

MCKESSON CORP
Form 4
March 17, 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 *
REES NIGEL A

(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)
03/15/2006

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)
Vice President & Controller

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or Price | | |
| Common Stock | 03/15/2006 | | M | | 10,000 A \$ 33.55 | 10,000 | D |
| Common Stock | 03/15/2006 | | S | | 1,000 D \$ 53.52 | 9,000 | D |
| Common Stock | 03/15/2006 | | S | | 1,000 D \$ 53.55 | 8,000 | D |
| Common Stock | 03/15/2006 | | S | | 1,000 D \$ 53.59 | 7,000 | D |
| Common Stock | 03/15/2006 | | S | | 1,000 D \$ 53.6 | 6,000 | D |

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| | | | | | | | | |
|--------------|------------|---|-------|---|-----------|-------|---|--------------------|
| Common Stock | 03/15/2006 | S | 1,000 | D | \$ 53.64 | 5,000 | D | |
| Common Stock | 03/15/2006 | S | 1,000 | D | \$ 53.63 | 4,000 | D | |
| Common Stock | 03/15/2006 | S | 1,000 | D | \$ 53.7 | 3,000 | D | |
| Common Stock | 03/15/2006 | S | 1,000 | D | \$ 53.82 | 2,000 | D | |
| Common Stock | 03/15/2006 | S | 1,000 | D | \$ 53.9 | 1,000 | D | |
| Common Stock | 03/15/2006 | S | 1,000 | D | \$ 53.765 | 0 | D | |
| Common Stock | | | | | | 950 | I | By Trustee of PSIP |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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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) | 8. Amount or Number of Shares | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|--------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | |
| Employee Stock Option (Right-to-Buy) | \$ 33.55 | 03/15/2006 | | M | 10,000 | <u>(1)</u> | 02/04/2011 | Common Stock | 10,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--------------------------------|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| REES NIGEL A | | | Vice | |

ONE POST STREET
SAN FRANCISCO,, CA 94104

President &
Controller

Signatures

Kristina Veaco,
Attorney-in-fact

03/17/2006

__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) Granted under the Issuer's 1994 Stock Option and Restricted Stock Plan. These options vested annually in 4 equal installments commencing on the first anniversary of the grant date.

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.