

Edgar Filing: NOVARTIS AG - Form 6-K

NOVARTIS AG
Form 6-K
April 11, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13a-16 or 15d-16 OF
THE SECURITIES EXCHANGE ACT OF 1934

Report on Form 6-K dated April 11, 2002

Novartis AG
(Name of Registrant)

Lichtstrasse 35
4056 Basel
Switzerland

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No
--- ---

Enclosure:

1. Invitation for Novartis First Quarter Results 2002 - Conference Call
2. First Quarter 2002 Sales & Results Pre-Announcement: 2001 Figures (Investor Relations, 9 April 2002)

[Novartis Logo]

Investor Relations

Novartis International AG
CH-4002 Basel
Switzerland
Karen J Huebscher, PH.D.
Tel +41 61 324 8433
Nafida Bendali
Tel +41 61 324 3514
Sabine Moravi, MBA
Tel + 41 61 324 8989
Fax + 41 61 324 8844

Edgar Filing: NOVARTIS AG - Form 6-K

Silke Zentner
Tel + 41 61 324 8612
Francisco Bouzas
Tel + 41 61 324 2462
Fax + 41 61 324 8844
Internet Address:
<http://www.novartis.com>

INVITATION FOR
- "NOVARTIS FIRST QUARTER RESULTS 2002 - CONFERENCE CALL"

First Quarter Sales & Results 2002

Dear Investor

We are pleased to invite you to our first quarter results conference call.
Please see below the following dial-in numbers:

Date: Thursday, April 18, 2001

Time: Advisable: dial-in 10 minutes before

6.00 p.m. Switzerland

5.00 p.m. UK

12.00 p.m. New York

Phone numbers: +41 91 610 41 11 or "Free Phone" +800 2467 87 00 Europe/ROW

+1 800 860 24 42 USA

You may access the conference call as a live audio webcast on the Internet:
www.novartis.com/investors

Playback for 48 hrs after the call commences

Date: Thursday, April 18, 2002

Beginning: 9.00 p.m. (Switzerland)

8.00 p.m. (UK)

3.00 p.m. (New York)

Phone numbers: +41 91 610 25 00 Europe/ROW

+1 877 344 75 29 USA

Code: 705

[NOVARTIS LOGO]

First Quarter 2002
Sales & Results
Pre-Announcement:
2001 Figures

Edgar Filing: NOVARTIS AG - Form 6-K

Investor Relations, 9 April 2002

Comments on Quarterly Reporting

- o As of first quarter 2002 Novartis will be reporting both Sales and Results on a quarterly basis
- o In addition, sectorial information will be more detailed: The performance of Nutrition as well as OTC will be shown
- o In the following slides please find the corresponding figures for the first quarter 2001 as a baseline to work from

[NOVARTIS LOGO]

Sector Sales in Q1 2001

	US CHF millions	Rest of World CHF millions	Total CHF millions
Pharmaceuticals	1,793	2,745	4,538
Generics	156	372	528
OTC	175	426	601 (1)
Healthcare	2,124	3,543	5,667
CIBA Vision	179	244	423
Nutrition	498	396	894 (2)
Animal Health	75	165	240
Group	2,876	4,348	7,224 (3)

- 1-3 Adjustments for changes in accounting policy on sales incentives and discounts to retailers, see notes on next slide

[NOVARTIS LOGO]

Notes on Adjustments

The following adjustments were made as a result of changes we have implemented in our IAS financial statements in order to conform with US GAAP rules EITF 00-14 and EITF 00-25 whereby incentives to retailers must be treated as a reduction in Revenue rather than as a Marketing & Distribution expense.

