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May 13, 2010

VIA FACSIMILE

The Honorable Victor Marrero
U.S. District Judge
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, New York 10007

Re: In re Alcon Shareholder Litigation (10-CV-139 (VM) (DCF))

Dear Judge Marrero:

We represent defendants Novartis AG and Daniel Vasella in the above-captioned action. We write in response to plaintiffs' letter of May 10, 2010 concerning scheduling issues. While plaintiffs chose to address the merits of their claims and of Novartis AG's motion to dismiss on grounds of *forum non conveniens* in their letter to the Court, we would prefer not to engage in a letter writing campaign. We respectfully refer the Court to our papers on the *forum non conveniens* motion and will respond to plaintiffs' other substantive contentions at the appropriate time and place. As for oral argument on the *forum non conveniens* motion, we defer to the Court on whether or when oral argument should be scheduled.

We agree with plaintiffs that scheduling and discovery orders should only be considered if there is a disposition of the *forum non* motion adverse to Novartis AG. However, since plaintiffs suggest that there is great urgency to decide the *forum non* motion because of the schedule for what they refer to as the "Proposed Transaction" (i.e., Novartis AG's acquisition via

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merger of the 23% of Alcon shares currently held by public shareholders), we do wish to clarify the relevant timing.

Completion of all the steps needed before the Proposed Transaction can occur typically takes three to four months from the signing of a merger agreement. No merger agreement has yet been signed. After the signing of a merger agreement, the Swiss Merger Act prescribes several additional steps (some of which can occur on a parallel basis):

- Novartis AG's and Alcon's Boards of Directors would need to prepare a merger report, describing the essential legal and business elements of the merger;
- a special auditor would need to prepare an audit report concerning the merger agreement, merger report, and the underlying balance sheets;
- shareholders of both Novartis AG and Alcon would have a right to inspect, for a statutorily defined period of at least 30 days, the merger agreement, merger report, audit report, and annual financial statements for the last three years;
- Novartis AG and Alcon would each need to prepare and mail voting and supporting materials to their shareholders at least 20 days in advance of the shareholders' meeting of each company;
- the merger would need to be submitted for approval by shareholders at shareholder meetings held by each of Novartis AG and Alcon; and
- the merger would need to be entered into the commercial register.

In addition, the shares of Novartis AG to be used as merger consideration would need to be registered in both Switzerland and the United States. In the United States, a Form F-4 registration statement, including complex pro forma financial information, would have to be prepared and filed with the SEC and then reviewed and cleared by the SEC. This is typically a time-consuming process.

The foregoing is fully consistent with both Novartis AG's public statements and with our statements to the Court. While plaintiffs highlight the expected date of completion of Novartis AG's acquisition of a 52% stake in Alcon from Nestlé (who they have dismissed as a defendant in this action), they ignore the other necessary prerequisites to completion of the Proposed Transaction. These matters could easily have been explained had plaintiffs' counsel chosen to confer with counsel for Novartis AG rather than write to the Court. Moreover, all of the steps set forth above were explained in Novartis AG's press statements in early January, 2010.

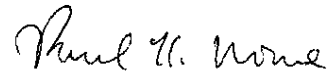
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In short, we submit that the only issue that should be addressed at this time is the *forum non conveniens* motion, which we believe will moot further scheduling matters. As described above, there is ample time for the Court to render its decision on that motion without concern that transactional events will prejudice plaintiffs' ability to try to pursue injunctive relief in the forum that the Court deems appropriate.

Very respectfully yours,

A handwritten signature in cursive script that reads "Paul K. Rowe".

Paul K. Rowe

cc: All counsel (via email)