 of the Articles, the pre-emptive rights of the shareholders may be excluded. The Authorized Capital 2008-I has not been used since the Annual Shareholders' Meeting 2008 and continues to exist in its full amount.

In order to further provide the Company with full and sufficient means for the accomplishment of capital measures, the Authorized Capital 2008-I shall be deleted and a new Authorized Capital 2012-I shall be created. The deletion of the Authorized Capital 2008-I shall only become valid if it has been legally validly replaced by the new Authorized Capital 2012-I. Therefore, the Board of Management and the Supervisory Board propose to pass the following resolution:

a) Deletion of the Authorized Capital 2008-I

The Authorized Capital 2008-I as provided in § 5 para. 5 of the Articles (and to the extent not used at the time of the registration of the authorization pursuant to the subsequent paragraphs b) and c)) shall be deleted with effect as to the registration of the new Authorized Capital 2012-I as to be resolved in the subsequent paragraphs b) and c) into the commercial register.

b) Creation of a new Authorized Capital 2012-I

With the approval of the Supervisory Board, the Board of Management shall be authorized to increase the Company's share capital during the time period until and including April 30, 2017, by issuing up to 9,244,867 young bearer shares for contribution in cash and/or kind in the amount of up to EUR 9,244,867.00 on one or several occasions (Authorized Capital 2012-I).

With regard to capital increases in cash, the shareholders shall regularly have a pre-emptive right. The shares can also be subscribed by one or several banks with the obligation to offer them to the shareholders. Nonetheless, with the consent of the Supervisory Board, the Board of Management may exclude the pre-emptive rights of the shareholders under the following conditions:

- aa) in case of a capital increase in cash, to the extent such exclusion is necessary to avoid fractional shares;
- or
- bb) in case of a capital increase in kind, to the extent the young shares are used for the acquisition of companies, shareholdings in companies, patents, licenses or other industrial property rights, or of assets which constitute in their entirety a business;

or

- cc) in case of a capital increase in cash, to the extent young shares shall be placed at a national and/or foreign stock exchange in context with a listing.

With the consent of the Supervisory Board, the Board of Management shall be authorized to decide on the further details of the capital increase and its accomplishment.

- c) Amendment of the Articles

Sec. 5 para. 5 of the Articles shall read as follows:

“(5) With the Supervisory Board’s approval, the Board of Management is authorized to increase the share capital during the time period until and including April 30, 2017, by issuing young bearer shares for contribution in cash and/or kind on one or several occasions, however by not more than EUR 9,244,867.00 and not more than 9,244,867 young bearer shares (Authorized Capital 2012-I). With regard to capital increases in cash, the shareholders shall regularly have a pre-emptive right. The shares can also be subscribed by one or several banks with the obligation to offer them to the shareholders. Nonetheless, with the consent of the Supervisory Board, the Board of Management may exclude the pre-emptive rights of the shareholder under the following conditions:

- aa) in case of a capital increase in cash, to the extent such exclusion is necessary to avoid fractional shares; or*
- bb) in case of a capital increase in kind, to the extent the young shares are used for the acquisition of companies, shareholdings in companies, patents, licenses or other industrial property rights, or of assets which constitute in their entirety a business; or*
- cc) in case of a capital increase in cash, to the extent young shares shall be placed at a national and/or foreign stock exchange in context with a listing.*

With the consent of the Supervisory Board, the Board of Management is authorized to decide on the further details of the capital increase and its accomplishment.”

8. Resolution on the deletion of the Authorized Capital 2008-II and creation of a new Authorized Capital 2012-II with the possibility to exclude pre-emptive rights of the shareholders; amendment of the Articles

Pursuant to the shareholders' resolution of the Annual Shareholders' Meeting 2008 under topic 6, § 5 para. 6 of the Articles provides an Authorized Capital 2008-II in the amount of EUR 2,216,025.00 which authorizes the Board of Management (with the approval of the Supervisory Board) to increase the Company's share capital against cash on one or several occasions by issuing up to 2,216,025 young bearer shares during the time period until April 30, 2013. In this context, the pre-emptive rights of the shareholders can be (inter alia) excluded pursuant to §§ 203 para. 1 sen. 1, 186 para. 3 sen. 4 AktG. This Authorized Capital 2008-II has not been used since the Annual Shareholders' Meeting 2008 and continues to exist in its full amount.

