

MEDIA RELEASE • COMMUNIQUE AUX MEDIAS • MEDIENMITTEILUNG**Novartis sells US rights to the overactive bladder treatment Enablex[®]**

- *Novartis to receive USD 400 million cash payment from Irish based specialty pharmaceutical company Warner Chilcott*
- *Warner Chilcott to assume Enablex marketing, sales and manufacturing for the US*

Basel, September 24, 2010 – Novartis announced today that it has signed an agreement to sell to Warner Chilcott plc the US rights to market Enablex[®] (darifenacin) extended release tablets, a medicine to treat adults with symptoms of overactive bladder. The agreement will be filed with the US Federal Trade Commission under the Hart-Scott-Rodino Act and, subject to certain closing conditions set forth in the agreement, the transaction is expected to close by the end of October 2010.

Novartis will receive an upfront payment of USD 400 million from Warner Chilcott, with the potential for additional milestone payments up to USD 20 million. Novartis retains the rights to darifenacin worldwide except in the US. Warner Chilcott expects to assume manufacturing of Enablex for the US once it is transferred to Warner Chilcott's manufacturing facility.

In 2005, Novartis signed an agreement with Procter & Gamble Pharmaceuticals (PGP) to co-promote and co-develop Enablex in the US. In October 2009, Warner Chilcott acquired PGP from Procter & Gamble Company and became Novartis collaborator in the agreement. Under the terms of the deal announced today, Warner Chilcott assumes rights to solely promote and develop Enablex for the US.

Enablex was approved in the US by the US Food and Drug Administration in 2004 for the treatment of overactive bladder and launched in early 2005.

Disclaimer

The foregoing release contains forward-looking statements that can be identified by terminology such as "to receive," "to sell," "is expected," "will," "potential," "expects," or similar expressions, or by express or implied discussions regarding potential regulatory approvals for the sale of the US rights to market Enablex, or regarding potential future payments from Warner Chilcott with respect to Enablex. You should not place undue reliance on these statements. Such forward-looking statements reflect the current views of management regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results with Enablex to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that regulatory approval will be obtained to close the sale to Warner Chilcott of the rights to market Enablex in the US. Nor can there be any guarantee that Warner Chilcott will make any particular payments to Novartis in the future with respect to Enablex. In particular, management's

* The tradename is Enablex[®] in the US, Canada and certain countries in Latin America and Emselex[®] in the rest of the world.

expectations regarding Enablex could be affected by, among other things, unexpected regulatory actions or delays or government regulation generally; competition in general; government, industry and general public pricing pressures; unexpected clinical trial results, including unexpected new clinical data and unexpected additional analysis of existing clinical data; the company's ability to obtain or maintain patent or other proprietary intellectual property protection; the impact that the foregoing factors could have on the values attributed to the Novartis Group's assets and liabilities as recorded in the Group's consolidated balance sheet, and other risks and factors referred to in Novartis AG's current 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 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.

About Novartis

Novartis provides healthcare solutions that address the evolving needs of patients and societies. Focused solely on healthcare, Novartis offers a diversified portfolio to best meet these needs: innovative medicines, cost-saving generic pharmaceuticals, preventive vaccines, diagnostic tools and consumer health products. Novartis is the only company with leading positions in these areas. In 2009, the Group's continuing operations achieved net sales of USD 44.3 billion, while approximately USD 7.5 billion was invested in R&D activities throughout the Group. Headquartered in Basel, Switzerland, Novartis Group companies employ approximately 100,000 full-time-equivalent associates and operate in more than 140 countries around the world. For more information, please visit <http://www.novartis.com>.

###

Novartis Media Relations

Central media line: +41 61 324 2200

Eric Althoff

Novartis Global Media Relations
+41 61 324 7999 (direct)
+41 79 593 4202 (mobile)
eric.althoff@novartis.com

Irina Ferluga

Novartis Pharma Communications
+41 61 324 2422 (direct)
+41 79 824 1121 (mobile)
irina.ferluga@novartis.com

e-mail: media.relations@novartis.com

Novartis Investor Relations

Central phone: +41 61 324 7944

Susanne Schaffert +41 61 324 3769

Pierre-Michel Bringer +41 61 324 1065

Thomas Hungerbuehler +41 61 324 8425

Isabella Zinck +41 61 324 7188

North America:

Richard Jarvis +1 212 830 2433

Edwin Valeriano +1 212 830 2456

Email: investor.relations@novartis.com

e-mail: investor.relations@novartis.com