

March 2, 2016

McKesson Enters into Agreement to Acquire Rexall for \$3 Billion

Davies acted for McKesson Corporation, a leading international healthcare services and information technology company, in connection with its \$3-billion acquisition of Rexall and Rexall Pharma Plus, which operate approximately 470 pharmacies in Canada, from Katz Group, one of Canada's largest privately owned enterprises. The acquisition strengthened McKesson's position in Canada's pharmaceutical supply chain, and was a natural next step for two companies that have worked together for over 20 years, delivering care to Canadians.

The acquisition of Rexall and Rexall Pharma Plus enhanced McKesson's retail pharmacy capabilities and procurement scale. McKesson Canada's diverse customer base, including its independent pharmacists, was expected to benefit from competitive pharmacy solutions and industry-leading service levels. The acquisition, which was funded by a mix of cash and debt, closed on December 28, 2016.

The Davies team on this transaction included Patricia Olasker, Cam Rusaw, Jennifer Grossklaus and Jared Solinger (M&A); Adam Fanaki and Jim Dinning (Antitrust); Raj Juneja and Andrew Ellis (Tax); Jessica Bullock (Pension & Employment); Steve Martin and Patrice Thomas (Real Estate); Alex Pike (Environmental); and Jennifer Prieto (Regulatory).