Galvus® – the most comprehensively studied DPP-4 inhibitor

- >7 000 patients enrolled in clinical studies
- >4 500 patients exposed to Galvus®
  - >1 300 patients exposed ≥52 weeks
  - >300 patients exposed for 104 weeks
- >2 300 patient years of experience
- Studies in monotherapy, add-on to metformin, add-on to sulfonylurea, add-on to insulin, add-on to TZD and initial combination with pioglitazone
- Extensive phase IIIB program ongoing including GLORIOUS outcome program investigating diabetes prevention, progression and cardiovascular outcomes

NOVARTIS

Galvus® – clinical AE profile comparable to placebo

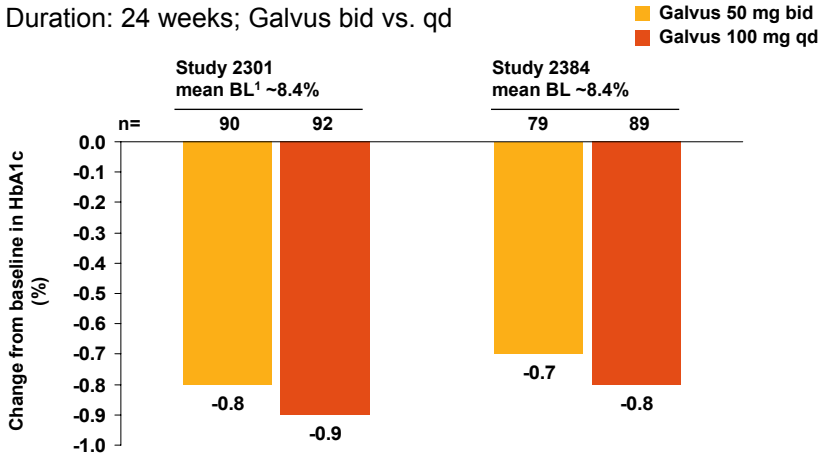
Event Rate Patients per 100 SYE[1]	Galvus® 100 mg daily n=1 855	met up to 2 g daily n=252	rosi 8 mg daily n=267	pio 30 mg daily n=216	placebo n=347
Any	119.4	88.55	147.3	136.8	177.5
Nasopharyngitis	14.18	11.18	17.23	8.87	18.1
Headache	12.73	8.39	12.06	10.13	14.65
Dizziness	10.87	6.99	9.47	12.67	12.07
URTI	9.84	6.99	6.89	10.13	13.79
Diarrhea	5.38	30.76	6.03	6.33	8.62
Nausea	5.28	12.12	1.72	3.8	8.62
Edema peripheral	4.35	4.19	9.47	21.53	3.45
Abdominal pain	2.07	8.39	1.72	2.53	3.45

1 Subject-years Exposure; AE=adverse event; Met=metformin; Rosi=rosiglitazone;
AEs ≥ 5% Incidence; the column Galvus 100 mg daily refers to pooled data from trials with 50 mg bid and 100 mg qd
Data on file, Novartis Pharmaceuticals

