

JONES W NEIL  
Form 4  
August 30, 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 \*  
JONES W NEIL

2. Issuer Name and Ticker or Trading Symbol  
NOVEN PHARMACEUTICALS  
INC [NOVN]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction  
(Month/Day/Year)  
08/29/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
VP, Marketing & Sales

C/O NOVEN  
PHARMACEUTICALS,  
INC., 11960 S.W. 144TH STREET

(Street)

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

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

MIAMI, FL 33186

(City) (State) (Zip)

**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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock (\$ .0001 Par Value)	08/29/2006		M <sup>(1)</sup>		16,002	A	\$ 15.13
							18,514
Common Stock (\$ .0001 Par Value)	08/29/2006		M <sup>(1)</sup>		8,332	A	\$ 13.11
							26,846
Common Stock (\$ .0001 Par Value)	08/29/2006		S <sup>(1)</sup>		24,234	D	\$ 25
							2,612

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.0001 Par Value)							
Common Stock (\$ .0001 Par Value)	08/29/2006	S <sup>(1)</sup>	100	D	\$ 25.02	2,512	D
Common Stock (\$ .0001 Par Value)	08/30/2006	M <sup>(1)</sup>	21,668	A	\$ 13.11	24,180	D
Common Stock (\$ .0001 Par Value)	08/30/2006	M <sup>(1)</sup>	20,000	A	\$ 10.45	44,180	D
Common Stock (\$ .0001 Par Value)	08/30/2006	S <sup>(1)</sup>	40,768	D	\$ 25	3,412	D
Common Stock (\$ .0001 Par Value)	08/30/2006	S <sup>(1)</sup>	900	D	\$ 25.01	2,512	D

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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 15.13	08/29/2006		M <sup>(1)</sup>	16,002	12/28/2005 <sup>(2)</sup>	11/05/2008	Common Stock (\$ .0001 Par Value)	16,002

Stock Option (Right to Buy)	\$ 13.11	08/29/2006	M <sup>(1)</sup>	8,332	<u>(3)</u>	09/04/2009	Common Stock (\$ .0001 Par Value)	8,332
Stock Option (Right to Buy)	\$ 13.11	08/30/2006	M <sup>(1)</sup>	21,668	<u>(3)</u>	09/04/2009	Common Stock (\$ .0001 Par Value)	21,668
Stock Option (Right to Buy)	\$ 10.45	08/30/2006	M <sup>(1)</sup>	20,000	<u>(4)</u>	11/04/2010	Common Stock (\$ .0001 Par Value)	20,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
JONES W NEIL C/O NOVEN PHARMACEUTICALS, INC. 11960 S.W. 144TH STREET MIAMI, FL 33186			VP, Marketing & Sales	

## Signatures

/s/ W. Neil  
Jones

08/30/2006

\*\*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).
- (1) This transaction was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on March 15, 2006.
- (2) The vesting of these options was accelerated by action of the issuer's Compensation Committee on December 28, 2005.
- (3) 20% exercisable after 09/05/2003; 20% exercisable after 09/05/2004; 20% exercisable after 09/05/2005; 20% exercisable after 09/05/2006; 20% exercisable after 09/05/2007.
- (4) 20% exercisable after 11/05/2004; 20% exercisable after 11/05/2005; 20% exercisable after 11/05/2006; 20% exercisable after 11/05/2007; 20% exercisable after 11/05/2008.

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.