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, 1998
OR

[ ] 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.
(Exact name of registrant as specified in its charter)

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

333 Providence Highway
Norwood, MA 02062
(Address of principal executive offices, including zip code)

(781) 769-4242
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report.)

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.

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.

At February 10, 1999 there were 25,495,219 shares of common stock, par value $.01 per share, of the registrant outstanding.

Exhibit Index at Page: 17

IMMUNOGEN, INC.
TABLE OF CONTENTS

IMMUNOGEN, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 1998 AND JUNE 30, 1998
(Unaudited)

	DECEMBER 31, 1998	JUNE 30, 1998
ASSETS		
Cash and cash equivalents	$ 2,040,590	$ 1,741,825
Due from related party	874,056	915,473
Current portion of note receivable	1,022,935	960,000
Prepaids and other current assets	31,098	51,360
Total current assets	3,968,679	3,668,658
Property and equipment, net of accumulated depreciation	1,565,539	1,891,696
Note receivable	--	272,638
Other assets	43,700	43,700
TOTAL ASSETS	$ 5,577,918	$ 5,876,692
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	$ 732,850	$ 699,418
Accrued compensation	108,549	225,126
Other current accrued liabilities	399,385	553,246
Current portion of deferred lease	52,756	52,756
Total current liabilities	1,293,540	1,530,546
Deferred lease	8,800	35,176
Stockholders' equity:		
Preferred stock; $.01 par value; authorized 5,000,000 shares as of December 31, 1998 and June 30, 1998: Convertible preferred stock, Series E, $.01 par value; issued and outstanding 2,400 and 1,200 shares as of December 31, 1998 and June 30, 1998, respectively (liquidation preference-stated value)	24	12
Common stock, $.01 par value; authorized 50,000,000 shares as of as of December 31, 1998 and June 30, 1998; issued and outstanding 25,494,552 and 25,419,552 shares as of December 31, 1998 and June 30, 1998, respectively	254,945	254,195
Additional paid-in capital	156,842,558	152,782,585
Accumulated deficit	(152,821,949)	(148,725,822)
Total stockholders' equity	4,275,578	4,310,970
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 5,577,918	$ 5,876,692

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

IMMUNOGEN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE MONTHS AND SIX MONTHS ENDED DECEMBER 31, 1998 AND 1997
(Unaudited)

	THREE MONTHS ENDED DECEMBER 31,		SIX MONTHS ENDED DECEMBER 31,	
	1998	1997	1998	1997
REVENUES:				
Development fees	$ 157,623	$ 40,000	$ 262,295	$ 117,000
Interest	72,787	54,591	143,913	100,463
Licensing	300	942	828	1,539
Total revenues	230,710	95,533	407,036	219,002
EXPENSES:				
Research and development	1,420,868	1,350,530	2,846,082	2,903,073
General and administrative	472,713	580,174	817,130	960,050
Other	986	1,414	2,428	2,969
Total expenses	1,894,567	1,932,118	3,665,640	3,866,092
LOSS FROM OPERATIONS	(1,663,857)	(1,836,585)	(3,258,604)	(3,647,090)
Gain on sale of assets	1,000	2,900	4,200	2,900
Other income	333	--	25,280	--
NET LOSS BEFORE MINORITY INTEREST	(1,662,524)	(1,833,685)	(3,229,124)	(3,644,190)
Minority interest in net loss of consolidated subsidiary	(25,290)	(37,282)	(50,580)	(64,887)
NET LOSS	(1,637,234)	(1,796,403)	(3,178,544)	(3,579,303)
Non-cash dividends on convertible preferred stock	--	400,327	917,583	411,880
NET LOSS TO COMMON STOCKHOLDERS	$ (1,637,234)	$ (2,196,730)	$ (4,096,127)	$ (3,991,183)
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.06)	$ (0.09)	$ (0.16)	$ (0.17)
SHARES USED IN COMPUTING BASIC AND DILUTED LOSS PER SHARE AMOUNTS	25,494,552	24,031,944	25,488,845	23,282,851

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

IMMUNOGEN, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE SIX MONTHS ENDED DECEMBER 31, 1998 AND THE YEAR ENDED JUNE 30, 1998
(Unaudited)

	COMMON STOCK		
	SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL
BALANCE AT JUNE 30, 1997	21,779,767	$ 217,797	$ 139,260,550
Stock options exercised	114,302	1,143	101,728
Issuance of Common Stock in exchange for shares of subsidiary	475,425	4,754	867,176
Conversion of Series A Convertible Preferred Stock into Common Stock	1,347,491	13,475	2,209,764
Conversion of Series C Convertible Preferred Stock into Common Stock	701,180	7,012	1,126,815
Conversion of Series D Convertible Preferred Stock into Common Stock	1,001,387	10,014	1,303,287
Issuance of Series E Convertible Preferred Stock, net of financing costs	--	--	--
Value of Common Stock purchase warrants issued	--	--	580,056
Value ascribed to ImmunoGen warrants issued to BioChem, net of financing costs	--	--	4,870,088
Non-cash dividends on convertible preferred stock	--	--	--
Net loss for the year ended June 30, 1998	--	--	--
BALANCE AT JUNE 30, 1998	25,419,552	$ 254,195	$ 150,319,464
Issuance of Series E Convertible Preferred Stock, net of financing costs	--	--	--
Issuance of Common Stock in exchange for Series E Preferred Stock placement services	75,000	750	107,062
Value of Common Stock purchase warrants issued	--	--	917,583
Compensation for stock option vesting acceleration	--	--	13,275
Value ascribed to ImmunoGen warrants issued to BioChem, net of financing costs	--	--	1,634,672
Non-cash dividends on convertible preferred stock	--	--	--
Net loss for the six months ended December 31, 1998	--	--	--
BALANCE AT DECEMBER 31, 1998	25,494,552	$ 254,945	$ 152,992,056

	PREFERRED STOCK		
	SHARES	AMOUNT	ADDITIONAL PAID-IN CAPITAL
BALANCE AT JUNE 30, 1997	2,800	$ 28	$ 5,492,988
Stock options exercised	--	--	--
Issuance of Common Stock in exchange for shares of subsidiary	--	--	--
Conversion of Series A Convertible Preferred Stock into Common Stock	(1,100)	(11)	(2,089,817)
Conversion of Series C Convertible Preferred Stock into Common Stock	(700)	(7)	(1,101,334)
Conversion of Series D Convertible Preferred Stock into Common Stock	(1,000)	(10)	(1,287,092)
Issuance of Series E Convertible Preferred Stock, net of financing costs	1,200	12	1,448,376
Value of Common Stock purchase warrants issued	--	--	--
Value ascribed to ImmunoGen warrants issued to BioChem, net of financing costs	--	--	--
Non-cash dividends on convertible preferred stock	--	--	--
Net loss for the year ended June 30, 1998	--	--	--
BALANCE AT JUNE 30, 1998	1,200	$ 12	$ 2,463,121
Issuance of Series E Convertible Preferred Stock, net of financing costs	1,200	12	1,495,193
Issuance of Common Stock in exchange for Series E Preferred Stock placement services	--	--	(107,812)
Value of Common Stock purchase			

warrants issued	--	--	--
Compensation for stock option vesting acceleration	--	--	--
Value ascribed to ImmunoGen warrants issued to BioChem, net of financing costs	--	--	--
Non-cash dividends on convertible preferred stock	--	--	--
Net loss for the six months ended December 31, 1998	--	--	--
BALANCE AT DECEMBER 31, 1998	2,400	$ 24	$ 3,850,502

	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY
BALANCE AT JUNE 30, 1997	($140,509,406)	$ 4,461,957
Stock options exercised	--	102,871
Issuance of Common Stock in exchange for shares of subsidiary	--	871,930
Conversion of Series A Convertible Preferred Stock into Common Stock	--	133,411
Conversion of Series C Convertible Preferred Stock into Common Stock	--	32,486
Conversion of Series D Convertible Preferred Stock into Common Stock	--	26,199
Issuance of Series E Convertible Preferred Stock, net of financing costs	--	1,448,388
Value of Common Stock purchase warrants issued	--	580,056
Value ascribed to ImmunoGen warrants issued to BioChem, net of financing costs	--	4,870,088
Non-cash dividends on convertible preferred stock	(605,479)	(605,479)
Net loss for the year ended June 30, 1998	(7,610,937)	(7,610,937)
BALANCE AT JUNE 30, 1998	($148,725,822)	$ 4,310,970
Issuance of Series E Convertible Preferred Stock, net of financing costs	--	1,495,205
Issuance of Common Stock in exchange for Series E Preferred Stock placement services	--	--
Value of Common Stock purchase warrants issued	--	917,583
Compensation for stock option vesting acceleration	--	13,275
Value ascribed to ImmunoGen warrants issued to BioChem, net of financing costs	--	1,634,672
Non-cash dividends on convertible preferred stock	(917,583)	(917,583)
Net loss for the six months ended December 31, 1998	(3,178,544)	(3,178,544)
BALANCE AT DECEMBER 31, 1998	($152,821,949)	$ 4,275,578

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

IMMUNOGEN, INC
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED DECEMBER 31, 1998 AND 1997
(Unaudited)

	SIX MONTHS ENDED DECEMBER 31,	
	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$(4,096,127)	$(3,991,183)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	334,657	627,447
Gain on sale of property and equipment	(4,200)	(2,900)
Accretion of interest on note receivable	(50,297)	(51,950)
Compensation for stock option vesting acceleration	13,275	--
Non-cash dividend on convertible preferred stock	917,583	411,880
Minority interest in net loss of consolidated subsidiary	(50,580)	(64,887)
Amortization of deferred lease	(26,376)	(34,290)
Changes in operating assets and liabilities:		
Due from related party	41,417	--
Prepaids and other current assets	20,262	476,055
Accounts payable	33,432	183,467
Accrued compensation	(116,577)	(74,888)
Other accrued liabilities	(153,861)	(88,334)
Net cash used for operating activities	(3,137,392)	(2,609,583)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(8,500)	--
Payment received on note receivable	260,000	--
Proceeds from sale of property and equipment	4,200	2,900
Net cash provided by investing activities	255,700	2,900
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from convertible preferred stock, net	1,495,205	986,908
Proceeds from issuance of subsidiary convertible preferred stock, net	1,685,252	2,540,626
Principal payments on capital lease obligations	--	(37,068)
Net cash provided by financing activities	3,180,457	3,490,466
NET CHANGE IN CASH AND CASH EQUIVALENTS	298,765	883,783
CASH AND CASH EQUIVALENTS, BEGINNING BALANCE	1,741,825	1,669,050
CASH AND CASH EQUIVALENTS, ENDING BALANCE	$ 2,040,590	$ 2,552,833
SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING ACTIVITIES:		
Conversion of Series A Preferred Stock to Common Stock	$ --	$ 1,709,859
Conversion of Series C Preferred Stock to Common Stock	$ --	$ 1,101,341
Conversion of Series D Preferred Stock to Common Stock	$ --	$ 1,287,102
Due from related party for quarterly investment payment	$ 843,000	$ 843,000
Minority interest	$ 50,580	$ 106,140

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

IMMUNOGEN, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

ImmunoGen, Inc. ("ImmunoGen" or the "Company") was incorporated in Massachusetts in 1981 to develop, produce and market commercial anti-cancer and other pharmaceuticals based on molecular immunology. The Company continues the research and development of its various products and technologies, and expects no revenues to be derived from pharmaceutical product sales in the foreseeable future.

In February, 1999, subsequent to the balance sheet date, the Company entered into an exclusive license agreement with SmithKline Beecham Plc, London/SmithKline Beecham, Philadelphia ("SmithKline") to develop and commercialize ImmunoGen's lead tumor activated prodrug ("TAP"), huC242-DM1. Under the terms of the agreement, in addition to royalty payments on future product sales, if any, the Company could receive up to $41.5 million in up-front cash and milestone payments, subject to the achievement by the Company of certain milestones. Additionally, at ImmunoGen's option, SmithKline will purchase up to $5.0 million of ImmunoGen Common Stock over the next two years, subject to certain conditions (see note B).

The Company has been unprofitable since inception and expects to incur net losses over the next several years. As of December 31, 1998, the Company's cash resources were approximately $2.0 million. In January 1999, the Company received an additional $1.2 million as follows: $350,000 was received as payment on the note receivable from the assignee of one of the Company's facilities and $865,000 was received by the Company's majority-owned subsidiary, Apoptosis Technology, Inc. ("ATI"), from its collaborator, BioChem Pharma Inc., a Canadian biopharmaceutical company ("BioChem"), with respect to BioChem's quarterly investment of $843,000 plus certain reimbursable expenses. The Company anticipates that its existing capital resources, which includes the $1.2 million received subsequent to December 31, 1998, and a $1.0 million cash payment expected to be received under the SmithKline agreement in the quarter ended March 31, 1999, will enable the Company to maintain its current and planned operations through the end of fiscal year 1999. If the Company is unable to meet some or all of the specific terms and conditions as set forth within the SmithKline agreement, it may be required to seek alternative financing arrangements, or be required to further curtail or discontinue its operations. The financial statements do not include any adjustments that may result from the discontinuance of operations.

The Company is subject to risks common to companies in the biotechnology industry including, but not limited to, the development by the Company or its competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, manufacturing and marketing limitations, collaboration arrangements, third-party reimbursements, the need to obtain additional funding, and compliance with governmental regulations.

BASIS OF PRESENTATION

The accompanying condensed consolidated financial statements at December 31, 1998 and June 30, 1998 and for the three months and six months ended December 31, 1998 and 1997 include the accounts of the Company and its subsidiaries, ImmunoGen Securities Corp. and ATI. Although the condensed consolidated financial statements are unaudited, they 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 generally accepted accounting principles 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 Company has been unprofitable since inception and expects to incur a net loss for the fiscal year ended June 30, 1999. 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, 1998.

COMPUTATION OF LOSS PER COMMON SHARE

Basic and diluted earnings per share is calculated based upon the weighted average number of common shares outstanding during the period. Diluted earnings per share incorporates the dilutive effect of stock options, warrants and other convertible securities. As of December 31, 1998 and 1997, the total number of stock options, warrants and other securities convertible into Common Stock equaled 12,435,690 and 9,252,534, respectively. Common stock equivalents, as calculated in accordance with the treasury-stock accounting method, totaled 2,798,286 and 1,400,360 as of December 31, 1998 and 1997, respectively. Common stock equivalents have not been included in the per share calculation because their effect is antidilutive.

B. SUBSEQUENT EVENT

In February 1999, the Company entered into an exclusive license agreement with SmithKline to jointly develop and commercialize the Company's lead anti-cancer tumor-activated prodrug, huC242-DM1. In addition to royalty payments on future product sales, if any, the SmithKline agreement is anticipated to provide up to $41.5 million in up-front cash and milestone payments.

The agreement also provides for an equity investment in the Company by SmithKline of up to an additional $5.0 million, at the Company's option, subject to the achievement by the Company of certain milestones. The Company will be responsible for the product's initial assessment in humans, which is expected to begin in the second half of calendar year 1999.

C. MINORITY INTEREST

In July 1997, ATI entered into a collaboration agreement with BioChem (the "BioChem Agreement"). The BioChem Agreement grants BioChem an exclusive worldwide license to ATI's proprietary screens based on two families of proteins involved in apoptosis, for use in identifying leads for anti-cancer drug development.

Under the BioChem Agreement, BioChem will invest a total of $11,125,000 in non-voting, non-dividend-bearing convertible preferred stock of ATI in a series of private placements over an initial three-year research term. Proceeds are to be used exclusively to support the research and development activities of the collaboration. The BioChem Agreement also establishes certain restrictions on the transferability of assets between ATI and the Company. As of December 31, 1998, BioChem had invested $6,910,000, of which $6,067,000 had been received and $843,000 remained outstanding and included within the asset entitled "due from related party" on the condensed consolidated balance sheet. As previously noted, the outstanding $843,000 payment was received in January 1999. The remaining $4,215,000 balance of the investment will be paid in equal quarterly installments of $843,000 through July 2000. The preferred stock issued to BioChem is convertible into ATI common stock at any time after three years from the first date of issuance, at a conversion price equal to the then current market price of the ATI common stock, but in any event at a price that will result in BioChem acquiring at least 15% of the then outstanding ATI common stock. Through December 31, 1998, 6,910 shares of ATI preferred stock were issued or issuable to BioChem, representing a 9.3% minority interest (on an if-converted and fully-diluted basis) in the net equity of ATI. This minority interest portion of ATI's loss reduced ImmunoGen's net loss for the quarters ended December 31, 1998 and 1997 by $25,290 and $37,282, respectively. Based upon an independent appraisal, approximately 3% of the $6,910,000 invested to date, or approximately $207,000, has been allocated to the minority interest in ATI, with the remainder, or approximately $6,703,000, allocated to the Company's equity. Under the BioChem agreement, the research term may be extended beyond the initial three-year term, on terms substantially similar to those for the original term. BioChem will also make milestone payments up to $15.0 million for each product over the course of its development. In addition, if and when product sales commence, ATI will receive royalties on any future worldwide sales of products resulting from the collaboration. BioChem's obligation to provide additional financing to ATI each quarter is subject to satisfaction of special conditions, including a condition that ATI maintain sufficient cash and other resources to allow it to continue its planned operations (other than performance of its obligations under the research agreement) for a minimum period of time. Of the Company's total $2.0 million in cash and cash equivalents as of December 31, 1998, $1.6 million represents cash and cash equivalents restricted to fund ATI's research and administrative expenditures.

As part of the BioChem Agreement with ATI, BioChem also receives warrants to purchase shares of ImmunoGen Common Stock equal to the amount invested in ATI during the three-year research term. These warrants will be exercisable for a number of shares of ImmunoGen Common Stock determined by dividing the amount of BioChem's investment in ATI by the market price of ImmunoGen Common Stock on the exercise date, subject to certain limitations imposed by the Nasdaq Stock Market rules which limit the sale or issuance by an issuer of certain securities at a price less than the greater of book or market value. Consequently, BioChem's ability to convert all of its ImmunoGen warrants into ImmunoGen Common Stock is limited to a total of 20% of the number of shares of ImmunoGen's Common Stock outstanding on the date of the initial transaction to the extent that the conversion price would be less than the market price of the Common Stock on that date, unless stockholder approval for such conversion is obtained, if required, or unless the Company has obtained a waiver of that requirement. The exercise price is payable in cash or shares of ATI's preferred stock, at BioChem's option. The warrants are expected to be exercised only in the event that the shares of ATI common stock do not become publicly traded. In such event, ImmunoGen expects that BioChem will use its shares of ATI preferred stock, in lieu of cash, to exercise the warrants.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

OVERVIEW

Since inception, the Company has been principally engaged in the research and development of immunoconjugate products which the Company believes have significant commercial potential as human therapeutics. ATI focuses its efforts on the discovery and development of anti-cancer and anti-viral therapeutics based upon regulation of programmed cell death, or apoptosis. Since July 1, 1997, the Company's primary sources of working capital have been the proceeds from convertible equity financing, federally-sponsored development grants and income earned on invested assets.

In July 1997, ATI began a three-year research and development collaboration with BioChem. This collaboration has provided and will continue to provide significant funding for ATI's operations. The collaboration also provides for significant milestone and royalty payments for any developed products. Such funding for ATI's operations will initially continue through July 2000.

In February 1999, the Company entered into an exclusive license agreement with SmithKline (the "SmithKline Agreement") to jointly develop and commercialize the Company's lead anti-cancer tumor-activated prodrug, huC242-DM1. In preclinical studies, the Company has shown that huC242-DM1 is active against colorectal, pancreatic and non-small cell lung cancers. Under the SmithKline Agreement, the Company could receive up to a total of $41.5 million in up-front and cash-based milestone payments, as well as royalties paid on future product sales, if any. The SmithKline Agreement also provides for an equity investment in the Company by SmithKline of

up to an additional $5.0 million, at the Company's option, subject to the achievement by the Company of certain milestones. The Company will be responsible for conducting the product's initial assessment in humans, which is expected to begin in the second half of calendar year 1999.

