June 30, 2016

Arena Pharmaceuticals Announces Shift to Focus on Proprietary Clinical Stage Pipeline

- Additional cost reductions implemented to support development program prioritization -

SAN DIEGO, June 30, 2016 /PRNewswire/ -- Arena Pharmaceuticals, Inc. (NASDAQ: ARNA) today announced a strategic shifting of priorities to emphasize its proprietary clinical stage pipeline. The Company also announced the implementation of additional cost reductions to streamline the organization to support its development programs.

"We believe our clinical-stage pipeline has the potential to deliver first or best-in-class compounds for a broad range of indications. Building a streamlined and highly-focused organization supports our primary objective - developing our pipeline in a timely and efficient manner," said Amit Munshi, Arena's President and Chief Executive Officer.

Arena will reduce its US workforce by approximately 100 employees, or 73%, primarily in areas of research, manufacturing and G&A, which Arena estimates will reduce annualized cash expenditures for (i) personnel by approximately $17 million and (ii) related other operating expenses of between $6-8 million. Arena plans to implement additional cost control measures to further reduce its expenditures, including reductions at its Swiss manufacturing facility.

As a result of the US workforce reduction, which is planned to be completed by August 31, 2016, Arena estimates it will incur restructuring charges, primarily in the second quarter of 2016, of approximately $6.1 million (a majority of which are cash expenditures) in connection with one-time employee termination costs, including severance and other benefits.

Arena expects to discuss its strategic focus and organizational streamlining during its upcoming second quarter conference call.

About Arena Pharmaceuticals
We are a biopharmaceutical company focused on discovering and developing novel, small molecule drugs. We are currently directing our activities and resources primarily on the following activities:

1. Advancing our proprietary clinical programs:

    a. Etrasimod (APD334) - a next generation, highly specific modulator of the sphingosine 1-phosphate subtype 1, or $S1P_1$, receptor - in an ongoing Phase 2 clinical trial for ulcerative colitis, and potentially exploring additional indications, including beyond inflammatory bowel disease

    b. APD371- an agonist of the cannabinoid-2, or CB_2, receptor - most recently completed a Phase 1 multiple-ascending dose clinical trial with favorable results. and is under evaluation for pain indications

    c. Ralinepag (APD811) - an agonist of the prostacyclin receptor - in an ongoing Phase 2 clinical trial for pulmonary arterial hypertension, or PAH

2. Supporting our collaborations:

    a. Eisai Inc. and Eisai Co., Ltd. and others - in their efforts with respect to the approved product BELVIQ for weight management

    b. Axovant Sciences Ltd. - in Phase 2 clinical trials for nelotanserin, an inverse agonist of the serotonin 2A receptor for central nervous system disorders

    c. Ildong Pharmaceuticals Co., Ltd. - in a Phase 1 clinical trial for temanogrel, an inverse agonist of the serotonin 2A receptor for thrombotic diseases

    d. Boehringer Ingelheim International GmbH - in preclinical development of drug candidates targeting a central nervous system, or CNS, receptor for psychiatric diseases

For more information, please visit www.arenapharm.com

Forward-Looking Statements
Certain statements in this press release are forward-looking statements that involve a number of risks and uncertainties. Such forward-looking statements include statements about the reduction of Arena's workforce, including the expected size, timing, related charges and benefits, and other expected impact of such reduction; Arena's focus, plans and strategy; the advancement and potential of Arena's clinical programs and collaborations; activities with Eisai and other collaborators; implementing additional cost control measures; and reducing expenditures and achieving savings. For such statements, Arena claims the protection of the Private Securities Litigation Reform Act of 1995. Actual events or results may differ materially from Arena's expectations. Factors that could cause actual results to differ materially from the forward-looking statements include, but are not limited to, the following: the risk that the cost and other negative effects related to the reduction of Arena's workforce may be greater than anticipated; the risk that Arena may not realize the benefits expected from the workforce reduction or other cost control measures; risks related to developing and commercializing drugs; the risk that we may need additional funds to advance all of our programs, and you and others may not agree with the manner we allocate our resources; cash and revenues generated from BELVIQ, including the impact of competition; the risk that Arena's revenues are based in part on estimates, judgment and accounting policies, and incorrect estimates or disagreement regarding estimates or accounting policies may result in changes to Arena's guidance or previously reported results; the timing and outcome of regulatory review is uncertain, and lorcaserin may not be approved for marketing in a different formulation or in any other territory; regulatory decisions in one territory may impact other regulatory decisions and Arena's business prospects; government and commercial reimbursement and pricing decisions; risks related to relying on collaborative arrangements; the timing and receipt of payments and fees, if any, from collaborators; the entry into or modification or termination of collaborative arrangements; unexpected or unfavorable new data; nonclinical and clinical data is voluminous and detailed, and regulatory agencies may interpret or weigh the importance of data differently and reach different conclusions than Arena or others, request additional information, have additional recommendations or change their guidance or requirements before or after approval; data and other information related to any of Arena's research and development may not meet regulatory requirements or otherwise be sufficient for (or Arena or a collaborator may not pursue) further research and development, regulatory review or approval or continued marketing; Arena's and third parties' intellectual property rights; the timing, success and cost of Arena's research and development and related strategy and decisions; results of clinical trials and other studies are subject to different interpretations and may not be predictive of future results; clinical trials and other studies may not proceed at the time or in the manner expected or at all; having adequate funds; and satisfactory resolution of litigation or other disagreements with others. Additional factors that could cause actual results to differ materially from those stated or implied by Arena's forward-looking statements are disclosed in Arena's filings with the Securities and Exchange Commission. These forward-looking statements represent Arena's judgment as of the time of this release. Arena disclaims any intent or obligation to update these forward-looking statements, other than as may be required under applicable law.

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