



A healthy decision

FACTSHEET FY 2010

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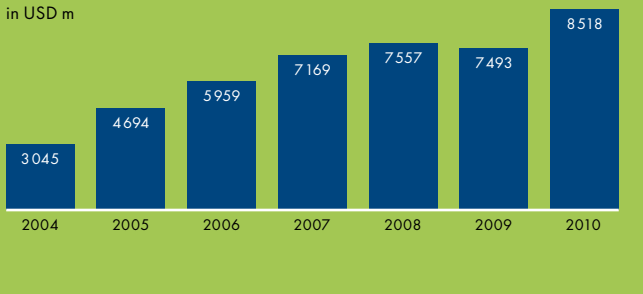
www.sandoz.com

COMPANY OVERVIEW

Sandoz, the generic pharmaceuticals division of Novartis, is a global leader in the rapidly growing generics industry. With its roots dating back more than 120 years, Sandoz is a trusted leader with a reputation for exceptional quality. The company offers a broad portfolio of approximately 1 000 high-quality, affordable generic molecules across all major therapeutic areas in about 130 countries. Today, it is one of the two largest and truly global generic companies, with leading positions across the largest pharmaceutical markets worldwide. Sandoz stands out from the competition through its ability to develop and produce complex value-added products, which by value already comprise well over one third of its portfolio. This differentiated portfolio is the result of a clear focus on and understanding of customers, but even more importantly anticipating their evolving needs. This successful strategy of differentiation is also founded upon three key pillars – biosimilars, oncology injectables and respiratory medicines – where Sandoz already has or aspires to a global leadership position.

