

# Biogen cutting 11 percent of its workforce

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Biogen plans to cut about 11 percent of its workforce as it refocuses its research on treatments for Alzheimer's disease and multiple sclerosis.

The company announced the job cuts Wednesday as boosted its profit outlook and it reported a 12.7 percent jump in third-quarter earnings to \$965.6 million, or \$4.15 per share. Revenue rose 11 percent to \$2.78 billion.

Earnings, adjusted for one-time gains and costs, were \$4.48 per share, surpassing Wall Street's per-share projections by 65 cents, according to a poll by Zacks Investment Research. It also breezed pasted revenue expectations of \$2.66 billion.

"The decision to reduce the company's workforce was extremely difficult, but we believe these actions are necessary to fulfill our mission of bringing important new medicines to patients," CEO George Scangos said in a printed statement.

Biogen, based in Cambridge, Massachusetts, has about 7,550 employees, which would mean about 830 job cuts.

Biogen plans to discontinue a late-stage study of Tecfidera as a treatment for secondary progressive muscular sclerosis. The drug is currently approved to treat relapsing forms of multiple sclerosis and it is the company's key revenue driver, with sales rising 19 percent to \$937 million during the third quarter.

Part of the savings from the layoffs will be used for commercial initiatives aimed at increasing Tecfidera sales. It will also help boost spending on development programs for Alzheimer's disease treatments and other programs.

Biogen now expects full-year earnings in the range of \$16.20 to \$16.50 per share, up from prior guidance of 15.50 to \$15.95 per share.

Also on Wednesday, the company reported that Tysabri failed to meet key goals in a late-stage study aimed at secondary progressive multiple sclerosis. The drug is also already approved to treat multiple sclerosis and Crohn's disease and saw sales fall 4.2 percent to \$480 million during the most recent quarter.

Shares of Biogen Idec Inc. rose 3 percent \$268.91 in afternoon trading. Shares have dropped 22 percent since the beginning of the year.

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