SYNCOR INTERNATIONAL CORP /DE/
Form 10-Q/A
October 11, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

Form 10 Q/A-1

Quarterly Report Under Section 13 or 15(d)
of the Securities Exchange Act of 1934

For Quarter Ended June 30, 2002 | Commission File Number 0 8640

SYNCOR INTERNATIONAL CORPORATION
(Exact name of registrant as specified in its charter)

Delaware	**85 0229124**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
6464 Canoga Avenue, Woodland Hills, California	**91367**
(Address of principal executive offices)	(Zip Code)

(818) 737-4000
(Registrant's telephone number, including area code)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes _X_ No ___

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date. As of July 31, 2002, 25,404,647 shares of $.05 par value common stock were outstanding.

SYNCOR INTERNATIONAL CORPORATION AND SUBSIDIARIES

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EXPLANATORY NOTE

On June 14, 2002, Syncor International Corporation entered into an agreement and plan of merger with Cardinal Health, Inc. and its wholly-owned subsidiary, Mudhen Merger Corp., pursuant to which Mudhen Merger Corp. will merge into Syncor and we will become a wholly-owned subsidiary of Cardinal Health upon the satisfaction of various conditions, including approval of the merger agreement by our stockholders. Also on June 14, 2002, we announced our decision to discontinue certain of our operations, including: our U.S. medical imaging business operated under our subsidiary, Comprehensive Medical Imaging, Inc. (previously a separate segment for reporting purposes); certain overseas locations; and our brachytherapy seeds manufacturing operations. The merger agreement requires the filing of a proxy statement, which will incorporate by reference our Form 10-K for the year ended December 31, 2001, our Form 10-Q for the quarter ended March 31, 2002, and our Form 10-Q for the quarter ended June 30, 2002.

This Form 10-Q/A-1 also includes certain additional disclosures required by the Staff of the Securities and Exchange Commission. We are also filing with this Form 10-Q/A-1, as Exhibit 99.1, the Certification of CEO and CFO required by Section 906 of the Sarbanes-Oxley Act of 2002.

Item 1.

SYNCOR INTERNATIONAL CORPORATION AND SUBSIDIARIES
Condensed Consolidated Balance Sheets
(Unaudited)
(in thousands)

	JUNE 30, 2002	DECEMBER 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,000	$ 17,634
Short term investments	6,754	10,215
Trade receivables, net	113,057	97,003

Inventory	28,224	28,879
Prepaids and other current assets	22,106	19,215
Total assets – discontinued operations (note 2)	283,541	283,154
Total current assets	463,682	456,100
Marketable investment securities	508	1,006
Property and equipment, net	96,677	86,812
Excess of purchase price over net assets acquired, net	35,771	30,498
Other assets	14,543	13,425
	$611,181	$587,841
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 67,549	$ 62,021
Accrued liabilities	45,226	13,982
Accrued wages and related costs	15,225	13,149
Federal and state taxes payable	7,421	4,530
Current maturities of long-term debt	1,897	6,345
Total liabilities – discontinued operations (note 2)	209,595	215,635
Total current liabilities:	346,913	315,662
Long-term debt, net of current maturities	31,493	35,118
Deferred taxes	2,439	2,233
Stockholders' equity:		
Common stock, $.05 par value	1,428	1,420
Additional paid-in capital	127,193	124,909
Notes receivable-related parties	(3,337)	(6,197)
Accumulated other comprehensive income	(4,814)	(3,653)
Retained earnings	147,802	151,888
Treasury stock, at cost; 3,750 shares at June 30, 2002 and 3,575 shares at December 31, 2001	(37,936)	(33,539)
Total stockholders' equity	230,336	234,828
	$611,181	$587,841

See notes to condensed consolidated financial statements.

SYNCOR INTERNATIONAL CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Unaudited)

(in thousands, except per share data)

	THREE MONTHS ENDED JUNE 30,	
	2002	**2001**
Net sales	$189,322	$144,377
Cost of sales	128,728	100,320
Gross profit	60,594	44,057

Operating, selling and administrative expenses	42,008	23,584
Depreciation and amortization	4,789	3,616
Operating income	13,797	16,857
Other income (expense), net	169	(548)
Income from continuing operations before taxes	13,966	16,309
Provision for income taxes	5,377	6,184
Income from continuing operations	$8,589	$10,125
Income (loss) from discontinued operations, net of taxes	(23,583)	857
Net income (loss)	$(14,994)	$10,982
Net income (loss) per share – Basic:		
Continuing operations	$0.34	$0.41
Discontinued operations	($0.95)	$0.03
Net income (loss) per share	($0.61)	$0.44
Net income (loss) per share – Diluted:		
Continuing operations	$0.32	$0.38
Discontinued operations	($0.88)	$0.03
Net income (loss) per share	($0.56)	$0.41
Weighted average shares outstanding – Basic	24,782	24,766

Weighted average shares outstanding – Diluted	26,880	26,936

See notes to condensed consolidated financial statements.

SYNCOR INTERNATIONAL CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Income
(Unaudited)

(in thousands, except per share data)

	SIX MONTHS ENDED JUNE 30,	
	2002	**2001**
Net sales	$362,900	$284,470
Cost of sales	247,302	198,194
Gross profit	115,598	86,276
Operating, selling and administrative expenses	74,359	45,352
Depreciation and amortization	9,602	7,323
Operating income	31,637	33,601
Other expense, net	(915)	(1,508)
Income from continuing operations before taxes	30,722	32,093
Provision for income taxes	11,827	12,506
Income from continuing operations	$18,895	$19,587
Income (loss) from discontinued operations, net of taxes	(22,981)	1,602
Net income (loss)	($4,086)	$21,189
Net income (loss) per share – Basic:		
Continuing operations	$0.76	$0.80
Discontinued operations	($0.93)	$0.07
Net income (loss) per share	($0.17)	$0.87
Net income (loss) per share – Diluted:		
Continuing operations	$0.71	$0.72
Discontinued operations	($0.86)	$0.06
Net income (loss) per share	($0.15)	$0.78
Weighted average shares outstanding – Basic	24,774	24,439
Weighted average shares outstanding – Diluted	26,786	27,008

See notes to condensed consolidated financial statements

SYNCOR INTERNATIONAL CORPORATION AND SUBSIDIARIES
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(in thousands)

