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ACORDA THERAPEUTICS INC

FORM 8-K
(Current report filing)

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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): **August 3, 2006**

Acorda Therapeutics, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**000-50513**	**13-3831168**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

15 Skyline Drive, Hawthorne, NY	**10532**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(914) 347-4300**

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))

Item 2.02. Results of Operations and Financial Condition.

On August 3, 2006, the Registrant issued a press release and provided via webcast information relating to its financial results for the second quarter ended June 30, 2006. Copies of the press release and transcript for the webcast are attached hereto as Exhibits 99.1 and 99.2 to this Current Report on Form 8-K, and incorporated by reference into this Item 2.02.

The information in this Item 2.02 of Form 8-K (including Exhibits 99.1 and 99.2) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

99.1 Press Release dated August 3, 2006

99.2 Transcript of webcast on August 3, 2006

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.

Acorda Therapeutics, Inc.

August 3, 2006

By: /s/ David Lawrence
Name: David Lawrence, M.B.A.
Title: Chief Financial Officer

Exhibit Index

Exhibit No.	Description
99.1	Press Release dated August 3, 2006
99.2	Transcript of webcast on August 3, 2006

Exhibit 99.1

CONTACT:

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FOR IMMEDIATE RELEASE

Acorda Therapeutics Reports Second Quarter 2006 Financial Results

HAWTHORNE, NY August 3, 2006 — Acorda Therapeutics ® (Nasdaq: ACOR) today announced its financial results for the quarter ended June 30, 2006.

Recognized Revenue Reported

For the quarter ended June 30, 2006, gross sales were $3.9 million for Zanaflex Capsules™ (tizanidine hydrochloride) and $4.0 million for Zanaflex ® (tizanidine hydrochloride) tablets. For the same quarter in 2005 we recognized gross sales of Zanaflex Capsules of $311,000 and gross sales of Zanaflex tablets of $167,000. Gross sales are recognized using a deferred revenue recognition model, where product shipments to wholesalers are recorded as deferred revenue, and later recognized as gross sales when end-user prescriptions are reported.

During the quarter ended June 30, 2006, we adopted IMS Health data as the prescription data source used as the basis for recognizing shipments of Zanaflex product as revenue. This change resulted in additional gross sales from prescriptions reported of $391,000 for Zanaflex Capsules and $230,000 for Zanaflex tablets.

Additionally, on June 30, 2006, all rights of return expired for prior shipments of short-dated lots of Zanaflex tablets inventory purchased as part of the 2004 Zanaflex acquisition and not previously recognized in gross sales. This resulted in the recognition of an additional $2.2 million of gross sales for the second quarter of 2006. Excluding the impact of this event and excluding the gross sales recognized due to the conversion to IMS Health prescription data, non-GAAP gross sales for the quarter ended June 30, 2006 would have been $5.1 million. The differences between non-GAAP and GAAP gross sales of Zanaflex Capsules and Zanaflex tablets are reconciled in the table below. The Company believes it is appropriate to present this supplemental information as it will allow investors to better understand the Company's operating results for the second quarter of 2006 and its ongoing performance in a manner similar to how the Company analyzes its operating results. Adjustments and other factors make it more difficult to make meaningful period to period comparisons. These non-GAAP financial measures should not be construed as being more important than comparable GAAP measures.

In the second quarter 2006, we recorded an adjustment to discounts and allowances to reflect the reversal of the remaining $1.8 million of an accrual made in 2004 to cover our exposure to returns of Zanaflex tablet product originally sold by Elan prior to our acquisition of the Zanaflex product line. Our obligation to continue to accept these returns ended on June 30, 2006, resulting in this adjustment.

The impact of the change in prescription provider and events discussed above are detailed in the following schedule.

Detail on Second Quarter 2006 Sales Data
(in thousands)
(Unaudited)

	Capsules	Tablets	Total
GAAP/NON-GAAP RECONCILIATION			
Non-GAAP gross sales	$ 3,543	$ 1,526	$ 5,069
Change due to IMS Health prescription data	391	230	621
Expiration of right of short-dated Zanaflex tablets returns	—	2,202	2,202
GAAP gross sales for quarter ended 6-30-2006	$ 3,934	$ 3,958	$ 7,892
ADDITIONAL ITEMS			
Less: Discounts and allowances	(196)	(73)	(269)
Expiration of right of return - Elan sales	—	1,801	1,801
GAAP net sales for quarter ended 6-30-2006	$ 3,738	$ 5,686	$ 9,424

Shipments to wholesalers for the quarter ended June 30, 2006 of $5.9 million consisted of $4.3 million for Zanaflex Capsules and $1.6 million for Zanaflex tablets. For the same quarter in 2005, we recorded $8.4 million in shipments, consisting of $5.7 million in initial launch stocking shipments of Zanaflex Capsules and $2.7 million in Zanaflex tablets. The Zanaflex Capsules product was launched commercially in April 2005.

