

JP Morgan Healthcare Conference



San Francisco, California
January 7, 2008

John Hammergren

Chairman & Chief Executive Officer



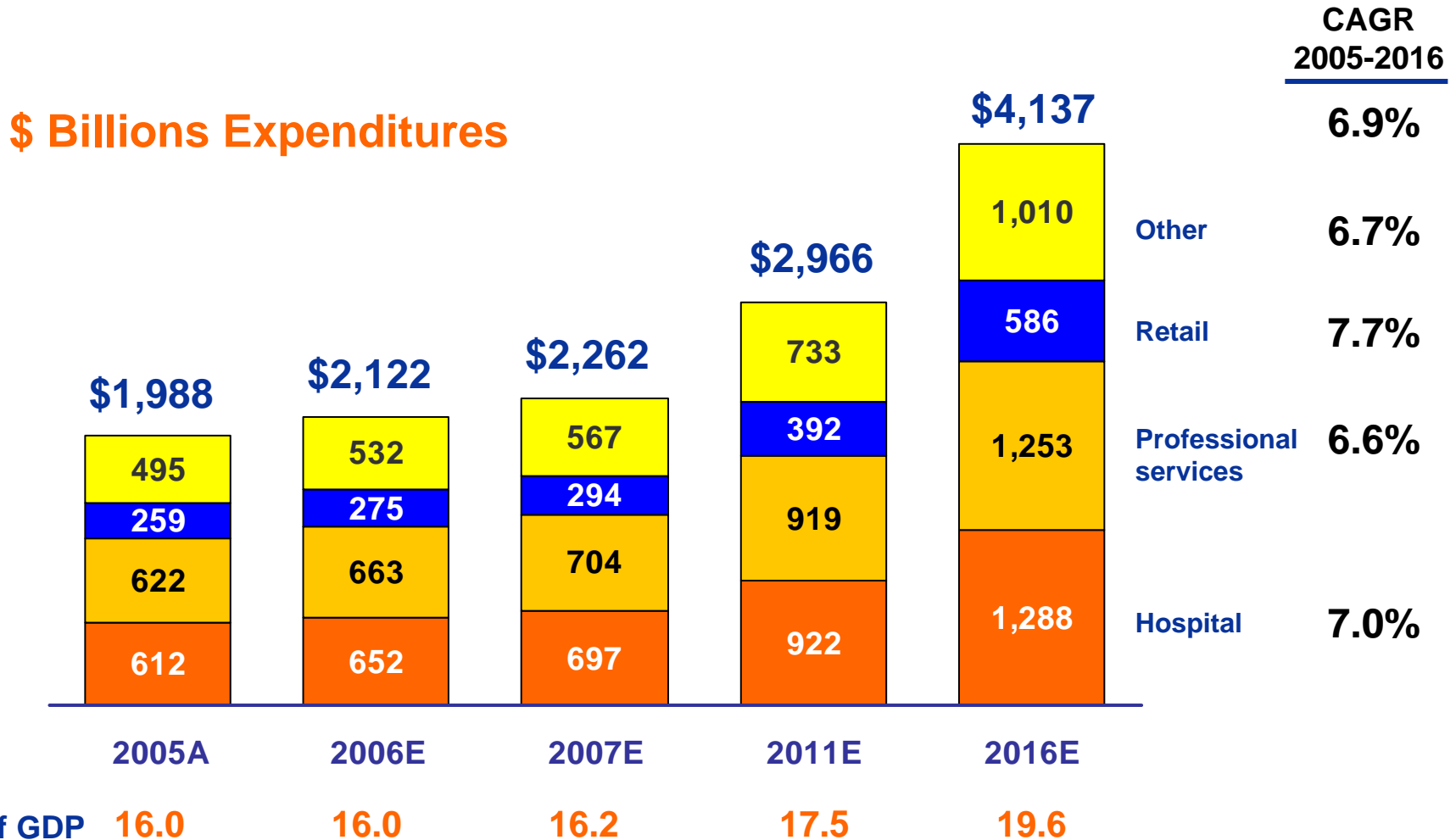
Safe Harbor Clause

Some of the information in this presentation may constitute forward-looking statements that are subject to various uncertainties. These uncertainties could cause actual results to differ materially from those projected or implied. The risk factors associated with those uncertainties are described in the Company's reports and exhibits filed with the Securities and Exchange Commission. Financial information is presented here in summary form. Full details are provided in the Company's most recent Annual Report on Form 10-K. All of this information is available at www.mckesson.com. The Company assumes no obligation to update or revise any such statements, whether as a result of new information or otherwise.

