

**UNITED STATES OF AMERICA
BEFORE FEDERAL TRADE COMMISSION**

In the Matter of)
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NOVARTIS AG,)
a corporation.)
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File No. 051-0106

AGREEMENT CONTAINING CONSENT ORDER

The Federal Trade Commission (“Commission”) having initiated an investigation of the proposed acquisition by Proposed Respondent Novartis AG (together with its subsidiaries and affiliates, “Novartis”) of the interest in Eon Labs, Inc. held by Santo Holding AG, and it now appearing that Novartis, hereinafter sometimes referred to as “Proposed Respondent,” is willing to enter into this Agreement Containing Consent Order (“Consent Agreement”) to divest certain assets and providing for other relief:

IT IS HEREBY AGREED by and between Proposed Respondent, by its duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent Novartis is a corporation organized, existing and doing business under and by virtue of the laws of Switzerland, with its offices and principal place of business located at Lichtstrasse 35, CH-4002 Basel, Switzerland.
2. Proposed Respondent admits all the jurisdictional facts set forth in the draft of Complaint attached hereto.
3. Proposed Respondent waives:
 - a. any further procedural steps;
 - b. the requirement that the Commission’s Decision and Order, which is attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;
 - c. all rights to seek judicial review or to otherwise challenge or contest the validity of the Decision and Order entered pursuant to this Consent Agreement; and
 - d. any claim under the Equal Access to Justice Act.
4. Proposed Respondent shall submit a written report within thirty (30) days of the date this Consent Agreement is signed, pursuant to Commission Rule 2.33, 16 C.F.R. § 2.33. Proposed Respondent shall also submit subsequent reports every thirty (30) days

thereafter until the Decision and Order becomes final, at which time the reporting obligations under the Decision and Order shall control. Such reports shall be signed by Proposed Respondent, and shall set forth in detail the manner in which Proposed Respondent has complied to date, has prepared to comply, is complying, and will comply with the Decision and Order. Such reports will not become part of the public record unless and until the accompanying Consent Agreement and Decision and Order are accepted by the Commission for public comment.

5. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondent in which event the Commission will take such action as it may consider appropriate, or issue and serve its Complaint (in such form as the circumstances may require) and issue its Decision and Order, in disposition of the proceeding.
6. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondent that the law has been violated as alleged in the draft of Complaint attached hereto, or that the facts as alleged in the draft of Complaint, other than jurisdictional facts, are true.
7. This Consent Agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to the Proposed Respondent, do the following: (1) issue and serve its Complaint corresponding in form with the draft of Complaint here attached and its Decision and Order; and (2) make information public with respect thereto.
8. When final, the Decision and Order shall have the same force and effect, and may be altered, modified or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order shall become final upon service. For the purpose of this proceeding, delivery of the Complaint and the Decision and Order to Proposed Respondent's United States counsel by any means specified in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a), shall constitute service. Proposed Respondent waives any right it may have to any other manner of service.
9. The Complaint may be used in construing the terms of the Decision and Order and no agreement, understanding, representation, or interpretation not contained in the Decision and Order or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order.
10. By signing this Consent Agreement, Proposed Respondent represents and warrants that it can accomplish the full relief contemplated by the attached Decision and Order (including effectuating all required divestitures, assignments, and transfers and obtaining all necessary approvals from governmental authorities, leaseholders, and other third

parties to effectuate the divestitures, assignments, and transfers) and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are bound by this Consent Agreement.

11. By signing this Consent Agreement, Proposed Respondent represents and warrants that the AMIDE Divestiture Agreement, as defined in the Decision and Order, requires Proposed Respondent to divest all assets required to be divested pursuant to the Decision and Order and requires Proposed Respondent to comply with the relevant portions of Paragraphs II, III, and IV of the Decision and Order.
12. Proposed Respondent has read the draft of Complaint and the Decision and Order contemplated hereby. Proposed Respondent understands that once the Decision and Order has been issued, it will be required to file one or more compliance reports showing that it has fully complied with the Decision and Order. Proposed Respondent agrees to comply with the proposed Decision and Order from the date it signs this Consent Agreement. Proposed Respondent further understands that it may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order after it becomes final.

Signed this _____ day of June, 2005.

NOVARTIS AG

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APPENDIX I
INTERIM MONITOR AGREEMENT
[Public Record Version]
[Nonpublic Version Redacted But Incorporated By Reference]