SYNCOR INTERNATIONAL CORP /DE/
Form PRER14A
September 04, 2002

SCHEDULE 14A INFORMATION (AMENDMENT NO. 1)

PROXY STATEMENT PURSUANT TO SECTION 14(a)
OF THE SECURITIES EXCHANGE ACT OF 1934

Filed by Registrant [X]

Filed by a Party other than the Registrant [ ]

Check the appropriate box:

[X] Preliminary Proxy Statement

[ ] Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

[ ] Definitive Proxy Statement

[ ] Definitive Additional Materials

[ ] Soliciting Materials Pursuant to Rule 14a-11(c) or Rule 14a-12

SYNCOR INTERNATIONAL CORPORATION

(Name of Registrant as Specified in Its Charter)

SYNCOR INTERNATIONAL CORPORATION

(NAME OF PERSON(S) FILING PROXY STATEMENT, IF OTHER THAN THE REGISTRANT)

PAYMENT OF FILING FEE (CHECK THE APPROPRIATE BOX):

[ ] No Fee Required.

[X] Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

Common stock, par value $0.05 per share, of Syncor International Corporation ("Syncor Common Stock")

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(2) Aggregate number of securities to which transaction applies:

25,351,145

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined):

$25.76

Per unit price or other underlying value of transaction computed

pursuant to Exchange Act Rule 0-11 (Set forth the amount on which the filing fee is calculated and state how it was determined): The underlying value of the transaction of $653,045,495.20 has been calculated pursuant to Exchange Act Rule 0-11 by determining the product of (i) $25.76 (the average of the high and low per share prices of Syncor Common Stock on July 11, 2002 on The Nasdaq National Market) times (ii) 25,351,145 (the aggregate number of shares of Syncor Common Stock outstanding). Based on an aggregate transaction value of $653,045,495.20 and the filing fee of $92 per million dollars of aggregate transaction value, the amount of the filing fee is $60,080.19.

(4) Proposed maximum aggregate value of transaction:

$653,045,495.20

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(5) Total fee paid:

$60,080.19

[X] Fee paid previously with preliminary materials.

[ ] Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by Registration Statement number, or the Form or Schedule and the date of its filing.

(1) Amount previously paid:

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(2) Form, Schedule or Registration Statement No:

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(3) Filing Party:

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(4) Date Filed:

SUBJECT TO COMPLETION DATED SEPTEMBER 3, 2002

Preliminary Proxy Statement/Prospectus

[SYNCOR LOGO]

September , 2002

Dear Stockholder:

We cordially invite you to attend a special meeting of stockholders of Syncor International Corporation to be held on October [ ], 2002, at 1:00 p.m., California time, at the Warner Center Hilton Hotel, 6360 Canoga Avenue in Woodland Hills, California.

At the special meeting, you will have a chance to vote on the merger of Syncor with a subsidiary of Cardinal Health, Inc., a leading provider of products and services supporting the health care industry. The Syncor board of directors and we believe that the combination of Syncor's operations with Cardinal Health's operations will create a stronger, more competitive company with a continued commitment to growth. After completion of the merger, you will have the opportunity to participate in the growth of the combined company as a Cardinal Health shareholder.

The Syncor board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger transaction with Cardinal Health, are advisable and fair to and in the best interests of the Syncor stockholders and has approved the merger agreement and the merger. THE SYNCOR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE APPROVAL OF THE MERGER AGREEMENT AT THE SPECIAL MEETING.

If the merger is completed you will receive 0.52 of a Cardinal Health common share for each Syncor share that you own. You will also receive cash in lieu of any fractional Cardinal Health common shares.

The accompanying document explains the proposed merger in greater detail and provides specific information concerning the special meeting. Please read these materials carefully. YOU SHOULD ALSO CAREFULLY CONSIDER THE RISK FACTORS RELATING TO THE PROPOSED MERGER DESCRIBED BEGINNING ON PAGE 13.

Your vote is very important. Instructions regarding how to vote your shares can be found on page 18.

Cordially,

MONTY FU	ROBERT G. FUNARI
Chairman of the Board	President and Chief Executive Officer

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED OR DETERMINED IF THIS DOCUMENT IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THIS DOCUMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN ANY JURISDICTION WHERE AN OFFER OR SOLICITATION WOULD BE ILLEGAL.

This document is dated September [ ], 2002 and is first being mailed to stockholders on or about September [ ], 2002.

REFERENCES TO ADDITIONAL INFORMATION

This document incorporates important business and financial information about Cardinal Health and Syncor from documents that are not included with this document. This information is available to you, without charge, upon your written or oral request. You can obtain documents incorporated by reference in this document (with the exception of certain exhibits to those documents) by requesting them in writing or by telephone from the appropriate company at the following address:

Cardinal Health, Inc. 7000 Cardinal Place Dublin, Ohio 43017 (614) 757-5000 Attention: Vice President -- Investor Relations	Syncor International Corporation 6464 Canoga Avenue Woodland Hills, California 91367-2407 (818) 737-4000 Attention: Director -- Investor Relations

IF YOU WOULD LIKE TO REQUEST DOCUMENTS, PLEASE DO SO BY SEPTEMBER [ ], 2002 IN ORDER TO RECEIVE THEM BEFORE THE SPECIAL MEETING. SEE "WHERE YOU CAN FIND MORE INFORMATION" ON PAGE 83.

IMPORTANT NOTE

WE HAVE NOT AUTHORIZED ANY PERSON TO PROVIDE YOU WITH ANY INFORMATION OR TO MAKE ANY REPRESENTATION ABOUT THE PROPOSED MERGER OR OUR COMPANIES THAT DIFFERS FROM OR ADDS TO THE INFORMATION CONTAINED IN THIS DOCUMENT OR IN ANY OTHER DOCUMENTS FILED PUBLICLY WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION. THEREFORE, YOU SHOULD NOT RELY ON ANY DIFFERENT OR ADDITIONAL INFORMATION.

IF YOU LIVE IN A JURISDICTION WHERE IT IS UNLAWFUL TO OFFER TO EXCHANGE OR SELL, OR TO ASK FOR OFFERS TO EXCHANGE OR BUY, THE SECURITIES OFFERED BY THIS DOCUMENT, OR TO ASK FOR PROXIES, OR IF YOU ARE A PERSON TO WHOM IT IS UNLAWFUL TO DIRECT THESE ACTIVITIES, THEN THE OFFER PRESENTED AND PROXY SOLICITATION MADE BY THIS DOCUMENT DO NOT EXTEND TO YOU.

THE INFORMATION CONTAINED IN THIS DOCUMENT SPEAKS ONLY AS OF THE DATE INDICATED ON THE COVER OF THIS DOCUMENT, UNLESS THE INFORMATION SPECIFICALLY INDICATES THAT ANOTHER DATE APPLIES, OR, IN THE CASE OF DOCUMENTS INCORPORATED BY REFERENCE, THE DATES OF THOSE DOCUMENTS. SEE "FORWARD-LOOKING STATEMENTS" ON PAGE 15 OF THIS DOCUMENT.

WITH RESPECT TO THE INFORMATION CONTAINED IN THIS DOCUMENT, CARDINAL HEALTH HAS SUPPLIED THE INFORMATION CONCERNING CARDINAL HEALTH AND MUDHEN MERGER CORP., AND SYNCOR HAS SUPPLIED THE INFORMATION CONCERNING SYNCOR.

IN ADDITION, IF YOU HAVE ANY QUESTIONS ABOUT THE MERGER OR VOTING PROCEDURES, YOU MAY CONTACT:

[MACKENZIE PARTNERS, INC. LOGO]
105 MADISON AVENUE
NEW YORK, NEW YORK 10016
(212) 929-5500 (CALL COLLECT)
E-MAIL: proxy@mackenziepartners.com
or
CALL TOLL-FREE (800) 322-2885

SYNCOR INTERNATIONAL CORPORATION

NOTICE OF SPECIAL MEETING OF STOCKHOLDERS

OCTOBER [ ], 2002

To the Stockholders of Syncor:

A special meeting of stockholders of Syncor International Corporation will be held on October [ ], 2002, at 1:00 p.m., California time, at the Warner Center Hilton Hotel, 6360 Canoga Avenue in Woodland Hills, California. The purposes of the special meeting are to:

1. Vote on a proposal to approve the Agreement and Plan of Merger, dated as of June 14, 2002, among Cardinal Health, Inc., Mudhen Merger Corp., a wholly owned subsidiary of Cardinal Health, and Syncor. Pursuant to the merger agreement, Mudhen Merger Corp. will merge with and into Syncor upon the terms and subject to the conditions set forth in the merger agreement, as more fully described in the document that accompanies this notice. If the merger agreement is approved and the merger and the related transactions contemplated by the merger agreement are consummated, each share of Syncor common stock will become 0.52 of a Cardinal Health common share.

2. Adjourn the special meeting, if necessary, to permit further solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement proposal.

3. Act on any other matters that may properly come before the special meeting.

Your board of directors has fixed the close of business on September [ ], 2002, as the record date for determining stockholders entitled to notice of and to vote at the special meeting. The merger agreement proposal requires the affirmative vote of the holders of a majority of the outstanding Syncor shares entitled to vote on the merger agreement proposal. Stockholders owning approximately [ ]% of the outstanding Syncor shares as of the record date already have agreed in writing to vote in favor of the approval of the merger

agreement proposal.

You are cordially invited to attend the special meeting. Whether or not you plan on attending the special meeting, please vote by signing, dating and returning the enclosed proxy card or submitting a proxy through the Internet or by telephone. Completing a proxy now will not prevent you from being able to vote at the special meeting by attending in person and casting a vote. However, if you do not return the proxy or vote in person at the special meeting, the effect will be the same as a vote against the merger agreement proposal.

By Order of the Board of Directors

EDWIN A. BURGOS
Secretary

September [ ], 2002

Woodland Hills, California

To find any one of the principal sections identified below, simply bend this document slightly to expose the black tabs and open the document to the tab that corresponds to the title of the section you wish to read.

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QUESTIONS AND ANSWERS ABOUT THE CARDINAL HEALTH/SYNCOR MERGER TRANSACTION

We intend the following questions and answers to provide brief answers to frequently asked questions concerning the proposed merger. These questions and answers do not, and are not intended to, address all the questions that may be important to Syncor stockholders. You should read the summary and the remainder of this document and all of the annexes carefully.

Q: WHAT DO I HAVE TO DO IN CONNECTION WITH THE MERGER?

A: We cannot complete the merger, unless, among other things, Syncor stockholders vote to approve the merger agreement. Syncor is holding a special meeting at which you are entitled to vote on the merger agreement.

You may choose one of the following ways to cast your vote:

- by completing and returning the accompanying proxy card in the enclosed postage-paid envelope;

- through the Internet or by telephone, as outlined on the accompanying proxy card; or

- by appearing and voting in person at the special meeting.

If the merger agreement is approved by Syncor stockholders and the other conditions to the proposed merger are satisfied, you will receive additional information with respect to your shares of Syncor common stock.

Q: HOW DO I VOTE MY SYNCOR SHARES IF MY SYNCOR SHARES ARE HELD IN "STREET NAME"?

A: You should contact your broker. Your broker can give you directions on how to vote your Syncor shares. Your broker cannot vote your Syncor shares unless he or she receives appropriate instructions from you.

Q: MAY I CHANGE MY VOTE EVEN AFTER SUBMITTING A PROXY?

A: Yes. If you are the record owner of your Syncor shares and you want to change your vote, you may do so at any time before the special meeting by sending to the Secretary of Syncor a written notice saying that you are revoking your proxy or by submitting a later-dated proxy by mail or telephone or through the Internet with your new vote. Alternatively, you can attend the special meeting in person and vote your Syncor shares yourself at the special meeting. If you own your Syncor shares in street name, you should contact your broker regarding the procedures for changing your vote.

Q: SHOULD I SEND IN MY SYNCOR STOCK CERTIFICATES NOW?

A: No. After the merger is completed, we will send you written instructions, including a letter of transmittal, explaining how to exchange your Syncor stock certificates for stock certificates representing Cardinal Health common shares. Please do not send in any Syncor stock certificates until you receive these written instructions and the letter of transmittal.

Q: WHEN DO YOU EXPECT TO COMPLETE THE PROPOSED MERGER?

A: We expect to complete the proposed merger as quickly as possible once all the conditions to the merger, including obtaining the approval of Syncor stockholders, are fulfilled. Fulfilling some of these conditions is not entirely within our control. We currently expect to complete the proposed merger late this year.

Q: IF I HAVE MORE QUESTIONS ABOUT THE PROPOSED MERGER, WHERE CAN I FIND ANSWERS?

A: In addition to reading this document, its annexes and the documents we have incorporated in it by reference, you can find more information about the proposed merger in Cardinal Health's and Syncor's public filings with the SEC, the New York Stock Exchange and The Nasdaq National Market. See "Where You Can Find More Information." If you require assistance in changing or revoking a proxy or if you have any other questions about the merger, please contact:

[MACKENZIE PARTNERS, INC. LOGO]

105 Madison Avenue
New York, New York 10016
(212) 929-5500 (Call Collect)
or
CALL TOLL-FREE (800) 322-2885
or
E-mail: proxy@mackenziepartners.com

SUMMARY

This brief summary highlights what we believe is the most important information about the merger transaction. You should carefully read the entire document and the information incorporated by reference in this document for a complete understanding of the transactions and our companies' businesses. We have provided a page reference for each item in this summary so that you can easily find additional information about that item.

THE COMPANIES

SYNCOR INTERNATIONAL CORPORATION

As you know, Syncor is a leading provider of high-technology health care services concentrating on nuclear pharmacy services, medical imaging, niche manufacturing and radiotherapy. Syncor is headquartered in Woodland Hills, California, employs approximately 4,760 people and has annual revenues from continuing operations of approximately $600 million. Syncor announced on June 14, 2002, that it intends to sell its medical imaging services division.

CARDINAL HEALTH, INC.

Cardinal Health is a leading provider of products and services supporting the health care industry. Cardinal Health offers a broad spectrum of products and services to both upstream customers, including pharmaceutical, biotech, medical/ surgical and lab manufacturers, and downstream customers, including pharmacies and hospitals, physician offices and other sites of care.

Cardinal Health offers these products and services through four primary business units:

- pharmaceutical distribution and provider services;

- automation and information services;

- medical-surgical products and services; and

- pharmaceutical technologies and services.

Headquartered in Dublin, Ohio, Cardinal Health employs more than 49,000 people on five continents, with annual revenues exceeding $44 billion.

RECORD DATE; VOTE REQUIRED (PAGES 17 AND 18)

You can vote at the special meeting if you owned Syncor shares at the close of business on the record date of September [ ], 2002. On the record date, there were approximately [ ] Syncor shares outstanding and entitled to vote. You can cast one vote for each Syncor share you then owned. In order to approve the merger agreement, the holders of a majority of all outstanding Syncor shares entitled to vote with respect to the merger agreement must vote in favor of the merger agreement.

Each of the officers and directors of Syncor, owning approximately [ ]% of the Syncor shares entitled to vote, are expected to vote in favor of the merger. Cardinal Health's directors and executive officers and their affiliates do not hold any Syncor shares.

OUR REASONS FOR THE MERGER (PAGE 23)

To understand the reasons why the boards of directors for both companies recommended the merger, see the factors discussed on page [29].

OPINION OF SYNCOR'S FINANCIAL ADVISOR (PAGE 28)

In connection with the merger, the Syncor board of directors received a written opinion from Salomon Smith Barney Inc., Syncor's financial advisor, as to the fairness, from a financial point of view, of the exchange ratio provided for in the merger.

We have included the full text of Salomon Smith Barney's written opinion dated June 14, 2002 as Annex B to this document. We encourage you to read this opinion carefully in its entirety for a description of the assumptions made, procedures followed, matters considered and limitations on the review undertaken. Salomon Smith Barney's opinion is addressed to the Syncor board of directors and does not constitute a recommendation to any stockholder with respect to how to vote on the proposed merger.

INTERESTS OF SYNCOR'S DIRECTORS AND EXECUTIVE OFFICERS IN THE MERGER THAT ARE DIFFERENT FROM YOUR INTERESTS (PAGE 33)

Certain of Syncor's executive officers and directors may be deemed to have interests in the merger that are different from, or in addition to, your interests. Syncor executives Monty Fu,

Robert G. Funari, Rodney E. Boone, David I. Ward, Jack L. Coffey, Sheila H. Coop, William P. Forster, Lewis W. Terry, John S. Baumann and Haig Bagerdjian are each parties to severance agreements that will provide payments and benefits if their employment is terminated under specified circumstances after the merger. In addition, upon Syncor stockholder approval of the merger, Syncor stock options granted prior to June 14, 2002 held by all executive officers and directors of Syncor will fully vest and become exercisable. An additional 31,205 Syncor options that were issued to non-employee directors after the date of the merger agreement will also vest upon Syncor stockholder approval of the merger agreement.

The Syncor board of directors was aware of these additional interests, and considered them when it approved the merger agreement and recommended that Syncor stockholders approve the merger agreement.

APPRAISAL RIGHTS (PAGE 36)

Under Delaware law, Syncor stockholders are not entitled to any appraisal or dissenters' rights in connection with the merger.

MERGER CONSIDERATION; CONVERSION OF SHARES (PAGE 38)

When we complete the proposed merger, your Syncor shares will be exchanged for Cardinal Health common shares. Each Syncor share will become 0.52 of a Cardinal Health common share with cash being paid in place of any fractional shares.

For example, a holder of 110 shares of Syncor common stock will receive 57 Cardinal Health common shares, plus a cash payment with respect to 0.20 of a Cardinal Health common share.

Since the number of Cardinal Health common shares that you will receive in the merger is determined by a fixed exchange ratio, the value you will receive in the merger will fluctuate.

SYNCOR STOCK OPTIONS (PAGE 38)

The stock options owned by Syncor employees will be exchanged for stock options of Cardinal Health, subject to adjustments in exercise price and the number of shares to reflect the exchange ratio of the merger. Options awarded to Syncor employees before June 14, 2002 will become exercisable immediately upon approval of the merger by Syncor stockholders. Subject to limited exceptions, all other options are subject to the same timing restrictions contained in the original grant.

MANAGEMENT AND OPERATIONS AFTER THE MERGER

After the merger, the Cardinal Health board of directors will continue to manage the business of Cardinal Health, which then will include the business of Syncor as a wholly owned subsidiary. Much of Syncor's current management is expected to remain in place. After completion of the merger, Syncor will be part of the Pharmaceutical Distribution and Provider Services division of Cardinal Health.

CONDITIONS TO COMPLETION OF THE MERGER (PAGE 48)

The completion of the merger requires Cardinal Health and Syncor to satisfy

a number of conditions including:

- each of the representations and warranties of the two companies in the merger agreement being true and correct;

- approval of the merger agreement by the holders of a majority of the outstanding Syncor shares;

- absence of any governmental or judicial body enjoining the merger;

- an opinion of counsel to the effect that the merger will constitute a reorganization and no gain or loss will be recognized by Syncor stockholders except with respect to cash received in lieu of a fractional Cardinal Health common share; and

- the absence of any event that is likely to have a material adverse effect.

The conditions, other than your stockholder approval, may be waived at the election of the relevant company.

TERMINATION OF THE MERGER AGREEMENT (PAGE 51)

One of the companies may be able to terminate the merger agreement without completing the merger, even if Syncor stockholders have

approved the merger agreement. The most important examples follow:

- it becomes illegal to complete the merger;

- the merger is not completed by December 31, 2002;

- one of the companies breaches an important provision of the merger agreement; and

- the Syncor board of directors changes its recommendation supporting the merger or does not reaffirm its support of the merger within 20 business days after being asked by Cardinal Health to do so.

TERMINATION FEES (PAGE 52)

Syncor will pay Cardinal Health up to $4,000,000 in reimbursement of Cardinal Health's merger-related expenses if

- either of us terminates the merger agreement because the Syncor stockholders do not approve the merger agreement; or

- the Syncor board of directors changes its recommendation supporting the merger or does not reaffirm its support of the merger within 20 business days after being asked by Cardinal Health to do so and Cardinal Health terminates the merger.

Further, if Syncor abandons this merger in favor of another offer, it may owe Cardinal Health a payment of approximately $12 million or $24 million, depending upon the particular circumstances.

Otherwise, we will each pay our own fees and expenses related to the proposed merger.

WAIVER AND AMENDMENT (PAGE 53)

We may jointly amend the merger agreement. Each of us may waive our right to require the other party to adhere to the terms and conditions of the merger agreement. However, we may amend the merger agreement after Syncor stockholders approve the merger agreement only if the amendment does not require the further approval of Syncor stockholders under law or if Syncor stockholders approve the amendment.

SUPPORT/VOTING AGREEMENTS (PAGE 54)

In connection with the merger, Cardinal Health has entered into support/voting agreements with Monty Fu, Chairman of the Board of Syncor, and Robert G. Funari, President, Chief Executive Officer and a director of Syncor. As of the record date, these directors of Syncor beneficially owned approximately [ ] million Syncor shares representing approximately [ ]% of the outstanding Syncor shares. Of this amount, [ ]% were unexercised Syncor options. Under the support/voting agreements, each of these directors has agreed

to vote all of his Syncor shares in favor of the merger agreement, but the directors are not required to exercise their Syncor options.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES (PAGE 55)

Counsel has opined that the merger will be a reorganization for U.S. federal income tax purposes, if completed in the manner expected, meaning that Syncor stockholders will not recognize gain or loss for U.S. federal income tax purposes in the merger, except for gain or loss recognized because of cash received instead of fractional Cardinal Health common shares.

SIGNIFICANT DIFFERENCES IN THE RIGHTS OF SYNCOR STOCKHOLDERS AND CARDINAL HEALTH SHAREHOLDERS (PAGE 64)

Syncor's certificate of incorporation and by-laws and the Delaware General Corporation Law govern the rights of Syncor stockholders. Cardinal Health's articles of incorporation and code of regulation and the Ohio General Corporation Law govern the rights of Cardinal Health shareholders. Syncor stockholders will become Cardinal Health shareholders after completion of the merger and their rights will be governed accordingly. The merger will not affect Cardinal Health's articles of incorporation or its code of regulations.

SELECTED HISTORICAL FINANCIAL INFORMATION

The following financial information is to aid you in your analysis of the financial aspects of the merger. We present below selected historical financial data of Syncor as of and for each of the five years ended December 31, 2001 and as of and for the six months ended June 30, 2002 and 2001, and of Cardinal Health as of and for each of the five years ended June 30, 2001 and as of and for the nine months ended March 31, 2002. The historical income statement of Syncor for the six months ended June 30, 2002 and 2001, and the historical balance sheet data as of June 30, 2002 are derived from the unaudited financial statements incorporated by reference in this document. The income statement of Cardinal Health for the nine months ended March 31, 2002 and 2001, and the balance sheet data as of March 31, 2002 and 2001, are derived from the unaudited financial statements incorporated by reference in this document.

We derived the historical income statement data, as restated for discontinued operations, for Syncor for the years ended December 31, 2001, 2000 and 1999, and the historical balance sheet data, as restated for discontinued operations, as of December 31, 2001 and 2000, from audited consolidated financial statements, which we have incorporated by reference in this document. We derived the historical income statement data, as restated for discontinued operations, for Syncor for the years ended December 31, 1998 and 1997, and the historical balance sheet data, as restated for discontinued operations, as of December 31, 1999, 1998 and 1997, from audited consolidated financial statements, which, in accordance with SEC rules, we have not incorporated by

reference in this document.

We derived the income statement data for Cardinal Health for the years ended June 30, 2001, 2000 and 1999, and the balance sheet data as of June 30, 2001 and 2000, from audited consolidated financial statements, which we have incorporated by reference in this document. We derived the income statement data for Cardinal Health for the years ended June 30, 1998 and 1997, and the balance sheet data as of June 30, 1999, 1998 and 1997, from audited consolidated financial statements, which, in accordance with SEC rules, we have not incorporated by reference in this document.

The historical financial data, as restated for discontinued operations, that appear below are only a summary, and you should read them in conjunction with the historical financial statements and related notes of Syncor. Syncor's historical financial statements are included in documents filed with the SEC. See "Where You Can Find More Information" on page 83.

SYNCOR INTERNATIONAL CORPORATION
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	AT OR FOR THE FISCAL YEAR ENDED DECEMBER 31,					AT OR FO MONTHS
	1997	1998	1999(2)	2000(2)	2001(2)	2001 JUNE
EARNINGS DATA:						
Total revenue from continuing operations	$379.9	$410.5	$457.2	$517.6	$598.1	$284.5
Net earnings (loss):						
- Continuing operations	$ 10.4	$ 13.9	$ 18.2	$ 28.0	$ 34.5	$ 19.6
- Discontinued operations, net of taxes	0.7	--	1.0	1.5	3.4	1.6
- Net earnings (loss)	$ 11.1	$ 13.9	$ 19.2	$ 29.5	$ 37.9	$ 21.2
Earnings (loss) per share of Syncor common stock:(1)						
Basic						
- Continuing operations	$ 0.52	$ 0.65	$ 0.78	$ 1.17	$ 1.40	$ 0.80
- Discontinued operations, net of taxes	0.03	--	0.04	0.06	0.14	0.07
- Net income (loss)	$ 0.55	$ 0.65	$ 0.82	$ 1.23	$ 1.54	$ 0.87
Diluted						
- Continuing operations	$ 0.51	$ 0.61	$ 0.71	$ 1.05	$ 1.28	$ 0.73
- Discontinued operations, net of taxes	0.03	--	0.04	0.06	0.12	0.05
- Net income (loss)	$ 0.54	$ 0.61	$ 0.75	$ 1.11	$ 1.40	$ 0.78
Cash dividends declared per share of						

Syncor common stock.....	$ --	$ --	$ --	$ --	$ --	$ --
BALANCE SHEET DATA:						
Total assets						
- Continuing operations.....	$163.7	$161.5	$177.4	$259.9	$304.6	$253.3
- Discontinued operations.....	0.9	95.1	135.2	210.7	283.2	259.9
- Total assets.....	$164.6	$256.6	$312.6	$470.6	$587.8	$513.2
Long-term obligations, less current portion						
- Continuing operations.....	$ 17.3	$ 6.5	$ 0.8	$ 19.2	$ 35.1	$ 19.3
- Discontinued operations.....	0.0	63.8	75.5	118.7	175.5	165.2
- Total long-term obligations, less current portion.....	$ 17.3	$ 70.3	$ 76.3	$137.9	$210.6	$184.5
Stockholders' equity.....	$ 87.4	$111.4	$140.3	$185.9	$234.8	$213.8

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(1) Net earnings (loss) per share of Syncor common stock have been adjusted to retroactively reflect all stock splits through June 30, 2002.

(2) In July 2001, the Financial Accounting Standards Board, which we refer to as the FASB, issued Statement of Accounting Standards, which we refer to as SFAS, No. 141 "Business Combinations" and SFAS No. 142 "Goodwill and Other Intangible Assets." SFAS No. 141 requires that the purchase method of accounting be used for all business combinations completed after June 30, 2001, clarifies the recognition of intangible assets separately from goodwill and requires that unallocated negative goodwill be written off immediately as an extraordinary gain. SFAS No. 142, which was effective for fiscal years beginning after December 15, 2001, requires that ratable amortization of goodwill be replaced with periodic tests of goodwill impairment and that intangible assets, other than goodwill, which have determinable useful lives, be amortized over their useful lives. Syncor has adopted these accounting standards effective January 1, 2002. There were no adjustments to identifiable intangible assets' useful lives or recorded balances nor any adjustment to goodwill as a result of the adoption of SFAS No. 142.

The following table displays Syncor's net earnings and per share amounts for fiscal years 1999, 2000 and 2001 as adjusted for amortization of intangible assets and goodwill.

	FOR THE FISCAL YEAR ENDED DECEMBER 31,		
	1999	2000	2001
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)		
Net earnings.....	$21.6	$31.8	$41.7

Basic earnings per share	$0.93	$1.33	$1.70
Diluted earnings per share	$0.85	$1.19	$1.54

The historical financial data that appear below are only a summary, and you should read them in conjunction with the historical financial statements and related notes of Cardinal Health. Cardinal Health's historical financial statements are included in documents filed with the SEC. See "Where You Can Find More Information" on page 83.

CARDINAL HEALTH INC.
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	AT OR FOR THE FISCAL YEAR ENDED JUNE 30,(1)					AT NINE MA
	1997	1998(2)	1999(2)(5)	2000(5)	2001(5)	2001
EARNINGS DATA:						
Revenue:						
Operating revenue	$18,123.2	$20,844.8	$25,682.5	$30,257.8	$38,660.1	$28,40
Bulk deliveries to customer warehouses	5,659.3	7,541.1	7,050.4	8,092.1	9,287.5	7,14
Total revenue	$23,782.5	$28,385.9	$32,732.9	$38,349.9	$47,947.6	$35,54
Net earnings before cumulative effect of change in accounting principle	$ 369.0	$ 474.3	$ 499.3	$ 717.8	$ 857.4	$ 60
Earnings per Cardinal Health common share before cumulative effect of change in accounting principle:(3)						
Basic	$ 0.87	$ 1.10	$ 1.14	$ 1.64	$ 1.93	$ 1
Diluted	$ 0.85	$ 1.07	$ 1.12	$ 1.60	$ 1.88	$ 1
Cash dividends declared per Cardinal Health common share(3)(4)	$ 0.042	$ 0.049	$ 0.067	$ 0.070	$ 0.085	$ 0.
BALANCE SHEET DATA:						
Total assets	$ 7,578.1	$ 8,876.8	$ 9,682.7	$12,024.1	$14,642.4	$14,23
Long-term obligations, less current portion	$ 1,420.7	$ 1,362.2	$ 1,224.5	$ 1,524.5	$ 1,871.0	$ 2,16
Shareholders' equity	$ 2,940.0	$ 3,389.9	$ 3,894.6	$ 4,400.4	$ 5,437.1	$ 5,09

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(1) Amounts reflect business combinations and the impact of merger-related costs and other special charges in all periods presented. See Note 2 of "Notes to Consolidated Financial Statements" incorporated by reference to Cardinal Health's 10-K for the fiscal year ended June 30, 2001 for a further discussion of merger-related costs and other special charges affecting

fiscal 2001, 2000 and 1999. Fiscal year 1998 amounts reflect the impact of merger-related charges and other special charges of $57.8 million ($19.5 million, net of tax). Fiscal year 1997 amounts reflect the impact of merger-related charges of $50.9 million ($36.6 million, net of tax). See Note 5 of "Notes to Condensed Consolidated Financial Statements" incorporated by reference to Cardinal Health's Form 10-Q for the nine months ended March 31, 2002 for further discussion of merger-related costs and other special charges affecting the nine months ended March 31, 2002 and 2001.

(2) Amounts above do not reflect the impact of pro forma adjustments related to Automatic Liquid Packaging, Inc. ("ALP") taxes (see Notes 1 and 2 of "Notes to Consolidated Financial Statements" incorporated by reference to Cardinal Health's 10-K for the fiscal year ended June 30, 2001). For the fiscal years ended June 30, 1999 and 1998, the pro forma adjustment for ALP taxes would have reduced net earnings before cumulative effect of change in accounting principle by $9.3 million and $4.6 million, respectively. The pro forma adjustment would have decreased diluted earnings per Cardinal Health common share before cumulative effect of change in accounting principle by $0.02 to $1.10 for fiscal year 1999 and by $0.01 to $1.06 for fiscal year 1998.

(3) Net earnings per Cardinal Health common share before cumulative effect of change in accounting principle and cash dividends per Cardinal Health common share have been adjusted to retroactively reflect all stock dividends and stock splits through March 31, 2002.

(4) Cash dividends per Cardinal Health common share exclude dividends paid by all entities with which Cardinal Health has merged.

