

McKESSON CORPORATION
RETURN ON STOCKHOLDERS' EQUITY AND COMMITTED CAPITAL
(unaudited)
(in millions)

	As of and for the Years Ended March 31,				
	2000	2001	2002	2003	2004
Net income	\$ 723.7	\$ (48.3)	\$ 418.6	\$ 555.4	\$ 646.5
Stockholders' equity- 5 quarter average	\$ 3,117.2	\$ 3,608.8	\$ 3,701.9	\$ 4,216.5	\$ 4,834.8
Return on stockholders' equity	<u>23.2%</u>	<u>-1.3%</u>	<u>11.3%</u>	<u>13.2%</u>	<u>13.4%</u>
Adjusted income					
Income from continuing operations before interest expense and income taxes	\$ 424.7	\$ 128.6	\$ 728.0	\$ 979.5	\$ 1,031.6
Amortization of intangibles ⁽¹⁾	55.5	66.2	14.5	18.2	21.2
Adjusted income	<u>\$ 480.2</u>	<u>\$ 194.8</u>	<u>\$ 742.5</u>	<u>\$ 997.7</u>	<u>\$ 1,052.8</u>
Committed capital- 5 quarter average					
Long-term debt	\$ 1,354.3	\$ 1,448.0	\$ 1,467.4	\$ 1,585.7	\$ 1,496.9
Short-term borrowings	304.9	0.3	52.0	62.4	70.5
Non-current portion of deferred income taxes	(125.1)	(89.7)	(30.2)	(8.9)	6.4
Stockholders' equity	3,117.2	3,608.8	3,701.9	4,216.5	4,834.8
Cash, cash equivalents and marketable securities	(365.0)	(420.9)	(366.0)	(407.4)	(439.8)
Goodwill and other intangibles	(1,212.5)	(1,165.3)	(1,074.8)	(1,313.4)	(1,468.6)
Committed capital	<u>\$ 3,073.8</u>	<u>\$ 3,381.2</u>	<u>\$ 3,750.3</u>	<u>\$ 4,134.9</u>	<u>\$ 4,500.2</u>
Return on committed capital	<u>15.6%</u>	<u>5.8%</u>	<u>19.8%</u>	<u>24.1%</u>	<u>23.4%</u>

The Company utilizes return on committed capital as a measure to evaluate its ability to generate income relative to its investment in capital. The Company believes that the most directly comparative GAAP measure is return on stockholders' equity.

(1) 2000 and 2001 amounts include goodwill amortization. In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets", the Company discontinued amortizing goodwill in 2002.