

IMMUNOGEN INC
Form DEF 14A
October 06, 2004

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SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Under Rule 14a-12

IMMUNOGEN, INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.
- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
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(1) Amount Previously Paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

IMMUNOGEN, INC.

128 Sidney Street, Cambridge, MA 02139 TEL: (617) 995-2500 FAX: (617) 995-2510

October 12, 2004

Dear Shareholder:

You are cordially invited to attend the 2004 Annual Meeting of Shareholders of ImmunoGen, Inc. (the "Company") to be held at 10:00 a.m., Boston time, on Tuesday, November 9, 2004 at the offices of the Company, 128 Sidney Street, Cambridge, Massachusetts.

The accompanying Notice of Annual Meeting of Shareholders and Proxy Statement describe the matters that will be presented at the Annual Meeting. At the Annual Meeting, six members will be elected to the Board of Directors. The Company will also seek shareholder approval of a proposal to increase the aggregate shares for which stock options may be granted under the Company's Restated Option Plan from 7,350,000 to 8,550,000. The Board of Directors recommends the approval of these proposals, each of which is described in the enclosed proxy statement, which we encourage you to read carefully.

We hope that you will be able to attend the Annual Meeting. Whether you plan to attend the Annual Meeting or not, it is important that your shares are represented. Therefore, you are urged to complete, sign, date and return the enclosed proxy card, or vote via the Internet or telephone, promptly in accordance with the instructions set forth on the card. This will ensure your proper representation at the Annual Meeting.

Sincerely,

MITCHEL SAYARE
*President, Chief Executive Officer
and Chairman of the Board*

YOUR VOTE IS IMPORTANT. PLEASE RETURN YOUR PROXY PROMPTLY.

IMMUNOGEN, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
To Be Held On November 9, 2004

To the Shareholders
of ImmunoGen, Inc.:

NOTICE IS HEREBY GIVEN that the Annual Meeting of Shareholders of ImmunoGen, Inc., a Massachusetts corporation (the "Company"), will be held at the offices of the Company, 128 Sidney Street, Cambridge, Massachusetts, on Tuesday, November 9, 2004 at 10:00 a.m., Boston time, for the following purposes:

1. To fix the number of members of the Board of Directors at six and elect six members to the Board of Directors to hold office until the next annual meeting of Shareholders and until their successors are duly elected and qualified;
2. To consider and act upon a proposal to increase from 7,350,000 shares to 8,550,000 shares the aggregate number of shares of the Company's common stock, \$.01 par value per share (the "Common Stock"), for which stock options may be granted under the Company's Restated Stock Option Plan; and
3. To transact such other business as may properly come before the Annual Meeting or any adjournments thereof.

The Board of Directors has fixed the close of business on September 17, 2004 as the record date for the determination of Shareholders entitled to notice of and to vote at the Annual Meeting and at any adjournments thereof.

You are cordially invited to attend the Annual Meeting in person, if possible. **Whether you plan to attend the Annual Meeting or not, please complete, sign and date the enclosed Proxy and return it in the envelope enclosed for this purpose, or vote via the Internet or telephone, as soon as possible.** Your Proxy is revocable at any time prior to the exercise thereof by written notice received by the Company, by delivery or transmission of a duly executed proxy bearing a later date, or by attending the Annual Meeting and voting in person.

By order of the Board of Directors

JONATHAN L. KRAVETZ, ESQ.
Clerk

October 12, 2004

IMMUNOGEN, INC.

**128 Sidney Street
Cambridge, Massachusetts 02139
617-995-2500**

PROXY STATEMENT

GENERAL INFORMATION

This Proxy Statement is furnished in connection with the solicitation by and on behalf of the Board of Directors (the "Board of Directors" or "Board") of ImmunoGen, Inc., a Massachusetts corporation (the "Company"), of proxies, in the accompanying form, to be used at the Annual Meeting of Shareholders to be held at the offices of the Company, 128 Sidney Street, Cambridge, Massachusetts on Tuesday, November 9, 2004 at 10:00 a.m., Boston time, and at any adjournments thereof (the "Meeting").

Where the shareholder specifies a choice on the proxy as to how his or her shares are to be voted on a particular matter, the shares will be voted accordingly. If no choice is specified, the shares will be voted as follows:

FOR the election of the six nominees for Director named herein, and

FOR the proposal to increase from 7,350,000 shares to 8,550,000 shares the aggregate number of shares of the Company's common stock, \$.01 par value per share (the "Common Stock"), for which stock options may be granted under the Company's Restated Stock Option Plan.

Any proxy given pursuant to this solicitation may be revoked by the person giving it at any time before its use by delivering to the Company a written notice of revocation or submitting a duly executed proxy bearing a later date. Any shareholder who has executed a proxy but is present at the Meeting, and who wishes to vote in person, may do so by revoking his or her proxy as described in the preceding sentence. Shares represented by valid proxies in the form enclosed, received in time for use at the Meeting and not revoked at or prior to the Meeting, will be voted at the Meeting. The presence, in person or by proxy, of the holders of a majority of the outstanding shares of the Company's Common Stock is necessary to constitute a quorum at the Meeting. Votes of shareholders of record who are present at the Meeting in person or by proxy, abstentions, and broker non-votes (as defined below) are counted as present or represented at the Meeting for purposes of determining whether a quorum exists. No appraisal rights exist for any action to be taken at the Meeting.

Nominees for election as Directors at the Meeting will be elected by a plurality of the votes of the shares present in person or represented by proxy at the Meeting. Withholding authority to vote for a nominee for Director will have no effect on the outcome of the vote. For the proposal to increase from 7,350,000 shares to 8,550,000 shares the aggregate number of the shares of the Company's Common Stock for which stock options may be granted under the Company's Restated Stock Option Plan, the affirmative vote of the majority of shares of Common Stock present or represented by proxy and entitled to vote on the matter is necessary for approval. Because abstentions are treated as shares present or represented and

entitled to vote, abstentions with respect to these proposals have the same effect as a vote against the proposal.

If you hold your shares of Common Stock through a broker, bank or other representative, generally the broker or your representative may only vote the Common Stock that it holds for you in accordance with your instructions. However, if it has not timely received your instructions, the broker or your representative may vote on certain matters for which it has discretionary voting authority. If a broker or your representative cannot vote on a particular matter because it does not have discretionary voting authority, this is a "broker non-vote" on that matter. As to the election of Directors, broker non-votes are not deemed to be present and represented and are not entitled to vote, and will have no effect on the outcome of the vote.

The close of business on September 17, 2004 has been fixed as the record date for determining the shareholders entitled to notice of and to vote at the Meeting. As of the close of business on September 17, 2004, the Company had 40,789,789 shares of Common Stock outstanding and entitled to vote. Holders of Common Stock are entitled to one vote per share on all matters to be voted on by shareholders.

