McKESSON
Empowering Healthcare

Merrill Lynch Global Healthcare Conference

February 7, 2007

John H. Hammergren
Chairman and 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 10-K report. 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.

Leading Market Positions in All Three Segments

McKESSON
Empowering Healthcare

Pharmaceutical Solutions	Medical-Surgical Solutions	Provider Technologies
#1 in U.S., Canada, and Mexico #1 generics distributor Large Rx repackaging Specialty distribution & patient services for manufacturers #1 in medical management software and services for payors #1 in disease management for Medicaid agencies	#1 in primary care #1 in extended care Private label product offerings Rapid growth in physician office pharmaceuticals and equipment	63% of U.S. health systems Leader in clinical, revenue cycle, and resource management solutions More "Best in KLAS" products than any other vendor #1 hospital automation Emerging business in U.K and France
$83.4 billion revenues $1.2 billion op profit	$2.0 billion revenues $83 million op profit	$1.5 billion revenues $143 million op profit

Notes: Financial information for year ending FY06.
Financial results for Medical-Surgical Solutions have been reclassified to reflect the sale of the Acute Care business.

Strong Performance FY07 YTD

- U.S. pharmaceutical distribution business is better than ever:
  - Stronger relationships with manufacturers, improved visibility and solid cash flow
  - Stable buy and sell side margins, significant growth in generics and opportunities for cost efficiencies drive margin expansion over the longer term
- Medical-Surgical distribution business is focused on higher-growth, higher-margin customer segments following sale of acute care business
- Increased use of information technology by providers to improve clinical outcomes and acceleration in implementations is driving strong performance in Provider Technologies

Per-Se Builds Scale and Deepens Market Penetration

- Key solution areas
  - Software for physicians, hospitals and pharmacies
  - Electronic clearinghouses and transactions
  - Revenue cycle outsourcing
- Complementary customer base
  - 3,000 retail pharmacies
  - 3,000 hospitals
  - 17,000 hospital-based MDs
  - >100,000 MDs in small practices
- Connections with 50,000 pharmacies – 70% of all pharmacy claims
- One of the largest electronic clearinghouses with 8 billion healthcare transactions annually

Market-leading Momentum in Pharmaceutical Solutions Continues

McKESSON
Empowering Healthcare

- Stronger relationships with branded pharmaceutical manufacturers and increased visibility to compensation
- Growing generics franchise
- Expanding customer base in hospitals and mail order
- Six Sigma and information technology drive quality improvements and operating efficiency
- Expanding footprint in Canada and Mexico
- Growing Payor Business driven by expanding disease management market and payor software product offering

Four Levers for Pharmaceutical Distribution Operating Margin Expansion

McKESSON
Empowering Healthcare

+

Generics

Large volume of branded drugs scheduled for conversion creates significant profit opportunity

Mfr. Comp.

Stable with opportunity to expand

-

Sell Margin

Stable with opportunity to expand

Operating Expenses

Programs to control costs, increase efficiencies

Operating Margin Goal: 150 to 200 bp

FY05	FY06	FY07
1.41%	1.45%	expect to be in range

Q3 and YTD Financial Results

McKESSON
Empowering Healthcare

($ in Millions except EPS)

	Q3 FY07	Q3 FY06	*Chg*	YTD FY07	YTD FY06	*Chg*
Revenues						
Pharmaceutical Solutions	$ 22,028	$ 21,295	*3%*	$ 65,715	$ 61,553	*7%*
Medical-Surgical Solutions	632	544	*16%*	1,789	1,529	*17%*
Provider Technologies	451	401	*12%*	1,308	1,111	*18%*
	$ 23,111	$ 22,240	*4%*	$ 68,812	$ 64,193	*7%*
Operating Profit						
Pharmaceutical Solutions	$ 338	$ 305	*11%*	$ 954	$ 859	*11%*
Medical-Surgical Solutions	25	26	*-4%*	70	67	*4%*
Provider Technologies	40	38	*5%*	108	95	*14%*
	$ 403	$ 369	*9%*	$ 1,132	$ 1,021	*11%*
Income*	$ 240	$ 204	*18%*	$ 624	$ 557	*12%*
EPS*	$ 0.79	$ 0.64	*23%*	$ 2.05	$ 1.77	*16%*

**Income and Diluted EPS from Continuing Operations excluding the securities litigation charge (credit)*

Factors Driving Sustained Value Creation at McKesson

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

Sustained Value Creation

Merrill Lynch Global Healthcare Conference

February 7, 2007

John H. Hammergren
Chairman and Chief Executive Officer

Diluted EPS Reconciliation

($ and shares in millions, except EPS)	Q3		YTD	
	FY06	FY07	FY06	FY07
Income from continuing ops - as reported	$ 204	$ 240	$ 522	$ 711
Exclude:				
Securities Litigation charge/(credit), net	1.0	-	53	(6)
Income tax on charge/(credit), net	(1.0)	-	(18)	2
Income tax reserve reversals	-	-	-	(83)
	-	-	35	(87)
Income from continuing ops, excluding Securities Litigation charge/(credit), net	$ 204	$ 240	$ 557	$ 624
Diluted earnings per common share from continuing ops, excluding Securities Litigation charge/(credit), net (1) (2)	$ 0.64	$ 0.79	$ 1.77	$ 2.05
Shares on which diluted earnings per common share were based (2)	316	302	315	305

(1) Certain computations may reflect rounding adjustments.
(2) For the 9 months ended December 31, 2005, interest expense, net of related income taxes, of $1 million has been added to income from continuing ops for purposes of calculating diluted earnings per share. This adjustment reflects the impact of the Company's potentially dilutive obligations.