



IMMUNOMEDICS,® INC.

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Vice President, Finance and
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Rodman and Renshaw 3rd Annual
Global Healthcare Conference

May 15th, 2006

Good afternoon and thank you for attending this presentation. My name is Gerard Gorman. I am the Vice President of Finance and Chief Financial Officer of Immunomedics.

Forward-Looking Statement

This presentation, in addition to historical information, contains certain forward-looking statements made pursuant to the Private Securities Litigation Reform Act of 1995. Such statements may involve significant risks and uncertainties, and actual results could differ materially from those expressed or implied herein. Factors that could cause such differences include, but are not limited to, new product development (including clinical trials outcome and regulatory requirements/actions), competitive risks to marketed products, and availability of required financing and other sources of funds on acceptable terms, if at all, as well as those discussed in the Company's filings with the Securities and Exchange Commission



I'll begin by reminding you that I will be making forward-looking statements during this presentation, and that you should be aware of the risks associated with such statements. Please refer to our regulatory filings, most recently our annual report for the year ended June 30, 2005, for discussion of such risks and uncertainties.

Overview

- **Biopharmaceutical company (*ticker: IMMU*) focused on antibody-based products for the therapy of**
 - **Cancer and Autoimmune diseases**
 - **Lead candidate: epratuzumab (*hCD22*)**
 - **ALLEVIATE trials for lupus**
 - **Out-licensed to UCB for all autoimmune indications worldwide**
 - **Fast Track status from FDA for lupus**
 - **New Protein Engineering Platform Technology (Dock and Lock Method)**



We are a New Jersey-based biopharmaceutical company focusing on the development of humanized antibody products and technologies for the therapy of cancer and autoimmune diseases.

Our lead product, epratuzumab, recently out-licensed to UCB, is currently in two phase III trials called ALLEVIATE for the treatment of patients with moderate and severe lupus. The collaboration, development and licensing agreement grants UCB the exclusive worldwide rights to develop, market and sell epratuzumab for all autoimmune disease indications.

The FDA has designated epratuzumab a fast track product for the treatment of lupus, and furthermore, there has not been a new lupus therapeutic approved in almost 40 years, so clearly this fits into a high, unmet medical need category.

I will also be discussing an exciting new platform technology for protein engineering called the dock and lock method, which has a broad spectrum of potential applications, in upcoming slides.

Business Strategy

➤ In House

- Discovery, manufacturing, safety and efficacy testing in clinical trials
- An extensive patent portfolio

➤ Out License to Partners

- Final clinical development and commercialization



Our business strategy involves the discovery, manufacturing and the testing of the safety and efficacy of our products internally, which are protected by an extensive patent portfolio. We then plan to partner, through out-licensing arrangements, for the final clinical development and commercialization.

UCB & IMMU License Agreement

- **Licensed to UCB**
 - All autoimmune disease indications
 - Worldwide territory
- **UCB assumes all costs**
 - Current and future clinical development and commercialization
- **Creation of global autoimmune guidance committee**
 - Oversee ALLEVIATE trials
 - Future activities in other autoimmune diseases
- **Retained rights in oncology**
 - UCB has buy-in with fees



This slide provides some of the terms of our recent out-licensing agreement with UCB. We granted UCB the exclusive worldwide rights to develop, market and sell epratuzumab for all autoimmune disease indications.

Under the terms of the agreement, UCB will assume all costs associated with current and future clinical development and commercialization of epratuzumab.

A committee with equal representation from both companies has been established to oversee the ongoing Phase III trials in lupus, and to undertake future activities for epratuzumab in other autoimmune diseases.

Immunomedics has retained the rights to develop epratuzumab in oncology, and UCB has the right to “buy in” to cancer indications for an undisclosed amount.

UCB & IMMU Financial Terms

- **Initial cash payment**
 - \$38 million
- **Potential milestone payments**
 - \$145 million in cash
 - \$20 million in equity investments
- **Potential sales bonuses**
 - up to \$135 million
- **Royalties**



The financial terms of the agreement are outlined in this slide:

We will receive an initial cash payment of \$38 million and could receive potential regulatory milestone payments of up to \$145 million in cash and \$20 million in equity investments. In addition to receiving royalties on sales, we could also receive sales bonuses of up to \$135 million upon reaching certain sales target levels.

