

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 8-K

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

Date of Report (Date of earliest event reported): April 29, 2004

QUESTCOR PHARMACEUTICALS, INC.

(Exact name of registrant as specified in its charter)

California
(State or Other Jurisdiction
of Incorporation)

0-20772
(Commission File Number)

33-0476164
(I.R.S. Employer Identification No.)

3260 Whipple Road, Union City, California
(Address of Principal Executive Offices)

94587
(Zip Code)

Registrant's telephone number, including area code: (510) 400-0700

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This Current Report on Form 8-K is furnished by Questcor Pharmaceuticals, Inc., a California corporation (“Questcor” or the “Company”), in connection with the matters described herein.

Item 7. Financial Statements, *Pro Forma* Financial Information and Exhibits.

- (a) Not Applicable.
- (b) Not Applicable.
- (c) Exhibits.

99.1 Press release furnished by Questcor Pharmaceuticals, Inc. dated April 29, 2004, relating to the Company’s results for the quarter ended March 31, 2004, referred to in Item 12 below.

Item 12. Results of Operations and Financial Condition.

On April 29, 2004, the Company announced via press release its results for the quarter ended March 31, 2004. A copy of the Company’s press release is attached hereto as Exhibit 99.1. This Form 8-K and the attached exhibit are provided under Item 12 of Form 8-K and are furnished to, but not filed with, the Securities and Exchange Commission.

SIGNATURE

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

Date: April 29, 2004

QUESTCOR PHARMACEUTICALS, INC.

By: /s/ TIMOTHY E. MORRIS

Timothy E. Morris
Chief Financial Officer

EXHIBIT INDEX

99.1 Press release furnished by Questcor Pharmaceuticals, Inc. dated April 29, 2004, relating to the Company's results for the quarter ended March 31, 2004.

[QUESTCOR LETTERHEAD]

FOR IMMEDIATE RELEASE

COMPANY CONTACT:

Questcor Pharmaceuticals, Inc.
Charles J. Casamento
Chairman, President & CEO
Timothy E. Morris, CFO
510/400-0700

QUESTCOR ANNOUNCES FIRST QUARTER 2004 FINANCIAL RESULTS

QUESTCOR REPORTS NET INCOME OF \$270,000 ON TOTAL REVENUES OF \$5,148,000 IN THE FIRST QUARTER OF 2004

UNION CITY, CA - APRIL 29, 2004 -- QUESTCOR PHARMACEUTICALS, INC. (AMEX:QSC), a specialty pharmaceutical company that acquires, markets and sells brand name prescription drugs through a U.S. direct sales force and international commercialization partners, announced today financial results for the first quarter ended March 31, 2004.

FIRST QUARTER 2004 COMPARED TO FOURTH QUARTER 2003

Questcor reported total revenues of \$5,148,000 in the first quarter of 2004, an increase of 13% from total revenues of \$4,570,000 reported in the fourth quarter of 2003. The increase in total revenues is principally a result of growing sales of Nascobal(R), an intranasal formulation of Vitamin B-12 which Questcor acquired in June 2003, and increased Ethamolol sales due to seasonal demand.

Questcor reported net income of \$270,000 in the first quarter of 2004, a decrease of 17% from net income of \$324,000 in the fourth quarter of 2003, making this the second consecutive quarter that Questcor has reported a profit. Selling, general and administrative expenses in the first quarter of 2004 were higher as compared to the fourth quarter of 2003, principally due to spending on certain non-recurring market research and marketing planning studies that are nearing completion.

Questcor also reported positive EBITDA of \$771,000 in the first quarter of 2004, the third consecutive quarter Questcor has generated positive EBITDA. EBITDA is defined as non-GAAP earnings before net interest income (expense), taxes, depreciation and amortization, and non-cash amortization of deemed discount on convertible debentures, excluding cash dividends paid to preferred shareholders.

FIRST QUARTER 2004 COMPARED TO FIRST QUARTER 2003

The total revenues for the first quarter of 2004 represented an increase of \$2,527,000, or 96%, from total revenues of \$2,621,000 for the first quarter of 2003. The increase reflects revenues from sales of Nascobal, and increases in net product sales of Acthar and Ethamolin. Total revenues in the first quarter of 2003 were negatively affected by the decision to briefly discontinue normal wholesaler shipments of Acthar and to limit shipments to critical care and emergency care situations only, due to the relatively short dating of Acthar in Questcor's inventory and at the wholesale level at that time.

Net income for the first quarter of 2004 was \$270,000 as compared to a net loss of \$1,770,000 for the first quarter of 2003. Net income applicable to common stockholders was \$98,000 for the first quarter of 2004. Net income applicable to common stockholders was determined by deducting from net income the quarterly Series B Preferred Stock dividends of \$172,000. Net loss applicable to common stockholders was \$3,238,000 for the first quarter of 2003. Net loss applicable to common stockholders was determined by deducting from net loss a non-cash deemed dividend related to the beneficial conversion feature of the Series B Preferred Stock in the amount of \$1,301,000 and the quarterly Series B Preferred Stock dividends of \$167,000.