To date, the Company has not generated revenues from product sales and expects to incur significant operating losses for the foreseeable future. The Company anticipates that its existing capital resources, which include a $1.0 million cash payment expected to be received under the SmithKline Agreement in the quarter ended March 31, 1999, will enable the Company to maintain its current and planned operations through the end of fiscal year 1999. Moreover, the Company believes that the SmithKline Agreement, while subject to the achievement by the Company of certain milestones, is expected to provide sufficient cash-based milestone payments and equity investments to allow current and planned operations to continue beyond the next fiscal year. However, no assurances can be given that such milestones will in fact be realized. If the Company is unable to meet some or all of the terms and conditions in the SmithKline Agreement, it may be required to pursue alternative financing arrangements, or be required to further curtail or discontinue its operations.

RESULTS OF OPERATIONS

Three months ended December 31, 1998 and 1997

Net loss from operations totaled $1.7 million for the second quarter of fiscal 1999, representing a 9% decrease from the $1.8 million net loss from operations for the second quarter of fiscal 1998. The Company continues to effectively manage its ongoing operational expenditures. However, future costs are expected to significantly increase as the Company completes preclinical work on its huC242-DM1 product candidate and prepares to submit an Investigational New Drug application to the FDA, which could occur as early as the second quarter of calendar year 1999.

Total revenues for the second quarter of fiscal 1999 were $231,000, an increase of $135,000, or 141%, from the same quarter ended in fiscal 1998. In both periods, total revenue was derived almost entirely from two sources: development fees received, on a cost reimbursement basis, under the federally-sponsored Small Business Innovation Research Program ("SBIR") program; and interest income. Specifically, for the three months ended December 31, 1998, total revenues consisted of $158,000 in SBIR revenue and $73,000 in interest income. The Company's revenue for the three months ended December 31, 1997 was comprised of $40,000 in SBIR grant revenue and $55,000 in interest income. The increase in SBIR revenue resulted from additional reimbursable TAP development expenditures incurred through the three-month period ended December 31, 1998, as compared to the three-month period ended December 31, 1997. Interest income in both periods includes interest earned on cash balances available for investment, and to a lesser extent, interest earned on a note receivable from an assignee of one of the Company's facilities. The increase in total interest income from the second quarter of fiscal 1998 to the same period in fiscal 1999 is directly attributable to increases in the average daily invested cash balances.

Research and development expenses increased 5%, to $1.42 million, for the three months ended December 31, 1998 from $1.35 million for the three months ended December 31, 1997. The increase is due primarily to the additional costs associated with the further development of huC242-DM1, offset by a decrease in depreciation expense for the three-month period ended December 31, 1998.

General and administration expenses decreased 19%, to $473,000, for the three months ended December 31, 1998, from $580,000 for the three months ended December 31, 1997. The decrease was due primarily to reduced depreciation expense and decreases in legal and financing activities incurred in the second quarter of fiscal 1999. General and administration costs are not expected to substantially increase through the remainder of fiscal 1999.

ATI operating losses of $25,000 and $37,000 for the quarters ended December 31, 1998 and 1997, respectively, were allocated to ATI's minority stockholder within the Company's condensed consolidated financial statements.

In connection with the December 1997 sale of 800 shares of Series E Convertible Preferred Stock ("Series E Stock"), 941,176 warrants to purchase Common Stock were issued to an institutional investor. The value of the warrants, approximately $390,000, was determined at the time of their issuance and accounted for as a non-cash dividend on convertible preferred stock. Other non-cash dividends accrued in the three-month period ended December 31, 1997, totaling $10,000, represented dividends earned on the then outstanding dividend bearing convertible preferred stock.

Six months ended December 31, 1998 and 1997

Net loss from operations totaled $3.3 million for the first six months of fiscal 1999, representing a 11% decrease from the $3.6 million net loss from operations for the first six months of fiscal 1998. Total revenues for the six month period ended December 31, 1998 were $407,000, an increase of $188,000, or 86%, from the same six-month period ended December 31, 1997. In both periods, total revenue was primarily derived from development fees received under the SBIR program. Specifically, for the six months ended December 31, 1998, total revenues consisted of $262,000 in SBIR revenue and $144,000 in interest income. The Company's revenue for the six months ended December 31, 1997 was comprised of $117,000 in SBIR grant revenue and $100,000 in interest income. The increase in SBIR revenue resulted from additional reimbursable TAP development expenditures incurred through the six-month period ended December 31, 1998 as compared to the six months ended December 31, 1997. Interest income in both periods includes interest earned on cash balances available for investment and, to a lesser extent, interest earned on a note receivable from an assignee of one of the Company's facilities. The increase in total interest income from the first half of fiscal 1998 to the same period in fiscal 1999 is directly attributable to increases in the average daily invested cash balances.

Research and development expenses remained consistent at approximately $2.9 million. Although reduced depreciation expense and staffing levels provided for a reduction in total research and development spending over the six-month period ended December 31, 1998, the total savings was offset by increased costs associated with the further development of huC242-DM1.

General and administration expenses decreased 15% to $817,000 for the six months ended December 31, 1998 from $960,000 for the six months ended December 31, 1997. The decrease is primarily related to reduced depreciation expense and reduced legal and financing related expenditures.

Non-operating income of $30,000 for the six months ended December 31, 1998 was primarily comprised of prior period, retroactive insurance rate adjustments and, to a lesser extent, gains on the sales of idle assets. For the six-month period ended December 31, 1997, no such rate settlements occurred; however, the Company did realize an immaterial gain on the sale of assets.

ATI operating losses of $51,000 and $65,000 for the six months ended December 31, 1998 and 1997, respectively, were allocated to ATI's minority stockholder within the Company's condensed consolidated financial statements.

In connection with the December 1997 sale of 800 shares of Series E Stock, 941,176 warrants to purchase Common Stock were issued to an institutional investor. The value of the warrants, approximately $390,000, was determined at the time of their issuance and accounted for as a non-cash dividend on convertible preferred stock. Other non-cash dividends accrued in the six-month period ended December 31, 1997, totaling $22,000, represented dividends earned on the then outstanding convertible preferred stock.

In July 1998, 1,200 shares of Series E Stock were sold to an institutional investor for an aggregate of $1.5 million. In connection with the sale of preferred stock, warrants for approximately 1.4 million shares of ImmunoGen Common Stock were also issued. The value of these warrants, $918,000 was recorded as non-cash dividends on convertible preferred stock.

LIQUIDITY AND CAPITAL RESOURCES

Since July 1, 1997, the Company has financed its cumulative operating deficit of approximately $9.1 million, exclusive of non-cash charges, from various sources, including issuances of convertible equity securities, SBIR grant support, amounts received from the assignment of facilities and equipment, income earned on invested assets and, to a lesser extent, proceeds from exercised stock options.

Subsequent to December 31, 1998, the Company received an additional $1.2 million, as follows: $350,000 was received as payment on the note receivable from the assignee of one of the Company's facilities, and $865,000 was received by ATI from BioChem with respect to BioChem's

quarterly investment of $843,000 plus certain reimbursable expenses.

Substantially all cash expended for operations for the six months ended December 31, 1998 was used in supporting the Company's various research and development activities. In addition to funding the net loss of $2.9 million for the six months ended December 31, 1998, exclusive of the non-cash dividends, depreciation and amortization charges, operating cash of approximately $269,000 was used for payment of accrued compensation and other accrued liabilities.

No material amounts were expended on capital purchases for the six-month period ended December 31, 1998. The Company does not anticipate significant expenditures on property and equipment through the remainder of fiscal 1999.

In July 1998, the Company sold 1,200 shares of Series E Stock for an aggregate of $1.5 million. Proceeds were used to fund working capital. The sale represented the final installment under a December 1997 agreement, as amended, to sell $3.0 million in Series E Stock to an institutional investor. Under the terms of the agreement, in addition to the 1,200 shares of Series E Stock, the institutional investor also received warrants to purchase 1,411,764 shares of Common Stock. These warrants expire in 2005 and are exercisable after a two-year holding period, subject to certain provisions, at $2.125 per share. Also in connection with the final phase of the Series E Stock sale, 75,000 shares of Common Stock were issued to a third party as a finder's fee.

From July 1, 1998 to December 31, 1998, an aggregate of $1.7 million was received from BioChem with respect to the June 30, 1998 and the September 30, 1998 quarterly investments. As previously described, in January 1999, another $843,000 payment was received as payment of the December 1998 quarterly investment.

The Company anticipates that its existing capital resources, which includes the $1.2 million received subsequent to December 31, 1998, and a $1.0 million cash payment expected to be received under the SmithKline Agreement in the quarter ended March 31, 1999, will enable the Company to maintain its current and planned operations through the end of fiscal year 1999. Moreover, the Company believes that the SmithKline Agreement, while subject to the achievement of certain milestones, will provide sufficient milestone and equity payments to allow current and planned operations to continue beyond the next fiscal year. However, no assurances can be given that such milestones will in fact be realized. If the Company is unable to achieve some or all of the milestones in connection with the SmithKline Agreement, it could be required to seek alternative financing arrangements or further scale back or discontinue its planned operations.

YEAR 2000 ISSUES

Many computer systems were not designed to handle any dates beyond the year 1999; therefore, computer hardware and software will need to be modified prior to the year 2000 in order to remain functional; this is the so-called "Year 2000" problem. Because the Company utlilzes commercially produced software, for which Year 2000 compliant upgrades are available and will

be integrated, the Company does not believe that it has material exposure with respect to its own Year 2000 issues. Although considered unlikely, the failure by the Company to convert its systems on a timely basis, or a conversion by the Company that is incompatible with other information systems, could have a material effect on its business, financial condition and results of operations. The Company has sent questionnaires to its currently engaged third-party suppliers, vendors, administrators and custodians, inquiring of their progress in identifying and addressing Year 2000 problems. Based upon information contained in responses received to date, the Company believes that Year 2000 issues have been or will be addressed by the Company's vendors by the end of calendar year 1999. Should a vendor not be able to overcome its Year 2000 system issues, the Company believes that appropriate, alternative vendors are readily available. Though not considered likely, the failure of a major supplier or vendor with Year 2000 problems to convert its systems on a timely basis, or a conversion that is incompatible with the Company's information systems, could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company, in conjunction with its information systems consultant, has performed an evaluation of the impact of the Year 2000 issues on the Company's information systems and has initiated the modification and/or replacement of certain accounting and administration software applications such that dates beyond June 30, 1999, the beginning of the Company's fiscal year 2000, will be appropriately recognized. The Company will be upgrading systems with commercially produced, Year 2000-compliant software applications and estimates that expenditures related to the Year 2000 evaluation and remediation will not be material. All remediations are planned to be completed before the end of fiscal year 1999, with all such Year 2000 expenditures recorded in accordance with the Company's capitalization policy or otherwise expensed as incurred.

CERTAIN FACTS THAT MAY AFFECT FUTURE RESULTS OF OPERATIONS

This report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. The Company cautions investors that there can be no assurances that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the following: the Company's history of operating losses and accumulated deficit; the Company's limited financial resources and uncertainty as to the availability of additional capital to fund its development on acceptable terms, if at all; the uncertainties associated with preclinical studies and clinical trials; the early stage of the Company's initial product development and lack of product revenues; the Company's lack of commercial sales, distribution and marketing capabilities; reliance on suppliers of antibodies necessary for production of the products and technologies; the potential development of competitors of competing products and technologies; the Company's dependence on existing and potential collaborative partners, and the lack of assurance that the Company will receive any funding under such relationships to develop and maintain strategic alliances; governmental regulation of the Company's activities, facilities,

products and personnel; the dependence on key personnel; uncertainties as to the extent of reimbursement for the costs of the Company's potential products and related treatment by government and private health insurers and other organizations; the potential adverse impact of government-directed health care reform; the risk of product liability claims; and economic conditions, both generally and those specifically related to the biotechnology industry. As a result, the Company's future development efforts involve a high degree of risk. For further information, refer to the more specific risks and uncertainties discussed throughout the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1998 as filed with the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Not applicable.

PART II.

Item 1. Legal Proceedings.

The Company is not a party to any material legal proceedings.

Item 2. Changes in Securities and Use of Proceeds.

In July 1997, the Company's majority-owned subsidiary, Apoptosis Technology, Inc. ("ATI"), entered into a collaboration with a biopharmaceutical company. As part of the agreement, the collaborator receives warrants to purchase shares of ImmunoGen Common Stock equal to the amount invested in ATI by the collaborator during a three-year research term. These warrants will be exercisable at any time on or after July 31, 2000, until and including July 31, 2002, into a number of shares of ImmunoGen Common Stock determined by dividing the amount invested in ATI by the market price of the ImmunoGen Common Stock on the exercise date, subject to certain limitations. On each of October 6, 1998 and January 13, 1999, investments of $843,000 were made in ATI and warrants corresponding to those amounts were issued in connection with such investments.

Item 3. Defaults Upon Senior Securities.

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders.

Not applicable.

Item 5. Other Information.

Not applicable.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

10.1 Form of Warrant Certificate issued by the Registrant to BioChem Pharma Inc. (previously filed as exhibit 10.5 to, and incorporated herein by reference from, the Registrant's Registration Statement on Form 10-Q, as amended by form 10-Q/A, for the quarter ended September 30, 1997)

10.2 License Agreement dated February 1, 1999 between the Registrant and

SmithKline Beecham Corporation (a confidential treatment request has been filed with the Commission with respect to this document)

10.3 Stock Purchase Agreement dated February 1, 1999 between the Registrant and SmithKline Beecham Plc (a confidential treatment request has been filed with the Commission with respect to this document)

27.1 Financial Data Schedule

(b) Reports on Form 8-K.

Form 8-K dated February 3, 1999 - Item 5: Other Events. The Company announced the signing of a $45 million agreement between the Registrant and SmithKline Beecham Plc, London /SmithKline Beecham, Philadelphia for the development and commercialization of huC242-DM1.

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 16, 1999

BY: /S/ MITCHEL SAYARE

MITCHEL SAYARE
PRESIDENT AND CHIEF EXECUTIVE OFFICER
(PRINCIPAL EXECUTIVE OFFICER)

DATE: FEBRUARY 16, 1999

BY: /S/ KATHLEEN A. CARROLL

KATHLEEN A. CARROLL
VICE PRESIDENT,
FINANCE AND ADMINISTRATION
(PRINCIPAL FINANCIAL OFFICER)

Exhibit 10.2

LICENSE AGREEMENT

between

SMITHKLINE BEECHAM CORPORATION

and

IMMUNOGEN, INC.

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (hereinafter "AGREEMENT"), made as of the 1st day of February, 1999, between ImmunoGen, Inc., a corporation organized and existing under the laws of the Commonwealth of Massachusetts, having a principal place of business at 333 Providence Highway, Norwood, Massachusetts 02062 and SmithKline Beecham Corporation, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, and having its principal office at One Franklin Plaza, Philadelphia, Pennsylvania 19101,

WITNESSETH THAT:

WHEREAS, IMMUNOGEN, as defined below, is the owner of all right, title and interest in, or otherwise controls certain patents, identified in APPENDIX A hereto, and know-how relating to a conjugated antibody known as huC242-DM1 and the components thereof; and

WHEREAS, SB, as defined below, desires to obtain certain licenses in all countries of the world from IMMUNOGEN to develop and commercialize huC242-DM1 in such countries under the aforesaid patents and know-how, and IMMUNOGEN is willing to grant to SB such licenses;

NOW, THEREFORE, in consideration of the covenants and obligations expressed herein, and intending to be legally bound, and otherwise to be bound by proper and reasonable conduct, the parties agree as follows:

1. DEFINITIONS

1.01 "AFFILIATES" shall mean any corporation, firm, partnership or other entity, whether de jure or de facto, which directly or indirectly owns, is owned by or is under common ownership with a party to this AGREEMENT where "owns" or "ownership" means possession of at least fifty percent (50%) of the equity of such corporation, firm, partnership or other entity (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction) having the power to vote on or direct the affairs of the entity and any person, firm, partnership, corporation or other entity actually controlled by, controlling or under common control with a party to this AGREEMENT.

1.02 "BLA" shall mean a Biologics License Application, or New Drug Application, whichever is applicable to PRODUCT, as defined by the regulations promulgated under the United States FD&C Act and PHS Act and any supplements thereunder, as amended from time to time.

1.03 "C242" shall mean any antibody or fragment thereof which binds to the same epitope as the antibody produced by hybridoma cell line C242:II, which cell line has ECACC identification number 90012601.

1.04 "DM1" shall mean that maytansinoid drug whose more specific chemical name is N2'-deacetyl-N2'-(3-mercapto-1-oxopropyl)-maytansine.

1.05 "EFFECTIVE DATE" shall mean the date upon which this AGREEMENT is effective and shall be the date of this AGREEMENT first written above.

1.06 "FDA" shall mean the United States Food and Drug Administration or its successor entity.

1.07 "FIELD" shall mean any human use of PRODUCT.

1.08 "huC242" shall mean a humanized antibody which binds to the same epitope as C242. One such humanized antibody has the cDNA sequence outlined in APPENDIX E.

1.09 "huC242-DM1" shall mean huC242 conjugated to DM1.

1.10 "IMMUNOGEN" shall mean ImmunoGen, Inc., a corporation of the Commonwealth of Massachusetts, having a principal place of business at 333 Providence Highway, Norwood, Massachusetts 02062.

1.11 "IND" shall mean an Investigational New Drug Application as defined in the regulations promulgated by the FDA.

1.12 "IRL AGREEMENT" shall mean the November 17, 1998 letter agreement between Industrial Research Ltd. ("IRL"), having a mailing address of Box 31-310, Lower Hutt, New Zealand and IMMUNOGEN related to the selection by IRL of a strain producing Ansamitocin P-3.

1.13 "JOINT DEVELOPMENT COMMITTEE" shall mean the committee appointed by the parties as set forth in Paragraph 5.02.

1.14 "KNOW-HOW" shall mean all present and future information and know-how which relates to PRODUCT in the FIELD in the TERRITORY which is not in the public domain

which is or becomes owned, in whole or in part, by IMMUNOGEN, or to which IMMUNOGEN otherwise has, now or in the future, the right to grant licenses, and shall include, without limitation, all biological, chemical, pharmacological, toxicological, clinical, assay, control and manufacturing data and materials and any other information relating to PRODUCT in the FIELD and useful for the development and commercialization of PRODUCT in the FIELD.

1.15 "LAUNCH" shall mean the first commercial sale of a PRODUCT in a given country of the TERRITORY by or on behalf of SB after the PRODUCT has been granted regulatory approval by the competent authorities in such country.

1.16 "MAA" shall mean that regulatory application in the European Community which is the equivalent of a BLA.

1.17 "MAY" shall mean any maytansinoid drug, including but not limited to, maytansine and DM1, whether produced by a botanical source, natural fermentation, or chemical synthesis, and any derivative thereof.

