



PRESS RELEASE

Basel, Switzerland, 25 May 2004

Basilea Gains Global Commercialization Rights for BAL5788 a Novel First-In-Class Antibiotic

Basilea Pharmaceutica today announced gaining the global marketing and manufacturing rights for BAL5788 following Roche's decision not to exercise its opt-in right. Roche remains a major shareholder in Basilea.

BAL5788 is planned to enter phase III in the second half of 2004.

"We have generated solid data and a development program to support fast track status and will proceed rapidly into phase III with no anticipated delays," commented Anthony Man MD, Basilea's CEO. "Owning both marketing and manufacturing rights gives us full control to maximize product value alone or with a partner. This is a great opportunity for us to capitalize on our success and accelerate our plans to be a fully integrated company adding marketing to our integrated research and development. We have a sound financial position with no royalties or other payments on BAL5788 to Roche. Basilea will develop BAL5788 as a pillar for Basilea's future commercial success."

About BAL5788

BAL5788 is the first of a new class of broad-spectrum cephalosporin antibiotics also active against multi-resistant Gram-positive pathogens such as methicillin-resistant *Staphylococcus aureus* (MRSA). In March 2003 the FDA granted BAL5788 *Fast Track* designation for the treatment of complicated skin and skin structure infections due to methicillin-resistant *Staphylococcus* species. BAL5788 has completed phase II clinical development and is anticipated to enter phase III development in second half of 2004.

The growing incidence of serious infections caused by antibiotic-resistant bacteria is a matter of increasing global medical concern. BAL5788 offers potent bactericidal activity against MRSA, penicillin-resistant *Streptococcus pneumoniae* (PRSP) and other major Gram-positive bacterial pathogens as well as against Gram-negative bacteria.

About Basilea

Basilea Pharmaceutica AG (BSLN) is an independent biopharmaceutical company headquartered in Basel, Switzerland that is actively engaged in the discovery and development of innovative medicines for the treatment of unmet medical needs.

The company's fully integrated research and development operations are currently focused on new anti-bacterial, anti-fungal and dermatology drugs. Basilea was founded in October 2000 with significant resources to discover, develop and bring innovative medicines to market. Basilea is listed on the SWX (Swiss Exchange).

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