

**McKesson Europe AG Annual Financial Statements
for the
2018 Fiscal Year
from 1 April 2017 to 31 March 2018**

Balance sheet as at 31 March 2018

ASSETS	Note No.	31/03/2017 EUR k	31/03/2018 EUR k
Fixed assets			
Intangible assets	1	60,014	42,482
Property, plant and equipment	2	3,894	4,969
Financial assets	3	3,173,232	3,002,428
		3,237,140	3,049,879
Current assets			
Receivables and other assets	4	756,642	653,302
Cash and cash equivalents	5	131,434	356,592
		888,076	1,009,894
Prepaid expenses	6	5,899	2,857
Total assets		4,131,115	4,062,630
LIABILITIES	Note No.	31/03/2017 EUR k	31/03/2018 EUR k
Equity			
Issued capital	7	260,123	260,123
Capital reserves	7	1,762,627	1,762,627
Revenue reserves	7	1,102,781	1,102,781
Net retained profit	8	0	0
Contingent capital		21,773	21,773
		3,125,531	3,125,531
Provisions			
Provisions for pensions and similar obligations	9	24,065	26,432
Other provisions	10	62,880	45,028
		86,945	71,460
Liabilities	11	918,639	865,639
Prepaid expenses		0	0
Total assets		4,131,115	4,062,630

Income statement for the 2018 fiscal year, from 1 April 2017 to 31 March 2018

	Note No.	2017 EUR k	2018 EUR k
Sales	15	89,965	90,674
Own work capitalised	16	1,587	823
Other income	17	58,296	127,260
Service related expenses	18	30,926	28,879
Personnel expenses	19	35,590	38,658
Amortisation and impairment of intangible assets and depreciation of property, plant and equipment		8,823	47,572
Other expenses	20	144,300	149,665
Investment result	21	-6,277	-308,659
Financial result		0	0
Interest result	22	56,496	69,947
Income taxes	23	4,086	7,193
Earnings after income tax		-23,658	-291,922
Profit from profit and loss transfer		-23,658	-291,922
Net profit for the year		0	0
Profit carried forward from the previous year		0	0
Adjustment in other profit reserves			
Net retained profit		0	0

General disclosures

The annual financial statements of McKesson Europe AG (formerly Celesio AG), Stuttgart, as at 31 March 2018, were compiled in euros (EUR) in accordance with Sections 242 et seqq. and Sections 264 et seqq. of the Handelsgesetzbuch (HGB, German Commercial Code) and the relevant regulations of the Aktiengesetz (AktG, German Stock Corporation Act). The requirements for major corporations apply. The income statement is prepared using the nature of expense method.

The registered office of the company is in Stuttgart, Germany. The address is McKesson Europe AG, Stockholmer Platz 1, D-70173 Stuttgart (until 15 May 2017, Neckartalstraße 155, D-70376 Stuttgart), local court of Stuttgart, HRB 9517.

The change of name from Celesio AG to McKesson Europe AG was agreed by the Annual General Meeting on 10 August 2017 and entered in the Commercial Register on 30 August 2017.

The annual financial statements of McKesson Europe AG reflect the activities of an executive management holding company, with the result that sales mainly include the services provided to subsidiaries. Income from investments and profit and loss transfer agreements are additional sources of the company's earnings. Furthermore, group financing represents a focus of operations.

In order to provide clearer presentation, we have also summarized individual items from the balance sheet as well as the income statement in accordance with Section 265 Paragraph 7 No. 2 HGB and have itemized and explained these separately in these notes. For the same reason, the information on inclusion with other items and "of which" sub-items is also provided in the relevant location.

As part of the domination and profit and loss transfer agreement, the net profit of McKesson Europe AG is adopted by McKesson Europe Holdings GmbH & Co. KGaA (formerly Celesio Deutschland Holdings GmbH & Co. KGaA), Stuttgart. The annual financial statements and the management report of McKesson Europe AG for the 2018 fiscal year are published in the Federal Gazette. The management report of McKesson Europe AG is combined with the group management report.

Principles of accounting and evaluation

The methods of accounting and evaluating the assets and liabilities are stated in the explanations relating to the individual items in the balance sheet.

Information on the balance sheet

Trend in fixed assets in 2018

	Intangible assets			Property, plant and equipment			Financial assets	Total
	Self developed	in Purchased concessions and industrial rights	Payments on account	Buildings on thirdparty land	Other equipment, furniture and fixtures	Payments on account		
	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k	EUR k
Accumulated historical cost as of 01/04/2017	55,857	83,333	691	6,793	6,373	681	3,545,102	3,698,830
Additions	25,315	3,904	0	1,360	2,685	0	0	33,264
Additions received from affiliates	0	0	0	0	0	0	269,170	269,170
Disposals	0	29	0	6,643	3,663	0	0	10,335
Disposals to affiliates	0	0	0	0	0	0	141,912	141,912
Reclassifications	0	691	-691	0	681	-681	0	0
correction historical cost prior year	0	3,093	0	0	0	0	0	3,093
Accumulated historical cost as of 31/03/2018	81,172	90,992	0	1,510	6,076	0	3,672,360	3,852,110
Accumulated amortisation/depreciation as of 01/04/2017	2,446	77,421	0	4,856	5,097	0	371,870	461,690
Additions	40,348	6,396	0	187	643	0	309,596	357,170
of which unplanned depreciation	37,803	0	0	0	0	0	0	37,803
Additions received from affiliates	0	0	0	0	0	0	0	0
Additions	0	0	0	0	0	0	0	0
Disposals	0	22	0	4,842	3,324	0	11,534	19,722
correction amortisation/depreciation prior year	0	3,093	0	0	0	0	0	3,093
Accumulated amortisation/depreciation as of 31/03/2018	42,794	86,888	0	201	2,416	0	669,932	802,231
Net book value as of 31/03/2018	38,378	4,104	0	1,309	3,660	0	3,002,428	3,049,879
Net book value as of 31/03/2017	53,411	5,912	691	1,937	1,276	681	3,173,232	3,237,140

Intangible assets are solely comprised of software. Tenant fixtures and other equipment, furniture and fixtures are recorded under property, plant and equipment. The development of the financial assets is shown under (3) Financial assets.

(1) Intangible assets

The intangible assets acquired are accounted for at acquisition cost. They are amortized on a straight-line basis over three to five years. Additions mainly relate to software licences including ancillary acquisition costs for their commissioning.

In addition, self-developed intangible assets were capitalized during the fiscal year, exercising the option provided in Section 248 Paragraph 2 HGB. This capitalization was valued at manufacturing cost in accordance with Section 253 Paragraph 1 Sentence 1 and Section 255 Paragraph 2a HGB. The self-developed intangible assets are development expenses for global ERP software. Manufacturing costs include the directly attributable individual costs as well as appropriate percentages of the production overheads, administration costs and social costs. Financing costs are not capitalized. In this context, expenses for an ERP software development of EUR 81,171 thousand were capitalized, of which EUR 25,314 thousand was in the 2018 fiscal year. On 9 December 2017, the Norwegian group company NMD became the first to adopt the new ERP system and went live successfully. The capitalized ERP development projects are to be amortized on a straight-line basis over seven years and the related amortization charge passed on to the relevant company.

Further software assets under construction that had already been capitalized were to be impaired with EUR 37,803 thousand as these could no longer be used in future due to technology change and thus had suffered a permanent decline in value.

Based on the agreement, EUR 26,441 thousand of this expense was passed on to the group's ultimate parent company McKesson Corporation, San Francisco, USA. In accordance with Section 268 Paragraph 8 HGB, the amount of self-developed intangible assets of EUR 38,378 thousand is subject to a profit distribution barrier, i.e. the profits may only be paid out if the reserves remaining freely available after payout plus retained earnings and minus loss carryforward are equal to or higher than the total amounts applied minus the deferred tax liabilities set aside for this.

