



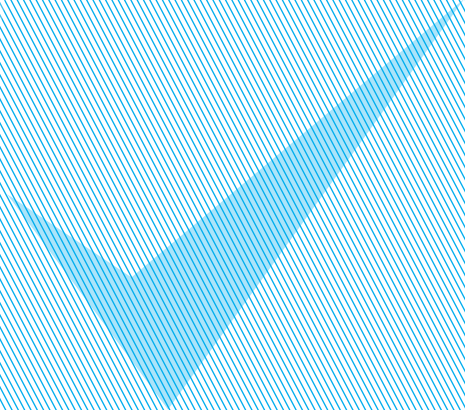
The Pharmacy
Guild of Australia

Guild Digest

2016

**A SURVEY OF INDEPENDENT
PHARMACY OPERATIONS IN AUSTRALIA**

FINANCIAL YEAR 2014-15



Guild Digest

2016

**A survey of independent pharmacy operations in Australia
Financial year 2014-15**

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FOREWORD

This year marks the 44th edition of the Guild Digest – the pre-eminent publication examining the operation of Australian community pharmacies. The 2016 Digest presents a snapshot of pharmacy operations in Australia for the financial year 2014-15.

Community pharmacies continue to play a pivotal role in providing primary healthcare and deliver a wide range of services including dispensing prescriptions; distributing pharmacy only and pharmacist only medicines and over-the-counter products; medication management; advice on minor ailments; and preventive care services. Ultimately, community pharmacies operate to improve the timely access and quality use of medicines in Australia.

At the same time community pharmacy is practised in a commercial environment – and like other small businesses, the success and viability of the community pharmacy sector depends on the financial performance of these small businesses in the context of the broader pharmaceutical supply chain. Community pharmacists own and operate their businesses – forming an integral part of local communities and contributing to local employment and economic activity.

Given the attention to patient care and the role community pharmacists play in local communities; not surprisingly, pharmacists remain one of the highest-ranking custodians of community trust and confidence.

Community pharmacies faced a challenging 2014-15, as was reflected in the slight decline in their average financial performance during the year. It marked the final year of the Fifth Community Pharmacy Agreement (5CPA) with uncertainty associated in the lead up to the signing of the Sixth Community Pharmacy Agreement (6CPA), as well as the Competition Policy Review, impacting on the confidence and outlook of community pharmacies.

The impact of price disclosure policies continued to negatively affect the trading terms of community pharmacies in 2014-15. Price disclosure alone was estimated to save the Government around \$2 billion in 2014-15.

Remuneration of community pharmacies was also negatively affected as wholesaler trading terms continued to be reduced and competition from discount big box pharmacy models continued. Price disclosure and ongoing falls in trade terms meant that in 2014-15 average remuneration per script was significantly down from that in previous years of the 5CPA. The 5CPA also did not provide the same remuneration sustainability that subsequent fee indexation and introduction of the Administration, Handling & Infrastructure (AHI) fee provided in the 6CPA.

On a more positive note, community pharmacies continued to expand their services during 2014-15, including in relation to pharmacy-based immunisation programs, providing a further opportunity for pharmacists to be involved in the delivery of all vaccinations.

Community pharmacies continued to be innovative and were at the forefront of the e-health innovation in 2014-15. The Electronic Transfer of Prescriptions initiative in the Fifth Community Pharmacy Agreement involved transferring over one million eligible scripts per week and recording over 18 million dispensing histories each month. Over one billion prescriptions were electronically transferred between prescribers and dispensers.

The Digest provides valuable management information to pharmacy owners and managers as well as providing insight into this integral component of the broader health sector. The analyses contained in the 2016 Digest are based largely on the sample of 313 community pharmacies, significantly less than the previous year (436). The

Guild will endeavour to raise the survey response rate for the Digest in future years, given the importance of the Digest to understanding the state of this key component of the health sector.

The Guild records its appreciation to all community pharmacy participants in this crucially important annual survey during a period of transition to the 6CPA. Without their contribution and support this edition of the Digest would not have been possible.

The Guild also recognises the strong support of the pharmacy accounting firms that have lent their tangible support by contributing de-identified information to the Digest on behalf of their pharmacy clients. In particular we formally record our appreciation to RSM Bird Cameron and PPS Professional Pharmacy Services. The Guild also acknowledges the ongoing support of MSI Taylor, Pitcher Pharmacy Accountants and Professional Pharmacy Services (PPS).

Thanks are extended to National Secretariat staff, in particular, Lisa Todd and Shatabdi Chakravorty for their dedication and outstanding work in the preparation of this edition.

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EXECUTIVE SUMMARY 2014-15

INTRODUCTION TO GUILD DIGEST 2016

This year marks the 44th edition of the Guild Digest. The *Digest* presents a snapshot of pharmacy operations in Australia for the financial year 2014-15. Community pharmacy plays a pivotal role in providing primary healthcare and delivers a wide range of services including dispensing prescriptions; distributing pharmacy only and pharmacist only medicines, and over-the-counter products; medication management; advice on minor ailments; and preventative care services.

The analyses contained in the *Digest* are based largely on the sample of 313 community pharmacies.

COMMUNITY PHARMACY INDUSTRY SNAPSHOT 2014-2015

| Average Pharmacy | Industry |
|-------------------------------------|-------------------------------------|
| \$2.81 m Revenue | \$15.46 b Revenue |
| \$1.09 m Gross Margin | \$6.01 b Gross Margin |
| \$109,914 Net Profit/Loss | \$605.6 m Net Profit/Loss |
| 57,964 Prescriptions | 315 m Prescriptions |

The Australian community pharmacy industry is a \$15.46 billion health sector which comprises around 5510 community pharmacies as of June 2015. It directly employs around 69,175 highly skilled staff (including proprietors). The average revenue per pharmacy is \$2.81 million and 66% of revenue is derived from the sale of prescription medicines. The other 34% includes pharmacy professional services, pharmacy only medicines and over-the-counter products. The gross margin (sales less cost of goods sold) is just over \$1 million for the average pharmacy and average annual net profit equates to nearly \$110,000.

Rural pharmacies represent 16% of the total of 5510 community pharmacies and there is one pharmacy for every 4236 Australians. The accessibility of community pharmacy is a strong factor underpinning the high regard in which community pharmacy is held. On average, each community pharmacy is open 60.7 hours a week, and is open for an average of 10 hours a day during the week.

INDUSTRY TREND – LAST DECADE (2005 -2015)

This section of the *Digest* includes the key industry trends of the past decade, comparing the performance for pharmacies in the past 10 years (Table 1). This is particularly important in highlighting the shift in key indicators.

There have been ongoing changes in the operating landscape of pharmacies over the past 10 years due to growing regulatory and competitive pressure from internal and external forces. The community pharmacy landscape has evolved from small, independent pharmacies to more sophisticated banner groups operating in a more competitive environment.

Industry sales have grown at 2.20% compounded annual growth rate (CAGR) over the past 10 years, but have declined since 2012, as shown in Figure 1. Historically, pharmacy sales were growing at the rate of 4.76% (CAGR) from 2004 to 2009, significantly higher compared to the declining -1.26% growth rate of 2010 to 2014.

This reduction in revenue post 2010 is attributed to the dampening effect of Pharmaceutical Benefits Scheme (PBS) reforms introduced by the Government as a cost saving measure.

Figure 1: Total Sales and Gross Margin

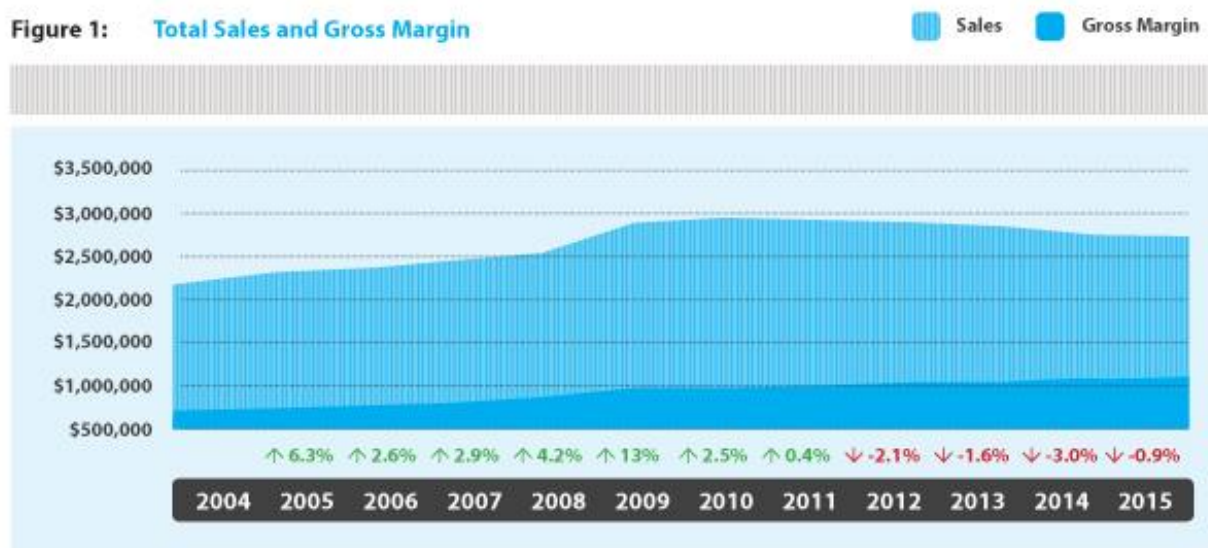


Figure 2: Net Profit/loss

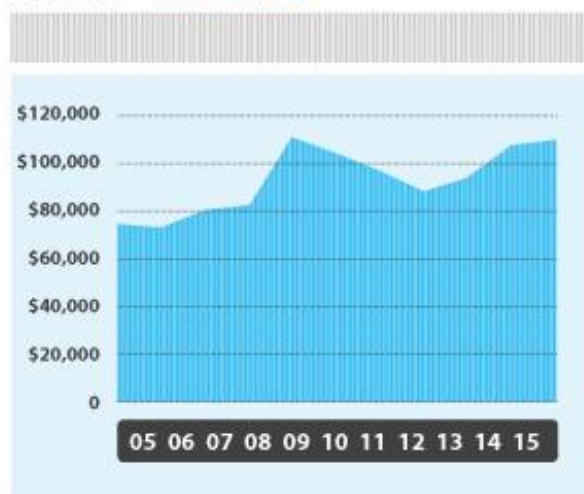
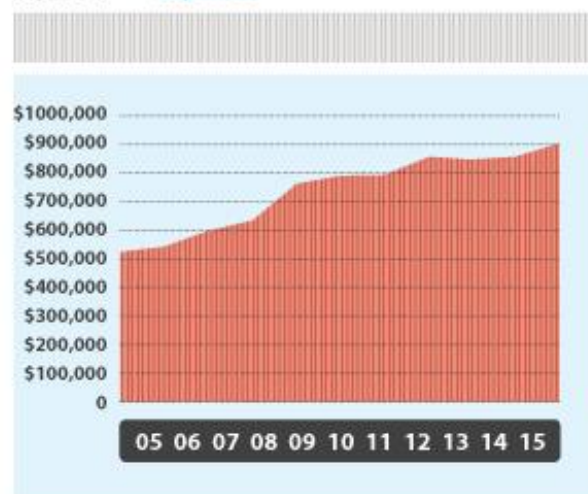


Figure 3: Expenses



Pharmacies are operating on a very small margin with average pharmacy Net Profit/ Loss of \$109,914. The industry has seen 3.51% annual growth rate (CAGR) over the past 10 years for Net Profit (see Figure 2) as compared to rising expenses of 5.12% (CAGR) per annum (Figure 3), exerting downward pressure on industry margins.

There is a potential threat to pharmacy viability due to declining Net Profit, as a result of Pharmaceutical Benefit Scheme reforms, increases in expenses and price competition initiated by the continued rise of discount pharmacies.

KEY PERFORMANCE COMPARISON OF 2013-14 WITH 2014-15

This section of the *Digest* includes a comparison of performance for pharmacies which have responded in two consecutive years, highlighting movements in key indicators from one year to the next (Table 3).

Figure 4: Key Performance Indicators Comparison



The 2014-15 figures show a downward trend in overall sales by 2.51%, and 4.59% for prescription sales with gross margin down by 5.30% (see Figure 4).

Figure 5: Change in Expenses



Note: The expenses is a downward metric, lower expense is better

Salaries and wages for the comparative sample decreased by 0.5% while rents increased by 0.6%. Total expenses declined by 1.8% in dollar terms and increased as a percentage of revenue, from 34.8% to 35.3%, in 2014-15 (Figure 5). With the decrease in dollar gross margin, total income dropped by 18.98% and earnings before interest, tax, depreciation and amortisation (EBITDA) dropped by 32.6%.

METHODOLOGY FOR THE 2016 GUILD DIGEST

With the exception of Table 3, the analysis contained in this edition of the Digest is based largely on operating information supplied by 313 respondents weighted according to their stratification by prescription volume.

Table 3 is based on responses from participating pharmacists who submitted operating data for both consecutive years – i.e. 2013-14 and 2014-15.

Based on official, de-identified annual prescription volumes, the total population of Australian pharmacies was stratified into national and state strata. The resultant weighting factors were applied to the corresponding strata in the sample. It should be noted that there are significant variations among the states in respect of the distribution of pharmacies within the strata. The four national strata boundaries were defined as follows:

Distribution of prescription volume for weighting

| | Prescription Volumes | Number of Pharmacies | Distribution National |
|--------------|---------------------------------|---------------------------------|----------------------------------|
| Stratum 1 | Less than 35,000 | 1,864 | 34.8% |
| Stratum 2 | 35,000 – 60,000 | 1,646 | 30.8% |
| Stratum 3 | 60,000 – 95,000 | 1,348 | 25.2% |
| Stratum 4 | More than 95,000 | 492 | 9.2% |
| TOTAL | | 5,350 | |

The above weighting factors were used to correct expected biases in the responding sample. Similarly, State weighting factors were used to estimate the respective State averages.

Users of the Digest who are comparing earlier years should note that the 2008-09 weightings (2010 Guild Digest) were significantly different to those for 2007-08 (2009 Guild Digest). This resulted in some large movements in results between those two years. The changes in weightings were only minor in subsequent years. Table 3, which uses a matched sample approach and is not impacted by weightings or changes in the make-up of the responding pharmacies, remains the more appropriate table to use when reviewing percentage movements in figures from one year to the next.

SURVEY RESPONSE

After excluding responses with incomplete information, the final number of responses analysed for the purposes of the main sample for 2014-15 was 313.

Response rates are reasonably consistent with the distribution of pharmacies by State, with the exception of Queensland and Western Australia enjoying higher-than-average responses. New South Wales, Victoria and South Australia received slightly lower-than-anticipated response rates.

Care should be taken in interpreting results for smaller states due to the lower sample size.

Over the past decade, responses have gradually favoured larger pharmacies. The responding sample for this year's Digest continues this trend. The weighting methodology used for overall national and state averages removes the effect of this bias.

NOTE: Wherever you see the word 'weighted' in the Digest, the weighting methodology has been applied. Wherever that word is not used, the results are a raw (unweighted) average and may be being impacted by a bias in the sample. In these cases, the percentages (for example, salaries as a percentage of revenue) are often more appropriate to use for benchmarking purposes than the raw dollar figures.

STATISTICAL APPRAISAL OF RESULTS

The annual Guild Digest survey allows Guild member pharmacies to assess their current performance compared with others. The results can assist management by focusing attention on items for which there are significant differences from the industry norm or benchmark, although even significant differences on their own do not necessarily mean a problem exists.

Standard information has been provided for different categories and locations of pharmacies. This allows more sophisticated comparisons controlling for these factors. For example, in general terms pharmacies with larger sales volumes tend to have higher profits compared with lower profits or losses for those with smaller volumes, so a large sales volume pharmacy should expect to do somewhat better than the average pharmacy in the same region.

How seriously can pharmacies take the survey findings? One issue is whether the survey results are representative of all pharmacies. Another is the amount of difference between well-run pharmacies that might be expected anyway. Lastly, are there enough respondents that the estimates are of adequate precision? These questions are explored in greater detail in the following paragraphs.

Representativeness of the surveyed pharmacies

A sample of 313 pharmacies responded to this year's survey. The current analyses are based on weightings derived from the distribution of Australian pharmacies in accordance with their annual prescription volumes.

This is a voluntary survey requesting detailed financial questions, so non-response is inevitable and the response rate varied by state.

As the characteristics of the responding pharmacies change from one survey to the next, primarily because of the restructuring that has taken place over the past decade, comparability of the main sample data over time may be a problem. Therefore, comparisons over time may be more meaningful using the data provided by the consecutive year respondents summarised in Table 3. In total 81 respondents formed part of this category for 2014-15.

Expected differences

Although an average can be calculated for any numerical data, this does not mean that all values are close to that mean. For example, although an average rent can be calculated for a group of respondents, this does not mean that everyone is paying a rent close to the average.

One approach is to show the spread of values for the responding pharmacies using quartiles. This type of analysis is shown in Table 4. One quarter have lower values than the low quartile and one quarter have values greater than the high quartile. The 'normal' value in the tables is the median value. Half the pharmacies have a higher value than the normal value, and half have lower values.

Another approach is to present separate estimates for pharmacies with different characteristics, such as sales volume, geographical location, hours of operation, etc. These are presented throughout the Digest commencing with Table 6.

Inter-quartile range relative to sample size

| Number of Respondents | Division for inter-quartile range |
|-----------------------|-----------------------------------|
| 313 | 24 |
| 400 | 27 |
| 350 | 25 |
| 317 | 24 |
| 300 | 23 |
| 200 | 19 |
| 100 | 14 |
| 50 | 10 |
| 20 | 6 |
| 10 | 4 |

Precision of the estimates

The precision of the estimated averages in the tables depends on the spread of the distribution of values and the number of responding pharmacies. It is common-sense that an average based on 400 pharmacies will be much more precise than an average based on only two pharmacies.

One measure of the precision of an estimate is its standard error. The standard error of a mean can be approximately calculated from the difference between the high and low quartiles. This difference, or *inter-quartile range (IQR)*, is divided by a number which depends on the number of respondents used to estimate the mean. This number is approximately 1.35 multiplied by the square root of the sample size:

For example, the mean Total Expenses (based on 313 respondents) is \$ 899,111 (see Table 2). The inter-quartile range (from Table 4) is 9.38% (= 34.62% – 25.24%), so the approximate standard error of this estimate is 0.4% (= % 9.38/28).

Standard statistical theory shows that there is a 95% certainty that the true mean is within twice the standard error of the estimate. In this case, the 95% confidence interval for the true mean Total Expenses, based on 313 respondents, is between 28.78% and 30.38%.

Standard errors and confidence intervals calculated in this way will be slight over-estimates. This is because the standard errors will be lower when the data are stratified for characteristics that explain some of the spread in values.

The estimates here make particular statistical assumptions. These assumptions imply, for example, that the mean and median will be similar. However, they should give adequate estimates even if there are small departures from these assumptions.

Using this survey

The statistical characteristics required of a survey depend on what the survey is to be used for. This survey is intended mainly as an aid to management, and its results will be extremely useful for this purpose.

Even large differences for particular items from the norm shown in the tables may not necessarily indicate a problem. Every business is different. For example, paying relatively high rent may reflect an unnecessarily high expense or a conscious decision to pay for a premium location. Conversely, an average rent could reflect paying the right price for the location - or hide paying too much for a poor location.

DEFINITION OF KEY INCOME AND EXPENSE ITEMS IN TABLES

Sales relate to the sale of all products (both prescription and retail) for which goods were purchase at wholesale for the purpose of re-sale at a profit: it excludes services income, government payments such as rural allowances, commissions, agency fees, dividends and disposal of assets.

Cost of Goods Sold refers to purchases of goods for re-sale at a profit: a fuller definition of Cost of Goods Sold is provided in the User's Guide to the 2016 Digest section Percentage shown is of Sales.

Gross Margin is derived by deducting Cost of Goods Sold from Sales. Percentage shown is of Sales.

Other Income is income from items which do not involve cost of goods sold. They may, for example, be related to Community Pharmacy Agreement programs or professional services. Dividend and rent income, and other such income not connected with the pharmacy's operation, are also included here.

Gross Margin Plus Other Income is the arithmetic total of the Gross Margin and Other Income and it represents the total Gross Margin from Trading.

Total Revenue is the arithmetic total of Sales and Other Income; all Expenses are expressed as a percentage of Total Revenue not Sales) since a portion of all expenses is also incurred in earning Other Income.

Salaries and Wages include wages paid to all staff and locums but exclude proprietors' earnings (since the latter are represented by Proprietors' Notional Salary); percentage shown is of Total Revenue.

Expenses - are expressed as a percentage of Total Revenue.

Total Income is arrived at by subtracting Total Expenses and Cost of Goods Sold from Total Revenue; it refers to the Trading Profit of the pharmacy which may involve several partners; percentage shown is of Total Revenue.

EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortisation. This measure reflects net income before interest, taxes, depreciation and amortisation expenses are deducted.

Proprietors' Notional Salary is a notional estimate of a reasonable professional salary for hours worked in the pharmacy by pharmacy proprietors. It is adjusted for over-award payments but includes only work performed within the pharmacy. This is consistent with the rationale that a proprietor should expect remuneration at least equivalent to the salary which he/she would otherwise receive for a similar effort as a manager.

Accordingly the calculation of proprietors' notional salary not only reflects normal working hours but also other factors such as leave loading, superannuation, provision for annual leave, provision for long-service leave and sick leave (collectively termed On-Costs) and overtime worked.

In 2014-15, the normal hourly rate was estimated at \$54.21 for the first 38 hours - equivalent to an annual salary of \$107,119. Additional hours were calculated at time-and-a-half rate to reflect overtime. A rate of 1.2547 was applied to reflect On-Cost provisions. (Refer also to detailed explanation under section titled 'Analysis of Survey Results'.

For the purposes of the Digest, no allowance has been made for 'proprietary lead' which is essentially the incentive to invest in a business rather than in an interest-bearing investment account.

It is worth noting that where a pharmacy was manager-operated, the proprietor's notional salary was based on the actual number of hours worked by the proprietors in that pharmacy, if any.

The corresponding percentage is expressed as percent of Total Revenue.

Full-Time-Equivalent is a notional rate which should be interpreted in the particular circumstances of individual pharmacies. It is derived simply by dividing the total hours worked by 38 (the normal award hours) irrespective of the number of hours worked by each partner.

Net Profit/Loss is calculated by subtracting Proprietors' Notional Salary from Total Income.

Please note that taxation is not considered in the Guild's survey or the published results. All figures are before tax. The corresponding percentage is expressed as percent of Total Revenue.

Sales Analysis

Prescriptions refers to all prescription sales including the income derived from dispensing private prescriptions, prescriptions valued less than the maximum patient contribution, all PBS and RPBS prescriptions and all patient contributions; it excludes OTC items.

The corresponding percentage is expressed as percent of Sales.

Other Sales include all retail and OTC sales but exclude Other Income.

The corresponding percentage is expressed as percent of Sales.

Stock Turn is the Cost of Goods Sold in a given year divided by the mathematical average of the Opening and Closing stock in the same year. It is a measure of the frequency with which stocks are turned over in the financial year.

Funds Retained in Business are necessary to re-finance inflation-affected inventories and to replace fixtures and other capital equipment. This figure is calculated as the difference between Total Income and the reported Drawings by Proprietors. Where Drawings have not been reported by respondents, they have been excluded from the calculated average.

The corresponding percentage is expressed as percent of Total Revenue.

(All financial values are exclusive of GST)

AUSTRALIAN PHARMACIES HISTORICAL FINANCIAL PERFORMANCE 2002 - 2015

(Based on all participating pharmacies)

| Table 1 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | (408) | (528) | (427) | (418) | (385) | (353) | (326) | (302) | (289) | (281) | (308) | (313) | (436) | (313) |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| SALES | 1,930,960 | 2,116,736 | 2,195,552 | 2,334,145 | 2,394,030 | 2,464,443 | 2,568,388 | 2,901,620 | 2,972,997 | 2,984,920 | 2,922,245 | 2,875,574 | 2,789,716 | 2,763,240 |
| GROSS MARGIN | 616,179 | 660,229 | 684,059 | 722,192 | 756,166 | 797,473 | 838,984 | 980,871 | 987,422 | 999,199 | 1,055,389 | 1,046,132 | 1,066,420 | 1,090,599 |
| SALARIES & WAGES | 210,770 | 227,379 | 227,712 | 254,689 | 263,115 | 280,355 | 295,931 | 341,052 | 345,136 | 350,638 | 347,313 | 336,399 | 343,244 | 369,417 |
| RENT | 60,566 | 65,566 | 65,427 | 73,183 | 77,862 | 85,460 | 90,049 | 115,547 | 121,236 | 119,091 | 136,499 | 140,454 | 141,145 | 148,352 |
| OTHER EXPENSES | 162,343 | 181,101 | 179,567 | 191,412 | 205,955 | 225,749 | 250,126 | 298,739 | 321,248 | 320,098 | 370,322 | 373,013 | 371,209 | 381,343 |
| TOTAL EXPENSES | 320,679 | 474,046 | 472,706 | 519,284 | 546,932 | 591,564 | 636,107 | 755,339 | 787,619 | 789,826 | 854,134 | 849,866 | 855,598 | 899,111 |
| TRADING PROFIT | 182,500 | 186,183 | 211,353 | 202,908 | 209,234 | 205,909 | 202,877 | 225,532 | 199,803 | 209,373 | 201,255 | 196,267 | 210,822 | 191,488 |
| OTHER INCOME | 17,966 | 15,276 | 15,112 | 14,445 | 23,721 | 30,681 | 24,597 | 34,024 | 38,758 | 28,936 | 34,485 | 41,012 | 46,098 | 43,319 |
| TOTAL INCOME | 200,466 | 201,459 | 226,465 | 217,353 | 232,955 | 236,590 | 227,474 | 259,556 | 238,562 | 238,309 | 235,740 | 237,279 | 256,920 | 234,807 |
| PROPRIETORS' SALARIES | 97,400 | 104,809 | 136,619 | 142,167 | 160,349 | 156,316 | 145,055 | 148,106 | 134,992 | 141,127 | 147,555 | 143,788 | 149,654 | 124,892 |
| NET PROFIT/LOSS | 103,066 | 96,650 | 89,846 | 75,186 | 72,606 | 80,274 | 82,419 | 111,370 | 103,570 | 97,182 | 88,185 | 93,490 | 107,266 | 109,914 |
| STOCK CARRIED | 183,802 | 186,903 | 186,409 | 197,893 | 204,134 | 219,388 | 231,567 | 246,943 | 280,867 | 276,898 | 271,361 | 288,039 | 265,790 | 247,847 |

AVERAGE AUSTRALIAN PHARMACY - COMPARISON BETWEEN 2014 AND 2015
(Based on 12 Months of Trading to 30/06/2015, All Digest 2016 Respondents)

Table 2

| | 2014 AVERAGES | | 2015 AVERAGES | | AMOUNT AND PERCENT OF CHANGE | |
|---|------------------|--------------|------------------|--------------|---------------------------------|-----------------|
| | \$ | % | \$ | % | \$ | % |
| SALES, EXPENSES & PROFITABILITY | | | | | | |
| SALES | 2,789,716 | | 2,763,240 | | -26,475 | -0.95 |
| COST OF GOODS SOLD (3) | 1,723,296 | 61.77 | 1,672,641 | 60.53 | -50,655 | -2.94 |
| GROSS MARGIN (3) | 1,066,420 | 38.23 | 1,090,599 | 39.47 | 24,179 | 2.27 |
| Other Income | 46,098 | | 43,319 | | -2,779 | -6.03 |
| GROSS MARGIN PLUS OTHER INCOME | 1,112,518 | | 1,133,918 | | 21,400 | 1.92 |
| TOTAL REVENUE | 2,835,814 | | 2,806,559 | | -29,254 | -1.03 |
| EXPENSES | | | | | | |
| Salaries and Wages | 343,244 | 12.10 | 369,417 | 13.16 | 26,173 | 7.63 |
| Rent Paid | 141,145 | 4.98 | 148,352 | 5.29 | 7,207 | 5.11 |
| Outgoings - Rental & Rates | 9,609 | 0.34 | 21,793 | 0.78 | 12,184 | 126.79 |
| Accounting | 9,772 | 0.34 | 8,450 | 0.30 | -1,321 | -13.52 |
| Advertising | 31,700 | 1.12 | 26,533 | 0.95 | -5,168 | -16.30 |
| Bank Charges | 8,768 | 0.31 | 7,050 | 0.25 | -1,718 | -19.59 |
| Computer Expenses | 12,538 | 0.44 | 13,076 | 0.47 | 537 | 4.29 |
| Depreciation | 30,062 | 1.06 | 30,328 | 1.08 | 265 | 0.88 |
| Electricity, Water, Heating | 12,216 | 0.43 | 13,094 | 0.47 | 878 | 7.19 |
| Insurance | 9,654 | 0.34 | 8,472 | 0.30 | -1,182 | -12.25 |
| Interest Paid | 72,234 | 2.55 | 59,292 | 2.11 | -12,942 | -17.92 |
| Leasing Expenses | 7,145 | 0.25 | 7,991 | 0.28 | 847 | 11.85 |
| Motor Vehicle Expenses | 7,582 | 0.27 | 6,869 | 0.24 | -713 | -9.40 |
| Postage, Freight, Printing | 10,614 | 0.37 | 9,472 | 0.34 | -1,142 | -10.76 |
| Repairs, Maintenance, Service | 4,603 | 0.16 | 4,553 | 0.16 | -49 | -1.07 |
| Subs and Registrations | 8,480 | 0.30 | 8,692 | 0.31 | 212 | 2.50 |
| Superannuation | 33,739 | 1.19 | 35,018 | 1.25 | 1,279 | 3.79 |
| Telephone | 4,954 | 0.17 | 4,893 | 0.17 | -61 | -1.24 |
| Training | 2,762 | 0.10 | 2,464 | 0.09 | -298 | -10.78 |
| Abnormal Expenses | 2,665 | 0.09 | 2,732 | 0.10 | 67 | 2.50 |
| Payroll Tax | 5,388 | 0.19 | 5,332 | 0.19 | -56 | -1.03 |
| Workers' Compensation | 3,862 | 0.14 | 3,159 | 0.11 | -703 | -18.21 |
| Other Expenses | 82,861 | 2.92 | 102,079 | 3.64 | 19,218 | 23.19 |
| TOTAL EXPENSES | 855,598 | 30.17 | 899,111 | 32.04 | 43,513 | 5.09 |
| TOTAL INCOME | 256,920 | 9.06 | 234,807 | 8.37 | -22,113 | -8.61 |
| Less Proprietors' Salary (1,4) [Full-Time-Equivalents] | 135,822 1.11 | 4.79 | 124,892 0.93 | 4.45 | -10,929 -0.18 | -8.05 -16.55 |
| NET PROFIT/LOSS | 107,266 | 3.78 | 109,914 | 3.92 | 2,648 | 2.47 |
| EBITDA | 209,562 | 7.39 | 199,534 | 7.11 | -10,028 | -4.79 |
| SALES ANALYSIS | | | | | | |
| Prescriptions (3) | 1,742,321 | 62.46 | 1,811,358 | 65.55 | 69,037 | 3.96 |
| Other Sales (3) | 1,067,149 | 38.25 | 951,882 | 34.45 | -115,266 | -10.80 |
| INVENTORY ANALYSIS | | | | | | |
| Prescription | 89,168 | 3.14 | 78,518 | 2.80 | -10,651 | -11.94 |
| Other | 176,622 | 6.23 | 169,329 | 6.03 | -7,292 | -4.13 |
| STOCK CARRIED (Total) | 265,790 | 9.37 | 247,847 | 8.83 | -17,943 | -6.75 |
| STOCK TURN (On Total Inventory) | 6.48 | | 6.75 | | 0.27 | 4.09 |
| SALES PER INVENTORY DOLLAR | | | | | | |
| Prescription | 19.54 | | 23.07 | | 3.53 | 18.06 |
| Other | 6.04 | | 5.62 | | -0.42 | -6.96 |
| STATISTICS | | | | | | |
| PHARMACY SIZE (square metres) | 207 | | 210 | | 3 | 1.43 |
| PRESCRIPTIONS DISPENSED (Total) | 54,482 | | 57,694 | | 3212 | 5.89 |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,048 | | 1,109 | | 62 | 5.89 |
| TOTAL HOURS OPEN per WEEK | 58.2 | | 60.7 | | 2.6 | 4.39 |
| AV HRS WORKED BY PROPRIETORS/WEEK | 38.4 | | 35.3 | | -3.1 | -8.05 |
| FUNDS RETAINED IN BUSINESS (2) | 217,773 | 7.68 | 94,273 | 3.36 | -123,500 | -56.71 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

(4) A methodological change has occurred for Notional Proprietor's Salary and Average Hours worked by Proprietors per Week from 2014-15.

