Teva Pharma plans to cut about 5,000 employees (Update)

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Teva Pharmaceutical Industries Ltd. plans to cut about 5,000 employees mostly by the end of next year as part of a restructuring designed to slim the drugmaker's business and make it more efficient.

The Israeli company said Thursday it employs about 46,000 people worldwide, so the cuts amount to nearly a 10 percent global workforce reduction. The drugmaker plans to trim oversized parts of its business while growing its generic and core research and development programs. It plans to reinvest savings from the cuts in what it considers to be areas with high potential, like development of complex generics and specialty pharmaceutical products.

It also wants to increase its presence in emerging markets and broaden its product portfolio, especially with over-the-counter drugs, which can be sold without a prescription. Many drugmakers are targeting emerging markets like Brazil and China as possible sources for future growth.

Earlier this year, the company said it would close by 2017 a Sellersville, Pennsylvania, generic drug plant that employs about 450 people. It also plans to sell another plant in Irvine, California.

Teva said the moves are part of a global restructuring it announced in 2012. It now expects to save about $2 billion annually by the end of 2017, largely due to a reduction in the company's cost of goods. That represents the high end of its previously forecast savings range of $1.5 billion to $2 billion.

The company expects to end 2013 near the middle of its expected ranges of $4.85 to $5.15 per share in earnings on $19.5 billion to $20.5 billion in revenue.

Analysts expect, on average, earnings of $4.99 per share on $20.05 billion in revenue, according to the data firm FactSet.

Teva is one of the world's largest generic drugmakers, and it also has made a push in recent years to grow its branded medicine business.

In August, it said generic revenue fell 8 percent in the second quarter due to declining sales in the U.S. and Europe. It also has seen a steep sales drop for one of its brand-name drugs, Provigil, which treats tiredness caused by narcolepsy, obstructive sleep apnea, and changes in work schedule. Teva acquired the drug when it bought Cephalon Inc. in 2011. As part of that deal, antitrust regulators required Teva to sell U.S. rights to generic Provigil to another company.

Shareholders liked the moves Teva announced Thursday, at least initially. They sent U.S.-traded shares of Teva up nearly 3 percent, or $1.11, to $40.31 Thursday in premarket trading about 30 minutes ahead of the market opening.

Teva shares have traded between $36.63 and $42.83 over the past year.