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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 September 30, 2010

OR

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

For the transition period from to

Commission file number 0-17999

ImmunoGen, Inc.

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

830 Winter Street, Waltham, MA 02451
(Address of principal executive offices, including zip code)

(781) 895-0600
(Registrant's telephone number, including area code)

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). o Yes o No

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

Large accelerated filer o	Accelerated filer x
Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

o Yes x No

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

Shares of common stock, par value $.01 per share: 67,963,706 shares outstanding as of October 26, 2010.

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IMMUNOGEN, INC.
FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2010
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ITEM 1. ***Financial Statements***

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

	September 30, 2010	June 30, 2010
ASSETS		
Cash and cash equivalents	$ 94,942	$ 109,156
Marketable securities	—	1,142
Accounts receivable	1,907	1,795
Unbilled revenue	1,741	1,595
Inventory	1,500	1,242
Restricted cash	1,019	574
Prepaid and other current assets	1,126	1,614
Total current assets	102,235	117,118
Property and equipment, net of accumulated depreciation	15,494	16,326
Long-term restricted cash	2,868	3,568
Other assets	162	196
Total assets	$ 120,759	$ 137,208
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	$ 1,092	$ 3,064
Accrued compensation	1,837	4,201
Other accrued liabilities	2,253	2,404
Current portion of deferred lease incentive	979	979
Current portion of deferred revenue	3,545	3,174
Total current liabilities	9,706	13,822
Deferred lease incentive, net of current portion	8,317	8,562
Deferred revenue, net of current portion	8,074	8,488
Other long-term liabilities	4,141	4,288
Total liabilities	30,238	35,160
Commitments and contingencies (Note E)		
Shareholders' equity:		
Preferred stock, $.01 par value; authorized 5,000 shares; no shares issued and outstanding	—	—
Common stock, $.01 par value; authorized 100,000 shares; issued and outstanding 67,952 and 67,931 shares as of September 30, 2010 and June 30, 2010, respectively	680	679
Additional paid-in capital	475,092	473,450
Accumulated deficit	(385,251)	(372,363)
Accumulated other comprehensive income	—	282
Total shareholders' equity	90,521	102,048
Total liabilities and shareholders' equity	$ 120,759	$ 137,208

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

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

	Three Months Ended September 30,	
	2010	2009
Revenues:		
Research and development support	$ 1,495	$ 782
License and milestone fees	1,810	1,831
Clinical materials reimbursement	106	486
Total revenues	3,411	3,099
Operating Expenses:		
Research and development	13,425	12,188
General and administrative	3,364	3,592
Total operating expenses	16,789	15,780
Loss from operations	(13,378)	(12,681)
Other income, net	490	144
Loss before benefit for income taxes	(12,888)	(12,537)
Benefit for income taxes	—	(162)
Net loss	$ (12,888)	$ (12,375)
Basic and diluted net loss per common share	$ (0.19)	$ (0.22)
Basic and diluted weighted average common shares outstanding	67,944	57,032

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

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

	Three months ended September 30,	
	2010	2009
Cash flows from operating activities:		
Net loss	$ (12,888)	$ (12,375)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	1,178	1,258
Loss on sale/disposal of fixed assets	2	—
Amortization of deferred lease incentive	(245)	(244)
Gain on sale of marketable securities	(341)	—
Gain on forward contracts	(146)	(16)
Stock and deferred share unit compensation	1,478	1,104
Deferred rent	8	14
Changes in operating assets and liabilities:		
Accounts receivable	(112)	(443)
Unbilled revenue	(146)	(414)
Inventory	(258)	464
Prepaid and other current assets	513	256
Restricted cash	255	47
Other assets	34	(17)

Accounts payable	(1,972)	(193)
Accrued compensation	(2,364)	(2,413)
Other accrued liabilities	(236)	810
Deferred revenue	(43)	751
Net cash used for operating activities	(15,283)	(11,411)
Cash flows from investing activities:		
Proceeds from maturities or sales of marketable securities	1,201	509
Purchases of property and equipment, net	(348)	(627)
Proceeds from settlement of forward contracts	96	22
Net cash provided by (used for) investing activities	949	(96)
Cash flows from financing activities:		
Proceeds from stock options exercised	120	509
Net cash provided by financing activities	120	509
Net change in cash and cash equivalents	(14,214)	(10,998)
Cash and cash equivalents, beginning balance	109,156	69,639
Cash and cash equivalents, ending balance	$ 94,942	$ 58,641

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

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IMMUNOGEN, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2010

A. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited consolidated financial statements at September 30, 2010 and June 30, 2010 and for the three months ended September 30, 2010 and 2009 include the accounts of ImmunoGen, Inc., or the Company, and its wholly owned subsidiaries, ImmunoGen Securities Corp. and ImmunoGen Europe Limited. The consolidated financial statements include all of the adjustments, consisting only of normal recurring adjustments, which management considers necessary for a fair presentation of the Company's financial position in accordance with accounting principles generally accepted in the U.S. for interim financial information. Certain information and footnote disclosures normally included in the Company's annual financial statements have been condensed or omitted. The preparation of interim financial statements requires the use of management's estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the interim financial statements and the reported amounts of revenues and expenditures during the reported period. The results of the interim periods are not necessarily indicative of the results for the entire year. Accordingly, the interim financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended June 30, 2010.

Subsequent Events

On October 8, 2010, the Company entered into an agreement with Novartis Institutes for BioMedical Research, Inc. (Novartis). The agreement provides Novartis with the right to test the Company's Targeted Antibody Payload (TAP) technology with antibodies to a specified number of antigen targets on an exclusive basis for a specified period of time and to take exclusive licenses for individual targets on agreed upon terms to use our TAP technology to develop products. The Company received a $45 million upfront payment in connection with the execution of the agreement, and for each target that results in an anticancer therapeutic, the Company is entitled to receive milestone payments potentially totaling $200.5 million plus royalties on product sales, if any. The Company also is entitled to receive payments for manufacturing any preclinical and clinical materials at the request of Novartis as well as for any research and development activities performed on its behalf. Novartis is responsible for the development, manufacturing, and marketing of any products resulting from this agreement.

The Company did not have any other material recognizable or unrecognizable subsequent events that occurred after September 30, 2010 up through the date the Company issued these financial statements.

Fair Value of Financial Instruments

Fair value is defined under Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) Topic 820 (Topic 820) as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value under Topic 820 must maximize the use of observable inputs and minimize the use of unobservable inputs. The Topic describes a fair value hierarchy to measure fair value which is based on three levels of inputs, of which the first two are considered observable and the last unobservable, as follows:

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

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As of September 30, 2010, the Company held certain assets that are required to be measured at fair value on a recurring basis. In accordance with Topic 820, the following table represents the fair value hierarchy for our financial assets measured at fair value on a recurring basis as of September 30, 2010 (in thousands):

	Fair Value Measurements at September 30, 2010 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash, cash equivalents and restricted cash	$ 98,829	$ 98,829	$ —	$ —

The carrying amounts reflected in the consolidated balance sheets for accounts receivable, unbilled revenue, prepaid and other current assets, accounts payable, accrued compensation, and other accrued liabilities approximate fair value due to their short-term nature.

Unbilled Revenue

The majority of the Company's unbilled revenue at September 30, 2010 and June 30, 2010 represents research funding earned based on actual resources utilized under the Company's agreements with various collaborators.

Inventory

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

Inventory at September 30, 2010 and June 30, 2010 is summarized below (in thousands):

	September 30, 2010	June 30, 2010
Raw materials	$ 1,094	$ 1,242
Work in process	406	—
Total	$ 1,500	$ 1,242

All Targeted Antibody Payload, or TAP, product candidates currently in preclinical and clinical testing through ImmunoGen or its collaborators include either DM1 or DM4 as a cell-killing agent. Raw materials inventory consists entirely of DM1 and DM4, collectively referred to as DMx.

Computation of Net Loss per Common Share

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

	Three Months Ended September 30,	
	2010	2009
Common stock equivalents under the treasury-stock method	1,710	2,052

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

Comprehensive Loss

For the three months ended September 30, 2010 and 2009, total comprehensive loss equaled $12.9 million and $12.1 million, respectively. Comprehensive loss is comprised of the Company's net loss for the period and unrealized gains and losses recognized on available-for-sale marketable securities.

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Stock-Based Compensation

As of September 30, 2010, the Company is authorized to grant future awards under one employee share-based compensation plan, which is the ImmunoGen, Inc. 2006 Employee, Director and Consultant Equity Incentive Plan, or the 2006 Plan. As amended, the 2006 Plan provides for the issuance of Stock Grants, the grant of Options and the grant of Stock-Based Awards for up to 4,500,000 shares of the Company's common stock, as well as any shares of common stock that are represented by awards granted under the previous stock option plan, the ImmunoGen, Inc. Restated Stock Option Plan, or the Former Plan, that are forfeited, expire or are cancelled without delivery of shares of common stock; provided, however, that no more than 5,900,000 shares shall be

added to the Plan from the Former Plan, pursuant to this provision. Option awards are granted with an exercise price equal to the market price of the Company's stock at the date of grant. Options vest at various periods of up to four years and may be exercised within ten years of the date of grant.

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

	Three Months Ended September 30,	
	2010	2009
Dividend	None	None
Volatility	58.4%	60.0%
Risk-free interest rate	2.42%	3.24%
Expected life (years)	7.1	6.9

Using the Black-Scholes option-pricing model, the weighted average grant date fair values of options granted during the three months ended September 30, 2010 and 2009 were $5.46 and $5.97 per share, respectively.