1.18 "NET SALES" shall mean the gross receipts representing commercial sales of PRODUCT in the FIELD in the TERRITORY under this AGREEMENT by SB, its AFFILIATES or sublicensees ("the Selling Party") to THIRD PARTIES:

(a) in finished product form (i.e., packaged and labeled for sale to the ultimate consumer); or

(b) in any product form other than finished product form (such as final stage bulk material ready for conversion to final form, or bulk tablets, bulk capsules, bulk ampoules or bulk vials) to distributors who are not AFFILIATES of the Selling Party who subsequently convert such product form into finished product form and sell to THIRD PARTIES, provided that such distributors shall not be considered sublicensees for purposes of this NET SALES definition, and further provided that for purposes of this Paragraph, such sales of PRODUCT in final stage bulk material form shall occur only where such sales are due to local country requirements as such requirements are determined in good faith by SB;

less deductions actually allowed or specifically allocated to PRODUCT by the Selling Party using generally accepted accounting standards for:

(i) transportation charges, including insurance, for transporting PRODUCT, to the extent that they are included in the price or otherwise paid by the purchaser;

(ii) sales and excise taxes and duties paid or allowed by the Selling Party and any other governmental charges imposed upon the actual production, importation, use or sale of such PRODUCT;

(iii) trade, quantity and cash discounts actually allowed or taken on PRODUCT;

(iv) allowances or credits to customers on account of rejection or return of PRODUCT or on account of retroactive price reductions affecting such PRODUCT; and

(v) PRODUCT rebates and PRODUCT charge backs including those granted to managed-care entities. Sales between SB, its AFFILIATES and its or their sublicensees and affiliates of such sublicensees shall be excluded from the computation of NET SALES and no royalties will be payable on such sales except where such AFFILIATES, sublicensees, or affiliates of such sublicensees are end users of the PRODUCT. Notwithstanding the immediately preceding sentence, it is understood that any transactions between SB or any of its AFFILIATES or any of its or their sublicensees on the one hand and any PSB on the other hand will be deemed to be transactions with THIRD PARTIES for the purposes of computing NET SALES, provided that the conditions of such sales to such PSB, including any and all rebates and discounts allocated to transactions with any such PSB, shall be on an arm's length basis and shall be fully deductible for such computation purposes. In the event that any PSB type activity is within SB or within any of its AFFILIATES or its or their sublicensees as only part of its or their total activities rather than in a separate AFFILIATE, a notional Net Sales figure will be calculated in good faith on an arm's length basis to cover such activities.

1.19 "PATENTS" shall mean all patents and patent applications in the FIELD in the TERRITORY which are or become owned, in whole or in part, by IMMUNOGEN, or to which IMMUNOGEN otherwise has, now or in the future, the right to grant licenses, which generically or specifically claim PRODUCT and/or MAY and/or huC242 and/or C242, a process for manufacturing PRODUCT and/or MAY and/or huC242 and/or C242, an intermediate used in such process or a use of PRODUCT and/or MAY and/or huC242 and/or C242. Included within

the definition of PATENTS are all continuations, continuations-in-part, divisions, patents of addition, reissues, renewals or extensions thereof and all SPCs. Also included within the definition of PATENTS are any patents or patent applications which generically or specifically claim any improvements on PRODUCT and/or MAY and/or huC242 and/or C242 or intermediates or manufacturing processes required or useful for production of PRODUCT and/or MAY and/or huC242 and/or C242 which are developed by or on behalf of IMMUNOGEN, or which IMMUNOGEN otherwise has the right to grant licenses, now or in the future, during the term of this AGREEMENT. The current list of patent applications and patents encompassed within PATENTS is set forth in APPENDIX A attached hereto. APPENDIX A shall be updated by IMMUNOGEN on a semi-annual basis during the term of this AGREEMENT, beginning in the first calendar year following the EFFECTIVE DATE.

1.20 "PRODUCT" shall mean any composition of matter for use in the FIELD, the PATENTS and/or KNOW-HOW to which are owned in whole or in part or otherwise controlled by IMMUNOGEN, and to which IMMUNOGEN has the right to grant a license to SB in accordance with Article 2 of this AGREEMENT as of the EFFECTIVE DATE or acquires such right during the term of this AGREEMENT, which is directed against the CanAg Determinant whether such is unconjugated or conjugated to a radioisotope, cytotoxic chemical, biological toxin, chemical antineoplastic or biological antineoplastic, and shall include compositions comprising such composition of matter. An example of a PRODUCT includes, but is not limited to any antibody (whether fully human, fully murine, chimeric, or humanized, or otherwise derivatized) or fragment thereof, or any derivative thereof, which binds to the same epitope as the antibody produced by hybridoma cell line C242:II, which cell line has ECACC identification number 90012601, such as, but not limited to huC242-DM1. By the term 'CanAg Determinant' as used in this provision is meant the CA-242 antigen as such is defined in Column 4, line 30 of U.S. Patent 5,552,293, issued September 3, 1996, as well as in Johansson et al., Tumor Biol., 1991; 12:159-170.

1.21 "P&U AGREEMENT" shall mean the License Agreement between Pharmacia and Upjohn AB, a company organized and existing under the laws of Sweden, having an address of Lindhagensgatan 133 SE-11287 Stockholm, Sweden and IMMUNOGEN, which was effective as of June 1, 1998, and amended by IMMUNOGEN and Pharmacia and Upjohn AB as of

October 23, 1998. It is mutually understood that, as of the EFFECTIVE DATE, the rights granted to IMMUNOGEN by Pharmacia and Upjohn AB are limited to those defined in the P&U AGREEMENT.

1.22 "PSB" shall mean any present or future AFFILIATE of SB or its sublicensees which conducts a Pharmaceutical Service Business for or on behalf of THIRD PARTIES, including, but not limited to, Pharmaceutical Benefits Management Services (hereinafter "PBM"), wholesaler distribution, pharmacy distribution, managed-care services, disease-management services, hospital services, or mail-order prescription pharmacy services. As of the EFFECTIVE DATE, an AFFILIATE of SB which is included within the definition of PBM is Diversified Pharmaceutical Services, a corporation of the state of Minnesota and having a place of business at 3600 West 80th Street, Seventh Floor, Bloomington, Minnesota 55431-1085, U.S.A.

1.23 "SB" shall mean SmithKline Beecham Corporation, a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, and having its principal office at One Franklin Plaza, Philadelphia, Pennsylvania 19101.

1.24 "SPC" shall mean a right based upon a PATENT to exclude others from making, using or selling PRODUCT, such as a Supplementary Protection Certificate.

1.25 "TAKEDA AGREEMENT" shall mean the April 8, 1994 License Agreement between Takeda Chemical Industries, Ltd. and IMMUNOGEN.

1.26 "TERRITORY" shall mean all the countries and territories of the world except for Japan, China, Korea, Taiwan, Hong Kong, Burma, Malaysia, Philippines, Thailand, Vietnam, Singapore, India, Pakistan, Syria, Jordan, Lebanon and Saudi Arabia. In the event that IMMUNOGEN determines that the countries excluded from the TERRITORY are not subject to the TAKEDA AGREEMENT, IMMUNOGEN shall promptly notify SB, and if SB confirms IMMUNOGEN's determination, such countries shall thereafter automatically become part of the TERRITORY.

1.27 "THIRD PARTY(IES)" shall mean any party other than SB and IMMUNOGEN.

1.28 "U.S.A." shall mean the United States of America, including all of its territories and possessions

1.29 "ZENECA JOINDER" shall mean the receipt by IMMUNOGEN from Zeneca Group PLC, a corporation of the country of England, having its registered office at 15 Stanhope Gate, London, W1Y6GN, England (hereinafter "Zeneca") of Zeneca's written consent to the P&U AGREEMENT and to IMMUNOGEN's grant of a sublicense to SB under IMMUNOGEN's rights under the P&U AGREEMENT, or the corresponding consent from an affiliate of Zeneca who has the right to grant such consent.

2. GRANT

2.01 IMMUNOGEN hereby grants to SB an exclusive license, with the right to grant sublicenses, under PATENTS and KNOW-HOW, to the extent of IMMUNOGEN's rights therein, to make, have made, use, sell, offer for sale and import PRODUCT in the FIELD in the TERRITORY, subject to the other terms and conditions of this AGREEMENT. The rights to make, have made, use, sell, offer for sale and import shall include all activities relevant to the FIELD concerning the subject matter of PATENTS and KNOW-HOW which activities would, but for the license herein granted, infringe PATENTS and KNOW-HOW.

3. PAYMENTS AND ROYALTIES

3.01 In consideration for the license under PATENTS and KNOW-HOW granted to SB in this AGREEMENT, SB shall make the following milestone payments to IMMUNOGEN, up to a maximum of forty-one million five hundred thousand U.S. dollars (U.S. $ 41,500,000) in the specified incremental amounts, within thirty (30) days after the first occurrence of each of the following milestones, subject to any credit which may be due SB under Paragraphs 4.02(a) and 4.02(c), and subject to any reduction in the relevant payment amount, or elimination of SB's obligation to make any such payment, as outlined in Paragraphs 3.01(2), (3), (7), (9), and (12):

[*]

provided that:

(1) each such payment shall be made only one time upon the first achievement of the relevant milestone, regardless of how many times such milestones are achieved and regardless of how many times PRODUCT achieves such milestones, and no payment shall be owed for a milestone which is not reached during the term of the AGREEMENT;

(2) the term [*] as used in this Paragraph shall mean the

[*]

(a) Based on the results of the [*] , IMMUNOGEN will decide in good faith if [*] has been achieved and notify SB in writing of such achievement, including all of the data outlined in Paragraph 3.01(2)(i) - (v). SB will review the same data in good faith. If SB concurs, based on such data, that a [*] has been achieved, the milestone outlined in Paragraph 3.01(b) shall be deemed to be achieved on the day of SB's concurrence. SB shall notify IMMUNOGEN, in writing, within thirty (30) days after receipt of IMMUNOGEN's written notification, and all data outlined in Paragraph 3.01(2)(i) - (v), whether or not SB has determined that a [*] has been achieved by June 30, 1999.

(b) Notwithstanding the above, if a [*] is not achieved by June 30, 1999:

(i) no payment shall be owed by SB to IMMUNOGEN under Paragraph 3.01(b),

(ii) no payments shall be owed by SB to IMMUNOGEN under Paragraphs 3.01(c), (d), and (e) for the achievement of the milestones related to [*] respectively,

(iii) SB's payment obligation under Paragraph 3.01(f) shall be reduced by [*] and

(iv) the provisions of Paragraph 5.07 shall be applicable.

(c) In the event that SB does not agree with IMMUNOGEN's assertion that a [*] has been achieved by June 30, 1999, SB shall so notify IMMUNOGEN in writing, and the parties shall promptly submit such issue thereafter to the Chairman, Research & Development of SB and the Chief Executive Officer of

IMMUNOGEN for resolution. In the event that the Chairman, Research & Development of SB and the Chief Executive Officer of IMMUNOGEN are unable to agree on the issue, then the parties shall submit such issue to a mutually acceptable THIRD PARTY who has suitable expertise on the topic in question (hereafter "Unaffiliated Expert"), such Unaffiliated Expert to be chosen by the parties within ten (10) business days after the Chairman, Research & Development of SB and the Chief Executive Officer of IMMUNOGEN are unable to agree on the issue, and request resolution within thirty (30) days after the date of such submission to such Unaffiliated Expert, and SB's obligation to make any payment under Paragraph 3.01(b) shall be stayed during the period of time that the Unaffiliated Expert is making a resolution of the matter. The resolution of such Unaffiliated Expert shall be binding upon both parties. If such Unaffiliated Expert determines that such [*] has been achieved by the required date, the expenses of engaging such Unaffiliated Expert for such determination shall be borne by SB, and SB shall owe IMMUNOGEN the payment under Paragraph 3.01(b), such payment to be made within thirty (30) days after the date of the Unaffiliated Expert's resolution of such matter. If such Unaffiliated Expert determines that such demonstration has not been achieved by the required date:

(i) the expenses of engaging such Unaffiliated Expert for such determination shall be borne by IMMUNOGEN, and

(ii) the provisions of Paragraph 3.01(2)(b) shall be applicable.

(3) the term [*] as used in this Paragraph shall mean [*]

Notwithstanding the above, if [*] is not achieved by November 30, 1999, then either:

(a) the payment outlined under Paragraph 3.01(c) shall be owed by SB to IMMUNOGEN if [*]

or

(b) if Paragraph 3.01(3)(a) is not applicable, the payment owed by SB to IMMUNOGEN under Paragraph 3.01(c) shall be reduced to [*] and SB's payment obligation thereunder shall not vest until the date SB has received [*] (as defined in Paragraph 3.01(3) except that the [*] and the following shall also be applicable:

(i) no payments shall be owed by SB to IMMUNOGEN under Paragraphs 3.01(d) and (e) for the achievement of the milestones related to [*] respectively, and

(ii) the provisions of Paragraph 5.08 shall be applicable.

(4) the term [*] as used in this Paragraph shall mean the date on which the [*]

under this AGREEMENT in accordance with APPENDIX D, which is intended to [*]

(5) the term [*] as used in this Paragraph shall mean [*] such demonstration to be determined by SB using the same standards SB would use in assessing whether or not to [*]

SB shall make its determination of whether or not [*] has been demonstrated no later than ninety (90) days after the [*] agreed by the JOINT DEVELOPMENT COMMITTEE and provisionally outlined as of the EFFECTIVE DATE in APPENDIX B, and SB shall notify IMMUNOGEN of its determination within the same time period;

(6) by the term [*] as used in this Paragraph shall mean the earlier of;

(a) the date [*]

or

(b) the date [*]

(7) by the term [*] with respect to each of the indicated milestones is meant that [*] will be paid for [*] indicated milestones to occur, i.e., up to a total of [*] provided that a milestone payment shall be due for [*]

(8) by the term [*] as used in this Paragraph is meant, with respect [*]

(9) by the term [*] as used in this Paragraph is meant the [*]

Notwithstanding the above, in the event that the [*] has not been achieved at the time that [*] is achieved [*] or IMMUNOGEN has not otherwise [*] SB shall owe IMMUNOGEN only [*] of the amount outlined in Paragraph 3.01(h) for such [*] milestone.

(10) by the term [*] as used in this Paragraph is meant [*]

(11) by the term [*] as used in this Paragraph is meant [*]

(12) by the term [*] is meant that, [*]

3.02 (i) In the event that Paragraph 5.07 is not applicable then, in further consideration for the licenses and sublicenses under PATENTS granted to SB under this AGREEMENT, and subject to Paragraph 4.02, SB shall make the following royalty payments to IMMUNOGEN on a per PRODUCT basis:

(a) [*] of annual NET SALES of such PRODUCT up to and including [*]

(b) [*] of annual NET SALES of such PRODUCT in excess of [*]) up to and including [*] and

(c) [*] of annual NET SALES of such PRODUCT in excess of [*]

provided that, for purposes of this Paragraph, achievement of the NET SALES thresholds recited above shall be determined by adding the total annual NET SALES of such PRODUCT during each calendar year in all countries of the TERRITORY in which there is an issued PATENT which claims the particular PRODUCT at the time such NET SALES of such PRODUCT occur.

(ii) In the event that Paragraph 5.07 is applicable then, in further consideration for the licenses and sublicenses under PATENTS granted to SB under this AGREEMENT, and subject to Paragraph 4.02, SB shall make the following royalty payments to IMMUNOGEN on a per PRODUCT basis:

(a) [*] of annual NET SALES of such PRODUCT up to and including [*] and

(c) [*] of annual NET SALES of such PRODUCT in excess of [*] provided that, for purposes of this Paragraph, achievement of the NET SALES thresholds recited above shall be determined by adding the total annual NET SALES of such PRODUCT during each calendar year in all countries of the TERRITORY in which there is an issued PATENT which claims the particular PRODUCT at the time such NET SALES of such PRODUCT occur.

3.03 As further consideration for the license to KNOW-HOW granted to SB under this AGREEMENT, in those countries of the TERRITORY in which NET SALES of a particular PRODUCT are not subject to the royalty obligation outlined in Paragraph 3.02, royalties payable by SB to IMMUNOGEN shall be calculated separately on each such PRODUCT at [*] the applicable royalty rates set forth in Paragraph 3.02.

3.04 NET SALES of PRODUCT formulated in combination with one or more additional therapeutically active ingredients shall be calculated separately from the royalties outlined in Paragraphs 3.02 and 3.03, and [*] of the royalties outlined in Paragraphs 3.02 and 3.03 [*]

3.05 [*] of the royalties outlined in Paragraphs 3.02 and 3.03 for NET SALES of PRODUCT if SB determines that it wants to promote PRODUCT for other than human prescription pharmaceutical use (e.g., over-the-counter, diagnostic, pharmacy only) [*], in good faith, by the parties.

3.06 SB's royalty obligations under Paragraph 3.02 shall become effective in each country in the TERRITORY at such time as there is a LAUNCH of PRODUCT by SB, its AFFILIATES or its sublicensees in such country and there is an enforceable PATENT granted in such country claiming the PRODUCT sold. SB's royalty obligations under Paragraph 3.03 shall become effective in each country in the TERRITORY either (a) at such time as there is a LAUNCH of PRODUCT by SB, its AFFILIATES or its sublicensees in those countries of the TERRITORY in which the PRODUCT is not subject to the royalty obligation outlined in Paragraph 3.02, or (b) after the expiration in such country of the royalty obligation outlined in Paragraph 3.02 subject to Paragraph 10.01.

3.07 In the event that any person or party initiates any legal or administrative proceeding challenging the validity, scope or enforceability of a PATENT in any country in the FIELD in the TERRITORY, such as by opposing the grant of the PATENT in the European Patent Office, and in the event such challenge were successful, there would be no PATENT claiming the PRODUCT sold in such country, then, at the time there is a THIRD PARTY product on the market in such country, the making, use or sale of which is covered by the challenged PATENT, the royalty obligation in Paragraph 3.03 shall be applicable to NET SALES in such country during the pendency of the proceeding, and the royalty obligation on NET SALES in such country outlined in Paragraph 3.02 shall be [*]:

(a) If the enforceability of at least one claim in the PATENT claiming the PRODUCT sold is upheld by a court or other legal or administrative tribunal from which no appeal is or can be taken, then the amount of royalties owed under Paragraph 3.02 during the period of suspension, less any amount paid under Paragraph 3.03, shall be promptly paid [*], to IMMUNOGEN from [*].

(b) If the claims in the PATENT are held to be invalid or otherwise unenforceable by a court or other legal or administrative tribunal from which no appeal is or can be taken, then (i) the amount of royalties which would have otherwise been owed under Paragraph 3.02 during the period of suspension shall be promptly paid, [*], to SB [*], (ii) no further royalties under Paragraph 3.02 shall be

owed with respect to the sale of such PRODUCT in such country, (iii) the royalty obligation in Paragraph 3.03 shall thereafter be applicable in such country, and (iv) SB shall retain the licenses granted herein.

3.08 In addition to the payments set forth in Paragraphs 3.01 through 3.07, and provided that Paragraph 5.07 is not applicable, SB shall purchase from IMMUNOGEN, at IMMUNOGEN's option, up to five million U.S. dollars (U.S. $5,000,000) worth of IMMUNOGEN common stock pursuant to the terms and conditions of a separate Stock Purchase Agreement to be executed simultaneously herewith.

4. COMPULSORY LICENSES AND THIRD PARTY LICENSES

4.01 In the event that a governmental agency in any country or territory of the TERRITORY grants or compels IMMUNOGEN to grant a license to any THIRD PARTY for PRODUCT, SB shall have the benefit in such country or territory of the terms granted to such THIRD PARTY to the extent that such terms are more favorable than those of this AGREEMENT. SB shall have the same benefit in all countries and territories outside the country in which the compulsory license is granted in which the THIRD PARTY product is sold in competition with SB if the THIRD PARTY compulsory licensee's sales in such other countries and territories are permitted by the compulsory license.

4.02 It is acknowledged that prior to the EFFECTIVE DATE, IMMUNOGEN and SB have each entered into certain THIRD PARTY license agreements in the TERRITORY, or may enter into certain additional THIRD PARTY license agreements in the TERRITORY after the EFFECTIVE DATE, under which payments will be required in order to avoid infringement during the exercise of the license herein granted (collectively "Third Party License Agreements").

