

CARDINAL HEALTH, INC.
CONSOLIDATED STATEMENTS OF EARNINGS (UNAUDITED)
(in millions, except per share amounts)

	FIRST QUARTER		
	September 2001	September 2000	% Change
Revenue:			
Operating Revenue	\$ 9,865.4	\$ 8,510.9	16 %
Bulk Deliveries to Customer Warehouses	<u>1,908.0</u>	<u>2,529.0</u>	(25)%
Total Revenue	11,773.4	11,039.9	7 %
Cost of Products Sold:			
Operating Cost of Products Sold	8,950.7	7,707.2	16 %
Cost of Products Sold - Bulk Deliveries	<u>1,908.0</u>	<u>2,528.5</u>	(25)%
Total Cost of Products Sold	10,858.7	10,235.7	6 %
Gross Margin	914.7	804.2	14 %
S, G & A Expenses	502.4	455.3	10 %
Goodwill Amortization	-	12.1	N.M.
Special Charges	<u>12.3</u>	<u>12.3</u>	N.M.
Operating Earnings	400.0	324.5	23 %
Interest Expense and Other	<u>28.6</u>	<u>33.7</u>	(15)%
Earnings Before Income Taxes	371.4	290.8	28 %
Provision for Income Taxes	<u>125.0</u>	<u>100.8</u>	24 %
Net Earnings Before Cumulative Effect of Change in Accounting Principle	246.4	190.0	30 %
Cumulative Effect on Prior Years of Change in Accounting Principle	<u>70.1</u>	<u>-</u>	N.M.
Net Earnings	<u>\$ 176.3</u>	<u>\$ 190.0</u>	N.M.
Basic Earnings Per Common Share:			
Before Cumulative Effect of Change in Accounting Principle	\$ 0.55	\$ 0.43	28 %
Cumulative Effect of Change in Accounting Principle	<u>(0.16)</u>	<u>-</u>	N.M.
Net Basic Earnings Per Common Share	<u>\$ 0.39</u>	<u>\$ 0.43</u>	N.M.
Diluted Earnings Per Common Share:			
Before Cumulative Effect of Change in Accounting Principle	\$ 0.53	\$ 0.42	26 %
Cumulative Effect of Change in Accounting Principle	<u>(0.15)</u>	<u>-</u>	N.M.
Net Diluted Earnings Per Common Share	<u>\$ 0.38</u>	<u>\$ 0.42</u>	N.M.
Weighted Average Number of Shares Outstanding			
Basic	449.6	438.9	
Diluted	460.6	450.9	

The following table summarizes the impact of special charges and goodwill amortization on net earnings and dilute earnings per Common Share in the quarters in which they were recorded

	Current Year		Prior Year	
	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS
Special Charges	\$ (7.6)	\$ (0.02)	\$ (6.0)	\$ (0.013)
Goodwill Amortization	<u>-</u>	<u>-</u>	<u>(11.0)</u>	<u>(0.024)</u>
Impact of Special Items and Goodwill	<u>\$ (7.6)</u>	<u>\$ (0.02)</u>	<u>\$ (17.0)</u>	<u>\$ (0.04)</u>

CARDINAL HEALTH, INC.
CONSOLIDATED BALANCE SHEETS
(in millions)

(unaudited)

	September 30, 2001	June 30, 2001	September 30, 2000
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and Equivalents	\$ 872.0	\$ 934.1	\$ 573.3
Trade Receivables	2,251.6	2,408.7	2,523.9
Current Portion of Investment in Sales-Type Leases	182.3	236.3	198.5
Inventories	7,704.7	6,286.1	5,534.4
Prepaid Expenses and Other	939.1	851.1	708.4
Total Current Assets	<u>11,949.7</u>	<u>10,716.3</u>	<u>9,538.5</u>
Property and Equipment - Net	1,847.9	1,838.3	1,754.2
Investment in Sales-Type Leases	539.6	671.7	579.7
Other Assets	1,384.3	1,416.1	1,334.2
TOTAL ASSETS	<u>\$ 15,721.5</u>	<u>\$ 14,642.4</u>	<u>\$ 13,206.6</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES			
Notes Payable - Banks and Current Portion of			
Long-Term Obligations	\$ 25.9	\$ 14.2	\$ 421.1
Accounts Payable	5,663.8	5,319.9	4,479.4
Other Accrued Liabilities	1,368.2	1,240.7	1,098.6
Total Current Liabilities	<u>7,057.9</u>	<u>6,574.8</u>	<u>5,999.1</u>
Long-Term Obligations, Less Current Portion	2,288.6	1,871.0	2,011.6
Deferred Taxes and Other Liabilities	704.9	759.5	527.6
Total Shareholders' Equity	<u>5,670.1</u>	<u>5,437.1</u>	<u>4,668.3</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 15,721.5</u>	<u>\$ 14,642.4</u>	<u>\$ 13,206.6</u>

