HBA | ACE AWARD
Advancement Commitment Engagement
The Healthcare Businesswomen's Association

BEST EMPLOYERS for Healthy Lifestyles 2012

Chief Executive
BEST COMPANIES FOR LEADERS
2013

ESGR
EMPLOYER SUPPORT OF THE GUARD AND RESERVE
Freedom Award 2013

Cardinal Health: Essential to Care

Select awards in Fiscal 2013

WORKING MOTHER
100 BEST COMPANIES 2013

Gartner Research
#1 Healthcare Supply Chain Organization
Three years in a row
2013, 2012, 2011

nafe TOP COMPANIES FOR EXECUTIVE WOMEN 2012

HUMAN RIGHTS CAMPAIGN FOUNDATION
BEST PLACES TO WORK
2013 for LGBT Equality
100% CORPORATE EQUALITY INDEX

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Cardinal Health:
Investor and Analyst Meeting

Sally J. Curley
Senior Vice President, Investor Relations
December 10, 2013

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The presentations at the Cardinal Health 2013 Investor Day contain forward-looking statements 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," "likely," and similar expressions, and include statements reflecting future results or guidance, statements of outlook and expense 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 competitive pressures in Cardinal Health's various lines of business; the ability to achieve the expected benefits from the AssuraMed acquisition; the timing of generic and branded pharmaceutical introductions and the frequency or rate of pharmaceutical price appreciation or deflation; the non-renewal, early termination or a default under one or more key customer or supplier arrangements or changes to the terms of or level of purchases under those arrangements; uncertainties due to government health care reform including federal health care reform legislation; changes in the distribution patterns or reimbursement rates for health care products and services; and the effects of any investigation or action by any regulatory authority; and changes in the cost of commodities such as oil-based resins, cotton, latex and diesel fuel. 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 and exhibits to those reports. These presentations reflect management's views as of December 10, 2013. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement. In addition, these presentations contain Non-GAAP financial measure. Cardinal Health provides GAAP numbers, definitions and reconciling information in the Financial Appendix at the end of these presentations and on its Investors page at www.cardinalhealth.com. An audio replay of the Cardinal Health 2013 Investor Day will be available on the Investors page at www.cardinalhealth.com.

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Cardinal Health:
Well-balanced. Well-prepared. Well-focused.

George Barrett
Chairman and CEO
December 10, 2013

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Proven track record of success

- ✓ Positioned for future growth in an evolving healthcare landscape
- ✓ Outstanding financial growth based on strong execution and focus on the right strategic priorities
- ✓ Thoughtful deployment of capital and substantial returns for shareholders
- ✓ The talent to make it all happen

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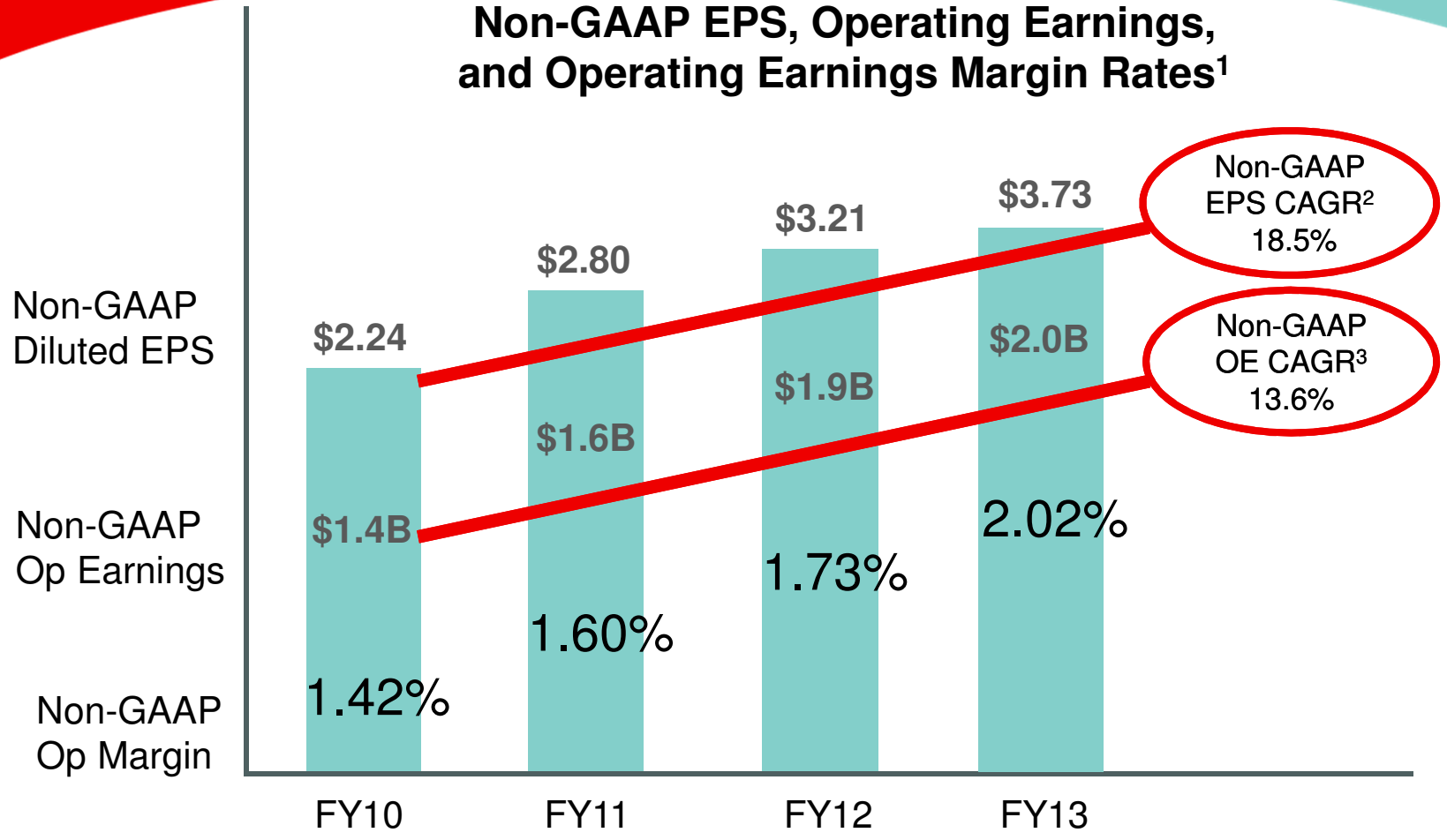
Non-GAAP EPS[1]: Historical trend



[1] *Please see the definitions and reconciling information at the end of this presentation.*
[2] *The CAGR for GAAP diluted EPS from continuing operations from fiscal 2010 to fiscal 2013 was -15.7%.*
[3] *The CAGR for GAAP operating earnings from fiscal 2010 to fiscal 2013 was -8.7%.*

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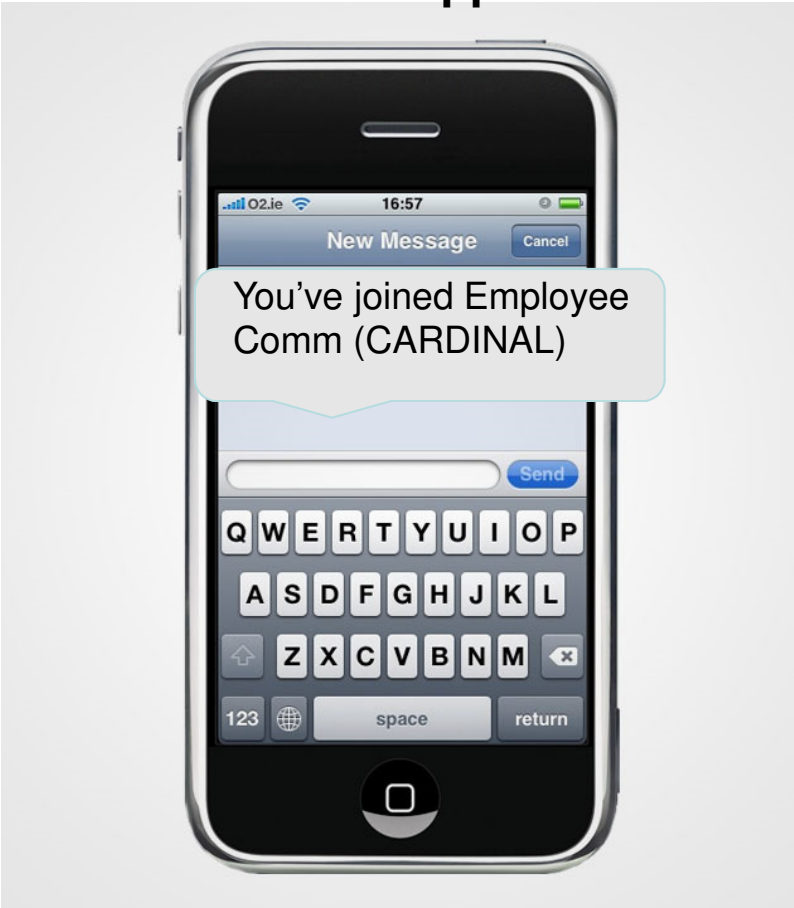
Taking the poll using texting on your cell

What you will text…



What will appear…



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Question:

Which of the following drivers will be most important to Cardinal Health sustaining growth over the next five years?

a. Demographic trends
b. Generics
c. Specialty
d. Preferred medical products
e. Alternate site and home
f. China

TEXT YOUR SELECTION TO **22333**

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Question:

Which of the following drivers are you most concerned about related to Cardinal Health sustaining growth over the next five years?

a. Industry dynamics
b. Sustaining generics
c. Specialty positioning
d. Medical segment overall position
e. Execution on preferred products

TEXT YOUR SELECTION TO **22333**

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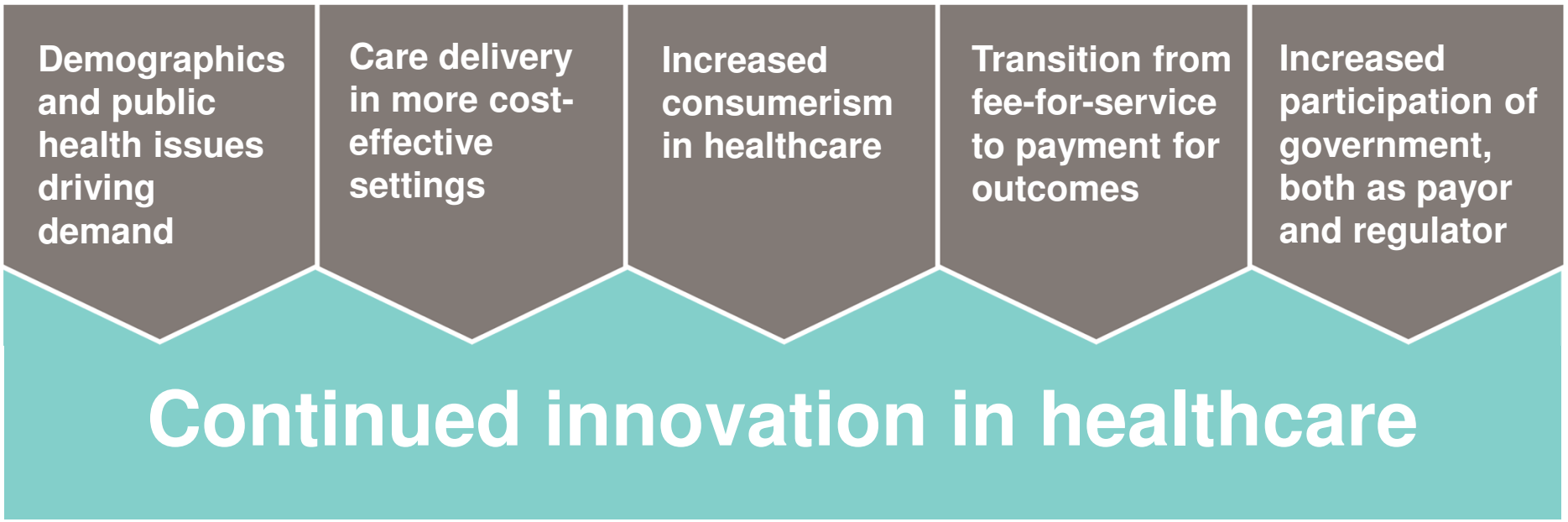
Healthcare trends

Our priorities are driven by key trends in the healthcare marketplace . . .



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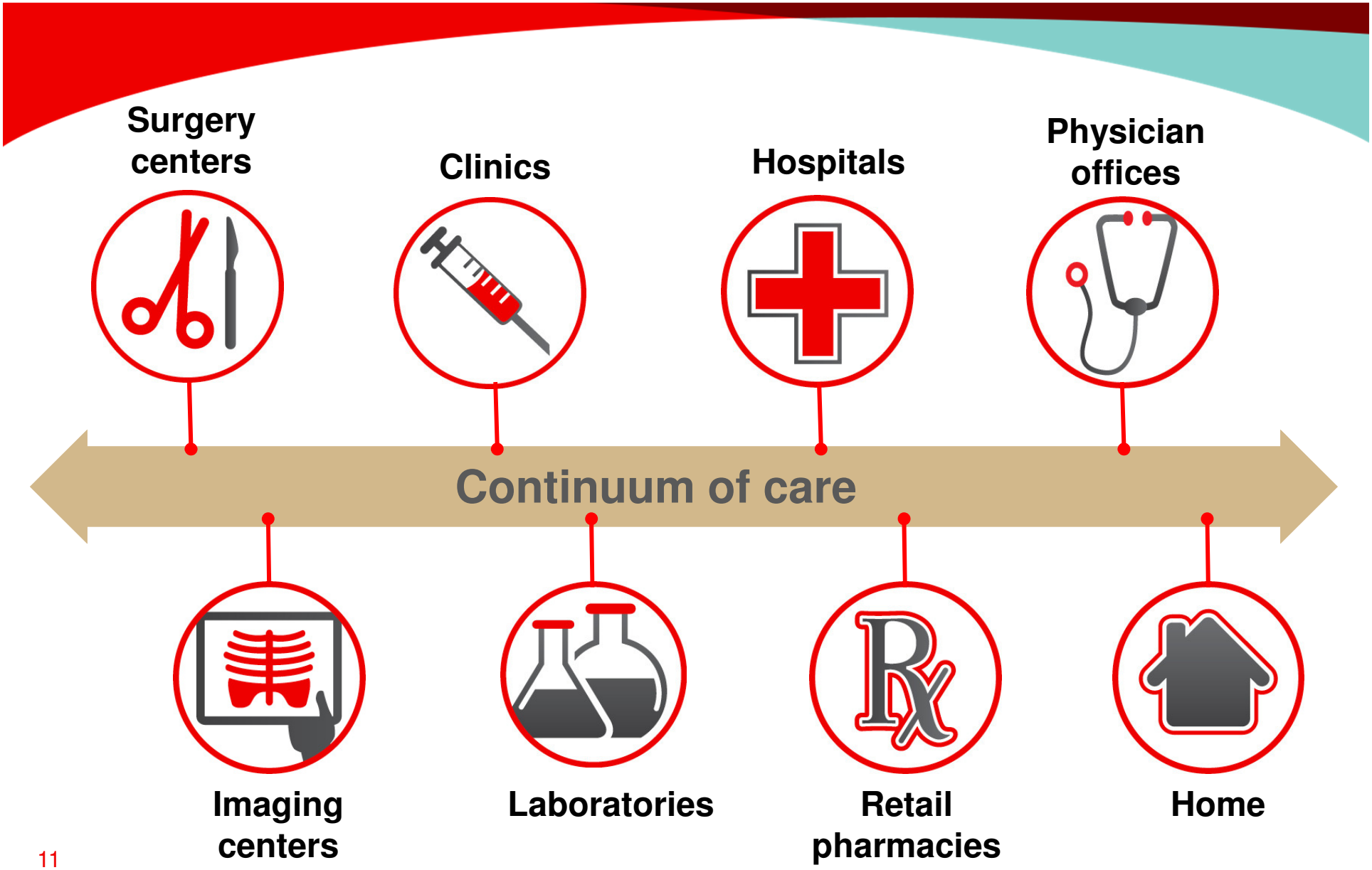
Serving the full continuum of care



Our strategic priorities: Solutions for a system in transition

Generics

- Continue to build scale and capabilities to deliver value in generics
- Tailored programs to a segmented customer base

Specialty and biopharma

- Develop new models to address changing market needs
- Enhance and build programs to create value for providers and biopharma manufacturers

International

- Expand in China, Canada and Puerto Rico
- Continue to evaluate new markets

Health system and hospital solutions

- Reduce IDN pain points with scaled, cost-saving solutions
  - Physician preference products, medical consumables
  - Pharmacy solutions
- Explore additional services

Alternate sites of care

- Expand ability to serve physician offices, ambulatory surgery centers and the home
- Expand product lines and services

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Positioned to support evolving health system needs

Don Casey
CEO, Medical Segment
December 10, 2013

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Why we are excited

- ✓ Extraordinary changes in the healthcare system are **creating unprecedented opportunities** for Cardinal Health
- ✓ **We are uniquely positioned to help health systems** due to the breadth of our product and service solutions
- ✓ These solutions **provide growth and margin expansion** opportunities for Cardinal Health
  - – Expanding portfolio of cost-effective product solutions
  - – Growing set of services across the care continuum

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Acute care environment is changing

- ✓ Reimbursement changes
- ✓ Demographics



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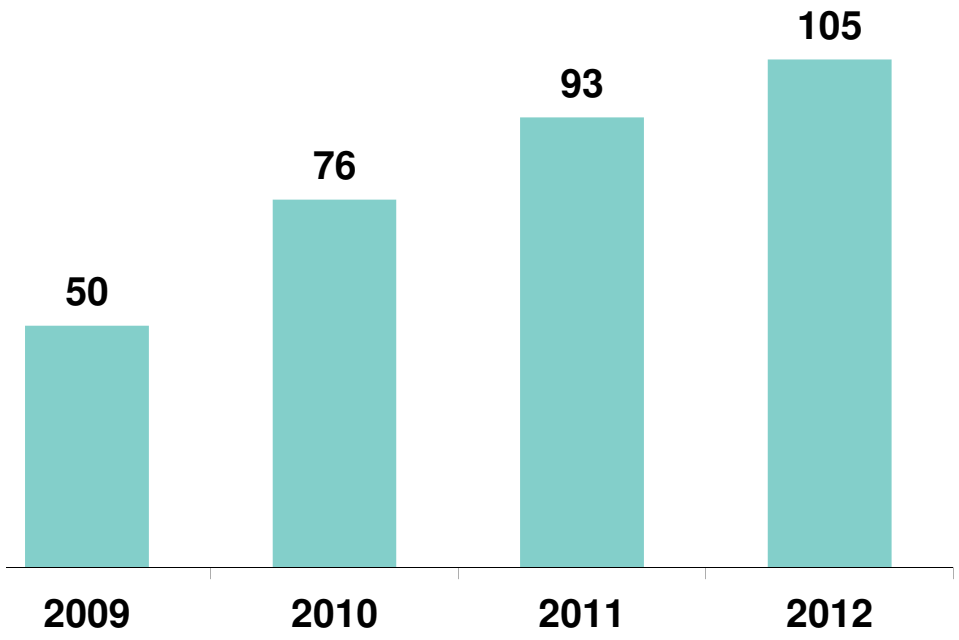
Hospitals are responding by consolidating

Number of hospital M&A transactions



Hospitals also are acquiring physician practices (~50% hospital employed or owned)

