

McKesson to Expand Distribution Agreement with Albertsons

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Expanded relationship to ensure highest levels of service for Albertsons' pharmacy customers

- *McKesson to assume responsibility for the sourcing and distribution of generic and brand pharmaceuticals for nearly 1,700 pharmacies across the Albertsons' 33-state operating area*
- *Albertsons to benefit from the scale and strength of McKesson's proprietary OneStop® generics program and efficiency of McKesson's daily direct-to-store service model for pharmaceutical products*
- *Distribution agreement extends through April 2021*

SAN FRANCISCO & BOISE, Idaho--(BUSINESS WIRE)^[1]--McKesson Corporation (NYSE:MCK) and Albertsons announced the signing of a five-year distribution agreement to include the sourcing and distribution of both branded and generic pharmaceuticals, commencing on April 1, 2016. As part of the agreement, Albertsons' network of nearly 1,700 pharmacies in their 2,200 stores across the country will benefit from the scale and strength of McKesson's proprietary OneStop® generics program and efficiency of McKesson's daily direct-to-store service model for pharmaceutical products.

Both McKesson and Albertsons have a long history as trusted partners in helping to impact patient care through quality products and services. This agreement leverages the strength of McKesson as a global leader in pharmaceutical sourcing and supply chain management and the value, convenience and superior service that make Albertsons' stores the favorite local supermarket and best neighborhood destination for health and wellness needs.

"We are extremely excited about our expanded relationship with Albertsons," stated John H. Hammergren, chairman and chief executive officer, McKesson Corporation. "We have great confidence in the exceptional value we provide to our customers as a global leader in pharmaceutical supply chain solutions and I appreciate the opportunity to work with Albertsons as partners in ensuring the highest levels of pharmaceutical product availability and service to its customers."

"Providing what our customers want is our top priority every day. In our nearly 1,700 pharmacies, that means delivering outstanding health and wellness services to each customer regardless of what their needs may be," said Bob Miller, chairman and chief executive officer, Albertsons. "We've worked with McKesson for several years, and they've consistently proven to us that they are a partner who can respond quickly to the wide variety of prescriptions we receive. We're excited that our expanded relationship with McKesson will allow us to continue delivering convenient solutions for every customer's prescription needs across every neighborhood we serve."

About McKesson Corporation

McKesson Corporation, currently ranked 11th on the FORTUNE 500, is a healthcare services and information technology company dedicated to making the business of healthcare run better. McKesson partners with payers, hospitals, physician offices, pharmacies, pharmaceutical companies and others across the spectrum of care to build healthier organizations that deliver better care to patients in every setting. McKesson helps its customers improve their financial, operational, and clinical performance with solutions that include pharmaceutical and medical-surgical supply management, healthcare information technology, and business and clinical services. For more information, visit www.mckesson.com^[2].

About Albertsons

Albertsons is one of the largest food and drug retailers in the United States, with both a strong local presence and national scale. We operate stores across 33 states and the District of Columbia under 18 well-known banners including Albertsons, Safeway, Vons, Jewel-Osco, Shaw's, Acme, Tom Thumb, Randalls, United Supermarkets, Pavilions, Star Market and Carrs.

Forward-Looking Statements

Except for historical information contained in this press release, matters discussed may constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities

Exchange Act of 1934, as amended, that involve risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These statements may be identified by their use of forward-looking terminology such as "believes", "expects", "anticipates", "may", "will", "should", "seeks", "approximately", "intends", "plans", "estimates" or the negative of these words or other comparable terminology. The reader should not place undue reliance on forward-looking statements, which speak only as of the date they are first made. Except to the extent required by law, neither McKesson nor Albertsons undertakes any obligation to publicly release the result of any revisions to these forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of unanticipated events.

Language:

English

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