



Cardinal Health Reports Fiscal 2010 Results, Raises Fiscal 2011 Outlook

- Full-year revenue increases 3 percent to \$99 billion
- Fiscal 2010 diluted earnings per share from continuing operations of \$1.62, or \$2.22 on a non-GAAP basis
- Fiscal 2011 non-GAAP diluted EPS outlook raised to \$2.38 to \$2.48

DUBLIN, Ohio, Aug 05, 2010 /PRNewswire via COMTEX/ --

Cardinal Health today reported fiscal 2010 revenue of \$98.5 billion and non-GAAP diluted earnings per share (EPS) from continuing operations(1) of \$2.22. Revenue for the fourth quarter was \$24.5 billion and diluted EPS from continuing operations for the quarter was \$0.54, or \$0.50 on a non-GAAP basis. The company also raised its non-GAAP diluted EPS outlook for fiscal 2011 to a range of \$2.38 to \$2.48 from its preliminary outlook of \$2.35 to \$2.45.

"I am extremely proud of the progress we made in FY2010 and the actions we took to shift our growth trajectory and position us for the coming years," said George Barrett, chairman and CEO of Cardinal Health. "Our Medical segment grew profits by 11 percent for the year, while continuing to make key strategic investments. The Pharmaceutical segment declined by 3 percent, but performed considerably better than we anticipated for the full year as a result of execution on major initiatives, disciplined cost controls and some unplanned generic launches. These items largely offset the dampening effect of the actions we took to improve our strategic positioning, the negative impact from the year-over-year comparison of generic launches and the severe supply shortages in nuclear pharmacy."

Operating cash flow for fiscal 2010 increased to \$2.1 billion, driven by strong working capital management.

Q4 and FY10 SUMMARY

	Q4 FY10 -----	Q4 FY09 -----	Y/Y ---	FY10 ----	Y/Y ---
Revenue -----	\$24.5 billion	\$24.3 billion	0.5%	\$98.5 billion	3%
Operating Earnings -----	\$334 million	\$307 million	9%	\$1.3 billion	1%
Non-GAAP Operating Earnings (2) -----	\$317 million	\$356 million	(11%)	\$1.4 billion	(2%)
Earnings from Continuing Operations -----	\$194 million	\$202 million	(4%)	\$587 million	(23%)
Non-GAAP Earnings from Continuing Operations (3) -----	\$181 million	\$228 million	(21%)	\$804 million	(2%)

Diluted EPS

from Continuing Operations	\$0.54	\$0.56	(4%)	\$1.62	(23%)
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Non-GAAP Diluted EPS from Continuing Operations	\$0.50	\$0.63	(21%)	\$2.22	(2%)
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For the quarter, GAAP results included items that had a positive \$0.04 per share net after-tax contribution, primarily from a previously disclosed litigation recovery. For the full year, GAAP results included items that had an aggregate net negative effect of \$0.60 per share after-tax, primarily driven by tax charges in the first-quarter related to the portion of non-U.S. earnings that will no longer be indefinitely invested offshore following the spinoff of CareFusion Corp., and restructuring and severance. These charges were partially offset by gains on the sale of CareFusion stock and litigation recoveries.

SEGMENT RESULTS

Pharmaceutical Segment

Fourth-quarter revenue for the Pharmaceutical segment was \$22.3 billion, with sales to non-bulk customers increasing 3 percent to \$11.5 billion and sales to bulk customers decreasing 3 percent to \$10.8 billion. Generic pharmaceutical sales grew 10 percent for the quarter. Segment profit declined 17 percent to \$227 million, primarily driven by lower branded inflation income, the year-over-year impact from customer pricing changes and supply disruptions in nuclear pharmacy, partially offset by the positive margin contribution from the company's generic programs and other business initiatives.

For the full year, Pharmaceutical segment revenue grew 2 percent to \$89.8 billion, with sales to non-bulk customers increasing 4 percent to \$45.8 billion and sales to bulk customers increasing 1 percent to \$44 billion. Annual segment profit declined 3 percent to \$1 billion, due to customer pricing changes, supply shortages in nuclear pharmacy, fewer significant generic launches than the prior year and the Medicine Shoppe International transition. The decline in segment profit was partially offset by contributions from the company's generic programs, disciplined cost controls and solid performance from its branded manufacturer agreements.

"We made great strides in fiscal 2010 with key strategic priorities including our generic sales and sourcing initiatives, working capital optimization and customer-facing information technology improvements - all of which are starting to have a positive impact on the bottom line," Barrett said. "With the recent renewals of key customers, we have stabilized our base for the next several years. In addition, our recent acquisition of Healthcare Solutions Holding will help accelerate our strategy for specialty pharmaceuticals and contribute to long-term growth for the segment."

	Q4 FY10	Q4 FY09	Y/Y	FY10	Y/Y
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Revenue	\$22.3 billion	\$22.3 billion	0.2%	\$89.8 billion	2%
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Segment Profit	\$227 million	\$273 million	(17%)	\$1 billion	(3%)
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Medical Segment

Fourth-quarter revenue for the Medical segment increased 3 percent to \$2.2 billion, primarily from sales growth with existing customers. Segment profit increased 22 percent to \$102 million, primarily driven by growth in the Hospital Supply business and disciplined cost controls, partially offset by higher commodity prices.

For the full year, Medical segment revenue increased 7 percent to \$8.8 billion, driven by growth from existing customers, new products and foreign exchange. Annual segment profit increased 11 percent to \$428 million, aided by the decreased cost of raw materials associated with commodity price movements. Segment profit growth was partially dampened from investment expense associated with the Medical Business Transformation program.

"While our Medical segment reported solid top- and bottom-line growth for the year, we continued to make investments to further improve our customers' experience and position the business for sustainable growth," Barrett said. "By combining our extensive channel reach with our growing expertise in category management, we will enable the growth of our preferred products and service offerings to create even more value across the entire supply chain."

	Q4 FY10	Q4 FY09	Y/Y	FY10	Y/Y
	-----	-----	---	----	---
Revenue	\$2.2 billion	\$2.1 billion	3%	\$8.8 billion	7%
	-----	-----	---	----	---
Segment Profit	\$102 million	\$84 million	22%	\$428 million	11%
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FISCAL 2011 OUTLOOK

"We have gained additional clarity regarding key inputs to our planning process since offering our preliminary 2011 outlook in April," Barrett said. "Based on our current information, we are raising our fiscal 2011 guidance for non-GAAP diluted EPS from continuing operations to a range of \$2.38 to \$2.48."

ADDITIONAL FOURTH-QUARTER AND RECENT HIGHLIGHTS INCLUDE:

- Increased the regular quarterly dividend by 11 percent to \$0.195 per share;
- Completed the acquisition of Healthcare Solutions Holding (P4 Healthcare and P4 Pathways) to bolster company offerings to specialty pharmaceutical customers; and
- Record-breaking attendance at the company's annual Retail Business Conference, where the company launched new products and services that were well received by its retail independent customers.