In order to further provide the Company with full and sufficient means for the accomplishment of capital measures, the Authorized Capital 2008-II shall be deleted and a new Authorized Capital 2012-II shall be created. The deletion of the Authorized Capital 2008-II shall only become valid if it has been legally validly replaced by the new Authorized Capital 2012-II. Therefore, the Board of Management and the Supervisory Board propose to pass the following resolution:

a) Deletion of the Authorized Capital 2008-II

The Authorized Capital 2008-II as provided in § 5 para. 6 of the Articles (and to the extent not used at the time of the registration of the authorization pursuant to the subsequent paragraphs b) and c)) shall be deleted with effect as to the registration of the new Authorized Capital 2012-II as to be resolved in the subsequent paragraphs b) and c) into the commercial register.

b) Creation of a new Authorized Capital 2012-II

With the approval of the Supervisory Board, the Board of Management shall be authorized to increase the Company's share capital during the time period until and including April 30, 2017, by issuing up to 2,311,216 young bearer shares for contribution in cash in the amount of up to EUR 2,311,216.00 on one or several occasions (Authorized Capital 2012-II). The shareholders shall regularly have a pre-emptive right. The shares can also be subscribed by one or several banks with the obligation to offer

them to the shareholders. Nonetheless, with the consent of the Supervisory Board, the Board of Management may exclude the pre-emptive rights of the shareholders

aa) for fractional amounts, or

bb) if (i) the issuance price for the young shares is not substantially below the stock exchange price of listed shares of the same kind at the time of the final fixing of the issuance price and (ii) the amount of the shares issued without pre-emptive rights pursuant to or in analogy to § 186 para. 3 sen. 4 AktG does not exceed in the aggregate 10 % of the share capital during the lifetime of this authorization; this shall apply to the point of time of the legal validity of this authorization and of the point of time exercising this authorization.

c) Amendment of the Articles

§ 5 para. 6 of the Articles shall read as follows:

“(6) With the Supervisory Board’s approval, the Board of Management is authorized to increase the share capital until and including April 30, 2017, for contribution in cash on one or several occasions, however by not more than EUR 2,311,216.00 and by issuing not more than 2,311,216 young bearer shares (Authorized Capital 2012-II). The shareholders shall regularly have a pre-emptive right. The shares can also be subscribed by one or several banks with the obligation to offer them to the shareholders. Nonetheless, with the consent of the Supervisory Board, the Board of Management may exclude the pre-emptive rights of the shareholders (aa) for fractional shares, or bb), if (i) the issuance price for the young shares is not substantially below the stock exchange price of listed shares of the same kind at the time of the final fixing of the issuance price and (ii) the amount of shares issued without pre-emptive rights pursuant to or in analogy to § 186 para. 3 sen. 4 AktG does not exceed in the aggregate 10 % of the share capital during the lifetime of this authorization; this shall apply to the point of time of the legal validity of this authorization and to the point of time exercising this authorization. With the consent of the Supervisory Board, the Board of Management is authorized to decide on the further details of the capital increase and its accomplishment.”

9. Resolution on the compensation of the Supervisory Board

The Board of Management and the Supervisory Board recommend passing the following resolution on the remuneration of the Supervisory Board pursuant to § 15 para. 1 of the Articles:

- a) For the business year 2012 the Supervisory Board members shall receive the following cash remuneration:
 - aa) an annual board membership flat fee in the amount of EUR 85,400.00 for the chairman, of EUR 51,240.00 for the vice chairman and of EUR 34,160.00 for the other board members (each plus VAT, if any);
 - bb) in addition, EUR 3,000.00 (plus VAT if any) to the chairman per board meeting chaired and EUR 1,500.00 (plus VAT, if any) to the other board members per board meeting attended;
 - cc) in addition, the members shall receive the following remuneration (plus VAT, if any) for their services in committees:
 - the chairman of a committee EUR 9,000.00;
 - the other committee members EUR 6,000.00 each;
 - dd) in addition, the members of a committee shall receive an amount of EUR 1,000.00 each (plus VAT, if any) per committee meeting attended.
- b) The compensation pursuant to the preceding para. a) (aa) and (cc) shall become due in equal tranches on a quarterly basis and the payments pursuant to the preceding para. a) (bb) and (dd) at the end of the quarter, in which the relevant meeting took place.
- c) The provisions defined in the paras. a) and b) shall also apply for the Supervisory Board remuneration and its due dates in the following business years unless the shareholders resolve otherwise.

