

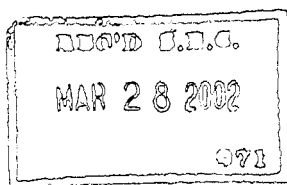
Chiron Corporation

2001 ANNUAL REPORT



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*ALL'S
P.E 12/3/01*



Making a
world
of difference.



PROCESSED

APR 03 2002

THOMSON
FINANCIAL

LIVING BETTER

Chiron Corporation, headquartered in Emeryville, California, is a global pharmaceutical company that leverages a diverse business model to develop and commercialize 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 commercializes 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.

NASDAQ Stock Symbol: CHIR

Chiron is included in the S&P 500 Index.



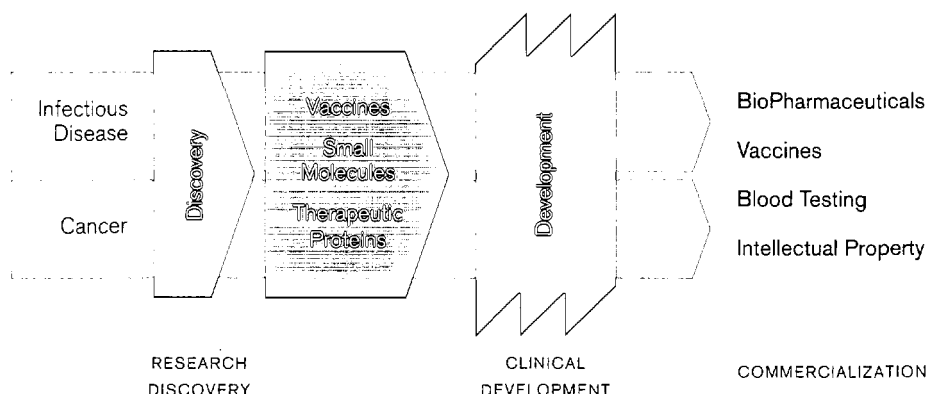
Chiron.

Creating products that make
a difference for people worldwide.

Chiron:

Chiron's diversified business model provides multiple revenue streams to balance risk, fund innovation, and promote growth. Our strategic focus on cancer and infectious disease supports three product platforms — vaccines, small molecules, and therapeutic proteins — and generates product candidates for our three related and complementary businesses — BioPharmaceuticals, Vaccines, and Blood Testing. Building on the proven ability of our business model to deliver solid profits, we have targeted a long-term goal of achieving a 25% EPS compound average growth rate, with a targeted throughput rate by 2006 of one new product launch every 18 months.

Chiron's Unique Business Model



Focus on Cancer and Infectious Disease

Chiron is strongly focused on developing high-value products for cancer and infectious disease. We continue to build upon our cancer franchise, which has three dimensions: immune system modulators (recombinant proteins), monoclonal antibodies, and novel anti-cancer agents (small molecules). In the infectious disease area, we have a range of breakthrough products spanning all three of our business units, and are investing to fully develop each of our product franchises. To sustain future growth, we are also strengthening our pipeline through organic development, acquisition, and in-licensing.

BioPharmaceuticals

Chiron BioPharmaceuticals manufactures and markets high-value therapeutic products. Our leading products include: TOBI® (tobramycin solution for inhalation) for lung infections in cystic fibrosis patients; Proleukin® (aldesleukin) for kidney and skin cancer; and Betaseron® (interferon beta-1b) for multiple sclerosis.

Vaccines

Chiron Vaccines, the fifth largest vaccine business in the world, currently offers more than 30 novel and conventional vaccines for adults and children. We provide a range of novel high-value vaccines, including Menjugate™, a conjugated vaccine against meningococcal C disease; Fludac™, an adjuvanted flu vaccine; Begrivac™, the first preservative-free flu vaccine; and Encepur™, a vaccine against tick-borne encephalitis.

Blood Testing

Chiron Blood Testing is a leading provider of products used worldwide by the blood banking industry to help ensure the safety of the world's blood supply. With our collaborator, Gen-Probe Incorporated, we are developing and commercializing innovative and highly sensitive NAT (nucleic acid testing) blood screening assays, including the Procleix™ HIV-1/HCV Assay for human immunodeficiency virus type 1 (HIV-1) and hepatitis C virus (HCV). Through our joint business with Ortho-Clinical Diagnostics, we develop and market a line of immunoassay screening and supplemental tests for infectious diseases.

Intellectual Property

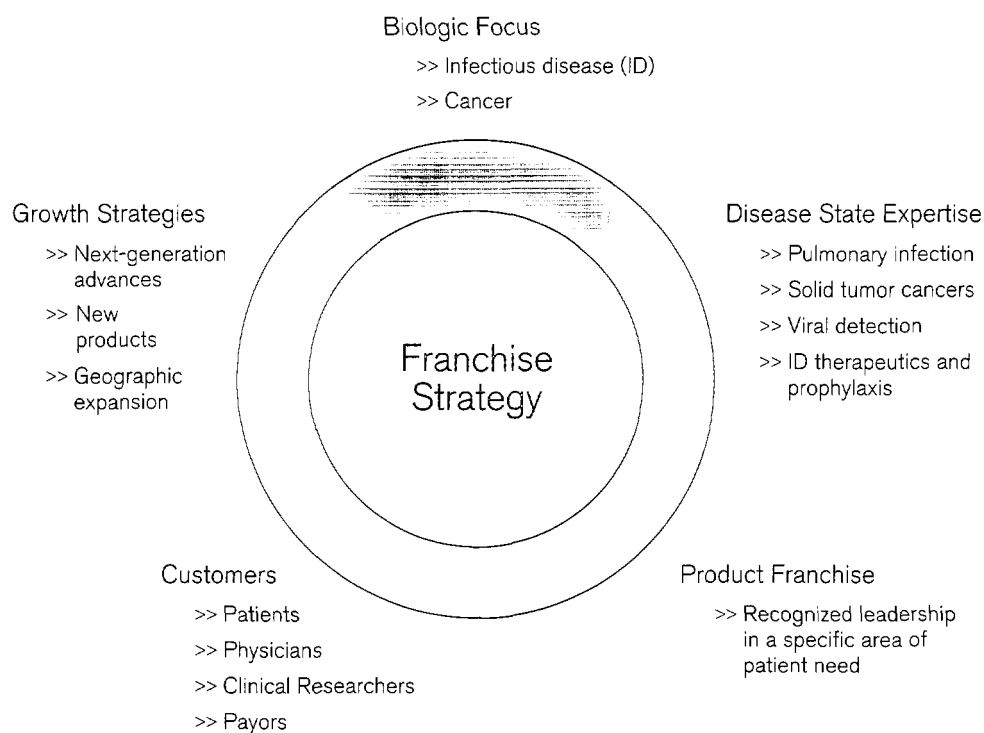
Chiron's large and growing portfolio of intellectual property, led by the company's pioneering accomplishments in HIV and HCV, has resulted in numerous collaborations and licensing agreements with major companies, particularly in the areas of blood screening and diagnostics. Through partnerships with such companies as F. Hoffmann-La Roche, Abbott Laboratories, and Bayer, Chiron is helping to bring important new medical advances to the market.

