

MCKESSON CORP
Form 10-K
May 05, 2009

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-K

**þ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the fiscal year ended March 31, 2009

OR

**o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 1-13252

McKESSON CORPORATION

A Delaware Corporation

I.R.S. Employer Identification Number

94-3207296

McKesson Plaza

One Post Street, San Francisco, CA 94104

Telephone (415) 983-8300

Securities registered pursuant to Section 12(b) of the Act:

(Title of Each Class)

(Name of Each Exchange on Which Registered)

Common Stock, \$0.01 par value

New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§229.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Non-accelerated filer

Smaller reporting company

Large Accelerated filer
accelerated filer

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the registrant, computed by reference to the closing price as of the last business day of the registrant's most recently completed second fiscal quarter, September 2008, was approximately \$14.5 billion.

Number of shares of common stock outstanding on April 30, 2009: 271,418,501.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2009 Annual Meeting of Stockholders are incorporated by reference into Part III of this Annual Report on Form 10-K.

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PART I****Item 1. Business****General**

McKesson Corporation (McKesson, the Company, the Registrant or we and other similar pronouns), is a Fortune 15 corporation providing supply, information and care management products and services designed to reduce costs and improve quality across the healthcare industry.

The Company's fiscal year begins on April 1 and ends on March 31. Unless otherwise noted, all references in this document to a particular year shall mean the Company's fiscal year.

Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act,) are available free of charge on our Web site (www.mckesson.com under the Investors SEC Filings caption) as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission (SEC or the Commission). The content on any Web site referred to in this Annual Report on Form 10-K is not incorporated by reference into this report, unless expressly noted otherwise.

Business Segments

We operate in two segments. The McKesson Distribution Solutions segment distributes ethical and proprietary drugs, medical-surgical supplies and equipment, and health and beauty care products throughout North America. This segment also provides specialty pharmaceutical solutions for biotech and pharmaceutical manufacturers, sells pharmacy software and provides consulting, outsourcing and other services. This segment includes a 49% interest in Nadro, S.A. de C.V. (Nadro), one of the leading pharmaceutical distributors in Mexico and a 39% interest in Parata Systems, LLC (Parata), which sells automated pharmacy and supply management systems and services to retail and institutional outpatient pharmacies.

The McKesson Technology Solutions segment delivers enterprise-wide clinical, patient care, financial, supply chain, and strategic management software solutions, pharmacy automation for hospitals, as well as connectivity, outsourcing and other services. Our Payor group of businesses, which includes our InterQual®, clinical auditing and compliance and medical management software businesses and our care management programs, are also included in this segment. The segment's customers include hospitals, physicians, homecare providers, retail pharmacies and payors from North America, the United Kingdom, other European countries and Asia Pacific.

Net revenues for our segments for the last three years were as follows:

<i>(Dollars in billions)</i>	2009		2008		2007	
Distribution Solutions	\$ 103.6	97%	\$ 98.7	97%	\$ 90.7	98%
Technology Solutions	3.0	3	3.0	3	2.3	2
Total	\$ 106.6	100%	\$ 101.7	100%	\$ 93.0	100%

Distribution Solutions

McKesson Distribution Solutions consists of the following businesses: U.S. Pharmaceutical Distribution, McKesson Canada, Medical-Surgical Distribution, McKesson Pharmacy Systems and Automation and McKesson Specialty Care Solutions. This segment also includes our 49% interest in Nadro and 39% interest in Parata.

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U.S. Pharmaceutical Distribution: This business supplies pharmaceuticals and other healthcare-related products to customers in three primary customer segments: 1) retail national accounts (including national and regional chains, food/drug combinations, mail order pharmacies and mass merchandisers); 2) independent retail pharmacies; and 3) institutional healthcare providers (including hospitals, health systems, integrated delivery networks, clinics and long-term care providers).

Our U.S. pharmaceutical distribution business operates and serves thousands of customer locations through a network of 29 distribution centers, as well as a master redistribution center, a strategic redistribution center and two repackaging facilities, serving all 50 states and Puerto Rico. We invest in technology and other systems at all of our distribution centers to enhance safety, reliability and provide the best product availability for our customers. For example, in all of our distribution centers we use Acumax[®] Plus, a Smithsonian award-winning technology that integrates and tracks all internal inventory-related functions such as receiving, put-away and order fulfillment. Acumax Plus uses bar code technology, wrist-mounted computer hardware and radio frequency signals to provide customers with real-time product availability and industry-leading order quality and fulfillment in excess of 99.9% adjusted accuracy. In addition, we offer Mobile ManagerSM, which integrates portable handheld technology with Acumax Plus to give customers complete ordering and inventory control. We also offer McKesson *Connect* (formerly Supply Management OnlineSM), an Internet-based ordering system that provides item lookup and real-time inventory availability as well as ordering, purchasing, third-party reconciliation and account management functionality. Together, these features help ensure customers have the right products at the right time for their facilities and patients.

To maximize distribution efficiency and effectiveness, we follow the Six Sigma methodology – an analytical approach that emphasizes setting high-quality objectives, collecting data and analyzing results to a fine degree in order to improve processes, reduce costs and minimize errors. We continue to implement information systems to help achieve greater consistency and accuracy both internally and for our customers.

The major offerings of the McKesson U.S. Pharmaceutical Distribution business, by customer group can be categorized as retail national accounts, independent retail pharmacies and institutional healthcare providers.

Retail National Accounts Business solutions that help national account customers increase revenues and profitability:

Central Fill Prescription refill service that enables pharmacies to more quickly refill prescriptions remotely, more accurately and at a lower cost, while reducing inventory levels and improving customer service.

Redistribution Centers Two facilities totaling 420 thousand square feet that offer access to inventory for single source warehouse purchasing, including pharmaceuticals and biologicals. These distribution centers also provide the foundation for a two-tiered distribution network that supports best-in-class direct store delivery.

