



Current Agreements

Dealdoc

Acquisition agreement for remaining equity in Alcon

Novartis
Alcon Laboratories
Nestle

Jan 04 2010

Acquisition agreement for remaining equity in Alcon

Companies:	Novartis Alcon Laboratories Nestle
Announcement date:	Jan 04 2010
Deal value, US\$m:	12900.0 : sum of transaction value in cash Asset purchase and equity stake agreement for stake in Alcon
Related contracts:	Shareholder agreement to asset purchase and equity stake agreement for stake in Alcon

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Details

Announcement date:	Jan 04 2010
Industry sectors:	Bigpharma Pharmaceutical
Therapy areas:	Ophthalmics

Financials

Deal value, US\$m:	12900.0 : sum of transaction value in cash
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Termsheet

4 January 2010

Exercised option to purchase the remaining shares in Alcon, Inc. owned by Nestle S.A. at a weighted average price of US\$180 per share in cash.

The exercise is pursuant to an agreement between Nestle and Novartis that was executed on April 7, 2008.

The option exercise is subject to regulatory approvals and covers approximately 156 million shares of Alcon held by Nestle, representing approximately 52 percent of Alcon's outstanding shares.

Upon consummation of the purchase, Novartis would own an approximate 77 percent interest in Alcon.

Novartis also announced that it has submitted to the Alcon board of directors a proposal for a merger of Alcon with and into Novartis to be effected under Swiss merger law.

Under the terms of the merger proposal, holders of the approximately 23 percent of Alcon shares that are publicly-traded would receive 2.8 Novartis shares for each Alcon share.

Based on the Novartis share price and U.S. dollar/Swiss franc exchange rates prior to the announcement, this would value each publicly-traded share of Alcon at approximately US\$153.

The proposed merger would be contingent upon, among other things, approval by the Alcon Board of Directors, the closing of the purchase and sale transaction related to the Novartis option exercise as well as receipt of required regulatory approvals.

30 July 2010

Australia's competition watchdog cleared Novartis planned buyout of Alcon after Novartis agreed to sell one of Alcon's products to eye care company Bausch & Lomb in Australia.

Novartis agreed to sell the injectable miotic products used in eye surgery in Australia.

27 August 2010

Novartis and Nestlé S.A. have completed the purchase and sale of approximately 156 million shares of Alcon for US\$28.3 billion in cash.

15 December 2010

Alcon has merged with Novartis AG, whereby Novartis will pay a total merger consideration valued at \$168 per share for the Alcon shares it does not currently own.

The merger consideration will be comprised of a combination of Novartis shares and, if necessary, a cash contingent value amount to result in a total value of \$168 per share.

Press Release

7 April 2011

Alcon Shareholders Approve Merger with Novartis HUENENBERG, Switzerland--(BUSINESS WIRE)--Alcon, Inc. (NYSE:ACL) announced that its shareholders approved the merger of Alcon into Novartis AG at its Annual General Meeting of Shareholders. Under the terms of the merger, Alcon shareholders will receive 2.9228 Novartis shares or American Depositary Shares plus a cash payment of \$8.20 for each Alcon share. Completion of the merger is subject to approval by the Novartis shareholders, which vote will take place on April 8, 2011. Following completion of the merger, Alcon will terminate its listing on the New York Stock Exchange.

The Alcon shareholders also re-elected Dr. Daniel Vasella, Cary Rayment, Thomas Plaskett, Dr. Enrico Vanni, and Norman Walker to the board of directors for the period between the Annual General Meeting of Shareholders and the completion of the merger. Shareholders also voted to grant a discharge to the current and former members of the board of directors, approved the 2010 business report and approved KPMG as auditor.

Company Description

Alcon, Inc. is the world's leading eye care company, with sales of approximately \$7.2 billion in 2010. Alcon, which has been dedicated to the ophthalmic industry for 65 years, researches, develops, manufactures and markets pharmaceuticals, surgical equipment and devices, contacts lens solutions and other vision care products that treat diseases, disorders and other conditions of the eye. Alcon operates in 75 countries and sells products in 180 markets. For more information on Alcon, Inc., visit the Company's web site at www.alcon.com.

