Arrowhead Research CORPORATION

NASDAQ : ARWR

Recent Price (12/31/07)	$3.78
Shares Outstanding (12/11/07)	38.6 million
Market Cap	$146 million
Cash (9/30/07)	$25 million
Fiscal Year End	September 30

Arrowhead Research Corporation is a publicly-traded nanotechnology company operating majority-owned subsidiaries commercializing new technologies in the areas of life sciences, electronics and energy. Arrowhead's mission is to build value for shareholders through the identification, development and commercialization of nanotechnology related applications and products. Arrowhead takes majority interest in its subsidiaries, securing substantial participation in any success. To engage multiple opportunities and capitalize on the foundational nature of nanotechnology, Arrowhead employs a portfolio approach to its activities by operating several subsidiaries. Each subsidiary is staffed with its own technical and business team that focuses on its specific technology and markets while Arrowhead provides financial, strategic and administrative resources. Arrowhead also funds a number of prototype development efforts in leading university labs in exchange for the exclusive right to license resultant technology. In the near term, Arrowhead expects to add to its portfolio through selective acquisition and formation of new companies.

Recent News

Arrowhead Subsidiary, Unidym, ramps up manufacturing to meet carbon nanotube demand (2/08)

Arrowhead Subsidiary, Unidym, closes $10.4 million financing led by financial and strategic institutions (12/07)

Arrowhead names Dr. Chris Anzalone as Chief Executive Officer; Plans to acquire nanotech company (12/07)

Insert Therapeutics' lead anti-cancer compund is highlighted in public television documentary (10/07)

Arrowhead Subsidiary, Aonex, demonstrates high quality GaN growth for the GaN laser diode and LED device markets (10/07)

New research published on impact of targeting on biodistribution and efficacy of siRNA using Calando Pharmaceuticals siRNA delivery technology (9/07)

Arrowhead Subsidiary, Unidym, signs agreement to integrate its products into major display manufacturer's flat panel displays (7/07)

Investment Highlights

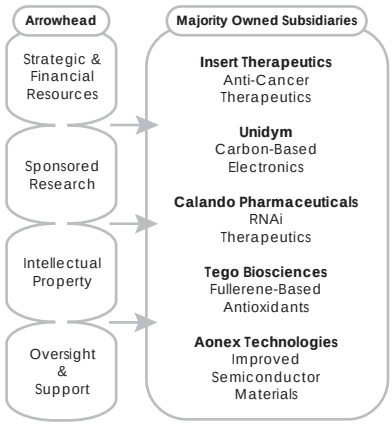
Excellent Potential for Growth in Nanotechnology Sector

Portfolio Approach with Multiple Revenue Generating Strategies

Large Intellectual Property Portfolio

Leveraged University Research & Development Program

Business Model



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Majority Owned Subsidiaries

Calando Pharmaceuticals, Inc. employs its proprietary nanotechnology exclusively on therapeutic use of RNAi (RNA interference), a technique to "silence" the expression of genes that cause diseases. Calando's self-assembling nanoparticles, comprised of Calando's proprietary polymer delivery system and an RNAi therapeutic, are designed for intravenous injection and have shown exemplary results in animal studies.

www.calandopharma.com

Insert Therapeutics, Inc. is conducting human clinical trials at the City of Hope Comprehensive Cancer Center with its lead cancer drug, IT-101, a conjugate of a potent anti-cancer compound, Campothecin, with Cyclosert, Insert's proprietary drug delivery system. IT-101 has achieved complete remission of some tumor types in mice and has shown promise across a wide range of cancers.

www.insertt.com

Unidym, Inc. is developing novel carbon nanomaterials and applications for new generations of electronic, optoelectronic and photovoltaic products. The technology is based on networks of carbon nanotubes, leading to high electrical conductivity, mechanical flexibility, transparency, and environmental resistance. Initial products include transparent and electrically conductive films that offer competitive alternatives to indium tin oxide (ITO) in applications such as flat panel displays, touch screens and solar cells.

www.unidym.com

Aonex Technologies, Inc. has developed engineered wafers are comprised of thin-films of materials suitable for LED fabrication that have been bonded onto specially engineered support wafers using a proprietary process. By optimizing the support wafer's properties, Aonex is able to simplify the manufacture of high efficiency LED structures, improve yields, and offer a viable path to larger wafer sizes (and corresponding lower costs).

www.aonextech.com

Tego BioSciences Corporation is developing and commercializing therapeutics and other products based on the antioxidant properties of modified fullerenes. The patent protected platform forms the basis for several products. The company is initially focused on developing products to reduce oxidative damage caused by sun exposure, radiation therapy, and chemotherapy and mitigate complications associated with organ transplantation and tissue engineering. For other applications of derivatized fullerenes such as MRI imaging or central nervous system disorders, Tego BioSciences will establish a program to partner with and license intellectual property to third parties.

www.tegobio.com

Management

Chris Anzalone, President and CEO, has a wealth of experience in nanotechnology, biotechnology, company-building, and venture capital. As CEO and founder of the Benet Group, Dr. Anzalone has focused on creating and building new nanobiotechnology companies from university-generated science. The Benet Group has investments in two portfolio companies; Nanotope Inc., a tissue regeneration company, and Leonardo Biosystems Inc., a cancer drug delivery company. Prior to Benet, Dr. Anzalone was a partner at the Washington DC-based private equity firm Galway Partners, LLC. There, he was in charge of sourcing, structuring, and building new business ventures and was founding CEO of NanoInk, Inc., a leading nanolithography company. Dr. Anzalone holds a Ph.D. and M.A. in Biology from UCLA and a B.A. in Government from Lawrence University.

R. Bruce Stewart, Founder and Executive Chairman, is a lifelong entrepreneur who has launched and funded more than 18 companies, taking several of them public. His capital market experience spans 30 years and he has raised substantial funds for public and private companies. Before launching Arrowhead, Stewart was the mind behind Acacia Research Corp. (NASDAQ: ACTG), which he founded and led for eight years and took public in 1995. Under Stewart's leadership, Acacia cultivated a portfolio of subsidiary companies operating in biotechnology, media technology licensing and direct marketing, along with early internet applications, reaching a market cap of close to $1 billion.

Larry G. Stambaugh is Chief Executive Officer of Insert Therapeutics, Inc. and Calando Pharmaceuticals, Inc. Mr. Stambaugh is the former Chairman, CEO and co-founder for Maxim Pharmaceuticals, Inc. At Maxim, he established a public, global biopharmaceutical company with a pipeline of product candidates for life-threatening cancers and liver diseases.

Arthur L. Swift is CEO and President of Unidym. Mr. Swift has more than 20 years of managerial, product development and marketing experience in the electronics industry. Mr. Swift served previously as CEO of Transmeta Corporation (NASDAQ:TMTA), a developer of semiconductor technologies, and has held executive level positions at Summit Microelectronics, Cirrus Logic, LynuxWorks, Sun MicroSystems, and Digital Equipment Corporation. Mr. Swift holds a B.S. in Electrical Engineering from The Pennsylvania State University.