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, 2014

☐ **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 May 1, 2014 there were 14,421,420 outstanding shares of Common Stock, par value $.01 per share.

PART I: FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

Anika Therapeutics, Inc. and Subsidiaries
Consolidated Balance Sheets
(unaudited)

ASSETS	March 31, 2014	December 31, 2013
Current assets:		
Cash and cash equivalents	$ 82,160,251	$ 63,333,160
Accounts receivable, net of reserves of $592,420 and $593,023 at March 31, 2014 and December 31, 2013, respectively	16,466,436	18,736,845
Inventories	12,981,495	10,996,785
Current portion deferred income taxes	659,040	659,040
Prepaid expenses and other	1,217,403	865,957
Total current assets	113,484,625	94,591,787
Property and equipment, at cost	52,768,367	52,413,423
Less: accumulated depreciation	(20,134,401)	(19,474,712)
	32,633,966	32,938,711
Long-term deposits and other	69,080	69,080
Intangible assets, net	18,439,286	18,998,409
Goodwill	9,434,289	9,443,894
Total Assets	$174,061,246	$156,041,881
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,742,808	$ 2,793,911
Accrued expenses	4,497,706	5,537,881
Deferred revenue	46,412	180,433
Income taxes payable	424,993	770,276
Total current liabilities	7,711,919	9,282,501
Other long-term liabilities	1,089,708	1,133,544
Long-term deferred revenue	72,367	2,054,941
Deferred tax liability	8,617,245	7,936,864
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, $.01 par value; 1,250,000 shares authorized, no shares issued and outstanding at March 31, 2014 and December 31, 2013, respectively	-	-
Common stock, $.01 par value; 30,000,000 shares authorized, 14,620,032 and 14,289,308 shares issued and outstanding at March 31, 2014 and December 31, 2013, respectively	146,200	142,893
Additional paid-in-capital	76,534,563	70,606,031
Accumulated currency translation adjustment	(1,725,211)	(1,699,095)
Retained earnings	81,614,455	66,584,202
Total stockholders' equity	156,570,007	135,634,031
Total Liabilities and Stockholders' Equity	$174,061,246	$156,041,881

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
(unaudited)

	Three Months Ended March 31,	
	2014	**2013**
Product revenue	$ 14,351,405	$ 14,494,489
Licensing, milestone and contract revenue	19,658,882	752,522
Total revenue	34,010,287	15,247,011
Operating expenses:		
Cost of product revenue	4,361,019	4,841,170
Research & development	2,287,715	1,582,910
Selling, general & administrative	3,490,985	3,947,114
Restructuring credits	-	(135,607)
Total operating expenses	10,139,719	10,235,587
Income from operations	23,870,568	5,011,424
Interest income (expense), net	467	(39,558)
Income before income taxes	23,871,035	4,971,866
Provision for income taxes	8,840,782	1,903,864
Net income	$ 15,030,253	$ 3,068,002
Basic net income per share:		
Net income	$ 1.04	$ 0.23
Basic weighted average common shares outstanding	14,461,367	13,406,952
Diluted net income per share:		
Net income	$ 0.97	$ 0.21
Diluted weighted average common shares outstanding	15,499,447	14,357,110
Net income	$ 15,030,253	$ 3,068,002
Other comprehensive income		
Foreign currency translation adjustment	(26,116)	(749,450)
Comprehensive income	$ 15,004,137	$ 2,318,552

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
(unaudited)

	Three Months Ended March 31,	
	2014	**2013**
Cash flows from operating activities:		
Net income	$ 15,030,253	$ 3,068,002
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,198,799	1,202,208
Stock-based compensation expense	427,823	422,959
Deferred income taxes	(323,669)	(139,747)
Provision for inventory	31,778	258,195
Tax benefit from exercise of stock options	(4,436,249)	(64,642)
Changes in operating assets and liabilities:		
Accounts receivable	2,140,848	6,373,839
Inventories	(2,016,631)	(1,969,179)
Prepaid expenses, other current and long-term assets	(345,415)	705,078
Long-term deposits and other	-	8,499
Accounts payable	51,712	1,354,318
Accrued expenses	(1,104,945)	(2,351,133)
Deferred revenue	(2,113,086)	(725,067)
Income taxes payable	5,099,027	(1,834,739)
Other long-term liabilities	(43,588)	(239,737)
Net cash provided by operating activities	13,596,657	6,068,854
Cash flows from investing activities:		
Proceeds from sale of assets	-	135,607
Purchase of property and equipment	(276,513)	(35,802)
Net cash provided by (used in) investing activities	(276,513)	99,805
Cash flows from financing activities:		
Principal payments on debt	-	(400,000)
Proceeds from exercise of stock options	1,067,767	1,097,016
Tax benefit from exercise of stock options	4,436,249	64,642
Net cash provided by financing activities	5,504,016	761,658
Exchange rate impact on cash	2,931	(32,228)
Increase in cash and cash equivalents	18,827,091	6,898,089
Cash and cash equivalents at beginning of period	63,333,160	44,067,477
Cash and cash equivalents at end of period	$ 82,160,251	$ 50,965,566

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

1. Nature of Business

Anika Therapeutics, Inc. (together with its subsidiaries, "Anika," the "Company," "we," "us," or "our") develops, manufactures and commercializes therapeutic products for tissue protection, healing, and repair. These products are based on hyaluronic acid ("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.

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 the U.S. Food and Drug Administration ("FDA") and foreign regulations and approval requirements, as well as the ability to grow the Company's business.

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 ("U.S."). 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 our audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the U.S. 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, 2014, the results of its operations for the three month periods ended March 31, 2014 and 2013, and cash flows for the three month periods ended March 31, 2014 and 2013.

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, 2013. The results of operations for the three months ended March 31, 2014 are not necessarily indicative of the results to be expected for the year ending December 31, 2014. Certain prior period amounts have been reclassified to conform to the current period presentation. There was no impact on operating income.

3. Fair Value Measurements

We measure certain assets and liabilities, such as fixed income investments, at fair value based upon exit price, representing the amount that would be received on the sale of an asset or paid to transfer a liability, as the case may be, in an orderly transaction between market participants. As such, fair value may be based on assumptions that market participants would use in pricing an asset or liability. To increase the comparability of fair value measurements, the following hierarchical levels of inputs to valuation methodologies are used:

- Level 1 – Valuation is based upon quoted prices for identical instruments traded in active markets. Level 1 instruments include securities traded on active exchange markets, such as the New York Stock Exchange.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 – Valuation is generated from model-based techniques that use significant assumptions not observable in the market. These unobservable assumptions reflect our own estimates of assumptions market participants would use in pricing the asset or liability.

Cash equivalents in money market accounts measured and recorded at fair value on a recurring basis was $34,267,152 and $34,264,268 at March 31, 2014 and December 31, 2013, respectively, and were classified as Level 2 instruments.

4. Equity Incentive Plan

The Company estimates the fair value of stock options and stock appreciation rights using the Black-Scholes valuation model. Fair value of restricted stock is measured by the grant-date price of the Company's shares. The fair value of each stock option award during the three months ended March 31, 2014 and 2013, respectively, was estimated on the grant date using the Black-Scholes option-pricing model with the following assumptions:

	Three Months Ended March 31,	
	2014	2013
Risk free interest rate	1.20% - 1.33%	0.70%
Expected volatility	53.28%	57.60%
Expected lives (years)	4	4
Expected dividend yield	0.00%	0.00%

The Company recorded $427,823 and $422,959 of share-based compensation expense for the three months ended March 31, 2014 and 2013, 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.

There were 123,240 stock options granted under the Plan during the three months ended March 31, 2014. There were 30,700 Restricted Stock Awards ("RSAs") granted under the Plan during the three months ended March 31, 2014. 9,365 Restricted Stock Units ("RSUs") were granted to members of the Company's Board of Directors under the Plan during the three months ended March 31, 2014. The stock options, RSAs and RSUs granted to employees and directors become exercisable or vest ratably over four years from the date of grant.

A portion of the stock options granted during the three months ended March 31, 2014 contained performance features, based on the level of growth in revenue and income from operations as compared to established targets, in addition to time-based vesting conditions. The compensation costs associated with these grants was estimated using the Black-Scholes valuation method factored for the estimated probability of achieving the performance goals.

As of March 31, 2014, there was approximately $4.9 million of total unrecognized compensation cost related to non-vested stock options, stock appreciation rights ("SARs"), RSAs and RSUs granted under the Company's incentive plans. This cost is expected to be recognized over a weighted-average period of 3.3 years.

The total intrinsic value of stock options and SARs exercised during the three-month periods ended March 31, 2014 and 2013 was $7,131,972 and $464,241 respectively. Cash received from the exercise of stock options during the three-month periods ended March 31, 2014 and 2013 were $1,067,767 and $1,097,016, respectively.

There were approximately 1.4 million options and SARs outstanding under the Company's incentive plans at March 31, 2014 with a weighted-average exercise price of $11.70 per share, an aggregate intrinsic value of approximately $41.1 million, and a weighted-average remaining contractual term of 6.6 years. None of the options or SARs outstanding at March 31, 2014 or 2013, respectively, had cash-settlement features.

The Company may satisfy the awards upon exercise, or upon fulfillment of the vesting requirements for other equity-based awards, with either authorized but unissued shares or shares reacquired by the Company. Stock-based awards are granted with an exercise price equal to the market price of the Company's stock on the date of grant. Awards contain service or performance conditions, generally become exercisable ratably over one to four years and have a ten year contractual term.

