

MCKESSON

Empowering Healthcare

Expanding the Horizon

McKesson Acquires A.L.I. Technologies, Inc.

Disclaimer

Safe Harbor Clause: Some of the information in this presentation may constitute forward-looking statements which are subject to various uncertainties which could cause actual results to differ materially from those projected or implied. These uncertainties are described in the Company's reports and exhibits filed with the Securities and Exchange Commission. Please refer to the statement contained in the disclaimer on the the company's home page, www.mckesson.com, for additional information and details.

A.L.I. Acquisition Summary

Strategic Rationale

- Film-based imaging approaches are expensive, slow, and inflexible
- Film is being replaced by digital imaging: 40% of all exams are digital
- Digital imaging extends beyond radiology into cardiology, OB/GYN, pathology, oncology, etc.
- Digital systems market \$400M+ and growing at 25% p.a.
- Images becoming a core part of clinical systems and Electronic Medical Record
- Purchase decision increasingly influenced at C-suite including CIO

ALI Profile

- #1 ranked PACS product in KLAS survey
- Revenue growth 108% from Q1 2001 to Q1 2002
- EPS growth >450% Q1 2002 over Q1 2001
- 5 of the top 7 hospitals in US News & World Report's Best Hospitals are ALI customers
- Very high customer satisfaction

Transaction Terms

- All cash offer
- Total price approximately \$340M
- Expected to close within 90 days

Financial Implications

- Expected to be accretive to McKesson EPS in FY 03 (current year)
- Adds \$50M+ in revenues for FY 03 (nine months)

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A.L.I. Technologies

Proven, Innovative PACS Provider

■ Company

- Incorporated in 1988
- 260 employees:
 - 111 Research and development
 - 100 Service and production
 - 34 Sales and Marketing
- Listed on TSE (Symbol: ALT)