Chiron:

Chiron is applying an advanced understanding of cancer and infectious disease to create novel product platforms that address major medical needs. By leveraging the power of these platforms, Chiron is building strong product franchises in focus areas such as inhaled antibiotics, meningococcal vaccines, and blood screening. These franchises are centered on providing physicians and patients with a growing portfolio of innovative products and services that offer improved effectiveness, convenience, and safety.

Chiron's Product Franchise Growth Strategy

Our proven experience within our areas of strategic focus provides us with opportunities to establish and grow significant product franchises. By leveraging our disease state expertise and relationships with customers, we are able to develop value-added products that further enhance our position in particular areas of medical need.



The following pages highlight how Chiron is working to extend the breadth and reach of several high-value product franchises to help people around the world live better, longer, and healthier lives. >>



"Menjugate™ has shown the ability to induce long-lasting immunity, as well as demonstrate effectiveness in children as young as two months old. This vaccine provides important advantages over previous meningococcal vaccines. Over one million doses were administered in our recent vaccination campaign in Quebec, and results to date have been very positive."

Francois D. Boucher, M.D.

Pediatric Infectious Diseases; Associate Professor of Pediatrics, Laval University Hospital; Quebec, Canada

Chiron Menjugate™

Product Platform

Meningococcal meningitis is an aggressive and potentially fatal infectious disease that strikes mainly children and adolescents. In 2000, Chiron introduced Menjugate, its conjugate vaccine against meningococcal group C disease, in response to a decision in the UK to launch a universal vaccination campaign against this deadly threat. One of three conjugate vaccines selected for use in the campaign, Menjugate helped to reduce the number of cases and deaths from meningococcal C disease by 80 percent. This success has led to total Menjugate sales of more than \$220 million since its launch.

Geographic Expansion

Chiron is working to introduce Menjugate around the world to prevent meningococcal C infection. In April, the company gained rapid marketing approval for Menjugate in Canada under an expedited review that was prompted by a growing public health need. The Quebec Ministry of Health selected Menjugate for a universal vaccination campaign, which targeted some 1.7 million people between the ages of two months and 20 years. Chiron reached another major milestone for Menjugate when it completed the Mutual Recognition Procedure (MRP) in the European Union, an achievement that will open up additional markets in Europe. The company currently continues to market Menjugate in the UK, as well as Ireland, Hungary, and Spain.

Broadening the Franchise

Chiron is leading efforts to eradicate the global threat posed by meningococcal meningitis, which is caused by multiple serogroups of the bacteria *Neisseria meningitidis*. The company is developing a vaccine against a new vaccine target—meningococcal B disease. This product candidate is expected to enter clinical trials in 2002. Chiron also has a preclinical program to develop a conjugated multivalent vaccine targeted against serogroups A, C, Y, and W.



NEW PRODUCTS

Meningococcus B vaccines
Conjugated multivalent vaccine
against A, C, Y, W

GEOGRAPHIC EXPANSION

Approximately 500,000 annual cases of
meningococcal meningitis worldwide
Universal vaccination in the UK and
Quebec for pediatrics and adolescents
80% reduction in UK cases



What a difference
a safer blood
supply makes.



"The top priority of the American Red Cross is the safety of the U.S. blood supply. The Chiron Procleix™ System has assisted in achieving this goal by providing another tool in the detection of the viruses that cause hepatitis C and HIV."

Jerry E. Squires, M.D., Ph.D.

Vice President and Chief Scientific Officer, American Red Cross; Alexandria, Virginia

Chiron's Procleix™ System

Product Platform

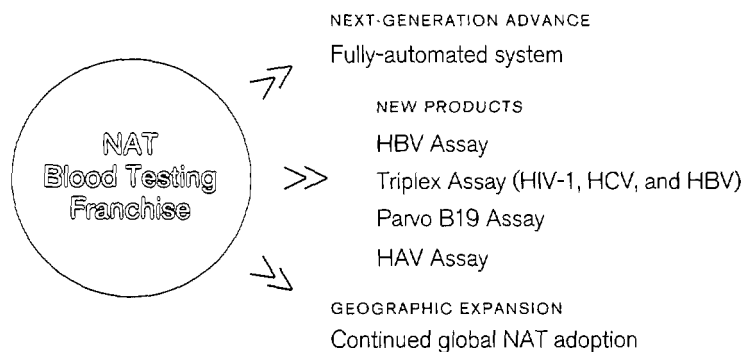
Nucleic acid testing (NAT) is a new, highly sensitive testing approach for improving the safety of the world's blood supply. Moving quickly from concept to commercialization, Chiron and its collaborator, Gen-Probe Incorporated, developed the Procleix System, a NAT assay and instrument system, in just three years. The Procleix System has proven to significantly reduce the risk of contracting hepatitis C and HIV from blood transfusions. Because NAT directly detects infectious agents in the blood during the very early stages of infection, it can reduce the time of detection by more than 70 percent in the case of HCV and 50 percent for HIV-1. As NAT testing is adopted in major markets throughout the world, the Procleix HIV-1/HCV Assay is rapidly gaining acceptance as a leading product for the blood screening market.

