



Essential to care



CardinalHealth
Essential to care™

Citigroup Global Healthcare Conference

R. Kerry Clark, Chairman and CEO

Sally J. Curley, SVP, IR

Forward-looking statements and GAAP reconciliation

This presentation contains forward-looking statements addressing expectations, prospects, estimates and other matters that are dependent upon future events or developments. These matters 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 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; uncertainties relating to the timing of generic or 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 healthcare 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; future actions of regulatory bodies or government authorities relating to Cardinal Health's manufacturing or sale of products and other costs or claims that could arise from its manufacturing, compounding or repackaging operations or from its other services; the costs, difficulties and uncertainties related to the integration of acquired businesses; and conditions in the pharmaceutical market and general economic and market conditions. This presentation reflects Management's views as of May 22, 2008. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement. In addition, this presentation includes non-GAAP financial measures. Cardinal Health provides definitions and reconciling information at the end of this presentation and on its investor relations page at www.cardinalhealth.com.

Cardinal Health, Inc.

NYSE: CAH

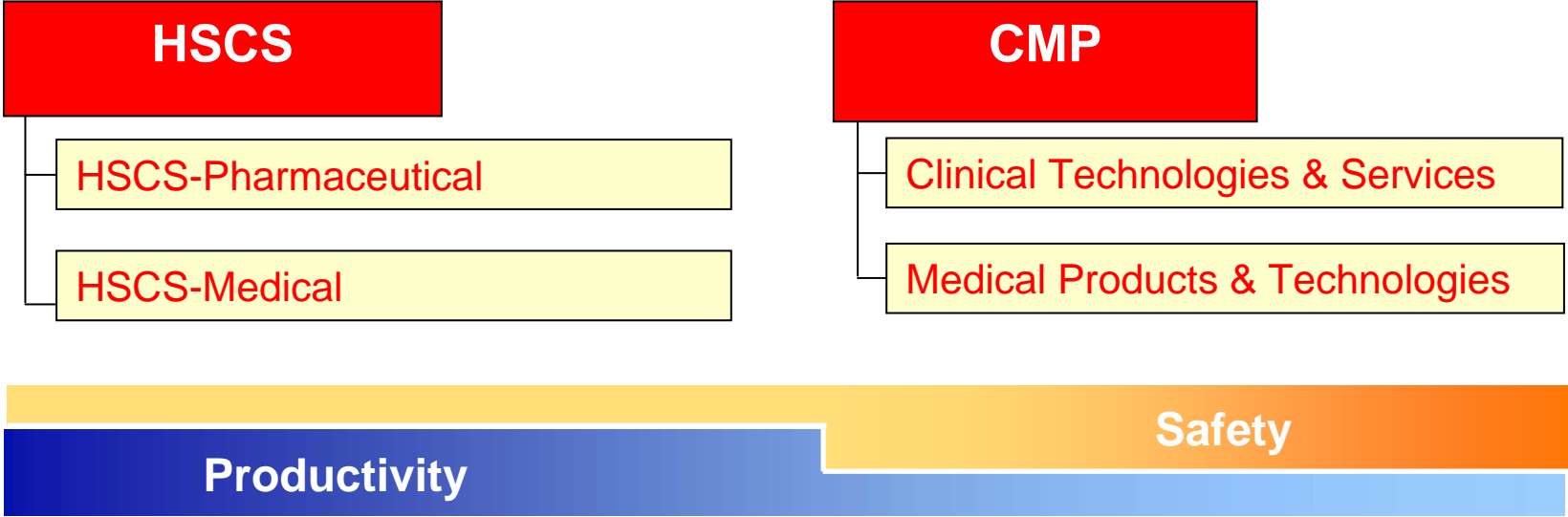
- A global healthcare corporation formed in 1979 and based in Dublin, Ohio
- Leading provider of products and services that improve the safety and productivity of healthcare
- More than 40,000 employees worldwide
- #19 on *Fortune 500*
- Q3 Fiscal 2008 (June year end):
 - Revenues of approximately \$23 billion
 - Non-GAAP operating earnings of approximately \$613 million
 - Non-GAAP EPS of \$1.08, up 13% vs. prior fiscal year

