

Cardinal Health SEC Fair Fund
Gilardi & Co. LLC
P.O. Box 808003
Petaluma, CA 94975-8003

October 24, 2008

Dear Investor:

You may be eligible to participate in the Cardinal Health SEC Fair Fund (the "Fair Fund"). The Fair Fund was created by the settlement of a case brought by the United States Securities and Exchange Commission ("SEC") against Cardinal Health, Inc. ("Cardinal"), alleging that Cardinal engaged in a fraudulent revenue and earnings management scheme as well as other improper accounting and disclosure practices. Certain purchases of Cardinal common stock may qualify you to receive a distribution from the Fair Fund. Please see the enclosed Notice for details regarding qualifying purchases.

If you qualify and would like to participate, you must submit a claim. If you have already submitted a claim in the Cardinal Health Securities Litigation, United States District Court for the Southern District of Ohio, No. C2-04-00575(ALM), you do not need to submit another claim to participate in the SEC Fair Fund distribution.

To submit a claim, please read the enclosed instructions and complete the Proof of Claim Form included in this packet. Fill out the Proof of Claim Form completely, sign it, include copies of all required supporting documentation, and return the Proof of Claim Form and supporting documentation in the enclosed envelope.

There is a deadline to submit a claim for payment from the Fair Fund. You must mail your signed and completed Proof of Claim Form on or before December 23, 2008. Claims postmarked after December 23, 2008 may not participate in the Fair Fund distribution.

If you need help completing the Proof of Claim Form or if you have any questions about the Fair Fund distribution, you may obtain assistance via one of the following methods:

- Visit the Fair Fund distribution website at www.gilardi.com/cardinalhealthfairfund
- Call the dedicated toll free number 1-(800) 447-7657 or
- Send an email inquiry to fairfund@gilardi.com

Best Regards,

Gilardi & Co. LLC
Court-Appointed Fund Administrator

Cardinal Health SEC Fair Fund

Notice of Distribution

RE: U.S. SEC v. Cardinal Health, Inc., Civil Action No. 07 CV 6709 (S.D.N.Y.)

Attn: All Persons or Entities who purchased shares of Cardinal Health, Inc. ("Cardinal") common stock between October 24, 2000 and July 26, 2004, inclusive.

Background of the Cardinal Health SEC Fair Fund Distribution

In July 2007, the U.S. SEC brought a civil securities law enforcement action in the United States District Court for the Southern District of New York (the "SEC Action") against Cardinal, a pharmaceutical distribution company based in Dublin, Ohio. The SEC Action alleged that for a period of approximately four years, Cardinal had materially overstated its operating revenue, earnings and growth trends in its earnings releases and in its periodic reports and registration statements which it filed with the SEC. Cardinal agreed to settle the SEC Action by, among other things, paying \$35 million in disgorgement and civil penalties. On October 17, 2008 the Court in the SEC Action approved the Fair Fund distribution of Cardinal's payment of disgorgement and civil penalties in accordance with the distribution plan described below.

Cardinal Health SEC Fair Fund Distribution Plan

Persons who purchased shares of Cardinal common stock between October 24, 2000 and July 26, 2004, inclusive, and who held those shares at least until May 17, 2004 are potentially eligible to participate in the Fair Fund distribution.

For the purposes of the Fair Fund distribution, claims for losses suffered by purchasers of Cardinal common stock are generally determined in the following manner:

1. If Cardinal common stock was purchased between October 24, 2000 and July 26, 2004, inclusive, but sold on or before May 16, 2004, the amount of loss per share will be \$0.
2. If Cardinal common stock was purchased between October 24, 2000 and July 26, 2004, inclusive,
 - i. and sold between May 17, 2004 and July 26, 2004, inclusive, the amount of loss per share will be the difference between the inflation in share price on the date of purchase and the inflation in share price on the date of sale, as defined in Table 1 below.
 - ii. and sold between July 27, 2004 and October 26, 2004, inclusive, the amount of loss per share will be the percentage of inflation per share on the date of purchase plus the percentage per share by which the stock was undervalued on the date of sale, as defined in Table 1 below.
 - iii. and held through or sold on or after October 27, 2004 (if at all), the amount of loss per share will be equal to the inflation in share price on the date of purchase, as defined in Table 1, below. However, in this instance, the amount of loss per share cannot exceed the actual difference between the purchase price and the closing market price of Cardinal common stock on October 27, 2004 (\$47.35).

Table 1
Cardinal Health SEC Fair Fund Loss Computation Percentages¹

Period	Begin Date	End Date	Percentage Inflation or Deflation
1	Oct. 24, 2000	Jan. 21, 2004	10.26%
2	Jan. 22, 2004	May 16, 2004	14.9%
3	May 17, 2004	June 30, 2004	10.04%
4	July 1, 2004	July 26, 2004	3.3%
5	July 27, 2004	Oct. 19, 2004	-11.75%
6	Oct. 20, 2004	Oct. 26, 2004	-19.76%
7	Oct. 27, 2004	Current	0%

3. If there were multiple transactions in Cardinal common stock between October 24, 2000 and July 26, 2004, inclusive, any gains and losses (calculated using the difference in inflation specified in Table 1, above) will be netted against each other. The total calculated loss amount cannot exceed the actual loss suffered (realized loss). Proceeds from sales of securities which will be matched against securities held at the beginning of the class period will not be used in the loss calculation.