EnterpriseRx McKesson EnterpriseRx is a fully integrated and centrally hosted pharmacy management solution (Application Service Provider model). Built utilizing the latest technology, EnterpriseRx centralizes data, reporting, pricing and drug updates, providing the operational control, visibility and support needed to reduce costs and streamline administrative tasks.

RxPakSM Bulk-to-bottle repackaging service that leverages our purchasing scale and supplier relationships to provide pharmaceuticals at reduced prices, help increase inventory turns and reduce working capital investment.

Inventory Management An integrated solution comprising forecasting software and automated replenishment technologies that reduce inventory carrying costs.

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Independent Retail Pharmacies Solutions for managed care contracting, branding and advertising, merchandising, purchasing, operational efficiency and automation that help independent pharmacists focus on patient care while improving profitability:

Health Mart® Health Mart® is a national network of more than 2,000 independently-owned pharmacies and is one of the industry's most comprehensive pharmacy franchise programs. Health Mart® provides franchisees with managed care that drives Pharmacy Benefit Manager recognition, branding that drives consumer recognition, in-store programs that drive manufacturer and payor recognition and community advocacy programs that drive industry recognition. Health Mart® helps franchisees grow their businesses by focusing on the three principles of successful retailing:

Attract new customers;

Maximize the value of current customers; and

Enhance business efficiency.

AccessHealth® Comprehensive managed care and reconciliation assistance services that help independent pharmacies save time, access competitive reimbursement rates and improve cash flow.

McKesson Reimbursement Advantage (MRA) MRA is one of the industry's most comprehensive reimbursement optimization packages, comprising financial services (automated claim resubmission), analytic services and customer care.

McKesson OneStop Generics® Generic pharmaceutical purchasing program that helps pharmacies maximize their cost savings with a broad selection of generic drugs, low pricing and one-stop shopping.

Sunmark® Complete line of more than 1,000 products that provide retail independent pharmacies with value-priced alternatives to national brands.

FrontEdge Strategic planning, merchandising and price maintenance program that helps independent pharmacies maximize store profitability.

McKesson Home Health Care Comprehensive line of more than 1,800 home health care products, including durable medical equipment, diabetes supplies, self-care supplies and disposables from national brands and the Sunmark® line.

Institutional Healthcare Providers Electronic ordering/purchasing and supply chain management systems that help improve efficiencies, save labor and improve asset utilization:

Fulfill-Rx Ordering and inventory management system that integrates McKesson pharmaceutical distribution services with our automation solutions, thus empowering hospitals to optimize the often complicated and disjointed processes related to unit-based cabinet replenishment and inventory management.

Asset Management Award-winning inventory optimization and purchasing management program that helps institutional providers lower costs while ensuring product availability.

SKY Packaging Blister-format packaging containing the most widely prescribed dosages and strengths in generic oral solid-medications. SKY enables acute care, long-term care and institutional pharmacies to provide cost-effective, uniform packaging.

McKesson OneStop Generics® The McKesson OneStop Generics program enables acute care pharmacies to capture the full potential of purchasing generic pharmaceuticals. The Long-Term Care

OneStop Generics program allows a long-term care pharmacy to capture savings on generic purchases.

McKesson 340B Manager and Easy340B Solutions that help providers manage, track, and report on the medication replenishment associated with the federal 340B Drug Pricing Program.

High Performance Pharmacy Framework that identifies and categorizes hospital pharmacy best practices to help improve clinical outcomes and financial results. The High Performance Pharmacy Assessment and Benchmarking tools enable hospital pharmacies to measure against comparable institutions and chart a step-by-step path to high performance.

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McKesson Canada: McKesson Canada, a wholly-owned subsidiary, is one of the largest pharmaceutical distributors in Canada. McKesson Canada, through its network of 17 distribution centers, provides logistics and distribution to more than 800 manufacturers delivering their products to retail pharmacies, hospitals, long-term care centers, clinics and institutions throughout Canada. Beyond pharmaceutical distribution, logistics and order fulfillment, McKesson Canada has automated over 2,500 retail pharmacies and is also active in hospital automation solutions, dispensing more than 100 million doses each year. In partnership with other McKesson businesses, McKesson Canada provides a full range of services to Canadian manufacturers and healthcare providers, contributing to the quality and safety of care for Canadian patients.

Medical Surgical Distribution: Medical-Surgical Distribution provides medical-surgical supply distribution, equipment, logistics and other services to healthcare providers including physicians' offices, surgery centers, extended care facilities, homecare and occupational health sites through a network of 29 distribution centers within the U.S. This business is a leading provider of supplies to the full range of alternate-site healthcare facilities, including physicians' offices, clinics and surgery centers (primary care), long-term care, occupational health facilities and homecare sites (extended care). Through a variety of technology products and services geared towards the supply chain, our Medical-Surgical Distribution business is focused on helping its customers operate more efficiently while providing one of the industry's most extensive product offerings, including our own private label line. This business also includes ZEE® Medical, one of the most extensive product offerings in the industry of first aid, safety and training solutions, providing services to industrial and commercial customers. This business offers an extensive line of products and services aimed at maximizing productivity and minimizing the liability and cost associated with workplace illnesses and injuries.

McKesson Pharmacy Systems and Automation: This business supplies integrated pharmacy management systems, automated dispensing systems and related services to retail, outpatient, central fill, specialty and mail order pharmacies. We also own a 39% interest in Parata which sells automated pharmacy and supply management systems and services to retail and institutional pharmacies.

McKesson Specialty Care Solutions: This business provides solutions for patients with complex diseases and advances specialty care by facilitating collaboration among healthcare providers, drug manufacturers and payors through our expertise in specialty drug reimbursement and patient access program development. The business also supports manufacturers in product life cycle management as well as physicians and patients in gaining cost effective access to needed therapies. McKesson Specialty Care Solutions facilitates direct-to-physician specialty distribution services ensuring specialty drugs are received in manufacturer recommended conditions. This business also offers our industry leading Lynx® integrated technologies which help organizations improve reimbursement services and business efficiencies as well as clinical and patient support tools for improving safety and therapy adherence.