Key themes: FY08

- 1 Focusing on the core and leveraging scale
- 2 Rebuilding the pharmaceutical distribution business via superior execution
- 3 Leveraging the growth potential of CMP
- 4 Maintaining a shareholder-focused capital deployment strategy

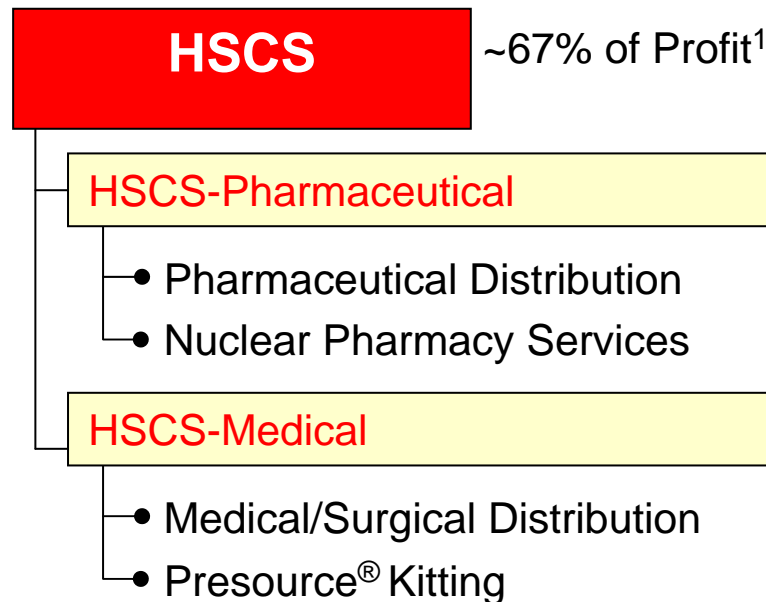
Focusing on the core, leveraging scale

Mission: To make healthcare safer and more productive

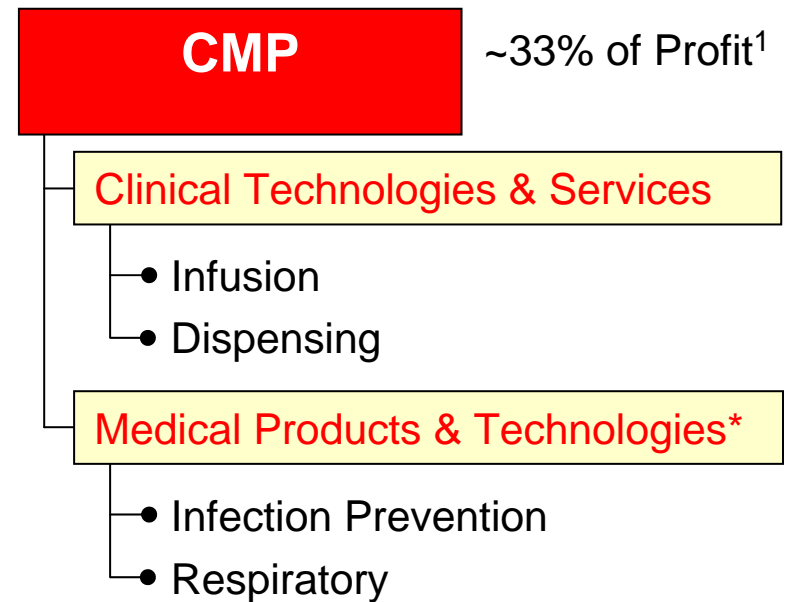


Focusing on the core, leveraging scale

Industry leading distribution businesses with good growth and strong cash flow



High growth, higher margin healthcare products and technologies businesses



*Formerly Medical Products Manufacturing

(1) Profit refers to total segment profit which is combined 9 months FY08 segment profit for all four segments before inter-segment eliminations

