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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
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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

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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

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

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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

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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

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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

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- 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

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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 | -- | |

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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 |

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Minority interests
 Net income

-3
 1,485

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Appendix

Quarterly Breakdown
 from Q1 to Q4 2001

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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 |

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Sales Adjustments(1) For 2001

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

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| | | | | |
|-----------|-----|------|------|------|
| 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

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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 |

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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, |

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| | | | | |
|--|-------|-------|-------|----|
| 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, |

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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