

ADVANCED MAGNETICS INC
 Form 4
 July 31, 2006

FORM 4 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BLOCH SHELDON L

2. Issuer Name and Ticker or Trading Symbol
ADVANCED MAGNETICS INC [AVM]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
07/27/2006

Director 10% Owner
 Officer (give title below) Other (specify below)

C/O ADVANCED MAGNETICS, INC., 125 CAMBRIDGE PARK DRIVE, 6TH FLOOR

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)

Form filed by One Reporting Person
 Form filed by More than One Reporting Person

CAMBRIDGE, MA 02140

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	07/27/2006		M		5,000 (1)	A	\$ 3.2 19,200 D
Common Stock	07/27/2006		M		5,000 (1)	A	\$ 3.2 24,200 D
Common Stock	07/27/2006		M		10,000 (1)	A	\$ 3.05 34,200 D
Common Stock	07/27/2006		M		4,500 (1)	A	\$ 3.2 38,700 D
	07/27/2006		M			A	\$ 3.2 44,200 D

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Common Stock						5,500 <u>(1)</u>				
Common Stock	07/27/2006		M			5,000 <u>(1)</u>	A	\$ 3.85	49,200	D
Common Stock	07/27/2006		M			5,000 <u>(1)</u>	A	\$ 5.14	54,200	D
Common Stock	07/27/2006		M			8,000 <u>(1)</u>	A	\$ 9.4	62,200	D
Common Stock	07/27/2006		M			8,000 <u>(1)</u>	A	\$ 13.55	70,200	D
Common Stock	07/27/2006		M			8,000 <u>(1)</u>	A	\$ 8.98	78,200	D
Common Stock	07/27/2006		F			11,898	D	\$ 33.19	66,302	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (right to buy)	\$ 3.2	07/27/2006		M	5,000	<u>(2)</u> 04/02/2011	Common Stock	5,000
Stock Option (right to buy)	\$ 3.2	07/27/2006		M	5,000	<u>(3)</u> 04/02/2011	Common Stock	5,000
Stock Option (right to buy)	\$ 3.05	07/27/2006		M	10,000	<u>(4)</u> 05/01/2011	Common Stock	10,000

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Cashless exercise of stock options.
- (2) These stock options vested in five equal annual installments commencing on the first anniversary of the date of grant, which was April 2, 2002.
- (3) These stock options vested in five equal annual installments commencing on the first anniversary of the date of grant, which was April 2, 2002.
- (4) These stock options vested on the first anniversary of the date of grant which was May 1, 2003.
- (5) These stock options vested in four equal annual installments commencing on the first anniversary of the date of grant which was November 14, 2002.
- (6) These stock options vested in four equal annual installments commencing on the first anniversary of the date of grant, which was May 2, 2003.
- (7) These stock options vested immediately on the grant date, which was November 21, 2002.
- (8) These stock options vested immediately on the grant date which was November 4, 2003.
- (9) These stock options vested immediately on the grant date which was November 2, 2004.
- (10) These stock options vested immediately on the grant date which was November 2, 2004.
- (11) The exercise price is reported in column 2.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.