

Novartis in Switzerland
Novartis in der Schweiz
Novartis en Suisse
Novartis in Svizzera
Novartis en Svizra

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Novartis is one of the world's leading suppliers of innovative medicinal products that benefit over 800 million patients worldwide. The company has operations in more than 140 countries, but remains strongly rooted in Switzerland.

As one of the country's leading healthcare companies, Novartis makes an enormous direct contribution to the economy and general welfare of Switzerland. Our company helps to prolong life, to relieve suffering and to stabilize healthcare costs.

Novartis firmly believes that a business model based on research, innovation and know-how plays an important role for the future success of Switzerland.

Corporate social responsibility both at home and abroad is not something to which Novartis just pays lip service, but is an integral part of our corporate strategy.

This brochure is intended not only to show what Switzerland means for Novartis, but also to illustrate the diverse contributions which Novartis makes to the common good of Switzerland. Novartis is globally connected – but Switzerland is its home.

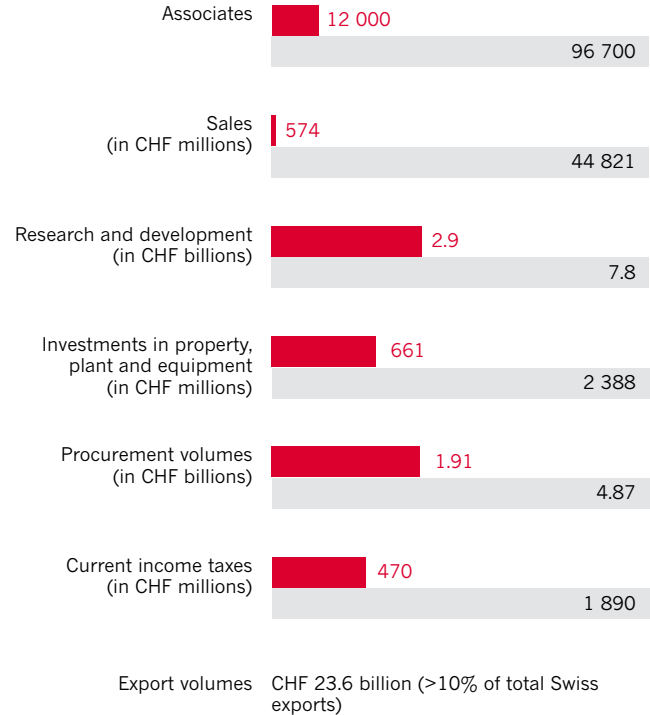
Best regards



Michael Plüss
Head Novartis Switzerland

Facts and figures

Foundation	In 1996, Ciba-Geigy and Sandoz merged to form Novartis
Headquarters	Basel
Product pipeline	Over 150 projects at various stages of development
Locations worldwide	Novartis is represented by affiliated companies in over 140 countries
Locations in Switzerland	Basel (BS/BL), Stein (AG), Embrach (ZH), Cham (ZG), Berne (BE), St. Aubin (FR), Nyon (VD), Locarno (TI)
Business divisions	<ul style="list-style-type: none"> – Pharmaceuticals – Vaccines and Diagnostics – Sandoz – Consumer Health



A clear global strategy

Focused on patients

Novartis is dedicated to providing healthcare solutions that address the evolving needs of patients and societies worldwide. Our focus is on patients: We provide innovative products to treat and prevent diseases, expand access to critical medicines, ease suffering and improve quality of life.

With over 96 000 associates in 140 countries, Novartis offers a wide range of healthcare products through its Pharmaceuticals, Vaccines and Diagnostics, Sandoz and Consumer Health Divisions. We believe this targeted portfolio best meets the challenges and opportunities in today's dynamically changing healthcare environment.

A clear global strategy

The diagram below outlines the fundamental trends driving the healthcare sector worldwide and our strategic response to these trends:



A clear global strategy

Strategic growth platforms

Novartis is addressing this dynamic environment by investing in these strategic growth platforms:

- **Pharmaceuticals:** Innovative and better medicines with improved efficacy and fewer side effects
- **Vaccines and Diagnostics:** Products to fight vaccine-preventable viral and bacterial diseases as well as diagnostic tools
- **Sandoz:** Affordable high-quality generic treatment options following the expiry of patents
- **Consumer Health:** Empowering patients with consumer products that enable healthy lifestyle choices

Novartis is the only company with leadership positions in patented and generic pharmaceuticals, vaccines and over-the-counter (OTC) medicines.

