

PRESS RELEASE

Regulatory approval of Basilea's Toctino® (alitretinoin) recommended by concerned EU Member States

Basel, Switzerland, July 31, 2008 – Basilea Pharmaceutica Ltd. announces that Toctino® (alitretinoin), a new oral therapy for severe refractory Chronic Hand Eczema (CHE), was recommended for regulatory approval under the European decentralized procedure and will become the first authorized treatment for this chronic disabling disease.

The concerned EU Member States concluded that the profile of Toctino® (alitretinoin) is favorable for the use in adults who suffer from severe CHE that is unresponsive to treatment with potent topical corticosteroids. The recommendation for approval is the final step before national marketing licenses are granted.

Subject to approval by the individual EU Member States alitretinoin is expected to be marketed under the trade name Toctino®.

Dr. Anthony Man, CEO of Basilea said, "We are absolutely delighted to receive an approval recommendation from the eleven EU Member States that were included in the procedure. Subject to national approval we will offer the first authorized oral treatment for patients suffering from severe Chronic Hand Eczema who do not respond to potent steroid therapy. Chronic Hand Eczema is a disease that heavily burdens patients' professional life and psychological well-being. This is also a great moment in the history of our company as we start launching Toctino® in the European market."

Marketing applications for the use of alitretinoin in the treatment of severe chronic refractory hand eczema are also under regulatory review in Canada and in Switzerland.

About Chronic Hand Eczema

Hand eczema is a common inflammatory skin disease and is often chronic and relapsing. It is one of the most common occupational skin diseases and a frequent reason for patients to consult a dermatologist. Hand eczema is reported to affect up to ten percent of the general population. The more severe, chronic form of the condition is thought to affect up to seven percent of these patients, many of whom do not respond, or no longer respond to potent topical steroids. CHE causes significant economic burden with direct medical costs alone in Europe estimated to eleven billion Euro per year. The most important patient burden is impaired use of the hands and the social discrimination (stigma) associated with CHE. Being localized in a highly visible area, CHE can cause major psychosocial problems such as low self-esteem and social phobia and has a considerable impact on patients' quality of life.

About Toctino® (alitretinoin)

Toctino® (alitretinoin) was developed by Basilea Pharmaceutica International Ltd. Marketing authorization for alitretinoin is recommended for usage in adults who suffer from severe CHE that is unresponsive to treatment with potent topical corticosteroids. Patients whose CHE is predominantly characterized by fissured, thick scaly skin are more likely to respond than those in whom the eczema is mainly characterized by blisters that itch and burn.

Alitretinoin as convenient single daily capsule to be taken with food is highly effective. The general recommended starting dose is 30 mg and a treatment course lasts for 12 to 24 weeks depending on response.

Alitretinoin is a derivative of vitamin A and belongs to the well studied family of retinoids. All retinoids are teratogens. Therefore pregnancy is a contraindication to alitretinoin therapy and strict pregnancy prevention measures must be in place for all women of child-bearing potential who receive alitretinoin. Within days after discontinuation of therapy, alitretinoin levels return to endogenous levels. A state-of-the-art pregnancy prevention program has been developed and will be implemented in the individual EU member states at launch. In clinical trials alitretinoin was generally well tolerated and has a safety profile overall consistent with the retinoid class. Side effects were dose-dependent and reversible.

Conference call

Basilea Pharmaceutica Ltd. invites you to participate in a conference call on **July 31, 2008, 4 p.m.** (CET), during which the company will discuss today's press release.

Dial-in numbers are:

+41 (0) 91 610 56 00 (Europe and 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 17722 followed by the # sign.

About Basilea

Basilea Pharmaceutica Ltd. is headquartered in Basel, Switzerland, and listed on the SWX Swiss Exchange (SWX:BSLN). Basilea's integrated research and development operations are currently focused on new antibacterial and antifungal agents to fight drug resistance and on the development of dermatology drugs. Basilea's products are targeted to satisfy high medical and patient needs in the hospital and specialty care setting. The company owns a diversified portfolio including two drugs under regulatory review (ceftobiprole, alitretinoin) and one phase-III investigational drug (isavuconazole). The company is currently building its sales and marketing organization to commercialize alitretinoin and to co-promote ceftobiprole in North America and major European countries, subject to approval.

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