



Regulated information

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## Galapagos and MorphoSys expand antibody alliance

**Mechelen, Belgium and Martinsried/Munich, Germany; 18 February 2010 – Galapagos NV (Euronext: GLPG) and MorphoSys AG (FSE: MOR) announce that they have expanded their antibody alliance in bone & joint diseases. Based on the solid progress made so far, the partners have agreed to add another antibody target to the alliance, thereby increasing the total number of programs to four.**

The alliance aims to discover and develop antibody therapeutics based on novel modes of action in bone & joint diseases, including rheumatoid arthritis, osteoporosis and osteoarthritis. As part of the initial agreement, three targets implicated in bone & joint diseases were selected for the collaboration. Antibodies with high specificity towards the first target have been generated and are now being tested in disease-specific *in vitro* and *in vivo* experiments. In parallel, Galapagos has applied its target discovery platform to identify additional targets for antibody development. Based on this, Galapagos and MorphoSys have now added a fourth antibody target to the alliance. The partners have prioritized the targets in order to maximize the value and IP position of the respective therapeutic antibody programs.

“This collaboration provides Galapagos with a platform to develop antibody drugs for our proprietary targets,” said Onno van de Stolpe, Chief Executive Officer of Galapagos. “This, together with more than 40 R&D small molecule programs, solidifies our leading position in discovering innovative approaches to address diseases with unmet medical need.”

“The expansion of our proprietary pipeline is a key value driver for our company. In 2010, we plan to add up to four new proprietary programs including both fully owned and co-development opportunities such as with Galapagos,” commented Dr. Marlies Sproll, Chief Scientific Officer of MorphoSys. “Our alliance with Galapagos gives us access to novel disease-related target molecules which could build the basis for first-in-class antibody therapies in the future.”

### **About the antibody alliance in bone and joint diseases**

In November 2008, Galapagos and MorphoSys entered an alliance aimed at discovering and developing antibody therapies based on novel modes of action in bone & joint diseases. The partners are developing fully human antibodies, which are recognized as the next generation of therapeutic antibodies.

Both companies contribute their core technologies and expertise to the alliance: Galapagos provides antibody targets implicated in bone & joint disease in addition to its target discovery platform to discover further targets for antibody development; MorphoSys contributes its HuCAL antibody technologies to generate fully human antibodies directed against these targets. The initial goal is to further validate the targets through disease-specific *in vitro* and *in vivo* testing of the antibodies. After successful validation, the partners will select antibody programs for pre-clinical and clinical development. Following clinical Proof of Concept, it is anticipated that the programs will be partnered for subsequent development, approval and marketing. Under the terms of the agreement, Galapagos and MorphoSys share the research and development costs as well as all future revenues equally.



### **About antibody therapeutics**

Antibody therapeutics represent a rapidly growing market, currently worth over €20 billion. The average industry timescale from discovery to pre-clinical development of antibody therapies is less than three years, considerably shorter than the average six years for small molecules. Antibodies also incur lower attrition rates than small molecules.

### **About MorphoSys**

MorphoSys is an independent biotechnology company that develops novel antibodies for therapeutic, diagnostic and research applications. The Company's HuCAL technology is one of the most powerful methods available for generating fully human antibodies. By successfully applying this and other proprietary technologies, MorphoSys has become a leader in the field of therapeutic antibodies, one of the fastest-growing drug classes in human health-care. Through its alliances with some of the world's leading pharmaceutical companies, MorphoSys has created a pipeline of more than 60 drug candidates. The Company is expanding its drug pipeline by adding new partnered programs, and by building a portfolio of fully-owned therapeutic antibodies. For its proprietary portfolio, the Company is focused on the areas of oncology and inflammation. Its most advanced program MOR103, a first-in-class, fully human antibody against GM-CSF, is currently tested in a Phase Ib/IIa trial in rheumatoid arthritis patients. Via its business unit AbD Serotec, MorphoSys is expanding the reach of its technologies in the diagnostics and research markets. MorphoSys is headquartered in Munich, Germany and listed on the Frankfurt Stock Exchange under the symbol "MOR". More info at: [www.morphosys.com](http://www.morphosys.com)

### **About Galapagos**

Galapagos (Euronext: GLPG; OTC: GLPYY) is a mid-size biotechnology company specialized in the discovery and development of small molecule and antibody therapies with novel modes-of-action. The Company is progressing one of the largest pipelines in biotech, with four clinical and over 40 small molecule discovery/pre-clinical programs. Through risk/reward-sharing alliances with GlaxoSmithKline, Lilly, Janssen Pharmaceutica, Merck & Co. and Roche, Galapagos is eligible to receive up to €3 billion in downstream milestones, plus royalties. Together with the service operations of BioFocus and Argenta, Galapagos has more than 640 employees and operates facilities in six countries, with global headquarters in Mechelen, Belgium. More info at: [www.glp.com](http://www.glp.com)

### **CONTACT**

Galapagos NV  
Elizabeth Goodwin, Director Investor Relations  
Tel: +31 6 2291 6240  
[ir@glpg.com](mailto:ir@glpg.com)

MorphoSys AG  
Mario Brkulj, Senior Manager Corporate Communications & Investor Relations  
Tel: +49 89 899 27 454  
[mario.brkulj@morphosys.com](mailto:mario.brkulj@morphosys.com)

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