

In response to investor interest, McKesson is issuing a supplemental schedule which summarizes the impact of foreign currency exchange rate effects on our first quarter Fiscal 2016 financial results for the Distribution Solutions segment. This schedule will assist investors in evaluating previously reported first quarter Fiscal 2016 financial results on a constant currency basis.

The supplemental schedule presents reported Distribution Solutions segment financial results, as previously provided by Schedule 3A of the tables accompanying our first quarter Fiscal 2016 earnings press release, on a constant currency basis.

Specifically, certain financial line items of our first quarter Fiscal 2016 GAAP and Non-GAAP results from Schedule 3A are presented both on a reported and constant currency basis relative to the first quarter of Fiscal 2015.

The schedule will supplement our discussion of constant currency and its effects on results of operations as included in our prepared comments during our first quarter Fiscal 2016 earnings call and also McKesson's first quarter Fiscal 2016 Form 10-Q report filed with the Securities and Exchange Commission.

Please note, the impact of foreign currency exchange rate movement on the financial results of the Technology Solutions segment is not material to McKesson's first quarter Fiscal 2016 financial results.

Regards,

Erin Lampert

Senior Vice President,

McKesson Investor Relations

Constant Currency

McKesson Corporation (the "Company") conducts business in a number of foreign countries in local currencies, including Euro, British pound and Canadian dollar. As a result, the comparability of our results reported in U.S. dollars can be affected by changes in foreign currency exchange rates. Financial results for the first quarter of fiscal 2016 reflected a weaker Euro against the U.S. dollar, partially offset by a stronger British pound against the Euro, compared to the first quarter of fiscal 2015.

Foreign currency effects and constant currency refer to the effect of changes in foreign currency exchange rates used to convert the local currency results of foreign countries where the functional currency is not the U.S. dollar. We present this information to provide a framework for assessing how our business performed excluding the effect of foreign currency rate fluctuations. In computing foreign currency and constant currency effects, we translate our current period results in local currencies by applying the prior period average foreign exchange rates, and we subsequently compare those results to the results of the comparable period previously reported in U.S. dollars.

The Company is providing investors the following supplemental information of GAAP and Adjusted Earnings (Non-GAAP), as posted to the Company's website:

Schedule I: provides supplemental constant currency information for our Non-GAAP results of the first quarter of fiscal 2016.

Schedule II: provides supplemental constant currency information for our GAAP results of the first quarter of fiscal 2016.

Adjusted Earnings (Non-GAAP)

We separately report financial results on the basis of Adjusted Earnings. Adjusted Earnings is a Non-GAAP financial measure defined as GAAP income from continuing operations, excluding amortization of acquisition-related intangible assets, acquisition expenses and related adjustments, certain claim and litigation reserve adjustments reflecting changes to the company's reserves for controlled substance distribution claims and average wholesale price litigation matters, and Last-In-First-Out inventory-related adjustments. A reconciliation of our GAAP financial results to Adjusted Earnings is posted to www.mckesson.com under the "Investors" tab.

McKESON CORPORATION
SUPPLEMENTAL CONSTANT CURRENCY SCHEDULE - NON-GAAP
DISTRIBUTION SOLUTIONS SEGMENT
(unaudited)
(in millions)

	Adjusted Earnings (NON-GAAP) As Reported			Adjusted Earnings (NON-GAAP) Constant Currency		
	A	B	Year Over Year Change	C	D = A + C	= (D - B) / B
	Quarter Ended June 30,			Foreign Currency Effects	Quarter Ended June 30, 2015 Constant Currency	Year Over Year Constant Currency Change
	2015	2014				
REVENUES						
Distribution Solutions						
North America pharmaceutical distribution & services	\$ 39,532	\$ 34,304	15%	\$ 304	\$ 39,836	16%
International pharmaceutical distribution & services	5,838	7,025	-17	1,173	7,011	-
Medical-Surgical distribution & services	1,440	1,379	4	1	1,441	4
Total Distribution Solutions	\$ 46,810	\$ 42,708	10%	\$ 1,478	\$ 48,288	13%
GROSS PROFIT						
Distribution Solutions	\$ 2,584	\$ 2,491	4%	\$ 144	\$ 2,728	10%
Gross profit as a % of revenues						
Distribution Solutions	5.52%	5.83%	-31 bps	-	5.65%	-18 bps
OPERATING EXPENSES						
Distribution Solutions	\$ (1,462)	\$ (1,512)	-3%	\$ (117)	\$ (1,579)	4%
OTHER INCOME						
Distribution Solutions	\$ 11	\$ 18	-39%	\$ 2	\$ 13	-28%
OPERATING PROFIT						
Distribution Solutions	\$ 1,133	\$ 997	14%	\$ 29	\$ 1,162	17%
Operating profit as a % of revenues						
Distribution Solutions	2.42%	2.33%	9 bps	-	2.41%	8 bps

