

Edgar Filing: CHIRON CORP - Form SC 13D/A

CHIRON CORP  
Form SC 13D/A  
September 01, 2005

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

SCHEDULE 13D

UNDER THE SECURITIES EXCHANGE ACT OF 1934  
(AMENDMENT NO. 11)\*

CHIRON CORPORATION  
(Name of Issuer)

COMMON STOCK, PAR VALUE \$0.01 PER SHARE  
(Title of Class of Securities)

170040109  
(CUSIP Number of Class of Securities)

WAYNE P. MERKELSON  
NOVARTIS CORPORATION  
608 FIFTH AVENUE  
NEW YORK, NEW YORK 10020  
(212) 307-1122

ANDREW R. BROWNSTEIN, ESQ.  
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)

SEPTEMBER 1, 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. 170040109

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1. NAMES OF REPORTING PERSONS:  
Novartis Biotech Partnership, Inc.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY):  
06-1415318

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS):

(A)

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(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  
Delaware

---

Number of 7. SOLE VOTING POWER  
Shares 0

Beneficially

Owned by

Each

Reporting

Person

With

8. SHARED VOTING POWER  
127,206,693

---

9. SOLE DISPOSITIVE POWER  
0

---

10. SHARED DISPOSITIVE POWER  
127,206,693

---

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11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
127,206,693

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) |\_ |

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
53%

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
CO

CUSIP No. 170040109

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

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-----  
Number of Shares Beneficially Owned by Each Reporting Person With 7. SOLE VOTING POWER  
0  
-----  
8. SHARED VOTING POWER  
127,214,149  
-----

9. SOLE DISPOSITIVE POWER  
0  
-----

10. SHARED DISPOSITIVE POWER  
127,214,149  
-----

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
127,214,149  
-----

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) |\_  
-----

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
53%  
-----

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
CO  
-----

CUSIP No. 170040109  
-----

1. NAMES OF REPORTING PERSONS:  
Novartis Pharma AG

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

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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):

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 Shares Beneficially Owned by Each Reporting Person With

7. SOLE VOTING POWER  
0

8. SHARED VOTING POWER  
5,469,770

9. SOLE DISPOSITIVE POWER  
0

10. SHARED DISPOSITIVE POWER  
5,469,770

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON  
5,469,770

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE  
INSTRUCTIONS)

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)  
2%

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14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)  
CO  
-----

CUSIP No. 170040109  
-----

1. NAMES OF REPORTING PERSONS:  
Novartis AG

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

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):  
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       | 0                      |
| Beneficially | -----                  |
| Owned by     |                        |
| Each         |                        |
| Reporting    | 8. SHARED VOTING POWER |
| Person       | 132,683,919            |
| With         | -----                  |

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9. SOLE DISPOSITIVE POWER

0

10. SHARED DISPOSITIVE POWER

132,683,919

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

132,683,919

12. CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) |  |

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

55%

14. TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

ITEM 1. SECURITY AND ISSUER

This Amendment No. 11 to Schedule 13D relates to Common Stock, par value \$0.01 per share (the "Common Stock"), of Chiron Corporation, a Delaware corporation (the "Company"). Novartis AG ("Novartis"), Novartis Corporation, ("Novartis Corp"), Novartis Biotech Partnership, Inc. ("Biotech"), and Novartis Pharma AG ("Novartis Pharma" and, together with Novartis, Novartis Corp and Biotech the "Reporting Persons") hereby amend the Schedule 13D.

ITEM 2. IDENTITY AND BACKGROUND

Item 2 is hereby amended as follows:

(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.

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### ITEM 3. SOURCE AND AMOUNT OF FUNDS OR OTHER CONSIDERATION

Item 3 is hereby amended by adding the following:

Novartis plans to finance the transactions described in Item 4 below with available cash or other liquid assets.

### ITEM 4. PURPOSE OF TRANSACTION

Item 4 is hereby amended by adding the following:

(a) On September 1, 2005, Novartis presented the Company's independent directors with the proposal set forth in the letter below.