Geographic Expansion

Every year approximately 50 million blood donations are tested in North America, the European Union, and Asia-Pacific, representing a potential market of \$500 million or more. In the U.S., the Procleix HIV-1/HCV Assay and instruments were approved by the Food and Drug Administration (FDA) in February 2002. Chiron also continued its global rollout of the Procleix system in France and Italy during the past year. In addition, the company is working to introduce the system into new markets in Europe, South America, and Asia.

Broadening Indications

Chiron and Gen-Probe are developing additional Procleix assays to expand the value of their innovative NAT technology. The companies are currently working on a new assay for the hepatitis B virus (HBV), which they plan to include in a triplex assay for the simultaneous detection of HIV-1, HCV, and HBV. The companies are also responding to needs expressed by the blood banking community by initiating development of NAT assays for parvovirus B19 and hepatitis A.





What a difference
breathing
easier makes.



"Ever since our 10-year-old son, Gunnar, was diagnosed with cystic fibrosis, we have been fighting his disease aggressively with every available option. TOBI® has helped to improve his appetite, lung function, and energy, allowing him to play baseball and soccer, and pursue his passion for military history."

Boomer Esiason

Founder, Boomer Esiason Foundation; NFL Most Valuable Player, 1988; Manhasset, New York

Chiron TOBI®

Product Platform

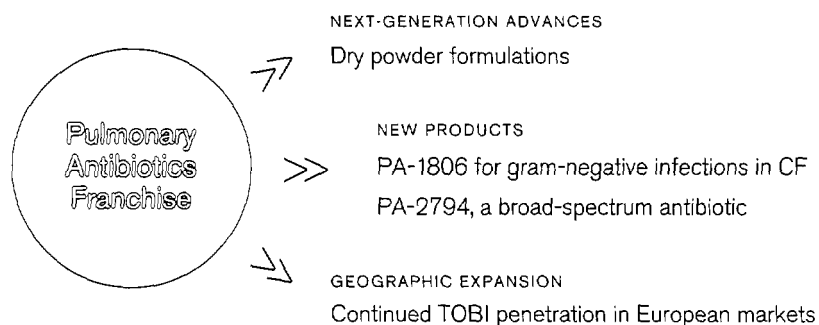
Cystic fibrosis (CF) is a genetic disease that afflicts children and adults, causing their bodies to produce a thick mucus that can clog airways and result in chronic lung infections. Chiron's TOBI is the only inhaled antibiotic approved by the FDA for treating CF patients with lung infections caused by the *Pseudomonas aeruginosa* bacterium. Because it is delivered directly to the lungs, the drug can be given at higher, more effective doses than would be safe if administered systemically. Clinical studies have shown that TOBI significantly improves lung function, reduces the frequency and length of hospital stays, and decreases the use of IV antibiotics. Chiron successfully launched TOBI in major European markets in 2001, while increasing its use among U.S. patients.

Product Enhancements

As a pivotal part of Chiron's strategy to grow its TOBI franchise by enhancing ease-of-use, the company is collaborating with Inhale Therapeutic Systems to develop a dry-powder TOBI product and delivery system. Expected to enter clinical trials in 2002, this second-generation product should expand the use of TOBI by improving compliance and encouraging treatment earlier in the course of a patient's disease. Chiron and Inhale also plan to explore the development of other inhaled antibiotics using Inhale's Inhance™ pulmonary delivery platform.

Broadening Indications

Chiron is investigating additional indications for TOBI, including bronchiectasis, a chronic, destructive lung disease affecting 70,000 to 100,000 patients in the U.S. A Phase II clinical study will be initiated in 2002. The company is also leveraging its small molecule research expertise to develop a strong pipeline of antibiotic candidates, including PA-1806, a novel gram-negative antibiotic for pseudomonal lung infections currently in Phase II testing, and PA-2794, a broad-spectrum preclinical candidate.





2001

>> CORPORATE

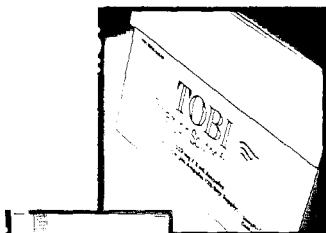
- Achieved \$0.96 pro forma EPS
- Implemented strategic imperatives

>> INFECTIOUS DISEASE

- Secured Menjugate™ European and Canadian approvals
- Continued commercialization of Procleix™ system
- Completed TOBI™ European launch plan

>> RESEARCH AND DEVELOPMENT

- Advanced clinical programs



2002

>> CORPORATE

- \$1.10 to \$1.20 pro forma EPS

>> CANCER

- Establish monoclonal antibody strategy

>> INFECTIOUS DISEASE

- Procleix™ NAT launch in the U.S.
- Meningococcal B, HIV, and HCV vaccines in clinic
- TOBI™ sales ramp in Europe

>> RESEARCH AND DEVELOPMENT

- 10 clinical program advances



Chiron: Growing today, building for tomorrow.



2001 was an important year for Chiron. We continued our growth as a profitable global company by delivering strong financial results. Those results underscore once again our commitment to leverage our diverse business model to develop and commercialize high-value products that make a difference in people's lives. The year was also important for the focused investment we made to position Chiron for sustainable growth in the future. With the approval of the board, we have implemented strategic imperatives that will guide our growth and development. We are bringing a sharp focus to the work that we do. Our capabilities are focused around two areas of biological activity—cancer and infectious disease. We are applying our advanced understanding of the biology of cancer and infectious disease to developing products from three platforms—proteins, small molecules, and vaccines. And we are aligning our research programs with our three global businesses. With this vision for Chiron, we will be able to build on the progress we made in 2001.

Strategic Imperatives

Over the next year we will apply particular focus to the following five areas in order to implement our strategic intent:

- >> Deliver Financial Results
- >> Focus R&D for Productivity
- >> Build a Quality Organization
- >> Develop and Inspire the Best
- >> Invest to Strengthen Business Processes and Systems

In 2001, we exceeded our stated financial objectives for the third consecutive year. Total revenues rose 17 percent, to \$1.1 billion, compared to \$972 million in 2000. This achievement reflects revenue growth in all three of our businesses, continued improvements in our operating efficiencies, and steady increases in our royalty income. During the year, we also continued to expand the markets for key products, advanced multiple candidates in our product pipeline, and strengthened our management team. At the same time, we renewed our strategic focus, restructured our research and development organization, and enhanced our commercial capabilities, all with the goal of positioning Chiron for improved productivity and continued success.

