

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the quarterly period ended December 31, 1997
OR

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

For the transition period from _____ to _____

Commission file number 0-17999

ImmunoGen, Inc.
(Exact name of registrant as specified in its charter)

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

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days.

Yes No

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

At February 10, 1998 there were 24,884,325 shares of common stock, par
value \$.01 per share, of the registrant outstanding.

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IMMUNOGEN, INC.
 CONSOLIDATED BALANCE SHEETS
 As of June 30, 1997 and December 31, 1997

	June 30, ----- 1997 -----	December 31, ----- 1997 -----
ASSETS		
Cash and cash equivalents	\$ 1,669,050	\$ 2,552,833
Due from minority interest holder	-	843,000
Prepays and other current assets	578,497	362,442
	-----	-----
Total current assets	2,247,547	3,758,275
	-----	-----
Property and equipment, net of accumulated depreciation	2,929,733	2,302,286
Note receivable	1,128,910	920,860
Other assets	43,700	43,700
	-----	-----
Total assets	\$ 6,349,890	\$ 7,025,121
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	612,559	796,026
Accrued compensation	248,472	173,584
Other current accrued liabilities	841,238	614,143
Current portion of capital lease obligations	37,068	-
Current portion of deferred lease	89,160	68,580
	-----	-----
Total current liabilities	1,828,497	1,652,333
	-----	-----
Deferred lease	59,436	45,726
Minority interest in consolidated subsidiary	-	41,253
Commitments		
Stockholders' equity:		
Preferred stock; \$.01 par value; authorized 5,000,000 shares as of June 30, 1997 and December 31, 1997		
Convertible preferred stock, Series A, \$.01 par value; issued and outstanding 1,100 and 200 shares as of June 30, 1997 and December 31, 1997, respectively (liquidation preference - stated value plus accrued but unpaid dividends per share)	11	2
Convertible preferred stock, Series C, \$.01 par value; issued and outstanding 700 shares as of June 30, 1997 (liquidation preference - stated value plus accrued but unpaid dividends per share)	7	-
Convertible preferred stock, Series D, \$.01 par value; issued and outstanding 1,000 shares as of June 30, 1997 (liquidation preference - stated value plus accrued but unpaid dividends per share)	10	-
Convertible preferred stock, Series E, \$.01 par value; issued and outstanding 800 shares as of December 31, 1997	-	8
Common stock, \$.01 par value; authorized 30,000,000 shares and 50,000,000 shares as of June 30, 1997 and December 31, 1997, respectively; issued and outstanding 21,779,767 shares and 24,506,911 shares as of June 30, 1997 and December 31, 1997, respectively	217,797	245,069
Additional paid-in capital	144,753,538	149,541,319
	-----	-----
Accumulated deficit	144,971,363 (140,509,406)	149,786,398 (144,500,589)
	-----	-----
Total stockholders' equity	4,461,957	5,285,809
	-----	-----
Total liabilities and stockholders' equity	\$ 6,349,890	\$ 7,025,121
	=====	=====

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

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IMMUNOGEN, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the three months and six months ended December 31, 1996 and 1997

	Three Months Ended December 31,		Six Months Ended December 31,	
	1996	1997	1996	1997
	-----	-----	-----	-----
Revenues:				
Development fees	\$ 71,076	\$ 40,000	\$ 153,232	\$ 117,000
Interest	15,219	54,591	36,599	100,463
Licensing	929	942	6,572	1,539
Other	29,667	2,900	58,704	2,900
	-----	-----	-----	-----
Total revenues	116,891	98,433	255,107	221,902
	-----	-----	-----	-----
Expenses:				
Research and development	2,031,389	1,350,530	3,977,622	2,903,073
General and administrative	548,329	579,454	986,249	958,724
Interest	5,862	1,414	72,724	2,969
	-----	-----	-----	-----
Total expenses	2,585,580	1,931,398	5,036,595	3,864,766
	-----	-----	-----	-----
Loss before income taxes and minority interest	(2,468,689)	(1,832,965)	(4,781,488)	(3,642,864)
Income tax expense	200	720	483	1,326
	-----	-----	-----	-----
Net loss before minority interest	(2,468,889)	(1,833,685)	(4,781,971)	(3,644,190)
	-----	-----	-----	-----
Minority interest in net loss of consolidated subsidiary	--	37,282	--	64,887
	-----	-----	-----	-----
Net loss	(2,468,889)	(1,796,403)	(4,781,971)	(3,579,303)
	-----	-----	-----	-----
Dividends on convertible preferred stock	1,171,759	400,327	1,171,759	411,880
	-----	-----	-----	-----
Net loss to common shareholders	\$ (3,640,648)	\$ (2,196,730)	\$ (5,953,730)	\$ (3,991,183)
	=====	=====	=====	=====
Basic and diluted loss per common share	\$ (0.21)	\$ (0.09)	\$ (0.35)	\$ (0.17)
	=====	=====	=====	=====
Shares used in computing loss per share amounts	16,960,993	24,031,944	16,939,002	23,282,851
	=====	=====	=====	=====

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

IMMUNOGEN, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
For the year ended June 30, 1997 and the six months ended December 31, 1997

	Common Stock		
	Shares	Amount	Additional Paid-in Capital
	-----	-----	-----
Balance at June 30, 1996	16,599,855	165,999	128,525,884
Stock options exercised	54,644	545	87,310
Issuance of Common Stock	41,481	415	69,585
Conversion of Convertible Debentures into Common Stock	351,662	3,517	1,315,217
Exchange of Convertible Debentures for Series A Convertible Preferred stock	--	--	--
Issuance of Series B Convertible Preferred Stock	--	--	--
Issuance of Series C Convertible Preferred Stock	--	--	--
Issuance of Series D Convertible Preferred Stock	--	--	--
Conversion of Series A Convertible Preferred Stock into Common Stock	1,328,744	13,287	2,766,405
Conversion of Series B Convertible Preferred Stock into Common Stock	1,384,823	13,848	3,539,221
Conversion of Series C Convertible Preferred Stock into Common Stock	2,018,558	20,186	2,956,928
Compensation for put right	--	--	--
Dividends on Convertible Preferred Stock	--	--	--
Net loss for the year ended June 30, 1997	--	--	--
	-----	-----	-----
Balance at June 30, 1997	21,779,767	\$217,797	\$139,260,550
	=====	=====	=====
Conversion of Series A Convertible Preferred Stock into Common Stock	1,024,577	10,246	1,804,865
Conversion of Series C Convertible Preferred Stock into Common Stock	701,180	7,012	1,126,815
Conversion of Series D Convertible Preferred Stock into Common Stock	1,001,387	10,014	1,303,287
Issuance of Series E Convertible Preferred Stock, net of financing costs	--	--	--
Issuance of Warrants to purchase Common Stock	--	--	386,704
Value ascribed to ImmunoGen Warrants issued to BioChem, net of financing costs	--	--	3,268,074
Dividends on Convertible Preferred Stock	--	--	--
Net loss for the six months ended December 31, 1997	--	--	--
	-----	-----	-----
Balance at December 31, 1997	24,506,911	\$245,069	\$147,150,295
	=====	=====	=====

	Preferred Stock		
	Shares	Amount	Additional Paid-in Capital
	-----	-----	-----
Balance at June 30, 1996	--	--	--
Stock options exercised	--	--	--
Issuance of Common Stock	--	--	--
Conversion of Convertible Debentures into Common Stock	--	--	--
Exchange of Convertible Debentures for Series A Convertible Preferred stock	2,500	25	4,749,586
Issuance of Series B Convertible Preferred Stock	3,000	30	3,486,342
Issuance of Series C Convertible Preferred Stock	3,000	30	4,720,003
Issuance of Series D Convertible Preferred Stock	1,000	10	1,287,092
Conversion of Series A Convertible Preferred Stock into Common Stock	(1,400)	(14)	(2,659,763)
Conversion of Series B Convertible Preferred Stock into Common Stock	(3,000)	(30)	(3,486,342)
Conversion of Series C Convertible Preferred Stock into Common Stock	(2,300)	(23)	(2,910,669)
Compensation for put right	--	--	306,739
Dividends on Convertible Preferred Stock	--	--	--
Net loss for the year ended June 30, 1997	--	--	--
	-----	-----	-----
Balance at June 30, 1997	2,800	\$ 28	\$ 5,492,988
	=====	=====	=====
Conversion of Series A Convertible Preferred Stock into Common Stock	(900)	(9)	(1,709,850)
Conversion of Series C Convertible Preferred Stock into Common Stock	(700)	(7)	(1,101,334)
Conversion of Series D Convertible Preferred Stock into Common Stock	(1,000)	(10)	(1,287,092)
Issuance of Series E Convertible Preferred Stock, net of financing costs	800	8	996,312
Issuance of Warrants to purchase Common Stock	--	--	--
Value ascribed to ImmunoGen Warrants issued to BioChem, net of financing costs	--	--	--
Dividends on Convertible Preferred Stock	--	--	--
Net loss for the six months ended December 31, 1997	--	--	--
	-----	-----	-----
Balance at December 31, 1997	1,000	\$ 10	\$ 2,391,024
	=====	=====	=====

	Accumulated Deficit -----	Total Stockholders' Equity -----
Balance at June 30, 1996	(127,914,500)	777,383
Stock options exercised	--	87,855
Issuance of Common Stock	--	70,000
Conversion of Convertible Debentures into Common Stock	--	1,318,734
Exchange of Convertible Debentures for Series A Convertible Preferred stock	--	4,749,611
Issuance of Series B Convertible Preferred Stock	--	3,486,372
Issuance of Series C Convertible Preferred Stock	--	4,720,033
Issuance of Series D Convertible Preferred Stock	--	1,287,102
Conversion of Series A Convertible Preferred Stock into Common Stock	--	119,915
Conversion of Series B Convertible Preferred Stock into Common Stock	--	66,697
Conversion of Series C Convertible Preferred Stock into Common Stock	--	66,422
Compensation for put right	--	306,739
Dividends on Convertible Preferred Stock	(3,511,510)	(3,511,510)
Net loss for the year ended June 30, 1997	(9,083,396)	(9,083,396)
	-----	-----
Balance at June 30, 1997	\$(140,509,406)	\$ 4,461,957
	=====	=====
Conversion of Series A Convertible Preferred Stock into Common Stock	--	105,252
Conversion of Series C Convertible Preferred Stock into Common Stock	--	32,486
Conversion of Series D Convertible Preferred Stock into Common Stock	--	26,199
Issuance of Series E Convertible Preferred Stock, net of financing costs	--	996,320
Issuance of Warrants to purchase Common Stock	--	386,704
Value ascribed to ImmunoGen Warrants issued to BioChem, net of financing costs	--	3,268,074
Dividends on Convertible Preferred Stock	(411,880)	(411,880)
Net loss for the six months ended December 31, 1997	(3,579,303)	(3,579,303)
	-----	-----
Balance at December 31, 1997	\$(144,500,589)	\$ 5,285,809
	=====	=====

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

IMMUNOGEN, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the six months ended December 31, 1996 and 1997

	December 31,	
	1996	1997
Cash flows from operating activities:		
Net loss	\$(5,953,730)	\$(3,991,183)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	817,661	624,547
Loss on sale of property and equipment	2,934	--
Accretion of interest on note receivable	(58,704)	(51,950)
Dividends payable	1,171,759	411,880
Minority interest in net loss of consolidated subsidiary	--	64,887
Amortization of deferred lease	(38,022)	(34,290)
Changes in operating assets and liabilities:		
Other current assets	70,981	476,055
Accounts payable	252,139	183,467
Accrued compensation	16,666	(74,888)
Other accrued liabilities	(208,020)	(88,334)
Net cash used for operating activities	(3,926,336)	(2,479,809)
Cash flows from investing activities:		
Proceeds from sale of property and equipment	15,183	2,900
Purchase of property and equipment	(4,458)	--
Net cash (used for) provided by investing activities	10,725	2,900
Cash flows from financing activities:		
Proceeds from issuance of ATI convertible preferred stock	--	2,695,000
Proceeds from convertible preferred stock	2,990,000.00	1,000,000
Stock issuances, net	27,406	--
Principal payments on capital lease obligations	(69,444)	(37,068)
Financing costs	--	(167,466)
Net cash provided by (used for) financing activities	2,947,962	3,490,466
Net change in cash and cash equivalents	(967,649)	1,013,557
Cash and cash equivalents, beginning balance	2,796,636	1,669,050
Cash and cash equivalents, ending balance	<u>\$ 1,828,987</u>	<u>\$ 2,682,607</u>
Supplemental disclosure of cash flow information:		
Cash paid for interest	<u>\$ 8,582</u>	<u>\$ 1,555</u>
Cash paid for income taxes	<u>\$ 1,197</u>	<u>\$ 2,969</u>
Supplemental disclosure of noncash financing activities:		
Conversion of convertible debentures including accrued interest	<u>\$ 1,318,734</u>	<u>\$ --</u>
Conversion of convertible debentures to preferred stock	<u>\$ 4,437,500</u>	<u>\$ --</u>
Deferred lease of leasehold improvements	<u>\$ 215,465</u>	<u>\$ --</u>
Conversion of Series A Preferred Stock to Common Stock	<u>\$ --</u>	<u>\$ 1,709,859</u>
Conversion of Series C Preferred Stock to Common Stock	<u>\$ --</u>	<u>\$ 1,101,341</u>
Conversion of Series D Preferred Stock to Common Stock	<u>\$ --</u>	<u>\$ 1,287,102</u>
Due from minority interest holder	<u>\$ --</u>	<u>\$ 843,000</u>
Minority Interest	<u>\$ --</u>	<u>\$ 106,140</u>

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

A. In the opinion of management, the accompanying financial statements include all adjustments, consisting of only normal recurring accruals, necessary to present fairly the consolidated financial position, results of operations and cash flows of ImmunoGen, Inc. (the "Company"), which include those of its wholly-owned subsidiary, ImmunoGen Securities Corp., and its 95%-owned subsidiary, Apoptosis Technology, Inc. ("ATI"). The financial disclosures herein should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended June 30, 1997.

The Company has been unprofitable since inception and expects to incur net losses over the next several years, assuming it is able to raise sufficient working capital to continue operations. The Company's cash resources at December 31, 1997 were approximately \$2.6 million. This amount includes \$1.0 million received in December 1997 as part of a \$3.0 million investment by an institutional investor (see footnote E). This amount also includes \$225,000 received by the Company in October 1997 under a \$750,000 grant from the Small Business Innovation Research (SBIR) Program of the National Cancer Institute awarded in July 1997 to advance development over a two-year period of the Company's lead product candidate, huC242-DM1. Also in October 1997, ATI received \$843,000 under a research and collaboration agreement with a large biopharmaceutical company (see footnote D). This collaboration is expected to provide significant funding for ATI's operations for a period of time, initially three years, as well as milestone and royalty payments. Under the terms of the collaboration, the entire \$11.125 million investment must be used to finance the research program with this biopharmaceutical company. An additional \$843,000 was received by the Company in January 1998 under this agreement.

The Company continues actively to seek additional capital by pursuing one or more financing transactions and/or strategic partnering arrangements. While the Company remains hopeful that it will be able to consummate an additional financing transaction in the near term, no assurance can be given that such financing will be available to the Company on acceptable terms, if at all. If the Company is unable to obtain financing on acceptable terms in order to maintain operations, it could be forced to further curtail or discontinue its operations.

B. In October 1996, the Company's \$2.5 million debenture issued in June 1996 was converted into 2,500 shares of the Company's Series A Convertible Preferred Stock, with a stated value of \$1,000 per share (the "Series A Stock"). Holders of the Series A Stock were entitled to receive, when and as declared by the Board of Directors, cumulative dividends at a rate per share equal to 9% per annum in cash or, at the Company's option, in shares of the Company's Common Stock, \$.01 par value per share ("Common Stock"), in arrears on the conversion date. The 2,500 shares of Series A Stock were convertible into the same number of shares of Common Stock as the \$2.5 million debenture. Each share of Series A Stock was convertible into a number of shares of

Common Stock determined by dividing the \$1,000 stated value per share by the lesser of (i) 85% of the average of the closing bid prices for the Common Stock for the five consecutive trading days prior to the conversion date, and (ii) \$2.50 (subject to certain adjustments). In addition, holders of the Series A Stock were entitled to receive, on conversion of the Series A Stock, a number of warrants equal to 50% of the number of shares of Common Stock issued on conversion. As of January 5, 1998, all 2,500 shares of Series A Stock and accumulated dividends thereon had been converted into 2,676,235 shares of Common Stock. In connection with those conversions, warrants to purchase 1,338,117 shares of Common Stock were issued. These warrants have an exercise price of \$4 per share and expire at various dates during 2002 and 2003.

C. In October 1996, the Company entered into a financing agreement (the "October 1996 Private Placement") with an institutional investor under which the Company was granted the right to require the investor to purchase up to \$12.0 million of convertible preferred stock from the Company in a series of private placements. Pursuant to the October 1996 Private Placement, the Company sold 3,000 shares of its 9% Series B Convertible Preferred Stock, with a stated value of \$1,000 per share ("Series B Stock"). As of February 4, 1997, all 3,000 shares of Series B Stock plus accumulated dividends thereon had been converted into 1,384,823 shares of Common Stock. In connection with the issuance of the Series B Stock, warrants to purchase 500,000 shares of Common Stock were also issued. These warrants have a value of \$618,900, which was accounted for as non-cash dividends to holders of Common Stock at the time of issuance of the Series B Stock. Of these 500,000 warrants, 250,000 warrants are exercisable at \$5.49 per share and expire in October 2001. The remaining 250,000 warrants are exercisable at \$3.68 per share and expire in January 2002.

In January 1997, the Company sold 3,000 shares of its 9% Series C Convertible Preferred Stock, with a stated value of \$1,000 per share ("Series C Stock"), in connection with the October 1996 Private Placement. The Series C Stock was convertible into a number of shares of Common Stock determined by dividing \$1,000 by the lower of (i) \$2.61 and (ii) 85% of the market price of the Common Stock at the time of conversion. As of September 30, 1997, all 3,000 shares of Series C Stock plus accumulated dividends thereon had been converted into 2,719,738 shares of Common Stock. In connection with the Series C Stock, warrants to purchase 1,147,754 shares of Common Stock were issued to the investor. These warrants are exercisable at \$2.31 per share and expire in April 2002. The \$1.2 million value of these warrants was accounted for as non-cash dividends to holders of Common Stock at the time of issuance of the Series C Stock.

Also pursuant to the October 1996 Private Placement, the Company, in June 1997, sold 1,000 shares of its 9% Series D Convertible Preferred Stock, with a stated value of \$1,000 per share ("Series D Stock"), bringing the aggregate amount received under the October 1996 Private Placement to \$7.0 million. The Series D Stock was convertible at any time into a number of shares of Common Stock determined by dividing \$1,000 by the lower of (i) \$1.4375 and (ii) 85%

of the market price of the Common Stock at the time of conversion. As of December 31, 1997, all 1,000 shares of Series D Stock and accumulated dividends thereon had been converted into 1,001,387 shares of Common Stock. In addition, because conversion of the Series D Stock did not occur until after the eightieth day following its issue date, the investor received warrants to purchase 454,545 shares of Common Stock in connection with the Series D Stock. These warrants have an exercise price of \$1.94 per share and expire in 2002. The \$278,000 value of these warrants was determined at the time of issuance of the Series D Stock and was accounted for as non-cash dividends to holders of Common Stock at that time. No additional warrants are issuable in connection with the Series D Stock.

Under the October 1996 Private Placement, the Company had the right to require the investor to purchase up to \$12.0 million of convertible preferred stock from the Company in a series of private placements, subject to certain conditions. However, because minimum stock price and minimum market capitalization requirements have not been maintained, the investor is no longer obligated to fund the remaining \$5.0 million which had been available to the Company under this agreement.

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

Under the agreement, BioChem will invest a total of \$11.125 million in non-voting convertible preferred stock of ATI in a series of private placements over a three-year period to be used exclusively to fund research conducted under the collaboration during a three-year research term. In August 1997, BioChem paid ATI an initial payment of \$1.852 million, and in each of October 1997 and January 1998, quarterly payments of \$843,000 were made. The balance of \$7.587 million will be paid in equal quarterly payments of \$843,000. The preferred stock is convertible into ATI common stock at any time after three years from the date of first issuance of such stock, at a conversion price equal to the then current market price of the ATI common stock, but in any event at a price that will result in BioChem acquiring at least 15% of the then outstanding ATI common stock. For the three months ended December 31, 1997, 3,538 shares of ATI preferred stock were issued or issuable, representing a 4.8% minority interest (on a converted and fully-diluted basis) in the net loss of ATI. This minority interest portion of ATI's loss for the quarter reduced ImmunoGen's net loss by \$37,300. In addition, because the investment is comprised of securities potentially issuable by both the Company and ATI, only a portion of

which is allocable to the ATI securities, the Company is required to reflect the value of the investment allocable to the ATI securities as a minority interest on its balance sheet. Based on an appraisal by an independent valuation consultant completed in November 1997, approximately 3% of the \$3.538 million investment to date, or approximately \$106,000, has been allocated to the minority interest in ATI, with the remainder, or approximately \$3.4 million, allocated to the Company's equity. The research agreement may be extended beyond the initial three-year term, on terms substantially similar to those for the original term. BioChem will also make milestone payments of up to \$15.0 million for each product over the course of its development. In addition, ATI will receive royalties on any future worldwide sales of products resulting from the collaboration. BioChem's obligation to provide additional financing to ATI each quarter is subject to satisfaction of specified conditions, including a condition with respect to the level of ATI's cash and other resources in addition to the financing.

As part of the collaboration with ATI, BioChem also receives warrants to purchase shares of ImmunoGen Common Stock equal to the amount invested in ATI during the three-year research term. These warrants will be exercisable for a number of shares of ImmunoGen's Common Stock determined by dividing the amount of BioChem's investment in ATI by the market price of the ImmunoGen Common Stock on the exercise date, subject to certain limitations. The exercise price is payable either in cash or shares of ATI preferred stock, at BioChem's option. The warrants are expected to be exercised only in the event that the shares of ATI common stock do not become publicly traded. In the event that ATI common stock does not become publicly traded, the Company expects that BioChem will use its shares of ATI preferred stock, in lieu of cash, to exercise the warrants.

E. In December 1997, the Company entered into an agreement to sell \$3.0 million of its Series E Convertible Preferred Stock ("Series E Stock") to an institutional investor. The investment will be completed in two installments. As of December 31, 1997, \$1.0 million had been received; the remainder is expected to be received in the first quarter of calendar 1998, subject to the terms of the agreement. The Series E Stock will be convertible into Common Stock at the end of a two-year holding period at \$1.0625 per share. Under the terms of the agreement, the investor is entitled to receive warrants equal to 100% of the number of shares of Common Stock issuable on conversion of the preferred stock. As of December 31, 1997, warrants to purchase 941,176 shares of Common Stock had been issued. These warrants have an exercise price of \$2.125 per share and expire in 2004. The value of these warrants, approximately \$387,000, was determined at the time of their issuance and accounted for as non-cash dividends on convertible preferred stock.

F. Effective December 31, 1997, the Company adopted Statement of Financial Accounting Standards No. 128 ("SFAS 128"), "Earnings Per Share." SFAS 128 requires the calculation and disclosure of basic loss per common share and diluted loss per common share for all periods presented. The adoption of SFAS 128 had no impact on the amounts presented in the Consolidated Statements of Operations because the effect of including the options and warrants outstanding during the periods presented would be antidilutive.

G. The Company's subsidiary, ATI, was established in January 1993 as a joint venture between the Company and Dana-Farber Cancer Institute ("Dana-Farber") to develop therapeutics based on apoptosis technology developed at Dana-Farber. Under the terms of a stock purchase agreement entered into between ImmunoGen, ATI, Dana-Farber and an individual stockholder, if ATI had not concluded a public offering of its stock for at least \$5.0 million prior to January 11, 1998, Dana-Farber and the individual stockholder each could require ImmunoGen to purchase (the "put option"), or ImmunoGen could require such stockholders to sell (the "call option"), their shares in ATI at a predetermined price. At ImmunoGen's discretion, the shares of common stock of ATI can be paid for in cash or by delivery of shares of ImmunoGen Common Stock. In January 1998, the individual stockholder exercised the put option for 500,000 shares of ATI common stock, par value \$.00002 per share, for an aggregate of \$871,930. The Company has elected to issue its Common Stock in lieu of a cash payment and expects to complete the transaction in February 1998, thereby increasing its ownership of ATI from 95% to approximately 96.5%.

OVERVIEW

Since inception, the Company has been primarily engaged in research and development of immunoconjugate products which the Company believes have significant commercial potential as human therapeutics. The Company's 95%-owned subsidiary, Apoptosis Technology, Inc. ("ATI"), focuses its efforts on the discovery and development of anti-cancer therapeutics based on the regulation of apoptosis. The major sources of the Company's working capital have been the proceeds of equity and convertible debt and equity financings, license fees, government-sponsored research grants and income earned on investment of its available funds. In addition, in July 1997 ATI entered into a research and collaboration agreement with a large biopharmaceutical company which will provide significant funding for ATI's operations for a period of time, initially three years, as well as milestone and royalty payments (see LIQUIDITY AND CAPITAL RESOURCES below). The Company does not expect revenues to be derived from product sales for the foreseeable future.

The Company has been unprofitable since inception and expects to incur net losses over the next several years, assuming it is able to raise sufficient working capital to continue operations. The Company anticipates that its existing capital resources, which includes: amounts received between August 1997 and January 1998 by ATI from its collaborator, Biochem Pharma Inc. ("BioChem"); \$225,000 received in October 1997 under a recently-awarded \$750,000 grant from the Small Business Innovation Research ("SBIR") Program of the National Cancer Institute to advance development over a two-year period of the Company's lead product candidate, huC242-DM1; and \$1.0 million received in December 1997 from the sale of the Company Series E Convertible Preferred Stock (the "Series E Stock") to an institutional investor in a \$3.0 million transaction expected to be completed in the first quarter of calendar 1998, will enable it to maintain its current and planned operations through March 1998. The Company believes that receipt of the additional \$2.0 million with respect to the sale of the Series E Stock, combined with the additional funding to be received by ATI from BioChem, will enable the Company to maintain its operations into at least October 1998. The Company also continues its stringent cost control efforts begun in December 1994 when it implemented a significant restructuring program.

Under a financing agreement the Company entered into in October 1996 (the "October 1996 Private Placement"), the Company was granted the right to require the investor to purchase up to \$12.0 million of convertible preferred stock from the Company in a series of private placements, of which an aggregate of \$7.0 million had been received through June 30, 1997. However, because minimum stock price and minimum market capitalization requirements have not been maintained, the investor is no longer obligated to fund the remaining \$5.0 million which had been available to the Company under this agreement.

As a result of its continuing losses from operations, the Company will be required to obtain additional capital in the short term to satisfy its ongoing capital needs and to continue its operations. The Company continues actively to seek additional capital by pursuing one or more financing transactions and/or strategic partnering arrangements. While the Company expects to consummate a transaction in the near term, no assurance can be given that such financing will be available to the Company on acceptable terms, if at all. If the Company is unable to obtain financing on acceptable terms in order to maintain operations, it could be forced to further curtail or discontinue its operations.

RESULTS OF OPERATIONS

Three Months Ended December 31, 1996 and 1997

The Company's revenues decreased approximately 16% from approximately \$117,000 for the three months ended December 31, 1996 to approximately \$98,000 for the three months ended December 31, 1997. In both periods, revenues were derived in large part (61% and 41% for the three months ended December 31, 1996 and 1997, respectively) from amounts received under the SBIR program, with additional amounts received in the form of interest income (13% and 55% for the three months ended December 31, 1996 and 1997, respectively), as well as licensing fees pursuant to two licensing agreements. Interest income in both periods included interest earned on cash balances available for investment, as well as accretion of interest on a note receivable related to the assignment of the Company's leases on its Canton, Massachusetts facility and equipment.

The Company's total expenses decreased approximately 25% from approximately \$2.6 million for the three months ended December 31, 1996 to approximately \$1.9 million for the three months ended December 31, 1997. Research and development costs constituted the primary component of the Company's total expenses (79% and 70% for the three months ended December 31, 1996 and 1997, respectively), decreasing approximately 34% from approximately \$2.0 million in fiscal 1997 to approximately \$1.4 million in fiscal 1998. This decrease is attributable to staffing reductions prompted by the Company's decision in early calendar 1997 to discontinue development of its product candidate, Oncolysin B, as well as the Company's continuing cost reduction efforts begun in December 1994.

General and administrative expenses remained constant, increasing approximately \$31,000, or approximately 6%, between the two periods.

Interest expense decreased approximately 76%, from approximately \$6,000 for the three months ended December 31, 1996 to approximately \$1,000 for the three months ended December 31, 1997. Both periods include interest costs on the remaining principal balances of the Company's capital lease agreements. The larger costs in fiscal 1997 represent the costs incurred in connection with the issuances of convertible debentures. In fiscal 1998, the Company's financing activities included issuances of convertible equity and related common stock purchase

warrants, giving rise to dividends rather than interest costs, as well as dividends associated with the October 1996 conversion of a \$2.5 million convertible debenture to convertible preferred stock. The dividends accumulated for the three months ended December 31, 1997, totalling approximately \$400,000, consist primarily (approximately 97%) of the value of warrants issued in connection with the sale of \$1.0 million of the Company's Series E Preferred Stock, which was accounted for as non-cash dividends to holders of the Company's preferred stock.

In connection with the collaboration entered into in July 1997 between ATI and BioChem, BioChem will invest a total of \$11.125 million in non-voting convertible preferred stock of ATI in a series of private placements over a three-year period. The preferred stock is convertible into ATI common stock at any time after three years from the date of first issuance of such stock, at a conversion price equal to the then current market price of the ATI common stock, but in any event at a price that will result in BioChem acquiring no less than 15% of the then outstanding ATI common stock. As of December 31, 1997, 3,538 shares of ATI preferred stock were issued or issuable, resulting in a minority interest in the net loss of ATI of approximately 4.8% for the quarter. This minority interest portion of ATI's loss for the quarter reduced ImmunoGen's net loss by \$37,300. In addition, because the investment is comprised of securities potentially issuable by both the Company and ATI, only a portion of which is allocable to the ATI securities, the Company is required to reflect the value of the investment allocable to the ATI securities as a minority interest on its balance sheet. Based on an appraisal by an independent valuation consultant completed in November 1997, approximately 3% of the \$3.538 million investment to date, or approximately \$106,000, has been allocated to the minority interest in ATI, with the remainder, or approximately \$3.4 million, allocated to ImmunoGen equity.

Six Months Ended December 31, 1996 and 1997

The Company's revenues decreased approximately 13% from approximately \$255,000 for the six months ended December 31, 1996 to approximately \$222,000 for the six months ended December 31, 1997. In both periods, revenues were derived principally from amounts received under the SBIR Program (60% and 53% for the six months ended December 31, 1996 and 1997, respectively), with smaller amounts received in the form of interest income (14% and 45% for the six months ended December 31, 1996 and 1997, respectively) and licensing fees pursuant to two licensing agreements. Interest income in both periods included interest earned on cash balances available for investment, as well as accretion of interest on a note receivable related to the assignment of the Company's leases on its Canton, Massachusetts facility and equipment.

The Company's total expenses decreased approximately 23% from approximately \$5.0 million for the six months ended December 31, 1996 to approximately \$3.9 million for the six months ended December 31, 1997. Research and development costs constituted the primary component of the Company's total expenses (79% and 75% for the six months ended December 31, 1996 and 1997, respectively), decreasing approximately 27% from approximately \$4.0 million in fiscal 1997 to

approximately \$2.9 million in fiscal 1998). This decrease is attributable to staffing reductions prompted by the Company's decision in early calendar 1997 to discontinue development efforts on its product candidate, Oncolysin B, as well as the Company's continuing cost reduction efforts begun in December 1994.

General and administrative expenses remained constant, decreasing approximately 3% from approximately \$986,000 for the six months ended December 31, 1996 to approximately \$959,000 for the six months ended December 31, 1997.

Interest expense decreased approximately 96% from approximately \$73,000 for the six months ended December 31, 1996 to approximately \$3,000 for the six months ended December 31, 1997. Both periods include interest costs on the remaining principal balances of the Company's capital lease agreements. The larger costs in fiscal 1997 represent the costs incurred in connection with the issuances of convertible debentures. In fiscal 1998, the Company's financing activities included issuances of convertible equity and related common stock purchase warrants, giving rise to dividends rather than interest costs, as well dividends associated with the October 1996 conversion of a \$2.5 million convertible debenture to convertible preferred stock. The dividends accumulated for the six months ended December 31, 1997, totalling approximately \$412,000, represent primarily (approximately 94%) the value of warrants issued in connection with the sale of \$1.0 million of the Company's Series E Stock.

In connection with the collaboration between ATI and Biochem, for the six months ended December 31, 1997, 3,538 shares of ATI preferred stock were issued or issuable, resulting in a weighted average 4.2% minority interest (on a converted, fully-diluted basis) in the net loss of ATI. This minority interest portion of ATI's loss for the six-month period reduced ImmunoGen's net loss by approximately \$65,000.

LIQUIDITY AND CAPITAL RESOURCES

Since July 1, 1996, the Company has financed its operating deficit of approximately \$16.6 million from various sources, including issuances of convertible debt and equity securities, amounts received pursuant to its fiscal 1996 assignment of leases, funds received under research grants and funds received from the exercise of stock options.

