NOVARTIS AG
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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 19, 2011

(Commission File No. 1-15024)

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: x Form 40-F: o

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Yes: o **No**: **x**

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Novartis makes strong start for the year

- Novartis generates strong sales growth of 14% in constant currencies in first quarter, operating income impacted by 2010 sales from A(H1N1) pandemic flu vaccines

o Net sales up 16% (+14% in constant currencies, or cc) to USD 14.0 billion

o Core operating income up 4% (+6% cc) to USD 4.0 billion despite impact of A(H1N1) in year-ago base; core EPS decreased by 3% (0% cc) to USD 1.41

o Free cash flow of USD 1.6 billion

- Excluding A(H1N1) pandemic flu vaccine sales and Alcon, net sales up 10% (+8% cc), core operating income up 13% (+16% cc) and core margin improves 2.0 percentage points (cc)

- Novartis strengthens its healthcare portfolio

o Alcon merger completed on April 8, 2011 to provide new, world-class growth platform addressing unmet needs in the rapidly growing eye care sector; new divisional structure to be implemented from second quarter 2011

o Dilution from Alcon-related share issue to be mitigated further by share repurchases; USD 2.4 billion of Alcon shares and USD 0.6 billion of Novartis shares repurchased in first quarter of 2011

- Novartis maintains its industry-leading position in innovation with new approvals and recommendations, expanding potential for sustained growth

o The breakthrough multiple sclerosis treatment Gilenya gains approval in the EU, as does Lucentis for the treatment of vision loss related to diabetic macular edema, a leading cause of blindness

o Novartis pipeline highlights include a Phase III study of JAK inhibitor INC424 that shows promise for patients with myelofibrosis and CHMP's recommendation for Lucentis in the treatment of retinal vein occlusion

Key figures

	Q1 2011	Q1 2010	% change	
	USD m	USD m	USD	cc

Net sales	14 027	12 131	16	14
Operating income	3 408	3 511	-3	0
Net income	2 821	2 948	-4	-1
EPS (USD)	1.21	1.29	-6	-3
Free cash flow (before dividends)	1 622	2 903	-44	
Core1				
Operating income	4 012	3 865	4	6
Net income	3 376	3 309	2	4
EPS (USD)	1.41	1.45	-3	0

1 See page 38 for further information and definition of core results
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Basel, April 19, 2011 — Commenting on the results, Joseph Jimenez, CEO of Novartis, said:
"Contributions from all businesses led to a good start in 2011, as we achieved 14% growth in the first quarter. We maintained our innovation momentum with new approvals for our multiple sclerosis treatment Gilenya and our eye care treatment Lucentis in the EU. Additionally, promising results of numerous clinical trials, including a Phase III study involving JAK inhibitor INC424, again showed the success of our novel approach to R&D. In April, we completed our merger with Alcon, the leading eye care business in the world, creating the second-largest business in the Novartis portfolio."

GROUP REVIEW

First quarter
Net sales rose 16% (+14% cc) to USD 14.0 billion. Currency benefited sales by 2% as the dollar weakened against most currencies. Excluding A(H1N1) pandemic flu vaccine sales and Alcon, net sales grew 10% (+8% cc). Recently launched products provided USD 3.1 billion of net sales in the first quarter, representing 26% of total net sales (excluding Alcon).

Pharmaceuticals net sales grew 7% (+5% cc) to USD 7.8 billion, driven by 9 percentage points of volume growth, partly offset by a negative pricing impact of 2 percentage points and the negative impact of generics entries and product divestments of 2 percentage points. Recently launched products contributed 25% of Pharmaceuticals sales, an increase of 33% cc over the first quarter of 2010. Sandoz showed strong growth (+15% cc) in the US, Canada, Western Europe, and Central and Eastern Europe, which more than offset the shortfall in Germany due to rapid tender implementation and increased government-mandated rebates. Vaccines & Diagnostics was down by 73% in constant currencies due to 2010 A(H1N1) pandemic flu vaccine sales (USD 1.1 billion); excluding this, sales grew 43% in constant currencies. Consumer Health grew 9% in constant currencies led by OTC with Prevacid24HR and the cough and cold and respiratory portfolio. Alcon contributed USD 1.9 billion of net sales in the first quarter with a strong performance from pharmaceuticals.