BioPharmaceuticals: Maximizing Growth Opportunities

Chiron's BioPharmaceuticals business grew significantly in 2001, primarily due to the excellent performance of TOBI®, our inhaled antibiotic treatment for lung infections in cystic fibrosis patients. In the past year, we successfully launched TOBI into major European markets while increasing market penetration in the U.S., pointing to the strength of our global commercial infrastructure. Revenues from TOBI grew 43 percent to \$123 million in 2001. To fully leverage the success of this program, we are developing new indications for TOBI, as well as a second-generation product in collaboration with Inhale Therapeutic Systems, Inc.

U.S. patient demand for Proleukin®, our leading cancer product, increased by about six percent in 2001. Proleukin is a powerful immune system stimulator whose potential for improving patient outcomes in different types of cancer and HIV is being evaluated in numerous clinical trials. Worth noting are encouraging results from our Phase I study of Proleukin in combination with Rituxan® (rituximab) in non-Hodgkin's lymphoma, suggesting a potential role for Proleukin in enhancing the effects of certain monoclonal antibody-based treatments.

We continued to see growth in sales of our multiple sclerosis drug, Betaseron®, a 15 percent increase over 2000. Chiron and its partner Schering AG are developing next generation products and have received FDA approval of an easier-to-use room-temperature formulation of Betaseron.

Vaccines: Providing Novel Solutions

Sales of both our novel and conventional vaccines were strong in 2001, underscoring our commitment to grow and develop this business. In the case of Menjugate™, our conjugate meningococcal C vaccine, total revenues have climbed to over \$220 million since the product's launch in 2000. Menjugate recently cleared the Mutual Recognition Procedure (MRP) in Europe. We also realized revenue growth from Menjugate's use in late 2001 in a universal vaccination campaign in Quebec. Chiron is building on Menjugate's success to develop new meningitis vaccines targeted against other types of meningococcal meningitis, including meningococcal B disease.

Other strong performers among our more than 30 pediatric and adult vaccines include products to protect against flu, tick-borne encephalitis, rabies, polio, DTP (diphtheria, tetanus, pertussis combined vaccines), and MMR (measles, mumps, and rubella).

Blood Testing: Innovating for Greater Blood Safety

In 2001, we continued to see worldwide adoption for the Procleix™ System, an assay and instrument system that employs nucleic acid testing (NAT) technology to improve the safety of the world's blood supply. The growing adoption of the Procleix HIV-1/HCV Assay signals widespread recognition of its clinical success in detecting the presence of HIV-1 or HCV during the very early stages of infection. With 50 million annual blood donations in North America, Europe, and Asia-Pacific, the potential market for NAT blood screening is \$500 million or more.

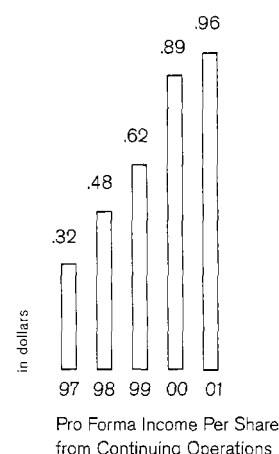
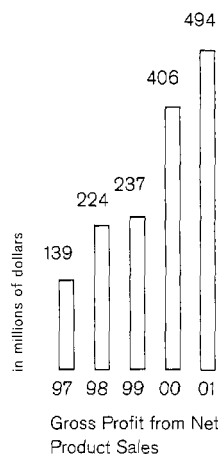
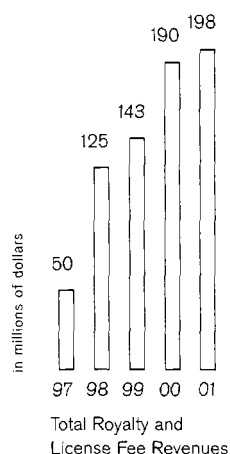
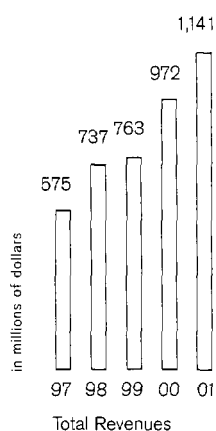
In the U.S., the Procleix system was approved by the FDA in February 2002. This event, accompanied by continued expansion into new markets, should fuel substantial revenue growth in the coming year. To support this growth and respond to market needs, we have enhanced our commercial capabilities and are developing additional assays with our partner, Gen-Probe Incorporated.

Realizing Value from Intellectual Property

Our broad HIV and HCV patent estate continued to drive growth in licensing and royalty income in 2001. In May, we were pleased to sign a definitive patent license agreement with F. Hoffmann-La Roche covering HIV-1 and HCV for NAT blood screening. This arrangement allows Roche to manufacture and sell probe-based HIV-1 and HCV blood screening tests worldwide in exchange for new royalty rates calculated on a per donation basis. By enabling two suppliers in the large and growing blood screening field, we are committed to ensuring a reliable source of NAT products to blood banks. In addition to Roche, we also have licensed our HCV and HIV intellectual property to other leading companies.

Developing the Pipeline

At the beginning of 2001, we set the realistic but challenging goal of achieving 10 clinical advances during the year, which we did not meet. We rigorously define an advance as either progressing from one clinical phase to another, or attaining marketing approval. During the past year, we began Phase II trials of PA-1806, a novel antibiotic, and Angiozyme™, an anti-angiogenic agent for cancer, and initiated Phase I testing of our *H. pylori* vaccine. We were disappointed in November to announce the unsuccessful results of our Phase III trial of tifacogin in severe sepsis, a very challenging indication.



We are committed to expanding our product pipeline through organic development, acquisition, or in-licensing. One sign of that is our decision to acquire Matrix Pharmaceutical Inc. for the cancer compound tezacitabine. Currently in Phase II clinical trials, tezacitabine is a next-generation nucleoside analogue being developed to treat solid tumor cancers. We will continue to look for opportunities to expand our pipeline that fit with our strategic focus.