NOVARTIS

Galvus® – new data confirm once daily efficacy

Duration: 24 weeks; Galvus bid vs. qd

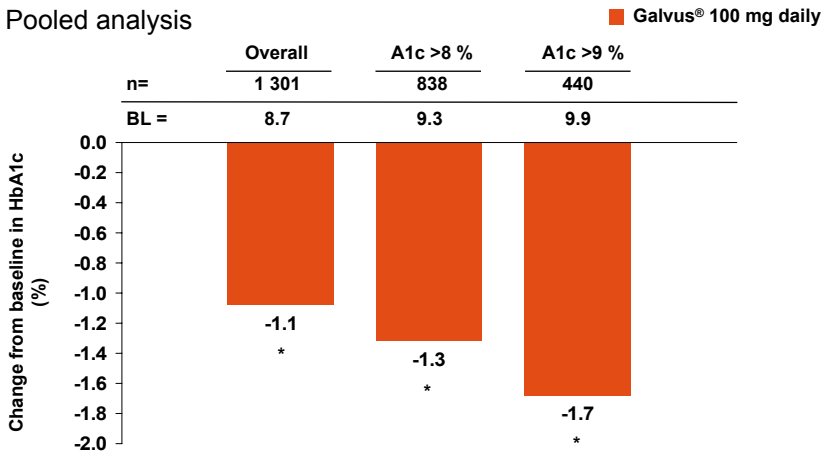


[1] *Baseline*
Primary ITT population
P <0.01 vs. PBO in both studies. 50 mg qd dose is not included
Data on file, Novartis Pharmaceuticals, LAF237A2301 and 2384

NOVARTIS

Galvus® – very effective as monotherapy

Pooled analysis

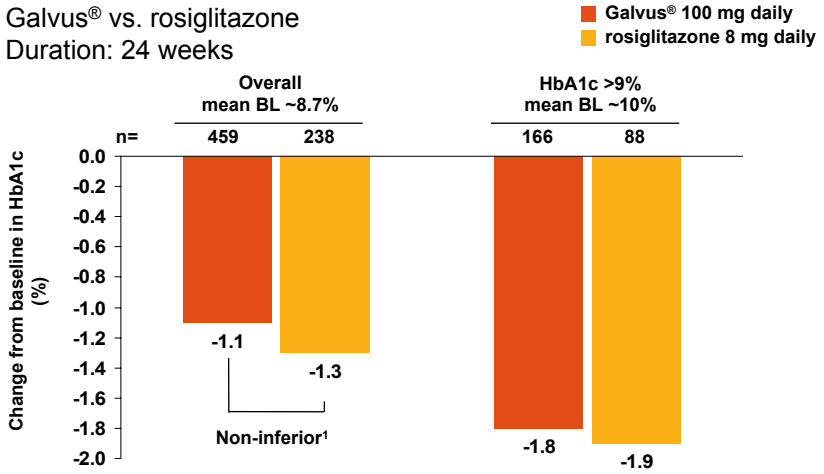


Pooled analysis from LAF237A2301, 2309, 2327, 2355 (at 24 weeks), primary efficacy ITT population; BL=baseline
** P<0.01 from BL*
Data on file, Novartis Pharmaceuticals

NOVARTIS

Galvus® – as effective as 8 mg rosiglitazone

Galvus® vs. rosiglitazone
Duration: 24 weeks

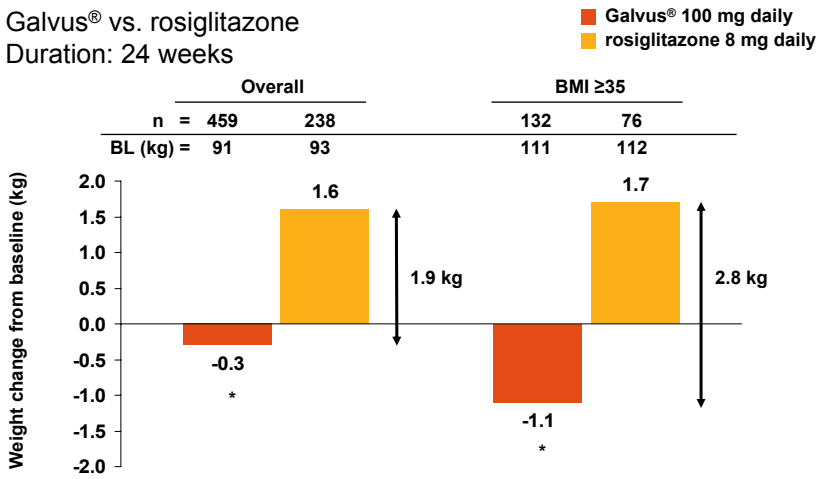


BL=baseline; Primary ITT population
¹ CI = (-0.01, 0.39) (noninferiority margin is defined by CI upper limit 0.4%)
Data on file, Novartis Pharmaceuticals, LAF237A2327: Abstract 557P ADA-2006

