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Aradigm Announces Changes to Its Board of Directors

HAYWARD, Calif.--(BUSINESS WIRE)-- Aradigm Corporation (OTC BB:ARDM.OB) ("Aradigm" or the "Company") today announced changes to its Board of Directors, including the retirement of Frank Barker and the appointment of Lafmin Morgan and David Bell.

Mr. Barker has been a director of Aradigm since 1999. Mr. Barker's long service on Aradigm's Board gave him substantial knowledge of the Company and its business, and the Company's Board and management have benefited enormously from his wise counsel and industry perspective. Previously, Mr. Barker served in several positions at Johnson & Johnson, Inc., including as a company group chairman. This extensive experience gave him superlative skills in leadership, executive management, global operations and consensus building, which contributed greatly to his effectiveness as a director of the Company.

"It has been an honor to serve on the Aradigm Board with Frank Barker for more than a decade, and I want to thank Frank for his dedication and service to Aradigm," said Board Chairman, Virgil Thompson.

Mr. Morgan and Mr. Bell are the designees of Grifols, S.A ("Grifols"), and their appointment is in conjunction with the closing of the transaction between the Company and Grifols announced on August 28, 2013.

Lafmin Morgan is Corporate Vice President, Global Marketing for Grifols. Mr. Morgan leads the Global Marketing function for all Grifols Divisions, Bioscience, Hospital and Diagnostics. He previously served as Grifols North American Vice President and General Manager for Pulmonary.

Mr. Morgan joined Grifols in 2010. He holds a Bachelors degree in Business Administration and a Master's in Business Administration from the University of North Carolina in Chapel Hill. Prior to Grifols, he spent 20 years at GlaxoSmithKline in a variety of roles, including Vice President of Respiratory Marketing.

David Bell is Corporate Vice President of Grifols S.A. and General Counsel of Grifols Inc. Mr. Bell is responsible for all legal activities of Grifols' U.S. Operations. In the U.S., he is also responsible for regulatory, registrations and licensing, compliance, and governmental and public affairs. Mr. Bell serves on the Executive Committee of Grifols, S.A.

Prior to joining Grifols in 2003, Mr. Bell was Vice President and General Counsel for Alpha Therapeutic Corporation and a partner in a law firm where he specialized in healthcare, pharmaceutical and biotechnology regulation and liability. Mr. Bell attended the University of California, Southwestern University School of Law and a postgraduate program at Harvard Law School. Mr. Bell also serves as a member of the Global Board of Directors for the Plasma Protein Therapeutics Association.

"Frank Barker has been an outstanding strategic Board member and we are very grateful for his wise advice to Aradigm over his many years of service. I would like to extend a warm welcome to Lafmin Morgan and David Bell who are bringing to the Board valuable commercial experience, especially in respiratory therapeutics, which will be beneficial to the Pulmaquin® program," stated Igor Gonda, President and CEO of Aradigm.

About inhaled ciprofloxacin (Pulmaquin and Lipoquin®)

Ciprofloxacin is a widely prescribed antibiotic to treat infections of the lung frequently experienced by cystic fibrosis (CF) and non-cystic fibrosis bronchiectasis (BE) patients. It is often preferred because of its broad-spectrum anti-bacterial action. The available oral and intravenous formulations of the drug are used to treat episodes of acute exacerbations of lung infections. Aradigm's once-a-day novel inhaled formulations of ciprofloxacin are encapsulated in liposomes, allowing for a sustained release of the drug within the lung and improving airway tolerability. The formulations are to be used for chronic maintenance therapy as they achieve much higher antibiotic concentration at the site of infection and relatively low systemic antibiotic concentrations to minimize side-effects. Lipoquin is a liposomal formulation of ciprofloxacin. Pulmaquin is a dual release formulation that is a mixture of Lipoquin with unencapsulated ciprofloxacin.