We are maintaining the goal of 10 clinical program advances in the coming year. We believe this is a strong measure for achievement and is a sign of our commitment to move the pipeline forward. Among the advancements we expect in 2002 are the start of Phase I trials of our novel vaccines for meningococcal B disease, HIV and HCV, along with Proleukin in combination with Herceptin® (trastuzumab) for the treatment of breast cancer, as well as the start of a Phase II trial of Proleukin in combination with Rituxan for non-Hodgkin's lymphoma.

Strengthening Our Organization

We were pleased to welcome several new members to our management team in the past year, including John Lambert, President of Chiron Vaccines, and Craig Wheeler, President of Chiron BioPharmaceuticals. John and Craig both have significant industry experience, and we look forward to their contributions in shaping Chiron for success in the years to come.

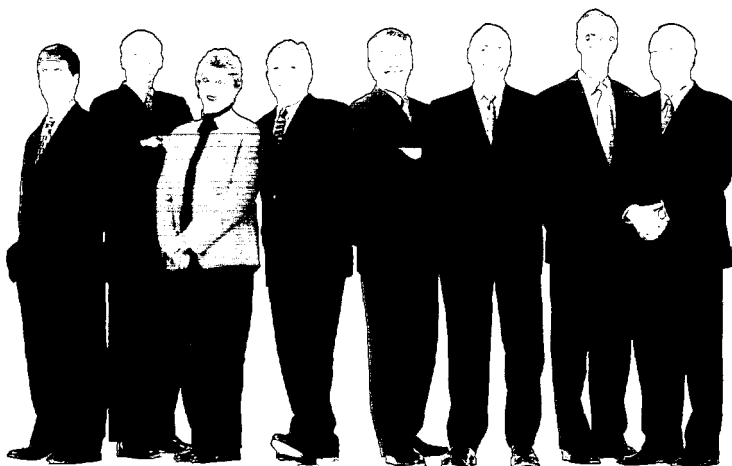
We proceed into 2002 with strong goals and expectations, supported by a clear strategic roadmap. We remain committed to our long-term objectives of providing innovations that help people to live better, healthier lives, and achieving our target of a 25 percent EPS compound average growth rate. We are enthusiastic about our ability to inspire the best in our employees, deliver solid results to investors, and develop products that make a world of difference. We thank our stockholders, our customers, and our employees for their support and confidence as we work to achieve our goals.

Sincerely,



Seán P. Lance

Chairman of the Board, President and Chief Executive Officer
March 1, 2002



(l to r):

Craig Wheeler, Vice President
President, Chiron BioPharmaceuticals
William G. Green, Senior Vice President
General Counsel and Secretary
Linda W. Short, Vice President
Corporate Resources
John A. Lambert, Vice President
President, Chiron Vaccines
Rajen K. Dalal, Vice President
President, Chiron Blood Testing
Seán P. Lance, Chairman of the Board
President and Chief Executive Officer
James R. Sulat, Vice President
Chief Financial Officer
Peder K. Jensen, Vice President
Global Development

Financial Highlights

Years Ended December 31,
(all amounts in millions except per share and percent data)

Consolidated Statements of Operations Data

	2001	2000	1999	1998	1997
Total revenues	\$1,141	\$ 972	\$ 763	\$ 737	\$ 575
Research and development expense	344	299	303	287	257
Income from continuing operations	175	16	128	76	26

Per Share Data

Diluted income from continuing operations	\$ 0.90	\$ 0.08	\$ 0.69	\$ 0.42	\$ 0.14
Pro forma income from continuing operations*	0.96	0.89	0.62	0.48	0.32

Consolidated Balance Sheets Data

Cash and investments in marketable debt securities	\$1,302	\$ 852	\$1,555	\$1,590	\$ 258
Total assets	2,873	2,458	2,445	2,524	1,768
Long-term debt	409	3	97	338	397
Total stockholders' equity	1,932	1,881	1,686	1,551	876

Other

Gross profit from net product sales	\$ 494	\$ 406	\$ 237	\$ 224	\$ 139
Gross profit as a percent of net product sales	64%	65%	56%	56%	55%

* Pro forma income from continuing operations excludes the impact of income and expense items (net of tax effect) such as: a one-time license fee and compensation for past HIV and HCV diagnostic product sales; amortization of goodwill and acquired identifiable intangible assets related to the PathoGenesis acquisition; write-offs of purchased in-process technologies; recognition of domestic deferred tax benefits; gains on the sale of our Amsterdam, Puerto Rico, and St. Louis facilities and related assets; restructuring and reorganization charges; and an impairment loss on long-lived assets.

This annual report contains forward-looking statements. These include statements concerning plans, objectives, goals, strategies, future events or performance, and all other statements which are other than statements of historical fact, including, without limitation, statements containing such words as "believes," "anticipates," "expects," "estimates," "projects," "will," "may," "might," and words of a similar nature. Forward-looking statements involve risks and uncertainties which could cause actual results, performance, or outcomes to differ materially from those expressed in the forward-looking statements. Some of the important factors which could cause actual results to differ are discussed in the Report on Form 10-K under the caption "Factors That May Affect Future Operating Results." The forward-looking statements contained in this report reflect management's current beliefs and expectations on the date of this report; the company undertakes no obligation to publicly announce any revisions to these forward-looking statements to reflect facts or circumstances of which management becomes aware after the date hereof.

For a complete set of the company's financial statements, please see the Report on Form 10-K, which accompanies this document.

DIRECTORS

Seán P. Lance
Chairman of the Board;
President and Chief Executive Officer,
Chiron Corporation

Raymund Breu, Ph.D.
Chief Financial Officer, Member of the
Executive Committee,
Novartis AG

Vaughn D. Bryson
President, Life Science Advisors

Lewis W. Coleman
President, Gordon & Betty Moore Foundation

Pierre E. Douaze
Former Member of the Executive Committee
of Management and Head of Novartis Healthcare;
Board Member of Serono; Board Member of
Galenica; Board Member of deVGen N.V.

