

Lynch Michael A
Form 4
August 17, 2010

FORM 4

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

OMB APPROVAL

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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 *
Lynch Michael A

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

5. Relationship of Reporting Person(s) to Issuer
(Check all applicable)

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

(Street)

3. Date of Earliest Transaction
(Month/Day/Year)
08/15/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
CEO, Medical Segment

DUBLIN, OH 43017

(City) (State) (Zip)

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

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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) | Price | | |
| Common Shares | 08/15/2010 | | F(1) | 444 | D 31.36 (2) | 58,796 | D |
| Common Shares | 08/15/2010 | | F(3) | 1,157 | D 31.36 (2) | 57,639 | D |
| Common Shares (4) | 08/16/2010 | | A | 22,398 | A \$ 0 | 80,037 | D |

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

Persons who respond to the collection of information contained in this form are not

SEC 1474 (9-02)

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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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount Number Shares |
| Employee Stock Option (right to buy) | \$ 30.94 | 08/16/2010 | | A | 188,647 | ⁽⁵⁾ 08/16/2017 | Common Shares 188,647 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Lynch Michael A 7000 CARDINAL PLACE DUBLIN, OH 43017 | | | CEO, Medical Segment | |

Signatures

/s/ James E. Barnett,
Attorney-in-fact

08/17/2010

**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) Represents withholding of shares to satisfy tax withholding obligations of the reporting person in connection with the vesting of 1,506 restricted shares.
- (2) Reflects closing price on prior business day.
- (3) Represents withholding of shares to satisfy tax withholding obligations of the reporting person in connection with the vesting of 3,011 restricted shares.
- (4) Grant of restricted share units that vest in three equal annual installments beginning on August 16, 2011.
- (5) The stock option vests in three equal annual installments beginning on August 16, 2011.

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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