

TERCICA INC
Form 4
October 18, 2006

FORM 4

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

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).

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 *
Ipsen, S.A.

(Last) (First) (Middle)

C/O GENERAL COUNSEL, 42,
RUE DU DOCTEUR BLANCHE

(Street)

PARIS, IO 75016

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
TERCICA INC [TRCA]

3. Date of Earliest Transaction
(Month/Day/Year)
10/13/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X 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, PAR VALUE \$0.001 ⁽¹⁾	10/13/2006		P		12,527,245	A	\$ 6.17
					12,527,245	D	

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

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(9-02)

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- (2) Ipsen, S.A. is the owner of this Derivative Security. Pursuant to Rule 16(a)-1(4) of the Securities Exchange Act of 1934 (the "Act"), nothing in this filing shall be deemed to be an admission that Suraypharm is, for the purposes of Section 16 of the Act or otherwise, the beneficial owner of this Derivative Security.

- (3) This is the initial conversion price per share of Common Stock of Tercica, Inc.; under the terms of the First Senior Convertible Promissory Note (the "First Convertible Note"), the conversion price is subject to certain adjustments. The First Convertible Note has been described in Schedule 13D filed by Ipsen, S.A. and Suraypharm with the United States Securities and Exchange Commission, dated July 18, 2006 ("Schedule 13D")

- (4) The conversion rights under the First Convertible Note are exercisable at any time from 10/13/06.

- (5) This is the maximum number of shares of Common Stock of Tercica, Inc. that may be acquired on exercise of the conversion right under the First Convertible Note as at the date hereof. The number of shares acquired pursuant to the exercise of the conversion right under the First Convertible Note may vary from this number depending on the amount of principal due and interest accrued under the First Convertible Note in respect of which the conversion right is exercised and certain potential adjustments to the conversion price in accordance with the terms of the First Convertible Note.

- (6) Ipsen, S.A. is the owner of this Derivative Security. Pursuant to Rule 16(a)-1(4) of the Act, nothing in this filing shall be deemed to be an admission that Suraypharm is, for the purposes of Section 16 of the Act or otherwise, the beneficial owner of this Derivative Security.

- (7) This is the initial exercise price per share of Common Stock of Tercica, Inc.; under the terms of the Warrant, the conversion price is subject to certain adjustments. The Warrant has been described in Schedule 13D.

- (8) The Warrant is exercisable at any time until the expiration of a five-year period commencing on 10/13/06.

- (9) This is the maximum number of shares of Common Stock of Tercica, Inc. that may be acquired on exercise of the Warrant as at the date hereof. The number of shares acquired pursuant to the exercise of the Warrant may be increased by a variable amount as set forth in the Warrant, and is subject to possible adjustments in accordance with the terms of the Warrant.

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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