5. Earnings Per Share

The Company reports earnings per share in accordance with ASC 260, *Earnings Per Share*, which establishes standards for computing and presenting earnings per share. Basic earnings per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed by dividing net income available to common shareholders by the weighted average number of common shares outstanding and the number of dilutive potential common share equivalents during the period. Under the treasury stock method, unexercised "in-the-money" stock options are assumed to be exercised at the beginning of the period or at issuance, if later. The assumed proceeds are then used to purchase common shares at the average market price during the period.

Basic and diluted earnings per share for the three months ended March 31, 2014 and 2013 are as follows:

	Three months ended March 31,	
	2014	2013
Shares used in the calculation of basic earnings per share	14,461,367	13,406,952
Effect of dilutive securities:		
Stock options, SARs, and RSAs	1,038,080	950,158
Diluted shares used in the calculation of earnings per share	15,499,447	14,357,110

Equity awards of 87,126 and 555,001 shares were outstanding for the three months ended March 31, 2014 and March 31, 2013, respectively, and were not included in the computation of diluted earnings per share because the awards' impact on earnings per share was anti-dilutive.

6. Inventories

Inventories consist of the following:

	March 31, 2014	December 31, 2013
Raw materials	$ 6,109,938	$ 5,926,030
Work-in-process	2,230,635	2,308,233
Finished goods	4,640,922	2,762,522
Total	$12,981,495	$ 10,996,785

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.

7. Intangible Assets and Goodwill

In connection with the acquisition of Anika Therapeutics S.r.l. ("Anika S.r.l."), the Company acquired various intangible assets and goodwill. The Company evaluated the various intangibles and related cash flows from these intangible assets, as well as the useful lives and amortization methods related to these intangibles. The in-process research and development 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.

The Company reviews its long-lived assets for impairment at least annually. Additionally, the Company will initiate a review for impairment if events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable or that the useful lives of the assets are no longer appropriate. Each impairment test will be based on a comparison of the undiscounted cash flows to the recorded value of the asset. If impairment is indicated, the asset is written down to its estimated fair value.

Intangible assets as of March 31, 2014 and December 31, 2013 consist of the following:

	March 31, 2014				December 31, 2013	
	Gross Value	Currency Translation Adjustment	Accumulated Amortization	Net Book Value	Net Book Value	Useful Life
Developed technology	$16,700,000	$ (963,479)	$ (4,264,090)	$11,472,431	$11,753,003	15
In-process research & development	5,502,686	(222,625)	-	5,280,061	5,286,127	Indefinite
Distributor relationships	4,700,000	(424,265)	(3,637,480)	638,255	863,655	5
Patents	1,000,000	(54,717)	(241,456)	703,827	719,574	16
Elevess trade name	1,000,000	-	(655,288)	344,712	376,050	9
Total	$28,902,686	$ (1,665,086)	$ (8,798,314)	$18,439,286	$18,998,409	

The aggregate amortization expense related to intangible assets was $538,335 and $519,982 for the three months ended March 31, 2014 and 2013, respectively.

Changes in the carrying value of goodwill for the three months ended March 31, 2014 were as follows:

	For the three months ended March 31, 2014
Balance, beginning	$ 9,443,894
Effect of foreign currency adjustments	(9,605)
Balance, ending	$ 9,434,289

8. Accrued Expenses

Accrued expenses consist of the following:

	March 31, 2014	December 31, 2013
Payroll and benefits	$ 1,464,681	$ 2,728,616
Clinical trial costs	1,259,914	882,651
Professional fees	321,445	383,231
Research grants	609,878	610,498
Restructuring costs	19,759	24,638
Other	822,029	908,247
Total	$ 4,497,706	$ 5,537,881

9. 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 product. The Company may also warrant that the products it manufactures do not infringe, violate or breach any patent or intellectual property rights, 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 negligence or acts or omissions of the Company. The Company maintains a products liability insurance policy that limits its exposure. Based on the Company's historical activity in combination with its insurance policy coverage, the Company believes the estimated fair value of these indemnification agreements is minimal. The Company has no accrued warranties and has no history of claims paid.

On July 7, 2010, Genzyme Corporation filed a complaint against the Company in the United States District Court for the District of Massachusetts seeking unspecified damages and equitable relief. The complaint alleges that the Company has infringed U.S. Patent No. 5,143,724 by manufacturing MONOVISC in the United States for sale outside the United States and will infringe U.S. Patent Nos. 5,143,724 and 5,399,351 if the Company begins manufacture and sale of MONOVISC in the United States. On March 7, 2014 Genzyme and the Company filed a joint motion to lift the stay in Genzyme's lawsuit against the Company and to dismiss with prejudice all of Genzyme's claims. On March 10, 2014, the District Court granted the motion to dismiss with prejudice all of Genzyme's claims against the Company and the case was terminated.

We are also involved in various other legal proceedings arising in the normal course of business. Although the outcomes of these other 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.

10. Deferred Revenue

In December 2011, the Company entered into a fifteen-year licensing agreement (the "Mitek MONOVISC Agreement") with DePuy Synthes Mitek Sports Medicine, a division of DePuy Orthopaedics, Inc., to exclusively market MONOVISC in the U.S. The Company received an upfront payment of $2,500,000 in December 2011. This non-refundable upfront payment did not have standalone value without Anika's completion of development obligations which included obtaining regulatory product approval and the resolution of patent litigation. As a result, we recognized the upfront payment over the development obligation period. During the first quarter of 2014, the Company received FDA approval of MONOVISC and resolved the patent lawsuit with Genzyme Corporation. As a result of the full delivery of its development obligations under this agreement, the Company recognized $2,200,000 which represents the remaining balance of deferred revenue relating to the initial $2,500,000 payment in accordance with current generally accepted principles on revenue recognition. The Company also received a milestone payment of $17,500,000 for MONOVISC FDA approval and patent litigation resolution. This milestone payment was fully recognized as revenue during the three months ended March 31, 2014, as the development obligation has been completed.

11. Income Taxes

Provision for income taxes increased $6,936,918 to $8,840,782 during the three-month period ended March 31, 2014, as compared to the same period ended in 2013. The increase in income taxes was due to increased net income, which reflected $19,652,778 in milestone and contract revenue associated with our U.S. license agreement for MONOVISC (see the previous discussion under Note 10). The provisions for the periods ended March 31, 2014 and 2013 were based on effective tax rates of 37% and 38%, respectively. The decrease in the effective tax rate for the period ended 2014, as compared to the same period ended in 2013, was driven primarily by the tax benefits associated with the increase in production activities combined with the benefits associated with increased stock option exercise activity.

The Company files income tax returns in the U.S. 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. Our 2010 through the present tax years remain subject to examination by the IRS and other taxing authorities for U.S. federal and state tax purposes. The 2009 through the present tax years 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. We have 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, we have not recorded a valuation allowance at March 31, 2014 or December 31, 2013, respectively.

12. Segment and Geographic Information

The Company has one reportable operating segment, the results of which are disclosed in the accompanying unaudited condensed consolidated financial statements.

Product revenue by product group is as follows:

	Three Months Ended March 31,	
	2014	2013
Orthobiologics	$ 11,572,150	$ 11,283,547
Dermal	188,651	241,584
Surgical	1,752,020	988,864
Ophthalmic	208,584	928,458
Veterinary	630,000	1,052,036
Product revenue	$ 14,351,405	$ 14,494,489

Total revenue by geographic location in total and as a percentage of total revenue, for the three months ended March 31, 2014 and 2013 are as follows (prior period numbers have been reclassified to conform to current period presentation):

	Three Months Ended March 31,			
	2014		2013	
	Revenue	Percentage of Revenue	Revenue	Percentage of Revenue
Geographic Location:				
United States	$31,533,817	93%	$12,280,079	80%
Europe	1,695,816	5%	1,583,993	11%
Other	780,654	2%	1,382,939	9%
Total revenue	$34,010,287	100%	$15,247,011	100%

13. Restructuring Credits

In December 2012, the Company announced the closure of its tissue engineering facility in Abano Terme, Italy due to the inability to meet strict regulatory standards, effective January 1, 2013, established by the European Medicines Agency ("EMA") for Advanced Therapy Medicinal Products. The restructuring plan involved a workforce reduction as well as associated asset abandonments. The Company recorded restructuring and impairment charges in the fourth quarter of 2012 of approximately $2.5 million. Of the total restructuring and impairment charges related to the tissue engineering operation, approximately $1.2 million related to the non-cash termination and related impairment of an IPR&D project, $0.3 million related to the disposal of property and equipment, and $0.1 million related to the disposal of inventory. We completed the restructuring plan and related activities in 2013. Certain previously impaired and written-off equipment was sold, resulting in a restructuring credit of $135,607 for the three month period ended March 31, 2013.

The following table summarizes restructuring accrual activity for the three months ended March 31, 2014:

	Restructuring Accrual		
	Employee Severance and Related Benefits	Activity Termination and Facility Closure Costs	Total
December 31, 2013	$ 21,709	$ 2,929	$ 24,638
Cash Proceeds, Disbursements	(4,848)	-	(4,848)
Foreign Exchange Impact	(28)	(3)	(31)
March 31, 2014	$ 16,833	$ 2,926	$ 19,759

14. Subsequent Event

On April 15, 2014 the first U.S. commercial sale of MONOVISC was made by our commercial partner, Depuy Synthes Mitek Sports Medicine. Under the terms of the Mitek MONOVISC Agreement, the Company received a milestone payment of $5 million, which will be recognized as revenue in the second quarter of 2014.

