

Exelixis Cuts 270 Biotechnology Jobs

SOUTH SAN FRANCISCO, Calif. (AP) — Biotechnology company Exelixis Inc. plans to eliminate about 270 jobs, or around 40 percent of its staff, as it tries to save money and continue development of cancer drugs with Sanofi-Aventis SA and Bristol-Myers Squibb Co.

After the market closed on Monday, Exelixis said it will cut jobs and restructure its business to focus on its most advanced drugs. Exelixis said it will save about \$90 million per year from the moves, starting in 2011. However it will reduce its work on new drugs.

The company said its goal is to make sure it has enough money to make it to late 2011, when it expects to file for approval of XL184 as a treatment for inoperable, advanced thyroid cancer. Exelixis, which currently has no products on the market, is developing XL184 with Bristol-Myers Squibb.

Exelixis also is developing XL147 and XL765 with Sanofi-Aventis as potential cancer treatments.

Exelixis said it will be able to meet all its obligations with those companies and other partners. It will continue working on three other drugs in clinical testing and a group of compounds in preclinical studies.

The company said it will take a \$15 million restructuring charge in the first quarter, and may report other one-time costs later in the year.

Additionally, Tuesday morning the company reported a fourth-quarter loss of \$28.8 million, or 27 cents per share, compared with a year-ago loss of \$38 million, or 36 cents per share. Its revenue climbed 49 percent to \$44.1 million from \$29.6 million due to greater licensing revenue.

Analysts expected a loss of 27 cents per share and \$54 million in revenue, according to a Thomson Reuters survey.

During the fourth quarter, license revenue more than doubled to \$27.6 million from \$10.6 million. Contract revenue slipped to \$16.5 million from \$19 million.

For the year, Exelixis narrowed its loss to \$135.2 million, or \$1.26 per share, from \$162.9 million, or \$1.54 per share. Revenue rose 29 percent to \$151.8 million from \$117.9 million.

The company expects to report a loss in 2010, as it plans to spend \$280 million to \$300 million, with anticipated revenue of \$210 million to \$240 million. Analysts expect a loss of 99 cents per share on revenue of \$209.1 million.

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