

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

	FIRST QUARTER		% Change
	September 2000	September 1999	
Revenue:			
Operating Revenue	\$ 6,983.2	\$ 5,829.3	20 %
Bulk Deliveries to Customer Warehouses	<u>1,751.4</u>	<u>954.4</u>	84 %
Total Revenue	8,734.6	6,783.7	29 %
Cost of Products Sold:			
Operating Cost of Products Sold	6,246.8	5,174.5	21 %
Cost of Products Sold - Bulk Deliveries	<u>1,751.4</u>	<u>954.4</u>	84 %
Total Cost of Products Sold	7,998.2	6,128.9	30 %
Gross Margin	736.4	654.8	12 %
S, G & A Expenses	426.1	391.3	9 %
Merger-Related Costs	<u>17.3</u>	<u>36.8</u>	(53)%
Operating Earnings	293.0	226.7	29 %
Interest Expense and Other	<u>(27.0)</u>	<u>(24.9)</u>	8 %
Earnings Before Income Taxes	266.0	201.8	32 %
Provision for Income Taxes	<u>92.8</u>	<u>79.8</u>	16 %
Net Earnings	<u>\$ 173.2</u>	<u>\$ 122.0</u>	42 %
Earnings Per Common Share:			
Basic	\$ 0.62	\$ 0.44	41 %
Diluted	\$ 0.61	\$ 0.43	42 %
Weighted Average Number of Shares Outstanding:			
Basic	277.6	280.0	
Diluted	284.4	286.2	

The following table summarizes the impact of merger-related costs on net earnings and diluted earnings per Common Share in the quarters in which they were recorded:

	Current Year		Prior Year	
	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS
Merger-Related Costs	<u>\$ (11.0)</u>	<u>\$ (0.04)</u>	<u>\$ (29.7)</u>	<u>\$ (0.10)</u>

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

(unaudited)

	September 30, 2000	June 30, 2000	September 30, 1999
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and Equivalents	\$ 491.1	\$ 504.6	\$ 185.4
Trade Receivables	1,904.2	1,677.0	1,750.9
Current Portion of Investment in Sales-Type Leases	198.5	187.7	157.7
Inventories	4,468.4	3,865.3	3,568.0
Prepaid Expenses and Other	677.5	636.0	497.8
Total Current Assets	<u>7,739.7</u>	<u>6,870.6</u>	<u>6,159.8</u>
Property and Equipment - Net	1,654.3	1,626.9	1,594.3
Investment in Sales-Type Leases	579.7	578.6	464.7
Other Assets	1,250.9	1,188.8	1,218.5
TOTAL ASSETS	<u>\$ 11,224.6</u>	<u>\$ 10,264.9</u>	<u>\$ 9,437.3</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES			
Notes Payable - Banks and Current Portion of			
Long-Term Obligations	\$ 21.1	\$ 28.4	\$ 23.3
Accounts Payable	3,429.4	3,030.9	2,799.7
Other Accrued Liabilities	1,058.8	1,202.2	834.4
Total Current Liabilities	<u>4,509.3</u>	<u>4,261.5</u>	<u>3,657.4</u>
Long-Term Obligations, Less Current Portion	1,973.3	1,485.8	1,519.6
Deferred Taxes and Other Liabilities	511.7	536.4	579.3
Total Shareholders' Equity	<u>4,230.3</u>	<u>3,981.2</u>	<u>3,681.0</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 11,224.6</u>	<u>\$ 10,264.9</u>	<u>\$ 9,437.3</u>

