

Novartis makes progress in the fight to eliminate leprosy worldwide

- Novartis advances goals set as part of a coordinated, international effort to eliminate or control 10 neglected tropical diseases (NTDs)
- Over 500 facilities in Tanzania now use SMS for Life to track the use and stock of leprosy medicines, and better manage patient care
- Novartis and the Novartis Foundation have a long-term commitment to leprosy treatment and for over 25 years have been engaged in the fight against leprosy valued at more than USD 110 million

Novartis celebrates the one-year anniversary of an unprecedented, coordinated effort to eliminate or control 10 neglected tropical diseases (NTDs) by 2020. The commitment was captured in the landmark London Declaration on NTDs in which Novartis and a group of partners, including the World Health Organization (WHO), government officials from the United States, United Kingdom and United Arab Emirates governments, the World Bank and non-governmental organizations, and 13 other pharmaceutical companies pledged new and extended commitments to fight NTDs. Its goal is to improve the lives of the estimated over one billion people affected by these diseases worldwide.

In the year since its launch, Novartis and its partners have worked toward fulfilling their commitments and announced their progress in the First Annual Report on the London Declaration on NTDs released today.

“The challenges in delivering healthcare in developing countries are considerable: poor infrastructure, poverty, lack of trained health workers, and many more,” said Joseph Jimenez, CEO of Novartis. “No one company can solve these issues alone. We’re proud to be working with so many dedicated partners to address the most pressing health problems in the developing world today.”

Novartis and the Novartis Foundation for Sustainable Development (NFSD) have a long-term commitment to leprosy treatment and control, having provided over USD 110 million for patients worldwide to date. Since 2000, through the WHO, Novartis has donated multidrug therapy (MDT) valued at over USD 80 million, helping to treat over 5 million patients. Last year, Novartis continued its work with the WHO by extending its drug donation program through the year 2020.

NFSD has been active in the fight against leprosy for more than 25 years, providing more than CHF 30 million to help reduce the stigma attached to leprosy, prevent disabilities and help patients reintegrate in society. To facilitate the drug donation, NFSD is currently developing innovative approaches to enhance leprosy services. In Tanzania, the foundation added the tracking of leprosy and tuberculosis (TB) medicines to the SMS for Life public-private partnership led by Novartis and piloted across Tanzania, with over 500 facilities now trained and reporting on a weekly basis.

SMS for Life is a first-of-its-kind public-private partnership led by Novartis. Developed under the umbrella of the Roll Back Malaria Partnership and supported by the Tanzanian Ministry of Health and Social Welfare, IBM, Medicines for Malaria Venture (MMV), the Swiss Agency for Development and Cooperation (SDC), Vodacom and Vodafone, the program was started to track malaria drug supplies in public health facilities in sub-Saharan Africa. Through the use of mobile phones and electronic mapping technology, SMS for Life provides transparent information that can be used to eliminate drug stock-outs and increase access to essential medicines.

In Cambodia, NFSD pilots a methodology of active case finding by tracking former leprosy patients. The foundation is also developing a tele-health solution in the Amazon in Brazil to improve the quality of leprosy services. In the Philippines, the foundation supports the establishment of a task-force to identify and advance new approaches that help maintain adequate leprosy services even in times of low endemicity. In collaboration with Novartis Philippines and the Department of Health, the foundation launched a contest in January 2013 inviting participants to share best practices and innovative ideas in fighting leprosy. Finally, the Novartis Comprehensive Leprosy Care Association (NCLCA) in India, supported by NFSD, helps former patients with deformities reintegrate into society through fostering disability care, including surgeries, grip aids and physiotherapy.

About Novartis access-to-healthcare initiatives

Novartis has a long-term commitment to enhancing access to healthcare in the developing world. Novartis works to discover vaccines and medicines for neglected diseases through two wholly-owned research institutes: The Novartis Institute for Tropical Diseases (NITD) in Singapore and The Novartis Vaccines Institute for Global Health (NVGH) in Italy. Novartis also runs the Novartis Malaria Initiative, which is one of the healthcare industry's largest access-to-medicine programs worldwide. Since 2001, Novartis has worked with a range of organizations to ensure effective delivery of our antimalarial medicine Coartem, providing more than 500 million treatments without profit.

In 2011, Novartis access-to-medicine programs reached more than 89 million patients and together with our research institutes for diseases of the developing world, are valued at USD 1.7 billion, or 3% of net sales.

About multidrug therapy (MDT) in treating leprosy

Since 1985, more than 14 million people living with leprosy worldwide have been treated by MDT, the treatment recommended by the WHO, shrinking the worldwide prevalence by approximately 95%. According to the WHO in 2011 there were 219,075 new cases reported, from a total of 105 countries. Despite these successes, leprosy control remains at a critical juncture and knowledge of the disease is becoming less common. Moving forward, early detection and continued availability of free treatment are essential.

The development of MDT changed the face of leprosy dramatically. MDT consists of three drugs (rifampicin, clofazimine and dapsone), two of which (rifampicin and clofazimine) were developed in the research laboratories of Novartis in the 1980s. Multidrug therapy has made it possible to treat patients, interrupt the transmission of leprosy and prevent disabilities.

Even patients with the severest form of the disease show visible clinical improvement within weeks of starting treatment.

About the Novartis Foundation for Sustainable Development

The Novartis Foundation for Sustainable Development is a nonprofit organization whose activities form part of the Corporate Responsibility portfolio of Novartis AG, which finances the foundation's operations. For over 30 years, the foundation's mission has been to support healthcare programs in developing countries. Its core competencies also include in-depth analysis, consulting and publications in the fields of corporate responsibility and development policy. By harnessing synergies between project work, think-tank activities and the facilitation of dialogue, it elaborates innovative strategies for common development problems. In 2012, the Novartis Foundation for Sustainable Development invested approximately CHF 10 million, largely in sub-Saharan Africa.

For more information on the foundation and specific projects, visit: www.novartisfoundation.org.

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The foregoing release contains forward-looking statements that can be identified by terminology such as "goals," "long-term commitment," "goal," or similar expressions, or by express or implied discussions potential future deliveries of leprosy MDT drugs or related anti-leprosy services. You should not place undue reliance on these statements. Such forward-looking statements reflect the current views of the Company regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that Novartis will deliver any particular amounts of MDT or related services in the future. In particular, management's expectations could be affected by, among other things, unexpected regulatory actions or delays or government regulation generally; unexpected manufacturing difficulties; competition in general; government, industry, and general public pricing and other political pressures; 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 innovative healthcare solutions that address the evolving needs of patients and societies. Headquartered in Basel, Switzerland, Novartis offers a diversified portfolio to best meet these needs: innovative medicines, eye care, cost-saving generic

pharmaceuticals, preventive vaccines and diagnostic tools, over-the-counter and animal health products. Novartis is the only global company with leading positions in these areas. In 2011, the Group achieved net sales of USD 58.6 billion, while approximately USD 9.6 billion (USD 9.2 billion excluding impairment and amortization charges) was invested in R&D throughout the Group. Novartis Group companies employ approximately 127,000 full-time-equivalent associates and operate in more than 140 countries around the world. For more information, please visit <http://www.novartis.com>.

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