Stock compensation expense related to stock options granted under the 2006 Plan was $1.4 million and $891,000 during the three months ended September 30, 2010 and 2009, respectively.

As of September 30, 2010, the estimated fair value of unvested employee awards was $9.3 million, net of estimated forfeitures. The weighted-average remaining vesting period for these awards is approximately three years.

During the three months ended September 30, 2010, holders of options issued under the Company's equity plans exercised their rights to acquire an aggregate of approximately 21,000 shares of common stock at prices ranging from $3.30 to $7.19 per share. The total proceeds to the Company from these option exercises were approximately $120,000.

Financial Instruments and Concentration of Credit Risk

The Company's cash and cash equivalents consist principally of U.S. Government and agency-backed money market funds which are maintained with two financial institutions in the U.S.

Derivative instruments include a portfolio of short duration foreign currency forward contracts intended to mitigate the risk of exchange fluctuations for existing or anticipated receivable and payable balances denominated in foreign currency. Derivatives are estimated at fair value and classified as other current assets or liabilities. The fair value of these instruments represent the present value of estimated future cash flows under the contracts, which are a function of underlying interest rates, currency rates, related volatility, counterparty creditworthiness and duration of the contracts. Changes in these factors or a combination thereof may affect the fair value of these instruments.

The Company does not designate foreign currency forward contracts as hedges for accounting purposes, and changes in the fair value of these instruments are recognized in earnings during the period of change. Because the Company enters into forward contracts only as an economic hedge, any gain or loss on the underlying foreign-denominated existing or anticipated receivable or payable balance would be offset by the loss or gain on the forward contract. For the three months ended September 30, 2010 and 2009, net gains recognized on forward contracts were $146,000 and $16,000, respectively, and are included in the accompanying consolidated statements of operations as other income, net. As of September 30, 2010, the Company had outstanding forward contracts with notional amounts equivalent to approximately $1.1 million (€784,000), all maturing on or before September 9, 2012. As of June 30,

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2010, the Company had outstanding forward contracts with notional amounts equivalent to approximately $1.6 million (€1.3 million). The Company does not anticipate using derivative instruments for any purpose other than hedging exchange rate exposure.

Segment Information

During the three months ended September 30, 2010, the Company continued to operate in one reportable business segment which is the business of discovery of monoclonal antibody-based anticancer therapeutics.

The percentages of revenues recognized from significant customers of the Company in the three months ended September 30, 2010 and 2009 are included in the following table:

	Three Months Ended September 30,	
Collaborative Partner:	2010	2009
Amgen	47%	6%
Bayer Schering Pharma	7%	41%
Biotest	4%	15%
sanofi-aventis	40%	28%

There were no other customers of the Company with significant revenues in the three months ended September 30, 2010 and 2009.

Recent Accounting Pronouncements

During the current period, the Company adopted Accounting Standards Update (ASU) No. 2009-13, "Multiple-Deliverable Revenue Arrangements." ASU No. 2009-13 amends existing revenue recognition accounting pronouncements, provides accounting principles and application guidance on whether multiple deliverables exist, how the arrangement should be separated, and the consideration allocated. This guidance eliminates the requirement to establish the fair value of undelivered products and services and instead provides for separate revenue recognition based upon management's estimate of the selling price for an undelivered item when there is no other means to determine the fair value of that undelivered item. Previous accounting principles required that the fair value of the undelivered item be the price of the item either sold in a separate transaction between unrelated third parties or the price charged for each item when the item is sold separately by the vendor. This was difficult to determine when the product was not individually sold because of its unique features. Under previous accounting principles, if the fair value of the undelivered elements in the arrangement was not determinable, then revenue was generally deferred until all of the items were delivered or fair value was determined. The adoption of ASU No. 2009-13 did not have a material impact on the Company's financial position or results of operations for the three-month period ended September 30, 2010, however, this standard will be applied to the agreement with Novartis discussed in Note A and all future or significantly modified collaborative relationships.

During the current period, the Company adopted ASU No. 2010-17, "Revenue Recognition — Milestone Method." ASU No. 2010-17 codifies a method of revenue recognition that has been common practice. Under this method, contingent consideration from research and development activities that is earned upon the achievement of a substantive milestone is recognized in its entirety in the period in which the milestone is achieved. Because the Company's revenue recognition policy for milestone payments is generally consistent with the FASB's guidance, the adoption of this standard during the current period did not have a material effect on the Company's consolidated financial position or results of operations and cash flows. However, this standard may impact the Company's accounting for any milestone payments received in future periods..

During the current period, the Company adopted the provisions of ASC Topic 810, "Consolidations", related to the changes to how a reporting entity determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. The adoption of these provisions did not have a significant impact on the Company's financial position or results of operations.

B. Collaborative Agreements

sanofi-aventis

In July 2003, the Company entered into a broad collaboration agreement with sanofi-aventis to discover, develop and commercialize antibody-based anticancer therapeutics. The collaboration agreement provides for certain payments based on the achievement of product candidate milestones and royalties on sales of any resulting products, if and when such sales commence. Through September 30, 2010, we have earned and received an aggregate of $13 million in milestone payments under this agreement for compounds covered under this agreement now or in the past, including a $1 million milestone payment earned in September 2010 related to the initiation of Phase I clinical testing of SAR566658 which is included in license and milestone fee revenue for the three

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months ended September 30, 2010. At the time of execution of this agreement, there was significant uncertainty as to whether this milestone would be achieved. In consideration of this, as well as the Company's past involvement in the research and manufacturing of this product, this milestone was deemed substantive.

Bayer Schering Pharma

In October 2008, the Company entered into a development and license agreement with Bayer Schering Pharma. The Company received a $4 million upfront payment upon execution of the agreement, which the Company has deferred and is recognizing as revenue ratably over the estimated period of substantial involvement. In September 2009, Bayer Schering Pharma reached a preclinical milestone which triggered a $1 million payment to the Company.

Amgen, Inc.

In September 2009 and November 2009, the Company entered into two development and license agreements with Amgen Inc. granting Amgen the exclusive right to use the Company's maytansinoid TAP technology to develop anticancer therapeutics to specific targets. Under the terms of the licenses, the Company received a $1 million upfront payment with each license taken. The Company has deferred the $1 million upfront payments and is recognizing these amounts as revenue ratably over the estimated period of substantial involvement. In September 2010, the Company granted Amgen a combination of exclusive and non-exclusive options to test the Company's TAP technology with antibodies to specific targets. For each option taken, Amgen paid the Company a nominal fee. The option fees have been deferred and are being recognized ratably over the option periods. These options provide Amgen with the right to take a license for each of these targets, during the time period allowed, on the license terms established in 2000 between ImmunoGen and Abgenix, Inc., which later was acquired by Amgen. Amgen no longer has the right to designate new targets under this agreement, although the option periods with respect to the designated targets as of such date will remain in effect for the remainder of the respective option periods.

Additional information on the agreements the Company has with these and other companies is described elsewhere in this Quarterly Report and in its 2010 Annual Report on Form 10-K.

C. Capital Stock

2001 Non-Employee Director Stock Plan

During the three months ended September 30, 2010 and 2009, the Company recorded approximately $(45,000) and $(8,000) in expense reduction, respectively, related to stock units outstanding under the Company's 2001 Non-Employee Director Stock Plan. The value of the stock units is adjusted to market value at each reporting period as the redemption amount of stock units for this plan will be paid in cash. No stock units have been issued under the 2001 Plan subsequent to June 30, 2004.

2004 Non-Employee Director Compensation and Deferred Share Unit Plan

On September 16, 2009, the Board adopted a new Compensation Policy for Non-Employee Directors, which superseded the 2004 Non-Employee Director Compensation and Deferred Share Unit Plan, as amended, and made certain changes to the compensation of its non-employee directors. Under the terms of the new policy, the redemption amount of deferred share units will be paid in shares of common stock of the Company on the date a director ceases to be a member of the Board. Annual retainers vest quarterly over approximately one year from the date of grant, contingent upon the individual remaining a director of ImmunoGen as of each vesting date, and the number of deferred share units awarded is based on the market value of the Company's common stock on the date of the award. All unvested deferred stock awards will automatically vest immediately prior to the occurrence of a change of control.

Previous to the change in September 2009, annual awards vested quarterly over the three-year period from date of grant. Pursuant to the change, all unvested deferred stock awards were vested in full on September 16, 2009 unless the date such deferred stock units were credited to the non-employee director was less than one year prior to September 16, 2009, in which case such unvested deferred stock units vested on the first anniversary of the date such deferred stock units were credited to the non-employee director.

During the three months ended September 30, 2010, the Company recorded approximately $81,000 and $217,000 in compensation expense, respectively, related to deferred share units issued and outstanding under the amended 2004 Director Plan.

D. Cash, Cash Equivalents, and Marketable Securities

As of September 30, 2010, $94.9 million in cash and money market funds were classified as cash and cash equivalents. During the current period, the Company sold the remaining marketable securities in its investment portfolio, resulting in a net realized gain of approximately $341,000. The Company had no realized gains or losses on the sale of investments during the same period last year.