Operating income was down by 3% (0% cc). Currency had a negative impact of 3%, as the dollar weakened against the Swiss franc (-12%) and increased slightly against the euro (+1%). Excluding A(H1N1) pandemic flu vaccine and Alcon, underlying operating income was up 25% (+30% cc). Exceptional items in operating income in the first quarter of 2011 include: divestment gains of USD 102 million on the sale of ophthalmic pharmaceuticals and lens care products required for the approval of the Alcon merger and an exceptional CIBA Vision gain of USD 183 million from a legal settlement, offset by exceptional charges relating to legal settlements (Sandoz USD 28 million) and restructuring charges relating to the streamlining of our manufacturing network (USD 55 million). Alcon contributed USD 207 million to operating income in the first quarter.

Core operating income, which excludes exceptional items and amortization of intangible assets, increased 4% (+6% cc). Core operating income excluding A(H1N1) pandemic flu vaccine and Alcon was up 16% cc versus previous year. Pharmaceuticals grew core operating income by 11% cc on good cost management. Sandoz was up by 11% cc, and Consumer Health was up by 30% cc. Vaccines & Diagnostics turned in a small loss following a substantial 2010 income from A(H1N1) pandemic flu vaccine. Alcon contributed USD 722 million to core operating income.

Core operating income margin declined 3.3 percentage points to 28.6% of sales. Currency movements (-1.1 percentage points) and 2010 A(H1N1) pandemic flu vaccine sales (-5.4 percentage points), partially offset by a contribution from the inclusion of Alcon (+1.2 percentage points), obscured an improvement in the underlying core margin in constant currencies of 2.0 percentage points.

Net income was down 4% (-1% cc) due to additional financing costs related to Alcon, partially offset by an improved tax rate of 16.0% (from 16.5%). Core net income increased 2% (+4% cc). EPS was down 6% (-3% cc) more than net income and core EPS declined 3% (0% cc) due to the impact of the allocation of Alcon core net income to its non-controlling shareholders.

Free cash flow of USD 1.6 billion was 44% lower than the previous year, primarily due to cash collection for A(H1N1) pandemic flu vaccine in the first quarter of 2010 (USD 1.3 billion).

Changes to the Executive Committee of Novartis

Effective October 1, 2011 Felix R. Ehrat will become the new General Counsel for Novartis International AG reporting directly to Joseph Jimenez. Mr Ehrat joins Novartis from the Swiss law firm of Baer & Karrer Ltd, where he last served as Senior Partner and Executive Chairman. He brings to Novartis considerable Swiss and International legal experience and will become a permanent attendee to the Executive Committee of Novartis. Mr Ehrat succeeds Thomas Werlen who has chosen to depart Novartis to pursue opportunities including entrepreneurial and commercial interests. The company thanks Mr Werlen for his dedication and contributions to the business over the last years.

Delivering innovation, growth and productivity

The long-term Novartis growth strategy is based on our focused, diversified portfolio. We deliver world-class treatments to patients and develop innovative collaborations with customers and governments across the global marketplace. Our merger with Alcon adds the largest eye care business in the world to this portfolio, strengthening our position in a sector whose future growth is underpinned by the aging population around the world. Starting in the second quarter of 2011, the OTC and Animal Health businesses will be reported as Novartis Consumer Health, and CIBA Vision will be reported as a part of our new Alcon Division. Restated financials on the new divisional structure will be published on May 18, 2011.

All of the Novartis divisions share a continued commitment to three core priorities: (1) innovation leading to the creation of new treatments to address unmet patient need; (2) growth, expanding our reach through best-in-class launches and partnerships in new markets; and (3) productivity allowing us to operate efficiently and effectively, freeing up resources for future R&D and investment in talent. Focusing on these three priorities will help us to realize our goal of becoming the world’s most respected and trusted healthcare company.

Innovation: new treatments and expanded applications

Novartis continues to lead the industry in our commitment to R&D. This dedication has resulted in a deep pipeline of new products that drive sustained growth. Further, our cutting-edge approach to R&D, based on researching the pathways of a disease, allows us to continually find new applications for our products, expanding their impact on patient outcomes and quality of life. In the first quarter of 2011, we made further progress in the development of our pipeline.

Our breakthrough oral multiple sclerosis treatment Gilenya was approved for use in the EU, Switzerland and Australia, among other countries. Lucentis was approved in the EU for the treatment of diabetic macular edema, a leading cause of blindness for which there had previously been no approved therapies.

In Vaccines & Diagnostics, our meningococcal vaccine Menveo was approved for use in the US for children from 2 to 10 years of age in the prevention of this deadly disease. Novartis received a Refusal to File letter from the FDA for the use of Menveo in infants aged 2 to 12 months. In April, we have submitted a new file in infants and toddlers for the age from 2 to 24 months and are awaiting acceptance from the FDA of our resubmitted application for the expanded use of the vaccine. Aflunov, an influenza vaccine to help prevent avian flu (H5N1), was approved for use in the EU.