(a) Payments Required by the P&U AGREEMENT: [*] Pharmacia and Upjohn AB, a company organized and existing under the laws of Sweden, having an address of Lindhagensgatan 133 SE-11287 Stockholm, Sweden (hereafter "P&U"), [*], all payments which are accrued by IMMUNOGEN under the P&U AGREEMENT after the EFFECTIVE DATE and which are required as a direct result of SB's or IMMUNOGEN's activities in the TERRITORY in the FIELD under this AGREEMENT

(hereafter "P&U Payments") in accordance with the provisions of the P&U AGREEMENT. [*]. It is understood that SB shall have no liability for any payments owed by IMMUNOGEN under the P&U AGREEMENT which are related to the activities of IMMUNOGEN or its licensees outside of the FIELD and/or outside of the TERRITORY.

(b) Payments Required by Third Party License Agreements Other than the P&U AGREEMENT Entered Into by IMMUNOGEN Prior to or During the Term of this AGREEMENT: IMMUNOGEN shall have sole financial responsibility for all royalty and other payments required to be paid by IMMUNOGEN under any Third Party License Agreements entered into by IMMUNOGEN [*] as a result of either party's activities under this AGREEMENT, including, without limitation, the TAKEDA AGREEMENT, or under any agreement between IMMUNOGEN and Zeneca (as defined in Paragraph 1.29) related to the subject matter of the P&U AGREEMENT, or as a result of IMMUNOGEN's or its licensee's activities outside of the TERRITORY or outside of the FIELD, such payments to be made by IMMUNOGEN directly to the relevant THIRD PARTY in accordance with the provisions of the applicable Third Party License Agreement.

(c) Payments Required by Third Party License Agreements Entered Into by SB Prior to or During the Term of this AGREEMENT: [*] all royalty or other payments required to be paid by SB under any such Third Party License Agreements which payments are required as a result of either IMMUNOGEN's or SB's activities under this AGREEMENT, [*] directly to the relevant THIRD PARTY in accordance with the provisions of the applicable Third Party License Agreement. SB agrees that [*]

5. DEVELOPMENT AND SUPPLY OF PRODUCT

5.01 As of the EFFECTIVE DATE, SB shall have full control and authority over the research, development, registration and commercialization of PRODUCT in the FIELD in the TERRITORY, including preclinical work (e.g., pharmaceutical development work on the final formulation) and all clinical studies, and all such activity shall be undertaken at SB's expense, except as otherwise provided in this AGREEMENT, specifically in Article 5. SB will exercise its reasonable efforts and diligence in developing and commercializing PRODUCT in accordance with its business, legal, medical and scientific judgment, and in undertaking investigations and actions required to obtain appropriate governmental approvals to market PRODUCT in the FIELD in the TERRITORY, such reasonable efforts and diligence to be in accordance with the efforts and resources SB would use for a compound owned by it or to which it has rights, which is of similar market potential at a similar stage in its product life, taking into account the competitiveness of the marketplace, the proprietary position of the compound, the regulatory

structure involved, the profitability of the applicable products, and other relevant factors including, without limitation, technical, legal, scientific or medical factors.

5.02 (a) Promptly after the EFFECTIVE DATE, the parties shall form a JOINT DEVELOPMENT COMMITTEE whose mandate shall be to direct the regulatory and scientific development of PRODUCT necessary to receive regulatory approval for the commercialization of PRODUCT in the FIELD in the TERRITORY. The ongoing existence of the JOINT DEVELOPMENT COMMITTEE shall be subject to Paragraph 5.07. Within thirty (30) days following the EFFECTIVE DATE, the parties shall each nominate up to three (3) representatives for membership on the JOINT DEVELOPMENT COMMITTEE. Membership shall include representation from each party's scientific, clinical development, and regulatory affairs departments and/or representation from such other departments as the JOINT DEVELOPMENT COMMITTEE may deem appropriate. Each party may change its representatives on the JOINT DEVELOPMENT COMMITTEE as it may deem necessary to reflect the stage of development or commercialization of PRODUCT by notice to the other party. The input of the IMMUNOGEN representatives on the JOINT DEVELOPMENT COMMITTEE shall be fully considered by the JOINT DEVELOPMENT COMMITTEE, provided however, that all decisions of the JOINT DEVELOPMENT COMMITTEE shall be subject to the final approval of SB.

(b) Notwithstanding the JOINT DEVELOPMENT COMMITTEE, and subject to Paragraph 5.07, the respective PRODUCT project teams from each party shall meet as often as they may deem appropriate, either by telephone or by meetings at appropriate locations as they may deem appropriate, to discuss each party's respective development efforts with respect to PRODUCT. Each party shall bear all expenses, including travel and lodging expense, that may be incurred by its project team representatives as a result of such meetings.

(c) Notwithstanding any other provision of this AGREEMENT except for Paragraph 5.07, IMMUNOGEN will have the responsibilities outlined in APPENDIX D with respect to the development of huC242-DM1, provided that all such responsibilities shall be conducted in strict accordance with the directions of the JOINT DEVELOPMENT COMMITTEE, including, without limitation, seeking approval of the JOINT DEVELOPMENT COMMITTEE in advance of initiating any of the activities outlined in APPENDIX D, or if work is already in progress, prior to completing the activity, seeking

approval from the JOINT DEVELOPMENT COMMITTEE on the design of protocols and methodologies, as well as selection of specification standards and THIRD PARTY contractors, where appropriate. and further provided that all such responsibilities shall be conducted at IMMUNOGEN's expense. Any approvals required by the JOINT DEVELOPMENT COMMITTEE shall be determined in accordance with the rules and regulations of the FDA.

(d) [*]

5.03 The chairman of the JOINT DEVELOPMENT COMMITTEE shall be one of the SB representatives on the JOINT DEVELOPMENT COMMITTEE, except that, during the first twelve (12) months after the EFFECTIVE DATE, the JOINT DEVELOPMENT COMMITTEE shall be co-chaired by one of the SB representatives on the JOINT DEVELOPMENT COMMITTEE and one of the IMMUNOGEN representatives on the JOINT DEVELOPMENT COMMITTEE. All decisions of the JOINT DEVELOPMENT COMMITTEE shall be subject to the approval of the SB chairman (including during the period where there is a Co-Chair from IMMUNOGEN). The JOINT DEVELOPMENT COMMITTEE shall meet on a semi-annual basis, or more frequently if otherwise agreed, unless no later than thirty (30) days in advance of any meeting there is a determination by the Chairman (or Co-Chairmen during the first twelve (12) months) of the JOINT DEVELOPMENT COMMITTEE that no new business or other activity has transpired since the previous meeting, and that there is no need for a meeting. In such instance, the next semi-annual meeting will be scheduled. The location of such meetings shall alternate between IMMUNOGEN's offices in the Cambridge, Massachusetts metropolitan area and SB's offices in the Philadelphia, Pennsylvania metropolitan area unless otherwise agreed upon between the parties. JOINT DEVELOPMENT COMMITTEE meetings may not necessarily be face-to-face meetings but, upon the agreement of both parties, can be via other methods of communication such as teleconferences and/or videoconference. Each party shall bear all expenses, including travel and lodging expense, that may be incurred by its JOINT DEVELOPMENT COMMITTEE representatives as a result of such meetings. Minutes of each JOINT DEVELOPMENT COMMITTEE meeting will be transcribed and issued to the members of the JOINT DEVELOPMENT COMMITTEE by the Chairman, or the SB co-chair as the case

may be, within thirty (30) days after each meeting and shall be reviewed and modified as mutually required to obtain approval promptly thereafter. The first meeting of the JOINT DEVELOPMENT COMMITTEE shall occur within thirty (30) days after the EFFECTIVE DATE at a mutually acceptable location. The purpose of the initial meeting shall be to review the current status of the development of PRODUCT in the world, particularly the TERRITORY.

5.04 (a) SB shall keep IMMUNOGEN informed of the progress of SB's efforts to develop and commercialize PRODUCT in the FIELD in the TERRITORY via the JOINT DEVELOPMENT COMMITTEE (for so long as it is in existence), and directly through IMMUNOGEN's designated representative after the JOINT DEVELOPMENT COMMITTEE is no longer in existence, provided that, notwithstanding the above, in no event shall SB be obligated to disclose or transfer to IMMUNOGEN or its designee any SB technology for the manufacture, purification, formulation of monoclonal antibodies, or the conjugation of monoclonal antibodies to any moiety (such as, without limitation, any radioisotope, cytotoxic chemical, biological toxin, chemical antineoplastic or biological antineoplastic conjugate). Nothing in this provision or any other provision of this AGREEMENT shall be construed as a grant to IMMUNOGEN of any rights or license with respect to any know-how owned or controlled by SB, any information transferred to IMMUNOGEN under this AGREEMENT, or any patents, trademarks, or other technical information owned or controlled by SB, and IMMUNOGEN warrants and represents that it shall not transfer or disclose any such know-how, information, patents or trademarks to any THIRD PARTY without SB's prior written consent, except to the extent that such disclosure is required by regulatory authorities.

(b) (i) IMMUNOGEN shall keep SB informed of the progress of IMMUNOGEN's efforts (and the efforts of its licensees) to develop and commercialize PRODUCT outside of the TERRITORY via the JOINT DEVELOPMENT COMMITTEE to the extent that IMMUNOGEN is not prohibited from doing so by the TAKEDA AGREEMENT. Notwithstanding any other provision of this AGREEMENT, IMMUNOGEN warrants and represents that (a) neither it nor any of its licensees shall begin any clinical development of PRODUCT outside of the TERRITORY until IMMUNOGEN has received prior written approval from the JOINT DEVELOPMENT COMMITTEE, and (b) IMMUNOGEN shall not share any KNOW-HOW or other data generated by SB or IMMUNOGEN under this

AGREEMENT with any THIRD PARTY who is developing and/or commercializing PRODUCT outside of the TERRITORY.

(ii) In addition, IMMUNOGEN shall provide the JOINT DEVELOPMENT COMMITTEE with summaries of the protocols for IMMUNOGEN's preclinical and clinical studies for PRODUCT outside of the TERRITORY prior to carrying out such studies to the extent that IMMUNOGEN is not prohibited from doing so by the TAKEDA AGREEMENT, and IMMUNOGEN warrants and represents that it shall not carry out any such studies until IMMUNOGEN has received prior written approval from the JOINT DEVELOPMENT COMMITTEE.

(iii) In the event that IMMUNOGEN believes that the JOINT DEVELOPMENT COMMITTEE is being unreasonable in not providing the requisite written approval under Paragraph 5.04(b)(i) or (ii), it shall so notify SB in writing and, at IMMUNOGEN's request, the parties shall promptly submit such issue thereafter to a mutually acceptable THIRD PARTY who has suitable expertise on the topic in question (hereafter "Unaffiliated Expert"), such Unaffiliated Expert to be chosen by the parties within ten (10) business days after IMMUNOGEN has provided such written notice to SB, and request resolution of such issue within thirty (30) days after such submission to such Unaffiliated Expert. The resolution of such Unaffiliated Expert shall be binding upon both parties. If such Unaffiliated Expert determines that the JOINT DEVELOPMENT COMMITTEE was appropriate in withholding the requisite written approval under Paragraph 5.04(b)(i) or (ii), whichever is relevant, the expenses of engaging such Unaffiliated Expert for such determination shall be borne by IMMUNOGEN. If such Unaffiliated Expert determines that the JOINT DEVELOPMENT COMMITTEE was not appropriate in withholding the requisite written approval under Paragraph 5.04(b)(i) or (ii), whichever is relevant, the expenses of engaging such Unaffiliated Expert for such determination shall be borne by SB.

(c) IMMUNOGEN shall promptly provide SB, free of charge, via the JOINT DEVELOPMENT COMMITTEE, with the data from all studies related to PRODUCT to support registration of PRODUCT outside of the TERRITORY which have been completed as of the EFFECTIVE DATE and from all future JOINT DEVELOPMENT COMMITTEE approved studies to support registration of PRODUCT outside of the TERRITORY to the extent that

IMMUNOGEN is not prohibited from doing so by the TAKEDA AGREEMENT, provided that SB shall use such data exclusively to support registration by or on behalf of SB of PRODUCT in the FIELD in the TERRITORY, and shall otherwise keep such information confidential according to the provisions of this AGREEMENT. In addition, to the extent that IMMUNOGEN is not prohibited from doing so by the TAKEDA AGREEMENT, SB shall be permitted, free of charge, to have access to IMMUNOGEN's or its licensees' regulatory dossiers for PRODUCT outside the TERRITORY, provided that SB shall use such dossiers exclusively to support SB's registration files for PRODUCT in the FIELD in the TERRITORY, and shall otherwise keep such information confidential according to the provisions of this AGREEMENT.

5.05 In addition to the assistance outlined in Paragraph 5.04(b), SB's access to IMMUNOGEN's data and regulatory dossiers as outlined in Paragraph 5.04(c), and IMMUNOGEN's participation in the JOINT DEVELOPMENT COMMITTEE as outlined in this Article 5, IMMUNOGEN shall provide to SB, at SB's request, technical assistance within its area of expertise concerning development, registration, production and commercialization of PRODUCT. Provision of such technical assistance shall include, but not be limited to, visits by IMMUNOGEN personnel to SB, [*] and visits by SB personnel to IMMUNOGEN, [*], at times and for periods of time upon which the JOINT DEVELOPMENT COMMITTEE will agree, and supply of any KNOW-HOW that SB may require, provided that [*].

5.06 (a) [*] Requirements:

In the event that Paragraph 5.07 is not applicable, and the JOINT DEVELOPMENT COMMITTEE determines that [*] for [*] should be conducted, IMMUNOGEN shall be responsible for [*] required for the [*] as provided in APPENDIX D, as well as [*] required for the [*] The [*] of such [*] shall be as specified in the [*] [*] attached hereto as APPENDIX B as such may be modified by the JOINT DEVELOPMENT

25
COMMITTEE. The form and timing of such [*] shall be as specified by IMMUNOGEN and approved, in writing, by the JOINT DEVELOPMENT COMMITTEE. The "Specifications" of such [*] (i.e. the [*] and [*]) shall be as determined by IMMUNOGEN and approved, in writing, by the JOINT DEVELOPMENT COMMITTEE. [*]. Any of such [*] held by IMMUNOGEN which is remaining after the completion of its [*] obligations with respect to [*] [*] attached hereto as APPENDIX B [*] IMMUNOGEN warrants and represents that:

(i) [*]

(ii) it will not make any commitments for [*]

(iii) [*]

(iv) [*]

(v) [*]

SB shall be responsible, at its expense, for [*].

(b) [*] Requirements:

Except as otherwise provided in Paragraph 5.06(a), [*].

5.07 Notwithstanding any other provision of this AGREEMENT, in the event that the [*] (as defined in Paragraph 3.01(2)) is not achieved by June 30, 1999:

(a) IMMUNOGEN shall thereafter have none of the responsibilities for [*] as outlined in APPENDIX B, or for development as outlined in APPENDIX D;

(b) IMMUNOGEN will immediately transfer to SB all KNOW-HOW for PRODUCT then known to the extent that such has not already been transferred to SB;

(c) IMMUNOGEN will still retain the responsibilities outlined in Paragraphs 5.04(b), 5.04(c), and 5.05;

(d) the JOINT DEVELOPMENT COMMITTEE will no longer exist, and IMMUNOGEN will interact with SB's designated representative for the purposes of carrying out IMMUNOGEN's responsibilities outlined in Paragraphs 5.04(b), 5.04(c), and 5.05;

(e) the provisions of Paragraph 3.01(2)(b) shall be applicable;

(f) the provisions of Paragraph 3.02(ii) shall be applicable; and

(g) any PRODUCT, or components or intermediates thereof, which were produced by or on behalf of IMMUNOGEN for the purposes of this AGREEMENT and which are remaining and either in IMMUNOGEN's possession, or to which IMMUNOGEN is otherwise entitled to, shall be promptly transferred to SB.

5.08 Notwithstanding any other provision of this AGREEMENT, in the event that the provisions of Paragraph 5.07 are not applicable, but [*] (as defined in Paragraph 3.01(3)) is not achieved by November 30, 1999 or is not achieved in accordance with Paragraph 3.01(3)(a):

(a) IMMUNOGEN shall thereafter have none of the responsibilities for [*] as outlined in APPENDIX B, or for development as outlined in APPENDIX D;

27

(b) IMMUNOGEN will immediately transfer to SB all KNOW-HOW for PRODUCT then known to the extent that such has not already been transferred to SB;

(c) IMMUNOGEN will still retain the responsibilities outlined in Paragraphs 5.04(b), 5.04(c), and 5.05;

(d) the JOINT DEVELOPMENT COMMITTEE will no longer exist, and IMMUNOGEN will interact with SB's designated representative for the purposes of carrying out IMMUNOGEN's responsibilities outlined in Paragraphs 5.04(b), 5.04(c), and 5.05;

(e) the provisions of Paragraphs 3.01(3)(b) shall be applicable;

and

(f) any PRODUCT, or components or intermediates thereof, which were produced by or on behalf of IMMUNOGEN and which are remaining shall be promptly transferred to SB.

5.09 Notwithstanding any other provision of this AGREEMENT, in the event that the [*] (as defined in Paragraph 3.01(2)) is achieved by June 30, 1999, IMMUNOGEN will immediately transfer to SB all KNOW-HOW including, without limitation, all PRODUCT and process history for PRODUCT, then known to the extent that such has not already been transferred to SB.

5.10 Notwithstanding any other provision of this AGREEMENT, on the date that IMMUNOGEN receives payment from SB under Paragraph 3.01(f) for [*] (as defined in Paragraph 3.01(5)), all of IMMUNOGEN's rights and interests in the [*] which was the subject of the [*] (as defined in Paragraph 3.01(2)) shall immediately transfer to SB, except that IMMUNOGEN shall retain the right to use such [*] for the purposes of fulfilling its obligations under Article 5, APPENDIX B, and APPENDIX D.

6. EXCHANGE OF INFORMATION AND CONFIDENTIALITY

6.01 Promptly after the EFFECTIVE DATE, IMMUNOGEN shall disclose and supply to SB all KNOW-HOW. Thereafter, IMMUNOGEN shall promptly disclose and supply to SB any further KNOW-HOW which may become known to IMMUNOGEN. Such disclosure shall include, without limitation, any improvements to huC242-DM1, any derivatives or analogs to huC242-DM1, any KNOW-HOW relating to MAY, including any derivatives or analogs of

DM1, or any PRODUCT in addition to huC242-DM1 made and/or tested or otherwise evaluated by IMMUNOGEN.

6.02 (a) As used in this Paragraph, the term "Adverse Experience(s)" shall mean any noxious, pathological or unintended change in anatomical, physiological or metabolic function as indicated by physical signs, symptoms and/or laboratory changes occurring in clinical trials, post-marketing surveillance, or clinical practice during use of PRODUCT, or published in the medical literature, whether or not considered causally related to PRODUCT. This includes an exacerbation of a pre-existing condition, intercurrent illness (i.e., a disease occurring in the course of another disease), drug interaction, significant worsening of a disease under investigation or treatment, and significant failure of expected pharmacological or biological action.

(b) For the reporting of Adverse Experiences related to PRODUCT to regulatory authorities throughout the TERRITORY, the responsibilities of the parties shall be performed in accordance with the pharmacovigilance agreement attached to this AGREEMENT as APPENDIX C.