Innovation

Innovation is paramount in all that we do. Focusing on unmet medical needs inspires us to connect science with customer insights to develop new products and drive new industry standards.

Novartis was created in 1996 through the merger of Ciba-Geigy and Sandoz. By being an innovative leader, a responsible corporate citizen and further developing our performance-driven organization, we will fulfill our purpose for patients: To care and cure.

A major economic contributor

The pharmaceutical industry in Switzerland

Pharmaceuticals are one of the major drivers of the Swiss economy. A study carried out in 2006 shows the direct economic impact of this industry, which is still combined with the chemical industry in most official statistics. Pharmaceuticals are a major source of employment, productivity and value creation for Switzerland.

At the time the study was performed, over 118 000 people were employed by companies active in the pharmaceutical industry, including 34 000 employed directly by pharmaceutical companies. That represents an increase of 77 percent in 15 years.

The study also showed that employees in the pharmaceutical industry create an average value of CHF 171 per hour – roughly three times the Swiss average. Overall, this industry creates about CHF 22 billion in economic value annually, about 5 percent of the country's gross domestic product (GDP).

Pharmaceutical exports have risen six-fold since 1990, reaching about CHF 46 billion in 2006 – nearly a quarter of the Swiss total. The pharmaceutical industry is an economic role model for Switzerland amid increasing international competition.

Source: Plaut Economics – the importance of the pharma industry for Switzerland (2007, based on 2006 data)

A major economic contributor

A leading healthcare company – in Switzerland and worldwide

Novartis is one of the largest healthcare companies in Switzerland. In 2008, the Novartis Group reported worldwide sales of more than CHF 44 billion.

In 2008, Novartis ranked as one of the 20 largest companies worldwide in terms of market value. In the IMS-Midas ranking, Novartis is the third-largest company in global pharmaceutical sales. Novartis is also regularly ranked as one of the world's most respected companies.

Top ten global pharmaceutical companies
(by sales, January-September 2008)

		CHF billions	Market share (%)	
1.	Pfizer	USA	34.9	6.2
2.	GlaxoSmithKline	UK	29.5	5.3
3.	Novartis	Switzerland	28.9	5.2
4.	Sanofi-Aventis	France	28.2	5.0
5.	AstraZeneca	UK/SE	26.0	4.6
6.	Johnson & Johnson	USA	24.2	4.3
7.	Roche	Switzerland	24.2	4.3
8.	Merck & Co	USA	21.2	3.8
9.	Abbott	USA	15.5	2.8
10.	Lilly	USA	14.8	2.6

Source: IMS-Midas. CHF 1.00 = USD 0.902

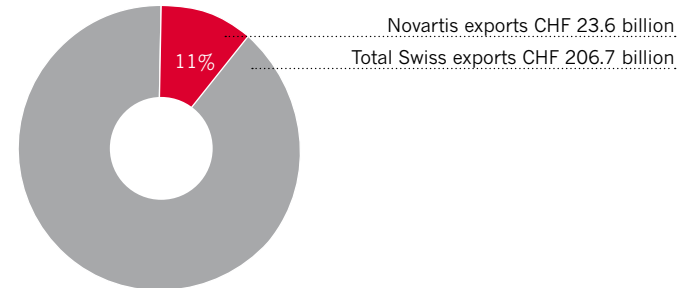
A major economic contributor

Well over 10 percent of Swiss exports

Novartis is one of Switzerland's largest exporters, accounting for about 11 percent of total national net exports.

In 2008, Swiss exports totaled CHF 206.7 billion, of which Novartis accounted for CHF 23.6 billion. Total Swiss imports amounted to CHF 186.8 billion, of which Novartis imports were CHF 13.1 billion (including intermediate manufacturing). Novartis exports exceeded imports by CHF 10.5 billion.