4 January 2010

Novartis Corporation (NVS) (JOBS) Seeks to Buy Rest of Alcon Laboratories, Inc. (ACL) for \$39 Billion

HUENENBERG, Switzerland--(BUSINESS WIRE)--Novartis AG announced today that it had exercised its option to purchase the remaining shares in Alcon, Inc. owned by Nestle S.A. at a weighted average price of US\$180 per share in cash. The exercise is pursuant to an agreement between Nestle and Novartis that was executed on April 7, 2008. The option exercise is subject to regulatory approvals and covers approximately 156 million shares of Alcon held by Nestle, representing approximately 52 percent of Alcon's outstanding shares. Upon consummation of the purchase, Novartis would own an approximate 77 percent interest in Alcon.

Novartis also announced that it has submitted to the Alcon board of directors a proposal for a merger of Alcon with and into Novartis to be effected under Swiss merger law. Under the terms of the merger proposal, holders of the approximately 23 percent of Alcon shares that are publicly-traded would receive 2.8 Novartis shares for each Alcon share. Based on the Novartis share price and U.S. dollar/Swiss franc exchange rates prior to the announcement, this would value each publicly-traded share of Alcon at approximately US\$153. The proposed merger would be contingent upon, among other things, approval by the Alcon Board of Directors, the closing of the purchase and sale transaction related to the Novartis option exercise as well as receipt of required regulatory approvals.

The Independent Director Committee, composed of Alcon's three independent board members, was formed in 2008 in connection with Novartis' initial purchase of approximately 25 percent of the Alcon Shares from Nestle to evaluate transactions such as the proposed merger. The Committee has engaged independent financial and legal counsel in connection with its evaluation of the proposed merger.

About Alcon

Alcon, Inc. is the world's leading eye care company, with sales of approximately \$6.3 billion in 2008. Alcon, which has been dedicated to the ophthalmic industry for 65 years, researches, develops, manufactures and markets pharmaceuticals, surgical equipment and devices, contacts lens solutions and other vision care products that treat diseases, disorders and other conditions of the eye. Alcon operates in 75 countries and sells products in 180 markets. For more information on Alcon, Inc., visit the Company's web site at www.alcon.com.

20 January 2010

Alcon Independent Director Committee Determines Novartis' Merger Proposal to Minority Shareholders of Alcon is Grossly Inadequate

HUENENBERG, Switzerland – January 20, 2010 – The Independent Director Committee (the "Committee") of Alcon, Inc. (NYSE: ACL) today announced that it formally responded to the January 4 proposal from Novartis AG ("Novartis") to attempt to acquire the minority publicly traded shares of Alcon pursuant to a compulsory merger under Swiss law. In its letter to Dr. Daniel Vasella, Chairman and CEO of Novartis and an Alcon Board member, the Committee stated that based on, among other things, advice from its independent financial advisor, it had determined that the price and other terms proposed by Novartis are grossly inadequate and that the financial analysis upon which Novartis' unilateral proposal is based is fundamentally flawed.

The Committee also announced that the coercive tactics deployed by Novartis are offensive and demonstrate a profound disrespect for Alcon's minority shareholders, many of whom are employees who, for more than 60 years, created the value in Alcon. The Novartis proposal would inequitably and unfairly distribute that value to its two largest shareholders, which is neither befitting a company of Novartis' stature nor equitable to the Alcon shareholders, many of whom have been long-term investors since the initial public offering in 2002. The Committee notes that Alcon employees are one of the largest minority shareholders.

The Committee reached this decision after a careful review of the terms and financial aspects of Novartis' proposal and analysis of information provided by Alcon and its senior management team about the company's past and anticipated financial performance, growth prospects and merger synergy opportunities. The Committee worked closely with its independent financial and legal advisors, Greenhill & Co., Sullivan & Cromwell LLP and Pestalozzi, Zurich, in undertaking its analysis.

Novartis proposed acquiring Alcon shares at a price of 2.8 shares of Novartis for each share of Alcon through a compulsory merger transaction. As of January 19, 2010, the proposal is valued at \$151.43 per Alcon share due to the decline in Novartis' stock price, significantly below the \$180 in cash that will be paid by Novartis to acquire its majority position.