- 1) CHF 601 m Originally reported OTC sales of CHF 631 m reduced by CHF 30 m as a result of these changes

Edgar Filing: NOVARTIS AG - Form 6-K

- 2) CHF 894 m Originally reported Nutrition sales of CHF 960 m reduced by CHF 66 m as a result of these changes
- 3) CHF 7,224 m Originally reported Group sales of CHF 7,320 m reduced by CHF 96 m as a result of these changes

[NOVARTIS LOGO]

Sector Operating Income in Q1 2001

	Total CHF millions	% of Sales	
Group	1,545	21.4	o Low operating margin with CIBA Vision as a result of integration costs associated with the acquisition of Wesley Jessen (CHF 28 m). In 2002 no further integration costs are expected to occur.
Pharmaceuticals	1,244	27.4	
Generics	65	12.3	
OTC	58	9.7	o In Animal Health operating margins were solid in Q1 2001 as the full impact of competitive pressures in the higher margin companion animal business and the impact of foot and mouth disease in Europe was felt later on in the year.
Healthcare	1,367	24.1	
CIBA Vision	6	1.4	
Nutrition	108	12.1	
Animal Health	44	18.3	
Corporate Income	20	--	

[NOVARTIS LOGO]

Q1 2001 Consolidated Income Statement

	Total CHF millions
Total sales	7,224
-----	-----
Cost of goods sold	-1,874
Gross profit	5,350
-----	-----
Marketing & Distribution	-2,499
Research & Development	-929
General & Administration	-377
Operating income	1,545
-----	-----
Income from associated companies	31
Financial income, net	217
Income before taxes and minority interests	1,793
-----	-----
Taxes	-305

Edgar Filing: NOVARTIS AG - Form 6-K

Minority interests
 Net income

-3
 1,485

[NOVARTIS LOGO]

Appendix

Quarterly Breakdown
 from Q1 to Q4 2001

[NOVARTIS LOGO]

Quarterly Breakdown of Operating Income By Sector 2001

	Q1 CHF millions	Q2 CHF millions	1H CHF millions	Q3 CHF millions
Group	7,224	8,043	15,267	8,117
Pharmaceuticals	4,538	5,151	9,689	5,207
Generics	528	593	1,121	636
OTC	601	613	1,214	652
Healthcare	5,667	6,357	12,024	6,495
CIBA Vision	423	458	881	485
Nutrition	894	978	1,872	912
Animal Health	240	250	490	225

[NOVARTIS LOGO]

Sales Adjustments(1) For 2001

	Q1 CHF millions	Q2 CHF millions	1H CHF millions	Q3 CHF millions	mil
--	-----------------------	-----------------------	-----------------------	-----------------------	-----

Edgar Filing: NOVARTIS AG - Form 6-K

Group	-96	-101	-197	-103
OTC	-30	-29	-59	-29
Nutrition	-66	-72	-138	-74

1 adjustments for changes in accounting policy on sales incentives and discounts to retailers

[NOVARTIS LOGO]

Quarterly Breakdown of Operating Income By Sector 2001

	Q1 CHF millions	Q2 CHF millions	1H CHF millions	Q3 CHF millions
Group	1,545	1,935	3,480	1,873
Pharmaceuticals	1,244	1,451	2,695	1,436
Generics	65	76	141	68
OTC	58	94	152	126
Healthcare	1,367	1,621	2,988	1,630
CIBA Vision	6	81	87	69
Nutrition	108	125	233	113
Animal Health	44	22	66	30
Corporate income/expense	20	86	106	31

[NOVARTIS LOGO]

2001 Quarterly Consolidated Income Statement

	Q1 CHF millions	Q2 CHF millions	1H2001 CHF millions	milli
Total sales	7,224	8,043	15,267	8,
Cost of goods sold	-1,874	-1,930	-3,804	-2,
Gross profit	5,350	6,113	11,463	6,
Marketing&Distribution	-2,499	-2,766	-5,265	-2,
Research&Development	-929	-1,081	-2,010	-1,

Edgar Filing: NOVARTIS AG - Form 6-K

General&Administration	-377	-331	-708	-
Operating income	1,545	1,935	3,480	1,
Income from associated companies	31	46	77	
Financial income, net	217	735	952	
Income before taxes and minority interests	1,793	2,716	4,509	2,
Taxes	-305	-463	-768	-
Minority interests	-3	-9	-12	
Net income	1,485	2,244	3,729	1,

[NOVARTIS LOGO]

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Novartis AG

Date: April 11, 2002

By: /s/ RAYMUND BREU

Name: Raymund Breu
Title: Chief Financial Officer