

MICROMET, INC.
Form DEF 14A
April 29, 2008

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 Pursuant to § 240.14a-12

MICROMET, 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.

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

4. Proposed maximum aggregate value of transaction:

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Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

6. Amount Previously Paid:

7. Form, Schedule or Registration Statement No.:

8. Filing Party:

9. Date Filed:

MICROMET, INC.
6707 Democracy Boulevard
Suite 505
Bethesda, Maryland 20817

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To Be Held On June 27, 2008

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of Micromet, Inc., a Delaware corporation (the Company). The meeting will be held on Friday, June 27, 2008 at 1:00 p.m. local time at the Marriott Suites Bethesda, 6711 Democracy Boulevard, Bethesda, Maryland for the following purposes:

1. To elect three Class II directors to hold office until the 2011 Annual Meeting of Stockholders.
2. To ratify the selection by the audit committee of the board of directors of Ernst & Young LLP as independent auditors of the Company for its fiscal year ending December 31, 2008.
3. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is April 28, 2008. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

By Order of the Board of Directors

Matthias Alder
Secretary

Bethesda, Maryland
April 29, 2008

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the enclosed proxy, or vote over the telephone or the Internet as instructed in these materials, as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) is enclosed for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

MICROMET, INC.
6707 Democracy Boulevard
Suite 505
Bethesda, Maryland 20817

PROXY STATEMENT

FOR THE 2008 ANNUAL MEETING OF STOCKHOLDERS
June 27, 2008

QUESTIONS AND ANSWERS ABOUT THIS PROXY MATERIAL AND VOTING

Why am I receiving these materials?

We have sent you this proxy statement and the enclosed proxy card because the board of directors of Micromet, Inc. (sometimes referred to as the Company or Micromet) is soliciting your proxy to vote at the 2008 Annual Meeting of Stockholders, including at any adjournment or postponement of the meeting. You are invited to attend the annual meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or follow the instructions contained in these materials to submit your proxy over the telephone or on the Internet.

The Company intends to mail this proxy statement and accompanying proxy card on or about April 29, 2008 to all stockholders of record entitled to vote at the annual meeting.

Who can vote at the annual meeting?

Only stockholders of record at the close of business on April 28, 2008 will be entitled to vote at the annual meeting. On this record date, there were 40,828,759 shares of common stock outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If on April 28, 2008 your shares were registered directly in your name with Micromet's transfer agent, Mellon Investor Services, then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or on the Internet as instructed in these materials to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on April 28, 2008 your shares were held, not in your name, but rather in an account at a brokerage firm, bank, dealer, or other similar organization, then you are the beneficial owner of shares held in street name and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the annual meeting. As a beneficial owner, you have the right to direct your broker or other agent regarding how to vote the shares in your account. You are also invited to attend the annual meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker or other agent.

What am I voting on?

There are three matters scheduled for a vote:

1. Election of three Class II directors to hold office until the 2011 Annual Meeting of Stockholders; and
2. Ratification of the audit committee of the board of directors selection of Ernst & Young LLP as independent auditors of the Company for its fiscal year ending December 31, 2008.

How do I vote?

You may either vote **For** all the nominees to the board of directors or you may **Withhold** your vote for any nominee you specify. For each of the other matters to be voted on, you may vote **For** or **Against** or abstain from voting. The procedures for voting are fairly simple:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote in person at the annual meeting, vote by proxy using the enclosed proxy card, vote by proxy over the telephone, or vote by proxy on the Internet. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote in person even if you have already voted by proxy.

To vote in person, come to the annual meeting and we will give you a ballot when you arrive.

To vote using the proxy card, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the annual meeting, we will vote your shares as you direct.

To vote over the telephone, dial toll-free 1-800-690-6903 using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and control number from the enclosed proxy card. Your vote must be received by 11:59 pm, June 26, 2008 to be counted.

To vote on the Internet, go to <http://www.proxyvote.com> to complete an electronic proxy card. You will be asked to provide the company number and control number from the enclosed proxy card. Your vote must be received by 11:59 pm, June 26, 2008 to be counted.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank, or other agent, you should have received a proxy card and voting instructions with these proxy materials from that organization rather than from Micromet. Simply complete and mail the proxy card to ensure that your vote is counted. Alternatively, you may vote by telephone or over the Internet as instructed by your broker or bank. To vote in person at the annual meeting, you must obtain a valid proxy from your broker, bank, or other agent. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a proxy form.

We provide Internet proxy voting to allow you to vote your shares on-line, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your Internet access, such as usage charges from Internet access providers and telephone companies.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you own as of April 28, 2008.

