

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

	<b>SECOND QUARTER</b>		% Change
	December 2000	December 1999	
Revenue:			
Operating Revenue	\$ 7,745.1	\$ 6,254.3	24 %
Bulk Deliveries to Customer Warehouses	<u>1,892.8</u>	<u>1,145.2</u>	65 %
Total Revenue	9,637.9	7,399.5	30 %
Cost of Products Sold:			
Operating Cost of Products Sold	6,936.1	5,532.7	25 %
Cost of Products Sold - Bulk Deliveries	<u>1,892.8</u>	<u>1,144.9</u>	65 %
Total Cost of Products Sold	8,828.9	6,677.6	32 %
Gross Margin	809.0	721.9	12 %
S, G & A Expenses	445.4	415.3	7 %
Merger-Related Costs	<u>7.0</u>	<u>5.5</u>	27 %
Operating Earnings	356.6	301.1	18 %
Interest Expense and Other	<u>(30.5)</u>	<u>(26.8)</u>	14 %
Earnings Before Income Taxes	326.1	274.3	19 %
Provision for Income Taxes	<u>116.9</u>	<u>100.8</u>	16 %
Net Earnings	<u>\$ 209.2</u>	<u>\$ 173.5</u>	21 %
Earnings Per Common Share:			
Basic	\$ 0.75	\$ 0.62	21 %
Diluted	\$ 0.73	\$ 0.61	20 %
Weighted Average Number of Shares Outstanding:			
Basic	279.3	280.4	
Diluted	286.4	285.1	

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>\$ (5.4)</u>	<u>\$ (0.02)</u>	<u>\$ (3.4)</u>	<u>\$ (0.01)</u>

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

	<b>YEAR-TO-DATE</b>		% Change
	December 2000	December 1999	
Revenue:			
Operating Revenue	\$ 14,728.3	\$ 12,083.6	22 %
Bulk Deliveries to Customer Warehouses	<u>3,644.2</u>	<u>2,099.6</u>	74 %
Total Revenue	18,372.5	14,183.2	30 %
Cost of Products Sold:			
Operating Cost of Products Sold	13,182.9	10,707.2	23 %
Cost of Products Sold - Bulk Deliveries	<u>3,644.2</u>	<u>2,099.3</u>	74 %
Total Cost of Products Sold	16,827.1	12,806.5	31 %
Gross Margin	1,545.4	1,376.7	12 %
S, G & A Expenses	871.5	806.6	8 %
Merger-Related Costs	<u>24.3</u>	<u>42.3</u>	(43)%
Operating Earnings	649.6	527.8	23 %
Interest Expense & Other	<u>(57.5)</u>	<u>(51.7)</u>	11 %
Earnings Before Income Taxes	592.1	476.1	24 %
Provision for Income Taxes	<u>209.7</u>	<u>180.6</u>	16 %
Net Earnings	<u>\$ 382.4</u>	<u>\$ 295.5</u>	29 %
Earnings Per Common Share:			
Basic	\$ 1.37	\$ 1.05	30 %
Diluted	\$ 1.34	\$ 1.03	30 %
Weighted Average Number of Shares Outstanding:			
Basic	278.5	280.2	
Diluted	285.5	285.8	

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

	Current Year		Prior Year	
	Net Earnings	Diluted EPS	Net Earnings	Diluted EPS
Merger-Related Costs	<u>\$ (16.4)</u>	<u>\$ (0.06)</u>	<u>\$ (33.1)</u>	<u>\$ (0.12)</u>

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**CARDINAL HEALTH, INC.**  
**CONSOLIDATED BALANCE SHEETS**

(in millions)

(unaudited)

