UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2007

OR

o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 0-17999

ImmunoGen, Inc.

Massachusetts	**04-2726691**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

128 Sidney Street, Cambridge, MA 02139
(Address of principal executive offices, including zip code)

(617) 995-2500
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. **x** Yes **o** No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer **o**	Accelerated filer **x**
Non-accelerated filer **o**	Smaller reporting company **o**

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

o Yes **x** No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Shares of common stock, par value $.01 per share: 42,907,702 shares outstanding as of February 4, 2008.

IMMUNOGEN, INC.
FORM 10-Q
FOR THE QUARTER ENDED DECEMBER 31, 2007
TABLE OF CONTENTS

ITEM 1. ***Financial Statements***

IMMUNOGEN, INC.
CONSOLIDATED BALANCE SHEETS
In thousands, except per share amounts
(UNAUDITED)

	December 31, 2007	June 30, 2007
ASSETS		
Cash and cash equivalents	$ 12,365	$ 10,605
Marketable securities	36,293	49,095
Accounts receivable	1,743	1,536
Unbilled revenue	4,239	5,980
Inventory	2,023	3,267
Prepaid and other current assets	2,463	1,351
Restricted cash	268	268
Total current assets	59,394	72,102
Property and equipment, net of accumulated depreciation	16,495	8,149
Long-term restricted cash	3,872	95
Other assets	12	75
Total assets	$ 79,773	$ 80,421
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 2,168	$ 2,226
Accrued compensation	2,355	1,213
Other accrued liabilities	2,133	4,476
Current portion of lease incentive obligation	459	—
Current portion of deferred revenue	6,249	6,373
Total current liabilities	13,364	14,288
Lease incentive obligation, net of current portion	5,172	—
Deferred revenue, net of current portion	6,863	7,402
Other long-term liabilities	1,237	330
Total liabilities	26,636	22,020
Commitments and contingencies (Note D)		
Shareholders' equity:		
Preferred stock, $.01 par value; authorized 5,000 shares; no shares issued and outstanding	—	—
Common stock, $.01 par value; authorized 75,000 shares; issued and outstanding 42,901 shares and 42,346 shares as of December 31, 2007 and June 30, 2007, respectively	429	423
Additional paid-in capital	317,696	315,621
Accumulated deficit	(264,792)	(257,548)
Accumulated other comprehensive loss	(196)	(95)
Total shareholders' equity	53,137	58,401

Total liabilities and shareholders' equity	$ 79,773	$ 80,421

The accompanying notes are an integral part of the consolidated financial statements.

IMMUNOGEN, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
In thousands, except per share amounts

	Three Months Ended December 31,		Six Months Ended December 31,	
	2007	2006	2007	2006
Revenues:				
Research and development support	$ 3,672	$ 6,593	$ 8,145	$ 12,100
License and milestone fees	2,680	3,428	6,868	4,834
Clinical materials reimbursement	3,399	2,051	6,163	2,908
Total revenues	9,751	12,072	21,176	19,842
Operating Expenses:				
Cost of clinical materials reimbursed	2,426	1,588	4,155	2,235
Research and development	10,732	11,768	19,837	23,184
General and administrative	3,527	2,566	5,951	5,363
Total operating expenses	16,685	15,922	29,943	30,782
Loss from operations	(6,934)	(3,850)	(8,767)	(10,940)
Other income (expense), net	727	815	1,540	1,662
Loss before provision for income taxes	(6,207)	(3,035)	(7,227)	(9,278)
Provision for income taxes	5	9	17	20
Net loss	$ (6,212)	$ (3,044)	$ (7,244)	$ (9,298)
Basic and diluted net loss per common share	$ (0.15)	$ (0.07)	$ (0.17)	$ (0.22)
Basic and diluted weighted average common shares outstanding	42,700	41,571	42,558	41,526

The accompanying notes are an integral part of the consolidated financial statements.

IMMUNOGEN, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
In thousands, except per share amounts

	Six months ended December 31,	
	2007	2006
Cash flows from operating activities:		
Net loss	$ (7,244)	$ (9,298)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	2,111	1,402
Amortization of lease incentive obligation	(77)	—
Loss (gain) on disposal of fixed assets	11	(1)
Loss (gain) on sale of marketable securities	—	(5)
Gain on forward contracts	(242)	(8)
Stock–based compensation	1,085	1,261
Deferred rent	929	32
Changes in operating assets and liabilities:		
Accounts receivable	(207)	(1,624)
Unbilled revenue	1,741	(100)
Inventory	1,244	(762)
Prepaid and other current assets	(1,100)	214
Restricted cash	(3,777)	—
Other assets	63	(141)
Accounts payable	(58)	(253)
Accrued compensation	1,142	1,396

Other accrued liabilities	(2,393)	849
Deferred revenue	(663)	(892)
Proceeds from landlord for tenant improvements	550	—
Net cash used for operating activities	(6,885)	(7,930)
Cash flows from investing activities:		
Proceeds from maturities or sales of marketable securities	26,306	100,160
Reclassification of cash equivalent balance to marketable securities	(13,605)	—
Purchases of marketable securities	—	(91,199)
Purchases of property and equipment	(5,311)	(920)
Proceeds from sale of fixed assets	—	1
Proceeds from settlement of forward contracts	280	—
Net cash provided by investing activities	7,670	8,042
Cash flows from financing activities:		
Proceeds from stock options exercised	975	257
Net cash provided by financing activities	975	257
Net change in cash and cash equivalents	1,760	369
Cash and cash equivalents, beginning of period	10,605	4,813
Cash and cash equivalents, ending of period	$ 12,365	$ 5,182
Supplemental disclosure:		
Cash paid for income taxes	$ 22	$ 20

The accompanying notes are an integral part of the consolidated financial statements.

IMMUNOGEN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
December 31, 2007
(UNAUDITED)

A. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements at December 31, 2007 and June 30, 2007 and for the three and six months ended December 31, 2007, and 2006 include the accounts of ImmunoGen, Inc., or the Company, and its wholly-owned subsidiaries, ImmunoGen Securities Corp. and ImmunoGen Europe Limited. The consolidated financial statements include all of the adjustments, consisting only of normal recurring adjustments, which management considers necessary for a fair presentation of the Company's financial position in accordance with accounting principles generally accepted in the U.S. for interim financial information. Certain information and footnote disclosures normally included in the Company's annual financial statements have been condensed or omitted. The preparation of interim financial statements requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenues and expenditures during the reported period. The results of the interim periods are not necessarily indicative of the results for the entire year. Accordingly, the interim financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2007.

Revenue Recognition

The Company enters into licensing and development agreements with collaborative partners for the development of monoclonal antibody-based anticancer therapeutics. The Company follows the provisions of the Securities and Exchange Commission's Staff Accounting Bulletin No. 104, *Revenue Recognition*, or SAB 104, and Emerging Issues Task Force (EITF) Issue No. 00-21, *Accounting for Revenue Arrangements with Multiple Elements*, or EITF 00-21. In accordance with SAB 104 and EITF 00-21, the Company recognizes revenue related to research activities as they are performed, as long as there is persuasive evidence of an arrangement, the fee is fixed or determinable, and collection of the related receivable is probable. The terms of the Company's agreements contain multiple revenue elements which typically include non-refundable license fees, payments based upon the achievement of certain milestones and royalties on product sales. The Company evaluates such arrangements to determine if the deliverables are separable into units of accounting and then applies applicable revenue recognition criteria to each unit of accounting.

At December 31, 2007, the Company had the following four types of collaborative contracts with the parties identified below:

· License to a single target antigen (single target license):

Biogen Idec Inc.

Biotest AG

Boehringer Ingelheim International GmbH

Genentech, Inc. (multiple single target licenses)

· Broad option agreements to acquire rights to a limited number of targets over a specified time period (broad license):

Amgen, Inc. (formerly Abgenix, Inc.)

Genentech, Inc.

· Broad agreement to discover, develop and commercialize antibody-based anticancer products:

sanofi-aventis

· Non-exclusive license to the Company's humanization technology, which was developed to enable antibodies initially of murine origin to appear to be human to the human immune system:

sanofi-aventis

Generally, the foregoing collaboration agreements provide that the Company will (i) at the collaborator's request, manufacture preclinical and clinical materials at the Company's cost, or, in some cases, cost plus a margin, (ii) earn payments upon the collaborators' achievement of certain milestones and (iii) earn royalty payments, generally until the later of the last applicable patent expiration or 12 years after product launch. The Company is required to provide technical training and to share any process improvements and know-how with its collaborators during the research term of the collaboration agreements.

Generally, upfront payments on single-target licenses are deferred over the period of the Company's substantial involvement during development. The Company's employees are available to assist the Company's collaborators during the development of their products. The Company estimates this development phase to begin at the inception of the collaboration agreement and conclude at the end of non-pivotal Phase II testing. The Company believes this period of involvement is, depending on the nature of the license, on average six and one-half years. Quarterly, the Company reassesses the periods of substantial involvement over which the Company amortizes its upfront license fees. In the event that a single-target license were to be terminated, the Company would recognize as revenue any portion of the upfront fee that had not previously been recorded as revenue, but was classified as deferred revenue at the date of such termination.

The Company defers upfront payments received from its broad option agreements over the period during which the collaborator may elect to receive a license. These periods are specific to each collaboration agreement, but are between seven and 12 years. If a collaborator selects an option to acquire a license under these agreements, any option fee is deferred and recorded over the life of the option, generally 12 to 18 months. If a collaborator exercises an option and the Company grants a single-target license to the collaborator, the Company defers the license fee and accounts for the fee as it would an upfront payment on a single-target license, as discussed above. Upon exercise of an option to acquire a license, the Company would recognize any remaining deferred option fee over the period of the Company's substantial involvement under the license acquired. In the event that a broad license agreement were to be terminated, the Company would recognize as revenue any portion of the upfront fee that had not previously been recorded as revenue, but was classified as deferred revenue at the date of such termination. In the event a collaborator elects to discontinue development of a specific product candidate under a single-target license, but retains its right to use the Company's technology to develop an alternative product candidate to the same target or a target substitute, the Company would cease amortization of any remaining portion of the upfront fee until there is substantial preclinical activity on another product candidate and the Company's remaining period of substantial involvement can be estimated.

When milestone fees are specifically tied to a separate earnings process and are deemed to be substantive and at risk, revenue is recognized when such milestones are achieved. In addition, the Company recognizes research and development support revenue from certain collaboration and development agreements based upon the level of research services performed during the period of the relevant research agreement. Deferred revenue substantially represents amounts received under collaborative agreements and not yet earned pursuant to these policies. Where the Company has no continuing involvement, the Company will record non-refundable license fees as revenue upon receipt and will record revenue upon achievement of milestones by its collaborative partners.

The Company produces preclinical and clinical materials for its collaborators. The Company is reimbursed for its direct and overhead costs to produce clinical materials and, in some cases, direct and overhead costs plus a profit margin. The Company recognizes revenue on preclinical and clinical materials when (i) the materials have passed all of the quality testing required for collaborator acceptance and (ii) title and risk of loss have transferred to the collaborator.

The Company also produces research material for potential collaborators under material transfer agreements. Additionally, the Company performs research activities, including developing antibody-specific conjugation processes, on behalf of its collaborators and potential collaborators during the early evaluation and preclinical testing stages of drug development. Generally, the Company is

reimbursed for its direct and overhead costs of producing these preclinical materials or providing these services. The Company records the amounts received for the preclinical materials produced or services performed as a component of research and development support. The Company also has been retained by two of its collaborators to develop conjugation processes for materials for later stage testing and commercialization. The Company is reimbursed for its direct and overhead costs and may receive milestone payments for developing these processes and these are recorded as a component of research and development support.

Marketable Securities

The Company invests in marketable securities of highly rated financial institutions and investment-grade debt instruments and limits the amount of credit exposure with any one entity. The Company has classified its marketable securities as "available-for-sale" and, accordingly, carries such securities at aggregate fair value. Unrealized gains and losses, if any, are reported as other comprehensive income (loss) in shareholders' equity. The amortized cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts to maturity. Such amortization and accretions are included in other income (expense), net, as well as interest and dividends. Realized gains and losses on available-for-sale securities are also included in other income (expense), net. The cost of securities sold is based on the specific identification method. During the quarter, the Company was notified by a fund manager that a fund in which the Company holds an investment in is currently unable to meet shareholder redemptions on a timely basis. The Company held approximately $13.6 million in this fund at December 31, 2007. Although amounts invested are not currently impaired in value, the balance is not readily convertible to cash. The Company has the option of redeeming the entire investment from the fund in-kind which would consist of individual securities, or remaining in the fund and receiving cash redemptions as cash becomes available in the fund either through maturities or sales of the underlying securities. As a result, the Company has reclassified the balance in this fund from cash and cash equivalents to marketable securities.

Unbilled Revenue

The majority of the Company's unbilled revenue at December 31, 2007 and June 30, 2007 primarily represents (i) committed research funding earned based on actual resources utilized under the Company's discovery, development and commercialization agreement with sanofi-aventis; (ii) research funding earned based on actual resources utilized under the Company's development, license and service agreements with Biotest; and (iii) reimbursable expenses incurred under the Company's discovery, development and commercialization agreement with sanofi-aventis and license agreement with Biotest.

Inventory

Inventory costs primarily relate to clinical trial materials being manufactured for sale to the Company's collaborators. Inventory is stated at the lower of cost or market as determined on a first-in, first-out (FIFO) basis.

Inventory at December 31, 2007 and June 30, 2007 is summarized below (in thousands):

	December 31, 2007	June 30, 2007
Raw materials	$ 509	$ 1,070
Work in process	1,514	2,197
Total	$ 2,023	$ 3,267

All Tumor-Activated Prodrug, or TAP, product candidates currently in preclinical and clinical testing include either DM1 or DM4 as a cell-killing agent, and these agents are the subject of the Company's collaborations. DM1 and DM4, collectively referred to as DMx, are both manufactured from a precursor, ansamitocin P3. Raw materials inventory consists entirely of DMx.

Inventory cost is stated net of write-downs of $832,000 and $1.4 million as of December 31, 2007 and June 30, 2007, respectively. The write-downs represent the cost of raw materials that the Company considers to be in excess of a twelve-month supply based on current firm, fixed orders and projections from its collaborators as of the respective balance sheet date.

Due to yield fluctuations, the actual amount of raw materials that will be produced in future periods under supply agreements is highly uncertain. As such, the amount of raw materials produced could be more than is required to support the development of the Company's and its collaborators' product candidates. Such excess supply, as determined under the Company's inventory reserve policy, is charged to cost of clinical materials reimbursed.

The Company produces preclinical and clinical materials for its collaborators either in anticipation of or in support of preclinical studies and clinical trials, or for process development and analytical purposes. Under the terms of supply agreements with its collaborators, the Company generally receives rolling six-month firm, fixed orders for conjugate that the Company is required to manufacture, and rolling twelve-month manufacturing projections for the quantity of conjugate the collaborator expects to need in any

given twelve-month period. The amount of clinical material produced is directly related to the number of on-going clinical trials for which the Company is producing clinical material for itself and its collaborators, the speed of enrollment in those trials, the dosage schedule of each clinical trial and the time period, if any, during which patients in the trial receive clinical benefit from the clinical materials. Because these elements are difficult to estimate over the course of a trial, substantial differences between collaborators' actual manufacturing orders and their projections could result in usage of raw materials varying significantly from estimated usage at an earlier reporting period. To the extent that a collaborator has provided the Company with a firm, fixed order, the collaborator is generally required by contract to reimburse the Company the full cost of the conjugate and any agreed margin thereon, even if the collaborator subsequently cancels the manufacturing run.

The Company accounts for the raw material inventory as follows:

a) raw material is capitalized as inventory upon receipt of the material. That portion of the raw material that the Company uses in the production of its own products is recorded as research and development expense as consumed;

b) to the extent that the Company has up to twelve months of firm, fixed orders and/or projections from its collaborators, the Company capitalizes the value of raw materials that will be used in the production of conjugate subject to these firm, fixed orders and/or projections;

c) the Company considers more than twelve month supply of raw materials that is not supported by firm, fixed orders or projections from its collaborators to be excess and establishes a reserve to reduce to zero the value of any such excess raw material inventory with a corresponding charge to cost of clinical materials reimbursed; and

d) the Company also considers any other external factors and information of which it becomes aware and assesses the impact of such factors or information on the net realizable value of the raw material inventory at each reporting period.

The Company did not record any cost of clinical materials reimbursement expense related to excess inventory during the six months ended December 31, 2007. Increases in the Company's on-hand supply of raw materials, or a reduction to the Company's collaborators' projections, could result in significant changes in the Company's estimate of the net realizable value of such raw material inventory. Reductions in collaborators' projections could indicate that the Company has additional excess raw material inventory and the Company would then evaluate the need to record further write-downs as charges to cost of clinical materials reimbursed.

Computation of Net Loss Per Common Share

Basic and diluted net loss per common share is calculated based upon the weighted average number of common shares outstanding during the period. The Company's common stock equivalents, as calculated in accordance with the treasury-stock accounting method, are shown in the following table (in thousands):

	Three Months Ended December 31,		Six Months Ended June 30,	
	2007	2006	2007	2006
Options to purchase common stock	4,889	5,693	4,889	5,693
Common stock equivalents under treasury stock method	462	1,149	483	841

The Company's common stock equivalents have not been included in the net loss per share calculation because their effect is anti-dilutive due to the Company's net loss position.

Comprehensive Loss

The Company presents comprehensive loss in accordance with Financial Accounting Standards Board, or FASB, Statement No. 130, *Reporting Comprehensive Income*. For the three and six months ended December 31, 2007, total comprehensive loss equaled $6.3 million and $7.3 million, respectively. For the three and six months ended December 31, 2006, total comprehensive loss equaled $3.1 million and $9.1 million, respectively. Comprehensive loss was comprised of the Company's net loss for the period and unrealized gains and losses recognized on available-for-sale marketable securities.

Stock-Based Compensation

As of December 31, 2007, the Company is authorized to grant future awards under one share-based compensation plan, which is the ImmunoGen, Inc. 2006 Employee, Director and Consultant Equity Incentive Plan, or the Plan. The Plan was approved by the Company's Board of Directors and the shareholders of the Company on November 14, 2006 and replaced the previous stock option plan, the ImmunoGen, Inc. Restated Stock Option Plan, as amended, or the Former Plan. The Plan provides for the issuance of Stock Grants, the grant of Options and the grant of Stock-Based Awards for up to 2,500,000 shares of the Company's common stock, as well as any shares of common stock that are represented by awards granted under the Former Plan that are forfeited, expire or are cancelled without delivery of shares of common stock or which result in the forfeiture of shares of common stock back to the Company on or after November 13, 2006, or the equivalent of such number of shares after the Administrator, in its sole discretion, has interpreted the effect of any stock split, stock dividend, combination, recapitalization or similar transaction in accordance with the Plan; provided, however, that no more than 5,900,000 shares shall be added to the Plan from the Former Plan, pursuant to this provision. Option awards are granted with an exercise price equal to the market price of the Company's stock at the date of grant. Options vest at various periods of up to four years and may be exercised within ten years of the date of grant.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes option-pricing model with the assumptions noted in the following table. As the Company has not paid dividends since inception, nor does it expect to pay any dividends for the foreseeable future, the expected dividend yield assumption is zero. Expected volatility is based exclusively on historical volatility data of the Company's stock. The expected term of stock options granted is based exclusively on historical data and represents the period of time that stock options granted are expected to be outstanding. The expected term is calculated for and applied to one group of stock options as the Company does not expect substantially different exercise or post-vesting termination behavior among its employee population. The risk-free rate of the stock options is based on the U.S. Treasury rate in effect at the time of grant for the expected term of the stock options.

