

Mahajan, Vinay

From: Communications, Pharma (Gen) on behalf of Epstein, David
Sent: Tuesday, May 17, 2016 10:00 PM
Subject: Thank You



May 17, 2016

Dear colleagues,

I write to you today with mixed emotions: joy, sadness and excitement for the future. Looking back, I am proud of what we have accomplished together, yet I recognize that the future also holds the promise of renewal and new opportunity. I would like to share a bit of the excitement I have for what lies ahead for Novartis and for me personally.

Just over six years ago I moved to Basel with some exciting new ideas for Novartis Pharmaceuticals, having previously spent nine years building, from the ground up, the world's second largest Oncology business with a truly exceptional team (Rainer Boehm, Guido Guidi, Meryl Zausner, Alessandro Riva, Deborah Dunsire, Sean Reilly, Tom Kendris, Vicki Rawlinson, Herve Hoppenot, Michele Galen, Philippe Barrois and many others). Our team understood the power of having science and business teams working together around the world fully focused on saving and extending lives. We understood the potential of the center being connected to our countries. We understood the excitement to be generated from having a mission for the organization that was greater than any of us could possibly deliver upon as individuals. We understood the power of legacy to shape our actions today and to provide the route for us to proudly tell our grandchildren about the impact our careers had on real people. In the Oncology business we built a new way of

working in a truly worldwide manner that valued our employees and put our patients first. As a result we made medicines that mattered and we got them to patients worldwide with astonishing urgency. Along the way we made our company tens of billions of dollars that could be reinvested in still more Research and Development, our workplace, people development, acquisitions and more. In short, we showed that business growth, profitability and serving patients' needs are not only connected but must co-exist.

Once in Basel leading our Pharma Division, those same basic themes were put to work; values would shape our culture along with clear strategy and priorities, heavy investments in high performing and inclusive team capabilities, industry leading investment in R&D and a closer connection to the needs of customers and patients. And it worked.

Thanks to all of you we have:

- Launched more new medicines and indications than any other company in our industry - Gilenya and Cosentyx are among the best two launches in our industry
- Strengthened our culture with much clearer values and behaviors
- Built an emerging market position from number 6 to number 2
- Built higher performing teams at all levels
- Coached and developed leading industry talent
- Been either first or among the first to launch transparency guidelines, IIT guidelines and The Patient Declaration
- Been recognized as a Best Place to Work in countless surveys

Pharma companies must always look to the future. In our case the great work our teams are doing will result in pivotal data for new potential breakthroughs including LEE011, Serelaxin, CTL019 and several others over the next year. These products have the potential to save still more lives.

We are now a stronger company than any time in our history, launching perhaps the two most important medicines ever in Entresto and Cosentyx, only potentially rivaled by Diovan and Glivec. I do hope they become our two largest sellers. Cosentyx is already well on track to do so, and I continue to have high expectations for Entresto.

I want to thank you for the tremendous support each of you has given the PEC and I. Robert, Catherine, Vas, Juan, Laura, Rainer, Guido, Carlos, Fabrice, Dirk, Dong, Andres, Sean, Bruno, Nigel, Ronan, Christi and Oz set a bold agenda and you delivered

consistently with more launches than ever before and substantial improvement in culture and financial metrics. Your willingness to experiment, to change and to boldly take on new challenges is impressive. We created significant value-generating efficiencies in manufacturing and injected continuous manufacturing principles. We built Digital Medicine and Real World Evidence, launched Social Media, focused on and invigorated Emerging Markets; just a few examples of important new capabilities that we did not have even just two to three years ago. These new capabilities will serve Novartis and your patients well for the future as competition increases, we face more price pressure and more industry consolidation, but also benefit from advances in biology and chemistry in ways that we cannot even imagine today. I am excited about what lies ahead for Novartis, this company that I have called home for so long.

After much reflection, I have decided that the time is right to explore new challenges, from the US, aligned with my continuing desire to turn innovative medical science into life improving and lifesaving medicines. We have all chosen a profession to be proud of, one that sends ripples through the world making it a better place, and we work in an industry that gives hope and sustains life. I want to thank my bosses: Thomas Ebeling, Daniel Vasella, Joe Jimenez and the Novartis Board of Directors for taking a risk on me early in my career and for the continuous support afforded me along the way as we built a world leading Pharmaceutical business.

Bruno and Paul will now have the opportunity to take our Innovative Medicines Division to a still higher level. I wish them much success and your strong support.

There is more to do as patients are waiting. I leave you with one thought - next time you are sitting in a meeting - ask yourself and then your team - what would patients say if they were watching? I wish you much success at Novartis. I do hope we can stay in touch.

David

