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Drug Maker Goes Down the Road

By Wesley Lowery

Danish insulin producer Novo Nordisk S/A will move its North American headquarters and about 1,200 jobs to a two-building complex in Plainsboro, N.J., relocating from its current location about three miles away in Princeton.

Novo Nordisk will take the space in the Princeton Forrestal Center, a complex in Plainsboro that at one point was occupied by a division of Merrill Lynch & Co., the securities firm that was acquired by Bank of America during the financial crisis.

Novo Nordisk initially will rent about 500,000 square feet, which includes enough expansion space for an additional 300 employees. The company also has rights to the rest of the property which includes a total of 770,000 square feet.

"The other 30% of the property we can bring out of moth balls when we need that space in 2020 or 2025," says Jeff Frazier, the company's vice president for human resources.

The pharmaceutical industry has long been one of the drivers of New Jersey's economy, accounting for 55,366 jobs and more than \$811.9 million in state tax revenue in 2009, according to the most recent data available from the HealthCare Institute of New Jersey. More recently, though, many companies have shed jobs as the industry has gone through a wave of mergers and consolidations.

"As goes the pharmaceutical industry so goes the state of New Jersey," says Bill Dressel, executive director of the New Jersey State League of Municipalities.

Novo Nordisk, which employs 30,000 world-wide, plans to expand its workforce 10% by 2016. The company specializes in the care of diabetes and last year about 32.3 million Americans had the disease, according to the World Health Organization. That figure is expected to increase to 53.1 million by 2025.

"We've been running counter to the rest of the pharmaceutical market," Mr. Frazier says. "While the rest of the market has been consolidating, we've been expanding."

Novo Nordisk's new home is owned by a group including Ivy Equities, LCOR Inc. and Intercontinental Real Estate Corp. The group is planning a \$215 million renovation before Novo Nordisk moves beginning in June 2013.

"We're literally stripping the building right down to the steel skeleton," said Kurt Eichler, LCOR's executive vice president, in an interview.

The move of Novo Nordisk was made possible, in part, by a \$3.8 million grant the company is getting from the state of New Jersey.

The landlord and the company estimate the renovation will create about 500 temporary construction jobs beginning in September.



A rendering of Novo Nordisk's new North American headquarters.