Bayless William C Jr
Form 4
January 29, 2018

# FORM 4

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

**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

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

(Print or Type Responses)

1. Name and Address of Reporting Person *
Bayless William C Jr

(Last) (First) (Middle)

C/O AMERICAN CAMPUS COMMUNITIES, INC., 12700 HILL COUNTRY BLVD., SUITE T-200

(Street)

AUSTIN, TX 78738

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
AMERICAN CAMPUS COMMUNITIES INC [ACC]

3. Date of Earliest Transaction (Month/Day/Year)
01/25/2018

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
__X__ Officer (give title below) _____ Other (specify below)
Chief Executive Officer

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

**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 Beneficial Ownership (Instr. 4) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common stock | 04/10/2017 | | G | V | 1,175 | D | $ 0 | 289,148.19 | D | |
| Common stock | 05/01/2017 | | G | V | 1,165 | D | $ 0 | 287,983.19 | D | |
| Common stock | 06/21/2017 | | G | V | 460 | D | $ 0 | 287,523.19 | D | |
| Common stock | 01/25/2018 | | A | | 58,995.18 | A | $ 0 | 346,518.37 | 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. Price of Derivative Security (Instr. 5) | 9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Code | V | (A) | (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | | |

# Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---|---|---|---|
| | Director | 10% Owner | Officer | Other |
| Bayless William C Jr<br>C/O AMERICAN CAMPUS COMMUNITIES, INC.<br>12700 HILL COUNTRY BLVD., SUITE T-200<br>AUSTIN, TX 78738 | X | | Chief Executive Officer | |

# Signatures

| /s/ Kim K. Voss, Attorney-in-fact | 01/29/2018 |
|---|---|
| **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).

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. December 2007, we submitted an NDA for ferumoxytol as an IV iron replacement therapeutic agent in CKD patients and therefore do not intend to track additional external costs related to that project. However, during 2008, we intend to initiate additional Phase II and/or Phase III studies in patient populations other than CKD patients. As of June 30, 2008, we have not incurred significant costs related to these projects.

At this time, due to the numerous risks and uncertainties inherent in the clinical development and regulatory approval process, including significant and changing government regulation, and given the current stage of our development of new indications for ferumoxytol, we are unable to estimate with any certainty the costs we will incur in the development of new indications for ferumoxytol for potential commercialization. The estimated costs to completion for the various stages of clinical development can vary significantly depending on the nature of the product candidate, the number of patients enrolled in each trial, the speed at which patients are enrolled, the disease indications being tested and many other factors. For a discussion of the risks and uncertainties associated with the timing and cost of completing development of a product candidate, see Item 1A Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2007. While we are currently focused on the potential commercial launch of ferumoxytol as an IV iron replacement therapeutic agent in CKD patients, we anticipate that we will make determinations as to which new indications to pursue and how much funding to direct to each new indication on an ongoing basis in response to the scientific and clinical progress associated with each indication, as well as an ongoing assessment as to each indication s commercial potential. We cannot forecast with any degree of certainty which indications may be subject to future collaborative or licensing arrangements, when such arrangements will be secured, if at all, and to what degree such arrangements would affect our development plans and capital requirements. Similarly, we are currently unable to provide meaningful estimates of the timing of completion of each of our development projects for additional indications for ferumoxytol as an estimation of completion dates would be highly speculative and subject to a number of risks and uncertainties.

*Selling, General and Administrative Expenses*

Selling, general and administrative expenses for the three months ended June 30, 2008 and 2007 consisted of the following (in thousands):

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2008 | 2007 | $ Change | % Change |
| Compensation, payroll taxes and benefits | $ 3,083 | $ 1,365 | $ 1,718 | >100% |
| Professional and consulting fees and other expenses | 7,217 | 1,857 | 5,360 | >100% |
| Equity-based compensation expense | 2,311 | 1,861 | 450 | 24% |
| Total | $ 12,611 | $ 5,083 | $ 7,528 | >100% |

The increase of $7.5 million in selling, general and administrative expenses for the three months ended June 30, 2008 as compared to the three months ended June 30, 2007 was due primarily to increased

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costs associated with the on-going expansion of our commercial operations function, including consulting costs related to preparing for the potential commercial launch of ferumoxytol; higher compensation and benefit costs related to increased headcount in our commercial operations function; equity-based compensation expense, which includes increased expense associated with performance-based stock option grants; and the expansion of our general administrative infrastructure. At June 30, 2008 we had 62 employees in our selling, general and administrative departments as compared to 18 employees at June 30, 2007, an increase of 244%. The $0.5 million increase in equity-based compensation expense was primarily attributable to increased stock option grants associated with new and existing employees.

We expect selling, general and administrative expenses to significantly increase during the remainder of 2008 as we continue our efforts to augment our infrastructure and prepare for the potential commercial launch of ferumoxytol. We continue to incur significant expense related to the hiring of our own sales force, developing our marketing infrastructure, executing related marketing and promotional programs and hiring consultants in preparation for the potential commercialization of ferumoxytol as an IV iron replacement therapeutic agent in patients with CKD.