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

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding:

- Our future sales and product revenue, including geographic expansions, possible retroactive price adjustments, and expectations of unit volumes or other offsets to price reductions;
- Our manufacturing capacity, efficiency gains and work-in-process manufacturing operations;
- The timing, scope and rate of patient enrollment for clinical trials;
- The development of possible line extensions and new products;
- Our ability to achieve and/or maintain compliance with laws and regulations;
- The timing of and/or receipt of Food and Drug Administration ("FDA"), foreign or other regulatory approvals, clearances, and/or reimbursement approvals of current, new or potential products, and any limitations on such approvals;
- Our intention to seek patent protection for our products and processes, and to protect our intellectual property;
- Our ability to effectively compete against current and future competitors;
- Negotiations with potential and existing partners, including our performance under any of our existing and future distribution, license or supply agreements, or our expectations with respect to sales and sales threshold milestones pursuant to such agreements;
- The level of our revenue or sales in particular geographic areas and/or for particular products, and the market share for any of our products;
- Our expectations of product revenue results in future quarters and for the full year 2014;
- Our current strategy, including our corporate objectives, research and development activities and collaboration activities;
- Our expectations regarding our joint health products, including existing products and expectations regarding new products, expanded uses of existing products, new distribution partnerships and revenue growth;
- Our intention to increase our market share for joint health products in domestic and international markets or otherwise penetrate growing markets for osteoarthritis of the knee and other joints;
- Our expectations regarding next generation osteoarthritis/joint health product development, clinical trials, regulatory approvals and commercial launches;
- Our and Bausch & Lomb's performance under the non-exclusive, three-year contract for the supply of AMVISC® and AMVISC® Plus ophthalmic viscoelastic products, and our expectations regarding revenue from ophthalmic products;
- Our ability to commercialize AnikaVisc™ and AnikaVisc™ Plus and our expectations regarding such commercialization and the potential profits generated thereby;
- Our ability to license our aesthetics product to new distribution partners domestically and outside the United States;
- Our ability, and the ability of our distribution partners, to market our aesthetics dermatology product; and our expectations regarding the distribution and sales of our ELEVESS™ product and the timing thereof;
- Our expectations regarding development of aesthetics product line extensions;
- Our expectations regarding HYVISC® sales;

- Our expectations regarding product gross margin;
- Our expectations regarding CINGAL™, including the expense associated therewith, and our ability to obtain regulatory approvals for this product;
- Our expectation for changes in operating expenses, including research and development, and selling, general and administrative expenses;
- The rate at which we use cash, the amounts used and generated by operations, and our expectations regarding the adequacy and usage of such cash;
- Our expectation for capital expenditures spending and future amounts of interest income and expense;
- Possible negotiations or re-negotiations with existing or new distribution or collaboration partners;
- Our ability to continue streamlining operations and improving our manufacturing capabilities;
- Our ability to obtain additional funds through equity or debt financings, strategic alliances with corporate partners and other sources, to the extent our current sources of funds are insufficient;
- Our ability to manage and maintain the operations of Anika S.r.l. from one with losses, into a company generating continued profits;
- The strength of the economies in which the Company operates or will operate, as well as the political stability of any of those geographic areas;
- Our ability to effectively prioritize the many research and development projects underway;
- Our ability to expand the therapeutic applications of our existing products and create new applications for our HA technology;
- Our ability to obtain U.S. approval for orthopedic and other product franchises of Anika S.r.l., including the timing and potential success of such efforts, and to expand sales of these products in the U.S., including the impact such efforts may have on our revenue; and
- Our ability to successfully defend the Company against lawsuits and claims, and the uncertain financial impact such lawsuits and claims and related defense costs may have on the Company.

Furthermore, additional statements identified by 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, also identify forward-looking statements.

You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, including those factors described in the section titled "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2013. These risks, uncertainties and other factors may cause our actual results, performance or achievement to be materially different from anticipated future results, performance or achievement, expressed or implied by the forward-looking statements. These forward-looking statements are based upon the current assumptions of our management and are only expectations of future results. You should carefully review all of these factors, and you should be aware that there may be other factors that could cause these differences, including those factors discussed herein and in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of this Quarterly Report on Form 10-Q, as well as the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2013 and in our press releases and other filings with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statement to reflect changes in underlying assumptions or factors of new information, future events or other changes.

Management Overview

Anika Therapeutics, Inc. (together with its subsidiaries, "Anika," the "Company," "we," "us," or "our") develops, manufactures and commercializes therapeutic products for tissue protection, healing, and repair. These products are based on hyaluronic acid ("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.

Anika's proprietary technologies for modifying the HA molecule allow product properties to be tailored specifically to therapeutic use. Our patented technologies chemically modify the HA molecule to allow for longer residence time in the body. Anika Therapeutics, Inc.'s wholly-owned subsidiary, Anika Therapeutics S.r.l., has over 20 products currently commercialized, primarily in Europe. These products are also all made from hyaluronic acid, based on two technologies: "HYAFF", which is a solid form of HA, and ACP gel, an autocross-linked polymer of HA. Both technologies are protected by an extensive portfolio of owned and licensed patents. We offer therapeutic products from these aforementioned technologies in the following areas:

	Anika	Anika S.r.l.
Orthobiologics	X	X
Dermal		
Advanced wound care		X
Aesthetic dermatology	X	
Surgical		
Anti-adhesion	X	X
Ear, nose and throat care ("ENT")		X
Ophthalmic	X	
Veterinary	X	

Please see Management's Discussion and Analysis of Financial Condition and Results of Operations-Management Overview (Item 7) to the Company's Annual Report on Form 10-K for the year ended December 31, 2013, for a description of each of the above therapeutic areas, including the individual products.

Research and Development

Anika's research and development efforts primarily consist of the development of new medical applications for our HA-based technologies, the management of clinical trials and studies 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 related to our existing and new products. Our development focus includes products for tissue protection, healing and repair. Our investment in R&D varies considerably depending on the number and size of clinical trials and studies underway. We anticipate that we will commit significant resources to research and development, including clinical trials, in the future.

During the first quarter of 2014, the Company received FDA approval of MONOVISC and resolved the patent lawsuit with Genzyme Corporation. As a result of the full delivery of our development obligations under this agreement, the Company recognized the remaining balance of deferred revenue relating to the initial $2,500,000 non-refundable up front payment. The Company also received a milestone payment of $17,500,000 under the Mitek MONOVISC Agreement, for FDA approval and patent litigation resolution. This payment was fully recognized as revenue during the three months ended March 31, 2014.

A key product currently under development and regulatory review is CINGAL, which is based on our hyaluronic acid material with an added active therapeutic molecule designed to provide broad pain relief for a longer period of time. We have completed the formulation and biocompatibility studies of the product. During the second quarter of 2013, we commenced a multinational phase III clinical trial to obtain the needed clinical data for a CE Mark submission and approval, and to support other product registrations including in the United States. Enrollment in the clinical trial was completed in February 2014 and we expect to be in a position to submit our CE Mark application by December 31, 2014, or shortly thereafter.

The technologies obtained through our acquisition of Anika S.r.l. have enhanced our research and development capabilities, and our pipeline of product candidates. Anika S.r.l. has research and development programs for new products including Hyalofast, an innovative, biodegradable support for human bone marrow mesenchymal stem cells used in connection with soft tissue regeneration and Hyalospine, an adhesion prevention gel for use after spinal surgery. Our research and development efforts may not be successful in (1) developing our existing product candidates, (2) expanding the therapeutic applications of our existing products, or (3) resulting in new applications for our HA technology. There is also a risk that we may choose not to pursue development of potential product candidates. We also may not be able to obtain regulatory approval for any new applications we develop.

Litigation and Other Legal Matters

On July 7, 2010, Genzyme Corporation filed a complaint against the Company in the United States District Court for the District of Massachusetts seeking unspecified damages and equitable relief. The complaint alleges that the Company has infringed U.S. Patent No. 5,143,724 by manufacturing MONOVISC in the United States for sale outside the United States and will infringe U.S. Patent Nos. 5,143,724 and 5,399,351 if the Company begins manufacture and sale of MONOVISC in the United States. On March 7, 2014 Genzyme and the Company filed a joint motion to lift the stay in Genzyme's lawsuit against the Company and to dismiss with prejudice all of Genzyme's claims. On March 10, 2014, the District Court granted the motion to dismiss with prejudice all of Genzyme's claims against the Company and the case was terminated.

We are also involved in various other legal proceedings arising in the normal course of business. Although the outcomes of these other 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.

Results of Operations

Three Months Ended March 31, 2014 Compared to the Three Months Ended March 31, 2013

	2014	2013	Inc/(Dec)
Product revenue	$ 14,351,405	$ 14,494,489	(1%)
Licensing, milestone and contract revenue	19,658,882	752,522	2512%
Total revenue	34,010,287	15,247,011	123%
Operating expenses:			
Cost of product revenue	4,361,019	4,841,170	(10%)
Research & development	2,287,715	1,582,910	45%
Selling, general & administrative	3,490,985	3,947,114	(12%)
Restructuring credits	-	(135,607)	N/M
Total operating expenses	10,139,719	10,235,587	(1%)
Income from operations	23,870,568	5,011,424	376%
Interest income (expense), net	467	(39,558)	(101%)
Income before income taxes	23,871,035	4,971,866	380%
Provision for income taxes	8,840,782	1,903,864	364%
Net income	$ 15,030,253	$ 3,068,002	390%
Product gross profit	$ 9,990,386	$ 9,653,319	3%
Product gross margin	70%	67%	

Product Revenue

Product revenue for the quarter ended March 31, 2014 was $14,351,405, a decrease of 1%, as compared to $14,494,489 for the quarter ended March 31, 2013. Increases in product revenue from our Orthobiologics and Surgical franchises were offset by decreases in revenue from our Dermal, Ophthalmic and Veterinary products. The overall 1% decline from the first quarter of 2013 reflects certain nonrecurring events and the timing of orders, and is not indicative of product revenue results in future quarters.

