2nd Interim Report

January – June 2014

Q2

Engineering the Medicines of Tomorrow

Contents

MorphoSys Group:
2nd Interim Report January – June 2014

Summary

Summary of the Second Quarter of 2014

- MorphoSys and Merck Serono sign an alliance to co-develop therapeutic antibodies in the field of cancer immunotherapy on the basis of the Ylanthia platform.
- MorphoSys and Temple University’s Moulder Center for Drug Discovery Research enter a partnership within which the Moulder Center receives access to MorphoSys's Ylanthia technology. MorphoSys gets exclusive options on all of the antibodies resulting from the co-operation.
- MorphoSys and Galapagos announce the progression to the preclinical stage of an Ylanthia antibody. The antibody MOR106 is directed against inflammatory diseases.
- The U.S. Food and Drug Administration (FDA) awards Orphan Drug designation to MOR208 for the treatment of CLL/SLL. Additionally, the European Medicines Agency (EMA) recommends recognition of MOR208 as a medicinal product for rare diseases in the same indications.
- The U.S. Patent and Trademark Office issues further patents for Ylanthia. The State Intellectual Property Office of the People's Republic of China also issues a patent covering the technology.
- MorphoSys is able to disclose today the royalties due on sales of gantenerumab, a HuCAL antibody in Phase 3 development by Roche for Alzheimer’s disease. MorphoSys stands to receive royalties of 5.5 - 7% of net sales of gantenerumab if the compound reaches the market.
- At the end of the second quarter of 2014, MorphoSys's product pipeline comprises a total of 92 therapeutic antibodies, of which 20 are in clinical development.

MORPHOSYS PRODUCT PIPELINE AS OF 30 JUNE 2014

Program / Partner	Indication	Discovery	Preclinic	Phase 1	Phase 2	Phase 3	Market
Bimagrumab, Novartis	Musculoskeletal						
Gantenerumab, Roche	Alzheimer’s Disease						
MOR103, GSK	RA/Multiple Sclerosis						
MOR208	ALL/CLL/NHL						
BHQ880, Novartis	Cancer						
CNTO3157, Janssen/J&J	Asthma						
CNTO6785, Janssen/J&J	Rheumatoid Arthritis						
Guselkumab, Janssen/J&J	Psoriasis/RA						
LFG316, Novartis	Eye Disease						
LJM716, Novartis	Cancer						
NOV-3, Novartis	n. d.						
Tarextumab (OMP-59R5), OncoMed	Cancer						
VAY736, Novartis	Inflammation						
MOR202, Celgene/MOR	Multiple Myeloma						
BAY94-9343, Bayer HealthCare	Cancer						
BI-836845, BI	Cancer						
NOV-7, Novartis	Eye Disease						
NOV-8, Novartis	Inflammation						
PF-05082566, Pfizer	Cancer						
Vantictumab, OncoMed	Cancer						
MOR106, Galapagos	Inflammation						
27 Programs	Various Indications						
Immuno-onkology program, Merck Serono	Cancer						
39 Programs	Various Indications						
4 Early-stage programs	Various Indications						

83 Partnered Programs
9 MOR Programs

Interim Group Management Report: 1 January – 30 June 2014

Business Environment and Activities

ECONOMIC DEVELOPMENT

After a cold spell at the beginning of the year, which noticeably slowed down the US economy, economic development returned back to normal from March onwards. Some indicators, such as retail sales, have already significantly improved as a result. Further economic expansion for the US-market is expected in the course of the year.

High levels of corporate indebtedness put a damper on growth in China. Overall, economic growth in China experienced a significant slowdown compared to 2013 with the hardest hit being the real estate market.

In the euro area, economic growth remained weak in the second quarter, although a high degree of economic divergence between the large Eurozone countries continued. In early June 2014, the European Central Bank (ECB) brought the key interest rate to a historic low which triggered growth momentum, particularly in Germany. Spain also recorded an upswing, despite its tough reform program, whereas Italy and France remain economically at a standstill. Greece's return to the capital market with the issuance of a five-year government bond was well received by investors.

IMPLICATIONS FOR MORPHOSYS

The economic developments described above did not have a significant impact on the business development of MorphoSys AG in the first six months of 2014.

INDUSTRY OVERVIEW

After a series of successful biotechnology IPOs in 2013 and 2014, there was a slowdown at the end of the second quarter and a number of companies had to either postpone their IPOs or were placed on the market at discounted valuations. Unlisted companies attracted a total of US$ 2,672.7 million in venture capital financing in the second quarter for an increase of 38% compared to the first quarter.

The second quarter was dominated by the new study results presented in early June at the international cancer congress, ASCO, in Chicago, USA. The focus of interest was on different antibodies in the field of immuno-oncology. Roche, Merck & Co., Bristol-Myers Squibb and various other companies exhibited promising clinical results for studies in the areas of melanoma, bladder cancer, and lung cancer, among others. The potential of antibodies for previously difficult-to-treat types of cancer attracted significant attention.

OPERATIONAL PERFORMANCE

MorphoSys's start in 2014 went according to plan. The search for new partnerships based on the latest Ylanthia antibody library resulted in two new contracts. Both the alliance with Merck Serono as well as the co-operation with the Moulder Center for Drug Discovery Research of Temple University are aimed at strengthening the Company's proprietary portfolio.

At the end of the second quarter of 2014, MorphoSys's product pipeline consisted of 92 partnered and proprietary programs, 20 of which were in clinical development.

Based on the results shown in the first six months of 2014, MorphoSys is on the right track to achieving its full-year operating and financial targets.

STRATEGY AND PERFORMANCE MANAGEMENT

MorphoSys did not make any changes to the Company's strategy or performance management during the first six months of 2014. A comprehensive description of the strategy and performance management can be found on p. 24 of the company’s 2013 Annual Report.

Research and Development

PARTNERED DISCOVERY

MorphoSys's partners continue to advance their HuCAL antibody programs. Events in the second quarter included:

- A new phase 2 trial with the HuCAL antibody bimagrumab initiated by Novartis in the USA, Europe, and Japan. In this trial, the compound will be tested on up to 210 patients following hip surgeries.
- Novartis has withdrawn a phase 2 trial of bimagrumab antibody for mechanically ventilated patients prior to enrollment of patients for the trial.
- A phase 1 trial conducted by the Memorial Sloan-Kettering Cancer Center, USA, in co-operation with Novartis with LJM716, in which the antibody is tested in combination with the compounds BYL719 and trastuzumab on up to 48 patients with HER2-positive breast tumors.
- A new phase 1 trial in Japan conducted by Boehringer Ingelheim with the HuCAL antibody BI 836845 in up to 18 patients with advanced tumors.
- A new study with the antibody guselkumab conducted by Janssen examines whether genetic analysis can predict a response to treatment with the compound.
- OncoMed voluntarily halted an ongoing phase 1 trial involving the antibody vantictumab in order to examine more closely the side effects which occurred. Shortly thereafter, the voluntary halt was confirmed by the FDA. There was no new information at the time of publication of this quarterly report.

At the ASCO Annual Conference and the AACR Convention – two of the most important industry conferences in the field of oncology – data from trials of several MorphoSys partnered programs were presented. The results of the PF-05082566, OMP-59R5, LJM716, and BI 836845 programs, among others, support the progress of these projects.

During the first six months of 2014, MorphoSys's partnered therapeutic antibody pipeline increased to a total of 83 active programs (31 December 2013: 75 partnered programs). Of these programs, 17 are currently in clinical development, 27 in pre-clinical development, and 39 are in the discovery phase.

PROPRIETARY DEVELOPMENT

MorphoSys's proprietary portfolio comprises three projects currently in clinical trials: the HuCAL antibody 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.

Additionally, MorphoSys is pursuing various programs in earlier stages. These programs include the co-development program with Galapagos N.V., which entered preclinical development in the second quarter of 2014 as well as the immuno-oncology programs that were initiated as part of the alliance signed with Merck Serono in the second quarter.

At the end of the second quarter, the Company's entire proprietary portfolio comprised three antibody programs in clinical development and six in discovery of preclinical development.

Intellectual Property

In the first six months of 2014, MorphoSys continued to consolidate and expand the patent protection around its development programs and its growing technology portfolio, which are the Company's key value drivers.

The U.S. Patent and Trademark Office (USPTO) issued a further patent for the Company's newest antibody library, Ylanthia, which has been commercially available to existing and new partners since 2012. The first US patent was issued in the first quarter of last year. The State Intellectual Property Office of the People's Republic of China also issued a patent covering the technology.

Presently, the Company maintains more than 40 different proprietary patent families worldwide in addition to the numerous patent families it pursues in co-operation with its partners.

Commercial Development

PARTNERED DISCOVERY

MorphoSys is able to disclose today the royalties due on sales of gantenerumab, a HuCAL antibody in Phase 3 development by Roche for Alzheimer's disease. MorphoSys stands to receive royalties of 5.5 - 7% of net sales of gantenerumab if the compound reaches the market.

MorphoSys's active partnerships are progressing as expected. Total success-based payments achieved in the first six months amounted to € 1.4 million.

PROPRIETARY DEVELOPMENT

MorphoSys is increasingly striving to strengthen its proprietary development portfolio through new contracts and by using access to its latest antibody technology, Ylanthia, as currency. In the second quarter of 2014, two new contracts were signed.