Paul L. Herrling, Ph.D.
Head of Research, Novartis Pharma AG

Edward E. Penhoet, Ph.D.
Dean, School of Public Health, University of
California, Berkeley

William J. Rutter, Ph.D.
Chairman Emeritus

Jack W. Schuler
Chairman, Stericycle, Inc.

Pieter J. Strijkert, Ph.D.
Chairman, Crucell N.V.; Chairman, Pamgene B.V.;
Chairman, deVGen N.V.

OFFICERS

Rajen K. Dalal
Vice President; President, Chiron Blood Testing

William G. Green
Senior Vice President; General Counsel and
Secretary

Peder K. Jensen, M.D.
Vice President, Global Development

John A. Lambert
Vice President; President, Chiron Vaccines

Seán P. Lance
Chairman of the Board; President and
Chief Executive Officer

Joyce A. Lonergan
Vice President, Corporate Development
and Investor Relations

Linda W. Short
Vice President, Corporate Resources

David V. Smith
Vice President, Finance;
Principal Accounting Officer

James R. Sulat
Vice President; Chief Financial Officer

Craig A. Wheeler
Vice President; President, Chiron
BioPharmaceuticals

SEC FORM 10-K

A copy of the Company's annual report to the
Securities and Exchange Commission on Form
10-K, exclusive of exhibits, is included. Copies of
the Form 10-K, exclusive of exhibits, are available
without charge upon written request to:

Corporate Communications
Chiron Corporation
4560 Horton Street
Emeryville, CA 94608-2916

or via the internet at www.chiron.com

For inquiries about the limited partnerships or
convertible bonds, please contact:

James E. Kent
Vice President and Treasurer
Chiron Corporation
4560 Horton Street
Emeryville, CA 94608-2916

CORPORATE HEADQUARTERS

4560 Horton Street
Emeryville, CA 94608-2916
Telephone: 510.655.8730
Telecopier: 510.655.9910

INDEPENDENT AUDITORS

KPMG LLP
San Francisco, CA

NUMBER OF HOLDERS OF COMMON STOCK

As of December 31, 2001, there were 4,757
stockholders of record of Chiron Common Stock.
There were no remaining stockholders of record
of Cetus Common Stock or Viagene Common
Stock.

ANNUAL MEETING

The Annual Meeting of Stockholders will be held
at 10:00 a.m. PDT, Thursday, May 16, 2002 at the
Chiron Auditorium, 1450 53rd Street, Emeryville,
CA 94608

TRANSFER AGENT AND REGISTRAR

Wells Fargo Bank Minnesota, N.A.
Shareowner Services

Mailing address:
P.O. Box 64854
St. Paul, MN 55164-0854

Overnight delivery and street address:
161 North Concord Exchange Street
South St. Paul, MN 55075-1139
Telephone: 800.468.9716
E-mail address: stocktransfer@wellsfargo.com

It is the policy of Chiron Corporation to base all
employment decisions on the principles of equal
employment opportunity and to take affirmative
action in the employment of women, minorities,
individuals with disabilities, and veterans.

Chiron, Proleukin, TOBI, RabAvert and RIBA are trademarks of
Chiron Corporation or its subsidiaries and are registered in the
United States. Procleix, Neohyt, TD-Virelon, Streptopur, HAVpur,
Acelluvax, Morupar, Gunevax, Cardioxane, Fluad, Triacelluvax,
Nothav, Agrippal, Begrivax, Morbilvax, Morubel, Menpovax,
Vaxipar, Pneumopur, Polioral, Rasivax, TD-Pur, Di-Tet-All,
Quatro-Virelon, Encepur, Typhoral, Biocine Test PPD, and
Tubergen are trademarks of Chiron Corporation or its
subsidiaries.

The following are trademarks owned by the indicated
companies: Angiozyme (Ribozyme Pharmaceuticals, Inc.);
Betaferon and Betaseron (Schering AG); Depocyt (SkyePharma
plc and Chiron Corp.); Herceptin (Genentech); Inhance (Inhale
Therapeutic Systems); Novolin (Novo-Nordisk A/S); Recombivax,
PedvaxHIB, Mumpsivax, M-Mvax, M-M-Rvax and Vagta (Merck &
Co.); Regranex (Johnson & Johnson); Rituxan (Genentech).

Chiron BioPharmaceuticals

Chiron BioPharmaceuticals discovers, develops, manufactures, and markets high-value therapeutic products. Our leading products include: TOBI[®] (tobramycin solution for inhalation) for lung infections in cystic fibrosis patients; Proleukin[®] (aldesleukin) for kidney and skin cancer; and Betaseron[®] (interferon beta-1b) for multiple sclerosis.



On the Market

- > **Betaferon[®]**
(Europe) – Relapsing-Remitting, Secondary Progressive MS
- > **Betaseron[®]**
(U.S.) – Relapsing-Remitting MS
- > **Cardioxane[™]**
(Europe) – Cardioprotectant for doxorubicin cancer treatment
- > **DepoCyt[®]**
(U.S.) – Lymphomatous Meningitis
- > **Macrolin[™]**
(Europe) – HIV infection

- > **Proleukin[®]**
(U.S.) – Metastatic Melanoma
- > **Proleukin**
(U.S., Europe, ROW) – Metastatic Renal Cell Carcinoma
- > **Regranex[®] Gel**
(U.S., Europe) – Diabetic Foot Ulcers
- > **TOBI[®]**
(U.S., Europe) – Treatment of cystic fibrosis patients with *Pseudomonas aeruginosa* lung infections

Royalties

- > **Betaferon**
(Europe) (Royalty Only) – Relapsing-Remitting, Secondary Progressive MS
- > Recombinant human insulin (Novolin[®]) (Royalty Only) – Diabetes

