UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2016

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 000-21326

Anika Therapeutics, Inc.

(Exact Name of Registrant as Specified in Its Charter)

Massachusetts	**04-3145961**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
32 Wiggins Avenue, Bedford, Massachusetts	**01730**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code: **(781) 457-9000**

Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report: **N/A**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒	Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act) Yes ☐ No ☒

As of April 28, 2016 there were 14,330,582 outstanding shares of Common Stock, par value $.01 per share.

ANIKA THERAPEUTICS, INC.
TABLE OF CONTENTS

References in this Quarterly Report on Form 10-Q to "we," "us," "our," "our company," and other similar references refer to Anika Therapeutics, Inc. and its subsidiaries unless the context otherwise indicates.

ANIKA, ANIKA THERAPEUTICS, CINGAL, HYAFF, MONOVISC, and ORTHOVISC are our registered trademarks. This Quarterly Report on Form 10-Q also contains registered marks, trademarks, and trade names that are the property of other companies and licensed to us.

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Anika Therapeutics, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(in thousands, except share data and per share data)
(unaudited)

ASSETS	March 31, 2016	December 31, 2015
Current assets:		
Cash and cash equivalents	$ 92,837	$ 110,707
Investments	23,000	27,751
Accounts receivable, net of reserves of $174 and $167 at March 31, 2016 and December 31, 2015, respectively	14,798	21,652
Inventories	15,765	14,938
Prepaid expenses and other current assets	1,500	1,385
Total current assets	147,900	176,433
Property and equipment, net	46,839	40,108
Long-term deposits and other	69	69
Intangible assets, net	11,859	11,656
Goodwill	7,790	7,482
Total Assets	$ 214,457	$ 235,748
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,263	$ 8,302
Accrued expenses and other current liabilities	5,999	4,778
Income taxes payable	1,603	4,198
Total current liabilities	10,865	17,278
Other long-term liabilities	739	781
Long-term deferred revenue	63	66
Deferred tax liability	7,422	6,775
Commitments and contingencies (Note 12)		
Stockholders' equity:		
Preferred stock, $.01 par value; 1,250,000 shares authorized, no shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively	-	-
Common stock, $.01 par value; 30,000,000 shares authorized, 14,768,325 and 15,036,808 shares issued and outstanding at March 31, 2016 and December 31, 2015, respectively	148	150
Additional paid-in-capital	58,536	81,685
Accumulated other comprehensive loss	(5,873)	(6,649)
Retained earnings	142,557	135,662
Total stockholders' equity	195,368	210,848
Total Liabilities and Stockholders' Equity	$ 214,457	$ 235,748

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Anika Therapeutics, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Income
(in thousands, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2016	**2015**
Product revenue	$ 22,278	$ 15,515
Licensing, milestone and contract revenue	5	5
Total revenue	22,283	15,520
Operating expenses:		
Cost of product revenue	5,425	4,313
Research & development	2,159	2,098
Selling, general & administrative	3,990	3,605
Total operating expenses	11,574	10,016
Income from operations	10,709	5,504
Interest income, net	72	24
Income before income taxes	10,781	5,528
Provision for income taxes	3,886	2,012
Net income	$ 6,895	$ 3,516
Basic net income per share:		
Net income	$ 0.46	$ 0.24
Basic weighted average common shares outstanding	14,875	14,905
Diluted net income per share:		
Net income	$ 0.45	$ 0.23
Diluted weighted average common shares outstanding	15,307	15,330
Net income	$ 6,895	$ 3,516
Other comprehensive income (loss):		
Foreign currency translation adjustment	776	(2,249)
Comprehensive income	$ 7,671	$ 1,267

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

Anika Therapeutics, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended 31,	
	2016	**2015**
Cash flows from operating activities:		
Net income	$ 6,895	$ 3,516
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	942	914
Stock-based compensation expense	817	555
Deferred income taxes	555	(177)
Provision for inventory	82	30
Tax benefit from equity awards	(364)	(934)
Changes in operating assets and liabilities:		
Accounts receivable	7,034	761
Inventories	(787)	(284)
Prepaid expenses, other current and long-term assets	(267)	477
Prepaid income taxes	-	(1,199)
Accounts payable	(3,629)	632
Accrued expenses and other current liabilities	(1,306)	(375)
Deferred revenue	(39)	112
Income taxes payable	(2,205)	-
Other long-term liabilities	(48)	(44)
Net cash provided by operating activities	7,680	3,984
Cash flows from investing activities:		
Proceeds from maturity of investments	14,250	1,500
Purchase of investments	(9,499)	(7,250)
Purchase of property and equipment	(6,418)	(256)
Net cash used in investing activities	(1,667)	(6,006)
Cash flows from financing activities:		
Repurchases of common stock	(25,000)	-
Proceeds from exercise of equity awards	668	964
Tax benefit from equity awards	364	934
Net cash (used in) provided by financing activities	(23,968)	1,898
Exchange rate impact on cash	85	(230)
Decrease in cash and cash equivalents	(17,870)	(354)
Cash and cash equivalents at beginning of period	110,707	100,156
Cash and cash equivalents at end of period	$ 92,837	$ 99,802
Supplemental disclosure of cash flow information:		
Non-cash Investing Activities:		
Purchases of property and equipment included in accounts payable and accrued expenses	$ 824	$ 24

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

1. Nature of Business

Anika Therapeutics, Inc. is a global, integrated orthopedic medicines company committed to improving the lives of patients with degenerative orthopedic diseases and traumatic conditions by providing innovative and differentiated therapeutic pain management solutions along the continuum of care, from palliative care to regenerative medicine. The Company has over two decades of expertise developing, manufacturing, and commercializing more than 20 products, in markets across the globe, based on the Company's proprietary hyaluronic acid technology. The Company's orthopedic medicine portfolio is comprised of marketed (ORTHOVISC and MONOVISC) and pipeline (CINGAL and HYALOFAST in the United States) products to alleviate pain and restore joint function by replenishing depleted HA and aiding cartilage repair and regeneration.

The Company is subject to risks common to companies in the biotechnology and medical device industries including, but not limited to, development by the Company or its competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, commercialization of existing and new products, and compliance with U.S. Food and Drug Administration ("FDA") and foreign regulations and approval requirements, as well as the ability to grow the Company's business through appropriate commercial strategies.

2. Basis of Presentation

The accompanying unaudited condensed consolidated financial statements and related notes have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") and in accordance with accounting principles generally accepted in the United States ("US GAAP"). The financial statements include the accounts of Anika Therapeutics, Inc. and its subsidiaries. Inter-company transactions and balances have been eliminated. The year-end consolidated balance sheet is derived from the Company's audited financial statements, but does not include all disclosures required by US GAAP. In the opinion of management, these unaudited condensed consolidated financial statements contain all adjustments (consisting only of normal recurring adjustments) necessary to fairly state the condensed consolidated financial position of the Company as of March 31, 2016, the results of its operations for the three-month periods ended March 31, 2016 and 2015, and cash flows for the three-month periods ended March 31, 2016 and 2015.

The accompanying unaudited condensed consolidated financial statements and related notes should be read in conjunction with the Company's annual financial statements filed with its Annual Report on Form 10-K for the year ended December 31, 2015. The results of operations for the three-month period ended March 31, 2016 are not necessarily indicative of the results to be expected for the year ending December 31, 2016. Certain prior period amounts have been reclassified to conform to the current period presentation. There was no impact on operating income.

3. Recent Accounting Pronouncements

Recently Issued

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, Revenue from Contracts with Customers. ASU 2014-09 supersedes the revenue recognition requirements in "Topic 605, Revenue Recognition" and requires entities to recognize revenue in a way that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In July 2015, the FASB issued a deferral of ASU 2014-09 of one year making it effective for annual reporting periods beginning on or after December 15, 2017 while also providing for early adoption not to occur before the original effective date. The Company is assessing the appropriate method for implementing ASU 2014-09, as well as the impact the adoption of ASU 2014-09 will have on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842). ASU 2016-02 amends existing leasing accounting requirements. The most significant change will result in the recognition of lease assets and lease liabilities by lessees for virtually all leases. The new guidance will also require significant additional disclosures about the amount, timing and uncertainty of cash flows from leases. ASU 2016-02 is effective for fiscal years and interim periods beginning after December 15, 2018. Upon adoption, entities are required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach. Early adoption is permitted, and a number of optional practical expedients may be elected to simplify the impact of adoption. The Company is evaluating the impact of adopting this guidance.

In March 2016, the FASB issued ASU No. 2016-09, Compensation (Topic 718) Stock Compensation. ASU 2016-09 identifies areas for simplification involving several aspects of accounting for share-based payment transactions, including the income tax consequences, classification of awards as equity or liabilities, an option to recognize gross stock compensation expense with actual forfeitures recognized as they occur, as well as certain classifications on the statement of cash flows. Early adoption is permitted. The Company is assessing the appropriate method for implementing ASU 2016-09 and the impact that adopting this new accounting standard will have on its consolidated financial statements and footnote disclosures.

Recently Adopted

In July 2015, the FASB issued ASU No. 2015-11, Inventory (Topic 330) Simplifying the Measurement of Inventory. ASU 2015-11 more closely aligns the measurement of inventory in US GAAP with the measurement of inventory in International Financial Reporting Standards by requiring companies using the first-in, first-out and average costs methods to measure inventory using the lower of cost and net realizable value, where net realizable value is the estimated selling prices in the ordinary course of business less reasonably predictable costs of completion, disposal, and transportation. The provisions of ASU 2015-11 are effective for annual and interim periods beginning after December 15, 2016. ASU 2015-11 should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The adoption of this amendment did not have a material impact on the Company's financial position or results of operations.

In November 2015, FASB issued ASU No. 2015-17, Income Taxes (Topic 740) Balance Sheet Classification of Deferred Taxes. ASU 2015-17 requires entities to present deferred tax assets and deferred tax liabilities as noncurrent in a classified balance sheet. The ASU simplifies the current guidance, which requires entities to separately present deferred tax assets and deferred tax liabilities as current and noncurrent in a classified balance sheet. The guidance in ASU 2015-17 is required for annual reporting periods beginning after December 15, 2016, including interim periods within the reporting period. The Company early adopted the provisions of this ASU during the fourth quarter of year 2015 and applied it retrospectively. The adoption of ASU 2015-17 resulted in the reclassification of $1.8 million and $2.3 million of current deferred tax assets to a reduction in noncurrent deferred tax liabilities as of March 31, 2016 and December 31, 2015, respectively. Adoption of this standard did not impact results of operations, retained earnings, or cash flows in the current or previous interim and annual reporting periods.

4. Investments

All of the Company's investments are classified as available-for-sale and are carried at fair value with unrealized gains and losses recorded as a component of accumulated other comprehensive income, net of related income taxes. The Company held bank certificates of deposit of $23.0 million and $25.8 million at March 31, 2016 and December 31, 2015, respectively. The Company also held corporate debt securities of $2.0 million at December 31, 2015. There were no unrealized gains or losses on the Company's available-for-sale securities at March 31, 2016 or December 31, 2015.

5. Fair Value Measurements

Fair value is an exit price, representing the amount that would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants based on assumptions that market participants would use in pricing an asset or liability. As a basis for classifying the fair value measurements, a three-tier fair value hierarchy, which classifies the fair value measurements based on the inputs used in measuring fair value, was established as follows: (Level 1) observable inputs such as quoted prices in active markets for identical assets or liabilities; (Level 2) significant other observable inputs that are observable either directly or indirectly; and (Level 3) significant unobservable inputs for which there is little or no market data, which requires the Company to develop its own assumptions. This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, the Company records its investments at fair value.

The Company's investments are all classified within Level 2 of the fair value hierarchy. These investments classified within Level 2 of the fair value hierarchy are valued based on matrix pricing compiled by third party pricing vendors, using observable market inputs such as interest rates, yield curves, and credit risk.

The fair value hierarchy of the Company's cash equivalents and investments at fair value is as follows:

	March 31, 2016	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents:				
Money market funds	$ 66,449	$ -	$ 66,449	$ -
Investments:				
Bank certificates of deposit	$ 23,000	-	$ 23,000	-

	December 31, 2015	Fair Value Measurements at Reporting Date Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash equivalents:				
Money market funds	$ 61,385	$ -	$ 61,385	$ -
Bank certificates of deposit	250	-	250	-
Total cash equivalents	$ 61,635	$ -	$ 61,635	$ -
Investments:				
Corporate debt securities	$ 2,001	$ -	$ 2,001	$ -
Bank certificates of deposit	25,750	-	25,750	-
Total investments	$ 27,751	$ -	$ 27,751	$ -

6. Equity Incentive Plan

The Company estimates the fair value of stock options and stock appreciation rights ("SARs") using the Black-Scholes valuation model. Fair value of restricted stock awards ("RSAs") and restricted stock units ("RSUs") are measured by the grant-date price of the Company's shares. The fair value of each stock option award during the three-month periods ended March 31, 2016 and 2015, respectively, was estimated on the grant date using the Black-Scholes option-pricing model with the following assumptions:

	Three Months Ended March 31, 2016	2015
Risk free interest rate	1.16% - 1.40%	1.15%
Expected volatility	50.84% - 51.61%	54.65%
Expected life (years)	4.5	4.5
Expected dividend yield	0.00%	0.00%

The Company recorded $0.8 million and $0.6 million of share-based compensation expense for the three-month periods ended March 31, 2016 and 2015, respectively, for equity compensation awards. The Company presents the expenses related to stock-based compensation awards in the same expense line items as cash compensation paid to the respective recipients.

During the three-month period ended March 31, 2016, the Company granted under the Plan a total of 288,705 stock options, 46,300 RSAs, and 11,805 RSUs. All of the RSUs were granted to directors of the Company and vest over a one year period. The stock options, and RSAs granted to employees generally become exercisable or vest ratably over four years from the date of grant.

A portion of the stock options granted during the three-month period ended March 31, 2016 contained certain performance features, as compared to established targets, in addition to time-based vesting conditions. For performance-based awards with financial achievement targets, the Company recognizes expense using the graded vesting methodology based on the number of shares expected to vest. Compensation cost associated with performance grants is estimated using the Black-Scholes valuation method multiplied by the expected number of shares to be issued, which is adjusted based on the estimated probabilities of achieving the performance goals. Changes to the probability assessment and the estimated shares expected to vest will result in adjustments to the related share-based compensation expense that will be recorded in the period of the change. If the performance targets are not achieved, no compensation cost is recognized and any previously recognized compensation cost is reversed.

7. Earnings Per Share ("EPS")

Basic EPS is calculated by dividing net income by the weighted average number of shares outstanding during the period. Unvested restricted shares, although legally issued and outstanding, are not considered outstanding for purposes of calculating basic earnings per share. Diluted EPS is calculated by dividing net income by the weighted average number of shares outstanding plus the dilutive effect, if any, of outstanding stock options, SARs, RSAs, and RSUs using the treasury stock method.

The following table provides share information used in the calculation of the Company's basic and diluted earnings per share:

	Three Months Ended March 31,	
	2016	2015
Shares used in the calculation of basic earnings per share	14,875	14,905
Effect of dilutive securities:		
Stock options, SARs, and RSAs	432	425
Diluted shares used in the calculation of earnings per share	15,307	15,330

Equity awards of 0.3 million and 0.1 million shares were outstanding for the three-month periods ended March 31, 2016 and 2015, respectively, and were not included in the computation of diluted earnings per share because the awards' impact on earnings per share was anti-dilutive.