The following table presents product revenue by group for the three-month period ended March 31, 2014 and 2013:

	Three Months Ended March 31,		Increase (Decrease)	
	2014	2013	$	%
Orthobiologics	$ 11,572,150	$ 11,283,547	$ 288,603	3%
Dermal	188,651	241,584	(52,933)	(22%)
Surgical	1,752,020	988,864	763,156	77%
Ophthalmic	208,584	928,458	(719,874)	(78%)
Veterinary	630,000	1,052,036	(422,036)	(40%)
	$ 14,351,405	$ 14,494,489	$ (143,084)	(1%)

Orthobiologics

Our orthobiologics franchise consists of our joint health and orthopedic products. Overall, sales increased 3% for the three months ended March 31, 2014, as compared to the same period in 2013. The modest growth in the first quarter of 2014 was in line with our expectation and reflected several nonrecurring events. Included in the first quarter 2014 orthobiologics revenue was an initial U.S. stocking order for MONOVISC. This was partially offset by decreases in other orthobiologics product revenues. The initial order placed by Mitek was in preparation for the U.S. commercial launch of MONOVISC, which took place on April 15, 2014, following product approval on February 25, 2014. We expect joint health product revenue to increase in 2014 as compared to 2013, both domestically and internationally.

Dermal

Our dermal franchise consists of advanced wound care products and aesthetic dermal fillers. Overall, dermal product sales decreased 22% for the three-month period ended March 31, 2014 to $188,651, as compared to the same period in 2013. This decrease primarily reflects order timing by our distribution partners. Anika's advanced wound care products treat complex skin wounds ranging from burns to diabetic ulcers, with Hyalomatrix and Hyalofill as lead products. For the full year 2014, we expect revenue from our dermal products to increase from 2013.

Surgical

Our surgical franchise consists of products used to prevent post-surgical adhesions in abdominal-pelvic, spinal, and ear, nose and throat ("ENT") disorders. Sales of our surgical products increased 77% for the three-month period ended March 31, 2014 to $1,752,020, as compared to the same period ended in 2013, due to strong demand for our Hyalobarrier product by our European and Asian partners. For the full year 2014, we expect revenue from our surgical products to increase from 2013.

Ophthalmic

Our ophthalmic franchise consists of HA viscoelastic products used in ophthalmic surgery. Ophthalmic product sales decreased 78% to $208,584 for the three month-period ended March 31, 2014, as compared to the same period in 2013. The decrease was primarily attributable to Bausch & Lomb delaying its contractual minimum purchases until the fourth quarter of 2014. We expect the overall ophthalmic revenue to be lower in 2014, as compared to 2013, under the terms of the current Bausch & Lomb supply agreement.

Veterinary

Veterinary revenue from HYVISC decreased by 40% to $630,000 for the three-month period ended March 31, 2014, as compared to the same period in 2013. The variation was primarily due to order timing by our distribution partner, Boehringer Ingelheim Vetmedica. We continue to look at other veterinary applications and opportunities to expand geographic territories.

Licensing, milestone and contract revenue

Licensing, milestone and contract revenue for the three-month period ended March 31, 2014 was $19,658,882, as compared to $752,522 for the same period in 2013. Revenue for the quarter included a total of $19,652,778 in milestone and contract revenue associated with our U.S. license agreement for MONOVISC. The year-over-year increase primarily consisted of a $17,500,000 milestone payment resulting from the resolution of patent litigation with Genzyme and FDA approval of MONOVISC. It also included the recognition of the remaining unamortized upfront payment previously received in December 2011. These payments are related to development obligations under the license agreement. The FDA's approval of our MONOVISC product during the quarter-ended March 31, 2014 completed the delivery of development obligations under the license agreement, and resulted in the immediate recognition of the $17.5 million milestone payment, as well as the full recognition of prior deferred revenue in the first quarter of 2014.

Product gross profit and margin

Product gross profit for the three months ended March 31, 2014 increased $337,067 to $9,990,386 or 70% of product revenue for the period then ended. The increase in product gross margin for the three-month period ended March 31, 2014, as compared to the same period in 2013, is attributable to more favorable product mix and continued efficiency gains at our Bedford, Massachusetts facility. This quarter's product gross margin may not be indicative of the rest of the year due to dynamics such as the future mix of our product sales.

Research and development

Research and development expenses for the three-month period ended March 31, 2014 increased $704,805 to $2,287,715, or 7% of total revenue. This primarily reflects the early completion of patient enrollment in our phase III Cingal clinical trial during the first quarter of 2014, as compared to the same period ended in 2013. We experienced small phase III CINGAL clinical trial initiation expenses during the first quarter in 2013. Research and development spending is expected to increase in future quarters as we further develop new products based on our existing technology assets.

Selling, general and administrative

Selling, general and administrative ("SG&A") expenses for the three-month period ended March 31, 2014 decreased $456,129 to $3,490,985, or 10% of total revenue, as compared to the same period ended in 2103. The decrease is primarily driven by non-recurring external professional fees and personnel costs in the first quarter of 2013. We expect general and administrative expenses to increase in 2014, as compared to 2013, reflective of the support required to grow our business both domestically and internationally.

Income taxes

Provision for income taxes increased $6,936,918 to $8,840,782 during the three-month period ended March 31, 2014, as compared to the same period ended in 2013. The increase in income taxes was due to increased net income, which reflected $19,652,778 in milestone and contract revenue associated with our U.S. license agreement for MONOVISC. See the previous discussion under *Licensing, milestone and contract revenue*. The provisions for the periods ended March 31, 2014 and 2013 were based on effective tax rates of 37% and 38%, respectively. The decrease in the effective tax rate for the period ended 2014, as compared to the same period ended in 2013, was driven primarily by the tax benefits associated with the increase in production activities combined with the benefits associated with increased stock option exercise activity.

The Company files income tax returns in the U.S. 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. Our 2010 through the present tax years remain subject to examination by the IRS and other taxing authorities for U.S. federal and state tax purposes. The 2009 through the present tax years 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. We have 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, we have not recorded a valuation allowance at March 31, 2014 or December 31, 2013, respectively.

Liquidity and Capital Resources

We require cash to fund our operating expenses and capital expenditures. We expect that our requirements for cash to fund operations 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, meet our cash requirements. Cash and cash equivalents totaled approximately $82.2 million and $63.3 million at March 31, 2014 and December 31, 2013, respectively. Working capital totaled approximately $105.8 million at March 31, 2014 and $85.3 million at December 31, 2013. The Company believes it has adequate financial resources to support its business for the next twelve months.

Cash provided by operating activities was $13,596,657 for the three months ended March 31, 2014 as compared to cash provided by operating activities of $6,068,854 for the same period in the prior year. This increase in cash provided by operations was due primarily to a $17.5 million milestone payment received under the fifteen-year license agreement with DePuy Synthes Mitek Sports Medicine to market MONOVISC in the U.S. This cash inflow is partially offset by an increase in inventory due to anticipated future sales demand.

Cash used in investing activities was $276,513 for the three months ended March 31, 2014 as compared to cash provided by investing activities of $99,805 for the same period in 2013. The increase in cash used in investing activities is the result of higher capital expenditures in the first quarter 2014 compared to 2103, as well as the proceeds received from the sale of property and equipment in the prior year period relating to our reorganization at Anika S.r.l. in the beginning of 2013.

Cash provided by financing activities was $5,504,016 for the three months ended March 31, 2014, as compared to cash provided by financing activities of $761,658 for the same period in 2013. The increase in cash provided by financing activities in the current year period is attributable to the increased tax benefits received in regards to employees' exercise of stock options during the first three months of 2014, as compared to the same period in the prior year.

Critical Accounting Estimates

During the three months ended March 31, 2014, the Company received FDA approval of MONOVISC and the related patent litigation was also resolved. As a result, the Company shortened the estimate of the performance period associated with its development obligations related to the Mitek MONOVISC Agreement. There were no other significant changes in our critical accounting estimates during the three months ended March 31, 2014, 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, 2013.

Recent Accounting Pronouncements

There have been no significant applicable Recent Accounting Pronouncements since our Annual Report on Form 10-K for the fiscal year ended December 31, 2013.

Contractual Obligations and Other Commercial Commitments

We have had no material changes outside the ordinary course to our contractual obligations disclosed in our Annual Report of Form 10-K for the period ended December 31, 2013.

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

The Company does 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

There have been no material changes to our market risks since the date of our Annual Report on Form 10-K for the year ended December 31, 2013.

As of March 31, 2014, we did not utilize any derivative financial instruments, market risk sensitive instruments or other financial and commodity instruments for which fair value disclosure would be required under ASC 825, *Financial Instruments*, and ASC 815, *Derivatives and Hedging*. Our investments consist of money market funds primarily invested in certificates of deposit, commercial paper, U.S. Treasury obligations and repurchase agreements secured by U.S. Treasury obligations that are carried on our books at amortized cost, which approximates fair market value.

