



Media Release

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**SANDOZ INC. AND ALARA PHARMACEUTICALS PREVAIL IN LEVOTHYROXINE SUIT  
- Companies Continue to Provide AB-Rated Bioequivalent Hypothyroid Product -**

*PRINCETON, NEW JERSEY, July 9, 2004.* Sandoz Inc., a Novartis company and one of the leading generic pharmaceutical companies in the world, announced today that King Pharmaceuticals, Inc. and Jones Pharma, Inc. (together, Jones) were defeated in their motion for a temporary restraining order and preliminary injunction against the United States Food and Drug Administration (FDA) with respect to Alara Pharmaceutical Corporation's (Alara's) Levothyroxine Sodium tablets, which are sold exclusively by Sandoz.

In a decision issued July 7, Judge Reggie B. Walton of the United States District Court for the District of Columbia rejected Jones' request for the temporary restraining order and preliminary injunction against the FDA and left intact the FDA's approval of Alara's application.

Significantly, Jones did not challenge the FDA's determination that Alara's Levothyroxine Sodium product is bioequivalent and therapeutically equivalent to Jones' Levoxyl® brand Levothyroxine Sodium tablets. Instead, Jones maintains the FDA should have required Alara to submit a Paragraph IV certification with respect to a patent which Jones acquired after the FDA had approved Alara's Levothyroxine Sodium product for marketing, but before the FDA determined that Alara's product is therapeutically equivalent to Levoxyl®.

In his opinion, Judge Walton concluded the Hatch-Waxman provisions of the Federal Food, Drug and Cosmetic Act (the Act) clearly supported the FDA's decisions and Jones' argument that the FDA's actions undermined the objectives of the Act were without merit.

Said John Sedor, President and Chief Executive Officer of Sandoz Inc., "Sandoz is very pleased with the Court's decision. It affirms the position the FDA, Sandoz and Alara have maintained all along – that the statutory scheme which requires certification with respect to patents listed in the FDA's Orange Book does not apply to Alara and its product. This is an important victory for the millions of patients who will benefit from the availability of our lower-cost alternative to Levoxyl®. Sandoz and Alara will continue to aggressively defend against additional attempts by Jones to prevent patient access to our Levothyroxine Sodium product."

Sandoz Levothyroxine Sodium tablets were developed through a partnership between Sandoz and Alara, who manufactures this product for Sandoz.

Sales of Synthroid® for 2003 were \$818M and sales of Levoxyl® for 2003 were \$256M, according to IMS data.

Sandoz, a Novartis company, is a world leader in generic pharmaceuticals and develops, manufactures and markets these medicines as well as pharmaceutical and biotechnological active ingredients. In the U.S., Sandoz Inc., is one of the largest prescription generic pharmaceutical companies. The company produces more than 200 products each year. Sandoz products range across many therapeutic drug categories including anti-infectives, anti-arthritics, cardiovasculars, gastrointestinal agents and psychotherapeutics. More information about Sandoz U.S. operations can be found at <http://www.us.sandoz.com>.

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2003, the Novartis Group's businesses achieved sales of USD \$24.9 billion and a net income of USD \$5.0 billion. The Group invested approximately USD \$3.8 billion in research and development. Headquartered in Basel, Switzerland, Novartis Group companies employ about 78,500 people and operate in more than 140 countries around the world. For further information please consult <http://www.novartis.com>.

*This release contains certain "forward-looking statements" relating to the Group's business, which can be identified by the use of forward-looking terminology such as "shipping to all classes of trade," or similar expressions, or by express or implied discussions regarding potential availability of Levothyroxine, or potential revenues from sales of Levothyroxine. Such statements reflect the current plans or views of the Group with respect to future events and are subject to certain risks, uncertainties and assumptions. There can be no guarantee of the future availability of Levothyroxine, or that that Sandoz or the Novartis Group will attain any particular level of revenue from Levothyroxine. In particular, management's expectations could be affected by, among other things, potential litigation with manufacturers of branded versions of Levothyroxine, uncertainties regarding production, regulatory actions or delays or government regulation generally, pricing pressures, competition in general, and other risks referred to in Novartis AG's Form 20-F on file with the U.S. Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected.*

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Synthroid® is a registered trademark of Abbott Laboratories, and Levoxyl® is a registered trademark of King Pharmaceuticals.

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