(2) Property, plant and equipment

Additions from property, plant and equipment are capitalized at acquisition cost. Furniture and fixtures are depreciated on a straight-line basis over 3 to 20 years. Tenant fixtures are depreciated over the performance period of the rental agreements. Additions came from office equipment, furniture and fixtures as well as tenant fixtures. Low-value assets up to a net individual value of EUR 150 have been fully depreciated in the year of receipt or recorded as expenses;

their immediate derecognition has been assumed. For assets with a net individual value of between EUR 150 and EUR 1,000, the compound item to be formed each year for tax reasons has been included in the balance sheet prepared for commercial purposes for the sake of simplicity. From the annual compound items, the amount of which is of subordinate importance overall, in each case 20% per year of the amount initially recognized is subjected to lump-sum depreciation upon formation and in the four subsequent years in accordance with tax requirements. Depreciation on additions from property, plant and equipment is applied on a pro rata basis in other respects.

The relocation in May 2017 from the various sites in Stuttgart to the new head office building at Stockholmer Platz 1 resulted in

most property, plant and equipment being transferred to GEHE. The acquisition of the remaining fixed assets by

new external tenants gave rise to a loss amounting to EUR 206 thousand.

(3) Financial assets

	Shares in affiliates EUR k	Loans to affiliates EUR k	Shares in associates EUR k	Total EUR k
Accumulated historical cost as of 01/04/2017	1,986,455	1,425,631	133,016	3,545,102
Additions	105,675	163,495	0	269,170
Disposals	2,068	139,844	0	141,912
Accumulated historical cost as of 31/03/2018	2,090,062	1,449,282	133,016	3,672,360
Accumulated amortisation/depreciation as of 01/04/2017	371,870	0	0	371,870
Additions	309,596	0	0	309,596
Attributions	11,534	0	0	11,534
Accumulated amortisation/depreciation as of 31/03/2018	669,932	0	0	669,932
Net book value as of 31/03/2018	1,420,130	1,449,282	133,016	3,002,428
Net book value as of 31/03/2017	1,614,585	1,425,631	133,016	3,173,232

Financial assets are recorded at acquisition cost or at the lower fair value. Interest-bearing loans are in principle recorded at their nominal value.

The Dutch subsidiary Celesio Finance B. V. was liquidated on 31 August 2017 and its bank balances plus various items in its balance sheet were transferred to its parent company, resulting in a gain of EUR 59 thousand at McKesson Europe AG.

Following a resolution by its shareholders on 19 March 2018, McKesson France Holding S.A.S, Saint Quen, France carried out a capital increase in the amount of EUR 400,000 thousand. To this end, the accrued interest receivable in the amount of EUR 105,675 thousand was converted into a shareholding in accordance with the agreements of 23 March 2018. The remaining amount of EUR 294,325 thousand was brought in as a loan receivable which, in line with the latest version of IDW standard ERS HFA, are not reported as new investment (see No. 13 last section). For this reason the transaction will be no increase of the investment of McKesson France.

(4) Receivables and other assets

	31/03/2017 EUR k	31/03/2018 EUR k
Receivables from affiliates	434,834	355,430
Receivables from shareholders	300,573	296,543
Other assets	21,235	1,329
of which due in more than one year	(0)	(0)
Total	756,642	653,302

Receivables and other assets are recorded at their nominal value. All items that carry risk must be taken into account through the formation of appropriate specific provisions. Receivables from affiliates concern, chiefly comprising EUR 26,441 thousand due from the McKesson Corporation for the software extraordinary depreciation and EUR 22,280 thousand due from subsidiaries for a service fee. This item also includes short-term lendings in the amount of EUR 302,549 thousand. The receivables from shareholders includes mainly the loss of the current year amounting to EUR 291,922 thousand under the profit transfer agreement.

Receivables in foreign currency have in principle been converted using the average spot exchange rate on the balance sheet date. In the event of a remaining term of more than one year, the realization principle (Section 252 Paragraph 1 No. 4 Clause 2 HGB) and the cost method (Section 253 Paragraph 1 Sentence 1 HGB) have been applied.

(5) Cash and cash equivalents

	31/03/2017 EUR k	31/03/2018 EUR k
Cash on hand	0	0
Cash at banks	131,434	356,592
Total	131,434	356,592

The increase in cash and cash equivalents is mainly due to the launch of a Cross Currency Notional Pooling at Bank Mendes Gans N. V., which had a credit balance of EUR 282,423 thousand on the reporting date.

(6) Prepaid expenses

Prepaid expenses primarily concern prepaid expenses for IT services.

(7) Subscribed capital and reserves

The subscribed capital of McKesson Europe AG is subdivided into 203,220,932 (previous year: 203,220,932) no-par-value registered shares, which are fully paid up.

Capital of EUR 130,100 thousand has been authorized up until 10 August 2020 (authorized capital 2015). The articles of association of McKesson Europe AG have been adapted (capital stock, number of no-par-value shares, deletion of Section 3 Items 2 and 3, contingent capital 2011 and 2012) and registered on 30 August 2016 in the Commercial Register.

Capital and revenue reserves are unchanged since beginning of the Profit and loss transfer agreement on 01 January 2015.

The revenue reserves of EUR 1,102,781 thousand exclusively concern other revenue reserves. Overall, there is a profit distribution barrier of EUR 45,562 thousand. This concerns items in self-developed assets of EUR 38,378 thousand, and the adjustment to the interest rate on pension provisions in the amount of EUR 7,184 thousand.

(8) Net retained profit

On the basis of the domination and profit and loss transfer agreement of 22 May 2014, net profit is transferred to McKesson Europe Holdings GmbH & Co. KGaA. Net retained profit at McKesson Europe AG is therefore EUR 0 thousand (previous year: EUR 0 thousand).

On the basis of the domination and profit and loss transfer agreement, McKesson Europe Holdings GmbH & Co. KGaA commits to pay to external shareholders of McKesson Europe AG for the duration of the contract an equalization payment of EUR 0.83 per no-par-value share. The external shareholders of McKesson Europe AG therefore received the guaranteed dividend of EUR 0.83 per no-par-value share for the 2017 fiscal year. By resolution of the Annual General Meeting, this equalization payment of EUR 0.83 per no-par-value share for the 2018 fiscal year from 1 April 2017 to 31 March 2018 is also payable by McKesson Europe Holdings GmbH & Co. KGaA from 9 August 2018.

(9) Provisions for pensions and early retirement obligations

The pension provisions have been calculated by the actuarial projected unit credit method, using the 2005 G mortality tables issued by Prof Dr Klaus Heubeck. The option pursuant to Section 253 Paragraph 2 Sentence 2 HGB has been exercised for discounting, and the average market interest rate over the past 10 years of 3.57% has been applied across the board, assuming a remaining term of 15 years. Forecast salary increases of 2.75% and forecast pension increases of 1.75% for employees as well as a contribution increase of 2.75% for Management Board members have been taken into account. Employee turnover has been taken into consideration through turnover assumptions phased according to age, length of service and gender.

As at the reporting date 31 March 2018, the difference to the previously used seven-year average market rate pursuant to Section 253 Paragraph 6 HGB was EUR 7,184 thousand. This amount is subject to a profit distribution barrier in accordance with Section 253 Paragraph 6 Sentence 1 HGB.

Pursuant to Section 246 Paragraph 2 Sentence 2 HGB, assets of EUR 18,161 thousand, access to which has been withdrawn from all other creditors and which are used exclusively to meet the liabilities arising from pension benefit obligations or similar long-term obligations, have been offset against these obligations. Procurement costs for the offset assets are EUR 18,985 thousand, the fair value of the assets amounts to EUR 18,161 thousand, and the fulfilment amount of the offset liabilities comes to EUR 20,531 thousand.

The accruals for Jubilee have been calculated also by the actuarial projected unit credit method, using the 2005 G mortality tables issued by Prof Dr Klaus Heubeck. The forecast for salary increase will be 2,75%, for pension 1,75% and for contribution increase 2,75%.

(10) Other provisions

	31/03/2017 EUR k	31/03/2018 EUR k
Tax provisions	20,049	18,019
Sundry other provisions	42,831	27,009
Total	62,880	45,028

Alongside sundry other provisions, other provisions also include tax provisions.

Other provisions take into account all uncertain liabilities and imminent losses from pending transactions; the amount of these is recorded in accordance with a reasonable commercial assessment of the required fulfilment amount (i.e. in principle including future increases in costs and prices). Provisions with a remaining term of more than twelve months are discounted.

From 01 January 2015, McKesson Europe AG has been included in the McKesson Europe Holdings GmbH & Co. KGaA group of companies (income tax group) as a subsidiary company. All tax consequences, whether for current or deferred taxes, are recorded with the parent company. This does not relate to the periods up to 31 December 2014, which pre-date this group organization. There is no tax burden distribution agreement.

