

MCKESSON CORP
Form 10-Q
October 29, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2015

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

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

94-3207296
(I.R.S. Employer
Identification No.)

One Post Street, San Francisco, California
(Address of principal executive offices)
(415) 983-8300

94104
(Zip Code)

(Registrant's telephone number, including area code)

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 (§232.405 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 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.

Large accelerated filer Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of	September 30, 2015
Common stock, \$0.01 par value	230,109,093 shares	

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PART I—FINANCIAL INFORMATION

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In millions, except per share amounts)

(Unaudited)

	Quarter Ended		Six Months Ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Revenues	\$48,761	\$44,160	\$96,307	\$87,636
Cost of Sales	(45,917)	(41,296)	(90,615)	(82,040)
Gross Profit	2,844	2,864	5,692	5,596
Operating Expenses	(1,890)	(2,077)	(3,807)	(4,128)
Operating Income	954	787	1,885	1,468
Other Income, Net	17	22	30	41
Interest Expense	(91)	(95)	(180)	(191)
Income from Continuing Operations Before Income Taxes	880	714	1,735	1,318
Income Tax Expense	(244)	(223)	(500)	(408)
Income from Continuing Operations	636	491	1,235	910
Loss from Discontinued Operations, Net of Tax	(6)	(14)	(16)	(22)
Net Income	630	477	1,219	888
Net Income Attributable to Noncontrolling Interests	(13)	(8)	(26)	(16)
Net Income Attributable to McKesson Corporation	\$617	\$469	\$1,193	\$872
Earnings (Loss) Per Common Share Attributable to McKesson Corporation				
Diluted				
Continuing operations	\$2.65	\$2.05	\$5.15	\$3.80
Discontinued operations	(0.02)	(0.06)	(0.07)	(0.09)
Total	\$2.63	\$1.99	\$5.08	\$3.71
Basic				
Continuing operations	\$2.68	\$2.08	\$5.21	\$3.86
Discontinued operations	(0.02)	(0.06)	(0.06)	(0.09)
Total	\$2.66			