Source: Irving Levin Associates

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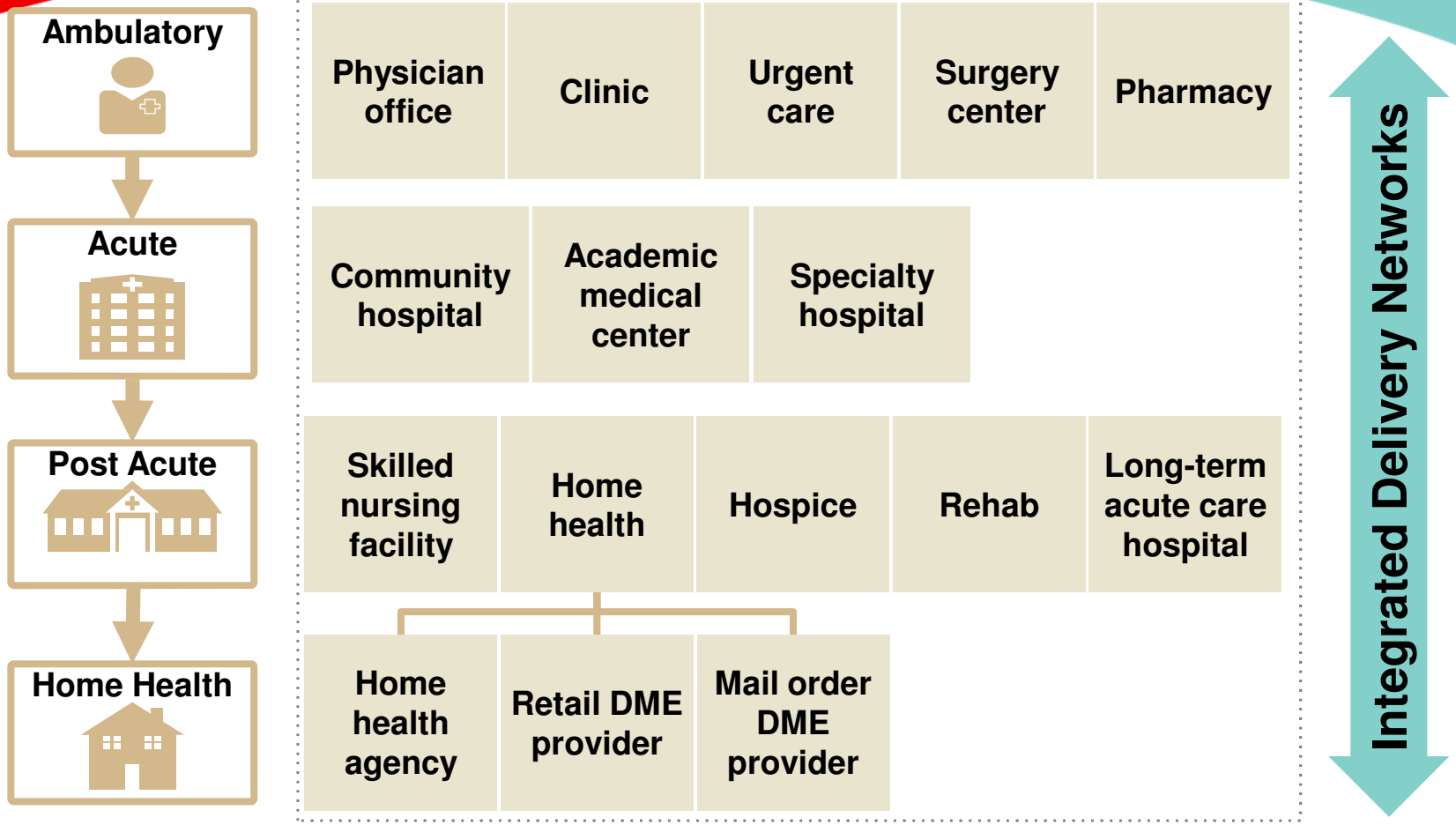
Hospitals are responding by expanding across the care continuum



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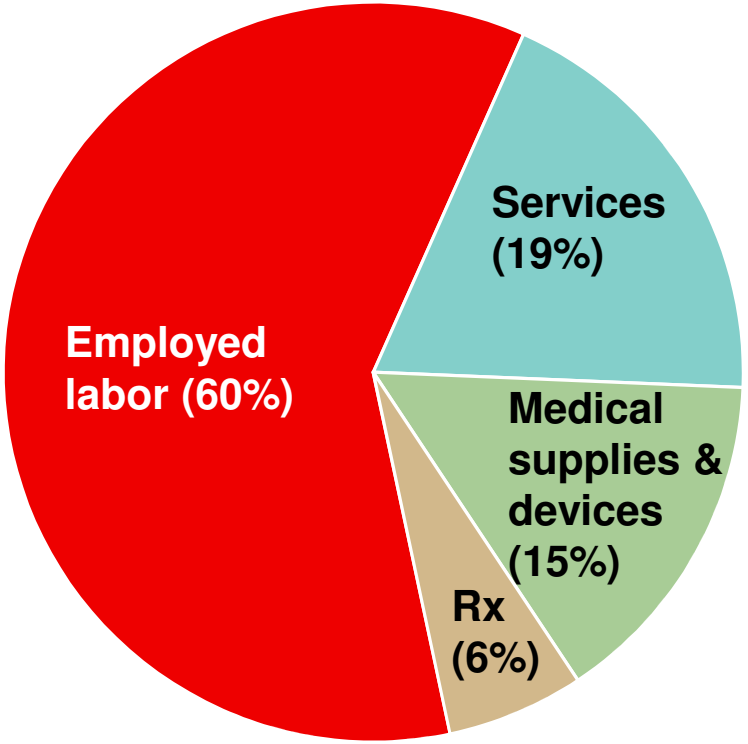
Hospitals are responding by bringing a new mindset

Typical U.S. hospital spend



Source: Cardinal Health estimates

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We are well positioned

Aligning our business in supporting hospital and health system needs:

1. **Increasing the breadth of our consumable product portfolio**, more launches in Q1 than all of last year
2. Launching solutions **focused on reducing the cost of physician preference items**
3. **Expanding our service offerings** through new launches and acquisitions
4. **AssuraMed**: providing a new platform for serving patients in the home
5. Improving our own cost structure to be **more efficient in how we serve our customers**

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Preferred products

Preferred products*

Consumables



Physician preference items



** Manufactured and sourced products*

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Increasing the breadth of our consumables product portfolio







- ✓ Product portfolio offering cost-effective alternatives
- ✓ Expanding the Cardinal Health brand across channels

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Launching solutions focused on reducing the cost of physician preference items

Fracture fixation



Cardinal Health Orthopedic Solutions

- ✓ Product platforms in categories of higher physician preference and low clinical differentiation
- ✓ Focused on driving business model innovation

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Expanding our service offerings

Core capabilities

(Products moving via distribution)

Bulk distribution



ValueLink®



Opportunities

(Products going directly to the providers)

OptiFreight® logistics



RFID solutions



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Serving patients in the Home

Michael Petras
President, AssuraMed
December 10, 2013

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Why we like the HOME

- ✓ Most cost-effective care setting
- ✓ Rapidly growing area
- ✓ We have a leading platform in a fragmented category
- ✓ Increasingly critical to our hospital customers care delivery plans
- ✓ Direct-to-patient capability

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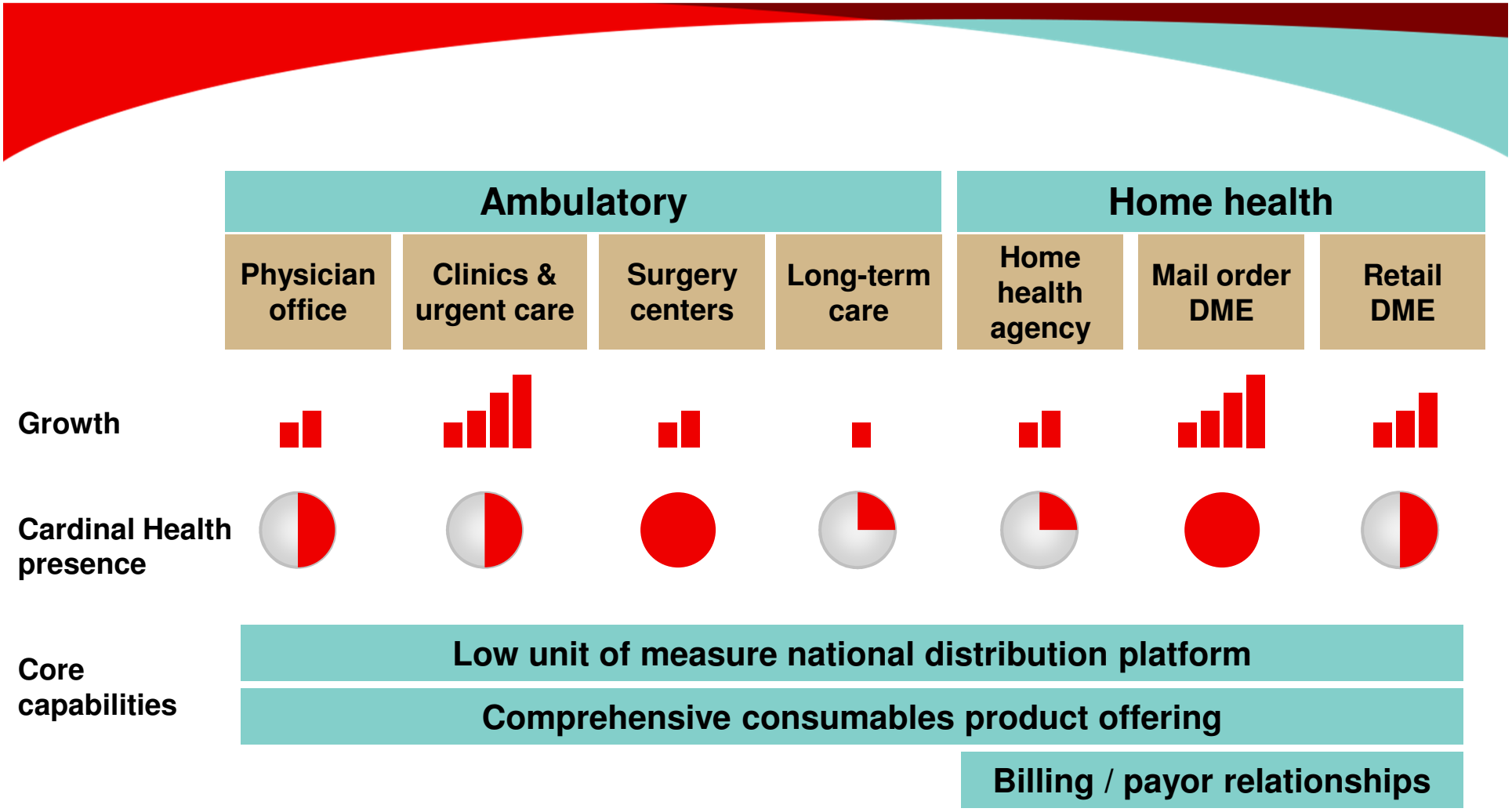
Growing presence in alternate sites of care



Source: Freedonia, HIDA

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AssuraMed supports care in the home

	edgepark Medical Supplies	Independence Medical
Business model	• Direct patient orders received and fulfilled by Edgepark (direct to home) • Broad diversified referral network	• Patient orders placed with third-party providers and fulfilled by Independence Medical to the home
Paying customers	• Managed care (“MCO”) • Medicare • Individual patients	• Durable medical equipment (“DME”) providers • Retail pharmacies • Wholesale distributors • Home health agencies
Disposable medical supplies	**Over 40,000 SKUs** • Ostomy • Diabetes testing • Enteral nutrition • Wound care • Insulin infusion • Urological • Incontinence • Respiratory • Devices • Skin care • Health and personal wellness	
National distribution footprint	**Distribution centers in 10 states with ability to reach 72% of the U.S. next day and 99% in two days**	

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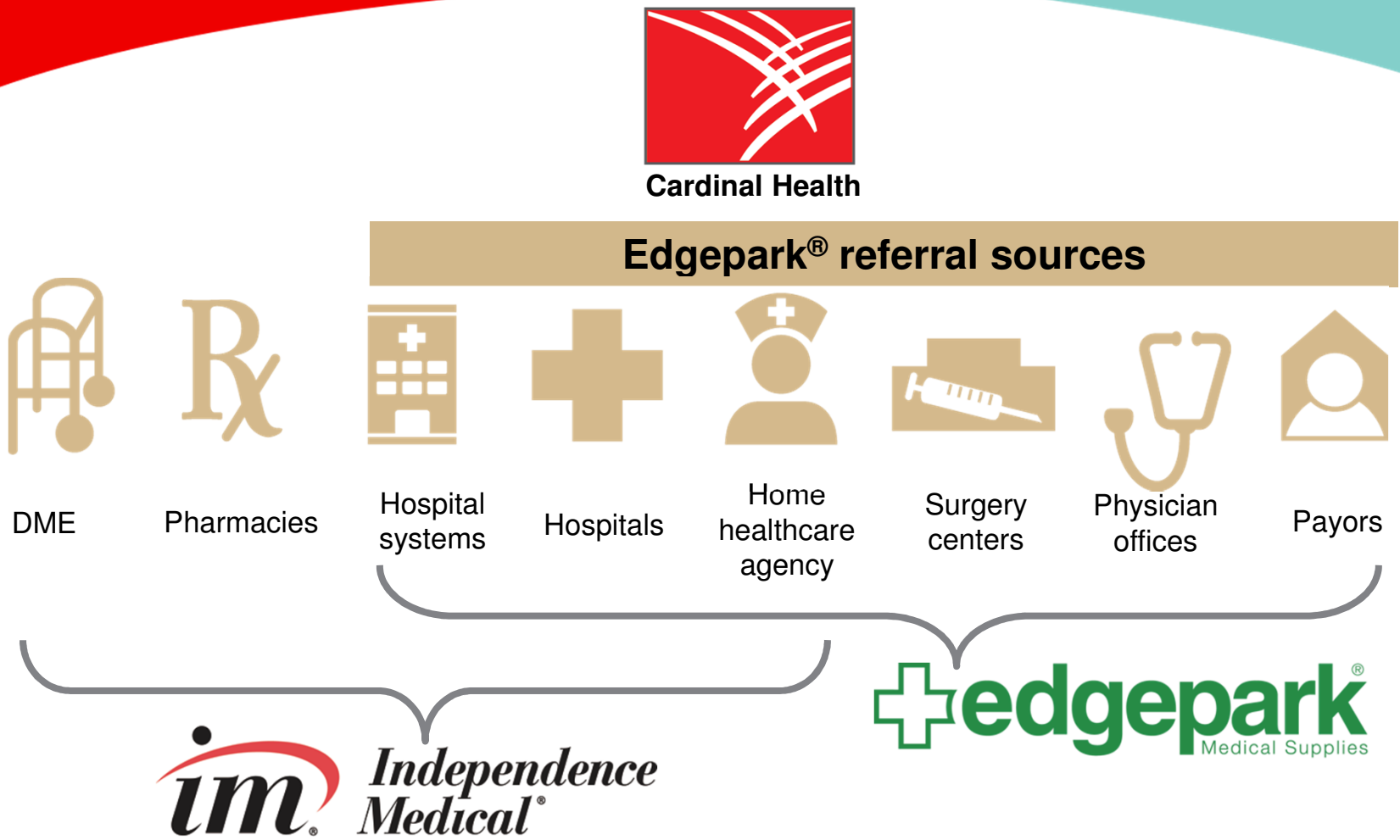
Opportunities extend across the care continuum



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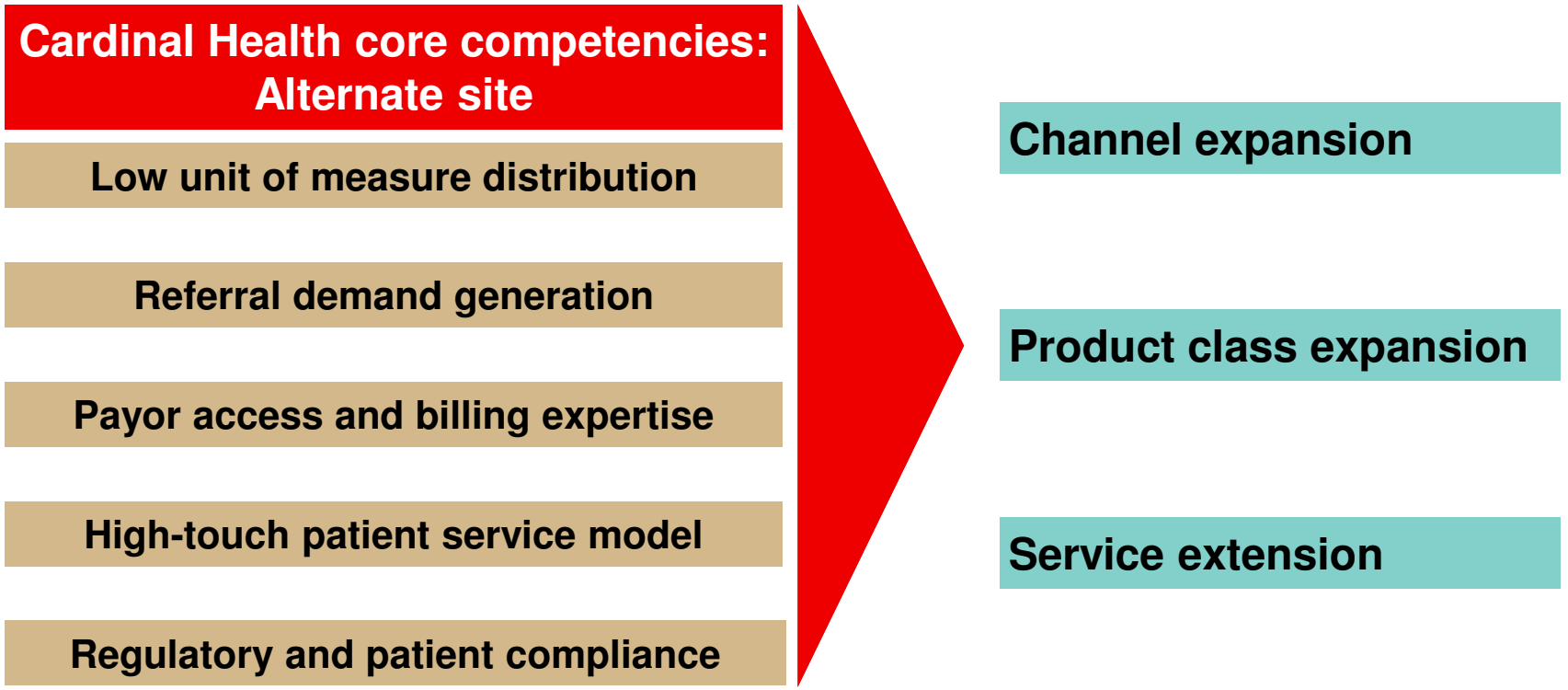
Core competencies create many growth options



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AssuraMed integration and value realization

Increasing shareholder value

Sales	✓ Retail independent pharmacies ✓ Health systems ✓ Pharmacy benefit managers
Product	✓ Cardinal Health brand penetration ✓ Enterprise sourcing
Cost	✓ Freight and logistics savings ✓ Distribution network ✓ Back-office
Platform	✓ Low unit of measure distribution ✓ New customer segments ✓ Business development

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Our aspiration

By the end of FY17:

- ✓ Deliver **45%** of segment gross profit from **preferred product** sales
- ✓ Increase our income from the **home** platform by **>50%**
- ✓ Deliver **>70%** of segment gross profit from our **preferred products, services**, and **alternate site solutions**

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Why we are excited

- ✓ Extraordinary changes in the healthcare system are **creating unprecedented opportunities** for Cardinal Health
- ✓ **We are uniquely positioned to help health systems** due to the breadth of our product and service solutions
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  - – Growing set of services across the care continuum

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Q&A panel

Moderator: Jeff Henderson, CFO
Lisa Ashby, President, Medical Devices and Diagnostics
Don Casey, CEO, Medical Segment
Mike Duffy, President, Medical Consumables
Michael Petras, President, AssuraMed

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International and China

Jeff Henderson
Chief Financial Officer
December 10, 2013

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Cardinal Health's international strategy

1. Near term, primary focus will be investing for growth in China, building off our existing strong base

2. Continue to leverage platforms in Puerto Rico and Canada

3. Evaluate opportunities in select new markets, considering risk / financial returns, growth potential and Cardinal Health value-add

