

CARDINAL HEALTH INC
Form 4
August 17, 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)

08/15/2007

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)

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
							\$
Common Shares	08/15/2007		F(1)		3,034	D	67.69 (2)
Common Shares	08/15/2007		A		28,100	A	(3) 722,029
Common Shares						I	3,574 By ESPP
Common Shares						I	300,527 (5) By GRAT IX
Common Shares						I	402,500 (6) By LLC

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Common Shares	413,340 ⁽⁷⁾	I	By GRAT X
Common Shares	255,000	I	By LLC II ⁽⁶⁾
Common Shares	562,445 ⁽⁸⁾	I	By GRAT XI
Common Shares	271,500	I	By LLC III ⁽⁶⁾
Common Shares	728,215 ⁽⁹⁾	I	By GRAT XII
Common Shares	500,000 ⁽¹⁰⁾	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) ⁽¹¹⁾	\$ 36.307					03/02/2001	03/02/2008	Common Shares	96,402
Option (right to buy) ⁽¹¹⁾	\$ 43.14					08/11/2001	08/11/2008	Common Shares	135,000
Option (right to buy) ⁽¹¹⁾	\$ 47.333					03/01/2002	03/01/2009	Common Shares	187,500
Option (right to buy) ⁽¹¹⁾	\$ 31.167					⁽¹⁶⁾	11/15/2009	Common Shares	562,500
Option (right to buy) ⁽¹¹⁾	\$ 66.083					11/20/2003	11/20/2010	Common Shares	272,384
	\$ 68.1					01/15/2006	11/19/2011		440,529

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Represents withholding of shares to satisfy tax withholding obligations of reporting person in connection with the vesting of 9,496 restricted share units.

- (2) Reflects closing price on prior business day.
- (3) Restricted share unit award granted without payment by grantee.

425 of these shares were previously reported as indirectly beneficially owned through LLC and were subsequently transferred to direct beneficial ownership on 8/15/2007; 270 of these shares were previously reported as indirectly beneficially owned through LLC II and were subsequently transferred to direct beneficial ownership on 8/15/2007; 285 of these shares were previously reported as indirectly beneficially owned through LLC III and were subsequently transferred to direct beneficial ownership on 8/15/2007.
- (4) 18,275 of these shares were previously reported as indirectly beneficially owned through LLC and were subsequently transferred to indirect beneficial ownership through GRAT IX on 8/15/2007.
- (5) The reporting person holds the controlling interest in, and is the sole manager of, the LLC.
- (6) 23,800 of these shares were previously reported as indirectly beneficially owned through LLC and were subsequently transferred to indirect beneficial ownership through GRAT X on 8/15/2007.
- (7) 26,730 of these shares were previously reported as indirectly beneficially owned through LLC II and were subsequently transferred to indirect beneficial ownership through GRAT XI on 8/15/2007.
- (8) 28,215 of these shares were previously reported as indirectly beneficially owned through LLC III and were subsequently transferred to indirect beneficial ownership through GRAT XII on 8/15/2007.
- (9) These 500,000 shares were transferred from direct beneficial ownership and contributed to a new grantor retained entity trust (GRAT XIII), of which the reporting person is the grantor and trustee, on 8/10/2007.
- (10) 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").
- (11) 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
- (12) 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.
- (13) Stock option granted pursuant to the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended.
- (14) Stock option vested in three equal annual installments beginning on 11/15/00.
- (15) Stock option vests in four equal annual installments beginning on 9/2/2006.
- (16) Stock option vests in four equal annual installments beginning on 8/15/2007.
- (17) 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.
- (18) Stock option vests in three equal annual installments beginning on 8/15/2008.
- (19) Stock option granted without payment by grantee.
- (20) Stock option granted without payment by grantee.

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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