In April, MorphoSys announced the start of a strategic partnership with the Moulder Center for Drug Discovery Research, a division of the School of Pharmacy at Temple University, USA. As part of the co-operation, the Moulder Center receives access to the Ylanthia® technology from MorphoSys to validate new disease-related target molecules and to generate therapeutic antibodies directed against these molecules. MorphoSys receives an exclusive option to further develop each antibody resulting from the co-operation.

The Moulder Center's department for new biotherapeutic drug discovery, under the direction of Dr. Jon Condra, looks at the design of compounds and the optimization of lead candidates in various disease areas including cancer, Alzheimer's disease, cardiovascular, metabolic and viral diseases.

This was followed by an agreement with the German pharmaceutical group, Merck KGaA, Darmstadt (Merck), in May 2014 to identify and develop therapeutic antibodies against target molecules of the class of immune checkpoints.

Under the agreement, both MorphoSys and Merck Serono, the biopharmaceutical division of Merck, aim to co-develop forms of therapies that are intended to prompt the immune system to attack tumors. MorphoSys will use its proprietary Ylanthia antibody library and other technology platforms to generate antibodies directed against the selected target molecules. Merck Serono has a broad portfolio and expertise in the field of immuno-oncology as well as in clinical development and will assume full project responsebility starting with phase 1 of clinical development.

As part of the agreement, MorphoSys will co-fund the research and development costs of the co-operation with the option to opt-out at predefined stages of the co-development phase. MorphoSys will be eligible to receive development and commercial milestone payments as well as tiered royalties on product sales that will reflect the duration of the co-development phase. Merck Serono will have sole responsibility for the commercialization of the resulting products.

The Company also reported news related to existing product candidates in the area of proprietary development, for example regarding MOR208, a humanized antibody against CD19, which has been engineered to have improved effector function. In May 2014, the U.S. Food and Drug Administration (FDA) confirmed the so-called Orphan Drug designation for the MOR208 project for the treatment of chronic lymphocytic leukemia (CLL) or small cell-lymphocytic lymphoma (SLL). In addition, MorphoSys received a positive opinion from the European Medicines Agency (EMA) who recommended recognition of MOR208 as a medicinal product for rare diseases (orphan medicinal product) in the same indications.

The "Orphan Drug" and "Orphan Medicinal Product" designations are awarded by the US and European health authorities to support the development of promising drug candidates targeted against diseases affecting fewer than 200,000 patients in the US, or not more than 5 out of 10,000 people in the European Union. Receiving Orphan Drug designation brings many advantages such as seven years of market exclusivity upon approval in the United States and ten years of market exclusivity in the European Union. Other potential benefits are granted in the form of support for protocols, the opportunity to apply for research funding, tax benefits for certain research costs, and the waiving of fees for regulatory processes.

ACQUISITION UPDATE

In financial year 2013 and in the first six months of 2014, MorphoSys did not acquire any development candidates or companies.

Human Resources

On 30 June 2014, the MorphoSys Group engaged 308 employees (31 December 2013: 299). In the first six months of 2014, the MorphoSys Group employed 309 people on average (H1/2013: 291).

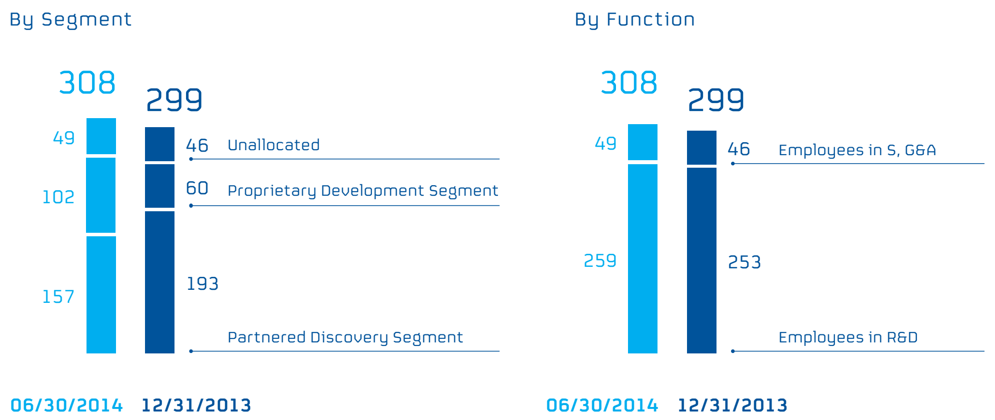
Of these 308 employees, 259 were employed in research and development, and 49 in selling, general, and administrative functions (31 December 2013: 253 and 46, respectively).

On 30 June 2014, MorphoSys had a total of 119 employees with PhD degrees (31 December 2013: 118).

Of the 308 employees, 157 worked for the Partnered Discovery segment and 102 for the Proprietary Development segment (31 December 2013: 193 in the Partnered Discovery segment and 60 in the Proprietary Development segment). The remaining 49 employees were not allocated to either of these segments (31 December 2013: 46). The shift between the Partnered Discovery and the Proprietary Development segments in the first half of 2014 resulted from the intensification of development activities associated with proprietary products.

On 30 June 2014, MorphoSys employed ten trainees (31 December 2013: ten).

EMPLOYEES BY SEGMENT AND FUNCTION



Financial Analysis

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

Revenues

Compared to the previous year, Group revenues declined by 37% to € 30.5 million (H1/2013: € 48.2 million). This decrease was primarily the result of one-time effects in the first six months of 2013 in connection with the out-licensing of MOR103 to GlaxoSmithKline and license fees in connection with the sale of the AbD Serotec business unit to Bio-Rad.

From a geographical viewpoint, MorphoSys achieved 27%, or € 8.2 million, of its commercial revenues with biotechnology and pharmaceutical companies and non-profit organizations headquartered in North America and 73%, or € 22.3 million, with customers primarily located in Europe and Asia. In the comparable period of the previous year, these figures were 2% and 98%, respectively.

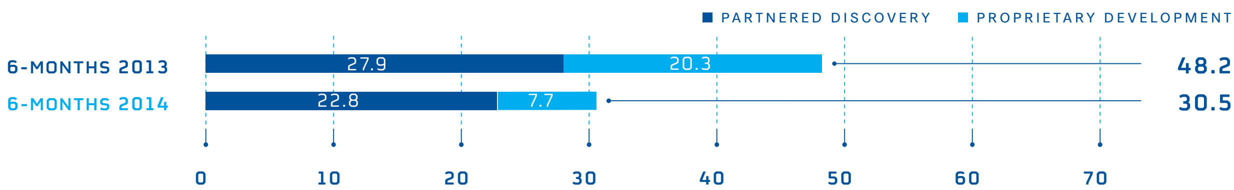
PARTNERED DISCOVERY AND PROPRIETARY DEVELOPMENT SEGMENTS

The revenues of the Partnered Discovery segment included € 21.4 million in funded research and license fees (H1/2013: € 27.0 million) as well as success-based payments totaling € 1.4 million (H1/2013: € 0.9 million). Success-based payments amounted to 5% (H1/2013: 2%) of the total revenues of the Partnered Discovery and Proprietary Development segments. The decline in license fees was the result of a one-time effect in connection with the sale of the AbD Serotec business to Bio-Rad that occurred in the first half of 2013. As part of this sale, a non-exclusive license for the use of the HuCAL technology in the market for research reagents and diagnostics was also transferred to Bio-Rad. The decline resulting from the one-time effect was partially offset by comparatively higher revenues from success-based payments in the first half of 2014.

The Proprietary Development segment achieved revenues of € 7.7 million in the first half of 2014 (H1/2013: € 20.3 million). These stemmed mainly from the co-development activities with Celgene. In comparison to the previous year, this decline was largely impacted by the recognition of an up-front payment in 2013 as part of the out-licensing of the MOR103 antibody program to GlaxoSmithKline.

Approximately 95% of Group revenues were generated with Novartis, Celgene, and GlaxoSmithKline (H1/2013: 98% with Novartis, GlaxoSmithKline, and Bio-Rad).

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



* Differences due to rounding

Operating Expenses

At € 30.1 million, operating expenses in the first six months of 2014 remained essentially at the previous year's level (H1/2013: € 31.2 million). Expenses were composed of € 23.4 million for research and development (H1/2013: € 22.7 million) and € 6.7 million for selling, general and administrative expenses (H1/2013: € 8.4 million).

The operating expenses of the Partnered Discovery segment fell to € 10.2 million (H1/2013: € 12.4 million) and increased from € 12.2 million to € 13.6 million in the Proprietary Development segment.

Personnel expenses resulting from share-based payments are contained in selling, general, and administrative expenses and within research and development expenses. Personnel expenses resulting from share-based payments amounted to € 2.1 million in the first six months of 2014 (H1/2013: € 2.5 million) and represent a non-cash expenditure. The decline resulted from a modification of the 2011 and 2012 LTI programs that took place in the first six months of 2013.