Pulmaquin has been tested extensively in preclinical tests, as well as in the ORBIT-2 Phase 2b bronchiectasis study in which outstanding antimicrobial activity coupled with good safety and tolerability was found, and, most importantly, the positive impact on prevention of exacerbations compared to placebo was also observed. Pulmaquin is entering Phase 3 clinical trials. Aradigm has been granted orphan drug designation for liposomal ciprofloxacin for cystic fibrosis in the U.S. and the E.U., and for the combination of liposomal ciprofloxacin and free ciprofloxacin for BE in the U.S. Aradigm's inhaled ciprofloxacin has been also

successfully tested in animal models of the bioterrorism infections inhalational tularemia, pneumonic plague and Q-fever.

About Grifols

Grifols is a global healthcare company with a 70-year legacy of improving people's health and well being through the development of life-saving plasma medicines, hospital pharmacy products and diagnostic technology for clinical use.

As a leading producer of plasma medicines, Grifols has a presence in more than 100 countries and is the world leader in plasma collection, with 150 plasma donation centers across the U.S. Grifols is committed to increasing patient access to its life-saving plasma medicines through significant manufacturing expansions and the development of new therapeutic applications of plasma proteins. The company is headquartered in Barcelona, Spain and employs more than 12,000 people worldwide.

Grifols is the Global leader in the treatment of Alpha-1 antitrypsin deficiency — a disease that often leads to emphysema. Grifols has a dedicated Pulmonary sales force in the United States, Germany, Canada and Spain with full coverage of COPD prescribers.

In 2012, Grifols' sales exceeded 2,620 million euros. The company's class A shares are listed on the Spanish Stock Exchange, where they are part of the Ibex-35 (MCE:GRF). Its non-voting class B shares are listed on the Mercado Continuo (MCE:GRF.P) and on the U.S. NASDAQ via ADRs (NASDAQ: GRFS). For more information visit www.grifols.com

About Aradigm

Aradigm is an emerging specialty pharmaceutical company focused on the development and commercialization of drugs delivered by inhalation for the prevention and treatment of severe respiratory diseases. Aradigm has product candidates addressing the treatment of bronchiectasis, cystic fibrosis, inhalation tularemia and anthrax infections, and prevention of respiratory and other diseases in tobacco smokers through smoking cessation.

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

Disclaimer and Forward-Looking Statements

The facts and figures contained in this news release which do not refer to historical data are "projections and forward-looking statements". The words and expressions like "believe", "hope", "anticipate", "predict", "expect", "intend", "should", "try to achieve", "estimate", "future" and similar expressions, insofar as they are related to Aradigm, Grifols, the prospects for Aradigm's inhaled ciprofloxacin product formulations to successfully complete clinical trials and to result in approved products, and the ability of Grifols to successfully commercialize these products, are used to identify projections and forward-looking statements. These expressions with respect to Aradigm reflect the assumptions, hypothesis, expectations and anticipations of the management team of Aradigm at the date of preparation of this news release, which are subject to a number of factors that could make the real results differ considerably, such as the uncertainties associated with clinical trials including lack of effectiveness, lack of statistical significance of results, adverse side effects or other safety issues, uncertainties regarding the process of obtaining regulatory approval for the sale of new drugs, uncertainties concerning the development of demand for new products, uncertainties regarding the level of reimbursement for new products, manufacturing and supply issues and the like. The future results of Grifols Group could be affected by events related to its own activity, such as shortages of raw materials for the manufacture of its products, the launch of competitive products or changes in the regulations of markets in which it operates, among others. At the date of the preparation of this news release Grifols Group has adopted measures it considers necessary to offset the possible effects of these events. Grifols, S.A. does not assume any obligation to publicly inform, review or update any projections and forward-looking statements to adapt them to facts or circumstances following the preparation of this news release, except as specifically required by law.

Except for the historical information contained herein, this news release contains forward-looking statements that involve risk and uncertainties, including the closing of the transaction, as well as the other risks detailed from time to time in Aradigm's filings with the Securities and Exchange Commission (SEC), including its Annual Report on Form 10-K for the year ended December 31, 2012 filed with the SEC on March 27, 2013, and Aradigm's Quarterly Reports on Form 10-Q.

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Source: Aradigm Corporation