	Three Months Ended December 31,		Six Months Ended June 30,	
	2007	2006	2007	2006
Dividend	None	None	None	None
Volatility	75.82%	79.14%	75.49%	82.27%
Risk-free interest rate	3.85%	4.59%	3.91%	4.86%
Expected life (years)	7.5	6.4	7.4	6.5

Using the Black-Scholes option-pricing model, the weighted average grant date fair values of options granted during the three months ended December 31, 2007 and 2006 were $3.50 and $3.13, respectively, and $3.50 and $2.72 for options granted during the six months ended December 31, 2007 and 2006, respectively.

As of December 31, 2007, the estimated fair value of unvested employee awards was $1.9 million, net of estimated forfeitures. The weighted-average remaining vesting period for these awards is approximately two and one-half years.

During the six months ended December 31, 2007, holders of options issued under the Plan exercised their rights to acquire an aggregate of 554,000 shares of common stock at prices ranging from $0.84 to $3.95 per share. The total proceeds to the Company from these option exercises were approximately $975,000.

Derivatives

Derivative instruments include a portfolio of short duration foreign currency forward contracts intended to mitigate the risk of exchange fluctuations for manufacturing/development contracts to be paid in Euros. Derivatives are estimated at fair value and classified as other current assets or liabilities in the accompanying consolidated balance sheets. The fair value of these instruments represents the present value of estimated future cash flows under the contracts, which are a function of underlying interest rates, currency rates, related volatility, counterparty creditworthiness and duration of the contracts. Changes in these factors or a combination thereof may affect the fair value of these instruments.

The Company does not designate foreign currency forward contracts as hedges for accounting purposes, and changes in the fair value of these instruments are recognized in earnings during the period of change. Because the Company enters into forward contracts only as an economic hedge, any gain or loss on the underlying foreign-denominated balance would be offset by the loss or gain on the forward contract. For the three and six months ended December 31, 2007, net gains recognized on forward contracts were $49,000 and $242,000, respectively, and are included in the accompanying consolidated statement of operations as other income (expense), net. As of December 31, 2007, the Company had outstanding forward contracts with notional amounts equivalent to approximately $7.4 million (5.1 million Euros), all maturing on or before July 31, 2008. As of June 30, 2007, the Company had outstanding forward contracts with notional amounts equivalent to approximately $6.5 million (4.8 million Euros). For the three and six months ended December 31, 2006, net gains recognized on forward contracts were $13,000. As of December 31, 2006, the Company had

outstanding forward contracts with notional amounts equivalent to approximately $4.1 million (2.6 million Euros and 4.8 million Swedish Krona). We do not anticipate using derivative instruments for any purpose other than hedging our exchange rate exposure.

Reclassifications

Certain prior year balances have been reclassified to conform to current year presentation.

Segment Information

During the three and six months ended December 31, 2007, the Company continued to operate in one reportable business segment under the management approach of FASB Statement No. 131, *Disclosures about Segments of an Enterprise and Related Information*, which is the business of discovery of monoclonal antibody-based anticancer therapeutics.

The percentages of revenues recognized from significant customers of the Company in the three and six months ended December 31, 2007 and 2006 are included in the following table:

	Three Months Ended December 31,		Six Months Ended June 30,	
	2007	2006	2007	2006
Collaborative Partner:				
sanofi-aventis	58%	67%	51%	67%
Genentech	16%	18%	32%	21%
Biogen Idec	13%	6%	6%	4%
Biotest	12%	4%	8%	3%

There were no other significant customers of the Company in the three and six months ended December 31, 2007 and 2006.

Recent Accounting Pronouncements

In December 2007, the FASB ratified EITF Issue No. 07-1, *Accounting for Collaborative Arrangements*, or EITF 07-1, which is effective for fiscal years beginning after December 15, 2008 (the Company's fiscal year 2010). EITF 07-1 defines collaborative arrangements and establishes reporting requirements for transactions between participants in a collaborative arrangement and between participants in the arrangement and third parties. EITF 07-1 also establishes the appropriate income statement presentation and classification for joint operating activities and payments between participants, as well as the sufficiency of the disclosures related to these arrangements. The Company is currently evaluating the impact EITF 07-1 may have on its results of operations or financial position.

In June 2007, the FASB ratified EITF Issue No. 07-3, *Accounting for Nonrefundable Advance Payments for Goods or Services Received for Use in Future Research and Development Activities*, or EITF 07-3, which is effective for fiscal years beginning after December 15, 2007, and interim periods within those fiscal years (the Company's fiscal year 2009). The EITF reached a conclusion that nonrefundable advance payments for goods or services that will be used or rendered for future research and development activities pursuant to an executory contractual arrangement should be deferred and capitalized. Such amounts should be recognized as expense as the goods are delivered or the related services are performed. Entities should continue to evaluate whether they expect the goods to be delivered or services to be rendered. If an entity does not expect the goods to be delivered or services to be rendered, the capitalized advance payment should be charged to expense. The Company does not believe the adoption of EITF 07-3 will have a material impact on its results of operations or financial position.

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115*, or Statement 159, which is effective for fiscal years beginning after November 15, 2007 (the Company's fiscal year 2009). Statement 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Company has evaluated the effects of adopting this standard, and currently does not believe the adoption will have a material impact on our results of operations or financial position.

In September 2006, the FASB issued Statement No. 157, *Fair Value Measurements*, or Statement 157, which is effective for fiscal years beginning after November 15, 2007 (the Company's fiscal 2009). Statement 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. Statement 157 codifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard clarifies the principle

that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. The Company has evaluated the effects of

adopting this standard, and does not currently believe the adoption will have a material impact on its results of operations or financial position.

B. Significant Research and Development Agreements

sanofi-aventis

In August 2006, sanofi-aventis exercised its remaining option to extend the term of the research collaboration with the Company for another year, and committed to pay the Company a minimum of $10.4 million in research support over the twelve months beginning September 1, 2007. Additionally, effective September 1, 2006, the Company was no longer obligated to present new targets for antibody-based anticancer therapeutics to sanofi-aventis, enabling the Company to use such targets in the development of its own proprietary products. The Company records the research funding as it is earned based upon its actual resources utilized in the collaboration. During the three and six months ended December 31, 2007, the Company recorded $2.9 million and $6.3 million, respectively, of research and development support revenue under this agreement. During the three and six months ended December 31, 2006, the Company recorded $4.8 million and $9.0 million, respectively, of research and development support revenue under this agreement.

In October 2006, sanofi-aventis licensed non-exclusive rights to use the Company's proprietary resurfacing technology to humanize antibodies. This license provides sanofi-aventis with the non-exclusive right to use the Company's proprietary humanization technology through August 31, 2011 with the right to extend for one or more additional periods of three years each by providing the Company with written notice prior to expiration of the then-current license term. Under the terms of the license, the Company is due a $1 million license fee, half of which was paid upon contract signing and the second half is due on August 31, 2008, and in addition, the Company is entitled to receive milestone payments potentially totaling $4.5 million plus royalties on sales for each compound humanized under this agreement. The Company has deferred the $500,000 portion of the upfront payment already received and is recognizing this amount as revenue over the estimated period of substantial involvement.

In December 2006, sanofi-aventis entered into an option agreement with the Company that provides it the right to gain expanded and extended access to the Company's TAP technology. The option agreement provides sanofi-aventis with the right to enter into a multi-target agreement with the Company prior to or on August 31, 2008 by payment of an agreed-upon option exercise fee. The multi-target agreement would allow sanofi-aventis to evaluate the Company's TAP technology with antibodies to targets not included in the existing research collaboration between the companies-with certain restrictions-and to license the right to use the technology to develop products for such targets on agreed-upon terms. The Company received payment of $500,000 with the signing of this option agreement, which has been deferred and is being recognized over the option period.

In October 2007, sanofi-aventis informed the Company that clinical testing of SAR3419 had begun, triggering a $1 million milestone payment to the Company. SAR3419 is a potential new treatment for non-Hodgkin's lymphoma and other B-cell malignancies, and was created by ImmunoGen and licensed to sanofi-aventis as part of the broad collaboration agreement to discover, develop and commercialize anticancer therapeutics entered into by the companies in July 2003.

In December 2007, sanofi-aventis notified the Company that one of the preclinical product candidates under its discovery, development and commercialization agreement with the Company had achieved a certain milestone, triggering a $500,000 payment to the Company. This milestone is included in license and milestone fee revenue for the current period.

Genentech, Inc.

Genentech began Phase II evaluation of trastuzumab-DM1 (T-DM1) in July 2007 and as a result, the Company received $5 million in milestone payments. Included in license and milestone fees for the six months ended December 31, 2007 is $3 million of the $5 million payment, and the remaining $2 million has been deferred as it is contingent upon the completion of an additional deliverable which the Company expects to occur during the third quarter of fiscal 2008. The milestone was earned under the May 2000 license agreement, as amended in 2006. This amendment increased the potential milestone payments to the Company in conjunction with the achievement of milestones earned under a separate process development agreement with Genentech.

Centocor, Inc.

In December 2007, the Company licensed from Centocor Inc., a wholly owned subsidiary of Johnson and Johnson, the exclusive, worldwide rights to develop and commercialize a TAP compound that consists of an integrin-binding antibody developed by Centocor and one of the Company's maytansinoid cell-killing agents. This license reallocates the parties' respective responsibilities and financial obligations from a previous license Centocor had obtained from the Company to develop a TAP compound. Centocor has the right to opt-in on future development and commercialization of this compound, IMGN388, at an agreed-upon stage in clinical testing. Should Centocor not exercise this right, Centocor would be entitled to receive milestone payments potentially totaling $30 million, with the first payment due upon the completion of a successful Phase III trial, and it will also be entitled to royalties on IMGN388 sales, if any. In this event, the

Company has the right to obtain a new partner for IMGN388, with certain restrictions. Should Centocor exercise its opt-in right, the Company would receive an opt-in fee and be released from its obligation to pay Centocor any milestone payments or royalties on sales. Both companies would contribute to the costs of developing the compound. The two companies would share equally any profits on the sales of the compound in the USA, and the Company would receive royalties on any international sales. The companies have agreed to share certain third-party expenses. The unamortized balance of a $1 million upfront payment Centocor made to the Company as part of the previous license amounted to $644,000 at December 31, 2007 and will be recognized as revenue over the estimated period of the Company's significant involvement under the new agreement.

The Company has agreements with other companies with respect to its compounds, as described elsewhere in this Quarterly Report and in its 2007 Annual Report on Form 10-K for the fiscal year ended June 30, 2007.

C. Capital Stock

2001 Non-Employee Director Stock Plan

During the three and six months ended December 31, 2007, the Company recorded approximately $(8,000) and $(21,000) in expense reduction, respectively, related to stock units outstanding under the Company's 2001 Non-Employee Director Stock Plan. During the three and six months ended December 31, 2006, the Company recorded as compensation expense approximately $32,000 and $42,000, respectively. The value of the stock units is adjusted to market value at each reporting period.

2004 Non-Employee Director Compensation and Deferred Share Unit Plan

The 2004 Non-Employee Director Compensation and Deferred Share Unit Plan, or 2004 Director Plan, was amended on September 5, 2006. Per the terms of the amended 2004 Director Plan, the redemption amount for deferred share units will be paid in shares of common stock of the Company in lieu of cash. As a result of the change in payout structure, the value of the vested awards was transferred to additional paid-in capital as of the modification date and the total value of the awards, as calculated on the modification date, was expensed over the remainder of the vesting period. Accordingly, the value of the deferred share units is fixed and will no longer be adjusted to market value at each reporting period.

During the three and six months ended December 31, 2007, the Company recorded approximately $16,000 and $23,000 in compensation expense, respectively, related to vesting of deferred share units issued under the amended 2004 Director Plan. The Company recorded approximately $67,000 and $121,000 in compensation expense related to vesting of deferred share units issued under the 2004 Director Plan during the three and six months ended December 31, 2006, respectively.

D. Commitments and Contingencies

Effective July 27, 2007, the Company entered into a lease agreement with Intercontinental Fund III for the rental of approximately 89,000 square feet of laboratory and office space at 830 Winter Street, Waltham, MA. The Company plans to occupy the space on or about April 1, 2008 and intends to use this space for its corporate headquarters and other operations currently located in Cambridge, MA. The initial term of the lease is for twelve years with an option for the Company to extend the lease for two additional terms of five years. The Company is required to pay certain operating expenses for the leased premises subject to escalation charges for certain expense increases over a base amount.

As part of the lease agreement, the Company received a construction allowance of up to approximately $13.3 million to build out laboratory and office space to the Company's specifications. The construction allowance will be accounted for as a lease incentive pursuant to FASB Statement No. 13, *Accounting for Leases*, and FASB Technical Bulletin 88-1, *Issues Relating to Accounting for Leases*. Through December 31, 2007, the Company has recorded $5.7 million of leasehold improvements under the construction allowance. Through December 31, 2007, the Company has received $550,000 from the landlord and paid out the same amount towards these leasehold improvements. The remaining balance of the improvements was either paid directly by the landlord or has yet to be paid or received by the Company. The lease term began on October 1, 2007, when the Company obtained physical control of the space in order to begin construction.

The minimum rental commitments, including real estate taxes and other expenses, for the next five fiscal years under non-cancelable operating lease agreements are as follows (in thousands):

2008 (six months remaining)	$	2,497
2009		6,341
2010		6,406
2011		5,979
2012		4,959
Total minimum lease payments	$	26,182

The Company intends to sublease approximately 15,000 and 12,000 square feet of its current laboratory and office space located at 148 Sidney Street, Cambridge, MA, and 830 Winter Street, Waltham, MA, respectively. The Company has not included any estimated sublease income in the table above.

E. Income Taxes

The Company adopted the provisions of FASB Financial Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, or FIN 48, an interpretation of FASB Statement No. 109, or Statement 109, on July 1, 2007. The adoption of FIN 48 did not impact the Company's financial condition, results of operations or cash flows for the current period. As of June 30, 2007, the Company had federal and state net operating loss, or NOL, carry forwards and federal and state research and development, or R&D, credit carry forwards, which may be available to offset future federal and state income tax liabilities which expire at various dates starting in fiscal 2008 and going through 2027. Utilization of the NOL and R&D credit carry forwards may be subject to a substantial annual limitation due to ownership change limitations that have occurred previously or that could occur in the future as provided by Section 382 of the Internal Revenue Code of 1986, as well as similar state and foreign provisions. These ownership changes may limit the amount of NOL and R&D credit carry forwards that can be utilized annually to offset future taxable income and tax, respectively. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain shareholders or public groups in the stock of a corporation by more than 50 percentage points over a three-year period. Since the Company's formation, it has raised capital through the issuance of capital stock on several occasions (both pre and post initial public offering) which, combined with the purchasing shareholders' subsequent disposition of those shares, may have resulted in a change of control, as defined by Section 382, or could result in a change of control in the future upon subsequent disposition. The Company has not currently completed a study to assess whether a change of control has occurred or whether there have been multiple changes of control since its formation due to the significant complexity and cost associated with such study and the possibility that there could be additional changes in control in the future. If the Company has experienced a change of control at any time since its formation, utilization of its NOL or R&D credit carry forwards would be subject to an annual limitation under Section 382 which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the NOL or R&D credit

carry forwards before utilization. Further, until a study is completed and any limitation known, no amounts are being presented as an uncertain tax position under FIN 48. The Company does not expect to have any taxable income for the foreseeable future.

The Company did not recognize any interest and penalties associated with unrecognized tax benefits in the accompanying consolidated financial statements. The Company does not expect any material changes to the unrecognized benefits within 12 months of the reporting date. Due to existence of the valuation allowance, future changes in our unrecognized tax benefits will not impact our effective tax rate. The Company's loss carry forwards are subject to adjustment by state and federal taxing authorities, commencing when those losses are utilized to reduce taxable income.

ITEM 2. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

OVERVIEW

Since our inception, we have been principally engaged in the development of targeted antibody-based anticancer therapeutics. The combination of our expertise in antibodies and cancer biology has resulted in the development of both proprietary product candidates and technologies. Our Tumor-Activated Prodrug, or TAP, technology relates to the attachment of one of our proprietary, extremely potent small molecule cytotoxic, or cell-killing, agents to monoclonal antibodies that bind specifically to cancer cells. The antibody serves to target the cytotoxic agent specifically to cancer cells and the cytotoxic agent serves to kill the cells. Our TAP technology is designed to selectively kill cancer cells with limited damage to healthy tissue. All TAP compounds currently in preclinical and clinical testing by us or our collaborative partners contain either DM1 or DM4 as the cytotoxic agent. DM1 and DM4 are our proprietary derivatives of a naturally occurring substance called maytansine. We also use our expertise in antibodies and cancer biology to develop "naked," or unconjugated, antibody anticancer product candidates.

We have entered into collaborative agreements that enable companies to use our TAP technology to develop commercial product candidates containing their antibodies. We have also used our proprietary TAP technology in conjunction with our in-house antibody expertise to develop our own anticancer product candidates. Under the terms of our collaborative agreements, we are generally entitled to upfront fees, milestone payments and royalties on any commercial product sales. In addition, under certain agreements we are entitled to research and development funding based on activities performed at our collaborative partner's request. We are reimbursed our direct and overhead costs to manufacture preclinical and clinical materials and, under certain collaborative agreements, the reimbursement includes a profit margin. Currently, our collaborative partners include Amgen, Inc. (formerly Abgenix, Inc.), Biogen Idec Inc., Biotest AG, Genentech, Inc., and sanofi-aventis. We expect that substantially all of our revenue for the foreseeable future will result from payments under our collaborative arrangements.

In July 2003, we announced a discovery, development and commercialization collaboration with Aventis Pharmaceuticals, Inc. (now sanofi-aventis). Under the terms of this agreement, in consideration of an upfront payment of $12 million, sanofi-aventis gained commercialization rights to three of the then-most-advanced product candidates in our preclinical pipeline and the commercialization rights to certain new product candidates developed within the collaboration during its research program term. Under the terms of the agreement, we also are entitled to receive committed research funding. The commitment was for $50.7 million over the first three years of the agreement, and then for an additional $18.2 million when the agreement was extended for a fourth year, and then for an additional $10.4 million when the agreement was extended for a fifth year. Through the end of December 31, 2007, we have earned $74.3 million, of which $2.9 million and $6.3 million was recognized during the three and six months ended December 31, 2007, respectively, and $4.8 million and $9.0 million was recognized during the three and six months ended December 31, 2006, respectively. As of December 31, 2007, we have $6.6 million of committed research funding remaining under this arrangement.