RESEARCH AND DEVELOPMENT EXPENSES

In the first six months of 2014, research and development expenses remained close to the previous year's level and amounted to € 23.4 million (H1/2013: € 22.7 million). These expenses mainly consisted of personnel expenses (H1/2014 € 10.5 million; H1/2013: € 10.6 million), expenses for external laboratory services (H1/2014: € 6.1 million; H1/2013: € 5.7 million), expenses related to intangible assets (H1/2014: € 2.0 million; H1/2013: € 2.3 million), expenses for technical infrastructure (H1/2014: € 1.9 million; H1/2013: € 1.8 million), and other expenses (H1/2014: € 1.2 million; H1/2013: € 0.9 million).

In the first six months of 2014, the Company incurred expenses of € 13.6 million for proprietary product development (H1/2013: € 12.2 million) as well as expenses for technology development of € 1.3 million (H1/2013: € 2.4 million).

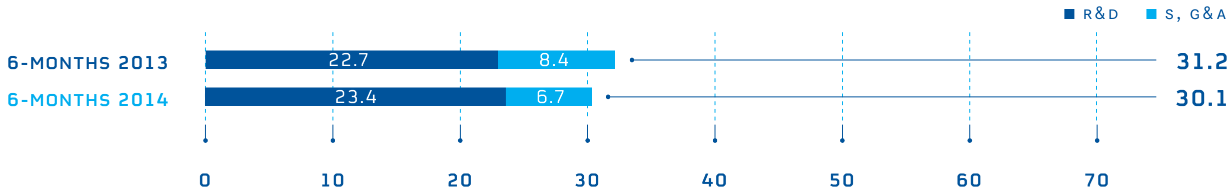
DISTRIBUTION OF R&D EXPENSES (IN MILLION €)

	H1/2014	H1/2013
R&D Expenses on behalf of Partners	8.5	8.1
Proprietary Development Expenses	13.6	12.2
Technology Development Expenses	1.3	2.4
R&D Total	**23.4**	**22.7**

SELLING, GENERAL, AND ADMINISTRATIVE EXPENSES

At a total of € 6.7 million, selling, general, and administrative expenses were below the level of the comparable period of the previous year (H1/2013: € 8.4 million). These expenses consisted mainly of personnel expenses (H1/2014: € 4.7 million; H1/2013: € 5.1 million), expenses for external services (H1/2014: € 1.2 million; H1/2013: € 1.9 million), expenses for technical infrastructure (H1/2014: € 0.4 million; H1/2013: € 0.6 million), and other expenses (H1/2014: € 0.4 million; H1/2013: € 0.5 million).

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



* Differences due to rounding

Other Income and Expenses

Other income amounted to € 0.2 million (H1/2013: € 0.4 million) and consisted mainly of currency gains and a reversal in write-downs of accounts receivable impaired in previous years due to payments received. Other expenses totaling € 0.2 million (H1/2013: € 0.2 million) resulted mainly from impairments of receivables and currency losses.

EBIT

Earnings before interest and taxes (EBIT) amounted to € 0.4 million, in comparison to an EBIT of € 17.3 million in the previous year. The EBIT of the Partnered Discovery segment amounted to € 12.5 million (H1/2013: € 15.6 million) while the Proprietary Development segment generated an EBIT of € -5.9 million (H1/2013: € 8.2 million).

Finance Income and Expenses

Finance income reached € 0.5 million (H1/2013: € 0.6 million) and mainly comprised interest income. Finance expenses of € 0.1 million (H1/2013: € 0.1 million) largely resulted from bank fees.

Taxes

In the first six months of 2014, the Group's income tax expenses of € 0.3 million (H1/2013: € 4.9 million) were composed of current tax expenses of € 0.3 million, deferred tax expenses of € 0.2 million and tax income from prior years of € 0.2 million.

Profit for the Period from Continuing Operations

In the first six months of 2014, continuing operations achieved a net profit of € 0.6 million (H1/2013: € 13.0 million).

Profit for the Period from Discontinued Operations

The sale of substantially all of the AbD Serotec business to Bio-Rad resulted in a profit from discontinued operations in the amount of € 0 in the first half of 2014 (H1/2013: € 6.0 million).

Consolidated Net Profit for the Period

A net profit after taxes of € 0.6 million was generated in the first six months of 2014 (H1/2013: € 19.0 million).

Financial Position

CASH FLOWS

Net cash outflows from operating activities amounted to € 9.9 million in the first six months of 2014 (H1/2013: inflow of € 0.2 million). Investment activities resulted in a cash outflow of € 5.1 million (H1/2013: inflow of € 4.8 million). Financing activities in the first half of 2014 produced a cash outflow of € 5.3 million (H1/2013: outflow of € 2.3 million).

INVESTMENTS

MorphoSys invested € 1.5 million in property, plant, and equipment in the first six months of 2014 (H1/2013: € 0.4 million), mainly for lab equipment (primarily machines) and computer hardware. During the first six months of 2014, depreciation of property, plant, and equipment amounted to € 0.7 million and was almost unchanged compared to the prior year (H1/2013: € 0.7 million).

The Company invested € 0.5 million in intangible assets in the first six months of 2014 (H1/2013: € 3.6 million). These investments mainly related to software and patents. Amortization of intangible assets totaled € 1.5 million in the first six months of 2014 and was below the level of the previous year (H1/2013: € 1.8 million).

LIQUIDITY

On 30 June 2014, the Company held cash and cash equivalents, marketable securities, and other financial assets in the amount of € 374.2 million compared to € 390.7 million on 31 December 2013.

This sum includes cash and cash equivalents of € 51.6 million (31 December 2013: € 71.9 million), marketable securities and bonds amounting to € 197.3 million (31 December 2013: € 199.5 million) as well as other financial assets of the category "loans and receivables" totaling € 100.7 million (31 December 2013: € 119.3 million), which were reported as other receivables within current assets. Further financial assets of the category "loans and receivables" in the amount of € 24.6 million were recognized as other receivables within non-current assets as of 30 June 2014 (31 December 2013: € 0 million).

The € 16.5 million decline in cash and cash equivalents, marketable securities, and other financial assets was mainly a result of the use of cash and cash equivalents for operating activities during the first half of 2014.

Balance Sheet

ASSETS

On 30 June 2014, total assets amounted to € 434.2 million and were € 13.5 million below the level reported on 31 December 2013 (€ 447.7 million). The decline in current assets of € 38.0 million primarily resulted from the use of cash and cash equivalents for operating activities during the first half of 2014 and from investment into long-term financial assets of € 24.6 million.

In comparison to 31 December 2013, non-current assets increased by € 24.5 million, mainly due to the long-term investment of financial funds.

LIABILITIES

The decline in current liabilities from € 35.4 million on 31 December 2013 to € 31.2 million on 30 June 2014 essentially resulted from a decline in accounts payable and accrued expenses, namely from the decline in personnel-related accrued expenses by € 3.8 million, and a decrease in tax liabilities by € 2.2 million.

Non-current liabilities decreased by € 6.7 million in comparison to the level reported on 31 December 2013. This was mainly due to a decline in deferred revenue.

STOCKHOLDERS' EQUITY

On 30 June 2014, stockholders' equity for the Group totaled € 349.6 million in comparison to € 352.1 million on 31 December 2013.

On 30 June 2014, the number of shares issued totaled 26,372,584 of which 25,921,694 shares were outstanding (31 December 2013: 26,220,882 and 25,880,992 shares, respectively).

Compared to 31 December 2013, the number of ordinary shares authorized increased from 2,335,822 to 4,957,910. This was the result of the creation of the new Authorized Capital 2014-I at the Annual General Meeting of 23 May 2014. Meanwhile, the number of ordinary shares of conditional capital decreased from 8,057,470 to 7,251,098 due to the cancellation of Conditional Capital 1999-I amounting to € 70,329 and Conditional Capital 2008/II amounting to € 212,077 and the reduction of Conditional Capital 2003-II from € 725,064 by € 372,264 to € 352,800 . A further reduction of Conditional Capital 2003-II by € 151,702 to a total of € 201,098 was caused by the conversion of 151,702 convertible bonds in the first six months of 2014.

As of 30 June 2014, the treasury stock's value increased by € 7,833,944 to € 14,251,962 compared to their level on 31 December 2013. This increase was the result of the Company's repurchase of 111,000 of its own shares via the stock exchange. On 30 June 2014, MorphoSys held 450,890 of its own shares.

Financing

On 30 June 2014, the Company's equity ratio equaled 81% compared to 79% on 31 December 2013. The Company is currently not financed by financial debt.

Risk and Opportunity Report

The risks and opportunities as well as their assessment remain unchanged as compared to the situation described on pages 58 to 67 of the 2013 Annual Report.

Subsequent Events

In early July, the Company sold marketable securities amounting to € 147 million without material effect on profit and loss. On 10 July, the Company gained access to a portion of the purchase price for the divested AbD Serotec segment amounting to € 4.7 million, which was held in an escrow account.

No events occurred that require reporting over and above those mentioned.

Outlook

EXPECTED DEVELOPMENT IN THE LIFE SCIENCES SECTOR

It appears that a combination of acquisitions, entering new markets, and reducing costs in order to compensate for far-reaching patent losses is paying off for pharmaceutical companies. For the year 2014, industry experts and investors alike expect pharmaceutical manufacturers to see a return to higher revenues. According to the market observer IMS Health, the biopharmaceutical sector is an important growth driver and already accounts for around 23% of the expenditures for statutory health insurance. Acquisitions, especially those involving innovative biotechnology firms, should continue to generate rising profits for the large pharmaceutical companies. The pharmaceutical industry is gaining additional momentum from emerging markets such as Brazil, Russia, India, and China. With growing affluence, higher life expectancy, and improved access to health services in these countries, the number of diagnosed cases of diabetes, hypertension, and cancer and thus the need for appropriate drugs is rising.