In March 1996, the Company issued \$5.0 million principal amount convertible debentures in a private placement. As part of the private placement, the Company issued a \$2.5 million principal amount debenture on March 25, 1996. In June 1996, the debenture, together with accrued interest thereon, was converted into shares of Common Stock, and warrants to purchase 509,000 shares of Common Stock at an exercise price of \$4.00 per share were issued to the holder of the debenture. These warrants expire in March 2001. In June 1996, a second \$2.5 million convertible debenture was issued and then converted into Series A Convertible Preferred

Stock ("Series A Stock") in October 1996. Each share of Series A Stock was convertible at any time into a number of shares of Common Stock determined by dividing \$1,000 by the lower of (i) \$2.50 and (ii) 85% of the average of the closing bid price of the Common Stock for each the five days prior to conversion (the "Market Price"). As of January 5, 1998, all 2,500 shares of Series A Stock plus accumulated dividends thereon had been converted into 2,676,235 shares of Common Stock. In connection with those conversions, warrants to purchase 1,338,117 shares of Common Stock were issued. These warrants have an exercise price of \$4 per share and expire at various dates during calendar years 2002 and 2003. In June 1996, the Company issued additional warrants to purchase 500,000 shares of the Company's Common Stock in connection with the conversion of the debenture into Common Stock. These warrants have an exercise price equal to \$6.00 per share and expire in March 2001. Additionally, warrants to purchase 250,000 shares of the Company's Common Stock were issued as payment of finder's fees in connection with the issuance of the debentures. These warrants have an exercise price of \$3.105 per share and expire in 2003.

In June 1996 the Company satisfied its own and ATI's obligations to Dana-Farber, totaling approximately \$1.3 million, by issuing an 11.5% convertible debenture in that amount. In July 1996, the 11.5% debenture and accrued interest thereon, aggregating \$1,318,734, was converted into 351,662 shares of Common Stock.

In October 1996, the Company sold \$3.0 million of 9% Series B Convertible Preferred Stock ("Series B Stock") in connection with the October 1996 Private Placement. Each share of Series B Stock was convertible into a number of shares of Common Stock determined by dividing \$1,000 by the lower of (i) \$3.60 and (ii) 85% of the market price of the Common Stock. As of February 4, 1997, all 3,000 shares of Series B Stock plus accumulated dividends thereon had been converted into 1,384,823 shares of the Company's Common Stock. In connection with the issuance of the Series B Stock, warrants to purchase 500,000 shares of the Company's Common Stock were also issued. Of these 500,000 warrants, 250,000 warrants are exercisable at \$5.49 per share and expire in October 2001. The remaining 250,000 warrants are exercisable at \$3.68 per share and expire in January 2002.

In January 1997, the Company sold \$3.0 million of 9% Series C Convertible Preferred Stock ("Series C Stock") in connection with the October 1996 Private Placement. Each share of Series C Stock was convertible into a number of shares of Common Stock determined by dividing \$1,000 by the lower of (i) \$2.61 and (ii) 85% of the market price of the Company's Common Stock. As of August 1, 1997, all 3,000 shares of Series C Stock plus accumulated dividends thereon had been converted into 2,719,738 shares of the Company's Common Stock. In connection with the Series C Stock, warrants to purchase 1,147,754 shares of Common Stock were issued to the investor. These warrants are exercisable at \$2.31 per share and expire in April 2002.

In June 1997, the Company sold \$1.0 million of 9% Series D Convertible Preferred Stock ("Series D Stock") in connection with the October 1996 Private Placement. The Series D Stock was convertible at any time into a number of shares of Common Stock determined by dividing \$1,000 by the lower of (i) \$1.4375 and (ii) 85% of the market price of the Company's Common Stock at the time of conversion. As of October 21, 1997, all 1,000 shares of Series D Stock plus accumulated dividends thereon had been converted in 1,001,387 shares of Common Stock. In addition, the investor received warrants to purchase 454,545 shares of Common Stock. These warrants have an exercise price of \$1.94 per share and expire in 2002.

Also in June 1997, the Company and ATI satisfied an obligation of ATI to one of its scientific advisors, totaling \$120,000, by a combination of cash and 41,481 shares of Common Stock.

ImmunoGen had agreed to obtain or furnish an additional \$3.0 million in equity for ATI on such terms and conditions as were mutually agreed to by ATI and the providers of such additional equity. As of July 31, 1997, ATI owed ImmunoGen approximately \$14.2 million. This amount was converted into 22,207,966 shares of ATI common stock, thereby satisfying the agreement to provide an additional \$3.0 million in equity and increasing ImmunoGen's majority ownership of ATI from 72% to 95%. In addition, under the terms of a stock purchase agreement entered into between ImmunoGen, ATI, Dana-Farber Cancer Institute and an individual ATI stockholder, if ATI had not concluded a public offering of its stock for at least \$5.0 million prior to January 11, 1998, Dana-Farber and the individual stockholder each could require ImmunoGen to purchase (the "put option"), or ImmunoGen could require such stockholders to sell (the "call option"), their shares in ATI at a predetermined price. At the ImmunoGen's discretion, the shares of common stock of ATI can be paid for in cash or by delivery of shares of ImmunoGen Common Stock. In January 1998, the individual stockholder exercised the put option for 500,000 shares of ATI common stock, par value \$.00002 per share, for an aggregate of \$871,930. The Company elected to issue its Common Stock in lieu of a cash payment and expects to complete the transaction in February 1998, thereby increasing its ownership of ATI from 95% to approximately 96.5%.

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

Under the agreement, BioChem will invest a total of \$11.125 million in non-voting convertible preferred stock of ATI in a series of private placements over a three-year period to fund research conducted by the collaboration during a three-year research term. In August 1997, BioChem paid ATI an initial payment of \$1.852 million, and in each of October 1997 and January 1998, quarterly payments of \$843,000 were made. The balance of \$7.587 million will be paid in equal

quarterly payments of \$843,000. The preferred stock is convertible into ATI common stock at any time after three years from the date of first issuance of such stock, at a conversion price equal to the then current market price of the ATI common stock, but in any event a price that will result in BioChem acquiring at least 15% of the then outstanding ATI common stock. The research agreement may be extended beyond the initial three years, on terms substantially similar to the original, three-year term. BioChem will also make milestone payments of up to \$15.0 million for each product over the course of its development. In addition, ATI will receive royalties on the future worldwide sales of products, if any, resulting from the collaboration. BioChem's obligation to provide additional financing to ATI each quarter is subject to satisfaction of specified conditions, including a condition with respect to the level of ATI's cash and other resources in addition to the financing.

As part of the collaboration with ATI, BioChem also receives warrants to purchase shares of ImmunoGen Common Stock equal to the amount invested in ATI during the three-year research term. These warrants will be exercisable for a number of shares of ImmunoGen's Common Stock determined by dividing the amount of BioChem's investment in ATI by the market price of the ImmunoGen Common Stock on the exercise date, subject to certain limitations. The exercise price is payable either in cash or shares of ATI preferred stock, at BioChem's option. The warrants are expected to be exercised only in the event that the shares of ATI common stock do not become publicly traded. In the event that ATI common stock does not become publicly traded, the Company expects that BioChem will use its shares of ATI preferred stock, in lieu of cash, to exercise the warrants.

In December 1997, the Company entered into an agreement to sell \$3.0 million of its Series E Convertible Preferred Stock ("Series E Stock") to an institutional investor. The investment will be completed in two installments. As of December 31, 1997, \$1.0 million had been received; the remainder is expected to be received in the first quarter of calendar 1998, subject to the terms of the agreement. The preferred stock will be convertible into common stock at the end of a two-year holding period at \$1.0625 per share. Under the terms of the agreement, the investor is entitled to receive warrants equal to 100% of the number of shares of Common Stock issuable on conversion of the preferred stock. As of December 31, 1997, warrants to purchase 941,176 shares of Common Stock had been issued. These warrants have an exercise price of \$2.125 per share and expire in 2004.

In the period since July 1, 1996, less than \$5,000 was expended on property and equipment. No significant amounts are expected to be expended on property and equipment in fiscal 1998.

Because of its continuing losses from operations, the Company will be required to obtain additional capital in the short term to satisfy its ongoing capital needs and to continue its operations. Although, as noted above, management continues to pursue additional funding arrangements and/or strategic partners, no assurance can be given that such financing will in fact be available to the Company. If the Company is unable to obtain financing on acceptable terms in order to maintain operations, it could be forced to further curtail or discontinue its operations. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

CERTAIN FACTS THAT MAY AFFECT FUTURE RESULTS OF OPERATIONS

This report contains certain forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements are based on management's current expectations and are subject to a number of factors and uncertainties which could cause actual results to differ materially from those described in the forward-looking statements. The Company cautions investors that there can be no assurance that actual results or business conditions will not differ materially from those projected or suggested in such forward-looking statements as a result of various factors, including, but not limited to, the following: the uncertainties associated with preclinical studies and clinical trials; the early stage of the Company's initial product development and lack of product revenues; the Company's history of operating losses and accumulated deficit; the Company's limited financial resources and uncertainty as to the availability of additional capital to fund its development on acceptable terms, if at all; the Company's lack of commercial manufacturing experience and commercial sales, distribution and marketing capabilities; reliance on suppliers of antibodies necessary for production of the products and technologies; the potential development by competitors of competing products and technologies; the Company's dependence on potential collaborative partners, and the lack of assurance that the Company will receive any funding under such relationships to develop and maintain strategic alliances; the lack of assurance regarding patent and other protection for the Company's proprietary technology; governmental regulation of the Company's activities, facilities, products and personnel; the dependence on key personnel; uncertainties as to the extent of reimbursement for the costs of the Company's potential products and related treatment by government and private health insurers and other organizations; the potential adverse impact of government-directed health care reform; the risk of product liability claims; and general economic conditions. As a result, the Company's future development efforts involve a high degree of risk. For further information, refer to the more specific risks and uncertainties discussed in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 1997 as filed with the Securities and Exchange Commission.

IMMUNOGEN, INC.
PART II - OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

Not applicable.

Item 2. CHANGES IN SECURITIES

On December 1, 1997, December 5, 1997 and January 5, 1998, the Company issued warrants to purchase 136,611 shares, 126,212 shares and 161,457 shares, respectively, of its Common Stock to the holder of its Series A Convertible Preferred Stock (the "Series A Stock") in connection with the conversion of an aggregate of 500 shares of Series A Stock. The Series A Stock provided that if conversion did not occur on or before the eightieth day after its issuance, the investor would receive warrants to purchase shares of the Company's Common Stock equal to 50% of the number of shares issued on each conversion of the Series A Stock. These warrants have an exercise price of \$4 per share and are exercisable for five years from the date of issuance.

All of the warrants issued pursuant to the terms of the Series A Stock were issued in a private placement pursuant to Section 4(2) of the Securities Act of 1933, as amended, and Regulation D promulgated thereunder.

In July 1997, the Company's 95%-owned subsidiary, Apoptosis Technology, Inc. ("ATI"), entered into a collaboration with a biopharmaceutical company. As part of the agreement, the collaborator receives warrants to purchase shares of ImmunoGen Common Stock equal to the amount invested in ATI by the collaborator during a three-year research term. These warrants will be exercisable at any time on or after July 31, 2000 until and including July 31, 2002 into a number of shares of ImmunoGen Common Stock determined by dividing the amount invested in ATI by the market price of the ImmunoGen Common Stock on the exercise date, subject to certain limitations. On each of October 14, 1997 and January 5, 1998, investments of \$843,000 were made in ATI and warrants corresponding to those amounts were issued in connection with such investments.

On December 9, 1997, the Company filed a Certificate of Vote of Directors Establishing a Series of a Class of Stock designating 2,400 shares of Series E Preferred Stock ("Series E Stock"). On December 10, 1997, 800 shares of Series E Stock were sold to an institutional investor for cash consideration of \$1.0 million in a private placement under Regulation D of the Securities Act of 1933, as amended. This sale of Series E Stock was part of an aggregate \$3.0 million investment in the Company by the institutional investor. Each share of Series E Stock is

convertible at the end of a two-year holding period into a number of shares of Common Stock determined by dividing the stated value of the Series E Stock of \$1,250 per share by \$1.0625. Under the terms of the agreement, the investor is entitled to receive a number of warrants to purchase the Company's Common Stock equal to 100% of the number of shares of Common Stock into which the Series E Stock can be converted. Consequently, on December 10, 1997, the Company issued warrants to purchase 941,176 shares of Common Stock. These warrants are exercisable at any time only on or after December 10, 1999 until and including December 9, 2004 at an exercise price of \$2.125 per share.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Annual Meeting of Shareholders was held by the Company on November 12, 1997. At the Meeting, the following matters were voted upon:

The proposal to fix the number of directors at six and to elect six directors to hold office until the next Annual Meeting of Shareholders was approved by the following vote: Mr. Mitchel Sayare, 19,279,991 Shares FOR and 406,903 Shares WITHHELD; Dr. Walter A. Blattler, 19,285,843 Shares FOR and 401,051 Shares WITHHELD; Mr. David W. Carter, 19,248,241 Shares FOR and 438,653 Shares WITHHELD; Mr. Michael R. Eisenson, 19,248,843 Shares FOR and 438,051 Shares WITHHELD; Mr. Stuart F. Feiner, 19,272,693 Shares FOR and 414,201 Shares WITHHELD; Mr. Donald E. O'Neill, 19,326,987 Shares FOR and 359,907 Shares WITHHELD.

The proposal to amend the Company's Restated Stock Option Plan to increase the number of shares reserved for the grants of options from 2.4 million to 3.525 million shares was approved by the following vote: 17,897,308 Shares FOR, 1,309,637 Shares AGAINST and 279,418 Shares ABSTAINED.

Item 5. OTHER INFORMATION

Not applicable.

(a) Exhibits

Exhibit

- 4.1 Designation of Series E Preferred Stock
- 10.1 Series E Convertible Preferred Stock Purchase Agreement by and among ImmunoGen, Inc., Biotechnology Venture Partners, L.P., Biotechnology Value Fund, L.P., Biotechnology Value Fund, Ltd. and Investment 10, L.L.C. dated December 10, 1997 (a confidential treatment request has been filed with the Commission with respect to this document)
- 10.2 Registration Agreement among ImmunoGen, Inc., Biotechnology Venture Partners, L.P., Biotechnology Value Fund, L.P., Biotechnology Value Fund, Ltd. and Investment 10, L.L.C. dated December 10, 1997
- 10.3 Form of Warrant Certificate issued by the Registrant to Biotechnology Venture Partners, L.P., Biotechnology Value Fund, L.P., Biotechnology Value Fund, Ltd. and Investment 10, L.L.C.
- 10.4 Warrant Certificate Dated December 1, 1997 issued to Capital Ventures International
- 10.5 Warrant Certificate Dated December 5, 1997 issued to Capital Ventures International
- 10.6 Warrant Certificate Dated January 5, 1998 issued to Capital Ventures International
- 10.7 Warrant Certificate Dated October 6, 1997 issued to BioChem Pharma (International) Inc. (previously filed as Exhibit 10.5 to, and incorporated herein by reference from, the Registrant's Registration Statement on Form 10-Q, as amended by Form 10-Q/A, for the quarter ended September 30, 1997)

10.8 Warrant Certificate Dated January 5, 1998 issued to BioChem Pharma Inc.

27 Financial Data Schedule

(b) Reports on Form 8-K

The Company filed a Current Report on Form 8-K on December 11, 1997 reporting the filing of a press release on the same date announcing a \$3.0 million investment in the Company by Biotechnology Value Fund, L.P. and affiliates.

SIGNATURES

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

IMMUNOGEN, INC.

Date: February 13, 1998

By: /s/ Mitchel Sayare

Mitchel Sayare
Chief Executive Officer
(principal executive officer)

Date: February 13, 1998

By: /s/ Kathleen A. Carroll

Kathleen A. Carroll
Vice President,
Finance and Administration
(principal financial officer)

IMMUNOGEN, INC.

EXHIBIT INDEX

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- 27 Financial Data Schedule

FEDERAL IDENTIFICATION
NO. 04-2726691

Examiner

THE COMMONWEALTH OF MASSACHUSETTS
WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth
One Ashburton Place, Boston, Massachusetts 02108-1512

CERTIFICATE OF VOTE OF DIRECTORS
ESTABLISHING A CLASS OR SERIES OF STOCK
(GENERAL LAWS, CHAPTER 156B, SECTION 26)

We, Mitchel Sayare, President,

and Kathleen Carroll, Assistant Clerk,

of Immunogen, Inc.,

(Exact name of corporation)

located at: 333 Providence Highway, Norwood, MA 02062,

(Street Address of corporation in Massachusetts)

do hereby certify that at a meeting of the directors of the corporation held on December 5, 1997, the following vote establishing and designating a class or series of stock and determining the relative rights and preferences thereof was duly adopted:

See continuation sheets

P.C. NOTE: VOTES FOR WHICH THE SPACE PROVIDED ABOVE IS NOT SUFFICIENT SHOULD BE PROVIDED ON ONE SIDE OF SEPARATE 8 1/2 X 11 SHEETS OF WHITE PAPER, NUMBERED 2A, 2B, ETC., WITH A LEFT MARGIN OF AT LEAST 1 INCH.

THE COMMONWEALTH OF MASSACHUSETTS
CERTIFICATE OF VOTE OF DIRECTORS
ESTABLISHING A SERIES OF A CLASS OF STOCK
(GENERAL LAWS, CHAPTER 156B, SECTION 26)

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I hereby approve the within Certificate of Vote of Directors and, the filing fee in the amount of \$ 100.00 having been paid, said certificate is deemed to have been filed with me this 9th day of December, 1997.

Effective date: /s/ William Francis Galvin

William Francis Galvin

WILLIAM FRANCIS GALVIN
Secretary of the Commonwealth

TO BE FILLED IN BY CORPORATION
PHOTOCOPY OF DOCUMENT TO BE SENT TO:

Anne T. Leland, Legal Assistant

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

One Financial Center, Boston, MA 02111

Telephone: 617 542 6000

DESIGNATION, POWERS, PREFERENCE AND OTHER
TERMS OF PREFERRED SHARES

CONTINUATION SHEETS

DESCRIPTION AND DESIGNATION OF SERIES E PREFERRED STOCK

SECTION 1. DESIGNATION, AMOUNT AND PAR VALUE. The series of Preferred Stock shall be designated as the Series E Convertible Preferred Stock (the "Series E Preferred Stock"), and the number of shares so designated shall be 2,400. The par value of each share of Series E Preferred Stock shall be \$.01. Each share of Series E Preferred Stock shall have a stated value of \$1,250 per share (the "Stated Value").

SECTION 2. DIVIDENDS. In the event the Board of Directors of the Company shall declare a dividend payable upon the then outstanding shares of Common Stock (other than a dividend payable entirely in shares of the Common Stock of the Company), the Board of Directors shall declare at the same time a dividend upon the then outstanding shares of the Series E Preferred Stock, payable at the same time as the dividend paid on the Common Stock, in an amount equal to the amount of dividends per share of Series E Preferred Stock as would have been payable on the largest number of shares (including fractions of shares) of Common Stock which each share of Series E Preferred Stock held by each holder thereof would have received if such Series E Preferred Stock had been converted into Common Stock pursuant to the provisions of Section 5 hereof as of the record date for the determination of holders of Common Stock entitled to receive such dividends.

SECTION 3. VOTING RIGHTS. Except as otherwise provided herein and as otherwise provided by law, the Series E Preferred Stock shall have no voting rights. However, so long as any shares of Series E Preferred Stock are outstanding, the Company shall not, (a) without the affirmative vote of the holders of a majority of the shares of the Series E Preferred Stock then outstanding, alter or change, in a manner that is adverse to such holders, the powers, preferences or rights of the Series E Preferred Stock hereunder or (b) without the consent of a majority of the shares of the Series E Preferred Stock outstanding and held by the initial holders thereof, but only so long as at least 50% of the Series E Preferred Stock is held by the initial holders thereof, authorize or create any Senior Securities.

SECTION 4. LIQUIDATION. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "Liquidation"), after payment of all amounts owing to holders of Senior Securities, if any, the holders of shares of Series E Preferred Stock shall be entitled to receive out of the assets of the Company available for distribution to holders

of the Company's capital stock, on a parity with holders of any Pari Passu Securities but before payment or distribution of any of such assets to the holders of Junior Securities, for each share of Series E Preferred Stock an amount equal to the Stated Value, plus an amount equal to all declared but unpaid dividends per share, without interest, and if the assets of the Company shall be insufficient to pay in full such amounts, then the entire assets to be distributed shall be distributed among the holders of Series E Preferred Stock and Pari Passu Securities ratably in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full. A sale, conveyance or disposition of all or substantially all of the assets of the Company or the effectuation by the Company of a transaction or series of related transactions in which more than 50% of the voting power of the Company is disposed of shall be deemed a Liquidation; provided that, a consolidation or merger of the Company with or into any other company or companies shall not be treated as a Liquidation, but instead shall be subject to the provisions of Section 5(D). The Company shall mail written notice of any such Liquidation, not less than 30 days prior to the payment date stated therein, to each record holder of Series E Preferred Stock.

SECTION 5. CONVERSION.

A. Each share of Series E Preferred Stock shall be convertible into shares of Common Stock at the Conversion Ratio (subject to adjustment as a result of adjustment of the Conversion Price under Section 5(B), at the option of the holder in whole or in part at any time after December 9, 1999 (the "Initial Conversion Date"); provided that if after the Issue Date and prior to the Initial Conversion Date the Company issues shares of any Series of its Preferred Stock which is convertible at the option of the holder on a date prior to the Initial Conversion Date then the Initial Conversion Date shall be amended and deemed to be such earlier date. Any conversion under this Section 5(A) shall be of a minimum amount of the lesser of 100 shares of Series E Preferred Stock and the number of shares of Series E Preferred Stock then held by the converting holder. The holder of the Series E Preferred Stock shall effect conversions by surrendering the certificate or certificates representing the shares of Series E Preferred Stock to be converted to the Company, together with the form of conversion notice attached hereto as Exhibit A (the "Holder Conversion Notice"), in the manner set forth in Section 5(H), which Holder Conversion Notice, once given, shall be irrevocable. Each Holder Conversion Notice shall specify the number of shares of Series E Preferred Stock to be converted and the date on which such conversion is to be effected, which date may not be prior to the date the holder of Series E Preferred Stock delivers such Notice by facsimile (the "Holder Conversion Date") and, in any event, not prior to the Initial Conversion Date. If a holder of Series E Preferred Stock is converting less than all of the shares of Series E Preferred Stock represented by the certificate(s) tendered by such holder with the Holder Conversion Notice, the Company shall promptly deliver to such holder a certificate for such number of shares as have not been converted.

B. Each share of the Series E Preferred Stock shall be convertible into shares of Common Stock at the Conversion Ratio at the option of the Company in whole or in part at any time on or after December 9, 2000; PROVIDED, HOWEVER, that the Company is not permitted to deliver a Company Conversion Notice (as defined below) unless on the Company Conversion

Date (as hereinafter defined) the Common Stock is Publicly Traded; and PROVIDED FURTHER, that the Company is not permitted to deliver a Company Conversion Notice and effect the conversion of shares of Series E Preferred Stock under this Section 5(B) unless such conversion is of all Series E Shares and does not result in the issuance of preferred shares under Section 5(D)(2). The Company shall effect such conversion by delivering to the holders of such shares of Series E Preferred Stock to be converted a written notice in the form attached hereto as EXHIBIT B (the "Company Conversion Notice"), which Company Conversion Notice, once given, shall be irrevocable. Each Company Conversion Notice shall specify the number of shares of Series E Preferred Stock to be converted and the date on which such conversion is to be effected, which date may not be prior to the date the Company delivers such Notice by facsimile to the holder (the "Company Conversion Date") and, in any event, not prior to December 9, 2000. The Company shall give such Company Conversion Notice in accordance with Section 5(H) below. Upon the conversion of shares of Series E Preferred Stock pursuant to a Company Conversion Notice, the holders of the Series E Preferred Stock shall surrender the certificates representing such shares at the office of the Company or of any transfer agent for the Series E Preferred Stock or Common Stock not later than three (3) Trading Days after the Company Conversion Date. Each of a Holder Conversion Notice and a Company Conversion Notice is sometimes referred to herein as a "Conversion Notice," and each of a "Holder Conversion Date" and a "Company Conversion Date" is sometimes referred to herein as a "Conversion Date."

C. Not later than three (3) Trading Days after the Conversion Date, the Company will deliver to each holder of Series E Preferred Stock (i) a certificate or certificates which shall contain the restrictive legends and trading restrictions set forth on the Series E Preferred Stock (and such other legends and trading restrictions then required by law), representing the number of shares of Common Stock being acquired upon the conversion of shares of Series E Preferred Stock, and (ii) one or more certificates representing the number of shares of Series E Preferred Stock not converted; PROVIDED, HOWEVER, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon conversion of any shares of Series E Preferred Stock until certificates evidencing such shares of Series E Preferred Stock are either delivered for conversion to the Company or any transfer agent for the Series E Preferred Stock or Common Stock, or the holder of Series E Preferred Stock notifies the Company that such certificates have been lost, stolen or destroyed and provides a bond or other adequate security reasonably acceptable to the Company to indemnify the Company from any loss incurred by it in connection therewith.

D. 1. The initial conversion price for each share of Series E Preferred Stock in effect on any Conversion Date shall be \$1.0625 per share, subject to adjustment as herein provided (the "Conversion Price").

2. In the event that BioChem Pharma, Inc. ("BioChem Pharma"), as holder of warrants to purchase the Company's common stock issued pursuant to the BioChem Pharma Agreement, exercises such warrants at a price less than \$3.1875 per share of Common Stock, the Conversion Price for the Series E Preferred Stock shall be adjusted by multiplying such price by a fraction the numerator of which is the Total Initial Outstanding Shares and the denominator of

which is the Total Adjusted Outstanding Shares, each as of the date of such exercise. If on the Conversion Date applicable to any conversion under Section 5: (A) the Common Stock is then listed for trading on the Nasdaq National Market, (B) the Conversion Price as adjusted hereunder is less than \$1.0625, (C) the Company has not previously obtained Stockholder Approval (as defined below), (D) the Company has not obtained a waiver of the Stockholder Approval requirement of Rule 4460(i) of the Nasdaq Stock Market (or any successor or replacement provision thereof) ("Rule 4460(i)"), and (E) the Company is required to obtain Stockholder Approval under Rule 4460(i) as a condition to continued listing on the Nasdaq Stock Market, then the Company shall issue to the holder a number of shares of Common Stock which, together with all shares of Common Stock previously issued upon conversion of Series E Preferred Stock, will not exceed 4,901,382 shares (the "Issuable Maximum"). If the holder is not able to convert the Series E Preferred Stock in full because the number of shares of Common Stock otherwise issuable upon conversion of the Series E Preferred Stock exceeds the Issuable Maximum by virtue of the adjustment to the Conversion Price set forth in this Section 5(D)(2), the holder shall be entitled to convert the Series E Preferred Stock not so convertible into a number of shares (the "Issuable Number of Shares") of a new series of the Company's Preferred Stock determined by dividing (i) the product of (x) the number of shares of Common Stock in excess of the Issuable Maximum times (y) the price at which BioChem Pharma exercised its warrants by (ii) \$1,000. Such series of preferred stock shall have the powers, preferences and other terms described in Schedule 1 hereto and shall be convertible to Common Stock at a conversion price of \$1.0625. "Stockholder Approval" means the approval by the majority of the total votes cast on the proposal, in person or by proxy, at a meeting of the stockholders of the Company held in accordance with the Company's articles of organization and by-laws as then in effect, of the issuance by the Company of shares of Common Stock exceeding the Issuable Maximum as a consequence of the conversion of Series E Preferred Stock, as and to the extent required pursuant to Rule 4460(i).

3. If the Company, at any time while the Series E Preferred Stock is outstanding, (i) shall pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock payable in shares of its Common Stock, (ii) subdivide outstanding shares of Common Stock into a larger number of shares, (iii) combine outstanding shares of Common Stock into a smaller number of shares, or (iv) issue by reclassification of shares of Common Stock any shares of capital stock of the Company, the Conversion Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding before such event and of which the denominator shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this Section 5(D)(3) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

4. If the Company, at any time while the Series E Preferred Stock is outstanding, shall distribute to all holders of Common Stock (and not to the holder of Series E Preferred Stock) evidences of its indebtedness or assets (excluding those referred to in Section 5(D)(2) hereof), then in each such case the Conversion Price for which the shares of Common

Stock shall be purchased shall be determined by multiplying the Conversion Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the Conversion Price determined as of the record date mentioned above, and of which the numerator shall be the Conversion Price on such record date less the then fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of Common Stock as determined by the Board of Directors of the Company (the "Board of Directors") in good faith; provided, however, that in the event of a distribution exceeding 10% of the net assets of the Company, such fair market value shall be determined by a nationally recognized or major regional investment banking firm or firm of independent certified public accountants of recognized standing (which may be the firm that regularly examines the financial statements of the Company) (an "Appraiser") selected in good faith by the holders of a majority of the Series E Preferred Stock then outstanding; and further provided, however, that the Company, after receipt of the determination by such Appraiser shall have the right to select an additional Appraiser, in which case the fair market value shall be equal to the average of the determinations by each such Appraiser. In either case the adjustments shall be described in a statement provided to the holder and all other holders of the Series E Preferred Stock of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

5. In case of any reclassification of the Common Stock, any consolidation or merger of the Company with or into another person, the sale or transfer of all or substantially all of the assets of the Company or any compulsory share exchange pursuant to which the Common Stock is converted into other securities, cash or property, the holders of Series E Preferred Stock then outstanding shall have the right thereafter to convert such shares only into the shares of stock and other securities and property receivable upon or deemed to be held by holders of Common Stock following such reclassification, consolidation, merger, sale, transfer or share exchange, and the holders of Series E Preferred Stock shall be entitled upon such event to receive such amount of securities or property as the shares of the Common Stock into which such shares of Series E Preferred Stock could have been converted immediately prior to such reclassification, consolidation, merger, sale, transfer or share exchange would have been entitled. The terms of any such consolidation, merger, sale, transfer or share exchange shall include such terms so as to continue to give to the holder of Series E Preferred Stock the right to receive the securities or property set forth in this Section 5(D)(5) upon any conversion following such consolidation, merger, sale, transfer or share exchange. This provision shall similarly apply to successive reclassifications, consolidations, mergers, sales, transfers or share exchanges.

6. If the Company, at any time while any shares of Series E Preferred Stock are outstanding, shall issue rights or warrants to all holders of Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Per Share Market Value of Common Stock at the record date mentioned below, the Initial Conversion Price in effect immediately prior to such issuance of rights or warrants shall be multiplied by a

fraction, of which the denominator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding on the date of issuance of such rights or warrants plus the number of additional shares of Common Stock offered for subscription or purchase, and of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding on the date of issuance of such rights or warrants plus the number of shares which the aggregate offering price of the total number of shares so offered would purchase at such Per Share Market Value. Such adjustment shall be made whenever such rights or warrants are issued, and shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights or warrants. However, upon the expiration of any right or warrant to purchase Common Stock the issuance of which resulted in an adjustment in the Conversion Price pursuant to this Section 5(D)(6), if any such right or warrant shall expire and shall not have been exercised, the Conversion Price shall immediately upon such expiration be recomputed and effective immediately upon such expiration be increased to the price which it would have been (but reflecting any other adjustments in the Conversion Price made pursuant to the provisions of this Section 5 after the issuance of such rights or warrants) had the adjustment of the Conversion Price made upon the issuance of such rights or warrants been made on the basis of offering for subscription or purchase of only that number of shares of Common Stock actually purchased upon the exercise of such rights or warrants actually exercised.

E. Upon a conversion hereunder the Company shall not be required to issue stock certificates representing fractions of shares of Common Stock, but may if otherwise permitted, make a cash payment in respect of any final fraction of a share based on the Per Share Market Value at such time. If the Company elects not to, or is unable to, make such a cash payment, the holder of Series E Preferred Stock shall be entitled to receive, in lieu of the final fraction of a share, one whole share of Common Stock.

F. The issuance of certificates for shares of Common Stock on conversion of Series E Preferred Stock shall be made without charge to the holders thereof for any documentary stamp or similar taxes that may be payable in respect of the issue or delivery of such certificate, provided that the Company shall not be required to pay any tax that may be payable in respect of any transfer involved in the issuance and delivery of any such certificate upon conversion in a name other than that of the holder of such shares of Series E Preferred Stock so converted and the Company shall not be required to issue or deliver such certificates unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid.

G. Shares of Series E Preferred Stock converted into Common Stock shall be canceled and shall have the status of authorized but unissued shares of preferred stock.

H. Each Holder Conversion Notice shall be given by facsimile and by mail, postage prepaid, addressed to the attention of the Chief Financial Officer of the Company at the facsimile telephone number and address of the principal place of business of the Company. Each Company Conversion Notice shall be given by facsimile and by mail, postage prepaid, addressed to each holder of Series E Preferred Stock at the facsimile telephone number and address of such

holder appearing on the books of the Company or provided to the Company by such holder for the purpose of such Company Conversion Notice, or if no such facsimile telephone number or address appears or is so provided, at the principal place of business of the holder. Any such notice shall be deemed given and effective upon the earliest to occur of (i)(a) if such Conversion Notice is delivered via facsimile at the facsimile telephone number specified in this Section 5(H) prior to 4:30 p.m. (Boston Time) on any date, such date or such later date as is specified in the Conversion Notice, and (b) if such Conversion Notice is delivered via facsimile at the facsimile telephone number specified in this Section 5(H) at or after 4:30 p.m. (Boston Time) on any date, the next date or such later date as is specified in the Conversion Notice, (ii) five days after deposit in the United States mails or (iii) upon actual receipt by the party to whom such notice is required to be given.

SECTION 6. DEFINITIONS. For the purposes hereof, the following terms shall have the following meanings:

"Appraiser" means a nationally recognized or major regional investment banking firm or firm of independent certified public accountants of recognized standing (which may be the firm that regularly examines the financial statements of the Company).

"BioChem Pharma Agreement" means the Stock Purchase Agreement by and among Apoptosis Technology, Inc., the Company and BioChem Pharma dated July 31, 1997.

"BioChem Pharma Warrants" means the warrants issuable to BioChem Pharma pursuant to the BioChem Pharma Agreement.

"Business Day" means any day of the year on which commercial banks are not required or authorized to be closed in New York City.

