

MEDIA RELEASE

Novartis Animal Health Gains Additional Marketing Rights for Adequan® (polysulfated glycosaminoglycan)

- *Novartis Animal Health will market Adequan® Equine in major markets outside the U.S.*
- *Agreement with Luitpold Pharmaceuticals extends the partnership involving Adequan® Canine established in late 2003.*
- *Adequan® Equine allows Novartis Animal Health to enter the equine sector with NAH Canada set to be its first launch market.*

BASEL, Switzerland (May 20, 2009) – Novartis Animal Health Inc. has completed an agreement with Luitpold Pharmaceuticals, Inc. that grants marketing rights for Adequan® Equine to Novartis in all major equine markets outside the U.S. The first launch of Adequan® Equine by Novartis will take place in Canada in June.

The agreement between Novartis and Luitpold builds on the partnership that began with Adequan® Canine in the U.S. That success is being extended with the addition of marketing rights to Adequan® Canine in Canada and Adequan® Equine across a wide geography, including Europe, Asia, Latin America and Canada. Luitpold will continue to market Adequan® Equine in the U.S.

Adequan® is indicated for treating joint dysfunction and lameness in horses caused by injury or degenerative problems. It is available for intramuscular and intra-articular administration. Adequan® is also indicated for treating joint dysfunction and lameness caused by injury or degenerative problems in dogs.

According to Novartis Animal Health Chief Operating Officer Folkert Kamphuis, the additional scope of the company's partnership with Luitpold is a direct result of the success Novartis has had with Adequan® in the canine market in the U.S.

"The Novartis Animal Health sales force has successfully represented Adequan® Canine in the U.S. market for more than five years by placing an emphasis on the brand's unique advantages," said Kamphuis. "We very much look forward to the same kind of success with Adequan® in our work with equine veterinarians."

Adequan® Canine fits exceptionally well into the Novartis Animal Health product portfolio, which has a strong position in osteoarthritis and pain management in dogs. Bringing Adequan® Equine into the portfolio provides an anchor brand for building a strong position in the equine market.

"One of our longer term priorities is to establish a good line of products for the equine market," said Kamphuis. "Adequan® Equine represents a great start in that direction."

Disclaimer

The foregoing release contains forward-looking statements that can be identified by terminology such as “exceptional”, “strong” or similar expressions, or by express or implied discussions regarding potential new indications or labeling for Adequan[®] or regarding potential future revenues from Adequan[®]. 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 Adequan[®] to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that Adequan[®] will be approved for any additional indications or labeling in any market. Nor can there be any guarantee that Adequan[®] will achieve any particular levels of revenue in the future. In particular, management’s expectations regarding Adequan[®] could be affected by, among other things, 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; competition in general; government, industry and general public pricing 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 U.S. 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 Animal Health

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 2,600 people worldwide. For more information, please visit www.ah.novartis.com.

About Novartis

Novartis AG 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 2008, the Group’s continuing operations achieved net sales of USD 41.5 billion and net income of USD 8.2 billion. Approximately USD 7.2 billion was invested in R&D activities throughout the Group. Headquartered in Basel, Switzerland, Novartis Group companies employ approximately 96,700 full-time-equivalent associates and operate in more than 140 countries around the world. For more information, please visit www.novartis.com.

About Luitpold Animal Health

Luitpold Pharmaceuticals, Inc., a Daiichi Sankyo group company, founded its Animal Health marketing division in 1984 to develop, manufacture and market treatments for degenerative joint disease. Luitpold Pharmaceuticals, Inc. also manufactures and distributes over 65 pharmaceutical products through its human health subsidiary, American Regent, Inc., and markets dental bone regeneration products through its Osteohealth Company marketing division. Daiichi Sankyo Company, Ltd is a major Japanese pharmaceutical company. For more information please visit www.luitpoldanimalhealth.com.

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