In Development

	Phase I	Phase II	Phase III	Pre Registration	Phase IV
> TOBI NextGen – treatment of cystic fibrosis patients with <i>Pseudomonas aeruginosa</i> lung infections					
> IL-2-Proleukin – NHL (non-Hodgkin's Lymphoma)					
> PA-1806 – gram negative lung infections in cystic fibrosis patients					
> TOBI – mild to moderate bronchiectasis					
> Angiozyme[®] (anti-angiogenic ribozyme) with Ribozyme Pharmaceuticals, Inc. – Cancer					
> Hepatitis B Immunotherapy (HBV / MF59) – Chronic Hepatitis B					
> Tezacitabine – Solid tumor cancers					
> Fibroblast Growth Factor (FGF-2) – Peripheral Artery Disease (PAD)					
> IL-2 – Proleukin – HIV Infection					
> DepoCyt – Solid tumor cancers					
> Betaseron – IFN-beta-1b with Berlex Laboratories – Secondary Progressive Multiple Sclerosis					
> Tifacogin (Recombinant Human Tissue Factor Pathway Inhibitor, or TFPI) with Pharmacia Corporation – Sepsis					

FOCUS AREA: > cancer > infectious disease

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Venkatakrishna Shyamala Janice Sich Konrad Siebert Harald Siegert Stefanie Simon Riccardo Signorini Julie Sudduth-Klinger James Sulat Kimberly Sultan Bin Sun

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 Nazario Gatmaitan Jr. Dyan Gatson Paolo Gatti Delson Gaurano Valentina Gaus Donald Gay Alessio Gazzanelli Alan Gee Harvey Gee Daniel Goho Linda Geier
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 Min-Sun Park Hugh Parker Julia Parker Priscilla Parker Christopher Parkhouse Robert Parkington Isella Parri Robert ten Pas Simone Pasquini Tiziana Patronelli
 Fannie Patterson Leone Patterson Nathan Patterson Ashik Pavagadhi Chrystal Payne Estelle Paysinger Makeba Payton Sabina Pecchi Alessandra Pedani Erik Pegg
 Michael Peja Eva Pellegrini Vittoria Pellegrini Dario Pelosi Mark Pemberton Hector Pena Jose Ruben Pena



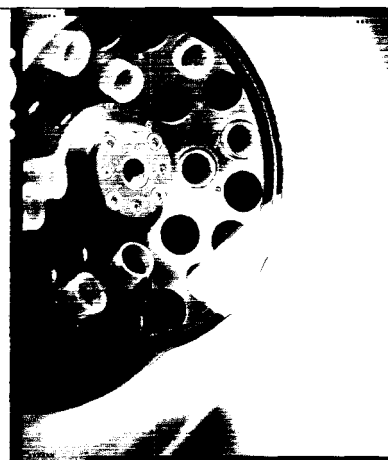
What a difference

Chiron's
people make



Chiron Vaccines

Chiron Vaccines, the fifth largest vaccines business in the world, currently offers more than 30 novel and conventional vaccines for adults and children. We provide a range of novel high-value vaccines, including Menjugate™, a conjugated vaccine against meningococcal C disease; Flud™, an adjuvanted flu vaccine; Begrivac™, the first preservative-free flu vaccine; and Encepur™, a vaccine against tick-borne encephalitis.



On the Market

- > Acellular Pertussis **Acelluvax™** (Italy)
- > Adjuvanted Influenza **Flud™** (Europe)
- > Diphtheria (Diphtherie-Adsorbat-Impfstoff, Behring Germany)
- > Diphtheria, Tetanus, acellular Pertussis (**Triacelluvax™**, Europe)
- > Haemophilus influenzae (**PedvaxHIB®**, Germany; **Vaxem-Hib™**, globally)
- > Hepatitis A (**HAVpur™**, Germany; **Nothav™** Europe)
- > Hepatitis B (**Gen H-B-Vax™**, Germany only)
- > Inactivated Polio (**IPV-Virelon™**, Italy, Germany)
- > Influenza (**Agrippal-S1™**, globally; **Begrivac™**, globally)
- > Measles (**Morbilvax™**, Italy, Asia, Africa; Masern-Virus-Impfstoff, Germany only)
- > Measles, Mumps (**M-Mvax™**, Germany)
- > Measles, Mumps, Rubella (**Morupar™**, Italy, Asia, Latin America; **M-M-Rvax™**, Germany only)
- > Measles, Rubella (**Morubel™**, Italy)
- > Meningitis (**Menpovax™** A+C, Europe)
- > Meningococcus C Conjugate (**Menjugate™**, Europe, Canada)
- > Mumps (**Vaxipar™**, Italy; **Mumpsvax™**, Germany only)
- > Oral Polio (**Polioral™**, Italy)
- > Pneumococcal diseases (**Pneumopur™**, Germany only; **Streptopur™**, Italy only)
- > Rabies (**RabAvert®**, U.S.); **Rabipur®/Rabivac™**, globally; **Rasilvax™**, Italy)
- > Rubella (**Gunevax™**, Europe, Asia; **Rubellovac™**, Germany only)
- > Tetanus (**Tetanol™**, globally)
- > Tetanus, Diphtheria (**Td-Pur™**, Europe, Latin America; **Dif-Tet-All™**, Italy, Asia)
- > Tetanus, Diphtheria, inactivated Polio (**Td-Virelon™**, Germany)
- > Tetanus, Diphtheria, Pertussis, inactivated Polio (**Quatro-Virelon™**, Germany only)
- > Tick-borne Encephalitis (**Encepur™**, Europe)
- > Typhoid Fever (**Typhoral L™**, Germany)
- > TB Screening Tests (**Test-PPD**, Italy, Asia; **Tubergen Test/Tuberkulin™**, Germany)

Royalties

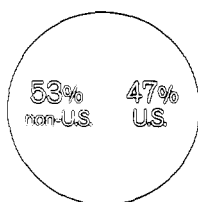
- > Hepatitis B Vaccine (**Recombivax**)

In Development

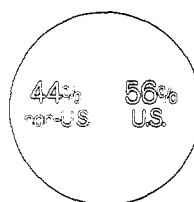
	Phase I	Phase II	Phase III	Pre Registration	Phase IV
> <i>H. pylori</i>					
> DPT/Hib					
> Hepatitis A					
> Tick-borne Encephalitis (new formulation for infants and adults)					

Chiron's global operations:

Headquarters: Emeryville, California



REVENUES
WORLDWIDE



EMPLOYEES
WORLDWIDE

(in thousands)

