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Arrowhead Data Demonstrates RNAi Candidate ARC-520 Silences Hepatitis B Virus

- Single injection induces multi-log repression of viral RNA, proteins, and viral DNA - Long duration of effect lasting over 30 days - Regulatory submissions planned for Q2 2013

PASADENA, Calif. — February 26, 2013 — Arrowhead Research Corporation (NASDAQ: ARWR), a targeted therapeutics company, today announced the publication of data demonstrating multi-log reductions in hepatitis B viral DNA and proteins lasting over 30 days after a single injection in animal models. This suggests that Arrowhead's RNAi-based candidate ARC-520 has the potential to treat chronic hepatitis B virus infection in a fundamentally different manner, with the goal of achieving a functional cure. The paper, entitled "Hepatocyte-targeted RNAi therapeutics for the treatment of chronic hepatitis B virus infection," by Wooddell et al, was published online ahead of print in the journal Molecular Therapy (doi:10.1038/mt.2013.31).

In the publication, Arrowhead scientists describe the use of a novel Dynamic PolyConjugate (DPC) technology to deliver small interfering RNAs (siRNAs) designed against the hepatitis B virus (HBV). This DPC technology incorporates a biodegradable peptide composed of naturally occurring amino acids and a liver-targeted molecule that is co-injected with a cholesterol-conjugated siRNA (chol-siRNA). In proof-of-concept studies, utilization of this DPC to deliver chol-siRNA targeting Factor 7 to non-human primates results in >99% knockdown of target gene expression and >80% knockdown for over one month after a single injection. Multi-dose studies in mice showed no diminution of knockdown activity or toxicity upon repeated injection at therapeutic doses. In transient and transgenic mouse models of HBV infection, a single co-injection of DPC with chol-siRNA targeting HBV sequences resulted in multi-log knockdown of HBV RNA, proteins and viral DNA with long duration of effect.

"This publication is important because it speaks to a specific product and a broader platform," said Dr. Christopher Anzalone, President and Chief Executive Officer. "These data suggest that ARC-520 could be a powerful therapy for chronic HBV infection, a disease with 350 million infected people worldwide and no cure. We are on schedule to file with regulatory authorities next quarter to begin first-in-human studies. During phase 1 we will be able to measure the drug's ability to knock down production of new infectious virus as well as viral proteins, including s-antigen, e-antigen, and the core protein that forms the capsid. The ability to substantially knock down these viral proteins is what is unique about ARC-520 and what many in the field believe will be necessary to revive the host immune response and potentially provide a functional cure, which no other current therapy can reliably do. More broadly, this paper reports on a delivery system capable of extremely efficient gene silencing that can be used for a variety disease targets."

About Arrowhead Research Corporation

Arrowhead Research Corporation is a clinical stage targeted therapeutics company with development programs in oncology, obesity, and chronic hepatitis B virus infection. The company is leveraging its platform technologies to design and develop peptide-drug conjugates (PDCs) that specifically home to cell types of interest while sparing off-target tissues, create targeted drugs based on the gene silencing RNA interference (RNAi) mechanism, and work with partners to create improved versions of traditional small molecule drugs.

For more information please visit http://www.arrowheadresearch.com, or follow us on Twitter @ArrowRes. To be added to the Company's email list to receive news directly, please send an email to ir@arrowres.com

Safe Harbor Statement under the Private Securities Litigation Reform Act:

This news release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based upon our current expectations and speak only as of the date hereof. Our actual results may differ materially and adversely from those expressed in any forward-looking statements as a result of various factors and uncertainties, including our ability to finance our operations, the future success of our scientific studies, our ability to successfully develop drug candidates, the timing for starting and completing clinical trials, rapid technological change in our markets, and the enforcement of our intellectual property rights. Arrowhead Research Corporation's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q discuss some of the important risk factors that may affect our business, results of operations and financial condition. We assume no obligation to update or revise forward-looking statements to reflect new events or circumstances.

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