

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

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FILER

CHIRON CORP

CIK: **706539** | IRS No.: **942754624** | State of Incorpor.: **DE** | Fiscal Year End: **1231**
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 4, 2004**

CHIRON CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

0-12798
(Commission File No.)

94-2754624
(I.R.S. Employer
Identification No.)

4560 Horton Street
Emeryville, CA 94608
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: **(510) 655-8730**

Item 5. Other Events and Regulation FD Disclosure.

In two separate transactions in May 2004, Chiron Corporation ("Chiron") effected divestitures of certain assets.

On May 14, 2004, Chiron disposed of its needle-free particle mediated delivery technology and related DNA vaccine development programs through a sale of all the shares of PowderJect Vaccines, Inc., a wholly-owned subsidiary of Chiron, and substantially all the assets held by PowderJect Pharmaceuticals Limited, PowderJect Research Limited and PowderJect Technologies Limited, each of which is a direct or indirect subsidiary of Chiron, to PowderMed Limited ("PowderMed"), a recently formed company founded by the former head of R&D of PowderJect Pharmaceuticals and a number of its other former senior executives in conjunction with UK-based venture capital firms Schroder Life Sciences, Advent Venture Partners, Abingworth Management Limited and Oxford Bioscience Partners. In consideration for the sale, Chiron and its affiliates received a minority interest in PowderMed as well as a nominal cash payment. Also as part of the transaction, Chiron and its affiliates were granted a worldwide, royalty-free, non-exclusive license under certain of the patents transferred to PowderMed in the sale solely for use and exploitation of vaccines in delivery systems other than the needle-free particle mediated delivery technology of PowderMed.

On May 4, 2004 Chiron sold all the shares of its subsidiary SBL Vaccin AB to a company founded by former SBL executive management with support from European venture capital firms: 3i Group plc and SEB Företagsinvest. SBL develops, manufactures, markets and distributes vaccines, including Dukoral®, an oral cholera prophylactic vaccine. Chiron retained certain marketing rights for Dukoral® in Europe.

Chiron originally acquired the above-described assets in 2003 in connection with its acquisition of PowderJect Pharmaceuticals plc.

Press releases announcing the transactions are attached as Exhibit 99.1 and Exhibit 99.2.

Item 7. Financial Statements, *Pro Forma* Financial Information Exhibits.

<u>Exhibit Number</u>	<u>Description of Exhibit</u>
99.1	Press Release issued by Chiron Corporation dated May 17, 2004
99.2	Press Release issued by Chiron Vaccines dated May 5, 2004

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: May 18, 2004

Chiron Corporation

By: /s/William G. Green
Sr. Vice President, General Counsel and
Secretary

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EXHIBIT INDEX

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For Immediate Release**Contacts:**

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CHIRON VACCINES SPINS OUT POWDER INJECTION THERAPEUTIC DNA VACCINE PROGRAMMES TO POWDERMED LTD

OXFORD, U.K., May 17, 2004 - Chiron Vaccines, a business unit of California-based Chiron Corporation (NASDAQ: CHIR), announces today that it has spun out the powder injection DNA vaccine technology and related development programmes it acquired as part of its 2003 acquisition of PowderJect Pharmaceuticals PLC to newly formed therapeutic vaccine company, PowderMed Ltd. PowderMed is led by PowderJect's former head of R&D, Dr. Clive Dix, and a number of its former senior R&D managers.

Under the terms of the agreement, PowderMed's backers, the leading venture capital companies Schroder Ventures Life Sciences, Advent Venture Partners, Abingworth Management Ltd. and Oxford Bioscience Partners, will invest £20 million in the new company to progress the development of therapeutic DNA vaccines based on the powder injection technology. Chiron Vaccines will retain a minority equity stake in PowderMed as consideration for the transferred technology. The DNA vaccine programmes will be based in PowderMed's development facility, which is located in the former PowderJect development laboratories in Oxford, U.K. As part of the transaction Chiron Vaccines will transfer the lease on the Oxford development facilities, and a number of scientists located at the site, to PowderMed.

"We believe that powder injection has great potential as a novel vaccine delivery technique," said John Lambert, President of Chiron Vaccines. "Although the technology platform does not fit with Chiron Vaccines' R&D pipeline, we are pleased that its development will continue under the stewardship of PowderMed, with its experienced management team and first class financial backers."

PowderMed will focus its development expertise on the therapeutic DNA vaccine collaborations with GlaxoSmithKline, particularly in the HIV field, and with the Ludwig Institute for Cancer Research in the field of lung cancer. PowderMed will also progress an in-house therapeutic DNA vaccine programme for genital herpes, for which Chiron Vaccines will retain an option to market the product in the United States.

Commenting on the agreement with Chiron Vaccines, Dr. Clive Dix, Chief Executive of PowderMed, said, "We are very excited to be progressing the powder injection vaccine technology. The PowderMed team are highly experienced development scientists who have worked with the technology for many years, and are therefore well placed to drive these therapeutic DNA vaccine programmes to market. Numerous

studies have shown that by accurately targeting the immune cells of the skin, powder injection offers the prospect of a step change in the field of therapeutic vaccines. PowderMed is focused on building on this solid clinical foundation to rapidly develop a number of life-saving treatments.”