Current Development Focus

- Products in Markets with Unmet Medical Needs
- B-cell Mediated Malignancies
 - hCD22 (epratuzumab)
 - hCD20
 - CD74
- Solid Tumor Targeted Therapy
 - ⁹⁰Y-hPAM4
- Dock and Lock Platform Technology



In order to effectively develop our products, and address diseases with unmet medical needs, we have prioritized our clinical development efforts by focusing on four of our pipeline product candidates.

Three of these products are different naked humanized antibodies, which recognize antigens on B-cells called CD22, CD20 and CD74. For solid tumor therapy, we are advancing our yttrium-labeled PAM4 antibody for pancreatic cancer therapy. Finally, we are developing a promising new technology platform, called dock and lock, which will be discussed in upcoming slides.

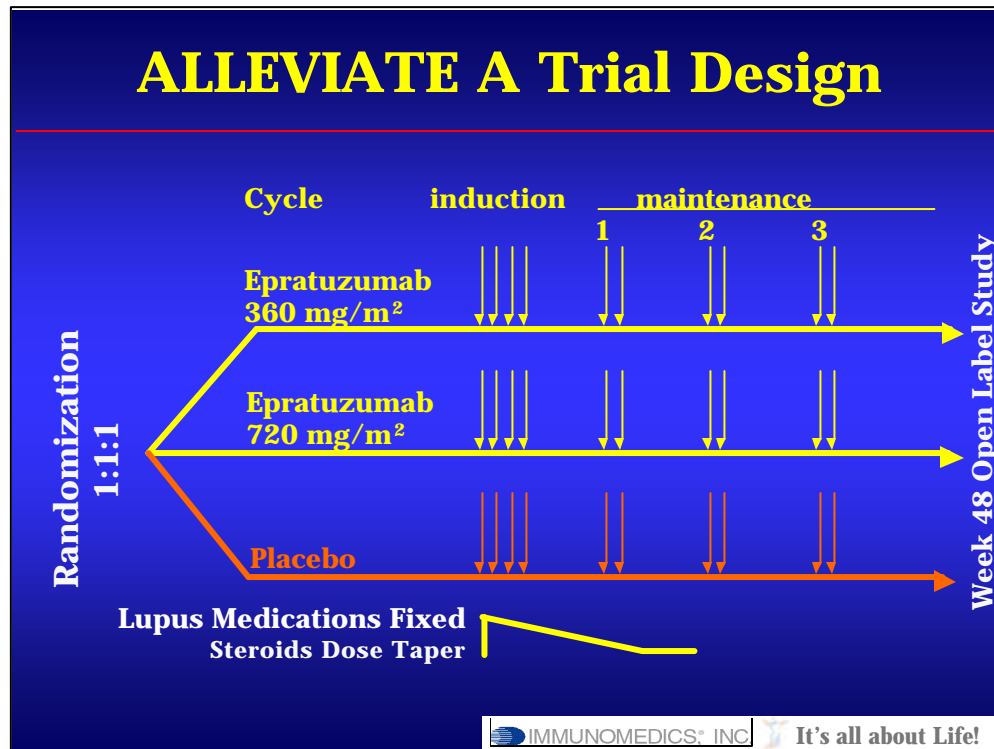
Epratuzumab - Lupus Phase III Trials

- **Two randomized, double-blind, placebo-controlled, multi-center studies (US, Europe, Asia, South America)**
- **ALLEVIATE A**
 - **Patients with acute severe lupus flares**
 - **510 patients**
- **ALLEVIATE B**
 - **Patients with active lupus**
 - **300 patients**