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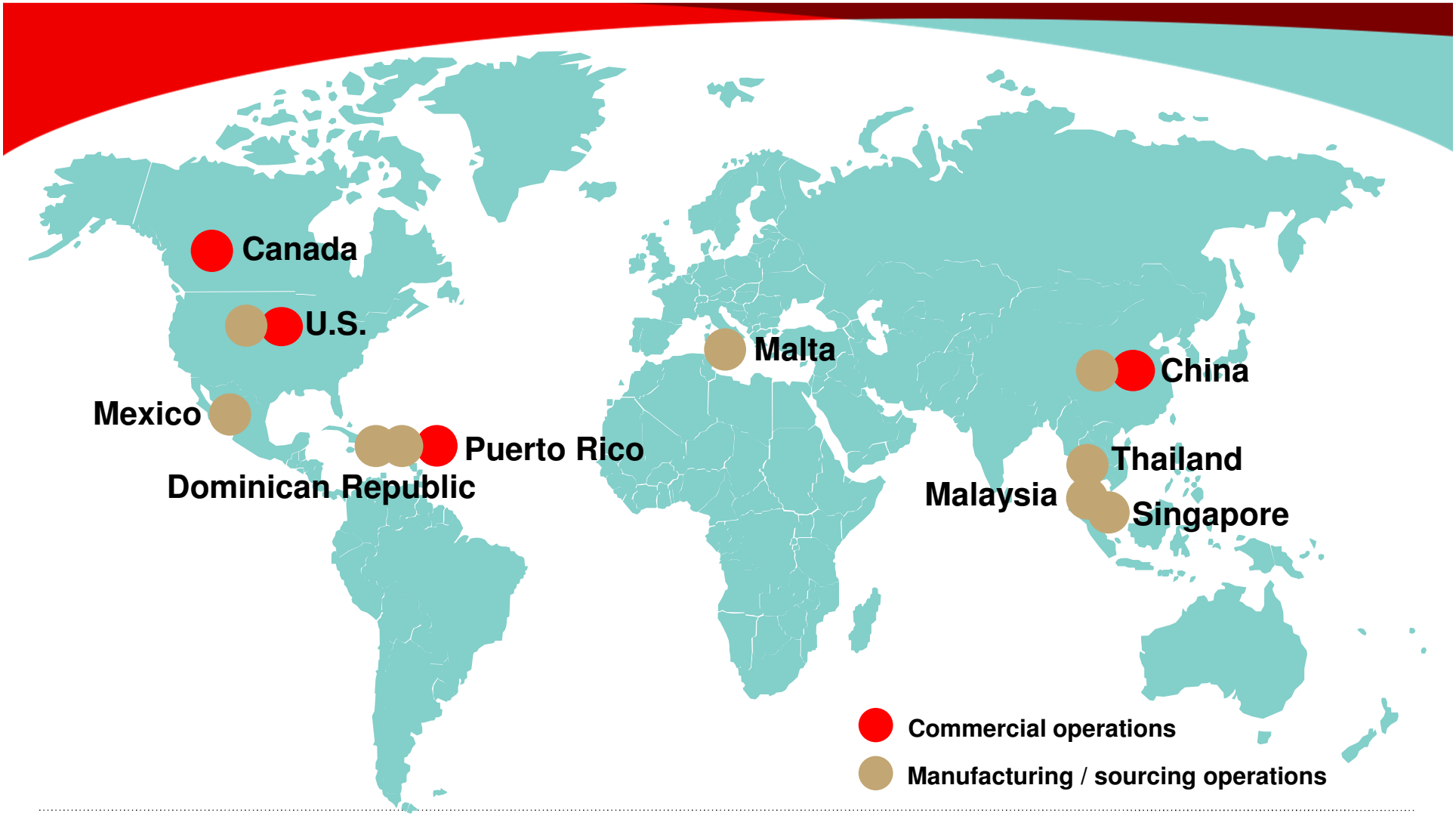
Cardinal Health: A select global presence



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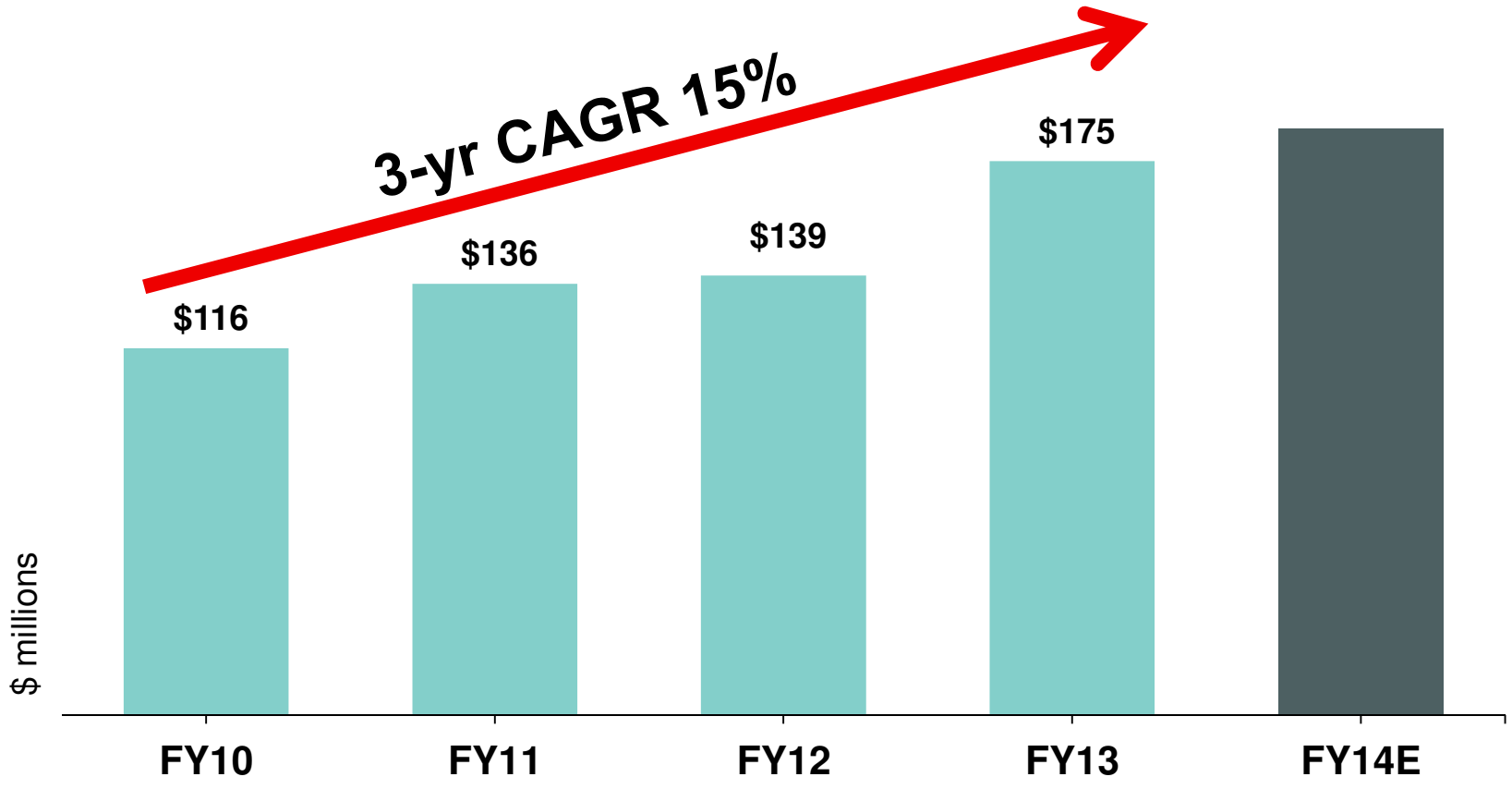
Segment profit from international: Historical trend



Note: Acquired Cardinal Health China (Yong Yu) in FY11.

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What we said in December 2010

China: Future opportunities

- Initial focus will be on expanding pharmaceutical distribution presence, particularly Local Direct Distribution (LDD) business ✓
- Over time, we will explore:
  - Med/Surg expansion ✓
  - Nuclear pharmacy ✗
  - Hospital pharmacy management ✓
  - Retail pharmacy as it evolves ✓
  - Specialty opportunities ✓

  And much more ✓

Participation in consolidation will play a key role in long-term growth

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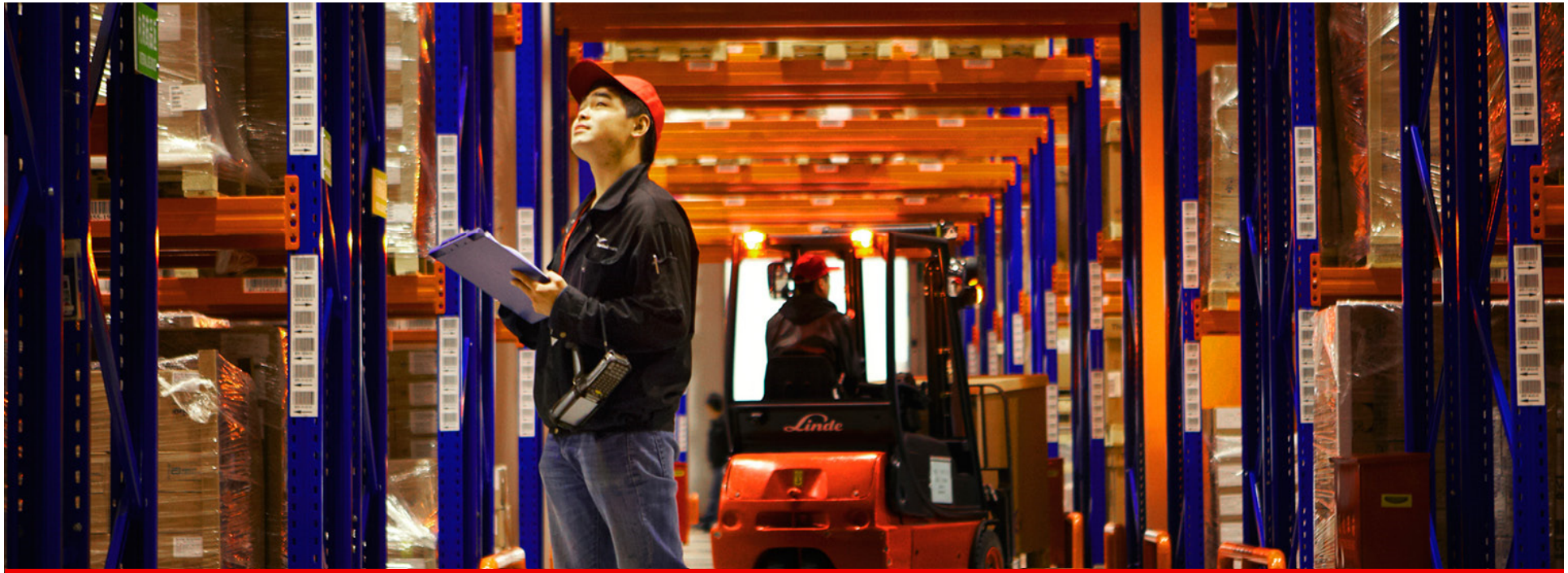

China: The future is now

Eric Zwisler
President, China
December 10, 2013

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Current market dynamics

- ✓ **Demographics**
  - Aging population
  - Rapidly developing diseases
- ✓ **Healthcare policy reform**
  - National insurance penetration
  - Hospital reform
  - Separation of prescribing and dispensing
- ✓ **Government policies**
  - Anti-corruption
  - Price reductions
  - Distribution policy driving consolidation

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Tenets of our China strategy

- ✓ **Broaden our geographic reach** by acquiring local direct distribution companies thus establishing a national platform
- ✓ **Layer additional Cardinal Health businesses and services** onto the pharmaceutical distribution network/platform
  - Tailor Cardinal Health existing services for the China market
- ✓ **Establish the Cardinal Health brand** and market-leading capabilities to create growth and opportunities

Cardinal Health China is your trusted, go-to-market partner. We enable healthcare in China by providing essential world-class healthcare services and products.

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Rapid progress since acquisition

	At acquisition (FY11)	Now
Revenue	~$1B	~$2.5B (FY14E)
Employees	~700	~2,000
Local wholesaling companies	5	10
Number of distribution centers	7	13
Specialty retail pharmacies (DTP[1])	--	28

[1] *Direct-to-patient pharmacies as of December 3, 2013.*

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Rapid progress since acquisition

At acquisition (FY11)

Capabilities

- Third-party logistics
- Distribution (national)
- Local wholesaling (5 cities)

Product lines

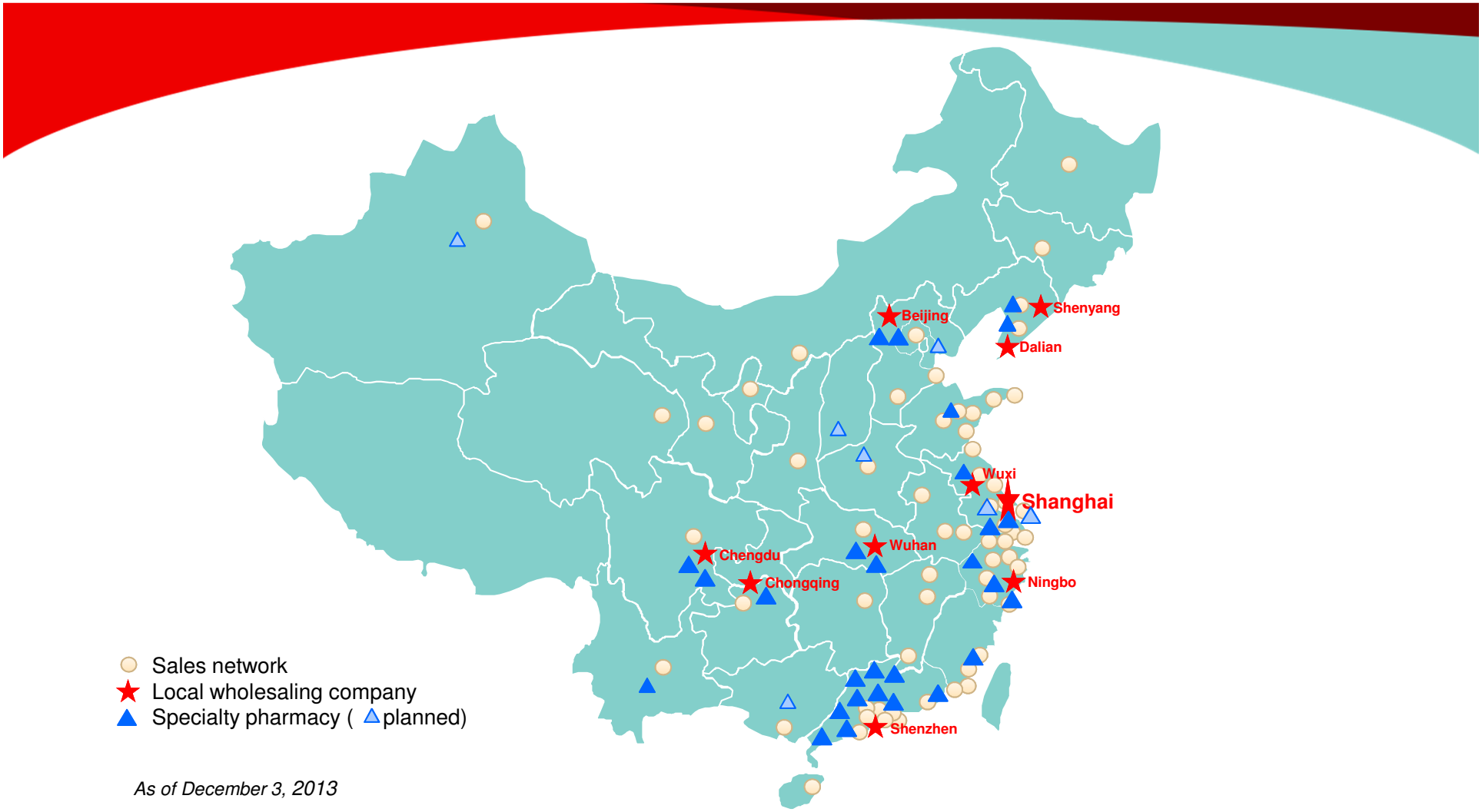
- Prescription pharmaceuticals
- OTC
- Clinical trial material

Now

- **Third-party logistics**
- **Distribution (national)**
- **Local wholesaling (10 cities)**
- **Specialty retailing**
- **Product promotion**
- **E-commerce (B2B, B2C)**
- **Data analytics**
- **Hospital pharmacy services**
- **Software solutions**

- **Prescription pharmaceuticals**
- **OTC**
- **Clinical trial material**
- **Consumer health**
- **Medical device**
- **Medical consumables**
- **Diagnostics**
- **Nutritional**
- **Vaccines**
- **Biologics**
- **Blood products**

Geographic expansion



As of December 3, 2013

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Specialty pharmacy (DTP) services

- ✓ **Unique, integrated, scalable business**
  - Non-reimbursed, high value prescription pharmaceuticals
  - Website and call center driving dispensing to retail platform
  - Accelerated by acquisition of profitable local industry leader
- ✓ **Patient-centric services**
  - Disease-state focused
  - Total care center
  - Adherence programs



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Growing into the future

- ✓ **Broaden geographic reach**
  - Expand from 10 to ~25 local wholesaling companies through tuck-in acquisitions
  - Expand from 28 to over 50 DTP specialty pharmacies
- ✓ **Expand direct-to-patient for chronic care**
  - Focus on disease-centric, patient support model
- ✓ **Invest in innovative healthcare solutions**
  - Hospital and retail pharmacy focused
  - High technology and complexity
  - Brand based
- ✓ **Accelerate brand recognition**

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Coffee break

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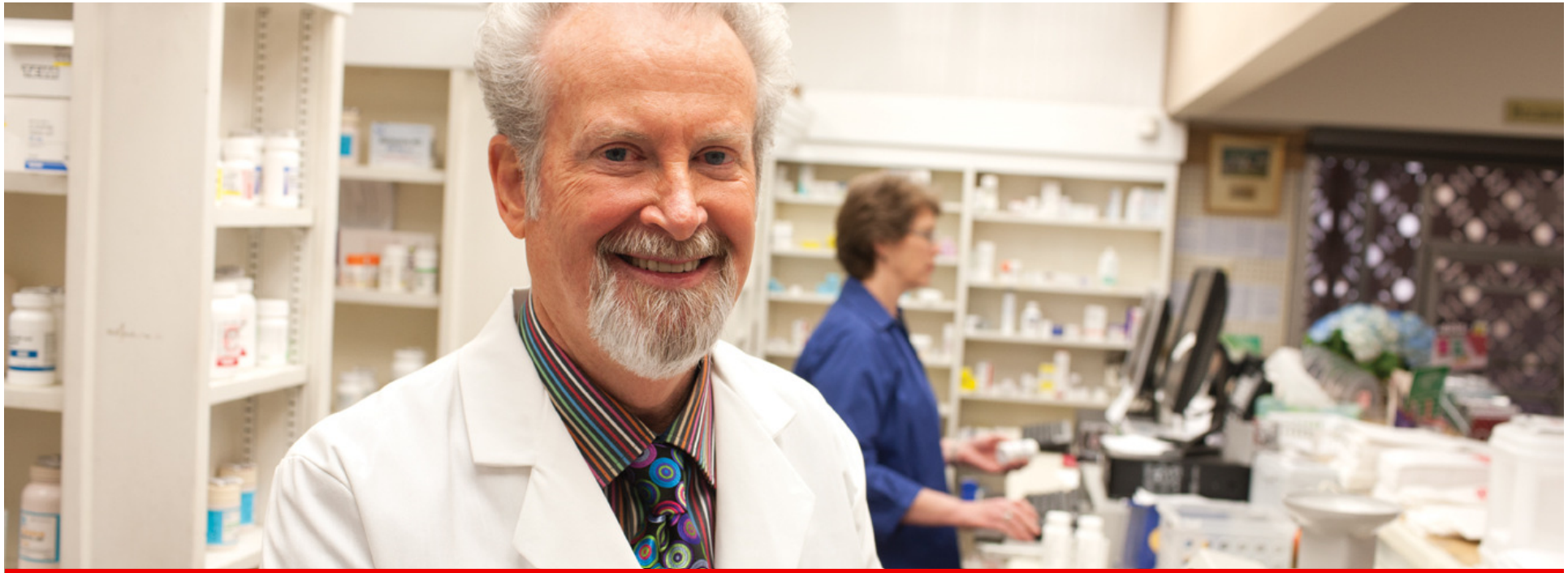