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CARDINAL HEALTH, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(in millions)

	Three months ended	
	September 30,	
	2001	2000
Cash Flows From Operating Activities:		
Net earnings before cumulative effect of change in accounting principle	\$246.4	\$190.0
Adjustments to reconcile net earnings before cumulative effect of change in accounting principle to net cash from operations:		
Depreciation and amortization	61.2	68.0
Change in operating assets and liabilities, net of effects from acquisitions:		
(Increase)/decrease in trade receivables	161.0	(129.6)
Increase in inventories	(1,411.0)	(779.8)
(Increase)/decrease in net investment in sales-type leases	186.0	(11.9)
Increase in accounts payable	342.9	491.7
Other operating items - net	(67.2)	(210.8)
Net cash used in operating activities	<u>(480.7)</u>	<u>(382.4)</u>
Cash Flows From Investing Activities:		
Acquisition of subsidiaries, net of cash acquired	-	(239.9)
Proceeds from sale of property and equipment	9.6	3.4
Additions to property and equipment	<u>(58.3)</u>	<u>(53.4)</u>
Net cash used in investing activities	<u>(48.7)</u>	<u>(289.9)</u>
Cash Flows From Financing Activities:		
Net change in commercial paper and short-term debt	405.1	568.0
Net change in long-term obligations	22.7	31.5
Proceeds from issuance of Common Shares	53.3	70.4
Purchase of Treasury Stock	(2.7)	(2.3)
Other	<u>(11.1)</u>	<u>(9.1)</u>
Net cash provided by financing activities	<u>467.3</u>	<u>658.5</u>
Net Decrease in Cash and Equivalents	(62.1)	(13.8)
Change in Bindley's fiscal year	-	47.6
Cash and Equivalents at Beginning of Period	<u>934.1</u>	<u>539.5</u>
Cash and Equivalents at End of Period	<u><u>872.0</u></u>	<u><u>573.3</u></u>

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CARDINAL HEALTH, INC. - FIRST QUARTER FY 2002 BUSINESS ANALYSIS

(\$ millions)

<u>PHARMACEUTICAL DISTRIBUTION AND PROVIDER SERVICES</u>				<u>MEDICAL-SURGICAL PRODUCTS AND SERVICES</u>			
	<u>2002</u>	<u>2001</u>	<u>COMMENT</u>		<u>2002</u>	<u>2001</u>	<u>COMMENT</u>
<u>REVENUE</u>				<u>REVENUE</u>			
- Amount	\$7,961	\$6,780	Q1 RECORD	- Amount	\$1,510	\$1,379	Q1 RECORD
- Growth Rate	17%	23%	Organic Growth	- Growth Rate	10%	14%	BBMC acquisition
- Mix	81%	80%		- Mix	15%	16%	
<u>OPERATING EARNINGS</u>				<u>OPERATING EARNINGS</u>			
- Amount*	\$222	\$178	Q1 RECORD	- Amount*	\$127	\$110	Q1 RECORD
- Growth Rate*	24%	24%		- Growth Rate*	15%	18%	
- Mix*	51%	49%		- Mix*	29%	30%	
<u>RATIO TO REVENUE</u>				<u>RATIO TO REVENUE</u>			
- Gross Margin	5.21%	5.16%	Vendor margins	- Gross Margin	21.42%	22.50%	BBMC impact
- Expenses*	2.42%	2.53%	Q1 RECORD LOW	- Expenses*	13.03%	14.49%	Cost control, BBMC synergies
- Operating Earnings*	2.79%	2.63%	Q1 RECORD	- Operating Earnings*	8.39%	8.01%	Q1 RECORD
<u>PRODUCTIVITY</u>				<u>PRODUCTIVITY</u>			
- Margin Per Expense Dollar*	\$2.15	\$2.04		- Margin Per Expense Dollar*	\$1.64	\$1.55	
<u>ASSET MANAGEMENT</u>				<u>ASSET MANAGEMENT</u>			
- Average Committed Capital	\$3,047	\$2,890	Asset management, BDY synergies	- Average Committed Capital	\$1,502	\$1,302	BBMC impact
- Return On Committed Capital	29.1%	24.6%	Q1 RECORD	- Return On Committed Capital	33.7%	31.5%	RECORD
- Operating Cash Flow	(\$703)	(\$378)	Inventory investments	- Operating Cash Flow	\$30	\$9	
<u>PHARMACEUTICAL TECHNOLOGIES AND SERVICES</u>				<u>AUTOMATION AND INFORMATION SERVICES</u>			
	<u>2002</u>	<u>2001</u>	<u>COMMENT</u>		<u>2002</u>	<u>2001</u>	<u>COMMENT</u>
<u>REVENUE</u>				<u>REVENUE</u>			
- Amount	\$301	\$272	Q1 RECORD	- Amount	\$108	\$90	Q1 RECORD
- Growth Rate	11%	5%		- Growth Rate	20%	29%	Installation method
- Mix	3%	3%		- Mix	1%	1%	
<u>OPERATING EARNINGS</u>				<u>OPERATING EARNINGS</u>			
- Amount*	\$58	\$52	Q1 RECORD	- Amount*	\$30	\$23	Q1 RECORD
- Growth Rate*	12%	12%		- Growth Rate*	27%	37%	
- Mix*	13%	14%		- Mix*	7%	7%	
<u>RATIO TO REVENUE</u>				<u>RATIO TO REVENUE</u>			
- Gross Margin	33.82%	32.44%	Product mix	- Gross Margin	66.92%	64.32%	Product mix, productivity
- Expenses*	14.62%	13.48%		- Expenses*	39.43%	38.38%	
- Operating Earnings*	19.20%	18.96%	Q1 RECORD	- Operating Earnings*	27.49%	25.94%	Operational improvements
<u>PRODUCTIVITY</u>				<u>PRODUCTIVITY</u>			
- Margin Per Expense Dollar*	\$2.31	\$2.41		- Margin Per Expense Dollar*	\$1.70	\$1.68	
<u>ASSET MANAGEMENT</u>				<u>ASSET MANAGEMENT</u>			
- Average Committed Capital	\$941	\$750	Strategic investment	- Average Committed Capital	\$588	\$623	\$150M securitization
- Return On Committed Capital	24.5%	26.6%		- Return On Committed Capital	20.3%	14.8%	
- Operating Cash Flow	\$10	\$9		- Operating Cash Flow	\$182	(\$22)	Securitization, collections

