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| <b>Form 5500</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security<br>Administration<br><br>Pension Benefit Guaranty Corporation | <b>Annual Return/Report of Employee Benefit Plan</b><br><br>This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► Complete all entries in accordance with the instructions to the Form 5500.</b> | OMB Nos. 1210-0110<br>1210-0089               |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                    | <b>2011</b>                                   |
|                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                    | <b>This Form is Open to Public Inspection</b> |

|                                                                                                          |                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                            | <b>Annual Report Identification Information</b>                                                                                                                                                                                           |
| For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u> |                                                                                                                                                                                                                                           |
| <b>A</b> This return/report is for:                                                                      | <input type="checkbox"/> a multiemployer plan; <input type="checkbox"/> a multiple-employer plan; or<br><input checked="" type="checkbox"/> a single-employer plan; <input type="checkbox"/> a DFE (specify) ____                         |
| <b>B</b> This return/report is:                                                                          | <input type="checkbox"/> the first return/report; <input type="checkbox"/> the final return/report;<br><input type="checkbox"/> an amended return/report; <input type="checkbox"/> a short plan year return/report (less than 12 months). |
| <b>C</b> If the plan is a collectively-bargained plan, check here. . . . .                               | <input type="checkbox"/>                                                                                                                                                                                                                  |
| <b>D</b> Check box if filing under:                                                                      | <input checked="" type="checkbox"/> Form 5558; <input type="checkbox"/> automatic extension; <input type="checkbox"/> the DFVC program;<br><input type="checkbox"/> special extension (enter description)                                 |

|                                                                                                                                                                                                                         |                                                                                                                                                                                                   |
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| <b>Part II</b>                                                                                                                                                                                                          | <b>Basic Plan Information</b> —enter all requested information                                                                                                                                    |
| <b>1a</b> Name of plan<br><u>KINRAY INC. PENSION PLAN &amp; TRUST</u>                                                                                                                                                   | <b>1b</b> Three-digit plan number (PN) ► <u>001</u><br><b>1c</b> Effective date of plan <u>04/01/1974</u>                                                                                         |
| <b>2a</b> Plan sponsor's name and address, including room or suite number (Employer, if for single-employer plan)<br><br><u>CARDINAL HEALTH, INC.</u><br><br><u>7000 CARDINAL PLACE</u><br><u>DUBLIN, OH 43017-1091</u> | <b>2b</b> Employer Identification Number (EIN)<br><u>31-0958666</u><br><b>2c</b> Sponsor's telephone number<br><u>614-757-5000</u><br><b>2d</b> Business code (see instructions)<br><u>551112</u> |

**Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.**

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

|                  |                                                          |                   |                                                              |
|------------------|----------------------------------------------------------|-------------------|--------------------------------------------------------------|
| <b>SIGN HERE</b> | <u>Filed with authorized/valid electronic signature.</u> | <u>10/11/2012</u> | <u>DAWN RICH</u>                                             |
|                  | <b>Signature of plan administrator</b>                   | Date              | Enter name of individual signing as plan administrator       |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of employer/plan sponsor</b>                | Date              | Enter name of individual signing as employer or plan sponsor |
| <b>SIGN HERE</b> |                                                          |                   |                                                              |
|                  | <b>Signature of DFE</b>                                  | Date              | Enter name of individual signing as DFE                      |

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2011)  
v.012611

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3a</b> Plan administrator's name and address (if same as plan sponsor, enter "Same")<br>CARDINAL HEALTH, INC.<br><br>7000 CARDINAL PLACE<br>DUBLIN, OH 43017-1091                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>3b</b> Administrator's EIN<br>31-0958666                |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>3c</b> Administrator's telephone number<br>614-757-5000 |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>4</b> If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:<br><br><b>a</b> Sponsor's name                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <b>4b</b> EIN<br><br><b>4c</b> PN                          |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>5</b> Total number of participants at the beginning of the plan year                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>5</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | 225                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>6</b> Number of participants as of the end of the plan year (welfare plans complete only lines <b>6a</b> , <b>6b</b> , <b>6c</b> , and <b>6d</b> ).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>a</b> Active participants.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>6a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 139                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>b</b> Retired or separated participants receiving benefits.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>6b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 8                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>c</b> Other retired or separated participants entitled to future benefits.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>6c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 70                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>d</b> Subtotal. Add lines <b>6a</b> , <b>6b</b> , and <b>6c</b> .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <b>6d</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 217                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>e</b> Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <b>6e</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>f</b> Total. Add lines <b>6d</b> and <b>6e</b> .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>6f</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 217                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>g</b> Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <b>6g</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>h</b> Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>6h</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 0                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>7</b> Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item) .....                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>7</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>8a</b> If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:<br>1A 1G 1I 3D                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>b</b> If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
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| <b>9a</b> Plan funding arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <b>9b</b> Plan benefit arrangement (check all that apply)<br>(1) <input type="checkbox"/> Insurance<br>(2) <input type="checkbox"/> Code section 412(e)(3) insurance contracts<br>(3) <input checked="" type="checkbox"/> Trust<br>(4) <input type="checkbox"/> General assets of the sponsor                                                                                                                                                                                          |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>10</b> Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; vertical-align: top; padding: 5px;"> <b>a Pension Schedules</b><br/>           (1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br/><br/>           (2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br/><br/>           (3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary         </td> <td style="width: 50%; vertical-align: top; padding: 5px;"> <b>b General Schedules</b><br/>           (1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br/>           (2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br/>           (3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br/>           (4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br/>           (5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br/>           (6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules)         </td> </tr> </table> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                            | <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |
| <b>a Pension Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>R</b> (Retirement Plan Information)<br><br>(2) <input type="checkbox"/> <b>MB</b> (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary<br><br>(3) <input checked="" type="checkbox"/> <b>SB</b> (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <b>b General Schedules</b><br>(1) <input checked="" type="checkbox"/> <b>H</b> (Financial Information)<br>(2) <input type="checkbox"/> <b>I</b> (Financial Information – Small Plan)<br>(3) <input type="checkbox"/> <b>A</b> (Insurance Information)<br>(4) <input type="checkbox"/> <b>C</b> (Service Provider Information)<br>(5) <input type="checkbox"/> <b>D</b> (DFE/Participating Plan Information)<br>(6) <input type="checkbox"/> <b>G</b> (Financial Transaction Schedules) |                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

|                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
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| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection</b> |
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For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                           |                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>KINRAY INC. PENSION PLAN &amp; TRUST</u>                                                                      | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>                                                                                                   |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><u>CARDINAL HEALTH, INC.</u>                                  | <b>D</b> Employer Identification Number (EIN)<br><u>31-0958666</u>                                                                                      |
| <b>E</b> Type of plan: <input checked="" type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input type="checkbox"/> Multiple-B | <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input checked="" type="checkbox"/> 101-500 <input type="checkbox"/> More than 500 |

|                                                                                                                                                                                                                 |                                                                                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| <b>Part I</b>                                                                                                                                                                                                   | <b>Basic Information</b>                                                       |
| <b>1</b> Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2011</u>                                                                                                                               |                                                                                |
| <b>2</b> Assets:                                                                                                                                                                                                |                                                                                |
| <b>a</b> Market value .....                                                                                                                                                                                     | <b>2a</b> <u>9239173</u>                                                       |
| <b>b</b> Actuarial value .....                                                                                                                                                                                  | <b>2b</b> <u>9239173</u>                                                       |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                            |                                                                                |
| <b>a</b> For retired participants and beneficiaries receiving payment .....                                                                                                                                     | <b>3a</b> (1) Number of participants <u>4</u> (2) Funding Target <u>953329</u> |
| <b>b</b> For terminated vested participants .....                                                                                                                                                               | <b>3b</b> <u>57</u> <u>1198573</u>                                             |
| <b>c</b> For active participants:                                                                                                                                                                               |                                                                                |
| (1) Non-vested benefits .....                                                                                                                                                                                   | <b>3c(1)</b> <u>0</u>                                                          |
| (2) Vested benefits .....                                                                                                                                                                                       | <b>3c(2)</b> <u>9025313</u>                                                    |
| (3) Total active .....                                                                                                                                                                                          | <b>3c(3)</b> <u>164</u> <u>9025313</u>                                         |
| <b>d</b> Total .....                                                                                                                                                                                            | <b>3d</b> <u>225</u> <u>11177215</u>                                           |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) .....                                                                                                                   | <input type="checkbox"/>                                                       |
| <b>a</b> Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>                                                                      |
| <b>b</b> Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>                                                                      |
| <b>5</b> Effective interest rate .....                                                                                                                                                                          | <b>5</b> <u>6.16 %</u>                                                         |
| <b>6</b> Target normal cost .....                                                                                                                                                                               | <b>6</b> <u>1107605</u>                                                        |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                                                                                    |                                        |
|------------------------------------------------------------------------------------|----------------------------------------|
| <b>SIGN HERE</b>                                                                   | <u>09/26/2012</u>                      |
| Signature of actuary                                                               | Date                                   |
| <u>MICHAEL FRANK</u>                                                               | <u>11-02440</u>                        |
| Type or print name of actuary                                                      | Most recent enrollment number          |
| <u>PPC</u>                                                                         | <u>914-682-5200</u>                    |
| Firm name                                                                          | Telephone number (including area code) |
| <u>925 WESTCHESTER AVENUE</u><br><u>SUITE 304</u><br><u>WHITE PLAINS, NY 10604</u> |                                        |
| Address of the firm                                                                |                                        |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.**

**Schedule SB (Form 5500) 2011**  
**v.012611**

| <b>Part II Beginning of year carryover and prefunding balances</b>                                                                |                       |                        |
|-----------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
|                                                                                                                                   | (a) Carryover balance | (b) Prefunding balance |
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year) .....                          | 0                     | 18312                  |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                       | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8) .....                                                                             | 0                     | 18312                  |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>7.46</u> % .....                                              |                       | 1366                   |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                    |                       |                        |
| <b>a</b> Present value of excess contributions (line 38 from prior year) .....                                                    |                       | 57036                  |
| <b>b</b> Interest on (a) using prior year's effective rate of <u>6.68</u> % except as otherwise provided (see instructions) ..... |                       | 3810                   |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance.....                                      |                       | 60846                  |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                                                    |                       | 60846                  |
| <b>12</b> Other reductions in balances due to elections or deemed elections .....                                                 | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d – line 12).....                                       | 0                     | 80524                  |

| <b>Part III Funding percentages</b>                                                                                                                                       |           |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage.....                                                                                                                       | <b>14</b> | 81.94 % |
| <b>15</b> Adjusted funding target attainment percentage.....                                                                                                              | <b>15</b> | 81.93 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b> | 88.55 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | <b>17</b> | %       |

| <b>Part IV Contributions and liquidity shortfalls</b>                                    |                                   |                                 |                          |                                   |                                 |
|------------------------------------------------------------------------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| <b>18</b> Contributions made to the plan for the plan year by employer(s) and employees: |                                   |                                 |                          |                                   |                                 |
| (a) Date<br>(MM-DD-YYYY)                                                                 | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
| 04/14/2011                                                                               | 246554                            |                                 |                          |                                   |                                 |
| 07/15/2011                                                                               | 246554                            |                                 |                          |                                   |                                 |
| 10/12/2011                                                                               | 246554                            |                                 |                          |                                   |                                 |
| 01/12/2012                                                                               | 246554                            |                                 |                          |                                   |                                 |
| 09/13/2012                                                                               | 585195                            |                                 |                          |                                   |                                 |
|                                                                                          |                                   |                                 | <b>Totals ►</b>          | <b>18(b)</b>                      | 1571411                         |
|                                                                                          |                                   |                                 |                          | <b>18(c)</b>                      | 0                               |

|                                                                                                                                                                                        |            |         |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|---------|
| <b>19</b> Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:                                                   |            |         |
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years. ....                                                                                   | <b>19a</b> | 0       |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date .....                                                                                                     | <b>19b</b> | 0       |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date .....                                                                | <b>19c</b> | 1477080 |
| <b>20</b> Quarterly contributions and liquidity shortfalls:                                                                                                                            |            |         |
| <b>a</b> Did the plan have a "funding shortfall" for the prior year? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No                                         |            |         |
| <b>b</b> If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ..... <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |            |         |
| <b>c</b> If 20a is "Yes," see instructions and complete the following table as applicable:                                                                                             |            |         |
| Liquidity shortfall as of end of quarter of this plan year                                                                                                                             |            |         |
| (1) 1st                                                                                                                                                                                | (2) 2nd    | (3) 3rd |
| 0                                                                                                                                                                                      | 0          | 0       |
|                                                                                                                                                                                        |            | (4) 4th |
|                                                                                                                                                                                        |            | 0       |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                                                                                                                                                              |                       |                       |                        |                                                     |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|-----------------------|------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                                                                                                                                                                     |                       |                       |                        |                                                     |
| <b>a</b> Segment rates:                                                                                                                                                                      | 1st segment:<br>2.94% | 2nd segment:<br>5.82% | 3rd segment:<br>6.46 % | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code) .....                                                                                                                                                 |                       |                       |                        | <b>21b</b> 0                                        |
| <b>22</b> Weighted average retirement age .....                                                                                                                                              |                       |                       |                        | <b>22</b> 65                                        |
| <b>23</b> Mortality table(s) (see instructions) <input checked="" type="checkbox"/> Prescribed - combined <input type="checkbox"/> Prescribed - separate <input type="checkbox"/> Substitute |                       |                       |                        |                                                     |

