

CARDINAL HEALTH INC
 Form 4
 November 27, 2007

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)
 11/26/2007

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)
 Executive Director

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)
Common Shares	11/26/2007		M	(A) 96,402 (1)	\$ 36.307	D	
Common Shares	11/26/2007		F	(A) 32,215 (1)	\$ 56.92	D	
Common Shares					3,574	I	By ESPP
Common Shares					199,349	I	By GRAT IX
Common Shares					402,500	I	By LLC (3)

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Common Shares	413,340	I	By GRAT X
Common Shares	255,000	I	By LLC II ⁽³⁾
Common Shares	562,455	I	By GRAT XI
Common Shares	271,500	I	By LLC III ⁽³⁾
Common Shares	728,215	I	By GRAT XII
Common Shares	500,000	I	By GRAT XIII

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 or Number of Shares
Option (right to buy) ⁽⁴⁾	\$ 36.307	11/26/2007		M	1	03/02/2001	03/02/2008	Common Shares	96,402
Option (right to buy) ⁽⁴⁾	\$ 43.14					08/11/2001	08/11/2008	Common Shares	135,000
Option (right to buy) ⁽⁴⁾	\$ 47.333					03/01/2002	03/01/2009	Common Shares	187,500
Option (right to buy) ⁽⁴⁾	\$ 31.167					⁽⁶⁾	11/15/2009	Common Shares	562,500
Option (right to buy) ⁽⁴⁾	\$ 66.083					11/20/2003	11/20/2010	Common Shares	272,384
	\$ 68.1					01/15/2006	11/19/2011		440,529

Option (right to buy) ⁽⁴⁾				Common Shares	
Option (right to buy) ⁽⁴⁾ ⁽⁷⁾	\$ 67.9	11/18/2005	11/18/2012	Common Shares	486,009
Option (right to buy) ⁽⁴⁾ ⁽⁷⁾	\$ 61.38	11/17/2006	11/17/2013	Common Shares	507,086
Option (right to buy) ⁽⁴⁾ ⁽⁷⁾	\$ 44.15	08/23/2007	08/23/2014	Common Shares	562,500
Stock Appreciation Right ⁽⁸⁾	\$ 44.15	08/23/2007	08/23/2014	Common Shares	142,483
Stock Appreciation Right ⁽⁹⁾	\$ 31.167	08/03/2005	⁽¹⁰⁾	Common Shares	862,500
Option (right to buy) ⁽⁴⁾ ⁽⁷⁾	\$ 58.88	⁽¹¹⁾	09/02/2012	Common Shares	379,759
Option (right to buy) ⁽⁷⁾ ⁽¹²⁾	\$ 66.34	⁽¹³⁾	08/15/2013	Common Shares	198,762
Option (right to buy) ⁽⁷⁾ ⁽¹²⁾	\$ 67.26	⁽¹⁴⁾	08/15/2014	Common Shares	187,826

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WALTER ROBERT D 7000 CARDINAL PLACE DUBLIN, OH 43017	X		Executive Director	

Signatures

Aneezal H. Mohamed,
Attorney-in-fact

11/27/2007

**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 exercised 96,402 stock options granted on March 2, 1998. Such stock options would have expired on March 2, 2008, if not exercised. The reporting person exercised all such options and delivered to the company \$2.5 million in cash and 32,215 previously-owned mature shares as payment of exercise price and taxes. The reporting person currently intends to hold all such 96,402 exercised shares.
- (2) 101,178 of these shares were previously reported as indirectly beneficially owned through GRAT IX and were subsequently transferred to direct beneficial ownership on October 30, 2007.
- (3) The reporting person holds the controlling interest in, and is the sole manager of, the LLC.

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- (4) Stock option granted pursuant to the Cardinal Health, Inc. Equity Incentive Plan.
- (5) Stock option was disposed of in connection with its exercise for no additional consideration beyond the option shares.
- (6) Stock option vested in three equal annual installments beginning on 11/15/00.
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 and September 21, 2007 (the "Employment Agreement").
- (7) Deferred Payment Stock Appreciation Right granted in partial fulfillment of the Company's obligations to the reporting person pursuant to the Employment Agreement.
- (8) 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.
- (9) 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.
- (10) Stock option vests in four equal annual installments beginning on 9/2/2006.
- (11) Stock option granted pursuant to the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended.
- (12) Stock option vests in four equal annual installments beginning on 8/15/2007.
- (13) Stock option vests in three equal annual installments beginning on 8/15/2008.
- (14)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.