Questcor reported positive EBITDA of \$771,000 in the first quarter of 2004 compared to negative EBITDA of \$1,474,000 in the first quarter of 2003.

"Questcor reported record sales for the first quarter of 2004. We also reported net income for the second consecutive quarter. Our cash balance at the end of March increased to \$6.2 million from \$3.2 million at December 2003. Our goals during the remainder of 2004 will be to continue to focus on increasing sales of Nascobal, controlling expenses and achieving positive EBITDA," commented Charles J. Casamento, Chairman, President and CEO of Questcor. "We increased our market research and market planning expenditures in the first quarter and anticipate that these investments in our business will have a positive impact on revenue growth over time. We plan to initiate a modest expansion of our sales force in the second quarter of 2004 to take advantage of the opportunity for the treatment of Vitamin B-12 deficiencies with Nascobal in Inflammatory Bowel Disease, Multiple Sclerosis and Gastric Bypass patients."

2004 FIRST QUARTER HIGHLIGHTS

Additional highlights of the first quarter of 2004 include:

- o Raised \$2.4 million in cash and cancelled over 46% of outstanding common stock warrants in a private offering of common stock. In January 2004, Questcor issued 4,878,201 shares of common stock in exchange for \$2,399,050 in cash and the surrender of outstanding warrants to purchase 3,878,201 shares of Questcor's common stock. After the offering, Questcor had approximately 51,060,000 shares of common stock outstanding (see accompanying table of Common Stock and Securities Convertible into Common Stock).
- o Continued progress on the Acthar manufacturing site transfer. In the first quarter of 2004, Questcor continued its progress on the manufacturing site transfer of Acthar. Questcor received final approval from the FDA for the finished goods site transfer to

Chesapeake Biological Laboratories on January 22, 2004. There was also additional progress on the transfer of a potency assay to a new third party laboratory and with a new manufacturer of the active pharmaceutical ingredient. Questcor incurred approximately \$200,000 of expenses during the first quarter relating to the Acthar site transfer and expects that expenses in future quarters may exceed this amount.

OUTLOOK FOR THE REMAINDER OF 2004

For the remainder of 2004, we expect product sales from Nascobal to continue to increase and become a larger percentage of our total sales. We expect quarterly fluctuations in the net sales of all of our products due to the timing of shipments, seasonality of demand, the reallocation of promotional efforts for each product and the start-up time necessary for the additional sales representatives to be hired in 2004. Net product sales for the first quarter of 2004 were positively impacted by seasonal demand for Ethamolin, a trend we do not expect to continue in the remainder of 2004. Pending the impact of any unforeseen events, selling, general and administrative and research and development expenses in total are expected to remain substantially similar in 2004 as compared to 2003. Our goal in 2004 will be to continue the trend of being EBITDA positive on an annual basis.

QUARTER ENDED MARCH 31, 2004 CONFERENCE CALL

Questcor will be hosting a conference call to discuss these results on Thursday, April 29, 2004 at 11:00 a.m. Eastern Time (8:00 a.m. Pacific Time). Please call the following numbers to participate: (800) 741-6056 (domestic) or (706) 679-3280 (international) and use conference ID number 6877215. Participants are asked to call the above numbers 5-10 minutes prior to the starting time.

This call is being webcast by CCBN and can be accessed at Questcor's website at www.questcor.com. The webcast is also being distributed over CCBN's Investor Distribution Network to both institutional and individual investors. Individual investors can listen to the call through CCBN's individual investor center at www.companyboardroom.com or by visiting any of the investor sites in CCBN's Individual Investor Network. Institutional investors can access the call via CCBN's password-protected event management site, StreetEvents (www.streetevents.com).

A telephonic replay of this call will be available from 2:00 p.m. Eastern Time on Thursday, April 29, 2004 through 11:59 p.m. Eastern Time on Thursday, May 6, 2004. Please call (800) 642-1687 (domestic) or (706) 645-9291 (international) and use conference ID number 6877215.

