

CARDINAL HEALTH INC
Form 4
May 15, 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 *
LOSH J MICHAEL

(Last) (First) (Middle)

1711 HERON RIDGE DR.

(Street)

BLOOMFIELD HILLS, MI 48302

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol

CARDINAL HEALTH INC [CAH]

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

05/11/2006

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)

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V Amount (D) Price | | | |
| Common Shares | 05/11/2006 | | M | 5,223 (1) A \$ 19.147 | 9,083 | D | |
| Common Shares | 05/11/2006 | | F | 1,479 D \$ 67.6 | 7,604 | D | |
| Common Shares | | | | | 1,500 | I | In Trust FBO Daughters (2) |

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

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SEC 1474 (9-02)

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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) | 8. Fair Value of Derivative Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----|---|---|
| | | | | Code | V | (A) | (D) | Title | Amount or Number of Shares |
| Option (right to buy) ⁽³⁾ | \$ 19.147 | 05/11/2006 | | M | | 1 | | 05/15/1996 05/15/2006 | Common Shares 5,223 |
| Option (right to buy) ⁽³⁾ | \$ 46.293 | | | | | | | 11/23/1998 11/23/2008 | Common Shares 2,160 |
| Option (right to buy) ⁽³⁾ | \$ 29.958 | | | | | | | 11/03/1999 11/03/2009 | Common Shares 3,338 |
| Option (right to buy) ⁽³⁾ | \$ 62.5 | | | | | | | 11/01/2000 11/01/2010 | Common Shares 2,064 |
| Option (right to buy) ⁽⁵⁾ | \$ 62.5 | | | | | | | 11/01/2000 11/01/2010 | Common Shares 1,136 |
| Option (right to buy) ⁽³⁾ | \$ 63.9 | | | | | | | 11/07/2001 11/07/2011 | Common Shares 2,019 |
| Option (right to buy) ⁽⁵⁾ | \$ 63.9 | | | | | | | 11/07/2001 11/07/2011 | Common Shares 1,893 |
| Option (right to buy) ⁽³⁾ | \$ 70.01 | | | | | | | 11/06/2002 11/06/2012 | Common Shares 1,843 |
| Option (right to buy) ⁽⁵⁾ | \$ 70.01 | | | | | | | 11/06/2002 11/06/2012 | Common Shares 1,728 |
| | \$ 59 | | | | | | | 11/05/2003 11/05/2013 | 2,842 |

| Option (right to buy) ⁽³⁾ | | | | Common Shares | |
|--|----------------|----------------|----------------|------------------|---------------------------|
| Option (right to buy) ⁽⁵⁾ | \$ 59 | 11/05/2003 | 11/05/2013 | Common Shares | 2,242 |
| Option (right to buy) ⁽³⁾ | \$ 44 | 07/27/2007 | 07/27/2014 | Common Shares | 210,000 ⁽⁶⁾ |
| Option (right to buy) ⁽³⁾ | \$ 61.79 | 11/02/2006 | 11/02/2012 | Common Shares | 2,714 |
| Option (right to buy) ⁽⁵⁾ | \$ 61.79 | 11/02/2006 | 11/02/2012 | Common Shares | 684 |
| Phantom Stock ⁽⁷⁾ | ⁽⁸⁾ | ⁽⁸⁾ | ⁽⁸⁾ | Common Shares | 3,575 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| LOSH J MICHAEL 1711 HERON RIDGE DR. BLOOMFIELD HILLS, MI 48302 | | | X | |

Signatures

J.Michael Losh
05/11/2006

^{**}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 exercised 5,223 stock options granted on May 15, 1996. Such options would have expired on May 15, 2006 if not exercised. In light of the expiration date, the reporting person exercised all such options and delivered to the Company a total of 1,479 previously-owned shares as payment of the exercise price.
 - (2) The filing of this statement shall not be construed as an admission that the reportin person is, for the purpose of Section 16 of the Securities Exchange Act of 1934, as amended, the beneficial owner of these shares.
 - (3) Stock option granted pursuant to the Cardinal Health, Inc. Equity Incentive Plan.
 - (4) Stock option was disposed of in connection with its exercise for no additional consideration beyond the option shares.
 - (5) Stock option granted pursuant to the Cardinal Health, Inc. Outside Directors Equity Incentive Plan.
 - (6) Stock option granted for compensation as Chief Financial Officer on an interim basis in lieu of cash, salary, bonus or other incentive compensation.

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Phantom stock held under the Company's Deferred Compensation Plan (the "Plan") was previously reported as common shares on Table 1 to Form 4 because, among other things, the Plan only permitted payment of amounts credited to a participant's Company stock account (7) under the Plan in common shares. The Plan was amended in December 2005 to permit payment of amounts credited to a participant's account either in cash or in common shares at the election of the participant. Accordingly, shares of phantom stock held under the Plan are now reported on Table II.

(8) Each share of phantom stock is the economic equivalent of one common share. The shares of phantom stock become payable, in cash or common shares, at the election of the reporting person, at least six months after termination from board service.

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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