

**ENTREPRENEURIAL LEADERSHIP**  
HARNESSING THE POWER AND VALUE OF  
NANOTECHNOLOGY

**OVERVIEW**

Arrowhead Research Corporation is a holding company that forms, acquires, and operates portfolio companies commercializing innovative nanotechnologies. By working closely with leading scientists and universities, Arrowhead identifies the latest advances in nanotechnology and matches them with product development opportunities in high-growth markets. The Company is currently focused on the electronics and biotech industries.

Providing strategic management, financing, and operational services to its portfolio companies, Arrowhead takes an active role in their development, keeping the business and technical development teams at the portfolio level focused on near term revenue opportunities and capital efficiency.

Arrowhead's strategy is to maintain or build a majority ownership position in each portfolio company, thus providing significant exposure to their growth. Arrowhead's ultimate goal is to monetize the value of its subsidiaries through an initial public offering of subsidiary stock or a sale of a subsidiary to another company. Alternatively, Arrowhead could retain ownership of subsidiary to capture its continuing cash flow and income.

Arrowhead is currently focused on its two majority-owned subsidiaries, Unidym, Inc. and Calando Pharmaceuticals, Inc. Arrowhead also owns interests in other development stage nanotechnology companies and is seeking to selectively add to its portfolio.

**NASDAQ: ARWR**

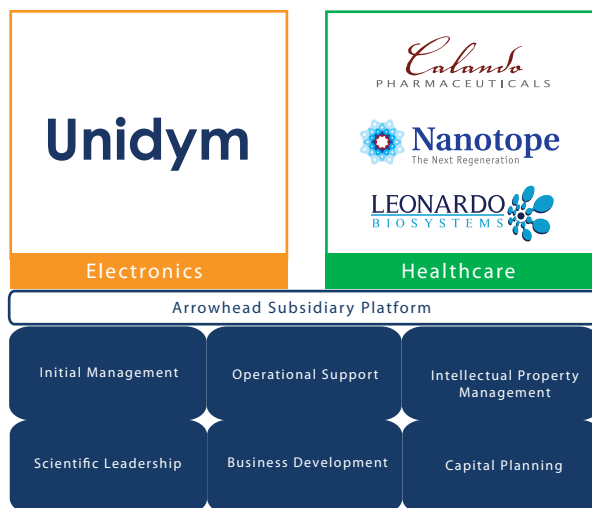
Recent price (April 1, 2010)	\$1.14
52-week trading range	\$0.31 – \$1.38
Shares outstanding	62.8 M
Market capitalization	\$71.6 M

**INVESTMENT HIGHLIGHTS**

- ◆ Efficient holding company capital structure
- ◆ Near-term commercialization of innovative products
- ◆ Majority ownership of subsidiaries with leading technology in RNAi delivery and carbon nanotube electronics
- ◆ Focus on partnerships with market leaders for product development
- ◆ Leading IP position in nanotechnology

**CENTRALIZED KEY OPERATIONS**

Subsidiaries are built de novo and via acquisition



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# ARROWHEAD RESEARCH CORPORATION

## OPERATING SUBSIDIARIES

Arrowhead's two most mature majority-owned subsidiaries are Unidym, Inc. and Calando Pharmaceuticals, Inc.

**Calando** is a clinical stage nano-enabled RNA interference drug delivery company. Calando's siRNA therapeutic, currently undergoing Phase I clinical testing, is the first to demonstrate in humans siRNA activity using targeted delivery and systemic administration. RNAi (through siRNA) is a potentially revolutionary new way of treating diverse disease classes; however, the lack of a proven method of delivering siRNA in humans has held the new field back. Arrowhead owns 70% of Calando.

**Unidym's** products are based on electronics-grade carbon nanotubes (CNTs), a class of molecules with multiple unique properties. For instance, some varieties conduct electricity better than copper, they are stronger than steel, and can be synthesized in bulk quantities. Unidym's products are intended to replace a key material used in touch panels, LCD displays, and thin-film solar cells, which represents a market opportunity that is estimated to be in excess of \$2.5B. Unidym is working in partnership with leading display manufacturers and end user customers to qualify its products with commercial shipment targeted in 2010. Arrowhead owns 80% of Unidym.

## LEADERSHIP

**Chris Anzalone, Ph.D., President and Chief Executive Officer.** Dr. Anzalone has a wealth of experience in nanotechnology, biotechnology, company-building, and venture capital. He is the founding CEO of Nanotope, Leonardo Biosciences, and NanoInk. Prior to his leadership of Arrowhead, Dr. Anzalone was a partner at the Washington DC-based private equity firm, Galway Partners LLC.

**Mark Tilley, Ph.D., Vice President, Advanced Materials and CEO of Unidym.** Dr. Tilley has over two decades of venture, managerial, R&D, and product development experience with global companies DSM and GE. He served in DSM's venturing arm and as VP, R&D at DSM Desotech, an operating division of DSM that is the global market leader in fiber optic coatings and stereo lithographic resins.

## PIPELINE

Arrowhead has interest in additional nanotechnology companies and plans to selectively add to its portfolio in the future.

**Nanotope** (22% owned) is a regenerative medicine company developing a highly flexible and customizable platform out of Northwestern University. Nanotope is developing a suite of products, each customized to regenerate specific tissues; including neuronal, vascular, bone, myocardial, and cartilage. The products are injectable compounds that work with surviving cells in and around the point of damage to initiate and support tissue regeneration and growth. Once regeneration is complete, the compounds are safely broken down and removed by the body. Nanotope is positioned to enter into a commercialization corporate partnership in 2010 and expects to be able to start a first round of clinical trials in 2010.

**Leonardo Biosystems** (6% owned) has a multi-stage delivery platform that has been shown in animal models to be highly effective in targeting delivery of siRNA and small molecule drugs. It expects to enter into commercial development partnerships in 2010.

**R. Bruce Stewart, Founder, Director and Executive Chairman of the Board.** Mr. Stewart is a life-long entrepreneur. His capital market experience spans 30 years and he has raised substantial capital for both public and private companies. He is known for his success in building value for shareholders and innovating novel strategies in corporate finance.

**Ken Myszkowski, Chief Financial Officer.** Mr. Myszkowski brings to Arrowhead a broad range of finance and accounting experience spanning two decades in both the public and private sectors.

**John Miller, Vice President, Business Development.** Mr. Miller is an industry recognized expert in the intellectual property landscape in nanotechnology. He has been instrumental in the development and implementation of the plan of operations for Unidym.

This profile 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, without limitation, our developmental stage and limited operating history, our ability to successfully develop products, rapid technological change in our markets, demand for our future products, legislative, regulatory and competitive developments, capital resources available to us and general economic conditions. Arrowhead Research Corporation's Annual Report on Form 10-K, recent and forthcoming Quarterly Reports on Form 10-Q, recent Current Reports on Forms 8-K and 8-K/A, and other SEC filings discuss some of the important risk factors that may affect our business, results of operations and financial condition.