Adjusted figures have been supplied for 2013-14 for the purposes of comparison but these figures are incomparable to previous years.

SUMMARY OF PHARMACY PERFORMANCE 2014-15

This section examines the 2014-15 survey results, after applying weightings to remove any distortion caused by the responding sample being skewed towards larger pharmacies. Table 2 also presents the 2014-15 averages for comparison purposes. However, for more accurate analysis of the movements from one period to the next, it is useful to compare the performance of pharmacies which participated in both years. Those results are summarised in the next section by reference to Table 3.

The following are a few key characteristics of Community Pharmacy in Australia:

- + Community pharmacy is a \$15.46 billion health sector, including \$10.28 billion in prescription sales per year.
- + Community pharmacies dispense 315 million prescriptions annually, including 292 million PBS/RPBS subsidised prescriptions.
- + Community pharmacy employs around 69,175 highly skilled staff (including proprietors), the majority of whom are women.
- + Total Dispensary sales represent around 65.55% of all sales through pharmacies.
- + The average community pharmacy dispenses 57,694 prescriptions per year.
- + As of 30 June 2015 there were 5,510 community pharmacies, each serving on average a community of 4,236 people across Australia.

The key results of the 2014-15 financial year based on the national weighted averages in Table 2:

- + Average total sales are \$2,763,240 of which 66% is from prescriptions and the remaining 34% is from non-prescription sales.
- + Average gross margin as a percentage of sales is 39.47%, up from 38.23% in 2013-14.
- + Average revenue from other Income declined from the previous year's figure of \$46,098 to \$43,319 in 2014-15.
- + Expenses ended the year at 32.04% of Sales, marginally up from 30.17% in 2013-14. Expenses have significantly grown at the rate of 6.6% (CAGR) a year for the last decade.
- + Salaries and wages as a percentage of sales marginally increased from 12.10% to 13.16%.
- + Rent as a percentage of sales increased from 4.98% of sales to 5.29%.
- + Wages and rent combined make up 57.59% of total expenses.
- + Proprietors' Notional Salary represented 4.45% of turnover, down from 4.79% in 2013-14 reflecting a slight decrease in average hours worked from 38.4 to 35.3 hours per week.

The average prescription volume per pharmacy increased slightly (5.89%) but has remained greater than one thousand per week (1,109), after reaching this milestone in 2008-09.

Chart 1

Revenue in real terms, 1992 to 2015

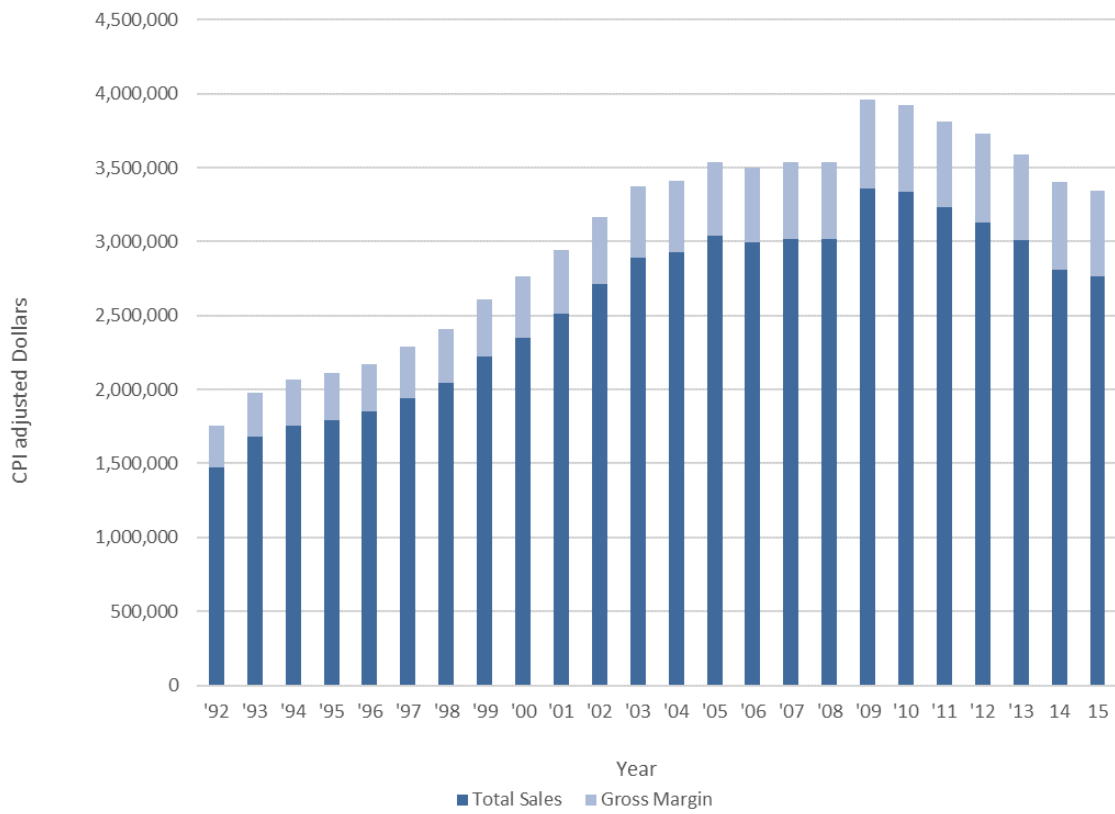
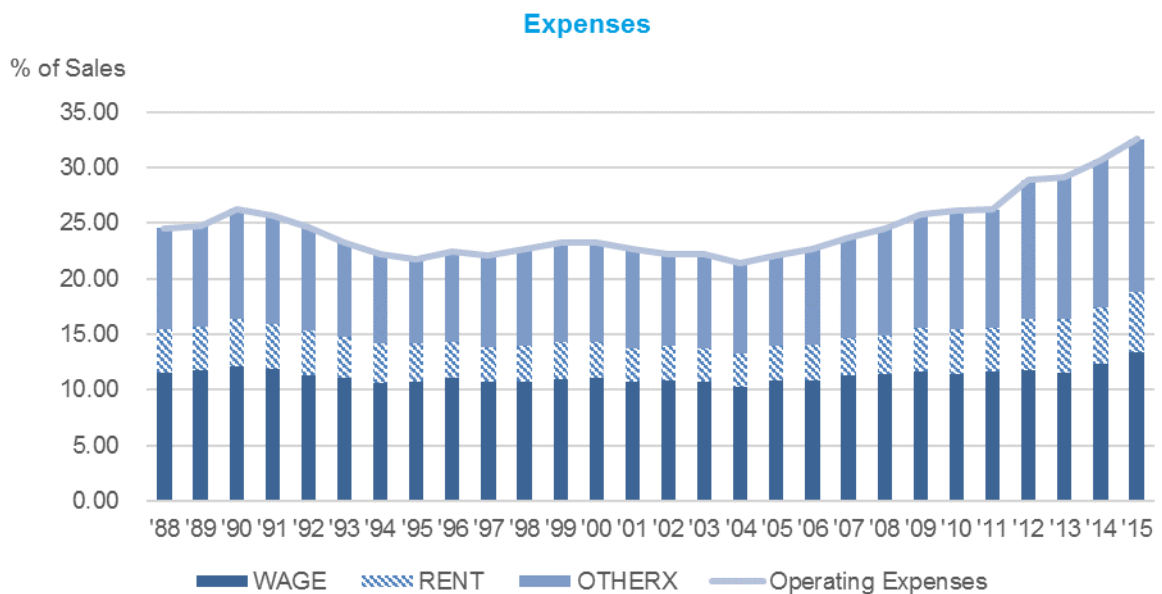
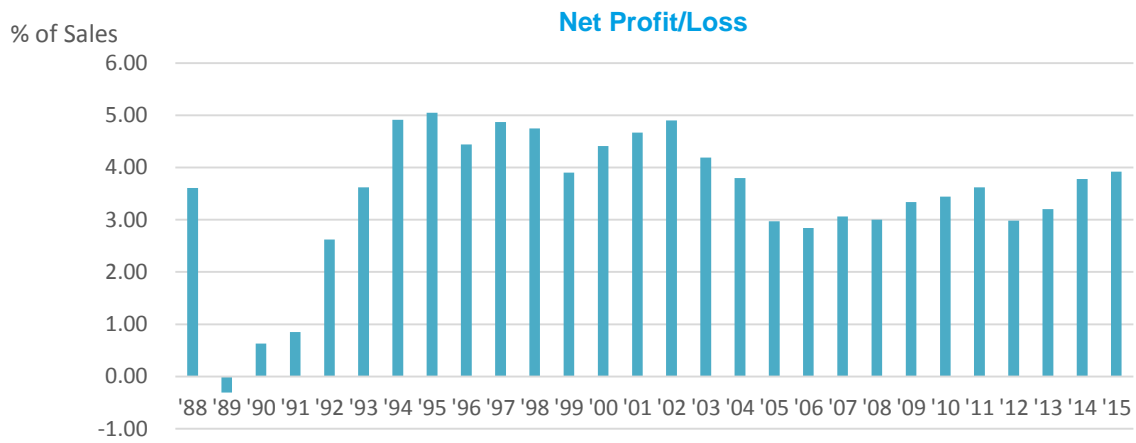
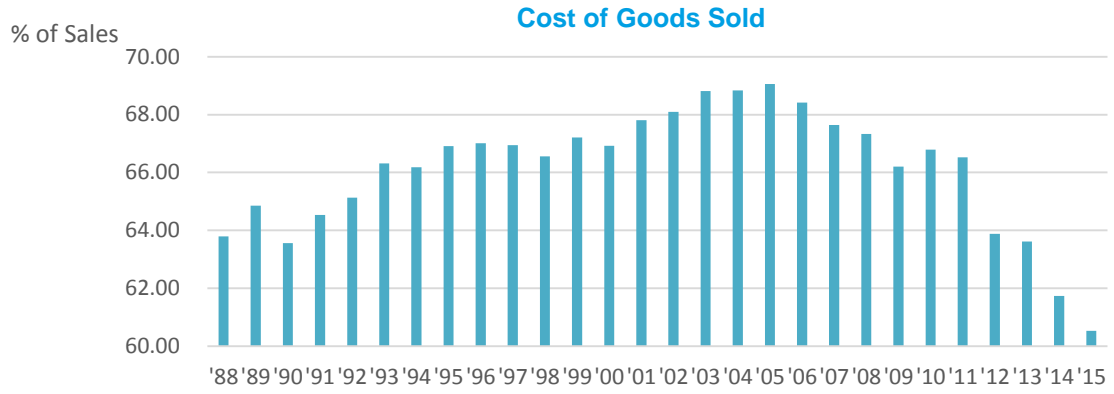


Chart 2

Trends in pharmacy operations, 1988 – 2015



AUSTRALIAN PHARMACIES - COMPARISON BETWEEN 2014 AND 2015
(Based on 12 Months of Trading to 30/06/2015)

Table 3

| | 2014 AVERAGES | | 2015 AVERAGES | | AMOUNT AND PERCENT OF CHANGE | |
|---|------------------|--------|------------------|--------|---------------------------------|--------|
| | \$ | % | \$ | % | \$ | % |
| SALES, EXPENSES & PROFITABILITY | | | | | | |
| SALES | 2,619,578 | | 2,553,834 | | -65,744 | -2.5% |
| COST OF GOODS SOLD (3) | 1,348,858 | 51.49 | 1,364,350 | 53.42 | 15,492 | 1.1% |
| GROSS MARGIN (3) | 1,217,208 | 46.47 | 1,152,658 | 45.13 | -64,549 | -5.3% |
| Other Income | 53,513 | | 36,825 | | -16,687 | -31.2% |
| GROSS MARGIN PLUS OTHER INCOME | 1,270,720 | | 1,189,484 | | -81,237 | -6.4% |
| TOTAL REVENUE | 2,673,091 | | 2,590,659 | | -82,431 | -3.1% |
| EXPENSES | | | | | | |
| Salaries and Wages | 364,784 | 13.65 | 362,916 | 14.01 | -1,868 | -0.5% |
| Rent Paid | 179,374 | 6.71 | 180,478 | 6.97 | 1,104 | 0.6% |
| Outgoings - Rental & Rates | 10,469 | 0.39 | 22,995 | 0.89 | 12,526 | 119.7% |
| Accounting | 6,836 | 0.26 | 5,251 | 0.20 | -1,585 | -23.2% |
| Advertising | 24,940 | 0.93 | 19,545 | 0.75 | -5,396 | -21.6% |
| Bank Charges | 8,046 | 0.30 | 8,136 | 0.31 | 90 | 1.1% |
| Computer Expenses | 15,852 | 0.59 | 14,978 | 0.58 | -873 | -5.5% |
| Depreciation | 27,495 | 1.03 | 25,635 | 0.99 | -1,859 | -6.8% |
| Electricity, Water, Heating | 14,477 | 0.54 | 13,953 | 0.54 | -525 | -3.6% |
| Insurance | 8,663 | 0.32 | 8,102 | 0.31 | -561 | -6.5% |
| Interest Paid | 74,326 | 2.78 | 63,855 | 2.46 | -10,470 | -14.1% |
| Leasing Expenses | 6,607 | 0.25 | 10,878 | 0.42 | 4,272 | 64.7% |
| Motor Vehicle Expenses | 6,211 | 0.23 | 6,839 | 0.26 | 628 | 10.1% |
| Postage, Freight, Printing | 12,231 | 0.46 | 9,951 | 0.38 | -2,280 | -18.6% |
| Repairs, Maintenance, Service | 5,892 | 0.22 | 5,860 | 0.23 | -32 | -0.5% |
| Subs and Registrations | 24,474 | 0.92 | 23,784 | 0.92 | -690 | -2.8% |
| Superannuation | 32,674 | 1.22 | 31,772 | 1.23 | -902 | -2.8% |
| Telephone | 3,822 | 0.14 | 3,872 | 0.15 | 50 | 1.3% |
| Training | 2,114 | 0.08 | 2,166 | 0.08 | 52 | 2.5% |
| Abnormal Expenses | 38,818 | 1.45 | 44,048 | 1.70 | 5,229 | 13.5% |
| Payroll Tax | 7,593 | 0.19 | 6,718 | 0.19 | -875 | -11.5% |
| Workers' Compensation | 2,518 | 0.09 | 2,400 | 0.09 | -118 | -4.7% |
| Other Expenses | 52,154 | 1.95 | 39,609 | 1.53 | -12,545 | -24.1% |
| TOTAL EXPENSES | 930,369 | 34.80 | 913,742 | 35.27 | -16,627 | -1.8% |
| TOTAL INCOME | 340,352 | 12.73 | 275,742 | 10.64 | -64,610 | -19.0% |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 145,634 1.08 | 5.45 | 165,338 1.23 | 6.38 | | |
| NET PROFIT/LOSS | 194,718 | 7.28 | 110,404 | 4.26 | -84,314 | -43.3% |
| EBITDA | 296,539 | 11.09 | 199,895 | 7.72 | -96,643 | -32.6% |
| SALES ANALYSIS | | | | | | |
| Prescriptions (3) | 1,667,076 | 63.64 | 1,566,180 | 61.33 | -100,896 | -6.1% |
| Other Sales (3) | 913,066 | 34.86 | 910,464 | 35.65 | -2,601 | -0.3% |
| INVENTORY ANALYSIS | | | | | | |
| Prescription | 88,751 | 3.32 | 81,260 | 3.14 | -7,491 | -8.4% |
| Other | 99,517 | 3.72 | 176,398 | 6.81 | 76,881 | 77.3% |
| STOCK CARRIED (Total) | 165,570 | 6.19 | 268,064 | 10.35 | | |
| STOCK TURN (On Total Inventory) | 8.49 | | 1.66 | | | |
| SALES PER INVENTORY DOLLAR | | | | | | |
| Prescription | 19 | | 19 | | 0 | 2.6% |
| Other | 9 | | 5 | | -4 | -43.7% |
| STATISTICS | | | | | | |
| PHARMACY SIZE (square metres) | 216 | | 225 | | 9 | 4.3% |
| PRESCRIPTIONS DISPENSED (Total) | 54,481 | | 51,978 | | -2,502 | -4.6% |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,048 | | 1,000 | | -48 | -4.6% |
| TOTAL HOURS OPEN per WEEK | 50.7 | | 53.0 | | 2 | 4.6% |
| AV HRS WORKED BY PROPRIETORS/WEEK | 41.2 | | 46.7 | | 6 | 13.5% |
| FUNDS RETAINED IN BUSINESS (2) | - | 44,518 | -1.67 | -66199 | -2.56 | |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

COMPARISON OF PHARMACIES REPORTING IN CONSECUTIVE YEARS

The Digest includes a comparison of performance for pharmacies which have responded in two consecutive years (Table 3). This is particularly important in highlighting movements in key indicators from one year to the next. It is usually more relevant in assessing movements than the estimates provided in Table 2 (i.e. the entire sample).

It is for this purpose that voluntary participation is encouraged to supplement the annual samples being compared. Since these responses are not restricted to the main sample, the larger their number the more representative the comparisons would be.

A sample of 81 pharmacies provided responses for both 2013-14 and 2014-15. The following section offers an overview of the results summarised in Table 3.

- + Total Sales decreased by 2.5%.
- + Cost of Goods sold increased marginally by 1.1%. This in turn with the decrease in Sales produced marginally lower Gross Margin as a percentage of Sales, at 45.13% compared with 46.47% in 2013-14.
- + Total expenses decreased by 1.8% in dollar terms and increased this year as a percentage of sales, from 34.80% to 35.27% in 2013-14.
- + With the growth in expenses total Income decreased by 19% in 2014-15.
- + Salaries and Wages for the comparative sample decreased by 0.5% while Rents increased by 0.6%.
- + Prescription revenue as a percentage of sales dropped by 6.1% with a decrease of 4.6% in per pharmacy script volume.
- + Non-prescription sales posted a marginal decrease of 0.3%.

ANALYSIS OF SURVEY RESULTS

Successful businesses are essentially characterised by their ability to:

- + Secure a reasonable salary for the proprietor(s) commensurate with the hours invested in the job, whether it be serving a customer, planning for the future growth of the business or after-hour's record-keeping.
- + Ensure a reasonable return on the funds invested in the business at a rate appropriate to the level of risk involved.
- + Generate sufficient additional funds to cover the necessary inflationary costs of replacing stock and non-depreciable items as well as the depreciation deficiency on capital items whose replacement costs need to be based on current (and not historical) values.

Community pharmacy is no exception.

Despite its primary healthcare role, community pharmacy is also a business. As well as being health professionals, pharmacists need to survive in the business environment with all its associated risks and rewards. Profitability is an essential part of that landscape.

The overall sales performance of community pharmacy in 2014-15 recorded a slight reduction (Table 3). Prescription revenue was reduced by the pressures of Price Disclosure whilst retail sales exhibited pressures consistent with the broader market. Profitability dropped slightly due to these factors.

Quartile analysis (Table 4)

Statistical reports should never be considered in isolation as bare facts. They must be interpreted in context and compared by reference to other factors which may be unique to the operation. With this caveat in mind, the following analyses provide a useful guide for decision-making.

Quartiles provide a means of assessing the performance of a particular business relative to a scale of results actually achieved by other respondents. For every revenue, expense, stock and prescription category item listed, each respondent's results are ranked in order of magnitude. The best and the worst results are not shown, but the results are tabulated according to three discrete points in the total sample: low or 1st quartile; normal or 2nd quartile (or median); and high or 3rd quartile. The first quartile simply means that 25% of respondents achieved results less than the value shown for the item. On the other hand, the 3rd or high quartile means that 75% achieved less and 25% achieved greater than the value indicated.

Similarly, the median or Normal quartile marks the value which one half of the respondents achieved and the other half did not. It is worth noting that the figures in the Low, Normal and High columns represent results from a wide range of pharmacies and the data should be viewed only in terms of their corresponding expense or income items. Strictly speaking, the Salaries and Wages percentage in the Normal Quartile (13.88%) bears no relationship to the Sales figure in the same quartile (\$2,592,157). The correct interpretation is that the Normal Quartile for Salaries and Wages is 13.88% of the Sales figure reported by that median respondent. The Sales figure of \$2,592,157 is independent of the 13.88%. Conversely, the median respondent who reported the Sales figure of \$2,592,157 may have a totally different Salaries and Wages percentage.

When putting these results into benchmarking practice, the general rule of thumb is to aim for:

Expense results below the Low quartile

Revenue results above the High quartile

An expense result above the High quartile value means that the business needs to examine very closely the causes of the high expense level and to undertake remedial action. Revenue results below the Low quartile value require similar urgent attention since they indicate scope for improvement.

Quartile Analysis of Gross Margin and Salaries

| | | |
|--------------------|------|----------------------|
| Gross Margin | <30% | less than desirable |
| | >40% | excellent |
| Salaries and Wages | <9% | excellent |
| | >14% | room for improvement |

Examples

However, each result must be viewed in its proper context. With respect to Salaries and Wages, a pharmacy with one part-time staff member may be below the 9% rate and still not be achieving efficiencies. At the other end of the spectrum, a manager-operated pharmacy is likely to have a higher salary cost component (approaching 14%) but in some cases may be operating at a highly efficient level. Similarly, higher than average rents do not necessarily suggest an unproductive location.

It is worth noting that a 1% fall in expenses (expressed in terms of revenue) directly translates to an increase of 1% in profits (expressed in terms of revenue).

PROPRIETOR'S NOTIONAL SALARY

As in previous years, the purpose of this calculation is to provide an indication of a reasonable level of professional remuneration for a pharmacy proprietor (or proprietors) for working in the pharmacy (often for extended hours), taking shorter holidays than employees, bearing the after-hours burden of record-keeping and assuming all the risks associated with investing in and running a business.

The starting base is an employee manager's actual salary for a 38-hour week, adjusted for overtime for any additional hours. To this figure are added on-costs which necessarily form part of labour costs of employing a manager - such things as annual leave, long service leave, superannuation.

In 2014-15, the normal hourly rate was estimated at \$54.21 for the first 38 hours - equivalent to an annual salary of \$107,119. Additional hours were calculated at time and a half rate to reflect overtime. A rate of 1.2547 was applied to reflect On-Cost provisions.

Calculation of salary loading

| % | Annual Salary (38 hour week) |
|--------------|-----------------------------------|
| 7.69 | Holiday (4 weeks) |
| 1.35 | Leave loading (17.5% of 4 weeks) |
| 1.92 | Sick leave (1 week) |
| 1.67 | Long service leave (3 mths/15 yr) |
| 3.85 | Public holidays (2 weeks) |
| 9.00 | Superannuation |
| 25.47 | Total On-Cost |

AUSTRALIAN PHARMACIES: QUARTILE ANALYSIS 2014-15
(Based on 12 Months of Trading to 30/06/2015)

Table 4

| | 2015 AVERAGES | | LOW | NORMAL | HIGH |
|---------------------------------------|------------------|--------------|------------------|------------------|------------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | | | |
| SALES | 2,763,240 | | 1,568,639 | 2,592,157 | 3,984,747 |
| COST OF GOODS SOLD (3) | 1,672,641 | 60.53 | 58.35 | 62.17 | 64.05 |
| GROSS MARGIN (3) | 1,090,599 | 39.47 | 34.97 | 36.75 | 39.90 |
| Other Income | 43,319 | | 0.53 | 0.84 | 1.40 |
| GROSS MARGIN PLUS OTHER INCOME | 1,133,918 | | 35.95 | 37.83 | 41.65 |
| TOTAL REVENUE | 2,806,559 | | 100.00 | 100.00 | 100.00 |
| EXPENSES | | | | | |
| Salaries and Wages | 369,417 | 13.16 | 12.35 | 13.88 | 16.51 |
| Rent Paid | 148,352 | 5.29 | 2.60 | 4.02 | 7.28 |
| Outgoings - Rental & Rates | 21,793 | 0.78 | 0.20 | 0.58 | 1.17 |
| Accounting | 8,450 | 0.30 | 0.13 | 0.26 | 0.39 |
| Advertising | 26,533 | 0.95 | 0.23 | 0.50 | 1.25 |
| Bank Charges | 7,050 | 0.25 | 0.20 | 0.28 | 0.39 |
| Computer Expenses | 13,076 | 0.47 | 0.28 | 0.45 | 0.69 |
| Depreciation | 30,328 | 1.08 | 0.50 | 0.89 | 1.41 |
| Electricity, Water, Heating | 13,094 | 0.47 | 0.29 | 0.43 | 0.61 |
| Insurance | 8,472 | 0.30 | 0.24 | 0.32 | 0.43 |
| Interest Paid | 59,292 | 2.11 | 0.67 | 1.90 | 3.15 |
| Leasing Expenses | 7,991 | 0.28 | 0.21 | 0.28 | 0.35 |
| Motor Vehicle Expenses | 6,869 | 0.24 | 0.04 | 0.13 | 0.44 |
| Postage, Freight, Printing | 9,472 | 0.34 | 0.26 | 0.41 | 0.53 |
| Repairs, Maintenance, Service | 4,553 | 0.16 | 0.08 | 0.15 | 0.24 |
| Subs and Registrations | 8,692 | 0.31 | 0.30 | 0.44 | 0.89 |
| Superannuation | 35,018 | 1.25 | 1.06 | 1.25 | 1.44 |
| Telephone | 4,893 | 0.17 | 0.10 | 0.15 | 0.24 |
| Training | 2,464 | 0.09 | 0.02 | 0.05 | 0.09 |
| Abnormal Expenses | 2,732 | 0.10 | 0.13 | 0.96 | 3.01 |
| Payroll Tax | 5,332 | 0.19 | 0.38 | 0.70 | 0.96 |
| Workers' Compensation | 3,159 | 0.11 | 0.07 | 0.09 | 0.12 |
| Other Expenses | 102,079 | 3.64 | 0.75 | 1.62 | 2.67 |
| TOTAL EXPENSES | 899,111 | 32.04 | 25.24 | 29.58 | 34.62 |
| TOTAL INCOME | 234,807 | 8.37 | 2.76 | 7.83 | 12.45 |
| Less Proprietors' Salary (1) | 124,892 | 4.45 | 88,426 | 152,092 | 176,851 |
| [Full-Time-Equivalents] | 0.93 | | 0.66 | 1.13 | 1.32 |
| NET PROFIT/LOSS | 109,914 | 3.92 | 1.16 | 7.67 | 12.24 |
| EBITDA | 199,534 | 7.11 | 3.77 | 9.11 | 14.27 |
| SALES ANALYSIS | | | | | |
| Prescriptions (3) | 1,811,358 | 65.55 | 1,166,670 | 1,708,573 | 2,562,201 |
| Other Sales (3) | 951,882 | 34.45 | 393,734 | 702,924 | 1,467,144 |
| INVENTORY ANALYSIS | | | | | |
| Prescription | 78,518 | 2.80 | 53,505 | 74,559 | 96,925 |
| Other | 169,329 | 6.03 | 77,971 | 141,001 | 253,918 |
| STOCK CARRIED (Total) | 247,847 | 8.83 | 131,475 | 215,559 | 350,843 |
| STOCK TURN (On Total Inventory) | 6.75 | | 5.69 | 7.13 | 9.13 |
| SALES PER INVENTORY DOLLAR | | | | | |
| Prescription | 23.07 | | 19.42 | 25.41 | 34.37 |
| Other | 5.62 | | 4.16 | 5.27 | 6.75 |
| STATISTICS | | | | | |
| PHARMACY SIZE (square metres) | 210 | | 110.0 | 165.0 | 264.0 |
| PRESCRIPTIONS DISPENSED (Total) | 57,694 | | 35,926 | 52,634 | 78,793 |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,109 | | 690 | 1,011 | 1,512 |
| TOTAL HOURS OPEN per WEEK | 60.7 | | 49.0 | 56.0 | 70.0 |
| AV HRS WORKED BY PROPRIETORS/WEEK | 35.3 | | 25.0 | 43.0 | 50.0 |
| FUNDS RETAINED IN BUSINESS (2) | 94,273 | 3.36 | -129,700 | -3,828 | 155,294 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

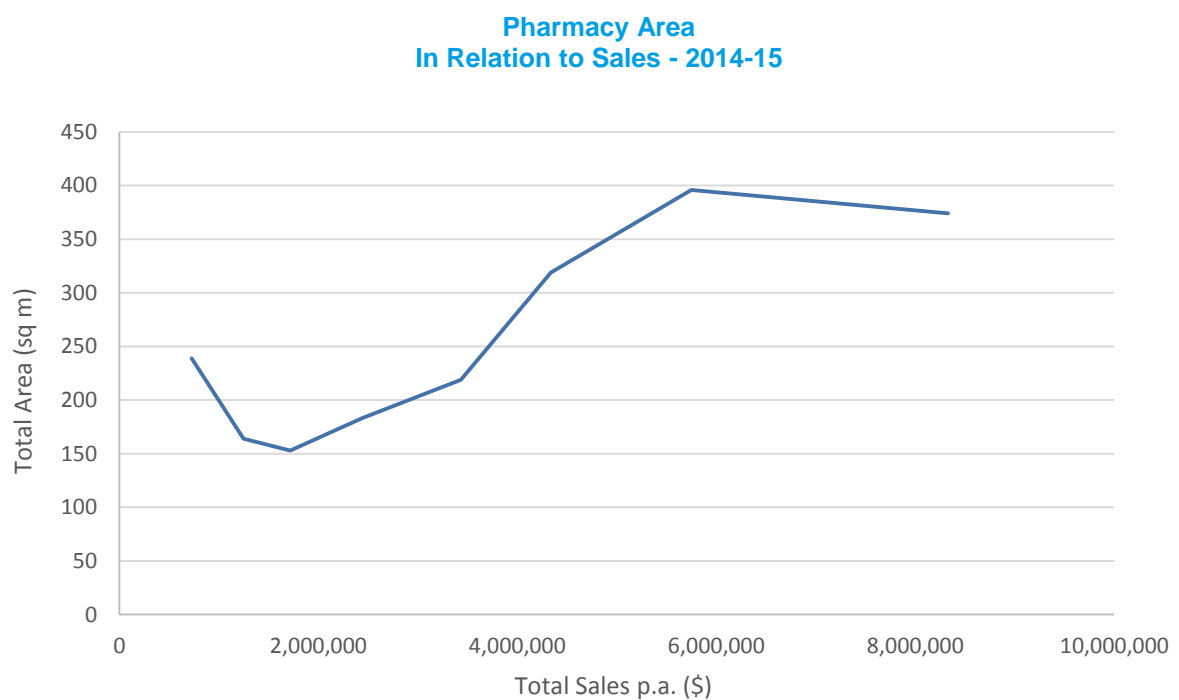
(3) Percentages against Pharmacy Sales

PLANNING TOOLS AND PRODUCTIVITY MEASURES

Sales per square metre is a useful benchmarking tool to guide merchandising and display. As a general rule, sales productivity by area of selling space tends to increase with turnover and this year turnover per square metre ranged from \$8,990 to \$35,114.

