

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934

ADVANCED MAGNETICS, INC.

(Name of Issuer)

Common Stock

(Title of Class of Securities)

00753P 10 3

(CUSIP Number)

Hope Flack
BVF Inc.
c/o Grosvenor Capital Management, L.P.
333 West Wacker Drive, Suite 1600
Chicago, Illinois 60606
(312) 263-7777

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

OCTOBER 18, 1996

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box / /.

Check the following box if a fee is being paid with this statement / /.
(A fee is not required only if the reporting person: (1) has a previous statement on file reporting beneficial ownership of more than five percent of the class of securities described in Item 1; and (2) has filed no amendment subsequent thereto reporting beneficial ownership of five percent or less of such class. (See Rule 13d-7.)

NOTE: Six copies of this statement, including all exhibits, should be filed with the Commission. SEE Rule 13d-1(a) for other parties to whom copies are to be sent.

(Continued on following pages)

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(1) The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, SEE the NOTES).

(1) NAME OF REPORTING PERSON.
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

Biotechnology Value Fund, L.P.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER (a) /X/
OF A GROUP* (b) / /

(3) SEC USE ONLY

(4) SOURCE OF FUNDS*
WC

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON WITH

(7) SOLE VOTING POWER
-0-

(8) SHARED VOTING POWER
194,820

(9) SOLE DISPOSITIVE POWER
-0-

(10) SHARED DISPOSITIVE POWER
194,820

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
194,820

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
/ /

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
2.88%

(14) TYPE OF REPORTING PERSON
PN

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(1) NAME OF REPORTING PERSON.
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

BVF Partners L.P.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER (a) /X/
OF A GROUP* (b) / /

(3) SEC USE ONLY

(4) SOURCE OF FUNDS*
00

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES
BENEFICIALLY OWNED

(7) SOLE VOTING POWER
-0-

BY EACH REPORTING
PERSON WITH

(8) SHARED VOTING POWER
393,400

(9) SOLE DISPOSITIVE POWER
-0-

(10) SHARED DISPOSITIVE POWER
393,400

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
393,400

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
/ /

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
5.81%

(14) TYPE OF REPORTING PERSON
PN

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(1) NAME OF REPORTING PERSON.
S.S. OR I.R.S. IDENTIFICATION NO. OF ABOVE PERSON

BVF Inc.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER (a) /X/
OF A GROUP* (b) / /

(3) SEC USE ONLY

(4) SOURCE OF FUNDS*
WC, 00

(5) CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) / /

(6) CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES
BENEFICIALLY OWNED
BY EACH REPORTING
PERSON WITH

(7) SOLE VOTING POWER
-0-

(8) SHARED VOTING POWER
393,400

(9) SOLE DISPOSITIVE POWER
-0-

(10) SHARED DISPOSITIVE POWER
393,400

(11) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
393,400

(12) CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
/ /

(13) PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
5.81%

(14) TYPE OF REPORTING PERSON
IA, CO

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ITEM 1. SECURITY AND ISSUER.

This statement on Schedule 13D (this "Statement") relates to the Common Stock, par value \$0.10 per share (the "Stock"), of ADVANCED MAGNETICS, INC. ("Advanced Magnetix"). The principal executive office of Advanced Magnetix is located at 725 Concord Avenue, Cambridge, MA 02138.

ITEM 2. IDENTITY AND BACKGROUND.

The persons filing this Statement, the persons enumerated in Instruction C of Schedule 13D and, where applicable, their respective places of organization, general partners, directors, executive officers and controlling persons, and certain information regarding each of them, are as follows:

(a) Biotechnology Value Fund, L.P., a Delaware limited partnership ("BVF, L.P."), BVF Partners L.P., a Delaware limited partnership ("Partners"), BVF Inc., a Delaware corporation ("BVF Inc."), and Mark N. Lampert, an individual ("Lampert").

(b) The business address of BVF, L.P. and Partners is 333 West Wacker Drive, Suite 1600, Chicago, Illinois 60606. The business address of BVF Inc. and Lampert is One Sansome Street, 39th Floor, San Francisco, California 94104.

(c) Partners is the general partner of BVF, L.P., which is an investment limited partnership. BVF Inc. is an investment adviser to and general partner of Partners. Lampert is the sole shareholder and director and the President and Secretary of BVF Inc.

(d) During the last five years, none of such persons has been convicted in a criminal proceeding (excluding traffic violations and similar misdemeanors).

(e) During the last five years, none of such persons was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) Lampert is a citizen of the United States of America.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION.

Neither BVF, L.P., Partners nor BVF Inc. (collectively, the "Reporting Persons") has purchased any shares of the Stock since the last filing in respect of this Statement. In the past, Partners in its capacity as general partner of BVF, L.P., has purchased on behalf of such limited partnership shares of the Stock utilizing funds provided by BVF, L.P. from its working capital pursuant to the terms of its limited partnership agreement with Partners. Partners, in its capacity as investment manager with respect to a managed accounts, has purchased on behalf of such managed account shares of the Stock utilizing funds under management by Partners pursuant to an investment management agreement between Partners and

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such managed account. In addition, BVF Inc., in its capacity as investment manager with respect to certain managed accounts, has purchased on behalf of such managed accounts shares of the Stock utilizing funds under management (including funds invested by BVF Inc. on its own behalf) by BVF Inc. pursuant to investment management agreements between BVF Inc. and such managed accounts or the operating agreements of such managed accounts.

ITEM 4. PURPOSE OF TRANSACTION.

