

MEDIA RELEASE • COMMUNIQUE AUX MEDIAS • MEDIENMITTEILUNG**Novartis begins shipment of Fluvirin[®] seasonal influenza vaccine to US customers for 2011-2012 influenza season**

- *Novartis plans to ship over 30 million doses of Fluvirin vaccine to US customers for 2011-2012 season with sufficient supply to meet customer demand*
- *Early delivery allows for early vaccination of priority individuals, including seniors, pregnant women and those with chronic illnesses¹*

Basel, July 15, 2011 – Novartis announced today that the Company has started shipping seasonal influenza vaccine to its US customers for the 2011-2012 influenza season. Early delivery of seasonal influenza vaccine will ensure healthcare professionals have the ability to provide the earliest possible protection against influenza. Novartis plans to ship over 30 million doses of Fluvirin[®] influenza virus vaccine, which has been approved by the US Food and Drug Administration (FDA) for adults and children 4 years of age and older².

In any given season, influenza may cause thousands of influenza-associated deaths and hospitalizations^{3,4}. Federal health officials advise that the single best way to protect against influenza is to get vaccinated each year even if the target viruses in the 2011-2012 vaccine are the same as the year before. Immunity to influenza viruses declines over time and may be too low to provide protection after a year⁵.

“We are very pleased that Novartis is again delivering Fluvirin to the US well ahead of schedule and with sufficient supply to meet customer demand,” said Vas Narasimhan, MD, President, US Vaccines, Head, North America Vaccines. “The early arrival of the influenza vaccine will allow public health professionals to administer vaccinations weeks ahead of their normal schedule, meeting an important public health need to help protect as many individuals as possible.”

The Centers for Disease Control and Prevention (CDC) recommends routine seasonal influenza vaccination for all individuals 6 months of age and older. In addition, the CDC advises that it is especially important for certain high-risk groups – seniors, pregnant women, people with chronic illnesses such as asthma, diabetes or heart disease and healthcare workers – as well as people who care for those at high-risk, to receive an influenza vaccine each influenza season¹.

About Seasonal Influenza

Seasonal influenza is a highly communicable, acute viral infection that predominantly attacks the respiratory tract and sometimes the lungs. It can cause mild to severe illness and can also lead to death³.

The number of people in the US who die every year from influenza and its complications is comparable to the more than 41,500 people in the US who die each year from breast cancer, and to about half of the estimated 71,000 people who die annually of diabetes and its complications each year in the US^{6,7}.

Influenza vaccination is one of the most effective public health interventions ever implemented, sparing millions of people from complications, including death, from this infectious disease. Use of currently available seasonal influenza vaccines has been calculated to save more than 8 million lives annually worldwide, translating to one person saved every five seconds³.

About Fluvirin

Fluvirin vaccine is an inactivated influenza virus vaccine indicated for active immunization of persons 4 years of age and older against influenza disease caused by influenza virus subtypes A and type B contained in the vaccine².

For the 2011-2012 season, Fluvirin contains antigens that target three influenza virus strains identified by World Health Organization (WHO) experts as likely to dominate circulation. These include:

- A/California/7/2009 (H1N1)–like virus
- A/Perth/16/2009 (H3N2)–like virus
- B/Brisbane/60/2008–like virus⁵

Important Safety Information

Serious allergic reactions, including anaphylactic shock, have been observed in people receiving Fluvirin Influenza Virus Vaccine. Fluvirin vaccine should not be administered to individuals with a history of systemic hypersensitivity reaction to eggs or egg proteins or other components of Fluvirin vaccine, including thimerosal, or to anyone who has had a life-threatening reaction to previous influenza vaccination. In clinical trials, the most common adverse events in adults were headache, fatigue, injection site reactions (pain, mass, redness, and induration), and malaise. These adverse events were generally mild/moderate and transient. Vaccination with Fluvirin vaccine may not protect all individuals who are susceptible to influenza. Immunocompromised persons, including individuals receiving immunosuppressive therapy, may have a reduced immune response to Fluvirin vaccine. If Guillain-Barré syndrome has occurred within 6 weeks of receipt of prior influenza vaccine, the decision to use Fluvirin vaccine should be based on careful consideration of the potential benefits and risks. All people, including those who are pregnant, nursing, and/or taking other medications, should consult their healthcare providers before receiving Fluvirin vaccine.

Disclaimer

The foregoing release contains forward-looking statements that can be identified by terminology such as “plans,” “will,” “may,” “can,” “likely,” or similar expressions, or by express or implied discussions regarding potential future revenues from Fluvirin. 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 Fluvirin to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that Fluvirin will achieve any particular levels of revenue in the future. In particular, management’s expectations regarding Fluvirin could be affected by, among other things, competition in general; government, industry and general public pricing pressures; unexpected regulatory actions or delays or government regulation generally; 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 Vaccines and Diagnostics is a division of Novartis, focused on the development of preventive treatments. The division has two businesses: Novartis Vaccines and Novartis Diagnostics. Novartis Vaccines is the world's fifth-largest vaccines manufacturer and second-largest supplier of flu vaccines in the US. The division's products also include meningococcal, pediatric and travel vaccines. Novartis Diagnostics, the blood testing business, is dedicated to preventing the spread of infectious diseases through the development of novel blood-screening tools that protect the world's blood supply.

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, eye care, cost-saving generic pharmaceuticals, consumer health products, preventive vaccines and diagnostic tools. Novartis is the only company with leading positions in these areas. In 2010, the Group's continuing operations achieved net sales of USD 50.6 billion, while approximately USD 9.1 billion (USD 8.1 billion excluding impairment and amortization charges) was invested in R&D throughout the Group. Headquartered in Basel, Switzerland, Novartis Group companies employ approximately 119,000 full-time-equivalent associates and operate in more than 140 countries around the world. For more information, please visit <http://www.novartis.com>.

Novartis is on Twitter. Sign up to follow @Novartis at <http://twitter.com/novartis>.

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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

Liz Power

Novartis Vaccines and Diagnostics
+1 617 871 7985 (direct)
+1 617 583 3015 (mobile)
elizabeth.power@novartis.com

e-mail: media.relations@novartis.com

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For questions about the site or required registration, please contact:
journalisthelp@thenewsmarket.com.

Novartis Investor Relations

Central phone:	+41 61 324 7944		
Susanne Schaffert	+41 61 324 7944	North America:	
Pierre-Michel Bringer	+41 61 324 1065	Richard Jarvis	+1 212 830 2433
Thomas Hungerbuehler	+41 61 324 8425	Jill Pozarek	+1 212 830 2445
Isabella Zinck	+41 61 324 7188	Edwin Valeriano	+1 212 830 2456

e-mail: investor.relations@novartis.com

e-mail: investor.relations@novartis.com