The relationship between Shop Area and Sales is illustrated in Chart 3 and refer to Table 5 for details according to turnover range.

Chart 3



Total sales vs number of prescriptions

The average prescription generated between \$43.41 and \$52.14 in sales revenue in 2014-15. With an average value per prescription of about \$33.26, each prescription induced between \$10 and \$20 extra revenue in the non-prescription sector.

In practice, customer numbers far exceed the number of prescriptions dispensed. Digest data indicates the average number of customers per pharmacy per year is approximately 70,860 (compared with 57,694 dispensed prescriptions). Therefore the average sale per customer may be lower than the Sales per script figures. It is nevertheless important to note that prescriptions contribute significantly to other sales and the important nexus between the two should not be underestimated. The close correlation between the number of prescriptions dispensed and Total Sales is illustrated in Chart 4, and the long term trend towards an increase in the proportion of dispensary to total sales is shown in Chart 5.

Pharmacy metrics by turnover range

| TURNOVER RANGE | Average Script Value (\$) | Non-Prescription | Script Sales/ Total Sales | TURNOVER PER SQ M SHOP | RENT \$ PER SQ M SHOP SPACE |
|---------------------------|----------------------------------|-------------------------|----------------------------------|-------------------------------|------------------------------------|
| \$ | \$ | \$ | % | | |
| UNDER \$1,000,000 | 32.58 | 10.83 | 78.3% | 8,990.37 | 351.21 |
| \$1,000,000 - \$1,500,000 | 33.67 | 12.44 | 76.7% | 10,548.06 | 467.17 |
| \$1,500,000 - \$2,000,000 | 32.95 | 10.34 | 78.6% | 14,338.49 | 533.43 |
| \$2,000,000 - \$3,000,000 | 32.88 | 15.44 | 71.2% | 15,305.17 | 694.17 |
| \$3,000,000 - \$4,000,000 | 33.37 | 16.97 | 67.3% | 18,303.12 | 788.63 |
| \$4,000,000 - \$5,000,000 | 33.48 | 20.64 | 64.9% | 17,939.33 | 941.28 |
| \$5,000,000 - \$7,000,000 | 33.77 | 23.34 | 61.1% | 16,959.36 | 786.51 |
| OVER \$7,000,000 | 35.68 | 16.47 | 62.6% | 35,114.04 | 1,449.52 |

Chart 4

Prescriptions
In Relation to Sales - 2014-15

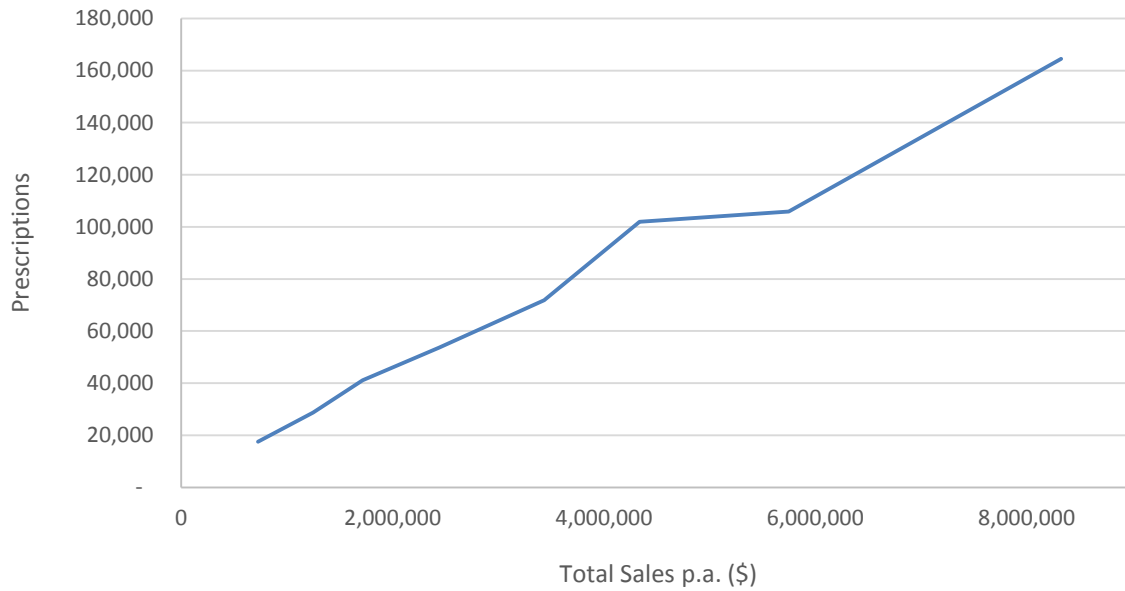


Chart 5

Prescription Sales as % of Total Sales, 1992-2015

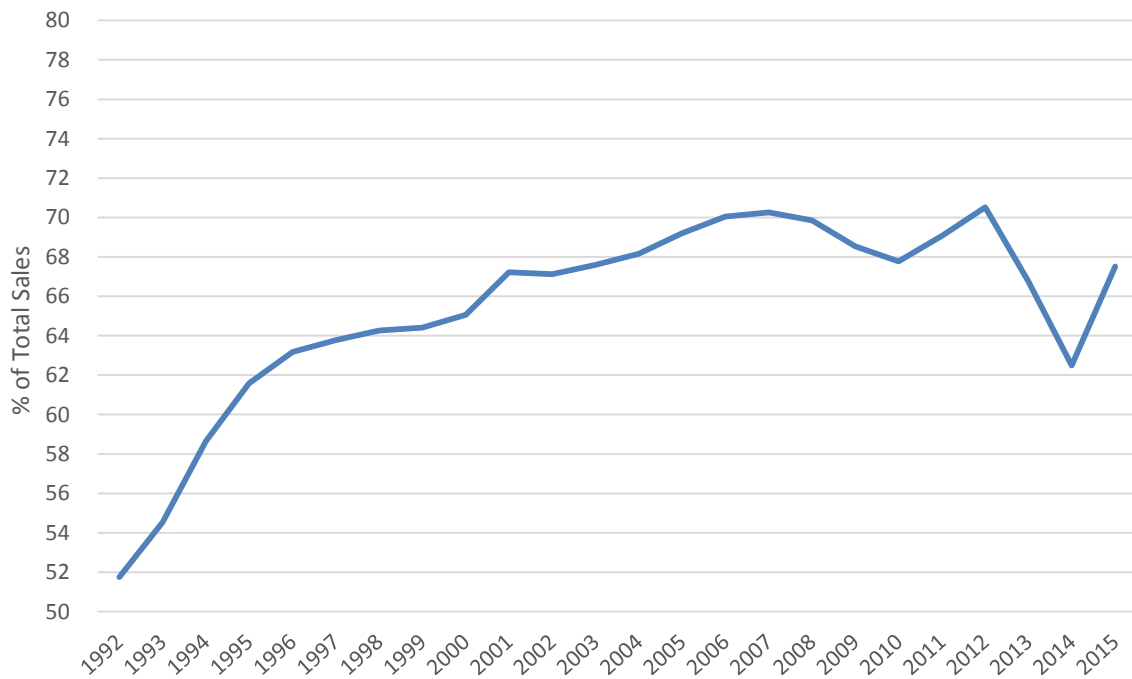


Table 5

SUMMARY OF PRODUCTIVITY MEASURES – 2014-15

| TURNOVER RANGE | AVERAGE TURNOVER \$ | TURNOVER PER \$ STAFF WAGES | TURNOVER | TURNOVER | RENT \$ PER |
|---------------------------|------------------------|---------------------------------------|--|------------------------|--------------------|
| | | | PER FULL TIME EQUIVALENT EMPLOYEE | PER SQ M SHOP SPACE | SQ M SHOP SPACE |
| UNDER \$1,000,000 | 735,675 | 6.62 | 276,372 | 8,990 | 277 |
| \$1,000,000 - \$1,500,000 | 1,259,571 | 8.55 | 232,158 | 10,548 | 415 |
| \$1,500,000 - \$2,000,000 | 1,733,214 | 7.98 | 412,085 | 14,338 | 478 |
| \$2,000,000 - \$3,000,000 | 2,466,204 | 8.53 | 732,381 | 15,305 | 667 |
| \$3,000,000 - \$4,000,000 | 3,462,163 | 9.08 | 712,819 | 18,303 | 686 |
| \$4,000,000 - \$5,000,000 | 4,382,039 | 8.01 | 887,577 | 17,939 | 938 |
| \$5,000,000 - \$7,000,000 | 5,818,928 | 7.67 | 769,405 | 16,959 | 714 |
| OVER \$7,000,000 | 8,363,118 | 12.90 | 1,548,722 | 35,114 | 1,450 |
| AUSTRALIA | | | | | |
| ALL PHARMACIES - WEIGHTED | 2,806,559 | 8.43 | 654,181 | 14,853 | 606 |
| METROPOLITAN | 2,798,576 | 8.67 | 705,283 | 14,685 | 686 |
| COUNTRY | 2,873,172 | 8.38 | 702,399 | 14,129 | 469 |

Chart 6

Index of Average Remuneration, 1980 - 2015
Base Year 1972-73 = 100
Year Ending June

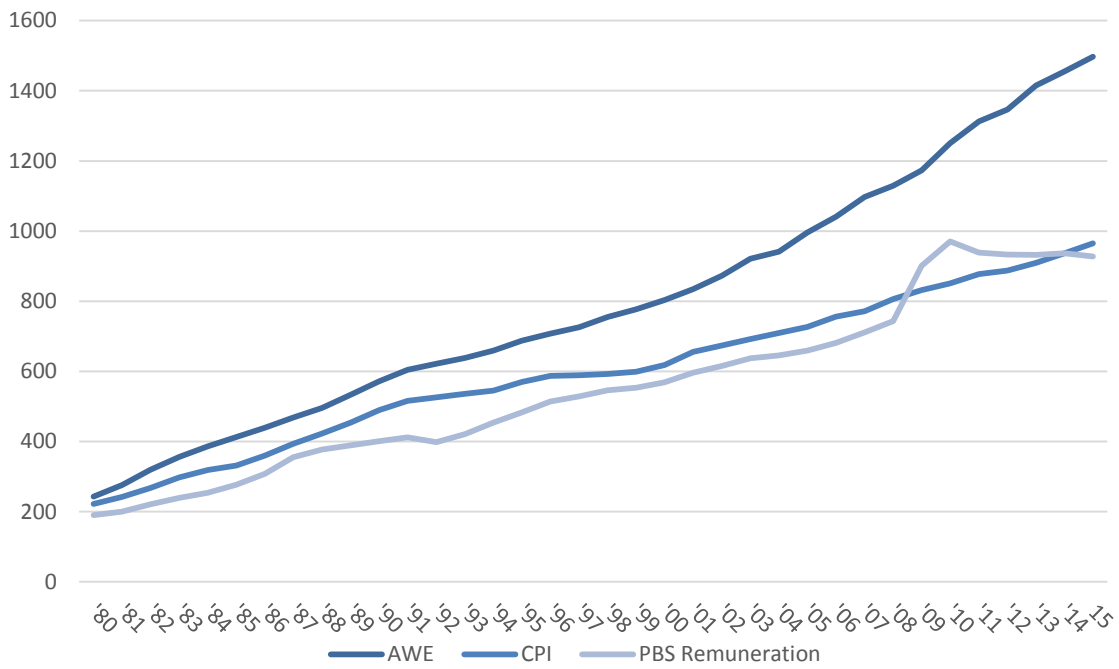
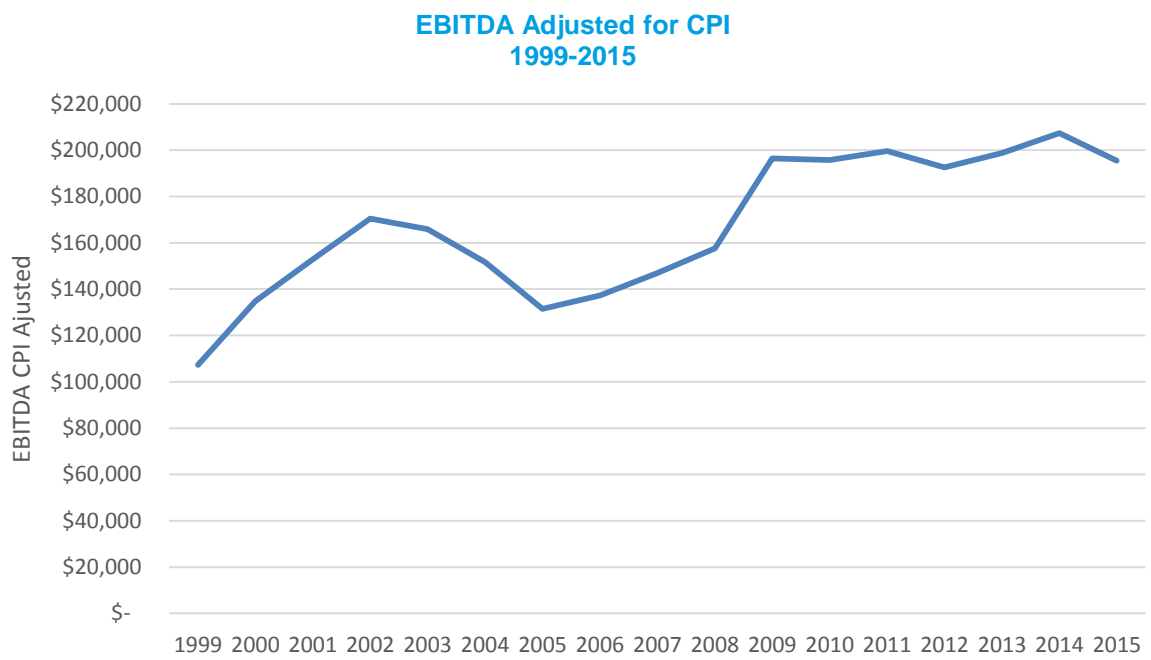


Chart 7



AUSTRALIAN PHARMACIES: BY TURNOVER RANGE 2014-15

(Based on 12 Months of Trading to 30/06/2015)

Table 6

| | Up to \$1,000,000 | | \$1,000,000 to \$1,500,000 | | \$1,500,000 to \$2,000,000 | | \$2,000,000 to \$3,000,000 | |
|---|----------------------|---------------|-------------------------------|--------------|-------------------------------|--------------|-------------------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 724,518 | | 1,248,128 | | 1,715,669 | | 2,439,155 | |
| COST OF GOODS SOLD (3) | 480,576 | 66.33 | 831,473 | 66.62 | 1,041,841 | 60.73 | 1,460,021 | 59.86 |
| GROSS MARGIN (3) | 243,942 | 33.67 | 416,655 | 33.38 | 673,829 | 39.27 | 979,133 | 40.14 |
| Other Income | 20,825 | | 21,456 | | 35,924 | | 39,899 | |
| GROSS MARGIN PLUS OTHER INCOME | 264,767 | | 438,111 | | 709,753 | | 1,019,032 | |
| TOTAL REVENUE | 745,344 | | 1,269,584 | | 1,751,594 | | 2,479,053 | |
| EXPENSES | | | | | | | | |
| Salaries and Wages | 129,757 | 17.41 | 169,468 | 13.35 | 240,129 | 13.71 | 314,653 | 12.69 |
| Rent Paid | 44,428 | 5.96 | 70,253 | 5.53 | 70,693 | 4.04 | 123,494 | 4.98 |
| Outgoings - Rental & Rates | 7,090 | 0.95 | 11,154 | 0.88 | 9,797 | 0.56 | 17,682 | 0.71 |
| Accounting | 3,496 | 0.47 | 5,043 | 0.40 | 6,334 | 0.36 | 7,900 | 0.32 |
| Advertising | 5,355 | 0.72 | 6,050 | 0.48 | 12,633 | 0.72 | 16,905 | 0.68 |
| Bank Charges | 1,852 | 0.25 | 2,521 | 0.20 | 4,215 | 0.24 | 5,711 | 0.23 |
| Computer Expenses | 10,453 | 1.40 | 12,074 | 0.95 | 13,565 | 0.77 | 13,486 | 0.54 |
| Depreciation | 13,271 | 1.78 | 14,602 | 1.15 | 15,876 | 0.91 | 23,397 | 0.94 |
| Electricity, Water, Heating | 5,378 | 0.72 | 7,607 | 0.60 | 8,956 | 0.51 | 11,683 | 0.47 |
| Insurance | 4,600 | 0.62 | 5,964 | 0.47 | 7,145 | 0.41 | 7,385 | 0.30 |
| Interest Paid | 21,690 | 2.91 | 20,274 | 1.60 | 33,170 | 1.89 | 39,766 | 1.60 |
| Leasing Expenses | 1,428 | 0.19 | 268 | 0.02 | n.a. | n.a. | 10,582 | 0.43 |
| Motor Vehicle Expenses | 4,394 | 0.59 | 5,110 | 0.40 | 6,690 | 0.38 | 6,610 | 0.27 |
| Postage, Freight, Printing | 2,690 | 0.36 | 3,642 | 0.29 | 4,381 | 0.25 | 6,970 | 0.28 |
| Repairs, Maintenance, Service | 1,176 | 0.16 | 3,844 | 0.30 | 3,015 | 0.17 | 4,152 | 0.17 |
| Subs and Registrations | 6,737 | 0.90 | 13,335 | 1.05 | 15,433 | 0.88 | 18,705 | 0.75 |
| Superannuation | 11,031 | 1.48 | 15,139 | 1.19 | 23,930 | 1.37 | 29,631 | 1.20 |
| Telephone | 2,171 | 0.29 | 2,984 | 0.24 | 4,093 | 0.23 | 4,261 | 0.17 |
| Training | 827 | 0.11 | 1,148 | 0.09 | 2,021 | 0.12 | 2,596 | 0.10 |
| Abnormal Expenses | -13,731 | -1.84 | -27,046 | -2.13 | 39,408 | 2.25 | 104,629 | 4.22 |
| Payroll Tax | 6,090 | 0.82 | n/a | n/a | 21,709 | 1.24 | 13,099 | 0.53 |
| Workers' Compensation | 1,035 | 0.14 | 1,465 | 0.12 | 1,743 | 0.10 | 2,768 | 0.11 |
| Other Expenses | 20,525 | 2.75 | 49,725 | 3.92 | 41,202 | 2.35 | 86,282 | 3.48 |
| TOTAL EXPENSES | 291,743 | 39.14 | 394,625 | 31.08 | 586,138 | 33.46 | 872,345 | 35.19 |
| TOTAL INCOME | -26,976 | 3.62 | 43,487 | 3.43 | 123,615 | 7.06 | 146,687 | 5.92 |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 130,943 0.97 | 17.57 | 115,837 0.86 | 9.12 | 133,080 0.99 | 7.60 | 72,730 0.54 | 2.93 |
| NET PROFIT/LOSS | -157,919 | -21.19 | -72,351 | -5.70 | -9,465 | -0.54 | 73,957 | 2.98 |
| EBITDA | -122,958 | 16.50 | -37,475 | 2.95 | 39,581 | 2.26 | 137,120 | 5.53 |
| SALES ANALYSIS | | | | | | | | |
| Prescriptions (3) | 560,435 | 73.73 | 956,133 | 73.12 | 1,341,599 | 76.97 | 1,731,027 | 69.82 |
| Other Sales (3) | 199,678 | 26.27 | 351,419 | 26.88 | 401,510 | 23.03 | 748,258 | 30.18 |
| INVENTORY ANALYSIS | | | | | | | | |
| Prescription | 39,690 | 5.33 | 51,553 | 4.06 | 64,265 | 3.67 | 77,245 | 3.12 |
| Other | 70,361 | 9.44 | 57,805 | 4.55 | 104,287 | 5.95 | 164,918 | 6.65 |
| STOCK CARRIED (Total) | 110,052 | 14.77 | 109,358 | 8.61 | 168,551 | 9.62 | 242,163 | 9.77 |
| STOCK TURN (On Total Inventory) | 4.37 | | 7.60 | | 6.18 | | 6.03 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | |
| Prescription | 14.12 | | 18.55 | | 20.88 | | 22.41 | |
| Other | 2.84 | | 6.08 | | 3.85 | | 4.54 | |
| STATISTICS | | | | | | | | |
| PHARMACY SIZE (square metres) | 239 | | 164 | | 153 | | 183 | |
| PRESCRIPTIONS DISPENSED (Total) | 17,492 | | 28,752 | | 41,155 | | 53,616 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 336 | | 553 | | 791 | | 1,031 | |
| TOTAL HOURS OPEN per WEEK | 56 | | 59 | | 56 | | 63 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 37 | | 33 | | 38 | | 21 | |
| FUNDS RETAINED IN BUSINESS (2) | 22,540 | 3.02 | 76,748 | 6.05 | 172,063 | 9.82 | 33,071 | 1.33 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

AUSTRALIAN PHARMACIES: BY TURNOVER RANGE 2014-15
(Based on 12 Months of Trading to 30/06/2015)

Table 6

| | \$3,000,000 to \$4,000,000 | | \$4,000,000 to \$5,000,000 | | \$5,000,000 to \$7,000,000 | | Over \$7,000,000 | |
|--|-------------------------------|--------------|-------------------------------|--------------|-------------------------------|---------------|------------------|---------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 3,432,978 | | 4,336,043 | | 5,750,141 | | 8,328,100 | |
| COST OF GOODS SOLD (3) | 2,080,869 | 60.61 | 2,598,997 | 59.94 | 3,336,385 | 58.02 | 4,893,984 | 58.76 |
| GROSS MARGIN (3) | 1,383,277 | 40.29 | 1,787,145 | 41.22 | 2,233,163 | 38.84 | 3,073,733 | 36.91 |
| Other Income | 41,953 | | 61,328 | | 85,984 | | 50,026 | |
| GROSS MARGIN PLUS OTHER INCOME | 1,425,230 | | 1,848,473 | | 2,319,147 | | 3,123,759 | |
| TOTAL REVENUE | 3,462,163 | | 4,382,039 | | 5,818,928 | | 8,363,118 | |
| EXPENSES | | | | | | | | |
| Salaries and Wages | 426,896 | 12.33 | 572,584 | 13.07 | 806,939 | 13.87 | 896,810 | 10.72 |
| Rent Paid | 156,814 | 4.53 | 236,840 | 5.40 | 287,424 | 4.94 | 497,232 | 5.95 |
| Outgoings - Rental & Rates | 28,421 | 0.82 | 21,822 | 0.50 | 47,093 | 0.81 | 36,061 | 0.43 |
| Accounting | 10,343 | 0.30 | 13,312 | 0.30 | 13,050 | 0.22 | 17,438 | 0.21 |
| Advertising | 22,231 | 0.64 | 31,124 | 0.71 | 67,256 | 1.16 | 68,420 | 0.82 |
| Bank Charges | 9,378 | 0.27 | 11,464 | 0.26 | 14,772 | 0.25 | 16,296 | 0.19 |
| Computer Expenses | 12,777 | 0.37 | 13,145 | 0.30 | 16,533 | 0.28 | 14,318 | 0.17 |
| Depreciation | 40,693 | 1.18 | 39,581 | 0.90 | 56,423 | 0.97 | 94,699 | 1.13 |
| Electricity, Water, Heating | 14,798 | 0.43 | 17,479 | 0.40 | 26,555 | 0.46 | 22,996 | 0.27 |
| Insurance | 9,506 | 0.27 | 10,872 | 0.25 | 14,836 | 0.25 | 16,991 | 0.20 |
| Interest Paid | 68,587 | 1.98 | 65,670 | 1.50 | 87,858 | 1.51 | 79,323 | 0.95 |
| Leasing Expenses | 10,683 | 0.31 | 9,090 | 0.21 | 699 | 0.01 | n.a. | n.a. |
| Motor Vehicle Expenses | 6,541 | 0.19 | 5,450 | 0.12 | 16,939 | 0.29 | 10,483 | 0.13 |
| Postage, Freight, Printing | 10,481 | 0.30 | 18,741 | 0.43 | 22,439 | 0.39 | 25,047 | 0.30 |
| Repairs, Maintenance, Service | 4,802 | 0.14 | 5,962 | 0.14 | 9,801 | 0.17 | 8,454 | 0.10 |
| Subs and Registrations | 18,706 | 0.54 | 21,486 | 0.49 | 32,770 | 0.56 | 31,739 | 0.38 |
| Superannuation | 40,255 | 1.16 | 51,592 | 1.18 | 72,732 | 1.25 | 89,302 | 1.07 |
| Telephone | 5,579 | 0.16 | 6,204 | 0.14 | 8,419 | 0.14 | 12,987 | 0.16 |
| Training | 2,617 | 0.08 | 3,426 | 0.08 | 3,195 | 0.05 | 5,812 | 0.07 |
| Abnormal Expenses | 66,765 | 1.93 | 40,903 | 0.93 | -4,391 | -0.08 | n.a. | n.a. |
| Payroll Tax | 19,035 | 0.55 | 19,394 | 0.44 | 27,641 | 0.48 | 12,775 | 0.15 |
| Workers' Compensation | 3,453 | 0.10 | 4,715 | 0.11 | 5,961 | 0.10 | 8,268 | 0.10 |
| Other Expenses | 122,541 | 3.54 | 145,652 | 3.32 | 127,223 | 2.19 | 395,007 | 4.72 |
| TOTAL EXPENSES | 1,111,902 | 32.12 | 1,366,508 | 31.18 | 1,762,166 | 30.28 | 2,360,460 | 28.22 |
| TOTAL INCOME | 313,328 | 9.05 | 481,964 | 11.00 | 556,981 | 9.57 | 763,299 | 9.13 |
| Less Proprietors' Salary (1) | 105,548 | 3.05 | 152,866 | 3.49 | 62,340 | 1.07 | 159,166 | 1.90 |
| [Full-Time-Equivalents] | 0.79 | | 1.14 | | 0.46 | | 1.18 | |
| NET PROFIT/LOSS | 207,781 | 6.00 | 329,099 | 7.51 | 494,641 | 8.50 | 604,133 | 7.22 |
| EBITDA | 317,061 | 9.16 | 434,350 | 9.91 | 638,921 | 10.98 | 778,154 | 9.30 |
| SALES ANALYSIS | | | | | | | | |
| Prescriptions | 2,359,596 | 65.81 | 2,801,636 | 64.15 | 3,546,057 | 60.60 | 5,798,804 | 65.19 |
| Other Sales | 1,225,641 | 34.19 | 1,565,742 | 35.85 | 2,305,959 | 39.40 | 3,096,835 | 34.81 |
| INVENTORY ANALYSIS | | | | | | | | |
| Prescription | 92,568 | 2.67 | 83,885 | 1.91 | 116,005 | 1.99 | 149,818 | 1.79 |
| Other | 216,137 | 6.24 | 268,345 | 6.12 | 380,163 | 6.53 | 426,439 | 5.10 |
| STOCK CARRIED (Total) | 308,704 | 8.92 | 352,229 | 8.04 | 496,168 | 8.53 | 576,257 | 6.89 |
| STOCK TURN (On Total Inventory) | 6.74 | | 7.38 | | 6.72 | | 8.49 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | |
| Prescription | 25.49 | | 33.40 | | 30.57 | | 38.71 | |
| Other | 5.67 | | 5.83 | | 6.07 | | 7.26 | |
| STATISTICS | | | | | | | | |
| PHARMACY SIZE (square metres) | 219 | | 319 | | 396 | | 374 | |
| PRESCRIPTIONS DISPENSED (Total) | 71,868 | | 101,892 | | 105,864 | | 164,506 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,382 | | 1,959 | | 2,036 | | 3,164 | |
| TOTAL HOURS OPEN per WEEK | 68 | | 65 | | 71 | | 76 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 30 | | 43 | | 18 | | 45 | |
| FUNDS RETAINED IN BUSINESS (2) | 155,205 | 4.48 | 633,218 | 14.45 | -108,500 | - 1.86 | -476,121 | - 5.69 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