*Other Income (Expense)*

Other income (expense) consisted of $2.2 million and $2.6 million of interest income for the three months ended June 30, 2008 and 2007, repectively. The $0.4 million decrease in other income (expense) was primarily attributable to decreased interest income associated with lower interest rates in the three months ended June 30, 2008 as compared to the three months ended June 30, 2007.

*Net Loss*

For the reasons stated above, we incurred a net loss of $17.0 million, or $1.00 per basic and diluted share, for the three months ended June 30, 2008 compared to a net loss of $6.9 million, or $0.46 per basic and diluted share, for the three months ended June 30, 2007.

**Results of Operations for the Six Months Ended June 30, 2008 as Compared to the Six Months Ended June 30, 2007**

*Revenues*

Total revenues were $1.1 million and $1.7 million for the six months ended June 30, 2008 and 2007, respectively, representing a decrease of approximately 34%. The decrease in revenues was due primarily to the recognition in February 2007 of $0.4 million of deferred license fee revenues as the result of the termination of our *Combidex* License and Marketing Agreement with Cytogen as well as a decrease in product sales.

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Our revenues for the six months ended June 30, 2008 and 2007 consisted of the following (in thousands):

| | Six Months Ended June 30, 2008 | 2007 | $ Change | % Change |
|---|---|---|---|---|
| Revenues: | | | | |
| License fees | $ 369 | $ 726 | $ (357) | -49% |
| Royalties | 125 | 141 | (16) | -12% |
| Product sales | 604 | 791 | (187) | -24% |
| Total | $ 1,098 | $ 1,658 | $ (560) | -34% |

The following table sets forth customers who represented 10% or more of our revenues for the six months ended June 30, 2008 and 2007. No other company accounted for more than 10% of our total revenues in either period.

| | Six Months Ended June 30, 2008 | 2007 |
|---|---|---|
| Guerbet S.A. | 43% | 24% |
| Bayer Healthcare Pharmaceuticals | 37% | 43% |
| Covidien, Ltd. | 16% | 0% |
| Cytogen Corporation | 0% | 22% |

*License Fee Revenues*

Our license fee revenues for the six months ended June 30, 2008 and 2007 consisted of deferred license fee revenues that are being amortized in connection with the Bayer Agreements. In addition, our license fee revenues for the six months ended June 30, 2007 also included deferred license fee revenues that were being amortized in connection with a License and Marketing Agreement with Cytogen which terminated in February 2007.

In February 1995, we entered into the Bayer Agreements, granting Bayer a product license and exclusive marketing rights to *Feridex I.V.* in the U.S. and Canada. In 1996, the parties agreed to remove Canada from the territories subject to the Bayer Agreements. Bayer paid us non-refundable license fees and other fees in connection with the Bayer Agreements. We account for the revenues associated with the Bayer Agreements on a straight-line basis over the 15 year term of the Bayer Agreements due to the existence of an established contract period. The Bayer Agreements expire in 2010 but can be terminated earlier upon the occurrence of certain specified events.

In August 2000, we entered into a License and Marketing Agreement with Cytogen, or the Cytogen Agreement, in which, among other things, we granted Cytogen exclusive U.S. marketing rights to *Combidex*. At the time of signing that agreement, we received shares of common stock of Cytogen with a market value of approximately $13.5 million as a non-refundable licensing fee. This fee was recognized as revenue over the development period of the products subject to the Cytogen Agreement based upon costs incurred and expected remaining expenditures related to the agreement. The entire amount of the license fee was recorded as deferred revenues upon signing the Cytogen Agreement. In February 2007, as part of the settlement of a lawsuit with Cytogen, we paid Cytogen $4.0 million in cash. In addition, the Cytogen Agreement was terminated and the remainder of the deferred revenues associated with this agreement, $0.4 million, was recognized in February 2007 as there were no

additional performance obligations under the License Agreement due to its termination.



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Total license fee revenues for the six months ended June 30, 2008 and 2007 were recognized as follows (in thousands):

| | Six Months Ended June 30, 2008 | 2007 | $ Change | % Change |
|---|---|---|---|---|
| License fee revenues recognized in connection with the Cytogen Agreement | $ | $ 357 | $ (357) | -100% |
| License fee revenues recognized in connection with the Bayer Agreement | 369 | 369 | | 0% |
| Total | $ 369 | $ 726 | $ (357) | -49% |

*Product Sale Revenues*

Product sale revenues for the six months ended June 30, 2008 and 2007 consisted of the following (in thousands):

| | Six Months Ended June 30, 2008 | 2007 | $ Change | % Change |
|---|---|---|---|---|
| *Feridex I.V.* | $ 267 | $ 344 | $ (77) | -22% |
| *GastroMARK* | 317 | 312 | 5 | 2% |
| *Combidex* | 20 | 135 | (115) | -85% |
| Total | $ 604 | $ 791 | $ (187) | -24% |

The decrease in product sale revenues for the six months ended June 30, 2008 as compared to the six months ended June 30, 2007 was the result of a decrease in the sale of bulk *Combidex* to one of our foreign marketing partners for research and development purposes and a decrease in sales of *Feridex I.V.* to our marketing partners. Product sales may fluctuate from period to period. Fluctuations in our product sales are primarily attributable to unpredictable annual product demand by end users and the batch sizes in which our products are manufactured and shipped, which create uneven purchasing patterns by our marketing partners. We expect that revenues from our current products will not substantially change from their current levels.

