

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 March 31, 1998
OR

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

For the transition period from _____ to _____

Commission file number 0-17999

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

Massachusetts 04-2726691
(State or other jurisdiction of (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 May 12, 1998 there were 25,359,750 shares of common stock, par value
\$.01 per share, of the registrant outstanding.

Exhibit Index at Page: 24

IMMUNOGEN, INC.
TABLE OF CONTENTS

		Page
PART I - FINANCIAL INFORMATION		
Item 1	Financial Statements	
	Consolidated Balance Sheets as of June 30, 1997 and March 31, 1998.....	3
4	Consolidated Statements of Operations for the three months and nine months ended March 31, 1997 and 1998.....	4
	Consolidated Statements of Stockholders' Equity for the year ended June 30, 1997 and the nine months ended March 31, 1998.....	5
	Consolidated Statements of Cash Flows for the nine months ended March 31, 1997 and 1998.....	6
	Notes to Consolidated Financial Statements.....	7
Item 2	Management's Discussion and Analysis of Financial Condition and Results of Operations.....	12
PART II - OTHER INFORMATION		
Item 2	Changes in Securities.....	20
Item 6	Exhibits and Reports on Form 8-K.....	21
	Signatures.....	23

IMMUNOGEN, INC.
 CONSOLIDATED BALANCE SHEETS
 As of June 30, 1997 and March 31, 1998

	June 30, ----- 1997	March 31, ----- 1998

ASSETS		
Cash and cash equivalents	\$ 1,669,050	\$ 2,270,966
Due from minority interest holder	--	843,000
Prepays and other current assets	578,497	654,405
	-----	-----
Total current assets	2,247,547	3,768,371
	-----	-----
Property and equipment, net of accumulated depreciation	2,929,733	2,044,780
Note receivable	1,128,910	596,474
Other assets	43,700	43,700
	-----	-----
Total assets	\$ 6,349,890	\$ 6,453,325
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Accounts payable	612,559	560,520
Accrued compensation	248,472	145,502
Other current accrued liabilities	841,238	537,909
Current portion of capital lease obligations	37,068	--
Current portion of deferred lease	89,160	52,756
	-----	-----
Total current liabilities	1,828,497	1,296,687
	-----	-----
Deferred lease	59,436	48,364
Minority interest in consolidated subsidiary	--	26,080
Commitments		
Stockholders' equity:		
Preferred stock; \$.01 par value; authorized 5,000,000 shares as of June 30, 1997 and March 31, 1998		
Convertible preferred stock, Series A, \$.01 par value; issued and outstanding 1,100 as of June 30, 1997 (liquidation preference - stated value plus accrued but unpaid dividends per share)	11	--
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 1,200 shares as of March 31, 1998	--	12
Common stock, \$.01 par value; authorized 30,000,000 shares and 50,000,000 shares as of June 30, 1997 and March 31, 1998, respectively; issued and outstanding 21,779,767 shares and 25,359,750 shares as of June 30, 1997 and March 31, 1998, respectively	217,797	253,597
Additional paid-in capital	144,753,538	151,052,367
	-----	-----
Accumulated deficit	144,971,363 (140,509,406)	151,305,976 (146,223,782)
	-----	-----
Total stockholders' equity	4,461,957	5,082,194
	-----	-----
Total liabilities and stockholders' equity	\$ 6,349,890	\$ 6,453,325
	=====	=====

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

4
IMMUNOGEN, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
For the three months and nine months ended March 31, 1997 and 1998

