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Sandoz makes major entry into generic injectables field with acquisition of fast-growing Sabex Holdings Ltd. of Canada

- Acquisition establishes new Sandoz presence in Canada and attractive global growth platform in injectable generics
- Transaction continues Sandoz strategy based on strong organic growth and strategic acquisitions to access new geographic markets, therapeutic lines, formulations and production capabilities

Vienna, June 7, 2004 – Sandoz, a Novartis company, today announced plans to acquire Sabex Holdings Ltd. in a USD 565 million cash transaction that will provide strong growth opportunities in injectable generics and new entry into the Canadian generics sector. The deal continues Sandoz strategy of building its global business through strong organic growth and strategic acquisitions that provide access to new geographic markets, therapeutic lines, formulations and production capabilities.

Headquartered in Boucherville, Quebec, Sabex is a privately held generics manufacturer with the leading position in generic injectables in Canada and the number six position in the Canadian generics sector overall. Sustaining recent growth rates in the high teens, the company achieved sales of nearly USD 90 million in fiscal 2003-2004. Sabex offers FDA manufacturing status and a broad range of critical care and ophthalmic medicines as well as suppositories and other products covering more than 80 molecules. Sabex is a portfolio company of RoundTable Healthcare Partners, which holds a majority of shares.

“The acquisition of Sabex provides Sandoz with a leadership position in injectable generics in Canada and a platform to build a generic injectables business globally, particularly in the rapidly growing U.S. market,” said Christian Seiwald, CEO of Sandoz. “The deal also gives Sandoz a new operational presence in Canada, the sixth largest market for generics in the world, where we see exciting opportunities to increase sales of our existing portfolio of solid dosage forms.”

Between 2003 and 2010, peak sales of US branded injectable medicines losing patent protection is estimated at USD 14 billion compared with 2002 sales of more than USD 7 billion. Sales are highly concentrated in the top 20 brands, which make up 80% of the total branded sales going off patent.

Sabex brings Sandoz a seasoned management team with an average of more than 20 years experience in the pharmaceutical business and a highly successful track record of developing and launching generic products. With eight product approvals in fiscal 2003-2004 and 50 products under development, Sabex has a strong track record for new launches and a complementary pipeline with Sandoz compounds. In addition to the top ranked generic sales force in Canada, the acquisition brings Sandoz new capabilities in the development and production of small volume parenterals and finished dose formulations for injectables.

Company Information

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. Decades of experience and profound know-how make Sandoz a renowned partner in pharmaceuticals, biopharmaceuticals and industrial products. Altogether, Sandoz employs around 13,000 people worldwide and posted sales of USD 2.9 billion in 2003.

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2003, the 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 R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ about 78,500 people and operate in over 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 “will provide”, “estimated,” “see exciting opportunities to..”, “brings Sandoz new capabilities” or similar expressions, or by express or implied discussions regarding strategies, plans and expectations. 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. Management's expectations could be affected by, among other things, competition in general, and other risks referred to in Novartis AG's Form 20-F on file with the US 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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