Final Transcript

ARROWHEAD RESEARCH CORPORATION: Update Call

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SPEAKERS

Dr. Christopher Anzalone - President and CEO, Arrowhead Research Corp.
Ken Myszkowski - Chief Financial Officer, Arrowhead Research Corp.
Brandi Piacente – President, The Piacente Group

PRESENTATION

Coordinator

Good afternoon, and welcome to the Arrowhead Research/Roche Transaction Conference Call. All participants will be in listen-only mode. (Operator's Instructions) After today's presentation, there will be an opportunity to ask questions. (Operator's Instructions) Please note this event is being recorded.

I would now like to turn the conference over to Brandi Piacente. Please go ahead.

B. Piacente

Thank you, operator. Good afternoon, everyone, and thank you for joining us today to discuss Arrowhead's acquisition of Roche's RNA Therapeutics Business, which was announced this morning. With us today from management, our President and CEO, Dr. Christopher Anzalone, and Chief Financial Officer, Ken Myszkowski. Management will provide a

brief overview of the transaction and will then open the call up to your questions.

Before we begin, I would like to remind you that comments made during today's call may contain certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. All statements, other than statements of historical fact, including, without limitation, those with respect to Arrowhead's goals, plans, strategies are forward-looking statements. Without limiting the generality of the foregoing words such as may, will, expect, believe, anticipate, intend, could, estimate, or continue, or the negative, or other variations thereof or comparable terminology are intended to identify forward-looking statements. In addition, any statements that refer to productions of Arrowhead's future financial performance, trends in its business or other characterizations of future events or circumstances are forward-looking statements. Forward-looking statements represent management's current expectations and are inherently uncertain.

You should also refer to the discussions under Risk Factors in Arrowhead's annual report on Form 10-K and the company's quarterly

reports on Form 10-Q for additional matters to be considered in this regard. Arrowhead undertakes no duty to update any of the forward-looking statements discussed on today's call.

With that said, I'd like to turn the call over to Dr. Christopher Anzalone, President and Chief Executive Officer of Arrowhead. Chris.

C. Anzalone Thanks, Brandi. Good afternoon, everyone, and thank you for joining us on such short notice today. Earlier today, Arrowhead announced that it has acquired Roche's RNA Therapeutics Group and its state-of-the art site in Madison, WI. This is a big step for our company, and I wanted to speak with you today about why we believe it's a game-changer, what it means to the broader field of RNA therapeutics, and, of course, to answer your questions.

As many of you know, Roche reportedly invested over half a billion dollars to build a comprehensive world-class RNA therapeutics unit. They did what only a large pharmaceutical company is capable of doing, they invested a very large amount of capital and systematically acquired technologies, licensed expansive IP, attracted leading scientists, developed

new technologies internally, and built state-of-the-art facilities to enable them to develop diverse RNAi therapeutics independently and efficiently.

As they built these impressive assets, they did not rush to the clinic. Rather, they focused resources on further developing and understanding the various platforms and technologies. The result is a broad, relatively mature, and complete set of technologies and capabilities. These are the broad shoulders we are fortunate to stand on today.

This acquisition is transformational for us and important for the broader field of RNAi. Combined with our existing advanced RNAi delivery technologies, we believe we are now the most comprehensive RNAi therapeutics company in the world. This is a strong statement, but I'm comfortable with it because we now have access to the broadest suite of IP in the field and unparalleled delivery solutions, which, as you know, remains the greatest limiting factor of therapeutic RNAi.

This is important to Arrowhead because it makes us a uniquely powerful player in RNAi therapeutics overnight. In addition, we believe it positions us as a partner of choice for large biotech and pharmaceutical companies interested in building RNAi therapeutics.

We believe that three primary factors can drive the large industry partnerships going forward. 1) An array of delivery technologies that complements our existing delivery platforms; 2) Access to three primary siRNA formats; and 3) A world-class team and state-of-the art infrastructure to optimize RNAi chemistry and delivery to suit a partner's need to create effective RNAi therapeutics. It is our plan to leverage these partnerships to bring in potentially substantial non-dilutive capital that we can then use to fund operations and development of our own drug pipeline.

