

**Alcon**



## **Alcon, Inc. Annual General Meeting**

April 7, 2011

# Attractive Growth Opportunity

## Strategically focused on important medical specialty

- Eye care is a fast-growing health care specialty sector
- Vision management is a health care priority

## Long-term growth opportunity

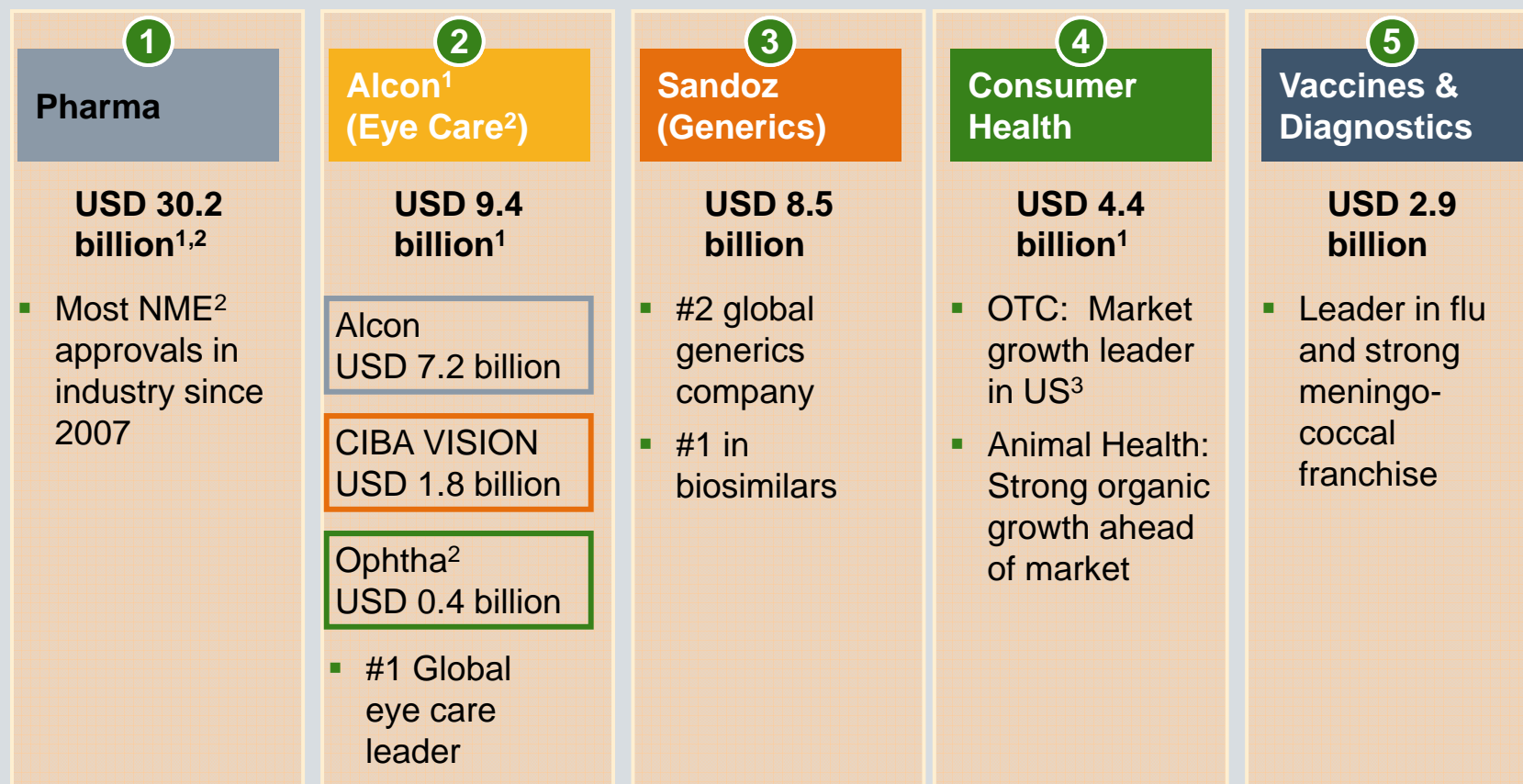
- Aging global population
- Significant unmet clinical needs in ophthalmology
- Expanding medical capability and patient access in emerging markets

