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MEDIA RELEASE

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New lower price on ATOPICA® (Cyclosporine capsules, USP) MODIFIED will bring long-term allergy relief to more canine atopy patients

GREENSBORO, North Carolina (January 2007) – Veterinarians are now able to offer long-term relief to more allergic dogs – and their owners – suffering with the itch and misery of atopy. Novartis Animal Health US, Inc., announces a price reduction of up to 34 percent on ATOPICA® (Cyclosporine capsules, USP) MODIFIED, the only FDA-approved, nonsteroidal oral therapy developed specifically to control canine atopic dermatitis.

Introduced in 2003, ATOPICA is now available in 20 countries and is helping thousands of dogs enjoy life again. In contrast to traditional short-term therapies, its unique mode of action works at the molecular level, specifically targeting the immune cells involved in the allergic reaction. ATOPICA provides a safe, innovative answer for long-term control and ongoing relief from this chronic allergic disease.

“We are pleased to offer this good news to our veterinary customers and their dog-owning clientele,” said Richard Hart, Vice President of Marketing, Novartis Animal Health US, Inc. “Every allergic dog deserves a life free of the constant itching of atopy. Now, with this adjusted pricing, veterinarians can help more patients live in comfort and help more pet owners rediscover the joy of a normal relationship with their dog.”

Atopic dermatitis is typically a chronic, life-long condition that requires treatment for the long term. Therefore, the cost of treatment can add up for pet owners.

“Atopic dermatitis is an expensive disease to treat,” according to John Rehak, MBA, DVM, ATOPICA Senior Product Manager. “By passing the new cost savings along to

-more-

their clients, veterinarians will be able to help more patients suffering from the relentless misery caused by atopy. Comfortable dogs mean satisfied, happy and loyal clients, which makes for a healthier clinic, too.”

The new pricing, which covers all product sizes, will take effect February 1, 2007. To learn more about the specifics of the new pricing, veterinarians are encouraged to contact their Novartis Animal Health US, Inc. sales representative.

As with all drugs, side effects may occur. In a field study, the most common side effects were gastrointestinal signs. Gingival hyperplasia and papillomas may also occur during the initial dosing phase. ATOPICA is not for use in reproducing dogs or dogs with a history of malignant neoplasia.

For full product information, please visit www.us.atopica.com.

About Novartis Animal Health

Novartis Animal Health researches, develops and commercializes leading animal treatments that meet the needs of pet owners, farmers and veterinarians. Headquartered in Basel, Switzerland, and present in almost 40 countries, Novartis Animal Health employs about 2,300 people worldwide. For more information, please consult: www.ah.novartis.com.

About Novartis

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2005, the Group’s businesses achieved net sales of USD 32.2 billion and net income of USD 6.1 billion. Approximately USD 4.8 billion was invested in R&D. Headquartered in Basel, Switzerland, Novartis Group companies employ about 91,000 people and operate in over 140 countries around the world. For further information please consult: <http://www.novartis.com>.

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Atopica®

(Cyclosporine capsules, USP) MODIFIED

ATOPICA (cyclosporine capsules USP) MODIFIED is indicated for the control of atopic dermatitis in dogs.

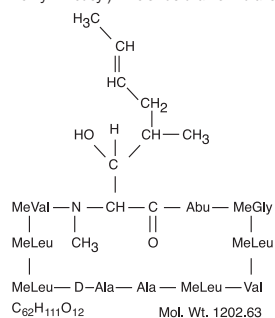
Caution:

Federal Law restricts this drug to use by or on the order of a licensed veterinarian.

Description:

ATOPICA (cyclosporine capsules USP) MODIFIED is an oral form of cyclosporine that immediately forms a microemulsion in an aqueous environment. Cyclosporine, the active ingredient in ATOPICA, is a cyclic polypeptide, immune modulating agent consisting of 11 amino acids. It is produced as a metabolite by the fungal species *Beauveria nivea*.

Chemically, cyclosporine A is designated [R-[R⁺, R⁺-(E)]]-cyclic-(L-alanyl-D-alanyl-N-methyl-L-leucyl-N-methyl-L-leucyl-N-methyl-L-valyl-3-hydroxy-N, 4-dimethyl-L-2-amino-6-octenyl-L- α -amino-butyl-L-N-methylglycyl-L-methyl-L-leucyl-L-valyl-N-methyl-L-leucyl). The structural formula is:



ATOPICA Capsules contain cyclosporine formulated together with inactive ingredients. ATOPICA is available in 10, 25, 50, and 100 mg capsule strengths in color-coded packaging for oral administration to dogs.

Indications:

ATOPICA is indicated for the control of atopic dermatitis in dogs weighing at least 4 lbs body weight.