The decrease year-on-year is primarily the result of tax on the guaranteed dividend to shareholders.

Other provisions primarily comprise provisions for the HR department (EUR 3,894 thousand), provisions for outstanding invoices (EUR 8,479 thousand), provisions for Jubilee (EUR 1,067 thousand) and provisions for severance packages (EUR 5,245 thousand). The fall in other provisions is mainly due to utilization of the restructuring provision as well as outstanding invoices.

(11) Liabilities

	31/03/2017				31/03/2018			
	Due in				Due in			
	less than 1 year EUR k	more than 1 year EUR k	of which more than 5 years EUR k	Book value EUR k	less than 1 year EUR k	more than 1 year EUR k	of which more than 5 years EUR k	Book value EUR k
LIABILITIES								
Liabilities to shareholders	2,655	0	85,397	88,052	0	0	0	0
Trade payables	4,819	0	0	4,819	2,484	0	0	2,484
Liabilities to affiliates	822,287	0	0	822,287	337,438	0	522,159	859,597
Other liabilities	3,481	0	0	3,481	1,405	1,619	534	3,558
of which taxes	1,690	(0)	(0)	1,690	1,786	0	0	1,786
Total	833,242	0	85,397	918,639	342,056	712	522,871	865,639

With the loan agreement concluded on 1 October 2015, McKesson Europe AG was granted a credit line of EUR 1,000,000 thousand by McKesson Europe Holdings GmbH & Co. KGaA, which was decreased to EUR 250,000 thousand, in accordance with the supplement of the agreement of 8 December 2017, which was until now not used. The liabilities to affiliates include cash pool liabilities amounting to EUR 296,958 thousand and loan liabilities amounting to EUR 522,159 thousand. All the loan liabilities are due to the McKesson UK Finance II Ltd.

Liabilities are recorded at the fulfilment amount. Liabilities in foreign currency have in principle been converted using the average spot exchange rate on the balance sheet date. In the event of a remaining term of more than one year, the realization principle (Section 252 Paragraph 1 No. 4 Clause 2, HGB) and the cost method (Section 253 Paragraph 1 Sentence 1 HGB) have been used.

(12) Contingent liabilities

CONTINGENT LIABILITIES	31/03/2017	31/03/2018
	— EUR k —	— EUR k —
From guarantees, bill and cheque guarantees	688,731	163,250
of which to affiliates	571,342	55,686
Total	688,731	163,250

The warranty obligations primarily relate to litigation warranties in Brazil (EUR 107,561 thousand [previous year: EUR 117,386 thousand] on behalf of Panpharma Distribuidora de Medicamentos Ltda., Brazil) and warranties to affiliates (EUR 25,231 thousand [previous year: EUR 31,949 thousand] in respect of Lloyds Pharmacy Limited, Ireland). The risk associated with the warranties is regarded as low in view of the net assets, financial position and results of operations of the subsidiaries concerned.

(13) Other financial obligations and off-balance-sheet transactions

In addition to contingent liabilities, there is EUR 46,148 thousand (previous year: EUR 55,694 thousand) in other financial obligations. Specifically, these obligations concern the following matters:

Due to the outsourcing of all the group's IT infrastructure by virtue of an agreement concluded in February 2009 and effective 1 April 2009, the group has a financial obligation to pay service fees and future lease obligations over a period ending 30 April 2018, expected to amount to EUR 2,150 thousand (previous year: EUR 25,800 thousand). The contract was extended with effect from 1 May 2018 and is thus reported as a purchase commitment.

Additional other financial obligations concern lease obligations, obligations from future leasing expenses for business vehicles belonging to the company, and for furniture and fixtures and data and telephony services in the amount of EUR 15,771 thousand (previous year: EUR 15,078 thousand) and end within one to five years. Furthermore, there is a purchase commitment from issued investment orders, including the group-wide outsourcing of IT infrastructure amounting to EUR 28,227 thousand (previous year: EUR 14,816 thousand).

Alongside standardizing the IT infrastructure in the group, the purpose of the contracts specified above is to improve liquidity and ensure a financial advantage.

No significant risks have been identified.

A long-term interest-bearing loan of EUR 630,000 thousand was granted in the wake of the sale of shares in Admenta France S.A., Saint-Ouen, France. Until the conditions for fully transferring regarding IDW Standard ERS HFA 13 n.F. the risks arising from the sold shares apply, no profit from the intercompany transaction will be realized and thus the existing loan receivable is not reported in the balance sheet. As a result of the capital increase at McKesson France, EUR 294,325 thousand of this loan was converted into equity and so the off-balance-sheet loan thus has a new balance of EUR 335,675 thousand.

(14) Derivative financial instruments and valuation units

DERIVATIVE FINANCIAL INSTRUMENTS	Nominal volume		Market value		Book value	
	31/03/2017 EUR k	31/03/2018 EUR k	31/03/2017 EUR k	31/03/2018 EUR k	31/03/2017 EUR k	31/03/2018 EUR k
Currency instruments (positive market value)	23,227	10,739	58	85	0	0
Currency instruments (negative market value)	34,657	12,407	-260	-88	0	0
Total	57,884	23,146	-202	-3	0	0

The fair values of derivative financial instruments are determined by reference to capital market data at the end of the reporting period and by use of suitable valuation methods (e.g. the discounted cash flow method) and other generally accepted option pricing models. Insofar as interest rates are required for their calculation, market interest rates applicable for the remaining term of the derivatives are used. Derivative currency instruments solely comprise forward exchange contracts in the following currencies: pound sterling, Danish krone, Swedish krona, US dollar, Swiss franc, Polish zloty, and Norwegian krone.

As regards assets, liabilities and forecast transactions, McKesson Europe AG is exposed to risks resulting from changes in exchange rates and interest rates, among other things. Based on a risk appraisal, selected hedging instruments are used to limit these risks.

The use of derivatives is subject to uniform group guidelines set by the Management Board, compliance with which is continually monitored. These include the functional segregation of trading, handling and posting, and the authorization of just a few qualified employees to enter into derivative financial instruments. We only enter into derivatives for hedging purposes and then only with banks with good credit ratings.

Currency risks refer to the possible write down of items in the statement of financial position and any forward transactions due to fluctuations in exchange rates.

Currency risks are primarily countered using micro-hedges. This involves a direct hedge of the underlying transaction by means of a foreign exchange derivative. Currency derivatives are primarily used to hedge forecast transactions in foreign currency. This involves selecting the currency derivative (or a combination of several derivatives) which best reflects the likelihood of occurrence and the timing of the forecast transaction.

Forward exchange contracts and currency swaps were also used in the 2018 fiscal year to hedge foreign exchange transactions.

If valuation units are recorded pursuant to section 254 HGB, the following principles of accounting and evaluation apply:

Economic hedge relationships are reflected in the balance sheet through the formation of valuation units. If positive and negative value changes or cash flows from underlying transactions and hedging instruments based on the hedged risk for this period are fully balanced, they are essentially offset and recorded neither in the carrying amounts of the underlying transactions or hedging instruments nor in the income statement ("compensatory valuation"). If negative value changes outweigh positive value changes based on the hedged risk (currently ineffective), this difference is transferred into a valuation unit provision as an unrealized loss, recorded as expenses in accordance with the impairment principle.

At the inception of a hedge relationship, the risk management strategy with regard to the hedged risk, the planned hedging period, the hedging instrument, the underlying transaction, and the method for testing the hedge effectiveness is formally determined and documented.

The following valuation units have been formed:

	Transaction/ Hedging instrument	Risk/ Type of valuation unit	Covered amount	Volume	Amount of hedged risk	Hedging period
(1)	Currency derivativ	- Currency risk/ micro hedge	KEUR 53	KGBP 12,800	KEUR 53	up to 4 months
(2)	Currency derivativ	- Currency risk/ micro hedge	KEUR - 15	KEUR 1,209	KEUR - 15	up to 5 months

On (1-2): McKesson Europe AG concludes currency hedging transactions on behalf of subsidiaries and passes them on internally to the subsidiaries under the same terms. A valua-

tion unit here consists of the externally and internally forwarded transaction, whereby the cash flows are offset in full up to the financial statement date.

