

MCKESSON

Empowering Healthcare

Goldman Sachs Healthcare Conference

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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 10-Q report. All of this information is available at www.mckesson.com.

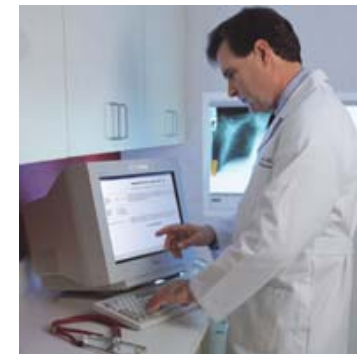
McKesson's Solutions ... Building On Distribution Strength Since 1833



Pharmaceutical & medical-surgical distribution to all sites



Solutions for medication safety



Clinical, financial & resource management for hospitals & IDNs



Retail pharmacy automation



Inpatient automation



Specialty pharmaceuticals



Disease management



Drug cards for seniors



Pharmaceutical repackaging

Market Leading Positions in Healthcare Services

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McKesson Pharmaceutical

**#1 in U.S., Canada, and
Mexico**

Large Rx repackaging

Leading generics provider

**#1 in retail pharmacy
automation**

**Specialty distribution &
patient services for
manufacturers**

**#1 in medical management
software and services for
payers**

**#1 in disease management
for Medicaid agencies**

McKesson Medical-Surgical

#1 in primary care

**#1 in extended
care**

**Total supply
solution in acute
care**

**Private label
product offerings**

**Rapid growth in
physician office
pharmaceuticals
and equipment**

McKesson Provider Technologies

63% of health systems

**51% of hospitals with
200+ beds**

**Leader in clinical,
revenue cycle,
and resource
management solutions**

**More "Best in KLAS"
products than any
other vendor**

**#1 in robotic hospital
pharmacy dispensing**

#1 in bedside scanning

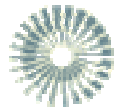
Strong, Long-term Customer Relationships with Market Leaders