	Three Months Ended March 31,		Nine Months Ended March 31,	
	1997	1998	1997	1998
	-----	-----	-----	-----
Revenues:				
Development fees	\$ 64,487	\$ 110,000	\$ 217,719	\$ 227,000
Interest	60,999	76,570	156,302	177,033
Licensing	4,573	502	11,145	2,041
Other	--	8,059	--	10,959
	-----	-----	-----	-----
Total revenues	130,059	195,131	385,166	417,033
	-----	-----	-----	-----
Expenses:				
Research and development	1,842,053	1,395,879	5,819,874	4,298,952
General and administrative	625,997	367,632	1,611,841	1,326,356
Interest	3,513	666	76,237	3,635
	-----	-----	-----	-----
Total expenses	2,471,563	1,764,177	7,507,952	5,628,943
	-----	-----	-----	-----
Loss before income taxes and minority interest	(2,341,504)	(1,569,046)	(7,122,786)	(5,211,910)
Income tax expense	200	1,011	888	2,337
	-----	-----	-----	-----
Net loss before minority interest	(2,341,704)	(1,570,057)	(7,123,674)	(5,214,247)
	-----	-----	-----	-----
Minority interest in net loss of consolidated subsidiary	--	40,463	--	105,350
	-----	-----	-----	-----
Net loss	(2,341,704)	(1,529,594)	(7,123,674)	(5,108,897)
	-----	-----	-----	-----
Dividends on convertible preferred stock	1,829,226	193,599	3,000,985	605,479
	-----	-----	-----	-----
Net loss to common shareholders	\$ (4,170,930)	\$ (1,723,193)	\$ (10,124,659)	\$ (5,714,376)
	=====	=====	=====	=====
Basic and diluted loss per common share	\$ (0.23)	\$ (0.07)	\$ (0.58)	(0.24)
	=====	=====	=====	=====
Shares used in computing basic and diluted loss per share amounts	18,068,402	24,938,749	17,309,973	23,826,759
	=====	=====	=====	=====

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 nine months ended March 31, 1998

	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	--	--	--
Non-cash 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
Stock options exercised	54,500	545	48,505
Issuance of Common Stock in exchange for shares of subsidiary	475,425	4,754	(4,754)
Conversion of Series A Convertible Preferred Stock into Common Stock	1,347,491	13,475	2,209,764
Conversion of Series C Convertible Preferred Stock into Common Stock	701,180	7,012	1,126,815
Conversion of Series D Convertible Preferred Stock into Common Stock	1,001,387	10,014	1,303,287
Issuance of Series E Convertible Preferred Stock, net of financing costs	--	--	--
Issuance of Warrants to purchase Common Stock	--	--	580,056
Value ascribed to ImmunoGen Warrants issued to BioChem, net of financing costs	--	--	4,065,023
Non-cash dividends on Convertible Preferred Stock	--	--	--
Net loss for the nine months ended March 31, 1998	--	--	--
Balance at March 31, 1998	25,359,750	\$253,597	\$ 148,589,246

	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
Non-cash 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
Stock options exercised	--	--	--
Issuance of Common Stock in exchange for shares of subsidiary	--	--	--
Conversion of Series A Convertible Preferred Stock into Common Stock	(1,100)	(11)	(2,089,817)
Conversion of Series C Convertible Preferred Stock into Common Stock	(700)	(7)	(1,101,334)
Conversion of Series D Convertible Preferred Stock into Common Stock	(1,000)	(10)	(1,287,092)
Issuance of Series E Convertible Preferred Stock, net of financing costs	1,200	12	1,448,376
Issuance of Warrants to purchase Common Stock	--	--	--
Value ascribed to ImmunoGen Warrants issued to BioChem, net of financing costs	--	--	--
Non-cash dividends on Convertible Preferred Stock	--	--	--
Net loss for the nine months ended March 31, 1998	--	--	--

	----- 1,200 =====	----- \$ 12 =====	----- \$ 2,463,121 =====
	----- Accumulated Deficit -----		----- Total Stockholders' Equity -----
Balance at March 31, 1998			
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
Non-cash 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
Stock options exercised	--		49,050
Issuance of Common Stock in exchange for shares of subsidiary	--		--
Conversion of Series A Convertible Preferred Stock into Common Stock	--		133,411
Conversion of Series C Convertible Preferred Stock into Common Stock	--		32,486
Conversion of Series D Convertible Preferred Stock into Common Stock	--		26,199
Issuance of Series E Convertible Preferred Stock, net of financing costs	--		1,448,388
Issuance of Warrants to purchase Common Stock	--		580,056
Value ascribed to ImmunoGen Warrants issued to BioChem, net of financing costs	--		4,065,023
Non-cash dividends on Convertible Preferred Stock	(605,479)		(605,479)
Net loss for the nine months ended March 31, 1998	(5,108,897)		(5,108,897)
Balance at March 31, 1998	\$(146,223,782)		\$ 5,082,194

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

CONSOLIDATED STATEMENTS OF CASH FLOWS For the nine months ended March 31, 1997
and 1998

