

Adamas Pharmaceuticals Inc  
Form 424B5  
January 05, 2016

Use these links to rapidly review the document

[TABLE OF CONTENTS](#)  
[TABLE OF CONTENTS](#)

[Table of Contents](#)

**Filed Pursuant to Rule 424(b)(5)  
Registration No. 333-204284**

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

**PROSPECTUS SUPPLEMENT (Subject to Completion)  
(To Prospectus dated June 1, 2015)**

**Dated January 5, 2016**

**2,500,000 Shares**

## **Common Stock**

We are offering 2,500,000 shares of our common stock. Our common stock is quoted on The NASDAQ Global Market under the symbol "ADMS." On January 4, 2016, the last reported sale price of our common stock was \$27.91 per share.

**Our business and an investment in our common stock involve significant risks. These risks are described under the caption "Risk Factors" beginning on page S-12 of this prospectus supplement.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

---

	<i>Per Share</i>	<i>Total</i>
<b>Public offering price</b>	\$	\$
<b>Underwriting discount<sup>(1)</sup></b>	\$	\$
<b>Proceeds, before expenses, to Adamas</b>	\$	\$

---

(1) See "Underwriting" for additional disclosure regarding underwriting commissions and expenses.

Edgar Filing: Adamas Pharmaceuticals Inc - Form 424B5

The underwriters may also purchase up to an additional 375,000 shares from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement.

The underwriters expect to deliver the shares through the book-entry facilities of The Depository Trust Company on \_\_\_\_\_, 2016.

**Cowen and Company**

**Piper Jaffray**

**William Blair**

**JMP Securities**

**Trout Capital**

\_\_\_\_\_, 2016

---

Table of Contents

**TABLE OF CONTENTS**

	<b>Page</b>
<b>Prospectus Supplement</b>	
<u>ABOUT THIS PROSPECTUS SUPPLEMENT</u>	<u>S-i</u>
<u>PROSPECTUS SUPPLEMENT SUMMARY</u>	<u>S-1</u>
<u>RISK FACTORS</u>	<u>S-12</u>
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>S-13</u>
<u>USE OF PROCEEDS</u>	<u>S-14</u>
<u>CAPITALIZATION</u>	<u>S-15</u>
<u>MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS FOR NON-U.S. HOLDERS</u>	<u>S-16</u>
<u>UNDERWRITING</u>	<u>S-20</u>
<u>VALIDITY OF COMMON STOCK</u>	<u>S-25</u>
<u>EXPERTS</u>	<u>S-25</u>
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	<u>S-26</u>
<b>Prospectus</b>	
<u>ABOUT THIS PROSPECTUS</u>	
<u>PROSPECTUS SUMMARY</u>	<u>i</u>
<u>RISK FACTORS</u>	<u>1</u>
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	<u>5</u>
<u>USE OF PROCEEDS</u>	<u>5</u>
<u>DESCRIPTION OF CAPITAL STOCK</u>	<u>6</u>
<u>DESIGNATED STOCKHOLDERS</u>	<u>6</u>
<u>PLAN OF DISTRIBUTION</u>	<u>10</u>
<u>LEGAL MATTERS</u>	<u>10</u>
<u>EXPERTS</u>	<u>12</u>
<u>WHERE YOU CAN FIND ADDITIONAL INFORMATION</u>	<u>12</u>
<u>INCORPORATION OF CERTAIN INFORMATION BY REFERENCE</u>	<u>13</u>

---

Table of Contents

**ABOUT THIS PROSPECTUS SUPPLEMENT**

This document is in two parts. The first part is this prospectus supplement, which describes the specific terms of the common stock we are offering. The second part, the accompanying prospectus dated June 1, 2015, gives more general information about our common stock. You should read this prospectus supplement and the accompanying prospectus, including the information incorporated by reference and any free writing prospectuses we have authorized for use in connection with this offering, in their entirety before making an investment decision.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus, along with the information contained in any free writing prospectuses we have authorized for use in connection with this offering. If the information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. We have not authorized anyone to provide you with different or additional information. Under no circumstances should the delivery to you of this prospectus supplement and the accompanying prospectus or any sale made pursuant to this prospectus supplement create any implication that the information contained in this prospectus supplement or the accompanying prospectus is correct as of any time after the respective dates of such information.

Unless the context requires otherwise, the words "Adamas," "we," the "company," "us" and "our" refer to Adamas Pharmaceuticals, Inc. and its subsidiaries taken as a whole, and the term "you" refers to a prospective investor.

This prospectus supplement and the accompanying prospectus, including the information incorporated by reference into this prospectus supplement and the accompanying prospectus, include trademarks, service marks and trade names owned by us or others. The word trademark "Adamas," Adamas Pharmaceuticals, Inc., the Adamas Pharmaceuticals, Inc. logo and all other Adamas product and service names are trademarks of Adamas Pharmaceuticals, Inc. in the United States and in other selected countries. All other trademarks, service marks and trade names included or incorporated by reference in this prospectus supplement and the accompanying prospectus are the property of their respective owners.

Table of Contents

**PROSPECTUS SUPPLEMENT SUMMARY**

*This summary highlights selected information appearing elsewhere or incorporated by reference in this prospectus supplement and accompanying prospectus and any free writing prospectus that we have authorized for use in connection with this offering; it may not contain all of the information that is important to you. This prospectus supplement and the accompanying prospectus include information about the shares we are offering as well as information regarding our business and financial data. You should read this prospectus supplement and the accompanying prospectus, including the information incorporated by reference and any free writing prospectuses we have authorized for use in connection with this offering, in their entirety. Investors should carefully consider the information set forth under "Risk Factors" in this prospectus supplement.*

**Adamas Pharmaceuticals, Inc.**

We are a specialty pharmaceutical company focused on the development and commercialization of therapeutics targeting chronic disorders of the central nervous system ("CNS"). We seek to achieve this by enhancing the pharmacokinetic profiles of approved drugs to create novel therapeutics for use alone and in fixed-dose combination products. Our business strategy is twofold. We intend to develop and commercialize our wholly-owned products directly. In addition, we may form partnerships with companies that have an already established CNS market presence.

We are developing our lead wholly-owned product candidate, ADS-5102 (amantadine hydrochloride), for multiple indications, including: a complication associated with the treatment of Parkinson's disease known as levodopa-induced dyskinesia ("LID"); for major symptoms associated with multiple sclerosis in patients with walking impairment; and potentially as a treatment for one or more additional CNS indications. ADS-5102 is an extended-release version of amantadine that is intended for once daily administration at bedtime. ADS-5102 is designed to improve upon the pharmacokinetic profile of immediate-release amantadine, with the aim of enhancing efficacy without compromising the known tolerability profile.

After successful completion of a Phase 2/3 clinical study in LID in 2013, we initiated two confirmatory Phase 3 registration trials and a separate open-label safety study in 2014. We completed enrollment in the larger of these trials, EASE LID, in July 2015, and the smaller, EASE LID 3, in December 2015. We announced top-line results of EASE LID in December 2015 and expect to announce top-line results of EASE LID 3 in the first half of 2016.

The EASE LID study showed a statistically significant reduction ( $p = 0.0009$ ) in LID at 12 weeks for patients who received ADS-5102 versus placebo as assessed by the Unified Dyskinesia Rating Scale (UDysRS). This represents a 23 percent reduction in LID for ADS-5102-treated patients compared to placebo. The reduction in LID was maintained at 24 weeks ( $p = 0.0008$ ), a key secondary analysis. There were four additional key secondary analyses based on patient diary data, and all achieved statistical significance. Notably, at week 12, ADS-5102 significantly increased ON time without troublesome dyskinesia by 2.7 hours versus placebo and reduced OFF time by 0.9 hours. These effects were maintained at week 24.

The reported adverse events associated with ADS-5102 were consistent with the known safety profile of amantadine as well as the safety results from our earlier placebo-controlled trial. The most common adverse events (occurring in at least five percent of ADS-5102-treated patients) were: hallucinations, peripheral edema, dizziness, dry mouth, constipation, falls, urinary tract infections, anxiety, contusion, livedo reticularis, abnormal dreams, depression and headaches. Four subjects

Table of Contents

discontinued treatment due to adverse events in the placebo group versus 13 in the ADS-5102 group. There were 17 subjects who experienced severe adverse events, four in the placebo group and 13 in the ADS-5102 group. Of these, one subject in the placebo group and three subjects in the ADS-5102 group had an event assessed to be study drug related. There were 10 subjects who experienced serious adverse events, three subjects in the placebo group and seven subjects in the ADS-5102 group. None of the serious adverse events were assessed to be study drug related.

We expect to submit a New Drug Application ("NDA") to the U.S. Food and Drug Administration ("FDA") for ADS-5102 for the treatment of LID in 2016.

We are also exploring the utility of ADS-5102 for the treatment of major symptoms associated with multiple sclerosis in patients with walking impairment with the initiation of a Phase 2 clinical study in June 2015. We anticipate results from this study in 2016. We may also explore the development of ADS-5102 in additional indications, as well as in combinations with other drugs.

We have also commenced development of ADS-4101, an extended-release version of an FDA-approved single-agent compound for the treatment of epilepsy (partial onset seizures). We expect that this new program will progress into clinical trials in 2016.

We plan to commercialize ADS-5102, and potentially other wholly-owned product candidates, if approved, by developing a small CNS commercial organization, including a sales force to reach high-volume prescribing neurologists and movement disorder specialists in the United States, and in other markets through distribution agreements and collaborations with CNS-focused pharmaceutical companies.

Through a partnership with Forest Laboratories Holdings Limited ("Forest Laboratories"), an indirect wholly-owned subsidiary of Allergan plc, our portfolio also includes two drugs commercially available in the United States for indications relating to Alzheimer's disease: Namzaric (memantine hydrochloride extended-release and donepezil hydrochloride) capsules (formerly MDX-8704) and Namenda XR® (memantine hydrochloride) extended release capsules, launched in May 2015 and June 2013, respectively.

**Our Market Opportunity**

We estimate that approximately 36 million people in the United States suffer from chronic CNS disorders such as Alzheimer's disease, Parkinson's disease, multiple sclerosis, epilepsy, psychosis, and depression. CNS diseases are frequently treated with multiple medications having different mechanisms of action with the goal of maximizing symptomatic benefits for patients. Existing CNS drugs often require frequent dosing and may have tolerability issues that limit the amount of the drug that can be taken each day. We believe that many CNS disorders could be better treated if the concentrations of existing CNS drugs as a function of time, or the pharmacokinetic profiles, are altered to increase efficacy while maintaining tolerability and if these enhanced drugs are then combined with other existing CNS drugs to improve and streamline the management of these complicated conditions.

Table of Contents

**Our Strategy**

Our goal is to build an independent, CNS-focused specialty pharmaceutical company that creates and commercializes novel therapeutics that address significant unmet clinical needs. This goal is supported by a product development strategy that allows us to discover, patent, develop, and commercialize novel therapeutics in a capital efficient manner. Our integrated process combines the following elements:

§ *Market attractiveness.* We seek to identify approved products that are sub-optimally utilized but, with pharmacokinetic enhancements, can significantly improve the treatment of chronic CNS conditions.

§ *Intellectual property.* We seek to discover novel pharmacokinetic and pharmacodynamic relationships and to obtain patent protection for a range of dose strengths, pharmacokinetic profiles, timing of administration, and drug combinations as opposed to protecting just specific formulations.

§ *Regulatory pathways.* We intend to use the regulatory pathway provided by Section 505(b)(2) of the U.S. Federal Food, Drug and Cosmetic Act to pursue approval for novel therapeutics based on existing drugs with less time and expense than are typically associated with the standard new drug approval pathway.