We believe that all of this is positive for the entire RNAi field because it increases the chances of success in the clinic. This type of consolidation enables greater combinatorial power when optimizing delivery siRNA target, and RNAi chemistry. As such, it is our hope that this acquisition fuels the broader RNAi therapeutics field by demonstrating the power of silencing target genes in medicine. Fighting disease is the reason we all come to work in the morning, and we believe that this acquisition could ultimately play a role in how the world sees RNAi and its potential to treat a wide variety of conditions.

This transaction has been underway for some time now, and we have been competing with multiple interested parties for these assets. We believe that we prevailed because we are a good fit, and we are interested in giving Roche the ability to negotiate for future drugs and drug candidates as we enter the clinic. Specifically, we believe that the Roche assets are more valuable in combination with our own RNAi technologies than alone. We further believe that Roche was interested in engaging in a company that could continue to advance the revolutionary technology it developed and create new clinical candidates.

Under the terms of the acquisition, Arrowhead acquired all of Roche's RNAi technology and licenses as well as its state-of-the art facilities in Madison, WI, with over 40 scientists and millions of dollars' worth of equipment for an equity stake in Arrowhead of just under 10% in restricted common stock. It also received limited rights of first negotiation, uncertain future product candidates, late-stage milestone payments that are not triggered until after drug approval, and low single-digit royalties.

This is a very good deal for us. And I also think it's a good deal for Roche. They found a high-quality home for a program in which it

invested substantially to create. It also has long-term upside exposure via its equity stake in Arrowhead and, importantly, rights to negotiate for certain products as we approach and move through the clinic. This enables Roche to stay in the game, if you will.

Let's now turn to a fuller discussion of the assets we acquired. First, we gained three advanced siRNA delivery technology platforms that provide us with greater flexibility and substantially more power across multiple disease areas. These technologies include dynamic polyconjugates, or DPC, delivery platform and all other assets in IP from Roche's $125 million acquisition of Mirus Bio in 2008; the license from Tekmira for proprietary SNALP RNAi delivery; proprietary liposomal nanoparticles, or LNPs, delivery system which was developed by Roche; and additional proprietary technologies for tissue targeting, for siRNA drugs utilizing antibodies and small molecules.

Combined with our technologies from Calando and Leonardo, we now have a total of five delivery systems. These represent some of the most advanced nucleic acid delivery platforms and include proprietary cellular targeting systems with a combined ability to reach the widest range of disease types and sites. Of course, none of this means that we are de-

emphasizing Calando. To the contrary, our work with Calando continues to be a critical piece of our strategy, and the new assets enable us to move more quickly on continued development.

With these advanced delivery platforms housed under one roof, we can optimize delivery based on tissue type, disease state, target, and siRNA chemistry. One of the challenges of siRNA deliver is that no single platform will be optimal for all targets. We now have unmatched flexibility and power to create efficient small RNA therapeutics. We are also uniquely positioned to offer the most comprehensive solution to potential pharma partners and collaborators. Simply put, no other company is tooled to overcome the delivery challenge better than Arrowhead. This is important for our business and a positive for the entire RNAi field.

These delivery platforms have considerable small animal and non-human primate data associated with them and show impressive efficiency and tolerability. For instance, we have not seen any small RNA delivery system with better efficiency or higher therapeutic index in non-human primates than DPCs. We view this system not as an incremental step

forward in the field, but rather as a giant leap. We look forward to sharing some of these data in the future.

While we have been focusing on siRNA and RNAi when discussing our five validated systems, the power of these assets and our expertise go further. All smaller RNA therapeutics, such as microRNAs, or miRNAs, face the same delivery challenges as siRNAs. Therefore, we believe our assets and programs will have important applications in these newer fields. Reaching into these areas via partnerships and collaborations with companies focused on them is a significant part of our strategic plan.

Second, we gain broad access to RNAi IP across the three primary siRNA formats – canonical, Dicer-substrate, and MIRA duplex. Roche license from ... accessed to its very large IP estate and broad use of the canonical siRNA format for $331 million upfront, and we will step into that license. Roche achieved broad access to the DICER and MIRA duplex formats via licenses from the City of Hope and MDRNA, now Marina Biotech respectively for undisclosed consideration.

No other country has broad access to use all three structures, and this provides Arrowhead with unmatched flexibility to optimize therapeutics.

Roche scientists have discovered that the relative efficiency of each format to induce gene knockdown is different on a target-by-target basis. This is potentially very important and puts Arrowhead in a uniquely strong position. We can now optimize virtually every component of an RNAi therapeutic, including delivery strategy, siRNA format, target sequence, and chemical modifications to fit specific indications and tissue type.