	SIX MONTHS ENDED JUNE 30,	
	2002	**2001**
Cash flows from operating activities:		
Net income (loss)	($4,086)	$21,189
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Loss (income) from discontinued operations	22,981	(1,602)
Depreciation and amortization	9,602	7,323
Provision for losses on receivables	798	363
Amortization of loan guarantee	-	842
Changes in operating assets and liabilities, net of acquisitions:		
Trade receivables	(17,444)	(12,379)
Inventory	534	42,270
Prepaids and other current assets	(2,936)	(2,522)
Other assets	(238)	1,781
Accounts payable	5,496	(24,156)
Accrued liabilities	32,596	(1,768)
Accrued wages and related costs	2,086	(6,438)
Federal and state taxes payable	4,143	1,452
Deferred taxes	206	1,476
Net cash provided by operating activities	53,738	27,831
Cash flows from investing activities:		
Purchase of property and equipment, net	(14,242)	(15,910)
Acquisitions of businesses, net of cash acquired	(6,446)	(4,765)
Net decrease (increase) in short-term investments	3,428	(1,297)
Net decrease (increase) long-term investment	498	(3)
Unrealized gain on investments	2	3
Net cash used in investing activities	(16,760)	(21,972)
Cash flows from financing activities:		
Proceeds from long-term debt	-	39,362
Repayment of long-term debt	(12,862)	(6,622)
Notes receivable-related parties	2,860	11,469
Issuance of common stock	1,118	5,320
Reacquisition of common stock for treasury	(4,397)	(13,927)
Loans to discontinued operations (Note 2)	(27,288)	(35,101)
Net cash (used in) provided by financing activities	(40,569)	501
Net change in cash and cash equivalents	(3,591)	6,360
Effect of exchange rate on cash	290	(50)
Cash from discontinued operations (Note 2)	(4,333)	3,099

Cash and cash equivalents at beginning of period	17,634	19,498
Cash and cash equivalents at end of period	$ 10,000	$28,907

See notes to condensed consolidated financial statements.

SYNCOR INTERNATIONAL CORPORATION AND SUBSIDIARIES

Notes to Condensed Consolidated Financial Statements

1. GENERAL. The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10 Q. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. The results for the six months ended June 30, 2002, are not necessarily indicative of the results to be expected for the full year. For further information, refer to the consolidated financial statements and footnotes thereto included in our Annual Report on Form 10-K/A-1 for the year ended December 31, 2001. Certain line items in the prior year's consolidated condensed financial statements presented herein have been reclassified to conform to the current year's presentation.

2. MERGER AGREEMENT, DISCONTINUED OPERATIONS AND OTHER CHARGES. On June 14, 2002, we entered into an agreement and plan of merger with Cardinal Health Inc. (Cardinal Health) and its wholly owned subsidiary, Mudhen Merger Corp. Under the terms and subject to the conditions of the agreement, we will become a wholly owned subsidiary of Cardinal Health. The merger agreement provides for Syncor stockholders to receive 0.52 Cardinal Health shares for each Syncor share they own. Pursuant to certain terms and conditions in the merger agreement, if the agreement is terminated we could be required to pay Cardinal Health termination fees ranging from $4,000,000 to $24,125,000. The obligation to pay, and the amount of such fees are based upon the circumstances relating to the termination. The transaction is expected to be completed by the end of 2002, subject to the satisfaction of customary conditions, including Syncor stockholder approval. Syncor's stockholder meeting is expected to take place in the fall of 2002.

We also announced on June 14, 2002 our decision to discontinue certain operations including our medical imaging business-CMI (a separate segment for reporting purposes), certain overseas locations and the brachytherapy seeds manufacturing operations of the Pharmacy Services Business. On June 14, 2002, we recorded net after-tax charges in discontinued operations for severance, impairment of assets held for sale and other charges totaling $24.9 million or $0.93 per fully diluted share. Included in discontinued operations was a net after tax charge of $11.2 million or $0.42 per fully diluted share for CMI. Of this total, $1.5 million related to our change in estimates for contractual allowances, $4.2 million related to the change in estimated reserves for bad debt, $1.1 million related to a write-down of existing costs of a billing system that would no longer be utilized and $4.4 million related to severance expenses. The adjustments to contractual allowances and bad debt reserves were made after extensive reviews of our billing and collection processes completed in June 2002. Included in these reviews were recommendations from outside consultants for enhancements to our reporting systems and methodology for estimating and recording our contractual allowances and bad debt reserves. Based upon these refinements and improvements we identified the need for an adjustment to contractual allowances and bad debt reserves. The timing of the changes to these estimates for contractual allowances and bad debt reserves was not related to the decision to discontinue the operations of CMI. The charges relating to our overseas business totaled $13.2 million, net after taxes. Of this amount, $1.0 million related to severance charges with the remaining $12.2 million related to asset impairment charges. The $0.5 million of charges related to the seeds manufacturing facilities was for the discontinuance of seeds production.

We are marketing each of the discontinued operations for sale with the exception of the seeds business, which has been closed, and an investment in Brazil, which has been terminated. We are considering offers for the sale of our imaging business in the U.S. and Puerto Rico (see Subsequent Events information in note 10). We are also in various stages of discussions with U.S. and local foreign buyers for the sale of our discontinued overseas operations. We expect to complete these transactions within one year from our June 14, 2002 announcement to discontinue these operations as prescribed by the Financial Accounting Standards Board (FASB), in SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. We recorded severance related accruals both in our overseas business and CMI in accordance with the provisions of the FASB, Emerging Issues Task Force (EITF) No. 94-3 *Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring).* Further, there were no material changes in the severance related accruals nor any payments charged against this liability from the date of announcement through June 30, 2002, thus no additional disclosures need to be made in this Form 10-Q/A-1. We will disclose the changes in the severance related accruals in accordance with EITF No. 94-3 in future filings.

Our June 14, 2002 announcement also included a special charge to earnings of $5.0 million ($3.1 million net of tax or $0.11 per fully diluted share). Of this amount $2.5 million related to severance and information technology reorganization costs and $0.6 million related to expenses arising from the transaction with Cardinal Health.

The merger agreement for the Cardinal Health transaction requires the filing of a proxy statement which will incorporate by reference the Forms 10-Q for the quarters ended June 30, 2002 and March 31, 2002 and the Form 10-K for the year ended December 31, 2001. We are filing this Form 10-Q/A-1 to reflect certain additional disclosures requested by the staff of the Securities and Exchange Commission.