- Revenue and all ratios to revenue exclude bulk deliveries to customer warehouses
 - Corporate costs are fully allocated to businesses except for special charges and eliminations

* Due to the implementation of FAS No. 142 and to arrive at relevant comparisons, these lines are presented on a proforma basis for FY 2001 to exclude goodwill amortization.

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CARDINAL HEALTH, INC. - FIRST QUARTER FY 2002 BUSINESS ANALYSIS

(\$ millions)

	<u>TOTAL</u>			
	<u>2002</u>	<u>2001</u>		
• <u>REVENUE</u>			Excluding Special Charges	
- Amount	\$9,865	\$8,511		
- Growth Rate	16%	21%		
• <u>OPERATING EARNINGS</u>			<u>2002</u>	<u>2001</u>
- Amount*	\$400	\$337	\$412	\$349
- Growth Rate*	19%	31%	18%	19%
• <u>RATIO TO REVENUE</u>				
- Gross Margin	9.27%	9.45%		
- Expenses*	5.09%	5.35%		
- Special Charges	0.12%	0.14%		
- Operating Earnings*	4.06%	3.96%	4.18%	4.10%
• <u>NET EARNINGS**</u>				
- Amount*	\$246	\$201	\$254	\$207
- Growth Rate*	22%	44%	23%	22%
- Ratio to Revenue*	2.50%	2.36%	2.58%	2.43%
• <u>PRODUCTIVITY</u>				
- Margin Per Expense Dollar *	\$1.82	\$1.77		
• <u>ASSET MANAGEMENT</u>				
- Average Committed Capital	\$5,579	\$5,082		
- Return On Committed Capital	28.7%	25.5%	29.6%	26.5%
- Operating Cash Flow	(\$481)	(\$382)		

- Revenue and all ratios to revenue exclude bulk deliveries to customer warehouses

* Due to the implementation of FAS No. 142 and to arrive at relevant comparisons, these lines are presented on a proforma basis for FY 2001 to exclude goodwill amortization.

** The net earnings section is presented before the cumulative effect of change in accounting principle.

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CARDINAL HEALTH, INC. - FIRST QUARTER FISCAL 2002 AND 2001 ASSET MANAGEMENT ANALYSIS
(\$ millions)

	<u>2002</u>	<u>2001</u>	<u>COMMENT</u>
· RECEIVABLE DAYS	20	22	Q1 RECORD LOW
· INVENTORY TURNS	6.0	6.1	Investment opportunities
· CASH	\$872	\$573	
· DEBT	\$2,315	\$2,433	
· EQUITY	\$5,670	\$4,668	
· NET DEBT/TOTAL CAPITAL	20%	28%	Q1 RECORD LOW
· TANGIBLE NET WORTH	\$4,503	\$3,540	
· RETURN ON EQUITY	17.8%	16.8%	
EXCLUDING SPECIAL CHARGES	18.3%	17.3%	Q1 RECORD
· TAX RATE*	33.7%	33.6%	
EXCLUDING SPECIAL CHARGES*	33.8%	34.3%	Tax efficiency initiatives

* Due to the implementation of FAS No. 142 and to arrive at relevant comparisons, these lines are presented on a proforma basis for FY 2001 to exclude goodwill amortization.

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