What if I return a proxy card but do not make specific choices?

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted For the election of all three nominees for director and For the ratification of Ernst & Young LLP as the Company's independent auditors for the fiscal year ending December 31, 2008. If any other matter is properly presented at the meeting, your proxy holder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these mailed proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, your shares are registered in more than one name or are registered in different accounts. Please complete, sign and return **each** proxy card to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of three ways:

You may submit another properly completed proxy card with a later date.

You may send a timely written notice that you are revoking your proxy to Micromet's corporate secretary at 6707 Democracy Boulevard, Suite 505, Bethesda, Maryland 20817.

You may attend the annual meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

If your shares are held by your broker or bank as a nominee or agent, you should follow the instructions provided by your broker or bank.

When are stockholder proposals due for next year's annual meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by December 31, 2008, to the Company's corporate secretary, at 6707 Democracy Boulevard, Suite 505, Bethesda, Maryland 20817.

If you wish to bring business, other than through a stockholder proposal, before the 2009 Annual Meeting of Stockholders, you should deliver your notice to the corporate secretary at the address above not later than the close of business on March 29, 2009 nor earlier than the close of business on February 27, 2009; provided, however, that in the event that the date of the 2009 annual meeting is before May 28, 2009 or after August 26, 2009, your notice must be delivered not earlier than the close of business on the one hundred twentieth day prior to such annual meeting and not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the earlier of (i) the day on which notice of the meeting was mailed or (ii) the date public announcement of the date of such meeting is first made by the Company. In no event will the public announcement of an adjournment or postponement of the 2009 annual meeting commence a new time period (or extend any time period) for the giving of your notice as described above.

Your notice must set forth: (a) as to each person whom you propose to nominate for election or re-election as a director, all information relating to that person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the Exchange Act), and Rule 14a-101 thereunder (including such person's written

consent to being named in the proxy statement as a nominee and to serving as a director if elected); (b) as to any other business that you propose to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Company's bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of yours or of the beneficial owner, if any, on whose behalf the nomination or proposal is made; and (c) as to you and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) your name and address or that of such beneficial owner, (ii) the class and number of shares of capital stock of the Company which are owned beneficially and of record by you and such beneficial owner, (iii) a representation that

you are a holder of record of stock of the Company entitled to vote at such meeting and you intend to appear in person or by proxy at the meeting to propose such business or nomination and (iv) a representation whether you or the beneficial owner, if any, intends or is part of a group which intends (y) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Company's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (z) otherwise to solicit proxies from stockholders in support of such proposal or nomination. The foregoing notice requirements shall be deemed satisfied by you if you have notified the Company of your intention to present a proposal at the 2009 annual meeting in compliance with Rule 14a-8 (or any successor thereof) under the Exchange Act and your proposal has been included in a proxy statement that has been prepared by the Company to solicit proxies for such annual meeting.

The Company may also require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Company.

You are also advised to review the Company's Amended and Restated Bylaws, filed with the United States Securities and Exchange Commission (SEC) as an exhibit to a Current Report on Form 8-K on October 9, 2007, which contain additional requirements about advance notice of stockholder proposals and director nominations.

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count For and Withhold and, with respect to proposals other than the election of directors, Against votes, abstentions and broker non-votes. Abstentions will be counted towards the vote total for each proposal, and will have the same effect as Against votes. Broker non-votes have no effect and will not be counted towards the vote total for any proposal.

What are broker non-votes ?

Broker non-votes occur when a beneficial owner of shares held in street name does not give instructions to the broker or nominee holding the shares as to how to vote on matters deemed non-routine. Generally, if shares are held in street name, the beneficial owner of the shares is entitled to give voting instructions to the broker or nominee holding the shares. If the beneficial owner does not provide voting instructions, the broker or nominee can still vote the shares with respect to matters that are considered to be routine, but not with respect to non-routine matters. Under the rules and interpretations of the New York Stock Exchange, non-routine matters are generally those involving a contest or a matter that may substantially affect the rights or privileges of stockholders, such as mergers or stockholder proposals.

How many votes are needed to approve each proposal?

For the election of directors, Proposal No. 1, the three nominees receiving the most For votes from the holders of votes of shares present in person or represented by proxy and entitled to vote on the election of directors will be elected. Only votes For or Withheld will affect the outcome.