On February 26, 2016, the Company entered into an accelerated stock repurchase agreement with Morgan Stanley & Co. LLC ("Morgan Stanley") pursuant to a Fixed Dollar Accelerated Share Repurchase Transaction ("ASR Agreement") to purchase $25.0 million of shares of its common stock. Pursuant to the terms of the ASR Agreement, the Company paid Morgan Stanley $25.0 million in cash and received an initial delivery of 377,155 shares of the Company's common stock on February 29, 2016 based on a closing market price of $46.40 and the applicable contractual discount. This is approximately 70% of the total number of shares of expected to be repurchased under the ASR Agreement. These shares are held by the Company as authorized but unissued shares pursuant to Massachuetts law. The initial delivery of shares resulted in an immediate reduction of the outstanding shares used to calculate the weighted-average common shares outstanding for basic and diluted net income per share on the effective date of the ASR Agreement.

As of March 31, 2016, the Company has approximately $7.5 million remaining under the ASR Agreement which was recorded as an equity forward sale contract and was included in additional paid-in capital in stockholders' equity in the condensed consolidated balance sheet as it met the criteria for equity accounting. Pursuant to the terms of the ASR Agreement, the final number of shares and the average purchase price will be determined at the end of the applicable purchase period, which is expected to occur in the third quarter of 2016. Upon settlement of the ASR Agreement, the Company may receive additional shares or be required to either pay additional cash or deliver shares of our common stock (at its option) to Morgan Stanley, based on the forward price. If the ASR Agreement had been settled as of March 31, 2016, based on the volume-weighted average price since the effective date of the ASR Agreement, Morgan Stanley would have been required to deliver approximately 0.2 million additional shares to the Company. However, the Company cannot predict the final number of shares to be received, or delivered, by it under the ASR Agreement, and, as such, these shares are not included in the calculation of diluted weighted-average common shares outstanding during the period because the effect is anti-dilutive.

8. Inventories

Inventories consist of the following:

	March 31, 2016	December 31, 2015
Raw materials	$ 6,059	$ 5,780
Work-in-process	5,647	5,656
Finished goods	4,059	3,502
Total	$ 15,765	$ 14,938

Inventories are stated at the lower of cost or market, with cost being determined using the first-in, first-out method. Work-in-process and finished goods inventories include materials, labor, and manufacturing overhead. Inventory costs associated with product candidates that have not yet received regulatory approval are capitalized if the Company believes there is probable future commercial use and future economic benefit.

9. Intangible Assets

In connection with the 2009 acquisition of Anika Therapeutics S.r.l. ("Anika S.r.l."), the Company acquired various intangible assets and goodwill. The Company evaluated the various intangible assets and related cash flows from these intangible assets, as well as the useful lives and amortization methods related to these intangible assets. The in-process research and development ("IPR&D") intangible assets initially have indefinite lives and are reviewed periodically to assess the project status, valuation, and disposition, including write-off(s) for abandoned projects. Until such determination is made, they are not amortized.

Intangible assets as of March 31, 2016 and December 31, 2015 consist of the following:

	March 31, 2016				December 31, 2015	
	Gross Value	Accumulated Currency Translation Adjustment	Accumulated Amortization	Net Book Value	Net Book Value	Useful Life
Developed technology	$ 17,100	$ (2,882)	$ (6,148)	$ 8,070	$ 7,959	15
In-process research & development	4,406	(1,193)	-	3,213	3,099	Indefinite
Distributor relationships	4,700	(415)	(4,285)	-	-	5
Patents	1,000	(173)	(345)	482	473	16
Elevess trade name	1,000	-	(906)	94	125	9
Total	$ 28,206	$ (4,663)	$ (11,684)	$ 11,859	$ 11,656	

The aggregate amortization expense related to intangible assets was $0.3 million for the three-month periods ended March 31, 2016 and 2015, respectively.

10. Goodwill

Through March 31, 2016, there have not been any events or changes in circumstances that indicate that the carrying value of goodwill may not be recoverable. Changes in the carrying value of goodwill were as follows (in thousands):

	Three Months Ended March 31, 2016	Twelve Months Ended December 31, 2015
Balance, beginning	$ 7,482	$ 8,339
Effect of foreign currency adjustments	308	(857)
Balance, ending	$ 7,790	$ 7,482

11. Accrued Expenses

Accrued expenses consist of the following:

	March 31, 2016	December 31, 2015
Compensation and related expenses	$ 2,072	$ 3,082
Facility construction costs	2,069	415
Research grants	397	381
Professional fees	372	210
Clinical trial costs	123	252
Other	966	438
Total	$ 5,999	$ 4,778

12. Commitments and Contingencies

In certain of its contracts, the Company warrants to its customers that the products it manufactures conform to the product specifications as in effect at the time of delivery of the specific product. The Company may also warrant that the products it manufactures do not infringe, violate, or breach any U.S. patent or intellectual property right, trade secret, or other proprietary information of any third party. On occasion, the Company contractually indemnifies its customers against any and all losses arising out of, or in any way connected with, any claim or claims of breach of its warranties or any actual or alleged defect in any product caused by the negligent acts or omissions of the Company. The Company maintains a products liability insurance policy that limits its exposure to these risks. Based on the Company's historical activity, in combination with its liability insurance coverage, the Company believes the estimated fair value of these indemnification agreements is immaterial. The Company has no accrued warranties at March 31, 2016 or December 31, 2015, respectively, and has no history of claims paid.

The Company is also involved in various legal proceedings arising in the normal course of business. Although the outcomes of these legal proceedings are inherently difficult to predict, the Company does not expect the resolution of these legal proceedings to have a material adverse effect on its financial position, results of operations, or cash flow.

13. Leases

On October 9, 2015, Anika S.r.l. entered into a build-to-suit lease agreement with Consorzio Zona Industriale E Porto Fluviale di Padova ("ZIP"), as landlord, pursuant to which Anika S.r.l. will lease a new European headquarters facility, consisting of approximately 33,000 square feet of general office, research and development, training, and warehousing space located in Padova, Italy. The lease has an initial term of fifteen years, which is expected to commence during the fourth quarter of 2016 once construction of the facility is completed. The lease will automatically renew for up to three additional six-year terms, subject to certain terms and conditions. The Company has the ability to withdraw from this lease subject to certain financial penalties after six years and with no penalties after the ninth year. Beginning on the commencement date, the lease provides for an initial yearly rent of approximately $0.4 million.

Construction of the new facility began in the first quarter of 2016 and is expected to be completed in late 2016. During the period of construction the Company is considered the deemed owner of the facility. Accordingly, the landlord's costs of constructing the facility are required to be capitalized, as a non-cash transaction, offset by a corresponding facility lease obligation in the Company's consolidated balance sheet. As of March 31, 2016, the Company has recorded a construction-in-process asset of approximately $0.3 million. This included $0.1 million incurred by ZIP for the construction of the new facility, which was recorded as a facility lease obligation on the balance sheet.

14. Income Taxes

Provisions for income taxes were $3.9 million and $2.0 million for the three-month periods ended March 31, 2016 and 2015, respectively, based on effective tax rates of 36.1% and 36.4%. The increase in income taxes for the three-month period ended March 31, 2016 resulted from higher net income as compared to the same period last year. The net decrease in the effective tax rate for the three-month period ended March 31, 2016, as compared to the same period in 2015, was primarily due to an increase in the expected tax credit for research and development expenditures.

The Company files income tax returns in the United States on a federal basis, in certain U.S. states, and in Italy. The associated tax filings remain subject to examination by applicable tax authorities for a certain length of time following the tax year to which those filings relate. The Company's filings from 2012 through the present tax year remain subject to examination by the IRS and other taxing authorities for U.S. federal and state tax purposes. The Company's filings from 2011 through the present tax year remain subject to examination by the appropriate governmental authorities in Italy.

In connection with the preparation of the financial statements, the Company performed an analysis to ascertain if it was more likely than not that it would be able to utilize, in future periods, the net deferred tax assets associated with its net operating loss carryforward. The Company concluded that the positive evidence outweighs the negative evidence and, thus, those deferred tax assets are realizable on a "more likely than not" basis. As such, the Company did not record a valuation allowance at March 31, 2016 or December 31, 2015.

15. Segment and Geographic Information

The Company has one reportable operating segment, for the purposes of assessing performance and deciding how to allocate resources.

Product revenue by product group is as follows:

	Three Months Ended March 31,	
	2016	2015
Orthobiologics	$ 19,587	$ 11,973
Surgical	1,318	1,390
Dermal	381	416
Other	992	1,736
Product Revenue	$ 22,278	$ 15,515

Total revenue by geographic location and as a percentage of overall total revenue for the three-month periods ended March 31, 2016 and 2015 are as follows:

	Three Months Ended March 31,			
	2016		2015	
	Total Revenue	Percentage of Revenue	Total Revenue	Percentage of Revenue
Geographic Location:				
United States	$ 18,011	81%	$ 12,591	81%
Europe	2,565	11%	1,986	13%
Other	1,707	8%	943	6%
Total Revenue	$ 22,283	100%	$ 15,520	100%

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our financial statements and related notes appearing elsewhere in this report. In addition to historical information, this discussion contains forward-looking statements that involve risks, uncertainties, and assumptions that could cause our actual results to differ materially from our expectations. Words such as "will," "likely," "may," "believe," "expect," "anticipate," "intend," "seek," "designed," "develop," "would," "future," "can," "could," and other expressions that are predictions of or indicate future events and trends and which do not relate to historical matters are intended to identify such forward-looking statements. These statements are likely to relate to, among other things, our goals, plans and projections regarding our financial position, results of operations, cash flows, market position, product development, product approvals, sales efforts, expenses, performance, and results related to current or anticipated products. You should carefully consider forward-looking statements and understand that such statements may be affected by inaccurate assumptions and may involve a variety of risks and uncertainties, known and unknown, including, among others, risks related to competition in the medical device industry, reduction or interruption in our supply, quality problems, decreasing prices, changes in applicable tax rates, adverse regulatory action, health care policy changes, international operations, or disruption of our current plans and operations, as well as those factors described in Part II, Item 1A. "Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2015, and as may be updated in our subsequent Quarterly Reports on Form 10-Q. Consequently, no forward-looking statements can be guaranteed and actual results may vary materially, and you should take caution not to place undue reliance on such statements. We undertake no obligation to release publicly any revisions to forward-looking statements as a result of new information, future events, or otherwise.

Management Overview

We are a global, integrated orthopedic medicines company committed to improving the lives of patients with degenerative orthopedic diseases and traumatic conditions by providing innovative and differentiated therapeutic pain management solutions along the continuum of care, from palliative care to regenerative medicine. We have over two decades of expertise developing, manufacturing, and commercializing our products, in markets across the globe, based on our proprietary hyaluronic acid ("HA") technology. Our orthopedic medicine portfolio is comprised of marketed (ORTHOVISC and MONOVISC) and pipeline (CINGAL and HYALOFAST in the United States) products to alleviate pain and restore joint function by replenishing depleted HA and aiding cartilage repair and regeneration.

Our therapeutic offerings consist of products in the following areas: Orthobiologics, Dermal, Surgical, Ophthalmic, and Veterinary. All of our products are based on HA, a naturally occurring, biocompatible polymer found throughout the body. Due to its unique biophysical and biochemical properties, HA plays an important role in a number of physiological functions such as the protection and lubrication of soft tissues and joints, the maintenance of the structural integrity of tissues, and the transport of molecules to and within cells.

Our proprietary technologies for modifying the HA molecule allow product properties to be tailored specifically to therapeutic use. Our patented technology chemically modifies HA to allow for longer residence time in the body. We also offer products made from HA based on two other technologies: HYAFF, which is a solid form of HA, and ACP gel, an autocross-linked polymer of HA. Our technologies are protected by an extensive portfolio of owned and licensed patents.

Since our inception in 1992, we have utilized a commercial partnership model for the distribution of our products to end-users. Our strong, worldwide network of distributors has historically provided, and continues to provide, a solid foundation for our revenue growth and territorial expansion. In 2015, we made the strategic decision to commercialize our next generation viscosupplementation product, CINGAL, in the United States ourselves, initially through the engagement of a contract sales organization. Ultimately, we intend to transition the direct sales function into our company as part of a broader buildout of our commercial capabilities. We believe that the combination of the direct and distribution commercial models will maximize the revenue potential from our current and future product portfolio.

We began a strategic project in 2015 to move the manufacturing of our HYAFF-based products, which currently are manufactured by a third party in Italy, to our Bedford, Massachusetts facility. Our main purposes behind this strategic move are to improve the efficiency of our manufacturing process and to enhance our research and development capabilities, with the aim of accelerating future product development. We expect to expend approximately $15 million on this project through 2018.

Please see the section captioned "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations-Management Overview" in our Annual Report on Form 10-K for the year ended December 31, 2015, for a description of each of the above therapeutic areas, including the individual products.

Research and Development

Our research and development efforts primarily consist of the development of new medical applications for our HA-based technology, the management of clinical trials for certain product candidates, the preparation and processing of applications for regulatory approvals or clearances at all relevant stages of product development, and process development and scale-up manufacturing activities for our existing and new products. Our development focus includes products for tissue protection, repair, and regeneration. We anticipate that we will continue to commit significant resources to research and development, including in relation to clinical trials, in the future.

Our second single-injection osteoarthritis product under development is CINGAL, which is composed of our proprietary cross-linked HA material combined with an approved steroid and is designed to provide both short- and long-term pain relief to patients. We completed the CINGAL phase III clinical trial and associated statistical analysis during the fourth quarter of 2014. During the first half of 2015, we completed a CINGAL retreatment study with patients who had participated in the phase III clinical trial and reported safety data related to the retreatment study. We announced notification of approval for CINGAL from Health Canada in November 2015 for the treatment of pain in osteoarthritis of the knee. In March 2016, we received CE Mark approval of CINGAL as a viscoelastic supplement or as a replacement for synovial fluid in human joints. We expect the first commercial sale of CINGAL in both Canada and the European Union to occur in the second quarter of 2016. After discussions with the FDA related to the regulatory pathway for CINGAL, we conducted a formal meeting with the FDA's Office of Combination Products ("OCP") to present and discuss our data in September 2015, and we submitted a formal request for designation with OCP a month later. In its response to our formal request for designation, OCP assigned the product to the FDA's Center for Drug Evaluation and Research ("CDER") as the lead agency center for premarket review and regulation. Since then, we have been in ongoing discussions with CDER to understand the requirements for submitting an NDA for CINGAL, and preliminary indications from CDER suggest that additional clinical work may be required. We will meet with the FDA to collaboratively discuss this topic.

