

**MEDIA RELEASE · COMMUNIQUE AUX MEDIAS · MEDIENMITTEILUNG****License agreement for new multi dose dry powder inhaler Airmax™ signed**

Basel, 17 January 2003 – Novartis announced that its affiliate Novartis Pharma AG has signed a license agreement regarding a new multi dose dry powder inhaler Airmax™ developed by Ivax Corporation. This agreement covers the use of Airmax™ Ivax device to deliver Novartis respiratory drugs Foradil® (formoterol) and Miflonide® (budesonide) in Europe and other countries. Ivax will be responsible for filing and marketing approval in Europe and will manufacture the products. Novartis will be the exclusive distributor of the new products in some countries, while IVAX and Novartis may jointly distribute them in others.

“This agreement will enhance the opportunity to make Foradil and Miflonide available in a new device giving wider options to patients in Europe.” said Andrew Kay, Head of Global Sales and Marketing, Novartis Pharma.

Foradil® (formoterol) is a beta-2-agonist bronchodilator that has both a rapid onset of action (within 3-5 minutes after inhalation) and a long duration of action for over 12 hours. It is widely used in 87 countries around the world. Miflonide® (budesonide) is a second generation inhaled corticosteroid with a well established efficacy and tolerability.

The foregoing press release contains forward-looking statements which can be identified by terminology such as “will”, or similar expressions, or by express or implied statements regarding potential future marketing approvals or sales of an Airmax device to deliver Foradil or Miflonide. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statement. There can be no guarantee that Airmax will be approved for sale in any market for the delivery of Foradil or Miflonide, or that any particular level of sales will be reached. Management’s expectation regarding the commercial potential of Airmax in any market could be affected by, amongst other things, uncertainties relating to product development, 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 materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected.

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2001, the Group's businesses achieved sales of CHF 32.0 billion (USD 19.1 billion) and a net income of CHF 7.0 billion (USD 4.2 billion). The Group invested approximately CHF 4.2 billion (USD 2.5 billion) in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ about 74 000 people and operate in over 140 countries around the world. For further information please consult <http://www.novartis.com>.