
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): November 4, 2011

VANDA PHARMACEUTICALS INC.

(Exact name of Registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-34186
(Commission
File No.)

03-0491827
(IRS Employer
Identification No.)

**9605 Medical Center Drive
Suite 300**

Rockville, Maryland 20850

(Address of principal executive offices and zip code)

Registrant's telephone number, including area code: (240) 599-4500

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

On November 4, 2011, Vanda Pharmaceuticals Inc. (the “Company” or “Vanda”) issued a press release and is holding a conference call regarding its results of operations and financial condition for the quarter ended September 30, 2011. The full text of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

Various statements to be made during the conference call are “forward-looking statements” under the securities laws. Words such as, but not limited to, “believe,” “expect,” “anticipate,” “estimate,” “intend,” “plan,” “targets,” “likely,” “will,” “would,” and “could,” or the negative of these terms and similar expressions or words, identify forward-looking statements. Forward-looking statements are based upon current expectations that involve risks, changes in circumstances, assumptions and uncertainties.

Important factors that could cause actual results to differ materially from those reflected in the Company’s forward-looking statements include, among others: the extent and effectiveness of the development, sales and marketing and distribution support Fanapt® receives; Vanda’s ability to successfully commercialize Fanapt® outside of the U.S. and Canada; delays in the completion of Vanda’s clinical trials; a failure of Vanda’s products, product candidates or partnered products to be demonstrably safe and effective; Vanda’s failure to obtain regulatory approval for its products or product candidates or to comply with ongoing regulatory requirements; a lack of acceptance of Vanda’s products, product candidates or partnered products in the marketplace, or a failure to become or remain profitable; Vanda’s expectations regarding trends with respect to its costs and expenses; Vanda’s inability to obtain the capital necessary to fund additional research and development activities; Vanda’s failure to identify or obtain rights to new products or product candidates; Vanda’s failure to develop or obtain sales, marketing and distribution resources and expertise or to otherwise manage its growth; limitations on Vanda’s ability to utilize some or all of its prior net operating losses and research and development credits; a loss of any of Vanda’s key scientists or management personnel; losses incurred from product liability claims made against Vanda; a loss of rights to develop and commercialize Vanda’s products or product candidates under its license and sublicense agreements and other factors that are described in the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections of Vanda’s Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which is on file with the SEC and available on the SEC website at www.sec.gov. Additional information will also be set forth in those sections of Vanda’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, which will be filed with the SEC in the fourth quarter of 2011. In addition to the risks described above and in Vanda’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, other unknown or unpredictable factors also could affect Vanda’s results. There can be no assurance that the actual results or developments anticipated by Vanda will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Vanda. Therefore, no assurance can be given that the outcomes stated in such forward-looking statements and estimates will be achieved.

All written and verbal forward-looking statements attributable to Vanda or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to herein. Vanda cautions investors not to rely too heavily on the forward-looking statements Vanda makes or that are made on its behalf. The information conveyed on the conference call will be provided only as of the date of the call, and the Company undertakes no obligation, and specifically declines any obligation, to update or revise publicly any forward-looking statements made during the call after the date thereof, whether as a result of new information, future events, or otherwise.

The information in Item 2.02 of this Current Report on Form 8-K and the Exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release of Vanda Pharmaceuticals Inc. dated November 4, 2011.

SIGNATURES

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

VANDA PHARMACEUTICALS INC.

By: /s/ James Kelly

Name: James Kelly

Title: Chief Financial Officer

Dated: November 4, 2011

**Company Contact:**

Cristina Murphy
Senior Communications Manager
Vanda Pharmaceuticals Inc.
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Vanda Pharmaceuticals Reports Third Quarter 2011 Results

ROCKVILLE, MD. – November 4, 2011 – Vanda Pharmaceuticals Inc. (Vanda) (NASDAQ: VNDA), a biopharmaceutical company focused on the development and commercialization of products for central nervous system disorders, today announced financial and operational results for the third quarter and nine months ended September 30, 2011.

“We are excited with our progress this quarter and especially as it relates to our efforts on tasimelteon,” said Mihael Polymeropoulos, M.D., President and Chief Executive Officer. “Our programs for both Non-24-Hour Sleep-Wake Disorder and Major Depression continue to move Vanda forward towards our goal of becoming a global leader in the field of chronobiology and the treatment of circadian rhythm disorders.”

