

August 31, 2007

Sandoz Receives European Commission Approval for biosimilar epoetin alfa

- *Sandoz receives approval for follow-on version of a complex biological medicine*
- *European Union approval provides patients suffering from low red blood cells and healthcare payors access to a high quality, more cost-effective treatment alternative*
- *Sandoz at the forefront of bringing follow-on biological medicines to patients worldwide following precedent-setting approval of Omnitrope in 2006*

HOLZKIRCHEN (Germany), August 31, 2007 – Sandoz has become the first company to develop and receive European Commission approval for its biosimilar epoetin alfa, achieving another important milestone in its efforts to bring high quality, cost-effective biological medicines to patients.

The European Commission's decision to grant this approval followed a positive opinion in June from the European Medicines Agency's Committee on Medicinal Products for Human Use (CHMP), which reviews medicines scientifically for the Commission.

More than 250,000 patients in Europe are estimated to be treated with epoetin alfa, which is marketed under various brand names to regulate the formation of red blood cells. Worldwide annual sales are estimated at more than USD 7 billion, including USD 600 million in Europe.

The European Commission has now for the second time granted to Sandoz approval for a biosimilar, which is the term for a follow-on version of a previously approved recombinant biotechnology medicine. In a precedent-setting decision in April 2006, Sandoz was the first company to obtain European approval for such a medicine, the human growth hormone Omnitrope[®], while US approval was granted in May 2006.

“We are pleased that the European Commission has taken the final step in approving our biosimilar epoetin alfa for marketing in Europe, and we will quickly bring this product to market for the patients and physicians who need it,” said Andreas Rummelt, CEO of Sandoz. “We are committed to continue making high-quality and cost-effective biosimilars available and have several projects in our pipeline.”

This approval was indicated for the use of biosimilar epoetin alfa in treating patients with renal anemia as well as those receiving chemotherapy.

Sandoz has been on the forefront of efforts to support the creation of regulatory review procedures to enable the approval of biosimilar medicines. Rigorous scientific criteria should be consistently applied to the approval process for these types of medicines. However, unnecessary or unethical duplication of animal studies and human trials should be avoided, as is the case with other types of subsequent versions of medicinal products.

As more biopharmaceuticals lose patent protection in the coming years, these products are expected to play a key role in the growth strategy of Sandoz.

Biopharmaceuticals are medicinal products manufactured by biotechnology methods. They are complex protein molecules with a high molecular weight derived from living organisms that have been genetically modified to produce the desired protein. Using advanced product development, applying the “quality by design” approach, analytical methodologies and manufacturing processes, companies like Sandoz can manufacture high quality medicines and bring them to market with savings for patients and payors.

About Sandoz

Sandoz, a Division of the Novartis group, is a global leader in the field of generic pharmaceuticals, offering a wide array of high-quality, cost-efficient products that are no longer protected by patents. Sandoz has a portfolio of more than 840 compounds in over 5 000 forms worldwide. Key product groups include antibiotics, treatments for central nervous system disorders, gastrointestinal medicines, cardiovascular treatments and hormone therapies. Sandoz develops, produces and markets these drugs along with pharmaceutical and biotechnological active substances and Anti-Infectives. In addition to the strong organic growth in recent years, Sandoz has made a series of acquisitions including Lek (Slovenia), Sabex (Canada), Hexal (Germany) and EonLabs (U.S.) and sells its products in more than 110 countries. In 2006, Sandoz employed around 20,000 people worldwide and posted sales of USD 6 billion.

Disclaimer

This release contains certain “forward-looking statements,” relating to Sandoz’s business which can be identified by the use of forward-looking terminology such as “estimated,” “expected,” “will” or similar expressions, or by express or implied discussions regarding potential marketing approvals or future sales of epoetin alfa. Such forward-looking statements reflect the current plans or views of Sandoz with respect to future events and involve known and unknown risks, uncertainties and other factors that may cause actual results with epoetin alfa to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that epoetin alfa will reach any particular sales levels. In particular, management’s expectations regarding the commercialization of epoetin alfa could be affected by, among other things, additional analysis of clinical data; new clinical data; unexpected regulatory actions or delays or government regulation generally; competition in general, as well as other risks referred to in Novartis AG’s Form 20-F on file with the U.S. 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. Sandoz 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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