To be approved, Proposal No. 2, the ratification of the selection of the Company's independent accountants, must receive For votes from the holders of a majority of shares present in person or represented by proxy and entitled to vote. If you Abstain from voting, it will have the same effect as an Against vote. Broker non-votes will have no effect.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding at least a majority of the outstanding shares are present at the meeting in person or represented by proxy. On the record

date, there were 40,828,759 shares outstanding and entitled to vote. Therefore, the holders of 20,414,380 shares must be present in person or represented by proxy to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote in person at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, the holders of a majority of shares present at the meeting in person or represented by proxy may adjourn the meeting to another date.

How can I find out the results of the voting at the annual meeting?

Preliminary voting results will be announced at the annual meeting. Final voting results will be published in the Company's Quarterly Report on Form 10-Q for the second quarter of 2008.

Proposal No. 1

Election Of Directors

Micromet's board of directors is divided into three classes. Each class consists, as nearly as possible, of one-third of the total number of directors, and each class has a three-year term. Vacancies on the board may be filled only by persons elected by a majority of the remaining directors. A director elected by the board to fill a vacancy in a class, including any vacancies created by any increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is elected and qualified.

The board of directors presently has nine members. There are three directors in the class whose term of office expires in 2008: Dr. Christian Itin, Dr. Peter Johann and Mr. Joseph P. Slattery. Each of the nominees listed below is currently a director of the company, although only Dr. Itin and Dr. Peter Johann were previously elected by the stockholders. Mr. Slattery was appointed to the board of directors in November 2007, at the recommendation of the nominating & corporate governance committee. Mr. Slattery was brought to the attention of the nominating & corporate governance committee by the Company's outside counsel. If elected at the annual meeting, each of these nominees would serve until the 2011 annual meeting and until his successor is elected and has qualified, or, if sooner, until the director's death, resignation or removal. It is the Company's policy to encourage directors and nominees for director to attend the annual meeting. All of the current directors of the Company who were in office at the time of the 2007 Annual Meeting of Stockholders attended the annual meeting.

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. The three nominees receiving the highest number of affirmative votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the three nominees named below. If any nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of a substitute nominee proposed by the board of directors. Each person nominated for election has agreed to serve if elected. Our management has no reason to believe that any nominee will be unable to serve.

The following is a brief biography of each nominee and each director whose term will continue after the annual meeting. Ages presented are as of April 29, 2008.

Nominees for Election for a Three-Year Term Expiring at the 2011 Annual Meeting

Christian Itin, Ph.D.

Christian Itin, Ph.D., age 43, has served as our Chief Executive Officer and as a director since the merger of Micromet AG and CancerVax Corporation in May 2006. Dr. Itin has also served in the following capacities with our subsidiary Micromet AG prior to the merger: Chief Executive Officer from March 2004 to May 2006, Chief Business Officer from April 2002 to March 2004, Vice President of Business and Corporate Development from September 2001 to April 2002, Vice President of Corporate Development from September 2000 to September 2001 and Head of IP and Licensing from September 1999 to September 2000. Before joining Micromet, Dr. Itin was a co-founder of Zyomyx, Inc. (Hayward, CA, USA), a protein chip company. Dr. Itin received a Diploma in biology and a Ph.D. in cell biology from the University of Basel, Switzerland. In addition, he also performed post-doctoral research at the Biocenter of

Basel University and at Stanford University School of Medicine.

Peter Johann, Ph.D.

Peter Johann, Ph.D., age 50, has served as a member of our board of directors since July 2006. Dr. Johann is a Managing General Partner of NGN Capital. He joined NGN Capital from Boehringer Ingelheim where from August 2000 to July 2004 he served as the Division Head of Corporate Development responsible for strategic planning, strategic projects, mergers and acquisitions, business development and licensing. Prior to this, Dr. Johann

served from July 1998 to July 2000 at F. Hoffmann-La Roche as Global Business Leader where he led global business teams and was responsible for global marketing of oncology products as well as evaluation of pipeline products from internal and external sources. Dr. Johann joined Roche from Boehringer Mannheim where he was Head of Business Development and Marketing of Molecular Medicine LLC from January 1996 to June 1998. In addition to marketing and licensing activities, Dr. Johann was involved in establishing and managing joint venture companies as a member of the supervisory boards of Molecular Medicine LLC and MolMed SpA. Dr. Johann held various positions in the fields of marketing, sales and business development with Boehringer Mannheim Biochemicals, Kaneka and Röhm between August 1985 and December 1995. Dr. Johann obtained his Ph.D. from the Technical University of Munich. Dr. Johann is a director of NitecPharma AG, a specialty pharmaceutical company located in Switzerland, and of NaniRx Therapeutics, an early stage private company in New York, and has served as a member of the supervisory board of Jerini AG, a publicly held biopharmaceuticals company located in Germany, and an observer to the board of Santhera Pharmaceuticals Holding Ltd., a publicly held Swiss specialty pharmaceutical company.