CONFERENCE CALL

Cardinal Health will host a conference call and webcast today at 8:30 a.m. EDT to discuss fourth-quarter and full-year results and its future outlook. To access the call and corresponding slide presentation, go to the Investor page at cardinalhealth.com/investors or dial 617.213.4855, passcode 86433823. Presentation slides and an audio replay will be archived on the website after the conclusion of the meeting. The audio replay will also be available until 11 p.m. on Aug. 8 by dialing 617.801.6888, passcode 37905680.

UPCOMING EVENTS

- Morgan Stanley Global Healthcare Conference on Sept. 13 at 1 p.m. EDT at the Grand Hyatt in New York;
- Baird's 2010 Health Care Conference on Sept. 14 at 9:30 a.m. EDT at the St. Regis Hotel in New York;
- Stifel Nicolaus Healthcare Conference on Sept. 15 at 10:55 a.m. EDT at the Four Seasons Hotel in Boston.

At these events, Cardinal Health CFO Jeff Henderson will discuss the company's diverse products and services, company performance and strategies for continued growth. To access more details and live webcasts of these events, including remarks, go to the Investors page at cardinalhealth.com.

About Cardinal Health

Headquartered in Dublin, Ohio, Cardinal Health, Inc. (NYSE: CAH) is a \$99 billion [health care services company](#) that improves the cost-effectiveness of health care. As the business behind health care, Cardinal Health helps [pharmacies](#), [hospitals](#), [ambulatory surgery centers](#) and [physician offices](#) focus on patient care while reducing costs, improving efficiency and quality, and increasing profitability. Cardinal Health is an essential link in the health care supply chain, providing [pharmaceuticals](#) and [medical products](#) to more than 60,000 locations each day. The company is also a leading manufacturer of [medical and surgical products](#), including [gloves](#), [surgical apparel](#) and [fluid management](#) products. In addition, the company supports the growing diagnostic industry by supplying medical products to [clinical laboratories](#) and operating the nation's largest [network of radiopharmacies](#) that dispense products to aid in the early diagnosis and treatment of disease. Ranked #17 on the Fortune 500, Cardinal Health [employs more than 30,000 people](#) worldwide. More information about the company may be found at cardinalhealth.com.

(1) Non-GAAP diluted EPS from continuing operations: Non-GAAP earnings from continuing operations divided by diluted weighted average shares outstanding.

(2) Non-GAAP operating earnings: Operating earnings excluding (1) restructuring and employee severance, (2) acquisition related costs, (3) impairments and loss on sale of assets, (4) litigation (credits)/charges, net, and (5) Other Spinoff Costs (as defined at the end of the attached tables) included within distribution, selling, general and administrative expenses.

(3) Non-GAAP earnings from continuing operations: Earnings from continuing operations excluding (1) restructuring and employee severance, (2) acquisition related costs, (3) impairments and loss on sale of assets, (4) litigation (credits)/charges, net, (5) Other Spinoff Costs, and (6) gain on sale of CareFusion stock, each net of tax.

A reconciliation of the differences between these non-GAAP financial measures and their most directly comparable GAAP financial measures is provided in the attached tables and at cardinalhealth.com.

Cardinal Health uses its website as a channel of distribution for material company information. Important information, including news releases, analyst presentations and financial information regarding Cardinal Health is routinely posted and accessible on the Investors page at cardinalhealth.com.

Cautions Concerning Forward-Looking Statements

This news release contains forward-looking statements, which are not based on historical facts, addressing expectations, prospects, estimates and other matters that are dependent upon future events or developments. These statements may be identified by words such as "expect," "anticipate," "intend," "plan," "believe," "will," "should," "could," "would," "project," "continue," and similar expressions, and include statements reflecting future results or guidance, statements of outlook and tax accruals. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These risks and uncertainties include (but are not limited to) the ability to achieve the expected benefits from the acquisition of Healthcare Solutions Holding and to grow our specialty distribution business; uncertainties and risks regarding the effect of the CareFusion spinoff on Cardinal Health; the performance of CareFusion and the proceeds realized from future sales of CareFusion stock; uncertainties due to government health care reform including the recently enacted federal health care reform legislation; competitive pressures in Cardinal Health's various lines of business; the loss of one or more key customer or supplier relationships or changes to the terms of those relationships; the timing of generic and branded pharmaceutical introductions and the frequency or rate of branded pharmaceutical price appreciation or generic pharmaceutical price deflation; changes in the distribution patterns or reimbursement rates for health care products and/or services; the results, consequences, effects or timing of any inquiry or investigation by any regulatory authority or any legal or administrative proceedings; the effects of disruptions in the financial markets, including uncertainties related to the availability and/or cost of credit on Cardinal Health's customers and vendors; and uncertainties related to demand for Cardinal Health's products and services. In addition, Cardinal Health is subject to additional risks and uncertainties described in Cardinal Health's Form 10-K, Form 10-Q and Form 8-K reports (including all amendments to those reports) and exhibits to those reports. This news release reflects management's views as of August 5, 2010. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement.

CARDINAL HEALTH, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

Fourth Quarter ----- (in millions, except per Common Share amounts) 2010 2009 % Change ---- ----

Revenue	\$24,459.6	\$24,347.3	0.5 %	Cost of products sold	23,555.5	23,403.0	1 %	Gross margin	904.1	944.3
(4)% Operating expenses				Distribution, selling, general and administrative expenses	588.2	591.7	(1)%	Restructuring and employee severance	(1)	6.4
37.5 N.M.				Acquisition related costs	(1)	8.3	0.7 N.M.	Impairments and loss on sale of assets	0.9	2.7
N.M.				Litigation (credits)/charges, net	(33.6)	4.9	N.M.	Operating earnings	333.9	306.8
									9 %	

Other (income)/expense, net	2.3	(15.5)	N.M.	Interest expense, net	24.5	32.6	(25)%	Gain on sale of CareFusion common stock		
(1.3) - N.M.				Earnings before income taxes and discontinued operations	308.4	289.7	6 %			

Provision for income taxes	114.6	87.7	31 %	Earnings from continuing operations	193.8	202.0	(4)%
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Earnings from discontinued operations (net of tax expense 29.7 71.2 N.M. of \$0.0 million and \$48.5 million for the fourth quarter of ---- fiscal 2010 and 2009, respectively)

Net earnings \$223.5 \$273.2 (18)% -----

Basic earnings per Common Share: Continuing operations	\$0.54	\$0.56	(4)%	Discontinued operations	0.08	0.20	N.M.
Net basic earnings per Common Share	\$0.62	\$0.76	(18)%				

Diluted earnings per Common Share: Continuing operations	\$0.54	\$0.56	(4)%	Discontinued operations	0.08	0.19	N.M.
Net diluted earnings per Common Share	\$0.62	\$0.75	(17)%				

Weighted average number of Common Shares outstanding: Basic 358.3 358.2 Diluted 361.8 361.1

(1) During the fourth quarter of fiscal 2010, the Company began presenting acquisition related costs separately on its condensed consolidated statements of earnings. This amount had previously been included in restructuring and employee severance. Prior periods have been changed to conform with

this new presentation.