Pharmaceutical: A proven track record of success

Mike Kaufmann
CEO, Pharmaceutical Segment
December 10, 2013

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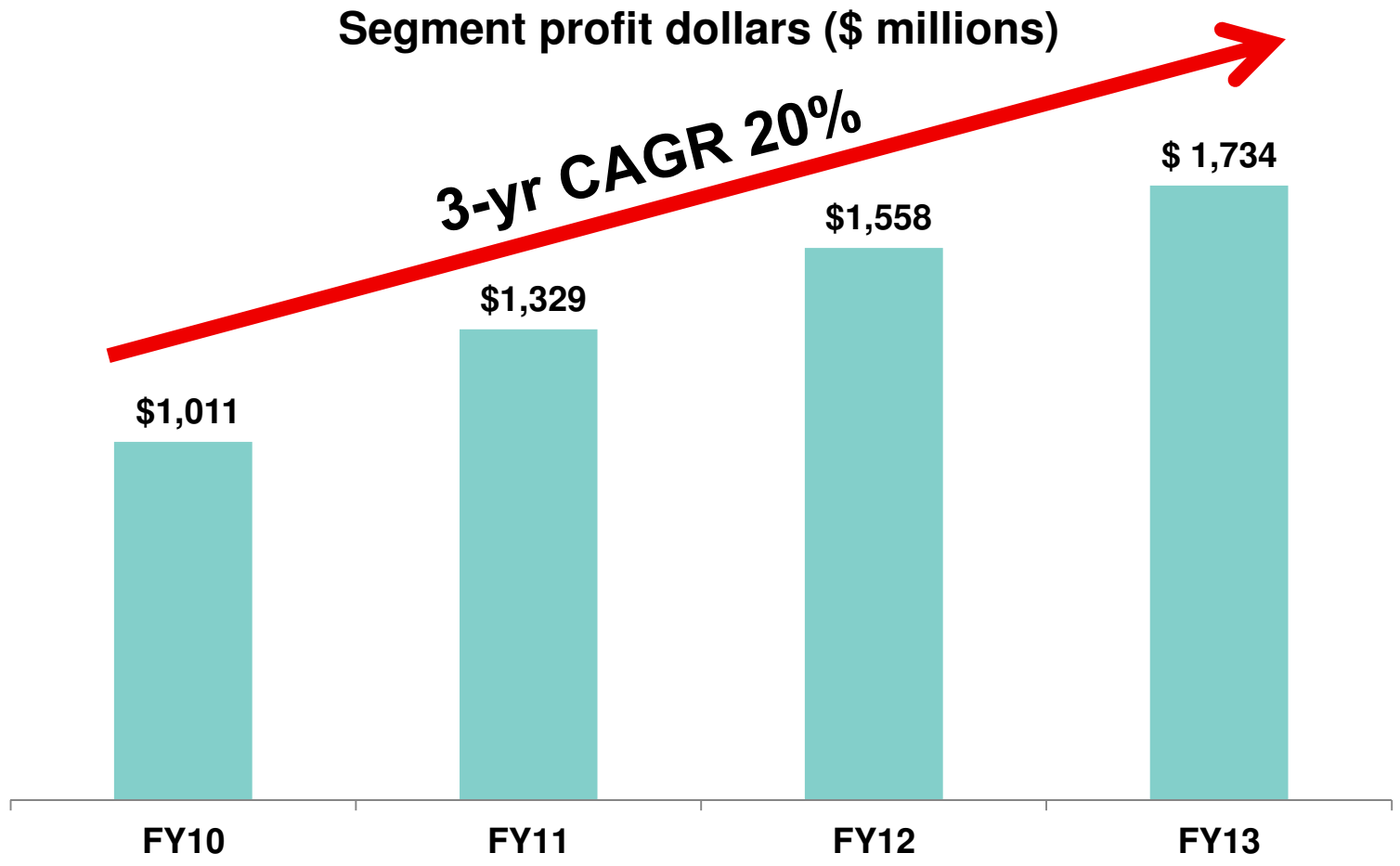
We have delivered on our commitments



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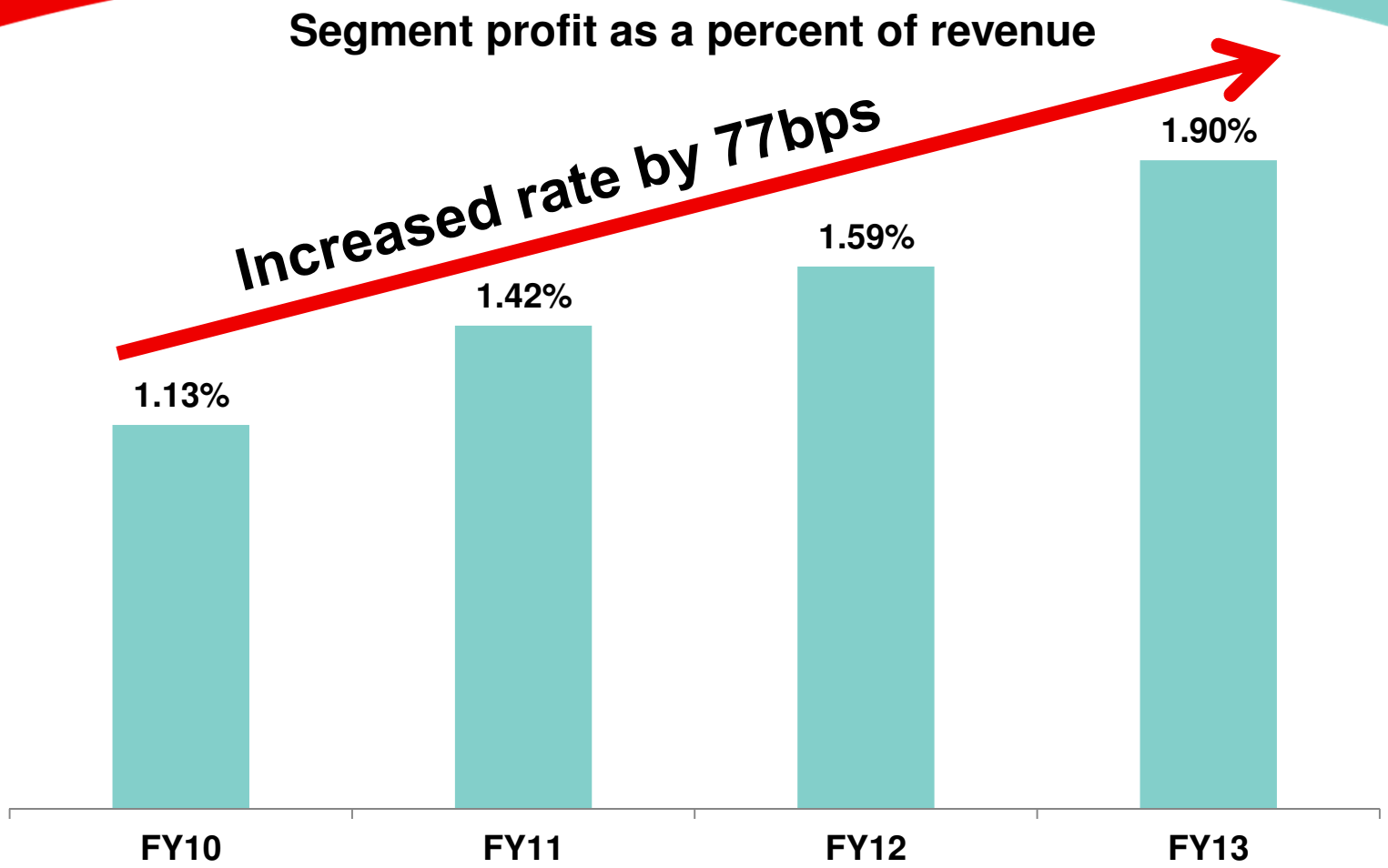
We have delivered on our commitments



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Through a focus on four key drivers

1. Execute with relentless discipline and excellence
2. Diversify customer base
3. Grow generic volumes and margins
4. Invest and grow Specialty

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Specialty and biopharma:
Strategic positioning in an evolving landscape

Meghan FitzGerald
President, Specialty Solutions
December 10, 2013

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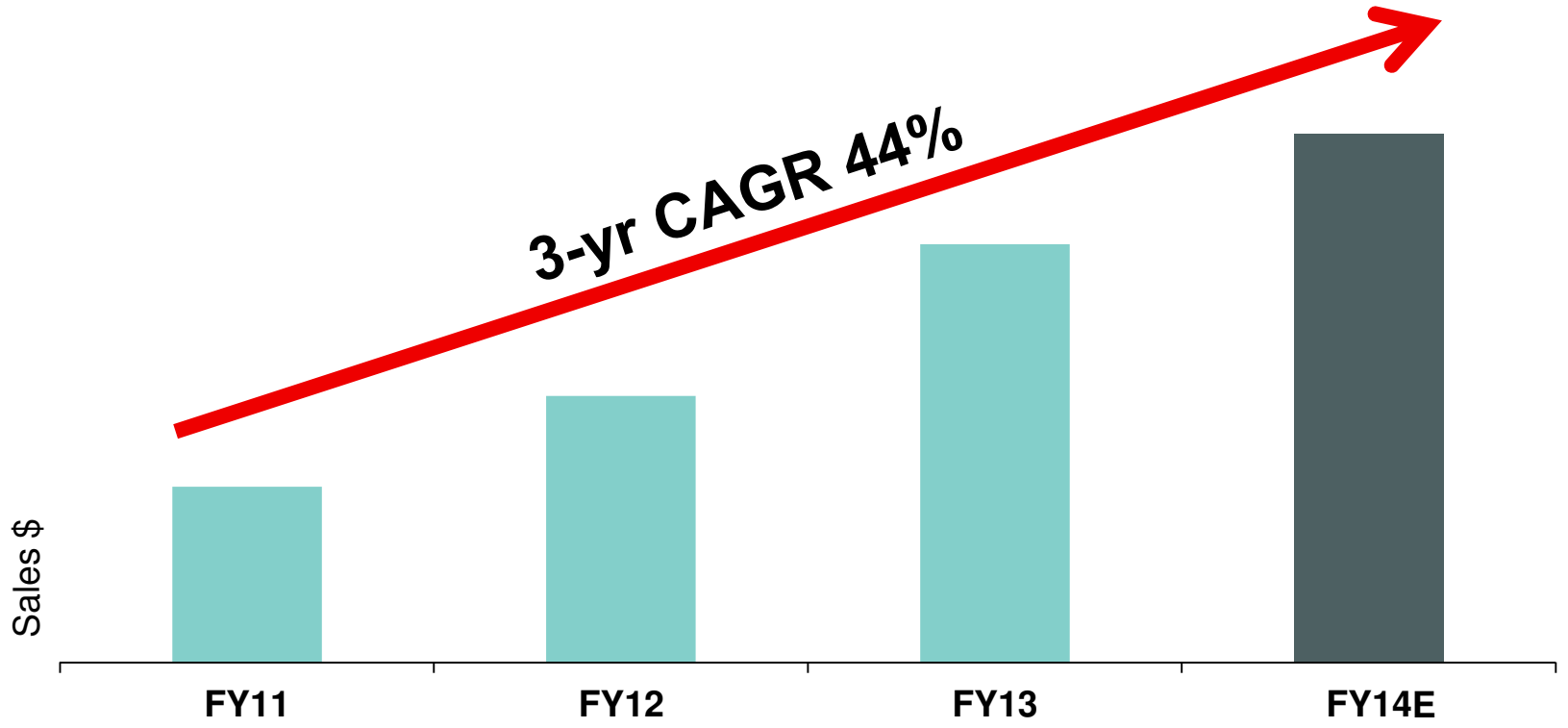
Strong annual sales growth



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The specialty landscape is evolving and demands greater value



Financial forces

- Demographics
- Medicine cost
- Risk sharing

Science evolving

- Targeted therapy
- Niche populations
- Genomic pathways

Access

- Reimbursement
- Clinical patient support
- Specialty pharmacy

Connectivity

- Collaborative payors and providers
- Patient-level data
- Consumerism

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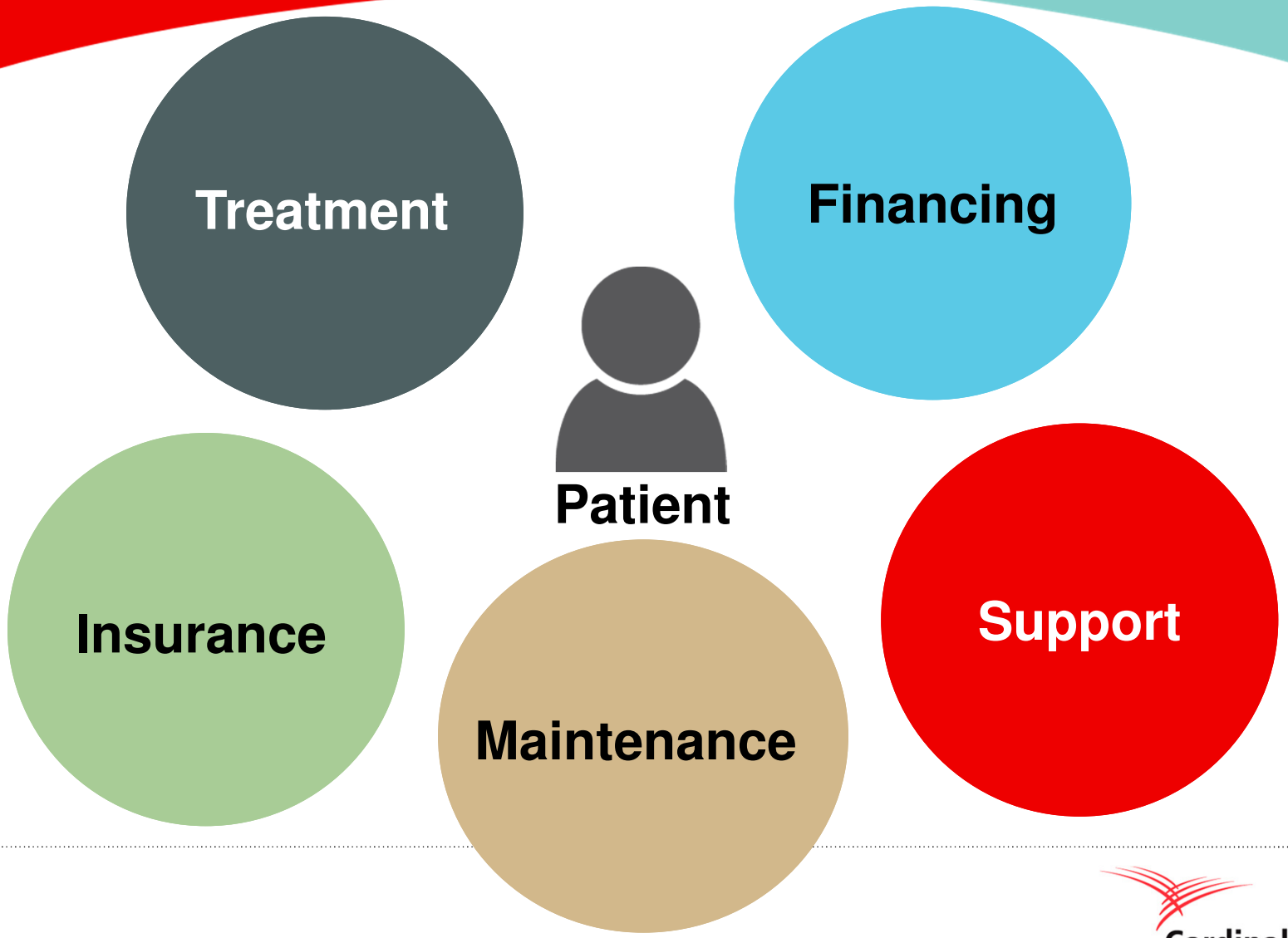
Innovative medicine changes lives



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We add value by connecting stakeholders to better serve specialty patients

Payors

Integrating clinical pathways with **Specialty Pharmacy** will enable payors and providers to **improve patient care** while reducing the cost of care

Providers

Proven 20+ year **track record** in specialty distribution, increasing **scale** with community specialists through **innovative** offerings



Patient

Biopharma

Investing in assets and capabilities **essential to biopharma's success** in the changing specialty therapeutics market

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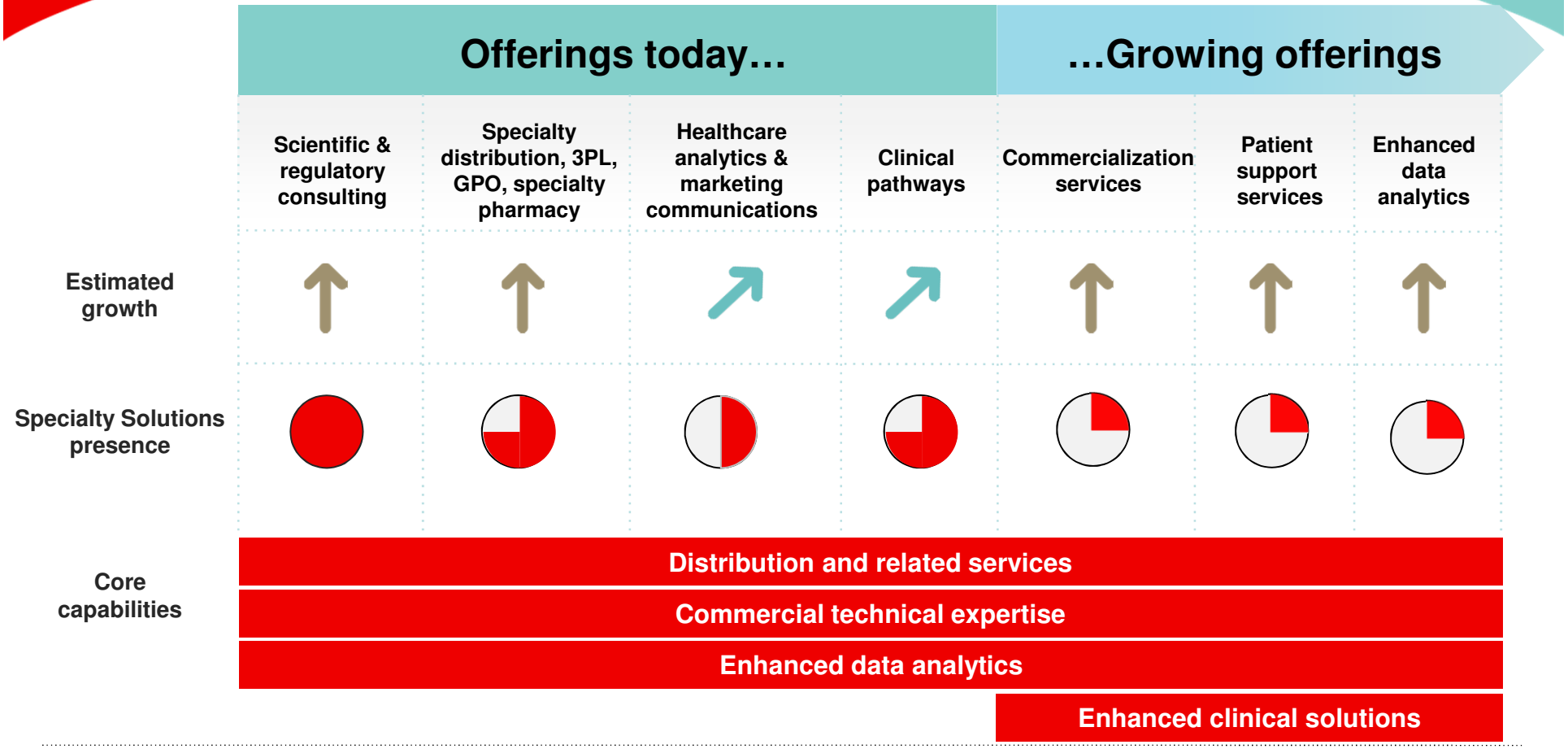
The right medicine, for the right patient, at the right time