We have several research and development programs underway for new products, including for HYALOFAST (in the United States), an innovative product for cartilage tissue repair, HYALOBONE, a bone void filler, and other early stage regenerative medicine development programs. HYALOFAST received CE Mark approval in September 2009, and it is commercially available in Europe and certain international countries. During the first quarter of 2015, we submitted an Investigational Device Exemption for HYALOFAST to the FDA, which was approved in July 2015. We commenced patient enrollment in December 2015, and we are in the early stages of the phase III clinical trial for HYALOFAST. We are also currently proceeding with two other research and development programs. The first focuses on the potential of utilizing our proprietary HA technology to treat pain associated with common repetitive overuse injuries, such as those to the elbow, rotator cuff and Achilles tendon. We submitted a CE mark application for this treatment during the first quarter of 2016, and we are currently evaluating the requirements for a submission to the FDA. The second program is in the early pre-clinical stage, and it explores the possibility of using our HYAFF technology in synthetic bone grafts to repair and reconstruct hips, extremities, and the spine.

In June 2015, we entered into an agreement with the Institute for Applied Life Sciences at the University of Massachusetts Amherst to collaborate on research to develop a therapy for rheumatoid arthritis. The purpose of this research is to develop a novel modality for the treatment of rheumatoid arthritis, and if successful, it is expected to yield a potential product candidate that we could begin to move towards commercialization as early as 2017.

Results of Operations

Three Months Ended March 31, 2016 Compared to Three Months Ended March 31, 2015

	Three Months Ended March 31,			
	2016	2015	$ Inc/(Dec)	% Inc/(Dec)
	(in thousands, except percentages)			
Product revenue	$ 22,278	$ 15,515	$ 6,763	44%
Licensing, milestone and contract revenue	5	5	-	0%
Total revenue	22,283	15,520	6,763	44%
Operating expenses:				
Cost of product revenue	5,425	4,313	1,112	26%
Research & development	2,159	2,098	61	3%
Selling, general & administrative	3,990	3,605	385	11%
Total operating expenses	11,574	10,016	1,558	16%
Income from operations	10,709	5,504	5,205	95%
Interest income, net	72	24	48	200%
Income before income taxes	10,781	5,528	5,253	95%
Provision for income taxes	3,886	2,012	1,874	93%
Net income	$ 6,895	$ 3,516	$ 3,379	96%
Product gross profit	$ 16,853	$ 11,202	$ 5,651	50%
Product gross margin	76%	72%		

Product Revenue

Product revenue for the quarter ended March 31, 2016 was $22.3 million, an increase of 44% as compared to $15.5 million for the quarter ended March 31, 2015. For the three months ended March 31, 2016, the increase in product revenue was driven by our orthobiologics franchise, which was partially offset by decreases in our dermal and other product revenue as a result of the timing of orders for our ophthalmic and veterinary products.

The following tables present product revenue by group for the three-month periods ended March 31, 2016 and 2015:

	Three Months Ended March 31,			
	2016	2015	$ Inc/(Dec)	% Inc/(Dec)
	(in thousands, except percentages)			
Orthobiologics	$ 19,587	$ 11,973	$ 7,614	64%
Surgical	1,318	1,390	(72)	(5%)
Dermal	381	416	(35)	(8%)
Other	992	1,736	(744)	(43%)
Total	$ 22,278	$ 15,515	$ 6,763	44%

Orthobiologics

Our orthobiologics franchise consists of our joint health and orthopedic products. Overall, sales increased 64% for the three months ended March 31, 2016, as compared to the same period in 2015. The growth in the first quarter of 2016 reflected a significant increase in product purchases as compared with the same period in the prior year during which our U.S. commercial partner implemented a multi-month inventory reset program. Product sales to our U.S. commericial partner increased by approximately $5.8 million as compared to the first quarter of 2015. More importantly, we also experienced growing end-user demand during the first quarter of 2016, resulting in increased revenue from worldwide ORTHOVISC and worldwide MONOVISC sales. We expect orthobiologics revenue to continue to grow in 2016, led by increased MONOVISC revenue in the United States, the expected commercial launch of CINGAL in Canada and Europe, as well as overall revenue growth from our viscosupplementation products both domestically and internationally.

Surgical

Our surgical franchise consists of products used to prevent surgical adhesions and to treat ear, nose, and throat, or ENT, disorders. Sales of our surgical products decreased 5% for the three-month period ended March 31, 2016 to $1.3 million, as compared to the same period in 2015. The decrease in surgical product revenue for the three-month period was primarily due to the unfavorable impact from foreign currency exchange rate fluctuations as compared with the same period in the prior year. We expect surgical product revenue to decrease moderately for the full-year 2016 compared to 2015 as a result of an inventory releveling by our U.S. ENT commercial partner.

Dermal

Our dermal franchise consists of advanced wound care products, which are based on the HYAFF technology, and aesthetic dermal fillers. Our advanced wound care products treat complex skin wounds ranging from burns to diabetic ulcers, with HYALOMATRIX and HYALOFILL as the lead products. For the three-month period ended March 31, 2016, dermal product sales decreased 8% as compared to the same period in 2015. This decrease primarily reflects order timing by our distribution partners. We expect advanced wound care revenue to increase for the full-year 2016 as compared to 2015 primarily due to increased end-user demand and geographic expansion, particularly in the U.S., European, and Latin American markets.

Other

Other product revenue includes revenues from our ophthalmic and veterinary franchises. Product revenue from each of these franchises decreased for the three-month period ended March 31, 2016 as compared to the same period in 2015. We expect other product revenue to decrease for the full-year 2016, as compared to 2015, primarily as a result of lower veterinary revenue.

Product gross profit and margin

Product gross profit for the three months ended March 31, 2016 increased $5.7 million to $16.9 million, or 76% of product revenue, as compared to 72% of product revenue for the period ended March 31, 2015. The increase in product gross margin for the three-month period ended March 31, 2016, as compared to the same period in 2015, was primarily attributable to the overall product mix compared to the prior year, with increased sales of our higher-margin orthobiologics products as a percentage of our total product sales. This quarter's product gross margin may not be indicative of the rest of the year due to dynamics such as future revenue mix.

Research and development

Research and development expenses for the three months ended March 31, 2016 was $2.2 million, or 10% of total revenue, representing an increase of $0.1 million as compared to the same period in 2015. The increase in research and development expenses was primarily due to the timing and higher level of clinical activities related to the CINGAL retreatment study in early 2015 and the HYALOFAST phase III study, which commenced in December 2015. Research and development spending is expected to increase in 2016, and for the foreseeable future, as compared to 2015, as we further develop new products and initiate new clinical trials based on our existing technology assets, including HYALOFAST, as well as increase development activities for other products in the pipeline.

Selling, general, and administrative

Selling, general, and administrative ("SG&A") expenses for the three-month period ended March 31, 2016 were $4.0 million, representing 18% of total revenue, an increase of $0.4 million as compared to the same period last year. SG&A expenses increased for the three-month period ending March 31, 2016 primarily as a result of increases in personnel related costs and external professional fees. We expect selling, general, and administrative expenses for 2016 will increase to reflect the support required to grow our business both domestically and internationally.

Income taxes

Provisions for income taxes were $3.9 million and $2.0 million for the three-month periods ended March 31, 2016 and 2015, respectively, based on effective tax rates of 36.1% and 36.4%. The increase in income taxes for the three-month period ended March 31, 2016 resulted from higher net income as compared to the same period last year. The net decrease in the effective tax rate for the three-month period ended March 31, 2016, as compared to the same period in 2015, was primarily due to an increase in the expected tax credit for research and development expenditures.

Liquidity and Capital Resources

We expect that our requirements for cash to fund operations and capital expenditures will increase as the scope of our operations expands. Historically, we have generated positive cash flow from operations, which together with our available cash and investments have met our cash requirements. Cash, cash equivalents, and investments totaled approximately $115.8 million and $138.5 million at March 31, 2016 and December 31, 2015, respectively. Working capital totaled approximately $137.0 million at March 31, 2016 and $159.2 million at December 31, 2015. We believe that we have adequate financial resources to support our business for at least the next twelve months.

Cash provided by operating activities was $7.7 million for the three months ended March 31, 2016, as compared to cash provided by operating activities of $4.0 million for the same period in the prior year. The increase in cash provided by operations was due primarily to increased net income for the three months ended March 31, 2016 as compared to the same period last year. Cash provided by operations was also impacted by an increase in net working capital, as compared to the same period in 2015, related to lower accounts and income tax payables, which was partially offset by lower accounts receivables at March 31, 2016.

Cash used in investing activities was $1.7 million for the three months ended March 31, 2016, as compared to cash used in investing activities of $6.0 million for the same period in 2015. The decrease in cash used in investing activities was primarily the result of the purchase of investments offset by maturities of investments during the first quarter of 2016, as well as increased expenditures on capital equipment. We expect an increase in investing activities for the full year 2016 as a result of our on-going project to establish additional manufacturing capabilities at the Bedford, Massachusetts facility to manufacture our HYAFF-based products, which currently are manufactured by a third party in Italy. During the quarter ended March 31, 2016, we expended approximately $6.4 million for this project. We expect to expend approximately an additional $8.0 million on this project over the course of the next twelve to fifteen months.

Cash used in financing activities was $24.0 million for the three months ended March 31, 2016, as compared to cash provided by financing activities of $1.9 million for the same period in 2015. The increase in cash used in financing activities for the three months ended March 31, 2016 was primarily attributable to the Fixed Dollar Accelerated Share Repurchase Transaction to purchase $25.0 million of shares of our common stock. Pursuant to the terms of the ASR Agreement, we paid Morgan Stanley $25.0 million in cash and received an initial delivery of 377,155 shares of our common stock on February 29, 2016 based on the closing market price of $46.40 and the related applicable discount.

Critical Accounting Estimates

There were no other significant changes in our critical accounting estimates during the three months ended March 31, 2016, as compared to the critical accounting estimates disclosed in Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015.

Recent Accounting Pronouncements

A discussion of Recent Accounting Pronouncements is included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2015 and updated in Note 3 to the condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Contractual Obligations and Other Commercial Commitments

Our contractual obligations and other commercial commitments are summarized in the section captioned "Part II, Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended December 31, 2015. We had no material changes outside the ordinary course to our contractual obligations as reported in our 2015 Annual Report on Form 10-K during the first three months of 2016.

To the extent that funds generated from our operations, together with our existing capital resources, are insufficient to meet future requirements, we will be required to obtain additional funds through equity or debt financings, strategic alliances with corporate partners and others, or through other sources. No assurance can be given that any additional financing will be made available to us or will be available on acceptable terms should such a need arise.

Off-balance Sheet Arrangements

We do not use special purpose entities or other off-balance sheet financing techniques, except for operating leases, that we believe have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, or capital resources.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our market risks, and the ways we manage them, are summarized in the section captioned "Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2015. There have been no material changes in the first three months of 2016 to our market risks or to our management of such risks.

ITEM 4. CONTROLS AND PROCEDURES

(a) Evaluation of disclosure controls and procedures.

As required by Rule 13a-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), we carried out an evaluation under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, the chief executive officer and chief financial officer have concluded that our disclosure controls and procedures are effective to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in SEC rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports it files or submits under the Exchange Act is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure. On an on-going basis, we review and document our disclosure controls and procedures, and our internal control over financial reporting, and may from time to time make changes aimed at enhancing their effectiveness and to ensure that our systems evolve with our business.

(b) Changes in internal controls over financial reporting.

There were no changes in our internal control over financial reporting during the three-month period ended March 31, 2016 that have materially affected, or that are reasonably likely to materially affect, our internal controls over financial reporting.

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are involved in various legal proceedings arising in the normal course of business. Although the outcomes of these legal proceedings are inherently difficult to predict, we do not expect the resolution of these other legal proceedings to have a material adverse effect on our financial position, results of operations, or cash flow. There have been no material changes to the information provided in the section captioned "Part I, Item 3, Legal Proceedings" in our Annual Report on Form 10-K for the year ended December 31, 2015.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors described in the section captioned "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2015. In addition to the other information set forth in this report, you should carefully consider the factors discussed in the section captioned "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2015, which could materially affect our business, financial condition, or future results. The risks described in our Annual Report on Form 10-K are not the only risks facing our Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table provides information about purchases by us during the quarter ended March 31, 2016 of shares of our common stock.

Period	Total Number of Shares Repurchased [1]	Average Price Paid per Share [1]	Total Number of Shares Repurchased as Part of Publicly Announced Program [1]	Approximate Dollar Value of Shares that May Yet Be Repurchased Under the Program [1]
February 26 to 29, 2016	377,155		377,155	$ 7,500
March 1 to 31, 2016	-	-	-	-

(1) On March 2, 2016, we publicly announced that on February 26, 2016 we had entered into the ASR Agreement to repurchase an aggregate of $25.0 million of our common stock. During the first quarter of 2016, 377,155 shares were delivered to us under the ASR Agreement, constituting the initial delivery of shares under the ASR Agreement. Pursuant to the terms of the ASR Agreement, the final number of shares and the average purchase price per share will be determined at the end of the applicable purchase period, which is expected to occur in or before August 2016. All shares were repurchased in accordance with the publicly announced program.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not Applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 6. EXHIBITS

Exhibit No.	Description
*10.1	Fixed Dollar Accelerated Share Repurchase Transaction Confirmation entered into as of February 26, 2016 by and between Morgan Stanley & Co. LLC and Anika Therapeutics, Inc.
*10.2	Amendment No. 1 to Lease Agreement, dated June 18, 2010, between Fidia Farmaceutici S.p.A. and Anika Therapeutics S.r.l. (formerly Fidia Advanced Biopolymers S.r.l.) relating to Via Ponte Della Fabbrica 3/A and 3/B Abano Terme, Padua, Italy
*10.3	Amendment No. 2 to Lease Agreement, dated September 20, 2010, between Fidia Farmaceutici S.p.A. and Anika Therapeutics S.r.l. (formerly Fidia Advanced Biopolymers S.r.l.) relating to Via Ponte Della Fabbrica 3/A and 3/B Abano Terme, Padua, Italy
*10.4	Translation of Amendment No. 3 to Lease Agreement, dated April 16, 2012, between Fidia Farmaceutici S.p.A. and Anika Therapeutics S.r.l. (formerly Fidia Advanced Biopolymers S.r.l.) relating to Via Ponte Della Fabbrica 3/A and 3/B Abano Terme, Padua, Italy
*10.5	Translation of Amendment No. 4 to Lease Agreement, dated February 22, 2016, between Fidia Farmaceutici S.p.A. and Anika Therapeutics S.r.l. (formerly Fidia Advanced Biopolymers S.r.l.) relating to Via Ponte Della Fabbrica 3/A and 3/B Abano Terme, Padua, Italy
(31)	Rule 13a-14(a)/15d-14(a) Certifications
*31.1	Certification of Charles H. Sherwood, Ph.D., pursuant to Rules 13a-15(e) and 15d-15(e), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
*31.2	Certification of Sylvia Cheung pursuant to Rules 13a-15(e) and 15d-15(e), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32)	Section 1350 Certifications
**32.1	Certification of Charles H. Sherwood, Ph.D., and Sylvia Cheung, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
(101)	XBRL
*101	The following materials from Anika Therapeutics, Inc.'s Quarterly Report on Form 10-Q for the quarter ended March 31, 2016, as filed with the SEC on May 3, 2016, formatted in XBRL (eXtensible Business Reporting Language), as follows: i. Condensed Consolidated Balance Sheets as of March 31, 2016 (unaudited) and December 31, 2015 ii. Condensed Consolidated Statements of Operations and Comprehensive Income for the Three Months Ended March 31, 2016 and March 31, 2015 (unaudited) iii. Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2016 and March 31, 2015 (unaudited) iv. Notes to Condensed Consolidated Financial Statements (unaudited)

* Filed herewith
** Furnished herewith.

