

**UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION**

In re McKESSON HBOC, INC. SECURITIES LITIGATION	:	Master File No. 99-CV-20743 RMW (PVT) And Related Cases
	:	
	:	
This Document Relates To: ALL ACTIONS.	:	<u>CLASS ACTION</u>
	:	

**SUPPLEMENTAL NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF
CLASS ACTION AGAINST McKESSON HBOC, INC. AND HBO & COMPANY**

- TO: (1) ALL PERSONS AND ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED PUBLICLY TRADED SECURITIES OF HBO & COMPANY (“HBOC”) DURING THE PERIOD FROM JANUARY 20, 1997 THROUGH AND INCLUDING JANUARY 12, 1999, AND ALL PERSONS OR ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED CALL OPTIONS OR SOLD PUT OPTIONS OF HBOC DURING THE PERIOD FROM JANUARY 20, 1997 THROUGH AND INCLUDING APRIL 27, 1999;
- (2) ALL PERSONS AND ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED PUBLICLY TRADED SECURITIES OR CALL OPTIONS, OR WHO SOLD PUT OPTIONS, OF McKESSON OR OF McKESSON HBOC, INC. DURING THE PERIOD FROM OCTOBER 18, 1998 THROUGH AND INCLUDING APRIL 27, 1999; AND
- (3) ALL PERSONS AND ENTITIES WHO HELD McKESSON COMMON STOCK ON NOVEMBER 27, 1998 AND STILL HELD THOSE SHARES ON JANUARY 12, 1999; AND WHO WERE INJURED THEREBY.

A Federal Court Authorized this Notice. This is not a solicitation from a lawyer.

A NOTICE OF PENDENCY AND PROPOSED SETTLEMENT OF CLASS ACTION AGAINST McKESSON HBOC, INC. AND HBO & COMPANY WAS PREVIOUSLY MAILED TO POTENTIAL MEMBERS OF THE SETTLEMENT CLASS ON OR ABOUT OCTOBER 14, 2005 (THE “NOTICE”). THIS SUPPLEMENTAL NOTICE RELATES TO THE PROPOSED PARTIAL SETTLEMENT OF THIS CLASS ACTION AND, IF YOU ARE A MEMBER OF THE SETTLEMENT CLASS, CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS CONCERNING THE SETTLEMENT. PLEASE READ THIS SUPPLEMENTAL NOTICE CAREFULLY AND IN ITS ENTIRETY.

If you have not received the original Notice, you may obtain copies, along with copies of the Proof of Claim form, through the internet websites of Lead Counsel: www.blbglaw.com/settlements/mckesson_securities.html and www.barrack.com, or at www.mckessonhboctesttlement.com

The purpose of this Supplemental Notice is to clarify a part of the original Notice that describes the proposed plan for allocating the Settlement Fund to Settlement Class Members who submit valid and timely Proof of Claim forms. Please be advised that, under Paragraph 2 of the Plan of Allocation on page 5 of the original Notice, the exchange of HBOC common stock for McKesson HBOC common stock in the January 12, 1999 merger is neither a “purchase or acquisition” of McKesson HBOC common stock nor a sale of HBOC common stock. To reflect this clarification, Paragraph 2 on page 5 of the original Notice is revised to insert the phrase “excluding shares acquired in exchange for HBOC Common Stock,” as printed below.

2. For shares of McKesson or McKesson HBOC Common Stock purchased or acquired from October 19, 1998 through April 27, 1999, *excluding shares acquired in exchange for HBOC Common Stock*, and
- a. **that were still held as of the close of business on May 24, 1999:** the amount of the Claim Per Share for the date such share was purchased or acquired is the amount set forth in Table B;
- b. **that were sold between April 28 and May 24, 1999:** the Claim Per Share is the amount as set forth in Table B for the date of purchase or acquisition, minus \$4.59.

In addition, this Supplemental Notice makes a correction to Table A of the original Notice. Specifically, the Per Share Amount for the purchase and sale of HBO & Company common stock from 4/14/1998 to 7/10/1998, as reflected in Table A of the original Notice, is 3.00 (not 5.83 as reflected in the original Notice). For ease of reference, the corrected Table A along with Table B, is printed below.

**Table A
HBO & Co. Common Stock**

From	To	<u>Purchases</u> Per Share Amount	<u>Sales</u> Per Share Amount ¹
1/21/1997	4/8/1997	0.57	0.57
4/9/1997	7/11/1997	1.14	1.14
7/14/1997	10/13/1997	1.60	1.60
10/14/1997	1/12/1998	2.07	2.07
1/13/1998	4/13/1998	2.53	2.53
4/14/1998	7/10/1998	3.00	3.00
7/13/1998	10/12/1998	5.83	5.83
10/13/1998	1/12/1999	9.48	9.48
1/13/1999	1/25/1999		9.48
1/26/1999	4/21/1999		12.25
4/22/1999	4/27/1999		12.30
4/28/1999	5/24/1999		1.70

¹ Amount per share for sales of HBO & Co. Common Stock from January 21, 1997 through January 12, 1999 and for sales of McKesson HBOC common stock (adjusted for exchange ratio) between January 12, 1999 and May 24, 1999.

Table B
McKesson or McKesson HBOC Stock

From	To	Per Share Amount
10/19/1998	1/25/1999	25.62
1/26/1999	4/21/1999	33.12
4/22/1999	4/27/1999	33.24
4/28/1999	5/24/1999	4.59

Any term not defined herein shall have the same definition as set forth in the original Notice.

DO NOT TELEPHONE THE COURT REGARDING THIS SUPPLEMENTAL NOTICE

BY ORDER OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA.