

BAXTER INTERNATIONAL INC.
Consolidated Statements of Income
Three Months Ended June 30, 2007 and 2006
(unaudited)
(in millions, except per share and percentage data)

| | Three Months Ended June 30, | | |
|---|--------------------------------|---------------|------------|
| | 2007 | 2006 | Change |
| NET SALES | \$2,829 | \$2,649 | 7% |
| COST OF GOODS SOLD ¹ | 1,437 | 1,494 | (4%) |
| GROSS PROFIT | 1,392 | 1,155 | 21% |
| % of Sales | 49.2% | 43.6% | 5.6 pts |
| MARKETING AND ADMINISTRATIVE EXPENSES | 621 | 582 | 7% |
| % of Sales | 22.0% | 22.0% | 0 pts |
| RESEARCH AND DEVELOPMENT EXPENSES ² | 177 | 146 | 21% |
| % of Sales | 6.3% | 5.5% | 0.8 pts |
| RESTRUCTURING CHARGES ³ | 70 | - | 100% |
| NET INTEREST (INCOME) EXPENSE | (1) | 10 | (110%) |
| OTHER EXPENSE, NET | 17 | 19 | (11%) |
| PRE-TAX INCOME | 508 | 398 | 28% |
| INCOME TAX EXPENSE ⁴ | 77 | 89 | (13%) |
| NET INCOME | \$431 | \$309 | 39% |
| BASIC EPS | \$0.66 | \$0.47 | 40% |
| DILUTED EPS | \$0.65 | \$0.47 | 38% |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | | |
| Basic | 650 | 654 | |
| Diluted | 661 | 659 | |
| ADJUSTED NET INCOME (excluding certain items) ⁵ | \$477 | \$373 | 28% |
| ADJUSTED DILUTED EPS (excluding certain items) ⁵ | \$0.72 | \$0.57 | 26% |

- (1) Cost of goods sold in 2006 includes a \$76 million pre-tax charge related to COLLEAGUE infusion pumps.
- (2) Research and development (R&D) expenses in 2007 include an \$11 million in-process R&D (IPR&D) charge related to the acquisition of MAAS Medical, LLC.
- (3) Restructuring charges in 2007 are primarily for costs and asset impairments associated with the consolidation of certain commercial and manufacturing operations outside of the United States.
- (4) Income tax expense in 2007 includes a \$15 million benefit related to an audit settlement and the extension of tax incentives in jurisdictions outside the United States. The effective income tax rate in 2007 was also favorably impacted by the restructuring charges described in Note 3 above.
- (5) Adjusted net income and adjusted diluted EPS exclude the charges described in Notes 1 and 3 above. See page 8 for description of adjustments and reconciliation to GAAP (generally accepted accounting principles) measures.

Non-GAAP Financial Measures: The non-GAAP financial measures contained in this press release (earnings and per-share earnings, excluding certain items) adjust for factors that are unusual or nonrecurring. Unusual or nonrecurring items can be highly variable, difficult to predict, and of a size that may substantially impact the company's reported operations for a period. Management believes that non-GAAP financial measures can facilitate a fuller analysis of the company's results of operations, particularly in evaluating performance period over period. Management uses these non-GAAP financial measures internally in financial planning, to monitor business unit performance, and in evaluating management performance. Refer to the company's filing on Form 8-K of today's date for additional information.

BAXTER INTERNATIONAL INC.
Consolidated Statements of Income
Three Months Ended June 30, 2007 and 2006
Description of Adjustments and Reconciliation of GAAP to Non-GAAP
(unaudited)
(in millions, except per share and percentage data)

2007 description of adjustment and reconciliation of GAAP to Non-GAAP

The company's GAAP results for the three months ended June 30, 2007 included restructuring charges, primarily for costs and asset impairments associated with the consolidation of certain commercial and manufacturing operations outside of the United States, which impacted the GAAP results as follows:

| | Pre-tax Income | Income Tax Expense | Net Income | Diluted EPS |
|----------------------------------|-------------------|--------------------------|---------------|---------------|
| GAAP | \$508 | \$77 | \$431 | \$0.65 |
| Restructuring charges | 70 | 24 | 46 | 0.07 |
| Excluding specified items | \$578 | \$101 | \$477 | \$0.72 |

2006 description of adjustment and reconciliation of GAAP to Non-GAAP

The company's GAAP results for the three months ended June 30, 2006 included a charge related to COLLEAGUE infusion pumps, which impacted the GAAP results as follows:

| | Pre-tax Income | Income Tax Expense | Net Income | Diluted EPS |
|------------------------------------|-------------------|--------------------------|---------------|---------------|
| GAAP | \$398 | \$89 | \$309 | \$0.47 |
| COLLEAGUE infusion pump charge (A) | 76 | 12 | 64 | 0.10 |
| Excluding specified items | \$474 | \$101 | \$373 | \$0.57 |

- (A) Included in the Gross Profit line in the accompanying consolidated statement of income. Excluding this item, adjusted gross profit is \$1,231 million and the adjusted gross profit percentage is 46.5%.