As of June 30, 2010, $109.2 million in cash and money market funds were classified as cash and cash equivalents. The Company's cash, cash equivalents and marketable securities as of June 30, 2010 are as follows (in thousands):

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	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value
Cash and money market funds	$ 109,156	$ —	$ —	$ 109,156
Asset-backed securities				
Current	25	8	—	33
Non-current	810	291	(17)	1,084
Corporate notes				
Current	25	—	—	25
Total	$ 110,016	$ 299	$ (17)	$ 110,298
Less amounts classified as cash and cash equivalents	(109,156)	—	—	(109,156)
Total marketable securities	$ 860	$ 299	$ (17)	$ 1,142

E. Commitments and Contingencies

Leases

Effective July 27, 2007, the Company entered into a lease agreement with Intercontinental Fund III for the rental of approximately 89,000 square feet of laboratory and office space at 830 Winter Street, Waltham, MA. The Company uses this space for its corporate headquarters, research and other operations. The initial term of the lease is for twelve years with an option for the Company to extend the lease for two additional terms of five years. The Company is required to pay certain operating expenses for the leased premises subject to escalation charges for certain expense increases over a base amount. The Company entered into a sublease in December 2009 for 14,100 square feet of this space in Waltham through January 2015, with the sublessee having an option to extend the term for an additional two years.

At September 30, 2010, the Company also leases a facility in Norwood, MA which is under agreement through June 2011, with an option for the Company to extend the lease for one additional term of five years. The Company is required to pay certain operating expenses for the leased premises subject to escalation charges for certain expense increases over a base amount.

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

2011 (nine months remaining)	$ 4,214
2012	4,831
2013	4,831
2014	4,897
2015	5,098
Thereafter	24,974
Total minimum lease payments	$ 48,845
Total minimum rental payments from sublease	(2,682)
Total minimum lease payments, net	$ 46,163

Collaborations

The Company is contractually obligated to make potential future success-based regulatory milestone payments in conjunction with certain collaborative agreements. These payments are contingent upon the occurrence of certain future events and, given the nature of these events, it is unclear when, if ever, the Company may be required to pay such amounts. Further, the timing of any future payment is not reasonably estimable. As of September 30, 2010, the maximum amount that may be payable in the future under such arrangements is approximately $43.0 million.

F. Income Taxes

During the three months ended September 30, 2009, the Company recognized $162,000 of tax benefit associated with U.S. research and development tax credits against which the Company had previously provided a full valuation allowance, but which

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became refundable as a result of federal legislation passed in 2009. No similar tax benefit was recorded during the three months ended September 30, 2010. Due to the degree of uncertainty related to the ultimate use of loss carryforwards and tax credits, the Company has established a valuation allowance to fully reserve its remaining tax benefits.

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

OVERVIEW

Since our inception, we have been principally engaged in the development of novel, targeted therapeutics for the treatment of cancer using our expertise in cancer biology, monoclonal antibodies, highly potent cytotoxic, or cell-killing, agents, and the design of linkers that enable these agents to remain stably attached to the antibodies while in the blood stream and released in their fully active form after delivery to a cancer cell. An anticancer compound made using our Targeted Antibody Payload, or TAP, technology consists of a monoclonal antibody that binds specifically to an antigen target found on cancer cells with multiple copies of one of our proprietary cell-killing agents attached to the antibody using one of our engineered linkers. Its antibody component enables a TAP compound to bind specifically to cancer cells that express a particular target antigen, the highly potent cytotoxic agent serves to kill the cancer cell, and the engineered linker controls the release and activation of the cytotoxic agent inside the cancer cell. Our TAP technology is designed to enable the creation of highly effective, well-tolerated anticancer products. All of our and our collaborative partners' TAP compounds currently in preclinical and clinical testing contain either DM1 or DM4 as the cytotoxic agent. Both DM1 and DM4, collectively DMx, are our proprietary derivatives of a naturally occurring substance called maytansine. We also have expertise in cancer biology and in the development and humanization of monoclonal antibodies.

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

sanofi-aventis—In July 2003, we entered into a discovery, development and commercialization collaboration with sanofi-aventis. The collaboration agreement provides for certain payments based on the achievement of product candidate milestones and royalties on sales of any resulting products, if and when such sales commence. For the targets included in the collaboration at this time, we are entitled to milestone payments potentially totaling $21.5 million for each product candidate developed under this agreement. Through September 30, 2010, we have earned and received an aggregate of $13 million in milestone payments under this agreement for compounds covered under this agreement now or in the past, including a $1 million milestone payment earned in September 2010 related to the initiation of Phase I clinical testing of SAR566658 which is included in license and milestone fee revenue for the three months ended September 30, 2010.

Bayer Schering Pharma—In October 2008, we entered into a development and license agreement with Bayer Schering Pharma. The agreement grants Bayer Schering Pharma exclusive rights to use our maytansinoid TAP technology to develop and commercialize therapeutic compounds to a specific target. We received a $4 million upfront payment upon execution of the agreement, and—for each compound developed and marketed by Bayer Schering Pharma under this collaboration—we could potentially receive up to $170.5 million in milestone payments; additionally, we are entitled to receive royalties on the sales of any resulting products..We have deferred the $4 million upfront payment and are recognizing this amount as revenue over the estimated period of substantial involvement. In September 2009, Bayer Schering Pharma reached a preclinical milestone which triggered a $1.0 million payment to us.

Amgen—In September 2009 and November 2009, we entered into two development and license agreements with Amgen Inc. granting Amgen the exclusive right to use our maytansinoid TAP technology to develop anticancer therapeutics to specific targets. Under the terms of the licenses, we received a $1 million upfront payment with each license taken. We have deferred the $1 million upfront payments and are recognizing these amounts as revenue ratably over the estimated period of substantial involvement. In September 2010, we granted Amgen a combination of exclusive and non-exclusive options to test our TAP technology with antibodies to specific targets. For each option taken, Amgen paid us a nominal fee. The option fees have been deferred and are being recognized ratably over the option periods. These options provide Amgen with the right to take a license for each of these targets, during the time period allowed, on the license terms established in 2000 between ImmunoGen and Abgenix, Inc., which later was acquired by Amgen. Under that agreement, for each license, we are entitled to receive milestone payments potentially totaling $34 million plus royalties on

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the sales of any resulting products. Amgen no longer has the right to designate new targets under this agreement, although the option periods with respect to the designated targets as of such date will remain in effect for the remainder of the respective option periods.

Novartis—In October 2010, the Company entered into an agreement with Novartis Institutes for BioMedical Research, Inc. (Novartis). The agreement provides Novartis with the right to test our TAP technology with antibodies to a specified number of antigen targets on an exclusive basis for a specified period of time and to take exclusive licenses for individual targets on agreed upon terms to use our TAP technology to develop products. The Company received a $45 million upfront payment in connection with the execution of the agreement, and for each target that results in an anticancer therapeutic, the Company is entitled to receive milestone payments potentially totaling $200.5 million plus royalties on product sales, if any. The Company also is entitled to

receive payments for manufacturing any preclinical and clinical materials at the request of Novartis as well as for any research and development activities performed on its behalf. Novartis is responsible for the development, manufacturing, and marketing of any products resulting from this agreement.

To date, we have not generated revenues from commercial product sales and we expect to incur significant operating losses for the foreseeable future. As of September 30, 2010, we had approximately $94.9 million in cash and marketable securities compared to $110.3 million in cash and marketable securities as of June 30, 2010.

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

Critical Accounting Policies

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

Provisions of ASU No. 2009-13, “Multiple-Deliverable Revenue Arrangements,” related to revenue recognition when multiple deliverables exist in an arrangement, were adopted by the Company on July 1, 2010 and did not have a material impact on our financial position or results of operations upon adoption. During the current period, we also adopted ASU No. 2010-17, “Revenue Recognition — Milestone Method.” Under this method, contingent consideration from research and development activities that is earned upon the achievement of a substantive milestone is recognized in its entirety in the period in which the milestone is achieved. Refer to *Note A — Recent Accounting Pronouncements* to our unaudited consolidated financial statements included in Item 1 of this Quarterly Report for a discussion of our adoption of these standards.

There were no other significant changes to our critical accounting policies from those disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2010.

RESULTS OF OPERATIONS

Comparison of Three Months ended September 30, 2010 and 2009

Revenues

Our total revenues for the three months ended September 30, 2010 and 2009 were $3.4 million and $3.1 million, respectively. The $312,000 increase in revenues in the three months ended September 30, 2010 from the same period in the prior year is attributable to an increase in research and development support revenue, partially offset by a decrease in license and milestone fees and clinical materials reimbursement revenue, all of which are discussed below.

Research and development support was $1.5 million for the three months ended September 30, 2010 compared with $782,000 for the three months ended September 30, 2009. These amounts primarily represent research funding earned based on actual resources

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utilized under our agreements with our collaborators shown in the table below. The increased research and development support fees in the current period compared to the prior year period is primarily due to revenues earned under our development and collaboration agreements with Amgen. Also included in research and development support revenue are development fees charged for reimbursement of our direct and overhead costs incurred in producing and delivering research-grade materials to our collaborators and for developing antibody-specific conjugation processes on behalf of our collaborators and potential collaborators during the early evaluation and preclinical testing stages of drug development. The amount of development fees we earn is directly related to the number of our collaborators and potential collaborators, the stage of development of our collaborators’ product candidates and the resources our collaborators allocate to the development effort. As such, the amount of development fees may vary widely from quarter to quarter and year to year. Total revenue recognized from research and development support from each of our collaborative partners in the three-month periods ended September 30, 2010 and 2009 is included in the following table (in thousands):

	Three months ended September 30,	
Research and Development Support	**2010**	**2009**
Collaborative Partner:		
Amgen	$ 1,274	$ 33
Bayer Schering Pharma	77	—
Biotest	102	428
Genentech	3	196
sanofi-aventis	6	118
Other	33	7
Total	$ 1,495	$ 782

Revenues from license and milestone fees for the three months ended September 30, 2010 decreased $21,000 to $1.8 million compared to the same period ended September 30, 2009. Included in license and milestone fees for the three months ended September 30, 2010 was a $1.0 million milestone

payment related to the initiation of Phase I clinical testing of SAR566658 achieved under the collaboration agreement with sanofi-aventis. Included in license and milestone fees for the three months ended September 30, 2009 was a $1.0 million milestone payment related to a preclinical milestone achieved under the collaboration agreement with Bayer Schering Pharma. Total revenue from license and milestone fees recognized from each of our collaborative partners in the three-month periods ended September 30, 2010 and 2009 is included in the following table (in thousands):

License and Milestone Fees	Three months ended September 30, 2010	2009
Collaborative Partner:		
Amgen	$ 224	$ 147
Bayer Schering Pharma	154	1,154
Biogen Idec	21	57
Biotest	32	42
Centocor	20	34
Genentech	—	38
sanofi-aventis	1,359	359
Total	$ 1,810	$ 1,831

Deferred revenue of $11.6 million as of September 30, 2010 primarily represents payments received from our collaborators pursuant to our license agreements, which we have yet to earn pursuant to our revenue recognition policy.

