

**MEDIA RELEASE · COMMUNIQUE AUX MEDIAS · MEDIENMITTEILUNG****Novartis to acquire worldwide adult medical nutrition business of Mead Johnson & Company, strengthening its number two global position**

- *Transaction offers Novartis entry to U.S. retail medical nutrition channel and enhanced access to Japanese market*
- *Established brands like Boost®, Isocal® and Ultracal® acquired to meet growing needs of outpatient and ageing population*

Basel, Switzerland, December 16, 2003 – Novartis announced today its intention to acquire the brands, trademarks, patents and intellectual property assets of Mead Johnson & Company's global adult medical nutrition business in a US \$385 million cash transaction. Mead Johnson & Company, a subsidiary of Bristol-Myers Squibb Company, is a leader in sales and marketing of adult medical nutrition products.

Successful completion of the transaction will offer Novartis Medical Nutrition a strong presence in the fast-growing U.S. retail channel for medical nutrition products, expand its existing institutional medical nutrition business and enhance its access to the Japanese market. The acquisition will allow the business unit to further leverage its disease-specific brands consistent with its overall growth strategy.

"The acquisition of Mead Johnson & Company's adult medical nutrition business re-confirms our commitment to delivering high-quality products that help people maintain good health, recover from illnesses more quickly, and build the strength and vitality to combat disease," said Michel Gardet, Global Head of Novartis Medical Nutrition. "Enhancing our medical nutrition portfolio will allow us to better serve the needs of the growing outpatient and ageing populations."

The percentage of the U.S. population over 65 is expected to grow from 17% to 25% between 2005 and 2020.

Mead Johnson's principal adult medical nutrition brand Boost® is a complete oral nutritional liquid product designed to meet the caloric and nutritional requirements of the adult population. Other key products include Isocal®, an isotonic tube-feeding formula used to help patients manage inadequate voluntary oral intake due to conditions including cancer, anorexia and stroke; and Ultracal®, a general tube-feeding formula for patients who require dietary fiber to help normalize bowel functions.

Headquartered in Evansville, Indiana, USA, Mead Johnson & Company will continue to manufacture and supply the majority of the acquired products for Novartis on an ongoing basis. Sales of the acquired products exceeded US \$220 million in 2002.

Novartis Medical Nutrition, with global sales of US \$711 million in 2002 (including Nutrition & Santé), offers a complete range of enteral (tube feeding) and oral nutrition products and devices tailored to the varying needs of patients and healthcare professionals.

The product range encompasses supplements, which are taken orally, as well as other products administered through tube feeds and specific medical devices. Its key brands include Isosource®, Novasource®, Resource®, Impact® and Compat®.

Credit Suisse First Boston acted as the exclusive financial advisor to Novartis on this transaction.

**Disclaimer**

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 “provides growth platform,” “strengthens,” “potential to expand,” “is expected to,” “upward trend,” 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.

**About Novartis**

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2002, the Group's businesses achieved sales of US \$20.9 billion and a net income of USD 4.7 billion. The Group invested approximately US \$2.8 billion in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ about 77 200 people and operate in over 140 countries around the world. For further information, please consult <http://www.novartis.com>.

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