

Aurobindo to cut Actavis ebitda losses to €10 m

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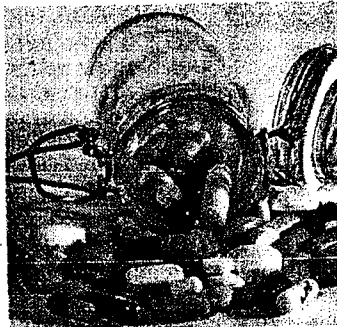
Mumbai: Hyderabad-based Aurobindo Pharma is expecting to bring down the Ebitda losses of its Dublin-based Actavis business to about 10 million euro in the current fiscal (2014-15).

During the first quarter result earnings call with analysts, chief executive officer Arvind Vasudeva, said, "As we indicated last year when we got the business, the earnings before interest, taxes, depreciation and amortisation (ebitda) loss was 23 million euro. We estimate that we should be able to bring it down to about 10 million euro in the current financial year."

In January, Aurobindo had inked a long-term commercial and supply agreement with Actavis to acquire its personnel, commercial infrastructure, products, marketing authorisations and dossier licence rights in seven European countries for 30 million euro. In April, the company had announced the completion of the acquisition of certain commercial operations in Western Europe from Actavis PLC.

Vasudeva said that during the first quarter Actavis reported a sale of Rs 624 crore.

N Govindarajan, managing director, Aurobindo Pharma, said, "Europe recorded sale of Rs 798 crore in the first quarter this fiscal thereby growing more than fourfold over a corresponding period of last year sales of Rs 174 crore. This has been more on account of our recent acquisition of the Western European commercial operations of Actavis to



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Healthy growth

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help enhance our European presence among the top 10 generated players in the coming years."

The share of European business during the quarter increased to 35% from 16% in the corresponding period last year amplifying our focus on that market, said Govindarajan. The company also expects the Actavis business to break-even in the fiscal year 2015-16.

Talking about the expansion of its US-based wholly-owned subsidiary Aurolife, a generic pharmaceutical product manufacturer, chief executive Robert Cunard,

said, "We are expanding Aurolife operations. We currently have 18 products pending with the FDA for Aurolife and six out of those seven products are controlled substances. We think the controlled substances are a big driver in the future. The IMS data for generic sales of those products annually are about \$500 million. We also continue to grow in the government contract space and that contract represent about a third of the revenues for Aurolife in our first fiscal quarter." Aurolife clocked revenue of \$26 million in the first quarter compared to \$75 million in the last fiscal.

AuroMedics Pharma LLC, the company's another US-based wholly owned subsidiary which markets generic injectable pharmaceutical products in the US is also showing rapid growth. AuroMedics Pharma president Ronald Quadrel, said, "On the injectable side, we are growing fairly rapidly. Over the last quarter, we increased sales from the previous quarter by about 30% and year-on-year around 123%. Our sales numbers for last year were \$36.7 million for the year and we are expecting around \$61 million this year. A lot of that is growth in terms of establishing our presence in the US market and garnering more share in our base business. As we get towards the end of this fiscal year we'll start seeing more approvals from our pipeline portfolio. And as we move forward over the next two year with the number of filings that we currently have with the FDA, we'll see some fairly significant growth."

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