(c) In the event that, as a result of the TAKEDA AGREEMENT, Takeda Chemical Industries, Ltd. decides to develop PRODUCT outside of the TERRITORY, IMMUNOGEN shall use its commercially reasonable efforts to execute a pharmacovigilance agreement with Takeda Chemical Industries, Ltd. which is consistent with the terms and conditions of the pharmacovigilance agreement attached to this AGREEMENT as APPENDIX C. Notwithstanding the above, IMMUNOGEN acknowledges that SB will need Adverse Experience data related to PRODUCT generated by Takeda Chemical Industries, Ltd. and its licensees outside of the TERRITORY to enable SB to comply with the Adverse Experience reporting requirements inside of the TERRITORY, and IMMUNOGEN warrants and represents that, in the event that it is unable to execute the aforementioned pharmacovigilance agreement with Takeda Chemical Industries, Ltd., IMMUNOGEN will supply to SB, in accordance with the terms and conditions of the pharmacovigilance agreement attached to this AGREEMENT as APPENDIX C, all relevant Adverse Experience data related to PRODUCT generated by Takeda Chemical Industries, Ltd. and its licensees outside of the TERRITORY to the extent that IMMUNOGEN is able to acquire access to such data.

6.03 During the term of this AGREEMENT and for five (5) years thereafter, or ten (10) years with respect to information which is subject to the confidentiality obligation outlined in the P&U AGREEMENT, irrespective of any termination earlier than the expiration of the term of this AGREEMENT, IMMUNOGEN and SB shall not use or reveal or disclose to THIRD PARTIES any confidential information received from the other party or otherwise developed by either party in the performance of activities in furtherance of this AGREEMENT without first obtaining the written consent of the disclosing party, except as may be otherwise provided herein, or as may be required for purposes of investigating, developing, manufacturing or marketing PRODUCT or for securing essential or desirable authorizations, privileges or rights from governmental agencies, or is required to be disclosed to a governmental agency or is necessary to file or prosecute patent applications concerning PRODUCT or to carry out any litigation concerning PRODUCT. This confidentiality obligation shall not apply to such information which is or becomes a matter of public knowledge, or is already in the possession of the receiving party, or is disclosed to the receiving party by a THIRD PARTY having the right to do so, or is subsequently and independently developed by employees of the receiving party or AFFILIATES thereof who had no knowledge of the confidential information disclosed, or is required by law to be disclosed. In addition, this confidentiality obligation shall not apply to IMMUNOGEN with respect to any information transferred by SB to IMMUNOGEN under Paragraph 10.04, but only to the extent necessary to enable IMMUNOGEN or its subsequent PRODUCT sublicensees to develop and/or commercialize PRODUCT in the TERRITORY. The parties shall take the same measures it employs internally to assure that no unauthorized use or disclosure is made by others to whom access to such information is granted.

6.04 Nothing herein shall be construed as preventing SB from disclosing any information received from IMMUNOGEN to an AFFILIATE, sublicensee or distributor of SB, provided, in the case of a sublicensee or distributor, such sublicensee or distributor has undertaken a similar obligation of confidentiality with respect to the confidential information.

6.05 All confidential information disclosed by one party to the other shall remain the intellectual property of the disclosing party. In the event that a court or other legal or administrative tribunal, directly or through an appointed master, trustee or receiver, assumes partial or complete control over the assets of a party to this AGREEMENT based on the

insolvency or bankruptcy of such party, the bankrupt or insolvent party shall promptly notify the court or other legal or administrative tribunal or appointee, as appropriate (i) that confidential information received from the other party under this AGREEMENT remains the property of the other party and (ii) of the confidentiality obligations under this AGREEMENT. In addition, the bankrupt or insolvent party shall, to the extent permitted by law, take all steps necessary or desirable to maintain the confidentiality of the other party's confidential information and to ensure that the court, other tribunal or appointee maintains such information in confidence in accordance with the terms of this AGREEMENT.

6.06 No public announcement or other disclosure to THIRD PARTIES concerning the existence of or terms of this AGREEMENT shall be made, either directly or indirectly, by any party to this AGREEMENT, except as may be legally required or as may be required for recording purposes, without first obtaining the written approval of the other party and agreement upon the nature and text of such announcement or disclosure. The party desiring to make any such public announcement or other disclosure shall inform the other party of the proposed announcement or disclosure in reasonably sufficient time prior to public release, and shall provide the other party with a written copy thereof, in order to allow such other party to comment upon such announcement or disclosure. Once any such public announcement or disclosure has been approved in accordance with this Paragraph, then either party may appropriately communicate information contained in such permitted announcement or disclosure, but only to the extent disclosed, without further approval from the other party. Each party agrees that it shall cooperate fully with the other with respect to all disclosures regarding this AGREEMENT to the Securities Exchange Commission and any other governmental or regulatory agencies, including requests for confidential treatment of proprietary information of either party included in any such disclosure. The Parties will, promptly after the EFFECTIVE DATE, agree to the nature and text of an announcement and disclosure of the existence of this AGREEMENT.

6.07 IMMUNOGEN shall not submit for written or oral publication any manuscript, abstract or the like which includes data or other information relating to PRODUCT without first obtaining the prior written consent of SB, which consent shall not be unreasonably withheld or delayed. The contribution of each party shall be noted in all publications or presentations by acknowledgment or coauthorship, whichever is appropriate. In the event that, as a result of the

TAKEDA AGREEMENT, Takeda Chemical Industries, Ltd. decides to develop PRODUCT outside of the TERRITORY, IMMUNOGEN shall use its commercially reasonable efforts to bind Takeda Chemical Industries, Ltd. to a publication clause which is consistent with this Paragraph 6.07, and in such event, IMMUNOGEN shall not grant consent to any Takeda Chemical Industries, Ltd. publication without first obtaining the prior written consent of SB, which consent shall not be unreasonably withheld.

6.08 Nothing in this AGREEMENT shall be construed as preventing or in any way inhibiting SB from complying with statutory and regulatory requirements governing the development, manufacture, use and sale or other distribution of PRODUCT in any manner which it reasonably deems appropriate, including, for example, by disclosing to regulatory authorities confidential or other information received from IMMUNOGEN or THIRD PARTIES.

7. PATENT PROSECUTION AND LITIGATION

7.01 Each party shall have and retain sole and exclusive title to all inventions, discoveries and know-how which are made, conceived, reduced to practice or generated by its employees, agents, or other persons acting under its authority in the course of or as a result of this AGREEMENT. Notwithstanding the foregoing, each party shall own a fifty percent (50%) undivided interest in all such inventions, discoveries and know-how which are made, conceived, reduced to practice or generated jointly by employees, agents, or other persons acting under the authority of both parties in the course of or as a result of this AGREEMENT.

7.02 IMMUNOGEN warrants and represents that it has disclosed to SB the complete texts of all patent applications filed by IMMUNOGEN as of the EFFECTIVE DATE which relate to PRODUCT as well as all information received as of the EFFECTIVE DATE concerning the institution or possible institution of any interference, opposition, re-examination, reissue, revocation, nullification or any official proceeding involving a PATENT anywhere in the TERRITORY. IMMUNOGEN further warrants and represents that it will disclose to SB the complete texts of all patent applications filed by IMMUNOGEN after the EFFECTIVE DATE which relate to PRODUCT as well as all information received after the EFFECTIVE DATE concerning the institution or possible institution of any interference, opposition, re-examination, reissue, revocation, nullification or any official proceeding involving a PATENT anywhere in the

TERRITORY. SB shall have the right to review all such pending applications and other proceedings and make recommendations to IMMUNOGEN concerning them and their conduct. IMMUNOGEN agrees to keep SB promptly and fully informed of the course of patent prosecution or other proceedings, such as by providing SB with copies of substantive communications, search reports and third party observations submitted to or received from patent offices or its THIRD PARTY licensors throughout the TERRITORY. SB shall provide such patent consultation to IMMUNOGEN at no cost to IMMUNOGEN. SB shall hold all information disclosed to it under this section as confidential subject to the provisions of Paragraphs 6.03 and 6.04.

7.03 During the term of this AGREEMENT, SB shall, [*], file, prosecute and maintain PATENTS, including those which embrace inventions outlined in Paragraph 7.01 in which IMMUNOGEN has an ownership interest, to the extent that such is permitted by the P&U AGREEMENT and the TAKEDA AGREEMENT. IMMUNOGEN shall have the right, but not the obligation, to assume responsibility for any PATENT or any part of a PATENT, at IMMUNOGEN's expense, which SB intends to abandon or otherwise cause or allow to be forfeited. SB shall give IMMUNOGEN reasonable written notice prior to abandonment or other forfeiture of any PATENT or any part of a PATENT so as to permit IMMUNOGEN to exercise its rights under this Paragraph.

7.04 In the event of the institution of any suit by a THIRD PARTY against IMMUNOGEN, SB, its AFFILIATES, its sublicensees or distributors for patent infringement involving the manufacture, use, sale, distribution or marketing of PRODUCT anywhere in the TERRITORY, the party sued shall promptly notify the other party in writing. SB shall have the right, but not the obligation, to defend such suit at its own expense. IMMUNOGEN and SB shall assist one another and cooperate in any such litigation at the other's request without expense to the requesting party, except that the requesting party shall reimburse the other party's reasonable out-of-pocket expense (other than legal fees or expenses) incurred by the other party in providing such assistance.

7.05 In the event that IMMUNOGEN or SB becomes aware of actual or threatened infringement of a PATENT anywhere in the TERRITORY, that party shall promptly notify the other party in writing. With respect to any PATENT owned by IMMUNOGEN, SB shall have

the first right, but not the obligation, to bring, at its own expense, an infringement action against any THIRD PARTY and to use IMMUNOGEN's name in connection therewith and to name IMMUNOGEN as a party thereto. If SB does not commence a particular infringement action within ninety (90) days of receipt of the notice of infringement, then IMMUNOGEN, after notifying SB in writing, shall be entitled to bring such infringement action at its own expense. The party conducting such action shall have full control over its conduct, including settlement thereof subject to Paragraph 7.07. In any event, IMMUNOGEN and SB shall assist one another and cooperate in any such litigation at the other's request without expense to the requesting party, except that the requesting party shall reimburse the other party's reasonable out-of-pocket expense (other than legal fees or expenses) incurred by the other party in providing such assistance.

7.06 In any action brought pursuant to Paragraph 7.05, the party bringing the action shall indemnify the other party, its officers, directors, shareholders, employees, agents, successors and assigns from any loss, damage or liability, including attorney's fees and costs, which may result from claims, counterclaims or crossclaims asserted by a defendant, except to the extent that such losses, damages or liabilities result from the negligence or willful misconduct of the other party.

7.07 IMMUNOGEN and SB shall recover their respective actual out-of-pocket expenses, or equitable proportions thereof, associated with any litigation or settlement thereof from any recovery made by any party. Any excess amount shall [*].

7.08 The parties shall keep one another informed of the status of and of their respective activities regarding any litigation or settlement thereof concerning PRODUCT, provided however that no settlement or consent judgment or other voluntary final disposition of any suit defended or action brought by a party pursuant to this Article 7 may be entered into without the consent of the other party if such settlement would require the other party to be subject to an

injunction or to make a monetary payment or would otherwise adversely affect the other party's rights under this AGREEMENT.

7.09 SB shall have the right but not the obligation to seek extensions of the terms of PATENTS owned by IMMUNOGEN. At SB's request, IMMUNOGEN shall either authorize SB to act as IMMUNOGEN's agent for the purpose of making any application for any extensions of the term of PATENTS and provide reasonable assistance therefor to SB or shall diligently seek to obtain such extensions, [*].

7.10 At SB's request, IMMUNOGEN shall seek to obtain SPCs based on PATENTS owned by IMMUNOGEN or authorize SB to obtain SPCs based on such PATENTS on IMMUNOGEN's behalf. Where SB holds a relevant Marketing Authorization, SB shall provide to IMMUNOGEN a copy of said Marketing Authorization and any information necessary for the purpose of obtaining an SPC based on a PATENT owned by IMMUNOGEN.

7.11 At SB's request, IMMUNOGEN shall cooperate with SB to obtain "pipeline" protection for PATENTS owned by IMMUNOGEN which may be available under the patent laws of countries in the TERRITORY in which the patent laws thereof are amended to provide improved protection for PRODUCT.

8. TRADEMARKS AND NON-PROPRIETARY NAMES

8.01 SB shall be responsible for the selection of all trademarks which it employs in connection with PRODUCT in the TERRITORY and shall own and control such trademarks. SB shall be responsible for registration and maintenance of all such trademarks. Nothing in this AGREEMENT shall be construed as a grant of rights, by license or otherwise, to IMMUNOGEN to use such trademarks or any other trademarks or tradenames owned by SB for any purpose. SB shall own such tradenames and trademarks and shall retain such ownership upon termination or expiration of this AGREEMENT.

8.02 SB, at its expense, shall be responsible for the selection and registration of non-proprietary names for PRODUCT in the FIELD in the TERRITORY.

9. STATEMENTS AND REMITTANCES

9.01 SB shall keep and require its AFFILIATES and sublicensees to keep complete and accurate records of all sales of PRODUCT under the licenses granted herein. IMMUNOGEN shall have the right, at IMMUNOGEN's expense, through a certified public accountant or like person reasonably acceptable to SB, to examine such records during regular business hours during the life of this AGREEMENT and for six (6) months after its termination; provided, however, that such examination shall not take place more often than once a year and shall not cover such records for more than the preceding two (2) calendar years and provided further that such accountant shall report to IMMUNOGEN only as to the accuracy of the royalty statements and payments.

9.02 Within [*] days after the end of each quarter, SB shall provide a true accounting of all PRODUCT sold by SB, its AFFILIATES and its sublicensees in the FIELD during such quarter in the TERRITORY, and SB shall, at the same time, pay any royalties due for such quarter under Article 3, subject to any credits which may be due SB under Paragraph 4.02(a) and 4.02(c). Such accounting shall show sales on a country-by-country and PRODUCT-by-PRODUCT basis.

9.03 Any tax, duty or other levy paid or required to be withheld by SB on account of royalties payable to IMMUNOGEN under this AGREEMENT shall be deducted from the amount of royalties otherwise due. SB shall secure and send to IMMUNOGEN proof of any such taxes, duties or other levies withheld and paid by SB or its sublicensees for the benefit of IMMUNOGEN, and shall cooperate with IMMUNOGEN in seeking relief from any such taxes or other levies to the extent legally permissible and without prejudice to SB.

9.04 All royalties and other payments due under this AGREEMENT shall be payable in U.S. Dollars. If governmental regulations prevent remittances from a foreign country with respect to sales made in that country, the obligation of SB to pay royalties on sales in that country shall be suspended until such remittances are possible. IMMUNOGEN shall have the right, upon giving written notice to SB, to receive payment in that country in local currency.

9.05 Monetary conversion from the currency of a foreign country, in which PRODUCT is sold, into U.S. Dollars shall be calculated at the actual average rates of exchange for the year to date as used by SB in producing its quarterly and annual accounts, as confirmed by SB's auditors.

9.06 Without limiting IMMUNOGEN's other remedies under this AGREEMENT or otherwise, in the event that any payment due hereunder is not made within the time period provided under this AGREEMENT, the payment shall accrue interest beginning upon the first day following the end of such time period, calculated at the average annual prime rate or equivalent rate quoted by Citibank N.A. on the day after the end of such time period.

10. TERM AND TERMINATION

10.01 (a) Subject to Paragraph 3.07, royalty obligations under Paragraph 3.02 in each country of the TERRITORY shall expire upon [*]. Expiration of SB's royalty obligations under Paragraph 3.02 for a particular PRODUCT under this provision shall not preclude SB from continuing to market such PRODUCT and to use KNOW-HOW in such country without further royalty payments or any other remuneration to IMMUNOGEN, except to the extent that Paragraph 3.03 is still applicable to the NET SALES of the particular PRODUCT in the particular country.

(b) Royalty obligations under Paragraph 3.03 in each country shall expire upon the earlier of: (1) [*] from the date of LAUNCH in such country, or (2) in those countries which are member states of the European Union, when all KNOW-HOW used by SB in the making, using or selling of PRODUCT has become publicly known otherwise than through the fault of SB or an undertaking connected therewith. Expiration of SB's royalty obligations for a particular PRODUCT under this provision shall not preclude SB from continuing to market such PRODUCT and to use KNOW-HOW in such country without further royalty payments or any other remuneration to IMMUNOGEN. Expiration of SB's royalty obligations in a particular country of the TERRITORY shall constitute an expiration of this AGREEMENT in such country.

10.02 Unless otherwise terminated, this AGREEMENT shall expire in its entirety upon the later of (a) [*], or (b) [*] from the date of LAUNCH in the last country in the TERRITORY in which the PRODUCT is marketed by SB . Expiration of this AGREEMENT under this provision shall not preclude SB from continuing to make, have made,

use and sell PRODUCT and to use KNOW-HOW in the TERRITORY without further royalty payments or any other remuneration to IMMUNOGEN.

10.03 If either party fails or neglects to perform covenants or provisions of this AGREEMENT and if such default is not corrected within [*] days after receiving written notice from the other party with respect to such default, such other party shall have the right to terminate this AGREEMENT by giving written notice to the party in default provided the notice of termination is given within [*] of the date the non-breaching party became aware of the default and prior to correction of the default.

10.04 (a) SB may terminate this AGREEMENT on a country by country basis, or in its entirety, by giving IMMUNOGEN at least [*] written notice thereof at any time before LAUNCH of PRODUCT in such country by or on behalf of SB based on a reasonable determination by SB, using the same standards SB would use in assessing whether or not to continue development and marketing of a product of its own making, that the patent, medical/scientific, technical, regulatory or commercial profile of PRODUCT does not justify continued development or marketing of any PRODUCT in such country.

(b) After LAUNCH of PRODUCT by or on behalf of SB in a particular country of the TERRITORY, SB may terminate this AGREEMENT in such country or in its entirety, by giving IMMUNOGEN at least [*] prior written notice thereof based on a reasonable determination by SB, using the same standards SB would use in assessing whether or not to continue development and marketing of a product of its own making, that the patent, medical/scientific, technical, regulatory or commercial profile of every PRODUCT does not justify continued development or marketing of any PRODUCT in such country.

(c) In the event that SB terminates this AGREEMENT in any country of the TERRITORY in accordance with Paragraph 10.04(a) or 10.04(b), SB shall,[*] after the effective date of such termination, [*]

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(d) In the event that SB has terminated this AGREEMENT under Paragraph 10.04(b) in one or more countries of the TERRITORY, and IMMUNOGEN wants to obtain rights to SB technology related to the manufacture, purification, formulation of monoclonal antibodies, or the conjugation of monoclonal antibodies to any moiety (such as, without limitation, any radioisotope, cytotoxic chemical, biological toxin, chemical antineoplastic or biological antineoplastic conjugate), and/or IMMUNOGEN wants SB to supply PRODUCT to IMMUNOGEN in such countries, IMMUNOGEN shall provide written notification to SB, together with a proposal regarding the terms and conditions for obtaining such rights and/or supply. SB shall seriously consider IMMUNOGEN's proposal, but shall have no obligation to grant such rights or provide such supply under the terms and conditions of IMMUNOGEN's proposal or any other terms and conditions.

10.05 Either party may terminate this AGREEMENT if, at any time, the other party shall file in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of the party or of its assets, or if the other party proposes a written agreement of composition or extension of its debts, or if the other party shall be served with an involuntary petition against it, filed in any insolvency proceeding, and such petition shall not be dismissed within [*] after the filing thereof, or if the other party shall propose or be a party to any dissolution or liquidation, or if the other party shall make an assignment for the benefit of creditors.

10.06 Notwithstanding the bankruptcy of IMMUNOGEN, or the impairment of performance by IMMUNOGEN of its obligations under this AGREEMENT as a result of bankruptcy or insolvency of IMMUNOGEN, SB shall be entitled to retain the licenses granted herein, subject to IMMUNOGEN's rights to terminate this AGREEMENT for reasons other than bankruptcy or insolvency as expressly provided in this AGREEMENT.