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 thereunto duly authorized.

ANIKA THERAPEUTICS, INC.

Date: May 3, 2016

By: /s/ SYLVIA CHEUNG
Sylvia Cheung
Chief Financial Officer
(Authorized Officer and Principal Financial Officer)

Exhibit 10.1

Morgan Stanley

MORGAN STANLEY & CO. LLC
1585 BROADWAY
NEW YORK, NY 10036-8293
(212) 761-4000

February 26, 2016

Fixed Dollar Accelerated Share Repurchase Transaction

Anika Therapeutics, Inc.
32 Wiggins Avenue
Bedford, MA 01730
United States

Dear Sir/Madam:

The purpose of this letter agreement (this "**Confirmation**") is to confirm the terms and conditions of the Transaction entered into between Morgan Stanley & Co. LLC ("**MSCO**") and Anika Therapeutics, Inc. ("**Issuer**") on the Trade Date specified below (the "**Transaction**"). This confirmation constitutes a "Confirmation" as referred to in the Agreement specified below.

The definitions and provisions contained in the 2002 ISDA Equity Derivatives Definitions (as published by the International Swaps and Derivatives Association, Inc. ("**ISDA**")) (the "**Equity Definitions**") are incorporated into this Confirmation. The Transaction is a Share Forward Transaction for purposes of the Equity Definitions. Any reference to a currency shall have the meaning contained in Section 1.7 of the 2006 ISDA Definitions, as published by ISDA.

1. This Confirmation evidences a complete and binding agreement between MSCO and Issuer as to the terms of the Transaction to which this Confirmation relates and shall supersede all prior or contemporaneous written or oral communications with respect thereto. This Confirmation shall be subject to an agreement (the "**Agreement**") in the form of the 2002 ISDA Master Agreement as if MSCO and Issuer had executed an agreement in such form without any Schedule but with the elections set forth in this Confirmation (and the election of USD as the Termination Currency).

The Transaction shall be the only transaction under the Agreement. If there exists any ISDA Master Agreement between MSCO and Issuer or any confirmation or other agreement between MSCO and Issuer pursuant to which an ISDA Master Agreement is deemed to exist between MSCO and Issuer, then, notwithstanding anything to the contrary in such ISDA Master Agreement, such confirmation or agreement or any other agreement to which MSCO and Issuer are parties, the Transaction shall not be considered a transaction under, or otherwise governed by, such existing or deemed to be existing ISDA Master Agreement.

If there is any inconsistency between the Agreement, this Confirmation and the Equity Definitions, the following will prevail for purposes of the Transaction in the order of precedence indicated: (i) this Confirmation; (ii) the Equity Definitions; and (iii) the Agreement.

2. The terms of the particular Transaction to which this Confirmation relates are as follows:

GENERAL TERMS:

Trade Date:	As specified in Schedule I
Buyer:	Issuer
Seller:	MSCO
Shares:	Common Stock, par value USD 0.01 per share, of Issuer (Ticker: ANIK)
Forward Price:	A price per Share (as determined by the Calculation Agent) equal to (i) the arithmetic mean (not a weighted average) of the 10b-18 VWAP on each Trading Day during the Calculation Period minus (ii) the Discount.
Discount:	As specified in Schedule I
10b-18 VWAP:	On any Trading Day, a price per Share equal to the volume-weighted average price of the Rule 10b-18 eligible trades in the Shares for the entirety of such Trading Day as determined by the Calculation Agent by reference to the screen entitled "ANIK <Equity> AQR SEC" or any successor page as reported by Bloomberg L.P. or any successor (without regard to pre-open or after-hours trading outside of any regular trading session for such Trading Day or block trades (as defined in Rule 10b-18(b)(5) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**")) on such Trading Day) or, if the price displayed on such screen is clearly erroneous, as determined by the Calculation Agent in good faith and in a commercially reasonable manner.
Calculation Period:	The period from, and including, the first Trading Day that occurs on the Prepayment Date to, and including, the relevant Valuation Date.
Trading Day:	Any Exchange Business Day that is not a Disrupted Day in whole.
Initial Shares:	As specified in Schedule I
Initial Share Delivery Date:	One Exchange Business Day following the Trade Date. On the Initial Share Delivery Date, Seller shall deliver to Buyer a number of Shares equal to the Initial Shares in accordance with Section 9.4 of the Equity Definitions, with the Initial Share Delivery Date being deemed to be a "Settlement Date" for purposes of such Section 9.4.
Prepayment:	Applicable
Prepayment Amount:	As specified in Schedule I

Prepayment Date:	One Exchange Business Day following the Trade Date. On the Prepayment Date, Buyer shall pay to Seller the Prepayment Amount.
Exchange:	Nasdaq Global Select Market
Related Exchange:	All Exchanges on which options or futures on the Shares are traded.
Market Disruption Event:	The definition of "Market Disruption Event" in Section 6.3(a) of the Equity Definitions is hereby amended by deleting the words "at any time during the one-hour period that ends at the relevant Valuation Time, Latest Exercise Time, Knock-in Valuation Time or Knock-out Valuation Time, as the case may be," starting in the third line thereof. Section 6.3(d) of the Equity Definitions is hereby amended by deleting the remainder of the provision following the term "Scheduled Closing Time" in the fourth line thereof. Notwithstanding anything to the contrary in the Equity Definitions, if any Exchange Business Day in the Calculation Period is a Disrupted Day, the Calculation Agent shall have the option in its sole discretion to take one or more of the following actions: (i) determine that such Exchange Business Day is a Disrupted Day in part, in which case the Calculation Agent shall (x) determine the 10b-18 VWAP on such Exchange Business Day based on Rule 10b-18 eligible trades in the Shares on such day taking into account the nature and duration of the relevant Market Disruption Event and (y) determine the Forward Price using an appropriately weighted average of 10b-18 VWAPs instead of an arithmetic mean, and/or (ii) elect to postpone the Scheduled Valuation Date by up to one Scheduled Trading Day for every Trading Day that is a Disrupted Day during the Calculation Period. For the avoidance of doubt, if the Calculation Agent takes the action described in clause (i) above, then such Disrupted Day shall be a Trading Day for purposes of calculating the Forward Price. Any Exchange Business Day on which, as of the date hereof, the Exchange is scheduled to close prior to its normal close of trading shall be deemed not to be an Exchange Business Day; if a closure of the Exchange prior to its normal close of trading on any Exchange Business Day is scheduled following the date hereof, then such Exchange Business Day shall be deemed to be a Disrupted Day in full. If a Disrupted Day occurs during the Calculation Period and each of the nine immediately following Scheduled Trading Days is a Disrupted Day, then the Calculation Agent may, in its good faith and commercially reasonable discretion, deem such ninth Scheduled Trading Day to be an Exchange Business Day that is not a Disrupted Day and determine the 10b-18 VWAP Price for such ninth Scheduled Trading Day using its good faith and commercially reasonable estimate of the value of the Shares on such ninth Scheduled Trading Day based on the volume, historical trading patterns and price of the Shares and such other factors as it deems appropriate.

VALUATION:

Valuation Date:	The earlier of (i) the Scheduled Valuation Date and (ii) any earlier accelerated Valuation Date as a result of MSCO's election in accordance with the immediately succeeding paragraph. MSCO shall have the right, in its absolute discretion but subject to the limitation set forth in the immediately succeeding paragraph, to accelerate the Valuation Date, in whole or in part, to any Exchange Business Day that is on or after the Lock-Out Date and prior to the Scheduled Valuation Date by notice (each such notice, an "**Acceleration Notice**") to Issuer by 9:00 p.m., New York City time, on the Exchange Business Day immediately following the accelerated Valuation Date (the "**Acceleration Date**"). On each Valuation Date, the Calculation Agent shall calculate the Settlement Amount.
Scheduled Valuation Date:	As specified in Schedule I, subject to postponement in accordance with "Market Disruption Event" above.
Lock-Out Date:	As specified in Schedule I

SETTLEMENT TERMS:

Physical Settlement:	Applicable. On the Settlement Date, Seller shall deliver to Buyer a number of Shares equal to (a) (i) the Prepayment Amount divided by (ii) the Forward Price, minus (b) the Initial Shares (such number of Shares, the "**Settlement Amount**"), rounded to the nearest whole number of Shares; provided, however, that if the Settlement Amount is less than zero, then Buyer shall deliver to Seller a number of Shares which shares shall be delivered to Seller by means of a private placement equal to 101% of the absolute value of the Settlement Amount (such number of Shares, the "**Payment Shares**"). Notwithstanding the proviso in the immediately preceding paragraph, if the Settlement Amount is less than zero, Buyer may cash settle its obligation to deliver the Payment Shares by delivering to Seller a notice by no later than the Valuation Date (or, if later, the date on which MSCO delivers an Acceleration Notice) electing to cash settle its obligation to deliver the Payment Shares. Any such cash settlement shall be effected in accordance with "Cash Settlement of Payment Shares" below. For the avoidance of doubt, upon the date that (i) Issuer satisfies its obligation to deliver the Payment Shares to MSCO in accordance with the terms of this paragraph or (ii) the Settlement Balance (as defined below) is reduced to zero in connection with the cash settlement of the Issuer's obligation to deliver Payment Shares (as described under "Cash Settlement of Payment Shares" below), Issuer shall have no further delivery or payment obligations under the terms of the Transaction and the Transaction shall be deemed to have been settled as of such date.

Settlement Currency:	USD
Settlement Date:	The date that falls one Settlement Cycle after the relevant Valuation Date; provided that with respect to any accelerated Valuation Date, the date shall be the date that falls one Settlement Cycle following the Acceleration Date.
Cash Settlement of Payment Shares:	If Buyer elects to cash settle its obligation to deliver Payment Shares, then on the Valuation Date a notional Share balance (the "**Settlement Balance**") shall be created with an initial balance equal to the absolute value of the Settlement Amount. On the Settlement Date, Buyer shall deliver to Seller an amount in USD equal to the Payment Shares multiplied by a price per Share as reasonably determined by the Calculation Agent (such cash amount, the "**Initial Cash Settlement Amount**"). On the Exchange Business Day immediately following the Valuation Date, Seller may begin purchasing Shares in a commercially reasonable manner (all such Shares purchased, "**Cash Settlement Shares**") and a notional cash balance (the "**Cash Balance**") shall be created with an initial balance equal to the Initial Cash Settlement Amount. At the end of each Exchange Business Day on which Seller purchases Cash Settlement Shares, Seller shall reduce (i) the Settlement Balance by the number of Cash Settlement Shares purchased on such Exchange Business Day and (ii) the Cash Balance by the aggregate purchase price (including commissions) of the Cash Settlement Shares purchased on such Exchange Business Day. If, on any Exchange Business Day, the Cash Balance is reduced to or below zero but the Settlement Balance is greater than zero, the Buyer shall (i) deliver to Seller or as directed by Seller on the next Currency Business Day after such Exchange Business Day an additional amount in USD (an "**Additional Cash Settlement Amount**") equal to the Settlement Balance as of such Exchange Business Day multiplied by a price per Share as reasonably determined by the Calculation Agent, and the Cash Balance shall be increased by such amount. This provision shall be applied successively until the Settlement Balance is reduced to zero. On the Currency Business Day immediately following the Exchange Business Day that the Settlement Balance is reduced to zero, Seller shall return to Buyer an amount in USD equal to the remaining Cash Balance, if any, as of such Exchange Business Day. In making any purchases of Cash Settlement Shares contemplated by this paragraph, MSCO shall use commercially reasonable efforts to purchase such Shares in a manner that would qualify for the safe harbor provided by Rule 10b-18 under the Exchange Act ("**Rule 10b-18**") if such purchases were made by or on behalf of Issuer and subject to Rule 10b-18. The period until the Settlement Balance is reduced to zero shall be considered to be part of the Calculation Period for purposes of the representations, warranties and covenants and other provisions herein as the context requires (but, for the avoidance of doubt, not for purposes of determining the Forward Price).

Other Applicable Provisions:	The last sentence of Section 9.2, Sections 9.8, 9.9, 9.10 and 9.11 (except that the Representation and Agreement contained in Section 9.11 of the Equity Definitions shall be modified by excluding any representations therein relating to restrictions, obligations, limitations or requirements under applicable securities laws arising as a result of the fact that Buyer is the issuer of the Shares) and Section 9.12 of the Equity Definitions will be applicable to the Transaction.
SHARE ADJUSTMENTS:	
Potential Adjustment Event:	Notwithstanding anything to the contrary in Section 11.2(e) of the Equity Definitions, an Extraordinary Dividend shall not constitute a Potential Adjustment Event. It shall constitute a Potential Adjustment Event if a Disrupted Day occurs or, pursuant to Section 11 below, is deemed to occur (in whole or in part) on any Trading Day on or prior to the Valuation Date.
Extraordinary Dividend:	Any dividend or distribution on the Shares with an ex-dividend date occurring during the period from, and including, the Trade Date to, and including, the later of (i) the last day of the Calculation Period or (ii) the day upon which the transactions contemplated under "Cash Settlement of Payment Shares" are complete.
Method of Adjustment:	Calculation Agent Adjustment
EXTRAORDINARY EVENTS:	
Consequences of Merger Events:	
Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Cancellation and Payment on that portion of the Other Consideration that consists of cash; Modified Calculation Agent Adjustment on the remainder of the Other Consideration
Share-for-Combined:	Component Adjustment
Tender Offer:	Applicable

Consequences of Tender Offers:

Share-for-Share:	Modified Calculation Agent Adjustment
Share-for-Other:	Modified Calculation Agent Adjustment
Share-for-Combined:	Modified Calculation Agent Adjustment
New Shares:	In the definition of New Shares in Section 12.1(i) of the Equity Definitions, the text in clause (i) thereof shall be deleted in its entirety (including the word "and" following such clause (i)) and replaced with "publicly quoted, traded or listed on any of the New York Stock Exchange, The NASDAQ Global Select Market or The NASDAQ Global Market (or their respective successors)".

For purposes of the Transaction,

(i) the definition of Merger Date in Section 12.1(c) of the Equity Definitions shall be amended to read, "Merger Date shall mean the Announcement Date.";

(ii) the definition of Tender Offer Date in Section 12.1(e) of the Equity Definitions shall be amended to read, "Tender Offer Date shall mean the Announcement Date.";

(iii) the definition of "Announcement Date" in Section 12.1(l) of the Equity Definitions is hereby amended by (a) replacing the words "a firm" with the word "any" in the second and fourth lines thereof, (b) replacing the word "leads to the" with the words ", if completed, would lead to a" in the third and the fifth lines thereof, (c) replacing the words "voting shares" with the word "Shares" in the fifth line thereof, (d) inserting the words "by any entity" after the word "announcement" in the second and the fourth lines thereof, (e) inserting the words "or to explore the possibility of engaging in" after the words "engage in" in the second line thereof and (f) inserting the words "or to explore the possibility of purchasing or otherwise obtaining" after the word "obtain" in the fourth line thereof; and

(iv) Section 12.2 of the Equity Definitions is hereby amended by inserting the words "Announcement Date in respect of any Merger Event or any potential" before the words "Merger Event" in the final line thereof.