§ *Research and development.* We have developed a core competency in identifying, formulating, and manufacturing controlled-release drug products utilizing coated pellet technology.

We are implementing our strategy by focusing on the following key objectives:

§ Obtain FDA approval of ADS-5102 for the treatment of LID;

§ Develop ADS-5102 for the treatment of additional CNS indications, including major symptoms associated with multiple sclerosis in patients with walking impairments;

§ Continue development of ADS-4101, an extended-release version of an FDA-approved single-agent compound for the treatment of epilepsy (partial onset seizures); and

§ Commercialize our products by developing a specialty sales force to reach high-volume prescribing neurologists and movement disorder specialists in the United States.

**Our Therapeutics Portfolio**

Our product and product candidates are based on pharmacokinetic enhancements of approved CNS drugs. We selected aminoadamantanes as our initial area of focus because they have the ability to modulate multiple neurotransmitter systems, which are the molecular pathways that control brain function, and we believe aminoadamantanes potentially have broader therapeutic utility than previously realized. We believe our product development strategy is broadly applicable to addressing limitations of multiple CNS drugs whose pharmacokinetic profiles limit dosing, and we intend to

Table of Contents

initiate additional clinical programs in this area. The following table describes our therapeutics portfolio:

<b>Product and Product Candidates</b>	<b>Target Indication(s)</b>	<b>Development Status</b>	<b>Commercial Rights</b>
<b><u>Wholly-Owned</u></b>			
ADS-5102 (amantadine HCl)	Levodopa-induced Dyskinesia	Phase 3	Adamas, worldwide
	Multiple Sclerosis symptoms	Phase 2	Adamas, worldwide
	Third indication (not disclosed)	Research	Adamas, worldwide
ADS-8801 (fixed-dose combination of amantadine HCl/not disclosed)	Not disclosed	Research	Adamas, worldwide
ADS-4101 (not disclosed single-compound)	Epilepsy (Partial Onset Seizures)	Preclinical	Adamas, worldwide
<b><u>Partnered</u></b>			
Namzaric (Memantine/Donepezil)	Moderate to severe Alzheimer's dementia	Marketed	U.S.-only; licensed to Forest Laboratories
Namenda XR (Memantine)	Moderate to severe Alzheimer's dementia	Marketed	U.S.-only; licensed to Forest Laboratories

**Wholly-Owned Product Candidates****ADS-5102 (Amantadine HCl)**

Our most advanced wholly-owned product candidate is ADS-5102, an extended-release version of amantadine hydrochloride that is intended for once daily administration at bedtime. ADS-5102 is designed to improve upon the pharmacokinetic profile of immediate-release amantadine, with the aim of enhancing efficacy without compromising the known tolerability profile. In pharmacokinetic studies, ADS-5102 has been shown to achieve high plasma amantadine concentrations in the early morning that are sustained throughout the afternoon and are lower in the evening, potentially providing therapeutic benefit when needed most.

***ADS-5102 for Levodopa-induced Dyskinesia associated with Parkinson's disease***

We are developing ADS-5102 initially for the treatment of LID in patients with Parkinson's disease. LID is a movement disorder that frequently occurs in patients with Parkinson's disease after long-term treatment with levodopa, the most widely-used drug for Parkinson's disease. Patients with LID suffer from involuntary non-purposeful movements and reduced control over voluntary movements. We estimate that in 2011 approximately 260,000 Parkinson's disease patients in the United States suffered from motor complications as a result of levodopa therapy and approximately 140,000 of these patients suffered from LID. There are no drugs for the treatment of LID that have been approved for marketing in the United States or Europe. As a result, clinicians typically manage LID by decreasing the dose of levodopa, which can exacerbate symptoms of the underlying



## Edgar Filing: Adamas Pharmaceuticals Inc - Form 424B5

### Table of Contents

Parkinson's disease. In April 2015, the FDA granted orphan drug status to ADS-5102 for the treatment of LID associated with Parkinson's disease.

We selected LID as the initial indication for ADS-5102 based on results seen in investigator-initiated clinical studies of amantadine and in established preclinical models. In our Phase 2/3 clinical study completed in June 2013, ADS-5102 met its primary endpoint, reduction of LID, and several key secondary endpoints. Subsequently, we initiated two confirmatory Phase 3 registration trials and a separate open-label safety study in 2014. We completed enrollment in the larger of these trials, EASE LID, in July 2015, and the smaller, EASE LID 3, in December 2015. We announced top-line results of EASE LID in December 2015 and expect to announce top-line results of EASE LID 3 in the first half of 2016.

We recently announced results from the EASE LID study. The study showed a statistically significant reduction ( $p = 0.0009$ ) in LID at 12 weeks for patients who received ADS-5102 versus placebo as assessed by the Unified Dyskinesia Rating Scale (UDysRS). This represents a 23 percent reduction in LID for ADS-5102-treated patients compared to placebo. The reduction in LID was maintained at 24 weeks ( $p = 0.0008$ ), a key secondary analysis, as shown in the figure below.

The time profile of the change in UDysRS score is shown below, indicating that the effect is seen at the first post-baseline visit at week 2, and is maintained through week 24.

There were four additional key secondary analyses based on patient diary data and all achieved statistical significance. Notably, at week 12, ADS-5102 significantly increased ON time without troublesome dyskinesia by 2.7 hours versus placebo and reduced OFF time by 0.9 hours. These effects were maintained at week 24.

Table of Contents

Finally, for the pre-specified population of subjects who contributed PD diary data at baseline and week 12, a synchronized time profile diary analysis was generated as shown below. This graph elucidates the complex and dynamic pattern of motor complications over the course of a day for clinical trial subjects in the EASE LID study. Subjects awaken primarily in the OFF state, followed by ON without troublesome LID, and then by variable episodes of OFF and ON with troublesome LID. In this analysis, ADS-5102 treatment improved the quality of ON time by increasing ON time without troublesome LID from morning to late afternoon and evening hours, as well as reducing the OFF time during the day.

The reported adverse events associated with ADS-5102 were consistent with the known safety profile of amantadine as well as the safety results from our earlier placebo-controlled trial. The most common adverse events (occurring in at least five percent of ADS-5102-treated patients) were: hallucinations, peripheral edema, dizziness, dry mouth, constipation, falls, urinary tract infections, anxiety, contusion, livedo reticularis, abnormal dreams, depression and headaches. Four subjects discontinued treatment due to adverse events in the placebo group versus 13 in the ADS-5102 group. There were 17 subjects who experienced severe adverse events, four in the placebo group and 13 in the ADS-5102 group. Of these, one subject in the placebo group and three subjects in the ADS-5102 group had an event assessed to be study drug related. There were 10 subjects who experienced serious adverse events, three subjects in the placebo group and seven subjects in the ADS-5102 group. None of the serious adverse events were assessed to be study drug related.

We expect to submit an NDA to the FDA for ADS-5102 for the treatment of LID in 2016.

***ADS-5102 for major symptoms associated with multiple sclerosis in patients with walking impairment***

Amantadine has shown promising results in several other CNS indications, and in May 2015 we initiated a Phase 2 study of ADS-5102 for the treatment of major symptoms associated with multiple sclerosis in patients with walking impairment. We selected multiple sclerosis as the second target indication for ADS-5102 based on observations from small investigator-sponsored trials with immediate-release amantadine in Parkinson's disease and multiple sclerosis, which suggest improvement in symptoms, encouraging data from Adamas' preclinical studies in multiple sclerosis models, and encouraging data from the Phase 2/3 study of ADS-5102 in LID. We expect to announce data from this Phase 2 trial in the first half of 2016, and if successful, will discuss the results with the FDA and potentially pursue Phase 3 registration studies for this indication.

***Additional indications for ADS-5102***

We intend to continue to review the results of preclinical studies, clinical trials, and case reports published in peer reviewed medical journals to evaluate additional potential CNS indications for ADS-5102, including hypokinetic movement disorders such as post stroke deficits, and hyperkinetic

Table of Contents

movement disorders similar to LID, such as Huntington's chorea and tardive dyskinesia, and other neuropsychiatric disorders, such as depression, attention deficit hyperactivity disorder, and Alzheimer's disease. We anticipate that by using the 505(b)(2) regulatory pathway, we will be able to initiate the clinical development of ADS-5102 in new indications typically with Phase 2 studies and will not need to conduct any Phase 1 studies prior to initiating such Phase 2 studies. As a result, we expect to retain substantial flexibility in our development plans and may be able to respond to new clinical data and changes in the commercial environment.

***ADS-8801 series (ADS-5102-based fixed-dose combination products)***

Using a similar product development strategy we employed with memantine, we are investigating and will potentially develop additional combination products based upon combining ADS-5102 with second agents. We have identified certain approved CNS drugs that we believe have the potential to be combined with ADS-5102 to treat chronic CNS conditions, including Parkinson's disease, Alzheimer's disease, multiple sclerosis, psychosis, and depression. Each combination will be designed to provide clinical benefits in specific indications in which it appears that combination therapy including ADS-5102 can address a significant unmet clinical need. We believe we will be able to use the 505(b)(2) regulatory pathway to initiate clinical development of these product candidates. Additional drug-drug interaction studies to assess the potential for interaction between ADS-5102 and the second agent may be required unless the two agents have been previously studied. We anticipate progressing into Phase 2/3 studies in combination therapies with minimal additional work.

**Additional Programs (ADS-4000 and ADS-9000 Series)**

We believe our product development strategy is broadly applicable to addressing limitations of other CNS drugs beyond aminoadamantanes whose pharmacokinetic profiles limit dosing. We are continuing to evaluate several different approved CNS drugs to enhance pharmacokinetics for such drugs alone (ADS-4000 series) or in fixed-dose combinations with other approved drugs (ADS-9000 series) for potential use in a range of CNS indications.

**ADS-4101 (Undisclosed) for Treatment of Epilepsy**

As part of our ADS-4000 development program, which comprises single-agent compounds, we are developing ADS-4101, an extended-release version of an FDA-approved drug for the treatment of epilepsy. Epilepsy affects nearly 2.2 million people in the United States and 50 million people globally, with the U.S. anti-epileptic drug ("AED") market estimated to be \$4 billion and growing. Adequate seizure control is difficult to achieve, with 49% controlled with first mono therapy and 68% with combination therapy. In addition, titration and tolerability make AED compliance difficult, with 20-40% adverse event rates being typical even with careful titration. To date, extended-release drugs have primarily addressed convenience, not titration and tolerability. We have identified a pharmacokinetic modification of an approved antiepileptic drug, which is intended to provide improved efficacy in treating partial onset epileptic seizures while maintaining tolerability. Formulation development is currently underway and we expect preclinical dose-finding studies to be complete in 2016. If the results of those studies are supportive, we plan to initiate clinical testing by the end of 2016.

**Other Wholly-Owned Product Candidates**

***ADS-8704 (memantine HCl/donepezil HCl, outside of the United States only)***

We have retained the rights to develop fixed-dose combinations of controlled-release memantine and donepezil outside of the United States. We are currently evaluating potential development and commercialization pathways for ADS-8704, a fixed-dose combination of our proprietary controlled-

Table of Contents

release version of memantine and donepezil for the treatment of moderate to severe dementia related to Alzheimer's disease in various non-U.S. markets.