	December 31, 2000	June 30, 2000	December 31, 1999
<b><u>ASSETS</u></b>			
CURRENT ASSETS			
Cash and Equivalents	\$ 416.2	\$ 504.6	\$ 290.5
Trade Receivables	2,225.3	1,677.0	1,887.8
Current Portion of Investment in Sales-Type Leases	218.4	187.7	166.2
Inventories	5,206.8	3,865.3	4,041.2
Prepaid Expenses and Other	707.9	636.0	540.5
Total Current Assets	<u>8,774.6</u>	<u>6,870.6</u>	<u>6,926.2</u>
Property and Equipment - Net	1,688.1	1,626.9	1,604.4
Investment in Sales-Type Leases	600.8	578.6	506.4
Other Assets	1,262.9	1,188.8	1,243.0
TOTAL ASSETS	<u>\$ 12,326.4</u>	<u>\$ 10,264.9</u>	<u>\$ 10,280.0</u>
<b><u>LIABILITIES AND SHAREHOLDERS' EQUITY</u></b>			
CURRENT LIABILITIES			
Notes Payable - Banks and Current Portion of			
Long-Term Obligations	\$ 28.2	\$ 28.4	\$ 163.6
Accounts Payable	4,350.0	3,030.9	3,027.3
Other Accrued Liabilities	976.9	1,202.2	961.6
Total Current Liabilities	<u>5,355.1</u>	<u>4,261.5</u>	<u>4,152.5</u>
Long-Term Obligations, Less Current Portion	1,980.5	1,485.8	1,657.9
Deferred Taxes and Other Liabilities	659.0	536.4	608.2
Total Shareholders' Equity	<u>4,331.8</u>	<u>3,981.2</u>	<u>3,861.4</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 12,326.4</u>	<u>\$ 10,264.9</u>	<u>\$ 10,280.0</u>

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

	Three months ended		Six months ended	
	December 31,		December 31,	
	2000	1999	2000	1999
<b>Cash Flows From Operating Activities:</b>				
Net earnings available for Common Shares	\$209.2	\$173.5	\$382.4	\$295.5
Adjustments to reconcile net earnings to net cash from operations:				
Depreciation and amortization	66.7	63.6	130.7	125.3
Change in operating assets and liabilities, net of effects from acquisitions:				
Increase in trade receivables	(311.6)	(139.2)	(450.4)	(287.4)
Increase in inventories	(732.8)	(474.4)	(1,237.1)	(1,102.3)
Increase in net investment in sales-type leases	(41.0)	(50.3)	(52.9)	(65.8)
Increase in accounts payable	910.4	232.9	1,252.3	675.5
Other operating items - net	41.6	89.8	(147.5)	76.5
	142.5	(104.1)	(122.5)	(282.7)
<b>Cash Flows From Investing Activities:</b>				
Net acquisition of subsidiaries, net of cash acquired	(22.4)	(14.3)	(262.3)	(62.6)
Proceeds from sale of property and equipment	1.8	11.9	3.6	14.5
Additions to property and equipment	(81.2)	(67.7)	(129.0)	(149.3)
Other	-	(0.1)	-	48.3
	(101.8)	(70.2)	(387.7)	(149.1)
<b>Cash Flows From Financing Activities:</b>				
Net short-term borrowing activity	(391.1)	337.8	96.9	693.8
Net change in long-term obligations	405.5	(61.8)	397.1	(140.8)
Proceeds from issuance of Common Shares	17.8	10.7	84.1	20.6
Purchase of Treasury Stock	(137.9)	(0.3)	(138.1)	(22.6)
Other	(9.9)	(7.0)	(18.2)	(14.1)
	(115.6)	279.4	421.8	536.9
<b>Net Increase (Decrease) in Cash and Equivalents</b>	<b>(74.9)</b>	<b>105.1</b>	<b>(88.4)</b>	<b>105.1</b>
<b>Cash and Equivalents at Beginning of Period</b>	<b>491.1</b>	<b>185.4</b>	<b>504.6</b>	<b>185.4</b>
<b>Cash and Equivalents at End of Period</b>	<b>416.2</b>	<b>290.5</b>	<b>416.2</b>	<b>290.5</b>