Net loss for the quarter ended June 30, 2006 was $2.9 million or $.15 per share, compared to a net loss of $17.3 million or $85.88 per share for the same quarter in 2005.

As of June 30, 2006, the Company held cash, cash equivalents and short-term investments of $24.2 million.

“We’re pleased to report continued growth in Zanaflex sales during the second quarter of 2006,” stated Ron Cohen, M.D., President and CEO. “It was our first full quarter with our

sales force expansion and we are already seeing results from this effort. Additionally, we are now using IMS as our prescription data reporting vendor which collects more complete data to help us track our Zanaflex sales."

Zanaflex Capsules Highlights

- The clinical performance of Zanaflex Capsules has gained increased acceptance by physicians and patients. The first case study presentation of Zanaflex Capsules in a person with MS was made by Amy Morrison of the University of Texas Southwestern Department of Neurology at the June Consortium of MS Centers Annual Meeting. In addition, several articles are being submitted for publication.

- This quarter Acorda changed prescription data reporting vendors from NDC to IMS. This change allows us to obtain more complete data because this data source accesses a larger portion of the market.

Fampridine-SR Highlights

- On July 12, 2006 we updated our estimate on the timing of the Phase 3 Fampridine-SR clinical trial in MS. We expect to report data from this trial in late September or October 2006.

Conference Call and Webcast

Ron Cohen, President and Chief Executive Officer, David Lawrence, Chief Financial Officer, and Mary Fisher, Chief Operating Officer will host a conference call today at 8:30 am Eastern Time to review the Company's second quarter 2006 results. To access the call, please dial 866-510-0704 (domestic) or 617-597-5362 (international) five minutes prior to the start time, and provide the access code 20529997. A replay of the call will be available from 10:30 a.m. Eastern Time on August 3, 2006 until 11:59 p.m. Eastern Time on September 3, 2006. To access the replay, please dial 888-286-8010 (domestic) or 617-801-6888 (international), and provide the access code 88067926. A live audio webcast of the call can also be accessed from the Company's website, at http://www.acorda.com, for the next 30 days.

Forward Looking Statements

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements, other than statements of historical facts, regarding management's expectations, beliefs, goals, plans or prospects should be considered forward-looking. These statements are subject to risks and uncertainties that could cause actual results to differ materially, including Acorda Therapeutics' ability to successfully market and sell Zanaflex Capsules , the risk of unfavorable results from the Phase 3 clinical trial of Fampridine SR, delays in obtaining

or failure to obtain FDA approval of Fampridine-SR, competition, the ability to obtain additional financing to support Acorda Therapeutics' operations, unfavorable results from its preclinical programs, and failure to protect its intellectual property or to defend against the intellectual property claims of others. These and other risks are described in greater detail in Acorda Therapeutics' filings with the Securities and Exchange Commission. Acorda Therapeutics may not actually achieve the goals or plans described in its forward-looking statements, and investors should not place undue reliance on these statements. Acorda Therapeutics disclaims any intent or obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.

About Acorda Therapeutics

Acorda Therapeutics is a biotechnology company developing therapies for SCI, MS and related nervous system disorders. The Company's marketed products include Zanaflex Capsules ™ (tizanidine hydrochloride), a short-acting drug indicated for the management of spasticity. For full prescribing information, please go to www.zanaflexcapsules.com. Acorda's lead clinical-stage product is Fampridine-SR, which is in a Phase 3 clinical trial for MS. The Company's pipeline includes a number of products in development for the treatment, regeneration and repair of the spinal cord and brain.

