

Date June 30, 2004

Sandoz to strengthen Danish market position and Nordic operations with acquisition of Astra Zeneca's generics subsidiary in Denmark

- Acquisition of Durascan makes Sandoz number two player in local generics market and provides operational hub for entire Nordic region

Vienna, June 30, 2004 – Sandoz today announced the acquisition of Durascan, the generic subsidiary of Astra Zeneca in Denmark, in a transaction aimed at claiming the number two position in the Danish generics market and establishing a new operational hub in the Nordic region. Financial details of the transaction were not disclosed.

With net sales of €25 million in 2003, Durascan has a broad portfolio of generic medicines that provide growth opportunities for Sandoz throughout the Nordic region. In addition, Durascan provides Sandoz with state-of-the-art quality assurance and logistics facilities, making it an attractive operational platform to fuel regional growth.

“The acquisition of Durascan provides Sandoz with a leadership position in the Danish generics market and a platform to increase our presence in the Nordic region with its strong and highly competitive generics environment,” said Christian Seiwald, CEO of Sandoz. “It is perfectly in line with our strategy to grow organically, while seeking selected regional or therapeutic acquisitions.”

Company Information

Sandoz, a Novartis company, is a world leader in generic pharmaceuticals and develops, manufactures and markets these medicines as well as pharmaceutical and biotechnological active ingredients. Decades of experience and profound know-how make Sandoz a renowned partner in the Franchises Pharmaceuticals, Biopharmaceuticals and Industrial Products. Altogether, Sandoz employs around 13,000 people worldwide and posted sales of USD 2.9 billion in 2003.

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2003, the Group's businesses achieved sales of USD 24.9 billion and a net income of USD 5.0 billion. The Group invested approximately USD 3.8 billion in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ about 78,500 people and operate in over 140 countries around the world. For further information please consult <http://www.novartis.com>.

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 “aimed at,” “provide growth opportunities,” “operational platform to fuel,” “a platform to increase,” “strategy to grow,” or similar expressions, or by express or implied discussions regarding strategies, plans and expectations. Such statements reflect the current plans or 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, performance or achievements of the Company 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 could be affected by, among other things, new clinical data; unexpected trial results; unexpected regulatory actions or delays or government regulation generally; the company’s ability to obtain or maintain patent or other proprietary intellectual property protection; increased government pricing pressures; competition in general, and other risks referred to in Novartis AG’s 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. The Company is providing this information as of this date and does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise.

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