The cost of soliciting proxies, including expenses in connection with preparing and mailing this Proxy Statement, will be borne by the Company. In addition, the Company will reimburse brokerage firms and other persons representing beneficial owners of Common Stock of the Company for their expenses in forwarding proxy material to such beneficial owners. Solicitation of proxies by mail may be supplemented by telephone, telegram, telex and personal solicitation by the Directors, officers or employees of the Company. No additional compensation will be paid for such solicitation.

Instead of submitting proxies by mail on the enclosed proxy card, shareholders have the option to submit their proxies or voting instructions electronically through the Internet or by telephone. Please note that there may be separate arrangements for using the Internet and telephone depending on whether your shares are registered in the Company's stock records in your name or in the name of a brokerage firm or bank. Shareholders should check their proxy card or voting instructions forwarded by their broker, bank or other holder of record to see which options are available.

The Internet and telephone procedures described below for submitting your proxy are designed to authenticate stockholders' identities, to allow stockholders to have their shares voted and to confirm that their instructions have been properly recorded. Shareholders submitting proxies or voting instructions via the Internet should understand that there may be costs associated with electronic access, such as usage charges from Internet access providers and telephone companies, that would be borne by the shareholder.

Shareholders of record who wish to vote via the Internet or telephone may submit their proxies:

through the Internet by visiting a website established for that purpose at <http://www.eproxy.com/imgn> and following the instructions; or

by telephone by calling the toll-free number 1-800-435-6710 and following the recorded instructions.

This Proxy Statement and the accompanying proxy are being mailed on or about October 12, 2004 to all Shareholders entitled to notice of and to vote at the Meeting.

The Annual Report to Shareholders for the fiscal year ended June 30, 2004 is being mailed to the Shareholders with this Proxy Statement, but does not constitute a part hereof.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information as of September 17, 2004 concerning the beneficial ownership of the Common Stock by each shareholder known by the Company to be the beneficial owner of more than 5% of the outstanding shares of Common Stock, each current member of the Board of Directors, each executive officer of the Company named in the Summary Compensation Table below, and all current executive officers and Directors of the Company as a group. Except as otherwise indicated, each shareholder has sole voting and investment power with respect to the shares beneficially owned.

Name and Address of Beneficial Owner*	Number of Shares Beneficially Owned (1)	Percentage of Shares Beneficially Owned (1)
FMR Corp (2) 82 Devonshire St Boston, MA 02109	4,527,496	11.1%
Capital Ventures International (3) 401 City Line Avenue Bala Cynwyd, PA 19004	4,030,000	9.9%
Mitchel Sayare (4)	1,231,929	3.0%
Walter A. Blättler (5)	864,462	2.1%
David W. Carter (6)	95,000	**
Stuart F. Feiner (7)	43,334	**
Mark Skaletsky (8)	73,759	**
Joseph J. Villafranca		
John M. Lambert (9)	547,792	1.3%
Pauline Jen Ryan (10)	187,501	**
Virginia A. Lavery (11)	47,167	**
All current executive officers and Directors as a group (9 persons) (12)	3,090,944	7.6%

*

Addresses are given for beneficial owners of more than 5% of the outstanding Common Stock only.

**

Represents beneficial ownership of less than 1% of the Common Stock.

(1)

The number of shares of Common Stock issued and outstanding on September 17, 2004 was 40,789,789. Share ownership includes shares of Common Stock issuable upon exercise of certain outstanding option as described in the footnotes below.

(2)

Consists of 4,527,496 shares of Common Stock that FMR Corp acquired through May 10, 2004, according to a report on Schedule 13G filed by FMR Corp. as of that date.

(3)

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Consists of 4,030,000 shares of Common Stock that Capital Ventures International acquired from Shire Biochem, Inc. on June 2, 2004.

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- (4) Includes 965,833 shares of Common Stock that Mr. Sayare may acquire upon the exercise of options within 60 days after September 17, 2004.
- (5) Includes 778,751 shares of Common Stock that Dr. Blättler may acquire upon the exercise of options within 60 days after September 17, 2004.
- (6) Consists of 95,000 shares of Common Stock that Mr. Carter may acquire upon the exercise of options within 60 days after September 17, 2004.
- (7) Stuart F. Feiner, a Director of the Company, is Executive Vice President, General Counsel and Secretary of Inco Limited. He is also Chairman of the general partner of North American Partners Limited Partnership II, which owns 19 shares of Common Stock. Mr. Feiner disclaims beneficial ownership of the shares of Common Stock held by North American Partners Limited Partnership II. Includes 43,334 shares of Common Stock that Mr. Feiner may acquire upon the exercise of options within 60 days after September 17, 2004.
- (8) Includes 60,000 shares of Common Stock that Mr. Skaletsky may acquire upon the exercise of options within 60 days after September 17, 2004.
- (9) Includes 503,501 shares of Common Stock that Dr. Lambert may acquire upon the exercise of options within 60 days after September 17, 2004.
- (10) Consists of 187,501 shares of Common Stock that Ms. Ryan may acquire upon the exercise of options within 60 days after September 17, 2004.
- (11) Consists of 47,167 shares of Common Stock that Ms. Lavery may acquire upon the exercise of options within 60 days after September 17, 2004.
- (12) See footnotes (4) (11).

INFORMATION ABOUT THE COMPANY'S DIRECTORS AND CURRENT EXECUTIVE OFFICERS

Under the Company's By-Laws, the number of members of the Company's Board of Directors is fixed from time to time by the shareholders, and Directors serve in office until the next annual meeting of shareholders and until their successors have been elected and qualified. The Company recommends that the shareholders fix the number of members of the Company's Board of Directors at six. The six nominees for the Board of Directors to be elected at the Meeting are Mitchel Sayare, Ph.D., Walter A. Blättler, Ph.D., David W. Carter, Stuart F. Feiner, Mark Skaletsky, and Joseph J. Villafranca, Ph.D.

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Set forth below are the names of the persons nominated as Directors, their ages, their offices in the Company, if any, their principal occupations or employment for the past five years, the length of their tenure as Directors and the names of other public companies in which such persons hold directorships.

