



March 5, 2015

Arrowhead Acquires Novartis' RNAi Research and Development Portfolio

- Conference Call Today at 8:30 a.m. EST

PASADENA, Calif.--(BUSINESS WIRE)-- Arrowhead Research Corporation (NASDAQ: ARWR), a biopharmaceutical company developing targeted RNAi therapeutics, today announced the acquisition of Novartis' entire RNAi research and development portfolio and associated assets. The acquisition includes assignment of certain patents and patent applications owned or controlled by Novartis related to RNAi therapeutics, an exclusive license in the RNAi field to other patents and patent applications owned or controlled by Novartis, assignment of a third party license, three pre-clinical RNAi candidates, and other related assets. The company is hosting a conference call at 8:30 a.m. EST to discuss the acquisition.

Key aspects of the acquisition include the following:

- Multiple patent families covering RNAi-trigger design rules and modifications that fall outside of key patents controlled by competitors, which the Company believes provides freedom to operate for any target and indication;
- Novel intracellular targeting ligands that enhance the activity of RNAi-triggers by targeting the RNA-induced silencing complex (RISC) more effectively and improving stability once RISC is loaded;
- An assignment of Novartis' license from Alnylam Pharmaceuticals granting Arrowhead access to Alnylam intellectual property, excluding delivery, for 30 gene targets chosen by Novartis;
- A pipeline of three candidates initiated by Novartis and for which Novartis has developed varying amounts of preclinical data.

"This is an important deal for us. Novartis has been working in the RNAi field for over a decade and their developments in proprietary oligonucleotide formatting and modifications are some of the best we've seen. We anticipate this acquisition will provide us with substantially expanded freedom to operate, proprietary technology that appears to enhance the activity of RNAi triggers, access to non-delivery Alnylam RNAi IP for 30 targets, and three programs that went through the rigorous Novartis vetting process," said Christopher Anzalone, Ph.D., president and chief executive officer of Arrowhead. "We now have additional flexibility to optimize each new candidate using the most effective RNAi-trigger design and modifications. We look forward to incorporating these novel technologies into future drug candidates."

Under the terms of the agreement, Arrowhead previously made a payment to Novartis of \$7 million in cash and will provide an additional payment of \$3 million in cash and \$25 million in Arrowhead common stock within 30 days. Novartis is also eligible to receive milestones and single digit royalties on sales of future products in connection with the agreement.

Conference Call and Webcast Details

To participate in the conference call, please dial 855-215-6159 (toll free from the US) or 315-625-6887 (for international callers) and enter Conference ID 98554265. Investors may also access a live audio webcast of this conference call on the Company's website at <http://ir.arrowheadresearch.com/events.cfm>.

A replay of the webcast will be available approximately two hours after the conclusion of the call and will remain available for 90 days. An audio replay will also be available approximately two hours after the conclusion of the call and will be available for 7 days. The audio replay can be accessed by dialing 855-859-2056 (toll free from the US), or 404-537-3406 (for international callers) and entering Conference ID 98554265.

About Arrowhead Research Corporation

Arrowhead Research Corporation is a biopharmaceutical company developing targeted RNAi therapeutics. The company is leveraging its proprietary Dynamic Polyconjugate™ delivery platform to develop targeted drugs based on the RNA interference mechanism that efficiently silences disease-causing genes. Arrowhead's pipeline includes ARC-520 for chronic hepatitis B virus, ARC-AAT for liver disease associated with Alpha-1 antitrypsin deficiency, and partner-based programs in obesity and oncology.

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 and receive news directly, please visit <http://ir.arrowheadresearch.com/alerts.cfm>.

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, actions of the U.S. Food and Drug Administration (FDA) and similar global regulatory bodies, rapid technological change in our markets, challenges to the validity of our intellectual property rights, 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.

Source: Arrowhead Research Corporation

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