Exports 2008



A major economic contributor

Jobs in Switzerland, for Switzerland

Novartis employs about 96 700 people worldwide, including about 12 000 in Switzerland. The Novartis Swiss workforce is in eight sites: Basel BS/BL, Stein AG, Embrach ZH, Cham ZG, Bern BE, St-Aubin FR, Nyon VD and Locarno TI. A recent study showed that, for every person employed directly by Novartis in Switzerland, four additional indirect jobs are created.

Total compensation paid to Novartis associates in Switzerland for 2008 totaled approximately CHF 2.6 billion. Total salaries have risen by well over 25 percent since 1996, significantly outpacing total inflation of 12 percent over the same period.

Diversity at Novartis

Novartis plays a particularly important role in education and training. Roughly 32 percent of associates hold university degrees. We train more than 300 young people every year, as well as offering opportunities to a similar number of interns, Ph. D. and postdoctoral students.

The proportion of women in the workforce has risen to 41 percent in 2008. Women currently represent 28 percent of Novartis management in Switzerland, up from 14 percent in 2000.

A major economic contributor

Job satisfaction – positive reaction

According to external studies, Novartis in Switzerland, Europe and many of the world's important markets is seen as one of the most attractive employers. It is our objective to maintain this lead on a sustained basis both in Switzerland and abroad.

Novartis achieved leading positions in the following external studies, amongst others:

- According to the latest *Universum* study “Best Swiss Employer”, Novartis leads the group of “Companies preferred by scientists”.
- In 2008 Novartis made it into the top ten of the major companies rated in the “Best Places To Work” study conducted by *The Scientist*.
- For four years in a row, Novartis has been one of the top 2 companies in *Fortune's* survey of the “World's Most Admired Companies” in the category of pharmaceutical companies.

A major economic contributor

A major domestic buyer

Novartis plays an increasingly important role as a buyer of goods and services in Switzerland. In 2008, the company purchased worth CHF 1.91 billion in the 26 Swiss cantons, out of a total volume of CHF 4.87 billion worldwide.

The company's active role as a buyer in the Swiss economy means that, for each job at Novartis, four additional indirect jobs are created in Switzerland. In other words, the total benefit of Novartis on Swiss employment is more than 50 000 jobs.

In particular, materials and services are purchased for the laboratory, for information technology and for production facilities, as well as for buildings and infrastructure. The purchasing volume also includes the procurement of commodities and materials for the manufacture of our products as well as research services.

A major economic contributor

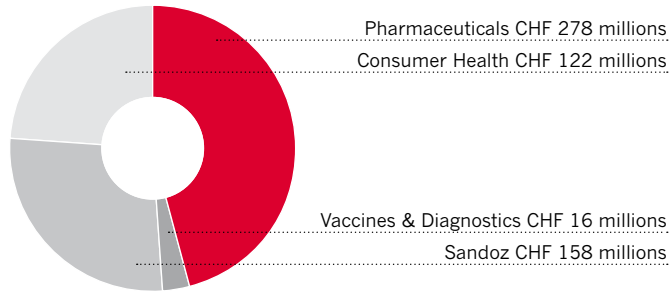
Procurement by canton		(CHF)	
AG	179 700 482	NW	483 312
AR	1 281 555	OW	11 058
AI	16 941	SH	3 026 362
BL	317 371 086	SZ	5 651 815
BS	745 785 445	SO	17 717 062
BE	83 198 929	SG	37 561 983
FR	4 502 506	TI	32 723 265
GE	65 174 895	TG	9 815 404
GL	251 353	UR	30 410
GR	1 410 520	VD	59 518 621
JU	428 453	VS	2 871 669
LU	10 941 778	ZG	36 021 573
NE	12 365 777	ZH	284 134 394
Total value of domestic orders in Switzerland in CHF		1 911 996 647	
Total value of orders outside Switzerland in CHF		2 960 755 682	

A major economic contributor

Sales in Switzerland

Sales of Novartis Group companies in our home market reached CHF 574 million in 2008. The table below shows the sales breakdown by division in Switzerland.

