



Arrowhead Research
CORPORATION

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CALANDO PHARMACEUTICALS' LEAD siRNA ANTI-CANCER THERAPEUTIC CANDIDATE SHOWN TO BE WELL TOLERATED IN NON-HUMAN PRIMATE SAFETY STUDY

PASADENA, Calif.—October 20, 2006—Calando Pharmaceuticals, a leading siRNA therapeutics company and a majority-owned subsidiary of Arrowhead Research Corporation (NASDAQ: ARWR) announced results of a pilot safety-study using Calando's lead siRNA therapeutic candidate in non-human primates. At the Second Annual Meeting of the Oligonucleotide Therapeutic Society, Dr. Jeremy Heidel, Chief Scientific Officer, will present data from the study showing that the therapeutic candidate is well tolerated at doses significantly higher than those shown to be efficacious in previous studies using a similar formulation.

The formulation investigated contains Calando's proprietary delivery technology with an siRNA duplex targeting the M2 subunit of ribonucleotide reductase, a well-established cancer target. This duplex, developed at Calando, demonstrates potent anti-proliferative activity across multiple types of cancer cells. The objective of this escalating-dose pilot study was to assess numerous safety-related parameters for this formulation in primates.

The data show that this formulation is well tolerated in non-human primates at doses well above doses of a similar formulation shown to have anti-tumor effects when tested in a metastatic mouse model of Ewing's sarcoma, a rare form of cancer affecting mainly children and young adults (*Cancer Res* 65 (19):8984-8892). One area of concern in translating any siRNA-containing formulation from animals to the clinic is the potential for immune responses to the siRNA duplex itself. Another concern is antibody generation to the formulation, including the targeting components. The Calando study examined both of these issues, and the results suggest that repetitive dosing in humans will be feasible with this formulation.

"These results keep us on track to be the first in the clinic with a targeted siRNA therapeutic," said John Petrovich, Calando's Chief Executive Officer. We plan to initiate a Phase I clinical trial by the end of 2007 with this lead formulation to investigate its safety, tolerability and pharmacokinetics in patients with solid tumors of multiple types."

About Arrowhead Research Corporation

Arrowhead Research Corporation (www.arrowheadresearch.com) is a publicly-traded nanotechnology company commercializing new technologies in the areas of life sciences, electronics, and energy. Arrowhead is building value for shareholders through the progress of majority owned subsidiaries founded on nanotechnologies originally developed at universities. The company works closely with universities to source early stage deals and to generate rights to intellectual property covering promising new nanotechnologies. Currently, Arrowhead has four subsidiaries commercializing nanotech products and applications, including anti-cancer drugs, RNAi therapeutics, carbon-based electronics and compound semiconductor materials.

About Calando Pharmaceuticals Inc.

Calando Pharmaceuticals Inc. (www.calandopharma.com), a majority owned subsidiary of Arrowhead Research Corporation (NASDAQ: ARWR), is using its proprietary technologies in targeted polymeric delivery systems and siRNA design to design and create new, targeted siRNA therapeutics. The company is pursuing this goal through its internal research and development

and also through collaborations and partnerships with pharmaceutical and biotechnology companies.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995:

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 the recent economic slowdown affecting technology companies, the future success of our scientific studies, our ability to successfully develop products, rapid technological change in our markets, changes in demand for our future products, legislative, regulatory and competitive developments and general economic conditions. Our Annual Report on Form 10-K and 10-K/A, recent and forthcoming Quarterly Reports on Form 10-Q and 10-Q/A, recent Current Reports on Forms 8-K and 8-K/A, our Registration Statements on Form S-3, and other SEC filings discuss some of the important risk factors that may affect our business, results of operations and financial condition. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

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