***ADS-8902 for severe influenza***

We developed ADS-8902, a triple combination antiviral drug therapy for influenza, which is designed to inhibit viral replication at multiple points in the virus proliferation pathway. ADS-8902 is a proprietary, fixed-dose combination product containing three FDA approved products, amantadine, oseltamivir and ribavirin. The National Institutes of Health is currently conducting a multi-center, 520 patient Phase 2/3 trial of amantadine, oseltamivir and ribavirin for the treatment of severe influenza. The trial was initiated in 2011 and as of December 2015, it had randomized 472 patients. As the rate of enrollment in the trial is heavily dependent on the incidence and severity of seasonal influenza each year, we have not projected an anticipated completion date for the trial. If the National Institutes of Health trial is successful, we may seek to license rights to ADS-8902 to pharmaceutical companies for which the treatment of influenza is a commercial focus. In 2010, we suspended further activities on ADS-8902, due to the expected length of the clinical trial and a change in our strategic focus.

**Partnered Products**

Through a partnership with Forest Laboratories, our portfolio includes two drugs commercially available in the United States: Namzaric (memantine hydrochloride extended-release and donepezil hydrochloride) capsules (formerly MDX-8704) and Namenda XR (memantine hydrochloride) extended release capsules, launched in May 2015 and June 2013, respectively. Under the terms of the license agreement, entered into in November 2012, Forest Laboratories substantially controls the commercialization of these products in the United States and the intellectual property rights subject to the license agreement, including the prosecution, maintenance, and enforcement of such rights, in the United States.

Under our agreement with Forest Laboratories, we received a non-refundable upfront license fee of \$65.0 million in 2012, which we recognized on a straight-line basis from November 2012 to February 2013, \$40.0 million in development milestone fees recognized in 2013, a \$25.0 million milestone payment related to FDA acceptance of Forest Laboratories' NDA submission for Namzaric recognized in May 2014, and a final \$30.0 million milestone payment recognized in December 2014 upon FDA approval of the NDA. Beginning five years after the May 2015 commercial launch, we are entitled to receive tiered royalties in the low double digits to the mid-teens for sales of Namzaric in the United States. In addition, we are also entitled to receive tiered royalties in the low to mid-single digits from Forest Laboratories for sales of Namenda XR in the United States beginning in June 2018; however, we do not expect the Namenda XR royalties will make a significant financial contribution to our business.

Table of Contents**Potential Upcoming Milestones**

We anticipate the following potential milestones as we progress:

<b>Milestone/Event</b>	<b>Anticipated date</b>
Final Paragraph 4 settlement or trial for Namenda XR	Q1 2016
Report top-line Phase 3 data for ADS-5102 in LID (EASE LID 3)	H1 2016
Report top-line Phase 2 data for ADS-5102 in MS patients with walking impairment	H1 2016
Initiate ADS-4101 Phase 1 study in epilepsy	2016
Submit ADS-5102 NDA for LID indication	2016
FDA filing decision for ADS-5102 NDA for LID indication	2016
Markman hearing for Namzaric	Q4 2016
Possible FDA action on ADS-5102 NDA for LID indication	2017
Potential launch of ADS-5102 for LID indication	2017
Initiate ADS-5102 Phase 3 multiple sclerosis study (if Phase 2 successful)	2017
Initiate ADS-4101 Phase 3 epilepsy study (if Phase 1 successful)	2017
Final Paragraph 4 settlements or trial for Namzaric	Q2 2017
Namenda XR royalties commence	Q2 2018

**Risk Factors**

Our business is subject to numerous risks, as more fully described in the section entitled "Risk Factors" immediately following this prospectus supplement summary. You should read these risk factors before you invest in our common stock. In particular, these risks include, but are not limited to, the following:

§

Our success depends heavily on the successful and timely completion of the Phase 3 program for LID, submission of our NDA to the FDA to obtain marketing approval, and commercialization of our lead wholly-owned product candidate, ADS-5102, as well as Forest Laboratories' successful commercialization of Namzaric and Namenda XR;

§

ADS-5102 is our only product candidate in clinical trials, and we cannot give any assurance that the Phase 3 program for LID or development program for any of our product candidates will be successful or completed in a timely or effective manner, if at all;

§

Our product candidates have never been manufactured on a commercial scale, and there are risks associated with developing manufacturing and packaging processes and scaling them up to commercial scale on a timely basis;

§

Our product candidates, including ADS-5102, and both Namzaric and Namenda XR require a complex manufacturing process, and there are risks associated with scaling up manufacturing and packaging to commercial scale and maintaining commercial production;

§

Our business will suffer if other companies are able to obtain approval for generic or other competing versions of current and future products in our portfolio,;

§

We do not directly market any products as yet, expect to incur substantial and increasing losses for the foreseeable future, and had an accumulated deficit as of September 30, 2015, of \$51.5 million;

Table of Contents

- § The regulatory approval process is expensive, time consuming, and uncertain and may prevent us or our collaboration partners from obtaining approvals for the commercialization of some or all of our product candidates;
- § If significant adverse side effects associated with a product or product candidate are identified during development or after approval, we may need to abandon development of a product candidate or cease marketing a product;
- § If we are unable to obtain favorable coverage, reimbursement and formulary placement decisions from third-party payers, our financial results will be adversely affected;
- § Our business may be adversely affected if we are unable to obtain and maintain effective intellectual property rights or others claim that we infringe their intellectual property rights;
- § Our operating results may fluctuate significantly, are difficult to predict and could fall below expectations; and
- § We may need additional funds to support our operations, and such funding may not be available on acceptable terms or at all.

**Recent Financial Information**

We have not finalized our consolidated financial statements for the period ended December 31, 2015. Based on our current estimates, as of December 31, 2015, we had approximately \$119.8 million in cash, cash equivalents and available-for-sale securities. The actual amounts that we report will be subject to our financial closing procedures and any final adjustments that may be made prior to the time our financial results for the period ended December 31, 2015, are finalized.

We have developed our current portfolio of late stage therapeutics in a capital efficient manner. As of December 31, 2015, we had raised a total of \$139.5 million from equity financings, had received \$160.0 million in upfront and milestone payments from our collaboration with Forest Laboratories, and had no debt obligations.

The preliminary financial data included in this prospectus supplement has been prepared by, and is the responsibility of, Adamas Pharmaceuticals, Inc.'s management. PricewaterhouseCoopers LLP has not audited, reviewed, compiled, or performed any procedures with respect to the preliminary financial data. Accordingly, PricewaterhouseCoopers LLP does not express an opinion or any other form of assurance with respect thereto.

**Corporate Information**

We were incorporated in Delaware in November 2000 under the name NeuroMolecular, Inc. In December 2004, we changed our name to NeuroMolecular Pharmaceuticals, Inc., and in July 2007 we changed our name to Adamas Pharmaceuticals, Inc. Our principal executive offices are located at 1900 Powell Street, Suite 750, Emeryville, California 94608, and our telephone number is (510) 450-3500. Our website address is [www.adamaspharma.com](http://www.adamaspharma.com). The information contained on our website is not incorporated by reference into this prospectus supplement or related prospectus, and you should not consider any information contained on, or that can be accessed through, our website as part of this prospectus supplement or related prospectus or in deciding whether to purchase our common stock.

Table of Contents

**THE OFFERING**

Common stock offered by Adamas	2,500,000 shares
Common stock to be outstanding after the offering	20,916,369 shares
Underwriters' option to purchase additional shares	375,000 shares
Use of proceeds	We currently expect to use the net proceeds from this offering for general corporate purposes, including expansion of our research and development programs, build-out of commercial infrastructure, capital expenditures and working capital.
Risk factors	See "Risk Factors" beginning on page S-12 for a discussion of factors you should consider before buying shares of our common stock.
NASDAQ Global Market Symbol	"ADMS"

The number of shares of common stock to be outstanding after the offering is based on the number of shares outstanding as of September 30, 2015. As of that date, we had 18,416,369 shares of common stock outstanding, excluding:

- § 5,381,791 shares issuable upon the exercise of outstanding stock options at a weighted average exercise price of \$8.43 per share;
- § 1,482,415 additional shares reserved for future issuance under our equity incentive plan; and
- § 410,828 additional shares reserved for future issuance under our employee stock purchase plan.

Unless otherwise noted, the information in this prospectus supplement reflects and assumes the following:

- § no exercise of outstanding options subsequent to September 30, 2015; and
- § no exercise of the underwriters' option to purchase additional shares of our common stock.

Table of Contents

**RISK FACTORS**

*Investing in our securities involves significant risks, some of which are described below. You should carefully consider the following risks, the risks described in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2015, as well as other information in this prospectus supplement and the accompanying prospectus, including information incorporated by reference herein and therein, and any free writing prospectus that we have authorized for use in connection with this offering, before deciding whether to invest in our securities. The occurrence of any of the events or developments described below could materially and adversely affect our business, financial condition, results of operations and growth prospects. In such an event, the market price of our securities could decline, and you may lose all or part of your investment in our securities. Additional risks and uncertainties not currently known to us or that we currently deem immaterial also may impair our business operations. Some statements in this prospectus supplement, including statements in the following risk factors, constitute forward-looking statements. See "Special Note Regarding Forward-Looking Statements."*

**Risks Related to this Offering**

*Purchasers in this offering will incur immediate and substantial dilution in the book value of their investment as a result of this offering.*

If you purchase common stock in this offering, you will incur immediate and substantial dilution, representing the difference between the public offering price per share and our as adjusted net tangible book value per share after giving effect to this offering. Moreover, we issued options in the past that allow their holders to acquire common stock at prices significantly below the public offering price. As of September 30, 2015, there were 5,381,791 shares subject to outstanding options with a weighted-average exercise price of \$8.43 per share. To the extent that these outstanding options are ultimately exercised, you will experience further dilution.

*We will have broad discretion in the use of proceeds from this offering and may invest or spend the proceeds in ways with which you do not agree and in ways that may not yield a return.*

We will have broad discretion over the use of proceeds from this offering. You may not agree with our decisions, and our use of the proceeds may not yield any return on your investment in us. Our failure to apply the net proceeds of this offering effectively could result in financial losses that could materially impair our ability to pursue our growth strategy, cause the price of our common stock to decline, delay development of our product candidates, or require us to raise additional capital.

*Sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could cause the market price of our common stock to drop significantly, even if our business is doing well.*

Sales of a substantial number of shares of our common stock in the public market could occur at any time. If our stockholders sell, or the market perceives that our stockholders intend to sell, substantial amounts of our common stock in the public market following this offering, the market price of our common stock could decline significantly.

Substantially all of our outstanding common stock is eligible for immediate resale in the public market. In connection with this offering, we, all of our directors and executive officers and certain of our other stockholders have agreed not to sell, dispose of, or hedge any common stock or securities



Table of Contents

convertible into or exchangeable for shares of common stock, such as stock options, during the period from the date of this prospectus supplement continuing through and including the date 90 days after the date of this prospectus supplement, subject to certain exceptions as described in further detail under the section of this prospectus supplement titled "Underwriting."

On June 1, 2015, we entered into a Controlled Equity Offering Sales Agreement with Cantor Fitzgerald & Co. (the "ATM Agreement"), under which we may offer and sell our common stock having aggregate sales proceeds of up to \$25 million from time to time through our sales agent. As of September 30, 2015, common stock for aggregate gross proceeds of \$14.8 million remained available to be sold under this facility, subject to certain conditions as specified in the ATM Agreement. In connection with this offering, we have agreed not to utilize the ATM Agreement from the date of this prospectus supplement continuing through and including the date 90 days after the date of this prospectus supplement.

Certain holders of shares of our common stock are entitled to certain rights with respect to the registration of their shares under the Securities Act of 1933, as amended, or the Securities Act. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act. Any sales of securities by these stockholders could have a material adverse effect on the trading price of our common stock.

