



PRESS RELEASE
July 26, 2006
7:00AM ET

**CALANDO PHARMACEUTICALS SELECTS AGILENT TECHNOLOGIES
FOR siRNA PRODUCTION**

DUARTE and PALO ALTO, Calif., July 26, 2006 – **Calando Pharmaceuticals Inc.**, a majority-owned subsidiary of Arrowhead Research Corporation (NASDAQ: ARWR), has selected Agilent Technologies (NYSE: A) to manufacture the active siRNA component in its lead RNAi product, CALAA01. Calando was formed in 2005 to create, develop and commercialize proprietary technologies for the therapeutic use of RNA interference, or "RNAi."

CALAA01 is the first targeted siRNA anti-cancer therapeutic that Calando plans to enter into Phase I clinical trials. Agilent will provide the siRNA component of CALAA01 for Investigational New Drug (IND)-enabling pharmacokinetic and toxicity studies as well as cGMP production for the Phase I clinical study.

"Establishing the manufacturing relationship with Agilent for CALAA01 is a major milestone in our development timeline," said Calando CEO John Petrovich. "We are very impressed with the depth of experience and strong leadership the Agilent team has to offer. In addition, we appreciated the team's ability to offer a complete package of development services, including development of analytical methods, IND supporting studies and stability. These attributes are vitally important in the manufacture of therapeutics as complex as siRNA duplexes."

"We're very pleased to be selected by Calando to provide manufacturing and IND-enabling services for their lead RNAi product," said James Powell, general manager of Agilent's Nucleic Acid Solutions Division. "Calando is one of the leading RNAi therapeutics companies, due to their focus on development and commercialization of targeted siRNA therapeutics based on proprietary technologies, and we look forward to working closely with them."

Calando Technology

Calando's cyclodextrin-containing polymers form the foundation for its two-part siRNA delivery system. The first component is a linear, cyclodextrin-containing polycation that, when mixed with small interfering RNA (siRNA), binds to the anionic "backbone" of the siRNA. The polymer and siRNA self-assemble into nanoparticles of approximately 50 nm diameter that fully protect the siRNA from nuclease degradation in serum. The siRNA delivery system has been designed for intravenous injection. Upon delivery to the target cell, the targeting ligand binds to membrane receptors on the cell surface and the RNA-containing nanoparticle is taken into the cell by endocytosis. There, chemistry built into the polymer functions to unpackage the siRNA from the delivery vehicle. In addition to targeting tumors, the targeting of liver cells has also been accomplished *in vivo*. Using anti-FAS siRNA, liver targeted delivery from tail vein injections in mice are able to provide FAS gene inhibition like that observed from a high pressure tail vein injection that is not clinically relevant.

About Calando Pharmaceuticals Inc.

Calando Pharmaceuticals Inc., a majority-owned subsidiary of Arrowhead Research Corporation (NASDAQ:ARWR), is using its proprietary technologies to design and create new, targeted siRNA therapeutics. Calando combines proprietary technologies in targeted polymeric delivery systems and

siRNA design to create therapeutics. The company is pursuing this goal through its internal research and development and also through collaborations and partnerships with pharmaceutical and biotechnology companies. For more information, visit www.calandopharma.com.

About Agilent in Nucleic Acids

Agilent, through its Nucleic Acid Solutions Division based in Boulder, Colo., is a leading provider of flexible therapeutic oligo development services and manufacturing solutions for the biotech and pharmaceutical industries. In addition to manufacturing cGMP therapeutic oligo materials, Agilent also offers an array of turn-key services, including development of analytical methods and processes, stability studies, quality control, and regulatory support. Information about Agilent's Nucleic Acid Solutions Division is available on the Web at www.chem.agilent.com/Scripts/Generic.ASP?IPage=50795. The Nucleic Acid Solutions Division is part of Agilent's New Business Group, which is chartered to develop new businesses consistent with the company's growth strategy.

About Agilent Technologies

Agilent Technologies Inc. (NYSE: A) is the world's premier measurement company and a technology leader in communications, electronics, life sciences and chemical analysis. The company's 20,000 employees serve customers in more than 110 countries. Agilent had net revenue of \$5.1 billion in fiscal year 2005. Information about Agilent is available on the Web at www.agilent.com.

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