Technology Solutions

Our Technology Solutions segment provides a comprehensive portfolio of software, automation, support and services to help healthcare organizations improve quality and patient safety, reduce the cost and variability of care and better manage their resources and revenue stream. This segment also includes our Payor group of businesses, which includes our InterQual®, clinical auditing and compliance software businesses and our disease and medical management programs. This segment markets its products and services to integrated delivery networks, hospitals, physician practices, home healthcare providers, retail pharmacies and payors. The segment sells its solutions and services internationally through subsidiaries and/or distribution agreements in Canada, the United Kingdom, Ireland, other European countries, Asia Pacific and Israel.

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The product portfolio for the Technology Solutions segment is designed to address a wide array of healthcare clinical and business performance needs ranging from medication safety and information access to revenue cycle management, resource utilization and physician adoption of electronic health records (EHR). Analytics software enables organizations to measure progress as they automate care processes for optimal clinical outcomes, business and operating results and regulatory compliance. To ensure that organizations achieve the maximum value for their information technology investment, the Technology Solutions segment also offers a wide range of services to support the implementation and use of solutions as well as assist with business and clinical redesign, process re-engineering and staffing (both information technology and back-office).

Key solution areas are as follows:

Clinical management: Horizon Clinicals® is built with architecture to facilitate integration and enable modular system deployment. It includes a clinical data repository, clinical decision support, physician order entry, point-of-care documentation with bar-coded medication administration, enterprise laboratory, radiology, pharmacy, surgical management, an emergency department solution and an ambulatory EHR system. Horizon Clinicals® also includes solutions to facilitate physician access to patient information such as a Web-based physician portal and wireless devices that draw on information from the hospital's information systems. In addition, the Horizon Clinicals® suite includes a comprehensive solution for homecare, including telehealth and hospice.

Enterprise imaging: In addition to document imaging to facilitate maintenance and access to complete medical records, the segment provides a suite of enterprise medical imaging and information management systems, including a picture archiving communications system and a comprehensive cardiovascular information system. The segment's enterprise-wide approach to medical imaging enables organizations to take advantage of specialty-specific workstations while building an integrated image repository that manages all of the images and information captured throughout the care continuum.

Financial management: The segment's revenue cycle solutions are designed to reduce days in accounts receivable, prevent insurance claim denials, reduce costs and improve productivity. Examples of solutions include online patient billing, contract management, electronic claims processing and coding compliance checking. The segment's hospital information systems play a key role in managing the revenue cycle by automating the operation of individual departments and their respective functions within the inpatient environment.

Resource management: Resource management solutions consist of an integrated suite of applications that enhance an organization's ability to plan and optimize the delivery of quality patient care. These solutions automate the management of the workforce, supply chain, surgical and anesthesia documentation and provide analytics for performance measurement. Linking resource requirements to care protocols, the resource management solutions enhance predictability, improve communication, reduce variability and lower overall costs associated with care delivery.

Automation: Automation solutions include technologies that help hospitals re-engineer and improve their medication use and supply management processes. Examples include centralized pharmacy automation for unit-dose medications, unit-based cabinet technologies for secure medication storage and rapid retrieval, point-of-use supply automation systems for inventory management and revenue capture and an automated medication administration system for ensuring accuracy at the point of care. Based on a foundation of bar-code scanning technology, these integrated solutions are designed to reduce errors and bring new levels of safety to patients.

Physician practice solutions: The segment provides a complete solution for physician practices of all sizes that includes software, revenue cycle outsourcing and connectivity services. Software solutions include practice management and EHR software for physicians of every size, specialty or geographic location. The segment's physician practice offering also includes outsourced billing and collection services as well as services that connect physicians with their patients, hospitals, retail pharmacies and payors. Revenue cycle outsourcing enables physician groups to avoid the infrastructure investment and administrative costs of their own in-house billing office. Services include clinical data collection, data input, medical coding, billing, contract management, cash collections, accounts receivable management and extensive reporting of metrics related to the physician practice.

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Connectivity: Through the segment's vendor-neutral RelayHealth® and its intelligent network, the company provides interactive solutions that streamline clinical, financial and administrative communication between patients, providers, payors, pharmacies and financial institutions. RelayHealth® helps to accelerate the delivery of high-quality care and improve financial performance through online consultation of physicians by patients, electronic prescribing by physicians, point-of-service resolution of pharmacy claims by payors, pre-visit financial clearance of patients by providers and post-visit settlement of provider bills by payors and patients. RelayHealth® securely processes more than 12 billion financial and clinical transactions annually.

In addition to the product offerings described above, the Technology Solutions segment offers a comprehensive range of services to help organizations derive greater value, enhance satisfaction and return on investment throughout the life of the solutions implemented. The range of services includes:

Technology Services: The segment has worked with numerous healthcare organizations to support the smooth operation of their information systems by providing the technical infrastructure designed to maximize application accessibility, availability, security and performance.

Outsourcing Services: The segment helps organizations focus their resources on healthcare while the segment manages their information technology or operations through managed services, including outsourcing. Service options include remote hosting, managing hospital data processing operations, as well as strategic information systems planning and management, revenue cycle processes, payroll processing, business office administration and major system conversions.

Professional Services: Professional services help customers achieve business results from their software or automation investment. The segment offers a wide array of quality service options, including consulting for business and/or clinical process improvement and re-design as well as implementation, project management, technical and education services relating to all products in the Technology Solutions segment.

Payor Group: The following suite of services and software products is marketed to payors, employers and government organizations to help manage the cost and quality of care:

Disease management programs to improve the health status and health outcomes of patients with chronic conditions;

Nurse triage services to provide health information and recommend appropriate levels of care;

Clinical and analytical software to support utilization, case and disease management workflows;

Business intelligence tools for measuring, reporting and improving clinical and financial performance;

InterQual® Criteria for clinical decision support; and

Claims performance solutions to facilitate accurate and efficient medical claim payments.