## Alcon is the leader in eye care

- Breadth and depth of product portfolio
- Leader across most product categories
- Unmatched global operational infrastructure

# Alcon Will Be Second Largest Growth Platform

2010 pro forma Novartis Group net sales: USD 55.4 billion<sup>1</sup>



<sup>1</sup>Estimated pro forma 2010 net sales based on Novartis and Alcon results; Pharmaceuticals and Consumer Health pro forma net sales reduced by amounts allocated to new Eye Care business; not adjusted for divestments required to date from regulatory decisions (total sales of approximately USD 100 million in 2009)

<sup>2</sup>Lucentis® will remain in Novartis Pharmaceuticals division

<sup>3</sup>Excluding nutritional



# New Alcon Eye Care Division

## Alcon



## CIBA VISION



## Select Novartis Ophtha Pharma Assets



## Strategic benefits of combination

- Potential to expand the commercial capability around contact lenses and care products on a global basis
- Creates market leading eye care specialty unit
- Growth platform

# Benefits to Alcon

- Ownership and direction from a strategic healthcare leader
- Potential to expand the commercial capability around contact lenses and care products on a global basis
- Access to broad-based pharmaceutical research capability
- Potential to leverage Alcon's leadership position through:
  - Emerging market development
  - Market access and reimbursement
  - Procurement efficiency



NOVARTIS

Alcon

CIBA  VISION.

# Merger Consideration

- \$54.67 Novartis share value calculated based on US dollar volume-weighted average Novartis price for the 10 trading days beginning on March 24 and ending on April 6
- Share exchange ratio of 2.9228 shares based on 2.8 base ratio plus dividend adjustment factor
- Cash contingent value amount calculated as \$8.20
- Settlement of shares and cash payment will commence upon completion of the merger

Each Alcon share will receive 2.9228  
Novartis shares plus \$8.20 in cash



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# Delivered Solid 2010 Performance

## **Sales rose 10.5% to \$7.2 billion**

- Constant currency growth of 9.2%
- Strong performance driven by commercial execution and global market share gains

## **Operating profit increased 9.5% to \$2.5 billion**

- Diligent management of expenses
- Increased investment in research and development
- Includes costs of change of majority ownership and merger

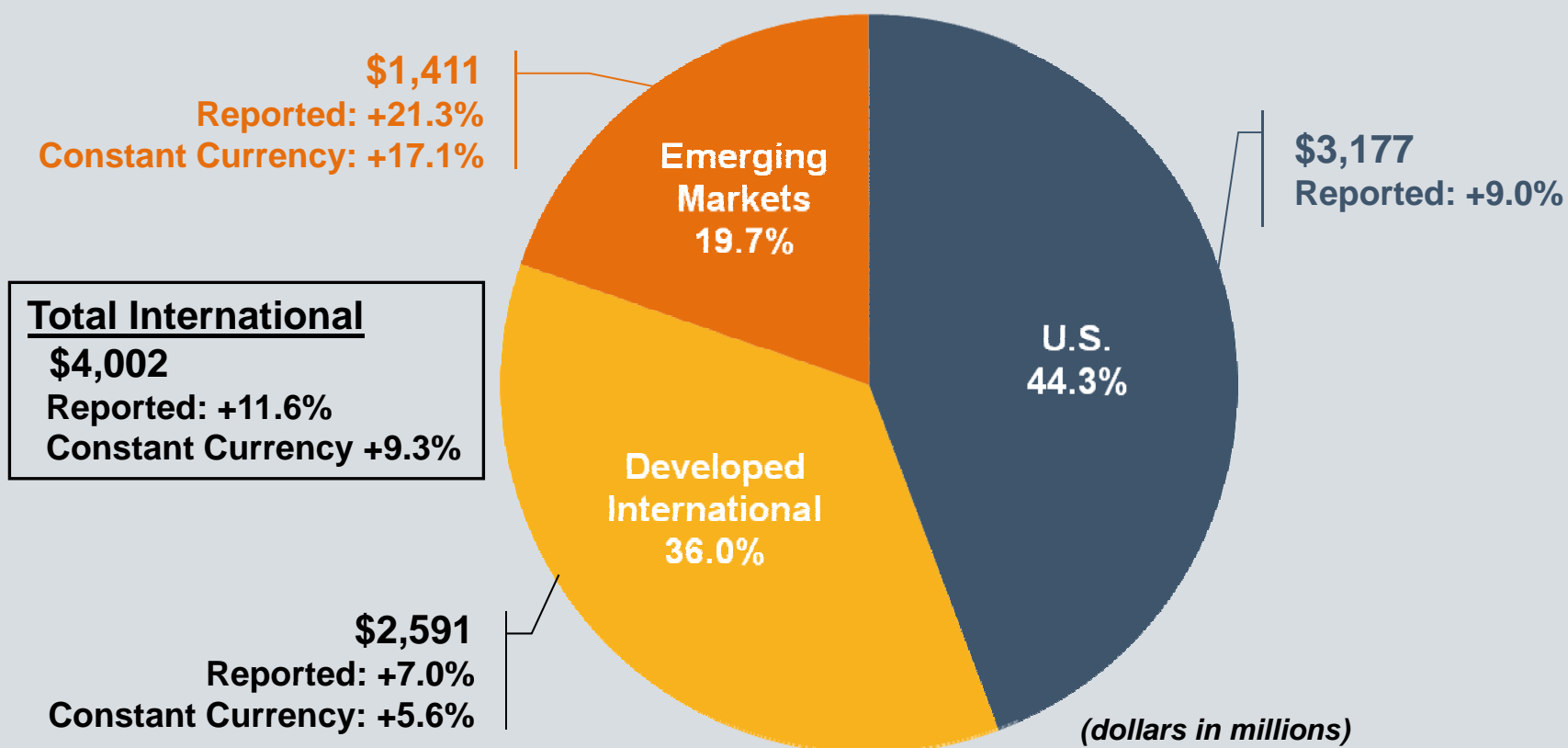
## **Earnings per share rose 9.2% to \$7.27**

