

MCKESSON CORP
Form 4
October 05, 2006

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HAMMERGREN JOHN H

(Last) (First) (Middle)

ONE POST STREET

(Street)

SAN FRANCISCO, CA 94104

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
MCKESSON CORP [MCK]

3. Date of Earliest Transaction
(Month/Day/Year)
10/03/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Chairman, President & CEO

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount (A) or (D) Price		
Common Stock	10/03/2006		M		9,000 \$ 29.8125	170,567	D
Common Stock	10/03/2006		S		9,000 (1) \$ 53.6953	161,567	D
Comon Stock	10/03/2006		M		66,000 \$ 43.5938	227,567	D
Common Stock	10/03/2006		S		66,000 (1) \$ 53.6953	161,567	D
Common Stock	10/04/2006		M		18,000 \$ 43.5938	179,567	D

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Common Stock	10/04/2006	S	18,000 (1)	D	\$ 53.3496	161,567	D	
Common Stock	10/04/2006	M	7,000	A	\$ 29.8125	168,567	D	
Common Stock	10/04/2006	S	7,000 (1)	D	\$ 53.3496	161,567	D	
Common Stock						3,550	I	By Trustee of PSIP

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Security (Instr. 3 and 4)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title
Employee Stock Option (Right-to-buy)	\$ 29.8125	10/03/2006		M	9,000 (1)	(2) 08/16/2009	Common Stock	9,000
Employee Stock Option (Right-to-buy)	\$ 43.5938	10/03/2006		M	66,000 (1)	(3) 07/30/2007	Common Stock	66,000
Employee Stock Option (Right-to-buy)	\$ 43.5938	10/04/2006		M	18,000 (1)	(3) 07/30/2007	Common Stock	18,000
Employee Stock Option (Right-to-buy)	\$ 29.8125	10/04/2006		M	7,000 (1)	(2) 08/16/2009	Common Stock	7,000

Reporting Owners

Reporting Owner Name / Address

Relationships

Reporting Owners

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Director 10% Owner Officer Other

HAMMERGREN JOHN H
ONE POST STREET
SAN FRANCISCO, CA 94104

X

Chairman, President & CEO

Signatures

Kristina Veaco,
Attorney-in-fact

10/05/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) Sale was made pursuant to a previously adopted plan dated 06/15/2006, intended to comply with Rule 10b5-1(c).
- (2) This option vested in three installments; 50% on the second anniversary of the date of grant, and 25% each on the third and fourth anniversaries of the date of grant.
- (3) This option vested in three installments; 50% on the third anniversary of the date of grant, and 25% each on the fourth and fifth anniversaries of the date of grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.