PRESS RELEASE

Basilea Announces Positive Top-line Data from Phase III Study of Ceftobiprole in Hospital-Acquired Pneumonia

*Basel, Switzerland, October 9, 2007 – Basilea Pharmaceutica Ltd. (SWX:BSLN)* announced today that the ceftobiprole phase III top-line study results in hospital-acquired pneumonia (HAP) met the primary endpoint of non-inferiority versus combination therapy of ceftazidime plus linezolid.

Ceftobiprole is the first anti-MRSA (methicillin-resistant *Staphylococcus aureus*) broad-spectrum cephalosporin to complete phase III clinical trials and is being co-developed with Johnson & Johnson Pharmaceutical Research and Development, L.L.C.

The study compared clinical outcomes following the treatment with either ceftobiprole monotherapy or combination therapy of ceftazidime plus linezolid in patients with HAP including a subgroup of patients with microbiologically and clinically more complex ventilator-associated pneumonia (VAP). This trial is the consolidated protocol from two former HAP trials.

Overall, 69% of the clinically evaluable (CE) patients were cured with ceftobiprole compared to 72% of patients treated with combination therapy. The study met the non-inferiority criteria in both CE and intent-to-treat populations.

In the CE patient population excluding VAP clinical cure rates were 77% for ceftobiprole and 76% for combination therapy.

Cure rates in the smaller VAP patient subset (about 25% of patients enrolled) were lower for ceftobiprole treated patients and non-inferiority could not be established. Further analyses are ongoing.

Ceftobiprole was generally well tolerated. The rate of overall adverse events was comparable between the two treatment groups. The adverse event profile of ceftobiprole was consistent with previous phase III studies and that of the cephalosporin class.

“We are delighted with the preliminary results of this hospital-acquired pneumonia trial. According to recent publications, community-acquired pneumonia (CAP) and non-ventilator-associated pneumonia account for up to 90% of pneumonia patients in the hospital setting. The results of this study together with the recently announced positive top-line results from the trial in CAP requiring hospitalization will form the basis of further regulatory submissions” commented Dr. Anthony Man, CEO of Basilea.

Ceftobiprole is currently under review by regulatory authorities in the U.S., Europe and Canada for the treatment of complicated skin and skin structure infections.
Conference Call
Basilea Pharmaceutica Ltd. invites you to participate in a conference call on October 9, 2007, 4 pm (CET), during which the company will discuss today's press release.

Dial-in numbers are:
+41 (0) 91 610 5600  (Europe und ROW)
+1 (1) 866 291 4166  (USA)
+44 (0) 207 107 0611  (UK)

The playback will be available 1 hour after the conference call for 48 hrs. Participants requesting a digital playback may dial:
+41 (0) 91 612 4330  (Europe)
+1 (1) 866 416 2558  (USA)
+44 (0) 207 108 6233  (UK)
and will be asked to enter the ID 197 followed by the # sign.

About Pneumonia in Hospitals
Pneumonia is one of the leading causes of hospitalization and mortality. A recent survey of a large U.S. database indicates that of all hospitalized patients with pneumonia approximately 70% had community-acquired and/or healthcare-associated pneumonia. HAP and VAP accounted for a roughly 20% and 10%, respectively, of the population and MRSA was present in 9% to 25% of cases of pneumonia (Kollef, M. et al., Chest 2005; 128: 3854-3862).

About Ceftobiprole
Ceftobiprole (BAL5788), Basilea’s lead antibacterial product, is the first of a new class of anti-MRSA broad-spectrum cephalosporin antibiotics. It is specially designed to inhibit penicillin-resistant targets in many Gram-positive cocci, resulting in potent bactericidal activity towards MRSA and penicillin-resistant *Streptococcus pneumoniae* (PRSP). In clinical trials, ceftobiprole has demonstrated a broad-spectrum profile targeting other Gram-positive and Gram-negative pathogens. In addition, it has shown a low potential to select resistance *in vitro*. In the trials, ceftobiprole was generally well tolerated with a safety profile consistent with the cephalosporin class of antibiotics.

Ceftobiprole is being developed through an exclusive worldwide collaboration between Basilea Pharmaceutica Ltd. and Cilag GmbH International. Ortho-McNeil, Inc., will market ceftobiprole in the U.S. and Janssen-Cilag companies will market the product in Europe and Asia. Basilea has exercised its co-promotion rights for ceftobiprole in North America and major European countries, and maintains an option to co-promote the drug in Japan and China.

About Basilea
Basilea Pharmaceutica Ltd. is an integrated biopharmaceutical company headquartered in Basel, Switzerland, listed on the SWX Swiss Exchange (SWX:BSLN). We focus on the discovery, development and commercialization of innovative medicines to satisfy high medical and patient needs in the hospital and specialty pharmaceutical setting. Basilea has a diversified product portfolio including novel treatments for resistant bacterial infections, systemic fungal infections and severe skin diseases. The highly competitive product pipeline comprises three
late-stage product candidates and substantial early-stage programs. Basilea is currently building its sales and marketing organization in the U.S. and major European markets to promote alitretinoin and co-promote ceftobiprole upon approval.

Disclaimer
This communication expressly or implicitly contains certain forward-looking statements concerning Basilea Pharmaceutica Ltd. and its business. Such statements involve certain known and unknown risks, uncertainties and other factors, which could cause the actual results, financial condition, performance or achievements of Basilea Pharmaceutica Ltd. to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Basilea Pharmaceutica Ltd. is providing this communication as of this date and does not undertake to update any forward-looking statements contained herein as a result of new information, future events or otherwise.

For further information, please contact:

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<td><a href="mailto:information@basilea.com">information@basilea.com</a></td>
<td>Dr. Barbara Zink</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:investor_relations@basilea.com">investor_relations@basilea.com</a></td>
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This press release can be downloaded from www.basilea.com