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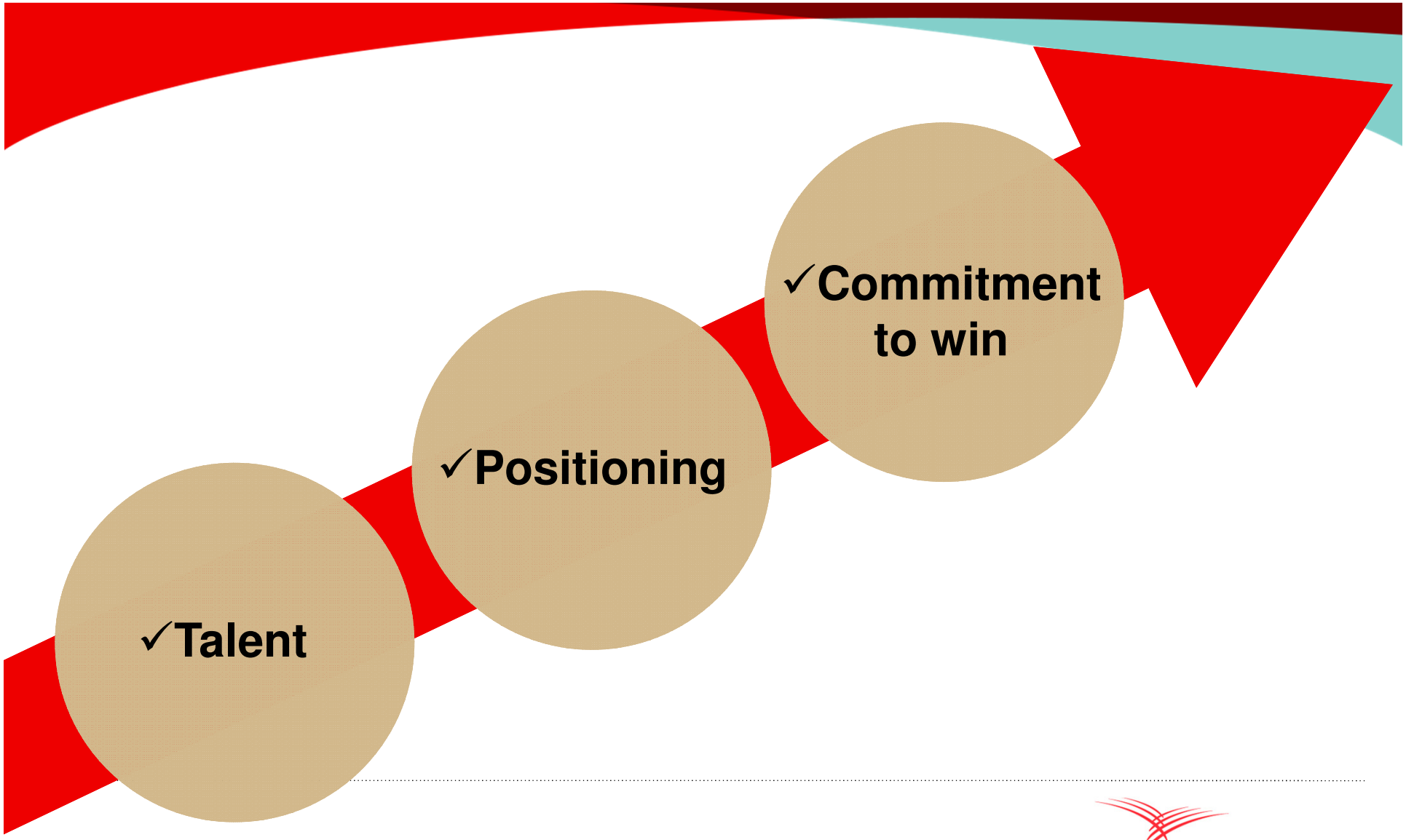
Specialty and biopharma



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Q&A panel

Moderator: Jeff Henderson, CFO
Meghan FitzGerald, President, Specialty Solutions
Scott Howell, M.D., Senior Vice President, Clinical Solutions
Eric Zwisler, President, Cardinal Health China

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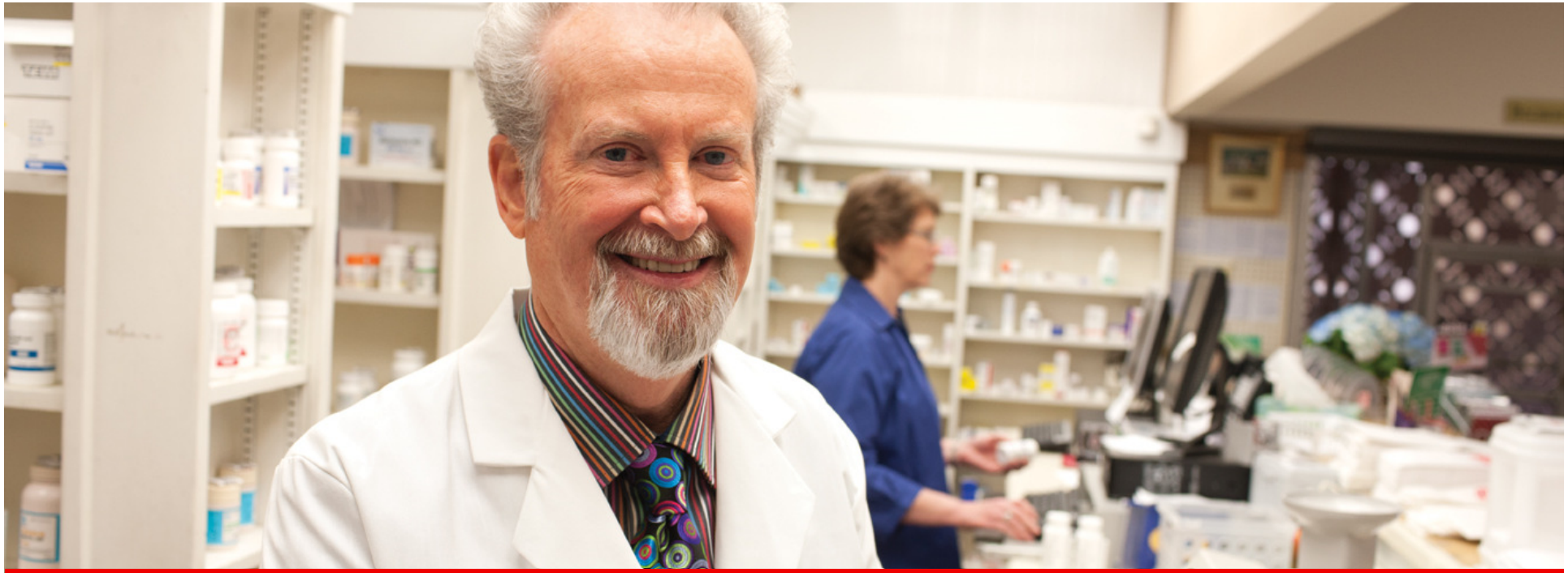

Pharmaceutical: A proven track record of success

Mike Kaufmann
CEO, Pharmaceutical Segment
December 10, 2013

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Key highlights on execution since FY10

- ✓ Diversified customer base: nearly **doubled** the number of **retail independents** we serve
- ✓ Adjusted service levels **exceed 99%**
- ✓ **Warehouse efficiencies** have improved by **over 13%**
- ✓ SG&A as a percent of GM has **decreased by 8 pp**
- ✓ **Return on tangible capital** has more than **doubled***

** Excludes Cardinal Health China*

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Our retail offering is best-in-class

- ✓ **Leading generic program** in breadth of line and overall customer value
- ✓ **Best-in-class** inventory management software
- ✓ **Comprehensive and innovative offerings** in DME, consumer health products and store marketing programs
- ✓ **Experienced and highly qualified** pharmacy transition services team

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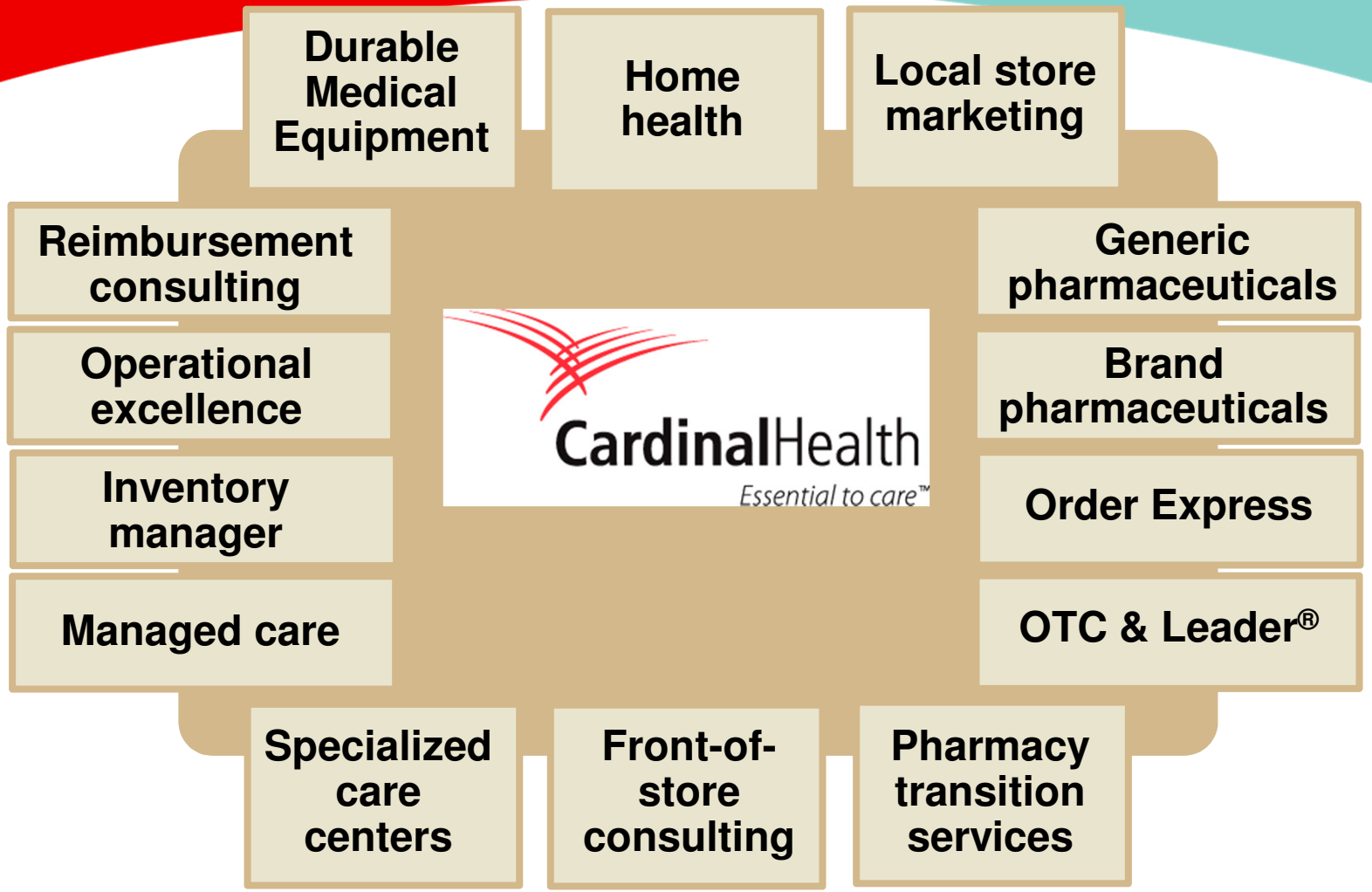
Product and service offering:

Retail pharmacy



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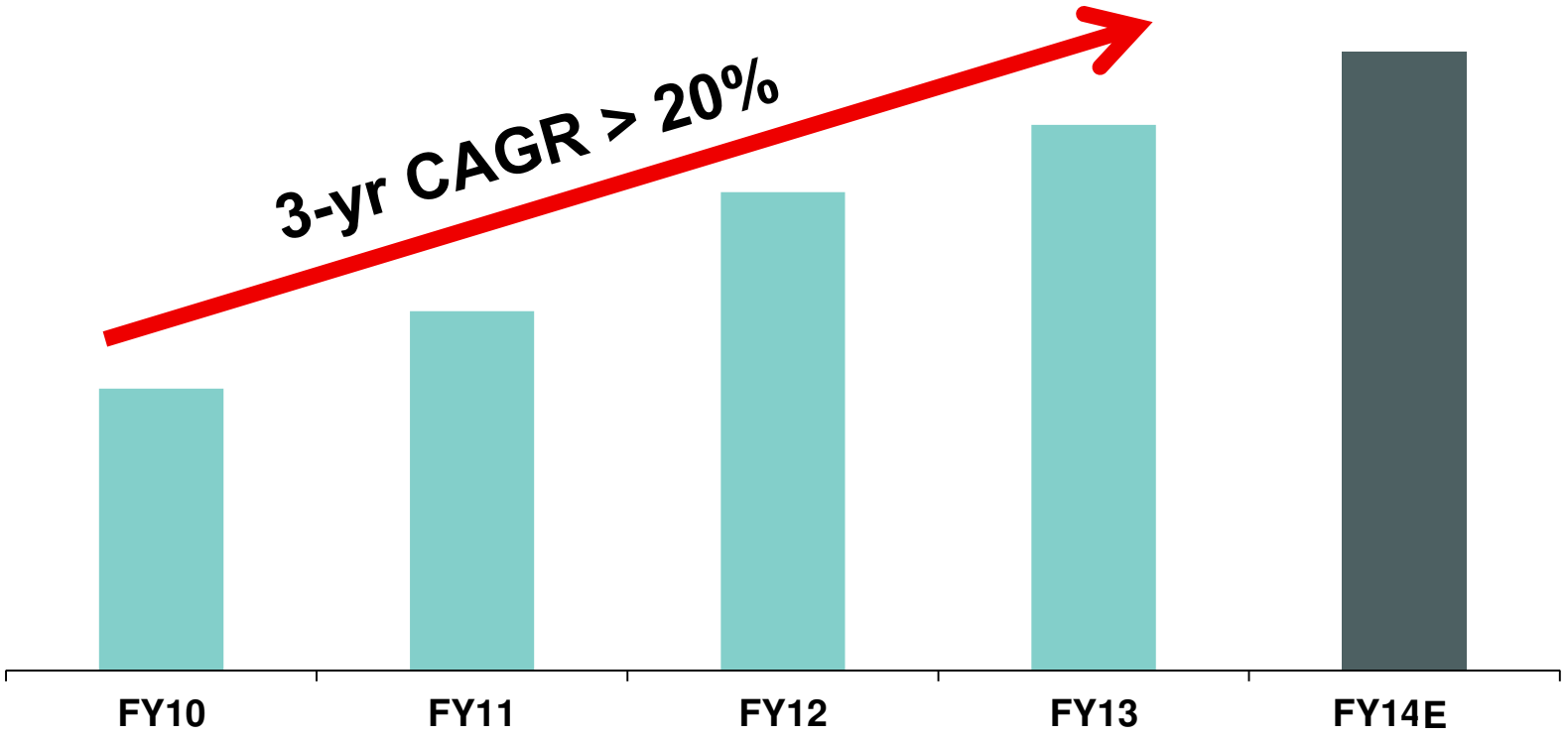
Source generic sales dollars



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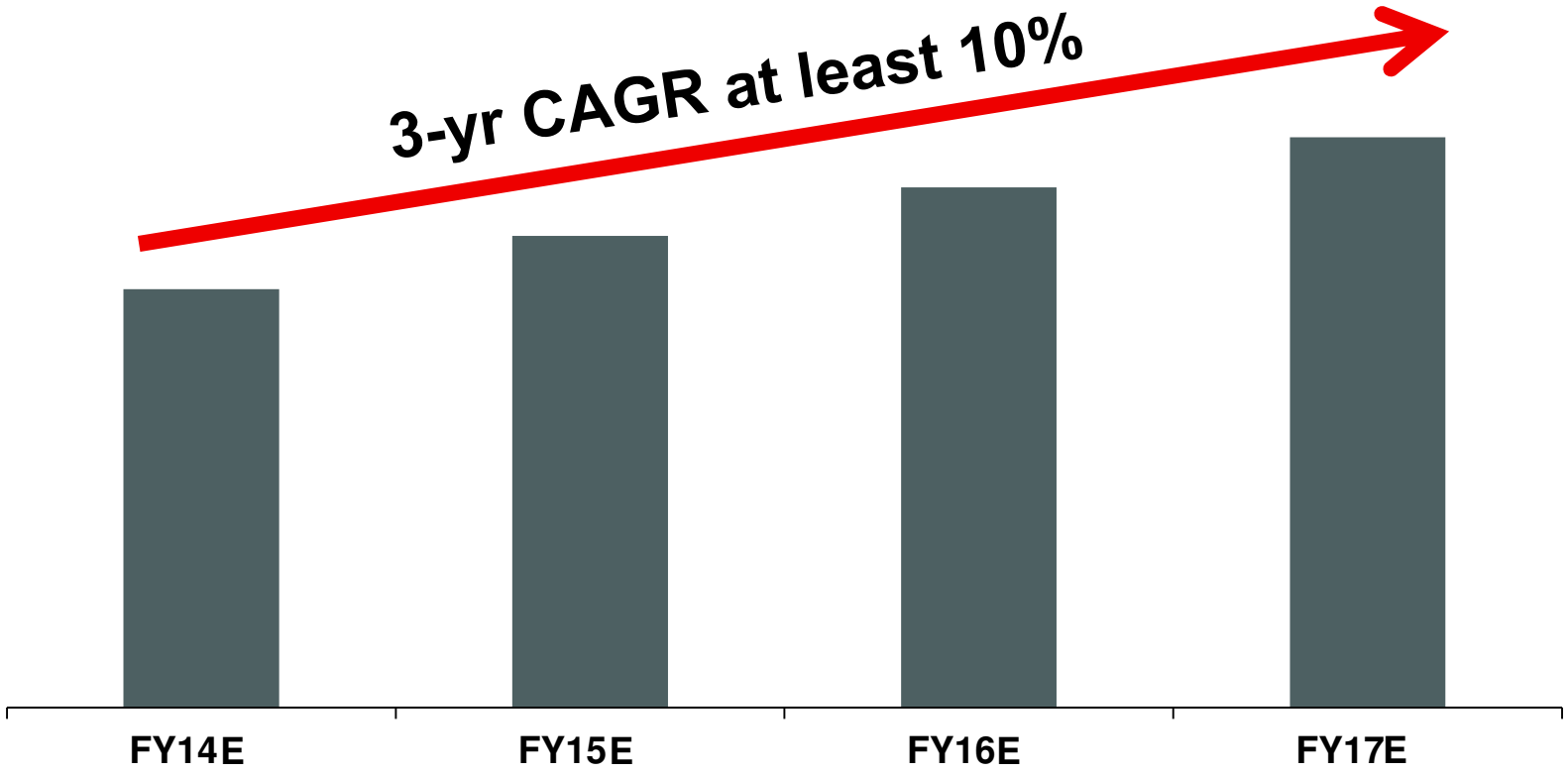
Source generic margin dollar goal