*Costs and Expenses*

*Cost of Product Sales*

We incurred costs associated with product sales during the six months ended June 30, 2008 and 2007 of approximately $0.1 million and $0.3 million, respectively. This constituted approximately 12% and 33% of product sales during the six months ended June 30, 2008 and 2007, respectively. The decrease in cost of product sales as a percentage of product sale revenues was due primarily to a decrease in the sale of bulk *Combidex* at cost to one of our foreign marketing partners for research and development purposes during the six months ended June 30, 2007 compared to the six months ended June 30, 2008. The cost of product sales and therefore our gross margin is dependent on the mix of customers, prices we charge for our products, product mix, changes in unit volume and production efficiencies.

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*Research and Development Expenses*

Research and development expenses for the six months ended June 30, 2008 and 2007 consisted of the following (in thousands):

| | Six Months Ended June 30, 2008 | 2007 | $ Change | % Change |
|---|---|---|---|---|
| External Research and Development Expenses: | | | | |
| Ferumoxytol as an IV iron replacement therapeutic agent | $ 781 | $ 4,915 | $ (4,134) | -84% |
| Ferumoxytol as an imaging agent | 576 | | 576 | N/A |
| Ferumoxytol manufacturing and materials | 1,704 | | 1,704 | N/A |
| *Combidex* and other external costs | 426 | 503 | (77) | -15% |
| Total | 3,487 | 5,418 | (1,931) | -36% |
| | | | | |
| Internal Research and Development Expenses: | | | | |
| Compensation, payroll taxes, benefits and other expenses | 6,805 | 5,039 | 1,766 | 35% |
| Equity-based compensation expense | 1,592 | 799 | 793 | 99% |
| Total | 8,397 | 5,838 | 2,559 | 44% |
| Total Research and Development Expenses | $ 11,884 | $ 11,256 | $ 628 | 6% |

Total research and development expenses of $11.9 million for the six months ended June 30, 2008 remained relatively stable as compared to total research and development expenses of $11.3 million for the six months ended June 30, 2007. Our external research and development expenses decreased by $1.9 million, or 36%, primarily as the result of a decrease in expenditures associated with the development program for ferumoxytol as an IV iron replacement therapeutic agent in CKD patients as we completed our Phase III clinical trials in 2007, partially offset by an increase in costs associated with our preparation for commercial scale manufacturing of ferumoxytol and start-up costs associated with potential clinical trials of ferumoxytol in indications other than CKD. The decrease in external costs was offset by a $2.6 million, or 44%, increase in our internal costs primarily due to higher compensation and benefit costs as a result of hiring additional research and development personnel as we continue to expand our development infrastructure and scale-up our manufacturing capabilities for the expected commercialization of ferumoxytol. At June 30, 2008, we had 70 employees in research and development as compared to 43 employees at June 30, 2007, an increase of 63%. The $0.8 million increase in equity-based compensation expense was primarily attributable to increased stock option grants to both new and existing employees.

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*Selling, General and Administrative Expenses*

Selling, general and administrative expenses for the six months ended June 30, 2008 and 2007 consisted of the following (in thousands):

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2008 | 2007 | $ Change | % Change |
| Compensation, payroll taxes and benefits | $ 5,632 | $ 2,010 | $ 3,622 | >100% |
| Professional and consulting fees and other expenses | 11,068 | 2,876 | 8,192 | >100% |
| Equity-based compensation expense | 4,296 | 2,988 | 1,308 | 44% |
| Total | $ 20,996 | $ 7,874 | $ 13,122 | >100% |

The increase in selling, general and administrative expenses for the six months ended June 30, 2008 as compared to the six months ended June 30, 2007 was due primarily to increased costs associated with the on-going expansion of our commercial operations function, including consulting costs related to preparing for the potential commercial launch of ferumoxytol, higher compensation and benefit costs related to increased headcount in our commercial operations function, equity-based compensation expense, which includes increased expense associated with performance-based stock option grants, and the expansion of our general administrative infrastructure. At June 30, 2008, we had 62 employees in our selling, general and administrative departments as compared to 18 employees at June 30, 2007, an increase of 244%. The $1.3 million increase in equity-based compensation expense was primarily attributable to increased stock option grants associated with new and existing employees and also included a $0.5 million incremental expense related to performance-based stock option grants in the six months ended June 30, 2008 as compared to the six months ended June 30, 2007.

