



April 8, 2008

Dear Valued Customer,

We have some important and exciting news to share: McQueary today signed a definitive agreement to be acquired by McKesson Corporation, the nation's leading healthcare services company.

As you know, McQueary was formed to serve the needs of independent retail pharmacies. We have succeeded for more than 80 years in building a successful business because of your trust in our commitment to provide you with unmatched personalized service and competitive value. Given the increasingly competitive environment in which we operate, it is clear that our long-term ability to serve your needs can be best achieved by joining forces with a larger distributor.

As we considered all of our options, it became clear that McKesson and McQueary were an ideal fit. Like McQueary, McKesson is focused on serving the unique needs of independent pharmacies. In fact, as the oldest and largest pharmaceutical distributor, McKesson has been serving independent pharmacies for 175 years. And, in spite of McKesson's large size, the company's culture and customer approach is rooted in integrity, respect, and personalized customer service – just like our own.

We were also impressed with McKesson's desire to grow its business in the regions where most of our customers are located. Importantly, McKesson intends to retain the current field sales organization to ensure continuity of relationships and service, while bringing the economies of scale that only a large organization can achieve in today's marketplace.

For those of you not familiar with McKesson, here is a little background: Founded in 1833, McKesson is a Fortune 18 company headquartered in San Francisco. With more than 32,000 employees worldwide, McKesson is the nation's largest healthcare services and information technology company. McKesson's healthcare information

systems are used by more than 70% of the nation's hospitals. Additionally, McKesson is the oldest and largest pharmaceutical distributor in North America. Because of McKesson's position at the center of healthcare, it can uniquely connect independents to payors, manufacturers, consumers, and other key healthcare players in new ways that empower independents to maximize reimbursement and tap into additional revenue sources.

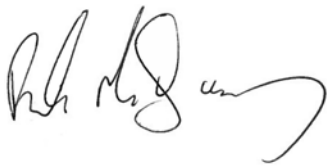
We firmly believe the combination of McQueary and McKesson will provide you with the best of both worlds – the highly personalized service you've come to expect from us, coupled with the expanded portfolio of products and services offered by McKesson. McKesson offers the broadest and deepest suite of programs and services specifically designed to help independents manage and grow their businesses, including:

- **Health Mart®.** As the nation's fastest-growing independent pharmacy franchise, Health Mart helps independents compete more successfully both locally and nationally through managed care contracting services, marketing and advertising tools, in-store programs, and operational support.
- **AccessHealth®.** McKesson's AccessHealth managed care organization provides thousands of independents with expert third-party contracting, including more than 9,000 contracts with over 60 PBMs, all major third parties, Blue Cross and Blue Shields, and HMOs.
- **McKesson OneStop Generics®.** McKesson empowers independents to take full advantage of the growing generics opportunity through rebates as high as 11%, 60-day price protection and dating on new products, same everyday competitive pricing on backup items, and superior service.
- **Industry-leading automation.** McKesson's portfolio of pharmacy management and automation systems enables independents to automate every major pharmacy process, including prescription processing, dispensing, claims adjudication, point of sale, inventory management, and more.
- **Customer-preferred private brand.** McKesson's Sunmark™ private brand program enables independents to offer customers more than 1,000 value-priced, over-the-counter alternatives – at double the margins.
- **Front-End support.** McKesson's FrontEdge™ program provides planogram and pricing analysis support, as well as merchandising force that cuts in new items, ensures in-stock positions, and resets entire categories.

Although the transaction is still subject to regulatory review and approval, we expect the acquisition to close in the second calendar quarter of 2008.

We hope you will share our excitement about this significant event. Together with McKesson, we are confident we will provide you with new levels of satisfaction and service excellence. Our field sales force will be contacting you soon to insure an uninterrupted changeover.

Sincerely,



**Rick McQueary**  
*Chairman*



**David McQueary**  
*President*



**Mike Bach**  
*Senior Vice President of  
Sales and Trade Relations*