[Novartis Letterhead]

CONFIDENTIAL

September 1st, 2005

Independent Directors of Chiron Corporation  
Attention: Mr. Lewis W. Coleman  
                    Presiding Director  
4560 Horton Street, M/S Q-431  
Emeryville, CA 94608  
USA

Ladies and Gentlemen:

In connection with the Chiron Board's consideration of the serious issues Chiron faces, you inquired of our plans for our investment in the Company, including specifically whether we had any interest at this time in acquiring the outstanding shares in the Company that we do not already own. We

advised you that absent additional due diligence we would not be able to assess any potential change in our position in the Company but that we would be willing to undertake such due diligence if that were acceptable to the Independent Directors. With your agreement we have conducted our due diligence and we now have a deeper understanding of the Company and the pending situation. As Chiron's largest shareholder, Chiron's current situation is naturally a matter of concern to us, and so we have considered how we can best protect our investment in the Company. As is evident from Novartis' long history with Chiron, we have no intention of selling our interest.

Based on our due diligence review, we have concluded that the best result for all concerned, including Chiron, its shareholders and Novartis, would be for Novartis to acquire the shares in Chiron that it does not already own. We believe that Chiron, as a wholly-owned subsidiary of Novartis, would be better positioned to deal with the legal, regulatory and business issues that it is facing. Despite the challenges facing Chiron's vaccine business today, the acquisition would enable us to build a strategic platform in vaccines. Chiron's public shareholders would benefit from such a transaction as it would provide them with an immediate premium for their shares and eliminate their investment risk.

Accordingly, we are pleased to propose a transaction in which Novartis would enter into a cash merger agreement pursuant to which the public



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shareholders of Chiron would receive \$40.00 per share in cash. This price represents a 12% premium to Chiron's one week weighted average closing price. As an indication of our confidence that this transaction will be well received by Chiron's public shareholders, Novartis is willing to condition the merger on the approval of a majority of the public shares.

Of course, our proposal is subject to the approval of the Independent Directors and to the execution of definitive documentation. We are prepared to move quickly and to negotiate a customary merger agreement with Chiron's Independent Directors and its advisors. We have substantially completed our due diligence work and our merger terms will not include any due diligence or financing conditions, but only customary and usual closing conditions. We do not anticipate any significant obstacles to negotiating and consummating a mutually beneficial transaction promptly.

As I am sure you appreciate, consistent with our obligations under the U.S. federal securities laws, this letter will become publicly available when we forthwith file it with an amendment to our Schedule 13D.

We look forward to hearing from you.

Very truly yours,

/S/ Daniel Vasella

-----  
Daniel Vasella, M.D.  
Chairman and CEO

ITEM 5. INTEREST IN SECURITIES OF ISSUER

Item 5 is hereby amended in its entirety as follows:

(a) and (b) As of the date of this Amendment, Biotech is the record holder of 73,842,852 shares of Common Stock. In addition, pursuant to the Market Price Option Agreement, Biotech or its designee, which must be Novartis or a subsidiary thereof, has the right to purchase from the Company under certain circumstances such number of shares of Common Stock as are necessary for the Reporting Persons to maintain collectively up to a 55% ownership interest in the Company, which as of August 3, 2005, constituted the right to purchase an additional 53,363,841 shares, based on 187,879,648 shares of Common Stock outstanding at August 3, 2005, as reported in the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2005. Biotech is the beneficial owner of 127,206,693 shares of Common Stock, or 53% of the Common Stock, assuming Biotech exercises its right to purchase the additional shares of Common Stock pursuant to Market Price Option Agreement. Biotech has shared power to vote or to direct

the vote and shared power to dispose or to direct the disposition with respect to all the shares of Common Stock beneficially owned by it.

Novartis Corp is the record holder of 7,456 shares of Common Stock. After adjusting the total number of shares beneficially owned by Novartis Corp to include the 127,206,693 shares beneficially owned by Biotech, Novartis Corp is the beneficial owner of 127,214,149 shares of Common Stock or 53% of the Common Stock, assuming Biotech exercises its right to purchase the additional shares of Common Stock pursuant to Market Price Option Agreement. Novartis Corp has shared

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power to vote or to direct the vote and shared power to dispose or to direct the disposition with respect to all the shares of Common Stock beneficially owned by it.

