



October 14, 2013

## **Arrowhead Closes Private Offering with Net Proceeds of \$60 Million**

### **Financing led by RA Capital Management, LLC with a syndicate of healthcare-focused institutions**

PASADENA, Calif. — October 14, 2013 — Arrowhead Research Corporation (NASDAQ: ARWR), a biopharmaceutical company developing targeted RNAi therapeutics, today announced that on October 11, 2013 it closed a previously announced private offering of common and convertible preferred stock. The financing, which was oversubscribed, had net proceeds of \$60 million, after deducting commissions and other offering expenses payable by the company. It was led by RA Capital Management, LLC and included a syndicate of new and existing institutional investors.

“This capital raise enables us to aggressively build on the success of the ARC-520 Phase 1 study,” said Dr. Christopher Anzalone, Arrowhead’s President and CEO. “We have the resources to advance ARC-520 through the upcoming Phase 2a study in chronic HBV patients and a multi-national Phase 2b planned for the second half of 2014. The financing also enables us to expand on the DPC delivery platform by funding two new candidates through clinical proof of concept and advancing our pre-clinical pipeline with additional IND-ready candidates. We see the strong demand from high quality institutions as a vote of confidence in our technology, strategic plan, and execution.”

3,071,672 shares of common stock were issued at \$5.86 per share. 46,000 shares of Series C convertible preferred stock were issued at \$1,000 per share. Each share of preferred stock is convertible into 170.6 shares of common stock at a conversion price of \$5.86 per share of common stock. The Series C preferred was issued to those investors who desire to not own in excess of 9.99% of Arrowhead’s outstanding voting securities following the financing. The Series C Preferred is non-voting above a beneficial ownership cap of 9.99% and carries no dividend or liquidation preference.

Jefferies LLC and Piper Jaffray & Co. acted as joint placement agents for the offering and Trout Capital acted as a financial advisor to the company.

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### **About Arrowhead Research Corporation**

Arrowhead Research Corporation is a biopharmaceutical company developing targeted RNAi therapeutics. The company is leveraging its proprietary drug delivery technologies to develop targeted drugs based on the RNA interference mechanism that efficiently silence disease-causing genes. Arrowhead technologies also enable partners to create peptide-drug conjugates that specifically home to cell types of interest while sparing off-target tissues. Arrowhead’s pipeline includes clinical programs in

chronic hepatitis B virus and obesity and partner-based programs in oncology.

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