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Pharmaceutica AG

#### Basilea Launches IPO

(Basel, Switzerland, 11 March 2004) Basilea Pharmaceutica AG ('Basilea') today confirmed the launch of its global offer of registered shares and to list on the SWX Swiss Exchange. The global offer will be through an initial public offering (IPO) in Switzerland as well as private placements to institutional investors in certain other jurisdictions.

Basilea is floating to provide a public market for its registered shares and to raise proceeds primarily to support ongoing and new clinical development and research programs as well as for general corporate purposes.

#### About the IPO

- \* The indicative price range has been set between CHF 90-115 per registered share.
- \* Basilea is offering 2.1 million registered shares with a par value of CHF 1 each - or 2.4 million registered shares if the over-allotment option of up to 315,000 registered shares is exercised.
- \* The offering is a global offering to raise approximately CHF 215 million gross based on the mid-point of the price range (excluding the over-allotment option).
- \* The offer period is from 11 March 2004 to 24 March 2004.
- \* The final offer price is planned to be announced on 24 March 2004 after a book-building process.
- \* Trading on the SWX Swiss Exchange is expected to start on 25 March 2004.
- \* The Company, the Board of Directors, the Management as well as the Company's major shareholders are subject to a 12 month lock-up period.

Following the IPO, there will be approximately 7.4 million shares outstanding in Basilea and the free float will be 28.5 percent - or if the over-allotment option is exercised in full approximately 7.7 million shares outstanding with a free float of 31.4 percent. Credit Suisse First Boston and Morgan Stanley have been appointed joint global coordinators and joint book-runners for the offering, with swissfirst appointed as co-lead manager.

"Over the last three years we have created a high performance organization that has advanced our three lead compounds towards phases II-III. Now we look forward to giving additional investors an opportunity to participate in an exciting stage of Basilea's growth," said Anthony Man MD, CEO of Basilea.

#### About Basilea's Lead Compounds

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*. BAL5788 has completed phase II clinical development.

The growing incidence of serious infections caused by antibiotic-resistant bacteria is a matter of increasing global medical concern.

BAL4079 is an oral retinoid for the treatment of chronic hand dermatitis that has completed phase II clinical development.

BAL4079 has the potential to become the first approved once-daily oral treatment for chronic hand dermatitis which is a frequent occurring skin disease refractory to treatment with topical therapy.

BAL8557 is a novel water-soluble broad-spectrum azole suitable for both oral and intravenous administration for mucocutaneous and invasive fungal infections. BAL8557 has completed phase I clinical development.

Currently available systemic treatments for fungal infections have limitations either in terms of antifungal spectrum or safety profile. BAL8557 may offer benefits over available antifungal therapies based on its broad antifungal spectrum, potential safety benefits and convenience of once daily intravenous and oral dosing.

#### About Basilea

Basilea Pharmaceutica AG 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 and anti-fungal agents to overcome the problem of drug-resistance in bacterial infections and fungal infections, as well as skin diseases all of which are associated with high unmet medical needs and growth potential. Basilea was founded in October 2000 with significant resources to discover, develop and bring innovative medicines to market.

#### Disclaimer

This communication expressly or implicitly contains certain forward-looking statements concerning Basilea Pharmaceutica AG 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 AG to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Basilea Pharmaceutica AG 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 the following:

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