Many of our treatments also received positive recommendations from key regulators in the first quarter. The EMA's Committee for Medicinal Products for Human Use (CHMP) gave a positive recommendation for Lucentis in the treatment of vision loss stemming from retinal vein occlusion and for Rasilamlo, a single-pill therapy for the treatment of high blood pressure.

The FDA’s Pulmonary-Allergy Drug Advisory Committee recommended approval for Arcapta™ Neohaler™ (QAB149, indacaterol) in the 75 mcg dose for treatment of chronic obstructive pulmonary disease (COPD), a progressive and

life-threatening lung disease that affects more than 12 million Americans.

The FDA granted priority review for Afinitor in the treatment of patients with advanced neuroendocrine tumors (NET). Based on feedback from the FDA, Novartis amended its application on April 8 to only seek approval for the treatment of advanced NET of pancreatic origin. At a meeting on April 12, the FDA's Oncologic Drugs Advisory Committee unanimously recommended approval of Afinitor for this indication. The current median survival duration for patients with advanced pancreatic NET is only 24 months, and Afinitor holds promise for addressing this critical area of patient need.
The outcome of the second Phase III study of JAK inhibitor INC424 yielded data showing significant improvement in patients with myelofibrosis, a debilitating disease with limited available therapies. Taken together, the two Phase III studies of INC424 provide the basis for worldwide regulatory filings, which Novartis expects to make in the second quarter of 2011. In addition, two Phase III studies showed that Onbrez Breezhaler, when combined with tiotropium, was more effective than tiotropium alone in the treatment of COPD.

In Phase II results, data suggested the effectiveness of DEB025 as a first-in-class therapy for hepatitis C. Hepatitis C is one of the world's most common liver diseases.

Sandoz made progress with its biosimilar pipeline, announcing the initiation of a Phase II clinical study of rituximab (Rituxan®/Mabthera®). Sandoz is currently the global leader in biosimilars, with three products on the market.

Growth: meeting the needs of the global marketplace
The Novartis growth strategy is based on an expansive view of the healthcare marketplace. We are committed to meeting the needs of patients, partners, and customers regardless of category or geography. Novartis, with our focused, diversified portfolio and established R&D excellence, has a true commitment to anticipating and addressing customer and patient needs.

In the first quarter, excluding A(H1N1) pandemic flu vaccine sales and Alcon, we achieved strong volume growth of 10%, with a negative price impact of 2%. The strong growth was fueled by our continued portfolio rejuvenation. Our recently launched products, excluding A(H1N1) pandemic flu vaccine and Alcon, grew 45%, and now represent 26% of total sales.

Novartis maintains a strong presence in key emerging markets, particularly in China, Russia, Brazil and India. In the first quarter, we grew 2% (-1% in cc) in our top six emerging markets – which include South Korea and Turkey in addition to the countries listed above – impacted by the effect of strong A(H1N1) pandemic flu vaccine sales in the prior-year period. Excluding A(H1N1) pandemic flu vaccine, growth in top six emerging markets was 10% in constant currencies. Our Vaccines & Diagnostics division completed the acquisition of a majority stake in Zhejiang Tianyuan, expanding our vaccines presence in China.

Pharmaceuticals achieved strong underlying volume growth of 9%. Recently launched Pharmaceuticals products continued to contribute significantly to overall growth in the first quarter as a result of our sustained commitment to R&D. In particular, Gilenya, launched in the US in October 2010, achieved strong growth, with sales of USD 59 million. In addition, Tasigna (USD 153 million, +100% cc) contributed to Pharmaceuticals growth, gaining additional ground in its market segment, supported by data that continue to demonstrate its superiority even to Glivec in treating patients with chronic myeloid leukemia.

Sandoz grew strongly by 15% in constant currencies versus previous year with 25% volume expansion driven by recent launches including enoxaparin and gemcitabine, as well as strong performance in the US, Canada, Western Europe, Russia and Japan, and strong biosimilars growth.

Vaccines & Diagnostics showed strong growth in its underlying business, excluding the 2010 A(H1N1) pandemic flu vaccine sales. The meningococcal disease franchise performed well in the first quarter.

Consumer Health also performed well, growing 9% in constant currencies in the first quarter. All three businesses grew faster than their respective markets, with OTC growth driven by a strong cough and cold and flu season, and Animal Health growth benefitting from the performance of parasiticides and the farm animal business. CIBA Vision continued to show strong growth in key brands AirOptix and Dailies, though overall growth was affected by a difficult market environment in Europe.

