



Novartis India Limited
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CIN No. L24200MH1947PLC006104
Website: www.novartis.in

ANNOUNCEMENT

Board of Directors of Novartis India Limited (the "Company") approves transfer of Animal Health Division

As part of its global portfolio transformation, Novartis AG, Basel, Switzerland ("Novartis AG") agreed on 22 April 2014 to divest its global Animal Health business to Eli Lilly and Company, USA ("Lilly"). Closing of this global transaction is subject to receipt of all applicable anti-trust and regulatory approvals, as well as the satisfaction or waiver (as applicable) of various other conditions.

In connection with this global transaction, the Board of Directors of the Company (the "Board") considered on 7 November 2014 the disposal by the Company of its Animal Health Division (the "Animal Health Division") to Elanco India Private Limited (or another affiliate of Lilly) (the "Animal Health Transaction").

Factors considered by the Board in its consideration of the Animal Health Transaction included, but were not limited to, the prospects for the Company's Animal Health business in India following the divestment of Novartis AG's global Animal Health business, including all of Novartis AG's major Animal Health patents, trade-marks and R&D assets; the valuation for the transfer of the Animal Health Division, which has been affirmed in a report provided by an independent valuer and the fairness of which has been confirmed in separate opinions from two leading merchant bankers; and the enhanced ability of the Board, the Company's management and all retained employees to focus on and drive forward the growth of the Company's retained businesses.

Based on these factors, as well as various other matters considered by the Board, and taking into account the independent valuation report and the two separate fairness opinions referred to above, and the recommendation of the Audit Committee of the Board, the Board approved on 7 November 2014 the transfer of the Animal Health Division as a going concern by way of a 'slump sale' to Elanco India Private Limited (or another affiliate of Lilly) for a consideration of Rs 866.8 million, on or before 22 July 2015, subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities, as well as closing of the global Animal Health transaction between Novartis and Lilly.



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The amount and percentage of the revenue and net worth contributed by the Animal Health business during the last financial year, i.e. 2013-2014, is as follows:

Particulars	Animal Health (AH) Business in Rs million
Amount of the Revenue contributed by the AH business during the last financial year	1037.1
Company Total Revenue	9573.5
% of Revenue contributed by the AH business during the last financial year	10.8%
Amount of net worth contributed by the AH business during the last financial year	58.8
Company Net worth	9613.5
% of net worth contributed by the AH business during the last financial year	0.6%

Note: The transfer of Animal Health Division is not classified as a related party transaction under the SEBI Listing Agreement.