The following represents income statement data from the discontinued operations:

Income statement data:

	For Three Months Ended		For Six Months Ended	
	June 30, 2002	**June 30, 2001**	**June 30, 2002**	**June 30, 2001**
Revenues	$40,157	$43,315	$ 82,063	$84,638
Costs and expenses	72,265	41,901	113,189	81,997
Operating income (loss)	(32,108)	1,414	(31,126)	2,641
Income tax expense (benefit)	(8,525)	557	(8,145)	1,039
Income (loss) from discontinued operations	($23,58)	$ 857	($22,981)	$ 1,602

The following table summarizes the major assets and liabilities for discontinued operations. The inter-company payables and stockholders' deficit are eliminated in consolidation and therefore do not appear on the face of the balance sheet. The discontinued balance sheet is as follows:

	June 30, 2002	**December 31, 2001**
Current assets	$ 68,673	$ 74,450
Property and equipment	96,046	90,552
Intangibles and goodwill	118,822	118,152
Total assets	$283,541	$283,154
Current liabilities	$ 34,114	$30,088
Long-term debt	163,397	175,531
Inter-company payables	94,224	68,381
Deferred taxes	9,808	8,463
Other liabilities	2,276	1,553
Stockholders deficit	(20,278)	(862)
Total liabilities and stockholders' deficit	$283,541	$283,154

Included in the June 30, 2002 long-term debt are borrowings from bank financings of approximately $120.1 million with the remainder primarily capital leases generally with five-year terms. The bank borrowings are unsecured and payable in a lump sum on May 1, 2006 with a floating interest rate of Libor plus 1.625% or prime rate.

Of the $27.2 million and $35.1 million of loans to discontinued operations included in the statement of cash flows for the six months ended June 30, 2002 and 2001, respectively, approximately $1.8 million and $8.0 million represent loans to CMI (our medical imaging business) for operating cash purposes for each respective period. In addition, approximately $26.5 million and $25.9 million represent loans made to our discontinued overseas businesses for operating cash and acquisition purposes during the six months ended June 31, 2002 and 2001, respectively. Approximately $1.1 million and $1.2 million represent payment from and loans to our discontinued seeds manufacturing business for operating cash purposes during the six months ended June 30, 2002 and 2001, respectively. These loans are comprised of short-term inter-company loans. These inter-company loans are eliminated in consolidation, except for the statement of cash flows, which reflects the lending activities between the continuing and discontinued operations in order to provide disclosure of such activity.

The remaining notes to the financial statements have been restated (except for Note 9 relating to acquisitions) to only address/disclose information relevant to the continuing operations.

3. SUMMARY OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES.

Our critical accounting policies and estimates are as follows:

Revenue Recognition. We recognize our revenue primarily from two sources: (i) product revenue, which includes sales from our radiopharmacies, and (ii) service revenue, primarily from our international imaging businesses and our cardiology management services. Management makes few estimates or judgments in the recording of revenues and as such few if any changes are expected in the recording of revenues. Revenues are booked based upon delivery of product to our customers. Since most of our products are compounded with radioactive materials, most have a very short useful life of approximately six hours. Due to this short life and the fact that most items are ordered for specific patients based on a doctor's prescription, we receive very few returns of product. These returns are generally handled in the same month so future revenues are not impacted and no significant allowances for returns are necessary. Service revenues are booked at the time of service. Allowances are made for contracts and bad debts in the same month as the service revenue is booked. Service revenues constitute less than 3% of our overall net revenues.

Cardiolite sales represented $95.8 million and $79.9 million, or approximately 50.6% and 55.3%, of our total sales during the quarters ended June 30, 2002 and 2001, respectively. Cardiolite sales represented $184.4 million and $156.9 million, or approximately 50.8% and 55.1%, of our total sales during the six months ended June 30, 2002 and 2001, respectively.

Estimating Valuation Allowances for Doubtful Accounts. The preparation of financial statements requires our management to make estimates and assumptions on the collectibility of our accounts receivable. Management specifically analyzes historical bad debts, customer concentrations, customer credit-worthiness, current economic trends, aging of accounts and changes in payment terms when evaluating the adequacy of the allowance for doubtful accounts. Any changes in these estimates or assumptions could cause material differences in recorded allowances.

Valuation of Long-Lived Assets and Goodwill. We assess the impairment of identifiable intangibles, long-lived assets and related goodwill and enterprise level goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of our use of the acquired assets or the strategy for our overall business;
- significant negative industry or economic trends; and
- our market capitalization relative to net book value.

NEW ACCOUNTING STANDARDS. In July 2001, the Financial Accounting Standards Board (FASB) issued Statement of Accounting Standards SFAS No. 141, *Business Combinations* and SFAS No. 142 *Goodwill and Other Intangible Assets*. SFAS requires that the purchase method of accounting be used for all business combinations completed after June 30, 2001, clarifies the recognition of intangible assets separately from goodwill and requires that unallocated negative goodwill be written off immediately as an extraordinary gain. SFAS No. 142, which was effective for fiscal years beginning after December 15, 2001, requires that ratable amortization of goodwill be replaced with periodic tests of goodwill impairment and that intangible assets, other than goodwill, which have determinable useful lives, be amortized over their useful lives. The Company has adopted these accounting standards effective January 1, 2002 and has determined in the transitional impairment analysis, that based upon the value of the proposed merger agreement and anticipated sales values of discontinued business assets that there has been no impairment. There were no adjustments to identifiable intangible assets' useful lives or recorded balances as a result of the adoption of SFAS No.142. We will perform an annual impairment analysis of goodwill as required by SFAS No. 142. The following is a reconciliation of net income and earnings per share between the amounts reported for the three and six months ended June 30, 2001 and the adjusted amounts reflecting these new accounting rules:

	Three Months Ended, June 30, 2002	Three Months Ended, June 30, 2001	Six Months Ended June 30, 2002	Six Months Ended June 30, 2001

(Dollars in thousands, except per share data)

Net income				
Reported net income (loss)	($14,994)	$10,982	($4,086)	$21,189
Goodwill amortization (net of taxes)	-	929	-	1,847
Adjusted net income	($14,994	$11,911	($4,086)	$23,036
Earnings per share: Basic				
Reported	($0.61)	$ 0.44	($0.17)	$ 0.87
Goodwill	0.00	0.04	0.00	0.08
Adjusted earnings per share	($0.61)	$ 0.48	($0.17)	$ 0.95
Earnings per share: Diluted				
Reported	($0.56)	$ 0.41	($0.15)	$ 0.78
Goodwill	0.00	0.03	0.00	0.07
Adjusted earnings per share	($0.56)	$ 0.44	($0.15)	$ 0.85