Novartis Pharma is the record holder of 5,469,770 shares of Common Stock, or 2% of the Common Stock, assuming Biotech exercises its right to purchase the additional shares of Common Stock pursuant to Market Price Option Agreement. Novartis Pharma has shared power to vote or to direct the vote and shared power to dispose or to direct the disposition with respect to all the shares of Common Stock beneficially owned by it.

Novartis is the beneficial owner of the shares of Common Stock beneficially owned by Novartis Pharma, Novartis Corp and Biotech. Novartis beneficially owns 132,683,919 shares of Common Stock, giving it a 55% beneficial interest in the Company, assuming Biotech exercises its right to purchase the additional shares of Common Stock pursuant to Market Price Option Agreement. Novartis has shared power to vote or to direct the vote and shared power to dispose or to direct the disposition of the shares of Common Stock beneficially owned by Biotech, Novartis Corp and Novartis Pharma.

Any purchases of Common Stock by Novartis, Novartis Pharma, Novartis Corp or Biotech will reduce the number of shares of Common Stock that may be purchased pursuant to the Market Price Option Agreement, and accordingly, the percentage of the Common Stock beneficially owned by Novartis will not increase as a result of the acquisition of additional shares of Common Stock described in Item 4(a).

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, other than Raymund Breu, who is the beneficial owner of 55,666 shares of Common Stock.

(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.

(d) Not applicable.

(e) Not applicable.

### ITEM 7. MATERIAL TO BE FILED AS EXHIBITS

99.1 Press Release, dated September 1, 2005.

99.2 Joint Filing Agreement, by and among Novartis Biotech Partnership, Inc., Novartis Corporation, Novartis Pharma AG and Novartis AG, dated as of September 1, 2005.

### 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: September 1, 2005

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NOVARTIS BIOTECH  
PARTNERSHIP, INC.

By: /s/ Urs Naegelin

-----  
Name: Urs Naegelin  
Title: Vice President

NOVARTIS CORPORATION

By: /s/ Wayne P. Merkelson

-----  
Name: Wayne P. Merkelson  
Title: Vice President

NOVARTIS PHARMA AG

By: /s/ Jorg Reinhardt

-----  
Name: Jorg Reinhardt  
Title: Authorized Signatory

By: /s/ Martin Henrich

-----  
Name: Martin Henrich  
Title: Authorized Signatory

NOVARTIS AG

By: /s/ Peter Rupprecht

-----  
Name: Peter Rupprecht  
Title: Authorized Signatory

By: /s/ Urs Barlocher

-----  
Name: Urs Barlocher  
Title: Authorized Signatory

Exhibit Index

| EXHIBIT NUMBER | EXHIBIT NAME  |
|----------------|---|
| 99.1           | Press Release, dated September 1, 2005.   |
| 99.2           | Joint Filing Agreement, by and among Novartis Biotech Partnership, Inc., Novartis Corporation, Novartis Pharma AG and Novartis AG, dated as of September 1, 2005. |

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## SCHEDULE I

### DIRECTORS AND EXECUTIVE OFFICERS OF NOVARTIS, NOVARTIS PHARMA, NOVARTIS CORP AND BIOTECH

#### 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<br>Chairman of the Board of Directors,<br>Chief Executive Officer<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Switzerland | Chairman of the Board of<br>Directors, Chief Executive<br>Officer              |
| Hans-Jorg Rudloff<br>Vice Chairman of the Board of<br>Directors<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland                  | Germany     | Chairman of the Executive<br>Committee of Barclays<br>Capital                  |
| Prof. Dr. Helmut Sihler<br>Vice Chairman of the Board of<br>Directors<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland            | Austria     | Retired  |
| Birgit Breuel<br>Director<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland  | Germany     | Member of the Supervisory<br>Board of Gruner + Jahr AG,<br>German              |
| Prof. Dr. Peter Burckhardt<br>Director<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland   | Switzerland | Head of Medical Service at<br>University Hospital of<br>Lausanne               |
| Prof. Srikant Datar, PhD.<br>Director<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland  | India       | Senior Associate Dean for<br>Executive Education at<br>Harvard Business School |
| William W. George<br>Director<br>c/o Novartis AG<br>Lichtstrasse 35  | USA         | Chairman and Chief Executive<br>Officer of Medtronic, Inc.,<br>Minneapolis     |