**Part VI Miscellaneous items**

|                                                                                                                                                                        |                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment. .... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment. ....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                             | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....                   | <b>27</b>                                                           |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29) .....                                   | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                      |                     |                    |               |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                   |                     |                    |               |
| <b>a</b> Target normal cost (line 6) .....                                                                                                                                           | <b>31a</b>          | 1107605            |               |
| <b>b</b> Excess assets, if applicable, but not greater than 31a .....                                                                                                                | <b>31b</b>          |                    |               |
| <b>32</b> Amortization installments:                                                                                                                                                 | Outstanding Balance | Installment        |               |
| <b>a</b> Net shortfall amortization installment .....                                                                                                                                | 2017303             | 390518             |               |
| <b>b</b> Waiver amortization installment .....                                                                                                                                       | 0                   | 0                  |               |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount ..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                            | <b>34</b>           | 1498123            |               |
|                                                                                                                                                                                      | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement.....                                                                                                                | 0                   | 21043              | 21043         |
| <b>36</b> Additional cash requirement (line 34 minus line 35) .....                                                                                                                  | <b>36</b>           | 1477080            |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c) .....                                                  | <b>37</b>           | 1477080            |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                  |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                       | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                                | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                      | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                   | <b>40</b>           | 0                  |               |

**Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)**

|                                                                                                                 |                                                                                                                         |  |  |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>41</b> If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule: |                                                                                                                         |  |  |
| <b>a</b> Schedule elected .....                                                                                 | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |  |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....                                | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |  |  |
| <b>42</b> Amount of acceleration adjustment .....                                                               | <b>42</b>                                                                                                               |  |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years .....                  | <b>43</b>                                                                                                               |  |  |

|                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                              |                                                                                           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE H</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Financial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).<br><br><b>► File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection</b> |
| For calendar plan year 2011 or fiscal plan year beginning <u>01/01/2011</u> and ending <u>12/31/2011</u>                                                                                                                                                                 |                                                                                                                                                                                                                                                                              |                                                                                           |
| <b>A</b> Name of plan<br><u>KINRAY INC. PENSION PLAN &amp; TRUST</u>                                                                                                                                                                                                     | <b>B</b> Three-digit plan number (PN) <span style="float: right;">►</span>                                                                                                                                                                                                   | <u>001</u>                                                                                |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>CARDINAL HEALTH, INC.</u>                                                                                                                                                                            | <b>D</b> Employer Identification Number (EIN)<br><br><u>31-0958666</u>                                                                                                                                                                                                       |                                                                                           |

| Part I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Asset and Liability Statement                                                              |                 | (a) Beginning of Year | (b) End of Year |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------|-----------------------|-----------------|
| <b>1</b> Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. <b>Round off amounts to the nearest dollar.</b> MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions. |                                                                                            |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>Assets</b>                                                                              |                 |                       |                 |
| <b>a</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Total noninterest-bearing cash .....                                                       | <b>1a</b>       |                       |                 |
| <b>b</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Receivables (less allowance for doubtful accounts):                                        |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1) Employer contributions .....                                                           | <b>1b(1)</b>    | 435709                | 831749          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (2) Participant contributions .....                                                        | <b>1b(2)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (3) Other.....                                                                             | <b>1b(3)</b>    | 77126                 | 29653           |
| <b>c</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | General investments:                                                                       |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (1) Interest-bearing cash (include money market accounts & certificates of deposit) .....  | <b>1c(1)</b>    | 1584729               | 441250          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (2) U.S. Government securities.....                                                        | <b>1c(2)</b>    | 9492                  | 4896            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (3) Corporate debt instruments (other than employer securities):                           |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (A) Preferred .....                                                                        | <b>1c(3)(A)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (B) All other.....                                                                         | <b>1c(3)(B)</b> | 4974083               | 7095790         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (4) Corporate stocks (other than employer securities):                                     |                 |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (A) Preferred .....                                                                        | <b>1c(4)(A)</b> |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (B) Common .....                                                                           | <b>1c(4)(B)</b> | 1570735               | 1694803         |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (5) Partnership/joint venture interests .....                                              | <b>1c(5)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (6) Real estate (other than employer real property) .....                                  | <b>1c(6)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (7) Loans (other than to participants) .....                                               | <b>1c(7)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (8) Participant loans .....                                                                | <b>1c(8)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (9) Value of interest in common/collective trusts.....                                     | <b>1c(9)</b>    |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (10) Value of interest in pooled separate accounts.....                                    | <b>1c(10)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (11) Value of interest in master trust investment accounts .....                           | <b>1c(11)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (12) Value of interest in 103-12 investment entities .....                                 | <b>1c(12)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (13) Value of interest in registered investment companies (e.g., mutual funds).....        | <b>1c(13)</b>   | 952158                | 946914          |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (14) Value of funds held in insurance company general account (unallocated contracts)..... | <b>1c(14)</b>   |                       |                 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | (15) Other .....                                                                           | <b>1c(15)</b>   |                       |                 |

**1d** Employer-related investments:

|                                                                      |              | (a) Beginning of Year | (b) End of Year |
|----------------------------------------------------------------------|--------------|-----------------------|-----------------|
| (1) Employer securities .....                                        | <b>1d(1)</b> |                       |                 |
| (2) Employer real property .....                                     | <b>1d(2)</b> |                       |                 |
| <b>e</b> Buildings and other property used in plan operation .....   | <b>1e</b>    |                       |                 |
| <b>f</b> Total assets (add all amounts in lines 1a through 1e) ..... | <b>1f</b>    | 9604032               | 11045055        |

**Liabilities**

|                                                                           |           |        |   |
|---------------------------------------------------------------------------|-----------|--------|---|
| <b>g</b> Benefit claims payable .....                                     | <b>1g</b> |        |   |
| <b>h</b> Operating payables .....                                         | <b>1h</b> |        |   |
| <b>i</b> Acquisition indebtedness .....                                   | <b>1i</b> |        |   |
| <b>j</b> Other liabilities .....                                          | <b>1j</b> | 256639 |   |
| <b>k</b> Total liabilities (add all amounts in lines 1g through 1j) ..... | <b>1k</b> | 256639 | 0 |

**Net Assets**

|                                                           |           |         |          |
|-----------------------------------------------------------|-----------|---------|----------|
| <b>l</b> Net assets (subtract line 1k from line 1f) ..... | <b>1l</b> | 9347393 | 11045055 |
|-----------------------------------------------------------|-----------|---------|----------|

**Part II Income and Expense Statement**

**2** Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

**Income****a Contributions:**

|                                                                                                            |                 | (a) Amount | (b) Total |
|------------------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| (1) Received or receivable in cash from: <b>(A)</b> Employers .....                                        | <b>2a(1)(A)</b> | 1571411    |           |
| <b>(B)</b> Participants .....                                                                              | <b>2a(1)(B)</b> |            |           |
| <b>(C)</b> Others (including rollovers) .....                                                              | <b>2a(1)(C)</b> |            |           |
| (2) Noncash contributions .....                                                                            | <b>2a(2)</b>    |            |           |
| (3) Total contributions. Add lines <b>2a(1)(A)</b> , <b>(B)</b> , <b>(C)</b> , and line <b>2a(2)</b> ..... | <b>2a(3)</b>    |            | 1571411   |

**b Earnings on investments:****(1) Interest:**

|                                                                                                      |                 |        |        |
|------------------------------------------------------------------------------------------------------|-----------------|--------|--------|
| <b>(A)</b> Interest-bearing cash (including money market accounts and certificates of deposit) ..... | <b>2b(1)(A)</b> | 4      |        |
| <b>(B)</b> U.S. Government securities .....                                                          | <b>2b(1)(B)</b> |        |        |
| <b>(C)</b> Corporate debt instruments .....                                                          | <b>2b(1)(C)</b> | 281005 |        |
| <b>(D)</b> Loans (other than to participants) .....                                                  | <b>2b(1)(D)</b> |        |        |
| <b>(E)</b> Participant loans .....                                                                   | <b>2b(1)(E)</b> |        |        |
| <b>(F)</b> Other .....                                                                               | <b>2b(1)(F)</b> |        |        |
| <b>(G)</b> Total interest. Add lines <b>2b(1)(A)</b> through <b>(F)</b> .....                        | <b>2b(1)(G)</b> |        | 281009 |

|                                                                                           |                 |         |        |
|-------------------------------------------------------------------------------------------|-----------------|---------|--------|
| (2) Dividends: <b>(A)</b> Preferred stock .....                                           | <b>2b(2)(A)</b> |         |        |
| <b>(B)</b> Common stock .....                                                             | <b>2b(2)(B)</b> | 102892  |        |
| <b>(C)</b> Registered investment company shares (e.g. mutual funds) .....                 | <b>2b(2)(C)</b> | 14691   |        |
| <b>(D)</b> Total dividends. Add lines <b>2b(2)(A)</b> , <b>(B)</b> , and <b>(C)</b> ..... | <b>2b(2)(D)</b> |         | 117583 |
| (3) Rents .....                                                                           | <b>2b(3)</b>    |         |        |
| (4) Net gain (loss) on sale of assets: <b>(A)</b> Aggregate proceeds .....                | <b>2b(4)(A)</b> | 1438177 |        |
| <b>(B)</b> Aggregate carrying amount (see instructions) .....                             | <b>2b(4)(B)</b> | 1399422 |        |
| <b>(C)</b> Subtract line <b>2b(4)(B)</b> from line <b>2b(4)(A)</b> and enter result ..... | <b>2b(4)(C)</b> |         | 38755  |

|                                                                                                   |                 | (a) Amount | (b) Total |
|---------------------------------------------------------------------------------------------------|-----------------|------------|-----------|
| <b>2b</b> (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....              | <b>2b(5)(A)</b> |            |           |
| (B) Other .....                                                                                   | <b>2b(5)(B)</b> | 302973     |           |
| (C) Total unrealized appreciation of assets.<br>Add lines <b>2b(5)(A)</b> and <b>(B)</b> .....    | <b>2b(5)(C)</b> |            | 302973    |
| (6) Net investment gain (loss) from common/collective trusts .....                                | <b>2b(6)</b>    |            |           |
| (7) Net investment gain (loss) from pooled separate accounts .....                                | <b>2b(7)</b>    |            |           |
| (8) Net investment gain (loss) from master trust investment accounts .....                        | <b>2b(8)</b>    |            |           |
| (9) Net investment gain (loss) from 103-12 investment entities .....                              | <b>2b(9)</b>    |            |           |
| (10) Net investment gain (loss) from registered investment<br>companies (e.g., mutual funds)..... | <b>2b(10)</b>   |            |           |
| <b>c</b> Other income.....                                                                        | <b>2c</b>       |            |           |
| <b>d</b> Total income. Add all <b>income</b> amounts in column (b) and enter total.....           | <b>2d</b>       |            | 2311731   |

