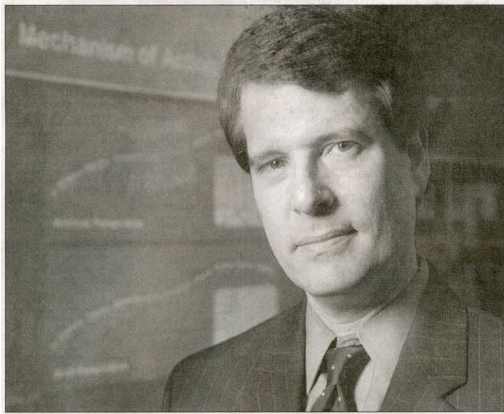


CORPORATE PROFILE ACORDA THERAPEUTICS INC.



Dr. Ron Cohen, founder, president and chief executive officer of Acorda Therapeutics Inc. in Hawthorne.

Photos by Ricky Fleming/The Journal News

In pursuit of MS drug

Hawthorne startup to begin final trials of breakthrough

Julie Moran Alterio
The Journal News

For most people, walking is as simple as breathing. You simply look where you want to go and your muscles and nerves seamlessly do the rest.

But what if along the way, some of the signals from your brain to your muscles were lost? Walking would become much harder.

That's the reality for many of the 400,000 people in the United States who have multiple sclerosis, or MS.

The disease attacks the insulation in the nerve fibers that carry electrical signals from the brain and spinal cord to the muscles and limbs. Just as a frayed electrical cord short-circuits, the exposed nerve fibers can't do their job.

Now picture a molecule that can bind up the frayed insulation in nerves like electrical tape. Its name is fampridine, and it was synthesized from coal tar back in the 1980s, during the heyday of organic chemistry.

Today, Acorda Therapeutics, a biotech company in Hawthorne, has created a sustained-release tablet with fampridine as the active ingredient.

The company is starting its second Phase 3 clinical trial of the drug this quarter, the final step before it applies for approval from the Food and Drug Administration.

Dr. Ron Cohen, an Irvington resident and founder of Acorda, explained that Fampridine-SR doesn't replace the nerve insulation, known as myelin, but instead blocks the leaks, boosting the conduction of nerve impulses and improving walking speed for about 30 percent of patients who took the drug in the first Phase 3 trial, which ended last year.

If approved by the FDA, Fampridine-SR will be the first MS therapy that actually tries to fix,



Jennifer Iaci, a scientist at Acorda Therapeutics, works last month on an experiment in Hawthorne.

prove the function of damaged nerves. Other MS treatments on the market today attempt to slow the progress of the disease.

"It's one of the greatest unmet needs in medicine today," Cohen said.

Ricardi Amor resident Debby Bennett, vice president of programs and services at the Southern New York Chapter of the National Multiple Sclerosis Society in White Plains, said walking problems affect about half of the people who have a common form of MS.

If the FDA finds Fampridine-SR to be safe and effective, it has the potential to help a lot of people, Bennett said.

"We're very hopeful Acorda is a therapy becomes available for someone with MS. It's great news. We want to improve their quality of life, and if this is going to do it, we're thrilled," she said.

Getting so close to an FDA-approved treatment for a neurological ailment has taken Cohen almost 15 years.

That's when the idea for a company like Acorda came to Cohen, a board-certified internist-turned-biotech entrepreneur.

In 1992, Cohen had just left an earlier venture that he joined in 1986, a biotech startup called Advanced Tissue Sciences Inc. that focused on growing skin and bone marrow for transplant.

That experience convinced

Acorda Therapeutics Inc.

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Work force: 120

Cohen that the biotech route was his calling.

"I saw the power of that model to raise the enormous amounts of capital you need to take science out of the lab and into the clinic where it could do some good," he said.

He decided to start his own biotech firm and to focus on neurology, in part because of his family history. His father was a neurologist at Columbia University Medical Center.

Between 1992 and 1995, when Acorda was incorporated, Cohen took the business from idea to reality.

It was never his goal to create a lab and develop therapies from scratch, but instead to license technology from university labs.

"We started out with a premise that we were not going to engage in scientific discovery research. We were not going to be the ones at the bench trying to find a novel molecule. That takes hundreds of millions of dollars," Cohen said.

So during those years, Cohen

attended conferences, read papers and visited scientists.

Out of more than two dozen drug candidates, Acorda is focusing on four potential treatments today, all in the arena of MS, spinal cord injury and other disorders of the central nervous system.

