



May 6, 2013

Arrowhead Closes \$36 Million Private Offering

Financing led by RA Capital with a syndicate of healthcare specialist investors

PASADENA, Calif. — May 6, 2013 — Arrowhead Research Corporation (NASDAQ: ARWR), a targeted therapeutics company, today announced that on May 3, 2013 it closed a previously announced private offering of common and convertible preferred stock with gross proceeds of \$36 million. The financing was led by RA Capital and included new investors Camber Capital, Special Situations Fund, and Aquilo Capital, as well as existing investors Sabby Capital, Sphera Global Healthcare Fund, and Jim Mellon.

“Our strengthened balance sheet allows us to accelerate our pipeline, which includes taking our chronic hepatitis B candidate, ARC-520, into a phase 1 study in healthy volunteers planned for this summer, a phase 2a study in chronic HBV patients with a planned regulatory filing later this year, and a phase 2b multi-dose study in the second half of 2014,” said Dr. Chris Anzalone, President and CEO of Arrowhead. “With our current burn rate we expect this financing to give us a cash runway into 2015.”

Approximately 14.3 million shares of common stock were issued at \$1.83 per share. 9,900 shares of Series B convertible preferred stock were issued at \$1,000 per share, and each are convertible into 546 shares of common stock which is a conversion price of \$1.83 per share of common stock. The Series B preferred was used in the financing as an accommodation to those investors who desire to not own in excess of 9.99% of Arrowhead’s outstanding voting securities following the financing. The Series B Preferred is non-voting above a beneficial ownership cap of 9.99%, pays no dividend, and carries no liquidation preference.

Trout Capital acted as a financial advisor in the transaction. The company did not engage an investment banker or placement agent.

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](https://twitter.com/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.

Contacts:
Vince Anzalone

Arrowhead Research

626-304-3400
ir@arrowres.com
Lauren Glaser

The Trout Group

646-378-2972
ir@arrowres.com