The collaboration agreement also provides for certain other payments based on the achievement of product candidate milestones and royalties on sales of any resulting products, if and when such sales commence. Assuming all benchmarks are met, we will receive payments of between $21.5 million and $30.0 million per antigen target. Through December 31, 2007, we have received and earned $6 million of a potential $103 million with the achievement of various milestones related to four targets.

Additionally, in October 2006, sanofi-aventis licensed non-exclusive rights to use our proprietary resurfacing technology to humanize antibodies. This license provides sanofi-aventis with the non-exclusive right to use our proprietary humanization technology through August 31, 2011 with the right to extend for one or more additional periods of three years each by providing us with written notice prior to expiration of the then-current license term. Under the terms of the license, we are due a $1 million license fee, half of which was paid upon contract signing and the second half is due on August 31, 2008, and in addition, we are entitled to receive milestone payments potentially totaling $4.5 million plus royalties on sales for each compound humanized under this agreement. We have deferred the $500,000 portion of the upfront payment already received and are recognizing this amount as revenue over the estimated period of substantial involvement.

In December 2006, sanofi-aventis entered into an option agreement with us that provides sanofi-aventis with the right to enter into a multi-target agreement with us prior to or on August 31, 2008 by payment of an agreed-upon option exercise fee. The multi-target agreement would allow sanofi-aventis to evaluate our TAP technology with antibodies to targets not included in the existing research collaboration between the companies – with certain restrictions – and to license the right to use the technology to develop products for such targets on agreed-upon terms. We received payment of $500,000 with the signing of this option agreement that we have deferred and are recognizing over the option period.

In October 2007, sanofi-aventis informed us that clinical testing of SAR3419 had begun, triggering payment and recognition of a $1 million milestone payment to us. This milestone is included in license and milestone fees revenue for the three and six months ended December 31, 2007. SAR3419 is a potential new treatment for non-Hodgkin's lymphoma and other B-cell malignancies, and was created by ImmunoGen and licensed to sanofi-aventis as part of the broad collaboration agreement to discover, develop and commercialize anticancer therapeutics entered into by the companies in July 2003.

In December 2007, sanofi-aventis notified us that one of the product candidates under its discovery, development and commercialization agreement with us had achieved a certain milestone, triggering a $500,000 payment to the Company. This milestone is included in license and milestone fee revenue for the current period.

In May 2000, we entered into a license agreement with Genentech that granted Genentech exclusive rights to use our maytansinoid TAP technology with antibodies that target HER2. We received a $2 million upfront payment upon execution of the agreement. In addition to royalties on net sales of any HER2-targeting TAP compounds developed under this agreement if and when they occur, the terms of the agreement include other payments based upon Genentech's achievement of milestones. In May 2006, we amended this agreement which increased the potential milestone payments and royalties. Assuming

all requirements are met under this agreement, we are to receive $44 million in milestone payments under this agreement in addition to royalties on sales, if any. Through December 31, 2007, we have received $9 million.

In January 2006, Genentech notified us that the Investigational New Drug, or IND, application for trastuzumab-DM1(T-DM1) submitted by Genentech to the U.S. Food and Drug Administration, or FDA, had become effective. Under the terms of this agreement, this event triggered a $2 million milestone payment to us. In July 2007, Genentech began Phase II evaluation of T-DM1 and we received a $5 million milestone payment with this event. Included in license and milestone fees for the six months ended December 31, 2007 is $3 million of the $5 million payment, and the remaining $2 million has been deferred as it is contingent upon the completion of an additional deliverable which we expect to occur during the third quarter of fiscal 2008.

In December 2007, we licensed from Centocor Inc., a wholly owned subsidiary of Johnson and Johnson, the exclusive, worldwide rights to develop and commercialize a TAP compound that consists of an integrin-binding antibody developed by Centocor and one of our maytansinoid cell-killing agents. This license reallocates the parties' respective responsibilities and financial obligations from a previous license Centocor had obtained from us to develop a TAP compound. Centocor has the right to opt-in on future

development and commercialization of this compound, IMGN388, at an agreed-upon stage in clinical testing. Should Centocor not exercise this right, Centocor would be entitled to receive milestone payments potentially totaling $30 million, with the first payment due upon the completion of a successful Phase III trial, and it will also be entitled to royalties on IMGN388 sales, if any. In this event, we have the right to obtain a new partner for IMGN388, with certain restrictions. Should Centocor exercise its opt-in right, we would receive an opt-in fee and be released from our obligation to pay Centocor any milestone payments or royalties on sales. Both companies would contribute to the costs of developing the compound. The two companies would share equally any profits on the sales of the compound in the USA, and we would receive royalties on any international sales. The companies have agreed to share certain third-party expenses. The unamortized balance of a $1 million upfront payment Centocor made to us as part of the previous license amounted to $644,000 at December 31, 2007 and will be recognized as revenue over the estimated period of our significant involvement under the new agreement.

To date, we have not generated revenues from commercial product sales and we expect to incur significant operating losses for the foreseeable future. We do not anticipate that we will have a commercially approved product within the near future. Research and development expenses are expected to increase significantly in the near term as we continue our development efforts, including an expanded clinical trial program and development of commercial-scale production capabilities at third-party suppliers. As of December 31, 2007, we had approximately $48.7 million in cash and marketable securities compared to $59.7 million in cash and marketable securities as of June 30, 2007.

We anticipate that the increase in total cash expenditures will be partially offset by collaboration-derived proceeds, including milestone payments and the committed research funding to which we are entitled pursuant to the sanofi-aventis collaboration. Accordingly, period-to-period operational results may fluctuate dramatically based upon the timing of receipt of the proceeds. We believe that our established collaborative agreements, while subject to specified milestone achievements, will provide funding to assist us in meeting obligations under our collaborative agreements while also assisting in providing funding for the development of internal product candidates and technologies. However, we can give no assurances that such collaborative agreement funding will, in fact, be realized in the time frames we expect, or at all. Should we or our partners not meet some or all of the terms and conditions of our various collaboration agreements, we may be required to pursue additional strategic partners, secure alternative financing arrangements, and/or defer or limit some or all of our research, development and/or clinical projects. However, we cannot provide assurance that any such opportunities presented by additional strategic partners or alternative financing arrangements will be entirely available to us, if at all.

Critical Accounting Policies

We prepare our consolidated financial statements in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to our collaborative agreements and inventory. We base our estimates on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates.

We believe the following critical accounting policies affect our more significant judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

We enter into licensing and development agreements with collaborative partners for the development of monoclonal antibody-based cancer therapeutics. We follow the provisions of the Securities and Exchange Commission's Staff Accounting Bulletin No. 104, *Revenue Recognition*, or SAB 104, and Emerging Issues Task Force Issue No. 00-21, *Accounting for Revenue Arrangements with Multiple Elements*, or EITF 00-21. In accordance with SAB 104 and EITF 00-21, we recognize revenue related to research activities as they are performed, as long as there is persuasive evidence of an arrangement, the fee is fixed or determinable, and collection of the related receivable is probable. The terms of our agreements contain multiple elements which typically include non-refundable license fees, payments based upon the achievement of certain milestones and royalties on product sales. We evaluate such arrangements to determine if the deliverables are separable into units of accounting and then apply applicable revenue recognition criteria to each unit of accounting.

At December 31, 2007, we had the following four types of collaborative contracts with the parties identified below:

· License to a single target antigen (single target license):

Biogen Idec Inc.

Biotest AG

Boehringer Ingelheim International GmbH

Genentech, Inc. (multiple single target licenses)

Millennium Pharmaceuticals, Inc.

· Broad option agreements to acquire rights to a limited number of targets over a specified time period (broad license):

Amgen, Inc. (formerly Abgenix, Inc.)

Genentech, Inc.

· Broad agreement to discover, develop and commercialize antibody-based anticancer products:

sanofi-aventis

· Non-exclusive license to our humanization technology, which was developed to enable antibodies initially of murine origin to appear to be human to the human immune system:

sanofi-aventis

Generally, the foregoing collaboration agreements provide that we will (i) at the collaborator's request, manufacture preclinical and clinical materials at our cost, or, in some cases, cost plus a margin, (ii) earn payments upon the collaborators' achievement of certain milestones and (iii) earn royalty payments, generally until the later of the last applicable patent expiration or twelve years after product launch. We are required to provide technical training and to share any process improvements and know-how with our collaborators during the research term of the collaboration agreements.

Generally, upfront payments on single target licenses are deferred over the period of our substantial involvement during development. Our employees are available to assist our collaborators during the development of their products. We estimate this development phase to begin at the inception of the collaboration agreement and conclude at the end of non-pivotal Phase II testing. We believe this period of involvement is, depending on the nature of the license, on average six and one-half years. Quarterly, we reassess our periods of substantial involvement over which we amortize our upfront license fees. In the event that a single-target license were to be terminated, we would recognize as revenue any portion of the upfront fee that had not previously been recorded as revenue, but was classified as deferred revenue at the date of such termination.

We defer upfront payments received from our broad option agreements over the period during which the collaborator may elect to receive a license. These periods are specific to each collaboration agreement, but are between seven and twelve years. If a collaborator selects an option to acquire a license under these agreements, any option fee is deferred and recorded over the life of the option, generally 12 to 18 months. If a collaborator exercises an option and we grant a single target license to the collaborator, we defer the license fee and account for the fee as we would an upfront payment on a single target license, as discussed above. In the event a broad license agreement were to be terminated, we would recognize as revenue any portion of the upfront fee that had not previously been recorded as revenue, but was classified as deferred revenue at the date of such termination. In the event a collaborator elects to discontinue development of a specific product candidate under a single target license, but retains its right to use our technology to develop an alternative product candidate to the same target or a target substitute, we would cease amortization of any remaining portion of the upfront fee until there is substantial preclinical activity on another product candidate and our remaining period of substantial involvement can be estimated.

When milestone fees are specifically tied to a separate earnings process and are deemed to be substantive and at risk, revenue is recognized when such milestones are achieved. In addition, we recognize research and development support revenue from certain collaboration and development agreements based upon the level of research services performed during the period of the research agreement. Deferred revenue substantially represents amounts received under collaborative agreements and not yet earned pursuant to these policies. Where we have no continuing involvement, we will record non-refundable license fees as revenue upon receipt and will record revenue upon achievement of milestones by our collaborative partners.

We produce preclinical and clinical materials for our collaborators. We are reimbursed for our direct and overhead costs to produce clinical materials and, in some cases, direct and overhead costs plus a profit margin. We recognize revenue on preclinical and clinical materials when the materials have passed all quality testing required for collaborator acceptance and title and risk of loss have transferred to the collaborator.

We also produce research material for potential collaborators under material transfer agreements. Additionally, we perform research activities, including developing antibody-specific conjugation processes, on behalf of our collaborators and potential collaborators during the early evaluation and preclinical testing stages of drug development. Generally, we are reimbursed for our direct and overhead costs of producing these preclinical materials or providing these services. We record the amounts received for the preclinical materials produced or services performed as a component of research and development support. We have also been retained by two of our collaborators to develop conjugation processes for materials for later stage testing and commercialization. We are reimbursed for our direct and overhead costs and may receive milestone payments for developing these processes and these are recorded as a component of research and development support.

Inventory

We review our estimates of the net realizable value of our inventory at each reporting period. Our estimate of the net realizable value of our inventory is subject to judgment and estimation. The actual net realizable value of our inventory could vary significantly from our estimates. We consider quantities of raw materials in excess of twelve-month projected usage that is not supported by firm, fixed collaborator orders and projections at the time of the assessment to be excess. To date, we have fully reserved any such material

identified as excess with a corresponding charge to research and development expense. Our collaborators' estimates of their clinical material requirements are based upon expectations of their clinical trials, including the timing, size, dosing schedule and maximum tolerated dose of each clinical trial. Our

collaborators' actual requirements for clinical materials may vary significantly from their projections. Significant differences between our collaborators' actual manufacturing orders and their projections could result in our actual twelve-month usage of raw materials varying significantly from our estimated usage at an earlier reporting period. Reductions in collaborators' projections could indicate that we have additional excess raw material inventory and we would then evaluate the need to record further write-downs, which would be included as charges to cost of clinical materials reimbursed.

Stock-Based Compensation

As of December 31, 2007, the Company is authorized to grant future awards under one share-based compensation plan, which is the ImmunoGen, Inc. 2006 Employee, Director and Consultant Equity Incentive Plan. Effective July 1, 2005, we adopted the fair value recognition provisions of Financial Accounting Standards Board, or FASB, Statement No. 123(R), *Share-Based Payment*, or Statement 123(R), using the modified-prospective-transition method. Under that transition method, compensation cost includes: (a) compensation cost for all share-based payments granted, but not yet vested as of July 1, 2005, based on the grant-date fair value estimated in accordance with the original provisions of FASB Statement No. 123, *Accounting for Stock-Based Compensation*, or Statement 123, and (b) compensation cost for all share-based payments granted subsequent to July 1, 2005, based on the grant-date fair value estimated in accordance with the provisions of Statement 123(R). Such amounts have been reduced by our estimate of forfeitures of all unvested awards.

The fair value of each stock option is estimated on the date of grant using the Black-Scholes option-pricing model. Expected volatility is based exclusively on historical volatility data of our stock. The expected term of stock options granted is based exclusively on historical data and represents the period of time that stock options granted are expected to be outstanding. The expected term is calculated for and applied to one group of stock options as we do not expect substantially different exercise or post-vesting termination behavior amongst our employee population. The risk-free rate of the stock options is based on the U.S. Treasury rate in effect at the time of grant for the expected term of the stock options. Estimated forfeitures are based on historical data as well as current trend. The compensation cost that has been incurred during the three and six months ended December 31, 2007 is $546,000 and $1.1 million, respectively.

As of December 31, 2007, the estimated fair value of unvested employee awards was $1.9 million, net of estimated forfeitures. The weighted-average remaining vesting period for these awards is approximately two and one-half years.

Derivatives

Derivative instruments include a portfolio of short duration foreign currency forward contracts intended to mitigate the risk of exchange fluctuations for manufacturing/development contracts to be paid in Euros. Derivatives are estimated at fair value and classified as other current assets or liabilities in the accompanying consolidated balance sheets. The fair value of these instruments represents the present value of estimated future cash flows under the contracts, which are a function of underlying interest rates, currency rates, related volatility, counterparty creditworthiness and duration of the contracts. Changes in these factors or a combination thereof may affect the fair value of these instruments.

We do not designate foreign currency forward contracts as hedges for accounting purposes, and changes in the fair value of these instruments are recognized in earnings during the period of change. Because we enter into forward contracts only as an economic hedge, any gain or loss on the underlying foreign-denominated balance would be offset by the loss or gain on the forward contract. Net gains recognized on forward contracts for the three and six months ended December 31, 2007 were $49,000 and $242,000, respectively, and are included in the accompanying consolidated statement of operations as other income (expense), net. As of December 31, 2007, we had outstanding forward contracts with notional amounts equivalent to approximately $7.4 million (5.1 million Euros), all maturing on or before July 31, 2008. Net gains recognized on forward contracts for the three and six months ended December 31, 2006 were $13,000. As of December 31, 2006, we had outstanding forward contracts with notional amounts equivalent to approximately $4.1 million (2.6 million Euros and 4.8 million Swedish Krona). We do not anticipate using derivative instruments for any purpose other than hedging our exchange rate exposure.

RESULTS OF OPERATIONS

Comparison of Three Months ended December 31, 2007 and 2006

Revenues

Our total revenues for the three months ended December 31, 2007 and 2006 were $9.8 million and $12.1 million, respectively. The $2.3 million decrease in revenues in the three months ended December 31, 2007 from the same period in the prior year is primarily attributable to a decrease in research and development support revenue, and to a lesser extent, license and milestone fees, partially offset by an increase in clinical materials reimbursement revenue.

Research and development support was $3.7 million for the three months ended December 31, 2007, compared with $6.6 million for the three months ended December 31, 2006. These amounts primarily represent committed research funding earned based on actual resources utilized under our discovery, development and commercialization agreement with sanofi-aventis, as well as amounts earned for resources utilized under our development and license agreements with Biogen Idec, Biotest, Centocor, and Genentech. Under the terms of the sanofi-aventis agreement, we are entitled to receive committed research funding totaling not less than $79.3 million over the five years of the research collaboration, which includes the initial three-year term of the research program ending August 31, 2006, plus the two 12-month extensions beginning September 1, 2006. Also included in research and development support revenue are fees related to samples of research-grade material shipped to collaborators. To date, our development fees represent the direct and overhead costs incurred in producing research-grade materials and developing antibody-specific conjugation processes on behalf of our collaborators and potential collaborators during the early evaluation and preclinical testing stages of drug development. The amount of development fees we earn is directly related to the number of our collaborators and potential collaborators, the stage of development of our collaborators' product candidates and the resources our collaborators allocate to the development effort. As such, the amount of development fees may vary widely from quarter to quarter and year to year. Total revenue recognized from research and development support from each of our collaborative partners in the three-month periods ended December 31, 2007 and 2006 is included in the following table (in thousands):

	Three months Ended December 31,	
	2007	2006
Collaborative Partner:		

sanofi-aventis	$ 2,916	$ 4,785
Biogen Idec	61	151
Biotest	453	420
Centocor	50	117
Genentech	189	1,053
Other	3	67
Total	$ 3,672	$ 6,593

Revenues from license and milestone fees for the three months ended December 31, 2007, decreased $748,000 to $2.7 million from $3.4 million in the same period ended December 31, 2006. Included in license and milestone fees for the three months ended December 31, 2007 was a $1 million milestone related to the initiation of Phase I clinical testing of SAR3419 and $500,000 related to an additional milestone achieved under the collaboration agreement with sanofi-aventis. Included in license and milestone fees for the three months ended December 31, 2006 was a $2 million milestone related to the initiation of Phase I clinical testing of AVE1642 by sanofi-aventis. Total revenue from license and milestone fees recognized from each of our collaborative partners in the three-month periods ended December 31, 2007 and 2006 is included in the following table (in thousands):

	Three months Ended December 31,	
	2007	2006
Collaborative Partner:		
Amgen (formerly Abgenix)	$ 108	$ 100
sanofi-aventis	2,200	2,625
Biogen Idec	39	22
Biotest	42	38
Centocor	—	39
Genentech	291	386
Millennium	—	218
Total	$ 2,680	$ 3,428

Deferred revenue of $13.1 million as of December 31, 2007 represents payments received from our collaborators pursuant to our license and supply agreements which we have yet to earn pursuant to our revenue recognition policy.