Thomas G. Plaskett, Chairman of the Committee, said, "The Committee strongly believes that the underlying historical record and Management's expected future financial performance of Alcon justify a significantly higher price than that reflected in the current proposal by Novartis. Moreover, minority shareholders have rights accorded to them that must be respected." Plaskett added, "We understand and are concerned that the current situation is disconcerting to the highly valuable employee asset base at Alcon, many of whom are shareholders, and we appreciate their continuing hard work and dedication as we work through these issues at the Board level."

The Committee believes that the financial methodology used by Novartis intentionally ignored Alcon's documented market and operational performance, including Alcon's history of trading at a premium valuation compared to its peers. The market has consistently recognized and awarded Alcon a premium for its attractive fundamentals, industry leadership and outperformance of quarterly earnings expectations 26 out of 29 times since its 2002 IPO. The Committee also recognizes that the price offered to public shareholders is substantially lower than that which will be paid to Nestlé for the controlling stake, which is virtually unprecedented in the recent history of similar transactions.

The Committee also reiterates its disappointment with Novartis' public implication that Novartis can essentially force Alcon's minority shareholders to accept the terms of its proposal. In fact, the Committee believes that Swiss law and Alcon's Organizational Regulations specifically protect minority rights by requiring that a committee of independent directors approve a proposed merger with a majority shareholder. The Committee believes those rights were reaffirmed and strengthened by Alcon's full board of directors as recently as December 2008 when, following Novartis' initial purchase from Nestlé of an approximately 25 percent stake in Alcon, the Alcon Board of Directors approved the formation of a standing committee of independent directors whose stated purpose is to protect the minority shareholders. Dr. Vasella, the Novartis representative on the Alcon Board, was a board member at the time and approved the formation of the Committee.

Plaskett continued, "Advocates of sound corporate governance and well-established principles of fairness and equity in both Switzerland and the U.S. are rightly offended by Novartis' coercive attempts to take advantage of the Alcon minority shareholders. The Committee will evaluate and take all appropriate and available steps to ensure that the rights of Alcon's minority shareholders are not trampled on in the manner proposed by Novartis." The Committee also believes that Swiss law and Alcon's organizational documents require directors to recuse themselves from decisions on which they are conflicted, which means that the non-independent Novartis-appointed directors would be required to abstain from any Alcon Board decision as to whether or not to approve Novartis' merger proposal.

Likewise, conflicted directors would also be required to abstain from voting with respect to the replacement of any Committee members and any other action taken with the purpose of circumventing the authority of the truly independent Committee members to accept or reject the merger proposal. The Committee has posted additional information including answers to frequently asked questions, a summary of its financial analysis, and links to the Swiss Code of Obligations, the Swiss Merger Act and the Alcon Organizational Regulations on their Web site: www.transactioninfo.com/alcon.

28 June 2010

Novartis AG Needs Alcon Laboratories, Inc. (ACL) Directors' OK for Buyout Says Advisor

HUENENBERG, Switzerland--(BUSINESS WIRE)--The Alcon Independent Director Committee (the "IDC") announced today that Professor Hans Caspar von der Crone, a leading Swiss legal and corporate governance expert, has concluded that a recommendation by the IDC is an indispensable first step before the board of Alcon, Inc. ("Alcon") can decide on the merger proposal of Novartis AG ("Novartis"). This conclusion refutes Novartis' public implications that it would be able to unilaterally impose the merger irrespective of the IDC's position once Novartis becomes Alcon's majority shareholder.

A full copy of the legal opinion is available on the IDC's website: www.transactioninfo.com/alcon

In his legal opinion, Professor von der Crone confirmed the IDC's rights and obligations under Swiss law and, in doing so, supported many of the legal arguments previously put forth by the IDC. In concluding that "the Alcon board will not be able to validly decide on Novartis' merger proposal without the IDC's prior recommendation of that proposal," Professor von der Crone reasoned in particular that:

A board with a majority of its members appointed by the company's majority shareholder is clearly conflicted with respect to a merger between the company and such majority shareholder.

A merger agreement signed on the basis of the decision of a conflicted board will not be legally effective if the counterparty to the agreement was aware of the conflict of interests at the board level. Thus, a merger agreement between Alcon and Novartis will not be legally effective if it is approved by a conflicted Alcon board only, because Novartis, after having appointed the conflicted directors to the Alcon board, is fully aware of the conflict of interests within the Alcon board.