Name of Director	Age	Principal Occupations During at Least the Last Five Years
Mitchel Sayare	56	Mitchel Sayare, Ph.D., Chief Executive Officer, a Director since 1986 and Chairman of the Board since 1989, joined the Company in 1986. From 1986 until 1992, and currently since 1994, Mr. Sayare has served as President of the Company. From 1982 to 1985, Mr. Sayare was Vice President for Development at Xenogen, Inc., a biotechnology company specializing in monoclonal antibody-based diagnostic systems for cancer. From 1977 to 1982, Mr. Sayare was Assistant Professor of Biophysics and Biochemistry at the University of Connecticut. He holds a Ph.D. in Biochemistry from Temple University School of Medicine. Mr. Sayare serves on the Board of Directors of ImmuCell Corporation, in addition to a number of private companies.
Walter A. Blättler	55	Walter A. Blättler, Ph.D., elected a Director in September 1995, served as Vice President, Research and Development of the Company from 1987 to October 1994 and as the Company's Senior Vice President, Research and Development from October 1994 to October 1996. Since 1996, Dr. Blättler has served as the Company's Executive Vice President, Science and Technology. Dr. Blättler joined the Company in October 1987. From 1981 to 1987, Dr. Blättler was chief scientist for the ImmunoGen-supported research program at the Dana-Farber Cancer Institute. Dr. Blättler received his Ph.D. from the Swiss Federal Institute of Technology in Zurich in 1978.
David W. Carter	66	David W. Carter, Lead Director since September 2002 and a Director since June 1997, is Chief Executive Officer and Chairman of the Board of Xenogen, Inc., which he joined in 1997. From 1991 to 1997, Mr. Carter was the President and Chief Executive Officer of Somatix Therapy Corporation. Mr. Carter also serves on the Board of Directors of Cell Genesys, Inc.
Stuart F. Feiner	56	Stuart F. Feiner, a Director since 1984, has been Executive Vice President, General Counsel and Secretary of Inco Limited since August 1993, after having served as Vice President, General Counsel and Secretary of Inco Limited from April 1992 to August 1993. From January 1984 until April 1992, Mr. Feiner was President of Inco Venture Capital Management, the venture capital unit of Inco Limited. Mr. Feiner serves on the Boards of Directors of certain private companies funded by Inco Venture Capital Management.

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Mark Skaletsky	56	Mark Skaletsky, a Director since March 2000, has served as the Chairman of the Board and Chief Executive Officer of Trine Pharmaceuticals (formerly Essential Therapeutics, Inc.) since October 25, 2001. Essential Therapeutics, Inc. is the company formed by the merger of The Althexis Company and Microcide Pharmaceuticals, Inc. On May 1, 2003, Essential Therapeutics ("Essential") filed a voluntary petition for relief under Chapter 11 of the United States Bankruptcy Code. The bankruptcy court confirmed Essential's plan of reorganization, and Essential emerged from bankruptcy protection, on October 10, 2003. Prior to Essential Therapeutics, Mr. Skaletsky served as Chairman of the Board and Chief Executive Officer of The Althexis Company beginning in March 2000. Prior to his positions with The Althexis Company, Mr. Skaletsky served as President, Chief Executive Officer, and a Director of GelTex Pharmaceuticals, Inc. from 1993 until its acquisition by Genzyme Corporation in 2000. From 1988 to 1993, he was Chairman and Chief Executive Officer of Enzytech, Inc., a biotechnology company, and from 1983 to 1988 he was President and Chief Operating Officer of Biogen, Inc., also a biotechnology company. He is a Director of Isis Pharmaceuticals, Inc., Icoria, Inc. and Alkermes.
Joseph J. Villafranca	60	Joseph J. Villafranca, a Director since June 2004, has served as Executive Vice President, Pharmaceutical Development and Operations at Neose Technologies, Inc. since October 2002. Prior to Neose, Dr. Villafranca was the Vice President of Biologics Strategy and Biopharmaceutical Operations at Bristol-Myers Squibb Company. Prior to Bristol-Myers Squibb, Dr. Villafranca was the Evan Pugh Professor of Chemistry at the Pennsylvania State University. Dr. Villafranca holds a Ph.D. in Biochemistry/Chemistry and completed his postdoctoral work at the Institute for Cancer Research in Philadelphia.

Committees of the Board of Directors and Meetings

Audit Committee. David W. Carter, Stuart F. Feiner (Chairman), and Mark Skaletsky currently serve on the Company's Audit Committee. The Audit Committee engages the Company's independent accountants, reviews quarterly and annual financial statements, considers matters relating to accounting policies and internal controls and reviews the scope of annual audits. The Board of Directors approved an Audit Committee Charter that sets forth in detail the duties and responsibilities of the Audit Committee. A copy of the Audit Committee Charter is attached hereto as Appendix A.

The Board of Directors has determined that Mark Skaletsky qualifies as an audit committee financial expert, who is independent from management, as that term is defined by the rules issued in January 2003 by the Securities and Exchange Commission under Section 407(b) of the Sarbanes-Oxley Act of 2002.

The Board of Directors has determined that Mr. Feiner also qualifies as an audit committee financial expert, who is independent from management, through his relevant educational and professional

experience. Mr. Feiner has acquired the required attributes of an audit committee financial expert through his education, his service on the audit committees of a wide range of private and public companies and interaction with chief financial and accounting officers and public accounting firms who served as independent auditors to certain companies when he was responsible for Inco Limited's venture capital unit over the 1984-1992 period and, most recently, his direct involvement and participation, as part of his responsibilities in his current employment position since 1992, in a wide range of complex financial and accounting issues involving the businesses and operations of Inco Limited.

Compensation Committee. David W. Carter, Joseph J. Villafranca and Mark Skaletsky (Chairman) currently serve on the Compensation Committee. Michael Eisenson, the former Chairman, served on the Compensation Committee until his term as a director ended at the annual meeting on November 11, 2003. The Compensation Committee reviews, approves and makes recommendations concerning the Company's compensation policies, practices and procedures to ensure that the legal and fiduciary responsibilities of the Board are carried out and that such policies, practices and procedures contribute to the success of the Company. The Compensation Committee also administers the Company's Restated Stock Option Plan, the 2001 Non-Employee Director Stock Plan, and the 2004 Non-Employee Director Compensation and Deferred Share Unit Plan. The Board of Directors approved a Compensation Committee Charter that sets forth in detail the duties and responsibilities of the Compensation Committee.

Corporate Governance and Nominating Committee. David W. Carter (Chairman), Stuart F. Feiner and Joseph J. Villafranca currently serve on the Corporate Governance and Nominating Committee. Each member of the Corporate Governance and Nominating Committee is considered an independent director under the listing standards of the National Association of Securities Dealers, Inc.

The functions of the Corporate Governance and Nominating Committee include identifying and recommending to the Board individuals qualified to serve as directors of the Company; recommending to the Board directors to serve on committees of the Board; advising the Board with respect to matters of Board composition and procedures; developing and recommending to the Board a set of corporate governance principles applicable to the Company; overseeing corporate governance matters generally; and overseeing the annual evaluation of the Board and the Company's management.

To date, the Corporate Governance and Nominating Committee has not adopted a charter. The Committee is working on a final draft of a charter to submit to the Board.