McKesson's Roots in Healthcare



Growing Demand for Healthcare in the U.S.



McKesson is Positioned for Growth...

McKesson Distribution Solutions

#1 in pharmaceutical distribution in U.S., Canada, and Mexico

#1 generics distributor

Significant position in rapidly growing Specialty distribution & services market

1,800 Health Mart retail pharmacy franchisees

Comprehensive retail information systems and automation offerings

#1 in medical-surgical distribution to primary and extended care

McKesson Technology Solutions

50% of all U.S. Hospitals, 77% of those >200 beds

Leader in clinical, revenue cycle, and resource management solutions

Leading RelayHealth claims processing and connectivity business

#1 hospital automation

19 Products in KLAS Top 3*

Leading businesses in U.K., France

#1 in medical management software and services for Payors

#1 in disease management for Medicaid agencies

...And to Help Transform Healthcare...

- Ensuring the **safe and timely delivery** of vital medications and supplies using our distribution system, scale and supply chain excellence
- **Improving health outcomes and patient safety** by developing processes and technologies to optimize care and reduce errors
- Making healthcare more **convenient, personal and effective** for patients
- Smoothing information and revenue flows by **streamlining interactions** between clinicians, payors and patients
- Ensuring that **healthcare dollars are well spent**

...By Meeting Our Customers' Needs with Linkages Across McKesson



We Have Long-term Relationships with Global Healthcare Leaders...



Vanderbilt University Medical Center



DUKE UNIVERSITY
MEDICAL CENTER



Omnicare



... And are Recognized by Our Customers as a Leader



Ranked #1 of Top 20 Drug Retailers/Wholesalers in May/June 2007 edition of *Private Label*



MPT has **more products in KLAS top 3** than any other company



“Overall Supplier of the Year”
“Supplier of the Year for Pharmacy”



Health Mart Named “Pharmacy Chain of the Year” by *Drug Topics Magazine*



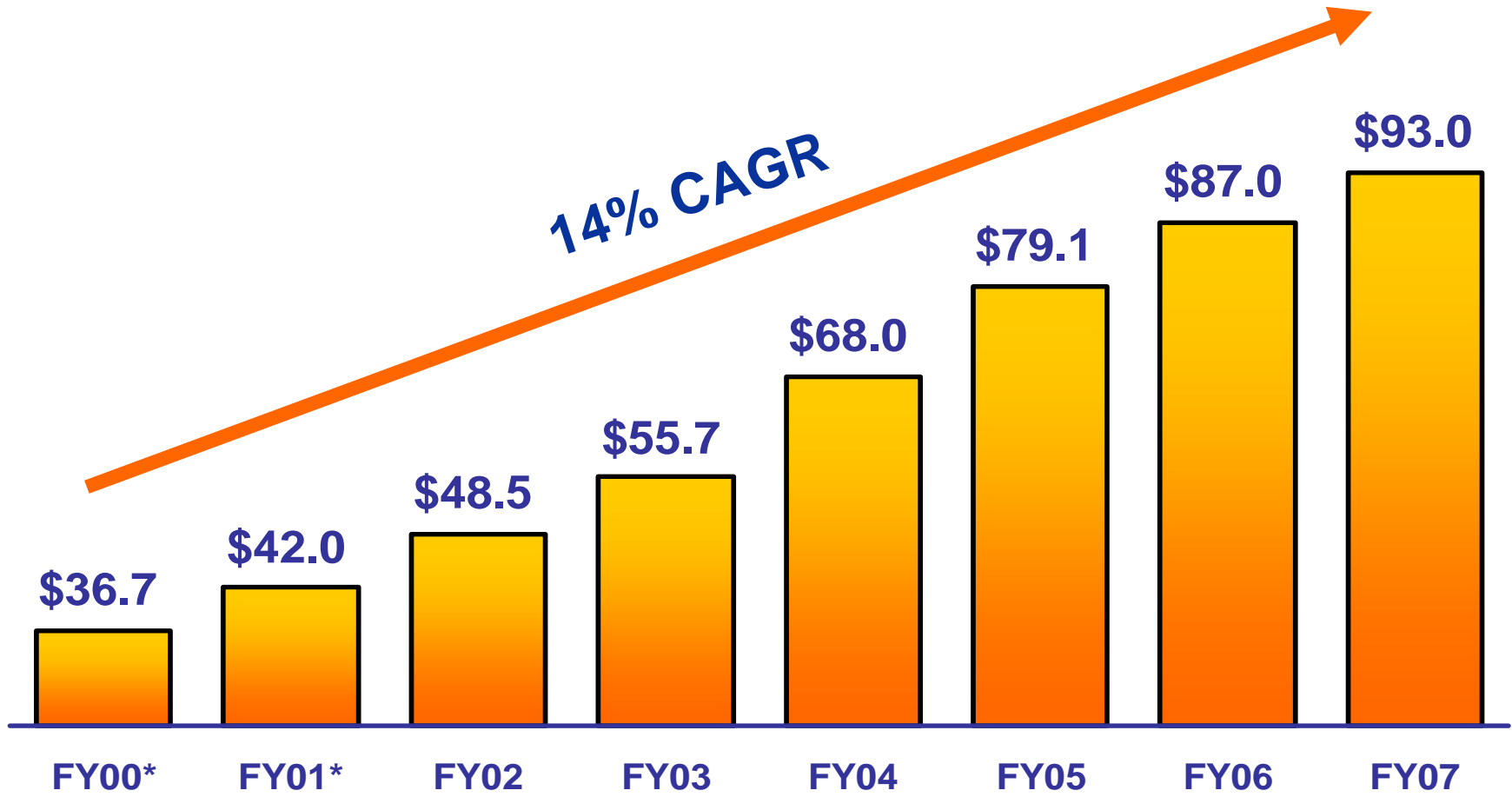
Wal-Mart “**Supplier of the Year**” for 2 of the last 4 years