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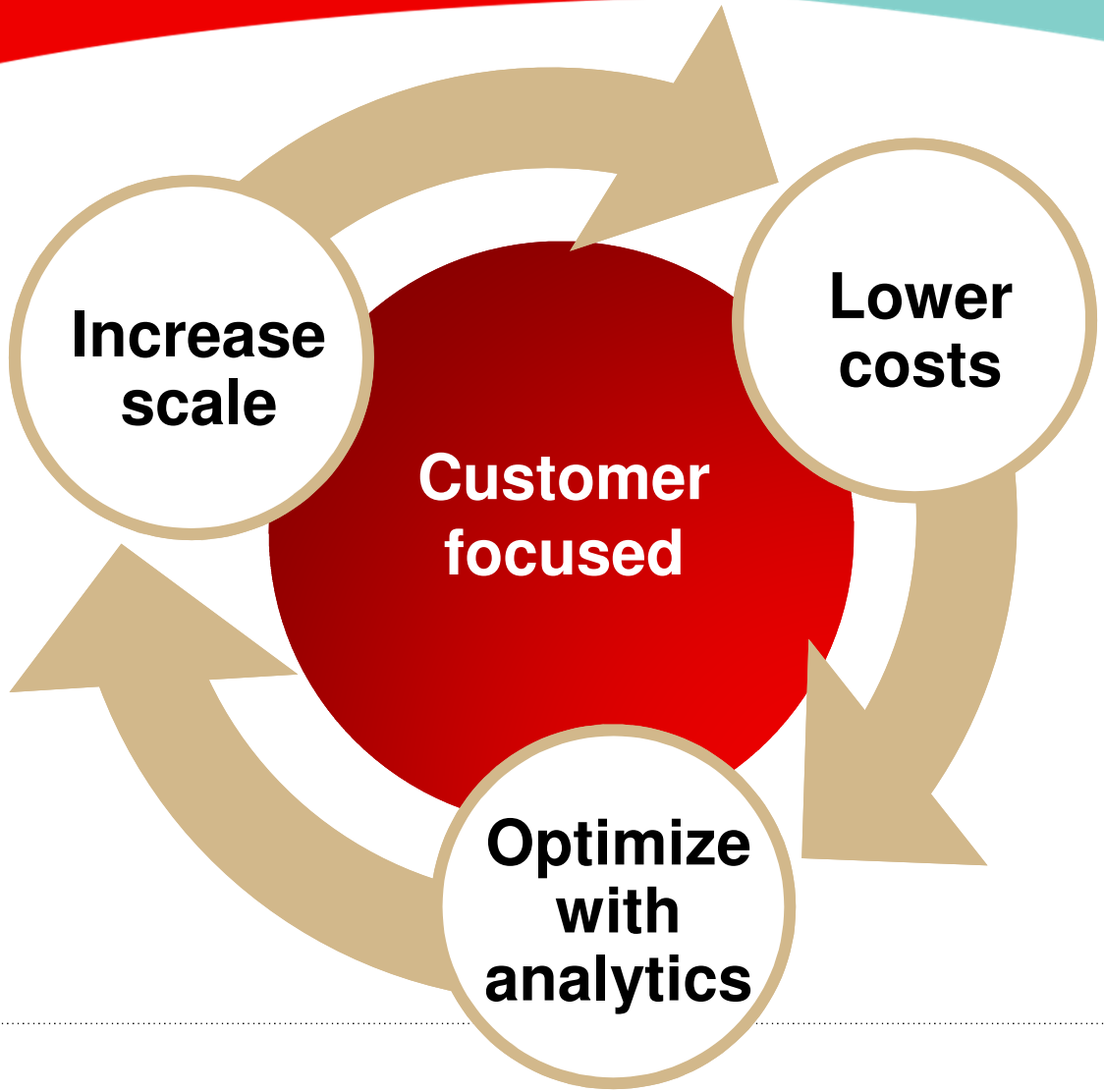
Driving success in generics



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CVS Caremark and Cardinal Health create largest generic sourcing entity in the U.S. – the world's largest generic drug market

- **Largest U.S. pharmacy health care provider with over $120 billion in revenue**
- **Focused on enhancing access to care, lowering overall health care costs, and improving health outcomes**
- **Filled >1 billion prescriptions last year through its retail and mail order pharmacies**

- **Leading health care services company with $101 billion in revenue**
- **Focused on improving the cost-effectiveness and efficiency of health care so providers can focus on their patients**
- **Serve more than 100,000 locations daily**

Sourcing Joint Venture



- 50/50 U.S.-based joint venture; largest generics sourcing entity in the U.S.
- Combines deep sourcing expertise of two leading companies
- Joint venture sources and negotiates generic supply contracts for both companies
- Joint venture will not take ownership of products or hold inventory on behalf of either company
- Will maintain CVS Caremark and Cardinal Health's leadership positions as they drive value for customers, clients and shareholders in a capital-efficient manner

Generic Manufacturers negotiate with Sourcing Joint Venture

- New entity will collaborate with generic manufacturers to develop innovative supply chain and purchasing strategies
- Both CVS Caremark and Cardinal Health will continue to manage their product orders and logistics processes in the same way as they do today

Generic sourcing joint venture: Key information

- ✓ Forming 50/50 JV with personnel from both companies
  - Initial 10-year term
  - Responsible for sourcing vast majority of generics for Cardinal Health and CVS Caremark
  - Cost center; expenses to be billed back to Cardinal Health and CVS Caremark
- ✓ Parties will continue to manage their product orders and logistics processes as done today
  - CAH contracts, product flow and financial flows to be executed directly with manufacturers
- ✓ Agreement includes fixed quarterly payment (from Cardinal Health to CVS Caremark) of $25M over life of the agreement
  - Total after-tax present value of payments approximately $435M
- ✓ JV expected to commence operations as soon as July 1, 2014
  - Benefits expected to ramp over time

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New generics sourcing JV: Key CAH reporting considerations

Financial item	Line Item/Area	Where it will appear
Cardinal Health sourcing benefit	Cost of Goods Sold	Income Statement
Amortization of quarterly payments to CVS Caremark*	Cost of Goods Sold	Income Statement
Present value of future quarterly payments to CVS Caremark - initially ~$700M (pretax), ~$435M (after tax)*	Other Assets Other Liabilities	Balance Sheet
50% share of JV net earnings/loss, if any	Other Income, Net	Income Statement
Investment in JV (minimal)	Cash Flows from Investing Activities	Statement of Cash Flows

**Note: Full non-discounted amount of future fixed quarterly payments of $25M (10-year term) will appear in MD&A Contractual Obligations Table.*

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Financial overview

Jeff Henderson
Chief Financial Officer
December 10, 2013

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Meeting our performance goals

What we told you in Dec. 2010	What we delivered
Long-term non-GAAP EPS[1] growth **at least double digit**	**18.5% CAGR[2]**
Modified TSR ≥ 11% (Non-GAAP EPS[1] growth + dividend yield)	**21.1%[3]**
Gross margin expansion (TTM)	**+113bps**
Non-GAAP operating margin expansion (TTM)	**+64bps**
Dividend payout increase[4]	**+5.1pp**

Unless otherwise noted, the actuals presented above reflect the period of Q1FY11 – Q1FY14

[1] Non-GAAP diluted earnings per share from continuing operations; Please see appendix for definitions and reconciling information.

[2] FY10 – FY13

[3] Modified TSR calculated using FY10 – FY13 non-GAAP EPS CAGR plus 2.6% dividend yield on 6/30/2013.

[4] Dividend payout increase from FY11 – FY14, using current dividend rate and midpoint of FY14 non-GAAP EPS guidance range of $3.62 to $3.72.

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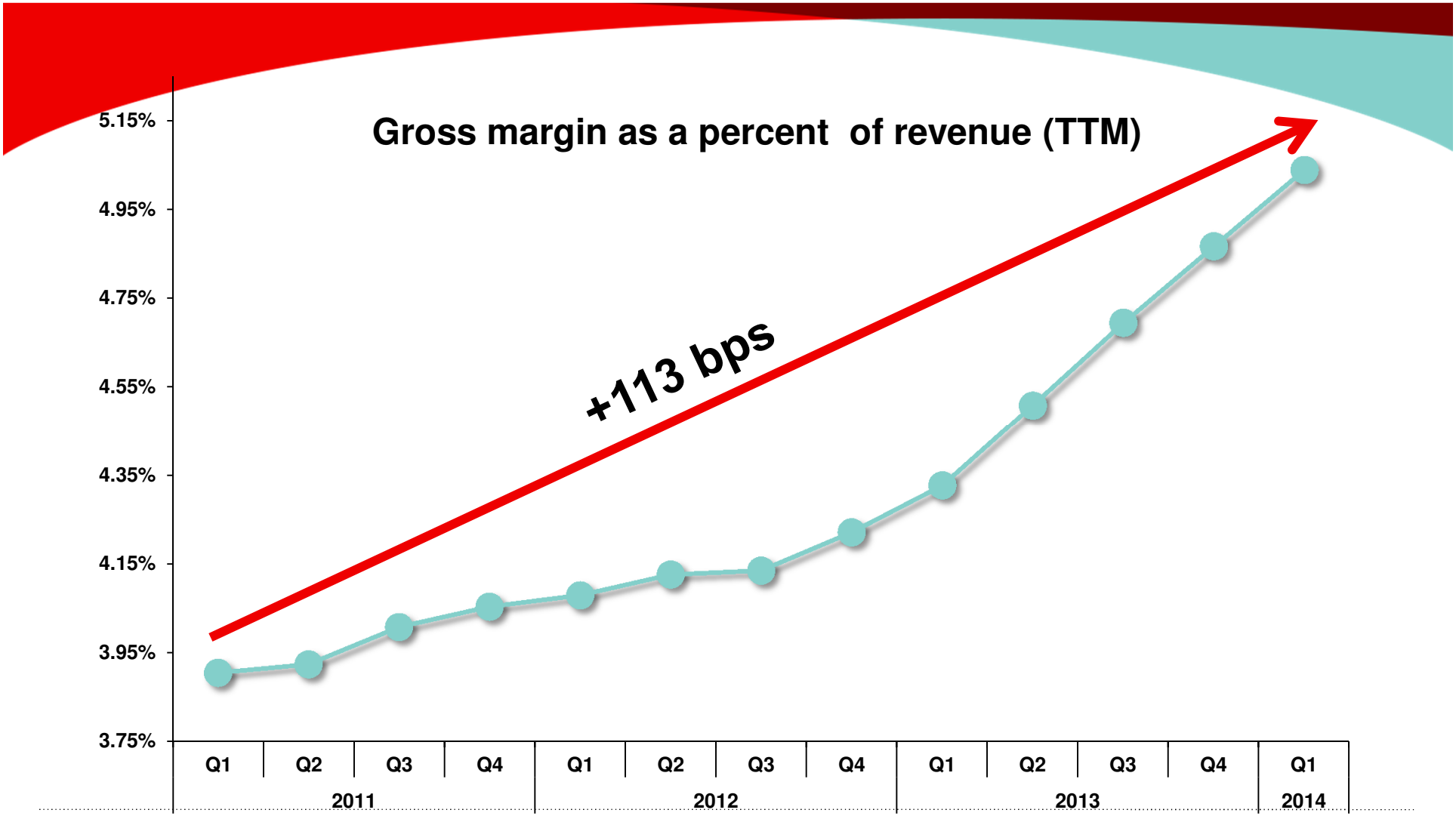
Strong gross margin expansion



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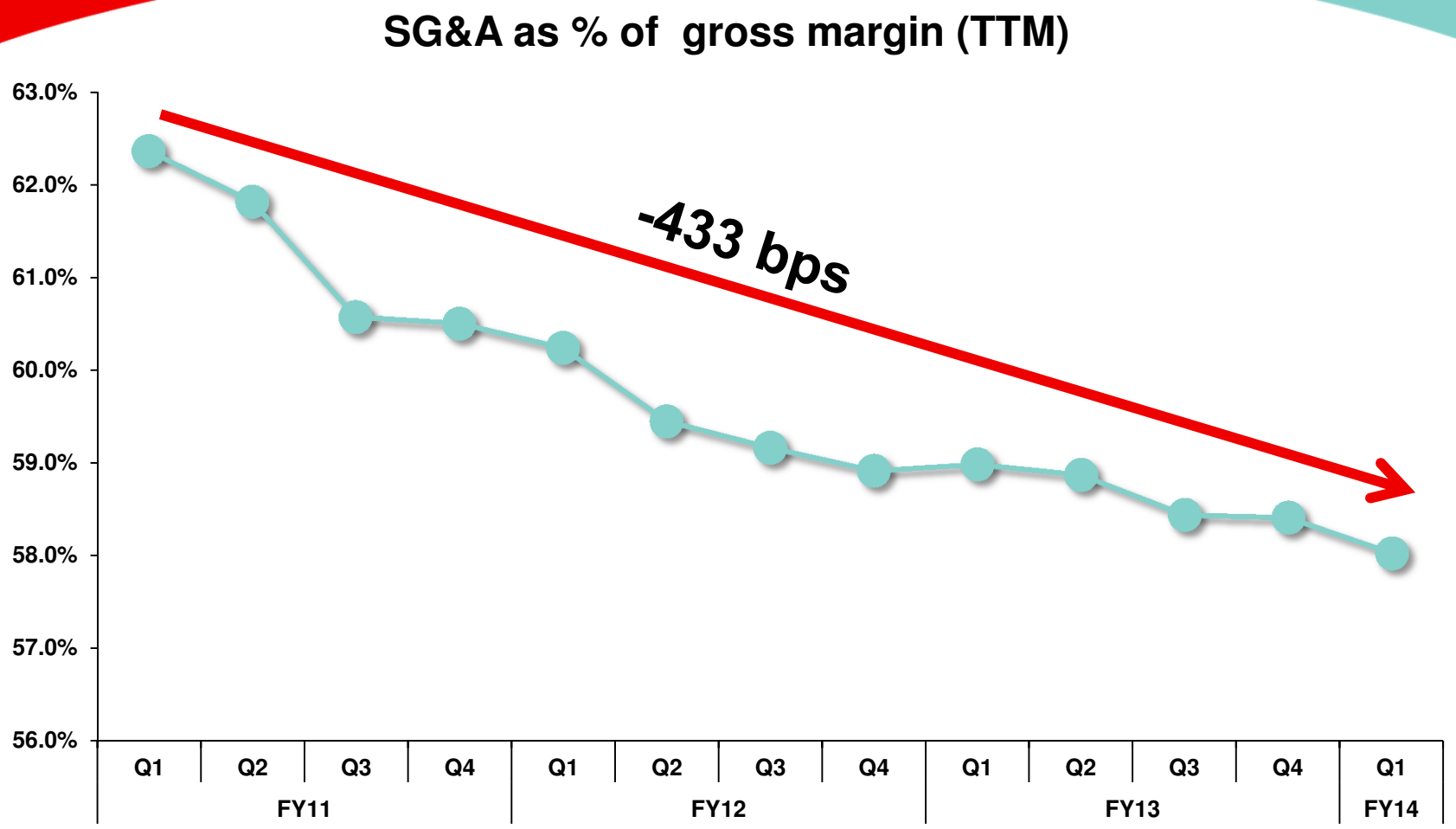
With a relentless focus on efficiency



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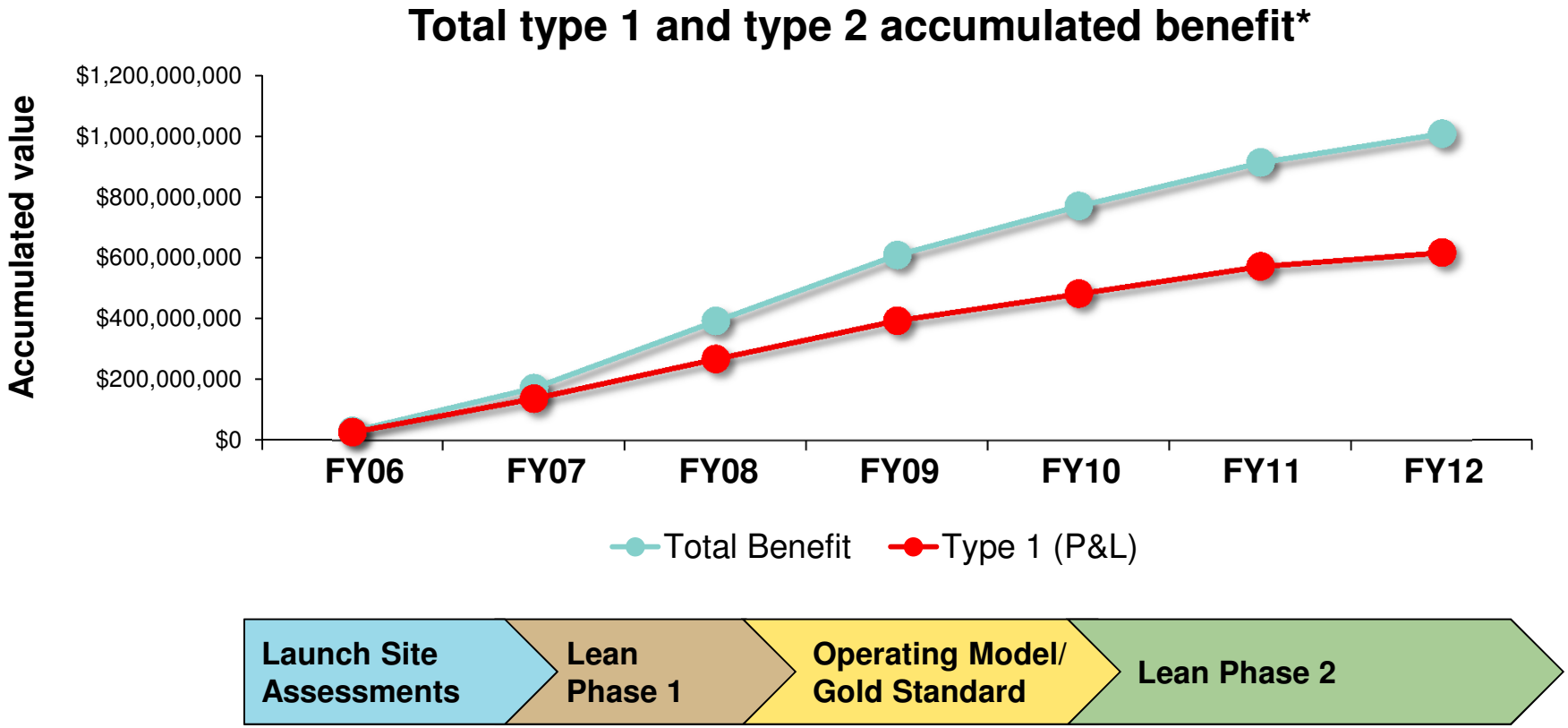
Aided by our operational excellence capabilities



**Type 1 and 2 are indicators of the contribution operational excellence makes to productivity, enterprise efficiency maximization, cost leadership and revenue growth.*

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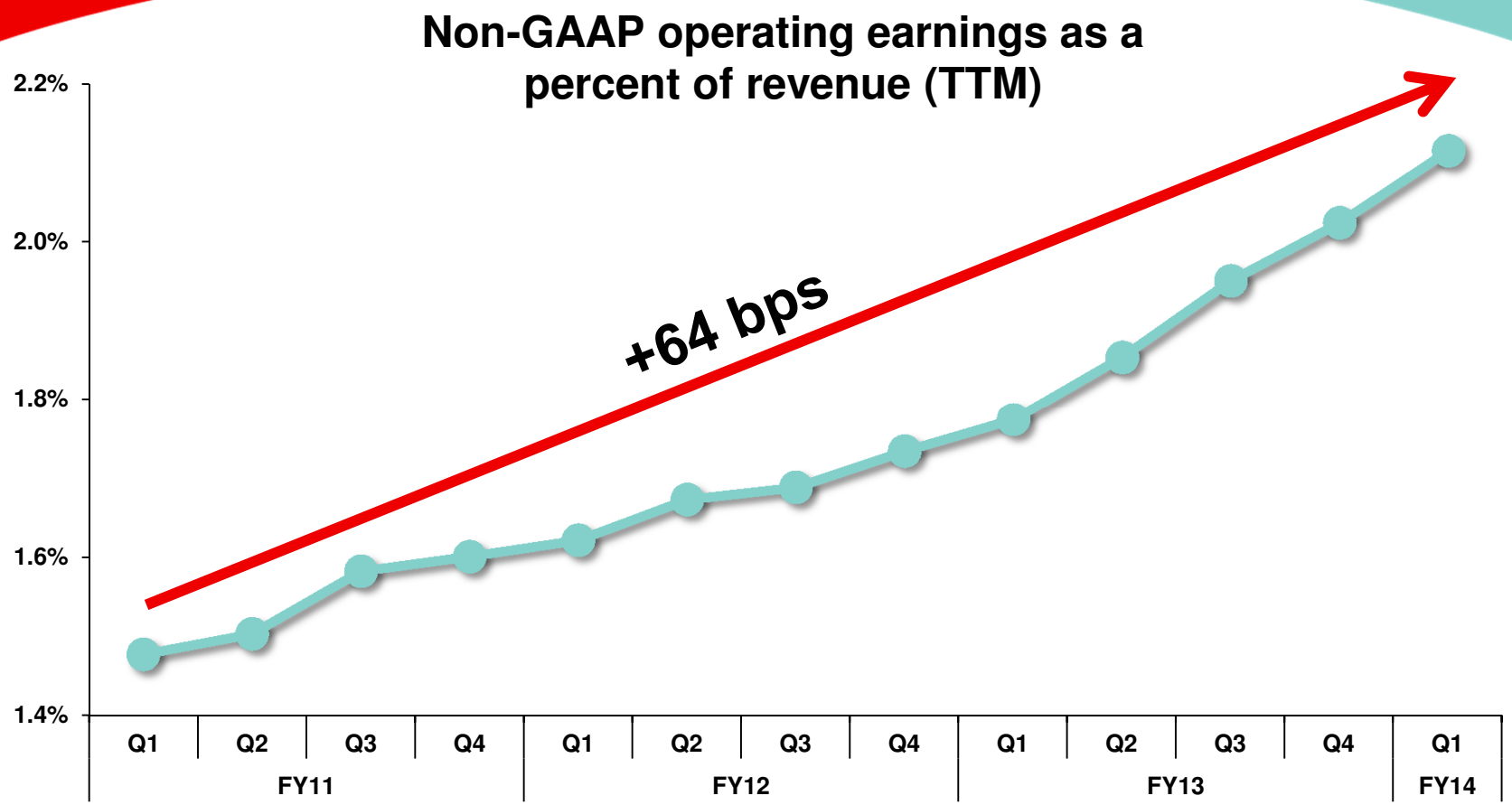
Driving consistent operating margin expansion



Please see appendix for GAAP/non-GAAP definitions and reconciling information.