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## CARDINAL HEALTH, INC. - SECOND 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>
<b><u>REVENUE</u></b>				<b><u>REVENUE</u></b>			
- Amount	\$5,885	\$4,608	<b>RECORD</b>	- Amount	\$1,474	\$1,279	<b>RECORD</b>
- Growth Rate	28%	23%	Organic growth	- Growth Rate	15%	6%	BBMC acquisition
- Mix	76%	74%		- Mix	19%	20%	
<b><u>RATIO TO REVENUE</u></b>				<b><u>RATIO TO REVENUE</u></b>			
- Gross Margin	5.31%	5.69%	Customer mix	- Gross Margin	21.60%	22.97%	BBMC impact
- Expenses	2.34%	2.76%	<b>RECORD LOW</b>	- Expenses	14.43%	16.02%	Continued focus
- Operating Earnings	2.97%	2.93%	<b>Q2 RECORD</b>	- Operating Earnings	7.17%	6.95%	<b>Q2 RECORD</b>
<b><u>OPERATING EARNINGS</u></b>				<b><u>OPERATING EARNINGS</u></b>			
- Growth Rate	29%	22%		- Growth Rate	19%	21%	
- Mix	45%	43%		- Mix	28%	28%	
<b><u>PRODUCTIVITY</u></b>				<b><u>PRODUCTIVITY</u></b>			
- Margin Per Expense Dollar*	\$2.27	\$2.06	10% improvement	- Margin Per Expense Dollar*	\$1.50	\$1.43	5% improvement
<b><u>ASSET MANAGEMENT</u></b>				<b><u>ASSET MANAGEMENT</u></b>			
- Average Committed Capital	\$2,475	\$2,196	Inventory investment	- Average Committed Capital	\$1,398	\$1,245	BBMC impact
- Return On Committed Capital	28.2%	24.6%	<b>RECORD</b>	- Return On Committed Capital	30.2%	28.6%	<b>Q2 RECORD</b>
- Operating Cash Flow	\$26	(\$276)	Working capital management	- Operating Cash Flow	\$103	\$125	
- Capital Expenditures Investment	\$14	\$13		- Capital Expenditures Investment	\$18	\$27	
<b><u>PHARMACEUTICAL TECHNOLOGIES AND SERVICES</u></b>				<b><u>AUTOMATION AND INFORMATION SERVICES</u></b>			
	<u>2001</u>	<u>2000</u>	<u>Comment</u>		<u>2001</u>	<u>2000</u>	<u>Comment</u>
<b><u>REVENUE</u></b>				<b><u>REVENUE</u></b>			
- Amount	\$287	\$263	<b>RECORD</b>	- Amount	\$120	\$104	<b>Q2 RECORD</b>
- Growth Rate	9%	12%		- Growth Rate	15%	3%	
- Mix	4%	4%		- Mix	1%	2%	
<b><u>RATIO TO REVENUE</u></b>				<b><u>RATIO TO REVENUE</u></b>			
- Gross Margin	35.77%	34.96%	Product mix	- Gross Margin	68.30%	69.94%	Product mix
- Expenses	15.22%	15.41%	Operating efficiencies	- Expenses	30.31%	32.54%	Growth leverage
- Operating Earnings	20.55%	19.55%	<b>RECORD</b>	- Operating Earnings	37.99%	37.40%	<b>Q2 RECORD</b>
<b><u>OPERATING EARNINGS</u></b>				<b><u>OPERATING EARNINGS</u></b>			
- Growth Rate	15%	36%		- Growth Rate	17%	4%	
- Mix	15%	16%		- Mix	12%	13%	
<b><u>PRODUCTIVITY</u></b>				<b><u>PRODUCTIVITY</u></b>			
- Margin Per Expense Dollar*	\$2.35	\$2.27	4% improvement	- Margin Per Expense Dollar*	\$2.25	\$2.15	5% improvement
<b><u>ASSET MANAGEMENT</u></b>				<b><u>ASSET MANAGEMENT</u></b>			
- Average Committed Capital	\$782	\$647	Strategic investments	- Average Committed Capital	\$659	\$554	Lease investment
- Return On Committed Capital	30.1%	31.8%		- Return On Committed Capital	27.6%	28.1%	
- Operating Cash Flow	\$20	\$66		- Operating Cash Flow	(\$7)	(\$19)	
- Capital Expenditures Investment	\$48	\$24		- Capital Expenditures Investment	\$1	\$3	

- 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

# CARDINAL HEALTH, INC. - SECOND QUARTER FY 2001 BUSINESS ANALYSIS

(\$ millions)