- Solid earnings performance
- 22% compound growth in EPS since 2002 IPO



# Balanced Global Contributions

## 2010 Sales by Geography



Growth rates as compared to same period in prior year

Constant currency growth is a non-GAAP measure presented to give investors a better comparison of operations between years. Reconciliations for constant currency growth are provided at the end of this presentation.

# New Products Driving Glaucoma Growth

## Global Glaucoma Market Share Growth

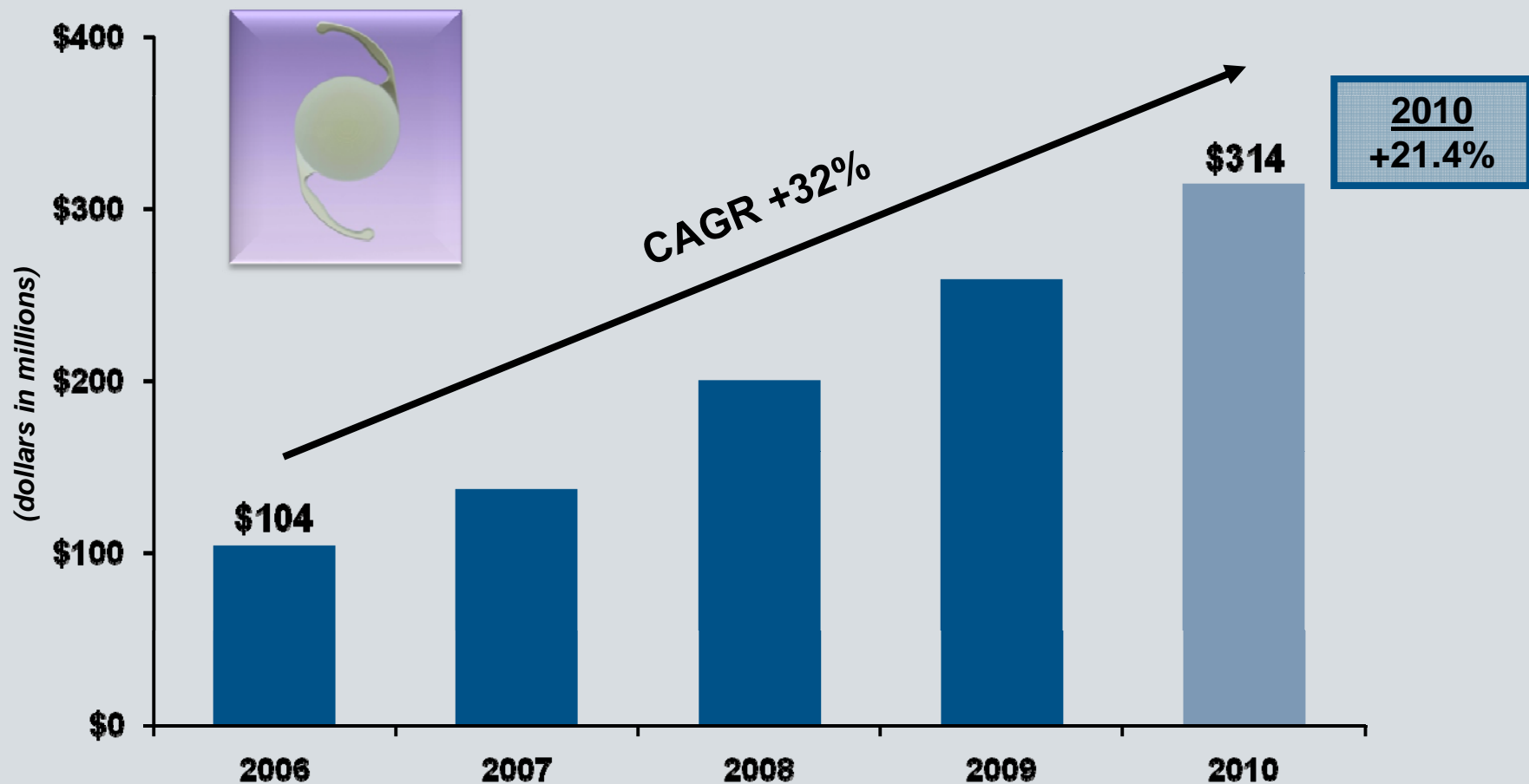
**DuoTrav® and AZARGA® combined delivered 60.8% sales growth in 2010**



Growth rate as compared to same period in prior year.

# AT-IOLs Delivering Consistent Sales Growth

## Advanced Technology IOL Global Sales



Growth rate as compared to same period in prior year.



# 2010 Key Late Stage R&D Pipeline Activity

## 2010 SUBMISSIONS

ALLEGRETTO™ EX-500 refractive laser (EU)	Ex-PRESS® ophthalmic glaucoma device (Japan)
TRAVATAN® Alternative Preservative System (EU)	AcrySof® IQ Toric expanded diopter range (Japan)
Moxifloxacin new formulation (US)	ALLEGRETTO WAVE® Eye-Q 400 Hz laser (Japan)
WaveLight® FS-200 femtosecond laser (US/EU)	Systane® BALANCE (EU)
DuoTrav® Alternative Preservative System (EU)	AcrySof® IQ Toric expanded diopter range (US/EU)
Pataday® (Japan)	
