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Novartis UK will continue to supply pharmaceuticals into community via wholesale using simplified distribution network

Frimley, 3 June 2008 – Novartis Pharmaceuticals UK Ltd today confirmed that it would retain the use of wholesalers in distributing their medicines to community pharmacists and dispensing doctors in the UK. Novartis UK announced further that it is simplifying the way its medicines are distributed in the community by moving to a contractual relationship with two wholesalers.

The announcement follows a thorough review of Novartis UK's distribution of medicines to community pharmacists and dispensing doctors. As a result of this review, Novartis UK has selected AAH Pharmaceuticals Ltd and UniChem Ltd for distribution of its medicines to community pharmacists and dispensing doctors throughout the UK, including Northern Ireland, from 4 August 2008.

The selected wholesalers, AAH Pharmaceuticals Ltd and UniChem Ltd, offer national coverage, high service levels, and already distribute over 80% of Novartis UK medicines in the community.

“We have listened to our customers and developed a deeper understanding of their needs. We feel that maintaining a wholesale model, while simplifying our approach to distribution, will be the best approach for both ourselves and our customers,” said a Novartis UK spokesperson.

“This approach enables us to operate more efficiently while maintaining effective supply and levels of service. For the vast majority of our customers, there will be no change in the way they order Novartis UK medicines.”

All customers are being contacted with information on these changes. While Novartis UK believes that there will be no disruption to patients or prescribers, all retail pharmacy and dispensing doctor customers are being asked to consider before 4 August 2008 the ordering and supply arrangements they will make. Distribution of Novartis UK medicines to hospitals remains unaffected.

About Novartis

Novartis AG 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 98,200 full-time associates and operate in over 140 countries around the world. For more information, please visit <http://www.novartis.com>.

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