Focusing on the core, leveraging scale

Corporate Update

- Executing stated capital deployment strategy
- Sector organizations in place
- Executive leadership team in place
- Hospital sales force integration complete
- Integration of HSCS in Dublin on schedule
- Performing well in CMP, HSCS-M, but not in HSCS-P

Rebuilding pharma distribution: Expectations

- Branded pharma pricing in mid-single digit percentages
- CAH revenue growth at market
- Margins stable in medium-term
- No significant additional contract renewals in calendar 2008

Rebuilding pharma distribution: Challenges

- Impact of anti-diversion efforts relative to controlled substances
- Difficult environment in which to grow DSD business
- Major contract repricings (impacting calendar 2008)
- Market growth

Rebuilding pharma distribution: Priorities

- Single-minded focus on superior execution
- Resolve anti-diversion issues
- Focus on fewer things, do them incredibly well
- Complete customer segmentation, upstream and downstream
- Better integrate generic programs into overall offering

Leveraging CMP's growth potential

- Business model remains very strong with Q3 FY08 revenue up 26% and profit up 43%
- Goal to be as much as 40% of total segment profit by 2010
- CMP has significant opportunities internationally
- New product pipeline is strong
- Medication management and infection prevention platforms align well with core industry concerns

Medical Products & Technologies

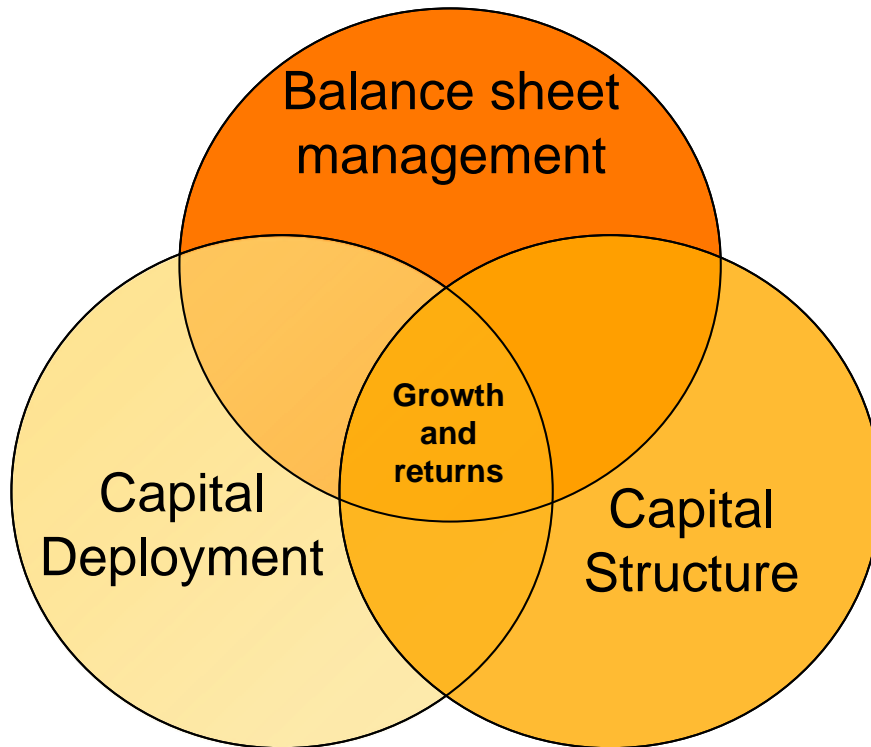
- Respiratory, infection prevention significant focus
- Strong organic growth within the core infection prevention and medical specialty businesses
- Enturia acquisition – closed May 12, 2008
– enhances infection prevention area
- VIASYS integration slightly ahead of expectations

Clinical Technologies & Services

- Pyxis (dispensing) = more than 70% of U.S. market
- Alaris (infusion pumps) = more than 35% of U.S. market
- Stronger QA/QC systems yielded better proactive remediation approach
- Recall remediation to be completed by calendar 2008 end

