



# UBS

## Global Healthcare Services Conference

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# Forward-looking Statements

Except for historical information, all other information in this presentation consists of forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. The most significant of these uncertainties are 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, and include (but are not limited to) the following: competitive pressures in its various lines of businesses; the loss of one or more key customer or supplier relationships or changes to the terms of those relationships; 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 or settlement discussions with any regulatory authority or any legal and administrative proceedings, including shareholder litigation; uncertainties related to competing the divestiture of the PTS segment, including the fulfillment or waiver of conditions to closing under the acquisition agreement and any adjustments as to the amount of actual proceeds to be received; divesting the PTS segment, including uncertainties as to the amount of proceeds and timing; the costs, difficulties and uncertainties related the integration of acquired businesses; with respect to future dividends, the decision by the board of directors to declare such dividends, which is expected to consider Cardinal Health's surplus, earnings, cash flows, financial condition and prospects at the time any such action is considered; with respect to future share repurchases, the approval of the board of directors, which is expected to consider Cardinal Health's then-current stock price, earnings, cash flows, financial condition and prospects as well as alternatives available to Cardinal Health at the time any such action is considered; and general economic and market conditions. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement.

# Broad offerings, strategic focus

## *Safety and Productivity*

- Manage the supply chain for 1/3 of all medicines prescribed in the U.S.
- Electronically dispense 5 million doses a day through Alaris<sup>®</sup> and Pyxis<sup>®</sup> systems
- Manufacture or distribute products used in 50% of all U.S. surgeries
- Products used by 90% of hospitals
- Manage 275 hospital pharmacies



# One Cardinal Health



**CardinalHealth**

Healthcare  
Supply Chain Services

Pharmaceutical  
Segment

Medical  
Segment

Clinical and  
Medical Products

Medical  
Products  
Manufacturing

Clinical  
Technologies  
and Services

# Healthcare Supply Chain Services



**Pharmaceutical  
Segment**



**Medical  
Segment**

- Revenue \$77 billion
- 18,000 employees
- 75 distribution centers

*To be the best global supply chain partner, creating and implementing integrated solutions that **improve the delivery and economics of healthcare***

# Healthcare Supply Chain Services

## Medical Segment

- Presource® Products and Services
- Hospital Supplies
- Scientific Products and Services
- Ambulatory Care
- Source Medical



# Healthcare Supply Chain Services

## Medical Segment

Business	Key Attributes	Sources of Advantage
Hospital Supplies	<ul style="list-style-type: none"> <li>• Broad/deep product portfolio</li> <li>• Unique cost mgmt. offers</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Market leadership</b></li> <li>• <b>Lowest cost distribution model</b></li> <li>• <b>Superior set of distribution services to help contain customer costs</b></li> <li>• <b>Portfolio advantage of branded and proprietary products</b></li> <li>• <b>Channel leader</b></li> <li>• <b>Strategic manufacturer relationships</b></li> <li>• <b>Applied technology leader</b></li> </ul>
Scientific Products	<ul style="list-style-type: none"> <li>• Growing product portfolio</li> <li>• Exclusive partners</li> </ul>	
Ambulatory Care	<ul style="list-style-type: none"> <li>• Formulary product portfolio</li> <li>• Supply chain efficiencies</li> </ul>	
Presource® Products	<ul style="list-style-type: none"> <li>• Portfolio of procedural kits</li> <li>• Clinical optimization expertise</li> </ul>	
Source Medical (Canada)	<ul style="list-style-type: none"> <li>• National capabilities</li> <li>• Unique cost mgmt. offers</li> </ul>	

Opportunity areas

# Medical Segment

- Cost leadership
- Operational Excellence
- Organic growth/channel expansion
- Product portfolio advantage
- Canadian platform



# Healthcare Supply Chain Services

## Pharmaceutical Segment

- Retail/Alternate Care
- Hospital Pharmaceuticals
- Nuclear Pharmacy Services
- Medicine Shoppe/Medicap
- Specialty Services
- Generics



# Healthcare Supply Chain Services Pharmaceutical Segment

Pharma. Distribution

## Business

## Key Attributes

## Sources of Advantage

Retail/Alternate Care	<ul style="list-style-type: none"> <li>Favorable customer mix</li> <li>Broad product portfolio</li> </ul>
Hospital Pharmaceuticals	<ul style="list-style-type: none"> <li>Strong GPO relationships</li> <li>Durable Prime Vendor relationships</li> </ul>
Medicine Shoppe	<ul style="list-style-type: none"> <li>Professional pharmacy format</li> <li>Unique, favorable demographics</li> </ul>
Specialty Group	<ul style="list-style-type: none"> <li>Specialty pharmacy</li> <li>3PL services to emerging mfrs.</li> <li>Specialty expertise</li> </ul>
Nuclear Pharmacy Services	<ul style="list-style-type: none"> <li>Diversified customer mix</li> <li>National capabilities</li> </ul>
Generics	<ul style="list-style-type: none"> <li>Strategic sourcing</li> </ul>

