March 25, 2013

Arrowhead Induces 90% Reduction in Hepatitis B Antigens in Chimpanzee with Chronic Infection: Data Follow Previous Report of Reduction in Viral DNA

Through 29 days after initial treatment, maximal knock down of HBV DNA, e-antigen, and s-antigen were approximately 95%, 90%, and 90%, respectively - Results discussed today at an analyst event and webcast from 12:30 to 2:00 p.m. EDT - Panel members for the event include Dr. Robert Gish, noted hepatologist and Arrowhead Clinical Advisory Board Chairman, and Joan Block, Executive Director and Co-founder of Hepatitis B Foundation

PASADENA, Calif. — March 25, 2013 — Arrowhead Research Corporation (NASDAQ: ARWR), a targeted therapeutics company, will host an analyst event today in New York City to discuss ARC-520, its RNAi-based candidate designed to treat chronic hepatitis B virus infection. The company will discuss the program and describe new preclinical data showing that a low dose of ARC-520 induced rapid and deep reductions in viral particles and key viral antigens in a chimpanzee chronically infected with hepatitis B virus. Arrowhead identified a well-tolerated dose of ARC-520 that lead to a 95% reduction in circulating viral DNA, and approximately 90% reductions in hepatitis e-antigen (HBeAg) and s-antigen (HBsAg), which are thought to be important in establishing a functional cure. These data support previous findings in rodent models and may be predictive of a therapeutic dose range to be identified in upcoming clinical trials expected to start in the middle of this year.

“This is the first time I have tested an siRNA therapy that was efficiently delivered to the liver and suppressed HBV infection including serum levels of HBsAg, a marker that is not suppressed effectively using current therapies,” said Dr. Robert Lanford of the Texas Biomedical Research Institute where the study was conducted. “This was a proof-of-concept study with a novel approach for curing HBV infection and this therapy provided highly promising results in a very short trial.”

The study was designed to test tolerability of a low dose of ARC-520 and its ability to reduce viral load and the key viral proteins, HBsAg and HBeAg, after intravenous administration in a chimpanzee with chronic hepatitis B infection. The animal being treated had exceptionally high titers of circulating HBV DNA and HBsAg that measured 1,000 to 10,000-fold higher than the average chronic hepatitis B patient. The HBV infection has been chronic for over thirty years and has persisted despite prior therapy with multiple anti-viral drugs and therapeutic vaccine exposures.

“Treating this animal represented a very difficult challenge,” said Dr. Chris Anzalone, President and CEO of Arrowhead. “It was the first large primate to be treated with ARC-520, and its viral and s-antigen loads were many orders of magnitude higher than what we expect to see in humans. Even with this high bar, we showed that a low dose was effective and extremely well tolerated. There is currently no way to reliably knock down key HBV antigens, thought to be critical to achieving a functional cure of the disease. Our data in multiple rodent models and now in a chimpanzee with chronic HBV infection suggest that ARC-520 may be able to provide this. We believe this is very important and positions us well for our planned clinical trials this year.”

The company will host an analyst event today in New York City to discuss ARC-520 in more detail. Panel members for the event include: Dr. Robert Gish, noted hepatologist and Arrowhead Clinical Advisory Board Chairman; Joan Block, Executive Director and Co-founder of the Hepatitis B Foundation; Dr. Bruce Given, Arrowhead COO and Head of R&D; and, Dr. Chris Anzalone, Arrowhead President and CEO. Investors and analysts may access the live presentation from 12:30 to 2:00 p.m. EDT on the Arrowhead Research website at www.arrowheadresearch.com or by calling 1.888.771.4371 (US toll free) or 1.847.585.4405 (US toll) and using the confirmation number: 34474854. The webcast will also be available for 90 days following the event.

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.

Contacts:
Vince Anzalone

Arrowhead Research

626-304-3400
ir@arrowres.com
Lauren Glaser

The Trout Group

646-378-2972