

**MEDIA RELEASE • COMMUNIQUE AUX MEDIAS • MEDIENMITTEILUNG****Novartis announces USD 5 billion bond issue**

**Basel, March 10, 2010** — Novartis announced today a USD 5 billion bond market transaction consisting of three tranches:

- USD 2 billion 1.900% Notes due April 24, 2013
- USD 2 billion 2.900% Notes due April 24, 2015
- USD 1 billion 4.400% Notes due April 24, 2020

These notes are registered with the U.S. Securities and Exchange Commission under an automatic shelf registration statement filed by Novartis in 2008. All three tranches are issued by Novartis Capital Corporation, a U.S. subsidiary, and are unconditionally guaranteed by Novartis AG, which is incorporated in Switzerland and is the ultimate parent company of Novartis Capital Corporation.

Proceeds will be used for intercompany refinancing purposes in connection with the pending Alcon acquisition, as well as for general corporate purposes.

Novartis AG is rated Aa2 (negative outlook) by Moody's and AA- (stable outlook) by Standard & Poor's. Goldman Sachs & Co., J.P. Morgan, Barclays Capital, BofA Merrill Lynch, Citi and Morgan Stanley were joint book-runners.

A copy of the prospectus relating to this offering can be obtained on the EDGAR website operated by the SEC or by contacting the underwriters through Goldman Sachs & Co., Prospectus Department, 85 Broad Street, New York, New York, 10004, Tel: +1-866-471-2526, Fax: +1-212-902-9316, or by e-mailing [prospectus-ny@ny.email.gs.com](mailto:prospectus-ny@ny.email.gs.com); or through J.P. Morgan Securities Inc., 270 Park Avenue, New York, New York 10017, Tel: +1-212-834-4533.

*This press release shall not constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of the notes in any state or jurisdiction in which such offer, solicitation or sale is unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.*

**Disclaimer**

This release contains certain forward-looking statements relating to the Novartis Group's business, which can be identified by terminology such as "will," or similar expressions, or by express or implied discussions regarding the potential value of the notes described in this release, the Novartis Group's ability to repay all or any part of the notes, potential future sales or earnings of the Novartis Group or any of its divisions or business units; or regarding the potential acquisition of, and merger with, Alcon; or by discussions of strategy, plans, expectations or intentions. You should not place undue reliance on these statements. Such forward-looking statements reflect the current views of Novartis Group management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different

from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that the notes will have any particular value or can be sold or re-sold for any particular value. Nor can there be any guarantee that the Novartis Group will be able to repay all or any part of the notes, or that the Novartis Group, or any of its divisions or business units, will achieve any particular financial results. There can be no guarantee that the proposed acquisition of, and merger with, Alcon will be completed in the expected form or within the expected time frame or at all. Nor can there be any guarantee that Novartis will be able to realize any of the potential synergies, strategic benefits or opportunities as a result of the proposed acquisition. In particular, management's expectations could be affected by, among other things, whether or not a market develops for the notes; whether or not we issue additional secured or unsecured debt in the future; whether we decide to redeem the notes; unexpected clinical trial results, including additional analysis of existing clinical data or unexpected new clinical data; unexpected regulatory actions or delays or government regulation generally; the Novartis Group's ability to obtain or maintain patent or other proprietary intellectual property protection; uncertainties regarding actual or potential legal proceedings, including, among others, product liability litigation, litigation regarding sales and marketing practices, government investigations and intellectual property disputes; competition in general; government, industry, and general public pricing and other political pressures; uncertainties regarding the after-effects of the recent global financial and economic crisis; uncertainties regarding future global exchange rates and uncertainties regarding future demand for Novartis products; uncertainties involved in the development of new pharmaceutical products; the impact that the foregoing factors could have on the values attributed to the Novartis Group's assets and liabilities as recorded in the Novartis Group's consolidated balance sheet; and other risks and factors referred to in the Prospectus and Prospectus Supplement for the notes, and in Novartis AG's current 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. Novartis is providing the information in these materials as of this date and does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise.

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