	March 31,	
	1997	1998
Cash flows from operating activities:		
Net loss	\$(10,124,659)	\$(5,714,376)
Adjustments to reconcile net loss to net cash used for operating activities:		
Depreciation and amortization	1,149,737	873,712
Gain on sale of property and equipment	--	(10,959)
Loss on sale of property and equipment	2,934	--
Other	5,790	--
Accretion of interest on note receivable	(89,014)	(77,564)
Non-cash dividend on convertible preferred stock	3,000,985	605,479
Minority interest in net loss of consolidated subsidiary	--	(105,350)
Amortization of deferred lease	(44,579)	(47,476)
Changes in operating assets and liabilities:		
Other current assets	1,740	204,092
Accounts payable	(25,361)	(52,039)
Accrued compensation	(56,855)	(102,970)
Other accrued liabilities	(95,019)	(136,656)
Net cash used for operating activities	(6,274,301)	(4,564,107)
Cash flows from investing activities:		
Proceeds from sale of property and equipment	17,183	22,200
Payment received on note receivable	--	330,000
Purchase of property and equipment	(4,458)	--
Net cash provided by investing activities	12,725	352,200
Cash flows from financing activities:		
Proceeds from issuance of ATI convertible preferred stock	--	3,538,000
Proceeds from convertible preferred stock	5,990,000	1,500,000
Stock issuances, net	87,855	49,050
Principal payments on capital lease obligations	(105,152)	(37,068)
Financing costs	(38,488)	(236,159)
Net cash provided by financing activities	5,934,215	4,813,823
Net change in cash and cash equivalents	(327,361)	601,916
Cash and cash equivalents, beginning balance	2,796,636	1,669,050
Cash and cash equivalents, ending balance	\$ 2,469,275	\$2,270,966
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 8,582	\$ 3,635
Cash paid for income taxes	\$ 1,197	\$ 2,279
Supplemental disclosure of non-cash financing activities:		
Conversion of convertible debentures including accrued interest	\$ 1,318,734	\$ --
Conversion of convertible debentures to preferred stock	\$ 2,500,000	\$ --
Deferred lease of leasehold improvements	\$ 215,465	\$ --
Conversion of Series A Preferred Stock to Common Stock	\$ --	\$2,089,828
Conversion of Series C Preferred Stock to Common Stock	\$ --	\$1,101,341
Conversion of Series D Preferred Stock to Common Stock	\$ --	\$1,287,102
Due from minority interest holder	\$ --	\$ 843,000
Minority interest	\$ --	\$ 131,430
Issuance of Common Stock in exchange for shares of subsidiary	\$ --	\$ 871,930

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

IMMUNOGEN, INC.
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 96.5%-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. From June 30, 1997 to March 31, 1998, the Company raised capital from the following sources: \$4.381 million received or receivable by ATI from its collaborator, BioChem Pharma Inc., a Canadian biopharmaceutical company ("BioChem") (see footnote D); \$375,000 received in October 1997 under a \$750,000 grant from the Small Business Innovation Research Program of the National Cancer Institute to advance development over a two-year period of the Company's lead product candidate, huC252-DM1; and \$1.5 million received from the sale of the Company's Series E Convertible Preferred Stock to an institutional investor in a \$3.0 million transaction expected to be completed in one additional installment of \$1.5 million on or before July 31, 1998 (see footnote E). The Company's cash resources remaining at March 31, 1998 were approximately \$2.3 million, and an additional \$843,000 was received in April 1998 by ATI from Biochem. The Company anticipates that these existing capital resources, coupled with the sale of the remaining Series E Stock, will enable the Company to maintain its current and planned operations through at least October 1998. The Company also continues its stringent cost control efforts.

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 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 9% 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 issuance of the Series C Stock, warrants to purchase 1,147,754 shares of Common Stock were also 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. 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, January 1998 and April 1998, quarterly payments of \$843,000 were made. The balance of \$6.744 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. As of March 31, 1998, 4,381 shares of ATI preferred stock were issued or issuable, representing a 5.9% 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 \$40,463. 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 \$4.381 million investment to date, or approximately \$131,400, has been allocated to the minority interest in ATI, with the remainder, or approximately \$4.25 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 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 Common Stock determined by dividing the amount of BioChem's investment in ATI by the market price of the 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, which was amended in March 1998, to sell \$3.0 million of its non dividend-bearing Series E Convertible Preferred Stock ("Series E Stock") to an institutional investor. The investment will be completed in several installments. As of March 31, 1998, \$1.5 million had been received; the remainder is expected to be received on or before July 31, 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. As of March 31, 1998, warrants to purchase 1,411,764 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 \$580,500, 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. 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 the Company, 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 the Company to purchase (the "put option"), or the Company could require such stockholders to sell (the "call option"), their shares of ATI common stock at a predetermined price. At the Company's discretion, the shares of common stock of ATI can be paid for by the Company in cash or by delivery of shares of 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, in March 1998, 475,425 shares of Common Stock were issued to the individual stockholder, thereby increasing the Company's ownership of ATI from approximately 95% to approximately 96.5%.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