Premier’s **# 1 Quality Wholesaler**

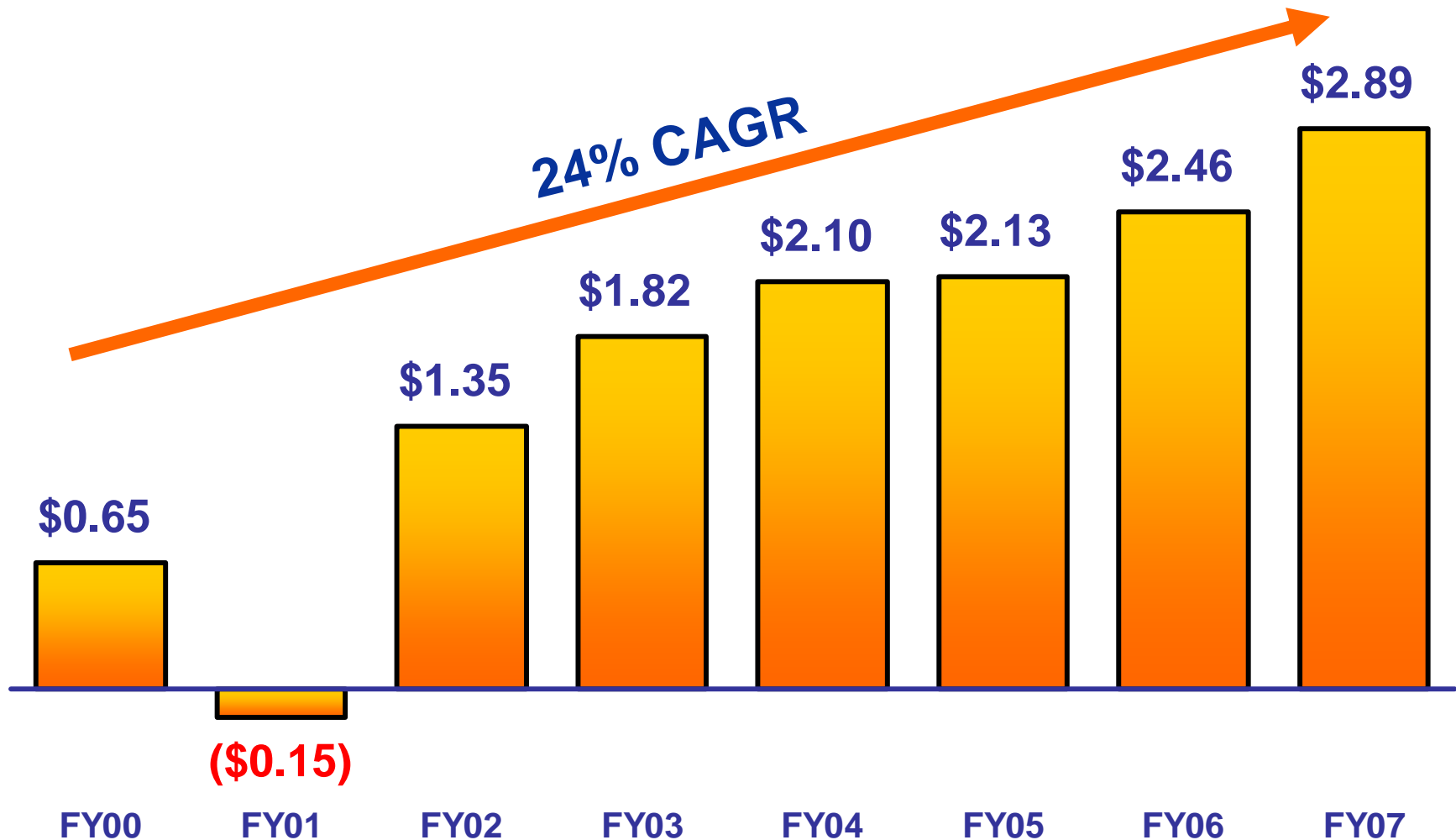
McKesson has Delivered Strong Revenue Growth...