Acquisitions, Investments and Discontinued Operations

We have undertaken strategic initiatives in recent years designed to further focus on our core healthcare businesses and enhance our competitive position. We expect to continue to undertake such strategic initiatives in the future. These initiatives are detailed in Financial Notes 2 and 7, Acquisitions and Investments and Discontinued Operations, to the consolidated financial statements appearing in this Annual Report on Form 10-K.

Competition

In every area of healthcare distribution operations, our Distribution Solutions segment faces strong competition, both in price and service, from national, regional and local full-line, short-line and specialty wholesalers, service merchandisers, self-warehousing chains, manufacturers engaged in direct distribution and large payor organizations. In addition, this segment faces competition from various other service providers and from pharmaceutical and other healthcare manufacturers (as well as other potential customers of the segment) which may from time to time decide to develop, for their own internal needs, supply management capabilities which would otherwise be provided by the

segment. Price, quality of service, and in some cases, convenience to the customer are generally the principal competitive elements in this segment.

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Our Technology Solutions segment experiences substantial competition from many firms, including other computer services firms, consulting firms, shared service vendors, certain hospitals and hospital groups, hardware vendors and Internet-based companies with technology applicable to the healthcare industry. Competition varies in size from small to large companies, in geographical coverage and in scope and breadth of products and services offered.

Intellectual Property

The principal trademarks and service marks of the Distribution Solutions segment include: AccessHealth[®], Acumax[®], Closed Loop DistributionSM, Comets[®], ConsumerScriptSM,.com Pharmacy Solutions[®], Econolink[®], Empowering Healthcare[®], EnterpriseRx , Expect More From MooreSM, FrontEdge , Health Ma[®], High Performance PharmacySM, LoyaltyScript[®], Lynx[®], Max ImpactSM, McKesson[®], McKesson Advantage[®], McKesson Empowering Healthcare[®], McKesson Max Rewards[®], McKesson OneStop Generics[®], McKesson Priority Express[®], McKesson Supply ManagerSM, MediNet , Medi-Pa[®], Mobile ManagerSM, Moore Medical[®], MoorebrandSM, NOA[®], Northstar RXSM, Onmark[®], Pharma360[®], PharmacyRx , Pharmaser[®], PharmAssureSM, ProIntercept[®], ProMed[®], ProPBM[®], RX PakSM, RX Savings Access[®], ServiceFirst[®], Staydry[®], Sunmark[®], Supply Management OnlineSM, TrialScript[®], Valu-Rite[®], XVIII B Medi Mart[®] and ZEE[®].

The substantial majority of technical concepts and codes embodied in our Technology Solutions segment s computer programs and program documentation are protected as trade secrets. The principal trademarks and service marks for this segment are: AcuDose-Rx[®], ANSOS , Ask-A-Nurse[®], Care Fully Connected , CareEnhanc[®], Connect-RN , Connect-R[®], CRMS[®], DataStat[®], ePremis[®], Episode Profiler[®], E-Script , Fulfill-RSM, HealthQuest[®], Horizon Admin-Rx , Horizon Clinical[®], HorizonWP[®], InterQual[®], Lytec[®], MedCarousel[®], Medisoft[®], One-Call[®], One-Staff[®], ORSOS , PACMED , PakPlus-R[®], Paragon[®], Pathways 2000[®], Patterns Profiler , Per-S[®], Per-Se Technologies[®] (and logo), PerYourHealth.com[®], Practice Partner[®], Premis[®], RelayHealth[®], ROBOT-Rx[®], SelfPac[®], Series 2000 , STAR 2000 , SupplyScan , TRENDS[®] and WebVisit .

We also own other registered and unregistered trademarks and service marks and similar rights used by our business segments. All of the principal trademarks and service marks are registered in the United States, or registrations have been applied for with respect to such marks, in addition to certain other jurisdictions. The United States federal registrations of these trademarks have terms of ten or twenty years, depending on date of registration, and are subject to unlimited renewals. We believe we have taken all necessary steps to preserve the registration and duration of our trademarks and service marks, although no assurance can be given that we will be able to successfully enforce or protect our rights thereunder in the event that they are subject to third-party infringement claims. We do not consider any particular patent, license, franchise or concession to be material to our business. We also hold copyrights in, and patents related to, many of our products.

Other Information about the Business

Customers: During 2009, sales to our ten largest customers accounted for approximately 52% of our total consolidated revenues. Sales to our two largest customers, CVS Caremark Corporation (Caremark,) and Rite Aid Corporation (Rite Aid) accounted for 14% and 12% of our total consolidated revenues. At March 31, 2009, accounts receivable from our ten largest customers were approximately 49% of total accounts receivable. Accounts receivable from Caremark and Rite Aid were approximately 14% and 10% of total accounts receivable. Substantially all of these revenues and accounts receivable are included in our Distribution Solutions segment.

Suppliers: We obtain pharmaceutical and other products from manufacturers, none of which accounted for more than approximately 9% of our purchases in 2009. The loss of a supplier could adversely affect our business if alternate sources of supply are unavailable. We believe that our relationships with our suppliers on the whole are good. The ten largest suppliers in 2009 accounted for approximately 46% of our purchases.

A significant portion of our distribution arrangements with the manufacturers provides us compensation based on a percentage of our purchases. However, we also have certain distribution arrangements with manufacturers that include an inflation-based compensation component whereby we benefit when the manufacturers increase their prices as we sell our inventory being held at the new higher prices. For these manufacturers, a reduction in the frequency and magnitude of price increases, as well as restrictions in the amount of inventory available to us, could adversely impact

our gross profit margin.

