

VAGELOS P ROY  
Form 5  
February 14, 2007

**FORM 5**

**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).  
Form 3 Holdings Reported Form 4 Transactions Reported

**ANNUAL 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

1. Name and Address of Reporting Person \*  
VAGELOS P ROY  
  
(Last) (First) (Middle)

2. Issuer Name and Ticker or Trading Symbol  
THERAVANCE INC [THRX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

THERAVANCE, INC., 901  
GATEWAY BOULEVARD  
  
(Street)

3. Statement for Issuer's Fiscal Year Ended (Month/Day/Year)  
12/31/2006

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

6. Individual or Joint/Group Reporting  
  
(check applicable line)

SOUTH SAN FRANCISCO, CA 94080  
  
(City) (State) (Zip)

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 at end of Issuer's Fiscal Year (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
				(A) Amount or (D) Price			
Common Stock	03/01/2006	^	G <sup>(1)</sup>	220,080 D \$ 0 0		I	see footnote (2)
Common Stock	^	^	^	^ ^ ^ 13,250		D	^
Common Stock	^	^	^	^ ^ ^ 96,774		I	by Marianthi Foundation
Common Stock	^	^	^	^ ^ ^ 232,254		I	by trust for grandchildren

Common Stock	^	^	^	^	^	^	12,981	I	(3) by trust (4)
Common Stock	^	^	^	^	^	^	1,015,078	I	by trust (5)

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

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(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. of D Se B O E Is Fi (I
					(A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares		

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
VAGELOS P ROY THERAVANCE, INC. 901 GATEWAY BOULEVARD SOUTH SAN FRANCISCO, CA 94080	^ X	^	^	^

## Signatures

P. Roy Vagelos                      02/13/2007  
 \*\*Signature of                      Date  
 Reporting Person

## 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).
- (1) Gift of common stock to the children of reporting person by the 2004 Grantor Retained Annuity Trust (2004 GRAT).
- (2) Shares held by 2004 GRAT of which reporting person is trustee and reporting person and his children are beneficiaries.

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- (3) Shares held in trusts for the benefit of the reporting person's grandchildren. Reporting person is trustee of the trusts. Reporting person disclaims beneficial ownership of these shares.
- (4) Shares held by the 2005 Grantor Retained Annuity Trust (2005 GRAT). Reporting person is the trustee of the 2005 GRAT. Reporting person and his children are the beneficiaries of the 2005 GRAT.
- (5) Shares held by the 2006 Grantor Retained Annuity Trust (2006 GRAT). Reporting person is the trustee of the 2006 GRAT. Reporting person and his children are the beneficiaries of the 2006 GRAT.

Note: File three copies of this Form, one of which must be manually signed. If space provided 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.