A decision of a conflicted board will only be valid if the conflict of interests at the board level has been cured by implementing specific measures. * The Alcon board (comprising a Novartis appointee) unanimously established in 2008 the requirement for the IDC's prior recommendation as the means of resolving conflicts of interests in situations such as the proposed merger between Alcon and Novartis. * The IDC's powers cannot be abolished or amended without the consent of the members of the IDC.

The IDC commissioned Professor von der Crone, as an independent third party and expert in Swiss corporate law and corporate governance best practices, to review all relevant corporate documents and issue a legal opinion as to the internal approval process that must be followed by Alcon in connection with Novartis' merger proposal. Hans Caspar von der Crone is a Professor for Private, Commercial and Corporate Law at the University of Zurich (Ordinarius). He graduated from the University of Zurich and from Yale Law School. Professor von der Crone was Chairman of the Swiss Takeover Board from 1999 through October 2005 and before that he was a member of the Commission of Regulation of the Swiss Stock Exchange, the supervisory body that preceded the Swiss Takeover Board. He is also a member of several boards and professional organizations and a successfully practicing attorney in particular in the fields of Corporate and Commercial Law, Capital Market and Securities Law.

Thomas G. Plaskett, Chairman of the IDC, said, "Since the beginning of this process, the IDC has asserted that all roads lead to the independent directors. While we continue to hope that we can reach a negotiated deal, Professor von der Crone's legal opinion makes clear that, regardless of Novartis' ultimate course of action, the IDC's recommendation is a mandatory step prior to the consummation of Novartis' merger proposal. The independent directors have a duty to protect the rights of Alcon and its minority shareholders, and we are committed to taking all available and appropriate actions to do so."

Mr. Plaskett added, "Further, any action that Novartis might take for the purpose of circumventing the minority protections embodied in the current IDC would result in the same conflict of interests as taking the prohibited actions directly."

Information on the work conducted by the IDC (including the IDC's comments on RiskMetrics' analysis) has been published on the IDC's website: www.transactioninfo.com/alcon (see in particular the IDC's press releases dated January 20 and February 17).

The value of Novartis' proposal, which was deemed grossly inadequate by the IDC and its advisors, has steadily deteriorated since it was first announced. As of June 25, 2010, the Novartis proposal of 2.8 Novartis shares for each Alcon share is valued at \$136.78 per Alcon share, highlighting the inferiority of the consideration offered to the minority shareholders relative to the cash that Nestlé S.A. is receiving. The current value of Novartis' merger proposal represents an approximately 25% discount to the \$181.71 in cash (including interest to be paid to Nestlé S.A., computed through the end of August 2010) that Novartis has agreed to pay Nestlé S.A. for their 52% control stake in Alcon. It also represents a 17% and 15% discount to Alcon's closing prices one day and one month before the proposal was announced, respectively. Meanwhile, Alcon's performance remains strong, having exceeded analyst estimates in each of the past two quarters that it has reported since the merger proposal was first announced.

Greenhill & Co., Sullivan & Cromwell LLP and Pestalozzi, Zurich, are continuing to act as financial and legal advisors to the IDC.

About Alcon

Alcon, Inc. is the world's leading eye care company, with sales of approximately \$6.5 billion in 2009. Alcon, which has been dedicated to the ophthalmic industry for 65 years, researches, develops, manufactures and markets pharmaceuticals, surgical equipment and devices, contacts

lens solutions and other vision care products that treat diseases, disorders and other conditions of the eye. Alcon operates in 75 countries and sells products in 180 markets. For more information on Alcon, Inc., visit the Company's website at www.alcon.com.

28 June 2010

Novartis cannot push through Alcon merger, says legal advisor

28 June 2010

Novartis' efforts to close its acquisition of Alcon looks set to drag on after the eyecare specialist brought in a legal expert who says no deal can be pushed through if the committee representing minority shareholders continues to reject the Swiss major's offer.

Novartis is purchasing the 52% stake in Alcon owned by Nestle for \$180 per share in cash, which will give it a 77% holding, but at the beginning of the year announced plans to buy out the 23% stake held by minority shareholders for much less, \$153 per share, a figure that has since gone down. The latter offer caused uproar and Alcon's independent director committee immediately opposed the deal.

