

ARENA PHARMACEUTICALS TO REDUCE ITS WORKFORCE BY 25%



San Diego, California-based bio-pharmaceutical giant, Arena Pharmaceuticals Inc., announced plans to reduce its workforce by roughly 25%, representing 66 staff, to cut its costs and generate additional savings. Arena Pharmaceuticals said that the layoffs will bring in more money to the company, approximately \$3.8 million of recurring charges, and will trim-down its cash expenditures by nearly \$13.5 million in the first quarter of this year alone. The additional resources will be used in its campaign for obtaining regulatory approval for its product, lorcaserin, a new chemical entity that is believed to act as a selective serotonin 2C receptor agonist intended for weight management. The layoffs are expected to be completed by March 28, 2011.

Jack Lief, Arena's President and Chief Executive Officer, said that he is saddened to see the employees go, but the decision is necessary. "We deeply regret having to reduce our workforce, greatly appreciate the efforts of the employees affected by today's announcement and thank them for their significant contributions to Arena." Lief further explained that the job cuts are in line with the company's goal of remaining competitive in this fast-changing pharmaceutical industry. "This workforce reduction strengthens our financial position by focusing our resources on the prioritized programs that we believe have the greatest potential to deliver value."

Arena Pharmaceuticals assured the public that the company will continue to strengthen its R&D unit despite the cuts. The restructuring plan aims to realign its resources with its corporate priorities, which involve looking for potential partners for the commercialization of lorcaserin worldwide and advancing select earlier-stage and development programs. Arena Pharmaceuticals added that the company will reveal more details soon, particularly the financial impact of the layoff and other cost-cutting measures.