

## ASTRAZENECA TO CUT 1,200 JOBS IN DELAWARE



It was announced last week that AstraZeneca is planning to cut 1,200 jobs from its headquarters in Delaware over the next two years, according to The News Journal in Delaware. Layoffs will eliminate 650 positions and 550 jobs are being transferred to other locations.

The company said that the job cuts are part of a global reorganization attempting to consolidate research and development employees into three centers. The center in the United States will be located in Gaithersburg, Maryland, which is where the company's MedImmune unit is located. This center will gain 300 jobs. The two other centers will be in Cambridge, U.K. and Molndal, Sweden.

"As AstraZeneca explained to us, they are trying to position the company for a return to growth and with that comes some very difficult corporate decisions," said Catherine Rossi, spokesperson for Gov. Jack Markell's Office. "It is not easy to hear people will lose their jobs or move to another location. We wish AstraZeneca were positioned differently, but we understand the business challenges the company faces as it works to reinvigorate its scientific leadership."

The company has a new leader, when Chief Executive Officer Pascal Soriot took over in October of 2012. The company has struggled with sales after it lost patent protection on some of its most important drugs.

"I recognize our plans will have a significant impact on many of our people and our stakeholders at the affected sites," Soriot said in a prepared statement. "We are fully committed to treating all of our employees with respect and fairness as we navigate this important period of change."

The company has been using a cost-cutting workforce reduction plan over the past 24 months. Its goal is to cut \$1.6 billion in expenses by the time 2014 comes to an end. Nexium is scheduled to lose its patent protection then. In 2007, the company bought MedImmune for \$14.7 billion.

The company reported that its revenue dropped by 21 percent in February due to generic competition flooding the market share by Seroquel. Net profit dropped to \$6.3 billion in the fourth quarter, which is a drop of 37 percent. In 2012, revenue dropped by 15 percent to \$28 billion compared to \$33.6 billion in 2011.

The headquarters in North America for the company came to Fairfax in 1999 when Governor Tom Carper offered the firm \$40.7 million in a package of tax credits and grants. As part of the agreement, the company upped its workforce to 4,000 employees. It was a five-year agreement that ended in 2004. The Department of Transportation in Delaware spent close to \$70 million to improve roads around the company's headquarters on Concord Pike.