Productivity: creating opportunities for reinvestment in talent and R&D

Novartis maintains a high commitment to efficiency in all of our operations, enabling us to continue to lead the industry in R&D investment and to attract and retain top talent. Productivity improvements in the quarter generated benefits equivalent to 3.9 percentage points of margin improvement although this benefit was partially offset by a gross margin decrease of 2.4 percentage points. Overall, when excluding the distorting effects of A(H1N1) pandemic vaccine and the Alcon acquisition, core margin improved by 2.0 percentage points in constant currencies.

In the first quarter, we made further progress in our efforts to optimize our manufacturing footprint. We announced the discontinuation of Pharmaceuticals manufacturing in Tlalpan, Mexico, and Horsham, UK, in addition to the four sites we announced in the fourth quarter of 2010. We have recorded charges related to exits and inventory write-offs of USD 55 million in the first quarter of 2011, and USD 118 million cumulatively since the program began in the fourth quarter of 2010. With these exits we are reducing excess capacity and enabling the shift of strategic production to technology competence centers. Further progress will be announced each quarter following the announcements to our associates.

Alcon

On April 8, 2011 we completed the merger with Alcon, Inc. (Alcon), creating a global leader in eye care. With approximately 16% of total Group sales, the new Alcon Division is the company's second largest growth platform behind Pharmaceuticals. The eye care sector offers attractive growth opportunities, underpinned by the increasing unmet needs of emerging markets and a global aging population. Together, the Alcon and Novartis eye care portfolios address a broad range of these unmet needs.

Under the terms of the merger agreement, Alcon shareholders received 2.9228 Novartis shares (which includes the dividend adjustment) and USD 8.20 in cash for each share of Alcon, for a total consideration of USD 168 per share. Total consideration for the merger was USD 9.6 billion, comprising equity of USD 9.1 billion (165 million shares) and cash of USD 0.5 billion (contingent value amount). Total consideration was lower than anticipated in December 2010 as a result of Alcon share repurchases of USD 2.6 billion.

Novartis is committed to mitigating the dilution to shareholders from the issue of Novartis shares. This has already been partially mitigated through completed share repurchases of USD 3.2 billion (including the purchase of 16.1 million Alcon shares and 9.7 million Novartis shares since the December 15, 2010 announcement). Based on the share repurchases made to date, the merger is expected to be approximately 4% dilutive to basic earnings per share (EPS), and approximately 1% dilutive to core EPS in 2011. If the share buyback were to be increased to USD 5.0 billion (which includes the USD 3.2 billion already completed), the transaction would be approximately 3% dilutive to basic EPS and neutral to core EPS.

The new Alcon Division combines the Alcon portfolio with Novartis ophthalmic medicines (excluding Lucentis) and the CIBA Vision contact lens and lens care business. The division will operate with three businesses – Surgical, Pharmaceutical and Vision Care – with a full portfolio of products addressing eye diseases, vision conditions and common refractive errors. The Alcon generics business, Falcon, will be integrated into Sandoz. Annual sales of the new division will be in excess of USD 9 billion.

Integration of the eye care businesses commenced immediately after merger closing and is expected to take approximately six months. We have already established a new operating model for the Alcon Division, announced the global leadership team and selected country management. Functional integration is well underway.

Combining Novartis and Alcon offerings, all three businesses have leading global brands: the Surgical business is the number one in intraocular lenses, cataract and vitreoretinal equipment; the Pharmaceutical business is leading in allergy products, anti-infectives and glaucoma products; and the Vision Care business is well positioned in weekly/monthly and disposable contact lenses, as well as multi-purpose and peroxide solutions.

To maximize value creation through integration, we are following our strategic priorities of innovation, growth and productivity. We will leverage our expertise in R&D to expand potential targets for Alcon, and have already identified opportunities for the integrated development of

technology in the contact lens and intraocular lens segment. With our expanded portfolio, we will have more to offer eye care professionals, and expect to have an increased share of voice in the eye care market. Expanded market access is expected to increase reimbursement for value-added products outside the US and accelerate penetration in emerging markets. We plan to leverage the portfolio breadth, global presence and capabilities of Sandoz to deliver growth from the Alcon generics business.

From a financial perspective, Novartis has four key objectives for the integration: streamlining the cost base and delivering cost savings; capitalizing on the growth opportunities; improving cash flow return on investment (CFROI) for the Alcon Division; and mitigating dilution of earnings per share (EPS) from the merger.

With full ownership, annual cost synergies are expected to exceed USD 300 million. Programs have been launched to reduce the cost base in manufacturing and procurement, as well as back-office and commercial functions. We expect significant reduction of head office and General & Administration costs by up to 40%, whereas there is limited overlap in Marketing & Sales and R&D operations.