Dosage and Administration:

The initial daily dose of ATOPICA is 5 mg/kg/day (3.3-6.7 mg/kg/day) as a single daily dose for 30 days. Following this initial daily treatment period, the dose of ATOPICA may be tapered by decreasing the frequency of dosing to every other day or two times a week, until a minimum frequency is reached which will maintain the desired therapeutic effect. ATOPICA should be given at least one hour before or two hours after a meal. If a dose is missed, the next dose should be administered (without doubling) as soon as possible, but dosing should be no more frequent than once daily.

Dose Administration

Dog body weight (lbs)	Dog body weight (kg)	Dose 5 mg/kg
4 - 6.5 lbs	2 - 2.9 kg	10 mg capsule
6.6 - 9 lbs	3 - 3.9 kg	2 x 10 mg capsules
9.1 - 16 lbs	4 - 7.9 kg	25 mg capsule
16.1 - 33 lbs	8 - 14.9 kg	50 mg capsule
33.1 - 64 lbs	15 - 28.9 kg	100 mg capsule
64.1 - 79 lbs	29 - 35.9 kg	100 mg capsule +50 mg capsule
79.1 - 121 lbs	36 - 55.9 kg	2 x 100 mg capsules

Contraindications:

ATOPICA is contraindicated for use in dogs with a history of malignant neoplasia.

Human Warnings:

Not for human use. Keep this and all drugs out of reach of children. For use only in dogs.

Precautions:

Gastrointestinal problems and gingival hyperplasia may occur at the initial recommended dose (See *Animal Safety*). ATOPICA should be used with caution with drugs that affect the P-450 enzyme

system. Simultaneous administration of ATOPICA with drugs that suppress the P-450 enzyme system, such as ketoconazole, may lead to increased plasma levels of cyclosporine.

The safety and effectiveness of ATOPICA has not been established in dogs less than 6 months of age or less than 4 lbs body weight. ATOPICA is not for use in breeding dogs, pregnant or lactating bitches.

There have been reports of convulsions in human adult and pediatric patients receiving cyclosporine, particularly in combination with high dose methylprednisolone (See *Animal Safety*).

Killed vaccines are recommended for dogs receiving ATOPICA because the impact of cyclosporine on the immune response to modified live vaccines is unknown (See *Animal Safety*).

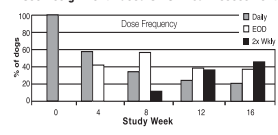
Effectiveness Field Study:

A multisite, placebo controlled, double masked, field study was conducted in the United States and Canada using 16 investigators. Two hundred sixty five (265) dogs aged 1-10 years, weighing 4-121 lbs received either ATOPICA capsules at 5 mg/kg/day or placebo capsules. After 30 days, placebo dogs were switched to ATOPICA capsules. Dogs were treated with ATOPICA capsules for a total of 4 months. No additional therapy with antihistamines, corticosteroids or medicated shampoos was permitted. Evaluations for pruritus and for skin lesions to derive a Canine Atopic Dermatitis Extent and Severity Index (CADESI) score occurred at enrollment and at monthly intervals. One hundred ninety-two (192) dogs were included in the statistical analysis of effectiveness. At the end of the 30 day placebo controlled period, CADESI scores of dogs treated with ATOPICA capsules improved by 45% from enrollment, while CADESI scores of dogs treated with placebo worsened by 9%. Seventy-four (74%) of ATOPICA treated dogs showed improvement in their pruritus scores over the first 30 day period, while only 24% of the placebo treated dogs showed an improvement. Owner and Veterinary Global Assessment in response to treatment also demonstrated statistically significant (p<0.0001) improvement. After 4 weeks of therapy, Owner and Veterinary Global Assessments showed approximately twice as much improvement in the ATOPICA treated dogs as compared to placebo treated dogs.

Improvements in pruritus accompanied by 50% or 75% improvements in CADESI scores resulted in dose reductions to every other day or twice weekly respectively. Not all dogs were able to decrease to twice weekly dosing. Some animals required upward or downward dosage adjustments during the study. Such adjustments should be expected during therapy of this disease. Dogs unable to decrease from once daily dosing after 60 days were considered dose reduction failures for the purposes of the study.

The results of dose assignments, based on the study criteria, for each 4-week dosing period, are shown in the graph below.

Dose Assignment Based on Clinical Assessment



Analysis of blood levels of cyclosporine drawn during the study demonstrated no correlation between blood cyclosporine levels and CADESI scores or pruritus; therefore monitoring blood cyclosporine levels is not an appropriate predictor of effectiveness.

Adverse Reactions:

A total of 265 dogs were included in the field study safety analysis. One hundred and eleven (111) dogs were treated with placebo for the first 30 days. For the remainder of the study, all dogs received ATOPICA capsules.

