

Biota Pharma to axe two-thirds of its workforce

03 June 2014 | News | By BioSpectrum Bureau



Singapore: Biota pharma has adopted a plan to restructure its operations, aiming to re-align and cut down its work force by two-thirds over the next six to nine months. The concern has also planned to shut down their facility in Melbourne, Australia following the loss of a key government contract.

These changes were made in response to the termination of the company's 2011 contract by the Department of Health and Human Services, for the convenience of the US Government. This contract was supporting the development of Biota's lead experimental influenza A and B treatment, laninamivir octanoate, in the United States.

The firm said that it would incur restructuring charges of about \$5 million-\$5.5 million which it expected to be completed by the first half of 2015. Upon adoption of the new plans, the firm expects its ongoing research and development and administrative costs to be reduced by \$8 million - \$10 million from current annualized levels.

The company now aims to shift focus on its on-going clinical assets, namely LANI and vapendavir, and preclinical compounds being developed for the treatment of respiratory syncytial infections (RSV).