Novartis AG’s (NOVN) first-quarter profit was little changed as weaker currencies in Japan and emerging markets weighed on sales, offsetting gains from newer products such as the Gilenya treatment for multiple sclerosis.

Earnings excluding some items totaled $3.21 billion, or $1.31 a share, compared with $3.21 billion, or $1.30, a year earlier, the company said in a statement today. Novartis, which is based in Basel, Switzerland, and reports earnings in dollars, also was hurt by a strong Swiss franc. Analysts predicted profit of $1.31 a share, according to the average of 12 estimates compiled by Bloomberg.

The results come two days after Novartis announced a series of deals that will reshape the company. Novartis agreed to buy GlaxoSmithKline Plc’s cancer-drug business for as much as $16 billion, sell most of its vaccines business to Glaxo for as much as $7.1 billion and sell its animal-health unit to Eli Lilly & Co. for $5.4 billion. Glaxo and Novartis also will form a consumer-health joint venture.

Sales of newer medicines -- the company’s so-called growth products, which are those introduced in 2009 or later, or which have patents extending to at least 2018 -- climbed 17 percent to $4.3 billion. They accounted for 31 percent of pharmaceutical sales in the quarter.

**Patent Countdown**

That revenue will help replace income from its best-selling drugs, the Diovan blood-pressure treatment and cancer medicine Gleevec, which are starting to lose patent protection.

Diovan’s patent ran out in the U.S. in 2012, but Ranbaxy Laboratories Inc., which has the exclusive right to make a copy for six months, has failed to win regulatory approval after four factories it runs in India failed U.S. inspections. Novartis twice raised its earnings estimates last year because of the lack of a Diovan generic. There are cheaper copies on the U.S. market of a combination therapy known as Diovan HCT that adds a diuretic to the drug.

Novartis fell 0.2 percent to close yesterday at 76.25 francs. The stock returned 14 percent including reinvested dividends in the year through yesterday, matching the 14 percent for the Bloomberg Europe Pharmaceutical Index.

Sales rose 1 percent to $14 billion. Analysts predicted $14.2 billion, the average of 12 estimates. Gilenya, an oral drug for multiple sclerosis, increased by 31 percent at constant exchange rates to $552 million.
Novartis reiterated that sales this year will increase by a low to mid-single-digit percentage in constant currencies, and core operating income will rise more than sales. The forecast assuming Diovan faces generic competition in the U.S. at the beginning of the third quarter.

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