Financial Information

Acorda Therapeutics, Inc
Consolidated Statements of Operations
(in thousands, except per share amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
Gross sales - Zanaflex	$ 7,892	$ 478	$ 11,766	$ 478
Less: discounts and allowances	1,532	(705)	1,336	(844)
Net sales	9,424	(227)	13,102	(366)
Grant revenue	179	130	301	155
Total net revenue	9,603	(97)	13,403	(211)
Less: cost of sales	(1,344)	(1,086)	(2,385)	(1,567)
Gross profit	8,259	(1,183)	11,018	(1,778)
Operating expenses:				
Research and development	3,021	5,040	6,298	7,143
Sales and marketing	4,282	3,067	8,845	5,369
General and administrative	3,560	1,821	5,838	3,933
Total operating expenses	10,863	9,928	20,981	16,445
Operating loss	$ (2,604)	$ (11,111)	$ (9,963)	$ (18,223)
Other income (expense):				
Interest and amortization of debt discount expense	(603)	(371)	(907)	(520)
Interest income	311	148	573	258
Other income	—	1	3	1
	(292)	(222)	(331)	(261)
Cumulative effect of change in accounting principle	—	—	454	—
Net loss	(2,896)	(11,333)	(9,840)	(18,484)
Beneficial conversion feature, accretion of issuance costs, preferred dividends, and fair value of warrants issued to convertible preferred stockholders	—	(5,997)	(36,007)	(12,210)
Net profit (loss) allocable to common shareholders	$ (2,896)	$ (17,330)	$ (45,847)	$ (30,694)
Net loss per share allocable to common stockholders - basic and diluted	$ (0.15)	$ (85.88)	$ (3.00)	$ (152.78)
Weighted average common shares outstanding used in computing net loss per share allocable to common stockholders - basic and diluted	19,629	202	15,278	201

Acorda Therapeutics, Inc
Consolidated Balance Sheet Data
(in thousands)
(Unaudited)

	June 30, 2006	December 31, 2005
Assets		
Cash and cash equivalents	$ 23,684	$ 11,761
Short-term investments	500	2,001
Finished goods inventory held by the Company	6,245	5,587
Property and equipment, net	1,482	1,707
Intangible assets, net	5,583	5,952
Total assets	$ 44,193	$ 33,912
Liabilities and stockholders' equity (deficit)		
Accounts payable, accrued expenses and other liabilities	$ 6,291	$ 14,060
Deferred product revenue	14,311	16,736
Total current liabilities	23,965	35,858
Long term liabilities	22,427	23,377
Stockholders deficit	(2,199)	(116,536)
Total Liabilities and Stockholders deficit	$ 44,193	$ 33,912

Conference Call Transcript
ACOR - Q2 2006 Acorda Therapeutics Earnings Conference Call
Event Date/Time: Aug. 03. 2006 / 8:30AM ET

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CORPORATE PARTICIPANTS

Erica Wishner
Acorda Therapeutics - Director, Corporate Communications

Ron Cohen
Acorda Therapeutics - President and CEO

Dave Lawrence
Acorda Therapeutics - CFO

Mary Fisher
Acorda Therapeutics - COO

CONFERENCE CALL PARTICIPANTS

Phil Nadeau
Cowen & Co. - Analyst

Joel Sendek
Lazard Capital Markets - Analyst

Annie Lee
Rodman & Renshaw - Analyst

PRESENTATION

Operator

Good morning. Welcome to the Acorda Therapeutics second quarter financial results conference call.

[OPERATOR INSTRUCTIONS]

Now I would like to introduce your host for today's call, Erica Wishner, director, corporate communications at Acorda Therapeutics. Please go ahead, ma'am.

Erica Wishner ***— Acorda Therapeutics - Director, Corporate Communications***

Good morning, everyone, and welcome to Acorda's conference call. With me today are Dr. Ron Cohen, our president and chief executive officer, Dave Lawrence, chief financial officer and Mary Fisher, chief operating officer. On today's call Ron will provide a corporate update and Dave will review our second quarter 2006 financial results. As the operator mentioned, we will then open the call for Q&A.

