
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): January 18, 2011

Arrowhead Research Corporation

(Exact name of registrant as specified in its charter)

0-21898

(Commission File Number)

Delaware

(State or other jurisdiction
of incorporation)

46-0408024

(IRS Employer
Identification No.)

201 South Lake Avenue, Suite 703,

Pasadena, CA

(Address of principal executive offices)

91101

(Zip Code)

Registrant's telephone number, including area code (626) 304-3400

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4 (c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.01. Completion of Acquisition or Disposition of Assets

As previously disclosed in Arrowhead's 8-K filing on January 21, 2011, Unidym, Inc. ("Unidym"), a majority-owned subsidiary of Arrowhead Research Corporation ("Arrowhead" or the "Company") entered into a definitive Agreement and Plan of Merger (the "Merger Agreement") by and among Unidym, Wisepower Co., Ltd., a corporation of Republic of Korea, Unicycle Acquisition Corp., a Delaware corporation and wholly owned subsidiary of Wisepower, and, solely with respect to representations and warranties made in the Merger Agreement, Arrowhead. The transactions contemplated under the Merger Agreement closed on January 18, 2011 and, effective as of that date, Unidym was divested. In accordance with Rule 8-05 of Regulation S-X (17 CFR 210.8-05), the Company is filing herewith the attached pro forma financial statements showing the impact of the Unidym sale as of and for the year ended September 30, 2010.

The disclosures set forth under Item 1.01 of the Company's Current Report on Form 8-K filed on January 21, 2011 is incorporated herein by reference

Item 9.01. Financial Statements and Exhibits

(b) Pro forma Financial Information

The required pro forma financial information is filed herewith as Exhibit 99.1 and is incorporated by reference.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Pro Forma Financial Information

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: January 24, 2010

ARROWHEAD RESEARCH CORPORATION

By: _____ /s/ KENNETH MYSZKOWSKI
Kenneth Myszkowski
Chief Financial Officer

ARROWHEAD RESEARCH CORPORATION
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ARROWHEAD RESEARCH CORPORATION
(UNAUDITED) PRO FORMA COMBINED CONDENSED FINANCIAL INFORMATION

The accompanying (unaudited) pro forma combined condensed financial statements present the historical financial information of Arrowhead Research Corporation (“Arrowhead”), as adjusted for the disposition of Unidym, Inc. (“Unidym”).

The accompanying pro forma combined condensed balance sheet presents the historical financial information of Arrowhead as of September 30, 2010, as adjusted assuming the disposition of Unidym took place on September 30, 2010.

The accompanying pro forma combined condensed statement of operations for the year ended September 30, 2010, presents the historical financial information of Arrowhead with adjustments to reflect the exclusion of Unidym for the respective period, as if the disposition had occurred on October 1, 2009.

The pro forma combined condensed financial statements have been prepared by management, based on the historical financial statements of Arrowhead and Unidym. These pro forma combined condensed financial statements may not be indicative of the results that actually would have occurred if the disposition had taken place on the dates indicated. The pro forma combined condensed financial statements should be read in conjunction with the historical financial statements of Arrowhead for the year ended September 30, 2010.

