

CARDINAL HEALTH INC  
Form 4  
December 11, 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 \*  
**WALTER ROBERT D**

(Last) (First) (Middle)

7000 CARDINAL PLACE

(Street)

DUBLIN, OH 43017

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

**CARDINAL HEALTH INC [CAH]**

3. Date of Earliest Transaction (Month/Day/Year)

12/11/2006

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)

Exec. Chairman of the Board

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V Amount (A) or (D) Price			
Common Shares	08/30/2006		G	V 2,130 D (2)	937,754 (5)	D	
Common Shares	12/11/2006		M	10,000 A \$ 27.053	947,754	D	
Common Shares	12/11/2006		S(1)	10,000 D \$ 65.8989 (3) (4)	937,754	D	
Common Shares					3,183	I	By ESPP
Common Shares					282,252	I	By GRAT IX

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Common Shares	445,000	I	By LLC <u>(7)</u>
Common Shares	514,579	I	By GRAT X
Common Shares	282,000	I	By LLC II <u>(7)</u>
Common Shares	630,354	I	By GRAT XI
Common Shares	300,000	I	By LLC III <u>(7)</u>
Common Shares	700,000 <u>(6)</u>	I	By GRAT XII

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

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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 Securities (Instr. 3 and 4)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount of Number of Shares
Option (right to buy) <u>(8)</u>	\$ 27.053	12/11/2006		M	0.1	03/03/2000	03/03/2007	Common Shares	100,409
Option (right to buy) <u>(8)</u>	\$ 27.14					07/21/2000	07/21/2007	Common Shares	45,000
Option (right to buy) <u>(8)</u>	\$ 36.307					03/02/2001	03/02/2008	Common Shares	96,402
Option (right to buy) <u>(8)</u>	\$ 43.14					08/11/2001	08/11/2008	Common Shares	135,000
Option (right to buy) <u>(8)</u>	\$ 47.333					03/01/2002	03/01/2009	Common Shares	187,500

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Option (right to buy) <u>(8)</u>	\$ 31.167	<u>(13)</u>	11/15/2009	Common Shares	562,500
Option (right to buy) <u>(8)</u>	\$ 66.083		11/20/2003 11/20/2010	Common Shares	272,384
Option (right to buy) <u>(8)</u>	\$ 68.1		01/15/2006 11/19/2011	Common Shares	440,529
Option (right to buy) <u>(8) (9)</u>	\$ 67.9		11/18/2005 11/18/2012	Common Shares	486,009
Option (right to buy) <u>(8) (9)</u>	\$ 61.38		11/17/2006 11/17/2013	Common Shares	507,086
Option (right to buy) <u>(8) (9)</u>	\$ 44.15		08/23/2007 08/23/2014	Common Shares	562,500
Stock Appreciation Right <u>(10)</u>	\$ 44.15		08/23/2007 08/23/2014	Common Shares	142,483
Stock Appreciation Right <u>(11)</u>	\$ 31.167		08/03/2005 <u>(16)</u>	Common Shares	862,500
Option (right to buy) <u>(8) (9)</u>	\$ 58.88	<u>(14)</u>	09/02/2012	Common Shares	379,759
Option (right to buy) <u>(9) (12)</u>	\$ 66.34	<u>(15)</u>	08/15/2013	Common Shares	198,762

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALTER ROBERT D 7000 CARDINAL PLACE DUBLIN, OH 43017	X		Exec. Chairman of the Board	

## Signatures

Robert D. 12/11/2006  
Walter

    \*\*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) The stock option exercise and sale reported on this Form 4 was effected pursuant to a 10b5-1 plan established by the reporting person on 12/1/2006, when the reporting person was not aware of material non-public information about the Company. Such stock options would expire on March 3, 2007, if not exercised.
  - (2) Bona fide gift.

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- Weighted average sale price from 57 transactions with the price ranging from \$65.55 to \$66.38. The details of these transactions are as follows: 200 shares at \$65.55; 200 shares at \$65.56; 200 shares at \$65.57; 100 shares at \$65.58; 300 shares at \$65.60; 200 shares at \$65.62; 600 shares at \$65.64; 100 shares at \$65.65; 100 shares at \$65.66; 200 shares at \$65.67; 200 shares at \$65.68; 100 shares at \$65.69; 500 shares at \$65.70; 200 shares at \$65.71; 300 shares at \$65.72; 400 shares at \$65.73; 200 shares at \$65.74; 100 shares at \$65.75; 100 shares at \$65.76; 100 shares at \$65.77; 200 shares at \$65.78; 200 shares at \$65.82; 200 shares at \$65.83; 200 shares at \$65.84; 300 shares at \$65.86; 200 shares at \$65.87; 100 shares at \$65.89; 100 shares at \$65.90; 100 shares at \$65.91; 100 shares at \$65.92; 100 shares at \$65.94; 100 shares at \$65.95; 100 shares at \$65.96; 200 shares at \$65.97; 100 shares at \$65.99; [continued in footnote 4];
- (3) [continued from footnote 3]; 100 shares at \$66.00; 100 shares at \$66.01; 200 shares at \$66.02; 100 shares at \$66.07; 100 shares at \$66.12; 200 shares at \$66.13; 100 shares at \$66.17; 300 shares at \$66.19; 100 shares at \$66.20; 200 shares at \$66.22; 100 shares at \$66.23; 200 shares at \$66.25; 100 shares at \$66.26; 200 shares at \$66.27; 100 shares at \$66.29; 300 shares at \$66.30; 200 shares at \$66.32; 200 shares at \$66.33; 100 shares at \$66.34; 100 shares at \$66.36; 100 shares at \$66.37; and 100 shares at \$66.38.
- (4) 85,715 of these shares were previously reported as indirectly beneficially owned through GRAT IX and were subsequently transferred to direct beneficial ownership on 10/25/2006.
- (5) These 700,000 shares were transferred from direct beneficial ownership and contributed to a new grantor retained annuity trust (GRAT XII), of which the reporting person is the grantor and trustee, on 8/28/2006.
- (6) The reporting person holds the controlling interest in, and is the sole manager of, the LLC.
- (7) Stock option granted pursuant to the Cardinal Health, Inc. Equity Incentive Plan.
- (8) Stock option granted pursuant to the reporting person's then-applicable Employment Agreement with Cardinal Health. The Company and the reporting person are parties to an Employment Agreement originally dated November 20, 2001, and amended and restated on February 1, 2004 and April 17, 2006, and further amended on August 2, 2006 (the "Employment Agreement").
- (9) Deferred Payment Stock Appreciation Right granted in partial fulfillment of the Company's obligations to the reporting person pursuant to the Employment Agreement.
- (10) Deferred Payment Stock Appreciation Right granted to compensate the reporting person for the portion of the option to purchase 1,425,000 common shares originally granted to the reporting person on November 15, 1999 (the "November 1999 Option"), which portion has subsequently been determined to be null and void.
- (11) Stock option granted pursuant to the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended.
- (12) Stock option vested in three equal annual installments beginning on 11/15/00.
- (13) Stock option vests in four equal annual installments beginning on 9/2/2006.
- (14) Stock option vests in four equal annual installments beginning on 8/15/2007.
- (15) Expires on the earlier of (x) November 15, 2009 (the expiration date of the November 1999 Option) or (y) six months after the reporting person's termination of employment.
- (16) A portion of this stock option was disposed of in connection with its exercise for no additional consideration beyond the option shares.
- (17)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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