Sales by Division



A major economic contributor

At home in every canton

Novartis associates come from almost every Swiss canton, as the table below shows. The map in the center page shows the geographic distribution of Novartis sites in Switzerland. Most important of these is Basel, where Novartis is the largest private employer in the region and provides jobs for numerous cross-border commuters. Nearly 14 percent of Basel-based Novartis associates live in Germany, while more than 21 percent reside in France.

Workforce by canton of residence

Basel Country (BL)	20%
Basel Town (BS)	19%
Argovia (AG)	11%
Vaud (VD)	4%
Solothurn (SO)	3%
Zurich (ZH)	2%
Berne (BE)	2%
Fribourg (FR)	1%
Geneva (GE)	1%
Other	2%

Novartis in Switzerland



① **Basel HQ (BS)**
Corporate HQ
Pharmaceuticals HQ
Animal Health HQ
Consumer Health HQ

Basel Klybeck (BS)
Pharma production
R&D

Basel St. Johann (BS)
Pharma production
R&D

Schweizerhalle (BL)
Pharma production
Development

② **Stein (AG)**
Pharma production

③ **Embrach (ZH)**
CIBA Vision

④ **Cham (ZG)**
Sandoz Switzerland

⑤ **Berne (BE)**
Pharma Switzerland
Consumer Health Switzerland

⑥ **St-Aubin (FR)**
Animal Health
R&D

⑦ **Nyon (VD)**
Europe HQ OTC
OTC production
OTC R&D

⑧ **Locarno (TI)**
Novartis Pharamanlytica

HQ: Headquarters
R&D: Research & Development
OTC: Over-the-counter (self-medication)

A key contributor to Swiss healthcare

Caring and Curing

Novartis makes significant contributions to society, beyond the direct economic benefits: Our innovative medicines help prolong life and improve the quality of life for patients with a wide range of serious – and, in some cases, previously untreatable – medical conditions.

While healthcare costs have increased in recent years, largely due to a steadily aging population, spending on medicines in Switzerland accounted for only about 10.4 percent of total healthcare costs in 2006. Novartis is helping to reduce overall healthcare costs by providing a broad range of high-quality, low-cost generic medicines, as well as easily available over-the-counter products, in addition to innovation-driven medicines that offer the latest treatment breakthroughs.

A key contributor to Swiss healthcare

Major indirect savings in healthcare

The relatively low total spending on medication in Switzerland tells only part of the whole story. The more important point is that the use of appropriate medicines for prevention and treatment can reduce the need for expensive hospital stays and allow people to quickly and effectively resume productive daily lives.

Using medications to minimize the economic impact of disease is more important today, due to the increasing healthcare needs of a steadily aging population, combined with the fact that our modern lifestyle leads to a growing prevalence of chronic conditions such as hypertension, diabetes and cancer.

For instance, a recent study shows that the use of antihypertension medications in the US alone prevented 86 000 premature deaths per year from cardiovascular disease, 572 000 hospitalizations for strokes and 261 000 for heart attacks. These reductions resulted in an estimated annual saving of USD 16.5 billion (nearly CHF 18 billion) in direct medical care costs.

Another approach with considerable potential to further control national healthcare spending is the targeted use of disease prevention and awareness programs.

Investing in Research & Development

At Novartis, we are constantly intensifying our efforts to bring novel medicines to patients by focusing on innovation.

Ranked by IMS Health as one of the fastest-growing pharmaceutical companies in recent years, Novartis received 11 new product approvals in the US and the EU in 2008 alone. Our Development portfolio involves more than 150 projects – including new products, as well as new formulations or indications – in various stages of clinical development. We are set to launch a considerable number of new products worldwide in the upcoming years.

Novartis Biologics has been created in 2007 as a dedicated unit. Its objective is to optimize research and development of biologic medicines by unifying and expanding expertise. Biologics represent 25 percent of our preclinical research pipeline and are an increasing priority.

Switzerland is absolutely central to Research and Development within Novartis. In 2008, we invested a total of CHF 2.9 billion in Research and Development in Switzerland.