BAXTER INTERNATIONAL INC.
Consolidated Statements of Income
Six Months Ended June 30, 2007 and 2006
(unaudited)
(in millions, except per share and percentage data)

| | Six Months Ended June 30, | | |
|--|------------------------------|---------|---------|
| | 2007 | 2006 | Change |
| NET SALES | \$5,504 | \$5,058 | 9% |
| COST OF GOODS SOLD ¹ | 2,846 | 2,851 | 0% |
| GROSS PROFIT | 2,658 | 2,207 | 20% |
| <i>% of Sales</i> | 48.3% | 43.6% | 4.7 pts |
| MARKETING AND ADMINISTRATIVE EXPENSES | 1,204 | 1,108 | 9% |
| <i>% of Sales</i> | 21.9% | 21.9% | 0 pts |
| RESEARCH AND DEVELOPMENT EXPENSES ² | 336 | 284 | 18% |
| <i>% of Sales</i> | 6.1% | 5.6% | 0.5 pts |
| RESTRUCTURING CHARGES ³ | 70 | - | 100% |
| NET INTEREST EXPENSE | 4 | 28 | (86%) |
| OTHER EXPENSE, NET ⁴ | 7 | 35 | (80%) |
| PRE-TAX INCOME | 1,037 | 752 | 38% |
| INCOME TAX EXPENSE ⁵ | 203 | 161 | 26% |
| NET INCOME | \$834 | \$591 | 41% |
| BASIC EPS | \$1.28 | \$0.91 | 41% |
| DILUTED EPS | \$1.26 | \$0.90 | 40% |
| WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING | | | |
| Basic | 650 | 648 | |
| Diluted | 660 | 654 | |
| ADJUSTED NET INCOME (excluding certain items) ⁶ | \$880 | \$655 | 34% |
| ADJUSTED DILUTED EPS (excluding certain items) ⁶ | \$1.33 | \$1.00 | 33% |

(1) Cost of goods sold in 2006 includes a \$76 million pre-tax charge related to COLLEAGUE infusion pumps.

(2) R&D expenses in 2007 include an \$11 million IPR&D charge related to the acquisition of MAAS Medical, LLC.

(3) Restructuring charges in 2007 are primarily for costs and asset impairments associated with the consolidation of certain commercial and manufacturing operations outside of the United States.

(4) Other expense, net in 2007 includes income of \$23 million, reflecting a gain on the sale of the Transfusion Therapies business of \$58 million less related charges of \$35 million. The after-tax impact of these items was \$6 million of income, or \$0.01 per diluted share.

(5) Income tax expense in 2007 includes a \$15 million benefit related to an audit settlement and the extension of tax incentives in jurisdictions outside the United States. The effective income tax rate in 2007 was also favorably impacted by the restructuring charges described in Note 3 above.

(6) Adjusted net income and adjusted diluted EPS exclude the charges described in Notes 1 and 3 above. See page 10 for description of adjustments and reconciliation to GAAP measures.

Non-GAAP Financial Measures: The non-GAAP financial measures contained in this press release (earnings and per-share earnings, excluding certain items) adjust for factors that are unusual or nonrecurring. Unusual or nonrecurring items can be highly variable, difficult to predict, and of a size that may substantially impact the company's reported operations for a period. Management believes that non-GAAP financial measures can facilitate a fuller analysis of the company's results of operations, particularly in evaluating performance period over period. Management uses these non-GAAP financial measures internally in financial planning, to monitor business unit performance, and in evaluating management performance. Refer to the company's filing on Form 8-K of today's date for additional information.

