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Novartis Pharmaceuticals Canada Inc. complies with request from Health Canada to withdraw Prexige* (lumiracoxib) in Canada

Dorval, Quebec, October 4, 2007 - Novartis Pharmaceuticals Canada Inc. has complied with a request from Health Canada to cease the sales and marketing of Prexige*, a COX-2 selective inhibitor for the treatment of osteoarthritis, with immediate effect.

Following Health Canada's review of all safety and efficacy data requested from Novartis, Health Canada's assessment has concluded that the risk of serious liver-related adverse events associated with the use of Prexige* cannot be safely and effectively managed. Health Canada has thus requested that Novartis stop sales of Prexige* in Canada.

Health Canada's approval of Prexige* in November 2006 for the treatment of osteoarthritis of the knee and later in July 2007 for the treatment of osteoarthritis in all joints was based on the review of a clinical trial database for Prexige that comprises approximately 40,000 patients, one of the largest bodies of evidence for any drug in this class.

Novartis submitted clinical data on the liver safety profile of the proposed 100 mg once-daily dose including studies of up to 12 months of therapy. The results showed 0.85% of patients had elevations of the liver enzymes aspartate aminotransferase (AST) and alanine aminotransferase (ALT) similar to levels observed with currently available NSAIDs. There were also no cases of jaundice or hepatic failure on Prexige* 100 mg once-daily dosing in the clinical development program.

The submission also included results of the TARGET study involving more than 18,000 patients, which showed Prexige* reduced the incidence of serious upper gastrointestinal complications by 79% compared to two widely-used non-steroidal anti-inflammatory drugs (NSAIDs) in patients not taking aspirin.

TARGET also showed Prexige* was associated with significantly smaller increases in blood pressure than the NSAIDs naproxen and ibuprofen, with no significant difference in cardiovascular events such as heart attack or stroke.

Patients in Canada who are taking Prexige* should stop taking this treatment immediately and contact their doctor to seek advice on other treatment options. Patients should return any remaining Prexige* tablets to their pharmacist for a refund. Physicians are advised not to initiate treatment with Prexige* with new patients, and pharmacists should discontinue dispensing further prescriptions for Prexige*.

Healthcare professionals and patients can access information on Prexige* at www.novartis.ca

Novartis is advising healthcare professionals, patient groups and all other impacted stakeholder groups in Canada about the decision.

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 Inc. conducts hundreds of clinical trials across the country seeking new treatments for cardiovascular disease, diabetes, cancer, ophthalmology and organ transplantation. In 2006, the Company invested over \$69 million in research and development. Novartis Pharmaceuticals Canada Inc. employs more than 850 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) 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, cure 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. 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. Novartis is the only company with leadership positions in these areas. In 2006, the Group's businesses achieved net sales of USD 37.0 billion and net income of USD 7.2 billion. Approximately USD 5.4 billion was invested in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ more than 100,000 associates and operate in over 140 countries around the world. For more information, please visit <http://www.novartis.com>.

* Prexige is a registered trademark

For more information, please contact:

Jason Jacobs, Communications
Novartis Pharmaceuticals Canada Inc.
514-633-7872
Jason.jacobs@novartis.com

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