(5) In July 2001, the FASB issued SFAS No. 142 "Goodwill and Other Intangible Assets," which revises the accounting for purchased goodwill and other intangible assets. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001, with earlier adoption permitted. Cardinal Health elected to adopt SFAS No. 142 beginning with the first quarter of fiscal year 2002. Under SFAS No. 142, purchased goodwill and intangible assets with indefinite lives are no longer amortized, but, instead, tested for impairment at least annually. Accordingly, Cardinal Health has ceased amortization of all goodwill and intangible assets with indefinite lives as of July 1, 2001. Intangible assets with finite lives, primarily patents and trademarks, will continue to be amortized over their useful lives.

SFAS No. 142 requires a two-step impairment test for goodwill. The first step is to compare the carrying amount of the reporting unit's assets to the fair value of the reporting unit. If the carrying amount exceeds the fair value, then the second step is required to be completed, which involves the fair value of the reporting unit being allocated to each asset and liability with the excess being implied goodwill. The impairment loss is the amount by which the recorded goodwill exceeds the implied goodwill. Cardinal Health was required to complete a "transitional" impairment test for goodwill as of the beginning of the fiscal year in which SFAS No. 142 is adopted. This transitional impairment test required that Cardinal Health complete step one of the goodwill impairment test within six months from the date of initial adoption, or December 31, 2001. Cardinal Health completed the transitional impairment test and did not incur any impairment charges.

The following table displays Cardinal Health's net earnings and per share amounts for fiscal years 1999, 2000 and 2001 as adjusted for amortization of intangible assets and goodwill.

	FOR THE FISCAL YEAR ENDED JUNE 30,		
	1999	2000	2001
	(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)		
Net earnings	$533.3	$755.4	$902.0
Basic earnings per share	$ 1.23	$ 1.72	$ 2.03
Diluted earnings per share	$ 1.20	$ 1.68	$ 1.98

COMPARATIVE PER COMMON SHARE INFORMATION

We have set forth below information concerning earnings, cash dividends declared and book value per share data for Cardinal Health on an historical and a pro forma combined basis and for Syncor on an historical basis adjusted for discontinued operations (see Note 1 below) and a pro forma combined basis restated for discontinued operations, and on a per share equivalent pro forma basis, in each case restated for discontinued operations for Syncor. Book value per share for the pro forma combined presentation is based upon outstanding Cardinal Health common shares, adjusted to include the estimated number of Cardinal Health common shares to be issued in the merger for outstanding Syncor shares at the time the merger is completed. The per share equivalent pro forma combined data for Syncor shares is based on the conversion of each Syncor common share into 0.52 of a Cardinal Health common share using the negotiated exchange ratio. See "The Merger Agreement -- Conversion of Securities."

You should read the information set forth below in conjunction with the respective audited and unaudited financial statements of Cardinal Health and Syncor incorporated by reference in this document. See "Where You Can Find More Information" on page 83.

	AT OR FOR THE TWELVE MONTHS ENDED JUNE 30, 2001	AT OR FOR THE NINE MONTHS ENDE MARCH 31, 2002
SYNCOR INTERNATIONAL -- HISTORICAL RESTATED FOR DISCONTINUED OPERATIONS		
Net earnings per share of Syncor common stock from continuing operations(1):		
Basic	$1.30	$1.01
Diluted	1.17	0.93
Cash dividends declared per share of Syncor common stock	--	--
Book value per share	8.76	9.92

	AT OR FOR THE FISCAL YEAR ENDED JUNE 30, 2001	AT OR FOR THE NINE MONTHS END MARCH 31, 2002
CARDINAL HEALTH -- HISTORICAL		
Net earnings per Cardinal Health common share before cumulative effect of change in accounting principle(2)		
Basic	$ 1.93	$ 1.85
Diluted	1.88	1.81
Cash dividends declared per Cardinal Health common share	0.085	0.075
Book value per share	12.12	13.78
CARDINAL HEALTH AND SYNCOR -- PRO FORMA COMBINED		
Net earnings per common share from continuing operations before cumulative effect of change in accounting principle(1)(2)(3)(4)		
Basic	$ 1.95	$ 1.85
Diluted	1.89	1.80
Cash dividends declared per common share(5)	0.085	0.075
Book value per share(3)(4)	12.25	13.93

	AT OR FOR THE FISCAL YEAR ENDED JUNE 30, 2001	AT OR FOR THE NINE MONTHS END MARCH 31, 2002
EQUIVALENT PRO FORMA COMBINED PER SHARE OF SYNCOR COMMON STOCK		
Net earnings per common share from continuing operations before cumulative effect of change in accounting principle(1)(2)(3)(4)		
Basic	$ 1.01	$ 0.96
Diluted	0.98	0.94
Cash dividends declared per common share(5)	0.044	0.039
Book value per share(3)(4)	6.37	7.24

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(1) Syncor's historical net earnings per share of Syncor common stock from continuing operations at or for the twelve months ended June 30, 2001, and at or for the nine months ended March 31, 2002, exclude the discontinued operations related to Syncor's planned sale of CMI, closure or sale of certain international locations and disposal of Syncor's brachytherapy seeds production business announced by Syncor on June 14, 2002.

(2) Cardinal Health's historical net earnings per Cardinal Health common share before cumulative effect of change in accounting principle, Cardinal Health's and Syncor's Pro Forma Combined net earnings per common share from continuing operations before cumulative effect of change in accounting principle and the Equivalent Pro Forma Combined net earnings per common share from continuing operations before cumulative effect of change in accounting principle reflect the effect of merger-related costs and other special charges. Amounts include the effect of merger-related costs and other special charges recorded by Cardinal Health in the fiscal year ended June 30, 2001 and the nine-month period ended March 31, 2002. See Note 2 of "Notes to Consolidated Financial Statements" incorporated by reference to Cardinal Health's Form 10-K for fiscal year 2001 for a further discussion of merger-related costs and other special charges affecting fiscal year 2001. See Note 5 of "Notes to Condensed Consolidated Financial Statements" incorporated by reference to Cardinal Health's Form 10-Q for the nine months ended March 31, 2002 for further discussion of the merger-related costs and other special charges affecting the nine months ended March 31, 2002.

(3) The Pro Forma Combined and the Equivalent Pro Forma Combined information (excluding the book value per share information) presents the combination of Cardinal Health for the fiscal year ended June 30, 2001 with Syncor for the twelve months ended June 30, 2001. In addition, the financial information of Cardinal Health for the nine months ended March 31, 2002 is combined with that of Syncor for the nine months ended March 31, 2002. The book value per share information as of June 30, 2001 is calculated based on the Cardinal Health balance sheet as of June 30, 2001 and the Syncor balance sheet as of June 30, 2001. The book value per share information as of March 31, 2002 is calculated based on the Cardinal Health and Syncor balance sheets as of March 31, 2002.

(4) Amount does not reflect the pro forma effect of future merger-related expenses. In connection with the merger, Cardinal Health and Syncor expect to incur investment banking, legal, accounting and other merger-related costs and fees. Additionally, Cardinal Health and Syncor expect to incur other merger-related costs associated with the integration of the companies and institution of efficiencies anticipated as a result of the merger. The merger-related expenses will be charged to operating expense in the period in which the merger is completed, or in subsequent periods when incurred. Since the merger has not yet been completed and transition plans currently are being developed, the merger-related expenses cannot be reasonably estimated at this time.

(5) Pro Forma Combined cash dividends declared per Cardinal Health common share represent the historical dividends of Cardinal Health for all periods presented and exclude all dividends paid by Syncor and all entities with which Cardinal Health has merged. Cardinal Health's and Syncor's Pro Forma Combined cash dividends declared per common share have been adjusted to give retroactive effect to all stock dividends and stock splits through March 31, 2002.

COMPARATIVE MARKET PRICE AND DIVIDEND DATA

On the table below, we present the range of the reported high and low closing per share sale prices of Cardinal Health common shares as shown on the

New York Stock Exchange Composite Tape and Syncor shares as reported on The Nasdaq National Market, as well as the per share dividends paid on those shares, for the calendar quarters indicated. We have adjusted the share price information in the table to reflect retroactively all applicable stock splits.

	CARDINAL HEALTH COMMON SHARE			SYNCOR COMMON STOCK		
CALENDAR YEAR	HIGH	LOW	DIVIDENDS	HIGH	LOW	DIVIDEND
1999						
First Quarter	$53.67	$44.00	$0.0167	$17.25	$12.25	--
Second Quarter	47.92	37.92	0.0167	18.00	12.96	--
Third Quarter	46.63	34.67	0.0167	20.00	14.50	--
Fourth Quarter	37.58	25.00	0.0167	20.36	13.37	--
2000						
First Quarter	$39.58	$24.79	$0.0167	$16.50	$11.02	--
Second Quarter	49.33	30.58	0.0200	36.00	13.00	--
Third Quarter	63.38	45.27	0.0200	43.94	32.75	--
Fourth Quarter	69.25	59.04	0.0200	39.06	23.75	--
2001						
First Quarter	$68.35	$58.67	$0.0200	$38.81	$27.25	--
Second Quarter	77.00	61.78	0.0250	42.29	26.64	--
Third Quarter	75.30	67.28	0.0250	38.74	26.63	--
Fourth Quarter	76.60	61.50	0.0250	33.31	26.03	--
2002						
First Quarter	$70.89	$60.80	$0.0250	$29.15	$21.70	--
Second Quarter	73.00	61.41	0.0250	34.12	27.72	--
Third Quarter (through August 30)	68.19	49.08	0.0250	35.15	25.11	--

The following table sets forth the closing price per Cardinal Health common share as reported on the New York Stock Exchange Composite Tape and the closing price per Syncor share as reported on The Nasdaq National Market on June 13, 2002, the last full trading day before we announced the proposed merger, and on August 30, 2002, the last full trading day before the date of this document. This table also shows the implied value of one Syncor share which we calculated by multiplying the closing price per Cardinal Health common share on those dates by 0.52, the exchange ratio.

	SYNCOR COMMON STOCK	CARDINAL HEALTH COMMON SHARES	IMPLIED VA ONE SHAR SYNCO COMMON S
June 13, 2002	$28.21	$62.35	$32.4
August 30, 2002	33.34	64.84	33.7

We encourage you to obtain current market quotations for Cardinal Health common shares and Syncor shares.

Cardinal Health will file an application to list Cardinal Health common shares that Syncor stockholders will receive in the merger on the New York Stock Exchange.

On May 13, 2002, the Cardinal Health board of directors declared a dividend on Cardinal Health common shares of $0.025 per share, payable on July 15, 2002, to holders of record on July 1, 2002. Cardinal Health anticipates that it will continue to pay quarterly cash dividends. The Cardinal Health board of directors, however, has discretion to decide upon the timing and amount of any future dividends, and whether or not Cardinal Health will pay dividends (and, if so, how much the dividends will be) will depend on Cardinal Health's future earnings, financial condition, capital requirements and other factors.

RISK FACTORS

In considering whether to vote in favor of the merger agreement with Cardinal Health, you should consider all of the information we have included in this document and its annexes and all of the information included in the documents incorporated by reference in this document. In addition, you should pay particular attention to the following risk factors related to the merger.

THE MARKET VALUE OF CARDINAL HEALTH COMMON SHARES WILL VARY AND THOSE SHARES MAY HAVE A LOWER PRICE AFTER THE COMPLETION OF MERGER THAN THEY CURRENTLY HAVE.

The exchange ratio is a fixed ratio that will not be adjusted as a result of any increase or decrease in the price of either Cardinal Health common shares or Syncor common stock. The price of Cardinal Health common shares at the time the merger is completed may be higher or lower than the price on the date of this document or on the date of the special meeting. Changes in the business, operations or prospects of Cardinal Health or Syncor, market assessments of the likelihood that the proposed merger will be completed, regulatory considerations, general market and economic conditions or other factors may affect the prices of Cardinal Health common shares, Syncor shares or both. Most of these factors are beyond our control. Since the proposed merger will be completed only after all the conditions to the merger are satisfied or waived, including the holding of the special meeting, there is no way to be sure that the price of Cardinal Health common shares on any date prior to completion of the merger will be indicative of the price at the time the merger is completed. You should obtain current market quotations for both Cardinal Health common shares and Syncor shares.

IF WE FAIL TO ACHIEVE THE BENEFITS ANTICIPATED IN THE MERGER, THE PRICE OF CARDINAL HEALTH COMMON SHARES MAY DECLINE.

We believe that we can achieve significant business opportunities and cost

savings as a result of the merger. We based our estimates of cost savings on many assumptions, including future sales levels and other operating results, the availability of funds for capital expenditures, the timing of certain events, as well as general industry and business conditions and other matters. Many of these factors are beyond the control of the combined company. Our estimates also are based on a management consensus as to what levels of sales and similar efficiencies should be achievable by an entity the size of the combined company. Our estimates of potential cost savings and revenue enhancements are forward-looking statements that are by their nature uncertain. The combined company's actual cost savings and revenue improvements, if any, could differ from those projected. Those differences could be material. Therefore, you should not rely on our estimates as predictors of actual cost savings and revenue improvements. We cannot assure you that unforeseen costs and expenses or other factors will not offset the estimated cost savings and revenue improvements or other components of the combined company's plan or result in delays in the realization of certain projected cost savings. Certain Cardinal Health shareholders may choose to sell their Cardinal Health shares in response. See "Forward-Looking Statements."

IF WE FAIL TO INTEGRATE OUR BUSINESSES IN A TIMELY MANNER, WE MAY EXPERIENCE ADVERSE SHORT-TERM OR LONG-TERM EFFECTS ON OUR OPERATING RESULTS.

In deciding that the proposed merger is in the best interests of Syncor and its stockholders, the Syncor board of directors considered the potential complementary effects of combining Cardinal Health's and Syncor's assets, personnel and operational expertise. Integrating businesses, however, involves a number of special risks, including:

- the possibility that management may be distracted from regular business concerns by the need to integrate operations,
- unforeseen difficulties in integrating operations and systems,
- customer and supplier reactions to proposed changes,
- problems or difficulties in assimilating and retaining the employees of the acquired company, and

- challenges in retaining customers and suppliers.

If we fail to manage these risks, we could experience potential adverse short-term or long-term effects on our operating results.

Additionally, Syncor announced, on June 14, 2002, that it is exiting the imaging business and is entertaining offers for its Comprehensive Medical Imaging division. This transaction may occur before or after the completion of the merger. However, we cannot provide any assurances that any transaction will occur or that the transaction will occur under terms acceptable to Syncor or Cardinal Health.

IF CARDINAL HEALTH IS UNABLE TO SUCCESSFULLY IDENTIFY AND COMPLETE STRATEGIC ACQUISITIONS, CARDINAL HEALTH'S GROWTH STRATEGY MAY BE IMPAIRED.

An important element of Cardinal Health's growth strategy is to pursue strategic acquisitions that either expand or complement its business, and Cardinal Health routinely and on an ongoing basis reviews acquisition opportunities. Acquisitions involve a number of special risks. In addition, Cardinal Health may incur debt to finance future acquisitions, and Cardinal Health may issue securities in connection with future acquisitions that may dilute the holdings of current and future Cardinal Health shareholders.

FORWARD-LOOKING STATEMENTS

This document and the information included or incorporated by reference contain a number of forward-looking statements with respect to our financial condition, results of operations, plans, objectives, future performance and business, as well as certain information relating to the proposed merger, including, among others:

(1) statements relating to the synergies and cost savings and accretion/dilution to reported earnings estimated to result from the proposed merger;

(2) statements relating to revenues estimated to result from the proposed merger;

(3) statements relating to integration costs estimated to be incurred in connection with the proposed merger; and

(4) statements preceded by, followed by or that include the terms "believes," "expects," "anticipates," "estimates" or similar words or expressions.

These forward-looking statements involve various risks and uncertainties. Actual results may differ materially from those contemplated, projected or implied by these forward-looking statements due to, among others, the following factors and events:

- costs or difficulties related to the integration of our businesses, or other acquired businesses, are greater than expected;

- expected or anticipated synergies and cost savings from the proposed merger are not fully realized or are not realized within the expected time frame, or additional or unexpected costs are incurred;

- dependence on key personnel to manage integration and our ongoing operation after the proposed merger;

- the loss of customers or suppliers;

- technological changes are more difficult and/or more expensive than anticipated;

- revenues following the proposed merger are lower than expected;

- increased competitive pressures in the industries or markets in which we operate;

- changes in general economic conditions or in political or competitive forces;

- changes in the securities markets;

- changes in the regulatory environment;

- difficulties and/or delays in selling certain operations of Syncor that are contemplated to be sold to third parties;

- the risk that our analyses of these risks and forces could be incorrect and/or that the strategies developed to address them could be unsuccessful; and

- the general risks that occur in our day-to-day businesses, including those discussed in our respective Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and exhibits or amendments to those reports.

The order of the items listed above does not necessarily reflect the order of their significance.

You should not place undue reliance on these statements, which speak only as of the date of this document, or, in the case of documents incorporated by reference, the dates of those documents.

All subsequent written and oral forward-looking statements attributable to Cardinal Health or Syncor or any person acting on their behalf are expressly qualified by the cautionary statements contained or referred to in this section. Neither Cardinal Health nor Syncor undertakes any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as may be required under applicable law.

THE SPECIAL MEETING

The Syncor board of directors is soliciting proxies from Syncor stockholders for use at the special meeting and at any adjournments or postponements of the special meeting. This document, together with the form of proxy, is being mailed to Syncor stockholders on or about September [ ], 2002.

TIME AND PLACE OF THE MEETING

The time and place of the special meeting is:

[ ], October [ ], 2002

1:00 p.m., California time
Warner Center Hilton Hotel
6360 Canoga Avenue
Woodland Hills, California

MATTERS TO BE CONSIDERED AT THE SPECIAL MEETING

The special meeting will be held to:

(1) Vote on a proposal to approve the merger agreement. The merger agreement is included as Annex A to this document. The merger agreement provides for the merger of Mudhen Merger Corp. with and into Syncor. Syncor will be the surviving corporation in the merger and will become a wholly owned subsidiary of Cardinal Health.

(2) Adjourn the special meeting, if necessary, to permit further

solicitation of proxies in the event there are not sufficient votes at the time of the special meeting to approve the merger agreement proposal.

(3) Act on any other matters that may properly come before the special meeting.

RECORD DATE

The Syncor board of directors has established September [ ], 2002, as the record date for the special meeting. Only holders of record of Syncor shares on the record date are entitled to attend and vote at the special meeting or at any adjournments or postponements of the special meeting.

As of the close of business on the record date, there were approximately [ ] Syncor shares outstanding and entitled to vote for purposes of the general vote at the special meeting.

SHARE OWNERSHIP

Syncor. On the record date, all Syncor directors, executive officers and their affiliates, as a group, beneficially owned a total of [ ] outstanding Syncor shares, representing approximately [ ]% of the voting power at the special meeting. Each of these Syncor directors and officers is expected to vote the outstanding Syncor shares beneficially owned by him or her in favor of the merger agreement. Monty Fu, Chairman of the Board of Syncor, and Robert G. Funari, President and Chief Executive Officer of Syncor, who, together, beneficially own approximately [ ]% of the outstanding shares on the record date, have executed support/voting agreements with Cardinal Health agreeing to vote in favor of the merger agreement.

Cardinal Health. At the record date, Cardinal Health and its subsidiaries beneficially owned no Syncor shares. At the same date, all of Cardinal Health's directors, executive officers and their affiliates as a group did not hold any Syncor shares.

QUORUM

A quorum for the general vote, consisting of the holders of a majority of the voting power of the issued and outstanding Syncor shares at the record date, must be present in person or represented by proxy for the transaction of business at the special meeting. Syncor shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote and for which the

broker or nominee does not have discretionary power to vote on a particular matter are referred to as "broker non-votes." These broker non-votes, if any, and Syncor shares represented by proxies that reflect abstentions will be treated as Syncor shares that are present and entitled to vote for purposes of

determining the presence of a quorum.

VOTE REQUIRED

Approval of the merger agreement at the special meeting requires the affirmative vote of holders representing a majority of the voting power of the issued and outstanding Syncor shares. Each Syncor stockholder will have one vote for each Syncor share held on the record date.

Because approval of the merger agreement requires the affirmative vote of a specified percentage of outstanding Syncor shares, abstaining, not voting on the proposal, or failing to instruct your broker on how to vote Syncor shares held for you by the broker, will have the same effect as voting against the merger agreement.

Approval of the adjournment proposal at the special meeting requires the affirmative vote of holders representing a majority of the voting power of the issued and outstanding Syncor shares present, in person or by proxy, at the special meeting.

You may vote your Syncor shares in one of the following ways:

(1) by completing and returning the accompanying proxy card;

(2) through the Internet or by telephone, as outlined on the accompanying proxy card; or

(3) by appearing and voting in person at the special meeting.

VOTING AND REVOCATION OF PROXIES

All Syncor shares represented at the special meeting by a properly executed proxy will be voted in accordance with the instructions indicated on the proxy, unless the proxy is revoked before a vote is taken. If you sign and return a proxy without voting instructions, and do not revoke the proxy, the proxy will be voted "FOR" the merger agreement proposal, "FOR" the adjournment proposal, and in the discretion of the named proxies on any other matters that may properly come before the special meeting.

You may revoke your proxy at any time before it is voted. A proxy may be revoked prior to the vote at the special meeting in any of the following ways:

(1) by submitting a written revocation to the Secretary of Syncor at 6464 Canoga Avenue, Woodland Hills, California 91367-2407 (which must be received by the Secretary of Syncor prior to the special meeting);

(2) by submitting a later-dated proxy by mail or telephone or through the Internet (which must be received by the Secretary of Syncor prior to the special meeting); or

(3) by voting in person at the special meeting.

However, simply attending the special meeting (without voting) will not revoke a proxy.

If you do not hold your Syncor shares in your own name, you may revoke a previously given proxy by following the revocation instructions provided by the bank, broker or other person who is the registered owner of your Syncor shares.

SOLICITATION OF PROXIES

Syncor will pay the costs of soliciting proxies to vote on the merger agreement at the special meeting, and each of us will pay our own expenses incurred in connection with the cost of filing, printing and distributing this document. We have retained MacKenzie Partners, Inc. to assist in the solicitation of proxies for the special meeting. MacKenzie Partners will receive a fee of up to $10,000, plus reasonable out-of-pocket expenses.

In addition to solicitation by mail, directors, officers and employees of Syncor and its subsidiaries may solicit proxies from Syncor stockholders, either personally, through the Internet or by telephone or other form of communication. None of the foregoing persons who solicit proxies will be separately compensated for these services. Except as described above, Syncor does not anticipate that any other persons will be specifically asked to solicit proxies or that special compensation will be paid for that purpose. However, Syncor reserves the right to do so if it concludes that these efforts are necessary or advisable. Nominees, fiduciaries and other custodians will be requested to forward soliciting materials to beneficial owners of Syncor common stock and will be reimbursed for their reasonable expenses incurred in sending proxy material to beneficial owners of Syncor common stock.

THE MERGER

BACKGROUND OF THE MERGER

Beginning in spring 2001, Monty Fu, Chairman, and Robert G. Funari, President and Chief Executive Officer, of Syncor, periodically reviewed with Syncor's senior management and the Syncor board of directors the changing landscape of the radiopharmaceutical distribution and medical imaging businesses and the effect on Syncor's strategic outlook.

As part of its strategy, Cardinal Health continually maintains a variety of contacts with potential candidates for combination within the drug distribution industry and other segments of the health services and health care industry generally.

In May 2001, Robert D. Walter, the Chairman and Chief Executive Officer of Cardinal Health, contacted Mr. Funari to arrange a meeting in Cleveland, Ohio to discuss developments in the radiopharmacy industry, and, in broad terms,

Cardinal Health's and Syncor's respective business plans. Following this meeting, Cardinal Health and Syncor executed a mutual confidentiality agreement in anticipation of further discussions to pursue the matters raised at the first meeting. Various meetings and telephone conversations occurred between June and August 2001 involving Cardinal Health's and Syncor's senior management during which they discussed industry trends and the respective future strategies of each company. At later meetings, Cardinal Health and Syncor began to generally explore the possibility of Syncor and Cardinal Health pursuing a business combination and the benefits that might be realized by combining their operations.

During this period, Mr. Funari was approached on an unsolicited basis by another company in the health care industry. A number of meetings and telephone conversations followed leading to preliminary exploration of the possibility of a business combination involving Syncor and the other party. In connection with these discussions, on August 8, 2001, Syncor entered into a confidentiality agreement with the other party. Discussions continued throughout August and early September 2001 regarding a potential transaction between Syncor and the other party and potential benefits that could result from a business combination. Although preliminary views on valuation were exchanged, in the middle of September 2001, the other party informed Syncor that it was no longer interested in continuing discussions with respect to a business combination.

During August and September 2001, at the request of Syncor's senior management and the Syncor board of directors, Syncor's financial advisor, Salomon Smith Barney, contacted on behalf of Syncor several industry participants on an informal basis to gauge their interest in a possible business combination with Syncor. No indications of interest were received at that time from the parties contacted.

Beginning in July 2001, Syncor's senior management met regularly with the Syncor board of directors, in person or telephonically, regarding the status of the discussions with Cardinal Health and the other party and the possible advantages and disadvantages of pursuing a transaction with either Cardinal Health or the other party, as well as the advantages and disadvantages of remaining an independent company. At a meeting of the Syncor board of directors in Chicago on August 20-21, 2001, the Syncor board of directors created an ad-hoc advisory committee of independent directors to assist Syncor's management in its consideration of these potential combinations and requested that Syncor's management regularly consult with the members of this ad-hoc committee of independent directors. Regular telephonic meetings of the board of directors and the ad-hoc committee of independent directors continued from August through early November 2001.

During late August through October 2001, Cardinal Health's and Syncor's senior management and their respective legal and financial advisors continued discussions regarding a potential business combination, and Cardinal Health conducted detailed financial, operational and legal due diligence on Syncor. Cardinal Health and Syncor began to discuss the possible terms of a business combination and exchanged preliminary views regarding valuation of each of them in the context of a transaction. Cardinal Health's and Syncor's discussions focused on possible exchange ratios of Syncor common stock for Cardinal Health common shares in a potential combination in the range of 0.57 to 0.62 subject to, among other things, satisfactory completion of due diligence, negotiation of definitive documents and related matters.

In late October 2001, Wachtell, Lipton, Rosen & Katz, outside counsel to Cardinal Health, provided Syncor and Skadden, Arps, Slate, Meagher & Flom LLP, Syncor's legal advisors, with a draft merger agreement relating to a possible business combination. Syncor and its legal advisors provided comments on the draft agreement in early November 2001.

On November 4, 2001, Mr. Walter called Mr. Funari and informed him that, at that time, Cardinal Health was not interested in pursuing a possible business combination with Syncor on the terms discussed. Syncor then requested that Cardinal Health return or destroy all Syncor confidential information provided to Cardinal Health pursuant to their confidentiality agreement.

After the termination of these discussions, Syncor's senior management and the Syncor board of directors determined to explore the possible disposition of Syncor's medical imaging business, CMI, as part of Syncor's decision to focus its future operations on its core nuclear pharmaceutical and complex pharmaceutical distribution businesses. Salomon Smith Barney was engaged to assist Syncor in this process. Various interested parties were invited to undertake a due diligence review of the medical imaging business. A number of parties participated in this process that continued through, and was publicly disclosed at the time of, the announcement of the transaction between Cardinal Health and Syncor. This process is continuing as of the date of this document.

In early April 2002, Mr. Walter contacted Messrs. Fu and Funari on an unsolicited basis expressing interest in beginning new discussions relating to a possible strategic business combination between Cardinal Health and Syncor. During April 2002, senior management of Cardinal Health, Syncor and Syncor's financial advisor held several meetings and telephone calls during which the possible terms of a transaction were explored.

During April, May and early June 2002, Syncor's senior management regularly met telephonically with the ad-hoc committee of independent directors to update them on the status of the discussions with Cardinal Health and the sale process for CMI.

During various meetings and telephone conversations in early May 2002, Cardinal Health and Syncor exchanged views on preliminary valuation in connection with a possible transaction that Cardinal Health and Syncor agreed would be structured as a tax-free stock-for-stock merger whereby each share of Syncor common stock would be exchanged for a defined fraction of a Cardinal Health common share. Through the middle of May 2002, Cardinal Health and Syncor held further discussions regarding the proposed exchange ratio for the combination. Subject to, among other things, satisfactory completion of due diligence, board of directors approval and satisfactory negotiation of other terms of a transaction and definitive agreements, Cardinal Health and Syncor decided to pursue negotiations on the basis of an approximate exchange ratio that might be acceptable to both of them. At a May 16, 2002 meeting of the ad-hoc committee of independent directors, the committee members were updated as to the discussions at that time. In addition, during this and other meetings of the ad-hoc committee of independent directors, the committee discussed with Syncor's senior management and financial advisor the merits of the proposed combination with Cardinal Health compared to other strategic alternatives available to Syncor, including the risks and uncertainties associated with Syncor remaining as an independent company.

Beginning the week of May 20, 2002, extensive financial, operational and legal due diligence on Syncor was conducted by Cardinal Health. This due

diligence continued until the execution of the definitive merger agreement on June 14, 2002. In addition, on June 3-4, 2002, Syncor's senior management and financial advisor conducted financial and operational due diligence on Cardinal Health at meetings in Dublin, Ohio.

Toward the end of May 2002, Wachtell, Lipton, on behalf of Cardinal Health, circulated a draft merger agreement as well as draft support/voting agreement relating to the proposed combination. Until the execution of the definitive documentation on June 14, 2002, Cardinal Health and Syncor and their respective legal advisors negotiated the terms of this draft merger agreement, as well as the draft support/voting agreement and the identity of Syncor stockholders that would sign the support/voting agreement. Wachtell, Lipton also provided a draft stock option agreement pursuant to which Syncor would grant to Cardinal Health an option to acquire up to 19.9% of Syncor's common stock. During the negotiations on the definitive merger agreement,

Cardinal Health agreed to withdraw its request for the stock option agreement. The ad-hoc committee of independent directors of Syncor held several meetings to discuss, and the Syncor board of directors was regularly updated as to, the status of the negotiations on the definitive agreement and the principal outstanding issues between Cardinal Health and Syncor, and provided Syncor's senior management with their views on these matters. The negotiations between Cardinal Health and Syncor focused on, among other things, the transaction closing conditions and Syncor's ability to adequately consider a competing proposal that might arise after the announcement of the transaction with Cardinal Health. The board of directors and the committee of independent directors of Syncor expressed their views that it was imperative, particularly in light of the terms of the proposed combination with Cardinal Health, that the definitive merger agreement not include terms that effectively preclude, from a legal, procedural or financial perspective, the possibility of a viable superior proposal being made for Syncor.

On June 11, 2002, the Syncor board of directors held a special meeting in Chicago. At this meeting, representatives of Skadden, Arps discussed in detail fiduciary and other legal considerations that the directors should consider in their deliberations regarding the proposed combination. In addition, representatives of Skadden, Arps presented a detailed review of the terms of the draft merger agreement, support/voting agreement and other documentation that had been negotiated by Cardinal Health and Syncor, and identified the remaining open items in connection with these negotiations. Salomon Smith Barney reviewed with the Syncor board of directors financial aspects of the proposed combination, including a financial overview of each of Syncor and Cardinal Health, and Syncor's management's view as to strategic considerations in connection with the proposed combination. The Syncor board of directors also discussed with Syncor's senior management and Salomon Smith Barney strategic alternatives to the proposed combination, including the potential risks of Syncor remaining an independent company. In addition, the Syncor board of directors discussed three different stand-alone scenarios for Syncor prepared by Syncor's management and reviewed by Salomon Smith Barney showing varying levels of projected financial performance of Syncor based on various assumptions as to developments in Syncor's business over the next three years. Salomon Smith Barney discussed the effect that these scenarios would have on its financial analysis and indicated that the case that Syncor's management had advised Salomon Smith Barney was the most likely scenario would be used for purposes of its financial analysis of the fairness, from a financial point of view, of the proposed exchange ratio. The Syncor board of directors also reviewed

management's estimate of the potential synergies that could be realized in the proposed transaction. In addition, they discussed the risks and status of the process for the sale of CMI. The board of directors also reviewed changes in market conditions and Syncor's industry and businesses and prospects since the Syncor board of directors last considered a possible combination with Cardinal Health in late October 2001. At this meeting, Syncor's senior management reported to the Syncor board of directors on the results of its due diligence review of Cardinal Health.

