

Glaxo: RTP No Longer U.S. Headquarters

Glaxo Wellcome's merger with SmithKline Beecham will make it the world's largest pharmaceutical firm.

Associated Press

RESEARCH TRIANGLE PARK — Glaxo Wellcome's purchase of SmithKline Beecham means North Carolina will no longer be Glaxo's U.S. headquarters, but it will remain an important revenue generator for the combined company.

The British parents of the two companies announced Monday a long-awaited \$76 billion stock deal that would create Glaxo SmithKline, the world's largest pharmaceutical company, with products from Aquafresh to Zyban.

The combined company says it will retain Glaxo Wellcome's Research

Triangle Park campus and SmithKline Beecham facilities in Philadelphia and Pittsburgh. Executives announced the merged company's U.S. headquarters will move to the New York metro area.

Many Glaxo RTP employees, some of whom worked for Burroughs Wellcome when it was taken over by Glaxo Inc. five years ago, are optimistic about this mega-merger.

"It's great. If it's good for the business, it's good for me," a female employee said while waiting for a light to change at Glaxo's RTP campus entrance. She wouldn't give a reporter her name.

About 4,800 of Glaxo Wellcome's 5,900 employees in North Carolina work at RTP; the rest are employed at Glaxo's manufacturing plant in Zebulon, where products such as ulcer medication Zantac are produced.

About 1,400 RTP employees work in corporate administration. The merger doesn't necessarily mean they all will be

cut or transferred, because the New York City-area headquarters will be relatively small and serve as a coordinating center, Glaxo spokesman Rick Sluder said.

The future of other administrative positions such as human resources and accounting is unclear, he said.

Some cutbacks are expected from duplicate positions within the companies. Sluder refused to comment on a British newspaper report that the new company expects to cut 10 percent of its combined work force of 106,000 employees. Analysts said they expected any cutbacks to fall heaviest in the United Kingdom.

"It's premature to speculate on what size any of the operations will be," Sluder said. "It may take weeks or months before a total is determined."

But Sluder reaffirmed the companies' commitment to RTP and Pennsylvania, saying the operations are "important for

a company in which it has almost half of its revenue originating in the U.S. market."

Industry analyst Neil Sweik expects few job cuts in the companies' research and development and pharmaceuticals sectors, which bodes well for Philadelphia and RTP.

Glaxo research at RTP has been on the cutting edge for drugs related to AIDS, migraines and asthma. SmithKline Beecham's consumer health care operations are in Pittsburgh.

"The U.S. accounts for 60 percent of company profits. It's not an uncommon figure in this market, which is by far their largest sales market," said Sweik, of Ryan, Beck & Co. in New York.

State Commerce Secretary Rick Carlisle said that while he wishes the combined company would keep its U.S. headquarters here, "I don't think people should assume it's a negative for North Carolina."

FOOD LION

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said he expected the opening of another Food Lion in Carrboro to close the Jones Ferry Road location.

"I'm surprised they didn't close this one," he said.

"I'm really happy they remained here."

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SKATEBOARD

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ment," he said. "Before, parks were playing music with foul language. Here, the kids are totally monitored and watched, and it makes parents comfortable to drop their kids off and leave."

Kids are not the only ones who frequent the park. Kenny Hoff, a UNC graduate student, said he often came to the park to in-line skate.

"It's fun just to meet new people around here," he said. "Once in a while I come out with people from my Department of Computer Science."

Wes Jordan, a freshman at Orange High School, said that before the park opened, he and his friends had no place to skate without receiving complaints from Chapel Hill merchants and police.

"This place gives us a break because cops would hassle us elsewhere," he said. "Before when we were going to the UNC campus and around downtown, we would get kicked out by store owners who were afraid we'd hit a car."

Chapel Hill police and area merchants said they had been looking for-

ward to the opening of the park, which they hoped would alleviate the number of skateboarders in commercial areas.

Jay Turner, president of the Skateboarding Association of America and owner of a similar park in Clearwater, Fla., said Ryan's World measured up well in comparison to other skate parks. "I've skated a lot of parks, and this one looks good," he said. "It has a nice set-up and is well-built."

Turner, whose organization sponsors contests along the East Coast, said skateboarding was starting to receive national attention. "It's finally getting the respect that's needed," he said.

Noel said the park was planning to hold at least eight amateur skateboarding and in-line skating contests a year. A professional in-line skating event has already been scheduled for Apr. 29.

Noel said the park was not a finished product because batting cages would soon be added, making the park a marquee attraction. "I've decided just to go all out," he said. "When we're done, it will be a mega park for the kids."

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WARN

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directly, it had a part to play.

"Our ultimate goal is to generate sufficient public awareness to persuade

CP&L to spend a little bit more money for a far safer plan," he said. "We are intent on persuading them that the public really cares about this issue."

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