Joseph P. Slattery

Joseph P. Slattery, age 43, has served as a member of our board of directors since November 2007. Mr. Slattery was Chief Financial Officer and Senior Vice President of Digene Corporation, a publicly held medical diagnostics company that was acquired by Qiagen, N.V. in July 2007, where he was responsible for the financial, accounting, project management, information technology and legal functions. Prior to his appointment as Chief Financial Officer in 2006, Mr. Slattery served as Digene's Senior Vice President, Finance and Information Systems beginning in 2002, and previously held the positions of Controller and Vice President, Finance since joining Digene in 1996 prior to the company's initial public offering. Mr. Slattery currently serves as a director and Chairman of the Audit Committee of Trans1, Inc., a publicly traded medical device company focused on designing, developing and marketing products that implement its proprietary minimally invasive surgical approach to treat degenerative disc disease affecting the lower lumbar region of the spine. Mr. Slattery received a B.S. degree in accountancy from Bentley College and is a certified public accountant.

The Board Of Directors Recommends A Vote in Favor of Each Named Nominee

Directors Continuing in Office Until the 2009 Annual Meeting

David F. Hale

David F. Hale, age 59, has been Chairman of the Board since May 2006. He served as CancerVax's President and Chief Executive Officer from October 2000 to the closing of the merger with Micromet AG in May 2006, and served as a member of CancerVax's board of directors from December 2000 to May 2006 when he became Chairman. Mr. Hale was appointed Executive Chairman in December 2007 and Interim Chief Executive Officer in January 2008 of Somaxon Pharmaceuticals, Inc., a publicly traded biopharmaceutical company, where he was a co-founder and previously Chairman. From January 1998 to May 2000, Mr. Hale served as President and Chief Executive Officer of Women First HealthCare, Inc., a publicly traded specialty pharmaceuticals company. Prior to joining Women First HealthCare, Mr. Hale served from May 1987 to November 1997 as Chairman, President and Chief Executive Officer of Gensia, Inc., a publicly-held biopharmaceutical company, which merged with Sicor, Inc., to form GensiaSicor, Inc., and which was acquired by Teva Pharmaceutical Industries Limited. He also served from February 1987 to September 1995 as Chairman of Viagene, Inc., a publicly held biotechnology company that was acquired by Chiron, Inc. Mr. Hale served from April 1982 to May 1987 as President, Chief Executive Officer and Chief Operating Officer with Hybritech, Inc., a publicly-traded biotechnology company that was acquired by Eli Lilly and Co. in 1986. Prior to joining Hybritech, Mr. Hale served from January 1980 to April 1982 as Vice President, Sales and Marketing and then as Vice President and General Manager with BBL Microbiology Systems, a division of Becton, Dickinson & Co.

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From March 1971 to December 1980, Mr. Hale held various marketing and sales management positions with Ortho Pharmaceutical Corporation, a division of Johnson & Johnson, Inc. Mr. Hale currently serves as Chairman of the board of directors of Santarus, Inc., and as a director of Metabasis Therapeutics, Inc., a publicly traded biopharmaceutical company, as Executive Chairman of SkinMedica, Inc., and as a director of

Verus Pharmaceuticals, Inc. Mr. Hale is also a director of the Biotechnology Industry Organization, BIOCUM, the California Healthcare Institute, the Burnham Institute and is a co-founder and chairman of CONNECT. Mr. Hale received a B.A. in biology and chemistry from Jacksonville State University.

Michael G. Carter, M.B., Ch.B., F.R.C.P. (Edinburgh)