Clinical materials reimbursement decreased by approximately $380,000 in the three months ended September 30, 2010, to $106,000 from $486,000 in the three months ended September 30, 2009. We are reimbursed for certain of our direct and overhead costs to produce clinical materials plus, for certain programs, a profit margin. The amount of clinical materials reimbursement we earn, and the related cost of clinical materials charged to research and development expense, is directly related to the number of clinical trials our collaborators are preparing or have underway, the speed of enrollment in those trials, the dosage schedule of each clinical trial and the time period, if any, during which patients in the trial receive clinical benefit from the clinical materials, and the supply of clinical-grade material to our collaborators for process development and analytical purposes. As such, the amount of clinical materials reimbursement revenue and the related cost of clinical materials charged to research and development expense may vary significantly from quarter to quarter and year to year.

Research and Development Expenses

Our research and development expenses relate to (i) research to evaluate new targets and to develop and evaluate new antibodies, linkers and cytotoxic agents, (ii) preclinical testing of our own and, in certain instances, our collaborators' product candidates, and the

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cost of our own clinical trials, (iii) development related to clinical and commercial manufacturing processes and (iv) manufacturing operations which also includes raw material and process improvement efforts.

Research and development expense for the three months ended September 30, 2010 increased $1.2 million to $13.4 million from $12.2 million for the three months ended September 30, 2009. The increase was primarily due to increased antibody development and supply costs, increased salaries and related expenses, and increased consulting fees, partially offset by lower cost of clinical materials reimbursed and greater manufacturing overhead utilization. The number of our research and development personnel increased to 184 as of September 30, 2010 compared to 177 at September 30, 2009.

We are unable to accurately estimate which potential product candidates, if any, will eventually move into our internal preclinical research program. We are unable to reliably estimate the costs to develop these products as a result of the uncertainties related to discovery research efforts as well as preclinical and clinical testing. Our decision to move a product candidate into the clinical development phase is predicated upon the results of preclinical tests. We cannot accurately predict which, if any, of the discovery stage product candidates will advance from preclinical testing and move into our internal clinical development program. The clinical trial and regulatory approval processes for our product candidates that have advanced or that we intend to advance to clinical testing are lengthy, expensive and uncertain in both timing and outcome. As a result, the pace and timing of the clinical development of our product candidates is highly uncertain and may not ever result in approved products. Completion dates and development costs will vary significantly for each product candidate and are difficult to predict. A variety of factors, many of which are outside our control, could cause or contribute to the prevention or delay of the successful completion of our clinical trials, or delay or prevent our obtaining necessary regulatory approvals. The costs to take a product through clinical trials are dependent upon, among other factors, the clinical indications, the timing, size and design of each clinical trial, the number of patients enrolled in each trial, and the speed at which patients are enrolled and treated. Product candidates may be found to be ineffective or to cause unacceptable side effects during clinical trials, may take longer to progress through clinical trials than anticipated, may fail to receive necessary regulatory approvals or may prove impractical to manufacture in commercial quantities at reasonable cost or with acceptable quality.

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

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

Research and Development Expense	Three Months Ended September 30, 2010	2009
Research	$ 3,625	$ 3,617
Preclinical and Clinical Testing	3,818	3,233
Process and Product Development	1,614	1,476
Manufacturing Operations	4,368	3,862

Total Research and Development Expense	$ 13,425	$ 12,188

***Research**:* Research includes expenses associated with activities to identify and evaluate new targets and to develop and evaluate new antibodies, linkers and cytotoxic agents for our products and in support of our collaborators. Such expenses primarily include personnel, fees to in-license certain technology, facilities and lab supplies. Research expenses for the three months ended September 30, 2010 increased $8,000 compared to the three months ended September 30, 2009.

***Preclinical and Clinical Testing**:* Preclinical and clinical testing includes expenses related to preclinical testing of our own and, in certain instances, our collaborators' product candidates, regulatory activities, and the cost of our own clinical trials. Such expenses include personnel, patient enrollment at our clinical testing sites, consultant fees, contract services, and facility expenses. Preclinical and clinical testing expenses for the three months ended September 30, 2010 increased $585,000 to $3.8 million compared to $3.2 million for the three months ended September 30, 2009. This increase is primarily the result of an increase in regulatory assistance costs, increased clinical trial costs, and an increase in salaries and related expenses due to additional headcount and higher salary levels, as well as higher stock compensation costs.

***Process and Product Development**:* Process and product development expenses include costs for development of clinical and commercial manufacturing processes for our own and collaborator compounds. Such expenses include the costs of personnel, contract services and facility expenses. For the three months ended September 30, 2010, total development expenses increased $138,000

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compared to the three months ended September 30, 2009. This increase is primarily the result of an increase in salaries and related expenses due to additional headcount, higher salary levels and higher stock compensation costs.

Manufacturing Operations: Manufacturing operations expense includes costs to manufacture preclinical and clinical materials for our own and our collaborator's product candidates, and quality control and quality assurance activities and costs to support the operation and maintenance of our conjugate manufacturing facility. Such expenses include personnel, raw materials for our and our collaborators' preclinical studies and clinical trials, development costs with contract manufacturing organizations, manufacturing supplies, and facilities expense. For the three months ended September 30, 2010, manufacturing operations expense increased $506,000 to $4.4 million compared to $3.9 million in the same period last year. The increase in the three months ended September 30, 2010 as compared to the three months ended September 30, 2009 is primarily the result of an increase in antibody development and supply costs due to timing of supply requirements and an increase in quality control-related consulting fees. Partially offsetting these increases, cost of clinical materials reimbursed for clinical materials shipped to partners during the current period decreased and overhead utilization absorbed by the manufacture of clinical materials on behalf of our collaborators increased.

General and Administrative Expenses

General and administrative expenses for the three months ended September 30, 2010 decreased $228,000 to $3.4 million compared to $3.6 million for the three months ended September 30, 2009. This decrease is primarily due to a decrease in directors' fees, a decrease in patent expenses, and a decrease in facility operating costs, partially offset by an increase in salaries and related expenses.

Other Income, net

Other income, net for the three months ended September 30, 2010 and 2009 is included in the following table (in thousands):

	Three Months Ended September 30,	
Other Income, net	**2010**	**2009**
Interest Income	$ 49	$ 58
Net Realized Gains on Investments	341	—
Other Income, net	100	86
Total Other Income, net	$ 490	$ 144

Interest Income

Interest income for the three months ended September 30, 2010 decreased $9,000 to $49,000 from $58,000 for the three months ended September 30, 2009.

Net Realized Gains on Investments

Net realized gains on investments were $341,000 for the three months ended September 30, 2010. There were no realized gains or losses recognized in the three months ended September 30, 2009.

Other Income, net

Other income, net for the three months ended September 30, 2010 and 2009 was $100,000 and $86,000, respectively. During the three months ended September 30, 2010 and 2009, we recorded net gains on forward contracts of $146,000 and $16,000, respectively. We recorded $(46,000) and $69,000 in foreign currency translation (losses) gains related to obligations with non-U.S. dollar-based suppliers during the three months ended September 30, 2010 and 2009, respectively.

LIQUIDITY AND CAPITAL RESOURCES

	September 30, 2010	June 30, 2010
	(In thousands)	
Cash, cash equivalents and marketable securities	$ 94,942	$ 110,298
Working capital	92,529	103,296

Shareholders' equity	90,521	102,048

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	Three Months Ended September 30,	
	2010	2009
	(In thousands)	
Cash used for operating activities	$ (15,283)	$ (11,411)
Cash provided by (used for) investing activities	949	(96)
Cash provided by financing activities	120	509

Cash Flows

We require cash to fund our operating expenses, including the advancement of our own clinical programs, and to make capital expenditures. Historically, we have funded our cash requirements primarily through equity financings in public markets and payments from our collaborators, including equity investments, license fees and research funding. As of September 30, 2010, we had approximately $94.9 million in cash and marketable securities. Net cash used in operations was $15.3 million and $11.4 million for the three months ended September 30, 2010 and 2009, respectively. The principal use of cash in operating activities for all periods presented was to fund our net loss.

Net cash provided by (used for) investing activities was $949,000 and $(96,000) for the three months ended September 30, 2010 and 2009, respectively, and substantially represents cash inflows from the sales and maturities of marketable securities partially offset by capital expenditures. Capital expenditures, primarily for the purchase of new equipment, were $348,000 and $627,000 for the three-month periods ended September 30, 2010 and 2009, respectively.

Net cash provided by financing activities was $120,000 and $509,000 for the three months ended September 30, 2010 and 2009, respectively, which represents proceeds from the exercise of approximately 21,000 and 113,000 stock options, respectively.