II.

**Written reports of the Board of Management to topics 7 and 8
pursuant to §§ 203 para. 2 sen. 2, 186 para. 4 sen. 2 AktG on the reasons for the
authorization of the Board of Management to exclude the pre-emptive rights of the
shareholders**

1. Report of the Board of Management to Topic 7

a) The Authorized Capital as existing in the Articles and the reason for its amendment

The Board of Management and the Supervisory Board propose deleting the Authorized Capital 2008-I and authorizing the Company to issue young shares by virtue of a new Authorized Capital 2012-I since the authorization to issue young shares under the existing Authorized Capital 2008-I ends on April 30, 2013. To provide the Company with the necessary flexibility, the newly to be created Authorized Capital 2012-I shall allow the issuance of up to 9,244,867 new bearer shares without par value on one or several occasions and by increasing the Company's share capital by up to EUR 9,244,867.00 (in the aggregate) against contribution in cash and/or kind during the time period until and including April 30, 2017.

b) The new Authorized Capital 2012-I and the advantages for the Company connected herewith

The proposed authorization to issue young shares from the Authorized Capital 2012-I shall enable the Board of Management (with the consent of the Supervisory Board) to respond to financing requirements in context with the implementation of strategic decisions. Especially with regard to the current economic environment, a quick and flexible financing is necessary in the interest of both, the Company and its shareholders (e. g. for the implementation of an acquisition or the procurement of liquidity funds). With the approval of the Supervisory Board, the Board of Management shall further be authorized to provide the Company with fresh money and to acquire other companies, shareholdings in companies, patents, licenses or other industrial property rights, or assets which constitute in their entirety a business and to deliver shares as consideration therefore. Such a treasury resolution is nationally and internationally usual.

In order to comply with these financial needs, a new Authorized Capital 2012-I shall be created. Thereby, the Board of Management shall continue to have the possibility to dispose (with the consent of the Supervisory Board) of shares of the Company in a flexible manner and as legally provided pursuant to § 202 para. 3 AktG.

c) Exclusion of pre-emptive rights

The proposal of this resolution provides the authorization to exclude the legally provided pre-emptive rights of the shareholders at the issuance of shares from the authorized capital in certain cases which are defined in the proposal in certain scenarios:

- aa) In case of a capital increase in cash, the exclusion of the pre-emptive rights of the shareholders pursuant to para. aa) of topic 7 b) is necessary to avoid fractional shares. The authorization to exclude the pre-emptive rights for the purpose to economically use fractional shares is necessary to procure a reasonable allocation ratio in all possible cases of a capital increase and shall only serve the purpose to allow round figures when using the authorized capital. Fractional shares are created if not all young shares can equally be distributed to the shareholders because of the given allocation ratio and the amount of the capital increase. Without such authorization, a capital increase without even figures would create technical difficulties at the issuance of the young shares. The costs for trading of pre-emptive rights connected to fractional shares would be out of proportion with regard to the potential benefits for the shareholders. The young shares issued without pre-emptive rights of the shareholders as fractional shares are sold over the stock exchange (if possible) or brought to the market in another best possible way. The potential dilution effect caused by fractional shares is of a neglectible size.

- bb) With regard to the capital increase in kind, the exclusion of the pre-emptive rights pursuant to para. bb) of topic 7 b) is necessary to achieve the aims pursued by this capital measure itself. The Company shall be enabled to continue to expand by the acquisition of companies, shares of companies or assets (e. g. intellectual property rights) which are of special importance, and to strengthen its competitiveness. An essential part of the Company's intellectual property rights are the HuCAL® libraries, for the establishment and usage of which the Company itself needs certain license rights to be granted by third parties. Thus, the acquisition of license rights, which were of special importance

