

PRESS RELEASE

This press release or the information contained therein is not being issued and may not be distributed in the United States of America, Canada, Australia or Japan and does not constitute an offer of securities for sale in such countries

Basilea launches a senior convertible bond issue

Basel, Switzerland, December 9, 2015 – Basilea Pharmaceutica Ltd. (SIX: BSLN) announces today the launch of CHF 175 million senior unsecured convertible bonds due 2022 with the possibility of Basilea to increase by a maximum of CHF 25 million to CHF 200 million.

Basilea intends to use the net proceeds from this convertible bond issue, together with cash and cash equivalents on hand (1) to participate in a U.S. phase 3 development program for ceftobiprole, (2) to support and expand the commercialization of CRESEMBA® and Zevtera®, (3) to support post-approval pediatric studies approved by the European Medicines Agency for isavuconazole and ceftobiprole in Europe, (4) to advance its oncology product candidates, and (5) for working capital and other general corporate purposes, including investments in or in-licensing of complementary businesses, technologies, products or assets.

The Bonds are expected to carry a coupon of between 2.75% and 3.50% per annum, payable semi-annually in arrear, and have a conversion price set at a premium of between 25% and 30% over the volume weighted average price of the shares today. The number of shares to be delivered upon conversion shall be sourced from conditional capital and authorized capital. The final terms of the Bonds will be determined through an institutional book building process and are expected to be announced later today after the conclusion of the process.

The Bonds will be provisionally allocated to investors participating in today's book building. Such allocation of the Bonds will be subject to a pro-rata reduction relative to the number of advance subscription rights exercised by existing shareholders during the rights exercise period ("clawback").

Existing shareholders will be fully granted advance subscription rights to subscribe for the newly issued Bonds in proportion to their current shareholding, subject to selling restrictions. Each shareholder has the right to purchase 1 Bond of CHF 5,000 nominal amount at issue price, for every 309 Shares for an issue size of CHF 175 million or 270 Shares for an issue size of CHF 200 million, held on 8 December 2015 after the close of trading. The advance subscription rights will not be tradable. Advance subscription rights not exercised by existing Basilea shareholders during the rights exercise period from 14 December 2015 until 18 December 2015, 12:00 noon CET, will expire and become null and void. Bonds for which advance subscription rights have been validly exercised will be deducted pro rata from the allocation to investors who participate in today's book building. Definitive allocations are expected to be announced by Basilea on or around 21 December 2015.

Basilea intends to make an application for the Bonds to be admitted for listing and trading on the SIX Swiss Exchange with provisional trading expected to start on or about 15 December 2015. Payment and settlement of the Bonds is expected on or about 23 December 2015.

Basilea agreed to a company lock-up ending 90 days after that date, subject to customary exceptions.

The offering consists of a public offering in Switzerland and private placements in certain jurisdictions outside of Switzerland and outside the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended, and in accordance with applicable securities laws, rules and regulations.

Basilea intends to withdraw its previously announced F-1 public offering of common shares in the United States in the form of American Depository shares following pricing of the convertible bond.

J.P. Morgan and UBS are acting as Joint Bookrunners on the offering.

Basilea is a Swiss-based biopharmaceutical company focused on the research, development and commercialization of products targeting the medical challenge of resistance and non-response to current treatment options in the therapeutic areas of bacterial infections, fungal infections and cancer.

Basilea's common shares are listed on SIX Swiss Exchange.

Important information

This press release constitutes neither an offer to sell nor a solicitation to buy securities of the Company and it does not constitute a prospectus or a similar communication within the meaning of article 752, 652a and/or 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange. The offer will be made solely by means of, and on the basis of, a securities prospectus. An investment decision regarding the publicly offered securities of the Company should only be made on the basis of the securities prospectus. The prospectus is available free of charge at UBS Investment Bank, Swiss Prospectus Library, P.O. Box, CH-8098 Zurich (telephone: +41 (0)44 239 47 03, facsimile: +41 (0)44 239 69 14 or email: swiss-prospectus@ubs.com).

This communication is directed only to persons (i) who are outside the United Kingdom or (ii) who have professional experience in matters relating to investments and who fall within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended) (the "Order") or (iii) who fall within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the Order (all such persons together being referred to as "Relevant Persons"). Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person must not act or rely on this communication or any of its contents.

This communication is not for distribution in the United States, Canada, Australia or Japan. This communication does not constitute an offer to sell, or the solicitation of an offer to buy, securities in any jurisdiction in which is unlawful to do so. In particular, this communication is not an offer of securities for sale in the United States. Securities may not be offered or sold in the United States absent registration under the Securities Act of 1933 or an exemption from registration. The securities referred to in this communication have not been and will not be registered under the Securities Act and will not be publicly offered or sold in the United States.

This communication does not constitute an "offer of securities to the public" within the meaning of Directive 2003/71/EC of the European Union (the "Prospectus Directive") of the securities referred to in it (the "Securities") in any member state of the European Economic Area (the "EEA"). Any offers of the Securities to persons in the EEA will be made pursuant to an exemption under the Prospectus Directive, as implemented in member states of the EEA, from the requirement to produce a prospectus for offers of the Securities.

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:

Media Relations	Investor Relations
Peer Nils Schröder, PhD Head Public Relations & Corporate Communications +41 61 606 1102 media_relations@basilea.com	Barbara Zink, PhD, MBA Head Corporate Development +41 61 606 1233 investor_relations@basilea.com

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