

February 25, 2013

Dear valued supplier,

I am excited to announce that McKesson Corporation's merger with PSS World Medical is complete. McKesson Medical-Surgical and PSS World Medical have officially combined to form a leading alternate site distribution company in North America.

The two companies share decades of experience in the market and a strong track record of understanding and meeting the needs of healthcare professionals. By joining together, we will unite the strengths of each organization to establish a business poised to help customers overcome the challenges of the future. We believe that the combined company will offer a more efficient distribution network, leading edge technology and access to a stellar team of sales resources, translating into unprecedented value for our supplier partners.

Our executive leadership team will feature a blend of executives from both McKesson Medical-Surgical and PSS World Medical. They will play an important part in unlocking the value of the combined company. Joan Eliasek, Senior Vice President, Product Strategy and Supplier Partnerships will lead our supplier management, merchandising and private label efforts. John Sasen, Senior Vice President, Marketing will lead our marketing teams.

The leadership of our combined 1,600 sales professionals is key to our success. Our two major sales segments will be Primary Care (which will include PSS Physician sales) and Extended Care (which will include Gulf South sales). Under the leadership of Gary Corless, Chief Operating Officer, Fred Browne, President Extended Care will lead the Extended Care business and Primary Care sales will be led by Gary Keeler, President, Primary Care North and Eddie Dienes, President, Primary Care South.

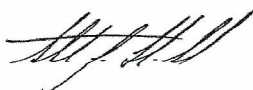
An integration team made up of key functional leaders and staff from both McKesson Medical-Surgical and PSS World Medical will be working to establish how to broaden and strengthen the combined company's solutions and portfolio of both private and national brands. We are planning on an extended integration period as the leadership team determines the best way to develop our collective strengths and the appropriate timeline for bringing the two companies together.

Your point or points of contact within McKesson Medical-Surgical or PSS World Medical for now will remain the same, but we will be communicating with you jointly. We will be upfront and transparent about how we see our supplier relationships evolving, and we will be updating you on our progress regularly as we begin to determine how to work with our suppliers as a combined company and how to bring opportunity to you and value to our customers.

Additional information about the close of the transaction and makeup of the combined company can be found on the website mckessonpss.com or by contacting mckessonpss@mckesson.com. Included with this letter are answers to frequently asked questions, which also can be found on the website.

You will play an important role in our new and exciting future as a combined company, and we thank you for your patience and support during this time of change for us.

Sincerely,



Stanton McComb
President, McKesson Medical-Surgical

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Supplier FAQs

Q. What is the news?

A. McKesson Corporation has acquired all outstanding shares of PSS World Medical Inc. McKesson Medical-Surgical, the parent company of Cypress Medical Products and others, and PSS World Medical have combined to form a leading alternate site distribution company in North America.

Q. Why did McKesson decide to merge with PSS World Medical?

A. The combined organization will bring superior distribution capabilities, deep product and technology expertise, and a broad portfolio of business services to customers. This will result in efficiencies and new solutions that will lead to better business health for customers, greater value for shareholders and better care for patients. The combination and addition of talent will strengthen both organizations.

Q. How are the companies and their executive leadership teams being combined?

A. McKesson Medical-Surgical and PSS World Medical have been combined under the leadership of McKesson Medical-Surgical President Stanton McComb. Former PSS World Medical President and CEO Gary Corless will report to Stanton as Chief Operating Officer of the combined organization. Under the leadership of Gary Corless, Fred Browne, President Extended Care will lead the Extended Care business and Primary Care sales will be led by Gary Keeler, President, Primary Care North and Eddie Dienes, President, Primary Care South. Joan Eliasek will serve as senior vice president, Product Strategy & Supplier Partnerships.

An integration team made up of key functional leaders and staff from both McKesson Medical-Surgical and PSS World Medical has been formed. The team is evaluating and comparing the respective capabilities of the companies in greater detail to determine the best way to develop complementary strengths to benefit all stakeholders.

Q. How long will the integration period last?

A. Both McKesson Medical-Surgical and PSS World Medical have an extensive track record of mergers and integration capability to draw upon to ensure a careful and thoroughly executed integration plan. We are planning on an extended integration period as the leadership team determines the best way to develop our collective strengths to benefit our customers, employees and shareholders, as well as the appropriate timeline for bringing the two companies together.

Q. Under what name will the new organization operate? What will happen to other proprietary names under both McKesson Medical-Surgical and PSS World Medical?

A. The combined organization will operate as McKesson Medical-Surgical, though contracts with suppliers will continue to use the names of the actual legal entities. Developing a long-term branding strategy is among the activities of the integration team.

Q. How will this affect customer service and support levels to McKesson Medical-Surgical and PSS World Medical customers?

A. Providing the highest levels of customer service and support is a focus and competency of both companies and will remain a top priority throughout the integration.

Q. Will McKesson Medical-Surgical and PSS World Medical combine distribution centers?

A. Distribution is an essential part of our combined business. Integration of the distribution networks of the two organizations is a complicated endeavor which requires thoughtful consideration. We expect to evaluate our respective capabilities and bring together the distribution strengths of both organizations to ensure that customers continue to receive the high levels of service that they receive today.

Q. What will be the shared roadmap for the combined company's technology platforms?

A. Our long-term strategy will be determined during the integration process. We believe that the combined expertise of the two organizations will provide our customers with the next generation of leading customer technology solutions and enhance our distribution technology capabilities.

Q. Will McKesson Medical-Surgical and PSS World Medical combine and reduce the products that they sell to customers?

A. The product portfolios of both companies are valuable to our customers. We will evaluate and compare our respective products and capabilities in greater detail to determine the best way to move forward.

Q. I have a contract with only one of the companies involved in the transaction. How should I proceed in getting one with the combined company?

A. You may contact your category management representative for answers to questions of this nature.

Q. I have contracts with both companies that have different terms. Should I amend the contracts to make them consistent?

A. You may contact your category management representative for answers to questions of this nature.

Q. Will McKesson Medical-Surgical and PSS World Medical combine their private brand product portfolios?

A. The private brand product portfolios of both companies have equity and unique value with our customers. As part of the integration, the private brand product portfolios will be evaluated for overlap and potential consolidation.

Q. Does this combination affect McKesson Medical-Surgical or PSS World Medical's broader physician strategy?

A. The combined organization will build on each company's existing commitment to provide solutions that help physician practices succeed. The combination of McKesson Medical-Surgical and PSS World Medical will enhance our offering for physicians and create a platform for evolving the combined company's solution set for the broader physician office and clinic customers.

Q. Does the combination affect McKesson Medical-Surgical or PSS World Medical's broader extended care strategy?

A. The combined organization will build on each company's existing commitment to provide solutions that help long term care and home care providers succeed. The combination of McKesson Medical-Surgical and PSS World Medical will enhance our offering for these providers and create a platform for evolving the company's solutions for these customers.