MorphoSys is ideally positioned in this environment. The pipeline of innovative antibody drug candidates based on the Company's proprietary technologies, developed both independently and in collaboration with partners, is among one of the broadest in the industry and provides for sustainable business success. Thanks to its excellent financial position, MorphoSys is able to continually expand its business activities through investments in proprietary drug and technology development.

FINANCIAL GUIDANCE

MorphoSys's latest financial guidance for the fiscal year 2014 was published on 28 February 2014 and remains unchanged. MorphoSys expects revenues to range from € 58 million to € 63 million and a negative EBIT ranging from € -11 million to € -16 million. Investments in proprietary products and technologies should be in the range of € 36 million to € 41 million. For the full year the Company’s management now anticipates the EBIT to be at the € -11 million level.

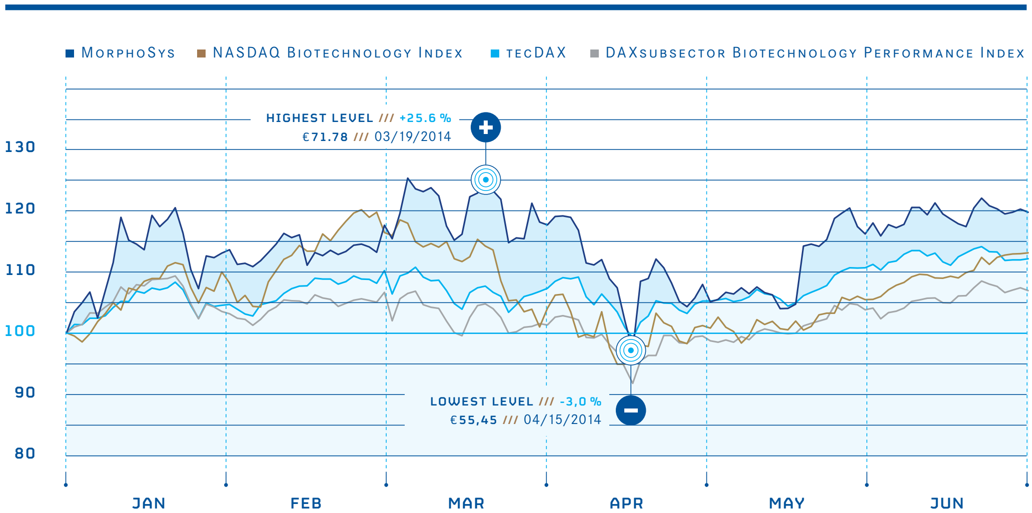
The statements made in the 2013 Annual Report on pages 69 to 72 with regard to the strategic outlook, the expected operational and human resources developments, future research and development, and the dividend policy, continue to apply.

Share Price Performance

After getting off to a positive start in the reporting year with MorphoSys shares reaching a high of over € 70 per share in March 2014, the share price experienced a short-term consolidation at the beginning of the second quarter. However, in the further course of the second quarter, the share performed in line with the stock market and significantly increased its value once again nearing its previous high towards the end of the quarter.

Thus, by 30 June 2014, MorphoSys shares achieved a year-to-date increase of 19.9%. The most important comparable indices also developed favorably: In the first half of the year, the NASDAQ Biotechnology Index gained 13.2%, the TecDAX rose 12.2%, and the DAX Subsector Biotechnology Performance Index increased 7.0%.

THE MORPHOSYS SHARE (2 JANUARY 2014 = 100 %)



Consolidated Income Statement (IFRS) – (unaudited)

€	Note	Three Months Ended 06/30/2014	Three Months Ended 06/30/2013	Six Months Ended 06/30/2014	Six Months Ended 06/30/2013
Continuing Operations:					
Revenues	2	**14,670,293**	**31,312,116**	**30,547,607**	**48,232,075**
Operating Expenses	2				
Research and Development		12,177,956	11,748,553	23,389,171	22,744,845
Selling, General and Administrative		3,430,830	4,849,939	6,746,410	8,424,130
Total Operating Expenses		**15,608,786**	**16,598,492**	**30,135,581**	**31,168,975**
Other Income		102,678	208,669	230,852	419,008
Other Expenses		137,264	93,951	230,868	151,202
Earnings before Interest and Taxes (EBIT)		**(973,079)**	**14,828,342**	**412,010**	**17,330,906**
Finance Income		272,756	467,374	547,810	572,530
Finance Expenses		15,061	8,730	68,701	58,080
Income Tax (Expenses) / Income		188,638	(4,181,456)	(327,471)	(4,862,278)
Result from Continuing Operations		**(526,746)**	**11,105,530**	**563,648**	**12,983,078**
Result from Discontinued Operations		**0**	**6,210**	**0**	**5,984,239**
Consolidated Net Profit / (Loss)		**(526,746)**	**11,111,740**	**563,648**	**18,967,317**
Basic Net Profit / (Loss) per Share		**(0.02)**	**0.48**	**0.02**	**0.82**
thereof from Continuing Operations		(0.02)	0.48	0.02	0.56
thereof from Discontinued Operations		0.00	0.00	0.00	0.26
Diluted Net Profit / (Loss) per Share		**(0.02)**	**0.47**	**0.02**	**0.81**
thereof from Continuing Operations		(0.02)	0.47	0.02	0.55
thereof from Discontinued Operations		0.00	0.00	0.00	0.26
Shares Used in Computing Basic Net Result per Share		25,849,012	23,025,405	25,859,320	23,075,103
Shares Used in Computing Diluted Net Result per Share		26,167,304	23,514,986	26,180,066	23,545,236

See accompanying Notes

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

€	Three Months Ended 06/30/2014	Three Months Ended 06/30/2013	Six Months Ended 06/30/2014	Six Months Ended 06/30/2013
Consolidated Net Profit / (Loss)	**(526,746)**	**11,111,740**	**563,648**	**18,967,317**
Change in Unrealized Gains and Losses on Available-for-sale Financial Assets and Bonds	154,574	(398,620)	275,700	(435,908)
(Thereof Reclassifications of Unrealized Gains and Losses to Profit and Loss)	(9,146)	(427,500)	(25,894)	(483,732)
Deferred Taxes	(40,038)	104,957	(65,680)	114,775
Change in Unrealized Gains and Losses on Available-for-sale Financial Assets and Bonds, Net of Deferred Taxes	114,536	(293,663)	210,020	(321,133)
Effects from Equity-related Recognition of Deferred Taxes	0	0	0	28,098
Foreign Currency Gains and Losses from Consolidation	3,403	(10,441)	24,065	1,292,759
Comprehensive Income	**(408,807)**	**10,807,636**	**797,733**	**19,967,041**
thereof from Continuing Operations	(408,807)	10,807,636	797,733	18,590,362
thereof from Discontinued Operations	0	0	0	1,376,679

Consolidated Balance Sheet (IFRS)

€	Note	30 June 2014 (unaudited)	31 Dec. 2013 (audited)
ASSETS			
Current Assets			
Cash and Cash Equivalents		51,645,692	71,873,696
Available-for-sale Financial Assets		187,363,672	188,360,354
Bonds, Available-for-sale		9,975,914	11,102,087
Accounts Receivable		14,173,150	10,270,322
Income Tax Receivables		137,977	77,743
Other Receivables	3	100,650,125	119,458,330
Inventories, Net		733,565	731,009
Prepaid Expenses and Other Current Assets		3,953,324	4,693,943
Total Current Assets		**368,633,419**	**406,567,484**
Non-current Assets			
Property, Plant and Equipment, Net		3,008,726	2,168,189
Patents, Net		7,420,608	7,834,711
Licenses, Net		4,797,554	5,396,516
Intangible Assets under Development		12,807,800	12,807,800
Software, Net		1,719,073	1,758,026
Goodwill		7,352,467	7,352,467
Other Receivables, Net of Current Portion	3	24,594,900	0
Shares, Available-for-Sale, Net of Current Portion		1,726,633	1,726,633
Deferred Tax Asset		257,178	313,372
Prepaid Expenses and Other Assets, Net of Current Portion		1,895,416	1,731,548
Total Non-current Assets		**65,580,355**	**41,089,262**
TOTAL ASSETS		**434,213,774**	**447,656,746**

See accompanying Notes

€	Note	30 June 2014 (unaudited)	31 Dec. 2013 (audited)
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable and Accrued Expenses		15,612,927	17,190,021
Tax Liabilities		519,649	2,690,282
Provisions		241,089	260,000
Current Portion of Deferred Revenue		14,874,263	15,266,877
Total Current Liabilities		**31,247,928**	**35,407,180**
Non-current Liabilities			
Provisions, Net of Current Portion		803,855	636,941
Deferred Revenue, Net of Current Portion		52,116,817	59,168,599
Convertible Bonds Due to Related Parties		279,482	298,606
Deferred Tax Liability		199,731	0
Total Non-current Liabilities		**53,399,885**	**60,104,146**
Total Liabilities		**84,647,813**	**95,511,326**
Stockholders' Equity			
Common Stock	5	26,372,584	26,220,882
Ordinary Shares Issued (26,372,584 and 26,220,882 for 2014 and 2013, respectively)			
Ordinary Shares Outstanding (25,921,694 and 25,880,992 for 2014 and 2013, respectively)			
Treasury Stock (450,890 and 339,890 shares for 2014 and 2013, respectively), at Cost	5	(14,251,962)	(6,418,018)
Additional Paid-in Capital	5	315,268,701	310,963,651
Revaluation Reserve	5	450,401	240,381
Translation Reserve	5	216,621	192,556
Accumulated Income		21,509,616	20,945,968
Total Stockholders' Equity		**349,565,961**	**352,145,420**
Total Liabilities and Stockholders' Equity		**434,213,774**	**447,656,746**

