

**MEDIA RELEASE · COMMUNIQUE AUX MEDIAS · MEDIENMITTEILUNG****Novartis wins important ruling against GlaxoSmithKline and continues to market generic versions of Augmentin® in US**

Basel, 9 April 2003 – The Novartis Group has won an important ruling in its legal dispute with GlaxoSmithKline (GSK) concerning AmoxC (amoxicillin/clavulanic acid), the Group's generic version of GSK's top-selling antibiotic Augmentin. GSK had sought an order to prevent Novartis affiliates from importing and selling AmoxC in the US, claiming that the affiliates used a proprietary GSK strain of bacteria to manufacture the generic product. An Administrative Law Judge of the US International Trade Commission (ITC) dismissed GSK's claims and decided that the strain is not entitled to trade secret protection. He stated that the strain lost any trade secrecy protection that it may have had when GSK entered into a prior settlement agreement with Novartis' subsidiary Biochemie.

Christian Seiwald, worldwide Head of Novartis' Generics Business Unit commented: "We are very pleased with the judge's ruling, which supports our affiliate in continuing to provide high quality generic alternatives to patients in the US. It is our firm conviction that we have acted correctly and ethically throughout."

In May 2002, in a suit brought by Novartis' subsidiary Geneva Pharmaceuticals against GSK, the US District Court for the Eastern District of Virginia rendered a decision that invalidated GSK's remaining patents covering Augmentin. Following that ruling, Geneva was the first to launch a generic version of Augmentin in the US, the world's biggest pharmaceutical market, in July 2002.

GSK has appealed both the decision of the District Court and that of the ITC Administrative Law Judge.

This release contains certain "forward-looking statements," relating to the Group's business, which can be identified by express or implied statements regarding the likelihood of the Novartis Groups final success in its litigation with GSK, and regarding its future ability to sell AmoxC in the US. Such forward looking statements 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. Such risks include the possibility that the Administrative Law Judge's ruling is not affirmed on appeal, the risks of collateral litigation, market place risks that could adversely affect Geneva Pharmaceutical's ability to market AmoxC in the US as well as the other factors discussed in Novartis AG's Form 20-F filed with the 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 AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2002, the Group's businesses achieved sales of CHF 32.4 billion (USD 20.9 billion) and a net income of CHF 7.3 billion (USD 4.7 billion). The Group invested approximately CHF 4.3 billion (USD 2.8 billion) in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ about 72 900 people and operate in over 140 countries around the world. For further information please consult <http://www.novartis.com>.

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