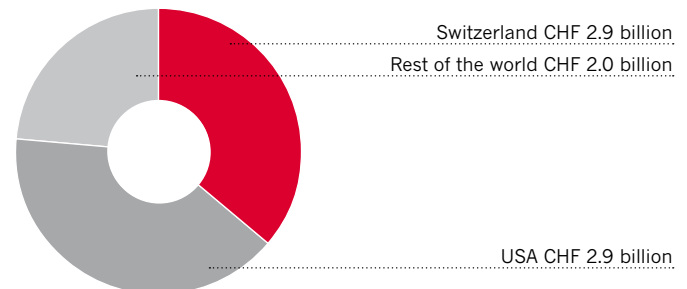
Basel: A key research site

Novartis currently employs around 2 200 research associates in Switzerland – more than anywhere else in the world, including at the global headquarters of the Novartis Institutes for BioMedical Research (NIBR) in the US. Research in Basel is using pioneering methods and cutting-edge technology to achieve breakthroughs in the treatment of musculoskeletal disorders, in neuroscience, oncology, transplantation and also in autoimmune and inflammatory diseases.

The Basel-based Friedrich Miescher Institute (FMI), founded in 1970, is devoted to fundamental biomedical research and employs nearly 300 people. The institute uses state-of-the-art technologies to explore basic molecular mechanisms of cells and organisms in health and disease.

Novartis research collaborates with groups and universities in Switzerland such as the world-renowned Paul Scherrer Institute.

Research & Development



Novartis invested more than CHF 661 million in property, plant and equipment in Switzerland in 2008, the vast majority in the Basel region.

The Novartis Campus

Campus of Knowledge, Innovation and Encounter:

The ambitious redesign of the St. Johann site in Basel underlines our long-term commitment to Basel and Switzerland. The former industrial site is being transformed into a Campus of Knowledge, Innovation and Encounter – and serves above all as our global headquarters. The production facilities will be largely relocated to Schweizerhalle and Stein.

Creating an optimal work environment: The Campus Project represents a comprehensive renewal of the infrastructure of the Basel site. People remain at the heart of the whole planning process. Novartis has set itself the goal of creating an optimal work environment – for the benefit of both the company and its associates. For this we are using diverse kinds of space and work areas with a variety of individual, shared, open and closed work spaces, which generate a sense of inspiration and innovativeness and foster interdisciplinary collaboration and exchange of knowledge. This concept is being implemented not only on the Campus in Basel, but also on other sites around the world.

Sustainability and environmental protection: At Novartis, sustainability and environmental protection have priority. For this reason, the Campus is being established in a way that spares the environment, and the new Campus buildings conform to very high energy standards. The energy consumption of the new office buildings on the Campus amounts to only one-third that of the average office building in Switzerland today. We have set ourselves the target of supplying the Campus buildings entirely with renewable – i.e. CO₂-free – energy, as a result of which we shall completely eliminate CO₂ emissions on the Campus in the medium term.

Impetus for the region: Novartis expects to spend more than 2 billion francs on the Campus and the relocation of production facilities to other sites in the Basel region by 2011. The project brings with it major building contracts for Switzerland and important impetus for the regional economy.

For further information: www.novartis.ch/campus
(in German)

A committed corporate citizen

Integral to our business success

Corporate citizenship at Novartis begins with the success of our core business.

The more successful we are in discovering, developing, manufacturing and marketing new medicines, the greater the benefits we can offer to associates, shareholders, patients, healthcare professionals and other key stakeholders.

Our Corporate Citizenship Program reaches millions of people worldwide each year. It rests on our four-point commitment to patients, ethical business conduct, people and communities, and environmental protection.

In 2008, we achieved several milestones. Our access-to-medicines programs reached 74 million people with over CHF 1.3 billion worth of products donated or sold at cost – equivalent to about 3 percent of total worldwide annual sales.

A committed corporate citizen

A four-point commitment

Patients: Major Novartis initiatives target neglected diseases, ranging from malaria and leprosy to drug-resistant tuberculosis. We provide medicine at no profit and sometimes for free to patients in the developing world. We also offer discounts and support programs to patients in industrialized countries without medical insurance or other financial resources.

Ethical business conduct: High ethical standards are essential to the business of Novartis. We strive to maintain and strengthen a culture where associates recognize that acting honestly, lawfully and with integrity is key to success.

