

CARDINAL HEALTH INC
 Form 4
 July 21, 2009

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 *
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)
07/17/2009

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)
Chief HR Officer

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)
				(A) or (D) Price			
Common Shares					38,488	D	
Common Shares					2,146	I	By 401(k) Plan
Common Shares					3,890	I	By ESPP

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

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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 Security (Instr. 3 and 4)			
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Option (right to buy)	\$ 66.083	07/17/2009		D		18,704		11/20/2003	11/20/2010	Common Shares	18,704
Option (right to buy)	\$ 31.27	07/20/2009		A		348		07/20/2010	07/20/2012	Common Shares	348
Option (right to buy)	\$ 68.1	07/17/2009		D		25,771		11/19/2004	11/19/2011	Common Shares	25,771
Option (right to buy)	\$ 31.27	07/20/2009		A		1,507		07/20/2010	07/20/2012	Common Shares	1,507
Option (right to buy)	\$ 67.9	07/17/2009		D		28,571		11/18/2005	11/18/2012	Common Shares	28,571
Option (right to buy)	\$ 31.27	07/20/2009		A		3,243		07/20/2010	11/18/2012	Common Shares	3,243
Option (right to buy)	\$ 67.9	07/17/2009		D		5,259		11/18/2005	02/18/2013	Common Shares	5,259
Option (right to buy)	\$ 31.27	07/20/2009		A		654		07/20/2010	02/18/2013	Common Shares	654
Option (right to buy)	\$ 61.38	07/17/2009		D		32,805		11/17/2006	11/17/2013	Common Shares	32,805
Option (right to buy)	\$ 31.27	07/20/2009		A		6,601		07/20/2010	11/17/2013	Common Shares	6,601
Option (right to buy)	\$ 58.88	07/17/2009		D		25,817		(3)	09/02/2012	Common Shares	25,817

buy)

Option (right to buy)	\$ 31.27	07/20/2009	A	4,332	07/20/2010 ⁽⁴⁾	09/02/2012	Common Shares	4,
Option (right to buy)	\$ 66.34	07/17/2009	D	33,892	⁽⁵⁾	08/15/2013	Common Shares	33,
Option (right to buy)	\$ 31.27	07/20/2009	A	5,371	07/20/2010 ⁽⁴⁾	08/15/2013	Common Shares	5,
Option (right to buy)	\$ 67.26	07/17/2009	D	20,555	⁽⁶⁾	08/15/2014	Common Shares	20,
Option (right to buy)	\$ 31.27	07/20/2009	A	3,930	07/20/2010 ⁽⁴⁾	08/15/2014	Common Shares	3,

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
07/21/2009

**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) Option surrendered pursuant to the Issuer's Offer to Exchange Certain Outstanding Stock Options for New Stock Options dated June 19, 2009.
- (2) Option granted pursuant to the Issuer's Offer to Exchange Certain Outstanding Stock Options for New Stock Options dated June 19, 2009.
- (3) Stock option vests in four equal annual installments beginning on September 2, 2006.
Option vests according to the same vesting schedule of the corresponding increment of the option surrendered to the Issuer for which the
- (4) reported option was granted, assuming continued employment with the Issuer or one of its affiliates, subject to a one year initial vesting condition.
- (5) Stock option vests in four equal annual installments beginning on August 15, 2007.
- (6) Stock option vests in three equal annual installments beginning on August 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.

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