We anticipate that our current capital resources and future collaborator payments, either from new or existing partners, including the $45 million upfront payment received from Novartis in October 2010, will enable us to meet our operational expenses and capital expenditures into the second half of fiscal 2013. However, we cannot provide assurance that such future collaborative agreement funding will, in fact, be received. Should we or our partners not meet some or all of the terms and conditions of our various collaboration agreements, we may be required to pursue additional strategic partners, secure alternative financing arrangements, and/or defer or limit some or all of our research, development and/or clinical projects.

Contractual Obligations

There have been no material changes to our contractual obligations outside the ordinary course of business from those disclosed in our Annual Report on Form 10-K for the fiscal year ended June 30, 2010.

Recent Accounting Pronouncements

During the current period, we adopted Accounting Standards Update (ASU) No. 2009-13, "Multiple-Deliverable Revenue Arrangements" (ASU No. 2009-13). ASU No. 2009-13 amends existing revenue recognition accounting pronouncements, provides accounting principles and application guidance on whether multiple deliverables exist, how the arrangement should be separated, and the consideration allocated. This guidance eliminates the requirement to establish the fair value of undelivered products and services and instead provides for separate revenue recognition based upon management's estimate of the selling price for an undelivered item when there is no other means to determine the fair value of that undelivered item. Previous accounting principles required that the fair value of the undelivered item be the price of the item either sold in a separate transaction between unrelated third parties or the price charged for each item when the item is sold separately by the vendor. This was difficult to determine when the product was not individually sold because of its unique features. Under previous accounting principles, if the fair value of the undelivered elements in the arrangement was not determinable, then revenue was deferred until all of the items were delivered or fair value was determined. The adoption of ASU No. 2009-13 did not have a material impact on our financial position or results of operations for the three month period ended September 30, 2010, however, this standard will be applied to the agreement with Novartis discussed in Note A to the accompanying financial statements and all future or significantly modified collaborative relationships.

During the current period, the Company adopted ASU No. 2010-17, "Revenue Recognition — Milestone Method." ASU No. 2010-17 codifies a method of revenue recognition that has been common practice. Under this method, contingent consideration from research and development activities that is earned upon the achievement of a substantive milestone is recognized in its entirety in the period in which the milestone is achieved. Because our revenue recognition policy for milestone payments is generally consistent with the FASB's guidance, the adoption of this standard during the current period did not have a material effect on our consolidated financial position or results of operations and cash flows. However, this standard may impact our accounting for any milestone payments received in future periods.

During the current period, we adopted the provisions of ASC Topic 810, "Consolidations", related to the changes to how a reporting entity determines when an entity that is insufficiently capitalized or is not controlled through voting (or similar rights) should be consolidated. The adoption of these provisions did not have a significant impact on our financial position or results of operations.

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Forward-Looking Statements

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

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

Forward-looking statements can be identified by the fact that they do not relate to historical or current facts. They use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “opportunity,” “plan,” “potential,” “believe” or words of similar meaning. They may also use words such as “will,” “would,” “should,” “could” or “may”. Given these uncertainties, you should not place undue reliance on these forward-looking statements, which speak only as of the date of this report. You should review carefully the risks and uncertainties identified in this Quarterly Report on Form 10-Q, including the cautionary information set forth under Part II, Item 1A., Risk Factors, and our Annual Report on Form 10-K for the year ended June 30, 2010. We may not revise these forward-looking statements to reflect events or circumstances after the date of this report or to reflect the occurrence of unanticipated events.

OFF-BALANCE SHEET ARRANGEMENTS

None.

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

Our market risks, and the ways we manage them, are summarized in Part II, Item 7A, “Quantitative and Qualitative Disclosures About Market Risk” of our Annual Report on Form 10-K for the fiscal year ended June 30, 2010. Since then there have been no material changes to our market risks or to our management of such risks.

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

(a) *Disclosure Controls and Procedures*

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

(b) *Changes in Internal Controls*

There have not been any changes in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2010 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

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PART II. OTHER INFORMATION

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

You should carefully review and consider the information regarding certain factors that could materially affect our business, financial condition or future results set forth under Item 1A. (Risk Factors) in our Annual Report on Form 10-K for the fiscal year ended June 30, 2010. There have been no material changes from the factors disclosed in our 2010 Annual Report on Form 10-K, although we may disclose changes to such factors or disclose additional factors from time to time in our future filings with the Securities and Exchange Commission.

ITEM 6. ***Exhibits***

10.1	Compensation Policy for Non-Employee Directors, as amended through September 22, 2010.
10.2	2006 Employee, Director and Consultant Equity Incentive Plan, as amended and restated through September 22, 2010 (incorporated by reference to the Registrant’s definitive proxy statement dated October 4, 2010, filed with the Securities and Exchange Commission on October 4, 2010).
31.1	Certification of Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of Principal Executive Officer and Principal Financial Officer under Section 906 of the Sarbanes- Oxley Act of 2002.

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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: October 29, 2010 By: /s/ Daniel M. Junius
Daniel M. Junius
President, Chief Executive Officer (Principal Executive Officer)

Date: October 29, 2010 By: /s/ Gregory D. Perry
Gregory D. Perry
Senior Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)

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INDEX TO EXHIBITS

Exhibit No.	Description
10.1	Compensation Policy for Non-Employee Directors, as amended through September 22, 2010.
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31.2	Certification of Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certifications of Principal Executive Officer and Principal Financial Officer under Section 906 of the Sarbanes-Oxley Act of 2002.

Exhibit 10.1

ImmunoGen, Inc.

Compensation Policy for Non-Employee Directors

Objective

It is the objective of ImmunoGen to compensate non-employee Directors in a manner which will enable recruitment and retention of highly qualified Directors and fairly compensate them for their services as a Director.

Cash Compensation

Annual meeting fee for non-employee Directors:		$35,000 per annum, paid quarterly
Additional annual fees:		
(a)	Lead Director / Chairman of the Board:(1)	$30,000 per annum, paid quarterly
(b)	Chairman of the Audit Committee:	$15,000 per annum, paid quarterly
(c)	Chairman of the Compensation Committee:	$9,000 per annum, paid quarterly
(d)	Chairman of the G&N Committee:	$9,000 per annum, paid quarterly
(e)	Other members of the Audit Committee	$8,000 per annum, paid quarterly
(f)	Other members of the Compensation Committee	$5,000 per annum, paid quarterly
(g)	Other members of the G&N Committee	$5,000 per annum, paid quarterly

Directors are entitled to be reimbursed for their reasonable expenses incurred in connection with attendance at Board and committee meetings during their tenure as a Director. Any reimbursement in one calendar year shall not affect the amount that may be reimbursed in any other calendar year and a reimbursement (or right thereto) may not be exchanged or liquidated for another benefit or payment. Any business expense reimbursements subject to Section 409A of the Internal Revenue Code of 1986 shall be made no later than the end of the calendar year following the calendar year in which such business expense is incurred by the Director.

Quarterly payments shall be paid in arrears within 30 days following the end of each calendar quarter.(2) A non-employee Director may elect to receive any or all of his or her cash compensation in the form of deferred stock units ("DSUs") having an aggregate Fair Market Value equal to the amount deferred, measured on the date of grant which shall be the last day of

(1) Payable to non-employee Chairman of the Board only.
(2) Quarterly payments will be appropriately pro-rated for Directors who retire, resign or are otherwise removed from the Board prior to the end of a calendar quarter.

the calendar quarter for which the retainer is being paid. All elections as to form of payment shall be made annually by December 31st of the year prior to service which election shall be effective for all payments to be made in the following calendar year. New non-employee Directors shall make their elections within 30 days of their initial appointment or election to the Board of Directors for all payments to be made in that calendar year. Any such election shall be prospective only for compensation attributable to services performed after the effective date of such election and any amounts covered by such election shall be prorated as necessary. Each non-employee Director shall be deemed to have elected to receive payments in cash for payments in periods prior to any such election or if no timely election shall have been made. Notwithstanding the foregoing, a previous election made by a non-employee Director pursuant to the 2004 Non-Employee Director Compensation Deferred Share Unit Plan or under this policy shall remain in effect for subsequent calendar years until it is changed by the completion, signature and delivery to the Company of a new election form, in accordance with the terms of this policy.

Upon making such election, DSUs shall be granted as described above without any further action by the Compensation Committee. These awards are fully vested as to all of the issued DSUs on the date of grant.

Equity Compensation (effective November 16, 2010)

1. Deferred Stock Units.

(a) Initial Grant. New non-employee Directors will automatically be granted, without any further action by the Compensation Committee, DSUs having an aggregate fair market value of $65,000 (rounded down to the nearest whole share), measured on the date of grant which shall be the date of their initial election or appointment to the Board. This award will vest pro rata, on a quarterly basis over a three-year period, as to eight and one-third percent (8-1/3%) of the issued DSUs (rounded down to the nearest whole share) per quarter with the first vesting date to be the date that is the first day of the third month following the month in which the date of grant occurs.

(b) First Anniversary Grant. On the first anniversary of a non-employee Director's initial election to the Board, such non-employee Director will automatically be granted, without any further action by the Compensation Committee, a number of DSUs having an aggregate fair market value of $30,000 (rounded down to the nearest whole share), measured on the date of grant which shall be the date of such first anniversary and pro-rated based on the number of whole months (the "Monthly Amount") remaining between the first day of the month in which such first anniversary date occurs and the first October 31 following the date of grant. This award will vest on the same schedule as the Continuing Director Grants awarded pursuant to paragraph 1(c) below

(provided that in all cases the last vesting date of a First Anniversary Grant shall be the first November 1 following the date of grant). The number of issued DSUs that shall vest on any particular date shall be equal to the number of months in each vesting period based on the Monthly Amount calculation.(3)

(3) For example, if an award is granted on April 15, the amount of the award will be 7/12 of the full-year award (April through October) and such award will vest on May 1 as to 1/12 of the full-year award, August 1 as to 3/12 of the full-year award and November 1 as to 3/12 of the full-year award.