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

Some of the statements in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference, and any free writing prospectus that we have authorized for use in connection with this offering are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements regarding potential future events or results, including statements regarding our future results of operations and financial position, business and partnering strategy, prospective products, product candidates and indications, regulatory submissions and approvals, ability to commercialize our products and product candidates, research, clinical and development plans, timing, and costs, and likelihood of success, plans and objectives of management for future operations, the potential receipt of any royalty payments, our ability to obtain and maintain intellectual property protection for our products and product candidates, and future results of current and anticipated products and product candidates, are forward-looking statements. Words such as "planned," "will," "may," "expect," and similar expressions are intended to identify these forward-looking statements. These statements involve known and unknown risks, uncertainties, and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified and some of which are beyond our control, you should not rely on these forward-looking statements as predictions of future events. Risks and uncertainties that could cause actual results to differ from those expressed include those discussed under the caption "Risk Factors" beginning on page S-12 of this prospectus supplement, in the documents incorporated by reference, in any free writing prospectus that we have authorized for use in connection with this offering or as a result of other circumstances beyond our control. The forward-looking statements made in this prospectus supplement, the accompanying prospectus, and any free writing prospectus that we have authorized for use in connection with this offering speak only as of the date on which the statements are made.

Table of Contents

**USE OF PROCEEDS**

Based upon an assumed public offering price of \$27.91 per share, the last reported sale price of our common stock on January 4, 2016, we estimate that the net proceeds from the sale of the 2,500,000 shares of common stock we are offering will be approximately \$65.2 million, after deducting the underwriting discount and estimated offering expenses payable by us. If the underwriters exercise in full their option to purchase additional shares, we estimate that the net proceeds to us will be approximately \$75.0 million.

Each \$1.00 increase or decrease in the assumed offering price per share would increase or decrease the net proceeds from this offering by approximately \$2.4 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus supplement, remains the same and after deducting the underwriting discount and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 500,000 shares in the number of shares offered by us at the assumed offering price would increase or decrease the net proceeds from this offering by approximately \$13.1 million, after deducting the underwriting discount and estimated offering expenses payable by us.

We will retain broad discretion over the use of the net proceeds from this offering. We currently expect to use the net proceeds from this offering for general corporate purposes, including for expansion of our research and development programs, build-out of a commercial infrastructure, capital expenditures, and working capital.

Table of Contents

**CAPITALIZATION**

The following table sets forth our capitalization as of September 30, 2015:

§  
on an actual basis; and  
§  
on an as adjusted basis to give effect to the receipt of the estimated net proceeds of \$65.2 million from the sale of the common stock in this offering (assuming no exercise of the underwriters' option to purchase additional shares) at an assumed public offering price of \$27.91 per share, the last reported sale price of our common stock on January 4, 2016, after deducting the underwriting discount and estimated offering expenses payable by us as described under "Use of Proceeds."

You should read the data set forth in the table below in conjunction with (a) our consolidated financial statements, including the related notes, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" from our Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and (b) our condensed consolidated financial statements, including the related notes, and "Management's Discussion and Analysis of Financial Condition and Results of Operations" from our Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015, which are incorporated by reference into this prospectus supplement and the accompanying prospectus.

	<b>As of September 30, 2015</b>	
(in thousands, except share and per share amounts)	<b>Actual</b>	<b>As Adjusted</b>
<b>Stockholders' equity:</b>		
Common stock, par value of \$0.001 per share, 100,000,000 shares authorized; 18,416,369 shares issued and outstanding, actual, 19,916,369 shares issued and outstanding as adjusted <sup>(3)</sup>	\$ 23	\$ 2
Additional paid-in capital	175,406	240,59
Accumulated other comprehensive gain	22	2
Accumulated deficit	(51,461)	(51,46
Total stockholders' equity	123,990	189,17
Total capitalization	\$ 123,990 & varies based on the level of achievement of the performance goals. The particular performance goals and the portions of the annual cash bonus opportunity that are based on the achievement of such performance goals varies from officer to officer based on such officer's responsibilities. In addition to the performance goal based components, each officer has a component (ranging from 25% to 50% of his annual cash bonus opportunity) based on a subjective evaluation of his performance. Each performance goal based component has a budget, target and maximum level of payment opportunity. For the performance goal based components, achievement at the budget level entitles the officer to 50% of that component, achievement at the target level entitles the officer to 100% of that component, and achievement at the maximum level entitles the officer to 150% of that component. For achievement of performance goals at levels between the budget level and the maximum level, the amount of the bonus payment for that component is calculated on a linear basis. The levels of achievement for performance goals that entitle officers to payment of all or a portion of his annual cash bonus opportunity are established at levels that are achievable, but require performance at levels that are better than that contemplated by our annual budget to achieve target or maximum payouts. For the discretionary component, the determination of what portion of this component the officer is entitled to is based on the discretion of the Committee. In no event can the total of all components of an officer's annual cash bonus exceed 100% of his annual cash bonus opportunity. At the end of each year, the Chief Executive Officer provides the Committee with his recommendations regarding the amount of the annual cash bonus payment	

for each member of the Officer Group and the Committee then conducts its own deliberations and approves the final bonus (if any) to each member of the Officer Group other than Mr. Silberstein, whose bonus is paid pursuant to a quantitative formula.

At the beginning of 2006, the Committee established annual cash bonus opportunities for 2006 performance. For Mr. Stoops, the annual cash bonus opportunity equaled 100% of his base salary and for Messrs. Bagwell, Hunt, Macaione and Cavanagh the annual cash bonus opportunities were 100%, 85%, 50% and 40% of the officer's 2006 base salary, respectively. In early 2007, the Committee reviewed the accomplishments of each member of the Officer Group during 2006, including the Chief Executive Officer, against the performance goals established for such officer at the beginning of the year. The 2006 performance goals for members of the Officer Group (other than Mr. Silberstein) related to new tower builds, acquisitions (excluding the acquisition of AAT) and Adjusted EBITDA (modified to exclude the impact of non-organic growth) plus the subjective evaluation discussed above. The performance goals for each officer varied depending on the officer's function within the company. In 2006, we reached the target level for the acquisition performance goal (which excludes the acquisition of AAT) and the maximum level for the Adjusted EBITDA performance goal, although we did not reach the budget level for the new tower builds performance goal.

In evaluating whether each officer achieved the full amount of his subjective component of his cash bonus, the Committee reviewed a number of factors, including the following (some of which also impacted the Adjusted EBITDA performance goal):

the successful completion of the 2006 \$1.15 billion securitization offering;

above budget results in the services business;

above budget results in tower operations (including maintenance, utilities and augmentations);

SBA exceeding budget for ground lease purchases;

improvements in the accounting department, improved management and Board reporting;

---

**Table of Contents**

successfully completing the 2006 audit and maintaining full compliance with SBA's Sarbanes-Oxley obligations, including its audit of internal controls; and

failure to make budget with respect to selling, general and administrative expenses.

Based on all of these factors, the Committee determined that Mr. Stoops met or exceeded substantially all of his performance goals. Consequently, upon a review of Mr. Stoops' performance, taken as a whole and excluding the discretionary bonus related to the AAT acquisition, the Committee awarded him 87% of his 2006 annual cash bonus opportunity. Similarly, the Committee awarded the remaining members of our Officer Group (other than Mr. Silberstein) approximately 87% to 100% of their respective 2006 annual cash bonus opportunity.

Mr. Silberstein, who heads our tower leasing efforts, is paid a quarterly cash bonus pursuant to a specific formula based on our lease activity for the quarter, including net revenue added to our tower portfolio from new tenant leases, rent escalator and lease amendments to existing tenant leases. Mr. Silberstein's cash bonus potential is unlimited.

During 2006, each member of our Officer Group also received a special discretionary bonus relating to the successful acquisition of AAT Communications Corp., which we believe will significantly enhance our organic revenue and cash flow. As a result of the AAT acquisition, we increased our tower portfolio by over 50% and changed our geographic footprint from the Eastern third of the United States to nationwide coverage. Given the officers' contribution to the success of the AAT acquisition, during the second quarter of 2006, the Committee approved a discretionary cash bonus payment for Mr. Stoops in the amount of \$200,000 and for Messrs. Bagwell, Hunt, Macaione and Silberstein in the amount of \$80,000, \$120,000, \$70,000, and \$60,000, respectively. The Committee's deliberations with respect to the AAT acquisition bonuses were wholly separate and distinct from the annual cash bonus process described above.

In early 2007, the Committee approved the annual cash bonus opportunities for 2007 for each of Messrs. Stoops, Bagwell, Hunt, Macaione, at the percentage established in the employment agreements, specifically, 100%, 100%, 85% and 50% of base salary, respectively and for Mr. Cavanagh an annual cash bonus opportunity of 40% of his base salary. Achievement of this annual cash bonus opportunity is tied directly to the achievement of company-wide financial and strategic performance goals and an individual-based subjective component. The Committee also approved, for each such member of the Officer Group, the financial and/or strategic performance goals, the budget, target and maximum payout goals for each financial and/or strategic performance goal and the relative weighting to be assigned to each such performance goal based component in determining the 2007 cash bonus. For 2007, these financial and strategic performance goals

relate to new tower builds, tower acquisitions, Adjusted EBITDA (modified to exclude the impact of non-organic growth) and site development segment operating profit. In addition to the performance goal based components, for 2007 a percentage of each such officer's annual cash bonus opportunity, ranging from 25% to 50%, will be based on the subjective evaluation by the Committee of the officer's performance. The Committee also authorized that the quarterly bonus opportunity for Mr. Silberstein will again be determined pursuant to a quantitative formula based on our lease activity, including net revenue added to our tower portfolio from new tenant leases, rent escalator and lease amendments to existing tenant leases.

*Equity-Based Compensation*

The Committee's philosophy is that a portion of an executive's compensation should be based directly upon the value of long-term incentive compensation in the form of stock ownership or stock option awards so as to align the financial interests of our officers with those of our shareholders. The Committee believes that providing executives with the opportunities to acquire significant stakes in our growth and prosperity (through grants of stock options), while maintaining other elements of our compensation program at externally equitable levels, will incentivize and reward officers for sound business management, develop a high-performance team environment, foster the accomplishment of short-term and long-term strategic and operational objectives and compensate

---

**Table of Contents**

officers for improvement in shareholder value, all of which are essential to our ongoing success. The Committee believes that this component of total compensation should bear performance and market risk in a manner similar to the risks borne by our shareholders.

Periodically, the Committee evaluates the appropriate form of equity-based compensation. The Committee has evaluated the use of stock options as compared to restricted stock and other forms of equity-based compensation and has received reports from Mercer with alternatives and recommendations. After consideration of the relevant tax, accounting, dilution, valuation, incentive and other considerations, the Committee in 2006 and 2007 concluded that stock option awards were the appropriate form of equity-based, long-term incentive compensation. In 2005, the Committee established general guidelines for the number of options to be awarded to the members of the Officer Group through 2007. The guidelines established the same number of options to be granted each member of the Officer Group in 2006 and 2007. Accordingly, on February 26, 2007 the members of the Officer Group were granted the following number of stock options, each with an exercise price of \$28.54 per share; Stoops 142,500; Bagwell 55,000; Hunt 55,000; Macaione 46,500; Silberstein 41,000 and Cavanagh 35,000. The Committee is also responsible for determining the appropriate amount of options to be awarded company-wide each year. In determining the total amount of options to be awarded company-wide, the Committee, in consultation with the Committee's independent consultant, carefully considers the dilutive impact of stock options on SBA's shareholder base, the value of such option grants, based on FAS 123(R) and Black-Scholes, and compares all of this information to the Compensation Peer Group and Survey Group data compiled by Mercer. Based on this analysis, in 2006 the Committee determined that the total amount of options that would be granted company-wide would be 1.2% of common stock then outstanding. For 2007, the Committee set the total amount of options that would be granted company-wide based on the Committee's determination of the appropriate aggregate value of all options, based on a Black-Scholes valuation, considering, among other things, the term of such options.