COMPARISON OF PERFORMANCE - LOCATION AND TYPE OF PHARMACY
(Based on 12 Months of Trading to 30/06/2015)

Table 7

| | Metro | | Country | | Banner | | No Group | |
|---------------------------------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 2,962,163 | | 3,103,813 | | 2,977,949 | | 2,946,881 | |
| COST OF GOODS SOLD (3) | 1,785,695 | 60.28 | 1,887,698 | 60.82 | 1,803,636 | 60.57 | 1,778,653 | 60.36 |
| GROSS MARGIN (3) | 1,176,468 | 39.72 | 1,216,116 | 39.18 | 1,174,313 | 39.43 | 1,168,228 | 39.64 |
| Other Income | 47,587 | | 43,171 | | 46,001 | | 45,918 | |
| GROSS MARGIN PLUS OTHER INCOME | 1,224,055 | | 1,259,287 | | 1,220,314 | | 1,214,146 | |
| TOTAL REVENUE | 3,009,750 | | 3,146,985 | | 3,023,950 | | 2,992,799 | |
| EXPENSES | | | | | | | | |
| Salaries and Wages | 393,236 | 13.07 | 431,902 | 13.72 | 402,092 | 13.30 | 378,631 | 12.65 |
| Rent Paid | 177,736 | 5.91 | 107,858 | 3.43 | 156,000 | 5.16 | 152,815 | 5.11 |
| Outgoings - Rental & Rates | 26,372 | 0.88 | 14,542 | 0.46 | 22,364 | 0.74 | 17,951 | 0.60 |
| Accounting | 8,088 | 0.27 | 11,229 | 0.36 | 8,940 | 0.30 | 9,900 | 0.33 |
| Advertising | 21,483 | 0.71 | 27,176 | 0.86 | 22,875 | 0.76 | 22,276 | 0.74 |
| Bank Charges | 7,792 | 0.26 | 7,191 | 0.23 | 7,541 | 0.25 | 6,502 | 0.22 |
| Computer Expenses | 14,022 | 0.47 | 11,666 | 0.37 | 13,272 | 0.44 | 11,914 | 0.40 |
| Depreciation | 33,103 | 0.00 | 31,338 | 0.00 | 32,349 | 0.00 | 29,895 | 0.00 |
| Electricity, Water, Heating | 14,377 | 0.48 | 12,238 | 0.39 | 13,685 | 0.45 | 12,558 | 0.42 |
| Insurance | 8,928 | 0.30 | 8,881 | 0.28 | 8,881 | 0.29 | 8,236 | 0.28 |
| Interest Paid | 49,387 | 1.64 | 55,369 | 1.76 | 50,966 | 1.69 | 35,528 | 1.19 |
| Leasing Expenses | 7,759 | 0.26 | 8,556 | 0.27 | 8,008 | 0.26 | n.a. | n.a. |
| Motor Vehicle Expenses | 6,260 | 0.21 | 10,381 | 0.33 | 7,642 | 0.25 | 6,925 | 0.00 |
| Postage, Freight, Printing | 9,525 | 0.32 | 12,331 | 0.39 | 10,267 | 0.34 | 9,265 | 0.31 |
| Repairs, Maintenance, Service | 4,541 | 0.15 | 5,542 | 0.18 | 4,824 | 0.16 | 3,600 | 0.12 |
| Subs and Registrations | 21,040 | 0.70 | 14,548 | 0.46 | 19,055 | 0.63 | 15,566 | 0.52 |
| Superannuation | 36,524 | 1.21 | 40,868 | 1.30 | 37,498 | 1.24 | 35,174 | 1.18 |
| Telephone | 4,826 | 0.16 | 6,085 | 0.19 | 5,170 | 0.17 | 5,260 | 0.18 |
| Training | 2,431 | 0.08 | 2,896 | 0.09 | 2,577 | 0.09 | 2,526 | 0.08 |
| Abnormal Expenses | 50,727 | 1.69 | 59,345 | 1.89 | 59,345 | 1.96 | n.a. | n.a. |
| Payroll Tax | 15,965 | 0.53 | 25,464 | 0.81 | 18,644 | 0.62 | n.a. | n.a. |
| Workers' Compensation | 3,209 | 0.11 | 3,895 | 0.12 | 3,368 | 0.11 | 3,429 | 0.11 |
| Other Expenses | 109,232 | n/a | 81,759 | 2.60 | 101,390 | 3.35 | 125,487 | 4.19 |
| TOTAL EXPENSES | 1,026,564 | 34.11 | 991,059 | 31.49 | 1,016,754 | 33.62 | 893,438 | 29.85 |
| TOTAL INCOME | 197,491 | 6.56 | 268,228 | 8.52 | 203,561 | 6.73 | 320,709 | 10.72 |
| Less Proprietors' Salary (1) | 94,585 | 3.14 | 133,523 | 4.24 | 108,281 | 3.58 | 153,312 | 5.12 |
| [Full-Time-Equivalents] | 0.70 | | 0.99 | | 0.81 | | 1.14 | |
| NET PROFIT/LOSS | 102,905 | 3.42 | 134,706 | 4.28 | 95,279 | 3.15 | 167,397 | 5.59 |
| EBITDA | 152,292 | 5.06 | 190,075 | 6.04 | 146,246 | 4.84 | 202,925 | 6.78 |
| SALES ANALYSIS | | | | | | | | |
| Prescriptions (3) | 1,961,942 | 64.22 | 2,189,098 | 68.93 | 2,017,950 | 65.79 | 2,025,336 | 66.48 |
| Other Sales (3) | 1,093,013 | 35.78 | 986,877 | 31.07 | 1,049,390 | 34.21 | 1,021,321 | 33.52 |
| INVENTORY ANALYSIS | | | | | | | | |
| Prescription | 82,586 | 2.74 | 82,449 | 2.62 | 82,034 | 2.71 | 75,433 | 2.52 |
| Other | 210,449 | 6.99 | 187,526 | 5.96 | 201,467 | 6.66 | 184,448 | 6.16 |
| STOCK CARRIED (Total) | 293,035 | 9.74 | 269,975 | 8.58 | 283,501 | 9.38 | 259,881 | 8.68 |
| STOCK TURN (On Total Inventory) | 6.09 | | 6.99 | | 6.36 | | 6.84 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | |
| Prescription | 23.76 | | 26.55 | | 24.60 | | 26.85 | |
| Other | 5.19 | | 5.26 | | 5.21 | | 5.54 | |
| STATISTICS | | | | | | | | |
| PHARMACY SIZE (square metres) | 215 | | 217 | | 214 | | 181 | |
| PRESCRIPTIONS DISPENSED (Total) | 62,603 | | 64,588 | | 63,037 | | 59,016 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,204 | | 1,242 | | 1,212 | | 1,135 | |
| TOTAL HOURS OPEN per WEEK | 65 | | 53 | | 61 | | 62 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 26.7 | | 37.8 | | 30.6 | | 43.3 | |
| FUNDS RETAINED IN BUSINESS (2) | 41,148 | 1.37 | 212,862 | 6.76 | 85,865 | 2.84 | 171,251 | 5.72 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

COMPARISON OF PERFORMANCE - LOCATION CHARACTERISTICS

(Based on 12 Months of Trading to 30/06/2015)

Table 8

| | Shopping Centre | | Strip or Isolated | | Medical Centre | | Servicing Nursing Homes (50+ beds) | |
|--|------------------|--------------|-------------------|--------------|------------------|--------------|------------------------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 3,272,564 | | 2,467,571 | | 2,121,444 | | 2,745,778 | |
| COST OF GOODS SOLD (3) | 2,116,563 | 64.68 | 1,411,850 | 57.22 | 1,320,892 | 62.26 | 1,739,076 | 63.34 |
| GROSS MARGIN (3) | 1,156,001 | 35.32 | 1,055,721 | 42.78 | 800,552 | 37.74 | 1,006,702 | 36.66 |
| Other Income | 37,334 | | 44,710 | | 58,533 | | 40,304 | |
| GROSS MARGIN PLUS OTHER INCOME | 1,193,335 | | 1,100,431 | | 859,084 | | 1,047,006 | |
| TOTAL REVENUE | 3,309,898 | | 2,512,280 | | 2,179,977 | | 2,786,082 | |
| EXPENSES | | | | | | | | |
| Salaries and Wages | 470,507 | 14.22 | 357,384 | 14.23 | 313,618 | 14.39 | 400,961 | 14.39 |
| Rent Paid | 271,063 | 8.19 | 79,694 | 3.17 | 135,096 | 6.20 | 72,099 | 2.59 |
| Outgoings - Rental & Rates | 42,629 | 1.29 | 12,203 | 0.49 | 16,301 | 0.75 | 9,571 | 0.34 |
| Accounting | 6,963 | 0.21 | 6,550 | 0.26 | 5,818 | 0.27 | 10,647 | 0.38 |
| Advertising | 25,023 | 0.76 | 19,525 | 0.78 | 8,615 | 0.40 | 21,740 | 0.78 |
| Bank Charges | 10,178 | 0.31 | 6,612 | 0.26 | 6,624 | 0.30 | 6,293 | 0.23 |
| Computer Expenses | 15,529 | 0.47 | 13,330 | 0.53 | 14,022 | 0.64 | 11,460 | 0.41 |
| Depreciation | 37,783 | 1.14 | 29,602 | 1.18 | 14,424 | 0.66 | 43,127 | 1.55 |
| Electricity, Water, Heating | 15,587 | 0.47 | 12,305 | 0.49 | 11,141 | 0.51 | 11,694 | 0.42 |
| Insurance | 9,385 | 0.28 | 9,074 | 0.36 | 7,150 | 0.33 | 11,162 | 0.40 |
| Interest Paid | 65,809 | 1.99 | 69,164 | 2.75 | 62,366 | 2.86 | 70,043 | 2.51 |
| Leasing Expenses | n.a. | n.a. | 10,277 | 0.41 | n.a. | n.a. | 12,898 | 0.46 |
| Motor Vehicle Expenses | 7,121 | 0.22 | 8,552 | 0.34 | 2,782 | 0.13 | 13,880 | 0.50 |
| Postage, Freight, Printing | 11,642 | 0.35 | 9,339 | 0.37 | 8,113 | 0.37 | 9,920 | 0.36 |
| Repairs, Maintenance, Service | 5,208 | 0.16 | 5,934 | 0.24 | 4,556 | 0.21 | 6,140 | 0.22 |
| Subs and Registrations | 26,747 | 0.81 | 16,525 | 0.66 | 23,474 | 1.08 | 11,528 | 0.41 |
| Superannuation | 42,006 | 1.27 | 35,202 | 1.40 | 26,764 | 1.23 | 44,691 | 1.60 |
| Telephone | 4,836 | 0.15 | 4,784 | 0.19 | 3,165 | 0.15 | 7,059 | 0.25 |
| Training | 2,438 | 0.07 | 2,747 | 0.11 | 1,292 | 0.06 | 3,646 | 0.13 |
| Abnormal Expenses | 52,416 | 1.58 | n.a. | n.a. | 94,916 | 4.35 | 24,393 | 0.88 |
| Payroll Tax | 20,527 | 0.62 | 21,291 | 0.85 | 17,098 | 0.78 | 34,237 | 1.23 |
| Workers' Compensation | 3,573 | 0.11 | 3,001 | 0.12 | 2,148 | 0.10 | 4,148 | 0.15 |
| Other Expenses | 68,676 | 2.07 | n.a. | n.a. | 44,184 | 2.03 | 59,521 | 2.14 |
| TOTAL EXPENSES | 1,215,645 | 36.73 | 733,098 | 29.18 | 823,667 | 37.78 | 900,856 | 32.33 |
| TOTAL INCOME | -22,310 | 0.67 | 367,332 | 14.62 | 35,417 | 1.62 | 146,149 | 5.25 |
| Less Proprietors' Salary (1) | 40,555 | 1.23 | 138,403 | 5.51 | 94,411 | 4.33 | 169,777 | 6.09 |
| [Full-Time-Equivalents] | 0.30 | | 1.03 | | 0.70 | | 1.26 | |
| NET PROFIT/LOSS | -62,866 | -1.90 | 228,929 | 9.11 | -58,994 | -2.71 | -23,628 | -0.85 |
| EBITDA | 40,726 | 1.23 | 327,696 | 13.04 | 17,796 | 0.82 | 89,543 | 3.21 |
| SALES ANALYSIS | | | | | | | | |
| Prescriptions (3) | 2,061,476 | 60.45 | 1,725,595 | 68.92 | 1,594,203 | 75.15 | 2,047,089 | 73.08 |
| Other Sales (3) | 1,348,912 | 39.55 | 778,298 | 31.08 | 527,191 | 24.85 | 754,163 | 26.92 |
| INVENTORY ANALYSIS | | | | | | | | |
| Prescription | 88,495 | 2.67 | 81,043 | 3.23 | 72,688 | 3.33 | 90,146 | 3.24 |
| Other | 319,615 | 9.66 | 135,623 | 5.40 | 91,040 | 4.18 | 108,323 | 3.89 |
| STOCK CARRIED (Total) | 408,110 | 12.33 | 216,666 | 8.62 | 163,728 | 7.51 | 198,469 | 7.12 |
| STOCK TURN (On Total Inventory) | 5.19 | | 6.52 | | 8.07 | | 8.76 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | |
| Prescription | 23.29 | | 21.29 | | 21.93 | | 22.71 | |
| Other | 4.22 | | 5.74 | | 5.79 | | 6.96 | |
| STATISTICS | | | | | | | | |
| PHARMACY SIZE (square metres) | 296 | | 202 | | 135 | | 228 | |
| PRESCRIPTIONS DISPENSED (Total) | 76,315 | | 52,806 | | 60,349 | | 62,538 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,468 | | 1,015 | | 1,161 | | 1,203 | |
| TOTAL HOURS OPEN per WEEK | 62 | | 54 | | 57 | | 52 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 11.5 | | 39.1 | | 26.7 | | 48.0 | |
| FUNDS RETAINED IN BUSINESS (2) | 107,944 | 3.26 | 130,563 | 5.20 | n.a. | n.a. | 332,160 | 11.92 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

NSW PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2015)

Table 9

| | State Averages Weighted | | Metro | | Country | | Banner | | No Group | |
|---|----------------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 2,850,305 | | 2,895,399 | | 2,770,853 | | 2,658,994 | | 2,692,486 | |
| COST OF GOODS SOLD (3) | 1,501,366 | 52.67 | 1,548,459 | 53.48 | 1,437,652 | 51.88 | 1,342,001 | 50.47 | 1,503,320 | 55.83 |
| GROSS MARGIN (3) | 1,348,939 | 47.33 | 1,346,940 | 46.52 | 1,333,202 | 48.12 | 1,316,993 | 49.53 | 1,189,166 | 44.17 |
| Other Income | 47,984 | | 55,464 | | 37,233 | | 36,482 | | 57,403 | |
| GROSS MARGIN PLUS OTHER INCOME | 1,396,923 | | 1,402,404 | | 1,370,434 | | 1,353,475 | | 1,246,569 | |
| TOTAL REVENUE | 2,898,289 | | 2,950,863 | | 2,808,086 | | 2,695,476 | | 2,749,889 | |
| EXPENSES | | | | | | | | | | |
| Salaries and Wages | 393,010 | 13.56 | 387,514 | 13.13 | 399,422 | 14.22 | 433,523 | 16.08 | 301,857 | 10.98 |
| Rent Paid | 171,876 | 5.93 | 219,132 | 7.43 | 104,368 | 3.72 | 127,197 | 4.72 | 174,677 | 6.35 |
| Outgoings - Rental & Rates | 21,705 | 0.75 | 29,013 | 0.98 | 12,571 | 0.45 | 11,573 | 0.43 | 23,755 | 0.86 |
| Accounting | 10,704 | 0.37 | 9,851 | 0.33 | 12,052 | 0.43 | 8,552 | 0.32 | 9,524 | 0.35 |
| Advertising | 17,237 | 0.59 | 20,258 | 0.69 | 14,215 | 0.51 | 15,230 | 0.57 | 14,751 | 0.54 |
| Bank Charges | 7,722 | 0.27 | 9,936 | 0.34 | 4,665 | 0.17 | 4,763 | 0.18 | 8,356 | 0.30 |
| Computer Expenses | 11,451 | 0.40 | 10,350 | 0.35 | 13,023 | 0.46 | 16,000 | 0.59 | 5,342 | 0.19 |
| Depreciation | 37,647 | 1.30 | 43,745 | 1.48 | 29,110 | 1.04 | 41,030 | 1.52 | 29,803 | 1.08 |
| Electricity, Water, Heating | 11,941 | 0.41 | 12,270 | 0.42 | 11,447 | 0.41 | 11,752 | 0.44 | 8,187 | 0.30 |
| Insurance | 10,581 | 0.37 | 11,563 | 0.39 | 9,177 | 0.33 | 10,024 | 0.37 | 9,343 | 0.34 |
| Interest Paid | 48,905 | 1.69 | 52,533 | 1.78 | 43,782 | 1.56 | 58,902 | 2.19 | 37,583 | 1.37 |
| Leasing Expenses | 14,781 | 0.51 | 17,912 | 0.61 | 8,519 | 0.30 | 14,781 | 0.55 | n.a. | n.a. |
| Motor Vehicle Expenses | 6,174 | 0.21 | 8,449 | 0.29 | 3,519 | 0.13 | 5,803 | 0.22 | 6,874 | 0.25 |
| Postage, Freight, Printing | 9,861 | 0.34 | 9,161 | 0.31 | 10,828 | 0.39 | 5,132 | 0.19 | 10,063 | 0.37 |
| Repairs, Maintenance, Service | 3,904 | 0.13 | 3,705 | 0.13 | 4,224 | 0.15 | 4,292 | 0.16 | 3,254 | 0.12 |
| Subs and Registrations | 12,070 | 0.42 | 13,755 | 0.47 | 9,543 | 0.34 | 13,175 | 0.49 | 9,592 | 0.35 |
| Superannuation | 36,958 | 1.28 | 39,847 | 1.35 | 33,245 | 1.18 | 34,617 | 1.28 | 34,469 | 1.25 |
| Telephone | 4,948 | 0.17 | 5,037 | 0.17 | 4,822 | 0.17 | 4,557 | 0.17 | 4,662 | 0.17 |
| Training | 3,528 | 0.12 | 3,720 | 0.13 | 3,246 | 0.12 | 5,050 | 0.19 | 2,087 | 0.08 |
| Abnormal Expenses | 13,723 | 0.47 | 13,602 | 0.46 | n.a. | n.a. | 15,100 | 0.56 | 10,280 | 0.37 |
| Payroll Tax | 11,088 | 0.38 | 9,213 | 0.31 | n.a. | n.a. | 10,695 | 0.40 | 11,873 | 0.43 |
| Workers' Compensation | 5,323 | 0.18 | 5,332 | 0.18 | 5,309 | 0.19 | 5,096 | 0.19 | 4,868 | 0.18 |
| Other Expenses | 114,127 | 3.94 | 147,261 | 4.99 | 68,109 | 2.43 | 91,675 | 3.40 | 173,771 | 6.32 |
| TOTAL EXPENSES | 979,265 | 33.79 | 1,083,160 | 36.71 | 805,197 | 28.67 | 948,518 | 35.19 | 894,972 | 32.55 |
| TOTAL INCOME | 417,659 | 14.41 | 319,244 | 10.82 | 565,237 | 20.13 | 404,957 | 15.02 | 351,597 | 12.79 |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 141,691 1.05 | 4.89 | 142,144 1.06 | 4.82 | 141,088 1.05 | 5.02 | 139,508 1.04 | 5.18 | 145,239 1.08 | 5.28 |
| NET PROFIT/LOSS | 275,967 | 9.52 | 177,100 | 6.00 | 424,150 | 15.10 | 265,449 | 9.85 | 206,358 | 7.50 |
| EBITDA | 362,519 | 12.51 | 273,379 | 9.26 | 497,042 | 17.70 | 365,381 | 13.56 | 273,744 | 9.95 |
| SALES ANALYSIS | | | | | | | | | | |
| Prescriptions (3) | 1,937,850 | 64.92 | 1,931,048 | 62.39 | 1,949,186 | 69.68 | 1,968,753 | 71.94 | 1,812,157 | 64.36 |
| Other Sales (3) | 1,047,117 | 35.08 | 1,164,115 | 37.61 | 848,221 | 30.32 | 767,725 | 28.06 | 1,003,663 | 35.64 |
| INVENTORY ANALYSIS | | | | | | | | | | |
| Prescription | 92,061 | 3.18 | 100,125 | 3.39 | 75,934 | 2.70 | 116,807 | 4.33 | 82,585 | 3.00 |
| Other | 168,576 | 5.82 | 187,491 | 6.35 | 130,745 | 4.66 | 132,067 | 4.90 | 143,601 | 5.22 |
| STOCK CARRIED (Total) | 260,637 | 8.99 | 287,616 | 9.75 | 206,679 | 7.36 | 248,874 | 9.23 | 226,185 | 8.23 |
| STOCK TURN (On Total Inventory) | 5.76 | | 5.38 | | 6.96 | | 5.39 | | 6.65 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | | | |
| Prescription | 21.05 | | 19.29 | | 25.67 | | 16.85 | | 21.94 | |
| Other | 6.21 | | 6.21 | | 6.49 | | 5.81 | | 6.99 | |
| STATISTICS | | | | | | | | | | |
| PHARMACY SIZE (square metres) | 132 | | 109 | | 176 | | 208 | | 86 | |
| PRESCRIPTIONS DISPENSED (Total) | 62,568 | | 64,568 | | 59,234 | | 73,761 | | 51,034 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,203 | | 1,242 | | 1,139 | | 1,418 | | 981 | |
| TOTAL HOURS OPEN per WEEK | 56 | | 58 | | 52 | | 56 | | 55 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 40.1 | | 40 | | 40 | | 39 | | 41 | |
| FUNDS RETAINED IN BUSINESS (2) | 330,872 | 11.42 | 381,649 | 12.93 | 315,639 | 11.24 | 472,421 | 17.53 | 165,732 | 6.03 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

VICTORIAN PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2015)

Table 10

| | State Averages Weighted | | Metro | | Country | | Banner | | No Group | |
|---|----------------------------|--------------|------------------|--------------|-------------------|---------------|------------------|--------------|-------------------|---------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 2,646,241 | | 1,889,603 | | 3,402,880 | | 2,873,286 | | 2,449,470 | |
| COST OF GOODS SOLD (3) | 1,921,794 | 72.62 | 1,338,764 | 70.85 | 2,563,126 | 75.32 | 1,749,005 | 60.87 | 2,051,385 | 83.75 |
| GROSS MARGIN (3) | 724,448 | 27.38 | 550,839 | 29.15 | 839,754 | 24.68 | 1,124,280 | 39.13 | 398,085 | 16.25 |
| Other Income | 28,457 | | 28,965 | | 28,095 | | 24,107 | | 32,139 | |
| GROSS MARGIN PLUS OTHER INCOME | 752,905 | | 579,803 | | 867,849 | | 1,148,387 | | 430,224 | |
| TOTAL REVENUE | 2,674,699 | | 1,918,568 | | 3,430,975 | | 2,897,393 | | 2,481,608 | |
| EXPENSES | | | | | | | | | | |
| Salaries and Wages | 424,843 | 15.88 | 182,215 | 9.50 | 910,099 | 26.53 | 458,951 | 15.84 | 407,789 | 16.43 |
| Rent Paid | 110,727 | 4.14 | 128,641 | 6.71 | 95,568 | 2.79 | 133,452 | 4.61 | 88,002 | 3.55 |
| Outgoings - Rental & Rates | 8,900 | 0.33 | 4,991 | 0.26 | 12,026 | 0.35 | 4,261 | 0.15 | 11,851 | 0.48 |
| Accounting | 7,260 | 0.27 | 4,632 | 0.24 | 9,669 | 0.28 | 7,996 | 0.28 | 6,694 | 0.27 |
| Advertising | 11,298 | 0.42 | 3,304 | 0.17 | 18,404 | 0.54 | 16,132 | 0.56 | 2,436 | 0.10 |
| Bank Charges | 5,249 | 0.20 | 2,755 | 0.14 | 7,360 | 0.21 | 5,608 | 0.19 | 4,945 | 0.20 |
| Computer Expenses | 8,241 | 0.31 | 7,573 | 0.39 | 8,807 | 0.26 | 8,458 | 0.29 | 8,024 | 0.32 |
| Depreciation | 27,923 | 1.04 | 25,162 | 1.31 | 29,932 | 0.87 | 33,009 | 1.14 | 24,225 | 0.98 |
| Electricity, Water, Heating | 9,643 | 0.36 | 10,695 | 0.56 | 8,834 | 0.26 | 10,940 | 0.38 | 8,228 | 0.33 |
| Insurance | 7,593 | 0.28 | 6,416 | 0.33 | 8,498 | 0.25 | 7,333 | 0.25 | 7,831 | 0.32 |
| Interest Paid | 45,903 | 1.72 | 12,495 | 0.65 | 70,200 | 2.05 | 64,506 | 2.23 | 32,374 | 1.30 |
| Leasing Expenses | 15,760 | 0.59 | 12,300 | 0.64 | 22,679 | 0.66 | 22,756 | 0.79 | 1,767 | 0.07 |
| Motor Vehicle Expenses | 11,676 | 0.44 | 5,234 | 0.27 | 15,702 | 0.46 | 17,434 | 0.60 | 4,958 | 0.20 |
| Postage, Freight, Printing | 9,648 | 0.36 | 3,598 | 0.19 | 14,768 | 0.43 | 8,794 | 0.30 | 10,503 | 0.42 |
| Repairs, Maintenance, Service | 5,205 | 0.19 | 2,421 | 0.13 | 7,757 | 0.23 | 4,031 | 0.14 | 6,486 | 0.26 |
| Subs and Registrations | 13,620 | 0.51 | 16,374 | 0.85 | 11,096 | 0.32 | 17,038 | 0.59 | 10,487 | 0.42 |
| Superannuation | 36,229 | 1.35 | 22,514 | 1.17 | 47,834 | 1.39 | 44,265 | 1.53 | 28,193 | 1.14 |
| Telephone | 5,881 | 0.22 | 4,051 | 0.21 | 7,288 | 0.21 | 6,391 | 0.22 | 5,413 | 0.22 |
| Training | 2,342 | 0.09 | 982 | 0.05 | 3,362 | 0.10 | 2,319 | 0.08 | 2,363 | 0.10 |
| Abnormal Expenses | 2,111 | 0.08 | n.a. | n.a. | 2,111 | 0.06 | 2,111 | 0.07 | n.a. | n.a. |
| Payroll Tax | 19,462 | 0.73 | 24,553 | 1.28 | 16,917 | 0.49 | 19,462 | 0.67 | n.a. | n.a. |
| Workers' Compensation | 2,387 | 0.09 | 1,381 | 0.07 | 3,226 | 0.09 | 3,133 | 0.11 | 1,641 | 0.07 |
| Other Expenses | 57,294 | 2.14 | 23,055 | 1.20 | 91,533 | 2.67 | 58,790 | 2.03 | 55,798 | 2.25 |
| TOTAL EXPENSES | 849,196 | 31.75 | 505,343 | 26.34 | 1,423,670 | 41.49 | 957,171 | 33.04 | 730,009 | 29.42 |
| TOTAL INCOME | -96,291 - | 3.60 | 74,461 | 3.88 | -555,821 - | 16.20 | 191,216 | 6.60 | -299,786 - | 12.08 |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 131,400 0.98 | 4.91 | 122,912 0.91 | 6.41 | 141,102 1.05 | 4.11 | 96,494 0.72 | 3.33 | 171,293 1.27 | 6.90 |
| NET PROFIT/LOSS | -227,691 | -8.51 | -48,451 | -2.53 | -696,923 | -20.31 | 94,722 | 3.27 | -471,079 | -18.98 |
| EBITDA | -153,865 - | 5.75 | n/a | n/a | -596,791 - | 17.39 | n/a | n/a | -414,480 - | 16.70 |
| SALES ANALYSIS | | | | | | | | | | |
| Prescriptions (3) | 1,901,585 | 71.23 | 1,234,351 | 63.66 | 2,568,818 | 75.65 | 1,934,270 | 67.51 | 1,873,257 | 75.23 |
| Other Sales (3) | 768,012 | 28.77 | 704,575 | 36.34 | 826,918 | 24.35 | 930,867 | 32.49 | 616,791 | 24.77 |
| INVENTORY ANALYSIS | | | | | | | | | | |
| Prescription | 92,547 | 3.46 | 84,566 | 4.41 | 102,523 | 2.99 | 104,814 | 3.62 | 82,733 | 3.33 |
| Other | 129,103 | 4.83 | 110,499 | 5.76 | 152,358 | 4.44 | 158,571 | 5.47 | 105,528 | 4.25 |
| STOCK CARRIED (Total) | 221,650 | 8.29 | 195,064 | 10.17 | 254,881 | 7.43 | 263,385 | 9.09 | 188,261 | 7.59 |
| STOCK TURN (On Total Inventory) | 8.67 | | 6.86 | | 10.06 | | 6.64 | | 10.90 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | | | |
| Prescription | 20.55 | | 14.60 | | 25.06 | | 18.45 | | 22.64 | |
| Other | 5.95 | | 6.38 | | 5.43 | | 5.87 | | 5.84 | |
| STATISTICS | | | | | | | | | | |
| PHARMACY SIZE (square metres) | 186 | | 192 | | 180 | | 263 | | 122 | |
| PRESCRIPTIONS DISPENSED (Total) | 58,622 | | 42,612 | | 74,633 | | 64,632 | | 53,414 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,127 | | 819 | | 1,435 | | 1,243 | | 1,027 | |
| TOTAL HOURS OPEN per WEEK | 53 | | 58 | | 45 | | 59 | | 46 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 37.2 | | 35 | | 40 | | 27 | | 48 | |
| FUNDS RETAINED IN BUSINESS (2) | 271,707 | 10.16 | 391,602 | 20.41 | 151,812 | 4.42 | 303,883 | 10.49 | 46,474 | 1.87 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