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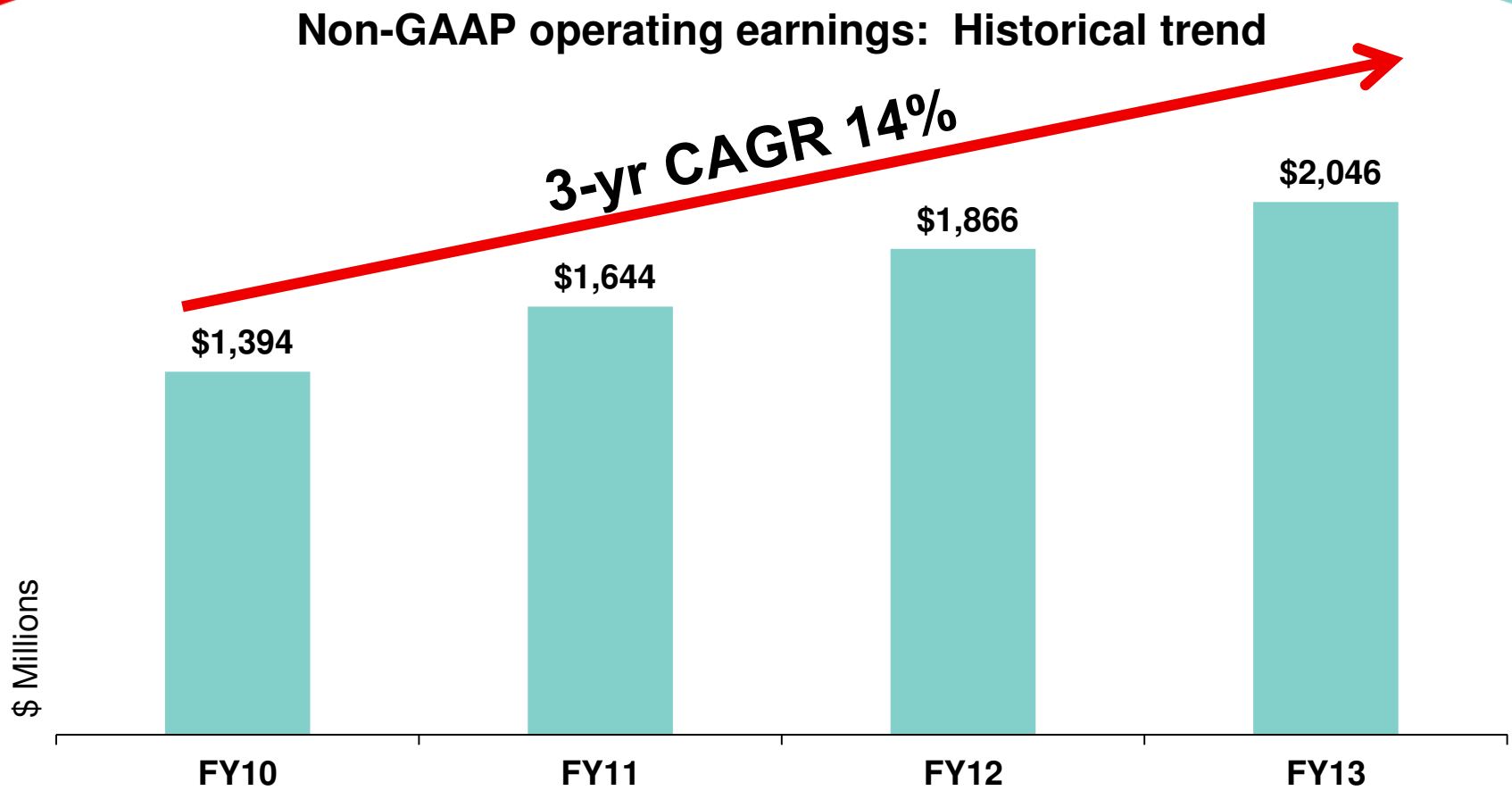
Non-GAAP operating earnings: Historical trend



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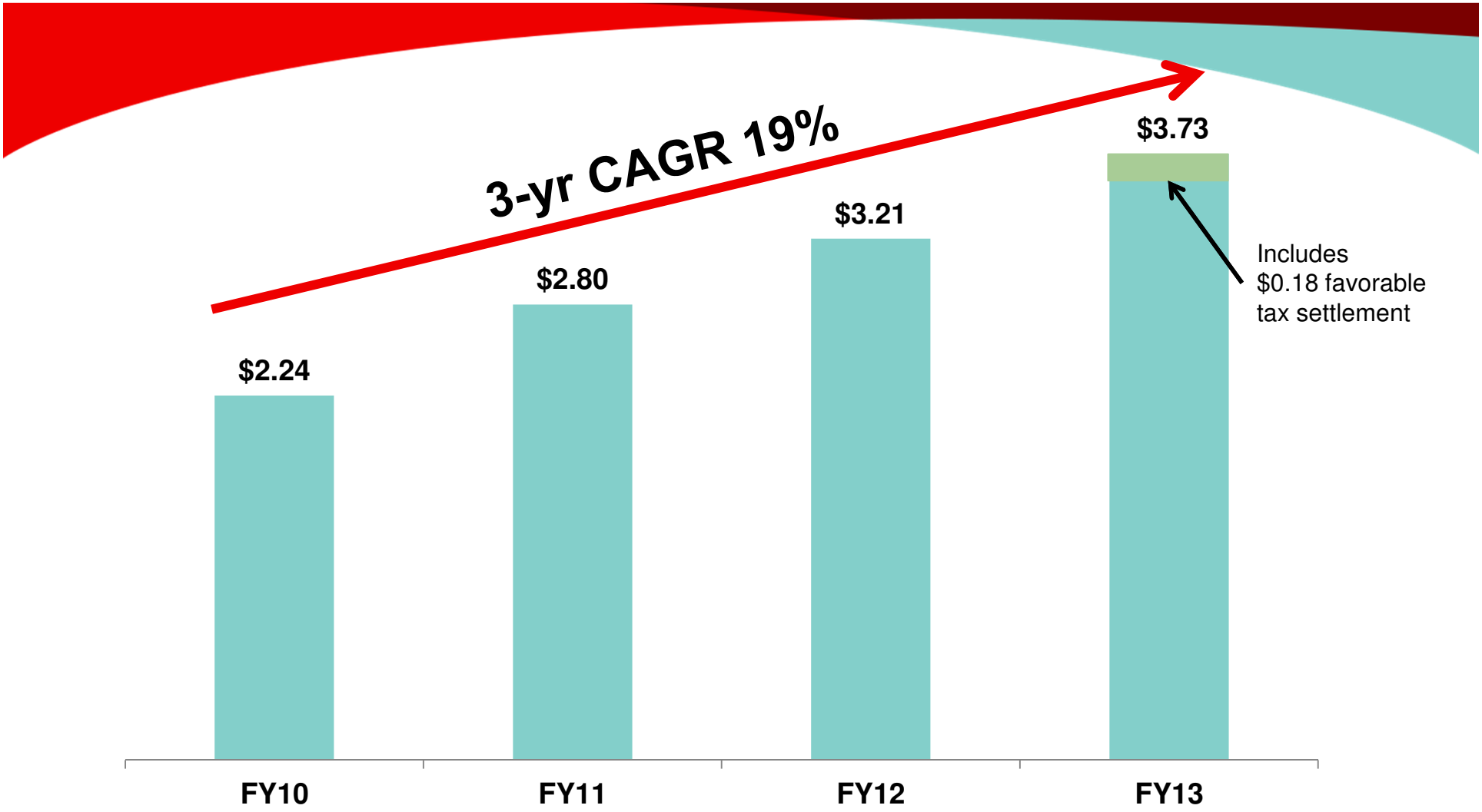
Non-GAAP EPS[1]: Historical trend



[1] *Non-GAAP diluted earnings per share from continuing operations. Please see appendix for definitions and reconciling information.*

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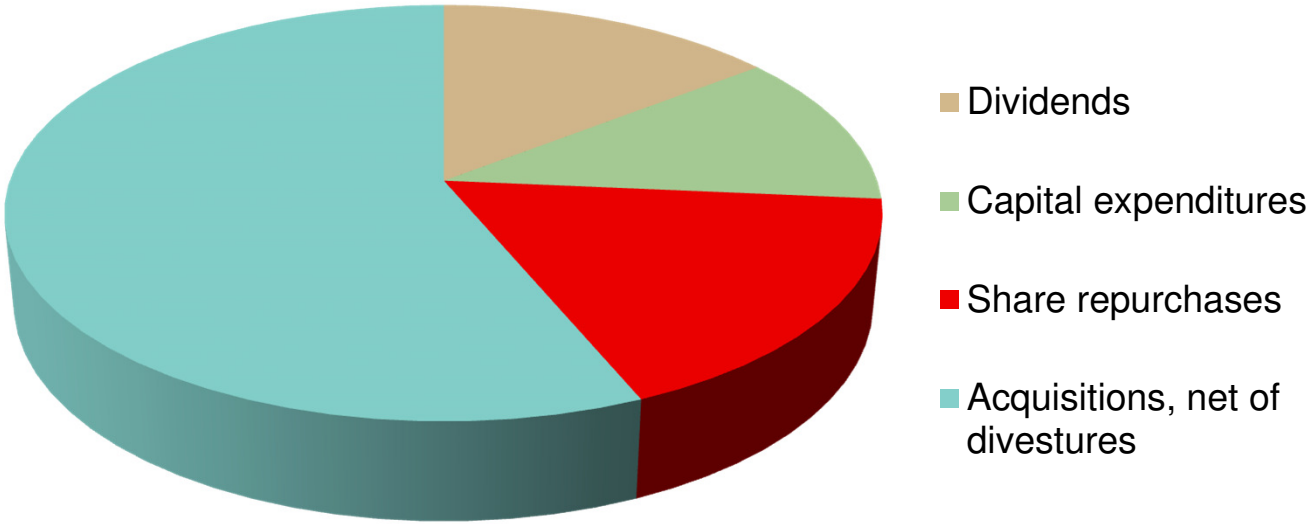
Thoughtful capital deployment approach

Capital deployment post CareFusion spin[1]



[1] *Capital deployment from Q2 FY10 to Q1 FY14.*

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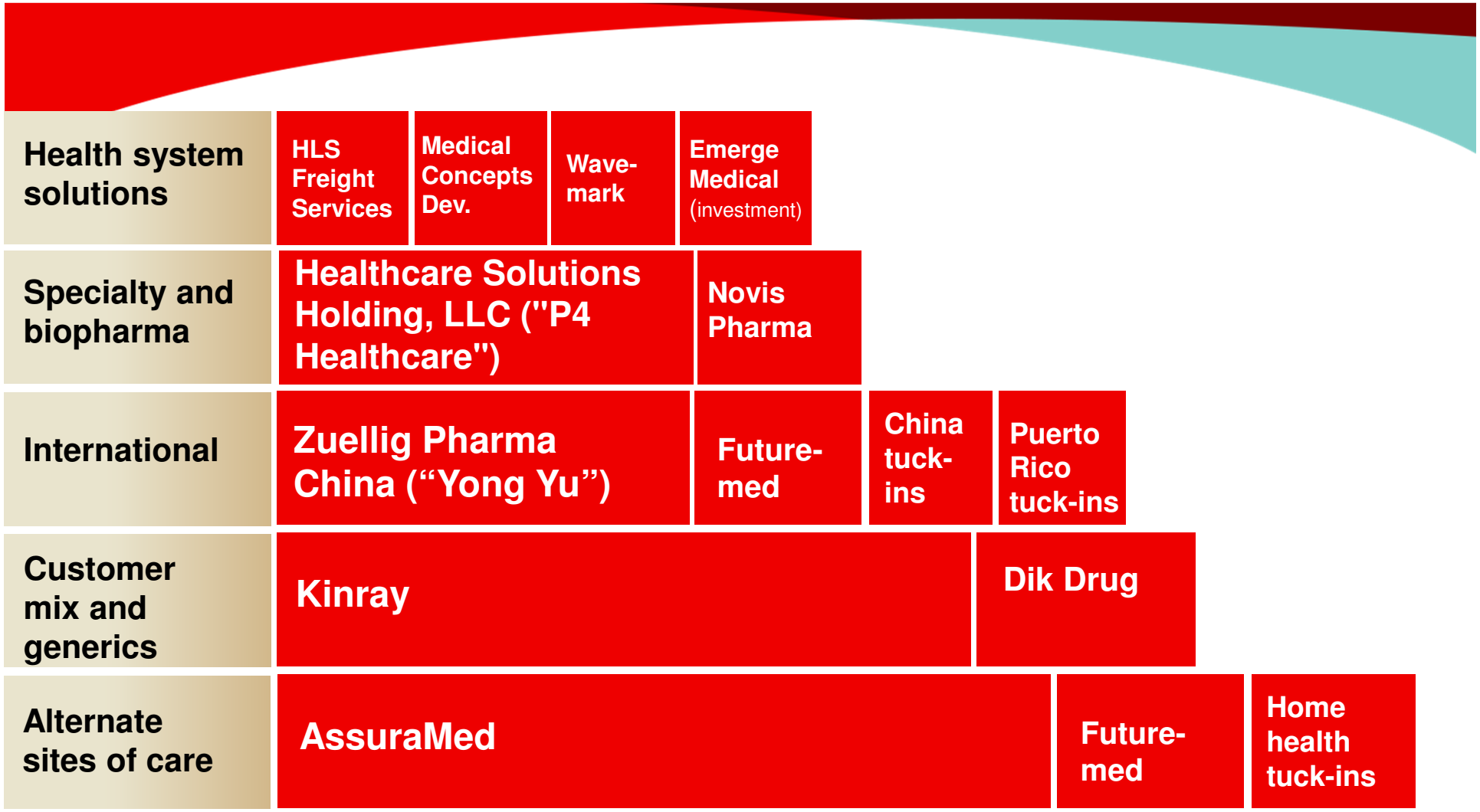
Acquisitions across all strategic priorities



Note: Not necessarily to scale.

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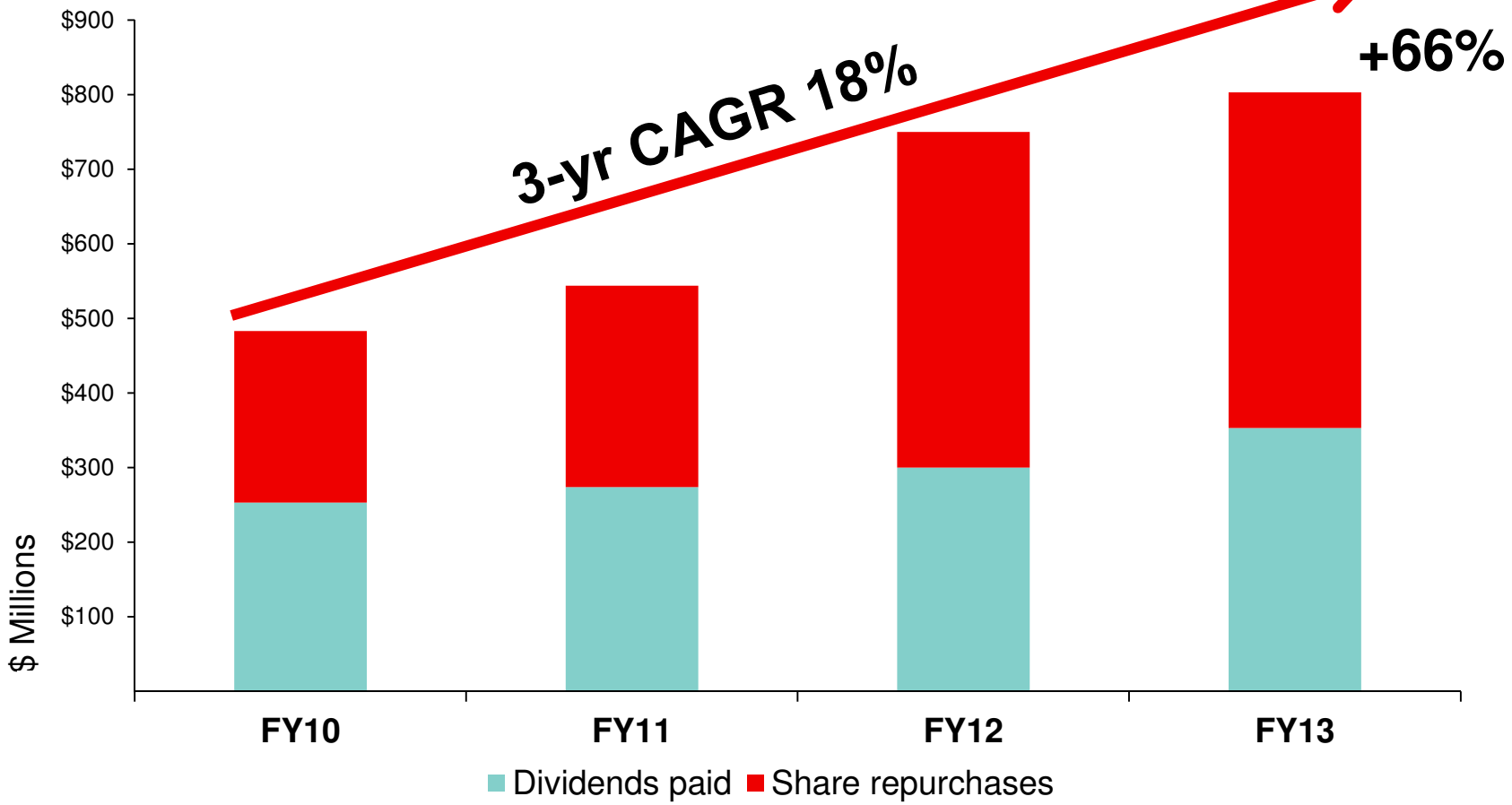
Returning cash to shareholders through dividends and share repurchases



