

CARDINAL HEALTH INC
 Form 4
 December 15, 2006

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)

12/14/2006

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)

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 Beneficial Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Shares	12/14/2006		M		\$ 27.053 947,754	D	
Common Shares	12/14/2006		S ⁽¹⁾		\$ 65.3727 937,754	D	
Common Shares	12/15/2006		M		\$ 27.053 947,754	D	
Common Shares	12/15/2006		S ⁽¹⁾		\$ 64.9749 937,754	D	
					3,183	I	By ESPP

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Common Shares							
Common Shares					282,252	I	By GRAT IX
Common Shares					445,000	I	By LLC ⁽⁴⁾
Common Shares					514,579	I	By GRAT X
Common Shares					282,000	I	By LLC II ⁽⁴⁾
Common Shares					630,354	I	By GRAT XI
Common Shares					300,000	I	By LLC III ⁽⁴⁾
Common Shares					700,000	I	By GRAT XII

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 of Number of Shares
Option (right to buy) ⁽⁵⁾	\$ 27.053	12/14/2006		M	0.1	03/03/2000 03/03/2007	03/03/2007	Common Shares	100,409
Option (right to buy) ⁽⁵⁾	\$ 27.053	12/15/2006		M	0.1	03/03/2000 03/03/2007	03/03/2007	Common Shares	100,409
Option (right to buy) ⁽⁵⁾	\$ 27.14					07/21/2000 07/21/2007	07/21/2007	Common Shares	45,000

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) Each stock option exercise and sale reported on this Form 4 was effected pursuant to a 10b5-1 plan established by the reporting person on 12/1/2006, when the reporting person was not aware of material non-public information about the Company. Such stock options would expire on March 3, 2007, if not exercised.

(2) Weighted average sale price from 35 different transactions with the price ranging from \$65.02 to \$65.70. The details of this transaction are as follows: 400 shares at \$65.02; 600 shares at \$65.12; 100 shares at \$65.13; 200 shares at \$65.15; 200 shares at \$65.16; 200 shares at \$65.18; 200 shares at \$65.20; 100 shares at \$65.24; 100 shares at \$65.26; 500 shares at \$65.27; 300 shares at \$65.29; 200 shares at \$65.30; 200 shares at \$65.31; 400 shares at \$65.32; 900 shares at \$65.34; 200 shares at \$65.35; 100 shares at \$65.38; 100 shares at \$65.39; 300 shares at \$65.40; 500 shares at \$65.41; 800 shares at \$65.42; 200 shares at \$65.43; 300 shares at \$65.46; 100 shares at \$65.47; 400 shares at \$65.48; 300 shares at \$65.49; 300 shares at \$65.50; 400 shares at \$65.55; 200 shares at \$65.58; 100 shares at \$65.59; 400 shares at \$65.61; 200 shares at \$65.62; 200 shares at \$65.65; 100 shares at \$65.67; and 200 shares at \$65.70.

(3) Weighted average sale price from 31 different transactions with the price ranging from \$64.54 to \$65.26. The details of this transaction are as follows: 100 shares at \$64.54; 600 shares at \$64.58; 200 shares at \$64.61; 900 shares at \$64.65; 800 shares at \$64.66; 200 shares at \$64.70; 200 shares at \$64.72; 200 shares at \$64.79; 400 shares at \$64.84; 200 shares at \$64.86; 100 shares at \$64.87; 100 shares at \$64.94; 200 shares at \$64.99; 100 shares at \$65.02; 100 shares at \$65.03; 200 shares at \$65.05; 700 shares at \$65.06; 100 shares at \$65.09; 100 shares at \$65.11; 200 shares at \$65.15; 300 shares at \$65.16; 500 shares at \$65.17; 400 shares at \$65.18; 600 shares at \$65.19; 800 shares at \$65.20; 100 shares at \$65.21; 600 shares at \$65.22; 300 shares at \$65.23; 100 shares at \$65.24; 500 shares at \$65.25; and 100 shares at \$65.26.

(4) The reporting person holds the controlling interest in, and is the sole manager of, the LLC.

(5) Stock option granted pursuant to the Cardinal Health, Inc. Equity Incentive Plan.

(6) 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").

(7) Deferred Payment Stock Appreciation Right granted in partial fulfillment of the Company's obligations to the reporting person pursuant to the Employment Agreement.

(8) Deferred Payment Stock Appreciation Right granted to compensate the reporting person for the portion of the option to purchase 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.

(9) Stock option granted pursuant to the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended.

(10) Stock option vested in three equal annual installments beginning on 11/15/00.

(11) Stock option vests in four equal annual installments beginning on 9/2/2006.

(12) Stock option vests in four equal annual installments beginning on 8/15/2007.

(13) 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.

(14) A portion of this stock option was disposed of in connection with its exercise for no additional consideration beyond the option shares.

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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