

CARDINAL HEALTH INC
Form 4
December 27, 2006

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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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)
12/27/2006

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 or Price		
Common Shares	12/27/2006		M		50,409 A \$ 27.053	D	
Common Shares	12/27/2006		M		45,000 A \$ 27.14	D	
Common Shares						I	By ESPP
Common Shares						I	By GRAT IX
Common Shares						I	By LLC (1)

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Common Shares	514,579	I	By GRAT X
Common Shares	282,000	I	By LLC II <u>(1)</u>
Common Shares	630,354	I	By GRAT XI
Common Shares	300,000	I	By LLC III <u>(1)</u>
Common Shares	700,000	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>(2)</u>	\$ 27.053	12/27/2006		M	0.5	03/03/2000 03/03/2007	Common Shares 100,409
Option (right to buy) <u>(2)</u>	\$ 27.14	12/27/2006		M	1	07/21/2000 07/21/2007	Common Shares 45,000
Option (right to buy) <u>(2)</u>	\$ 36.307					03/02/2001 03/02/2008	Common Shares 96,402
Option (right to buy) <u>(2)</u>	\$ 43.14					08/11/2001 08/11/2008	Common Shares 135,000
Option (right to buy) <u>(2)</u>	\$ 47.333					03/01/2002 03/01/2009	Common Shares 187,500
Option (right to buy) <u>(2)</u>	\$ 31.167					<u>(7)</u> 11/15/2009	Common Shares 562,500
	\$ 66.083					11/20/2003 11/20/2010	272,384

Option (right to buy) ⁽²⁾				Common Shares	
Option (right to buy) ⁽²⁾	\$ 68.1	01/15/2006	11/19/2011	Common Shares	440,529
Option (right to buy) ^{(2) (3)}	\$ 67.9	11/18/2005	11/18/2012	Common Shares	486,009
Option (right to buy) ^{(2) (3)}	\$ 61.38	11/17/2006	11/17/2013	Common Shares	507,086
Option (right to buy) ^{(2) (3)}	\$ 44.15	08/23/2007	08/23/2014	Common Shares	562,500
Stock Appreciation Right ⁽⁴⁾	\$ 44.15	08/23/2007	08/23/2014	Common Shares	142,483
Stock Appreciation Right ⁽⁵⁾	\$ 31.167	08/03/2005	⁽¹⁰⁾	Common Shares	862,500
Option (right to buy) ^{(2) (3)}	\$ 58.88	⁽⁸⁾	09/02/2012	Common Shares	379,759
Option (right to buy) ^{(3) (6)}	\$ 66.34	⁽⁹⁾	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. Walter	12/27/2006
**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 reporting person holds the controlling interest in, and is the sole manager of, the LLC.
- (2) Stock option granted pursuant to the Cardinal Health, Inc. Equity Incentive Plan.
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").
- (4)

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Deferred Payment Stock Appreciation Right granted in partial fulfillment of the Company's obligations to the reporting person pursuant to the Employment Agreement.

Deferred Payment Stock Appreciation Right granted to compensate the reporting person for the portion of the option to purchase

- (5) 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.
- (6) Stock option granted pursuant to the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended.
- (7) Stock option vested in three equal annual installments beginning on 11/15/00.
- (8) Stock option vests in four equal annual installments beginning on 9/2/2006.
- (9) Stock option vests in four equal annual installments beginning on 8/15/2007.
- (10) 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.

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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