"Common Stock" means shares now or hereafter authorized of the class of Common Stock, \$.01 par value, of the Company and stock of any other class into which such shares may hereafter have been reclassified or changed.

"Conversion Ratio" means, at any time, a fraction, of which the numerator is the Stated Value plus all declared but unpaid dividends, and of which the denominator is the Conversion Price at such time.

"Issue Date" means the date of initial issuance of the Series E Preferred Stock.

"Junior Securities" means the Common Stock, the Series A Preferred Stock and all other classes or series of equity securities of the Company hereafter created (unless such class or series of capital stock constitutes Pari Passu Securities or, with the consent of the holders of the Series E Preferred Stock obtained in accordance with Section 3 hereof, such class or series of capital stock by its terms constitutes Senior Securities).

"Pari Passu Securities" means any class or series of capital stock of the Company hereafter created ranked as to distribution of assets upon a Liquidation on a parity with the Series E Preferred Stock.

"Per Share Market Value" means on any particular date (a) the closing sale price per share of the Common Stock on such date on The Nasdaq National Market or the principal stock exchange on which the Common Stock has been listed or if there is no such price on such date, then the closing sale price on the date nearest preceding such date, or (b) if the Common Stock is not listed on The Nasdaq National Market or any stock exchange, the closing bid price for a share of Common Stock in the over-the-counter market, as reported by the Nasdaq Stock Market at the close of business on such date, or (c) if the Common Stock is not quoted on the Nasdaq Stock Market, the average of the bid and asked price for a share of Common Stock in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or similar organization or agency succeeding to its functions of reporting prices), or (d) if the Common Stock is not publicly traded, the fair market value of a share of Common Stock as determined by an Appraiser selected in good faith by the holders of a majority in interest of the shares of the Series E Preferred Stock who shall conduct a good faith appraisal; PROVIDED, however, that the Company, after receipt of the determination by such Appraiser, shall have the right to select an additional Appraiser, who shall conduct a good faith appraisal, in which case, the fair market value shall be equal to the average of the determinations by each such Appraiser.

"Person" means a corporation, an association, a partnership, organization, a business, an individual, a government or political subdivision thereof or a governmental agency.

"Preferred Stock" means shares now or hereafter authorized of the class of Preferred Stock, \$.01 par value, of the Company and stock of any other class into which such shares may hereafter have been reclassified or changed.

"Publicly Traded" means with respect to the Common Stock that (a) such Common Stock is traded on The Nasdaq National Market or Nasdaq SmallCap Market or principal stock exchange on which the Common Stock has been listed, or (b) if Common Stock is not listed on The Nasdaq National Market or Nasdaq SmallCap Market or any stock exchange, such Common Stock is traded in the over-the-counter market, as reported by the Nasdaq Stock Market, or (c) if such Common Stock is not quoted on the Nasdaq Market, such Common Stock is quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding its functions of reporting prices).

"Senior Securities" means any class or series of capital stock of the Company hereafter created with the consent of the holders of Series E Preferred Stock obtained in accordance with Section 3 hereof ranking as to distribution of assets upon a Liquidation senior to the Series E Preferred Stock.

"Series A Preferred Stock" means the 600 outstanding shares of the Series A Preferred Stock, \$.01 par value, of the Company and stock of any other class into which such shares may hereafter have been reclassified or changed.

"Total Adjusted Outstanding Shares" means, as of any date of determination, the total of (i) all shares of Common Stock outstanding on the Issue Date, (ii) all shares of Common Stock issuable upon the exercise of warrants and options outstanding on the Issue Date (other than any BioChem Pharma Warrants), (iii) all shares of Common Stock issuable upon the conversion of shares of any class or series of Preferred Stock outstanding on the Issue Date, (iv) the number of shares of Common Stock issued on or prior to the determination date (including those exercised on the determination date) upon exercise of BioChem Pharma Warrants at a price less than \$3.1875 per share; and (v) that number of shares of Common Stock issuable upon exercise of BioChem Pharma Warrants outstanding as of the determination date (excluding those exercised on the determination date) at an assumed exercise price of \$3.1875 per share of Common Stock.

"Total Initial Outstanding Shares" means, as of any date of determination, the total of (i) all shares of Common Stock outstanding on the Issue Date, (ii) all shares of Common Stock issuable upon the exercise of warrants and options outstanding on the Issue Date (other than any BioChem Pharma Warrants), (iii) all shares of Common Stock issuable upon the Conversion of shares of any class or series of Preferred Stock outstanding on the Issue Date, (iv) the number of shares of Common Stock issued on or prior to the determination date upon exercise of BioChem Pharma Warrants at a price less than \$3.1875 per share; and (v) that number of shares of Common Stock issuable upon exercise of BioChem Pharma Warrants outstanding as of the determination date (including those exercised on the determination date) at an assumed exercise price of \$3.1875 per share of Common Stock.

"Trading Day" means (a) a day on which the Common Stock is traded on The Nasdaq National Market or Nasdaq SmallCap Market or principal stock exchange on which the Common Stock has been listed, or (b) if the Common Stock is not listed on The Nasdaq National Market or Nasdaq SmallCap Market or any stock exchange, a day on which the Common Stock is traded in the over-the-counter market, as reported by the Nasdaq Stock Market, or (c) if the Common Stock is not quoted on the Nasdaq Market, a day on which the Common Stock is quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding its functions of reporting prices).

SCHEDULE 1

PREFERRED STOCK TERMS

SECTION 1. DESIGNATION, AMOUNT AND PAR VALUE. The series of (the "Company") ImmunoGen, Inc. Preferred Stock shall be designated as the [Designation] Preferred Stock (the "Preferred Stock"), and the number of shares so designated shall be the Issuable Number of Shares, as defined in Section 5.D.2 of the Description and Designation of Series E Preferred Stock to which this Schedule 1 is attached. The par value of each share of Preferred Stock shall be \$.01. Each share of Preferred Stock shall have a stated value of \$1,000 per share (the "Stated Value").

SECTION 2. DIVIDENDS. At all times prior to December 30, 2002, in the event the Board of Directors of the Company (the "Board") shall declare a dividend payable upon the then outstanding shares of common stock, \$.01 par value, of the Company (or stock of any other class into which such shares may hereafter have been reclassified or changed) ("Common Stock"), the Board shall declare at the same time a dividend upon the then outstanding shares of the Preferred Stock, payable at the same time as the dividend paid on the Common Stock, in an amount equal to the amount of dividends per share of Preferred Stock, as would have been payable on Common Stock in lieu of which the shares of Preferred Stock were issued. From and after December 30, 2002, the holders of Preferred Stock shall be entitled to receive a cumulative dividend payable in arrears in cash quarterly on the last day of each February, May, August and November, commencing on February 28, 2002 (each, a "Dividend Payment Date"), at a rate per annum multiplied by the Stated Value equal to the prime rate as announced by the Wall Street Journal from time to time, such rate to be adjusted automatically on the effective date of any change in such rate, plus 1%, in preference to dividends on any Common Stock and the Series E Preferred Stock or any class ranking, as to dividend rights, junior to the Preferred Stock, but after payment of dividends to the Series A Preferred Stock, and such dividends shall accrue (whether or not declared and whether or not there shall be funds legally available for the payment of dividends) without interest, and shall be payable on the Dividend Payment Date.

SECTION 3. VOTING RIGHTS. Except as otherwise provided herein and as otherwise provided by law, the Preferred Stock shall have no voting rights. However, so long as any shares of Preferred Stock are outstanding, the Company shall not, without the affirmative vote of the holders of a majority of the shares of the Preferred Stock then outstanding, alter or change adversely the powers, preferences or rights given to the Preferred Stock.

SECTION 4. LIQUIDATION. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "Liquidation"), the holders of shares of Preferred Stock shall not be entitled to receive any payment out of the assets of the Company available for distribution to holders of the Company's capital stock, before payment or distribution of any of such assets to the holders of Common Stock, but the holders of shares of preferred Stock shall share ratably with the holders of Common Stock in any such Liquidation, based on the number of

shares of Common Stock into which the Preferred Stock could be converted at the time of such Liquidation.

SECTION 5. CONVERSION. Each share of Preferred Stock shall be convertible into shares of Common Stock at a conversion ratio of the Stated Value divided by \$1.0625, as adjusted in accordance with Section 5(D)(3), (4), (5) or (6) of the Description and Designation of Series E Preferred Stock (the "Adjusted Conversion Price"), at any time on or after December 9, 1999 and before December 9, 2004; PROVIDED THAT, on the conversion date, if either (A) the Common Stock is not then listed for trading on the Nasdaq National Market, (B) the Company has previously obtained Stockholder Approval (as defined in the Description and Designation of Series E Preferred Stock), (C) the Company has obtained a waiver of the Stockholder Approval requirement of Rule 4460(i) of the Nasdaq Stock Market (or any successor or replacement provision thereof) ("Rule 4460(i)", or (D) the Company is no longer required to obtain Stockholder Approval under Rule 4460(i) as a condition to continued listing on the Nasdaq Stock Market then the conversion ratio may be calculated based on the Per Share Market Value if it is then lower than the Adjusted Conversion Price.

EXHIBIT A

NOTICE OF CONVERSION
AT THE ELECTION OF HOLDER

(To be Executed by the Registered Holder to Convert Shares of Series E Preferred Stock)

The undersigned hereby irrevocably elects to convert the number of shares of Series E Convertible Preferred Stock indicated below into shares of Common Stock, par value \$.01 per share (the "Common Stock"), of ImmunoGen, Inc. (the "Company") according to the conditions set forth in the Description and Designation of Series E Preferred Stock, as of the date written below. If shares are to be issued in the name of a person other than the undersigned, the undersigned will pay all transfer taxes payable with respect thereto and is delivering herewith such certificates and opinions as reasonably requested by the Company in accordance therewith. No fee will be charged to the Holder for any conversion, except for such transfer taxes, if any.

Conversion calculations:

Date to Effect Conversion

Number of Shares of Series E Preferred Stock
to be Converted

Applicable Conversion Price

Number of Shares of Common Stock to Issue

Signature

Name:

Address:

EXHIBIT B

IMMUNOGEN, INC.

NOTICE OF CONVERSION AT
THE ELECTION OF THE COMPANY

The undersigned in the name and on behalf of ImmunoGen, Inc. (the "Company") hereby notifies the addressee hereof that the Company hereby elects to exercise its right to convert [] shares of its Series E Convertible Preferred Stock held by the Holder into shares of Common Stock, par value \$.01 per share (the "Common Stock"), of the Company according to the terms set forth in the Description and Designation of Series E Preferred Stock, as of the date written below. No fee will be charged to the Holder for any conversion hereunder, except for such transfer taxes, if any, which may be incurred by the Company if shares are to be issued in the name of a person other than the person to whom this notice is addressed.

Conversion calculations:

Date to Effect Conversion

Number of Shares of Series E Preferred Stock
to be Converted

Applicable Conversion Price

Number of Shares of Common Stock to Issue

Signature

Name:

Address:

STOCK PURCHASE AGREEMENT

BY AND AMONG

IMMUNOGEN, INC.,

BIOTECHNOLOGY VENTURE PARTNERS, L.P.,

BIOTECHNOLOGY VALUE FUND, L.P.,

BIOTECHNOLOGY VALUE FUND, LTD.

AND

INVESTMENT 10, L.L.C.

DECEMBER 10, 1997

STOCK PURCHASE AGREEMENT

THIS STOCK PURCHASE AGREEMENT (this "Agreement") is made this 10th day of December, 1997 by and among ImmunoGen, Inc., a Massachusetts corporation (the "Company"), Biotechnology Venture Partners, L.P. ("BVP"), a Delaware limited partnership, Biotechnology Value Fund, L.P. ("BVF 1"), a Delaware limited partnership, Biotechnology Value Fund, Ltd. ("BVF 2"), a Cayman Island corporation and Investment 10, L.L.C. ("I10"), an Illinois limited liability company (collectively BVP, BVF 1, BVF 2 and I10 are referred to as the "Investor").

WHEREAS, the Company desires to issue and sell to Investor and Investor desires to acquire shares (the "Preferred Shares") of the Company's Series E convertible preferred stock, par value \$.01 per share, convertible into shares of the Company's Common Stock, par value \$.01 per share ("Common Stock"), and having the designations, powers, preferences, and other terms set forth on EXHIBIT A hereto;

WHEREAS, the Company desires to issue and sell to Investor and Investor desires to acquire common stock purchase warrants substantially in the form of EXHIBIT B hereto (each, a "Warrant" and collectively, the "Warrants") to purchase shares of the Company's common stock, par value \$.01 per share (the "Warrant Shares");

WHEREAS, the Company and the Investor desire to set forth certain matters to which they have agreed relating to the Warrants and the Preferred Shares;

NOW THEREFORE, in consideration of the premises and the mutual covenants contained in this Agreement, the parties agree as follows:

ARTICLE I -- ISSUANCE AND TERMS OF IMMUNOGEN

WARRANTS AND PREFERRED SHARES

SECTION 1.1 AUTHORIZATION OF IMMUNOGEN WARRANTS AND PREFERRED SHARES. Subject to the terms and conditions of this Agreement, the Company has authorized the issuance of the Preferred Shares and the Warrants pursuant to this Agreement.

SECTION 1.2 PURCHASE AND SALE OF PREFERRED SHARES. Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of the Company contained herein, the Investor agrees to purchase from the Company and the Company agrees to sell to the Investor, for a purchase price of three million dollars (\$3,000,000), an aggregate of 2,400 Preferred Shares on the Closing Date (as hereinafter defined).

SECTION 1.3 PURCHASE AND SALE OF WARRANTS. Subject to the terms and conditions of this Agreement and in reliance upon the representations and warranties of the Company and the Investor contained herein, the Investor agrees to acquire from the Company and the Company agrees to issue to the Investor the Warrants on the Closing Date.

SECTION 1.4 PAYMENT. The Investor agrees to make payment of \$1,000,000 and \$2,000,000 for the 800 and 1,600 Preferred Shares being delivered at the Initial Closing (as hereinafter defined) and Final Closing (as hereinafter defined), respectively, by certified check or wire transfer on the applicable Closing Date to an account specified by the Company.

ARTICLE II -- CLOSING

SECTION 2.1 CLOSING. Subject to the satisfaction of the conditions set forth in Articles VI and VII hereof, (i) the initial closing for \$1,000,000 (the "Initial Closing") shall take place at a place and time (the "Initial Closing Date") mutually agreed by the Company and the Investor, but in any event no later than December 10, 1997; and (ii) the final closing for \$2,000,000 (the "Final Closing") shall take place (the "Final Closing Date") within three (3) business days after the Company delivers to BVF, Inc. (the "BVF Representative") * that has been previously furnished to the BVF Representative. Unless stated otherwise, as hereinafter used the terms Initial Closing and Final Closing shall be referred to as the "Closing" and the Initial Closing Date and Final Closing Date shall be referred to as the "Closing Date." At each Closing, (a) the Company shall deliver to the Investor one or more stock certificates registered in their names for an aggregate of 800 and 1,600 Preferred Shares, respectively, against payment to the Company of the purchase price therefor pursuant to Section 1.4, and (b) the Company shall deliver to the Investor the applicable portion of the Warrant registered in their name to purchase the number of shares indicated therein.

SECTION 2.2 VOTING RIGHTS. After the completion of the Final Closing and as long as the Investor owns at least fifty percent (50%) of the aggregate Preferred Shares and each such Investor owns at least 50% of the Warrants issued to it at the Closing, the BVF Representative shall have the right within five (5) calendar days (the "Approval Period") after its receipt from the Company of a term sheet for a proposed transaction involving the licensing by the Company to a third party (with a market capitalization of at least \$500 million as set forth on such party's most recent reported filing) of rights with respect to the Company's * (a "Collaboration") to approve the Company entering into such * Collaboration, but only if such * Collaboration provides for earned royalties payable to the Company (net of royalties payable by the Company to the licensors of *) which are less than * of Net Sales (as defined below), such approval to not be unreasonably withheld. If the BVF Representative gives written notice within the Approval Period that it does not approve of such * Collaboration, then the Company shall not enter into the proposed agreement with respect thereto. "Net Sales" shall (i) mean the actual selling prices of * charged by ImmunoGen or its sublicensee, in bona fide sales to third parties, as per invoices covering such sales, less all trade and cash discounts, rebates, allowances, returns, free goods and replacements actually granted, shipping costs, insurance, and taxes and other governmental charges, except income taxes, applicable to sales, then paid by ImmunoGen or its affiliates or (ii) be as negotiated in good faith between the Company and such sublicensee and set forth in such sublicense agreement, whichever is less.

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*Confidential treatment requested as to certain portions, which portions are omitted and filed separately with the Commission.

SECTION 2.3 REDEMPTION RIGHTS. In the event BVF Representative does not approve the * Collaboration, the Company may, at its option, redeem all of the outstanding Preferred Shares. The redemption price for each Preferred Share redeemed pursuant to this Section 2.3 shall be the original stated value per share of \$1,250.00 (the "Redemption Price"). The Redemption Price set forth in this Section 2.3 shall be subject to equitable adjustment whenever there shall occur a stock split, stock dividend, combination, reorganization, recapitalization, reclassification or other similar event involving a change in the Preferred Shares.

Each holder of the Preferred Shares to be redeemed shall immediately surrender the certificate(s) representing such shares to the Company and upon such redemption each Investor shall immediately surrender 50% of the Warrants originally issued to such Investor at the Closing. Regardless of the surrender of the Warrants, upon the payment of the Redemption Price as described below such Warrants subject to surrender and the Preferred Shares to be redeemed will be void and of no value. The Company shall pay the Redemption Price for such shares as set forth in this Section 2.3 to the order of the person whose name appears on such certificate(s) via certified check or wire transfer. Each surrendered certificate and Warrants shall be cancelled and retired.

SECTION 2.4 LEGEND. The certificates representing the Warrants and the Preferred Shares shall be subject to a legend restricting transfer under the Securities Act of 1933, as amended (the "Securities Act"), such legend to be substantially as follows:

"THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THESE SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON UNLESS (1) EITHER (A) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES SHALL BE EFFECTIVE UNDER THE SECURITIES ACT OF 1933 ("ACT"), OR (B) THE COMPANY SHALL HAVE REASONABLY REQUESTED AND 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."

ARTICLE III -- REPRESENTATIONS AND WARRANTIES OF THE COMPANY

The Company hereby represents and warrants to the Investor that, as of the date of this Agreement, the following are true and correct:

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*Confidential treatment requested as to certain portions, which portions are omitted and filed separately with the Commission.

SECTION 3.1 ORGANIZATION AND STANDING OF THE COMPANY. The Company is a corporation duly organized, validly existing and in good standing under the laws of the Commonwealth of Massachusetts. The Company has full corporate power and authority to enter into, deliver, and perform its obligations and undertakings under this Agreement. The Company is duly authorized to conduct business and is in good standing under the laws of each jurisdiction where such qualification is required, except where the lack of such qualification would not have a material adverse effect on the business, financial condition, operations, results of operations, or future prospects of the Company. The Company has full corporate power and authority to carry on the business in which it is engaged and to own and use the properties owned and used by it.

SECTION 3.2 CAPITALIZATION. The Company's entire authorized capital stock consists of: 50,000,000 shares of ImmunoGen Common Stock, and 5,000,000 shares of Preferred Stock, \$.01 par value per share (the "ImmunoGen Preferred Stock"). All of the Company's outstanding shares of ImmunoGen Common Stock and ImmunoGen Preferred Stock are listed on SCHEDULE 3.2 hereto and are validly issued, fully paid, and non-assessable. The ImmunoGen Common Stock and the ImmunoGen Preferred Stock have the preferences, voting powers, qualifications, and special or relative rights or privileges set forth in the Company's Restated Articles of Organization, as amended. The Preferred Shares are senior in liquidation preference to all outstanding shares of the ImmunoGen Common Stock and all other outstanding shares of the ImmunoGen Preferred Stock. As of November 12, 1997, the Company had 1,151,222 shares of ImmunoGen Common Stock available for issuance under the Company's Restated Stock Option Plan (the "Stock Plan"). Other than as indicated on SCHEDULE 3.2 hereto or in the SEC Reports (as hereinafter defined), the Company does not have outstanding any option, warrant, purchase right, subscription right, stock appreciation right, phantom stock right, profit participation right, agreement or other commitment to issue or to acquire any shares of its capital stock, or any securities or obligations convertible into or exchangeable for its capital stock, and the Company has not given any person any right to acquire from the Company or sell to the Company any shares of its capital stock. There are no voting trusts, proxies, or other agreements or understandings with respect to the voting of the capital stock of the Company.

SECTION 3.3 VALIDITY OF THIS AGREEMENT. The execution and delivery by the Company of this Agreement and the performance by the Company of its obligations under this Agreement, and the issue, sale and delivery of the Preferred Shares, the Common Stock, the Warrants and the Warrant Shares have been duly authorized and approved by all necessary corporate action. This Agreement has been duly executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and similar laws affecting creditors' rights and remedies and subject to general principles of equity. The execution and delivery by the Company of this Agreement and the performance by the Company of its obligations under this Agreement and the issuance, sale and delivery of the Preferred Shares, the Common Stock, the Warrants and the Warrant Shares will not (i) conflict with, or result in any breach of any of the terms of, or constitute a default under, the Restated Articles of Organization or By-laws of the Company, or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, instrument, covenant or other restriction or

arrangement to which the Company is a party or by which it or any of its properties or assets is bound.

SECTION 3.4 GOVERNMENTAL CONSENT, ETC. Except for filings, consents, permits, approvals and authorizations which will be obtained by the Company prior to the Closing and which are set forth in SCHEDULE 3.4 no consent, approval, authorization or other order of, action by, filing with, or notification to any governmental authority is required under existing law or regulation in connection with the execution, delivery and performance of the Agreement or the offer, issue, sale or delivery of the Preferred Shares, the Common Stock, the Warrants and the Warrant Shares pursuant to the Agreement or the consummation of any other transactions contemplated thereby.

SECTION 3.5 VALID ISSUANCE OF PREFERRED SHARES, COMMON STOCK, WARRANTS AND WARRANT SHARES. When issued and delivered against payment therefor in accordance with the terms and conditions of this Agreement and EXHIBIT B hereto, the Preferred Shares, the Common Stock, the Warrants and the Warrant Shares shall be (i) duly authorized and validly issued, fully paid and non-assessable and (ii) not subject to any preemptive rights, liens, claims or encumbrances, or other restrictions on transfer or other agreements or understandings with respect to the voting of the Common Stock or the Warrant Shares, except as set forth in this Agreement or EXHIBIT B hereto.

SECTION 3.6 FINANCIAL STATEMENTS. The Common Stock is registered pursuant to Section 12(g) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Copies of all reports filed by the Company with the United States Securities and Exchange Commission (the "Commission") pursuant to the Exchange Act during the period from June 30, 1997 to the date of this Agreement (the "SEC Reports") have been furnished to the Investor. The audited financial statements of the Company contained in the Company's Annual Report on Form 10-K for the year ended June 30, 1997, including the notes relating thereto, disclose all material liabilities of the Company as of the date thereof, except as set forth on SCHEDULE 3.6(a) hereto. Such financial statements, including the notes relating thereto, have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved. Said financial statements and related notes fairly present the financial position and the results of operations and cash flow of Company as of the respective dates thereof and for the periods indicated. Since June 30, 1997, there has not been any material adverse change in the business, financial condition, operations, results of operations, assets, employee relations, customer or supplier relations or future prospects of the Company, except continuing operating losses, depletion of cash resources and changes in the ordinary course of business and except for the sale of the Company's Warrants to BioChem Pharma (International) Inc. in July 1997.

SECTION 3.7 NO VIOLATION. Neither the execution and delivery by the Company of this Agreement, nor the consummation of the transactions contemplated hereby will violate any constitution, statute, rule, injunction, judgment, order, decree, ruling, charge or other restriction of any government, governmental agency, or court known to the Company to which the Company is subject, or any provision of its Restated Articles of Organization or By-Laws.

SECTION 3.8 *

SECTION 3.9 TITLE TO ASSETS. The Company has such title to its property and such rights and franchises as are necessary to operate the Company in the manner contemplated by this Agreement.

SECTION 3.10 SECURITIES LAWS. All notices, filings, registrations or qualifications under state securities or "blue sky" laws which are required in connection with the offer, issue and delivery of the preferred shares pursuant to this Agreement, if any, have been or will be completed by the Company.

ARTICLE IV -- REPRESENTATIONS AND WARRANTIES OF THE INVESTOR

The Investor hereby acknowledges, represents, warrants and agrees as follows:

SECTION 4.1 AUTHORITY OF INVESTOR; VALIDITY OF THIS AGREEMENT. The Investor has all requisite power and authority to enter into this Agreement and perform its obligations hereunder. The execution, delivery and performance by the Investor of this Agreement, and the purchase of the Warrants and the Preferred Shares have been duly authorized and approved by all necessary corporate action. This Agreement has been duly executed and delivered and constitutes a valid and binding obligation of the Investor, enforceable in accordance with its terms, subject to laws of general application from time to time in effect affecting creditors' rights and the exercise of judicial discretion in accordance with general equitable principles. The execution, delivery and performance of this Agreement and the purchase of the Warrants and the Preferred Shares will not conflict with, or result in a material breach of any of the terms of, or constitute a material default under, any charter, by-law, agreement, instrument, covenant or other restriction to which the Investor is a party or by which it or any of its properties or assets is bound.

SECTION 4.2 INVESTMENT REPRESENTATIONS. The Investor hereby acknowledges, represents, warrants and agrees as follows:

The Investor has reviewed the SEC Reports and the financial statements contained therein. The Investor acknowledges that the Company has made available to the Investor all documents and information that it has requested relating to the Company and have provided answers to all of its questions concerning the Company and the Warrants and the Preferred Shares. In evaluating the suitability of the acquisition of the Warrants and the Preferred Shares hereunder, the Investor has not relied upon any representations or other information (whether oral or written) other than as set forth in the SEC Reports or in this Agreement.

*Confidential treatment requested as to certain portions, which portions are omitted and filed separately with the Commission.

The Investor is an "accredited investor" as defined in Rule 501(a)(3) of the Securities Act.

The Investor understands that the offering of the Warrants and the Preferred Shares has not been registered under the Securities Act or the securities laws of any state or other jurisdiction and that such Warrants and the Preferred Shares must be held indefinitely unless an exemption from registration is available. The Investor understands that the offering and sale of the Warrants and the Preferred Shares is intended to be exempt from registration under the Securities Act, by virtue of Section 3(b), Section 4(2) and/or Section 4(6) of the Securities Act and the provisions of Regulation D promulgated thereunder, based, in part, upon the representations, warranties and agreements of the Investor contained in this Agreement and the Company may rely on such representations, warranties and agreements in connection therewith. The Investor will not transfer the Warrants and the Preferred Shares in violation of the provisions of any applicable Federal or state securities statute.

The Investor is acquiring the Warrants and the Preferred Shares for investment, and not with a view to the resale or distribution thereof; it has no present intention of selling, negotiating, or otherwise disposing of the Warrants and the Preferred Shares. The Investor's financial condition and investments are such that it is in a financial position to hold the Warrants and the Preferred Shares for an indefinite period of time and to bear the economic risk of, and withstand a complete loss of, such Warrants and the Preferred Shares. In addition, by virtue of its expertise, the advice available to it, and its previous investment experience, the Investor has sufficient knowledge and experience in financial and business matters, investments, securities, and private placements and the capability to evaluate the merits and risks of the transactions contemplated by this Agreement.

ARTICLE V -- CONDITIONS TO INVESTOR'S OBLIGATIONS

SECTION 5.1 CONDITIONS TO CLOSING ON CLOSING DATE. The obligation of the Investor to purchase and pay for the Warrants and the Preferred Shares on each Closing Date is subject to the following:

(a) REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Company made herein shall be true, correct and complete on and as of each Closing Date with the same force and effect as if they had been made on and as of each Closing Date.

(b) PERFORMANCE. All covenants, agreements and conditions contained in this Agreement to be performed or complied with by the Company on or prior to each Closing Date shall have been performed or complied with.

(c) OPINION OF COMPANY'S COUNSEL. The Investor shall have received an opinion of Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., counsel for the Company, substantially in the form of EXHIBIT C hereto.

(d) CORPORATE PROCEEDINGS; CONSENTS, ETC. All corporate and other proceedings to be taken and all waivers and consents to be obtained in connection with the transactions contemplated by this Agreement shall have been taken or obtained and all documents incident thereto shall be reasonably satisfactory in form and substance to the Investor and its counsel, each of whom shall have received all such originals or certified or other copies of such documents as each may reasonably request.

(e) NO PROCEEDING. No action, suit, investigation or proceeding shall be pending or threatened before any court or governmental agency to restrain, prohibit, collect damages as a result of or otherwise challenge this Agreement or any transaction contemplated hereby or thereby.

(f) NO LAW PROHIBITING OR RESTRICTING SUCH SALE. There shall not be in effect any law, rule or regulation prohibiting or restricting such sale, or requiring any consent or approval of any person which shall not have been obtained to issue the Warrants and the Preferred Shares (except as otherwise provided in this Agreement).

(g) OFFICER'S CERTIFICATE DELIVERED BY COMPANY. The Company shall have delivered to the Investor a certificate, dated the Closing Date and signed by the Chief Executive Officer or the President of the Company, to the effect that each of the conditions to be satisfied by the Company pursuant to this Section 5.1 on or before each Closing Date has been duly satisfied.

(h) CERTIFICATE OF VOTE. A Certificate of Vote of Directors Establishing a Series of a Class of Stock having the terms set forth on EXHIBIT A hereto (the "Certificate of Vote") shall have been filed with the Secretary of State of the Commonwealth of Massachusetts upon the Initial Closing.

(i) REGISTRATION AGREEMENT. The Company and the Investor shall have executed and delivered a Registration Agreement in the form of EXHIBIT D hereto.

(j) NO MATERIAL ADVERSE CHANGE. There has been no material adverse change in the financial condition of the Company since the date of signing of the Agreement.

(k) LEGAL MATTERS. All material matters of a legal nature which pertain to this Agreement and the transactions contemplated hereby shall have been reasonably approved by counsel to the Investor.

ARTICLE VI -- CONDITIONS TO THE COMPANY'S OBLIGATIONS

SECTION 6.1 CONDITIONS TO CLOSING. The obligation of the Company to issue the Warrants and the Preferred Shares, respectively, to the Investor on each Closing Date is subject to the following:

(a) REPRESENTATIONS AND WARRANTIES. The representations and warranties of the Investor made herein shall be true, correct and complete in all respects on and as of each Closing Date with the same force and effect as if they had been made on and as of each Closing Date.

(b) NO ORDER PENDING. There shall not then be in effect any order enjoining or restraining the transactions contemplated by this Agreement.

(c) NO LAW PROHIBITING OR RESTRICTING SUCH SALE. There shall not be in effect any law, rule or regulation prohibiting or restricting such sale, or requiring any consent or approval of any person which shall not have been obtained to issue the Warrants and the Preferred Shares (except as otherwise provided in this Agreement).

ARTICLE VII -- COVENANTS OF THE COMPANY

SECTION 7.1 FURNISHING OF INFORMATION. As long as the Investor owns Preferred Shares, Common Stock, the Warrants or Warrant Shares, the Company covenants to timely file (or obtain extensions in respect thereof) all reports required to be filed by the Company after the date hereof pursuant to Section 13(a) or 15(d) of the Exchange Act and to promptly furnish the Investor with true and complete copies of all such filings. If the Company is not at the time required to file reports pursuant to such sections, it will prepare and furnish to the Investor annual and quarterly reports comparable to those required by Section 13(a) or 15(d) of the Exchange Act in the time period that such filings would have been required to have been made under the Exchange Act.

SECTION 7.2 INFORMATION WITH RESPECT TO THE SECURITIES. As long as the Investor owns Preferred Shares, Common Stock, Warrants, or Warrant Shares, the Company covenants to provide such information as is reasonably requested by the Investor related to the terms of such securities.

SECTION 7.3 ADDITIONAL EQUITY CAPITAL; RIGHT TO PARTICIPATE. (a) The Company agrees that, during the period beginning on the date hereof and ending on the earlier of (i) December 10, 2000 and (ii) the conversion into Common Stock, or sale or transfer by the Investor, of at least fifty percent (50%) in the aggregate of the Series E Preferred Stock issued at the Closing, if the Company closes any transaction with any party in which the Company issues New Securities, the Investor shall have the right to purchase from the Company within five business days following the later of (i) notice from the Company of the closing of the transaction and (ii) the closing of the transaction such number of securities with the same terms and conditions as the New Securities (except as described below) as is necessary to maintain the Investor's percentage ownership in the Company at the level immediately prior to the issuance of such New Securities; provided that in the event that issuance of securities similar to such New Securities to the Investor in the amount contemplated above would result in an issuance in violation of Rule 4460(i) of the NASDAQ Stock Market (or any successor or replacement provision thereof) then the purchase price, conversion price or exercise price of the securities issued to the Investor will be the market price of such securities on the date of issue. The Investor's percentage ownership for purposes of the rights set forth in this section is the ratio of

the number of shares of common stock owned by the Investor prior to the issuance of the New Securities to the total number of shares of common stock of the Company prior to the issuance of the New Securities, determined on a fully converted, fully diluted basis.