Primary Market Risk Exposures

Our primary market risk exposure is in the area of currency rate risk. We have three supplier contracts denominated in foreign currencies. Unfavorable fluctuations in exchange rates would have a negative impact on our financial statements. The impact of changes in currency exchange rates for these supplier contracts on our financial statements was immaterial for the three months ended March 31, 2014. The impact of exchange rates related to the consolidation of the balance sheet amounts for our Anika S.r.l. subsidiary resulted in an unfavorable currency translation adjustment of $26,116 during the first three months of 2014.

Our investment portfolio of cash equivalents is subject to interest rate fluctuations, changes in credit quality of the issuer or otherwise.

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 principal 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 Securities and Exchange Commission rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's 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 quarter ended March 31, 2014 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

On July 7, 2010, Genzyme Corporation filed a complaint against the Company in the United States District Court for the District of Massachusetts seeking unspecified damages and equitable relief. The complaint alleges that the Company has infringed U.S. Patent No. 5,143,724 by manufacturing MONOVISC in the United States for sale outside the United States and will infringe U.S. Patent Nos. 5,143,724 and 5,399,351 if the Company begins manufacture and sale of MONOVISC in the United States. On March 7, 2014 Genzyme and the Company filed a joint motion to lift the stay in Genzyme's lawsuit against the Company and to dismiss with prejudice all of Genzyme's claims. On March 10, 2014, the District Court granted the motion to dismiss with prejudice all of Genzyme's claims against the Company and the case was terminated.

We are also involved in various other legal proceedings arising in the normal course of business. Although the outcomes of these other 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.

ITEM 1A. RISK FACTORS

To our knowledge there have been no material changes to the risk factors described in "Part I., Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013. In addition to the other information set forth below and in this report, you should carefully consider the factors discussed in "Part I, Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2013, 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 6. EXHIBITS

Exhibit No.	Description
(10)	Material Contracts
*10.42	Employment Agreement, dated March 22, 2010, by and between the Company and Sylvia Cheung.
*10.43	Amendment No. 1 to the Employment Agreement by and between the Company and Sylvia Cheung, dated December 8, 2010.
(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, 2014, as filed with the SEC on May 5, 2014, formatted in XBRL (eXtensible Business Reporting Language), as follows: i. Condensed Consolidated Balance Sheets as of March 31, 2014 (unaudited) and December 31, 2013 Condensed Consolidated Statements of Operations and Comprehensive Income for the Three Months Ended March 31, 2014 and ii. March 31, 2013 (unaudited) iii. Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2014 and March 31, 2013 (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 5, 2014

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

Exhibit 10.42

EMPLOYMENT AGREEMENT

This Employment Agreement ("Agreement") is made as of the 22nd day of March, 2010 between Anika Therapeutics, Inc., a Massachusetts corporation (the "Company"), and Sylvia Cheung (the "Executive").

WHEREAS, the Company desires to employ the Executive and the Executive desires to be employed by the Company on the terms contained herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1) Employment. Subject to the provisions of Section 4, the term of this Agreement shall commence on March 22, 2010 and shall remain in effect indefinitely unless terminated pursuant to Section 4. The term of this Agreement may be referred to herein as the "Term."

2) Position and Duties. During the Term, the Executive shall serve as the FAB Integration Director, reporting to the CEO, and shall have responsibility for managing all tasks and schedules associated with the integration of FAB into the Company. Integration responsibilities include managing tasks, through designated functional-area executives, associated with the accounting and budgeting process, the manufacturing operations and the transfer of the production to the U.S., the IT and other infrastructure requirements including the accounting system and the payroll system, the project prioritization and re-aligned organizational structure, and the commercial activities associated with the world-wide distribution of Anika and FAB products. Notwithstanding the foregoing, the executive may engage in religious, charitable or other community activities as long as such services and activities are disclosed to the CEO and do not materially interfere with the Executive's performance of his duties to the Company as provided in this Agreement.

3) Compensation and Related Matters.

a) Base Salary. The Executive's initial annual base salary shall be $185,000. The Executive's base salary shall be reviewed annually by the Board or the Compensation Committee of the Board (the "Compensation Committee"). The base salary in effect at any given time is referred to herein as "Base Salary." The Base Salary shall be payable in substantially equal bi-weekly installments.

b) Incentive Compensation. The Executive shall be eligible to receive cash incentive compensation as approved by the Board or the Compensation Committee from time to time in its sole discretion. The Executive's target annual bonus shall initially be 20% percent of his Base Salary, subject to adjustment in the sole discretion of the Compensation Committee or the Board.

c) Expenses. The Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by him in performing services hereunder during the Term, in accordance with the policies and procedures then in effect and established by the Company for its senior executive officers.

d) Other Benefits. During the Term, the Executive shall be entitled to continue to participate in or receive benefits under all of the Company's Employee Benefit Plans in effect on the date hereof, or under plans or arrangements that provide the Executive with benefits at least substantially equivalent to those provided under such Employee Benefit Plans. As used herein, the term "Employee Benefit Plans" includes, without limitation, each pension and retirement plan; supplemental pension, retirement and deferred compensation plan; savings and profit-sharing plan; stock ownership plan; stock purchase plan; stock option plan; life insurance plan; medical insurance plan; disability plan; and health and accident plan or arrangement established and maintained by the Company on the date hereof for employees of the same status within the hierarchy of the Company. During the Term, the Executive shall be entitled to participate in or receive benefits under any employee benefit plan or arrangement which may, in the future, be made available by the Company to its executives and key management employees, subject to and on a basis consistent with the terms, conditions and overall administration of such plan or arrangement. Any payments or benefits payable to the Executive under a plan or arrangement referred to in this Section 3(d) in respect of any calendar year during which the Executive is employed by the Company for less than the whole of such year shall, unless otherwise provided in the applicable plan or arrangement, be prorated in accordance with the number of days in such calendar year during which he is so employed. Should any such payments or benefits accrue on a fiscal (rather than calendar) year, then the proration in the preceding sentence shall be on the basis of a fiscal year rather than calendar year.

e) Vacations. The Executive shall be entitled to 20 paid vacation days in each calendar year, which shall be accrued ratably during the calendar year. The Executive shall also be entitled to all paid holidays given by the Company to its executives.

4) Termination. The Executive's employment hereunder may be terminated without any breach of this Agreement under the following circumstances:

a) Death. The Executive's employment hereunder shall terminate upon his death.

b) Disability. The Company may terminate the Executive's employment if he is disabled and unable to perform the essential functions of the Executive's then existing position or positions under this Agreement with or without reasonable accommodation for a period of 180 days (which need not be consecutive) in any 12-month period. If any question shall arise as to whether during any period the Executive is disabled so as to be unable to perform the essential functions of the Executive's then existing position or positions with or without reasonable accommodation, the Executive may, and at the request of the Company shall, submit to the Company a certification in reasonable detail by a physician selected by the Company to whom the Executive or the Executive's guardian has no reasonable objection as to whether the Executive is so disabled or how long such disability is expected to continue, and such certification shall for the purposes of this Agreement be conclusive of the issue. The Executive shall cooperate with any reasonable request of the physician in connection with such certification. If such question shall arise and the Executive shall fail to submit such certification, the Company's determination of such issue shall be binding on the Executive. Nothing in this Section 4(b) shall be construed to waive the Executive's rights, if any, under existing law including, without limitation, the Family and Medical Leave Act of 1993, 29 U.S.C. §2601 *et seq*. and the Americans with Disabilities Act, 42 U.S.C. §12101 *et seq*.

c) Termination by Company for Cause. At any time during the Term, the Company may terminate the Executive's employment hereunder for Cause if at a meeting of the Board called and held for such purpose, a majority of the Board, exclusive of the Executive, determines in good faith that the Executive is guilty of conduct that constitutes "Cause" as defined herein. For purposes of this Agreement, "Cause" shall mean: (i) conduct by the Executive constituting a material act of willful misconduct in connection with the performance of his duties, including, without limitation, misappropriation of funds or property of the Company or any of its subsidiaries or affiliates other than the occasional, customary and de minimis use of Company property for personal purposes; (ii) the commission by the Executive of any felony or a misdemeanor involving moral turpitude, deceit, dishonesty or fraud, or any conduct by the Executive that would reasonably be expected to result in material injury to the Company or any of its subsidiaries and affiliates if he were retained in his position; (iii) continued, willful and deliberate non-performance by the Executive of his duties hereunder (other than by reason of the Executive's physical or mental illness, incapacity or disability) which has continued for more than 30 days following written notice of such non-performance from the CEO or the Board; (iv) a breach by the Executive of any of the provisions contained in Section 8 of this Agreement; (v) a violation by the Executive of the Company's employment policies which has continued following written notice of such violation from the CEO or the Board, or (vi) willful failure to cooperate with a bona fide internal investigation or an investigation by regulatory or law enforcement authorities, after being instructed by the Company to cooperate, or the willful destruction or failure to preserve documents or other materials known to be relevant to such investigation or the willful inducement of others to fail to cooperate or to produce documents or other materials in connection with such investigation. For purposes of clauses (i), (iii) or (vi) hereof, no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive without reasonable belief that the Executive's act or failure to act, was in the best interest of the Company and its subsidiaries and affiliates.

d) Termination Without Cause. At any time during the Term, the Company may terminate the Executive's employment hereunder without Cause. Any termination by the Company of the Executive's employment under this Agreement which does not constitute a termination for Cause under Section 4(c) and does not result from the death or disability of the Executive under Section 4(a) or (b) shall be deemed a termination without Cause.