Clinical materials reimbursement increased by approximately $1.3 million in the three months ended December 31, 2007, to $3.4 million from $2.1 million in the three months ended December 31, 2006. During the three months ended December 31, 2007, we

shipped clinical materials in support of the T-DM1 and SAR3419 clinical trials, clinical materials in anticipation of the start of certain clinical trials, as well as preclinical materials and DMx shipments to certain collaborators in support of development and manufacturing efforts. During the three months ended December 31, 2006, we shipped clinical materials in support of the T-DM1 and AVE9633 clinical trials, as well as preclinical materials in support of the development efforts of certain other collaborators. The increase in clinical materials reimbursement in the current period is primarily related to the advancement of clinical trials, as well as clinical materials shipped in anticipation of Phase I clinical trials. We are reimbursed for our direct and overhead costs to produce clinical materials plus, for certain programs, a profit margin. The amount of clinical materials reimbursement we earn, and the related cost of clinical materials reimbursed, is directly related to (i) the number of clinical trials our collaborators have or plan to have underway, the speed of enrollment in those trials, the dosage schedule of each clinical trial and the time period, if any, during which patients in the trial receive clinical benefit from the clinical materials, and (ii) our production of clinical-grade material on behalf of our collaborators, either in anticipation of clinical trials, or for process development and analytical purposes. As such, the amount of clinical materials reimbursement and the related cost of clinical materials reimbursed may vary significantly from quarter to quarter and year to year.

Research and Development Expenses

We report research and development expense net of certain reimbursements we receive from our collaborators. Our net research and development expenses relate to (i) research to identify and evaluate new targets and to develop and evaluate new antibodies and cytotoxic drugs, (ii) preclinical testing of our own and, in certain instances, our collaborators' product candidates, and the cost of our own clinical trials, (iii) development related to clinical and commercial manufacturing processes and (iv) manufacturing operations. Our research and development efforts have been primarily focused in the following areas:

- activities pursuant to our discovery, development and commercialization agreement with sanofi-aventis;
- activities pursuant to our development and license agreements with various other collaborators;
- activities related to the preclinical and clinical development of IMGN901 (huN901-DM1) and IMGN242 (huC242-DM4);
- process development related to production of the huN901 antibody and IMGN901 conjugate for clinical materials;
- process development related to production of the huC242 antibody and IMGN242 conjugate for clinical materials;
- process improvements related to the production of DM1, DM4 and strain development of their precursor, ansamitocin P3;
- funded development activities with contract manufacturers for the huN901 antibody, the huC242 antibody, and DM1, DM4 and their precursor, ansamitocin P3;
- operation and maintenance of our conjugate manufacturing plant;
- process improvements to our TAP technology;

· identification and evaluation of potential antigen targets;

· evaluation of internally developed and/or in-licensed product candidates and technologies; and

· development and evaluation of additional cytotoxic agents.

Research and development expense for the three months ended December 31, 2007 decreased $1.1 million to $10.7 million from $11.8 million for the three months ended December 31, 2006. The change in research and development expenses for the three months ended December 31, 2007, compared to the three months ended December 31, 2006 was primarily due to a decrease in antibody costs incurred during the current three-month period, and was also due to a decrease in development costs with manufacturing organizations related to the potential production of later-stage materials. We anticipate higher antibody costs over the balance of the current fiscal year. The number of our research and development personnel increased to 166 at December 31, 2007 compared to 162 at December 31, 2006. Research and development salaries and related expenses increased by $153,000 in the three months ended December 31, 2007 compared to the three months ended December 31, 2006. Facilities expense, including depreciation, increased $324,000 during the three months ended December 31, 2007 as compared to the same period last year. The increase in facilities expense in the current period was principally due to an increase in depreciation and amortization. The increase in depreciation and amortization is due to the acceleration of amortization of leasehold improvements for our Cambridge facilities resulting from our anticipated move from Cambridge during the second half of fiscal 2008, as well as new capital investments.

We are unable to accurately estimate which potential products, if any, will eventually move into our internal preclinical research program. We are unable to reliably estimate the costs to develop these products as a result of the uncertainties related to discovery research efforts as well as preclinical and clinical testing. Our decision to move a product candidate into the clinical development phase is predicated upon the results of preclinical tests. We cannot accurately predict which, if any, of the discovery stage product candidates will advance from preclinical testing and move into our internal clinical development program. The clinical trial and

regulatory approval processes for our product candidates that have advanced or that we intend to advance to clinical testing are lengthy, expensive and uncertain in both timing and outcome. As a result, the pace and timing of the clinical development of our product candidates is highly uncertain and may not ever result in approved products. Completion dates and development costs will vary significantly for each product candidate and are difficult to predict. A variety of factors, many of which are outside our control, could cause or contribute to the prevention or delay of the successful completion of our clinical trials, or delay or prevent our obtaining necessary regulatory approvals. The costs to take a product through clinical trials are dependent upon, among other factors, the clinical indications, the timing, size and dosing schedule of each clinical trial, the number of patients enrolled in each trial, and the speed at which patients are enrolled and treated. Product candidates may be found ineffective or cause harmful side effects during clinical trials, may take longer to progress through clinical trials than anticipated, may fail to receive necessary regulatory approvals or may prove impracticable to manufacture in commercial quantities at reasonable cost or with acceptable quality.

The lengthy process of securing FDA approvals for new drugs requires the expenditure of substantial resources. Any failure by us to obtain, or any delay in obtaining, regulatory approvals would materially adversely affect our product development efforts and our business overall. Accordingly, we cannot currently estimate, with any degree of certainty, the amount of time or money that we will be required to expend in the future on our product candidates prior to their regulatory approval, if such approval is ever granted. As a result of these uncertainties surrounding the timing and outcome of our clinical trials, we are currently unable to estimate when, if ever, our product candidates that have advanced into clinical testing will generate revenues and cash flows.

We expect future research and development expenses to increase as we expand our clinical trial activity. We do not track our research and development costs by project. Since we use our research and development resources across multiple research and development projects, we manage our research and development expenses within each of the categories listed in the following table and described in more detail below (in thousands):

	Three months Ended December 31,	
	2007	2006
Research and Development		
Research	$ 3,754	$ 3,846
Preclinical and Clinical Testing	1,760	2,218
Process and Product Development	1,482	1,367
Manufacturing Operations	3,736	4,337
Total Research and Development Expense	$ 10,732	$ 11,768

Research: Research includes expenses associated with activities to identify and evaluate new targets and to develop and evaluate new antibodies and cytotoxic agents for our products and in support of our collaborators. Such expenses primarily include personnel, fees to in-license certain technology, facilities and lab supplies. Research expenses for the three months ended December 31, 2007 decreased $92,000 to $3.8 million.

Preclinical and Clinical Testing: Preclinical and clinical testing includes expenses related to preclinical testing of our own and, in certain instances, our collaborators' product candidates, and the cost of our own clinical trials. Such expenses include personnel, patient enrollment at our clinical testing sites, consultant fees, contract services, and facility expenses. Preclinical and clinical testing expenses for the three months ended December 31, 2007 decreased $458,000 to $1.8 million compared to $2.2 million for the three months ended December 31, 2006. This decrease is primarily due to a decrease in salaries and related expense resulting from a decrease in average headcount, as well as a decrease in contract service expense resulting from decreased costs associated with preclinical studies.

Process and Product Development: Process and product development expenses include costs for development of clinical and commercial manufacturing processes. Such expenses include the costs of personnel, contract services and facility expenses. For the three months ended December 31, 2007, total development expenses increased $115,000 to $1.5 million, compared to $1.4 million for the three months ended December 31, 2006. The increase is primarily due to an increase in facilities expense.

Manufacturing Operations: Manufacturing operations expense includes costs to manufacture preclinical and clinical materials for our own product candidates, quality control and assurance activities and costs to support the operation and maintenance of our conjugate manufacturing plant. Such expenses include personnel, raw materials for our preclinical studies and clinical trials, development costs with contract manufacturing organizations, manufacturing supplies, and facilities expense. Manufacturing costs related to the production of material for our collaborators are recorded as cost of clinical material

reimbursed in our accompanying consolidated statements of operations. For the three months ended December 31, 2007, manufacturing operations expense decreased $601,000 to $3.7 million compared to $4.3 million in the same period last year. The decrease in the three months ended December 31, 2007 as compared to the three months ended December 31, 2006 was primarily the result of a decrease in antibody costs incurred during the current period and a decrease in development costs related to the potential production of later-stage materials incurred at contract manufacturing organizations. Partially offsetting these decreases during the current period was an increase in salaries and

related expense.

Antibody expense in anticipation of potential future clinical trials, as well as our ongoing trials, was $1.6 million and $2.0 million in the three months ended December 31, 2007 and 2006, respectively. The process of antibody production is lengthy as is the lead time to establish a satisfactory production process at a vendor. Accordingly, costs incurred related to antibody production have fluctuated from period to period and we expect these cost fluctuations to continue in the future. We anticipate greater antibody costs over the balance of the fiscal year.

General and Administrative Expenses

General and administrative expenses for the three months ended December 31, 2007 increased $961,000 to $3.5 million compared to $2.6 million for the three months ended December 31, 2006. The increase is primarily due to an increase in rent expense incurred during the current period related to laboratory and office space located in Waltham, MA.

Interest Income

Interest income for the three months ended December 31, 2007 decreased $198,000 to $676,000 from $874,000 for the three months ended December 31, 2006. The decrease in interest income is primarily the result of a decrease in our average investment balance.

Net Realized Losses on Investments

Net realized gains on investments were $5,000 for the three months ended December 31, 2006 as compared to zero net gains (losses) on investments for the three months ended December 31, 2007.

Comparison of Six Months ended December 31, 2007 and 2006

Revenues

Our total revenues for the six months ended December 31, 2007 and 2006 were $21.2 million and $19.8 million, respectively. The $1.4 million increase in revenues in the six months ended December 31, 2007 from the same period in the prior year is primarily attributable to an increase in license and milestone fees and clinical materials reimbursement revenue, partially offset by a decrease in research and development support revenue.

Research and development support was $8.1 million for the six months ended December 31, 2007, compared with $12.1 million for the six months ended December 31, 2006. These amounts primarily represent committed research funding earned based on actual resources utilized under our discovery, development and commercialization agreement with sanofi-aventis, as well as amounts earned for resources utilized under our development and license agreements with Biogen Idec, Biotest, Centocor, and Genentech. Under the terms of the sanofi-aventis agreement, we are entitled to receive committed research funding totaling not less than $79.3 million over the five years of the research collaboration, which includes the initial three-year term of the research program ending August 31, 2006, plus the two 12-month extensions beginning September 1, 2006. Also included in research and development support revenue are fees related to samples of research-grade material shipped to collaborators. To date, our development fees represent the direct and overhead costs incurred in producing research-grade materials and developing antibody-specific conjugation processes on behalf of our collaborators and potential collaborators during the early evaluation and preclinical testing stages of drug development. The amount of development fees we earn is directly related to the number of our collaborators and potential collaborators, the stage of development of our collaborators' product candidates and the resources our collaborators allocate to the development effort. As such, the amount of development fees may vary widely from quarter to quarter and year to year. Total revenue recognized from research and development support from each of our collaborative partners in the six-month periods ended December 31, 2007 and 2006 is included in the following table (in thousands):

	Six Months Ended December 31,	
	2007	2006
Collaborative Partner:		
Sanofi-aventis	$ 6,327	$ 9,045
Biogen Idec	105	233
Biotest	879	438
Centocor	428	269
Genentech	365	2,004
Other	41	111
Total	$ 8,145	$ 12,100

Revenues from license and milestone fees for the six months ended December 31, 2007, increased $2.1 million to $6.9 million from $4.8 million in the same period ended December 31, 2006. Included in license and milestone fees for the six months ended December 31, 2007 was a $3 million milestone related to the initiation of Phase II clinical testing of T-DM1 by Genentech, a $1 million milestone related to the initiation of Phase I clinical testing of SAR3419 and $500,000 related to an additional milestone achieved under the collaboration agreement with sanofi-aventis. Included in license and milestone fees for the six months ended December 31, 2006 was a $2 million milestone related to the initiation of Phase I clinical testing of AVE1642 by sanofi-aventis.

Total revenue from license and milestone fees recognized from each of our collaborative partners in the six-month periods ended December 31, 2007 and 2006 is included in the following table (in thousands):

	Six Months Ended December 31,	
	2007	2006
Collaborative Partner:		
Amgen (formerly Abgenix)	$ 217	$ 200
Sanofi-aventis	2,909	3,226
Biogen Idec	76	43
Biotest	84	77
Centocor	—	76
Genentech	3,582	777
Millennium	—	435
Total	$ 6,868	$ 4,834

Clinical materials reimbursement increased by approximately $3.3 million in the six months ended December 31, 2007, to $6.2 million from $2.9 million in the six months ended December 31, 2006. During the six months ended December 31, 2007, we shipped clinical materials in support of the T-DM1 clinical trials, SAR3419 clinical trials, clinical materials in anticipation of the start of certain clinical trials, as well as preclinical materials and DMx shipments to certain collaborators in support of development and manufacturing efforts. During the six months ended December 31, 2006, we shipped clinical materials in support of the T-DM1 clinical trials and AVE9633 clinical trials, as well as preclinical materials in support of the development efforts of certain other collaborators. The increase in clinical materials reimbursement in the current period is primarily related to the advancement of clinical trials, as well as clinical materials shipped in anticipation of Phase I clinical trials. We are reimbursed for our direct and overhead costs to produce clinical materials plus, for certain programs, a profit margin. The amount of clinical materials reimbursement we earn, and the related cost of clinical materials reimbursed, is directly related to (i) the number of clinical trials our collaborators have or plan to have underway, the speed of enrollment in those trials, the dosage schedule of each clinical trial and the time period, if any, during which patients in the trial receive clinical benefit from the clinical materials, and (ii) our production of clinical-grade material on behalf of our collaborators, either in anticipation of clinical trials, or for process development and analytical purposes. As such, the amount of clinical materials reimbursement and the related cost of clinical materials reimbursed may vary significantly from quarter to quarter and year to year.

Research and Development Expenses

Research and development expense for the six months ended December 31, 2007 decreased $3.4 million to $19.8 million from $23.2 million for the six months ended December 31, 2006. The change in research and development expenses for the six months ended December 31, 2007, compared to the six months ended December 31, 2006 was primarily due to a decrease in antibody costs incurred during the current six-month period and a decrease in development costs with manufacturing organizations related to the potential production of later-stage materials. We anticipate higher antibody and development costs over the balance of the current fiscal year. The number of our research and development personnel increased to 166 at December 31, 2007 compared to 162 at December 31, 2006. Research and development salaries and related expenses increased by $546,000 in the six months ended December 31, 2007 compared to the six months ended December 31, 2006. Facilities expense, including depreciation, increased $654,000 during the six months ended December 31, 2007 as compared to the same period last year. The increase in facilities expense in the current period was principally due to an increase in depreciation and amortization. The increase in depreciation and amortization is due to the acceleration of amortization of leasehold improvements for our Cambridge facilities resulting from our anticipated move from Cambridge during the second half of fiscal 2008, as well as new capital investments.

We expect future research and development expenses to increase as we expand our clinical trial activity. We do not track our research and development costs by project. Since we use our research and development resources across multiple research and development projects, we manage our research and development expenses within each of the categories listed in the following table and described in more detail below (in thousands):

	Six Months Ended December 31,	
	2007	2006
Research and Development		
Research	$ 7,558	$ 7,520
Preclinical and Clinical Testing	3,445	4,145
Process and Product Development	2,969	2,678
Manufacturing Operations	5,865	8,841
Total Research and Development Expense	$ 19,837	$ 23,184

Research*:* Research includes expenses associated with activities to identify and evaluate new targets and to develop and evaluate new antibodies and cytotoxic agents for our products and in support of our collaborators. Such expenses primarily include personnel, fees to in-license certain technology, facilities and lab supplies. Research expenses for the six months ended December 31, 2007 increased $38,000 to $7.6 million from $7.5 million for the six months ended December 31, 2006. The increase in research and development expenses was primarily the result of an increase in facilities expense, partially offset by a decrease in contract service expense.

Preclinical and Clinical Testing*:* Preclinical and clinical testing includes expenses related to preclinical testing of our own and, in certain instances, our collaborators' product candidates, and the cost of our own clinical trials. Such expenses include personnel, patient enrollment at our clinical testing sites, consultant fees, contract services, and facility expenses. Preclinical and clinical testing expenses for the six months ended December 31, 2007 decreased $701,000 to $3.4 million compared to $4.1 million for the six months ended December 31, 2006. This decrease is primarily due to a decrease in salaries and related expense resulting from a decrease in average headcount, a decrease in clinical trial costs, and a decrease in contract service expense resulting from decreased costs associated with preclinical studies.

Process and Product Development*:* Process and product development expenses include costs for development of clinical and commercial manufacturing processes. Such expenses include the costs of personnel, contract services and facility expenses. For the six months ended December 31, 2007, total development expenses increased $291,000 to $3.0 million, compared to $2.7 million for the six months ended December 31, 2006. The increase is primarily due to an increase in facilities expense.

Manufacturing Operations: Manufacturing operations expense includes costs to manufacture preclinical and clinical materials for our own product candidates, quality control and assurance activities and costs to support the operation and maintenance of our conjugate manufacturing plant. Such expenses include personnel, raw materials for our preclinical studies and clinical trials, development costs with contract manufacturing organizations, manufacturing supplies, and facilities expense. Manufacturing costs related to the production of material for our collaborators are recorded as cost of clinical material reimbursed in our accompanying consolidated statements of operations. For the six months ended December 31, 2007, manufacturing operations expense decreased $2.9 million to $5.9 million compared to $8.8 million in the same period last year. The decrease in the six months ended December 31, 2007 as compared to the six months ended December 31, 2006 was primarily the result of a decrease in antibody costs incurred during the current period, as well as a decrease in development costs related to the potential production of later-stage materials incurred at contract manufacturing organizations. Overhead utilization from the manufacture of clinical materials on behalf of our collaborators was higher during the six months ended December 31, 2007 as compared to the same period ended December 31, 2006. Partially offsetting these decreases during the current period was an increase in salaries and related expense.

Antibody expense in anticipation of potential future clinical trials, as well as our ongoing trials, was $2.2 million and $4.7 million in the six months ended December 31, 2007 and 2006, respectively. The process of antibody production is lengthy as is the lead time to establish a satisfactory production process at a vendor. Accordingly, costs incurred related to antibody production have fluctuated from period to period and we expect these cost fluctuations to continue in the future. We anticipate greater antibody costs over the balance of the fiscal year.

General and Administrative Expenses

General and administrative expenses for the six months ended December 31, 2007 increased $588,000 to $6 million compared to $5.4 million for the six months ended December 31, 2006. The increase is primarily due to an increase in rent expense incurred during the current period related to laboratory and office space located in Waltham, MA.

Interest Income

Interest income for the six months ended December 31, 2007 decreased $396,000 to $1.3 million from $1.7 million for the six months ended December 31, 2006. The decrease in interest income is primarily the result of a decrease in our average investment balance.

Net Realized Losses on Investments

Net realized gains on investments were $5,000 for the six months ended December 31, 2006 as compared to zero net gains (losses) on investments for the six months ended December 31, 2007.

