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Novartis successfully issues two Swiss franc benchmark bonds totaling CHF 1.5 billion

- *First bond offering ever by Novartis in Swiss francs sees very strong demand and ranks as the largest-ever corporate offering in the Swiss franc market*
- *Two benchmark bonds offered – a domestic seven-year bond and a four-year bond in the international market segment*

Basel, June 10, 2008 — Novartis has successfully issued two Swiss franc benchmark bonds totaling CHF 1.5 billion in the Swiss capital market, marking the first time ever that Novartis has issued a bond in this currency.

The offering generated very strong demand and ranks as the largest-ever corporate offering in the Swiss franc market. The bonds were placed with a diversified range of institutional and retail investors, and they will be listed individually on the SWX Swiss exchange.

The first bond – a four-year CHF 700 million benchmark bond in the international market segment with a coupon of 3.5% – was priced at 100.32%. The second bond – a seven-year CHF 800 million benchmark domestic bond with a coupon of 3.625% – was priced at 100.35%.

Novartis is rated Aa2 (stable outlook) by Moody's and AA- (stable outlook) by Standard & Poor's, while Fitch has a rating of AA (stable outlook). Joint lead managers were Credit Suisse and UBS.

This release does not constitute an offer for sale of the bonds, nor a solicitation of an offer for the bonds. The bonds have not been and will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the US or to or for the account or benefit of US persons absent registration or an applicable exemption from registration requirements.

About Novartis

Novartis AG provides healthcare solutions that address the evolving needs of patients and societies. Focused solely on growth areas in healthcare, Novartis offers a diversified portfolio to best meet these needs: innovative medicines, cost-saving generic pharmaceuticals, preventive vaccines and diagnostic tools, and consumer health products. Novartis is the only company with leading positions in these areas. In 2007, the Group's continuing operations (excluding divestments in 2007) achieved net sales of USD 38.1 billion and net income of USD 6.5 billion. Approximately USD 6.4 billion was invested in R&D activities throughout the Group. Headquartered in Basel, Switzerland, Novartis Group companies employ approximately 98,200 full-time associates and operate in over 140 countries around the world. For more information, please visit <http://www.novartis.com>.

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