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Research and Development: Our development expenditures primarily consist of our investment in software development held for sale. We spent \$438 million, \$420 million and \$359 million for development activities in 2009, 2008 and 2007 and of these amounts, we capitalized 17%, 17% and 21%. Development expenditures are primarily incurred by our Technology Solutions segment. Our Technology Solutions segment's product development efforts apply computer technology and installation methodologies to specific information processing needs of hospitals and other customers. We believe a substantial and sustained commitment to such expenditures is important to the long-term success of this business. Additional information regarding our development activities is included in Financial Note 1, *Significant Accounting Policies*, to the consolidated financial statements appearing in this Annual Report on Form 10-K.

Environmental Regulation: We sold our chemical distribution operations in 1987 and retained responsibility for certain environmental obligations. Agreements with the Environmental Protection Agency and certain states may require environmental assessments and cleanups at several closed sites. These matters are described further in Financial Note 18, *Other Commitments and Contingent Liabilities*, to the consolidated financial statements appearing in this Annual Report on Form 10-K. Other than any expenditures that may be required in connection with those legal matters, we do not anticipate making substantial capital expenditures either for environmental issues, or to comply with environmental laws and regulations in the future. The amount of our capital expenditures for environmental compliance was not material in 2009 and is not expected to be material in the next year.

Employees: On March 31, 2009, we employed approximately 32,500 persons compared to 32,900 in 2008 and 31,800 in 2007.

Financial Information About Foreign and Domestic Operations: Information as to foreign and domestic operations is included in Financial Notes 1 and 22, *Significant Accounting Policies* and *Segments of Business*, to the consolidated financial statements appearing in this Annual Report on Form 10-K.

Item 1A. Risk Factors

Information regarding our risk factors is included in the Financial Review under the captions *Factors Affecting Forward-Looking Statements* and *Additional Factors That May Affect Future Results*, beginning on page 51 of this Annual Report on Form 10-K.

Item 1B. Unresolved Staff Comments

Not applicable.

Item 2. Properties

Because of the nature of our principal businesses, our plant, warehousing, office and other facilities are operated in widely dispersed locations, mostly throughout the U.S. and Canada. The warehouses are typically owned or leased on a long-term basis. We consider our operating properties to be in satisfactory condition and adequate to meet our needs for the next several years without making capital expenditures materially higher than historical levels. Information as to material lease commitments is included in Financial Note 16, *Lease Obligations*, to the consolidated financial statements appearing in this Annual Report on Form 10-K.

Item 3. Legal Proceedings

Certain legal proceedings in which we are involved are discussed in Financial Note 18, *Other Commitments and Contingent Liabilities*, to our consolidated financial statements appearing in this Annual Report on Form 10-K.

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No matters were submitted to a vote of security holders, through the solicitation of proxies or otherwise, during the three months ended March 31, 2009.

Executive Officers of the Registrant

The following table sets forth information regarding the executive officers of the Company, including their principal occupations during the past five years. The number of years of service with the Company includes service with predecessor companies.

There are no family relationships between any of the executive officers or directors of the Company. The executive officers are chosen annually to serve until the first meeting of the Board of Directors following the next annual meeting of stockholders and until their successors are elected and have qualified, or until death, resignation or removal, whichever is sooner.

Name	Age	Position with Registrant and Business Experience
John H. Hammergren	50	Chairman of the Board since July 2002; President and Chief Executive Officer since April 2001; and a director since July 1999. Service with the Company 13 years.
Jeffrey C. Campbell	48	Executive Vice President and Chief Financial Officer since April 2004; Senior Vice President and Chief Financial Officer from December 2003 to April 2004. Service with the Company 5 years.
Paul C. Julian	53	Executive Vice President, Group President since April 2004; Senior Vice President from August 1999 to April 2004; President of McKesson Distribution Solutions since March 2000. Service with the Company 13 years.
Jorge L. Figueredo	48	Executive Vice President, Human Resources since May 2008; Senior Vice President, Human Resources, Dow Jones, Inc. from February 2007 to January 2008; President, International, Liz Claiborne Inc. from October 1984 to May 2006. Service with the Company 1 year.
Marc E. Owen	49	Executive Vice President, Corporate Strategy and Business Development since April 2004; Senior Vice President, Corporate Strategy and Business Development from September 2001 to April 2004. Service with the Company 8 years.
Laureen E. Seeger	47	Executive Vice President, General Counsel and Secretary since March 2006; Vice President and General Counsel of McKesson Provider Technologies from February 2000 to March 2006. Service with the Company 9 years.
Randall N. Spratt	57	Executive Vice President, Chief Technology Officer and Chief Information Officer since April 2009; Executive Vice President, Chief Information Officer from July 2005 to April 2009; Senior Vice President, Chief Process Officer, McKesson Provider Technologies from April 2003 to July 2005; Senior Vice President, Imaging, Technology and Business Process Improvement from January 2000 to April 2003. Service with the Company 23 years

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McKESSON CORPORATION
PART II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters, Issuer Purchases of Equity Securities and Stock Price Performance Graph

- (a) *Market Information:* The principal market on which the Company's common stock is traded is the New York Stock Exchange (NYSE). High and low prices for the common stock by quarter are included in Financial Note 23, Quarterly Financial Information (Unaudited), to the consolidated financial statements appearing in this Annual Report on Form 10-K.
- (b) *Holder:* The number of record holders of the Company's common stock at March 31, 2009 was approximately 9,200.
- (c) *Dividends:* Dividend information is included in Financial Note 23, Quarterly Financial Information (Unaudited), to the consolidated financial statements appearing in this Annual Report on Form 10-K.

In April 2008, the Company's Board of Directors (Board) approved a change in the Company's dividend policy by increasing the amount of the Company's quarterly dividend from six cents to twelve cents per share, applicable to ensuing quarterly dividend declarations until further action by the Board. The Company anticipates that it will continue to pay quarterly cash dividends in the future. However, the payment and amount of future dividends remain within the discretion of the Board and will depend upon the Company's future earnings, financial condition, capital requirements and other factors.