e) Termination by the Executive. At any time during the Term, the Executive may terminate his employment hereunder for any reason, including but not limited to Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Executive has complied with the "Good Reason Process" (hereinafter defined) following the occurrence of any of the following events: (i) a material diminution in the Executive's responsibilities, authority or duties; (ii) a material diminution in the Executive's Base Salary except for across-the-board salary reductions based on the Company's financial performance similarly affecting all or substantially all senior management employees of the Company; (iii) a material change in the geographic location at which the Executive provides services to the Company; or (iv) the material breach of this Agreement by the Company. "Good Reason Process" shall mean that (i) the Executive reasonably determines in good faith that a "Good Reason" condition has occurred; (ii) the Executive notifies the Company in writing of the occurrence of the Good Reason condition within 60 days of the occurrence of such condition; (iii) the Executive cooperates in good faith with the Company's efforts, for a period not less than 30 days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist; and (v) the Executive terminates his employment within 60 days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, Good Reason shall be deemed not to have occurred.

f) Notice of Termination. Except for termination as specified in Section 4(a), any termination of the Executive's employment by the Company or any such termination by the Executive shall be communicated by written Notice of Termination to the other party hereto. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which shall indicate the specific termination provision in this Agreement relied upon.

g) Date of Termination. "Date of Termination" shall mean: (i) if the Executive's employment is terminated by his death, the date of his death; (ii) if the Executive's employment is terminated on account of disability under Section 4(b) or by the Company for Cause under Section 4(c), the date on which Notice of Termination is given; (iii) if the Executive's employment is terminated by the Company under Section 4(d), 30 days after the date on which a Notice of Termination is given; (iv) if the Executive's employment is terminated by the Executive under Section 4(e) without Good Reason, 30 days after the date on which a Notice of Termination is given, and (v) if the Executive's employment is terminated by the Executive under Section 4(e) with Good Reason, the date on which a Notice of Termination is given after the end of the Cure Period. Notwithstanding the foregoing, in the event that the Executive gives a Notice of Termination to the Company, the Company may unilaterally accelerate the Date of Termination and such acceleration shall not result in a termination by the Company for purposes of this Agreement.

5) Compensation Upon Termination.

a) Termination Generally. If the Executive's employment with the Company is terminated for any reason during the Term, the Company shall pay or provide to the Executive (or to his authorized representative or estate) any earned but unpaid base salary, incentive compensation earned but not yet paid, unpaid expense reimbursements, accrued but unused vacation and any vested benefits the Executive may have under any employee benefit plan of the Company (the "Accrued Benefit") within 30 days of the Executive's Date of Termination.

b) Termination by the Company Without Cause or by the Executive with Good Reason. If the Executive's employment is terminated by the Company without Cause as provided in Section 4(d), or the Executive terminates his employment for Good Reason as provided in Section 4(e), then the Company shall, through the Date of Termination, pay the Executive his Accrued Benefit. If the Executive signs a general release of claims in a form and manner satisfactory to the Company (the "Release") within 45 days of the receipt of the Release and does not revoke such Release during the seven day revocation period,

i) the Company shall pay the Executive an amount equal to the Executive's Base Salary for the current fiscal year (the "Severance Amount"). The Severance Amount shall be paid out in substantially equal installments in accordance with the Company's payroll practice over 12 months, beginning on the first payroll date after the Date of Termination or expiration of the seven-day revocation period for the Release, if later. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), each installment payment is considered a separate payment. Notwithstanding the foregoing, if the Executive breaches any of the provisions contained in Section 8 of this Agreement, all payments of the Severance Amount shall immediately cease; and

ii) subject to the Executive's copayment of premium amounts at the active employees' rate, the Executive may continue to participate in the Company's group health, dental and vision program for 12 months; provided, however, that the continuation of health benefits under this Section shall reduce and count against the Executive's rights under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA").

6) Change in Control Payment. The provisions of this Section 6 set forth certain terms of an agreement reached between the Executive and the Company regarding the Executive's rights and obligations upon the occurrence of a Change in Control of the Company, as defined herein. These provisions are intended to assure and encourage in advance the Executive's continued attention and dedication to his assigned duties and his objectivity during the pendency and after the occurrence of any such event. These provisions shall apply in lieu of, and expressly supersede, the provisions of Section 5(b) regarding severance pay and benefits upon a termination of employment, if such termination of employment occurs within 3 months prior to or 12 months after the occurrence of the first event constituting a Change in Control, provided that such first event occurs during the Term. These provisions shall terminate and be of no further force or effect beginning 12 months after the occurrence of a Change in Control, in which case the provisions of Section 5(b) shall once again become applicable.

a) Change in Control. (i) If within 3 months prior to or 12 months after a Change in Control, the Executive's employment is terminated by the Company without Cause as provided in Section 4(d) or the Executive terminates his employment for Good Reason as provided in Section 4(e), then

(1) Subject to the signing of the Release by the Executive within 45 days of the receipt of the Release and not revoking the Release during the seven day revocation period, the Company shall pay the Executive a lump sum in cash in an amount equal to 1½ times the sum of (A) the Executive's current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher) plus (B) the Executive's target annual bonus for the current fiscal year (or if higher, the target annual bonus for the fiscal year immediately prior to the Change in Control) on the first payroll date following the Date of Termination or the expiration of the seven-day revocation period for the Release, if later; and

(2) Subject to the Executive's copayment of premium amounts at the active employees' rate, the Executive may continue to participate in the Company's group health, dental and vision program for 18 months; provided, however, that the continuation of health benefits under this Section shall reduce and count against the Executive's rights under COBRA.

(ii) Notwithstanding anything to the contrary in any applicable option agreement or stock-based award agreement, upon the occurrence of a Change in Control, all stock options and other stock-based awards held by the Executive shall immediately accelerate and become fully exercisable or nonforfeitable as of the effective date of such Change in Control.

(iii) Notwithstanding anything to the contrary in this Agreement, it is expressly understood by the parties hereto that so long as the Executive retains primary management responsibilities for the business conducted by the Company immediately prior to a Change in Control, "Good Reason" shall not exist under Section 4(e)(i).

b) Gross-Up Payment.

(i) Anything in this Agreement to the contrary notwithstanding, in the event that any compensation, payment or distribution by the Company to or for the benefit of the Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Severance Payments"), would be subject to the excise tax imposed by Section 4999 of the Code, the following provisions shall apply:

(A) If the Severance Payments, reduced by the sum of (1) the Excise Tax (as defined below) and (2) the total of the Federal, state, and local income and employment taxes payable by the Executive on the amount of the Severance Payments which are in excess of the Threshold Amount (as defined below), are greater than or equal to the Threshold Amount, the Executive shall be entitled to the full benefits payable under this Agreement.

(B) If the Threshold Amount is less than (x) the Severance Payments, but greater than (y) the Severance Payments reduced by the sum of (1) the Excise Tax and (2) the total of the Federal, state, and local income and employment taxes on the amount of the Severance Payments which are in excess of the Threshold Amount, then the benefits payable under this Agreement shall be reduced (but not below zero) to the extent necessary so that the sum of all Severance Payments shall not exceed the Threshold Amount. In such event, the Severance Payments shall be reduced in the following order: (1) cash payments subject to Section 409A of the Code; (2) cash payments not subject to Section 409A of the Code; (3) equity-related payments or acceleration; and (4) non-cash forms of benefits. To the extent any payment is to be made over time (e.g., in installments, etc.), then the payments shall be reduced in reverse chronological order.

(ii) For the purposes of this Section 6(b), "Threshold Amount" shall mean three times the Executive's "base amount" within the meaning of Section 280G(b)(3) of the Code and the regulations promulgated thereunder less one dollar ($1.00); and "Excise Tax" shall mean the excise tax imposed by Section 4999 of the Code, and any interest or penalties incurred by the Executive with respect to such excise tax.

(iii) The determination as to which of the alternative provisions of Section 6(b)(i) shall apply to the Executive shall be made by a nationally recognized accounting firm selected by the Company (the "Accounting Firm"), which shall provide detailed supporting calculations both to the Company and the Executive within 15 business days of the Date of Termination, if applicable, or at such earlier time as is reasonably requested by the Company or the Executive. For purposes of determining which of the alternative provisions of Section 6(b)(i) shall apply, the Executive shall be deemed to pay federal income taxes at the highest marginal rate of federal income taxation applicable to individuals for the calendar year in which the determination is to be made, and state and local income taxes at the highest marginal rates of individual taxation in the state and locality of the Executive's residence on the Date of Termination, net of the maximum reduction in federal income taxes which could be obtained from deduction of such state and local taxes. Any determination by the Accounting Firm shall be binding upon the Company and the Executive.

c) Definitions. For purposes of this Section 6, the following terms shall have the following meanings:

"Change in Control" shall mean any of the following:

i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Act") (other than the Company, any of its subsidiaries, or any trustee, fiduciary or other person or entity holding securities under any employee benefit plan or trust of the Company or any of its subsidiaries), together with all "affiliates" and "associates" (as such terms are defined in Rule 12b-2 under the Act) of such person, shall become the "beneficial owner" (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, of securities of the Company representing more than 50 percent of the combined voting power of the Company's then outstanding securities having the right to vote in an election of the Board ("Voting Securities") (in such case other than as a result of an acquisition of securities directly from the Company); or

ii) the date a majority of the members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board before the date of the appointment or election; or

iii) the consummation of (A) any consolidation or merger of the Company where the stockholders of the Company, immediately prior to the consolidation or merger, would not, immediately after the consolidation or merger, beneficially own (as such term is defined in Rule 13d-3 under the Act), directly or indirectly, shares representing in the aggregate more than 50 percent of the voting shares of the Company issuing cash or securities in the consolidation or merger (or of its ultimate parent corporation, if any), or (B) any sale or other transfer (in one transaction or a series of transactions contemplated or arranged by any party as a single plan) of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a "Change in Control" shall not be deemed to have occurred for purposes of the foregoing clause (i) solely as the result of an acquisition of securities by the Company which, by reducing the number of shares of Voting Securities outstanding, increases the proportionate number of Voting Securities beneficially owned by any person to more than 50 percent of the combined voting power of all of the then outstanding Voting Securities; provided, however, that if any person referred to in this sentence shall thereafter become the beneficial owner of any additional shares of Voting Securities (other than pursuant to a stock split, stock dividend, or similar transaction or as a result of an acquisition of securities directly from the Company) and immediately thereafter beneficially owns more than 50 percent of the combined voting power of all of the then outstanding Voting Securities, then a "Change in Control" shall be deemed to have occurred for purposes of the foregoing clause (i).