*Other Income (Expense)*

Other income (expense) for the six months ended June 30, 2008 and 2007 consisted of the following (in thousands):

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2008 | 2007 | $ Change | % Change |
| Interest income | $ 5,549 | $ 4,592 | $ 957 | 21% |
| Litigation settlement | | (4,000) | 4,000 | -100% |
| Total | $ 5,549 | $ 592 | $ 4,957 | >100% |

The $5.0 million increase in other income (expense) for the six months ended June 30, 2008, as compared to the six months ended June 30, 2007 was primarily attributable to increased interest income associated with a higher average amount of invested funds in the six months ended June 30, 2008 as compared to the six months ended June 30, 2007 as the result of our May 2007 financing, which resulted in net proceeds to us of approximately $154.5 million. In addition, we paid a $4.0 million settlement to Cytogen in the six months ended June 30, 2007 which was not present in the six months ended June 30, 2008.

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*Net Loss*

For the reasons stated above, we incurred a net loss of $26.3 million, or $1.55 per basic and diluted share, for the six months ended June 30, 2008 compared to a net loss of $17.1 million, or $1.17 per basic and diluted share, for the six months ended June 30, 2007.

**Liquidity and Capital Resources**

*General*

We have financed our operations primarily from the sale of our equity securities, cash generated from our investing activities, and payments from our marketing and distribution partners. Our long-term capital requirements will depend on many factors, including, but not limited to, the following:

- Our ability to successfully obtain regulatory approval in the U.S. for ferumoxytol as an IV iron replacement therapeutic agent in a timely manner;

- Costs associated with our preparations for the commercial launch of ferumoxytol, including costs associated with our hiring of additional staff and our leasing and build-out of our additional office space;

- Costs associated with preparing for commercial-scale manufacturing of ferumoxytol, including costs associated with building commercial inventory and qualifying additional manufacturing capacity and second source suppliers;

- Our ability to generate revenues from product sales of ferumoxytol;

- Costs associated with our development of additional indications for ferumoxytol;

- Costs associated with the pursuit of potential business development activities;

- Costs associated with our pursuit of approval for ferumoxytol as an IV iron replacement therapeutic agent outside the U.S.;

- Our ability to liquidate our ARS investments in a timely manner or without significant loss;

- Our ability to establish additional development and marketing arrangements or to enter into alternative strategic relationships, if necessary; and

- Our ability to raise additional capital on terms and within a timeframe acceptable to us, if necessary.

As of June 30, 2008, our investments consisted of corporate debt securities, U.S. treasury and government agency securities, commercial paper, and municipal ARS. We place our cash investments in instruments that meet high credit quality standards, as specified in our investment policy. Our investment policy also limits the amount of our credit exposure to any one issue or issuer and seeks to manage these assets to achieve our goals of preserving principal, maintaining adequate liquidity at all times, and maximizing returns.

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At June 30, 2008, we held $64.5 million (par value of $68.9 million) of ARS, of which greater than 90% were rated AAA by at least one of the major securities rating agents, most of which were collateralized by student loans guaranteed by the U.S. government under the Federal Family Education Loan Program, with the majority of remaining securities being backed by monoline bond insurance companies. We have traditionally recorded these investments at cost, which approximated fair market value due to their variable interest rates, which typically reset through an auction process every 7 or 28 days. This auction mechanism generally allowed existing investors to roll over their holdings and continue to own their securities or liquidate their holdings by selling their securities at par value. In mid-February 2008, our ARS began to experience failed auctions, and have continued to experience failed auctions. As a result of the lack of market activity, we changed our valuation methodology for these securities to a discounted cash flow analysis. Our valuation analyses consider, among other items, assumptions that market participants would use in their estimates of fair value such as the collateral underlying the security, the creditworthiness of the issuer and any associated guarantees, the inability to sell the investment in an active market, the timing of expected future cash flows, and the expectation of the next time the security will have a successful auction or when callability features may be exercised by the issuer. Based upon this methodology, we have recorded an unrealized loss related to our ARS of approximately $4.4 million to accumulated other comprehensive (loss) income as of June 30, 2008.

Due to our belief that the market for ARS may take in excess of twelve months to fully recover, we have classified those ARS for which we have not received notices of the issuer s intent to redeem as noncurrent and have included securities totaling approximately $62.1 million in long-term investments on our condensed consolidated balance sheet at June 30, 2008. The remainder of our ARS, totaling approximately $2.4 million, are securities for which we have received notices of the issuer s intent to redeem and, accordingly, we have classified those securities as short-term investments on our condensed consolidated balance sheet at June 30, 2008.

