Dear Shareholder:

Acorda experienced a number of setbacks in 2017. Notwithstanding these challenges, we delivered positive Phase 3 and long-term safety studies for our innovative investigational Parkinson’s therapy, INBRIJA™ (levodopa inhalation powder). We also submitted an NDA (New Drug Application) for INBRIJA, which in February was accepted for filing by the FDA. And we recently submitted an MAA (Marketing Approval Application) for INBRIJA to the European Medicines Agency.

Acorda’s Leadership Team, Board of Directors, and associates took decisive actions in 2017, and as a result Acorda has emerged in 2018 as a streamlined organization with a strong cash position, focused on the approval and successful US launch of INBRIJA.

2017—CHALLENGES AND A MAJOR MILESTONE

In March, a US district court invalidated four patents, which would have preserved market exclusivity for AMPYRA® (dalfampridine) into 2025. We strongly disagree with the court’s ruling and are in the process of appealing the decision. We look forward to presenting our case in an oral argument to the appellate court, scheduled for June 7 of this year.

In June, we submitted an NDA for INBRIJA; the FDA responded with a "Refusal to File" (RTF) letter, citing two deficiencies unrelated to data that were readily addressed. We resubmitted the NDA in December 2017 and announced the FDA’s acceptance of the filing on February 20, the PDUFA target action date is October 5, 2018. We also filed an MAA with the European Medicines Agency in March 2018. We plan to seek a partner for the commercialization of INBRIJA in ex-US territories.

In November, we announced the discontinuation of the tozadenant development program due to the emergence of the serious adverse event agranulocytosis and associated serious adverse events. At the time of the discontinuation, over 90% of the participants had completed the study and we plan to present those data in future medical and scientific venues.

In the first quarter, we reported a major milestone—positive results from our INBRIJA Phase 3 efficacy and long-term safety studies. The efficacy study met its primary endpoint, a statistically significant improvement in motor function compared to placebo. The data from the long-term safety study in people with Parkinson’s showed no differences in pulmonary function between the group receiving INBRIJA and an observational control group. Cough was the most frequently reported adverse event in both studies and was generally reported as mild.

We presented the full Phase 3 efficacy and interim long-term safety data sets in June 2017 at the annual International Congress of Parkinson's Disease and Movement Disorders, both during the scientific sessions and at an investor webinar during the conference. These presentations were enthusiastically received by both healthcare professionals and investors. We were also assigned four platform presentations for our submissions on INBRIJA data at the American Academy of Neurology (AAN) conference on April 24.

FOCUS ON INBRIJA AND VALUE CREATION

In response to the challenges of 2017, we implemented a comprehensive corporate restructuring, streamlining the organization and its cost structure and significantly increasing our cash reserves. In March, immediately after the district court’s ruling on AMPYRA, we substantially reduced headcount and expenses, focusing the company on preparing for the manufacture, launch, and commercialization of INBRIJA. During the year, we also monetized the sales or royalty streams from several of our smaller commercial products, ZANAFLEX® CAPSULES® (tizanidine HCl), FAMPYRA® (prolonged-release fampridine tablets), and SELINCRO® (nalmefene), adding $57 million dollars to our cash balance. We closed 2017 with $307 million and also expect to end 2018 with over $300 million in cash on hand. We are now well-capitalized for the launch of INBRIJA.

INBRIJA—TARGETING AN IMPORTANT UNMET NEED IN PARKINSON’S

INBRIJA is an investigational, self-administered, inhaled form of levodopa that relies on the Company’s proprietary ARCUS® technology; it has been developed to address symptoms of OFF periods in people with Parkinson’s disease, who are on a carbidopa/levodopa-based regimen. OFF periods are times throughout the day when a patient’s oral regimen of levodopa unpredictably wears off, leading
SUMMARY

Challenges are inevitable in drug development, in which about 90% of drugs that go into human clinical trials ultimately fail. We clustered a number of these challenges in 2017, at the same time achieving major successes in the INBRIJA development program. We have learned from our setbacks, and Acorda has emerged as a more focused, efficient, and high-performing organization—one that is poised to make INBRIJA an important drug launch in the Parkinson’s space.

We anticipate the following key milestones in the next 12 months:

• INBRIJA: Approval and commercialization
• AMPYRA: Oral argument and decision for appeal of district court decision

On behalf of our Leadership Team, Board of Directors, and our associates, thank you, our shareholders, for your continued support. We look forward to delivering on Acorda’s opportunities for building substantial value in 2018 and beyond.

Ron Cohen, M.D.
President and CEO
MANAGEMENT

TEAM

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President and Chief Executive Officer

Richard P. Batycky, Ph.D.
Chief Technology Officer and Site Head

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Chief, Business Operations, and Principal Accounting Officer

Lauren Sabella
Chief Commercial Officer

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