At the regular quarterly meeting of the Cardinal Health board of directors held in May 2002, the Cardinal Health board of directors was apprised by management and Cardinal Health's counsel as to the status of discussions between Cardinal Health and Syncor to date and Cardinal Health's management presented its rationale for a business combination involving Syncor. No action with respect to any potential transaction was taken at the meeting. On June 13, 2002, a special telephonic meeting of the Cardinal Health board of directors was held at which the potential business combination with Syncor was considered and approved.

Commencing the night of June 13, 2002 and continuing in the early morning of June 14, 2002, the Syncor board of directors met telephonically and received an update from Syncor's senior management and financial and legal advisors as to developments since the last Syncor board of directors meeting. Representatives of Skadden, Arps reviewed the outcome of negotiations on the remaining issues in the draft merger agreement, support/voting agreement and other definitive documentation. Salomon Smith Barney reviewed its financial analysis of the exchange ratio provided for in the merger agreement and rendered to the Syncor board of directors its oral opinion, confirmed by delivery of a written opinion dated June 14, 2002, to the effect that, as of the date of the opinion and based on and subject to the matters described in its opinion, the exchange ratio was fair, from a financial point of view, to holders of Syncor common stock. The Syncor board of directors also discussed unsolicited calls to Syncor's management from an investment banking firm suggesting that other

parties in the industry might be interested in a transaction with Syncor. The Syncor board of directors was advised by Syncor's management that the investment banking firm reported that none of the four companies it had spoken with expressed a definitive interest in pursuing a possible business combination with Syncor at that time. After deliberations, the Syncor board of directors unanimously determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and fair to and in the best interests of Syncor and Syncor stockholders and would be consistent with, and in furtherance of, the long-term business strategies and goals of Syncor. The Syncor board of directors unanimously approved the merger agreement and resolved to recommend to Syncor stockholders approval of the merger agreement.

On the morning of June 14, 2002, Cardinal Health and Syncor executed the definitive merger agreement and issued a joint press release announcing the proposed merger.

REASONS FOR THE MERGER; RECOMMENDATION OF THE SYNCOR BOARD OF DIRECTORS

Considerations and Recommendation of the Syncor Board of Directors. The Syncor board of directors has unanimously approved the merger agreement and determined that the merger agreement and the transactions contemplated by the merger agreement, including the merger, are advisable and fair to and in the best interests of Syncor and its stockholders and would be consistent with, and

in furtherance of, the long-term business strategies and goals of Syncor. The decision of the Syncor board of directors to enter into the merger agreement and to recommend that Syncor stockholders approve the merger agreement was the result of careful consideration by the Syncor board of directors of numerous factors, including, without limitation, the following:

- the value to Syncor stockholders of the proposed merger with Cardinal Health, including the fairness to Syncor stockholders of the financial terms of the proposed merger with Cardinal Health; and

- the terms of the merger agreement and other details of the proposed merger with Cardinal Health.

The deliberations of the Syncor board of directors included consideration of the following positive factors:

- the exchange ratio (based on the closing price per Cardinal Health common share on June 13, 2002, the last trading day before announcement of the proposed merger) implied a value of $32.42 per share of Syncor common stock, representing a premium of approximately 14.9% over the closing price per share of Syncor common stock on June 13, 2002, the last trading day immediately preceding the announcement of the transaction, and a premium of approximately 5.0% over the average closing price per share of Syncor common stock for the four weeks prior to June 14, 2002;

- the substantially larger public float and trading volume of Cardinal Health common shares (which are listed on the New York Stock Exchange) compared to the public float and trading volume of Syncor shares (which are quoted on The Nasdaq National Market) will provide Syncor stockholders the opportunity to gain greater liquidity in their investment;

- because the exchange ratio is fixed, Syncor stockholders will benefit from any increase in the trading price of Cardinal Health common shares between the announcement of the merger and the closing of the merger;

- assuming continuation of historical dividend practices following completion of the merger, Syncor stockholders, as Cardinal Health shareholders, will receive dividends on their Cardinal Health common shares as compared to Syncor shares on which dividends have never been paid;

- the financial presentation of Syncor's financial advisor, Salomon Smith Barney, including its opinion as to the fairness, from a financial point of view and as of the date of the opinion, of the exchange ratio provided for in the merger, as more fully described under "-- Opinion of Syncor's Financial Advisor;"

- the strategic and operational risks associated with Syncor remaining independent, and the risks of not being able to achieve management's financial goals on a stand-alone basis, especially in light of recent volatility in financial markets and uncertainties in the U.S. and world economies, which risks include:

  - risks associated with CMI and the outcome of any attempted sale of

CMI,

- risks associated with Syncor's contract with Bristol-Myers Squibb Co. relating to the distribution of Cardiolite(R), which contract is due to expire on December 31, 2003, including the risk of non-renewal or renewal on less favorable economic terms,

- risks associated with the restructuring of Syncor's international operations,

- risks inherent in Syncor's growth strategies, including uncertainties as to Syncor's complex pharmaceutical initiatives, and

- risks associated with increased competition in the radiopharmacy business;

- the consideration of the three alternative stand-alone scenarios for Syncor prepared by Syncor's management and reviewed by Salomon Smith Barney showing varying levels of projected financial performance of Syncor based on various assumptions as to the developments in its business over the next three years, with the Syncor board of directors noting the significant adverse impact on Syncor's future financial performance in the event that the risks inherent in the least favorable case were realized;

- the fact that Syncor had reviewed its strategic options and, in connection therewith, it or its representatives or others had preliminary contacts or informal discussions with a number of parties to gauge their potential interest in a strategic transaction with Syncor. In light of these contacts and discussions, the Syncor board of directors did not believe that it was likely that another party would make an offer to engage in a transaction with Syncor that would be more favorable to Syncor and its stockholders than the merger;

- the opportunity for Syncor stockholders to participate, as Cardinal Health shareholders, in a significantly larger and more diversified company that is one of the leading providers of products and services supporting the health care industry with annualized revenues of more than $44 billion;

- the financial strength of Cardinal Health and its subsidiaries should permit Syncor's businesses to obtain lower cost funding through the capital markets relative to Syncor on a stand-alone basis;

- the merger will provide Syncor with access to significantly greater financial and operational resources than Syncor would have on a stand-alone basis, thereby enabling Syncor to fund its business development efforts at lower cost;

- the post-merger combined businesses of Cardinal Health and Syncor would provide greater opportunity for the development and commercial exploitation of Syncor's service capabilities by utilizing Cardinal Health's broader geographic scope and client base;

- the potential operational benefits afforded by the transaction, including:

  - expanded growth opportunities resulting from increased financial resources,

- cross-selling opportunities utilizing Cardinal Health's expanded distribution channels and complementary product offerings, and

- expected savings in areas such as general and administrative expenses;

- the proven capability of each of Cardinal Health's and Syncor's management team to deliver stockholder value, integrate businesses and successfully execute strategies;

- the merger agreement provisions permitting Syncor to provide confidential due diligence information to, and engage in discussions with, a third party that delivers an unsolicited competing offer to engage in a strategic transaction, provided that the Syncor board of directors believes in good faith as

determined by a majority vote, based upon the advice of its outside legal counsel, that failing to take this action would reasonably be expected to constitute a breach of its fiduciary duties under applicable law and believes in good faith, after consulting with a nationally recognized investment banking firm and Syncor's outside legal counsel, that the proposal would reasonably be expected to result in a transaction that, if consummated, would be more favorable to Syncor stockholders from a financial point of view than the merger;

- the right of the Syncor board of directors to withdraw, modify or change the Syncor board of directors' recommendation with respect to the merger if the Syncor board of directors believes in good faith, based upon the advice of outside legal counsel, that the failure to do so would reasonably be expected to cause a failure to comply with its fiduciary duties under applicable law with the consequences set forth in the merger agreement;

- the ability to complete the merger within a reasonable period of time, including likelihood of receiving necessary regulatory approvals in light of the commitments made by Cardinal Health pursuant to the terms of the merger agreement in seeking these approvals;

- the structure of the transaction and the terms of the merger agreement, including the fact that the merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code, which we refer to as the Code, and is, therefore, not expected to be taxable to Syncor stockholders, other than with respect to cash received in lieu of fractional Cardinal Health common shares;

- the non-financial terms of the transaction, including the fact that Syncor is expected to retain its corporate identity and the anticipated role of Syncor's management in the combined radiopharmacy business of Cardinal Health following the merger; and

- the existence of change in control agreements in favor of certain of Syncor's employees that provide payments to those employees in the event those employees' employment is terminated under certain circumstances following a change in control of Syncor.

The Syncor board of directors also identified and considered the following potentially negative factors in its deliberations:

- because the exchange ratio is fixed, Syncor stockholders will be adversely affected by any decrease in the sale price of Cardinal Health common shares between the announcement of the transaction and the completion of the merger, which would not have been the case had the consideration been based on a fixed value (that is, a fixed dollar amount of value per share in all cases); and Syncor is not permitted to terminate the merger agreement solely because of changes in the market price of Cardinal Health common shares;

- the fact that the implied value of the exchange ratio represented a premium over the closing price per share of Syncor common stock that was less than the premiums paid in some comparable public company transactions, including those in the health care industry;

- the possible disruption to Syncor's business that may result from the announcement of the transaction and the resulting distraction of Syncor's management's attention.

- the difficulty inherent in integrating diverse businesses and the risk that the cost efficiencies, synergies and other benefits expected to be obtained in the transaction might not be fully realized;

- the terms of the merger agreement regarding the operation of Syncor's business during the period between the signing of the agreement and the completion of the merger;

- the up to $24.125 million termination fee to be paid to Cardinal Health if the merger agreement is terminated under circumstances specified in the merger agreement (see "The Merger Agreement -- Effect of Termination");

- the fact that if a third party makes a more favorable competing offer for Syncor, Syncor will not be able to terminate the merger agreement prior to the time at which the Syncor stockholders vote on the merger agreement (see "The Merger Agreement -- Termination");

- the risk that the merger might not be completed and the effect of the resulting public announcement of termination of the merger agreement on:

  - the market price of Syncor common stock,

  - Syncor's operating results, particularly in light of the costs incurred in connection with the transaction, including the potential requirement to make a termination payment, and

  - Syncor's ability to attract and retain key personnel; and

- the possibility of significant costs and delays resulting from seeking regulatory approvals necessary for completion of the proposed merger and the possibility of nonconsummation of the proposed merger if these approvals are not obtained.

In its consideration of the proposed merger, the Syncor board of directors also reviewed information relating to Cardinal Health and Syncor and the proposed merger, including:

- historical information concerning Cardinal Health's and Syncor's respective businesses, financial performance and condition, operations, technology, management and competitive position;

- Syncor's management's views as to the financial condition, results of operations and businesses and prospects of Cardinal Health and Syncor before and after giving effect to the merger;

- then-current financial market conditions and historical market prices, volatility and trading information with respect to Cardinal Health common shares and Syncor shares; and

- discussions with Syncor's senior management and financial advisors as to the result of their business and financial due diligence review of Cardinal Health.

Although the foregoing discussion sets forth all of the material factors considered by the Syncor board of directors in reaching the Syncor board of directors' recommendation, it may not include all of the factors considered by the Syncor board of directors, and each director may have considered different factors. In view of the variety of factors and the amount of information considered, the Syncor board of directors did not find it practicable to, and did not, make specific assessments of, quantify or otherwise assign relative weights to the specific factors considered in reaching its recommendation. The recommendation was made after consideration of all of the factors as a whole.

THE SYNCOR BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND DETERMINED THAT THE MERGER AGREEMENT AND THE TRANSACTIONS CONTEMPLATED BY THE MERGER AGREEMENT, INCLUDING THE MERGER, ARE ADVISABLE AND FAIR TO AND IN THE BEST INTERESTS OF SYNCOR AND SYNCOR STOCKHOLDERS AND WOULD BE CONSISTENT WITH, AND IN FURTHERANCE OF, THE LONG-TERM BUSINESS STRATEGIES AND GOALS OF SYNCOR. ACCORDINGLY, THE SYNCOR BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT THE SYNCOR STOCKHOLDERS VOTE "FOR" APPROVAL OF THE MERGER AGREEMENT.

In considering the recommendation of the Syncor board of directors with respect to the merger agreement, you should be aware that certain of Syncor's directors and officers have arrangements that cause them to have interests in the transaction that are different from, or are in addition to, the interests of Syncor stockholders generally. See "The Merger -- Interests of Syncor's Directors and Officers in the Merger."

Considerations of the Cardinal Health Board of Directors. In the course of reaching its decision to approve the merger agreement and the transactions contemplated by the merger agreement, including the merger, the Cardinal Health board of directors consulted with Cardinal Health's legal advisors as well as with

Cardinal Health's management and received the advice of Cardinal Health's financial advisors as provided to Cardinal Health's management, and considered a number of positive factors, including among others:

- management's expectation that the merger will be accretive to earnings and cash flow of the combined company, as compared to Cardinal Health's stand-alone earnings and cash flow expectations, without giving effect to any potential synergies;

- the strategic and cultural fit between Cardinal Health and Syncor;

- the opportunity to gain an attractive presence in the high-growth nuclear pharmacy business;

- the potential for strategic synergies and cost savings across the various businesses of the combined company;

- the opportunity to reduce marginal operating costs for the combined company below levels that either Cardinal Health or Syncor could achieve independently, enabling it to share these savings in the form of greater value and enhanced services to its customers, while maintaining an acceptable level of profitability;

- the opportunity to build more effective pharmaceutical purchasing alliances with a larger customer base through Cardinal Health's e-procurement platform, making the combined company a more attractive trading partner to pharmaceutical manufacturers and enabling it to negotiate more favorable merchandising programs and price discounts on behalf of its customers;

- the complementary nature of Cardinal Health's broader service offerings (such as pharmacy automation, pharmacy management, specialty packaging, health care information software and health care cost-management services) and Syncor's radiopharmaceutical product offerings, enabling the combined company to offer a broader choice to its customers and accelerating the number of meaningful opportunities to cross-sell products and services; and

- the addition of Syncor's seasoned senior leadership team that should provide additional management depth to the combined company.

The Cardinal Health board of directors believed that the positive factors mentioned above outweighed the following negative factors:

- the time and resources required to complete the merger, with the completion of the merger being subject to certain conditions (see "The Merger Agreement -- Conditions to the Obligations of Each Party; -- Conditions to the Obligations of Syncor; -- Conditions to the Obligations of Cardinal Health and Mudhen Merger Corp.") and the time and resources necessary to integrate Syncor's operations with Cardinal Health's operations;

- the fact that all of the conditions to the merger may not be satisfied until the first calendar quarter of 2003;

- potential difficulties inherent in integrating two geographically diverse businesses and the risk that the benefits expected to be obtained in the merger might not be fully realized; and

- the cost associated with retaining Syncor's management team and possibility that Cardinal Health may be unable to retain these individuals.

The Cardinal Health board of directors also considered Syncor's anticipated divestiture of CMI and found this plan to be consistent with Cardinal Health's strategic direction, although there can be no assurances that any such transaction will occur. The foregoing discussion of the factors considered by the Cardinal Health board of directors is not intended to be exhaustive. In view of the wide variety of factors considered in connection with its evaluation of the merger, the Cardinal Health board of directors did not find it practicable to, and did not, quantify or otherwise attempt to assign relative weights to the specific factors considered in reaching its determinations. In addition, individual Cardinal Health directors may have given differing weights to different factors. The Cardinal Health board of directors considered all these factors as a whole, and overall considered them to be favorable to and to support its determination to approve the merger agreement.

OPINION OF SYNCOR'S FINANCIAL ADVISOR

Syncor retained Salomon Smith Barney to act as its financial advisor in connection with the proposed merger. In connection with this engagement, Syncor requested that Salomon Smith Barney evaluate the fairness, from a financial point of view, to the holders of Syncor common stock of the exchange ratio provided for in the merger. On June 14, 2002, at a meeting of the Syncor board of directors held to evaluate the proposed merger, Salomon Smith Barney delivered to the Syncor board of directors an oral opinion, which opinion was confirmed by delivery of a written opinion dated the same date, to the effect that, as of that date and based on and subject to the matters described in its opinion, the exchange ratio was fair, from a financial point of view, to the holders of Syncor common stock.

In arriving at its opinion, Salomon Smith Barney:

- reviewed the merger agreement and related documents;

- held discussions with Syncor's senior officers, directors and other representatives and advisors and with Cardinal Health's senior officers and other representatives and advisors concerning Syncor's and Cardinal Health's businesses, operations and prospects;

- examined publicly available business and financial information relating to Syncor and Cardinal Health;

- examined financial forecasts and other information and data for Syncor and publicly available financial forecasts and other information and data for Cardinal Health which were provided to or otherwise discussed with Salomon Smith Barney by Syncor's and Cardinal Health's managements, including information relating to the potential strategic implications and operational benefits anticipated by Syncor's management to result from the merger;

- reviewed the financial terms of the merger as described in the merger agreement in relation to, among other things, current and historical market prices and trading volumes of Syncor common stock and Cardinal Health common shares, the historical and projected earnings and other operating data of Syncor and Cardinal Health, and the capitalization and financial condition of Syncor and Cardinal Health;

- considered, to the extent publicly available, the financial terms of

other transactions effected that it considered relevant in evaluating the merger;

- analyzed financial, stock market and other publicly available information relating to the businesses of other companies whose operations it considered relevant in evaluating those of Syncor and Cardinal Health;

- evaluated the potential pro forma financial impact of the merger on Cardinal Health; and

- conducted other analyses and examinations and considered other financial, economic and market criteria as it deemed appropriate in arriving at its opinion.

In rendering its opinion, Salomon Smith Barney assumed and relied, without independent verification, on the accuracy and completeness of all financial and other information and data publicly available or furnished to or otherwise reviewed by or discussed with it. With respect to financial forecasts and other information and data relating to Syncor provided to or otherwise discussed with Salomon Smith Barney and used in its analysis, Syncor's management advised Salomon Smith Barney that the forecasts and other information and data were reasonably prepared on bases reflecting the best currently available estimates and judgments of Syncor's management as to the future financial performance of Syncor. With respect to the publicly available financial forecasts and other information and data relating to Cardinal Health provided to or otherwise discussed with Salomon Smith Barney and used in its analysis, Cardinal Health's management advised Salomon Smith Barney that the forecasts and other information and data represented reasonable estimates as to the future financial performance of Cardinal Health.

Salomon Smith Barney assumed, with Syncor's consent, that the merger will be completed in accordance with its terms without waiver, modification or amendment of any material term, condition or agreement and

that, in the course of obtaining the necessary regulatory or third-party approvals and consents for the merger, no delay, limitation, restriction or condition will be imposed other than as specified in the merger agreement and related documents. Salomon Smith Barney also assumed, with Syncor's consent, that the merger will be treated as a tax-free reorganization for federal income tax purposes. Salomon Smith Barney's opinion relates to the relative values of Syncor and Cardinal Health. Salomon Smith Barney did not express any opinion as to what the value of Cardinal Health common shares actually will be when issued in the merger or the prices at which Cardinal Health common shares will trade or otherwise be transferable at any time. Salomon Smith Barney did not make and was not provided with an independent evaluation or appraisal of the assets or liabilities, contingent or otherwise, of Syncor or Cardinal Health, and Salomon Smith Barney did not make any physical inspection of the properties or assets of Syncor or Cardinal Health.

In connection with its engagement, and at Syncor's request, Salomon Smith Barney held preliminary discussions with selected third parties regarding the acquisition of Syncor. Salomon Smith Barney's opinion does not address the relative merits of the merger as compared to any alternative business strategies that might exist for Syncor or the effect of any other transaction in which Syncor might engage. Salomon Smith Barney's opinion was necessarily based on information available, and financial, stock market and other conditions and circumstances existing and disclosed to Salomon Smith Barney, as of the date of its opinion. Although Salomon Smith Barney evaluated the exchange ratio from a financial point of view, Salomon Smith Barney was not asked to and did not

recommend the specific consideration payable in the merger, which was determined through negotiations between Syncor and Cardinal Health. Syncor imposed no other instructions or limitations on Salomon Smith Barney with respect to the investigations made or procedures followed by Salomon Smith Barney in rendering its opinion.

The full text of Salomon Smith Barney's written opinion dated June 14, 2002, which describes the assumptions made, matters considered and limitations on the review undertaken, is included as Annex B to this document and is incorporated in this document by reference. Salomon Smith Barney's opinion is directed to the Syncor board of directors and relates only to the fairness of the exchange ratio from a financial point of view, does not address any other aspect of the merger or any related transaction and does not constitute a recommendation to any Syncor stockholder with respect to any matters relating to the proposed merger.

In preparing its opinion, Salomon Smith Barney performed a variety of financial and comparative analyses, including those described below. The summary of these analyses is not a complete description of the analyses underlying Salomon Smith Barney's opinion, but rather describes the material financial analyses underlying the opinion. The preparation of a fairness opinion is a complex analytical process involving various determinations as to the most appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances, and, therefore, a fairness opinion is not readily susceptible to summary description. Accordingly, Salomon Smith Barney believes that its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on information presented in tabular format, without considering all analyses and factors or the narrative description of the analyses, could create a misleading or incomplete view of the processes underlying its analyses and opinion.

In its analyses, Salomon Smith Barney considered industry performance, general business, economic, market and financial conditions and other matters existing as of the date of its opinion, many of which are beyond the control of Syncor and Cardinal Health. No company, business or transaction used in those analyses as a comparison is identical to Syncor, Cardinal Health or the proposed merger, and an evaluation of those analyses is not entirely mathematical. Rather, the analyses involve complex considerations and judgments concerning financial and operating characteristics and other factors that could affect the acquisition, public trading or other values of the companies or business segments analyzed.

The estimates contained in Salomon Smith Barney's analyses and the valuation ranges resulting from any particular analysis are not necessarily indicative of actual values or predictive of future results or values, which may be significantly more or less favorable than those suggested by its analyses. In addition, analyses relating to the value of businesses or securities do not necessarily purport to be appraisals or to reflect the prices at which businesses or securities actually may be sold. Accordingly, Salomon Smith Barney's analyses and estimates are inherently subject to substantial uncertainty.

Salomon Smith Barney's opinion and analyses were only one of many factors considered by the Syncor board of directors in its evaluation of the merger, and should not be viewed as determinative of the views of the Syncor board of

directors or Syncor's management with respect to the exchange ratio or the proposed merger.

The following is a summary of the material financial analyses performed by Salomon Smith Barney in connection with the rendering of its opinion dated June 14, 2002. The financial analyses summarized below include information presented in tabular format. In order to fully understand Salomon Smith Barney's financial analyses, the tables must be read together with the text of each summary. The tables alone do not constitute a complete description of the financial analyses. Considering the data in the tables below without considering the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of Salomon Smith Barney's financial analyses. Internal estimates of Syncor's management used in the analyses described below exclude Syncor's wholly owned subsidiary, CMI, which Syncor has publicly announced it intends to sell, and assumes that the after-tax net proceeds of that sale will be used, together with cash on hand, to repay Syncor's total debt outstanding as of March 31, 2002.

Selected Companies Analysis. Salomon Smith Barney compared financial, operating and stock market data of Syncor to corresponding financial, operating and stock market data of Cardinal Health and the following six publicly traded companies in the broad-based distributors and medical/surgical distributors sectors of the health care industry:

BROAD-BASED DISTRIBUTORS	MEDICAL/SURGICAL DISTRIBUTORS
- AmeriSourceBergen Corporation	- Fisher Scientific International Inc.
- D&K Healthcare Resource, Inc.	- Henry Schein, Inc.
- McKesson Corporation	- Owens & Minor, Inc.

Salomon Smith Barney also compared financial, operating and stock market data of the three publicly traded companies listed above in the broad-based distributors sector to corresponding financial, operating and stock market data of Cardinal Health. The selected companies that were reviewed distinctly for Syncor are referred to as the Syncor selected companies and the selected companies that were reviewed distinctly for Cardinal Health are referred to as the Cardinal Health selected companies.

Salomon Smith Barney reviewed firm values, calculated as equity value, plus debt, minority interest and preferred stock, less cash and cash equivalents, as a multiple of latest 12 months' and estimated calendar year 2002 revenue and as a multiple of latest 12 months' and estimated calendar years 2002 and 2003 earnings before interest, taxes, depreciation and amortization, commonly known as EBITDA. Salomon Smith Barney reviewed equity values as a multiple of Syncor's latest 12 months' and estimated calendar years 2002 and 2003 net income. Estimated financial data for Syncor were based on internal estimates of Syncor's management and estimated financial data for Cardinal Health were based on publicly available research analysts' estimates and discussions with Cardinal Health's management. Estimated financial data for the selected companies were based on publicly available research analysts' estimates. All multiples were based on per share closing stock prices on June 12, 2002. Salomon Smith Barney applied a range of selected multiples derived from the financial data described above for the Syncor selected companies to corresponding financial data of Syncor, and applied a range of selected multiples derived from the Cardinal Health selected companies to corresponding financial data of Cardinal Health, in

order to derive implied equity reference ranges for Syncor and Cardinal Health. This analysis indicated the following implied per share equity reference range for Syncor, as compared to the per share equity value of Syncor implied by the exchange ratio provided for in the merger based on the per share closing price of Cardinal Health common shares on June 12, 2002:

IMPLIED PER SHARE EQUITY REFERENCE RANGE FOR SYNCOR	PER SHARE EQUITY VALUE FOR SYNCOR IMPLIED BY EXCHANGE RATIO
$27.00 - $35.00	$32.24

This analysis also indicated an implied per share equity reference range for Cardinal Health of approximately $58.00 to $65.00, as compared to the per share closing price of Cardinal Health common shares

on June 12, 2002 of $62.00. The implied per share equity reference ranges for Syncor and Cardinal Health were then used to calculate an implied exchange ratio range of approximately 0.415x to 0.603x, as compared to the exchange ratio in the merger of 0.52x.

Discounted Share Price Analysis. Salomon Smith Barney reviewed Syncor's and Cardinal Health's calendar year estimated 2005 earnings per share, commonly referred to as EPS, and derived implied hypothetical future share prices for Syncor and Cardinal Health by applying to their calendar year estimated 2005 EPS one-year forward EPS multiples ranging from 16.5x to 22.0x in the case of Syncor and 20.0x to 23.5x in the case of Cardinal Health. Estimated financial data for Syncor were based on internal estimates of Syncor's management and estimated financial data for Cardinal Health were based on publicly available research analysts' estimates and discussions with Cardinal Health's management. These hypothetical future share prices then were discounted to present value using discount rates based on Syncor's and Cardinal Health's cost of equity. This analysis indicated the following implied per share equity reference range for Syncor, as compared to the per share equity value of Syncor implied by the exchange ratio provided for in the merger based on the per share closing price of Cardinal Health common shares on June 12, 2002:

IMPLIED PER SHARE EQUITY REFERENCE RANGE FOR SYNCOR	PER SHARE EQUITY VALUE FOR SYNCOR IMPLIED BY EXCHANGE RATIO
$31.25 - $43.50	$32.24

This analysis also indicated an implied per share equity reference range for Cardinal Health of approximately $73.25 to $88.50, as compared to the per share closing price of Cardinal Health common shares on June 12, 2002 of $62.00. The implied per share equity reference ranges for Syncor and Cardinal Health were then used to calculate an implied exchange ratio range of approximately 0.353x to 0.594x, as compared to the exchange ratio in the merger of 0.52x.

Precedent Transactions Analysis. Salomon Smith Barney reviewed the aggregate transaction values and implied transaction multiples in the following eight selected merger and acquisition transactions in the health care industry

completed since July 1992:

ACQUIROR	TARGET
- AmeriSource Health Corporation	- Bergen Brunswig Corporation
- Cardinal Health, Inc.	- Bindley Western Industries, Inc.
- AmeriSource Health Corporation	- C.D. Smith Healthcare, Inc.
- AmeriSource Health Corporation	- Walker Drug Company
- McKesson Corporation	- FoxMeyer Corporation
- Cardinal Health, Inc.	- Medicine Shoppe International, Inc.
- Cardinal Distribution, Inc.	- Whitmire Distribution Corp.
- Bergen Brunswig Corporation	- Durr-Fillauer Medical, Inc.

Salomon Smith Barney compared firm values in the selected transactions as multiples of latest 12 months' revenue and EBITDA. Salomon Smith Barney compared equity values in the selected transactions as a multiple of latest 12 months' and one-year forward net income. Estimated financial data for Syncor were based on internal estimates of Syncor's management. All multiples for the selected transactions were based on publicly available information at the time of announcement of the relevant selected transaction. Salomon Smith Barney applied a range of selected multiples derived from the financial data described above for the selected transactions to corresponding financial data of Syncor in order to derive the following implied per share equity reference range for Syncor, as compared to the per share equity value of Syncor implied by the

exchange ratio provided for in the merger based on the per share closing price of Cardinal Health common shares on June 12, 2002:

IMPLIED PER SHARE EQUITY REFERENCE RANGE FOR SYNCOR	PER SHARE EQUITY VALUE FOR SYNCOR IMPLIED BY EXCHANGE RATIO
$30.00 - $39.00	$32.24

The implied per share equity reference range for Syncor was then used, together with the implied per share equity reference range derived for Cardinal Health from the selected companies analysis described above, to calculate an implied exchange ratio range of approximately 0.462x to 0.672x, as compared to the exchange ratio in the merger of 0.52x.

Discounted Cash Flow Analysis. Salomon Smith Barney calculated the estimated present value of the stand-alone, unlevered, after-tax free cash flows that Syncor could produce for the third and fourth calendar quarters of 2002 and for calendar years 2003 to 2005. Salomon Smith Barney also calculated the estimated present value of the stand-alone, unlevered, after-tax free cash flows that Cardinal Health could produce for fiscal years 2003 to 2006. Estimated financial data for Syncor were based on internal estimates of Syncor's management and estimated financial data for Cardinal Health were based on publicly available research analysts' estimates and discussions with Cardinal Health's management. Salomon Smith Barney calculated a range of estimated terminal values for Syncor and Cardinal Health by applying, in the case of Syncor, a range of terminal EBITDA multiples of 7.4x to 10.4x to Syncor's

calendar year 2005 estimated EBITDA and, in the case of Cardinal Health, a range of terminal EBITDA multiples of 11.5x to 12.5x to Cardinal Health's fiscal year 2006 estimated EBITDA. The estimated free cash flows and terminal values for each of Syncor and Cardinal Health then were discounted to present value using discount rates ranging from 8.0% to 11.0% in the case of Syncor and 8.5% to 9.5% in the case of Cardinal Health. This analysis indicated the following implied per share equity reference range for Syncor, as compared to the per share equity value of Syncor implied by the exchange ratio provided for in the merger based on the per share closing price of Cardinal Health common shares on June 12, 2002:

IMPLIED PER SHARE EQUITY REFERENCE RANGE FOR SYNCOR	PER SHARE EQUITY VALUE FOR SYNCOR IMPLIED BY EXCHANGE RATIO
$32.00 - $45.25	$32.24

This analysis also indicated an implied per share equity reference range for Cardinal Health of between $82.75 to $92.00, as compared to the per share closing price of Cardinal Health common shares on June 12, 2002 of $62.00. The implied per share equity reference ranges for Syncor and Cardinal Health were then used to calculate an implied exchange ratio range of approximately 0.348x to 0.547x, as compared to the exchange ratio in the merger of 0.52x.

