EON LABS INC Form SC 13D March 02, 2005

SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

SCHEDULE 13D

Under the Securities Exchange Act of 1934

EON LABS, INC.

(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE

(Title of Class of Securities)

29412E100

(CUSIP Number of Class of Securities)

George Miller Novartis AG Lichtstrasse 35 CH-4002, Basel Switzerland 41-61-324-1111 Trevor S.Norwitz, Esq.
Wachtell, Lipton, Rosen & Katz
51 West 52 Street
New York , New York 10019
(212) 403-1000

(Name, Address and Telephone Number of Person Authorized to Receive Notices and Communications on Behalf of Filing Persons)

February 20, 2005

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of ss.ss.240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. []

NOTE: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See ss.240.13d-7 for

other parties to whom copies are to be sent.

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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CUSIP No. 29412E100

1. NAMES OF REPORTING PERSONS: Novartis Corporation

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): 13-1834433

- 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):
 - (a) []
 - (b) []
- 3. SEC USE ONLY:

4. SOURCE OF FUNDS (SEE INSTRUCTIONS): AF

- 5. CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) []
- 6. CITIZENSHIP OR PLACE OF ORGANIZATION

		New York		
Number of Shares Beneficially Owned by Each		SOLE VOTING POWER 0		
Reporting				
Person With	8.	SHARED VOTING POWER 0		
		3		
	9.	SOLE DISPOSITIVE POWER 0		
	10.	SHARED DISPOSITIVE POWER 60,000,000		
	11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 60,000,000 (1)		
	12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) []		
	13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 67.5%		
	14.	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS) CO		

(1) The Reporting Persons may be deemed to have shared dispositive power over the Santo Shares (as defined in Item 4) pursuant to the Santo Stock Purchase Agreement (as defined in Item 4). The Reporting Persons hereby disclaim beneficial ownership of any shares of Common Stock.

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CUSIP No. 29412E100

	1.	NAMES OF REPORTING PERSONS: Zodnas Acquisition Corp.		
		I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): Not available		
	2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):		
		(a) []		
		(d) []		
	3.	SEC USE ONLY:		
	4.	SOURCE OF FUNDS (SEE INSTRUCTIONS): AF		
	5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) []		
	6.	CITIZENSHIP OR PLACE OF ORGANIZATION Delaware		
Shares Beneficially Owned by		SOLE VOTING POWER 0		
	8.	SHARED VOTING POWER 0		
		5		
	9.	SOLE DISPOSITIVE POWER 0		
	10.	SHARED DISPOSITIVE POWER 60,000,000		
	11.	AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 60,000,000 (2)		
	12.	CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN Shares (See Instructions) []		

13.	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 67.5%		
14.	TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)		
over the Santo Shar Purchase Agreement	ing Persons may be deemed to have shared dispositive power res (as defined in Item 4) pursuant to the Santo Stock (as defined in Item 4). The Reporting Persons hereby disclaim p of any shares of Common Stock.		
	6		
CUSIP No. 29412E10	0		
1.	NAMES OF REPORTING PERSONS: Novartis AG		
	I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY): 98-0363351		
2.	CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):		
	(a) []		
	(d) []		
3.	SEC USE ONLY:		
4.	SOURCE OF FUNDS (SEE INSTRUCTIONS): WC		
5.	CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(D) OR 2(E) []		
6.	CITIZENSHIP OR PLACE OF ORGANIZATION Switzerland		

Number of 7. Sole Voting Power

Shares Beneficially Owned by Each Reporting Person With			0				
			Shared Voting Power				
			7				
		9.	SOLE DISPOSITIVE POWER 0				
		10.	SHARED DISPOSITIVE POWER 60,132,122				
	11.	60,	REGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 132,122(3)				
12. CHE SHA 13. PER 67.		SHA	CK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN RES (SEE INSTRUCTIONS) []				
		PER	PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 67.7%				
			TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)				

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ITEM 1. SECURITY AND ISSUER

This Schedule 13D filed by Novartis AG ("Novartis"), Novartis Corporation, ("Novartis Corp"), and Zodnas Acquisition Corp. ("Zodnas" and, together with Novartis and Novartis Corp, the "Reporting Persons") relates to the Common Stock, par value \$0.01 per share (the "Common Stock"), of Eon Labs, Inc., a Delaware corporation (the "Company"). The principal executive offices of the Company are located at 1999 Marcus Avenue, Lake Success, NY 11042.

