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Novartis announces 20% average reduction in price of malaria drug Coartem® to further accelerate access in malaria-endemic regions

- *Malaria affects 300 to 500 million people every year and is the biggest killer of children in Africa – every 30 seconds a child dies of malaria^{1,2}*
- *Coartem, a highly-effective artemisinin-based fixed-dose combination, produces cure rates up to 95%^{3,4}*
- *Since 2001, Novartis has provided more than 160 million treatments without profit to those most in need*
- *Price reduction made possible through efficiency gains in producing Coartem*

Basel, April 23, 2008 – Novartis has announced a 20% average reduction in the price of Coartem® tablets (artemether/lumefantrine 20 mg/120 mg), the state-of-the-art artemisinin-based combination treatment (ACT) for malaria. Starting this Friday, which is World Malaria Day, this price reduction will increase access to Coartem for millions of malaria patients, especially children in low income regions of Africa.

Malaria is a devastating disease that affects 300 to 500 million people each year and causes nearly a million deaths annually¹. Its toll is heaviest among young children and adolescents in Africa, where it is estimated that a child dies of malaria every 30 seconds². In addition to being Africa's leading childhood killer, malaria also devastates families by causing the deaths of an estimated 10,000 mothers each year⁵.

In a unique public-private collaboration with international organizations, Novartis provides Coartem to the public sector without profit. Since 2001, Novartis has supplied more than 160 million treatments to malaria-endemic countries.

To ensure a dependable supply of Coartem and to meet rising demand, Novartis has invested heavily to expand production capacity at state-of-the-art facilities in China and the United States. The recent efficiency increases in producing Coartem mean that the public sector price can now be reduced by an average of 20% compared to the 2007 price.

“We are pleased that Novartis is able to significantly reduce the price of Coartem which will further improve access to Coartem for patients in developing countries, helping to save even more lives. To date our ability to reliably supply significant quantities of our medicines has helped us save approximately 450,000 lives,” said Dr. Daniel Vasella, chairman and CEO of Novartis. “The effectiveness of Coartem made it the leading ACT medicine in malaria-endemic countries.”

The price reduction applies to all Coartem dosages including those for children and adolescents, who account for nearly 75% of patients taking Coartem. With the new lower price of USD 0.37 for children's doses*, countries will now be able to treat many more children than before.

Coartem, the only fixed-dose ACT that has been approved by a stringent, internationally-recognized health authority, is indicated for the treatment of acute uncomplicated falciparum malaria, the most dangerous form of malaria. Coartem is highly effective and well-tolerated, providing cure rates of up to 95% even in areas of multi-drug resistance^{3,4}. Combining two or more malaria drugs has the potential to prevent or delay the development of resistance.

Disclaimer

This release contains certain forward-looking statements that can be identified by the use of forward-looking terminology, such as "to further accelerate," "will," "potential," or similar expressions, or by express or implied discussions regarding Novartis' ability to satisfy Coartem production requirements in 2008 or the future. Such forward looking statements reflect the current views of the Company regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause the actual results with Coartem to be materially different from any future results, performance, or achievements expressed or implied by such statements. There can be no guarantee that Novartis will be able to achieve any particular level of Coartem production in the future. Any such results can be affected by, among other things, uncertainties regarding the timeliness of the orders to be placed for Coartem by the ordering countries, uncertainties regarding the ability to obtain the necessary raw materials, uncertainties relating to the performance of our suppliers, uncertainties relating to regulatory actions or government regulation generally, including Good Manufacturing Practices Regulations, as well as factors discussed in the Company's Form 20-F filed 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. Novartis is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise.

About Novartis

Novartis AG (NYSE: NVS) provides healthcare solutions that address the evolving needs of patients and societies. Focused solely on growth areas in healthcare, Novartis offers a diversified portfolio to best meet these needs: innovative medicines, cost-saving generic pharmaceuticals, preventive vaccines and diagnostic tools, and consumer health products. Novartis is the only company with leading positions in these areas. In 2007, the Group's continuing operations (excluding divestments in 2007) achieved net sales of USD 38.1 billion and net income of USD 6.5 billion. Approximately USD 6.4 billion was invested in R&D activities throughout the Group. Headquartered in Basel, Switzerland, Novartis Group companies employ approximately 98,000 full-time associates and operate in over 140 countries around the world. For more information, please visit <http://www.novartis.com>.

Novartis was named a Super Sector Leader by the Dow Jones Sustainability Index (DJSI) in 2007. In the same year, 66 million patients around the world benefited from Novartis programs valued at USD 937 million. These initiatives range from drug donation and research programs to combat neglected diseases like malaria, tuberculosis and leprosy in developing nations, to patient assistance programs that help cancer patients receive the most innovative and effective treatments available. For further information, please consult <http://www.novartis.com>.

* For children up to 15kg

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