

Novartis Animal Health Completes Acquisition of Lifetech Animal Health Co. Ltd. in Japan

- *Novartis acquired all outstanding shares of Lifetech Animal Health Co., Ltd., the animal health business of Sankyo Lifetech.*
- *The acquisition positions Novartis among the top five animal health companies in Japan, particularly well placed in the rapidly growing companion animal segment.*

Basel, March 30, 2007 – Novartis Animal Health K.K., Japan, announced today the completion of its acquisition of Lifetech Animal Health Co., Ltd., the former animal health business of Sankyo Lifetech Co., Ltd. The Lifetech Animal Health business was spun off from Sankyo Lifetech in February 2007 in anticipation of the pending sale to Novartis.

Through this acquisition, Novartis Animal Health will become one of the top five companies in the animal health industry in Japan. With the addition of the Lifetech milbemycin-based heartworm products, Novartis will greatly strengthen its presence in the growing companion animal segment. The Novartis companion animal portfolio will now include market-leading products in the parasiticide, cardio/renal, and dermatology areas; as well as a full range of therapeutic diets to complement the pharmaceutical brands.

“The Lifetech acquisition is transformational for our business in Japan, a global key market” said George Gunn, CEO of Novartis Animal Health. Kai-Uwe Grathwohl, President of Novartis Animal Health K.K., commented that “the addition of the large Lifetech sales team and their extensive wholesaler network will greatly strengthen our ability to provide high-quality sales and technical support both to veterinarians as well as livestock and poultry producers throughout Japan.”

The acquired Lifetech Animal Health business will be fully integrated into Novartis Animal Health K.K. from April 1, 2007.

About Novartis

Novartis Animal Health K.K. is a fully owned subsidiary of Novartis Holding Japan K.K., which was established in July 2000. Novartis Animal Health and its predecessor companies have been present in the Japanese animal health market for more than 25 years.

Novartis Animal Health researches, develops and commercializes leading animal treatments that meet the needs of pet owners, farmers and veterinarians. Headquartered in Basel, Switzerland, and present in almost 40 countries, Novartis Animal Health employs about 2,400 people worldwide. For more information, please visit www.ah.novartis.com.

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. 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 approximately 101,000 associates and operate in over 140 countries around the world. For further information please visit www.novartis.com.

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