Third, we gained a new R&D arm with a state-of-the art facility and infrastructure in Madison, WI. This world-class team and facility brings us a highly experienced group of over 40 scientists. The Madison site was founded originally as Mirus Bio and has a long history of nucleic acid delivery. In addition, our new R&D center will enable us to advance both our RNAi and non-RNAi programs in a more concerted and controlled manner.

As we move further along over the coming weeks and months, we plan to provide more information on the new technologies. In addition, as we integrate the new personnel and facilities, we expect to provide more detailed guidance on clinical timelines, partnering plans, and budgets.

To help fund these new operations, we closed on approximately $4 million of new capital in addition to the $6 million financing we recently announced for a total of $10 million. We also entered into an agreement with Lincoln Park Capital to provide up to $15 million of additional capital. As with the other financings, there are no warrants associated with the Lincoln Park facility, and pricing is based on closing market prices. The deal provides us with an efficient means to minimize share-holder dilution and brings in capital in a relatively inexpensive way only if and when necessary.

More importantly, however, is what the acquisition will do to our ability to finance operations and build our own therapeutic pipeline. While the new assets and facilities will increase our burn rate, we believe that our ability to finance that burn in a non-dilutive manner will increase even more rapidly. It is our plan to work with large partners in the very near term to offer powerful delivery technologies and comprehensive services to help build new therapeutics. That is important for us to build long-term value and to limit dilution by creating credible and stable revenue.

Over the last year, we had talked about our transition from a diversified nanotechnology company to a pure play nanomedicine company. This

strategic acquisition serves as the cornerstone of this transition. We are now a full-service, fully-enabled nanomedicine company with new R&D capabilities that can support the development of our existing subsidiaries, RNAi, and non-RNAi programs synergistically, based on the added resources, scientific leadership, and newly acquired development operations.

We are now on stronger footing than ever before, and we are excited to begin creating value with our new substantial tools. This is transformational, and I look forward to providing updates on our progress.

With that overview, I would like to now open the call up for questions. Operator.

Coordinator Thank you. We will now begin the question and answer session. Our first question comes from Edward Tenthoff of Piper Jaffray.

E. Tenthoff Great. Thank you. Can you hear me okay?

C. Anzalone Yes.

E. Tenthoff Excellent. I'd just like to start by saying congratulations. I agree. I think this is a very exciting transaction for the field.

C. Anzalone Thanks very much.

E. Tenthoff So, I know the news is still fresh and that there is probably a lot of planning to be done, but can you give us a sense as to how advanced some of the therapeutic programs are, specifically RNAi drugs at Roche that you're acquiring?

C. Anzalone That's a really good question. They have amassed a very large amount of data over the last several years. And while it was within Roche, none of that data was published, and so there was a large backlog, if you will, of unpublished data. What we would like to do is go through all that as we integrate the facilities and hone our strategy, and then come out in the very near term with first a white paper on the various technologies, where they are in development, what the strengths are, what some of the data looked like, and then after that with more granular guidance on what the clinical development path looks like.

I think we have a pretty good idea of that right now, but until we are fully integrated, I'd like to hold off on that and then provide you with information that we're more comfortable with.

E. Tenthoff Fair enough. I think that makes sense. If I may then, just from a higher level, is your goal then to both partner and develop proprietary RNAi drugs? And will there be therapeutic areas where you focus?

C. Anzalone That's exactly what we're doing. That was our model with Calando as well, to partner the platform as necessary and then to use that capital to fund our own operations and to fund a bit of element of our own pipeline of drugs. We continue to believe that's a viable model for Calando. And with this increased real estate it's an even better model, we think. Because now not only do we have a single or maybe two delivery systems, we have really five now. We also have broader intellectual properties surrounding the chemistry of RNAI. So we have a much more comprehensive or a full service slate that we can provide to partners. So our model is to use that to help to develop therapeutics with partners and then to use that capital to fund our own pipeline development.

We have not decided if we're going to wall off entire areas. My sense is that we likely will not do that. Our partnerships will likely be on a target-by-target basis. Maybe narrow indications, but we are right now not thinking about walling off entire diseases, if you will, to ourselves.

E. Tenthoff Congratulations.

C. Anzalone Thanks very much.

Coordinator Our next question comes from Keay Nakae of Chardan Capital.

