

HIP goes public

ASX launch will put HIP "ahead of the game"

CHRIS BROOKER

Health Corporation Limited will list on the Australian Stock Exchange from the end of this month.

HCL is the the parent company of Health Information Pharmacy (HIP).

HIP founder, Ken Lee, confirmed the float would commence on 30 October, and that there had been strong interest in pre-registrations for the HIP prospectus.

Mr Lee believes the company has chosen an optimum time to launch on the ASX.

"Pharmaceutical stocks are very buoyant at the moment, and with a variety of acquisitions being mooted within the industry, interest in the sector is high so I think we have

picked a good time to float."

Mr Lee said the funds raised from the float would provide HIP with the capital to develop and expand its model, and to survive possible changes to pharmacy ownership regulations.

"It will put us ahead of the game," he said.

"As a private organisation it is hard to raise the necessary amount of capital to do what you need or want to do. The float will allow us to raise the funds needed to take our business to the next level, and will allow us to prepare for any regulatory changes or decline in PBS margins."

A generous launch offer will see one free option provided for every two purchased shares, Mr Lee said, with the launch price being 60c per share.

A share option plan has been created for HIP pharmacists, and a priority share offer would exist for HIP customers and staff.

"We want to create a win-win model for pharmacists. This is a model that has been developed by pharmacists, and with a majority of shareholders to be pharmacists, it will continue to run on those principles."

Mr Lee said a number of pharmacists had expressed interest in shares and/or franchising arrangements with the company. He said this was aligned with HIP's plans to expand from its current 25 pharmacies to somewhere around 100 "in the medium term". Initial plans were for between 12 and 23 pharmacies to join in the next year or two, either through acquisition or through a franchise arrangement.

Funds raised by the float would help secure this expansion, Mr Lee said.

"We believe the float will enable us to create a world class community pharmacy model that will thrive in any market."