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Novartis Medical Nutrition acquires Semper Clinical Nutrition, a leader in medical nutrition in the Nordic region

Stockholm, June 2, 2003 – Novartis Medical Nutrition, headquartered in Nyon, Switzerland, today announced the acquisition of Semper Clinical Nutrition, the second largest medical nutrition business in the Nordic region. Semper Clinical Nutrition is part of Semper AB, a subsidiary of Arla Foods amba, headquartered in Viby, Denmark. The acquisition follows the success of a strategic alliance established in 2001 between Novartis Medical Nutrition and Semper Clinical Nutrition in Finland and Denmark. Financial terms of the transaction are not disclosed. The acquisition is expected to close within 1-2 months.

Michel Gardet, Global Head of Novartis Medical Nutrition, said, “This acquisition provides an excellent growth platform. It compliments our current product portfolio in the Nordic region and also gives us the potential to further leverage our disease specific product capabilities in Scandinavia. I am particularly pleased about the quality of Semper Clinical Nutrition’s dedicated sales force. We expect a fast and smooth integration process, so that Nordic customers can benefit from an expanded range of products and services from one supplier as soon as possible.”

With its staff of 26 associates, Semper Clinical Nutrition generated sales of SEK 100 million (approximately USD 10 million) in fiscal year 2002. Under the Semper umbrella brand the company sells a portfolio of strong products and brands – such as Komplet N ring[®], Addera[®], Acceptera[®], Resorb[®] and Afi Nutrin[®] – in the nursing home, hospital and pharmacy channels. Semper Clinical Nutrition is present in Sweden, Finland, Denmark, Norway and Iceland. The product range includes brands developed to meet the needs of people with specific diseases – so called ‘disease specific’ nutritional products – which are growing strongly.

Novartis Medical Nutrition, with global sales of USD 715 million in 2002, 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[®].

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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 USD 20.9 billion and a net income of USD 4.7 billion. The Group invested approximately USD 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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