- (d) *Securities Authorized for Issuance under Equity Compensation Plans:* Information relating to this item is provided under Part III, Item 12, to this Annual Report on Form 10-K.
- (e) *Share Repurchase Plans:* The following table provides information on the Company's share repurchases during the fourth quarter of 2009:

		Share Repurchases ⁽¹⁾			
		Total Number of Shares Purchased ⁽²⁾ (3)	Average Price Paid Per Share	Total Number of Shares Purchased As Part of Publicly Announced Program	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Programs
<i>(In millions, except price per share)</i>					
January 1, 2009	January 31, 2009		\$		\$ 980
February 1, 2009	February 28, 2009	1	44.66	1	944
March 1, 2009	March 31, 2009	3	39.25	3	830
Total		4	40.41	4	830

(1)

This table does not include shares tendered to satisfy the exercise price in connection with cashless exercises of employee stock options or shares tendered to satisfy tax withholding obligations in connection with employee equity awards.

(2) All of the shares purchased were part of the publicly announced programs.

(3) The number of shares purchased reflects rounding adjustments.

In April 2008, the Board approved a plan to repurchase \$1.0 billion of the Company's common stock of which \$830 million remained available as of March 31, 2009. Stock repurchases may be made from time to time in open market or private transactions.

In July 2008, the Board authorized the retirement of shares of the Company's common stock that may be repurchased from time to time pursuant to its stock repurchase program. During the second quarter of 2009, we repurchased 4 million shares for \$204 million and all of these shares were formally retired by the Company. The retired shares constitute authorized but unissued shares.

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- (f) *Stock Price Performance Graph**: The following graph compares the cumulative total stockholder return on the Company's common stock for the periods indicated with the Standard & Poor's 500 Index and the Value Line Healthcare Sector Index (composed of 154 companies in the health care industry, including the Company).

	2004	2005	March 31,		2008	2009
			2006	2007		
McKesson Corporation	\$100.00	\$126.38	\$175.41	\$197.91	\$177.74	\$120.18
S&P 500 Index	\$100.00	\$106.69	\$119.21	\$133.31	\$126.54	\$78.34
Value Line Healthcare Sector Index	\$100.00	\$105.11	\$117.52	\$125.09	\$117.35	\$91.93

* Assumes \$100 invested in the Company's common stock and in each index on March 31, 2004 and that all dividends are reinvested.

Item 6. Selected Financial Data

Selected financial data is presented in the Five-Year Highlights section of this Annual Report on Form 10-K.

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McKESSON CORPORATION

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of the Company's results of operations and financial condition are presented in the Financial Review section of this Annual Report on Form 10-K.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Information required by this item is included in the Financial Review section of this Annual Report on Form 10-K.

Item 8. Financial Statements and Supplementary Data

Financial Statements and Supplementary Data are included as separate sections of this Annual Report on Form 10-K. See Item 15.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

Not applicable.

Item 9A. Controls and Procedures

Disclosure Controls and Procedures

Our Chief Executive Officer and our Chief Financial Officer, with the participation of other members of the Company's management, have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this report, and have concluded that our disclosure controls and procedures are effective based on their evaluation of these controls and procedures as required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15.

Internal Control over Financial Reporting

Management's report on the Company's internal control over financial reporting (as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) and the related report of our independent registered public accounting firm are included on page 62 and page 63 of this Annual Report on Form 10-K, under the headings, "Management's Annual Report on Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm" and are incorporated herein by reference.

Changes in Internal Controls

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during the most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information

Not applicable.

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**McKESSON CORPORATION
PART III**

Item 10. Directors, Executive Officers and Corporate Governance

Information about our Directors is incorporated by reference from the discussion under Item 1 of our Proxy Statement for the 2009 Annual Meeting of Stockholders (the Proxy Statement) under the heading Election of Directors. Information about compliance with Section 16(a) of the Exchange Act is incorporated by reference from the discussion under the heading Section 16(a) Beneficial Ownership Reporting Compliance in our Proxy Statement. Information about our Audit Committee, including the members of the committee and our Audit Committee Financial Expert, is incorporated by reference from the discussion under the headings Audit Committee Report and Audit Committee Financial Expert in our Proxy Statement. The balance of the information required by this item is contained in the discussion entitled Executive Officers of the Registrant in Item 4 of Part I of this Annual Report on Form 10-K.

Pursuant to Section 303A.12 (a) of the NYSE Listed Company Manual, the Company's Chief Executive Officer submitted to the NYSE a certification, dated August 18, 2008, stating that, as of such date, he was not aware of any violation by the Company of any NYSE corporate governance listing standards.

Information about the Code of Ethics governing our Chief Executive Officer, Chief Financial Officer, Controller and Financial Managers can be found on our Web site, www.mckesson.com, under the Investors Corporate Governance tab. The Company's Corporate Governance Guidelines and Charters for the Audit and Compensation Committees and the Committee on Directors and Corporate Governance can also be found on our Web site under the Investors Corporate Governance tab.

Copies of these documents may be obtained from:

Corporate Secretary
McKesson Corporation
One Post Street, 35th Floor
San Francisco, CA 94104
(800) 826-9360

The Company intends to disclose required information regarding any amendment to or waiver under the Code of Ethics:0in;margin-right:0in;">5.

Sole Voting Power
0

6.

Shared Voting Power
254,402(1)

7.

Sole Dispositive Power
0

8.

Shared Dispositive Power
254,402(1)

9.

Aggregate Amount Beneficially Owned by Each Reporting Person
254,402(1)

10.

Check if the Aggregate Amount in Row (9) Excludes Certain Shares (See Instructions)

11.

Percent of Class Represented by Amount in Row (9)
0.08%(2)

12.

Type of Reporting Person (See Instructions)
CO

(1) See Item 4(c) below.

(2) Based on 321,862,083 shares outstanding as of December 31, 2007.

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Item 1.