K. Nakae Thanks. Chris, a couple of questions for you. First, can you provide some clarity regarding some of the licensed products, specifically the Tekmira SNOP. Is that a specific generation of the technology, all generations and so let's start there.

C. Anzalone Yes, it's a specific generation, and I'll stop there. Again, I think as we come out with more detailed information about the technology, we can describe it at that point.

K. Nakae If you position yourself as an enabler of providing delivery technology for other partners, does the license with Tekmira allow you to basically provide that technology to your potential collaborators?

C. Anzalone We have not looked into that in depth yet. Again, the transaction closed on Friday, so give us a little bit of time to get our arms wrapped around our strategy with respect to the various technologies inside. We will give you that guidance shortly, but right now I can't give that to you.

K. Nakae Maybe more on the expense side going forward, I know you're not going to give guidance, but can you give us a sense of what the current expect is to run the facility in mass and with 40 people?

C. Anzalone Here's what I can tell you. The range of the fixed costs are in the $7 million to $8 million per year range. As we look to integrate that facility into Arrowhead, we will be looking to see what efficiencies we're going to have going forward and we'll also look to determine what our program budget's going to be for developing various platforms and various drug candidates. So beyond that $7 million to $8 million, it's difficult to say at this point, but those are right now the range of the fixed costs. Again, I

can give you much better and much more granular guidance once we have these sites integrated and we have a more fleshed out operating budget.

K. Nakae That's helpful. With DPC specifically, how much more work do you think is necessary in primates before somebody, a partner, might feel like that's ready to go into humans with one of their products?

C. Anzalone Here's what I can tell you on that. We've done, as you can imagine, substantial due diligence during this process. And it wasn't just internally. We had a team of experts as well as a team internally to go through all the technologies and we went through an awful lot of data. What we saw was striking with small animal data as well as non-human primate data.

As I mentioned in the prepared remarks, I don't think we have seen anywhere a system that appears to be better tolerated, at least in non-human primates, and more efficient. And so my sense is that within the various generations that have been developed, I think we have something right now that is clinic ready. So I think we can be speaking with …partners very quickly.

Now, how long it takes to execute a partnership, how long it takes to get one of those agreements signed up, I can't comment on. But I think that the technology is certainly ready for negotiations.

K. Nakae That's great to hear. One final question, it's one thing for Roche to have a bunch of data and not publish it, but it's probably a lot more leveraging for you guys. So, what are your plans to publish some of the data that you now have in-house acquired from them?

C. Anzalone I'll tell you this, I'm in Pasadena right now and I will be in Madison later this week. I need to work very closely with that team there to better understand what they're comfortable publishing and what they're not comfortable publishing. We need to make sure that we're working as a unit and we need to trust those people, and so I can't give you a good answer right now other than to say that we'll be working with our new partners in Madison to figure that out. But I'll tell you, we are motivated to publish what we can without causing strategic problems for ourselves.

K. Nakae Thanks.

Coordinator Our next question comes from Todd Aldridge, private investor.

T. Aldridge Chris, congratulations .

C. Anzalone Thanks very much.

T. Aldridge I have a couple of quick questions and that really surrounds capital. To acquire these assets and maintain the assets is sort of one important measure, and it seems like there's obviously a facility and a means to do that. To progress these assets through clinical trials can be somewhat herculean. So it seems to me that since the goalposts really have moved, as we've seen, in large pharma – meaning they want to see more data and stuff more mature in the clinic – a lot of the potential capital for that seems to squarely rest here on the potential to monetize Calando. Is the partnering goals on Calando for this year still on track? Or, could there be a change to that?

C. Anzalone Calando is still a big part of our strategy here, and we still feel good about where it is in the clinic and we still are quite confident with it as a platform. And we're still speaking with potential partners about potential collaborations and the like. Having said that, what we now have is a fundamentally different value proposition to partners. Rather than

providing a platform that we think is very well tolerated and effective, and hoping to fit all at least cancer targets within that, we now have a much broader slate to work from. And so our posture to partners is a bit different now. It is to bring them in and show them these five systems, and to find which one of these five – or a combination, potentially – works for their targets and for their disease state.

So, while I agree with you that Calando is still an absolutely important part of our value proposition, it's now one of a number now and so our model has changed a bit. Again, I'm not backing away from our confidence in systems; we still have a lot of confidence in it. But again, we are approaching partners in a fundamentally different way now.