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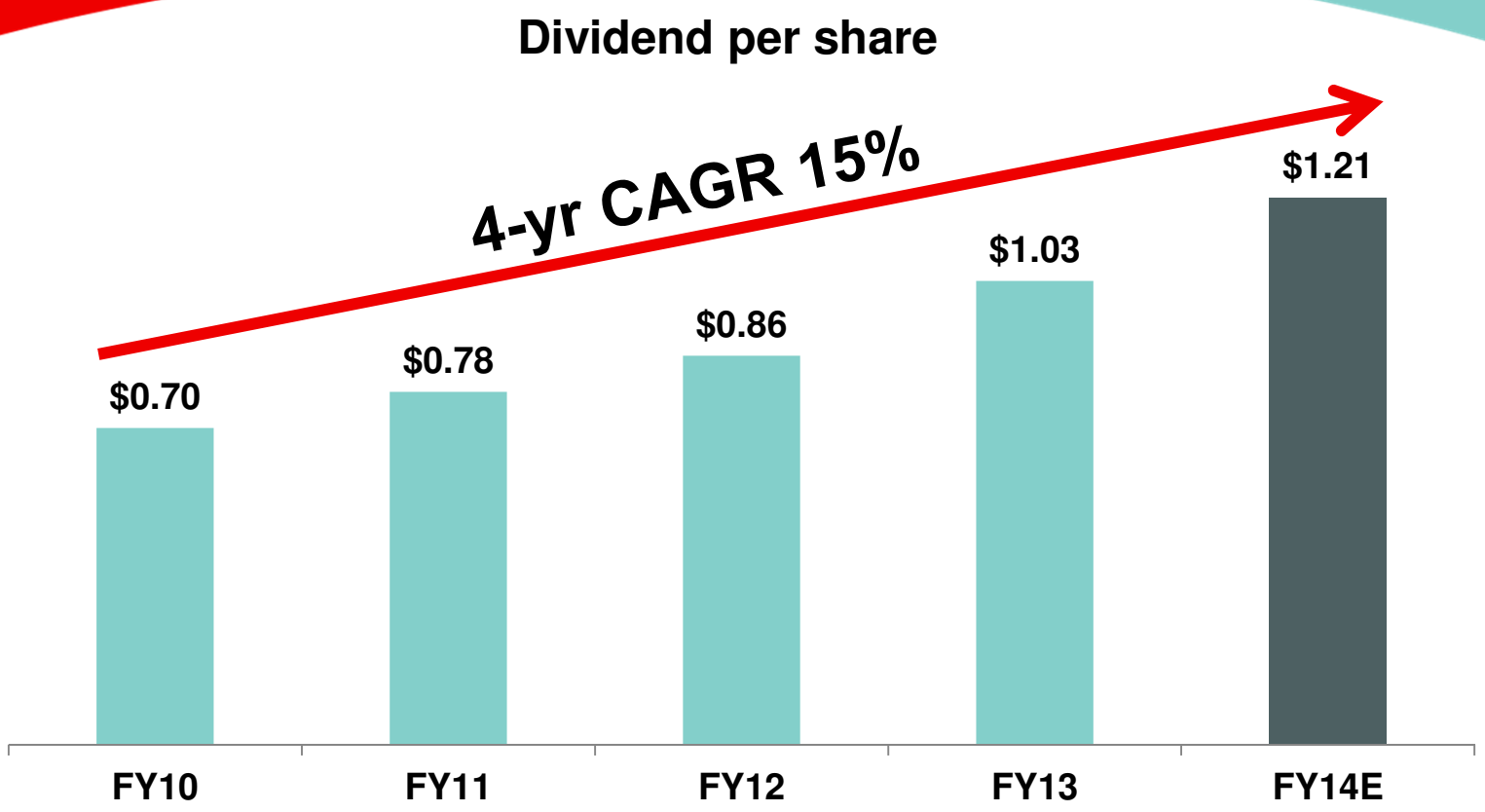
Differentiated dividend policy



Continue to grow dividend at least in-line with longer-term earnings growth

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Future aspirations

Metric	FY17
Consolidated non-GAAP operating margin	**>3.0%**
Pharmaceutical segment profit margin	**>2.5%**
Medical segment profit margin	**>5.75%**
Non-GAAP EPS CAGR (from FY14)	**10% - 15%**
Dividend payout (as percent of non-GAAP EPS)	**30% - 35%**

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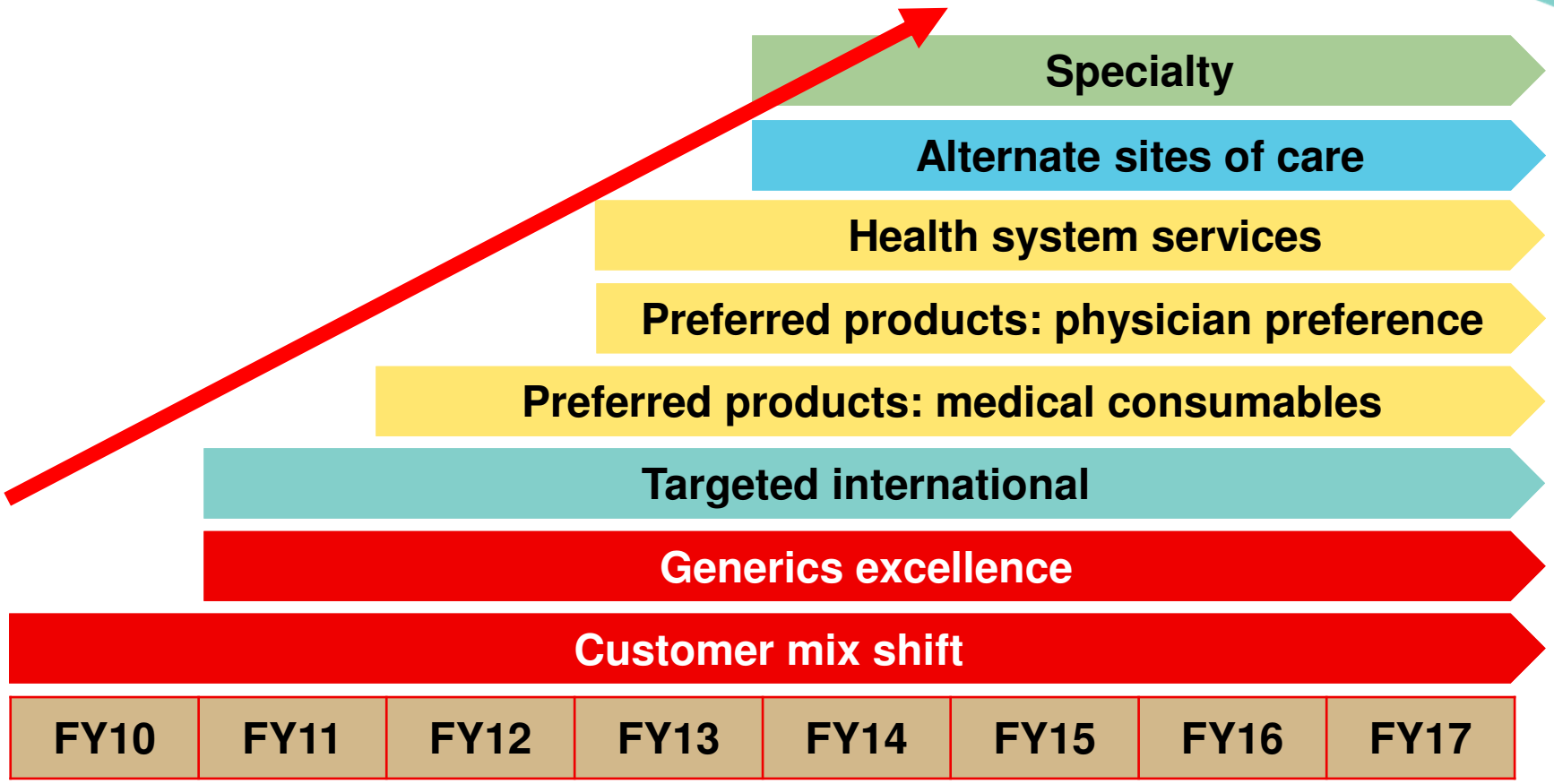
Strong portfolio driving growth and positioning for the future



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Financial flexibility

Solid balance sheet

- Q1 FY14 total debt: **$3.9B**
- Q1 FY14 cash position: **$2.8B**
- Accounts receivable facility: **$700M**
- CP program / revolving credit facility: **$1.5B**
- Commitment to investment grade ratings

Strong OCF generation

- Continued growth in EBITDA
- Disciplined and proven working capital management

Continued capacity to fund strategic growth and return cash to shareholders

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Proven track record of success

- ✓ Outstanding financial growth based on **strong** execution and focus on the **right** strategic priorities
- ✓ **Thoughtful** deployment of capital and **substantial** return of cash to shareholders
- ✓ **Positioned** for strong future growth and shareholder returns and **building** on a proven track record of success

Well-balanced. Well-prepared. Well-focused.

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Q&A

Moderator: Sally Curley, Sr. VP, Investor Relations
George Barrett, Chairman and CEO
Don Casey, CEO, Medical Segment
Jeff Henderson, CFO
Mike Kaufmann, CEO, Pharmaceutical Segment

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HBA | ACE AWARD
Advancement Commitment Engagement
The Healthcare Businesswomen's Association

BEST EMPLOYERS for Healthy Lifestyles 2012

Chief Executive
BEST COMPANIES FOR LEADERS
2013

ESGR
EMPLOYER SUPPORT OF THE GUARD AND RESERVE
Freedom Award 2013

Cardinal Health: Essential to Care

Select awards in Fiscal 2013

WORKING MOTHER
100 BEST COMPANIES 2013

Gartner Research
#1 Healthcare Supply Chain Organization
Three years in a row
2013, 2012, 2011

nafe TOP COMPANIES FOR EXECUTIVE WOMEN 2012

HUMAN RIGHTS CAMPAIGN FOUNDATION
BEST PLACES TO WORK
2013 for LGBT Equality
100% CORPORATE EQUALITY INDEX

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Financial appendix

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Cardinal Health, Inc. and Subsidiaries
GAAP / Non-GAAP Reconciliation

(in millions, except per common share amounts)	Operating Earnings	Operating Earnings Growth Rate	Earnings Before Income Taxes and Discontinued Operations	Provision for Income Taxes	Earnings from Continuing Operations	Earnings from Continuing Operations Growth Rate[1]	Diluted EPS from Continuing Operations	Diluted EPS from Continuing Operations Growth Rate[2]
Fiscal Year 2013								
GAAP	**$ 996**	**(44)%**	**$ 888**	**$ 553**	**$ 335**	**(69)%**	**$ 0.97**	**(68)%**
Restructuring and employee severance	**71**		**71**	**27**	**44**		**0.13**	
Amortization and other acquisition-related costs	**158**		**158**	**52**	**106**		**0.31**	
Impairments and loss on disposal of assets	**859**		**859**	**37**	**822**		**2.39**	
Litigation (recoveries)/charges, net	**(38)**		**(38)**	**(15)**	**(23)**		**(0.07)**	
Other Spin-Off costs	**-**		**-**	**-**	**-**		**-**	
Gain on sale of CareFusion stock	**-**		**-**	**-**	**-**		**-**	
Non-GAAP	**$ 2,046**	**10 %**	**$ 1,938**	**$ 654**	**$ 1,284**	**15 %**	**$ 3.73**	**16 %**
Fiscal Year 2012								
GAAP	$ 1,792	18 %	$ 1,698	$ 628	$ 1,070	11 %	$ 3.06	12 %
Restructuring and employee severance	21		21	8	13		0.04	
Amortization and other acquisition-related costs	33		33	9	24		0.07	
Impairments and loss on disposal of assets	21		21	8	13		0.04	
Litigation (recoveries)/charges, net	(3)		(3)	(1)	(2)		(0.01)	
Other Spin-Off costs	2		2	1	1		-	
Gain on sale of CareFusion stock	-		-	-	-		-	
Non-GAAP	$ 1,866	13 %	$ 1,772	$ 653	$ 1,119	13 %	$ 3.21	15 %
Fiscal Year 2011								
GAAP	$ 1,514	16 %	$ 1,518	$ 552	$ 966	65 %	$ 2.74	69 %
Restructuring and employee severance	16		16	5	10		0.03	
Amortization and other acquisition-related costs	90		90	22	68		0.19	
Impairments and loss on disposal of assets	9		9	3	6		0.02	
Litigation (recoveries)/charges, net	6		6	(1)	7		0.02	
Other Spin-Off costs	10		10	4	6		0.02	
Gain on sale of CareFusion stock	-		(75)	-	(75)		(0.21)	
Non-GAAP	$ 1,644	18 %	$ 1,573	$ 585	$ 988	22 %	$ 2.80	25 %
Fiscal Year 2010								
GAAP	$ 1,307	1 %	$ 1,212	$ 625	$ 587	(23)%	$ 1.62	(23)%
Restructuring and employee severance	91		91	32	59		0.16	
Amortization and other acquisition-related costs	18		18	6	12		0.03	
Impairments and loss on disposal of assets	29		29	(5)	34		0.09	
Litigation (recoveries)/charges, net	(62)		(62)	(23)	(39)		(0.11)	
Other Spin-Off Costs	11		53	(149)	202		0.56	
Gain on sale of CareFusion stock	-		(45)	-	(45)		(0.12)	
Non-GAAP	$ 1,394	(3)%	$ 1,296	$ 486	$ 810	(2)%	$ 2.24	(2)%

[1] The 3-year compound annual growth rate for GAAP and non-GAAP earnings from continuing operations was -9% and 14%, respectively.

[2] The 3-year compound annual growth rate for GAAP and non-GAAP diluted EPS from continuing operations was -16% and 19%, respectively. Excluding the $0.18 related to a favorable tax settlement in Q3 FY13, the 3-year compound annual growth rate for GAAP and non-GAAP diluted EPS from continuing operations was -21% and 17%, respectively.

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

We apply varying tax rates depending on the item's nature and tax jurisdiction where it is incurred.

Cardinal Health, Inc. and Subsidiaries
GAAP / Non-GAAP Reconciliation

(in millions, except per common share amounts)	Operating Earnings	Operating Earnings Growth Rate	Earnings Before Income Taxes and Discontinued Operations	Provision for Income Taxes	Earnings from Continuing Operations	Earnings from Continuing Operations Growth Rate	Diluted EPS from Continuing Operations	Diluted EPS from Continuing Operations Growth Rate
	First Quarter 2014							
GAAP	**$ 471**	**3 %**	**$ 442**	**$ 102**	**$ 340**	**25 %**	**$ 0.99**	**25 %**
Restructuring and employee severance	**11**		**11**	**4**	**7**		**0.02**	
Amortization and other acquisition-related costs	**49**		**49**	**18**	**31**		**0.09**	
Impairments and loss on disposal of assets	**-**		**-**	**-**	**-**		**-**	
Litigation (recoveries)/charges, net	**1**		**1**	**-**	**1**		**-**	
Non-GAAP	**$ 532**	**13 %**	**$ 503**	**$ 124**	**$ 378**	**35 %**	**$ 1.10**	**36 %**
	First Quarter 2013							
GAAP	$ 457	11 %	$ 439	$ 167	$ 272	15 %	$ 0.79	16 %
Restructuring and employee severance	5		5	2	3		0.01	
Amortization and other acquisition-related costs	28		28	10	18		0.05	
Impairments and loss on disposal of assets	1		1	-	1		-	
Litigation (recoveries)/charges, net	(22)		(22)	(9)	(13)		(0.04)	
Non-GAAP	$ 469	6 %	$ 451	$ 170	$ 281	9 %	$ 0.81	11 %

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

We apply varying tax rates depending on the item's nature and tax jurisdiction where it is incurred.

Cardinal Health, Inc. and Subsidiaries
GAAP / Non-GAAP Reconciliation

		Rolling Quarter											
	2014	2013				2012				2011			
(in millions)	**Q1**	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	**$ 99,727**	$ 101,093	$ 102,437	$ 104,803	$ 106,648	$ 107,552	$ 107,551	$ 106,705	$ 104,999	$ 102,644	$ 100,340	$ 98,612	$ 98,160
GAAP operating earnings	**$ 1,011**	$ 996	$ 1,842	$ 1,893	$ 1,836	$ 1,792	$ 1,747	$ 1,668	$ 1,562	$ 1,514	$ 1,489	$ 1,408	$ 1,431
Restructuring and employee severance	**76**	71	48	22	23	21	17	16	17	16	17	25	33
Amortization and other acquisition-related costs	**179**	158	117	37	34	33	37	94	106	90	86	58	28
Impairments and loss on disposal of assets	**859**	859	29	25	21	21	20	7	8	9	9	9	7
Litigation (recoveries)/charges, net	**(15)**	(38)	(37)	(34)	(22)	(3)	(9)	(4)	2	6	(22)	(29)	(60)
Other Spin-Off Costs	**-**	-	-	1	1	2	4	4	8	10	9	12	12
Non-GAAP operating earnings	**$ 2,109**	$ 2,046	$ 1,999	$ 1,943	$ 1,893	$ 1,866	$ 1,816	$ 1,786	$ 1,703	$ 1,644	$ 1,588	$ 1,483	$ 1,451
GAAP operating earnings margin rate	**1.01 %**	0.99 %	1.80 %	1.81 %	1.72 %	1.67 %	1.62 %	1.56 %	1.49 %	1.48 %	1.48 %	1.43 %	1.46 %
Non-GAAP operating earnings margin rate	**2.11 %**	2.02 %	1.95 %	1.85 %	1.77 %	1.73 %	1.69 %	1.67 %	1.62 %	1.60 %	1.58 %	1.50 %	1.48 %
3-year margin expansion	**64bp**												

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

Forward-Looking Non-GAAP Financial Measures

We present non-GAAP earnings 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. We are unable to provide a quantitative reconciliation of these forward-looking non-GAAP measures to the most directly comparable forward-looking GAAP measures because we cannot reliably forecast restructuring and employee severance, amortiztion and other acquisition-related costs, impairments and loss on disposal of assets and litigation (recoveries)/charges, net, which are difficult to predict and estimate and are primarily dependent on future events. Please note that the unavailable reconciling items could significantly impact our future financial results.

Cardinal Health, Inc. and Subsidiaries
GAAP / Non-GAAP Reconciliation

(in millions)	Fiscal Year 2013	2012	2011	2010
Revenue	**$ 101,093**	$ 107,552	$ 102,644	$ 98,503
GAAP operating earnings	**$ 996**	$ 1,792	$ 1,514	$ 1,307
Restructuring and employee severance	**71**	21	15	91
Amortization and other acquisition-related costs	**158**	33	90	18
Impairments and loss on disposal of assets	**859**	21	9	29
Litigation (recoveries)/charges, net	**(38)**	(3)	6	(62)
Other Spin-Off Costs	**-**	2	10	11
Non-GAAP operating earnings	**$ 2,046**	$ 1,866	$ 1,644	$ 1,394
GAAP operating earnings margin rate	**0.99 %**	1.67 %	1.48 %	1.33 %
Non-GAAP operating earnings margin rate	**2.02 %**	1.73 %	1.60 %	1.42 %
	29bp	13bp	18bp	

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

Cardinal Health, Inc. and Subsidiaries

Definitions

Non-GAAP Diluted EPS from Continuing Operations and growth rate calculation[1]: non-GAAP earnings from continuing operations divided by diluted weighted-average shares outstanding.

Non-GAAP Earnings from Continuing Operations: earnings from continuing operations excluding (1) restructuring and employee severance[2], (2) amortization and other acquisition-related costs[3], (3) impairments and loss on disposal of assets[4], (4) litigation (recoveries)/charges, net[5], (5) Other Spin-Off Costs and (6) gain on sale of CareFusion stock, each net of tax.

Non-GAAP Operating Earnings: operating earnings excluding (1) restructuring and employee severance, (2) amortization and other acquisition-related costs, (3) impairments and loss on disposal of assets, (4) litigation (recoveries)/charges, net and (5) Other Spin-Off Costs.

Non-GAAP Operating Earnings Margin Rate: non-GAAP operating earnings divided by revenue.

Other Spin-Off Costs: costs incurred in connection with our Spin-Off of CareFusion which are included in distribution, selling, general and administrative expenses.

Segment Profit: segment revenue minus (segment cost of products sold and segment distribution, selling, general and administrative expenses).

Segment Profit from International[6]: international revenue minus (international cost of products sold and international distribution, selling, general and administrative expenses).

Segment Profit Margin: segment profit divided by segment revenue.

[1] Except for compound annual growth rates (CAGR), growth rates in this presentation are determined by dividing the difference between current period results and prior period results by prior period results. CAGR is determined by subtracting one from ((the ending value divided by the beginning value) raised to the power of (one divided by the number of years)).

[2] Programs whereby Cardinal Health fundamentally changes its operations such as closing and consolidating facilities, moving manufacturing of a product to another location, production or business process sourcing, employee severance (including rationalizing headcount or other significant changes in personnel) and realigning operations (including substantial realignment of the management structure of a business unit in response to changing market conditions).

[3] Costs that consist primarily of amortization of acquisition-related intangible assets, transaction costs, integration costs and changes in the fair value of contingent consideration obligations.

[4] Asset impairments and losses from the disposal of assets not eligible to be classified as discontinued operations are classified within impairments and loss on disposal of assets within the consolidated statements of earnings.

[5] Loss contingencies related to litigation and regulatory matters and income from favorable resolution of legal matters.

[6] Includes CAH Puerto Rico and our non-U.S. operations.