In August 2001, the Financial Accounting Standards Board (FASB) issued SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets* (SFAS No. 144), which supersedes both FASB Statement No. 121, *Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of* (SFAS No. 121) and the accounting and reporting provisions of APB Opinion No. 30, *Reporting the Results of Operations—Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions* (Opinion 30), for the disposal of a segment of a business (as previously defined in that Opinion). SFAS No. 144 retains the fundamental provisions in SFAS No. 121 for recognizing and measuring impairment losses on long-lived assets held for use and long-lived assets to be disposed of by sale, while also resolving significant implementation issues associated with SFAS No. 121. SFAS No. 144 retains the basic provisions of Opinion 30 on how to present discontinued operations in the income statement but broadens that presentation to include a component of an entity (rather than a segment of a business). Unlike SFAS No. 121, an impairment assessment under SFAS No. 144 will never result in a write-down of goodwill. Rather, goodwill is evaluated for impairment under SFAS No. 142, *Goodwill and Other Intangible Assets.*

The Company is required to adopt SFAS No. 144 no later than the year beginning after December 15, 2001. Accordingly, the Company adopted SFAS No. 144 in the first quarter of 2002. Management does not expect the adoption of SFAS No. 144 for long-lived assets held for use to have a material impact on the Company's financial statements because the impairment assessment under SFAS No. 144 is largely unchanged from SFAS No. 121. The provisions of SFAS No. 144 for assets held for sale or other disposal generally are required to be applied prospectively after the adoption date to newly initiated disposal activities. The adoption of SFAS No. 144 impacted us as certain disposal groups qualified as discontinued operations and are presented accordingly in the accompanying condensed consolidated financial statements.

On August 16, 2001, the FASB issued SFAS No. 143, *Accounting for Asset Retirement Obligations*. The statement requires entities to record the fair value of a liability for legal obligations associated with the retirement obligations of tangible long-lived assets in the period in which it is incurred. When the liability is initially recorded, the entity increases the carrying amount of the related long-lived asset. Over time, accretion of the liability is recognized each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability an entity either settles the obligation for its recorded amount or incurs a gain or loss upon settlement. The standard is effective for fiscal years beginning after June 15, 2002, with earlier application encouraged. We do not expect that the adoption of SFAS No. 143 will have a material impact on the Company's results from operations.

In April 2002, the FASB issued SFAS No. 145 *Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections* which requires that the extinguishment of debt not be considered an extraordinary item under Opinion 30 *Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions* unless the debt extinguishment meets the unusual in nature and infrequency of occurrence criteria in Opinion 30. SFAS No. 145 is effective for fiscal years beginning after May 15, 2002 and upon adoption, companies must reclassify prior period items that do not meet the extraordinary item classification criteria in Opinion 30. The adoption of SFAS No. 145 is not expected to have a material impact on our financial position and results of operations.

On July 30, 2002, FASB issued Statement of Financial Accounting Standards ("SFAS") No. 146, *Accounting for Costs Associated with Exit or Disposal Activities*. SFAS No. 146 nullifies EITF Issue No. 94-3, *Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring)*. It requires that a liability be recognized for those costs only when the liability is incurred, that is, when it meets the definition of a liability in the FASB's conceptual framework. SFAS No. 146 also establishes fair value as the objective for initial measurement of liabilities related to exit or disposal activities. SFAS No.146 is effective for exit or disposal activities that are initiated after December 31, 2002, with earlier adoption encouraged. The Company does not expect that the adoption of SFAS No. 146 will have a material impact on its financial position or results from operations.

5. COMPREHENSIVE INCOME (LOSS). Other comprehensive income (loss) includes foreign currency translation adjustments and net unrealized gains and losses on investments in equity securities. Such amounts are as follows:

For the three months ended:		**June 30, 2002**			**June 30, 2001**	
	Before-Tax Amount	Tax Expense	Net-of-Tax Amount	Before-Tax Amount	Tax Expense	Net-of-Tax Amount
Foreign currency translation adjustments	$(1,232)	$-	$(1,232)	$82	$-	$82
Unrealized gains (losses) on investments:						
Unrealized holding gains (losses) arising during period	3	(1)	2	-	-	-
Other comprehensive income (loss)	(1,229)	(1)	(1,230)	82	-	82
Net income (loss)	(9,617)	(5,377)	(14,994)	17,166	(6,184)	10,982
Total comprehensive income (loss)	$(10,846)	$(5,378)	$(16,224)	$17,248	$(6,184)	$11,064

For the six months ended:		**June 30, 2002**			**June 30, 2001**	
	Before-Tax Amount	Tax Expense	Net-of-Tax Amount	Before-Tax Amount	Tax Expense	Net-of-Tax Amount
Foreign currency translation adjustments	$(1,163)	$-	$(1,163)	$(57)	$-	$(57)
Unrealized gains (losses) on investments:						
Unrealized holding gains (losses) arising during period	3	(1)	2	-	(1)	-
Other comprehensive income (loss)	(1,160)	(1)	(1,161)	(53)	(1)	(54)
Net income (loss)	(7,741)	(11,827)	(4,086)	34,734	(13,545)	21,189
Total comprehensive income (loss)	$(6,581)	$(11,828)	$(5,247)	$34,681	$(13,546)	$21,135

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6. SEGMENT INFORMATION. Syncor has identified two primary operating segments: U.S. Pharmacy Services and International Operations. The third segment, which was the U.S. Medical Imaging Business, has been excluded from this segment presentation since the operations have been discontinued. The international locations and seeds manufacturing operations that have been discontinued have also been excluded from the segment presentation. Segment selection was based upon internal organizational structures, the process by which these operations are managed and evaluated, the availability of separate financial results, and materiality considerations. Segment detail is summarized as follows:

	THREE MONTHS ENDED,	
	June 30, 2002	**June 30, 2001**
U.S. Pharmacy Services Business		
Revenues	$178,125	$137,633
Operating Income	$ 25,090	$ 20,722
International Operations		
Revenues	$ 11,197	$ 6,744
Operating Income	$ 310	$ 112