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CH-4002 Basel, Switzerland

|   |             |            |
|---|-------------|------------|
| Alexandre F. Jetzer<br>Director<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Switzerland | Consultant |
|---|-------------|------------|

|   |             |  |
|---|-------------|--|
| Pierre Landoldt<br>Director<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Switzerland | President of the Sandoz<br>Family Foundation |
|---|-------------|--|

|   |             |   |
|---|-------------|---|
| Prof. Dr. Rolf M. Zinkernagel<br>Director<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Switzerland | Professor and Director of<br>the Institute of<br>Experimental Immunology at<br>the University of Zurich |
|---|-------------|---|

|  |         |  |
|--|---------|--|
| Prof. Ulrich Lehner, PhD<br>Director<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Germany | President and Chief<br>Executive Officer of Henkel<br>KGaA |
|--|---------|--|

|   |         |                        |
|---|---------|------------------------|
| Dr.-Ing. Wendelin Wiedeking<br>Director<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Germany | Chairman of Porsche AG |
|---|---------|------------------------|

|  |             |                         |
|--|-------------|-------------------------|
| Dr. Raymund Breu<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Switzerland | Chief Financial Officer |
|--|-------------|-------------------------|

|   |             |                                      |
|---|-------------|--------------------------------------|
| Dr. Urs Barlocher<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Switzerland | Head of Legal and General<br>Affairs |
|---|-------------|--------------------------------------|

|   |         |                         |
|---|---------|-------------------------|
| Jurgen Brokatzky-Geiger<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Germany | Head of Human Resources |
|---|---------|-------------------------|

|  |             |                                     |
|--|-------------|-------------------------------------|
| Dr. Paul Choffat<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Switzerland | Head of Novartis Consumer<br>Health |
|--|-------------|-------------------------------------|

|  |         |                         |
|--|---------|-------------------------|
| Thomas Ebeling<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Germany | Head of Pharmaceuticals |
|--|---------|-------------------------|

|                 |     |                             |
|-----------------|-----|-----------------------------|
| Mark C. Fishman | USA | Head of Biomedical Research |
|-----------------|-----|-----------------------------|

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

Steven Kelmar  
c/o Novartis AG  
Lichstrasse 35  
CH-4002 Basel, Switzerland

USA

Head of Public Affairs and  
Communications

DIRECTORS AND EXECUTIVE OFFICERS OF NOVARTIS PHARMA

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

| NAME, FUNCTION AND BUSINESS ADDRESS<br>-----   | CITIZENSHIP<br>----- | PRINCIPAL OCCUPATION<br>-----  |
|--|----------------------|--|
| Daniel Vasella<br>Chairman of the Board of Directors,<br>Chief Executive Officer<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland | Switzerland          | Chairman of the Board of<br>Directors, and Chief<br>Executive Officer of<br>Novartis |
| Thomas Ebeling<br>Director<br>c/o Novartis AG<br>Lichstrasse 35<br>CH-4002 Basel, Switzerland  | Germany              | Head of Novartis Pharma  |
| Dr. Raymund Breu<br>Director<br>c/o Novartis AG<br>Lichstrasse 35<br>CH-4002 Basel, Switzerland  | Switzerland          | Chief Financial Officer of<br>Novartis   |
| Andrin Oswald<br>c/o Novartis AG<br>Lichstrasse 35<br>CH-4002 Basel, Switzerland   | Switzerland          | Corporate Secretary  |

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<br>----- | CITIZENSHIP<br>----- | PRINCIPAL OCCUPATION<br>----- |
|--|----------------------|-------------------------------|
|--|----------------------|-------------------------------|

