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Sandoz  
Wagramer Str. 19  
1220 Vienna/Austria  
Phone +43 (0)1 260 68 0  
Fax +43 (0)1 260 68 666  
[www.sandoz.com](http://www.sandoz.com)

## Novartis completes Sabex acquisition

Provides strong growth opportunities in generic injectables market

**Basel, 16 August 2004** – Novartis AG announced today that its Sandoz generics business unit has completed the acquisition of Sabex Holdings Ltd., a leading Canadian generics pharmaceutical manufacturer in a USD 565 million cash transaction that officially closed on August 13. Sabex was acquired from the US private equity firm RoundTable Healthcare Partners, which had held a majority stake in the company.

The acquisition of Sabex establishes a new presence for Sandoz in Canada, the sixth largest generics market worldwide, and provides an attractive global growth platform in the fast-growing injectable generics business. Sandoz is focusing on strong organic growth complemented by strategic acquisitions to gain access to new geographic markets, therapeutic lines, formulations and production capabilities.

Sabex, which is based in Boucherville, Quebec, is a privately held generics manufacturer that offers a broad range of critical care and ophthalmic medicines as well as suppositories and other products covering more than 80 molecules.

### Company Information

Sandoz, a Novartis company, is a world leader in generic pharmaceuticals and develops, manufactures and markets these medicines as well as pharmaceutical and biotechnological active ingredients. Decades of experience and profound know-how make Sandoz a renowned partner in the Franchises Pharmaceuticals, Biopharmaceuticals and Industrial Products. Altogether, Sandoz employs around 13,000 people worldwide and posted sales of USD 2.9 billion in 2003.

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2003, the Group's businesses achieved sales of USD 24.9 billion and a net income of USD 5.0 billion. The Group invested approximately USD 3.8 billion in R&D. Headquartered in Basel, Switzerland, Novartis Group companies

employ about 78,500 people and operate in over 140 countries around the world. For further information please consult <http://www.novartis.com>.

This release contains certain “forward-looking statements” relating to the Group’s business, which can be identified by the use of forward-looking terminology such as “coming on stream”, “will be”, “to become”, or similar expressions, or by express or implied discussions regarding strategies, plans and expectations. Such statements reflect the current plans or views of the Group with respect to future events and are subject to certain risks, uncertainties and assumptions. Management's expectations could be affected by, among other things, competition in general, and other risks referred to in Novartis AG’s Form 20-F on file with the US 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.

For further information  
Kurt Leidner  
Head of Communications  
Sandoz

Phone +43 (0)1 260 68 9611  
Fax +43 (0)1 260 68 9642  
[kurt.leidner@gx.novartis.com](mailto:kurt.leidner@gx.novartis.com)

John Gilardi  
Head of Financial Media Relations  
Novartis AG

Phone +41 (0)61 324 30 18  
Fax +41 (0)61 324 90 90  
[john.gilardi@group.novartis.com](mailto:john.gilardi@group.novartis.com)