ARROWHEAD RESEARCH CORPORATION
PRO FORMA COMBINED CONDENSED BALANCE SHEET (UNAUDITED)
AS OF SEPTEMBER 30, 2010

	Arrowhead Research Corp. (consolidated)	Unidym, Inc.	Pro Forma Adjustments	Footnote Reference	Proforma Combined
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 6,847,162	\$ 302,613	302,613	(1)	\$ 6,847,162
Trade receivable, net of allowances	58,864	58,555			309
Other receivables	871,819	—	622,823	(1)	1,494,642
Prepaid expenses	239,097	125,635			113,462
Other current assets	114,833	—	2,500,000	(3)	2,614,833
TOTAL CURRENT ASSETS	<u>8,131,775</u>	<u>486,803</u>			<u>11,070,408</u>
PROPERTY AND EQUIPMENT					
Computers, office equipment and furniture	335,784	60,191			275,593
Research equipment	752,850	749,336			3,514
Software	150,445	73,425			77,020
Leasehold improvements	78,594	12,146			66,448
	1,317,673	895,098			422,575
Less: Accumulated depreciation and amortization	(1,176,404)	(795,762)			(380,642)
NET PROPERTY AND EQUIPMENT	<u>141,269</u>	<u>99,336</u>			<u>41,933</u>
OTHER ASSETS					
Rent deposit	34,735	34,735			—
Patents	2,046,836	73,816			1,973,020
Investments and other noncurrent assets	1,999,927	—	2,757,644	(3)	4,757,571
TOTAL OTHER ASSETS	<u>4,081,498</u>	<u>108,551</u>			<u>6,730,591</u>
TOTAL ASSETS	<u>\$12,354,542</u>	<u>\$ 694,690</u>			<u>\$17,842,932</u>
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Accounts payable	\$ 681,563	\$ 257,867			\$ 423,696
Accrued expenses	371,236	119,564			251,672
Accrued payroll and benefits	191,425	35,027			156,398
Accrued severance	23,500	—			23,500
Intercompany liability	—	925,436	925,436	(1)	—
Derivative liability	2,408,522	—			2,408,522
Note payable	500,000	—			500,000
TOTAL CURRENT LIABILITIES	<u>4,176,246</u>	<u>1,337,894</u>			<u>3,763,788</u>
TOTAL STOCKHOLDERS' EQUITY	<u>8,178,296</u>	<u>(643,204)</u>	5,257,644	(3)	<u>14,079,144</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$12,354,542</u>	<u>\$ 694,690</u>			<u>\$17,842,932</u>

ARROWHEAD RESEARCH CORPORATION
PRO FORMA COMBINED CONDENSED STATEMENT OF OPERATIONS (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2010

	<u>Arrowhead Research Corp. (consolidated)</u>	<u>Unidym, Inc.</u>	<u>Pro Forma Adjustments</u>	<u>Footnote Reference</u>	<u>Proforma Combined</u>
REVENUE	\$ 620,097	\$ 620,097			\$ —
OPERATING EXPENSES					
Salaries	4,297,930	1,727,244	534,801	(2)	3,105,487
Consulting	514,041	102,463			411,578
General and administrative expenses	3,183,077	748,360			2,434,717
Research and development	1,111,473	863,677			247,796
Patent amortization	315,625	73,817			241,808
TOTAL OPERATING EXPENSES	9,422,146	3,515,561			6,441,386
OPERATING LOSS	(8,802,049)	(2,895,464)			(6,441,386)
OTHER INCOME (EXPENSE)					
Loss on equity of investments - Nanotope	(219,540)	—			(219,540)
Gain on sale of subsidiary	—	—	4,002,455	(4)	4,002,455
Gain/(loss) on sale of fixed assets, net	10,881	10,881			—
Interest income (expense), net	(48,025)	(25,242)			(22,783)
Change in value of derivative liability	1,761,385	—			1,761,385
Other income	(87,032)	(88,804)			1,772
TOTAL OTHER INCOME	1,417,669	(103,165)			5,523,289
LOSS FROM CONTINUING OPERATIONS	(7,384,380)	(2,998,629)			(918,097)
Earnings per share - basic and diluted:					
Loss from continuing operations	\$ (0.10)				\$ (0.01)
Weighted average shares outstanding - basic and diluted	64,342,448				64,342,448

Note 1 - Basis of presentation

The accompanying pro forma combined financial statements are presented to reflect the disposition of Unidym Inc. ("Unidym") by Arrowhead Research, Inc. ("Arrowhead").

The accompanying pro forma combined condensed balance sheet has been prepared to give effect to the disposition of Unidym by Arrowhead as if the disposition occurred on September 30, 2010. The accompanying pro forma combined condensed statements of operations include the historical operations of Arrowhead and exclude the operations of Unidym as if the disposition had occurred on October 1, 2009

Note 2 - Pro forma adjustments

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

The unaudited pro forma combined condensed financial statements reflect the following pro forma adjustments:

Adjustment (1) - This adjustment reflects the repayment of intercompany debt between Arrowhead and Unidym, which is assumed to be settled in cash prior to the disposition. The cash settlement is reflected at \$302,613, Unidym's cash balance at the transaction date. The balance is reflected as an other receivable.

Adjustment (2) - This adjustment reflects charges from Arrowhead to Unidym for a portion of certain Arrowhead employees costs related to management and administrative services, which amounts would be absorbed by Arrowhead in the absence of Unidym.

Adjustment (3) - This adjustment reflects the proceeds from the disposal, the gain on the transaction, and the related entries to equity and noncontrolling interest, as if the transaction occurred on September 30, 2010.

Adjustment (4) - This adjustment reflects the gain on the transaction, as if the transaction occurred on October 1, 2009.