

Alcon expands leadership position in treating glaucoma through acquisition of Transcend Medical, Inc.

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- *Acquisition to add minimally-invasive glaucoma surgery (MIGS) device to pipeline, expanding Alcon's surgical presence in a new category to treat glaucoma*
- *The goal of MIGS is to reduce or eliminate the need for glaucoma medications*
- *More than 60 million people worldwide are affected by glaucoma which may lead to progressive vision loss[1,2]*

Basel, Switzerland, February 18, 2016 - Alcon, the global leader in eye care and a division of Novartis, announced today that it has entered into an agreement to acquire Transcend Medical, Inc., a privately-held, US-based company focused on developing minimally-invasive surgical devices to treat glaucoma.

Transcend Medical, Inc. has recently developed a micro-stent to treat mild to moderate glaucoma. The MIGS device is implanted just below the surface of the eye. It is designed to treat less severe glaucoma by enhancing part of the natural drainage pathways of the eye with minimal tissue disruption. This allows the excess fluid in the eye to drain with the goal of reducing intraocular pressure (IOP) levels.

"We expect the MIGS technology to be a great addition to our device pipeline and to establish Alcon's presence in this new surgical category to treat glaucoma," said Mike Ball, CEO of Alcon. "If approved, it will provide a less invasive means of lowering IOP than traditional invasive glaucoma surgery, with the goal of lowering the dependency of topical ocular medication. This acquisition also expands Alcon's leadership in glaucoma and cataract treatment as part of our Surgical business."

More than 60 million people globally are affected by glaucoma. Elevated IOP, generally associated with glaucoma, may lead to progressive damage of the optic nerve and vision loss. A patient's IOP can be managed with eye drops, oral medications, laser surgery, traditional invasive surgery or a combination of these methods.

A study with over 500 patients with mild-to-moderate glaucoma undergoing cataract surgery randomized to either receive the MIGS Micro-Stent after cataract surgery or undergo no further intervention met its primary and secondary endpoints in 2015 resulting in a 20% or greater reduction in IOP. Transcend Medical, Inc. currently has CE Mark approval for the micro-stent in Europe and is awaiting US Food and Drug Administration approval of the device. Financial terms of the acquisition were not disclosed.

About Glaucoma

More than 60 million people globally are affected by glaucoma that can lead to progressive damage of the optic nerve. Early diagnosis of glaucoma is critical to managing the disease, as it is often asymptomatic and therefore can go undetected until it is at an advanced stage. As the disease advances, patients may experience loss of peripheral (side) vision, tunnel vision or eye spots. Glaucoma can eventually result in gradual, irreversible loss of vision and blindness. The exact cause of glaucoma is unknown. However, elevated pressure in the eye (intraocular pressure, or IOP) is generally present with glaucoma and is the only known modifiable risk factor. As a chronic disease, patients can be treated with eye drops, oral medications, laser surgery, traditional surgery or a combination of these methods.

Disclaimer

The foregoing release contains forward-looking statements that can be identified by words such as "to add," "pipeline," "goal," "may," "designed," "expect," "will," or similar terms, or by express or implied discussions regarding potential completion of the announced acquisition of Transcend Medical, Inc., or regarding potential future marketing approvals for the micro-stent or the other pipeline projects discussed in this release, or regarding potential future revenues from the micro-stent, such other pipeline projects, or the acquisition of Transcend Medical, Inc. You should not place undue reliance on these statements. Such forward-looking statements are based on the current beliefs and expectations of management 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 acquisition will be completed in the expected form or within the expected time frame or at all. Nor can there be any guarantee that Novartis will be able to realize any of the potential strategic benefits, synergies or opportunities as a result of the acquisition. Neither can there be any guarantee that the micro-stent or the other pipeline projects discussed in this release will be submitted or approved for sale in any additional markets, or at any particular time. Nor can there be any guarantee that the acquisition of Transcend Medical, Inc., will achieve any or all of its intended goals and objectives, or be commercially successful. Nor can there be any guarantee that the micro-stent or the portfolio of pipeline projects and marketed products discussed in this release will be commercially successful in the future. In particular, management's expectations regarding the micro-stent, the other pipeline projects and marketed products discussed in this release, and the acquisition of Transcend Medical, Inc., could be affected by, among other things, unexpected regulatory actions or delays or government regulation generally, including an unexpected failure to obtain necessary government approvals for the transactions, or unexpected delays in obtaining such approvals; the potential that any other closing conditions for any of the transactions might not be met; the potential that the strategic benefits, synergies or opportunities expected from the transactions may not be realized or may take longer to realize than expected; the uncertainties inherent in research and development, including unexpected clinical trial results and additional analysis of existing clinical data; the company's ability to obtain or maintain proprietary intellectual property protection; general economic and industry conditions; global trends toward health care cost containment, including ongoing pricing pressures; unexpected safety issues; unexpected manufacturing or quality issues, 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 contained in this press release as a result of new information, future events or otherwise.

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, eye care and cost-saving generic pharmaceuticals. Novartis is the only global company with leading positions in these areas. In 2015, the Group achieved net sales of USD 49.4 billion, while R&D throughout the Group amounted to approximately USD 8.9 billion (USD 8.7 billion excluding impairment and amortization charges). Novartis Group companies employ approximately 119,000 full-time-equivalent associates. Novartis products are available in more than 180 countries around the world. For more information, please visit <http://www.novartis.com>.

Novartis is on Twitter. Sign up to follow @Novartis at <http://twitter.com/novartis> ([link is external](#)).

References

[1] Lighthouse International. *Prevalence of Vision Impairment*.

<http://www.lighthouse.org/research/statistics-on-vision-impairment/prevalence-of-vision-impairment/> ([link is external](#)).

[2] Quigley and Broman. *The Number of People with Glaucoma Worldwide in 2010 and 2020*. Br J Ophthalmol 2006;90:262-7.

Novartis Media Relations

Central media line : +41 61 324 2200

Eric Althoff

Novartis Global Media Relations

+41 61 324 7999 (direct)

+41 79 593 4202 (mobile)

eric.althoff@novartis.com

Elizabeth R. Harness

Novartis Alcon Communications

+ 1 817 551 8696 (direct)

+ 1 585 435 7379 (mobile)

elizabeth.harness@alcon.com

e-mail: media.relations@novartis.com