

## Company Overview

Novartis provides healthcare solutions that address the evolving needs of patients and societies worldwide. With more than 96 000 associates in 140 countries, we provide products to prevent and treat diseases, ease suffering and enhance quality of life.

A global leader with 96 000 associates in 140 countries

Our purpose is to care and cure.

Several global trends create growing demand for healthcare: aging populations, lifestyle changes that contribute to chronic diseases, economic growth in emerging countries, and advancements in science and technology.

Growing demand for quality healthcare

These same trends call for a broad range of healthcare options, and Novartis has one of the best healthcare portfolios to meet the varied needs of patients worldwide:

A broad healthcare portfolio

- **Pharmaceuticals:** Innovative patent-protected medicines
- **Vaccines and Diagnostics:** Human vaccines and diagnostic tools to protect against life-threatening diseases
- **Sandoz:** Generic pharmaceuticals that replace branded medicines after patent expiry and free up funds for innovative medicines
- **Consumer Health:** Readily available healthcare products that enable healthy lifestyle choices

Research at Novartis focuses on discovery projects at the intersection of powerful scientific mechanisms and greatest medical needs. Our exploratory pipeline includes 93 new molecular entities, and Novartis has one of the industry's largest biologics pipelines. Novartis also has a strong development pipeline with 152 projects in clinical development.

A top-rated pipeline

In April 2008, Novartis reached an agreement with Nestlé S.A. offering Novartis the right to acquire majority ownership of Alcon Inc., the world leader in eye care with pharmaceutical, surgical and consumer products. The first step was completed in July 2008 by purchasing a 25% stake from Nestlé. An optional second step provides future rights for Novartis to acquire, and Nestlé to sell, the remaining 52% stake held by Nestlé between January 2010 and July 2011.

Alcon the first of several strategic investments, partnerships and acquisitions in 2008

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In July 2008, Novartis also announced a long-term partnership with global biotechnology leader Lonza to rapidly scale up technical development and clinical production for part of the Novartis biologics pipeline.

Partnership with biotech leader Lonza

During 2008, the company also completed several strategic acquisitions to enhance and bolster its pipeline of innovative medicines. In June 2008, Novartis acquired Protez Pharmaceuticals, gaining access to PTZ601, a promising broad-spectrum antibiotic in Phase II development against potentially fatal drug-resistant infections acquired in hospitals. The following month, Novartis announced the purchase of an additional 51.7% stake in Swiss biotechnology company Speedel Holding Ltd., through off-exchange transactions together with plans to buy all remaining shares in a mandatory public tender offer. Novartis now holds more than 99.8% of Speedel's outstanding shares, securing access to a portfolio of innovative hypertension treatments.

Gained access to promising broad-spectrum antibiotic and portfolio of hypertension treatments

In October 2008, Novartis announced the acquisition of the pulmonary business unit of Nektar Therapeutics, strengthening its drug-delivery development capabilities, particularly in life-threatening respiratory diseases. The transaction closed in December.

Acquisition of Nektar Therapeutics pulmonary business unit

At Novartis, Corporate Citizenship is embedded in the way we manage our businesses. Our initiatives rest on four pillars of commitment – to patients, to people and communities, to the environment and to ethical business conduct.

Novartis is committed to helping patients in need through access-to-medicine programs and research targeting neglected diseases. In 2008 these programs reached 74 million patients worldwide, with contributions totaling USD 1.26 billion. Our Corporate Citizenship efforts were once again recognized by the Dow Jones Sustainability Index, which named Novartis super sector leader in 2008.

Access-to-medicine programs reached 74 million patients in 2008

Since its creation in 1996 through the merger of Ciba-Geigy and Sandoz, Novartis has committed to bringing new healthcare products to patients and physicians worldwide. We also seek to provide a return to shareholders that reflects our outstanding performance and to adequately reward those who invest ideas and resources in our company.

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