⁽³⁾ The Reporting Persons may be deemed to have shared dispositive power over the Santo Shares (as defined in Item 4) pursuant to the Santo Stock Purchase Agreement (as defined in Item 4) and Novartis AG may be deemed to have shared dispositive power over the Hexal Owned Shres (as defined in Item 5) pursuant to the Hexal Agreement (as defined in Item 5). The Reporting Persons hereby disclaim beneficial ownership of any shares of Common Stock.

ITEM 2. IDENTITY AND BACKGROUND

- (a), (b), (c) and (f). The name, business address, present principal occupation or employment and citizenship of the executive officers and members of the Board of Directors of each of the Reporting Persons is set forth on Schedule I hereto and is incorporated herein by reference.
- (d) and (e). None of the Reporting Persons nor, to the best knowledge of each of them, any of the persons listed on Schedule I hereto with respect to each such Reporting Person during the last five years, (i) has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

The funds for the transactions described in Item 4 below will be obtained from cash on hand.

ITEM 4. PURPOSE OF TRANSACTION

(a) and (b). On February 20, 2005, Novartis Corp, Santo Holding (Deutschland) GmbH ("Santo") and for purposes of Section 12 thereof only, Novartis, entered into an Agreement for Purchase and Sale of Stock (the "Santo Stock Purchase Agreement") relating to the purchase by Novartis Corp (or its designee) of 60,000,000 shares of Common Stock (the "Santo Shares") representing approximately 67.5% of the outstanding shares of Common Stock. A copy of the Santo Stock Purchase Agreement is attached as Exhibit 2.1 hereto and incorporated by reference herein.

Also on February 20, 2005, Novartis Corp, Zodnas, the Company and for purposes of Section 10.12 only, Novartis, entered into an Agreement and Plan of Merger (the "Merger Agreement"). The Merger Agreement provides for Zodnas to commence a tender offer (the "Offer") for any and all shares of the Common Stock at a price of \$31.00 per share in cash (the "Offer Price"). However, although the Offer is being made for any and all shares of Common Stock, Santo has agreed to sell the Santo Shares to Novartis Corp (or its designee) pursuant to the Santo Stock Purchase Agreement at a price per share that is less than the Offer Price. Therefore, effectively the Offer will be made for all shares of Common Stock, other than the Santo Shares (the "Public Shares"). The closing of the Offer is conditioned, among other things, upon the contemporaneous or immediately subsequent purchase of the Santo Shares under the Santo Stock Purchase Agreement. The Merger Agreement further provides that if a majority of the Public Shares are tendered into the Offer, Novartis Corp will cause a merger of Zodnas with and into the Company, with the Company surviving, where all of the remaining holders of Common Stock will receive \$31.00 per share (the "Merger"). In the event that less than a majority of the Public Shares are tendered into the Offer, the Merger Agreement provides that the standstill provisions in the Confidentiality Agreement, dated as of February 11, 2005 by and between Novartis Corp and the Company (the "Confidentiality Agreement") will be amended to provide that Novartis Corp and Zodnas will be permitted to make acquisitions of shares of Common Stock that are voluntary to the holders of Common Stock (such as by means of legally permissible open market purchases or additional tender offers) and may consummate a merger or other business combination with the Company prior to February 11, 2006, only if: (1) a majority

of the then-

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outstanding Public Shares approve such transaction; or (2) Novartis Corp and its subsidiaries own 90% or more the total outstanding shares of Company Stock, provided that the price per share of Common Stock paid in any such transaction described in (2) above is at least equal to the Offer Price.

Following the completion of the Offer, Novartis Corp and Zodnas are required to use their reasonable best efforts to keep the Common Stock quoted for trading on the NASDAQ National Market as long as the Company is registered under the Securities Exchange Act of 1934, as amended and satisfies the NASDAQ National Market's listing standards (other than standards entirely within the Company's control).

Further, the Merger Agreement provides that from and after the date on which Zodnas becomes obligated to accept for payment any and all shares of Common Stock tendered into the Offer, Novartis Corp will be entitled to designate each member of the Company's Board of Directors, and the Company will be required to promptly take all actions necessary to cause Novartis Corp's designees to be so elected. However, if Novartis and Zodnas have purchased in the Offer a majority of the Public Shares, then until the effective time of the Merger, Novartis Corp and Merger Sub will permit the members of the special committee (the "Special Committee") of the Company's Board of Directors (or their designees) to remain on the Company's Board of Directors.