(b) "New Securities" shall mean any capital stock (including common stock and/or preferred stock) of the Company whether now authorized or not, and rights, options or warrants to purchase such capital stock, and securities of any type whatsoever that are, or may become, convertible into capital stock; provided that the term "New Securities" does not include; (i) securities purchased under this Agreement; (ii) securities issued upon conversion of the Series E Preferred Stock; (iii) securities issued pursuant to the acquisition of another business entity or business segment of any such entity by the Company by merger, purchase of substantially all the assets or other reorganization; (iv) any borrowings, direct or indirect, from financial institutions or other persons by the Company, whether or not presently authorized, including any type of loan or payment evidenced by any type of debt instrument; (v) securities issued to employees, consultants, officers or directors of the Company pursuant to any stock option, stock purchase or stock bonus plan, agreement or arrangement approved by the Board of Directors; (vi) securities issued to vendors or customers or to other persons in similar commercial situations with the Company if such issuance is approved by the Board of Directors; (vii) securities issued in connection with obtaining lease financing, whether issued to a lessor, guarantor or other person; (viii) securities issued in a public offering pursuant to a registration under the Securities Act; (ix) securities issued in connection with any stock split, stock dividend or recapitalization of the Company; and (x) any right, option or warrant to acquire any security convertible into the securities excluded from the definition of New Securities pursuant to subsections (i) through (ix) above; provided further however that (y) securities described in clause (v) above shall constitute New Securities if (i) they are issued pursuant to an option, plan, agreement or arrangement not granted or in effect on the date of this Agreement and (ii) they constitute, together with all other securities of the Company outstanding described in clause (v), more than 20% of the Company's common stock, determined on a fully converted, fully diluted basis and (z) if New Securities are issued in light of clause (y) hereof, the Investor's rights to participate shall consist of the right to exercise such options, on the terms set forth in the options, on the date of grant of the options.

ARTICLE VIII -- SURVIVAL AND INDEMNIFICATION

8.1 SURVIVAL. Notwithstanding any examination made by or on behalf of any party hereto, the knowledge of any party or the acceptance by any party of any certificate or opinion, each representation, warranty or covenant contained herein shall survive the Closing and shall be fully effective and enforceable for two years after the Closing.

8.2 INDEMNIFICATION.

(a) The Company shall indemnify the Investor, its shareholders, officers, directors, employees, agents and representatives against any damages, claims, losses, liabilities and expenses (including reasonable counsel fees and expenses) which may be suffered or incurred by any of them as a result of a breach of any representation, warranty or covenant made by the Company in this Agreement;

(b) The Investor, jointly and severally, agrees to indemnify the Company and its shareholders, officers, directors, employees, agents and representatives against any damages, claims, losses, liabilities and expenses (including reasonable counsel fees and other expenses) which may be suffered or incurred by it as a result of any breach of any representation, warranty, or covenant made by the Investor in this Agreement; and

(c) In case any proceeding (including any governmental investigation) shall be instituted involving any person in respect of which indemnity may be sought pursuant to this Section, such person (the "indemnified party") shall promptly notify the person against whom such indemnity may be sought (the "indemnifying party") in writing of the occurrence of the facts and circumstances giving rise to such claim. The failure of any person to deliver the notice required by this Section 8.2(c) shall not in any way affect the indemnifying party's indemnification obligation hereunder except and only to the extent that the indemnifying party is actually prejudiced thereby. In case any such proceeding shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel satisfactory to such indemnified party and shall pay as incurred the fees and expenses of such counsel related to such proceeding. In any such proceeding, any indemnified party shall have the right to retain its own counsel or pay its own expenses. Notwithstanding the foregoing, the indemnifying party shall pay as incurred the fees and expenses of the counsel retained by the indemnified party in the event (i) the indemnifying party and the indemnified party shall have mutually agreed to the retention of such counsel or (ii) the named parties to any such proceedings (including any impleaded parties) include both the indemnifying party and the indemnified party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The indemnifying party shall not be liable for any settlement of any proceeding effected without its written consent but if settled with such consent or if there be a final judgment for the plaintiff, the indemnifying party agrees to indemnify the indemnified party from and against any loss or liability by reason of such settlement or judgment.

ARTICLE IX -- MISCELLANEOUS

SECTION 9.1 NOTICES. All notices, requests, consents and other communications hereunder shall be in writing, shall be addressed to the receiving party's address set forth below or to such other address as a party may designate by notice hereunder, and shall be either (i) delivered by hand, (ii) made by telex, telecopy or facsimile transmission, (iii) sent by overnight courier, or (iv) sent by registered mail, return receipt requested, postage prepaid.

If to the Investor: BVF Representative
c/o Biotechnology Value Fund, L.P.
One Sansom Street, 39th Floor
San Francisco, CA 94104
Attn: Mr. Mark Lampert
Fax: 415-288-2394

With a copy to: Sidley & Austin
875 Third Avenue
New York , NY 10022
Attn: David Ridl, Esq.
Fax: 212-906-2021

If to the Company: ImmunoGen, Inc.
333 Providence Highway
Norwood, MA 02062
Attn: Chief Executive Officer
Fax: (781) 255-9679

With a copy to Mintz Levin, Cohn, Ferris,
Glovsky and Popeo, P.C.
One Financial Center
Boston, Massachusetts 02111
Attn: Jonathan L. Kravetz, Esq.
Fax: (617) 542-2241

All notices, requests, consents and other communications hereunder shall be deemed to have been given either (i) if by hand, at the time of the delivery thereof to the receiving party at the address of such party set forth above, (ii) if made by telex, telecopy or facsimile transmission, one (1) day after the time that receipt thereof has been acknowledged by electronic confirmation or otherwise, (iii) if sent by overnight courier, on the next business day following the day such notice is delivered to the courier service, or (iv) if sent by registered mail, on the 5th business day following the day such mailing is made.

SECTION 9.2 ENTIRE AGREEMENT. This Agreement, including exhibits, or other documents referred to herein, 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 of any kind 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.

SECTION 9.3 AMENDMENTS. The terms and provisions of the Agreement may be modified, amended or waived, or consent for the departure therefrom granted, only by written consent of the Company and the Investor. 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.

SECTION 9.4 ASSIGNMENT. The rights and obligations under this Agreement may not be assigned by either party hereto without the prior written consent of the other party. Neither

this Agreement nor any or all of the rights and obligations of a party hereunder shall be assigned, delegated, sold, transferred or otherwise disposed of by operation of law or otherwise, to any third person without the prior written consent of the other party, and any attempted assignment, delegation, sale, transfer, or other disposition, by operation of law or otherwise, of this Agreement or of any rights or obligations hereunder contrary to this Section 9.4 shall be void and without force or effect. Each party shall be responsible for the compliance by its Affiliates with the terms and conditions of this Agreement.

SECTION 9.5 BENEFIT. All statements, representations, warranties, covenants and agreements in this Agreement shall be binding on the parties hereto and shall inure to the benefit of the respective successors and permitted assigns of each party hereto. Nothing in this Agreement shall be construed to create any rights or obligations except among the parties hereto, and no person or entity shall be regarded as a third-party beneficiary of this Agreement.

SECTION 9.6 GOVERNING LAW. This Agreement and the rights and obligations of the parties hereunder shall be construed in accordance with and governed by the law of the Commonwealth of Massachusetts, without giving effect to the conflict of law principles thereof.

SECTION 9.7 SEVERABILITY. In the event that any court of competent jurisdiction shall determine that any provision, or any portion thereof, contained in this Agreement shall be unreasonable or unenforceable in any respect, then such provision shall be deemed limited to the extent that such court deems it reasonable and enforceable, and as so limited shall remain in full force and effect. In the event that such court shall deem any such provision, or portion thereof, wholly unenforceable, the remaining provisions of this Agreement shall be interpreted as if such provision were so excluded and shall nevertheless remain in full force and effect.

SECTION 9.8 HEADINGS AND CAPTIONS. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and shall in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

SECTION 9.9 NO WAIVER OF RIGHTS, POWERS AND REMEDIES. No failure or delay by a party hereto in exercising any right, power or remedy under this Agreement, and no course of dealing between the parties hereto, shall operate as a waiver of any such right, power or remedy of the party. No single or partial exercise of any right, power or remedy under this Agreement by a party hereto, nor any abandonment or discontinuance of steps to enforce any such right, power or remedy, shall preclude such party from any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. The election of any remedy by a party hereto shall not constitute a waiver of the right of such party to pursue other available remedies. No notice to or demand on a party not expressly required under this Agreement shall entitle the party receiving such notice or demand to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the party giving such notice or demand to any other or further action in any circumstances without such notice or demand.

SECTION 9.10 EXPENSES. Except as provided in Section 8.2, each of the parties shall pay its own fees and expenses (including the fees of any attorneys, accountants, appraisers or

others engaged by such party) in connection with this Agreement and the transactions contemplated hereby whether or not the transactions contemplated hereby are consummated.

SECTION 9.11 BROKERS. Each of the parties hereto represents and warrants to the other that no broker, finder or financial consultant has acted on its behalf in connection with this Agreement or the transactions contemplated hereby in such a way as to create any liability on the other. Each of the parties hereto agrees to indemnify and save the other harmless from any claim or demand for commission or other compensation by any other broker, finder, financial consultant or similar agent claiming to have been employed by or on behalf of such party and to bear the cost of legal expenses incurred in defending against any such claim.

SECTION 9.12 CONFIDENTIALITY. The Investor acknowledges and agrees that any information or data it has acquired from the Company, which is clearly designated in writing as confidential and is not otherwise properly in the public domain, was received in confidence. The Investor agrees not to divulge, communicate or disclose, except as may be required by law or for the performance of this Agreement, or use to the detriment of the Company or for the benefit of any other person or persons, or misuse in any way, any confidential information of the Company.

SECTION 9.13 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.

SECTION 9.14 FURTHER ASSURANCES. In case at any time after the Closing any further action is necessary or desirable to carry out the purposes of this Agreement, the Company and the Investor will take such further action as the other party may reasonably request, all at the sole cost and expense of the requesting party (unless the requesting party is entitled to indemnification therefor under Article VIII).

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed this Stock Purchase Agreement this 10th day of December, 1997.

IMMUNOGEN, INC.

By: /s/ Mitchel Sayare

Name: Mitchel Sayare
Title: Chief Executive Officer

BIOTECHNOLOGY VENTURE PARTNERS, L.P.

By: BVF Partners L.P., its general partner

By: BVF, Inc. its general partner

By: /s/ Mark N. Lampert

Mark N. Lampert, President

BIOTECHNOLOGY VALUE FUND, L.P.

By: BVF Partners L.P., its general partner

By: BVF, Inc. its general partner

By: /s/ Mark N. Lampert

Mark N. Lampert, President

BIOTECHNOLOGY VALUE FUND, LTD.

By: /s/ Mark N. Lampert

Mark N. Lampert, Director

INVESTMENT 10 L.L.C.

By: Grosvenor Multi-Strategy Fund, L.P.,
its Member

By: Grosvenor Capital Management, L.P.,
its general partner

By: Grosvenor Capital Management, Inc.,
its general partner

/s/ Paul Meister

Paul Meister, Vice President

IMMUNOGEN, INC.

REGISTRATION AGREEMENT

THIS AGREEMENT, is made as of December 9, 1997 among ImmunoGen, Inc., a Massachusetts Corporation (the "Company"), Biotechnology Venture Partners, L.P. ("BVP"), a _____ limited partnership, Biotechnology Value Fund, L.P. ("BVF 1"), a Delaware limited partnership, Biotechnology Value Fund, Ltd. ("BVF 2"), a _____ and Investment 10 L.L.C. ("I10"), a _____ limited liability company (collectively, BVP, BVF 1, BVF 2, and I10 are referred to as the "Investor").

The parties to this Agreement are parties to a Stock Purchase Agreement of even date herewith (the "Purchase Agreement"). In order to induce the Investor to enter into the Purchase Agreement, the Company has agreed to provide the registration rights set forth in this Agreement. The execution and delivery of this Agreement is a condition to the Closing under the Purchase Agreement. Unless otherwise provided in this Agreement, capitalized terms used herein shall have the meanings set forth in paragraph 8 hereof.

The parties hereto agree as follows:

1. DEMAND REGISTRATIONS.

(a) REQUESTS FOR REGISTRATION. For a period of two (2) years following the first issuance of the Registrable Securities, either the Investor or any of its affiliates holding Registrable Securities may request registration under the Securities Act of all or any portion of their Registrable Securities, provided, however, that only one such request may be made with respect to registration of the Initial Registrable Securities and only one such request may be made with respect to the registration of the Additional Registrable Securities. Each such registration shall be on Form S-1 or any similar long-form registration for which the Company may qualify; provided that the Company may, at its election, register all or any portion of such Registrable Securities on Form S-2 or S-3 or any similar short-form registration if available. All registrations requested pursuant to this paragraph 1(a) are referred to herein as "Demand Registrations." Each request for a Demand Registration shall specify the approximate number of Registrable Securities requested to be registered and the anticipated per share price range for such offering. Within ten (10) days after receipt of any such request, the Company shall give written notice of such requested registration to all other holders of Registrable Securities and other holders of ImmunoGen Common Stock having piggyback registration rights and shall include in such registration all Registrable Securities and such other securities with respect to which the Company has received written requests for inclusion therein within fifteen (15) days after the receipt of the Company's notice.

(b) PRIORITY ON DEMAND REGISTRATIONS. If a Demand Registration is an underwritten offering and the managing underwriters advise the Company in writing that in their opinion the number of Registrable Securities and other securities requested to be included in such offering exceeds the number of Registrable Securities and other securities, if any, which can be

sold in an orderly manner in such offering within a price range acceptable to the holders of a majority of the Registrable Securities initially requesting registration, the Company shall include in such registration prior to the inclusion of any securities which are not Registrable Securities the number of Registrable Securities requested to be included which in the opinion of such underwriters can be sold in an orderly manner within the price range of such offering, pro rata among the respective holders thereof on the basis of the amount of Registrable Securities requested to be registered by each such holder, and thereafter shall include other securities on the same pro rata basis.

(c) RESTRICTIONS ON DEMAND REGISTRATIONS. The Company shall not be obligated to effect any Demand Registration within 180 days after the effective date of a previous registration. The Company may postpone for up to 180 days the filing or the effectiveness of a registration statement for a Demand Registration if the Company's board of directors determines in its reasonable good faith judgment that such Demand Registration would reasonably be expected to have a material adverse effect on any proposal or plan by the Company or any of its Subsidiaries to engage in any material transaction, including a strategic collaboration, a financing transaction, an acquisition of assets (other than in the ordinary course of business) or any merger, consolidation, tender offer, reorganization or similar transaction; provided that in such event, the holders of Registrable Securities initially requesting such Demand Registration shall be entitled to withdraw such request and, if such request is withdrawn, the Company shall pay all Registration Expenses in connection with such registration.

(d) SELECTION OF UNDERWRITERS. The holders of a majority of the Registrable Securities initially requesting a Demand Registration hereunder shall have the right to select the investment banker(s) and manager(s) to administer the offering, subject to the Company's approval which shall not be unreasonably withheld.

2. PIGGYBACK REGISTRATIONS.

(a) RIGHT TO PIGGYBACK. For a period of four (4) years following the first issuance of Registrable Securities, whenever the Company proposes to register any of its securities under the Securities Act other than pursuant to a Demand Registration, and the registration form to be used (other than a registration on a Form S-8, Form S-4 or any successor form thereto) may be used for the resale registration of Registrable Securities (a "Piggyback Registration"), the Company shall give prompt written notice to all holders of Registrable Securities of its intention to effect such a registration and shall include in such registration all Registrable Securities with respect to which the Company has received written requests for inclusion therein within seven (7) days after the receipt of the Company's notice, subject to Sections 2(c) and (d) hereof.

(b) PIGGYBACK EXPENSES. If the Company proposes to sell any of its securities in a Piggyback Registration, the Registration Expenses of the holders of Registrable Securities in connection with such Piggyback Registration shall be paid by the Company. In all other Piggyback Registrations, the holders of Registrable Securities shall pay their share of the Registration Expenses of such registration as provided in paragraph 5 hereof.

(c) PRIORITY ON PRIMARY REGISTRATIONS. If a Piggyback Registration is an underwritten primary registration on behalf of the Company, and the managing underwriters advise the Company that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering, the Company shall include in such registration (i) first, the securities the Company proposes to sell, and (ii) second, if any, the Registrable Securities requested to be included in such registration and other securities the Company is obligated to include in such registration, pro rata among the holders of such securities on the basis of the number of shares owned by each such holder.

(d) PRIORITY ON SECONDARY REGISTRATIONS. If a Piggyback Registration is an underwritten secondary registration on behalf of holders of the Company's securities, and the managing underwriters advise the Company that in their opinion the number of securities requested to be included in such registration exceeds the number which can be sold in such offering without adversely affecting the marketability of the offering, the Company shall include in such registration (i) first, the securities requested to be included therein by the holders requesting such registration and, (ii) second, if any, the Registrable Securities requested to be included in such registration, pro rata among the holders of such securities on the basis of the number of securities owned by each such holder.

(e) OTHER REGISTRATIONS. If the Company has previously filed a registration statement with respect to Registrable Securities pursuant to paragraph 1 or pursuant to this paragraph 2, and if such previous registration has not been withdrawn or abandoned, the Company shall not file or cause to be effected any other registration of any of its equity securities or securities convertible or exchangeable into or exercisable for its equity securities under the Securities Act (except on Form S-8 or any successor form), whether on its own behalf or at the request of any holder or holders of such securities, until (i) all securities registered under such registration statement have been sold or (ii) sixty (60) days after the effective date of such previous registration, whichever occurs earlier.

3. HOLDBACK AGREEMENTS.

(a) Each holder of Registrable Securities shall not effect any sale, distribution or other disposition (including sales pursuant to Rule 144) of equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, during the seven (7) days prior to and the 180-day period beginning on the effective date of any underwritten Demand Registration or any underwritten Piggyback Registration in which Registrable Securities are included (except as part of such underwritten registration), unless the underwriters managing the registered public offering otherwise agree.

(b) The Company shall not effect any public sale or distribution of its equity securities, or any securities convertible into or exchangeable or exercisable for such securities, during the seven (7) days prior to and during the ninety (90) day period beginning on the effective date of any underwritten Demand Registration or any underwritten Piggyback Registration (except as part of such underwritten registration or pursuant to registrations on Form

S-8 or any successor form), unless the underwriters managing the registered public offering otherwise agree.

4. REGISTRATION PROCEDURES. Whenever the holders of Registrable Securities have requested that any Registrable Securities be registered pursuant to this Agreement, the Company shall use its best efforts to effect the registration for resale of such Registrable Securities in accordance with the intended method of disposition thereof, and pursuant thereto the Company shall as expeditiously as possible:

(a) subject to Section 1(c) hereof, prepare and file with the Securities and Exchange Commission within ninety (90) days from the date of demand a registration statement with respect to such Registrable Securities and use its best efforts to cause such registration statement to become effective (provided that before filing a registration statement or prospectus or any amendments or supplements thereto, the Company shall furnish to the counsel selected by the holders of a majority of the Registrable Securities covered by such registration statement copies of all such documents proposed to be filed, which documents shall be subject to the reasonable review and comment of such counsel);

(b) notify each holder of Registrable Securities of the effectiveness of each registration statement filed hereunder and prepare and file with the Securities and Exchange Commission such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective for a period of not less than ninety (90) days (or for such shorter period of time as the underwriters need to complete the distribution of a registered offering or until the securities are actually sold) and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such registration statement;

(c) furnish to each seller of Registrable Securities such number of copies of such registration statement, each amendment and supplement thereto, the prospectus included in such registration statement (including each preliminary prospectus) and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(d) use its best efforts to register or qualify such Registrable Securities under such other securities or blue sky laws of such jurisdictions as any seller reasonably requests and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller (provided that the Company shall not be required to (i) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this subparagraph, (ii) subject itself to taxation in any such jurisdiction or (iii) consent to general service of process in any such jurisdiction);

(e) notify each seller of such Registrable Securities, at any time when a prospectus relating thereto is required to be delivered under the Securities Act, of the happening of any event as a result of which the prospectus included in such registration statement contains

an untrue statement of a material fact or omits any fact necessary to make the statements therein not misleading, and, at the request of any such seller, the Company shall prepare a supplement or amendment to such prospectus so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any fact necessary to make the statements therein not misleading;

(f) use its reasonable efforts to (i) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed and, if not so listed, to be listed on the Nasdaq Stock Market's National Market and (ii) without limiting the generality of the foregoing, to arrange for at least two market makers to register as such with respect to such Registrable Securities with the NASD;

(g) provide a transfer agent and registrar for all such Registrable Securities not later than the effective date of such registration statement;

(h) enter into such customary agreements (including underwriting agreements in customary form) and take all such other actions as the holders of a majority of the Registrable Securities being sold or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(i) make available for inspection by any seller of Registrable Securities, any underwriter participating in any disposition pursuant to such registration statement and any attorney, accountant or other agent retained by any such seller or underwriter, all financial and other records, pertinent corporate documents and properties of the Company, and cause the Company's officers, directors, employees and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement; PROVIDED, HOWEVER, that any information that is determined in good faith by the Company to be of a confidential nature at the time of delivery of such information shall be kept confidential by such persons, unless (i) disclosure of such information is required by court or administrative order or is necessary to respond to inquiries of regulatory authorities; (ii) disclosure of such information, in the opinion of counsel to such person, is required by law; (iii) such information becomes generally available to the public other than as a result of a disclosure or failure to safeguard by such person; or (iv) such information becomes available to such person from a source other than the Company and such source is not known by such person to be bound by a confidentiality agreement with the Company;

(j) otherwise use its best efforts to comply with all applicable rules and regulations of the Securities and Exchange Commission, and make available to its security holders, as soon as reasonably practicable, an earnings statement covering the period of at least twelve (12) months beginning with the first day of the Company's first full calendar quarter after the effective date of the registration statement, which earnings statement shall satisfy the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder;

(k) in the event of the issuance of any stop order suspending the effectiveness of a registration statement, or of any order suspending or preventing the use of any related prospectus or suspending the qualification of any ImmunoGen Common Stock included in such

registration statement for sale in any jurisdiction, the Company shall use its reasonable best efforts promptly to obtain the withdrawal of such order;

(l) obtain a cold comfort letter from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by cold comfort letters as the holders of a majority of the Registrable Securities being sold reasonably request (provided that such Registrable Securities constitute at least fifty percent (50%) of the securities covered by such registration statement);

(m) the Company may require each seller of the Registrable Securities to furnish to the Company such information regarding the distribution of such Registrable Securities as is required by law to be disclosed in the registration statement and the Company may exclude from such registration the Registrable Securities of any such holder who unreasonably fails to furnish such information within a reasonable time after receiving such request;

The holders of any Registrable Securities covenant and agree that (i) they will not sell any Registrable Securities under the registration statement until they have received copies of the prospectus as then amended or supplemented as contemplated in Section 4(b) and notice from the Company that such registration statement and any post-effective amendments thereto have become effective and (ii) the Purchaser and its officers, directors or Affiliates, if any, will comply with the prospectus delivery requirements of the Securities Act as applicable to them in connection with sales of Registrable Securities pursuant to the registration statement.

Each holder of Registrable Securities agrees by its acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 4(e) or 4(k), such holder will forthwith discontinue disposition of such Registrable Securities until such holder's receipt of the copies of the supplemented prospectus and/or amended registration statement contemplated by Section 4(b), or until it is advised in writing by the Company that the use of the applicable prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such prospectus or registration statement.

5. REGISTRATION EXPENSES.

(a) All expenses incident to the Company's performance of or compliance with this Agreement, including without limitation all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, printing expenses, messenger and delivery expenses, fees and disbursements of custodians, the expense of any audit of quarterly or interim financial data required to be included in the registration statement, and fees and disbursements of counsel for the Company and all independent certified public accountants, and other persons retained by the Company (all such expenses being herein called "Registration Expenses"), shall be borne as provided in this Agreement, except that the Company shall, in any event, pay its internal expenses (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit or quarterly review, the expense of any liability insurance and the expenses and fees for listing

the securities to be registered on each securities exchange on which similar securities issued by the Company are then listed or on The Nasdaq Stock Market; PROVIDED, HOWEVER, that the Company shall have no obligation to pay or otherwise bear any portion of (i) the underwriter's commissions or discounts or transfer taxes attributable to the Registrable Securities being offered and sold by the holders of such Registrable Securities, or (ii) the fees and expenses of counsel, accountants or other professionals or agents for the holders of Registrable Securities in connection with the registration of Registrable Securities, or (iii) the fees and expenses of any counsel or accounting firm retained by the underwriters in connection with an underwritten offering of the Registrable Securities and the costs of any determination (but not filing) by the underwriters of the eligibility of the Registrable Securities for investment under the applicable state securities law.

(b) To the extent Registration Expenses are not required to be paid by the Company, each holder of securities included in any registration hereunder shall pay those Registration Expenses allocable to the registration of such holder's securities so included, and any Registration Expenses not so allocable shall be borne pro rata by all sellers of securities included in such registration in proportion to the aggregate selling price of the securities to be so registered.

6. INDEMNIFICATION.

(a) The Company agrees to indemnify, to the extent permitted by law, each holder of Registrable Securities, its officers and directors and each person who controls such holder (within the meaning of the Securities Act) against all losses, claims, damages, liabilities and expenses caused by any untrue or alleged untrue statement of material fact contained in any registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are caused by or contained in any information furnished to the Company by such holder expressly for use therein or by such holder's failure to deliver a copy of the registration statement or prospectus or any amendments or supplements thereto after the Company has furnished such holder with copies of the same. In connection with an underwritten offering, the Company shall indemnify such underwriters, their officers and directors and each person who controls such underwriters (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of the holders of Registrable Securities.

(b) In connection with any registration statement in which a holder of Registrable Securities is participating, each such holder shall furnish to the Company in writing such information and affidavits as the Company reasonably requests for use in connection with any such registration statement or prospectus and, to the extent permitted by law, shall indemnify the Company, its directors, officers, agents and employees and each person who controls the Company (within the meaning of the Securities Act) and the directors, officers, agents and employees of such controlling persons against any losses, claims, damages, liabilities and expenses resulting from any untrue or alleged untrue statement of material fact contained in the registration statement, prospectus or preliminary prospectus or any amendment thereof or supplement thereto or any omission or alleged omission of a material fact required to be stated

therein or necessary to make the statements therein not misleading, but only to the extent that such untrue statement or omission is contained in any information or affidavit so furnished by such holder; provided that the obligation to indemnify shall be individual, not joint and several, for each holder and shall be limited to the amount of proceeds received by such holder from the sale of Registrable Securities pursuant to such registration statement.

(c) Any person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification (provided that the failure to give prompt notice shall not impair any such person's right to indemnification hereunder to the extent such failure has not prejudiced the indemnifying party) and (ii) unless in such indemnified party's reasonable judgment a conflict of interest between such indemnified and indemnifying parties may exist with respect to such claim, permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party. If such defense is assumed, the indemnifying party shall not be subject to any liability for any settlement made by the indemnified party without its consent (but such consent shall not be unreasonably withheld). An indemnifying party who is not entitled to, or elects not to, assume the defense of a claim shall not be obligated to pay the fees and expenses for more than one counsel for all parties indemnified by such indemnifying party with respect to such claim or related claims.

(d) The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified party or any officer, director or controlling person of such indemnified party and shall survive the transfer of securities. The parties also agree to make such provisions as are reasonably requested by any indemnified party for contribution to such indemnified party in the event that indemnification hereunder is unavailable for any reason.

7. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS. No person may participate in any registration hereunder which is underwritten unless such person (i) agrees to sell such person's securities on the basis provided in any underwriting agreements approved by the person or persons entitled hereunder to approve such arrangements and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting arrangements; provided that no holder of Registrable Securities included in any underwritten registration shall be required to undertake any indemnification obligations to the Company or the underwriters with respect thereto, except as otherwise provided in paragraph 6 hereof.

8. DEFINITIONS.

(a) "REGISTRABLE SECURITIES" means (i) any common stock, par value \$.01 per share ("ImmunoGen Common Stock"), of the Company issued upon the conversion of the Series E Preferred Convertible Preferred Stock, \$.01 par value per share ("Series E Preferred Stock"), of the Company acquired by BVF pursuant to the Purchase Agreement (such ImmunoGen Common Stock being sometimes referred to herein as the "Initial Registrable Securities"), and (ii) any shares of ImmunoGen Common Stock issued upon conversion of the new series of Preferred Stock issuable pursuant to Section 5.D.2. of the Description and Designation of Series E

Preferred Stock attached as Exhibit A to the Purchase Agreement (such ImmunoGen Common Stock being sometimes referred to herein as the "Additional Registrable Securities"), (iii) any ImmunoGen Common Stock issued or issuable with respect to the securities referred to in Clauses (i) and (ii) above by way of a stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization. As to any particular Registrable Securities, such securities shall cease to be Registrable Securities when they have been distributed to the public pursuant to an offering registered under the Securities Act or sold to the public through a broker or dealer or to a market maker in compliance with Rule 144 under the Securities Act (or any similar rule then in force) or repurchased by the Company or any Subsidiary, or when they are eligible to be sold in compliance with Rule 144 under the Securities Act. For purposes of this Agreement, a person shall be deemed to be a holder of Registrable Securities, and the Registrable Securities shall be deemed to be in existence, whenever such person has the right to acquire directly or indirectly such Registrable Securities (upon conversion or exercise in connection with a transfer of securities or otherwise, but disregarding any restrictions or limitations upon the exercise of such right), whether or not such acquisition has actually been effected, and such person shall be entitled to exercise the rights of a holder of Registrable Securities hereunder.

(b) Unless otherwise stated, other capitalized terms contained herein have the meanings set forth in the Purchase Agreement.

9. MISCELLANEOUS.

(a) NO INCONSISTENT AGREEMENTS. The Company shall not hereafter enter into any agreement with respect to its securities which is inconsistent with or violates the rights granted to the holders of Registrable Securities in this Agreement.

(b) ADJUSTMENTS AFFECTING REGISTRABLE SECURITIES. The Company shall not take any action, or permit any change to occur, with respect to its securities which would adversely affect the ability of the holders of Registrable Securities to include such Registrable Securities in a registration undertaken pursuant to this Agreement.

(c) REMEDIES. Any person having rights under any provision of this Agreement shall be entitled to enforce such rights specifically to recover damages caused by reason of any breach of any provision of this Agreement and to exercise all other rights granted by law. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that any party may in its sole discretion apply to any court of law or equity of competent jurisdiction (without posting any bond or other security) for specific performance and for other injunctive relief in order to enforce or prevent violation of the provisions of this Agreement.

(d) AMENDMENTS AND WAIVERS. Except as otherwise provided herein, the provisions of this Agreement may be amended or waived only upon the prior written consent of the Company and holders of at least fifty percent (50%) of the Registrable Securities.

(e) SUCCESSORS AND ASSIGNS. All covenants and agreements in this Agreement by or on behalf of any of the parties hereto shall bind and inure to the benefit of the respective successors and assigns of the parties hereto whether so expressed or not. In addition, whether or not any express assignment has been made, the provisions of this Agreement which are for the benefit of purchasers or holders of Registrable Securities are also for the benefit of, and enforceable by, any subsequent holder of Registrable Securities who is an affiliate of BVF.

(f) INCORPORATION OF PURCHASE AGREEMENT PROVISIONS. The paragraphs entitled "Severability," "Counterparts," "Headings and Captions," "Notices" and "Governing Law" of the Purchase Agreement are hereby incorporated in this Agreement by reference and made a part hereof, except that the provisions of such paragraphs shall refer to this Agreement rather than the Purchase Agreement and shall continue to apply hereto regardless of whether the Purchase Agreement is no longer in effect.

(g) NON-TRANSFERABILITY. BVF's rights and obligations under this Agreement shall not be transferable to an other party under any circumstances, whether by operation of law or otherwise (other than to an entity into which BVF has been merged or which has acquired substantially all of the assets of BVF); provided that BVF shall have the right to transfer its rights and obligations hereunder to its affiliates (as such term is defined in Rule 144 under the Securities Act) in connection with a permitted transfer of Registrable Securities to such affiliates, so long as such affiliates agree in writing to be bound by the terms of this Agreement.

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

BIOTECHNOLOGY VENTURE
PARTNERS, L.P.

By: BVF Partners L.P., its general partner
By BVF, Inc. its general partner

By: /s/ Mark N. Lampert

Mark N. Lampert, President

BIOTECHNOLOGY VALUE FUND, L.P.

By: BVF Partners L.P., its general partner
By BVF, Inc. its general partner

By: /s/ Mark N. Lampert

Mark N. Lampert, President

BIOTECHNOLOGY VALUE FUND, LTD.

By: /s/ Mark N. Lampert

Mark N. Lampert, Director

INVESTMENT 10 L.L.C.

By: Grosvenor Multi-Strategy Fund, L.P.,
its Member

By: Grosvenor Capital Management, L.P.,
its general partner

By: Grosvenor Capital Management, Inc.,
its general partner

/s/ Paul Meister

Paul Meister, Vice President

IMMUNOGEN, INC.

By: /s/ Mitchel Sayare

Mitchel Sayare

Its: Chief Executive Officer

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THESE SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON UNLESS (1) EITHER (A) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES SHALL BE EFFECTIVE UNDER THE SECURITIES ACT OF 1933, 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.

WARRANT CERTIFICATE

DATED DECEMBER 10, 1997

WARRANT TO PURCHASE SHARES OF COMMON STOCK

OF IMMUNOGEN, INC.

No. W-97-1

For the Purchase of 188,235
Shares of Common Stock

IMMUNOGEN, INC., a Massachusetts corporation (the "Company"), hereby certifies that, for value received, Biotechnology Venture Partners, L.P., a limited partnership organized and existing under the laws of Delaware ("Holder"), or its registered assigns, is the registered owner of a warrant (the "Warrant") to purchase from the Company 188,235 shares of the Common Stock, \$.01 par value per share, of the Company (the "Common Stock"), each such share being a "Warrant Share" and all such shares being the "Warrant Shares") at a price of \$2.125 per share (the "Exercise Price"), as adjusted from time to time as provided in Section 7 and except as provided in Section 3(f). Except as specified in Section 3(e) hereof, this Warrant may be exercised at any time or from time to time only on or after December 10, 1999 (the "Initial Exercise Date") until and including December 9, 2004 or earlier as set forth in Section 3a (the "Expiration Date"), all subject to the following terms and conditions:

1. REGISTRATION OF WARRANTS. The Company shall register each Warrant, upon records to be maintained by the Company for that purpose, in the name of the record Holder of such Warrant from time to time. The Company may deem and treat the registered Holder of each Warrant as the absolute owner thereof for the purpose of any exercise thereof or any distribution to the Holder thereof, and for all other purposes, and the Company shall not be affected by any notice to the contrary.