(c) Continuing Director Grants. After receiving a First Anniversary Grant under paragraph (b), non-employee Directors will automatically be granted, on an annual basis and without further action by the Compensation Committee, DSUs having an aggregate fair market value of $30,000 (rounded down to the nearest whole share), measured on the date of grant which shall be the earlier of the date of ImmunoGen's annual meeting of shareholders or November 20 of the applicable year. These awards will vest pro rata, on a quarterly basis over a one-year period, as to twenty-five percent (25%) of the issued DSUs (rounded down to the nearest whole share) per quarter on each of February 1, May 1, August 1 and November 1 following the date of grant. If a non-employee director receives a First Anniversary Grant under paragraph 1(b) above between November 1 and November 20 of any year, then such non-employee Director will not be eligible to receive a Continuing Director Grant under this paragraph 1(c) for that year.(4)

(d) Terms of Grant. All DSU awards to non-employee Directors under this policy are granted under the 2006 Employee, Director and Consultant Equity Incentive Plan (the "2006 Plan"), and are subject to the terms and conditions set forth in the 2006 Plan and the form of Deferred Stock Unit Agreement attached hereto as Exhibit A. All capitalized terms that are not defined herein shall have the meanings set forth in the 2006 Plan.

2. Stock Options.

(a) Annual Stock Option Grants. Non-employee Directors will automatically be granted, on an annual basis and without further action by the Compensation Committee, stock option awards having a grant date fair value of $30,000 using the Black-Scholes option pricing model (rounded down to the nearest whole share) measured on the date of grant, which shall be the earlier of the date of ImmunoGen's annual meeting of shareholders or November 20 of the applicable year. These awards (i) will be granted with an exercise price equal to the Fair Market Value of the Common Stock on the date of grant, (ii) will vest pro rata, on a quarterly basis over a one-year period, as to twenty-five percent (25%) of the number of shares covered by such awards (rounded to the nearest whole share) per quarter on each of February 1, May 1, August 1 and November 1 following the date of grant, and (iii) will expire on the tenth (10^{th}) anniversary of the date of grant. If a non-employee Director receives an Off-Cycle Initial Grant under paragraph (b) below between November 1 and November 20 of any year, then such non-employee Director will not be eligible to receive an Annual Stock Option Grant under this paragraph (a) for that year.(5)

(b) Off-Cycle Initial Grants. If a non-employee Director is first elected to the Board other than at an annual meeting of shareholders, such non-employee Director will automatically be granted, without further action by the Compensation Committee, a stock option award having

(4) Any Director who transitions from an employee director to a non-employee Director without a break in service shall not be eligible to receive an award of DSUs under paragraphs 1(a) or 1(b), but shall be eligible to receive awards under paragraph 1(c), beginning with the first annual meeting of shareholders on or after the date on which such Director ceases to be an employee of the Company.

(5) Any Director who transitions from an employee to a non-employee Director without a break in service shall not be eligible to receive a stock option award under paragraph 2(b), but shall be eligible to receive awards under paragraph 2(a), beginning with the first annual meeting of shareholders on or after the date on which such Director ceases to be an employee of the Company.

a grant date fair value of $30,000, pro-rated based on the number of whole months (the "Monthly Amount") remaining between the first day of the month in which such first election occurs and the first October 31 following the date of grant, which shall be the date of their initial election to the Board, using the Black-Scholes option pricing model (rounded down to the nearest whole share) measured on the date of grant. This award (i) will be granted with an exercise price equal to the Fair Market Value of the Common Stock on the date of grant, and (ii) will vest on the same schedule as the Annual Stock Option Grants awarded pursuant to paragraph 2(a) above (provided that in all cases the last vesting date of an Off-Cycle Initial Grant shall be the first November 1 following the date of grant). The number of shares as to which an Off-Cycle Initial Grant will vest on any particular date shall be equal to the number of months in each vesting period based on the Monthly Amount calculation.(6) This award will expire on the tenth (10th) anniversary of the date of grant.

(c) Terms of Grant. All stock option awards to non-employee Directors under this policy are granted under the 2006 Plan, and are subject to the terms and conditions set forth in the 2006 Plan and the form of Stock Option Agreement attached hereto as Exhibit B. All capitalized terms that are not defined herein shall have the meanings set forth in the 2006 Plan.

Approved by the Board of Directors: September 22, 2010

(6) For example, if an award is granted on April 15, the amount of the award will be 7/12 of the full-year award (April through October) and such award will vest on May 1 as to 1/12 of the full-year award, August 1 as to 3/12 of the full-year award and November 1 as to 3/12 of the full-year award.

EXHIBIT A

DIRECTOR DEFERRED STOCK UNIT AWARD AGREEMENT

UNDER THE IMMUNOGEN, INC.
2006 EMPLOYEE, DIRECTOR AND CONSULTANT EQUITY INCENTIVE PLAN AND
THE COMPENSATION POLICY FOR NON-EMPLOYEE DIRECTORS

Name of Grantee:
No. of Deferred Stock Units Granted:
Grant Date:

Pursuant to the ImmunoGen, Inc. 2006 Employee, Director and Consultant Equity Incentive Plan (the "Plan") and the Compensation Policy for Non-Employee Directors in effect on the date hereof, ImmunoGen, Inc. (the "Company") hereby grants a deferred stock unit award consisting of the number of deferred stock units listed above (an "Award") to the Grantee named above. Each deferred stock unit shall relate to one share of Common Stock, par value $.01 per share (the "Stock") of the Company, subject to the restrictions and conditions set forth herein and in the Plan.

1. Restrictions on Transfer of Award. The Award shall not be sold, transferred, pledged, assigned or otherwise encumbered or disposed of by the Grantee, until (i) the deferred stock units have vested as provided in Section 2 of this Agreement, (ii) the Grantee shall have ceased to be a member of the Company's Board of Directors for any reason and (iii) shares of Stock have been issued pursuant to Section 4 of this Agreement.

2. Vesting of Award. The Award shall vest in accordance with the schedule set forth below, provided in each case that the Grantee is then, and since the Grant Date has continuously been, a member of the Company's Board of Directors.

Incremental (Aggregate) Number of Deferred Stock Units Vested	**Vesting Date**
[Quarterly over one year]	

Notwithstanding the foregoing, all unvested deferred stock units shall vest immediately prior to the occurrence of a Change of Control (as defined in the Plan).

3. Forfeiture. In the event the Grantee ceases to be a member of the Company's Board of Directors prior to the applicable vesting dates, all deferred stock units that have not vested as of the Grantee's cessation of service on the Board of Directors shall be immediately forfeited to the Company.

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4. Receipt of Shares of Stock.

(a) Within 30 days following the date on which the Grantee ceases to be a member of the Company's Board of Directors for any reason, the Company shall issue to the Grantee in book entry form the number of shares of Stock equal to the number of vested deferred stock units pursuant to Section 2 of this Agreement in satisfaction of the Award.

(b) In each instance above, the issuance of shares of Stock shall be subject to the payment by the Grantee by cash or other means acceptable to the Company of any federal, state, local and other applicable taxes required to be withheld in connection with such issuance in accordance with Section 7 of this Agreement. The Grantee understands that once shares have been delivered by book entry to the Grantee in respect of the deferred stock units, the Grantee will be free to sell such shares of Stock, subject to applicable requirements of federal and state securities laws.

(c) Until such time as shares of Stock are issued to the Grantee pursuant to Section 4(a) the Grantee shall have no rights as a stockholder with respect to any shares of Stock underlying the Award, including, but not limited to any voting rights, provided however, that when and if any cash dividends or other distributions are paid with respect to the shares of Stock underlying the Award such amounts shall accrue and be converted into additional deferred stock units based on the Fair Market Value of the common stock on any such dividend payment or distribution date (with any such fractions of deferred stock units computed to four decimal places rounded down) and any such additional deferred stock units shall be subject to the same conditions and restrictions as are the deferred stock units with respect to which they were paid.

(d) If any of the benefits or the delivery of shares of Stock set forth in this Award or the Plan are deferred compensation under Section 409A of the Code, any termination of services triggering payment of such benefits must constitute a "separation from service" under Section 409A of the Code before, subject to subsection (e) below, distribution of such benefits can commence or the delivery of shares of Stock can occur. For purposes of clarification, this paragraph shall not cause any forfeiture of benefits on the part of the Grantee, but shall only act as a delay until such time as a "separation from service" occurs.

(e) Notwithstanding anything to the contrary herein or in the Plan, if the Grantee is a "key employee" (as defined in Section 409A of the Code) as of the date the Grantee ceases to be a member of the Company's Board of Directors, any issuance of Stock upon a termination of services shall, to the extent this requirement of Section 409A of the Code is applicable to this Award, be delayed to the extent necessary to avoid the imposition of excise taxes or other penalties under Section 409A of the Code until the date which is the first business day after six (6) months have elapsed since the Grantee is no longer providing service for any reason other than death.

5. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Agreement shall be subject to and governed by all the terms and conditions of the Plan, including the powers of the Administrator set forth in paragraphs 4 and 24 of the Plan. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein. The Grantee acknowledges receipt of a copy of the Plan.

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6. Transferability of this Agreement. This Agreement is personal to the Grantee, is non-assignable and is not transferable in any manner, by operation of law or otherwise, other than by will or the laws of descent and distribution.

