

MICROMET, INC.
Form 10-K/A
April 15, 2011

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549**

FORM 10-K/A

**FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTIONS 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

(Mark One)

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

For the Fiscal Year Ended December 31, 2010

OR

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

For the Transition Period from to

Commission File Number: 0-50440

MICROMET, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

52-2243564
(I.R.S. Employer
Identification No.)

6707 Democracy Boulevard, Suite 505
Bethesda, MD
(Address of Principal Executive Offices)

20817
(Zip Code)

(240) 752-1420

(Registrant's Telephone Number, Including Area Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value \$0.00004 per share, including associated Series A Junior Participating Preferred Stock Purchase Rights	Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Note checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Exchange Act from their obligations under those Sections.

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes

No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer <input type="radio"/>	Accelerated filer <input checked="" type="checkbox"/>	Non-accelerated filer <input type="radio"/> (Do not check if a smaller reporting company)	Smaller reporting company <input type="radio"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of June 30, 2010, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was approximately \$483.8 million, based on the closing price of the registrant's common stock on that date as reported by the NASDAQ Global Select Market.

The number of outstanding shares of the registrant's common stock, par value \$0.00004 per share, as of March 2, 2011 was 91,196,531 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive Proxy Statement to be filed with the Securities and Exchange Commission within 120 days after registrant's fiscal year ended December 31, 2010 are incorporated by reference into Part III of this report.

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Explanatory Note

Micromet, Inc. (the Company) is filing this Amendment No. 1 to the Annual Report on Form 10-K (the Form 10-K/A) to amend its Annual Report on Form 10-K for the year ended December 31, 2010, which was filed with the Securities and Exchange Commission (SEC) on March 3, 2011 (the Original Filing and together with the Form 10-K/A, the Form 10-K) to include restated financial statements as described in Note 20 to the consolidated financial statements contained herein and to make other corresponding changes as described below. The Company is restating its previously issued consolidated financial statements as of and for the years ended December 31, 2010 and 2009 and for each of the quarterly periods within each of the years ended December 31, 2010 and 2009, to reflect the Company's determination that it did not properly account for foreign currency transactions related to foreign-denominated available-for-sale investments.

In the Original Filing, net loss was understated by \$5.4 million for the year ended December 31, 2010 and overstated by \$1.6 million for the year ended December 31, 2009. There is no cash impact from these errors. The errors increased accumulated other comprehensive income by \$3.8 million as of December 31, 2010 and decreased accumulated other comprehensive income by \$1.6 million as of December 31, 2009.

During the years ended December 31, 2010 and 2009, the restatement resulted in adjustments of (\$5.4 million) and \$1.6 million, respectively, related to foreign currency transaction gains (losses), to Other Income (Expense) within the Company's consolidated statements of operations.

This amendment also contains reclassifications in the Company's unaudited balance sheet at March 31, 2010 and 2009, as described in Note 19 to the consolidated financial statements contained herein, to reclassify a portion of the foreign-denominated investments to cash equivalents.

The revisions relate to non-operating expense, non-cash items as of and for the years ended December 31, 2010 and 2009 and for each of the quarterly periods within each of the years ended December 31, 2010 and 2009. The restatement does not change the Company's previously reported revenues, operating expenses, loss from operations, total assets, total liabilities, total stockholders' equity, investments or cash and cash equivalents in its consolidated financial statements as of and for the years ended December 31, 2010 and 2009, as reflected in the Original Filing.

In the Original Filing, the Company reported under Item 9A Controls and Procedures, that its disclosure controls and procedures and its internal control over financial reporting were effective. Management, in consultation with the Audit Committee, has concluded that the errors described herein constituted a material weakness in the Company's internal control over financial reporting as of December 31, 2010 and that, as a result of such material weakness, the Company's disclosure controls and procedures were ineffective as of that date. The revised assessment, including a revised report Management Report on Internal Control Over Financial Reporting, is included under Part II, Item 9A of this Form 10-K/A.

The Company is including currently dated Sarbanes-Oxley Act Section 302 and Section 906 certifications of the Chief Executive Officer and Chief Financial Officer that are attached to this Form 10-K/A as Exhibits 31.1, 31.2 and 32.