Stock options are granted under our 2001 Equity Participation Plan. Stock options for our Officer Group are granted at least at the prevailing market price on the grant date and thus will only have value if our stock price increases. Generally, grants vest in equal amounts over a period of four years. We believe that this vesting schedule aids us in retaining executives and motivating longer-term performance. The Committee grants options to eligible participants under our Equity Participation Plan once per year, typically in the first fiscal quarter. The Committee (1) sets the percentage of the total options to be awarded that will be allocated to the members of the Officer Group, (2) approves the absolute number of options to be awarded to the Chief Executive Officer, (3) approves the Chief Executive Officer's recommended allocation of the remainder of the Officer Group award to the other individual members of the Officer Group and (4) approves the Chief Executive Officer's recommended allocation of the number of options to be awarded to each employee. It is the Committee's practice to insure that stock option grants are not impacted by the release of material non-public information. The Committee met the day after the announcement of our full year 2006 financial results to approve 2007 stock option grants and set the effective date of the grant (and therefore the exercise price) to occur two full

trading days after the announcement to permit the market to fully absorb and reflect our financial results.

*Other Benefits*

The members of our Officer Group are eligible to participate in our active employee flexible benefits plans, which are generally available to all full-time employees. Under these plans, all employees are entitled to medical, vision, dental, life insurance and long-term disability coverage. All full-time employees are also entitled to vacation, sick leave and other paid holidays. SBA also provides all full-time employees, including members of our Officer Group, with a 50% match on their 401(k) contributions up to \$3,000. In addition to the benefits provided to all full-time employees, SBA's executive officers, including members of the Officer Group, are provided supplemental medical reimbursement insurance. The Committee believes that SBA's commitment to provide the employee benefits summarized above recognizes that the health and well-being of SBA's employees contribute directly to a productive and successful work life that enhances results for SBA and its shareholders.



---

**Table of Contents**

*Severance and Change of Control Benefits.* We have entered into employment agreements with each of our named executive officers, other than Mr. Silberstein. Each of these agreements provides for certain payments and other benefits if the executive's employment terminates under certain circumstances, including in the event of a change in control. See Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table Employment Agreements.

The Committee believes that these severance and change in control arrangements are an important part of overall compensation for those covered named executive officers because they help to secure the continued employment and dedication of those covered named executive officers, notwithstanding any concern that they might have regarding their own continued employment prior to or following a change in control. The Committee also believes that these arrangements are important as a recruitment and retention device, as most of the companies with which we compete for executive talent have similar agreements in place for their senior executives.

The basic elements of our severance and change in control provisions included in the employment agreements are:

*Covered terminations.* The executive would receive severance payments if his employment is terminated (1) by SBA without cause (as defined in the employment agreement), (2) by the executive for good reason (as defined in the employment agreement) or (3) if, within two years of a change in control (three years in the case of Mr. Stoops), the executive's employment is terminated (i) by SBA without cause or (ii) by the executive for good reason. See page 25 for a more detailed discussion.

*Severance payment.* Upon occurrence of a covered termination, the executive would receive a severance payment of two times (three times for Mr. Stoops) the executive's current base salary plus the annual cash bonus opportunity (or the reference bonus for Mr. Stoops) for the year in which the termination occurred.

*Impact of Change in Control.* Upon the occurrence of a change in control, the term of each of our employment agreements is extended by two years (three years for Mr. Stoops) and, if the executive is subsequently terminated as a result of a covered termination, the severance payment is payable in lump sum rather than in equal installments over twenty-four months, or thirty-six months, as the case may be.

*Benefit continuation.* Basic employee benefits such as medical, dental and life insurance, but excluding the supplemental medical reimbursement benefit (except for Mr. Stoops), would be continued for

up to two years (three years for Mr. Stoops) following termination of employment.

Excise tax. In the event the payments made to the executive, or the value of other benefits received by the executive, in connection with a change in control exceed certain limits, Section 280G of the Internal Revenue Code imposes an excise tax on the employee. Pursuant to the employment agreements entered into with Messrs. Bagwell, Hunt and Macaione, the costs of this excise tax, including related tax gross-ups, would be borne by SBA.

In addition, our equity participation plans provide for accelerated vesting of options upon a change in control.

#### **Adjustments for Unusual Items**

Consistent with past practice, we adjusted certain financial measurements and operational results on which 2006 bonuses and performance awards were determined to eliminate the effect of certain unusual items. The adjustments are intended to ensure that award payments represent the underlying growth of the core business and are not artificially inflated or deflated due to such unusual items either in the award year or the previous year. Consequently, for the 2006 awards calculation, as for prior years, we utilized the non-GAAP financial measure of Adjusted EBITDA modified to exclude the impact of non-organic growth.

---

**Table of Contents**

**Effect of Regulatory Requirements on Executive Compensation**

*Code Section 162(m).* Under U.S. federal income tax law, SBA cannot take a tax deduction for certain compensation paid in excess of \$1 million to the named executive officers. However, performance-based compensation, as defined in the tax law, is fully deductible if the programs are approved by shareholders and meet other requirements. The 2001 Equity Participation Plan is currently qualified so that awards under such Plan constitute performance-based compensation not subject to the deduction limit under Section 162(m) of the Internal Revenue Code of 1986, as amended.

Although the Committee has not adopted any specific policy with respect to the application of Section 162(m), the Committee generally seeks to structure executive compensation to SBA's executive officers in a manner that is intended to avoid disallowance of deductions under Section 162(m). We may make payments that are not fully deductible if, in our judgment, such payments are necessary to achieve our compensation objectives and to protect shareholder interests. We did make certain non-deductible payments in 2006.

*Code Section 409A.* Code Section 409A generally changes the tax rules that affect most forms of deferred compensation that were not earned and vested prior to 2005. Although complete guidance regarding Code Section 409A has not been issued, the Committee takes Code Section 409A into account in determining the form and timing of compensation paid to our executives. Our company operates and administers its compensation arrangements in accordance with a reasonable good faith interpretation of the new rules.

*Code Sections 280G and 4999.* Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended ( Code Sections 280G and 4999 ) limit our company's ability to take a tax deduction for certain excess parachute payments (as defined in Code Sections 280G and 4999) and impose excise taxes on each executive that receives excess parachute payments in connection with his or her severance from our company in connection with a change in control. The Committee considers, as one of many factors, the adverse tax liabilities imposed by Code Sections 280G and 4999, as well as other competitive factors, when it structures certain post-termination compensation payable to our named executive officers. The potential adverse tax consequences to our company and/or the executive, however, are not necessarily determinative factors in such decisions.

*Accounting Rules.* Various rules under generally accepted accounting practices determine the manner in which our company accounts for grants of equity-based compensation to our employees in our financial statements. The Committee takes into consideration the accounting treatment of alternative grant proposals under SFAS 123(R) when determining the form and timing of equity compensation grants to employees, including our named executive

officers. The accounting treatment of such grants, however, is not determinative of the type, timing or amount of any particular grant of equity-based compensation to our employees.

### **Summary**

The Committee and the Board believe that the caliber and motivation of all our employees, and especially our executive leadership, are essential to SBA's performance. We believe our management compensation programs contribute to our ability to differentiate our performance from others in the marketplace. The Committee believes that SBA's overall executive compensation philosophy and programs are market competitive, performance-based and shareholder aligned. Accordingly, the Committee believes that SBA will continue to attract, motivate and retain high caliber executive management to serve the interests of SBA and its shareholders. We will continue to evolve and administer our compensation program in a manner that we believe will be in shareholders' interests and worthy of shareholder support.

---

**Table of Contents**

**Compensation Committee Report**

The Compensation Committee of our Board of Directors (the Committee ) has reviewed and discussed the Compensation Discussion and Analysis contained in this Proxy Statement with management. Based on the Committee s review and discussions with management with respect to the Compensation Discussion and Analysis, the Committee has recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement for filing with the SEC.

*The Compensation Committee*

**Brian C. Carr**

**Philip L. Hawkins**

**Jack Langer**

**Steven E. Nielsen**

April 6, 2007

**Table of Contents****EXECUTIVE COMPENSATION**

The following table presents certain summary information for the fiscal year ended December 31, 2006 concerning compensation earned for services rendered in all capacities by our Chief Executive Officer, our Chief Financial Officer and our, or our subsidiaries, other three most highly compensated executive officers, in each instance whose total compensation exceeded \$100,000 during the fiscal year ended December 31, 2006. We refer to these officers collectively as our Named Executive Officers.

In the column Option Awards, SEC regulations require us to disclose the award of options measured in dollars and calculated in accordance with FAS 123(R). For stock options, the FAS 123(R) fair value per share is based on certain assumptions which we explain in footnotes 2 and 14 to our financial statements which are included in our annual report on Form 10-K. We disclose such expense ratably over the vesting period but without reduction for assumed forfeitures (as we do for financial reporting purposes). The amounts shown in the table below also include a ratable portion of each grant we made in prior years to the extent the vesting period fell in 2006 (except where generally accepted accounting principles (GAAP) required us to recognize the full amount in a prior year, as is the case when a grant is made to a retirement-eligible executive and under the terms of such award the executive is permitted to retain all or part of such award upon retirement without fulfilling the vesting period). Please also refer to the table in this Proxy Statement with the caption 2006 Grants of Plan-Based Awards.

**Summary Compensation Table**

Name and Principal Position	Year	Salary (\$)	Bonus (\$) <sup>(1)</sup>	Option Awards (\$)	All Other	Total (\$)
					Compensation (\$)	
Jeffrey A. Stoops	2006	460,000	600,000 <sup>(2)</sup>	725,569	17,029 <sup>(3)</sup>	1,802,598
President and Chief Executive Officer						
Kurt L. Bagwell	2006	277,500	253,438 <sup>(4)</sup>	333,340	5,078 <sup>(5)</sup>	869,356
Senior Vice President and Chief Operating Officer						

Edgar Filing: Adamas Pharmaceuticals Inc - Form 424B5

Thomas P. Hunt	2006	277,500	355,875 <sup>(6)</sup>	278,817	4,837 <sup>(5)</sup>	917,029
Senior Vice President and General Counsel						
Anthony J. Macaione	2006	247,500	193,750 <sup>(7)</sup>	198,032	13,956 <sup>(8)</sup>	653,238
Senior Vice President and Chief Financial Officer						
Jason V. Silberstein	2006	140,000	208,500 <sup>(9)</sup>	264,952	3,722 <sup>(5)</sup>	617,174
Vice President Property Management						

<sup>(1)</sup> Bonuses reflected were earned in 2006, but paid part in 2006 and part in 2007.

<sup>(2)</sup> Consists of a one-time discretionary cash bonus in connection with our acquisition of AAT in the amount of \$200,000 and an annual cash bonus based on the achievement of performance criteria for 2006 in the amount of \$400,000.

<sup>(3)</sup> This amount represents \$14,029 of reimbursements for health insurance and medical expenses pursuant to our supplemental medical expense reimbursement plan not generally provided to all employees and \$3,000 of company matching contributions to the recipient's 401(k) plan.

<sup>(4)</sup> Consists of a one-time discretionary cash bonus in connection with our acquisition of AAT in the amount of \$80,000 and an annual cash bonus based on the achievement of performance criteria for 2006 in the amount of \$173,438.