BAXTER INTERNATIONAL INC.
Consolidated Statements of Income
Six Months Ended June 30, 2007 and 2006
Description of Adjustments and Reconciliation of GAAP to Non-GAAP
(unaudited)
(in millions, except per share and percentage data)

2007 description of adjustment and reconciliation of GAAP to Non-GAAP

The company's GAAP results for the six months ended June 30, 2007 included restructuring charges, primarily for costs and asset impairments associated with the consolidation of certain commercial and manufacturing operations outside of the United States, which impacted the GAAP results as follows:

| | Pre-tax Income | Income Tax Expense | Net Income | Diluted EPS |
|----------------------------------|---------------------------|-----------------------------------|-----------------------|--------------------|
| GAAP | \$1,037 | \$203 | \$834 | \$1.26 |
| Restructuring charges | 70 | 24 | 46 | 0.07 |
| Excluding specified items | \$1,107 | \$227 | \$880 | \$1.33 |

2006 description of adjustment and reconciliation of GAAP to Non-GAAP

The company's GAAP results for the six months ended June 30, 2006 included a charge related to COLLEAGUE infusion pumps, which impacted the GAAP results as follows:

| | Pre-tax Income | Income Tax Expense | Net Income | Diluted EPS |
|------------------------------------|---------------------------|-----------------------------------|-----------------------|--------------------|
| GAAP | \$752 | \$161 | \$591 | \$0.90 |
| COLLEAGUE infusion pump charge (A) | 76 | 12 | 64 | 0.10 |
| Excluding specified items | \$828 | \$173 | \$655 | \$1.00 |

- (A) Included in the Gross Profit line in the accompanying consolidated statement of income. Excluding this item, adjusted gross profit is \$2,283 million and the adjusted gross profit percentage is 45.1%.

BAXTER INTERNATIONAL INC.
Condensed Consolidated Balance Sheets
(unaudited)
(\$ in millions)

| | <u>June 30, 2007</u> | <u>December 31, 2006</u> |
|--|----------------------|--------------------------|
| <u>Assets</u> | | |
| Cash and equivalents | \$2,486 | \$2,485 |
| Receivables | 1,993 | 1,838 |
| Inventories | 2,186 | 2,066 |
| Other current assets | 520 | 581 |
| Total current assets | <u>7,185</u> | <u>6,970</u> |
| Property, plant and equipment, net | 4,110 | 4,229 |
| Other long-term assets | 3,364 | 3,487 |
| Total assets | <u>\$14,659</u> | <u>\$14,686</u> |
| <u>Liabilities and Shareholders' Equity</u> | | |
| Short-term debt | \$666 | \$234 |
| Other current liabilities | 3,126 | 3,376 |
| Long-term debt | 2,051 | 2,567 |
| Other long-term liabilities | 2,127 | 2,237 |
| Shareholders' equity | 6,689 | 6,272 |
| Total liabilities and shareholders' equity | <u>\$14,659</u> | <u>\$14,686</u> |

BAXTER INTERNATIONAL INC.
Cash Flows from Operations and Changes in Net Debt
(unaudited)
(\$ in millions)

| Cash Flows from Operations | | | | |
|---|---------------------------|----------------|-------------------------|----------------|
| (Brackets denote cash outflows) | | | | |
| | Three Months Ended | | Six Months Ended | |
| | June 30, | | June 30, | |
| | 2007 | 2006 | 2007 | 2006 |
| Net income | \$431 | \$309 | \$834 | \$591 |
| Adjustments | | | | |
| Depreciation and amortization | 147 | 146 | 287 | 285 |
| Deferred income taxes | 31 | 16 | 18 | 18 |
| Stock compensation | 36 | 20 | 63 | 38 |
| Restructuring and infusion pump charges | 70 | 76 | 70 | 76 |
| Other | 33 | 4 | 37 | 22 |
| Changes in balance sheet items | | | | |
| Receivables | (56) | (23) | (154) | 15 |
| Inventories | (42) | 13 | (170) | (50) |
| Accounts payable and accrued liabilities | 67 | (32) | (91) | (137) |
| Restructuring payments | (3) | (6) | (6) | (25) |
| Other | 17 | 20 | 58 | 15 |
| Cash flows from operations | \$731 | \$543 | \$946 | \$848 |
| Changes in Net Debt | | | | |
| Increase (decrease) | | | | |
| | Three Months Ended | | Six Months Ended | |
| | June 30, | | June 30, | |
| | 2007 | 2006 | 2007 | 2006 |
| Net debt, beginning of period | \$336 | 1,524 | \$316 | \$2,497 |
| Cash flows from operations | (731) | (543) | (946) | (848) |
| Capital expenditures | 165 | 122 | 258 | 198 |
| Dividends | 109 | - | 489 | 363 |
| Proceeds from sale of Transfusion Therapies business | - | - | (421) | - |
| Issuances of common stock | - | - | - | (1,249) |
| Proceeds from stock issued under employee benefit plans | (227) | (31) | (428) | (75) |
| Purchases of treasury stock | 544 | 221 | 814 | 392 |
| Other, including the effect of exchange rate changes | 35 | 5 | 149 | 20 |
| Decrease in net debt | (105) | (226) | (85) | (1,199) |
| Net debt, June 30 | \$231 | \$1,298 | \$231 | \$1,298 |
| Key statistics, June 30: | | | | |
| Days sales outstanding | 56.0 | 52.1 | 56.0 | 52.1 |
| Inventory turns | 2.6 | 2.7 | 2.6 | 2.7 |