In connection with annual meetings commencing with the 2005 annual meeting, the Corporate Governance and Nominating Committee will consider director candidates recommended by stockholders. In considering candidates submitted by stockholders, the Committee will take into consideration the needs of the Board and the qualifications of the proposed candidate. To have a candidate considered by the Corporate Governance and Nominating Committee, a stockholder must submit the recommendation in writing and must include the following information:

The name and address of the stockholder, evidence of the person's ownership of Company stock, including the number of shares owned and the length of time of ownership, a description of all arrangements or understandings between the stockholder and the proposed candidate and any other person(s) (including their names) pursuant to which the nomination is being made, a representation that the stockholder intends to appear in person or by proxy at the applicable annual meeting to nominate the candidate named in the notice, and any other information relating to the stockholder that would be required to solicit a proxy under federal securities law; and

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The name, age, business and residence address of the proposed candidate, the number of shares of Company stock owned by the proposed candidate, the proposed candidate's resume or a listing of his or her qualifications to be a director of the Company, the person's consent to be named as a director if selected by the Corporate Governance and Nominating Committee and nominated by the Board, and any other information relating to the candidate that would be required to be disclosed to solicit a proxy under federal securities law.

In order for a proposed candidate recommended by a stockholder or stockholders as described above to be considered by the Corporate Governance and Nominating Committee and nominated by the Board for election at an annual meeting of stockholders, the stockholder recommendation and information described above must be sent by certified or registered mail, return receipt requested, to the attention of the Clerk at ImmunoGen, Inc., 128 Sidney Street, Cambridge, MA 02139 and must be received by the Clerk not less than 90 days nor more than 120 days prior to the anniversary date of the Company's preceding annual meeting of stockholders.

When considering potential candidates, the Corporate Governance and Nominating Committee examines a candidate's specific experience, knowledge, skills, expertise, integrity, diversity, ability to make independent analytical inquiries, understanding of the Company's business environment and willingness to devote adequate time and effort to Board responsibilities. The Committee will also consider, when applicable, whether a candidate's skill and experience would enhance the ability of a particular Board committee to fulfill its duties or satisfy any independence requirements imposed by law, regulation or the National Association of Securities Dealers, Inc.

Potential candidates may come to the attention of the Corporate Governance and Nominating Committee from current directors, executive officers, stockholders or other persons. The Committee also, from time to time, engages firms that specialize in identifying director candidates.

Once a person has been identified by the Corporate Governance and Nominating Committee as a potential candidate, the Committee may collect and review publicly available information regarding the person to assess whether the person should be considered further. If the Committee determines that the candidate warrants further consideration, the Chairman or another member of the Committee contacts the person. Generally, if the person expresses a willingness to be considered and to serve on the Board, the Committee requests information from the candidate, reviews the person's accomplishments and qualifications, including in light of any other candidates that the Committee might be considering, and conducts one or more interviews with the candidate. In certain instances, Committee members may contact one or more references provided by the candidate or may contact other members of the business community or other persons that may have greater first-hand knowledge of the candidate's credentials and accomplishments. The Committee's evaluation process does not vary based on whether or not a candidate is recommended by a stockholder, although, as indicated above, the Board may take into consideration the number of shares held by the recommending stockholder and the length of time that such shares have been held.

Meeting Attendance. During the fiscal year ended June 30, 2004, there were nine meetings of the Board, five meetings of the Audit Committee, three meetings of the Compensation Committee, and one meeting of the Corporate Governance and Nominating Committee. Messrs. Carter, Feiner, Sayare and Dr. Blattler attended all meetings of the Board. Mr. Skaletsky attended eight meetings of the Board. Dr. Villafranca attended the one meeting of the Board, that occurred since his election to the Board of Directors in June 2004. Mr. Eisenson attended all meetings of the Board until his term as a director ended

at the annual meeting on November 11, 2003. Messrs. Carter, Feiner and Skaletsky attended all meetings of the Compensation Committee. Mr. Eisenson attended all meetings of the Compensation Committee until his resignation. Messrs. Feiner and Skaletsky attended all of the meetings of the Audit Committee. Mr. Carter attended three meetings of the Audit Committee. Messrs. Carter, Feiner, and Skaletsky attended the meeting of the Corporate Governance and Nominating Committee.

Compensation Committee Interlocks and Insider Participation. The Compensation Committee members during fiscal year 2004 were Messrs. David W. Carter, Michael R. Eisenson, Stuart F. Feiner, and Mark Skaletsky. As noted earlier, Mr. Eisenson's term as a director ended at the annual meeting on November 11, 2003. Joseph J. Villafranca was appointed to the Compensation Committee in August 2004. None of these Directors is or has been an officer or employee of the Company. Mr. Sayare, though not a member of the Committee, assists the Committee in determining any compensation to be awarded to executive officers other than himself. Mr. Sayare also provides supplemental information regarding performance evaluations of executive officers other than himself.

Lead Director. In September 2002, the Board of Directors approved the appointment of David W. Carter to serve as Lead Director. The Lead Director's principal duties include: chairing and communicating to the Chief Executive Officer the results of executive Board sessions; interfacing, on behalf of the outside Directors, with management on the evaluation of strategic and other issues; communicating with non-employee directors regarding management plans and initiatives; and such other duties as the Board may from time to time determine.

Stockholder Communications with Directors

The Board has established a process to receive communications from stockholders. Stockholders may contact any member (or all members) of the Board by mail. To communicate with the Board of Directors, any individual director or any group or committee of directors, correspondence should be addressed to the Board of Directors or any such individual director or group or committee of directors by either name or title. All such correspondence should be sent to the attention of the Clerk at ImmunoGen, Inc., 128 Sidney Street, Cambridge, MA 02139.

All communications received as set forth in the preceding paragraph will be opened by the Finance Department for the sole purpose of determining whether the contents represent a message to our directors. Any contents that are not in the nature of advertising, promotions of a product or service, or patently offensive material will be forwarded promptly to the addressee. In the case of communications to the Board or any individual director or group or committee of directors, the Finance Department will make sufficient copies of the contents to send to such director or each director who is a member of the group or committee to which the envelope is addressed.

It is the Company's policy that directors are invited and encouraged to attend the Annual Meeting. The Chairman of the Board of Directors attended the 2003 Annual Meeting.

Compensation of Directors

For services on the Board and Board Committees, effective July 1, 2004, non-employee Directors are entitled to receive an annual retainer consisting of (1) \$25,000 per year, payable quarterly in arrears, and (2) \$20,000 of deferred share units vesting ratably over twelve months based upon the closing price of ImmunoGen common stock on the last day of the prior fiscal year. The Lead Director is entitled to annual

cash compensation of \$40,000, payable quarterly in arrears. Under the provisions of the Company's 2004 Non-Employee Director Compensation and Deferred Share Unit Plan (the "2004 Plan"), that was approved by the Board of Directors of the Company in June 2004, the non-employee Directors may elect to receive the \$25,000 portion of the annual retainer and the Lead Director may elect to receive the Lead Director fee in the form of cash or deferred share units. Directors are also reimbursed for travel expenses incurred with respect to attending Board meetings. No additional compensation is paid for attendance at, or activities related to, Audit, Corporate Governance and Nominating and/or Compensation Committee meetings.