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 96.5%-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 has provided and will continue to provide significant funding for ATI's operations as well as milestone and royalty payments (see LIQUIDITY AND CAPITAL RESOURCES below). Such funding for ATI's operations will initially be for a three-year period. 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. From June 30, 1997 to March 31, 1998, the Company has raised capital from the following sources: \$4.381 million received or receivable by ATI from its collaborator, BioChem Pharma Inc., a Canadian biopharmaceutical company ("BioChem"); \$375,000 received in October 1997 under a \$750,000 grant from the Small Business Innovation Research Program of the National Cancer Institute to advance development over a two-year period of the Company's Series E Convertible Preferred Stock to an institutional investor in a \$3.0 million transaction expected to be completed in one additional installment of \$1.5 million on or before July 31, 1998. The Company's cash resources remaining at March 31, 1998 were approximately \$2.3 million, and an \$843,000 was received in April 1998 by ATI from BioChem. The Company anticipates that these existing capital resources, coupled with the sale of the remaining Series E Stock, will enable the Company to maintain its current and planned operations through 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 March 31, 1997 and 1998

The Company's revenues increased approximately 50% from approximately \$130,000 for the three months ended March 31, 1997 to approximately \$195,000 for the three months ended March 31, 1998. In both periods, revenues were derived in large part (50% and 56% for the three months ended March 31, 1997 and 1998, respectively) from amounts received under the SBIR program as development revenues, with additional amounts received in the form of interest income (47% and 39% for the three months ended March 31, 1997 and 1998, 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 29% from approximately \$2.5 million for the three months ended March 31, 1997 to approximately \$1.8 million for the three months ended March 31, 1998. Research and development costs constituted the primary component of the Company's total expenses (75% and 79% for the three months ended March 31, 1997 and 1998, respectively), decreasing approximately 24% from approximately \$1.8 million for the three months ended March 31, 1997 to approximately \$1.4 million for the three months ended March 31, 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 decreased approximately 41%, from approximately \$626,000 for the three months ended March 31, 1997 to approximately \$368,000 for the three months ended March 31, 1998. This decrease is attributable to costs incurred in connection with the Company's financing efforts in the three-month period ended March 31, 1997. No comparable costs are reflected in the three-month period ended March 31, 1998.

Financing activities in both periods included issuances of convertible equity and related common stock purchase warrants. For the three months ended March 31, 1997, dividends totalled approximately \$1.8 million, of which approximately 65% represents the value of warrants issued in connection with the January 1997 sale of the Company's Series C Convertible Preferred Stock ("Series C Stock"), and 28% of which represents the value of the assured incremental yield embedded in the conversion terms of the Series C Stock. Dividends for the three months ended March 31, 1998 represent almost entirely the value of warrants issued in connection with the March 1998 sale of the Company's Series E Convertible Preferred Stock ("Series E Stock") in that quarter. All warrants were 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 March 31, 1998, 4,381 shares of ATI preferred stock were issued or issuable, representing a 5.9% 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 the Company's net loss for the quarter by \$40,463. 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 \$4.381 million investment to date, or approximately \$131,400, has been allocated to the minority interest in ATI, with the remainder, or approximately \$4.25 million, allocated to ImmunoGen equity.

Nine Months Ended March 31, 1997 and 1998

The Company's revenues increased approximately 8% from approximately \$385,000 for the nine months ended March 31, 1997 to approximately \$417,000 for the nine months ended March 31, 1998. In both periods, revenues were derived in large part from amounts received under the SBIR Program as development revenues (57% and 54% for the nine months ended March 31, 1997 and 1998, respectively), and from amounts received in the form of interest income (41% and 42% for the nine months ended March 31, 1997 and 1998, respectively). 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 \$7.5 million for the nine months ended March 31, 1997 to approximately \$5.6 million for the nine months ended March 31, 1998. Research and development costs constituted the primary component of the Company's total expenses (78% and 76% for the nine months ended March 31, 1997 and 1998, respectively), decreasing approximately 26% from approximately \$5.8 million in fiscal 1997 to approximately \$4.3 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 decreased approximately 18% from approximately \$1.6 million for the nine months ended March 31, 1997 to approximately \$1.3 million for the nine months ended March 31, 1998. This decrease represents costs incurred in connection with the Company's financing efforts in the first quarter of calendar year 1997 for which there are no comparable costs in calendar year 1998.