7. Tax Withholding. The Grantee shall, not later than the date as of which the receipt of this Award becomes a taxable event for Federal income tax purposes, pay to the Company or make arrangements satisfactory to the Administrator for payment of any Federal, state, and local taxes required by law to be withheld on account of such taxable event. The Grantee may elect to have the required minimum tax withholding obligation satisfied, in whole or in part, by (i) authorizing the Company to withhold from shares of Stock to be issued, or (ii) transferring to the Company, a number of shares of Stock with an aggregate Fair Market Value that would satisfy the withholding amount due. Any reduction in accordance with the foregoing shall, to the extent applicable, be effected in accordance with Section 409A of the Code and Treasury Regulation Sections 1.409A-3(j)(4)(vi) or 1.409A-3(j)(4)(xi).

8. No Guarantee of Tax Consequences. The Company makes no guarantee of any tax consequences associated with this Award.

9. Notice. Notice hereunder shall be given to the Company at its principal place of business, and shall be given to the Grantee at the address set forth below, or in either case at such other address as one party may subsequently furnish to the other party in writing.

10. Continuation of Service. The Award does not confer upon the Grantee any rights with respect to continuation of service as a director of the Company.

11. Governing Law. This Agreement shall be construed and enforced in accordance with the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of law principles thereof.

12. Data Privacy. By entering into this Agreement, the Grantee: (i) authorizes the Company and each Affiliate, and any agent of the Company or any Affiliate administering the Plan or providing Plan record keeping services, to disclose to the Company or any of its Affiliates such information and data as the Company or any such Affiliate shall request in order to facilitate the issuance of the Award and the grant of shares of Stock and the administration of the Plan; (ii) waives any data privacy rights he or she may have with respect to such information; and (iii) authorizes the Company and each Affiliate to store and transmit such information in electronic form.

13. Counterparts. This Agreement may be executed in one or more counterparts, and by different parties hereto on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IMMUNOGEN, INC.

By: _____

Title:

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned.

Dated: _____

_____

Grantee's Signature

Grantee's name and address:

EXHIBIT B

Form of Director Option Agreement

IMMUNOGEN, INC.

NON-QUALIFIED STOCK OPTION AGREEMENT

AGREEMENT made as of the day of 20 , between ImmunoGen, Inc. (the "Company"), a Massachusetts corporation, and (the "Non-Employee Director").

WHEREAS, the Company desires to grant to the Non-Employee Director an Option to purchase shares of its common stock, $.01 par value per share (the "Shares"), under and for the purposes set forth in the Company's 2006 Employee, Director and Consultant Equity Incentive Plan (the "Plan");

WHEREAS, the Company and the Non-Employee Director understand and agree that any terms used and not defined herein have the same meanings as in the Plan; and

WHEREAS, the Company and the Non-Employee Director each intend that the Option granted herein shall be a Non-Qualified Option.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth and for other good and valuable consideration, the parties hereto agree as follows:

1. GRANT OF OPTION.

The Company hereby grants to the Non-Employee Director the right and option to purchase all or any part of an aggregate of Shares, on the terms and conditions and subject to all the limitations set forth herein, under United States securities and tax laws, and in the Plan, which is incorporated herein by reference. The Non-Employee Director acknowledges receipt of a copy of the Plan.

2. PURCHASE PRICE.

The purchase price of the Shares covered by the Option shall be $ per Share, subject to adjustment, as provided in the Plan, in the event of a stock split, reverse stock split or other events affecting the holders of Shares after the date hereof (the "Purchase Price"). Payment shall be made in accordance with Paragraph 9 of the Plan.

3. EXERCISABILITY OF OPTION.

Subject to the terms and conditions set forth in this Agreement and the Plan, the Option granted hereby shall become exercisable as follows:

Incremental (Aggregate) Number of Shares Vested	**Vesting Date**
[Quarterly over one year]	

Notwithstanding the foregoing, in the event of a Change of Control (as defined in the Plan) all of the Shares which are not then vested under this Option shall become fully vested and immediately exercisable as of the date of the Change of Control including, but not limited to, pursuant to a Corporate Transaction that also constitutes a Change of Control pursuant to Section 24(b) of the Plan unless this Option prior to the date of the Change of Control has expired or been terminated pursuant to its terms or the terms of the Plan.

The foregoing rights are cumulative and are subject to the other terms and conditions of this Agreement and the Plan.

4. TERM OF OPTION.

The Option shall terminate ten years from the date of this Agreement, but shall be subject to earlier termination as provided herein or in the Plan.

If the Non-Employee Director ceases to be a director of the Company (for any reason other than the death or Disability of the Non-Employee Director or termination of the Non-Employee Director for Cause (as defined in the Plan)), the Option may be exercised, if it has not previously terminated, within one year after the date the Non-Employee Director ceases to be a director of the Company, or within the originally prescribed term of the Option, whichever is earlier, but may not be exercised thereafter. In such event, the Option shall be exercisable only to the extent that the Option has become exercisable and is in effect at the date of such cessation of service.

In the event the Non-Employee Director's service is terminated by the Company or an Affiliate for Cause (as defined in the Plan), the Non-Employee Director's right to exercise any unexercised portion of this Option shall cease immediately as of the time the Non-Employee Director is notified his or her service is terminated for Cause, and this Option shall thereupon terminate. Notwithstanding anything herein to the contrary, if subsequent to the Non-Employee Director's termination, but prior to the exercise of the Option, the Board of Directors of the Company determines that, either prior or subsequent to the Non-Employee Director's termination, the Non-Employee Director engaged in conduct which would constitute Cause, then the Non-Employee Director shall immediately cease to have any right to exercise the Option and this Option shall thereupon terminate.

In the event of the Disability of the Non-Employee Director, as determined in accordance with the Plan, the Option shall be exercisable within one year after the Non-Employee Director's termination of service or, if earlier, within the term originally prescribed by the Option. In such event, the Option shall be exercisable:

(a) to the extent that the Option has become exercisable but has not been exercised as of the date of Disability; and

(b) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of Disability of any additional vesting rights that would have accrued on the next vesting date had the Non-Employee Director not become Disabled. The proration shall be based upon the number of days accrued in the current vesting period prior to the date of Disability.

In the event of the death of the Non-Employee Director while a director of the Company, the Option shall be exercisable by the Non-Employee Director's Survivors within one year after the date of death of the Non-Employee Director or, if earlier, within the originally prescribed term of the Option. In such event, the Option shall be exercisable:

(x) to the extent that the Option has become exercisable but has not been exercised as of the date of death; and

(y) in the event rights to exercise the Option accrue periodically, to the extent of a pro rata portion through the date of death of any additional vesting rights that would have accrued on the next vesting date had the Non-Employee Director not died. The proration shall be based upon the number of days accrued in the current vesting period prior to the Non-Employee Director's date of death.

5. METHOD OF EXERCISING OPTION.

Subject to the terms and conditions of this Agreement, the Option may be exercised by written notice to the Company or its designee, in substantially the form of Exhibit A attached hereto. Such notice shall state the number of Shares with respect to which the Option is being exercised and shall be signed by the person exercising the Option. Payment of the purchase price for such Shares shall be made in accordance with Paragraph 9 of the Plan. The Company shall deliver such Shares as soon as practicable after the notice shall be received, provided, however, that the Company may delay issuance of such Shares until completion of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including, without limitation, state securities or "blue sky" laws). The Shares as to which the Option shall have been so exercised shall be registered in the Company's share register in the name of the person so exercising the Option (or, if the Option shall be exercised by the Non-Employee Director and if the Non-Employee Director shall so request in the notice exercising the Option, shall be registered in the name of the Non-Employee Director and another person jointly, with right of survivorship) and shall be delivered as provided above to or upon the written order of the person exercising the Option. In the event the Option shall be exercised, pursuant to Section 4 hereof, by any person other than the Non-Employee Director, such notice shall be accompanied by appropriate proof of the right of such person to exercise the Option. All Shares that shall be purchased upon the exercise of the Option as provided herein shall be fully paid and nonassessable.

6. PARTIAL EXERCISE.

Exercise of this Option to the extent above stated may be made in part at any time and from time to time within the above limits, except that no fractional share shall be issued pursuant to this Option.

7. NON-ASSIGNABILITY.

The Option shall not be transferable by the Non-Employee Director otherwise than by will or by the laws of descent and distribution or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act or the rules thereunder. However, the Non-Employee Director, with the approval of the Administrator, may transfer the Option for no consideration to or for the benefit of the Non-Employee Director's Immediate Family (including, without limitation, to a trust for the benefit of the Non-Employee Director's Immediate Family or to a partnership or limited liability company for one or more members of the Non-Employee Director's Immediate Family), subject to such limits as the Administrator may establish, and the transferee shall remain subject to all the terms and conditions applicable to the Option prior to such transfer and each such transferee shall so acknowledge in writing as a condition precedent to the effectiveness of such transfer. Except as provided in the previous sentence, the Option shall be exercisable, during the Non-Employee Director's lifetime, only by the Non-Employee Director (or, in the event of legal incapacity or incompetency, by the Non-Employee Director's guardian or representative) and shall not be assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process. Any attempted transfer, assignment, pledge, hypothecation or other disposition of the Option or of any rights granted hereunder contrary to the provisions of this Section 7, or the levy of any attachment or similar process upon the Option shall be null and void. The term "Immediate Family" shall mean the Non-Employee Director's spouse, former spouse, parents, children, stepchildren, adoptive relationships, sisters, brothers, nieces, nephews and grandchildren (and, for this purpose, shall also include the Non-Employee Director.)