About Questcor

Questcor Pharmaceuticals, Inc. is a specialty pharmaceutical company that acquires, markets and sells brand name prescription drugs through a U.S. direct sales force and international commercialization partners. Questcor currently markets five products in the U.S.: Nascobal(R), the only prescription nasal gel formulation of Cyanocobalamin USP (Vitamin B-12), that is approved for patients with severe deficiencies of Vitamin B-12 caused by Crohn's Disease and MS; HP Acthar(R) Gel, an injectable drug that is commonly used in treating patients with infantile spasm and is approved for the treatment of certain central nervous system disorders with an inflammatory component including the treatment of flares associated with Multiple Sclerosis; Ethamolin(R), an injectable drug used to treat enlarged weakened blood vessels at the entrance to

the stomach that have recently bled, known as esophageal varices; Glofil(R)-125, which is an injectable agent that assesses how well the kidney is working by measuring glomerular filtration rate, or kidney function; and VSL#3(R), a patented probiotic marketed as a dietary supplement, to promote normal gastrointestinal (GI) function.

NOTE: EXCEPT FOR THE HISTORICAL INFORMATION CONTAINED HEREIN, THIS PRESS RELEASE CONTAINS FORWARD-LOOKING STATEMENTS THAT INVOLVE RISKS AND UNCERTAINTIES. SUCH STATEMENTS ARE SUBJECT TO CERTAIN FACTORS, WHICH MAY CAUSE QUESTCOR'S RESULTS TO DIFFER FROM THOSE REPORTED HEREIN. FACTORS THAT MAY CAUSE SUCH DIFFERENCES INCLUDE, BUT ARE NOT LIMITED TO, QUESTCOR'S ABILITY TO ACCURATELY FORECAST THE DEMAND FOR EACH OF THEIR PRODUCTS, THE GROSS MARGINS ACHIEVED FROM THE SALE OF THOSE PRODUCTS, QUESTCOR'S ABILITY TO ENFORCE ITS EXCHANGE POLICY, THE ACCURACY OF THE PRESCRIPTION DATA PURCHASED FROM INDEPENDENT THIRD PARTIES BY QUESTCOR, THE SELL THROUGH BY QUESTCOR'S DISTRIBUTORS, THE INVENTORIES CARRIED BY QUESTCOR'S DISTRIBUTORS, AND THE EXPENSES AND OTHER CASH NEEDS FOR THE UPCOMING PERIODS, QUESTCOR'S ABILITY TO OBTAIN FINISHED GOODS FROM ITS SOLE SOURCE CONTRACT MANUFACTURERS ON A TIMELY BASIS IF AT ALL, QUESTCOR'S NEED FOR ADDITIONAL FUNDING, UNCERTAINTIES REGARDING QUESTCOR'S INTELLECTUAL PROPERTY AND OTHER RESEARCH, DEVELOPMENT, MARKETING AND REGULATORY RISKS, AND, TO THE ABILITY OF QUESTCOR TO IMPLEMENT ITS STRATEGY AND ACQUIRE PRODUCTS AND, IF ACQUIRED, TO MARKET THEM SUCCESSFULLY AS WELL AS THE RISKS DISCUSSED IN QUESTCOR'S REPORT ON FORM 10-K FOR THE CALENDAR YEAR ENDED DECEMBER 31, 2003 AND OTHER DOCUMENTS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE RISK FACTORS AND OTHER INFORMATION CONTAINED IN THESE DOCUMENTS SHOULD BE CONSIDERED IN EVALUATING QUESTCOR'S PROSPECTS AND FUTURE FINANCIAL PERFORMANCE.

Questcor undertakes no obligation to publicly release the result of any revisions to these forward-looking statements, which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Table to follow on next page.

Questcor Pharmaceuticals, Inc.
 Selected Consolidated Balance Sheet Information
 (In thousands)

MARCH 31,
 DECEMBER 31,
 2004 2003 (1) -

(UNAUDITED)

Cash and cash equivalents \$	
6,173	\$ 3,220
Cash, cash equivalents and short-term investments	
Working capital(2)	
3,632	4,352
Total assets	
25,614	22,929
Convertible debentures (\$4 million face value, net of deemed discount) due March 2005, long-term --	
3,402	Preferred stock, Series A
5,081	5,081
Stockholders' equity	
13,117	
10,578	(1)
Derived from audited financial statements (2)	
Working capital as of March 31, 2004, includes \$3,526 (\$4 million face value, net of deemed discount) of convertible debentures that were reclassified from long-term liabilities to current liabilities during the quarter	
Questcor Pharmaceuticals, Inc. Condensed Consolidated Statements of Operations (In thousands, except per share amounts) (unaudited)	
THREE MONTHS ENDED MARCH	
31, -----	

----- 2004	
2003 -----	

Revenues: Net product sales	
\$ 5,148	\$
2,362	

Contract research, grant and royalty revenue -- 9	
Technology revenue -- 250 -----	

Total revenues	
5,148 2,621	
Operating costs and expenses:	
Cost of product sales	
856 675	
Selling, general and administrative	
3,028 2,803	
Research and development	
578 611	
Depreciation and amortization	
298 169 -----	