Michael G. Carter, M.B., Ch.B., F.R.C.P. (Edinburgh), age 70, served as a member of CancerVax's board of directors from February 2001 to May 2006 and has continued as a director of the Company following the merger with Micromet AG. Prior to the merger, Dr. Carter was a member of the supervisory board of Micromet AG. Dr. Carter is a venture partner at SV Life Sciences Advisers LLP and a member of the advisory board of Paul Capital Royalty Fund. Dr. Carter retired from Zeneca, PLC, a publicly traded global pharmaceutical company and predecessor of AstraZeneca, in 1998, where he had been on the pharmaceutical board. Dr. Carter served at Zeneca as International Medical Director from 1986 to 1989 and as International Marketing Director from 1990 to 1995. Under his direction, Zeneca developed and launched numerous drugs including Casodex™, the most widely prescribed anti-androgen for prostate cancer therapy in the U.S.; Zoladex™, an LHRH analogue for prostate cancer and breast cancer; and Arimidex™, the first new generation aromatase inhibitor for breast cancer. Dr. Carter also contributed to the post-marketing development of tamoxifen, the first selective estrogen receptor modulator approved for the treatment of breast cancer. From 1985 to 1995, Dr. Carter served as a member of the U.K. Government's Medicines Commission. From 1976 to 1984, Dr. Carter held several positions with Roche Products, Ltd, including head of Medical Development and Medical Affairs and Director of the Pharmaceutical Division. Dr. Carter currently serves as a Director of several European and US biopharmaceutical companies, including Fulcrum Pharmaceuticals PLC, a publicly held company in the United Kingdom, as Chairman of the board of directors of Metris Therapeutics, Ltd., a biotechnology firm specializing in women's healthcare, and as a member of the boards of directors of Santarus, Inc. and GTx, Inc., both publicly held biotechnology companies. Dr. Carter is an Elected Fellow of the Royal Pharmaceutical Society, Faculty of Pharmaceutical Medicine, and of the Royal College of Physicians of Edinburgh. Dr. Carter received a bachelor's degree in Pharmacy from London University (U.K.) and a medical degree from Sheffield University Medical School (U.K.).

John E. Berriman

John E. Berriman, age 60, has served as a member of our board of directors since the closing of the merger with Micromet AG in May 2006. Prior to the merger, Mr. Berriman was a member of the supervisory board of Micromet AG. Since May 2004, Mr. Berriman has been a consultant and a non-executive director of a number of private and public biotech companies, including Algeta ASA (Chairman) and Ablynx NV. He served as executive deputy chairman of Oxxon Therapeutics, Inc. until its sale to Oxford BioMedica in May 2007. Mr. Berriman served as a member of the board of directors of Alnylam Pharmaceuticals, Inc., a publicly held company, from July 2003 until December 2005. From August 2001 until May 2004, Mr. Berriman served as a director of Abingworth Management, a venture capital firm specializing in life science biomedical companies. Mr. Berriman was a consultant to Abingworth Management from March 1997 to August 2001. From 1989 until 1996 Mr. Berriman was an executive director of Celltech plc. He has a degree in Chemical Engineering from the University of Cambridge and an MBA from the London Business School.

Directors Continuing in Office Until the 2010 Annual Meeting

Jerry C. Benjamin

Jerry C. Benjamin, age 67, has served as a member of our board of directors since the merger with Micromet AG in May 2006. Prior to the merger, Mr. Benjamin was a member of the supervisory board of Micromet AG. Mr. Benjamin has been a General Partner of Advent Venture Partners, a venture capital management firm in London, since 1985.

Mr. Benjamin also serves on the board of directors of Orthofix International N.V., an international orthopedics company listed on the NASDAQ Global Market. In the past, Mr. Benjamin has been a director of a number of public and private healthcare companies.

Barclay A. Phillips

Barclay A. Phillips, age 45, served as a member of CancerVax's board of directors from December 2000 to May 2006 and has continued as a director of the Company following the merger with Micromet AG. From 1999 to the present, Mr. Phillips has been a Managing Director of Vector Fund Management. From 1991 to 1999, Mr. Phillips served in various roles including Director of Private Placements and Biotechnology Analyst for INVESCO Funds Group, Inc. From 1985 to 1990, Mr. Phillips held positions in sales and trading with Paine Webber, Inc. and Shearson Lehman Hutton, Inc. Over the last ten years, Mr. Phillips has held board positions for a number of public and private companies and currently serves as a director of Acorda Therapeutics, Inc., a publicly traded biopharmaceutical company. Mr. Phillips received a B.A. in economics from the University of Colorado in Boulder.

Otello Stampacchia, Ph.D.

Otello Stampacchia, Ph.D., age 38, has served as a member of our board of directors since the merger with Micromet AG in May 2006. Prior to the merger, Dr. Stampacchia was a member of the supervisory board of Micromet AG. Dr. Stampacchia has been an Adviser to Omega Fund since 2005. The Omega Fund acquires ownership interests in public and private biopharmaceutical and device companies, focusing on Western Europe and the United States. Dr. Stampacchia has been involved in various advisory activities in biotechnology since 2001. Previously, Dr. Stampacchia was a member of the health care Corporate Finance and M&A team at Goldman Sachs International in London, and he also helped initiate the health care investment activities of Index Securities (now Index Ventures). Dr. Stampacchia has a Ph.D. in Molecular Biology from the University of Geneva (Switzerland), a European Doctorate in Biotechnology (EDBT) from the European Association for Higher Education in Biotechnology, and a M.Sc. in Genetics from the University of Pavia (Italy).