7) Section 409A.

a) Anything in this Agreement to the contrary notwithstanding, if at the time of the Executive's separation from service within the meaning of Section 409A of the Code, the Company determines that the Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code, then to the extent any payment or benefit that the Executive becomes entitled to under this Agreement would be considered deferred compensation subject to the 20 percent additional tax imposed pursuant to Section 409A(a) of the Code as a result of the application of Section 409A(a)(2)(B)(i) of the Code, such payment shall not be payable and such benefit shall not be provided until the date that is the earlier of (A) six months and one day after the Executive's separation from service, or (B) the Executive's death. If any such delayed cash payment is otherwise payable on an installment basis, the first payment shall include a catch-up payment covering amounts that would otherwise have been paid during the six-month period but for the application of this provision, and the balance of the installments shall be payable in accordance with their original schedule. Any such delayed cash payment shall earn interest at an annual rate equal to the applicable federal short-term rate published by the Internal Revenue Service for the month in which the date of separation from service occurs, from such date of separation from service until the payment.

b) The parties intend that this Agreement will be administered in accordance with Section 409A of the Code. To the extent that any provision of this Agreement is ambiguous as to its compliance with Section 409A of the Code, the provision shall be read in such a manner so that all payments hereunder comply with Section 409A of the Code. The parties agree that this Agreement may be amended, as reasonably requested by either party, and as may be necessary to fully comply with Section 409A of the Code and all related rules and regulations in order to preserve the payments and benefits provided hereunder without additional cost to either party.

c) The determination of whether and when a separation from service has occurred shall be made in accordance with the presumptions set forth in Treasury Regulation Section 1.409A-1(h).

d) The Company makes no representation or warranty and shall have no liability to the Executive or any other person if any provisions of this Agreement are determined to constitute deferred compensation subject to Section 409A of the Code but do not satisfy an exemption from, or the conditions of, such Section.

8) Confidential Information, Noncompetition and Cooperation.

a) Confidential Information. As used in this Agreement, "Confidential Information" means information belonging to the Company which is of value to the Company in the course of conducting its business and the disclosure of which could result in a competitive or other disadvantage to the Company. Confidential Information includes, without limitation, financial information, reports, and forecasts; inventions, improvements and other intellectual property; trade secrets; know-how; designs, processes or formulae; software; market or sales information or plans; customer lists; and business plans, prospects and opportunities (such as possible acquisitions or dispositions of businesses or facilities) which have been discussed or considered by the management of the Company. Confidential Information includes information developed by the Executive in the course of the Executive's employment by the Company, as well as other information to which the Executive may have access in connection with the Executive's employment. Confidential Information also includes the confidential information of others with which the Company has a business relationship. Notwithstanding the foregoing, Confidential Information does not include information in the public domain, unless due to breach of the Executive's duties under Section 8(b).

b) Confidentiality. The Executive understands and agrees that the Executive's employment creates a relationship of confidence and trust between the Executive and the Company with respect to all Confidential Information. At all times, both during the Executive's employment with the Company and after its termination, the Executive will keep in confidence and trust all such Confidential Information, and will not use or disclose any such Confidential Information without the written consent of the Company, except as may be necessary in the ordinary course of performing the Executive's duties to the Company.

c) Assignment of Inventions. The Executive understands that the Company is now and may hereafter be subject to non-disclosure or confidentiality agreements with third persons which require the Company to protect or refrain from use of Confidential Information. The Executive agrees to be bound by the terms of such agreements in the event the Executive has access to such Confidential Information.

d) Developments.

i) The Executive will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, graphics or images, and audio or visual works and other works of authorship (collectively "Developments"), whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by him (alone or jointly with others) or under his direction during the period of his employment. The Executive acknowledges that all work performed by him is on a "work for hire" basis, and the Executive does hereby assign and transfer and, to the extent any such assignment cannot be made at present, will assign and transfer, to the Company and its successors and assigns all his right, title and interest in all Developments that (a) relate to the business of the Company or any customer of or supplier to the Company or any of the products or services being researched, developed, manufactured or sold by the Company or which may be used with such products or services; or (b) result from tasks assigned to him by the Company; or (c) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company ("Company-Related Developments"), and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, and other intellectual property rights in all countries and territories worldwide and under any international conventions ("Intellectual Property Rights").

ii) To preclude any possible uncertainty, the Executive has set forth on Exhibit A attached hereto a complete list of Developments that he has, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of his employment with the Company that he considers to be his property or the property of third parties and that he wishes to have excluded from the scope of this Agreement ("Prior Inventions"). If disclosure of any such Prior Invention would cause him to violate any prior confidentiality agreement, he understands that he is not to list such Prior Inventions in Exhibit A but is only to disclose a cursory name for each such invention, a listing of the party(ies) to whom it belongs and the fact that full disclosure as to such inventions has not been made for that reason. The Executive has also listed on Exhibit A all patents and patent applications in which he is named as an inventor, other than those which have been assigned to the Company ("Other Patent Rights"). If no such disclosure is attached, the Executive represents that there are no Prior Inventions or Other Patent Rights. If, in the course of his employment with the Company, he incorporates a Prior Invention into a Company product, process or machine or other work done for the Company, the Executive hereby grants to the Company a nonexclusive, royalty-free, paid-up, irrevocable, worldwide license (with the full right to sublicense) to make, have made, modify, use, sell, offer for sale and import such Prior Invention. Notwithstanding the foregoing, the Executive will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company's prior written consent.

iii) This Agreement does not obligate the Executive to assign to the Company any Development which, in the sole judgment of the Company, reasonably exercised, is developed entirely on the Executive's own time and does not relate to the business efforts or research and development efforts in which, during the period of his employment, the Company actually is engaged or reasonably would be engaged, and does not result from the use of premises or equipment owned or leased by the Company. However, the Executive will also promptly disclose to the Company any such Developments for the purpose of determining whether they qualify for such exclusion. The Executive understands that to the extent this Agreement is required to be construed in accordance with the laws of any state which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this paragraph will be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. The Executive also hereby waives all claims to any moral rights or other special rights which the Executive may have or accrue in any Company-Related Developments.

e) Enforcement of Intellectual Property Rights. The Executive will cooperate fully with the Company, both during and after his employment with the Company, with respect to the procurement, maintenance and enforcement of Intellectual Property Rights in Company-Related Developments. The Executive will sign, both during and after the term of this Agreement, all papers, including without limitation copyright applications, patent applications, declarations, oaths, assignments of priority rights, and powers of attorney, which the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development. If the Company is unable, after reasonable effort, to secure the Executive's signature on any such papers, the Executive hereby irrevocably designates and appoints each officer of the Company as his agent and attorney-in-fact to execute any such papers on his behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development.

f) Documents, Records, etc. All documents, records, data, apparatus, equipment and other physical property, whether or not pertaining to Confidential Information, which are furnished to the Executive by the Company or are produced by the Executive in connection with the Executive's employment will be and remain the sole property of the Company. The Executive will return to the Company all such materials and property as and when requested by the Company. In any event, the Executive will return all such materials and property immediately upon termination of the Executive's employment for any reason. The Executive will not retain with the Executive any such material or property or any copies thereof after such termination.

g) Noncompetition and Nonsolicitation. During the Term and for 12 months thereafter, the Executive (i) will not, directly or indirectly, whether as owner, partner, shareholder, consultant, agent, employee, co-venturer or otherwise, engage, participate, assist or invest in any Competing Business (as hereinafter defined); (ii) will refrain from directly or indirectly employing, attempting to employ, recruiting or otherwise soliciting, inducing or influencing any person to leave employment with the Company (other than terminations of employment of subordinate employees undertaken in the course of the Executive's employment with the Company); and (iii) will refrain from directly or indirectly calling upon, soliciting or encouraging any customer, potential customer or supplier to terminate or otherwise modify adversely its business relationship with the Company. The Executive understands that the restrictions set forth in this Section 8(g) are intended to protect the Company's interest in its Confidential Information and established employee, customer and supplier relationships and goodwill, and agrees that such restrictions are reasonable and appropriate for this purpose. For purposes of this Agreement, the term "Competing Business" shall mean a business conducted anywhere in the world which develops, manufactures or markets any products, or performs any services that are competitive with or similar to the products or services of the Company or the products and services that the Company has under development or that are the subject of active planning at any time during the employment of the Executive. Notwithstanding the foregoing, the Executive may own up to one percent (1%) of the outstanding stock of a publicly held corporation which constitutes or is affiliated with a Competing Business.