**Expenses**

|                                                                                            |              |        |        |
|--------------------------------------------------------------------------------------------|--------------|--------|--------|
| <b>e</b> Benefit payment and payments to provide benefits:                                 |              |        |        |
| (1) Directly to participants or beneficiaries, including direct rollovers .....            | <b>2e(1)</b> | 590746 |        |
| (2) To insurance carriers for the provision of benefits .....                              | <b>2e(2)</b> |        |        |
| (3) Other .....                                                                            | <b>2e(3)</b> |        |        |
| (4) Total benefit payments. Add lines <b>2e(1)</b> through <b>(3)</b> .....                | <b>2e(4)</b> |        | 590746 |
| <b>f</b> Corrective distributions (see instructions) .....                                 | <b>2f</b>    |        |        |
| <b>g</b> Certain deemed distributions of participant loans (see instructions).....         | <b>2g</b>    |        |        |
| <b>h</b> Interest expense.....                                                             | <b>2h</b>    |        |        |
| <b>i</b> Administrative expenses: (1) Professional fees .....                              | <b>2i(1)</b> |        |        |
| (2) Contract administrator fees .....                                                      | <b>2i(2)</b> |        |        |
| (3) Investment advisory and management fees .....                                          | <b>2i(3)</b> |        |        |
| (4) Other .....                                                                            | <b>2i(4)</b> | 23323  |        |
| (5) Total administrative expenses. Add lines <b>2i(1)</b> through <b>(4)</b> .....         | <b>2i(5)</b> |        | 23323  |
| <b>j</b> Total expenses. Add all <b>expense</b> amounts in column (b) and enter total..... | <b>2j</b>    |        | 614069 |

**Net Income and Reconciliation**

|                                                                               |              |  |         |
|-------------------------------------------------------------------------------|--------------|--|---------|
| <b>k</b> Net income (loss). Subtract line <b>2j</b> from line <b>2d</b> ..... | <b>2k</b>    |  | 1697662 |
| <b>l</b> Transfers of assets:                                                 |              |  |         |
| (1) To this plan.....                                                         | <b>2l(1)</b> |  |         |
| (2) From this plan .....                                                      | <b>2l(2)</b> |  |         |

**Part III Accountant's Opinion**

**3** Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

**a** The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unqualified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

**b** Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☐ Yes ☒ No

**c** Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: STANLEY P. WIRTHEIM, CPA

(2) EIN: 11-3411380

**d** The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

**Part IV Compliance Questions**

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

|                                                                                                                                                                                                                                                                                                                 | Yes | No | Amount |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|--------|
| <b>a</b> Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....                 |     | X  |        |
| <b>b</b> Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)..... |     | X  |        |
| <b>c</b> Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.) .....                                                                                                                            |     | X  |        |
| <b>d</b> Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....                                                                                                                  |     | X  |        |
| <b>e</b> Was this plan covered by a fidelity bond?.....                                                                                                                                                                                                                                                         | X   |    | 400000 |
| <b>f</b> Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty? .....                                                                                                                                                                         |     | X  |        |
| <b>g</b> Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                                      |     | X  |        |
| <b>h</b> Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser? .....                                                                                                                            |     | X  |        |
| <b>i</b> Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....                                                                                                                                                   | X   |    |        |
| <b>j</b> Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....                                                                                    |     | X  |        |
| <b>k</b> Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....                                                                                                                                              |     | X  |        |
| <b>l</b> Has the plan failed to provide any benefit when due under the plan? .....                                                                                                                                                                                                                              |     | X  |        |
| <b>m</b> If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....                                                                                                                                                                                     |     |    |        |
| <b>n</b> If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3. ....                                                                                                                        |     |    |        |
| <b>4n</b>                                                                                                                                                                                                                                                                                                       |     |    |        |

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?

If "Yes," enter the amount of any plan assets that reverted to the employer this year..... ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

**5b(1)** Name of plan(s)

| 5b(2) EIN(s) | 5b(3) PN(s) |
|--------------|-------------|
|              |             |
|              |             |
|              |             |
|              |             |
|              |             |

|                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                            |                                                                                            |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|
| <b>SCHEDULE R</b><br><b>(Form 5500)</b><br><br>Department of the Treasury<br>Internal Revenue Service<br><br>Department of Labor<br>Employee Benefits Security Administration<br><br>Pension Benefit Guaranty Corporation | <b>Retirement Plan Information</b><br><br>This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).<br><br>▶ <b>File as an attachment to Form 5500.</b> | OMB No. 1210-0110<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection.</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

|                                                                                               |                                                                    |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| <b>A</b> Name of plan<br><u>KINRAY INC. PENSION PLAN &amp; TRUST</u>                          | <b>B</b> Three-digit plan number (PN) ▶<br><u>001</u>              |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500<br><u>CARDINAL HEALTH, INC.</u> | <b>D</b> Employer Identification Number (EIN)<br><u>31-0958666</u> |

|               |                      |
|---------------|----------------------|
| <b>Part I</b> | <b>Distributions</b> |
|---------------|----------------------|

All references to distributions relate only to payments of benefits during the plan year.

|                                                                                                                                                                                                                                                                    |          |           |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-----------|
| <b>1</b> Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....                                                                                                                              | <b>1</b> | <u>0</u>  |
| <b>2</b> Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):<br><br>EIN(s): <u>11-3166228</u> |          |           |
| Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.                                                                                                                                                                                                   |          |           |
| <b>3</b> Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....                                                                                                                                    | <b>3</b> | <u>12</u> |

|                |                                                                                                                                                                              |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part II</b> | <b>Funding Information</b> (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part) |
|----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                                                                                                                                                                                             |                              |                                        |                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|----------------------------------------|------------------------------|
| <b>4</b> Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....                                                                                                                                                                                                                                         | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | <input type="checkbox"/> N/A |
| If the plan is a defined benefit plan, go to line 8.                                                                                                                                                                                                                                                                                                        |                              |                                        |                              |
| <b>5</b> If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____<br>If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule. |                              |                                        |                              |
| <b>6 a</b> Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) .....                                                                                                                                                                                                              | <b>6a</b>                    |                                        |                              |
| <b>b</b> Enter the amount contributed by the employer to the plan for this plan year .....                                                                                                                                                                                                                                                                  | <b>6b</b>                    |                                        |                              |
| <b>c</b> Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....                                                                                                                                                                                                             | <b>6c</b>                    |                                        |                              |
| If you completed line 6c, skip lines 8 and 9.                                                                                                                                                                                                                                                                                                               |                              |                                        |                              |
| <b>7</b> Will the minimum funding amount reported on line 6c be met by the funding deadline? .....                                                                                                                                                                                                                                                          | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A |
| <b>8</b> If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....                                                                                  | <input type="checkbox"/> Yes | <input type="checkbox"/> No            | <input type="checkbox"/> N/A |

|                 |                   |
|-----------------|-------------------|
| <b>Part III</b> | <b>Amendments</b> |
|-----------------|-------------------|

|                                                                                                                                                                                                                            |                                   |                                   |                               |                                        |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|
| <b>9</b> If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... | <input type="checkbox"/> Increase | <input type="checkbox"/> Decrease | <input type="checkbox"/> Both | <input checked="" type="checkbox"/> No |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|-----------------------------------|-------------------------------|----------------------------------------|

|                |                                                                                                                                                   |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Part IV</b> | <b>ESOPs</b> (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part. |
|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------|

|                                                                                                                                                                                             |                              |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|-----------------------------|
| <b>10</b> Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....                                                      | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>11 a</b> Does the ESOP hold any preferred stock? .....                                                                                                                                   | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>b</b> If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| <b>12</b> Does the ESOP hold any stock that is not readily tradable on an established securities market? .....                                                                              | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

**Part V Additional Information for Multiemployer Defined Benefit Pension Plans**

**13** Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. Complete as many entries as needed to report all applicable employers.

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

**a** Name of contributing employer

**b** EIN

**c** Dollar amount contributed by employer

**d** Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month \_\_\_\_\_ Day \_\_\_\_\_ Year \_\_\_\_\_

**e** Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) \_\_\_\_\_

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): \_\_\_\_\_

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

|                                                                          |            |  |
|--------------------------------------------------------------------------|------------|--|
| <b>a</b> The current year .....                                          | <b>14a</b> |  |
| <b>b</b> The plan year immediately preceding the current plan year ..... | <b>14b</b> |  |
| <b>c</b> The second preceding plan year .....                            | <b>14c</b> |  |

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

|                                                                                                       |            |  |
|-------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> The corresponding number for the plan year immediately preceding the current plan year ..... | <b>15a</b> |  |
| <b>b</b> The corresponding number for the second preceding plan year .....                            | <b>15b</b> |  |

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

|                                                                                                                                                                        |            |  |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--|
| <b>a</b> Enter the number of employers who withdrew during the preceding plan year .....                                                                               | <b>16a</b> |  |
| <b>b</b> If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers ..... | <b>16b</b> |  |

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

**Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans**

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. .... ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

**a** Enter the percentage of plan assets held as:  
 Stock: \_\_\_\_\_% Investment-Grade Debt: \_\_\_\_\_% High-Yield Debt: \_\_\_\_\_% Real Estate: \_\_\_\_\_% Other: \_\_\_\_\_%

**b** Provide the average duration of the combined investment-grade and high-yield debt:  
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

**c** What duration measure was used to calculate item 19(b)?  
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): \_\_\_\_\_

**KINRAY, INC.**  
**PENSION PLAN and TRUST**  
**FINANCIAL STATEMENTS**  
**AND SUPPLEMENTAL INFORMATION**  
**DECEMBER 31, 2011 & 2010**

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All other financial schedules required by Section 2520.103-10 of the U.S. Department of Labor's Annual Reporting and Disclosure Requirements under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

TEL: 516.773.6280

FAX: 516-482-2035

E-MAIL: STAN@WIRTHEIMCPA.COM

# STANLEY P. WIRTHEIM

CERTIFIED PUBLIC ACCOUNTANT

98 CUTTER MILL ROAD, SUITE 356S

GREAT NECK NY 11021

## INDEPENDENT AUDITOR'S REPORT

To the Financial Benefit Plans Committee  
Kinray, Inc. Pension Plan and Trust

We have audited the accompanying statements of net assets available for benefits of Kinray, Inc. Pension Plan and Trust (Plan) as of December 31, 2011 and 2010 and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Plan as of December 31, 2011 and 2010, and the changes in its financial status for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of assets as of December 31, 2011 referred to as supplemental information, is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental information is the responsibility of the Plan's management. The supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Stanley P. Wirthheim CPA*

October 10, 2012

KINRAY, INC. PENSION PLAN AND TRUST  
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS  
DECEMBER 31, 2011 & 2010

| ASSETS                                       | <u>2011</u>                     | <u>2010</u>                    |
|----------------------------------------------|---------------------------------|--------------------------------|
| Investments, at fair value                   |                                 |                                |
| Mutual Funds                                 | \$ 946,915                      | \$ 952,158                     |
| U.S. Government Securities                   | 4,896                           | 9,492                          |
| Corporate and Other Debt                     | 7,095,789                       | 4,974,083                      |
| Corporate Equities                           | <u>1,694,803</u>                | <u>1,570,735</u>               |
| Total Investments                            | <u>9,742,403</u>                | <u>7,506,468</u>               |
| Receivables                                  |                                 |                                |
| Employer's Contribution Receivable           | 831,749                         | 435,709                        |
| Accrued Investment Income                    | <u>95,077</u>                   | <u>77,126</u>                  |
|                                              | <u>926,826</u>                  | <u>512,835</u>                 |
| Cash and cash equivalents                    | 441,250                         | 1,584,729                      |
| <b>TOTAL ASSETS</b>                          | <u><u>11,110,479</u></u>        | <u><u>9,604,032</u></u>        |
| <br>LIABILITIES                              |                                 |                                |
| Due to broker for unsettled transactions     | 65,425                          | 256,639                        |
| <b>TOTAL LIABILITIES</b>                     | <u><u>65,425</u></u>            | <u><u>256,639</u></u>          |
| <br><b>NET ASSETS AVAILABLE FOR BENEFITS</b> | <br>\$ <u><u>11,045,054</u></u> | <br>\$ <u><u>9,347,393</u></u> |

The accompanying notes are an integral part of the financial statements.