Information on the income statement

(15) Sales

	2017 EUR k	2018 EUR k
Sales	89,965	90,674
Total	89,965	90,674

The year-on-year increase in sales is chiefly due to the costs passed on to the subsidiaries.

(16) Other own work capitalised

	2017 EUR k	2018 EUR k
Own work capitalised	1,587	823
Total	1,587	823

Since the development costs for the ERP software mainly comprise third-party services, the third-party services are directly recorded as accruals in non-current assets by use of the net method. Consequently, the income statement only reflects own work amounting to EUR 823 thousand by McKesson Europe AG employees in own work capitalized.

(17) Other income

	2017 EUR k	2018 EUR k
Income from previous periods	9,845	2,953
Sundry income	48,451	124,307
of which exchange rate gains	18,454	47,793
Total	58,296	127,260

Income from previous periods results exclusively from the release of provisions and an individual value adjustment. Sundry income mainly comprises charges to affiliates (EUR 18,814

thousand), the cost allocation for the ERP project (EUR 40,127 thousand), as well as refunds from insurance policies (EUR 1,730 thousand) and currency effects (EUR 47,793 thousand)

(18) Service-related expenses

	2017 EUR k	2018 Tsd. EUR
Service related expenses	30,926	
Total	30,926	28,879
		28,879

As at the closing date of 31 March 2018, the company reported service-related expenses of EUR 28,879 thousand (previous year: EUR 30,926 thousand), which consists exclusively of services received.

(19) Personnel expenses / employees

	2017 EUR k	2018 EUR k
Wages and salaries	32,607	34,713
Social security and pension cost	2,983	3,945
of which pension benefits	- 524	- 353
Total	35,590	38,658

The average number of employees in the 2018 fiscal year was 350 (previous year changed 326).

(20) Other expenses

	2017 EUR k	2018 EUR k
Other taxes	336	117
Sundry expenses	143,964	149,548
of which exchange rate losses	67,131	72,356
Total	144,300	149,665

Sundry expenses include exchange rate losses as well as IT costs, legal and consulting costs, costs for services from affiliates, travel costs and sundry rental and incidental costs.

(21) Investment result

	2017 EUR k	2018 EUR k
Income from profit transfer agreements	283	509
Income from investments	14,571	12,085
Of which received from affiliates	10,978	9,502
Expenses from loss absorption	-15,520	-23,191
Write-ups of financial assets	56,016	11,534
Impairment of financial assets	-61,627	-309,596
Total	-6,277	-308,659

Write-ups of financial assets mainly concern shares in the affiliate in Belgium. Impairment of financial assets relates to shares in affiliates in Denmark, UK and Ireland.

This impairment relates to permanent declines in value. The valuation has been carried out using the discounted cash flow method based on company forecasts.

(22) Interest result

	2017 EUR k	2018 EUR k
Income from long-term loans	92,439	92,157
of which from affiliates	92,439	-92,157
Other interest and similar income	9,593	515
of which from affiliates	8,757	113
Interest and similar expenses	-45,536	-22,725
of which to affiliates	-40,268	-17,684
of which expense from discounting	-3,070	-4,131
Total	56,496	69,947

The fall in interest expenses paid to affiliates is mainly due to the repayment of the loans from McKesson Europe Holdings KGaA and Finance B. V.

(23) Income taxes

	2017 EUR k	2018 EUR k
Corporate income tax/trade tax for fiscal year	7,514	7,218
Corporate income tax/trade tax for previous years	-3,428	-25
Total	4,086	7,193

The income tax expenditure for the current year results from the tax implications of the payable guaranteed dividend for the remaining minority shareholders. Other taxes are recorded under (20) other expenses.

Other notes

Audit

The annual financial statements of McKesson Europe AG, the German subsidiaries subject to statutory audit, and the consolidated financial statements have been audited by Deloitte GmbH Wirtschaftsprüfungsgesellschaft, Stuttgart. Disclosure of the Auditor's fee is omitted pursuant to Section 285 Paragraph 1 No. 17 HGB. The total fee to Deloitte GmbH is included in the consolidated financial statements of McKesson Europe AG.

Group companies and list of shareholdings

The consolidated financial statements of McKesson Europe AG and its subsidiaries as of 31 March 2018 have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), London, UK, as endorsed by the European Union and applicable at the end of the reporting period, and supplemented by the provisions of Section 315e Paragraph 1 HGB. These are the consolidated financial statements for the smallest group of companies, which can be viewed at the business premises of McKesson Europe AG, Stuttgart, or in the Federal Gazette.

McKesson Europe Holdings GmbH & Co. KGaA, Stuttgart is the German parent company of McKesson Europe AG.

McKesson Europe AG and McKesson Europe Holdings GmbH & Co. KGaA are indirectly owned by the McKesson Corporation, San Francisco, USA, as the ultimate parent, and are incorporated into the consolidated financial statements of 31 March 2018 according to the US Generally Accepted Accounting Principles. These are the consolidated financial statements for the largest group of companies, which can be viewed at the business premises of the McKesson Corporation, San Francisco, USA, or on the website of the Securities Exchange Commission.

The list of shareholdings of McKesson Europe AG is attached as an appendix to these notes.

Disclosures pursuant to Section 285 Paragraph 9 HGB

The total remuneration of the Management Board in terms of Section 285 No. 9a HGB in the 2018 fiscal year came to EUR 2,686 thousand (previous year: EUR 3,564 thousand). The composition of the Management Board for the past fiscal year remains unchanged. No advances, loans or similar benefits were granted to members of the Management Board or Supervisory Board in the reporting period or in the previous year. Former members of the Management Board and their surviving dependants received remuneration in the reporting period of EUR 241 thousand (previous year: EUR 259 thousand). McKesson Europe AG has set aside pension provisions of EUR 20,531 thousand (previous year: EUR 19,353) for this group.

Remuneration for serving on McKesson Europe AG's Supervisory Board came to EUR 623 thousand (previous year: EUR 609 thousand) in the past fiscal year, including attendance fees, and comprises short-term benefits. In addition, the McKesson Europe Group employee representatives sitting on the Supervisory Board received the customary market salaries for their services. No remuneration was paid to members of the Supervisory Board for services rendered individually, nor were transactions requiring disclosure conducted between members of the Supervisory Board or Management Board and other persons of the management, where such persons hold key positions. Likewise no transactions were conducted between members of the Supervisory Board or Management Board and any other entities where such persons sit on the respective Management or Supervisory Boards. This also applies to close family members of these persons.

Proposal of the Management Board for the appropriation of profits

The net retained profit for McKesson Europe AG is EUR 0 thousand (previous year: EUR 0 thousand) and corresponds to that of the previous year due to profit distributions.

On the basis of the domination and profit and loss transfer agreement of 22 May 2014, McKesson Europe Holdings GmbH & Co. KGaA guarantees and pays external shareholders of McKesson Europe AG a guaranteed dividend for the 2018 fiscal year of EUR 0,83 per no-par-value share. The guaranteed dividend of EUR 0.83 per no-par-value share is expected to be payable from 09 August 2018.

Events after the reporting date

None.

