

**MEDIA RELEASE • COMMUNIQUE AUX MEDIAS • MEDIENMITTEILUNG****Alcon to highlight its vision, strategy and benefits as a standalone company to investors and analysts in New York and London**

- *Alcon is the global leader in the highly attractive and growing \$23 billion eye care devices market*
- *Market leading development capabilities and innovation investments*
- *Clearly defined near and long-term strategy, focused on sales growth, operational excellence and free cash flow generation*
- *20,000+ employees dedicated to eye care, with a strong and experienced management team*
- *Disciplined capital allocation strategy outlined*

**New York, November 27, 2018** — Alcon, the eye care division of Novartis, will today hold its first Capital Markets Day for investors and analysts in relation to the previously-announced intention of Novartis to execute a tax-neutral, 100% spinoff of the Alcon business. If the transaction proceeds, shares in Alcon Inc. will be listed on the SIX Swiss Exchange (SIX) and the New York Stock Exchange (NYSE) under the ticker symbol “ALC”.

Chairman-designate, Mike Ball and CEO, David Endicott, will be joined by other senior management to discuss Alcon’s strengths and how the company is positioned to win in the large, attractive and growing eye care devices market, where it is already the global leader. They will present Alcon’s vision and strategy, near- and longer-term growth drivers, five-year financial goals and the benefits of Alcon as a standalone company.

Mike Ball, Chairman-designate of Alcon, said: “Alcon has been a leader in the ophthalmic industry for over 70 years and is dedicated to providing innovative products that enhance quality of life by helping people see better. More recently, Alcon has executed a turnaround plan that has reinvigorated its pipeline, strengthened its customer relationships, and increased investments in promotion, capital and systems while developing a nimble medical device culture. These actions have strengthened its foundation and positioned Alcon well to become a standalone company.”

David Endicott, CEO of Alcon, said: “As the leading eye care devices company in the world, with \$6.8 billion in sales in 2017, we are uniquely positioned to succeed as a standalone organization. Our legacy of industry firsts and advancements, our leading positions in the markets we operate in and our substantial investment in innovation position us well for the future. We look forward to sharing our strategy, vision and financial goals with investors and analysts at our Capital Markets Day events.”

### **Mega-trends shape future of eye care**

Alcon will highlight mega-trends shaping the future of eye care, including the aging global population, innovation that improves patient options and outcomes, increasing wealth and growth in emerging economies, and the prevalence of myopia and digital eye strain. These trends present Alcon with sizeable growth opportunities in the \$23 billion eye care devices market. Alcon will also showcase its leading ocular solutions for refractive disorders, presbyopia, dry eye, cataracts and retinal diseases.

CFO David Murray will highlight how Alcon has returned to a position of strength by delivering consecutive quarters of sales growth, and how the company plans to make steady core operating margin improvements to industry benchmark levels, from high teens today to low to mid 20s by 2023. Post-spinoff, Alcon is targeting an investment grade credit rating and will have a financial framework focused on sales growth, operational excellence and free cash flow generation. Priorities will include investment in organic growth and R&D, a disciplined focus on “bolt-on” acquisition, licensing and collaboration opportunities, and returns to shareholders with Alcon expecting to pay a regular cash dividend from 2020.

Michael Onuscheck, President Global Business & Innovation, will highlight Alcon’s market leadership in its Surgical Franchise, with 2017 global sales of \$3.7 billion. He will highlight strong fundamentals, including world class customer focus, a leading portfolio of in-market innovations and a strong pipeline. He will also discuss Alcon’s best-in-class equipment platforms and the expansion potential of its leading installed base and complementary consumables business, as well as key near-term growth drivers such as advanced technology intraocular lenses (AT-IOLs) and leading-edge vitreoretinal technologies.

Andy Pawson, President & General Manager, Global Vision Care Franchise, will provide an overview of Alcon as one of the leaders in the \$14 billion vision care market, with 2017 global sales of \$3.1 billion. Key trends in contact lenses include the shift from reusable to daily disposable lenses and increasing demand for premium lenses such as toric, multifocal and cosmetic. In ocular health, increased awareness of treatment options for dry eye is driving demand. He will also discuss near-term growth drivers, which are the *DAILIES TOTAL1* contact lens portfolio and its market-leading dry eye treatment, *SYSTANE*.

The Alcon executive team will also discuss their expectations for the primary drivers of longer term vision care and surgical growth. These include the acceleration of innovation, expansion into new markets and adjacencies, as well as new business models and go-to-market solutions, which better serve the needs of eye care professionals, patients and consumers.

Franck Leveiller, Senior Vice President, Head of Global R&D, will discuss Alcon’s aspiration to lead the world in eye care innovation. He will highlight Alcon’s history of industry firsts, positioning as the partner of choice for external innovation, and continued commitment to R&D investment resulting in a pipeline fueled for growth. He will discuss Alcon’s world-class capabilities in optics, material and surface chemistry, equipment and instrumentation, and automation, which is already delivering improved cycle times, increased flexibility and productivity enhancements.

### **Spinoff completion subject to approvals and conditions being met**

Completion of the planned spinoff is subject to general market conditions, receipt of necessary authorizations, tax rulings and opinions, final endorsement by the Board of Directors of Novartis and shareholder approval at the Novartis annual shareholder meeting on February 28, 2019. If approvals are secured and conditions are met, the spinoff is expected to be completed in the first half of 2019.

