



Breaking News

McKesson Corporation Announces Parata Systems to Acquire Assets of Its Automated Prescription Systems Business; Strategic Alliance Creates Industry's Most Complete Product Line

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McKesson Corporation (NYSE:MCK) today announced that Parata Systems has agreed to acquire substantially all the assets of McKesson's Automated Prescription Systems (APS) business unit and that the two companies are entering into a long-term strategic alliance under which McKesson will become the sole third-party distributor for all Parata products in North America and become a significant minority investor in Parata. McKesson High Volume Solutions (HVS) and McKesson Pharmacy Systems (MPS) are excluded from this transaction.

McKesson APS provides automation solutions and software that enable retail pharmacies to increase their efficiency and enhance patient safety. The transaction is expected to close in McKesson's first fiscal quarter and is subject to customary conditions. Charges associated with the transaction should reduce McKesson's diluted earnings per share by approximately 4 cents in the quarter in which it closes. McKesson will also fill two of five seats on Parata's Board of Managers.

The strategic alliance will combine the extensive distribution channels and brand awareness of McKesson, the world's leading healthcare services company, with the innovative technology of Parata, the leading pharmacy robotics company. It creates the most complete, technologically-advanced range of pharmacy automation products in the industry designed to improve the safety, accuracy and efficiency of the prescription process, ranging from low volume, semi-automated systems, to mid volume counting technologies, to high volume, fully automated robotic solutions.

As part of the alliance, McKesson's High Volume Solutions division, the leading provider of customized, automated prescription fulfillment systems for the central fill, mail service and specialty pharmacy industries, will obtain exclusive rights to all of Parata's products to serve this rapidly growing segment of the market.

Fewer than 10 percent of the nation's retail pharmacies currently use automation, despite the proven safety, efficiency and cost-saving benefits of automated pharmacy systems. Adoption of automation technologies is on the rise, however, as pharmacies strive to ensure patient safety in the face of 10 to 15 percent annual prescription growth and a nationwide shortage of pharmacists.

"Together, Parata and McKesson will help drive the growth of the pharmacy automation market through a superb combination of engineering innovation, high reliability, strong distribution, and exemplary service and support," said Paul Julian, Executive Vice President and Group President, McKesson Corporation. "The strategic alliance plays to the strengths of both organizations, with the ultimate winner being our retail pharmacy customers."

"Parata built its strong market position on the superior speed and safety of its breakthrough counting and robotics technologies. Coupled with compact size, capping capabilities and other features that no

other company can match, Parata has revolutionized the industry," said Jess Eberdt, CEO of Parata. "This strategic alliance with McKesson is the perfect next-stage development for us. We are admirers of McKesson and look forward to offering customers the broadest range of pharmacy automation solutions in the industry."

About McKesson

McKesson Corporation (NYSE:MCK), currently ranked 16th on the FORTUNE 500, is a healthcare services and information technology company dedicated to helping its customers deliver high-quality healthcare by reducing costs, streamlining processes and improving the quality and safety of patient care. Over the course of its 173-year history, McKesson has grown by providing pharmaceutical and medical-surgical supply management across the spectrum of care; healthcare information technology for hospitals, physicians, homecare and payors; hospital and retail pharmacy automation; and services for manufacturers and payors designed to improve outcomes for patients. For more information, visit us at www.mckesson.com.

About Parata

Parata Systems, founded in 2001, designs and markets the fully automated Robotic Dispensing System (RDS), marketed to retail, institutional and governmental pharmacies. Parata System's flagship product, Parata RDS (Robotic Dispensing System), counts 30 tablets/second to accurately process up to 154 prescriptions an hour. In about 20 seconds, Parata RDS selects and labels a vial, fills, caps and sorts by patient last name. Its drug-to-vial accuracy is 100 percent. And at just 12 square feet, the sleek, compact machine is an easy fit in any pharmacy, occupying the space of a single shelving unit. Parata Systems is based in Durham, N.C. Call, click or visit Parata Systems, www.parata.com, info@parata.com, 1-888-PARATA1 (727-2821).

Risk Factors

Except for historical information contained in this press release, matters discussed may constitute "forward-looking statements", within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, that involve risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These statements may be identified by their use of forward-looking terminology such as "believes", "expects", "anticipates", "may", "should", "seeks", "approximates", "intends", "plans", "estimates" or the negative of these words or other comparable terminology. The most significant of these risks and uncertainties are described in the company's Form 10-K, Form 10-Q and Form 8-K reports filed with the Securities and Exchange Commission and include, but are not limited to: adverse resolution of pending shareholder litigation regarding the 1999 restatement of our historical financial statements; the changing U.S. healthcare environment, including changes in government regulations and the impact of potential future mandated benefits; competition; changes in private and governmental reimbursement or in the delivery systems for healthcare products and services; governmental and manufacturers' efforts to regulate or control the pharmaceutical supply chain; changes in pharmaceutical and medical-surgical manufacturers' pricing, selling, inventory, distribution or supply policies or practices; changes in the availability or pricing of generic drugs; changes in customer mix; substantial defaults in payment or a material reduction in purchases by large customers; challenges in integrating and implementing the company's internally used or externally sold software and software systems, or the slowing or deferral of demand or extension of the sales cycle for external software products; continued access to third-party licenses for software and the patent positions of the company's proprietary software; the company's ability to meet performance requirements in its disease management programs; the adequacy of insurance to cover liability or loss claims; new or revised tax legislation; foreign currency fluctuations or disruptions to foreign operations; the company's ability to successfully identify, consummate and integrate strategic acquisitions; changes in generally accepted accounting principles (GAAP) and general economic conditions. The reader should not place undue reliance on

forward-looking statements, which speak only as of the date they are made. The company assumes no obligation to update or revise any such statements, whether as a result of new information or otherwise.

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