

INSMED INC
Form SC 13G/A
February 11, 2005

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

SCHEDULE 13G
(Rule 13d-102)

**INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT
TO RULES 13d-1(b) (c) AND (d) AND AMENDMENTS THERETO FILED
PURSUANT TO 13d-2(b)
(Amendment No. 5)¹**

Insmmed Incorporated

(Name of Issuer)

Common Stock

(Title of Class of Securities)

457669 20 8

(CUSIP Number)

December 31, 2004

(Date of Event Which Requires Filing of this Statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

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*).

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1 NAME OF REPORTING PERSON:
Biotechnology Value Fund, L.P.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES	5	SOLE VOTING POWER 0
BENEFICIALLY OWNED BY	6	SHARED VOTING POWER 487,466
EACH REPORTING PERSON	7	SOLE DISPOSITIVE POWER 0
WITH:	8	SHARED DISPOSITIVE POWER 487,466

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
487,466

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
1.27%

12 TYPE OF REPORTING PERSON*
PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1 NAME OF REPORTING PERSON:
Biotechnology Value Fund II, L.P.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES	5	SOLE VOTING POWER	0
BENEFICIALLY OWNED BY EACH REPORTING PERSON	6	SHARED VOTING POWER	428,500
WITH:	7	SOLE DISPOSITIVE POWER	0
	8	SHARED DISPOSITIVE POWER	428,500

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
428,500

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
1.12%

12 TYPE OF REPORTING PERSON*
PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1 NAME OF REPORTING PERSON:
BVF Investments, L.L.C.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER	0
	6	SHARED VOTING POWER	974,400
	7	SOLE DISPOSITIVE POWER	0
	8	SHARED DISPOSITIVE POWER	974,400

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
974,400

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
2.54%

12 TYPE OF REPORTING PERSON*
OO

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1 NAME OF REPORTING PERSON:
Investment 10, L.L.C.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP* (a) y
 (b) o

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Illinois

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5 SOLE VOTING POWER 0
	6 SHARED VOTING POWER 73,400
	7 SOLE DISPOSITIVE POWER 0
	8 SHARED DISPOSITIVE POWER 73,400

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
73,400

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES* o

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
0.19%

12 TYPE OF REPORTING PERSON*
OO

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1 NAME OF REPORTING PERSON:
BVF Partners L.P.
 I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

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

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH:	5	SOLE VOTING POWER	0
	6	SHARED VOTING POWER	1,963,766
	7	SOLE DISPOSITIVE POWER	0
	8	SHARED DISPOSITIVE POWER	1,963,766

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,963,766

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)
5.11%

12 TYPE OF REPORTING PERSON*
PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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1 NAME OF REPORTING PERSON:

BVF Inc.

I.R.S. IDENTIFICATION NO. OF ABOVE PERSON (ENTITIES ONLY):

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP*

(a)
(b)

3 SEC USE ONLY

4 CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

NUMBER OF SHARES	5	SOLE VOTING POWER 0
BENEFICIALLY OWNED BY	6	SHARED VOTING POWER 1,963,766
EACH REPORTING PERSON	7	SOLE DISPOSITIVE POWER 0
WITH:	8	SHARED DISPOSITIVE POWER 1,963,766

9 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

1,963,766

10 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (9) EXCLUDES CERTAIN SHARES*

11 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (9)

5.11%

12 TYPE OF REPORTING PERSON*

IA, CO***SEE INSTRUCTIONS BEFORE FILLING OUT!**

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ITEM 1(a). NAME OF ISSUER:

Insmmed Incorporated ("Insmmed")

ITEM 1(b). ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES:

4851 Lake Brook Drive
Glen Allen, Virginia 23060

ITEM 2(a). NAME OF PERSON FILING:

This Amendment to Schedule 13G is being filed on behalf of the following persons (the "Reporting Persons"):

- (i) Biotechnology Value Fund, L.P. ("BVF")
- (ii) Biotechnology Value Fund II, L.P. ("BVF2")
- (iii) BVF Investments, L.L.C. ("Investments")
- (iv) Investment 10, L.L.C. ("ILL10")
- (v) BVF Partners L.P. ("Partners")
- (vi) BVF Inc. ("BVF Inc.")

ITEM 2(b). ADDRESS OF PRINCIPAL BUSINESS OFFICE:

The principal business office of the Reporting Persons comprising the group filing this Amendment to Schedule 13G is located at 227 West Monroe Street, Suite 4800, Chicago, Illinois, 60606.

ITEM 2(c). CITIZENSHIP:

BVF:	a Delaware limited partnership
BVF2:	a Delaware limited partnership
Investments:	a Delaware limited liability company
ILL10:	an Illinois limited liability company
Partners:	a Delaware limited partnership
BVF Inc.:	a Delaware corporation

ITEM 2(d). TITLE OF CLASS OF SECURITIES:

This Amendment to Schedule 13G is being filed with respect to the common stock, par value \$0.01 per share (the "Common Stock"), of Insmmed. The Reporting Persons' percentage ownership of the Common Stock is based on 38,409,643 shares of the Common Stock outstanding

ITEM 2(e). CUSIP Number:

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ITEM 3. IF THIS STATEMENT IS FILED PURSUANT TO RULE 13d-1(b), or 13d-2(b) or (c) CHECK WHETHER THE PERSON FILING IS: One of the following

Not applicable as this Amendment to Schedule 13G is filed pursuant to Rule 13d-1(c).

ITEM 4. OWNERSHIP:

The information in items 1 and 5 through 11 on the cover pages (pp. 2 - 7) on this Amendment to Schedule 13G is hereby incorporated by reference.

ITEM 5. OWNERSHIP OF FIVE PERCENT OR LESS OF A CLASS:

If this statement is being filed to report the fact that as of the date hereof the Reporting Persons have ceased to be the beneficial owner of more than five percent of the class of securities check the following. o

ITEM 6. OWNERSHIP OF MORE THAN FIVE PERCENT ON BEHALF OF ANOTHER PERSON:

Pursuant to the operating agreement of Investments, Partners is authorized, among other things, to invest the funds of Ziff Asset Management, L.P., the majority member of Investments, in shares of the Common Stock beneficially owned by Investments and to vote and exercise dispositive power over those shares of the Common Stock. Partners and BVF Inc. share voting and dispositive power over shares of the Common Stock beneficially owned by BVF, BVF2, Investments and those owned by ILL10, on whose behalf Partners acts as an investment manager and, accordingly, Partners and BVF Inc. have beneficial ownership of all of the shares of the Common Stock owned by such parties.

ITEM 7. IDENTIFICATION AND CLASSIFICATION OF THE SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING REPORTED ON BY THE PARENT HOLDING COMPANY:

Not applicable.

ITEM 8. IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF A GROUP:

Not applicable.

ITEM 9. NOTICE OF DISSOLUTION OF GROUP:

Not applicable.

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ITEM 10. CERTIFICATION

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

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: February 11, 2005

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

BIOTECHNOLOGY VALUE FUND II, 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 INVESTMENTS, L.L.C.

By: BVF Partners L.P., its manager

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert
President

INVESTMENT 10, L.L.C.

By: BVF Partners L.P., its attorney-in-fact

By: BVF Inc., its general partner

By: /s/ MARK N. LAMPERT

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Mark N. Lampert
President

BVF PARTNERS L.P.

By: BVF Partners Inc., its general partner

By: /s/ MARK N. LAMPERT

Mark N. Lampert
President

BVF INC.

By: /s/ MARK N. LAMPERT

Mark N. Lampert
President