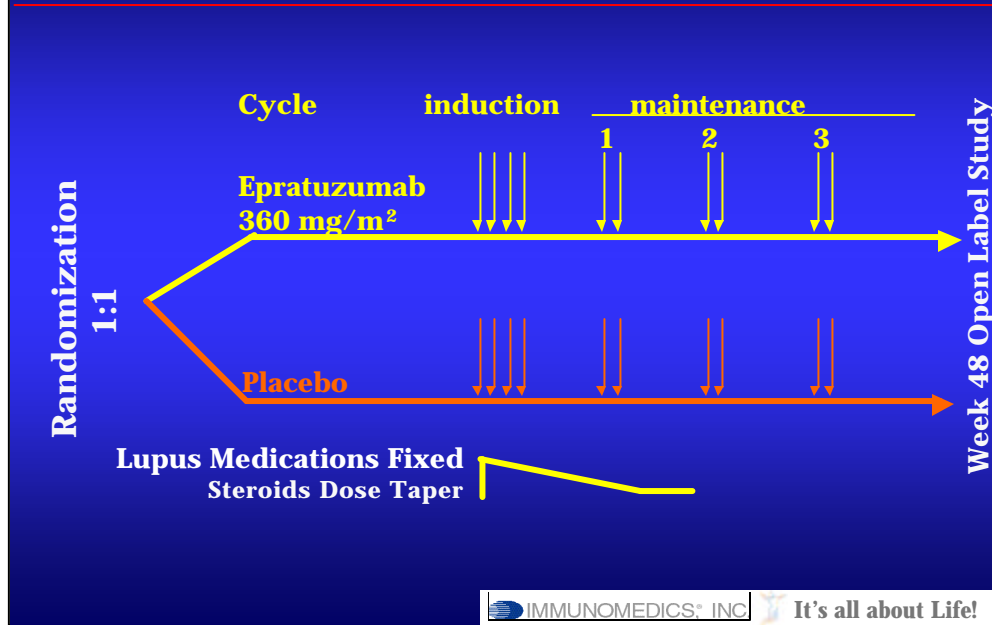
Let me first take a minute to describe the clinical development of our lead product, epratuzumab, which is currently in two Phase III trials for the treatment of patients with severe and moderate lupus. As I mentioned earlier, UCB will be responsible for the future development of epratuzumab in autoimmune diseases, including these two Phase III trials. Both trials are randomized, double-blinded, placebo controlled, and are being conducted on a worldwide basis. The Alleviate A trial is expected to enroll about 500 patients with severe lupus, and the Alleviate B trial is expected to enroll about 300 patients with moderate lupus activity.

ALLEVIATE A Trial Design



ALLEVIATE A has three treatment arms. Patients are 1:1:1 randomized to receiving standard of care plus either 360 mg/m² or 720 mg/m² of epratuzumab or a placebo. Cyclical therapy consists of induction therapy followed by maintenance therapy administered every 12 weeks. Patients receive a steroids pulse to control their lupus symptoms at the beginning of the trial, but steroids are not used to control infusion reactions. Steroid use will be tapered down to week 24 and other lupus medications remain unchanged through at least week 24. Patients remain in the study for 48 weeks. After completing the study, all patients are given the option of enrolling in an open label trial for an additional 48 weeks.

ALLEVIATE B Trial Design



For the ALLEVIATE B trial in lupus patients with moderate disease, there is a 1:1 randomization to one of two treatment arms, receiving either 360 mg/m² of epratuzumab plus standard care or a placebo plus standard care. The induction and maintenance cycles are identical to the ALLEVIATE A trial.

Endpoints for BILAG A and B Trials

➤ Primary

- Proportion of patients with CR, PR and NR

➤ Secondary

- Time-to-treatment failure
- Individual BILAG index assessment in each organ
- Quality of Life Measurements
- Safety Analysis (adverse events, serum immunoglobulins, B- and T- cell profiles, HAHA)



For both trials, the primary endpoint is to evaluate the proportion of patients with complete response, partial response or no response. Secondary endpoints include time-to-treatment failure, individual BILAG assessment in each organ, quality of life measurements and safety analysis, among other endpoints.

hCD20 Status

- **Developed for the therapy of non-Hodgkin's lymphoma (NHL)**
- **Affinity and potency profiles similar to rituximab**
- **Enrolling patients with NHL in phase I/II trials in USA and Europe**

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Let me move on to our second naked humanized B-cell antibody, called CD20, in which preclinical testing demonstrated this antibody is similar to rituximab's affinity, mechanism of action, and potency. Currently we are conducting Phase I/II clinical trials in the United States and Europe to evaluate various doses and dosing schedules in patients with NHL.