**KINRAY, INC. PENSION PLAN AND TRUST**  
**STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**  
**FOR THE YEARS ENDED DECEMBER 31, 2011 & 2010**

| <b>INVESTMENT INCOME:</b>                     | <u><b>2011</b></u>                 | <u><b>2010</b></u>                |
|-----------------------------------------------|------------------------------------|-----------------------------------|
| Net appreciation in fair value of investments | \$ 302,973                         | \$ 193,562                        |
| Dividend income                               | 117,583                            | 79,476                            |
| Interest income                               | 281,009                            | 252,154                           |
| Net realized gains on sale of securities      | <u>38,754</u>                      | <u>178,317</u>                    |
|                                               | 740,319                            | 703,509                           |
| Employer Contributions                        | <u>1,571,411</u>                   | <u>1,102,852</u>                  |
| <b>TOTAL ADDITIONS</b>                        | <u><b>2,311,730</b></u>            | <u><b>1,806,361</b></u>           |
| Benefits paid to participants                 | 590,746                            | 195,260                           |
| Administrative expenses                       | <u>23,323</u>                      | <u>19,781</u>                     |
| <b>TOTAL DEDUCTIONS</b>                       | <u><b>614,069</b></u>              | <u><b>215,041</b></u>             |
| <b>NET INCREASE</b>                           | 1,697,661                          | 1,591,320                         |
| <b>NET ASSETS AVAILABLE FOR BENEFITS:</b>     |                                    |                                   |
| <b>BEGINNING OF YEAR</b>                      | 9,347,393                          | 7,756,073                         |
| <b>END OF YEAR</b>                            | <u><u><b>\$ 11,045,054</b></u></u> | <u><u><b>\$ 9,347,393</b></u></u> |

The accompanying notes are an integral part of the financial statements.

KINRAY, INC. PENSION PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 & 2010

**NOTE 1 - Description of Plan**

The following brief description of the Kinray, Inc. Pension Plan and Trust (the "Plan") provides only general information. Participants should refer to the Summary Plan Description for a more complete description of the Plan's provisions.

In 2011, Kinray Inc was acquired by Cardinal Health Inc. ("Cardinal"). Cardinal Health is now the Plan Sponsor and the Plan is now overseen by the Cardinal Health, Inc. Financial Benefit Plans Committee (the "Committee"). The Committee has frozen the Plan as of December 31, 2011, whereby no plan participant will accrue any additional benefits.

**General.** The Plan is a defined benefit plan covering all employees of Kinray, Inc. other than non-resident aliens and members of a collective bargaining unit. Eligible employees will enter the Plan on December 31<sup>st</sup> that is nearest the date on which such employee attains age 21 and completes two years of service. However, the Plan was frozen on December 31, 2011, and no employees shall be permitted to enter the Plan after that date. The Plan is subject to the provisions of the Employee Retirement Income Security Act (ERISA) of 1974, as amended.

**Funding Policy.** The Plan sponsor's funding policy is to make annual contributions to the Plan in accordance with an actuarially determined amount that will provide for payment of all participant benefits by the time they retire. The minimum funding requirements of ERISA have been met.

**Vesting.** A participant shall have a 100% vested interest in his or her accrued benefit upon entering the plan.

**Pension Benefits.** Benefit payments to participants are recorded upon distribution. Upon termination of service due to death, disability, retirement or separation from work, the following guidelines apply:

- If a participant dies before the annuity starting date, the actuarial equivalent of his or her accrued benefit shall be payable to either a surviving spouse or beneficiary. If the participant is married on the date of his or her death, the participant's surviving spouse will receive a minimum death benefit in the form of a qualified pre-retirement survivor annuity, unless the annuity has been waived. Unless the participant directed that the death benefit be paid in a specific form of lump sum or installment distribution, a surviving spouse or non-spouse beneficiary may elect to have the death benefit distributed:
  - In one or more lump sum payments or
  - In monthly, quarterly, semi-annual or annual cash installments.
- Upon termination of service due to disability, retirement or separation from work, a participant's benefit can be distributed:
  - As a qualified joint and survivor annuity if the participant is married on the annuity starting date and has not died before such date or as a normal form of retirement benefit if the participant is unmarried on the annuity starting date and has not died before such date, or when the participant has elected to do so,
  - As a lump sum payment, or
  - As a monthly straight life annuity, payable in equal installments for the life of the participant that terminates upon his or her death, or
  - As a monthly annuity for the life of the participant and thereafter for the life of the participant's beneficiary. The monthly payments made to the beneficiary are reduced to 50% of the participant's annuity benefit or are equal to 100% of the participants annuity benefit.

**NOTE 2 - Summary of Accounting Policies**

Subsequent events were evaluated through October 10, 2012, which is the date the financial statements were available to be issued.

KINRAY, INC. PENSION PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 & 2010

NOTE 2 - Summary of Accounting Policies (Continued)

**Basis of Accounting**

The financial statements of the Plan are prepared under the accrual method of accounting in accordance with the generally accepted accounting principles in the United States of America.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities, benefit obligations and changes therein, disclosure of contingent assets and liabilities and the actuarial present value of accumulated plan benefits at the date of the financial statements. Actual results could differ from those estimates.

**Investment Valuation and Income Recognition**

The Plan's investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transition between market participants at the measurement date. See Note 5 for a discussion of fair value measurements.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the plan's gains and losses on investments bought and sold as well as held during the year.

**Actuarial Present Value of Accumulated Plan Benefits**

Accumulated plan benefit obligations (APBO) are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions to the service employees have rendered. APBO include benefits expected to be paid to (a) retired or terminated employees or their beneficiaries, (b) beneficiaries of employees who have died, and (c) present employees or their beneficiaries. Benefits under the Plan are based on employees' compensation during their highest consecutive five years of credited service. The APBO is based on a benefit formula, as defined, calculated as of January 1, 2011 and 2010 (the valuation date). Benefits payable under all circumstances, i.e. retirement, death, disability and termination of employment, are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

Accumulated Plan Benefit Obligations of the Plan are determined by an actuary from the firm of Preferred Pension Concepts Inc., and is that amount that results from applying actuarial assumptions to adjust accumulated plan benefits to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment. (See Note 3)

**Payment of Benefits**

Benefit payments to participants are recorded upon distribution.

**Plan Expenses**

The Sponsor pays all administrative expenses of the plan except for fees charged by the investment custodian.

**New Accounting Standards**

In January 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) 2010-06, *Improving Disclosures about Fair Value Measurement*. This guidance requires additional disclosures of transfers of assets and liabilities between Levels 1 and 2 of the fair value

KINRAY, INC. PENSION PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 & 2010

NOTE 2 - Summary of Accounting Policies (Continued)

hierarchy and disclosure of activity on a gross basis, including purchases, sales, issuance and settlements in the reconciliation of the assets and liabilities measured under Level 3 of the fair value hierarchy. This standard also clarifies existing disclosure requirements on levels of disaggregation and disclosures about inputs and valuation techniques. ASC 2010-06 will be effective for the Plan year ending December 31, 2010, except for the disclosure requirements on Level 3 activity that will be effective for the Plan year ending December 31, 2011. The adoption of this standard did not have a material impact of the Plan's financial statements.

In May 2011, the FASB issued ASU 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS)*. The amendments are of two types: (i) those that clarify the FASB's intent about the application of existing fair value measurement and disclosure requirements and (ii) those that change a particular principle or requirement for measuring fair value or for disclosing information about fair value measurements. The update is effective for annual periods after December 15, 2011. Plan management does not believe the adoption of this update will have a material impact on the Plan's financial statements.

NOTE 3 - Actuarial Present Value of Accumulated Plan Benefit

The actuarial present value of accumulated plan benefits is determined by an actuary from Preferred Pension Concepts Inc. and is that amount that results from applying actuarial assumptions to adjust the accumulated plan benefits to reflect the time value of money (through discounts for interest) and the probability of payment (by means of decrements such as for death, disability, withdrawal, or retirement) between the valuation date and the expected date of payment.

The significant actuarial assumptions used in the valuation as of January 1, 2011 and 2010 were:

- Life Expectancy of Participants - Pre-retirement : all expected to survive to 65  
2011 & 2010- Post-retirement: RP2000 projected to 2011 and 2010, respectively
- Retirement Age Assumptions - Assumed normal retirement age was 65
- Average Rates of Return - 6.0% for 2011 and 2010

The foregoing actuarial assumptions are based on the presumptions that the Plan will continue. Were the Plan to terminate, different actuarial assumptions and other factors might be applicable in determining the actuarial present value of APBO.

The APBO and the changes in the APBO as of and for the years beginning January 1, 2011 and 2010 is as follows:

Actuarial Present Value of Accumulated  
Plan Benefit Obligations

|                                           | <u>2011</u>          | <u>2010</u>          |
|-------------------------------------------|----------------------|----------------------|
| Vested benefits:                          |                      |                      |
| Participants currently receiving benefits | \$ 2,702,953         | \$ 923,949           |
| Other participants                        | <u>9,414,515</u>     | <u>10,267,072</u>    |
| Total                                     | <u>\$ 12,117,468</u> | <u>\$ 11,191,021</u> |

KINRAY, INC. PENSION PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 & 2010

**NOTE 3 - Actuarial Present Value of Accumulated Plan Benefit (Continued)**

|                                                                                       | <u>2011</u>          | <u>2010</u>          |
|---------------------------------------------------------------------------------------|----------------------|----------------------|
| Actuarial Present Value of Accumulated<br>Plan Benefit Obligation – beginning of year | \$ 11,191,021        | \$ 8,326,282         |
| Increase during the year attributable to:                                             |                      |                      |
| Benefits accumulated                                                                  | 863,454              | 2,566,280            |
| Change in actuarial assumptions                                                       | 0                    | 0                    |
| Increase for interest due to decrease in discount rate                                | 653,739              | 493,719              |
| Benefits paid                                                                         | (590,746)            | (195,260)            |
| Net increase                                                                          | <u>926,447</u>       | <u>2,864,739</u>     |
| Actuarial Present Value of Accumulated<br>Plan Benefit Obligation – end of year       | \$ <u>12,117,468</u> | \$ <u>11,191,021</u> |

The plan meets the minimum funding requirements of ERISA.

**NOTE 4 - Investments**

The following presents investments at fair value held by the Plan as of December 31, 2011 & 2010, including investments in excess of 5% of the Plan's net assets at the beginning of the year.

|                            | <u>December 31,</u><br><u>2011</u> | <u>2010</u>         |
|----------------------------|------------------------------------|---------------------|
| <u>Mutual Funds:</u>       |                                    |                     |
| The Fairholme Fund         | \$ 0                               | \$ 354,025          |
| Permanent Portfolio Fund   | 139,683                            | 138,835             |
| Epoch Global Equity Yield  | 210,816                            | 206,230             |
| FPA Crescent Portfolio     | 102,288                            | 0                   |
| First Eagle Global Fund    | 246,299                            | 253,068             |
| Intrepid Capital Fund      | 96,119                             | 0                   |
| Maingate MLP Fund          | 104,816                            | 0                   |
| Royce Special Equity Fund  | 46,894                             | 0                   |
|                            | <u>\$ 946,915</u>                  | <u>\$ 952,158</u>   |
| Corporate Debt             | \$ 3,731,668                       | \$ 1,809,409        |
| Corporate Equities         | 1,694,803                          | 1,570,735           |
| Municipal Bond             | 3,364,121                          | 3,164,674           |
| U.S. Government Securities | 4,896                              | 9,492               |
|                            | <u>\$ 8,795,488</u>                | <u>\$ 6,554,310</u> |
| Total                      | <u>\$ 9,742,403</u>                | <u>\$ 7,506,468</u> |

For the years ended December 31, 2011 and 2010 the Plan's investments appreciated in value by \$302,973 and \$193,562 respectively as follows:

|                            | <u>2011</u>       | <u>2010</u>       |
|----------------------------|-------------------|-------------------|
| Mutual Funds               | \$ (64,016)       | \$ 157,652        |
| U.S. Government Securities | (233)             | (3,349)           |
| Corporate and Other Debt   | 339,051           | (49,498)          |
| Corporate Equities         | 30,064            | 88,757            |
| Other Investments          | (1,893)           | 0                 |
|                            | <u>\$ 302,973</u> | <u>\$ 193,562</u> |

KINRAY, INC. PENSION PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 & 2010

**NOTE 5 - Fair Value Measurements**

Financial Accounting Standards Board ("FASB") *Accounting Standards Codification* (ASC) 820, *Fair Value Measurement*, provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted market prices in active markets for the identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the under FASB ASC 820 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The assets or liabilities fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Financial instruments not reflected at fair value on a recurring basis include receivables, and accounts payable. The carrying amount of these financial instruments approximates fair value.

