

CARDINAL HEALTH INC

Form 4

September 05, 2006

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

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

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
WATKINS CAROLE S

(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)

09/02/2006

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
____X____ Officer (give title below) ____ Other (specify below)

Chief HR Officer

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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 Ownership (Instr. 4)
Common Shares	09/02/2006		F(1)	393	D		
Common Shares						I	By 401(k) Plan
Common Shares						I	By ESPP

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

**Persons who respond to the collection of
information contained in this form are not
required to respond unless the form
displays a currently valid OMB control**

SEC 1474
(9-02)

number.

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. Pri Deriv Secur (Instr	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy) ⁽²⁾	\$ 36.307							03/02/2001	03/02/2008	Common Shares	4,554
Option (right to buy) ⁽²⁾	\$ 43.14							08/11/2001	08/11/2008	Common Shares	2,025
Option (right to buy) ⁽²⁾	\$ 47.333							03/01/2002	03/01/2009	Common Shares	6,231
Option (right to buy) ⁽⁴⁾	\$ 31.167							11/15/2002	11/15/2009	Common Shares	13,181
Option (right to buy) ⁽²⁾	\$ 66.083							11/20/2003	11/20/2010	Common Shares	18,704
Option (right to buy) ⁽²⁾	\$ 68.1							11/19/2004	11/19/2011	Common Shares	25,771
Option (right to buy) ⁽²⁾	\$ 67.9							11/18/2005	11/18/2012	Common Shares	28,571
Option (right to buy) ⁽²⁾	\$ 67.9							11/18/2005	02/18/2013	Common Shares	5,259
Option (right to buy) ⁽²⁾	\$ 61.38							11/17/2006	11/17/2013	Common Shares	32,805
	\$ 44.15							08/23/2007	08/23/2014		43,500

Option (right to buy) <u>(2)</u>				Common Shares	
Option (right to buy) <u>(2)</u>	\$ 58.88	<u>(5)</u>	09/02/2012	Common Shares	25,817
Option (right to buy) <u>(3)</u>	\$ 66.34	<u>(6)</u>	08/15/2013	Common Shares	33,892

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WATKINS CAROLE S 7000 CARDINAL PLACE DUBLIN, OH 43017			Chief HR Officer	

Signatures

Carole S.
Watkins 09/05/2006

 **Signature of Date
Reporting Person

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) Represents withholding of shares to satisfy tax withholding obligations of reporting person in connection with settlement of 1,229 restricted share units.
- (2) Stock option granted pursuant to the Cardinal Health, Inc. Equity Incentive Plan.
- (3) Stock option granted pursuant to the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended.
- (4) Stock option granted pursuant to the Cardinal Health, Inc. Broadly-based Equity Incentive Plan.
- (5) Stock option vests in four equal annual installments beginning on 9/2/2006.
- (6) Stock option vests in four equal annual installments beginning on 8/15/2007.

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.