

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14D-1

TENDER OFFER STATEMENT PURSUANT TO SECTION 14(D) (1)
OF THE SECURITIES EXCHANGE ACT OF 1934

(AMENDMENT NO. 2)

MCKESSON CORPORATION
(NAME OF SUBJECT COMPANY)

ECO ACQUISITION CORPORATION
A WHOLLY OWNED SUBSIDIARY OF
ELI LILLY AND COMPANY
(BIDDERS)

COMMON STOCK, \$2.00 PAR VALUE PER SHARE 581556 10 7
(INCLUDING THE ASSOCIATED RIGHTS) (CUSIP NUMBER OF CLASS OF SECURITIES)
(TITLE OF CLASS OF SECURITIES)

J.B. KING, ESQ.
VICE PRESIDENT AND GENERAL COUNSEL
ELI LILLY AND COMPANY
LILLY CORPORATE CENTER
INDIANAPOLIS, INDIANA 46285
(317) 276-2000
(NAMES, ADDRESSES AND TELEPHONE NUMBERS OF PERSONS AUTHORIZED
TO RECEIVE NOTICES AND COMMUNICATIONS ON BEHALF OF BIDDER)

WITH A COPY TO:

BERNARD E. KURY, ESQ.
DEWEY BALLANTINE
1301 AVENUE OF THE AMERICAS
NEW YORK, NEW YORK 10019
(212) 259-7400

This Amendment No. 2 to the Schedule 14D-1 relates to a tender offer by ECO Acquisition Corporation (the "Purchaser"), a Delaware corporation and a wholly owned subsidiary of Eli Lilly and Company, an Indiana corporation ("Parent"), to purchase all outstanding shares of common stock, par value \$2.00 per share and the associated Rights (as defined in the Offer to Purchase) (collectively, the "Shares"), of McKesson Corporation (the "Company"), a Delaware corporation, at a purchase price of \$76.00 per Share, net to the seller in cash, without interest, upon the terms and subject to the conditions set forth in the Offer to Purchase, dated July 15, 1994 (the "Offer to Purchase"), and the related Letter of Transmittal (which together constitute the "Offer"), copies of which were attached as Exhibits (a) (1) and (a) (2), respectively, to the Schedule 14D-1 filed with the Securities and Exchange Commission on July 15, 1994 as amended by Amendment No. 1 thereto dated July 27, 1994 (collectively, the "Schedule 14D-1"). The purpose of this Amendment No. 2 is to amend and supplement Item 11 of the Schedule 14D-1 as described below.

ITEM 11. MATERIAL TO BE FILED AS EXHIBITS.

(a) (18) --Amendment, dated as of August 8, 1994, by and among the Company,

Parent and the Purchaser.

(a) (19) --Form of press release issued by Parent on August 10, 1994.

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SIGNATURE

AFTER DUE INQUIRY AND TO THE BEST OF ITS KNOWLEDGE AND BELIEF, EACH OF THE UNDERSIGNED CERTIFIES THAT THE INFORMATION SET FORTH IN THIS STATEMENT IS TRUE, COMPLETE AND CORRECT.

Eli Lilly and Company

By: /s/ James M. Cornelius

Name: James M. Cornelius
Title: Vice President, Finance and
Chief Financial Officer

ECO Acquisition Corporation

By: /s/ Charles E. Schalliol

Name: Charles E. Schalliol
Title: President

Dated: August 10, 1994

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AMENDMENT

AMENDMENT, dated as of August 8, 1994 (the "Amendment"), by and among McKesson Corporation, a Delaware corporation (the "Company"), Eli Lilly and Company, an Indiana corporation ("Parent"), and ECO Acquisition Corporation, a Delaware corporation and a wholly-owned subsidiary of Parent (the "Purchaser").

WHEREAS, the Company, Parent and the Purchaser entered into an Agreement and Plan of Merger, dated as of July 10, 1994 (the "Merger Agreement"); and

WHEREAS, each of the parties hereto have deemed it advisable to amend the Merger Agreement in the manner set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the parties hereto hereby agree as follows:

1. Section 2.10(a)(i) of the Merger Agreement is hereby amended by adding to the end of such Section the following proviso:

"; provided that each such employee, former employee, director or former director shall have the right to elect to defer (the "Deferral Election") the receipt of all or any portion of such cash amount (any such deferred amount, the "Deferred Option Amount"), on such terms and conditions as may be provided prior to the Effective Time by the Company and Spinco (with respect to Spinco Employees (as defined in the Distribution Agreement) and non-employee directors of the Company) or by Parent (with respect to Retained Employees (as defined in Section 6.9 hereof)). In the event of any Deferral Election which is agreed upon by the Company and Spinco, Spinco shall be solely liable for the payment of the Deferred Option Amount with respect thereto and the Company shall not be obligated to make any payments at the Effective Time or at any other time with respect to such Deferred Option amount."

2. Section 2.13(b)(ii) of the Merger Agreement is hereby amended to read, in its entirety, as follows:

"(ii) the amount paid or payable with respect to Section 2.10(a)(i) hereof (excluding the aggregate amount of all Deferred Option Amounts with respect to which Spinco has become liable pursuant to such Section 2.10(a)(i)) and"

3. In the event of a conflict between the terms and conditions of this Amendment and the terms and conditions of the Merger Agreement, the terms and conditions of this Amendment shall prevail and govern. Except as otherwise expressly set forth herein, the Merger Agreement shall remain unaffected and in full force and effect in accordance with the terms and conditions thereof.

4. This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5. This Amendment shall be governed by and construed in accordance with the laws of the State of Delaware, regardless of the laws that might otherwise govern under applicable principles of conflicts of law.

IN WITNESS WHEREOF, each of the parties set forth below has caused this Amendment to be executed on its behalf by a duly authorized officer as of the date first set forth above.

MCKESSON CORPORATION

/s/ Garret A. Scholz
By: _____
Name: Garret A. Scholz
Title: Vice President Finance

ELI LILLY AND COMPANY

/s/ Randall L. Tobias

By: _____
Name: Randall L. Tobias
Title: Chairman and Chief
Executive Officer

ECO ACQUISITION CORPORATION

/s/ Charles E. Schalliol

By: _____
Name: Charles E. Schalliol
Title: President

August 10, 1994
Immediately
(317) 276-3655

LILLY EXTENDS MCKESSON TENDER OFFER

Eli Lilly and Company (NYSE:LLY) announced today that it is extending its offer to purchase all outstanding shares of common stock of McKesson Corporation for \$76.00 per share in cash until 5:00 p.m, New York City time, on Friday, September 9, 1994.

The terms of the extended offer are identical to the terms of the original offer announced on July 11, 1994. Therefore, in addition to the \$76.00 per share in cash, when the transaction is completed, McKesson Corporation will distribute to its stockholders one share of common stock in a newly formed McKesson corporation for each share in the old McKesson Corporation.

As previously announced, a request for additional information was made by the Federal Trade Commission (FTC) pursuant to the Hart-Scott-Rodino Antitrust Improvements Act in connection with Lilly's acquisition of McKesson's PCS Health Systems, Inc., business. The offer is being extended to provide time for Lilly and McKesson to comply with the FTC's request and to permit McKesson to transfer all its non-PCS assets and liabilities to a newly formed corporation and distribute the common stock of the new corporation to McKesson stockholders. For these reasons, it may be necessary to further extend the offer.

As of Tuesday, August 9, 1994 approximately 6,738,800 shares of McKesson common stock had been tendered.

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