

NOVARTIS AG  
Form FWP  
November 18, 2015

Filed Pursuant to Rule 433  
Registration No. 333-207004  
November 17, 2015

**PRICING TERM SHEET**

**Novartis Capital Corporation**

3.000% Notes due 2025

4.000% Notes due 2045

*Fully and unconditionally guaranteed by*

**Novartis AG**

**3.000% Notes due 2025:**

|                                |   |
|--------------------------------|---|
| <b>Issuer:</b>                 | Novartis Capital Corporation                    |
| <b>Guarantor:</b>              | Novartis AG                                     |
| <b>Size:</b>                   | \$1,750,000,000                                 |
| <b>Maturity Date:</b>          | November 20, 2025                               |
| <b>Coupon:</b>                 | 3.000%  |
| <b>Interest Payment Dates:</b> | May 20 and November 20, commencing May 20, 2016 |
| <b>Price to Public:</b>        | 99.010%   |
| <b>Benchmark Treasury:</b>     | 2.250% due November 15, 2025                    |

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**Benchmark Treasury Price and Yield:** 99-27+ / 2.266%

**Spread to Benchmark Treasury:** 85 bps

**Yield:** 3.116%

**Optional Redemption:** Prior to August 20, 2025 (the 2025 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
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- 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+15 bps.

At any time on or after the 2025 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>                       | 66989H AJ7   |
| <b>ISIN:</b>                        | US66989HAJ77   |
| <b>Trade Date:</b>                  | November 17, 2015  |
| <b>Expected Settlement Date:</b>    | November 20, 2015 (T+3)  |
| <b>Listing:</b>                     | None   |
| <b>Anticipated Ratings:</b>         | Aa3 (stable) by Moody's Investors Service, Inc.<br>AA- (stable) by Standard & Poor's Ratings Services  |
| <b>Joint Book-Running Managers:</b> | Merrill Lynch, Pierce, Fenner & Smith<br><br>Incorporated<br><br>Citigroup Global Markets Inc.<br><br>J.P. Morgan Securities LLC<br><br>Credit Suisse Securities (USA) LLC<br><br>Goldman, Sachs & Co.<br><br>UBS Securities LLC |
| <b>Co-Managers:</b>                 | Barclays Capital Inc.<br><br>BNP Paribas Securities Corp.  |

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Deutsche Bank Securities Inc.

HSBC Securities (USA) Inc.

RBS Securities Inc.

SG Americas Securities, LLC

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### 4.000% Notes due 2045:

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|--|--|
| <b>Issuer:</b>                             | Novartis Capital Corporation   |
| <b>Guarantor:</b>                          | Novartis AG  |
| <b>Size:</b>                               | \$1,250,000,000  |
| <b>Maturity Date:</b>                      | November 20, 2045  |
| <b>Coupon:</b>                             | 4.000%   |
| <b>Interest Payment Dates:</b>             | May 20 and November 20, commencing May 20, 2016  |
| <b>Price to Public:</b>                    | 98.029%  |
| <b>Benchmark Treasury:</b>                 | 2.875% due August 15, 2045   |
| <b>Benchmark Treasury Price and Yield:</b> | 96-10 / 3.065%   |
| <b>Spread to Benchmark Treasury:</b>       | 105 bps  |
| <b>Yield:</b>                              | 4.115%   |
| <b>Optional Redemption:</b>                | Prior to May 20, 2045 (the 2045 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+20 bps.

At any time on or after the 2045 par call date the



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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.

**CUSIP:** 66989H AK4

**ISIN:** US66989HAK41

**Trade Date:** November 17, 2015

**Expected Settlement Date:** November 20, 2015 (T+3)

**Listing:** None

**Anticipated Ratings:** Aa3 (stable) by Moody's Investors Service, Inc.  
AA- (stable) by Standard & Poor's Ratings Services

**Joint Book-Running Managers:** Merrill Lynch, Pierce, Fenner & Smith  
Incorporated  
Citigroup Global Markets Inc.  
J.P. Morgan Securities LLC  
Credit Suisse Securities (USA) LLC  
Goldman, Sachs & Co.

**Co-Managers:** UBS Securities LLC  
Barclays Capital Inc.  
BNP Paribas Securities Corp.  
Deutsche Bank Securities Inc.  
HSBC Securities (USA) Inc.  
RBS Securities Inc.  
SG Americas Securities, LLC

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 Merrill Lynch, Pierce, Fenner & Smith Incorporated toll-free at 1-800-294-1322, Citigroup Global Markets Inc. toll-free at 1-800-831-9146 or J.P. Morgan Securities LLC collect at 1-212-834-4533.

