

Roche closing US site in 2013, cutting 1K jobs (Update)

June 26 2012, by LINDA A. JOHNSON

(AP) — Swiss drugmaker Roche Holding AG said Tuesday it will close its former U.S. headquarters, a sprawling facility where the groundbreaking drugs Valium and interferon were invented.

The move is part of a consolidation of research and development programs that will eliminate 1,000 jobs and shut down the site in Nutley, New Jersey, by the end of 2013.

Nutley served as Roche's U.S. headquarters for marketing, sales and administration, plus the base for numerous research programs, from 1929 until 2009. Roche bought biotech drugmaker Genentech that year and transferred headquarters operations to Genentech's base in South San Francisco, California.

The Basel, Switzerland-based maker of influenza treatment Tamiflu said the research and drug development conducted in Nutley will be consolidated with operations in Basel and Schlieren, Switzerland, and in Penzberg, Germany. That will result in about 80 more jobs in Switzerland and Germany.

At its peak about 10 years ago, the 119-acre (48-hectare) Nutley site had about 10,000 employees, including scientists researching potential new treatments for cancer, hepatitis C and arthritis and other inflammatory disorders. The workforce dropped to about 5,000 people when Roche integrated Genentech and shifted many Roche workers to California, and has continued to shrink.

Roche spokesman Daniel Grotzky in Switzerland said some early-stage arthritis research at Nutley that wasn't very promising will be eliminated, and other arthritis projects will continue at Genentech. Selected hepatitis research projects will be shifted to Switzerland, and research on injected cancer treatments will move to Penzberg.

"We don't have enough critical mass left at Nutley to keep it as a research site," Grotzky said.

He wouldn't say how much money the closure would save, but said savings would be shifted toward ongoing and new drug testing, with the number of Roche's mid- and late-stage drug tests expected to jump 20 percent in 2013 compared to this year.

Like virtually every other brand-name drugmaker, Roche is reducing staff and closing or selling facilities to reduce costs as it deals with the weak global economy, government health programs pushing for lower drug prices, rising costs for research, failures of some promising drugs during late-stage testing and competition from generic drugs.

Darien Wilson, a spokeswoman at Nutley, known as Hoffmann-La Roche Inc., said staff will be told in mid-August whether they will lose their jobs or can transfer to a new research center Roche is planning for somewhere on the East Coast. That site, which will employ about 240 people, will support patient testing of experimental drugs and coordinate with the Food and Drug Administration and university research partners. Roche hopes to identify a location by September.

Roche, the world's sixth largest drugmaker based on revenue, makes medical diagnostic tests, the Accu-Chek blood-sugar testing system, weight-loss drug Xenical and HIV medicine Fuzeon. It's a leading maker of cancer drugs, including breast cancer drug Herceptin, Tarceva for pancreatic cancer and Avastin for lung, brain and colorectal cancer.

In 1963, Roche chemist and renowned scientist Leo Sternbach invented the tranquilizer Valium, the company's first blockbuster medicine, at the chemical laboratory he had helped set up in Nutley after fleeing Switzerland with other Jewish scientists working for Roche during World War II.

The little pills stamped with V became the most prescribed drug in the U.S. from 1969 to 1982, as well as a cultural icon with nicknames including "Executive Excedrin," "Mother's Little Helper" in the classic Rolling Stones tune, and "doll" — one of the pills popped by female characters in novelist Jacqueline Susann's 1966 best-seller "Valley of the Dolls."

The Nutley labs also produced hepatitis C drug Pegasys and interferon, a protein-based immune-boosting drug used to treat cancer and hepatitis B and C. Lab staff also did much of the early research on Zelboraf, a treatment for advanced melanoma approved last year.

One of Roche's top-selling drugs, blockbuster osteoporosis medicine Boniva, got generic competition in March, and the U.S. patent for breast and colorectal cancer drug Xeloda expires in two years.

Roche employs about 20,800 people in the U.S., including about 400 in Branchburg, New Jersey, near Nutley. That site, Roche Molecular Diagnostics, does research on diagnostic tools, selecting and refining medicines for particular conditions, and identifying patients predisposed to a particular disease.

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