

Via Facsimile and U.S. Mail  
Mail Stop 4720

January 27, 2010

Steve Worland, Ph.D.  
President and Chief Executive Officer  
Anadys Pharmaceuticals, Inc.  
3115 Merryfield Row  
San Diego, CA 92121

**Re: Anadys Pharmaceuticals, Inc.  
Form 10-K for the Fiscal Year Ended December 31, 2008  
Filed March 3, 2009  
Schedule 14A filed April 9, 2009  
File Number: 000-50632**

Dear Dr. Worland:

We have reviewed your supplemental response dated January 15, 2010 and have the following comments. In our comments, we ask you to provide us with information to better understand your disclosures. Where a comment requests you to revise disclosure, the information you provide should show us what the revised disclosure will look like and identify the annual or quarterly filing, as applicable, in which you intend to first include it. If you do not believe that revised disclosure is necessary, explain the reason in your response. After reviewing the information provided, we may raise additional comments and/or request that you amend your filings.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filings. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Schedule 14A

Compensation of Executive Officers

Compensation Discussion and Analysis, page 15

Individual Performance and Compensation of the President and CEO, page 18 and  
Compensation Highlights for the other NEOs, page 19

1. We note your response to Comment 3 and reissue the Comment in part. It appears that the individual performance rating achieved by each NEO is based on, among other things, performance against individual objectives. However, your Compensation Discussion and Analysis does not provide a sufficient discussion of the individual objectives that were considered in order to determine each NEO's cash performance bonus in part. Please provide us with draft disclosure for your 2010 proxy statement which describes the individual performance objectives. To the extent that the objectives are quantified, the discussion in your proxy statement should also be quantified. Please also confirm that you will disclose the level of achievement of these objectives.

\* \* \* \*

Please provide us the information requested within 10 business days or tell us when you will provide us with a response. Please furnish a cover letter with your response that keys your response to our comments. Detailed cover letters greatly facilitate our review. Please furnish your letter on EDGAR under the form type label CORRESP.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filings to be certain that the filings includes all information required under the Securities Exchange Act of 1934 and that they have provided all information investors require for an informed investment decision. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comments, please provide, in your letter, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filings;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filings;
- and

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- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filings or in response to our comments on your filings.

Please contact Rose Zukin, Staff Attorney, at (202) 551-3239 with any questions. In this regard, do not hesitate to contact me, at (202) 551-3715.

Sincerely,

Jeffrey P. Riedler  
Assistant Director