
Letter from John Hammergren

For more than 180 years, McKesson has helped our customers thrive so they can help their patients achieve better health. And while we are very proud of our history, we could not be more excited about the promise of our future.

We play a critical role in healthcare, earning the privilege of partnering with our customers as they strive to provide higher quality and more affordable patient care. As a company, we continue to invest resources to help our customers be more successful and to make McKesson a place where employees can grow their careers over the long term.

The fiscal year that ended March 31, 2017 (FY17) was a significant one for our company. In March, we marked the completion of our previously announced agreement with Change Healthcare Holdings, Inc. to create a new healthcare information technology company, Change Healthcare. The new company includes the majority of the former McKesson Technology Solutions (MTS) businesses. At the same time, we continued to grow our businesses and completed our Las Colinas campus in Irving, Texas, with capacity for 2,500 employees.

We continued to support cancer patients through our McKesson Foundation programs, as well as through our businesses. In FY17, more than 19,500 employees in 180 locations volunteered to create cancer care packages, which we delivered to more than 270 non-profits across North America through our foundation's Giving Comfort program. Through our McKesson Marrow Drive, we have added more than 2,800 new prospective donors to the international registry, and we saw the first successful marrow transplant resulting from the drive.

McKesson's wellness program continues to achieve substantial benefits for both individual employees and the company. More than 10,000 employees have achieved our wellness program's platinum or gold status by participating in health screenings and by logging their physical activities. In spring 2016, our McKesson in Motion charity

step challenge drew more than 14,000 employees. The McKesson Foundation made a donation on behalf of each participant, and employees competed as teams for additional grants. Together, our employees raised \$200,000 for cancer non-profits and logged more than 3.8 billion steps.

Across our company, we look for ways to reduce carbon emissions associated with travel, facilities and our transportation fleets. In FY17, we achieved Leadership in Energy and Environmental Design (LEED) certification for our new Las Colinas campus and our One Post headquarters in San Francisco. We also continued to see a drop in short- and medium-length flights through increased adoption of virtual meetings.

McKesson's culture is grounded in our shared ICARE (integrity, customer-first, accountability, respect and excellence) and ILEAD (inspire, leverage, execute, advance and develop) principles. These values guide all that we do and help advance our company across every dimension, creating maximum value for our customers and making McKesson a great place to work for our associates.

On behalf of the McKesson team, I invite you to explore this year's report. Together, we are making a difference for our employees, communities, and the planet – and for the millions of patients who rely on McKesson for access to the medicines, supplies and technologies that make better health possible for their families and loved ones.

John H. Hammergren
Chairman, President and Chief Executive Officer
McKesson Corporation