NOVARTIS

Galvus® – relative weight loss to rosiglitazone

Galvus® vs. rosiglitazone
Duration: 24 weeks

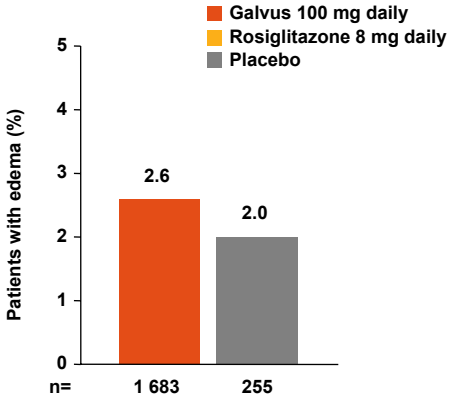


**P<0.001 vs. rosiglitazone (primary ITT population)*
Data on file, Novartis Pharmaceuticals, LAF237A2327; Abstract 557P ADA-2006

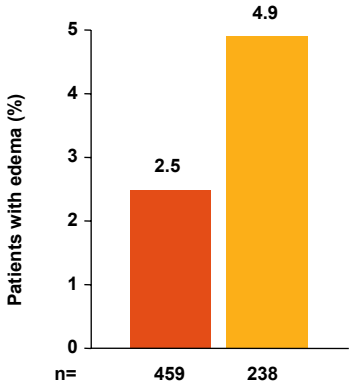
NOVARTIS

Galvus® – placebo-like incidence of edema, and less than rosiglitazone

Galvus vs. placebo[1]



Galvus vs. rosiglitazone[2]

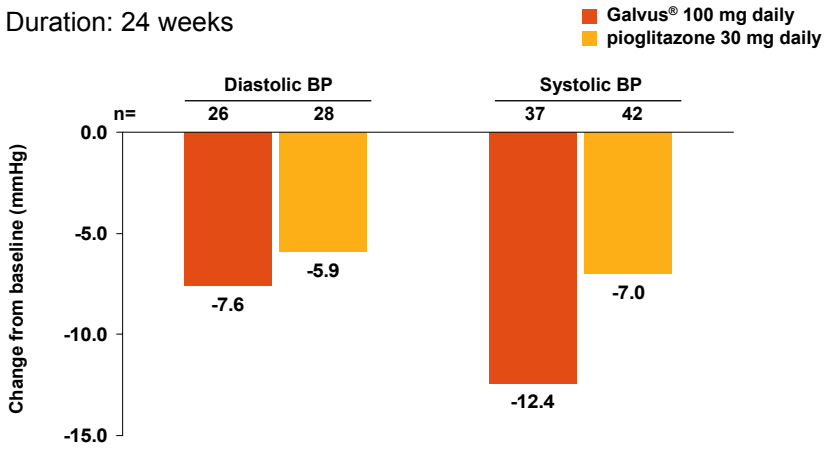


[1] *Pooled safety data: Summary of Clinical Safety dated 14 July 2006, Table 4-23*
[2] *Schweizer A, et al. Diabetologia 2006; 49 (suppl1): 479, Abstract 0790.*
Edema-related events include pitting edema, peripheral edema, and other edema

NOVARTIS

Galvus® – new data shows favorable effect on BP vs. pioglitazone in hypertensive patients

