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MEDIA RELEASE · COMMUNIQUE AUX MEDIAS · MEDIENMITTEILUNG

Novartis Ophthalmics and Genentech announce development and commercialization agreement for age-related macular degeneration treatment, Lucentis™

Basel, 25 June 2003 – Novartis Ophthalmics, the eye health unit of Novartis AG and Genentech, Inc. today announced that they have entered into an agreement under which Novartis Ophthalmics will receive an exclusive license to develop and market Lucentis™ (ranibizumab), formerly known as rhuFab V2, an anti-VEGF (vascular endothelial growth factor) antibody fragment, outside of North America for indications related to diseases of the eye. Lucentis is currently in Phase III clinical trials for the treatment of the wet form of age-related macular degeneration (AMD) in the United States.

Under the terms of the agreement, Genentech and Novartis will share certain global development costs. Genentech will receive an upfront fee, payments for achievement of clinical development milestones, and royalties on net sales of Lucentis products outside North America. Genentech will retain marketing rights for Lucentis in North America (United States, Canada and Mexico). Novartis Ophthalmics will receive exclusive commercialization rights for the rest of the world.

“This is a landmark accomplishment in our continued commitment as leaders in the development of drug therapies for diseases affecting the back of the eye. We are excited to have this opportunity to further strengthen our portfolio with another innovative product for AMD,” said Flemming Ornskov, MD, MPH, Head of Novartis Ophthalmics. “Lucentis will be a strong addition to our ophthalmology franchise, which includes Visudyne® (verteporfin), the only approved drug treatment for a prevalent form of this disease.”

“This strategic collaboration provides Genentech with a strong development and marketing collaborator for Lucentis outside of North America,” said Joseph McCracken, D.V.M, Vice President, Business and Commercial Development. “Novartis Ophthalmics’ experience and proven success in the retinal disease market will allow Lucentis, if approved, to compete effectively on a global basis.”

About Lucentis
Lucentis (ranibizumab) is a humanized, therapeutic antibody fragment developed at Genentech to bind and inhibit VEGF, a protein that plays a critical role in angiogenesis (the formation of new blood vessels). Lucentis is designed to block new blood vessel growth and leakiness, which are thought to lead to wet AMD disease progression.

On October 1, 2002, Genentech announced positive preliminary data from a Phase Ib/II randomized, single-agent study with Lucentis for patients with the wet form of AMD. In that study, sixty-four patients were enrolled in a single-agent, multi-center trial. Patients were treated in one eye every four weeks for four doses (either 300 or 500 micrograms) of Lucentis (n=53) or were treated with standard of care (no Lucentis) (n=11). Three different groups of subjects were enrolled in the study based on disease pattern and prior treatment: minimally classic, predominantly classic (both refer to particular patterns of leakiness and lesion characteristics seen on an angiogram), and patients previously treated with photodynamic

therapy (PDT).

Patients were monitored for safety and visual acuity. Visual acuity is defined as the total number of letters read correctly on the Early Diabetic Retinopathy Study [ETDRS] chart. Of the 53 patients treated with Lucentis, 50 patients (94 percent) had stable or improved vision compared with the baseline, of which 14 patients (26 percent) improved 15 letters or more on the ETDRS chart, and 36 patients (68 percent) had stable vision at day 98. Stable vision is defined as losing or gaining fewer than 15 letters on the ETDRS chart compared with the baseline.

On average, patients treated with Lucentis gained 9.0 letters at day 98 compared to patients treated with standard of care who lost 4.9 letters. The most common side effects from treatment with Lucentis were mild transient, reversible inflammation.

Based on this data, Genentech initiated a Phase III study in minimally classic and occult AMD in March 2003. Genentech this month began enrolling patients in a Phase III study in predominatly classic AMD.

About AMD
AMD (age-related macular degeneration) is a major cause of painless, central visual loss and is the leading cause of blindness for people over the age of 50. Its associated vision loss has been shown to significantly decrease quality of life. Everyday tasks such as driving and walking can be severely affected. Awareness of the condition and treatment in the initial stages of the disease are essential for patients to take the necessary steps that lead to diagnosis and early treatment to halt progression of AMD.

AMD occurs in two forms: dry and wet. The dry form is associated with atrophic cell death of the central retina. The wet form is caused by growth of abnormal blood vessels (CNV) under the central part of the retina or macula. These vessels leak fluid and blood and cause scar tissue that destroys the central retina. This results in a deterioration of sight over a period of months to years.

The foregoing release contains “forward-looking statements” that can be identified by forward looking terminology such as “will,” “if approved,” or similar expressions, or by express or implied discussions regarding the potential that Lucentis will be approved for marketing, or regarding potential revenues from Lucentis. Such statements reflect the current views of Novartis with respect to future events and are subject to certain risks, uncertainties and assumptions. There can be no guarantee that Lucentis will be approved for sale in any market, or regarding potential revenues from Lucentis. In particular, management’s expectations could be affected by, among other things, new clinical data; unexpected clinical trial results; unexpected regulatory actions or delays or government regulation generally; the ability to obtain or maintain patent or other proprietary intellectual property protection; competition in general; increased government pricing pressures; and other risks and factors referred to in Novartis’ 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 described herein as anticipated, believed, estimated or expected.

About Novartis
With its registered office in Hettlingen, Switzerland, Novartis Ophthalmics is a global leader in research, development and manufacturing of leading ophthalmic pharmaceuticals that assist in the treatment of age-related macular degeneration, eye inflammation, glaucoma, ocular allergies and other diseases and disorders of the eye. Novartis Ophthalmics products are available in more than 110 different countries. The North American headquarters is based in Atlanta, Georgia. Novartis Ophthalmics products are made in Switzerland, France and Canada. For more information, visit www.novartisophthalmics.com or www.novartisophthalmics.com/us.

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2002, the Group's businesses achieved sales of USD 20.9 billion and a net income of USD 4.7 billion. The Group invested approximately USD 2.8 billion in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ about 77 200 people and operate in over 140 countries around the world. For further information please consult http://www.novartis.com.

About Genentech

Genentech is a leading biotechnology company that discovers, develops, manufactures and commercializes biotherapeutics for significant unmet medical needs. Sixteen of the currently approved biotechnology products originated from or are based on Genentech science. Genentech manufactures and commercializes eleven biotechnology products in the United States. The company has headquarters in South San Francisco, California and is traded on the New York Stock Exchange under the symbol DNA. For press releases and additional information about the company, please visit http://www.gene.com.

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