

WALTER ROBERT D
Form 4
November 12, 2004

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)
11/09/2004

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)
Chairman and CEO

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| Common Shares | 11/09/2004 | | G | V 1,142 | D 1,761,116 ⁽²⁾ | D | |
| Common Shares | 11/11/2004 | | M | 136,115 ⁽³⁾ | A \$ 14.667 | D | |
| Common Shares | 11/11/2004 | | F | 69,716 ⁽³⁾ | D \$ 51.8 | D | |
| Common Shares | | | | | 2,386 | I | By ESPP |
| Common Shares | | | | | 404,494 | I | By GRAT VII |

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| | | | |
|---------------|---------|---|-----------------------|
| Common Shares | 679,070 | I | By GRAT VIII |
| Common Shares | 419,110 | I | By GRAT IX |
| Common Shares | 500,000 | I | By LLC ⁽⁴⁾ |
| Common Shares | 700,000 | I | By GRAT X |

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) | |
|--|--|--------------------------------------|--|--------------------------------|---|--|-----------------|---|----------------------------|
| | | | | | | Date Exercisable | Expiration Date | Title | Amount of Number of Shares |
| Option (right to buy) ⁽⁵⁾ | \$ 14.667 | 11/11/2004 | | M | 136,115 | 03/06/1998 | 03/06/2005 | Common Shares | 136,115 |
| Option (right to buy) ⁽⁶⁾ | \$ 17.74 | | | | | 03/04/1999 | 03/04/2006 | Common Shares | 89,200 |
| Option (right to buy) ⁽⁶⁾ | \$ 27.053 | | | | | 03/03/2000 | 03/03/2007 | Common Shares | 100,400 |
| Option (right to buy) ⁽⁶⁾ | \$ 27.14 | | | | | 07/21/2000 | 07/21/2007 | Common Shares | 45,000 |
| Option (right to buy) ⁽⁶⁾ | \$ 36.307 | | | | | 03/02/2001 | 03/02/2008 | Common Shares | 96,400 |
| Option (right to buy) ⁽⁶⁾ | \$ 43.14 | | | | | 08/11/2001 | 08/11/2008 | Common Shares | 135,000 |

| | | | | | |
|--|-----------|------------|------------|------------------|-----------|
| Option (right to buy) <u>(6)</u> | \$ 47.333 | 03/01/2002 | 03/01/2009 | Common Shares | 187,500 |
| Option (right to buy) <u>(6)</u> | \$ 31.167 | <u>(7)</u> | 11/15/2009 | Common Shares | 1,425,000 |
| Option (right to buy) <u>(6)</u> | \$ 66.083 | 11/20/2003 | 11/20/2010 | Common Shares | 272,380 |
| Option (right to buy) <u>(6)</u> | \$ 68.1 | 01/15/2006 | 11/19/2011 | Common Shares | 440,500 |
| Option (right to buy) <u>(6)</u> | \$ 67.9 | 11/18/2005 | 11/18/2012 | Common Shares | 486,000 |
| Option (right to buy) <u>(6)</u> | \$ 61.38 | 11/17/2006 | 11/17/2013 | Common Shares | 507,000 |
| Option (right to buy) <u>(6)</u> <u>(8)</u> | \$ 44.15 | 08/23/2007 | 08/23/2014 | Common Shares | 562,500 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------------|-------|
| | Director | 10% Owner | Officer | Other |
| WALTER ROBERT D 7000 CARDINAL PLACE DUBLIN, OH 43017 | X | | Chairman and CEO | |

Signatures

| | |
|--|------------|
| Robert D. Walter | 11/11/2004 |
| <u> </u> 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) Bona fide gifts.
- (2) 80,890 of these shares were previously reported as indirectly beneficially owned through GRAT IX, and were subsequently transferred to direct beneficial ownership on November 9, 2004.
- (3) The Reporting Person exercised 136,115 stock options granted on March 6, 1995. Such stock options would have expired on March 6, 2005, if not exercised. In light of the expiration date, the Reporting Person exercised all such options and delivered to the Company a

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total of 69,716 previously owned mature shares as payment of grant price and taxes. The Reporting Person currently intends to hold all such 136,115 exercised shares.

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

Stock option vested in three equal annual installments beginning on 11/15/00. The Company recently identified an issue with respect to this award granted in November 1999, and stated in its Form 10-K for the fiscal year ended June 30, 2004 that the option award was in excess of that permitted to be granted to a single individual during any fiscal year under the Company's Equity Incentive Plan, and that the Compensation Committee is currently exploring alternatives to substitute the remaining portion of the stock option granted to the reporting person in excess of the 562,500 shares with equivalent value.

- (7) excess of that permitted to be granted to a single individual during any fiscal year under the Company's Equity Incentive Plan, and that the Compensation Committee is currently exploring alternatives to substitute the remaining portion of the stock option granted to the reporting person in excess of the 562,500 shares with equivalent value.
- (8) Stock option granted pursuant to the reporting person's Employment Agreement with Cardinal Health dated November 20, 2001, as amended and restated as of February 1, 2004 (the "Employment Agreement").

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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