⁹⁰Y-hPAM4 Status

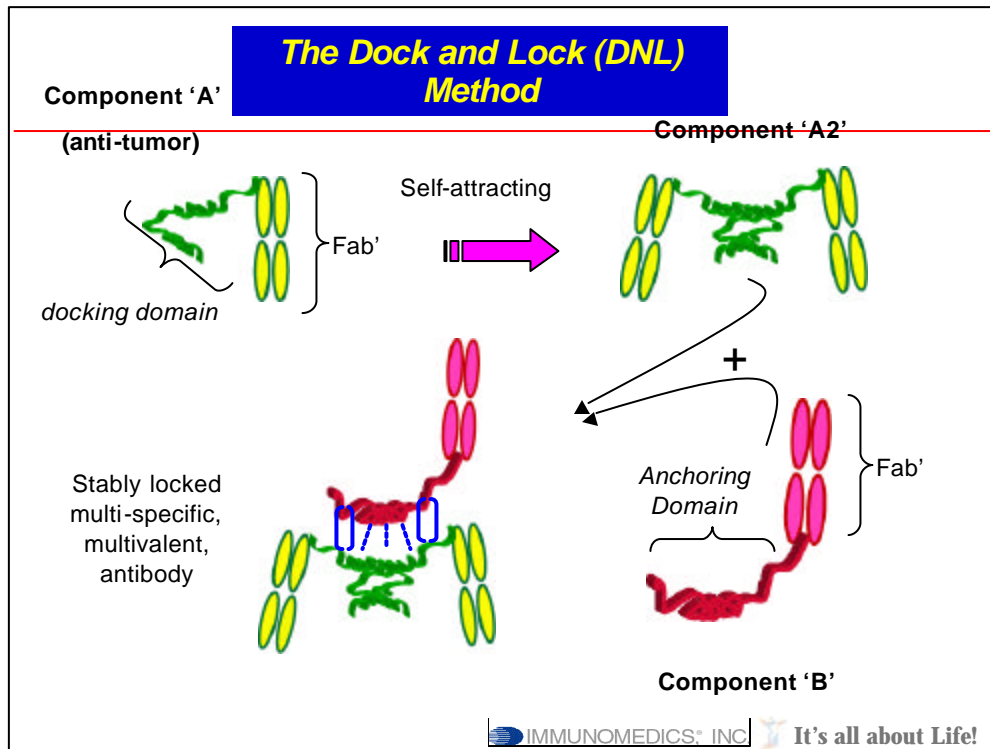
- **PAM4 is reactive with 85% of pancreatic cancer**
- **IND approved by FDA**
- **Patient enrollment for multicenter Phase I/II trials as a single agent has begun**
- **Multicenter Phase I/II trials in combination with gemcitabine planned**



Our solid tumor therapeutic, PAM4, reacts with about 85% of pancreatic cancers and has shown a high specificity for pancreatic cancer and minimal activity with normal tissues, including normal pancreas. We have humanized this antibody, have received approval of our IND from FDA to begin Phase I/II clinical trials, have received Orphan Drug status from the FDA, and are currently enrolling patients into this trial. Future plans include the clinical evaluation of the combination of yttrium-labeled PAM4 and gemcitabine, a drug approved for pancreatic cancer therapy and known to potentiate radiation. In preclinical studies, survival curves in animals with transplanted human pancreatic cancer demonstrate that the combination of yttrium-90-labeled PAM4 antibody and gemcitabine is superior to the yttrium-labeled PAM4 antibody by itself, or gemcitabine alone.

