PRESS RELEASE

Basilea announces completion of Toctino® (alitretinoin) transaction with Stiefel

- Basilea receives GBP 146 million (approximately CHF 225 million) upfront payment

Basel, Switzerland, July 23, 2012 - Basilea Pharmaceutica Ltd. (SIX:BSLN) today reported that the transaction between Basilea Pharmaceutica International Ltd. (“Basilea”) and Stiefel, a GSK company, for Basilea’s dermatology drug Toctino® (alitretinoin) has been completed following antitrust approval and meeting other customary provisions.

Under the global agreement, Stiefel gains exclusive worldwide rights to Toctino® as well as a license to know-how and assumes Basilea’s existing distribution agreements for Toctino®. Basilea receives an upfront payment of approximately CHF 225 million (GBP 146 million) and will be eligible for a further milestone payment of up to GBP 50 million, related to a regulatory milestone of alitretinoin in the U.S. In addition, Basilea will participate in future product sales in the U.S. through royalties starting three years after launch.

As a result of the transaction, Chief Commercial Officer Hans Christian Rohde has transferred to Stiefel, together with certain other employees at Basilea’s European affiliates and Swiss headquarters who are actively involved in the commercialization and distribution of Toctino®.

A core marketing function is maintained at Basilea headquarters to support market access and pre-launch activities of ceftobiprole and isavuconazole and provide commercial support during the development of BAL30072 and BAL101553. All commercial functions will continue to report to Chief Operating Officer Ronald Scott.

Basilea extends its thanks to Hans Christian Rohde and Basilea’s commercial organization for their role in the international commercialization of alitretinoin and the building of the Toctino® brand.

Dr. Anthony Man, Chief Executive Officer of Basilea, stated: “The completion of the transaction is an important step for Basilea, providing us with additional non-dilutive capital to achieve clinical milestones and further strengthen our focused portfolio of anti-infective and oncology drugs, which includes two innovative drugs in the final stage of clinical development and close to regulatory submission, respectively. We will continue to assist Stiefel in the analysis of the U.S. phase III HANDEL study of alitretinoin and the preparation of a pre-submission meeting with the U.S. FDA.”

The upfront payment will be recognized as deferred revenue on a straight-line basis through mid-2018. Basilea will provide financial guidance for 2012 with its half-year financials.

About Basilea

Basilea Pharmaceutica Ltd. is headquartered in Basel, Switzerland, and listed on the SIX Swiss Exchange (SIX:BSLN). Through the fully integrated research and development operations of Basilea Pharmaceutica International Ltd. (“Basilea”) the company focuses on antibiotics, antifungals and oncology drugs, targeting the medical challenge of resistance and non-response to current treatment options.

For its phase III compound isavuconazole, a potential best-in-class azole antifungal for the treatment of life-threatening invasive fungal infections, the company has entered into a license,
co-development and co-promotion agreement with Astellas Pharma Inc. Isavuconazole has demonstrated excellent in-vitro and in-vivo coverage of a broad range of yeasts (such as Candida species) and molds (such as Aspergillus species) as well as of less prevalent but often fatal molds such as Zygomycetes spp.

Basilea is developing ceftobiprole, a novel broad-spectrum anti-MRSA cephalosporin antibiotic for the potential first-line empiric treatment of severe multi-drug resistant bacterial infections. Available data demonstrate activity against a wide range of clinically-relevant Gram-positive as well as Gram-negative bacteria including Pseudomonas.

Basilea’s BAL30072, a novel investigational antibiotic for the treatment of resistant Gram-negative infections, and the oncology drug candidate BAL101553 for the treatment of drug-resistant cancers are in phase I clinical testing.

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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.

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This press release can be downloaded from www.basilea.com.