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

	<u>For the three months ended</u>	
	<u>September 30, 2000</u>	<u>September 30, 1999</u>
Cash Flows From Operating Activities:		
Net earnings available for Common Shares	\$ 173.2	\$ 122.0
Adjustments to reconcile net earnings to net cash from operations:		
Depreciation and amortization	64.0	61.7
Change in operating assets and liabilities, net of effects from acquisitions:		
Increase in trade receivables	(138.8)	(148.2)
Increase in inventories	(504.3)	(627.9)
Increase in net investment in sales-type leases	(11.9)	(15.5)
Increase in accounts payable	341.9	442.6
Other operating items - net	(189.1)	(13.3)
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Net cash used in operating activities	(265.0)	(178.6)
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Cash Flows From Investing Activities:		
Net acquisition of subsidiaries, net of cash acquired	(239.9)	(48.3)
Proceeds from sale of property and equipment	1.8	2.6
Additions to property and equipment	(47.8)	(81.6)
Other	-	48.4
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Net cash used in investing activities	(285.9)	(78.9)
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Cash Flows From Financing Activities:		
Net short-term borrowing activity	488.0	356.0
Net change in long-term obligations	(8.4)	(79.0)
Common Shares issued under employee benefit plans	66.3	9.9
Other	(8.5)	(29.4)
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Net cash provided by financing activities	537.4	257.5
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Net Decrease in Cash and Equivalents	(13.5)	-
Cash and Equivalents at Beginning of Period	504.6	185.4
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Cash and Equivalents at End of Period	\$ 491.1	\$ 185.4
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CARDINAL HEALTH, INC. - FIRST QUARTER FY 2001 BUSINESS ANALYSIS

(\$ millions)

<u>PHARMACEUTICAL DISTRIBUTION AND PROVIDER SERVICES</u>				<u>MEDICAL-SURGICAL PRODUCTS AND SERVICES</u>			
	<u>2001</u>	<u>2000</u>	<u>Comment</u>		<u>2001</u>	<u>2000</u>	<u>Comment</u>
<u>REVENUE</u>				<u>REVENUE</u>			
- Amount	\$5,252	\$4,290	RECORD	- Amount	\$1,379	\$1,213	RECORD
- Growth Rate	22%	20%	All internal	- Growth Rate	14%	5%	BBMC acquisition
- Mix	75%	74%		- Mix	20%	20%	
<u>RATIO TO REVENUE</u>				<u>RATIO TO REVENUE</u>			
- Gross Margin	5.37%	5.74%	Customer mix	- Gross Margin	22.50%	23.00%	BBMC impact
- Expenses	2.49%	2.84%	RECORD LOW	- Expenses	15.06%	15.86%	Expense focus
- Operating Earnings	2.88%	2.90%		- Operating Earnings	7.44%	7.14%	Q1 RECORD
<u>OPERATING EARNINGS</u>				<u>OPERATING EARNINGS</u>			
- Growth Rate	22%	33%		- Growth Rate	19%	22%	
- Mix	46%	46%		- Mix	32%	32%	
<u>PRODUCTIVITY</u>				<u>PRODUCTIVITY</u>			
- Margin Per Expense Dollar*	\$2.15	\$2.02	6% improvement	- Margin Per Expense Dollar*	\$1.49	\$1.45	
<u>ASSET MANAGEMENT</u>				<u>ASSET MANAGEMENT</u>			
- Average Committed Capital	\$2,166	\$1,786		- Average Committed Capital	\$1,302	\$1,236	BBMC impact
- Return On Committed Capital	27.9%	27.7%	RECORD	- Return On Committed Capital	31.5%	28.0%	Q1 RECORD
- Operating Cash Flow	(\$261)	(\$196)		- Operating Cash Flow	\$9	\$48	
- Capital Expenditures Investment	\$12	\$24		- Capital Expenditures Investment	\$11	\$17	
<u>PHARMACEUTICAL TECHNOLOGIES AND SERVICES</u>				<u>AUTOMATION AND INFORMATION SERVICES</u>			
	<u>2001</u>	<u>2000</u>	<u>Comment</u>		<u>2001</u>	<u>2000</u>	<u>Comment</u>
<u>REVENUE</u>				<u>REVENUE</u>			
- Amount	\$272	\$259	Q1 RECORD	- Amount	\$90	\$70	Q1 RECORD
- Growth Rate	5%	24%		- Growth Rate	29%	(22)%	
- Mix	4%	4%		- Mix	1%	2%	
<u>RATIO TO REVENUE</u>				<u>RATIO TO REVENUE</u>			
- Gross Margin	32.44%	31.80%	Product mix	- Gross Margin	64.32%	68.79%	Product mix
- Expenses	14.08%	14.41%	Operating efficiencies	- Expenses	38.68%	44.28%	Strong leverage
- Operating Earnings	18.36%	17.39%	Q1 RECORD	- Operating Earnings	25.64%	24.51%	
<u>OPERATING EARNINGS</u>				<u>OPERATING EARNINGS</u>			
- Growth Rate	11%	55%		- Growth Rate	35 %	(39)%	
- Mix	15%	16%		- Mix	7%	6%	
<u>PRODUCTIVITY</u>				<u>PRODUCTIVITY</u>			
- Margin Per Expense Dollar*	\$2.30	\$2.21		- Margin Per Expense Dollar*	\$1.66	\$1.55	7% improvement
<u>ASSET MANAGEMENT</u>				<u>ASSET MANAGEMENT</u>			
- Average Committed Capital	\$750	\$644	Strategic investment	- Average Committed Capital	\$623	\$503	Lease investment
- Return On Committed Capital	26.6%	28.0%		- Return On Committed Capital	14.8%	13.6%	
- Operating Cash Flow	\$9	\$10		- Operating Cash Flow	(\$22)	(\$41)	
- Capital Expenditures Investment	\$24	\$35		- Capital Expenditures Investment	\$1	\$6	