T. Aldridge I guess my pause, to an extent, is just the fact that the goalposts seem to have moved on the landscape for big pharma to partner, and that is they want to see more mature companies in clinical progression, probably a P1 or maybe near P2 in order to de-risk the platforms. So in order to progress these assets, it becomes a time to market sort of circumstance. And if these aren't mature enough to be partnered yet because of where they are in the clinic versus Calando, which seems very mature in relevance to all other delivery systems on the landscape, it simply just feels like to

progress the assets acquired you really need something right to perfect a partnership in the near-term and it just seems to me that Calando really is the vehicle to do that.

Having said that, are we to assume now the equal partnering Calando this year by the end of 2011 has changed?

C. Anzalone No, we're not commenting on our progress there. I agree with you that Calando is an important part of this partnering because it is so farther advanced than the other four systems. I guess my only point is that we now have another tool to de-risk this proposition to partners. It's not just that these partners can jump into a platform after it's in phase I or phase II. We now can de-risk the proposition because now we have more than one delivery system that we can offer.

T. Aldridge Understood . If I may, just given the upcoming listing requirement here by December 5th, are there other potential catalysts where we could potentially look forward to ahead of that, so as to hopefully mitigate that or is a reverse split now potentially more focused?

C. Anzalone We think we have a number of catalysts that can help propel our stock in a more organic way. Not only from partnering within our RNAi, now much broader RNAi staple, but within Obleris. As we've said in the past, we believe that we can be clear to start a phase I trial by the end of this year. I think that's an important event. We've talked about the prospect of publishing some primate data by the end of this year with Obleris in a high impact journal that could also help to move our value. So, we're focused on building value and we still feel confident we can do that.

T. Aldridge So if I hear you correctly it sounds like there's still the prospect, a potential partnership opportunity within RNAi along with Obleris and a couple of other potential things before this early December date that we can at least possibly look forward to then, correct?

C. Anzalone Yes. We are still working on all of those things and we still feel good about them.

T. Aldridge Great, and congratulations again. And again, didn't want to be too much of a devil's advocate, but hopefully this might clear up some of the questions out there for other investors as well as myself. So again,

congratulations and look forward to more progress from you guys.

Thanks, Chris.

C. Anzalone Thank you.

Coordinator Our next question comes from Glenn Seal, private investor.

G. Seal Could you let us know what the impact on your core management setup is going to be with this additional acquisition? In other words, are you going to have to add additional people at your Pasadena facility in order to manage the operation? Give us some color there.

C. Anzalone That's a great question. We are thrilled by the management team that we've gotten to know in Madison. We're thrilled to have them join Arrowhead. It is an extremely high quality management team, in addition to being a high quality scientific team.

Having said that, we do believe that we need to beef up our own management here within Arrowhead; not substantially, but with a couple of key hires and we have every intention of doing that. So I think it's fair

to say that you can look for a very small number of senior additions in the near-term.

G. Seal — Along those lines, one of the questions I've always had with Arrowhead is your ongoing cash burn and your ability, basically, to maintain sufficient working capital given the number of programs that you have ongoing. Could you add a little additional color? I mean, in terms of how soon do you have to really cut a partnership in order to put yourself in the position where you're not constantly going back into the marketplace to dilute existing shareholders?

C. Anzalone — Great question also. So here's where we are. We feel really good about these last two relatively small financings. One we announced three weeks ago and then one we just announced. The one three weeks ago was for $6 million and the one we just announced was for $4 million. So, $10 million is not an insignificant amount of capital for us. I still think that even with the addition of the new facilities that we run in a very capital efficient way, especially relative to other biotechnology companies. And so I think that $10 million is, in addition to the capital we have on the books, I think is a reasonably large amount for us.

Now, when you add on top of that the facility that we have just entered into with Lincoln Park Capital, I think it gives us great flexibility. That is for $15 million that we can draw, as necessary, or not at all. It is a relatively inexpensive source of capital that enables us to really dial up or dial down our capital raises as necessary.

The reason that's important for us now is because we're bringing in these new capabilities that I think are going to dramatically increase our ability to do partnerships and, therefore, bring in revenue. We are providing ourselves the ability to bring capital only as necessary, and so we are, I think, limiting the shareholder dilution, because we can access some of that or none of it or all of it as necessary.

