

## **Novartis confirms commitment to new markets of the European Union with major investment in Poland**

Stryków, 12 May 2004 – Signalling its continued commitment to the emerging economies of the recently expanded European Union, Novartis AG today announced a EUR 70 million overall investment in a new generics production and logistics facility in Stryków, Poland.

Operated by Slovenia generics leader Lek, a new Sandoz company, the new facility is expected to create 150 new jobs in the Łódź region of Poland. The 25,000-square-meter complex will include an administration building, laboratories, production lines and storage centers.

“Today, we build on our 100 year presence in Poland with the opening of a major new facility. This better positions our generics business to participate in the exciting growth opportunities promised by the expansion of the European single market,” said Paul Choffat, CEO of Novartis Consumer Health. “This world-class logistics and production site will produce high quality generic medicines that offer increased treatment options for physicians and patients throughout Poland and across Europe, complementing Novartis’ broad portfolio of innovative, branded pharmaceuticals.”

Initially focused on the production of oral solid formulations of generic medicines including Ketonal, Amlopin, Lovastatinum and Altacet the plant is expected to reach a production capacity of 1.5 billion tablets and capsules in the first year. Export production is estimated at 10% in the first year of operation, rising to as much as 20% thereafter.

In addition to the Stryków site, Novartis operates pharmaceutical and consumer health production sites in Rzeszów, Gorzów Wielkopolski and Pruszkow. In total, Novartis employs over 1500 people in Poland.

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 the Franchises 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.

This release contains certain forward-looking statements, relating to the Company's business, which can be identified by the use of forward-looking terminology such as "expected", "will include", "growth opportunities", "promised", "will produce", "offer increased treatment options", "is estimated", or similar expressions, or by express or implied discussions regarding the potential development and commercialization of new products or regarding potential future sales from any such products. Such statements reflect the current views of the Company with respect to future events and are subject to certain risks, uncertainties and assumptions. Many factors could cause the actual results to be materially different from any future results, performances or achievements that may be expressed or implied by such forward-looking statements. There can be no guarantee that the transactions that are the subject of this release will lead to the commercialization of any new products in any market, or that any such products will reach any particular sales levels. Any such commercialization or sales can be affected by, among other things, uncertainties relating to product development and clinical trials, regulatory actions or delays or government regulation generally, the ability to obtain or maintain patent or other proprietary intellectual property protection and competition in general, as well as factors discussed in the Company's Form 20-F filed with the 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. The Company is providing this information as of this date and does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

For further information please consult <http://www.novartis.com>.

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