LIQUIDITY AND CAPITAL RESOURCES

	December 31,	
	2007	2006
	(In thousands)	
Cash and marketable securities	$ 48,658	$ 66,682
Working capital	46,030	65,673
Shareholders' equity	53,137	64,912
Cash used for operating activities (six months ended)	(6,885)	(7,930)
Cash provided by investing activities (six months ended)	7,670	8,042
Cash provided by financing activities (six months ended)	975	257

Cash Flows

We require cash to fund our operating expenses, including the advancement of our own clinical programs, and to make capital investments. Historically, we have funded our cash requirements primarily through equity financings in public markets and payments from our collaborators, including equity investments, license fees, clinical materials reimbursement and research funding. As of December 31, 2007, we had approximately $48.7 million in cash and marketable securities. Net cash used in operations was $6.9 million and $7.9 million during the six months ended December 31, 2007 and 2006, respectively.

Net cash provided by investing activities was $7.7 million and $8.0 million for the six months ended December 31, 2007 and 2006, respectively, and substantially represents cash inflows from the sales and maturities of marketable securities partially offset by capital expenditures. During the quarter, we were notified by a fund manager that a fund in which we hold an investment in is currently unable to meet shareholder redemptions on a timely basis. We held approximately $13.6 million in this fund at December 31, 2007. Although amounts invested are not currently impaired in value, the balance is not readily convertible to cash. We have the option of redeeming our entire investment from the fund in-kind which would consist of individual securities, or remaining in the fund and receiving cash redemptions as cash becomes available in the fund either through maturities or sales of the underlying securities. As a result, we have reclassified the balance in this fund from cash and cash equivalents to marketable securities. Capital expenditures were $5.3 million and $920,000 for the six-month periods ended December 31, 2007and 2006, respectively. The increase in capital expenditures during the current six-month period is primarily due to expansion and improvements of our manufacturing plant in Norwood, MA.

Net cash provided by financing activities was $975,000 and $257,000 for the six months ended December 31, 2007 and 2006, respectively, which represents proceeds from the exercise of 554,000 and 168,000 stock options, respectively.

We anticipate that our current capital resources and future collaborator payments, including committed research funding due us under the sanofi-aventis collaboration over the remainder of the research program, will enable us to meet our operational expenses and capital expenditures for the balance of fiscal 2008 and at least a substantial portion of the following fiscal year. However, we cannot provide assurance that such collaborative agreement funding will, in fact, be received. Should we not meet some or all of the terms and conditions of our various collaboration agreements, we may be required to pursue additional strategic partners, secure alternative financing arrangements, and/or defer or limit some or all of our research, development and/or clinical projects. However, we cannot provide assurance that any such opportunities presented by additional strategic partners or alternative financing arrangements will be entirely available to us, if at all.

On July 11, 2007, we filed a Registration Statement on Form S-3 (Registration No. 333-144488) with the Securities and Exchange Commission. The Securities and Exchange Commission declared the Registration Statement effective on August 13, 2007. Subject to our ongoing obligations under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, the Registration Statement permits us to offer and sell up to an aggregate of $75 million of our common stock.

Contractual Obligations

Effective July 27, 2007, we entered into a lease agreement with Intercontinental Fund III for the rental of approximately 89,000 square feet of laboratory and office space at 830 Winter Street, Waltham, MA. We plan to occupy the space on or about April 1, 2008 and intend to use this space for our corporate headquarters and other operations currently located in Cambridge, MA.The initial term

of the lease is for twelve years with an option for us to extend the lease for two additional terms of five years. We are required to pay certain operating expenses for the leased premises subject to escalation charges for certain expense increases over a base amount.

As part of the lease agreement, we received a construction allowance of up to approximately $13.3 million to build out laboratory and office space to our specifications. The construction allowance will be accounted for as a lease incentive pursuant to FASB Statement No. 13, *Accounting for Leases*, and FASB Technical Bulletin 88-1, *Issues Relating to Accounting for Leases*. Through December 31, 2007, we have recorded $5.7 million of leasehold improvements under the construction allowance. Through December 31, 2007, we have received $550,000 from the landlord and paid out the same amount towards these leasehold improvements. The remaining balance of the improvements was either paid directly by the landlord or has yet to be paid or received by us. The lease term began on October 1, 2007, when we obtained physical control of the space in order to begin construction.

The minimum rental commitments, including real estate taxes and other expenses, for the next five fiscal years under non-cancelable operating lease agreements are as follows (in thousands):

2008 (six months remaining)	$	2,497
2009		6,341
2010		6,406
2011		5,979
2012		4,959
Total minimum lease payments	$	26,182

We intend to sublease approximately 15,000 and 12,000 square feet of our current laboratory and office space located at 148 Sidney Street, Cambridge, MA, and 830 Winter Street, Waltham, MA, respectively. We have not included any estimated sublease income in the table above.

Recent Accounting Pronouncements

In December 2007, the FASB ratified EITF Issue No. 07-1, *Accounting for Collaborative Arrangements*, or EITF 07-1, which is effective for fiscal years beginning after December 15, 2008 (our fiscal year 2010). EITF 07-1 defines collaborative arrangements and establishes reporting requirements for transactions between participants in a collaborative arrangement and between participants in the arrangement and third parties. EITF 07-1 also establishes the appropriate income statement presentation and classification for joint operating activities and payments between participants, as well as the sufficiency of the disclosures related to these arrangements. We are currently evaluating the impact EITF 07-1 may have on our results of operations or financial position.

In June 2007, the FASB ratified EITF Issue No. 07-3, *Accounting for Nonrefundable Advance Payments for Goods or Services Received for Use in Future Research and Development Activities*, or EITF 07-3, which is effective for fiscal years beginning after December 15, 2007, and interim periods within those fiscal years (our fiscal year 2009). The EITF reached a conclusion that nonrefundable advance payments for goods or services that will be used or rendered for future research and development activities pursuant to an executory contractual arrangement should be deferred and capitalized. Such amounts should be recognized as expense as the goods are delivered or the related services are performed. Entities should continue to evaluate whether they expect the goods to be delivered or services to be rendered. If an entity does not expect the goods to be delivered or services to be rendered, the capitalized advance payment should be charged to expense. We do not believe the adoption of EITF 07-3 will have a material impact on our results of operations or financial position.

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities — Including an amendment of FASB Statement No. 115*, or Statement 159, which is effective for fiscal years beginning after November 15, 2007 (our fiscal year 2009). Statement 159 permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. We have evaluated the effects of adopting this standard, and we currently do not believe the adoption will have a material impact on our results of operations or financial position.

In September 2006, the FASB issued Statement No. 157, *Fair Value Measurements*, or Statement 157, which is effective for fiscal years beginning after November 15, 2007 (our fiscal 2009). Statement 157 defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and expands disclosures about fair value measurements. Statement 157 codifies the definition of fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard clarifies the principle that fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. We have evaluated the effects of adopting this standard, and we do not currently believe the adoption will have a material impact on our results of operations or financial position.

Forward-Looking Statements

This quarterly report includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to analyses and other information which are based on forecasts of future results and estimates of amounts that are not yet determinable. These statements are not guarantees and are subject to many risks and uncertainties. There are a number of factors that could cause actual events or results to be significantly different from those described in the forward-looking statement. Forward-looking statements might include one or more of the following:

- future products revenues, expenses, liquidity and cash needs;
- anticipated agreements with collaboration partners;
- anticipated clinical trial timelines or results;
- anticipated research and product development results;
- projected regulatory timelines;
- descriptions of plans or objectives of management for future operations, products or services;
- forecasts of future economic performance; and
- descriptions or assumptions underlying or relating to any of the above items.

Forward-looking statements can be identified by the fact that they do not relate to historical or current facts. They use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “opportunity,” “plan,” “potential,” “believe” or words of similar meaning. They may also use words such as “will,” “would,” “should,” “could” or “may”. Given these uncertainties, you should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. You should review carefully the risks and uncertainties identified in this Quarterly Report on Form 10-Q, including the cautionary information set forth under Part II, Item 1A., Risk Factors, and our Annual Report on Form 10-K for the year ended June 30, 2007. We may not revise these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

OFF-BALANCE SHEET ARRANGEMENTS

None.

ITEM 3. ***Quantitative and Qualitative Disclosure about Market Risk***

We maintain an investment portfolio in accordance with our investment policy. The primary objectives of our investment policy are to preserve principal, maintain proper liquidity to meet operating needs and maximize yields. Although our investments are subject to credit risk, our investment policy specifies credit quality standards for our investments and limits the amount of credit exposure from any single issue, issuer or type of investment. Our investments are also subject to interest rate risk and will decrease in value if market interest rates increase. However, due to the conservative nature of our investments and relatively short duration, interest rate risk is mitigated. We do not own derivative financial instruments in our investment portfolio. Accordingly, we do not believe that there is any material market risk exposure with respect to derivative or other financial instruments that would require disclosure under this item.

Our foreign currency hedging program uses forward contracts to manage the foreign currency exposures that exist as part of our ongoing business operations. The contracts are denominated in European currencies and have maturities of less than one year. Our foreign currency risk management strategy is principally designed to mitigate the future potential financial impact of changes in the value of transactions, anticipated transactions and balances denominated in foreign currency, resulting from changes in foreign currency exchange rates.

Our market risks associated with changes in foreign currency exchange rates are concentrated primarily in a portfolio of short duration foreign currency forward contracts. Generally, these contracts provide that we receive certain foreign currencies and pay U.S. dollars at specified exchange rates at specified future dates. Although we are exposed to credit and market risk in the event of future nonperformance by a counterparty, management has no reason to believe that such an event will occur.

ITEM 4. ***Controls and Procedures***

(a) *Disclosure Controls and Procedures*

The Company’s management, with the participation of its principal executive officer and principal financial officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, the Company’s principal executive officer and principal financial officer have concluded that, as of the end of such period, the Company’s disclosure controls and procedures were adequate and effective.

(b) *Changes in Internal Controls*

There have not been any changes in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended December 31, 2007 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. ***Legal Proceedings***

None.

ITEM 1A. ***Risk Factors***

You should carefully review and consider the information regarding certain factors that could materially affect our business, financial condition or future results set forth under Item 1A. (Risk Factors) in our Annual Report on Form 10-K for the fiscal year ended June 30, 2007. There have been no material changes from the factors disclosed in our 2007 Annual Report on Form 10-K, although we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the Securities and Exchange Commission.

ITEM 2. ***Unregistered Sales of Equity Securities and Use of Proceeds***

None.

ITEM 3. ***Defaults Upon Senior Securities***

None.

ITEM 4. ***Submission of Matters to a Vote of Security Holders***

Our 2007 Annual Meeting of Shareholders was held on November 13, 2007 (the "Meeting"). At the Meeting, shareholders fixed the number of Directors constituting the full Board of Directors at six. The voting results were as follows:

For:	36,331,043
Against:	366,793
Abstain:	66,987

At the Meeting, the shareholders elected six Directors as follows:

	FOR	WITHHELD
Mitchel Sayare, Ph.D.	36,142,724	622,099
David W. Carter	36,181,330	583,493
Mark Skaletsky	36,171,196	593,627
Joseph J. Villafranca, Ph.D.	36,207,125	557,698
Nicole Onetto, MD	36,207,741	557,082
Stephen C. McCluski	36,079,557	685,266

ITEM 5. ***Other Information***

None.

ITEM 6. ***Exhibits***

10.1	Employment Agreement dated as of November 27, 2007 between the Company and John A. Tagliamonte
10.2	Severance Agreement dated as of November 27, 2007 between the Company and John A. Tagliamonte
10.3	Proprietary Information, Inventions and Competition Agreement dated as of November 27, 2007 between the Company and John A. Tagliamonte
10.4	Amendment No. 2 to the Collaboration and License Agreement with sanofi-aventis*
31.1	Certification of Chief Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32.	Certifications of Chief Executive Officer and Principal Financial Officer under Section 906 of the Sarbanes- Oxley Act of 2002.

(*) Portions of this Exhibit were omitted, as indicated by [***], and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ImmunoGen, Inc.

Date: February 7, 2008 By: /s/ Mitchel Sayare
Mitchel Sayare
President and Chief Executive Officer
(Principal Executive Officer)

Date: February 7, 2008 By: /s/ Daniel E. Junius
Daniel M. Junius
Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

INDEX TO EXHIBITS

Exhibit No.	Description
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EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement"), dated as of November 27, 2007 (the ***"Effective Date"***), is made by and between ImmunoGen, Inc., a Massachusetts corporation (the ***"Company"***), and John A. Tagliamonte (***"Executive"***).. This Agreement is intended to confirm the understanding and set forth the agreement between the Company and Executive with respect to Executive's employment by the Company. In consideration of the mutual promises and covenants contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby mutually acknowledged, the Company and the Executive hereby agree as follows:

1. Employment.

(a) Title and Duties. Subject to the terms and conditions of this Agreement, the Company will employ Executive, and Executive will be employed by the Company, as Vice President, Business Development, reporting to the Chief Executive Officer. Executive will have the responsibilities, duties and authority commensurate with said position. Executive will also perform such other services of an executive nature for the Company as may be reasonably assigned to Executive from time to time by the Chief Executive Officer or the Board of Directors of the Company (the ***"Board"***).

(b) Devotion to Duties. For so long as Executive is employed hereunder, Executive will devote substantially all of Executive's business time and energies to the business and affairs of the Company; provided that nothing contained in this Section 1(b) will be deemed to prevent or limit Executive's right to manage Executive's personal investments on Executive's own personal time, including, without limitation, the right to make passive investments in the securities of (i) any entity which Executive does not control, directly or indirectly, and which does not compete with the Company, or (ii) any publicly held entity (other than the Company or its related entities) so long as Executive's aggregate direct and indirect interest does not exceed three percent (3%) of the issued and outstanding securities of any class of securities of such publicly held entity. Except as set forth on Exhibit A hereto, Executive represents that Executive is not currently a director (or similar position) of any other entity and is not employed by or providing consulting services to any other person or entity, and Executive agrees to refrain from undertaking any such position or engagement without the prior approval of the Board. Executive may continue to serve as a director and/or volunteer for the entities listed on Exhibit A provided that such service does not create any conflicts, ethical or otherwise, with Executive's responsibilities to the Company and further provided that Executive's time commitments do not unreasonably interfere with her fulfillment of her responsibilities hereunder, as determined by the Board or its designated committee thereof.

2. Term of Agreement: Termination of Employment.

(a) Term of Agreement. The term of this Agreement shall commence on the Effective Date and shall continue in effect for two (2) years; provided, however, that commencing on the second anniversary of the Effective Date and continuing each anniversary thereafter, the Term shall automatically be extended for one (1) additional year unless, not later than nine (9) months before the conclusion of the Term, the Company or the Executive shall have given notice not to extend the Term. Such notice or such termination of this Agreement shall not on its own have the effect of terminating Executive's employment, nor shall it constitute Cause (as defined below). The duration of this Agreement is hereafter referred to as the ***"Term."***

(b) Termination of Employment. The Executive is employed on an at-will basis and, subject to the provisions of Section 4, either the Executive or the Company may terminate the employment relationship at any time for any reason. Notwithstanding anything else contained in this Agreement, Executive's employment during the Term will terminate upon the earliest to occur of the following:

(i) Death. Immediately upon Executive's death;

(ii) Termination by the Company.

(A) If because of Disability (as defined below), then upon written notice by the Company to Executive that Executive's employment is being terminated as a result of Executive's Disability, which termination shall be effective on the date of such notice;

(B) If for Cause, then upon written notice by the Company to Executive that states that Executive's employment is being terminated for Cause (as defined below) and sets forth the specific alleged Cause for termination and the factual basis supporting the alleged Cause, which termination shall be effective on the date of such notice or such later date as specified in writing by the Company; or

(C) If without Cause (i.e., for reasons other than Sections 2(b)(ii)(A) or (B)), then upon written notice by the Company to Executive that Executive's employment is being terminated without Cause, which termination shall be effective on the date of such notice or such later date as specified in writing by the Company; or

(iii) Termination by Executive. Upon written notice by Executive to the Company that Executive is terminating Executive's employment, which termination shall be effective at Executive's election, not less than thirty (30) days and not more than sixty (60) days after the date of such notice; provided that the Executive may request at such time to leave with a shorter notice period, and the Company shall not unreasonably withhold its consent to such shorter period; and further provided that the Company may choose to accept Executive's resignation effective as of an earlier date.

Notwithstanding anything in this Section 2(b), the Company may at any point terminate Executive's employment for Cause prior to the effective date of any other termination contemplated hereunder if such Cause exists.

(c) Definition of "Disability". For purposes of this Agreement, ***"Disability"*** shall mean that Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for

a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under a Company-sponsored group disability plan. Whether the Executive has a Disability will be determined by a majority of the Board based on evidence provided by one or more physicians selected by the Board and approved by Executive, which approval shall not be unreasonably withheld.

(d) Definition of "Cause". For purposes of this Agreement, ***"Cause"*** shall mean that Executive has (i) intentionally committed an act or omission that materially harms the Company; (ii) been grossly negligent in the performance of Executive's duties to the Company; (iii) willfully failed or refused to follow the lawful and proper directives of the CEO or the Board; (iv) been convicted of, or pleaded guilty or *nolo contendre*, to a felony; (v) committed an act involving moral turpitude; (vi) committed an act relating to the Company involving, in the good faith judgment of the Board, material fraud or theft; (vii) breached any material provision of this Agreement or any nondisclosure agreement (including the Proprietary Information, Inventions and Competition Agreement attached here (as) Exhibit B), between Executive and the Company, as all of the foregoing may be amended prospectively from time to time; or (viii) breached a material provision of any code of conduct or ethics policy in effect at the Company, as all of the foregoing may be amended prospectively from time to time.

3. Compensation.

(a) Base Salary. While Executive is employed hereunder, the Company will pay Executive a base salary at the gross annualized rate of $247,000.00 (the ***"Base Salary"***), paid in accordance with the Company's usual payroll practices. The Base Salary will be subject to review annually or on such periodic basis (not to exceed annually) as the Company reviews the compensation of the Company's other senior executives and may be adjusted upwards in the sole discretion of the Board or its designee. The Company will deduct from each such installment any amounts required to be deducted or withheld under applicable law or under any employee benefit plan in which Executive participates.

(b) Annual Bonus. Executive may be eligible to earn an Annual Bonus relating to each fiscal year, based on the achievement of individual and Company written goals established on an annual basis by the Board within thirty (30) days of the beginning of the fiscal year. If the Executive meets the applicable goals, is employed by the Company at the

end of the year to which the Annual Bonus relates, and is not terminated for Cause prior to the payment of the Annual Bonus, then the Executive shall be entitled to an Annual Bonus for that year equal to 30% of his then-current Base Salary (the ***"Target Annual Bonus"***). Any awarded Annual Bonus shall be paid within $2^1/_2$ months of the year to which it relates.

(c) Fringe Benefits. In addition to any benefits provided by this Agreement, Executive shall be entitled to participate generally in all employee benefit, welfare and other plans, practices, policies and programs and fringe benefits maintained by the Company from time to time on a basis no less favorable than those provided to other similarly-situated executives of the Company. Executive understands that, except when prohibited by applicable law, the Company's benefit plans and fringe benefits may be amended, enlarged, diminished or terminated prospectively by the Company from time to time, in its sole discretion, and that such shall not be deemed to be a breach of this Agreement.