Before we begin, let me remind you that this discussion includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact regarding management's expectations, beliefs, goals, plans or prospects should be considered forward-looking. These statements are subject to risks and uncertainties that could cause actual results to differ materially, including Acorda's ability to successfully market and sell Zanaflex Capsules, the risk of unfavorable results from the Phase 3 clinical trial of Fampridine SR, delays in obtaining or failure to obtain FDA approval of Fampridine SR, competition, the ability to obtain additional financing to support Acorda's operations, unfavorable results from preclinical programs and failure to protects its intellectual property or to defend against the intellectual property claims of others. These and other risks are described in greater detail in Acorda's filings with the Securities and Exchange Commission. Acorda may not actually achieve the goals or plans described in its forward-looking statements and investors should not place undue reliance on these statements. Acorda disclaims any intent or obligation to update any forward-looking statements as a result of developments occurring after the date of this presentation. In discussing our financial results, we'll refer to certain non-GAAP financial measures. Information concerning these non-GAAP financial measures and a reconciliation to GAAP are posted on the company's investor relations website.

I will now turn the call over to our CEO, Ron Cohen.

Ron Cohen — ***Acorda Therapeutics - President and CEO***

Thanks, Erica. Welcome, everyone, to our call this morning.

As many of you are aware, Acorda is focused on developing and marketing therapies that improve neurological function in people with damage to their nervous systems. We're particularly focused on people with MS or spinal cord injuries, but also on related conditions such as stroke, brain injuries and neurodegenerative diseases. Today I'll provide you with an update on our Zanaflex Capsules and Fampridine SR programs. Dave Lawrence will then provide you with a financial update.

I'll begin with our update on Zanaflex Capsules. The Zanaflex product line has enabled Acorda to establish commercial capabilities and to gain sales and marketing experience in the neurological marketplace. Also, the revenue generated by the product has helped to lower the risk of establishing our commercial operations as we await approval of our pipeline products. We continue to be pleased with Zanaflex Capsule's consistent growth each quarter since its commercial launch in 2005.

This quarter we changed our prescription data vendor from [NDC] to IMS. This change was made because IMS has larger access to the market and therefore provides us with more complete prescription data. Additionally, this change will help make our data more consistent with that of research analysts and investors who predominantly rely on IMS data.

Moving on to Fampridine SR, on July 13th Acorda held an analyst and investor day in New York City to provide an overview and update on the Fampridine SR program. Our current Phase 3 study, which is based on a special protocol assessment, or SPA, from the FDA is evaluating the safety and efficacy of Fampridine SR in improving walking ability in people with MS. As many of you may know, under an SPA, the FDA provides a written response to a Phase 3 clinical trial protocol, indicating whether it meets the scientific and regulatory requirements for approval. The FDA's assessment of the Fampridine SR protocol states that this trial, if successful, could qualify as one of the pivotal efficacy studies required for drug approval.

People with MS are extremely concerned about the impairment of their walking ability and physicians rank walking impairment along with weakness and spasticity as areas in greatest need for new treatments in MS. None of the currently available MS therapies improves walking ability or other neurological function.

In previous clinical trials, Fampridine SR is the first drug shown to improve function in people with MS. We randomized 301 subjects in the Phase 3 trial. This number provides greater than 90% power for the demonstration of efficacy. We expect to report data from this trial in late September or October 2006. For those of you who may have an interest, a webcast of the analyst day presentation is available in the investor relations tab of the Acorda.com website.

I'll now turn the call over to Dave Lawrence, our CFO, who will provide a financial update. Dave?

Dave Lawrence — ***Acorda Therapeutics - CFO***

Thanks, Ron.

In our press release issued this morning we outlined our second quarter results for 2006. I will now review those results and explain how the change in prescription data vendors affects our numbers. I will also provide detail on two anticipated adjustments we made in the second quarter of 2006 related to the Zanaflex acquisition from Elan.

For the quarter ended June 30th, 2006 gross sales were 3.9 million for Zanaflex Capsules and 4 million for Zanaflex tablets. For the same quarter in 2005 we recognized gross sales of Zanaflex Capsules of 311,000 and gross sales of Zanaflex tablets of 167,000. Gross sales are recognized using a deferred revenue recognition model where product shipments to wholesalers are recorded as deferred revenue and later recognized as gross sales when end user prescriptions are reported.

During the quarter ended June 30th, 2006 we adopted IMS Health as the prescription data source used as the basis for recognizing shipments of Zanaflex product as revenue. This change resulted in the recognition in the second quarter of additional gross sales from prescriptions reported during the quarter ended March 31st, 2006 of 391,000 for Capsules and 230,000 for tablets.