Total operating costs and expenses	
4,760 4,258 -	

--- Income (loss) from operations	
388 (1,637)	
Non-cash amortization of deemed discount on convertible debentures	
(131) (131)	
Interest income (expense), net (72) 4	
Other income (expense), net 3 (77)	
Rental income, net	
82 71 -----	

Net income (loss) 270	
(1,770) Non- cash deemed dividend related to beneficial conversion feature of Series B Preferred Stock --	
1,301	
Dividends on Series B Preferred Stock 172 167	

---- Net income (loss) applicable to common stockholders	

\$ 98 \$
(3,238)
=====
=====
Net
income (loss)
per common
share
applicable to
common
stockholders
- basic and
diluted \$
0.00 \$ (0.08)
=====
=====
Weighted
average
shares of
common stock
outstanding -
basic and
diluted
50,032 38,677
=====
=====

In addition to disclosing financial results prepared in accordance with accounting principles generally accepted in the United States (U.S. GAAP) Questcor is disclosing information regarding EBITDA, which is defined as earnings before net interest income (expense), taxes, depreciation and amortization, and non-cash amortization of deemed discount on convertible debentures. As required by the SEC concerning the use of non-GAAP measures, Questcor is providing the following reconciliation to net income (loss), which is the most directly comparable GAAP measure. Questcor presents EBITDA because it is a common alternative measure of performance that is used by management as well as

investors when analyzing the financial position and operating performance of the Company. As EBITDA is a non-GAAP financial measure, it should not be considered in isolation or as a substitute for net income (loss) or any other GAAP measure.

Because all companies do not calculate EBITDA in the same manner, Questcor's definition of EBITDA may not be consistent with that of other companies.

Questcor
Pharmaceuticals,
Inc.

Reconciliation
of GAAP Net
Income (Loss)
to Non-GAAP
EBITDA (In
thousands)
(unaudited)

THREE
MONTHS

ENDED -----

--- MARCH

31,

SEPTEMBER

30,

DECEMBER

31, MARCH

31, 2003

2003 2003

2004 -----

- ----- -

----- GAAP
net income
(loss)

\$(1,770) \$

(576) \$ 324

\$ 270

Adjustments:

Net

interest

expense (4)

18 72 72

Depreciation

and

amortization

169 441 335

298 Non-

cash

amortization

of deemed

discount on

convertible

debentures
131 130 131
131 -----

- Non-GAAP
EBITDA --
Positive
(Negative)
\$(1,474) \$
13 \$ 862 \$
771 =====
=====
=====
=====

Questcor
Pharmaceuticals,
Inc. Common
Stock and
Securities
Convertible
into Common
Stock at March

31, 2004
Security
Number of
Shares ---

-- Common
Stock

51,060,220

Preferred

Stock,

Series A

2,155,715

(A)

Preferred

Stock,

Series B

8,924,777

(B)

Convertible

debentures

2,531,644

(C)

Warrants

and

placement

agent unit

options

4,687,085

(D)

Outstanding

options

9,447,104

(E) -----

78,806,545

=====

(A) Each share

of Series A

Preferred stock

is convertible

into one share

of common

stock. (B)

Series B

Preferred stock

is convertible

into common

stock at a

conversion

price of \$.9412

per share.

Preferred

stockholders

are entitled to

an initial

dividend of 8%

payable

quarterly.

Dividends

distributed

during the

quarter ended

March 31, 2004

totaled

\$172,000. (C)

Convertible

debentures

outstanding as

of March 31,

2004 had a face

value of

Range of
 Exercise
 Number
 Remaining
 Average
 Number
 Exercise
 Price
 Outstanding
 Contractual
 Exercise
 Price
 Exercisable
 Price Life

~~\$0.47~~
~~\$0.67~~
~~972,797~~
~~8.54~~ \$
~~0.60~~
~~344,687~~ \$
~~0.61~~ ~~\$0.70~~
~~\$0.90~~
~~2,344,906~~
~~8.59~~ \$
~~0.80~~
~~970,096~~ \$
~~0.78~~ ~~\$0.94~~
~~\$1.10~~
~~1,766,311~~
~~8.02~~ \$
~~1.01~~
~~977,321~~ \$
~~1.02~~ ~~\$1.12~~
~~\$1.25~~
~~1,417,656~~
~~5.81~~ \$
~~1.24~~
~~1,276,528~~
~~\$ 1.24~~
~~\$1.27~~
~~\$1.62~~
~~1,567,175~~
~~7.45~~ \$
~~1.49~~
~~685,163~~ \$
~~1.46~~ ~~\$1.62~~
~~\$4.94~~
~~1,378,259~~
~~4.47~~ \$
~~2.45~~
~~1,331,295~~
~~\$ 2.48~~

~~9,447,104~~
~~7.27~~ \$
~~1.24~~
~~5,585,090~~
~~\$ 1.41~~

=====
 =====