\$ Billions



* Revenues for FY00 and FY01 not adjusted for discontinued operations occurring after FY05.

...Which we Have Leveraged into Higher EPS Growth (from continuing operations)*



* EPS from continuing operations, excluding securities litigation charges/(credits). EPS for FY00 and FY01 not adjusted for discontinued operations occurring after FY05.

Fiscal Year 2008 – A Strong Performance to Date

	<u>YTD FY08</u>	<u>YTD FY07</u>	<u>Chg</u>
<u>Revenues</u>			
Distribution Solutions	\$ 47,536	\$ 44,685	6%
Technology Solutions	1,442	1,016	42%
	<u>\$ 48,978</u>	<u>\$ 45,701</u>	7%
<u>Operating Profit</u>			
Distribution Solutions	\$ 706	\$ 641	10%
Technology Solutions	166	88	89%
	<u>\$ 872</u>	<u>\$ 729</u>	20%
Income*	\$ 480	\$ 384	25%
Diluted EPS*	\$ 1.59	\$ 1.25	27%

* Income and diluted EPS from Continuing Operations excluding the Securities Litigation credit

(\$ in Millions except EPS)

We Are Innovating Solutions With a Strategy That Spans Healthcare

Safe, quality care in the **Hospital**

Provide a **Complete Solution** for the **Physician's Office**

Engage **Consumers** to drive **profitable market** share.

Integrate the local **Pharmacy** to ensure medication compliance and simplified reconciliation

Support **Payor-Provider Collaboration** to ensure the efficient care delivery



Hospital Strategy: Safe, Quality Physician-Driven Care



Physician Office Strategy: Comprehensive Solution

Most Comprehensive Portfolio in the Industry

Deliver

Pharmaceutical,
Specialty and
Medical Supply
Distribution

Distribution

Connect

Gain rapid, wide
spread physician
connectivity in
the community

RelayHealth

Electronic Health Record

EHR Integrated
INTEGRATED
shared patient
record across care
settings

RelayHealth

Horizon
Ambulatory
Care

Practice Plus

Fast Track EHR
Award winning
EHR for
independent
physicians

RelayHealth

Practice
Partner

Complete

Improve financial
performance to
fund EHR
initiative

RelayHealth

Electronic
Health Record

Practice
Management

Revenue Cycle
Outsourcing

Supplies

Consumer Strategy: Drive Profitable Market Share

Connectivity

- Collaboration
 - Physicians
 - Care managers
 - Patients
- Secure exchange
- Online care coordination

Communication

- WebVisit® - between patients and providers
- Results
- Pharmacy refills



Convenience

- Request appointments
- Pay bills
- Check eligibility

Coaching

- Chronic care support
- In-home monitoring services

Pharmacy Strategy: World Class Distribution and Delivery

McKesson World Class
Distribution and Delivery



Strong Presence with National Chain Pharmacies



7 of Top 10 Mail Order Pharmacies



Strong Relationship with Independent Pharmacies



**One
McKesson**

McKesson: Complete Solution for Independent Pharmacy



Payor Strategy: Support Collaboration To Ensure Efficient Care Delivery

**Claims
Performance**

**Medical
Management**
InterQual

**Disease
Management**

**Presence in 100% of the top 25
commercial health plans**

- 68% have 2+ products/services
- 24% have 3+ products/services

~ **4,000** InterQual customers
(hospital and payor)

