

Laurent Meeschaert  
28, rue Saint Lazare  
75009 Paris  
France

Basel, September 28, 2011

Dear Mr. Messchaert,

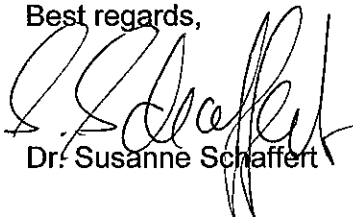
I'm referring to your letter addressed to Dr. D. Vasella on September 15, 2011. Our chairman has delegated the answer to our office, Global Investor Relations.

Our mission at Novartis is to develop safe and effective medicines to address unmet medical needs. We recognize the potential of human embryonic stem cell research in our efforts to discover new medicines. However, we are also fully aware of the ethical questions it raises.

To ensure that ethical issues are addressed when stem cells are used in research, Novartis has established clear internal guidelines and an Ethics Committee comprised of independent experts with expertise in scientific, ethical and philosophical aspects of stem cell research.

Whenever possible animal models and/or human adult stem cells are studied first. All research proposals involving stem cells are reviewed and approved by the senior leadership of the Novartis Institutes for BioMedical Research, our global research organization, after careful evaluation and discussion by the Ethics Committee.

Best regards,



Dr. Susanne Schaffert

cc./  
Dr. D. Vasella  
J. Jimenez