



COMPANY

Country	Switzerland
Number of Employees	98'200
Web	www.novartis.com

Share

Market cap (mil)	161'658
Currency	CHF
High 52 week	66.4
Low 52 week	45.6
Last Price	61.2

Key Data

	2007	2008E
Sales (mil)	38'072	42'050
EPS	3.80	4.31
P/E Ratio	17.80	14.43

Source: Bloomberg / September 03, 2008

Sales in

Alcohol	No
Armaments	No
Firearms	No
Tobacco	No
Gambling	No

Source: EIRIS, SAM Research

COMPANY DESCRIPTION

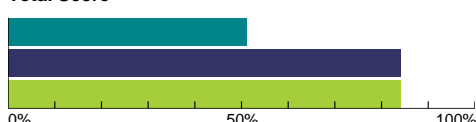
Novartis is a global pharmaceutical and healthcare company, based in Switzerland. The company came into existence after the merger of Sandoz and CIBA-Geigy in 1996. The company offers its products and services through its four divisions: pharmaceuticals, vaccines and diagnostics, Sandoz (for generic drugs) and consumer health. The company operates through 360 independent affiliates in 140 countries. The pharmaceuticals division offers products in five major therapeutic areas such as Cardiovascular & Metabolism, Oncology and Hematology. The vaccines and diagnostics division manufactures vaccines and blood screening tools. The consumer health division markets products in several areas such as Over the Counter (OTC) and animal health. Novartis# medical nutrition business unit engages in the research, development, manufacturing and marketing of nutrition products and medical devices. The pharmaceuticals division contributes the most to the company#s revenues, followed by Sandoz, consumer health and vaccines and diagnostics, respectively.

SUSTAINABILITY PERFORMANCE

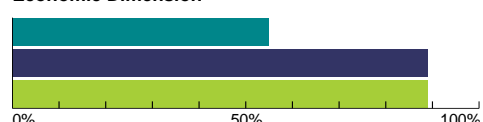
Novartis is the leading sustainable player in the pharmaceutical sector globally. Sustainability is an integral part of Novartis' business principles and practices, and the company strives to maintain a culture in which business activities are conducted in line with company values, standards and applicable laws. Novartis also believes that companies contribute to the positive development of society by doing business in a responsible way and by supporting ethical values and principles. The company operates in an economically, socially and environmentally sustainable manner. Corporate citizenship at Novartis is based on its commitment to patients, people and communities, environment, and ethical business conduct. The company has a Diversity and Inclusion Advisory Council that helps in building diverse and talented teams, fosters equal opportunity, fairness and mutual respect within the organisation. Novartis has made a voluntary commitment to reduce on-site emissions of greenhouse gases to the level prescribed in the Kyoto Protocol and so far has been able to exceed the expectations relating to energy efficiency and reduction of GHG emissions. Along with its internal initiatives, the company is also taking advantage of carbon offset options to achieve the emission-reduction target by 2012.

SUSTAINABILITY SCORES

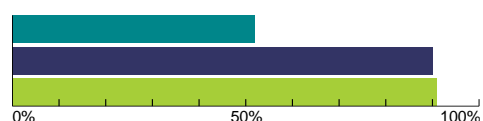
Total Score



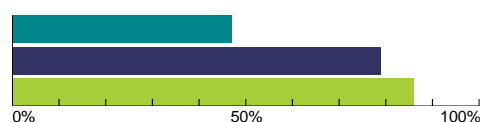
Economic Dimension



Environmental Dimension



Social Dimension



■ DJSI sector average on a global basis
■ Novartis AG
■ Best company on a global basis within DJSI sector



Novartis AG
DRG Pharmaceuticals



For information on assessment criteria, visit www.sustainability-indexes.com

«Corporate Sustainability is a business approach to create long term shareholder value by embracing opportunities and managing risks deriving from economic, environmental and social developments.»

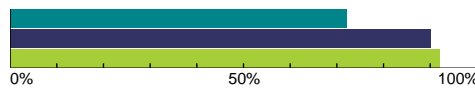
INDUSTRY DRIVING FORCES

The pharmaceutical sector is a research-driven sector, which heavily depends on the development of new drugs with high top-line sales potential. Rising costs in R&D and weak drug pipelines despite heavy investments are a major challenge for the sector. To maintain profitability and generate higher returns, licensing and acquisitions along with better prioritised spending and more structured decision making, is necessary for the companies. State deficits have led to lower healthcare budgets and put pressure on the pricing of drugs and fuel the discussion about the overall economic value of the products. Access to drugs, novelty character of drugs, and research into diseases with little commercial potential and global patent protection, complying with regulatory regime are other issues for that the sector needs to address. Bio-ethics, drug testing, pharmacogenomics and drug safety lead to complex ethical discussions. Integrating computer based technology in the production and drug testing phase would improve R&D productivity.

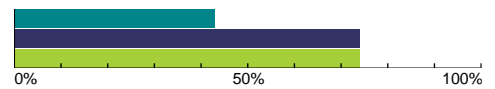
COMPANY PERFORMANCE FOR SELECTED CRITERIA

ECONOMIC

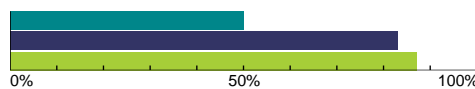
Corporate Governance



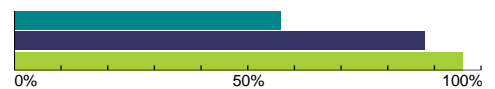
Customer Relationship Management



Marketing Practices

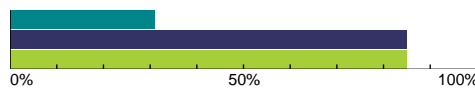


Risk & Crisis Management

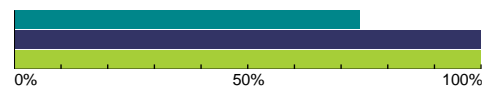


ENVIRONMENTAL

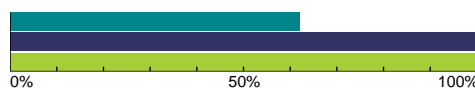
Climate Strategy



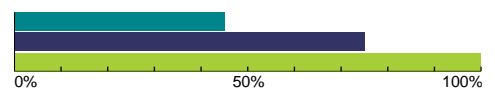
Environmental Policy / Management



Environmental Reporting

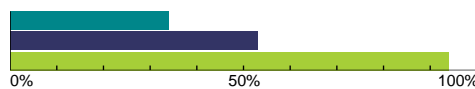


Operational Eco-Efficiency

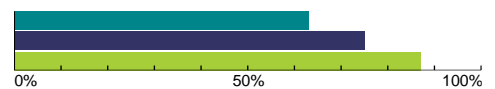


SOCIAL

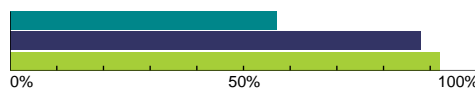
Human Capital Development



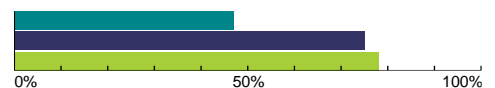
Labor Practice Indicators



Standards for Suppliers



Talent Attraction & Retention



- DJSI sector average on a global basis
- Novartis AG
- Best company on a global basis within DJSI sector

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