to the Company's business, was successfully accomplished in the past by virtue of a capital increase in kind and by the exclusion of the shareholders' pre-emptive rights. Since the value of the HuCAL® libraries was substantially increased hereby, the respective capital measures proved to be economically advantageous to the Company and contributed to the increase of the stock price of its shares. Consequently, also the shareholders gained a profit which finally compensated the exclusion of their pre-emptive rights. To enable the Company to continue to pursue this business strategy in the future, the proposed creation of the Authorized Capital 2012-I is necessary. Only thereby the acquisition of shareholdings and intellectual property rights which are necessary for the improvement of the Company's market position can be achieved in a manner which protects the Company's liquidity resources. In certain transactions it would not be possible and reasonable for the Company to finance such acquisitions with cash payments only. This also applies when licensors or sellers insist on the potentially more favorably issuance of shares as consideration which has then to be awarded on their behalf. The possibility to use own shares as acquisition currency allows the Company to take advantage of arising acquisition opportunities in a fast and flexible manner. The exclusion of pre-emptive rights in such cases is necessary since these acquisitions have to be accomplished in a short time period and can generally not be approved by the Annual Shareholders' Meeting which regularly takes place only once a year. In such cases, neither an extraordinary shareholders' meeting may be convened in time since under these circumstances, the legally provided time periods would have to be observed. Consequently, an authorized capital is necessary which can be flexibly used by the Board of Management with the approval of the Supervisory Board. Either the scope of the admissible exclusion of the pre-emptive rights is adequate, since the new Authorized Capital 2012-I shall enable the Company (inter alia) to accomplish control rights of listed companies within the meaning of §§ 29 subseq. WpÜG and to comply with mandatory obligations to submit take-over bids.

- cc) The possibility to exclude the pre-emptive rights pursuant to para. Cc) of topic 7 b) shall allow the further issuance of shares of the Company in domestic and foreign stock exchanges as soon as the market conditions will admit the issuance of young shares, and enable the further growth of the Company. The preservation of the shareholders' pre-emptive rights would lead to considerable technical difficulties when the young shares are issued and would prevent the

Company from achieving the best possible issuance price. The exclusion of the pre-emptive rights shall create the basis for a dual listing on a foreign stock exchange (e.g. NASDAQ). For this purpose, it shall ensure a reasonable placing volume and the best possible issuance of the young shares. A broad and international financial basis will protect the Company against market volatility and may neutralize local changes of capital costs. An international structure of investors improves liquidity, reduces the dependence on single investors and makes hostile takeovers more difficult. Furthermore, a second listing improves the potential for acquisitions by virtue of stock swaps. This is especially true for the US-American market which is of outstanding importance to the Company.

By taking into consideration all above described issues, the Board of Management and the Supervisory Board qualify the exclusion of the pre-emptive rights in the aforementioned cases as reasonable and adequate for the explained reasons. This is also true with regard to the dilution effects the shareholders may suffer. The Board of Management will report to the shareholders about each use of the Authorized Capital 2012-I.

2. Report of the Board of Management to Topic 8

a) The Authorized Capital as existing in the Articles and the reason for its amendment

The Board of Management and the Supervisory Board propose deleting the Authorized Capital 2008-II and authorizing the Company to issue young shares by virtue of a new Authorized Capital 2012-II since the authorization to issue young shares under the existing Authorized Capital 2008-II ends on April 30, 2013. To provide the Company with the necessary flexibility, the newly to be created Authorized Capital 2012-II shall allow the issuance of up to 2,311,216 new bearer shares without par value on one or several occasions and by increasing the Company's share capital by up to EUR 2,311,216.00 (in the aggregate) against contribution in cash during the time period until and including April 30, 2017.

b) The new Authorized Capital 2012-II and the advantages for the Company connected herewith

The adequate amount of share capital and capital surplus is a requirement of the Company's ongoing development in the cost-intensive market of biotechnology. It must

be ensured in the future that the Company can take the necessary measures to obtain further capital at any time under the current market situations.