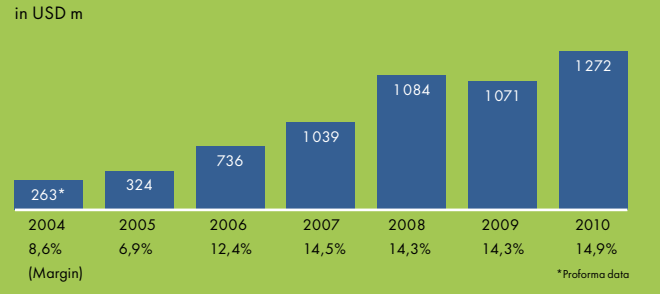
SALES

in USD m

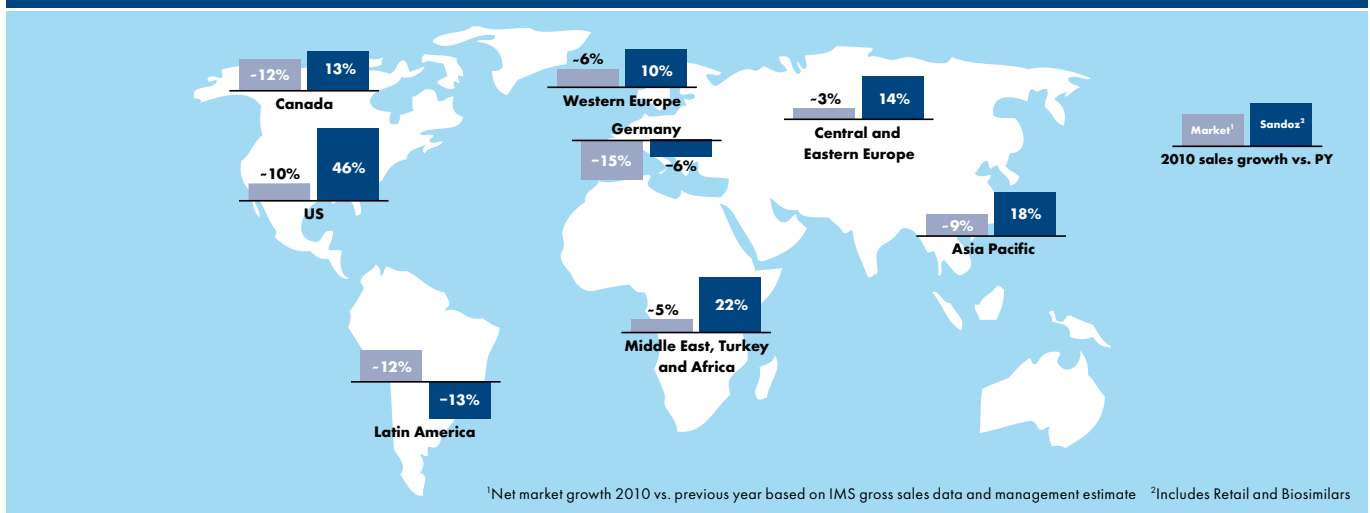


OPERATING INCOME

in USD m



REGIONAL PERFORMANCE

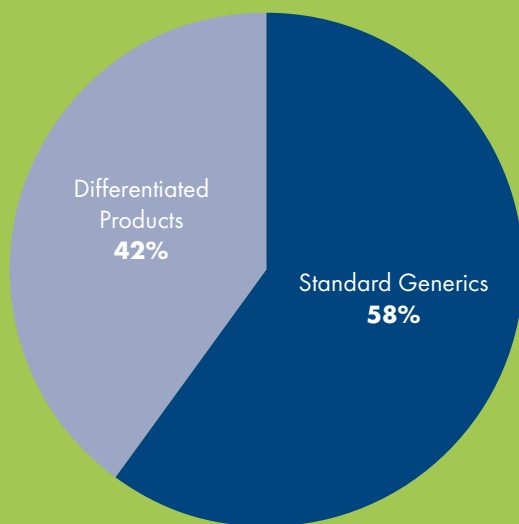


*All growth rates in constant currencies unless otherwise indicated.

QUICK FACTS

Headquarters	Holzkirchen, Germany
Presence	In about 130 countries, with over 30 production and 10 development sites worldwide
People	More than 23 000 employees globally
Portfolio	About 1 000 molecules
Pipeline	Over 1 000 projects in development

OUR PORTFOLIO



A LEADER IN DIFFERENTIATION

Biosimilars

- Pioneer and global leader with three marketed biosimilars – Omnitrope[®], Binocrit[®] and Zarzio[®] – accounting for nearly half the global regulated market
- Biosimilar sales up 63% to USD 185m in 2010
- Unrivalled pipeline with 8–10 molecules in various development stages
- Biologics with estimated sales of about USD 64 billion to lose patent protection by 2015

Injectables

- First and only US generic enoxaparin approved in 2010, leading Sandoz to top two position in generic injectables
- Sandoz Oncology Injectables: Broad portfolio of 25+ products and robust pipeline of over 20 molecules
- Total injectables about 25% of global pharmaceuticals market: over USD 8 billion of oncology injectable sales to lose patent protection by 2015

Respiratory

- One of two fastest growing companies and global top five position
- Acquisition of Oriel Therapeutics in 2010: several promising development projects for leading asthma/COPD** medicines and related drug delivery technologies
- Global asthma/COPD market sales of about USD 35 – 50 billion to lose patent protection by end of 2016

**chronic obstructive pulmonary disorders

KEY HIGHLIGHTS

Strong overall annual performance

- Strong sales growth of +15% and productivity improvements deliver excellent performance in 2010
- New product launches record a milestone performance contributing over one billion USD in sales
- All-time high profitability of 19.8% with core return on sales (ROS), up 21% vs. PY to USD 1.7 billion

Exceptional first-to-market performance

- First and only generic launch of Sanofi-Aventis' USD 2.7 billion Lovenox[®] records USD 462m in sales in 2010
- Strong performances of tacrolimus and lansoprazole 2009 launches continue through 2010
- Authorized generic launches of Merck's Cozaar[®] and Hyzaar[®] for treatment of hypertension, and Eli Lilly's Gemzar[®], which further builds upon position as a leading provider of oncology injectables in the US
- First generic Augmentin XR[®], amoxicillin-clavulanate potassium extended release (ER) tablets, launched with six months exclusivity

Strong regional performance

- Strong performances in the Middle East, Turkey and Africa (META), Asia-Pacific, and Central and Eastern Europe (CEE) regions allow Sandoz to significantly outperform the market across key emerging generics markets
- 10% sales increase in Western Europe outperforms market, despite double-digit price cuts in many countries
- Leading position maintained in challenging German environment, with subsidiary 1A Pharma one of the fastest-growing and top players in the German tender market

Strengthening of differentiated business

- Successful integration of Austrian-based EBEWE Pharma with combined business now globally branded as Sandoz Oncology Injectables
- Successful acquisition and integration of Oriel Therapeutics significantly strengthens differentiated respiratory product pipeline
- A total of 108 paragraph IV filings, of which 35 are confirmed as first-to-file

Biosimilar Developments

- First biosimilar recommendation of UK's National Institute for Health and Clinical Excellence (NICE) states Omnitrope[®] offers comparable efficacy and safety to other somatotropins
- The start of phase 2 clinical trial research in patients for biosimilar rituximab (Roche's Rituxan[®]/MabThera[®]), one of the top three biologics worldwide with sales of over USD 6 billion in 2009

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