See accompanying Notes

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

	Common Stock	
	Shares	€
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	42,404	42,404
Repurchase Treasury Stock	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 30 June 2013	**23,400,632**	**23,400,632**
Balance as of 1 January 2014	**26,220,882**	**26,220,882**
Compensation Related to the Grant of Stock Options and Convertible Bonds	0	0
Exercise of Options and Convertible Bonds Issued to Related Parties	151,702	151,702
Repurchase Treasury Stock	0	0
Reserves:		
Change in Unrealized Gain on Available-for-sale Financial Assets, Net of Deferred Taxes	0	0
Foreign Currency Gains and Losses from Consolidation	0	0
Consolidated Net Profit for the Period	0	0
Comprehensive Income	0	0
Balance as of 30 June 2014	**26,372,584**	**26,372,584**

See accompanying Notes

	Treasury Stock		Additional Paid-in Capital	Revaluation Reserve	Translation Reserve	Accumulated Income	Total Stockholders' Equity
	Shares	€	€	€	€	€	€
	255,415	**(3,594,393)**	**175,245,266**	**486,743**	**(1,109,865)**	**7,624,038**	**202,010,017**
	0	0	2,550,347	0	0	0	2,550,347
	0	0	522,677	0	0	0	565,081
	84,475	(2,823,625)	0	0	0	0	(2,823,625)
	0	0	0	(321,133)	0	0	(321,133)
	0	0	0	28,098	0	0	28,098
	0	0	0	0	1,292,759	0	1,292,759
	0	0	0	0	0	18,967,317	18,967,317
	0	0	0	(293,035)	1,292,759	18,967,317	19,967,041
	339,890	**(6,418,018)**	**178,318,290**	**193,708**	**182,894**	**26,591,355**	**222,268,861**
	339,890	**(6,418,018)**	**310,963,651**	**240,381**	**192,556**	**20,945,968**	**352,145,420**
	0	0	1,909,675	0	0	0	1,909,675
	0	0	2,395,375	0	0	0	2,547,077
	111,000	(7,833,944)	0	0	0	0	(7,833,944)
	0	0	0	210,020	0	0	210,020
	0	0	0	0	24,065	0	24,065
	0	0	0	0	0	563,648	563,648
	0	0	0	210,020	24,065	563,648	797,733
	450,890	**(14,251,962)**	**315,268,701**	**450,401**	**216,621**	**21,509,616**	**349,565,961**

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

For the Period Ended 30 June (in €)	Note	2014	2013
Operating Activities:			
Consolidated Net Profit / (Loss)		563,648	18,967,317
Adjustments to Reconcile Net Profit to Net Cash Cash (Used in) / Provided by Operating Activities:			
Depreciation and Amortization of Tangible and Intangible Assets		2,229,259	2,446,672
Net Gain on Sales of Financial Assets		(36,628)	(503,399)
Purchases of Derivative Financial Instruments		(15,820)	(22,800)
Unrealized Net Loss on Derivative Financial Instruments		14,639	18,522
(Gain) / Loss on Sale of Property, Plant and Equipment		(4,955)	3,216
Net Gain on Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale		0	(8,000,712)
Recognition of Deferred Revenue		(16,956,056)	(8,932,494)
Stock-based Compensation	8	2,076,590	2,516,985
Income Tax Expenses		327,471	5,233,715
Changes in Operating Assets and Liabilities:			
Accounts Receivable		(3,902,828)	(20,867,702)
Prepaid Expenses, Other Assets and Tax Receivables		77,186	(352,783)
Accounts Payable and Accrued Expenses and Provisions		(3,026,834)	539,120
Other Liabilities		1,273,094	249,942
Deferred Revenue		9,511,660	9,125,571
Interest Paid		(7,659)	(5,351)
Interest Received		115,235	56,203
Income Taxes Paid		(2,106,106)	(282,908)
Net Cash (Used in) / Provided by Operations		**(9,868,104)**	**189,114**
thereof from Continuing Operations		(9,868,104)	1,988,693
thereof from Discontinued Operations		0	(1,799,579)

See accompanying Notes

in €	Note	2014	2013
Investing Activities:			
Purchases of Financial Assets		(30,343,147)	(74,568,954)
Proceeds from Sales of Financial Assets		31,628,329	61,743,207
Purchase of Bonds, Available-for-Sale	3	0	(5,001,953)
Proceeds from Sales of Bonds, Available-for-Sale	3	1,150,000	0
Purchase of Assets Classified as Loans and Receivables	3	(91,250,000)	(9,995,413)
Sale of Assets Classified as Loans and Receivables	3	85,750,000	0
Purchases of Property, Plant and Equipment		(1,544,090)	(381,406)
Proceeds from Disposals of Property, Plant and Equipment		5,000	5,950
Additions to Intangibles		(473,734)	(3,584,275)
Sale of Assets and Liabilities of Disposal Group Classified as Held for Sale		0	36,580,716
Net Cash (Used in) / Provided by Investing Activities		**(5,077,642)**	**4,797,872**
thereof from Continuing Operations		(5,077,642)	(31,782,844)
thereof from Discontinued Operations		0	36,580,716
Financing Activities:			
Repurchase Treasury Stock	5	(7,833,944)	(2,823,625)
Proceeds from the Exercise of Options and Convertible Bonds Granted to Related Parties	5	2,547,077	565,125
Net of Proceeds and Payments from the Issuance of Convertible Bonds Granted to Related Parties		(19,125)	0
Net Cash (Used in) / Provided by Financing Activities		**(5,305,992)**	**(2,258,500)**
thereof from Continuing Operations		(5,305,992)	(2,258,500)
thereof from Discontinued Operations		0	0
Effect of Exchange Rate Differences on Cash		23,734	(14,496)
(Decrease) / Increase in Cash and Cash Equivalents		(20,228,004)	2,713,990
Cash and Cash Equivalents at the Beginning of the Period		**71,873,696**	**45,970,840**
thereof included in Cash and Cash Equivalents		71,873,696	40,689,865
thereof included in Assets of Disposal Group Classified as Held for Sale		0	5,280,975
Cash and Cash Equivalents at the End of the Period		**51,645,692**	**48,684,830**

See accompanying Notes

Notes (unaudited)

MorphoSys AG ("the Company" or "MorphoSys") is one of the leading antibody companies focused on research and development of fully human antibodies. MorphoSys's proprietary state-of-the-art technologies and its over 16 years of focused antibody research and optimization expertise are successfully applied to the development of therapeutics for its commercial partners and proprietary use. The Group was founded in July 1992 as a German limited liability company. In June 1998, MorphoSys became a German stock corporation. In March 1999, the Company completed its initial public offering on Germany's "Neuer Markt": the segment of the Deutsche Börse designated for high-growth companies. On 15 January 2003, MorphoSys AG was admitted to the Prime Standard segment of the Frankfurt Stock Exchange. The registered office of the MorphoSys Group is located at Lena-Christ-Str. 48, 82152 Martinsried, Germany.

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 are in compliance with IAS 34 "Interim Financial Reporting".

The condensed interim consolidated financial statements do not contain all of the information and disclosures required for consolidated financial statements at the end of the financial year and therefore should be read in conjunction with the consolidated financial statements as of 31 December 2013.

The condensed interim consolidated financial statements were approved for publication on 28 July 2014.

The condensed interim consolidated financial statements were not audited but were subjected to a review by the auditor.

The consolidated financial statements as of 30 June 2014 comprise MorphoSys AG, MorphoSys IP GmbH, Sloning BioTechnology GmbH, MorphoSys USA, Inc., and Poole Real Estate Ltd. (formerly Biogenesis UK Ltd.), collectively as the "Group".

On 30 June 2014, an announcement to the shareholders of MorphoSys AG was published in the Federal Gazette (Bundesanzeiger) in accordance with § 62 Para. 2 Sentence 1, Para. 3, Sentence 3 of the Companies Transformation Act (Umwandlungsgesetz [UmwG]). It stated the intention to merge MorphoSys IP GmbH, as the transferring legal entity, into MorphoSys AG, as the acquiring legal entity.

On 30 June 2014, MorphoSys USA Inc. was in the process of liquidation. The liquidation was resolved by the shareholders on 27 May 2014 and was submitted to the Secretary of State in Delaware, USA.

On 30 June 2014, Poole Real Estate Ltd. was in the process of liquidation. The liquidation was resolved by the shareholders and entered into the commercial register of the United Kingdom (Companies House) on 20 March 2014.