2. REGISTRATION OF TRANSFERS AND EXCHANGES.

a. Subject to Section 2(c) below, the Company shall register the transfer of any Warrants upon records to be maintained by the Company for that purpose, upon surrender of this Warrant Certificate, with the Form of Assignment attached hereto duly completed and signed, to the Company at the office specified in or pursuant to Section 3(c). Upon any such registration of transfer, a new Warrant Certificate, in substantially the form of this Warrant Certificate, evidencing the Warrants so transferred shall be issued to the transferee and a new Warrant Certificate, in similar form, evidencing the remaining Warrants not so transferred, if any, shall be issued to the then registered Holder thereof.

b. This Warrant Certificate is exchangeable, upon the surrender hereof by the Holder hereof at the office of the Company specified in or pursuant to Section 3(c), for new Warrant Certificates, in substantially the form of this Warrant Certificate, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder, each of such new Warrant Certificates to be dated the date of such exchange and to represent the right to purchase such number of Warrant Shares as shall be designated by said Holder hereof at the time of such surrender.

c. Each Holder of this Warrant acknowledges that this Warrant is subject to restrictions on transfer set forth in a Stock Purchase Agreement dated as of December 10, 1997 among Biotechnology Venture Partners, L.P., Biotechnology Value Fund, L.P., Biotechnology Value Fund, Ltd., Investment 10 L.L.C. and the Company (the "Stock Purchase Agreement"), and agrees to be bound by the restrictions on the sale, pledge, assignment and transfer of the Warrant contained therein. Each Holder of this Warrant acknowledges that this Warrant and the Warrant Shares have not been registered under the Securities Act of 1933, as now in force or hereafter amended, or any successor legislation (the "Act"), and agrees not to sell, pledge, distribute, offer for sale, transfer or otherwise dispose of this Warrant or any Warrant Shares issued upon its exercise in the absence of (a) an effective registration statement under the Act as to this Warrant or such Warrant Shares and registration or qualification of this Warrant or such Warrant Shares under any applicable Blue Sky or state securities law then in effect, or (b) an opinion of counsel, satisfactory to the Company, that such registration and qualification are not required.

Without limiting the generality of the foregoing, the Company shall be under no obligation to issue the shares covered by such exercise unless and until the Holder shall have executed an investment letter in form and substance satisfactory to the Company, including a warranty at the time of such exercise that it is acquiring such shares for its own account, for investment and not with a view to, or for sale in connection with, the distribution of any such shares, in which event the Holder shall be bound by the provisions of the following legend or a legend in substantially similar form which shall be endorsed upon the certificate(s) evidencing the Warrant Shares issued pursuant to such exercise:

"THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THESE SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON UNLESS (1) EITHER (A) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES SHALL BE EFFECTIVE UNDER THE SECURITIES ACT OF 1933, 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."

In addition, without limiting the generality of the foregoing, the Company may delay issuance of the Warrant 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).

3. DURATION AND EXERCISE OF WARRANTS.

a. Warrants shall be exercisable by the registered Holder thereof on any business day before 5:00 P.M., New York time, at any time and from time to time on or after the Initial Exercise Date (except for a Cashless Exercise under Section 3(e) which may be made from and after the issuance date hereof) to and including the Expiration Date. Each Holder of this Warrant acknowledges that this Warrant is subject to the terms of the Redemption Rights set forth in Section 2.3 of the Stock Purchase Agreement and agrees to be bound thereby. At 5:00 P.M., New York time, on the Expiration Date, each Warrant not exercised prior thereto shall be and become void and of no value.

b. Subject to the limitations set forth in Section 3(c) and to the other provisions of this Warrant Certificate, including adjustments to the number of Warrant Shares issuable on the exercise of each Warrant and to the Exercise Price pursuant to Section 7, the Holder of each Warrant shall have the right to purchase from the Company (and the Company shall be obligated to issue and sell to such Holder of a Warrant) at the Exercise Price one fully paid Warrant Share which is non-assessable.

c. Subject to Sections 2(b), 2(c), 4 and 8, upon surrender of this Warrant Certificate, with the Form of Election to Purchase attached hereto duly completed and signed, to the Company at its office at 333 Providence Highway, Norwood, Massachusetts, 02062 Attention: Treasurer, or at such other address as the Company may specify in writing to the then registered Holder of the Warrants, and upon payment of the Exercise Price multiplied by the number of Warrant Shares then issuable upon exercise of the Warrants being exercised in lawful money of the United States of America, all as specified by the Holder of this Warrant Certificate in the Form of Election to Purchase, the Company shall promptly issue and cause to be delivered to or upon the written order of the registered Holder of such Warrants, and in such name or names as such registered Holder may designate, a certificate for the Warrant Shares issued upon such exercise of such Warrants. Any person so designated to be named therein shall be deemed to

have become Holder of record of such Warrant Shares as of the Date of Exercise of such Warrants.

The "Date of Exercise" of any Warrant means the date on which the Company shall have received (i) this Warrant Certificate, with the Form of Election to Purchase attached hereto appropriately completed and duly signed, and (ii) payment of the Exercise Price for such Warrant.

d. The Warrants evidenced by this Warrant Certificate shall be exercisable, either as an entirety or, from time to time, for part of the number of Warrants evidenced by this Warrant Certificate. If less than all of the Warrants evidenced by this Warrant Certificate are exercised at any time, the Company shall issue, at its expense, a new Warrant Certificate, in substantially the form of this Warrant Certificate, for the remaining number of Warrants evidenced by this Warrant Certificate.

e. In lieu of the delivery of the full Exercise Price in lawful money of the United States of America as described in subsection 3(c) above, exercise of this Warrant may be made, at the option of the Holder from and after the issuance date hereof until and including the Expiration Date, by the surrender of this Warrant (with the Cashless Exercise form at the end hereof duly executed) (a "Cashless Exercise") at the address set forth in Subsection 3(c) hereof. Such presentation and surrender shall be deemed a waiver of the Holder's obligation to pay the Exercise Price to the extent this Warrant is surrendered. In the event of a Cashless Exercise, the Holder shall exchange its Warrant for that number of Warrant Shares subject to such Cashless Exercise (the "Exercised Number of Warrant Shares") less that number of Warrant Shares which, when multiplied by the then Per Share Market Value of Common Stock, equals the Exercise Price multiplied by the Exercised Number of Warrant Shares. Notwithstanding anything contained herein, the Holder hereof shall pay to the Company upon exercise, in cash, an amount equal to the aggregate amount of the par value of all Warrant Shares purchased upon the exercise of this Warrant pursuant to a Cashless Exercise less the amount paid to the Company in cash upon issuance of this Warrant.

4. PAYMENT OF TAXES. The Company will pay all documentary stamp taxes attributable to the issuance of Warrant Shares upon the exercise of the Warrants represented by this Certificate; provided, however, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the registration of any certificates for Warrant Shares in a name other than that of the Holder, and the Company shall not be required to issue or deliver the certificates for Warrant Shares unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring the Warrants represented by this Certificate or receiving the Warrant Shares under this Warrant Certificate.

5. REPLACEMENT OF WARRANT. If this Warrant is mutilated, lost, stolen or destroyed, the Company may in its discretion issue in exchange and substitution for and upon cancellation

hereof, or in lieu of and substitution for this Warrant, a new Warrant of like tenor, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and indemnity, if requested, satisfactory to it. Applicants for a substitute Warrant certificate also shall comply with such other reasonable regulations and pay such other reasonable charges as the Company may prescribe.

6. ADJUSTMENT TO THE NUMBER OF WARRANT SHARES ISSUABLE. The number of Warrant Shares issuable upon the exercise of this Warrant is subject to adjustment from time to time as set forth in this Section 6. Upon each such adjustment of the Exercise Price pursuant to this Section 6, the Holder shall thereafter prior to the Expiration Date be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of Warrant Shares obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment and dividing the product thereof by the Exercise Price resulting from such adjustment. In the event the Company and the Holders of Warrants disagree as to any adjustment to the Exercise Price hereunder, an Appraiser (as defined below) selected by the Holders of a majority in interest of the Warrants shall give its opinion as to the adjustment, if any (not inconsistent with the standards established in this Section 6), of the Exercise Price; provided, however, that the Company, after receipt of the determination by such Appraiser, shall have the right to promptly select an additional Appraiser, in which case the adjustment shall be equal to the average of the adjustments recommended by each such Appraiser. The Board of Directors shall make the adjustment recommended forthwith upon the receipt of such opinion or opinions; provided, however, that no such adjustment of the Exercise Price shall be made which in the opinion of the Appraiser(s) giving the aforesaid opinion or opinions would result in an increase of the Exercise Price to more than the Exercise Price then in effect.

a. If the Company, at any time while this Warrant is outstanding, (i) shall pay a stock dividend or otherwise make a distribution or distributions on shares of its Common Stock payable in shares of its Common Stock, (ii) subdivide outstanding shares of Common Stock into a larger number of shares, (iii) combine outstanding shares of Common Stock into a smaller number of shares, or (iv) issue by reclassification of shares of Common Stock any shares of capital stock of the Company, the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding before such event and of which the denominator shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this Section 6(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

b. If the Company, at any time while this Warrant is outstanding, shall issue rights or warrants to all holders of Common Stock entitling them to subscribe for or purchase shares of Common Stock at a price per share less than the Per Share Market Value of Common Stock at the record date mentioned below, the Exercise Price shall be multiplied by a fraction, of which the denominator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding on the date of issuance of such rights or warrants plus the number of additional

shares of Common Stock offered for subscription or purchase, and of which the numerator shall be the number of shares of Common Stock (excluding treasury shares, if any) outstanding on the date of issuance of such rights or warrants plus the number of shares which the aggregate offering price of the total number of shares so offered would purchase at such Per Share Market Value. Such adjustment shall be made whenever such rights or warrants are issued, and shall become effective immediately after the record date for the determination of stockholders entitled to receive such rights or warrants. However, upon the expiration of any right or warrant to purchase Common Stock the issuance of which resulted in an adjustment in the Exercise Price pursuant to this Section 6(b), if any such right or warrant shall expire and shall not have been exercised, the Exercise Price shall immediately upon such expiration be recomputed and effective immediately upon such expiration be increased to the price which it would have been (but reflecting any other adjustments in the Exercise Price made pursuant to the provisions of this Section 6 after the issuance of such rights or warrants) had the adjustment of the Exercise Price made upon the issuance of such rights or warrants been made on the basis of offering for subscription or purchase only that number of shares of Common Stock actually purchased upon the exercise of such rights or warrants actually exercised.

c. If the Company, at any time while this Warrant is outstanding, shall distribute to all Holders of Common Stock (and not to the Holder) evidences of its indebtedness or assets, then in each such case the Exercise Price for which the Warrant Shares shall be purchased shall be determined by multiplying the Exercise Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the Exercise Price determined as of the record date mentioned above, and of which the numerator shall be the Exercise Price on such record date less the then fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of Common Stock as determined by the Board of Directors of the Company (the "Board of Directors") in good faith; provided, however, that in the event of a distribution exceeding 10% of the net assets of the Company, such fair market value shall be determined by a nationally recognized or major regional investment banking firm or firm of independent certified public accountants of recognized standing (which may be the firm that regularly examines the financial statements of the Company) (an "Appraiser") selected in good faith by the Holders of a majority of the Warrants that are then outstanding; and further provided, however, that the Company, after receipt of the determination by such Appraiser shall have the right to select an additional Appraiser, in which case the fair market value shall be equal to the average of the determinations by each such Appraiser. In either case the adjustments shall be described in a statement provided to the Holder and all other Holders of Warrants of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

d. In case of any reclassification of the Common Stock, any consolidation or merger of the Company with or into another person, the sale or transfer of all or substantially all of the assets of the Company or any compulsory share exchange pursuant to which the Common Stock is converted into other securities, cash or property, then the Holder shall have the right thereafter

to exercise this Warrant only the shares of stock and other securities and property receivable upon or deemed to be held by Holders of Common Stock following such reclassification, consolidation, merger, sale, transfer or share exchange, and the Holder shall be entitled upon such event to receive such amount of securities or property as the shares of the Common Stock into which this Warrant could have been converted immediately prior to such reclassification, consolidation, merger, sale, transfer or share exchange would have been entitled. The terms of any such consolidation, merger, sale, transfer or share exchange shall include such terms so as to continue to give to the Holder the right to receive the securities or property set forth in this Section 6(d) upon any exercise following such consolidation, merger, sale, transfer or share exchange. This provision shall similarly apply to successive reclassifications, consolidations, mergers, sales, transfers or share exchanges.

e. If:

- i. the Company shall declare a dividend (or any other distribution) on its Common Stock; or
- ii. the Company shall declare a special nonrecurring cash dividend on or a redemption of its Common Stock; or
- iii. the Company shall authorize the granting to all Holders of the Common Stock of rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights; or
- iv. the approval of any stockholders of the Company shall be required in connection with any reclassification of the Common Stock of the Company (other than a subdivision or combination of the outstanding shares of Common Stock), any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby the Common Stock is converted into other securities, cash or property; or
- v. the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding-up of the affairs of the Company;

then the Company shall cause to be filed at each office or agency maintained for the purpose of exercise of this Warrant, and shall cause to be mailed to the Holder in accordance with Section 10 hereof, at least thirty (30) days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the Holders of Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, share exchange, dissolution, liquidation or winding-up is expected to become effective, and the date as of which it is expected that Holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for

securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, share exchange, dissolution, liquidation or winding-up; provided, however, that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice.

f. In any case in which this Section 6 shall require that an adjustment be made effective as of the record date for a specified event, the Company may elect to defer until occurrence of such event (A) issuing to the Holder, if this Warrant is exercised after such record date, the Warrant Shares and other capital stock of the Company, if any, issuable upon such exercise over and above the Warrant Shares and other capital stock of the Company, if any, issuable upon such exercise on the basis of the Exercise Price prior to adjustment and (B) paying to the Holder any amount in cash in lieu of a fractional share pursuant to Section 8 hereof; provided, however, that the Company shall deliver to the Holder a due bill or other appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares, other capital stock and/or cash upon the occurrence of the event requiring such adjustment.

g. Any determination that the Company or the Board of Directors must make pursuant to this Section 6 shall be conclusive if made in good faith.

7. LOCK UP. The Holder hereof agrees by its acceptance hereof that any Warrant Shares may not be sold, pledged, assigned or otherwise transferred on or prior to December 10, 1999.

8. FRACTIONAL SHARES. The Company shall not be required to issue fractional Warrant Shares on the exercise of this Warrant. The number of full Warrant Shares which shall be issuable upon the exercise of this Warrant shall be computed on the basis of the aggregate number of Warrant Shares purchasable on exercise of this Warrant so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8, be issuable on the exercise of this Warrant, the Company shall pay an amount in cash equal to the Exercise Price multiplied by such fraction.

9. WARRANT AGENT.

a. The Company shall serve as warrant agent under this Warrant. Upon thirty (30) days' notice to the Holder, the Company and the Holder may appoint a new warrant agent. After acceptance in writing of such appointment by the new warrant agent, it shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as the warrant agent, without any further assurance, conveyance, act or deed, but if for any reason it shall be necessary or expedient to execute and deliver any further assurance, conveyance, act or deed, the same shall be done at the expense of the Company and shall be legally and validly executed and delivered by the Company.

b. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a

successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the register maintained the warrant agent pursuant to this Warrant.

10. NOTICES. All notices or other communications hereunder shall be given, and shall be deemed duly given and received if given, by facsimile and by mail, postage prepaid: (1) if to the Company, addressed as follows: IMMUNOGEN, INC., 333 Providence Highway, Norwood, Massachusetts 02062, Attention: Treasurer, or to facsimile no. (781) 255-9679; or (ii) if to the Holder, addressed to the Holder at the facsimile telephone number and address of the Holder appearing on the Warrant Register or such other address or facsimile number as the Holder may provide to the Company in accordance with this Section 10. Any such notice shall be deemed given and effective upon the earliest to occur of (i) receipt of such facsimile at the facsimile telephone number specified in this Section 10, (ii) five (5) Business Days after deposit in the United States mails or (iii) upon actual receipt by the party to whom such notice is required to be given.

11. PER SHARE MARKET VALUE

As used in this Warrant, "Per Share Market Value" means on any particular date (a) the closing sale price per share of the Common Stock on such date on The Nasdaq National Market or the principal stock exchange on which the Common Stock has been listed or if there is no such price on such date, then the closing sale price on the date nearest preceding such date, or (b) if the Common Stock is not listed on The Nasdaq National Market or any stock exchange, the closing bid price for a share of Common Stock in the over-the-counter market, as reported by the Nasdaq Stock Market at the close of business on such date, or (c) if the Common Stock is not quoted on the Nasdaq Stock Market, the average of the bid and asked price for a share of Common Stock in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or similar organization or agency succeeding to its functions of reporting prices), or (d) if the Common Stock is not publicly traded, the fair market value of a share of Common Stock as determined by an Appraiser (which shall conduct a good faith appraisal) by the Holders of a majority in interest of the shares of the Series E Preferred Stock; provided, however, that the Company, after receipt of the determination by such Appraiser, shall have the right to select an additional Appraiser (which shall conduct a good faith appraisal), in which case, the fair market value shall be equal to the average of the determinations by each such Appraiser.

12. MISCELLANEOUS.

a. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

b. Nothing in this Warrant shall be construed to give to any person or corporation other than the Company, the Holder and any registered Holder of Warrant Shares any legal or equitable right, remedy or cause under this Warrant; this Warrant shall be for the sole and

exclusive benefit of the Company, the Holder and any other registered Holder of Warrant Shares.

c. This Warrant shall be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to the principles of conflicts of law thereof.

d. The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

e. In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

IMMUNOGEN, INC.,
in its corporate capacity and in its capacity
as the Warrant Agent hereunder

By: /s/ Mitchel Sayare

Name: Mitchel Sayare

Title: Chief Executive Officer

FORM OF ELECTION TO PURCHASE

(To Be Executed by the Holder if the Holder Desires to Exercise the Warrant Evidenced by the Foregoing Warrant Certificate by paying the exercise price thereof)

To ImmunoGen, Inc.:

The undersigned hereby irrevocably elects to exercise ___ Warrants evidenced by the foregoing Warrant Certificate for No. W-97-___, and to purchase thereunder, _____ full shares of Common Stock issuable upon exercise of said Warrant and the undersigned makes payment of \$ _____, representing the full purchase price for such shares at the Exercise Price per share provided for in the Warrant and makes payment in cash of any applicable taxes payable by the undersigned pursuant to such Warrant Certificate.

The undersigned requests that certificates for the Warrant Shares be issued

in the name of _____

PLEASE INSERT SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER: _____

(PLEASE PRINT NAME AND ADDRESS)

If said number of Warrants shall not be all the Warrants evidenced by the foregoing Warrant Certificate, the undersigned requests that a new Warrant Certificate evidencing the Warrants not so exercised be issued in the name of and delivered to:

(PLEASE PRINT NAME AND ADDRESS)

Dated: _____
Name of Holder:
(Print) _____
(By:) _____
(Title:) _____

FORM OF CASHLESS EXERCISE

(To Be Executed by the Holder if the Holder desires to exercise Warrants evidenced by the foregoing Warrant certificate by means of a Cashless Exercise (as defined in said Warrant)).

To ImmunoGen, Inc.:

The undersigned hereby irrevocably elects to exercise _____ Warrants evidenced by the foregoing Warrant Certificate for No. W-97-_____ by surrender of this Warrant pursuant to a Cashless Exercise and makes payment in cash of any applicable taxes payable by the undersigned pursuant to such Warrant Certificate.

The undersigned requests that certificates for such shares be issued

in the name of _____

PLEASE INSERT SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER: _____

(PLEASE PRINT NAME AND ADDRESS)

If said number of Warrants shall not be all the Warrants evidenced by the foregoing Warrant Certificate, the undersigned requests that a new Warrant Certificate evidencing the Warrants not so exercise be issued in the name of and delivered to:

(PLEASE PRINT NAME AND ADDRESS)

Dated: _____ Name of Holder: _____
(Print) _____
(By) _____
(Title:) _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby sells, assigns, and transfers to each assignee set forth below all of the rights of the undersigned in and to the number of Warrants (as defined in and evidenced by the foregoing Warrant Certificate) set opposite the name of such assignee below and in and to the foregoing Warrant Certificate with respect to said Warrants:

Name of Assignee	Address	Number of Warrants
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If the total of said Warrants shall not be all the Warrants evidenced by the foregoing Warrant Certificate, the undersigned requests that a new Warrant Certificate evidencing the Warrants not so assigned be issued in the name of and delivered to the undersigned.

(Please print name and address):

Dated: _____

Name of Holder:

(Print) _____

(By:) _____

(Title:) _____

THIS WARRANT AND THE SHARES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. EXCEPT AS OTHERWISE SET FORTH HEREIN OR IN A SECURITIES PURCHASE AGREEMENT DATED AS OF MARCH 15, 1996, NEITHER THIS WARRANT NOR ANY OF SUCH SHARES MAY BE SOLD, OFFERED FOR SALE, ASSIGNED, TRANSFERRED, OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER SUCH ACT OR AN OPINION OF COUNSEL THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT. ANY SUCH SALE, ASSIGNMENT OR TRANSFER MUST ALSO COMPLY WITH APPLICABLE STATE SECURITIES LAWS.

Right to Purchase 136,611 Shares of Common Stock, par value \$.01 per share

IMMUNOGEN, INC. STOCK PURCHASE WARRANT

THIS CERTIFIES THAT, for value received, Capital Ventures International or its registered assigns, is entitled to purchase from IMMUNOGEN, INC., a Massachusetts corporation (the "Company"), at any time or from time to time during the period specified in Paragraph 2 hereof, one hundred thirty-six thousand, six hundred eleven (136,611) fully paid and nonassessable shares of the Company's Common Stock, par value \$.01 per share (the "Common Stock"), at an exercise price of \$4.00 per share (the "Exercise Price"). The term "Warrant Shares", as used herein, refers to the shares of Common Stock purchasable hereunder. The Warrant Shares and the Exercise Price are subject to adjustment as provided in Paragraph 4 hereof. The term Warrants means this Warrant and the other warrants of the Company issued upon conversion of the Convertible Preferred Stock issued pursuant to the Securities Purchase Agreement (as hereinafter defined), and as amended by a Letter Agreement (the "Letter Agreement") dated June 6, 1996.

This Warrant is subject to the following terms, provisions, and conditions:

1. Manner of Exercise; Issuance of Certificates; Payment for Shares.

Subject to the provisions hereof, this Warrant may be exercised by the holder hereof, in whole or in part, by the surrender of this Warrant, together with a completed exercise agreement in the form attached hereto (the "Exercise Agreement"), to the Company during normal business hours on any business day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the holder hereof), and upon (i) payment to the Company in cash, by certified or official bank check or by wire transfer for the account of the Company of the Exercise Price for the Warrant Shares specified in the Exercise Agreement or (ii) if the resale of the Warrant Shares by the holder is not then registered pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), delivery to the Company of a written notice of an election to effect a "Cashless Exercise" (as defined in Section 11(c) below) for the Warrant Shares specified in the Exercise Agreement. The Warrant Shares so purchased shall be deemed to be issued to the holder hereof or such holder's designee, as the record owner of such shares, as of the close of business on the date on which this Warrant shall have been surrendered, the completed Exercise Agreement shall have been delivered, and payment shall have been made for such shares as set forth above. Certificates for the Warrant Shares so purchased, representing the aggregate number of shares specified in the Exercise Agreement, shall be delivered to the holder hereof within a reasonable time, not exceeding three (3) business days, after this Warrant shall have been so exercised. The certificates so delivered shall be in such denominations as may be requested by the holder hereof and shall be registered in the name of such holder or such other name as shall be designated by such

holder. If this Warrant shall have been exercised only in part, then, unless this Warrant has expired, the Company shall, at its expense, at the time of delivery of such certificates, deliver to the holder a new Warrant representing the number of shares with respect to which this Warrant shall not then have been exercised.

Notwithstanding anything in this Warrant to the contrary, in no event shall the Holder of this Warrant be entitled to exercise a number of Warrants (or portions thereof) in excess of the number of Warrants (or portions thereof) upon exercise of which the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unexercised Warrants and portion of the unconverted Debentures (as defined below)) and (ii) the number of shares of Common Stock issuable upon exercise of the Warrants (or portions thereof) with respect to which the determination described herein is being made, would result in beneficial ownership by the Holder and its affiliates of more than 9.9% of the outstanding shares of Common Stock. For purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13D-G thereunder, except as otherwise provided in clause (i) thereof.

2. Period of Exercise. This Warrant is exercisable at any time or from time to time on or after December 1, 1997 and before 5:00 p.m., New York City time on December 1, 2002 (the "Exercise Period").

3. Certain Agreements of the Company. The Company hereby covenants and agrees as follows:

(a) Shares to be Fully Paid. All Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be validly issued, fully paid, and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

(b) Reservation of Shares. During the Exercise Period, the Company shall at all times have authorized, and reserved for the purpose of issuance upon exercise of this Warrant, a sufficient number of shares of Common Stock to provide for the exercise of this Warrant.

(c) Listing. The Company shall promptly secure the listing of the shares of Common Stock issuable upon exercise of the Warrant upon each national securities exchange or automated quotation system, if any, upon which shares of Common Stock are then listed (subject to official notice of issuance upon exercise of this Warrant) and shall maintain, so long as any other shares of Common Stock shall be so listed, such listing of all shares of Common Stock from time to time issuable upon the exercise of this Warrant; and the Company shall so list on each national securities exchange or automated quotation system, as the case may be, and shall maintain such listing of, any other shares of capital stock of the Company issuable upon the exercise of this Warrant if and so long as any shares of the same class shall be listed on such national securities exchange or automated quotation system.

(d) Certain Actions Prohibited. The Company will not, by amendment of its charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the holder of this Warrant in order to protect the exercise privilege of the holder of this Warrant against dilution or other impairment, consistent with

the tenor and purpose of this Warrant. Without limiting the generality of the foregoing, the Company (i) will not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, and (ii) will take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(e) Successors and Assigns. This Warrant will be binding upon any entity succeeding to the Company by merger, consolidation, or acquisition of all or substantially all the Company's assets.

4. Antidilution Provisions. During the Exercise Period, the Exercise Price and the number of Warrant Shares shall be subject to adjustment from time to time as provided in this Paragraph 4.

In the event that any adjustment of the Exercise Price as required herein results in a fraction of a cent, such Exercise Price shall be rounded up to the nearest cent.

(a) Adjustment of Exercise Price and Number of Shares upon Issuance of Common Stock. Except as otherwise provided in Paragraphs 4(c) and 4(e) hereof, if and whenever on or after the date of issuance of this Warrant, the Company issues or sells, or in accordance with Paragraph 4(b) hereof is deemed to have issued or sold, any shares of Common Stock for no consideration or for a consideration per share (before deduction of reasonable expenses or commissions or underwriting discounts or allowances in connection therewith) less than the Market Price (as hereinafter defined) on the date of issuance (a "Dilutive Issuance"), then immediately upon the Dilutive Issuance, the Exercise Price will be reduced to a price determined by multiplying the Exercise Price in effect immediately prior to the Dilutive Issuance by a fraction, (i) the numerator of which is an amount equal to the sum of (x) the number of shares of Common Stock Deemed Outstanding (as hereinafter defined) immediately prior to the Dilutive Issuance, plus (y) the aggregate consideration, calculated as set forth in Section 4(b) hereof, received by the Company upon such Dilutive Issuance, divided by the Market Price in effect immediately prior to the Dilutive Issuance, and (ii) the denominator of which is the total number of shares of Common Stock Deemed Outstanding immediately after the Dilutive Issuance.

(b) Effect on Exercise Price of Certain Events. For purposes of determining the adjusted Exercise Price under Paragraph 4(a) hereof, the following will be applicable:

(i) Issuance of Rights or Options. If the Company in any manner issues or grants any warrants, rights or options, whether or not immediately exercisable, to subscribe for or to purchase Common Stock or other securities convertible into or exchangeable for Common Stock ("Convertible Securities") (such warrants, rights and options to purchase Common Stock or Convertible Securities are hereinafter referred to as "Options") and the price per share for which Common Stock is issuable upon the exercise of such Options is less than the Market Price on the date of issuance, then the maximum total number of shares of Common Stock issuable upon the exercise of all such Options will, as of the date of the issuance or grant of such Options, be deemed to be outstanding and to have been issued and sold by the Company for such price per share. For purposes of the preceding sentence, the "price per share for which Common Stock is issuable upon the exercise of such Options" is determined by dividing (i) the total amount, if any, received or receivable by the Company as consideration for the issuance or granting of all such Options, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise of all such Options, plus, in the case of

Convertible Securities issuable upon the exercise of such Options, the minimum aggregate amount of additional consideration payable upon the conversion or exchange thereof at the time such Convertible Securities first become convertible or exchangeable, by (ii) the maximum total number of shares of Common Stock issuable upon the exercise of all such Options (assuming full conversion of Convertible Securities, if applicable). No further adjustment to the Exercise Price will be made upon the actual issuance of such Common Stock upon the exercise of such Options or upon the conversion or exchange of Convertible Securities issuable upon exercise of such Options.

(ii) Issuance of Convertible Securities. If the Company in any manner issues or sells any Convertible Securities, whether or not immediately convertible (other than where the same are issuable upon the exercise of Options) and the price per share for which Common Stock is issuable upon such conversion or exchange is less than the Market Price on the date of issuance, then the maximum total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities will, as of the date of the issuance of such Convertible Securities, be deemed to be outstanding and to have been issued and sold by the Company for such price per share. For the purposes of the preceding sentence, the "price per share for which Common Stock is issuable upon such conversion or exchange" is determined by dividing (i) the total amount, if any, received or receivable by the Company as consideration for the issuance or sale of all such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof at the time such Convertible Securities first become convertible or exchangeable, by (ii) the maximum total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities. No further adjustment to the Exercise Price will be made upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities.

(iii) Change in Option Price or Conversion Rate. If there is a change at any time in (i) the amount of additional consideration payable to the Company upon the exercise of any Options; (ii) the amount of additional consideration, if any, payable to the Company upon the conversion or exchange of any Convertible Securities; or (iii) the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock (other than under or by reason of provisions designed to protect against dilution), the Exercise Price in effect at the time of such change will be readjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed additional consideration or changed conversion rate, as the case may be, at the time initially granted, issued or sold.

(iv) Treatment of Expired Options and Unexercised Convertible Securities. If, in any case, the total number of shares of Common Stock issuable upon exercise of any Option or upon conversion or exchange of any Convertible Securities is not, in fact, issued and the rights to exercise such Option or to convert or exchange such Convertible Securities shall have expired or terminated, the Exercise Price then in effect will be readjusted to the Exercise Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such expiration or termination (other than in respect of the actual number of shares of Common Stock issued upon exercise or conversion thereof), never been issued.

(v) Calculation of Consideration Received. If any Common Stock, Options or Convertible Securities are issued, granted or sold for cash, the consideration received therefor for purposes of this Warrant will be the amount received by the Company therefor, before deduction of reasonable commissions, underwriting discounts or allowances or other reasonable expenses

paid or incurred by the Company in connection with such issuance, grant or sale. In case any Common Stock, Options or Convertible Securities are issued or sold for a consideration part or all of which shall be other than cash, the amount of the consideration other than cash received by the Company will be the fair value of such consideration, except where such consideration consists of securities, in which case the amount of consideration received by the Company will be the Market Price thereof as of the date of receipt. In case any Common Stock, Options or Convertible Securities are issued in connection with any merger or consolidation in which the Company is the surviving corporation, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving corporation as is attributable to such Common Stock, Options or, Convertible Securities, as the case may be. The fair value of any consideration other than cash or securities will be determined in good faith by the Board of Directors of the Company.

(vi) Exceptions to Adjustment of Exercise Price. No adjustment to the Exercise Price will be made (i) upon the exercise of any warrants, options or convertible securities issued and outstanding on the March 4, 1996; (ii) upon the grant or exercise of any stock or options which may hereafter be granted or exercised under any employee benefit plan of the Company now existing or to be implemented in the future, so long as the issuance of such stock or options is approved by a majority of the independent members of the Board of Directors of the Company or a majority of the members of a committee of independent directors established for such purpose; or (iii) upon the exercise of the Warrants or conversion of the Debenture.

(c) Subdivision or Combination of Common Stock. If the Company at any time subdivides (by any stock split, stock dividend, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock acquirable hereunder into a greater number of shares, then, after the date of record for effecting such subdivision, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced. If the Company at any time combines (by reverse stock split, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock acquirable hereunder into a smaller number of shares, then, after the date of record for effecting such combination, the Exercise Price in effect immediately prior to such combination will be proportionately increased.

(d) Adjustment in Number of Shares. Upon each adjustment of the Exercise Price pursuant to the provisions of this Paragraph 4, the number of shares of Common Stock issuable upon exercise of this Warrant shall be adjusted by multiplying a number equal to the Exercise Price in effect immediately prior to such adjustment by the number of shares of Common Stock issuable upon exercise of this Warrant immediately prior to such adjustment and dividing the product so obtained by the adjusted Exercise Price.

(e) Consolidation, Merger or Sale. In case of any consolidation of the Company with, or merger of the Company into any other corporation, or in case of any sale or conveyance of all or substantially all of the assets of the Company other than in connection with a plan of complete liquidation of the Company, then as a condition of such consolidation, merger or sale or conveyance, adequate provision will be made whereby the holder of this Warrant will have the right to acquire and receive upon exercise of this Warrant in lieu of the shares of Common Stock immediately theretofore acquirable upon the exercise of this Warrant, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon exercise of this Warrant had such consolidation, merger or sale or conveyance not taken place. In any such case, the Company will make appropriate provision to insure that the provisions of this Paragraph 4 hereof will thereafter be applicable

as nearly as may be in relation to any shares of stock or securities thereafter deliverable upon the exercise of this Warrant. The Company will not effect any consolidation, merger or sale or conveyance unless prior to the consummation thereof, the successor corporation (if other than the Company) assumes by written instrument the obligations under this Paragraph 4 and the obligations to deliver to the holder of this Warrant such shares of stock, securities or assets as, in accordance with the foregoing provisions, the holder may be entitled to acquire.