Members of the Management Board in the 2018 fiscal year

Name	Occupation and company	Disclosure of transactions with affiliated companies and people in the McKesson Europe Group
Brian S. Tyler	Chairman of the Management Board of McKesson Europe AG Chief Executive Officer	none
Tilo Köster	Member of the Management Board of McKesson Europe AG Chief Compliance Officer	none
Alain Vachon	Member of the Management Board of McKesson Europe AG Chief Finance Officer	none

Members of the Supervisory Board in the 2018 fiscal year

Name	Occupation and company	Disclosure of transactions with affiliated companies and people in McKesson Europe AG, Stuttgart, as well as the McKesson Europe Group
John H. Hammergren (Chairman)	Chairman, President and Chief Executive Officer, McKesson Corporation, San Francisco, USA	none
Ihno Goldenstein (Deputy Chairman)	Goods receiving employee, GEHE Pharma Handel GmbH, Delmenhorst branch Chairman of the European Works Council of McKesson Europe AG, Chairman of the General Works Council of GEHE Pharma Handel GmbH	none
James A. Beer (until 26/01/2018)	Executive Vice President and Chief Financial Officer, McKesson Corporation, San Francisco, USA	none
Klaus Borowicz (passed away on 10/02/2018)	Northern Regional Head of GEHE Pharma Handel GmbH, Hamburg branch	none
Paul C. Julian (until 31/12/2017)	Executive Vice President and Group President, McKesson Corporation, San Francisco, USA	none
Detlef Bernhardt (since 10/08/2017)	Logistics employee, GEHE Pharma Handel GmbH Kassel branch	none
Jörg Lauenroth-Mago	Trade Union Secretary responsible for the trade division in Saxony, Saxony-Anhalt and Thuringia, ver.di – Vereinte Dienstleistungsgewerkschaft	none
Dennis Both (since 11/02/2018)	Branch manager, GEHE Pharma Handel GmbH, Delmenhorst branch	none
Pauline Lindwall	Senior Advisor, Stora Enso A.B., Sweden	none
Susan Naumann	Head of the legal and accounting division in Hamburg, ver.di – Vereinte Dienstleistungsgewerkschaft	none

Kathy McElligott (since 31/12/2017)	Executive Vice President, Chief Information Officer and Chief Technology Officer, McKesson Corporation, Scottsdale, USA	none
Ulrich Neumeister	Logistics employee, GEHE Pharma Handel GmbH, Stuttgart administration centre	none
W.M. Henning Rehder (Deputy Chairman)	Chairman of the Administrative Board, Carl Kühne KG, Hamburg	none
Lori A. Schechter	Executive Vice President, General Counsel and Chief Compliance Officer McKesson Corporation, San Francisco (USA)	None
Gabriele Katharina Stall (until 10/08/2017)	Branch Management Assistant, GEHE Pharma Handel GmbH, Bonn branch	none
Britt Vitalone (since 27/01/2018)	Executive Vice President, Chief Financial Officer, McKesson Corporation, San Francisco, USA	none

Stuttgart, 25 May 2018

The Management Board

Brian Tyler

Chief Executive Officer
Management Board

Alain Vachon

Member of the Management Board

Tilo Köster

Member of the Man-

Share property of McKesson Europe AG, Stuttgart as per 31.03.2018 regarding § 285 Nr.11 HGB

Lfd. No.	NAME AND RESIDENC OF THE COMPANY	Invest- ment 1) (in %)	Equity 2) in Tsd	Net income 2) in Tsd
I. Companies, with investment of minimum 20% for McKesson Europe AG				
1	"Aewige" ärztliche Wirtschaftsgesellschaft m.b.H., Wien, Österreich	100,00	1.315	67
2	2012 DREAM LIMITED, Coventry, Vereinigtes Königreich	100,00	9	
3	28CVR LIMITED, Coventry, Vereinigtes Königreich	100,00	275	
4	2AMD , Edern, Frankreich	33,60	1.749	
5	30MC LIMITED, Coventry, Vereinigtes Königreich	100,00	-796	
6	A C FERGUSON (CHEMIST) LIMITED, Coventry, Vereinigtes Königreich	100,00	4	
7	A. SUTHRELL (HAULAGE) LIMITED, Coventry, Vereinigtes Königreich	100,00	10	
8	AAH BUILDERS SUPPLIES LIMITED, Coventry, Vereinigtes Königreich	100,00	9.685	
9	AAH FURB PENSION TRUSTEE LIMITED, Coventry, Vereinigtes Königreich	100,00	1	
10	AAH Glass & Windows Limited, Coventry, Vereinigtes Königreich	100,00	3	
11	AAH Ireland, Dublin, Irland	100,00	22.893	
12	AAH LIMITED, Coventry, Vereinigtes Königreich	100,00	1.999.586	30.000
13	AAH Lloyds Insurance (IoM) Limited, Douglas, Vereinigtes Königreich	100,00	2.539	1.854
14	AAH LLOYDS PENSION TRUSTEES LIMITED, Coventry, Vereinigtes Königreich	100,00	0	
15	AAH NOMINEES LIMITED, Coventry, Vereinigtes Königreich	100,00	0	
16	AAH ONE LIMITED, Glasgow, Vereinigtes Königreich	100,00	0	
17	AAH PHARMACEUTICALS LIMITED, Coventry, Vereinigtes Königreich	100,00	283.313	112.899
18	AAH TWENTY FOUR LIMITED, Glasgow, Vereinigtes Königreich	100,00	1.259	
19	AAH TWENTY LIMITED, Coventry, Vereinigtes Königreich	100,00	441	

20	AAH TWENTY SIX LIMITED, Coventry, Vereinigtes Königreich	100,00	236	
21	ABG Apotheken-Beratungsgesellschaft mbH, Stuttgart, Deutschland	3) 100,00	-10.066	2.881
22	ACME DRUG CO. LIMITED, Glasgow, Vereinigtes Königreich	100,00	-703	
23	ADDED MARKETING LIMITED, Coventry, Vereinigtes Königreich	100,00	50	
24	Admenta Beteiligungs GmbH, Wien, Österreich	100,00	242.456	25.733
25	Admenta Denmark ApS, Rodovre, Dänemark	100,00	370.949	-12.969
26	Admenta Deutschland GmbH, Stuttgart, Deutschland	3) 100,00	287.114	-185
27	ADMENTA HOLDINGS LIMITED, Coventry, Vereinigtes Königreich	100,00	1.868.112	312.652
28	ADMENTA ITALIA S.P.A., Bentivoglio, Italien	100,00	137.173	11.984
29	ADMENTA PENSION TRUSTEES LIMITED, Coventry, Vereinigtes Königreich	100,00	0	
30	ADMENTA UK LIMITED, Coventry, Vereinigtes Königreich	100,00	1.597.428	-5.561
31	Admenta Verwaltungs GmbH, Wien, Österreich	100,00	7.285	1.066
32	AFM - S.P.A., Bentivoglio, Italien	79,97	121.196	1.001
33	AHLP PHARMACY LIMITED, Coventry, Vereinigtes Königreich	100,00	83	
34	ALCHEM (SOUTHERN) LIMITED, Coventry, Vereinigtes Königreich	100,00	92	
35	ALPE-ADRIA PHARMA farmacevtsko podjetje d.o.o., Ljubljana, Slowenien	100,00	273	-65
36	Alphar Ayeneux, Soumange, Belgien	51,61	47	2
37	Alphar Farciennes, Seneffe, Belgien	100,00	0	0
38	Alphar Gilly DL, Charleroi, Belgien	51,22	88	5
39	Alphar Monceau sur Sambre, Charleroi, Belgien	51,61	87	1
40	Alphar Partners SA, Seneffe, Belgien	100,00	2.118	1.202
41	Ancavion GmbH, Weiterstadt, Deutschland	100,00	9	57
42	Apo-Holding Gesellschaft m.b.H., Wien, Österreich	66,67	220	3
43	ATLAS Travel Clinic Limited, Coventry, Vereinigtes Königreich	100,00	0	
44	AYRSHIRE PHARMACEUTICALS LIMITED, Glasgow, Vereinigtes Königreich	100,00	507	
45	AZIENDA FARMACEUTICA MUNICIPALE di Cremona S.p.A.,	77,84	3.230	1.086