Investments securities, in general, are exposed to various risks, including interest rate, credit and overall market volatility. Due to the level of risk associated with certain long-term investments, it is possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts report in the consolidated statements of financial position.

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2011 and 2010.

Mutual Funds: Valued at the closing price reported in the active market in which the individual securities are traded.

Corporate Debt: Certain corporate bonds are valued at the closing price reported in the active market in which the bond is traded. Other Corporate bonds are valued based on yields currently available on comparable securities of issuers with similar credit ratings.

Corporate Equities: Common stocks are valued at the closing price reported in the active market.

U.S. Government Securities: Valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**KINRAY, INC. PENSION PLAN AND TRUST**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2011 & 2010**

**NOTE 5 - Fair Value Measurements (Continued)**

The following table set forth by level, within the fair value hierarchy, the plan's assets at fair value of December 31, 2011 and 2010.

**Assets at Fair Value as of December 31, 2011**

|                            | Level 1             | Level 2 | Level 3   | Total            |
|----------------------------|---------------------|---------|-----------|------------------|
| Mutual Funds               | \$ 946,915          |         | \$        | 946,915          |
| Corporate & Other Debt     | 7,095,789           |         |           | 7,095,789        |
| Corporate Equities         | 1,694,803           |         |           | 1,694,803        |
| U.S. Government Securities | 4,896               |         |           | 4,896            |
|                            | <u>\$ 9,742,403</u> |         | <u>\$</u> | <u>9,742,403</u> |

**Assets at Fair Value as of December 31, 2010**

|                            | Level 1             | Level 2 | Level 3   | Total            |
|----------------------------|---------------------|---------|-----------|------------------|
| Mutual Funds               | \$ 952,158          |         | \$        | 952,158          |
| Corporate & Other Debt     | 4,974,083           |         |           | 4,974,083        |
| Corporate Equities         | 1,570,735           |         |           | 1,570,735        |
| U.S. Government Securities | 9,492               |         |           | 9,492            |
|                            | <u>\$ 7,506,468</u> |         | <u>\$</u> | <u>7,506,468</u> |

**NOTE 6- Tax Status**

The Plan obtained its latest determination letter on June 23, 2004, in which the Internal Revenue Service advised that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (the Code). The volume submitter document, on which this Plan was adopted, received a favorable IRS determination letter in 2010. In addition, the Plan's Actuary, Plan Administrator and the Plan Sponsor believe that the Plan has been designed and is being operated in compliance with the tax-qualification requirements under section 401(a) of the Code, as amended by the Economic Growth and Tax Relief Reconciliation Act of 2001 and all other requirements of applicable law. The Plan is exempt from federal income tax under the provisions of section 501(a) of the Code.

Accounting principles generally accepted in the United States of America require Plan management to evaluate tax positions taken by the Plan and recognize a tax liability (or asset) if the Plan has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service and the State of New York. The Plan administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2011, there are no uncertain positions taken or expected to be taken that would require recognition of a liability (or asset) disclosure in the financial statements. The Plan is subject to routine audits by taxing authorities; however, there are currently no audits for any tax periods in progress. The Plan administrator believes it is no longer subject to income tax examinations for years prior to December 31, 2008.

**NOTE 7 - Plan Termination**

In the event the Plan terminates, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide the following benefits in the order indicated:

1. Benefits attributable to employee contributions, taking into account those paid out before termination.
2. Annuity benefits that former employees or their beneficiaries have been receiving for at least three years, or that employees eligible to retire for that three-year period would have been

KINRAY, INC. PENSION PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 & 2010

**NOTE 7 - Plan Termination (Continued)**

receiving if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.

3. Other vested benefits insured by the Pension Benefit Guaranty Corporation (PBGC) (a U.S. government agency) up to the applicable limitations (discussed below)
4. All other vested benefits (that is, vested benefits not insured by the PBGC).
5. All nonvested benefits.

The Plan may be terminated by the Sponsor at any time. Upon termination the net assets of the Plan, will be allocated as prescribed by ERISA and its related regulations.

Certain benefits under the Plan are insured by the PBGC if the Plan terminates. Generally, the PBGC guarantees most vested normal age retirement benefits, early retirement benefits, and certain disability and survivor's pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan's termination. However, there is a statutory ceiling, which is adjusted periodically, on the amount of an individual's monthly benefit that the PBGC guarantees. For Plan terminations occurring during 2011 that ceiling is \$4,653 per month. That ceiling applies to those pensioners who elect to receive their benefits in the form of a single-life annuity and are at least 65 years old at the time of retirement or plan termination (whichever comes later). For younger annuitants or for those who elect to receive their benefits in some form more valuable than a single-life annuity, the corresponding ceilings are actuarially adjusted downward.

**NOTE 8 - Concentration of Credit Risk**

Financial instruments that potentially subject the Plan to concentrations of credit risk consist of investments and cash maintained in mutual funds, U.S. government securities, corporate debt and other investments. The Plan's Trustee and the Plan's sponsor have evaluated the financial strength of the respective entities invested into and are satisfied as to their financial stability. The Plan's cash and cash equivalents are in non FDIC insured money market funds.

**NOTE 9 - Party In Interest**

Certain plan investments are managed by Family Management Securities LLC. These transactions qualify as party-in-interest transactions. Management fees paid from plan assets were \$23,323 and \$19,781 for the years ended December 31, 2011 and 2010 respectively.

**NOTE 10 - Related Party Transactions**

All other administrative expenses other than management fees are paid by Kinray, Inc.

**NOTE 11 - Risks and Uncertainties**

The Plan invests in various investments and securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statement of net assets available for benefits.

KINRAY, INC. PENSION PLAN AND TRUST  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011 & 2010

NOTE 11 - Risks and Uncertainties (Continued)

Plan contributions are made and the actuarial present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

KINRAY, INC. PENSION PLAN and TRUST  
EIN #11-1580316

SCHEDULE H, PART IV, LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
December 31, 2011

Schedule H- Part I Item 1

| (a)                                                   | (b) | (c)                                                                                                     | (d)                 | (e)                 |
|-------------------------------------------------------|-----|---------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Identity of issue, borrower, lessor, or similar party |     | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost                | Current Value       |
| <b>U.S. Government Securities</b>                     |     |                                                                                                         |                     |                     |
|                                                       |     | 8.0%, Due 04/15/26                                                                                      | 250                 | 184                 |
|                                                       |     | 6.0%, Due 11/15/31                                                                                      | 4,331               | 4,712               |
|                                                       |     |                                                                                                         | <u>\$ 4,581</u>     | <u>\$ 4,896</u>     |
|                                                       |     |                                                                                                         |                     | Line 1(c)(2)(b)     |
| <b>Corporate Equities</b>                             |     |                                                                                                         |                     |                     |
|                                                       |     | 1,925 shares of common stock                                                                            | 95,254              | 108,243             |
|                                                       |     | 3,100 shares of common stock                                                                            | 87,577              | 93,744              |
|                                                       |     | 1,575 shares of common stock                                                                            | 98,477              | 110,203             |
|                                                       |     | 1,550 shares of common stock                                                                            | 98,229              | 112,948             |
|                                                       |     | 1,050 shares of common stock                                                                            | 58,301              | 65,131              |
|                                                       |     | 1,075 shares of common stock                                                                            | 48,822              | 49,213              |
|                                                       |     | 2,525 shares of common stock                                                                            | 88,729              | 104,939             |
|                                                       |     | 2,325 shares of common stock                                                                            | 89,384              | 102,997             |
|                                                       |     | 3,800 shares of common stock                                                                            | 61,901              | 68,058              |
|                                                       |     | 7,000 shares of common stock                                                                            | 48,124              | 52,430              |
|                                                       |     | 1,150 shares of common stock                                                                            | 65,425              | 65,745              |
|                                                       |     | 5,250 shares of common stock                                                                            | 96,617              | 106,575             |
|                                                       |     | 1,700 shares of common stock                                                                            | 109,287             | 112,795             |
|                                                       |     | 1,500 shares of common stock                                                                            | 102,863             | 109,635             |
|                                                       |     | 5,300 shares of common stock                                                                            | 96,636              | 120,575             |
|                                                       |     | 2,750 shares of common stock                                                                            | 88,908              | 110,330             |
|                                                       |     | 4,625 shares of common stock                                                                            | 81,103              | 86,349              |
|                                                       |     | 2,325 shares of common stock                                                                            | 28,936              | 23,645              |
|                                                       |     | 3,650 shares of common stock                                                                            | 93,133              | 91,248              |
|                                                       |     |                                                                                                         | <u>\$ 1,537,706</u> | <u>\$ 1,694,803</u> |
|                                                       |     |                                                                                                         |                     | Line 1(c)(4)(b)(b)  |
| <b>Mutual Funds</b>                                   |     |                                                                                                         |                     |                     |
|                                                       |     | 13,896 shares                                                                                           | 250,124             | 210,816             |
|                                                       |     | 5,458 shares                                                                                            | 228,750             | 246,299             |
|                                                       |     | 3,819 shares                                                                                            | 100,032             | 102,288             |
|                                                       |     | 8,974 shares                                                                                            | 100,032             | 96,119              |
|                                                       |     | 10,245 shares                                                                                           | 100,062             | 104,816             |
|                                                       |     | 3,030 shares                                                                                            | 100,032             | 139,683             |
|                                                       |     | 2,380 shares                                                                                            | 50,032              | 46,894              |
|                                                       |     |                                                                                                         | <u>\$ 929,064</u>   | <u>\$ 946,915</u>   |
|                                                       |     |                                                                                                         |                     | Line 1(c)(13)(b)    |

KINRAY, INC. PENSION PLAN and TRUST  
EIN #11-1580316

SCHEDULE II, PART IV, LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
December 31, 2011

