

*March 25, 2013***Arrowhead Research (Nasdaq/ARWR/Buy/\$2.22)****Robert M. Wasserman**
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1) Arrowhead Research (Nasdaq/ARWR/Buy/\$2.22) – Arrowhead Research will hold an analyst day in New York City from 12:30-2 pm today, focusing on its Hepatitis B (HBV) candidate ARC-520. Topics to be discussed during the event include ARC-520 preclinical data, HBV disease biology, clinical trial strategy and timelines, market opportunity, clinician and patient perspectives, and new data generated from a chimpanzee with chronic HBV infection. Presenters today are expected to include Dr. Robert Gish, Chairman of Arrowhead’s HBV Clinical Advisory Board, Dr. Chris Anzalone, Arrowhead’s President and CEO, Dr. Bruce Given, Arrowhead’s COO and Head of R&D, and Joan Block, Executive Director and Co-founder of the Hepatitis B Foundation. To access audio portions of today’s presentations as well as related slides, interested parties will need to type or copy the following and then register for the event:

<http://www.wsw.com/webcast/ah/register.aspx?conf=ah&page=index&url=http%3A//www.wsw.com/webcast/ah/>

Separately, this morning Arrowhead provided further details on the recently published study on low-dose ARC-520 given intravenously to a chimpanzee with chronic HBV infection, specifically that through 29 days after initial treatment, maximal knock down of HBV DNA, e-antigen, and s-antigen were approximately 95%, 90%, and 90%, respectively. The study was notable and successful because:

- 1) According to Dr. Robert Lanford of the Texas Biomedical Research Institute where the study was conducted, “This is the first time I have tested an siRNA therapy that was efficiently delivered to the liver and suppressed HBV infection. This was a proof-of-concept study with a novel approach for curing HBV infection and this therapy provided highly promising results in a very short trial.”;
- 2) The animal being treated had exceptionally high titers of circulating HBV DNA and HBsAg that measured 1,000 to 10,000-fold higher than the average chronic hepatitis B patient. The HBV infection has been chronic for over thirty years and has persisted despite prior therapy with multiple anti-viral drugs and therapeutic vaccine exposures; and
- 3) This study marked the first large primate to be treated with ARC-520, and its viral and s-antigen loads were many orders of magnitude higher than what are typically found in humans.

Arrowhead is planning to begin human clinical trials on ARC-520 later this year. We are maintaining our Buy rating on ARWR shares and \$4 price target. (For further detail on our stock valuation please refer to our Initiation Report dated February 26, 2013). **RMW**

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Ratings Distribution	Company Coverage		Investment Banking	
	# of Companies	% of Total	# of Companies	% of Totals
Market Outperform (Buy)	12	75%	8	67%
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Market Underperform (Sell)	0	0%	0	0%
Total	16	100%	9	56%

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