CARDINAL HEALTH, INC. AND SUBSIDIARIES CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)

	Fiscal Year		

(in millions, except per Common Share amounts)	2010	2009	% Change
	----	----	
Revenue	\$98,502.8	\$95,991.5	3 %
Cost of products sold	94,722.1	92,244.0	3 %
	-----	-----	
Gross margin	3,780.7	3,747.5	1 %
Operating expenses			
Distribution, selling, general and administrative expenses	2,408.0	2,333.5	3 %
Restructuring and employee severance (1)	90.7	104.7	N.M.
Acquisition related costs (1)	8.4	2.8	N.M.
Impairments and loss on sale of assets	29.1	13.9	N.M.
Litigation (credits)/charges, net	(62.4)	5.2	N.M.
	-----	---	
Operating earnings	1,306.9	1,287.4	1 %
Other (income)/expense, net	(13.5)	13.2	N.M.
Interest expense, net	113.5	114.4	(1)%
Loss on extinguishment of debt	39.9	-	N.M.
Gain on sale of CareFusion common stock	(44.6)	-	N.M.
	-----	---	
Earnings before income taxes and discontinued operations	1,211.6	1,159.8	4 %
Provision for income taxes	624.6	401.6	N.M.
	-----	-----	
Earnings from continuing operations	587.0	758.2	(23)%
Earnings from discontinued operations (net of tax expense of \$35.5 million and \$131.2 million for fiscal 2010 and 2009, respectively)	55.2	393.4	N.M.
	----	-----	
Net earnings	\$642.2	\$1,151.6	(44)%
	-----	-----	
Basic earnings per Common Share:			
Continuing operations	\$1.64	\$2.12	(23)%
Discontinued operations	0.15	1.10	N.M.
	----	----	
Net basic earnings per Common Share	\$1.79	\$3.22	(43)%
	=====	=====	
Diluted earnings per Common Share:			
Continuing operations	\$1.62	\$2.10	(23)%
Discontinued operations	0.15	1.08	N.M.
	----	----	
Net diluted earnings per Common Share	\$1.77	\$3.18	(44)%
	=====	=====	

Weighted average number of Common

Shares outstanding:

Basic	358.8	357.6
Diluted	361.4	361.5

(1) During the fourth quarter of fiscal 2010, the Company began presenting acquisition related costs separately on its condensed consolidated statements of earnings. This amount had previously been included in restructuring and employee severance. Prior periods have been changed to conform with this new presentation.

CARDINAL HEALTH, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

June 30, June 30, (in millions) 2010 2009 ---- ----

Assets Cash and equivalents \$2,755.3 \$1,221.6 Trade receivables, net 5,170.6 5,214.9 Inventories 6,355.9 6,832.8 Prepaid expenses and other 637.1 523.0 Assets from businesses held for sale and discontinued operations - 7,189.4 --- ----- Total current assets 14,918.9 20,981.7 -----

Property and equipment, net 1,468.8 1,464.5 Investment in CareFusion 691.5 - Goodwill and other intangibles, net 2,253.2 2,266.9 Other assets 657.8 405.7 ----- Total assets \$19,990.2 \$25,118.8 =====

Liabilities and Shareholders' Equity Current portion of long-term obligations and other short-term borrowings \$233.2 \$366.2 Accounts payable 9,494.9 9,041.9 Other accrued liabilities 1,809.5 1,496.2 Liabilities from businesses held for sale and discontinued operations - 1,370.9 --- ----- Total current liabilities 11,537.6 12,275.2 -----

Long-term obligations, less current portion 1,896.1 3,271.6 Deferred income taxes and other liabilities 1,280.4 847.3 Total shareholders' equity 5,276.1 8,724.7 Total liabilities and shareholders' equity \$19,990.2 \$25,118.8 =====

CARDINAL HEALTH, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

Fourth Quarter ----- (in millions) 2010 2009 ---- ----

Cash Flows From Operating Activities: Net earnings \$223.5 \$273.2 Earnings from discontinued operations (29.7) (71.2) ---- -- Earnings from continuing operations 193.8 202.0 Adjustments to reconcile earnings from continuing operations to net cash provided by operating activities: Depreciation and amortization 60.0 57.0 Loss on debt extinguishment - - Gain on sale of CareFusion common stock (1.3) - Impairments and loss on sale of assets 0.9 2.7 Share-based payment compensation 20.6 27.1 Provision for deferred income taxes 120.2 149.4 Provision for bad debts (6.4) 6.2 Change in operating assets and liabilities, net of effects from acquisitions: Decrease/(increase) in trade receivables 386.0 268.8 Decrease/(increase) in inventories 858.5 912.5 Increase/(decrease) in accounts payable (1,271.7) (866.5) Other accrued liabilities and operating items, net (35.9) 0.7 ----- Net cash provided by operating activities -continuing operations 324.7 759.9 Net cash provided by/(used in) operating activities -discontinued operations (0.4) (151.8) ----- Net cash provided by operating activities 324.3 608.1 -----

Cash Flows From Investing Activities: Proceeds from divestitures 141.3 - Acquisition of subsidiaries, net of cash acquired - - Net additions to property and equipment (119.8) (229.1) Proceeds from sale of CareFusion common stock - - --- Net cash provided by/(used in) investing activities -continuing operations 21.5 (229.1) Net cash used in investing activities - discontinued operations - (57.8) --- ----- Net cash provided by/(used in) investing activities 21.5 (286.9) -----

Cash Flows From Financing Activities: Reduction of long-term obligations (0.4) (18.9) Issuance of Common Shares 15.5 0.6 Tax expense from stock options (1.3) (2.7) Payment of premiums for debt extinguishment - - Dividends on Common Shares (62.9) (50.3) Purchase of treasury shares (180.2) - ----- Net cash used in financing activities - continuing operations (229.3) (71.3) Net cash provided by/(used in) financing activities -discontinued operations - (0.1) --- ----- Net cash used in financing activities (229.3) (71.4) -----

