

CARDINAL HEALTH INC
Form 4
August 17, 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 *
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)
08/15/2006

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)
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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V Amount (D) Price | | | |
| Common Shares | 08/15/2006 | | A | 4,842 A 12,030 | | D | |
| Common Shares | | | | | 2,075 | I | By 401(k) Plan |
| Common Shares | | | | | 2,628 | 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 Securities (Instr. 3 and 4) | 8. Price of Underlying Securities (Instr. 3 and 4) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|----------------------------|
| | | | | Code | V | (A) | (D) | Title | Amount or Number of Shares |
| Option (right to buy) <u>(2)</u> | \$ 36.307 | | | | | 03/02/2001 | 03/02/2008 | Common Shares | 4,554 |
| Option (right to buy) <u>(2)</u> | \$ 43.14 | | | | | 08/11/2001 | 08/11/2008 | Common Shares | 2,025 |
| Option (right to buy) <u>(2)</u> | \$ 47.333 | | | | | 03/01/2002 | 03/01/2009 | Common Shares | 6,231 |
| Option (right to buy) <u>(4)</u> | \$ 31.167 | | | | | 11/15/2002 | 11/15/2009 | Common Shares | 13,181 |
| Option (right to buy) <u>(2)</u> | \$ 66.083 | | | | | 11/20/2003 | 11/20/2010 | Common Shares | 18,704 |
| Option (right to buy) <u>(2)</u> | \$ 68.1 | | | | | 11/19/2004 | 11/19/2011 | Common Shares | 25,771 |
| Option (right to buy) <u>(2)</u> | \$ 67.9 | | | | | 11/18/2005 | 11/18/2012 | Common Shares | 28,571 |
| Option (right to buy) <u>(2)</u> | \$ 67.9 | | | | | 11/18/2005 | 02/18/2013 | Common Shares | 5,259 |
| Option (right to buy) <u>(2)</u> | \$ 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 | 08/15/2006 | | A | 1 | <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

08/16/2006

 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) Restricted share unit award granted under the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended. Award granted without payment by grantee and vests in three equal annual installments beginning on 8/15/2007.
- (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.
- (7) 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. 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.