- Lowest cost distribution model**
- Superior services to help customers contain costs and grow**
- Channel leader**
- Strategic manufacturer relationships**
- Applied technology leader**

# Integrated Provider Solutions

- Experts from all businesses on one integrated team
- Customer solutions based on horizontal capabilities
- Supply Solutions teams and Medication Solutions teams developing pipelines to address:
  - Cost containment
  - Patient and practitioner safety
  - Clinical quality/customer care
  - Revenue growth

Opportunity areas

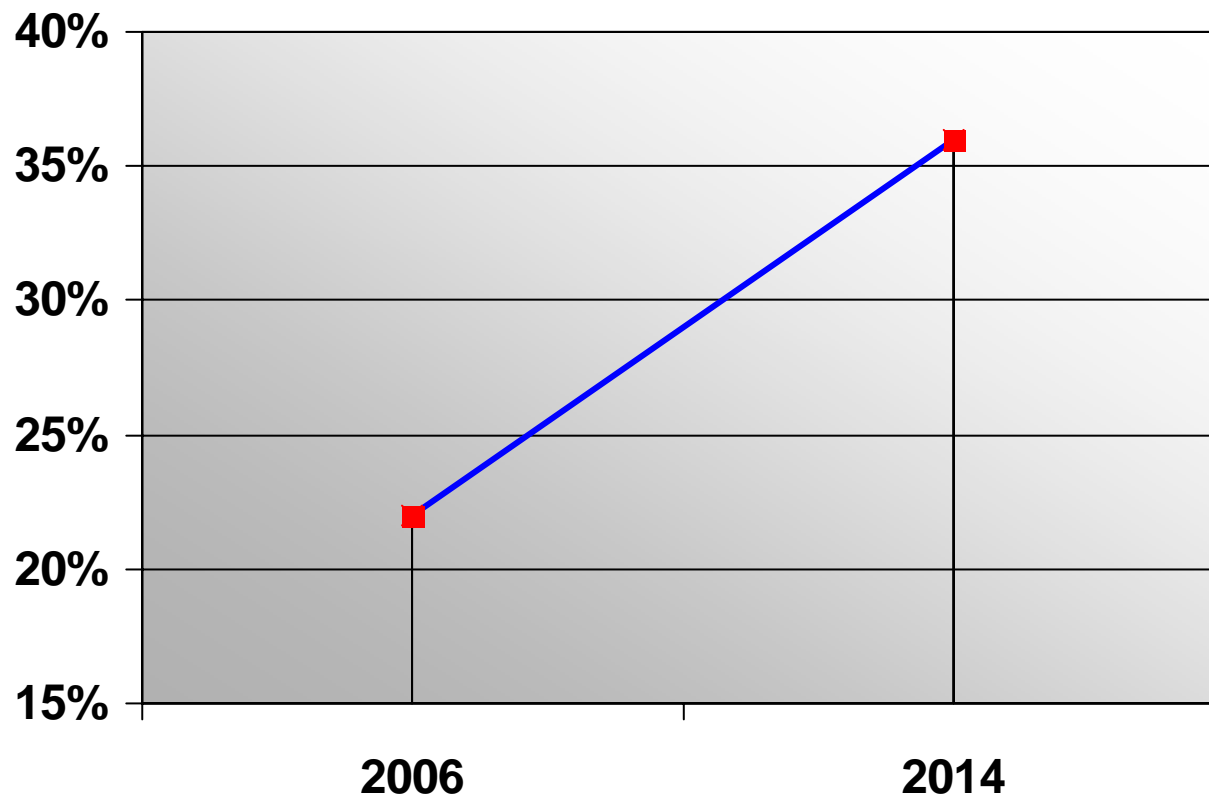
# Differentiated provider offerings



**Customized solutions affecting P&L or Balance Sheet,  
sold by specialists in sales**

# Specialty pharmaceuticals

*Specialty pharma sales as a % of total market*



## Opportunity areas

# Value-added manufacturer offerings

- Leverage scale, capabilities and relationships to drive value for customers and suppliers through innovative programs and services
- Capitalize on the diverse capabilities of Cardinal Health to provide logistical services to supplier and manufacturer partners