Other Factors. In the course of preparing its opinion, Salomon Smith Barney also reviewed and considered other information and data, including:

- trading characteristics and stock price performance of Syncor shares, Cardinal Health common shares and the common stock of selected companies in the health care industry, including the volume of Syncor shares traded at various stock prices and a comparison of price to earnings growth and forward year price to earnings multiples;

- implied multiples for Syncor both on a stand-alone basis and in the merger based on various operational and financial metrics;

- historical daily ratios of Syncor shares to Cardinal Health common shares over various periods prior to June 12, 2002;

- the potential pro forma effect of the merger on Cardinal Health's earnings per common share, without taking into account potential cost savings or other synergies from the merger, for the latest 12 months and as estimated for fiscal years 2002 through 2004;

- publicly available research analysts' reports for Cardinal Health common shares; and

- premiums paid one day and four weeks prior to public announcement of selected precedent transactions since 1994 and the market value of the target companies involved in those transactions as a percentage of the

acquiror's market value.

MISCELLANEOUS

Under the terms of its engagement, Syncor has agreed to pay Salomon Smith Barney for its financial advisory services upon completion of the merger an aggregate fee based on a percentage of the total consideration, including liabilities assumed, payable in the merger, which fee is estimated to be approximately $5.6 million. Syncor also has agreed to reimburse Salomon Smith Barney for reasonable travel and other out-of-pocket expenses incurred by Salomon Smith Barney in performing its services, including the reasonable fees and expenses of its legal counsel, and to indemnify Salomon Smith Barney and related persons against liabilities, including liabilities under the U.S. federal securities laws, arising out of its engagement.

Salomon Smith Barney and its affiliates in the past have provided, and currently are providing, services to Syncor unrelated to the proposed merger, for which services Salomon Smith Barney and its affiliates have received, and expect to receive, compensation. Salomon Smith Barney and its affiliates also in the past have provided, and may in the future provide, services to Cardinal Health unrelated to the proposed merger, for which services Salomon Smith Barney and its affiliates have received, and may receive, compensation. In the ordinary course of business, Salomon Smith Barney and its affiliates may actively trade or hold the securities of Syncor and Cardinal Health for their own account or for the account of customers, and, accordingly, may at any time hold a long or short position in those securities. In addition, Salomon Smith Barney and its affiliates, including Citigroup Inc. and its affiliates, may maintain relationships with Syncor, Cardinal Health and their affiliates.

Salomon Smith Barney is an internationally recognized investment banking firm, and was selected by Syncor based on its reputation, experience and familiarity with Syncor and its business. Salomon Smith Barney regularly engages in the valuation of businesses and their securities in connection with mergers and acquisitions, negotiated underwritings, competitive bids, secondary distributions of listed and unlisted securities, private placements and valuations for estate, corporate and other purposes.

INTERESTS OF SYNCOR'S DIRECTORS AND OFFICERS IN THE MERGER

Certain members of the Syncor board of directors and certain of Syncor's executive officers may be deemed to have interests in the merger that are different from, or are in addition to, the interests of Syncor stockholders generally. The Syncor board of directors was aware of those interests and considered them, among other matters, in approving the merger agreement.

Severance Arrangements. On August 24, 2001, Syncor entered into severance agreements with each of the following executive officers: Monty Fu, Robert G. Funari, Rodney E. Boone, Jack L. Coffey, Sheila H. Coop, William P. Forster and Lewis W. Terry. If the executive's employment under these severance agreements is terminated by Syncor without "cause" or by the executive for "good reason" within 24 months following a "change in control," the executive will be entitled to receive a cash payment equal to a stated multiplier times (1) the executive's annual salary plus (2) the greater of the executive's average annual bonus for the past three years and the executive's target bonus for the year in which employment terminates. The relevant multiplier is three for Messrs. Fu and Funari, 2.25 for Mr. Boone, and two for Ms. Coop and each of Messrs. Coffey, Forster and Terry. In addition, Syncor will pay the executive a lump-sum payment equal to the incremental pension benefit the executive would have earned if the executive had remained employed for a period of years equal to the applicable

multiplier and, if applicable, the amount necessary to offset the effect of any "golden parachute" excise tax. The completion of the merger will constitute a "change in control" for purposes of the severance agreements. The severance agreements also provide for continuation of medical and other benefits for a period of years corresponding to each executive's multiplier.

In addition, on August 24, 2001, Syncor entered into severance agreements with John S. Baumann and Haig Bagerdjian on identical terms to those described in the immediately preceding paragraph. The relevant multiplier is 2.25 for Mr. Bagerdjian and two for Mr. Baumann. Pursuant to the Severance and Release

Agreements by and between Syncor and Mr. Bagerdjian, dated January 31, 2002, and Mr. Baumann, dated May 10, 2002, any termination of employment by either executive following a "change in control" (including the merger) will be deemed to be for "good reason," entitling the executive to his benefits under his August 24, 2001 severance agreement.

If the employment of Messrs. Fu, Funari, Boone, Coffey, Forster, Terry, Bagerdjian, Baumann or Ms. Coop is terminated following the merger under circumstances entitling the executive to benefits under the severance agreements, the approximate amount of cash severance benefits that would be paid under such agreements (based upon currently available information, but not including any payments that may be made with respect to excise tax, and excluding amounts up to $50,000 that may be paid to or on behalf of the executive for outplacement services) is as follows:

NAME	APPROXIMATE CASH SEVERANCE BENEFITS
Mr. Fu	$2,020,000
Mr. Funari	$3,190,000
Mr. Boone	$1,450,000
Mr. Coffey	$680,000
Ms. Coop	$680,000
Mr. Forster	$1,100,000
Mr. Terry	$730,000
Mr. Bagerdjian	$972,000
Mr. Baumann	$611,000

On April 1, 2002, Syncor entered into a severance and release agreement with Mr. David L. Ward, Executive Vice President of Syncor and President and Chief Executive Officer of CMI. Syncor entered into the severance and release agreement with Mr. Ward in order to induce him to remain as President and Chief Executive Officer of CMI until January 1, 2003, unless Syncor and Mr. Ward agree to an alternate date. In addition, if CMI is sold to a third party prior to that

time, Mr. Ward's active employment will be terminated on the completion of the sale. Under the severance and release agreement, Mr. Ward will continue to receive his annual base salary of $285,000 until the end of his active employment period, and for a period of 27 months thereafter. Following the termination of his active employment, he will be entitled to receive a bonus payment of $240,469, plus an additional bonus payment of $500,000 if the Syncor board of directors determines that Mr. Ward has acted in the best interest of Syncor throughout his active employment.

Equity Based Awards. Upon completion of the merger, each outstanding option to acquire Syncor shares under Syncor's equity plans will be converted into an option to acquire Cardinal Health common shares as provided in the merger agreement. See "The Merger Agreement -- Conversion of Securities." Syncor options held by Syncor's executive officers and directors under the various equity plans sponsored by Syncor that were granted prior to the date of the merger agreement will vest upon Syncor stockholder approval of the merger agreement. An additional 31,205 Syncor options that were issued to non-employee directors after the date of the merger agreement will also vest upon Syncor stockholder approval of the merger agreement. The aggregate number of unvested Syncor options to acquire Syncor shares held by Syncor's non-employee directors is 72,470. The number of unvested Syncor options to acquire Syncor shares held by each of Messrs. Fu, Funari, Boone, Coffey, Forster, Terry, Ward, Bagerdjian, Baumann and Ms. Coop as of August 30, 2002, the weighted average exercise price of such options and the estimated value of the

accelerated vesting of such options calculated based upon the closing price per Syncor share on August 30, 2002 are as follows:

NAME	NUMBER OF UNVESTED SYNCOR OPTIONS TO ACQUIRE SHARES OF SYNCOR COMMON STOCK(1)	WEIGHTED AVERAGE EXERCISE PRICE OF UNVESTED SYNCOR OPTIONS	ESTIMATED SPREAD OF ACCELERATED VESTING(2)
Mr. Fu	134,486	31.04	308,823
Mr. Funari	234,156	29.72	848,632
Mr. Boone	140,292	31.57	247,958
Mr. Coffey	50,746	30.31	154,633
Ms. Coop	49,138	30.21	153,914
Mr. Forster	102,347	31.74	214,550
Mr. Terry	81,007	30.19	256,183
Mr. Ward	73,310	28.30	369,516
Mr. Bagerdjian	57,936	33.31	1,593
Mr. Baumann	40,576	26.98	257,991

(1) Measures the number of unvested Syncor options as of August 30, 2002.

(2) Amount calculated based upon the closing price per share of Syncor common stock on August 30, 2002. Estimated spread is equal to the number of unvested Syncor options multiplied by the sum of less the weighted average exercise price.

In addition, on June 13, 2002, the compensation committee and the Syncor board of directors approved an amendment to Syncor's Executive Long-Term Performance Equity Plan to remove any limitations on acceleration of vesting of Syncor options upon a change in control (including the merger) to the extent these limitations on acceleration relate to "golden parachute" excise tax rules.

Indemnification; Insurance. Each of Syncor's non-employee directors and executive officers is party to an indemnity agreement with Syncor, the form of which was approved by Syncor stockholders on June 20, 1995. The indemnity agreements provide the relevant director or executive officers with indemnification for the duties performed for Syncor or its subsidiaries and affiliates. In the merger agreement, Cardinal Health has agreed to cause Syncor, as the surviving corporation, to honor these indemnity agreements following the completion of the merger. In addition, Cardinal Health has agreed to cause Syncor, as the surviving corporation, to indemnify all of Syncor's current and former directors and officers for acts or omissions occurring at or prior to the completion of the merger to the extent the indemnification is provided under Syncor's certificate of incorporation and by-laws, in each case, as amended and restated. For six years after completion of the merger, Cardinal Health has agreed to provide directors' and officers' liability insurance covering acts or omissions of Syncor's officers and directors occurring at or prior to the closing of the merger, with substantially the same coverage, terms and conditions as currently provided (subject to an aggregate cap on annual premiums for the insurance equal to 200% of the amount disclosed to Cardinal Health).

Other Arrangements. In January 1999, Syncor entered into a split dollar arrangement with Monty Fu and a trust for the benefit of Mr. Fu's children, by which Mr. Fu relinquished all his then-current and future interests in Syncor's Deferred Compensation Plan in exchange for Syncor's agreement to pay the premiums on a life insurance policy insuring Mr. Fu and his wife and owned by the trust. The split dollar arrangement provides that, upon a change in control of Syncor (including the merger), the trust can elect: (1) to terminate the split dollar arrangement, in which case the trust would not be obligated to repay the $1,639,985 in premiums paid to date by Syncor, or (2) to accelerate Syncor's payment obligations, in which case Syncor immediately would pay the remaining $1,226,473 in premiums to the insurance company. In the absence of an election by the trust, the split dollar arrangement will continue without modification. If the trust elects the second option, in January 2015, the trust still would be required to repay Syncor $2,866,458 representing the total amount of premiums paid by Syncor.

In recognition of the extraordinary work and effort required in connection with their service on the ad hoc committee of independent directors, on October 8, 2001, the Syncor board of directors authorized additional payments of $15,000

each to Dr. Steven B. Gerber and Messrs. George S. Oki and Arnold E. Spangler, as members of the ad hoc committee of independent directors and $25,000 to Mr. Bernard Puckett, chairman of the ad hoc committee of independent directors.

ACCOUNTING TREATMENT OF THE TRANSACTIONS

The merger will be accounted for under the purchase method of accounting in accordance with U.S. generally accepted accounting principles. Under this method, the total consideration paid, including expenses, in the merger will be allocated among Syncor's consolidated assets and liabilities based on their fair values, and any excess of the purchase price over the estimated net fair value would be recorded as goodwill by Cardinal Health. Syncor's operating results will be consolidated with Cardinal Health's operating results beginning on the date that the merger is effective.

APPRAISAL RIGHTS

Under Delaware law, Syncor stockholders are not entitled to appraisal rights in connection with the merger.

REGULATORY APPROVALS

Under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the related rules, which we refer to together as the HSR Act, the merger may not be completed, unless certain filings have been submitted to the Antitrust Division of the U.S. Department of Justice, which we refer to as the Antitrust Division, and the U.S. Federal Trade Commission, which we refer to as the FTC, and the applicable waiting period has expired or been earlier terminated by the Antitrust Division and the FTC. We have submitted the required filings to the Antitrust Division and the FTC, and the applicable waiting period has expired.

The Antitrust Division and the FTC frequently scrutinize the legality under the antitrust laws of transactions such as the merger. At any time before or after the completion of the merger, the Antitrust Division or the FTC could take action under the antitrust laws as it deems necessary or desirable in the public interest, including seeking to enjoin the completion of the merger or seeking the divestiture of substantial assets of Syncor or Cardinal Health. Private parties and state attorneys general also may bring legal action under U.S. federal or state antitrust laws under some circumstances. Based upon an examination of information available relating to the businesses in which Syncor and Cardinal Health are engaged, we believe that the completion of the merger will not violate the antitrust laws. There can be no assurance, however, that a challenge to the merger on antitrust grounds will not be made, or, if a challenge is made, what the result will be.

Cardinal Health and Syncor have notified the applicable Brazilian regulatory agency about the proposed merger. No waiting periods or approvals are required prior to completion of the merger under Brazilian law.

Cardinal Health has filed an application for approval of Cardinal Health common shares to be issued in the merger for listing on the New York Stock Exchange.

In connection with the merger, Cardinal Health may be required to give notifications to and/or receive consents from the U.S. Drug Enforcement Administration, the U.S. Nuclear Regulatory Commission, state nuclear regulatory agencies, state boards of pharmacy and other governmental agencies under numerous licenses and permits held by Syncor and its subsidiaries. Although we do not expect that obtaining any required consents from these agencies will prevent us from completing the merger, we cannot be certain that we will obtain all required regulatory clearances.

Other than as described in this document, we believe that the merger does not require the approval of any U.S. federal or state or foreign agency. We will, however, be required to make certain filings with U.S. federal and state governmental authorities to complete the merger.

FEDERAL SECURITIES LAW CONSEQUENCES

All Cardinal Health common shares issued in connection with the merger will be freely transferable, except that any Cardinal Health common shares received in the merger by persons that are deemed to be affiliates (as the term is defined under the Securities Act of 1933, as amended, which we refer to as the Securities Act) of Cardinal Health or Syncor prior to the merger may be sold by them only in transactions permitted by the resale provisions of Rule 145 under the Securities Act, or Rule 144 under the Securities Act with respect to persons that are or become affiliates of Cardinal Health, or as otherwise permitted under the Securities Act. Persons that may be deemed to be affiliates of Cardinal Health or Syncor generally include individuals or entities that control, are controlled by or are under common control with, Cardinal Health or Syncor, as the case may be, and generally include the executive officers and directors of the companies as well as their principal stockholders.

Affiliates of Syncor may not sell their Cardinal Health common shares acquired in connection with the merger, except pursuant to an effective registration statement under the Securities Act covering the Cardinal Health common shares or in compliance with Rule 145 under the Securities Act (or Rule 144, for affiliates of Syncor that become affiliates of Cardinal Health) or another applicable exemption from the registration requirements of the Securities Act. In general, Rule 145 provides that, for one year following completion of the merger, an affiliate (together with certain related persons) would be entitled to sell Cardinal Health common shares acquired in connection with the merger only through unsolicited "broker transactions" or in transactions directly with a "market maker" (as these terms are defined in Rule 144). Additionally, the number of Cardinal Health common shares to be sold by an affiliate (together with certain related persons and certain persons acting in concert) within any three-month period for purposes of Rule 145 may not exceed the greater of 1% of outstanding Cardinal Health common shares or the average weekly trading volume of Cardinal Health common shares during the four calendar weeks preceding the sale. Rule 145 will remain available to affiliates if Cardinal Health remains current with its informational filings with the SEC under the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act. One year after the merger, an affiliate will be able to sell its Cardinal Health common shares without being subject to the manner of sale or volume limitations, provided that Cardinal Health is current with its informational filings under the Exchange Act and the affiliate is not then an affiliate of Cardinal Health. Two years after the effective time of the merger, an affiliate will be able to sell its Cardinal Health common shares without any

restrictions so long as the affiliate had not been an affiliate of Cardinal Health for at least three months prior to the date of the sale.

Under the letters to be entered into with the affiliates of Syncor, Cardinal Health will agree that, for so long as any affiliate agreeing to an affiliate letter holds any Cardinal Health common shares as to which the affiliate is subject to the limitations of Rule 145, Cardinal Health will use its reasonable efforts to file all reports required to be filed by it pursuant to the Exchange Act so as to satisfy the requirements of paragraph (c) of Rule 144 that there be available current public information with respect to Cardinal Health, and to that extent to make available to the affiliate the exemption afforded by Rule 145 with respect to the sale, transfer or other disposition of Cardinal Health common shares.

THE MERGER AGREEMENT

The following is a summary of material provisions of the merger agreement, a copy of which is included as Annex A to this document. This summary is qualified in its entirety by reference to the merger agreement, which is incorporated by reference in this document.

THE MERGER

The merger agreement provides that, at the effective time of the merger and subject to the requisite approval of Syncor stockholders and the satisfaction or waiver of other conditions to the merger, Mudhen Merger Corp. will be merged with and into Syncor, with the result that Syncor, as the surviving corporation, will be a wholly owned subsidiary of Cardinal Health. See "-- Conditions to the Obligations of Syncor; -- Conditions to the Obligations of Cardinal Health and Mudhen Merger Corp." The merger will become effective upon the filing of a duly executed certificate of merger with the Delaware Secretary of State or at a later time as agreed upon by Cardinal Health and Syncor and specified in the certificate of merger. This filing will be made as promptly as possible following the closing of the merger, which will occur as soon as practicable (but in any event within three business days) following the date upon which all conditions set forth in the merger agreement have been satisfied or waived, or a time or date as agreed to by the parties to the merger agreement.

CHARTER, BY-LAWS, DIRECTORS, AND OFFICERS

The surviving corporation's certificate of incorporation, as in effect immediately prior to the effective time of the merger, will be amended as of the effective time of the merger so as to contain only the provisions contained immediately prior thereto in Mudhen Merger Corp.'s certificate of incorporation (except for Article I of Mudhen Merger Corp.'s certificate of incorporation, which will continue to read "The name of the corporation is 'SYNCOR INTERNATIONAL CORPORATION') and Mudhen Merger Corp.'s by-laws in effect immediately prior to the effective time of the merger will be the surviving corporation's by-laws, in each case until amended in accordance with the DGCL. From and after the effective time of the merger, Syncor officers will be the officers of the surviving corporation and Mudhen Merger Corp.'s directors will be the directors of the surviving corporation, in each case, until their respective successors are duly elected and qualified. On or prior to the closing date of the merger, Syncor will deliver to Cardinal Health evidence satisfactory to Cardinal Health of the resignations of Syncor directors, the Syncor

resignations to be effective as of the effective time of the merger.

CONVERSION OF SECURITIES

At the effective time of the merger, each share of Syncor common stock issued and outstanding immediately prior to the effective time of the merger will be converted into the right to receive 0.52, the exchange ratio, of a Cardinal Health common share. Each share of Syncor capital stock held in the treasury of Syncor will be cancelled and retired and no payment will be made in respect of these shares of Syncor capital stock. No certificates for fractional Cardinal Health common shares will be issued in the merger, and these fractional share interests will not entitle the owner thereof to vote or have any rights of a Cardinal Health shareholder. To the extent that an outstanding share of Syncor common stock would otherwise have become a fractional Cardinal Health common share, the holder will be entitled to receive a cash payment therefor in an amount equal to the stockholder's proportionate interest in the net proceeds from the sale in the open market of the aggregate fractional Cardinal Health common shares, less commissions, stock transfer taxes and other out-of-pocket transaction costs incurred in connection with the sale.

Prior to the effective time of the merger, Cardinal Health and Syncor will take all necessary actions to cause each unexpired and unexercised outstanding option granted or issued under Syncor's stock option or equity-incentive plans to be automatically converted at the effective time of the merger into a fully-vested option to purchase that number of Cardinal Health common shares equal to the number of Syncor shares subject to the Syncor option immediately prior to the effective time of the merger multiplied by the exchange ratio (and rounded to the nearest share), with an exercise price per share equal to the exercise price per share

of the Syncor option divided by the exchange ratio (and rounded to the nearest whole cent), and with other terms and conditions that are the same as the terms and conditions of the Syncor option immediately before the effective time of the merger. Adjustments may be made, as necessary, to preserve the tax treatment of incentive stock options. Syncor options granted by Syncor between June 14, 2002, and the completion of the merger will not vest and will be converted into unvested options to purchase Cardinal Health common shares as described above. These Cardinal Health options will vest pursuant to the terms of the Syncor options as in effect at the time of the merger.

Each share of Mudhen Merger Corp. common stock issued and outstanding immediately prior to the effective time of the merger will be converted into one validly issued, fully paid and nonassessable share of common stock of the surviving corporation, with those newly issued shares thereafter constituting all of the issued and outstanding capital stock of Syncor as the surviving corporation.

EXCHANGE PROCEDURES

As soon as practicable after the effective time of the merger, a notice of merger and a letter of transmittal will be mailed to each holder of record of a Syncor stock certificate immediately prior to the effective time of the merger. The transmittal letter will be accompanied by instructions specifying other details of the exchange, and it must be used in forwarding Syncor stock

certificates for surrender in exchange for Cardinal Health share certificates to which a Syncor stockholder prior to the effective time of the merger has become entitled and, if applicable, cash in lieu of any fractional Cardinal Health common share. After receipt of the transmittal letter, each holder of Syncor stock certificates should surrender the Syncor stock certificates to EquiServe Trust Company or another financial institution as may be designated by Cardinal Health as the exchange agent for the merger, pursuant to and in accordance with the instructions accompanying the letter of transmittal, and in exchange each Syncor stockholder will receive a certificate evidencing the whole number of Cardinal Health common shares to which that Syncor stockholder is entitled and a check representing the amount of cash payable in lieu of any fractional Cardinal Health common share and unpaid dividends and distributions, if any, which that Syncor stockholder has the right to receive pursuant to the merger agreement, after giving effect to any required withholding tax.

After the effective time of the merger, each Syncor stock certificate, until so surrendered and exchanged, will be deemed, for all purposes, to represent only the right to receive, upon surrender, a certificate representing Cardinal Health common shares and cash in lieu of fractional shares, if any, and unpaid dividends and distributions, if any, as provided above. The holder of those Syncor stock certificates will not be entitled to receive any dividends or other distributions declared or made by Cardinal Health having a record date after the effective time of the merger until the Syncor stock certificates are surrendered. Subject to applicable law, upon surrender of Syncor stock certificates, the dividends and distributions, if any, will be paid without interest and less the amount of any withholding taxes that may be required thereon.

Syncor stock certificates surrendered for exchange by any person who is an "affiliate" of Syncor for purposes of Rule 145(c) will not be exchanged until Cardinal Health has received an executed "affiliate letter" from that person as prescribed under the merger agreement.

REPRESENTATIONS AND WARRANTIES

Pursuant to the merger agreement, Cardinal Health and Mudhen Merger Corp. have made customary representations and warranties to Syncor with respect to, among other matters, Cardinal Health's and Mudhen Merger Corp.'s organization and standing, corporate power and authority, capitalization, conflicts, consents and approvals, brokerage and finders' fees, information supplied and to be supplied for inclusion in this registration statement or the proxy statement, the absence of actions that would prevent the merger from receiving certain tax treatment under the Code, compliance with applicable laws, litigation, the absence of any material adverse changes and operations of Mudhen Merger Corp., and undisclosed liabilities. Syncor has made customary representations and warranties to Cardinal Health and Mudhen Merger Corp. with respect to, among other matters, its organization and standing, its subsidiaries, corporate power and authority, capitalization, conflicts, consents and approvals, brokerage and finders' fees, the absence of actions that would

prevent the merger from receiving certain tax treatment under the Code, filings with the SEC, information supplied and to be supplied for inclusion in this document, compliance with applicable law, litigation, absence of any material adverse changes, taxes, intellectual property, title to and condition of properties, employee benefit plans, contracts, labor matters, undisclosed

liabilities, its operation of its business and its business relationships, permits and compliance, environmental matters, insurance, the opinion of its financial advisor, board recommendation and the required vote of stockholders, actions under state takeover laws and amendment to Syncor's rights agreement.

HSR ACT FILINGS; REASONABLE EFFORTS; NOTIFICATION

Each of Cardinal Health, Mudhen Merger Corp. and Syncor have agreed to:

- make or cause to be made the filings required of that party to the merger agreement or any of its subsidiaries or affiliates under the HSR Act with respect to the transactions contemplated by the merger agreement as promptly as practicable, and in any event, the initial filing with respect to the merger agreement will be made within ten business days after the date of the merger agreement;

- comply at the earliest practicable date with any request under the HSR Act for additional information, documents, or other materials received by that party to the merger agreement or any of its subsidiaries from the Antitrust Division or the FTC or any other governmental authority in respect of those filings or those transactions; and

- act in good faith and reasonably cooperate with the other party in connection with any filing (including, with respect to the party making a filing, providing copies of all documents to the non-filing party and its advisors reasonably prior to filing, and, if requested, to accept all reasonable additions, deletions or changes suggested in connection with the filing) and in connection with resolving any investigation or other inquiry of any agency or other governmental authority under any antitrust laws with respect to any filing or any transaction.

To the extent not prohibited by applicable law, each party to the merger agreement has agreed to use all reasonable best efforts to furnish to the other party all information required for any application or other filing to be made pursuant to any applicable law in connection with the merger and the other transactions contemplated by the merger agreement. Each party to the merger agreement will give the other parties to the merger agreement reasonable prior notice of any communication with, and any proposed understanding, undertaking, or agreement with, any governmental authority regarding any filings or any transaction. None of the parties to the merger agreement will independently participate in any meeting, or engage in any substantive conversation, with any governmental authority in respect of any filings, investigation, or other inquiry without giving the other parties to the merger agreement prior notice of the meeting or conversation and, unless prohibited by that governmental authority, the opportunity to attend and/or participate. The parties to the merger agreement will consult and cooperate with one another, in connection with any analyses, appearances, presentations, memoranda, briefs, arguments, opinions and proposals made or submitted by or on behalf of any party to the merger agreement in connection with proceedings under or relating to the HSR Act or other antitrust laws.

Each of Cardinal Health and Syncor has agreed to use its reasonable best efforts to resolve any objections as may be asserted by any governmental authority with respect to the transactions contemplated by the merger agreement under the HSR Act, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other U.S. federal or state or foreign statutes, rules, regulations, orders, decrees, administrative or judicial doctrines or other laws that are designed to prohibit, restrict or

regulate actions having the purpose or effect of monopolization or restraint of trade (collectively, antitrust laws). Each of Cardinal Health and Syncor have agreed that, if any administrative or judicial action or proceeding is instituted (or threatened to be instituted) challenging any transaction contemplated by the merger agreement as inconsistent with or violative of antitrust laws, it will (by negotiation, litigation or otherwise) cooperate and use its reasonable best efforts vigorously to contest and resist any action or proceeding, including any legislative, administrative or judicial action, and to have vacated, lifted, reversed, or overturned any decree, judgment, injunction or other order whether temporary, preliminary or permanent, that

is in effect and that prohibits, prevents, delays or restricts completion of the merger or any other transactions contemplated by the merger agreement, including by vigorously pursuing all available avenues of administrative and judicial appeal and all available legislative action, unless, by mutual agreement, Cardinal Health and Syncor decide that litigation is not in their respective best interests. Each of Cardinal Health and Syncor has agreed to use its reasonable best efforts to take action as may be required to cause the expiration of the notice periods under the HSR Act or other antitrust laws as promptly as possible after the execution of the merger agreement.

Each of the parties to the merger agreement has agreed to use reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, and to assist and cooperate with the other parties to the merger agreement in doing, all things necessary, proper or advisable to complete and make effective, in the most expeditious manner practicable, the merger and the other transactions contemplated by the merger agreement, including

- the obtaining of all other necessary actions or nonactions, waivers, consents, licenses, permits, authorizations, orders and approvals from governmental authorities and the making of all other necessary registrations and filings (including other filings with governmental authorities, if any),

- the obtaining of all consents, approvals or waivers from third parties related to or required in connection with the merger that are necessary to complete the merger and the transactions contemplated by the merger agreement or required to prevent a material adverse effect on Cardinal Health or Syncor from occurring prior to or after the effective time of the merger,

- the preparation of the proxy statement and the registration statement,

- the execution and delivery of any additional instruments reasonably necessary to complete the transactions contemplated by, and to fully carry out the purposes of, the merger agreement, and

- the providing of all information concerning that party, its subsidiaries, its affiliates and its subsidiaries' and affiliates' officers, directors, employees and partners as may be reasonably requested in connection with any of the matters set forth in this paragraph and the two preceding paragraphs.

Cardinal Health and its subsidiaries have agreed, and, at the request of Cardinal Health, Syncor and its subsidiaries will agree, to hold separate (including by trust or otherwise) or to divest, dispose of, discontinue or

assign, all of which we refer to, collectively, as divestiture limitations, any of their respective businesses, subsidiaries or assets, or to take or agree to take any action with respect to (including, without limitation, to license or sub-license or to renegotiate, in each case, on commercially reasonable terms any arrangement or agreement regarding), or agree to any limitation on, any of their respective businesses, subsidiaries or assets (or any interest in the foregoing), which we refer to collectively as, limitations; provided that any limitation is conditioned upon the completion of the merger and the failure of the limitation, when taken together with any other limitations, to have, in the aggregate, a "regulatory material adverse effect" (as defined below) on Cardinal Health or a regulatory material adverse effect on Syncor. Syncor agrees and acknowledges that, notwithstanding anything to the contrary in this paragraph, neither Syncor nor any of its subsidiaries will, without Cardinal Health's prior written consent, agree to any limitations or make or agree to make any cash payments to any suppliers or customers of Cardinal Health or Syncor (or their respective subsidiaries) in connection with its obligations under this paragraph. Notwithstanding anything to the contrary in the merger agreement, Cardinal Health and its subsidiaries are not required to agree to any limitations (including making cash payments to suppliers or customers) with respect to Cardinal Health and any of its subsidiaries and/or Syncor and any of its subsidiaries that would reasonably be expected, in the aggregate, to have a regulatory material adverse effect on Cardinal Health or a regulatory material adverse effect on Syncor. For purposes of the merger agreement, the parties have agreed that a "regulatory material adverse effect" will be deemed to have occurred if there are limitations that deprive Cardinal Health of the ownership or operation of, or the economic benefits (including the making of cash payments) of owning or operating, assets, subsidiaries or businesses of Cardinal Health and any of its subsidiaries and/or Syncor and any of its subsidiaries that generated, in the aggregate, 2001 calendar year revenues equal to 8.25% or more of the total 2001 calendar year revenues of Syncor and its subsidiaries. Cardinal Health and Syncor further agreed that Cardinal Health

will not be required to agree to (1) divestiture limitations that would deprive Cardinal Health of the ownership or operation of, or the economic benefits of the owning or operating, assets or businesses that generated, in the aggregate, 2001 calendar year revenues equal to or greater than $58 million, or (2) any non-divestiture limitations the economic impact of which, in the aggregate, would exceed $8 million.

TAX TREATMENT

Pursuant to the merger agreement, Syncor and Cardinal Health are required to use all reasonable best efforts to cause the merger to constitute a "reorganization" (within the meaning of Section 368 of the Code) and to cooperate with each other and provide documentation, information and materials that are reasonably necessary, proper and advisable, including in obtaining an opinion from Skadden, Arps, Slate, Meagher & Flom LLP, counsel to Syncor to whom Cardinal Health and Syncor will deliver representation letters to be relied upon in rendering its opinion. See "-- Conditions to the Obligations of Each Party."

PUBLIC ANNOUNCEMENTS

Unless otherwise required by applicable law, the New York Stock Exchange or The Nasdaq National Market (and, in that event, only if time does not permit), Cardinal Health and Syncor will consult with each other before issuing any press release with respect to the merger. Neither Cardinal Health nor Syncor will issue any press release related to the merger prior to consulting with the other party.