In order to comply with the Company's needs for liquidity, a new Authorized Capital 2012-II shall be created. Therefore, the Board of Management shall be allowed to flexibly dispose of further shares of the Company in accordance with the provisions legally provided in § 202 para. 3 AktG and § 203 para. 1 sen. 1 in connection with § 186 para. 3 sen. 4 AktG.

c) Exclusion of pre-emptive rights

The proposal of this resolution provides the authorization to exclude the legally provided pre-emptive rights of the shareholders at the issuance of shares from the authorized capital in certain cases which are defined in the proposal in certain scenarios:

aa) Also in context with the Authorized Capital 2012-II the Board of Management shall be authorized (with the approval of the Supervisory Board) to exempt fractional amounts from the pre-emptive rights of the shareholders in order to procure a reasonable allocation ratio in any case of a capital increase. The authorization to exclude the pre-emptive rights for the purpose to economically use fractional shares is necessary to procure a reasonable allocation ratio in all possible cases of a capital increase and shall only serve the purpose to allow round figures when using the authorized capital. Fractional shares are created if not all young shares can equally be distributed to the shareholders because of the given allocation ratio and the amount of the capital increase. Without such authorization, a capital increase without even figures would create technical difficulties at the issuance of the young shares. The costs for trading of pre-emptive rights connected to fractional shares would be out of proportion with regard to the potential benefits for the shareholders. The young shares issued without pre-emptive rights of the shareholders as fractional shares are sold over the stock exchange (if possible) or brought to the market in another best possible way. The potential dilution effect caused by fractional shares is of a neglectible size.

bb) Furthermore, the Board of Management (with the approval of the Supervisory Board) shall be allowed to exclude the shareholders' pre-emptive rights pursuant to § 186 para. 3 sen. 4 AktG with regard to the complete new

Authorized Capital 2012-II, if the issuance price of the new shares is not substantially lower than the stock price of listed shares of the same kind at the time of the final assessment of the issuance price. This legally provided exclusion of the pre-emptive rights shall enable the Board of Management to use favorable market conditions on a short term basis in order to achieve the highest possible issuance price by a price fixing which reflects the market conditions and which results in the best possible promotion of the Company's equity. In comparison to a capital increase under observance of the pre-emptive rights of the shareholders, such a capital increase regularly results in a higher capital injection because of the possibility to proceed faster. For this reason, this capital increase is in the reasonable interest of the Company and its shareholders. It is true that this may lead to a reduction of the pro rata shareholding and the pro rata voting rights of existing shareholders. However, shareholders who wish to preserve their pro rata shareholding and their pro rata voting rights, have the possibility to acquire the necessary additional shares over the stock exchange. The amount of the new Authorized Capital 2012-II observes the legally provided limits in § 186 para. 3 sen. 4 AktG pursuant to which the pre-emptive rights may be excluded if (i) the capital increase in cash does not exceed 10 % of the share capital and (ii) the issuance price is not substantially below the stock exchange price. In this context, other capital measures which also provide an exclusion of pre-emptive rights by virtue of § 186 para. 3 sen. 4 AktG or of an analogy thereto have to be taken into consideration.

By taking into consideration all above described issues, the Board of Management and the Supervisory Board qualify the exclusion of the pre-emptive rights in the aforementioned cases as reasonable and adequate for the explained reasons. This is also true with regard to the dilution effects the shareholders may suffer. The Board of Management will report to the shareholders about each use of the Authorized Capital 2012-II.

III.

Further details regarding the convening of this Annual Shareholders' Meeting

1. Total numbers of shares and voting rights

At the time of convening this Annual Shareholders' Meeting, the share capital of the Company comprises 23,154,806 no-par-value shares. Each share entitles the bearer to one vote. At the time of convening the Annual Shareholders' Meeting, the Company holds treasury stock amounting to 163,915 shares. The Company has no rights in respect of these shares. The total number of shares bearing participation and voting rights at the time of convening the Annual Shareholders' Meeting amounts to 22,990,891.

2. Conditions of participation in the Annual Shareholders' Meeting and exercise of voting rights

Only those persons who are Company shareholders at the start of the 21st day before the Annual Shareholders' Meeting, i. e. on May 10, 2012, 00:00 hours CEST, (record date) and register for the Annual Shareholders' Meeting may participate in the meeting and exercise voting rights. The registration must reach the registration office specified below by the close of May 24, 2012 (24:00 CEST), at the latest together with the confirmation of shareholding issued by the depository bank or financial services company on the record date. The registration and confirmation of shareholding must be in German or English. Text form is sufficient for the confirmation of shareholding (§ 126 b BGB).