h) Third-Party Agreements and Rights. The Executive hereby confirms that the Executive is not bound by the terms of any agreement with any previous employer or other party which restricts in any way the Executive's use or disclosure of information or the Executive's engagement in any business. The Executive represents to the Company that the Executive's execution of this Agreement, the Executive's employment with the Company and the performance of the Executive's proposed duties for the Company will not violate any obligations the Executive may have to any such previous employer or other party. In the Executive's work for the Company, the Executive will not disclose or make use of any information in violation of any agreements with or rights of any such previous employer or other party, and the Executive will not bring to the premises of the Company any copies or other tangible embodiments of non-public information belonging to or obtained from any such previous employment or other party.

i) Litigation and Regulatory Cooperation. During and after the Executive's employment, the Executive shall cooperate fully with the Company in the defense or prosecution of any claims or actions now in existence or which may be brought in the future against or on behalf of the Company which relate to events or occurrences that transpired while the Executive was employed by the Company. The Executive's full cooperation in connection with such claims or actions shall include, but not be limited to, being available to meet with counsel to prepare for discovery or trial and to act as a witness on behalf of the Company at mutually convenient times. During and after the Executive's employment, the Executive also shall cooperate fully with the Company in connection with any investigation or review of any federal, state or local regulatory authority as any such investigation or review relates to events or occurrences that transpired while the Executive was employed by the Company. The Company shall reimburse the Executive for any reasonable out-of-pocket expenses incurred in connection with the Executive's performance of obligations pursuant to this Section 8(i).

j) Injunction. The Executive agrees that it would be difficult to measure any damages caused to the Company which might result from any breach by the Executive of the promises set forth in this Section 8, and that in any event money damages would be an inadequate remedy for any such breach. Accordingly, subject to Section 9 of this Agreement, the Executive agrees that if the Executive breaches, or proposes to breach, any portion of this Agreement, the Company shall be entitled, in addition to all other remedies that it may have, to an injunction or other appropriate equitable relief to restrain any such breach without showing or proving any actual damage to the Company.

9) Arbitration of Disputes. Any controversy or claim arising out of or relating to this Agreement or the breach thereof or otherwise arising out of the Executive's employment or the termination of that employment (including, without limitation, any claims of unlawful employment discrimination whether based on age or otherwise) shall, to the fullest extent permitted by law, be settled by arbitration in any forum and form agreed upon by the parties or, in the absence of such an agreement, under the auspices of the American Arbitration Association ("AAA") in Boston, Massachusetts in accordance with the Employment Dispute Resolution Rules of the AAA, including, but not limited to, the rules and procedures applicable to the selection of arbitrators. In the event that any person or entity other than the Executive or the Company may be a party with regard to any such controversy or claim, such controversy or claim shall be submitted to arbitration subject to such other person or entity's agreement. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. This Section 9 shall be specifically enforceable. Notwithstanding the foregoing, this Section 9 shall not preclude either party from pursuing a court action for the sole purpose of obtaining a temporary restraining order or a preliminary injunction in circumstances in which such relief is appropriate; provided that any other relief shall be pursued through an arbitration proceeding pursuant to this Section 9.

10) Consent to Jurisdiction. To the extent that any court action is permitted consistent with or to enforce Section 9 of this Agreement, the parties hereby consent to the jurisdiction of the Superior Court of the Commonwealth of Massachusetts and the United States District Court for the District of Massachusetts. Accordingly, with respect to any such court action, the Executive (a) submits to the personal jurisdiction of such courts; (b) consents to service of process; and (c) waives any other requirement (whether imposed by statute, rule of court, or otherwise) with respect to personal jurisdiction or service of process.

11) Integration. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements including, but not limited to that certain Employment Letter dated April 27, 2009 (the "Employment Letter").

12) Withholding. All payments made by the Company to the Executive under this Agreement shall be net of any tax or other amounts required to be withheld by the Company under applicable law.

13) Successor to the Executive. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal representatives, executors, administrators, heirs, distributees, devisees and legatees. In the event of the Executive's death after his termination of employment but prior to the completion by the Company of all payments due him under this Agreement, the Company shall continue such payments to the Executive's beneficiary designated in writing to the Company prior to his death (or to his estate, if the Executive fails to make such designation).

14) Enforceability. If any portion or provision of this Agreement (including, without limitation, any portion or provision of any section of this Agreement) shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

15) Waiver. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of any party to require the performance of any term or obligation of this Agreement, or the waiver by any party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach.

16) Notices. Any notices, requests, demands and other communications provided for by this Agreement shall be sufficient if in writing and delivered in person or sent by a nationally recognized overnight courier service or by registered or certified mail, postage prepaid, return receipt requested, to the Executive at the last address the Executive has filed in writing with the Company or, in the case of the Company, at its main offices, attention of the Board.

17) Amendment. This Agreement may be amended or modified only by a written instrument signed by the Executive and by a duly authorized representative of the Company.

18) Governing Law. This is a Massachusetts contract and shall be construed under and be governed in all respects by the laws of the Commonwealth of Massachusetts, without giving effect to the conflict of laws principles of such Commonwealth. With respect to any disputes concerning federal law, such disputes shall be determined in accordance with the law as it would be interpreted and applied by the United States Court of Appeals for the First Circuit.

19) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be taken to be an original; but such counterparts shall together constitute one and the same document.

20) Successor to Company. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company expressly to assume and agree to perform this Agreement to the same extent that the Company would be required to perform it if no succession had taken place. Failure of the Company to obtain an assumption of this Agreement at or prior to the effectiveness of any succession shall be a material breach of this Agreement.

21) Gender Neutral. Wherever used herein, a pronoun in the masculine gender shall be considered as including the feminine gender unless the context clearly indicates otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date and year first above written.

ANIKA THERAPEUTICS, INC.

By: /s/ Charles H. Sherwood, Ph.D.
Its: President and Chief Executive Officer

EXECUTIVE

/s/ Sylvia Cheung
Sylvia Cheung

Exhibit A

To: Anika Therapeutics, Inc.

From: _____

Date: _____

SUBJECT: **Prior Inventions**

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment by the Company that have been made or conceived or first reduced to practice by me alone or jointly with others prior to my engagement by the Company:

☐ No inventions or improvements

☐ See below:

_____

_____

_____

☐ Additional sheets attached

The following is a list of all patents and patent applications in which I have been named as an inventor:

☐ None

☐ See below:

_____

_____

_____

Exhibit 10.43

AMENDMENT NO. 1
TO
EMPLOYMENT AGREEMENT

THIS AMENDMENT NO. 1 ("Amendment No. 1") to the EMPLOYMENT AGREEMENT (the "Agreement") by and between Sylvia Cheung (the "Executive") and Anika Therapeutics, Inc., a Massachusetts corporation (the "Corporation"), dated as of March 22, 2010, is made this 8th day of December, 2010.

RECITALS

WHEREAS the Corporation and the Executive are parties to the Agreement;

AND WHEREAS, the Corporation and the Executive desire to amend the Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 5(b)(i) of the Agreement is hereby amended in its entirety, so that as amended such Section shall read as follows:

"(i) The Company shall pay the Executive an amount equal to the Executive's Base Salary for the current fiscal year (the 'Severance Amount'). The Severance Amount shall be paid out in substantially equal installments in accordance with the Company's payroll practice over 12 months, beginning within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Severance Amount will commence to be paid in the second calendar year. Solely for purposes of Section 409A of the Internal Revenue Code of 1986, as amended (the 'Code'), each installment payment is considered a separate payment. Notwithstanding the foregoing, if the Executive breaches any of the provisions contained in Section 8 of this Agreement, all payments of the Severance Amount shall immediately cease."

2. Section 6(a)(i)(A) of the Agreement is hereby amended in its entirety, so that as amended such Section shall read as follows:

"(A) Subject to the signing of the Release by the Executive within 45 days of the receipt of the Release and not revoking the Release during the seven day revocation period, the Company shall pay the Executive an amount (the 'Change in Control Severance Amount') equal to 1½ times the sum of (A) the Executive's current Base Salary (or the Executive's Base Salary in effect immediately prior to the Change in Control, if higher) plus (B) the Executive's target annual bonus for the current fiscal year (or if higher, the target annual bonus for the fiscal year immediately prior to the Change in Control). The Change of Control Severance Amount shall commence to be paid within 60 days after the Date of Termination; provided, however, that if the 60-day period begins in one calendar year and ends in a second calendar year, the Change in Control Severance Amount will commence to be paid in the second calendar year. If the Date of Termination occurs prior to a Change in Control, payment shall be made in equal installments in accordance with the Company's payroll practice over 18 months, but amounts shall be increased after the Change in Control to reflect the higher level of severance provided by this Section 6. If the Date of Termination occurs after a Change in Control, payment shall be made in a lump sum."

3. Except as set forth above, all terms of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF the parties have executed this Amendment No. 1.

ANIKA THERAPEUTICS, INC.

BY: /s/ Charles H. Sherwood, Ph.D.
President and Chief Executive Officer

/s/ Sylvia Cheung
Sylvia Cheung

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, 2014 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 5, 2014

/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, 2014 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 5, 2014

/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 5, 2014

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

Date: May 5, 2014

/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.