CONVEYANCE TAXES

Cardinal Health, Mudhen Merger Corp. and Syncor have agreed to cooperate in the preparation, execution and filing of all returns, questionnaires, applications or other documents regarding taxes or fees that become payable in connection with the transactions contemplated by the merger agreement and that are required or permitted to be filed on or before the effective time of the merger. All conveyance taxes are to be paid by the party bearing legal responsibility for payment.

PREPARATION OF REGISTRATION STATEMENT

Cardinal Health and Syncor have agreed to use all reasonable efforts to prepare the proxy statement for filing with the SEC at the earliest practicable time. The special meeting will be called for the earliest practicable date as determined by Syncor in consultation with Cardinal Health. Cardinal Health will prepare and file the registration statement with the SEC as soon as is reasonably practicable following clearance of the proxy statement by the SEC, and will use reasonable best efforts to have the registration statement declared effective by the SEC as promptly as practicable and to maintain the effectiveness of the registration statement through the effective time of the merger. Syncor and Cardinal Health will use reasonable best efforts to clear the proxy statement with the Staff of the SEC and to take other reasonable actions under applicable state security laws. No filing of, or amendment or supplement to, the registration statement or the proxy statement will be made by Cardinal Health or Syncor without providing the other party with a reasonable opportunity to review and comment thereon. Cardinal Health will advise Syncor, promptly after it receives notice of the time when the registration statement becomes effective or any supplement or amendment has been filed, the issuance of any stop order, the suspension of the qualification of the Cardinal Health common shares issuable in connection with the merger for offering or sale in any jurisdiction, or any request by the SEC for amendment of the proxy statement or the registration statement or comments on the proxy statement or the registration statement and responses thereto or requests by the SEC for additional information.

Syncor has agreed to promptly furnish Cardinal Health with all information concerning it as may be required for inclusion in the proxy statement and the registration statement, and to cooperate with Cardinal Health's preparation of the proxy statement and the registration statement in a timely fashion, and to use reasonable best efforts to assist Cardinal Health in having the registration statement declared effective by the SEC as promptly as practicable consistent with the timing for the special meeting as determined in consultation with Cardinal Health. If, at any time prior to the effective time of the merger, either party to the merger agreement obtains knowledge of any information pertaining to that party that would require any

amendment or supplement to the registration statement or the proxy statement, the party to the merger agreement will so advise the other party and promptly furnish the other party with all information as required for the amendment or supplement, and will promptly amend or supplement the registration statement and/or proxy statement. Syncor will use reasonable best efforts to cooperate with Cardinal Health in the preparation and filing of the proxy statement, and, consistent with the timing for the special meeting, use all reasonable efforts to mail the proxy statement at the earliest practicable date to Syncor stockholders, which will include all information required under applicable law to be furnished to Syncor stockholders in connection with the merger and the

transactions contemplated by the merger agreement and will include the Syncor board of directors' recommendation to the extent not previously withdrawn.

CONDUCT OF CARDINAL HEALTH'S OPERATIONS

The merger agreement obligates Cardinal Health to conduct its operations in the ordinary course until the effective time of the merger, except as expressly contemplated by the merger agreement or as required by applicable law, and obligates Cardinal Health and its subsidiaries to use their respective reasonable best efforts to preserve their respective business organizations; provided that Cardinal Health and its subsidiaries may take any action or omit to take any action, to the extent permitted by the merger agreement, whether or not the action or omission would be considered taken in the ordinary course. Cardinal Health has agreed that it will not, and it will not permit its subsidiaries to:

- amend or propose to amend Cardinal Health's articles of incorporation, as amended and restated, to provide for the issuance of additional classes of Cardinal Health capital stock having superior rights to Cardinal Health common shares;

- make any acquisition of securities, assets or businesses primarily involved in the industries in which Syncor operates or that supply the radiopharmacy businesses in which Syncor operates (whether by merger, consolidation, purchase or otherwise) that would reasonably be expected to cause a meaningful delay or impediment to the completion of the transactions contemplated by the merger agreement or might reasonably be expected to have a material adverse effect on Cardinal Health; or

- agree, in writing or otherwise, to propose or take any of the foregoing actions.

INDEMNIFICATION; DIRECTORS' AND OFFICERS' INSURANCE

Pursuant to the merger agreement, Cardinal Health has agreed that, from and after the effective time of the merger, Cardinal Health will cause the surviving corporation to indemnify and hold harmless the present and former Syncor officers and directors in respect of acts or omissions occurring at or prior to the effective time of the merger to the extent provided under Syncor's certificate of incorporation or the by-laws or the indemnification agreements between Syncor and Syncor's directors. In the merger agreement, Cardinal Health also has agreed that it will or will cause the surviving corporation to obtain and maintain in effect, for a period of six years after the effective time of the merger, policies of directors' and officers' liability insurance up to a certain agreed maximum insurance premium at no cost to the beneficiaries of the insurance policies with respect to acts or omissions occurring at or prior to the effective time of the merger, with substantially the same terms and conditions as existing policies. Cardinal Health has also agreed to advance any costs or expenses as incurred by present and former Syncor's officers and directors to the fullest extent permitted by applicable law. In addition, from and after the effective time of the merger, Syncor officers or officers of its subsidiaries who become Cardinal Health officers or officers of its subsidiaries will be entitled to the same indemnity rights and protections as those afforded to similarly situated Cardinal Health officers or officers of its subsidiaries. Under this section of the merger agreement, Cardinal Health has agreed to provide certain third-party beneficiary rights to the present and former Syncor officers and directors.

MUDHEN MERGER CORP.

Prior to the effective time of the merger, Mudhen Merger Corp. has agreed not to conduct any business or make any investments other than as specifically

contemplated by the merger agreement and not to have any

assets (other than a de minimis amount of cash paid to Mudhen Merger Corp. for the issuance of Mudhen Merger Corp. common stock to Cardinal Health) or any material liabilities.

NEW YORK STOCK EXCHANGE LISTING

Cardinal Health has agreed to use its reasonable best efforts to cause Cardinal Health common shares issuable pursuant to the merger or upon the exercise of options to purchase Cardinal Health common shares that were exchanged for options to purchase Syncor shares pursuant to the merger agreement to be approved for listing on the New York Stock Exchange, subject to official notice of issuance, prior to the effective time of the merger.

EMPLOYEES AND EMPLOYEE BENEFITS

With respect to employee benefit matters, the merger agreement provides that Cardinal Health will use its reasonable best efforts to make Syncor employees eligible to participate in Cardinal Health's employee benefit plans not later than July 1, 2003. From the effective time of the merger until July 1, 2003, Cardinal Health will provide Syncor employees who remain employees of Cardinal Health or Syncor with employee benefits (other than plans providing for equity or equity-based compensation) that are not, in the aggregate, materially less favorable than those provided to the Syncor employees prior to the merger. Syncor employees who remain employees of Cardinal Health or Syncor will be entitled to participate in Cardinal Health's equity and equity-based incentive plans in accordance with their terms. Cardinal Health will give the Syncor employees credit for service with Syncor under Cardinal Health's benefit plans as described in the merger agreement. These provisions of the merger agreement do not apply to Syncor employees covered by collective bargaining agreements. Syncor agreed to take all actions necessary to terminate all open offering periods under the Syncor International Corporation Employee Stock Purchase Plan, which we refer to as the Syncor ESPP, as of a date no later than the end of its last regularly occurring payroll period prior to the contemplated effective time and to terminate the Syncor ESPP as of a date no later than immediately prior to the effective time of the merger.

THE SPECIAL MEETING

Syncor has agreed, subject to applicable law, to take all actions necessary to convene and hold the special meeting, on the earliest practicable date determined in consultation with Cardinal Health, to consider and vote upon approval of the merger agreement. Syncor has agreed to take all lawful actions to solicit the approval of the merger agreement by Syncor stockholders, has agreed to recommend, through the Syncor board of directors, approval of the merger agreement, and, except as permitted by the merger agreement, not to withdraw, amend or modify the Syncor board of directors' recommendation in a manner adverse to Cardinal Health. The merger agreement allows the Syncor board of directors not to recommend that Syncor stockholders approve or withdraw or modify the Syncor board of directors' recommendation adversely to Cardinal Health if the Syncor board of directors believes in good faith, based upon the advice of outside legal counsel, that the failure to withhold, withdraw or modify its recommendation would reasonably be expected to cause a failure to comply with its fiduciary duties under applicable law. Notwithstanding any change in the Syncor board of directors' recommendation, Cardinal Health will have the option, exercisable within 20 days of notice of the change, to

terminate the merger agreement pursuant to the provision described in clause (4) under "-- Termination." See "-- Termination." Syncor is required to ensure that the special meeting is called, noticed, convened, held and conducted, and that all proxies solicited in connection with the special meeting are solicited, in compliance in all material respects with all applicable law. Syncor has agreed that its obligation to call, give notice of, convene and hold the special meeting, as required by this paragraph, will not be affected by the withholding, withdrawal or modification of the Syncor board of directors' recommendation nor by the commencement, public proposal, public disclosure, or communication to Syncor of any "superior proposal" as set forth under "-- No Solicitation."

CONDUCT OF SYNCOR'S OPERATIONS

The merger agreement obligates Syncor to conduct its operations in the ordinary course and to use reasonable best efforts to maintain and preserve its business organization and its material rights and franchises and to retain the services of its officers and key employees and maintain relationships with customers, suppliers, lessees, licensees and other third parties, and to maintain all of its operating assets in their current condition (normal wear and tear excepted), to the end that their goodwill and ongoing business will not be impaired in any material respect. During the period from the date of the merger agreement to the effective time of the merger or date of termination of the merger agreement, Syncor has agreed that it will not, unless expressly contemplated by the merger agreement, including Syncor's disclosure schedule, or unless contrary to applicable laws, without the prior written consent of Cardinal Health:

- do or effect any of the following actions with respect to its securities:
  - adjust, split, combine or reclassify Syncor capital stock,
  - make, declare or pay any dividend or distribution on, or, directly or indirectly, redeem, purchase or otherwise acquire, any shares of Syncor capital stock or any securities or obligations convertible into or exchangeable for any shares of Syncor capital stock (other than (1) dividends or distributions from its direct or indirect wholly owned subsidiaries in the ordinary course of business or (2) dividends or distributions from a subsidiary that is partially owned by Syncor or any of its subsidiaries in the ordinary course of business; provided that Syncor or any of its subsidiaries receives or is to receive its proportionate share thereof),
  - grant any person any right or option to acquire any shares of Syncor capital stock, except, after the date of the merger agreement, for the grant of Syncor options to purchase up to 100,000 Syncor shares; provided that the Syncor options are granted either (1) to new hires in the ordinary course of business consistent with past practice after consultation with Cardinal Health to (but, in any event, not under the Syncor ESPP) or (2) pursuant to formula awards as set forth in Syncor's disclosure schedule; provided that, in each case, the Syncor options will not vest in connection with the transactions contemplated by the merger agreement,
  - issue, deliver or sell or agree to issue, deliver or sell any additional shares of Syncor capital stock or any securities or obligations convertible into or exchangeable or exercisable for any shares of Syncor capital stock or those securities (except pursuant to

the exercise of outstanding options),

- enter into any agreement, understanding or arrangement with respect to the sale, voting, registration or repurchase of Syncor capital stock, or

- open any offering period or issue any shares of Syncor capital stock or grant any purchase rights pursuant to the Syncor ESPP;

- directly or indirectly sell, transfer, lease, pledge, mortgage, encumber or otherwise dispose of any of the property or assets of it or its subsidiaries other than in the ordinary course of business or those that are, individually or in the aggregate, immaterial;

- make or propose any changes in Syncor's certificate of incorporation or by-laws;

- amend or modify, or propose to amend or modify, the Syncor rights agreement, as amended as of the date of the merger agreement;

- merge or consolidate with any other person;

- acquire assets or capital stock of any other person in excess of $1,000,000 individually or $3,000,000 in the aggregate, other than the acquisition of inventory in the ordinary course of business, consistent with past practice;

- incur or otherwise become liable for any indebtedness for the obligations of any other entity, except in the ordinary course of business, consistent with past practice;

- create any subsidiaries;

- enter into or modify in any material respect any employment, severance, termination or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any officer, director, consultant or employee, other than in the ordinary course of business consistent with past practice with respect to Syncor's non-officer employees, or otherwise increase the compensation or benefits provided to any of Syncor's officers, directors, consultants or employees, except in the ordinary course of business consistent with past practice or as may be required by applicable law, or grant, reprice, or accelerate the exercise or payment of any Syncor options or other equity-based awards;

- enter into, adopt or amend in any material respect any employee benefit plan or arrangement, except as required by applicable law;

- take any action that could give rise to severance benefits payable to any Syncor officer or director as a result of consummation of the transactions contemplated by the merger agreement;

- change any material method or principle of tax or financial accounting in a manner that is inconsistent with past practice, except to the extent required by applicable law or GAAP, as advised by Syncor's regular independent accountants;

- settle any actions, whether now pending or made or brought after the date of the merger agreement involving an amount in excess of $1,500,000 individually or $3,000,000 in the aggregate, except in the ordinary course of business consistent with past practice;

- modify, amend or terminate, or waive, release or assign any material rights or claims with respect to, certain specified contracts or any other material contract to which Syncor is a party or any confidentiality agreement to which Syncor is a party, except in the ordinary course of business consistent with past practice;

- enter into any confidentiality agreements or arrangements, other than in the ordinary course of business consistent with past practice;

- write up, write down or write off the book value of any assets, individually or in the aggregate, in excess of $300,000, except for depreciation and amortization in accordance with GAAP consistently applied and except, following consultation with Cardinal Health, as required by applicable law or GAAP;

- incur or commit to any capital expenditures in excess of $1,000,000 individually or $3,000,000 in the aggregate;

- make any payments in respect of policies of directors' and officers' liability insurance (premiums or otherwise) other than premiums paid in respect of its current policies or a renewal thereof to the extent previously disclosed to Cardinal Health;

- take any action to exempt or make not subject to

  - the provisions of Section 203 of the DGCL, or

  - any other state takeover law or state law that purports to limit or restrict business combinations or the ability to acquire or vote shares,

  any individual or entity (other than Cardinal Health or its subsidiaries) or any action taken thereby, which individual, entity or action would have otherwise been subject to the restrictive provisions thereof and not exempt therefrom;

- knowingly and intentionally take any action that could likely result in a violation or breach of any agreement, covenant, representation or warranty contained in the merger agreement that would result in a failure to satisfy the conditions to the closing of the transaction;

- except as would not be reasonably likely to have a material adverse effect on Syncor, make, revoke or amend any tax election, settle or compromise any claim or assessment with respect to taxes, execute or

  consent to any waivers extending the statutory period of limitations with respect to the collection or assessment of any taxes or amend any material tax returns;

- permit or cause any of its subsidiaries to do any of the foregoing or agree or commit to do any of the foregoing; or

- agree in writing or otherwise to take any of the foregoing actions, except as expressly permitted in the merger agreement.

Additionally, pursuant to the merger agreement, Syncor has agreed to consult

with Cardinal Health prior to making publicly available its financial results or filing certain documents with the SEC after the date of the merger agreement.

NO SOLICITATION

During the term of the merger agreement, Syncor has agreed that it will not, and will not authorize and will use best efforts not to permit any of its subsidiaries or any of its or its subsidiaries' directors, officers, employees, agents or representatives, directly or indirectly, to solicit, initiate, encourage or facilitate, or furnish or disclose nonpublic information in furtherance of, any inquiries or the making of any proposal with respect to any recapitalization, merger, consolidation or other business combination involving Syncor, or acquisition of any capital stock (other than upon exercise of Syncor options that are outstanding as of the date of the merger agreement) or a material amount of the assets (other than transactions with customers in the ordinary course of business consistent with past practice or the disposition of all or part of the business or operations of CMI), of Syncor and its subsidiaries, taken as a whole, in a single transaction or a series of related transactions, or any combination of the foregoing, which we refer to as a competing transaction, or negotiate, explore or otherwise engage in discussions with any person (other than Cardinal Health, Mudhen Merger Corp. or their respective directors, officers, employees, agents and representatives) with respect to any competing transaction or enter into any agreement, arrangement or understanding requiring it to abandon, terminate or fail to complete the merger or any other transactions contemplated by the merger agreement; provided that, at any time prior to the approval of the merger agreement by Syncor stockholders, Syncor may furnish information to, and negotiate or otherwise engage in discussions with, any person that delivers a written proposal for a competing transaction that was not solicited or encouraged after the date of the merger agreement if and so long as the Syncor board of directors believes in good faith by a majority vote, based upon the advice of its outside legal counsel, that failing to take the action would reasonably be expected to constitute a breach of its fiduciary duties under applicable law and believes in good faith, after consulting with a nationally recognized investment banking firm and Syncor's outside legal counsel, that the proposal would reasonably be expected to result in a transaction that, if consummated, would be more favorable to Syncor stockholders from a financial point of view than the transactions contemplated by the merger agreement (including any adjustment to the terms and conditions proposed by Cardinal Health in response to the competing transaction), which the merger agreement refers to as a superior proposal; provided, further, that, prior to furnishing any information to that person, Syncor will enter into a confidentiality agreement that is no less restrictive, in any material respect, than the confidentiality agreement between Cardinal Health and Syncor, dated July 9, 2001, as amended on August 29, 2001 and September 5, 2001.

Syncor has agreed that it will immediately cease all existing activities, discussions and negotiations with any persons conducted to the date of the merger agreement with respect to any proposal for a competing transaction and request the return of all confidential information regarding Syncor provided to any of these persons prior to the date of the merger agreement pursuant to the terms of any confidentiality agreements or otherwise.

In the event that, after the date of the merger agreement and prior to it being approved by the Syncor stockholders, the Syncor board of directors receives a superior proposal that was not solicited or encouraged and believes in good faith based upon the advice of Syncor's outside legal counsel that failure to take the action would reasonably be expected to constitute a breach of the fiduciary duties of the Syncor board of directors under applicable law, the Syncor board of directors may withdraw, modify or change, in a manner

adverse to Cardinal Health, the Syncor board of directors' recommendation and/or comply with Rule 14e-2

under the Exchange Act with respect to a competing transaction, provided that Syncor gives Cardinal Health three business days' prior written notice of its intention to do so (provided that the foregoing will in no way limit or otherwise affect Cardinal Health's right to terminate the merger agreement in accordance with the provisions described under "-- Termination"). Any withdrawal, modification or change of the Syncor board of directors' recommendation will not change the approval of the Syncor board of directors for purposes of causing any state takeover statute or other state law to be inapplicable to the transactions contemplated by the merger agreement, including the merger or the support/voting agreements, or change the obligation of Syncor to present the merger agreement for approval at the duly called special meeting on the earliest practicable date determined in consultation with Cardinal Health.

From and after the execution of the merger agreement, Syncor will promptly advise Cardinal Health in writing of the receipt, directly or indirectly, of any inquiries or proposals or the participation by or on behalf of Syncor in any discussions or negotiations, relating to a competing transaction (including, in each case, the specific terms and status of the competing transaction and the identity of the other person or persons involved) and promptly furnish to Cardinal Health a copy of any written proposal in addition to any information provided to or by any third party relating to the written proposal. All information provided to Cardinal Health under this section of the merger agreement will be kept confidential by Cardinal Health in accordance with the terms of the confidentiality agreement between Cardinal Health and Syncor.

In addition, Syncor has agreed to promptly advise Cardinal Health, in writing, if the Syncor board of directors makes any determination as to any unsolicited competing transaction as permitted under the terms of the merger agreement, as described above. Furthermore, nothing contained in this section of the merger agreement prohibits Syncor from making disclosure (and the disclosure in and of itself will not be deemed to be a change in the Syncor board of directors' recommendation) of the fact that a competing transaction has been proposed, the identity of the person making the proposal or the material terms of the proposal in the registration statement or the proxy statement only to the extent the disclosure of the facts, identity or terms is required under applicable law and only following prior consultation by Syncor with Cardinal Health regarding the proposed disclosure.

AFFILIATES OF SYNCOR

Syncor has agreed to use reasonable best efforts to cause each person that will be, at the effective time of the merger or was on the date of the merger agreement, an "affiliate" of Syncor for purposes of Rule 145 to execute and deliver to Cardinal Health, no less than ten days prior to the date of the special meeting, a written letter containing the undertakings in the form attached as an exhibit to the merger agreement. No later than 15 days prior to that date, Syncor, after consultation with Syncor's outside legal counsel, will provide Cardinal Health with a letter (reasonably satisfactory to outside legal counsel to Cardinal Health) specifying all of the individuals or entities that Syncor believes may be deemed to be affiliates of Syncor. Cardinal Health will be entitled to place legends on the certificates evidencing any Cardinal Health common shares to be received by (1) any affiliate of Syncor or (2) any person Cardinal Health in consultation with Cardinal Health's outside legal counsel reasonably identifies as being a person that is an affiliate pursuant to the terms of the merger agreement, and to issue appropriate stop transfer

instructions to the transfer agent for Cardinal Health common shares consistent with the terms of the letters from the Syncor affiliate, regardless of whether that person has executed an affiliate letter and regardless of whether that person's name appears on the letter to be delivered pursuant to this section of the merger agreement.

CONDITIONS TO THE OBLIGATIONS OF EACH PARTY

Pursuant to the merger agreement, the respective obligations of Syncor, Cardinal Health and Mudhen Merger Corp. are subject to the satisfaction of each of the following conditions:

- Syncor stockholders will have approved the merger agreement in the manner required by applicable law;

- any applicable waiting periods under the HSR Act relating to the merger and the transactions contemplated by the merger agreement will have expired or been terminated, and any other approvals

of any governmental authority will have been obtained, except for those approvals (unrelated to antitrust laws) the failure of which to obtain would not, individually or in the aggregate, result in the imposition of any fine or penalty, except in immaterial amounts;

- no provision of any applicable law and no judgment, injunction, order or decree of a governmental authority will prohibit or enjoin the completion of the merger or the transactions contemplated by the merger agreement or limit the ownership or operation by Cardinal Health, Syncor or any of their respective subsidiaries of any material portion of the businesses or assets of Cardinal Health or Syncor;

- there will not be pending any action by any governmental authority

  - challenging or seeking to restrain or prohibit the completion of the merger or any of the other transactions contemplated by the merger agreement,

  - seeking to prohibit or limit in any material respect the ownership or operation by Cardinal Health, Syncor or any of their respective subsidiaries of, or to compel Cardinal Health, Syncor or any of their respective subsidiaries to dispose of or hold separate, any material portion of the business or assets of Cardinal Health, Syncor or any of their respective subsidiaries, as a result of the merger or any of the other transactions contemplated by the merger agreement, except in the case of prohibitions, limitations, dispositions or holdings that would not be deemed to constitute a material adverse effect under the provisions described under "-- HSR Act Filings; Reasonable Efforts; Notification," or

  - seeking to impose limitations on the ability of Cardinal Health to acquire or hold, or exercise full rights of ownership of, any shares of capital stock of the surviving corporation, including the right to vote capital stock of the surviving corporation on all matters properly presented to stockholders of the surviving corporation;

- the SEC will have declared the registration statement effective, and no stop order or similar restraining order suspending the effectiveness of the registration statement will be in effect and no proceedings for this purpose will be pending before or threatened by the SEC or any state

securities administrator;

- Cardinal Health common shares to be issued in the merger and upon exercise of Cardinal Health exchange options will have been approved for listing on the New York Stock Exchange, subject to official notice of issuance; and

- Syncor will have received the opinion of its counsel, Skadden, Arps, Slate, Meagher & Flom LLP, dated as of the closing date of the merger, to the effect that

  - the merger will constitute a "reorganization" (within the meaning of Section 368(a) of the Code), and

  - no gain or loss will be recognized by Syncor stockholders upon the receipt of Cardinal Health common shares in exchange for Syncor shares pursuant to the merger, except with respect to cash received in lieu of fractional share interests in Cardinal Health common shares.

CONDITIONS TO THE OBLIGATIONS OF SYNCOR

The obligations of Syncor to consummate the merger and the transactions contemplated by the merger agreement are subject to the satisfaction of the following conditions, unless waived by Syncor:

- each of the representations and warranties of each of Cardinal Health and Mudhen Merger Corp. described under "-- Representations and Warranties" will be true and correct in all respects on the date of the merger agreement and on and as of the closing date of the merger as though made on and as of the closing date, except where the failure of the representations and warranties, in the aggregate, to be true and correct in all respects would not reasonably be expected to have a material adverse effect on Cardinal Health;

- each of Cardinal Health and Mudhen Merger Corp. will have performed in all material respects each obligation and agreement and will have complied in all material respects with each covenant to be

performed and complied with by it under the merger agreement at or prior to the effective time of the merger;

- each of Cardinal Health and Mudhen Merger Corp. will have furnished Syncor with a certificate dated the closing date of the merger signed on behalf of it by the Chairman, President or any Vice President to the effect that the conditions set forth above in the two preceding bullet points have been satisfied; and

- since the date of the merger agreement, except to the extent contemplated by the provisions described under "-- Material Adverse Effect," there will not have been events or occurrences, individually or in the aggregate, that would have a material adverse effect on Cardinal Health.

CONDITIONS TO THE OBLIGATIONS OF CARDINAL HEALTH AND MUDHEN MERGER CORP.

The obligations of Cardinal Health and Mudhen Merger Corp. to consummate the merger and the transactions contemplated by the merger agreement are subject to the satisfaction of the following conditions unless waived by Cardinal Health

and Mudhen Merger Corp.:

- each of the representations and warranties of Syncor described under "-- Representations and Warranties" will be true and correct in all respects on the date of the merger agreement and on and as of the closing date of the merger as though made on and as of the closing date, except where the failure of the representations and warranties, in the aggregate, to be true and correct in all respects would not reasonably be expected to have a material adverse effect on Cardinal Health;

- Syncor will have performed in all material respects each obligation and agreement and will have complied in all material respects with each covenant to be performed and complied with by it under the merger agreement at or prior to the effective time of the merger;

- Syncor will have furnished Cardinal Health with a certificate dated the closing date of the merger signed on behalf of it by the Chairman, President or any Vice President to the effect that the conditions set forth above in the two preceding bullet points have been satisfied; and

- since the date of the merger agreement, except to the extent contemplated by the provisions described under "-- Material Adverse Effect," there will have not been events or occurrences, individually or in the aggregate, that would have a material adverse effect on Syncor.

MATERIAL ADVERSE EFFECT

A "material adverse effect" with respect to any party to the merger agreement will be deemed to occur if there will have been a material adverse effect on the business, financial condition or results of operations of that party to the merger agreement and that party's subsidiaries, taken as a whole, except to the extent that the adverse effect results from:

- changes (1) in prevailing interest rates in the United States or financial market conditions in the United States, (2) in general economic conditions in the United States, or (3) in GAAP;

- any developments, changes or consequences relating to or that could arise from the actual or prospective renewal of (or failure to renew) Syncor's agreement with Dupont Merck Pharmaceutical Company (and Bristol-Myers, as successor), dated December 19, 1993, as amended (prior to June 14, 2002), which we refer to as the BMS contract, any new terms that may be negotiated in any proposed or actual amended or new BMS contract, any negotiations with Bristol-Myers (or the substitute counterparty) directly relating to the BMS contract or any amendment to the BMS contract, or a new BMS contract, in each case, regardless of whether or not Bristol-Myers owns the product covered by the BMS contract; or

- any developments, changes or consequences relating to the process for the possible sale of all or a portion of the business of CMI, including the failure to sell all or any portion of the CMI business, the level of interest of any parties in pursuing a sale or the value or other terms for a sale indicated by those

parties, and the pricing or other terms of any sale, or the effect of any accounting charges, adjustments and changes previously disclosed to Cardinal Health. For the purposes of the merger agreement, in determining

whether there has been a material adverse effect on Syncor, any changes to or developments regarding the CMI business will be measured solely against the actual results of the CMI business for the fiscal year ended December 31, 2001.

TERMINATION

The merger agreement may be terminated and the merger may be abandoned at any time prior to the effective time of the merger (notwithstanding any approval of the merger agreement by Syncor stockholders):

(1) by mutual written consent of Cardinal Health and Syncor;

(2) by either Cardinal Health or Syncor if there will be any law or regulation that makes completion of the merger illegal or otherwise prohibited, or if any judgment, injunction, order or decree of a court or other competent governmental authority enjoining Cardinal Health or Syncor from completing the merger will have been entered and the judgment, injunction, order or decree will have become final and nonappealable; provided that the party seeking to terminate the merger agreement pursuant to this provision of the merger agreement will have used its reasonable best efforts to remove the order, decree, ruling or injunction;

(3) by either Cardinal Health or Syncor if the merger has not been completed before December 31, 2002, provided, however, that, in the event the condition described in the second bullet point under "-- Conditions to the Obligations of Each Party" has not been satisfied on or prior to December 31, 2002, this date will be extended to the earlier of the date that is ten business days after the date on which the condition described in the second bullet point under "-- Conditions to the Obligations of Each Party" is satisfied, and April 30, 2003; provided, further, that the right to terminate the merger agreement under this provision of the merger agreement will not be available to any party to the merger agreement whose failure or whose affiliate's failure to perform any material covenant or obligation under the merger agreement has been the primary cause of or resulted in the failure of the merger to occur on or before that date;

(4) by Cardinal Health (a) if there has been a withdrawal, modification or change in the Syncor board of directors' recommendation in a manner adverse to Cardinal Health or (b) if the Syncor board of directors refuses to affirm the Syncor board of directors' recommendation within 20 days of any written request from Cardinal Health;

(5) by Cardinal Health or Syncor if, at the special meeting, the requisite vote of Syncor stockholders to approve the merger agreement was not obtained;

(6) by Cardinal Health if there has been a violation or breach by Syncor of any agreement, covenant, representation or warranty contained in the merger agreement that has prevented or would prevent the satisfaction of the conditions described in the first and second bullet points under "-- Conditions to the Obligations of Cardinal Health and Mudhen Merger Corp.," at the time of the breach or violation and the breach or violation has not been waived by Cardinal Health nor cured by Syncor prior to the earlier of (a) 20 business days after the giving of written notice to Syncor of the breach and (b) December 31, 2002; or

(7) by Syncor if there has been a violation or breach by Cardinal Health of any agreement, covenant, representation or warranty contained in the merger agreement that has prevented or would prevent the satisfaction of the conditions set forth in the first and second bullet points under "-- Conditions to the Obligations of Syncor," at the time of the breach or

violation and the breach or violation has not been waived by Syncor nor cured by Cardinal Health prior to the earlier of (a) 20 business days after the giving of written notice to Cardinal Health of the breach and (b) December 31, 2002.

EFFECT OF TERMINATION

In the event of the termination of the merger agreement pursuant to its terms, the merger agreement will become void and have no effect, except for the provisions relating to confidentiality, governing law, jurisdiction and venue, expenses and effect of termination, without any liability on the part of any party to the merger agreement or the directors, officers, stockholders or shareholders. Nothing in the merger agreement relieves any party to the merger agreement of liability for an intentional and material breach of any provision of the merger agreement; provided, however, that, if it is judicially determined that termination of the merger agreement was caused by an intentional and material breach of the merger agreement, then, in addition to other remedies at law or equity for breach of the merger agreement, the parties to the merger agreement have agreed that the party so found to have intentionally breached the merger agreement will indemnify and hold harmless the other parties to the merger agreement for their respective out-of-pocket costs, fees and expenses of their counsel, accountants, financial advisors and other experts and advisors, as well as fees and expenses incident to negotiation, preparation and execution of the merger agreement and related documentation and the special meeting and consents, which we refer to as merger-related expenses.

If the merger agreement is terminated pursuant to the provisions described in clause (4) or (5) under "-- Termination," then Syncor will, within three business days following the termination by Cardinal Health, or, in the case of a termination by Syncor, concurrently with the termination, pay to Cardinal Health in reimbursement of Cardinal Health's actual and documented merger-related expenses an amount in cash up to but not in excess of $4,000,000 in the aggregate.