**Table of Contents**

- (5) This amount represents reimbursements for health insurance and medical expenses pursuant to our supplemental medical expense reimbursement plan not generally provided to all employees.
- (6) Consists of a one-time discretionary cash bonus in connection with our acquisition of AAT in the amount of \$120,000 and an annual cash bonus based on the achievement of performance criteria for 2006 in the amount of \$235,875.
- (7) Consists of a one-time discretionary cash bonus in connection with our acquisition of AAT in the amount of \$70,000 and an annual cash bonus based on the achievement of performance criteria for 2006 in the amount of \$123,750.
- (8) This amount represents \$4,934 of reimbursements for health insurance and medical expenses pursuant to our supplemental medical expense reimbursement plan not generally provided to all employees, \$3,000 of company matching contributions to the recipient's 401(k) plan and \$6,022 of a gross-up for health insurance premium costs.
- (9) Consists of a one-time discretionary cash bonus in connection with our acquisition of AAT in the amount of \$60,000 and an annual cash bonus based on the achievement of performance criteria for 2006 in the amount of \$148,500.

**2006 Grants of Plan-Based Awards**

In this table, we provide information concerning each grant of an option award made to a Named Executive Officer in the most recently completed fiscal year. These options awards were under SBA's 2001 Equity Participation Plan, as amended and restated, which is discussed in greater detail in this Proxy Statement under the caption, Compensation Discussion and Analysis. In all cases, the exercise price was equal to the closing market price of our common stock on the date of grant. Finally, in the last column, we report the aggregate FAS123(R) value of all awards made in 2006.

Name	Grant Date	All Other Option Awards: Number of Securities Underlying	Exercise or	Grant Date Fair Value of Option Awards
			Base Price of Option	
			Awards	
		Options (#) <sup>(1)</sup>	(\$ / Sh)	



Jeffrey A. Stoops	1/19/2006	142,500	19.10	\$ 1,061,525
Kurt L. Bagwell	1/19/2006	55,000	19.10	\$ 409,711
Thomas P. Hunt	1/19/2006	55,000	19.10	\$ 409,711
Anthony J. Macaione	1/19/2006	46,500	19.10	\$ 346,392
Jason V. Silberstein	1/19/2006	41,000	19.10	\$ 305,421

<sup>(1)</sup> This column represents the number of stock options granted in 2006 to the Named Executive Officers. These options vest and become exercisable ratably in four equal annual installments, beginning on January 19, 2007, the first anniversary of the grant date.

**Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table**

*Employment Agreements*

As discussed above under the caption Compensation Discussion and Analysis, we have entered into employment agreements with Messrs. Stoops, Bagwell, Hunt and Macaione in order to further our ability to retain their services as executive officers of SBA.

*Employment Agreement with Mr. Stoops*

Mr. Stoops has executed an employment agreement with us that currently expires on December 31, 2008. Under his employment agreement, Mr. Stoops is entitled to receive a base salary and an annual cash bonus based

---

**Table of Contents**

on achievement of performance criteria established by the Board of Directors. The cash bonus paid to Mr. Stoops is not permitted to exceed his base annual salary. The employment agreement provides that upon our termination of his employment without cause, or Mr. Stoops' resignation for good reason, Mr. Stoops is entitled to receive (i) an amount equal to three times the sum of: (a) his annual base salary, (b) reference bonus and (c) the value of health, medical and other fringe benefits (as calculated in the employment agreement), and (ii) a pro rata portion of the bonus for the year in which the termination or resignation occurs. Upon a change in control, the agreement is automatically extended for three years. The employment agreement defines reference bonus as being the greater of (1) \$312,295.50, (2) 75% of Mr. Stoops' annual cash bonus opportunity for the year in which the termination occurs and (3) 100% of Mr. Stoops' bonus for the year immediately preceding the year in which Mr. Stoops' termination of employment occurred. The agreement also provides for noncompetition, nonsolicitation and nondisclosure covenants.

**Employment Agreements with Messrs. Bagwell, Hunt and Macaione**

On September 18, 2006 we entered into employment agreements with Messrs. Bagwell, Hunt and Macaione. The agreements with Messrs. Bagwell and Hunt replaced existing employment agreements entered into with them on February 28, 2003, which were set to expire on December 31, 2006. The employment agreements provide for each of Messrs. Bagwell, Hunt and Macaione to serve in their present positions and expire on December 31, 2009.

Pursuant to the September 2006 employment agreements, each of Messrs. Bagwell, Hunt and Macaione is entitled to receive an annual base salary and annual bonus based on achievement of performance criteria established by the Compensation Committee of the Board of Directors. The employment agreements provide for each of the executive officers to be paid a minimum annual base salary currently set at \$277,500, \$277,500 and \$247,500 for Messrs. Bagwell, Hunt and Macaione, respectively. The employment agreements also provide for each of the executive officers to be eligible to earn a minimum annual cash bonus opportunity for each year equal to 100%, 85% and 50% of base salary for Messrs. Bagwell, Hunt and Macaione, respectively, which the employment agreements define as the minimum target bonus. For 2007, the Compensation Committee approved increases in the base salaries of Messrs. Bagwell, Hunt and Macaione to \$288,000, \$288,000 and \$263,000, respectively.

The employment agreements provide that upon termination of the executive officer's employment without cause, or upon the executive officer's resignation for good reason, the executive officer is entitled to receive: (i) an amount equal to two times the sum of: (a) his annual base salary in effect for the year in which termination or resignation occurs and (b) the minimum target bonus, (ii) an amount equal to the *pro rata* portion of the minimum target bonus for the year in which the termination or resignation occurs, and

(iii) continuation of medical, dental and life insurance benefits until the earlier of the second anniversary of the termination date or the date the executive officer becomes eligible for comparable benefits provided by a third party. Upon a change in control, the employment agreements are automatically extended for two years from the date of such change in control. Additionally, the employment agreements provide for a gross-up payment to compensate the executive officers for certain taxes in the event that any payments made in connection with a termination of employment would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, as amended, or any interest and penalties payable with respect to such excise tax. The employment agreements also provide for noncompetition, nonsolicitation and nondisclosure covenants.

**Table of Contents****Outstanding Equity Awards at Fiscal Year-End**

The following table provides information concerning unexercised options for each Named Executive Officer outstanding as of the end of our most recently completed fiscal year. Each stock option grant is shown separately for each Named Executive Officer.

<u>Name</u>	<u>Number of</u>	<u>Number of</u>	<u>Option</u>	<u>Option</u>
	<u>Securities</u>	<u>Securities</u>		
	<u>Underlying</u>	<u>Underlying</u>	<u>Exercise</u>	<u>Expiration</u>
	<u>Unexercised</u>	<u>Unexercised</u>		
	<u>Options</u>	<u>Options</u>	<u>Price (\$)</u>	<u>Date</u>
	<u>(#)</u>	<u>(#)</u>		
	<u>Exercisable</u>	<u>Unexercisable</u>		
Jeffrey A. Stoops	89,179		15.25	12/16/2009
		75,000 <sup>(1)</sup>	2.10	5/14/2013
		97,500 <sup>(2)</sup>	4.25	2/11/2014
		131,250 <sup>(3)</sup>	8.56	2/1/2015
		142,500 <sup>(4)</sup>	19.10	1/19/2016
	<u>89,179</u>	<u>446,250</u>		
Kurt L. Bagwell		1,667	0.05	1/25/2011
	10,001		8.00	1/25/2011
	3,334		8.00	12/19/2007
	13,334		8.00	1/7/2012
	32,500	32,500 <sup>(1)</sup>	2.10	5/14/2013
	21,250	42,500 <sup>(2)</sup>	4.25	2/11/2014
	20,500	61,500 <sup>(3)</sup>	8.56	2/1/2015
		55,000 <sup>(4)</sup>	19.10	1/19/2016
	<u>100,919</u>	<u>193,167</u>		
Thomas P. Hunt	30,000		8.00	9/20/2010
	7,500		8.00	12/19/2007
	26,667		8.00	1/7/2012
	82,500	27,500 <sup>(1)</sup>	2.10	5/14/2013
	37,500	37,500 <sup>(2)</sup>	4.25	2/11/2014
	18,000	54,000 <sup>(3)</sup>	8.56	2/1/2015
		55,000 <sup>(4)</sup>	19.10	1/19/2016
	<u>202,167</u>	<u>174,000</u>		

Edgar Filing: Adamas Pharmaceuticals Inc - Form 424B5

Anthony J. Macaione		37,500 <sup>(5)</sup>	4.30	4/19/2014
	12,987	45,750 <sup>(3)</sup>	8.56	2/1/2015
		46,500 <sup>(4)</sup>	19.10	1/19/2016
	12,987	129,750		
Jason V. Silberstein	6,557		15.25	12/16/2009
	202		0.05	7/1/2011
	20,000		12.94	1/7/2012
	1,667		8.00	12/19/2007
	3,334		8.00	12/19/2007
	20,000	20,000 <sup>(1)</sup>	2.10	5/14/2013
		27,500 <sup>(2)</sup>	4.25	2/11/2014
		37,500 <sup>(3)</sup>	8.56	2/1/2015
		41,000 <sup>(4)</sup>	19.10	1/19/2016
	51,760	126,000		

<sup>(1)</sup> These stock options were granted on May 14, 2003. These options vest and become exercisable in four equal annual installments, with the first installment vesting on May 14, 2004.

<sup>(2)</sup> These stock options were granted on February 11, 2004. These options vest and become exercisable in four equal annual installments, with the first installment vesting on February 11, 2005.

**Table of Contents**

- (3) These stock options were granted on February 1, 2005. These options vest and become exercisable in four equal annual installments, with the first installment vesting on February 1, 2006.
- (4) These stock options were granted on January 19, 2006. These options vest and become exercisable in four equal annual installments, with the first installment vesting on January 19, 2007.
- (5) These stock options were granted on April 19, 2004. These options vest and become exercisable in four equal annual installments, with the first installment vesting on April 19, 2005.

**Option Exercises in 2006**

The following table provides information concerning exercises of stock options during the most recently completed fiscal year for each of the Named Executive Officers. Each individual exercise of a stock option grant on a particular day is shown separately for each Named Executive Officer along with the total number of exercises of stock options and total value realized on exercise during the most recently completed fiscal year.

Name	Option Awards	
	Number of Shares	Value Realized
	Acquired on Exercise (#)	on Exercise (\$) <sup>(1)</sup>
Jeffrey A. Stoops	43,750	643,125
	48,750	926,738
	32,500	42,575
	75,000	1,917,000
	180,000	2,649,600
	380,000	6,179,038 <sup>(2)</sup>
Kurt L. Bagwell	1,667	32,940 <sup>(2)</sup>
Thomas P. Hunt	2,500	50,050 <sup>(2)</sup>
Anthony J. Macaione	10,000	247,012
	8,750	216,125
	18,750	444,563 <sup>(3)</sup>
	2,263	44,015 <sup>(3)</sup>

	39,763	951,715
	<hr/>	<hr/>
Jason V. Silberstein	7,500	164,175
	12,500	219,750
	20,000	475,000
	1,667	45,759
	<hr/>	<hr/>
	41,667	904,684
	<hr/>	<hr/>

- (1) We computed the dollar amount of value realized on exercise by multiplying the number of shares times the difference between the market price of the underlying Class A Common Stock at exercise and the exercise price of the options. Unless otherwise indicated, the options were exercised and sold and therefore market price refers to the actual market price at which the shares were sold.
- (2) Each of Messrs. Stoops, Bagwell and Hunt exercised and held all of the referenced option exercises. Consequently, the value realized on exercise is calculated by multiplying the number of shares times the difference between the closing price of Class A Common Stock on the day preceding the exercise date and the exercise price of the options.
- (3) Mr. Macaione exercised and held each of the referenced option exercises. Consequently, the value realized on exercise is calculated by multiplying the number of shares times the difference between the closing price of Class A Common Stock on the day preceding the exercise date and the exercise price of the options.

