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[Stada Arzneimittel AG \(SAZ\)](#), a generic- drug maker, reported a loss for the first nine months of the year due to writedowns at its Serbian business and increased competition in Germany.

The net loss was 6.5 million euros (\$8.8 million) compared with a profit of 38.8 million a year earlier, the Bad Vilbel, Germany-based company said today in an e-mailed statement. The company took a 96.9 million-euro writedown before taxes during the quarter due to unpaid bills from the Serbian business.

Operating profit for the nine months decreased to 59.2 million euros compared with 104.9 million a year earlier. One- time special items amounted to a net burden on earnings of 122.9 million euros before taxes or 107.1 million euros after taxes during the period.

The company is “optimistic” about growth this year despite the one-time charges during the period, Chief Executive Officer Hartmut Retzlaff said in a statement today.

Sales for the period were 1.25 billion euros compared with 1.18 billion euros a year ago. Sales in [Germany](#), Stada’s biggest market, declined 9 percent during the period to 359 million euros. The company expects further declines in sales from generics and Germany this year.

‘Double-Digit’

The company still expects growth in sales for 2011 and 2012, and expects net income this year to be positive, in the “double-digit million” euro range. Adjusted earnings before interest, taxes, depreciation and amortization, or Ebitda, should increase in the high single-digit percent range, the company said.

The company also confirmed its target for 2014 of sales of 2.15 billion euros, adjusted Ebitda of 430 million euros and net income of 215 million euros.

Stada acquired Serbia’s Hemofarm Koncern AD in 2006 for 480 million euros, the company’s biggest acquisition and part of a push to shift manufacturing capacity as well as sales into eastern [Europe](#). The company announced a 29.5 million-euro writedown on unpaid bills from Serbian drug wholesalers last year.

Stada closed down 1.8 percent at 17.21 euros in [Frankfurt](#) yesterday, giving the company a market value of 1.01 billion euros.