May 28, 2013

Arrowhead Files to Begin Phase 1 Trial of RNAi Therapeutic ARC-520 Against Chronic Hepatitis B Infection

PASADENA, Calif. — May 28, 2013 — Arrowhead Research Corporation (NASDAQ: ARWR), a targeted therapeutics company, today announced that it recently filed an application for approval to begin a phase 1 clinical trial of its RNAi-based therapeutic candidate, ARC-520, against chronic hepatitis B virus infection. Pending approval, Arrowhead intends to proceed with a phase 1, randomized, double-blind, placebo-controlled, dose-escalating study to evaluate the safety, tolerability and pharmacokinetics of ARC-520 in normal adult volunteers.

The application was submitted to an ethics committee in compliance with the Clinical Trial Notification process of the Australian Department of Health and Ageing, Therapeutic Goods Administration.

"We are pleased to meet our stated goal of a regulatory submission during the second quarter. This represents an important milestone for Arrowhead as we move our HBV candidate, ARC-520, and the DPC siRNA delivery system towards first-in-man studies," said Dr. Christopher Anzalone, President and Chief Executive Officer.

About ARC-520

Hepatitis B virus is the world's most common serious liver infection, with an estimated 350 million patients worldwide that are chronically infected. There are thought to be approximately 2 million patients in the U.S., 14 million in Western Europe, over 100 million in the Asia Pacific Region, and another 220+ million throughout the rest of the world. HBV can lead to cirrhosis of the liver and is responsible for 80% of primary liver cancers globally. The annual death toll for HBV is estimated as high as one million. Arrowhead's RNAi-based candidate ARC-520 has the potential to treat chronic hepatitis B virus infection in a fundamentally different manner than current therapies. The goal is to achieve a functional cure, which is an immune clearant state characterized by hepatitis B s-antigen negative serum with or without sero-conversion. The siRNAs in ARC-520 intervene at the point of DNA transcription, upstream of where nucleotide and nucleoside analogues act, and can deeply knockdown all HBV gene products, including proteins and the viral intermediates necessary to produce viral DNA. In transient and transgenic mouse models of HBV infection, a single co-injection of the DPC delivery vehicle with cholesterol-conjugated siRNA targeting HBV sequences resulted in multi-log knockdown of HBV RNA, proteins and viral DNA with long duration of effect. Arrowhead is on track to conduct a phase 1 single ascending dose study in normal volunteers in mid-2013, which the company expects will be followed by a phase 2a study in chronic HBV patients in Hong Kong.

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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