A copy of the Merger Agreement is attached hereto as Exhibit 2.2 and incorporated by reference herein and a copy of the Confidentiality Agreement is attached as Exhibit 2.3 hereto and incorporated by reference herein.

The summaries of each of the Santo Stock Purchase Agreement, the Merger Agreement and the Confidentiality Agreement are qualified in their entireties by reference to the full text of the documents attached hereto as Exhibits 2.1, 2.2 and 2.3, respectively.

A copy of the press release relating to the transactions described above is attached as Exhibit 99.1 hereto and incorporated by reference herein.

ITEM 5. INTEREST IN SECURITIES OF ISSUER

(a) and (b) On February 16 and 17, 2005, Novartis (Deutschland) GmbH ("Novartis Deutschland") and Novartis (as guarantor) entered into a Share and Partnership Interest Sale and Transfer Agreement (the "Hexal Agreement"), with Dr. Andreas Strungmann, Ms. Susan Strungmann, Ms. Nicole Strungmann, Mr. Florian Strungmann, Dr. Thomas Strungmann, Ms. Cornelia Strungmann, Mr. Fabian Strungmann, Ms. Janina Strungmann, Ms. Fiona Strungmann, Mr. Felix Strungmann, Hexal Aktiengesellschaft and A+T Vermogensverwaltung GmbH, relating to the acquisition of shares in A+T Vermogensverwaltung GmbH as well as partnership interests in A+T Holding GmbH & Co. KG (the "Hexal Business"). In connection with the purchase of the Hexal Business, Novartis Deutschland will acquire 132,122 shares of Common Stock currently held by the companies comprising the Hexal Business (the "Hexal Owned Shares"), which represents approximately .1% of the outstanding shares of Common Stock.

Other than as described in this Item 5 and in Item 4 above, as of the date hereof, none of the Reporting Persons are the record holder of any shares of Common Stock or have the right to acquire any Common Stock.

Novartis Corp may be deemed to have shared power to dispose or to direct the disposition with respect to the Santo Shares and Novartis may be deemed to have shared power to dispose or to direct the disposition with respect to the Hexal Owned Shares. Novartis is the beneficial owner of all Common Stock beneficially owned by Novartis Corp and Novartis Deutschland.

The Reporting Persons hereby disclaim beneficial ownership of any shares of Common Stock. To the best knowledge of each of the Reporting Persons, none of the persons listed on Schedule I hereto with respect to such Reporting Person is the beneficial owner of any shares of Common Stock.

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- (c) Neither the Reporting Persons nor, to the best knowledge of each of the Reporting Persons, any of the persons listed on Schedule I with respect to each such Reporting Person has engaged in any transaction in the Common Stock in the past 60 days other than as described in Item 4 and Item 5 above.
 - (d) Not applicable.
 - (e) Not applicable.

ITEM 6. CONTRACTS, ARRANGEMENTS, UNDERSTANDINGS OR RELATIONSHIPS WITH RESPECT TO SECURITIES OF THE ISSUER

See Item 4 and Item 5 above.

ITEM 7. MATERIAL TO BE FILED AS EXHIBITS.

2.1	Agreement for Purchase and Sale of Stock, by and among Novartis Corporation, Santo Holding (Deutschland) GmbH and for purposes of Section 12 only, Novartis AG, dated as of February 20, 2005
2.2	Agreement and Plan of Merger, by and among Novartis Corporation, Zodnas Acquisition Corp., Eon Labs, Inc. and for purposes of Section 10.12 only, Novartis AG, dated as of February 20, 2005
2.3	Confidentiality Agreement, by and between Novartis Corporation and Eon Labs, Inc., dated as of February 11, 2005
99.1	Press Release, dated February 21, 2005
99.2	Joint Filing Agreement, by and among Novartis AG, Novartis Corporation and Zodnas Acquisition Corp., dated as of March 2, 2005

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SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct. Dated: March 2, 2005

NOVARTIS AG

By: /s/ Reto Brandli

Name: Reto Brandli Title: Head Group BP&A

By: /s/ Joerg Walther

Name: Joerg Walther

Title: Authorized Signatory

NOVARTIS CORP

By: /s/ Martin Henrich

Name: Martin Henrich

Title: Executive Vice President

ZODNAS ACQUISITION CORP

By: /s/ Urs A. Naegelin

Name: Urs A. Naegelin

Title: Director

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Exhibit Index

2.1 Agreement for Purchase and Sale of Stock, by and among Novartis
Corporation, Santo Holding (Deutschland) GmbH and for purposes of

