September 19, 2013

Arrowhead Promotes David Lewis to Chief Scientific Officer

Steven Kanner Joins the Company as Vice President of Biolog

PASADENA, Calif. — September 19, 2013 — Arrowhead Research Corporation (NASDAQ: ARWR), a biopharmaceutical company developing targeted RNAi therapeutics, today announced the promotion of David Lewis, Ph.D., to Chief Scientific Officer. In this position, Dr. Lewis will have overall scientific leadership responsibilities for RNA delivery, discovery, and pre-clinical development of new drug candidates.

Dr. Lewis is a leading expert in nucleic acid delivery and RNAi therapeutics with over ten years of experience in the field. He is a co-inventor of the Dynamic Polyconjugate® (DPC) technology for targeted delivery of siRNA and led the discovery and pre-clinical development program for ARC-520, Arrowhead's clinical candidate against chronic hepatitis B virus infection.

"Dave has served as the site head of the R&D facility in Madison for the last 3 years and has done a superb job of leading ARC-520 into clinical development and, in the process, expanding the site's development capabilities rapidly", said Bruce D. Given, MD, COO and Head of R&D for Arrowhead. "This recognition of his performance is richly deserved."

Arrowhead is also pleased to announce that Steven Kanner, Ph.D., has joined the company as Vice President of Biology to assume Dr. Lewis' prior responsibilities in this role. Dr. Kanner was previously Vice President, Discovery Biology at Astex Pharmaceuticals and held leadership and research roles at Agensys, Astellas, and Bristol-Myers Squibb. He received his B.A. degree in Genetics from the University of California-Berkeley, and his Ph.D. degree in Immunology and Microbiology from the University of Miami School of Medicine.

About ARC-520

Approximately 350 million people worldwide are chronically infected with the hepatitis B virus. Chronic HBV infection can lead to cirrhosis of the liver and is responsible for 80% of primary liver cancers globally. Arrowhead's RNAi-based candidate ARC-520 is designed to treat chronic HBV infection by reducing the expression and release of new viral particles and key viral proteins. 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. In transient and transgenic mouse models of HBV infection, a single co-injection of Arrowhead's 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. In a chimpanzee chronically infected with HBV and high viremia and antigenemia, ARC-520 induced rapid reductions of 90-95% in HBV DNA, e-antigen, and s-antigen. Arrowhead is conducting a phase 1 single ascending dose study in normal volunteers, which the company expects to follow with a phase 2a study in chronic HBV patients.

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NASDAQ Notice

As an inducement to his entering into employment with the Company on September 16, 2013, Dr. Kanner was awarded an "inducement" option under Rule 5635©(4) of the NASDAQ Marketplace Rules. The option entitles Dr. Kanner to purchase, outside of the Company's stockholder approved equity incentive plans, an aggregate of up to 50,000 shares of the Company's common stock at an exercise price per share of $4.65, the last reported closing price of the Company's common stock on the date of grant. The option vests and becomes exercisable over a period of four years from the date of grant.

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