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|   |               |  |
|---|---------------|--|
| Daniel Vasella<br>Chairman of the Board of Directors<br>c/o Novartis AG<br>Lichtstrasse 35<br>CH-4002 Basel, Switzerland              | Switzerland   | Chairman of the Board of Directors and Chief Executive Officer of Novartis |
| Terence Barnett<br>Vice Chairman of the Board of Directors<br>c/o Novartis Corporation<br>608 Fifth Avenue<br>New York, NY 10020, USA | Great Britain | Vice Chairman, President and Chief Executive Officer                       |
| Dr. Raymund Breu<br>Director<br>c/o Novartis AG<br>Lichstrasse 35<br>CH-4002 Basel, Switzerland                                       | Switzerland   | Chief Financial Officer of Novartis  |
| Thomas Ebeling<br>Director<br>c/o Novartis AG<br>Lichstrasse 35<br>CH-4002 Basel, Switzerland   | Germany       | Head of Novartis Pharma  |
| Fred Meyer<br>Director<br>c/o Omnicom Group, Inc.<br>437 Madison Avenue<br>New York, NY 10022, USA                                    | Switzerland   | Retired  |
| Urs Naegelin<br>c/o Novartis Corporation<br>608 Fifth Avenue<br>New York, NY 10020, USA   | Switzerland   | Executive Vice President and Chief Financial Officer                       |
| Dr. Paul Choffat<br>c/o Novartis AG<br>Lichstrasse 35<br>CH-4002 Basel, Switzerland   | Switzerland   | Division Head Consumer Health  |

DIRECTORS AND EXECUTIVE OFFICERS OF BIOTECH

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

| NAME, FUNCTION AND BUSINESS ADDRESS<br>-----  | CITIZENSHIP<br>----- | PRINCIPAL OCCUPATION<br>-----   |
|---|----------------------|---|
| Urs Naegelin<br>Chairman of the Board of Directors<br>c/o Novartis Corporation<br>608 Fifth Avenue<br>New York, NY 10020, USA | Switzerland          | Executive Vice President and Chief Financial Officer of Novartis Corp |

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Paulo Costa  
Vice Chairman of the Board of  
Directors  
c/o Novartis Pharmaceuticals  
Corporation  
59 Route 10  
East Hanover, NJ 07936

Brazil

Chief Executive Officer of  
Novartis Pharmaceuticals  
Corporation

Terance Barnett  
Director  
c/o Novartis Corporation  
608 Fifth Avenue  
New York, NY 10020, USA

Great  
Britain

Vice Chairman, President and  
Chief Executive Officer of  
Novartis Corp

Exhibit 99.1

[Novartis Logo]

NOVARTIS INTERNATIONAL AG  
Novartis Global Communications  
CH-4002 Basel  
Switzerland  
<http://www.novartis.com>

John Gilardi  
Novartis Global Media Relations  
+41 61 324 3018 (direct)  
+41 61 324 2200 (main)  
[john.gilardi@novartis.com](mailto:john.gilardi@novartis.com)

### MEDIA RELEASE - COMMUNIQUE AUX MEDIAS - MEDIENMITTEILUNG

NOVARTIS MAKES OFFER TO INDEPENDENT DIRECTORS TO BUY REMAINING STAKE IN CHIRON

BASEL, SEPTEMBER 1, 2005 - Novartis announced today that it has made a proposal to the independent directors of Chiron Corporation ( NASDAQ: CHIR) to acquire all of the remaining outstanding shares that it does not already own and has filed an amended Form 13-D as required by the US Securities and Exchange Commission.

Novartis currently holds a 42.2% stake in the US biopharmaceutical company and has submitted a proposal to acquire the approximately 112 million fully diluted shares (treasury method) of Chiron for USD 40.00 per share in cash, or a total of USD 4.5 billion. This offer was made after Novartis recently conducted due diligence on Chiron with the agreement of the company's independent directors.

Novartis will seek to negotiate a customary merger agreement with the independent directors of Chiron's Board of Directors that would be subject to approval by a majority of the Chiron shares not owned by Novartis. This transaction could be completed promptly, but there can be no assurance that an agreement will be reached on a transaction.

