



**ANADYS ANNOUNCES TWO ANA598 PRESENTATIONS  
TO BE MADE AT THE EASL ANNUAL MEETING IN APRIL**

**SAN DIEGO, March 29, 2010** – Anadys Pharmaceuticals, Inc. today announced that two presentations related to ANA598, the Company’s non-nucleoside polymerase inhibitor in Phase II development for the treatment of hepatitis C, are scheduled for the 45<sup>th</sup> Annual Meeting of the European Association for the Study of the Liver (EASL) in Vienna, Austria, April 14-18, 2010.

**Late-Breaker Poster Presentation on ANA598 Phase II Clinical Data:**

“Safety and Antiviral Activity of ANA598 in Combination with Pegylated Interferon alpha-2A Plus Ribavirin in Treatment-Naïve Genotype 1 Chronic HCV Patients”; April 15, 2010.

Anadys will present preliminary antiviral response and safety results from its ongoing Phase II study of ANA598 in HCV patients, in which ANA598 is being dosed for 12 weeks in combination with pegylated interferon and ribavirin (SOC). For the group receiving ANA598 at 400 mg twice-daily (bid) plus SOC, antiviral response and safety data through eight weeks will be presented, which data further confirm the profile demonstrated for ANA598 at 200 mg bid. Antiviral response and safety data for the complete control group receiving placebo plus SOC will also be updated through eight weeks. Data through 12 weeks will be presented for the group that received ANA598 200 mg bid plus SOC.

**Poster Presentation on ANA598 Preclinical Data:**

“Enhanced *In Vitro* Antiviral Activity of ANA598 in Combination with Other Anti-HCV Agents Support Combination Treatment”; April 16, 2010.

Anadys will present preclinical data showing enhanced activity and suppression of resistance when ANA598 is combined *in vitro* with other anti-HCV agents.

The abstracts for both presentations can be accessed through the EASL website at [www.easl.ch](http://www.easl.ch).

**Phase II Combination Study**

In the ongoing Phase II study, treatment-naïve genotype 1 patients are to receive ANA598 or placebo in combination with Pegasys® (peginterferon alfa-2a) and Copegus® (ribavirin, USP) for 12 weeks at dose levels of 200 mg bid or 400 mg bid, each with a loading dose of 800 mg bid on day one. After week 12, patients are to continue receiving SOC. Patients who achieve undetectable levels of virus at weeks 4 and 12 will be randomized to stop all treatment at week 24 or 48. The primary endpoint of the study is the proportion of patients who achieve undetectable levels of virus at week 12 (defined as complete Early Virological Response, or cEVR). Additional endpoints include safety and tolerability as well as the proportion of patients with undetectable levels of virus at week 4 (defined as Rapid Virological Response, or RVR). Patients will be followed for 24 weeks after stopping therapy to determine the rate of Sustained Virological Response, or SVR. Approximately 90 patients have been enrolled in this study – with approximately 30 patients receiving ANA598 plus SOC at each dose level and 30 patients receiving placebo plus SOC. The study is being managed by the Duke Clinical Research Institute

(DCRI) under the leadership of John McHutchison, M.D. and is being conducted at a number of clinical sites in the United States.

### **About ANA598**

ANA598 is a non-nucleoside inhibitor of the HCV RNA polymerase and is wholly owned by Anadys. Anadys has completed three Phase I clinical studies of ANA598 that have demonstrated potent antiviral activity and good tolerability. In a monotherapy study in treatment-naïve genotype 1 patients, treatment with ANA598 for three days led to median end-of-treatment declines in viral load ranging from 2.4 to 2.9 log<sub>10</sub> in three separate dose groups. No patient at any dose level showed evidence of viral rebound while on ANA598, and there were no serious adverse events. Those patients from the monotherapy study who subsequently received pegylated interferon and ribavirin all exhibited further viral load decline, demonstrating that viral variants revealed by brief treatment with ANA598 remain susceptible to current SOC, consistent with prior *in vitro* results.

Anadys has completed two long-term chronic toxicology studies of ANA598 (26 weeks duration in rats and 39 weeks duration in monkeys). The No Observed Adverse Effect Level, or NOAEL, is 1000 mg/kg, the highest dose tested, in both the rat and monkey. The completed toxicology studies support the ongoing Phase II clinical study as well as future clinical studies of longer duration.

Anadys has presented *in vitro* data supporting the use of ANA598 in combination with interferon-alpha as well as with direct antivirals currently in development. In particular, data has shown that ANA598 is synergistic *in vitro* with interferon-alpha as well as representative HCV protease and polymerase inhibitors. *In vitro* combination treatment at clinically relevant concentrations of interferon-alpha and ANA598 results in clearance of HCV RNA from cells rather than selection of resistant isolates. Furthermore, ANA598 retains full activity *in vitro* against mutations conferring resistance to protease inhibitors, nucleoside polymerase inhibitors and non-nucleoside polymerase inhibitors that act at binding sites distinct from that of ANA598, while protease and nucleoside polymerase inhibitors retain full activity *in vitro* against mutations conferring resistance to ANA598.

ANA598 has received Fast Track Status from the FDA for the treatment of chronic hepatitis C.

### **Safe Harbor Statement**

Statements in this press release that are not strictly historical in nature constitute "forward-looking statements." Such statements include, but are not limited to, references to the profile of ANA598 based on preclinical and clinical trial data to date and the ability for patients to achieve an SVR in the Phase II combination study. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause Anadys' actual results to be materially different from historical results or from any results expressed or implied by such forward-looking statements. For example, the results of preclinical and early clinical studies may not be predictive of future results, and Anadys cannot provide any assurances that ANA598 will not have unforeseen safety issues, will have favorable results in ongoing or future clinical trials or will receive regulatory approval. In addition, Anadys' results may be affected by competition from other biotechnology and pharmaceutical companies, its effectiveness at managing its financial resources, its ability to enter into transactions around its product candidates, its ability to successfully develop and market products, difficulties or delays in its preclinical studies or clinical trials, difficulties or delays in manufacturing its clinical trials materials, the scope and validity of patent protection for its products, regulatory developments and its ability to obtain additional funding to support its operations. Risk factors that may cause actual results to differ

are more fully discussed in Anadys' SEC filings, including Anadys' Form 10-K for the year ended December 31, 2009. All forward-looking statements are qualified in their entirety by this cautionary statement. Anadys is providing this information as of this date and does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

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