New MPDS (US/EU)	

## 2010 APPROVALS

TRAVATAN® Alternative Preservative System (EU)	Patanase® new indication (US)
AcrySof® IQ ReSTOR® Toric (EU)	Moxifloxacin new formulation (US)
WaveLight® FS-200 femtosecond laser (US/EU)	AcrySof® IQ ReSTOR® +3.0 (Japan)
Systane® BALANCE (US)	DuoTrav® Alternative Preservative System (Japan)
ALLEGRETTO™ EX-500 refractive laser (EU)	7500 cpm UltraVit™ Probe (US/EU)
NEVANAC® (Japan)	
LenSx : Arc Incisions for Cataract Surgery (US)	
New MPDS (EU)	

# Business Development Delivering Growth

## Optonol Acquisition



- Broadens Alcon's extensive glaucoma product offering
- Sales of EX-PRESS® glaucoma filtration device building

## DUREZOL® Acquisition



- Adds potent steroid to Alcon's portfolio
- Generating near-term sales momentum
- Market share gains exceeding plan

# Exciting New Cataract Technology

## LenSx Acquisition

- **LenSx femtosecond laser improves key steps in cataract surgery**
  - Uses technology to automate previously manual procedures
  - Micron-level laser precision and predictability
- **Provides new growth driver to Alcon's leading cataract portfolio**
  - Complementary procedure to phacoemulsification
  - Represents incremental revenue opportunity
- **Launch in 2011**
- **High physician interest, especially in premium category**