Key Highlights:

- *Vanda recorded third quarter 2011 revenue of \$8.0 million including royalties of \$1.2 million. Fanapt® prescriptions, as reported by IMS, reached 33,000 in the third quarter of 2011. This represents a 10% increase over second quarter 2011 prescriptions.*
- *The tasimelteon Non-24-Hour Sleep-Wake Disorder (N24HSWD or Non-24) program continues to advance with two new studies initiated to support registration and is on track for a mid 2013 New Drug Application (NDA) filing.*
- *The tasimelteon Major Depressive Disorder (MDD) Phase IIb/III study (MAGELLAN) was initiated in September 2011. Vanda expects to report results from the MAGELLAN study in the first half of 2013.*
- *On October 24, 2011, Vanda announced that Bob Repella joined its management team as Senior Vice President, Chief Commercial Officer.*

THIRD QUARTER 2011 REPORTED RESULTS

Total revenues for the third quarter of 2011 were \$8.0 million, compared to \$7.2 million for the same period in 2010. Third quarter 2011 revenues included \$1.2 million related to Fanapt® royalties received from Novartis as compared to \$0.5 million for the third quarter of 2010.

Total operating expenses for the third quarter of 2011 were \$11.3 million, compared to \$6.5 million for the third quarter of 2010. The primary driver of the higher expenses in the current quarter was the new and ongoing support of the tasimelteon Non-24 and MDD clinical studies.

A net loss of \$3.1 million was recorded for the third quarter of 2011, compared to net income of \$3.2 million for the third quarter of 2010. Diluted net loss per share for the third quarter of 2011 was \$0.11, compared to diluted net income of \$0.11 per share for the third quarter of 2010.

Year to date September 30, 2011 Key Financial Figures¹

<i>(in thousands, except per share amounts)</i>	Nine Months Ended		Change (\$)	Change (%)
	September 30 2011	September 30 2010		
Total revenues	\$ 22,900	\$ 27,957	\$ (5,057)	-18%
Research & development expenses	18,440	8,516	9,924	117%
General & administrative expenses	8,141	7,385	756	10%
Non-cash stock-based compensation ²	4,183	3,647	536	15%
Income (loss) before tax provision	(4,437)	8,336	(12,773)	-153%
Tax provision (benefit)	(158)	3,343	(3,501)	-105%
Net income (loss)	(4,279)	4,993	(9,272)	-186%
Diluted net income (loss) per share	\$ (0.15)	\$ 0.18	\$ (0.33)	-183%

Third Quarter 2011 Key Financial Figures¹

<i>(in thousands, except per share amounts)</i>	Three Months Ended		Change (\$)	Change (%)
	September 30 2011	June 30 2011		
Total revenues	\$ 7,969	\$ 7,430	\$ 539	7%
Research & development expenses	8,174	5,999	2,175	36%
General & administrative expenses	2,711	2,572	139	5%
Non-cash stock-based compensation ²	1,254	1,325	(71)	-5%
Loss before tax provision	(3,187)	(1,392)	(1,795)	-129%
Tax provision (benefit)	(113)	(51)	(62)	-122%
Net loss	(3,074)	(1,341)	(1,733)	-129%
Diluted net loss per share	\$ (0.11)	\$ (0.05)	\$ (0.06)	-120%

Select Cash Flow Data¹

<i>(in thousands)</i>	Nine Months Ended	
	September 30 2011	September 30 2010
Net cash provided by (used in)		
Operating activities	(16,053)	(5,802)
Investing activities	33,815	(99,462)
Financing activities	5	2,437
Net change in cash and cash equivalents	<u>\$ 17,767</u>	<u>\$ (102,827)</u>

Select Balance Sheet Data¹

<i>(in thousands)</i>	September 30 2011	June 30 2011	September 30 2010
Total cash and marketable securities	\$ 180,459	\$ 188,399	\$ 202,060

(1) Unaudited

(2) Non-cash stock-based compensation is allocated to both Research & development and General & administrative expenses

OPERATIONAL HIGHLIGHTS

Fanapt[®] prescriptions, as reported by IMS, reached 33,000 in the third quarter of 2011. This represents a 10% increase over second quarter 2011 prescriptions. Since its launch in January 2010, over 145,000 Fanapt[®] prescriptions have been written in the U.S.

