

MEDIA RELEASE · COMMUNIQUE AUX MEDIAS · MEDIENMITTEILUNG**Novartis and Schering-Plough plan joint development of a fixed inhaled combination of Foradil® and Asmanex® for asthma and COPD**

Basel, 10 April 2003 – Novartis Pharma AG has signed a license agreement with Schering-Plough to jointly develop and market worldwide a new combination product for the treatment of asthma and chronic obstructive pulmonary disease (COPD). The new product will combine Novartis' Foradil® (formoterol fumarate), a selective, long-acting beta₂-agonist, with Schering-Plough's Asmanex® (mometasone furoate), an inhaled corticosteroid. These will be combined in a single inhalation device for the convenience of patients. Terms of the agreement are not being disclosed.

“Many people recognize that the incidence of asthma is steadily increasing. More than 100 million people worldwide are newly diagnosed with asthma each year according to GINA (Global Initiative For Asthma). Few people are aware of the fact that asthma patients still die of exacerbations. According to the US National Center for Health Statistics, asthma caused almost 4 500 deaths in the USA in 2000. In the case of COPD the death rate has risen substantially over the past 40 years, with over 120 000 deaths in the USA in 2000,” said Thomas Ebeling, CEO of Novartis Pharma. “In addition to the loss of life,” Ebeling noted, “the daily effect of respiratory disease on patients and their families is incalculable. This agreement with Schering-Plough is one more example of Novartis' commitment to the development of novel products for patients suffering from respiratory diseases. Combining the therapeutic benefits of Foradil and Asmanex in a single device will significantly enhance the ability of doctors to control asthma and COPD symptoms”.

Foradil is indicated for the maintenance treatment of asthma and COPD, and the acute prevention of exercise-induced bronchospasm. It is widely used in 87 countries around the world.

Asmanex Twisthaler® (mometasone furoate Dry Powder Inhaler) is currently approved in 30 countries as therapy in the control and management of mild, moderate or severe persistent asthma in patients 12 years of age and older. Asmanex Twisthaler is being launched in the European Union (EU); additional marketing applications for Asmanex Twisthaler are currently undergoing regulatory review in other countries worldwide, including the United States.

Combination products containing inhaled corticosteroids and long-acting beta₂-agonists are the fastest growing segment of the worldwide asthma market (according to IMS data).

In November 2002, Schering-Plough and Novartis announced an agreement granting Schering-Plough exclusive US distribution and marketing rights to Novartis' Foradil® Aerolizer® (formoterol fumarate inhalation powder).

The foregoing press release contains forward-looking statements that can be identified by forward-looking terminology such as “plan”, “new”, “will” or similar expressions, or by express or implied discussions regarding the potential development and approval of a Foradil/Asmanex combination product, or regarding potential revenues from future sales of such a combination product. Such statements involve known and unknown risks,

uncertainties and other factors that may cause the actual results to be materially different from any future results, performance, or achievements expressed or implied by such statements. There can be no guarantees that the aforementioned agreement will result in the approval of the planned combination product in any market, or in any additional sales of Foradil or Asmanex. Any such sales or other results can be affected by, amongst other things, uncertainties relating to product development, clinical trials and product efficacy, 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 Novartis AG's Form 20-F filed with the Securities and Exchange Commission. Any of these and other factors can cause the actual results to differ materially from the expected or predicted results.

Schering-Plough is a research-based company engaged in the discovery, development, manufacturing and marketing of pharmaceutical products worldwide.

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2002, the Group's businesses achieved sales of CHF 32.4 billion (USD 20.9 billion) and a net income of CHF 7.3 billion (USD 4.7 billion). The Group invested approximately CHF 4.3 billion (USD 2.8 billion) in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ about 72 900 people and operate in over 140 countries around the world. For further information please consult <http://www.novartis.com>.

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