



Novartis India Limited
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The Secretary
The Stock Exchange, Mumbai
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai 400 001

July 10, 2015

Slump sale of Novartis India Limited's Animal Health Division – Transaction Update

Dear Sirs,

Further to its previous announcements on 7 November 2014 and 27 May 2015, respectively, and in light of recent developments, Novartis India Limited (the "Company") wishes to provide an update on the status of the contemplated transfer of the Company's Animal Health Division as a going concern by way of a 'slump sale' to Elanco India Private Limited ("Elanco India"), or another affiliate of Eli Lilly and Company ("Lilly"), subject to the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities (the "Animal Health Transaction"), as well as closing of the divestment by Novartis AG, Basel, Switzerland ("Novartis AG") of its global Animal Health business to Lilly (the "Global Animal Health Transaction").

As explained in the announcement dated 27 May 2015, the Global Animal Health Transaction closed globally (but not with respect to India) on 1 January 2015. As mentioned in the same announcement, closing of the Animal Health Transaction in India is conditional upon the receipt by Elanco India of the written approval of the Foreign Investment Promotion Board, Government of India (the "FIPB"). By way of update to the announcement dated 27 May 2015, the Non-Compete Amendment Letter (as defined in the 27 May 2015 announcement) was submitted by Elanco India to the FIPB, together with a representation against the FIPB's non-approval of Elanco India's application for the Animal Health Transaction. As yet, the Company understands from Elanco India that the FIPB has not re-considered its application for the Animal Health Transaction, although the Company is continuing to co-operate with Elanco India, to the extent necessary, and will provide further updates if and when required.

As announced on 7 November 2014 and 27 May 2015, closing of the Animal Health Transaction is also conditional upon, amongst other matters (including the approval of the FIPB), the receipt of all applicable legal and regulatory approvals, consents, permissions and sanctions as may be necessary from concerned authorities. The Company has been informed by Elanco India that it believes it advisable to submit a formal application to the Competition Commission of India (the "CCI"), for its review of the Animal Health Transaction (the "Elanco India CCI Application"). The Elanco India CCI Application was submitted by Elanco India to the CCI, together with other necessary documentation required to be submitted in connection therewith, on 9 July 2015. In connection with the submission by Elanco India to the CCI of the Elanco India CCI Application, at Elanco India's request, the Company and Elanco India have executed a letter (the "Amendment Letter") which records the parties' agreement that:

- completion of the Animal Health Transaction is subject to Elanco India obtaining written approval from the Competition Commission of India to consummate completion of the Animal Health Transaction, or written confirmation from the Competition Commission of India that it does not have jurisdiction to review the Animal Health Transaction; and
- the date by which closing of the Animal Health Transaction must occur shall be extended from 22 July 2015 (as announced previously) until 1 June 2016.

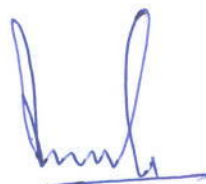
The Amendment Letter will be submitted by Elanco India as necessary to all relevant regulatory authorities. The Company will co-operate with Elanco India, to the extent necessary, in order to facilitate the approval of the Elanco India's CCI application as soon as possible and will provide further updates if and when required.

Thanking you.

Yours sincerely,
For Novartis India Limited



Ranjit Shahani
Vice Chairman &
Managing Director



Girish Tekchandani
Company Secretary &
Compliance Officer