		<u>TOTAL</u>																	
		<u>2001</u>	<u>2000</u>	<u>Comment</u>															
<b>• <u>REVENUE</u></b>																			
- Amount		\$7,745	\$6,254																
- Growth Rate		24%	18%																
<b>• <u>RATIO TO REVENUE</u></b>																			
- Gross Margin		10.44%	11.54%	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center;">Excluding Special Charges</th> </tr> <tr> <th style="text-align: center;"><u>2001</u></th> <th style="text-align: center;"><u>2000</u></th> </tr> <tr> <td style="text-align: center;">4.69%</td> <td style="text-align: center;">4.90%</td> </tr> <tr> <td style="text-align: center;">19%</td> <td style="text-align: center;">21%</td> </tr> <tr> <td style="text-align: center;">2.77%</td> <td style="text-align: center;">2.83%</td> </tr> <tr> <td style="text-align: center;">21%</td> <td style="text-align: center;">23%</td> </tr> <tr> <td style="text-align: center;">30.3%</td> <td style="text-align: center;">28.9%</td> </tr> </table>		Excluding Special Charges		<u>2001</u>	<u>2000</u>	4.69%	4.90%	19%	21%	2.77%	2.83%	21%	23%	30.3%	28.9%
Excluding Special Charges																			
<u>2001</u>	<u>2000</u>																		
4.69%	4.90%																		
19%	21%																		
2.77%	2.83%																		
21%	23%																		
30.3%	28.9%																		
- Expenses		5.75%	6.64%																
- Special Charges		0.09%	0.09%																
- Operating Earnings		4.60%	4.81%																
<b>• <u>OPERATING EARNINGS</u></b>																			
- Growth Rate		18%	20%																
<b>• <u>NET EARNINGS</u></b>																			
- Ratio to Revenue		2.70%	2.78%																
- Growth Rate		21%	23%																
<b>• <u>PRODUCTIVITY</u></b>																			
- Margin Per Expense Dollar *		\$1.82	\$1.74																
<b>• <u>ASSET MANAGEMENT</u></b>																			
- Average Committed Capital		\$4,795	\$4,246																
- Return On Committed Capital		29.8%	28.4%																
- Operating Cash Flow		\$142	(\$104)																
- Capital Expenditures Investment		\$81	\$67																

- 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 SIX MONTHS 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>2001</u>	<u>2000</u>
<b><u>REVENUE</u></b>			<b><u>REVENUE</u></b>		
- Amount	\$11,137	\$8,898	- Amount	\$2,853	\$2,492
- Growth Rate	25%	22%	- Growth Rate	14%	6%
- Mix	76%	74%	- Mix	19%	20%
<b><u>RATIO TO REVENUE</u></b>			<b><u>RATIO TO REVENUE</u></b>		
- Gross Margin	5.33%	5.71%	- Gross Margin	22.03%	22.99%
- Expenses	2.41%	2.80%	- Expenses	14.74%	15.95%
- Operating Earnings	2.92%	2.91%	- Operating Earnings	7.29%	7.04%
<b><u>OPERATING EARNINGS</u></b>			<b><u>OPERATING EARNINGS</u></b>		
- Growth Rate	26%	27%	- Growth Rate	19%	21%
- Mix	46%	44%	- Mix	29%	30%
<b><u>PRODUCTIVITY</u></b>			<b><u>PRODUCTIVITY</u></b>		
- Margin Per Expense Dollar*	\$2.21	\$2.04	- Margin Per Expense Dollar*	\$1.50	\$1.44
<b><u>ASSET MANAGEMENT</u></b>			<b><u>ASSET MANAGEMENT</u></b>		
- Average Committed Capital	\$2,316	\$1,993	- Average Committed Capital	\$1,338	\$1,235
- Return On Committed Capital	28.1%	26.0%	- Return On Committed Capital	31.1%	28.4%
- Operating Cash Flow	(\$235)	(\$472)	- Operating Cash Flow	\$112	\$173
- Capital Expenditures Investment	\$26	\$37	- Capital Expenditures Investment	\$29	\$44
<b><u>PHARMACEUTICAL TECHNOLOGIES AND SERVICES</u></b>			<b><u>AUTOMATION AND INFORMATION SERVICES</u></b>		
	<u>2001</u>	<u>2000</u>		<u>2001</u>	<u>2000</u>
<b><u>REVENUE</u></b>			<b><u>REVENUE</u></b>		
- Amount	\$559	\$522	- Amount	\$210	\$174
- Growth Rate	7%	18%	- Growth Rate	21%	(9)%
- Mix	4%	4%	- Mix	1%	2%
<b><u>RATIO TO REVENUE</u></b>			<b><u>RATIO TO REVENUE</u></b>		
- Gross Margin	34.15%	33.39%	- Gross Margin	66.59%	69.48%
- Expenses	14.67%	14.91%	- Expenses	33.91%	37.25%
- Operating Earnings	19.48%	18.48%	- Operating Earnings	32.68%	32.23%
<b><u>OPERATING EARNINGS</u></b>			<b><u>OPERATING EARNINGS</u></b>		
- Growth Rate	13%	44%	- Growth Rate	22%	(14)%
- Mix	15%	16%	- Mix	10%	10%
<b><u>PRODUCTIVITY</u></b>			<b><u>PRODUCTIVITY</u></b>		
- Margin Per Expense Dollar*	\$2.33	\$2.24	- Margin Per Expense Dollar*	\$1.96	\$1.87
<b><u>ASSET MANAGEMENT</u></b>			<b><u>ASSET MANAGEMENT</u></b>		
- Average Committed Capital	\$768	\$655	- Average Committed Capital	\$641	\$528
- Return On Committed Capital	28.3%	29.4%	- Return On Committed Capital	21.4%	21.2%
- Operating Cash Flow	\$29	\$76	- Operating Cash Flow	(\$29)	(\$60)
- Capital Expenditures Investment	\$72	\$59	- Capital Expenditures Investment	\$2	\$9