Unallocated Corporate		
Operating Loss	$ (11,603)	$ (3,977)

	SIX MONTHS ENDED,	
	June 30, 2002	June 30, 2001
U.S. Pharmacy Services Business		
Revenues	$342,127	$270,840
Operating Income	$ 49,078	$ 40,977
International Operations		
Revenues	$ 20,773	$ 13,630
Operating Income (Loss)	$ 417	$ (9)
Unallocated Corporate		
Operating Loss	$ (17,858)	$ (7,367)

7. NET INCOME PER SHARE. Basic earnings per share (EPS) amounts are computed by dividing earnings applicable to common stockholders by the weighted average number of shares outstanding. Diluted EPS amounts assume the issuance of common stock for all potentially dilutive equivalents outstanding. Anti-dilutive outstanding stock options of 2,626,699 and 2,272,995 for the three months ended June 30, 2002 and 2001 and 2,658,616 and 2,262,901 for the six months ended June 30, 2002 and 2001, respectively have been excluded from the diluted calculation, respectively.

The reconciliation of the numerator and denominators of the basic and diluted earnings per share computations are as follows for the three and six months ended June 30, 2002 and 2001:

	THREE MONTHS ENDED,					
	June 30, 2002			June 30, 2001		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net income (loss):						
Continuing Operations	8,589			10,125		
Discontinued Operations	(23,583)			857		
Basic EPS:		24,782			24,766	
Continuing Operations	8,589		$0.34			$0.41
Discontinued Operations	(23,583)		($0.95)			$0.03
Effect of Dilutive Stock Options		2,098			2,170	
Diluted EPS:		26,880			26,936	
Continuing Operations	8,589		$0.32			$0.38
Discontinued Operations	(23,583)		($0.88)			$0.03

	SIX MONTHS ENDED,					
	June 30, 2002			June 30, 2001		
	Income (Numerator)	Shares (Denominator)	Per Share Amount	Income (Numerator)	Shares (Denominator)	Per Share Amount
Net income (loss):						

Continuing Operations	18,895			19,587		
Discontinued Operations	(22,981)			1,602		
Basic EPS:		24,774			24,439	
Continuing Operations	18,895		$0.76	19,587		$0.80
Discontinued Operations	(22,981)		($0.93)	1,602		$0.07
Effect of Dilutive Stock Options		2,012			2,569	
Diluted EPS:		26,786			27,008	
Continuing Operations	18,895		$0.71	19,587		$0.73
Discontinued Operations	(22,981)		$0.86	1,602		$0.06

8. NOTES RECEIVABLE-RELATED PARTIES. We initiated a Senior Management Stock Purchase Plan effective June 16, 1998, pursuant to which our officers and key employees purchased shares of Syncor stock. The shares were paid with a five-year interest bearing promissory note payable to us. Interest on each note is payable on each anniversary date, with the entire outstanding principal and unpaid interest due on the fifth anniversary date. As of June 30, 2002 we had eight employees with loans outstanding of $3.3 million, as compared to thirteen employees with $6.2 million outstanding at December 31, 2001.

9. ACQUISITION OF BUSINESSES. The summary below of acquisitions that we made in 2002 and 2001 reflect acquisitions made by our continuing operations and discontinued operations. We have not made any amendments to this note to reflect the discontinuation of our CMI operations and certain overseas locations announced on June 14, 2002.

During the second quarter of 2002, we acquired a radiopharmacy for a purchase price of $4.0 million of which $3.5 million was allocated to goodwill and the remainder to other assets. In addition, we acquired a business, which provides health physics services to clinics and hospitals that handle radioactive materials for a purchase price of $0.6 million.

During the second quarter of 2001, we entered into a management service agreement with an oncology clinic in Brazil for an investment of $1.8 million. In addition, we acquired a distributor and manufacturer of radiopharmaceuticals in Australia for a purchase price of $0.7 million plus the assumption of $0.2 million of debt.

10. SUBSEQUENT EVENTS. During the second quarter of 2002, one of our foreign subsidiaries received notice that a medical group was intending to initiate arbitration proceedings against our subsidiary, alleging that our subsidiary breached the terms of a management agreement. Our subsidiary received formal notification of the arbitration in August 2002. The medical group is seeking $200,000 plus unspecified damages for lost profits and injuries to reputation, among other claims. We believe that our subsidiary has adequate defenses to the claim, and in fact our subsidiary intends to file a counterclaim seeking compensation for lost profits and other damages specifically provided for in the management agreement. We have not accrued for any loss contingency relating to this claim because such an estimate cannot be made.

In our June 14, 2002 announcement regarding the discontinuation of CMI operations, we indicated that we were entertaining bids for the sale of CMI. Since that announcement, numerous potential buyers have conducted due diligence on the CMI business. During the quarter ended September 30, 2002, we received various offers from potential buyers, and based on these offers, we believe that it is probable that the sale of CMI will result in a loss on disposal to Syncor in the range of $28 million to $35 million net after tax. Based on this information, we intend to recognize an asset impairment charge relative to CMI in the range of $28 million to $35 million net after tax in the quarter ended September 30, 2002.

Item 2.

SYNCOR INTERNATIONAL CORPORATION AND SUBSIDIARIES
Management's Discussion and Analysis of Financial Condition and Results of Operations
For the Six Months Ended June 30, 2002 and 2001

SUMMARY OF CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our critical accounting policies and estimates are as follows:

Revenue Recognition.We recognize our revenue primarily from two sources: (i) product revenue, which includes sales from our radiopharmacies, and (ii) service revenue, primarily from our international imaging businesses and our cardiology management services. Management makes few estimates or judgments in the recording of revenues and as such few if any changes are expected in the recording of revenues. Revenues are booked based upon delivery of product to our customers. Since most of our products are compounded with radioactive materials, most have a very short useful life of approximately six hours. Due to this short life and the fact that most items are ordered for specific patients based on a doctor's prescription, we receive very few returns of product. These returns are generally handled in the same month so future revenues are not impacted and no significant allowances for returns are necessary. Service revenues are booked at the time of service. Allowances are made for contracts and bad debts in the same month as the service revenue is booked. Service revenues constitute less than 3% of our overall net revenues.