QUEENSLAND PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2015)

Table 11

| | State Averages Weighted | | Metro | | Country | | Banner | | No Group | |
|---|----------------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 2,809,505 | | 2,881,151 | | 2,639,360 | | 2,644,593 | | 2,685,004 | |
| COST OF GOODS SOLD (3) | 1,683,709 | 59.93 | 1,721,960 | 59.77 | 1,565,770 | 59.32 | 1,590,648 | 60.15 | 1,562,520 | 58.19 |
| GROSS MARGIN (3) | 1,125,796 | 40.07 | 1,159,191 | 40.23 | 1,073,590 | 40.68 | 1,053,945 | 39.85 | 1,122,484 | 41.81 |
| Other Income | 51,192 | | 49,850 | | 53,874 | | 65,617 | | 41,677 | |
| GROSS MARGIN PLUS OTHER INCOME | 1,176,988 | | 1,209,042 | | 1,127,464 | | 1,119,562 | | 1,164,161 | |
| TOTAL REVENUE | 2,860,697 | | 2,931,001 | | 2,693,234 | | 2,710,210 | | 2,726,681 | |
| EXPENSES | | | | | | | | | | |
| Salaries and Wages | 410,186 | 14.34 | 410,186 | 13.99 | n.a. | n.a. | 571,756 | 21.10 | 167,832 | 6.16 |
| Rent Paid | 138,859 | 4.85 | 152,224 | 5.19 | 101,165 | 3.76 | 148,801 | 5.49 | 107,319 | 3.94 |
| Outgoings - Rental & Rates | 23,839 | 0.83 | 26,024 | 0.89 | 21,616 | 0.80 | 30,814 | 1.14 | 20,342 | 0.75 |
| Accounting | 9,607 | 0.34 | 9,258 | 0.32 | 10,803 | 0.40 | 7,412 | 0.27 | 13,035 | 0.48 |
| Advertising | 23,710 | 0.83 | 18,855 | 0.64 | 37,817 | 1.40 | 21,680 | 0.80 | 17,717 | 0.65 |
| Bank Charges | 6,372 | 0.22 | 5,834 | 0.20 | 7,929 | 0.29 | 3,609 | 0.13 | 10,583 | 0.39 |
| Computer Expenses | 13,541 | 0.47 | 14,919 | 0.51 | 9,887 | 0.37 | 16,739 | 0.62 | 7,416 | 0.27 |
| Depreciation | 29,350 | 1.03 | 29,606 | 1.01 | 28,989 | 1.08 | 26,161 | 0.97 | 27,568 | 1.01 |
| Electricity, Water, Heating | 13,240 | 0.46 | 13,287 | 0.45 | 13,276 | 0.49 | 13,004 | 0.48 | 12,505 | 0.46 |
| Insurance | 8,018 | 0.28 | 7,993 | 0.27 | 8,056 | 0.30 | 7,843 | 0.29 | 7,816 | 0.29 |
| Interest Paid | 32,550 | 1.14 | 33,784 | 1.15 | 28,624 | 1.06 | 36,374 | 1.34 | 16,949 | 0.62 |
| Leasing Expenses | 3,932 | 0.14 | 3,277 | 0.11 | 5,241 | 0.19 | 3,045 | 0.11 | 11,026 | 0.40 |
| Motor Vehicle Expenses | 7,848 | 0.27 | 7,824 | 0.27 | 8,238 | 0.31 | 7,812 | 0.29 | 7,980 | 0.29 |
| Postage, Freight, Printing | 8,544 | 0.30 | 7,880 | 0.27 | 10,580 | 0.39 | 4,157 | 0.15 | 12,126 | 0.44 |
| Repairs, Maintenance, Service | 4,368 | 0.15 | 4,607 | 0.16 | 3,592 | 0.13 | 4,333 | 0.16 | 3,875 | 0.14 |
| Subs and Registrations | 17,340 | 0.61 | 18,393 | 0.63 | 14,633 | 0.54 | 19,656 | 0.73 | 12,188 | 0.45 |
| Superannuation | 35,071 | 1.23 | 35,259 | 1.20 | 35,044 | 1.30 | 32,915 | 1.21 | 34,356 | 1.26 |
| Telephone | 5,120 | 0.18 | 5,009 | 0.17 | 5,450 | 0.20 | 4,029 | 0.15 | 6,040 | 0.22 |
| Training | 2,341 | 0.08 | 2,390 | 0.08 | 2,088 | 0.08 | 2,436 | 0.09 | 2,368 | 0.09 |
| Abnormal Expenses | 53,052 | 1.85 | 53,948 | 1.84 | 49,018 | 1.82 | 53,052 | 1.96 | n.a. | n.a. |
| Payroll Tax | 23,113 | 0.81 | 17,715 | 0.60 | 41,105 | 1.53 | 23,113 | 0.85 | n.a. | n.a. |
| Workers' Compensation | 2,726 | 0.10 | 2,794 | 0.10 | 2,558 | 0.09 | 2,644 | 0.10 | 2,851 | 0.10 |
| Other Expenses | 113,837 | 3.98 | 125,258 | 4.27 | 77,881 | 2.89 | 120,218 | 4.44 | 82,097 | 3.01 |
| TOTAL EXPENSES | 986,564 | 34.49 | 1,006,325 | 34.33 | 523,591 | 19.44 | 1,161,604 | 42.86 | 583,987 | 21.42 |
| TOTAL INCOME | 190,424 | 6.66 | 202,717 | 6.92 | 603,873 | 22.42 | -42,042 | 1.55 | 580,174 | 21.28 |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 202,951 1.51 | 7.09 | 202,951 1.51 | 6.92 | n.a. n.a. | n.a. n.a. | 147,453 1.10 | 5.44 | 258,449 1.92 | 9.48 |
| NET PROFIT/LOSS | -12,528 | -0.44 | -235 | -0.01 | n.a. | n.a. | n.a. | n.a. | 321,725 | 11.80 |
| EBITDA | 49,372 | 1.73 | 63,156 | 2.15 | n.a. | n.a. | n.a. | n.a. | 366,241 | 13.43 |
| SALES ANALYSIS | | | | | | | | | | |
| Prescriptions (3) | 1,919,514 | 65.81 | 1,983,080 | 66.56 | 1,761,570 | 63.35 | 1,790,869 | 64.11 | 1,839,508 | 67.66 |
| Other Sales (3) | 997,277 | 34.19 | 996,302 | 33.44 | 1,018,953 | 36.65 | 1,002,548 | 35.89 | 879,307 | 32.34 |
| INVENTORY ANALYSIS | | | | | | | | | | |
| Prescription | 72,588 | 2.54 | 74,763 | 2.55 | 70,665 | 2.62 | 70,705 | 2.61 | 69,868 | 2.56 |
| Other | 214,223 | 7.49 | 219,334 | 7.48 | 209,737 | 7.79 | 210,545 | 7.77 | 208,915 | 7.66 |
| STOCK CARRIED (Total) | 286,811 | 10.03 | 294,096 | 10.03 | 280,402 | 10.41 | 281,249 | 10.38 | 278,783 | 10.22 |
| STOCK TURN (On Total Inventory) | 5.87 | | 5.86 | | 5.58 | | 5.66 | | 5.60 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | | | |
| Prescription | 26.44 | | 26.52 | | 24.93 | | 25.33 | | 26.33 | |
| Other | 4.66 | | 4.54 | | 4.86 | | 4.76 | | 4.21 | |
| STATISTICS | | | | | | | | | | |
| PHARMACY SIZE (square metres) | 139 | | 141 | | 134 | | 208 | | 56 | |
| PRESCRIPTIONS DISPENSED (Total) | 57,154 | | 59,564 | | 50,894 | | 57,246 | | 50,227 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,099 | | 1,145 | | 979 | | 1,101 | | 966 | |
| TOTAL HOURS OPEN per WEEK | 66 | | 69 | | 57 | | 67 | | 60 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 57.4 | | 57 | | n.a. | | 42 | | 73 | |
| FUNDS RETAINED IN BUSINESS (2) | 160,116 | 5.60 | 196,890 | 6.72 | -11,496 | 0.43 | 182,428 | 6.73 | 55,994 | 2.05 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

SOUTH AUSTRALIA PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2015)

Table 12

| | State Averages Weighted | Metro | Country | Banner | No Group |
|---|----------------------------|-------|--------------------------------------|--------------------------------------|--------------------------------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | | | |
| SALES | 2,355,072 | | Insufficient sample to publish | Insufficient sample to publish | Insufficient sample to publish |
| COST OF GOODS SOLD (3) | 1,359,560 | 57.73 | | | |
| GROSS MARGIN (3) | 995,512 | 42.27 | | | |
| Other Income | 42,574 | | | | |
| GROSS MARGIN PLUS OTHER INCOME | 1,038,087 | | | | |
| TOTAL REVENUE | 2,397,647 | | | | |
| EXPENSES | | | | | |
| Salaries and Wages | 281,228 | 11.73 | | | |
| Rent Paid | 63,491 | 2.65 | | | |
| Outgoings - Rental & Rates | 9,716 | 0.41 | | | |
| Accounting | 3,896 | 0.16 | | | |
| Advertising | 9,907 | 0.41 | | | |
| Bank Charges | 3,325 | 0.14 | | | |
| Computer Expenses | 15,045 | 0.63 | | | |
| Depreciation | 18,938 | 0.79 | | | |
| Electricity, Water, Heating | 9,968 | 0.42 | | | |
| Insurance | 6,134 | 0.26 | | | |
| Interest Paid | 21,489 | 0.90 | | | |
| Leasing Expenses | n.a. | n.a. | | | |
| Motor Vehicle Expenses | 4,394 | 0.18 | | | |
| Postage, Freight, Printing | 3,715 | 0.15 | | | |
| Repairs, Maintenance, Service | 4,324 | 0.18 | | | |
| Subs and Registrations | 16,535 | 0.69 | | | |
| Superannuation | 28,620 | 1.19 | | | |
| Telephone | 4,522 | 0.19 | | | |
| Training | 3,409 | 0.14 | | | |
| Abnormal Expenses | n.a. | n.a. | | | |
| Payroll Tax | 7,721 | 0.32 | | | |
| Workers' Compensation | 4,036 | 0.17 | | | |
| Other Expenses | 83,497 | 3.48 | | | |
| TOTAL EXPENSES | 603,911 | 25.19 | | | |
| TOTAL INCOME | 434,175 | 18.11 | | | |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 146,786 1.09 | 6.12 | | | |
| NET PROFIT/LOSS | 287,389 | 11.99 | | | |
| EBITDA | 327,816 | 13.67 | | | |
| SALES ANALYSIS | | | | | |
| Prescriptions (3) | 1,821,583 | 77.33 | | | |
| Other Sales (3) | 534,121 | 22.67 | | | |
| INVENTORY ANALYSIS | | | | | |
| Prescription | 69,234 | 2.89 | | | |
| Other | 78,540 | 3.28 | | | |
| STOCK CARRIED (Total) | 147,774 | 6.16 | | | |
| STOCK TURN (On Total Inventory) | 9.20 | | | | |
| SALES PER INVENTORY DOLLAR | | | | | |
| Prescription | 26.31 | | | | |
| Other | 6.80 | | | | |
| STATISTICS | | | | | |
| PHARMACY SIZE (square metres) | 148 | | | | |
| PRESCRIPTIONS DISPENSED (Total) | 55,655 | | | | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,070 | | | | |
| TOTAL HOURS OPEN per WEEK | 62 | | | | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 41.5 | | | | |
| FUNDS RETAINED IN BUSINESS (2) | 632,313 | 26.37 | | | |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

Caution should be taken interpreting results for South Australia for this year due to low sample size.

WESTERN AUSTRALIA PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2015)

Table 13

| | State Averages Weighted | | Metro | | Country | | Banner | | No Group | |
|---|----------------------------|--------------|-------------------|--------------|-----------------------------------|---|-------------------|--------------|-----------------------------------|---|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 2,958,164 | | 2,945,824 | | Insufficient sample to | | 2,998,446 | | Insufficient sample to | |
| COST OF GOODS SOLD (3) | 1,764,510 | 59.65 | 1,756,956 | 59.64 | | | 1,847,202 | 61.61 | | |
| GROSS MARGIN (3) | 1,193,653 | 40.35 | 1,188,868 | 40.36 | | | 1,151,244 | 38.39 | | |
| Other Income | 38,255 | | 38,045 | | | | 39,035 | | | |
| GROSS MARGIN PLUS OTHER INCOME | 1,231,908 | | 1,226,914 | | | | 1,190,279 | | | |
| TOTAL REVENUE | 2,996,418 | | 2,983,869 | | | | 3,037,480 | | | |
| EXPENSES | | | | | | | | | | |
| Salaries and Wages | 307,886 | 10.28 | 328,452 | 11.01 | | | 307,886 | 10.14 | | |
| Rent Paid | 203,663 | 6.80 | 210,823 | 7.07 | | | 208,120 | 6.85 | | |
| Outgoings - Rental & Rates | 28,602 | 0.95 | 30,386 | 1.02 | | | 31,014 | 1.02 | | |
| Accounting | 4,942 | 0.16 | 5,081 | 0.17 | | | 4,491 | 0.15 | | |
| Advertising | 24,047 | 0.80 | 24,511 | 0.82 | | | 25,096 | 0.83 | | |
| Bank Charges | 10,180 | 0.34 | 10,434 | 0.35 | | | 10,379 | 0.34 | | |
| Computer Expenses | 17,168 | 0.57 | 17,233 | 0.58 | | | 17,963 | 0.59 | | |
| Depreciation | 30,657 | 1.02 | 30,936 | 1.04 | | | 31,524 | 1.04 | | |
| Electricity, Water, Heating | 17,871 | 0.60 | 18,046 | 0.60 | | | 18,286 | 0.60 | | |
| Insurance | 8,758 | 0.29 | 8,846 | 0.30 | | | 8,826 | 0.29 | | |
| Interest Paid | 69,355 | 2.31 | 69,535 | 2.33 | | | 68,490 | 2.25 | | |
| Leasing Expenses | n.a. | n.a. | n.a. | n.a. | | | n.a. | n.a. | | |
| Motor Vehicle Expenses | 2,194 | 0.07 | 2,340 | 0.08 | | | 1,960 | 0.06 | | |
| Postage, Freight, Printing | 13,026 | 0.43 | 13,004 | 0.44 | | | 13,369 | 0.44 | | |
| Repairs, Maintenance, Service | 5,324 | 0.18 | 5,418 | 0.18 | | | 5,629 | 0.19 | | |
| Subs and Registrations | 30,817 | 1.03 | 30,557 | 1.02 | | | 33,037 | 1.09 | | |
| Superannuation | 35,086 | 1.17 | 34,340 | 1.15 | | | 35,496 | 1.17 | | |
| Telephone | 3,750 | 0.13 | 3,722 | 0.12 | | | 3,412 | 0.11 | | |
| Training | 1,435 | 0.05 | 1,457 | 0.05 | | | 1,383 | 0.05 | | |
| Abnormal Expenses | 43,479 | 1.45 | 38,380 | 1.29 | | | 42,209 | 1.39 | | |
| Payroll Tax | 17,761 | 0.59 | 17,761 | 0.60 | | | 16,289 | 0.54 | | |
| Workers' Compensation | 2,454 | 0.08 | 2,506 | 0.08 | | | 2,416 | 0.08 | | |
| Other Expenses | 67,514 | 2.25 | 58,266 | 1.95 | | | 69,489 | 2.29 | | |
| TOTAL EXPENSES | 945,968 | 31.57 | 962,037 | 32.24 | | | 956,764 | 31.50 | | |
| TOTAL INCOME | 285,940 | 9.54 | 264,877 | 8.88 | | | 233,515 | 7.69 | | |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 187,288 1.39 | 6.25 | 187,288 1.39 | 6.28 | | | 0 0.00 | 0.00 | | |
| NET PROFIT/LOSS | 98,652 | 3.29 | 77,589 | 2.60 | | | 233,515 | 7.69 | | |
| EBITDA | 198,664 | 6.63 | 178,060 | 5.97 | | | 333,530 | 10.98 | | |
| SALES ANALYSIS | | | | | | | | | | |
| Prescriptions (3) | 1,744,540 | 59.10 | 1,726,624 | 58.75 | | | 1,779,949 | 59.50 | | |
| Other Sales (3) | 1,207,324 | 40.90 | 1,212,375 | 41.25 | | | 1,211,487 | 40.50 | | |
| INVENTORY ANALYSIS | | | | | | | | | | |
| Prescription | 71,633 | 2.39 | 70,816 | 2.37 | | | 73,725 | 2.43 | | |
| Other | 238,748 | 7.97 | 230,398 | 7.72 | | | 251,746 | 8.29 | | |
| STOCK CARRIED (Total) | 310,381 | 10.36 | 301,214 | 10.09 | | | 325,471 | 10.72 | | |
| STOCK TURN (On Total Inventory) | 5.68 | | 5.83 | | | | 5.68 | | | |
| SALES PER INVENTORY DOLLAR | | | | | | | | | | |
| Prescription | 24.35 | | 24.38 | | | | 24.14 | | | |
| Other | 5.06 | | 5.26 | | | | 4.81 | | | |
| STATISTICS | | | | | | | | | | |
| PHARMACY SIZE (square metres) | 230 | | 221 | | | | 248 | | | |
| PRESCRIPTIONS DISPENSED (Total) | 56,991 | | 56,202 | | | | 57,962 | | | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,096 | | 1,081 | | | | 1,115 | | | |
| TOTAL HOURS OPEN per WEEK | 71 | | 74 | | | | 56 | | | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 53.0 | | 53 | | | | 0 | | | |
| FUNDS RETAINED IN BUSINESS (2) | -110,591 - | 3.69 | -114,579 - | 3.84 | | | -114,799 - | 3.78 | | |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

TASMANIAN PHARMACIES - SUMMARY BY LOCATION AND TYPE
(Based on 12 Months of Trading to 30/06/2015)

Table 14

| | State Averages Weighted | | Metro | | Country | | Banner | | No Group | |
|---|----------------------------|-------|--------------------------------------|---|--------------------------------------|---|--------------------------------------|---|--------------------------------------|---|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 2,250,981 | | | | | | | | | |
| COST OF GOODS SOLD (3) | 1,184,844 | 52.64 | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| GROSS MARGIN (3) | 1,066,137 | 47.36 | | | | | | | | |
| Other Income | n.a. | | | | | | | | | |
| GROSS MARGIN PLUS OTHER INCOME | 1,066,137 | | | | | | | | | |
| TOTAL REVENUE | 2,250,981 | | | | | | | | | |
| EXPENSES | | | | | | | | | | |
| Salaries and Wages | 434,883 | 19.32 | | | | | | | | |
| Rent Paid | 54,077 | 2.40 | | | | | | | | |
| Outgoings - Rental & Rates | n.a. | n.a. | | | | | | | | |
| Accounting | 7,603 | 0.34 | | | | | | | | |
| Advertising | n.a. | n.a. | | | | | | | | |
| Bank Charges | 7,055 | 0.31 | | | | | | | | |
| Computer Expenses | 8,305 | 0.37 | | | | | | | | |
| Depreciation | 21,023 | 0.93 | | | | | | | | |
| Electricity, Water, Heating | 7,636 | 0.34 | | | | | | | | |
| Insurance | 7,326 | 0.33 | | | | | | | | |
| Interest Paid | n.a. | n.a. | | | | | | | | |
| Leasing Expenses | n.a. | n.a. | | | | | | | | |
| Motor Vehicle Expenses | n.a. | n.a. | | | | | | | | |
| Postage, Freight, Printing | 9,739 | 0.43 | | | | | | | | |
| Repairs, Maintenance, Service | 6,236 | 0.28 | | | | | | | | |
| Subs and Registrations | 14,589 | 0.65 | | | | | | | | |
| Superannuation | 34,896 | 1.55 | | | | | | | | |
| Telephone | 6,334 | 0.28 | | | | | | | | |
| Training | 2,792 | 0.12 | | | | | | | | |
| Abnormal Expenses | n.a. | n.a. | | | | | | | | |
| Payroll Tax | n.a. | n.a. | | | | | | | | |
| Workers' Compensation | 4,322 | 0.19 | | | | | | | | |
| Other Expenses | 13,107 | 0.58 | | | | | | | | |
| TOTAL EXPENSES | 639,923 | 28.43 | | | | | | | | |
| TOTAL INCOME | 426,214 | 18.93 | | | | | | | | |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 239,717 1.78 | 10.65 | | | | | | | | |
| NET PROFIT/LOSS | 186,497 | 8.29 | | | | | | | | |
| EBITDA | n.a. | n.a. | | | | | | | | |
| SALES ANALYSIS | | | | | | | | | | |
| Prescriptions (3) | 1,768,000 | 75.81 | | | | | | | | |
| Other Sales (3) | 564,166 | 24.19 | | | | | | | | |
| INVENTORY ANALYSIS | | | | | | | | | | |
| Prescription | 67,671 | 3.01 | | | | | | | | |
| Other | 104,569 | 4.65 | | | | | | | | |
| STOCK CARRIED (Total) | 172,240 | 7.65 | | | | | | | | |
| STOCK TURN (On Total Inventory) | 6.88 | | | | | | | | | |
| SALES PER INVENTORY DOLLAR | | | | | | | | | | |
| Prescription | 26.13 | | | | | | | | | |
| Other | 5.40 | | | | | | | | | |
| STATISTICS | | | | | | | | | | |
| PHARMACY SIZE (square metres) | 278 | | | | | | | | | |
| PRESCRIPTIONS DISPENSED (Total) | 49,317 | | | | | | | | | |
| PRESCRIPTIONS DISPENSED WEEKLY | 948 | | | | | | | | | |
| TOTAL HOURS OPEN per WEEK | 52 | | | | | | | | | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 67.8 | | | | | | | | | |
| FUNDS RETAINED IN BUSINESS (2) | 175,391 | 7.79 | | | | | | | | |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

SUMMARY OF MANAGER OPERATED PHARMACIES BY STATE
(Based on 12 Months of Trading to 30/06/2015)

Table 15

| | AUSTRALIA Manager Operated | | NEW SOUTH WALES | | VICTORIA | |
|---|----------------------------|--------------|--------------------------------|---|--------------------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % |
| SALES | 2,841,718 | | Insufficient sample to publish | | 2,907,564 | |
| COST OF GOODS SOLD (3) | 1,575,657 | 55.45 | | | 2,039,875 | 70.16 |
| GROSS MARGIN (3) | 1,266,061 | 44.55 | | | 867,689 | 29.84 |
| Other Income | 29,395 | | | | 33,746 | |
| GROSS MARGIN PLUS OTHER INCOME | 1,295,456 | | | | 901,435 | |
| TOTAL REVENUE | 2,871,113 | | | | 2,941,311 | |
| EXPENSES | | | | | | |
| Salaries and Wages | 349,319 | 12.17 | | | Insufficient sample to publish | |
| Rent Paid | 134,594 | 4.69 | | | | |
| Outgoings - Rental & Rates | 15,389 | 0.54 | | | | |
| Accounting | 9,970 | 0.35 | | | | |
| Advertising | 5,401 | 0.19 | | | | |
| Bank Charges | 7,228 | 0.25 | | | | |
| Computer Expenses | 7,938 | 0.28 | | | | |
| Depreciation | 30,935 | 1.08 | | | | |
| Electricity, Water, Heating | 9,945 | 0.35 | | | | |
| Insurance | 8,485 | 0.30 | | | | |
| Interest Paid | 19,360 | 0.67 | | | | |
| Leasing Expenses | 19,360 | 0.67 | | | | |
| Motor Vehicle Expenses | 10,904 | 0.38 | | | | |
| Postage, Freight, Printing | 3,080 | 0.11 | | | | |
| Repairs, Maintenance, Service | 4,042 | 0.14 | | | | |
| Subs and Registrations | 8,236 | 0.29 | | | | |
| Superannuation | 32,857 | 1.14 | | | | |
| Telephone | 8,905 | 0.31 | | | | |
| Training | 4,291 | 0.15 | | | | |
| Abnormal Expenses | 4,500 | 0.16 | | | | |
| Payroll Tax | 21,947 | 0.76 | | | | |
| Workers' Compensation | 3,884 | 0.14 | | | | |
| Other Expenses | 78,064 | 2.72 | | | | |
| TOTAL EXPENSES | 798,633 | 27.82 | | | | |
| TOTAL INCOME | 496,823 | 17.30 | | | | |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 16,801 0.13 | 0.59 | | | 0 0.00 | 0.00 |
| NET PROFIT/LOSS | 480,022 | 16.72 | | | n.a. | n.a. |
| EBITDA | 530,317 | 18.47 | | | n.a. | n.a. |
| SALES ANALYSIS | | | | | | |
| Prescriptions (3) | 1,897,883 | 61.42 | | | 1,921,588 | 61.91 |
| Other Sales (3) | 1,192,004 | 38.58 | | | 1,182,123 | 38.09 |
| INVENTORY ANALYSIS | | | | | | |
| Prescription | 116,676 | 4.06 | | | 129,318 | 4.40 |
| Other | 219,489 | 7.64 | | | 162,850 | 5.54 |
| STOCK CARRIED (Total) | 336,165 | 11.71 | | | 292,168 | 9.93 |
| STOCK TURN (On Total Inventory) | 4.69 | | | | 6.98 | |
| SALES PER INVENTORY DOLLAR | | | | | | |
| Prescription | 16.27 | | | | 14.86 | |
| Other | 5.43 | | | | 7.26 | |
| STATISTICS | | | | | | |
| PHARMACY SIZE (square metres) | 257 | | | | 251 | |
| PRESCRIPTIONS DISPENSED (Total) | 90,612 | | | | 67,952 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,150 | | | | 1,307 | |
| TOTAL HOURS OPEN per WEEK | 60 | | | | 62 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 4.8 | | | | 0 | |
| FUNDS RETAINED IN BUSINESS (2) | 4,669 | 0.16 | | | n.a. | n.a. |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

SUMMARY OF MANAGER OPERATED PHARMACIES BY STATE
(Based on 12 Months of Trading to 30/06/2015)

Table 15

| | QUEENSLAND | | SOUTH AUSTRALIA | | WESTERN AUSTRALIA | |
|---------------------------------------|--------------------------------|---|--------------------------------|---|--------------------------------|---|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % |
| SALES | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| COST OF GOODS SOLD (3) | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| GROSS MARGIN (3) | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Other Income | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| GROSS MARGIN PLUS OTHER INCOME | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| TOTAL REVENUE | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| EXPENSES | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Salaries and Wages | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Rent Paid | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Outgoings - Rental & Rates | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Accounting | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Advertising | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Bank Charges | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Computer Expenses | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Depreciation | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Electricity, Water, Heating | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Insurance | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Interest Paid | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Leasing Expenses | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Motor Vehicle Expenses | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Postage, Freight, Printing | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Repairs, Maintenance, Service | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Subs and Registrations | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Superannuation | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Telephone | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Training | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Abnormal Expenses | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Payroll Tax | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Workers' Compensation | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Other Expenses | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| TOTAL EXPENSES | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| TOTAL INCOME | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Less Proprietors' Salary (1) | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| [Full-Time-Equivalents] | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| NET PROFIT/LOSS | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| EBITDA | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| SALES ANALYSIS | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Prescriptions (3) | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Other Sales (3) | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| INVENTORY ANALYSIS | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Prescription | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Other | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| STOCK CARRIED (Total) | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| STOCK TURN (On Total Inventory) | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| SALES PER INVENTORY DOLLAR | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Prescription | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| Other | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| STATISTICS | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| PHARMACY SIZE (square metres) | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| PRESCRIPTIONS DISPENSED (Total) | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| PRESCRIPTIONS DISPENSED WEEKLY | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| TOTAL HOURS OPEN per WEEK | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| AV HRS WORKED BY PROPRIETORS/WEEK | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |
| FUNDS RETAINED IN BUSINESS (2) | Insufficient sample to publish | | Insufficient sample to publish | | Insufficient sample to publish | |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