10.07 All rights and distribution rights granted under or pursuant to this AGREEMENT by IMMUNOGEN to SB are, and shall otherwise be deemed to be, for purposes of Section

365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101(52) of the U.S. Bankruptcy Code. The parties agree that SB, as a licensee of such rights under this AGREEMENT, shall retain and may fully exercise all of its rights and elections under the U.S. Bankruptcy Code, subject to performance by SB of its preexisting obligations under this AGREEMENT. The parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against IMMUNOGEN under the U.S. Bankruptcy Code, SB shall be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property and all embodiments of such intellectual property, and same, if not already in its possession, shall be promptly delivered to SB (a) upon any such commencement of a bankruptcy proceeding upon written request therefor by SB, unless IMMUNOGEN elects to continue to perform all of its obligations under this AGREEMENT, or (b) if not delivered under (a) above, upon the rejection of this AGREEMENT by or on behalf of IMMUNOGEN upon written request therefor by SB, provided, however, that upon IMMUNOGEN's (or its successor's) written notification to SB that it is again willing and able to perform all of its obligations under this AGREEMENT, SB shall promptly return all such tangible materials to IMMUNOGEN, but only to the extent that SB does not require continued access to such materials to enable SB to perform its obligations under this AGREEMENT.

11. RIGHTS AND DUTIES UPON TERMINATION

11.01 Upon termination of this AGREEMENT, IMMUNOGEN shall have the right to retain any sums already paid by SB hereunder, and SB shall pay all sums accrued hereunder prior to the date of any such termination.

11.02 Upon termination of this AGREEMENT in its entirety or with respect to any PRODUCT in any country under Paragraphs 10.03, 10.04, or 10.05, SB shall notify IMMUNOGEN of the amount of PRODUCT SB, its AFFILIATES, sublicensees and distributors then have on hand, the sale of which would, but for the termination, be subject to royalty, and SB, its AFFILIATES, sublicensees and distributors shall thereupon be permitted to sell that amount of PRODUCT provided that SB shall pay the royalty thereon at the time herein provided for.

11.03 Termination of this AGREEMENT in its entirety shall terminate all outstanding obligations and liabilities between the parties arising from this AGREEMENT except those described in Paragraphs 6.02, 6.03 (to the extent provided therein), 6.04, 6.05, 6.06, 6.07 (for data or information developed during the term of the AGREEMENT), 6.08, 7.01, 7.02 (1st, 2nd and 5th sentences only), 7.04 (for suits which arise with respect to activities which occurred during the term of the AGREEMENT), 7.05 (for alleged or actual infringement activities which occurred during the term of the AGREEMENT), 7.06, 7.07, 7.08, 10.04(c) and 10.04(d), and in Articles 8, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21 and 22. In addition, any other provision required to interpret and enforce the parties' rights and obligations under this AGREEMENT shall also survive, but only to the extent required for the full observation and performance of this AGREEMENT.

11.04 Termination of this AGREEMENT in accordance with the provisions hereof shall not limit remedies which may be otherwise available in law or equity.

12. WARRANTIES, REPRESENTATIONS, INDEMNIFICATIONS AND INSURANCE

12.01 IMMUNOGEN warrants and represents that it owns the entire right, title and interest, or otherwise has the right to grant the licenses to SB contemplated in this AGREEMENT, in the PATENTS listed in APPENDIX A, or filed by or on behalf of IMMUNOGEN pursuant to Article 7, and the KNOW-HOW provided to SB under this AGREEMENT, and that it otherwise has the right to enter into this AGREEMENT. IMMUNOGEN further warrants and represents that it has not and will not encumber its ownership interest in any such PATENTS and KNOW-HOW with liens, mortgages, security interests or otherwise. IMMUNOGEN further warrants and represents that there is nothing in any THIRD PARTY agreement IMMUNOGEN has entered into as of the EFFECTIVE DATE which, in any way, will limit IMMUNOGEN's ability to perform all of the obligations undertaken by IMMUNOGEN hereunder, and that it will not enter into any AGREEMENT after the EFFECTIVE DATE under which IMMUNOGEN would incur any such limitations.

12.02 IMMUNOGEN warrants and represents that it:

(a) has received any consent required under the P&U AGREEMENT, the IRL AGREEMENT, and the TAKEDA AGREEMENT, and any other agreement that IMMUNOGEN may have with a THIRD PARTY to grant the licenses to SB contemplated by this AGREEMENT and to perform its obligations to SB under this AGREEMENT;

(b) shall pay all royalties or other sums and other payments which IMMUNOGEN may owe by virtue of this AGREEMENT under the P&U AGREEMENT (except as otherwise provided in Paragraph 4.02(a)(i)(a)), the IRL AGREEMENT, the TAKEDA AGREEMENT, and any agreement that IMMUNOGEN may have with a THIRD PARTY, and shall perform and observe all of the other obligations outlined in the P&U AGREEMENT, the IRL AGREEMENT, and the TAKEDA AGREEMENT, and any and all present and future agreements between IMMUNOGEN and a THIRD PARTY which are in any way related to IMMUNOGEN's ability to grant the rights granted to SB under this AGREEMENT or to IMMUNOGEN's ability to perform its obligations to SB under this AGREEMENT; and

(c) has received no notices that IMMUNOGEN is in breach of its obligations under P&U AGREEMENT, the IRL AGREEMENT, the TAKEDA AGREEMENT or any agreements IMMUNOGEN may have with any other THIRD PARTY which are in any way related to IMMUNOGEN's ability to grant the rights granted to SB under this AGREEMENT or to IMMUNOGEN's ability to perform its obligations to SB under this AGREEMENT. In the event that IMMUNOGEN receives notice from any such THIRD PARTY that IMMUNOGEN has committed a breach of its obligations under any such agreement, or if IMMUNOGEN anticipates such breach, such as may give rise to a right by such THIRD PARTY to diminish IMMUNOGEN's ability to grant rights to SB contemplated by this AGREEMENT, or otherwise diminish IMMUNOGEN's ability to perform its obligations to SB under this AGREEMENT, IMMUNOGEN shall immediately notify SB of such situation, and IMMUNOGEN shall promptly cure such breach. However, if IMMUNOGEN is unable to cure such breach, IMMUNOGEN shall, to the extent possible, permit SB to cure such breach and to negotiate directly with such THIRD PARTY.

12.03 Nothing in this AGREEMENT shall be construed as a warranty that PATENTS are valid or enforceable. IMMUNOGEN hereby warrants and represents that, to the best of its knowledge and belief, PATENTS are not invalid. IMMUNOGEN further warrants and

represents that, to the best of its knowledge and belief, and to the extent not disclosed to SB as of the EFFECTIVE DATE, the process by which it manufactures PRODUCT, and all intermediates of such process, will not infringe patent rights of THIRD PARTIES in both the country in which the PRODUCT is produced as well as all countries of the TERRITORY.

12.04 IMMUNOGEN acknowledges that, in entering into this AGREEMENT, SB has relied or will rely upon information supplied by IMMUNOGEN, information to be supplied by IMMUNOGEN, and information which IMMUNOGEN has caused or will cause to be supplied to SB by IMMUNOGEN's agents, representatives and/or licensees, pursuant to the Confidentiality Agreement, dated October 21, 1997, between the parties, and Article 6 hereof, and IMMUNOGEN warrants and represents that, to the best of its knowledge and belief, all such information is and will be timely and accurate in all material respects. IMMUNOGEN further warrants and represents that, to the best of its knowledge and belief, it has not, up through and including the EFFECTIVE DATE, omitted to furnish SB with any information concerning PRODUCT or the transactions contemplated by this AGREEMENT, which would be material to SB's decision to enter into this AGREEMENT and to undertake the commitments and obligations set forth herein.

12.05 IMMUNOGEN warrants and represents that it has no present knowledge of the existence of any pre-clinical or clinical data or information concerning the PRODUCT which has caused IMMUNOGEN to believe that there may exist quality, toxicity, safety and/or efficacy concerns which may materially impair the utility and/or safety of the PRODUCT.

12.06 SB hereby agrees to save, defend and hold IMMUNOGEN, its AFFILIATES and their respective officers, directors, shareholders, representatives, agents, employees, successors and assigns harmless from and against any and all suits, claims, actions, demands, liabilities, expenses and/or losses, including reasonable legal expense and attorneys' fees, brought by a THIRD PARTY or that arise in connection with any claim brought by a THIRD PARTY with respect to the PRODUCT ("Losses"), except to the extent such Losses result from (i) the negligence or willful misconduct of IMMUNOGEN or breach by IMMUNOGEN of any provision, term, representation or warranty contained in this AGREEMENT, or (ii) IMMUNOGEN's manufacture (including its manufacture through THIRD PARTY suppliers) of PRODUCT.

12.07 IMMUNOGEN hereby agrees to save, defend and hold SB, its AFFILIATES and their respective officers, directors, shareholders, representatives, agents, employees, successors and assigns harmless from and against any and all suits, claims, actions, demands, liabilities, expenses and/or losses, including reasonable legal expense and attorneys' fees, brought by a THIRD PARTY or that arise in connection with any claim brought by a THIRD PARTY with respect to the PRODUCT ("Losses"), but only to the extent such Losses result from (i) the negligence or willful misconduct of IMMUNOGEN or breach by IMMUNOGEN of any provision, term, representation or warranty contained in this AGREEMENT, or (ii) IMMUNOGEN's manufacture (including its manufacture through THIRD PARTY suppliers) of PRODUCT.

12.08 Indemnification Procedure.

(a) In the event IMMUNOGEN is seeking indemnification from SB under Paragraph 12.06, SB shall have no such obligation unless IMMUNOGEN:

(i) gives SB prompt notice of any claim or lawsuit or other action for which it seeks to be indemnified under this AGREEMENT;

(ii) cooperates fully with SB and its agents in defense of any such claim, complaint, lawsuit or other cause of action; and

(iii) SB is granted full authority and control over the defense, including settlement or other disposition thereof, against such claim or lawsuit or other action, provided that IMMUNOGEN shall have the right to retain counsel of its choice to participate in the defense of any such claim or lawsuit at IMMUNOGEN's own expense, provided that such counsel shall not interfere with SB's full authority and control.

(b) In the event SB is seeking indemnification from IMMUNOGEN under Paragraph 12.07, IMMUNOGEN shall have no such obligation unless SB:

(i) gives IMMUNOGEN prompt notice of any claim or lawsuit or other action for which it seeks to be indemnified under this AGREEMENT;

(ii) cooperates fully with IMMUNOGEN and its agents in defense of any such claim, complaint, lawsuit or other cause of action; and

(iii) IMMUNOGEN is granted full authority and control over the defense, including settlement or other disposition thereof, against such claim or lawsuit or

other action, provided that SB shall have the right to retain counsel of its choice to participate in the defense of any such claim or lawsuit at SB's own expense, provided that such counsel shall not interfere with IMMUNOGEN's full authority and control.

12.09 Prior to or immediately upon the first administration of PRODUCT prepared by IMMUNOGEN under this AGREEMENT to a human in accordance with this AGREEMENT, and for a period of five (5) years after the expiration of this AGREEMENT or earlier termination, each party shall obtain and/or maintain, respectively, at its sole cost and expense, product liability insurance in amounts, respectively, which are reasonable and customary in the U.S. pharmaceutical industry for companies of comparable size and activities at the respective place of business of each party. Such product liability insurance shall insure against all liability, including liability for personal injury, physical injury and property damage. Each party shall provide written proof of the existence of such insurance to the other party upon request.

13. FORCE MAJEURE

13.01 If the performance of any part of this AGREEMENT by either party, or of any obligation under this AGREEMENT, is prevented, restricted, interfered with or delayed by reason of any cause beyond the reasonable control of the party liable to perform, unless conclusive evidence to the contrary is provided, the party so affected shall, upon giving written notice to the other party, be excused from such performance to the extent of such prevention, restriction, interference or delay, provided that the affected party shall use its reasonable best efforts to avoid or remove such causes of non-performance and shall continue performance with the utmost dispatch whenever such causes are removed. When such circumstances arise, the parties shall discuss what, if any, modification of the terms of this AGREEMENT may be required in order to arrive at an equitable solution.

14. GOVERNING LAW

14.01 This AGREEMENT shall be deemed to have been made in the Commonwealth of Pennsylvania, U.S.A. and its form, execution, validity, construction and effect shall be determined in accordance with the laws of the Commonwealth of Pennsylvania, U.S.A.

14.02 Subject to Paragraph 5.04(b)(iii) and Paragraph 3.01(2)(c), any dispute, controversy or claim arising out of or relating to this AGREEMENT (hereinafter collectively referred to as "Dispute") shall be attempted to be settled by the parties, in good faith, by submitting each such Dispute to appropriate senior management representatives of each party in an effort to effect a mutually acceptable resolution thereof. In the event no mutually acceptable resolution of such Dispute is achieved in accordance with Paragraph 14.02 within a reasonable period of time, then either party shall be entitled to seek final settlement of such Dispute by any administrative or judicial mechanism which may be available.

15. WAIVER OF BREACH

15.01 The failure of either party at any time or times to require performance of any provision hereof shall in no manner affect its rights at a later time to enforce the same. No waiver by either party of any condition or term in any one or more instances shall be construed as a further or continuing waiver of such condition or term or of another condition or term.

16. SEPARABILITY

16.01 In the event any portion of this AGREEMENT shall be held illegal, void or ineffective, the remaining portions hereof shall remain in full force and effect.

16.02 If any of the terms or provisions of this AGREEMENT are in conflict with any applicable statute or rule of law, then such terms or provisions shall be deemed inoperative to the extent that they may conflict therewith and shall be deemed to be modified to conform with such statute or rule of law.

16.03 In the event that the terms and conditions of this AGREEMENT are materially altered as a result of Paragraphs 16.01 or 16.02, the parties will renegotiate the terms and conditions of this AGREEMENT to resolve any inequities.

17 ENTIRE AGREEMENT

17.01 This AGREEMENT, entered into as of the date written above, constitutes the entire agreement between the parties relating to the subject matter hereof and supersedes all previous writings and understandings. No terms or provisions of this AGREEMENT shall be

varied or modified by any prior or subsequent statement, conduct or act of either of the parties, except that the parties may amend this AGREEMENT by written instruments specifically referring to and executed in the same manner as this AGREEMENT.

18. NOTICES

18.01 Notices required or permitted under this AGREEMENT shall be in writing and sent by prepaid registered or certified air mail or by overnight express mail (e.g., FedEx), or by facsimile confirmed by prepaid registered or certified air mail letter or by overnight express mail (e.g., FedEx), and shall be deemed to have been properly served to the addressee upon receipt of such written communication, to the following addresses of the parties:

If to IMMUNOGEN:

ImmunoGen, Inc.
333 Providence Highway
Norwood, Massachusetts 02062

Attention: Chief Executive Officer

copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo PC
One Financial Center
Boston, Massachusetts 02111
Attention: Jeffrey M. Wiesen, Esq.

If to SB:

SmithKline Beecham Corporation
One Franklin Plaza (Mail Code FP1935)
P.O. Box 7929
Philadelphia, Pennsylvania 19101
U.S.A.

Attention: Senior Vice President, Business Development

copy to:

SmithKline Beecham Corporation
One Franklin Plaza (Mail Code FP2360)
P.O. Box 7929
Philadelphia, Pennsylvania 19101, U.S.A.

Attention: Corporate Law-U.S.

19. ASSIGNMENT

19.01 This AGREEMENT and the licenses herein granted shall be binding upon and inure to the benefit of the successors in interest of the respective parties. Neither this AGREEMENT nor any interest hereunder shall be assignable by either party without the written consent of the other, which consent shall not be unreasonably withheld; provided, however, that (a) SB may assign this AGREEMENT or any part of its rights and obligations hereunder, or any PATENT owned by it, to any AFFILIATE of SB or to any corporation with which SB may merge or consolidate, or to which it may transfer all or substantially all of its assets to which this AGREEMENT relates, without obtaining the consent of IMMUNOGEN, and (b) after IMMUNOGEN has completed its obligations outlined in Article 5, IMMUNOGEN may assign this AGREEMENT or any part of its rights and obligations hereunder, or any PATENT owned by it, to any AFFILIATE of IMMUNOGEN or to any corporation with which IMMUNOGEN may merge or consolidate, or to which it may transfer all or substantially all of its assets to which this AGREEMENT relates, without obtaining the consent of SB.

20. RELATIONSHIP BETWEEN THE PARTIES.

20.01 Both parties are independent contractors under this AGREEMENT. Nothing contained in this AGREEMENT is intended nor shall be construed so as to constitute IMMUNOGEN or SB as partners or joint venturers with respect to this AGREEMENT. Neither party shall have the express or the implied right nor authority to assume or create any obligations on behalf of or in the name of the other party, nor to bind the other party to any other contract, agreement or undertaking with any THIRD PARTY.

21. NO INTELLECTUAL PROPERTY RIGHTS GRANTED.

21.01 No rights or licenses with respect to a party's patents, trademarks, know-how, technical information, or other proprietary rights are granted or deemed granted to the other party hereunder or in connection herewith, other than those rights expressly granted in this AGREEMENT.

22. RECORDING

22.01 SB shall have the right, at any time, to record, register, or otherwise notify this AGREEMENT in appropriate governmental or regulatory offices anywhere in the TERRITORY, and IMMUNOGEN shall provide reasonable assistance to SB in effecting such recording, registering or notifying.

23. EXECUTION IN COUNTERPARTS

23.01 This AGREEMENT may be executed in any number of 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, through their authorized officers, have executed this AGREEMENT as of the date first written above.

SMITHKLINE BEECHAM CORPORATION

BY: /s/ Jean-Pierre Garnier

TITLE: COO

IMMUNOGEN, INC.

BY: /s/ Mitchel Sayare

TITLE: CEO

LICENSE AGREEMENT
SMITHKLINE BEECHAM CORPORATION- IMMUNOGEN, INC.
APPENDIX A
PATENTS
[*]

LICENSE AGREEMENT
SMITHKLINE BEECHAM CORPORATION-IMMUNOGEN, INC.
APPENDIX B
[*]

LICENSE AGREEMENT
SMITHKLINE BEECHAM CORPORATION-IMMUNOGEN, INC.
APPENDIX C
PHARMACOVIGILANCE AGREEMENT
PROCEDURE FOR EXCHANGE OF ADVERSE EVENT DATA BETWEEN
SB WORLDWIDE CLINICAL SAFETY AND IMMUNOGEN FOR PRODUCT (E.G., HUC242-DM1)

BACKGROUND

huC242-DM1 is a conjugated antibody being co-developed by SB and IMMUNOGEN. [*] and SB will [*] excluding those territories held by other IMMUNOGEN licensing partners. [*].

DEFINITIONS

The following definitions reflect and are consistent with FDA and International Conference on Harmonization (ICH) regulations/guidelines.

- - ADVERSE EXPERIENCE (AE)
  The ICH has defined an AE as "any untoward medical occurrence in a patient or clinical investigation subject administered a pharmaceutical product and which does not necessarily have to have a causal relationship with this treatment."

- - ADVERSE DRUG REACTION (ADR)
  In the pre-approval clinical experience or in other clinical trial experiences The ICH has defined an ADR in clinical trials as "all noxious and unintended responses to a medical product related to any dose".

The phrase "responses to a medicinal product" means that a causal relationship between a medicinal product and an adverse event is at least a reasonable possibility, i.e. the relationship cannot be ruled out.

- - UNEXPECTED ADR

The ICH has defined an unexpected ADR as "an adverse reaction, the nature or severity of which is not consistent with the applicable product information (e.g. Investigator Brochure) for an unapproved investigational medicinal product.