All of the information in this Form 10-K/A is as of March 3, 2011, the date the Company filed the Original Filing with the SEC. This Form 10-K/A continues to speak as of the date of the Original Filing and does not reflect any subsequent information or events other than the matters described in this Explanatory Note. Forward-looking statements made in the Original Filing have not been revised to reflect events, results or developments that occurred or facts that became known to us after the date of the Original Filing, other than as specifically stated in this Form

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No attempt has been made in this Form 10-K/A to modify or update the disclosures in the Original Filing except as required to reflect the effects of the matters described above. Changes have been made to the following items solely as a result of, and to reflect, the matters described above, and no other information in the Form 10-K/A is amended hereby as a result of the restatement:

Part II, Item 6. Selected Financial Data

Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Part II, Item 8. Financial Statements and Supplementary Data

Part II, Item 9A. Controls and Procedures

Part IV, Item 15. Exhibits, Financial Statement Schedules

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MICROMET, INC.

**ANNUAL REPORT ON FORM 10-K
FOR THE YEAR ENDED DECEMBER 31, 2010
(Amendment No. 1)**

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The selected financial data set forth below with respect to the Company's consolidated statements of operations for each of the years in the three-year period ended December 31, 2010 and with respect to the consolidated balance sheets as of December 31, 2010 and 2009 are derived from the audited consolidated financial statements included elsewhere in this Form 10-K/A. The statement of operations data for each of the years in the two-year period ended December 31, 2007 and the balance sheet data at December 31, 2008, 2007 and 2006 are derived from audited financial statements not included in this Form 10-K/A or the Original Filing.

In May 2006, CancerVax Corporation merged with Micromet AG. In connection with the merger, CancerVax was renamed Micromet, Inc. For accounting purposes, the business combination was considered a reverse merger under which Micromet AG was considered the acquirer of CancerVax. Accordingly, all financial information prior to the merger date reflects the historical financial results of Micromet AG alone. For 2006, the results of operations of the combined company reflect those of Micromet AG for the full year and, from May 5, 2006 on, the combined financial results of Micromet AG and CancerVax.

The following selected financial data should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and notes contained in this Form 10-K/A.

	Years Ended December 31,				
	2010	2009	2008	2007	2006
	restated	restated			
	(In Thousands, Except per Share Amounts)				
Statement of Operations Data:					
Revenues:					
Collaboration agreements	\$27,947	\$19,584	\$25,870	\$17,366	\$25,449
License fees and other	797	1,457	1,416	1,018	2,134
Total revenues	28,744	21,041	27,286	18,384	27,583
Operating expenses:					
Research and development	49,375	53,423	37,846	28,407	27,291
In-process research and development					20,890
General and administrative	21,432	17,010	15,506	15,214	12,973
Total operating expenses	70,807	70,433	53,352	43,621	61,154
Loss from operations	(42,063)	(49,392)	(26,066)	(25,237)	(33,571)
Other income (expense):					
Interest expense	(108)	(281)	(222)	(509)	(1,725)
Interest income	355	419	740	938	743
Change in fair value of common stock warrants liability	(3,614)	(7,950)	(8,064)	1,750	
Other income (expense), net	(4,689)	1,140	377	2,932	561
Net loss	\$(50,119)	\$(56,064)	\$(33,235)	\$(20,126)	\$(33,992)
Basic and diluted net loss per common share	\$(0.63)	\$(0.96)	\$(0.77)	\$(0.55)	\$(1.29)
Weighted average shares used to compute basic and diluted net loss per share	79,726	58,582	43,309	36,362	26,366

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	December 31,				
	2010	2009	2008	2007	2006
	(restated)	(restated)			
	(In Thousands)				
Balance Sheet Data:					
Cash, cash equivalents and short-term investments	\$ 220,967	\$ 117,603	\$ 46,168	\$ 27,066	\$ 24,301
Working capital	179,847	67,728	27,992	15,735	11,578
Total assets	242,304	134,813	70,675	56,252	51,172
Deferred revenue, less current portion	20,538	13,281	7,555	8,366	195
Long-term debt, less current portion			2,157	2,254	7,408
Total stockholders' equity	174,589	66,841	35,388	24,978	24,518