



Quick Take

Anthera Pharmaceuticals — Outperform (1)

ANTH: \$4.85

December 15, 2010

Quick Take: PEARL-SC To Resume In January 2011

Analysts

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

Ian 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

STOCKS MENTIONED IN IMPORTANT DISCLOSURES

Ticker	Company Name
ANTH	Anthera Pharmaceuticals

ANALYST CERTIFICATION

Each author of this research report hereby certifies that (i) the views expressed in the research report accurately reflect his or her personal views about any and all of the subject securities or issuers, and (ii) no part of his or her compensation was, is, or will be related, directly or indirectly, to the specific recommendations or views expressed in this report.

IMPORTANT DISCLOSURES

Cowen and Company, LLC and or its affiliates make a market in the stock of ANTH securities.

Cowen and Company, LLC and/or its affiliates managed or co-managed a public offering of ANTH within the past twelve months.

Cowen and Company, LLC and/or its affiliates received in the past 12 months compensation for investment banking services from ANTH.

ANTH is or was in the past 12 months a client of Cowen and Company, LLC; during the past 12 months, Cowen and Company, LLC provided IB services.

ANTH has been client(s) of Cowen and Company, LLC in the past 12 months.

Cowen and Company, LLC compensates research analysts for activities and services intended to benefit the firm's investor clients. Individual compensation determinations for research analysts, including the author(s) of this report, are based on a variety of factors, including the overall profitability of the firm and the total revenue derived from all sources, including revenues from investment banking. Cowen and Company, LLC does not compensate research analysts based on specific investment banking transactions.

DISCLAIMER

This research is for our clients only. Our research is disseminated primarily electronically and, in some cases, in printed form. Research distributed electronically is available simultaneously to all Cowen and Company, LLC clients. All published research, including required disclosures, can be obtained on the Firm's client website, www.cowenresearch.com.

Further information on any of the above securities may be obtained from our offices. This report is published solely for information purposes, and is not to be construed as an offer to sell or the solicitation of an offer to buy any security in any state where such an offer or solicitation would be illegal. Other than disclosures relating to Cowen and Company, LLC, the information herein is based on sources we believe to be reliable but is not guaranteed by us and does not purport to be a complete statement or summary of the available data. Any opinions expressed herein are statements of our judgment on this date and are subject to change without notice.

Notice to UK Investors: This publication is produced by Cowen and Company, LLC, which is regulated in the United States by FINRA and is disseminated in the United Kingdom by Cowen International Limited ("CIL"). In the United Kingdom, 'Cowen and Company' is a Trading Name of CIL. It is communicated only to persons of a kind described in Articles 19 and 49 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. It must not be further transmitted to any other person without the consent of CIL.

Copyright, User Agreement and other general information related to this report

© 2010 Cowen and Company, LLC. Member NYSE, FINRA and SIPC. All rights reserved. This research report is prepared for the exclusive use of Cowen clients and may not be reproduced, displayed, modified, distributed, transmitted or disclosed,

in whole or in part, or in any form or manner, to others outside your organization without the express prior written consent of Cowen. Cowen research reports are distributed simultaneously to all clients eligible to receive such research prior to any public dissemination by Cowen of the research report or information or opinion contained therein. Any unauthorized use or disclosure is prohibited. Receipt and/or review of this research constitutes your agreement not to reproduce, display, modify, distribute, transmit, or disclose to others outside your organization the contents, opinions, conclusion, or information contained in this report (including any investment recommendations, estimates or price targets). All Cowen trademarks displayed in this report are owned by Cowen and may not be used without its prior written consent.

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

COWEN AND COMPANY RATING DEFINITIONS (a)

Rating	Definition
Outperform (1)	Stock expected to outperform the S&P 500
Neutral (2)	Stock expected to perform in line with the S&P 500
Underperform (3)	Stock expected to underperform the S&P 500

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

COWEN AND COMPANY RATING ALLOCATION (a)

Rating	Pct of companies under coverage with this rating	Pct for which Investment Banking services have been provided within the past 12 months
Buy (b)	48.7%	3.8%
Hold (c)	47.7%	1.3%
Sell (d)	3.6%	0.0%

(a) As of 09/30/2010. (b) Corresponds to "Outperform" rated stocks as defined in Cowen and Company, LLC's rating definitions (see above). (c) Corresponds to "Neutral" as defined in Cowen and Company, LLC's ratings definitions (see above). (d) Corresponds to "Underperform" as defined in Cowen and Company, LLC's ratings definitions (see above). Note: "Buy," "Hold" and "Sell" are not terms that Cowen and Company, LLC uses in its ratings system and should not be construed as investment options. Rather, these ratings terms are used illustratively to comply with NASD and NYSE regulations.

Cowen and Company Price and Ratings History

Anthera Pharmaceuticals - ANTH