In connection with the appointment of Joseph J. Villafranca to the Board of Directors, Mr. Villafranca received a grant of \$40,000 in share units, measured at the closing price of ImmunoGen common stock on the date of grant. The grant was pursuant to the terms of the 2001 Non-Employee Director Stock Plan (the "2001 Plan"). The terms of the grant provide that the share units vest ratably over a twelve month period and may be paid out in cash when Mr. Villafranca ceases to be a Director.

Until amended by the Board of Directors in April 2004, the terms of the Company's Restated Stock Option Plan provided that each non-employee Director, upon first being elected or appointed to the Board after July 9, 1992, and on every fourth anniversary thereof assuming he remains a non-employee Director, would receive options to purchase 10,000 shares of Common Stock. Further, the Board may also vote, at its discretion, to issue additional options as deemed appropriate. All options granted under the Plan have ten-year terms and exercise prices that are equal to the fair market value of the Common Stock on the date of grant.

Summary Director Compensation Table

Name	Year	Annual Compensation			
		Cash	Shares of Common Stock	Stock Units	Options
David W. Carter	2004	\$ 32,233(1)		3,313	
Michael R. Eisenson (2)	2004	\$ 3,000(3)	1,902(4)		
Stuart F. Feiner	2004	\$ 7,500		3,313	
Mark Skaletsky	2004	\$ 7,000	3,312		10,000
Joseph J. Villafranca	2004	\$		6,380(5)	

(1) Includes \$25,233 that represents Mr. Carter's compensation for service as Lead Director during fiscal 2004.

(2) Mr. Eisenson's term as a director ended at the annual meeting on November 11, 2003.

(3) Pursuant to an agreement between Mr. Eisenson and Harvard Management Co., Inc., all of the cash fees to which Mr. Eisenson is entitled for his performance as a non-employee Director are paid to Harvard Management Co., Inc.

(4) Pursuant to an arrangement between Mr. Eisenson and Aeneas Venture Corporation, Mr. Eisenson has relinquished his right to receive any awards under the 2001 Plan and Aeneas Venture Corporation has agreed to accept any awards made under the 2001 Plan that are made on the basis of Mr. Eisenson's service as a non-employee Director.

(5) The stock units granted to Mr. Villafranca vest ratably over twelve months, commencing June 2004.

Current Executive Officers

The names of and certain other information as of the date hereof regarding each current executive officer of the Company who is not also a member of the Board is set forth below. Executive officers serve at the pleasure of the Board.

Name of Executive Officer	Age	Principal Occupations During the Last Five Years
John M. Lambert, Ph.D	53	John M. Lambert, Ph.D., Senior Vice President, Pharmaceutical Development, joined the Company in 1987. Dr. Lambert served as the Company's Senior Director of Research from October 1994 to November 1996. Prior to joining ImmunoGen, Dr. Lambert was Assistant Professor of Pathology at the Dana-Farber Cancer Institute, where he worked on the research program supported by ImmunoGen. Dr. Lambert received his Ph.D. in Biochemistry from Cambridge University in England.
Pauline Jen Ryan	37	Pauline Jen Ryan, Senior Vice President, Business Development since June 2004, Vice President, Business Development from 2000 to 2004 and Senior Director, Business Development from 1999 to 2000, rejoined the Company in May of 1999. From 1998 to 1999, Ms. Ryan was a Vice President of Capital Management Consulting, Inc., a biomedical consulting firm. From 1994 to 1997, she was Director of Business Development of Organogenesis, Inc., a biotechnology company. Ms. Ryan holds a Masters of Business Administration from Northwestern University's Kellogg School of Management.
Virginia A. Lavery	40	Virginia A. Lavery, Vice President, Finance and Treasurer since 2002 and Senior Corporate Controller and Treasurer from 2000 to 2002, joined the Company in December 2000. During 2000, Ms. Lavery was self-employed as a financial consultant. From 1999 to 2000, Ms. Lavery was interim Chief Financial Officer of Dynamics Research Corporation, a publicly traded government contractor, after having served as Corporate Controller since 1998. From 1989 to 1998, Ms. Lavery was a Certified Public Accountant with Arthur Andersen, LLP. Ms. Lavery holds a Masters of Science in Public Accounting/Masters of Business Administration from Northeastern University's Graduate School of Professional Accounting.

EXECUTIVE COMPENSATION

The following table (the "Summary Compensation Table") sets forth certain information regarding compensation paid during each of the Company's last three fiscal years to the Company's Chief Executive Officer and to each of the Company's executive officers, other than the Chief Executive Officer, whose total annual salary and bonus exceeded \$100,000 in fiscal year 2004.

Summary Compensation Table

Name and Principal Position	Year	Annual Compensation		Long-Term Compensation Awards	All Other Compensation (\$)(2)
		Salary (\$)(1)	Bonus(\$)	Securities Underlying Options (#)	
Mitchel Sayare, Ph.D. Chairman of the Board, Chief Executive Officer and President	2004	386,954	210,000	75,000	6,065
	2003	375,000	170,000	95,000	5,384
	2002	366,115		150,000	4,963
Walter A. Blättler, Ph.D. Director and Executive Vice President, Science and Technology	2004	279,965	175,000	65,000	4,630
	2003	271,000	115,000	85,000	3,775
	2002	268,250		135,000	3,585
John M. Lambert, Ph.D. Senior Vice President, Pharmaceutical Development	2004	235,033	87,500	35,000	2,761
	2003	232,446	73,518	45,000	3,862
	2002	210,000		80,000	3,509
Pauline Jen Ryan Senior Vice President, Business Development	2004	205,129	87,500	30,000	3,036
	2003	198,218	62,063	35,000	2,471
	2002	184,846		65,000	2,503
Virginia A. Lavery Vice President, Finance and Treasurer	2004	174,963	67,500	30,000	2,713
	2003	150,075	36,960	30,000	3,351
	2002	133,269		22,000	2,080

(1) Includes amounts, if any, deferred by each individual under the ImmunoGen, Inc. 401(k) Plan and Trust (the "401(k) Plan").

(2) Fiscal year 2004 amounts include term life insurance premiums of \$3,612 for Mr. Sayare, \$1,948 for Dr. Blättler, \$1,115 for Dr. Lambert, \$374 for Ms. Ryan and \$285 for Ms. Lavery. Also included are matching contributions under the 401(k) Plan of \$2,453 for Mr. Sayare, \$2,682 for Dr. Blättler, \$1,646 for Dr. Lambert, \$2,662 for Ms. Ryan and \$2,428 for Ms. Lavery.

OPTION GRANTS IN LAST FISCAL YEAR

The following table sets forth information regarding each stock option granted during fiscal year 2004 to each individual named in the Summary Compensation Table.