Net increase in cash and equivalents 116.5 249.8

Cash and equivalents at beginning of period 2,638.8 971.8 -----

Cash and equivalents at end of period \$2,755.3 \$1,221.6 =====

Fiscal Year

(in millions)	2010 ----	2009 ----
Cash Flows From Operating Activities:		
Net earnings	\$642.2	\$1,151.6
Earnings from discontinued operations	(55.2)	(393.4)
	-----	-----
Earnings from continuing operations	587.0	758.2
Adjustments to reconcile earnings from continuing operations to net cash provided by operating activities:		
Depreciation and amortization	254.4	225.8
Loss on debt extinguishment	39.9	-
Gain on sale of CareFusion common stock	(44.6)	-
Impairments and loss on sale of assets	29.1	13.9
Share-based payment compensation	99.5	109.9
Provision for deferred income taxes	120.2	149.4
Provision for bad debts	26.8	51.4
Change in operating assets and liabilities, net of effects from acquisitions:		
Decrease/(increase) in trade receivables	20.6	(713.6)
Decrease/(increase) in inventories	477.4	(431.2)
Increase/(decrease) in accounts payable	451.0	768.1
Other accrued liabilities and operating items, net	(74.6)	19.3
	-----	-----
Net cash provided by operating activities -continuing operations	1,986.7	951.2
Net cash provided by/(used in) operating activities -discontinued operations	147.4	472.7
	-----	-----
Net cash provided by operating activities	2,134.1	1,423.9
	-----	-----
Cash Flows From Investing Activities:		
Proceeds from divestitures	154.1	123.3
Acquisition of subsidiaries, net of cash acquired	(32.0)	(128.6)
Net additions to property and equipment	(255.8)	(408.3)
Proceeds from sale of CareFusion common stock	270.7	-
	-----	---
Net cash provided by/(used in) investing activities -continuing operations	137.0	(413.6)
Net cash used in investing activities - discontinued operations	(9.9)	(129.3)
	----	-----
Net cash provided by/(used in) investing activities	127.1	(542.9)
	-----	-----
Cash Flows From Financing Activities:		
Reduction of long-term obligations	(1,485.5)	(301.4)
Issuance of Common Shares	40.0	39.2
Tax expense from stock options	(16.1)	(2.9)
Payment of premiums for debt extinguishment	(66.4)	-
Dividends on Common Shares	(253.1)	(200.4)
Purchase of treasury shares	(230.2)	-
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Net cash used in financing activities - continuing operations	(2,011.3)	(465.5)
Net cash provided by/(used in) financing activities -discontinued operations	1,283.8	(2.7)
	-----	----
Net cash used in financing activities	(727.5)	(468.2)
	-----	-----
Net increase in cash and equivalents	1,533.7	412.8
Cash and equivalents at beginning of period	1,221.6	808.8
	-----	-----
Cash and equivalents at end of period	\$2,755.3	\$1,221.6
	=====	=====

CARDINAL HEALTH, INC. AND SUBSIDIARIES BUSINESS ANALYSIS

TOTAL COMPANY

	Fourth Quarter		Non-GAAP Fourth Quarter	
(in millions)	2010	2009	2010	2009
Revenue				
Amount	\$24,460	\$24,347		
Growth Rate	0.5 %	11 %		
Operating Earnings				
Amount	\$334	\$307	\$317	\$356
Growth Rate	9 %	(9)%	(11)%	6 %
Earnings from Continuing Operations				
Amount	\$194	\$202	\$181	\$228
Growth Rate	(4)%	10 %	(21)%	14 %

	Fiscal Year		Non-GAAP Fiscal Year	
	2010	2009	2010	2009
Revenue				
Amount	\$98,503	\$95,992		
Growth Rate	3 %	10 %		
Operating Earnings				
Amount	\$1,307	\$1,287	\$1,383	\$1,419
Growth Rate	1 %	(8)%	(2)%	(1)%
Earnings from Continuing Operations				
Amount	\$587	\$758	\$804	\$816
Growth Rate	(23)%	(11)%	(2)%	(8)%

Refer to the GAAP /Non-GAAP Reconciliation for definitions and calculations supporting the non-GAAP balances.

CARDINAL HEALTH, INC. AND SUBSIDIARIES
SEGMENT BUSINESS ANALYSIS

Fourth Quarter Fourth Quarter ----- (in millions) 2010 2009 (in millions) 2010 2009 ----

PHARMACEUTICAL MEDICAL

Revenue Revenue Amount \$22,307 \$22,263 Amount \$2,158 \$2,090 Growth Rate 0.2 % 12 % Growth Rate 3 % 3 % Mix 91 % 91 % Mix 9 % 9 %

Segment Profit Segment Profit Amount \$227 \$273 Amount \$102 \$84 Growth Rate (17)% 22 % Growth Rate 22 % (23)% Mix 69 % 76 % Mix 31 % 24 % Segment Profit Segment Profit Margin 1.02 % 1.23 % Margin 4.75 % 4.03 % -----

Refer to definitions for an explanation of calculations.

Total consolidated revenue for the three months ended June 30, 2010 was \$24,460 million, which included total segment revenue of \$24,465 million and Corporate revenue of \$(5) million. Total consolidated revenue for the three months ended June 30, 2009 was \$24,347 million, which included total segment revenue of \$24,353 million and Corporate revenue of \$(6) million. Corporate revenue consists primarily of elimination of inter-segment revenue.

Total consolidated operating earnings for the three months ended June 30, 2010 were \$334 million, which included total segment profit of \$329 million and Corporate gain of \$5 million. Total consolidated operating earnings for the three months ended June 30, 2009 were \$307 million, which included total segment profit of \$357 million and Corporate loss of \$(50) million. Corporate includes, among other things, restructuring and employee severance, acquisition related costs, impairments and loss on sale of assets, litigation (credits)/charges, net and certain investment spending that are not allocated to the segments.

CARDINAL HEALTH, INC. AND SUBSIDIARIES SEGMENT BUSINESS ANALYSIS

	Fiscal Year			Fiscal Year	
(in millions)	2010	2009	(in millions)	2010	2009
	----	----		----	----
PHARMACEUTICAL			MEDICAL		
Revenue			Revenue		
Amount	\$89,790	\$87,863	Amount	\$8,750	\$8,159
Growth Rate	2 %	11 %	Growth Rate	7 %	3 %
Mix	91 %	92 %	Mix	9 %	8 %
Segment Profit			Segment Profit		
Amount	\$1,002	\$1,036	Amount	\$428	\$385
Growth Rate	(3)%	1 %	Growth Rate	11 %	(6)%
Mix	70 %	73 %	Mix	30 %	27 %
Segment Profit			Segment Profit		

Margin	1.12 %	1.18 %	Margin	4.89 %	4.72 %
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Refer to definitions for an explanation of calculations.