Duration: 24 weeks

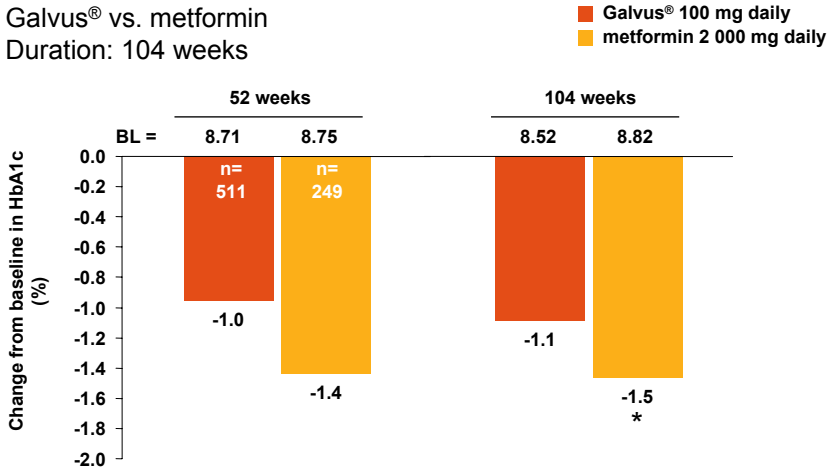


BP = blood pressure
Patient group defined as DBP >90 and SBP >140 mmHg
Data on file, Novartis Pharmaceuticals, LAF237A2355

NOVARTIS

Galvus® – sustained efficacy out to 2 years

Galvus® vs. metformin
Duration: 104 weeks

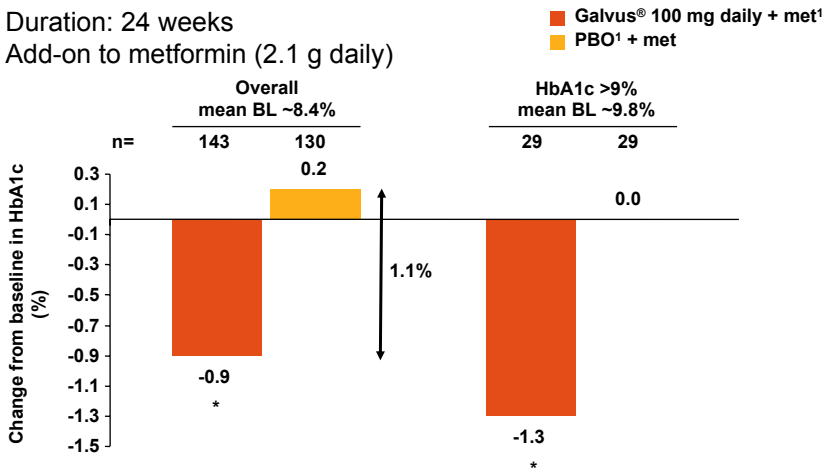


Source: Data on file, Novartis Pharmaceuticals Galvus study 2309 ** p< 0.05, did not meet endpoint of non-inferiority vs. metformin*
Extension ITT population, all data were used regardless whether patients were on-rescue medication or not
Missing values were imputed using last observation carried forward method.

NOVARTIS

Galvus® – highly effective in combination with metformin

Duration: 24 weeks
Add-on to metformin (2.1 g daily)

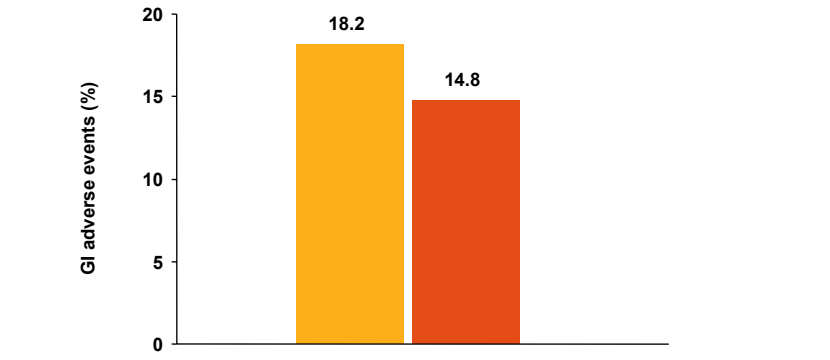


¹ Met=metformin; PBO=placebo; primary ITT population
** P<0.01 difference vs. PBO; 50 mg qd dose is not included*
Data on file, Novartis Pharmaceuticals, LAF237A2303; Abstract 121 OR ADA-2006

NOVARTIS

Galvus® – trend to reduce metformin-induced GI events when used in combination

Duration: 24 weeks
Add-on to metformin (2.1 g daily)

