

Quick Take

Anthera Pharmaceuticals — Outperform (1)

ANTH: \$4.85

Quick Take: PEARL-SC To Resume In January 2011

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Analysts Steve Scala, R.Ph., CFA (617) 946-3923 steve.scala@cowen.com

lan Sanderson (617) 946-3922 ian.sanderson @cowen.com

Jean Perreault (617) 946-3967 jean.perreault @cowen.com

Anthera management hosted a conference call yesterday to update investors on the A-623 (lupus) development program including the status of the A-623 vial cracking situation, adjustments to the PEARL-SC study design, and the announcement of a manufacturing agreement for the clinical and pre-commercial supply of A-623.

On November 16th, Anthera suspended enrollment and dosing of patients in the PEARL-SC trial as a result of A-623 vial cracking. It has been determined that vial cracking was the result of shipping on dry ice at temperatures that negatively effected vial integrity. Moving forward, vials will be shipped at -20C to avoid cracking. Vials have since been collected from all study sites and will be repackaged and relabeled prior to redistribution to maintain blinding. Enrollment in PEARL-SC is scheduled to restart in January 2011 with interim B-cell data in mid-2011 and top-line data in 2012.

PEARL-SC will now enroll 540 patients instead of the previous target of 480 to add additional power to its subgroup analysis. Patients will be dosed with either 200mg A-623 SC monthly (n=90), 200mg A-623 SC weekly (n=90), 100mg A-623 SC weekly (n=90), or placebo (n=270). The doses of A-623 are based on an estimated effective dosing range of 2.5-11.0 mg/kg/month.

At the time of PEARL-SC suspension, 12 patients had been dosed with A-623 and 39 patients were enrolled in screening. Anthera will be submitting a request to the FDA to initiate a long-term open-label extension phase of PEARL-SC to accommodate the 12 individuals who had began treatment prior to suspension of the trial as well as to enroll additional patients for long-term study.

Anthera also announced that it has selected Merck BioManufacturing to manufacture the large-scale GMP clinical and pre-commercial supply of A-623. This relationship will allow for production of additional A-623 to support PEARL-SC and the transition to Phase III studies. Due to the shortness of the delay, Anthera does not anticipate any changes to their cash utilization estimates. We continue to forecast A-623 sales of \$59MM in 2014 and \$117MM in 2015.



Addendum

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Ticker	Company Name
ANTH	Anthera Pharmaceuticals

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Cowen and Company, LLC. New York (646) 562-1000 Boston (617) 946-3700 San Francisco (415) 646-7200 Chicago (312) 516-4690 Cleveland (440) 331-3531 Atlanta (866) 544-7009 Dallas (214) 978-0107 London (affiliate) 44-207-071-7500 Geneva (affiliate) 41-22-707-6900

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(a) Assumptions: Time horizon is 12 months; S&P 500 is flat over forecast period.

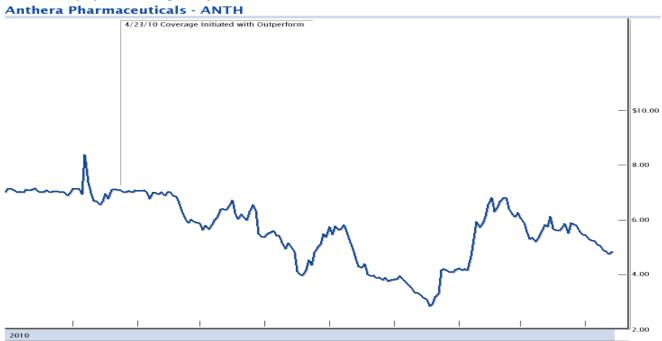
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