**Table of Contents****Potential Payments Upon Termination or Change-in-Control for 2006**

A detailed description of the severance and change-in-control provisions that affect our Named Executive Officers can be found in the sections

Compensation Discussion and Analysis-Severance and Change of Control Benefits and in the Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table-Employment Agreements.

The estimated payments and benefits that would be provided to each Named Executive Officer as a result of a termination for good reason or without cause are set forth in the table below. Calculations for this table are based on the assumption that the termination for good reason or without cause took place on December 31, 2006. While the employment agreements of certain of the Named Executive Officers require that we pay tax-gross up payments to satisfy certain excise taxes payable on severance payments upon termination, no such excise taxes would have been due as of December 31, 2006.

<u>Name and Type of Payment/Benefit</u>	<u>Amount of Payments Upon Termination on 12/31/2006 for good reason or without cause (\$)</u>
Jeffrey A. Stoops	
Base salary <sup>(1)</sup>	1,380,000
Bonus <sup>(2)</sup>	1,200,000
Value of accelerated stock options <sup>(4)</sup>	7,854,750
Health/life insurance benefits <sup>(5)</sup>	100,680
<b>Total</b>	<b>10,535,430</b>
Kurt L. Bagwell	
Base salary <sup>(1)</sup>	555,000
Bonus <sup>(3)</sup>	555,000
Value of accelerated stock options <sup>(4)</sup>	3,486,194
Health/life insurance benefits <sup>(5)</sup>	23,957
Tax gross up <sup>(6)</sup>	
<b>Total</b>	<b>4,620,151</b>
Thomas P. Hunt	
Base salary <sup>(1)</sup>	555,000
Bonus <sup>(3)</sup>	471,750
Value of accelerated stock options <sup>(4)</sup>	3,055,135
Health/life insurance benefits <sup>(5)</sup>	23,951
Tax gross up <sup>(6)</sup>	
<b>Total</b>	<b>4,105,836</b>
Anthony J. Macaione	



Edgar Filing: Adamas Pharmaceuticals Inc - Form 424B5

Base salary <sup>(1)</sup>	495,000
Bonus <sup>(3)</sup>	247,500
Value of accelerated stock options <sup>(4)</sup>	2,127,105
Health/life insurance benefits <sup>(5)</sup>	23,957
Tax gross up <sup>(6)</sup>	

---

Total	2,893,562
-------	-----------

Jason V. Silberstein

Base salary <sup>(7)</sup>	
Bonus <sup>(7)</sup>	
Value of accelerated stock options <sup>(7)</sup>	2,202,025
Health/life insurance benefits <sup>(7)</sup>	

---

Total	2,202,025
-------	-----------

<sup>(1)</sup> For Mr. Stoops, this reflects a payment equal to three times Mr. Stoops base salary as of December 31, 2006. For Messrs. Bagwell, Hunt and Macaione this reflects a payment equal to two times their base salaries as of December 31, 2006.

---

**Table of Contents**

- (2) In connection with a termination for good reason or without cause, Mr. Stoops is eligible to receive three times his reference bonus. For Mr. Stoops, this reflects a payment equal to three times Mr. Stoops' actual bonus paid in 2006. Please refer to Narrative Disclosure to Summary Compensation Table and Grants of Plan-Based Awards Table Employment Agreements for a definition of reference bonus as used in Mr. Stoops' employment agreement. Mr. Stoops is also entitled to receive a pro rata portion of the annual cash bonus opportunity for the year in which the termination or resignation occurs.
- (3) For Messrs. Bagwell, Hunt and Macaione, this reflects a payment equal to two times the minimum target bonus. Under the terms of their employment agreements, the minimum target bonus is equal to 100%, 85% and 50% of Messrs. Bagwell's, Hunt's and Macaione's base salary, respectively. Each of Messrs. Bagwell, Hunt and Macaione is also entitled to receive a pro rata portion of the minimum target bonus for the year in which the termination or resignation occurs.
- (4) Value of accelerated stock options reflects the excess of the market price of our Class A Common Stock on the last business day of the last completed fiscal year, December 29, 2006 (\$27.50) over the exercise price of the stock option. Our equity participation plans provide for accelerated vesting of options upon a change in control.
- (5) For Mr. Stoops, this amount reflects a payment equal to three times the value of health and life insurance benefits and other fringe benefit plans and arrangements applicable to Mr. Stoops and his dependents based on an amount of \$33,560 under the terms of Mr. Stoops' employment agreement. For Messrs. Bagwell, Hunt and Macaione, this amount reflects a payment equal to two times the value of health and life insurance benefits, excluding the medical expense reimbursement plan, received in 2006 by Messrs. Bagwell, Hunt and Macaione. For Messrs. Bagwell, Hunt and Macaione, this amount is based on current rates and benefit elections by each executive.
- (6) The employment agreements with each of Messrs. Bagwell, Hunt and Macaione provide for tax gross-up payments with respect to any payments made upon a termination for good reason or without cause that would constitute a parachute payment and be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code, as amended, or any interest or penalties payable with respect to such excise tax.
- (7) Mr. Silberstein does not have an employment agreement with us and is not entitled to any payments of salary, bonus or health and life insurance benefits in the event of a termination for good reason or without cause. Our equity participation plans provide for accelerated vesting of options upon a change in control.

**Table of Contents****DIRECTOR COMPENSATION**

The following table sets forth information regarding the compensation of our directors for 2006. Mr. Stoops, our Chief Executive Officer and President, is omitted from the table as he does not receive any additional compensation for his services as a director.

<b>Name</b>	<b>Fees Earned or Paid in</b>	<b>Option Awards</b>	<b>All Other</b>	<b>Total (\$)</b>
	<b>Cash (\$)</b>	<b>(\$)(1)</b>	<b>Compensation (\$)</b>	
Brian C. Carr	49,500	127,852		177,352
Philip L. Hawkins	47,000	126,647		173,647
Steven E. Nielsen	58,500	191,439		249,939
Jack Langer	52,000	127,852		179,852
Steven E. Bernstein		105,400	54,028 <sup>(2)</sup>	159,428
Duncan H. Cocroft	55,500	126,647		182,147

<sup>(1)</sup> The amounts in the Option Awards column reflect the dollar amount recognized for financial statement reporting purposes for the fiscal year ended December 31, 2006 for the fair value of stock options previously granted to the directors.

<sup>(2)</sup> This amount represents \$40,000 of compensation, \$11,228 of reimbursements for health insurance and medical expenses pursuant to our supplemental medical expense reimbursement plan not generally provided to all employees and \$2,800 of company matching contributions to the recipient's 401(k) plan.

**Compensation of Directors**

We compensate our non-executive directors, other than Mr. Bernstein, with an initial grant of stock options, an annual grant of stock options, an annual cash retainer and cash fees for attending or participating in meetings. Our 2001 Equity Participation Plan provides that all non-employee directors, upon their initial election or appointment to the Board of Directors, will be granted non-qualified stock options to purchase 25,000 shares of Class A Common Stock with a per share exercise price equal to the fair market value per share of our Class A Common Stock at the grant date. Such options will vest and become exercisable in equal annual installments on each of the first five anniversaries of the grant date so long as the person continues to serve as a member of our Board of Directors. Additionally, during each fiscal year, each continuing non-executive director (including Mr. Bernstein) will receive an annual grant of non-qualified stock options to purchase shares of Class A Common Stock. The number of shares will be determined by the full

Board of Directors annually. The per share exercise price of these options will equal the fair market value per share of our Class A Common Stock at the grant date.

During 2006, the annual retainer payable to our non-employee directors was \$25,000. In addition, the Audit Committee Chair receives an additional retainer of \$7,500 and the Chairs of each of our Compensation Committee and Nominating and Corporate Governance Committee receive an additional retainer of \$5,000. All retainer fees are payable quarterly in cash or shares of Class A Common Stock at the option of the director. In addition, each non-employee director receives a per meeting fee of \$1,500 per in-person meeting, or any telephonic meeting that lasts three hours or more, of the Board of Directors or any Board committee and \$500 per telephonic meeting of the Board of Directors or any Board committee that lasts less than three hours. Non-employee directors are also reimbursed for incidental expenses associated with each Board of Directors meeting. Other than the Chairs of each of the committees, directors who serve on any of the committees of the Board of Directors described above do not receive any additional compensation for their services as a committee member.

During 2006, each of Messrs. Cocroft, Nielsen and Langer received the annual cash compensation for his service as Chairman of the Audit Committee, Chairman of the Compensation Committee and Chairman of the Nominating and Corporate Governance Committee, respectively. Directors who are employees do not receive any additional compensation for their services as a director.

---

**Table of Contents**

Mr. Bernstein currently does not receive a retainer or meeting fees for serving as director. Mr. Bernstein received approximately \$54,028 in total compensation during 2006, including a salary of \$40,000, for his strategic and advisory services as our non-executive Chairman and is expected to receive at least \$40,000 in salary during 2007. Mr. Bernstein is an employee of SBA and therefore is eligible to participate in all employee benefits and receives the supplemental medical reimbursement insurance that we provide to certain of our officers and key employees. During 2006, Mr. Bernstein's perquisites consisted of \$11,228 of reimbursements for health insurance and medical expenses pursuant to our supplemental medical expense reimbursement plan and \$2,800 of company matching contributions to Mr. Bernstein's 401(k) plan.

**CERTAIN RELATIONSHIPS AND RELATED PERSON  
TRANSACTIONS**

During the year ended December 31, 2006, we did not have any relationships or transactions with any of our executive officers, directors, beneficial owners of more than 5% of our Class A Common Stock or any immediate family member of such persons that were required to be reported pursuant to Item 404(a) of Regulation S-K.

We are committed to upholding the highest ethical and legal conduct in fulfilling our responsibilities and recognize that related person transactions can present a heightened risk of actual or apparent conflicts of interest. Accordingly, it is our preference to avoid related person transactions generally. Current SEC rules define transactions with related persons to include any transaction, arrangement or relationship (i) in which SBA is a participant, (ii) in which the amount involved exceeds \$120,000, and (iii) in which any executive officer, director, director nominee, beneficial owner of more than 5% of SBA's Class A Common Stock, or any immediate family member of such persons has or will have a direct or indirect interest.

Our Code of Ethics for Senior Financial Officers and our Code of Conduct for Directors, Officers and Employees require directors, officers and all other employees to conduct themselves in an honest and ethical manner, including the ethical handling of actual or apparent conflicts of interest. Our Code of Conduct for Directors, Officers and Employees generally requires (i) officers and directors to disclose any outside activities, financial interests or relationships that may present a possible conflict of interest or the appearance of a conflict to the General Counsel; and (ii) employees to disclose any outside activities, financial interests or relationships that may present a possible conflict of interest or the appearance of a conflict to their immediate supervisor. The General Counsel will determine if any such outside activities, financial interests or relationships constitute a conflict of interest and a related person transaction on a case-by-case basis and will promptly disclose such activities, interests or relationships to the appropriate Board committee for their review and appropriate action, if necessary. Under applicable Nasdaq rules, all related person transactions, as defined in Item

404 of S-K, must be approved by our Audit Committee or another independent body of the Board of Directors. All directors must recuse themselves from any discussion or decision affecting their personal, business or professional interests. All related person transactions shall be disclosed in our applicable SEC filings as required under SEC rules.