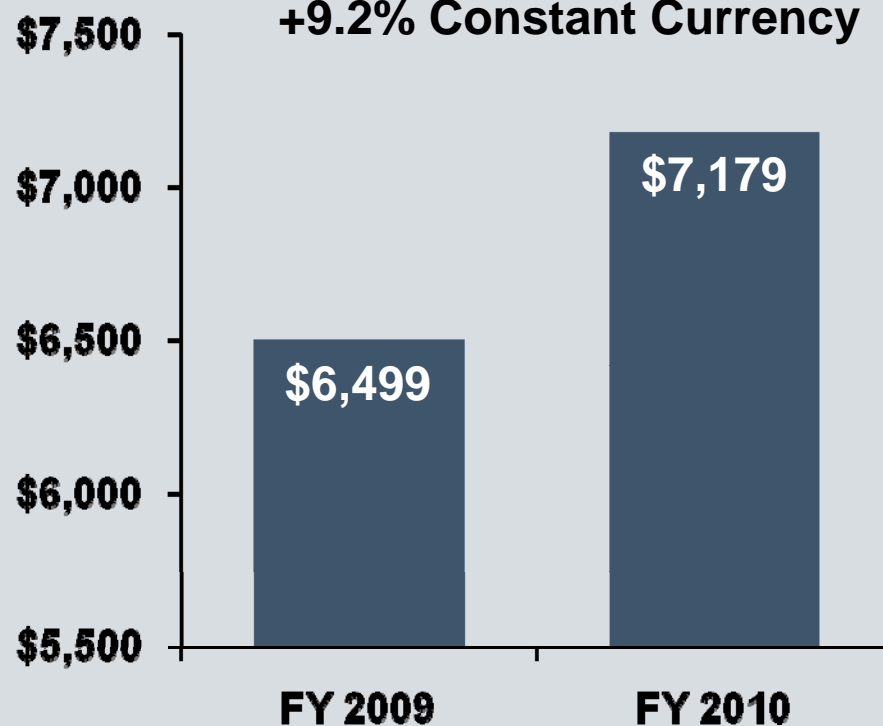
# Strong Top-line Sales Growth

## Full Year Global Sales

*(dollars in millions)*

**+10.5% Reported**

**+9.2% Constant Currency**

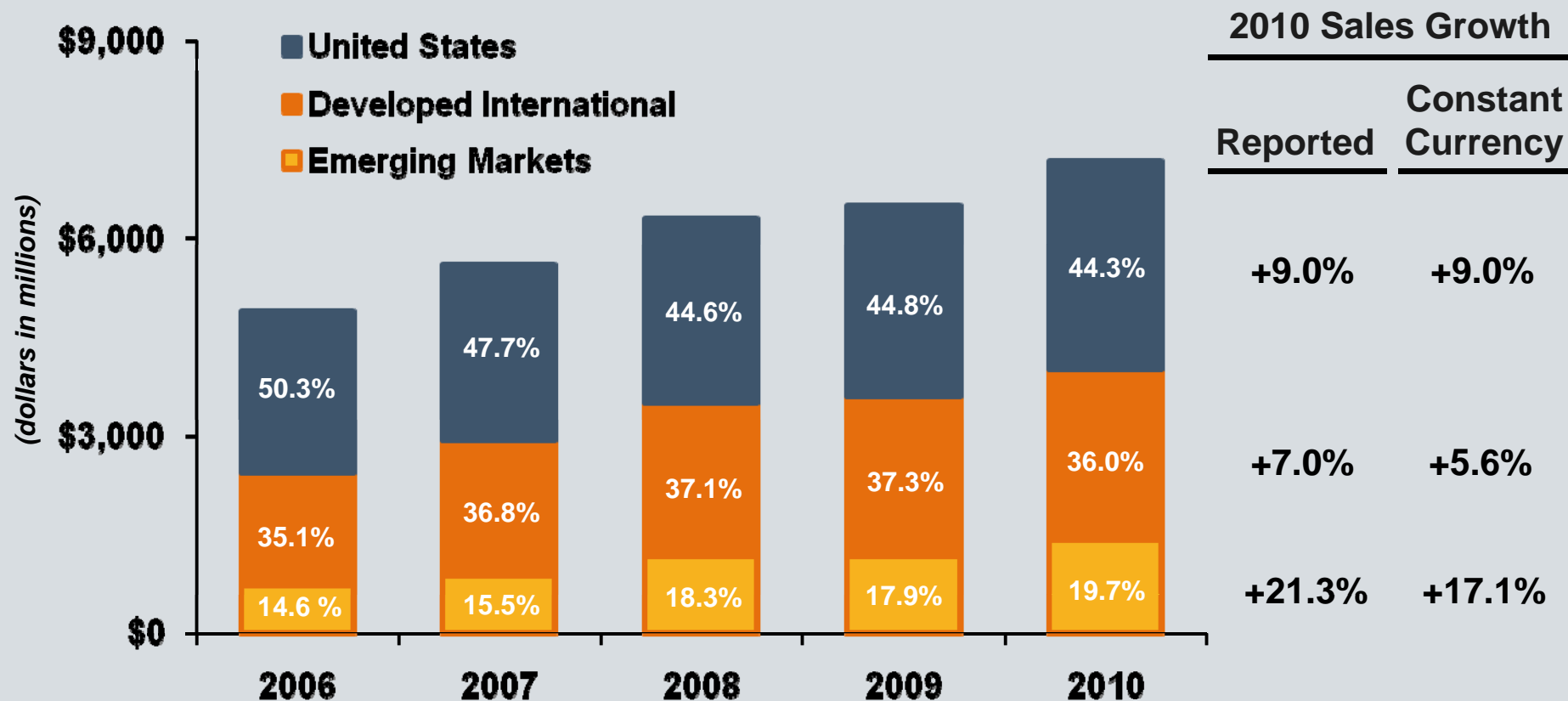


Growth rates as compared to same period in prior year

Constant currency growth is a non-GAAP measure presented to give investors a better comparison of operations between years. Reconciliations for constant currency growth are provided at the end of this presentation.

