

WATKINS CAROLE S
Form 4
September 17, 2009

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

OMB Number: 3235-0287
Expires: January 31, 2005
Estimated average burden hours per response... 0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
WATKINS CAROLE S

(Last) (First) (Middle)
7000 CARDINAL PLACE
(Street)

DUBLIN, OH 43017

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
CARDINAL HEALTH INC [CAH]

3. Date of Earliest Transaction
(Month/Day/Year)
09/15/2009

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

___ Director ___ 10% Owner
 Officer (give title below) ___ Other (specify below)
Chief HR Officer

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
							\$
Common Shares	09/15/2009		A		12,120	A	27.29 (1)
Common Shares							2,146
Common Shares							3,890
						D	By 401(k) Plan
						I	By ESPP

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Price or Value of Derivative Security (Instr. 3)
Option (right to buy) ⁽²⁾	\$ 27.29	09/15/2009		A	1	⁽³⁾ 09/15/2016	Common Shares	84,617 ⁽⁴⁾
Option (right to buy) ⁽⁵⁾	\$ 27.29	09/15/2009		A	1	⁽³⁾ 09/15/2016	Common Shares	84,617 ⁽⁴⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
WATKINS CAROLE S 7000 CARDINAL PLACE DUBLIN, OH 43017			Chief HR Officer	

Signatures

Carole S.
Watkins
09/17/2009

^{**}Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Restricted share units granted under the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended and restated as of November 5, 2008. These restricted share units were granted without payment by the grantee and one-third will vest on September 15, 2010, one-third will vest on September 15, 2011 and one-third will vest on September 15, 2012. These restricted share units were granted as part of Cardinal Health, Inc.'s (the "Company's") fiscal 2010 annual grant.

(2)

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Stock option granted pursuant to the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended and restated as of November 5, 2008. This stock option was granted as part of the Company's fiscal 2010 annual grant.

- (3) One-third of this stock option will vest on September 15, 2010, one-third will vest on September 15, 2011 and one-third will vest on September 15, 2012.
- (4) Stock option granted without payment by grantee.

Stock option granted pursuant to the Cardinal Health, Inc. 2005 Long-Term Incentive Plan, as amended and restated as of November 5,

- (5) 2008. This stock option was granted in place of a stock option that otherwise would have been expected to be granted as part of the Company's fiscal 2011 annual grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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