1 Accounting Policies

The accounting and valuation principles applied to the consolidated financial statements of 31 December 2013 were also applied to the first six months of 2014 and may be found on our website at www.morphosys.com/financial-reports. The following standards, which were mandatorily applicable for the first time on 1 January 2014, are exceptions to this principle. The following explains the nature and effect of the new standards.

- IFRS 10 "Consolidated Financial Statements": This standard replaces the provisions for Group accounting contained in the previous IAS 27 "Consolidated and Separate Financial Statements" and includes issues which were previously regulated in SIC-12 "Consolidation – Special Purpose Entities". Thus, in the future, IAS 27 will only deal with provisions for separate financial statements and is referred to as "Separate Financial Statements". IFRS 10 introduces a single consolidation model for all entities on the basis of control. Control only exists when the following three criteria are cumulatively fulfilled: (a) an investor has control over the investee; (b) the investor has a risk exposure or rights to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of its returns from the investee. The first-time application of IFRS 10 has no impact on the consolidation of the Group's investments. Therefore, the scope of consolidation remains unchanged.
- IFRS 11 "Joint Arrangements": IFRS 11 introduces new accounting provisions for joint arrangements and replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". A joint arrangement is defined as a contractual arrangement whereby two or more parties exercise joint control. IFRS 11 differentiates between just two types of joint arrangements – joint operations and joint ventures. The classification now adopts an economic approach, which is focused on the type of rights and obligations arising from the agreement. Jointly controlled assets are abolished by IFRS 11. In addition, the previous option of applying the proportionate consolidation method for joint ventures was rescinded. In the future, these entities will be only included in the consolidated financial statements using the equity method. On 30 June 2014, the Group was not involved in any joint ventures and thus IFRS 11 does not apply to the MorphoSys Group.
- IFRS 12 "Disclosure of Interests in Other Entities": IFRS describes the disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associated companies, and structured entities. The disclosure requirements are more extensive than the requirements of the previous provisions. None of these disclosure requirements apply to condensed interim consolidated financial statements unless material events and transactions in the interim period require their disclosure. Consequently, the Group has made no such disclosures on 30 June 2014.
- Amendments to IFRS 10 "Consolidated Financial Statements ", IFRS 12 "Disclosure of Interests in Other Entities", and IAS 27 "Separate Financial Statements – Investment Entities": The amendments provide an exception to the consolidation requirement for entities that meet the requirements of an investment entity under IFRS 10. This exception requires that investment entities must be assessed at fair value through profit or loss. These changes have no impact on the Group since none of the Group companies are an investment entity as defined by IFRS 10.
- Amendments to the transitional provisions of IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", and IFRS 12 "Disclosure of Interests in Other Entities": The amendments clarify that the date of the first-time adoption of IFRS 10 is the first day of the financial year of the first-time adoption. Therefore, for the MorphoSys Group, this date is 1 January 2014. Moreover,

provisions under IFRS 12 regarding disclosures in the notes have been amended. These were observed by the MorphoSys Group.

- IAS 27 "Separate Financial Statements": IAS 27 (revised 2011) contains the remaining provisions applying to the separate financial statements following the inclusion of former IAS 27 provisions regarding consolidation in the new IFRS 10 "Consolidated Financial Statements". In addition, changes to IFRS 12 also have an impact on IAS 27. The Group companies do not prepare separate financial statements that comply with International Financial Reporting Standards. Therefore, IAS 27 has no impact on companies of the MorphoSys Group.
- IAS 28 "Investments in Associates": IAS 28 (revised 2011) contains provisions regarding interests in joint ventures and associated entities that are being assessed solely using the equity method pursuant to IFRS 11. For the first time, additional amendments to IAS 28 require that in the case of a planned partial sale of associated companies or joint ventures, the interest held for sale must be accounted for pursuant to IFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations" provided that the classification requirements of IFRS 5 are met. On 30 June 2014, the Group was not involved in any associated companies, and thus the first-time adoption of IAS 28 has no impact on the interim consolidated financial statements.
- IAS 32 "Financial Instruments – Presentation": IAS 32 governs the presentation and disclosure of all types of financial instruments. With the amendments to IAS 32, which took effect on 1 January 2014, the requirements for offsetting financial assets and financial liabilities have been adjusted. This adjustment did not result in any changes for the Group's balance sheet dated 30 June 2014.
- Amendments to IAS 36 "Recoverable Amount Disclosures for Non-Financial Assets": The inadvertently broad amendments to IAS 36, which were evoked by IFRS 13 with regard to disclosures on the recoverable amount of cash generating units, were corrected by the amendments to IAS 36. Thus, disclosures in relation to the recoverable amount of impaired assets are only required if the recoverable amount was determined on the basis of its fair value less costs to sell. Further amendments to IAS 36 also relate to disclosure requirements with regard to the fair value if the recoverable amount is based on the fair value less costs to sell. On 30 June 2014, the Group did not have any impaired assets that were measured at fair value less costs to sell. Therefore, the amendments to IAS 36 have no effect.
- Amendments to IAS 39 "Financial Instruments: Recognition and Measurement": On 27 June 2013, the IASB adopted the "Novation of Derivatives and Continuation of Hedge Accounting", which are applicable to financial years beginning on or after 1 January 2014. On 30 June 2014, the Group had not performed any novation for derivatives due to legal or regulatory requirements. Therefore, there is no impact on the Group.
- IFRIC 21 "Levies": The interpretation is applicable to all levies to a governmental institution under the legislation which do not represent payments in the scope of other standards (e.g., IAS 12 "Income Taxes"), fines, or other penalties for a violation of legal regulations. On 30 June 2014, or on any previous reporting dates, the Group was not obliged to pay any such levies. Therefore, this interpretation has no effect on the consolidated financial statements.

The Group has not applied any standard, interpretation, or amendment in advance that was published but not yet effective.

2 Segment Reporting

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

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

The Group consists of the following operating segments.

PARTNERED DISCOVERY

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

PROPRIETARY DEVELOPMENT

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

ABD SEROTEC

Until the sale of substantially all of the AbD Serotec business to Bio-Rad came into effect on 10 January 2013, the AbD Serotec segment utilized the HuCAL technology for the tailored generation of research antibodies and generated revenues with catalogue antibodies and the production of antibodies in industrial quantities. With the disposal of substantially all of the segment, the quantitative and qualitative criteria of IFRS 8.12f were no longer fulfilled so that this segment was no longer a reportable segment under IFRS 8.11. In 2013, the results generated by the AbD Serotec segment until 10 January 2013 were shown within "Unallocated".

For the Six Months Period Ended 30 June (in 000's €)	Partnered Discovery 2014	Partnered Discovery 2013	Proprietary Development 2014	Proprietary Development 2013
External Revenues	22,849	27,931	7,699	20,294
Inter-segment Revenues	0	0	0	0
Revenues, total	**22,849**	**27,931**	**7,699**	**20,294**
Cost of Goods Sold	0	0	0	0
Other Operating Expenses	10,179	12,424	13,628	12,175
Inter-segment Costs	0	0	0	0
Total Operating Expenses	**10,179**	**12,424**	**13,628**	**12,175**
Other Income	4	46	41	99
Other Expenses	170	0	0	0
Segment EBIT	**12,504**	**15,553**	**(5,888)**	**8,218**
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 before Taxes	**12,504**	**15,553**	**(5,888)**	**8,218**
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)	**12,504**	**15,553**	**(5,888)**	**8,218**

For the Three Months Period Ended 30 June (in 000's €)	Partnered Discovery 2014	Partnered Discovery 2013	Proprietary Development 2014	Proprietary Development 2013
External Revenues	11,061	11,018	3,609	20,294
Inter-segment Revenues	0	0	0	0
Revenues, total	**11,061**	**11,018**	**3,609**	**20,294**
Cost of Goods Sold	0	0	0	0
Other Operating Expenses	5,341	6,342	6,905	6,622
Inter-segment Costs	0	0	0	0
Total Operating Expenses	**5,341**	**6,342**	**6,905**	**6,622**
Other Income	1	10	41	61
Other Expenses	94	0	0	0
Segment EBIT	**5,627**	**4,686**	**(3,255)**	**13,733**
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 before Taxes	**5,627**	**4,686**	**(3,255)**	**13,733**
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)	**5,627**	**4,686**	**(3,255)**	**13,733**

* Differences due to rounding

Unallocated		Elimination		Group		thereof from Discontinued Operations		thereof from Continuing Operations	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
0	610	0	0	30,548	48,835	0	603	30,548	48,232
0	0	0	0	0	0	0	0	0	0
0	**610**	**0**	**0**	**30,548**	**48,835**	**0**	**603**	**30,548**	**48,232**
0	147	0	0	0	147	0	147	0	0
6,329	8,674	0	0	30,136	33,273	0	2,104	30,136	31,169
0	0	0	0	0	0	0	0	0	0
6,329	**8,821**	**0**	**0**	**30,136**	**33,420**	**0**	**2,251**	**30,136**	**31,169**
186	464	0	0	231	609	0	12	231	597
61	331	0	0	231	331	0	2	231	330
(6,204)	**(8,078)**	**0**	**0**	**412**	**15,693**	**0**	**(1,638)**	**412**	**17,330**
548	572	0	0	548	572	0	0	548	573
69	63	0	0	69	63	0	4	69	58
0	8,001	0	0	0	8,001	0	8,001	0	0
(5,725)	**432**	**0**	**0**	**891**	**24,203**	**0**	**6,359**	**891**	**17,845**
(327)	(4,897)	0	0	(327)	(4,897)	0	(35)	(327)	(4,862)
0	(339)	0	0	0	(339)	0	(339)	0	0
(6,052)	**(4,804)**	**0**	**0**	**564**	**18,967**	**0**	**5,985**	**564**	**12,983**

