

# Roche To Cut 4,800 Jobs For 'Operational Excellence'

Frank Jordans, Associated Press

GENEVA (AP) — Swiss pharmaceutical company Roche will cut 4,800 jobs over two years, mostly in the U.S., to help save 2.4 billion Swiss francs (\$2.4 billion) by 2012, the company said Wednesday.

The cuts amount to six percent of its 82,000-strong global work force and will mainly affect positions in sales, marketing and manufacturing, Basel-based Roche Holding AG said in a statement.

A further 1,500 jobs will be transferred to other locations within the company or outsourced, meaning that a total of 6,300 positions will be affected.

Roche reported a 7 percent year-on-year drop in third-quarter sales last month to 11.5 billion francs.

U.S. locations will be hit hardest by Roche's "Operational Excellence Program," with some 3,550 jobs cut or moved elsewhere. Sites in Florence, South Carolina; Boulder, Colorado; Nutley, New Jersey; Madison, Wisconsin; and Vacaville, South San Francisco and Oceanside in California will be affected, the company said.

Roche will also cut or transfer 770 jobs in Switzerland, 1,300 in other European countries and 680 in the rest of the world.

"These measures are necessary to ensure sustained success of the company," said Roche's Chief Executive, Severin Schwan. "We will make every effort to find socially responsible solutions for the employees affected."

The company has been hit by cuts to health care budgets in the wake of the global economic downturn, and tighter rules for the approval of new drugs.

Roche said it will incur restructuring costs of 2.7 billion francs by 2012.

Analysts at Zuercher Kantonalbank said the widely anticipated job cuts were more drastic than expected, but would likely be welcomed by investors.

Shares in the company rose 1.4 percent to 144.50 francs (\$145.12) on the Zurich exchange.

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