Name	Number of Securities Underlying Options Granted (#)(1)	Percentage of Total Options Granted to Employees in Fiscal Year (%)	Exercise Price (\$)(2)	Expiration Date	Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (3)	
					5% (\$)	10% (\$)
Mitchel Sayare, Ph.D.	75,000	11.1	6.27	6/17/14	295,738	749,457
Walter A. Blättler, Ph.D.	65,000	9.7	6.27	6/17/14	256,306	649,530
John M. Lambert, Ph.D.	35,000	5.2	6.27	6/17/14	138,011	349,747
Pauline Jen Ryan	30,000	4.5	6.27	6/17/14	118,295	299,783
Virginia A. Lavery	30,000	4.5	6.27	6/17/14	118,295	299,783

(1) All options were granted on June 17, 2004 and vest ratably over three years beginning on the date of grant. Under certain circumstances, vesting of options may be accelerated and options may become fully exercisable.

(2) The exercise price was equal to the fair market value of the Common Stock on the date of grant.

(3) Amounts represent hypothetical gains that could be achieved for the respective options if exercised at the end of the option term. These gains are based on assumed rates of stock price appreciation of 5% and 10% compounded annually from the date the respective options were granted to their expiration date. The gains shown are net of the option exercise price, but do not include deductions for taxes or other expenses associated with the exercise. Actual gains, if any, on stock option exercises will depend on the future performance of the Common Stock, the optionee's continued employment through the option period and the date on which the options are exercised. These rates of appreciation are mandated by the rules of the Securities and Exchange Commission (the "Commission") and do not represent the Company's estimate or projection of future Common Stock prices.

**AGGREGATED OPTION EXERCISES IN LAST FISCAL YEAR AND
FISCAL YEAR-END OPTION VALUES**

The following table provides information as to each individual named in the Summary Compensation Table regarding the exercise of options during the 2004 fiscal year. In addition, this table includes the number of shares covered by both exercisable and unexercisable options as of June 30, 2004 and the value

of "in the money" options, which values represent the positive spread between the exercise price of any such option and the fiscal year-end value of the Common Stock.

Name	Shares Acquired on Exercise (#)	Value Realized (\$)	Number of Securities Underlying Unexercised Options at Fiscal Year-End (#)		Value of Unexercised In-The-Money Options at Fiscal Year-End \$(1)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Mitchel Sayare, Ph.D.	30,000	62,850	965,833	188,333	2,896,547	242,799
Walter A. Blättler, Ph.D.	10,000	20,950	778,751	166,666	2,184,181	217,799
John M. Lambert, Ph.D.	7,000	14,665	503,501	91,666	350,450	121,332
Pauline Jen Ryan			187,501	74,999	261,149	96,331
Virginia A. Lavery			47,167	64,833	52,694	58,746

(1) Value is based on the last sale price per share (\$6.07) on June 30, 2004, as reported on the Nasdaq National Market, less the applicable option exercise price. Each option has an exercise price equal to the fair market value of the Common Stock on the date of grant.

**EMPLOYMENT CONTRACTS, TERMINATION OF EMPLOYMENT AND
CHANGE IN CONTROL AGREEMENTS**

The Company currently has employment agreements with Drs. Blättler and Lambert and Mr. Sayare. These agreements currently provide for annual salaries of \$289,800 for Dr. Blättler, \$243,290 for Dr. Lambert, and \$400,545 for Mr. Sayare. Either the Company or the executive officer may terminate these agreements upon 90 days' prior written notice. In addition, each agreement provides that the Company may terminate the employment of the executive officer at any time for cause (as defined in the respective agreements). The agreements with Dr. Blättler and Dr. Lambert also provide that these executive officers will not engage in any business competitive with the business of the Company for a period of two years following termination of employment.

In making determinations of salary and benefits to be provided under these employment agreements, the Compensation Committee of the Board of Directors takes into consideration, in addition to contractual commitments, Company personnel policies. See also the "Compensation Committee Report on Executive Compensation."

Contractual language is included in stock option agreements between the Company and members of its senior management group to the effect that all unvested options of the affected employee will become immediately exercisable in instances where:

- (i)
 - (A) a person becomes the beneficial owner of fifty percent or more of the voting securities of the Company, or
 - (B) the Board approves a consolidation or merger of the Company whereby the shareholders of the Company would not retain fifty percent or more of the voting securities of the Company after the consolidation or merger, and
- (ii)
 - (A) a material change is made in the Restated Stock Option Plan or an option granted thereunder (except as provided in Section 16(b) of the Plan), or
 - (B) the affected employee is, within two years, terminated for any reason other than for cause.

STOCK PRICE PERFORMANCE GRAPH

The graph and table below compare the annual percentage change in the Company's cumulative total stockholder return on its Common Stock for the period from June 30, 1999 through June 30, 2004 (as measured by dividing (i) the sum of (A) the cumulative amount of dividends for the measurement period, assuming dividend reinvestment, and (B) the difference between the Company's share price at the end and the beginning of the measurement period; by (ii) the share price at the beginning of the measurement period) with the total cumulative return of the Nasdaq Stock Market Index (U.S.) and the Nasdaq Pharmaceutical Stocks Total Return Index during such period. The Company has not paid any dividends on the Common Stock, and no dividends are included in the representation of the Company's performance. The stock price performance on the graph below is not necessarily indicative of future price performance. This graph is not "soliciting material," is not deemed filed with the Commission and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933 or the Securities Exchange Act of 1934 whether made before or after the date hereof and irrespective of any general incorporation language in any such filing. Information used on the graph for the Nasdaq Pharmaceutical Stocks Total Return Index and the Nasdaq Stock Market Index (U.S.) was prepared by the Center for Research in Security Prices, a source believed to be reliable, but the Company is not responsible for any errors or omissions in such information.

	1999	2000	2001	2002	2003	2004
IMMUNOGEN, INC.	\$ 100.00	\$ 521.53	\$ 864.68	\$ 116.30	\$ 184.61	\$ 262.43
NASDAQ STOCK MARKET INDEX (U.S.)	\$ 100.00	\$ 147.83	\$ 80.27	\$ 54.68	\$ 60.71	\$ 157.13
NASDAQ PHARMACEUTICAL	\$ 100.00	\$ 229.64	\$ 193.31	\$ 113.60	\$ 157.13	\$ 184.61

The above graph and table assume \$100 invested on June 30, 1999 with all dividends reinvested, in each of the Common Stock, the Nasdaq Stock Market Index (U.S.) and the Nasdaq Pharmaceutical Stocks Total Return Index. Upon written request by any shareholder, the Company will promptly provide a list of the companies comprising the Nasdaq Pharmaceutical Stocks Total Return Index.

COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION*

*

The report of the Compensation Committee shall not be deemed incorporated by reference by any general statement incorporating by reference this Proxy Statement into any filing under the Securities Act of 1933, as amended, or under the Securities Exchange Act of 1934, as amended, except to the extent that the Company specifically incorporates this report by reference.