Unallocated		Elimination		Group		thereof from Discontinued Operations		thereof from Continuing Operations	
2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
0	0	0	0	14,670	31,312	0	0	14,670	31,312
0	0	0	0	0	0	0	0	0	0
0	**0**	**0**	**0**	**14,670**	**31,312**	**0**	**0**	**14,670**	**31,312**
0	0	0	0	0	0	0	0	0	0
3,363	3,620	0	0	15,609	16,584	0	(15)	15,609	16,599
0	0	0	0	0	0	0	0	0	0
3,363	**3,620**	**0**	**0**	**15,609**	**16,584**	**0**	**(15)**	**15,609**	**16,599**
61	316	0	0	103	387	0	0	103	387
43	272	0	0	137	272	0	0	137	273
(3,345)	**(3,576)**	**0**	**0**	**(973)**	**14,843**	**0**	**15**	**(973)**	**14,827**
273	467	0	0	273	467	0	0	273	468
15	10	0	0	15	10	0	0	15	9
0	0	0	0	0	0	0	0	0	0
(3,087)	**(3,119)**	**0**	**0**	**(715)**	**15,300**	**0**	**15**	**(715)**	**15,286**
189	(4,181)	0	0	189	(4,181)	0	0	189	(4,181)
0	(9)	0	0	0	(9)	0	(9)	0	0
(2,898)	**(7,309)**	**0**	**0**	**(526)**	**11,110**	**0**	**6**	**(526)**	**11,105**

The following overview shows the regional distribution of the Group's revenues.

For the Period Ended 30 June (in 000's €)	2014	2013
Germany	0	4
Other Europe and Asia	22,354	47,114
USA and Canada	8,194	1,114
Total from Continuing Operations	**30,548**	**48,232**
Total from Discontinued Operations	**0**	**603**
Total	**30,548**	**48,835**

3 Financial Instruments

On 30 June 2014, an amount of € 187.4 million (31 December 2013: € 188.4 million) was invested in various money-market funds. A total of € 10.0 million (31 December 2013: € 11.1 million) was invested in government bonds (€ 5.0 million) and in two variable-interest money-market bonds (€ 5.0 million). These instruments were allocated to the category "available for sale" in accordance with IAS 39 "Financial Instruments".

On 30 June 2014, the Company held short-term financial assets totaling € 100.6 million (31 December 2013: € 119.3 million) in the line item "other receivables", which were to be allocated to the category "loans and receivables". This item included various investments amounting to € 95.9 million as well as € 4.7 million of the purchase price for the divested AbD Serotec business held in an escrow account. On 30 June 2014, financial assets amounting to € 24.6 million (31 December 2013: € 0 million) were allocated to the non-current portion of the "loans and receivables" category.

MorphoSys regularly enters into foreign currency options and forward contracts to hedge foreign exchange exposure. On 30 June 2014, two option contracts with a nominal value of US$ 2.7 million were outstanding (31 December 2013: no outstanding option contracts). In the first half of 2014, unrealized losses from these contracts in the amount of € 13,519 were recognized in profit and loss.

4 Fair Value Measurement

MorphoSys uses the following hierarchy to determine and disclose the fair value of financial instruments.

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

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

Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The carrying amounts of financial assets and liabilities such as cash and cash equivalents, marketable securities, accounts receivable, and accounts payable approximate their fair values due to their short-term maturities. The fair value of marketable securities is based upon quoted market prices (hierarchy Level 1, quoted prices in active markets). There were no financial assets or liabilities allocated to hierarchy Levels 2 or 3. There were no transfers from one fair value hierarchy level to another carried out in either 2014 or 2013.

The fair value of financial assets and liabilities and the carrying amounts presented in the consolidated balance sheet are comprised as follows.

30 June 2014	Note	Loans and Receivables	Available for Sale	Other Financial Liabilities	Total Carrying Amount	Fair value
(in 000's €)						
Cash and Cash Equivalents		51,646	0	0	51,646	51,646
Accounts Receivable		14,173	0	0	14,173	*
Forward Exchange Contracts Used for Hedging		1	0	0	1	1
Other Receivables	3	100,650	0	0	100,650	100,650
Other Receivables, Net of Current Portion	3	24,595	0	0	24,595	24,595
Shares, Available-for-Sale, Net of Current Portion		0	1,727	0	1,727	*
Available-for-sale Financial Assets	3	0	187,364	0	187,364	187,364
Bonds, Available-for-sale	3	0	9,976	0	9,976	9,976
		191,065	**199,067**	**0**	**390,132**	**374,232**
Convertible Bonds - Liabilitiy Component		0	0	(279)	(279)	(279)
Accounts Payable and Accrued Expenses		0	0	(15,613)	(15,613)	(15,613)
		0	**0**	**(15,892)**	**(15,892)**	**(15,892)**

* Disclosure waived in accordance with IFRS 7.29 (a)

31 December 2013	Note	Loans and Receivables	Available for Sale	Other Financial Liabilities	Total Carrying Amount	Fair value
(in 000's €)						
Cash and Cash Equivalents		71,874	0	0	71,874	71,874
Accounts Receivable		10,270	0	0	10,270	*
Other Receivables	3	119,458	0	0	119,458	119,458
Shares, Available-for-Sale, Net of Current Portion		0	1,727	0	1,727	*
Available-for-sale Financial Assets	3	0	188,360	0	188,360	188,360
Bonds, Available-for-sale	3	0	11,102	0	11,102	11,102
		201,602	**201,189**	**0**	**402,791**	**390,794**
Convertible Bonds - Liabilitiy Component		0	0	(299)	(299)	(299)
Accounts Payable and Accrued Expenses		0	0	(17,190)	(17,190)	(17,190)
		0	**0**	**(17,489)**	**(17,489)**	**(17,489)**

* Disclosure waived in accordance with IFRS 7.29 (a)

5 Changes in Stockholder's Equity

COMMON STOCK

On 30 June 2014, the Company's common stock amounted to € 26,372,584 (31 December 2013: € 26,220,882).

As of 30 June 2014, treasury stock’s value increased from € 6,418,018 on 31 December 2013 to € 14,251,962 due to MorphoSys's repurchase of 111,000 of its own shares on the stock exchange at an average price of € 70.53 per share. The treasury stock may be used for all purposes described in the authorization of the Annual General Meeting of 19 May 2011 and especially for any existing or future employee participation schemes and/or to finance acquisitions. The shares may also, however, be redeemed.

AUTHORIZED CAPITAL

The number of ordinary shares of authorized capital increased to 4,957,910 compared to 2,335,822 on 31 December 2013. This was the result of new Authorized Capital 2014-I created at the Annual General Meeting of 23 May 2014. The Management Board is authorized, with the consent of the Supervisory Board, to increase the Company's common stock on one or more occasions by up to € 2,622,088 by issuing up to 2,622,088 new, no-par value bearer shares up to and including the date of 30 April 2019.

CONDITIONAL CAPITAL

The number of ordinary shares of conditional capital decreased to 7,251,098 compared to 8,057,470 on 31 December 2013. At the Annual General Meeting on 23 May 2014, the Conditional Capital 1999-I in the amount of € 70,329 and the Conditional Capital 2008/II in the amount of € 212,077 were cancelled. Conditional Capital 2003-II was reduced by € 372,264 from € 725,064 to € 352,800. A further reduction of Conditional Capital 2003-II by € 151,702 to € 201,098 was caused by the convertion of 151,702 convertible bonds in the first six months of 2014.

ADDITIONAL PAID-IN CAPITAL

On 30 June 2014, additional paid-in capital amounted to € 315,268,701 (31 December 2013: € 310,963,651). The increase of € 4,305,050 arose from exercised convertible bonds and from personnel expenses resulting from share-based payments.

REVALUATION RESERVE

On 30 June 2014, the revaluation reserve amounted to € 450,401 (31 December 2013: € 240,381). The increase of € 210,020 resulted from a change in unrealized gains from available-for-sale securities and bonds.

TRANSLATION RESERVE

The translation reserve increased by € 24,065 from € 192,556 on 31 December 2013 to € 216,621 on 30 June 2014. This item included exchange differences arising from the revaluation of financial statements in foreign currencies of consolidated entities, as well as differences between the exchange rates used in the balance sheet and those used in the income statement.

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

No stock options or convertible bonds were issued to the Management Board, the Senior Management Group, or the employees in the first six months of 2014. In April 2014, 32,513 performance shares were granted to the Management Board and the Senior Management Group under the fourth long-term incentive plan (LTI Plan). Further details may be found under item 7.