Fourteen dogs withdrew from the study due to adverse reactions. Four dogs withdrew from the study after vomiting. One dog each withdrew from the study after diarrhea; vomiting, diarrhea and pruritus; vomiting, depression and lethargy; lethargy, anorexia and hepatitis; gingival hyperplasia, lethargy, polyuria/polydipsia and soft stool; seizure; sebaceous cyst; pruritus; erythema; or otitis externa.

Vomiting and diarrhea were the most common adverse reactions occurring during the study. In most cases, signs spontaneously resolved with continued dosing. In other cases, temporary dose modifications (brief interruption in dosing, divided dosing, or administration with a small amount of food) were employed to resolve signs.

Persistent otitis externa, urinary tract infections, anorexia, gingival hyperplasia, lymphadenopathy and lethargy were the next most frequent adverse events observed. Gingival hyperplasia regressed with dose tapering. Owners of four dogs reported seizures while dogs were receiving ATOPICA. In one dog, seizures were the result of a brain tumor diagnosed one month into the study. Another dog experienced seizures before and after the study. Otitis externa, allergic otitis, or pinna erythema, with or without exudates, commonly accompanies atopy. Many dogs entered the study with otitis externa, which did not resolve without otic treatment. New cases of otitis externa, allergic otitis, or pinna erythema developed while dogs were receiving ATOPICA. However, the incidence rate was lower with ATOPICA compared to placebo. A change in the dose frequency was not necessary when new cases occurred.

Number of Dogs Displaying Each Clinical Observation in the Field Study

Clinical Sign	% out of 265
Vomiting	30.9%
Diarrhea	20.0%
Persistent Otitis Externa	6.8%
Urinary Tract Infection	3.8%
Anorexia	3.0%
Lethargy	2.3%
Gingival Hyperplasia	2.3%
Lymphadenopathy	2.3%

The following clinical signs were reported in less than 2% of dogs treated with ATOPICA in the field study: constipation, flatulence, Clostridial organisms in the feces, nausea, regurgitation, polyuria/polydipsia, strong urine odor, proteinuria, pruritus, erythema/flushed appearance, pyoderma, sebaceous adenitis, crusty dermatitis, excessive shedding, coarse coat, alopecia, papillomas, histiocytoma, granulomatous mass or lesion, cutaneous cyst, epulis, benign epithelial tumor, multiple hemangioma, raised nodule on pinna, seizure, shaking/trembling, hind limb twitch, panting, depression, irritability, hyperactivity, quieter, increased light sensitivity, reluctance to go outside, weight loss, hepatitis.

The following clinical signs were observed in 1.5-4.5% of dogs while receiving the placebo: vomiting, diarrhea and urinary tract infection. The following clinical signs were observed in less than 1% of dogs receiving the placebo: anorexia, otitis externa, cutaneous cysts, corneal opacity, lymphadenopathy, erythema/flushed appearance. Clinical Pathology Changes: During the study, some dogs experienced changes in clinical chemistry parameters while receiving ATOPICA, as described in the following table:

Clinical Chemistry	% Affected (out of 265)
Elevated Creatinine	7.8%
Hyperglobulinemia	6.4%
Hyperphosphatemia	5.3%
Hyperproteinemia	3.4%
Hypercholesterolemia	2.6%
Hypalbuminemia	2.3%
Hypocalcemia	2.3%
Elevated BUN	2.3%

In addition, the following changes in clinical chemistry parameters were noted in less than 2% of dogs: hypernatremia; hyperkalemia, elevated ALT, elevated ALP, hypercalcemia and hyperchloremia. These clinical pathology changes were generally not associated with clinical signs.

In foreign post-approval drug experience reporting, the following additional adverse reactions have been associated with ATOPICA administration in dogs: acute collapse, pale mucous membranes and delayed capillary refill time, weakness, and diarrhea with blood.

To report suspected adverse reactions or for technical assistance, call 1-800-332-2761.

Clinical Pharmacology:

Cyclosporine is a potent immunosuppressive agent that has been shown to work via suppression of T-helper and T-suppressor cells and inhibition of interleukin-2. It does not impair the hematopoietic system or cell-mediated immunologic responses. A decrease in CD4 and CD8 cells was not seen in dogs receiving 20 mg/kg/day of cyclosporine for 56 days. ATOPICA is not a corticosteroid or an antihistamine.

Metabolism:

Cyclosporine is extensively metabolized by the cytochrome P-450 enzyme system in the liver, and to a lesser degree in the gastrointestinal tract and the kidney. The metabolism of cyclosporine can be altered by the co-administration of a variety of agents (See *Precautions*).