The sole purpose of the acquisitions and dispositions of the Stock

reported in this Statement and the amendments hereto was and is for investment. The Reporting Persons did not at the time of such acquisitions and dispositions of the Stock, and do not presently, have any plan to acquire control of Advanced Magnetics. The Reporting Persons may acquire or dispose of additional shares of the Stock from time to time.

ITEM 5. INTEREST IN SECURITIES OF THE ISSUER.

(a) BVF, L.P. beneficially owns 194,820 shares of the Stock, and Partners and BVF Inc., each beneficially owns 393,400 shares of the Stock, approximately 2.88% and 5.81%, respectively, of the aggregate number of shares outstanding as of June 30, 1996.

(b) BVF, L.P. shares voting and dispositive power over the 194,820 shares of the Stock it beneficially owns with Partners. Partners and BVF Inc. share voting and dispositive power over the 393,400 shares of the Stock it beneficially owns with BVF, L.P. and the managed accounts on whose behalf Partners, as investment manager, purchased such shares. The managed account on whose behalf Partners has purchased shares of the Stock are Investment 10 L.L.C., an Illinois limited liability company ("I10"), Palmundo L.D.C., a limited duration company organized under the laws of the Cayman Islands ("Palmundo"), Z.P.G. Securities, L.L.C., a New York limited liability company ("ZPG") and Biotechnology Value Fund, Ltd. a Cayman Islands Corporation ("BVF Ltd."). I10, Palmundo, ZPG and BVF Ltd. are collectively referred to herein as the "Accounts." The Accounts specialize in holding biotechnology stocks for investment purposes and the business address of each is c/o Grosvenor Capital Management, L.P., 333 West Wacker Drive, Suite 1600, Chicago, Illinois 60606.

(c) Exhibit B hereto contains information as to all transactions in the Stock by the Reporting Persons during the past 60 days. All such transactions were made for cash and involved the resale by the Reporting Persons of restricted securities in accordance with exemptions under applicable federal and state securities laws. No other transactions in the Stock have been effected by the Reporting Persons since March 15, 1996.

(d) BVF, L.P. and the Accounts are entitled to receive dividends and any sale proceeds with respect to the Stock in proportion to their respective ownership interests therein.

(e) N/A

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ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER.

Partners is the general partner of BVF, L.P. pursuant to a limited partnership agreement which authorizes Partners, among other things, to invest the funds of BVF, L.P. in the Stock and to vote and dispose of the Stock. Pursuant to such limited partnership agreement, Partners is entitled to allocations based on assets under management and realized and unrealized gains thereon. Pursuant to investment management agreements with the Accounts, Partners has the authority, among other things, to invest funds of the Accounts in the Stock and to vote and dispose of the Stock. Pursuant to such agreements, Partners receives fees based on assets under management and realized and unrealized gains thereon. BVF Inc. is the general partner of Partners and may be deemed to own beneficially securities over which Partners exercises voting and dispositive power.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

Exhibit A - Agreement Regarding Joint Filing

Exhibit B - Transactions in the Stock by the Reporting Persons during the last 60 days

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: October 29, 1996

BIOTECHNOLOGY VALUE FUND, L.P.

By: BVF Partners, L.P., its general partner

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert, President

BVF PARTNERS L.P.

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert, President

BVF INC.

By: /s/ MARK N. LAMPERT

Mark N. Lampert, President

AGREEMENT REGARDING JOINT FILING

The undersigned, Biotechnology Value Fund, L.P., a Delaware limited partnership, BVF Inc., a Delaware Corporation, and BVF Partners L.P., a Delaware limited partnership, hereby agree and acknowledge that the amended statement containing the information required by Schedule 13D, to which this Agreement is attached as an exhibit, is filed on behalf of each of them. The undersigned further agree that any amendments or supplements thereto shall also be filed on behalf of each of them.

Dated: October 29, 1996

BIOTECHNOLOGY VALUE FUND, L.P.

By: BVF Partners L.P., its general partner

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert, President

BVF PARTNERS L.P.

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert, President

BVF INC.

By: /s/ MARK N. LAMPERT

Mark N. Lampert, President

EXHIBIT B

TRANSACTIONS IN THE STOCK
BY THE REPORTING PERSONS DURING THE LAST 60 DAYS

SETTLEMENT DATE (1)	BY	FOR THE ACCOUNT OF	QUANTITY	PRICE PER SHARE	TYPE OF TRADE
September 6, 1996	Partners	BVF Ltd.	2,000	\$18.2917	Purchase
September 6, 1996	Partners	BVF, L.P.	4,000	\$18.2917	Purchase
September 6, 1996	Partners	I10	3,000	\$18.2917	Purchase
September 9, 1996	Partners	BVF Ltd.	3,700	\$18.25	Purchase
September 20, 1996	Partners	BVF Ltd.	5,000	\$17.25	Purchase
September 23, 1996	Partners	ZPG	3,000	\$16.875	Sale
September 23, 1996	Partners	Palmundo	3,600	\$16.875	Sale
October 9, 1996	Partners	ZPG	12,000	\$17.0625	Sale(2)
October 9, 1996	Partners	Palmundo	10,000	\$17.0625	Sale(2)
October 9, 1996	Partners	BVF Ltd.	22,000	\$17.0781	Purchase(2)
October 18, 1996	Partners	BVF Ltd.	6,500	\$15.4554	Purchase(3)
October 30, 1996	Partners	BVF Ltd.	21,200	\$15.00	Purchase
October 31, 1996	Partners	BVF Ltd.	15,000	\$15.00	Purchase
October 31, 1996	Partners	BVF L.P.	10,000	\$15.00	Purchase
October 31, 1996	Partners	I10	2,800	\$15.00	Purchase

(1) All trades through Daiken Securities except (2) through Mr. Stock and (3) through Preferred Technology, Inc.