Additionally, on June 30th, 2006 all rights of return expired for prior shipments of short-dated lots of Zanaflex tablet inventory. This inventory, purchased as part of the 2004 Zanaflex acquisition, was shipped to wholesalers but not previously recognized in gross sales. Expiration of all rights of return of this product has resulted in the recognition of an additional 2.2 million of gross sales. Excluding the impact of this event and excluding the additional first quarter gross sales recognized in the second quarter due to the conversion to IMS Health prescription data, gross sales for the quarter ended June 30th, 2006 would have been 5.1 million.

In June 2006 we recorded an adjustment to discounts and allowances to reflect the reversal of the remaining 1.8 million of an accrual made in 2004 to cover our exposure to returns as Zanaflex tablet product originally sold by Elan prior to our acquisition of the Zanaflex product line. Our obligation to continue to accept these returns ended on June 30th, 2006, resulting in this adjustment.

Shipments to wholesalers for the quarter ended June 30th, 2006 of 5.9 million consisted of 4.3 million for Zanaflex Capsules and 1.6 million for Zanaflex tablets. For the same quarter in 2005 we recorded 8.4 million in shipments, 5.7 million in initial launch stocking shipments of Zanaflex Capsules and 2.7 million in tablets. The Capsule product was launched commercially in April of 2005.

Net loss for the quarter ended June 30th, 2006 was 2.9 million, or $0.15 per share, compared to a net loss of 17.3 million, or $85.88 per share for the same quarter in 2005. Research and development expenses of 3 million for the second quarter of 2006 were 2 million lower than the same quarter in 2005. This decrease in research and development expense was primarily attributable to a decrease in expenses due to the termination of the valrocemide collaboration agreement in June 2005, offset by increases in expenses related to ongoing Phase 3 clinical trials of Fampridine SR.

Sales and marketing expenses for the three month period ended June 30th, 2006 were 4.3 million compared to 3.1 million for the same quarter in 2005, an increase of 1.2 million. This increase was primarily due to an increase of approximately $300,000 for marketing, distribution and sales administrative expenses related to Zanaflex Capsules and the distribution of Zanaflex tablets.

Salaries and benefits increased approximately 500,000 and selling related expenses increased approximately 400,000 as a result of the expansion of our Zanaflex Capsules specialist sales force. General and administrative expenses for the three-month period ended June 30th, 2006 were 3.6 million compared to 1.8 million for the three-month period ended June 30th, 2005. This increase of approximately 1.8 million is primarily due to an increase in staff and salary expenses, insurance expense and other expenses related to the company’s initial public offering.

I will now briefly review the six-month period ended June 30th. For the six month period ended June 30th, 2006 gross sales were 6.3 million for Zanaflex Capsules and 5.5 million for Zanaflex tablets. For the same six-month period in 2005, gross sales of Zanaflex Capsules were 31,000 and gross sales of Zanaflex tablets were 167,000. Shipments to wholesalers for the six-month period ended June 30th, 2006 were 6.8 million for Capsules and 2.9 million for tablets. For the same period in 2005, shipments of Zanaflex Capsules were 5.7 million and shipments of Zanaflex tablets were 5.9 million.

Net loss for the six-month period ended June 30th, 2006 was 45.8 million, or $3 per share, compared to a net loss of 30.7 million, or $152.78 per share, for the same six-month period in 2005. As of June 30th, 2006, the company held cash, cash equivalents and short-term investments of 24.2 million.

I will now turn the call back over to Ron.

Ron Cohen ***— Acorda Therapeutics - President and CEO***

Thanks, Dave.

That concludes our second quarter overview. We’ll now open up the call for your questions. Operator?

QUESTION AND ANSWER

Operator

[OPERATOR INSTRUCTIONS]

Our first question will be from the line of Phil Nadeau of Cowen. Please proceed, sir.

Phil Nadeau — *Cowen & Co. - Analyst*

Good morning. Congratulations on a good quarter and thanks for taking my question. My first question is actually on your accounting for Zanaflex revenue. Now that the return rights to the Elan product have expired, is there any chance that you could change your accounting so that you book sales when parcels are shipped to the distributors?

Dave Lawrence — *Acorda Therapeutics - CFO*

Hi, Phil. So the return rights had to do with the product that we acquired from Elan and we were able to identify that because it has a specific identifying code that enabled us to determine when the expiration period ended for the right of return. We are working on changing our accounting. There's a lot that goes into it and as quickly as we can get that done, we will. It is not going to happen this year. Perhaps some time in the future we'll get it done.