# Balanced Global Growth

## U.S. / International Sales Growth

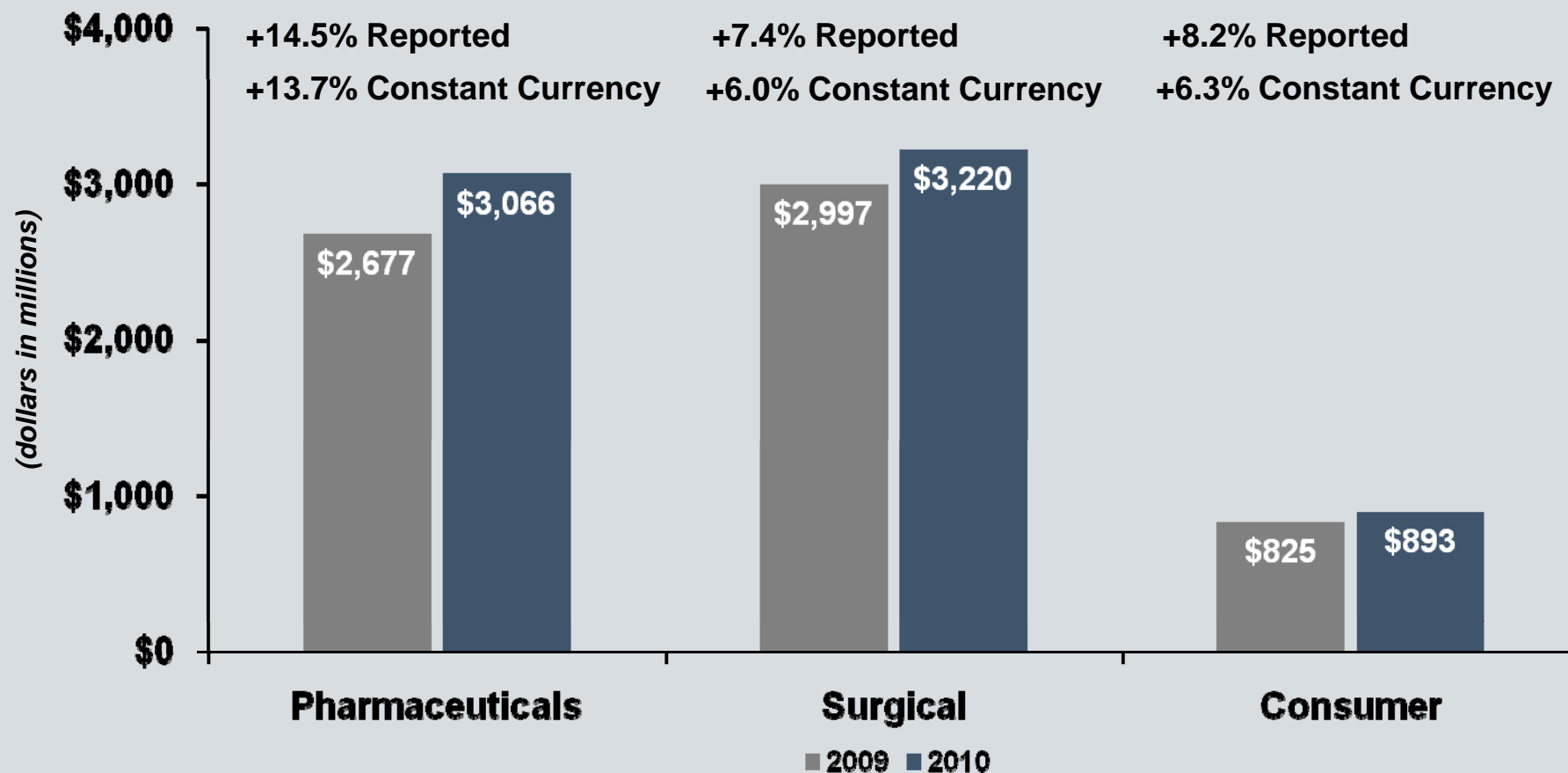


Growth rates as compared to same period in prior year

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# Diversification Across Therapeutic Areas