Schedule H- Part I Item 1

| (a)                                                   | (b)                                                                                                     | (c)                 | (d)                 | (e)                |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------|---------------------|--------------------|
| Identity of issue, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost                | Current Value       |                    |
| <b>Corporate &amp; Other Debt</b>                     |                                                                                                         |                     |                     |                    |
| American Express Corp                                 | \$120,000, 5.875% Bond, Due 05/02/13                                                                    | 130,360             | 126,138             |                    |
| AT&T Inc Global NT                                    | \$120,000, 4.850% Bond, Due 02/15/14                                                                    | 120,045             | 129,344             |                    |
| AT&T Inc Global NT                                    | \$200,000, 5.500% Bond, Due 02/01/18                                                                    | 217,884             | 231,506             |                    |
| Berry Plastics Corp                                   | \$200,000, 8.250% Bond, Due 11/15/15                                                                    | 204,752             | 213,000             |                    |
| Boeing Co SR NT                                       | \$150,000, 6.000% Bond, Due 03/15/19                                                                    | 165,769             | 181,923             |                    |
| Burlington Northn                                     | \$150,000, 6.875% Bond, Due 12/01/27                                                                    | 166,502             | 193,333             |                    |
| Burlington Northn                                     | \$200,000, 4.100% Bond, Due 06/01/21                                                                    | 202,310             | 215,818             |                    |
| Caterpillar Fincl Svc                                 | \$150,000, 4.390% Bond, Due 08/15/13                                                                    | 162,688             | 159,838             |                    |
| Cisco Sys Inc                                         | \$200,000, 5.500% Bond, Due 02/22/16                                                                    | 228,560             | 232,746             |                    |
| Consolidated Edison                                   | \$255,000, 5.850% Bond, Due 04/01/18                                                                    | 289,094             | 311,108             |                    |
| Diageo Capital                                        | \$100,000, 5.125% Bond, Due 01/30/12                                                                    | 102,506             | 100,319             |                    |
| Duke Energy Co                                        | \$100,000, 6.250% Bond, Due 01/15/12                                                                    | 102,793             | 100,159             |                    |
| Heinz H J Co NT                                       | \$255,000, 5.350% Bond, Due 07/15/13                                                                    | 255,052             | 272,205             |                    |
| Hewlett Packard Co Global NT                          | \$185,000, 4.250% Bond, Due 02/24/12                                                                    | 186,188             | 185,832             |                    |
| Intel Corp                                            | \$200,000, 3.300% Bond, Due 10/01/12                                                                    | 199,626             | 210,686             |                    |
| Nike Inc Medium Term                                  | \$140,000, 5.150% Bond, Due 10/15/15                                                                    | 156,628             | 159,386             |                    |
| Oracle Corp                                           | \$200,000, 5.750% Bond, Due 04/15/18                                                                    | 225,734             | 242,696             |                    |
| Public Svc Elec Gas Co                                | \$200,000, 5.300% Bond, Due 05/01/18                                                                    | 220,590             | 236,766             |                    |
| Verizon Communications Inc                            | \$200,000, 5.550% Bond, Due 02/15/16                                                                    | 225,716             | 228,865             |                    |
| Colorado Springs Colo Utils Rev                       | \$125,000, 4.529% Bond, Due 11/15/17                                                                    | 125,052             | 138,385             |                    |
| Indiana Univ Revs Student Fee                         | \$175,000, 4.777% Bond, Due 08/01/20                                                                    | 175,052             | 199,451             |                    |
| Jacksonville FL SPL Rev Build                         | \$115,000, 4.240% Bond, Due 10/01/16                                                                    | 115,052             | 124,575             |                    |
| Maine Mun Bd Bk                                       | \$200,000, 4.950% Bond, Due 11/01/28                                                                    | 200,052             | 204,584             |                    |
| New London Conn Build Amer Bnds                       | \$110,000, 5.220% Bond, Due 08/15/19                                                                    | 110,052             | 124,035             |                    |
| New Mexico Fin Auth Rev Sr                            | \$175,000, 5.082% Bond, Due 06/01/22                                                                    | 175,052             | 196,465             |                    |
| New York NY City Transitional Fin Auth                | \$175,000, 4.867% Bond, Due 08/01/24                                                                    | 175,052             | 191,693             |                    |
| New York NY City Transitional Fin Auth                | \$150,000, 2.670% Bond, Due 02/01/14                                                                    | 150,796             | 155,187             |                    |
| New York NY City Transitional Fin Auth                | \$150,000, 4.398% Bond, Due 05/01/20                                                                    | 150,052             | 165,886             |                    |
| New York St Dorm Auth Pers Income Tax Rev             | \$100,000, 4.511% Bond, Due 12/15/13                                                                    | 107,619             | 106,484             |                    |
| New York St Dorm Auth Pers Income Tax Rev             | \$150,000, 4.554% Bond, Due 02/15/21                                                                    | 150,052             | 168,945             |                    |
| Ohio St for Issues DTD Prior to 3/25/05               | \$125,000, 4.550% Bond, Due 10/01/17                                                                    | 125,052             | 138,264             |                    |
| Ohio St Wtr Dev Auth Wtr Pollutn                      | \$150,000, 3.492% Bond, Due 12/01/19                                                                    | 157,796             | 162,253             |                    |
| Oregon St Ser E                                       | \$175,000, 4.461% Bond, Due 08/01/20                                                                    | 175,052             | 197,430             |                    |
| Oregon St St Brd Ed                                   | \$125,000, 4.961% Bond, Due 08/01/25                                                                    | 136,153             | 145,312             |                    |
| Paramus NJ Rfdg Pension                               | \$150,000, 4.961% Bond, Due 03/01/21                                                                    | 162,691             | 161,902             |                    |
| Port Authority NY NJ                                  | \$115,000, 4.500% Bond, Due 09/15/15                                                                    | 120,266             | 126,350             |                    |
| Sacramento Cnty CA Conv Pens a Cap                    | \$100,000, 7.380% Bond, Due 08/15/21                                                                    | 110,552             | 116,843             |                    |
| San Antonio Tex Wtr Rev                               | \$125,000, 3.319% Bond, Due 05/15/15                                                                    | 125,052             | 132,424             |                    |
| Somerset Cnty NJ Impt                                 | \$100,000, 5.250% Bond, Due 10/01/24                                                                    | 99,536              | 110,060             |                    |
| Triborough Brdg Tunnl Auth                            | \$100,000, 5.000% Bond, Due 11/15/25                                                                    | 100,052             | 106,715             |                    |
| Wake Cnty NC Pub                                      | \$175,000, 5.150% Bond, Due 04/01/28                                                                    | 182,551             | 190,878             |                    |
|                                                       |                                                                                                         | <u>\$ 6,691,433</u> | <u>\$ 7,095,789</u> |                    |
|                                                       |                                                                                                         |                     |                     | Line 1(c)(3)(B)(b) |

|                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                    |                                                                                           |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| <b>SCHEDULE SB</b><br><b>(Form 5500)</b><br><br><small>Department of the Treasury<br/>Internal Revenue Service</small><br><br><small>Department of Labor<br/>Employee Benefits Security Administration</small><br><br><small>Pension Benefit Guaranty Corporation</small> | <b>Single-Employer Defined Benefit Plan</b><br><b>Actuarial Information</b><br><br>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).<br><br><b>▶ File as an attachment to Form 5500 or 5500-SF.</b> | OMB No. 1210-0110<br><br><b>2011</b><br><br><b>This Form is Open to Public Inspection</b> |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|

For calendar plan year 2011 or fiscal plan year beginning 01/01/2011 and ending 12/31/2011

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

|                                                                                                                                                         |                                                                                       |
|---------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| <b>A</b> Name of plan<br><br>KINRAY INC. PENSION PLAN & TRUST                                                                                           | <b>B</b> Three-digit plan number (PN) <span style="float: right;">▶</span> <u>001</u> |
| <b>C</b> Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF<br><br>CARDINAL HEALTH, INC.                                                   | <b>D</b> Employer Identification Number (EIN)<br><br>31-0958666                       |
| <b>E</b> Type of plan: <input type="checkbox"/> Single <input type="checkbox"/> Multiple-A <input checked="" type="checkbox"/> Multiple-B               |                                                                                       |
| <b>F</b> Prior year plan size: <input type="checkbox"/> 100 or fewer <input checked="" type="checkbox"/> 101-500 <input type="checkbox"/> More than 500 |                                                                                       |

**Part I Basic Information**

|                                                                                                                                                                                                          |              |                            |                    |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------------------|--------------------|
| <b>1</b> Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2011</u>                                                                                                                          |              |                            |                    |
| <b>2</b> Assets:                                                                                                                                                                                         |              |                            |                    |
| a Market value .....                                                                                                                                                                                     | <b>2a</b>    |                            | 9,239,173          |
| b Actuarial value .....                                                                                                                                                                                  | <b>2b</b>    |                            | 9,239,173          |
| <b>3</b> Funding target/participant count breakdown:                                                                                                                                                     |              | (1) Number of participants | (2) Funding Target |
| a For retired participants and beneficiaries receiving payment.....                                                                                                                                      | <b>3a</b>    | 4                          | 953,329            |
| b For terminated vested participants .....                                                                                                                                                               | <b>3b</b>    | 57                         | 1,198,573          |
| c For active participants:                                                                                                                                                                               |              |                            |                    |
| (1) Non-vested benefits .....                                                                                                                                                                            | <b>3c(1)</b> |                            | 0                  |
| (2) Vested benefits .....                                                                                                                                                                                | <b>3c(2)</b> |                            | 9,025,313          |
| (3) Total active .....                                                                                                                                                                                   | <b>3c(3)</b> | 164                        | 9,025,313          |
| d Total .....                                                                                                                                                                                            | <b>3d</b>    | 225                        | 11,177,215         |
| <b>4</b> If the plan is in at-risk status, check the box and complete lines (a) and (b) <input type="checkbox"/>                                                                                         |              |                            |                    |
| a Funding target disregarding prescribed at-risk assumptions .....                                                                                                                                       | <b>4a</b>    |                            |                    |
| b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been in at-risk status for fewer than five consecutive years and disregarding loading factor ..... | <b>4b</b>    |                            |                    |
| <b>5</b> Effective interest rate .....                                                                                                                                                                   | <b>5</b>     | 6.16 %                     |                    |
| <b>6</b> Target normal cost .....                                                                                                                                                                        | <b>6</b>     | 1,107,605                  |                    |

**Statement by Enrolled Actuary**

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

|                  |                                                                                     |                                                          |
|------------------|-------------------------------------------------------------------------------------|----------------------------------------------------------|
| <b>SIGN HERE</b> | <br>Signature of actuary                                                            | <u>9/26/13</u><br>Date                                   |
|                  | MICHAEL FRANK<br>Type or print name of actuary                                      | 11-02440<br>Most recent enrollment number                |
|                  | PPC<br>Firm name                                                                    | (914) 682-5200<br>Telephone number (including area code) |
|                  | 925 WESTCHESTER AVENUE<br>SUITE 304<br>WHITE PLAINS NY 10604<br>Address of the firm |                                                          |

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

**Part II Beginning of year carryover and prefunding balances**

|                                                                                                                                  | (a) Carryover balance | (b) Prefunding balance |
|----------------------------------------------------------------------------------------------------------------------------------|-----------------------|------------------------|
| <b>7</b> Balance at beginning of prior year after applicable adjustments (line 13 from prior year).....                          | 0                     | 18,312                 |
| <b>8</b> Portion elected for use to offset prior year's funding requirement (line 35 from prior year) .....                      | 0                     | 0                      |
| <b>9</b> Amount remaining (line 7 minus line 8).....                                                                             | 0                     | 18,312                 |
| <b>10</b> Interest on line 9 using prior year's actual return of <u>7.46</u> %.....                                              |                       | 1,366                  |
| <b>11</b> Prior year's excess contributions to be added to prefunding balance:                                                   |                       |                        |
| <b>a</b> Present value of excess contributions (line 38 from prior year) .....                                                   |                       | 57,036                 |
| <b>b</b> Interest on (a) using prior year's effective rate of <u>6.68</u> % except as otherwise provided (see instructions)..... |                       | 3,810                  |
| <b>c</b> Total available at beginning of current plan year to add to prefunding balance.....                                     |                       | 60,846                 |
| <b>d</b> Portion of (c) to be added to prefunding balance.....                                                                   |                       | 60,846                 |
| <b>12</b> Other reductions in balances due to elections or deemed elections.....                                                 | 0                     | 0                      |
| <b>13</b> Balance at beginning of current year (line 9 + line 10 + line 11d - line 12).....                                      | 0                     | 80,524                 |

**Part III Funding percentages**

|                                                                                                                                                                           |           |         |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|---------|
| <b>14</b> Funding target attainment percentage .....                                                                                                                      | <b>14</b> | 81.94 % |
| <b>15</b> Adjusted funding target attainment percentage .....                                                                                                             | <b>15</b> | 81.93 % |
| <b>16</b> Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement..... | <b>16</b> | 88.55 % |
| <b>17</b> If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....                                        | <b>17</b> | %       |

**Part IV Contributions and liquidity shortfalls****18** Contributions made to the plan for the plan year by employer(s) and employees:

| (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees | (a) Date<br>(MM-DD-YYYY) | (b) Amount paid by<br>employer(s) | (c) Amount paid by<br>employees |
|--------------------------|-----------------------------------|---------------------------------|--------------------------|-----------------------------------|---------------------------------|
| 04/14/2011               | 246,554                           |                                 |                          |                                   |                                 |
| 07/15/2011               | 246,554                           |                                 |                          |                                   |                                 |
| 10/12/2011               | 246,554                           |                                 |                          |                                   |                                 |
| 01/12/2012               | 246,554                           |                                 |                          |                                   |                                 |
| 09/13/2012               | 585,195                           |                                 |                          |                                   |                                 |
|                          |                                   |                                 |                          |                                   |                                 |
| <b>Totals •</b>          |                                   |                                 | <b>18(b)</b>             | 1,571,411                         | <b>18(c)</b> 0                  |

**19** Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:

|                                                                                                                        |            |           |
|------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| <b>a</b> Contributions allocated toward unpaid minimum required contributions from prior years .....                   | <b>19a</b> | 0         |
| <b>b</b> Contributions made to avoid restrictions adjusted to valuation date.....                                      | <b>19b</b> | 0         |
| <b>c</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date..... | <b>19c</b> | 1,477,080 |