Information Regarding the Board of Directors and Corporate Governance

Independence of The Board of Directors

As required under the NASDAQ Stock Market (NASDAQ) listing standards, a majority of the members of a listed company's board of directors must qualify as independent, as affirmatively determined by the board of directors. The board consults with the Company's counsel to ensure that the board's determinations are consistent with relevant securities and other laws and regulations regarding the definition of independent, including those set forth in pertinent listing standards of the NASDAQ, as in effect from time to time.

Consistent with these considerations, after review of all relevant transactions or relationships between each director, or any of his family members, and the Company, its senior management and its independent auditors, the board has affirmatively determined that all of the Company's directors, with the exception of Dr. Itin and Mr. Hale, are independent directors within the meaning of the applicable NASDAQ listing standards. Dr. Itin, the Company's President and Chief Executive Officer, is not an independent director by virtue of his current employment with the Company. Mr. Hale is not an independent director as a result of his serving as president and chief executive officer of CancerVax until May 2006.

Meetings of the Board of Directors

The board of directors met fourteen times during the last fiscal year. Each director attended 75% or more of the board meetings held during the period in which he or she was a director. Further, each director attended 75% or more of the aggregate of the meetings of the board and of the committees on which he served.

Information Regarding Committees of the Board of Directors

The board of directors has established three committees: an audit committee, a compensation committee, and a nominating & corporate governance committee. The following table provides membership and meeting information for fiscal year 2007 for each of the board committees:

Name	Audit	Compensation	Nominating & Corporate Governance
Mr. Jerry C. Benjamin		X*	X
Mr. John E. Berriman	X	X	
Dr. Michael G. Carter		X	X
Mr. David F. Hale			
Dr. Christian Itin			
Dr. Peter Johann		X	
Mr. Barclay A. Phillips	X		X*
Mr. Phillip M. Schneider(1)	X*		
Dr. Otello Stampacchia		X	
Mr. Joseph P. Slattery	X*		
Total meetings in fiscal year 2007	6	4	9

(1) Mr. Schneider resigned from the board effective November 16, 2007 and was succeeded by Mr. Slattery on the same date.

* Committee Chairperson

Below is a description of each committee of the board of directors. Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. The board of directors has determined that each member of each committee meets the applicable NASDAQ rules and regulations regarding independence and that each member is free of any relationship that would impair his individual exercise of independent judgment with regard to the Company.

Audit Committee

The audit committee of the board of directors was established by the board in accordance with Section 3(a)(58)(A) of the Exchange Act to oversee the Company's corporate accounting and financial reporting processes and audits of its financial statements. In 2007, the audit committee was composed of three directors: Mr. Schneider, who was succeeded as chairman by Mr. Slattery in November 2007, and Messrs. Berriman and Phillips. The audit committee has adopted a written charter that is available to stockholders on the Company's website at <http://www.micromet-inc.com>. The information contained on the website is not incorporated by reference in, or considered part of, this proxy statement.

Pursuant to its charter, the purpose of the audit committee is to oversee the accounting and financial reporting processes of the Company and the audits of the financial statements of the Company on behalf of the board of directors and report the results of its activities to the board. In carrying out these responsibilities, the audit committee,

among other things:

evaluates the performance of and assesses the qualifications of the independent auditors;

determines and approves the engagement of the independent auditors;

determines whether to retain or terminate the existing independent auditors or to appoint and engage new independent auditors;

reviews and approves the retention of the independent auditors to perform any permissible non-audit services;

monitors the rotation of partners of the independent auditors on the Company's audit engagement team as required by law;

reviews and approves or rejects transactions between the Company and any related persons;

confers with management and the independent auditors regarding the effectiveness of internal controls over financial reporting;

reviews the procedures established by the Company for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and the confidential and anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and

meets to review the Company's annual audited financial statements and quarterly financial statements with management and the independent auditors, including reviewing the Company's disclosures under Management's Discussion and Analysis of Financial Condition and Results of Operations.

The board of directors reviews the NASDAQ listing standards definition of independence for audit committee members on an annual basis and has determined that all members of the Company's audit committee are independent (as independence is currently defined in Rules 4350(d)(2)(A)(i) and (ii) of the NASDAQ listing standards). The board of directors has also determined that Mr. Slattery qualifies as an audit committee financial expert as defined in applicable SEC rules. The board made a qualitative assessment of Mr. Slattery's level of knowledge and experience based on a number of factors, including his formal education and experience as a chief financial officer for a public reporting company.