## Full Year Global Sales by Product Line



Growth rates as compared to same period in prior year

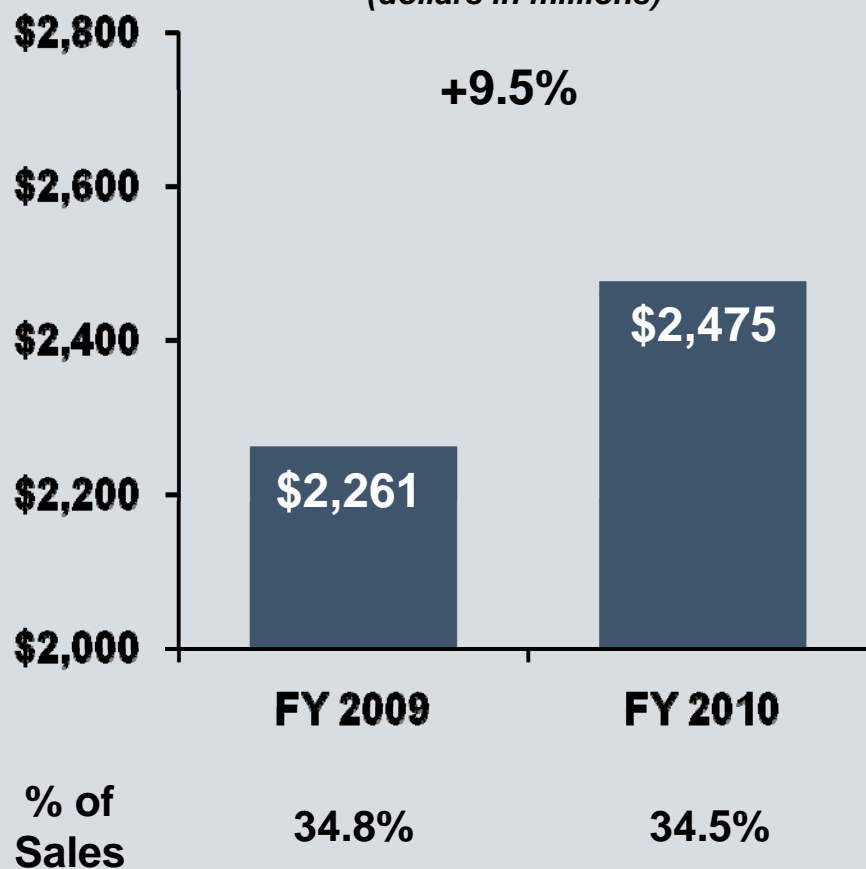
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# Operating Income