About Chiron

Through its global Blood Testing, Vaccines and BioPharmaceuticals businesses, Chiron Corporation addresses human suffering with more than 50 diverse products to detect, prevent and treat disease worldwide. The company’s consistent success has come from its pioneering science, skill in delivering innovations in biotechnology and disciplined business approach. Chiron believes that science has the power to improve people’s lives and harnesses that power to transform public health.

About Chiron Vaccines

Chiron Vaccines, the world’s fifth-largest vaccines business, is headquartered in Oxford, United Kingdom, and has facilities located throughout Europe, the United States and Asia. Chiron Vaccines is the world’s second-largest manufacturer of flu vaccines and has important meningitis, pediatric and travel vaccine franchises. Chiron Vaccines is the leading vaccine manufacturer in the United Kingdom, Germany and Italy. The company’s portfolio of products includes vaccines for influenza, meningitis C, yellow fever, rabies, tick-borne encephalitis, haemophilus influenzae B (Hib), polio, mumps,

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measles and rubella (MMR) and diphtheria, tetanus and pertussis (whooping cough). For further information about Chiron Vaccines, visit the website www.chironvaccines.com.

This news release contains forward-looking statements, including statements regarding sales growth, product development initiatives, new product indications, new product marketing, acquisitions and in- and out-licensing activities, that involve risks and uncertainties and are subject to change. A full discussion of the company’s operations and financial condition, including factors that may affect its business and future prospects, is contained in documents the company has filed with the SEC, including the form 10-Q for the quarter ended March 31, 2004, and the form 10-K for the year ended December 31, 2003, and will be contained in all subsequent periodic filings made with the SEC. These documents identify important factors that could cause the company’s actual performance to differ from current expectations, including the outcome of clinical trials, regulatory review and approvals, manufacturing capabilities, intellectual property protections and defenses, stock-price and interest-rate volatility, and marketing effectiveness. In particular, there can be no assurance that Chiron will increase sales of existing products, successfully develop and receive approval to market new products, or achieve market acceptance for such new products. There can be no assurance that Chiron’s out-licensing activities will generate significant revenue, nor that its in-licensing activities will fully protect it from claims of infringement by third parties. In addition, the company may engage in business opportunities, the successful completion of which are subject to certain risks, including shareholder and regulatory approvals and the integration of operations.

Consistent with SEC Regulation FD, we do not undertake an obligation to update the forward-looking information we are giving today.

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**SBL VACCINES MANAGEMENT GROUP TO ACQUIRE SWEDISH OPERATIONS
FROM CHIRON VACCINES**

Oxford, UK, 5 May 2004 - Chiron Vaccines, a business unit of California-based Chiron Corporation Inc, announces today that its Swedish management team will acquire its SBL Vaccines operations in Sweden.

Under the terms of the agreement SBL Vaccines will go forward as an independent Swedish company, backed by the leading venture capitalists 3i Plc and SEB Företagsinvest. The business will continue to be run by the existing management group led by Björn Sjöstrand, and will use the long-established SBL name. In consideration for the Swedish operations, SBL Vaccines will grant Chiron Vaccines marketing rights in the key European markets to its recently approved oral cholera vaccine, Dukoral®.

“While SBL is a strong business in Sweden it does not fit strategically with Chiron Vaccines. We are therefore extremely pleased that the management team will take the business forward, allowing us to add SBL’s Dukoral cholera vaccine to our growing travel portfolio,” said **John Lambert**, President of Chiron Vaccines. “SBL is the market leader in Sweden, providing distribution for many of the world’s leading vaccines companies. While this is incompatible with ownership by Chiron Vaccines, a major competitor of SBL’s customers, it is a strong base on which to build the independent SBL business in the future.”

Commenting on the agreement with Chiron Vaccines, **Björn Sjöstrand**, Chief Executive of SBL Vaccines, said, “After managing the business for a number of years, we are very excited to be acquiring the SBL Vaccines operations. As the market leaders in Sweden we believe that we have great growth potential as an independent Swedish company. With Dukoral now approved throughout Europe we look forward to working with Chiron Vaccines to launch this important vaccine in a number of new markets.”

Notes for Editors:

Chiron Vaccines, the world’s fifth largest vaccines business, has its headquarters in Oxford, UK, with facilities located throughout Europe, the US and Asia. Chiron Vaccines is the world’s second largest manufacturer of flu vaccines, and has important meningitis, paediatric and travel vaccine franchises. Chiron Vaccines is the leading vaccine manufacturer in the UK, Germany and Italy. The company’s portfolio of products includes vaccines for influenza, meningitis C, rabies, tick borne encephalitis, yellow fever, haemophilus influenzae B (Hib), polio, mumps, measles and rubella (MMR) and diphtheria, tetanus and pertussis (whooping cough). For further information about Chiron Vaccines, visit the website www.chironvaccines.com.

Chiron Corporation, headquartered in Emeryville, California, is a global pharmaceutical company that leverages a diverse business model to develop and commercialise high-value products that make a difference in people’s lives. The company has a strategic focus on cancer and infectious disease. Chiron applies its advanced understanding of the biology of cancer and infectious disease to develop products from its platforms in proteins, small molecules and vaccines. The company commercialises its products through three business units: BioPharmaceuticals, Vaccines and Blood Testing. For more information about Chiron, visit the company’s website at www.chiron.com.

For further information contact:

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