September 21, 2016

Aradigm to Host Analyst Meeting and Webcast on September 26 in New York City

Event Will Feature Presentations by KOLs David Griffith, MD, and Gregory Tino, MD

HAYWARD, Calif.--(BUSINESS WIRE)-- Aradigm Corporation (Nasdaq: ARDM) (the "Company") announced today that it will host an Analyst Lunch on the topic of Non-Cystic Fibrosis Bronchiectasis (non-CF BE) on Monday, September 26, 2016 from 12:00-1:30 pm Eastern Time in New York, NY. The event will feature presentations by two key opinion leaders (KOLs): David E. Griffith, MD and Gregory Tino, MD.

David E. Griffith, MD, is Director of the Pulmonary Infectious Disease Section in the Department of Medicine and Professor of Medicine at the University of Texas Health Science Center (UTHSCT) in Tyler, TX. He is Director of Tuberculosis Services at UTHSCT and Medical Director of the Texas Center for Infectious Disease in San Antonio. Dr. Griffith is also Assistant Medical Director of the CDC-funded Heartland National Tuberculosis Center. Dr. Griffith is board-certified in Internal Medicine and Pulmonary Disease.

Gregory Tino, MD, is an Associate Professor of Medicine at the Perelman School of Medicine at the University of Pennsylvania in Philadelphia. He is the Chief of the Department of Medicine at Penn Presbyterian Medical Center and Senior Vice Chair of the Department of Medicine of the Perelman School of Medicine at the University of Pennsylvania. Dr. Tino is an inaugural member of the Academy of Master Clinicians at Penn Medicine. He is a Fellow of the American College of Physicians (ACP) and the American College of Chest Physicians.

Aradigm's executive management team will provide a corporate overview, including an update on the development program for Pulmaquin® - Aradigm's proprietary inhaled antibiotic product candidate currently completing two global Phase 3 clinical trials in non-CF BE patients.

Attendance at the Analyst Meeting is limited to institutional investors, investment bankers and analysts. To reserve a space, please contact LifeSci Advisors, LLC at mac@lifesciadvisors.com.

The presentations, followed by a question-and-answer session, will be webcast live beginning at 12:00 pm Eastern Time. The webcast will be accessible live and archived on the Investor Relations section of Aradigm's website at www.aradigm.com.

About Pulmaquin

Pulmaquin is a dual release formulation composed of a mixture of liposome encapsulated and unencapsulated ciprofloxacin. Ciprofloxacin, available in oral and intravenous formulations, is a widely prescribed antibiotic. It is used to treat acute lung infections and is often preferred because of its broad-spectrum antibacterial activity against various bacteria, such as *Pseudomonas aeruginosa*. Pulmaquin is being evaluated in two ongoing Phase 3 studies to determine its safety and effectiveness as a once-a-day inhaled formulation for the chronic treatment of patients with non-CF BE who have chronic lung infections with *Pseudomonas aeruginosa*.

Following Phase 2a development of the liposomal portion of Pulmaquin (Lipoquin®) and Phase 1 development of Pulmaquin, the Phase 2b study ORBIT-2 with Pulmaquin was a 24-week multicenter, randomized, double-blind, placebo-controlled trial in 42 adult non-CF BE subjects. This study demonstrated a significant reduction in *P.aeruginosa* sputum activity (p=0.002) and a decrease in time to first exacerbation in the per protocol population (p=0.046) and the mITT (p=0.057) populations in the Pulmaquin treated subjects compared to placebo. Overall, the incidence of all treatment emergent adverse events was similar between groups. The most frequently reported treatment related adverse events (reported by ≥ 3 patients in either treatment group) included product taste abnormal and nausea in the Pulmaquin group and wheezing in the placebo group. No serious adverse events were considered treatment related. There were no deaths reported during ORBIT-2.

The Phase 3 clinical program for Pulmaquin in non-CF BE consists of two worldwide, double-blind, placebo-controlled pivotal trials (ORBIT-3 and ORBIT-4) that are identical in design except for a pharmacokinetics sub-study to be conducted in one of the trials. Each trial has enrolled patients (278 in ORBIT-3 and 304 in ORBIT-4) into a 48-week double-blind period consisting of 6 cycles of 28 days on treatment with Pulmaquin or placebo plus 28 days off treatment, followed by a 28 day

open label extension in which all participants will receive Pulmaquin (total treatment duration, including the double-blind period, of approximately one year). The superiority of Pulmaquin vs. placebo during the double-blind period is being evaluated in terms of the time to first pulmonary exacerbation (primary endpoint), while key secondary endpoints include the reduction in the number of pulmonary exacerbations and improvements in the quality of life measures. Lung function is being monitored as a safety indicator.

Aradigm has been granted orphan drug designations for liposomal ciprofloxacin as well as for ciprofloxacin for inhalation for non-CF BE in the U.S. In addition, the U.S. Food and Drug Administration (FDA) has designated Pulmaquin as a Qualified Infectious Disease Product (QIDP). The QIDP designation is granted for treatment of non-CF BE patients with chronic lung infections with *Pseudomonas aeruginosa*. The QIDP designation made Pulmaquin eligible for Fast Track designation which was granted by the FDA in September 2014.

In 2013, Aradigm granted an exclusive, world-wide license for the Company's inhaled liposomal ciprofloxacin product candidates for the indication of non-CF BE and other indications to Grifols S.A. More information on the terms of this license may be found in the Company's Annual Report on Form 10-K for the year ended December 31, 2013 filed with the SEC on March 13, 2014.

About Non-Cystic Fibrosis Bronchiectasis

Non-CF BE is a severe, chronic and rare disease characterized by abnormal dilatation of the bronchi and bronchioles, frequently associated with chronic lung infections. It is often a consequence of a vicious cycle of inflammation, recurrent lung infections, and bronchial wall damage. Non-CF BE represents an unmet medical need with high morbidity and mortality that affects more than 110,000 people in the U.S. and over 200,000 people in Europe. There is currently no drug approved for the treatment of this condition.

About Aradigm

Aradigm is an emerging specialty pharmaceutical company focused on the development and commercialization of drugs for the prevention and treatment of severe respiratory diseases. Aradigm is currently in Phase 3 development of Pulmaquin (an investigational proprietary formulation of ciprofloxacin for inhalation) for the treatment of non-cystic fibrosis bronchiectasis. Aradigm's inhaled ciprofloxacin formulations are also product candidates for treatment of patients with cystic fibrosis and non-tuberculous mycobacteria, and for the prevention and treatment of high threat and bioterrorism infections, such as inhaled tularemia, pneumonic plague, melioidosis, Q fever and inhaled anthrax.

More information about Aradigm can be found at www.aradigm.com.

Forward-Looking Statements

Except for the historical information contained herein, this news release contains forward-looking statements that involve risk and uncertainties, including those related to the ORBIT-3 and ORBIT-4 clinical trials and the ability to continue successful product development of our potential product candidates, including Pulmaquin, as well as the other risks detailed from time to time in the Company's filings with the Securities and Exchange Commission (SEC), including the Company's Annual Report on Form 10-K for the year ended December 31, 2015 filed with the SEC on March 30, 2016, and the Company's Quarterly Reports on Form 10-Q.

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