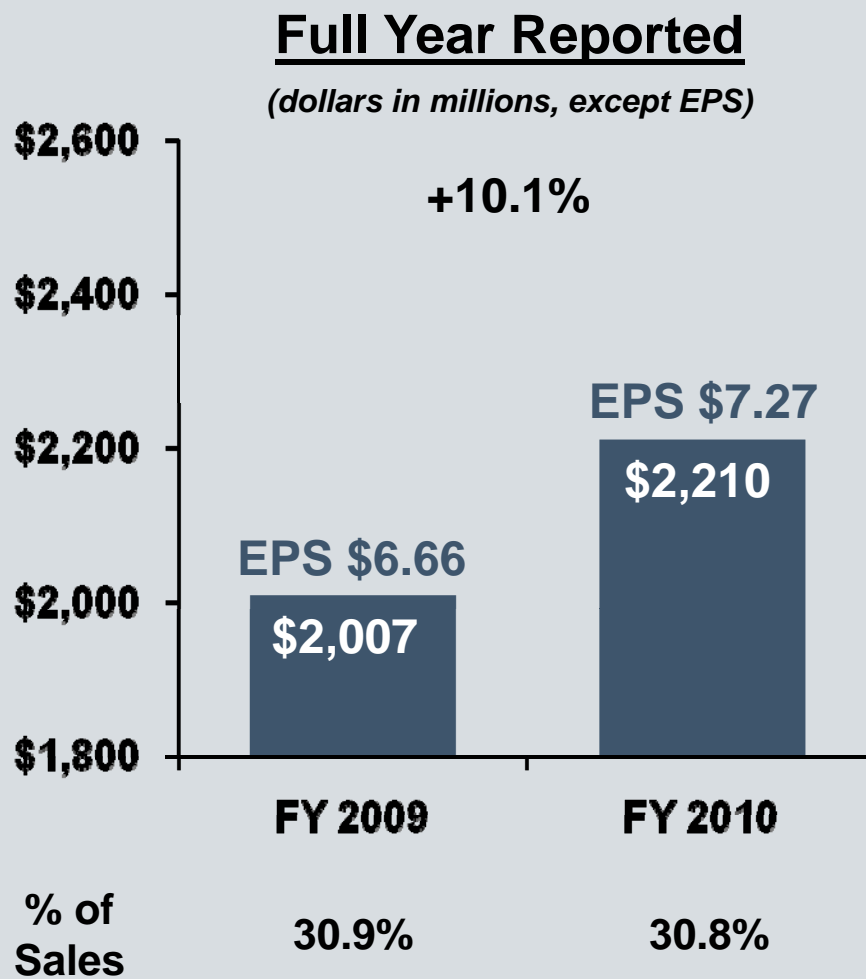
## Full Year Reported

*(dollars in millions)*



Growth rate as compared to same period in prior year

# Net Earnings and Diluted EPS



Growth rate as compared to same period in prior year

# Non-GAAP Reconciliations

<u>2010 Sales</u>	<u>Change</u>	<u>Foreign Currency Change</u>	<u>Constant Currency Change</u>
<b>Total global</b>	10.5 %	1.3 %	9.2 %
<b>United States</b>	9.0	-	9.0
<b>International</b>	11.6	2.3	9.3
<b>Developed international</b>	7.0	1.4	5.6
<b>Emerging markets</b>	21.3	4.2	17.1
<b>Pharmaceutical</b>	14.5	0.8	13.7
<b>Surgical</b>	7.4	1.4	6.0
<b>Consumer</b>	8.2	1.9	6.3

Note: Constant currency change calculates sales growth without the impact of foreign exchange fluctuations. Management believes constant currency sales change is an important measure of the company's operations because it provides investors with a clearer picture of the core rate of sales growth due to changes in unit volumes and local currency prices. This measure is considered a non-GAAP financial measure as defined by Regulation G promulgated by the U.S. Securities and Exchange Commission. Certain reclassifications have been made to prior year amounts to conform to current year presentation.



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