

AVALLONE MICHAEL N

Form 4

March 20, 2006

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

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

## OMB APPROVAL

OMB  
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2005  
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response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
AVALLONE MICHAEL N

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)  
03/16/2006

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

VP - Finance and CFO

C/O ADVANCED MAGNETICS,  
INC., 61 MOONEY STREET

(Street)

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

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_X\_\_ Form filed by One Reporting Person  
\_\_\_\_ Form filed by More than One Reporting  
Person

CAMBRIDGE, MA 02138

(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 Ownership (Instr. 4)
			Code	V	Amount (A) or (D)	Price	
Common Stock	03/16/2006		M		4,000	A \$ 14.7	4,000 D
Common Stock	03/16/2006		S		4,000 (1)	D \$ 30.01	0 D
Common Stock	03/16/2006		M		1,000	A \$ 16.8	1,000 D
Common Stock	03/16/2006		S		1,000 (1)	D \$ 30.01	0 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 (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)	\$ 14.7	03/16/2006		M	4,000	(2) 07/12/2015	Common Stock	4,000
Stock Option (right to buy)	\$ 16.8	03/16/2006		M	1,000	02/01/2006 02/01/2015	Common Stock	1,000

## Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
AVALLONE MICHAEL N C/O ADVANCED MAGNETICS, INC. 61 MOONEY STREET CAMBRIDGE, MA 02138	VP - Finance and CFO

## Signatures

/s/ Michael N. Avallone 03/20/2006

Signature of Reporting Person Date

## 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).

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- (1) Sale pursuant to broker-assisted cashless exercise of employee stock options.
- (2) The option vested in two equal installments on July 12, 2004 and 2005.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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