The Compensation Committee of the Board is comprised entirely of non-employee Directors. The Compensation Committee determines the base salaries of the Company's executive officers and the amount of annual bonus awards, if any, to be paid to the executive officers. In addition, the Compensation Committee administers the Company's Restated Stock Option Plan, as amended (the "Plan"), under which stock options may be granted to executive officers and other employees of the Company, as well as to non-employee Directors, the Company's 2001 Non-Employee Director Stock Plan, and the Company's 2004 Non-Employee Director Compensation and Deferred Share Unit Plan.

Compensation Policy and Components of Compensation

The Compensation Committee's fundamental executive compensation philosophy is to enable the Company to attract and retain key executives, and to motivate those executives to achieve the Company's long-term objective of becoming a profitable company. Attracting and retaining key executives is important to any organization. This challenge is especially difficult in the biotechnology industry where executives are required to remain focused and committed throughout many years of product development, regulatory approvals and financial instability.

Each executive officer's compensation package is reviewed at least annually and may be composed of up to three components: base salary, incentive cash bonuses and stock options. In addition, the Company's executive officers are eligible to participate in all employee benefit programs generally available to all other ImmunoGen employees.

Progress toward the Company's broad strategic goal of becoming a profitable biopharmaceutical company is measured by specific corporate objectives and annual milestones. Personal objectives and milestones by which individual executives of the Company are evaluated fit within the framework of the Company's overall goals and objectives. The Compensation Committee considers factors such as changes in business conditions and other relevant external circumstances when evaluating the performance of the individual executives.

Base Salaries of Executive Officers

The Compensation Committee sets the salaries of the Company's executive officers by reviewing independently-prepared surveys of biotechnology industry compensation as well as other available information on the base salaries of executive officers in comparable positions in other biotechnology companies. There is substantial overlap between the biotechnology companies whose compensation practices are reflected in such surveys and the biotechnology companies that are included in the Nasdaq Pharmaceutical Stocks Total Return Index (see "Stock Price Performance Graph"). Comparative factors considered include, but are not limited to, company size, stage of development of a company's products, and geographic location. The Compensation Committee uses the collected data as well as the experience of the members of the Compensation Committee in hiring and managing personnel to set salaries. The Compensation Committee also takes into account, for both current and new executive officers, competitive industry factors, breadth of experience, length of service and recent individual performance. It is not the Committee's intent to establish fixed levels of compensation in general or for specific positions, but rather

to establish compensation on a case-by-case basis as recommended by management and confirmed by the Compensation Committee. The Company's executive officer salaries, as currently paid, are estimated to range from the 55th to 80th percentile of comparable biotechnology companies. The salary of the Company's Chairman of the Board, President and Chief Executive Officer is estimated to be in the 60th percentile of such range.

In certain cases initial annual base compensation was established pursuant to employment agreements with executive officers (see "Employment Contracts, Termination of Employment and Change in Control Agreements"). The terms of such employment contracts were reviewed and authorized by the Board (including members of the Committee but excluding any interested officer) and were consistent with the Company's compensation policies then in place.

In July 2004, Dr. Blättler's base salary was set at \$289,800 annually, Dr. Lambert's base salary was set at \$243,290, Ms. Ryan's base salary was set at \$220,829 and Ms. Lavery's base salary was set at \$192,075.

Bonus Awards

The Company does not have formal incentive or bonus plans for executives. The Compensation Committee does, however, establish key performance criteria to be met by the Company annually and utilizes the Company's actual performance against those criteria in its determination of whether incentive or bonus payments should be made to executives and other employees. Such criteria include the Company's actual performance against the Company's plan for the applicable fiscal year, the Company meeting certain research and development milestones and meeting key targets associated with its collaborations. Based upon the committee's evaluation of the performance criteria established for fiscal 2004, the following bonuses were awarded to executive officers of the Company and paid during the fiscal year ended June 30, 2004: \$175,000 to Dr. Blättler, \$87,500 to Dr. Lambert, \$87,500 to Ms. Ryan, and \$67,500 to Ms. Lavery. The bonuses awarded in the fiscal year ended June 30, 2004 includes an annual bonus as well as a special bonus award upon execution of the Company's collaboration with Aventis. In June 2002, the Board of Directors approved bonuses for all employees of the Company to be paid in July 2002. The following annual bonuses were awarded to executive officers of the Company and paid in July 2002: \$115,000 to Dr. Blättler, \$73,518 to Dr. Lambert, \$62,063 to Ms. Ryan and \$36,960 to Ms. Lavery. No bonuses were awarded to any current executive officers of the Company during the fiscal year ended June 30, 2003. No bonuses were paid to any current executive officers of the Company during the fiscal year ended June 30, 2002.

Stock Option Plan

Subject to the provisions of the Plan, the Compensation Committee has the authority to determine the terms under which options are granted and the individuals to whom such options may be granted. The Compensation Committee believes that equity participation is a key component of its executive compensation program. The stock option program is the Company's major long-term incentive plan, designed to retain executive officers and other employees and motivate them to enhance shareholder value by aligning the long-term interests of the Company's employees with those of its shareholders. The Compensation Committee believes that stock options continue to provide an effective long-term incentive for all employees to create shareholder value since the full benefit of the options cannot be realized unless an appreciation in the price of the Company's Common Stock occurs. The executive officers participate in the Plan in the same manner as all of the Company's full-time employees. Initial stock option awards for new employees, which are individually determined prior to employment, are derived from the employee's anticipated contribution to the Company's growth and are designed to be competitive with awards granted

by other biotechnology companies. Subsequent annual stock option awards are based on historical levels of prior grants, position within the Company and individual performance. For fiscal years 2002, 2003 and 2004, stock options were awarded to all current executive officers in June 2002, June 2003, and June 2004, respectively. All options are issued with exercise prices equal to the fair market value of the Company's Common Stock on the date of grant. The options granted in fiscal years 2002, 2003 and 2004 vest as to one-third of the shares on each anniversary date of the date of grant. Vesting of options may be accelerated and options may become fully exercisable upon the occurrence of certain events such as a change in control of the Company (see "Employment Contracts, Termination of Employment and Change in Control Agreements").

In addition to incentive stock options, the Committee also has discretionary authority under the Plan to grant non-qualified options to certain individuals, including executive officers of the Company. Of the current executive officers, Mr. Sayare, Dr. Blättler, Dr. Lambert, Ms. Ryan and Ms. Lavery have each been granted non-qualified options. In each case, the options were granted with exercise prices equal to the fair market value of the Common Stock on the date of grant and vested over three or four years.

Compensation of the Chief Executive Officer

Mr. Sayare's annual base salary was determined in accordance with the criteria outlined in other sections of this report, the Compensation Committee's evaluation of the Company's overall performance and Mr. Sayare's individual performance. Performance was measured by the achievement of certain goals over the last several years, including the continued development of the Company's key technology platforms. Mr. Sayare's salary was increased to \$400,545 on July 1, 2004.

