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MEDIA RELEASE • MEDIA RELEASE • MEDIA RELEASE

Novartis India approves transfer of its OTC Division to the consumer healthcare joint venture between Novartis AG and GSK.

As part of its global portfolio transformation, Novartis AG, Basel, Switzerland ("Novartis AG") agreed with GlaxoSmithKline plc, UK ("GSK") on 22 April 2014 to create a global consumer healthcare joint venture (the "Joint Venture"). 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 the Joint Venture, the Board of Directors of the Company (the "Board") considered on 13 January 2015 the transfer by the Company of its OTC Division (the "OTC Division") to GlaxoSmithKline Consumer Private Limited, a private unlisted company incorporated under the Companies Act, 2013 ("GSK CPL") (or another affiliate of GSK) (the "OTC Transaction").

Factors considered by the Board in its consideration of the OTC Transaction included, but were not limited to, the prospects for the Company's OTC business in India following the divestment of Novartis AG's global OTC business, including all of Novartis AG's major OTC patents, trade-marks and R&D assets; the valuation for the transfer of the OTC 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 13 January 2015 the transfer of the OTC Division as a going concern by way of a 'slump sale' to GSK CPL (or another affiliate of GSK) for a consideration of INR 1097.3 million, on or before 22 October 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 Joint Venture transaction between Novartis AG and GSK.

Disclaimer

This media release contains forward-looking statements that can be identified by words such as "going forward," "projected," "expected," "would," "will," "can," "looking ahead," "future," "strategy," "planned," "committed," "subject to," "anticipated," "potential," "potentially," "strategic," or similar terms, or by express or implied discussions regarding the potential completion of the transactions referred to above or regarding potential future sales or earnings of the business involved in those transactions, or of the Novartis India Limited and/or Novartis AG group of companies, and regarding any potential strategic benefits or opportunities as a result of the transactions referred to above. 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 transactions referred to above will be completed in the expected form or within the expected time frame or at all. Nor can there be any guarantee that Novartis India Limited or Novartis AG will be able to realize any of the potential strategic benefits or opportunities as a result of the transactions referred to above. Nor can there be any guarantee that Novartis AG, Novartis India Limited or any of their respective businesses involved in the transactions referred to above will achieve any particular future financial results in the future. In particular, management's expectations could be affected by, among other things, unexpected regulatory actions or delays or government regulation generally, including an unexpected failure to obtain necessary government or regulatory approvals for the transactions, or unexpected delays in obtaining such approvals; the potential that the strategic benefits or opportunities expected from the transactions may not be realized or may take longer to realize than expected; the uncertainties inherent in predicting shareholder returns or credit ratings; the uncertainties inherent in research and development, including unexpected clinical trial results and additional analysis of existing clinical data; Novartis AG's and Novartis India Limited's, as relevant, ability to obtain or maintain proprietary intellectual property protection; global trends toward health care cost containment, including ongoing pricing pressures; general economic and industry conditions. Novartis India Limited 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.

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