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Novartis completes its business portfolio restructuring, divesting Gerber for USD 5.5 billion to Nestlé

- *Divestiture program completed with Novartis business portfolio now entirely focused on healthcare*
- *Joseph Jimenez named new CEO of Consumer Health division*

Basel, April 12, 2007 – Novartis has signed a definitive agreement to sell its Gerber baby food business to Nestlé for USD 5.5 billion in cash. This completes Novartis’ divestiture program following its strategy to focus on healthcare with pharmaceuticals at the core. This transaction, which requires customary regulatory approvals, is expected to be completed by the second half of 2007.

“Over the past decade we have continuously invested in R&D, strengthening our innovation power and building our healthcare businesses, particularly pharmaceuticals, while divesting over 50% of our non-core, non-healthcare businesses,” said Dr. Daniel Vasella, Chairman and CEO of Novartis. “This transaction is also the right move for Gerber, as it will become a priority business in a leading global nutrition company.”

Novartis has appointed Joseph Jimenez as CEO of its Consumer Health division as of April 16. He replaces Paul Choffat, 58, who is retiring at the end of April after successfully leading the division for many years. Jimenez, a 47-year-old American, joins from Blackstone, a leading private equity firm. Previously he served as President and CEO of the H.J. Heinz Company in Europe and the US. Until recently he was a non-executive director of AstraZeneca plc. Jimenez will be based at the division’s headquarters in Basel.

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About Novartis

Novartis AG (NYSE: NVS) is a world leader in offering medicines to protect health, cure 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. 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. Novartis is the only company with leadership positions in these areas. In 2006, the Group's businesses achieved net sales of USD 37.0 billion and net income of USD 7.2 billion. Approximately USD 5.4 billion was invested in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ approximately 101,000 associates and operate in over 140 countries around the world. For more information, please visit <http://www.novartis.com>.

About Gerber

Gerber, a business unit of the Consumer Health division, has been a Novartis company since 1994. Gerber offers about 300 food products for babies, toddlers and infants as well as a baby care line, wellness products and life insurance. Gerber, which was founded in 1928, is active in more than 50 countries, has about 4,500 associates and is based in Parsippany, New Jersey. In 2006, Gerber had unaudited net sales of USD 1.6 billion and operating income of USD 307 million.

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