- 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

* Margin Per Expense Dollar = Ratio of gross margin to expenses

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CARDINAL HEALTH, INC. - FIRST QUARTER FY 2001 BUSINESS ANALYSIS

(\$ millions)

	<u>TOTAL</u>		<u>Comment</u>	
	<u>2001</u>	<u>2000</u>		
• <u>REVENUE</u>				
- Amount	\$6,983	\$5,829		
- Growth Rate	20%	16%		
• <u>RATIO TO REVENUE</u>			Excluding Special Charges	
- Gross Margin	10.55%	11.23%		
- Expenses	6.10%	6.71%	<u>2001</u>	<u>2000</u>
- Special Charges	0.25%	0.63%		
- Operating Earnings	4.20%	3.89%	4.45%	4.52%
• <u>OPERATING EARNINGS</u>				
- Growth Rate	29%	24%	18%	21%
• <u>NET EARNINGS</u>				
- Ratio to Revenue	2.48%	2.09%	2.64%	2.60%
- Growth Rate	42%	29%	21%	24%
• <u>PRODUCTIVITY</u>				
- Margin Per Expense Dollar *	\$1.73	\$1.67		
• <u>ASSET MANAGEMENT</u>				
- Average Committed Capital	\$4,360	\$3,888		
- Return On Committed Capital	26.9%	23.3%	28.5%	27.1%
- Operating Cash Flow	(\$265)	(\$179)		
- Capital Expenditures Investment	\$48	\$82		

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

* Margin Per Expense Dollar = Ratio of gross margin to expenses

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CARDINAL HEALTH, INC. - FIRST QUARTER FISCAL 2001 AND 2000 ASSET MANAGEMENT ANALYSIS

(\$ millions)

	<u>2001</u>	<u>2000</u>	<u>COMMENT</u>
· RECEIVABLE DAYS	21	23	Q1 RECORD
· INVENTORY TURNS	6.3	6.6	
· CASH	\$491	\$185	
· DEBT	\$1,994	\$1,543	
· EQUITY	\$4,230	\$3,681	
· NET DEBT/TOTAL CAPITAL	26%	27%	Q1 RECORD
· TANGIBLE NET WORTH	\$3,185	\$2,711	
· RETURN ON EQUITY	16.9%	13.5%	
EXCLUDING SPECIAL CHARGES	17.9%	16.7%	Q1 RECORD
· TAX RATE	35%	40%	
EXCLUDING SPECIAL CHARGES	35%	37%	International impact, consistent with FY 2000 Q4

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