Value-focused financial strategy

Value-focused financial strategy that is targeted at driving growth and returns



Balance sheet management

- Focus on working capital efficiency
- Portfolio optimization
- Q3 FY08 non-GAAP ROIC up 5 bps Y/Y

Capital deployment

- Shareholder value focused
- \$1.1B shares repurchased 9 mos FY08

Capital structure

- Low cost of capital, BBB+ rating
- Our structure provides sustainability in current credit crisis
- Debt to total capital increased from 29% in Q3 FY07 to 34% in Q3 FY08

FY 2008 Guidance as of May 1, 2008

- Revenue growth of approximately 5%
- Mid-point of non-GAAP EPS of \$3.75 - \$3.85 per share
 - Excludes anticipated 1-2¢ dilutive impact from Enturia acquisition, closed May 12, 2008
- FY09 guidance
 - FY09 guidance part of Q4 FY08 earnings release/conference call in August

Key themes: FY08

- 1 Focusing on the core and leveraging scale
- 2 Rebuilding the pharmaceutical distribution business via superior execution
- 3 Leveraging the growth potential of CMP
- 4 Maintaining a shareholder-focused capital deployment strategy



CardinalHealth

Essential to care™

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

(In millions)	Third Quarter		Year-to-Date	
	2008	2007	2008	2007
GAAP Return on Equity	19.6%	0.9%	18.1%	16.3%
Non-GAAP Return on Equity				
Net earnings	\$ 356.0	\$ 19.0	\$ 982.6	\$ 1,028.9
Special items, net of tax, in continuing operations	22.7	392.3	55.9	421.1
Special items, net of tax, in discontinued operations	-	1.3	-	4.4
(Gain)/loss on sale of PTS, net of tax, in discontinued operations ³	7.6	24.7	7.6	(392.9)
Adjusted net earnings	\$ 386.3	\$ 437.3	\$ 1,046.1	\$ 1,061.5
Annualized	\$ 1,545.2	\$ 1,749.2	\$ 1,394.8	\$ 1,415.3
Divided by average shareholders' equity ¹	\$ 7,250.7	\$ 8,388.6	\$ 7,236.6	\$ 8,422.3
Non-GAAP return on equity	21.3%	20.9%	19.3%	16.8%

(In millions)	Third Quarter		Year-to-Date	
	2008	2007	2008	2007
GAAP Return on Invested Capital	7.60%	0.36%	7.06%	6.49%
Non-GAAP Return on Invested Capital				
Net earnings	\$ 356.0	\$ 19.0	\$ 982.6	\$ 1,028.9
Special items, net of tax, in continuing operations	22.7	392.3	55.9	421.1
Special items, net of tax, in discontinued operations	-	1.3	-	4.4
Interest expense and other, net of tax	19.9	20.6	79.4	65.4
(Gain)/loss on sale of PTS, net of tax, in discontinued operations ³	7.6	24.7	7.6	(392.9)
Adjusted net earnings	\$ 406.2	\$ 457.9	\$ 1,125.5	\$ 1,126.9
Annualized	\$ 1,624.8	\$ 1,831.6	\$ 1,500.7	\$ 1,502.5
Divided by average total invested capital ²	\$ 18,727.9	\$ 21,206.0	\$ 18,546.9	\$ 21,128.5
Non-GAAP return on invested capital	8.68%	8.63%	8.09%	7.11%

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 at the end 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 March 31, 2008 and 2007 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, \$41.3 million and \$12.3 million at June 30, 2006, September 30, 2006, December 31, 2006 and March 31, 2007, respectively.

³ The amounts previously reported for the three and nine months ended March 31, 2007, have been adjusted by \$24.7 million and \$32.1 million, respectively, to include additional amounts identified as direct costs associated with the disposition of the PTS Business.