Fampridine-SR is the only molecule in clinical trials. The others in the pipeline will have to walk to the next stage with funding from Fampridine-SR sales.

One of the challenges for small biotech companies like us is going out and raising funds for earlier-stage products," Cohen said.

Acorda raised \$31.5 million in an initial public offering of stock in February 2006 — about half of what it originally hoped, thanks to a weak IPO market at the time.

Originally, the company raised an additional \$29.8 million in a private sale of shares.

In the meantime, to generate cash flow to help pay for Fampridine-SR trials, Acorda licensed a drug known as Zanaflex from Elan Corp.

Acorda paid Elan \$2 million in 2004 and agreed to pay up to \$10.5 million more in milestone payments depending on sales.

As of now, Acorda has paid an additional \$9.5 million.

Zanaflex treats a condition known as "spasticity," a common complaint among people with MS and spinal cord injuries. The muscles, deprived of normal nerve function, fire independently in ways that can be uncomfortable.

A drug called tizanidine, which is the active ingredient in Zanaflex, tablets were approved by the FDA in 1996 and are no longer patented by patents. There are 12 generic competitors to Zanaflex tablets.

However, Zanaflex capsules, which come in a higher dose, have a patent until 2021.

Acorda sells both, but is focusing on marketing the capsules, which are not considered equivalent to tablets by the FDA.

This means that if a doctor prescribes the capsules, a pharmacist can't substitute a generic.

Please see ACORDA, LOC

Acorda pursues MS drug

ACORDA, from 9C

Acorda recently doubled the size of its internal sales force to 69 people to target the 7,400 top-prescribed neurologists.

"This was a strategic move. Zanaflex capsules by themselves are not a big enough product to support the entire company. What they do do is give us the ability to field a professional commercial sales force and gain the experience that we need to market successfully in the pharmaceutical space," Cohen said.

Eventually, Cohen hopes that the company will be able to bring its other product candidates into the clinical testing phase.

Those include antibodies that have the potential to regenerate damaged nerves and an enzyme that could allow nerves to regenerate after a spinal cord or brain injury.

The potential for those therapies if they prove as effective in humans as they are promising in the lab keeps Cohen and others at Acorda dedicated to their work, he said.

"People always ask me, 'Do you miss practice?' My answer is, 'No, I don't because I feel I will am, just in a different way,'" Cohen said.

Acorda routinely invites patients, advocates and caregivers into its offices to talk about their concerns and needs with employees, Cohen said.

"We have patients come into the company to give talks about their experiences and what the drug has done for them. So people in the company have a visceral emotional response," Cohen said.

He personally attends patient advocacy meetings and is active with MS, spinal cord injury and neurological groups.

Every year, the company sponsors the MS walk in Westchester, and nearly all employees participate and wear T-shirts that prominently address Acorda's work.

"I committed my life to it 13 years ago, and for me it's a labor of love. What gets me up in the morning is going to work on novel therapies for people who have an unmet need," he said. "Building Acorda into a leading neurotherapeutic company is my goal."

Reach Julie Moran Alterio at jalterio@journal.com or 914-494-8228.

The Leadership

Dr. Ron Cohen
Title: president and chief executive officer
Age: 51
2006 compensation: \$1,411,222, including salary, bonus, stock and option awards
Shares: 712,752, or 3 percent of company
Background: Cohen founded Acorda in 1995. Cohen previously was a principal in the startup of Advanced Tissue Sciences Inc., a biotechnology company

engaged in the growth of human organ tissues for transplantation uses.
Education: Bachelor's degree in psychology from Princeton University and a medical degree from the Columbia College of Physicians and Surgeons. He completed a residency in internal medicine at the University of Virginia Medical Center and is board certified in internal medicine.
Personal: married, two children
Residence: Irvington

Other top officers
Andrew R. Bight, Ph.D., 56, chief scientific officer; 2006 compensation: \$629,042. Shares: 154,209.
Mary Fisher, 45, chief operating officer; 2006 compensation: \$1,084,242. Shares: 174,507.
Jane Wiseman, 50, executive vice president, general counsel and secretary; 2006 compensation: \$660,506. Shares: 48,024.
David Lawrence, 40, chief financial officer; 2006 compensation: \$628,724. Shares: 90,667.

Financial Snapshot

16-month comparative total return 2-year loss per share

