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Arrowhead Presents Data Showing 99% Target Knockdown in Monkeys Without Toxicity Using Subcutaneous Formulation of Dynamic Polyconjugate siRNA Delivery System

PASADENA, Calif. — October 29, 2012 — Arrowhead Research Corporation (NASDAQ: ARWR), a targeted therapeutics company, announced that David Lewis, Ph.D., Vice President Biology and Site Head of its Madison, WI research and development facility will present data today at the Annual Meeting of the Oligonucleotide Therapeutics Society in Boston. The oral presentation titled, "Dynamic PolyConjugate (DPC) technology for Targeted Delivery of siRNA," describes advancement of a new subcutaneous formulation of the company's DPC delivery system. Data from new studies in mice and non-human primates show high levels of target gene knockdown at very low doses with no toxicity. Dr. Lewis will also present data on the drug candidate ARC-520 against chronic hepatitis B virus (HBV) infection.

"The subcutaneous DPCs have shown striking levels of target gene knockdown, which we are pleased to have the opportunity to discuss at the OTS meeting," said Bruce D. Given, M.D., COO and Head of R&D for Arrowhead. "Subcutaneous delivery is preferable for some indications but the high doses of siRNA required to achieve meaningful knockdown have been prohibitive. We believe the unprecedented efficiency of this DPC formulation opens up many opportunities for Arrowhead and could represent a leap forward for the RNAi therapeutics field."

Dr. Lewis' presentation illustrates the efficacy of DPCs formulated for subcutaneous administration using Arrowhead's latest proprietary polymer masking technology. Using DPCs to deliver siRNA, high-level target gene knockdown is observed at low siRNA doses without toxicity in rodents and non-human primates. Arrowhead studies have shown knockdown of 99% in monkeys after a single injection of 1 mg/kg, >90% at 0.5 mg/kg, and 80% in mice at 0.05 mg/kg. PK and biodistribution studies indicate that the new masking technology is highly stable, allowing for maximal bioavailability and long circulation times. Arrowhead is developing this formulation for use in multiple therapeutic areas including oncology.

Dr. Lewis will also present data on Arrowhead's clinical candidate, ARC-520, for the treatment of chronic hepatitis B. According to the World Health Organization, some 360 million people, or 5% of the world's population, suffer from chronic hepatitis B and are at significant risk for development of liver cirrhosis and hepatocellular carcinoma. Existing drugs for the treatment of chronic hepatitis B seldom produce a functional cure and can cause significant side-effects.

In mouse models of HBV infection, a single injection of ARC-520 containing NAG-polymer and chol-siRNAs targeting conserved regions of the HBV transcripts resulted in multi-log reductions in circulating viral antigens and HBV DNA, and dramatically reduced HBV RNA and DNA replicative intermediates in the liver. The duration of effect is unprecedented, with HBsAg reduced >99% for one month following a single injection. These results suggest that ARC-520 holds great promise as a new therapeutic modality for patients chronically infected with HBV.

About Arrowhead Research Corporation

Arrowhead Research Corporation is a clinical stage targeted therapeutics company with development programs in oncology, obesity, and infectious disease. The company leverages its platform technologies to design and develop peptide-drug conjugates (PDCs) which specifically home to cell types of interest while sparing off-target tissues, creates targeted drugs based on the gene silencing RNA interference (RNAi) mechanism, and works 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.

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