SUMMARY OF OWNER OPERATED PHARMACIES BY STATE
(Based on 12 Months of Trading to 30/06/2015)

Table 16

| | AUSTRALIA Owner Operated | | NEW SOUTH WALES | | VICTORIA | |
|---------------------------------------|-----------------------------|--------------|------------------|--------------|------------------|---------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % |
| SALES | 2,538,003 | | 2,422,077 | | 2,493,976 | |
| COST OF GOODS SOLD (3) | 1,520,740 | 59.92 | 1,243,731 | 51.35 | 1,903,929 | 76.34 |
| GROSS MARGIN (3) | 1,017,262 | 40.08 | 1,178,345 | 48.65 | 590,047 | 23.66 |
| Other Income | 42,762 | | 43,933 | | 19,614 | |
| GROSS MARGIN PLUS OTHER INCOME | 1,060,025 | | 1,222,278 | | 609,661 | |
| TOTAL REVENUE | 2,580,765 | | 2,466,010 | | 2,513,590 | |
| EXPENSES | | | | | | |
| Salaries and Wages | 331,317 | 12.84 | 298,993 | 12.12 | 361,947 | 14.40 |
| Rent Paid | 115,953 | 4.49 | 106,536 | 4.32 | 63,419 | 2.52 |
| Outgoings - Rental & Rates | 13,132 | 0.51 | 6,615 | 0.27 | 5,235 | 0.21 |
| Accounting | 7,062 | 0.27 | 6,255 | 0.25 | 9,402 | 0.37 |
| Advertising | 18,757 | 0.73 | 13,796 | 0.56 | 24,212 | 0.96 |
| Bank Charges | 3,796 | 0.15 | 4,116 | 0.17 | 5,381 | 0.21 |
| Computer Expenses | 14,268 | 0.55 | 13,323 | 0.54 | 10,015 | 0.40 |
| Depreciation | 26,213 | 1.02 | 34,032 | 1.38 | 29,718 | 1.18 |
| Electricity, Water, Heating | 11,102 | 0.43 | 9,961 | 0.40 | 6,783 | 0.27 |
| Insurance | 7,849 | 0.30 | 8,888 | 0.36 | 8,831 | 0.35 |
| Interest Paid | 7,252 | 0.28 | 62,662 | 2.54 | 80,101 | 3.19 |
| Leasing Expenses | 7,252 | 0.28 | 15,749 | 0.64 | 13,921 | 0.55 |
| Motor Vehicle Expenses | 8,713 | 0.34 | 6,081 | 0.25 | 18,282 | 0.73 |
| Postage, Freight, Printing | 4,574 | 0.18 | 5,164 | 0.21 | 8,903 | 0.35 |
| Repairs, Maintenance, Service | 3,863 | 0.15 | 3,782 | 0.15 | 4,822 | 0.19 |
| Subs and Registrations | 15,239 | 0.59 | 12,175 | 0.49 | 10,823 | 0.43 |
| Superannuation | 32,921 | 1.28 | 32,707 | 1.33 | 41,109 | 1.64 |
| Telephone | 4,320 | 0.17 | 3,859 | 0.16 | 6,183 | 0.25 |
| Training | 2,930 | 0.11 | 4,015 | 0.16 | 2,828 | 0.11 |
| Abnormal Expenses | 45,716 | 1.77 | 14,544 | 0.59 | 1,800 | 0.07 |
| Payroll Tax | 20,407 | 0.79 | 10,042 | 0.41 | 22,926 | 0.91 |
| Workers' Compensation | 3,247 | 0.13 | 4,992 | 0.20 | 2,713 | 0.11 |
| Other Expenses | 45,716 | 1.77 | 81,042 | 3.29 | 42,469 | 1.69 |
| TOTAL EXPENSES | 751,598 | 29.12 | 759,327 | 30.79 | 781,822 | 31.10 |
| TOTAL INCOME | 308,427 | 11.95 | 462,952 | 18.77 | -172,161 | 6.85 |
| Less Proprietors' Salary (1) | 161,187 | 6.25 | 167,124 | 6.78 | 164,250 | 6.53 |
| [Full-Time-Equivalents] | 1,20 | | 1,24 | | 1,22 | |
| NET PROFIT/LOSS | 147,239 | 5.71 | 295,827 | 12.00 | -336,412 | -13.38 |
| EBITDA | 180,704 | 7.00 | 392,521 | 15.92 | -226,593 | 9.01 |
| SALES ANALYSIS | | | | | | |
| Prescriptions (3) | 1,823,884 | 69.37 | 1,836,859 | 74.43 | 1,801,086 | 72.65 |
| Other Sales (3) | 805,392 | 30.63 | 630,952 | 25.57 | 677,950 | 27.35 |
| INVENTORY ANALYSIS | | | | | | |
| Prescription | 75,154 | 2.91 | 91,696 | 3.72 | 86,461 | 3.44 |
| Other | 130,457 | 5.05 | 74,649 | 3.03 | 99,819 | 3.97 |
| STOCK CARRIED (Total) | 205,611 | 7.97 | 166,345 | 6.75 | 186,281 | 7.41 |
| STOCK TURN (On Total Inventory) | 7.40 | | 7.48 | | 10.22 | |
| SALES PER INVENTORY DOLLAR | | | | | | |
| Prescription | 24.27 | | 20.03 | | 20.83 | |
| Other | 6.17 | | 8.45 | | 6.79 | |
| STATISTICS | | | | | | |
| PHARMACY SIZE (square metres) | 195 | | 172 | | 217 | |
| PRESCRIPTIONS DISPENSED (Total) | 55,630 | | 55,303 | | 53,567 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,150 | | 1,064 | | 1,030 | |
| TOTAL HOURS OPEN per WEEK | 61 | | 55 | | 53 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 46 | | 47 | | 46 | |
| FUNDS RETAINED IN BUSINESS (2) | 408,218 | 15.82 | 396,138 | 16.06 | 279,761 | 11.13 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

SUMMARY OF OWNER OPERATED PHARMACIES BY STATE
(Based on 12 Months of Trading to 30/06/2015)

Table 16

| | QUEENSLAND | | SOUTH AUSTRALIA | | WESTERN AUSTRALIA | |
|---------------------------------------|------------------|--------------|------------------|--------------|-------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % |
| SALES | 2,707,059 | | 2,343,342 | | 2,848,218 | |
| COST OF GOODS SOLD (3) | 1,575,890 | 58.21 | 1,352,536 | 57.72 | 1,790,975 | 62.88 |
| GROSS MARGIN (3) | 1,131,169 | 41.79 | 990,806 | 42.28 | 1,057,242 | 37.12 |
| Other Income | 77,693 | | 41,826 | | 27,494 | |
| GROSS MARGIN PLUS OTHER INCOME | 1,208,862 | | 1,032,632 | | 1,084,736 | |
| TOTAL REVENUE | 2,784,753 | | 2,385,168 | | 2,875,712 | |
| EXPENSES | | | | | | |
| Salaries and Wages | 347,116 | 12.46 | 329,302 | 13.81 | 373,345 | 12.98 |
| Rent Paid | 141,533 | 5.08 | 62,871 | 2.64 | 136,150 | 4.73 |
| Outgoings - Rental & Rates | 28,693 | 1.03 | 9,559 | 0.40 | 4,955 | 0.17 |
| Accounting | 7,867 | 0.28 | 3,861 | 0.16 | 5,012 | 0.17 |
| Advertising | 22,264 | 0.80 | 10,802 | 0.45 | 9,313 | 0.32 |
| Bank Charges | 3,356 | 0.12 | 3,303 | 0.14 | 5,196 | 0.18 |
| Computer Expenses | 16,225 | 0.58 | 14,933 | 0.63 | 10,996 | 0.38 |
| Depreciation | 25,256 | 0.91 | 18,765 | 0.79 | 18,436 | 0.64 |
| Electricity, Water, Heating | 13,015 | 0.47 | 10,968 | 0.46 | 12,874 | 0.45 |
| Insurance | 7,558 | 0.27 | 6,712 | 0.28 | 8,307 | 0.29 |
| Interest Paid | 30,132 | 1.08 | 23,403 | 0.98 | 57,910 | 2.01 |
| Leasing Expenses | 3,648 | 0.13 | n.a. | n.a. | n.a. | n.a. |
| Motor Vehicle Expenses | 8,275 | 0.30 | 4,348 | 0.18 | 2,099 | 0.07 |
| Postage, Freight, Printing | 3,046 | 0.11 | 3,691 | 0.15 | 10,853 | 0.38 |
| Repairs, Maintenance, Service | 3,500 | 0.13 | 4,826 | 0.20 | 3,155 | 0.11 |
| Subs and Registrations | 18,402 | 0.66 | 16,446 | 0.69 | 8,605 | 0.30 |
| Superannuation | 33,543 | 1.20 | 28,411 | 1.19 | 30,259 | 1.05 |
| Telephone | 4,104 | 0.15 | 4,493 | 0.19 | 5,150 | 0.18 |
| Training | 2,578 | 0.09 | 3,355 | 0.14 | 1,739 | 0.06 |
| Abnormal Expenses | 136,132 | 4.89 | n.a. | n.a. | 51,000 | 1.77 |
| Payroll Tax | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Workers' Compensation | 2,754 | 0.10 | 3,960 | 0.17 | 2,830 | 0.10 |
| Other Expenses | 135,797 | 4.88 | 94,310 | 3.95 | 52,988 | 1.84 |
| TOTAL EXPENSES | 994,796 | 35.72 | 658,318 | 27.60 | 811,169 | 28.21 |
| TOTAL INCOME | 214,067 | 7.69 | 374,314 | 15.69 | 273,567 | 9.51 |
| Less Proprietors' Salary (1) | 139,460 | 5.01 | 194,757 | 8.17 | 164,693 | 5.73 |
| [Full-Time-Equivalents] | 1.04 | | 1.45 | | 1.23 | |
| NET PROFIT/LOSS | 74,607 | 2.68 | 179,557 | 7.53 | 108,874 | 3.79 |
| EBITDA | 129,995 | 4.67 | 221,725 | 9.30 | 185,220 | 6.44 |
| SALES ANALYSIS | | | | | | |
| Prescriptions (3) | 1,884,814 | 65.69 | 1,812,242 | 77.34 | 1,800,749 | 63.22 |
| Other Sales (3) | 984,466 | 34.31 | 531,100 | 22.66 | 1,047,469 | 36.78 |
| INVENTORY ANALYSIS | | | | | | |
| Prescription | 62,934 | 2.26 | 67,724 | 2.84 | 59,612 | 2.07 |
| Other | 217,098 | 7.80 | 76,630 | 3.21 | 190,982 | 6.64 |
| STOCK CARRIED (Total) | 280,032 | 10.06 | 144,355 | 6.05 | 250,595 | 8.71 |
| STOCK TURN (On Total Inventory) | 5.63 | | 9.37 | | 7.15 | |
| SALES PER INVENTORY DOLLAR | | | | | | |
| Prescription | 29.95 | | 26.76 | | 30.21 | |
| Other | 4.53 | | 6.93 | | 5.48 | |
| STATISTICS | | | | | | |
| PHARMACY SIZE (square metres) | 195 | | 175 | | 167 | |
| PRESCRIPTIONS DISPENSED (Total) | 58,333 | | 55,366 | | 52,496 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,122 | | 1,065 | | 1,010 | |
| TOTAL HOURS OPEN per WEEK | 66 | | 61 | | 70 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 39 | | 55 | | 47 | |
| FUNDS RETAINED IN BUSINESS (2) | 516,057 | 18.53 | n.a. | n.a. | n.a. | n.a. |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

Table 17

**AVERAGE NUMBER OF EMPLOYEES PER RESPONDENT AND AVERAGE HOURS WORKED
(By State, Based on 12 Months of Trading to 30/06/2015)**

| EMPLOYEES | STATE | | | | | | |
|----------------------------------|-------|-------|-------|-------|-------|------|-------|
| | NSW | VIC | QLD | SA | WA | TAS | AUST |
| PROPRIETORS : | | | | | | | |
| Full Time | 0.9 | 0.8 | 0.8 | 1.3 | 0.2 | 1.0 | 0.8 |
| Part Time & Casual | 2.0 | 2.3 | 1.0 | 0.5 | 1.1 | 1.0 | 1.3 |
| Hours worked per week | 44.9 | 53.9 | 46.9 | 62.6 | 13.1 | 59.9 | 46.9 |
| MANAGERS : | | | | | | | |
| Full Time | 0.5 | 0.1 | 0.4 | 0.2 | 0.4 | n.a. | 0.3 |
| Part Time & Casual | - | - | - | 0.5 | 0.5 | n.a. | 0.2 |
| Hours worked per week | 23.6 | 3.8 | 20.5 | 8.8 | 12.5 | n.a. | 13.8 |
| PHARMACISTS IN CHARGE : | | | | | | | |
| Full Time | 0.3 | 0.9 | 0.4 | 0.3 | 0.9 | 0.5 | 0.5 |
| Part Time & Casual | 0.6 | 0.1 | 0.9 | 0.2 | 1.3 | - | 0.5 |
| Hours worked per week | 20.6 | 37.1 | 22.5 | 23.7 | 54.1 | 22.0 | 30.0 |
| OTHER QUALIFIED : | | | | | | | |
| Full Time | 0.4 | - | 0.3 | n.a. | 0.5 | - | 0.2 |
| Part Time & Casual | 1.1 | 1.1 | 0.8 | 0.3 | 0.9 | 1.0 | 0.9 |
| Hours worked per week | 16.9 | 11.0 | 17.9 | 8.3 | 30.5 | 12.5 | 16.2 |
| PHARMACY ASSISTANTS : | | | | | | | |
| Full Time | 0.9 | 0.4 | 0.9 | 0.8 | 1.9 | 1.4 | 1.0 |
| Part Time & Casual | n.a. | 1.3 | 3.2 | 0.7 | 3.2 | 0.7 | 1.8 |
| Hours worked per week | 34.8 | 18.2 | 32.1 | 28.5 | 73.8 | 36.0 | 37.2 |
| SALES & OTHER STAFF : | | | | | | | |
| Full Time | 1.4 | 1.6 | 0.9 | 1.8 | 0.6 | 1.3 | 1.3 |
| Part Time & Casual | 3.3 | 2.4 | 1.9 | 1.4 | 0.8 | 3.3 | 2.2 |
| Hours worked per week | 95.4 | 213.5 | 71.9 | 56.3 | 35.3 | 73.0 | 90.9 |
| TOTAL STAFF : | | | | | | | |
| Full Time | 4.3 | 3.8 | 3.7 | n.a. | 4.4 | n.a. | 4.2 |
| Part Time & Casual | 7.0 | 7.3 | 7.8 | 3.6 | 7.8 | n.a. | 6.9 |
| Hours worked per week | 236.1 | 337.5 | 211.8 | 188.2 | 219.3 | n.a. | 235.0 |

Table 18

**AVERAGE NUMBER OF EMPLOYEES PER RESPONDENT AND AVERAGE HOURS WORKED
(By Turnover Range, Based on 12 Months of Trading to 30/06/2015)**

| EMPLOYEES | BY TURNOVER CATEGORY (\$) | | | | | | | |
|----------------------------------|---------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------|
| | Up to \$1,000,000 | \$1,000,000 to \$1,500,000 | \$1,500,000 to \$2,000,000 | \$2,000,000 to \$3,000,000 | \$3,000,000 to \$4,000,000 | \$4,000,000 to \$5,000,000 | \$5,000,000 to \$7,000,000 | Over \$7,000,000 |
| PROPRIETORS : | | | | | | | | |
| Full Time | 0.8 | 0.8 | 0.9 | 0.5 | 0.5 | 1.0 | 0.4 | - |
| Part Time & Casual | n.a. | n.a. | 1.3 | 2.0 | 1.0 | n.a. | n.a. | n.a. |
| Hours worked per week | 50.4 | n.a. | 72.2 | 72.6 | 54.5 | n.a. | 74.7 | n.a. |
| MANAGERS : | | | | | | | | |
| Full Time | 0.7 | 0.3 | 0.4 | n.a. | 0.4 | 0.3 | 1.4 | 1.0 |
| Part Time & Casual | 1.0 | n.a. | 0.4 | n.a. | n.a. | n.a. | n.a. | n.a. |
| Hours worked per week | 59.9 | n.a. | 27.7 | n.a. | 25.0 | n.a. | 42.4 | 53.0 |
| PHARMACISTS IN CHARGE : | | | | | | | | |
| Full Time | 0.3 | 0.3 | 0.7 | 0.3 | 0.5 | 1.0 | 1.1 | n.a. |
| Part Time & Casual | 1.6 | 0.5 | 0.6 | 1.5 | 0.8 | 0.4 | 1.7 | 0.7 |
| Hours worked per week | 52.4 | 6.0 | 28.0 | 18.0 | 29.3 | 12.0 | 29.1 | 140.7 |
| OTHER QUALIFIED : | | | | | | | | |
| Full Time | n.a. | n.a. | 0.2 | n.a. | - | 1.3 | 0.8 | n.a. |
| Part Time & Casual | 0.5 | 2.0 | 0.6 | 0.6 | 2.0 | n.a. | 1.8 | n.a. |
| Hours worked per week | 10.0 | 4.0 | 11.2 | 2.1 | 8.4 | 49.3 | 41.9 | n.a. |
| PHARMACY ASSISTANTS : | | | | | | | | |
| Full Time | 2.5 | 1.6 | 0.5 | 1.3 | 1.1 | 2.6 | 2.0 | 0.3 |
| Part Time & Casual | 4.3 | 2.6 | 2.4 | 2.3 | 4.3 | 2.1 | 3.6 | 4.8 |
| Hours worked per week | 132.3 | 151.9 | 45.0 | 81.4 | 96.0 | 173.9 | 118.4 | 54.8 |
| SALES & OTHER STAFF : | | | | | | | | |
| Full Time | 1.9 | 4.0 | 1.4 | 0.4 | 1.1 | 2.4 | 2.5 | n.a. |
| Part Time & Casual | 2.4 | 2.2 | 1.7 | 0.9 | 1.9 | 4.6 | 4.0 | n.a. |
| Hours worked per week | 72.1 | 58.2 | 36.7 | 13.8 | 34.4 | 44.4 | 130.7 | n.a. |
| TOTAL STAFF : | | | | | | | | |
| Full Time | 6.1 | 7.0 | 4.1 | 2.6 | 3.7 | 8.6 | 8.2 | 1.3 |
| Part Time & Casual | 9.8 | 7.3 | 7.0 | 7.2 | 10.0 | 7.2 | 11.2 | 5.4 |
| Hours worked per week | 377.1 | 220.1 | 220.9 | 187.8 | 247.7 | 279.6 | 437.2 | 248.5 |

AUSTRALIAN PHARMACIES - WEEKLY PRESCRIPTION VOLUME
(Based on 12 Months of Trading to 30/06/2015)

Table 19

| | Up to 400 | | 401-600 | | 601-800 | | 801-1,000 | |
|---|-----------------|---------------|------------------|--------------|------------------|--------------|------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 731,528 | | 1,324,616 | | 1,805,796 | | 2,318,295 | |
| COST OF GOODS SOLD (3) | 501,336 | 68.53 | 759,221 | 57.32 | 1,091,790 | 60.46 | 1,466,324 | 63.25 |
| GROSS MARGIN (3) | 230,193 | 31.47 | 565,395 | 42.68 | 714,006 | 39.54 | 851,970 | 36.75 |
| Other Income | 21,792 | | 18,497 | | n.a. | | 40,132 | |
| GROSS MARGIN PLUS OTHER INCOME | 251,985 | | 583,892 | | 714,006 | | 892,102 | |
| TOTAL REVENUE | 753,320 | | 1,343,113 | | 1,805,796 | | 2,358,427 | |
| EXPENSES | | | | | | | | |
| Salaries and Wages | 135,436 | 17.98 | 199,973 | 14.89 | 226,600 | 12.55 | 320,625 | 13.59 |
| Rent Paid | 43,943 | 5.83 | 99,579 | 7.41 | 78,388 | 4.34 | 136,169 | 5.77 |
| Outgoings - Rental & Rates | 8,213 | 1.09 | n.a. | n.a. | 14,168 | 0.78 | 20,444 | 0.87 |
| Accounting | 3,205 | 0.43 | 6,047 | 0.45 | 6,296 | 0.35 | 9,923 | 0.42 |
| Advertising | 4,590 | 0.61 | 7,248 | 0.54 | 12,756 | 0.71 | 25,177 | 1.07 |
| Bank Charges | 2,287 | 0.30 | 3,598 | 0.27 | 4,960 | 0.27 | 7,028 | 0.30 |
| Computer Expenses | 9,792 | 1.30 | 11,936 | 0.89 | 12,183 | 0.67 | 13,466 | 0.57 |
| Depreciation | 12,764 | 1.69 | 16,599 | 1.24 | 16,510 | 0.91 | 29,144 | 1.24 |
| Electricity, Water, Heating | 5,312 | 0.71 | 8,297 | 0.62 | 8,946 | 0.50 | 12,965 | 0.55 |
| Insurance | 5,214 | 0.69 | 5,687 | 0.42 | 7,267 | 0.40 | 7,930 | 0.34 |
| Interest Paid | 22,844 | 3.03 | 21,934 | 1.63 | 32,474 | 1.80 | 39,798 | 1.69 |
| Leasing Expenses | 1,428 | 0.19 | n.a. | n.a. | 8,585 | 0.48 | n.a. | n.a. |
| Motor Vehicle Expenses | 4,193 | 0.56 | n.a. | n.a. | 6,858 | 0.38 | 6,459 | 0.27 |
| Postage, Freight, Printing | 3,336 | 0.44 | 3,726 | 0.28 | 4,657 | 0.26 | 7,429 | 0.32 |
| Repairs, Maintenance, Service | 3,726 | 0.49 | 1,963 | 0.15 | 3,475 | 0.19 | 3,738 | 0.16 |
| Subs and Registrations | 5,372 | 0.71 | 14,288 | 1.06 | 12,749 | 0.71 | 16,355 | 0.69 |
| Superannuation | 10,377 | 1.38 | 18,834 | 1.40 | 20,687 | 1.15 | 30,284 | 1.28 |
| Telephone | 2,495 | 0.33 | 3,011 | 0.22 | 4,690 | 0.26 | 4,549 | 0.19 |
| Training | 928 | 0.12 | 1,172 | 0.09 | 2,154 | 0.12 | 1,994 | 0.08 |
| Abnormal Expenses | -5,744 | -0.76 | -57,073 | -4.25 | 17,509 | 0.97 | 39,338 | 1.67 |
| Payroll Tax | 6,090 | 0.81 | 19,900 | 1.48 | n.a. | n.a. | n.a. | n.a. |
| Workers' Compensation | 1,036 | 0.14 | 2,014 | 0.15 | 1,700 | 0.09 | 2,469 | 0.10 |
| Other Expenses | 8,624 | 1.14 | 44,101 | 3.28 | 50,288 | 2.78 | 76,086 | 3.23 |
| TOTAL EXPENSES | 295,463 | 39.22 | 432,834 | 32.23 | 553,902 | 30.67 | 811,369 | 34.40 |
| TOTAL INCOME | -43,478 | 5.77 | 151,058 | 11.25 | 160,104 | 8.87 | 80,733 | 3.42 |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 140,965 1.05 | 18.71 | 102,967 0.77 | 7.67 | 148,716 1.11 | 8.24 | 46,571 0.35 | 1.97 |
| NET PROFIT/LOSS | -184,443 | -24.48 | 48,091 | 3.58 | 11,388 | 0.63 | 34,162 | 1.45 |
| EBITDA | -148,835 | 19.76 | 86,624 | 6.45 | 60,372 | 3.34 | 103,104 | 4.37 |
| SALES ANALYSIS | | | | | | | | |
| Prescriptions (3) | 508,609 | 66.87 | 894,255 | 64.43 | 1,286,964 | 70.18 | 1,523,904 | 65.21 |
| Other Sales (3) | 252,037 | 33.13 | 493,701 | 35.57 | 546,810 | 29.82 | 813,134 | 34.79 |
| INVENTORY ANALYSIS | | | | | | | | |
| Prescription | 42,288 | 5.61 | 48,409 | 3.60 | 66,139 | 3.66 | 72,915 | 3.09 |
| Other | 75,058 | 9.96 | 114,345 | 8.51 | 126,077 | 6.98 | 202,362 | 8.58 |
| STOCK CARRIED (Total) | 117,345 | 15.58 | 162,755 | 12.12 | 192,216 | 10.64 | 275,277 | 11.67 |
| STOCK TURN (On Total Inventory) | 4.27 | | 4.66 | | 5.68 | | 5.33 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | |
| Prescription | 12.03 | | 18.47 | | 19.46 | | 20.90 | |
| Other | 3.36 | | 4.32 | | 4.34 | | 4.02 | |
| STATISTICS | | | | | | | | |
| PHARMACY SIZE (square metres) | 184 | | 238 | | 164 | | 182 | |
| PRESCRIPTIONS DISPENSED (Total) | 15,485 | | 26,573 | | 36,663 | | 46,493 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 298 | | 511 | | 705 | | 894 | |
| TOTAL HOURS OPEN per WEEK | 50 | | 62 | | 59 | | 62 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 40 | | 29 | | 42 | | 13 | |
| FUNDS RETAINED IN BUSINESS (2) | 12,940 | 1.72 | 49,202 | 3.66 | 135,245 | 7.49 | -71,498 | 3.03 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

AUSTRALIAN PHARMACIES - WEEKLY PRESCRIPTION VOLUME
(Based on 12 Months of Trading to 30/06/2015)

Table 19

| | 1,001-1,200 | | 1,201-1,400 | | 1,401-2,000 | | Over 2,000 | |
|---|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 2,897,810 | | 3,358,645 | | 4,156,421 | | 6,402,143 | |
| COST OF GOODS SOLD (3) | 1,673,014 | 57.73 | 1,933,735 | 57.57 | 2,590,415 | 62.32 | 3,780,649 | 59.05 |
| GROSS MARGIN (3) | 1,224,797 | 42.27 | 1,424,910 | 42.43 | 1,566,006 | 37.68 | 2,621,494 | 40.95 |
| Other Income | 32,248 | | 50,454 | | 78,960 | | 59,892 | |
| GROSS MARGIN PLUS OTHER INCOME | 1,257,045 | | 1,475,365 | | 1,644,966 | | 2,681,386 | |
| TOTAL REVENUE | 2,930,059 | | 3,409,099 | | 4,235,381 | | 6,462,035 | |
| EXPENSES | | | | | | | | |
| Salaries and Wages | 366,413 | 12.51 | 411,018 | 12.06 | 537,540 | 12.69 | 873,968 | 13.52 |
| Rent Paid | 143,655 | 4.90 | 157,567 | 4.62 | 200,306 | 4.73 | 296,234 | 4.58 |
| Outgoings - Rental & Rates | 24,892 | 0.85 | 22,677 | 0.67 | 30,454 | 0.72 | 28,335 | 0.44 |
| Accounting | 9,940 | 0.34 | 8,544 | 0.25 | 10,523 | 0.25 | 14,631 | 0.23 |
| Advertising | 21,747 | 0.74 | 25,793 | 0.76 | 30,270 | 0.71 | 61,471 | 0.95 |
| Bank Charges | 8,609 | 0.29 | 8,412 | 0.25 | 10,624 | 0.25 | 12,642 | 0.20 |
| Computer Expenses | 11,850 | 0.40 | 13,420 | 0.39 | 14,278 | 0.34 | 17,502 | 0.27 |
| Depreciation | 29,918 | 1.02 | 33,411 | 0.98 | 45,171 | 1.07 | 65,260 | 1.01 |
| Electricity, Water, Heating | 13,281 | 0.45 | 15,342 | 0.45 | 18,748 | 0.44 | 21,893 | 0.34 |
| Insurance | 9,421 | 0.32 | 8,278 | 0.24 | 11,504 | 0.27 | 14,480 | 0.22 |
| Interest Paid | 37,122 | 1.27 | 51,470 | 1.51 | 67,390 | 1.59 | 84,370 | 1.31 |
| Leasing Expenses | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. | n.a. |
| Motor Vehicle Expenses | 5,983 | 0.20 | 4,225 | 0.12 | 5,140 | 0.12 | 18,754 | 0.29 |
| Postage, Freight, Printing | 8,456 | 0.29 | 13,191 | 0.39 | 16,621 | 0.39 | 21,493 | 0.33 |
| Repairs, Maintenance, Service | 4,047 | 0.14 | 4,514 | 0.13 | 6,539 | 0.15 | 10,193 | 0.16 |
| Subs and Registrations | 17,473 | 0.60 | 28,669 | 0.84 | 24,008 | 0.57 | 33,115 | 0.51 |
| Superannuation | 33,304 | 1.14 | 38,759 | 1.14 | 50,647 | 1.20 | 81,538 | 1.26 |
| Telephone | 4,966 | 0.17 | 4,728 | 0.14 | 5,820 | 0.14 | 11,155 | 0.17 |
| Training | 2,897 | 0.10 | 3,223 | 0.09 | 2,281 | 0.05 | 4,605 | 0.07 |
| Abnormal Expenses | 98,724 | 3.37 | 19,917 | 0.58 | 93,299 | 2.20 | n.a. | n.a. |
| Payroll Tax | 14,972 | 0.51 | 18,640 | 0.55 | 16,589 | 0.39 | n.a. | n.a. |
| Workers' Compensation | 2,809 | 0.10 | 2,865 | 0.08 | 4,442 | 0.10 | 6,945 | 0.11 |
| Other Expenses | 123,554 | 4.22 | 115,469 | 3.39 | 115,740 | 2.73 | 200,649 | 3.11 |
| TOTAL EXPENSES | 994,034 | 33.93 | 1,010,131 | 29.63 | 1,317,932 | 31.12 | 1,879,235 | 29.08 |
| TOTAL INCOME | 263,011 | 8.98 | 465,233 | 13.65 | 327,034 | 7.72 | 802,151 | 12.41 |
| Less Proprietors' Salary (1) [Full-Time-Equivalents] | 81,352 0.61 | 2.78 | 103,699 0.77 | 3.04 | 100,695 0.75 | 2.38 | 62,656 0.47 | 0.97 |
| NET PROFIT/LOSS | 181,660 | 6.20 | 361,534 | 10.60 | 226,339 | 5.34 | 739,495 | 11.44 |
| EBITDA | 248,700 | 8.49 | 446,415 | 13.09 | 338,900 | 8.00 | 889,126 | 13.76 |
| SALES ANALYSIS | | | | | | | | |
| Prescriptions (3) | 1,932,983 | 65.79 | 2,199,782 | 64.97 | 2,926,380 | 70.41 | 4,475,958 | 69.28 |
| Other Sales (3) | 1,005,028 | 34.21 | 1,186,072 | 35.03 | 1,229,957 | 29.59 | 1,984,853 | 30.72 |
| INVENTORY ANALYSIS | | | | | | | | |
| Prescription | 77,393 | 2.64 | 91,431 | 2.68 | 93,867 | 2.22 | 139,605 | 2.16 |
| Other | 244,965 | 8.36 | 230,783 | 6.77 | 232,311 | 5.48 | 330,763 | 5.12 |
| STOCK CARRIED (Total) | 322,358 | 11.00 | 322,214 | 9.45 | 326,178 | 7.70 | 470,368 | 7.28 |
| STOCK TURN (On Total Inventory) | 5.19 | | 6.00 | | 7.94 | | 8.04 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | |
| Prescription | 24.98 | | 24.06 | | 31.18 | | 32.06 | |
| Other | 4.10 | | 5.14 | | 5.29 | | 6.00 | |
| STATISTICS | | | | | | | | |
| PHARMACY SIZE (square metres) | 257 | | 246 | | 238 | | 338 | |
| PRESCRIPTIONS DISPENSED (Total) | 58,418 | | 67,129 | | 87,158 | | 157,060 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 1,123 | | 1,291 | | 1,676 | | 3,020 | |
| TOTAL HOURS OPEN per WEEK | 58 | | 69 | | 63 | | 72 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 23 | | 29 | | 28 | | 18 | |
| FUNDS RETAINED IN BUSINESS (2) | 282,740 | 9.65 | 553,986 | 16.25 | -48,787 | 1.15 | -268,888 | 4.16 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietors.