Estimating Valuation Allowances for Doubtful Accounts.The preparation of financial statements requires our management to make estimates and assumptions on the collectibility of our accounts receivable. Management specifically analyzes historical bad debts, customer concentrations, customer credit-worthiness, current economic trends, aging of accounts and changes in payment terms when evaluating the adequacy of the allowance for doubtful accounts. Any changes in these estimates or assumptions could cause material differences in recorded allowances. During the second quarter of 2002 we increased our bad debt reserves for the imaging business in an amount of $7.0 million to better reflect our current estimates of collectibility.

Valuation of Long-Lived Assets and Goodwill. We assess the impairment of identifiable intangibles, long-lived assets and related goodwill and enterprise level goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of our use of the acquired assets or the strategy for our overall business;
- significant negative industry or economic trends; and
- our market capitalization relative to net book value.

When we determine that the carrying value of intangibles, long-lived assets and related goodwill and enterprise level goodwill may not be recoverable based upon the existence of one or more of the above indicators of impairment, we measure any impairment based on a projected undiscounted cash flow method using a discount rate determined by our management to be commensurate with the risk inherent in our current business model. Net intangible assets, long-lived assets, and goodwill amounted to $147.0 million as of June 30, 2001.

Through December 31, 2001, the cost in excess of net assets of acquired businesses is being amortized on a straight-line basis over periods of 15 to 40 years.

In the first quarter of 2002, Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets" was effective and as a result, we ceased amortizing approximately $30.5 million of goodwill. We had recorded approximately $1.8 million of goodwill amortization during the six months ended June 30, 2001. Under the provisions of the Statement, we did not record amortization related to any post-June 30, 2001 acquisitions. In lieu of amortization, we are required to perform an initial impairment review of our recorded intangibles and goodwill in 2002 and an annual impairment review thereafter. We completed our initial review during the first and second quarter of 2002, and there was no adjustment to intangible assets recorded balances or estimated useful lives, and no adjustments to goodwill.

NET SALES

Net sales increased 31.1%, or $44.9 million, to $189.3 million for the three months ended June 30, 2002 and increased 27.6%, or $78.4 million, to $362.9 million for the six months ended June 30, 2002. Both of our business segments had sales growth during the quarter. U.S. Pharmacy Services revenue increase was primarily due to same store radiopharmacy growth. The sales growth for International operations was primarily from acquisitions and growth in our Taiwan businesses. Cardiolite sales represented $95.8 million and $79.9 million, or approximately 50.6% and 55.3%, of our total sales during the quarters ended June 30, 2002 and 2001, respectively. Cardiolite sales represented $184.4 million and $156.9 million, or approximately 50.8% and 55.1%, of our total sales during the six months ended June 30, 2002 and 2001, respectively.

Revenues		
	Three Months Ended June 30,	
	2002	2001

U.S. Pharmacy Services Business	$178,125	$137,633
International Operations	11,197	6,744
Total	$189,322	$144,377

	Revenues Six Months Ended June 30,	
	2002	2001
U.S. Pharmacy Services Business	$342,127	$270,840
International Operations	20,773	13,630
Total	$362,900	$284,470

U.S. Pharmacy Business

Net sales increased 29.4%, or $40.5 million, to $178.1 million for the three months ended June 30, 2002 and by 26.3%, or $71.3 million to $342.1 million for the six months ended June 30, 2002. This increase was driven primarily by increased sales of cardiology imaging agents. For the three months ended June 30, 2002 sales related to cardiology imaging agents increased 16.3%, or $16.0 million, and by 14.3%, or $27.7 million for the six months ended June 30, 2002 both as a result of price and volume increases. This business also had oncology sales increases of 50.8%, or $8.2 million for the three months ended June 30, 2002, and 38.8%, or $12.1 million for the six months ended June 30, 2002. Acquisitions made during 2001 accounted for the remainder of the increase for this business during 2002.

International Operations

Net sales increased 66.0%, or $4.5 million, to $11.2 million for the three months ended June 30, 2002 and by 52.4%, or $7.1 million to $20.8 million for the six months ended June 30, 2002. Acquisitions accounted for the majority of the sales increase. Net sales at our existing centers or facilities were slightly higher during the quarter and year to date primarily as a result of higher pharmacy sales in certain countries. The Taiwan market did have higher same store sales, which increased 6% both for the quarter and year to date.

GROSS PROFIT

Gross profit increased 37.5%, or $16.5 million, to $60.6 million for the three months ended June 30, 2002 and by 34.0%, or $29.3 million to $115.6 million for the six months ended June 30, 2002. Our consolidated gross profit margin as a percentage of sales improved to 32.0% for the three months ended June 30, 2002 as compared to 30.5% for the same period in 2001 and increased to 31.9% for the six months ended June 30, 2002 as compared to 30.3% for the same period in 2001. The increase for the quarter and year to date was driven by continued improvement in product mix, price increases, and operating efficiencies in our radiopharmacy network and increased margins from new businesses in the Pharmacy Services Business.

	Gross Profit Three Months Ended June 30,	
	2002	2001
U.S. Pharmacy Services Business	$56,238	$41,240
International Operations	4,269	2,817
Total	$60,594	$44,057

	Gross Profit Six Months Ended June 30,	
	2002	2001
U.S. Pharmacy Services Business	$107,791	$80,692
International Operations	7,807	5,584
Total	$115,598	$86,276

U.S. Pharmacy Business

Gross profit increased 36.6%, or $15.1 million, to $56.3 million for the three months ended June 30, 2002 and increased 33.6%, or $27.1 million, to $107.8 million for the six months ended June 30, 2002. Gross profit margin as a percentage of sales improved to 31.6% for the three months ended June 30, 2002 as compared to 30.0% for the same period in 2001 and improved to 31.5% for the six months ended June 30, 2002 as compared to 29.8% for the same period in 2001. This gross profit margin increase for the quarter and year to date was due primarily to improved margins associated with new businesses, such as the production and distribution of FDG (fluorodeoxyglucose), and higher margins associated with recent acquisitions. These initiatives accounted for .9% of the overall margin increase on a year to date basis. The remainder of the gross profit margin increase was the result of continued leveraging of our radiopharmacy network; we continue to successfully increase volumes without comparable increases in material, labor and delivery costs.

International Operations

Gross profit increased 51.5%, or $1.5 million, to $4.3 million for the three months ended June 30, 2002 and increased 39.8%, or $2.2 million, to $7.8 million for the six months ended June 30, 2002. Our gross profit margin as a percentage of sales decreased to 38.1% for the three months ended June 30, 2002 compared to 41.8% for the same period in 2001 and decreased to 37.6% for the six months ended June 30, 2002 as compared to 41.0% for the same period in 2001. Margin growth at our existing radiopharmacy sites decreased in the quarter and year to date in 2002, which was offset by improving margins at imaging sites. Our margins were also reduced by acquired businesses, which have a lower margin than our existing businesses.