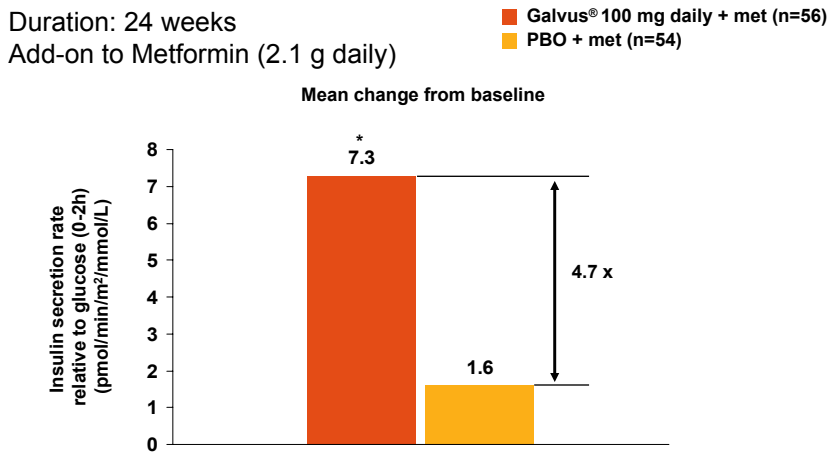


met=metformin; PBO=placebo; GI=Gastrointestinal
50 mg qd dose is not included
Data on file, Novartis Pharmaceuticals, LAF237A2303; Abstract 121 OR ADA-2006

NOVARTIS

Galvus® – nearly 5-fold enhancement of β-cell function when added to metformin

Duration: 24 weeks
Add-on to Metformin (2.1 g daily)



met=metformin; PBO=Placebo; Primary ITT population
**P<0.001 vs. PBO + met*
Data on file, Novartis Pharmaceuticals, LAF237A2303; Abstract 121 OR ADA-2006

NOVARTIS

Galvus® – a potent and highly selective DPP-4 inhibitor (1/2)

- Robust efficacy
  - New data confirm once daily dosage
  - Pooled monotherapy data shows -1.1% reduction in HbA1c in initial use by treatment-naïve patients
  - As effective as highest dose TZD
  - New data demonstrate sustained efficacy out to 2 years
  - Additional -1.1% improvement when added to patients failing to achieve HbA1c goal on metformin

NOVARTIS

Galvus® – a potent and highly selective DPP-4 inhibitor (2/2)

- Excellent tolerability
  - Low incidence of hypoglycemia
  - Superior GI tolerability vs. metformin (especially diarrhea)
  - Trend to reduce GI effects when added on to metformin
  - Weight loss compared to TZD
  - Placebo-like edema with less edema than pioglitazone
- Islet-cell effects suggest potential for long-term disease modification
  - Nearly 5 fold increase in beta-cell function
  - Improvement in insulin sensitivity by euglycemic clamp
  - Improves first-phase insulin response
  - Meaningful reductions of BP overall and in hypertensive patients

NOVARTIS

Galvus® – GLORIOUS outcomes program

A program of five studies planned to demonstrate the disease modification potential of Galvus®

Study	Summary
1	Prevent progression to type 2 diabetes in patients with impaired fasting glucose or impaired glucose tolerance
2	Prevent progression to type 2 diabetes in Asian patients with impaired glucose tolerance
3	Slow progression and demonstrate long-term durability in early type 2 diabetes
4	Slow progression and demonstrate long-term durability in combination with metformin in type 2 diabetes
5	Prevention of progression to diabetes and reduction of cardiovascular events in high CV risk patients

NOVARTIS

Novartis CVM launch portfolio – best in class

EXFORGE amlodipine besylate/valsartan

- Powerful BP control through two complementary actions
- Up to 43 mmHg drop with single pill convenience
- Positive Opinion from CHMP 17 November

Tekturna aliskiren

- First direct renin inhibitor
- Potential to become a New Standard in hypertension

Galvus vildagliptin

- FDA action expected in February 2007
- The most widely studied DPP IV inhibitor
- As effective as a TZD without the limitations

NOVARTIS