

# Novartis cites momentum in three percent profit rise

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This Oct. 25, 2011 file photo shows the logo of Swiss pharmaceutical company Novartis AG on one of their buildings in Basel, Switzerland. Swiss pharmaceutical company Novartis AG posted a 3 percent rise in second-quarter profits Thursday, July 17, 2014, reflecting what it described as solid growth and an increased focus on core products. Profits during the April-June quarter rose to \$3.28 billion, up from \$3.18 billion in the same quarter of 2013, helped by "strong innovation momentum" and rising sales in some of its household brands, the Basel-based company reported.(AP Photo/Keystone, Georgios Kefalas, File)

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Earlier this year, the company launched a major overhaul of its [business](#) with a series of multibillion-dollar deals with Britain's GlaxoSmithKline PLC and the U.S.'s Eli Lilly & Co., a reflection of the restructuring that's occurring in the fast-changing industry.

Novartis confirmed its outlook for 2014 is for mid-to-high single-digit sales growth, partly due to its confidence from progress and approvals for cancer and heart drugs that are in development.

CEO Joseph Jimenez told reporters the company delivered a solid quarter and is benefiting from "a sweeping transformation" of its commercial portfolio.

Novartis said Thursday its deal to buy GSK's cancer-drug business for \$14.5 billion, plus up to \$1.5 billion more if certain milestones are met, is now expected to close in the first half of 2015. The Swiss [company](#) has agreed to sell most of its vaccines business to GSK for \$7.1 billion, plus royalties, giving GSK better market position with Bexsero, a meningitis B vaccine. The two firms are also creating a new consumer health care business.

Separately, Novartis is selling its animal health division to Eli Lilly for about \$5.4 billion, in a deal it said Thursday is now expected to close in the first quarter of 2015. The Indianapolis-based Lilly has been hit hard

by patent expirations and has staked its recovery in part on new drugs it develops and its animal health business.

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