(f) Distribution of Assets. In case the Company shall declare or make any distribution of its assets to holders of Common Stock as a partial liquidating dividend, by way of return of capital or otherwise, then, after the date of record for determining stockholders entitled to such distribution, but prior to the date of distribution, the holder of this Warrant shall be entitled upon exercise of this Warrant for the purchase of any or all of the shares of Common Stock subject hereto, to receive the amount of such assets which would have been payable to the holder had such holder been the holder of such shares of Common Stock on the record date for the determination of stockholders entitled to such distribution.

(g) Notice of Adjustment. Upon the occurrence of any event which requires any adjustment of the Exercise Price, then, and in each such case, the Company shall give notice thereof to the holder of this Warrant, which notice shall state the Exercise Price resulting from such adjustment and the increase or decrease in the number of Warrant Shares purchasable at such price upon exercise, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Such calculation shall be certified by the chief financial officer of the Company.

(h) Minimum Adjustment of Exercise Price. No adjustment of the Exercise Price shall be made in an amount of less than 1% of the Exercise Price in effect at the time such adjustment is otherwise required to be made, but any such lesser adjustment shall be carried forward and shall be made at the time and together with the next subsequent adjustment which, together with any adjustments so carried forward, shall amount to not less than 1% of such Exercise Price.

(i) No Fractional Shares. No fractional shares of Common Stock are to be issued upon the exercise of this Warrant, but the Company shall pay a cash adjustment in respect of any fractional share which would otherwise be issuable in an amount equal to the same fraction of the Market Price of a share of Common Stock on the date of such exercise.

(j) Other Notices. In case at any time:

(i) the Company shall declare any dividend upon the Common Stock payable in shares of stock of any class or make any other distribution (other than dividends or distributions payable in cash out of retained earnings) to the holders of the Common Stock;

(ii) the Company shall offer for subscription pro rata to the holders of the Common Stock any additional shares of stock of any class or other rights;

(iii) there shall be any capital reorganization of the Company, or reclassification of the Common Stock, or consolidation or merger of the Company with or into, or sale of all or substantially all its assets to, another corporation or entity; or

(iv) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Company; then, in each such case, the Company

shall give to the holder of this Warrant (a) notice of the date on which the books of the Company shall close or a record shall be taken for determining the holders of Common Stock entitled to receive any such dividend, distribution, or subscription rights or for determining the holders of Common Stock entitled to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up and (b) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, notice of the date (or, if not then known, a reasonable approximation thereof by the Company) when the same shall take place. Such notice shall also specify the date on which the holders of Common Stock shall be entitled to receive such dividend, distribution, or subscription rights or to exchange their Common Stock for stock or other securities or property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding-up, as the case may be. Such notice shall be given at least 30 days prior to the record date or the date on which the Company's books are closed in respect thereto. Failure to give any such notice or any defect therein shall not affect the validity of the proceedings referred to in clauses (i), (ii), (iii) and (iv) above.

(k) Certain Events. If any event occurs of the type contemplated by the adjustment provisions of this Paragraph 4 but not expressly provided for by such provisions, the Company will give notice of such event as provided in Paragraph 4(g) hereof, and the Company's Board of Directors will make an appropriate adjustment in the Exercise Price and the number of shares of Common Stock acquirable upon exercise of this Warrant so that the rights of the Holder shall be neither enhanced nor diminished by such event.

(l) Certain Definitions.

(i) "Common Stock Deemed Outstanding" shall mean the number of shares of Common Stock actually outstanding (not including shares of Common Stock held in the treasury of the Company), plus (x) pursuant to Paragraph 4(b)(i) hereof, the maximum total number of shares of Common Stock issuable upon the exercise of Options, as of the date of such issuance or grant of such Options, if any, and (y) pursuant to Paragraph 4(b)(ii) hereof, the maximum total number of shares of Common Stock issuable upon conversion or exchange of Convertible Securities, as of the date of issuance of such Convertible Securities, if any.

(ii) "Market Price," as of any date, (i) means the average of the last reported sale prices for the shares of Common Stock as reported by the National Association of Securities Dealers Automated Quotation National Market System ("NASDAQ-NMS") for the five (5) trading days immediately preceding such date, or (ii) if the NASDAQ-NMS is not the principal trading market for the shares of Common Stock, the average of the last reported sale prices on the principal trading market for the Common Stock during the same period, or (iii) if market value cannot be calculated as of such date on any of the foregoing bases, the Market Price shall be the average fair market value as reasonably determined in good faith by the Board of Directors of the Company. The manner of determining the Market Price of the Common Stock set forth in the foregoing definition shall apply with respect to any other security in respect of which a determination as to market value must be made hereunder.

(iii) "Common Stock," for purposes of this Paragraph 4, includes the Common Stock, par value \$.01 per share, and any additional class of stock of the Company having no preference as to dividends or distributions on liquidation, provided that the shares purchasable pursuant to this Warrant shall include only shares of Common Stock, par value \$.01 per share, in respect of which this Warrant is exercisable, or shares resulting from any subdivision or combination of such Common Stock, or in the case of any

reorganization, reclassification, consolidation, merger, or sale of the character referred to in Paragraph 4(e) hereof, the stock or other securities or property provided for in such Paragraph.

5. Issue Tax. The issuance of certificates for Warrant Shares upon the exercise of this Warrant shall be made without charge to the holder of this Warrant or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the holder of this Warrant.

6. No Rights or Liabilities as a Shareholder. This Warrant shall not entitle the holder hereof to any voting rights or other rights as a shareholder of the Company. No provision of this Warrant, in the absence of affirmative action by the holder hereof to purchase Warrant Shares, and no mere enumeration herein of the rights or privileges of the holder hereof, shall give rise to any liability of such holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

7. Transfer, Exchange, and Replacement of Warrant.

(a) Restriction on Transfer. This Warrant and the rights granted to the holder hereof are transferable, in whole or in part, upon surrender of this Warrant, together with a properly executed assignment in the form attached hereto, at the office or agency of the Company referred to in Paragraph 7(e) below, provided, however, that any transfer or assignment shall be subject to the conditions set forth in Paragraph 7(f) hereof and to the applicable provisions of the Securities Purchase Agreement and as amended by the Letter Agreement. Until due presentment for registration of transfer on the books of the Company, the Company may treat the registered holder hereof as the owner and holder hereof for all purposes, and the Company shall not be affected by any notice to the contrary. Notwithstanding anything to the contrary contained herein, the registration rights described in Paragraph 8 are assignable only in accordance with the provisions of that certain Registration Rights Agreement, dated as of March 15, 1996, by and among the Company and the other signatories thereto (the "Registration Rights Agreement").

(b) Warrant Exchangeable for Different Denominations. This Warrant is exchangeable, upon the surrender hereof by the holder hereof at the office or agency of the Company referred to in Paragraph 7(e) below, for new Warrants of like tenor representing in the aggregate the right to purchase the number of shares of Common Stock which may be purchased hereunder, each of such new Warrants to represent the right to purchase such number of shares as shall be designated by the holder hereof at the time of such surrender.

(c) Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant and, in the case of any such loss, theft, or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company, at its expense, will execute and deliver, in lieu thereof, a new Warrant of like tenor.

(d) Cancellation; Payment of Expenses. Upon the surrender of this Warrant in connection with any transfer, exchange, or replacement as provided in this Paragraph 7, this Warrant shall be promptly canceled by the Company. The Company shall pay all taxes (other than securities transfer taxes) and all other expenses (other than legal expenses, if any, incurred by the Holder or

transferees) and charges payable in connection with the preparation, execution, and delivery of Warrants pursuant to this Paragraph 7.

(e) Register. The Company shall maintain, at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the holder hereof), a register for this Warrant, in which the Company shall record the name and address of the person in whose name this Warrant has been issued, as well as the name and address of each transferee and each prior owner of this Warrant.

(f) Exercise or Transfer Without Registration. If, at the time of the surrender of this Warrant in connection with any exercise, transfer, or exchange of this Warrant, this Warrant (or, in the case of any exercise, the Warrant Shares issuable hereunder), shall not be registered under the Securities Act and under applicable state securities or blue sky laws, the Company may require, as a condition of allowing such exercise, transfer, or exchange, (i) that the holder or transferee of this Warrant, as the case may be, furnish to the Company a written opinion of counsel, which opinion and counsel are acceptable to the Company, to the effect that such exercise, transfer, or exchange may be made without registration under said Act and under applicable state securities or blue sky laws (ii) that the holder or transferee execute and deliver to the Company an investment letter in form and substance acceptable to the Company, (iii) that the transferee be an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act and (iv) that, upon such transfer, the transferee beneficially own Registrable Securities (as defined in the Registration Rights Agreement) having an aggregate Market Price of at least \$500,000; provided that no such opinion, letter, status as an "accredited investor" or minimum Market Price shall be required in connection with a transfer pursuant to Rule 144 under the Securities Act. No "Subject Holder" (as defined below) may sell or otherwise transfer Warrants, except (i) to the Company or to a stockholder or a group of stockholders who immediately prior to the sale control a majority of the Company's voting shares (a "Controlling Stockholder" or "Controlling Group", as applicable); (ii) to an affiliate of such holder; (iii) in connection with any merger, consolidation, reorganization or sale of more than 50% of the outstanding Common Stock of the Company (a "Reorganization"); (iv) in a registered public offering or a public sale pursuant to Rule 144 or other applicable exemption from the registration requirements of the Securities Act (or any successor rule or regulation); or (v) in a private sale (otherwise than to the Company, to a Controlling Stockholder or a Controlling Group, to an affiliate of such holder, or in a Reorganization), provided that the holder shall not sell or otherwise transfer during any ninety (90) day period a portion(s) of the Warrants which, if converted into Common Stock at the time of the transfer, would represent, in the aggregate, beneficial ownership by the transferee(s) of more than 9.9% percent of the Common Stock then outstanding. Subject Holder means any holder who, but for the second paragraph of Section 1 hereof, would beneficially own 10% or more of the outstanding Common Stock of the Company. The first holder of this Warrant, by taking and holding the same, represents to the Company that such holder is acquiring this Warrant for investment and not with a view to the distribution thereof.

8. Registration Rights. The initial holder of this Warrant (and certain assignees thereof) is entitled to the benefit of such registration rights in respect of the Warrant Shares as are set forth in Section 2 of the Registration Rights Agreement.

9. Notices. All notices, requests, and other communications required or permitted to be given or delivered hereunder to the holder of this Warrant

shall be in writing, and shall be personally delivered, or shall be sent by certified or registered mail or by recognized overnight mail courier, postage prepaid and addressed, to such holder at the address shown for such holder on the books of the Company, or at such other address as shall have been furnished to the Company by notice from such holder. All notices, requests, and other communications required or permitted to be given or delivered hereunder to the Company shall be in writing, and shall be personally delivered, or shall be sent by certified or registered mail or by recognized overnight mail courier, postage prepaid and addressed, to the office of the Company at 333 Providence Highway, Norwood, Massachusetts 02062, Attention: Kathleen A. Carroll, Vice President, Finance and Administration, or at such other address as shall have been furnished to the holder of this Warrant by notice from the Company. Any such notice, request, or other communication may be sent by facsimile, but shall in such case be subsequently confirmed by a writing personally delivered or sent by certified or registered mail or by recognized overnight mail courier as provided above. All notices, requests, and other communications shall be deemed to have been given either at the time of the receipt thereof by the person entitled to receive such notice at the address of such person for purposes of this Paragraph 9, or, if mailed by registered or certified mail or with a recognized overnight mail courier upon deposit with the United States Post Office or such overnight mail courier, if postage is prepaid and the mailing is properly addressed, as the case may be.

10. Governing Law. THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE COMMONWEALTH OF MASSACHUSETTS WITHOUT REGARD TO THE BODY OF LAW CONTROLLING CONFLICTS OF LAW.

11. Miscellaneous.

(a) Amendments. This Warrant and any provision hereof may only be amended by an instrument in writing signed by the Company and the holder hereof.

(b) Descriptive Headings. The descriptive headings of the several paragraphs of this Warrant are inserted for purposes of reference only, and shall not affect the meaning or construction of any of the provisions hereof.

(c) Cashless Exercise. Notwithstanding anything to the contrary contained in this Warrant, if the resale of the Warrant Shares by the holder is not then registered pursuant to an effective registration statement under the Securities Act, this Warrant may be exercised by presentation and surrender of this Warrant to the Company at its principal executive offices with a written notice of the holder's intention to effect a cashless exercise, including a calculation of the number of shares of Common Stock to be issued upon such exercise in accordance with the terms hereof (a "Cashless Exercise"). In the event of a Cashless Exercise, in lieu of paying the Exercise Price in cash, the holder shall surrender this Warrant for that number of shares of Common Stock determined by multiplying the number of Warrant Shares to which it would otherwise be entitled by a fraction, the numerator of which shall be the difference between the then current Market Price per share of the Common Stock and the Exercise Price, and the denominator of which shall be the then current Market Price per share of Common Stock.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer.

IMMUNOGEN, INC.

By: _____
Name: Kathleen A. Carroll
Title: Vice President, Finance and Administration

Agreed to and Accepted

By: _____, Initial Holder

Dated as of December 1, 1997

FORM OF EXERCISE AGREEMENT

Dated: _____, ____.

To: _____

The undersigned, pursuant to the provisions set forth in the within Warrant, hereby agrees to purchase _____ shares of Common Stock covered by such Warrant, and makes payment herewith in full therefor at the price per share provided by such Warrant in cash or by certified or official bank check in the amount of, [or, if the resale of such Common Stock by the undersigned is not currently registered pursuant to an effective registration statement under the Securities Act of 1933, as amended, by surrender of securities issued by the Company (including a portion of the Warrant) having a market value (in the case of a portion of this Warrant, determined in accordance with Section 11(c) of the Warrant) equal to] \$_____. Please issue a certificate or certificates for such shares of Common Stock in the name of and pay any cash for any fractional share to:

Name: _____

Signature: _____

Address: _____

Note: The above signature should correspond exactly with the name on the face of the within Warrant, and, if said number of shares of Common Stock shall not be all the shares purchasable under the within Warrant, a new Warrant is to be issued in the name of said undersigned covering the balance of the shares purchasable thereunder less any fraction of a share paid in cash.

FORM OF ASSIGNMENT FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers all the rights of the undersigned under the within Warrant, with respect to the number of shares of Common Stock covered thereby set forth hereinbelow, to:

Name of Assignee	Address	No of Shares
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, and hereby irrevocably constitutes and appoints as agent and attorney-in-fact to transfer said Warrant on the books of the within-named corporation, with full power of substitution in the premises.

Dated: _____, _____,

In the presence of _____

Name: _____

THIS WARRANT AND THE SHARES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. EXCEPT AS OTHERWISE SET FORTH HEREIN OR IN A SECURITIES PURCHASE AGREEMENT DATED AS OF MARCH 15, 1996, NEITHER THIS WARRANT NOR ANY OF SUCH SHARES MAY BE SOLD, OFFERED FOR SALE, ASSIGNED, TRANSFERRED, OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER SUCH ACT OR AN OPINION OF COUNSEL THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT. ANY SUCH SALE, ASSIGNMENT OR TRANSFER MUST ALSO COMPLY WITH APPLICABLE STATE SECURITIES LAWS.

Right to Purchase 126,212 Shares of Common Stock, par value \$.01 per share

IMMUNOGEN, INC. STOCK PURCHASE WARRANT

THIS CERTIFIES THAT, for value received, Capital Ventures International or its registered assigns, is entitled to purchase from IMMUNOGEN, INC., a Massachusetts corporation (the "Company"), at any time or from time to time during the period specified in Paragraph 2 hereof, one hundred twenty-six thousand, two hundred twelve (126,212) fully paid and nonassessable shares of the Company's Common Stock, par value \$.01 per share (the "Common Stock"), at an exercise price of \$4.00 per share (the "Exercise Price"). The term "Warrant Shares", as used herein, refers to the shares of Common Stock purchasable hereunder. The Warrant Shares and the Exercise Price are subject to adjustment as provided in Paragraph 4 hereof. The term Warrants means this Warrant and the other warrants of the Company issued upon conversion of the Convertible Preferred Stock issued pursuant to the Securities Purchase Agreement (as hereinafter defined), and as amended by a Letter Agreement (the "Letter Agreement") dated June 6, 1996.

This Warrant is subject to the following terms, provisions, and conditions:

1. Manner of Exercise; Issuance of Certificates; Payment for Shares.

Subject to the provisions hereof, this Warrant may be exercised by the holder hereof, in whole or in part, by the surrender of this Warrant, together with a completed exercise agreement in the form attached hereto (the "Exercise Agreement"), to the Company during normal business hours on any business day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the holder hereof), and upon (i) payment to the Company in cash, by certified or official bank check or by wire transfer for the account of the Company of the Exercise Price for the Warrant Shares specified in the Exercise Agreement or (ii) if the resale of the Warrant Shares by the holder is not then registered pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), delivery to the Company of a written notice of an election to effect a "Cashless Exercise" (as defined in Section 11(c) below) for the Warrant Shares specified in the Exercise Agreement. The Warrant Shares so purchased shall be deemed to be issued to the holder hereof or such holder's designee, as the record owner of such shares, as of the close of business on the date on which this Warrant shall have been surrendered, the completed Exercise Agreement shall have been delivered, and payment shall have been made for such shares as set forth above. Certificates for the Warrant Shares so purchased, representing the aggregate number of shares specified in the Exercise Agreement, shall be delivered to the holder hereof within a reasonable time, not exceeding three (3) business days, after this Warrant shall have been so exercised. The certificates so delivered shall be in such denominations as may be requested by the holder hereof and shall be registered in the name of such holder or such other name as shall be designated by such

holder. If this Warrant shall have been exercised only in part, then, unless this Warrant has expired, the Company shall, at its expense, at the time of delivery of such certificates, deliver to the holder a new Warrant representing the number of shares with respect to which this Warrant shall not then have been exercised.

Notwithstanding anything in this Warrant to the contrary, in no event shall the Holder of this Warrant be entitled to exercise a number of Warrants (or portions thereof) in excess of the number of Warrants (or portions thereof) upon exercise of which the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unexercised Warrants and portion of the unconverted Debentures (as defined below)) and (ii) the number of shares of Common Stock issuable upon exercise of the Warrants (or portions thereof) with respect to which the determination described herein is being made, would result in beneficial ownership by the Holder and its affiliates of more than 9.9% of the outstanding shares of Common Stock. For purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13D-G thereunder, except as otherwise provided in clause (i) thereof.

2. Period of Exercise. This Warrant is exercisable at any time or from time to time on or after December 5, 1997 and before 5:00 p.m., New York City time on December 5, 2002 (the "Exercise Period").

3. Certain Agreements of the Company. The Company hereby covenants and agrees as follows:

(a) Shares to be Fully Paid. All Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be validly issued, fully paid, and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

(b) Reservation of Shares. During the Exercise Period, the Company shall at all times have authorized, and reserved for the purpose of issuance upon exercise of this Warrant, a sufficient number of shares of Common Stock to provide for the exercise of this Warrant.

(c) Listing. The Company shall promptly secure the listing of the shares of Common Stock issuable upon exercise of the Warrant upon each national securities exchange or automated quotation system, if any, upon which shares of Common Stock are then listed (subject to official notice of issuance upon exercise of this Warrant) and shall maintain, so long as any other shares of Common Stock shall be so listed, such listing of all shares of Common Stock from time to time issuable upon the exercise of this Warrant; and the Company shall so list on each national securities exchange or automated quotation system, as the case may be, and shall maintain such listing of, any other shares of capital stock of the Company issuable upon the exercise of this Warrant if and so long as any shares of the same class shall be listed on such national securities exchange or automated quotation system.

(d) Certain Actions Prohibited. The Company will not, by amendment of its charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the holder of this Warrant in order to protect the exercise privilege of the holder of this Warrant against dilution or other impairment, consistent with

the tenor and purpose of this Warrant. Without limiting the generality of the foregoing, the Company (i) will not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, and (ii) will take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(e) Successors and Assigns. This Warrant will be binding upon any entity succeeding to the Company by merger, consolidation, or acquisition of all or substantially all the Company's assets.

4. Antidilution Provisions. During the Exercise Period, the Exercise Price and the number of Warrant Shares shall be subject to adjustment from time to time as provided in this Paragraph 4.

In the event that any adjustment of the Exercise Price as required herein results in a fraction of a cent, such Exercise Price shall be rounded up to the nearest cent.

(a) Adjustment of Exercise Price and Number of Shares upon Issuance of Common Stock. Except as otherwise provided in Paragraphs 4(c) and 4(e) hereof, if and whenever on or after the date of issuance of this Warrant, the Company issues or sells, or in accordance with Paragraph 4(b) hereof is deemed to have issued or sold, any shares of Common Stock for no consideration or for a consideration per share (before deduction of reasonable expenses or commissions or underwriting discounts or allowances in connection therewith) less than the Market Price (as hereinafter defined) on the date of issuance (a "Dilutive Issuance"), then immediately upon the Dilutive Issuance, the Exercise Price will be reduced to a price determined by multiplying the Exercise Price in effect immediately prior to the Dilutive Issuance by a fraction, (i) the numerator of which is an amount equal to the sum of (x) the number of shares of Common Stock Deemed Outstanding (as hereinafter defined) immediately prior to the Dilutive Issuance, plus (y) the aggregate consideration, calculated as set forth in Section 4(b) hereof, received by the Company upon such Dilutive Issuance, divided by the Market Price in effect immediately prior to the Dilutive Issuance, and (ii) the denominator of which is the total number of shares of Common Stock Deemed Outstanding immediately after the Dilutive Issuance.

(b) Effect on Exercise Price of Certain Events. For purposes of determining the adjusted Exercise Price under Paragraph 4(a) hereof, the following will be applicable:

(i) Issuance of Rights or Options. If the Company in any manner issues or grants any warrants, rights or options, whether or not immediately exercisable, to subscribe for or to purchase Common Stock or other securities convertible into or exchangeable for Common Stock ("Convertible Securities") (such warrants, rights and options to purchase Common Stock or Convertible Securities are hereinafter referred to as "Options") and the price per share for which Common Stock is issuable upon the exercise of such Options is less than the Market Price on the date of issuance, then the maximum total number of shares of Common Stock issuable upon the exercise of all such Options will, as of the date of the issuance or grant of such Options, be deemed to be outstanding and to have been issued and sold by the Company for such price per share. For purposes of the preceding sentence, the "price per share for which Common Stock is issuable upon the exercise of such Options" is determined by dividing (i) the total amount, if any, received or receivable by the Company as consideration for the issuance or granting of all such Options, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise of all such Options, plus, in the case of

Convertible Securities issuable upon the exercise of such Options, the minimum aggregate amount of additional consideration payable upon the conversion or exchange thereof at the time such Convertible Securities first become convertible or exchangeable, by (ii) the maximum total number of shares of Common Stock issuable upon the exercise of all such Options (assuming full conversion of Convertible Securities, if applicable). No further adjustment to the Exercise Price will be made upon the actual issuance of such Common Stock upon the exercise of such Options or upon the conversion or exchange of Convertible Securities issuable upon exercise of such Options.

(ii) Issuance of Convertible Securities. If the Company in any manner issues or sells any Convertible Securities, whether or not immediately convertible (other than where the same are issuable upon the exercise of Options) and the price per share for which Common Stock is issuable upon such conversion or exchange is less than the Market Price on the date of issuance, then the maximum total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities will, as of the date of the issuance of such Convertible Securities, be deemed to be outstanding and to have been issued and sold by the Company for such price per share. For the purposes of the preceding sentence, the "price per share for which Common Stock is issuable upon such conversion or exchange" is determined by dividing (i) the total amount, if any, received or receivable by the Company as consideration for the issuance or sale of all such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof at the time such Convertible Securities first become convertible or exchangeable, by (ii) the maximum total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities. No further adjustment to the Exercise Price will be made upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities.

(iii) Change in Option Price or Conversion Rate. If there is a change at any time in (i) the amount of additional consideration payable to the Company upon the exercise of any Options; (ii) the amount of additional consideration, if any, payable to the Company upon the conversion or exchange of any Convertible Securities; or (iii) the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock (other than under or by reason of provisions designed to protect against dilution), the Exercise Price in effect at the time of such change will be readjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed additional consideration or changed conversion rate, as the case may be, at the time initially granted, issued or sold.

(iv) Treatment of Expired Options and Unexercised Convertible Securities. If, in any case, the total number of shares of Common Stock issuable upon exercise of any Option or upon conversion or exchange of any Convertible Securities is not, in fact, issued and the rights to exercise such Option or to convert or exchange such Convertible Securities shall have expired or terminated, the Exercise Price then in effect will be readjusted to the Exercise Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such expiration or termination (other than in respect of the actual number of shares of Common Stock issued upon exercise or conversion thereof), never been issued.

(v) Calculation of Consideration Received. If any Common Stock, Options or Convertible Securities are issued, granted or sold for cash, the consideration received therefor for purposes of this Warrant will be the amount received by the Company therefor, before deduction of reasonable commissions, underwriting discounts or allowances or other reasonable expenses

paid or incurred by the Company in connection with such issuance, grant or sale. In case any Common Stock, Options or Convertible Securities are issued or sold for a consideration part or all of which shall be other than cash, the amount of the consideration other than cash received by the Company will be the fair value of such consideration, except where such consideration consists of securities, in which case the amount of consideration received by the Company will be the Market Price thereof as of the date of receipt. In case any Common Stock, Options or Convertible Securities are issued in connection with any merger or consolidation in which the Company is the surviving corporation, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving corporation as is attributable to such Common Stock, Options or, Convertible Securities, as the case may be. The fair value of any consideration other than cash or securities will be determined in good faith by the Board of Directors of the Company.

(vi) Exceptions to Adjustment of Exercise Price. No adjustment to the Exercise Price will be made (i) upon the exercise of any warrants, options or convertible securities issued and outstanding on the March 4, 1996; (ii) upon the grant or exercise of any stock or options which may hereafter be granted or exercised under any employee benefit plan of the Company now existing or to be implemented in the future, so long as the issuance of such stock or options is approved by a majority of the independent members of the Board of Directors of the Company or a majority of the members of a committee of independent directors established for such purpose; or (iii) upon the exercise of the Warrants or conversion of the Debenture.

(c) Subdivision or Combination of Common Stock. If the Company at any time subdivides (by any stock split, stock dividend, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock acquirable hereunder into a greater number of shares, then, after the date of record for effecting such subdivision, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced. If the Company at any time combines (by reverse stock split, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock acquirable hereunder into a smaller number of shares, then, after the date of record for effecting such combination, the Exercise Price in effect immediately prior to such combination will be proportionately increased.

(d) Adjustment in Number of Shares. Upon each adjustment of the Exercise Price pursuant to the provisions of this Paragraph 4, the number of shares of Common Stock issuable upon exercise of this Warrant shall be adjusted by multiplying a number equal to the Exercise Price in effect immediately prior to such adjustment by the number of shares of Common Stock issuable upon exercise of this Warrant immediately prior to such adjustment and dividing the product so obtained by the adjusted Exercise Price.

(e) Consolidation, Merger or Sale. In case of any consolidation of the Company with, or merger of the Company into any other corporation, or in case of any sale or conveyance of all or substantially all of the assets of the Company other than in connection with a plan of complete liquidation of the Company, then as a condition of such consolidation, merger or sale or conveyance, adequate provision will be made whereby the holder of this Warrant will have the right to acquire and receive upon exercise of this Warrant in lieu of the shares of Common Stock immediately theretofore acquirable upon the exercise of this Warrant, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon exercise of this Warrant had such consolidation, merger or sale or conveyance not taken place. In any such case, the Company will make appropriate provision to insure that the provisions of this Paragraph 4 hereof will thereafter be applicable

as nearly as may be in relation to any shares of stock or securities thereafter deliverable upon the exercise of this Warrant. The Company will not effect any consolidation, merger or sale or conveyance unless prior to the consummation thereof, the successor corporation (if other than the Company) assumes by written instrument the obligations under this Paragraph 4 and the obligations to deliver to the holder of this Warrant such shares of stock, securities or assets as, in accordance with the foregoing provisions, the holder may be entitled to acquire.

(f) Distribution of Assets. In case the Company shall declare or make any distribution of its assets to holders of Common Stock as a partial liquidating dividend, by way of return of capital or otherwise, then, after the date of record for determining stockholders entitled to such distribution, but prior to the date of distribution, the holder of this Warrant shall be entitled upon exercise of this Warrant for the purchase of any or all of the shares of Common Stock subject hereto, to receive the amount of such assets which would have been payable to the holder had such holder been the holder of such shares of Common Stock on the record date for the determination of stockholders entitled to such distribution.

(g) Notice of Adjustment. Upon the occurrence of any event which requires any adjustment of the Exercise Price, then, and in each such case, the Company shall give notice thereof to the holder of this Warrant, which notice shall state the Exercise Price resulting from such adjustment and the increase or decrease in the number of Warrant Shares purchasable at such price upon exercise, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Such calculation shall be certified by the chief financial officer of the Company.

(h) Minimum Adjustment of Exercise Price. No adjustment of the Exercise Price shall be made in an amount of less than 1% of the Exercise Price in effect at the time such adjustment is otherwise required to be made, but any such lesser adjustment shall be carried forward and shall be made at the time and together with the next subsequent adjustment which, together with any adjustments so carried forward, shall amount to not less than 1% of such Exercise Price.

(i) No Fractional Shares. No fractional shares of Common Stock are to be issued upon the exercise of this Warrant, but the Company shall pay a cash adjustment in respect of any fractional share which would otherwise be issuable in an amount equal to the same fraction of the Market Price of a share of Common Stock on the date of such exercise.

(j) Other Notices. In case at any time:

(i) the Company shall declare any dividend upon the Common Stock payable in shares of stock of any class or make any other distribution (other than dividends or distributions payable in cash out of retained earnings) to the holders of the Common Stock;

(ii) the Company shall offer for subscription pro rata to the holders of the Common Stock any additional shares of stock of any class or other rights;

(iii) there shall be any capital reorganization of the Company, or reclassification of the Common Stock, or consolidation or merger of the Company with or into, or sale of all or substantially all its assets to, another corporation or entity; or

(iv) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Company; then, in each such case, the Company

shall give to the holder of this Warrant (a) notice of the date on which the books of the Company shall close or a record shall be taken for determining the holders of Common Stock entitled to receive any such dividend, distribution, or subscription rights or for determining the holders of Common Stock entitled to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up and (b) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, notice of the date (or, if not then known, a reasonable approximation thereof by the Company) when the same shall take place. Such notice shall also specify the date on which the holders of Common Stock shall be entitled to receive such dividend, distribution, or subscription rights or to exchange their Common Stock for stock or other securities or property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding-up, as the case may be. Such notice shall be given at least 30 days prior to the record date or the date on which the Company's books are closed in respect thereto. Failure to give any such notice or any defect therein shall not affect the validity of the proceedings referred to in clauses (i), (ii), (iii) and (iv) above.

(k) Certain Events. If any event occurs of the type contemplated by the adjustment provisions of this Paragraph 4 but not expressly provided for by such provisions, the Company will give notice of such event as provided in Paragraph 4(g) hereof, and the Company's Board of Directors will make an appropriate adjustment in the Exercise Price and the number of shares of Common Stock acquirable upon exercise of this Warrant so that the rights of the Holder shall be neither enhanced nor diminished by such event.

(l) Certain Definitions.

(i) "Common Stock Deemed Outstanding" shall mean the number of shares of Common Stock actually outstanding (not including shares of Common Stock held in the treasury of the Company), plus (x) pursuant to Paragraph 4(b)(i) hereof, the maximum total number of shares of Common Stock issuable upon the exercise of Options, as of the date of such issuance or grant of such Options, if any, and (y) pursuant to Paragraph 4(b)(ii) hereof, the maximum total number of shares of Common Stock issuable upon conversion or exchange of Convertible Securities, as of the date of issuance of such Convertible Securities, if any.

(ii) "Market Price," as of any date, (i) means the average of the last reported sale prices for the shares of Common Stock as reported by the National Association of Securities Dealers Automated Quotation National Market System ("NASDAQ-NMS") for the five (5) trading days immediately preceding such date, or (ii) if the NASDAQ-NMS is not the principal trading market for the shares of Common Stock, the average of the last reported sale prices on the principal trading market for the Common Stock during the same period, or (iii) if market value cannot be calculated as of such date on any of the foregoing bases, the Market Price shall be the average fair market value as reasonably determined in good faith by the Board of Directors of the Company. The manner of determining the Market Price of the Common Stock set forth in the foregoing definition shall apply with respect to any other security in respect of which a determination as to market value must be made hereunder.

(iii) "Common Stock," for purposes of this Paragraph 4, includes the Common Stock, par value \$.01 per share, and any additional class of stock of the Company having no preference as to dividends or distributions on liquidation, provided that the shares purchasable pursuant to this Warrant shall include only shares of Common Stock, par value \$.01 per share, in respect of which this Warrant is exercisable, or shares resulting from any subdivision or combination of such Common Stock, or in the case of any

reorganization, reclassification, consolidation, merger, or sale of the character referred to in Paragraph 4(e) hereof, the stock or other securities or property provided for in such Paragraph.

5. Issue Tax. The issuance of certificates for Warrant Shares upon the exercise of this Warrant shall be made without charge to the holder of this Warrant or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the holder of this Warrant.