The Basel-headquartered firm has shown no signs of upping its offer and believes that legally it will be able to push through the acquisition once it takes majority control from Nestle later this summer. However the IDC commissioned Hans Caspar von der Crone, "a leading Swiss legal and corporate governance expert" who says "the Alcon board will not be able to validly decide on Novartis' merger proposal without the IDC's prior recommendation".

Getting the IDC on-board is "an indispensable first step" to a takeover taking place, Prof von der Crone states. He adds that "a merger agreement signed on the basis of the decision of a conflicted board will not be legally effective if the counterparty to the agreement was aware of the conflict of interests at the board level".

Thomas Plaskett, chairman of the IDC, said that since the beginning of the process, the committee has asserted that "all roads lead to the independent directors". He added that "while we continue to hope that we can reach a negotiated deal, Professor von der Crone's legal opinion makes clear that, regardless of Novartis' ultimate course of action, the IDC's recommendation is a mandatory step prior to the consummation of Novartis' merger proposal".

Mr Plaskett went on to say "any action that Novartis might take for the purpose of circumventing the minority protections embodied in the current IDC would result in the same conflict of interests as taking the prohibited actions directly". The committee also claimed that the value of Novartis' proposal, which was deemed "grossly inadequate" by the IDC and its advisors, "has steadily deteriorated" and as of June 25, was worth \$136.78 per Alcon share.

Analysts believe Novartis will need to either increase its bid to the minority shareholders or decide not to pursue a full merger. The company has yet to make any comment on the legal arguments put forward by the IDC.

Australian Watchdog Clears Novartis AG Bid For Alcon, Inc. (ACL)

30 July 2010

July 29 (Reuters) - Australia's competition watchdog cleared Novartis AG's (NOVN.VX) planned buyout of Alcon Laboratories (ACL.N), after Novartis agreed to sell one of Alcon's products to eye care company Bausch & Lomb in Australia.

The Swiss drugmaker is seeking to buy out minority shareholders in Alcon after earlier this year agreeing to buy Nestle's (NESN.VX) majority stake to bring its holding to 77 percent.

Novartis agreed to sell the injectable miotic products used in eye surgery in Australia, as the Australian Competition and Consumer Commission had raised concern that a takeover of Alcon would remove the only competitor to Novartis for those products in the country.

"With these undertakings in place, the ACCC considers the proposed acquisition is unlikely to result in a substantial lessening of competition," the commission said on Thursday, adding it would not oppose the takeover of Alcon.

EU regulatory authorities are expected to decide on the deal by Aug. 9. (Reporting by Sonali Paul; Editing by Koh Gui Qing)

China Orders Major Divestitures Before Novartis-Alcon Merger

18 August 2010

Before approving the merger between Swiss biopharma Novartis (NYSE: NVS) and eye-products company Alcon (NYSE: ALC), China's Ministry of Commerce has ordered two major divestitures, which the Ministry maintains are necessary to preserve competition in China's eyecare sector. The MoC said Novartis-Alcon together enjoy a 55% stake in the affected markets worldwide and a 60% share in China.

The MoC told Novartis it must suspend its partnership with contact lens manufacturer Ginko International within 12 months. In 2008, the Novartis subsidiary CibaVision became a strategic investor in Ginko. Ginko is a Taiwanese company and listed on the Taiwan stock exchange, though it sells its products mainly in the PRC and has a manufacturing facility in Danyang, a center for eyeglass production in mainland China. Ginko is the largest seller of contact lenses in the PRC.

After the investment, Ginko became the exclusive distributor of CibaVision's products in China and also assumed the duty of manufacturing CibaVision's products for the China market. One of Ginko's two divisions, Hydron Contact Lens Co., was tasked with responsibility for producing the products.

Also, under conditions of the approval, Novartis must stop selling its anti-infection eyecare products in China for a period of five years. Although Novartis does not have much of a position in the sector, Alcon is dominant. The MoC commented that Novartis can claim only 1% of the market.

