

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): January 22, 2007

VANDA PHARMACEUTICALS INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

000-51863

(Commission File No.)

03-0491827

(IRS Employer Identification No.)

**9605 Medical Center Drive
Suite 300**

Rockville, Maryland 20850

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (240) 599-4500

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 8.01. Other Events.

On January 22, 2007, Vanda Pharmaceuticals Inc. issued a press release announcing the exercise by the underwriters of an over-allotment option to purchase an additional 570,000 shares of its common stock, in connection with its public offering that priced on January 19, 2007. The full text of this press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release of Vanda Pharmaceuticals Inc. dated January 22, 2007.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VANDA PHARMACEUTICALS INC.

By: /s/ STEVEN A. SHALLCROSS

Name: Steven A. Shallcross

Title: Senior Vice President, Chief Financial Officer and
Treasurer

Dated: January 22, 2007

**Vanda Pharmaceuticals Announces Exercise of Over-Allotment
Option by Underwriters**

ROCKVILLE, Md., Jan. 22 /PRNewswire-FirstCall/ -- Vanda Pharmaceuticals Inc. (Nasdaq: VNDA), a biopharmaceutical company focused on the development and commercialization of clinical-stage product candidates for central nervous system disorders, today announced that the underwriters have exercised an over-allotment option to purchase an additional 570,000 shares of the Company's common stock, in connection with its public offering that priced on January 19, 2007. Including the over-allotment shares being purchased, the offering will total 4,370,000 shares at a public offering price of \$27.29 per share, resulting in expected net proceeds to the Company of approximately \$110.9 million after deducting underwriting discounts and commissions and estimated offering expenses.

JPMorgan and Morgan Stanley are the joint book-running managers for the offering. Banc of America Securities LLC and Natexis Bleichroeder Inc. are co-managers.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. A registration statement relating to these securities has been filed with and declared effective by the Securities and Exchange Commission, and a final prospectus relating to the offering has been filed with the Securities and Exchange Commission pursuant to Rule 424(b)(4) promulgated under the Securities Act of 1933, as amended. A copy of this final prospectus may be obtained from J.P. Morgan Securities Inc., Prospectus Library, 4 Chase Metrotech Center, CS Level, Brooklyn, NY 11245, or by calling (718) 242-8002. A copy of the final prospectus may also be obtained from Morgan Stanley & Co. Incorporated, c/o Prospectus Department, 180 Varick St., New York, NY 10014 or by e-mail at prospectus@morganstanley.com.

ABOUT VANDA PHARMACEUTICALS INC.:

Vanda Pharmaceuticals Inc. is a biopharmaceutical company focused on the development and commercialization of clinical-stage product candidates for central nervous system disorders. The company has three product candidates in clinical development. Vanda's lead product candidate, iloperidone, is a compound for the treatment of schizophrenia and bipolar disorder and has recently completed its Phase III program in schizophrenia. Vanda's second product candidate, VEC-162, is a compound for the treatment of sleep and mood disorders which is currently in Phase III for chronic sleep disorders. Vanda's third product candidate, VSF-173, is a compound for the treatment of excessive sleepiness and will be ready to begin a Phase II clinical trial in mid-2007. For more on Vanda Pharmaceuticals Inc., please visit <http://www.vandapharma.com>.

SOURCE Vanda Pharmaceuticals Inc.

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(VNDA)
