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McKESSON CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share amounts)

	Years Ended March 31,		
	2018	2017	2016
Revenues	\$ 208,357	\$ 198,533	\$ 190,884
Cost of Sales	(197,173)	(187,262)	(179,468)
Gross Profit	11,184	11,271	11,416
Operating Expenses			
Selling, distribution and administrative expenses	(8,138)	(7,460)	(7,379)
Research and development	(125)	(341)	(392)
Goodwill impairment charges	(1,738)	(290)	—
Restructuring and asset impairment charges	(567)	(18)	(203)
Gains from sales of businesses	109	—	103
Gain on healthcare technology net asset exchange, net	37	3,947	—
Total Operating Expenses	(10,422)	(4,162)	(7,871)
Operating Income	762	7,109	3,545
Other Income, Net	130	90	58
Loss from Equity Method Investment in Change Healthcare	(248)	—	—
Loss on Debt Extinguishment	(122)	—	—
Interest Expense	(283)	(308)	(353)
Income from Continuing Operations Before Income Taxes	239	6,891	3,250
Income Tax Benefit (Expense)	53	(1,614)	(908)
Income from Continuing Operations	292	5,277	2,342
Income (Loss) from Discontinued Operations, Net of Tax	5	(124)	(32)
Net Income	297	5,153	2,310
Net Income Attributable to Noncontrolling Interests	(230)	(83)	(52)
Net Income Attributable to McKesson Corporation	\$ 67	\$ 5,070	\$ 2,258
Earnings (Loss) Per Common Share Attributable to McKesson Corporation			
Diluted			
Continuing operations	\$ 0.30	\$ 23.28	\$ 9.84
Discontinued operations	0.02	(0.55)	(0.14)
Total	\$ 0.32	\$ 22.73	\$ 9.70
Basic			
Continuing operations	\$ 0.30	\$ 23.50	\$ 9.96
Discontinued operations	0.02	(0.55)	(0.14)
Total	\$ 0.32	\$ 22.95	\$ 9.82
Weighted Average Common Shares			
Diluted	209	223	233

McKESSON CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Years Ended March 31,		
	2018	2017	2016
Net Income	\$ 297	\$ 5,153	\$ 2,310
Other Comprehensive Income (Loss), Net of Tax			
Foreign currency translation adjustments arising during the period	624	(632)	113
Unrealized gains (losses) on cash flow hedges arising during the period	(30)	(19)	9
Retirement-related benefit plans	15	(8)	50
Other Comprehensive Income (Loss), Net of Tax	609	(659)	172
Comprehensive Income	906	4,494	2,482
Comprehensive (Income) Attributable to Noncontrolling Interests	(415)	(4)	(72)
Comprehensive Income Attributable to McKesson Corporation	\$ 491	\$ 4,490	\$ 2,410

See Financial Notes

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McKESSON CORPORATION
CONSOLIDATED BALANCE SHEETS
(In millions, except per share amounts)

	March 31,	
	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,672	\$ 2,783
Receivables, net	17,711	18,215
Inventories, net	16,310	15,278
Prepaid expenses and other	443	672
Total Current Assets	37,136	36,948
Property, Plant and Equipment, Net	2,464	2,292
Goodwill	10,924	10,586
Intangible Assets, Net	4,102	3,665
Equity Method Investment in Change Healthcare	3,728	4,063
Other Noncurrent Assets	2,027	3,415
Total Assets	\$ 60,381	\$ 60,969
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Current Liabilities		
Drafts and accounts payable	\$ 32,177	\$ 31,022
Short-term borrowings	—	183
Deferred revenue	63	346
Current portion of long-term debt	1,129	1,057
Other accrued liabilities	3,316	3,004
Total Current Liabilities	36,685	35,612
Long-Term Debt	6,751	7,305
Long-Term Deferred Tax Liabilities	2,804	3,678
Other Noncurrent Liabilities	2,625	1,774
Commitments and Contingent Liabilities (Note 24)		
Redeemable Noncontrolling Interests	1,459	1,327
McKesson Corporation Stockholders' Equity		
Preferred stock, \$0.01 par value, 100 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.01 par value, 800 shares authorized at March 31, 2018 and 2017, 275 and 273 shares issued at March 31, 2018 and 2017	3	3
Additional Paid-in Capital	6,188	6,028
Retained Earnings	12,986	13,189
Accumulated Other Comprehensive Loss	(1,717)	(2,141)
Other	(1)	(2)
Treasury Stock, at Cost, 73 and 62 shares at March 31, 2018 and 2017	(7,655)	(5,982)
Total McKesson Corporation Stockholders' Equity	9,804	11,095
Noncontrolling Interests	253	178
Total Equity	10,057	11,273