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Proven breast cancer treatment helps to stop the spread of cancer

Femara now approved by Health Canada for the treatment of early breast cancer based on clinical superiority over gold standard tamoxifen*

- Femara* reduced risk of cancer coming back by 19 per cent as compared to tamoxifen
- Femara* demonstrated significant reduction in spread of cancer by 27 per cent when compared to tamoxifen

Dorval, Quebec, October 10, 2006 – Today Novartis Pharmaceuticals Canada announced the Health Canada approval of Femara* (letrozole) as adjuvant (post-surgery) treatment for postmenopausal women with hormone receptor-positive early breast cancer. This approval is based on the results from the BIG 1-98 study published in *The New England Journal of Medicine* which showed that women taking Femara* had a significant reduction in the return of their cancer (19 per cent, $p=0.003$). More importantly, Femara* reduced the spread of the cancer to other parts of the body (distant metastasis a surrogate for overall survival) by 27 per cent ($p=0.001$) as compared to the gold standard, tamoxifen.

“Clinical studies have clearly demonstrated the superiority of Femara* against tamoxifen as first-line therapy and Femara* has already been proven to significantly reduce the risk of breast cancer recurrence after five years of tamoxifen therapy,” says Dr. Kathy Pritchard, Head, Clinical Trials and Epidemiology, Toronto Sunnybrook Regional Cancer Centre and Professor, Department of Medicine, Faculty of Medicine, University of Toronto. “Now we have confirmation that Femara* is beneficial to women in the early adjuvant setting. A great fear for women who have been treated for breast cancer is its recurrence as well as spread to other parts of the body. Femara* significantly enhances our standard of care for women with breast cancer and will help address these fears.”

These results are extremely important for postmenopausal women with breast cancer as 20 to 40 per cent of them develop distant metastasis and more than 50 per cent of recurrences of breast cancer result from it spreading to other parts of the body. Femara* is the first and only aromatase inhibitor proven to improve disease-free survival and reduce distant metastasis for both adjuvant and extended adjuvant (after five years of standard tamoxifen) therapy. Femara* is a potent aromatase inhibitor that is approved by Health Canada for the treatment of both early and advanced breast cancer.

“We know that for women whose breast cancer spreads to other sites, they may be at greater risk of dying from their disease,” says Dianna Scheurer, President, Canadian Breast Cancer

Network. “We welcome a new treatment option that may increase their chance of staying cancer-free, which can give these women hope. It is imperative that provinces recognize the importance of new treatment options and adjust their drug plans accordingly to ensure that women have equal access to the therapy.”

Elsa Kisber, a Montreal breast cancer survivor was prescribed tamoxifen after her surgery and chemotherapy, but after suffering from serious side effects, was switched to Femara*. “I was diagnosed with breast cancer three years ago. Today, I am confident that cancer is now part of my past and I can live cancer free. Based on research I did and the counsel from my oncologist, Femara* has shown to reduce the risk of the disease reappearing and that’s why I feel it will help me never have to face this disease again.”

About BIG 1-98

BIG 1-98 is the only clinical trial designed to incorporate both a head-to-head comparison of an aromatase inhibitor (Femara*) with tamoxifen during the first five years following breast cancer surgery and a sequencing of both agents to determine the most effective approach to minimize the risk of recurrence. Patients were randomized to the following arms: tamoxifen for five years, Femara* for five years, tamoxifen for two years followed by Femara* for three years, and Femara* for two years followed by tamoxifen for three years. Study results were published in the New England Journal of Medicine on December 29, 2005. Results from the ongoing arms of the study, which are expected to determine which treatment is more effective, monotherapy or sequential therapy, and if sequential therapy, which sequence is more effective, are expected in 2008.

About Femara* (letrozole)

Femara* belongs to a class of medications called aromatase inhibitors. In postmenopausal women, the body produces estrogen exclusively by transforming androgen into estrogen through the action of an enzyme called aromatase. Aromatase inhibitors, including Femara*, work by binding to the aromatase enzyme to block the production of estrogen, thereby reducing the growth of the tumor.

On October 5, 2006, the Therapeutic Products Directorate of Health Canada (TPD) granted a Notice of Compliance with Conditions (NOC/c) for Femara* for the adjuvant treatment of postmenopausal women with hormone receptor positive early breast cancer.

Approval is based on superior Disease Free Survival (DFS) compared to tamoxifen from the overall study population, at a median follow-up of 26 months. However, DFS advantage of Femara* over tamoxifen was not observed in the subset of patients with node negative disease.

