

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

(in millions)	Second Quarter		Year-to-Date	
	2008	2007	2008	2007
GAAP Return on Equity	18.3%	34.1%	17.4%	23.5%
Non-GAAP Return on Equity				
Net earnings	\$ 324.7	\$ 739.3	\$ 626.5	\$ 1,010.0
Special items, net of tax, in continuing operations	18.3	12.5	33.1	28.7
Special items, net of tax, in discontinued operations	-	1.7	-	3.1
Income tax benefit related to PTS discontinued operations	-	(425.0)	-	(425.0)
Adjusted net earnings	\$ 343.0	\$ 328.5	\$ 659.6	\$ 616.8
Annualized	\$ 1,372.0	\$ 1,314.0	1,319.2	1,233.6
Divided by average shareholders' equity ¹	\$ 7,088.2	\$ 8,664.5	\$ 7,184.4	\$ 8,606.5
Non-GAAP return on equity	19.4%	15.2%	18.4%	14.3%

(in millions)	Second Quarter		Year-to-Date	
	2008	2007	2008	2007
GAAP Return on Invested Capital	7.01%	13.85%	6.78%	9.51%
Non-GAAP Return on Invested Capital				
Net earnings	\$ 324.7	\$ 739.3	\$ 626.5	\$ 1,010.0
Special items, net of tax, in continuing operations	18.3	12.5	33.1	28.7
Special items, net of tax, in discontinued operations	-	1.7	-	3.1
Interest expense and other, net of tax	32.0	20.2	59.4	43.8
Income tax benefit related to PTS discontinued operations	-	(425.0)	-	(425.0)
Adjusted net earnings	\$ 375.0	\$ 348.7	\$ 719.0	\$ 660.6
Annualized	1,500.0	1,394.8	1,438.0	1,321.2
Divided by average total invested capital ²	\$ 18,529.9	\$ 21,349.1	\$ 18,483.2	\$ 21,245.3
Non-GAAP return on invested capital	8.09%	6.53%	7.78%	6.22%

¹ The average shareholders' equity shown above is calculated using the average of the prior and current quarters except for year-to-date which is calculated as the average of shareholders' equity at the end of the prior years' fourth quarter plus each of the current year quarters.

² Total invested capital is calculated as the sum of the current portion of long-term obligations and other short-term borrowings, long-term obligations, current portion of long-term obligations and other short-term borrowings in discontinued operations, long-term obligations in discontinued operations, total shareholders' equity and unrecorded goodwill. The average total invested capital is calculated using the average of total invested capital at the end of the prior and current quarters except for year-to-date which is calculated as the average of the prior years' fourth quarter plus each of the current year quarters. Unrecorded goodwill is \$7.5 billion and \$9.7 billion, respectively, for the December 31, 2007 and 2006 calculations. Current portion of long-term obligations and other short-term borrowings in discontinued operations, and long-term obligations in discontinued operations were \$59.2 million, \$46.6 million and \$41.3 million at June 30, 2006, September 30, 2006, and December 31, 2006, respectively.

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

(in millions)	Second Quarter		Year-to-Date	
	2008	2007	2008	2007
GAAP Effective Tax Rate from Continuing Operations	30.7%	34.2%	31.4%	32.0%
Non-GAAP Effective Tax Rate from Continuing Operations				
Earnings before income taxes and discontinued operations	\$ 469.2	\$ 479.5	\$ 916.1	\$ 892.9
Special items	29.5	19.6	52.0	41.8
Adjusted earnings before income taxes and discontinued operations	\$ 498.7	\$ 499.1	\$ 968.1	\$ 934.7
Provision for income taxes	\$ 144.1	\$ 164.0	\$ 287.8	\$ 286.0
Special items tax benefit	11.2	7.1	18.9	13.1
Adjusted provision for income taxes	\$ 155.3	\$ 171.1	\$ 306.7	\$ 299.1
Non-GAAP effective tax rate from continuing operations	31.1%	34.3%	31.7%	32.0%

	Second Quarter	
	2008	2007
Debt to Total Capital	36%	25%
Net Debt to Capital		
Current portion of long-term obligations and other short-term borrowings	\$ 673.6	\$ 48.9
Long-term obligations, less current portion and other short-term borrowings	3,396.5	2,935.8
Debt	\$ 4,070.1	\$ 2,984.7
Cash and equivalents	(1,184.4)	(1,004.8)
Short-term investments available for sale	-	(467.1)
Net debt	\$ 2,885.7	\$ 1,512.8
Total shareholders' equity	\$ 7,108.1	\$ 8,907.8
Capital	\$ 9,993.8	\$ 10,420.6
Net debt to capital	29%	15%

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

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

Return on Equity: annualized net earnings divided by average shareholders' equity

Return on Invested Capital: annualized net earnings divided by (average total shareholders' equity plus debt plus unrecorded goodwill)

NON-GAAP

Net Debt to Capital: net debt divided by (net debt plus total shareholders' equity)

Net Debt: debt minus (cash and equivalents and short-term investments available for sale)

Non-GAAP Diluted EPS from Continuing Operations: non-GAAP earnings from continuing operations divided by diluted weighted average shares outstanding

Non-GAAP Earnings from Continuing Operations: earnings from continuing operations excluding special items and impairment charges and other, both net of tax

Non-GAAP Return on Equity: (annualized current period net earnings plus special items minus special items tax benefit) divided by average shareholders' equity¹

Non-GAAP Return on Invested Capital: (annualized net earnings plus special items minus special items tax benefit plus interest expense and other) divided by (average total shareholders' equity plus debt plus unrecorded goodwill)¹

¹ For the three and six months ended December 31, 2006, the numerator in calculating this non-GAAP financial measure also excludes a \$425 million income tax benefit related to PTS discontinued operations recorded in the second quarter of fiscal 2007.

Forward-Looking Non-GAAP Measures

The Company presents non-GAAP earnings from continuing operations (and presentations derived from this financial measure, including per share calculation) on a forward-looking basis. The most directly comparable forward-looking GAAP measure is earnings from continuing operations. The Company is unable to provide a quantitative reconciliation of this forward-looking non-GAAP measure to the most directly comparable forward-looking GAAP measure because the Company cannot reliably forecast special items and impairment charges and other, which are difficult to predict and estimate. Please note that the unavailable reconciling items could significantly impact the Company's future financial results.

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