- (a) Name of Issuer
Hertz Global Holdings, Inc.
- (b) Address of Issuer's Principal Executive Offices
225 Brae Boulevard

Park Ridge, NJ 07656

Item 2.

- (a) Name of Person Filing

Name of Person Filing	Address	Citizenship
Clayton Dubilier & Rice Fund VII, L.P.	1105 North Market Street, Suite 1300 Wilmington, Delaware 19801	Cayman Islands
CD&R Associates VII, Ltd.	1105 North Market Street, Suite 1300 Wilmington, Delaware 19801	Cayman Islands
CD&R Associates VII, L.P.	1105 North Market Street, Suite 1300 Wilmington, Delaware 19801	Cayman Islands
CD&R Investment Associates VII, Ltd.	P.O. Box 309GT, Ugland House George Town, Grand Cayman, E9 BWI	Cayman Islands
CDR CCMG Co-Investor L.P.	P.O. Box 309GT, Ugland House George Town, Grand Cayman, E9 BWI	Cayman Islands
CDR CCMG Co-Investor GP Limited	P.O. Box 309GT, Ugland House George Town, Grand Cayman, E9 BWI	Cayman Islands
CD&R Parallel Fund VII, L.P.	1105 North Market Street, Suite 1300 Wilmington, Delaware 19801	Cayman Islands
CD&R Parallel Fund Associates VII, Ltd.	1105 North Market Street, Suite 1300 Wilmington, Delaware 19801	Cayman Islands

Clayton Dubilier & Rice Fund VII, L.P., CD&R Associates VII, Ltd., CD&R Associates VII, L.P., CD&R Investment Associates VII, Ltd., CDR CCMG Co-Investor L.P., CDR CCMG Co-Investor GP Limited, CD&R Parallel Fund VII, L.P. and CD&R Parallel Fund Associates VII, Ltd. have entered into a Joint Filing Agreement, dated February 12, 2008, a copy of which is filed with this Schedule 13G/A as Exhibit 99.1, pursuant to which such reporting persons have agreed to file this statement jointly in accordance with the provisions of 13d-1(k)(1) under the Securities Exchange Act of 1934.

- (b) Address of Principal Business Office or, if none, Residence
See Item 2(a) above.
- (c) Citizenship
See Item 2(a) above.
- (d) Title of Class of Securities
Common Stock, par value \$0.01 per share
- (e) CUSIP Number
42805T 10 5

Item 3.

- If this statement is filed pursuant to §§240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:**
- (a) Broker or dealer registered under section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).

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- (e) o An investment adviser in accordance with §240.13d-1(b)(1)(ii)(E);
 - (f) o An employee benefit plan or endowment fund in accordance with §240.13d-1(b)(1)(ii)(F);
 - (g) o A parent holding company or control person in accordance with §240.13d-1(b)(1)(ii)(G);
 - (h) o A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
 - (i) o A church plan that is excluded from the definition of an investment company under section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
 - (j) o Group, in accordance with §240.13d-1(b)(1)(ii)(J).
- N/A

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

- (a) Amount beneficially owned:
 - See below.
- (b) Percent of class:
 - See below.
- (c) Number of shares as to which the person has:
 - (i) Sole power to vote or to direct the vote
 - (ii) See below.
Shared power to vote or to direct the vote
 - (iii) See below.
Sole power to dispose or to direct the disposition of
 - (iv) See below.
Shared power to dispose or to direct the disposition of

See below.

As of the date of this report, each of the Reporting Persons beneficially owned the number and percentage of issued and outstanding shares of common stock of Hertz Global Holdings, Inc. listed opposite its name:

Reporting Person	Amount Beneficially Owned	Percent of Class(a)
Clayton Dubilier & Rice Fund VII, L.P.	38,455,598(b)	11.95%
CD&R Associates VII, Ltd.	0(c)	0%
CD&R Associates VII, L.P.	0(c)(d)	0%
CD&R Investment Associates VII, Ltd.	0(c)(e)	0%
CDR CCMG Co-Investor L.P.	21,314,510	6.62%
CDR CCMG Co-Investor GP Limited	0(f)	0%
CD&R Parallel Fund VII, L.P.	254,402	0.08%
CD&R Parallel Fund Associates VII, Ltd.	0(e)(g)	0%

