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Novartis extends commitment to help achieve final elimination of leprosy

- *New five-year commitment includes donation of treatments worth an estimated USD 22.5 million and is expected to reach an estimated 850,000 patients*
- *Novartis will also intensify efforts to build a multi-stakeholder initiative in a final push against leprosy*
- *The company has a long history in fighting leprosy, donating medicines and developing programs to support patients, valued at more than USD 100 million since 1986*
- *Novartis is a part of an international effort to eliminate or control 10 neglected tropical diseases (NTDs) by the end of the decade*

Basel, January 30, 2012 – Novartis will continue its work with the World Health Organization (WHO) toward a world free of leprosy by extending its drug donation of multidrug therapy (MDT) medicines to treat leprosy through the year 2020. This new five-year commitment includes treatments worth an estimated USD 22.5 million and up to USD 2.5 million to support the WHO in handling the donation and logistics, and is expected to reach an estimated 850,000 patients.

“Since 2000, we have worked with the WHO to provide free treatment to leprosy patients globally, but we know that no single actor – no matter how committed to patients – can eliminate this debilitating disease alone,” said Joseph Jimenez, CEO of Novartis. “We are proud to work with governments, international agencies, nongovernmental organizations and the private sector to ensure that patients receive the treatment they need. Only with effective and coordinated action by all parties involved can we achieve our common goal of making leprosy history.”

Novartis and the Novartis Foundation for Sustainable Development (NFSD) have a long-term commitment to leprosy treatment and control. Prior to today’s announcement, Novartis has donated more than 48 million MDT blister packs valued at approximately USD 77 million through the WHO, helping to cure over 5 million leprosy patients worldwide.

The NFSD has been active in the fight against leprosy for more than 25 years, through implementing innovative social marketing programs to reduce the stigma attached to leprosy, developing tools to prevent disabilities, helping patients reintegrate in society, and supporting the leprosy drug donation. Since 1986, the NFSD has provided over CHF 30 million for these programs.

Donating drugs alone, however, is not enough, and NFSD is committed to intensify efforts to build a multi-stakeholder initiative in a final push against leprosy. On January 25, the NFSD, in cooperation with the Department of Health of the Philippines, held the first Leprosy Stakeholders Symposium in Puerto Princesa City, Palawan. The

groundbreaking symposium gathered all major stakeholders and partners from both government and private sectors with the goal of eliminating leprosy in areas of the Philippines where the disease is still endemic.

The extension of the Novartis leprosy commitment is a key part of a new, coordinated push by a diverse range of public and private collaborators to combat 10 Neglected Tropical Diseases (NTDs) by 2020. Today, 13 pharmaceutical companies, the U.S. and U.K. governments, the Bill & Melinda Gates Foundation, the World Bank and officials from NTD-endemic countries pledged to bring a unique focus to defeating these diseases and to work together to improve the lives of the billion people worldwide affected by NTDs.

In the largest coordinated effort to date to combat NTDs, the group announced at an event at the Royal College of Physicians in London that they would: sustain or expand existing drug donation programs to meet demand through 2020; share expertise and compounds to accelerate research and development of new drugs; and provide funding to support R&D efforts and strengthen drug distribution and implementation programs. The collaborators also signed onto the “London Declaration on Neglected Tropical Diseases,” in which they pledged new levels of collaboration and tracking and reporting of progress.

This announcement is a part of the company’s long commitment to enhancing access to healthcare in the developing world. Novartis works to discover vaccines and medicines for neglected diseases through two research institutes: [Novartis Institute for Tropical Diseases \(NITD\)](#) in Singapore and the [Novartis Vaccines Institute for Global Health \(NVGH\)](#) in Italy. The Novartis Malaria Initiative is one of the healthcare industry’s largest access-to-medicine programs. Since 2001, Novartis has worked with a range of organizations to ensure effective delivery of our antimalarial medicine, providing more than 480 million treatments without profit.

In 2011, Novartis access-to-medicine programs reached more than 89 million patients and together with our research institutes for diseases of the developing world, are valued at USD 1.7 billion, or 3% of net sales.

About multidrug therapy (MDT) in treating leprosy

Since 1985, more than 14 million people worldwide have been cured of leprosy thanks to MDT, the treatment recommended by the WHO, shrinking the worldwide prevalence by approximately 95%. According to the WHO, in 2010 less than 230,000 new cases were reported, from a total of 130 countries worldwide. Despite these successes, leprosy control remains at a critical juncture and knowledge of the disease is becoming less common. Moving forward, early detection and continued availability of free treatment are essential.

The development of MDT changed the face of leprosy dramatically. MDT consists of three drugs (rifampicin, clofazimine and dapsone), two of which (rifampicin and clofazimine) were developed in the research laboratories of Novartis in the 1980s. Multidrug therapy has made it possible to cure patients, interrupt the transmission of leprosy and prevent disabilities. Even patients with the severest form of the disease show visible clinical improvement within weeks of starting treatment.

About the Novartis Foundation for Sustainable Development

The Novartis Foundation for Sustainable Development is a nonprofit organization whose activities form part of the Corporate Responsibility portfolio of Novartis AG, which finances the foundation's operations. For over 30 years, the foundation's mission has been to support healthcare programs in developing countries. Its core competencies also include in-depth analysis, consulting and publications in the fields of corporate responsibility and development policy. By harnessing synergies between project work, think tank activities and the facilitation of dialogue, it elaborates innovative strategies for

common development problems. In 2011, the Novartis Foundation for Sustainable Development invested approximately CHF 10 million, largely in Africa and Asia.

For more information on the foundation and specific projects, visit:

www.novartisfoundation.org

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The foregoing release contains certain forward-looking statements that can be identified by terminology such as “commitment,” “expected,” “plans,” “goal,” or similar expressions, or by express or implied discussions potential future deliveries of leprosy MDT drugs or related anti-leprosy services. You should not place undue reliance on these statements. 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 actual results 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 deliver any particular amounts of MDT or related services in the future. In particular, management's expectations could be affected by, among other things, unexpected regulatory actions or delays or government regulation generally; unexpected manufacturing difficulties; competition in general; government, industry, and general public pricing and other political pressures; the impact that the foregoing factors could have on the values attributed to the Novartis Group's assets and liabilities as recorded in the Group's consolidated balance sheet; and other risks and factors referred to in Novartis AG's current Form 20-F on file 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 these materials as of this date and does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise.

About Novartis

Novartis provides innovative healthcare solutions that address the evolving needs of patients and societies. Headquartered in Basel, Switzerland, Novartis offers a diversified portfolio to best meet these needs: innovative medicines, eye care, cost-saving generic pharmaceuticals, preventive vaccines and diagnostic tools, over-the-counter and animal health products. Novartis is the only global company with leading positions in these areas. In 2011, the Group's continuing operations achieved net sales of USD 58.6 billion, while approximately USD 9.6 billion (USD 9.2 billion excluding impairment and amortization charges) was invested in R&D throughout the Group. Novartis Group companies employ approximately 124,000 full-time-equivalent associates and operate in more than 140 countries around the world. For more information, please visit <http://www.novartis.com>.

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