- 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

# CARDINAL HEALTH, INC. - FIRST SIX MONTHS FY 2001 BUSINESS ANALYSIS

(\$ millions)

	<u>TOTAL</u>		<u>Comment</u>	
	<u>2001</u>	<u>2000</u>		
• <u>REVENUE</u>				
- Amount	\$14,728	\$12,084		
- Growth Rate	22%	17%		
• <u>RATIO TO REVENUE</u>			Excluding Special Charges	
- Gross Margin	10.49%	11.39%		
- Expenses	5.92%	6.67%	<u>2001</u>	<u>2000</u>
- Special Charges	0.16%	0.34%		
- Operating Earnings	4.41%	4.38%	4.57%	4.72%
• <u>OPERATING EARNINGS</u>				
- Growth Rate	23%	22%	18%	21%
• <u>NET EARNINGS</u>				
- Ratio to Revenue	2.60%	2.45%	2.71%	2.72%
- Growth Rate	29%	25%	21%	24%
• <u>PRODUCTIVITY</u>				
- Margin Per Expense Dollar *	\$1.77	\$1.71		
• <u>ASSET MANAGEMENT</u>				
- Average Committed Capital	\$4,541	\$4,066		
- Return On Committed Capital	28.6%	26.0%	29.7%	28.0%
- Operating Cash Flow	(\$123)	(\$283)		
- Capital Expenditures Investment	\$129	\$149		

- 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. - QUARTERLY FY 2001 BUSINESS ANALYSIS

(\$ millions)

<u>PHARMACEUTICAL DISTRIBUTION AND PROVIDER SERVICES</u>						<u>MEDICAL-SURGICAL PRODUCTS AND SERVICES</u>					
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>		<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>
<b><u>REVENUE</u></b>						<b><u>REVENUE</u></b>					
- Amount	\$5,252	\$5,885				- Amount	\$1,379	\$1,474			
- Growth Rate	22%	28%				- Growth Rate	14%	15%			
- Mix	75%	76%				- Mix	20%	19%			
<b><u>RATIO TO REVENUE</u></b>						<b><u>RATIO TO REVENUE</u></b>					
- Gross Margin	5.37%	5.31%				- Gross Margin	22.50%	21.60%			
- Expenses	2.49%	2.34%				- Expenses	15.06%	14.43%			
- Operating Earnings	2.88%	2.97%				- Operating Earnings	7.44%	7.17%			
<b><u>OPERATING EARNINGS</u></b>						<b><u>OPERATING EARNINGS</u></b>					
- Growth Rate	22%	29%				- Growth Rate	19%	19%			
- Mix	46%	45%				- Mix	32%	28%			
<b><u>PRODUCTIVITY</u></b>						<b><u>PRODUCTIVITY</u></b>					
- Margin Per Expense Dollar*	\$2.15	\$2.27				- Margin Per Expense Dollar*	\$1.49	\$1.50			
<b><u>ASSET MANAGEMENT</u></b>						<b><u>ASSET MANAGEMENT</u></b>					
- Average Committed Capital	\$2,166	\$2,475				- Average Committed Capital	\$1,302	\$1,398			
- Return On Committed Capital	27.9%	28.2%				- Return On Committed Capital	31.5%	30.2%			
- Operating Cash Flow	(\$261)	\$26				- Operating Cash Flow	\$9	\$103			
- Capital Expenditures Investment	\$12	\$14				- Capital Expenditures Investment	\$11	\$18			
<b><u>PHARMACEUTICAL TECHNOLOGIES AND SERVICES</u></b>						<b><u>AUTOMATION AND INFORMATION SERVICES</u></b>					
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>		<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>
<b><u>REVENUE</u></b>						<b><u>REVENUE</u></b>					
- Amount	\$272	\$287				- Amount	\$90	\$120			
- Growth Rate	5%	9%				- Growth Rate	29%	15%			
- Mix	4%	4%				- Mix	1%	1%			
<b><u>RATIO TO REVENUE</u></b>						<b><u>RATIO TO REVENUE</u></b>					
- Gross Margin	32.44%	35.77%				- Gross Margin	64.32%	68.30%			
- Expenses	14.08%	15.22%				- Expenses	38.68%	30.31%			
- Operating Earnings	18.36%	20.55%				- Operating Earnings	25.64%	37.99%			
<b><u>OPERATING EARNINGS</u></b>						<b><u>OPERATING EARNINGS</u></b>					
- Growth Rate	11%	15%				- Growth Rate	35%	17%			
- Mix	15%	15%				- Mix	7%	12%			
<b><u>PRODUCTIVITY</u></b>						<b><u>PRODUCTIVITY</u></b>					
- Margin Per Expense Dollar*	\$2.30	\$2.35				- Margin Per Expense Dollar*	\$1.66	\$2.25			
<b><u>ASSET MANAGEMENT</u></b>						<b><u>ASSET MANAGEMENT</u></b>					
- Average Committed Capital	\$750	\$782				- Average Committed Capital	\$623	\$659			
- Return On Committed Capital	26.6%	30.1%				- Return On Committed Capital	14.8%	27.6%			
- Operating Cash Flow	\$9	\$20				- Operating Cash Flow	(\$22)	(\$7)			
- Capital Expenditures Investment	\$24	\$48				- Capital Expenditures Investment	\$1	\$1			