#### ABOUT CHIRON

Chiron Corporation is a leading biopharmaceutical company based in Emeryville,



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California, that addresses patient needs with more than 50 diverse products to detect, prevent and treat disease worldwide. The company, which had 2004 sales of USD 1.7 billion, operates in three business segments: Vaccines, which offers more than 30 products including influenza, meningococcal, travel and pediatric vaccines; Blood Testing, which develops and commercializes a range of blood safety products used by the blood banking and transfusion medicine industry; and BioPharmaceuticals, which discovers, develops, manufactures and markets a range of therapeutic products focusing on infectious disease and cancer. R&D efforts are focused on developing high-value products for infectious disease and cancer. Founded in 1981, Chiron has more than 5,300 employees worldwide.

### ABOUT NOVARTIS

Novartis AG (NYSE: NVS) is a world leader in pharmaceuticals and consumer health. In 2004, the Novartis group of companies' businesses achieved sales of USD 28.2 billion and a pro forma net income of USD 5.8 billion. The group invested approximately USD 4.2 billion in R&D. Headquartered in Basel, Switzerland, Novartis group companies employ approximately 83,700 people and operate in over 140 countries around the world. For further information, please consult [HTTP://WWW.NOVARTIS.COM](http://www.novartis.com).

### DISCLAIMER

This communication is for information purposes only. It shall not constitute an offer to purchase, sell or exchange or the solicitation of an offer to purchase, sell or exchange any securities of Novartis or Chiron. The distribution of this news release may, in some countries, be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions.

This document contains "forward-looking statements" within the meaning of the US Private Securities Litigation Reform Act. Forward-looking statements are statements that are not historical facts and are generally identified by the words "will", can, could or similar expressions, or by express or implied discussions regarding strategies, plans and expectations (including synergies). These statements include, but are not limited to, financial projections and estimates and their underlying assumptions, statements regarding the benefits of the business transactions described herein, including future financial and operating results. Such statements reflect the current plans, expectations, objectives, intentions or views of management with respect to future events, are based on the current beliefs and expectations of management and are subject to significant risks, uncertainties and assumptions. Management's expectations could be affected by, among other things, competition in general, the general economic environment and other risks such as, but not limited to, those referred to in Novartis AG's Form 20-F on file with the U.S. Securities and Exchange Commission. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may differ materially from those set forth or implied by the forward-looking statements.

The following factors, among others, could cause actual results to differ materially from those set forth in the forward-looking statements: the ability to obtain governmental approvals for the transaction on the proposed terms and schedule; the risk that the businesses will not be integrated successfully; the risk that the cost savings and any other synergies from the transaction may not be fully realized or may take longer to realize than expected; disruption from the transaction making it more difficult to maintain relationships with customers, employees or suppliers; social and political conditions such as war, political unrest and terrorism or natural disasters; general economic conditions

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and normal business uncertainty and competition and its effect on pricing, spending, third-party relationships and revenues. These forward-looking statements speak only as of the date of this press release and no undertaking has been made to update or revise them if there are changes in expectations or if any events, conditions or circumstances on which any such forward looking statement is based.

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CONTACT

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Exhibit 99.2

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(k) (1) under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree that this Statement on Schedule 13D with respect to the beneficial ownership of shares of Common Stock of Chiron Corporation is filed jointly, on behalf of each of them. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

Dated: September 1, 2005

NOVARTIS BIOTECH PARTNERSHIP, INC.  
By: /S/ Urs Naegelin

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Name: Urs Naegelin  
Title: Vice President

NOVARTIS CORPORATION

By: /S/ Wayne P. Merkelson

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Name: Wayne P. Merkelson  
Title: Vice President

NOVARTIS PHARMA AG

By: /S/ Jorg Reinhardt

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Name: Jorg Reinhard  
Title: Authorized Signatory

By: /S/ Martin Henrich

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Name: Martin Henrich  
Title: Authorized Signatory

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NOVARTIS AG

By: /S/ Peter Rupprecht

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Name: Peter Rupprecht  
Title: Authorized Signatory

By: /S/ Urs Barlocher

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Name: Urs Barlocher  
Title: Authorized Signatory