(d) Vacation. Executive will be entitled to accrue up to twenty (20) vacation days per year that Executive remains employed by the Company, administered in accordance with and subject to the terms of the Company's vacation policy, as it may be amended prospectively from time to time.

(e) Reimbursement of Expenses. The Company will promptly reimburse Executive for all ordinary and reasonable out-of-pocket business expenses that are incurred by Executive in furtherance of the Company's business in accordance with the Company's policies with respect thereto as in effect from time to time.

4. Compensation Upon Termination.

(a) Definition of Accrued Obligations. For purposes of this Agreement, ***"Accrued Obligations"*** means (i) the portion of Executive's Base Salary that has accrued prior to any termination of Executive's employment with the Company and has not yet been paid; (ii) to the extent required by law and the Company's policy, an amount equal to the value of Executive's accrued but unused vacation days; (iii) the amount of any expenses properly incurred by Executive on behalf of the Company prior to any such termination and not yet reimbursed; and (iv) the Annual Bonus related to the most recently completed fiscal year, if not already paid and if the termination is not for Cause (the amount of which shall be determined in accordance with Section 3(b) above). Executive's entitlement to any other compensation or benefit under any plan or policy of the Company, including but not limited to applicable option plans, shall be governed by and determined in accordance with the terms of such plans or policies, except as otherwise specified in this Agreement.

(b) Termination for Cause, By the Executive, or as a Result of Executive's Disability or Death.

(i) If Executive's employment is terminated during the Term either by the Company for Cause or by Executive, or if Executive's employment terminates as a result of the Executive's death, the Company will pay the Accrued Obligations to Executive promptly following the effective date of such termination.

(ii) In case of termination during the Term by the Company as a result of the Executive's Disability, the Company will pay Executive the Accrued Obligations plus an amount equal to four (4) months of Executive's then-current Base Salary.

(c) Termination by the Company without Cause. If Executive's employment hereunder is terminated by the Company without Cause during the Term, then:

(i) The Company will pay the Accrued Obligations to Executive promptly following the effective date of such termination;

(ii) The Company will pay Executive a total amount equal to twelve (12) months of Executive's then current Base Salary, less applicable taxes and deductions; to be made in approximately equal biweekly installments in accordance with the Company's usual payroll practices over a period of twelve (12) months beginning after the effective date of the separation agreement described in Section 4(d);

(iii) The Company will continue to provide medical insurance coverage for Executive and Executive's family, subject to the requirements of COBRA and subject to Executive's payment of a premium co-pay related to the coverage that is no less favorable than the premium co-pay charged to active employees of the Company electing the same coverage for eighteen (18) months from the Separation Date; provided, that the Company shall have no obligation to provide such coverage if Executive fails to elect COBRA benefits in a timely fashion or if Executive becomes eligible for medical coverage with another employer; and

(iv) That portion of unvested options then held by Executive, if any, that would have vested during the twelve (12) month period following the effective date of employment termination but for such termination shall vest and be immediately exercisable as of the date of the employment termination. That portion of the shares of restricted stock then held by Executive, if any, that are subject to a lapsing forfeiture right that would have terminated during the twelve (12) month period following the effective date of employment termination but for such termination will terminate as of the date of the employment termination. All options and shares of restricted stock shall otherwise be subject to the terms and conditions of their respective agreements and with the applicable plan.

(d) Release of Claims. The Company shall not be obligated to pay Executive any of the compensation or provide Executive any of the benefits set forth in Section 4(b) or 4(c) (other than the Accrued Obligations) unless and until Executive has executed a timely separation agreement in a form acceptable to the Company, which shall include a release of claims between the Company and the Executive, and may include provisions regarding mutual non-disparagement and confidentiality.

(e) No Other Payments or Benefits Owing. The payments and benefits set forth in this Section 4 shall be the sole amounts owing to Executive as separation pay upon termination of Executive's employment. Executive shall not be eligible for any other

payments, including but not limited to additional Base Salary payments, bonuses, commissions, or other forms of compensation or benefits, except as may otherwise be set forth in this Agreement or other Company plan documents with respect to plans in which Executive is a participant.

(f) Notwithstanding any other provision with respect to the timing of payments under Section 4, if, at the time of Executive's termination, Executive is deemed to be a "specified employee" (within the meaning of Code Section 409A, and any successor statute, regulation and guidance thereto) of the Company, then limited only to the extent necessary to comply with the requirements of Code Section 409A, any payments to which Executive may become entitled under Section 4 which are subject to Code Section 409A (and not otherwise exempt from its application) will be withheld until the first (1^{st}) business day of the seventh (7^{th}) month following the termination of Executive's employment, at which time Executive shall be paid an aggregate amount equal to the accumulated, but unpaid, payments otherwise due to Executive under the terms of Section 4.

5. Competition. Executive agrees to sign and return to the Company the Proprietary Information, Inventions, and Competition Agreement (the "Proprietary Information Agreement") attached hereto as Exhibit B concurrently with the execution of this Agreement. The parties agree that the obligations set forth in the Proprietary Information Agreement shall survive termination of this Agreement and termination of the Executive's employment, regardless of the reason for such termination.

6. Property and Records. Upon termination of Executive's employment hereunder for any reason or for no reason, Executive will deliver to the Company any property of the Company which may be in Executive's possession, including blackberry-type devices, laptops, cell phones, products, materials, memoranda, notes, records, reports or other documents or photocopies of the same.

7. General.

(a) Notices. Except as otherwise specifically provided herein, any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notices to Executive shall be sent to the last known address in the Company's records or such other address as Executive may specify in writing. Notices to the Company shall be sent to the Company's CEO and Lead Director, or to such other Company representative as the Company may specify in writing.

(b) Entire Agreement/Modification. This Agreement, together with the Proprietary Information Agreement attached hereto, and the other agreements specifically referred to herein, embodies the entire agreement and understanding between the parties hereto and supersedes all prior oral or written agreements and understandings relating to the

subject matter hereof. No statement, representation, warranty, covenant or agreement of any kind not expressly set forth in this Agreement (or in a subsequent written modification or amendment executed by the parties hereto) will affect, or be used to interpret, change or restrict, the express terms and provisions of this Agreement.

(c) Waivers and Consents. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent will be deemed to be or will constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or

consent will be effective only in the specific instance and for the purpose for which it was given, and will not constitute a continuing waiver or consent.

(d) Assignment and Binding Effect. The Company may assign its rights and obligations hereunder to any person or entity that succeeds to all or substantially all of the Company's business or that aspect of the Company's business in which Executive is principally involved. Executive may not assign Executive's rights and obligations under this Agreement without the prior written consent of the Company. This Agreement shall be binding upon Executive, Executive's heirs, executors and administrators and the Company, and its successors and assigns, and shall inure to the benefit of Executive, Executive's heirs, executors and administrators and the Company, and its successors and assigns.

(e) Insurance. Executive shall be entitled to the same rights, if any, to indemnification and coverage under the Company's Directors and Officers Liability Insurance policies as they may exist from time to time to the same extent as other similarly-situated executive employees of the Company.

(f) Governing Law. This Agreement and the rights and obligations of the parties hereunder will be construed in accordance with and governed by the law of the Commonwealth of Massachusetts, without giving effect to conflict of law principles.

(g) Severability. The parties intend this Agreement to be enforced as written. However, should any provisions of this Agreement be held by a court of law to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

(h) Headings and Captions. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and will in no way modify or affect the meaning or construction of any of the terms or provisions hereof.

8. Taxation.

(a) The parties intend this Agreement to be in compliance with Code Section 409A. The Executive acknowledges and agrees that the Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this Agreement, including but not limited to consequences related to Code Section 409A. The Company and Executive agree that both will negotiate in good faith and jointly execute an amendment to modify this Agreement to the extent necessary to comply with the requirements of Code Section 409 A.

(b) If any payment or benefit Executive would receive under this Agreement, when combined with any other payment or benefit Executive receives pursuant to a change in control ("Payment") would (i) constitute a "parachute payment" within the meaning of Code Section 280G, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment shall be either (x) the full amount of such Payment or (y) such less amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state, and local employments taxes, income taxes, and the Excise Tax results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment, notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. The Executive shall be allowed to specify which payment(s) or benefit(s) shall be reduced if necessary to implement this section and avoid the excise tax application. The Company shall provide the Executive with sufficient information to make such determination and to file and pay any required taxes.

9. Counterparts. This Agreement may be executed in two or more counterparts, and by different parties hereto on separate counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. For all purposes a signature by fax shall be treated as an original.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Employment Agreement as of the date first written above.

EXECUTIVE	IMMUNOGEN, INC.
/s/ John A. Tagliamonte	/s/ Mitchel Sayare
(Signature)	Mitchel Sayare
Print Name: John A. Tagliamonte	Chairman and Chief Executive Officer

SEVERANCE AGREEMENT

This Agreement is entered into as of the 27th day of November, 2007 (the ***"Effective Date"***) by and between ImmunoGen, Inc., a Massachusetts corporation (the ***"Company"***) and John A. Tagliamonte (the ***"Executive"***).

WHEREAS, the Executive is the Vice President, Business Development ("VP") of the Company;

WHEREAS, the Company recognizes that the Executive's service to the Company is very important to the fixture success of the Company;

WHEREAS, the Executive desires to enter into this Agreement to provide the Executive with certain financial protection in the event that his employment terminates under certain conditions following a change in control of the Company; and

WHEREAS the Board of Directors of the Company (the ***"Board"***) has determined that it is in the best interests of the Company to enter into this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company and the Executive hereby agree as follows:

1. Definitions.

(a) Cause. For purposes of this Agreement, ***"Cause"*** shall mean that Executive has (i) intentionally committed an act or omission that materially harms the Company; (ii) been grossly negligent in the performance of Executive's duties to the Company; (iii) willfully failed or refused to follow the lawful and proper directives of the Board or the CEO; (iv) been convicted of, or pleaded guilty or *nolo contendre*, to a felony; (v) committed an act involving moral turpitude; (vi) committed an act relating to the Executive's employment or the Company involving, in the good faith judgment of the Board, material fraud or theft; (vii) breached any material provision of this Agreement or any nondisclosure or non-competition agreement between Executive and the Company, as all of the foregoing may be amended prospectively from time to time; or (viii) breached a material provision of any code of conduct or ethics policy in effect at the Company, as all of the foregoing may be amended prospectively from time to time.

(b) Change in Control. For purposes of this Agreement, a ***"Change in Control"*** shall mean the occurrence of any of the following events; provided that "Change in Control" shall be interpreted in a manner, and limited to the extent necessary, so that it will not cause adverse tax consequences for either party with respect to Section 409A of the Internal Revenue Code of 1986, as amended (the ***"Code"***), and the provisions of Treasury Notice 2005-1, and any successor statute, regulation and guidance thereto:

(i) Ownership. Any "Person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the "Beneficial Owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing 50% or more of the total voting power represented by the Company's then

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outstanding voting securities (excluding for this purpose any such voting securities held by the Company or its Affiliates (as defined in the Company's 2006 Employer, Director and Consultant Equity Incentive Plan) or by any employee benefit plan of the Company) pursuant to a transaction or a series of related transactions which the Board does not approve; or

(ii) Merger/Sale of Assets. (A) A merger or consolidation of the Company whether or not approved by the Board, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or the parent of such corporation) at least 50% of the total voting power represented by the voting securities of the Company or such surviving entity or parent of such corporation, as the case may be, outstanding immediately after such merger or consolidation; or (B) the stockholders of the Company approve an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) Change in Board Composition. A change in the composition of the Board, as a result of which fewer than a majority of the directors are Incumbent Directors. "Incumbent Directors" shall mean directors who either (A) are directors of the Company as of November 11, 2006, or (B) are elected, or nominated for election, to the Board with the affirmative votes of at least a majority of the Incumbent Directors at the time of such election or nomination (but shall not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of directors to the Company).

(c) Disability. For purposes of this Agreement, ***"Disability"*** shall mean that Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under a Company-sponsored group disability plan. Whether the Executive has a Disability will be determined by a majority of the Board based on evidence provided by one or more physicians selected by the Board and approved by Executive, which approval shall not be unreasonably withheld.

(d) Good Reason. For purposes of this Agreement, ***"Good Reason"*** shall mean the occurrence of one or more of the following without the Executive's consent: (i) a change in the principal location at which the Executive performs his duties for the Company to a new location that is at least forty (40) miles from the prior location; (ii) a material change in the Executive's authority, functions, duties or responsibilities as SVP of the Company, which would cause his position with the Company to become of less responsibility, importance or scope than his position on the date of this Agreement or as of any subsequent date prior to the Change in Control, provided, however, that such material change is not in connection with the termination of the Executive's employment by the Company for Cause or death or Disability and further provided that it shall not be considered a material change if the Company becomes a subsidiary of another entity and Executive continues to

hold the position of VP in the subsidiary; or (iii) a reduction in the VP's annual base salary or (iv) a reduction in the VP's target annual bonus as compared to the target annual bonus set for the previous fiscal year.

2. Term of Agreement. The term of this Agreement (the "Term") shall commence on the Effective Date and shall continue in effect for two (2) years; provided, however, that commencing on second anniversary of the Effective Date and continuing each anniversary thereafter, the Term shall automatically be extended for one (1) additional year unless, not later than nine (9) months before the conclusion of the Term, the Company or the Executive shall have given notice not to extend the Term; and further provided, however, that if a Change in Control shall have occurred during the Term, the Term shall expire on the last day of the twenty-fourth (24th) month following the month in which such Change in Control occurred. Notice of termination or termination of this Agreement shall not constitute Cause or Good Reason (both terms as defined above).

3. Termination; Notice; Severance Compensation.

(a) In the event that within a period of two (2) months before or two (2) years following the consummation of a Change in Control the Company elects to terminate the Executive's employment other than for Cause (but not including termination due to the Executive's Disability), then the Company shall give the Executive no less than sixty (60) days advance notice of such termination (the "Company's Notice Period"); provided that the Company may elect to require the Executive to cease performing work for the Company so long as the Company continues the Executive's full salary and benefits during the Company's Notice Period.

(b) In the event that within a period of two (2) months before or two (2) years following the consummation of a Change in Control the Executive elects to terminate his employment for Good Reason, then the Executive shall give the Company no less than thirty (30) days and no more than (60) days advance notice of such termination (the "Executive's Notice Period"); provided that the Company may elect to require the Executive to cease performing work for the Company so long as the Company continues the Executive's full salary and benefits during the Executive's Notice Period. In order to effect a termination for Good Reason pursuant to this Agreement, the Executive must notice his intent to terminate for Good Reason not later than ninety (90) days following the occurrence of the Good Reason.

(c) In the event that within a period of two (2) months before or two (2) years following the consummation of a Change in Control the Executive's employment with the Company is terminated by the Company other than for Cause (but not including termination due to the Executive's death or Disability), or by the Executive for Good Reason, then, contingent upon the Executive's execution of a release of claims against the Company in a form reasonably acceptable to the Company (the ***"Release"***) the Executive shall be entitled to, in addition to any amounts due to the Executive for services rendered prior to the termination date:

(i) the Executive's target annual bonus for the fiscal year in which such termination occurs at 100% of such target annual bonus, pro-rated by the number of calendar days in which the Executive is employed by the Company during the applicable year, including any applicable Notice Period which shall be paid no later than the tenth business day following the effective date of the Release; and

(ii) a lump sum payment from the Company in an amount equal to one and half (1.5) times the Executive's highest Annual Salary, which shall be paid no later than the tenth business day following the effective date of the Release;

(iii) all outstanding options, restricted stock and other similar rights held by the Executive, which shall become one hundred percent (100%) vested; and

(iv) continuation of medical insurance coverage for Executive and Executive's family, subject to COBRA and subject to Executive's payment of a premium co-pay related to the coverage that is no less favorable than the premium co-pay charged to active employees of the Company electing the same coverage, for eighteen (18) months from the Separation Date; provided, that the Company shall have no obligation to provide such coverage if Executive fails to elect COBRA benefits in a timely fashion or if Executive becomes eligible for medical coverage with another employer.

For purposes of this Agreement, ***"Annual Salary"*** shall mean the Executive's annual base salary then in effect or, if higher, in effect at the time of the Change in Control, excluding reimbursements and amounts attributable to stock options and other non-cash compensation; and the ***"Severance Compensation"*** shall mean the compensation set forth in (ii), (iii), and (iv) above.

(d) Notwithstanding any other provision with respect to the timing of payments, if, at the time of Executive's termination, Executive is deemed to be a "specified employee" (within the meaning of Code Section 409A, and any successor statute, regulation and guidance thereto) of the Company, then limited only to the extent necessary to comply with the requirements of Code Section 409A, any payments to which Executive may become entitled under this Agreement which are subject to Code Section 409A (and not otherwise exempt from its application) will be withheld until the first (1st) business day of the seventh (7th) month following the termination of Executive's employment, at which time Executive shall be paid an aggregate amount equal to the accumulated, but unpaid, payments otherwise due to Executive under the terms of this Agreement.

(e) If any payment or benefit Executive would receive under this Agreement, when combined with any other payment or benefit Executive receives pursuant to a Change in Control ("Payment") would (i) constitute a "parachute payment" within the meaning of Code Section 280G, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then such Payment shall be either (x) the full amount of such Payment or (y) such less amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of the foregoing amounts, taking into account the applicable federal, state, and local employments taxes, income taxes, and the Excise Tax results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment, notwithstanding that all or some portion of the Payment may be subject to the

Excise Tax. The Executive shall be allowed to specify which payment(s) or benefit(s) shall be reduced if necessary to implement this section and avoid the excise tax application. The Company shall provide the Executive with sufficient information to make such determination and to file and pay any required taxes.

4. No Duplication of Compensation. The Severance Compensation shall replace, and be provided in lieu of, any severance or similar compensation that may be provided to the Executive under any other agreement or arrangement in relation to termination of employment; provided, however, that this prohibition against duplication shall not be construed to otherwise limit the Executive's rights to payments or benefits provided under any pension plan (as defined in Section 3(2) of the Employee Retirement Income Security Act of 1974, as amended), deferred compensation, stock, stock option or similar plan sponsored by the Company.

5. No Mitigation. If the Executive's employment with the Company terminates following a Change in Control, the Executive is not required to seek other employment or to attempt in any way to reduce any amounts payable to the Executive by the Company pursuant to Section 3 or Section 15. Except as set forth in Section 4, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Executive as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Executive to the Company, or otherwise.

6. Confidentiality, Non-Competition, and Assignment of Inventions. The Company's obligations under this Agreement are contingent upon the Executive's execution of the Company's Proprietary Information, Inventions, and Competition Agreement (the "Proprietary Information Agreement"). The parties agree that the obligations set forth in the Proprietary Information Agreement shall survive termination of this Agreement and termination of the Executive's employment, regardless of the reason for such termination.