If the merger agreement is terminated pursuant to the provisions described in clause (4) or (5) described under "-- Termination" and at any time prior to that termination a bona fide proposal regarding a competing transaction with respect to Syncor has not been made to Syncor, and there has not been any public disclosure of any bona fide proposal or expression of interest by a third party regarding a competing transaction, or the merger agreement is terminated pursuant to clause (1) or (3) under "-- Termination" and at any time prior to that termination a bona fide proposal regarding a competing transaction with respect to Syncor has been made to Syncor, or any bona fide proposal or expression of interest by a third party regarding a competing transaction has been publicly disclosed and within six months after the date of the termination Syncor enters into a letter of intent, agreement-in-principle, acquisition agreement or other similar agreement, or publicly announces, a "business combination" (as defined below), then Syncor will, upon completion of the business combination, pay to Cardinal Health a termination fee in an amount equal to $24,125,000 (less amounts paid in reimbursement of Cardinal Health's merger-related expenses).

If the merger agreement is terminated pursuant to the provisions described in clause (4) or (5) under "-- Termination," and at any time prior to the termination a bona fide proposal regarding a competing transaction with respect to Syncor has been made to Syncor, or any bona fide proposal or expression of

interest by a third party regarding a competing transaction has been publicly disclosed, then Syncor will, in the case of a termination by Cardinal Health, within three business days following the termination or, in the case of a termination by Syncor, concurrently with the termination, pay to Cardinal Health a termination fee in an amount equal to $12,062,500 (less amounts paid in reimbursement of Cardinal Health's merger-related expenses); and, furthermore, if within 12 months after the date of the termination Syncor enters into a letter of intent, agreement-in-principle, acquisition agreement or other similar agreement with respect to, or publicly announces, a business combination or consummates a business combination, then Syncor will, upon the completion of the business combination, pay to Cardinal Health an additional termination fee in an amount equal to $12,062,500.

As used in this section, "business combination" means:

- a merger, consolidation, share exchange, business combination or similar transaction involving Syncor as a result of which Syncor stockholders prior to the transaction cease to own, in the aggregate, at least 60% of the voting securities of the entity surviving or resulting from the transaction (or the ultimate parent entity thereof);

- a sale, lease, exchange, transfer or other disposition of more than 33% of the assets of Syncor and its subsidiaries, taken as a whole, in a single transaction or a series of related transactions (other than to customers in the ordinary course of business or the disposition of all or part of the business or operations of CMI); or

- the acquisition, by a person (other than Cardinal Health or any affiliate of Cardinal Health) or "group" (as defined under Section 13(d) of the Exchange Act) of "beneficial ownership" (as defined in Rule 13d-3 under the Exchange Act) of more than 33% of Syncor common stock, whether by tender or exchange offer or otherwise.

AMENDMENT

The merger agreement may be amended by the parties to the merger agreement at any time before or after approval of the merger agreement by Syncor stockholders, but, after any approval of the merger agreement by Syncor stockholders, no amendment will be made that by law requires further approval or authorization of Syncor stockholders (unless that approval or authorization is obtained). Any amendment must be made by an instrument in writing signed on behalf of each of the parties to the merger agreement.

EXTENSION; WAIVER

At any time prior to the effective time of the merger, Cardinal Health (with respect to Syncor) and Syncor (with respect to Cardinal Health and Mudhen Merger Corp.), by action taken or authorized by their respective boards of directors, may, to the extent legally allowed,

- extend the time for the performance of any of the obligations or other acts of that party to the merger agreement,

- waive any inaccuracies in the representations and warranties contained in the merger agreement or in any document delivered pursuant to the merger

agreement, and

- waive compliance with any of the agreements or conditions contained in the merger agreement. Any agreement on the part of a party to the merger agreement to any extension or waiver will be valid only if set forth in a written instrument signed on behalf of that party to the merger agreement.

EXPENSES

Subject to the provisions described under "-- Effect of Termination," all costs and expenses incurred in connection with the merger agreement and the transactions contemplated by the merger agreement will be paid by the party to the merger agreement incurring the cost or expense.

SYNCOR RIGHTS AGREEMENT AMENDMENT

In connection with the execution of the merger agreement, Syncor and American Stock Transfer and Trust Company, as rights agent, executed the First Amendment to the Rights Agreement, dated as of June 14, 2002, amending the rights agreement between Syncor and the rights agent, dated as of September 28, 1999, so as to provide that neither Cardinal Health nor Mudhen Merger Corp. will be deemed to be an acquiring person (as defined in the rights agreement), and that no stock acquisition date, triggering event or distribution date (as such terms are defined in the rights agreement) will occur by reason of the execution of the merger agreement, or the completion of the merger or any other transaction contemplated by the merger agreement. The rights agreement amendment further provides that the rights agreement and the rights established by the rights agreement will terminate in all respects immediately prior to the completion of the merger. The rights agreement amendment further provides that if, for any reason, the merger agreement is terminated and the merger is abandoned, then the rights agreement amendment will be of no further force and effect and the rights agreement will remain exactly the same as it existed immediately prior to execution of the rights agreement amendment. See "Comparison of Shareholder/Stockholder Rights -- Rights Agreement."

The foregoing is a summary of the rights agreement amendment. This summary is qualified in its entirety by reference to the rights agreement amendment, which is incorporated by reference in this document.

The merger agreement provides that Syncor cannot further amend the rights agreement without Cardinal Health's consent.

THE SUPPORT/VOTING AGREEMENTS

Concurrently with the execution of the merger agreement, Cardinal Health executed with each of Monty Fu, Chairman of the Board of Syncor, and Robert G. Funari, President and Chief Executive Officer of Syncor, a support/voting agreement pursuant to which each of the stockholders agreed that:

- he will not, and will use reasonable best efforts not to permit any

controlled affiliate to, contract to sell, sell or otherwise transfer or dispose of any Syncor shares or any interest in the Syncor shares he owns or securities convertible into Syncor shares or any voting rights with respect to Syncor shares he owns, other than (1) pursuant to the merger or (2) with Cardinal Health's consent, which consent will not be unreasonably withheld, unless the individual or entity to whom Syncor shares have been sold, transferred or disposed agrees in writing to be bound by the support/voting agreement as if a party to the support/voting agreement;

- in his capacity as a Syncor stockholder, he will not, and will use reasonable best efforts not to permit any controlled affiliate to, directly or indirectly, solicit, initiate, encourage or facilitate, or furnish or disclose nonpublic information in furtherance of, any inquiries or the making of any proposal with respect to any competing transaction, or negotiate, explore or otherwise engage in discussions with any person (other than Cardinal Health, Mudhen Merger Corp. or their respective directors, officers, employees, agents and representatives) with respect to any competing transaction, or enter any agreement, arrangement or understanding requiring it to abandon, terminate or fail to complete the merger or any other transactions contemplated by the merger agreement or to otherwise assist in the effectuation of any competing transaction; provided, however, that nothing in his support/voting agreement prevents him from taking any action or omitting to take action solely as a member of the Syncor board of directors (or a committee of the Syncor board of directors) or, at the direction of the Syncor board of directors (or a committee of the Syncor board of directors), as a Syncor officer or employee;

- that all of the Syncor shares beneficially owned by him, directly or indirectly, at the record date for the special meeting called to consider and vote to approve the merger agreement, will be present in person or by proxy and will be voted in favor of the merger agreement, and not in favor of any competing transaction; and

- he will, upon Cardinal Health's request, execute an irrevocable proxy appointing Cardinal Health as his attorney and proxy to vote in favor of the merger agreement and the transactions contemplated thereby. Cardinal Health has not asked for this irrevocable proxy as of the date of this document.

In consideration of the stockholder's undertakings in his support/voting agreement, Cardinal Health agrees to use its reasonable best efforts to provide reasonably promptly to the stockholder and/or his controlled affiliates the ability under U.S. federal securities laws to sell, pledge, transfer or otherwise dispose of all or any portion of the Cardinal Health common shares received by the stockholder as a result of the merger if the restriction results primarily from the stockholder entering into, or complying with, the terms of his support/voting agreement.

Each of the support/voting agreements may be terminated at the option of any party to the agreement at any time upon the earliest of (1) termination of the merger agreement, (2) the effective time of the merger and (3) April 30, 2003. The number of Syncor shares beneficially held (excluding Syncor options) by Messrs. Fu and Funari as of the record date were [ ] shares, and [ ] shares, respectively, which represent approximately [ ]% of the

outstanding Syncor shares as of that date.

The foregoing is a summary of the material provisions of, and is qualified by reference to, the support/voting agreements of Messrs. Fu and Funari, a form of which is filed as an exhibit to the registration statement of which this document forms a part.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

The following general discussion summarizes the anticipated material U.S. federal income tax consequences of the merger to Syncor stockholders that exchange their Syncor shares for Cardinal Health common shares in the merger. This discussion addresses only those Syncor stockholders that hold their Syncor common stock as a capital asset, and does not address all of the U.S. federal income tax consequences that may be relevant to particular Syncor stockholders in light of their individual circumstances or to Syncor stockholders that are subject to special rules, such as:

- financial institutions;
- mutual funds;
- tax-exempt organizations;
- insurance companies;
- dealers in securities or foreign currencies;
- traders in securities that elect to apply a mark-to-market method of accounting;
- foreign holders;
- persons that hold their Syncor shares as part of a hedge, straddle, constructive sale or conversion transaction; or
- Syncor stockholders that acquired their shares upon the exercise of Syncor options or otherwise as compensation.

The following discussion is not binding on the Internal Revenue Service. It is based upon the Code, laws, regulations, rulings and decisions in effect as of the date of this document, all of which are subject to change, possibly with retroactive effect. Tax consequences under state, local and foreign laws and U.S. federal laws other than U.S. federal income tax laws, are not addressed.

Syncor stockholders are urged to consult their tax advisors as to the specific tax consequences to them of the merger, including the applicability and effect of U.S. federal, state and local and foreign income and other tax laws in their particular circumstances.

Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to Syncor, has delivered an opinion, a copy of which has been filed as an exhibit to the registration statement, to the effect that, provided the merger is consummated in the manner described in the merger agreement (1) the merger will constitute a "reorganization" (within the meaning of Section 368(a) of the Code) and (2) no gain or loss will be recognized by Syncor stockholders upon the receipt of Cardinal Health common shares in exchange for Syncor shares pursuant to the merger, except with respect to cash received in lieu of fractional share interests in Cardinal Health common shares. It is a condition to the completion of the merger that Syncor receive an opinion, dated the closing date of the merger, to the same effect. An opinion of counsel represents counsel's best legal judgment and is not binding on the Internal Revenue Service or any court. No ruling has been, or will be, sought from the Internal Revenue Service as to the U.S. federal income tax consequences of the merger.

Based on and subject to the above opinion, Syncor stockholders that exchange their Syncor common stock solely for Cardinal Health common shares in the merger will not recognize gain or loss for U.S. federal income tax purposes, except with respect to cash, if any, they receive in lieu of a fractional Cardinal Health common share. Each holder's aggregate tax basis in Cardinal Health common shares received in the merger will be the same as that holder's aggregate tax basis in Syncor common stock surrendered in the merger, decreased by the amount of any tax basis allocable to any fractional share interest for which cash is received. The holding period of Cardinal Health common shares received in the merger by a holder of Syncor common stock will include the holding period of Syncor common stock that the holder surrendered in the merger.

A holder of Syncor common stock that receives cash in lieu of a fractional Cardinal Health common share will recognize gain or loss equal to the difference between the amount of cash received and that holder's

tax basis in Cardinal Health common shares that is allocable to the fractional Cardinal Health common share. That gain or loss generally will constitute capital gain or loss and will constitute long-term capital gain or loss if the Syncor stockholder has held the shares for more than 12 months on the date of the merger.

The foregoing discussion of material U.S. federal income tax consequences is for general information purposes only and may not apply to all Syncor stockholders. The opinion of Skadden, Arps, Slate, Meagher & Flom LLP is not binding on the Internal Revenue Service. Because of the complexity of the tax laws, and because the tax consequences of the merger for any particular Syncor stockholder may be affected by matters not discussed in this document, each Syncor stockholder is urged to consult his own tax adviser with respect to the Syncor stockholder's own particular circumstances and with respect to the specific tax consequences of the merger to the Syncor stockholder, including the applicability and effect of U.S. state and local and foreign tax laws, estate tax laws and proposed changes in applicable tax laws.

THE COMPANIES

BUSINESS OF SYNCOR

Syncor is a provider of specialty services and products used in the diagnosis, treatment and management of heart disease, cancer and other disorders, the nation's leading provider of radiopharmacy services, and a leading provider of outpatient medical imaging services.

Syncor compounds, dispenses and distributes unit-dose radiopharmaceuticals made by a number of manufacturers. Syncor also distributes radiopharmaceuticals in bulk to hospitals and other customers that compound and dispense the product themselves. Syncor's primary products are cardiology imaging agents used in diagnosing heart problems. In 2001, sales of Cardiolite(R) represented an estimated 58% of sales of all cardiac imaging agents in the United States and 41.2% of Syncor's total sales.

Syncor acts as the primary distributor of Cardiolite(R), as well as a distributor of Bristol-Myers' other radiopharmaceutical products, under the terms of a supply and distribution agreement with Bristol-Myers. Under the terms of the distribution and supply agreement, Syncor has exclusive rights to distribute Cardiolite(R) within specified geographic areas surrounding most of its existing U.S. radiopharmacies. Syncor's exclusive rights to distribute Cardiolite(R) also extend to new radiopharmacies that it may develop or acquire in geographic areas where Bristol-Myers has no preexisting distribution arrangement. In other areas, and in areas outside of the specified areas surrounding its radiopharmacies, Syncor's rights to distribute Cardiolite(R) are nonexclusive. Its rights to distribute other Bristol-Myers products, including Thallium, a generic cardiac imaging agent which accounted for 6.3% of its net sales in 2001, also are nonexclusive. No other product constitutes more than 1.4% of Syncor's net sales.

Syncor also produces fluorodeoxyglucose, which we refer to as FDG, which Syncor distributes through its network of radiopharmacies. FDG is the most commonly used radioisotope in positron emission tomography, which we refer to as PET, a highly sensitive imaging technology used to diagnose cancer and manage cancer therapies. When administered intravenously, FDG can reveal how certain organs and tissues are functioning by measuring glucose metabolism. FDG is widely used to study organ and tissue functions in neurology, cardiology and oncology. FDG is produced in cyclotrons and has a half-life of only 110 minutes. In order to effectively provide PET radiopharmaceuticals, it is essential to have adequate supplies of FDG in proximity to the radiopharmacy where the PET radiopharmaceutical is to be compounded and dispensed. To ensure an adequate supply of FDG, Syncor has built or acquired nine cyclotron facilities in key areas and has entered into arrangements with several local universities and other cyclotron owners and operators to supply it with this critical component of PET radiopharmaceuticals in other areas.

Syncor produces and distributes Iodine-123 capsules. Iodine-123 is a radiopharmaceutical used to diagnose and treat thyroid disorders. Syncor manufactures Iodine-123 capsules at its Golden, Colorado facility. Syncor's radiopharmacies also distribute Iodine-125 brachytherapy seeds, which are used to treat prostate cancer. Syncor manufactured its own line of Iodine-125 brachytherapy seeds until February 2002, when it discontinued production of the seeds.

Syncor offers more than 50 brand name and generic radiopharmaceuticals. Syncor is applying strengths developed in the marketing and distribution of Cardiolite(R) to position itself to become a major provider of PET radiopharmaceuticals, brachytherapy seeds and other time-sensitive, complex pharmaceutical products, such as Xigris, where it believes there are other

marketing opportunities. Syncor has a strategic partnership with Eli Lilly and Company to be their exclusive rapid response provider of Xigris, a biotechnology compound used to treat severe sepsis, a life-threatening condition if not treated immediately. In February 2002, Syncor entered into an agreement with IDEC Pharmaceuticals Corporation to distribute Zevalin(R), a novel radioimmunotherapy recently approved by the U.S. Food and Drug Administration for the treatment of certain Non-Hodgkin's Lymphomas.

Syncor has other businesses that complement its radiopharmacy services business. Syncor provides radiology technical staff on a temporary or full-time basis to hospitals, radiology clinics, nuclear cardiology clinics and physician offices in over 30 markets nationwide. On August 1, 2001, Syncor acquired Inovision

Radiation Measurements, LLC and its affiliate, Victoreen, LLC, both of which now operate as Syncor Radiation Management, LLC. As a result of the acquisition, Syncor now manufactures and supplies radiation measurement equipment and related accessories used by nuclear medicine departments, radiopharmacies and other businesses that handle radioactive materials. On August 31, 2001, Syncor acquired InteCardia, Inc., a provider of cardiovascular services through the operation of a state-of-the-art cardiac diagnostic facility that offers outpatient cardiac catheterization, nuclear cardiology and echocardiography. InteCardia also offers nuclear cardiology groups with full turnkey services, including the provision of imaging and cardiac stress equipment and nuclear medicine technologists.

In 1994, Syncor introduced the SECURE(R) Safety Insert System, which is designed to eliminate the potential for contamination of lead-lined or tungsten radiopharmaceutical containers with radioactive material or the blood from used radiopharmaceutical syringes. With the SECURE(R) Safety Insert System, the risk of needle sticks also is reduced significantly. Syncor believes that its patented SECURE(R) Safety Insert System is the only system currently available that meets new, more stringent Occupational Safety and Health Administration industry standards that went into effect in July 2001. Syncor also has patent rights to a family of tungsten radiopharmaceutical delivery systems that Syncor refers to as the "Pigs." The Pigs are radiopharmaceutical containers that are smaller and weigh considerably less than traditional containers used to transport radiopharmaceuticals and set new industry standards for the safe transport and handling of radiopharmaceuticals, including FDG. Syncor's tungsten containers also provide enhanced radiation shielding compared to lead-lined delivery systems typically used by Syncor's competitors, resulting in a reduction in radiation exposure to Syncor's pharmacy personnel and customers.

Syncor also licenses to its customers its proprietary Windows-based SYNtrac(TM), Unit Dose Manager and NucLink(TM) integrated software and hardware systems to assist them in the management of their nuclear medicine departments and to facilitate electronic communication with Syncor's radiopharmacies. As of December 31, 2001, Syncor licensed its software systems to more than 1,600 of its radiopharmacy customers.

Syncor's 130 domestic radiopharmacies serve hospitals, medical clinics and medical imaging centers in 48 states and supplies more than 50% of the United States for these specialized services. Syncor also owns or operates 19 radiopharmacies in 13 foreign countries and in Puerto Rico.

Syncor's principal radiopharmacy service customers are:

- corporate account customers, such as group purchasing organizations, or GPOs;

- local independent hospitals and medical clinics; and

- community-based, multiple-facility integrated health care networks, which we refer to as IHNs.

Corporate account customers, either GPOs or proprietary multi-hospital groups, negotiate contracts on behalf of IHNs, independent hospitals, and clinics. These contracts are multi-year contracts, although certain contracts have clauses that permit the GPO or multi-hospital group to cancel the contract if certain conditions occur. Syncor estimates that it has 1,165 customers committed under a national or regional contract. Sales to members or affiliates of its corporate account customers were approximately $225 million in 2001, representing nearly 29% of its net sales, compared to approximately $187 million, or nearly 30% of its net sales in 2000. Syncor's largest corporate account customers include AmeriNet Inc. and Health Trust Purchasing Group (formerly Columbia/HCA). In 2001, sales to AmeriNet and Health Trust represented 10% and 6%, respectively, of Syncor's net sales. No other corporate account customer accounts for as much as 5% of Syncor's net sales.

Syncor also has customers that are affiliated with GPOs that do not have contracts with us. Sales to these customers were approximately $191 million in 2001, representing nearly 25% of Syncor's net sales, compared to approximately $168 million, or 26.8% of Syncor's net sales in 2000. No customers in this sales category accounted for as much as 5% of Syncor's net sales. Despite the fact that the majority of IHN's and hospitals hold membership or are affiliated with a GPO or proprietary multi-hospital group, some IHN's and local independent hospitals choose not to participate in a national agreement. Syncor's sales to these customers were approximately $133 million in 2001, representing nearly 17.2% of Syncor's net sales. This compares to

$104 million, representing 16.5% of Syncor's net sales, in 2000. No local independent hospital or clinic accounted for as much as 5% of Syncor's net sales.

Syncor markets and sells its radiopharmacy services and products and services in the United States directly through a dedicated sales force of more than 100 national and regional sales and marketing personnel. Syncor's sales and marketing personnel are responsible for developing and managing personnel relationships and for communicating the benefits of working with Syncor. To maintain a highly effective local presence, Syncor's field sales force works closely with local radiopharmacy managers to ensure that Syncor's customers' expectations are met on a daily basis. Syncor also has personnel dedicated to targeting and managing contracts with multi-hospital groups, including GPOs, proprietary hospital systems, and multi-hospital alliances. In addition, Syncor has a specialty sales team designed to increase Syncor's sales in new areas separate from traditional nuclear medicine, such as brachytherapy and PET.

Syncor also relies indirectly on the sales and marketing efforts by manufacturers of the radiopharmaceuticals Syncor distributes. For example, Syncor's sales and marketing force works closely with Bristol-Myers' sales and marketing personnel to make joint sales calls, prepare marketing and sales materials, and educate customers regarding the Bristol-Myers products Syncor distributes.

Syncor has a nationwide distribution network consisting of a national distribution center in Toledo, Ohio, and three regional distribution centers.

Syncor's national distribution center maintains a central warehouse of critical supplies in order to facilitate bulk-purchasing and minimize warehousing and inventory requirements at its radiopharmacies.

Syncor also is a leading independent provider of outpatient medical imaging services. Its 70 outpatient medical imaging centers in the United States are organized in clusters, located primarily in Arizona, California, Florida and Texas. Syncor also owns or operates 19 medical imaging centers in five foreign countries and Puerto Rico. Medical imaging services principally are noninvasive procedures that generate representations of internal anatomy and convert them to film or digital media to aid in the detection and diagnosis of diseases and other disorders. By concentrating centers in targeted markets, Syncor offers managed care organizations and other third-party payors a full complement of medical imaging services, including magnetic resonance imaging, or MRI, computed tomography, or CT, traditional X-ray, mammography, ultrasound and fluoroscopy imaging, as well as PET imaging services. On June 14, 2002, Syncor announced that it is exiting the medical imaging business and is entertaining offers for CMI.

As previously disclosed, in the quarter ending June 30, 2002, Syncor recorded an after-tax charge of approximately $28 million related to its decision to divest CMI, the reorganization of its international operations announced earlier in 2002, and other related operating charges. This charge, which is unrelated to the proposed merger with Cardinal Health, relates to facility closings, employee termination costs and the write-down of assets, including additional provisions for allowance for uncollectible accounts and contractual allowances, as well as corporate charges related to the reorganization of Syncor's information technology division and the departure of former Syncor executives.

Syncor has its principal executive offices at 6464 Canoga Avenue, Woodland Hills, California 91367-2407, and its telephone number is (818) 737-4000. Additional information regarding Syncor is contained in its filings with the SEC pursuant to the Exchange Act. See "Where You Can Find More Information."

BUSINESS OF CARDINAL HEALTH

Cardinal Health is a leading, global provider of products and services supporting the health care industry. Cardinal Health employs nearly 50,000 people on five continents and produces annual revenues of more than $44 billion.

Cardinal Health offers a broad spectrum of products and services to both upstream customers, including pharmaceutical, biotech, medical/surgical and lab manufacturers, and downstream customers, including pharmacies and hospitals, physician offices and other sites of care, through four primary business units:

- Pharmaceutical distribution and provider services: Cardinal Health distributes a broad line of pharmaceutical and other health care products to hospital, retail and alternate-site pharmacies. We also operate several specialty health care businesses which offer value-added services such as repackaging and third-party logistics management, as well as specialty distribution of oncology products and other specialty products. Cardinal Health operates centralized nuclear pharmacies that prepare and deliver radio-pharmaceuticals, provides integrated pharmacy management

and temporary staffing, and manages The Medicine Shoppe(R), a retail pharmacy franchise.

- Medical-surgical products and services: Cardinal Health manufactures and distributes a broad range of medical, surgical and laboratory products, representing more than 3,000 suppliers in addition to our own line of self-manufactured products. We self-manufacture sterile and non-sterile procedure kits, surgical drapes, gowns and apparel, medical and surgical gloves, surgical suction and irrigation systems, respiratory therapy products, surgical instruments, instrument repair services, and special biopsy procedure devices. We also provide a range of consulting services that help hospitals improve quality and efficiency.

- Pharmaceutical technologies and services: Cardinal Health provides services to the developers and marketers of pharmaceutical and biotechnology products and offers a spectrum of complementary services including unique drug delivery systems. We are a leading provider of contract manufacturing of oral and sterile liquid and injectible pharmaceuticals, as well as other health care products in topical, inhaled and ophthalmic formulations. We also provide contract drug development and marketing services, and we are the leading provider of diversified clinical and commercial packaging services in the U.S. and Europe.

- Automation and information services: Cardinal Health operates leading-edge businesses focused on meeting customer needs through unique and proprietary automation and information products and services. These include our Pyxis point-of-use systems that automate the distribution and management of medications and supplies in hospitals and other health care facilities. We also provide information systems that analyze clinical outcomes and assist pharmacies in obtaining reimbursement from third parties.

Cardinal Health has expanded into these businesses through a combination of internal growth and acquisitions to develop beyond its original drug distribution business. On February 18, 1998, Cardinal Health completed its acquisition of MediQual Systems, Inc., a leading supplier of clinical information management systems and services to the health care industry. On August 7, 1998, Cardinal Health completed a merger with R.P. Scherer Corporation, an international developer and manufacturer of drug delivery systems. On February 3, 1999, Cardinal Health completed a merger transaction with Allegiance Corporation, a McGaw Park, Illinois-based distributor and manufacturer of medical, surgical and laboratory products and a provider of cost-saving services. On September 10, 1999, Cardinal Health completed a merger transaction with Automatic Liquid Packaging, a Woodstock, Illinois-based custom manufacturer of sterile liquid pharmaceuticals and other healthcare products. On August 16, 2000, Cardinal Health completed the purchase of Bergen Brunswig Medical Corporation, a distributor of medical, surgical and laboratory supplies to doctors' offices, long-term care and nursing centers, hospitals and other providers of care. On February 14, 2001, Cardinal Health completed a merger transaction with Bindley Western Industries, Inc., an Indianapolis, Indiana-based wholesale distributor of pharmaceuticals and provider of nuclear pharmacy services. Cardinal Health has also completed a number of smaller acquisition transactions (asset purchases, stock purchases and mergers) during the last five years, including transactions involving MedSurg Industries, Inc.,

Rexam Cartons Inc., International Processing Corporation, American Threshold Industries, Inc., SP Pharmaceuticals, L.L.C., Magellan Laboratories Incorporated and Boron, LePore & Associates, Inc.

Cardinal Health and Mudhen Merger Corp. each have their principal executive office at 7000 Cardinal Place, Dublin, Ohio 43017, and their telephone number is (614) 757-5000. Additional information concerning

Cardinal Health and its subsidiaries is included in the Cardinal Health documents filed with the SEC, which are incorporated by reference in this document. See "Where You Can Find More Information."

MUDHEN MERGER CORP.

Mudhen Merger Corp. is a wholly owned subsidiary of Cardinal Health formed for the purpose of effecting the merger.

DESCRIPTION OF CARDINAL HEALTH CAPITAL STOCK

The following is a summary of certain rights of Cardinal Health shareholders. Reference is made to Cardinal Health's articles of incorporation and code of regulations, in each case, as amended and restated, copies of which are filed as exhibits to the registration statement of which this document is a part and are incorporated into this document by reference. See "Where You Can Find More Information" for information on how to obtain a copy of Cardinal Health's articles of incorporation or code of regulations.

AUTHORIZED AND OUTSTANDING SHARES

Cardinal Health's articles of incorporation authorize Cardinal Health to issue up to 750,000,000 Cardinal Health common shares. On August 28, 2002, approximately 445,654,250 Cardinal Health common shares were issued and outstanding, approximately 15,921,400 Cardinal Health common shares were held in treasury, approximately 102,163,550 Cardinal Health common shares were reserved for issuance under Cardinal Health's stock incentive and deferred compensation plans and approximately 14,700,000 Cardinal Health common shares were reserved for issuance under Cardinal Health's equity shelf registration statement. Based on the number of Syncor shares outstanding and the number of Syncor options outstanding (including Syncor options that are "out-of-the-money") as of the record date, Cardinal Health estimates that in connection with the merger, it will issue approximately [ ] Cardinal Health common shares. Cardinal Health's articles of incorporation also authorize Cardinal Health to issue up to 5,000,000 Class B common shares, none of which Cardinal Health Class B common shares are outstanding, and 500,000 nonvoting preferred shares, none of which Cardinal Health nonvoting preferred shares are outstanding. From time to time, Cardinal Health may issue additional authorized but unissued Cardinal Health common shares for share dividends, stock splits, employee benefit programs, financing and acquisition transactions, and other general purposes. Those Cardinal Health common shares will be available for issuance without action by Cardinal Health shareholders, unless the action is required by applicable law or the rules of the New York Stock Exchange or any other stock exchange on which

Cardinal Health common shares may be listed in the future. All outstanding Cardinal Health common shares are fully paid and nonassessable. Cardinal Health shareholders do not have preemptive rights and have no rights to convert their Cardinal Health common shares into any other security. All Cardinal Health common shares are entitled to participate equally and ratably in dividends, when and as declared by the Cardinal Health board of directors.

VOTING

Cardinal Health shareholders are entitled to one vote per Cardinal Health common share for the election of directors and upon all matters on which Cardinal Health shareholders are entitled to vote. Holders of Cardinal Health Class B common shares (if any are issued in the future) are entitled to one-fifth of one vote per Cardinal Health Class B common share in the election of directors and upon all matters on which Cardinal Health shareholders are entitled to vote. Under certain circumstances, holders of Cardinal Health Class B common shares have a separate class vote. Under Ohio law, Cardinal Health shareholders are afforded the right to vote their Cardinal Health common shares cumulatively for the election of nominees to fill the particular class of directors to be elected at each annual meeting, subject to compliance with certain procedural requirements.

ANTI-TAKEOVER PROVISIONS OF OHIO REVISED CODE

Chapter 1704 of the Ohio Revised Code generally provides that any person that acquires 10% or more of a corporation's voting stock (thereby becoming an "interested shareholder") may not engage in a wide range of "business combinations" with the corporation for a period of three years following the date the person became an interested shareholder, unless the directors of the corporation have approved the transactions or the interested shareholder's acquisition of shares of the corporation prior to the date the interested shareholder

became a shareholder of the corporation. These restrictions on interested shareholders do not apply under certain circumstances, including, but not limited to, the following:

- if the corporation's original articles of incorporation contain a provision expressly electing not to be governed by Chapter 1704 of the Ohio Revised Code;

- if the corporation, by action of its shareholders, adopts an amendment to its articles of incorporation expressly electing not to be governed by Chapter 1704 of the Ohio Revised Code; or

- if, on the date the interested shareholder became a shareholder of the corporation, the corporation did not have a class of voting shares registered or traded on a national securities exchange.

Cardinal Health's articles of incorporation do not contain a provision electing not to be governed by Chapter 1704 of the Ohio Revised Code. Under Section 1701.831 of the Ohio Revised Code, unless the articles of incorporation or code of regulations of a corporation otherwise provide, any control share acquisition of an "issuing public corporation" can be made only with the prior approval of the shareholders of the corporation. A "control share acquisition" is defined as any acquisition of shares of a corporation that, when added to all

other shares of that corporation owned by the acquiring person, would enable that person to exercise levels of voting power in any of the following ranges: at least 20% but less than 33 1/3%, at least 33 1/3% but less than 50%, or 50% or more. Cardinal Health falls within the definition of issuing public corporation, but Cardinal Health's code of regulations expressly provides that the provisions of Section 1701.831 of the Ohio Revised Code do not apply to Cardinal Health.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for Cardinal Health common shares is EquiServe Trust Company, Providence, Rhode Island.