	Cremona, Italien			
46	Azienda Farmacie Milanesi - A.F.M. S.p.A., Mailand, Italien	80,00	62.074	8.655
47	Babbingore Limited, Dublin, Irland	100,00	33.012	
48	BAILLIESTON HEALTH CENTRE PHARMACY LIMITED, Bailieston, Vereinigtes Königreich	64,00	26	1
49	Ballycane Pharmacy Limited, Dublin, Irland	50,00	-122	106
50	BANNISTER & THATCHER LIMITED, Coventry, Vereinigtes Königreich	100,00	1.996	
51	BARCLAY PHARMACEUTICALS (ATHERSTONE) LIMITED, Coventry, Vereinigtes Königreich	100,00	5.072	
52	BARCLAY PHARMACEUTICALS LIMITED, Coventry, Vereinigtes Königreich	100,00	96.764	-617
53	BARLEY CHEMISTS HOLDINGS LIMITED, Coventry, Vereinigtes Königreich	100,00	401	
54	BARRY SHOOTER (ROMFORD) LIMITED, Coventry, Vereinigtes Königreich	100,00	757	
55	BEAUTY CARE DRUGSTORES LIMITED, Coventry, Vereinigtes Königreich	100,00	-64	
56	Belmedis , Brüssel, Belgien	100,00	35.270	4.602
57	BERKSHIRE MEDICAL SUPPLIES LIMITED, Coventry, Vereinigtes Königreich	100,00	1.646	
58	BETTERLIFEHEALTHCARE LIMITED, Coventry, Vereinigtes Königreich	100,00	3.138	8
59	BIG PHARMA LIMITED, Glasgow, Vereinigtes Königreich	100,00	-983	
60	Blackstaff Pharmaceuticals Limited, Coventry, Vereinigtes Königreich	100,00	1	
61	Breamor Pharmacy Limited, Dublin, Irland	100,00	390	
62	BRIDPORT MEDICAL CENTRE SERVICES LIMITED, Coventry, Vereinigtes Königreich	100,00	-634	
63	Brocef Groep N.V., Maarssen, NL	45,00	132.567	1.087
64	BRUGEFI INVEST S.A.S., Saint Quen, Frankreich	100,00	13.417	-6
65	CAHILL MAY ROBERTS GROUP LIMITED, Dublin, Irland	100,00	74	
66	Camic Pharmacies Limited, Dublin, Irland	100,00	370	130

67	CARONET TRADING LIMITED, Coventry, Vereinigtes Königreich	100,00	0	
68	Castletroy SCP, Dublin, Irland	100,00	975	-25
69	Celesio Business Services Ltd., Dublin, Irland	100,00	0	
70	CENTRALE D`ADMINISTRATION DE BIENS IMMOBILIERS, Saint Quen, Frankreich	100,00	48.583	10.839
71	Chem Labs Limited, Dublin, Irland	100,00		
72	CLARK CARE GROUP LIMITED, Coventry, Vereinigtes Königreich	100,00	1.380	
73	CLARK MUNRO LIMITED, Glasgow, Vereinigtes Königreich	100,00	40	
74	CMN Healthcare Limited, Dublin, Irland	100,00	4.031	
75	CMN Pharmacy Limited, Dublin, Irland	100,00	329	7
76	CMR Holdings Ltd, Dublin, Irland	100,00	0	
77	Coleham, Dublin, Irland	100,00	4.778	
78	COMPANY CHEMISTS ASSOCIATION LIMITED, Milton Keynes, GB	27,09	-1	
79	COMPTOIR MONEGASQUE DE BIOCHIMIE, Monaco	100,00	12.479	289
80	COMPTOIR PHARMACEUTIQUE MEDITERRANEEN, Monaco	99,40	12.669	-127
81	Cophana SA, La Louviere, Belgien	100,00	1.269	204
82	CROSS AND HERBERT (DEVON) LIMITED, Coventry, Vereinigtes Königreich	100,00	2.005	
83	CROSS AND HERBERT (HOLDINGS) LIMITED, Coventry, Vereinigtes Königreich	100,00	1.001	
84	CROSS AND HERBERT LIMITED, Coventry, Vereinigtes Königreich	100,00	8.733	
85	Crowley`s Blackrock Limited, Dublin, Irland	100,00	383	
86	D.F. O'Neill (Chemists) Ltd, Dublin, Irland	100,00		
87	Dargle Pharmacies Holdings Limited, Dublin, Irland	100,00	161	58
88	DATA CARE Datenpflege des Pharmagroßhandels Ges.m.b.H., Wien, AT	36,67	120	-6
89	DATAPHARM, Paris, FR	38,89	39	58
90	DEPOTRADE, Saint Quen, Frankreich	100,00	505	142
91	Dix Bulles Pharma, Charleroi, Belgien	100,00	131	38

92	DocMorris Kooperationen GmbH, Stuttgart, Deutschland	100,00	-6.529	-37
93	DOL Pharmacy Limited, Dublin, Irland	100,00	385	
94	Donnybrook Pharmacy Limited, Dublin, Irland	100,00	7.735	
95	ECLIPSE HEALTHCARE LIMITED, Coventry, Vereinigtes Königreich	100,00	0	
96	ESCON (ST NEOTS) LIMITED, Coventry, Vereinigtes Königreich	100,00	34	
97	Espafarmed, Barcelona, Spanien	100,00	841	5
98	Evesland Limited, Dublin, Irland	100,00	516	
99	EVOLUTION HOMECARE SERVICES LIMITED, Coventry, Vereinigtes Königreich	100,00	-19.228	-1.476
100	EXPERT HEALTH LIMITED, Coventry, Vereinigtes Königreich	100,00	1.573	4.654
101	FAR.CO.SAN S.p.A., San Giovanni Valdarno, Italien	80,00	1.822	243
102	FARILLON LIMITED, Coventry, Vereinigtes Königreich	100,00	2.001	
103	Farmacia del Guarlone S.a.s. di Lloyds Retail s.r.l. , Bologna, Italien	100,00		
104	Farmacie di Parma S.p.A., Parma, Italien	80,00	698	-16
105	Farmacie Pratesi Pratoфарма S.p.A., Prato, Italien	80,00	6.818	496
106	FARMALVARION S.R.L. SOCIO UNICO, Bentivoglio, Italien	100,00	670	8.154
107	Felview Limited, Dublin, Irland	100,00	13	
108	FIRTH & PILLING LIMITED, Coventry, Vereinigtes Königreich	100,00	482	
109	FOSTER & PLUMPTON GROUP LIMITED, Coventry, Vereinigtes Königreich	100,00	-34	
110	FOSTER & PLUMPTON LIMITED, Coventry, Vereinigtes Königreich	100,00	6	
111	G J MALEY LIMITED, Doulgas, Vereinigtes Königreich	100,00	2.487	1.104
112	G K CHEMISTS (GLOS) LIMITED, Coventry, Vereinigtes Königreich	100,00	40	
113	G K CHEMISTS LIMITED, Coventry, Vereinigtes Königreich	100,00	920	
114	GEHE Immobilien GmbH & Co. KG, Stuttgart, Deutschland	100,00	1.360	213
115	GEHE Immobilien Verwaltungs-GmbH, Stuttgart, Deutschland	100,00	67	180
116	GEHE Pharma Handel GmbH, Stuttgart, Deutschland	3) 100,00	267.157	-39.237

117	GEORGE STAPLES (STOKE) LIMITED, Coventry, Vereinigtes Königreich	100,00	2.314	
118	Gerard Ryan Pharmacy (Clonmel) Limited, Dublin, Irland	100,00	251	
119	Gerard Ryan Pharmacy (O`Connell Street) Limited, Dublin, Irland	100,00		
120	Gerard Ryan Pharmacy (Patrick Street) Limited, Dublin, Irland	100,00		
121	Gorrays Pharmacy Limited, Dublin, Irland	100,00	966	134
122	Gouldson Pharmacy, Dublin, Irland	100,00	2.561	195
123	Goviltown Limited, Dublin, Irland	100,00	46.018	
124	GPL 2007 LIMITED, Coventry, Vereinigtes Königreich	100,00	2	
125	GRAEME PHARMACY (STIRLING) LIMITED, Glasgow, Vereinigtes Königreich	100,00	1.278	
126	GREENS PHARMACEUTICAL (HOLDINGS) LIMITED, Coventry, Vereinigtes Königreich	100,00	492	
127	Greystones Pharmacy Limited, Dublin, Irland	100,00	1.268	
128	H H THATCHER LIMITED, Coventry, Vereinigtes Königreich	100,00	19	
129	Haleston Enterprises Limited, Dublin, Irland	100,00	1.998	
130	HC Beteiligungsgesellschaft mbH, Wien, Österreich	100,00	5.415	3.197
131	HEALTH NEEDS LIMITED, Coventry, Vereinigtes Königreich	100,00	142	
132	HEALTHCLASS LIMITED, Coventry, Vereinigtes Königreich	100,00	641	
133	Helmaid Holdings Limited, Dublin, Irland	100,00	1.518	
134	Herba Chemosan Apotheker-AG, Wien, Österreich	99,06	249.745	20.549
135	HERBERT FERRYMAN LIMITED, Coventry, Vereinigtes Königreich	100,00	645	
136	HIGGINS & SON (CHEMISTS) LIMITED, Coventry, Vereinigtes Königreich	100,00	26	
137	HILL-SMITH (WARRINGTON) LIMITED, Coventry, Vereinigtes Königreich	100,00	5	
138	Hittelford Limited, Dublin, Irland	100,00		
139	HOLLYFAR - Marcas e Comunicação, Maia, Portugal	100,00	73	74
140	HOLON, Maia, Portugal	100,00	15.383	571
141	HOUGHTON & LAPPIN LIMITED, Coventry, Vereinigtes Königreich	100,00	6	