Dock and Lock Technology Platform (DNL)

Now I would like to switch gears and talk about a novel platform technology for protein engineering that was developed by our scientists. Termed the dock and lock or DNL method, we believe this technology has a broad spectrum of potential applications.



The dock and lock method is a very convenient way to prepare any number of different structures. We start with a structure that is designated in this slide as Component 'A', which is composed of an anti-tumor antibody fragment combined with a docking domain. (CLICK) These docking domains are naturally attracted to each other resulting in the formation of a highly stable structure shown here as Component 'A2'. (CLICK)

Produced separately is the second component, called Component 'B', which is a different protein composed of an antibody fragment coupled with an anchoring domain. (CLICK)

When 'A2' and 'B' are combined, 'A2' docks to the anchoring domain of 'B' in a highly specific manner. These components are positioned in such a way so that they will interact to form a covalent bond between each component, making these truly stable, multi-specific, multivalent structures.

DNL - Advantages

- **Potentially more active than single components**
- **Products are stable in vivo**
- **Generates pure products with defined composition**
- **Convenient way of constructing different products**
- **Potentially non-immunogenic**



We believe the DNL method is superior to existing conjugation technologies in at least five major aspects, and has the potential to make existing drugs more potent:

first, the multifunctional product produced can potentially have higher activity than each of their individual components, for example, the DNL methodology could result in greater potency of an existing drug by having two copies of the drug in the product,

second, the resulting conjugates are highly stable in vivo;

third, the new method has shown good productivity of pure products with defined composition;

fourth, the technology provides a convenient way of constructing different proteins and non-proteins on demand; and

lastly, the technology generates potentially non-immunogenic molecules to be used as therapeutics because all of the components are of human origin.

Financial Highlights

Initial Cash Payment from Licensing \$38MM
as of March 31, 2006

Cash & Securities	\$10MM
Total Assets	\$26MM
Current Liabilities	\$10MM
Annual Burn Rate	\$24MM
Shares Outstanding	56MM

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As of the third quarter ended March 31, 2006, we had \$10 million in cash or cash equivalents and a burn rate of about \$24 million per year. Our burn rate was primarily due to funding the two Phase III clinical trials with epratuzumab in patients with lupus, which are now UCB's responsibilities. Therefore our future burn rate will change, depending on prioritization of our product pipeline. As mentioned, we will receive an initial cash payment of \$38 million from UCB under our agreement completed last week, which improves our current cash position.

Near-Term Catalysts

- Updated Phase I/II data of *hA20* in NHL (ASCO)
- New DNL method, bispecific antibody for NHL therapy (ASCO)
- Initial results from open-label Phase II study with epratuzumab in lupus (ACR)



In summary, the major near-term drivers for our Company are presented on this slide. We have two major presentations at the American Society of Clinical Oncology, or ASCO meeting next month. One presentation will be on the updated clinical results from our Phase I/II studies in NHL with our humanized anti-CD20 antibody. We are also going to present a new bispecific antibody for NHL therapy. Finally, we plan to present initial results from the open-label Phase II clinical trial with epratuzumab in patients with lupus at the American College of Rheumatology meeting this fall.

Conclusion

- **Results from pivotal ALLEVIATE A and B lupus trials**
- **NHL therapy with humanized CD20 antibody**
- **Pancreatic cancer therapy with PAM4 antibody**
- **New CD74 antibody for B-cell mediated malignancies**
- **New structures from the DNL platform technology**



In conclusion, we look forward to working with UCB in the final development of epratuzumab as a therapeutic for patients with lupus and reporting results from the two Phase III clinical trials. In addition to continuing our development of our humanized CD20 antibody in patients with NHL, and PAM4 clinical trials in patients with pancreatic cancer, we are very excited about CD74, the latest antibody that we are bringing into the clinic this year. Finally, we will continue proof-of-concept development of new products from our DNL methodology both for internal uses and for out-licensing purposes.



Focused on Therapy:

**Autoimmune
Diseases &
Cancer**



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Thank you for your attention.