Composition of Combined Consideration:	Not Applicable
Nationalization, Insolvency or Delisting:	Cancellation and Payment; provided that in addition to the provisions of Section 12.6(a)(iii) of the Equity Definitions, it shall constitute a Delisting if the Exchange is located in the United States and the Shares are not immediately re-listed, re-traded or re-quoted on any of the New York Stock Exchange, The NASDAQ Global Market or The NASDAQ Global Select Market (or their respective successors); if the Shares are immediately re-listed, re-traded or re-quoted on any such exchange or quotation system, such exchange or quotation system shall thereafter be deemed to be the Exchange.

ADDITIONAL DISRUPTION EVENTS:

Change in Law:	Applicable; provided that (i) any determination as to whether (A) the adoption of or any change in any applicable law or regulation (including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute) or (B) the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), in each case, constitutes a "Change in Law" shall be made without regard to Section 739 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 or any similar legal certainty provision in any legislation enacted, or rule or regulation promulgated, on or after the Trade Date, and (ii) Section 12.9(a)(ii) of the Equity Definitions is hereby amended by replacing the parenthetical beginning after the word "regulation" in the second line thereof the words "(including, for the avoidance of doubt and without limitation, (x) any tax law or (y) adoption or promulgation of new regulations authorized or mandated by existing statute)".
Failure to Deliver:	Applicable
Insolvency Filing:	Applicable
Hedging Disruption:	Applicable
Increased Cost of Hedging:	Applicable
Loss of Stock Borrow:	Applicable
Maximum Stock Loan Rate:	100 bps
Increased Cost of Stock Borrow:	Applicable
Initial Stock Loan Rate:	25 bps
Determining Party:	For all applicable events, MSCO
Hedging Party:	For all applicable events, MSCO
Additional Termination Event(s):	The declaration by the Issuer of any Extraordinary Dividend, the ex-dividend date for which occurs or is scheduled to occur during the Relevant Dividend Period, will constitute an Additional Termination Event, with Counterparty as the sole Affected Party and all Transactions hereunder as the Affected Transactions.
Non-Reliance:	Applicable
Agreements and Acknowledgements Regarding Hedging Activities:	Applicable
Additional Acknowledgments:	Applicable
3. Calculation Agent:	MSCO

4. Account Details and Notices:

(a) Account for delivery of Shares to Issuer:

Company: 12629
Anika Therapeutics, Inc.
American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, NY 11219

(b) Account for payments to Issuer:

Bank of America, NY
ABA#: 026009593
Anika Therapeutics, Inc.
Account#: 9363574995

(c) Account for payments to MSCO:

Citibank, NY
ABA #: 021000089
Morgan Stanley & Co.
Account #: 38890774
Anika Therapeutics, Inc.
023-05370

(d) For purposes of this Confirmation:

(i) Address for notices or communications to Issuer:

Anika Therapeutics, Inc.
32 Wiggins Avenue
Bedford, MA 01730
Attention: Sylvia Cheung
Telephone: 781-457-9214
Facsimile: 781-305-9720
Email Address: scheung@anikatherapeutics.com

With a copy to:
Anika Therapeutics, Inc.
32 Wiggins Avenue
Bedford, MA 01730
Attention: Charles Sherwood III
Telephone: 781-457-9261
Facsimile: 781-305-9720
Email: chsherwoodiii@anikatherapeutics.com

(ii) Address for notices or communications to MSCO:

Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036-8293
Attention: Usman Khan
Telephone: 212-761-0955
Facsimile: 212-507-4261
Email Address: usman.s.khan@morganstanley.com

With a copy to:
Morgan Stanley & Co. LLC
1585 Broadway
New York, NY 10036-8293
Attention: Joshua Birbach
Telephone: 212-761-1719
Facsimile: 212-507-8717
Email: Joshua.birbach@morganstanley.com

5. Amendments to the Equity Definitions.

(a) Section 9.2(a)(iii) of the Equity Definitions is hereby amended by deleting the words "the Excess Dividend Amount, if any, and".

(b) Section 11.2(a) of the Equity Definitions is hereby amended by deleting the words "a diluting or concentrative effect on the theoretical value of the relevant Shares" and replacing them with the words "a material economic effect on the relevant Transaction".

(c) The first sentence of Section 11.2(c) of the Equity Definitions, prior to clause (A) thereof, is hereby amended to read as follows: '(c) If "Calculation Agent Adjustment" is specified as the Method of Adjustment in the related Confirmation of a Share Option Transaction or Share Forward Transaction, then, following the announcement or occurrence of any Potential Adjustment Event, the Calculation Agent will determine whether such Potential Adjustment Event has a material economic effect on the Transaction and, if so, will (i) make appropriate adjustment(s), if any, to any one or more of:' and the portion of such sentence immediately preceding clause (ii) thereof is hereby amended by deleting the words "diluting or concentrative" and the words "(provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share)" and replacing such latter phrase with the words "(including adjustments to account for changes in volatility, stock loan rate or liquidity relevant to the Shares or to the Transaction)".

(d) Section 11.2(e)(vii) of the Equity Definitions is hereby amended by deleting the words "diluting or concentrative effect on the theoretical value of the relevant Shares" and replacing them with the words "material economic effect on the relevant Transaction".

(e) Section 12.6(c)(ii) of the Equity Definitions is hereby amended by replacing the words "the Transaction will be cancelled," in the first line with the words "MSCO will have the right to cancel the Transaction,".

(f) Section 12.9(b)(iv) of the Equity Definitions is hereby amended by (A) deleting (1) subsection (A) in its entirety, (2) the phrase "or (B)" following subsection (A) and (3) the phrase "in each case" in subsection (B); and (B) deleting the phrase "neither the Non-Hedging Party nor the Lending Party lends Shares in the amount of the Hedging Shares or" in the penultimate sentence.

(g) Section 12.9(b)(v) of the Equity Definitions is hereby amended by (A) adding the word "or" immediately before subsection "(B)" and deleting the comma at the end of subsection (A); and (B)(1) deleting subsection (C) in its entirety, (2) deleting the word "or" immediately preceding subsection (C) and (3) replacing in the penultimate sentence the words "either party" with "the Hedging Party" and (4) deleting clause (X) in the final sentence.

6. Certain Payments and Deliveries by MSCO.

Notwithstanding anything to the contrary herein, or in the Equity Definitions, if at any time (i) an Early Termination Date occurs and MSCO would be required to make a payment pursuant to Section 6 of the Agreement or (ii) an Extraordinary Event occurs and MSCO would be required to make a payment pursuant to Article 12 of the Equity Definitions (the amount of any such payment obligation described in Section 6(i) or (ii) above, an "**MSCO Payment Amount**"), then Issuer shall have the right, by prior written notice to MSCO, to require MSCO to settle such payment obligation in Shares in lieu of cash; provided, however, that Issuer shall not have the right to so elect in the event of (i) an Insolvency, a Nationalization, a Merger Event or a Tender Offer, in each case, in which the consideration or proceeds to be paid to holders of Shares consists solely of cash or (ii) an Event of Default in which Issuer is the Defaulting Party or a Termination Event in which Issuer is an Affected Party, which Event of Default or Termination Event resulted from an event or events within Issuer's control. If Issuer does not so elect for MSCO to settle an MSCO Payment Amount in Shares, then MSCO shall have the right, in its sole discretion, to elect to settle such MSCO Payment Amount in Shares. If either Issuer or MSCO so elects, then MSCO shall deliver to Issuer, on or within a commercially reasonable time following the date on which such MSCO Payment Amount would have been due, a number of Shares with a market value, as determined by the Calculation Agent, equal to all or a portion (which portion may be zero) of the MSCO Payment Amount. If the market value of such Shares equals a portion, but not all, of the MSCO Payment Amount, then, on the date such MSCO Payment Amount is due, a notional balance (the "**Settlement Balance**") shall be established equal to the remaining portion of the MSCO Payment Amount, and MSCO shall commence purchasing Shares for delivery to Issuer. At the end of each Trading Day on which MSCO purchases Shares pursuant to this Section 6, MSCO shall reduce the Settlement Balance by the amount paid by MSCO to purchase the Shares purchased on such Trading Day. MSCO shall deliver any Shares purchased on a Trading Day pursuant to this Section 6 to Issuer on the third Exchange Business Day following such Trading Day. MSCO shall continue so purchasing and delivering Shares until the Settlement Balance has been reduced to zero. In making any purchases of Shares contemplated by this Section 6, MSCO shall use commercially reasonable efforts to purchase such Shares in a manner that would qualify for the safe harbor provided by Rule 10b-18 if such purchases were made by or on behalf of Issuer and subject to Rule 10b-18. The period until the Settlement Balance is reduced to zero shall be considered to be part of the Calculation Period for purposes of the representations, warranties and covenants and other provisions herein as the context requires.

7. Certain Payments and Deliveries by Issuer.

Notwithstanding anything to the contrary herein, or in the Equity Definitions, if at any time (i) an Early Termination Date occurs and Issuer would be required to make a payment pursuant to Section 6 of the Agreement or (ii) an Extraordinary Event occurs and Issuer would be required to make a payment pursuant to Article 12 of the Equity Definitions (any such payment described in (i) or (ii) above, an "**Early Settlement Payment**"), then Issuer shall have the right, by prior written notice to MSCO, in lieu of making such cash payment, to settle such payment obligation in Shares (such Shares, "**Early Settlement Shares**"); provided, however, that Issuer shall not have the right to so elect in the event of (i) an Insolvency, a Nationalization, a Merger Event or a Tender Offer, in each case, in which the consideration or proceeds to be paid to holders of Shares consists solely of cash or (ii) an Event of Default in which Issuer is the Defaulting Party or a Termination Event in which Issuer is an Affected Party, which Event of Default or Termination Event resulted from an event or events within Issuer's control. In order to elect to deliver Early Settlement Shares, (i) Issuer must notify MSCO of its election by no later than 4:00 p.m., New York City time, on the date that is three Exchange Business Days before the date that the Early Settlement Payment is due, (ii) Issuer must specify whether such Early Settlement Shares are to be sold by means of a registered offering or by means of a private placement and (iii) Issuer must comply with Section 8 below.

8. Provisions Relating to Delivery of Early Settlement Shares.

(a) Issuer may deliver Early Settlement Shares and Make-Whole Shares (as defined below) by means of a registered offering only if the following conditions are satisfied:

(i) On the later of (A) the Trading Day following Issuer's election to deliver Early Settlement Shares and any Make-Whole Shares by means of a registered offering (the "**Registration Notice Date**"), and (B) the date on which the Registration Statement is declared effective by the SEC or becomes effective, but in no event later than the date the Early Settlement Payment is due, Issuer shall deliver to MSCO a number of Early Settlement Shares equal to the quotient of (I) the relevant Early Settlement Payment divided by (II) a price per Share as reasonably determined by the Calculation Agent (the date of such delivery, the "**Registered Share Delivery Date**").

(ii) Promptly following the Registration Notice Date, Issuer shall file with the SEC a registration statement ("**Registration Statement**") covering the public sale by MSCO of the Early Settlement Shares and any Make-Whole Shares (collectively, the "**Registered Securities**") on a continuous or delayed basis pursuant to Rule 415 (or any similar or successor rule), if available, under the Securities Act of 1933, as amended (the "**Securities Act**"); provided that no such filing shall be required pursuant to this paragraph (ii) if Issuer shall have filed a similar registration statement with unused capacity at least equal to the relevant Early Settlement Payment and such registration statement has become effective or been declared effective by the SEC on or prior to the Registration Notice Date and no stop order is in effect with respect to such registration statement as of the Registration Notice Date, in which case such registration statement shall be the Registration Statement. Issuer shall use its commercially reasonable efforts to file the Registration Statement as an automatic shelf registration statement or have the Registration Statement declared effective by the SEC as promptly as possible. The Registration Statement shall be effective and subject to no stop order as of the Registered Share Delivery Date.

(iii) Promptly following the Registration Notice Date, Issuer shall afford MSCO a reasonable opportunity to conduct a due diligence investigation with respect to Issuer customary in scope for underwritten offerings of equity securities for companies of comparable size, maturity and line of business (including, without limitation, the availability of senior management to respond to questions regarding the business and financial condition of Issuer and the right to have made available to MSCO for inspection all financial and other records, pertinent corporate documents and other information reasonably requested in connection with underwritten offerings of this type by MSCO), and MSCO shall be satisfied in all material respects with the results of such due diligence investigation of Issuer. For the avoidance of doubt, Issuer shall not have the right to deliver Shares pursuant to this Section 8(a) (and the conditions to delivery of Early Settlement Shares specified in this Section 8(a) shall not be satisfied) unless and until MSCO is satisfied in all material respects with the results of such due diligence investigation of Issuer.

(iv) From the effectiveness of the Registration Statement until all Registered Securities have been sold by MSCO, Issuer shall, at the request of MSCO, make available to MSCO a printed prospectus relating to the Registered Securities in form and substance (including, without limitation, any sections describing the plan of distribution) reasonably satisfactory to MSCO (a "**Prospectus**", which term shall include any prospectus supplement thereto), in such quantities as MSCO shall reasonably request.

(v) Issuer shall use its commercially reasonable efforts to avoid or prevent the issuance of any stop order suspending the effectiveness of the Registration Statement or of any order preventing or suspending the use of any Prospectus and, if any such order is issued, to obtain the lifting thereof as soon thereafter as is possible. If the Registration Statement, the Prospectus or any document incorporated therein by reference contains a misstatement of a material fact or omits to state a material fact required to be stated therein or necessary to make any statement therein not misleading, Issuer shall as promptly as practicable file any required document and prepare and furnish to MSCO a reasonable number of copies of such supplement or amendment thereto as may be necessary so that the Prospectus, as thereafter delivered to the purchasers of the Registered Securities, will not contain a misstatement of a material fact or omit to state a material fact required to be stated therein or necessary to make any statement therein not misleading.

(vi) On or prior to the Registered Share Delivery Date, Issuer shall enter into an agreement (a "**Transfer Agreement**") with MSCO (or any affiliate of MSCO designated by MSCO) relating to the public sale of the Registered Securities and substantially similar to underwriting agreements customary for underwritten offerings of equity securities for companies of comparable size, maturity and line of business, in form and substance reasonably satisfactory to MSCO (or such affiliate), which Transfer Agreement shall (without limiting the foregoing) contain provisions substantially similar to those contained in such underwriting agreements relating to:

(A) the indemnification of, and contribution in connection with the liability of, MSCO and its affiliates,

(B) the delivery to MSCO (or such affiliate) of customary letters and opinions (including, without limitation, accountants' comfort letters, opinions relating to the due authorization, valid issuance and fully paid and non-assessable nature of the Registered Securities and letters of counsel relating to the lack of material misstatements and omissions in the Registration Statement and the Prospectus); and

(C) the payment by Issuer of all fees and expenses in connection with such resale, including all registration costs and all reasonable fees and expenses of one counsel for MSCO (or such affiliate).

(vii) On the Registered Share Delivery Date, a notional balance (the "**Early Settlement Balance**") shall be established with an initial balance equal to the amount of the Early Settlement Payment. Following the delivery of Early Settlement Shares or any Make-Whole Shares, MSCO shall sell all such Early Settlement Shares or Make-Whole Shares in a commercially reasonable manner.