8. NO RIGHTS AS STOCKHOLDER UNTIL EXERCISE.

The Non-Employee Director shall have no rights as a stockholder with respect to Shares subject to this Agreement until registration of the Shares in the Company's share register in the name of the Non-Employee Director. Except as is expressly provided in the Plan with respect to certain changes in the capitalization of the Company, no adjustment shall be made for dividends or similar rights for which the record date is prior to the date of such registration.

9. ADJUSTMENTS.

The Plan contains provisions covering the treatment of Options in a number of contingencies such as stock splits and mergers. Provisions in the Plan for adjustment with respect to stock subject to Options and the related provisions with respect to successors to the business of the Company are hereby made applicable hereunder and are incorporated herein by reference.

10. TAXES.

The Non-Employee Director acknowledges that upon exercise of the Option the Non-Employee Director will be deemed to have taxable income measured by the difference between the then fair market value of the Shares received upon exercise and the price paid for such Shares pursuant to this Agreement. The Non-Employee Director acknowledges that any income or other taxes due from him or her with respect to this Option or the Shares issuable pursuant to this Option shall be the Non-Employee Director's responsibility.

The Non-Employee Director agrees that the Company may withhold from the Non-Employee Director's remuneration, if any, the minimum statutory amount of federal, state and local withholding taxes attributable to such amount that is considered compensation includable in such person's gross income. At the Company's discretion, the amount required to be withheld may be withheld in cash from such remuneration, or in kind from the Shares otherwise deliverable to the Non-Employee Director on exercise of the Option. The Non-Employee Director further agrees that, if the Company does not withhold an amount from the Non-Employee Director's remuneration sufficient to satisfy the Company's income tax withholding obligation, the Non-Employee Director will reimburse the Company on demand, in cash, for the amount under-withheld.

11. PURCHASE FOR INVESTMENT.

Unless the offering and sale of the Shares to be issued upon the particular exercise of the Option shall have been effectively registered under the Securities Act of 1933, as now in force or hereafter amended (the "1933 Act"), the Company shall be under no obligation to issue the Shares covered by such exercise unless and until the following conditions have been fulfilled:

(a) The person(s) who exercise the Option shall warrant to the Company, at the time of such exercise, that such person(s) are acquiring such Shares for their own respective accounts, for investment, and not with a view to, or for sale in connection with, the distribution of any such

Shares, in which event the person(s) acquiring such Shares shall be bound by the provisions of the following legend which shall be endorsed upon the certificate(s) evidencing the Shares issued pursuant to such exercise:

> "The shares represented by this certificate have been taken for investment 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 Company shall have received an opinion of counsel satisfactory to it that an exemption from registration under such Act is then available, and (2) there shall have been compliance with all applicable state securities laws;" and

(b) If the Company so requires, the Company shall have received an opinion of its counsel that the Shares may be issued upon such particular exercise in compliance with the 1933 Act without registration thereunder. Without limiting the generality of the foregoing, the Company may delay issuance of the Shares until completion

of any action or obtaining of any consent, which the Company deems necessary under any applicable law (including without limitation state securities or "blue sky" laws).

12. RESTRICTIONS ON TRANSFER OF SHARES.

12.1 The Non-Employee Director agrees that in the event the Company proposes to offer for sale to the public any of its equity securities and such Non-Employee Director is requested by the Company and any underwriter engaged by the Company in connection with such offering to sign an agreement restricting the sale or other transfer of Shares, then it will promptly sign such agreement and will not transfer, whether in privately negotiated transactions or to the public in open market transactions or otherwise, any Shares or other securities of the Company held by him or her during such period as is determined by the Company and the underwriters, not to exceed 90 days following the closing of the offering, plus such additional period of time as may be required to comply with Marketplace Rule 2711 of the National Association of Securities Dealers, Inc. or similar rules thereto (such period, the "Lock-Up Period"). Such agreement shall be in writing and in form and substance reasonably satisfactory to the Company and such underwriter and pursuant to customary and prevailing terms and conditions. Notwithstanding whether the Non-Employee Director has signed such an agreement, the Company may impose stop-transfer instructions with respect to the Shares or other securities of the Company subject to the foregoing restrictions until the end of the Lock-Up Period.

12.2 The Non-Employee Director acknowledges and agrees that neither the Company, its shareholders nor its directors and officers, has any duty or obligation to disclose to the Non-Employee Director any material information regarding the business of the Company or affecting the value of the Shares before, at the time of, or following a termination in service of the Non-Employee Director by the Company, including, without limitation, any information concerning plans for the Company to make a public offering of its securities or to be acquired by or merged with or into another firm or entity.

13. NO OBLIGATION TO MAINTAIN RELATIONSHIP.

The Company is not by the Plan or this Option obligated to continue the Non-Employee Director as a director of the Company. The Non-Employee Director acknowledges: (i) that the Plan is discretionary in nature and may be suspended or terminated by the Company at any time; (ii) that the grant of the Option is a one-time benefit which does not create any contractual or other right to receive future grants of options, or benefits in lieu of options; (iii) that the Non-Employee Director's participation in the Plan is voluntary; and (iv) that the Option is not part of normal or expected compensation for purposes of calculating any severance, resignation, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments.

14. NOTICES.

Any notices required or permitted by the terms of this Agreement or the Plan shall be given by recognized courier service, facsimile, registered or certified mail, return receipt requested, addressed as follows:

If to the Company:

ImmunoGen, Inc.
Attn: Finance
830 Winter Street
Waltham, MA 02451

If to the Non-Employee Director:

or to such other address or addresses of which notice in the same manner has previously been given. Any such notice shall be deemed to have been given upon the earlier of receipt, one business day following delivery to a recognized courier service or three business days following mailing by registered or certified mail.

15. GOVERNING LAW.

This Agreement shall be construed and enforced in accordance with the law of the Commonwealth of Massachusetts, without giving effect to the conflict of law principles thereof.

16. BENEFIT OF AGREEMENT.

Subject to the provisions of the Plan and the other provisions hereof, this Agreement shall be for the benefit of and shall be binding upon the heirs, executors, administrators, successors and assigns of the parties hereto.

17. ENTIRE AGREEMENT.

This Agreement, together with the Plan, embodies the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes all prior oral or written agreements and understandings relating to the subject matter hereof. No statement, representation, warranty, covenant or agreement not expressly set forth in this Agreement shall affect or be used to interpret, change or restrict, the express terms and provisions of this Agreement, provided, however, in any event, this Agreement shall be subject to and governed by the Plan.

18. MODIFICATIONS AND AMENDMENTS.

The terms and provisions of this Agreement may be modified or amended as provided in the Plan.

19. WAIVERS AND CONSENTS.

Except as provided in the Plan, the terms and provisions of this Agreement may be waived, or consent for the departure therefrom granted, only by written document executed by the party entitled to the benefits of such terms or provisions. No such waiver or consent shall be

deemed to be or shall constitute a waiver or consent with respect to any other terms or provisions of this Agreement, whether or not similar. Each such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given, and shall not constitute a continuing waiver or consent.

20. DATA PRIVACY.

By entering into this Agreement, the Non-Employee Director: (i) authorizes the Company and each Affiliate, and any agent of the Company or any Affiliate administering the Plan or providing Plan recordkeeping services, to disclose to the Company or any of its Affiliates such information and data as the Company or any such Affiliate shall request in order to facilitate the grant of options and the administration of the Plan; (ii) waives any data privacy rights he or she may have with respect to such information; and (iii) authorizes the Company and each Affiliate to store and transmit such information in electronic form.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer, and the Non-Employee Director has hereunto set his or her hand, all as of the day and year first above written.

ImmunoGen, Inc.

By: _____
Name
Title

_____
Non-Employee Director

Exhibit A

NOTICE OF EXERCISE OF NON-QUALIFIED STOCK OPTION

TO: ImmunoGen, Inc.

Ladies and Gentlemen:

I hereby exercise my Non-Qualified Stock Option to purchase shares (the “Shares”) of the common stock, $.01 par value, of ImmunoGen, Inc. (the “Company”), at the exercise price of $ per share, pursuant to and subject to the terms of that certain Non-Qualified Stock Option Agreement between the undersigned and the Company dated , 20 .

I understand the nature of the investment I am making and the financial risks thereof. I am aware that it is my responsibility to have consulted with competent tax and legal advisors about the relevant national, state and local income tax and securities laws affecting the exercise of the Option and the purchase and subsequent sale of the Shares.

I am paying the option exercise price for the Shares as follows:

Please issue the Shares (check one):

o to me; or

o to me and , as joint tenants with right of survivorship,

at the following address:

My mailing address for shareholder communications, if different from the address listed above, is:

Very truly yours,

_____

Non-Employee Director (signature)

_____

Print Name

_____

Date

_____

Social Security Number

EXHIBIT 31.1

CERTIFICATIONS

I, Daniel Junius, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: October 29, 2010

/s/ Daniel M. Junius

Daniel M. Junius
President, Chief Executive Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATIONS

I, Gregory D. Perry, certify that:

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

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

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

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

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

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

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

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

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

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

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

Date: October 29, 2010

/s/ Gregory D. Perry
Gregory D. Perry
Senior Vice President, Chief Financial Officer (Principal Financial and Accounting Officer)

EXHIBIT 32

Certification

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

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

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

The Quarterly Report for the period ended September 30, 2010 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 29, 2010

/s/ DANIEL M. JUNIUS
Daniel M. Junius
President, Chief Executive Officer
(Principal Executive Officer)

Dated: October 29, 2010

/s/ GREGORY D. PERRY
Gregory D. Perry
Senior Vice President, Chief Financial Officer
(Principal Financial and Accounting Officer)