OPERATING, SELLING AND ADMINISTRATIVE EXPENSES

Operating, selling and administrative expenses increased 78.1%, or $18.4 million, to $42.0 million for the three months ended June 30, 2002 and increased by 64.0%, or $29.0 million to $74.4 for the six months ended June 30, 2002. The ratio of these expenses to net sales for the quarter was 22.2% compared to 16.3% for the same period in 2001. For the six months ended June 30, 2002 the ratio was 20.5% compared to 15.9% for the comparable period in 2001. Acquisitions in the U.S. pharmacy services business caused the majority of the increase. In addition, we incurred higher Corporate costs primarily from increased IT costs associated with new systems and increased telecommunications expenses. The unallocated corporate expenses include $5.0 million in costs associated with certain severance agreements and costs associated with the proposed merger agreement with Cardinal Health Inc. Also included in these unallocated corporate expenses are certain incentive bonuses, which have increased in 2002 as compared to the prior year period.

	Operating, Selling and Administrative Expenses Three Months Ended June 30,	
	2002	2001
U.S. Pharmacy Services Business	$28,931	$18,907
International Operations	3,213	2,103
Unallocated Corporate	9,864	2,574
Total	$42,008	$23,584

	Operating, Selling and Administrative Expenses Six Months Ended June 30,	
	2002	2001
U.S. Pharmacy Services Business	$54,153	$36,579
International Operations	5,830	4,114
Unallocated Corporate	14,376	4,659
Total	$74,359	$45,352

U.S. Pharmacy Business

Operating, selling and administrative costs increased 53.0%, or $10.0 million, to $28.9 million for the three months ended June 30, 2002 and increased 48.0%, or $17.6 million, to $54.2 million for the six months ended June 30, 2002. The quarter and year to date increase was due primarily to increased costs associated with acquired businesses, which accounted for $4.0 million of this increase for the three months and $7.4 million for the six months ended June 30, 2002. Costs associated with opening new FDG production facilities (cyclotrons), used in the production of FDG, accounted for an additional $0.9 million for the three months and $2.3 million for the six months ended June 30, 2002. The remainder of the increase is the result of increased costs in our radiopharmacy network, due to increased volumes and growth. As a percentage of sales, operating, selling and administrative expenses increased from 13.5% in 2001 to 15.8% in 2002 for the six months ended June 30, 2002.

International Business

Operating, selling and administrative expenses increased 52.8%, or $1.1 million, to $3.2 million for the three months ended June 30, 2002 and increased 41.7%, or $1.7 million, to $5.8 million for the six months ended June 30, 2002. These expenses increased primarily as a result of new businesses and start-up centers. As a percentage of sales, these expenses decreased from 30.2% in 2001 to 28.1% in 2002.

DEPRECIATION AND AMORTIZATION

Depreciation and amortization increased 32.4%, or $1.2 million, to $4.8 million for the three months ended June 30, 2002 and increased 31.1%, or $2.3 million, to $9.6 million for the six months ended June 30, 2002. The majority of the increase both for the quarter and year to date was attributable to our pharmacy services business, primarily in new FDG production facilities and new businesses, with an increase of $0.7 million for six months ended June 30, 2002 and $1.5 million for the six months ended June 30, 2002. Depreciation also increased for our corporate operations, primarily for new IT systems costs with an increase of $0.3 million for the three months ended June 30, 2002 and $0.7 million for the six months ended June 30, 2002. The prior year expenses included goodwill amortization of $1.5 million for the three months ended June 30, 2002 and $3.1 million for the six months ended June 30, 2002.

	Depreciation and Amortization Three Months Ended June 30,	
	2002	2001

U.S. Pharmacy Services Business	$2,391	$1,658
International Operations	746	602
Unallocated Corporate	1,652	1,356
Total	$4,789	$3,616

	Depreciation and Amortization Six Months Ended June 30,	
	2002	2001
U.S. Pharmacy Services Business	$4,670	$3,190
International Operations	1,560	1,479
Unallocated Corporate	3,372	2,654
Total	$9,602	$7,323

ACQUISITION OF BUSINESSES

The summary below of acquisitions that we made in 2002 and 2001 reflect acquisitions made by our continuing operations and discontinued operations. We have not made any amendments to this section to reflect the discontinuation of our CMI operations and certain overseas locations announced on June 14, 2002.

During the second quarter of 2002, we acquired a radiopharmacy for a purchase price of $4.0 million of which $3.5 million was allocated to goodwill and the remainder to other assets. In addition, we acquired a business, which provides health physics services to clinics and hospitals that handle radioactive materials for a purchase price of $0.6 million.

During the second quarter of 2001, we entered into a management service agreement with an oncology clinic in Brazil for an investment of $1.8 million. In addition, we acquired a distributor and manufacturer of radiopharmaceuticals in Australia for a purchase price of $0.7 million plus the assumption of $0.2 million of debt.

LIQUIDITY AND CAPITAL RESOURCES

We had cash, cash equivalents and investments of $18.1 million at June 30, 2002 compared to $29.5 million at December 31, 2001. Total debt was $207.5 million at June 30, 2002 compared to $226.7 million at December 31, 2001, a reduction of $19.2 million. We had a positive cash flow from operations of $45.5 million during the first six months of 2002. We used a portion of this cash flow to pay down debt balances. Working capital decreased to $75.1 million from $115.7 million at December 31, 2001 primarily due to increased accruals for severance related charges in continuing and discontinued operations and asset write downs for anticipated losses on the sale of discontinued operations.

On January 17, 2002, we completed an asset securitization agreement using the trade receivables as collateral. Under this facility, we sell our receivables generated from our U.S. radiopharmacy operations to a wholly-owned subsidiary, Syncor Financing Corporation, which in turn sells the receivables to a third party. These secured borrowings resulted in interest savings for the quarter ended June 30, 2002 of approximately $0.2 million. At June 30, 2002, we had $64.3 million extended on this $65 million agreement. In addition, we had borrowings of $88.0 million outstanding on our $167.5 million credit line. Based upon our current acquisition and capital plans we believe we have sufficient resources available to fund our 2002 capital needs.

