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Novartis shareholders approve all resolutions proposed by the Board of Directors at the Annual General Meeting

- *Shareholders approve 22nd consecutive dividend increase to CHF 2.85 (+2%) per share for 2018; representing a 3.1% yield and approximately 57% payout of free cash flow*
- *Overwhelming majority of shareholders approve proposed 100% spin-off of the Alcon eye care division*
- *Dr. Joerg Reinhardt confirmed by shareholders as Chairman of the Novartis Board of Directors as well as all other members who stood for re-election; Mr. Patrice Bula elected to the Board of Directors*
- *Shareholders approve all other proposals of the Board of Directors, including in an advisory vote the 2018 Compensation Report as well as the future Board and Executive Committee compensation in separate binding votes*

Basel, February 28, 2019 — Novartis shareholders today agreed to the Board of Directors' recommendations for all proposed resolutions at the Group's Annual General Meeting (AGM). A total of 1,991 shareholders were present at the meeting held in Basel, representing approximately 65.6% of the issued shares of Novartis.

Shareholders approved the 22nd consecutive dividend increase per share since the creation of Novartis in 1996, with an increase of 2% to CHF 2.85 for 2018. Payment for the 2018 dividend will be made as of March 6, 2019. The dividend for 2018 is an approximately 57% payout of free cash flow, reinforcing the Company's ongoing commitment to a strong dividend yield.

Proposed spin-off of the Alcon eye care division

Novartis shareholders approved the proposed 100% spin-off of the Alcon eye care division, as previously endorsed by the Novartis Board of Directors.

In addition to shareholder approval, completion of the spin-off remains subject to certain conditions precedent, such as no material adverse events, receipt of necessary authorizations. The spin-off is expected to be completed in the second quarter of 2019.

The spin-off will be implemented through the distribution of a dividend-in-kind of new Alcon shares to Novartis shareholders and ADR (American Depositary Receipt) holders. The distribution is expected to be tax neutral on a US and Swiss income tax basis. Shareholders will receive the following:

- For every 5 Novartis shares: 1 Alcon Share
- For every 5 Novartis ADRs: 1 Alcon Share

The Novartis shareholder brochure for the Alcon spin-off can be accessed here: <https://www.novartis.com/sites/www.novartis.com/files/2019-novartis-agm-alcon-en.pdf>.

The latest update to the Alcon Form 20-F registration statement filed with the US Securities and Exchange Commission (SEC) can be accessed here: <https://www.sec.gov/cgi-bin/browse-edgar?company=Alcon+inc>.

Annual re-election and election of Members of the Board

Shareholders re-elected Dr. Joerg Reinhardt as Chairman of the Board of Directors, and all members of the Board, for one year. Dr. Dimitri Azar decided not to stand for re-election. The Board of Directors sincerely thanks him for his many years of distinguished services on the Board of Directors.

In addition, shareholders re-elected the following members of the Board of Directors to the Compensation Committee for one year: Srikant Datar, Ph.D., Ann Fudge, Enrico Vanni, Ph.D. and William T. Winters. The Committee will be chaired by Mr. Vanni.

Further, shareholders elected Mr. Patrice Bula to the Board of Directors and as a member of the Compensation Committee.

In line with the Board of Director's recommendation, shareholders also approved the cancelation of 23,250,000 shares repurchased under the seventh share repurchase program in 2018 and to reduce the share capital accordingly by CHF 11,625,000, from CHF 1,275,312,410 to CHF 1,263,687,410.

Shareholders also approved the launch of an eighth share repurchase program up to a maximum of CHF 10 billion worth of shares until 2022.

Votes on Compensation for the members of the Board of Directors and the Executive Committee

In two separate binding votes, shareholders approved the total maximum amount of compensation for the members of the Board of Directors covering the period from the 2019 AGM to the 2020 AGM and the total maximum amount of compensation for the members of the Executive Committee for 2020.

Shareholders also endorsed the 2018 Compensation Report in an advisory vote. It contained enhanced disclosures in many areas providing greater transparency. The report also informed stakeholders of prospective changes to the compensation system. These are based on the constructive feedback received from shareholders, our business strategy, and developing market practice.

For a detailed listing of all resolutions presented at the 2019 Annual General Meeting, please visit: <https://www.novartis.com/sites/www.novartis.com/files/2019-novartis-agm-notice.pdf>.

Disclaimer

This press release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements can generally be identified by words such as "proposed," "proposals," "advisory," "recommendations," "commitment," "endorsed," "remains subject to," "expected," "will," "recommendation," "launch," or similar terms, or by express or implied discussions regarding the potential completion of the announced spin-off of Alcon, regarding whether the spin-off is in the best interests of shareholders, regarding the future commercial performance of Novartis or a standalone Alcon company, regarding any potential strategic benefits, synergies or opportunities as a result of the spin-off; or regarding the potential future impact on Novartis of the other matters described in this release, including the seventh share repurchase program, the eighth share repurchase program, annual re-election and election of members of the

Board of Directors, votes on compensation for the members of the Board of Directors and the Executive Committee and an advisory vote on the 2018 Compensation Report. 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 as to the ultimate outcome of the matters described in this release. In particular, our expectations regarding these matters could be affected by, among other things, an unexpected failure to satisfy the required conditions to the proposed spin-off, or unexpected delays in meeting these requirements; the potential that the strategic benefits, synergies or opportunities expected from the proposed spin-off may not be realized or may take longer to realize than expected; a failure to successfully separate the Alcon business from the Novartis Group; potential adverse reactions to the proposed spin-off by customers, suppliers, strategic partners or key Alcon personnel and potential difficulties in maintaining relationships with such persons; the ability of Alcon as a standalone company to obtain or maintain proprietary intellectual property protection; uncertainties regarding future demand for our products or those of Alcon as a standalone company; 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; the impact of the matters discussed in this release on Novartis, including on its management and on its financial results; the potential impact of such matters on the competitiveness of Novartis or competition in general; the public reaction to such matters, and other risks and factors referred to in Novartis AG's current Form 20-F on file with the US Securities and Exchange Commission (SEC) or in the Form 20-F filed by Alcon with the SEC, as amended from time to time. 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 contained in this press release 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 spin-off, 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 files with the SEC at or around the time of the spin-off, including the section "Risk Factors" included in its Form 20-F. The information filed with the SEC is available on the SEC's website at 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 more than 800 million people globally and we are finding innovative ways to expand access to our latest treatments. About 130,000 people of more than 145 nationalities work at Novartis around the world. To learn more, visit www.novartis.com.

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