The tasimelteon Non-24 program continues to advance with two new studies initiated to support registration and is on target for a mid 2013 NDA submission. Presently, two phase III pivotal and two safety studies are ongoing. A second phase III pivotal study (3203) enrolled its first patients in September 2011. The 3203 study is a placebo-controlled, randomized withdrawal study to examine the maintenance effect of tasimelteon for the treatment of Non-24. A second safety study (3204) enrolled its first patients in October 2011. The 3204 study is a two year open-label, study in blind subjects with Non-24.

The tasimelteon Phase IIb/III (MAGELLAN) study in MDD was initiated in September 2011. The U.S. based study is expected to enroll 500 patients across 40 sites. The MAGELLAN study has an eight-week treatment period, followed by an optional one-year open-label extension, and includes measures of depression and anxiety symptoms, nighttime and daytime sleep, as well as laboratory measures of the internal body clock. Vanda expects to report results from the MAGELLAN study in the first half of 2013.

On October 24, 2011, Vanda announced that Bob Repella joined its management team as Senior Vice President, Chief Commercial Officer. Prior to joining Vanda, Mr. Repella was Senior Vice President of Pharmaceutical Operations for the Americas Region at Cephalon.

CONFERENCE CALL

Vanda has scheduled a conference call for today, Friday, November 4, 2011, at 10:00 AM ET. During the call, Vanda management will discuss the third quarter 2011 results and other corporate activities. Investors can call 800-237-9752 (domestic) and 617-847-8706 (international) and use passcode 91955684. A replay of the call will be available beginning Friday, November 4, 2011 at 1:00 PM ET and will be accessible until Thursday, November 10, 2011, at 5:00 PM ET. The replay call-in number is 1-888-286-8010 for domestic callers and 1-617-801-6888 for international callers. The access number is 25553511.

The conference call will be broadcast simultaneously on Vanda's website, <http://www.vandapharma.com>. Investors should click on the Investor Relations tab and are advised to go to the website at least 15 minutes early to register, download, and install any necessary software or presentations. The call will also be archived on Vanda's website for a period of 30 days, through December 4, 2011.

ABOUT VANDA PHARMACEUTICALS INC.:

Vanda Pharmaceuticals Inc. is a biopharmaceutical company focused on the development and commercialization of products for central nervous system disorders. For more on Vanda, please visit <http://www.vandapharma.com>.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Various statements in this release are "forward-looking statements" under the securities laws. Words such as, but not limited to, "believe," "expect," "anticipate," "estimate," "intend," "plan," "targets," "likely," "will," "would," and "could," or the negative of these terms and similar expressions or words, identify forward-looking statements. Forward-looking statements are based upon current expectations that involve risks, changes in circumstances, assumptions and uncertainties. Important factors that could cause actual results to differ materially from those reflected in the company's forward-looking statements include, among others: the extent and effectiveness of the development, sales and marketing and distribution support Fanapt® receives; Vanda's ability to successfully commercialize Fanapt® outside of the U.S. and Canada; delays in the completion of Vanda's clinical trials; a failure of Vanda's products, product candidates or partnered products to be demonstrably safe and effective; Vanda's failure to obtain regulatory approval for its products, product candidates or partnered products or to comply with ongoing regulatory requirements; a lack of acceptance of Vanda's products, product candidates or partnered products in the marketplace, or a failure to become or remain profitable; Vanda's expectations regarding trends with respect to its costs and expenses; Vanda's inability to obtain the capital necessary to fund additional research and development activities; Vanda's failure to identify or obtain rights to new products or product candidates; Vanda's failure to develop or obtain sales, marketing and distribution resources and expertise or to otherwise manage its growth; limitations on Vanda's ability to utilize some or all of its prior net operating losses and research and development credits; a loss of any of Vanda's key scientists or management personnel; losses incurred from product liability claims made against Vanda; a loss of rights to develop and commercialize Vanda's products or product candidates under its license and sublicense agreements and other factors that are described in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of Vanda's annual report on Form 10-K for the fiscal year ended December 31, 2010 which is on file with the SEC and available on the SEC's website at www.sec.gov. In addition to the risks described above and in Vanda's annual report on Form 10-K and quarterly reports on Form 10-Q, other unknown or unpredictable factors also could affect Vanda's results. There can be no assurance that the actual results or developments anticipated by Vanda will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, Vanda. Therefore, no assurance can be given that the outcomes stated in such forward-looking statements and estimates will be achieved.

