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## **Alcon confirms commitment to Switzerland ahead of proposed spinoff from Novartis**

- *Global headquarters to be co-located in Geneva alongside Alcon's Europe, Middle East and Africa regional office*
- *The listed Alcon company will be incorporated in Fribourg, where Alcon already has significant operations, alongside other key sites in Rotkreuz and Schaffhausen*
- *Alcon's current divisional headquarters in Fort Worth, Texas, will remain a key global hub*

**Basel, September 11, 2018** — Alcon, the global leader in eye care and a division of Novartis, today announced plans to locate its future global headquarters in the Canton of Geneva, Switzerland, following completion of its proposed spinoff from Novartis.

Alcon's new global headquarters in Geneva will be the primary location for Alcon's senior corporate leadership and other corporate and commercial functions. It will be co-located with Alcon's Europe, Middle East, and Africa (EMEA) regional office, which is already based in the city. The new premises will be in a modern office complex offering world-class services and amenities, including close proximity to the Geneva international airport.

"We are delighted to announce Geneva as the location of Alcon's new global headquarters following the proposed spinoff from Novartis," said David Endicott, Chief Executive Officer, Alcon. "For more than 40 years, Alcon has had a significant presence in Switzerland, which is known for its progressive business climate and innovation-friendly policies. Being headquartered in Geneva will help further increase Alcon's global scale and reach to better serve our customers."

The new listed holding company for the Alcon group after the proposed spinoff will be incorporated in the Canton of Fribourg, where Alcon already has significant operations, which will complement other key sites in Rotkreuz and Schaffhausen. While final details are being finalized, Alcon could employ up to 700 in Switzerland post spin-off. Alcon's current global divisional headquarters in Fort Worth, Texas, will remain a major operational, commercial, and innovation hub for the proposed standalone company.

Alcon corporate and EMEA employees will begin moving to the new Geneva location in 2019.

Earlier this year, Novartis announced its intention to spinoff Alcon into a separately-traded standalone company. The planned spinoff would enable Novartis and Alcon to focus fully on their respective growth strategies. As part of that announcement, Novartis disclosed that Alcon would be incorporated in Switzerland with listings planned on the SIX Swiss Exchange and the New York Stock Exchange.

### **Transaction Details**

Completion of the planned spinoff of Alcon from Novartis is subject to general market conditions, regulatory approvals, final endorsement by the Board of Directors of Novartis AG and shareholder approval. Required information and consultation of affected employees and employee representatives is ongoing. In the event that all approvals are secured, the planned spinoff is expected to be completed in the first half of 2019. The transaction is expected to be tax neutral to Novartis, subject to the receipt of favorable opinions and rulings. Novartis intends to continue paying a strong and growing

dividend in Swiss francs, building on the CHF 2.80 per share paid in March 2018. The proposed distribution ratio will be disclosed in due course.

#### **Disclaimer**

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 “commitment,” “ahead of,” “proposed,” “to be co-located,” “will be co-located,” “intention,” “plans,” “planned,” “would,” “will,” “expected,” “subject to,” “could,” “enable,” “to focus,” “strategies,” “intends,” “to continue,” “ongoing,” “potential,” “future,” “in due course,” or similar expressions, or by express or implied discussions regarding the potential completion of the announced spinoff of Alcon; regarding the location of the global Alcon headquarters in Geneva and the location of incorporation of the listed Alcon company in Fribourg; regarding the dividend to be paid by Novartis in the future; regarding whether these actions are in the best interests of shareholders, regarding the future commercial performance of Novartis or of a standalone Alcon business, or regarding any potential strategic benefits, synergies or opportunities as a result of these actions; 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 transaction will be completed in the expected form or within the expected time frame or at all. Neither can there be any guarantee that the global Alcon headquarters will be located in Geneva, or that the listed Alcon company will be incorporated in Fribourg. Nor can there be any guarantee that Novartis will continue to pay a strong and growing dividend in Swiss francs in the future, or for any particular length of time. Neither can there be any guarantee that Novartis or a standalone Alcon business will be able to realize any of the potential strategic benefits, synergies or opportunities as a result of these actions, within any particular time frame, or at all. Nor can there be any guarantee that shareholders 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 Group or any of its divisions, or a standalone Alcon business, 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 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 transaction 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 uncertainties inherent in the research and development of new healthcare products, including clinical trial results and additional analysis of existing clinical data; our ability to obtain or maintain proprietary intellectual property protection, including the ultimate extent of the impact on Novartis of the loss of patent protection and exclusivity on key products which commenced in prior years and will continue this year; 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 and economic 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; and uncertainties regarding potential significant breaches of data security or data privacy, or disruptions of our information technology systems; and other risks and factors referred to in Novartis AG’s current Form 20-F on file with the US Securities and Exchange Commission. 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.

### About Alcon

Alcon is the global leader in eye care. 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).

### About Novartis

Novartis provides innovative healthcare solutions that address the evolving needs of patients and societies. Headquartered in Basel, Switzerland, Novartis offers a diversified portfolio to best meet these needs: innovative medicines, cost-saving generic and biosimilar pharmaceuticals and eye care. Novartis has leading positions globally in each of these areas. In 2017, the Group achieved net sales of USD 49.1 billion, while R&D throughout the Group amounted to approximately USD 9.0 billion. Novartis Group companies employ approximately 125,000 full-time-equivalent associates. Novartis products are sold in approximately 155 countries around the world. For more information, please visit <http://www.novartis.com>.

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