

CHIRON CORP  
Form 4  
April 20, 2006

**FORM 4**

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**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 \*  
Walther Gene

(Last) (First) (Middle)  
4560 HORTON STREET  
(Street)

EMERYVILLE, CA 94608-2916  
(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
04/19/2006

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
V.P.; President, Chiron BT

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

**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 Ownership (Instr. 4)
				(A) or (D) Price			
Common Stock	04/19/2006		D <sup>(1)</sup>	5,058 <u>(2)</u>	D \$ 48 0	D	

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

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SEC 1474 (9-02)

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

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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 Underlying Security (Instr. 3 and 4)
				Code V	(A) (D)	Date Exercisable Expiration Date	Title
Employee Stock Option (Right to Buy)	\$ 42.625	04/19/2006		D <sup>(3)</sup>	20,000	<sup>(4)</sup> 04/19/2006	Common Stock
Employee Stock Option (Right to Buy)	\$ 42.535	04/19/2006		D <sup>(3)</sup>	10,000	<sup>(4)</sup> 04/19/2006	Common Stock
Employee Stock Option (Right to Buy)	\$ 36.335	04/19/2006		D <sup>(3)</sup>	16,000	<sup>(4)</sup> 04/19/2006	Common Stock
Employee Stock Option (Right to Buy)	\$ 33.88	04/19/2006		D <sup>(3)</sup>	125,000	<sup>(4)</sup> 04/19/2006	Common Stock
Performance Share Rights Award	<sup>(5)</sup>	04/19/2006		A <sup>(6)</sup>	14,000	<sup>(7)</sup> 04/19/2006	Common Stock
Performance Share Rights Award	<sup>(5)</sup>	04/19/2006		D <sup>(8)</sup>	14,000	<sup>(7)</sup> 04/19/2006	Common Stock
Restricted Stock Units	<sup>(5)</sup>	04/19/2006		D <sup>(9)</sup>	2,200	<sup>(10)</sup> 04/19/2006	Common Stock

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Walther Gene 4560 HORTON STREET EMERYVILLE, CA 94608-2916			V.P.; President, Chiron BT	

## Signatures

Gene W. Walther by Naima Robinson as Atty-in-Fact

04/20/2006

        \*\*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) The disposition was effected pursuant to the terms of the merger agreement between the Issuer and Novartis AG dated as of October 30, 2005 and as subsequently amended April 3, 2006 (the "Merger Agreement"), and involved the exchange of each share for a cash payment in the amount of \$48. The disposition was approved by the Compensation Committee of the Issuer's Board of Directors and is accordingly an exempt transaction pursuant to SEC Rule 16b-3(e).

(2) Includes share right awards covering 1,920 shares of the Issuer's common stock which were also exchanged for a cash payment pursuant to the Merger Agreement.

(3) The option was cancelled pursuant to the terms of the Merger Agreement in exchange for a cash payment per cancelled option share equal to \$48 less the exercise price per share in effect for that option. Such disposition of the option was approved by the Compensation Committee of the Issuer's Board of Directors and is accordingly an exempt transaction pursuant to SEC Rule 16b-3(e).

(4) The option was vested and fully exercisable as to all the shares at the time of cancellation.

(5) One-for-One

(6) Represents a performance share award made on February 22, 2005 and structured to vest upon the Issuer's attainment of certain pre-established performance objectives over a designated period measured from February 22, 2005 to August 21, 2007. However, pursuant to the terms of such award, vesting occurred at target level on an accelerated basis immediately prior to the change in control transaction effected on April 19, 2006 pursuant to the Merger Agreement. The award was made to the Reporting Person in a transaction exempt under SEC Rule 16b-3(d).

(7) The share rights award vested in full on an accelerated basis immediately prior to the closing of the change in control transaction effected on April 19, 2006 pursuant to the Merger Agreement.

(8) The share rights were cancelled pursuant to the terms of the Merger Agreement in exchange for a cash payment equal to \$48 per share of the Issuer's common stock underlying the cancelled share rights. Such disposition of the share rights was approved by the Compensation Committee of the Issuer's Board of Directors and is accordingly an exempt transaction pursuant to SEC Rule 16b-3(e).

(9) The stock units were cancelled pursuant to the terms of the Merger Agreement in exchange for a cash payment equal to \$48 per share of the Issuer's common stock underlying the cancelled share rights, to be paid in four annual installments over the period of Reporting Person's continuation of service after the merger. Such disposition of the share rights was approved by the Compensation Committee of the Issuer's Board of Directors and is accordingly an exempt transaction pursuant to SEC Rule 16b-3(e).

(10) The stock units vested in full on an accelerated basis in connection with the closing of the change in control transaction effected on April 19, 2006 pursuant to the Merger Agreement.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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