We believe that the temporary impairment related to our ARS of approximately $4.4 million is primarily attributable to the limited liquidity of these investments, and we have no reason to believe that any of the underlying issuers of our ARS are presently at risk of default. Any future fluctuation in fair value related to these instruments that we deem to be temporary, including any recoveries of previous write-downs, would be recorded to accumulated other comprehensive (loss) income. If we determine that any future unrealized loss is other-than-temporary, we will record a charge to earnings as appropriate. In the event that we need to access our investments in these securities, we will not be able to do so until a future auction is successful, the issuer calls the security pursuant to a mandatory tender or redemption prior to maturity, a buyer is found outside the auction process, or the securities mature. For all of our ARS the underlying maturity date is in excess of one year and can be as far as 40 years in the future. We believe we will ultimately be able to liquidate our investments without significant loss primarily due to the collateral securing most of the ARS. However, it could take until final maturity of the ARS to realize our investments par value.

Based on our ability to access our cash and other short-term investments, our expected operating cash flows, and our other sources of cash, we do not anticipate that the current lack of liquidity with respect to our ARS will materially affect our ability to operate our business in the ordinary course, however, we are uncertain when the current liquidity issues relating to ARS will improve, if at all.

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Cash and cash equivalents (which consist principally of cash held in commercial bank accounts, money market funds and U.S. Treasury Bills having an original maturity of less than three months) and investments at June 30, 2008 and December 31, 2007 consisted of the following (in thousands):

| | June 30, 2008 | December 31, 2007 | $ Change | % Change |
|---|---|---|---|---|
| Cash and cash equivalents | $ 56,060 | $ 28,210 | $ 27,850 | 99% |
| Short-term investments | 146,160 | 258,597 | (112,437) | -43% |
| Long-term investments | 62,106 | | 62,106 | N/A |
| Total cash, cash equivalents and investments | $ 264,326 | $ 286,807 | $ (22,481) | -8% |

The decrease in cash and cash equivalents and investments as of June 30, 2008 as compared to December 31, 2007 is primarily the result of cash used in operations and the net impact of unrealized losses of short- and long-term investments, partially offset by interest income.

As of June 30, 2008, we believe that our cash, cash equivalents, and investments, combined with cash we currently expect to receive from earnings on our investments and from our business development activities, will be sufficient to satisfy our future cash flow needs for at least the next twelve months, including projected operating expenses related to our development and commercialization programs for ferumoxytol.

*Cash flows from operating activities*

During the six months ended June 30, 2008, our use of cash in operations of $17.3 million was attributable principally to our net loss of approximately $26.3 million partially offset by the impact of changes in certain assets and liabilities of $2.6 million, and approximately $6.4 million in non-cash expense associated with employee stock options and restricted stock units and depreciation. Our net loss includes compensation-related expenses associated with the hiring of additional employees for research and development and commercial operating activities and payments for activities in preparation for the potential commercialization of ferumoxytol as an IV iron replacement therapeutic agent.

We anticipate cash used in operating activities will increase over current levels during the remainder of 2008 as we continue to advance our ongoing commercialization efforts for ferumoxytol as an IV iron replacement therapeutic agent and incur additional costs associated with our development of new indications for ferumoxytol in the U.S., including our continued expansion of our commercial, clinical, medical, regulatory and manufacturing organizations in support of our anticipated ferumoxytol launch, and our efforts to build commercial inventory and qualify second source suppliers and manufacturers for ferumoxytol. The actual amount of these expenditures will depend on numerous factors, including the timing of expenses and the timing and progress of the regulatory approval of ferumoxytol and our development, sales and marketing efforts. During the remainder of 2008 we also expect to incur substantial expenditures related to the occupancy, furnishing and build-out of our new corporate headquaters, a portion of which will be reimbursed to us by the landlord.

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*Cash flows from investing activities*

Cash provided by investing activities was $44.7 million during the six months ended June 30, 2008 and was primarily attributable to proceeds from maturities of our investments, partially offset by $1.3 million of cash used for capital expenditures primarily related to the construction in process at our new facility.

*Cash flows from financing activities*

Cash provided by financing activities was $0.8 million during the six months ended June 30, 2008 and was primarily attributable to the proceeds from the exercise of stock options.

*Operating and Facility Lease Obligations*

We have entered into several agreements to lease certain office and laboratory equipment under operating leases that expire through 2009.

We are a party to a lease agreement with W2007 CPD Realty, L.L.C. (successor to CambridgePark 125 Realty Corporation) for certain real property comprised of approximately 25,000 square feet of executive office space located at 125 CambridgePark Drive, Cambridge, Massachusetts. The lease has a three year term which expires on February 28, 2009. Under the terms of the lease, we are required to pay the landlord $66,800 per month for the remainder of the lease term. In addition to rent, we are also required to pay a proportionate share of the landlord s annual operating costs and electricity. In fulfillment of a security deposit requirement for the leased space described above we have issued a $60,687 irrevocable letter of credit to the landlord. The cash securing this letter of credit is classified on our balance sheet as a long-term asset and is restricted in its use.