COMPARISON OF SHAREHOLDER/STOCKHOLDER RIGHTS

As a result of the merger, Syncor stockholders will receive Cardinal Health common shares in exchange for their Syncor shares. The following is a summary of certain material differences between the rights of holders of Syncor shares and the rights of holders of Cardinal Health common shares. These differences arise in part from the differences between Delaware law governing business corporations, including the Delaware General Corporation Law, commonly referred to as the DGCL, and Ohio law governing business corporations, including the Ohio General Corporation Law, commonly referred to as the OGCL. Additional differences arise from the governing instruments of the two companies (in the case of Syncor, its certificate of incorporation and by-laws, in each case, as amended and restated, and, in the case of Cardinal Health, its articles of incorporation and its code of regulations, in each case, as amended and restated). Although it is impractical to compare all of the aspects in which Delaware law and Ohio law and Syncor's and Cardinal Health's governing instruments differ with respect to stockholders' or shareholders' rights, as the case may be, the following discussion summarizes certain significant differences between them.

AUTHORIZED CAPITAL SHARES

CARDINAL HEALTH	SYNCOR
- 750,000,000 Cardinal Health common shares - 5,000,000 Cardinal Health Class B common shares - 500,000 Cardinal Health nonvoting preferred shares	- 200,000,000 Syncor shares

PUBLIC MARKET FOR THE SHARES

CARDINAL HEALTH	SYNCOR
Cardinal Health common shares are listed on the New York Stock Exchange.	Syncor shares are quoted on The Nasdaq National Market.

SIZE OF THE BOARD OF DIRECTORS

CARDINAL HEALTH	SYNCOR
The OGCL provides that the board of directors of an Ohio corporation with more than two shareholders must consist of three or more individuals, with the number specified in or fixed in accordance with the articles of incorporation or code of regulations of the corporation. Cardinal Health's code of regulations provides that the number of directors may not be fewer than nine nor greater than 15. Currently, there are 15 directors.	The DGCL provides that the board of directors of a Delaware corporation must consist of at least one individual, with the number specified in or fixed in accordance with the certificate of incorporation or by-laws of the corporation. Syncor's certificate of incorporation and by-laws provide for the number of directors to be fixed by majority vote of the entire Syncor board of directors; the number of directors of Syncor currently is nine.

CLASSES OF DIRECTORS

A classified board of directors is one in which some, but not all, of the directors are elected on a rotating basis each year. The purpose of staggering the terms of members of a board of directors is to promote stability and continuity within the board of directors. However, staggering the terms of directors also has the effect of decreasing the number of directors that may otherwise be elected by stockholders or shareholders, as the case

may be, in a given year, and, therefore, may have the effect of precluding a contest for the election of directors or may delay, prevent or make more difficult changes in control of a corporation.

CARDINAL HEALTH	SYNCOR
The OGCL permits, but does not require, an Ohio corporation to provide in its articles of incorporation or code of regulations for a classified board of directors. Cardinal Health's code of regulations divides the Cardinal Health board of directors into three classes, as nearly equal in number as possible, with each class of directors serving a staggered term of three years.	The DGCL permits, but does not require, a Delaware corporation to provide in the certificate of incorporation or by-laws of the corporation for a classified board of directors. Syncor's by-laws divide the Syncor board of directors into three classes, as nearly equal in number as possible, with each class of directors serving a staggered term of three years.

NOMINATION OF DIRECTORS FOR ELECTION

CARDINAL HEALTH	SYNCOR
The OGCL provides that only those individuals nominated as directors may be elected as directors. Cardinal Health's code of regulations does not specify advance notice requirements for nominating directors.	Under Syncor's by-laws, a stockholder's nomination of an individual for election as director is timely only if it is received at Syncor's principal executive offices not less than 60 days in advance of the annual meeting of stockholders if the annual meeting of stockholders is to be held on a day that is within 30 days preceding the anniversary of

	the previous year's annual meeting of stockholders or 90 days in advance of the annual meeting of stockholders if the annual meeting of stockholders is to be held on or after the anniversary of the previous year's annual meeting of stockholders, or, with respect to any other annual meeting of stockholders, on or before the close of business on the 15th day following the date of public disclosure of the date of the annual meeting of stockholders.

VACANCIES ON THE BOARD OF DIRECTORS

CARDINAL HEALTH	SYNCOR
The OGCL provides that vacancies, including vacancies resulting from an increase in the number of directors, on an Ohio corporation's board of directors may be filled by a majority of the remaining directors of the corporation, unless the governing documents of the corporation provide otherwise. If the remaining directors constitute less than a quorum of the board of directors, then the remaining directors may fill vacancies by a majority vote. Cardinal Health's code of regulations provides that vacancies on the Cardinal Health board of directors may be filled by the Cardinal Health board of directors until Cardinal Health shareholders hold a meeting to fill the vacancy. In addition, Cardinal Health shareholders	The DGCL provides that, unless the certificate of incorporation or by-laws of a Delaware corporation provide otherwise, the board of directors of the corporation may fill any vacancy on the board of directors, including vacancies resulting from an increase in the number of directors. The Syncor by-laws provide that newly created directorships resulting from any increase in the number of directors and any vacancies on the Syncor board of directors resulting from death, resignation, disqualification, removal or other cause, must be filled by the affirmative vote of a majority of the remaining directors then in office, and that any director elected in this fashion will hold office for the remainder of the

may elect a director to fill a vacancy (including any vacancy that previously had been filled by the directors) at any meeting of Cardinal Health shareholders called for that purpose.	full term of the class of directors in which the new directorship was created or the vacancy occurred and until the director's successor is elected and qualified. Decreases in the number of directors constituting the Syncor board of directors do not shorten the term of any incumbent director.

REMOVAL OF DIRECTORS

CARDINAL HEALTH	SYNCOR
The OGCL provides that directors of an Ohio corporation may only be removed for cause by the affirmative vote of the holders of a majority of the voting power entitling holders to elect directors in place of those to be removed, except that, unless all of the directors or all of the directors of a	The DGCL provides that directors of a Delaware Corporation may be removed from office with or without cause, by the holders of a majority of the voting power of all outstanding voting stock of the corporation, unless the corporation has a classified board of directors or its governing documents

particular class are removed, no individual director may be removed if the votes of a sufficient number of shares are cast against the director's removal that, if cumulatively voted at an election of all of the directors, or all of the directors of a particular class, as the case may be, would be sufficient to elect at least one director, unless the governing documents of the corporation provide that no director may be removed from office or that removal of directors requires a greater vote than described above.

Cardinal Health's code of regulations provides that all of the directors, all of the directors of a particular class, or any individual director may be removed, without assigning cause, by the affirmative vote of the holders of not less than 75% of the Cardinal Health common shares having voting power with respect to the election of directors, provided that unless all of the directors, or all of the directors of a particular class, are removed, no individual director will be removed in a case in which the votes of a sufficient number of shares are cast against his or her removal which, if cumulatively voted at an election of all of the directors, or all of the directors of a particular class, would be sufficient to elect at least one director. In addition, Cardinal Health's code of regulations provides that any director may be removed by the Cardinal Health board of directors for certain causes specified in Section 1701.58(B) of the OGCL (if the director is found by order of court to be of unsound mind, if the director is adjudicated a bankrupt, or if the director fails to meet any qualifications for office).

provide otherwise. Syncor's by-laws provide that any director may be removed from office with cause by the affirmative vote of the holders of a majority of the then-outstanding shares entitled to vote for the election of directors, and that any director may be removed from office without cause by the affirmative vote of the holders of 75% of the then-outstanding shares entitled to vote for the election of directors.

PROVISIONS AFFECTING CONTROL SHARE/STOCK ACQUISITIONS AND BUSINESS COMBINATIONS

CARDINAL HEALTH

Chapter 1704 of the Ohio Revised Code prohibits an "interested shareholder" from engaging in a wide range of business combinations (such as mergers and significant asset sales) with an "issuing public corporation" for three years after the date on which a shareholder becomes an interested shareholder (share acquisition date), unless the directors of the corporation approved the

SYNCOR

Section 203 of the DGCL provides generally that any person that acquires 15% or more of a Delaware corporation's voting stock (thereby becoming an "interested stockholder") may not engage in a wide range of "business combinations" with the corporation for a period of three years following the date the person became an interested stockholder, unless (1) the board

transaction or the share purchase by the interested shareholder prior to the share acquisition date. If the transaction was not previously approved, the interested shareholder may effect a transaction after the three-year period only if the transaction is approved by the affirmative vote of two-thirds of the voting power of the corporation and by the affirmative vote of the holders of at least a majority of the disinterested shares or if the offer meets certain fair price criteria.

Chapter 1704 of the Ohio Revised Code restrictions do not apply if an Ohio corporation, by action of its shareholders holding at least two-thirds of the voting power of the corporation, adopts an amendment to its articles of incorporation specifying that Chapter 1704 of the Ohio Revised Code will not be applicable to the corporation. Cardinal Health has not adopted this amendment.

Cardinal Health's articles of incorporation provide that, except as otherwise provided in Cardinal Health's articles of incorporation or code of regulations, any action requiring a supermajority vote under Ohio law may be taken by the vote of Cardinal Health shareholders entitling them to exercise a majority of the voting power of Cardinal Health, unless the proportion specified by applicable Ohio law cannot be altered by the articles of incorporation or the code of regulations.

Under Section 1701.831 of the Ohio Revised Code, unless the articles of incorporation or code of regulations of an Ohio corporation otherwise provide, any control share acquisition of an issuing public corporation only can be made with the prior approval of the shareholders of the corporation. Cardinal Health's articles of incorporation and code of regulations expressly provide that the provisions of Section 1701.831 of the Ohio Revised Code will not apply.

of directors of the corporation has approved, prior to that acquisition date, either the business combination or the transaction that resulted in the person becoming an interested stockholder, (2) upon consummation of the transaction that resulted in the person becoming an interested stockholder, that person owns at least 85% of the corporation's voting stock outstanding at the time the transaction commenced (excluding shares owned by individuals who are directors and also officers and shares owned by employee stock plans in which participants do not have the right to determine confidentially whether shares will be tendered in a tender or exchange offer), or (3) the business combination is approved by the board of directors of the corporation and authorized by the affirmative vote (at an annual or special meeting and not by written consent) of at least 66 2/3% of the outstanding voting stock not owned by the interested stockholder.

These restrictions on interested stockholders do not apply under certain circumstances, including, but not limited to, the following (1) if the corporation's original certificate of incorporation contains a provision expressly electing not to be governed by Section 203 of the DGCL, or (2) if the corporation, by action of stockholders of the corporation, adopts an amendment to the certificate of incorporation or by- laws of the corporation expressly electing not to be governed by Section 203 of the DGCL, with the amendment to be effective 12 months thereafter.

Although neither Syncor's certificate of incorporation nor its by-laws contain a provision electing not to be governed by Section 203 of the DGCL, the Syncor board of directors has taken all necessary action to ensure that Section 203 of the DGCL is inapplicable to the merger.

The OGCL generally requires approval of mergers, dissolution, dispositions of all or substantially all of an Ohio corporation's assets, and majority share acquisitions and combinations involving issuance of shares representing one-sixth or more of the voting power of the corporation immediately after the consummation of the transaction (other than so-called "parent-subsidiary" mergers), by two-thirds of the voting power of the corporation, unless the articles of incorporation of the corporation specify a different proportion (not less than a majority). Cardinal Health's articles of incorporation provide that the vote of a majority of the voting power of Cardinal Health (or majority of each class, if applicable) is required to approve these actions.

The DGCL requires that the merger or consolidation of a Delaware corporation with another entity, or the disposition of all or substantially all of a Delaware corporation's assets, requires the affirmative vote of a majority of the board of directors of the corporation (except in limited circumstances) and, with limited exceptions and unless the certificate of incorporation of the corporation specifies a different percentage, the affirmative vote of a majority of the outstanding stock entitled to vote on the merger or consolidation.

Syncor's certificate of incorporation and by-laws do not provide for a different percentage.

NOTICE OF SHAREHOLDERS/STOCKHOLDERS MEETINGS

CARDINAL HEALTH

The OGCL requires an Ohio corporation to notify shareholders of the corporation of the time, place, and purposes of shareholder meetings at least seven days but no more than 60 days prior to the date of the shareholders meeting, unless the articles of incorporation or code of regulations of the corporation specify a longer period. Upon request of an individual entitled to call a special shareholders meeting, the corporation must give shareholders notice of the special meeting to be held no less than seven nor more than 60 days after receipt of the request. If notice is not given within 15 days of receipt of the request (or shorter or longer period as the articles of incorporation or code of regulations of the corporation specify), the individual calling the meeting may fix the time for the meeting and give notice to the other shareholders. Cardinal Health's code of regulations does not alter these statutory provisions.

SYNCOR

The DGCL requires that written notice must be given to stockholders of a Delaware corporation of the time, date and place of stockholder meetings, as well as the means of remote communications by which stockholders of the corporation may be deemed to be present at the stockholders meeting, and, in the case of special meetings, the purpose of the special meeting, in each case, at least ten days but no more than 60 days prior to the date of the special meeting. Syncor's by-laws do not alter these statutory provisions.

SUBMISSION OF SHAREHOLDER/STOCKHOLDER PROPOSALS

CARDINAL HEALTH

No provision for the submission of shareholder proposals is made in the OGCL, or in Cardinal Health's articles of incorporation or code of regulations.

SYNCOR

Under Syncor's by-laws, to be timely, notice of a stockholder's proposal for consideration at an annual meeting must be received at the principal executive offices of Syncor: (1) not less than 60 days in advance of the annual meeting if the annual meeting is to be

	held on a day that is within 30 days preceding the anniversary of the previous year's annual meeting or 90 days in advance of the previous year's annual meeting if the annual meeting is to be held on or after the anniversary of the previous year's annual meeting; and (2) with respect to any other annual meeting, on or before the close of business on the 15th day following the date of public disclosure of the date of the annual meeting.
SPECIAL MEETING OF SHAREHOLDERS/STOCKHOLDERS	
CARDINAL HEALTH	SYNCOR
The OGCL provides that holders of at least 25% of the outstanding shares of an Ohio corporation (unless the code of regulations of the corporation specifies another percentage, which may in no case be greater than 50%), the directors of the corporation by action at a meeting or a majority of the directors acting without a meeting, the Chairman of the Board of the corporation, and the President of the corporation (or, in case of the President's death or disability, the Vice President of the corporation authorized to exercise the authority of the President) have the authority to call special meetings of shareholders. Cardinal Health's code of regulations expressly provides that special meetings of Cardinal Health shareholders may be called by the Chairman of the Board, the President, a majority of directors acting with or without a meeting, or the holders of shares entitling them to exercise at least 25% of the voting power of Cardinal Health entitled to be voted at the meeting.	The DGCL provides that special meetings of stockholders of a Delaware corporation may be called by the board of directors of the corporation, or by the individuals that are authorized by the certificate of incorporation or by-laws of the corporation. Under Syncor's by-laws, special meetings of the stockholders may be called only by the Chairman of the Board, the President or the Secretary of Syncor upon the request of the Syncor board of directors pursuant to a resolution approved by a majority of the entire Syncor board of directors.
SHAREHOLDER/STOCKHOLDER ACTION WITHOUT A MEETING	
CARDINAL HEALTH	SYNCOR
The OGCL provides that any action that may be taken by shareholders of an Ohio corporation at a meeting of shareholders may be taken without a meeting with the unanimous written consent of all shareholders entitled to vote at the meeting. Cardinal Health's code of regulations contains an identical	The DGCL provides that, unless otherwise provided in the certificate of incorporation of a Delaware corporation, any action that may be taken by stockholders of the corporation at a meeting of stockholders may be taken without a meeting, without prior notice and without a vote with the written

provision.

consent of the holders of outstanding stock having not less than the minimum number of votes required to take that action at a meeting of stockholders at which all shares of stock entitled to vote on the action were present and voted. Syncor's certificate of incorporation expressly prohibits the taking of stockholder actions other than at a duly called annual or special meeting of Syncor stockholders.

CUMULATIVE VOTING

Cumulative voting entitles each shareholder or stockholder, as the case may be, to cast an aggregate number of votes equal to the number of voting shares or voting stock, as the case may be, held, multiplied by the number of directors to be elected. Each shareholder or stockholder, as the case may be, may cast all of his, her or its votes for one nominee or distribute them among two or more nominees. The candidates (up to the number of directors to be elected) receiving the highest number of votes are elected.

CARDINAL HEALTH

The OGCL provides that each shareholder of an Ohio corporation has the right to vote cumulatively in the election of directors if certain notice requirements are satisfied, unless the articles of incorporation of a corporation are amended to eliminate cumulative voting for directors following their initial filing with the Ohio Secretary of State. Cardinal Health's articles of incorporation have not been amended to eliminate the rights of shareholders to vote cumulatively in the election of directors.

SYNCOR

While the DGCL allows the certificate of incorporation of a Delaware corporation to provide for cumulative voting, Syncor's certificate of incorporation does not contain this provision.

VOTING RIGHTS

CARDINAL HEALTH

Under the OGCL, except to the extent that the express terms of the shares of any class as an Ohio corporation provide otherwise, each outstanding share, regardless of class, entitles the shareholder to one vote on each matter properly submitted to shareholders of the corporation for their vote. Cardinal Health's articles of incorporation expressly provide that each Cardinal Health common share entitles its

SYNCOR

Under the DGCL, the voting rights of classes of stock of a Delaware corporation generally are set forth in the certificate of incorporation or resolutions of the corporation providing for the issuance of the class of stock. Under Syncor's certificate of incorporation and by-laws, each share of Syncor common stock entitles its holder to one vote. Syncor does not have any other classes of stock.

holder to one vote and each Cardinal Health Class B common share entitles its holder to one-fifth of one vote. In specified situations, nonvoting preferred shares may have voting rights.

SHAREHOLDER/STOCKHOLDER CLASS VOTING RIGHTS

CARDINAL HEALTH	SYNCOR
The OGCL provides that holders of a particular class of shares of an Ohio corporation are entitled to vote as a separate class if the rights of that class are affected in certain respects by mergers, consolidations, or amendments to the articles of incorporation. Cardinal Health's articles of incorporation permit holders of Cardinal Health Class B common shares to vote as a separate class on any amendment to Cardinal Health's articles of incorporation that	The DGCL requires voting by separate classes of stock of a Delaware corporation only with respect to amendments to the corporation's certificate of incorporation that adversely affect the holders of those classes of stock or increase or decrease the aggregate number of authorized shares or the par value of the shares of stock of any of those classes. Syncor only has one class of stock.

alters Cardinal Health Class B common shares' voting rights; on the issuance in the aggregate by Cardinal Health of additional Cardinal Health Class B common shares in excess of the number of Cardinal Health Class B common shares held by Chemical Equity Associates and its affiliates or issuable pursuant to the provisions of Cardinal Health's articles of incorporation governing the conversion of Cardinal Health common shares and Cardinal Health Class B common shares; and on any amendment, repeal, or modification of Cardinal Health's articles of incorporation that adversely affects the powers, preferences, or special rights of the holders of Cardinal Health Class B common shares.	

RIGHTS OF PREFERRED AND SPECIAL SHAREHOLDERS/STOCKHOLDERS

CARDINAL HEALTH	SYNCOR
Cardinal Health's articles of	Under the Syncor certificate of

incorporation authorize the Cardinal Health board of directors to issue up to 500,000 Cardinal Health nonvoting preferred shares in multiple series, without Cardinal Health shareholder approval. Prior to issuance, the Cardinal Health board of directors would determine the designations, preferences, limitations and relative and other rights of Cardinal Health nonvoting preferred shares. There are no Cardinal Health nonvoting preferred shares currently outstanding. Depending upon the terms of Cardinal Health nonvoting preferred shares issued, a new issuance may dilute the voting rights of holders of Cardinal Health common shares and any holders of Cardinal Health nonvoting preferred shares with preferences and rights superior to the rights of holders of Cardinal Health common shares and any previously issued Cardinal Health nonvoting preferred shares. The authorized Cardinal Health nonvoting preferred shares also may have possible antitakeover effects, because Cardinal Health could use the Cardinal Health nonvoting preferred shares in the adoption of a shareholder rights plan or other defensive measure.	incorporation, there currently is no class of stock authorized other than Syncor common stock. The Syncor by-laws authorize the Syncor board of directors to fix the designations and any of the preferences or rights of shares of Syncor stock relating to dividends, redemption, dissolution, or any distribution of assets of Syncor or the conversion into shares of any other class of Syncor stock, and to fix the number of shares of any series of Syncor stock or authorize an increase or decrease in the number of shares of Syncor stock of any series.

DIVIDENDS

CARDINAL HEALTH	SYNCOR
The OGCL provides that dividends may be paid in cash, property or shares of an Ohio corporation's capital stock.	The DGCL provides that dividends may be paid in cash, property or shares of a Delaware corporation's capital stock, and that the corporation may pay dividends out of any surplus, and, if it has no surplus,

The OGCL provides that an Ohio corporation may pay dividends out of surplus in certain circumstances and must notify the shareholders of the corporation if a dividend is paid out of capital surplus.	out of any net profits for the fiscal year in which the dividend was declared or for the preceding fiscal year (provided that the payment will not reduce capital below the amount of capital represented by all classes of stock having a preference upon the distribution of assets).

RIGHTS OF DISSENTING SHAREHOLDERS/STOCKHOLDERS

CARDINAL HEALTH	SYNCOR
Under the OGCL, dissenting shareholders are entitled to appraisal rights in	The DGCL provides that appraisal rights are available to dissenting stockholders of a

connection with the lease, sale, exchange, transfer or other disposition of all or substantially all of the assets of an Ohio corporation and in connection with certain amendments to the corporation's articles of incorporation. Shareholders of an Ohio corporation being merged into or consolidated with another corporation also are entitled to appraisal rights. In addition, shareholders of an acquiring corporation are entitled to appraisal rights in any merger, combination or majority share acquisition in which those shareholders are entitled to voting rights. The OGCL provides shareholders of an acquiring corporation with voting rights if the acquisition (a majority share acquisition) involves the transfer of shares of the acquiring corporation entitling the recipients of those shares to exercise one-sixth or more of the voting power of the acquiring corporation immediately after the consummation of the transaction.

The OGCL provides that a shareholder of an Ohio corporation's written demand must be delivered to the corporation not later than ten days after the taking of the vote on the matter giving rise to appraisal rights.

Delaware corporation in connection with certain mergers or consolidations. However, unless the corporation's certificate of incorporation provides otherwise, the DGCL does not provide for appraisal rights (1) if the stock of the corporation is listed on a national securities exchange or an interdealer quotations system or held of record by more than 2,000 stockholders (as long as the stockholders receive in the merger stock of the surviving corporation or of any other corporation the stock of which is listed on a national securities exchange or an interdealer quotations system or held of record by more than 2,000 stockholders) or (2) if the corporation is the surviving corporation and no vote of its stockholders is required for the merger. Syncor's certificate of incorporation does not provide otherwise. The DGCL does not provide appraisal rights to stockholders that dissent from the sale of all or substantially all of the corporation's assets or an amendment to the certificate of incorporation of the corporation, although the certificate of incorporation may so provide. Syncor's certificate of incorporation does not provide for these rights.

RIGHTS AGREEMENT

CARDINAL HEALTH

Cardinal Health does not have a rights plan or comparable arrangement in place.

SYNCOR

On September 28, 1999, the Syncor board of directors declared a dividend distribution of one right for each outstanding share of common stock pursuant to the rights agreement. The dividend is payable to holders of record of Syncor common stock at the close of business on October 8, 1999. Each right entitles the registered holder to purchase from Syncor one share of Syncor common stock at a price of $180 per share, which Syncor refers to as the purchase price. Currently, the rights are attached to all Syncor

common stock certificates, and no separate rights certificates have been distributed. Subject to certain exceptions, the rights will separate from the Syncor common stock and a "distribution date" will occur upon the earlier of (1) ten business days following a public announcement that a person or group of affiliated or associated persons, which Syncor refers to as an acquiring person, has

acquired, or obtained the right to acquire, beneficial ownership of 15% or more of the outstanding Syncor shares other than as a result of repurchases of Syncor common stock by Syncor or certain purchases by institutional or certain other similar Syncor stockholders, so long as they do not own 20% or more of the outstanding Syncor shares or following the date a person has entered into an agreement or arrangement with Syncor providing for an "acquisition transaction," which Syncor refers to as the stock acquisition date or (2) ten business days following the commencement of a tender offer or exchange offer that would result in a person or group becoming an acquiring person. An "acquisition transaction" is defined in the rights agreement as (1) a merger, consolidation or similar transaction involving Syncor as a result of which Syncor stockholders will own less than 50% of the outstanding Syncor shares, or (2) a purchase or other acquisition of all or substantially all of the assets of Syncor. Until the distribution date,

- the rights will be evidenced by the Syncor stock certificates and will be transferred with and only with the Syncor stock certificates,
- new Syncor stock certificates issued after the record date or new issuances will contain a notation incorporating the rights agreement by reference, and

- the surrender for transfer of any outstanding Syncor stock certificates will also constitute the transfer of the rights associated with the Syncor common stock represented by the Syncor certificate.

The rights are not exercisable until the distribution date and will expire at the close of business on September 28, 2009, unless earlier redeemed or extended by Syncor as described below. As soon as practicable after the distribution date, rights certificates will be mailed to holders of record of Syncor common stock as of the close of business on the distribution date, and, thereafter, the separate rights certificates alone will represent the rights.

Syncor shares issued after the distribution

date will be issued with rights if those Syncor shares are issued pursuant to the exercise of Syncor options or under an employee benefit plan, or upon the conversion of securities issued after adoption of the rights agreement. Except as otherwise determined by the Syncor board of directors, no other Syncor shares issued after the distribution date will be issued with rights.

In the event that a person becomes an acquiring person, except pursuant to an offer for all outstanding Syncor shares at a price determined by a majority of the Syncor independent directors, after receiving advice from one or more investment banking firms, to be adequate and otherwise in the best interests of Syncor and Syncor stockholders, each holder of a right will, thereafter, have the right to receive, upon exercise, Syncor common stock (or, in certain circumstances, cash, property or other securities of Syncor), having a value equal to two times the "exercise price" of the right. The exercise price is the purchase price times the number of Syncor shares associated with each right (initially, one Syncor share). Notwithstanding any of the foregoing, following the occurrence of the event set forth in this paragraph, all rights that are, or (under certain circumstances specified in the rights agreement) were, beneficially owned by any acquiring person will be null and void. However, rights are not exercisable following the occurrence of the event set forth above until the time as the rights are no longer redeemable by Syncor as set forth below.

For example, at an exercise price of $180 per right, each right not owned by an acquiring person (or by certain related parties) following the event set forth in the preceding paragraph would entitle its holder to purchase $360 worth of Syncor common stock (or other consideration, as noted above). Assuming that Syncor common stock had a per share value of $40 at that time, the holder of each valid right would be entitled to purchase nine Syncor shares for $180.

In the event that, following the stock acquisition date, (1) Syncor engages in a merger or other business combination transaction in which Syncor is not the surviving corporation, (2) Syncor engages in a merger or other business combination transaction in which Syncor is the surviving corporation and Syncor common stock is changed or exchanged, or (3) 50% or more of Syncor's assets, cash flow or earning power

is sold or transferred, each holder of a right (except

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rights that previously have been voided as set forth above) will thereafter have the right to receive, upon exercise of the right, common stock of the acquiring company having a value equal to two times the exercise price of the right. The events set forth in this paragraph and in the second preceding paragraph are referred to as the "triggering events."

Notwithstanding the foregoing paragraph, for 180 days, which we refer to as the special period, following a change in control of the Syncor board of directors that has not been approved by the Syncor board of directors, occurring within nine months of announcement of an unsolicited third-party acquisition or business combination proposal or of a third party's intent or proposal otherwise to become an acquiring person, the new Syncor directors are entitled to redeem the rights (assuming the rights would have otherwise been redeemable), including to facilitate an acquisition or business combination transaction involving Syncor, but only

- if they have followed certain prescribed procedures, or
- if the procedures are not followed, and if their decision regarding redemption and any acquisition or business combination is challenged as a breach of fiduciary duty of care or loyalty, the directors (solely for purposes of the effectiveness of the redemption decision) are able to establish the entire fairness of the redemption or transaction.

Until a right is exercised, the holder of the right will have no rights as a Syncor stockholder, including, without limitation, the right to vote or to receive dividends simply because he or she is a rights holder. While the distribution of the rights will not be taxable to Syncor stockholders or to Syncor, Syncor stockholders may, depending upon the circumstances, recognize taxable income in the event that the rights become exercisable for Syncor common stock (or other consideration) or for common stock of the acquiring company or in the event of the

redemption of the rights as set forth above.

In connection with the execution of the merger agreement, Syncor and the rights agent executed an amendment to the rights agreement so as to provide that neither Cardinal Health nor Mudhen Merger Corp. will become an acquiring person and that no stock acquisition date, distribution date, or triggering

event will occur as a result of the completion of the merger or any other transaction contemplated by the merger agreement. See "The Merger Agreement -- Syncor Rights Agreement Amendment."

The rights are designed to protect Syncor stockholders in the event of unsolicited offers or attempts to acquire Syncor, including offers that do not treat all Syncor stockholders equally, acquisitions in the open market of Syncor shares constituting control without offering fair value to all Syncor stockholders, and other coercive or unfair takeover tactics that could impair the Syncor board of directors' ability to fully represent Syncor stockholders' interests.

SHAREHOLDER/STOCKHOLDER PREEMPTIVE RIGHTS

CARDINAL HEALTH	SYNCOR
The OGCL provides that the shareholders of an Ohio corporation do not have a preemptive right to acquire the corporation's unissued shares, except to the extent the articles of incorporation of the corporation permit. Cardinal Health's articles of incorporation expressly eliminate any preemptive rights.	The DGCL provides that no stockholder of a Delaware corporation will have any preemptive rights to purchase additional securities of the corporation, unless the certificate of incorporation of the corporation expressly grants these rights. Syncor's certificate of incorporation does not provide for preemptive rights.

INSPECTION OF SHAREHOLDER/STOCKHOLDER LISTS

CARDINAL HEALTH

Under the OGCL, shareholders of an Ohio corporation have the right, upon written demand stating the purpose, to examine, at any reasonable time and for any reasonable and proper purpose, the articles of incorporation of the corporation, the corporation's books and records of account, the corporation's minutes, the corporation's records of shareholders, and the corporation's voting trust agreements, if any, on file with the corporation, and to make copies of these items. Cardinal Health's code of regulations authorizes the Cardinal Health board of directors to make reasonable rules and regulations prescribing under what conditions the books, records, accounts, and documents of Cardinal Health will be open to inspection by Cardinal Health shareholders.

The OGCL requires that, upon the request of a shareholder of an Ohio corporation at any meeting of shareholders, the corporation must produce at the meeting an alphabetically arranged list, or classified lists, of the shareholders of record as of the applicable record date that are entitled to vote.

SYNCOR

The DGCL provides any stockholder of a Delaware corporation the right to inspect for any proper purpose the corporation's stock ledger, a list of the corporation's stockholders, and the corporation's books and other records, and to make copies or extracts of the stock ledger, the list of the corporation's stockholders, and the corporation's books and other records. A "proper purpose" means a purpose reasonably related to the person's interest as a stockholder. Syncor's by-laws further provide that, at least ten days before each meeting of stockholders, the list of Syncor stockholders will be open to the examination of any Syncor stockholder, for any purpose germane to the meeting, during ordinary business hours, either at a place within the city, town or village where the meeting is to be held, or at the place where the meeting is to be held. The stockholders list must be produced and kept at the time and place of the meeting during the whole time of the meeting, and may be inspected by any stockholder that is present.

