

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549**

**FORM 8-K**

**CURRENT REPORT  
Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported) May 16, 2007

**Arrowhead Research Corporation**

(Exact Name of Registrant as Specified in Charter)

**Delaware**  
(State or Other Jurisdiction  
of Incorporation)

**0-21898**  
(Commission File Number)

**46-0408024**  
(IRS Employer  
Identification No.)

**201 South Lake Avenue, Suite 703, Pasadena, CA**  
(Address of Principal Executive Offices)

**91101**  
(Zip Code)

**(626) 304-3400**  
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, If Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 1.01 Entry into a Material Definitive Agreement**

On May 16, 2007, Arrowhead Research Corporation (the “Company.”) entered into Subscription Agreements in connection with a \$16,469,800 million private placement (the “Private Offering”) of an aggregate of 2,849,446 shares (the “Shares”) of the Company’s common stock, \$0.001 par value per share (“Common Stock”), at a per share purchase price of \$5.78, and warrants to purchase up to an additional 712,362 shares of Common Stock (the “Warrants”), exercisable at \$7.06 per share. The Shares and Warrants were offered and sold to institutional and accredited investors, as defined in the Securities Act of 1933, as amended. York Capital Management, an affiliate shareholder of the Company, participated in the offering. Global Crown Capital served as placement agent for the Private Offering and received a customary fee from the Company. The Offering is expected to close early in the week of May 21, 2007.

Each Warrant issued at the closing may be exercised any time six months and one day after the close of the offering and expires ten years after the close of the offering. The number of shares issuable upon exercise of each Warrant and the exercise price thereof is subject to adjustment from time to time in the event of stock subdivisions, stock splits and stock combinations. At any time on or after the first anniversary of the closing of the Private Offering, the Warrants can be redeemed at the Company’s option, in whole but not in part, at a redemption price equal to \$0.001 per Warrant subject to the call in the event that the closing bid price of a share of Common Stock as traded on Nasdaq equals or exceeds \$8.47 for 20 consecutive trading days ending not more than 15 days prior to the date of the redemption notice.

The Shares and Warrants were offered and sold only to institutional and accredited investors in reliance on Section 4(2) of the Securities Act of 1933, as amended. The Shares and Warrants sold in the private placement have not been registered under the Securities Act or state securities laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from the registration requirements. The Company has agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the Shares of common stock issued in the private placement and the shares of common stock issuable upon exercise of the Warrants.

A copy of the press release issued by the Company on May 18, 2007 announcing the Private Offering is attached hereto as Exhibit 99.1.

**Item 3.02 Unregistered Sales of Equity Securities**

The information called for by this item is contained in Item 1.01, which is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release dated May 18, 2007

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

May 18, 2007

ARROWHEAD RESEARCH CORPORATION

By: /s/ Joseph T. Kingsley

Name: Joseph T. Kingsley

Title: President & Chief Financial Officer

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**PRESS RELEASE**

May 18, 2007

7:00 am

Contact: Virginia Dadey

Telephone: 212-541-3707

vdadey@arrowres.com

**ARROWHEAD ANNOUNCES \$16.5 MILLION INVESTMENT BY INSTITUTIONAL INVESTORS**

PASADENA, Calif.—May 18, 2007—Arrowhead Research Corporation, (NASDAQ: ARWR), announced today that it has entered into definitive agreements to sell 2,849,446 units consisting of restricted common stock and warrants to purchase restricted common stock to a large institutional money manager, York Capital Management and select accredited investors. Global Crown Capital, LLC acted as the exclusive placement agent for the private placement.

The capital is expected to be used primarily to expand operations at Arrowhead's majority-owned subsidiary, Unidym, and to make new investments in nanotechnology ventures. Unidym recently merged with Carbon Nanotechnologies, Inc., a world leader in carbon nanotube manufacturing.

"Since our original investment last year, Arrowhead has made demonstrable progress in each of their businesses," stated Alexander Klabin at York Capital Management. "We are pleased to continue to support their growth by participating in this private offering."

"Global Crown Capital has shown commitment to nurturing companies in the expanding field of nanotechnology and brought an institution of exceptional caliber to this deal," said R. Bruce Stewart, Arrowhead's chairman. "Arrowhead is well capitalized to continue to implement its current business plan."

Under the terms of the agreements, the investors will purchase 2,849,446 newly-issued shares of restricted common stock at \$5.78 per share. Additionally, the investors will receive, in the aggregate, warrants to purchase an additional 712,362 shares of restricted common stock at an exercise price of \$7.06 per share. The closing of the private financing is scheduled to occur early next week, resulting in aggregate gross proceeds to Arrowhead of approximately \$16.5 million. The Company has agreed to file a registration statement with the Securities and Exchange Commission covering the resale of the shares of common stock issued in the private placement and the shares of common stock issued upon exercise of the warrants.

The shares of common stock and warrants offered for sale in the private placement have not been registered under the Securities Act of 1933, as amended, or state securities laws and may not be offered or sold in the United States absent registration with the Securities and Exchange Commission or an applicable exemption from the registration requirements. The shares and warrants were offered and will be sold only to institutional and accredited investors.

This news release is not an offer to sell or the solicitation of an offer to buy the shares of common stock or warrants to purchase shares of common stock or any other securities of the Company.

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#### **About Arrowhead Research Corporation**

Arrowhead Research Corporation ([www.arrowheadresearch.com](http://www.arrowheadresearch.com)) (NASDAQ:ARWR) is a leading nanotechnology company commercializing new technologies in the areas of life sciences, electronics, and energy. Arrowhead is building value for shareholders through the progress of majority owned subsidiaries founded on nanotechnologies originally developed at universities. The company works closely with universities to source early stage deals and to generate rights to intellectual property covering promising new nanotechnologies. Currently, Arrowhead has four subsidiaries commercializing nanotech products and applications, including anti-cancer drugs, RNAi therapeutics, carbon-based electronics and compound semiconductor materials.

#### **Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:**

*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 the recent economic slowdown affecting technology companies, the future success of our scientific studies, our ability to successfully develop products, rapid technological change in our markets, changes in demand for our future products, legislative, regulatory and competitive developments and general economic conditions. Our latest Annual Report on Form 10-K, recent and forthcoming Quarterly Reports on Form 10-Q, recent Current Reports on Forms 8-K, our Registration Statements on Form S-3, and other SEC filings discuss some of the important risk factors that may affect our business, results of operations and financial condition. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.*