This definition includes an AE/adr of which the nature, specificity, or severity is inconsistent with the applicable product information. For an AE/ADR from a clinical trial, the reference document shall be the Investigator Brochure.

- - SERIOUS AE OR SERIOUS ADR

A serious AE or ADR is any untoward medical occurrence that:

* results in death
* is life-threatening
  NOTE: The term "life-threatening" in the definition of "serious" refers to an event in which the patient was at risk of death at the time of the event; it does not refer to an event which hypothetically might have caused death if it were more severe.
* requires inpatient hospitalization or prolongation of existing hospitalization
* results in persistent or significant disability/incapacity, or
* is a congenital anomaly/birth defect.

Medical and scientific judgment should be exercised in deciding whether expedited reporting is appropriate in other situations, such as important medical events that may not be immediately life-threatening or result in death or hospitalization but may jeopardize the patient or may require intervention to prevent one of the other outcomes listed in the definition above. These should also usually be considered serious. (Examples of such events are intensive treatment in an emergency room or at home for allergic bronchospasm; blood dyscrasias or convulsions that do not result in hospitalization; or development of drug dependency or drug abuse.)

- - NON-SERIOUS AE

A non-serious AE is any experience which does not meet the definition of serious as defined above.

Clinical trial experiences which are not considered "serious" include: hospitalization for a pre-planned/elective procedure for a medical condition present before treatment started; a pre-existing medical condition which does not increase in severity or frequency following treatment; or an experience which is simply a treatment failure according to the efficacy criteria for the study.

REPORTING

- - REPORTS OF PREGNANCY AND OVERDOSE

While such reports are not AEs or ADRs as defined herein, reports of pregnancies should be followed up until the outcome of the pregnancy is known. "Overdose" will be defined as any dose that the reporter indicates was an overdose.

- - MINIMUM CRITERIA FOR REPORTING

Initial reports should be submitted within the agreed timelines as long as the following minimum criteria are met:

an identifiable patient; a suspect medicinal product; an identifiable reporting source; and an event or outcome

- - FOLLOW-UP OF CASES

Follow-up information should be actively sought by the party conducting the trial and submitted within the same timelines as an initial report.

POLICY

- - SB will hold the recognized worldwide safety database for huC242-DM1.
- - SB is responsible for regulatory reporting in the TERRITORY and IMMUNOGEN is responsible for regulatory reporting outside of the TERRITORY.
- - [*]
- - [*]
- - If either party becomes aware of a safety issue they will immediately inform the other party.
- - Each party will inform the other party of any safety related queries from a regulatory authority.
- - This agreement will be updated periodically in response to regulatory changes, at the request of either party, or once one party gains marketing approval for huC242-DM1.

DATA EXCHANGE

- - Data will be transferred in English by fax.
- - IMMUNOGEN is responsible for receiving and forwarding reports to and from other IMMUNOGEN licensees (if applicable)
- - SB is responsible for receiving and forwarding reports to and from other SB sub-licensees (if applicable)

- - SB WILL SEND IMMUNOGEN WRITTEN NOTICE OF:

* Fatal and life-threatening events which are unexpected and considered possibly drug related by fax within 24 hours of receipt
* All other serious adverse events within 5 days
* Copies of end of study reports

- - IMMUNOGEN WILL SEND TO SB WRITTEN NOTICE OF:

* Fatal and life-threatening events which are unexpected and considered possibly drug related by fax within 24 hours of receipt
* All other serious adverse events within 5 days
* Copies of end of study reports
* Copies of any investigator letters generated while IMMUNOGEN hold the IND for the compound

PHARMACOVIGILANCE CONTACTS IN EACH PARTY:

FOR SMITHKLINE BEECHAM:	CONTACT ADDRESS AND NUMBERS:
[*]	

FOR IMMUNOGEN:	CONTACT ADDRESS AND NUMBERS:
[*]	

LICENSE AGREEMENT
SMITHKLINE BEECHAM CORPORATION-IMMUNOGEN, INC.
APPENDIX D
IMMUNOGEN DEVELOPMENT RESPONSIBILITIES UNDER PARAGRAPH 5.02(C)

[*]

LICENSE AGREEMENT
SMITHKLINE BEECHAM CORPORATION-IMMUNOGEN, INC.
APPENDIX E

[*]

Exhibit 10.3

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (the "Agreement") is made and entered into as of February 1, 1999 (the "Effective Date"), by and between IMMUNOGEN, INC., a Massachusetts corporation ("ImmunoGen"), and SMITHKLINE BEECHAM PLC, a corporation existing under the laws of the United Kingdom ("SB").

BACKGROUND. ImmunoGen and SB are entering into that certain License Agreement dated as of the Effective Date of this Agreement (the "License Agreement"). In connection with the execution of the License Agreement, ImmunoGen desires to sell and issue to SB, and SB desires to buy, shares of ImmunoGen's common stock, $.01 par value per share ("Common Stock"), as provided herein. Capitalized terms not defined herein shall have the meanings ascribed to such terms in the License Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. PURCHASE AND SALE.

Subject to the terms and conditions hereof, and in reliance upon the representations, warranties and agreements contained herein, ImmunoGen hereby agrees to issue and sell to SB, and SB hereby agrees to purchase from ImmunoGen, the aggregate number of shares of ImmunoGen's Common Stock (the "Shares") determined in accordance with Sections 1.1 and 1.4 hereof.

1.1 INITIAL SHARES.

(a) In the event that ImmunoGen achieves [*] as described in Section 3.01(2) of the License Agreement, ImmunoGen shall have the right, but not the obligation, to sell to SB the Initial Shares, as defined in subsection 1.1(b) below. Such right shall commence on the date the milestone outlined under Section 3.01(b) of the License Agreement (the "Notification Date") is achieved and shall continue thereafter until the earlier of (a) [*] from the Notification Date and (b) the date that [*] has been achieved, as provided in Section 3.01(3) of the License Agreement (the "Initial Sale Period"). Such right shall be effected by ImmunoGen's delivery to SB of a written notice specifying its election to sell to SB such Initial Shares (the "Initial Shares Sale Notice"), which notice must be provided, if at all, during the Initial Sale Period.

(b) Provided that ImmunoGen has delivered to SB the Initial Shares Sale Notice in compliance with Subsection 1.1(a) above, and subject to Section 1.8 below, on the First Closing Date (as defined in Section 1.2), ImmunoGen shall issue and sell to SB, and SB shall purchase from ImmunoGen for up to $2,500,000 (the "Initial Purchase Price") (as determined solely by ImmunoGen), the number of shares of Common Stock (the "Initial Shares") equal to the quotient of the Initial Purchase Price divided by the Initial Market Price (as hereinafter defined). The "Initial Market Price" shall be the lower of (a) [*] of the average of the closing prices of Common Stock on the Nasdaq National Market, the Nasdaq Small Cap Market or any

exchange on which the Common Stock is primarily traded, as reported by The Wall Street Journal, Northeast Edition for the [*] trading days immediately prior to the Effective Date or (b) the average of the closing prices of Common Stock on the Nasdaq National Market, the Nasdaq Small Cap Market or any exchange on which the Common Stock is primarily traded, as reported by The Wall Street Journal, Northeast Edition for the [*] trading days immediately prior to the Notification Date, in each case subject to adjustment for any stock split, dividend, recapitalization or the like between the dates used for computation of the Initial Market Price and the Initial Closing Date. In the event the number of Initial Shares issuable pursuant to this Section 1.1 includes a fractional share, the number of Initial Shares shall be increased to the nearest whole number of shares, and the Initial Purchase Price shall be increased to equal the Initial Market Price times such whole number of Initial Shares.

(c) SB shall not be entitled to any rights as holder of the Initial Shares until completion of the First Closing.

(d) ImmunoGen shall not deliver the Initial Shares Sale Notice at any time when the representation set forth in Section 2.8 below would not be true as of (i) the date of delivery of the Initial Shares Sale Notice or (ii) any of the ten (10) trading days preceding such delivery date.

1.2 FIRST CLOSING DATE. The closing of the sale and purchase of the Initial Shares (the "First Closing") shall take place on the business day that is the fifth (5th) trading day after the date of delivery of the Initial Shares Sale Notice (the "First Closing Date").

1.3 DELIVERY. At the First Closing, ImmunoGen will deliver to SB a stock certificate registered in the name of SB, representing the Initial Shares to be purchased by SB from ImmunoGen, dated the First Closing Date, against payment of the Initial Purchase Price by wire transfer, a bank or certified check made payable to the order of ImmunoGen, or any combination thereof specified by ImmunoGen.

1.4 ADDITIONAL SHARES.

(a) In the event that ImmunoGen achieves [*] as described in Section 3.01(5) of the License Agreement, ImmunoGen shall have the right, but not the obligation, to sell to SB the Additional Shares, as defined in subsection 1.4(b) below. Such right shall be exercisable for a [*] period (the "Additional Sale Period") commencing on the date that ImmunoGen achieves such [*] (the [*] Date"). Such right shall be effected by ImmunoGen's delivery to SB of a written notice specifying its election to sell to SB such Additional Shares (the "Additional Shares Sale Notice"), which notice must be provided, if at all, during the Additional Sale Period. Notwithstanding the foregoing, ImmunoGen may proffer the Additional Shares Sales Notice before it has achieved [*]. SB may accept or decline an Additional Shares Sales Notice issued before [*] in its sole discretion during the acceptance period specified in such Notice. If SB declines to purchase the Additional Shares on the basis of such Notice, ImmunoGen shall be free to deliver an Additional Shares Sales Notice upon achieving [*].

(b) Provided that ImmunoGen has delivered to SB the Additional Shares Sale Notice in compliance with Subsection 1.4(a) above, and subject to Section 1.8 below, on the Second Closing Date (as defined in Section 1.5), ImmunoGen shall issue and sell to SB, and SB shall purchase from ImmunoGen for up to an additional $2,500,000 (the "Additional Purchase Price") (as determined solely by ImmunoGen), the number of shares of Common Stock (the "Additional Shares") equal to the quotient of the Additional Purchase Price divided by the Second Market Price (as hereinafter defined). The "Second Market Price" shall be the average of the closing prices of ImmunoGen's Common Stock on the Nasdaq National Market, the Nasdaq Small Cap Market or any exchange on which the Common Stock is primarily traded, as reported by The Wall Street Journal, Northeast Edition for the [*] trading days immediately preceding the [*] Date (or, in the case that SB accepts an Additional Shares Sales Notice issued before [*], the [*] trading days immediately preceding the date of SB's acceptance of such Notice). In the event the number of Additional Shares issuable pursuant to this Section 1.4 includes a fractional share, the number of Additional Shares shall be increased to the nearest whole number of shares, and the Additional Purchase Price shall be increased to equal the Second Market Price times such whole number of Additional Shares.

(c) SB shall not be entitled to any rights as holder of the Additional Shares until completion of the Second Closing.

(d) ImmunoGen shall not deliver the Additional Shares Sale Notice at any time when the representation set forth in Section 2.8 below would not be true as of (i) the date of delivery of the Additional Shares Sale Notice or (ii) any of the ten (10) trading days preceding such delivery date.

1.5 SECOND CLOSING DATE. The closing of the sale and purchase of the Additional Shares (the "Second Closing") shall take place on the business day that is the fifth (5th) trading day after the date of delivery of the Additional Shares Sale Notice (or, in the case that SB accepts an Additional Shares Sales Notice issued before [*], the fifth (5th) trading day after the date of SB's acceptance of such Notice) (the "Second Closing Date").

1.6 DELIVERY. At the Second Closing, ImmunoGen will deliver to SB a stock certificate registered in the name of SB, representing the Additional Shares to be purchased by SB from ImmunoGen, dated the Second Closing Date, against payment of the Additional Aggregate Purchase Price by wire transfer, a bank or certified check made payable to the order of ImmunoGen, or any combination of the above specified by ImmunoGen.

1.7 RULE 144 REPORTING. With a view to making available to SB the benefits of certain rules and regulations of the Securities and Exchange Commission (the "SEC") which may permit the sale of the Shares to the public without registration, ImmunoGen agrees to use its best efforts to:

(a) make and keep adequate current public information available, as those terms are understood and defined in Rule 144 ("Rule 144") under the Securities Act of 1933, as

amended (the "1933 Act") or any similar or analogous rule promulgated under the 1933 Act, as long as the Shares are outstanding; and

(b) file with the SEC, in a timely manner, all reports and other documents required of ImmunoGen under the 1933 Act and the Securities Act of 1934, as amended (the "1934 Act").

1.8 PARTIAL EXERCISE AT ELECTION OF IMMUNOGEN. In the event that exercise in full with respect to either the Initial Shares or the Additional Shares would require approval of ImmunoGen shareholders under the rules of The Nasdaq Stock Market, ImmunoGen may instead exercise its option under Section 1.1 or Section 1.4, as the case may be, in part up to the number of shares which it may issue without such shareholder approval. Upon any such exercise in part, ImmunoGen shall have no further right under that respective section hereof to sell and SB shall have no further obligation to purchase the balance of the Shares otherwise the subject of ImmunoGen's option.

2. REPRESENTATIONS AND WARRANTIES OF IMMUNOGEN.

Except as otherwise set forth on the Schedule of Exceptions attached hereto as Exhibit A, which shall contain Section numbers specifically corresponding to the Section numbers in this Agreement, or, with respect to the Second Closing, the Second Schedule of Exceptions, which shall be provided to SB at the Second Closing and shall be attached to Exhibit A hereto, ImmunoGen hereby represents and warrants to SB as follows:

2.1 ORGANIZATION AND STANDING; ARTICLES AND BYLAWS. ImmunoGen is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts, and has full power and authority to own and operate its properties and assets and to carry on its business as presently conducted and as proposed to be conducted. ImmunoGen is qualified as a foreign corporation to do business in each jurisdiction in the United States in which the ownership of its property or the conduct of its business requires such qualification, except where any statutory fines or penalties or any corporate disability imposed for the failure to so qualify would not materially adversely affect ImmunoGen, its assets, financial condition or operations. True and correct copies of ImmunoGen's Amended and Restated Articles of Organization and Bylaws currently in effect have been delivered to SB.

2.2 AUTHORIZATION. All corporate action on the part of ImmunoGen, its officers, directors and stockholders (except as contemplated by Section 1.8 hereof) necessary for the authorization, execution and delivery of this Agreement, the performance of all ImmunoGen's obligations hereunder, and for the authorization, issuance, sale and delivery of the Initial Shares and the Additional Shares has been taken or will be taken prior to each of the First Closing and the Second Closing, respectively. This Agreement, when executed and delivered, shall constitute a valid and legally binding obligation of ImmunoGen in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors, and subject to general equity principles.

2.3 VALIDITY OF SHARES. The sale of the Shares is not subject to any preemptive rights or rights of first refusal that have not been waived and, when issued, sold and delivered in compliance with the provisions of this Agreement, the Shares will be validly issued, fully paid and nonassessable, and will be free of any liens or encumbrances created by ImmunoGen; provided, however, that the Shares may be subject to restrictions on transfer under state and/or federal securities laws as set forth herein or as otherwise required by such laws at the time a transfer is proposed.

2.4 OFFERING. Assuming the accuracy of the representations and warranties of SB contained in Section 3 hereof, the offer, issue, and sale of the Shares are exempt from the registration and prospectus delivery requirements of the 1933 Act, and as of the First Closing Date the Initial Shares will be, and as of the Second Closing Date the Additional Shares will be, registered or qualified (or exempt from registration or qualification) under the registration, permit, or qualification requirements of all applicable state securities laws.

2.5 FULL DISCLOSURE.

(a) As of the First Closing, ImmunoGen has furnished to SB the following documents, and the information contained in such documents, as of their respective dates (or if amended, as of the date of such amendment), did not contain any untrue statement of a material fact, and did not omit to state any material fact necessary to make any statement therein, in light of the circumstances under which such statement was made, not misleading:

ImmunoGen's annual report on Form 10-K, as amended, for the fiscal year ended June 30, 1998; and ImmunoGen's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998, and any additional Quarterly Reports on Form 10-Q or Current Reports on Form 8-K filed after the Effective Date but prior to the First Closing.

(b) As of the Second Closing, ImmunoGen shall have furnished to SB the following documents, and the information contained in such documents, as of their respective dates (or if amended, as of the date of such amendment), will not contain any untrue statement of a material fact, or omit to state any material fact necessary to make any statement therein, in light of the circumstances under which such statement was made, not misleading:

ImmunoGen's annual report on Form 10-K for the most recent fiscal year prior to the Second Closing Date for which such document is publicly available; and ImmunoGen's Quarterly Reports on Form 10-Q for any quarters ending after such fiscal year and any Current Reports on Form 8-K filed after said Form 10-K, in each case to the extent publicly available and not otherwise provided.

2.6 NO CONFLICT; NO VIOLATION. The execution, delivery and performance of this Agreement and consummation of the transactions contemplated hereby will not (a) conflict with any provisions of the Amended and Restated Articles of Organization or Bylaws of ImmunoGen; (b) result in any material violation or default of, or permit the acceleration of any material obligation under (in each case, upon the giving of notice, the passage of time, or both), any mortgage, indenture, lease, permit, franchise, license, agreement or other instrument, or under

any judgment, order, decree, law, ordinance, rule or regulation applicable to ImmunoGen or its properties.

2.7 CONSENTS AND APPROVALS. All consents, approvals, orders, or authorizations of, or registrations, qualifications, designations, declarations, or filings with, any governmental authority, required on the part of ImmunoGen in connection with the valid execution and delivery of this Agreement, the offer, sale or issuance of the Shares, or the consummation of any other transaction contemplated hereby have been obtained, or will be effective at the First Closing or the Second Closing, as applicable, except for notices required or permitted to be filed with certain state and federal securities commissions after the First Closing or the Second Closing, as the case may be, which notices will be filed on a timely basis.

2.8 ABSENCE OF CERTAIN DEVELOPMENTS. With respect to the First Closing, since June 30, 1998, and with respect to the Second Closing, since the end of the last fiscal quarter prior to such Second Closing for which ImmunoGen's filing on Form 10-Q is publicly available, ImmunoGen has not (a) incurred or become subject to any material liabilities (absolute or contingent) except current liabilities incurred, and liabilities under contracts entered into, in the ordinary course of business, consistent with past practices; (b) mortgaged, pledged or subjected to lien, charge or any other encumbrance any of its assets, tangible or intangible, except in connection with equipment financings entered into in the ordinary course of business; (c) sold, assigned or transferred any of its assets or canceled any debts or obligations except in the ordinary course of business, consistent with past practices; (d) suffered any extraordinary losses, or waived any rights of substantial value; (e) entered into any material transaction other than in the ordinary course of business, consistent with past practices; or (f) otherwise had any material change in its condition, financial or otherwise, except for changes in the ordinary course of business, consistent with past practices, none of which individually or in the aggregate has been materially adverse to ImmunoGen.

3. REPRESENTATIONS AND WARRANTIES OF SB.

SB hereby represents and warrants to ImmunoGen as follows:

3.1 LEGAL POWER. SB has the requisite legal power to enter into this Agreement, to purchase the Shares hereunder, and to carry out and perform its obligations under the terms of this Agreement.

3.2 DUE EXECUTION. This Agreement has been duly authorized, executed and delivered by SB, and, upon due execution and delivery by ImmunoGen, this Agreement will be a valid and binding agreement of SB in accordance with its terms, subject to laws of general application relating to bankruptcy, insolvency and the relief of debtors, and subject to general equity principles.

3.3 INVESTMENT REPRESENTATIONS.

(a) SB is acquiring the Shares for its own account, not as nominee or agent, for investment and not with a view to, or for resale in connection with, any distribution or public offering thereof within the meaning of the 1933 Act.