LIABILITY OF DIRECTORS AND OFFICERS

CARDINAL HEALTH

The OGCL provides no provision limiting the liability of officers, employees or agents of an Ohio corporation Cardinal Health's articles of incorporation also do not contain that type of provision. However, under the OGCL, a director of an Ohio corporation is not liable for monetary damages, unless it is proved by clear and convincing evidence that the director's action or failure to act was undertaken with deliberate intent to cause injury to the corporation or with reckless disregard for the best interests of the corporation.

SYNCOR

The DGCL allows a Delaware corporation to include in the certificate of incorporation of the corporation, and the Syncor certificate of incorporation contains, a provision eliminating the liability of a director for monetary damages for a breach of his or her fiduciary duties as a director, except liability:

- for any breach of a director's duty of loyalty to the corporation or its stockholders,
- for acts or omissions not in good faith or that involve intentional misconduct or knowing violation of law,
- under Section 174 of the DGCL (which generally deals with unlawful payments of dividends, stock repurchases and redemptions), and
- for any transaction from which the

director derived an improper personal benefit.

DUTIES OF DIRECTORS

CARDINAL HEALTH	SYNCOR
The OGCL requires a director of an Ohio corporation to perform his or her duties as a director: - in good faith, - with the care an ordinarily prudent person in a like position would exercise under similar circumstances, and - in a manner the director reasonably believes to be in or not opposed to the best interests of the corporation. The OGCL provides that a director will not be found to have violated his or her duties as a director, unless it is proved by clear and convincing evidence that the director has not acted in good faith, in a manner the director reasonably believes to be in or not opposed to the best interests of the corporation, or with the care that an ordinarily prudent person in a like position would use under similar circumstances. This standard applies in any action brought against a	The DGCL contains no express provisions relating to standards governing a director's performance of his or her duties.

Cardinal Health director, including actions involving or affecting a change or potential change in control of Cardinal Health, a termination or potential termination of the director's service to Cardinal Health as a director or the director's service in any other position or relationship with Cardinal Health.

INDEMNIFICATION OF DIRECTORS AND OFFICERS

CARDINAL HEALTH	SYNCOR
The OGCL provides that an Ohio corporation may indemnify directors, officers, employees and agents of a corporation within prescribed limits, and must indemnify them under certain	The DGCL permits a Delaware corporation to indemnify directors, officers, employees and agents of the corporation under certain circumstances, and mandates indemnification under certain circumstances. The DGCL permits

circumstances. The OGCL does not authorize payment by a corporation of judgments against a director, officer, employee or agent of a corporation after a finding of negligence or misconduct in a derivative suit absent a court order. Indemnification is required, however, to the extent the individual succeeds on the merits. In all other cases, if it is determined that a director, officer, employee or agent of the corporation acted in good faith and in a manner the individual reasonably believed to be in or not opposed to the best interests of the corporation, or, with respect to a criminal proceeding, he or she had no reasonable cause to believe that his or her conduct was unlawful, indemnification is discretionary, except as otherwise provided by a corporation's articles of incorporation, or code of regulations, or by contract, and except with respect to the advancement of expenses to directors (as discussed in the next paragraph). The statutory right to indemnification is not exclusive in Ohio, and Ohio corporations may, among other things, purchase insurance to indemnify these individuals.

The OGCL provides that a director (but not an officer, employee or agent) of an Ohio corporation is entitled to mandatory advancement of expenses, including attorneys' fees, incurred in defending any action, including derivative actions, brought against the director, provided that the director agrees to cooperate with the corporation concerning the matter and to repay the amount advanced if it is proven by clear and convincing evidence that the director's act or failure to act was done with deliberate intent to cause injury to the corporation or with reckless disregard for the corporation's best interests.

Cardinal Health's code of regulations provides for indemnification by Cardinal Health to the fullest extent expressly permitted by the OGCL of any

individual made or threatened to be made a party to any action, suit or proceeding by reason of the fact that the individual is or was a director, officer, employee or agent of Cardinal Health or of any other corporation for which the individual was serving as a director, officer, employee or agent at the

the corporation to indemnify an officer, director, employee or agent of the corporation for fines, judgments, or settlements, as well as for expenses in the context of actions other than derivative actions, if the individual acted in good faith and in a manner the individual reasonably believed to be in or not opposed to the best interests of the corporation, or, in the case of a criminal proceeding, if the individual had no reasonable cause to believe that the individual's conduct was unlawful. Indemnification against expenses incurred by a director, officer, employee or agent of the corporation in connection with a proceeding against the individual for actions in his or her capacity as a director, officer, employee or agent of the corporation, is mandatory to the extent that the individual has been successful on the merits. If a director, officer, employee or agent of the corporation is determined to be liable to the corporation, indemnification for expenses is not allowable, subject to limited exceptions when a court deems the award of expenses appropriate. The DGCL grants express power to the corporation to purchase liability insurance for its directors, officers, employees and agents of the corporation, regardless of whether the individual is otherwise eligible for indemnification by the corporation. Advancement of expenses is permitted, but an individual receiving advances must repay those expenses if it is ultimately determined that he or she is not entitled to indemnification.

Syncor's by-laws provide for indemnification of Syncor's directors to the fullest extent possible against all liability and loss suffered and expenses (including attorneys' fees), judgments, fines and amounts paid in settlement, as well as for expenses incurred to the extent the director is successful on the merits and for advancement of expenses.

request of Cardinal Health.

AMENDMENT OF CHARTER DOCUMENTS

CARDINAL HEALTH	SYNCOR
To amend an Ohio corporation's articles of incorporation, the OGCL requires the approval of shareholders of the corporation holding two-thirds of the voting power of the corporation or, in cases in which class voting is required, of shareholders of the corporation holding two-thirds of the voting power of that class, unless otherwise specified in the corporation's articles of incorporation. Cardinal Health's articles of incorporation specify that the holders of a majority of the voting power of Cardinal Health, or, when appropriate, any class of Cardinal Health shareholders, may amend Cardinal Health's articles of incorporation. The OGCL also provides that any amendment to the articles of incorporation of the corporation whose directors are classified that would change or eliminate classification of directors may be adopted by the shareholders only at a meeting expressly held for that purpose, by the vote described above and by the affirmative vote of at least a majority of disinterested shares voted on the proposal.	The DGCL requires approval by holders of a majority of the voting power of a Delaware corporation, and of a majority of the outstanding stock of each class entitled to vote to amend the certificate of the corporation as a class, in order to amend the certificate of incorporation of the corporation. Syncor's certificate of incorporation provides that the affirmative vote of the holders of at least 75% of the voting power of the outstanding stock of each class, voting together as a single class, is required to amend the article of Syncor's certificate of incorporation relating to amendment of Syncor's certificate of incorporation or by-laws.

AMENDMENT AND REPEAL OF CODE OF REGULATIONS AND BY-LAWS

CARDINAL HEALTH	SYNCOR
The OGCL provides that only shareholders of an Ohio corporation have the power to amend and repeal the corporation's code of regulations. Cardinal Health's code of regulations requires that these amendments be approved by the affirmative vote of the holders of a majority of the voting power entitled to vote on the matter, except that the affirmative vote of the holders of not less than 75% of the Cardinal Health common shares having voting power is required to amend, change or adopt any provision inconsistent with, or repeal provisions of Cardinal Health's code of regulations regarding the	Under the DGCL, holders of a majority of the voting power of a Delaware corporation and, when provided in the certificate of incorporation of the corporation, the directors of the corporation, have the power to adopt, amend and repeal the by-laws of a corporation. As permitted by the DGCL, Syncor's certificate of incorporation gives Syncor's directors the power to make, alter, amend, or repeal the Syncor by-laws, and provides that any by-laws made by Syncor's directors under the powers conferred thereby may be altered, amended or repealed by Syncor's directors or Syncor

number and classification of Cardinal Health directors, the term of office of Cardinal Health directors, the removal of Cardinal Health directors, or amendments to Cardinal Health's code of regulations.

The OGCL also provides that any amendment to the code of regulations of a corporation whose directors are classified that would change or eliminate the classification of directors may be adopted by the shareholders only at a meeting expressly held for that purpose, by the vote described above and by the affirmative vote of at least a majority of disinterested shares voted on the proposal.

stockholders, provided that the sections of Syncor's by-laws relating to annual and special meetings, confidential voting, the terms, appointment and removal of directors, and amendment of the by-laws, only may be altered, amended or repealed by the affirmative vote of the holders of 75% of the then-outstanding voting stock, voting as a single class.

Syncor's by-laws provide that, except as otherwise provided in Syncor's certificate of incorporation or under applicable law, Syncor's by-laws may be made, altered or repealed by either holders of a majority of the stock then entitled to vote present in person or by proxy at any annual or special meeting of Syncor stockholders at which a quorum is present, or by the affirmative vote of a majority of the Syncor board of directors.

OTHER ACTION TO BE TAKEN AT THE SPECIAL MEETING

SYNCOR ADJOURNMENT PROPOSAL

Syncor is submitting a proposal to Syncor stockholders to authorize the named proxies to vote in favor of the adjournment proposal at the special meeting of stockholders in the event that there are not sufficient votes to approve the merger agreement proposal at the time of the special meeting. Even though a quorum may be present at the special meeting, it is possible that Syncor may not have received sufficient votes to approve the merger agreement proposal. In that event, we would need to adjourn the special meeting in order to solicit additional proxies.

To allow the proxies that have been received by Syncor at the time of the special meeting to be voted for the adjournment, if necessary, Syncor has submitted the question of adjournment under those circumstances, and only under those circumstances, to Syncor stockholders for their consideration. Approval of the adjournment proposal requires the affirmative vote of the holders of a majority of the voting power of Syncor shares present in person or represented by proxy at the special meeting.

The Syncor board of directors recommends that the Syncor stockholders vote their proxies "FOR" the adjournment proposal so that their proxies may be used

for that purpose, should it become necessary. Properly executed proxies will be voted "FOR" the adjournment proposal, unless otherwise noted on the proxies. If it is necessary to adjourn the special meeting, no notice of the time and place of the adjourned special meeting is required to be given to Syncor stockholders other than an announcement of the time and place at the special meeting, unless the adjournment is for more than 30 days, or, if, after the adjournment, a new record date is set. The adjournment proposal relates only to an adjournment of the special meeting occurring for purposes of soliciting additional proxies for approval of the merger agreement proposal in the event that there are insufficient votes to approve the merger agreement proposal at the special meeting. Any other adjournment of the special meeting (e.g., an adjournment required because of the absence of a quorum) would be voted upon pursuant to the discretionary authority granted by the proxy.

The Syncor board of directors retains full authority to postpone the special meeting prior to the special meeting being convened, without the consent of any Syncor stockholder.

THE SYNCOR BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ADJOURNMENT PROPOSAL.

As of the date of this document, the Syncor board of directors does not know of any matters that will be presented for consideration at the special meeting other than as described in this document. If any other matters do properly come before the special meeting or any adjournments or postponements of the special meeting and are voted upon, the enclosed proxy will be deemed to confer discretionary authority on the individuals named as proxies to vote Syncor shares represented by those proxies as to any of those matters.

LEGAL MATTERS

The validity of Cardinal Health common shares to be issued in the merger will be passed upon for Cardinal Health by Wachtell, Lipton, Rosen & Katz, special counsel to Cardinal Health.

Skadden, Arps, Slate, Meagher & Flom LLP, special counsel to Syncor, will render the opinion referred to under "Material U.S. Federal Income Tax Consequences."

INDEPENDENT PUBLIC ACCOUNTANTS

The consolidated financial statements and the related consolidated financial statement schedule of Cardinal Health and its subsidiaries as of June 30, 2001 and 2000, and for each of the three years in the period ended June 30, 2001, have been incorporated in this document by reference from Cardinal Health's annual report on Form 10-K for the fiscal year ended June 30, 2001. Such consolidated financial statements and schedule as of and for the fiscal years ended June 30, 2001 and 2000, except for the financial statements of Bindley Western Industries, Inc. and its subsidiaries ("Bindley") as of and for the year ended December 31,

1999, have been audited by Arthur Andersen LLP as stated in their report which is incorporated herein by reference from the Cardinal Health Form 10-K for the fiscal year ended June 30, 2001. The consolidated statements of earnings, shareholders' equity and cash flows and the related consolidated financial

statement schedule of Cardinal Health and its subsidiaries for the year ended June 30, 1999, prior to restatement for the 2001 pooling of interests with Bindley, which are not presented separately herein, and except for the financial statements of Bindley, Allegiance Corporation and its subsidiaries ("Allegiance") and R.P. Scherer Corporation ("Scherer"), have been audited by Deloitte & Touche LLP as stated in their report which is incorporated herein by reference from the Cardinal Health Form 10-K for the fiscal year ended June 30, 2001. The separate financial statements of Scherer for the year ended June 30, 1999, which are not presented herein, have been audited by Arthur Andersen LLP, as stated in their reports which are incorporated herein by reference from Cardinal Health's Form 10-K for the fiscal year ended June 30, 2001. Arthur Andersen LLP audited the combination of the consolidated financial statements and related consolidated financial statement schedule for the year ended June 30, 1999, after restatement for the 2001 Bindley pooling of interests.

The financial statements of Bindley as of December 31, 1999 and for each of the two years in the period ended December 31, 1999 and the financial statements of Allegiance for the year ended June 30, 1999, such financial statements not being included or incorporated by reference in this document, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their reports appearing in Cardinal Health's Annual Report on Form 10-K for the fiscal year ended June 30, 2001, which is incorporated by reference in this document.

As previously disclosed in Cardinal Health's 8-K filed on May 9, 2002, Cardinal Health dismissed Arthur Andersen LLP as its independent public accountants and announced that Cardinal Health had appointed Ernst & Young LLP to replace Arthur Andersen LLP as its independent public accountants. On July 3, 2002, Arthur Andersen LLP publicly announced that it has commenced the closure of its Columbus, Ohio office. Solely due to the closure of Arthur Andersen LLP's Columbus office, after reasonable efforts, Cardinal Health has been unable to obtain Arthur Andersen LLP's written consent to include Arthur Andersen LLP's reports on Cardinal Health's or Scherer's financial statements which are incorporated by reference into this document. Under these circumstances, this document is permitted to be filed without a written consent from Arthur Andersen LLP in accordance with Rule 437a of the Securities Act of 1933. The absence of this consent may limit recovery against Arthur Andersen LLP under Section 11 of the Securities Act. In addition, as a practical matter, the ability of Arthur Andersen LLP to satisfy any claims (including claims arising from Andersen's provision of auditing and other services to Cardinal Health and Arthur Andersen LLP's other clients) may be limited due to recent events regarding Arthur Andersen LLP, including without limitation its conviction on federal obstruction of justice charges arising from the federal government's investigation of Enron Corp.

The consolidated financial statements of Syncor International Corporation as of December 31, 2001 and 2000, and for each of the three years in the period ended December 31, 2001, have been incorporated by reference in this document in reliance on the report by KPMG LLP, independent accountants.

OTHER MATTERS

Representatives of KPMG LLP are expected to be present at the special meeting with the opportunity to make statements if they so desire. These representatives also are expected to be available to respond to appropriate questions.

STOCKHOLDER PROPOSALS

The 2003 annual meeting of Syncor stockholders is presently scheduled to be held in June 2003, but will not be held if the merger is completed. If the 2003 annual meeting of Syncor stockholders is held, stockholder proposals must be received by Syncor no later than January 13, 2003 in order for the proposal to be considered timely for inclusion in the 2003 annual meeting proxy materials. To be included in Syncor's proxy statement, proposals must be proper under law and must comply with the rules and regulations of the SEC. All stockholder proposals should be addressed to Mr. Edwin A. Burgos, Secretary of Syncor.

WHERE YOU CAN FIND MORE INFORMATION

Cardinal Health will file with the SEC a registration statement under the Securities Act that registers the distribution to Syncor stockholders of the Cardinal Health common shares to be issued in connection with the merger. The registration statement, including the attached exhibits and schedules, will contain additional relevant information about Cardinal Health and Syncor. The rules and regulations of the SEC allow us to omit certain information included in the registration statement from this document.

In addition, Cardinal Health and Syncor file reports, proxy statements and other information with the SEC under the Exchange Act. Please call the SEC at 1-800-SEC-0330 for further information on the public reference rooms. You may read and copy this information at the following locations of the SEC:

Public Reference Room
450 Fifth Street, N.W.
Room 1024
Washington, D.C. 20549

You also may obtain copies of this information by mail from the Public Reference Section of the SEC, 450 Fifth Street, N.W., Room 1024, Washington, D.C. 20549, at prescribed rates. The SEC also maintains an Internet world wide web site that contains reports, proxy statements and other information about issuers, like Cardinal Health and Syncor, who file electronically with the SEC. The address of that site is http://www.sec.gov. You also can inspect reports, proxy statements and other information about Cardinal Health at the offices of the New York Stock Exchange, 20 Broad Street, New York, New York 10005.

The SEC allows Cardinal Health and Syncor to "incorporate by reference" information in this document. This means that Cardinal Health and Syncor can disclose important information to you by referring you to another document filed separately with the SEC. The information incorporated by reference is considered to be a part of this document, except for any information that is superseded by information that is included directly in this document.

This document incorporates by reference the documents listed below that Cardinal Health and Syncor previously have filed with the SEC. They contain important information about Cardinal Health and Syncor and their financial condition.

CARDINAL HEALTH SEC FILINGS (FILE NO. 0-12591)	DESCRIPTION OR PERIOD/AS OF DATE
Annual Report on Form 10-K	Year ended June 30, 2001
Quarterly Reports on Form 10-Q	Quarters ended September 30, 2001, December 31, 2001 and March 31, 2002
Current Reports on Form 8-K	March 11, 2002 and May 9, 2002
Proxy Statement	For the Cardinal Health annual meeting of shareholders held November 7, 2001
Registration Statement on Form 8-A, dated August 19, 1994	Description of Cardinal Health common shares contained therein and any amendment or report filed for the purpose of updating that description

SYNCOR SEC FILINGS (FILE NO. 000-08640)	DESCRIPTION OR PERIOD/AS OF DATE
Annual Report on Form 10-K	Year ended December 31, 2001
Quarterly Report on Form 10-Q	Quarter ended March 31, 2002 and June 30, 2002
Current Report on Form 8-K	June 21, 2002
Proxy Statement	For the Syncor annual meeting of stockholders held June 17, 2002
Registration Statement on Form 8-A, filed with the SEC on October 29, 1981	Description of Syncor shares contained therein and any amendment or report filed for the purpose of updating that description
Registration Statement on Form 8-A, filed with the SEC on October 20, 1999, as amended by Form 8-A/A, filed with the SEC on June 19, 2002	Description of the rights associated with Syncor shares contained therein and any amendment or report filed for the purpose of updating that description

Cardinal Health and Syncor incorporate by reference additional documents that either Cardinal Health or Syncor may file with the SEC between the date of this document and the date of the special meeting. These documents include periodic reports, such as Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, as well as proxy statements.

You can obtain any of the documents incorporated by reference in this document through Cardinal Health or Syncor, as the case may be, or from the SEC through the SEC's web site at the address described above. Documents incorporated by reference are available from Cardinal Health or Syncor, as the case may be, without charge, excluding any exhibits to those documents, unless the exhibit is specifically incorporated by reference as an exhibit in this document. You can obtain documents incorporated by reference in this document by requesting them in writing or by telephone from the appropriate company at the following addresses:

CARDINAL HEALTH:

Cardinal Health, Inc.
7000 Cardinal Place
Dublin, Ohio 43017
Attention: Vice President-Investor Relations
(614) 757-5000

SYNCOR:

Syncor International Corporation
6464 Canoga Avenue
Woodland Hills, California 91367-2407
Attention: Director-Investor Relations
(818) 737-4000

IF YOU WOULD LIKE TO REQUEST DOCUMENTS, PLEASE DO SO BY SEPTEMBER [ ], 2002 TO RECEIVE THEM BEFORE THE SPECIAL MEETING. If you request any documents incorporated by reference in this document from us, we will mail them to you by first class mail, or another equally prompt means, within one business day after we receive your request. Syncor stockholders that require assistance in changing or revoking a proxy should contact the solicitation agent Syncor and Cardinal Health have hired in connection with the special meeting:

[MACKENZIE PARTNERS, INC. LOGO]

105 Madison Avenue
New York, New York 10016
(212) 929-5500 (Call Collect)
E-mail: proxy@mackenziepartners.com
or
CALL TOLL-FREE (800) 322-2885

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WITH RESPECT TO THE INFORMATION CONTAINED IN THIS DOCUMENT, CARDINAL HEALTH HAS SUPPLIED THE INFORMATION CONCERNING CARDINAL HEALTH AND MUDHEN MERGER CORP., AND SYNCOR HAS SUPPLIED THE INFORMATION CONCERNING SYNCOR.

ANNEX A

AGREEMENT AND PLAN OF MERGER

BY AND AMONG

CARDINAL HEALTH, INC.
("CARDINAL"),

MUDHEN MERGER CORP.
a wholly owned direct subsidiary of Cardinal
("SUBCORP"),

and

SYNCOR INTERNATIONAL CORPORATION
("SYNCOR")

June 14, 2002

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AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (this "Agreement") is made and entered into as of the 14th day of June 2002, by and among Cardinal Health, Inc., an Ohio corporation ("Cardinal"), Mudhen Merger Corp., a Delaware corporation and a wholly owned subsidiary of Cardinal ("Subcorp"), and Syncor International Corporation, a Delaware corporation ("Syncor").

PRELIMINARY STATEMENTS

A. Cardinal desires to combine its businesses with the businesses operated by Syncor through the merger of Subcorp with and into Syncor, with Syncor as the surviving corporation (the "Merger"), pursuant to which each share of Syncor Common Stock (as defined in Section 4.4) outstanding at the Effective Time (as defined in Section 1.2) will be converted into the right to receive Cardinal Common Shares (as defined in Section 3.3(a)), all as more fully provided in this Agreement.

B. The Board of Directors of Syncor has determined that the Merger is consistent with and in furtherance of the long-term business strategy of Syncor, and Syncor desires to combine its businesses with the businesses operated by

Cardinal and for the holders of shares of Syncor Common Stock ("Syncor Stockholders") to have a continuing equity interest in the combined Cardinal/Syncor businesses through the ownership of Cardinal Common Shares.

C. The parties to this Agreement intend that the Merger constitute a "reorganization" (within the meaning of Section 368(a)(1)(B) of the Internal Revenue Code of 1986, as amended (together with the rules and regulations thereunder, the "Code")) and this Agreement be adopted as a plan of reorganization for the purposes of Section 368 of the Code.

D. Concurrently with the execution of this Agreement, and as a condition and inducement to Cardinal's willingness to enter into this Agreement, certain Syncor Stockholders are entering into Support Agreements (as defined in Section 4.26) with Cardinal in the form of Exhibit B to this Agreement.

E. The respective Boards of Directors of Cardinal, Subcorp and Syncor have determined the Merger in the manner contemplated in this Agreement to be advisable and in the best interests of their respective shareholders or stockholders, as the case may be, and, by resolutions duly adopted, have approved and adopted this Agreement.

AGREEMENT

Now, therefore, in consideration of these premises and the mutual and dependent promises set forth in this Agreement, the parties to this Agreement agree as follows:

ARTICLE I.

THE MERGER

1.1. The Merger. Upon the terms and subject to the conditions of this Agreement, and in accordance with the provisions of the Delaware General Corporation Law (the "DGCL"), Subcorp shall be merged with and into Syncor at the Effective Time. As a result of the Merger, the separate corporate existence of Subcorp shall cease and Syncor shall continue its existence under the laws of the State of Delaware as a wholly owned subsidiary of Cardinal. Syncor, in its capacity as the corporation surviving the Merger, is sometimes referred to as the "Surviving Corporation."

1.2. Effective Time. As promptly as possible on the Closing Date (as defined below), the parties to this Agreement shall cause the Merger to be consummated by filing with the Secretary of State of the State of Delaware (the "Delaware Secretary of State") a certificate of merger (the "Certificate of Merger") in such form as is required by and executed in accordance with Section 251 of the DGCL. The Merger shall become effective when the Certificate of Merger has been filed with the Delaware Secretary of State or at such later

time as shall be agreed upon by Cardinal and Syncor and specified in the Certificate of Merger (the "Effective Time"). Prior to the filing referred to in this Section 1.2, a closing (the "Closing") shall be held at the offices of Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, New York, or such other place as the parties to this Agreement may agree on, as soon as practicable (but in any event within three business days) following the date upon which all conditions set forth in Article VI that are capable of being satisfied prior to the Closing have been satisfied or waived, or at such other date as Cardinal and Syncor may agree; provided that the Closing shall be delayed if and only for so long as necessary if a banking moratorium, act of terrorism or war (whether or not declared) affecting United States banking or

financial markets generally prevents the Closing. The date on which the Closing takes place is referred to as the "Closing Date." For all Tax (as defined in Section 4.13(j)) purposes, the Closing shall be effective at the end of the day on the Closing Date.

1.3. Effects of the Merger. From and after the Effective Time, the Merger shall have the effects as provided for in this Agreement and the applicable provisions of the DGCL, including those set forth in Section 259 of the DGCL.

1.4. Certificate of Incorporation and By-laws. The Certificate of Merger shall provide that, at the Effective Time, (a) the Certificate of Incorporation of the Surviving Corporation as in effect immediately prior to the Effective Time shall be amended as of the Effective Time so as to contain the provisions, and only the provisions, contained immediately prior to the Effective Time in the Certificate of Incorporation of Subcorp (the "Subcorp Certificate of Incorporation"), except for Article I of the Subcorp Certificate of Incorporation, which shall continue to read "The name of the corporation is "SYNCOR INTERNATIONAL CORPORATION'," and (b) the By-laws of Subcorp (the "Subcorp By-laws") in effect immediately prior to the Effective Time shall be the By-laws of the Surviving Corporation, in each case, until amended in accordance with the DGCL.

1.5. Directors and Officers of the Surviving Corporation. From and after the Effective Time, the officers of Syncor shall be the officers of the Surviving Corporation and the directors of Subcorp shall be the directors of the Surviving Corporation, in each case, until their respective successors are duly elected and qualified. On or prior to the Closing Date, Syncor shall deliver to Cardinal evidence satisfactory to Cardinal of the resignations of the directors of Syncor, such resignations to be effective as of the Effective Time.

1.6. Additional Actions. If, at any time after the Effective Time, the Surviving Corporation shall consider or be advised that any further deeds, assignments or assurances in law or any other acts are necessary or desirable to (a) vest, perfect or confirm, of record or otherwise, in the Surviving Corporation its right, title or interest in, to or under any of the rights, properties or assets of Syncor or (b) otherwise carry out the provisions of this Agreement, Syncor and the officers and directors of Syncor shall be deemed to have granted to the Surviving Corporation an irrevocable power of attorney, and the Surviving Corporation and the officers and directors of the Surviving Corporation will be authorized in the name of and on behalf of Syncor to execute and deliver all such deeds, assignments or assurances in law and to take all acts necessary, proper or desirable to vest, perfect or confirm title to and possession of such rights, properties or assets in the Surviving Corporation and otherwise to carry out the provisions of this Agreement, and the officers and directors of the Surviving Corporation are authorized in the name of Syncor or otherwise to take any and all such action.

ARTICLE II.

CONVERSION OF SECURITIES

2.1. Conversion of Capital Stock. At the Effective Time, by virtue of the Merger and without any action on the part of Cardinal, Subcorp or Syncor or their respective shareholders and stockholders, as applicable:

(a) Each share of common stock, $0.01 par value, of Subcorp ("Subcorp Common Stock") issued and outstanding immediately prior to the Effective Time shall be converted into one validly issued, fully paid and nonassessable share of common stock, $0.01 par value, of the Surviving Corporation. Such newly issued shares shall thereafter constitute all of the issued and outstanding capital stock of the Surviving Corporation.

(b) Subject to the other provisions of this Article II, each share of Syncor Common Stock issued and outstanding immediately prior to the Effective Time shall be converted into and represent the right to receive a number of Cardinal Common Shares equal to the Exchange Ratio (as defined in Section 2.2(a)).

(c) Each share of capital stock of Syncor held in the treasury of Syncor shall be cancelled and retired and no payment shall be made in respect thereof.

2.2. Exchange Ratio; Fractional Shares; Adjustments.

(a) The "Exchange Ratio" shall be equal to 0.52.

(b) No certificates for fractional Cardinal Common Shares shall be issued as a result of the conversion provided for in Section 2.1(b) and such fractional share interests will not entitle the owner thereof to vote or have any rights of a holder of Cardinal Common Shares.

(c) In lieu of any such fractional Cardinal Common Shares, each holder of a certificate or certificates that immediately prior to the Effective Time represented outstanding shares of Syncor Common Stock (the "Certificates") that would otherwise have been entitled to a fraction of a Cardinal Common Share upon surrender of Certificates (determined after taking into account all Certificates delivered by such Syncor Stockholder) shall be paid upon such surrender cash (without interest) in an amount equal to such Syncor Stockholder's proportionate interest in the net proceeds from the sale or sales in the open market by the Exchange Agent, on behalf of all such Syncor Stockholders, of the aggregate fractional Cardinal Common Shares issued pursuant to this Article II. As soon as practicable following the Effective Date, the Exchange Agent shall determine the excess of (i) the number of full Cardinal Common Shares delivered to the Exchange Agent by Cardinal over (ii) the aggregate number of full Cardinal Common Shares to be distributed to Syncor Stockholders (such excess, the "Excess Shares"), and the Exchange Agent, as agent for the former Syncor Stockholders, shall sell the Excess Shares at the prevailing prices on the New York Stock Exchange, Inc. (the "NYSE"). The sale of the Excess Shares by the Exchange Agent shall be executed on the NYSE through one or more member firms of the NYSE and shall be executed in round lots to the extent practicable. All commissions, stock transfer Taxes and other out-of-pocket transaction costs, including the expenses and compensation of the Exchange Agent, incurred in connection with such sale of Excess Shares shall be paid by the Surviving Corporation. The Exchange Agent shall determine the portion of the proceeds of such sale to which each Syncor Stockholder shall be entitled, if any, by multiplying the amount of the proceeds of such sale by a fraction the numerator of which is the amount of fractional share interests to which such Syncor Stockholder is entitled (after taking into account all shares of Syncor Common Stock held at the Effective Time by such Syncor Stockholders) and the denominator of which is the aggregate amount of fractional share interests to which all Syncor Stockholders are entitled. Until the proceeds of such sale have been distributed to the former Syncor Stockholders, the Exchange Agent will hold such proceeds in trust for such former Syncor Stockholders. As soon as practicable after the determination of the amount of cash to be paid to such Syncor Stockholder in lieu of any fractional interests, the Exchange Agent shall make available in accordance with this Agreement such amounts to such former Syncor Stockholder.

(d) In the event that, prior to the Effective Time, Cardinal shall declare a stock dividend or other distribution payable in Cardinal Common Shares or securities convertible into Cardinal Common Shares, or effect a stock split, reclassification, reorganization, recapitalization, combination or other like

change with respect to Cardinal Common Shares having a record date or effective date prior to the Effective Time, the Exchange Ratio set forth in this Section 2.2 shall be adjusted to reflect fully such dividend, distribution, stock split, reclassification, reorganization, recapitalization, combination or other like change.

2.3. Exchange of Certificates.

(a) Exchange Agent. Promptly following the Effective Time, Cardinal shall deposit with EquiServe Trust Company or such other nationally-recognized exchange agent as may be designated by Cardinal (the "Exchange Agent"), for the benefit of Syncor Stockholders, for exchange in accordance with this Section 2.3, certificates representing Cardinal Common Shares issuable pursuant to Section 2.1 in exchange for outstand-

ing shares of Syncor Common Stock (such Cardinal Common Shares, together with any dividends or distributions with