Phil Nadeau — *Cowen & Co. - Analyst*

Okay, that's great. And second question is just a quick one on the Fampridine data release. Ron, is that going to be in a press release form or is there another form where you think you could release that data?

Ron Cohen — *Acorda Therapeutics - President and CEO*

Phil, yes. That should be a press release form. We'll; obviously look to present at more formal venues like scientific meetings and so forth as they occur, but given the timing at that time of year, we'll release it — we expect to release it in a press release.

Phil Nadeau — *Cowen & Co. - Analyst*

Great. Thanks for taking my questions.

Operator

Our next question is from the line of Joel Sendek of Lazard Capital Markets. Please proceed, sir.

Joel Sendek — *Lazard Capital Markets - Analyst*

Hi, thanks. Two questions. Wondering on the expiration of the right to return, did that correspond to the actual expiration of the drug itself? And the reason I'm asking is if it can't be returned, could that be tablets in the channel that might not be replaced or the opposite of that is would you expect to have more orders to replace that expired drug that's in the channel? Thanks.

Dave Lawrence — *Acorda Therapeutics - CFO*

Thanks, Joel. So you're right, the product — the right of return had to do with the expiration date of the product. Whether or not that product was actually sold to the end user or not we don't know. We know it was not returned. It was sold through the wholesaler channel, so we were able to recognize the sale.

Mary Fisher — Acorda Therapeutics - COO

Hi, Joel, it's Mary. Just to add on to that, our return policy is in line with industry standards, which allows for up to 12 months after the expiration date of the product. So we don't anticipate that — given that full year's worth of time that there's a lot of excess material in the supply chain, for example.

Joel Sendek — *Lazard Capital Markets - Analyst*

Good. Good, yes, that's what I wanted to know. That's helpful. And then given the numbers that you reported on the sales and marketing line subsequent to the expansion of the sales force, in the absence of any formal guidance, can you at least confirm that the second quarter number would be a good one to use for us in our modeling purposes when we project expenses out over the next couple of quarters?

Dave Lawrence — *Acorda Therapeutics - CFO*

Joel, we're really not giving guidance on forecasting at this point.

Joel Sendek — *Lazard Capital Markets - Analyst*

Okay, let me ask another question, ask it another way then. At what point did the sales force as it's currently constituted — at what point in the quarter — ?

Mary Fisher — *Acorda Therapeutics - COO*

Got it, Joel. It's Mary. We completed the sales force extension in the first quarter of the year, so the second quarter represents the expanded sales force [inaudible - microphone inaccessible].

Joel Sendek — *Lazard Capital Markets - Analyst*

For the full quarter, okay, good. All right, thank you.

Operator

Our next question will be from the line of [Annie Lee] of Rodman & Renshaw. Please proceed, ma'am.

Annie Lee — *Rodman & Renshaw - Analyst*

Thank you for taking my call. I'm wondering would you please let me know the shares outstanding as of the end of the second quarter?

Dave Lawrence — *Acorda Therapeutics - CFO*

Hi, Annie. Sure. It's approximately 19.6 million.

Annie Lee — Rodman & Renshaw - Analyst

Okay, thanks. And also, I'm wondering when did you change your recording of Zanaflex revenue from — based on NDC to the IMS during the second quarter?

Dave Lawrence — *Acorda Therapeutics - CFO*

It was during the second quarter.

Annie Lee — *Rodman & Renshaw - Analyst*

Towards the end or towards the beginning of the second quarter? And was that reflected — the currently reported data reflected all —the whole second quarter adjustments?

Dave Lawrence — *Acorda Therapeutics - CFO*

The data reported includes the full second quarter as IMS Health data reported prescriptions plus an adjustment for the first quarter IMS Health data.

Annie Lee — *Rodman & Renshaw - Analyst*

Okay, thanks.

Operator

Ladies and gentlemen, this concludes our question and answer session.

Ron Cohen — *Acorda Therapeutics - President and CEO*

Thank you, Cheryl.

Operator

Thank you.

Ron Cohen — *Acorda Therapeutics - President and CEO*

And thank you all for being with us. We look forward to seeing you next time.

Operator

Ladies and gentlemen, thank you for your participation in today's conference. This concludes our presentation. You may now disconnect.

Dave Lawrence — *Acorda Therapeutics - CFO*

Thanks, everybody.

Mary Fisher — *Acorda Therapeutics - COO*

Thank you.

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