Baxter International Inc.
Net Sales
Periods Ending June 30, 2007 and 2006
(unaudited)
(\$ in millions)

| | Q2 2007 | Q2 2006¹ | % Growth @ Actual Rates | % Growth @ Constant Rates | YTD 2007 | YTD 2006¹ | % Growth @ Actual Rates | % Growth @ Constant Rates |
|---|--------------------|--------------------------------|------------------------------------|--------------------------------------|---------------------|---------------------------------|------------------------------------|--------------------------------------|
| BioScience² | | | | | | | | |
| United States | \$532 | \$479 | 11% | 11% | \$1,016 | \$897 | 13% | 13% |
| International | 658 | 516 | 28% | 20% | 1,246 | 974 | 28% | 20% |
| Total | \$1,190 | \$995 | 20% | 15% | \$2,262 | \$1,871 | 21% | 17% |
| Medication Delivery | | | | | | | | |
| United States | \$535 | \$552 | (3%) | (3%) | \$1,050 | \$1,043 | 1% | 1% |
| International | 504 | 460 | 10% | 3% | 979 | 885 | 11% | 4% |
| Total | \$1,039 | \$1,012 | 3% | 0% | \$2,029 | \$1,928 | 5% | 2% |
| Renal | | | | | | | | |
| United States | \$95 | \$97 | (2%) | (2%) | \$192 | \$191 | 1% | 1% |
| International | 458 | 419 | 9% | 5% | 886 | 818 | 8% | 5% |
| Total | \$553 | \$516 | 7% | 3% | \$1,078 | \$1,009 | 7% | 4% |
| Baxter excluding Transfusion Therapies | | | | | | | | |
| United States | \$1,162 | \$1,128 | 3% | 3% | \$2,258 | \$2,131 | 6% | 6% |
| International | 1,620 | 1,395 | 16% | 9% | 3,111 | 2,677 | 16% | 10% |
| Total | \$2,782 | \$2,523 | 10% | 7% | \$5,369 | \$4,808 | 12% | 8% |
| Transfusion Therapies² | | | | | | | | |
| United States | \$34 | \$59 | (42%) | (42%) | \$77 | \$115 | (33%) | (33%) |
| International | 13 | 67 | (81%) | (81%) | 58 | 135 | (57%) | (59%) |
| Total | \$47 | \$126 | (63%) | (63%) | \$135 | \$250 | (46%) | (47%) |
| Baxter International Inc. | | | | | | | | |
| United States | \$1,196 | \$1,187 | 1% | 1% | \$2,335 | \$2,246 | 4% | 4% |
| International | 1,633 | 1,462 | 12% | 5% | 3,169 | 2,812 | 13% | 7% |
| Total | \$2,829 | \$2,649 | 7% | 3% | \$5,504 | \$5,058 | 9% | 5% |

¹ Prior year sales data has been reclassified to reflect the change that is described in Note 2 below.

² Sales of Transfusion Therapies (TT) products were previously reported in BioScience. Due to Baxter's expected significant continuing cash flows associated with this business, Baxter continued to include the results of operations of TT in the company's results of operations through the February 28, 2007 sale date. The amounts reported in TT reflect sales of TT products until the completion of the sale of the TT business, as well as revenues associated with manufacturing, distribution and other services provided by the company to the buyer post-divestiture.