(viii) At the end of each day on which sales have been made pursuant to paragraph 8(a)(vii) above, the Early Settlement Balance shall be (A) reduced by an amount equal to the net proceeds to be received by MSCO upon settlement of such sales, and (B) increased by an amount (as reasonably determined by the Calculation Agent) equal to MSCO's funding cost with respect to the Early Settlement Balance as of the close of business on the day one Settlement Cycle prior to such day.

(ix) If, on any date, the Settlement Balance has been reduced to zero but not all of the Early Settlement Shares have been sold, no additional Early Settlement Shares shall be sold and MSCO shall promptly deliver to Issuer (A) any remaining Early Settlement Shares and (B) if the Early Settlement Balance has been reduced to an amount less than zero, an amount in cash equal to the absolute value of the then-current Early Settlement Balance.

(x) If, on any date, all of the Early Settlement Shares have been sold and the Settlement Balance has not been reduced to zero, Issuer shall, at its election, either pay the remaining Early Settlement Balance to MSCO in cash or promptly deliver to MSCO an additional number of Shares ("**Make-Whole Shares**") equal to (A) the Settlement Balance as of such date divided by (B) a price per Share as reasonably determined by the Calculation Agent. This clause (x) shall be applied successively until the Settlement Balance is reduced to zero.

(xi) If at any time the number of Shares covered by the Registration Statement is less than the number of Registered Securities required to be delivered pursuant to this Section 8(a), Issuer shall, at the request of MSCO, file additional registration statement(s) to register the sale of all Registered Securities required to be delivered to MSCO.

(xii) Issuer shall cooperate with MSCO and use its commercially reasonable efforts to take any other action necessary to effect the intent of the provisions set forth in this Section 8(a).

(xiii) The provisions of Section 8(b) shall apply to any then-current Early Settlement Balance if (i) on any given day, Issuer cannot satisfy any of the conditions set forth in this Section 8(a) or (ii) for a period of at least 10 consecutive Exchange Business Days, MSCO has determined that it is inadvisable to effect sales of Registered Securities, unless in either case Issuer pays such then-current Early Settlement Balance to MSCO in cash pursuant to the Registration Statement.

(b) If Issuer timely elects to deliver Early Settlement Shares and Make-Whole Shares by means of a private placement, the following provisions shall apply:

(i) All Early Settlement Shares and Make-Whole Shares shall be delivered to MSCO (or any affiliate of MSCO designated by MSCO) pursuant to the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereof.

(ii) Issuer shall afford MSCO and any potential purchaser of any such Shares from MSCO (or any affiliate of MSCO designated by MSCO) identified by MSCO a commercially reasonable opportunity to conduct a due diligence investigation with respect to Issuer customary in scope for private placements of equity securities for companies of comparable size, maturity and line of business (including, without limitation, the right to have made available to them for inspection all financial and other records, pertinent corporate documents and other information reasonably requested by them in connection with underwritten offerings of this type) and Issuer shall not disclose material non-public information in connection with such due diligence investigation.

(iii) Issuer shall enter into an agreement (a "**Private Placement Agreement**") with MSCO (or any affiliate of MSCO designated by MSCO) in connection with the private placement of such Shares by Issuer to MSCO (or any such affiliate) and the private resale of such Shares by MSCO (or any such affiliate), substantially similar to private placement purchase agreements customary for private placements of equity securities for companies of comparable size, maturity and line of business, in form and substance commercially reasonably satisfactory to MSCO and Issuer, which Private Placement Agreement shall include, without limitation, provisions substantially similar to those contained in such private placement purchase agreements relating to the indemnification of, and contribution in connection with the liability of, MSCO and its affiliates, and shall provide for the payment by Issuer of all fees and expenses in connection with such resale, including all reasonable fees and expenses of one counsel for MSCO but not including any underwriter or broker discounts and commissions, and shall contain representations, warranties and agreements of Issuer and MSCO reasonably necessary or advisable to establish and maintain the availability of an exemption from the registration requirements of the Securities Act for such resales.

(iv) Issuer shall not take or cause to be taken any action that would make unavailable either (A) the exemption set forth in Section 4(a)(2) of the Securities Act for the sale of any Early Settlement Shares or Make-Whole Shares by Issuer to MSCO or (B) an exemption from the registration requirements of the Securities Act reasonably acceptable to MSCO for resales of Early Settlement Shares and Make-Whole Shares by MSCO.

(v) On the date requested by MSCO, Issuer shall deliver a number of Early Settlement Shares equal to the quotient of (A) the amount of the Early Settlement Payment divided by (B) a per Share value, determined by MSCO in a commercially reasonable manner, which value shall take into account transfer restrictions applicable to such Shares and may be based on indicative bids from institutional "accredited investors" (as defined in Rule 501 under the Securities Act), and the provisions of Section 8(a)(vii) through (x) shall apply to the Early Settlement Shares delivered pursuant to this Section 8(b)(v). For purposes of applying the foregoing, the Registered Share Delivery Date referred to in Section 8(a)(vii) shall be the date on which Issuer delivers the Early Settlement Shares.

(c) If Issuer elects to deliver Early Settlement Shares to settle its obligation to make an Early Settlement Payment, then, if necessary, Issuer shall use its commercially reasonable efforts to cause the number of authorized but unissued Shares of Common Stock to be increased to an amount sufficient to permit Issuer to fulfill its obligations under Sections 8(a) and/or 8(b) above.

9. Special Provisions for Merger Transactions.

Notwithstanding anything to the contrary herein or in the Equity Definitions:

(a) Issuer agrees that:

(i) It will not during the term of the Transaction make, or, to the extent within its control, permit to be made, any public announcement (as defined in Rule 165(f) under the Securities Act) of any Merger Transaction or potential Merger Transaction unless such public announcement is made prior to the open or after the close of the regular trading session on the Exchange for the Shares.

(ii) To the extent that an announcement of a potential Merger Transaction occurs during the term of the Transaction and such announcement does not cause the Transaction to be cancelled or terminated in whole pursuant to "Extraordinary Events" in Section 2 above, then as soon as practicable following such announcement (but in any event prior to the next opening of the regular trading session on the Exchange), Issuer shall provide MSCO with written notice of such announcement; promptly (but in any event prior to the next opening of the regular trading session on the Exchange), Issuer shall provide MSCO with written notice specifying (x) Issuer's average daily "Rule 10b-18 purchases" (as defined in Rule 10b-18) during the three full calendar months immediately preceding the Announcement Date that were not effected through MSCO or its affiliates and (y) the number of Shares purchased pursuant to the block purchase proviso in Rule 10b-18(b)(4) under the Exchange Act for the three full calendar months preceding the Announcement Date. Such written notice shall be deemed to be a certification by Issuer to MSCO that such information is true and correct. Issuer understands that MSCO will use this information in calculating the trading volume for purposes of Rule 10b-18. In addition, Issuer shall promptly notify MSCO of the earlier to occur of the completion of such transaction and the completion of the vote by target shareholders. Issuer acknowledges that any such public announcement may trigger the provision set forth in Section 11 below. Accordingly, Issuer acknowledges that its actions in relation to any such announcement or transaction must comply with the standards set forth in Section 13(b) below.

(b) Upon the occurrence of any public announcement of a Merger Transaction, MSCO in its sole discretion may (i) apply the provisions of Section 11 below and/or (ii) treat the occurrence of such announcement as an Additional Termination Event with respect to which the Transaction shall be the sole Affected Transaction, Issuer shall be the sole Affected Party and MSCO shall be the party entitled to designate an Early Termination Date pursuant to Section 6(b) of the Agreement.

"**Merger Transaction**" means any merger, acquisition or similar transaction involving a recapitalization of Issuer as contemplated by Rule 10b-18(a)(13)(iv) under the Exchange Act.

10. Special Provisions for Acquisition Transaction Announcements.

(a) If an Acquisition Transaction Announcement occurs on or prior to the final Valuation Date, then the Forward Price shall be determined as if the words "minus (ii) the Discount" were deleted from the definition thereof. If an Acquisition Transaction Announcement occurs after the Trade Date but prior to the Lock-Out Date, the Lock-Out Date shall be deemed to be the date of such Acquisition Transaction Announcement.

(b) "**Acquisition Transaction Announcement**" means (i) the announcement of an Acquisition Transaction, (ii) an announcement that Issuer or any of its subsidiaries has entered into an agreement, a letter of intent or an understanding designed to result in an Acquisition Transaction, (iii) the announcement of the intention to solicit or enter into, or to explore strategic alternatives or other similar undertaking that may include, an Acquisition Transaction or (iv) any announcement subsequent to an Acquisition Transaction Announcement relating to a material amendment, extension, withdrawal or other material change to the subject matter of the previous Acquisition Transaction Announcement. For the avoidance of doubt, the term "announcement" as used in the definition of Acquisition Transaction Announcement refers to any public announcement whether made by Issuer or by a third party that is reasonably likely to be a party to the Acquisition Transaction.

(c) "**Acquisition Transaction**" means (i) any Merger Event (for purposes of this definition, the definition of Merger Event shall be read with the references therein to "100%" being replaced by "25%" and to "50%" by "75%" and without reference to the clause beginning immediately following the definition of Reverse Merger therein to the end of such definition), Tender Offer or Merger Transaction or any other transaction involving the merger of Issuer with or into any third party, (ii) the sale or transfer of all or substantially all of the assets or liabilities of Issuer, (iii) a recapitalization, reclassification, binding share exchange or other similar transaction, (iv) any acquisition, lease, exchange, transfer, disposition (including by way of spin-off or distribution) of assets or liabilities (including any capital stock or other ownership interests in subsidiaries) or other similar event by Issuer or any of its subsidiaries where the aggregate consideration transferable or receivable by or to Issuer or its subsidiaries exceeds 25% of the market capitalization of Issuer and (v) any transaction with respect to which Issuer or its board of directors has a legal obligation to make a recommendation to its shareholders in respect of such transaction (whether pursuant to Rule 14e-2 under the Exchange Act or otherwise).

11. MSCO Adjustments.

In the event that MSCO reasonably determines, based on advice of counsel, that it is appropriate with regard to any legal, regulatory or self-regulatory requirements or related policies and procedures (whether or not such requirements, policies or procedures are imposed by law or have been voluntarily adopted by MSCO, and including, without limitation, Rule 10b-18, Rule 10b-5, Regulations 13D-G and Regulations 14 D-E under the Exchange Act, provided that such requirements, policies and procedures are generally applicable in similar situations and applied in a consistent manner in similar transactions), for MSCO to refrain from purchasing Shares or engaging in other market activity or to purchase fewer than the number of Shares or to engage in fewer or smaller other market transactions MSCO would otherwise purchase or engage in on any Trading Day on or prior to the last day of the Calculation Period, then MSCO may, in its reasonable discretion, elect that a Market Disruption shall be deemed to have occurred on such Trading Day. Such Trading Day shall be treated as a Disrupted Day in full. MSCO shall notify Issuer upon the exercise of MSCO's rights pursuant to this Section 11 and shall subsequently notify Issuer on the day MSCO believes that the circumstances giving rise to such exercise have changed.

12. Covenants.

Issuer covenants and agrees that:

(a) Until the end of the Potential Purchase Period (as defined below), neither it nor any of its affiliated purchasers (as defined in Rule 10b-18 under the Exchange Act) shall directly or indirectly (which shall be deemed to include the writing or purchase of any cash-settled or other derivative or structured Share repurchase transaction with a hedging period, calculation period or settlement valuation period or similar period that overlaps with the Transaction) purchase, offer to purchase, place any bid or limit order relating to a purchase of or commence any tender offer relating to Shares (or any security convertible into or exchangeable for Shares) without the prior written approval of MSCO or take any other action that would cause the purchase by MSCO of any Shares in connection with this Agreement not to qualify for the safe harbor provided in Rule 10b-18 under the Exchange Act (assuming for the purposes of this paragraph that such safe harbor were otherwise available for such purchases).

Notwithstanding the immediately preceding paragraph or anything herein to the contrary (i) Issuer may purchase Shares on any Calculation Date pursuant to any Rule 10b5-1 or Rule 10b-18 repurchase plan entered into with MSCO or an Affiliate of MSCO (each, an "MSCO Permitted OMR Transaction"), so long as, on any Calculation Date, purchases under all MSCO Permitted OMR Transactions do not in the aggregate exceed 3% of the ADTV (as such term is defined in Rule 10b-18(a)(1)) on such Calculation Date, and (ii) an agent independent of Issuer may purchase Shares on behalf of an issuer plan sponsored by Issuer or any affiliate in accordance with the requirements of Section 10b-18(a)(13)(ii) under the Exchange Act (with "issuer plan" and "agent independent of Issuer" each being used herein as defined in Rule 10b-18), (iii) Issuer or any "affiliated purchaser" may purchase Shares in (x) unsolicited transactions or (y) privately negotiated (off-market) transactions, in each case, that are not and are not reasonably likely to result in "Rule 10b-18 purchases" (as defined in Rule 10b-18), in each case, without MSCO's consent, and (iv) Issuer may repurchase Shares from holders of awards granted under Issuer's equity incentive plans for the purpose of paying the tax withholding obligations arising from the vesting of, or paying the exercise price in connection with the exercise of, or reacquiring Shares as a result of the forfeiture of, any such awards (collectively, (i) through (iv) referred to herein as the "**Permitted Purchases**").

"**Potential Purchase Period**" means the period from, and including, the Trade Date to, and including, the latest of (i) the last day of the Calculation Period, (ii) the earlier of (A) the date ten Exchange Business Days immediately following the last day of the Calculation Period and (B) the Scheduled Valuation Date and (iii) if an Early Termination Date occurs or the Transaction is cancelled pursuant to Article 12 of the Equity Definitions, a date determined by MSCO in its commercially reasonable discretion and communicated to Issuer no later than the Exchange Business Day immediately following such date.

(b) It will comply with all laws, rules and regulations applicable to it (including, without limitation, the Securities Act and the Exchange Act) in connection with the transactions contemplated by this Confirmation.

(c) Without limiting the generality of Section 13.1 of the Equity Definitions, it is not relying, and has not relied, upon MSCO or any of its representatives or advisors with respect to the legal, accounting, tax or other implications of this Agreement and that it has conducted its own analyses of the legal, accounting, tax and other implications of this Agreement, and that MSCO and its affiliates may from time to time effect transactions for their own account or the account of customers and hold positions in securities or options on securities of Issuer and that MSCO and its affiliates may continue to conduct such transactions during the term of this Agreement. Without limiting the generality of the foregoing, Issuer acknowledges that MSCO is not making any representations or warranties or taking any position or expressing any view with respect to the treatment of the Transaction under any accounting standards including ASC Topic 260, *Earnings Per Share*, ASC Topic 815, *Derivatives and Hedging*, or ASC Topic 480, *Distinguishing Liabilities from Equity* and ASC 815-40, *Derivatives and Hedging – Contracts in Entity's Own Equity* (or any successor issue statements) or under FASB's Liabilities & Equity Project.

(d) Neither it nor any affiliates shall take any action that would cause a restricted period (as defined in Regulation M under the Exchange Act ("**Regulation M**")) to be applicable to any purchases of Shares, or of any security for which Shares is a reference security (as defined in Regulation M), by Issuer or any affiliated purchasers (as defined in Regulation M) of Issuer during the Potential Purchase Period.