Other Health Canada indications for Femara* include:

- for use in the extended adjuvant treatment of hormone receptor-positive early breast cancer in postmenopausal women who have received approximately five years of prior standard adjuvant tamoxifen therapy.
- for the hormonal treatment of advanced/metastatic breast cancer in women with natural or artificially-induced postmenopausal status, who have disease progression following antiestrogen therapy.

Femara* is currently available in more than 90 countries worldwide.

Contraindications, warnings, and adverse events

Femara* is contraindicated in women who are pregnant or breast-feeding as well as in premenopausal women. Femara* is contraindicated in patients with known hypersensitivity to

Femara* or any of its excipients. Femara* is not recommended in pre-menopausal women as safety and efficacy have not been established in this group of patients.

The use of estrogen lowering agents, including Femara*, may cause bone loss. Women with osteoporosis, or at high risk of osteoporosis should be carefully monitored by their doctor. These women may require treatment for osteoporosis or treatment to prevent osteoporosis while receiving Femara*.

Femara* should be administered under the supervision of a qualified physician experienced in the use of anti-cancer drugs. The use of aromatase inhibitors, including Femara*, may increase the risk of cardiovascular events compared to tamoxifen, such as heart attacks and stroke. Women at risk of heart disease should be carefully monitored by their doctor. The use of aromatase inhibitors, including Femara*, may increase lipid levels.

In the adjuvant setting, the most common adverse events frequently reported in the BIG 1-98 trial, irrespective of the treatment drug (Femara* or tamoxifen) are hot flushes, arthralgia/arthritis, night sweats, nausea, fatigue, edema, myalgia, bone fractures, hypercholesterolemia, and vaginal bleeding.

Forward-looking statement

The foregoing release contains forward-looking statements that can be identified by terminology such as “significant reduction,” “significantly enhances,” “first and only,” “disease-free survival,” or similar expressions, or by express or implied discussions regarding potential future sales of Femara*. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results with Femara* to be materially different from any future results, performance or achievements expressed or implied by such statements.

There can be no guarantee that Femara* will reach any particular sales levels. In particular, management’s expectations regarding commercialization of Femara* could be affected by, among other things, additional analysis of Femara* clinical data; new clinical data; unexpected clinical trial results; unexpected regulatory actions or delays or government regulation generally; the company's ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; increased government, industry, and general public pricing pressures; and other risks and factors referred to in the Company'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 anticipated, believed, estimated or expected. Novartis is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements contained in this press release as a result of new information, future events or otherwise. The purpose of this media document is for information only to report on a major scientific finding and is not meant to promote or encourage a use of this medication outside the approved Product Monograph in Canada.

For more information

Additional information regarding Femara* or Novartis Oncology can be found on the websites www.femara.com or www.novartisoncology.com. Additional media information can be found at www.novartisoncologyvpo.com. The Novartis Canada Web site can be found at <http://www.novartis.ca>.

About Novartis Canada

Novartis Pharmaceuticals Canada Inc., a leader in the healthcare field, is committed to the discovery, development and marketing of innovative products to improve the well-being of all Canadians. Novartis Pharmaceuticals Canada conducts hundreds of clinical trials across the country seeking new treatments for cardiovascular disease, diabetes, cancer, organ transplantation and glaucoma. In 2005, the Company invested over \$65 million in research and development. Novartis Pharmaceuticals Canada Inc. employs approximately 800 people in Canada and its headquarters are located in Dorval, Quebec. In addition to Novartis Pharmaceuticals Canada Inc., the Novartis Group in Canada consists of Novartis Animal Health Canada Inc., Novartis Consumer Health Canada Inc., (including Novartis Nutrition Corporation and Gerber [Canada] Inc.), CIBA Vision Canada Inc. and Sandoz Canada Inc. For further information about Novartis Canada, please consult <http://www.novartis.ca>.

About Novartis

Novartis AG (NYSE: NVS) is a world leader in offering medicines to protect health, treat disease and improve well-being. Our goal is to discover, develop and successfully market innovative products to treat patients, ease suffering and enhance the quality of life. Novartis is the only company with leadership positions in both patented and generic pharmaceuticals. We are strengthening our medicine-based portfolio, which is focused on strategic growth platforms in innovation-driven pharmaceuticals, high-quality and low-cost generics, human vaccines and leading self-medication OTC brands. In 2005, the Group's businesses achieved net sales of USD 32.2 billion and net income of USD 6.1 billion.

Approximately USD 4.8 billion was invested in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ approximately 96,000 people and operate in over 140 countries around the world. For more information, please visit <http://www.novartis.com>.

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* Femara is a registered trademark.