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MorphoSys and Xencor Provide Update on Phase 1/2a Trial in CLL/SLL for MOR208 (XmAb5574)

MorphoSys AG (FSE: MOR; Prime Standard Segment, TecDAX, OTC: MPSYY) and US-based Xencor, Inc. today announced completion of the phase 1/2a clinical trial evaluating MOR208 (formerly XmAb®5574) in patients with relapsed or refractory chronic lymphocytic leukemia (CLL/SLL). Safety and objective response data following the protocol defined 8-week treatment period was presented at the American Society of Hematology Annual Meeting in December 2012. Due to signs of activity of MOR208 in this difficult to treat patient population, the study protocol was amended to allow those patients in the highest dose group benefitting from the treatment to enter a prolonged treatment group. The final study results including the extended treatment arm showed an overall response rate of 29.6% (according to IWCLL 2008 criteria) based on the safety population of the trial (n=27) – up from the previously reported 14.8%. A detailed analysis of the study results will be published in a peer-reviewed scientific journal.

"We are very pleased with the outcome of the study including the cases of improved objective response in the extended treatment arm which underscores the excellent prospects of MOR208. The final data from this trial clearly demonstrate the drug's potential in chronic lymphocytic leukemia. MorphoSys is currently evaluating MOR208 in phase 2 clinical trials for NHL and B-ALL. An additional phase 2 combination study for MOR208 in chronic lymphocytic leukemia is an option we are looking at, too," commented Dr. Arndt Schottelius, Chief Development Officer of MorphoSys AG.

The phase 1/2a trial was designed to assess the drug's safety, tolerability, pharmacokinetic profile and preliminary anti-tumor activity. MOR208 was administered as an intravenous infusion on days 1, 4, 8, 15, and 22 of cycle 1, and on days 1, 8, 15, and 22 of cycle 2. Dose levels tested ranged from 0.3 to 12 mg/kg. Clinical responses were assessed according to International Working Group on CLL (IWCLL) Guidelines. Eight patients qualified for the extended treatment group and received up to four additional treatment cycles with MOR208 including prolonged additional disease response assessments.

"The overall response rate of MOR208 demonstrates the drug's potential as a novel immunotherapy for B-cell malignancies", commented the principal investigator of the study John C. Byrd, MD, Professor and D. Warren Brown Chair of Leukemia Research at The James Cancer Hospital and Solove Research Institute. "The favorable safety profile of the antibody is another beneficial aspect, especially in heavily pre-treated patient population."

"The promising response rate of MOR208 in a relapsed or refractory patient group demonstrates the positive impact Fc engineering had on the antibody's activity against tumors. Currently, MOR208 is the most advanced of four programs Xencor's partners have in clinical development in oncology," commented Bassil Dahiyat, Ph.D., Chief Executive Officer of Xencor.

In June 2010, MorphoSys AG and Xencor signed a worldwide exclusive license and collaboration agreement. The agreement provided MorphoSys with an exclusive worldwide license to MOR208 for the treatment of cancer and other indications. Using Xencor's XmAb® Fc enhancement technology, MOR208 has been engineered to possess significantly enhanced antibody-dependent cell-mediated cytotoxicity (ADCC), thus improving a key mechanism for tumor cell killing and offering potential for enhanced efficacy compared to traditional antibodies for the treatment of cancer. After the successful completion of the phase 1/2a study in CLL MorphoSys is now solely responsible for further clinical development.

About MorphoSys:
MorphoSys developed HuCAL, the most successful antibody library technology in the pharmaceutical industry. By successfully applying this and other patented technologies, MorphoSys has become a leader in the field of therapeutic antibodies, one of the fastest-growing drug classes in human healthcare.

Together with its pharmaceutical partners, MorphoSys has built a therapeutic pipeline of more than 80 human antibody drug candidates for the treatment of cancer, rheumatoid arthritis, and Alzheimer's disease, to name just a few. With its ongoing commitment to new antibody technology and drug development, MorphoSys is focused on making the healthcare products of tomorrow. MorphoSys is listed on the Frankfurt Stock Exchange under the symbol MOR. For regular updates about MorphoSys, visit http://www.morphosys.com.

XmAb® is a registered trademark of Xencor, Inc.

About Xencor, Inc.:
Xencor is developing engineered monoclonal antibodies for the treatment of autoimmune diseases, asthma and allergic diseases, and cancer. Currently five antibodies are in clinical development internally and with partners that have been engineered with Xencor's XmAb technology. Xencor's internally-discovered programs include XmAb5871, in Phase 2a for the treatment of Rheumatoid arthritis and lupus, XmAb7195 in preclinical development for the treatment of asthma, and XmAb5574/MOR208 which has been licensed to MorphoSys AG and is in Phase 2 clinical trials for the treatment of acute lymphoblastic leukemia and non-Hodgkin lymphoma. Xencor's XmAb antibody engineering technology enables small changes to the structure of monoclonal antibodies resulting in new mechanisms of therapeutic action. Xencor partners include Amgen, Merck, Janssen R&D LLC and Boehringer Ingelheim. For more information, please visit www.xencor.com.

This communication contains certain forward-looking statements concerning the MorphoSys group of companies. The forward-looking statements contained herein represent the judgment of MorphoSys as of the date of this release and involve risks and uncertainties. Should actual conditions differ from the Company's assumptions, actual results and actions may differ from those anticipated. MorphoSys does not intend to update any of these forward-looking statements as far as the wording of the relevant press release is concerned.

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