7. Enforceability. If any provision of this Agreement shall be deemed invalid or unenforceable as written, this Agreement shall be construed, to the greatest extent possible, or modified, to the extent allowable by law, in a manner which shall render it valid and enforceable. No invalidity or unenforceability of any provision contained herein shall affect any other portion of this Agreement.

8. Notices. Except as otherwise specifically provided herein, any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notices to Executive shall be sent to the last known address in the Company's records or such other address as Executive may specify in writing. Notices to the Company shall be sent to the Company's Chairman and Lead Director or to such other Company representative as the Company may specify in writing.

9. Claims for Benefits. All claims by the Executive for benefits under this Agreement shall be directed to and determined by the Board and shall be in writing. Any denial by the Board of a claim for benefits under this Agreement shall be delivered to the Executive in writing and shall set forth

the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Board shall afford a reasonable opportunity to the Executive for a review of the decision denying a claim and shall further allow the Executive to appeal to the Board a decision of the Board within sixty (60) days after notification by the Board that the Executive's claim has been denied.

10. Modifications and Amendments. The terms and provisions of this Agreement may be modified or amended only by written agreement executed by the Company and the Executive. The Company and the Executive agree that they will jointly execute an amendment to modify this Agreement to the extent necessary to comply with the requirements of Code Section 409A, or any successor statute, regulation and guidance thereto; provided that no such amendment shall increase the total financial obligation of the Company under this Agreement.

11. Waivers and Consents. The terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by a written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

12. Binding Effect; Assignment. The Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of the Executive upon the Executive's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of the Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. None of the rights of the Executive to receive any form of compensation payable pursuant to the Agreement may be assigned or transferred except by will or the laws of descent and distribution. Any other attempted assignment, transfer, conveyance or other disposition of the Executive's right to compensation or other benefits will be null and void.

13. Governing Law. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the law of the Commonwealth of Massachusetts, without giving effect to the conflict of law principles thereof.

14. Jurisdiction and Service of Process. Any legal action or proceeding with respect to this Agreement shall be brought in the courts of the Commonwealth of Massachusetts or of the United States of America for the District of Massachusetts. By execution and delivery of this Agreement, each of the parties hereto accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts.

15. Attorneys' Fees. The Company shall pay to the Executive all legal fees and expenses incurred by the Executive in disputing in good faith any issue hereunder relating to the termination of the Executive's employment, in seeking in good faith to obtain or enforce any benefit or right provided by this Agreement. Such payments shall be made within five (5) business days after

delivery of the Executive's written requests for payment accompanied with such evidence of fees and expenses incurred as the Company reasonably may require.

16. Withholding. The Company is authorized to withhold, or to cause to be withheld, from any payment or benefit under the Agreement the full amount of any applicable withholding taxes.

17. Tax Consequences. The Company does not guarantee the tax treatment or tax consequences associated with any payment or benefit arising under this Agreement.

18. Acknowledgment. The Executive acknowledges that he has had the opportunity to discuss this matter with and obtain advice from his private attorney, has had sufficient time to, and has carefully read and fully understands all the provisions of the Agreement, and is knowingly and voluntarily entering into the Agreement.

19. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed and delivered this Severance Agreement as of the day and year first above written.

COMPANY:

IMMUNOGEN, INC.

/s/Mitchel Sayare
Mitchel Sayare
Chairman and Chief Executive Officer

EXECUTIVE:

/s/John A.Tagliamonte
John A.Tagliamonte

Exhibit 10.3

PROPRIETARY INFORMATION, INVENTIONS, AND COMPETITION AGREEMENT

AGREEMENT, dated this 27th day of November 2007, by and between ImmunoGen, Inc., a Massachusetts corporation having its principal place of business at 128 Sidney Street, Cambridge, Massachusetts 02139 (the "Company"), and John A. Tagliamonte, an individual residing at 17 Coolidge Ave, Lexington, MA 02421 ("Employee").

WITNESSETH:

WHEREAS, the Employee has been hired by the Company to perform certain services; and

WHEREAS, the Employee may be exposed, have access to, create or make contributions to the Proprietary Information as defined below and/or inventions of the Company;

NOW, THEREFORE, in consideration for the Company's employment of the Employee, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

1. Acknowledgements. The Employee understands and acknowledges that:

(a) As part of his/her services as an employee of the Company, he/she may be exposed or have access to, or make new contributions and inventions of value to, the past, present and future business, products, operations and policies of the Company.

(b) His/Her position as an employee creates a relationship of confidence and trust between the Employee and the Company with respect to (i) information which is related or applicable to the Company's Field of Interest (as defined in 1(c) below) and the manner in which the Company engages in business in such Field of Interest, and (ii) information which is related or applicable to the business of the Company or any client, customer, joint venture or other person with which the Company has a business relationship, (a "Business Associate"), any of which information has been or may be made known to the Employee by the Company (including, without limitation, any member of the Company's Scientific Advisory Board) or by any Business Associate of the Company, or any of which has been otherwise learned by the Employee as a result of or in connection with his/her service as an employee of the Company.

(c) The Company possesses and will continue to possess information that has been created by, discovered by, developed by or otherwise become known to the Company (including, without limitation, information created, discovered, developed or made known by the Employee related to or arising out of his/her service as an employee of the Company) and/or in which property rights have been assigned or otherwise conveyed to the Company, which information has commercial value to its business interests and/or in the Field of Interest in which the Company is presently engaged or will be engaged. The term "Field of Interest" shall mean the development of products based on monoclonal antibodies or other biological molecules capable of binding to specific tissue, or the conjugation of monoclonal antibodies or other biological molecules capable of binding to specific tissue with other substances, for use in the treatment, diagnosis or prevention of cancer and/or other diseases. During an individual's employment, the term "Field of Interest" may be expanded from time to time to include such other areas of therapy,

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diagnosis or prevention as may be designated by the Company. All of the aforementioned information is hereinafter called "Proprietary Information." By way of illustration, but not limitation, formulas, data, know-how, improvements, inventions, techniques, marketing plans, strategies, forecasts, and customer lists are Proprietary Information.

2. Proprietary Information.

(a) All Proprietary Information shall be the sole property of the Company and its successors and assigns, and the Company and its successors and assigns shall be the sole owner of all patents and other rights in connection therewith. The Employee hereby assigns to the Company any rights he/she may have or acquire in such Proprietary Information, and agrees to take such action and sign such documents from time to time as the Company reasonably requires to effect or confirm such assignment.

(b) At all times, both during the term of this Agreement and thereafter until such information becomes known to the public, the Employee will, subject to the provisions of Section 3 hereof regarding publication, keep in confidence and trust all Proprietary Information and any other confidential information of the Company, and he/she will not use or disclose any Proprietary Information or anything relating to it without the prior written consent of the Company, except as may be necessary in the ordinary course of performing his/her duties as an employee of the Company or as required by law; provided that if disclosure is required by law, the Employee agrees to provide the Company with written notice of such disclosure obligation prior to making such disclosure and no more than two (2) days after the Employee learns of such disclosure requirement.

(c) All documents, records, apparatus, equipment and other physical property, whether or not pertaining to Proprietary Information, furnished to the Employee by the Company or produced by the Employee or others in connection with the Employee's services hereunder shall be and remain the sole property of the Company. The Employee will return and deliver such property to the Company as and when requested by the Company. Should the Company not so request at an earlier time, the Employee shall return and deliver all such property upon termination of his/her service as an employee to the Company for any reason, and the Employee will not take with him/her any such property or any reproduction of such property upon such termination.

3. Inventions.

(a) The Employee will promptly disclose to the Company, or any persons designated by it, all improvements, inventions, formulas, processes, techniques, know-how and data, whether or not patentable, made or conceived or reduced to practice or learned by him/her, either alone or jointly with others, related to or arising out of his/her position as an employee or which are related to or useful in the business of the Company, or result from tasks which have been or may be assigned to the Employee by the Company or result from use of premises owned,

leased or contracted for by the Company (all said improvements, inventions, formulas, processes, techniques, know-how and data being hereinafter collectively called "Inventions").

(b) The Employee agrees that all Inventions shall be the sole property of the Company and its assigns, and the Company and its assigns shall be the sole owner of all patents and other rights in connection therewith. The Employee hereby assigns to the Company any rights he/she may have or acquire in such Inventions. The Employee further agrees as to

all such Inventions to assist the Company in every reasonable manner (but at the Company's expense) to obtain, and from time to time enforce, patents on said Inventions in any and all countries, and to that end the Employee will execute all documents for use in applying for and obtaining such patents thereon and enforcing the same, as the Company may desire, together with any assignments thereof to the Company or persons designated by it. The Employee's obligation to assist the Company in obtaining and enforcing patents for such Inventions in any and all countries shall continue beyond the termination of his/her employment by the Company, but the Company shall compensate the Employee at a reasonable rate after such termination for time actually spent by him/her at the Company's request on such assistance. In the event that the Company is unable for any reason whatsoever to secure the Employee's signature to any lawful and necessary documents required to apply for or execute any patent application with respect to such an Invention (including renewals, extensions, continuations, divisions or continuations in part thereof), the Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents, as his/her agents and attorneys-in-fact to act for and on his/her behalf and instead of him/her, to execute and file any such application and to do all other lawfully permitted acts to further the prosecution and issuance of patents thereon with the same legal force and effect as if executed by the Employee, and such power of attorney created hereby is coupled with an interest.

4. Competition. While the Employee is employed by the Company and for a period of twelve (12) months following the termination of the Employee's employment (the "Noncompetition Period"), regardless of the reason for such termination, the Employee shall not, for himself/herself or on behalf of any other person or entity, directly or indirectly, whether as principal, partner, agent, independent contractor, stockholder, employee, consultant, representative or in any other capacity, own, manage, operate or control, be concerned or connected with, or employed by, or otherwise associate in any manner with, engage in or have a financial interest in any business that is engaged in the Field of Interest, anywhere in the world, except that nothing in this Agreement shall preclude the Employee from (a) purchasing or owning securities of any such business if such securities are publicly traded, and provided that the Employee's holdings do not exceed three (3%) percent of the issued and outstanding securities of any class of securities of such business; or (b) working for any academic or government institutions. For the purposes of this paragraph only, following termination of the Executive's employment, the term "Field of Interest" shall be limited to mean the development of products based on the conjugation of monoclonal antibodies or other biological molecules capable of binding to specific tissue with other substances, for use in the treatment, diagnosis or prevention of cancer and/or other diseases.

5. Solicitation of Employees. During the Noncompetition Period the Employee shall not, either individually or on behalf of or through any third party, directly or indirectly (a) entice, solicit or encourage any director, employee or consultant to leave the Company, or (b) be involved for any entity other than the Company in the recruitment, engagement, or hiring of any Company director or employee. This section shall prohibit the aforesaid activities by the Employee with respect to any person both while such person is a director, employee or consultant of the Company and for thirty (30) days thereafter.

6. Publications. The Employee agrees to consult with the Company prior to publishing (in writing or by seminar, lecture or other oral presentation) any material relating to his/her activities that relate to the Company's Field of Interest, and to furnish copies of any such publication (written or oral) to the Company for prior clearance at least sixty (60) days prior to the proposed publication. The Company agrees to review such submissions and to apply for patents as promptly as practicable so as to avoid or keep to a minimum any delay in publishing material of scientific importance.

7. Prior Work and Legal Obligations

(a) By signing this Agreement, the Employee represents that she/he has no agreement with or other legal obligation to any prior employer or any other person or entity that restricts his/her ability to engage in employment discussions, to accept employment with, or to perform any function for the Company.

(b) The Employee also acknowledges that the Company has advised the Employee that at no time, either during any pre-employment discussions or at any time thereafter, should the Employee divulge to or use for the benefit of the Company any trade secret or confidential or proprietary information of any previous employer. By signing this Agreement, the Employee affirms that she/he has not divulged or used any such information for the benefit of the Company, and that she/he has not and will not misappropriate any proprietary information of a former employer that the Employee played any part in creating while working for such former employer.

8. Provisions Necessary and Reasonable/Injunctive Relief The Employee specifically agrees that the provisions of Sections 1-5 of this Agreement are necessary and reasonable to protect the Company's Proprietary Information, goodwill and business interests. The Employee acknowledges that given his/her skills and work experience, such restrictions will not prevent the Employee from earning a living in his/her general field of occupation during the term of such restrictions. The Employee further agrees that a breach or threatened breach by the Employee of Sections 1-5 of this Agreement would pose the risk of irreparable harm to the Company, and that in the event of a breach or threatened breach of any of such covenants, without posting any bond or security, the Company shall be entitled to seek and obtain equitable relief, in the form of specific performance, or temporary, preliminary or permanent injunctive relief, or any other equitable remedy which then may be available. The seeking of such injunction or order shall not affect the Company's right to seek and obtain damages or other equitable relief on account of any such actual or threatened breach.

9. Disclosure to Future and Prospective Employers. The Employee agrees that so long as this Agreement is effective the Employee will notify his/her employers of this Agreement and that the Company may notify any of the Employee's future or prospective employers or other third parties of this Agreement and may provide a copy of this Agreement to such parties without the Employee's further consent.

10. Transfer, Promotion or Reassignment. The Employee acknowledges and agrees that if she/he should transfer between or among any affiliates of the Company or be promoted or reassigned to functions other than the Employee's present functions, all terms of this Agreement shall continue to apply with full force.

11. Severability. The parties intend this Agreement to be enforced as written. However, if any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a duly authorized court having jurisdiction, both parties desire that such portion or provision be modified by such a court so as to make it enforceable ("blue-penciled"), and that the remainder of this Agreement be enforced to the fullest extent permitted by law. In the event that such court deems any provision of this Agreement wholly unenforceable, then all remaining provisions shall nevertheless remain in full force and effect.

12. Notices. Except as otherwise specifically provided herein, any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (ii) by overnight courier upon written

verification of receipt; (iii) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notices to Employee shall be sent to the last known address in the Company's records or such other address as Employee may specify in writing. Notices to the Company shall be sent to the Company's Chairman or to such other Company representative as the Company may specify in writing.

13. Binding Effect. The Agreement will be binding upon and inure to the benefit of (a) the heirs, executors and legal representatives of the Employee upon the Employee's death and (b) any successor of the Company. Any such successor of the Company will be deemed substituted for the Company under the terms of the Agreement for all purposes. For this purpose, "successor" means any person, firm, corporation or other business entity which at any time, whether by purchase, merger or otherwise, directly or indirectly acquires all or substantially all of the assets or business of the Company. The Employee's obligations hereunder shall survive the termination of the Employee's employment by the Company, regardless of the reason for such termination.

14. Waivers. No waivers, express or implied, of any breach of this agreement shall be held or construed as a waiver of any other breach of the same or any other covenant, agreement or duty hereunder.

15. Governing Law. This agreement shall be construed and enforced in accordance with the law of the Commonwealth of Massachusetts, without giving effect to conflict of law principles. This agreement represents the entire agreement of the parties with respect to the subject matter hereof, and may only be amended or modified by a written instrument signed by the parties.

16. Meaning of Headings. The headings in this Agreement are for convenience only, and both parties agree that they shall not be construed or interpreted to modify or affect the construction or interpretation of any provision of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

IMMUNOGEN, INC.

/s/ Mitchel Sayare
Mitchel Sayare
Chairman and Chief Executive Officer

/s/ John A. Tagliamonte
Employee Signature

Date: 11/27/07

AMENDMENT NO. 2 TO THE
COLLABORATION AND LICENSE AGREEMENT

This Amendment No. 2 to the Collaboration and License Agreement (this "Amendment") is dated as of December 7, 2007 (the "Amendment Effective Date") by and between ImmunoGen, Inc., a Massachusetts corporation with a principal office at 128 Sidney Street, Cambridge, MA 02139 ("ImmunoGen"), and sanofi-aventis U.S. LLC, a Delaware limited liability company with offices at 1041 Rte. 202-206, Bridgewater, NJ 08807 ("Aventis"). Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Collaboration and License Agreement (the "Agreement") dated as of July 30, 2003 (the "Agreement Effective Date") by and between ImmunoGen and Aventis Pharmaceuticals, Inc. (predecessor in interest to Aventis), as amended August 31, 2006.

WHEREAS, on the Agreement Effective Date, ImmunoGen and Aventis entered into the Agreement for the purpose of collaborating on the identification and validation of targets for use in the discovery of antibodies and antibody-drug conjugates in the Collaborative Focus Area (as defined in the Agreement) and in the development and commercialization of such antibodies and antibody-drug conjugates; and

WHEREAS, the Parties hereto desire to amend the Agreement to provide that ImmunoGen will develop a Phase IIb/III scale process for manufacturing SAR3419 and Aventis will assist and compensate ImmunoGen, all as set forth in this Amendment, and to set forth certain additional terms applicable to the Agreement, as so amended.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and for other good and valuable consideration, the Parties hereto, intending to be legally bound, hereby agree as follows:

In consideration of the mutual promises and covenants hereinafter set forth herein, and other consideration, the Parties agree as follows:

1. **Amendments to Agreement.**

(a) The following new definitions are hereby added to Article 1 of the Collaboration Agreement:

"1.25A **"Conjugation Process"** means a process for manufacturing SAR3419 by conjugating its component parts, which is to be developed as part of the Services under this Agreement."

"1.82A **"Project Plan"** means the project plan attached hereto as Exhibit C, which describes the Services, sets forth the Requirements, and includes other information, terms and conditions relevant to performance of the Services, as amended and updated by mutual agreement of the Parties."

"1.82B **"Project Materials"** means any materials, other than Aventis Materials, used by ImmunoGen in the conduct of the Services."
"1.82C **"Project Technology"** means any Technology that is developed or conceived by employees of, or consultants to, ImmunoGen in the conduct of the Services."

"1.85D **"SAR3419"** means huB4 antibody conjugated to DM4 through the SPDB linker."

"1.85E **"Requirements"** means any specifications or requirements applicable to the Services set forth in the Project Plan."

Portions of this Exhibit were omitted, as indicated by [***], and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

"1.86A **"Services"** means the process development work to be performed by ImmunoGen, as described in the Project Plan."

(b) The definition of Aventis Materials set forth in Section 1.10 of the Agreement is hereby amended by adding the following sentence at the end of the definition:

"For purposes of clarity, Aventis Materials includes SAR3419."

(c) The definition of ImmunoGen Materials set forth in Section 1.49 of the Agreement is hereby amended by adding the following sentence at the end of the definition:

"For purposes of clarity, ImmunoGen Materials includes all Project Materials."

(d) The definition of "ImmunoGen Technology Improvements" is hereby deleted in its entirety and replaced with the following:

> **"ImmunoGen Technology Improvements"** means (a) any Technology which (i) is developed or conceived by employees of, or consultant to, either Party or jointly by both Parties, under this Agreement and (ii) (A) is Covered by the ImmunoGen Patent Rights or (B) is a maytansinoid that is substantially equivalent to a maytansinoid Covered by an ImmunoGen Patent Right listed on Schedule 1.50 or (C) is a method of manufacture or use with respect to a maytansinoid that is substantially equivalent to a method of manufacture or use, respectively, with respect to a maytansinoid and Covered by an ImmunoGen Patent right listed on Schedule 1.50 and (b) any Project Technology."

