

# Value-added Services MediRite



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**MediRite, the chain of pharmacies** located inside Shoprite and Checkers supermarkets and hyper stores, gained considerable momentum during the year, launching 28 new pharmacies to bring the total to 81 outlets. Total turnover grew by more than 50% while growth on existing business increased by 32%. In both instances this growth came off a relatively low base.

MediRite is now the country's second largest pharmacy chain. The strong expansion over the reporting period will accelerate further during the 2010 financial year. The plan is to expand MediRite's footprint to where the greatest need exists and the chain is working closely with some of the leading medical aid societies in doing so. It intends opening a further 38 outlets to bring the total to 119 by the end of the new financial year.

The Group considers these pharmacies as also fulfilling an important community service, as well-trained pharmacists advise customers without ready access to medical services on minor ailments, where appropriate. Of the 81 pharmacies, 19 are located in previously disadvantaged areas whose inhabitants have hitherto never had the benefit of pharmacies in their immediate vicinity. Prices are highly competitive while consumers welcome the convenience of having prescriptions filled while doing their grocery shopping. Not only are these pharmacies playing an important role in health care, they are also increasing customer traffic in stores and boosting the sale of products in related fields. Each pharmacy has a "front-shop" component which carries up to 1 400 health-related products. At present, a strong focus is being placed on wellness products such as vitamin supplements and immune modulators which have become the fastest growing segment of the healthcare industry.

Despite the drop in the number of qualified pharmacists in South Africa, MediRite is recruiting a sufficient number of professional

staff to sustain its rapid rate of expansion. These pharmacists are attracted by the security of employment, financial recognition of their skills and experience and acceptable working hours. MediRite is also securing its source of future pharmacists. Its bursary scheme for matriculants wishing to study pharmacology is among the most generous available in the market. At the end of the reporting period MediRite had 76 bursary holders studying at universities and technicians as part of an ongoing training process.

As in the case of all other pharmacies, MediRite's business is complicated by the fact that after several years there is still no clarity about the government's single-exit price policy. To add to the challenge the Department of Health, in an effort to keep prices of medication down, has also capped logistics fees charged by wholesalers.

The Group is following with great interest developments in the government's plans for National Health Insurance as it believes MediRite is ideally placed to contribute to this initiative once it has been implemented.