**20** Quarterly contributions and liquidity shortfalls:

- a** Did the plan have a "funding shortfall" for the prior year? ☒ Yes ☐ No
- b** If 20a is "Yes," were required quarterly installments for the current year made in a timely manner? ☒ Yes ☐ No
- c** If 20a is "Yes," see instructions and complete the following table as applicable:

| Liquidity shortfall as of end of quarter of this plan year |         |         |         |
|------------------------------------------------------------|---------|---------|---------|
| (1) 1st                                                    | (2) 2nd | (3) 3rd | (4) 4th |
| 0                                                          | 0       | 0       | 0       |

**Part V Assumptions used to determine funding target and target normal cost**

|                                                 |                                                           |                                                |                                                     |
|-------------------------------------------------|-----------------------------------------------------------|------------------------------------------------|-----------------------------------------------------|
| <b>21</b> Discount rate:                        |                                                           |                                                |                                                     |
| <b>a</b> Segment rates:                         | 1st segment:<br>2.94 %                                    | 2nd segment:<br>5.82 %                         | 3rd segment:<br>6.46 %                              |
|                                                 |                                                           |                                                | <input type="checkbox"/> N/A, full yield curve used |
| <b>b</b> Applicable month (enter code).....     |                                                           |                                                | <b>21b</b> 0                                        |
| <b>22</b> Weighted average retirement age ..... |                                                           |                                                | <b>22</b> 65                                        |
| <b>23</b> Mortality table(s) (see instructions) | <input checked="" type="checkbox"/> Prescribed - combined | <input type="checkbox"/> Prescribed - separate | <input type="checkbox"/> Substitute                 |

**Part VI Miscellaneous items**

|                                                                                                                                                                       |                                                                     |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|
| <b>24</b> Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment..... | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>25</b> Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.....                                      | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| <b>26</b> Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....                            | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| <b>27</b> If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....                  | <b>27</b>                                                           |

**Part VII Reconciliation of unpaid minimum required contributions for prior years**

|                                                                                                                                     |           |   |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------|---|
| <b>28</b> Unpaid minimum required contributions for all prior years .....                                                           | <b>28</b> | 0 |
| <b>29</b> Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (line 19a)..... | <b>29</b> | 0 |
| <b>30</b> Remaining amount of unpaid minimum required contributions (line 28 minus line 29).....                                    | <b>30</b> | 0 |

**Part VIII Minimum required contribution for current year**

|                                                                                                                                                                                     |                     |                    |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|--------------------|---------------|
| <b>31</b> Target normal cost and excess assets (see instructions):                                                                                                                  |                     |                    |               |
| <b>a</b> Target normal cost (line 6).....                                                                                                                                           | <b>31a</b>          | 1,107,605          |               |
| <b>b</b> Excess assets, if applicable, but not greater than 31a .....                                                                                                               | <b>31b</b>          |                    |               |
| <b>32</b> Amortization installments:                                                                                                                                                | Outstanding Balance |                    | Installment   |
| <b>a</b> Net shortfall amortization installment.....                                                                                                                                | 2,017,303           |                    | 390,518       |
| <b>b</b> Waiver amortization installment.....                                                                                                                                       | 0                   |                    | 0             |
| <b>33</b> If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount..... | <b>33</b>           |                    |               |
| <b>34</b> Total funding requirement before reflecting carryover/prefunding balances (lines 31a - 31b + 32a + 32b - 33)...                                                           | <b>34</b>           | 1,498,123          |               |
|                                                                                                                                                                                     | Carryover balance   | Prefunding balance | Total balance |
| <b>35</b> Balances elected for use to offset funding requirement .....                                                                                                              | 0                   | 21,043             | 21,043        |
| <b>36</b> Additional cash requirement (line 34 minus line 35).....                                                                                                                  | <b>36</b>           | 1,477,080          |               |
| <b>37</b> Contributions allocated toward minimum required contribution for current year adjusted to valuation date (line 19c).....                                                  | <b>37</b>           | 1,477,080          |               |
| <b>38</b> Present value of excess contributions for current year (see instructions)                                                                                                 |                     |                    |               |
| <b>a</b> Total (excess, if any, of line 37 over line 36) .....                                                                                                                      | <b>38a</b>          | 0                  |               |
| <b>b</b> Portion included in line 38a attributable to use of prefunding and funding standard carryover balances .....                                                               | <b>38b</b>          | 0                  |               |
| <b>39</b> Unpaid minimum required contribution for current year (excess, if any, of line 36 over line 37) .....                                                                     | <b>39</b>           | 0                  |               |
| <b>40</b> Unpaid minimum required contributions for all years.....                                                                                                                  | <b>40</b>           | 0                  |               |

**Part IX Pension funding relief under Pension Relief Act of 2010 (see instructions)**

|                                                                                                                 |                                                                                                                         |  |  |
|-----------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|--|--|
| <b>41</b> If a shortfall amortization base is being amortized pursuant to an alternative amortization schedule: |                                                                                                                         |  |  |
| <b>a</b> Schedule elected .....                                                                                 | <input type="checkbox"/> 2 plus 7 years <input type="checkbox"/> 15 years                                               |  |  |
| <b>b</b> Eligible plan year(s) for which the election in line 41a was made .....                                | <input type="checkbox"/> 2008 <input type="checkbox"/> 2009 <input type="checkbox"/> 2010 <input type="checkbox"/> 2011 |  |  |
| <b>42</b> Amount of acceleration adjustment .....                                                               | <b>42</b>                                                                                                               |  |  |
| <b>43</b> Excess installment acceleration amount to be carried over to future plan years .....                  | <b>43</b>                                                                                                               |  |  |

Attachment to 2011 Schedule SB, Line 22

EIN: 31-0958666 / PN: 001

**KINRAY, INC. PENSION PLAN & TRUST**

Weighted Average Retirement Age

Valuation Date: January 1, 2011

Participants are assumed to receive their benefits in the normal form at the plan's normal retirement date of the December 31<sup>st</sup> nearest the later of the date the participant attains age 65 or the fifth anniversary of plan participation.

**KINRAY, INC.**  
**PENSION PLAN & TRUST**

Statement of Actuarial Assumptions and Method  
Plan Year: 1/1/2011 to 12/31/2011  
Valuation Date: 1/1/2011

|                                           | <u>For PPA Funding</u>                                                                                                                               | <u>For Actuarial Equivalence</u> |
|-------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| <b>Interest Rates</b>                     |                                                                                                                                                      |                                  |
|                                           | Segment 1 2.94%                                                                                                                                      | Pre-Retirement 6.00%             |
|                                           | Segment 2 5.82%                                                                                                                                      | Post-Retirement 6.00%            |
|                                           | Segment 3 6.46%                                                                                                                                      |                                  |
| <b>Pre-Retirement</b>                     |                                                                                                                                                      |                                  |
| <b>Turnover</b>                           | None                                                                                                                                                 | None                             |
| <b>Mortality</b>                          | None                                                                                                                                                 | None                             |
| <b>Assumed Ret Age</b>                    | Normal retirement age 65<br>and 5 years of<br>participation                                                                                          |                                  |
| <b>Post-Retirement</b>                    |                                                                                                                                                      |                                  |
| <b>Mortality</b>                          | Male-modified RP2000<br>combined healthy male<br>projected 26 & 18 yrs<br>Female-modified RP2000<br>combined healthy female<br>projected 26 & 18 yrs | UP-84 UNADJUSTED                 |
| <b>Assumed Benefit Form For Funding</b>   |                                                                                                                                                      | Normal Form                      |
| <b>Calculated Effective Interest Rate</b> |                                                                                                                                                      | 6.16%                            |

An actuarial value of assets is used for funding purposes. This year the actuarial value of assets is 97.9% of the market value of assets.

**KINRAY, INC.**  
**PENSION PLAN & TRUST**

Summary of Plan Provisions  
Plan Year: 1/1/2011 to 12/31/2011

|                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Plan Effective Date</b>       | April 1, 1974                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Plan Year</b>                 | From January 1 to December 31                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>Eligibility</b>               | <p>All employees not excluded by class are eligible to enter on the January 1 nearest the completion of the following requirements:</p> <p>2 years of service<br/>Minimum age 21</p>                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>Normal Retirement Age</b>     | <p>All participants are eligible to retire with their full retirement benefit on the later of the following:</p> <p>Attainment of age 65<br/>Completion of 5 years of participation</p>                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>Normal Retirement Benefit</b> | <p>Upon normal retirement each participant will be entitled to a benefit payable in the normal form equal to the following:</p> <p>1.824 percent of compensation times credited years</p> <p>Credited years are years commencing with the date of entry and ending with the retirement year excluding the following:</p> <p>Years with less than 1,000 hours<br/>with a maximum of 10 years</p> <p>Maximum benefit is \$16,250 per month<br/>Maximum percent of salary is 100%</p> <p>Benefit is based on average salary during the highest 5 consecutive years of employment</p> |
| <b>Early Retirement Age</b>      | <p>Attainment of age 52</p> <p>7 years of service</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Early Retirement Benefit</b>  | Actuarial Equivalence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Normal Form of Benefit</b>    | A benefit payable for the life of the participant and payments guaranteed for 10 years                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |

**KINRAY, INC.**  
**PENSION PLAN & TRUST**

Summary of Plan Provisions  
Plan Year: 1/1/2011 to 12/31/2011

**Accrued Benefit**

A fraction of the normal retirement benefit calculated based on the assumption that the average salary preceding termination equals the average salary at retirement such fraction being equal to the years to date divided by what the years at retirement would have been had employment continued until retirement, but not taking into account more than 10 credited years

Credited years are plan years commencing with the year of hire and ending with the retirement year excluding the following:

Years with less than 1,000 hours

**Termination Benefit**

Upon termination for any reason other than death, disability or retirement a participant shall be entitled to a portion of the actuarial equivalent of his accrued benefit in accordance with the following vesting schedule:

Immediate 100% vesting

Credited years are plan years commencing with the year of hire and ending with the retirement year excluding the following:

Years with less than 1,000 hours

**Top-Heavy Status**

A plan is top-heavy if over 60% of the value of all accrued benefits in all of the employer's plans are for the benefit of key employees. A key employee is generally an officer or owner of the company. This plan is currently not top-heavy.

**Death Benefit**

Actuarial Equivalent of the accrued benefit earned to date of death

**Attachment to 2011 Schedule SB, line 26**

**EIN: 31-0958666 / PN: 001**

**KINRAY, INC. PENSION PLAN & TRUST**

**Schedule of Active Participant Data**

**Valuation Date: January 1, 2011**

|       | Years of Credited Service |     |     |       |       |       |       |       |       |     | Total |
|-------|---------------------------|-----|-----|-------|-------|-------|-------|-------|-------|-----|-------|
|       | < 1                       | 1-4 | 5-9 | 10-14 | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40+ |       |
| Age   |                           |     |     |       |       |       |       |       |       |     |       |
| < 25  | 0                         | 5   | 2   | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 7     |
| 25-29 | 0                         | 8   | 9   | 1     | 0     | 0     | 0     | 0     | 0     | 0   | 18    |
| 30-34 | 0                         | 3   | 12  | 5     | 0     | 0     | 0     | 0     | 0     | 0   | 20    |
| 35-39 | 0                         | 0   | 7   | 7     | 3     | 0     | 0     | 0     | 0     | 0   | 17    |
| 40-44 | 0                         | 3   | 12  | 9     | 4     | 1     | 0     | 0     | 0     | 0   | 29    |
| 45-49 | 0                         | 3   | 8   | 4     | 6     | 1     | 1     | 0     | 0     | 0   | 23    |
| 50-54 | 0                         | 5   | 5   | 3     | 3     | 0     | 0     | 0     | 0     | 0   | 16    |
| 55-59 | 0                         | 1   | 5   | 7     | 5     | 2     | 1     | 1     | 2     | 0   | 24    |
| 60-64 | 0                         | 0   | 2   | 2     | 3     | 1     | 0     | 0     | 0     | 0   | 8     |
| 65-69 | 0                         | 0   | 0   | 0     | 0     | 1     | 0     | 0     | 1     | 0   | 2     |
| > 69  | 0                         | 0   | 0   | 0     | 0     | 0     | 0     | 0     | 0     | 0   | 0     |
| Total | 0                         | 28  | 62  | 38    | 24    | 6     | 2     | 1     | 3     | 0   | 164   |