(e) It will not make any election or take any other action in connection with the Transaction while aware of any material nonpublic information regarding Issuer or the Shares.

13. Representations, Warranties and Acknowledgments.

(a) Issuer hereby represents and warrants to MSCO on the date hereof and on and as of the Initial Share Delivery Date that:

(i) (A) None of Issuer and its officers and directors is aware of any material nonpublic information regarding Issuer or the Shares, and Issuer is entering into the Transaction in good faith and not as part of a plan or scheme to evade the prohibitions of federal securities laws, including, without limitation, Rule 10b-5 under the Exchange Act and (B) Issuer agrees not to alter or deviate from the terms of the Agreement or enter into or alter a corresponding or hedging transaction or position with respect to the Shares (including, without limitation, with respect to any securities convertible or exchangeable into the Shares) during the term of the Agreement. Without limiting the generality of the foregoing, all reports and other documents filed by Issuer with the Securities and Exchange Commission pursuant to the Exchange Act when considered as a whole (with the more recent such reports and documents deemed to amend inconsistent statements contained in any earlier such reports and documents) do not contain any untrue statement of a material fact or any omission of a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances in which they were made, not misleading.

(ii) The transactions contemplated by this Confirmation have been authorized under Issuer's publicly announced program to repurchase Shares.

(iii) Issuer is not entering into this Agreement to facilitate a distribution of the Shares (or any security convertible into or exchangeable for Shares) or in connection with a future issuance of securities.

(iv) Issuer is not entering into this Agreement to create actual or apparent trading activity in the Shares (or any security convertible into or exchangeable for Shares) or to raise or depress the price of the Shares (or any security convertible into or exchangeable for Shares) in violation of the federal securities laws.

(v) There have been no purchases of Shares in Rule 10b-18 purchases of blocks pursuant to the once-a-week block exception contained in Rule 10b-18(b)(4) by or for Issuer or any of its affiliated purchasers during each of the four calendar weeks preceding the Trade Date and during the calendar week in which the Trade Date occurs ("Rule 10b-18 purchase", "blocks" and "affiliated purchaser" each being used as defined in Rule 10b-18).

(vi) Issuer is as of the date hereof, and after giving effect to the transactions contemplated hereby will be, Solvent. As used in this paragraph, the term "**Solvent**" means, with respect to a particular date, that on such date (A) the present fair market value (or present fair saleable value) of the assets of Issuer is not less than the total amount required to pay the liabilities of Issuer on its total existing debts and liabilities (including contingent liabilities) as they become absolute and matured, (B) Issuer is able to realize upon its assets and pay its debts and other liabilities, contingent obligations and commitments as they mature and become due in the normal course of business, (C) assuming consummation of the transactions as contemplated by this Agreement, Issuer is not incurring debts or liabilities beyond its ability to pay as such debts and liabilities mature, (D) Issuer is not engaged in any business or transaction, and does not propose to engage in any business or transaction, for which its property would constitute unreasonably small capital after giving due consideration to the prevailing practice in the industry in which Issuer is engaged, (E) Issuer is not a defendant in any civil action that could reasonably be expected to result in a judgment that Issuer is or would become unable to satisfy, (F) Issuer is not "insolvent" (as such term is defined under Section 101(32) of the U.S. Bankruptcy Code (Title 11 of the United States Code) (the "**Bankruptcy Code**")) and (G) Issuer would be able to purchase Shares with an aggregate purchase price equal to the Prepayment Amount in compliance with the corporate laws of the jurisdiction of its incorporation.

(vii) Issuer is not, and after giving effect to the transactions contemplated hereby will not be, required to register as an "investment company" as such term is defined in the Investment Company Act of 1940, as amended.

(viii) No state or local (including non-U.S. jurisdictions) law, rule, regulation or regulatory order applicable to the Shares would give rise to any reporting, consent, registration or other requirement (including without limitation a requirement to obtain prior approval from any person or entity) as a result of MSCO or its affiliates owning or holding (however defined) Shares other than any such law, rule, regulation or regulatory order that applies solely as a result of the business, identity, place of business or jurisdiction of organization of MSCO or any such affiliate.

(b) Issuer acknowledges and agrees that the Initial Shares may be sold short to Issuer. Issuer further acknowledges and agrees that MSCO may purchase Shares in connection with the Transaction, which Shares may be used to cover all or a portion of such short sale or may be delivered to Issuer. Such purchases and any other market activity by MSCO will be conducted independently of Issuer by MSCO as principal for its own account. All of the actions to be taken by MSCO in connection with the Transaction shall be taken by MSCO independently and without any advance or subsequent consultation with Issuer. It is the intent of the parties that the Transaction comply with the requirements of Rule 10b5-1(c)(1)(i)(B) of the Exchange Act, and the parties agree that this Confirmation shall be interpreted to comply with the requirements of such Rule, and Issuer shall not take any action that results in the Transaction not so complying with such requirements. Without limiting the generality of the preceding sentence, Issuer acknowledges and agrees that (A) Issuer does not have, and shall not attempt to exercise, any influence over how, when or whether MSCO effects any market transactions in connection with the Transaction and (B) neither Issuer nor its officers or employees shall, directly or indirectly, communicate any information regarding Issuer or the Shares to any employee of MSCO or its Affiliates that have been identified by MSCO to Issuer in writing as employees responsible for executing market transactions in connection with the Transaction. Issuer also acknowledges and agrees that any amendment, modification, waiver or termination of this Confirmation must be effected in accordance with the requirements for the amendment or termination of a "plan" as defined in Rule 10b5-1(c) under the Exchange Act. Without limiting the generality of the foregoing, any such amendment, modification, waiver or termination shall be made in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b-5 under the Exchange Act, and no such amendment, modification or waiver shall be made at any time at which Issuer or any officer or director of Issuer is aware of any material nonpublic information regarding Issuer or the Shares.

(c) Each of Issuer and MSCO represents and warrants to the other that it is an "eligible contract participant" as defined in Section 1a(12) of the U.S. Commodity Exchange Act, as amended.

(d) Each of Issuer and MSCO acknowledges that the offer and sale of the Transaction to it is intended to be exempt from registration under the Securities Act by virtue of Section 4(2) thereof. Accordingly, it represents and warrants to the other party that (i) it has the financial ability to bear the economic risk of its investment in the Transaction and is able to bear a total loss of its investment, (ii) it is an "accredited investor" as that term is defined in Regulation D as promulgated under the Securities Act, (iii) it is entering into the Transaction for its own account and without a view to the distribution or resale thereof and (iv) the assignment, transfer or other disposition of the Transaction has not been and will not be registered under the Securities Act.

14. Acknowledgements of Issuer Regarding Hedging and Market Activity.

Issuer agrees, understands and acknowledges that:

(a) during the period from (and including) the Trade Date to (and including) the Settlement Date, MSCO and its Affiliates may buy or sell Shares or other securities or buy or sell options or futures contracts or enter into swaps or other derivative transactions in order to adjust its Hedge Position with respect to the Transaction;

(b) MSCO and its Affiliates also may be active in the market for the Shares or options, futures contracts, swaps or other derivative transactions relating to the Shares other than in connection with hedging activities in relation to the Transaction;

(c) MSCO shall make its own determination as to whether, when and in what manner any hedging or market activities in Issuer's securities or other securities or transactions shall be conducted and shall do so in a manner that it deems appropriate to hedge its price and market risk with respect to the Transaction; and

(d) any such market activities of MSCO and its Affiliates may affect the market price and volatility of the Shares, including the 10b-18 VWAP and the Forward Price, each in a manner that may be adverse to Issuer.

15. Indemnification.

In the event that MSCO becomes involved in any capacity in any third-party action, proceeding or investigation brought by or against any person in connection with any matter referred to in this Agreement, Issuer will reimburse MSCO for its reasonable legal and other expenses (including the cost of any investigation and preparation) incurred in connection therewith. Issuer also will indemnify and hold MSCO harmless against any losses, claims, damages or liabilities to which it may become subject in connection with any matter referred to in this Confirmation. If for any reason the foregoing indemnification is unavailable to MSCO or insufficient to hold it harmless, then Issuer shall contribute to the amount paid or payable by MSCO as a result of such loss, claim, damage or liability in such proportion as is appropriate to reflect the relative fault of Issuer on one hand and MSCO on the other hand with respect to such loss, claim, damage, or liability and any other relevant equitable considerations. The reimbursement, indemnity and contribution obligations of Issuer under this Section 15 shall be in addition to any liability that Issuer may otherwise have, shall extend upon the same terms and conditions to any Affiliate of MSCO and the partners, directors, officers, agents, employees and controlling persons (if any), as the case may be, of MSCO and any such Affiliate and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of Issuer, MSCO, any such Affiliate and any such person. Issuer also agrees that neither MSCO nor any of such Affiliates, partners, directors, officers, agents, employees or controlling persons shall have any liability to Issuer for or in connection with any matter referred to in this Confirmation. Notwithstanding the foregoing, the reimbursement, indemnity, contribution and exculpation obligations of Issuer under this Section 15 shall not apply for the benefit of any person to the extent that any losses, claims, damages, liabilities or expenses result from the negligence or bad faith of such person in effecting the Transaction. The foregoing provisions shall survive any termination or completion of the Transaction. The foregoing reimbursement, indemnity and contribution obligations of Issuer shall be paid promptly in cash.

16. Other Provisions.

(a) Issuer agrees and acknowledges that MSCO is a "financial institution" and "financial participant" within the meaning of Sections 101(22) and 101(22A) of the Bankruptcy Code. The parties hereto further agree and acknowledge that it is the intent of the parties that (A) this Confirmation is a "securities contract," as such term is defined in Section 741(7) of the Bankruptcy Code, with respect to which each payment and delivery hereunder or in connection herewith is a "termination value," "payment amount" or "other transfer obligation" within the meaning of Section 362 of the Bankruptcy Code and a "settlement payment," within the meaning of Section 546 of the Bankruptcy Code, and (B) MSCO is entitled to the protections afforded by, among other sections, Sections 362(b)(6), 362(b)(17), 362(o), 546(e), 555 and 561 of the Bankruptcy Code.

(b) MSCO and Issuer hereby agree and acknowledge that MSCO has authorized Issuer to disclose the Transaction to any and all persons, and there are no express or implied agreements, arrangements or understandings to the contrary, and authorizes Issuer to use any information that Issuer receives or has received with respect to the Transaction in any manner.

(c) In the event Issuer becomes the subject of proceedings ("**Bankruptcy Proceedings**") under the Bankruptcy Code or any other applicable bankruptcy or insolvency statute, any rights or claims of MSCO hereunder in respect of the Transaction shall rank for all purposes no higher than, but on a parity with, the rights or claims of holders of Shares, and MSCO hereby agrees that its rights and claims hereunder shall be subordinated to those of all parties with claims or rights against Issuer (other than common stockholders) to the extent necessary to assure such ranking. Without limiting the generality of the foregoing, after the commencement of Bankruptcy Proceedings, the claims of MSCO hereunder shall for all purposes have rights equivalent to the rights of a holder of a percentage of the Shares equal to the aggregate amount of such claims (the "**Claim Amount**") taken as a percentage of the sum of (i) the Claim Amount and (ii) the aggregate fair market value of all outstanding Shares on the record date for distributions made to the holders of such Shares in the related Bankruptcy Proceedings. Notwithstanding any right it might otherwise have to assert a higher priority claim in any such Bankruptcy Proceedings, MSCO shall be entitled to receive a distribution solely to the extent and only in the form that a holder of such percentage of the Shares would be entitled to receive in such Bankruptcy Proceedings, and, from and after the commencement of such Bankruptcy Proceedings, MSCO expressly waives (i) any other rights or distributions to which it might otherwise be entitled in such Bankruptcy Proceedings in respect of its rights and claims hereunder and (ii) any rights of setoff it might otherwise be entitled to assert in respect of such rights and claims.

(d) Notwithstanding any provision of this Confirmation or any other agreement between the parties to the contrary, neither the obligations of Issuer nor the obligations of MSCO hereunder are secured by any collateral, security interest, pledge or lien.

(e) Each party waives any and all rights it may have to set off obligations arising under the Agreement and the Transaction against other obligations between the parties, whether arising under any other agreement, applicable law or otherwise.

(f) Notwithstanding anything to the contrary herein, MSCO may, by prior notice to Issuer, satisfy its obligation to deliver any Shares or other securities on any date due (an "**Original Delivery Date**") by making separate deliveries of Shares or such securities, as the case may be, at more than one time on or prior to such Original Delivery Date, so long as the aggregate number of Shares and other securities so delivered on or prior to such Original Delivery Date is equal to the number required to be delivered on such Original Delivery Date.

(g) It shall constitute an Additional Termination Event with respect to which the Transaction is the sole Affected Transaction and Issuer is the sole Affected Party and MSCO shall be the party entitled to designate an Early Termination Date pursuant to Section 6(b) of the Agreement if, at any time on or prior to the Valuation Date, the price per Share on the Exchange, as determined by the Calculation Agent, is at or below the Threshold Price (as specified in Schedule I).

17. Share Cap.

Notwithstanding any other provision of this Confirmation or the Agreement to the contrary, in no event shall Issuer be required to deliver to MSCO in the aggregate a number of Shares that exceeds the Share Cap as of the date of delivery (as specified in Schedule I), subject to reduction by the number of Shares delivered hereunder by Issuer on any prior date.

18. Transfer and Assignment.

MSCO may transfer or assign its rights and obligations hereunder and under the Agreement, in whole or in part, to any of its Affiliates of equivalent credit quality (or whose obligations are guaranteed by an entity of equivalent credit quality) without the consent of Issuer. MSCO will provide prompt written notice of any such transfer to Issuer.

19. Governing Law; Jurisdiction; Waiver.

THIS CONFIRMATION AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING UNDER OR RELATED TO THIS CONFIRMATION SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW YORK. THE PARTIES HERETO IRREVOCABLY SUBMIT TO THE EXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK AND THE UNITED STATES COURT FOR THE SOUTHERN DISTRICT OF NEW YORK IN CONNECTION WITH ALL MATTERS RELATING HERETO AND WAIVE ANY OBJECTION TO THE LAYING OF VENUE IN, AND ANY CLAIM OF INCONVENIENT FORUM WITH RESPECT TO, THESE COURTS.

EACH PARTY HEREBY IRREVOCABLY WAIVES (ON ITS OWN BEHALF AND, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ON BEHALF OF ITS STOCKHOLDERS) ALL RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THE TRANSACTION OR THE ACTIONS OF ISSUER OR ITS AFFILIATES IN THE NEGOTIATION, PERFORMANCE OR ENFORCEMENT HEREOF.

Please confirm that the foregoing correctly sets forth the terms of our agreement by executing this Confirmation and returning it to us by facsimile to the number provided on the attached facsimile cover page.

Confirmed as of the date first written above:

ANIKA THERAPEUTICS, INC.