Interest expense decreased approximately 95% from approximately \$76,200 for the nine months ended March 31, 1997 to approximately \$3,600 for the nine months ended March 31, 1998. 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 nine months ended March 31, 1997, totalling approximately \$3.0 million, represent (approximately 60%) the value of warrants issued in connection with the sale of the Company's 9% Series B Convertible Preferred Stock (the "Series B Stock") and 9% Series C Convertible Preferred Stock (the "Series C Stock") in December 1997 and January 1998, respectively, as well as amounts (approximately 32%) which represent the value of the assured incremental yield embedded in the conversion terms of the Series B Stock and Series C Stock issued.

In connection with the collaboration between ATI and Biochem, for the nine months ended March 31, 1998, 4,381 shares of ATI preferred stock were issued or issuable, resulting in a weighted average 4.95% minority interest (on a converted, fully-diluted basis) in the net loss of ATI. This minority interest portion of ATI's loss for such nine-month period reduced ImmunoGen's net loss by approximately \$105,400.

LIQUIDITY AND CAPITAL RESOURCES

Since July 1, 1996, the Company has financed its operating deficit of approximately \$18.3 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 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 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 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 Common Stock. In connection with the issuance of the Series B Stock, warrants to purchase 500,000 shares of 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 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 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 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.

The Company 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 the Company 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 the Company's majority ownership of ATI from 72% to 95%. In addition, under the terms of a stock purchase agreement entered into between the Company, ATI, Dana-Farber Cancer Institute ("Dana-Farber") 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 the Company 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 Company's discretion, the shares of common stock of ATI can be paid for in cash or by delivery of shares of 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, in March 1998, issued 475,425 shares of the Common Stock to the individual investor, thereby increasing its ownership of ATI from 95% to approximately 96.5%.

In July 1997, ATI entered into a collaboration with BioChem. 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, January 1998 and April 1998, quarterly payments of \$843,000 were made. The balance of \$6.744 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 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 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, which was amended in March 1998, to sell \$3.0 million of its Series E Convertible Preferred Stock ("Series E Stock") to an institutional investor. As of March 31, 1998, \$1.5 million had been received; the remainder is expected to be received on or before July 31, 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 March 31, 1998, warrants to purchase 1,411,764 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.

The Company expects that any costs incurred in connection with the year 2000 will be immaterial.

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 January 5, 1998, the Company issued warrants to purchase 161,457 shares 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 200 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 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 96.5%-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 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 Common Stock determined by dividing the amount invested in ATI by the market price of the Common Stock on the exercise date, subject to certain limitations. On each of January 5 and April 2, 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 March 19, 1998, 400 shares of Series E Stock were sold to an institutional investor for cash consideration of \$0.5 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 Common Stock equal to 100% of the number of shares of Common Stock into which the Series E Stock can be converted. Consequently, on March 19, 1998, the Company issued warrants to purchase 470,588 shares of Common Stock. These warrants are exercisable at any time only on or after March 19, 2000 (except for a "cashless exercise," which may be exercised on or after March 19, 1998) until and including March 18 2005, at an exercise price of \$2.125 per share.

On March 19, 1998, the Company issued 475,425 shares of Common Stock to an investor in ATI. These shares were issued pursuant to a shareholders' agreement dated January 11, 1998 between certain ATI shareholders, ATI and the Company. Under the terms of the agreement, the investors were granted a put option which allows them to sell their shares of ATI common stock to the Company, at predetermined rates, if ATI had not become public by January 11, 1998. In January 1998, an investor exercised his put option for 500,000 shares of ATI common stock. At the Company's option, shares of Common Stock were issued in lieu of cash in exchange for such shares of ATI common stock.