Total consolidated revenue for the fiscal year ended June 30, 2010 was \$98,503 million, which included total segment revenue of \$98,540 million and Corporate revenue of \$(37) million. Total consolidated revenue for the fiscal year ended June 30, 2009 was \$95,992 million, which included total segment revenue of \$96,022 million and Corporate revenue of \$(30) million. Corporate revenue consists primarily of elimination of inter-segment revenue.

Total consolidated operating earnings for the fiscal year ended June 30, 2010 were \$1,307 million, which included total segment profit of \$1,430 million and Corporate loss of \$(123) million. Total consolidated operating earnings for the fiscal year ended June 30, 2009 were \$1,287 million, which included total segment profit of \$1,421 million and Corporate loss of \$(134) million. Corporate includes, among other things, restructuring and employee severance, acquisition related costs, impairments and loss on sale of assets, litigation (credits)/charges, net and certain investment spending that are not allocated to the segments.

CARDINAL HEALTH, INC. AND SUBSIDIARIES SCHEDULE OF NOTABLE ITEMS

Fourth Quarter Fiscal Year ----- (in millions, except per Common Share amounts) 2010 2009 2010 2009 ---- --

Restructuring and Employee Severance	Restructuring and employee severance	\$(6.4)	\$(37.5)	\$(90.7)	\$(104.7)	Tax benefit	
1.7	11.1	31.7	29.3	---	---	Restructuring and employee severance, net of tax	\$(4.7) \$(26.4) \$(59.0) \$(75.4) =====
=====	=====	=====	=====	=====	=====		

Decrease to diluted EPS from continuing operations	\$(0.01)	\$(0.07)	\$(0.16)	\$(0.21)	=====	=====	=====	=====
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Acquisition related costs	Acquisition related costs	\$(8.3)	\$(0.7)	\$(8.4)	\$(2.8)	Tax benefit	2.7	0.3	2.7	1.1	---	---	---	---	Acquisition
related costs, net of tax	\$(5.6)	\$(0.4)	\$(5.7)	\$(1.7)	=====	=====	=====	=====							

Decrease to diluted EPS from continuing operations	\$(0.02)	\$-	\$(0.02)	\$-	=====	=====	=====	=====
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Impairments and Loss on Sale of Assets	Impairments and loss on sale of assets	\$(0.9)	\$(2.7)	\$(29.1)	\$(13.9)	Tax benefit/	
(expense)	(1.9)	8.5	(5.1)	39.4	---	---	Impairments and loss on sale of asset, net of tax
=====	=====	=====	=====	=====	=====	=====	\$(2.8) \$5.8 \$(34.2) \$25.5 =====

Increase/(decrease) to diluted EPS from continuing operations	\$(0.01)	\$0.02	\$(0.09)	\$0.07	=====	=====	=====	=====
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Litigation Credits/ (Charges), Net	Litigation credits/ (charges), net	\$33.6	\$(4.9)	\$62.4	\$(5.2)	Tax benefit/(expense)	(12.3)	1.8
(23.2)	1.9	---	---	---	---	Litigation credits/ (charges), net, net of tax	\$21.3	\$(3.1) \$39.2 \$(3.3) =====

Increase/(decrease) to diluted EPS from continuing operations	\$0.06	\$(0.01)	\$0.11	\$(0.01)	=====	=====	=====	=====
---	--------	----------	--------	----------	-------	-------	-------	-------

Other Spin-Off Costs	Other spin-off costs (1)	\$(1.6)	\$(3.8)	\$(53.1)	\$(4.5)	Tax benefit/(expense) (2)	4.7	1.4	(148.5)	1.7	---	---	---
---	Other spin-off costs, net of tax	\$3.1	\$(2.4)	\$(201.6)	\$(2.8)	=====	=====	=====	=====				

Increase/(decrease) to diluted EPS from continuing operations	\$0.01	\$(0.01)	\$(0.56)	\$(0.01)	=====	=====	=====	=====
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Gain on Sale of CareFusion Stock	Gain on sale of CareFusion stock	\$1.3	\$-	\$44.6	\$-	Tax expense	-	-	-	-	Gain on sale of
CareFusion stock, net of tax	\$1.3	\$-	\$44.6	\$-	=====	=====	=====	=====			

Increase to diluted EPS from continuing operations	\$-	\$-	\$0.12	\$-	=====	=====	=====	=====
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Weighted Average Number of Diluted Shares Outstanding	361.8	361.1	361.4	361.5
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(1) Other spin-off costs included in other (income)/expense, net for the fiscal year ended June 30, 2010 were \$2.4 million. Other spin-off costs also include the \$39.9 million loss on extinguishment of debt for the fiscal year ended June 30, 2010. The remaining other spin-off costs are included within distribution, selling, general and administrative expenses for

all periods presented.

(2) The fiscal 2010 year-to-date tax expense associated with the other spin-off costs includes \$168.3 million related to the anticipated repatriation of a portion of cash loaned to the Company's entities within the United States.

CARDINAL HEALTH, INC. AND SUBSIDIARIES ASSET MANAGEMENT ANALYSIS

	Fourth Quarter		Fiscal Year	
	2010	2009	2010	2009
Receivable Days	18.6	19.1		
Days Inventory on Hand	21	23		
Debt to Total Capital	29 %	29 %		
Net Debt to Capital	(13)%	22 %		
Return on Equity	16.8%	12.7%	10.9%	14.1%
Non-GAAP Return on Equity	15.8%	19.3%	16.4%	18.5%
Effective Tax Rate from Continuing Operations	37.2%	30.3 %	51.6%	34.6%
Non-GAAP Effective Tax Rate from Continuing Operations	37.7%	32.6 %	37.5%	36.8%

Refer to the GAAP / Non-GAAP Reconciliation for non-GAAP calculations.

CARDINAL HEALTH, INC. AND SUBSIDIARIES GAAP / NON-GAAP RECONCILIATION

Fourth Quarter 2010 ----- (in millions, except per Common Share amounts) GAAP Restructuring Acquisition Impairments and Related and Loss on Sale Employee Costs of Severance Assets

Operating Earnings Amount \$334 \$6 \$8 \$1 Growth Rate 9 %

Earnings Before Income Taxes and Discontinued Operations \$308 \$6 \$8 \$1

Provision for Income Taxes (1) \$115 \$2 \$3 (\$2)

Earnings from Continuing Operations Amount \$194 \$5 \$6 \$3 Growth Rate (4)%

Diluted EPS from Continuing Operations Amount \$0.54 \$0.01 \$0.02 \$0.01 Growth Rate (4)%

	Fourth Quarter 2010			
(in millions, except per Common Share amounts)	Litigation	Other Spin-Off Costs	Gain on Sale of CareFusion Stock	Non-GAAP
	(Credits)/Charges, Net			
Operating Earnings Amount	(\$34)	\$2	-	\$317
Growth Rate				(11)%
Earnings Before				