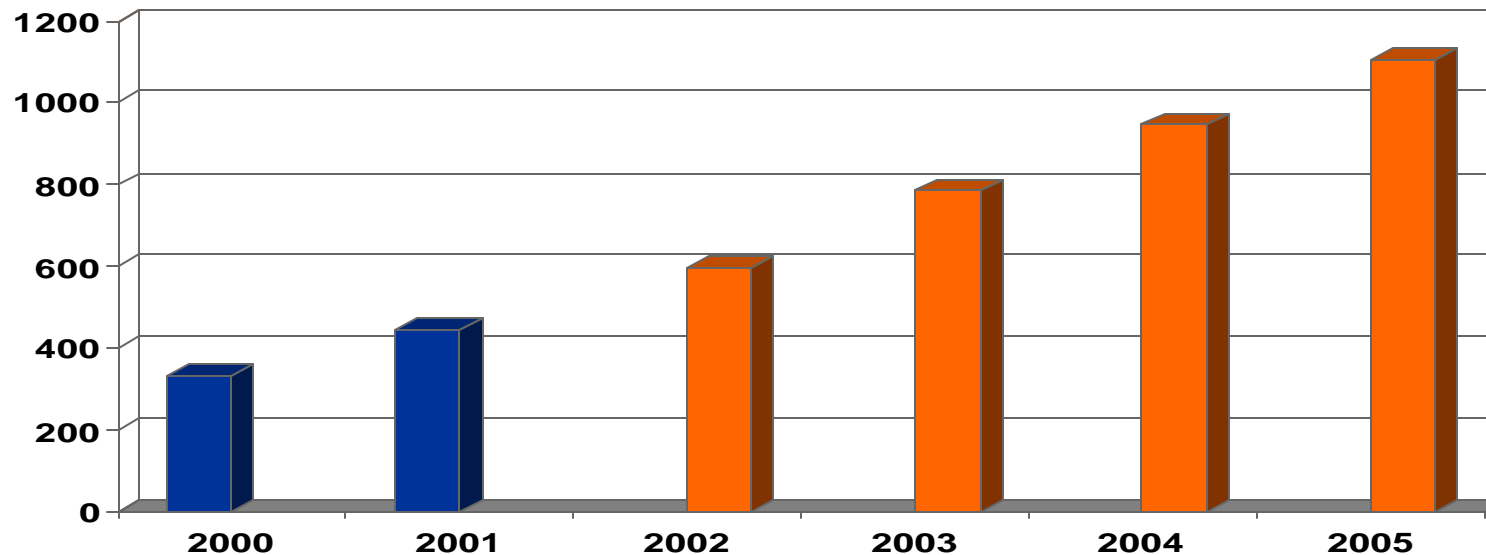


■ Experience

- 500+ systems installed
- Industry leader of ultrasound PACS and enterprise medical imaging
- Unmatched customer satisfaction in the industry

Large Market Opportunity

- **Growing demand for medical imaging**
 - **20+% compound annual growth next four years**
 - **\$1 billion annual market by 2005**



Source: Industry analysts

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are

Large Market Opportunity

- **Robust offering will drive incremental sales**
 - Nearly half of Horizon Clinical opportunities also seeking medical imaging solutions
 - Creates cross-sell opportunity – i.e., Physician Portal, Patient Folder
- **Provides a strong entrée point to non-MCK customers**
 - McKesson's strong track record of success
 - Horizon Meds Manager 36% of FY02 sales to non-McK
 - Horizon Patient Folder 46% of FY02 sales to non-McK

Most Comprehensive Clinical Solution

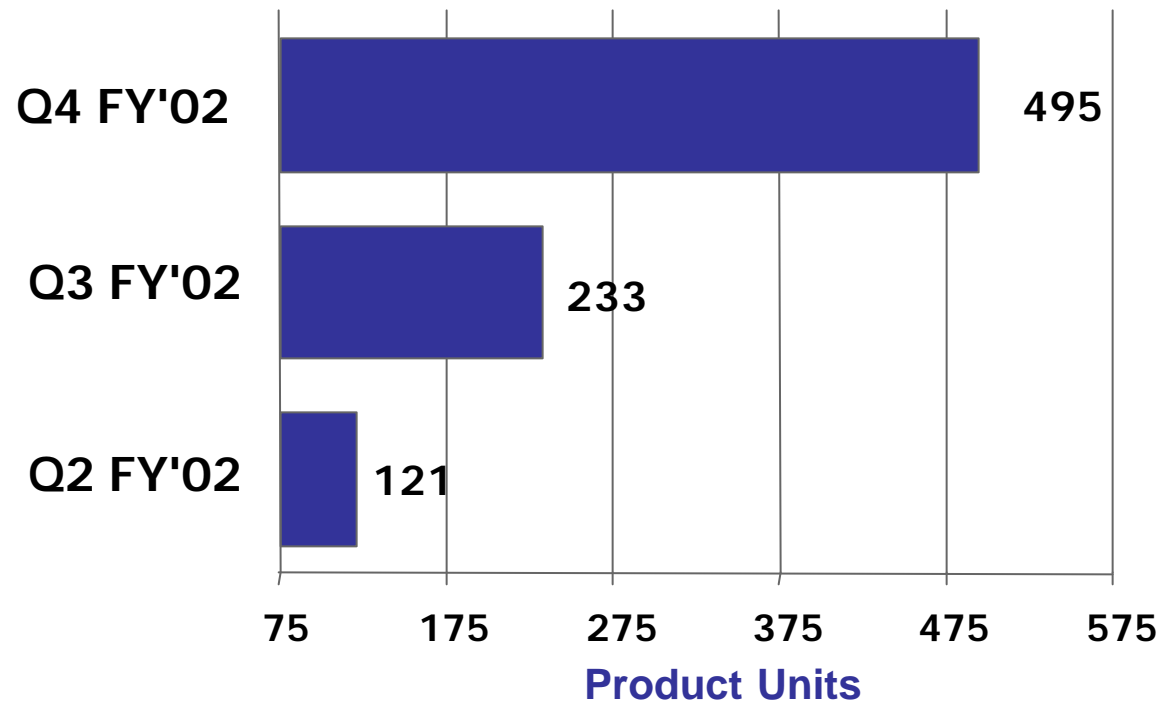
■ Enterprise Solutions

- Physician Access
- Medication Safety
- Physician Order Entry
- Advanced Nursing