Item 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

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

None

Item 5. OTHER INFORMATION

Not applicable.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

Exhibit

10.1	First Amendment to 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 March 18, 1998 (a confidential treatment request has been filed with the Commission with respect to this document)
------	---

- 10.2 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. (previously filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997)
- 10.3 Warrant Certificate Dated January 5, 1998 issued to Capital Ventures International (previously filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997)
- 10.4 Form of Warrant Certificate issued to BioChem Pharma Inc.
- 27 Financial Data Schedule

(b) Reports on Form 8-K

None

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: May 13, 1998

By: /s/ Mitchel Sayare

Mitchel Sayare
Chief Executive Officer
(principal executive officer)

Date: May 13, 1998

By: /s/ Kathleen A. Carroll

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

IMMUNOGEN, INC.

EXHIBIT INDEX

Exhibit

- 10.1 First Amendment to 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 March 18, 1998 (a confidential treatment request has been filed with the Commission with respect to this document)
- 10.2 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. (previously filed as Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997)
- 10.3 Warrant Certificate Dated January 5, 1998 issued to Capital Ventures International (previously filed as Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1997)
- 10.4 Form of Warrant Certificate issued to BioChem Pharma Inc.
- 27 Financial Data Schedule

FIRST AMENDMENT TO
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.

This FIRST AMENDMENT TO THE STOCK PURCHASE AGREEMENT (the "Agreement") made on the 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") is made as of the 18th day of March, 1998 (this "Amendment").

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 to the Agreement;

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 to the Agreement (each, a "Warrant" and collectively, the "warrants") to purchase shares of the Company's common stock, par value \$.01 per share (the "Warrant Shares"); and

WHEREAS, the Company and the Investor desire to amend the terms concerning the closings for the above-referenced transactions.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. SECTION 1.4. Section 1.4 of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

PAYMENT. The Investor agrees to make payment of \$1,000,000, \$500,000 and \$1,500,000 for the 800, 400 and 1,200 Preferred Shares being delivered at the Initial Closing,

Second Closing and Final Closing (each as hereinafter defined), respectively, by certified check or wire transfer on the applicable Closing Date to an account specified by the Company.

2. SECTION 2.1. Section 2.1 of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

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; (ii) the second closing for \$500,000 (the "Second Closing") shall take place (the "Second Closing Date") within three (3) business days after the Company delivers to BVF, Inc. (the "BVF Representative") * and (iii) the final closing (the "Final Closing") for \$1,500,000 shall take place (the "Final Closing Date") within three (3) business days after * . Unless stated otherwise, as hereinafter used the terms Initial Closing, Second Closing and Final Closing shall be referred to as the "Closing" and the Initial Closing Date, Second 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, 400 and 1,200 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.

3. SECTION 8.2 Section 8.2(b) of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

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; provided, however, that in no event shall the Investor's liability under this Section 8.2(b) for failure to make the payments required by Section 1.4 exceed the difference between (i) \$3 million and (ii) the aggregate amount of payments made by the Investor pursuant to Section 1.4; and

4. SECTION 9.2 Section 9.2 of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

- - - - -

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

ENTIRE AGREEMENT. This Agreement, including amendments hereto, 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.

5. SECTION 9.14. Section 9.14 of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

FURTHER ASSURANCES. In case at any time after any 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).

6. SCHEDULE 3.4. Schedule 3.4 of the Agreement is hereby deleted in its entirety and shall be amended to read as follows:

GOVERNMENTAL CONSENTS, ETC. ImmunoGen will file a Form D with the Securities and Exchange Commission pursuant to the Securities Act of 1933, as amended, following the Initial Closing.

7. EFFECT OF AMENDMENT. The Agreement, as amended hereby, is ratified and confirmed, and the undersigned agree and acknowledge that the Agreement as so amended remains in full force and effect.

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

9. COUNTERPARTS. This Amendment 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.

IN WITNESS WHEREOF, the undersigned hereto have executed this Amendment as of the date first above written.

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

FORM OF WARRANT CERTIFICATE

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 [_____]

WARRANT TO PURCHASE SHARES OF COMMON STOCK

OF IMMUNOGEN, INC.

No. W[_____]

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: _____
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-[___], 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
- - - - -	- - - - -	- - - - -

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.

12-MOS
JUN-30-1998
MAR-31-1998
2,270,966
0
0
0
0
3,768,371
14,645,750
12,600,970
6,453,325
1,296,687
0
0
12
253,597
151,052,367
6,453,325
0
417,033
0
5,625,308
0
3,635
(5,106,560)
2,337
0
0
0
0
(5,714,376)
(0.24)
(0.24)