(e) A new Section 4.5 is hereby added to the Agreement which shall provide as follows:

"4.5 **"Process Development Services."**

4.5.1 **Project Plan Document.** The Project Plan describes the Services, and the terms and conditions applicable to the conduct by ImmunoGen of the Services, under this Agreement. The Project Plan may be amended by mutual agreement of the Parties and any updated or amended Project Plan will become part of this Agreement upon execution by both Parties. In the event of a conflict between the terms of this Agreement and any terms of the Project Plan, the terms of this Agreement shall control.

4.5.2 **Performance of Services.** ImmunoGen shall use Commercially Reasonable Efforts to perform the Services in accordance with this Agreement, the Project Plan and the Requirements. Without limiting the foregoing, ImmunoGen shall (a) make available facilities, utilities, equipment and computerized systems that are adequate to perform the Services in accordance with the Project Plan; and (b) provide an adequate number of personnel to perform the Services, all of whom have appropriate education, training and experience to do so. At Aventis' request, ImmunoGen shall provide Aventis with resumes or CVs for personnel assigned to perform the Services. ImmunoGen shall be responsible for procuring any and all Project Materials, for ensuring that such Project Materials are suitable for the intended purposes, and for inspecting, testing, as appropriate, storing and maintaining Project Materials. Other than payment of fees under Section 8.47(a), (b) and (c) and reimbursement of certain out-of-pocket costs under Section 8.4.7(d), ImmunoGen shall be responsible for all costs and expenses incurred in providing the Services.

4.5.3 **Schedule and Adjustments.** If ImmunoGen proposes to make any proposed changes to its personnel, facilities, utilities or equipment that are reasonably likely to affect the quality or timing of its performance of the Services, ImmunoGen shall promptly notify Aventis in writing of such proposed changes. If Aventis reasonably determines that any such proposed changes are likely to materially affect the development and/or commercialization by Aventis of SAR3419, the implementation of those changes will be subject to Aventis' approval, which will not be unreasonably withheld. If any delay in completing the Services is due to Aventis' failure to perform its obligations under this Agreement, including but not limited to delay in providing Aventis Materials under Section 4.5.6, then the Project Plan and the Milestone-Based Fees in Section 8.4.7(c) will be adjusted accordingly to reasonably account for such delay.

4.5.4 **Project Management and Aventis Assistance.** Each Party shall appoint designees to coordinate the conduct of the Services as appropriate (the "Project Managers"). Project Managers will meet on a bi-weekly basis (more or less frequently if mutually agreed) to assess the progress of the Services. Decisions by Project Managers are not binding except to the extent consistent with the Project Plan or agreed in writing by the Parties. Aventis shall provide ImmunoGen with guidance, information and assistance as reasonably necessary for ImmunoGen to perform the Services, and shall use Commercially Reasonable Efforts to perform any obligations under any Project Plan related to such guidance and assistance.

4.5.5 **Modifications of Services, Requirements or Project Plan Document.** If Aventis reasonably determines that modifications to the Services or any Requirements are necessary, Aventis shall communicate such proposed modifications in writing to ImmunoGen (the "Proposed Modifications"). If ImmunoGen reasonably believes that any such proposed modifications would be a material change to the Services or the Requirements, then ImmunoGen shall so inform Aventis, and shall include (a) an estimate of the length of time of any delay in the schedule as a result of the Proposed Modifications, and/or (b) an estimate of any revisions to the fees or costs as a result of the Proposed Modifications. Subject to the foregoing, (a) ImmunoGen shall use Commercially Reasonable Efforts to assist Aventis in implementing the Proposed Modifications, (b) the Parties shall update the schedule in the Project Plan (including the applicable milestones), and (c) the Parties shall mutually agree on the fees and/or costs required to implement the Proposed Modifications. Aventis shall be responsible for the payment of all such agreed fees and/or costs, as reflected in the updated schedule in accordance with this Agreement.

4.5.6 **Aventis Materials.** Unless otherwise specified in the Project Plan, Aventis shall deliver to ImmunoGen, at its own expense, the Aventis Materials in the form and amounts identified in the Project Plan. For any Aventis Materials to be procured by ImmunoGen, ImmunoGen shall procure those Aventis Materials in the form and in amounts identified in the Project Plan and Aventis shall reimburse ImmunoGen for its costs incurred in making such procurement under Section 8.4.7(d).

4.5.7 **Termination of Services.** The obligation of ImmunoGen to conduct all or any part of the Services may, subject to Section 4.5.8 below, be terminated (a) by Aventis, at any time, and for any reason or no reason, by providing written notice of termination to ImmunoGen at least [***] prior to the date of termination, which notice shall specify the scope of the terminated Services; and (b) by either Party, by providing written notice of termination to the other Party at least [***] after having provided to the other Party notice of such Party's material breach of this Agreement, unless such material breach has been cured within the [***] period after the initial notice of breach; provided, however, that when a Party allegedly in breach disputes in good faith that a breach has occurred, then both Parties shall continue performance during the pendency of any dispute resolution procedure for up to a maximum of [***] after notice of an alleged material breach.

4.5.8 **Obligations Upon Termination or Expiration of Services.**

(a) Payment by Aventis: Except with regard to termination by Aventis as a result of the uncured material breach of ImmunoGen, upon termination of the Services as provided in Section 4.5.7, Aventis shall pay ImmunoGen: (i) the Service Fees described in Section 8.4.7(a) that were authorized to be incurred and were actually incurred prior to termination; (ii) reimbursable costs not already paid, to the extent such costs already have been incurred and (iii) any early termination fee as calculated under subsection (b) below.

(b) Early Termination [***]: If Aventis terminates the Services under Section 4.5.7(a) above at any time on or before [***] from the date of initiation of the Services for any reason other than technical failure with respect to, or adverse clinical results which would preclude proceeding with, the further development of SAR3419, then Aventis shall [***] no later than the [***].

4.5.9 **Subcontracting and Use of Contract Manufacturing Organizations.** ImmunoGen shall not subcontract any of its obligations to conduct Services under this Agreement without Aventis' prior written consent, which will not be unreasonably withheld or delayed. To the extent Aventis Materials are required for performance under an authorized subcontract, Aventis either shall provide the Aventis Materials directly to the authorized subcontractor, or shall authorize ImmunoGen to provide the Aventis Materials to the authorized subcontractor, in either case subject to an appropriate material transfer agreement or other agreement between Aventis and the authorized subcontractor."

(f) A new Section 8.4.7 is hereby added to the Agreement which shall provide as follows:

"8.4.7 **Service Fees; Costs.**

(a) Service Fees. In consideration of ImmunoGen's performance of the Services, Aventis shall pay to ImmunoGen fees, based on hours worked by ImmunoGen employees performing the Services, at a rate equal to $[***]per hour or $[***] per FTE per year (the "Service Fees").

(b) Cost Reimbursement. Aventis shall reimburse ImmunoGen for the cost incurred by ImmunoGen in obtaining approved quantities of DM4 or SPDB for performance of the Services based on ImmunoGen's standard cost of such materials, which will be included in the Project Plan. Prior to obtaining any such DM4 or SPDB, ImmunoGen shall notify Aventis of the quantities needed and shall receive approval from Aventis. Notwithstanding the foregoing, ImmunoGen shall have no obligation to provide Aventis with any quantities of DM4 or SPDB in excess of the amount set forth in the Project Plan unless mutually agreed upon in writing. Aventis shall be solely responsible for reimbursing ImmunoGen for the cost of any Aventis Materials procured directly by ImmunoGen (if any).

(c) Milestone-Based Fees. Aventis shall pay ImmunoGen a milestone-based fee of [***]. In the event that Aventis reasonably disagrees with the achievement of any such milestone, it shall so notify ImmunoGen in writing within [***]. Within [***] of any such notice by Aventis, the Parties shall use reasonable efforts to resolve the dispute.

(d) Invoices and Payment Terms. Prior to payment by Aventis of the payments due under this Agreement, ImmunoGen must submit an invoice to Aventis which shall reference the applicable purchase order number (each, an "Invoice"). ImmunoGen shall generate Invoices for all fees and cost reimbursements. Invoices for Service Fees and for cost reimbursements shall be generated quarterly and provided to Aventis promptly after the end of the Calendar Quarter in which the

fees were incurred; invoices for the milestone-based fee described above will be generated any time after completion of the milestone (as completion is determined under the Project Plan and Section 8.4.7(c)). Each Invoice shall be addressed to: sanofi-aventis U.S. LLC Attention: Accounts Payable Department **1041 Route 202-206 P.O. Box 5915 Bridgewater, NJ 08807-0800**. Invoices for cost reimbursement shall include appropriate reasonable documentation of costs incurred; Invoices for Service Fees shall detail the personnel providing Services and the number of FTEs/hours spent in performing Services, as calculated in accordance with Section 8.4.7(a), during the quarter for which the Invoice applies. Aventis shall pay Invoices within [***] after receipt of each Invoice . Receipt or acceptance by Aventis of any Invoices under this Agreement will not preclude Aventis from questioning the correctness of the underlying information at a later date, or from exercising its rights under Section 8.4.7. If any [***] inconsistencies or mistakes are discovered in an Invoice, the Parties shall make immediate adjustment, by reimbursement or credit, as applicable. Invoices that remain unpaid more than [***] beyond the scheduled payment due date may be subject to an interest charge equal to [***], calculated from the scheduled payment due date forward; provided that in no event shall such annual rate exceed the maximum interest rate permitted by law in regard to such payments. Such payments when made shall be accompanied by all interest so accrued. All payments shall be made by wire transfer of immediately available funds to the following account:

[***]
ABA (routing): [***]
F/C Client Funds [***]
Account: [***]
Account Title: ImmunoGen, Inc.

(e) Records Maintenance. ImmunoGen shall maintain all records and accounts pertaining to the Services under this Agreement for a period of at least [***] from the date of final payment for the Services, or longer if required by law. At the request of Aventis, upon at least [***] prior written notice, but no more often than [***] per calendar year, and at its sole expense, ImmunoGen shall permit an independent certified public accountant selected by Aventis and reasonably acceptable to ImmunoGen to inspect (during regular business hours) the relevant records required to be maintained by ImmunoGen under this Section 8.4.7. To the extent requested by ImmunoGen, the accountant shall enter into a confidentiality agreement with both Parties reasonably acceptable to each. The results of any such audit shall be made available to both Parties. Aventis agrees to treat the results of any such accountant's review of ImmunoGen's records under this Section 8.4.7 as Confidential Information of ImmunoGen subject to the terms of Section 5."

(f) A new Exhibit C shall be added to the Agreement which shall be in the form of Exhibit C attached hereto.

2. **Miscellaneous.** The Parties hereby confirm and agree that, except as amended hereby, the Agreement remains in full force and effect and is a binding obligation of the Parties hereto. This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties have caused this Amendment to be duly executed, effective as of the Amendment Effective Date, by their respective duly authorized officers.

SANOFI-AVENTIS U.S., LLC

By: _____
Name: _____
Title: _____
Date: _____

IMMUNOGEN, INC.

By: _____
Name: _____
Title: _____
Date: _____

SANOFI-AVENTIS U.S., LLC

By: _____
Name: _____
Title: _____
Date: _____

Exhibit C

PROJECT PLAN

SAR3419 Phase IIb/Phase III Conjugation Process Development

Project Stages & Key Deliverables

stage	Description	duration	deliverables	Scheduled completion
I	[***]	[***]	[***]	[***]
II	[***]	[***]	[***]	[***]
III	[***]	[***]	[***]	[***]
IV	[***]	[***]	[***]	[***]

Project Timeline: Schedule

	Month #														
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]
[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]	[***]

[***]

Team Communication

The joint development team expects to have biweekly teleconferences and bimonthly face to face meetings or others as deemed necessary. A meeting agenda will be agreed to and provided prior to each meeting. Meeting slides and data will be provided prior to each meeting as needed. Meeting action items and follow up will be provided following each meeting as needed. The team will utilize a joint shared repository site to store project documents.

Requirements & Scale

Demonstration Scale: [***] or as determined appropriate by process requirements and equipment limitations.

For both process and product requirements, it is assumed that the characteristics and quality of the huB4 antibody will be equivalent to the antibody currently in use for the phase I process. Any changes to the antibody manufacturing process that could compromise meeting the targeted Phase IIb specifications will not be implemented during the term of this study without mutual consent.

Process Requirements: The process used to generate the final [***] batches should meet the following requirements:

1) [***]
2) [***]
3) [***]

Product Requirements: The conjugate drug substance should be [***] to the [***] with the exception of:
[***]

[***]

STAGE I: [***]

Purpose: To demonstrate feasibility of [***]

Activities: [***]

Deliverables:

S-A: [***]
Analytical testing beyond IMGN responsibility as described in Table 1

IMGN: Identified process steps
[***]
Weekly to biweekly update reports
Summary chart on [***]
Preliminary development report (delivered at end of [***])

Duration: [***]. This assumes that the analytical results from sanofi-aventis are available in a timely manner. Unless otherwise agreed in the biweekly meetings, timely execution will be defined as [***] for receipt of the data by ImmunoGen.

IMGN FTE: Average of [***] FTE's in Process and [***] FTE's in Analytical (may not be evenly distributed over duration of this phase of project)

Go / No Go decision on further optimization of this process will be taken based on comparability data of [***] batches with [***]. In case material is not comparable, parties will meet to decide how development program could be modified to meet the objective.

STAGE II: [***]

Purpose: To define [***]requirements for the pivotal/commercial manufacturing facility. This includes the [***].
Activities: [***]

Deliverables:

S-A: [***]
Preliminary formulation, minimally base buffer (by [***])
Analytical testing beyond IMGN responsibility as described in Table 1

IMGN: Laboratory samples (mgs to grams)
Weekly update reports
[***]

Duration: [***]. This assumes that the analytical results from sanofi-aventis are available in a timely manner. Unless otherwise agreed in the team meetings. timely execution will be defined as [***] for receipt of the data by ImmunoGen.

IMGN FTE: Average of [***] FTE's in Process and [***] FTE's in Analytical (may not be evenly distributed over duration of this phase of project)

STAGE III: [***]

Purpose: To [***]. A protocol for the [***] will be formally approved to insure that the requirements for a [***] have been met. During the time required for this evaluation and protocol approval, the "clock will stop" on the [***] time frame for delivery of the success milestone. The milestone timing will resume once the [***] is initiated.

Activities: [***]

Deliverables:

S-A: [***]
All materials generally representative of [***]
Analytical testing beyond IMGN responsibility as described in Table 1

IMGN: [***]

Duration: [***]. This assumes that the analytical results from sanofi-aventis are available in a timely manner. Unless otherwise agreed, timely execution will be defined as [***] from receipt of samples for testing to receipt of the analytical data by ImmunoGen.

IMGN FTE: Average of [***] FTEs in Process and [***] FTEs in Analytical (may not be evenly distributed over duration of this phase of project)

Go / No Go decision on the continuation of the development program will be taken based on comparability data of [***] with [***], as set forth in Table 2. In case material is not comparable, parties will meet to decide how development program could be modified to meet the objective.

Success Milestone: A [***] **of at least** [***] **which meets the targets and specifications described in the "Requirements and Scale" section above, unless process development data justifies an exception, will be the basis for a milestone payment of** [***] **if this is accomplished within** [***] **of the initiation of Stage 1 work with the projected number of FTEs. ImmunoGen will provide formal notification of initiation of Stage 1 work within** [***] **of execution of the Amendment. If the** [***] **is delayed due to factors controlled by sanofi-aventis, such as not receiving the needed materials or analytical data from sanofi-aventis, this date may be modified by mutual agreement.**

STAGE IV: [***]

Purpose: [***].

Activities:
IMGN: [***]

S-A: [***]

Deliverables: [***].

Duration: Assuming [***], transfer of [***]should be complete [***] from start of transfer

IMGN FTE: Depending on scope, average of [***] FTE's in Process and [***] FTE's in Analytical (may not be evenly distributed over duration of this phase of project).

Total FTE Requirement at ImmunoGen

Stages I – IV (up to and including [***]) are estimated to take [***].

Average of [***] FTE in Process Science and Engineering (includes [***] and [***])
Average of [***] FTE in Analytical and Pharmaceutical Sciences (analytical resources only)

Estimated Materials Requirements (Stages I – IV)

	Ab (gm)	DM4 (gm)	SPDB (gm)
Month [***]	[***]	[***]	[***]
Month [***]	[***]	[***]	[***]
Month [***]	[***]	[***]	[***]
Month [***]	[***]	[***]	[***]
Month [***]	[***]	[***]	[***]

It is understood that sanofi-aventis intends to provide these materials. If necessary, ImmunoGen would be able to provide DM4 at a cost of $[***] per [***], but would not be obligated to provide any amount in excess of [***].

Travel Expenses

Expenses for [***] personnel to travel to [***] for [***] will be paid by [***]and will require prior approval of projected travel expenses from [***].

Table 1 SAR3419 Commercial Process Development – Proposed Responsibility for Analytical Testing

	IMGN	sanofi-aventis(1)
In Process/Process Characterization	[***]	Quantitative SDS-PAGE
	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
Conjugate "Release"(2)	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
Product Characterization	[***]	[***]
	[***]	[***]
	[***]	[***]
	[***]	[***]
Other	[***]	[***]

(1) If quantitative spec is required, sanofi-aventis will need to [***] samples with short turnaround to ensure that development efforts will enable target to be met. Choice of relevant samples to be analyzed and assays to be performed will be mutually agreed. Timely execution will be defined as [***] from receipt of samples for testing to receipt of the analytical data by ImmunoGen unless otherwise mutually agreed upon

(2) At [***], these [***] will be performed in the Process Sciences group. We will use assays used in [***]. Assays may differ from those used in [***].

(3) Includes [***], as well as analytical investigation of any [***] uncovered during use testing at [***].

Portions of this Exhibit were omitted, as indicated by [***], and have been filed separately with the Secretary of the Commission pursuant to the Company's application requesting confidential treatment under Rule 24b-2 of the Securities Exchange Act of 1934, as amended.

Table 2 SAR3419 Phase I acceptance criteria (as [***])

Test	Acceptance criteria
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]
[***]	[***]

EXHIBIT 31.1

CERTIFICATIONS

I, Mitchel Sayare, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ImmunoGen, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2008

/s/ Mitchel Sayare

Mitchel Sayare
Chairman of the Board of Directors,
Chief Executive Officer and President
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Daniel M. Junius, certify that:

1. I have reviewed this quarterly report on Form 10-Q of ImmunoGen, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 7, 2008

/s/ Daniel M. Junius

Daniel M. Junius
Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)

EXHIBIT 32

Certification

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

(Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of ImmunoGen, Inc., a Massachusetts corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report for the period ended December 31, 2007 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: February 7, 2008

/s/ MITCHEL SAYARE

Mitchel Sayare
Chairman of the Board of Directors,
Chief Executive Officer and President
(Principal Executive Officer)

Dated: February 7, 2008

/s/ DANIEL M. JUNIUS

Daniel M. Junius
Executive Vice President and Chief Financial Officer
(Principal Financial and Chief Accounting Officer)