

WATKINS CAROLE S

Form 4

September 17, 2009

**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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2005  
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response... 0.5

(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)

09/15/2009

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
| Common<br>Shares                      | 09/15/2009                              |                                                             | A                                    | 12,120                                                                  | A 27.29<br>(1)                                                                                                     | 50,866                                                               | D                                                                 |
| Common<br>Shares                      |                                         |                                                             |                                      |                                                                         | 2,146                                                                                                              | I                                                                    | By 401(k)<br>Plan                                                 |
| Common<br>Shares                      |                                         |                                                             |                                      |                                                                         | 3,890                                                                                                              | 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**

SEC 1474  
(9-02)

displays a currently valid OMB control 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 or Value of Derivative Security (Instr. 3) |
|--------------------------------------------|--------------------------------------------------------|--------------------------------------|----------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------|----------------------------------------------------------|-----------------|---------------------------------------------------------------|----------------------------|-----------------------------------------------------|
|                                            |                                                        |                                      |                                                    | Code                           | V (A) (D)                                                                               | Date Exercisable                                         | Expiration Date | Title                                                         | Amount or Number of Shares |                                                     |
| Option (right to buy) <sup>(2)</sup>       | \$ 27.29                                               | 09/15/2009                           |                                                    | A                              | 1                                                                                       | <u>(3)</u>                                               | 09/15/2016      | Common Shares                                                 | 84,617                     | <u>(4)</u>                                          |
| Option (right to buy) <sup>(5)</sup>       | \$ 27.29                                               | 09/15/2009                           |                                                    | A                              | 1                                                                                       | <u>(3)</u>                                               | 09/15/2016      | Common Shares                                                 | 84,617                     | <u>(4)</u>                                          |

## Reporting Owners

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

## Signatures

Carole S.  
Watkins 09/17/2009

           \*\*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) Restricted share units granted under the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended and restated as of November 5, 2008. These restricted share units were granted without payment by the grantee and one-third will vest on September 15, 2010, one-third will vest on September 15, 2011 and one-third will vest on September 15, 2012. These restricted share units were granted as part of Cardinal Health, Inc.'s (the "Company's") fiscal 2010 annual grant.

(2)

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Stock option granted pursuant to the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended and restated as of November 5, 2008. This stock option was granted as part of the Company's fiscal 2010 annual grant.

- (3) One-third of this stock option will vest on September 15, 2010, one-third will vest on September 15, 2011 and one-third will vest on September 15, 2012.
- (4) Stock option granted without payment by grantee.

Stock option granted pursuant to the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended and restated as of November 5,

- (5) 2008. This stock option was granted in place of a stock option that otherwise would have been expected to be granted as part of the Company's fiscal 2011 annual grant.

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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