6. No Rights or Liabilities as a Shareholder. This Warrant shall not entitle the holder hereof to any voting rights or other rights as a shareholder of the Company. No provision of this Warrant, in the absence of affirmative action by the holder hereof to purchase Warrant Shares, and no mere enumeration herein of the rights or privileges of the holder hereof, shall give rise to any liability of such holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

7. Transfer, Exchange, and Replacement of Warrant.

(a) Restriction on Transfer. This Warrant and the rights granted to the holder hereof are transferable, in whole or in part, upon surrender of this Warrant, together with a properly executed assignment in the form attached hereto, at the office or agency of the Company referred to in Paragraph 7(e) below, provided, however, that any transfer or assignment shall be subject to the conditions set forth in Paragraph 7(f) hereof and to the applicable provisions of the Securities Purchase Agreement and as amended by the Letter Agreement. Until due presentment for registration of transfer on the books of the Company, the Company may treat the registered holder hereof as the owner and holder hereof for all purposes, and the Company shall not be affected by any notice to the contrary. Notwithstanding anything to the contrary contained herein, the registration rights described in Paragraph 8 are assignable only in accordance with the provisions of that certain Registration Rights Agreement, dated as of March 15, 1996, by and among the Company and the other signatories thereto (the "Registration Rights Agreement").

(b) Warrant Exchangeable for Different Denominations. This Warrant is exchangeable, upon the surrender hereof by the holder hereof at the office or agency of the Company referred to in Paragraph 7(e) below, for new Warrants of like tenor representing in the aggregate the right to purchase the number of shares of Common Stock which may be purchased hereunder, each of such new Warrants to represent the right to purchase such number of shares as shall be designated by the holder hereof at the time of such surrender.

(c) Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant and, in the case of any such loss, theft, or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company, at its expense, will execute and deliver, in lieu thereof, a new Warrant of like tenor.

(d) Cancellation; Payment of Expenses. Upon the surrender of this Warrant in connection with any transfer, exchange, or replacement as provided in this Paragraph 7, this Warrant shall be promptly canceled by the Company. The Company shall pay all taxes (other than securities transfer taxes) and all other expenses (other than legal expenses, if any, incurred by the Holder or

transferees) and charges payable in connection with the preparation, execution, and delivery of Warrants pursuant to this Paragraph 7.

(e) Register. The Company shall maintain, at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the holder hereof), a register for this Warrant, in which the Company shall record the name and address of the person in whose name this Warrant has been issued, as well as the name and address of each transferee and each prior owner of this Warrant.

(f) Exercise or Transfer Without Registration. If, at the time of the surrender of this Warrant in connection with any exercise, transfer, or exchange of this Warrant, this Warrant (or, in the case of any exercise, the Warrant Shares issuable hereunder), shall not be registered under the Securities Act and under applicable state securities or blue sky laws, the Company may require, as a condition of allowing such exercise, transfer, or exchange, (i) that the holder or transferee of this Warrant, as the case may be, furnish to the Company a written opinion of counsel, which opinion and counsel are acceptable to the Company, to the effect that such exercise, transfer, or exchange may be made without registration under said Act and under applicable state securities or blue sky laws (ii) that the holder or transferee execute and deliver to the Company an investment letter in form and substance acceptable to the Company, (iii) that the transferee be an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act and (iv) that, upon such transfer, the transferee beneficially own Registrable Securities (as defined in the Registration Rights Agreement) having an aggregate Market Price of at least \$500,000; provided that no such opinion, letter, status as an "accredited investor" or minimum Market Price shall be required in connection with a transfer pursuant to Rule 144 under the Securities Act. No "Subject Holder" (as defined below) may sell or otherwise transfer Warrants, except (i) to the Company or to a stockholder or a group of stockholders who immediately prior to the sale control a majority of the Company's voting shares (a "Controlling Stockholder" or "Controlling Group", as applicable); (ii) to an affiliate of such holder; (iii) in connection with any merger, consolidation, reorganization or sale of more than 50% of the outstanding Common Stock of the Company (a "Reorganization"); (iv) in a registered public offering or a public sale pursuant to Rule 144 or other applicable exemption from the registration requirements of the Securities Act (or any successor rule or regulation); or (v) in a private sale (otherwise than to the Company, to a Controlling Stockholder or a Controlling Group, to an affiliate of such holder, or in a Reorganization), provided that the holder shall not sell or otherwise transfer during any ninety (90) day period a portion(s) of the Warrants which, if converted into Common Stock at the time of the transfer, would represent, in the aggregate, beneficial ownership by the transferee(s) of more than 9.9% percent of the Common Stock then outstanding. Subject Holder means any holder who, but for the second paragraph of Section 1 hereof, would beneficially own 10% or more of the outstanding Common Stock of the Company. The first holder of this Warrant, by taking and holding the same, represents to the Company that such holder is acquiring this Warrant for investment and not with a view to the distribution thereof.

8. Registration Rights. The initial holder of this Warrant (and certain assignees thereof) is entitled to the benefit of such registration rights in respect of the Warrant Shares as are set forth in Section 2 of the Registration Rights Agreement.

9. Notices. All notices, requests, and other communications required or permitted to be given or delivered hereunder to the holder of this Warrant

shall be in writing, and shall be personally delivered, or shall be sent by certified or registered mail or by recognized overnight mail courier, postage prepaid and addressed, to such holder at the address shown for such holder on the books of the Company, or at such other address as shall have been furnished to the Company by notice from such holder. All notices, requests, and other communications required or permitted to be given or delivered hereunder to the Company shall be in writing, and shall be personally delivered, or shall be sent by certified or registered mail or by recognized overnight mail courier, postage prepaid and addressed, to the office of the Company at 333 Providence Highway, Norwood, Massachusetts 02062, Attention: Kathleen A. Carroll, Vice President, Finance and Administration, or at such other address as shall have been furnished to the holder of this Warrant by notice from the Company. Any such notice, request, or other communication may be sent by facsimile, but shall in such case be subsequently confirmed by a writing personally delivered or sent by certified or registered mail or by recognized overnight mail courier as provided above. All notices, requests, and other communications shall be deemed to have been given either at the time of the receipt thereof by the person entitled to receive such notice at the address of such person for purposes of this Paragraph 9, or, if mailed by registered or certified mail or with a recognized overnight mail courier upon deposit with the United States Post Office or such overnight mail courier, if postage is prepaid and the mailing is properly addressed, as the case may be.

10. Governing Law. THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE COMMONWEALTH OF MASSACHUSETTS WITHOUT REGARD TO THE BODY OF LAW CONTROLLING CONFLICTS OF LAW.

11. Miscellaneous.

(a) Amendments. This Warrant and any provision hereof may only be amended by an instrument in writing signed by the Company and the holder hereof.

(b) Descriptive Headings. The descriptive headings of the several paragraphs of this Warrant are inserted for purposes of reference only, and shall not affect the meaning or construction of any of the provisions hereof.

(c) Cashless Exercise. Notwithstanding anything to the contrary contained in this Warrant, if the resale of the Warrant Shares by the holder is not then registered pursuant to an effective registration statement under the Securities Act, this Warrant may be exercised by presentation and surrender of this Warrant to the Company at its principal executive offices with a written notice of the holder's intention to effect a cashless exercise, including a calculation of the number of shares of Common Stock to be issued upon such exercise in accordance with the terms hereof (a "Cashless Exercise"). In the event of a Cashless Exercise, in lieu of paying the Exercise Price in cash, the holder shall surrender this Warrant for that number of shares of Common Stock determined by multiplying the number of Warrant Shares to which it would otherwise be entitled by a fraction, the numerator of which shall be the difference between the then current Market Price per share of the Common Stock and the Exercise Price, and the denominator of which shall be the then current Market Price per share of Common Stock.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer.

IMMUNOGEN, INC.

By: _____
Name: Kathleen A. Carroll
Title: Vice President, Finance and Administration

Agreed to and Accepted

By: _____, Initial Holder

Dated as of December 5, 1997

FORM OF EXERCISE AGREEMENT

Dated: _____, ____.

To: _____

The undersigned, pursuant to the provisions set forth in the within Warrant, hereby agrees to purchase _____ shares of Common Stock covered by such Warrant, and makes payment herewith in full therefor at the price per share provided by such Warrant in cash or by certified or official bank check in the amount of, [or, if the resale of such Common Stock by the undersigned is not currently registered pursuant to an effective registration statement under the Securities Act of 1933, as amended, by surrender of securities issued by the Company (including a portion of the Warrant) having a market value (in the case of a portion of this Warrant, determined in accordance with Section 11(c) of the Warrant) equal to] \$_____. Please issue a certificate or certificates for such shares of Common Stock in the name of and pay any cash for any fractional share to:

Name: _____

Signature: _____

Address: _____

Note: The above signature should correspond exactly with the name on the face of the within Warrant, and, if said number of shares of Common Stock shall not be all the shares purchasable under the within Warrant, a new Warrant is to be issued in the name of said undersigned covering the balance of the shares purchasable thereunder less any fraction of a share paid in cash.

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers all the rights of the undersigned under the within Warrant, with respect to the number of shares of Common Stock covered thereby set forth hereinbelow, to:

Name of Assignee	Address	No of Shares
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, and hereby irrevocably constitutes and appoints as agent and attorney-in-fact to transfer said Warrant on the books of the within-named corporation, with full power of substitution in the premises.

Dated: _____, _____,

In the presence of

Name: _____

THIS WARRANT AND THE SHARES ISSUABLE UPON THE EXERCISE OF THIS WARRANT HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. EXCEPT AS OTHERWISE SET FORTH HEREIN OR IN A SECURITIES PURCHASE AGREEMENT DATED AS OF MARCH 15, 1996, NEITHER THIS WARRANT NOR ANY OF SUCH SHARES MAY BE SOLD, OFFERED FOR SALE, ASSIGNED, TRANSFERRED, OR OTHERWISE DISPOSED OF IN THE ABSENCE OF REGISTRATION UNDER SUCH ACT OR AN OPINION OF COUNSEL THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT OR UNLESS SOLD PURSUANT TO RULE 144 UNDER SUCH ACT. ANY SUCH SALE, ASSIGNMENT OR TRANSFER MUST ALSO COMPLY WITH APPLICABLE STATE SECURITIES LAWS.

Right to Purchase 161,457 Shares of Common Stock, par value \$.01 per share

IMMUNOGEN, INC.
STOCK PURCHASE WARRANT

THIS CERTIFIES THAT, for value received, Capital Ventures International or its registered assigns, is entitled to purchase from IMMUNOGEN, INC., a Massachusetts corporation (the "Company"), at any time or from time to time during the period specified in Paragraph 2 hereof, one hundred sixty-one thousand, four hundred fifty-seven (161,457) fully paid and nonassessable shares of the Company's Common Stock, par value \$.01 per share (the "Common Stock"), at an exercise price of \$4.00 per share (the "Exercise Price"). The term "Warrant Shares", as used herein, refers to the shares of Common Stock purchasable hereunder. The Warrant Shares and the Exercise Price are subject to adjustment as provided in Paragraph 4 hereof. The term Warrants means this Warrant and the other warrants of the Company issued upon conversion of the Convertible Preferred Stock issued pursuant to the Securities Purchase Agreement (as hereinafter defined), and as amended by a Letter Agreement (the "Letter Agreement") dated June 6, 1996.

This Warrant is subject to the following terms, provisions, and conditions:

1. Manner of Exercise; Issuance of Certificates; Payment for Shares.

Subject to the provisions hereof, this Warrant may be exercised by the holder hereof, in whole or in part, by the surrender of this Warrant, together with a completed exercise agreement in the form attached hereto (the "Exercise Agreement"), to the Company during normal business hours on any business day at the Company's principal executive offices (or such other office or agency of the Company as it may designate by notice to the holder hereof), and upon (i) payment to the Company in cash, by certified or official bank check or by wire transfer for the account of the Company of the Exercise Price for the Warrant Shares specified in the Exercise Agreement or (ii) if the resale of the Warrant Shares by the holder is not then registered pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "Securities Act"), delivery to the Company of a written notice of an election to effect a "Cashless Exercise" (as defined in Section 11(c) below) for the Warrant Shares specified in the Exercise Agreement. The Warrant Shares so purchased shall be deemed to be issued to the holder hereof or such holder's designee, as the record owner of such shares, as of the close of business on the date on which this Warrant shall have been surrendered, the completed Exercise Agreement shall have been delivered, and payment shall have been made for such shares as set forth above. Certificates for the Warrant Shares so purchased, representing the aggregate number of shares specified in the Exercise Agreement, shall be delivered to the holder hereof within a reasonable time, not exceeding three (3) business days, after this Warrant shall have been so exercised. The certificates so delivered shall be in such denominations as may be requested by the holder hereof and shall be registered in the name of such holder or such other name as shall be designated by such

holder. If this Warrant shall have been exercised only in part, then, unless this Warrant has expired, the Company shall, at its expense, at the time of delivery of such certificates, deliver to the holder a new Warrant representing the number of shares with respect to which this Warrant shall not then have been exercised.

Notwithstanding anything in this Warrant to the contrary, in no event shall the Holder of this Warrant be entitled to exercise a number of Warrants (or portions thereof) in excess of the number of Warrants (or portions thereof) upon exercise of which the sum of (i) the number of shares of Common Stock beneficially owned by the Holder and its affiliates (other than shares of Common Stock which may be deemed beneficially owned through the ownership of the unexercised Warrants and portion of the unconverted Debentures (as defined below)) and (ii) the number of shares of Common Stock issuable upon exercise of the Warrants (or portions thereof) with respect to which the determination described herein is being made, would result in beneficial ownership by the Holder and its affiliates of more than 9.9% of the outstanding shares of Common Stock. For purposes of the immediately preceding sentence, beneficial ownership shall be determined in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended, and Regulation 13D-G thereunder, except as otherwise provided in clause (i) thereof.

2. Period of Exercise. This Warrant is exercisable at any time or from time to time on or after January 5, 1998 and before 5:00 p.m., New York City time on January 5, 2003 (the "Exercise Period").

3. Certain Agreements of the Company. The Company hereby covenants and agrees as follows:

(a) Shares to be Fully Paid. All Warrant Shares will, upon issuance in accordance with the terms of this Warrant, be validly issued, fully paid, and nonassessable and free from all taxes, liens, and charges with respect to the issue thereof.

(b) Reservation of Shares. During the Exercise Period, the Company shall at all times have authorized, and reserved for the purpose of issuance upon exercise of this Warrant, a sufficient number of shares of Common Stock to provide for the exercise of this Warrant.

(c) Listing. The Company shall promptly secure the listing of the shares of Common Stock issuable upon exercise of the Warrant upon each national securities exchange or automated quotation system, if any, upon which shares of Common Stock are then listed (subject to official notice of issuance upon exercise of this Warrant) and shall maintain, so long as any other shares of Common Stock shall be so listed, such listing of all shares of Common Stock from time to time issuable upon the exercise of this Warrant; and the Company shall so list on each national securities exchange or automated quotation system, as the case may be, and shall maintain such listing of, any other shares of capital stock of the Company issuable upon the exercise of this Warrant if and so long as any shares of the same class shall be listed on such national securities exchange or automated quotation system.

(d) Certain Actions Prohibited. The Company will not, by amendment of its charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant and in the taking of all such action as may reasonably be requested by the holder of this Warrant in order to protect the exercise privilege of the holder of this Warrant against dilution or other impairment, consistent with

the tenor and purpose of this Warrant. Without limiting the generality of the foregoing, the Company (i) will not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, and (ii) will take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(e) Successors and Assigns. This Warrant will be binding upon any entity succeeding to the Company by merger, consolidation, or acquisition of all or substantially all the Company's assets.

4. Antidilution Provisions. During the Exercise Period, the Exercise Price and the number of Warrant Shares shall be subject to adjustment from time to time as provided in this Paragraph 4.

In the event that any adjustment of the Exercise Price as required herein results in a fraction of a cent, such Exercise Price shall be rounded up to the nearest cent.

(a) Adjustment of Exercise Price and Number of Shares upon Issuance of Common Stock. Except as otherwise provided in Paragraphs 4(c) and 4(e) hereof, if and whenever on or after the date of issuance of this Warrant, the Company issues or sells, or in accordance with Paragraph 4(b) hereof is deemed to have issued or sold, any shares of Common Stock for no consideration or for a consideration per share (before deduction of reasonable expenses or commissions or underwriting discounts or allowances in connection therewith) less than the Market Price (as hereinafter defined) on the date of issuance (a "Dilutive Issuance"), then immediately upon the Dilutive Issuance, the Exercise Price will be reduced to a price determined by multiplying the Exercise Price in effect immediately prior to the Dilutive Issuance by a fraction, (i) the numerator of which is an amount equal to the sum of (x) the number of shares of Common Stock Deemed Outstanding (as hereinafter defined) immediately prior to the Dilutive Issuance, plus (y) the aggregate consideration, calculated as set forth in Section 4(b) hereof, received by the Company upon such Dilutive Issuance, divided by the Market Price in effect immediately prior to the Dilutive Issuance, and (ii) the denominator of which is the total number of shares of Common Stock Deemed Outstanding immediately after the Dilutive Issuance.

(b) Effect on Exercise Price of Certain Events. For purposes of determining the adjusted Exercise Price under Paragraph 4(a) hereof, the following will be applicable:

(i) Issuance of Rights or Options. If the Company in any manner issues or grants any warrants, rights or options, whether or not immediately exercisable, to subscribe for or to purchase Common Stock or other securities convertible into or exchangeable for Common Stock ("Convertible Securities") (such warrants, rights and options to purchase Common Stock or Convertible Securities are hereinafter referred to as "Options") and the price per share for which Common Stock is issuable upon the exercise of such Options is less than the Market Price on the date of issuance, then the maximum total number of shares of Common Stock issuable upon the exercise of all such Options will, as of the date of the issuance or grant of such Options, be deemed to be outstanding and to have been issued and sold by the Company for such price per share. For purposes of the preceding sentence, the "price per share for which Common Stock is issuable upon the exercise of such Options" is determined by dividing (i) the total amount, if any, received or receivable by the Company as consideration for the issuance or granting of all such Options, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the exercise of all such Options, plus, in the case of

Convertible Securities issuable upon the exercise of such Options, the minimum aggregate amount of additional consideration payable upon the conversion or exchange thereof at the time such Convertible Securities first become convertible or exchangeable, by (ii) the maximum total number of shares of Common Stock issuable upon the exercise of all such Options (assuming full conversion of Convertible Securities, if applicable). No further adjustment to the Exercise Price will be made upon the actual issuance of such Common Stock upon the exercise of such Options or upon the conversion or exchange of Convertible Securities issuable upon exercise of such Options.

(ii) Issuance of Convertible Securities. If the Company in any manner issues or sells any Convertible Securities, whether or not immediately convertible (other than where the same are issuable upon the exercise of Options) and the price per share for which Common Stock is issuable upon such conversion or exchange is less than the Market Price on the date of issuance, then the maximum total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities will, as of the date of the issuance of such Convertible Securities, be deemed to be outstanding and to have been issued and sold by the Company for such price per share. For the purposes of the preceding sentence, the "price per share for which Common Stock is issuable upon such conversion or exchange" is determined by dividing (i) the total amount, if any, received or receivable by the Company as consideration for the issuance or sale of all such Convertible Securities, plus the minimum aggregate amount of additional consideration, if any, payable to the Company upon the conversion or exchange thereof at the time such Convertible Securities first become convertible or exchangeable, by (ii) the maximum total number of shares of Common Stock issuable upon the conversion or exchange of all such Convertible Securities. No further adjustment to the Exercise Price will be made upon the actual issuance of such Common Stock upon conversion or exchange of such Convertible Securities.

(iii) Change in Option Price or Conversion Rate. If there is a change at any time in (i) the amount of additional consideration payable to the Company upon the exercise of any Options; (ii) the amount of additional consideration, if any, payable to the Company upon the conversion or exchange of any Convertible Securities; or (iii) the rate at which any Convertible Securities are convertible into or exchangeable for Common Stock (other than under or by reason of provisions designed to protect against dilution), the Exercise Price in effect at the time of such change will be readjusted to the Exercise Price which would have been in effect at such time had such Options or Convertible Securities still outstanding provided for such changed additional consideration or changed conversion rate, as the case may be, at the time initially granted, issued or sold.

(iv) Treatment of Expired Options and Unexercised Convertible Securities. If, in any case, the total number of shares of Common Stock issuable upon exercise of any Option or upon conversion or exchange of any Convertible Securities is not, in fact, issued and the rights to exercise such Option or to convert or exchange such Convertible Securities shall have expired or terminated, the Exercise Price then in effect will be readjusted to the Exercise Price which would have been in effect at the time of such expiration or termination had such Option or Convertible Securities, to the extent outstanding immediately prior to such expiration or termination (other than in respect of the actual number of shares of Common Stock issued upon exercise or conversion thereof), never been issued.

(v) Calculation of Consideration Received. If any Common Stock, Options or Convertible Securities are issued, granted or sold for cash, the consideration received therefor for purposes of this Warrant will be the amount received by the Company therefor, before deduction of reasonable commissions, underwriting discounts or allowances or other reasonable expenses

paid or incurred by the Company in connection with such issuance, grant or sale. In case any Common Stock, Options or Convertible Securities are issued or sold for a consideration part or all of which shall be other than cash, the amount of the consideration other than cash received by the Company will be the fair value of such consideration, except where such consideration consists of securities, in which case the amount of consideration received by the Company will be the Market Price thereof as of the date of receipt. In case any Common Stock, Options or Convertible Securities are issued in connection with any merger or consolidation in which the Company is the surviving corporation, the amount of consideration therefor will be deemed to be the fair value of such portion of the net assets and business of the non-surviving corporation as is attributable to such Common Stock, Options or, Convertible Securities, as the case may be. The fair value of any consideration other than cash or securities will be determined in good faith by the Board of Directors of the Company.

(vi) Exceptions to Adjustment of Exercise Price. No adjustment to the Exercise Price will be made (i) upon the exercise of any warrants, options or convertible securities issued and outstanding on the March 4, 1996; (ii) upon the grant or exercise of any stock or options which may hereafter be granted or exercised under any employee benefit plan of the Company now existing or to be implemented in the future, so long as the issuance of such stock or options is approved by a majority of the independent members of the Board of Directors of the Company or a majority of the members of a committee of independent directors established for such purpose; or (iii) upon the exercise of the Warrants or conversion of the Debenture.

(c) Subdivision or Combination of Common Stock. If the Company at any time subdivides (by any stock split, stock dividend, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock acquirable hereunder into a greater number of shares, then, after the date of record for effecting such subdivision, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced. If the Company at any time combines (by reverse stock split, recapitalization, reorganization, reclassification or otherwise) the shares of Common Stock acquirable hereunder into a smaller number of shares, then, after the date of record for effecting such combination, the Exercise Price in effect immediately prior to such combination will be proportionately increased.

(d) Adjustment in Number of Shares. Upon each adjustment of the Exercise Price pursuant to the provisions of this Paragraph 4, the number of shares of Common Stock issuable upon exercise of this Warrant shall be adjusted by multiplying a number equal to the Exercise Price in effect immediately prior to such adjustment by the number of shares of Common Stock issuable upon exercise of this Warrant immediately prior to such adjustment and dividing the product so obtained by the adjusted Exercise Price.

(e) Consolidation, Merger or Sale. In case of any consolidation of the Company with, or merger of the Company into any other corporation, or in case of any sale or conveyance of all or substantially all of the assets of the Company other than in connection with a plan of complete liquidation of the Company, then as a condition of such consolidation, merger or sale or conveyance, adequate provision will be made whereby the holder of this Warrant will have the right to acquire and receive upon exercise of this Warrant in lieu of the shares of Common Stock immediately theretofore acquirable upon the exercise of this Warrant, such shares of stock, securities or assets as may be issued or payable with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon exercise of this Warrant had such consolidation, merger or sale or conveyance not taken place. In any such case, the Company will make appropriate provision to insure that the provisions of this Paragraph 4 hereof will thereafter be applicable

as nearly as may be in relation to any shares of stock or securities thereafter deliverable upon the exercise of this Warrant. The Company will not effect any consolidation, merger or sale or conveyance unless prior to the consummation thereof, the successor corporation (if other than the Company) assumes by written instrument the obligations under this Paragraph 4 and the obligations to deliver to the holder of this Warrant such shares of stock, securities or assets as, in accordance with the foregoing provisions, the holder may be entitled to acquire.

(f) Distribution of Assets. In case the Company shall declare or make any distribution of its assets to holders of Common Stock as a partial liquidating dividend, by way of return of capital or otherwise, then, after the date of record for determining stockholders entitled to such distribution, but prior to the date of distribution, the holder of this Warrant shall be entitled upon exercise of this Warrant for the purchase of any or all of the shares of Common Stock subject hereto, to receive the amount of such assets which would have been payable to the holder had such holder been the holder of such shares of Common Stock on the record date for the determination of stockholders entitled to such distribution.

(g) Notice of Adjustment. Upon the occurrence of any event which requires any adjustment of the Exercise Price, then, and in each such case, the Company shall give notice thereof to the holder of this Warrant, which notice shall state the Exercise Price resulting from such adjustment and the increase or decrease in the number of Warrant Shares purchasable at such price upon exercise, setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based. Such calculation shall be certified by the chief financial officer of the Company.

(h) Minimum Adjustment of Exercise Price. No adjustment of the Exercise Price shall be made in an amount of less than 1% of the Exercise Price in effect at the time such adjustment is otherwise required to be made, but any such lesser adjustment shall be carried forward and shall be made at the time and together with the next subsequent adjustment which, together with any adjustments so carried forward, shall amount to not less than 1% of such Exercise Price.

(i) No Fractional Shares. No fractional shares of Common Stock are to be issued upon the exercise of this Warrant, but the Company shall pay a cash adjustment in respect of any fractional share which would otherwise be issuable in an amount equal to the same fraction of the Market Price of a share of Common Stock on the date of such exercise.

(j) Other Notices. In case at any time:

(i) the Company shall declare any dividend upon the Common Stock payable in shares of stock of any class or make any other distribution (other than dividends or distributions payable in cash out of retained earnings) to the holders of the Common Stock;

(ii) the Company shall offer for subscription pro rata to the holders of the Common Stock any additional shares of stock of any class or other rights;

(iii) there shall be any capital reorganization of the Company, or reclassification of the Common Stock, or consolidation or merger of the Company with or into, or sale of all or substantially all its assets to, another corporation or entity; or

(iv) there shall be a voluntary or involuntary dissolution, liquidation or winding-up of the Company; then, in each such case, the Company

shall give to the holder of this Warrant (a) notice of the date on which the books of the Company shall close or a record shall be taken for determining the holders of Common Stock entitled to receive any such dividend, distribution, or subscription rights or for determining the holders of Common Stock entitled to vote in respect of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up and (b) in the case of any such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation or winding-up, notice of the date (or, if not then known, a reasonable approximation thereof by the Company) when the same shall take place. Such notice shall also specify the date on which the holders of Common Stock shall be entitled to receive such dividend, distribution, or subscription rights or to exchange their Common Stock for stock or other securities or property deliverable upon such reorganization, reclassification, consolidation, merger, sale, dissolution, liquidation, or winding-up, as the case may be. Such notice shall be given at least 30 days prior to the record date or the date on which the Company's books are closed in respect thereto. Failure to give any such notice or any defect therein shall not affect the validity of the proceedings referred to in clauses (i), (ii), (iii) and (iv) above.

(k) Certain Events. If any event occurs of the type contemplated by the adjustment provisions of this Paragraph 4 but not expressly provided for by such provisions, the Company will give notice of such event as provided in Paragraph 4(g) hereof, and the Company's Board of Directors will make an appropriate adjustment in the Exercise Price and the number of shares of Common Stock acquirable upon exercise of this Warrant so that the rights of the Holder shall be neither enhanced nor diminished by such event.

(l) Certain Definitions.

(i) "Common Stock Deemed Outstanding" shall mean the number of shares of Common Stock actually outstanding (not including shares of Common Stock held in the treasury of the Company), plus (x) pursuant to Paragraph 4(b)(i) hereof, the maximum total number of shares of Common Stock issuable upon the exercise of Options, as of the date of such issuance or grant of such Options, if any, and (y) pursuant to Paragraph 4(b)(ii) hereof, the maximum total number of shares of Common Stock issuable upon conversion or exchange of Convertible Securities, as of the date of issuance of such Convertible Securities, if any.

(ii) "Market Price," as of any date, (i) means the average of the last reported sale prices for the shares of Common Stock as reported by the National Association of Securities Dealers Automated Quotation National Market System ("NASDAQ-NMS") for the five (5) trading days immediately preceding such date, or (ii) if the NASDAQ-NMS is not the principal trading market for the shares of Common Stock, the average of the last reported sale prices on the principal trading market for the Common Stock during the same period, or (iii) if market value cannot be calculated as of such date on any of the foregoing bases, the Market Price shall be the average fair market value as reasonably determined in good faith by the Board of Directors of the Company. The manner of determining the Market Price of the Common Stock set forth in the foregoing definition shall apply with respect to any other security in respect of which a determination as to market value must be made hereunder.

(iii) "Common Stock," for purposes of this Paragraph 4, includes the Common Stock, par value \$.01 per share, and any additional class of stock of the Company having no preference as to dividends or distributions on liquidation, provided that the shares purchasable pursuant to this Warrant shall include only shares of Common Stock, par value \$.01 per share, in respect of which this Warrant is exercisable, or shares resulting from any subdivision or combination of such Common Stock, or in the case of any

reorganization, reclassification, consolidation, merger, or sale of the character referred to in Paragraph 4(e) hereof, the stock or other securities or property provided for in such Paragraph.

5. Issue Tax. The issuance of certificates for Warrant Shares upon the exercise of this Warrant shall be made without charge to the holder of this Warrant or such shares for any issuance tax or other costs in respect thereof, provided that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in a name other than the holder of this Warrant.

6. No Rights or Liabilities as a Shareholder. This Warrant shall not entitle the holder hereof to any voting rights or other rights as a shareholder of the Company. No provision of this Warrant, in the absence of affirmative action by the holder hereof to purchase Warrant Shares, and no mere enumeration herein of the rights or privileges of the holder hereof, shall give rise to any liability of such holder for the Exercise Price or as a shareholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

7. Transfer, Exchange, and Replacement of Warrant.

(a) Restriction on Transfer. This Warrant and the rights granted to the holder hereof are transferable, in whole or in part, upon surrender of this Warrant, together with a properly executed assignment in the form attached hereto, at the office or agency of the Company referred to in Paragraph 7(e) below, provided, however, that any transfer or assignment shall be subject to the conditions set forth in Paragraph 7(f) hereof and to the applicable provisions of the Securities Purchase Agreement and as amended by the Letter Agreement. Until due presentment for registration of transfer on the books of the Company, the Company may treat the registered holder hereof as the owner and holder hereof for all purposes, and the Company shall not be affected by any notice to the contrary. Notwithstanding anything to the contrary contained herein, the registration rights described in Paragraph 8 are assignable only in accordance with the provisions of that certain Registration Rights Agreement, dated as of March 15, 1996, by and among the Company and the other signatories thereto (the "Registration Rights Agreement").

(b) Warrant Exchangeable for Different Denominations. This Warrant is exchangeable, upon the surrender hereof by the holder hereof at the office or agency of the Company referred to in Paragraph 7(e) below, for new Warrants of like tenor representing in the aggregate the right to purchase the number of shares of Common Stock which may be purchased hereunder, each of such new Warrants to represent the right to purchase such number of shares as shall be designated by the holder hereof at the time of such surrender.

(c) Replacement of Warrant. Upon receipt of evidence reasonably satisfactory to the Company of the loss, theft, destruction, or mutilation of this Warrant and, in the case of any such loss, theft, or destruction, upon delivery of an indemnity agreement reasonably satisfactory in form and amount to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company, at its expense, will execute and deliver, in lieu thereof, a new Warrant of like tenor.

(d) Cancellation; Payment of Expenses. Upon the surrender of this Warrant in connection with any transfer, exchange, or replacement as provided in this Paragraph 7, this Warrant shall be promptly canceled by the Company. The Company shall pay all taxes (other than securities transfer taxes) and all other expenses (other than legal expenses, if any, incurred by the Holder or

transferees) and charges payable in connection with the preparation, execution, and delivery of Warrants pursuant to this Paragraph 7.

(e) Register. The Company shall maintain, at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the holder hereof), a register for this Warrant, in which the Company shall record the name and address of the person in whose name this Warrant has been issued, as well as the name and address of each transferee and each prior owner of this Warrant.

(f) Exercise or Transfer Without Registration. If, at the time of the surrender of this Warrant in connection with any exercise, transfer, or exchange of this Warrant, this Warrant (or, in the case of any exercise, the Warrant Shares issuable hereunder), shall not be registered under the Securities Act and under applicable state securities or blue sky laws, the Company may require, as a condition of allowing such exercise, transfer, or exchange, (i) that the holder or transferee of this Warrant, as the case may be, furnish to the Company a written opinion of counsel, which opinion and counsel are acceptable to the Company, to the effect that such exercise, transfer, or exchange may be made without registration under said Act and under applicable state securities or blue sky laws (ii) that the holder or transferee execute and deliver to the Company an investment letter in form and substance acceptable to the Company, (iii) that the transferee be an "accredited investor" as defined in Rule 501(a) promulgated under the Securities Act and (iv) that, upon such transfer, the transferee beneficially own Registrable Securities (as defined in the Registration Rights Agreement) having an aggregate Market Price of at least \$500,000; provided that no such opinion, letter, status as an "accredited investor" or minimum Market Price shall be required in connection with a transfer pursuant to Rule 144 under the Securities Act. No "Subject Holder" (as defined below) may sell or otherwise transfer Warrants, except (i) to the Company or to a stockholder or a group of stockholders who immediately prior to the sale control a majority of the Company's voting shares (a "Controlling Stockholder" or "Controlling Group", as applicable); (ii) to an affiliate of such holder; (iii) in connection with any merger, consolidation, reorganization or sale of more than 50% of the outstanding Common Stock of the Company (a "Reorganization"); (iv) in a registered public offering or a public sale pursuant to Rule 144 or other applicable exemption from the registration requirements of the Securities Act (or any successor rule or regulation); or (v) in a private sale (otherwise than to the Company, to a Controlling Stockholder or a Controlling Group, to an affiliate of such holder, or in a Reorganization), provided that the holder shall not sell or otherwise transfer during any ninety (90) day period a portion(s) of the Warrants which, if converted into Common Stock at the time of the transfer, would represent, in the aggregate, beneficial ownership by the transferee(s) of more than 9.9% percent of the Common Stock then outstanding. Subject Holder means any holder who, but for the second paragraph of Section 1 hereof, would beneficially own 10% or more of the outstanding Common Stock of the Company. The first holder of this Warrant, by taking and holding the same, represents to the Company that such holder is acquiring this Warrant for investment and not with a view to the distribution thereof.