The audit committee met six times during fiscal year 2007. The audit committee's agenda for each meeting was established by the audit committee's chairman and the Company's chief financial officer. The audit committee meetings included discussion of significant accounting policies applied by the Company in its financial statements, as well as alternative treatments. The audit committee's meetings included, whenever appropriate, executive sessions in which the audit committee met separately with the Company's independent auditors and the Company's chief financial officer.

The audit committee is updated quarterly on management's process to assess the adequacy of the Company's system of internal control over financial reporting, the framework used to make the assessment, and management's conclusions on the effectiveness of the Company's internal control over financial reporting. The audit committee has also discussed with the independent auditors the Company's internal control assessment process, management's assessment with respect thereto and the independent auditors' evaluation of the Company's system of internal control over financial reporting.

In March, 2008, the audit committee recommended to the board of directors the engagement of Ernst & Young LLP as our independent auditors for the year ending December 31, 2008, and reviewed with senior members of the Company's financial management team and the independent auditors the overall audit scope and plans and the results of external audit examinations. Although the audit committee has the sole authority to appoint the independent auditors, the audit committee will continue its practice of recommending that the board of directors ask the Company's stockholders, at the annual meeting, to ratify their appointment of the Company's independent auditors.

Report of the Audit Committee of the Board of Directors¹

As part of its oversight of the Company's financial statements, the audit committee reviews and discusses with both management and the Company's independent registered public accountants all annual and quarterly financial statements prior to their issuance, including the audited financial statements for the fiscal year ended December 31,

¹ The material in this report of the audit committee is not soliciting material, is not deemed filed with the SEC and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

2007. During fiscal year 2007, management advised the audit committee that each set of financial statements reviewed had been prepared in accordance with generally accepted accounting principles, and reviewed significant accounting and disclosure issues with the audit committee. These reviews included discussion with the independent registered public accountants of matters required to be discussed pursuant to *Statement on Auditing Standards No. 61 (Communication with Audit Committees)*, as amended (AICPA, *Professional Standards*, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board (PCAOB) in Rule 3200T, including the quality of the Company's accounting principles, the reasonableness of significant judgments, and the clarity of disclosures in the financial statements. The audit committee also discussed with Ernst & Young AG WPG matters relating to its independence, including a review of audit and non-audit fees and the written disclosures and letter from Ernst & Young AG WPG to the committee required by *Independence Standards Board Standard No. 1 (Independence Discussions with Audit Committees)*, as adopted by the PCAOB in Rule 3600T.

Taking all of these reviews and discussions into account, on March 11, 2008, the audit committee recommended to the board of directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2007.

Mr. Joseph P. Slattery, Chairman
Mr. John E. Berriman
Mr. Barclay A. Phillips

Compensation Committee

During the period from January 1 to June 28, 2007, the compensation committee consisted of four directors: Messrs. Benjamin and Berriman, and Drs. Carter and Stampacchia. On June 28, 2007, the board appointed Dr. Peter Johann as the fifth member of the compensation committee. All members of the Company's compensation committee are independent (as independence is currently defined in Rule 4200(a)(15) of the NASDAQ listing standards. The compensation committee met four times during the fiscal year. The compensation committee has adopted a written charter that is available to stockholders on the Company's website at <http://www.micromet-inc.com>. The information contained on the website is not incorporated by reference in, or considered part of, this proxy statement.

The compensation committee of the board of directors reviews, recommends for adoption by the board, and oversees the Company's compensation philosophy, strategy, policies, plans and programs. The functions of this committee include:

- reviewing and approving corporate performance objectives relevant to the compensation of the Company's chief executive officer and evaluating his performance in light of these stated objectives;

- reviewing and approving compensation and management incentive compensation plans for all executive officers, other officers (as such term is defined in Rule 16a-1, promulgated under the Exchange Act), vice presidents, and other employees with a base salary greater than or equal to \$250,000, or 180,000 for employees based in Germany;

- reviewing and, as it deems appropriate, recommending to our board of directors all compensation for any director of the Company, including making recommendations with respect to awards under the Company's equity incentive plans;

- reviewing and approving base salaries of the executive officers of the Company, as well as other terms of employment, including severance for the Company's executive officers;

establishing, administering and exercising authority under annual bonus, long-term incentive compensation, stock option, pension, equity incentive award plans, and other similar plans and programs;

determining our policy with regard to change of control or parachute payments;

reviewing and approving executive officer and director indemnification and insurance matters; and

reviewing the Company's Compensation Discussion and Analysis to consider whether to recommend to the board that it be included in the proxy statement and other filings with the SEC.