On May 27, 2008, we entered into a lease agreement with Mortimer B. Zuckerman and Edward H. Linde, Trustees of 92 Hayden Avenue Trust under Declaration of Trust dated August 18, 1983 for certain real property located at 100 Hayden Avenue, Lexington, Massachusetts to be utilized as our principal executive offices. The term of the lease began on May 22, 2008 and will continue until August 31, 2016 with two successive five year extension terms at our option. The aggregate size of rentable floor area for the offices is 55,924 square feet, and the rent for the initial term will commence in February 2009. The lease requires us to pay rent as follows:

| Period | | Minimum Lease Payments |
|---|---|---|
| Year Ended December 31, 2008 | $ | |
| Year Ended December 31, 2009 | $ | 1,686,575 |
| Year Ended December 31, 2010 | $ | 1,891,164 |
| Year Ended December 31, 2011 | $ | 1,947,088 |

| | | |
|---|---|---|
| Year Ended December 31, 2012 | $ | 2,003,012 |
| Thereafter | $ | 7,892,742 |
| Total | $ | 15,420,581 |

During any extension term, the base rent will be an amount agreed upon by us and the landlord. In addition to base rent, we are also required to pay a proportionate share of the landlord s annual operating costs. On May 20, 2008, in connection with our new lease, we delivered to the landlord a security deposit of approximately $0.5 million in the form of an irrevocable letter of credit. The cash securing this letter of credit is classified on our balance sheet as a long-term asset and is restricted in its use.

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**Off-Balance Sheet Arrangements**

As of June 30, 2008, we did not have any off-balance sheet arrangements as defined in Regulation S-K, Item 303(a)(4)(ii).

**Critical Accounting Policies**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reported period. In making these estimates and assumptions, management employs critical accounting policies. Our critical accounting policies and estimates are discussed in our Annual Report on Form 10-K for the year ended December 31, 2007 and we have updated our critical accounting policy with respect to the valuation of investments as follows:

*Valuation of investments*. The fair value of our investments and/or marketable securities is generally determined from quoted market prices based upon market transactions. We also have investments in ARS which consist entirely of municipal debt securities and which we have historically recorded at cost, which approximated fair market value due to their variable interest rates, which typically reset through an auction process every 7 or 28 days. This auction mechanism generally allowed existing investors to roll over their holdings and continue to own their securities or liquidate their holdings by selling their securities at par value. In mid-February 2008, several of our municipal ARS experienced failed auctions, and have continued to experience failed auctions. As a result, we no longer had evidence that the par value of these investments approximated their fair value and were required to seek other alternatives to determine the fair value of these securities which are not based on observable market transactions. As a result, we began estimating the fair values of these securities utilizing a discounted cash flow analysis as of March 31, 2008. Our valuation analyses consider, among other items, assumptions that market participants would use in their estimates of fair value, such as the collateral underlying the security, the creditworthiness of the issuer and any associated guarantees, the inability to sell the investment in an active market, the timing of expected future cash flows, and the expectation of the next time the security is expected to have a successful auction or when callability features may be exercised by the issuer. We believe there are several significant assumptions that are utilized in our valuation analysis, the two most critical of which are the discount rate and the average expected term. Holding all other factors constant, if we were to increase the discount rate utilized in our valuation analysis by 50 basis points, one-half of a percentage point, this change would have the effect of reducing the fair value of our ARS by approximately $1.1 million as of June 30, 2008. Similarly, holding all other factors constant, if we were to increase the average expected term utilized in our fair value calculation by one year, this change would have the effect of reducing the fair value of our ARS by approximately $0.9 million as of June 30, 2008. We also consider credit ratings with respect to our investments provided by investment ratings agencies. As of June 30, 2008, all of our investments conformed to the requirements of our investment policy, which requires that all of our investments meet high credit quality standards as defined by credit ratings of the major investment ratings agencies. These ratings are subject to change.

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**Impact of Recently Issued Accounting Pronouncements**

In September 2006, the FASB issued SFAS 157. This statement defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements, the FASB having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, SFAS 157 does not require any new fair value measurements but rather eliminates inconsistencies in guidance found in various prior accounting policies. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years. In February 2008, the FASB issued FASB FSP 157-2, which delays the effective date of SFAS 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually), until fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. These nonfinancial items include assets and liabilities such as reporting units measured at fair value in a goodwill impairment test and nonfinancial assets acquired and liabilities assumed in a business combination. Effective January 1, 2008, we partially adopted SFAS 157 for financial assets and liabilities recognized at fair value on a recurring basis. The partial adoption of SFAS 157 for financial assets and liabilities did not have a material impact on our condensed consolidated financial statements. The provisions of SFAS 157 related to other nonfinancial assets and liabilities will be effective for us on January 1, 2009, and will be applied prospectively. We are currently evaluating the impact that these additional SFAS 157 provisions will have on our condensed consolidated financial statements.

Effective January 1, 2008, we adopted SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities - Including an Amendment of FASB Statement No. 115, or SFAS 159. SFAS 159 permits entities to choose to measure many financial instruments and certain other items at fair value, thereby providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The amendment to SFAS 115 applies to all entities with available-for-sale and trading securities. We did not elect to adopt the fair value option under this statement.