(b) SB understands that (i) the Shares have not been registered under the 1933 Act by reason of a specific exemption therefrom, that they must be held by it indefinitely, and that it must, therefore, bear the economic risk of such investment indefinitely, unless a subsequent disposition thereof is registered under the 1933 Act or is exempt from such registration; (ii) each stock certificate representing the Shares will be endorsed with a legend in form and substance similar to the following:

"THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAW AND THEY MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON, INCLUDING A PLEDGEE, UNLESS (1) EITHER (a) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SHARES SHALL BE EFFECTIVE UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR (b) THE CORPORATION SHALL HAVE RECEIVED AN OPINION OF COUNSEL SATISFACTORY TO THE CORPORATION THAT AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT IS THEN AVAILABLE, AND (2) THERE SHALL HAVE BEEN COMPLIANCE WITH ALL APPLICABLE SECURITIES LAWS."

and (iii) ImmunoGen will instruct any transfer agent not to register the transfer of any of the Shares unless the conditions specified in the foregoing legend are satisfied.

SB shall have the right to demand removal of the foregoing legend with respect to any or all of the Shares if, in the opinion of counsel to ImmunoGen, removal of such legend is permitted by the rules and regulations of the SEC.

(c) SB has been furnished with such materials and has been given access to such information relating to ImmunoGen as it or its qualified representative has requested and SB has been afforded the opportunity to ask questions regarding ImmunoGen and the Shares, all as SB has found necessary to make an informed investment decision. In addition, by virtue of its expertise, the advice available to it, and its previous investment experience, SB has (i) sufficient knowledge and experience in financial and business matters, investments, securities and private placements and (ii) the capability to evaluate the merits and risks of the transactions contemplated by this Agreement.

(d) SB is an "accredited investor" within the meaning of Regulation D under the 1933 Act.

(e) SB was not formed for the specific purpose of acquiring the Shares offered hereunder.

(f) SB understands that the offering and sale of the Shares is intended to be exempt from registration under the 1933 Act, by virtue of Section 4(2) and/or 4(6) of the 1933 Act and the provisions of Regulation D promulgated thereunder, based, in part, upon the representations, warranties and agreements of SB contained in this Agreement and ImmunoGen may rely on such representations, warranties and agreements in connection therewith. In addition to the restrictions set forth in Section 3.3(a) of this Agreement, SB will not transfer the Shares in violation of the provisions of any applicable Federal or state securities statute.

(g) The sale and issuance of the shares by ImmunoGen to SB is legally permitted by all laws and regulations and all applicable rulings of any court or regulatory authority in the United Kingdom without further action on the part of either ImmunoGen or SB.

4. CONDITIONS TO FIRST CLOSING.

4.1 CONDITIONS TO OBLIGATIONS OF SB. SB's obligation to purchase the Initial Shares at the First Closing is subject to the fulfillment, at or prior to the First Closing Date, of all of the following conditions:

(a) REPRESENTATIONS AND WARRANTIES TRUE; PERFORMANCE OF OBLIGATIONS. The representations and warranties made by ImmunoGen in Section 2 hereof shall be true and correct in all material respects on the First Closing Date with the same force and effect as if they had been made on and as of said date; and ImmunoGen shall have performed all obligations and conditions herein required to be performed by it on or prior to the First Closing Date.

(b) OPINION OF IMMUNOGEN'S COUNSEL. SB shall have received from Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel to ImmunoGen, an opinion letter concerning such matters that are customary in a transaction of this type addressed to SB in a form reasonably satisfactory to SB dated the First Closing Date.

(c) PROCEEDINGS AND DOCUMENTS. All corporate and other proceedings in connection with the transactions contemplated at the First Closing hereby and all documents and instruments incident to such transactions shall be reasonably satisfactory in substance and form to SB and its special counsel, and SB and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

(d) QUALIFICATIONS, LEGAL INVESTMENT. All authorizations, approvals, or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful sale and issuance of the Initial Shares pursuant to this Agreement shall have been duly obtained and shall be effective on and as of the First Closing. No stop order or other order enjoining the sale of the Initial Shares shall have been issued and no proceedings for such purpose shall be pending or, to the knowledge of ImmunoGen, threatened by the SEC or any commissioner of corporations or similar officer of any state having jurisdiction over this transaction. At the time of the First Closing, the sale and issuance of the Initial Shares shall be legally permitted by all laws and regulations to which SB and ImmunoGen are subject.

(e) COMPLIANCE CERTIFICATE. ImmunoGen shall have delivered to SB a Certificate, executed by the President of ImmunoGen, dated the First Closing Date, certifying the fulfillment of the conditions specified in subparagraphs (a) and (d) of this Subsection 4.1.

4.2 CONDITIONS TO OBLIGATIONS OF IMMUNOGEN. ImmunoGen's obligation to issue and sell the Initial Shares at the First Closing is subject to the fulfillment to ImmunoGen's satisfaction, on or prior to the First Closing Date, of the following conditions:

(a) REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties made by SB in Section 3 hereof shall be true and correct at the First Closing Date, with the same force and effect as if they had been made on and as of said date.

(b) PERFORMANCE OF OBLIGATIONS. SB shall have performed and complied with all agreements and conditions herein required to be performed or complied with by it on or before the First Closing Date.

(c) QUALIFICATIONS, LEGAL INVESTMENT. All authorizations, approvals, or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful sale and issuance of the Initial Shares pursuant to this Agreement shall have been duly obtained and shall be effective on and as of the First Closing. No stop order or other order enjoining the sale of the Initial Shares shall have been issued and no proceedings for such purpose shall be pending or, to the knowledge of ImmunoGen, threatened by the SEC or any commissioner of corporations or similar officer of any state having jurisdiction over this transaction. At the time of the First Closing, the sale and issuance of the Initial Shares shall be legally permitted by all laws and regulations to which SB and ImmunoGen are subject.

5. CONDITIONS TO SECOND CLOSING.

5.1 CONDITIONS TO OBLIGATIONS OF SB. SB's obligation to purchase the Additional Shares at the Second Closing is subject to the fulfillment, at or prior to the Second Closing Date, of all of the following conditions:

(a) REPRESENTATIONS AND WARRANTIES TRUE; PERFORMANCE OF OBLIGATIONS. The representations and warranties made by ImmunoGen in Section 2 hereof shall be true and correct in all material respects on the Second Closing Date with the same force and effect as if they had been made on and as of said date; and ImmunoGen shall have performed all obligations and conditions herein required to be performed by it on or prior to the Second Closing Date.

(b) OPINION OF IMMUNOGEN'S COUNSEL. SB shall have received from Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel to ImmunoGen, an opinion letter concerning such matters that are customary in a transaction of this type addressed to SB in a form reasonably satisfactory to SB dated the Second Closing Date.

(c) PROCEEDINGS AND DOCUMENTS. All corporate and other proceedings in connection with the transactions contemplated at the Second Closing hereby and all documents

and instruments incident to such transactions shall be reasonably satisfactory in substance and form to SB and its special counsel, and SB and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as they may reasonably request.

(d) QUALIFICATIONS, LEGAL INVESTMENT. All authorizations, approvals, or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful sale and issuance of the Additional Shares pursuant to this Agreement shall have been duly obtained and shall be effective on and as of the Second Closing. No stop order or other order enjoining the sale of the Additional Shares shall have been issued and no proceedings for such purpose shall be pending or, to the knowledge of ImmunoGen, threatened by the SEC or any commissioner of corporations or similar officer of any state having jurisdiction over this transaction. At the time of the Second Closing, the sale and issuance of the Additional Shares shall be legally permitted by all laws and regulations to which SB and ImmunoGen are subject.

(e) COMPLIANCE CERTIFICATE. ImmunoGen shall have delivered to SB a Certificate, executed by the President of ImmunoGen, dated the Second Closing Date, certifying to the fulfillment of the conditions specified in subparagraphs (a) and (d) of this Subsection 5.1.

(f) NO TERMINATION OF LICENSE AGREEMENT; NO BREACH. No termination of the License Agreement shall have become effective, nor shall either party have given notice of termination of the License Agreement pursuant to the terms thereof. In addition, ImmunoGen shall not have committed a material breach of the License Agreement as to which SB has provided ImmunoGen with written notice, unless such breach has been cured by ImmunoGen or waived by SB.

(g) NO CHANGE OF CONTROL OF IMMUNOGEN. There shall have been no Change of Control of ImmunoGen between the First Closing and the Second Closing. For purposes of this Section 5.1(g), "Change of Control" means the occurrence of any of the following events:

(i) all or substantially all of the assets of ImmunoGen are sold, leased, exchanged or otherwise transferred to any other person or group of persons acting in concert as a partnership or other group other than an affiliate of ImmunoGen (a "Group");

(ii) ImmunoGen is merged or consolidated with or into another entity with the effect that the existing equity holders hold less than 50% of the combined voting power of the then outstanding securities ordinarily (and apart from rights arising under special circumstances) having the right to vote in the election of directors (or in the election of persons serving in a similar capacity) of the surviving entity of such merger or the entity resulting from such consolidation.

(iii) a change in the composition of the Board of Directors of ImmunoGen as a result of which during any period of two consecutive years after the First Closing, individuals who at the beginning of such period constitute ImmunoGen's Board

of Directors (together with any new director whose election by ImmunoGen's Board of Directors or whose nomination for election by ImmunoGen's shareholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of such period or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of ImmunoGen's directors in office at the end of such period; or

(iv) a person or Group shall, as a result of a tender or exchange offer, open market purchases, merger, privately negotiated purchases or otherwise, have become, directly or indirectly, the beneficial owner (within the meaning of Rule 13d-3 under the 1934 Act) of the securities of ImmunoGen representing 50% or more of the combined voting power of the then outstanding securities of ImmunoGen ordinarily (and apart from rights arising under special circumstances) having the right to vote in the election of directors.

(h) ImmunoGen shall not have (i) filed in any court or agency pursuant to any statute or regulation of any state or country, a petition in bankruptcy or insolvency or for reorganization or for an arrangement or for the appointment of a receiver or trustee of ImmunoGen or of its assets, or (ii) been served with an involuntary petition against it, filed in any insolvency proceeding, which petition has not been dismissed as of the Second Closing Date.

5.2 CONDITIONS TO OBLIGATIONS OF IMMUNOGEN. ImmunoGen's obligation to issue and sell the Additional Shares at the Second Closing is subject to the fulfillment to ImmunoGen's satisfaction, on or prior to the Second Closing Date, of the following conditions:

(a) REPRESENTATIONS AND WARRANTIES TRUE. The representations and warranties made by SB in Section 3 hereof shall be true and correct at the Second Closing Date, with the same force and effect as if they had been made on and as of said date.

(b) PERFORMANCE OF OBLIGATIONS. SB shall have performed and complied with all agreements and conditions herein required to be performed or complied with by it on or before the Second Closing Date.

(c) QUALIFICATIONS, LEGAL INVESTMENT. All authorizations, approvals, or permits, if any, of any governmental authority or regulatory body of the United States or of any state that are required in connection with the lawful sale and issuance of the Additional Shares pursuant to this Agreement shall have been duly obtained and shall be effective on and as of the Second Closing. No stop order or other order enjoining the sale of the Additional Shares shall have been issued and no proceedings for such purpose shall be pending or, to the knowledge of ImmunoGen, threatened by the SEC or any commissioner of corporations or similar officer of any state having jurisdiction over this transaction. At the time of the Second Closing, the sale and issuance of the Additional Shares shall be legally permitted by all laws and regulations to which SB and ImmunoGen are subject.

6. REGISTRATION RIGHTS.

6.1 PIGGYBACK REGISTRATION RIGHTS. If (and on each occasion that) ImmunoGen proposes to register any of its Common Stock under the 1933 Act, either for ImmunoGen's own

account or for the account of any of its security holders (each such registration not withdrawn or abandoned prior to the effective date thereof, a "Piggyback Registration"), ImmunoGen will give written notice to SB of such proposal not later than the earlier to occur of (a) the tenth day following the receipt by ImmunoGen of notice of exercise of any registration rights by any persons, and (b) 15 days prior to the anticipated filing date of such Piggyback Registration. Notwithstanding the foregoing, ImmunoGen shall not be obligated to (a) give notice to SB as to or to include any of the Shares in (i) any registration on Form S-8 or similar limited purpose form of registration statement effected solely to implement an employee benefit plan, or (ii) any registration statement on Form S-4 or similar limited purpose form of registration statement effected solely to implement an acquisition, or (b) include any of the shares in any registration involving an underwritten public offering in which the managing underwriter advises ImmunoGen in writing that no selling shareholder shares should be included in the registration due to market factors.

6.2 SELECTION OF UNDERWRITERS. In any underwritten Piggyback Registration, ImmunoGen will have the right to select the investment bankers and managing underwriters in such registration, subject to (except where a complete underwriter cutback applies) the approval of SB which approval will not be unreasonably withheld or delayed. If SB reasonably disapproves of such investment bankers or managing underwriters, ImmunoGen will use its best efforts to select another investment banker or managing underwriter, and will continue such process until such investment bankers or underwriters have been selected and approved in accordance with this Section 6.3.

6.3 LIMITATION ON PIGGYBACK REGISTRATIONS. The rights provided in this Section 6 shall terminate at such time as all Shares issued to SB pursuant to this Agreement (a) have been sold pursuant to an effective registration statement under the 1933 Act or pursuant to an exemption from such registration or (b) may be sold pursuant to Rule 144(k) under the 1933 Act and any restrictive legends relating to the manner of sale of such Shares have been removed from the certificates representing the Shares by ImmunoGen.

7. MISCELLANEOUS.

7.1 GOVERNING LAW. This Agreement shall be governed by and construed under the laws of the Commonwealth of Massachusetts.

7.2 SUCCESSORS AND ASSIGNS. Except as otherwise expressly provided herein, the provisions hereof shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors, and administrators of the parties hereto. The registration rights provided in Section 6 hereof may be transferred only to affiliates of SB.

7.3 ENTIRE AGREEMENT. This Agreement, the License Agreement, and the Exhibits hereto and thereto, and the other documents delivered pursuant hereto constitute the full and entire understanding and agreement among the parties with regard to the subjects hereof and thereof, and no party shall be liable or bound to any other party in any manner by any representations, warranties, covenants, or agreements except as specifically set forth herein or therein. Nothing in this Agreement, express or implied, is intended to confer upon any party,

other than the parties hereto and their respective successors and assigns, any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided herein.

7.4 SEPARABILITY. In case any provision of this Agreement shall be invalid, illegal, or unenforceable, it shall, to the extent practicable, be modified so as to make it valid, legal and enforceable and to retain as nearly as practicable the intent of the parties, and the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

7.5 AMENDMENT AND WAIVER. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, either retroactively or prospectively, and either for a specified period of time or indefinitely), with the written consent of ImmunoGen and SB. Any amendment or waiver effected in accordance with this Section shall be binding upon SB, each future holder of the Shares, and ImmunoGen.

7.6 DELAYS OR OMISSIONS. No delay or omission to exercise any right, power, or remedy accruing to SB or any subsequent holder of any Shares upon any breach, default or noncompliance of ImmunoGen under this Agreement, shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent, or approval of any kind or character on SB's part of any breach, default or noncompliance under this Agreement or any waiver on SB's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing, and that all remedies, either under this Agreement, by law, or otherwise afforded to SB, shall be cumulative and not alternative.

7.7 NOTICES, ETC. All notices and other communications required or permitted hereunder shall be in writing and shall be deemed effectively given (a) upon personal delivery, (b) on report of successful transmission by facsimile machine that automatically generates a printed report indicating whether transmission was completed successfully, at the conclusion of each transmission, (c) on the first business day after receipted delivery to a courier service which guarantees next business-day delivery, under circumstances in which such guaranty is applicable, or (d) on the earlier of delivery or the fifth (5th) business day after mailing by United States certified by mail, postage and fees prepaid, to the appropriate party at the address set forth below or to such other address as the party so notifies the other in writing:

(a) if to ImmunoGen, to:

IMMUNOGEN, INC.
333 Providence Highway
Norwood, MA 02062
Telecopier: (781) 255-9679
Attention: Chairman of the Board and Chief Executive Officer

with a copy to:

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
One Financial Center
Boston, MA 02111
Telecopier: (617) 542-2241
Attention: Jonathan L. Kravetz, Esquire

(b) if to SB, to:

SMITHKLINE BEECHAM PLC
c/o SmithKline Beecham Corporation
One Franklin Plaza (FP 1935)
Philadelphia, PA 19102
Telecopier: (215) 751-4253
Attention: Elizabeth D. Posner

with a copy to:

SMITHKLINE BEECHAM CORPORATION
One Franklin Plaza (FP 2355)
Philadelphia, PA 19102
Telecopier: (215) 751-5349
Attention: Donald F. Parman

Notwithstanding the foregoing, all notices and other communications to an address outside of the United States shall be sent by telecopy and confirmed in writing to be sent by first class mail. Addresses for notice may be changed by notice to the other party as provided in this Section 7.7.

7.8 FINDER'S FEES.

(a) ImmunoGen (i) represents and warrants that it has retained no finder or broker in connection with the transactions contemplated by this Agreement and (ii) hereby agrees to indemnify and to hold SB harmless of and from any liability for any commission or compensation in the nature of a finder's fee to any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which ImmunoGen or any of its employees or representatives is responsible.

(b) SB (i) represents and warrants that it has retained no finder or broker in connection with the transactions contemplated by this Agreement, and (ii) hereby agrees to indemnify and to hold ImmunoGen harmless of and from any liability for any commission or compensation in the nature of a finder's fee to any broker or other person or firm (and the costs and expenses of defending against such liability or asserted liability) for which SB or any of its employees or representatives are responsible.

7.9 INFORMATION CONFIDENTIAL. SB acknowledges that any non public information received by it pursuant hereto is confidential and for SB's use only, and it will refrain from using such information or reproducing, disclosing, or disseminating such information to any other person (other than its employees, affiliates, agents, or partners having a need to know the contents of such information and its attorneys, in each case who agree to be bound by this Section 7.9), except in connection with the exercise of rights under this Agreement, unless such information becomes available to the public generally or it is required by a governmental body to disclose such information.

7.10 TITLES AND SUBTITLES. The titles of the sections and subsections of this Agreement are for convenience of reference only and are not to be considered in construing this Agreement.

7.11 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one instrument.

The foregoing Agreement is hereby executed as of the date first above written.

IMMUNOGEN INC.		SMITHKLINE BEECHAM PLC	
By:	/s/ Mitchel Sayare	By:	/s/ Jean-Pierre Garnier
Name:	Mitchel Sayare	Name:	Jean-Pierre Garnier
Title:	CEO	Title:	COO

EXHIBIT A

EXCEPTION TO REPRESENTATIONS AND WARRANTIES OF IMMUNOGEN
SEC 2.3 VALIDITY OF SHARES

On December 10, 1997, ImmunoGen entered into an agreement to sell an aggregate $3.0 million of its Series E Convertible Preferred Stock, par value $.01 per share, (the "Series E Stock") to Biotechnology Venture Partners, L.P., Biotechnology Value Fund, L.P., Biotechnology Value Fund, Ltd. and Investment 10, L.L.C. (collectively, "BVF"). Under the terms of such agreement, until the earlier of December 10, 2000 and the conversion into Common Stock, or sale or transfer by BVF, of at least fifty percent (50%) in the aggregate of its Series E Stock, BVF has the right to purchase from ImmunoGen, within a specified time period, such number of shares of New Securities (as defined in the agreement), with the same terms and conditions as the New Securities, as would be necessary to maintain BVF's percentage ownership in ImmunoGen at the level held by BVF immediately prior to the issuance of the New Securities, determined on a fully-converted, fully-diluted basis.

6-MOS	
JUN-30-1999	
DEC-31-1998	
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	0
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	1,893,581
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	(1,637,234)
	(0.16)
	(0.16)