Euro to U.S. Dollar Average Foreign Exchange Rates by Quarter

Our International pharmaceutical distribution and services business reflects the results from Celesio AG ("Celesio"). Celesio independently reports its

	Euro to \$1 U.S. Dollar	
	Fiscal 2015	Fiscal 2016
First Quarter	1.37	1.10 *
Second Quarter	1.33	1.10 **
Third Quarter	1.25	1.10 **
Fourth Quarter	1.13	1.10 **

* Quarterly exchange rates are computed as a simple average using the average monthly Euro to U.S. dollar exchange rate as reported by the

** McKesson Corporation's full year guidance exchange rate as communicated on May 12, 2015 and July 29, 2015.

McKESSON CORPORATION
SUPPLEMENTAL CONSTANT CURRENCY SCHEDULE - GAAP
DISTRIBUTION SOLUTIONS SEGMENT
(unaudited)
(in millions)

	As Reported (GAAP)			As Reported (GAAP) Constant Currency		
	A	B	Year Over Year Change	C	D = A + C	= (D - B) / B
	Quarter Ended June 30, 2015	2014		Foreign Currency Effects	Quarter Ended June 30, 2015 Constant Currency	Year Over Year Constant Currency Change
REVENUES						
Distribution Solutions						
North America pharmaceutical distribution & services	\$ 39,532	\$ 34,304	15%	\$ 304	\$ 39,836	16%
International pharmaceutical distribution & services	5,838	7,025	-17	1,173	7,011	-
Medical-Surgical distribution & services	1,440	1,379	4	1	1,441	4
Total Distribution Solutions	<u>\$ 46,810</u>	<u>\$ 42,708</u>	10%	<u>\$ 1,478</u>	<u>\$ 48,288</u>	13%
GROSS PROFIT						
Distribution Solutions	\$ 2,493	\$ 2,393	4%	\$ 144	\$ 2,637	10%
Gross profit as a % of revenues						
Distribution Solutions	5.33%	5.60%	-27 bps	-	5.46%	-14 bps
OPERATING EXPENSES						
Distribution Solutions	\$ (1,592)	\$ (1,670)	-5%	\$ (127)	\$ (1,719)	3%
OTHER INCOME						
Distribution Solutions	\$ 9	\$ 17	-47%	\$ 2	\$ 11	-35%
OPERATING PROFIT						
Distribution Solutions	\$ 910	\$ 740	23%	\$ 19	\$ 929	26%
Operating profit as a % of revenues						
Distribution Solutions	1.94%	1.73%	21 bps	-	1.92%	19 bps

Euro to U.S. Dollar Average Foreign Exchange Rates by Quarter

Our International pharmaceutical distribution and services business reflects the results from Celesio AG ("Celesio"). Celesio independently reports its financial results in Euro. Our financial results for the first quarter of fiscal 2016, as provided on a constant currency basis, exclude primarily the effects of the Euro to the U.S. dollar exchange rate fluctuations between the current period and the comparable period previously reported.

	Euro to \$1 U.S. Dollar	
	Fiscal 2015	Fiscal 2016
First Quarter	1.37	1.10 *
Second Quarter	1.33	1.10 **
Third Quarter	1.25	1.10 **
Fourth Quarter	1.13	1.10 **

* Quarterly exchange rates are computed as a simple average using the average monthly Euro to U.S. dollar exchange rate as reported by the European Central Bank.

** McKesson Corporation's full year guidance exchange rate as communicated on May 12, 2015 and July 29, 2015.