Effective January 1, 2008, we adopted EITF 07-3, Accounting for Nonrefundable Advance Payments for Goods or Services Received for Use in Future Research and Development Activities, or EITF 07-3. EITF 07-3 requires that nonrefundable advance payments for goods or services that will be used or rendered for future research and development activities be deferred and capitalized and recognized as an expense as the goods are delivered or the related services are performed. The adoption of EITF 07-03 did not have a material impact on our condensed consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, Disclosures about Derivative Instruments and Hedging Activities, an amendment of FASB Statement No. 133. SFAS 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity s financial position, financial performance, and cash flows. Entities are required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under SFAS 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity s financial position, financial performance, and cash flows. SFAS 161 is effective for financial statements issued for fiscal years beginning after November 15, 2008, with early adoption encouraged. We are in the process of evaluating the impact of SFAS 161, but we do not expect it to have a significant impact on our condensed consolidated financial statements.

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In December 2007, the FASB issued SFAS No. 141 (revised 2007), Business Combinations, or SFAS 141R. SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for financial statements issued for years beginning after December 15, 2008. Accordingly, we are in the process of evaluating the impact of SFAS 141R.

In June 2008, the FASB issued FASB Staff Position, or FSP, EITF No. 03-6-1, Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities. The FSP addresses whether instruments granted in share-based payment transactions are participating securities prior to vesting and therefore need to be included in the earnings allocation in calculating earnings per share under the two-class method described in SFAS No. 128, Earnings per Share. The FSP requires companies to treat unvested share-based payment awards that have non-forfeitable rights to dividend or dividend equivalents as a separate class of securities in calculating earnings per share. The FSP is effective for fiscal years beginning after December 15, 2008 and earlier application is not permitted. We are in the process of evaluating the impact of FSP EITF No. 03-6-1, but we do not expect it to have a significant impact on our condensed consolidated financial statements.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

As of June 30, 2008, our short- and long-term investments totaled $208.3 million and were invested in corporate debt securities, U.S. treasury and government agency securities, commercial paper, and municipal ARS. These investments are subject to interest rate risk and will fall in value if market interest rates increase. However, even if market interest rates for comparable investments were to increase immediately and uniformly by 50 basis points, or one-half of a percentage point, from levels at June 30, 2008, this would have resulted in a hypothetical decline in fair value of our investments, excluding ARS which are described below, of approximately $0.6 million.

At June 30, 2008, we held $64.5 million (par value of $68.9 million) of ARS, of which greater than 90% were rated AAA by at least one of the major securities rating agents, most of which were collateralized by student loans guaranteed by the U.S. government under the Federal Family Education Loan Program, with the majority of remaining securities being backed by monoline bond insurance companies. We have traditionally recorded these investments in ARS at cost, which approximated fair market value due to their variable interest rates, which typically reset through an auction process every 7 or 28 days. This auction mechanism generally allowed existing investors to roll over their holdings and continue to own their securities or liquidate their holdings by selling their securities at par value. In mid-February 2008, our ARS began to experience failed auctions, and have continued to experience failed auctions. As a result of the lack of market activity, we changed our valuation methodology for these securities to a discounted cash flow analysis. Our valuation analyses consider, among other items, assumptions that market participants would use in their estimates of fair value such as the collateral underlying the security, the creditworthiness of the issuer and any associated guarantees, the inability to sell the investment in an active market, the timing of expected future cash flows, and the expectation of the next time the security will have a successful auction or when callability features may be exercised by the issuer. Based upon this methodology, we have recorded an unrealized loss related to our ARS of approximately $4.4 million to accumulated other comprehensive (loss) income as of June 30, 2008. We believe there are several significant assumptions that are utilized in our valuation analysis, the two most critical of which are the discount rate and the average expected term. Holding all other factors constant, if

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we were to increase the discount rate utilized in our valuation analysis by 50 basis points (one-half of a percentage point), this change would have the effect of reducing the fair value of our ARS by approximately $1.1 million as of June 30, 2008. Similarly, holding all other factors constant, if we were to increase the average expected term utilized in our fair value calculation by one year, this change would have the effect of reducing the fair value of our ARS by approximately $0.9 million as of June 30, 2008.

**Item 4. Controls and Procedures.**

**Managements Evaluation of our Disclosure Controls and Procedures**

Our principal executive officer and our principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in the Securities Exchange Act of 1934, as amended, or the Exchange Act, Rule 13a-15(e) or Rule 15d-15(e), with the participation of our management, has concluded that, as of the end of the period covered by this Quarterly Report on Form 10-Q, our disclosure controls and procedures are effective and are designed to ensure that information we are required to disclose in the reports that we file or submit under the Exchange Act is accumulated and communicated to management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure, and is recorded, processed, summarized and reported within the time periods specified in the SEC s rules and forms. It should be noted that any system of controls is designed to provide reasonable, but not absolute, assurances that the system will achieve its stated goals under all reasonably foreseeable circumstances. Our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures are effective at a level that provides such reasonable assurances.

**Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2008 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART II OTHER INFORMATION**

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.**

There were no purchases by us, or any affiliated purchaser of ours, of our equity securities that are registered pursuant to Section 12 of the Exchange Act during the three months ended June 30, 2008.

**Item 4. Submission of Matters to a Vote of Security Holders.**

On May 6, 2008, we held our Annual Meeting of Stockholders.

Votes for represented affirmative votes and do not include abstentions or broker non-votes. In cases where a signed proxy was submitted without designation, the shares represented by the proxy were voted FOR the proposal in the manner described in the Proxy Statement delivered to the holders of shares of our common stock on the record date (March 11, 2008). On the record date established for the meeting, 16,983,362 shares of our common stock were issued and outstanding.

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The following matters were submitted to a vote of our stockholders:

1. Election of the following persons as directors to serve until the next Annual Meeting and until their successors have been elected and qualified. Voting results were as follows:

| | For | Against | Withheld | Abstain |
|---|---|---|---|---|
| Joseph V. Bonventre | 14,138,915 | | 35,936 | |
| Michael D. Loberg | 13,525,095 | | 649,756 | |
| Michael Narachi | 13,694,453 | | 480,398 | |
| Brian J.G. Pereira, MD | 14,138,865 | | 35,986 | |
| Davey S. Scoon | 14,138,815 | | 36,036 | |
| Mark Skaletsky | 13,610,159 | | 564,692 | |
| Ron Zwanziger | 13,081,847 | | 1,093,004 | |

2. An amendment to our Certificate of Incorporation, as amended, increasing the number of shares of our common stock authorized thereunder from 25,000,000 to 58,750,000. Voting results were as follows:

| For | Against | Abstain | Broker Non Votes |
|---|---|---|---|
| 12,351,542 | 1,809,115 | 14,192 | 0 |

3. Ratification of the appointment of PricewaterhouseCoopers LLP as the Company s independent auditor for the year ending December 31, 2008. Voting results were as follows:

| For | Against | Abstain | Broker Non Votes |
|---|---|---|---|
| 14,157,969 | 10,990 | 5,892 | 0 |

**Item 5. Other Information.**

On August 5, 2008, our Board of Directors granted 50,000 restricted stock units to our President and Chief Executive Officer, Brian J.G. Pereira, M.D., and 30,000 restricted stock units to our Executive Vice President, Chief Financial Officer and Chief Business Officer, David A. Arkowitz. The closing price of our common stock on the date of grant was $41.57 per share. The grant to Dr. Pereira will commence vesting upon achievement of a specific stock price target as follows: fifty percent will vest upon the first anniversary of such stock price target achievement and the remaining fifty percent will vest upon the second anniversary of such stock price target achievement; provided that if the price target is not achieved on or prior to August 5, 2012, then such grant shall automatically terminate. The grant to Mr. Arkowitz will vest as follows: fifty percent on the second anniversary of the grant date, twenty five percent on the third anniversary of the grant date and the remaining twenty five percent on the fourth anniversary of the grant date.

Explanation of Responses: 47

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**Item 6. Exhibits.**

**(a) List of Exhibits**

| Exhibit Number | | Description |
|---|---|---|
| 3.1, 4.1 | + | Composite Copy of Certificate of Incorporation of AMAG Pharmaceuticals, Inc., as amended. |
| 10.1 | + | Collaboration and Exclusive License Agreement between AMAG Pharmaceuticals, Inc. and 3SBio Inc. dated May 25, 2008 (portions of this exhibit have been omitted and filed separately with the Commission pursuant to a request for confidential treatment.) |
| 10.2 | + | Supply Agreement between AMAG Pharmaceuticals, Inc. and 3SBio Inc. dated May 25, 2008 (portions of this exhibit have been omitted and filed separately with the Commission pursuant to a request for confidential treatment.) |
| 31.1 | + | Certification Pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2 | + | Certification Pursuant to Rule 13a-14(a)/15d-14(a) of the Exchange Act, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | ++ | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2 | ++ | Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |

Explanation of Responses:

+ Exhibits marked with a plus sign ( + ) are filed herewith.

++ Exhibits marked with a double plus sign ( ++ ) are furnished herewith.

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**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

AMAG PHARMACEUTICALS, INC.

By: /s/ Brian J.G. Pereira
Brian J.G. Pereira,
*Chief Executive Officer and President*

Date: August 7, 2008

AMAG PHARMACEUTICALS, INC.

By: /s/ David A. Arkowitz
David A. Arkowitz,
*Executive Vice President,Chief Financial Officer and Chief Business Officer*

Date: August 7, 2008

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**EXHIBIT INDEX**

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++ Exhibits marked with a double plus sign ( ++ ) are furnished herewith.

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