The MoC is ordering the conditions under a two-year-old law aimed at encouraging competition. Critics charge that, so far, the divestiture provisions have been employed only when foreign companies ask for merger approval, but they are never a problem for intra-PRC transactions.

In the US, Novartis and Alcon are being required to divest products given to cataract surgery patients to prevent infection. The two companies are the only ones producing a class of drugs known as injectable miotics.

Novartis is seeking approval to buy the remaining 23% of Alcon it does not already own. Earlier this year, it bought Nestle's (NSRGY.PK) 52% stake, which took its holdings in Alcon up to 77%. Novartis is now offering stock to Alcon's minority shareholders that is currently worth about \$141 per Alcon share, even though it paid Nestle \$168 per Alcon share and the current price of an Alcon share is \$156.

27 August 2010

Novartis AG and Nestle SA Close \$28.3 Billion Alcon, Inc. (ACL) Deal

HUENENBERG, Switzerland--(BUSINESS WIRE)--Novartis AG (NYSE: NVS - News) and Nestlé S.A. announced today that they have completed the purchase and sale of approximately 156 million shares of Alcon, Inc. (NYSE: ACL - News) for US\$28.3 billion in cash.

The transaction was consummated pursuant to an agreement between Nestlé and Novartis that was executed on April 6, 2008. With the completion of this transaction, Novartis is now Alcon's majority shareholder and controls approximately 77 percent of Alcon's outstanding shares. Effective immediately, the five Nestlé-designated members of the Alcon board of directors have tendered their resignations and the August 16, 2010 election of the five Novartis-designated directors is deemed effective.

"I would like to thank Nestlé for their outstanding contributions and support of Alcon for more than 30 years, which has been an important part of making Alcon the global leader in ophthalmology," said Kevin Buehler, Alcon's president and chief executive officer. "We now welcome Novartis as our new majority owner and look forward to working with them to further enhance Alcon's business model, provide opportunities for future growth and deliver benefits to customers and patients around the world."

The transaction announced by Nestlé and Novartis does not affect the remaining 23 percent of Alcon's shares that trade publicly on the New York Stock Exchange. On January 4, 2010, Novartis proposed a merger of the two companies under Swiss merger law at a fixed exchange rate of 2.8 Novartis shares for each Alcon share which has a current value of approximately US\$142. The Independent Director Committee (IDC) of Alcon's board of directors reviewed this proposal and rejected it on January 20, 2010 based on inadequate value.

"While Novartis is now our majority owner, Alcon remains an independent, publicly-listed company, and it is important to maintain good corporate governance around related-party transactions," added Buehler. "Alcon will continue to abide by the Organizational Regulations, which require the IDC to review and approve all related-party transactions, including the Novartis proposed merger."

About Alcon

Alcon, Inc. is the world's leading eye care company, with sales of approximately \$6.5 billion in 2009. Alcon, which has been dedicated to the ophthalmic industry for 65 years, researches, develops, manufactures and markets pharmaceuticals, surgical equipment and devices, contacts lens solutions and other vision care products that treat diseases, disorders and other conditions of the eye. Alcon operates in 75 countries and sells products in 180 markets. For more information on Alcon, Inc., visit the Company's web site at www.alcon.com.

15 December 2010

Novartis AG Seals Alcon, Inc. (ACL) Deal for \$12.9 Billion 12/15/2010

HUENENBERG, Switzerland--(BUSINESS WIRE)-- Alcon, Inc. (NYSE:ACL - News) announced today that its board of directors approved a merger agreement with Novartis AG, whereby Novartis will pay a total merger consideration valued at \$168 per share for the Alcon shares it does not currently own. Under the terms of the deal, the merger consideration will be comprised of a combination of Novartis shares and, if necessary, a cash contingent value amount to result in a total value of \$168 per share. The exact exchange ratio and cash contingent value amount will be calculated based upon formulas set forth in the merger agreement.

In accordance with Alcon's Organizational Regulations and after receiving a fairness opinion from its independent financial adviser, Greenhill & Co., the Independent Director Committee (IDC) recommended approval of the merger agreement to the Alcon board. The board also received a separate fairness opinion rendered by Lazard in connection with the transaction. After considering these items and other appropriate information and factors, the Alcon board approved the merger proposal.