Income Taxes and Discontinued Operations	(\$34)	\$2	(\$1)	\$291
Provision for Income Taxes (1)	(\$12)	\$5	-	\$110
Earnings from Continuing Operations Amount	(\$21)	(\$3)	(\$1)	\$181
Growth Rate				(21)%
Diluted EPS from Continuing Operations Amount	(\$0.06)	(\$0.01)	-	\$0.50
Growth Rate				(21)%

Fiscal Year 2010 ----- (in millions, except per Common Share amounts) GAAP Restructuring Acquisition Impairments and Related and Loss on Sale Employee Costs of Severance Assets

Operating Earnings Amount \$1,307 \$91 \$8 \$29 Growth Rate 1 %

Earnings Before Income Taxes and Discontinued Operations \$1,212 \$91 \$8 \$29

Provision for Income Taxes (1) \$625 \$32 \$3 (\$5)

Earnings from Continuing Operations Amount \$587 \$59 \$6 \$34 Growth Rate (23)%

Diluted EPS from Continuing Operations Amount \$1.62 \$0.16 \$0.02 \$0.09 Growth Rate (23)%

Fiscal Year 2010

(in millions, except per Common Share amounts)	Litigation	Other	Gain on	Non-GAAP
	(Credits)/	Spin-	Sale of	
	Charges,	Off	CareFusion	
	Net	Costs	Stock	
Operating Earnings Amount	(\$62)	\$11	-	\$1,383
Growth Rate				(2)%
Earnings Before Income Taxes and Discontinued Operations	(\$62)	\$53	(\$45)	\$1,286
Provision for Income Taxes (1)	(\$23)	(\$149)	-	\$482
Earnings from Continuing Operations Amount	(\$39)	\$202	(\$45)	\$804

Growth Rate (2)%

Diluted EPS from
Continuing
Operations

Amount (\$0.11) \$0.56 (\$0.12) \$2.22
Growth Rate (2)%

Fourth Quarter 2009 ----- GAAP Restructuring Acquisition Impairments and Related and Loss on Sale Employee Costs of Severance Assets

Operating Earnings Amount \$307 \$38 \$1 \$3 Growth Rate (9)%

Earnings Before Income Taxes and Discontinued Operations \$290 \$38 \$1 \$3

Provision for Income Taxes (1) \$88 \$11 - \$9

Earnings from Continuing Operations Amount \$202 \$26 \$1 (\$6) Growth Rate 10 %

Diluted EPS from Continuing Operations Amount \$0.56 \$0.07 - (\$0.02) Growth Rate 10 %

Fourth Quarter 2009

Litigation Other Gain on Non-
(Credits)/ Spin- GAAP
Charges, Off Sale of
Net Costs CareFusion
Stock

Operating Earnings
Amount \$5 \$4 - \$356
Growth Rate 6 %

Earnings Before Income Taxes
and Discontinued Operations \$5 \$4 - \$339

Provision for Income Taxes (1) \$2 \$1 - \$111

Earnings from Continuing
Operations
Amount \$3 \$2 - \$228
Growth Rate 14 %

Diluted EPS from Continuing
Operations
Amount \$0.01 \$0.01 - \$0.63
Growth Rate 13 %

Fiscal Year 2009 ----- GAAP Restructuring Acquisition Impairments and Related and Loss on Sale Employee Costs of Severance Assets

Operating Earnings Amount \$1,287 \$105 \$3 \$14 Growth Rate (8)%

Earnings Before Income Taxes and Discontinued Operations \$1,160 \$105 \$3 \$14

Provision for Income Taxes (1) \$402 \$29 \$1 \$39

Earnings from Continuing Operations Amount \$758 \$75 \$2 (\$26) Growth Rate (11)%

Diluted EPS from Continuing Operations Amount \$2.10 \$0.21 - (\$0.07) Growth Rate (10)%

	Fiscal Year 2009			

	Litigation	Other	Gain on	Non-GAAP
	(Credits)/	Spin-	Sale of	
	Charges,	Off	CareFusion	
	Net	Costs	Stock	
Operating Earnings				
Amount	\$5	\$5	-	\$1,419
Growth Rate				(1)%
Earnings Before Income Taxes				
and Discontinued Operations	\$5	\$5	-	\$1,291
Provision for Income Taxes (1)	\$2	\$2	-	\$475
Earnings from Continuing				
Operations				
Amount	\$3	\$3	-	\$816
Growth Rate				(8)%
Diluted EPS from Continuing				
Operations				
Amount	\$0.01	\$0.01	-	\$2.26
Growth Rate				(8)%

The sum of the components may not equal the total due to rounding.

(1) The Company applies varying tax rates depending upon the tax jurisdiction where the items are incurred.

CARDINAL HEALTH, INC. AND SUBSIDIARIES
GAAP / NON-GAAP RECONCILIATION

Fourth Quarter ----- (in millions) 2010 ----

GAAP Return on Equity 16.8 %

Non-GAAP Return on Equity Net earnings \$223.5 Restructuring and employee severance, net of tax, in continuing operations (1) 4.7 Acquisition related costs, net of tax, in continuing operations (1) 5.6 Impairments and loss on sale of assets, net of tax, in continuing operations (1) 2.8 Litigation (credits)/charges, net, net of tax, in continuing operations (1) (21.3) Other spin-off costs, net of tax (1) (3.1) Gain on sale of CareFusion stock, net of tax (1) (1.3) CareFusion net earnings in discontinued operations (1, 2) (0.4) ---- Adjusted net earnings \$210.5

Annualized \$842.0

Fourth Quarter Third Quarter 2010 2010 ---- ---- Non-GAAP Shareholders' Equity Total shareholders' equity \$5,276.1 \$5,360.9
Non-cash dividend related to CareFusion spin-off - - Non-GAAP shareholders' equity \$5,276.1 \$5,360.9 -----

Divided by average shareholders' equity 5,318.5

Non-GAAP return on equity 15.8%

Fourth Quarter

(in millions)	----- 2009 ----
GAAP Return on Equity	12.7%
Non-GAAP Return on Equity	
Net earnings	\$273.2
Restructuring and employee severance, net of tax, in continuing operations (1)	26.4
Acquisition related costs, net of tax, in continuing operations (1)	0.4
Impairments and loss on sale of assets, net of tax, in continuing operations (1)	(5.8)
Litigation (credits)/charges, net, net of tax, in continuing operations (1)	3.1
Other spin-off costs, net of tax (1)	2.4
Gain on sale of CareFusion stock, net of tax (1)	-
CareFusion net earnings in discontinued operations (1, 2)	(65.5)

Adjusted net earnings	\$234.2
Annualized	\$937.2

	Fourth Quarter ----- 2009 ----	Third Quarter ----- 2009 ----
Non-GAAP Shareholders' Equity		
Total shareholders' equity	\$8,724.7	\$8,434.5
Non-cash dividend related to CareFusion spin-off	(3,723.8)	(3,723.8)
Non-GAAP shareholders' equity	\$5,000.9	\$4,710.7
	-----	-----
Divided by average shareholders' equity	4,855.8	
Non-GAAP return on equity	19.3%	

(1) The Company applies varying tax rates depending upon the tax jurisdiction where the items are incurred. (2) To properly reflect the impact of the spin-off, on a non-GAAP basis, CareFusion net earnings included in discontinued operations are excluded from adjusted net earnings for all periods presented.