Compensation Committee Processes and Procedures

The compensation committee meets at least two times annually and with greater frequency if necessary. From time to time, various members of management as well as outside advisors or consultants may be invited by the compensation committee to make presentations, provide financial or other background information or advice or otherwise participate in compensation committee meetings. In addition, the compensation committee meets regularly in executive session. The Company's chief executive officer does not participate in, and is not present during any deliberations or determinations of the committee relating to his compensation. The charter of the compensation committee grants the committee the authority to retain, at the expense of the Company, independent counsel, compensation and benefits consultants and other outside experts or advisors as the committee believes to be necessary or appropriate. The committee may also utilize the services of the Company's regular legal counsel or other advisors to the Company. In particular, the compensation committee has the authority to retain compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultant's reasonable fees and other retention terms. In December 2007, the compensation committee engaged Remedy Compensation Consulting as compensation consultants. The scope and process of the engagement and the recommendations resulting therefrom, as well as the processes and procedures followed by the compensation committee, are discussed in more detail in the Compensation Discussion and Analysis section of this proxy statement.

Historically, the compensation committee has made most significant adjustments to annual compensation, determined bonus and equity awards and established new performance objectives at one or more meetings held during the first quarter of the year. However, the compensation committee also considers matters related to individual compensation, such as compensation for new executive hires, compensation adjustments as a result of promotions, as well as high-level strategic issues, such as the efficacy of the Company's compensation strategy, potential modifications to that strategy and new trends, plans or approaches to compensation, at various meetings throughout the year. Generally, the compensation committee's process for setting executive compensation comprises two related elements: the determination of compensation levels and the establishment of performance objectives for the current year. For executives other than the chief executive officer, the compensation committee solicits and considers evaluations and recommendations submitted to the committee by the chief executive officer. In the case of the chief executive officer, the evaluation of his performance is conducted by the compensation committee, which determines any adjustments to his compensation as well as awards to be granted.

The specific determinations of the compensation committee with respect to executive compensation for fiscal 2007 are also described in greater detail in the Compensation Discussion and Analysis section of this proxy statement.

Nominating & Corporate Governance Committee

In 2007, the nominating & corporate governance committee was composed of the following three directors: Messrs. Phillips and Benjamin and Dr. Carter. All members of the nominating & corporate governance committee are independent (as independence is currently defined in Rule 4200(a)(15) of the NASDAQ listing standards). The nominating & corporate governance committee met nine times during fiscal year 2007. The nominating & corporate governance committee has adopted a written charter that is available to stockholders on the Company's website at <http://www.micromet-inc.com>. The information contained on the website is not incorporated by reference in, or considered part of, this proxy statement.

The functions of the nominating & corporate governance committee include:

- identifying and reviewing qualified candidates to become members of our board of directors;

recommending to the board nominees for election of directors at the next annual meeting of stockholders (or special meeting of stockholders at which directors are to be elected) or to fill vacancies of our board of directors;

conducting an annual review process to assess the performance of the board of directors and the board committees, as well as to assess the level and quality of the interactions between the chief executive officer and the board of directors;

making recommendations to the board regarding committee membership; and

developing and reviewing our corporate governance guidelines and principles, and if appropriate, recommending changes to such guidelines to our board of directors.

Director Qualifications

The nominating & corporate governance committee's goal is to assemble a board of directors that brings to our Company a variety of perspectives and skills derived from high quality business and professional experience. The nominating & corporate governance committee does, however, believe it appropriate for at least one, and, preferably, several, members of our board of directors to meet the criteria for an audit committee financial expert as defined by SEC rules. The nominating & corporate governance committee also believes it appropriate for our chief executive officer to participate as a member of our board of directors. In evaluating candidates for membership on the board of directors, the nominating & corporate governance committee considers, among other factors, the appropriate size of our board of directors, personal and professional integrity, ethics and values, experience in corporate management, such as serving as an officer or former officer of a publicly held company, experience in our industry, experience as a board member of another publicly-held company, diversity of expertise and experience in substantive matters pertaining to the Company's business relative to other board members, practical and mature business judgment, and experience with relevant social policy concerns. The nominating & corporate governance committee retains the right to modify these qualifications from time to time.

Director Nomination Process

When recommending candidates to the board of directors to be proposed for election at the annual meeting of stockholders, the nominating & corporate governance committee identifies nominees for director by first evaluating the current members of our board of directors who are willing to continue to serve on our board. Current members with qualifications and skills that are consistent with the committee's