



September 29, 2008

To our shareholders, customers and employees:

After printing our 2008 Annual Report, the Cardinal Health board of directors approved plans for a tax-free spin-off of our clinical and medical products businesses as a separate public company. We anticipate the spin-off to be completed by the middle of calendar 2009.

Beginning with the acquisition of Pyxis Corporation in 1996, Cardinal Health entered the patient safety market by offering safe and secure medication dispensing technology. As patient safety became even more important to hospital customers over the past decade, Cardinal Health enhanced its offerings through organic product development and several strategic acquisitions including Alaris® intelligent infusion systems, CareFusion® portable bedside verification systems, a variety of leading respiratory care products through the VIASYS® acquisition, and infection prevention offerings through MedMined™ electronic infection surveillance technology and ChloroPrep® advanced surgical preparation products.

As a result, Cardinal Health has built an industry-leading medical-technology business that, as an independent company, would have the size and scale to stand on its own. After a disciplined exploratory process that involved our board of directors, management and outside advisers, there was a unanimous decision to move forward with the spin-off. As separate public companies, each company and its shareholders should benefit from enhanced management focus and sharper strategic vision, as well as better alignment of management and employee incentives with performance and growth objectives. In addition, both companies expect improved opportunities to access and allocate capital, and the ability to make investments in their respective growth areas.

The spin-off of our clinical and medical products businesses will create a new, global company with industry-leading patient safety products, to be led by med-tech veteran David L. Schlotterbeck as chairman and CEO. Dave joined Cardinal Health through the company's acquisition of Alaris Medical Systems in 2004, and he has been the primary architect of the growth of our clinical and medical products businesses. The new, independent company will immediately become one of the largest medical-technology businesses globally.

Cardinal Health will continue to be one of the largest health care companies in the world and an industry leader in pharmaceutical and medical product distribution. Our industry-leading products and services help hospitals, physician offices and pharmacies reduce costs, and improve safety, efficiency and profitability. This includes pharmaceutical and medical products and services to hospitals, pharmacies and other providers of care throughout North America, as well as Cardinal Health's infection prevention line of surgical gloves, drapes and apparel.

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I have also announced my plans to retire from the company after completing the spin-off. George S. Barrett, who has more than 25 years of experience in the pharmaceutical industry, is slated to succeed me as chairman and CEO. He has served as vice chairman of Cardinal Health and CEO of our Healthcare Supply Chain Services segment since joining the company in January 2008. His strategic leadership and deep operational experience are key to our growth plans and our continued efforts to improve the quality and value of our offerings to customers.

The proposed tax-free spin-off will be accomplished through a pro rata distribution to Cardinal Health shareholders. Completion of the spin-off is subject to final approval by Cardinal Health's board of directors and confirmation of the tax-free nature of the transaction, as well as effectiveness of a Form 10 registration statement to be filed with the U.S. Securities and Exchange Commission.

In addition, company founder Robert D. Walter recently announced his retirement from the board of directors by not standing for re-election when his term expires on Nov. 5, following the 2008 annual meeting of shareholders. On behalf of all employees, I want to express our deepest appreciation for all that he has accomplished during his four decades of leadership at Cardinal Health, and we are fortunate that Bob will continue to serve as an adviser to the company. His vision, dedication and entrepreneurial spirit have been the driving force behind the company's success, and it is a legacy we are honored to continue.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Kerry Clark", with a long horizontal flourish extending to the right.

R. Kerry Clark  
Chairman and Chief Executive Officer

#### **Cautions Concerning Forward-Looking Statements**

This letter contains forward-looking statements addressing the planned spin-off of Cardinal Health's clinical and medical products businesses as a separate company, the operation, business and prospects of Cardinal Health and the new company following the planned spin-off and other expectations, prospects, estimates and other matters that are dependent upon future events or developments. These matters are subject to risks and uncertainties that could cause actual results to differ materially from those projected, anticipated or implied. These risks and uncertainties include uncertainties regarding the planned spin-off of the clinical and medical products businesses as a new stand-alone entity, including the timing and terms of any such spin-off and whether such spin-off will be completed, and uncertainties regarding the impacts on Cardinal Health, the new clinical and medical products company and the market for their respective securities if the spin-off is accomplished. In addition, Cardinal Health and the proposed new clinical and medical products company are subject to additional risks and uncertainties described in Cardinal Health's Form 10-K, Form 10-Q and Form 8-K reports (including all amendments to those reports) and exhibits to those reports, including (but not limited to) the following: competitive pressures in Cardinal Health's various lines of business; the loss of one or more key customer or supplier relationships or changes to the terms of those relationships; uncertainties relating to timing of generic and branded pharmaceutical introductions and the frequency or rate of branded pharmaceutical price appreciation or generic pharmaceutical price deflation; changes in the distribution patterns or reimbursement rates for health-care products and/or services; the results, consequences, effects or timing of any inquiry or investigation by any regulatory authority or any legal or administrative proceedings; future actions of regulatory bodies or government authorities relating to Cardinal Health's manufacturing or sale of products and other costs or claims that could arise from its manufacturing, compounding or repackaging operations or from its other services; difficulties and uncertainties related to the integration of acquired businesses; and conditions in the pharmaceutical market and general economic and market conditions. This news release reflects management's views as of September 29, 2008. Except to the extent required by applicable law, Cardinal Health undertakes no obligation to update or revise any forward-looking statement.