For background slides and webcast (audio only) please refer to the following link: <https://www.novartis.com/investors/event-calendar>  
The background slide deck will be available on Tuesday November 27, 2018.

Alcon's next Capital Markets Day will be in London on December 4, 2018.

This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995, that can generally be identified by words such as "to highlight," "vision," "strategy," "focused on," "intention," "will," "strengths," "growing," "growth drivers," "goals," "dedicated," "turnaround plan," "pipeline," "to become," "positioned," "future," "look forward," "mega-trends," "increasing," "emerging," "growth opportunities," "targeting," "priorities," "focus," "portfolio," "potential," "aspiration," "commitment," "subject to," "planned," "expected," "initial," "proposed," "plans," "strategic benefits," "expectations," "driving," "drivers," or similar expressions, or by express or implied discussions regarding the potential completion of the announced spinoff of Alcon; regarding whether the spinoff is in the best interests of shareholders, regarding the future commercial performance of Novartis or a standalone Alcon company, or regarding any potential strategic benefits, synergies or opportunities as a result of the spinoff; or by discussions of strategy, plans, expectations or intentions. You should not place undue reliance on these statements. Such forward looking statements are based on our current beliefs and expectations regarding future events, and are subject to significant known and unknown risks and uncertainties. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those set forth in the forward looking statements. There can be no guarantee that the proposed spinoff will be completed in the expected form or within the expected time frame or at all. Neither can there be any guarantee that Novartis or a standalone Alcon company will be able to realize any of the potential strategic benefits, synergies or opportunities as a result of the spinoff or any related actions, within any particular time frame, or at all. Nor can there be any guarantee that shareholders of Novartis or Alcon will achieve any particular level of shareholder returns. Neither can there be any guarantee that the spinoff of Alcon will be in the best interests of shareholders, or that the Novartis Group or any of its divisions, or a standalone Alcon company, will be commercially successful in the future, or achieve any particular credit rating or financial results. In particular, our expectations could be affected by, among other things: an unexpected failure to satisfy the required conditions to the proposed spinoff, or to obtain the shareholder and other approvals needed to complete these actions, or unexpected delays in meeting these requirements; the potential that the strategic benefits, synergies or opportunities expected from the proposed spinoff may not be realized or may take longer to realize than expected; global trends toward health care cost containment, including government, payor and general public pricing and reimbursement pressures and requirements for increased pricing transparency; regulatory actions or delays or government regulation generally; the inherent uncertainties involved in predicting shareholder returns; the successful separation of the Alcon business from the Novartis Group; potential adverse reactions to the proposed transaction by customers, suppliers, strategic partners or key Alcon personnel and potential difficulties in maintaining relationships with such persons; the uncertainties inherent in the research and development of new healthcare products, including clinical trial results and additional analysis of existing clinical data; the ability of Alcon as a standalone company to obtain or maintain proprietary intellectual property protection; safety, quality or manufacturing issues, including withdrawal of products from the market; uncertainties regarding actual or potential legal proceedings, including, among others, actual or potential product liability litigation, litigation and investigations regarding sales and marketing practices, intellectual property disputes and government investigations generally; uncertainties involved in the development or adoption of potentially transformational technologies and business models; general political, economic and trade conditions, including uncertainties regarding the effects of ongoing instability in various parts of the world; uncertainties regarding future global exchange rates; uncertainties regarding future demand for our products or those of Alcon as a standalone company; and uncertainties regarding potential significant breaches of data security or data privacy, or disruptions of our information technology systems or those of

Alcon as a standalone company; and other risks and factors referred to in Novartis AG's current Form 20-F on file with the U.S. Securities and Exchange Commission (SEC) or in the initial Form 20-F filed by Alcon with the SEC. Novartis is providing the information in this press release as of this date and does not undertake any obligation to update any forward-looking statements as a result of new information, future events or otherwise.

This press release is not an offer to sell, or a solicitation of an offer to buy or sell, any securities of Novartis or, following the proposed spinoff, of Alcon, and may not be relied upon in connection with the purchase or sale of any such security. Should you wish to invest in Alcon, you should do so solely on the basis of information Alcon will file with the SEC at or around the time of the spinoff, including the section "Risk Factors" included in the Form 20-F. The information filed with the SEC will be available on the SEC's website at [www.sec.gov](http://www.sec.gov).

### **About Novartis**

Novartis is reimagining medicine to improve and extend people's lives. As a leading global medicines company, we use innovative science and digital technologies to create transformative treatments in areas of great medical need. In our quest to find new medicines, we consistently rank among the world's top companies investing in research and development. Novartis products reach nearly 1 billion people globally and we are finding innovative ways to expand access to our latest treatments. About 125 000 people of more than 140 nationalities work at Novartis around the world. Find out more at [www.novartis.com](http://www.novartis.com).

### **About Alcon**

Alcon is the global leader in eye care devices. As a division of Novartis, we offer the broadest portfolio of products to enhance sight and improve people's lives. Our products touch the lives of more than 260 million people each year living with conditions like cataracts, glaucoma, retinal diseases and refractive errors, and there are millions more who are waiting for solutions to meet their eye care needs. Our purpose is reimagining eye care, and we do this through innovative products, partnerships with eye care professionals and programs that enhance access to quality eye care. Learn more at [www.alcon.com](http://www.alcon.com) (link is external).

Novartis is on Twitter. Sign up to follow @Novartis at <http://twitter.com/novartis>  
For Novartis multimedia content, please visit [www.novartis.com/news/media-library](http://www.novartis.com/news/media-library)  
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