The record date does not result in blocking the potential transfer of shares. Also in cases of a complete or partial sale of a shareholding after the record date the amount of the shareholding and the voting rights connected therewith at the time of the record date are decisive; this means that the transfer of shares after the record date does not have an impact on the right to participation and to the exercise of the voting rights. The same applies to the acquisition of shares after the record date. Persons not owning shares at the record date but having acquired shares thereafter, have no participation and voting rights. The record date is not a relevant date for potential rights to dividends.

Registration office:

MorphoSys AG

c/o Deutsche Bank AG

Securities Production
General Meetings
Postal Code 20 01 07
60605 Frankfurt
Facsimile: +49 (0) 69 / 12012 - 8 60 45
Email: WP.HV@Xchanging.com

After receipt of the registration and the confirmation of shareholding by the Company, the registration office will send to the shareholders the admission tickets for the Annual Shareholders' Meeting. To procure the timely receipt of the admission tickets, we kindly ask the shareholders to demand the admission ticket to the Annual Shareholders' Meeting from the depository bank as early as possible. The necessary registration and the confirmation of the relevant shareholding will be accomplished by the depository bank in such case.

3. Procedure for voting via postal mail

Shareholders may also cast their vote in writing by postal mail. For such purpose, the form printed on the admission ticket is available. The votes casted via postal mail must reach the Company by the close of Tuesday, May 29, 2012, at the following address:

MorphoSys AG
ITTEB GmbH & Co. KG
Vogelanger 25
86937 Scheuring

4. Procedure for voting and voting by proxy

Shareholders may have their voting rights also exercised by a proxy, e.g. by a bank, a shareholders' association, a Company-nominated proxy, or another proxy. Timely registration and a confirmation of shareholding are also required in this instance. Shareholders will receive a form for granting powers of proxy together with the admission ticket. Proxy authorizations, the revocation thereof and proof of authorization vis-à-vis the Company must be made in text form (§ 126 b BGB). Specific rules usually have to be observed when authorizing banks, shareholders' associations or persons of comparable standing pursuant to § 135 para. 8 AktG or according to §135 para. 10 in connection with § 125 para. 5 AktG equated institutions; details should be requested from such person to be authorized.

The proxy has to submit the proper proxy form on the day of the Annual Shareholders' Meeting or his authorization has to be declared vis-à-vis the Company at the following address:

MorphoSys AG
HV-Agency/Investor Relations
Lena-Christ-Str. 48
82152 Martinsried/ Planegg
Facsimile: +49 (0) 89 / 899 27 - 5333
Email: hv@morphosys.com

For such purpose, on the day of the Annual Shareholders' Meeting only the entrance and exit control to the meeting in the Conference Center Munich, Hanns-Seidel-Stiftung, Lazarettstr. 33, 80636 Munich, will be available from 9:00 a.m. until shortly before the beginning of the voting procedure.

In addition to authorization, those proxies nominated by the Company must also be given instructions for exercising voting rights. These proxies are obligated to vote as instructed; they cannot exercise the voting rights at their own discretion. The proxies may not accept instructions to raise objections against shareholders' resolutions, to exercise rights to speak and to ask questions or to render any shareholders' motions. More details on participating in the Annual Shareholders' Meeting and authorizing and instructing proxies will be sent to shareholders together with their admission ticket. With regard to the authorization of the proxy nominated by the Company, we ask you to order an admission ticket at the aforementioned registration office to complete the proxy and instruction form which is attached to the admission ticket and to send the form until May 30, 2012 (date of receipt) to the following address:

MorphoSys AG
ITTEB GmbH & Co. KG
Vogelanger 25
86937 Scheuring
Facsimile: +49 (0) 8195 / 99 89 664
Email: mor2012@itteb.de

This information can also be viewed on the internet at www.morphosys.com/agm.

5. Additional agenda topic proposals requested by a minority pursuant to § 122 para. 2 AktG

Shareholders whose shares together total the amount of 5 % of the share capital (which corresponds to 1,155,608 shares) or the total nominal amount of EUR 500,000.00 - corresponding to 500,000 shares - may call for items to be added to the agenda and publicized. Reasons or a resolution proposal must be attached to each new agenda item. The request must reach the Company at the address stated under para. 6 30 days before the Annual Shareholders' Meeting at the latest, i. e. by the close of April 30, 2012 (24:00 CEST).

