

NOVARTIS AG
Form 4
December 12, 2005

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
NOVARTIS CORP

2. Issuer Name and Ticker or Trading Symbol
CHIRON CORP [CHIRON COR]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
608 FIFTH AVENUE
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
12/08/2005

___ Director ___X___ 10% Owner
___ Officer (give title below) ___ Other (specify below)

NEW YORK, NY 10020

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
___ Form filed by One Reporting Person
X Form filed by More than One Reporting Person

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Ownership (Instr. 4)
Common Stock, par value \$0.01 per share	12/08/2005		C	V	Amount \$ 80,746,860 43.5 (1) (2) (3) (4)	I (1) (2)	See footnotes (1) (2) (3) (4)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price of Derivative Security (Instr. 5)	9. Nu
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
NOVARTIS CORP 608 FIFTH AVENUE NEW YORK, NY 10020		X		
NOVARTIS AG LICHTSTRASSE 35 BASEL SWITZERLAND CH 4002		X		

Signatures

Novartis Corporation, Jeff Benjamin, Vice President and General Counsel 12/12/2005

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
 - ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) On October 30, 2005, Chiron Corporation (the "Company") gave Novartis AG and Novartis Corporation, an indirect wholly-owned subsidiary of Novartis AG, notice of the exercise of its right, pursuant to the Subscription Agreement, dated as of November 20, 1994, among the Company, Novartis AG and certain of its affiliates, to require Novartis Biotech Partnership, Inc., an indirect wholly-owned subsidiary of Novartis AG and an indirect subsidiary of Novartis Corporation ("Novartis Biotech"), to purchase an aggregate of \$300,000,000 worth of shares of Common Stock at \$43.50 per share directly from the Company. Pursuant to that notice, on December 8, 2005, Novartis Biotech completed the purchase of 6,896,552 shares of Common Stock from Chiron for \$43.50 per share, resulting in an aggregate purchase price of \$300,000,012.
- (2) Following the transaction, Novartis Biotech is the record holder of 80,739,404 shares of Common Stock. Novartis Corporation is the record holder of 7,456 shares of Common Stock and is the indirect beneficial owner of the shares of Common Stock owned of record by Novartis Biotech. Novartis Pharma AG, an indirect wholly-owned subsidiary of Novartis AG, is the record holder of 5,469,770 shares of Common Stock. Novartis AG is the indirect beneficial owner of all shares owned through Novartis Biotech, Novartis Corporation and Novartis Pharma AG, resulting in indirect beneficial ownership of 86,216,630 shares of Common Stock.

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(3) Pursuant to the Market Price Option Agreement, dated as of November 20, 1994, among the Company, Novartis AG, Novartis Corporation and Novartis Biotech, Novartis Biotech or its designee, which must be Novartis AG 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 October 31, 2005, constituted the right to purchase an additional 47,318,084 shares, based on 195,472,305 shares of Common Stock outstanding at October 31, 2005, as reported in the Company's Preliminary Proxy Statement filed with the Securities and Exchange Commission on November 25, 2005.

(4) The purchase price of any shares purchased pursuant to the Market Price Option Agreement will be the fair market value of the shares, determined as of the business day three business days prior to the closing of the purchase, where fair market value is generally the average of the closing sale prices on the Nasdaq National Market of shares of Common Stock during the 10-day period immediately preceding the date of determination of fair market value. Novartis AG and Novartis Corporation are indirect beneficial owners of any shares purchased by Novartis Biotech pursuant to the Market Price Option Agreement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.