Attachment to 2011 Schedule SB, Line 32 - Schedule of Amortization Bases

EIN: 31-0958666 / PN: 001

**KINRAY, INC. PENSION PLAN & TRUST**

Schedule of Amortization Bases

Valuation Date: January 1, 2011

| <b>Valuation<br/>Date</b> | <b>Amortization<br/>Method</b> | <b>Number of<br/>Future<br/>Installments</b> | <b>Installment</b> | <b>Value of<br/>Future<br/>Installments</b> |
|---------------------------|--------------------------------|----------------------------------------------|--------------------|---------------------------------------------|
| 01/01/2008                | 7-year                         | 4                                            | \$155,261          | \$594,941                                   |
| 01/01/2009                | 7-year                         | 5                                            | \$49,799           | \$235,173                                   |
| 01/01/2010                | 7-year                         | 6                                            | (\$55,499)         | (\$303,917)                                 |
| 01/01/2011                | 7-year                         | 7                                            | \$240,957          | \$1,491,106                                 |
| Total                     |                                |                                              | \$390,518          | \$2,017,303                                 |

KINRAY, INC. PENSION PLAN and TRUST  
EIN #11-1580316

SCHEDULE H, PART IV, LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
December 31, 2011

Schedule H- Part I Item 1

| (a)                                                   | (b)                                                                                                     | (c)                 | (d)                 | (e)                |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------|---------------------|--------------------|
| Identity of issue, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost                | Current Value       |                    |
| <b>U.S. Government Securities</b>                     |                                                                                                         |                     |                     |                    |
| GNMA Gtd Mtg Pass Thru Ctf's                          | 8.0%, Due 04/15/26                                                                                      | 250                 | 184                 |                    |
| GNMA Gtd Mtg Pass Thru Ctf's                          | 6.0%, Due 11/15/31                                                                                      | 4,331               | 4,712               |                    |
| Total                                                 |                                                                                                         | <u>\$ 4,581</u>     | <u>\$ 4,896</u>     | Line 1(c)(2)(b)    |
| <b>Corporate Equities</b>                             |                                                                                                         |                     |                     |                    |
| Abbott Laboratories                                   | 1,925 shares of common stock                                                                            | 95,254              | 108,243             |                    |
| AT&T Corp Com                                         | 3,100 shares of common stock                                                                            | 87,577              | 93,744              |                    |
| Coca Cola Co                                          | 1,575 shares of common stock                                                                            | 98,477              | 110,203             |                    |
| ConocoPhillips                                        | 1,550 shares of common stock                                                                            | 98,229              | 112,948             |                    |
| Consolidated Edison                                   | 1,050 shares of common stock                                                                            | 58,301              | 65,131              |                    |
| Du Pont                                               | 1,075 shares of common stock                                                                            | 48,822              | 49,213              |                    |
| Eli Lilly & Co                                        | 2,525 shares of common stock                                                                            | 88,729              | 104,939             |                    |
| First Energy Corp                                     | 2,325 shares of common stock                                                                            | 89,384              | 102,997             |                    |
| General Electric                                      | 3,800 shares of common stock                                                                            | 61,901              | 68,058              |                    |
| Lexington Corp                                        | 7,000 shares of common stock                                                                            | 48,124              | 52,430              |                    |
| Novartis AG                                           | 1,150 shares of common stock                                                                            | 65,425              | 65,745              |                    |
| Pepco Holdings                                        | 5,250 shares of common stock                                                                            | 96,617              | 106,575             |                    |
| Pepsico Inc                                           | 1,700 shares of common stock                                                                            | 109,287             | 112,795             |                    |
| Royal Dutch Shell                                     | 1,500 shares of common stock                                                                            | 102,863             | 109,635             |                    |
| Sandridge Permian                                     | 5,300 shares of common stock                                                                            | 96,636              | 120,575             |                    |
| Verizon Communication                                 | 2,750 shares of common stock                                                                            | 88,908              | 110,330             |                    |
| Weverhaeuser Co                                       | 4,625 shares of common stock                                                                            | 81,103              | 86,349              |                    |
| Winthrop Rlty                                         | 2,325 shares of common stock                                                                            | 28,936              | 23,645              |                    |
| Glimcher Rlty                                         | 3,650 shares of common stock                                                                            | 93,133              | 91,248              |                    |
| Total                                                 |                                                                                                         | <u>\$ 1,537,706</u> | <u>\$ 1,694,803</u> | Line 1(c)(4)(B)(b) |
| <b>Mutual Funds</b>                                   |                                                                                                         |                     |                     |                    |
| Epoch Global Equity Shareholders CL I                 | 13,896 shares                                                                                           | 250,124             | 210,816             |                    |
| First Eagle Global Fund CL A                          | 5,458 shares                                                                                            | 228,750             | 246,299             |                    |
| FPA Crescent Portfolio                                | 3,819 shares                                                                                            | 100,032             | 102,288             |                    |
| Intrepid Capital Fund                                 | 8,974 shares                                                                                            | 100,032             | 96,119              |                    |
| Maingate MLP Fund                                     | 10,245 shares                                                                                           | 100,062             | 104,816             |                    |
| Permanent Portfolio                                   | 3,030 shares                                                                                            | 100,032             | 139,683             |                    |
| Royce Special Equity                                  | 2,380 shares                                                                                            | 50,032              | 46,894              |                    |
| Total                                                 |                                                                                                         | <u>\$ 929,064</u>   | <u>\$ 946,915</u>   | Line 1(c)(13)(b)   |

KINRAY, INC. PENSION PLAN and TRUST  
EIN #11-1580316

SCHEDULE II, PART IV, LINE 4i: SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
December 31, 2011

Schedule H- Part I Item 1

| (a)                                                   | (b)                                                                                                     | (c)                 | (d)                 | (e)                |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------------------|---------------------|--------------------|
| Identity of issue, borrower, lessor, or similar party | Description of investment including maturity date, rate of interest, collateral, par, or maturity value | Cost                | Current Value       |                    |
| <b>Corporate &amp; Other Debt</b>                     |                                                                                                         |                     |                     |                    |
| American Express Corp                                 | \$120,000, 5.875% Bond, Due 05/02/13                                                                    | 130,360             | 126,138             |                    |
| AT&T Inc Global NT                                    | \$120,000, 4.850% Bond, Due 02/15/14                                                                    | 120,045             | 129,344             |                    |
| AT&T Inc Global NT                                    | \$200,000, 5.500% Bond, Due 02/01/18                                                                    | 217,884             | 231,506             |                    |
| Berry Plastics Corp                                   | \$200,000, 8.250% Bond, Due 11/15/15                                                                    | 204,752             | 213,000             |                    |
| Boeing Co SR NT                                       | \$150,000, 6.000% Bond, Due 03/15/19                                                                    | 165,769             | 181,923             |                    |
| Burlington Northn                                     | \$150,000, 6.875% Bond, Due 12/01/27                                                                    | 166,502             | 193,333             |                    |
| Burlington Northn                                     | \$200,000, 4.100% Bond, Due 06/01/21                                                                    | 202,310             | 215,818             |                    |
| Caterpillar Fincl Svc                                 | \$150,000, 4.390% Bond, Due 08/15/13                                                                    | 162,688             | 159,838             |                    |
| Cisco Sys Inc                                         | \$200,000, 5.500% Bond, Due 02/22/16                                                                    | 228,560             | 232,746             |                    |
| Consolidated Edison                                   | \$255,000, 5.850% Bond, Due 04/01/18                                                                    | 289,094             | 311,108             |                    |
| Diageo Capital                                        | \$100,000, 5.125% Bond, Due 01/30/12                                                                    | 102,506             | 100,319             |                    |
| Duke Energy Co                                        | \$100,000, 6.250% Bond, Due 01/15/12                                                                    | 102,793             | 100,159             |                    |
| Heinz H J Co NT                                       | \$255,000, 5.350% Bond, Due 07/15/13                                                                    | 255,052             | 272,205             |                    |
| Hewlett Packard Co Global NT                          | \$185,000, 4.250% Bond, Due 02/24/12                                                                    | 186,188             | 185,832             |                    |
| Intel Corp                                            | \$200,000, 3.300% Bond, Due 10/01/12                                                                    | 199,626             | 210,686             |                    |
| Nike Inc Medium Term                                  | \$140,000, 5.150% Bond, Due 10/15/15                                                                    | 156,628             | 159,386             |                    |
| Oracle Corp                                           | \$200,000, 5.750% Bond, Due 04/15/18                                                                    | 225,734             | 242,696             |                    |
| Public Svc Elec Gas Co                                | \$200,000, 5.300% Bond, Due 05/01/18                                                                    | 220,590             | 236,766             |                    |
| Verizon Communications Inc                            | \$200,000, 5.550% Bond, Due 02/15/16                                                                    | 225,716             | 228,865             |                    |
| Colorado Springs Colo Utils Rev                       | \$125,000, 4.529% Bond, Due 11/15/17                                                                    | 125,052             | 138,385             |                    |
| Indiana Univ Revs Student Fee                         | \$175,000, 4.777% Bond, Due 08/01/20                                                                    | 175,052             | 199,451             |                    |
| Jacksonville FL SPL Rev Build                         | \$115,000, 4.240% Bond, Due 10/01/16                                                                    | 115,052             | 124,575             |                    |
| Maine Mun Bd Bk                                       | \$200,000, 4.950% Bond, Due 11/01/28                                                                    | 200,052             | 204,584             |                    |
| New London Conn Build Amer Bnds                       | \$110,000, 5.220% Bond, Due 08/15/19                                                                    | 110,052             | 124,035             |                    |
| New Mexico Fin Auth Rev Sr                            | \$175,000, 5.082% Bond, Due 06/01/22                                                                    | 175,052             | 196,465             |                    |
| New York NY City Transitional Fin Auth                | \$175,000, 4.867% Bond, Due 08/01/24                                                                    | 175,052             | 191,693             |                    |
| New York NY City Transitional Fin Auth                | \$150,000, 2.670% Bond, Due 02/01/14                                                                    | 150,796             | 155,187             |                    |
| New York NY City Transitional Fin Auth                | \$150,000, 4.398% Bond, Due 05/01/20                                                                    | 150,052             | 165,886             |                    |
| New York St Dorm Auth Pers Income Tax Rev             | \$100,000, 4.511% Bond, Due 12/15/13                                                                    | 107,619             | 106,484             |                    |
| New York St Dorm Auth Pers Income Tax Rev             | \$150,000, 4.554% Bond, Due 02/15/21                                                                    | 150,052             | 168,945             |                    |
| Ohio St for Issues DTD Prior to 3/25/05               | \$125,000, 4.550% Bond, Due 10/01/17                                                                    | 125,052             | 138,264             |                    |
| Ohio St Wtr Dev Auth Wtr Pollutn                      | \$150,000, 3.492% Bond, Due 12/01/19                                                                    | 157,796             | 162,253             |                    |
| Oregon St Ser E                                       | \$175,000, 4.461% Bond, Due 08/01/20                                                                    | 175,052             | 197,430             |                    |
| Oregon St St Brd Ed                                   | \$125,000, 4.961% Bond, Due 08/01/25                                                                    | 136,153             | 145,312             |                    |
| Paramus NJ Rfdg Pension                               | \$150,000, 4.961% Bond, Due 03/01/21                                                                    | 162,691             | 161,902             |                    |
| Port Authority NY NJ                                  | \$115,000, 4.500% Bond, Due 09/15/15                                                                    | 120,266             | 126,350             |                    |
| Sacramento Cnty CA Conv Pens a Cap                    | \$100,000, 7.380% Bond, Due 08/15/21                                                                    | 110,552             | 116,843             |                    |
| San Antonio Tex Wtr Rev                               | \$125,000, 3.319% Bond, Due 05/15/15                                                                    | 125,052             | 132,424             |                    |
| Somerset Cnty NJ Impt                                 | \$100,000, 5.250% Bond, Due 10/01/24                                                                    | 99,536              | 110,060             |                    |
| Triborough Brdg Tunnl Auth                            | \$100,000, 5.000% Bond, Due 11/15/25                                                                    | 100,052             | 106,715             |                    |
| Wake Cnty NC Pub                                      | \$175,000, 5.150% Bond, Due 04/01/28                                                                    | 182,551             | 190,878             |                    |
|                                                       |                                                                                                         | <u>\$ 6,691,433</u> | <u>\$ 7,095,789</u> |                    |
|                                                       |                                                                                                         |                     |                     | Line 1(c)(3)(B)(b) |