(3) Percentages against Pharmacy Sales

AUSTRALIAN PHARMACIES - PERCENTAGE PRESCRIPTION/ TOTAL SALES
(Based on 12 Months of Trading to 30/06/2015)

Table 20

| | Less Than 50% | | 50%-60% | | 60%-70% | | 70%-80% | | Over 80% | |
|--|-------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 3,304,866 | | 3,925,605 | | 3,469,062 | | 3,010,074 | | 2,135,826 | |
| COST OF GOODS SOLD (3) | 1,818,659 | 55.03 | 2,186,030 | 55.69 | 2,177,279 | 62.76 | 1,875,193 | 62.30 | 1,424,690 | 66.70 |
| GROSS MARGIN (3) | 1,486,207 | 44.97 | 1,739,575 | 44.31 | 1,291,783 | 37.24 | 1,134,881 | 37.70 | 711,136 | 33.30 |
| Other Income | 32,891 | | 50,884 | | 53,940 | | 56,247 | | 30,324 | |
| GROSS MARGIN PLUS OTHER INCOME | 1,519,098 | | 1,790,459 | | 1,345,723 | | 1,191,128 | | 741,460 | |
| TOTAL REVENUE | 3,337,756 | | 3,976,489 | | 3,523,002 | | 3,066,321 | | 2,166,150 | |
| EXPENSES | | | | | | | | | | |
| Salaries and Wages | 456,107 | 13.67 | 520,812 | 13.10 | 459,323 | 13.04 | 400,990 | 13.08 | 277,712 | 12.82 |
| Rent Paid | 291,983 | 8.75 | 238,009 | 5.99 | 180,500 | 5.12 | 126,597 | 4.13 | 64,121 | 2.96 |
| Outgoings - Rental & Rates | 50,820 | 1.52 | 30,768 | 0.77 | 22,525 | 0.64 | 13,325 | 0.43 | 8,267 | 0.38 |
| Accounting | 7,380 | 0.22 | 11,321 | 0.28 | 10,322 | 0.29 | 9,149 | 0.30 | 6,740 | 0.31 |
| Advertising | 30,802 | 0.92 | 44,505 | 1.12 | 25,635 | 0.73 | 25,291 | 0.82 | 11,286 | 0.52 |
| Bank Charges | 12,933 | 0.39 | 12,161 | 0.31 | 9,241 | 0.26 | 5,831 | 0.19 | 4,157 | 0.19 |
| Computer Expenses | 13,799 | 0.41 | 11,761 | 0.30 | 14,262 | 0.40 | 14,264 | 0.47 | 12,092 | 0.56 |
| Depreciation | 46,312 | 1.39 | 39,003 | 0.98 | 34,160 | 0.97 | 28,448 | 0.93 | 28,756 | 1.33 |
| Electricity, Water, Heating | 20,250 | 0.61 | 17,744 | 0.45 | 16,431 | 0.47 | 12,285 | 0.40 | 8,621 | 0.40 |
| Insurance | 10,277 | 0.31 | 10,859 | 0.27 | 9,694 | 0.28 | 8,350 | 0.27 | 7,519 | 0.35 |
| Interest Paid | 75,970 | 2.28 | 48,136 | 1.21 | 50,990 | 1.45 | 34,066 | 1.11 | 54,558 | 2.52 |
| Leasing Expenses | 25,841 | 0.77 | 8,170 | 0.21 | 9,090 | 0.26 | n.a. | n.a. | 10,300 | 0.48 |
| Motor Vehicle Expenses | 6,578 | 0.20 | 6,599 | 0.17 | 4,608 | 0.13 | 4,974 | 0.16 | 11,564 | 0.53 |
| Postage, Freight, Printing | 13,352 | 0.40 | 12,381 | 0.31 | 14,747 | 0.42 | 9,402 | 0.31 | 5,830 | 0.27 |
| Repairs, Maintenance, Service | 7,070 | 0.21 | 4,543 | 0.11 | 4,980 | 0.14 | 4,609 | 0.15 | 4,351 | 0.20 |
| Subs and Registrations | 18,212 | 0.55 | 23,877 | 0.60 | 23,155 | 0.66 | 20,586 | 0.67 | 13,317 | 0.61 |
| Superannuation | 37,249 | 1.12 | 45,938 | 1.16 | 41,338 | 1.17 | 37,031 | 1.21 | 29,990 | 1.38 |
| Telephone | 4,683 | 0.14 | 6,833 | 0.17 | 5,265 | 0.15 | 5,176 | 0.17 | 4,791 | 0.22 |
| Training | 1,669 | 0.05 | 2,440 | 0.06 | 2,980 | 0.08 | 2,253 | 0.07 | 2,450 | 0.11 |
| Abnormal Expenses | -89,715 | -2.69 | 158,761 | 3.99 | 68,127 | 1.93 | 93,239 | 3.04 | 30,410 | 1.40 |
| Payroll Tax | 18,208 | 0.55 | 21,189 | 0.53 | 16,017 | 0.45 | 26,776 | 0.87 | 14,191 | 0.66 |
| Workers' Compensation | 3,061 | 0.09 | 4,214 | 0.11 | 3,584 | 0.10 | 2,999 | 0.10 | 3,089 | 0.14 |
| Other Expenses | 51,372 | 1.54 | 119,610 | 3.01 | 114,667 | 3.25 | 97,806 | 3.19 | 79,021 | 3.65 |
| TOTAL EXPENSES | 1,114,213 | 33.38 | 1,399,634 | 35.20 | 1,141,642 | 32.41 | 983,448 | 32.07 | 693,133 | 32.00 |
| TOTAL INCOME | 404,885 | 12.13 | 390,825 | 9.83 | 204,082 | 5.79 | 207,679 | 6.77 | 48,327 | 2.23 |
| Less Proprietors' Salary (1) | 82,059 | 2.46 | 61,701 | 1.55 | 64,993 | 1.84 | 75,880 | 2.47 | 148,448 | 6.85 |
| [Full-Time-Equivalents] | 0.61 | | 0.46 | | 0.48 | | 0.56 | | 1.10 | |
| NET PROFIT/LOSS | 322,826 | 9.67 | 329,123 | 8.28 | 139,089 | 3.95 | 131,799 | 4.30 | -100,121 | -4.62 |
| EBITDA | 445,109 | 13.34 | 416,262 | 10.47 | 224,239 | 6.36 | 194,313 | 6.34 | -16,807 | -0.78 |
| SALES ANALYSIS | | | | | | | | | | |
| Prescriptions (3) | 1,307,322 | 39.69 | 2,208,204 | 56.34 | 2,272,927 | 65.56 | 2,271,307 | 75.47 | 1,804,815 | 84.56 |
| Other Sales (3) | 1,986,621 | 60.31 | 1,711,299 | 43.66 | 1,193,804 | 34.44 | 738,364 | 24.53 | 329,423 | 15.44 |
| INVENTORY ANALYSIS | | | | | | | | | | |
| Prescription | 70,074 | 2.10 | 76,127 | 1.91 | 92,559 | 2.63 | 80,633 | 2.63 | 85,029 | 3.93 |
| Other | 312,977 | 9.38 | 344,523 | 8.66 | 240,692 | 6.83 | 155,423 | 5.07 | 74,949 | 3.46 |
| STOCK CARRIED (Total) | 383,051 | 11.48 | 420,650 | 10.58 | 333,251 | 9.46 | 236,055 | 7.70 | 159,978 | 7.39 |
| STOCK TURN (On Total Inventory) | 4.75 | | 5.20 | | 6.53 | | 7.94 | | 8.91 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | | | |
| Prescription | 18.66 | | 29.01 | | 24.56 | | 28.17 | | 21.23 | |
| Other | 6.35 | | 4.97 | | 4.96 | | 4.75 | | 4.40 | |
| STATISTICS | | | | | | | | | | |
| PHARMACY SIZE (square metres) | 335 | | 343 | | 233 | | 176 | | 164 | |
| PRESCRIPTIONS DISPENSED (Total) | 42,271 | | 68,259 | | 76,356 | | 69,042 | | 53,463 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 813 | | 1,313 | | 1,468 | | 1,328 | | 1,028 | |
| TOTAL HOURS OPEN per WEEK | 60 | | 59 | | 68 | | 62 | | 58 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 23 | | 17 | | 18 | | 21 | | 42 | |
| FUNDS RETAINED IN BUSINESS (2) | -118,607 - | 3.55 | 355,504 | 8.94 | -22,855 - | 0.65 | 41,410 | 1.35 | 242,318 | 11.19 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

AUSTRALIAN PHARMACIES - WEEKLY HOURS OPEN

(Based on 12 Months of Trading to 30/06/2015)

Table 21

| | Up to 50 | | 51-60 | | 61-70 | | Over 70 | |
|--|------------------|--------------|------------------|--------------|------------------|--------------|------------------|--------------|
| SALES, EXPENSES & PROFITABILITY | \$ | % | \$ | % | \$ | % | \$ | % |
| SALES | 1,934,571 | | 1,849,095 | | 3,490,659 | | 3,356,464 | |
| COST OF GOODS SOLD (3) | 1,126,294 | 58.22 | 1,226,519 | 66.33 | 2,234,328 | 64.01 | 1,841,837 | 54.87 |
| GROSS MARGIN (3) | 808,276 | 41.78 | 622,577 | 33.67 | 1,256,331 | 35.99 | 1,514,627 | 45.13 |
| Other Income | 31,668 | | 22,776 | | 12,842 | | 101,840 | |
| GROSS MARGIN PLUS OTHER INCOME | 839,944 | | 645,352 | | 1,269,173 | | 1,616,467 | |
| TOTAL REVENUE | 1,966,239 | | 1,871,871 | | 3,503,501 | | 3,458,304 | |
| EXPENSES | | | | | | | | |
| Salaries and Wages | 245,359 | 12.48 | 241,460 | 12.90 | 399,716 | 11.41 | 446,278 | 12.90 |
| Rent Paid | 62,507 | 3.18 | 59,712 | 3.19 | 211,602 | 6.04 | 157,890 | 4.57 |
| Outgoings - Rental & Rates | 13,203 | 0.67 | 6,927 | 0.37 | 12,813 | 0.37 | 20,519 | 0.59 |
| Accounting | 7,553 | 0.38 | 4,991 | 0.27 | 7,628 | 0.22 | 9,463 | 0.27 |
| Advertising | 7,795 | 0.40 | 9,318 | 0.50 | 35,829 | 1.02 | 24,340 | 0.70 |
| Bank Charges | 5,187 | 0.26 | 3,807 | 0.20 | 3,782 | 0.11 | 3,090 | 0.09 |
| Computer Expenses | 11,298 | 0.57 | 11,013 | 0.59 | 19,405 | 0.55 | 15,937 | 0.46 |
| Depreciation | 24,921 | 1.27 | 16,948 | 0.91 | 30,192 | 0.86 | 34,442 | 1.00 |
| Electricity, Water, Heating | 8,257 | 0.42 | 7,325 | 0.39 | 14,673 | 0.42 | 15,471 | 0.45 |
| Insurance | 8,056 | 0.41 | 6,475 | 0.35 | 7,398 | 0.21 | 9,118 | 0.26 |
| Interest Paid | 42,747 | 2.17 | 46,033 | 2.46 | 14,689 | 0.42 | 51,304 | 1.48 |
| Leasing Expenses | 13,832 | 0.70 | 6,935 | 0.37 | 8,959 | 0.26 | 2,844 | 0.08 |
| Motor Vehicle Expenses | 7,742 | 0.39 | 6,081 | 0.32 | 4,075 | 0.12 | 18,037 | 0.52 |
| Postage, Freight, Printing | 4,543 | 0.23 | 4,091 | 0.22 | 5,628 | 0.16 | 3,539 | 0.10 |
| Repairs, Maintenance, Service | 3,212 | 0.16 | 4,107 | 0.22 | 2,949 | 0.08 | 5,087 | 0.15 |
| Subs and Registrations | 9,722 | 0.49 | 10,533 | 0.56 | 22,032 | 0.63 | 19,916 | 0.58 |
| Superannuation | 24,890 | 1.27 | 25,277 | 1.35 | 34,890 | 1.00 | 45,368 | 1.31 |
| Telephone | 4,079 | 0.21 | 4,406 | 0.24 | 3,773 | 0.11 | 5,796 | 0.17 |
| Training | 2,302 | 0.12 | 2,637 | 0.14 | 2,982 | 0.09 | 4,154 | 0.12 |
| Abnormal Expenses | n/a | n/a | 4,771 | 0.25 | 9,000 | 0.26 | 30,417 | 0.88 |
| Payroll Tax | n/a | n/a | 10,824 | 0.58 | 14,797 | 0.42 | 23,974 | 0.69 |
| Workers' Compensation | 2,955 | 0.15 | 2,403 | 0.13 | 2,973 | 0.08 | 4,734 | 0.14 |
| Other Expenses | 58,816 | 2.99 | 46,127 | 2.46 | 163,657 | 4.67 | 171,043 | 4.95 |
| TOTAL EXPENSES | 568,976 | 28.94 | 542,201 | 28.97 | 1,033,442 | 29.50 | 1,122,763 | 32.47 |
| TOTAL INCOME | 270,968 | 13.78 | 103,151 | 5.51 | 235,730 | 6.73 | 493,704 | 14.28 |
| Less Proprietors' Salary (1) | 150,544 | 7.66 | 145,064 | 7.75 | 210,895 | 6.02 | 131,754 | 3.81 |
| [Full-Time-Equivalents] | 1.12 | | 1.08 | | 1.57 | | 0.98 | |
| NET PROFIT/LOSS | 120,424 | 6.12 | -41,913 | -2.24 | 24,835 | 0.71 | 361,950 | 10.47 |
| EBITDA | 188,092 | 9.57 | 21,068 | 1.13 | 69,716 | 1.99 | 447,696 | 12.95 |
| SALES ANALYSIS | | | | | | | | |
| Prescriptions (3) | 1,440,920 | 72.42 | 1,418,477 | 75.02 | 2,388,103 | 64.25 | 2,455,665 | 70.34 |
| Other Sales (3) | 548,701 | 27.58 | 472,291 | 24.98 | 1,328,662 | 35.75 | 1,035,654 | 29.66 |
| INVENTORY ANALYSIS | | | | | | | | |
| Prescription | 80,218 | 4.08 | 68,523 | 3.66 | 88,444 | 2.52 | 100,309 | 2.90 |
| Other | 110,271 | 5.61 | 73,891 | 3.95 | 332,057 | 9.48 | 151,386 | 4.38 |
| STOCK CARRIED (Total) | 190,489 | 9.69 | 142,413 | 7.61 | 420,501 | 12.00 | 251,695 | 7.28 |
| STOCK TURN (On Total Inventory) | 5.91 | | 8.61 | | 5.31 | | 7.32 | |
| SALES PER INVENTORY DOLLAR | | | | | | | | |
| Prescription | 17.96 | | 20.70 | | 27.00 | | 24.48 | |
| Other | 4.98 | | 6.39 | | 4.00 | | 6.84 | |
| STATISTICS | | | | | | | | |
| PHARMACY SIZE (square metres) | 175 | | 174 | | 258 | | 221 | |
| PRESCRIPTIONS DISPENSED (Total) | 43,538 | | 42,952 | | 74,495 | | 91,206 | |
| PRESCRIPTIONS DISPENSED WEEKLY | 837 | | 826 | | 1,433 | | 1,754 | |
| TOTAL HOURS OPEN per WEEK | 46 | | 54 | | 66 | | 85 | |
| AV HRS WORKED BY PROPRIETORS/WEEK | 43 | | 41 | | 60 | | 37 | |
| FUNDS RETAINED IN BUSINESS (2) | 173,025 | 8.80 | 156,402 | 8.36 | 969,524 | 27.67 | 935,736 | 27.06 |

(1) Notional Proprietor's Salary is based on actual manager's wages and includes on-costs such as a provision for annual leave, long service leave etc.

(2) Funds Retained in Business is calculated as the difference between Total Income and Drawings by Proprietor's.

(3) Percentages against Pharmacy Sales

AUSTRALIAN PHARMACIES - BALANCE SHEET 2014-15

Table 22

| | 30-Jun-14 (436 Pharmacies) | | 30-Jun-15 (313 Pharmacies) | | Amount and % Change | |
|-------------------------------------|-------------------------------|------|-------------------------------|------|---------------------|-----|
| | \$ | % | \$ | % | \$ | % |
| Assets (excluding Goodwill) | 680,177 | 24% | 819,289 | 29% | 139,112 | 20% |
| Liabilities | 1,389,070 | 49% | 1,341,010 | 48% | -48,060 | -3% |
| Net Worth excluding Goodwill | -595,095 | -21% | -563,785 | -20% | 31,310 | -5% |
| Total Revenue | 2,835,814 | 100% | 2,806,559 | 100% | -29,255 | -1% |
| Trading Profit | 210,822 | 7% | 191,488 | 7% | -19,334 | -9% |

AUSTRALIAN PHARMACIES - BALANCE SHEET 2014-15
BY TURNOVER GROUP

Table 23

| | Under \$1M | | \$1.0M-\$1.5M | | \$1.5M-\$2.0M | | \$2.0M-\$3.0M | |
|----------------------------------|------------|--------|---------------|--------|---------------|--------|---------------|--------|
| | \$ | % | \$ | % | \$ | % | \$ | % |
| Assets including Goodwill | 578,360 | 78.62 | 984,360 | 78.15 | 1,438,861 | 83.02 | 2,013,413 | 81.64 |
| Liabilities | 434,494 | 59.06 | 612,709 | 48.64 | 895,717 | 51.68 | 1,229,137 | 49.84 |
| Net Worth | 143,866 | 19.56 | 371,651 | 29.51 | 543,144 | 31.34 | 784,276 | 31.80 |
| Total Revenue | 735,675 | 100.00 | 1,259,571 | 100.00 | 1,733,214 | 100.00 | 2,466,204 | 100.00 |
| Trading Profit | 105,413 | 14.33 | 317,740 | 25.23 | 517,086 | 29.83 | 795,496 | 32.26 |

| | \$3.0M-\$4.0M | | \$4.0M-\$5.0M | | \$5.0M-\$7.0M | | Over \$7.0M | |
|----------------------------------|---------------|--------|---------------|--------|---------------|--------|-------------|--------|
| | \$ | % | \$ | % | \$ | % | \$ | % |
| Assets including Goodwill | 2,761,691 | 79.77 | 3,347,988 | 76.40 | 4,357,504 | 74.88 | 6,693,695 | 80.04 |
| Liabilities | 1,607,668 | 46.44 | 1,851,788 | 42.26 | 1,991,791 | 34.23 | 3,475,870 | 41.56 |
| Net Worth | 1,154,024 | 33.33 | 1,496,199 | 34.14 | 2,365,713 | 40.66 | 3,217,825 | 38.48 |
| Total Revenue | 3,462,163 | 100.00 | 4,382,039 | 100.00 | 5,818,928 | 100.00 | 8,363,118 | 100.00 |
| Trading Profit | 690,289 | 19.94 | 1,213,875 | 27.70 | 1,674,534 | 28.78 | 1,301,166 | 15.56 |

USER'S GUIDE TO THE GUILD DIGEST

Management decisions require more than general and vague impressions of an operation's financial structure. The Guild Digest presents a snapshot of pharmacy operations in Australia for the preceding financial year and is designed to be used as a resource when making management decisions. The Digest's primary purpose is to serve as a financial benchmarking tool, allowing community pharmacy owners, managers and financial advisers to make valuable comparisons of their financial performance against others in the industry.

The purpose of this section is to provide a better understanding of the financial data presented. It provides readers with background information on the Digest's structure as well as an understanding of financial terms and concepts and how they can be applied when analysing your business.

BALANCE SHEET

The Balance Sheet is a statement of financial position at a given point in time. A snapshot of what a business owns (assets), what a business owes (liabilities), and the amount invested by owners (net worth), it is expressed as:

$$\text{Assets} = \text{Liabilities} + \text{Owners Equity (Net Worth)}$$

The Balance Sheet allows you to quickly see the financial strengths and capabilities of your business, as well as compare the increase and decrease in value of your business over time.

Assets

An asset is anything of value that can be converted into cash. It is a resource held by a business from which future economic benefits are expected to flow.

Current Assets are assets that can usually be converted into cash at short notice.

Fixed Assets, on the other hand, are assets with a long-term life which are needed to carry out the normal activities of the business. They also have a depreciable life and are shown at cost less depreciation written off to date.

Goodwill is the price paid to take over the clientele when purchasing a business, less amounts written off over a designated period.

Liabilities

Current Liabilities include all debts which are due within one year from the date of the balance sheet. The main components are normally accounts payable, accrued expenses, overdrafts and provision for tax.

Long-Term Liabilities are those which are payable over a number of financial years. They include loans, mortgages and long term provisions such as Long Service Leave.

Net Worth

Net Worth is the amount assets exceed liabilities. Use the following formula to calculate Net Worth:

$$\text{Net Worth} = \text{Total Assets} - \text{Total Liabilities}$$

Net Worth is a key measure of how much an entity is worth. A consistent increase in Net Worth indicates the entity is in good financial health.

OPERATING PERIOD

Extreme movements may be experienced in individual businesses from period to period but as a general rule, unless there are exceptional economic factors, industry movements are small from period to period.

The Digest can therefore be useful to identify short-term trends, such as adverse margins or high inventory levels at any time during the current period. In addition comparisons of digest results can be made at any time after 30 June 2014 to identify any long term problems such as inappropriate locations.

DIGEST FORMAT

For the purposes of financial management, two major areas are presented:

- + Operating results for the 12-month period summarised into various charts and tables according to turnover ranges, location and volume of prescription business.
- + Financial position of the business at a specific point in time, ie 30 June 2014, after the year's trading has been taken into account.

OPERATING RESULTS

Often referred to as the Profit and Loss Account, the operating results present, in a single format, revenue derived from the sale of merchandise and expenses incurred to produce those sales.

All income statement data are reported as percentage of Total Revenue to allow the comparison of each item in its relationship to the total operation.

FINANCIAL RATIOS

From an investor's point of view, the pharmacy proprietor must review the balance sheet in order to relate the income produced from the venture to the funds invested in it. The owner must also be prepared to justify the level of expenditure incurred in earning both the income and the return on funds invested. Thus a sound management policy dictates that the proprietor should review both the income and expense statement for an evaluation of operations and the balance sheet for an assessment of financial position and solvency.

The proprietor can judge how effectively the assets are being utilised by relating the asset and liability position to sales and profit figures.

Balance sheet information can be developed into ratios that measure asset usage (return on asset investment); the liquidity of the business, or its ability to meet current obligations (current ratio); and the general solvency of the firm (debt/equity ratio).

It should be noted that the ratios calculated from the financial information are not inflexible determinants of success or failure, but rather, represent indicators of performance at one point in time. It is suggested that these ratios be considered as a group rather than separately.

Liquidity or Short-Term Capitalisation

Liquidity measures the pharmacy's ability to meet its current obligations and reflects the relationship between the business' short-term financial obligations (current liabilities) and the sources of funds available to meet those requirements (current assets).

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

Also known as Working Capital Ratio, a ratio of around 2 to 1 for most businesses enables the business to relatively easily meet current obligations. In most cases a ratio higher than this would indicate that the manager is not utilising funds in the most productive way.

Profitability

Profitability is the measuring stick used to evaluate how effective the manager has been in increasing the owner's equity.

$$\text{Net profit on annual sale} = \frac{\text{Net Profit (before tax)}}{\text{Annual Sales}}$$

Year-to-year comparisons can be made to determine the change in net profit in relation to the change in sales. This measure of profitability is most useful in connection with another standard ratio – return on investment.

$$\begin{array}{rcl} \text{Return on Investment} & = & \frac{\text{Net Profit (before tax)}}{\text{Net Worth}} \\ \text{(or return on Equity)} & & \end{array}$$

Net worth is the amount of owner's equity and is the difference between total assets and total liabilities. The resulting figure is then divided into net profit (before taxes).

Often a more accurate indicator of investment return can be found in the return on total investment.

$$\begin{array}{rcl} \text{Return on} & = & \frac{\text{Net Profit (before tax)}}{\text{Owner's Equity + Long Term Liabilities}} \\ \text{Total Investment} & & \end{array}$$

Net profit on total investment expresses income in relation to the total of the permanent funds invested in the business. It makes no distinction between owner's equity and borrowed capital. The Return on Total Investment ratio is a measure of how well management has used all these permanent funds.

Solvency or Long-Term Capitalisation

Solvency is calculated by lenders in estimating the borrowing potential of a firm. Solvency refers to the ability of a pharmacy to meet the repayment schedule on long-term obligations.

$$\begin{array}{rcl} \text{Debt Equity Ratio} & = & \frac{\text{Total Liabilities}}{\text{Net Worth}} \\ \text{(or gearing)} & & \end{array}$$

A pharmacy in which the total debt exceeds the owner's equity is quite vulnerable if external changes cause a prolonged drop in sales or an unpredictable increase in expenses such as those caused by interest rate rises. When the debt/equity ratio is low in comparison with that in similar operations the pharmacy may not be leveraged to best advantage.

Net Sales to Net Worth

This ratio examines the productivity of equity in terms of generating sales. A high ratio may imply inadequate owner's capitalisation. When the ratio is low, the operation is not obtaining full use of its funds.

Funded Debt to Net Working Capital

A business' ability to borrow is obtained by dividing funded debts, mortgages etc by working capital. When the ratio is low there is less reliance on funded debt for working capital and the owner is in a better financial position to borrow funds.

Age of Debtors

$$\text{Average Payable Period} = \frac{\text{Outstanding Accounts Payable} \times 365}{\text{Annual Purchases}}$$

This ratio expresses the number of days outstanding in accounts payable and measures the extent to which a business is operating on suppliers' capital. A higher-than-average value may imply that the pharmacy is not taking suppliers' cash discounts.