~ **250** Claims Solutions customers
9 Medicaid States for Disease
Management

Support Payor-Provider Collaboration Online Authorization Request Management

InterQual Access via RelayHealth *Online Clinical Review*

The image displays two screenshots of the RelayHealth Collaboration Compass interface, illustrating the Pre-Authorization workflow. The interface is titled "Pre-Authorization" and features a navigation bar with four steps: Selection (1), Review (2), Request (3), and Response (4). The "Review" step is currently active.

Left Screenshot (Review Step):

- Header:** Site Home - Internet Explorer, Address: http://www.relayhealth.com/presauth
- Navigation:** Selection (1), Review (2), Request (3), Response (4)
- Search Criteria:** Patient Name: Jane M. Doe / 012345678902, Medical Code(s): 93528
- InterQual Products:** LDC:Acute Adult, LDC:Acute Pediatric, LDC:Long Term Acute Care, LDC:Rehabilitation
- Categories:** All Categories, Cardiology, Cardiothoracic, General Surgery
- Notes Table:**

Notes	Subset Description /	Product
P	Cardiac Catheterization, Right Heart	CP:Procedures
P	Cardiac Catheterization, Right Heart with Coronary Angiogram	CP:Procedures
P	Cardiac Catheterization, Right Heart with Left Ventriculogram	CP:Procedures

Right Screenshot (Review Step):

- Header:** Site Home - Internet Explorer, Address: http://www.relayhealth.com/presauth
- Navigation:** Selection (1), Review (2), Request (3), Response (4)
- Search Criteria:** Patient Name: Jane M. Doe / 012345678902, Medical Code(s): 93528
- Criteria Met:** Cardiac Catheterization, Right Heart with Left Ventriculogram
- Review Detail:** Subset -- Cardiac Catheterization, Right Heart with Left Ventriculogram
- Criteria List:**

 - All Indicators [One]
 - 100 Constrictive pericarditis and age < 35 [One]
 - 200 Congenital heart disease and age < 35 [One]
 - 210 Diagnostic [Both]
 - 211 New presentation of ASD/VSD
 - 212 Inability to identify/measure shunt by RV/GITTE
 - 220 Evaluation for surgery [One]
 - 300 Valvular heart disease and age < 35 [One]

Support Payor-Provider Collaboration ... With Reimbursable e-visits

Options
webVisit™ Progress
Check Spelling Choose Symptom **Interview** Update Health Record Review & Send

Interview - Allergic Symptoms

webVisit Consultation

Peters, Anne -- DOB 9/12/1959



Female
42 years
5' 6"
135 Pounds
Married

Medical info modified - 01/24/02 by Daniel Field MD

Problems
Depression; hay fever

14 Payors Signed up (Regional and National)

National Contracts with Aetna and Cigna

Currently McKesson has connected
>850,000 patients with >2,000,000
Personal Health Records

- Swelling around lips, tongue, face, or eyes
- Ache or pressure around eyes or cheekbones
- Mild or occasional wheezing
- Runny nose
- Nasal congestion

- Does not have ache or pressure around eyes or cheekbones.
- Does not have mild or occasional wheezing.
- Does not have a runny nose.
- Does not have nasal congestion.
- Does not have a fever.
- Symptoms caused or aggravated by pollens.
- Symptoms caused or aggravated by certain foods.
- Patient is not taking anything to treat hay fever or allergy symptoms.
- Symptoms are slowly getting worse.

...To a Seamlessly Connected Healthcare System

Patient



Hospital

Physician Office

Payor

Pharmacy

Connectivity by RelayHealth

Summary: McKesson Drives Sustained Value Creation

- Unique value proposition in growing healthcare services markets
- Strong and expanding global businesses:
 - Solid operating profit from distribution segment
 - Upside opportunities from higher growth, higher margin technology segment
- Track record of improving financial performance and balanced capital deployment
- Experienced and deep management team with strategic vision
- Commitment to shareholder-focused corporate governance practices

Creating Value While Helping Transform Healthcare

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