The shareholder(s) bringing such motion has to show that they are owner of the sufficient amount of shares during the legally required minimum time of possession of three months (§§ 122 para. 2, 122 para. 1 sen. 3, 142 para. 2 sen. 2 AktG and § 70 AktG) and that they are in possession of these shares until a decision of their motion has been rendered. Unless already announced together with the publication of the invitation, amendments of the agenda shall be announced immediately after receipt of the corresponding motion in the Federal Gazette and in such other publication media which is normally used for publication of the information in the complete European Union. Moreover, they shall be published on the internet at www.morphosys.com/agm.

6. Shareholder motions and election proposals pursuant to § 126 para. 1 and § 127 AktG

Countermotions including reasons against a proposal made by the Board of Management and Supervisory Board with respect to a specific agenda item and shareholder proposals for elections of auditors or supervisory board members should be sent exclusively to the following address. Countermotions and election proposals sent to a different address will be disregarded.

MorphoSys AG
HV Agency / Investor Relations
Lena-Christ-Straße 48

82152 Martinsried/Planegg.

Facsimile: +49 (0) 89 / 899 27 - 5333

Email: hv@morphosys.com

Countermotions and election proposals arriving with evidence of shareholder status at this address until 14 days before the date of the Annual Shareholders' Meeting, i. e. by no later than the close of May 16, 2012 (24:00 CEST) will be made available immediately to other shareholders on the internet at www.morphosys.com/agm if the other requirements for publication pursuant to § 126 AktG are fulfilled. Any comments from head office will likewise be published at the same internet address.

A proposal of a shareholder to elect supervisory board members or auditors does not need to state reasons pursuant to § 127 sen. 2 AktG. In addition to the reasons specified in § 126 para. 2 AktG, the Board of Management has not to publish (inter alia) an election proposal which does not contain the name, exercised profession and place of residence of the candidate. The same applies to proposals for the election of supervisory board members if they do not contain information with regard to memberships of the proposed candidate in other legally mandatory supervisory boards within the meaning of § 125 para. 1 sen. 5 AktG.

We would like to point out that counter motions and proposals for elections which have been submitted to the Company in time and in advance, are only of relevance in the shareholders' meeting if they are also orally made in the shareholders' meeting itself.

The right of each shareholder to bring counter motions to the single topics of the agenda, respectively election proposals of supervisory board members and auditors, even without submission to the Company in advance and in time, is not affected hereby.

7. Shareholder right to information pursuant to § 131 para. 1 AktG

The Board of Management is obligated to provide information about Company matters including legal and business relationships with affiliated companies as well as the situation of the group and companies included in the consolidated financial statements to any shareholder at their request during the Annual Shareholders' Meeting insofar as it is necessary for proper appraisal of an agenda item.

The obligation to provide information also applies to the legal and business relationship of the Company to an affiliate, to the situation of the company group and to the companies

included in the consolidated financial statements. For reasons specified in § 131 para. 3 AktG, the Board of Management may deny to answer single questions, in particular because – according to reasonable business judgement – providing the information is likely to cause substantial damages to the Company or to an affiliate. Pursuant to § 19 para. 4 of the Articles of Association of the Company, the Chairman of the Annual Shareholders' Meeting may adequately restrict the time a shareholder has the right to speak and to ask questions.

8. Publication on the website

The invitation letter to the Annual Shareholders' Meeting, publishable documents and information pursuant to § 124 a AktG, motions of shareholders and further information and additional explanations to the rights of the shareholders pursuant to § 122 para. 2, § 126 para. 1, § 127, § 131 para. 1 AktG are also available on the website of the Company at www.morphosys.com/agm. All documents and information which have to be made available to the shareholders are also available for inspection in the shareholders' meeting itself.

The voting results will be published after the Annual Shareholders' Meeting on the aforementioned website.

The invitation to the Annual Shareholders' Meeting was published in the Federal Gazette ("Bundesanzeiger") on April 18, 2012, as well as in such other publication media which are designed to spread this information in the complete European Union.

Place: Martinsried/Planegg

Date: April 2012

MorphoSys AG
Board of Management