

MEDIA RELEASE • COMMUNIQUE AUX MEDIAS • MEDIENMITTEILUNG**Novartis Consumer Health launches over-the-counter Loratadine**

Basel, 25 January 2003 – Having received FDA approval, Novartis Consumer Health announced today that it has launched branded and generic over-the-counter versions of loratadine 10-mg. tablets, the generic equivalent of Claritin®, a leading non-sedating antihistamine. The Novartis affiliate Geneva Pharmaceuticals, Inc. manufactures the product and has launched it as a non-prescription product. In March, the Novartis OTC business unit in the US will follow with the launch of Tavist® Non-Sedating loratadine and private label loratadine both available for consumers, without prescription.

This innovative marketing scenario involving both the Generics and OTC business units distinctively position Novartis to meet the disparate needs of today's retail customer, leveraging the strengths of the two business units. The move of Claritin® from prescription directly to OTC is result of a recent decision by the U.S. Food and Drug Administration.

As a result of the Claritin® switch, some managed care plans may significantly increase co-pays or require pre-authorization for the remaining prescription non-sedating antihistamines. Further, patients may have to pay a higher retail price for the OTC version as compared to their co-pay for the branded product.

“We expect the switch of loratadine will allow retailers to better meet consumers' desire for self medication, whether self-directed or driven by the physician. With this dual marketing approach, retailers will not only be able to counsel patients on appropriate antihistamine selection, but will enable patients to take full advantage of the switch with a lower cost alternative to any prescription product in the antihistamine category,” said Lynne Millheiser, Senior Vice President, OTC North America.

Geneva has launched loratadine as a non-Rx, behind the pharmacy counter product. This enables pharmacists the opportunity to convert their prescription-based consumers as well as those with existing Claritin® prescription refills. This unique, behind the pharmacy counter marketing approach for a non-Rx drug will provide pharmacists with a time saving method to seamlessly offer prescription patients Geneva's lower cost, over-the-counter, generic version of Claritin®.

Novartis OTC plans to sell its in-aisle private label 10-mg. version of loratadine in 10-, 20-, 30- and ultimately 60-count packages, at prices significantly less than branded Claritin® OTC. Novartis' Tavist® Non-Sedating brand of loratadine will be a branded, value-priced alternative to Claritin, available in 10- and 30-count packages.

Claritin® is a registered trademark of Schering Plough Corporation.

The foregoing release contains forward-looking statements that can be identified by terminology such as “will”, “may”, “expect” or similar expressions, or by express or implied discussions regarding the issues resulting from the switch of loratadine from Rx to OTC, the cost of loratadine to the patient, Geneva's behind the pharmacy counter marketing approach, or potential revenues from this product. Such forward-looking statements involve known

and unknown risks, uncertainties and other factors that may cause actual results, including actual sales of loratadine to be materially different from any future results or performance expressed or implied by such statements. In particular, management's expectations regarding the potential for loratadine could be significantly affected by the approach taken by managed care plans and the response of the patients to the OTC switch of loratadine and other risks and factors referred to in the Company's current Form 20-F on file with the Securities and Exchange Commission of the United States. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, believed, estimated or expected.

Both Geneva Pharmaceuticals, Inc. and Novartis Consumer Health, Inc. are members of the Novartis AG (NYSE: NVS) group of companies, a world leader in healthcare with core businesses in pharmaceuticals, consumer health, generics, eye-care and animal health. Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2002, the Group's businesses achieved sales of CHF 32.4 billion (USD 20.9 billion) and a net income of CHF 7.3 billion (USD 4.7 billion). The Group invested approximately CHF 4.3 billion (USD 2.8 billion) in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ about 72 900 people and operate in over 140 countries around the world. For further information please consult <http://www.novartis.com>.

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