4. The amount to be distributed to each claimant will be determined on a pro rata basis, that is, each person making a valid claim shall be paid a percentage of the Cardinal Health SEC Fair Fund which is the same as the percentage that the person's calculated loss amount bears to the total calculated loss amount for all persons submitting valid claims. The *de minimis* amount for a distribution is \$10.00.

¹ As stated above, potentially eligible claimants must have purchased Cardinal shares between October 24, 2000 and July 26, 2004, inclusive. Cardinal shares purchased on or after July 27, 2004 – *i.e.*, shares purchased during periods 5 through 7 on Table 1 – are not eligible to participate in the Fair Fund.

CARDINAL HEALTH SEC FAIR FUND
PROOF OF CLAIM FORM INSTRUCTIONS

YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM FORM ON OR BEFORE December 23, 2008, ADDRESSED AS FOLLOWS:

Cardinal Health SEC Fair Fund
C/o Gilardi & Co. LLC
P.O. Box 808003
Petaluma, CA 94975-8003

1) Claimant Identification

- a) Fill in the requested information. This Proof of Claim Form must be completed by the actual beneficial owner or the legal representative of the beneficial owner. If there is more than one beneficial owner, all owners must be identified and must sign this form.
- b) If you purchased Cardinal common stock and held the certificate(s) in your name, you are the beneficial owner as well as the record purchaser. If, however, the certificate(s) were registered in the name of the third party, such as a brokerage firm or other nominee, you are the beneficial owner and the third party is the record purchaser.
- c) If you are a trustee, custodian or other nominee and are completing and signing this form on behalf of the beneficial owner, you must attach documents showing your authority to make a claim.
- d) Fill in your Social Security Number or Taxpayer Identification Number, and provide a telephone number and a complete mailing address. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

2) Transaction Identification

- a) Complete Part II of the Proof of Claim Form. If you need more space or additional schedules, attach separate sheets giving all of the required information in substantially the same form. Sign and print or type your name on each additional sheet.
- b) Enter the number of shares you held as of the close of trading on October 23, 2000, if any.
- c) Enter the "trade date", number of shares and total price paid for each purchase of common stock.
- d) Enter the "trade date", number of shares and total proceeds received for each sale of common stock.
- e) Enter the number of shares you held as of close of trading on October 26, 2004, if any.
- f) Broker confirmations or other documentation of your transactions in Cardinal Health common stock should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

Cardinal Health SEC Fair Fund

Frequently Asked Questions

1. Why did I receive this notice package?

You or someone in your family may have purchased Cardinal common stock between October 24, 2000 and July 26, 2004, inclusive, and may be eligible to receive a payment from the Cardinal Health SEC Fair Fund ("Fair Fund").

2. How do I know I if I am eligible for compensation?

If you purchased shares of Cardinal Health, Inc. common stock between October 24, 2000 and July 26, 2004, you may be eligible to receive a distribution from the Fair Fund.

3. Does receipt of this notice package mean that I am guaranteed payment from the Fair Fund?

No, not necessarily. You received a notice package because you may be eligible to receive a distribution. After the Fund Administrator has received your Proof of Claim, your pro-rata share and distribution, if any, will be determined according to the court approved Distribution Plan.

4. I filed a claim in the Cardinal Health Securities Litigation. Do I need to file a new claim?

No, the information on your previous claim filed in the private Cardinal Health Securities Litigation class action will be used to determine your eligibility to participate in a distribution from the Fair Fund.

5. I opted out of or did not file a claim in the Cardinal Health Securities Litigation. What do I have to do in order to participate in the Cardinal Health SEC Fair Fund?

You must sign the enclosed Proof of Claim Form, attach supporting documentation, if any, and submit it to the Fund Administrator, Gilardi & Co., LLC at the address above. It must be postmarked by December 23, 2008.

6. I traded shares of Cardinal Health outside of the periods for eligible claims in the Cardinal Health SEC Fair Fund but I believe I was injured by fraudulent conduct. Am I still eligible to receive a distribution from the Fair Fund?

No, in order to be eligible for payment from the Fair Fund, you must have purchased shares of Cardinal Health, Inc. common stock between October 24, 2000 and July 26, 2004, and held those shares at least until May 17, 2004.

7. Is this a class action? What rights am I giving up by agreeing to this by submitting a claim?

No, this is not a class action. The Cardinal Health SEC Fair Fund is a result of claims for violations of the federal securities laws brought against Cardinal by the SEC in a public civil enforcement action, and you are not giving up rights by submitting a claim.