



July 2, 2002

To Cardinal Health Investors and Analysts:

Yesterday and today have been tough markets for health care stocks, as many of you are painfully aware. Cardinal Health did not escape the overall market trend and several investors and analysts are calling for reasons that might explain why. One of the issues that I heard consistently throughout the day yesterday was confusion about Cardinal Health's independent auditor and some language in two S-8 documents that Cardinal Health filed yesterday with the Securities Exchange Commission (SEC). The details of those filings will follow, but let me assure you that the language in those filings in no way represents any disagreement with our auditors over any accounting principle or audit work performed.

First, for those that have not followed the company closely, let me clear up our auditor transitions over the last couple of years. In 1998 and 1999, Cardinal Health bought R.P. Scherer, Inc. and Allegiance Healthcare Corporation, respectively. R.P. Scherer used Arthur Andersen and Co. and Allegiance used PricewaterhouseCoopers. As many of you know, Cardinal Health's auditors at the time were Deloitte and Touche. Following the acquisition of Allegiance, Cardinal Health reduced the number of auditors working on the account from three to one moving the remainder of our audit to Arthur Andersen. This decision did not in any way come as a result of a disagreement with any of the three firms regarding their audit work on any Cardinal Health entity. With the many issues surrounding Arthur Andersen and the uncertainty about the firm's very existence, Cardinal Health elected to hire Ernst and Young as its independent auditor for the fiscal year ending June 30, 2002 and beyond. On May 9, 2002 when Cardinal Health changed auditors from Andersen to Ernst and Young, we filed an 8-K document with the SEC. As part of this 8-K document, Andersen filed a letter agreeing that there were no disagreements between Cardinal Health and Andersen on any matter of accounting principle or practice, financial statement disclosure, or auditing scope or procedures. The 8-K document can be viewed at

<http://www.sec.gov/Archives/edgar/data/721371/000095015202003930/0000950152-02-003930-index.htm>.

Second, let me address the two S-8 filings that were made yesterday with regard to the issuance of shares for our recently completed acquisition of Boron LePore and Cardinal Health's 401K plan. As part of these normal filings, previously audited financial information for the fiscal years 1999 to 2001 was incorporated by reference. Under SEC guidelines, Cardinal Health is required to file a written consent from the independent auditors as it relates to these audited financial statements. As I mentioned, Cardinal Health had three auditors during that period, Arthur Andersen, Deloitte and Touche, and PricewaterhouseCoopers. In the S-8 filings, we filed both Deloitte and Pricewaterhouse's consents. We were unable to obtain Andersen's consent due to Andersen being unable to provide the staffing resources to perform the necessary work. The client team that worked on Cardinal Health's audit is basically non-existent.

In March, in anticipation of Andersen clients not being able to obtain these written representations from Andersen after reasonable efforts, the SEC issued guidelines (Rule 437a under the Securities Act of 1933). The guidelines permit those clients to file registration statements without the written consent from Andersen and require certain disclosures regarding any limitations on recovery by investors posed by the lack of consent. The rules that Cardinal Health followed, as required by the SEC, can be viewed at <http://www.sec.gov/rules/final/33-8070.htm>.

As always, Cardinal Health will work hard to provide investors with the simplest and most comprehensive disclosure that will allow you to analyze our business and make sound investment decisions. That disclosure includes speaking directly about the issues that concern the market and being as proactive as possible to address rumors such as those that surfaced yesterday. If you have any further questions about this note or any other issue, please feel free to call me at 614-757-7067.

Sincerely,

A handwritten signature in black ink that reads "Steve T. Fischbach". The signature is written in a cursive style with a large initial 'S'.

Steve Fischbach  
VP Investor Relations  
Cardinal Health, Inc.