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

(in millions)	Third Quarter		Year-to-Date	
	2008	2007	2008	2007
GAAP Effective Tax Rate from Continuing Operations	32.9%	88.2%	32.0%	29.3%
Non-GAAP Effective Tax Rate from Continuing Operations				
Earnings before income taxes and discontinued operations	\$ 545.4	\$ (42.0)	\$ 1,461.5	\$ 850.9
Special items	35.6	612.0	87.7	653.8
Adjusted earnings before income taxes and discontinued operations	\$ 581.0	\$ 570.0	\$ 1,549.2	\$ 1,504.7
Provision for income taxes	\$ 179.5	\$ (37.1)	\$ 467.2	\$ 248.9
Special items tax benefit	12.9	219.7	31.8	232.7
Adjusted provision for income taxes	\$ 192.4	\$ 182.6	\$ 499.0	\$ 481.6
Non-GAAP effective tax rate from continuing operations	33.1%	32.0%	32.2%	32.0%

	Third Quarter	
	2008	2007
Debt to Total Capital	34%	29%
Net Debt to Capital		
Current portion of long-term obligations and other short-term borrowings	\$ 355.3	\$ 296.9
Long-term obligations, less current portion and other short-term borrowings	3,450.1	2,899.0
Debt	\$ 3,805.4	\$ 3,195.9
Cash and equivalents	(1,529.0)	(866.5)
Short-term investments available for sale	-	(300.0)
Net debt	\$ 2,276.4	\$ 2,029.4
Total shareholders' equity	\$ 7,393.2	\$ 7,869.5
Capital	\$ 9,669.6	\$ 9,898.9
Net debt to capital	24%	21%

Forward-Looking Non-GAAP Financial Measures

The Company presents non-GAAP earnings from continuing operations, non-GAAP return on equity, and non-GAAP effective tax rate from continuing operations (and presentations derived from these financial measures) on a forward-looking basis. The most directly comparable forward-looking GAAP measures are earnings from continuing operations, return on equity 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 comparable forward-looking GAAP measures because the Company cannot reliably forecast special items and impairment charges and other, 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
GAAP / NON-GAAP RECONCILIATION

(in millions)	Third Quarter	
	2008	2007
HEALTHCARE SUPPLY CHAIN SERVICES		
Revenue		
Pharmaceutical	\$19,894	\$19,246
Medical	2,066	1,907
Total Sector Revenue	\$21,960	\$21,153
Sector Growth Rate	4 %	
Profit		
Pharmaceutical	\$300	\$380
Medical	93	89
Total Sector Profit	\$393	\$469
Sector Growth Rate	(16)%	

(in millions)	Third Quarter	
	2008	2007
CLINICAL AND MEDICAL PRODUCTS		
Revenue		
Clinical Technologies and Services	\$747	\$674
Medical Products and Technologies	679	458
Total Sector Revenue	\$1,426	\$1,132
Sector Growth Rate	26 %	
Profit		
Clinical Technologies and Services	\$127	\$98
Medical Products and Technologies	80	47
Total Sector Profit	\$207	\$145
Sector Growth Rate	43 %	

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 / (loss) from continuing operations divided by diluted weighted average shares outstanding

Effective Tax Rate from Continuing Operations: provision for income taxes divided by earnings / (loss) before income taxes and discontinued operations

Operating Cash Flow: net cash provided by / (used in) operating activities from continuing operations

Segment Profit: segment revenue minus (segment cost of products sold and segment 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

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

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 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 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 / (loss) from continuing operations excluding special items and impairment charges and other, both 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 special items) divided by (earnings / (loss) before income taxes and discontinued operations adjusted for special items)

Non-GAAP Operating Earnings: operating earnings / (loss) excluding special items and impairment charges and other

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 plus special items minus special items tax benefit) divided by average shareholders' equity ¹

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 months ended March 31, 2008 and 2007, the numerator in calculating this non-GAAP financial measure also excludes the respective \$7.6 million and \$24.7 million (gain) / loss, net of tax, on the sale of PTS recorded in discontinued operations. For the nine months ended March 31, 2008 and 2007, the numerator in calculating this non-GAAP financial measure also excludes the respective \$7.6 million and \$(392.9) million (gain) / loss, net of tax, on the sale of PTS recorded in discontinued operations.