■ Departmental Solutions

- Surgery
- Laboratory
- Pharmacy
- Ambulatory
- Emergency

MIS Clinical Units Sold



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Anytime, Anywhere Access

Most Complete Patient Record

The screenshot displays a web browser window titled "Physician Portal - Microsoft Internet Explorer". The address bar shows a URL: `http://e2kportal/portal/index.jsp?pageID=pp_results&PID=19750&EID=A77860&XPID=A0107100005`. The main content area is divided into several sections:

- EDIT Results Viewer:** Includes a dropdown menu for "Lab & Rad" and buttons for "Show Selected Results" and "Show All Results". Below this is a table with columns for "Item", "Order (Order Number)", "Dept Status", and "Priority".
- EDIT Patient Vitals Graph - Temperature:** A line graph titled "Temperature (02/03/2001 00:00 - 04/04/2001 16:04)". The y-axis represents temperature from 98.0 to 105.0. The x-axis shows dates from 3/12/01 to 3/16/01. A red horizontal line is drawn at approximately 102.0. The graph shows a peak in temperature around 3/13/01.
- Medical Images:** Two chest X-ray images are displayed side-by-side. The left image is a frontal view, and the right image is a lateral view. Both images include patient information such as "Pitt ID: 311231" and "Sex: Female".
- Documents:** A text area containing a medical history and physical examination report, including a "History" section and a "Vitals" section.

Discrete Data

- Lab
- Vitals—I & Os

Documents

- History & Physical
- Discharge Summary

Medical Images

Specialized Workflow

Closed Loop Medical Image Management



ORDER ENTRY

- Incorrect test ordered
- Poor exam preparation
- Missing medical necessity check

SCHEDULING

- Unbalanced resource allocation
- Unable to meet patient demands

PERFORM STUDY

- Patient identification errors
- Incomplete patient/exam information
- High FTE component

DIAGNOSTIC INTERPRETATION

- Incomplete patient Information
- Location restrictions
- Serial exam access
- Fragmented workflow
- Lost film

INFORMATION DISTRIBUTION

- Delayed turn around time
- Fragmented access
- Incomplete patient record

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Specialized Workflow

Closed Loop Medical Image Management



ORDER ENTRY	SCHEDULING	PERFORM STUDY	DIAGNOSTIC INTERPRETATION	INFORMATION DISTRIBUTION
<ul style="list-style-type: none"> • Evidence based guidelines • Interactive clinical decision support • Improved Patient Preparation 	<ul style="list-style-type: none"> • Optimized utilization of equipment and clinicians • Maximizing patient Convenience 	<ul style="list-style-type: none"> • Improved patient safety with modality worklists • Enhanced scanning protocols • Increased operational efficiencies 	<ul style="list-style-type: none"> • Enhanced Diagnostics • Workflow efficiencies • Remote access • Integrated reporting • Access to complete medical record 	<ul style="list-style-type: none"> • Faster response for patient treatment • Improved result access • Longitudinal record • Improved quality & outcomes

Specialized Workflow

The Best Workstation

- **Expands the Horizon Clinical Solution to include medical imaging**
- **Specialized workflow powered by superior clinical decision support**
- **Augments and complements existing technologies**
- **Tools that improve their workflow!**



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Empowering Healthcare

Most Comprehensive Clinical IT Solution in the Industry

- **Anytime, Anywhere access to the most complete patient record – data, documents and images**
- **Specialized workflow powered by superior clinical decision support tools**
“Closed Loop Medical Image Management”
- **Enterprise solution now includes medical images**

A.L.I.– Redefining the Standard

- **Proven solution**
- **Open, scalable architecture**
- **Unparalleled expertise – 260+ employees dedicated to images as information**
- **Innovative implementation methodology**
- **Most satisfied, referenceable customer base**
- **Enterprise-wide, multi-specialty strategy**
- **Proven ROI**
- **Track record for competitive success**