- (a) Based on 321,862,083 shares outstanding as of December 31, 2007.
- (b) Excludes 21,314,510 shares held by CDR CCMG Co-Investor L.P., of which CDR CCMG Co-Investor GP Limited, a wholly owned subsidiary of Clayton Dubilier & Rice Fund VII, L.P., is the general partner. Clayton Dubilier & Rice Fund VII, L.P. expressly disclaims beneficial ownership of the shares held by CDR CCMG Co-Investor L.P.
- (c) Clayton Dubilier & Rice Fund VII, L.P. is a partnership of which CD&R Associates VII, Ltd. is the general partner, which is a wholly-owned subsidiary of CD&R Associates VII, L.P., of which CD&R Investment Associates VII, Ltd. is the general partner. Each of CD&R Associates VII, Ltd., CD&R Associates VII, L.P. and CD&R Investment Associates VII, Ltd. expressly disclaims beneficial ownership of the shares held by Clayton, Dubilier & Rice Fund VII, L.P., as well as of the shares held by each of CD&R Parallel Fund VII, L.P. and CDR CCMG Co-Investor L.P.
- (d) CMC-Hertz Partners, L.P. is affiliated with ML Global Private Equity Fund, L.P., Carlyle Hertz GP, L.P. and CD&R Associates VII, L.P. The general partner of CMC-Hertz Partners, L.P. is CMC-Hertz General Partner, L.L.C., whose managing members are Carlyle Hertz GP, L.P., ML Global Private Equity Fund, L.P. and CD&R Associates VII, L.P. Investment decisions on behalf of CMC-Hertz General Partner, L.L.C. are made by majority vote of the Executive Committee, which comprises one representative of each of The Carlyle Group, ML Global Private Equity Fund, L.P. and Clayton Dubilier & Rice, Inc.; however, until December 21, 2013, ML Global Private Equity Fund, L.P. has the contractual right (subject to various restrictions) to make decisions regarding disposition or voting of the shares beneficially owned by CMC-Hertz General Partner, L.P. As a result, beneficial ownership of the shares held by CMC-Hertz Partners, L.P. may be attributed to ML Global Private Equity Fund, L.P., which disclaims beneficial ownership of such shares.
- (e) CD&R Investment Associates VII, Ltd. and CD&R Parallel Fund Associates VII, Ltd. are each managed by a three person board of directors, and all board action relating to the voting or disposition of these shares requires approval of a majority of the board. Joseph L. Rice, III, Donald J. Gogel and Kevin J. Conway, as the directors of CD&R Investment Associates VII, Ltd. and CD&R Parallel Fund Associates VII, Ltd., may be deemed to share beneficial ownership of the shares shown as beneficially owned by the funds associated with Clayton, Dubilier & Rice, Inc. Such persons disclaim such beneficial ownership.
- (f) CDR CCMG Co-Investor GP Limited, which is a wholly owned subsidiary of Clayton, Dubilier & Rice Fund VII, L.P., is the general partner of CDR CCMG Co-Investor L.P. CDR CCMG Co-Investor GP Limited expressly disclaims beneficial ownership of the shares held by each of CDR CCMG Co-Investor L.P. and Clayton, Dubilier & Rice Fund VII, L.P.
- (g) CD&R Parallel Fund Associates VII, Ltd. is the general partner of CD&R Parallel Fund VII, LP. CD&R Parallel Fund Associates VII, Ltd. expressly disclaims beneficial ownership of the shares held by each of CD&R Parallel Fund VII, L.P., Clayton, Dubilier & Rice Fund VII, L.P. and CDR CCMG Co-Investor L.P.

Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following .

N/A

Item 6. Ownership of More than Five Percent on Behalf of Another Person

See Item 4 above.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on By the Parent Holding Company or Control Person

N/A

Item 8. Identification and Classification of Members of the Group

Each of Clayton Dubilier & Rice Fund VII, L.P., CDR CCMG Co-Investor L.P. and CD&R Parallel Fund VII, L.P. (the CD&R Funds) is a party to an Amended and Restated Stockholders Agreement, dated as of November 20, 2006 (the Stockholders Agreement), among Carlyle Partners IV, L.P., CP IV Coinvestment, L.P., CEP II U.S. Investments, L.P. and CEP II Participations S.à.r.l SICAR (collectively, the Carlyle Funds), ML Global Private Equity Fund, L.P., Merrill Lynch Ventures L.P. 2001 and ML Hertz Co Investor, L.P. (collectively, the ML Funds), CMC Hertz Partners, L.P., the CD&R Funds and Hertz Global Holdings, Inc. The Stockholders Agreement requires the parties to vote their shares of the common stock of Hertz Global Holdings, Inc. (the Common Stock) for directors that are designated in accordance with the provisions of the Stockholders Agreement. The Stockholders Agreement restricts the parties from selling Common Stock in certain instances and, in some negotiated transactions, requires the seller to offer each other party an opportunity to participate in the sale. In addition, the Stockholders Agreement requires the parties to vote their shares of Common Stock pursuant to the instructions of certain groups of investors with respect to certain change of control transactions. The aggregate number of shares of Common Stock beneficially owned collectively by the CD&R Funds, the Carlyle Funds, the ML Funds and CMC-Hertz Partners, L.P., based on available information, is approximately 177,764,978, which represents approximately 55.23% of the outstanding common stock of Hertz Global Holdings, Inc. The stock ownership reported for the CD&R Funds does not include any shares owned by other parties to the Stockholders Agreement. Each of the CD&R Funds disclaims beneficial ownership of any shares of Common Stock owned by the other parties to the Stockholders Agreement.

Item 9.

Notice of Dissolution of Group
N/A

Item 10. Certification
N/A

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

CLAYTON, DUBILIER & RICE FUND VII,
L.P.

By: CD&R Associates VII, Ltd., its general
partner

Date: February 12, 2008

By:	/s/ Theresa A. Gore	
Name:		Theresa A. Gore
Title:		Vice President, Treasurer and Assistant Secretary

CD&R ASSOCIATES VII, LTD.

Date: February 12, 2008

By:	/s/ Theresa A. Gore	
Name:	Theresa A. Gore	
Title:	Vice President, Treasurer and Assistant Secretary	

CD&R ASSOCIATES VII, L.P.

By: CD&R Investment Associates VII,
Ltd., its general partner

Date: February 12, 2008

By:	/s/ Theresa A. Gore	
Name:		Theresa A. Gore
Title:		Vice President, Treasurer and Assistant Secretary

CD&R INVESTMENT ASSOCIATES VII,
LTD.

Date: February 12, 2008

By: /s/ Theresa A. Gore
Name: Theresa A. Gore
Title: Vice President, Treasurer and
Assistant Secretary

CDR CCMG CO-INVESTOR L.P.

By: CDR CCMG Co-Investor GP Limited,
its general partner

Date: February 12, 2008

By: /s/ Theresa A. Gore
Name: Theresa A. Gore
Title: Director

CDR CCMG CO-INVESTOR GP LIMITED

Date: February 12, 2008

By: /s/ Theresa A. Gore
Name: Theresa A. Gore
Title: Director

CD&R PARALLEL FUND VII, L.P.

By: CD&R Parallel Fund Associates VII,
Ltd., its general partner

Date: February 12, 2008

By: /s/ Theresa A. Gore
Name: Theresa A. Gore
Title: Vice President, Treasurer and
Assistant Secretary

CD&R PARALLEL FUND ASSOCIATES VII,
LTD.

Date: February 12, 2008

By: /s/ Theresa A. Gore
Name: Theresa A. Gore
Title: Vice President, Treasurer and
Assistant Secretary