STRUCTURE OF PHARMACISTS' REMUNERATION PHARMACEUTICAL BENEFITS SCHEME

Table 24

| | | RP ITEMS | | EP ITEMS | |
|------------------|-------------------|-----------------------|-------------------------------|-----------------------|--|
| From | To | Professional Fee (\$) | Markup on Wholesale Price (%) | Professional Fee (\$) | |
| 1 January 1972 | 30 April 1972 | 0.39 | 33 1/3 | 0.64 | |
| 1 May 1972 | 30 September 1972 | 0.42 | 33 1/3 | 0.64 | |
| 1 October 1972 | 30 November 1972 | 0.44 | 33 1/3 | 0.64 | |
| 1 December 1972 | 31 December 1972 | 0.45 | 33 1/3 | 0.64 | |
| 1 January 1973 | 30 June 1973 | 0.50 | 33 1/3 | 0.72 | |
| 1 July 1973 | 31 December 1973 | 0.61 | 33 1/3 | 0.83 | |
| 1 January 1974 | 30 June 1974 | 0.68 | 33 1/3 | 0.90 | |
| 1 July 1974 | 30 June 1975 | 0.84 | 33 1/3 | 1.06 | |
| 1 July 1975 | 30 June 1976 | 0.90 | 33 1/3 | 1.12 | |
| 1 July 1976 | 31 December 1976 | 1.02 | 33 1/3 | 1.24 | |
| 1 January 1977 | 30 June 1977 | 1.07 | 33 1/3 | 1.29 | |
| 1 July 1977 | 31 July 1978 | 1.21 | 33 1/3 | 1.43 | |
| 1 August 1978 | 30 April 1980 | 1.35 | 25 | 1.95 | |
| 1 May 1980 | 30 June 1980 | 1.31 * | 25 | 1.91 * | |
| 1 July 1980 | 30 November 1980 | 1.31 1.39 | 25 | 1.91 1.99 | |
| 1 December 1980 | 31 December 1980 | 1.26 1.34 | 25 | 1.89 1.97 | |
| 1 January 1981 | 30 June 1981 | 1.26 1.44 | 25 | 1.89 2.07 | |
| 1 July 1981 | 31 December 1981 | 1.51 | 25 | 2.14 | |
| 1 January 1982 | 30 June 1982 | 1.66 | 25 | 2.29 | |
| 1 July 1982 | 31 December 1983 | 1.73 | 25 | 2.54 | |
| 1 January 1984 | 30 June 1984 | 1.98 | 25 | 2.89 | |
| 1 July 1984 | 30 June 1985 | 2.13 | 25 | 3.09 | |
| 1 July 1985 | 31 December 1985 | 2.30 | 25 | 3.33 | |
| 1 January 1986 | 30 June 1986 | 2.35 | 25 | 3.40 | |
| 1 July 1986 | 31 August 1986 | 2.40 | 25 | 3.47 | |
| 1 September 1986 | 31 May 1987 | 2.46 | 25 | 3.56 | |
| 1 June 1987 | 30 June 1988 | 2.50 | 25 | 3.62 | |
| 1 July 1988 | 31 July 1988 | 2.59 | 25 | 3.76 | |
| 1 August 1988 | 31 January 1989 | 2.64 | 25 | 3.83 | |
| 1 February 1989 | 31 December 1989 | 2.59 | 25 | 3.76 | |
| 1 January 1990 | 30 June 1990 | 2.54 | 25 | 3.68 | |
| 1 July 1990 | 31 December 1990 | 2.57 | 25 | 3.72 | |
| 1 January 1991 | 31 July 1992 | 3.43 | 10 ** | 4.96 | |
| 1 August 1992 | 31 December 1992 | 3.57 | 10 ** | 5.16 | |
| 1 January 1993 | 30 June 1993 | 3.69 | 10 ** | 5.34 | |
| 1 July 1993 | 31 December 1993 | 3.75 | 10 ** | 5.43 | |
| 1 January 1994 | 30 June 1994 | 3.83 | 10 ** | 5.55 | |
| 1 July 1994 | 31 December 1994 | 3.98 | 10 ** | 5.77 | |
| 1 January 1995 | 30 June 1995 | 4.06 | 10 ** | 5.89 | |
| 1 July 1995 | 30 June 1996 | 4.27 | 10 ** | 6.10 | |
| 1 July 1996 | 30 June 1997 | 4.29 | 10 ** | 6.13 | |
| 1 July 1997 | 30 June 1998 | 4.34 | 10 ** | 6.20 | |
| 1 July 1998 | 30 June 1999 | 4.34 | 10 ** | 6.20 | |
| 1 July 1999 | 30 June 2000 | 4.39 | 10 ** | 6.27 | |

TABLE 24 (continued)

| | | RP ITEMS | | EP ITEMS |
|-----------------|-------------------|-----------------------|-------------------------------|-----------------------|
| From | To | Professional Fee (\$) | Markup on Wholesale Price (%) | Professional Fee (\$) |
| 1 July 1999 | 30 June 2000 | 4.39 | 10 ** | 6.27 |
| 1 July 2000 | 30 January 2001 | 4.40 | 10 *** | 6.28 |
| 1 February 2001 | 30 June 2001 | 4.50 | 10 *** | 6.38 |
| 1 July 2001 | 30 September 2001 | 4.53 | 10 *** | 6.44 |
| 1 October 2001 | 30 January 2002 | 4.68 | 10 *** | 6.59 |
| 1 February 2002 | 30 June 2002 | 4.58 | 10 *** | 6.49 |
| 1 July 2002 | 30 June 2003 | 4.62 | 10 *** | 6.56 |
| 1 July 2003 | 30 June 2004 | 4.66 | 10 *** | 6.63 |
| 1 July 2004 | 30 June 2005 | 4.70 | 10 *** | 6.70 |
| 1 July 2005 | 30 November 2005 | 4.75 | 10 *** | 6.78 |
| 1 December 2005 | 30 June 2006 | 4.94 | 10 *** | 6.97 |
| 1 July 2006 | 30 June 2007 | 5.15 | 10 ~ | 7.19 |
| 1 July 2007 | 31 July 2007 | 5.32 | 10 ~ | 7.36 |
| 1 August 2007 | 30 June 2008 | 5.44 | 10 ~ | 7.48 |
| 1 July 2008 | 31 July 2008 | 5.81 | 10 ~ | 7.85 |
| 1 August 2008 | 30 June 2009 | 5.99 | ~~ | 8.03 |
| 1 July 2009 | 30 June 2012 | 6.42 | ~~ | 8.46 |
| 1 July 2012 | 30 June 2013 | 6.52 | ~~ | 8.56 |
| 1 July 2013 | 30 June 2014 | 6.63 | ~~ | 8.67 |
| 1 July 2014 | 30 June 2015 | 6.76 | ~~ | 8.80 |
| 1 July 2015 | 30 June 2016 | 6.93 | ~~~ | 8.97 |
| 1 July 2016 | | 7.02 | ~~~ | 9.06 |

* Revised Fees as determined by the Pharmaceutical Benefits Remuneration Tribunal.

** 10% Mark-up applies to items with approved price to pharmacists of less than \$180.00.
 \$18.00 Mark-up applies to items with approved price to pharmacists of between \$180.00 and \$360.00.
 5% Mark-up applies to items with approved price to pharmacists of more than \$360.00.

*** 10% Mark-up applies to items with approved price to pharmacists of less than \$180.00.
 \$18.00 Mark-up applies to items with approved price to pharmacists of between \$180.00 and \$450.00.
 4% Mark-up applies to items with approved price to pharmacists of more than \$450.00.

~ As above, except for items with approved price to pharmacists of more than \$1000, to which a \$40 markup applies.

~~ 15% Mark-up applied to items with approved price to pharmacists of less than \$30.00.
 \$4.50 Mark-up applies to items with approved price to pharmacists of between \$30.00 and \$45.00.
 10% Mark-up applies to items with approved price to pharmacists of between \$45.00 and \$180.00.
 \$18 Mark-up applies to items with approved price to pharmacists of between \$180.00 and \$450.00.
 4% Mark-up applies to items with approved price to pharmacists of between \$450.00 and \$1750.00.
 \$70 Mark-up applies to items with approved price to pharmacists of more than \$1750.00

~~~ From 1 July 2015, the pharmacy mark-up component of remuneration was replaced by an Administration, Handling & Infrastructure fee.

Approved price to Pharmacist (wholesaler PBS list price) up to \$180.00: \$3.54 per prescription  
 Approved price to Pharmacist between \$180.00 and \$2,277.21: \$3.49 plus 3.5% of the amount by which the price €  
 Approved price to pharmacist is \$2,277.21 or above: \$70.00.

## CHANGES IN THE LEVEL OF PATIENT CONTRIBUTION

**Table 25**

| Date of Change | Amount general | Percentage of average cost of general | Amount concessional | Percentage of average cost of concessional |
|----------------|----------------|---------------------------------------|---------------------|--------------------------------------------|
| March 1960     | \$0.50         | 22 %                                  |                     |                                            |
| November 1971  | \$1.00         | 40 %                                  |                     |                                            |
| September 1975 | \$1.50         | 51 %                                  |                     |                                            |
| March 1976     | \$2.00         | 59 %                                  |                     |                                            |
| July 1978      | \$2.50         | 60 %                                  |                     |                                            |
| September 1979 | \$2.75         | 60 %                                  |                     |                                            |
| December 1981  | \$3.20         | 62 %                                  |                     |                                            |
| January 1983   | \$4.00         | 69 %                                  | \$2.00              | 34 %                                       |
| July 1985      | \$5.00         | 73 %                                  | \$2.00              | 32 %                                       |
| July 1986      | \$5.00         | 64 %                                  | \$2.00              | 29 %                                       |
| November 1986  | MAX \$10.00    | 54 %                                  | \$2.50              | 27 %                                       |
| July 1988      | MAX \$11.00    | 51 %                                  | \$2.50              | 27 %                                       |
| July 1989      | MAX \$11.00    | 53 %                                  | \$2.50              | 25 %                                       |
| July 1990      | MAX \$11.00    | 49 %                                  | \$2.50              | 23 %                                       |
| November 1990  | MAX \$15.00    | 55 %                                  | \$2.50              | 21 %                                       |
| August 1991    | MAX \$15.70    | 57 %                                  | \$2.50              | 21 %                                       |
| October 1991   | MAX \$15.70    | 57 %                                  | \$2.60              | 22 %                                       |
| August 1992    | MAX \$15.90    | 45 %                                  | \$2.60              | 20 %                                       |
| August 1993    | MAX \$16.00    | 47 %                                  | \$2.60              | 18 %                                       |
| August 1994    | MAX \$16.20    | 45 %                                  | \$2.60              | 16 %                                       |
| August 1995    | MAX \$16.80    | 45 %                                  | \$2.60              | 15 %                                       |
| August 1996    | MAX \$17.40    | 43 %                                  | \$2.70              | 14 %                                       |
| January 1997   | MAX \$20.00    | 44 %                                  | \$3.20              | 16 %                                       |
| January 1999   | MAX \$20.30    | 40 %                                  | \$3.20              | 14 %                                       |
| January 2000   | MAX \$20.60    | 40 %                                  | \$3.30              | 14 %                                       |
| January 2001   | MAX \$21.90    | 42 %                                  | \$3.50              | 14 %                                       |
| January 2002   | MAX \$22.40    | 42 %                                  | \$3.60              | 14 %                                       |
| January 2003   | MAX \$23.10    | 40 %                                  | \$3.70              | 13 %                                       |
| January 2004   | MAX \$23.70    | 39 %                                  | \$3.80              | 12 %                                       |
| January 2005   | MAX \$28.60    | 48 %                                  | \$4.60              | 14 %                                       |
| January 2006   | MAX \$29.50    | 46 %                                  | \$4.70              | 14 %                                       |
| January 2007   | MAX \$30.70    | 45 %                                  | \$4.90              | 14 %                                       |
| January 2008   | MAX \$31.30    | 46 %                                  | \$5.00              | 14 %                                       |
| January 2009   | MAX \$32.90    | 34 %                                  | \$5.30              | 13 %                                       |
| January 2010   | MAX \$33.30    | 37 %                                  | \$5.40              | 14 %                                       |
| January 2011   | MAX \$34.20    | 35 %                                  | \$5.60              | 15 %                                       |
| January 2012   | MAX \$35.40    | 35 %                                  | \$5.80              | 14 %                                       |
| January 2013   | MAX \$36.10    | 35 %                                  | \$5.90              | 15 %                                       |
| January 2014   | MAX \$36.90    | 35 %                                  | \$6.00              | 16 %                                       |
| July 2015      | MAX \$37.70    | 33 %                                  | \$6.10              | 17 %                                       |
| January 2016   | MAX \$38.30    | 33 %                                  | \$6.20              | 19 %                                       |

## PBS REMUNERATION PER PRESCRIPTION

**Table 26**

| Year    | Average Price per Prescription (\$) | Mark-up*<br>\$ | Average Professional Fee (\$) | Average other fees***<br>\$ | Total remuneration<br>\$ | Remuneration * as % of Ave. Price | Annual Volume of Prescriptions (000) |
|---------|-------------------------------------|----------------|-------------------------------|-----------------------------|--------------------------|-----------------------------------|--------------------------------------|
| 1970/71 | 2.21                                | 0.48           | 0.34                          |                             | 0.82                     | 37.10                             | 71,487                               |
| 1971/72 | 2.46                                | 0.51           | 0.38                          |                             | 0.89                     | 36.18                             | 72,442                               |
| 1972/73 | 2.64                                | 0.56           | 0.47                          |                             | 1.01                     | 38.26                             | 74,676                               |
| 1973/74 | 2.78                                | 0.53           | 0.65                          |                             | 1.18                     | 42.45                             | 87,288                               |
| 1974/75 | 2.99                                | 0.54           | 0.83                          |                             | 1.37                     | 45.82                             | 97,674                               |
| 1975/76 | 3.28                                | 0.60           | 0.88                          |                             | 1.48                     | 45.12                             | 101,117                              |
| 1976/77 | 3.71                                | 0.66           | 1.04                          |                             | 1.70                     | 45.82                             | 89,705                               |
| 1977/78 | 3.93                                | 0.66           | 1.22                          |                             | 1.88                     | 47.84                             | 93,167                               |
| 1978/79 | 4.16                                | 0.59 **        | 1.35                          |                             | 1.94                     | 46.63                             | 92,963                               |
| 1979/80 | 4.38                                | 0.62           | 1.36                          |                             | 1.98                     | 45.21                             | 89,075                               |
| 1980/81 | 4.53                                | 4.65@          | 1.30                          | 1.42@                       | 1.96                     | 2.08@                             | 94,397                               |
| 1981/82 | 5.08                                | 0.68           | 1.62                          |                             | 2.30                     | 45.28                             | 103,574                              |
| 1982/83 | 5.61                                | 0.77           | 1.77                          |                             | 2.54                     | 45.28                             | 105,540                              |
| 1983/84 | 5.96                                | 0.79           | 1.90                          |                             | 2.69                     | 45.13                             | 108,385                              |
| 1984/85 | 6.32                                | 0.80           | 2.14                          |                             | 2.94                     | 46.52                             | 120,829                              |
| 1985/86 | 7.01                                | 0.94           | 2.33                          |                             | 3.27                     | 46.65                             | 119,842                              |
| 1986/87 | 8.79                                | @@             | 1.26                          |                             | 3.74                     | 42.55                             | 102,762                              |
| 1987/88 | 10.37                               | @@             | 1.57                          |                             | 4.10                     | 39.54                             | 100,901                              |
| 1988/89 | 11.51                               | @@             | 1.78                          |                             | 4.42                     | 38.40                             | 100,586                              |
| 1989/90 | 12.54                               | @@             | 1.99                          |                             | 4.56                     | 36.40                             | 104,979                              |
| 1990/91 | 13.82                               | @@             | 1.84                          |                             | 4.68                     | 33.86                             | 96,300                               |
| 1991/92 | 15.46                               | @@             | 1.10 **                       |                             | 4.53                     | 29.30                             | 94,121                               |
| 1992/93 | 16.78                               | @@             | 1.20                          |                             | 4.79                     | 28.55                             | 105,953                              |
| 1993/94 | 18.18                               | @@             | 1.31                          |                             | 5.16                     | 28.38                             | 115,041                              |
| 1994/95 | 19.71                               | @@             | 1.43                          |                             | 5.49                     | 27.85                             | 118,046                              |
| 1995/96 | 21.49                               | @@             | 1.57                          |                             | 5.84                     | 27.18                             | 124,205                              |
| 1996/97 | 23.19                               | @@             | 1.72                          |                             | 6.01                     | 25.92                             | 123,434                              |
| 1997/98 | 24.88                               | @@             | 1.87                          |                             | 6.21                     | 24.96                             | 124,483                              |
| 1998/99 | 26.38                               | @@             | 1.95                          |                             | 6.29                     | 23.84                             | 128,348                              |
| 1999/00 | 27.82                               | @@             | 2.07                          |                             | 6.46                     | 23.23                             | 137,585                              |
| 2000/01 | 30.86                               | @@             | 2.34                          |                             | 6.78                     | 21.96                             | 147,571                              |
| 2001/02 | 32.32                               | @@             | 2.46                          |                             | 6.99                     | 21.62                             | 154,530                              |
| 2002/03 | 34.28                               | @@             | 2.62                          |                             | 7.24                     | 21.13                             | 158,548                              |
| 2003/04 | 35.84                               | @@             | 2.68                          |                             | 7.34                     | 20.48                             | 165,435                              |
| 2004/05 | 37.30                               | @@             | 2.79                          |                             | 7.49                     | 20.08                             | 169,877                              |
| 2005/06 | 38.75                               | @@             | 2.88                          |                             | 7.74                     | 19.97                             | 167,927                              |
| 2006/07 | 39.35                               | @@             | 2.86                          |                             | 8.08                     | 20.53                             | 168,536                              |
| 2007/08 | 41.54                               | @@             | 2.95                          |                             | 8.45                     | 20.34                             | 171,296                              |
| 2008/09 | 43.37                               | @@             | 3.42 **                       | 0.85                        | 10.24                    | 23.61                             | 181,836                              |
| 2009/10 | 45.47                               | @@             | 3.57                          | 1.04                        | 11.03                    | 24.26                             | 183,911                              |
| 2010/11 | 46.18                               | @@             | 3.57                          | 0.68                        | 10.67                    | 23.10                             | 188,144                              |
| 2011/12 | 45.59                               | @@             | 3.47                          | 0.71                        | 10.60                    | 23.25                             | 194,898                              |
| 2012/13 | 42.90                               | @@             | 3.22                          | 0.85                        | 10.59                    | 24.69                             | 211,407                              |
| 2013/14 | 41.68                               | @@             | 3.07                          | 0.95                        | 10.65                    | 25.55                             | 214,526                              |
| 2014/15 | 40.05                               | @@             | 2.75                          | 1.03                        | 10.54                    | 26.32                             | 215,406                              |

\* Excludes wholesalers' surcharges, discounts and rebates.

\*\* Percentage mark-up changed.

\*\*\* PBS Online incentive (August 2008 to June 2010) and Premium-free Dispensing Incentive (August 2008 onwards).

@ Adjusted for retrospective payments.

@@ Not adjusted for General category items under the maximum patient contribution.

Excludes Doctor's Bag items

## POPULATION TO PHARMACY RATIOS IN AUSTRALIA

**Table 27**

| YEAR (30 JUNE) | POPULATION * | NUMBER OF PHARMACIES | POPULATION : PHARMACY RATIO |
|----------------|--------------|----------------------|-----------------------------|
| 1970           | 12,663,469   | 5,876                | 2,155                       |
| 1975           | 13,893,000   | 5,566                | 2,496                       |
| 1980           | 14,695,400   | 5,417                | 2,713                       |
| 1985           | 15,788,300   | 5,484                | 2,879                       |
| 1986           | 16,018,400   | 5,549                | 2,887                       |
| 1987           | 16,263,300   | 5,559                | 2,926                       |
| 1988           | 16,532,200   | 5,609                | 2,947                       |
| 1989           | 16,814,400   | 5,612                | 2,996                       |
| 1990           | 17,065,100   | 5,625                | 3,034                       |
| 1991           | 17,284,000   | 5,351                | 3,230                       |
| 1992           | 17,489,100   | 5,091                | 3,435                       |
| 1993           | 17,656,400   | 5,018                | 3,519                       |
| 1994           | 17,847,400   | 4,980                | 3,584                       |
| 1995           | 18,063,300   | 4,949                | 3,650                       |
| 1996           | 18,310,714   | 4,953                | 3,697                       |
| 1997           | 18,532,247   | 4,954                | 3,741                       |
| 1998           | 18,730,359   | 4,952                | 3,782                       |
| 1999           | 18,871,800   | 4,942                | 3,819                       |
| 2000           | 19,080,200   | 4,925                | 3,874                       |
| 2001           | 19,334,200   | 4,925                | 3,926                       |
| 2002           | 19,657,400   | 4,926                | 3,991                       |
| 2003           | 19,757,900   | 4,907                | 4,026                       |
| 2004           | 20,009,000   | 4,910                | 4,075                       |
| 2005           | 20,281,400   | 4,921                | 4,121                       |
| 2006           | 20,551,500   | 4,951                | 4,151                       |
| 2007           | 20,948,900   | 4,992                | 4,196                       |
| 2008           | 21,282,600   | 5,005                | 4,252                       |
| 2009           | 21,779,100   | 5,046                | 4,316                       |
| 2010           | 22,271,900   | 5,088                | 4,377                       |
| 2011           | 22,475,100   | 5,167                | 4,350                       |
| 2012           | 22,485,340   | 5,240                | 4,291                       |
| 2013           | 23,032,700   | 5,350                | 4,305                       |
| 2014           | 23,319,400   | 5,456                | 4,274                       |
| 2015           | 23,714,300   | 5,511                | 4,303                       |

\* Based on the most recent ABS estimates - Catalogue No. 3101.0

## TRENDS IN POPULATION TO PHARMACY RATIOS

**Table 28**

|                    | 30 JUNE 2014      |                      |                      | 30 JUNE 2015      |                      |                      |                                           |
|--------------------|-------------------|----------------------|----------------------|-------------------|----------------------|----------------------|-------------------------------------------|
| STATE OR TERRITORY | POPULATION ('000) | NUMBER OF PHARMACIES | POPULATION/ PHARMACY | POPULATION ('000) | NUMBER OF PHARMACIES | POPULATION/ PHARMACY | % Change in Population to Pharmacy Ratios |
| <b>NSW</b>         | 7,596.6           | 1820                 | 4,174                | 7,618.2           | 1831                 | 4,161                | -0.3                                      |
| <b>VIC</b>         | 5,914.9           | 1282                 | 4,614                | 5,938.1           | 1299                 | 4,571                | -0.9                                      |
| <b>QLD</b>         | 4,766.7           | 1088                 | 4,381                | 4,779.4           | 1100                 | 4,345                | -0.8                                      |
| <b>SA</b>          | 1,696.2           | 439                  | 3,864                | 1,698.6           | 439                  | 3,869                | 0.1                                       |
| <b>WA</b>          | 2,587.0           | 574                  | 4,507                | 2,591.6           | 584                  | 4,438                | -1.5                                      |
| <b>TAS</b>         | 516.1             | 148                  | 3,487                | 516.6             | 149                  | 3,467                | -0.6                                      |
| <b>NT</b>          | 243.8             | 33                   | 7,388                | 244.6             | 34                   | 7,194                | -2.6                                      |
| <b>ACT</b>         | 389.7             | 72                   | 5,413                | 390.8             | 74                   | 5,281                | -2.4                                      |
| <b>AUS</b>         | 23,714.3          | 5,456                | 4,346                | 23,781.2          | 5,510                | 4,316                | -0.7                                      |

Sources: Medicare Australia and Australian Bureau of Statistics

# PHARMACIES DISPENSING PHARMACEUTICAL BENEFITS STATES AND TERRITORIES 2002 TO 2015

(Number at 30 June)

**Table 29**

| STATE OR<br>TERRITORY | 2002  | 2003  | 2004  | 2005  | 2006  | 2007  | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  |
|-----------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <b>NSW</b>            | 1,727 | 1,709 | 1,699 | 1,702 | 1,705 | 1,708 | 1,722 | 1,731 | 1,731 | 1,738 | 1762  | 1,794 | 1,820 | 1831  |
| <b>VIC</b>            | 1,159 | 1,160 | 1,160 | 1,165 | 1,166 | 1,170 | 1,161 | 1,170 | 1,184 | 1,204 | 1226  | 1,247 | 1,282 | 1299  |
| <b>QLD</b>            | 948   | 944   | 953   | 952   | 963   | 987   | 987   | 1,011 | 1,017 | 1,052 | 1048  | 1,070 | 1,088 | 1100  |
| <b>SA</b>             | 385   | 386   | 389   | 391   | 399   | 400   | 407   | 404   | 414   | 418   | 423   | 432   | 439   | 439   |
| <b>WA</b>             | 480   | 484   | 489   | 492   | 502   | 509   | 508   | 508   | 516   | 521   | 540   | 556   | 574   | 584   |
| <b>TAS</b>            | 140   | 139   | 135   | 134   | 131   | 133   | 132   | 131   | 133   | 139   | 141   | 146   | 148   | 149   |
| <b>NT</b>             | 30    | 28    | 28    | 27    | 27    | 26    | 27    | 29    | 30    | 31    | 32    | 33    | 33    | 34    |
| <b>ACT</b>            | 57    | 57    | 57    | 58    | 58    | 59    | 61    | 62    | 63    | 64    | 68    | 72    | 72    | 74    |
| <b>AUS</b>            | 4,926 | 4,907 | 4,910 | 4,921 | 4,951 | 4,992 | 5,005 | 5,046 | 5,088 | 5,167 | 5,240 | 5,350 | 5,456 | 5,510 |

Source: Medicare Australia

## PRICING AND EARNING INDICES

**Table 30**

| YEAR    | CONSUMER PRICE INDEX (a) |          |                 |          | AVERAGE (b)<br>WEEKLY EARNINGS |          |
|---------|--------------------------|----------|-----------------|----------|--------------------------------|----------|
|         | ALL GROUPS               |          | PHARMACEUTICALS |          | \$ AMOUNT                      | % CHANGE |
|         | INDEX                    | % CHANGE | INDEX           | % CHANGE |                                |          |
| 1980-81 | 28.4                     |          | 26.1            |          | 281.40                         |          |
| JUNE 82 | 31.5                     | 10.9     | 29.5            | 13.0     | 316.00                         | 12.3     |
| JUNE 83 | 35.0                     | 11.1     | 34.7            | 17.6     | 347.30                         | 9.9      |
| JUNE 84 | 36.4                     | 4.0      | 37.1            | 6.9      | 383.80                         | 10.5     |
| JUNE 85 | 38.8                     | 6.6      | 39.0            | 5.1      | 397.20                         | 3.5      |
| JUNE 86 | 42.1                     | 8.5      | 44.8            | 14.9     | 425.50                         | 7.1      |
| JUNE 87 | 46.0                     | 9.3      | 51.2            | 14.3     | 450.90                         | 6.0      |
| JUNE 88 | 49.3                     | 7.2      | 56.0            | 9.4      | 481.70                         | 6.8      |
| JUNE 89 | 53.0                     | 7.5      | 59.1            | 5.5      | 519.10                         | 7.8      |
| JUNE 90 | 57.1                     | 7.7      | 62.3            | 5.4      | 555.80                         | 7.1      |
| JUNE 91 | 59.0                     | 3.3      | 66.0            | 5.9      | 569.90                         | 2.5      |
| JUNE 92 | 59.7                     | 1.2      | 67.7            | 2.6      | 597.40                         | 4.8      |
| JUNE 93 | 60.8                     | 1.8      | 69.4            | 2.5      | 612.50                         | 2.5      |
| JUNE 94 | 61.9                     | 1.8      | 70.8            | 2.0      | 625.10                         | 2.1      |
| JUNE 95 | 64.7                     | 4.5      | 72.8            | 2.8      | 652.70                         | 4.4      |
| JUNE 96 | 66.7                     | 3.1      | 75.2            | 3.3      | 671.50                         | 2.9      |
| JUNE 97 | 66.9                     | 0.3      | 78.8            | 4.8      | 687.10                         | 2.3      |
| JUNE 98 | 67.4                     | 0.7      | 79.4            | 0.8      | 714.50                         | 4.0      |
| JUNE 99 | 68.1                     | 1.1      | 78.9            | -0.6     | 735.10                         | 2.6      |
| JUNE 00 | 70.2                     | 3.1      | 79.6            | 0.9      | 760.00                         | 3.4      |
| JUNE 01 | 74.5                     | 6.1      | 82.9            | 4.1      | 789.40                         | 3.9      |
| JUNE 02 | 76.6                     | 2.8      | 83.8            | 1.1      | 826.10                         | 4.6      |
| JUNE 03 | 78.6                     | 2.6      | 86.3            | 3.0      | 872.10                         | 5.6      |
| JUNE 04 | 80.6                     | 2.5      | 88.4            | 2.4      | 891.20                         | 2.2      |
| JUNE 05 | 82.6                     | 2.5      | 92.9            | 5.1      | 942.70                         | 5.8      |
| JUNE 06 | 85.9                     | 4.0      | 95.9            | 3.2      | 985.10                         | 4.5      |
| JUNE 07 | 87.7                     | 2.1      | 97.2            | 1.4      | 1038.40                        | 5.4      |
| JUNE 08 | 91.6                     | 4.4      | 98.6            | 1.4      | 1072.30                        | 3.3      |
| JUNE 09 | 92.9                     | 1.4      | 101.4           | 2.8      | 1109.80                        | 3.5      |
| JUNE 10 | 95.8                     | 3.1      | 102.6           | 1.2      | 1183.40                        | 6.6      |
| JUNE 11 | 99.2                     | 3.5      | 103.2           | 0.6      | 1241.80                        | 4.9      |
| JUNE 12 | 100.4                    | 1.2      | 103.8           | 0.6      | 1273.80                        | 2.6      |
| JUNE 13 | 102.8                    | 2.4      | 103.2           | -0.6     | 1338.13                        | 5.1      |
| JUNE 14 | 105.9                    | 3.0      | 104.6           | 1.4      | 1376.45                        | 2.9      |
| JUNE 15 | 107.5                    | 1.5      | 103.1           | -1.4     | 1369.50                        | -0.5     |

(a) Weighted average of eight capital cities. (2011/12 = 100.0)

(b) All Males.



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