In 2004, the Board of Directors approved bonuses for all employees of the Company. Mr. Sayare was paid a cash bonus of \$210,000. Mr. Sayare's 2004 bonus amount included an annual bonus as well as a special bonus awarded upon execution of the Company's collaboration with Aventis. In June 2002, the Board of Directors approved bonuses for all employees of the Company to be paid in July 2002. Mr. Sayare was paid a cash bonus of \$170,000 in July 2002. No bonus was awarded to Mr. Sayare during fiscal 2003. No cash bonus was paid to Mr. Sayare during fiscal year 2002. In fiscal 2002, Mr. Sayare was granted options to purchase 150,000 shares of Common Stock. In fiscal 2003, Mr. Sayare was granted options to purchase 95,000 shares of Common Stock. In fiscal 2004, Mr. Sayare was granted options to purchase 75,000 shares of Common Stock. The options granted to Mr. Sayare in fiscal years 2002, 2003 and 2004 vest as to one-third of the shares each year after issuance beginning one year from the date of grant. All options are subject to Mr. Sayare's continued employment with the Company and were issued with exercise prices equal to the fair market value of the Common Stock on the date of grant.

Certain Agreements

The Company has entered into agreements with certain of its executive officers relating to employment and separation. In making determinations of salary and benefits to be provided under these employment and separation agreements, the Compensation Committee took into consideration contractual commitments and Company policies. (See "Employment Contracts, Termination of Employment and Change in Control Agreements").

Members of the ImmunoGen, Inc. Compensation Committee
David W. Carter
Mark Skaletsky, Chairman
Joseph J. Villafranca

REPORT OF AUDIT COMMITTEE

The Audit Committee, as described on page 6, is comprised of three independent Directors. The role of the Audit Committee is to assist the Board of Directors in its oversight of the Company's accounting and financial reporting principles, policies and procedures as well as the adequacy of the Company's systems of internal accounting control and the quality and integrity of the Company's financial statements. All members of the Committee meet the Nasdaq National Marketplace rules test for independence. The Committee operates pursuant to a charter that was most recently amended by the Board in September 2004 and is attached as Appendix A to this Proxy Statement (as so amended, the "Charter"). As set forth in the Charter, management of the Company is responsible for the preparation, presentation and integrity of the Company's financial statements, the Company's accounting and financial reporting principles, and internal accounting controls designed to assure compliance with accounting standards and applicable laws and regulations. The Company's independent auditors are responsible for auditing the Company's financial statements and expressing an opinion as to their conformity with accounting principles generally accepted in the United States.

In assisting the Board in its oversight function, the Committee has considered and discussed the Company's audited financial statements for the year ended June 30, 2004 with management and the Company's independent auditors, Ernst & Young LLP. The Committee has also discussed and reviewed with the independent auditors the matters required to be discussed by the current Statement on Auditing Standards No. 61, "Communication with Audit Committees," as amended. The Committee has also received the written disclosures and the letter from the independent auditors required by Rule 3600T of the PCAOB which adopt's on an interim basis Independence Standards Board Standard No. 1, "Independence Discussions with Audit Committees" and has discussed with the independent auditors the auditors' independence from the Company and its management. The Audit Committee has also discussed with management and the independent auditors the quality and adequacy of the Company's internal accounting controls. The Audit Committee has reviewed with the independent auditors their audit plan, audit scope and identification of audit risks for the year ended June 30, 2004 and has considered, with a view to maintaining the independence of the Company's independent auditors, the nature and scope of the non-audit services supplied to the Company by its independent auditors.

The members of the Audit Committee are not professionally engaged in the practice of auditing or accounting, are not experts in the fields of accounting or auditing, and are not employed by the Company for accounting or financial management or for any aspects of the Company's systems of internal accounting control. Members of the Committee rely, without independent verification, on the information provided to them, and on the representations made, by management and the Company's independent auditors. Accordingly, the Audit Committee's oversight does not provide an independent basis to determine that management has maintained appropriate accounting and financial reporting principles and policies, or internal accounting controls and procedures, designed to assure compliance with accounting standards and applicable laws and regulations. In addition, the Audit Committee's considerations and discussions referred to above do not assure that the audit of the Company's financial statements has been carried out in accordance with auditing standards generally accepted in the United States or that the Company's financial statements are presented in accordance with accounting policies generally accepted in the United States.

Based upon the reports, discussions and reviews described in this report, and subject to the limitations on the role and responsibilities of the Committee referred to above and in the Charter of the Audit Committee, the Committee has recommended to the Board of Directors, and the Board of Directors has

approved the Committee's recommendation that the Company's audited financial statements for the year ended June 30, 2004 be included in the Company's Annual Report to Shareholders for the year ended June 30, 2004 and the Company's Annual Report on Form 10-K for the year ended June 30, 2004 be filed with the U.S. Securities and Exchange Commission.

Members of the ImmunoGen, Inc. Audit Committee
Stuart F. Feiner, Chairman
David W. Carter
Mark Skaletsky

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's Directors and executive officers, and persons holding more than 10% of the Common Stock, to file with the Securities and Exchange Commission (the "SEC") initial reports of ownership and reports of changes in ownership of Common Stock. Executive officers, Directors and greater than 10% shareholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on review of the copies of such reports furnished to it and written representations that no other reports were required, the Company is not aware of any director or executive officer who has not timely filed reports required by Section 16(a) of the Exchange Act, except for the inadvertent late reporting of an option grant to Mr. Skaletsky to purchase 10,000 shares of Common Stock and the inadvertent late reporting of a grant of Deferred Share Units to Messrs. Carter, Feiner and Skaletsky. Mr. Skaletsky's transaction, executed March 15, 2004, was reported on a Form 4 filed with the Securities and Exchange Commission on July 26, 2004. Messrs. Carter, Feiner and Skaletsky's transactions, executed on July 1, 2004, were reported on an amended Form 4 filed with the Securities and Exchange Commission on July 16, 2004.

CERTAIN TRANSACTIONS

The holder of approximately 533,841 shares of Common Stock (the "Registrable Securities") is entitled to certain rights to register such shares under the Securities Act of 1933, as amended (the "Securities Act"), for sale to the public pursuant to a registration rights agreement by and among the Company and the holders of Registrable Securities, as amended. The holder of Registrable Securities is Aeneas Venture Corporation ("Aeneas"). Michael R. Eisenson, a former Director of the Company, is President and Chief Executive Officer of Charlesbank Capital Partners, LLC, the successor to Harvard Private Capital Group, Inc. and the investment advisor to Aeneas. Aeneas has the right to require the Company, on not more than two occasions, whether or not the Company proposes to register any of its Common Stock for sale, to register all or part of their shares for sale to the publi