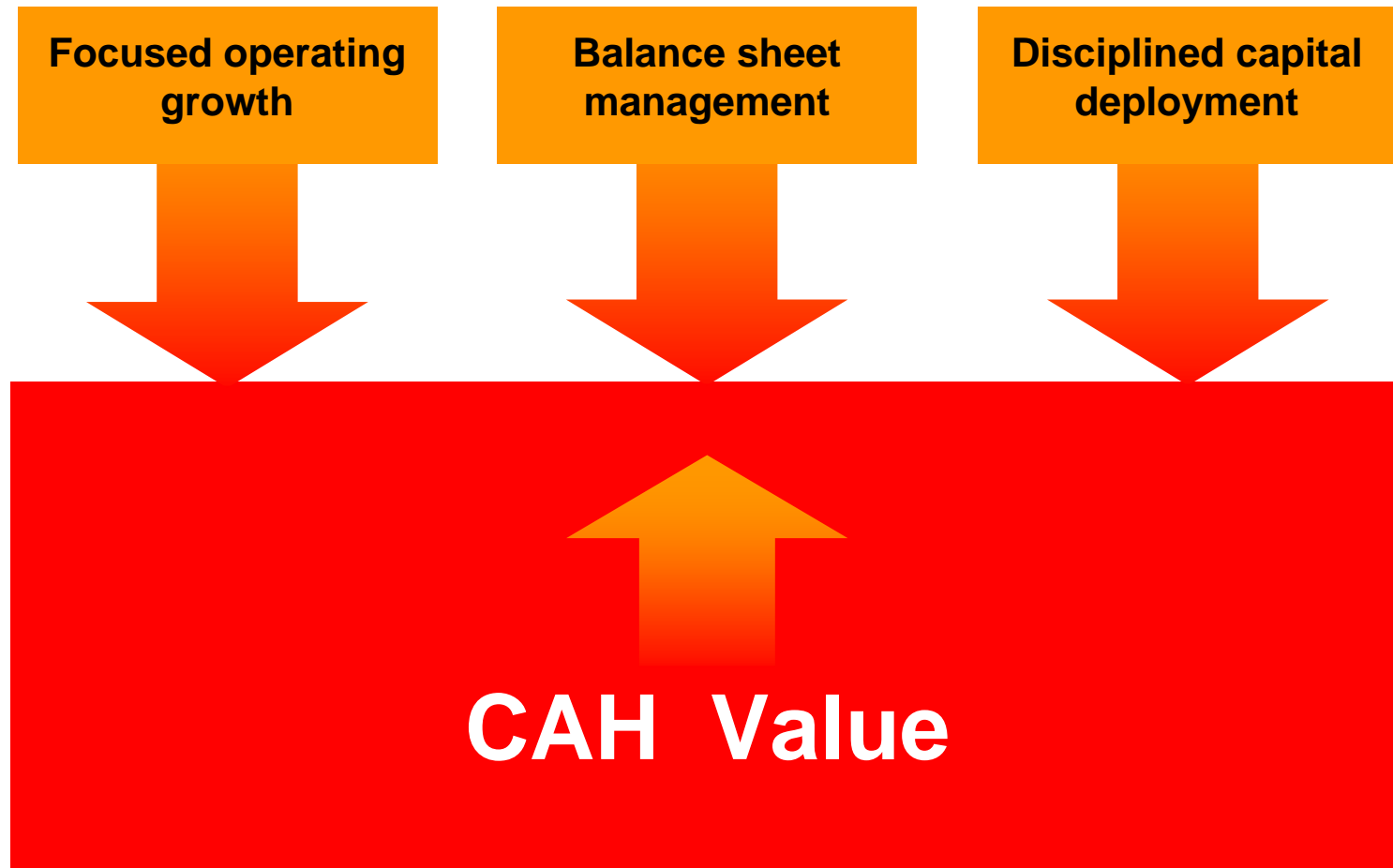


# Strategy in three phases

*To be the best global supply chain partner, developing and implementing integrated solutions that improve the delivery and economics of care.*



# Value drivers



# Summary

- **Portfolio positioning:** broadest provider-focused offerings impacting customer productivity and safety
- **Organization:** excellent platform for leveraging scale and driving innovation
- **Operating philosophy:** discipline and focus
- **Key metric:** economic profit growth
- **Opportunities:** integrated solutions; international expansion; generics; specialty



**CardinalHealth**