People and communities: Novartis endeavors to promote the livelihoods of our associates and to be a good neighbor in the communities where we operate. Through our commitment to Diversity and Inclusion, we foster equality of opportunity, fairness and mutual respect.

Environmental protection: We have a clear responsibility to ensure we protect the environment by operating at the highest standards. We adopt a risk-based approach and focus on minimizing our use of natural resources, cutting our energy consumption and emissions.

For further information: www.corporatecitizenship.novartis.com

The Novartis Foundation for Sustainable Development

For more than 25 years, the Novartis Foundation for Sustainable Development has contributed significantly to improve access to healthcare for people in need in the developing world. These projects include: access to effective malaria treatment, introduction of patient-centered tuberculosis (TB) treatment, and psychosocial support for AIDS orphans.

For further information: www.novartisfoundation.org

The Novartis Institute for Tropical Diseases

The Novartis Institute for Tropical Diseases, better known as NITD, was established in Singapore in 2002. NITD works with local and international researchers – as well as other Novartis research centers – to develop medicines to combat tropical and other rapidly spreading diseases such as dengue fever, malaria and tuberculosis. Any therapies discovered at NITD will be made available to poor patients without profit.

For further information: www.nitd.novartis.com

Community Partnership Day

Novartis organizes Community Partnership Day to commemorate the creation of the company. Each year all Novartis employees can spend a day volunteering for a local community project. In 2008, more than 10 500 Novartis associates worldwide took part in Community Partnership Day activities, including over 3 600 in Switzerland.

For further information: www.novartis.ch/cpd (in German)

Investing in future success

The Novartis Biotechnology Leadership Camp – or BioCamp – is an increasingly popular initiative for talented students. The BioCamp is a point of reference in career planning as an opportunity to learn about the pharmaceutical and biotechnology industries. It is open to university students in the natural sciences and business administration. The BioCamp took place for the second time in Switzerland in 2008, with over 40 participants invited from throughout Europe and Switzerland.

For further information: www.novartis.ch/biocamp (in German)

Community sponsorship

We sponsor a wide variety of cultural, scientific, sporting and social events.

Culture: In the culture sector, Novartis sponsors the Museum Rietberg in Zurich, the Kunstmuseum and the Night of the Museums in Basel, and also the promotion of young talent at the Zurich Opera House. In addition, contributions also go to the programs of the Basler Sinfonietta and Jazz By Off Beat.

Science: In the field of science, Novartis sponsors various professorships, laboratories, educational institutions and also the series of “Lectures of Nobel Prize Winners,” which takes place every year at the University of Basel. Donations are also made to the Swiss youth research foundation “Schweizer Jugend forscht,” which aims to motivate talented young people to take up a career in science. With the Novartis School Laboratory, Novartis also provides the public with a well-equipped research laboratory, which offers school pupils and other interested groups the opportunity for some hands-on experience of science.

Education: Novartis has awarded the Basler Maturandenpreis every year since 1969. At the time of the Matura exams, every high school in the cantons Basel-Stadt and Basel-Landschaft nominates for this award a pupil who has excelled with particularly outstanding achievements during his or her time at school.

Sport: In the sports sector, Novartis sponsors the Basler City Run, the basketball team Starwings Basket Regio Basel, as well as the football club FC Basel, and helps to promote football talent in the Basel region.

For further information: www.novartis.ch/sponsoring (German)

Giving new start-ups a hand

The Novartis Venture Fund is committed to investing in young start-up companies that develop innovative life science concepts for the benefit of patients.

Since its foundation in 1996, the Fund has played a significant role in promoting companies worldwide and supporting the dynamically developing biotech industry in Switzerland.

The Fund is firmly established in the Swiss venture capital scene. The Fund financed more than 150 entrepreneurial ventures worldwide. Almost half the start-up companies supported by the Fund over the years are located in Switzerland. In 2008, it made total investments of CHF 78 million.

For further information: www.venturefund.novartis.com

Novartis is a global company that is proud to be Swiss and is deeply committed to our country.

We appreciate the country's political stability and the generally business-friendly approach of the Swiss authorities.

As a Swiss company with global operations, Novartis continues to see favorable development opportunities, as long as the political environment remains stable and the key location factors remain intact.

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