8. Registration Rights. The initial holder of this Warrant (and certain assignees thereof) is entitled to the benefit of such registration rights in respect of the Warrant Shares as are set forth in Section 2 of the Registration Rights Agreement.

9. Notices. All notices, requests, and other communications required or permitted to be given or delivered hereunder to the holder of this Warrant

shall be in writing, and shall be personally delivered, or shall be sent by certified or registered mail or by recognized overnight mail courier, postage prepaid and addressed, to such holder at the address shown for such holder on the books of the Company, or at such other address as shall have been furnished to the Company by notice from such holder. All notices, requests, and other communications required or permitted to be given or delivered hereunder to the Company shall be in writing, and shall be personally delivered, or shall be sent by certified or registered mail or by recognized overnight mail courier, postage prepaid and addressed, to the office of the Company at 333 Providence Highway, Norwood, Massachusetts 02062, Attention: Kathleen A. Carroll, Vice President, Finance and Administration, or at such other address as shall have been furnished to the holder of this Warrant by notice from the Company. Any such notice, request, or other communication may be sent by facsimile, but shall in such case be subsequently confirmed by a writing personally delivered or sent by certified or registered mail or by recognized overnight mail courier as provided above. All notices, requests, and other communications shall be deemed to have been given either at the time of the receipt thereof by the person entitled to receive such notice at the address of such person for purposes of this Paragraph 9, or, if mailed by registered or certified mail or with a recognized overnight mail courier upon deposit with the United States Post Office or such overnight mail courier, if postage is prepaid and the mailing is properly addressed, as the case may be.

10. Governing Law. THIS WARRANT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE COMMONWEALTH OF MASSACHUSETTS WITHOUT REGARD TO THE BODY OF LAW CONTROLLING CONFLICTS OF LAW.

11. Miscellaneous.

(a) Amendments. This Warrant and any provision hereof may only be amended by an instrument in writing signed by the Company and the holder hereof.

(b) Descriptive Headings. The descriptive headings of the several paragraphs of this Warrant are inserted for purposes of reference only, and shall not affect the meaning or construction of any of the provisions hereof.

(c) Cashless Exercise. Notwithstanding anything to the contrary contained in this Warrant, if the resale of the Warrant Shares by the holder is not then registered pursuant to an effective registration statement under the Securities Act, this Warrant may be exercised by presentation and surrender of this Warrant to the Company at its principal executive offices with a written notice of the holder's intention to effect a cashless exercise, including a calculation of the number of shares of Common Stock to be issued upon such exercise in accordance with the terms hereof (a "Cashless Exercise"). In the event of a Cashless Exercise, in lieu of paying the Exercise Price in cash, the holder shall surrender this Warrant for that number of shares of Common Stock determined by multiplying the number of Warrant Shares to which it would otherwise be entitled by a fraction, the numerator of which shall be the difference between the then current Market Price per share of the Common Stock and the Exercise Price, and the denominator of which shall be the then current Market Price per share of Common Stock.

IN WITNESS WHEREOF, the Company has caused this Warrant to be signed by its duly authorized officer.

IMMUNOGEN, INC.

By: -----

Name: Kathleen A. Carroll
Title: Vice President, Finance and Administration

Agreed to and Accepted

By: -----, Initial Holder

Dated as of January 5, 1998

FORM OF EXERCISE AGREEMENT

Dated: , .

To:

The undersigned, pursuant to the provisions set forth in the within Warrant, hereby agrees to purchase shares of Common Stock covered by such Warrant, and makes payment herewith in full therefor at the price per share provided by such Warrant in cash or by certified or official bank check in the amount of, [or, if the resale of such Common Stock by the undersigned is not currently registered pursuant to an effective registration statement under the Securities Act of 1933, as amended, by surrender of securities issued by the Company (including a portion of the Warrant) having a market value (in the case of a portion of this Warrant, determined in accordance with Section 11(c) of the Warrant) equal to] \$. Please issue a certificate or certificates for such shares of Common Stock in the name of and pay any cash for any fractional share to:

Name:

Signature:

Address:

Note: The above signature should correspond exactly with the name on the face of the within Warrant, and, if said number of shares of Common Stock shall not be all the shares purchasable under the within Warrant, a new Warrant is to be issued in the name of said undersigned covering the balance of the shares purchasable thereunder less any fraction of a share paid in cash.

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers all the rights of the undersigned under the within Warrant, with respect to the number of shares of Common Stock covered thereby set forth hereinbelow, to:

Name of Assignee	Address	No of Shares
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, and hereby irrevocably constitutes and appoints as agent and attorney-in-fact to transfer said Warrant on the books of the within-named corporation, with full power of substitution in the premises.

Dated: , ,

In the presence of

Name:

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THESE SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON UNLESS (1) EITHER (A) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES SHALL BE EFFECTIVE UNDER THE SECURITIES ACT OF 1933, 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.

WARRANT CERTIFICATE

DATED January 5, 1998

WARRANT TO PURCHASE SHARES OF COMMON STOCK

OF IMMUNOGEN, INC.

No. W-98-3

For the Purchase of
Shares of Common Stock

IMMUNOGEN, INC., a Massachusetts corporation (the "Company"), hereby certifies that, for value received, BioChem Pharma Inc., or its registered assigns (the "Holder"), is the registered owner of a warrant (this "Warrant") to purchase from the Company a number of shares of the Common Stock, \$.01 par value per share, of the Company (the "Common Stock," each such share being a "Warrant Share" and all such shares being the "Warrant Shares") determined by dividing \$843,000 by the average of the Per Share Market Value (as defined in Section 10) for the five (5) consecutive trading days preceding the Exercise Date (the "Exercise Price"), as adjusted from time to time as provided in Section 7 and except as provided in Section 3(f). This Warrant may be exercised at any time or from time to time on or after July 31, 2000 (the "Initial Exercise Date") until and including July 31, 2002 (the "Expiration Date"), all subject to the following terms and conditions:

1. REGISTRATION OF WARRANT. The Company shall register this Warrant, upon records to be maintained by the Company for that purpose, in the name of the record Holder of this Warrant from time to time. The Company may deem and treat the registered Holder of this Warrant as the absolute owner thereof for the purpose of any exercise thereof or any distribution to the Holder thereof, and for all other purposes, and the Company shall not be affected by the notice to the contrary.

2. REGISTRATION OF TRANSFERS AND EXCHANGES.

a. Subject to Section 2(c) below, the Company shall register the transfer of this Warrant upon records to be maintained by the Company for that purpose, upon surrender of this Warrant Certificate, with the Form of Assignment attached hereto duly completed and signed, to the Company at the office specified in or pursuant to Section 3(c). Upon any such registration of transfer, a new Warrant Certificate, in substantially the form of this Warrant Certificate, evidencing the portion of this Warrant so transferred, shall be issued to the transferee and a new Warrant Certificate, in similar form, evidencing the remaining portion of this Warrant not so transferred, if any, shall be issued to the then registered Holder hereof.

b. This Warrant Certificate is exchangeable, upon the surrender hereof by the Holder hereof at the office of the Company specified in or pursuant to Section 3(c), for new Warrant Certificates, in substantially the form of this Warrant Certificate, evidencing in the aggregate the right to purchase the number of Warrant Shares which may then be purchased hereunder, each of such new Warrant Certificates to be dated the date of such exchange and to represent the right to purchase such number of Warrant Shares as shall be designated by said Holder hereof at the time of such surrender.

c. Each Holder of this Warrant acknowledges that this Warrant is subject to restrictions on transfer set forth in a Stock Purchase Agreement (the "Stock Purchase Agreement"), dated as of July 31, 1997 among BioChem Pharma (International) Inc., the Company and Apoptosis Technology, Inc. ("ATI"), and agrees to be bound by the restrictions on the sale, pledge, assignment and transfer of the warrants discussed therein. Each Holder of this Warrant acknowledges that this Warrant and the Warrant Shares have not been registered under the Securities Act of 1933, as now in force or hereafter amended, or any successor legislation (the "Act"), and agrees not to sell, pledge, distribute, offer for sale, transfer or otherwise dispose of this Warrant or any Warrant Shares issued upon the exercise of this Warrant in the absence of (a) an effective registration statement under the Act as to this Warrant or the Warrant Shares and registration or qualification of this Warrant or the Warrant Shares under any applicable Blue Sky or state securities law then in effect, or (b) an opinion of counsel, satisfactory to the Company, that such registration and qualification are not required under the Act.

Without limiting the generality of the foregoing, the Company shall be under no obligation to issue the Warrant Shares covered by such exercise unless and until the Holder shall have executed an investment letter in form and substance satisfactory to the Company, including a warranty at the time of such exercise, that the Holder is acquiring the Warrant Shares for its own account, for investment and not with a view to, or for sale in connection with, the distribution of any such Warrant Shares, in which event the Holder shall be bound by the provisions of the following legend or a legend in substantially similar form which shall be endorsed upon the certificate(s) evidencing the Warrant Shares issued pursuant to such exercise:

"THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. THESE SECURITIES MAY NOT BE SOLD OR OTHERWISE TRANSFERRED BY ANY PERSON UNLESS (1) EITHER

(A) A REGISTRATION STATEMENT WITH RESPECT TO SUCH SECURITIES SHALL BE EFFECTIVE UNDER THE SECURITIES ACT OF 1933, 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."

In addition, without limiting the generality of the foregoing, the Company may delay issuance of the Warrant Shares until the completion of any action or the receipt of any consent, which the Company deems necessary under any applicable law (including, without limitation, state securities or "blue sky" laws).

3. DURATION AND EXERCISE OF WARRANT.

a. This Warrant shall be exercisable by the Holder on any business day before 5:00 P.M., New York time, at any time and from time to time on or after the Initial Exercise Date to and including the Expiration Date. At 5:00 P.M., New York time, on the Expiration Date, this Warrant shall become void and of no value.

b. Subject to the limitations set forth in Sections 3(c) and 3(f) and to the other provisions of this Warrant Certificate, including adjustments to (i) the number of Warrant Shares issuable on the exercise of this Warrant and (ii) the Exercise Price pursuant to Section 7, the Holder shall have the right to purchase from the Company (and the Company shall be obligated to issue and sell to the Holder) at the Exercise Price, fully paid, non-assessable Warrant Shares.

c. Subject to Sections 2(b), 2(c), 4 and 8, upon surrender of this Warrant Certificate, with the Form of Election to Purchase attached hereto duly completed and signed, to the Company at its office at 333 Providence Highway, Norwood, Massachusetts, 02062 Attention: Treasurer, or at such other address as the Company may specify in writing to the then registered Holder of this Warrant, and upon payment of the Exercise Price multiplied by the number of Warrant Shares then issuable upon exercise of this Warrant (i) in lawful money of the United States of America or (ii) as provided in Section 3(e) below, all as specified by the Holder of this Warrant Certificate in the Form of Election to Purchase, the Company shall promptly issue and cause to be delivered to or upon the written order of the registered Holder of this Warrant, and in such name or names as such registered Holder may designate, a certificate for the Warrant Shares issued upon such exercise of this Warrant. Any person so designated to be named therein shall be deemed to have become Holder of record of such Warrant Shares as of the Date of Exercise of this Warrant.

The "Date of Exercise" of this Warrant means the date on which the Company shall have received (i) this Warrant Certificate, with the Form of Election to Purchase attached hereto appropriately completed and duly signed, and (ii) payment of the Exercise Price for this Warrant.

d. The Warrant evidenced by this Warrant Certificate shall be exercisable, either in its entirety or, from time to time, for part of the number of Warrant Shares evidenced by this

Warrant Certificate. If less than all of the Warrant Shares evidenced by this Warrant Certificate are exercised at any time, the Company shall issue, at its expense, a new Warrant Certificate, in substantially the form of this Warrant Certificate, for the remaining number of Warrant Shares evidenced by this Warrant Certificate.

e. In lieu of the delivery of the full Exercise Price in lawful money of the United States of America as described in subsection 3(c) above, all or part of the payment due upon exercise of this Warrant may be made, at the option of the Holder, by surrendering to the Company shares of Series B Convertible Preferred Stock of ATI ("ATI Preferred Stock"), such that for each \$1,000 otherwise payable in cash, the Holder shall surrender to the Company one share ATI Preferred Stock.

f. If on the Exercise Date applicable to any exercise of this Warrant, (i) the Common Stock is then listed for trading on the Nasdaq National Market, (ii) the Exercise Price then in effect is less than \$1.237, (iii) the Company has not previously obtained Stockholder Approval (as defined below), (iv) the Company has not obtained a waiver of the Stockholder Approval requirement of Rule 4460(i) of the Nasdaq Stock Market (or any successor or replacement provision thereof) ("Rule 4460(i)"), and (v) the Company is required to obtain Stockholder Approval under Rule 4460(i) as a condition to continued listing on the Nasdaq Stock Market, then the Company shall issue to the Holder a number of Common Shares which, together with all Common Shares previously issued upon exercise of this Warrant or the other warrants issued to the Holder pursuant to the Stock Purchase Agreement (the "Related Warrants"), will not exceed 4,355,950 (the "Issuable Maximum"). If the Holder is not able to exercise this Warrant in full because the number of shares otherwise issuable upon exercise of this Warrant exceeds the Issuable Maximum, the Holder shall be entitled to exercise this Warrant for shares of the Company's preferred stock ("Preferred Stock") having the powers, preferences and other terms described in SCHEDULE 1 hereto in lieu of Warrant Shares, such that for each \$1,000 in value that the Holder is not able to convert into Common Shares, the Holder shall be entitled to exercise this Warrant to purchase one share of Preferred Stock. "Stockholder Approval" means the approval by the majority of the total votes cast on the proposal, in person or by proxy, at a meeting of the stockholders of the Company held in accordance with the Company's Restated Articles of Organization and By-laws as then in effect, of the issuance by the Company of shares of Common Stock exceeding the Issuable Maximum as a consequence of the exercise of this Warrant and the Related Warrants, as and to the extent required pursuant to Rule 4460(i).

4. PAYMENT OF TAXES. The Company will pay all documentary stamp taxes attributable to the issuance of Warrant Shares upon the exercise of this Warrant; provided, however, that the Company shall not be required to pay any tax or taxes which may be payable in respect of any transfer involved in the registration of any stock certificates for Warrant Shares in a name other than that of the Holder, and the Company shall not be required to issue or deliver the stock certificates for Warrant Shares unless or until the person or persons requesting the issuance thereof shall have paid to the Company the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid. The Holder shall be responsible for all other tax liability that may arise as a result of holding or transferring this Warrant or receiving the Warrant Shares under this Warrant Certificate.

5. REPLACEMENT OF WARRANT CERTIFICATE. If this Warrant Certificate is mutilated, lost, stolen or destroyed, the Company may in its discretion issue in exchange and substitution for and upon cancellation hereof, or in lieu of and substitution for this Warrant Certificate, a new Warrant Certificate of like tenor, but only upon receipt of evidence reasonably satisfactory to the Company of such loss, theft or destruction and indemnity, if requested, satisfactory to it. Applicants for a substitute Warrant Certificate shall also comply with such other reasonable regulations and pay such other reasonable charges as the Company may prescribe.

6. RESERVATION OF WARRANT SHARES. From and after the date that the stockholders of the Company approve an amendment to the Company's Restated Articles of Organization, as amended, to increase the Company's authorized Common Stock to 50,000,000 shares, the Company will at all times reserve and keep available, free from preemptive rights, out of the aggregate of its authorized but unissued Common Stock or its authorized and issued Common Stock held in its treasury, for the purpose of enabling it to satisfy any obligation to issue Warrant Shares upon exercise of this Warrant, the maximum number of Warrant Shares (as adjusted from time to time pursuant to Section 7 hereof) which may then be deliverable upon the exercise of this Warrant.

7. ADJUSTMENT TO THE NUMBER OF WARRANT SHARES ISSUABLE. The number of Warrant Shares issuable upon the exercise of this Warrant is subject to adjustment from time to time as set forth in this Section 7. Upon each such adjustment of the Exercise Price pursuant to this Section 7, the Holder shall thereafter, prior to the Expiration Date, be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of Warrant Shares obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of Warrant Shares issuable upon exercise of this Warrant immediately prior to such adjustment and dividing the product thereof by the Exercise Price resulting from such adjustment. In the event the Company and the Holder disagree as to any adjustment to the Exercise Price hereunder, an Appraiser, selected by the Holders of a majority in interest of this Warrant and the Related Warrants, shall give its opinion as to the adjustment, if any (not inconsistent with the standards established in this Section 7), of the Exercise Price; provided, however, that the Company, after receipt of the determination by such Appraiser, shall have the right to promptly select an additional Appraiser, in which case the adjustment shall be equal to the average of the adjustments recommended by each such Appraiser. The Board of Directors of the Company (the "Board"), shall make the adjustment recommended forthwith upon the receipt of such opinion or opinions; provided further, however, that no such adjustment of the Exercise Price shall be made which, in the opinion of the Appraiser(s) giving the aforesaid opinion or opinions, would result in an increase of the Exercise Price to more than the Exercise Price then in effect.

a. If the Company, at any time while this Warrant is outstanding, (i) shall pay a stock dividend or otherwise make a distribution or distributions on shares of Common Stock payable in shares of Common Stock, (ii) subdivide outstanding shares of Common Stock into a larger number of shares, (iii) combine outstanding shares of Common Stock into a smaller

number of shares, or (iv) issue by reclassification of shares of Common Stock any shares of capital stock of the Company, the Exercise Price shall be multiplied by a fraction of which the numerator shall be the number of shares of Common Stock outstanding before such event and of which the denominator shall be the number of shares of Common Stock outstanding after such event. Any adjustment made pursuant to this Section 7(a) shall become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution and shall become effective immediately after the effective date in the case of a subdivision, combination or reclassification.

b. If the Company, at any time while this Warrant is outstanding, shall distribute to all holders of Common Stock (and not to the Holder) evidences of its indebtedness or assets or rights or warrants to subscribe for or purchase any security (excluding those referred to in Section 7(d) hereof), then in each such case the Exercise Price for which the Warrant Shares shall be purchased shall be determined by multiplying the Exercise Price in effect immediately prior to the record date fixed for determination of stockholders entitled to receive such distribution by a fraction of which the denominator shall be the Exercise Price determined as of the record date mentioned above, and of which the numerator shall be the Exercise Price on such record date less the then fair market value at such record date of the portion of such assets or evidence of indebtedness so distributed applicable to one outstanding share of Common Stock as determined by the Board in good faith; provided, however, that in the event of a distribution exceeding 10% of the net assets of the Company, such fair market value shall be determined by a nationally recognized or major regional investment banking firm or firm of independent certified public accountants of recognized standing (which may be the firm that regularly examines the financial statements of the Company) (an "Appraiser"), selected in good faith by the Holders of a majority of the Warrants that are then outstanding; and provided further, however, that the Company, after receipt of the determination by such Appraiser shall have the right to select an additional Appraiser, in which case the fair market value shall be equal to the average of the determinations by each such Appraiser. In either case, the adjustments shall be described in a statement provided to the Holder and all other Holders of Related Warrants of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock. Such adjustment shall be made whenever any such distribution is made and shall become effective immediately after the record date mentioned above.

c. In case of any reclassification of the Common Stock, any consolidation or merger of the Company with or into another person, the sale or transfer of all or substantially all of the assets of the Company or any compulsory share exchange pursuant to which the Common Stock is converted into other securities, cash or property, then the Holder shall have the right thereafter to exercise this Warrant only into the shares of stock and other securities and property receivable upon or deemed to be held by holders of Common Stock following such reclassification, consolidation, merger, sale, transfer or share exchange, and the Holder shall be entitled upon such event to receive such amount of securities or property as the shares of the Common Stock into which this Warrant could have been converted immediately prior to such reclassification, consolidation, merger, sale, transfer or share exchange would have been entitled. The terms of any such consolidation, merger, sale, transfer or share exchange shall include such terms so as to continue to give to the Holder the right to receive the securities or property set forth in this

Section 7(c) upon any exercise following such consolidation, merger, sale, transfer or share exchange. This provision shall similarly apply to successive reclassifications, consolidations, mergers, sales, transfers or share exchanges.

d. If:

- i. the Company shall declare a dividend (or any other distribution) on its Common Stock; or
- ii. the Company shall declare a special nonrecurring cash dividend on or a redemption of its Common Stock; or
- iii. the Company shall authorize the granting to all of the holders of Common Stock, rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights; or
- iv. the approval of any stockholders of the Company shall be required in connection with any reclassification of Common Stock (other than a subdivision or combination of the outstanding shares of Common Stock), any consolidation or merger to which the Company is a party, any sale or transfer of all or substantially all of the assets of the Company, or any compulsory share exchange whereby Common Stock is converted into other securities, cash or property; or
- v. the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding-up of the affairs of the Company;

then the Company shall cause to be filed at each office or agency maintained for the purpose of exercising this Warrant, and shall cause to be mailed to the Holder, in accordance with Section 10 hereof, at least thirty (30) days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of Common Stock of record to be entitled to such dividend, distributions, redemption, rights or warrants are to be determined, or (y) the date on which such reclassification, consolidation, merger, sale, transfer, share exchange, dissolution, liquidation or winding-up is expected to become effective, and the date as of which it is expected that holders of Common Stock of record shall be entitled to exchange their shares of Common Stock for securities or other property deliverable upon such reclassification, consolidation, merger, sale, transfer, share exchange, dissolution, liquidation or winding-up; provided, however, that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice.

e. In any case in which this Section 7 shall require that an adjustment be made effective as of the record date for a specified event, the Company may elect to defer until occurrence of such event (i) issuing to the Holder, if this Warrant is exercised after such record date, the Warrant Shares and other capital stock of the Company, if any, issuable upon such

exercise over and above the Warrant Shares and other capital stock of the Company, if any, issuable upon such exercise on the basis of the Exercise Price prior to adjustment and (ii) paying to the Holder any amount in cash in lieu of a fractional share pursuant to Section 8 hereof; provided, however, that the Company shall deliver to the Holder a due bill or other appropriate instrument evidencing the Holder's right to receive such additional Warrant Shares, other capital stock and/or cash upon the occurrence of the event requiring such adjustment.

f. Any determination that the Company or the Board must make pursuant to this Section 7 shall be conclusive if made in good faith.

8. FRACTIONAL SHARES. The Company shall not be required to issue fractional Warrant Shares on the exercise of this Warrant. The number of full Warrant Shares which shall be issuable upon the exercise of this Warrant shall be computed on the basis of the aggregate number of Warrant Shares purchasable on exercise of this Warrant so presented. If any fraction of a Warrant Share would, except for the provisions of this Section 8, be issuable on the exercise of this Warrant, the Company shall pay an amount in cash equal to the Exercise Price multiplied by such fraction.

9. WARRANT AGENT.

a. The Company shall serve as warrant agent under this Warrant. Upon thirty (30) days' notice to the Holder, the Company and the Holder may appoint a new warrant agent. After acceptance in writing of such appointment by the new warrant agent, the new warrant agent shall be vested with the same powers, rights, duties and responsibilities as if it had been originally named herein as the warrant agent, without any further assurance, conveyance, act or deed, but if for any reason it shall be necessary or expedient to execute and deliver any further assurance, conveyance, act or deed, the same shall be done at the expense of the Company and shall be legally and validly executed and delivered by the Company.

b. Any corporation into which the Company or any new warrant agent may be merged or any corporation resulting from any consolidation to which the Company or any new warrant agent shall be a party or any corporation to which the Company or any new warrant agent transfers substantially all of its corporate trust or shareholders services business shall be a successor warrant agent under this Warrant without any further act. Any such successor warrant agent shall promptly cause notice of its succession as warrant agent to be mailed (by first class mail, postage prepaid) to the Holder at the Holder's last address as shown on the register maintained the warrant agent pursuant to this Warrant.

10. NOTICES. All notices or other communications hereunder shall be given, and shall be deemed duly given and received if given, by facsimile and by mail, postage prepaid: (1) if to the Company, addressed as follows: IMMUNOGEN, INC., 333 Providence Highway, Norwood, Massachusetts 02062, Attention: Treasurer, or to facsimile number: (617) 769-4242; or (ii) if to the Holder, addressed to the Holder at the facsimile number and address of the Holder appearing on the warrant register or such other address or facsimile number as the Holder may provide to the Company in accordance with this Section 10. Any such notice shall be deemed given and

effective upon the earliest to occur of (i) receipt of such facsimile at the facsimile number specified in this Section 10, (ii) five (5) business days after deposit in the United States mails or (iii) upon actual receipt by the party to whom such notice is required to be given.

11. PER SHARE MARKET VALUE.

As used in this Warrant, "Per Share Market Value" means on any particular date (a) the closing sale price per share of the Common Stock on such date on The Nasdaq National Market or Nasdaq SmallCap Market or other stock exchange on which the Common Stock has been listed or if there is no such price on such date, then the closing sale price on such exchange on the date nearest preceding such date, or (b) if the Common Stock is not listed on The Nasdaq National Market or Nasdaq SmallCap Market or any stock exchange, the closing sale price for a share of Common Stock in the over-the-counter market, as reported by the Nasdaq Stock Market at the close of business on such date, or (c) if the Common Stock is not quoted on the Nasdaq Stock Market, the closing sale price for a share of Common Stock in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or similar organization or agency succeeding to its functions of reporting prices), or (d) if the Common Stock is not reported by the National Quotation Bureau Incorporated (or similar organization or agency succeeding to its functions of reporting prices), then the average of the "Pink Sheet" quotes for the relevant conversion period, or (e) if the Common Stock is not publicly traded, the fair market value of a share of Common Stock as determined by an Appraiser (which shall conduct a good faith appraisal) selected in good faith by the holders of a majority in interest of the shares of the Company's Series B Preferred Stock; provided, however, that the Company, after receipt of the determination by such Appraiser, shall have the right to select an additional Appraiser (which shall conduct a good faith appraisal), in which case, the fair market value shall be equal to the average of the determinations by each such Appraiser.

12. MISCELLANEOUS.

a. This Warrant shall be binding on and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

b. Nothing in this Warrant shall be construed to give to any person or corporation other than the Company, the Holder and any registered Holder of Warrant Shares any legal or equitable right, remedy or cause under this Warrant; this Warrant shall be for the sole and exclusive benefit of the Company, the Holder and any other registered Holder of Warrant Shares.

c. This Warrant shall be governed by and construed and enforced in accordance with the internal laws of the Commonwealth of Massachusetts without regard to the conflict of law principles thereof.

d. The headings herein are for convenience only, do not constitute a part of this Warrant and shall not be deemed to limit or affect any of the provisions hereof.

e. In case any one or more of the provisions of this Warrant shall be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Warrant shall not in any way be affected or impaired thereby and the parties will attempt in good faith to agree upon a valid and enforceable provision which shall be a commercially reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Warrant.

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by its authorized officer as of the date first indicated above.

IMMUNOGEN, INC.,
in its corporate capacity and in its capacity
as the warrant agent hereunder

By: /s/ Mitchel Sayare

Mitchel Sayare
President and Chief Executive Officer

FORM OF ELECTION TO PURCHASE

(To Be Executed by the Holder if the Holder Desires to Exercise the Warrant Evidenced by the Foregoing Warrant Certificate)

To ImmunoGen, Inc.:

The undersigned hereby irrevocably elects to exercise the Warrant evidenced by the foregoing Warrant Certificate No. W-98-3, and to purchase thereunder, _____ full shares of Common Stock issuable upon exercise of said Warrant and: (i) makes payment of \$ _____, representing the full purchase price for such shares at the Exercise Price per share provided for in the Warrant, OR (ii) elects to purchase the Warrant Shares by means of a "cashless exercise" as described in Section 3(e) of the Warrant Certificate by surrendering _____ shares of ATI Preferred Stock, OR (iii) makes payment of \$ _____ in cash and elects to pay the balance of the Exercise Price for the Warrant Shares by means of a "cashless exercise" as described in Section 3(e) of the Warrant Certificate by surrendering _____ shares of ATI Preferred Stock, and makes payment in cash of any applicable taxes payable by the undersigned pursuant to such Warrant Certificate.

The undersigned requests that certificates for the Warrant Shares be issued in the name of _____

PLEASE INSERT SOCIAL SECURITY OR TAX IDENTIFICATION NUMBER: _____

(PLEASE PRINT NAME AND ADDRESS)

If said number of Warrant Shares shall not be all the Warrant Shares evidenced by the foregoing Warrant Certificate, the undersigned requests that a new Warrant Certificate evidencing the Warrant Shares not so exercised be issued in the name of and delivered to:

(PLEASE PRINT NAME AND ADDRESS)

Dated: _____

Name of Holder:
(Print) _____

By: _____

Title: _____

FORM OF ASSIGNMENT

FOR VALUE RECEIVED, _____ hereby sells, assigns, and transfers to each assignee set forth below all of the rights of the undersigned in and to the portion of the Warrant (as defined in and evidenced by the foregoing Warrant Certificate) set opposite the name of such assignee below and in and to the foregoing Warrant Certificate with respect to said portion of the Warrant:

NAME OF ASSIGNEE	ADDRESS	NUMBER OF WARRANT SHARES
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If the total of said Warrant Shares shall not be all the Warrant Shares evidenced by the foregoing Warrant Certificate, the undersigned requests that a new Warrant Certificate evidencing the Warrant Shares not so assigned be issued in the name of and delivered to the undersigned.

(Please print name and address):

Dated: _____

Name of Holder:
(Print) _____

By: _____

Title: _____

SCHEDULE 1

PREFERRED STOCK TERMS

SECTION 1. DESIGNATION, AMOUNT AND PAR VALUE. The series of ImmunoGen, Inc. (the "Company") Preferred Stock shall be designated as the [Designation] Preferred Stock (the "Preferred Stock"), and the number of shares so designated shall be _____. The par value of each share of Preferred Stock shall be \$.01. Each share of Preferred Stock shall have a stated value of \$1,000 per share (the "Stated Value").

SECTION 2. DIVIDENDS. At all times prior to July 31, 2002, in the event the Board of Directors of the Company (the "Board"), shall declare a dividend payable upon the then outstanding shares of common stock, \$.01 par value, of the Company (or stock of any other class into which such shares may hereafter have been reclassified or changed) ("Common Stock"), the Board shall declare at the same time a dividend upon the then outstanding shares of the Preferred Stock, payable at the same time as the dividend paid on the Common Stock, in an amount equal to the amount of dividends per share of Preferred Stock, as would have been payable on [the Warrant Shares in lieu of which the shares of Preferred Stock were issued]. From and after July 31, 2002, the holders of Preferred Stock shall be entitled to receive a cumulative dividend payable in arrears in cash quarterly on the last day of each January, April, July and October, commencing on October 31, 2002 (each, a "Dividend Payment Date"), at a rate per annum multiplied by the Stated Value equal to the prime rate as announced by the Wall Street Journal from time to time, such rate to be adjusted automatically on the effective date of any change in such rate, plus 1%, in preference to dividends on any Common Stock or any class ranking, as to dividend rights, junior to the Preferred Stock, and such dividends shall accrue (whether or not declared and whether or not there shall be funds legally available for the payment of dividends) without interest, and shall be payable on the Dividend Payment Date.

SECTION 3. VOTING RIGHTS. Except as otherwise provided herein and as otherwise provided by law, the Preferred Stock shall have no voting rights. However, so long as any shares of Preferred Stock are outstanding, the Company shall not, without the affirmative vote of the holders of a majority of the shares of the Preferred Stock then outstanding, alter or change adversely the powers, preferences or rights given to the Preferred Stock.

SECTION 4. LIQUIDATION. Upon any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary (a "Liquidation"), the holders of shares of Preferred Stock shall be entitled to receive out of the assets of the Company available for distribution to holders of the Company's capital stock, before payment or distribution of any of such assets to the holders of Common Stock, for each share of Preferred Stock an amount equal to the Stated Value, plus an amount equal to all declared but unpaid dividends per share, without interest, and if the assets of the Company shall be insufficient to pay in full such amounts, then the entire assets to be distributed shall be distributed among the holders of Preferred Stock ratably in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full. A sale, conveyance or disposition of all or

substantially all of the assets of the Company or the effectuation by the Company of a transaction or series of related transactions in which more than 50% of the voting power of the Company is disposed of shall be deemed a Liquidation. The Company shall mail written notice of any such Liquidation, not less than 30 days prior to the payment date stated therein, to each record holder of Preferred Stock.

SECTION 5. CONVERSION. Each share of Preferred Stock shall be convertible into the number of Warrant Shares in lieu of which the shares of Preferred Stock were originally issued at any time on or after July 31, 2000 and before July 31, 2007; PROVIDED THAT, on the conversion date, either (A) the Common Stock is not then listed for trading on the Nasdaq National Market, (B) the Exercise Price (as defined in the Warrant Certificate) then in effect is greater than \$1.237, (C) the Company has previously obtained Stockholder Approval (as defined in the Warrant Certificate), (D) the Company has obtained a waiver of the Stockholder Approval requirement of Rule 4460(i) of the Nasdaq Stock Market (or any successor or replacement provision thereof) ("Rule 4460(i)"), or (E) the Company is no longer required to obtain Stockholder Approval under Rule 4460(i) as a condition to continued listing on the Nasdaq Stock Market.

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DEC-31-1997
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