- 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

## CARDINAL HEALTH, INC. - QUARTERLY FY 2001 BUSINESS ANALYSIS

(\$ millions)

### TOTAL (EXCLUDING SPECIAL CHARGES)

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>TOTAL</u>
• <b><u>REVENUE</u></b>					
- Amount	\$6,983	\$7,745			
- Growth Rate	20%	24%			
• <b><u>RATIO TO REVENUE</u></b>					
- Gross Margin	10.55%	10.44%			
- Expenses	6.10%	5.75%			
- Operating Earnings	4.45%	4.69%			
• <b><u>OPERATING EARNINGS</u></b>					
- Growth Rate	18%	19%			
• <b><u>NET EARNINGS</u></b>					
- Ratio to Revenue	2.64%	2.77%			
- Growth Rate	21%	21%			
• <b><u>PRODUCTIVITY</u></b>					
- Margin Per Expense Dollar *	\$1.73	\$1.82			
• <b><u>ASSET MANAGEMENT</u></b>					
- Average Committed Capital	\$4,360	\$4,795			
- Return On Committed Capital	28.5%	30.3%			
- Operating Cash Flow	(\$265)	\$142			
- Capital Expenditures Investment	\$48	\$81			

- 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 SIX MONTHS FISCAL 2001 AND 2000 ASSET MANAGEMENT ANALYSIS**

(\$ millions)

	<u>2001</u>			<u>COMMENT</u>
	<u>Q1</u>	<u>Q2</u>	<u>YTD</u>	
. RECEIVABLE DAYS	21	22		
. INVENTORY TURNS	6.3	6.2		Seasonal investment
. CASH	\$491	\$416		
. DEBT	\$1,994	\$2,009		
. EQUITY	\$4,230	\$4,332		
. NET DEBT/TOTAL CAPITAL	26%	27%		<b>Q2 RECORD</b>
. TANGIBLE NET WORTH	\$3,185	\$3,310		
. RETURN ON EQUITY	16.9%	19.6%	18.3%	
EXCLUDING SPECIAL ITEMS	17.9%	20.0%	19.1%	<b>Q2 RECORD</b>
. TAX RATE	34.9%	35.8%	35.4%	
EXCLUDING SPECIAL ITEMS	35.0%	35.5%	35.3%	International initiatives
	<u>2000</u>			
	<u>Q1</u>	<u>Q2</u>	<u>YTD</u>	
. RECEIVABLE DAYS	23	23		
. INVENTORY TURNS	6.6	6.2		
. CASH	\$185	\$291		
. DEBT	\$1,543	\$1,822		
. EQUITY	\$3,681	\$3,861		
. NET DEBT/TOTAL CAPITAL	27%	28%		
. TANGIBLE NET WORTH	\$2,711	\$2,892		
. RETURN ON EQUITY	13.5%	18.4%	16.0%	
EXCLUDING SPECIAL ITEMS	16.7%	18.7%	17.7%	
. TAX RATE	39.5%	36.8%	37.9%	
EXCLUDING SPECIAL ITEMS	36.5%	36.8%	36.6%	