Total exceptional costs associated with the merger over the next three years are estimated to amount approximately to USD 600 million, including charges for severance, retention and relocation, and a preliminary estimate for the integration of Alcon into the Novartis IT platform of USD 350 million.

Reflecting the value creation opportunities we identified, we expect the new Alcon Division to improve CFROI across sales growth, core operating margin and cash flow-to-sales ratio. In 2010, Alcon delivered high-single-digit sales growth, while CIBA Vision achieved sales growth in the mid-single-digits. Combining the two businesses and executing on the identified revenue synergies is expected to provide sales growth above market. Core operating margin of the two businesses can be improved through identified cost synergies. In addition, we have identified improved operating structures, which could have a beneficial impact on the Group tax charge of up to 0.5 percentage points. Realizing growth and cost saving opportunities, together with a reduction of invested capital, is expected to improve CFROI.

Full pro forma comparatives of the new Alcon Division will be provided in an investor call on May 18, 2011.

Cash flow

The sustainability of our strategy lies with the generation of cash flow that provides the resources for reinvestment and creates shareholder return. Cash flow is driven by a continued focus on the cash conversion cycle and operational cash flow improvements. Free cash flow was USD 1.6 billion for the quarter, a decline of 44% over the previous year, primarily due to the cash collection for A(H1N1) pandemic flu vaccine in the first quarter of 2010 (USD 1.3 billion), the payment of legal and restructuring provisions made in 2010 (USD 0.6 billion) and an increase in working capital from the low year-end level.

Capitalization and net debt

On April 8, 2011, 165 million shares were issued in connection with the merger with Alcon, composed of 108 million newly issued shares and 57 million treasury shares. This represents an increase in the shares outstanding of 6.8% since December 15, 2010. On announcement of the merger agreement, the company committed to reduce the dilution created by the share issue through reactivation of the share buyback program. In the period from the announcement to the date of the merger, purchases of Novartis shares (USD 0.6 billion) and Alcon shares (USD 2.6 billion) totaled USD 3.2 billion, significantly reducing dilution. Repurchases of Novartis shares will continue to further reduce the impact of dilution.

As of March 31, 2011, net debt stood at USD 22.3 billion, with USD 8.7 billion outstanding on the commercial paper programs. This represents a net increase of USD 7.4 billion since December 31, 2010, mainly as a result of the cash

used for the dividend payment (USD 5.4 billion), cash outflow for share repurchases (USD 2.8 billion) and acquisitions (USD 0.6 billion). The long-term credit rating for the company continues to be double-A (Moody's Aa2; Standard & Poor's AA-; Fitch AA).

2011 Group outlook
(Barring unforeseen events)

Novartis reaffirms expectations for Group net sales to grow around the double-digit mark in 2011 and aim to improve core operating income margin in constant currencies while absorbing price cuts, generic competition and the loss of sales from the A(H1N1) pandemic flu vaccine, and while investing for the future.

During the first quarter, the dollar weakened against most currencies. As a result, if March year-to-date exchange rates prevail for the remainder of the year, the impact would be positive (+3%) on sales and negative (-2%) on operating income for the full year.

HEALTHCARE BUSINESS REVIEW

Pharmaceuticals

	Q1 2011 USD m	Q1 2010 USD m	% change USD	cc
Net sales	7 765	7 291	7	5
Operating income	2 499	2 280	10	13
As % of net sales	32.2	31.3		
Core operating income	2 580	2 385	8	11
As % of net sales	33.2	32.7		

First quarter

Net sales
Net sales grew 7% (+5% cc) to USD 7.8 billion, driven by 9 percentage points of volume growth, partly offset by a negative pricing impact of 2 percentage points (mainly due to healthcare cost-containment measures), and the effect of generics launches and product divestments of an additional 2 percentage points. Products launched since 2007 generated USD 2 billion of net sales, growing 33% in constant currencies over the same period last year. These recently launched products – which include Lucentis, Exforge, Exelon Patch, Exjade, Reclast/Aclasta, Tekturna/Rasilez, Tasigna, Afinitor, Onbrez Breezhaler, Ilaris, Fanapt and Gilenya – now comprise 25% of division sales, compared to 20% in the same period last year.

Europe (USD 2.8 billion, +3% cc) particularly benefited from recently launched products, which accounted for 32% of net sales in the region. Europe sustained strong volume growth of 9 percentage points, more than offsetting the negative pricing impact of 5 percentage points (mainly due to healthcare cost-containment measures) and the effect of the entry of generics of 1 percentage point. Latin America and Canada (USD 0.7 billion, +13% cc) maintained solid growth rates, w