Additionally, the Nominating and Corporate Governance Committee is responsible for reviewing and reporting matters of corporate governance to the Board of Directors and, in connection with annually recommending to the Board of Directors a slate of directors for election or re-election, the Nominating and Corporate Governance Committee reviews the direct and indirect relationships of members of the Board of Directors with SBA and assists the Board of Directors with its determination of the independence of its members.

**Table of Contents****SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS  
AND MANAGEMENT**

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of March 30, 2007 by (i) each of our directors and nominees, (ii) each Named Executive Officer, (iii) all of our current directors and executive officers as a group, and (iv) each person known by us to be the beneficial owner of more than five percent (5%) of the shares outstanding of our Class A Common Stock. Unless otherwise indicated, each shareholder has sole voting and investment power with respect to the indicated shares.

As of March 30, 2007, we had 102,760,997 shares of Class A Common Stock outstanding.

Name	Number of Shares Beneficially Owned <sup>(1)</sup>	Percent of Common Stock
Steven E. Bernstein	781,008 <sup>(2)(3)</sup>	*
Jeffrey A. Stoops	2,243,718 <sup>(4)</sup>	2.2%
Steven E. Nielsen	61,249 <sup>(5)</sup>	*
Brian C. Carr	33,666 <sup>(6)</sup>	*
Jack Langer	39,999 <sup>(7)</sup>	*
Duncan H. Cocroft	39,999 <sup>(8)</sup>	*
Philip L. Hawkins	32,999 <sup>(8)</sup>	*
Kurt L. Bagwell	228,164 <sup>(9)</sup>	*
Thomas P. Hunt	309,143 <sup>(10)</sup>	*
Anthony J. Macaione	80,401 <sup>(11)</sup>	*
Jason V. Silberstein	141,403 <sup>(12)</sup>	*
All current directors and executive officers as a group (11 persons)	3,991,749 <sup>(13)</sup>	3.9%
Richard B. Worley	6,380,665 <sup>(14)</sup>	6.2%
Goldman, Sachs & Co.	8,216,325 <sup>(15)</sup>	8.0%
T. Rowe Price Associates, Inc.	7,908,950 <sup>(16)</sup>	7.7%

\* Less than 1% of outstanding shares.

Except as otherwise indicated, the address of each person named in this table is c/o SBA Communications Corporation, 5900 Broken Sound Parkway NW, Boca Raton, Florida 33487.

<sup>(1)</sup> In determining the number and percentage of shares beneficially owned by each person, shares that may be acquired by such person pursuant to options exercisable within 60 days after March 30, 2007 are deemed

outstanding for purposes of determining the total number of outstanding shares for such person and are not deemed outstanding for such purpose for all other shareholders. To our knowledge, except as otherwise indicated, beneficial ownership includes sole voting and dispositive power with respect to all shares.

- (2) This number includes shares owned by the Steven E. Bernstein Charitable Trust.
- (3) This number includes options to purchase 6,666 shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007.
- (4) This number includes options to purchase 292,304 shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007. This number also includes 903 shares of Class A Common Stock purchased pursuant to our Employee Stock Purchase Plan in February 2007. This number includes 1,951,414 shares of Class A Common Stock which are pledged or held in a margin account. Mr. Stoops shares voting and investment power with respect to 1,951,414 shares of Class A Common Stock with his spouse.
- (5) This number includes options to purchase 41,249 shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007. Mr. Nielsen shares voting and investment power with respect to 20,000 shares of Class A Common Stock with his spouse.



---

**Table of Contents**

- (6) This number includes options to purchase 16,666 shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007.
- (7) Consists solely of options to purchase shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007.
- (8) This number includes options to purchase 29,999 shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007.
- (9) This number includes options to purchase 188,919 shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007.
- (10) This number includes options to purchase 107,285 shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007. This number includes 201,858 shares of Class A Common Stock which are pledged or held in a margin account. Mr. Hunt shares voting and investment power with respect to 201,858 shares of Class A Common Stock with his spouse.
- (11) This number includes options to purchase 58,612 shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007. This number also includes 212 shares of Class A Common Stock purchased pursuant to our Employee Stock Purchase Plan in February 2007.
- (12) This number includes options to purchase 108,260 shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007.
- (13) This number includes options to purchase 919,958 shares of Class A Common Stock that are exercisable within 60 days after March 30, 2007.
- (14) This number is based solely on the Schedule 13G filed with the Commission on February 14, 2007, by Richard B. Worley, Permit Capital Telecom, L.P., Permit Capital GP, L.P. and Permit Capital GP, Inc. and the Schedule 13G filed with the Commission on February 14, 2006 by Permit Capital, LLC. According to the Schedule 13G, (i) Richard B. Worley has sole voting and sole dispositive power with respect to 1,303,065 shares of Class A Common Stock and shared dispositive power with respect to 5,077,600 shares of Class A Common Stock; (ii) Permit Capital Telecom, L.P. has shared voting and shared dispositive power with respect to 4,965,662 shares of Class A Common Stock; (iii) Permit Capital GP, L.P. and Permit Capital GP, Inc. each have shared voting and shared dispositive power with respect to 5,077,600 shares of Class A Common Stock; and (iv) Permit Capital Enterprise Fund, L.P. has sole voting and dispositive power with respect to 111,938 shares of Class A Common Stock. The principal business address of each of the foregoing is 100 Front Street, Suite 900, West Conshohocken, Pennsylvania 19428.

<sup>(15)</sup> This number is based solely on the Schedule 13G filed with the Commission on February 14, 2007 by Goldman, Sachs & Co. and The Goldman Sachs Group, Inc. According to the Schedule 13G, Goldman, Sachs & Co. and The Goldman Sachs Group, Inc. have shared voting power and shared dispositive power with respect to these shares. The principal business address of each of the foregoing is 85 Broad Street, New York, New York 10004.

<sup>(16)</sup> This number is based solely on the Schedule 13G filed with the Commission on February 14, 2007 by T. Rowe Price Associates, Inc. According to the Schedule 13G, T. Rowe Price has sole voting power with respect to 1,946,100 shares of Class A Common Stock and sole dispositive power with respect to 7,908,950 shares of Class A Common Stock. The principal business address of T. Rowe Price is 100 E. Pratt Street, Baltimore, Maryland 21202.

---

**Table of Contents**

**GENERAL INFORMATION**

*Other Matters.* The Board of Directors does not intend to present any matter for action at this meeting other than the matters described in this proxy statement. If any other matters properly come before the annual meeting, it is intended that the holders of the proxies hereby solicited will act in respect to such matters in accordance with their best judgment.

*Multiple Shareholders Sharing the Same Address.* Regulations regarding the delivery of copies of proxy materials and annual reports to shareholders permit us, banks, brokerage firms and other nominees to send one annual report and proxy statement to multiple shareholders who share the same address under certain circumstances, unless contrary instructions are received from shareholders. This practice is known as householding. Shareholders who hold their shares through a bank, broker or other nominee may have consented to reducing the number of copies of materials delivered to their address. In the event that a shareholder wishes to request delivery of a single copy of annual reports or proxy statements or to revoke a householding consent previously provided to a bank, broker or other nominee, the shareholder must contact the bank, broker or other nominee, as applicable, to revoke such consent. In any event, if a shareholder wishes to receive a separate proxy statement for the 2007 Annual Meeting of Shareholders or a 2006 Annual Report, the shareholder may receive printed copies by contacting SBA Communications Corporation, Investor Relations, 5900 Broken Sound Parkway NW, Boca Raton, Florida 33487 by mail or by calling (561) 995-7670.

Any shareholders of record sharing an address who now receive multiple copies of our annual reports and proxy statements and who wish to receive only one copy of these materials per household in the future should also contact SBA Communications Corporation, Investor Relations by mail or telephone as instructed above. Any shareholders sharing an address whose shares of Common Stock are held by a bank, broker or other nominee who now receive multiple copies of our annual reports and proxy statements, and who wish to receive only one copy of these materials per household, should contact the bank, broker or other nominee to request that only one set of these materials be delivered in the future.

*Shareholder Proposals for 2008 Annual Meeting.* Shareholder proposals should be sent to SBA at the address set forth in the Notice of Annual Meeting of Shareholders. The deadline for submission of shareholder proposals, pursuant to Rule 14a-8 of the Securities Exchange Act of 1934, for inclusion in our proxy statement for the 2008 Annual Meeting of Shareholders is December 19, 2007. Additionally, SBA must receive notice of any shareholder proposal to be submitted at the 2008 Annual Meeting of Shareholders (but not required to be included in our proxy statement) by March 3, 2008, or such proposal will be considered untimely pursuant to Rule 14a-4 and 14a-5(e) under the Exchange Act and the persons named in the proxies solicited by management may exercise discretionary voting

authority with respect to such proposal.

*Expenses of Solicitation.* Proxies will be solicited by mail, telephone, or other means of communication. Solicitation also may be made by our directors, officers and regular employees. The entire cost of solicitation will be borne by SBA.

By Order of the Board of Directors,

STEVEN E. BERNSTEIN

Chairman

Boca Raton, Florida

April 17, 2007

---

**Table of Contents**

**SBA COMMUNICATIONS CORPORATION**

**5900 Broken Sound Parkway NW**

**Boca Raton, Florida 33487**

**THIS PROXY IS SOLICITED ON BEHALF OF THE BOARD OF DIRECTORS**

The undersigned hereby appoints Steven E. Bernstein and Jeffrey A. Stoops, and each of them, with full power of substitution, proxies of the undersigned, to attend and vote all the shares of Class A Common Stock, \$0.01 par value, of SBA Communications Corporation, a Florida corporation ( "SBA" ), which the undersigned would be entitled to vote at the Annual Meeting of Shareholders to be held at SBA Communications Corporation, 5900 Broken Sound Parkway NW, Boca Raton, Florida at 10:00 a.m., local time, on Thursday, May 17, 2007, or any adjournment or postponement thereof, according to the number of votes the undersigned would be entitled to cast if personally present upon the matters referred to on this proxy and, in their discretion, upon any other business as may come before the meeting.

**THE BOARD OF DIRECTORS RECOMMENDS A VOTE FOR EACH OF THE**

**NOMINEES LISTED UNDER A- ELECTION OF DIRECTORS.**

**PLEASE MARK, SIGN, DATE AND RETURN THE PROXY CARD PROMPTLY USING THE ENCLOSED ENVELOPE. NO POSTAGE IS REQUIRED.**

**A Election of Directors**

To elect as directors of SBA nominees #01 and #02 to serve a term of three years, in each case, until their successors are duly elected and qualified.

	For	Withhold
01 Jack Langer	..	..
02 Jeffrey A. Stoops	..	..

**B Other Matters**

In their discretion the individuals designated to vote this proxy are authorized to vote upon such other matters as may properly come before the annual meeting or any adjournments or postponements thereof.

**C Non-Voting Items**

Change of Address Please print your new address below.

**D Authorized Signatures** This section must be completed for your vote to be counted. Date and sign below.

**This proxy when properly executed will be voted in the manner directed herein by the undersigned shareholder. If no direction is made, this proxy will be voted FOR the proposal and other matters as set forth herein. The undersigned acknowledges receipt of the Notice of Annual Meeting of Shareholders, dated April 17, 2007, and the accompanying Proxy Statement.**

---

**Table of Contents**

Please sign exactly as name appears on this proxy. When shares are held by joint tenants, both should sign. When signing as attorney, executor, administrator, trustee or guardian, please give full title as such. If a corporation, please sign in full corporate name by the President or other authorized officer. If a partnership, please sign in partnership name by authorized person.

---

---

SIGNATURE(S)                      DATE