Now, I think the most important piece of this is, again, our ability to bring in non-dilutive capital. The irony, or I guess paradox here, is that with bringing in the Madison facility and all the equipment there and all the people there, we are increasing our burn rate for us substantially. We are comfortable with that.

G. Seal Chris, excuse me, your burn rate with the acquisition is going to go from what to what? So my sense is that this is a $550,000, maybe $600,000

additional cash flow expense on the books moving forward. Add that to your current burn rate and give the listeners on the call some sense of what your burn rate is going to look like going forward.

C. Anzalone So as I mentioned to a previous question, we're not prepared to give very granular guidance on burn going forward just because we have not yet integrated the facilities. We got the deal done on Friday and we need to put them together and see what kind of efficiencies we have, and then to determine what sort of development budget we have.

I can tell you, though, that coming into this the core fixed costs there are in the $7 million to $8 million range. So Ken can speak to historically over the last several quarters what our current burn has been.

K. Myszkowski If you look at our burn of our current operations before the acquisition, we were spending on the order of $500,000 to $600,000 a month. So you take that and you add that to the core costs of the new Madison facility, and then we look to what sort of efficiencies we might gain by combining the operations, and that gives you a sense of what we look like going forward.

G. Seal So it sounds like some place between $900,000 and $1.2 million a month?

C. Anzalone Again, we can be more granular on that once the sites are integrated and we can give more guidance on that in the very near future. But here's I think the two key points. Key point number one is with the financings that we just completed and the Lincoln Park facility, we feel comfortable that we have the capital that we need for the time being. Second and more importantly, we did this transaction in large part because it puts us in a situation where we can bring in, I think, a stable revenue source. Because of all the real estate we're bringing in in this RNAi field and because of the new more expanded power within delivery, I think that while our burn rate is going to go up, our ability to capture non-diluted capital will go up even faster. So the irony or paradox is that while our burn rate is going to go up, our need for outside equity capital, I believe, in the mid-term and long-term certainly and maybe even in the shorter-term will go down.

G. Seal Thanks. I appreciate it.

Coordinator Our next question comes from Gerry Ward, private investor.

G. Ward I'm just another follow up on financial terms. Maybe they were included, but pulled faster than I could get it. Can you tell us anything further about

what Roche gets in this deal? And was there any cash in addition to their 10% ownership? And another question would be, is there any disclosure in what the terms of their ownership might be?

C. Anzalone There was no cash to speak of. They received a just under 10% equity position in Arrowhead. They will receive royalties to a tune of 3% on products that utilize the technologies that we're bringing in. There are also stacking provisions, such that if we have to pay other royalties, there will be a mechanism to decrease that 3%. There are milestone payments that we'll pay them. However, we're comfortable with those milestone payments because none of them are near-term. They don't kick in until after drug approval. Then there are limited rider first negotiations.

The way that's structured is that for a limited number of certain product candidates they will have the right to negotiate, to partner or to acquire those. They're structured in such a way that it will not materially impede our ability to partner those, but it will give them a chance to negotiate for them.

G. Ward One follow on question, if I could. Is there any stipulation about board representation?

C. Anzalone No, they will not have any board representation.

G. Ward Thank you very much.

C. Anzalone And let me tell you this also. Here's what we hope. Roche did a tremendous job building this program. We are indebted to them for doing that and we are certainly hopeful that we'll be able to work with them in the future. They are a clear leader in many areas that we're going to be interested in, and it is helpful to us to have an open dialogue with them going forward. And while there is nothing in this agreement that requires us or them to partner on programs, we certainly hope that's going to be the case and we will be speaking with them as we move into partnering to see if we can execute something with them going forward.

Coordinator This concludes our question and answer session. I would like to turn the conference back over to Chris Anzalone for any closing remarks.

C. Anzalone I'd like to thank you once again for joining us today. We are extremely excited about the opportunity that lies ahead. As I mentioned, this has been a monumental event for our company and our shareholders, and one

that we think will forever change the face of RNAi development and of course for Arrowhead. Following this call we will be posting FAQ's on our website and a copy of these prepared remarks. Once the full transcript of the call is available, which will include the Q&A session, we'll post that as well. As I said, in the coming months we will be releasing additional information as we move through the integration process, and we look forward to keeping you up to date on our activities and expectations. Thanks again and have a great day. Bye.

Coordinator The conference is now concluded. Thank you for attending today's presentation. You may now disconnect.