Total revenues, 2001: \$1,140,667

Total employees: 3,736

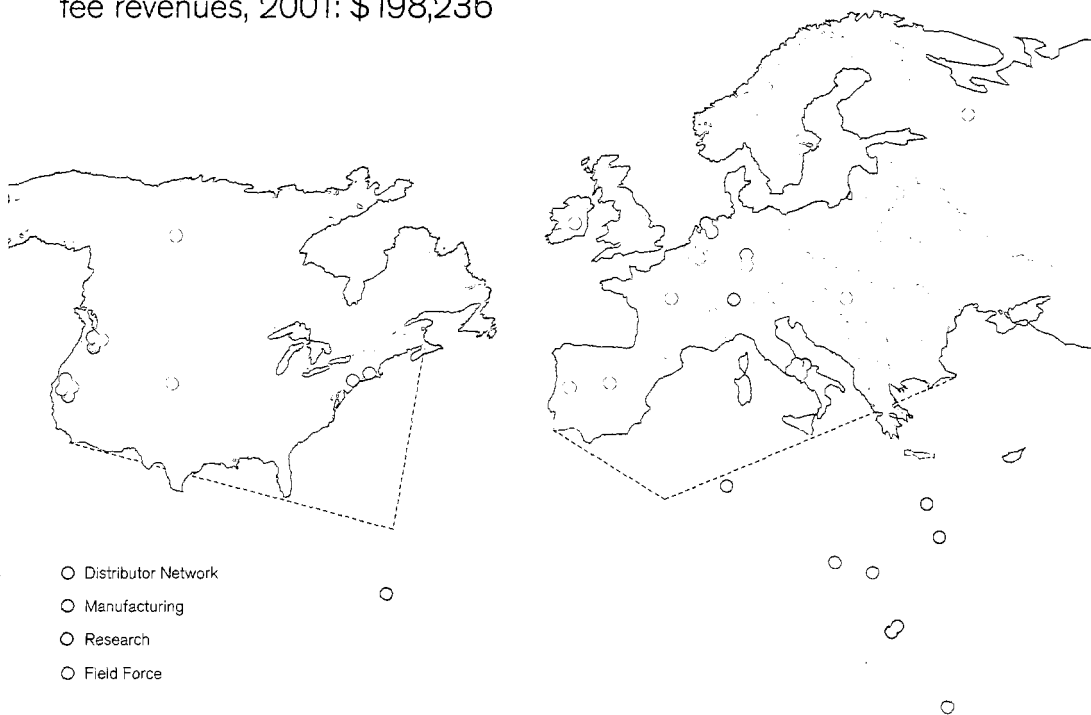
Total revenues, U.S., 2001: \$531,761

Total employees, U.S.: 2,092

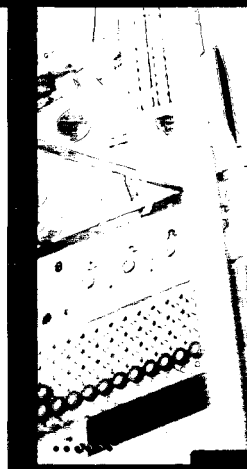
Total revenues from operations
outside the U.S., 2001: \$608,906

Total employees, non-U.S.: 1,644

Total royalty and license
fee revenues, 2001: \$198,236



A black and white portrait of a woman with short, curly hair, smiling warmly at the camera. She is wearing a dark turtleneck sweater and a thin necklace. The background is dark and textured, with a bright, rectangular light source visible behind her, creating a halo effect. The image has a high-contrast, grainy quality.



e.

Chiron Blood Testing

Chiron Blood Testing is a leading provider of products used worldwide by the blood banking industry to help ensure the safety of the world's blood supply. With our collaborator, Gen-Probe Incorporated, we are developing and commercializing innovative and highly sensitive NAT (nucleic acid testing) blood screening assays, including the Procleix™ HIV-1/HCV Assay for human immunodeficiency virus type 1 (HIV-1) and hepatitis C virus (HCV). Through our joint business with Ortho-Clinical Diagnostics, we develop and market a line of immunoassay screening and supplemental tests for infectious diseases.



On The Market

Chiron

Recombinant Antigens*

- > HCV c100-3
- > HCV HC34
- > HCV NS5
- > HCV c200
- > HCV c22-3
- > HBCore

Royalties

- > HIV-1/HCV NAT Blood Screening
- > HIV-1/HCV Immunoassays

Chiron/Ortho Joint Business

Diagnostic Tests

- > HCV Ag ELISA 2.0 (Europe)

Hepatitis Assays

- > HBsAg ECI
- > Anti HBS ECI
- > Anti HCV ECI

Screening Tests

Retroviral Assays

- > HIV-1/2 ELISA (Europe)

Hepatitis Assays

- > HBCore ELISA
- > HCV 3.0 ELISA
- > HBsAg system 3 ELISA (Europe)
- > HBsAg system 2 ELISA (U.S.)

Supplemental (Confirmatory) Tests

- > RIBA® HCV 3.0 SIA
- > RIBA HIV-1/HIV-2 SIA (Europe)

Chiron/Gen-Probe

Nucleic Acid Testing

- > Procleix™ HIV-1/HCV Assay
- > Procleix Semi-Automated System

In Development

Chiron

Recombinant Antigens*

- > HCV HCr43
- > HTLV-I HT1 env21
- > HTLV-I HT1 24
- > HTLV-II HT2 p21
- > HTLV-II HT2 24

Chiron/Ortho Joint Business

Diagnostic Tests

Retrovirus Assays

- > HIV-1/2/0 Ab/Ag ECI

Hepatitis Tests

- > Anti HAV ECI
- > HBsAg 2.0 ECI
- > Anti HCV 2.0 ECI

Screening Tests

Retroviral Assays

- > HTLV-I/II ELISA

Hepatitis Assays

- > HBsAg System 3 (U.S.)

Chiron/Gen-Probe

Nucleic Acid Testing

- > Procleix Triplex Assay (HIV-1/HCV/HBV)
- > Procleix Parvovirus B19 Assay
- > Procleix HAV Assay
- > Procleix Automated System

* Critical reagents used in the manufacture of diagnostic test kits.



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