

NOVARTIS AG  
Form FWP  
February 14, 2017

**Filed Pursuant to Rule 433**

**Registration No. 333-207004**

**February 14, 2017**

**PRICING TERM SHEET**

**Novartis Capital Corporation**

1.800% Notes due 2020

2.400% Notes due 2022

3.100% Notes due 2027

*Fully and unconditionally guaranteed by*  
**Novartis AG**

**1.800% Notes due 2020:**

<b>Issuer:</b>	Novartis Capital Corporation
<b>Guarantor:</b>	Novartis AG
<b>Size:</b>	\$1,000,000,000
<b>Maturity Date:</b>	February 14, 2020
<b>Coupon:</b>	1.800%

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<b>Interest Payment Dates:</b>	February 14 and August 14, commencing August 14, 2017
<b>Price to Public:</b>	99.609%
<b>Benchmark Treasury:</b>	1.375% due February 15, 2020
<b>Benchmark Treasury Price and Yield:</b>	99-17 / 1.535%
<b>Spread to Benchmark Treasury:</b>	40 bps
<b>Yield:</b>	1.935%
<b>Optional Redemption:</b>	Prior to February 14, 2020, the notes will be redeemable at our option, in whole or in part,

at any time and from time to time at a redemption price equal to the greater of:

- 100% of the principal amount of the notes to be redeemed; and
- the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed that would be due if the notes matured on February 14, 2020,

together with accrued interest to the date of redemption.

The present value will be determined by discounting the remaining principal and interest payments to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), using the applicable rate of T+10 bps.

<b>CUSIP:</b>	66989HAL2
<b>ISIN:</b>	US66989HAL24
<b>Trade Date:</b>	February 14, 2017
<b>Expected Settlement Date:</b>	February 17, 2017 (T+3)
<b>Listing:</b>	None
<b>Anticipated Ratings:</b>	Aa3 by Moody's Investors Service, Inc. AA- by S&P Global Ratings
<b>Joint Book-Running Managers:</b>	Citigroup Global Markets Inc. J.P. Morgan Securities LLC  Merrill Lynch, Pierce, Fenner & Smith Incorporated  Credit Suisse Securities (USA) LLC  Goldman, Sachs & Co.  UBS Securities LLC
<b>Co-Managers:</b>	HSBC Securities (USA) Inc.

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Mizuho Securities USA Inc.

MUFG Securities Americas Inc.

RBS Securities Inc.

Société Générale

**2.400% Notes due 2022:**

<b>Issuer:</b>	Novartis Capital Corporation
<b>Guarantor:</b>	Novartis AG
<b>Size:</b>	\$1,000,000,000
<b>Maturity Date:</b>	May 17, 2022
<b>Coupon:</b>	2.400%
<b>Interest Payment Dates:</b>	May 17 and November 17, commencing May 17, 2017 (short first coupon)
<b>Price to Public:</b>	99.449%
<b>Benchmark Treasury:</b>	1.875% due January 31, 2022
<b>Benchmark Treasury Price and Yield:</b>	99-18 <sup>3</sup> / <sub>4</sub> / 1.963%
<b>Spread to Benchmark Treasury:</b>	55 bps
<b>Yield:</b>	2.513%
<b>Optional Redemption:</b>	Prior to April 17, 2022 (the 2022 par call date ), the notes will be redeemable at our option, in whole or in part, at any time and from time to time at a redemption price equal to the greater of:

- 100% of the principal amount of the notes to be redeemed; and

- the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed that would be due if the notes matured on the par call date,

together with accrued interest to the date of redemption.

The present value will be determined by discounting the remaining principal and interest payments to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), using the



applicable rate of T+10 bps.

At any time on or after the 2022 par call date the notes will be redeemable at our option, in whole or in part, at any time and from time to time at a redemption price equal to 100% of the principal amount of the notes to be redeemed on that redemption date, together with, in each case, accrued interest to the date of redemption.

<b>CUSIP:</b>	66989HAM0
<b>ISIN:</b>	US66989HAM07
<b>Trade Date:</b>	February 14, 2017
<b>Expected Settlement Date:</b>	February 17, 2017 (T+3)
<b>Listing:</b>	None
<b>Anticipated Ratings:</b>	Aa3 by Moody's Investors Service, Inc. AA- by S&P Global Ratings
<b>Joint Book-Running Managers:</b>	Citigroup Global Markets Inc. J.P. Morgan Securities LLC  Merrill Lynch, Pierce, Fenner & Smith Incorporated  Credit Suisse Securities (USA) LLC  Goldman, Sachs & Co.  UBS Securities LLC
<b>Co-Managers:</b>	HSBC Securities (USA) Inc.  Mizuho Securities USA Inc.  MUFG Securities Americas Inc.  RBS Securities Inc.  Société Générale

**3.100% Notes due 2027:**

<b>Issuer:</b>	Novartis Capital Corporation
<b>Guarantor:</b>	Novartis AG
<b>Size:</b>	\$1,000,000,000
<b>Maturity Date:</b>	May 17, 2027
<b>Coupon:</b>	3.100%
<b>Interest Payment Dates:</b>	May 17 and November 17, commencing May 17, 2017 (short first coupon)
<b>Price to Public:</b>	99.109%
<b>Benchmark Treasury:</b>	2.250% due February 15, 2027
<b>Benchmark Treasury Price and Yield:</b>	98-01 / 2.473%
<b>Spread to Benchmark Treasury:</b>	73 bps
<b>Yield:</b>	3.203%
<b>Optional Redemption:</b>	Prior to February 17, 2027 (the 2027 par call date ), the notes will be redeemable at our option, in whole or in part, at any time and from time to time at a redemption price equal to the greater of:

- 100% of the principal amount of the notes to be redeemed; and

- the sum of the present values of the remaining scheduled payments of principal and interest on the notes to be redeemed that would be due if the notes matured on the par call date,

together with accrued interest to the date of redemption.

The present value will be determined by discounting the remaining principal and interest payments to the redemption date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months), using the





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applicable rate of T+15 bps.

At any time on or after the 2027 par call date the notes will be redeemable at our option, in whole or in part, at any time and from time to time at a redemption price equal to 100% of the principal amount of the notes to be redeemed on that redemption date, together with, in each case, accrued interest to the date of redemption.

<b>CUSIP:</b>	66989HAN8
<b>ISIN:</b>	US66989HAN89
<b>Trade Date:</b>	February 14, 2017
<b>Expected Settlement Date:</b>	February 17, 2017 (T+3)
<b>Listing:</b>	None
<b>Anticipated Ratings:</b>	Aa3 by Moody's Investors Service, Inc. AA- by S&P Global Ratings
<b>Joint Book-Running Managers:</b>	Citigroup Global Markets Inc. J.P. Morgan Securities LLC  Merrill Lynch, Pierce, Fenner & Smith Incorporated  Credit Suisse Securities (USA) LLC  Goldman, Sachs & Co.  UBS Securities LLC
<b>Co-Managers:</b>	HSBC Securities (USA) Inc.  Mizuho Securities USA Inc.  MUFG Securities Americas Inc.  RBS Securities Inc.  Société Générale

Note: A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

**The issuer and the guarantor have filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer and the guarantor have filed with the SEC for more complete**

**information about the issuer, the guarantor and this offering. You may get these documents for free by visiting EDGAR on the SEC website at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any**

**dealer participating in the offering will arrange to send you the prospectus if you request it by calling Citigroup Global Markets Inc. toll-free at 1-800-831-9146, J.P. Morgan Securities LLC collect at 1-212-834-4533, or Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at 1-800-294-1322.**