

Novartis awards program continues to drive energy savings and environmental progress

- *2008 Novartis Energy Excellence Awards recognize four projects from Austria, Germany, Indonesia and Switzerland*
- *Now in its fifth year, the award is integral to the company's commitment to conserve energy and reduce emissions*
- *The 46 entries for the 2008 awards have already achieved substantial energy savings and greenhouse-gas (GHG) emissions reductions*

Basel, December 4, 2008 – Novartis has announced the winners of its 2008 Energy Excellence Awards, a global program that recognizes the efforts from associates to improving the company's energy efficiency and reducing GHG emissions.

“Our plan to reduce energy use and GHG emissions includes ambitious targets in line with the Kyoto Protocol – that is to reduce emissions by at least 5 percent below the 1990 level by 2012,” explains Thomas Wellauer, Head of Corporate Affairs and a member of the Executive Committee of Novartis. “The Energy Excellence Awards are very effective in mobilizing our associates' creativity to contribute to this global effort. This is an integral part in our drive to reduce our carbon footprint as a company – these initiatives help accelerate our efforts and these efforts are showing a genuine impact.”

This year's four winning projects were from Austria, Germany, Indonesia and Switzerland. They were selected from a total of 46 entries submitted by Novartis sites across the world. The judging panel was composed of six international specialists from Non-governmental Organizations, academia and business organizations, together with three Novartis experts. Key selection criteria included supporting business growth while reducing CO₂ emissions, minimizing energy costs and maximizing the use of renewable energy.

The four winning projects of the 2008 Novartis Energy Excellence Awards are:

Sandoz Kundl – Continued optimization of the penicillin and cephalosporin processes

The Sandoz Division in Kundl, Austria, is the group's largest manufacturing site worldwide. Its innovative approach to using synthetic media and optimizing the carbon source utilization – which was implemented for penicillin two years ago – has now been extended to cephalosporin, the second key strain of fermentation products. Optimization of both penicillin and cephalosporin processes have led to additional major savings, mainly with regards to aeration, but also agitation. The project showed a payback of about one year on an investment of USD 3.3 m. Meanwhile, electricity savings and respective Scope 2 GHG emissions were reduced by 26%, amounting to 9% of absolute annual savings for the entire Kundl facility.

Novartis Pharma Wehr – Maximizing the use of renewable energy

By using the locally available wood chips as the major fuel source, the production facility of Novartis Pharma in Wehr, Germany, managed to switch the site's energy consumption to primarily renewable sources, thus helping to increase the use of renewable energy from biomass by 50% for the entire Novartis group. In addition to ensuring more stable energy prices in the future, this change has contributed to reducing the site's annual Scope 1 GHG emissions by about two third. This represents circa 0.8% of all Scope 1 GHG emissions at Novartis.

CibaVision Indonesia – Energy efficiency to minimize energy consumption

A comprehensive energy efficiency project at the Consumer Health Division (Ciba Vision) in Batam, Indonesia, comprises a variety of elements to minimize its energy consumption. These include boiler use, compressed air, chilling and lighting, production synchronization and employee behavior. The project has an excellent payback on investment within a few months. The savings achieved amount to five percent of on-site and 11 percent of purchased energy use for the entire facility.

Novartis HQ Basel – Becoming energy efficient through employee education

At Novartis headquarters in Basel, Switzerland, a comprehensive approach to managing energy and climate is being implemented as a model for other sites to follow. The program focuses on energy management and incorporates extensive training and awareness-building activities to change the behavior of associates. Two Site Energy Committees operating on both technical and management levels are overseeing the program and ensuring targets are met. For instance, energy efficiency targets have been assigned to individual buildings and agreed with the local authorities for new buildings.

In addition, Novartis applies a proactive policy for capital investment associated with energy conservation. Energy efficiency and renewable energy challenges have become mandatory elements of the capital appropriation procedures for all major projects worldwide.

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 2007, the Group's continuing operations (excluding divestments in 2007) achieved net sales of USD 38.1 billion and net income of USD 6.5 billion. Approximately USD 6.4 billion was invested in R&D activities throughout the Group. Headquartered in Basel, Switzerland, Novartis Group companies employ approximately 97,000 full-time associates and operate in over 140 countries around the world. For more information, please visit <http://www.novartis.com>.

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