



Pharmacy group to list

IPO watch

Simon Evans

A pharmacy retailing network with 25 outlets in its stable is preparing to list on the Australian Stock Exchange as part of a plan to expand to 100 outlets within five years.

Health Corporation Ltd, which runs a franchise model where its pharmacies trade under the Health Information Pharmacy name, is offering 12.5 million shares to the public at 60¢ per share to raise \$7.5 million. This represents a 23.5 per cent slice of the company being floated off to the public, with founder and managing director

Ken Lee to retain up to 60 per cent.

Health Corporation is targeting the 3200 independent pharmacists in Australia who are not part of a banner group. The prospectus says 500 to 700 pharmacies change hands each year in Australia, and with the average age of owners nearing 60, succession planning is a major issue.

Mr Lee said the group concentrated on trying to maximise the service to customers and steered clear of trying to push sales volumes like a mass merchandise store. "We believe medicines should not be commoditised," he said.

Health Corporation had income of \$1.94 million in 2005-06 and made a net profit of \$252,705, according to the prospectus.