

Novartis MF59-adjuvanted influenza vaccine (FLUAD®) data demonstrate significant protective benefits in adults at risk for post-influenza complications

- *FLUAD influenza vaccine induces higher level of immune response and exhibits protection against a broader range of strains in vulnerable adults when compared to conventional non-adjuvanted vaccine*
- *Data support FLUAD vaccine as well-tolerated in vulnerable populations at risk of post-influenza complications*

Basel, October 19, 2006 - Novartis announced today data demonstrating the protective benefits conferred by MF59-adjuvanted influenza vaccine (FLUAD) in adults with chronic diseases, at higher risk of post-influenza complications. Specifically, the findings illustrated that FLUAD, when compared to the conventional non-adjuvanted vaccine (Agrrippal®), induced a higher level of immune response and superior protection against a broader range of influenza strains in vulnerable populations. FLUAD was also well tolerated. The data were presented at the Second International Conference on Influenza Vaccines for the World (IVW 2006) in Vienna, Austria.

Influenza can cause associated complications, including morbidity and mortality, in individuals with chronic diseases such as cancer, respiratory and cardiovascular disease. While conventional non-adjuvanted influenza vaccines provide protection in 70 – 90 percent of young adults, it can be as low as 17 – 53 percent in the elderly, due to their waning immune system. The addition of the MF59-adjuvant to a conventional vaccine has been shown to augment the antibody response to the vaccination and increase protection of elderly subjects against influenza strains not included in the vaccines (heterovariants). In this study, MF59 was administered to adults with chronic diseases and was shown to be well tolerated, and to offer a greater immune response and broader protection against influenza than a conventional vaccine.

“These data support the use of FLUAD among those at high risk for complications associated with influenza, in addition to the elderly population,” said Joerg Reinhardt, CEO of Novartis Vaccines and Diagnostic Division. “We are pleased that they also further illustrate Novartis’ commitment to leadership and innovation in the research and development of influenza vaccines, both adjuvanted and traditional.”

About the study

The randomized, double-blind clinical trial included 238 adults aged between 18 and 60 with chronic diseases, including cancer, diabetes mellitus, cardiac and respiratory disease. Subjects received either FLUAD® or Agrrippal® 2005-2006 seasonal vaccine. FLUAD was demonstrated as a well-tolerated vaccine which induces a higher level of immunogenicity than a conventional non-adjuvanted subunit vaccine in adults with chronic diseases. FLUAD offers broader protection against influenza in this population at higher risk of complications even when there is no close genetic homology between the vaccine strains and the circulating strains. Adverse events most frequently reported in the FLUAD group included erythema and pain at the vaccination site. Incidences of systemic reactions including chills, headache and malaise were similar in each vaccination group.

FLUAD is currently licensed for use in the elderly (65 years and above) by 12 European Health Authorities through a Mutual Recognition Procedure and is also registered in other, non-European countries. To date, more than 25 million doses of FLUAD have been distributed and new post-marketing surveillance data

presented also this week at the IVW conference, indicate that FLUAD is a well-tolerated and potent vaccine that is particularly effective for protecting vulnerable populations, such as the elderly, against influenza.

About influenza

Influenza is a contagious, potentially serious respiratory illness caused by influenza viruses that attack the upper respiratory tract. It can cause mild to severe illness, and at times can lead to death. Influenza viruses easily spread from person to person in respiratory droplets created by coughing and sneezing. Although difficult to assess, annual influenza epidemics are thought to result in between three and five million cases of severe illness and between 250,000 and 500,000 deaths annually around the world.

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About Novartis

Novartis Vaccines and Diagnostics is a new division of Novartis focused on the development of preventive treatments and tools and was formed following the recent acquisition of Chiron Corporation. The division has two businesses: Novartis Vaccines and Chiron. Novartis Vaccines is the world's fifth-largest vaccines manufacturer and second-largest supplier of flu vaccines in the US. Novartis Vaccines and Diagnostics' products also include meningococcal, pediatric and travel vaccines. Chiron, the blood testing and molecular diagnostics 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 AG (NYSE: NVS) is a world leader in offering medicines to protect health, treat disease and improve well-being. Our goal is to discover, develop and successfully market innovative products to treat patients, ease suffering and enhance the quality of life. Novartis is the only company with leadership positions in both patented and generic pharmaceuticals. We are strengthening our medicine-based portfolio, which is focused on strategic growth platforms in innovation-driven pharmaceuticals, high-quality and low-cost generics, human vaccines and leading self-medication OTC brands. In 2005, the Group's businesses achieved net sales of USD 32.2 billion and net income of USD 6.1 billion. Approximately USD 4.8 billion was invested in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ approximately 97,000 people and operate in over 140 countries around the world. For more information, please visit <http://www.novartis.com>.

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Media Materials

For images and video related to Novartis' cell culture-derived influenza vaccine development, please visit www.thenewsmarket.com/novartisvaccines. Journalists may register and download print-quality images and broadcast-standard video from this site at no charge.

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