All written and verbal forward-looking statements attributable to Vanda or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements contained or referred to herein. Vanda cautions investors not to rely too heavily on the forward-looking statements Vanda makes or that are made on its behalf. The information in this release is provided only as of the date of this release, and Vanda undertakes no obligation, and specifically declines any obligation, to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

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VANDA PHARMACEUTICALS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30 2011	September 30 2010	September 30 2011	September 30 2010
<i>(In thousands, except for per share amounts)</i>				
Revenues:				
Licensing agreement	\$ 6,753	\$ 6,753	\$ 20,037	\$ 20,037
Royalty revenue	1,216	493	2,863	2,630
Product sales	—	—	—	5,290
Total revenues	<u>7,969</u>	<u>7,246</u>	<u>22,900</u>	<u>27,957</u>
Operating expenses:				
Cost of sales - product	—	—	—	2,891
Research and development	8,174	4,072	18,440	8,516
General and administrative	2,711	2,054	8,141	7,385
Intangible asset amortization	377	377	1,118	1,118
Total operating expenses	<u>11,262</u>	<u>6,503</u>	<u>27,699</u>	<u>19,910</u>
Income (loss) from operations	(3,293)	743	(4,799)	8,047
Other income:				
Interest income	106	156	362	289
Total other income	106	156	362	289
Income (loss) before income tax provision (benefit)	(3,187)	899	(4,437)	8,336
Tax provision (benefit)	(113)	(2,285)	(158)	3,343
Net income (loss)	<u>\$ (3,074)</u>	<u>\$ 3,184</u>	<u>\$ (4,279)</u>	<u>\$ 4,993</u>
Net income (loss) per share:				
Basic	<u>\$ (0.11)</u>	<u>\$ 0.11</u>	<u>\$ (0.15)</u>	<u>\$ 0.18</u>
Diluted	<u>\$ (0.11)</u>	<u>\$ 0.11</u>	<u>\$ (0.15)</u>	<u>\$ 0.18</u>
Shares used in calculation of net income (loss) per share:				
Basic	<u>28,107,363</u>	<u>28,003,453</u>	<u>28,104,749</u>	<u>27,872,542</u>
Diluted	<u>28,107,363</u>	<u>28,466,532</u>	<u>28,104,749</u>	<u>28,429,223</u>

VANDA PHARMACEUTICALS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

<i>(In thousands)</i>	<u>September 30, 2011</u>	<u>December 31, 2010</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 60,326	\$ 42,559
Marketable securities, current	101,122	155,478
Accounts receivable	1,216	511
Prepaid expenses, deposits and other current assets	1,873	1,843
Deferred tax, current	182	182
Total current assets	<u>164,719</u>	<u>200,573</u>
Marketable securities, non-current	19,011	—
Property and equipment, net	851	937
Other non-current assets	84	—
Intangible asset, net	8,404	9,522
Deferred tax, non-current	1,639	1,639
Restricted cash	1,030	430
Total assets	<u>\$ 195,738</u>	<u>\$ 213,101</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,333	\$ 648
Accrued liabilities	3,410	1,324
Accrued income taxes	2,108	2,266
Deferred revenue, current portion	26,789	26,789
Total current liabilities	<u>33,640</u>	<u>31,027</u>
Long-term liabilities:		
Deferred rent	600	490
Deferred revenue, non-current portion	123,816	143,853
Total liabilities	<u>158,056</u>	<u>175,370</u>
Stockholders' equity:		
Common stock	28	28
Additional paid-in capital	295,530	291,342
Accumulated other comprehensive income	44	2
Accumulated deficit	(257,920)	(253,641)
Total stockholders' equity	<u>37,682</u>	<u>37,731</u>
Total liabilities and stockholders' equity	<u>\$ 195,738</u>	<u>\$ 213,101</u>

SOURCE Vanda Pharmaceuticals Inc.

CONTACT: Cristina Murphy, Senior Communications Manager, of Vanda Pharmaceuticals Inc.,
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Web site: <http://www.vandapharma.com>

(VNDA)

CO: Vanda Pharmaceuticals Inc.