



January 18, 2011

## **Arrowhead Subsidiary Unidym, Inc. Acquired by Wisepower Co., Ltd. for up to \$140 million earn-out plus \$5 million upfront**

PASADENA, Calif. - January 18, 2011 - Arrowhead Research Corporation (NASDAQ: ARWR) today announced that its Unidym, Inc. subsidiary has been acquired by Wisepower Co., Ltd., a publicly-traded, Seoul, Korea-based electronics company (KOSDAQ: 040670). Upfront consideration to Unidym shareholders consists of Wisepower stock and convertible bonds valued at US \$5,000,000 with certain restrictions as to timing of stock sales. Unidym shareholders are also entitled to cash earn-out payments up to US \$140 million based on cumulative sales and licensing milestones. Finally, Unidym shareholders will receive 40% of licensing revenue from a set of patents that have been generating increasing quarterly royalties in addition to the potential \$140 million earn-out. The transaction enables Arrowhead to substantially decrease its burn rate, focus exclusively on nanomedicine, and retain significant upside exposure as Unidym penetrates its target markets with the help of an experienced partner in Wisepower.

Wisepower is a leading supplier of Li-polymer batteries for mobile appliances in Asia, and its current customers include cellular phone manufacturers such as LG Electronics, Pantech, and KTFT. Wisepower has recently developed high quality LED packages and solid-state lighting. The company's products also include wireless charging systems for electronic applications. Wisepower's deep relationships with many potential Unidym customers and experience growing electronics businesses fit well with Unidym's leadership in carbon nanotube technology for electronics applications. Wisepower is well-positioned to help Unidym develop manufacturing scale-up and customer acquisition as it moves into the market adoption phase of its business.

"Unidym has built significant value by identifying and developing a large set of market opportunities for carbon nanotube based electronic products," said Christopher Anzalone, Arrowhead's CEO. "Now that Unidym is pushing into the marketplace, Wisepower's resources and market reach will be critical to its ability to grow revenues. The acquisition structure enables Arrowhead to potentially extract substantial value over time as Unidym's technology is adopted on a wider scale and as revenue grows."

Completion of this transaction represents the achievement of an important strategic goal for Arrowhead. The Company has evolved from a diversified nanotechnology company addressing multiple industries to a focused nanomedicine company, and the Unidym sale is the final step in this transition. This enables Arrowhead to allocate its resources toward a single industry, operate and grow in a more cohesive fashion, and it lays the groundwork for Arrowhead to emerge as a leader in the field.

"We are able to further increase our operational efficiencies by building a team of professionals with a single industry focus and by enabling more synergies among our subsidiaries," continued Dr. Anzalone. "This transition is also potentially beneficial to shareholder value from an outward-looking perspective. We now have a far simpler and more cohesive story to articulate to analysts and institutional investors, and I am confident that our value proposition will fit more neatly into investors' established frameworks. The ability to focus our resources, including cash flow from the Unidym sale, on continued investment in our current nanomedicine companies and strengthening our relationships with potential pharma partners should allow us to maximize each subsidiary's success and, therefore, shareholder value."

### **About Arrowhead Research Corporation**

Arrowhead Research Corporation ([www.arrowheadresearch.com](http://www.arrowheadresearch.com)) (NASDAQ: ARWR) is a nanotechnology company commercializing new medical technologies. Arrowhead is seeking to build value for shareholders through the progress of its portfolio companies. Currently, Arrowhead is focused primarily on its two majority owned subsidiaries, Calando, at the forefront of clinical application of RNAi delivery technology, and Ablaris, newly formed to commercialize anti-obesity technology. Arrowhead also has minority investments in two privately held nanobiotech companies.

### **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 current recessionary environment, capital resources available to us, 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 most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q 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.

Contacts:

Brandi Floberg

The Piacente Group, Inc.

212-481-2050

[arrowres@tpg-ir.com](mailto:arrowres@tpg-ir.com)