

# Novartis Q4 net profit rebounds to \$2.1 billion

January 23 2013

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In this Aug. 12, 2005 file photo, a man passes the Logo of Swiss pharmaceutical company Novartis at the company's headquarters in Basel, Switzerland. Novartis AG reported a jump in fourth-quarter net profit to \$2.08 billion Wednesday Jan. 23, 2013, citing the lack of a \$900-million one-time charge it took in the same period the previous year. (AP Photo/Keystone, Steffen Schmidt, file)

(AP)—Swiss drug maker Novartis AG reported a jump in fourth-quarter net profit to \$2.08 billion on Wednesday, citing the lack of a \$900-million one-time charge it took in the same period the previous

year.

Net profit during the final quarter of last year rose 72 percent from the \$1.21 billion net profit posted in the final three months of 2011, when the Basel-based company took a hit from ending its clinical study into wider uses of the hypertension drug Tekturna.

The results were slightly above most analysts' expectations, lifting Novartis shares by 2.9 percent to 61.85 Swiss francs (\$66.59) on the Zurich exchange by mid-morning.

Chief Executive Joseph Jimenez said Novartis has a strong range of new products coming out of its research and development pipeline—including a new infant vaccine for meningitis—and predicted net sales to grow after 2013.

Fourth-quarter sales in 2012 were almost flat at \$14.83 billion compared with \$14.78 billion in the same period the previous year, and sales in 2013 are expected to suffer from the expiry of patents on hypertension drug Diovan.

Novartis said Gilenya, its one-daily pill against multiple sclerosis, attained what it calls 'blockbuster status' with full-year sales of \$1.2 billion in 2012.

Full-year net profit was up four percent at \$9.62 billion from \$9.25 billion in 2011.

Novartis expects the U.S. Food and Drug Administration to carry out an inspection during the coming months at its plant in Lincoln, Nebraska, which was shut down at the end of 2011 after officials found numerous quality-control problems. Jimenez told reporters in a conference call that in the meantime the company is relying on third-party manufacturers to

ensure continued supply of products such as painkiller Excedrin across the United States.

Novartis also announced Wednesday that long-time chairman and former chief executive Daniel Vasella will leave the board at the annual shareholders' meeting at the end of February. The board is proposing that Joerg Reinhardt, currently chairman of Germany rival Bayer HealthCare AG, should replace Vasella.

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