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From: Communications, Novartis <novartis.communications@novartis.com>
Sent: Thursday, February 28, 2019 5:26 PM
To: Mahajan, Vinay
Subject: Letter to associates from Joerg Reinhardt, Chairman of Novartis



Letter from Joerg Reinhardt

February 28, 2019

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Dear Colleagues

2018 was a strong year for Novartis. We continued to refine our business portfolio, strengthened our pipeline and gained momentum with several important product launches. All these steps helped us make further progress in our efforts to transform Novartis into a focused medicines company.

On the back of the strong performance of both new and existing therapies, we were able to improve sales and net profit last year, allowing the Board of Directors to propose another dividend increase to our shareholders at our Annual General Meeting, which has taken place today in Basel.

You can be proud of this achievement. It is the result of years of hard work and an unwavering focus on innovation, which put us in a position to bring a string of transformative therapies to the market and, more importantly, improve the lives of more than 800 million patients with our products last year.

As we plan to spin off Alcon after our shareholders approved the move today and streamline the operations of Sandoz, our concentration on science-based innovation remains unfaltering. Demand for breakthrough therapies continues to be high. Investing in cutting-edge, data-driven technologies that change the way we operate and pursuing new therapeutic avenues that have the potential to change the practice of medicine will remain at the heart of our strategy.

We have a strong traditional pharmaceutical business with many promising late-stage drug candidates in our pipeline. And our move into advanced therapy platforms in areas such as gene technology and nuclear medicine is positioning us well in emerging therapeutic domains, which are expected to become increasingly important in the future.

I am convinced that Novartis is on the right track. Led by our CEO Vas Narasimhan, we have a strong leadership team that is ready to tackle the challenges in today's difficult market environment, has the courage to take controlled risks and enter into uncharted territory, so that Novartis can continue to strengthen its position as a global healthcare leader.

None of the changes on which we are embarking will be easy. Some of the transformations, such as our restructuring in Switzerland and other countries, are painful. We will do everything in our power to make these transitions as smooth as possible for affected associates, many of whom have worked for many years with us and whom I would like to thank for their important contributions.

Likewise, breakthroughs will not be just around the corner. All of you are aware that true innovation requires hard and diligent work. But as we intensify collaboration across functions, cultivate a mindset of "One Novartis" and stay focused on driving innovation

across the entire company, I am convinced that we can continue on our successful path.

On behalf of the Board of Directors, I would like once again to thank all of you for your great work in the past year. For 2019, I am confident too that we will reach the high goals we have set ourselves.

Yours sincerely,

Joerg Reinhardt

