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Alcon and Novartis complete merger and form new Alcon Division to accelerate global leadership in eye care

- *Strengths of Alcon, CIBA VISION and Novartis unite to offer widest spectrum of eye care products available in 180 markets*
- *Three businesses operate with dedicated sales forces and marketing support to maximize the commercial opportunity and to ensure continuity*
- *R&D is a key focus to increase new product development targeting unmet medical needs*

FORT WORTH, TEXAS, U.S.A. – April 8, 2011 – Alcon announced today that its merger with Novartis has closed, enhancing the world’s leading eye care business by uniting the strengths of Alcon, CIBA VISION and Novartis. The newly formed Alcon business becomes the second largest division of Novartis leveraging its collective eye care product portfolio and expertise to accelerate growth and product innovation. The division will be headquartered in Fort Worth, Texas, U.S., with operations in 75 countries.

Alcon’s leadership in eye care is founded in pharmaceutical, surgical, and over-the-counter ophthalmic products including contact lens care, with differentiated technology, created through dedicated research and development. With the integration of CIBA VISION into Alcon, the company now offers the widest spectrum of contact lenses and lens care brands which adds a comprehensive vision care business to Alcon’s current portfolio.

When the new commercial model is implemented in the second half of 2011, the Alcon business will align as follows:

- The **Surgical** business will continue to provide equipment, instruments, disposable products and intraocular lenses for surgical procedures that address cataracts, vitreoretinal conditions, glaucoma and refractive errors.
- The **Pharmaceutical** business will combine Alcon’s broad range of pharmaceuticals with selected products from Novartis Ophthalmics (excluding Lucentis®). The Pharmaceutical business will also oversee the line of professionally driven over-the-counter brands in artificial tears and ocular vitamins.
- The **Vision Care** business combines the CIBA VISION portfolio of contact lenses and lens care products with Alcon’s market-leading contact lens solution portfolio.

“Today is an exciting day for our company and the eye care industry at large,” said Kevin Buehler, Head of Alcon. “Through this merger, we are forging the strengths of three global leaders into one eye care business with an unparalleled product portfolio that is uniquely poised to serve our customers by addressing the full life-cycle of patient needs across eye diseases, vision conditions and refractive errors. Alcon now benefits from increased scale, resources and growth opportunities to achieve its vision of being the most trusted leader in eye care.”

Alcon's new product development addresses many pressing eye health needs, such as cataracts, glaucoma, retinal diseases, refractive errors, ocular allergies, dry eye, infection and inflammation. Alcon is planning to spend approximately USD 4 billion over the next five years to drive research and new product development in eye care. This represents the largest corporate commitment to R&D in the eye care industry. As part of Novartis, Alcon also will be able to leverage the capabilities and resources of the Novartis Institutes for BioMedical Research (NIBR), to accelerate product innovation for the eye.

"The eye care industry is driven by advances in technology and new products," Kevin Buehler added. "Leveraging the strength of our collective R&D capabilities, we are best positioned for addressing tomorrow's growing eye care demands. Furthermore, the substantial geographic presence of the new Alcon Division enables us to accelerate access to innovative eye care products and partner with eye care professionals to improve lives around the world."

Customer focus remains Alcon's top priority

To meet the unique needs of ophthalmologists, surgeons, optometrists, opticians and physician specialists, Alcon will operate with three businesses – Surgical, Pharmaceutical and Vision Care – while leveraging its existing geographic footprint.

To ensure customer-focused innovation and service excellence, each business will have dedicated resources on a global level to drive strategic decisions and on regional and country levels to ensure consistent execution. The Alcon business model will continue with specialized sales forces and marketing personnel in these three eye care segments. These resources will be organized under one local general management structure in each country. In the short-term, customers should expect no change in daily business interactions, as ordering, sales force support and customer service systems will remain in place.

About Alcon

Building on its heritage of more than 65 years, Alcon, the global leader in eye care, is now the second largest division of the Novartis Group with combined pro-forma sales of more than USD 9.4 billion in 2010. The division was formed by Novartis on April 8, 2011, following the closing of the merger between Alcon and Novartis. The new Alcon Division combines the product portfolios, commercialization capabilities, R&D and talent of Alcon, CIBA VISION and Novartis Ophthalmics. Today, Alcon has more than 22,000 employees with headquarters in Fort Worth, Texas, U.S.A. Alcon's three businesses - Surgical, Pharmaceutical and Vision Care - meet the diverse needs of eye care professionals and patients offering the widest spectrum of eye care products with operations in 75 countries and products available in 180 markets. For more information, visit www.alcon.com.

About Novartis

Novartis provides healthcare solutions that address the evolving needs of patients and societies. Focused solely on healthcare, Novartis offers a diversified portfolio to best meet these needs: innovative medicines, eye care, cost-saving generic pharmaceuticals, consumer health products, preventive vaccines and diagnostic tools. Novartis is the only company with leading positions in these areas. In 2010, the Group's continuing operations achieved net sales of USD 50.6 billion, while approximately USD 9.1 billion (USD 8.1 billion excluding impairment and amortization charges) was invested in R&D throughout the Group. Headquartered in Basel, Switzerland, Novartis Group companies employ approximately 119,000 full-time-equivalent associates and operate in more than 140 countries around the world. For more information, please visit <http://www.novartis.com>.

Disclaimer

These materials contain forward-looking statements that can be identified by terminology such as "will," "to be issued," "will continue," "expected," "committed," "would," or similar expressions, or by express or implied discussions regarding potential future sales or earnings of the Novartis Group or any of its divisions; or by discussions of strategy, plans, expectations or intentions. You should not place undue reliance on these statements. Such forward-looking statements reflect the current views of the Group regarding future events, and involve known and unknown risks, uncertainties and other factors that may cause actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. There can be no guarantee that the Novartis Group, or any of its divisions will achieve any particular financial results. In particular, management's expectations could be affected by, among other things, unexpected regulatory actions or delays or government regulation generally; unexpected clinical trial results, including additional analyses of existing clinical data or unexpected new clinical data; the Group's ability to obtain or maintain patent or other proprietary intellectual property protection; disruptions from the integration of Alcon making it more difficult to maintain business and operational relationships, and relationships with key employees; unexpected product manufacturing issues; uncertainties regarding actual or potential legal proceedings, including, among others, litigation seeking to prevent the merger from taking place, product liability litigation, litigation regarding sales and marketing practices, government investigations and intellectual property disputes; competition in general; government, industry, and general public pricing and other political pressures; uncertainties regarding the after-effects of the recent global financial and economic crisis; uncertainties regarding future global exchange rates and uncertainties regarding future demand for our products; uncertainties involved in the development of new eye care products; the impact that the foregoing factors could have on the values attributed to the Group's assets and liabilities as recorded in the Group's consolidated balance sheet; and other risks and factors referred to in Novartis AG's current Form 20-F on file with the US Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated or expected. Novartis is providing the information in these materials 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.

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