

McKesson Corporation J.P. Morgan Healthcare Conference

John Hammergren

Chairman and Chief Executive Officer



Forward-Looking Statements

Some of the information in this presentation is not historical in nature and may constitute forward-looking statements, which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements may be identified by the use of forward-looking terminology such as “believes,” “expects,” “anticipates,” “may,” “will,” “should,” “seeks,” “approximately,” “intends,” “plans,” “estimates,” or the negative of these words or other comparable terminology. The discussion of financial trends, strategy, plans or intentions may also include forward-looking statements. These forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied by such statements. Although it is not possible to predict or identify all such risks and uncertainties, they may include, but are not limited to, those described in the Company’s annual, quarterly and current reports (i.e., Form 10-K, Form 10-Q and Form 8-K) as filed or furnished with the Securities and Exchange Commission (SEC). You are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date such statements were first made. To the degree financial information is included in this presentation, it is in summary form only and must be considered in the context of the full details provided in the Company’s most recent annual, quarterly or current report as filed or furnished with the SEC. The Company’s SEC reports are available at www.mckesson.com under the “Investors” tab. Except to the extent required by law, the Company undertakes no obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

GAAP / Non-GAAP Reconciliation

In an effort to provide additional and useful information regarding the Company’s financial results and other financial information as determined by generally accepted accounting principles (GAAP), certain materials in this presentation include non-GAAP information. McKesson also presents its financial results on a constant currency basis. The Company conducts business worldwide in local currencies, including Euro, British pound and Canadian dollar. As a result, the comparability of the financial results reported in U.S. dollars can be affected by changes in foreign currency exchange rates. The Company believes the presentation of non-GAAP measures provides useful supplemental information to investors with regard to its core operating performance as well as comparability of financial results period-over-period. A reconciliation of the non-GAAP information to GAAP, and other related information is available in the tables accompanying each period’s earnings press release, materials furnished to the SEC, and posted to www.mckesson.com under the “Investors” tab.

Today's Discussion

- McKesson At A Glance
- Business Overview
- Key Strategies
- Near-term Challenges
- Financial Drivers

McKesson At A Glance

Delivering Better Health to All

>180
year history
of serving customers



More than
13,000
owned and banner
pharmacies

\$100B Sep-16 YTD
revenues



\$2.9B
Sep-16 YTD
operating cash flow



Delivering
1/3
of all prescription
medicine in North America



75,000+
employees worldwide



>99% order accuracy

Business Overview

DISTRIBUTION SOLUTIONS



World-Class Global Procurement and Sourcing

Unlocking Value Of Technology Businesses

McKesson
Technology
Solutions



CHANGE
HEALTHCARE



Enhances MTS' market opportunity,
capabilities and scale

Strong partnership,
with focus on value creation

McKesson to receive \$1.25 billion
in cash at close of transaction,
retaining ~70% equity stake

Targeting \$150+ million of annual synergies,
with potential to capture more

Leading Global Sourcing Capabilities

Global footprint of combined distribution & pharmacy operations

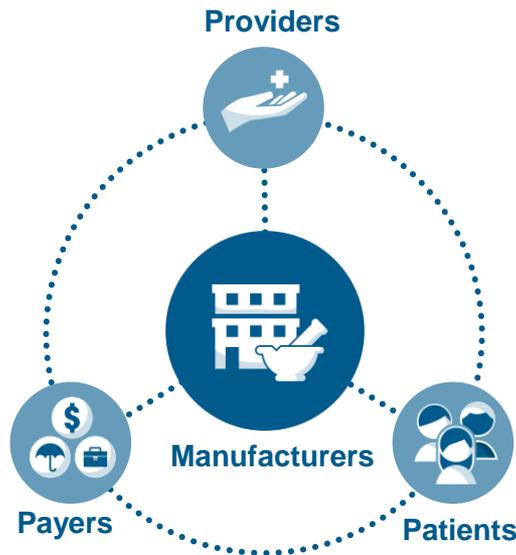


★ Global procurement and sourcing operations

Highlights

- Enterprise-wide global procurement and sourcing
- Robust private-label capabilities, driving value and opportunities for expansion
- Co-sourcing partnership with Walmart, ClarusONE Sourcing Solutions LLP, operational in late Fiscal 2017

Increasing Opportunities in Specialty



**Expanded and enhancing
manufacturer services**

**Differentiated and growing
physician offerings**

- 3,400+ oncologists
- 5,000+ other specialists

Spanning a drug's life cycle from clinical trials to distribution

Innovating And Expanding in Retail

A Global Footprint

13,000+ owned and banner pharmacies globally

- **United States:** More than 4,700 Health Mart stores
- **Canada:** More than 2,500 owned and banner pharmacies
- **Europe:** More than 6,500 owned and banner pharmacies

Broad Service Offerings

- Payer access and programs for independent pharmacies
- Patient adherence and claims management
- Automated pharmacy solution statistics
- Reimbursement optimization
- European Pharmacy Network



Proxim

Rexall

Guardian

LloydsPharmacy



Pharmactiv



gesundleben

Remedy's Rx

vitusapotek+

Careway

Though McKesson Is Facing Near-Term Challenges...



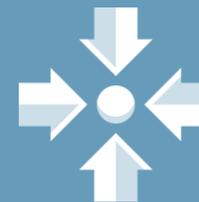
Fewer expected generic launches compared to prior years



Moderation of brand and generic pharmaceutical pricing trends



Increase in customer pricing competitiveness



Impact of customer consolidation

...Our Strong Value Proposition Positions Us For Long-Term Growth



Pathway to Double-Digit Earnings* Growth

*Earnings refers to non-GAAP earnings per diluted share.

MCKESSON