Animal Safety:

In a 52-week oral study with dose levels of 0, 1, 3, and 9 times the target initial daily dose, emesis, diarrhea and weight loss were seen in all cyclosporine treated groups with increasing frequency as the dose increased.

Multifocal papilloma-like lesions of the skin were observed in 5 out of 8 high dose animals between weeks 20 and 40. These changes regressed spontaneously after drug was withdrawn.

Other findings in the mid and high dose animals included swollen gums due to chronic gingivitis and periodontitis, lower serum albumin and higher cholesterol, triglyceride, IgA and IgG. Hematological findings consisted of anemia and decreased leukocyte counts in a few high dose animals. Erythrocyte sedimentation rates were increased at all dose levels in a dose dependent fashion. Notable histopathological findings were limited to lymphoid atrophy, hypertrophic gums (from gingivitis) and slight regenerative changes of the renal tubular epithelium in high dose animals. The findings were shown to be reversible during a 12-week recovery phase of the study.

In a 90-day study with ATOPICA, dogs were dosed in one of two patterns: either 1, 3, or 5X the maximum recommended target initial daily dose for 90 days, or 1, 3, or 5X the maximum recommended target initial daily dose for 30 days followed by tapering to mimic the recommended clinical dosing pattern. The maximum recommended dose, when administered for 90 days causes callus-like lesions on the footpads, red/swollen pinnae, mild to moderate gingival proliferation, hyperkeratotic areas on the integument, hair loss, salivation, vomiting, and diarrhea/abnormal stools. These clinical signs lessened in severity or resolved as the drug was tapered to a lower dose. Increased erythrocyte sedimentation rate, hyperproteinemia, hyperglobulinemia, hypoalbuminemia, hypocalcemia, hypophosphatemia, and hypomagnesemia were observed at three and five times the maximum recommended dose. These resolved as the dose was tapered.

When administered at higher than the maximum recommended dose, raised skin lesions, papilloma-like areas on the integument, popliteal lymph node enlargement, and weight loss were also seen. There were no ATOPICA related changes

in urinalysis, ECG, blood pressure, or ophthalmologic exams.

Gross necropsy revealed epithelial changes consistent with those seen on physical examination. Proliferation of gingiva and toe pad epithelium was seen in all ATOPICA dosed groups, and was seen in a dose dependent fashion. The degree of the proliferation was greater in dogs in the non-tapered groups as compared to the tapered groups. Similar changes were noted on histopathologic examination of the cutaneous changes seen on physical examination. These lesions were characterized by epidermal hyperplasia, chronic dermatitis and hyperkeratosis.

Methylprednisolone combination: Twenty-four dogs were administered 1 mg/kg/day methylprednisolone alone for 14 days followed by 20 mg/kg/day cyclosporine either alone or in combination with methylprednisolone, or placebo for 14 days. There was no evidence of seizures/convulsions or neurological signs.

Vaccination effect: The effect of ATOPICA administration on the immunologic response to vaccination was evaluated in a study in which 16 dogs were dosed with either ATOPICA at 20 mg/kg/day (4X the initial daily dose) or placebo for 56 days. All dogs were vaccinated on Day 27 with a killed commercial rabies virus and a multivalent vaccine (DHLPP) which included a modified live virus. Antibody titers for rabies, canine distemper, canine adenovirus type 2, parainfluenza, parvovirus, *Leptospira canicola*, and *Leptospira icterohaemorrhagiae* were examined on Days 0, 27 (prior to vaccination), 42 and 56. Quantification of CD4, CD8, and CD3 T-lymphocytes was analyzed. Clinical changes included soft stool and dermatologic changes consistent with those seen in previous studies. Antibody titers did not rise in dogs treated with ATOPICA or the placebo for any component of the multivalent vaccine which included a modified live virus while all animals demonstrated a significant increase in antibody titer by Day 42 or 15 days post-revaccination. No effect was seen on T-lymphocytes.

Storage Conditions:

ATOPICA should be stored and dispensed in the original unit-dose container at controlled room temperature between 59° and 77°F (15-25°C).

How Supplied:

ATOPICA soft gelatin capsules (cyclosporine capsules USP) MODIFIED are supplied in packages of 15 unit-dose blisters as follows:

- 10 mg: oval, white capsules imprinted with red "S" and 10 mg.
- 25 mg: oval, blue-gray capsules imprinted with red "S" and 25 mg.
- 50 mg: oval, white capsules imprinted with red "S" and 50 mg.
- 100 mg: oval, blue-gray capsules imprinted with red "S" and 100 mg.

Manufactured by
R.P. Scherer GmbH,
EBERBACH/BADEN, GERMANY

Manufactured for:
Novartis Animal Health US, Inc.
Greensboro, NC 27408, USA

NADA 141-218, Approved by FDA

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