By: /s/ Charles H. Sherwood
Name: Charles H. Sherwood, Ph.D.
Title: President and CEO

MORGAN STANLEY & CO. LLC

By: /s/ Sebastian Crapanzano
Name: Sebastian Crapanzano
Title: Managing Director

Exhibit 10.2

LEASE AMENDMENT AGREEMENT

Between

FIDIA FARMACEUTICI S.P.A. with registered office in Abano Terme (PD), via Ponte della Fabbrica 3/A, Italy, V.A.T. No. 00204260285 (hereinafter "**Fidia**")

and

FIDIA ADVANCED BIOPOLYMERS S.r.l. with registered office in Abano Terme (PD), via Ponte della Fabbrica 3/B, Italy, V.A.T. No. 03641500289 (hereinafter "**FAB**")

(hereinafter jointly referred to as the "**Parties**" and each one as a "**Party**")

WHEREAS

on December 30, 2009, Fidia and FAB entered into a lease agreement (the "**Agreement**") related to the lease of certain Property (as defined in the Agreement);

Fidia and FAB hereby agree as follows:

1) Definitions included in the Agreement shall have the same meaning in this Lease Amendment Agreement.

2) With effect as of January 1, 2010, Annex A to the Agreement is replaced by the revised Annex A attached to this Lease Amendment Agreement.

3) With effect as of January l, 2010, Recital (C) to the Agreement is hereby amended as follows:

"the Lessor is the owner of the premises located at Abano Terme (PD), Via Ponte della Fabbrica 3/A and 3/B, registered with the NCT F.10 *mapp*. 632 and NCEU F.1 0 *mapp*. 632, as described by the extract from the Land Registry and maps as per Annex A hereto and identified as follows (the "**Property**"):

(1) portion of the building named F2 ("Building F2 – Maps 0008_59 e 0008_02") per mq 380 for warehouse use;

(2) portion of the building named "Istituto di Ricerca" (LR1 - Maps 0005 e 0006) for mq 1,174 for laboratories and production facility Tissue Tech and for mq 1,398 for office (ground floor and first floor);".

4) Section 2.1.2 of the Agreement is hereby amended by the addition, immediately after the last sentence, of the following phrase:

"However, in case of early withdrawal from this Agreement, the Lessee shall pay to Fidia the residual pro-rata amount for the amortization of the costs incurred by Fidia for the creation of new laboratories, currently estimated at Euro 37,000, up to the end of the initial term of the Agreement".

"Lessee is not required to restore the new laboratory space back to its original state."

5) With effect as of January 1, 2010:

a) the table contained in Section 3.1, is replaced by the following table:

Area	**Mq.**	**Monthly rent/mq (Euro)**	**Monthly rent (Euro)**
Istituto di Ricerca (LR1 - Maps 0005 e 006) - Offices	1,398	14.29	19,977
Warehouse ("Building F2 – Map 0008_59")	373	5.11	1,906
Warehouse ("Building F2 – Map 0008_02")	7	14.29	100
Istituto di Ricerca (LR1 - Map 0005)- Research Laboratories	655	17.05	11,168
Istituto di Ricerca (LR1 - Map 006)- Production facility Tissue Tech	519	17.05	8,849
Amount	2,952		42,000

and, b) the total rent amount of Euro 34,026 in line 2 of Section 3.1, is replaced by the amount of Euro 42,000.

6) the Parties have agreed that, by giving written notice to Fidia in the period from June 1, 2010 to July 31, 2010 and with effect from August 31, 2010, FAB may, at its sole discretion, reduce the leased office area.

IN WITNESS WHEREOF, the parties have executed or caused this Lease Amendment Agreement to be executed.

Abano Terme, June 18, 2010

FIDIA FARMACEUTICI S.P.A.

By: /s/ Antonio Germani
Antonio Germani, Chief Executive Officer

FIDIA ADVANCED BIOPOLYMERS S.R.L.

By: /s/ Charles H. Sherwood, Ph.D.
Charles Sherwood, Chairman

Exhibit 10.3

LEASE AMENDMENT AGREEMENT

Between

FIDIA FARMACEUTICI S.P.A. with registered office in Abano Terme (PD), via Ponte della Fabbrica 3/A, Italy, V.A.T. No. 00204260285 (hereinafter "**Fidia**")

and

FIDIA ADVANCED BIOPOLYMERS S.r.l. with registered office in Abano Terme (PD), via Ponte della Fabbrica 3/B, Italy, V.A.T. No. 03641500289 (hereinafter "**FAB**")

(hereinafter jointly referred to as the "**Parties**" and each one as a "**Party**")

WHEREAS

on December 30, 2009, Fidia and FAB entered into a lease agreement (the "**Agreement**") related to the lease of certain Property (as defined in the Agreement);

Fidia and FAB hereby agree as follows:

1) Definitions included in the Agreement shall have the same meaning in this Lease Amendment Agreement.

2) With effect as of September 20, 2010, Annex A to the Agreement is replaced by the revised Annex A attached to this Lease Amendment Agreement.

3) With effect as of September 20, 2010, Recital (C) to the Agreement is hereby amended as follows:

"the Lessor is the owner of the premises located at Abano Terme (PD), Via Ponte della Fabbrica 3/A and 3/B, registered with the NCT F. 10 *mapp*. 632 and NCEU F. 10 *mapp*. 632, as described by the extract from the Land Registry and maps as per Annex A hereto and identified as follows (the "**Property**"):

(1) portion of the building named F2 ("Building F2 – Maps 0008_59 e 0008_02") per mq 380 for warehouse use;

(2) portion of the building named "Istituto di Ricerca" (LR1 – Maps 0005 e 0006) for mq 1,174 for laboratories and production facility Tissue Tech and for mq 1,268 for office (ground floor and first floor);".

4) With effect as of September 20, 2010:
   a) the table in Section 3.1, is replaced by the following table:

Area	**Mq.**	**Monthly rent/mq (Euro)**	**Monthly rent (Euro)**
Istituto di Ricerca (LR1 - Maps 0005 e 006) - Offices	1,268	14.29	18,119
Warehouse ("Building F2 –Map 0008_59")	373	5.11	1,906
Warehouse ("Building F2 – Map 0008_02")	7	14.29	100
Istituto di Ricerca (LR1 - Map 0005)- Research Laboratories	655	17.05	11,168
Istituto di Ricerca (LR1 - Map 006)- Production facility Tissue Tech	519	17.05	8,849
Amount	2,822		41,042

And, b) the total amount in line to of Section 31 from September 20, 2010 is Euro 41,042.

IN WITNESS WHEREOF, the parties have executed or caused this Lease Amendment Agreement to be executed.

Abano Terme, September 20, 2010

FIDIA FARMACEUTICI S.P.A.

By: /s/ Antonio Germani
Antonio Germani, Chief Executive Officer

FIDIA ADVANCED BIOPOLYMERS S.R.L.

By: /s/ Charles H. Sherwood, Ph.D.
Charles Sherwood, President

Exhibit 10.4

AMENDMENT
TO THE LEASE AGREEMENT (Reg.ne 39 series 3T)

By and between

FIDIA FARMACEUTICI S.P.A. with legal domicile in Abano Terme (PD) via Ponte della Fabbrica 3/A, Italy, VAT Code 00204260285 (hereinafter "**Fidia**")

and

ANIKA THERAPEUTICS S.r.l. with legal domicile in Abano Terme (PD) via Ponte della Fabbrica 3/B, Italy, VAT Code 03641500289 (hereinafter "**Anika**")

(which shall hereinafter be jointly referred to as the "Parties," and individually as a "Party")

WHEREAS

on December 30, 2009, Fidia and Anika (formerly FAB S.r.l.) entered into a lease agreement (the "Agreement"), subsequently amended, in respect of leasing a certain Property (as defined in the Agreement).

Through this Amendment Fidia and Anika establish the following:

1) The definitions contained in the Agreement shall have the same meanings in this Amendment to the Lease Agreement.

2) Effective January 1, 2012, Annex A to the Agreement is replaced by Annex A attached to this Amendment to the Lease Agreement.

3) Effective January 1, 2012, recital C) of the Agreement is amended as follows:

"The Lessor is the owner of the leased premises in Abano Terme (PD), via Ponte della Fabbrica 3/A and 3/B, registered in the NCT.F. 10 map 632 and NCEU F. 10 map 632, as described in the registry search and plans as attached in Annex A hereto and identified as follows (the "Property")

(1) a portion of the building called F2 ("Building F2 – plans 0008_59 and 0008_02"), with 423 m2 to be used as a warehouse;

(2) a portion of the building called "Research Institute" (LR1 – plans 0005 and 0006), with 1,174 m2 to be used as laboratories and Tissue Tech production facilities, and 1,268 m2 for office use (ground floor and first floor);

4) Effective from January 1, 2012 to March 31, 2012:

a) the table contained in Section 3.1 is replaced by the following table which takes into account the ISTAT indexation at December 2011:

Area	**M2**	**Monthly rent / m2 (euros)**	**Monthly rent (euros)**
Research Institute (LR1 – plans 0005 and 0006) – Offices	1,268	14.63	18,551
Warehouse ("Building F2 – plans 0008_59")	373	5.23	1,951
Warehouse ("Building F2 – plans 0008_02")	50	14.63	732
Research Institute (LR1 – plan 0005) – Research Laboratories	655	17.46	11,436
Research Institute (LR1 – plan 0006) – Tissue Tech Production Facilities	519	17.46	9,062
Totals	2,865		41,732

and b) the total amount of the monthly rent in line with the provisions of Section 3.1, effective from January 1, 2012 to 03.31.2012, is 41,732 euros.

5) Effective April 1, 2012, the premises leased to Anika are reduced and therefore the spaces being leased are the ones indicated in Annex B of this Amendment to the Lease Agreement.

6) Effective from April 1, 2012, recital C) of the Agreement is amended as follows:

"The Lessor is the owner of the leased premises in Abano Terme (PD), via Ponte della Fabbrica 3/A and 3/B, registered in the NCT.F. 10 map 632 and NCEU F. 10 map 632, as described in the registry search and plans as attached in Annex A hereto and identified as follows (the "Property")

(3) a portion of the building called F2 ("Building F2 – plans 0008_59 and 0008_02"), with 423 m2 to be used as a warehouse;

(4) a portion of the building called "Research Institute" (LR1 – plans 0005 and 0006), with 1,054 m2 to be used as laboratories and Tissue Tech production facilities, and 1,125 m2 for office use (ground floor and first floor);

7) Effective from April 1, 2012, the table contained in Section 3.1 is replaced by the following table:

Area	**M2**	**Monthly rent / m2 (euros)**	**Monthly rent (euros)**
Research Institute (LR1 – plans 0005 and 0006) – Offices	1,125	14.63	16,459
Warehouse ("Building F2 – plans 0008_59")	373	5.23	1,951
Warehouse ("Building F2 – plans 0008_02")	50	14.63	732
Research Institute (LR1 – plan	535	17.46	9,341

0005) – Research Laboratories			
Research Institute (LR1 – plan 0006) – Tissue Tech Production Facilities	519	17.46	9,062
Totals	2,602		37,545

Therefore, the total amount of the monthly rent in line with the provisions of Section 3.1 effective from April 1, 2012, is 37,545 euros.

8) With the return of the R&D spaces, Anika shall reimburse Fidia the sum of €24,666.00 pursuant to Art. 4 of the Lease Agreement of June 18, 2010.

9) The other provisions of the agreement remain unchanged.

IN WITNESS WHEREOF, the Parties have signed this Amendment to the Lease Agreement on

Abano Terme, April 16, 2012

FIDIA FARMACEUTICI S.P.A.

By: /s/ Antonio Germani
Antonio Germani, Managing Director

ANIKA THERAPEUTICS S.r.l.

By: /s/ Charles H. Sherwood, Ph.D.
Charles Sherwood, President

Exhibit 10.5

AMENDMENT
TO THE LEASE AGREEMENT (Reg. 39 series 3T)

Between

FIDIA FARMACEUTICI S.P.A. with headquarters in Abano Terme (PD), via Ponte della Fabbrica 3/A, Italy, VAT No. 00204260285 (hereinafter "**Fidia**")

and

ANIKA THERAPEUTICS S.r.l. with headquarters in Abano Terme (PD), via Ponte della Fabbrica 3/B, Italy, VAT No. 03641500289 (hereinafter "**Anika**")

(hereinafter jointly referred to as the "Parties" and singularly referred to as a "Party")

WHEREAS

On December 30, 2009, Fidia and Anika (formerly FAB S.r.l.) entered into a lease agreement (the "Agreement"), subsequently amended, regarding the lease of a certain Property (as defined in the Agreement)

In this Amendment, Fidia and Anika establish the following:

1) The definitions contained in the Agreement shall have the same meaning in this Amendment to the Lease Agreement.

2) Effective January 1, 2016, the locations leased to Anika are those indicated in Attachment B to this Amendment to the Lease Agreement, i.e.:

   (1) portion of the building called F2 ("Building F2 – plans 0008_59 and 0008_02") with 155 m^2 for warehouse use and 80 m^2 for cold storage;

   (2) portion of the building called "Research Institute" (LR1 – plans 0005 and 0006) with 535 m^2 for laboratory use and 1,125 m^2 for office use (ground floor and first floor);

3) As of January 1, 2016, the table included in Section 3.1 shall be replaced by the following table:

Area	m^2	Monthly rent/m^2 (Euro)	Monthly rent (Euro)
Research Institute (LR1 – plans 0005 and 006 *[sic]*) – Offices	1,125	14.96	16,830.00
Warehouse ("Building F2 – plan 0008_59")	155	5.34	827.70
Warehouse ("Building F2 – plan 0008_02")	80	14.96	1,196.80
Research Institute (LR1 – plan 0005) – Research Laboratories	535	17.86	9,555.10
Totals	1,895		28,409.60

Therefore, the total amount of rent/month in accordance with the provisions of Section 3.1 beginning on January 1, 2016, is 28,409.60 euros.

4) The other provisions of the Agreement remain unchanged.

IN WITNESS WHEREOF, the Parties have signed this Amendment to the Lease Agreement on

Abano Terme, February 26, 2016

FIDIA FARMACEUTICI S.P.A. ANIKA THERAPEUTICS S.r.l.

By: /s/ Giorgio Foresti
Giorgio Foresti, Chief Executive Officer

By: /s/ Charles H. Sherwood
Charles Sherwood, President

Exhibit 31.1

CERTIFICATION

I, Charles H. Sherwood, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended March 31, 2016 of Anika Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2016

/s/ CHARLES H. SHERWOOD
Charles H. Sherwood, Ph.D.
Chief Executive Officer
Principal Executive Officer

Exhibit 31.2

CERTIFICATION

I, Sylvia Cheung, certify that:

1. I have reviewed this report on Form 10-Q for the quarterly period ended March 31, 2016 of Anika Therapeutics, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2016

/s/ SYLVIA CHEUNG
Sylvia Cheung
Chief Financial Officer
Principal Financial Officer

Exhibit 32.1

Section 906 Certification

The undersigned officers of Anika Therapeutics, Inc. (the "Company") hereby certify to their knowledge and in their respective capacities that the Company's quarterly report on Form 10-Q to which this certification is attached (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 3, 2016

/s/ CHARLES H. SHERWOOD
Charles H. Sherwood, Ph.D.
Chief Executive Officer
Principal Executive Officer

Date: May 3, 2016

/s/ SYLVIA CHEUNG
Sylvia Cheung
Chief Financial Officer
Principal Financial Officer

This certification shall not be deemed "filed" for any purpose, nor shall it be deemed to be incorporated by reference into any filing, under the Securities Act of 1933, as amended, or the Exchange Act.