142	HYWEL DAVIES (CAERPHILLY) LIMITED, Coventry, Vereinigtes Königreich	100,00	1	
143	INDEPENDENT PHARMACY CARE CENTRES (2008) LIMITED, Coventry, Vereinigtes Königreich	100,00	7.521	
144	INSPIRON DISTRIBUTION LIMITED, Coventry, Vereinigtes Königreich	100,00	20	
145	Inten GmbH, Stuttgart, Deutschland	3) 100,00	1.769	551
146	IPCC LIMITED, Coventry, Vereinigtes Königreich	100,00	0	
147	J S DENT LIMITED, Coventry, Vereinigtes Königreich	100,00	314	
148	J. Bradbury (Surgical) Limited, Belfast, Vereinigtes Königreich	100,00	0	
149	J.G. Crowley Pharmacy Limited, Dublin, Irland	100,00	951	
150	JOHN BELL & CROYDEN LIMITED, Coventry, Vereinigtes Königreich	100,00	3.358	700
151	JOHN HAMILTON (PHARMACEUTICALS) LIMITED, Glasgow, Vereinigtes Königreich	100,00	-322	
152	John Smith & Son Limited, Dublin, Irland	100,00	529	
153	Kairnbury, Dublin, Irland	100,00	1.233	
154	Kemofarmacija, Ljubljana, Slowenien	98,04	51.206	4.641
155	Kilshallow Limited, Dublin, Irland	100,00	982	
156	KINGSWOOD CHEMISTS LIMITED, Coventry, Vereinigtes Königreich	100,00	1	
157	KINGSWOOD GK LIMITED, Coventry, Vereinigtes Königreich	100,00	12.924	
158	KYLE & CARRICK HOLDINGS LIMITED, Glasgow, Vereinigtes Königreich	100,00	2.273	
159	La Pharmacie du Moulin d'En Haut , Mons, Belgien	60,00	71	-48
160	Laboratoria Flandria NV, Brüssel, Belgien	100,00	15.151	386
161	LEVELCROWN LIMITED, Coventry, Vereinigtes Königreich	100,00	1.627	
162	LINFORD PHARMACIES LIMITED, Coventry, Vereinigtes Königreich	100,00	982	
163	Lissone Farmacie S.p.A., Lissone, Italien	80,00	-380	86
164	LIVINGSTON HEALTH CENTRE (P.D) CO. LIMITED, Glasgow,	100,00	281	

	Vereinigtes Königreich			
165	LLOYDS CHEMISTS LIMITED, Coventry, Vereinigtes Königreich	100,00	167.007	
166	LLOYDS CHEMISTS RETAIL (NORTHERN) LIMITED, Coventry, Vereinigtes Königreich	100,00	5.522	
167	LLOYDS CHEMISTS RETAIL LIMITED, Coventry, Vereinigtes Königreich	100,00	907	
168	LLOYDS GROUP PROPERTIES LIMITED, Coventry, Vereinigtes Königreich	100,00	0	
169	Lloyds Pharmacy Clinical Homecare Limited, Coventry, Vereinigtes Königreich	100,00	29.126	2.464
170	LLOYDS PHARMACY LIMITED, Coventry, Vereinigtes Königreich	100,00	235.629	-8.787
171	LLOYDS PROPERTIES LIMITED, Coventry, Vereinigtes Königreich	100,00	-3.541	-146
172	LLOYDS Property Management Company Belgium S.A., Wavre, Belgien	99,99	1.869	29
173	LLOYDS RETAIL CHEMISTS LIMITED, Coventry, Vereinigtes Königreich	100,00	5.000	
174	Lloyds Retail S.r.l., Bologna, Italien	100,00	100	-73
175	Lloydspharma Group S.A., Wavre, Belgien	100,00	-28.274	2.146
176	Lloydspharma S.A., Wavre, Belgien	100,00	83.266	589
177	Lloydspharmacy Ireland Limited, Dublin, Irland	100,00	49.059	-29.992
178	LP Clinical Homecare Group Limited, Coventry, Vereinigtes Königreich	100,00	0	
179	LPL ONE LIMITED, Coventry, Vereinigtes Königreich	100,00	10.717	
180	M H GILL LIMITED, Coventry, Vereinigtes Königreich	100,00	2	
181	M PAYNE & CO LIMITED, Coventry, Vereinigtes Königreich	100,00	68	
182	MARYHILL DISPENSARY LIMITED, Glasgow, Vereinigtes Königreich	50,00	330	202
183	MASTA Limited, Coventry, Vereinigtes Königreich	100,00	2.141	-40
184	MATIS Immobilien OHG, Stuttgart, Deutschland	100,00	1.930	2.468
185	Maurice F. Dougan Limited, Dublin, Irland	100,00		
186	May Roberts Ltd, Dublin, Irland	100,00	343	

187	McKesson Belgium Holdings SPRL , Brüssel, Belgien	100,00	67.005	-484
188	McKESSON FRANCE HOLDINGS, Saint Quen, Frankreich	100,00	695.905	-22.985
189	McSweeney Dispensers 10 Limited, Dublin, Irland	100,00	1.080	
190	McSweeney Dispensers 23 Limited, Dublin, Irland	100,00	377	
191	MDD pharma N.V., Kortrijk, Belgien	100,00	14.208	1.378
192	Meade's Medical Hall Limited, Dublin, Irland	100,00	208	120
193	Medical Advisory Services for Travellers Abroad Limited, Coventry, Vereinigtes Königreich	100,00	15.346	
194	MEDIMART LIMITED, Coventry, Vereinigtes Königreich	100,00	-11.246	
195	MeMed CZ s.r.o., Chomutov, Tschechische Republik	100,00	7.552	430
196	Menges Medizintechnik Schweiz AG, Rüthi, Österreich	100,00	582	188
197	MOUNT PHARMACY LIMITED, Coventry, Vereinigtes Königreich	100,00	0	
198	MUNRO PHARMACY LIMITED, Glasgow, Vereinigtes Königreich	100,00	585	
199	Natureline, Dublin, Irland	100,00	-389	2
200	Nensi d.o.o., Ljubljana, SI	35,00	17	1
201	NEW KIRK PHARMACY LIMITED, Glasgow, Vereinigtes Königreich	100,00	1.482	
202	O`Leary Pharmacy (Lucan) Limited, Dublin, Irland	100,00		
203	OCP, Saint Quen, Frankreich	99,85	386.486	11.803
204	OCP FORMATION, Saint Quen, Frankreich	100,00	-42	7
205	OCP PORTUGAL, Maia, Portugal	100,00	75.537	11.629
206	OCP REPARTITION, Saint Quen, Frankreich	100,00	510.243	-14.624
207	Ophelia Pharma, Farciennes, Belgien	100,00	0	0
208	P C Cahill & Company Limited, Dublin, Irland	100,00	63.860	90
209	PALEMODA LIMITED, Coventry, Vereinigtes Königreich	100,00	25	
210	PAUL WHEELER LIMITED, Coventry, Vereinigtes Königreich	100,00	1	
211	PCB SA, Brüssel, Belgien	96,00	101.015	-1.688
212	PEEL STREET PHARMACY LIMITED, Coventry, Vereinigtes Königreich	100,00	-7.899	
213	PERILLA Grundstücks-Verwaltungsgesellschaft mbH & Co. KG,	95,00	-4	11