As further described in note 3, if the merger agreement is terminated, we could be required to pay Cardinal Health termination fees ranging from $4.0 million to $24.1 million. If this obligation becomes payable, we expect to pay such amounts using our borrowing capacity under our existing credit agreements.

FORWARD LOOKING STATEMENT

Except for the historical information and discussions contained herein, statements contained in this Report on Form 10-Q may constitute "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve a number of risks, uncertainties and other factors that could cause actual results to differ materially, including: our pending acquisition by Cardinal Health; changes in the regulation of the healthcare industry at either or both of the federal and state levels; changes or delays in reimbursement for our services by governmental or private payers; our failure to continue to develop and market new products and services and to keep pace with technological change; competitive pressures; failure to obtain or protect intellectual property rights; quarterly fluctuations in revenues and volatility of our stock price; our ability to attract and retain key personnel; currency risks; dependence on certain suppliers; our ability to successfully manage acquisitions and alliances; legal, political and economic changes; and other risks, uncertainties and factors discussed in the "Risk Factors" section in the Annual Report on Form 10-K/A-1 for December 31, 2001 and elsewhere herein, in our other filings with the SEC or in materials incorporated by reference. Given these uncertainties, undue reliance should not be placed on such forward-looking statements.

Item 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Interest income earned on our investment portfolio is affected by changes in the general level of U.S. interest rates. Our line of credit borrowings effectively bear interest at variable rates and therefore, changes in U.S. interest rates affect interest expense incurred thereon. Changes in interest rates do not affect interest expense incurred on our fixed rate debt. There have been no significant changes in the debt instruments from the table as filed in the annual report on Form 10-K/A-1 at December 31, 2001.

SYNCOR INTERNATIONAL CORPORATION AND SUBSIDIARIES

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

On June 17, 2002, the Company held its annual meeting of stockholders. Three proposals were presented to the stockholders for their approval. The following summarizes the proposals and the results of the voting:

1. Election of Directors

   The first proposal was to elect Monty Fu, Dr. Henry N. Wagner, Jr., and Ronald A. Williams as directors for additional three-year terms. The stockholders voted to re-elect the three directors:

	FOR	**WITHHOLD**
Monty Fu	17,705,763	4,024,255
Dr. Henry N. Wagner, Jr.	17,709,217	4,029,801
Ronald A. Williams	17,701,951	4,028,067

2. Selection of Independent Auditors

   The second proposal was to ratify the selection of KPMG LLP as the Company's independent auditors for the 2002 fiscal year. The stockholders ratified the selection:

FOR	**AGAINST**
20,010,594	1,719,424

3. The third proposal was to approve the Employee Stock Purchase Plan. The stockholders approved the Plan:

FOR	**AGAINST**
19,657,794	2,072,224

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10. Material Contracts

10.1 Syncor International Corporation Corporate Officers Incentive Plan for 2002, filed as Exhibit 10.1 to the Form 10-Q for the quarter ended June 30, 2002, and incorporated herein by reference.

10.2 Amendment to Stock Incentive Plans of Syncor International Corporation, effective as of March 22, 2002, filed as Exhibit 10.2 to the Form 10-Q for the quarter ended June 30, 2002, and incorporated herein by reference.

10.3 Agreement and Plan of Merger, dated June 14, 2002, by and among Cardinal Health, Inc., Mudhen Merger Corp., and the Company, filed as Exhibit 2.1 to the Form 8-K filed June 21, 2002, and incorporated herein by reference.

10.4 First Amendment to Rights Agreement, dated as of June 14, 2002, between the Company and American Stock Transfer & Trust Company as Rights Agent, filed as Exhibit 2.2 to the Form 8-A/A filed June 19, 2002, and incorporated herein by reference.

10.5 Syncor International Corporation Employee Stock Purchase Plan, effective January 1, 2003, filed as Appendix I to the Proxy Statement filed April 29, 2002 and incorporated herein by reference.

11. Statement re: Computation of Per Share Earnings

Computation can be clearly determined from the material contained in Part I of this Form 10-Q/A-1.

99. Additional Exhibits

99.1 Certification of CEO and CFO Regarding Quarterly Report on Form 10-Q/A-1.

(b) Reports on Form 8-K filed in the Quarter Ended June 30, 2002

Form 8-K, filed on June 21, 2002 (Items 5 and 7), disclosing the Company’s entering into an Agreement and Plan of Merger, dated June 14, 2002, by and among the Company, Cardinal Health, Inc., and Mudhen Merger Corp., the Support/Voting Agreements entered into between Cardinal Health and Monty Fu and Robert G. Funari, the text of a joint press release issued by the Company and Cardinal Health regarding the Agreement and Plan of Merger, and the text of a press release by the Company announcing its intention to sell its Comprehensive Medical Imaging division and that it intended to take a charge relating to certain imaging assets, the reorganization of its international operations and other operating charges.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Syncor International Corporation
(Registrant)

October 11, 2002

By: /s/ William P. Forster
William P. Forster

Senior Vice President and Chief Financial Officer
(Principal Financial/Accounting Officer)

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Robert G. Funari, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A-1 of Syncor International Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

Date: October 11, 2002

By /s/Robert G. Funari
Robert G. Funari
President and Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, William P. Forster, certify that:

1. I have reviewed this quarterly report on Form 10-Q/A-1 of Syncor International Corporation;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report; and

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.

Date: October 11, 2002

By /s/William P. Forster
William P. Forster
Sr. Vice President and Chief Executive Officer

Exhibit 99.1

Certification of CEO and CFO
Regarding Quarterly Report on Form 10-Q/A-1
For the Quarter Ended June 30, 2002

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. Section 1350, as adopted), Robert G. Funari, Chief Executive Officer of Syncor International Corporation (the "Company"), and William P. Forster, Chief Financial Officer of the Company, hereby certify that, to the best of their knowledge,

1. The Company's Quarterly Report on Form 10-Q/A-1 for the period ended June 30, 2002 (the "Covered Report"), which this Certification accompanies, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Covered Report fairly presents, in all material respects, the financial condition of the Company at the end of the period covered by the Covered Report and results of operations of the Company for the period covered by the Covered Report.

Dated: October 11, 2002

/s/ Robert G. Funari
Robert G. Funari
President and Chief Executive Officer
/s/ William P. Forster
William P. Forster
Sr. Vice President and Chief Financial Officer