7 Long-term Incentive Program

On 1 April 2014, MorphoSys established its fourth long-term incentive plan (LTI plan) for the Management Board and the Senior Management Group. According to IFRS 2, the program is considered a share-based payment program with settlement in equity instruments and is accounted for accordingly. The LTI plan is a performance-related share plan and will be paid out in ordinary shares of MorphoSys AG if predefined key performance criteria have been achieved. These criteria are assessed annually by the Supervisory Board. The grant date was 1 April 2014 and the vesting/performance period is four years. If the predefined key performance criteria for the respective period have been fully achieved, 25% of the performance shares will become vested in each year of the four-year vesting period. The annual number of vested shares shall be reduced to the extent that the performance criteria of the relevant year have been fulfilled only between 50% and 99.9% (<100%), and increased to the extent that the performance criteria were met by more than 100% (maximum 200%). If in one year the specified performance criteria are achieved by less than 50%, then no shares will become vested in that year. In any case, the maximum pay-out at the end of the four-year period is limited by a factor determined by the Group which generally amounts to one. However, in justified cases, for example, if the level of payment is regarded as unreasonable with regard to the general development of the Company, the Supervisory Board may set this factor freely between zero and two. However, the right to receive a certain allocation of shares under the LTI plan only occurs at the end of the four-year vesting/performance period.

If the number of repurchased shares is not sufficient to service the LTI plan, MorphoSys reserves the right to pay a certain amount of the LTI plan in cash equal to the value of the performance shares at the end of the vesting period, provided the cash amount does not exceed 200% of the fair value of the performance shares on the grant date.

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

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

If a change of control occurs during the four-year vesting period, all performance shares shall become fully vested. However, in this case, the right to receive a certain allocation of shares from the LTI plan only occurs at the end of the four-year vesting period.

In March 2014, MorphoSys repurchased 111,000 of its own shares on the stock exchange at an average price of € 70.53 per share. The treasury shares may be used for all purposes named in the authorization of the Annual General Meeting of 19 May 2011 and particularly for any existing or future employee participation schemes and/or to finance acquisitions. However, they may also be redeemed. A total of 32,513 of these shares were granted to beneficiaries on 1 April 2014, namely 18,264 were granted to the Management Board (further details may be found in the table titled "Performance Shares" in item 10 "Directors' Dealings") and 14,249 shares were granted to the Senior Management Group. The fair value of the performance shares as of the grant date (1 April 2014) was € 67.30 per share. No dividends were taken into account in determining the fair value of the repurchased shares since the Group does not intend to pay dividends in the foreseeable future. From the grant date until 30 June 2014, no beneficiaries have left MorphoSys nor have any performance shares lapsed. For the calculation of the personnel expenses resulting from share-based payments under the LTI program 2014, it was assumed that one beneficiary will leave the Company during the four-year period.

8 Personnel Expenses Resulting from Share-Based Payments

In the first six months of 2014, personnel expenses resulting from share-based payments totaling € 2.1 million were recognized in the income statement (H1/2013: € 2.5 million). This amount was comprised of € 1.9 million in share-based payments settled with equity instruments, of which personnel expenses in the amount of € 1.1 million were related to performance shares from LTI programs. Additional personnel expenses of € 0.2 million resulted from cash settled share-based payments in connection with stock appreciation rights.

The decline in the total personnel expenses recognized is related to the modifications carried out in financial year 2013 for the 2011 and 2012 LTI programs. The vesting periods were modified so that the beneficiaries' claims from the 2011 LTI program become vested by one quarter on a yearly basis. However, in the case of the 2012 LTI program, claims become vested on a pro-rata temporis basis. With this modification, changes in the interpretation and development of the labor law were taken into account. As a result of the modification, expenses are recognized comparatively earlier within the four-year period, resulting in a decrease of personnel expenses in 2014 compared to the previous year.

9 Directors' Dealings

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

The tables below show the shares, stock options, convertible bonds, and performance shares held by members of the Management Board and Supervisory Board, as well as changes in their ownership in the first six months of 2014:

SHARES

	01/01/14	Additions	Forfeitures	Sales	06/30/14
Management Board					
Dr. Simon E. Moroney	452,885	0	0	0	452,885
Jens Holstein	6,500	0	0	4,500	2,000
Dr. Arndt Schottelius	2,000	33,000	0	33,000	2,000
Dr. Marlies Sproll	27,370	0	0	0	27,370
Total	**488,755**	**33,000**	**0**	**37,500**	**484,255**
Supervisory Board					
Dr. Gerald Möller	9,000	0	0	0	9,000
Dr. Walter Blättler	2,019	0	0	0	2,019
Dr. Daniel Camus	0	0	0	0	0
Dr. Marc Cluzel	0	500	0	0	500
Karin Eastham	1,000	0	0	0	1,000
Dr. Geoffrey N. Vernon	0	0	0	0	0
Total	**12,019**	**500**	**0**	**0**	**12,519**

STOCK OPTIONS

	01/01/14	Additions	Forfeitures	Exercises	06/30/14
Management Board					
Dr. Simon E. Moroney	0	0	0	0	0
Jens Holstein	0	0	0	0	0
Dr. Arndt Schottelius	0	0	0	0	0
Dr. Marlies Sproll	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**

CONVERTIBLE BONDS

	01/01/14	Additions	Forfeitures	Exercises	06/30/14
Management Board					
Dr. Simon E. Moroney	147,186	0	0	0	147,186
Jens Holstein	90,537	0	0	0	90,537
Dr. Arndt Schottelius	93,537	0	0	33,000	60,537
Dr. Marlies Sproll	93,537	0	0	0	93,537
Total	**424,797**	**0**	**0**	**33,000**	**391,797**

PERFORMANCE SHARES

	01/01/14	Additions	Forfeitures	Exercises	06/30/14
Management Board					
Dr. Simon E. Moroney	48,676	5,979	0	0	54,655
Jens Holstein	33,339	4,095	0	0	37,434
Dr. Arndt Schottelius	33,339	4,095	0	0	37,434
Dr. Marlies Sproll	33,339	4,095	0	0	37,434
Total	**148,693**	**18,264**	**0**	**0**	**166,957**

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

10 Transactions with Related Parties

With the exception of transactions described under "Directors' Dealings", there were no further transactions carried out with related parties in the first six months of 2014.

On 30 June 2014, the Senior Management Group held 205,050 convertible bonds (31 December 2013: 300,002 units), 15,000 share appreciation rights (SARs) (31 December 2013: 15,000 units), and 91,807 performance shares (31 December 2013: 77,558 units), which were granted by the Company. In the first six months of 2014, a new performance share program was issued to the Senior Management Group.

11 Subsequent Events

In early July, the Company sold marketable securities in an amount of € 147 million without material effect on profit and loss. On 10 July, the Company gained access to a portion of the purchase price for the divested AbD Serotec segment amounting to € 4.7 million, which was held in an escrow account.

No events occurred that require reporting over and above those mentioned.

Responsibility Statement

"To the best of our knowledge and in accordance with the applicable principles for interim financial reporting, the interim consolidated financial statements give a true and fair view of the net assets, financial position, and results of operations of the Group. The Group interim management report gives a true and fair view of the development and the performance of the business and of the Group's position together with a description of the principal opportunities and risks associated with the future development of the Group in the remaining months of the financial year."

Martinsried, 17 July 2014

Dr. Simon E. Moroney
Chief Executive Officer

Jens Holstein
Chief Financial Officer

Dr. Arndt Schottelius
Chief Development Officer

Dr. Marlies Sproll
Chief Scientific Officer

Review Report

TO MORPHOSYS AG, MARTINSRIED:

We have reviewed the condensed consolidated interim financial statements - comprising the consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of stockholders' equity, consolidated statement of cash flows and notes to the interim consolidated financial statements - and the interim group management report of MorphoSys AG, Martinsried, for the period from 1 January to 30 June 2014 which are part of the half-year financial report pursuant to § (Article) 37w WpHG ("Wertpapierhandelsgesetz": German Securities Trading Act). The preparation of the condensed consolidated interim financial statements in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and of the interim group management report in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports is the responsibility of the parent Company's Board of Managing Directors. Our responsibility is to issue a review report on the condensed consolidated interim financial statements and on the interim group management report based on our review.

We conducted our review of the condensed consolidated interim financial statements and the interim group management report in accordance with German generally accepted standards for the review of financial statements promulgated by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany) (IDW). Those standards require that we plan and perform the review so that we can preclude through critical evaluation, with moderate assurance, that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU and that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports. A review is limited primarily to inquiries of company personnel and analytical procedures and therefore does not provide the assurance attainable in a financial statement audit. Since, in accordance with our engagement, we have not performed a financial statement audit, we cannot express an audit opinion.

Based on our review, no matters have come to our attention that cause us to presume that the condensed consolidated interim financial statements have not been prepared, in all material respects, in accordance with the IFRS applicable to interim financial reporting as adopted by the EU nor that the interim group management report has not been prepared, in all material respects, in accordance with the provisions of the German Securities Trading Act applicable to interim group management reports.

Munich, July 18, 2014

PricewaterhouseCoopers
Aktiengesellschaft
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2014 Financial Calendar

28 FEBRUARY 2014	PUBLICATION OF THE 2013 FINANCIAL RESULTS
29 APRIL 2014	PUBLICATION OF THE THREE MONTHS' REPORT 2014
23 MAY 2014	2014 ANNUAL GENERAL MEETING IN MUNICH
28 JULY 2014	PUBLICATION OF SIX MONTHS' REPORT 2014
07 NOVEMBER 2014	PUBLICATION OF NINE MONTHS' REPORT 2014

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