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New Alliance Strengthens Alcon's Focus on Developing Accommodating Intraocular Lenses

- *Strategic alliance with US-based PowerVision, Inc. to develop fluid-based accommodating intraocular lenses (AIOL) for cataract patients*
- *Fluid-based AIOL technology relies on the eye's natural accommodating muscles to provide near and distance vision*
- *Potential to deliver on the unmet needs of cataract patients with presbyopia, providing them with a continuous range of near to far vision*

Fort Worth, Texas, April 18, 2016 – Alcon, the global leader in eye care and a division of Novartis, announced today that it has entered into a strategic alliance with PowerVision, Inc., a privately-held, US-based medical device company focused on developing fluid-based lens implants.

PowerVision, Inc. has developed an accommodating IOL (AIOL) which has demonstrated in pilot studies the ability to change focus via a fluid-driven shape-changing technology. The AIOL is intended for cataract patients who also have presbyopia. The technology utilizes the eye's natural accommodating muscles to transport fluid in the intraocular lens which is implanted in the eye's capsular bag.

"We are committed to finding and developing the best, most innovative treatment option for cataract patients who live with presbyopia," said Michael Onuscheck, Global Surgical Franchise Head, Alcon. "The fluid-based technology that PowerVision, Inc. is working on represents a potential game-changer in the category with the promise to offer patients a natural, continuous range of near to far vision."

"We are excited about our new alliance with Alcon, and look forward to working together to bring this exciting technology to market," said Barry Cheskin, President and CEO and Co-Founder of PowerVision.

Currently, most intraocular lenses which are used to treat presbyopia, an eye condition that occurs as part of natural aging, are multifocal IOLs which work by distributing light between different focal points allowing patients to see at multiple distances. Accommodating IOLs utilize the natural contraction of the eye's muscle to actively focus on close objects, providing patients with a continuous range of vision.

Alcon's investment in PowerVision, Inc., will fund further development and clinical trials, and provide Alcon the option to acquire the company.

About Cataracts

A cataract is a clouding of the natural lens of the eye that affects vision. As a cataract develops, the eye's lens gradually becomes hard and cloudy which scatters light rays and allows less light to pass through, which makes it more difficult to see. The vast majority of cataracts happen as a result of normal aging but radiation exposure, taking

steroids, diabetes, and eye trauma can accelerate the development of cataracts. Additionally, cataracts can be hereditary and congenital and can present shortly after birth.¹ Cataracts are the most common age-related eye condition and the leading cause of preventable blindness in adults 55 and older in the US.² Twenty million people age 40 and older have cataracts in the US alone.³ Cataracts are treated by surgically removing the eye's cloudy natural lens and replacing it with an intraocular lens (IOL). More than 98 percent of cataract surgeries are considered successful and patients can usually return to their normal routines within 24 hours.⁴

About Presbyopia

Presbyopia is an eye condition that occurs as part of natural aging. It involves the gradual loss of the eye's ability to actively focus on close objects, such as smart phones, computers, books and menus.⁵ The first signs of presbyopia are eyestrain, difficulty seeing up close in dim light and problems focusing on small objects and/or fine print. Once a person is in their 40s, it is likely they will experience presbyopia and will require vision correction such as reading glasses or multifocal contact lenses.⁶

Disclaimer

The foregoing release contains forward-looking statements that can be identified by words such as “focus,” “to develop,” “potential,” “focused,” “intended,” “committed,” “potential,” “game-changer,” “promise,” “excited,” “look forward,” “will,” or similar terms, or by express or implied discussions regarding potential future marketing approvals for fluid-based accommodating intraocular lenses for cataract patients, the potential exercise of the option to acquire PowerVision, Inc., or regarding potential future revenues from the fluid-based accommodating intraocular lenses discussed in this release, or the potential acquisition of PowerVision, 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 Alcon will exercise its option to acquire PowerVision, Inc., in any particular time frame, or at all. Neither can there be any guarantee that Novartis will be able to realize any potential strategic benefits, synergies or opportunities if it elects to exercise its option to acquire PowerVision, Inc. Nor can there be any guarantee that the fluid-based accommodating intraocular lenses discussed in this release will be submitted or approved for sale in any market, or at any particular time. Neither can there be any guarantee that the potential acquisition of PowerVision, Inc., will achieve any or all of its intended goals and objectives, or be commercially successful. Nor can there be any guarantee that the fluid-based accommodating intraocular lenses discussed in this release will be commercially successful in the future. In particular, management's expectations regarding the fluid-based accommodating intraocular lenses discussed in this release, and the option to acquire PowerVision, 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 potential acquisition, or unexpected delays in obtaining such approvals; the potential that any other closing conditions for the potential acquisition might not be met; the potential that the strategic benefits, synergies or opportunities expected from the potential option exercise and acquisition 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 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.

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