Section 12 only, Novartis AG, dated as of February 20, 2005 ______ Agreement and Plan of Merger, by and among Novartis Corporation, Zodnas Acquisition Corp., Eon Labs, Inc. and for purposes of Section 10.12 only, Novartis AG, dated as of February 20, 2005 Confidentiality Agreement, by and between Novartis Corporation and Eon Labs, Inc., dated as of February 11, 2005 _____ ______ 99.1 Press Release, dated February 21, 2005 ______ 99.2 Joint Filing Agreement, by and among Novartis AG, Novartis Corporation and Zodnas Acquisition Corp., dated as of March 2, 2005

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DIRECTORS AND EXECUTIVE OFFICERS OF NOVARTIS, NOVARTIS CORP AND ZODNAS

DIRECTORS AND EXECUTIVE OFFICERS OF NOVARTIS

The name, address, citizenship and present principal occupation or employment of each of the directors and executive officers of Novartis are set forth below. Unless otherwise indicated below, each occupation set forth opposite an individual's name refers to employment with Novartis.

NAME, FUNCTION AND BUSINESS ADDRESS CITIZENSHIP PRINCIPAL OCCUPATION

Daniel Vasella Chairman of the Board of Directors, Chief Executive Officer c/o Novartis AG Lichtstrasse 35 CH-4002 Basel, Switzerland	Switzerland	Chairman of the Board of Directors, Chief Executive Officer
Hans-Jorg Rudloff Vice Chairman of the Board of Directors c/o Novartis AG Lichtstrasse 35 CH-4002 Basel, Switzerland	Germany	Chairman of the Executive Committee of Barclays Capital
Prof. Dr. Helmut Sihler Vice Chairman of the Board of Directors	Austria	Retired

c/o Novartis AG
Lichtstrasse 35
CH-4002 Basel, Switzerland

Birgit Breuel
Director
c/o Novartis AG
Lichtstrasse 35
CH-4002 Basel, Switzerland

Germany Member of the Supervisory Board of Gruner + Jahr AG, German

Prof. Dr. Peter Burckhardt
Director
c/o Novartis AG
Lichtstrasse 35
CH-4002 Basel, Switzerland
Switzerland
Head of Medical Service at the University Hospital of Lausanne

Prof. Srikant Datar, PhD. India Senior Associate Dean for Director Executive Education at c/o Novartis AG Harvard Business School Lichtstrasse 35 CH-4002 Basel, Switzerland

William W. George
USA
Chairman and Chief
Executive Officer of
c/o Novartis AG
Lichtstrasse 35
CH-4002 Basel, Switzerland

Chairman and Chief
Executive Officer of
Medtronic, Inc.,
Minneapolis

Alexandre F. Jetzer Switzerland Consultant Director

c/o Novartis AG Lichtstrasse 35 CH-4002 Basel, Switzerland

Lichtstrasse 35

Pierre Landoldt Switzerland President of the Sandoz Director Family Foundation c/o Novartis AG

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CH-4002 Basel, Switzerland

CH-4002 Basel, Switzerland

Prof. Dr. Rolf M. Zinkernagel

Director

c/o Novartis AG

Lichtstrasse 35

CH-4002 Basel,

Switzerland

Professor and Director of the Institute of Experimental Immunology at the University of Zurich

Switzerland

Prof. Ulrich Lehner, PhD Germany President and Chief
Director Executive Officer of