CARDINAL HEALTH, INC. AND SUBSIDIARIES
GAAP / NON-GAAP RECONCILIATION

Fiscal Year ----- (in millions) 2010 ----

GAAP Return on Equity 10.9 %

Non-GAAP Return on Equity Net earnings \$642.2 Restructuring and employee severance, net of tax, in continuing operations (1) 59.0 Acquisition related costs, net of tax, in continuing operations (1) 5.7 Impairments and loss on sale of assets, net of tax, in continuing operations (1) 34.2 Litigation (credits)/charges, net, net of tax, in continuing operations (1) (39.2) Other spin-off

costs, net of tax (1) 201.6 Gain on sale of CareFusion stock, net of tax (1) (44.6) CareFusion net earnings in discontinued operations (1, 2) (15.0) ----- Adjusted net earnings \$843.9

Fourth Quarter Third Quarter Second Quarter ----- 2010 2010 2010 ---- ---- ---- Non-GAAP
Shareholders' Equity Total shareholders' equity \$5,276.1 \$5,360.9 \$5,226.1 Non-cash dividend related to CareFusion spin-off
- - - - - Non-GAAP shareholders' equity \$5,276.1 \$5,360.9 \$5,226.1 -----

Divided by average shareholders' equity 5,161.0

Non-GAAP return on equity 16.4%

(in millions)

GAAP Return on Equity

Non-GAAP Return on Equity

Net earnings

Restructuring and employee severance, net of tax, in continuing operations (1)

Acquisition related costs, net of tax, in continuing operations (1)

Impairments and loss on sale of assets, net of tax, in continuing operations (1)

Litigation (credits)/charges, net, net of tax, in continuing operations (1)

Other spin-off costs, net of tax (1)

Gain on sale of CareFusion stock, net of tax (1)

CareFusion net earnings in discontinued operations (1, 2)

Adjusted net earnings

	First Quarter	Fourth Quarter
	-----	-----
	2010	2009
	----	----
Non-GAAP Shareholders' Equity		
Total shareholders' equity	\$4,941.2	\$8,724.7
Non-cash dividend related to CareFusion spin-off	-	(3,723.8)
	---	-----
Non-GAAP shareholders' equity	\$4,941.2	\$5,000.9
	-----	-----

Divided by average shareholders' equity

Non-GAAP return on equity

Fiscal Year ----- (in millions) 2009 ----

GAAP Return on Equity 14.1%

Non-GAAP Return on Equity Net earnings \$1,151.6 Restructuring and employee severance, net of tax, in continuing operations (1) 75.4 Acquisition related costs, net of tax, in continuing operations (1) 1.7 Impairments and loss on sale of assets, net of tax, in continuing operations (1) (25.5) Litigation (credits)/charges, net, net of tax, in continuing operations (1) 3.3 Other spin-off costs, net of tax (1) 2.8 Gain on sale of CareFusion stock, net of tax (1) - CareFusion net earnings in discontinued operations (1, 2) (384.6) ----- Adjusted net earnings \$824.7

Fourth Quarter Third Quarter Second Quarter ----- 2009 2009 2009 ---- ---- ---- Non-GAAP

Shareholders' Equity Total shareholders' equity \$8,724.7 \$8,434.5 \$8,127.9 Non-cash dividend related to CareFusion spin-off (3,723.8) (3,723.8) (3,723.8) ----- Non-GAAP shareholders' equity \$5,000.9 \$4,710.7 \$4,404.1 -----

Divided by average shareholders' equity 4,466.7

Non-GAAP return on equity 18.5%

(in millions)

GAAP Return on Equity

Non-GAAP Return on Equity

Net earnings
 Restructuring and employee severance, net of tax, in continuing operations (1)
 Acquisition related costs, net of tax, in continuing operations (1)
 Impairments and loss on sale of assets, net of tax, in continuing operations (1)
 Litigation (credits)/charges, net, net of tax, in continuing operations (1)
 Other spin-off costs, net of tax (1)
 Gain on sale of CareFusion stock, net of tax (1)
 CareFusion net earnings in discontinued operations (1, 2)
 Adjusted net earnings

	First Quarter	Fourth Quarter
	-----	-----
	2009	2008
	----	----
Non-GAAP Shareholders' Equity		
Total shareholders' equity	\$7,918.1	\$7,747.5
Non-cash dividend related to CareFusion spin-off	(3,723.8)	(3,723.8)
	-----	-----
Non-GAAP shareholders' equity	\$4,194.3	\$4,023.7
	-----	-----

Divided by average shareholders' equity

Non-GAAP return on equity

(1) The Company applies varying tax rates depending upon the tax jurisdiction where the items are incurred. (2) To properly reflect the impact of the spin-off, on a non-GAAP basis, CareFusion net earnings included in discontinued operations are excluded from adjusted net earnings for all periods presented.

CARDINAL HEALTH, INC. AND SUBSIDIARIES GAAP / NON-GAAP RECONCILIATION

Fourth Quarter Fiscal Year ----- (in millions) 2010 2009 2010 2009 -----

GAAP Effective Tax Rate from Continuing Operations 37.2 % 30.3 % 51.6 % 34.6 %

Non-GAAP Effective Tax Rate from Continuing Operations Earnings before income taxes and discontinued operations \$308.4 \$289.7 \$1,211.6 \$1,159.8 Restructuring and employee severance 6.4 37.5 90.7 104.7 Acquisition related costs 8.3 0.7 8.4 2.8

Impairments and loss on sale of assets 0.9 2.7 29.1 13.9 Litigation (credits)/charges, net (33.6) 4.9 (62.4) 5.2 Other spin-off costs 1.6 3.8 53.1 4.5 Gain on sale of CareFusion stock (1.3) - (44.6) - ----- Adjusted earnings before income taxes and discontinued operations \$290.7 \$339.3 \$1,285.9 \$1,290.9