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214	Pharma Belgium SA, Woluwe-Saint-Lambert, Belgien	100,00	20.381	-6.912
215	PHARMA PARTNERS, Ostende, Belgien	100,00	14.285	-108
216	Pharma Services (NI) Limited, Belfast, Vereinigtes Königreich	50,00	0	
217	Pharmacie Ananga-Talom, Charleroi, Belgien	100,00	119	36
218	Pharmacie de la Bascule , Molenbeek-Saint-Jean, Belgien	100,00	105	27
219	Pharmacie Karreveld, Molenbeek-Saint-Jean, Belgien	51,00	-360	-5
220	PHARMACTIV DISTRIBUTION, Saint Quen, Frankreich	97,45	9.677	4.572
221	Pharmacy O` Riada Holdings Limited, Dublin, Irland	100,00		
222	PHARMAGEN LIMITED, Coventry, Vereinigtes Königreich	100,00	849	
223	PHILIP GOODMAN LIMITED, Coventry, Vereinigtes Königreich	100,00	269	
224	Prima Brands Limited, Belfast, Vereinigtes Königreich	100,00	878	31
225	PRIMELIGHT LIMITED, Coventry, Vereinigtes Königreich	100,00	400	
226	R F FOSKETT & SON LIMITED, Coventry, Vereinigtes Königreich	100,00	1.320	
227	R GORDON DRUMMOND LIMITED, Coventry, Vereinigtes Königreich	100,00	1	
228	recucare GmbH, Stuttgart, Deutschland	100,00	2.293	704
229	recusana GmbH, Stuttgart, Deutschland	100,00	-6.858	6.883
230	Reseau Santé, Brest, Frankreich	100,00		
231	Ryle and De Lacy Pharmacies Limited, Dublin, Irland	100,00	590	90
232	Sangers (Northern Ireland) Limited, Belfast, Vereinigtes Königreich	100,00	-13.043	1.291
233	SANOVA Pharma GesmbH, Wien, Österreich	100,00	2.395	2.615
234	Sapphire Primary Care Developments, Dublin, Irland	100,00	0	
235	SAVORY & MOORE (JERSEY) LIMITED, St. Helier, Vereinigtes Königreich	90,00	1.206	981
236	SAVORY & MOORE LIMITED, Glasgow, Vereinigtes Königreich	100,00	10.486	
237	SCHOLES (CHEMISTS) LIMITED, Coventry, Vereinigtes Königreich	100,00	23.083	
238	SERVICE DE LA REPARTITION PHARMACEUTIQUE, Paris, FR	39,50	70	53
239	SHC PHARMACY LIMITED, Edinburgh, GB	33,33	85	124

240	Sheridan Distribution Services Ltd, Antrim, Irland	100,00	22	
241	SOCIETE D`ETUDES ET DE REALISATIONS INFORMATIQUES, Monaco	100,00	177	470
242	Sofarmex BVBA, Belgien	100,00	0	961
243	Sofiadis SCRL, Brüssel, Belgien	90,96	1.353	345
244	SOLUSOFT, Saint Quen, Frankreich	100,00	602	20
245	SOPI Ballincollig Limited, Dublin, Irland	100,00	200	126
246	SOPI The Lough Limited, Dublin, Irland	100,00	469	176
247	SOPI Thurles Limited, Dublin, Irland	100,00	250	147
248	SOPI Youghal Limited, Dublin, Irland	100,00	48	-23
249	SPRINGBURN DISPENSARY LIMITED, Glasgow, GB	25,00	-89	
250	STATIM FINANCE LIMITED, Coventry, Vereinigtes Königreich	100,00	1.000	
251	STEPHEN SMITH LIMITED, St. Peter Port, Vereinigtes Königreich	57,14	1.317	539
252	SUPERFIELD LIMITED, Coventry, Vereinigtes Königreich	100,00	185	
253	T AND I WHITE LIMITED, Coventry, Vereinigtes Königreich	100,00	7	
254	T. Sheridan Sales & Marketing, Dublin, Irland	100,00	361	
255	THURNBY ROSE LIMITED, Coventry, Vereinigtes Königreich	100,00	1	
256	Tjellesen Max Jenne A/S, Rodovre, Dänemark	100,00	705.034	4.536
257	Todin A/S, Rodovre, Dänemark	100,00	36.744	6.384
258	Unicare Dispensers 11 Limited, Dublin, Irland	100,00		
259	Unicare Dispensers 12 Limited, Dublin, Irland	100,00		
260	Unicare Dispensers 13 Limited, Dublin, Irland	100,00	147	
261	Unicare Dispensers 16 Limited, Dublin, Irland	100,00		
262	Unicare Dispensers 20 Limited, Dublin, Irland	100,00	0	
263	Unicare Dispensers 21 Limited, Dublin, Irland	100,00		
264	Unicare Dispensers 27 Limited, Dublin, Irland	100,00		
265	Unicare Dispensers 5 Limited, Dublin, Irland	100,00		
266	Unicare Dispensers 6 Limited, Dublin, Irland	100,00		

267	Unicare Dispensers 8 Limited, Dublin, Irland	100,00		
268	Unicare Pharmacy Group Limited, Dublin, Irland	100,00		
269	USCITA LIMITED, Coventry, Vereinigtes Königreich	100,00	0	
270	Vitapharm, Murska sobota, Slowenien	51,00	18	16
271	W H CHANTER LIMITED, Coventry, Vereinigtes Königreich	100,00	56	
272	W H GREEN (CHEMISTS) LIMITED, Coventry, Vereinigtes Königreich	100,00	457	
273	W JAMIESON (CHEMISTS) LIMITED, Coventry, Vereinigtes Königreich	100,00	8	
274	WESTCLOSE LIMITED, Coventry, Vereinigtes Königreich	100,00	147	
275	WOODSIDE PHARMACY (GLASGOW) LIMITED, Glasgow, Vereinigtes Königreich	75,00	127	186
276	WROSE HEALTH CENTRE P.D. LIMITED, Keighley, GB	42,59	46	
277	WZ-WundZentren GmbH ^{***} , Stuttgart, Deutschland	³⁾ 100,00	9.280	-6.116

II. Companies with more than 5% voting interest for McKesson Europe AG

278	ASHLEY HOUSE PLC, High Wycombe, GB	9,42	3.694	75
279	Clofirini Consult, Lommel, Belgien	5,00	440	79
280	GALEN PHARMACY LIMITED, South Shields, GB	18,00	32	
281	GOVANHILL PHARMACY LIMITED, Glasgow, GB	13,40	2	
282	HOLMSCROFT HC LIMITED, Greenock, GB	20,00	367	
283	KEIGHLEY HEALTH CENTRE LIMITED, Keighley, GB	16,67	146	
284	Swindon Health Centre (Pd) Limited, Swindon, GB	14,83	382	
285	TORRINGTON PARK HCC LIMITED, London, GB	4,00	146	
286	VICTORIA PHARMACY LIMITED, Hartlepool, GB	7,32	102	
287	W.H.C.P. (DUNDEE) LIMITED, Dundee, GB	13,70	259	

¹⁾ Interest held by dependent companies are included in the calculation in full, even if the interest in the company is less than 100%.

²⁾ In local currency

³⁾ Profit and loss transfer agreement with McKesson Europe AG (direct or indirect)

⁴⁾ Amounts in US-GAAP

In addition, there are also 53 further European pharmacy holdings.

Independent Auditors' Report

We have audited the financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system and the management report of McKesson Europe AG, Stuttgart, for the fiscal year from 1 April 2017 to 31 March 2018, which has been combined with the group management report. The maintenance of the books and records and the preparation of the annual financial statements and the management report in accordance with German commercial law are the responsibility of the company's Management Board. Our responsibility is to express an opinion on the financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the financial statements in accordance with Section 317 of the German Commercial Code (HGB) and German generally accepted standards for the audit of financial statements promulgated by the Institute of Public Auditors in Germany (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the financial statements in accordance with the generally accepted accounting principles and in the management report are detected with reasonable assurance. Knowledge of the operations and the economic and legal environment of the company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a sample basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by the Management Board as well as evaluating the overall presentation of the annual financial statements and the management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements of McKesson Europe AG, Stuttgart, comply with the legal requirements, and give a true and fair view of the net assets, financial position and results of operations of the company in accordance with German principles of proper accounting. The management report is consistent with the annual financial statements, complies with the legal requirements and as a whole provides a suitable view of the company's position and suitably presents the opportunities and risks of future development.

Stuttgart, 30 May 2018

Deloitte GmbH

Wirtschaftsprüfungsgesellschaft

(Dr Buhleier)

(Froese-Hasenmaier)

Wirtschaftsprüfer

Wirtschaftsprüfer

German Public Auditor German Public Auditor

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