c/o Novartis AG Henkel KGaA Lichtstrasse 35

Dr.-Ing. Wendelin Wiedeking Germany Chairman of Porsche AG

c/o Novartis AG Director Lichtstrasse 35

CH-4002 Basel, Switzerland

Dr. Raymund Breu Switzerland Chief Financial Officer

c/o Novartis AG Lichtstrasse 35

CH-4002 Basel, Switzerland

Switzerland Head of Legal and General Dr. Urs Barlocher

c/o Novartis AG Affairs

Lichtstrasse 35

CH-4002 Basel, Switzerland

Jurgen Brokatzky-Geiger Germany Head of Human Resources

c/o Novartis AG Lichtstrasse 35

CH-4002 Basel, Switzerland

Dr. Paul Choffat Switzerland Head of Novartis Consumer

c/o Novartis AG Health

Lichtstrasse 35

CH-4002 Basel, Switzerland

Head of Pharmaceuticals Thomas Ebeling Germany

c/o Novartis AG Lichtstrasse 35

CH-4002 Basel, Switzerland

Mark C. Fishman USA Head of Biomedical

c/o Novartis AG Research

Lichtstrasse 35

CH-4002 Basel, Switzerland

Steven Kelmar Head of Public Affairs USA

c/o Novartis AG and Communications

Lichtstrasse 35

CH-4002 Basel, Switzerland

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DIRECTORS AND EXECUTIVE OFFICERS OF NOVARTIS CORP

The name, address, citizenship and present principal occupation or employment of each of the directors and executive officers of Novartis Corp are set forth below. Unless otherwise indicated below, each occupation set forth opposite an individual's name refers to employment with Novartis Corp.

NAME, FUNCTION AND BUSINESS ADDRESS CITIZENSHIP PRINCIPAL OCCUPATION
Daniel Vasella Switzerland Chairman of the Board of Chairman of the Board of Directors Directors and Chief Executive Officer of

Novartis

c/o Novartis AG

Lichtstrasse 35 CH-4002 Basel, Switzerland

Great Britain Vice Chairman, President Terence Barnett

Vice Chairman of the Board of and Chief Executive

Directors Officer

c/o Novartis Corporation

608 Fifth Avenue New York, NY 10020,

USA

Switzerland Chief Financial Officer of Dr. Raymund Breu

Director Novartis

c/o Novartis AG Lichtstrasse 35

CH-4002 Basel, Switzerland

Germany Head of Novartis Pharma Thomas Ebeling

Director

c/o Novartis AG Lichtstrasse 35

CH-4002 Basel, Switzerland

Fred Meyer Switzerland Retired

Director

c/o Omnicom Group, Inc. 437 Madison Avenue New York, NY 10022, USA

Urs Naegelin Switzerland Executive Vice President

c/o Novartis Corporation and Chief Financial

608 Fifth Avenue Officer

New York, NY 10020, USA

CH-4002 Basel, Switzerland

Switzerland Division Head Consumer Dr. Paul Choffat

c/o Novartis AG Health

Lichtstrasse 35

Dr. Martin Henrich Executive Vice President, Switzerland

Regional General Counsel c/o Novartis Corporation 608 Fifth Avenue and Secretary of Novartis

Corp

New York, NY 10020, USA

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DIRECTORS AND EXECUTIVE OFFICERS OF ZODNAS

The name, address, citizenship and present principal occupation or employment of each of the directors and executive officers of Zodnas are set forth below. Unless otherwise indicated below, each occupation set forth opposite an individual's name refers to employment with Zodnas.

NAME, FUNCTION AND BUSINESS ADDRESS CITIZENSHIP PRINCIPAL OCCUPATION
Terence Barnett Great Vice Chairman, President
Chairman of the Board of Directors Britain and Chief Executive Officer of Novartis Corp c/o Novartis Corporation

608 Fifth Avenue

New York, NY 10020, USA

Urs Naegelin Switzerland Executive Vice President

Director, Vice President and Chief Financial c/o Novartis Corporation Officer of Novartis Corp 608 Fifth Avenue New York, NY 10020, USA Martin Henrich Switzerland Executive Vice President Director, Vice President and and Regional General Assistant Secretary Counsel of Novartis Corp c/o Novartis Corporation 608 Fifth Avenue New York, NY 10020, USA John Sedor USA President and Chief Executive Officer of President c/o Sandoz Inc. Sandoz Inc. 506 Carnegie Center, Suite 400 Princeton, NJ 08540, USA Eric W. Evans USA Vice President and Chief Vice President and Chief Financial Financial Officer of Officer Sandoz Inc. c/o Sandoz Inc. 506 Carnegie Center, Suite 400 Princeton, NJ 08540, USA Eric Pomerantz USA Vice President and General Vice President and Secretary Counsel of Sandoz Inc. c/o Sandoz Inc. 506 Carnegie Center, Suite 400 Princeton, NJ 08540, USA Wayne P. Merkelson USA Vice President and

Associate General Counsel

of Novartis Corp

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Vice President and Assistant

c/o Novartis Corporation

New York, NY 10020, USA

608 Fifth Avenue

Secretary