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FRANCE

NOVARTIS INTERNATIONAL AG

Dr Susanne SCHAFFERT

Global Head Investor Relations

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Paris, November 29<sup>th</sup> 2011

Dear Dr Schaffert,

Thank you for responding to my request for information on the use of embryonic stem cells in Novartis' research programs.

In your correspondence of 28<sup>th</sup> September ult., you state that “whenever possible animal models and/or human adult stem cells are studied first”. Therefore, your answer implies that, in some cases, Novartis is engaged in embryonic stem cell research. Moreover, you “recognize the potential of human embryonic stem cell research in [your] efforts to discover new medicines”.

From an ethical perspective, the course taken by Novartis admits the possibility of research which does not wholly respect the integrity and dignity of the human embryo, irrespective of his stage of development.

Consequently, I am directing my financial advisers to no longer invest in Novartis' securities and bonds, either directly or indirectly. I am particularly advising the organizations and directors responsible for managing ethical funds not to do so.

I would willingly reconsider this decision if you were to focus your research exclusively on techniques which respect the integrity of the human embryo, such as the use of cord blood or adult stem cells. Moreover, these techniques already offer wide-ranging prospects for regenerative medicine.

Yours sincerely

Laurent MEESCHAERT

cc./

Dr. D. Vasella

J. Jimenez