"This merger will create a stronger eye care business with broader commercial reach and enhanced capabilities to develop more new and innovative eye care products that address unmet clinical needs in eye care," said Kevin Buehler, Alcon's president and chief executive officer. "The combination of Alcon's deep understanding of the eye care specialty and the broad expertise and scale of Novartis will allow us to address virtually all key areas of eye care with quality products and will position the Alcon business for faster growth."

"I congratulate the entire Alcon board, including the IDC, and Novartis for achieving a favorable resolution on the merger in a manner consistent with our Organizational Regulations. This now allows us to begin planning for the integration and creation of a dynamic eye care division within Novartis after final shareholder approval," added Buehler. "I also thank our employees for their patience and for maintaining their focus on Alcon's business activities during this process."

Upon completion of the merger, Alcon will become the second largest division within Novartis. CIBA VISION and select Novartis ophthalmic medicines will be integrated into Alcon, forming an organization with more than \$8.7 billion in sales covering over 70 percent of the eye care segment. The merger of the two organizations is expected to yield a number of benefits to the company and its customers, including:

- Increased commercial capability to accelerate sales growth and support for our customers
- Expanded ability to develop innovative eye care products that reach the market faster
- Greater patient and market access to advanced technologies
- Enhanced product development and branding opportunities in contact lenses and solutions
- Cost efficiencies that can be reinvested in research and other growth opportunities The merger will allow Alcon to benefit from Novartis's global commercial capabilities across multiple healthcare product categories. This includes best-in-class reimbursement and market access capabilities that can be leveraged to accelerate Alcon's growth around the world, such as enhanced market access for advanced technology IOL's in Europe. The combined company also will be even better positioned to capture growth and market share in all geographic markets, especially in emerging markets where there is high growth potential.

"Alcon is a great strategic fit for Novartis, as a science-based leader in a high growth segment of healthcare. The growth synergies are significant, as Alcon will be the development engine for our best in class research organization in eye care and will leverage the Novartis market access capabilities outside the United States," said Joseph Jimenez, chief executive officer of Novartis. "I am very pleased that we were able to come to this agreement and will be able to provide Alcon employees the full benefits of being part of the Novartis Group."

The new eye care division will combine Alcon's in-depth scientific knowledge of eye disease and clinical experience with the broad-based research capabilities and resources of Novartis. This will allow for an expanded commitment to research and development activities in eye care with the goal of increasing new product discovery and development productivity to generate differentiated products to sustain and accelerate growth. This will mean more new products for eye care professionals and their patients and increased opportunities for market penetration in key market segments.

After the merger, the company will be able to capitalize on commercial opportunities to develop and brand contact lenses collaboratively with contact lens solutions in order to capture new patients and increase the number of patients that use contact lenses to correct their vision.

Thomas Plaskett, chairman of the IDC, said, "This agreement is the culmination of a lengthy and robust series of negotiations with Novartis that resulted in a fair value for all stakeholders. We strongly believe this agreement is in the best interest of Alcon and its shareholders and we are delighted to recommend this negotiated transaction to the Alcon Board of Directors."

The merger will be effected under Swiss merger law. Completion is conditional, among other things, on two-thirds approval by the shareholders of both Novartis and Alcon voting at their respective meetings, and the registration and listing of Novartis shares on the SIX Swiss Exchange and American Depositary Shares on the New York Stock Exchange to be issued as merger consideration. The date of the Alcon shareholders' meeting to approve the merger will be announced in the future and corresponding materials will be provided as they become available. The merger is expected to be completed during the first half of 2011.

Cravath, Swaine & Moore LLP and Homburger AG were legal advisers for Alcon, while Sullivan & Cromwell LLP and Pestalozzi, Zurich represented the IDC.

About Alcon

Alcon, Inc. is the world's leading eye care company, with sales of approximately \$6.5 billion in 2009. Alcon, which has been dedicated to the ophthalmic industry for 65 years, researches, develops, manufactures and markets pharmaceuticals, surgical equipment and devices, contacts lens solutions and other vision care products that treat diseases, disorders and other conditions of the eye. Alcon operates in 75 countries and sells products in 180 markets. For more information on Alcon, Inc., visit the Company's web site at www.alcon.com.

Filing Data

Not available.

Contract

Not available.