Vanderbilt University Medical Center



DUKE UNIVERSITY
MEDICAL CENTER



Omnicare



Empowering Healthcare

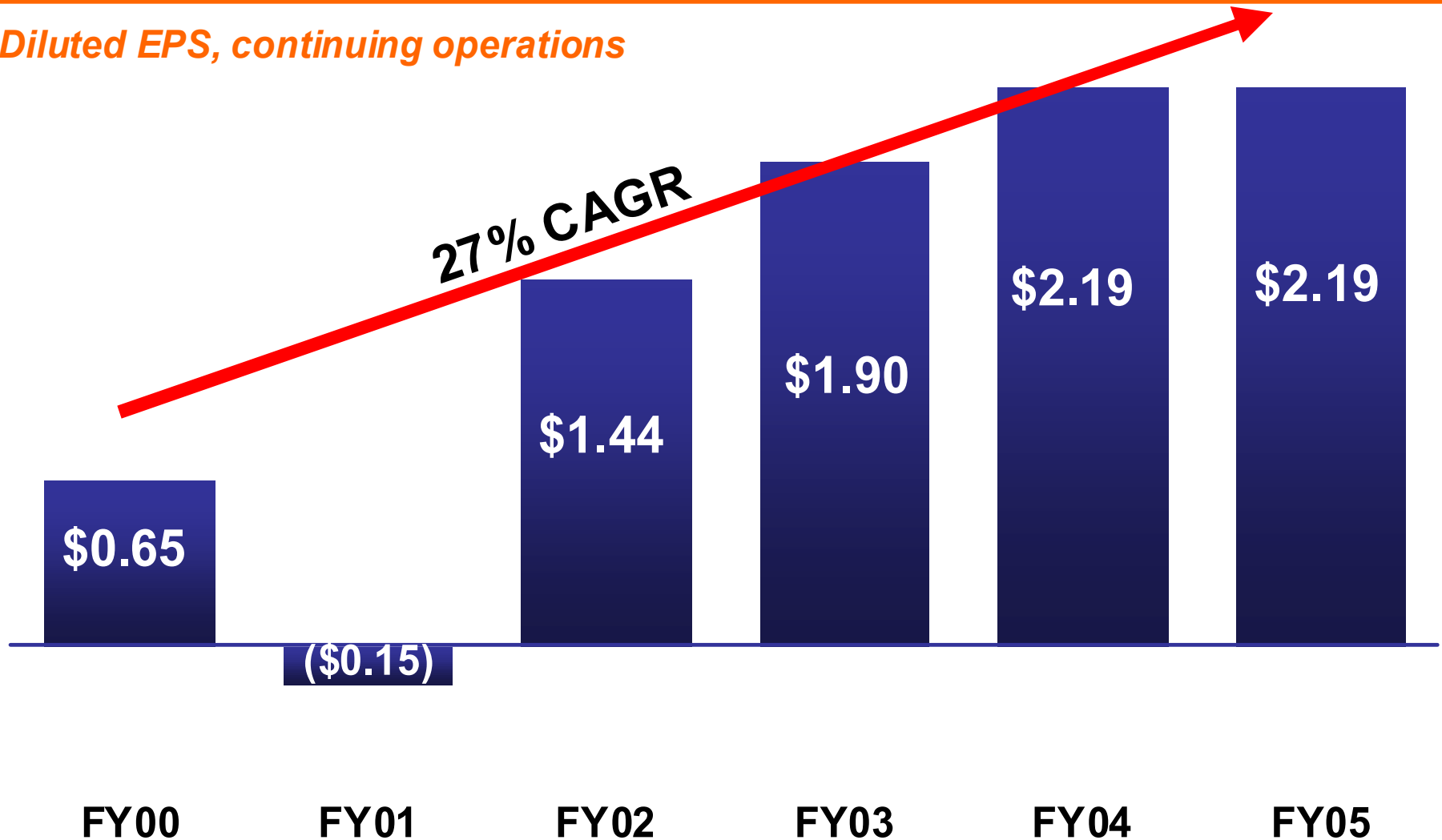
McKesson's Strategy

To bring together clinical knowledge, process expertise, technology, and the resources of a *Fortune 15* company to fundamentally change the cost and quality of healthcare.



Strong Financial Track Record

Diluted EPS, continuing operations



FY05 Consolidated Financial Highlights

(\$ and shares in millions, except EPS)

	Q4			Full-year		
	FY04	FY05		FY04	FY05	
Revenues	\$ 17,940	\$ 20,612	14%	\$ 69,506	\$ 80,515	16%
Net Income (Loss)	214	259	21%	647	(157)	-
Diluted Earnings (Loss) Per Share	\$ 0.73	\$ 0.85	16%	\$ 2.19	\$ (0.53)	-
Weighted Avg Shares - Diluted	297	305	3%	299	294	-2%

Securities Litigation Settlement

- Agreement reached January 12 to settle consolidated securities class action, subject to court approval
- \$1.2 billion pre-tax charge in Q3-05, \$810 million after tax:
 - Class action settlement for \$960 million plus \$240 million reserve for remaining related cases
- Anticipate financing securities litigation settlement liability mid fiscal year

Increased financial flexibility to continue to execute our strategy

FY05 Consolidated Financial Results**

(\$ and shares in millions, except EPS)

	Full-year		
	FY04	FY05	
Revenues	\$ 69,506	\$ 80,515	16%
Net Income**	647	653	1%
Diluted EPS**	\$ 2.19	\$ 2.19	--
Diluted Weighted Avg Shares**	299	301	1%
Operating Cash Flow	\$ 595	\$ 1,538	158%
Gross Debt to Capital	22.3%	18.7%	
Net Debt to Capital	12.9%	-12.8%	

** Excluding the impact of \$1.2B pre-tax securities litigation charge, net of tax \$810M
See Schedule 1 from 5/5/05 press release and reconciliation slide for complete reconciliation.

What McKesson Represents

- Core pharmaceutical business positioned for sustained market growth
- Strongly positioned in value-adding businesses across spectrum of healthcare services
- Track record of financial performance and strong balance sheet
- Securities settlement removes uncertainty and increases financial flexibility, pending class action settlement



Create Value for Suppliers, Customers and Shareholders

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Empowering Healthcare

EPS Reconciliation

(\$ and shares in millions except EPS)

	Full-year		
	FY04	FY05	
Net income (loss)			
- as reported	\$ 647	\$ (157)	- %
Exclude:			
Securities Litigation charge	-	(1,200)	-
Estimated income tax benefit	-	390	-
	-	(810)	-
Net income, excluding Securities Litigation charge	\$ 647	\$ 653	1 %
Diluted earnings per common share, excluding Securities Litigation charge *	\$ 2.19	\$ 2.19	-
Shares on which diluted earnings per common share were based *	299	301	1 %

* For the years ended March 31, 2005 and 2004, interest expense, net of related income taxes, of \$6.2 million has been added to net income, excluding the Securities Litigation charge, for purposes of calculating diluted earnings per share. This calculation also includes the impact of dilutive securities (stock options, convertible junior subordinated debentures and restricted stock).