Provision for income taxes (1) \$114.6 \$87.7 \$624.6 \$401.6 Restructuring and employee severance tax benefit (1) 1.7 11.1 31.7 29.3 Acquisition related costs tax benefit (1) 2.7 0.3 2.7 1.1 Impairments and loss on sale of assets tax benefit/ (expense) (1) (1.9) 8.5 (5.1) 39.4 Litigation (credits)/charges, net tax benefit/ (expense) (1) (12.3) 1.8 (23.2) 1.9 Other spin-off costs tax benefit/ (expense) (1) 4.7 1.4 (148.5) 1.7 Gain on sale of CareFusion stock tax expense (1) - - - - - Adjusted provision for income taxes \$109.5 \$110.8 \$482.2 \$475.0

Non-GAAP effective tax rate from continuing operations 37.7% 32.6% 37.5% 36.8%

Fourth Quarter ----- 2010 2009 ----

Debt to Total Capital 29% 29%

Net Debt to Capital Current portion of long-term obligations and other short-term borrowings \$233.2 \$366.2 Long-term obligations, less current portion 1,896.1 3,271.6 ----- Debt \$2,129.3 \$3,637.8 Cash and equivalents (2,755.3) (1,221.6) ----- Net debt \$(626.0) \$2,416.2 Total shareholders' equity \$5,276.1 \$8,724.7 Capital \$4,650.1 \$11,140.9 Net Debt to Capital (13)% 22%

(1) The Company applies varying tax rates depending upon the tax jurisdiction where the items are incurred.

Forward-Looking Non-GAAP Financial Measures

The Company presents non-GAAP earnings from continuing operations and non-GAAP effective tax rate from continuing operations (and presentations derived from these financial measures, including per share calculations) on a forward-looking basis.

The most directly comparable forward-looking GAAP measures are earnings from continuing operations and effective tax rate from continuing operations.

The Company is unable to provide a quantitative reconciliation of these forward-looking non-GAAP measures to the most directly comparable forward-looking GAAP measures because the Company cannot reliably forecast restructuring and employee severance, acquisition related costs, impairments and loss on sale of assets, litigation (credits)/charges, net, other spin-off costs and gains or losses on sale of CareFusion stock, which are difficult to predict and estimate and are primarily dependent on future events. Please note that the unavailable reconciling items could significantly impact the Company's future financial results.

CARDINAL HEALTH, INC. AND SUBSIDIARIES

(in millions)	Fourth Quarter	
	2010	2009
	----	----
Days Inventory on Hand		
Inventories	\$6,355.9	\$6,832.8
Cost of products sold	\$23,555.5	\$23,403.0
Chargeback billings	3,066.0	3,271.2
	-----	-----
Adjusted cost of products sold	\$26,621.5	\$26,674.2

Adjusted cost of products sold divided by 90 days	\$295.8	\$296.4
Days inventory on hand	21	23

Days Inventory on Hand: inventory divided by ((quarterly costs of products sold plus chargeback billings) divided by 90 days). Chargeback billings are the difference between a product's wholesale acquisition cost and the contract price established between pharmaceutical manufacturers and the end customer.

CARDINAL HEALTH, INC. AND SUBSIDIARIES DEFINITIONS

GAAP Debt: long-term obligations plus short-term borrowings Debt to Total Capital: debt divided by (debt plus total shareholders' equity) Diluted EPS from Continuing Operations: earnings from continuing operations divided by diluted weighted average shares outstanding Effective Tax Rate from Continuing Operations: provision for income taxes divided by earnings before income taxes and discontinued operations Gain on Sale of CareFusion Stock: realized gains and losses from the sale of the Company's ownership of CareFusion common stock retained in connection with the spin-off Other Spin-Off Costs: costs and tax charges incurred in connection with the Company's spin-off of CareFusion that are not included in restructuring and employee severance, acquisition related costs, impairments and loss on sale of assets and litigation (credits)/charges, net. Other spin-off costs include, among other things, the loss on extinguishment of debt and the income tax charge related to the anticipated repatriation of a portion of cash loaned to the Company's entities within the United States Receivable Days: trade receivables, net divided by (monthly revenue divided by 30 days) Segment Profit: segment revenue minus (segment cost of products sold and segment distribution, selling, general and administrative expenses) Segment Profit Margin: segment profit divided by segment revenue Segment Profit Mix: segment profit divided by total segment profit for all segments Return on Equity: annualized net earnings divided by average shareholders' equity Revenue Mix: segment revenue divided by total segment revenue for all segments

NON-GAAP Net Debt to Capital: net debt divided by (net debt plus total shareholders' equity) Net Debt: debt minus (cash and equivalents) Non-GAAP Diluted EPS from Continuing Operations: non-GAAP earnings from continuing operations divided by diluted weighted average shares outstanding Non-GAAP Diluted EPS from Continuing Operations Growth Rate: (current period non-GAAP diluted EPS from continuing operations minus prior period non-GAAP diluted EPS from continuing operations) divided by prior period non-GAAP diluted EPS from continuing operations Non-GAAP Earnings from Continuing Operations: earnings from continuing operations excluding (1) restructuring and employee severance, (2) acquisition related costs, (3) impairments and loss on sale of assets, (4) litigation (credits)/charges, net, (5) Other Spin-Off Costs and (6) gain on sale of CareFusion stock, each net of tax Non-GAAP Earnings from Continuing Operations Growth Rate: (current period non-GAAP earnings from continuing operations minus prior period non-GAAP earnings from continuing operations) divided by prior period non-GAAP earnings from continuing operations Non-GAAP Effective Tax Rate from Continuing Operations: (provision for income taxes adjusted for (1) restructuring and employee severance, (2) acquisition related costs, (3) impairments and loss on sale of assets, (4) litigation (credits)/charges, net, (5) Other Spin-Off Costs and (6) gain on sale of CareFusion stock) divided by (earnings before income taxes and discontinued operations adjusted for (1) restructuring and employee severance, (2) acquisition related costs, (3) impairments and loss on sale of assets, (4) litigation (credits)/charges, net, (5) Other Spin-Off Costs and (6) gain on sale of CareFusion stock) Non-GAAP Operating Earnings: operating earnings excluding (1) restructuring and employee severance, (2) acquisition related costs, (3) impairments and loss on sale of assets, (4) litigation credits/ (charges), net and (5) Other Spin-Off Costs included within distribution, selling, general and administrative expenses Non-GAAP Operating Earnings Growth Rate: (current period non-GAAP operating earnings minus prior period non-GAAP operating earnings) divided by prior period non-GAAP operating earnings Non-GAAP Return on Equity: (annualized current period net earnings excluding (1) restructuring and employee severance, (2) acquisition related costs, (3) impairments and loss on sale of assets, (4) litigation (credits)/charges, net, (5) Other Spin-Off Costs, (6) CareFusion net earnings in discontinued operations and (7) gain on sale of CareFusion stock, each net of tax) divided by average shareholders' equity adjusted for the \$3.7 billion non- cash dividend issued in connection with the spin-off

SOURCE Cardinal Health