Baxter International Inc.
Key Product Line Sales at Actual and Constant Foreign Exchange Rates
Periods Ending June 30, 2007 and 2006
(unaudited)
(\$ in millions)

| | Q2 2007 | Q2 2006¹ | % Growth @ Actual Rates | % Growth @ Constant Rates | YTD 2007 | YTD 2006¹ | % Growth @ Actual Rates | % Growth @ Constant Rates |
|---|--------------------|--------------------------------|------------------------------------|--------------------------------------|---------------------|---------------------------------|------------------------------------|--------------------------------------|
| BioScience | | | | | | | | |
| Recombinants ² | \$431 | \$394 | 9% | 6% | \$819 | \$729 | 12% | 8% |
| Plasma Proteins ³ | 243 | 213 | 14% | 10% | 468 | 405 | 16% | 12% |
| Antibody Therapy | 238 | 199 | 20% | 19% | 460 | 382 | 20% | 18% |
| Regenerative Medicine ⁴ | 87 | 79 | 10% | 6% | 169 | 148 | 14% | 10% |
| Other ⁵ | 191 | 110 | 74% | 63% | 346 | 207 | 67% | 56% |
| Total BioScience⁶ | \$1,190 | \$995 | 20% | 15% | \$2,262 | \$1,871 | 21% | 17% |
| Medication Delivery | | | | | | | | |
| IV Therapies ⁷ | \$346 | \$323 | 7% | 2% | \$666 | \$627 | 6% | 2% |
| Global Injectables ⁸ | 381 | 376 | 1% | (1%) | 742 | 729 | 2% | (1%) |
| Infusion Systems | 208 | 204 | 2% | 0% | 417 | 399 | 5% | 3% |
| Anesthesia ⁹ | 96 | 95 | 1% | (1%) | 185 | 149 | 24% | 22% |
| Other ¹⁰ | 8 | 14 | (43%) | (36%) | 19 | 24 | (21%) | (21%) |
| Total Medication Delivery | \$1,039 | \$1,012 | 3% | 0% | \$2,029 | \$1,928 | 5% | 2% |
| Renal | | | | | | | | |
| PD Therapy | \$443 | \$408 | 9% | 5% | \$862 | \$796 | 8% | 6% |
| HD Therapy | 110 | 108 | 2% | (4%) | 216 | 213 | 1% | (2%) |
| Total Renal | \$553 | \$516 | 7% | 3% | \$1,078 | \$1,009 | 7% | 4% |
| Baxter excluding Transfusion Therapies | \$2,782 | \$2,523 | 10% | 7% | \$5,369 | \$4,808 | 12% | 8% |
| Transfusion Therapies¹¹ | \$47 | \$126 | (63%) | (63%) | \$135 | \$250 | (46%) | (47%) |
| TOTAL BAXTER | \$2,829 | \$2,649 | 7% | 3% | \$5,504 | \$5,058 | 9% | 5% |

¹ Prior year sales data has been reclassified to reflect the changes that are described in Notes 2, 5, 6, 8, 9 and 11 below.

² Includes sales of recombinant FVIII products (ADVATE and RECOMBINATE). Sales of recombinant FIX (BeneFIX) were previously reported in Recombinants and are now reported in Other, as detailed below.

³ Includes plasma-derived hemophilia (FVII, FVIII, FIX and FEIBA), albumin, and certain other plasma-based products.

⁴ Previously referred to as BioSurgery.

⁵ Principally includes vaccines, sales of plasma to third parties, and recombinant FIX (BeneFIX). Sales of recombinant FIX were previously reported in Recombinants.

⁶ BioScience sales have been reclassified to reflect the change described in Note 11.

⁷ Principally includes intravenous solutions and nutritional products.

⁸ Principally includes sales related to the pharma partnering business, enhanced packaging, premix drugs and generic injectables. Generic injectables were previously reported in Anesthesia.

⁹ Principally includes proprietary inhaled anesthetics and other anesthesia products. Sales of generic injectables were previously reported in Anesthesia and are now reported in Global Injectables.

¹⁰ Principally includes other hospital-distributed products.

¹¹ Sales of TT products were previously reported in BioScience. Due to Baxter's expected significant continuing cash flows associated with this business, Baxter continued to include the results of operations of TT in the company's results of operations through the February 28, 2007 sale date. The amounts reported above reflect sales of TT products until the completion of the sale of the TT business, as well as revenues associated with manufacturing, distribution and other services provided by the company to the buyer post-divestiture.

Baxter International Inc.
Key Product Line Sales by US and International
Periods Ending June 30, 2007 and 2006
(unaudited)
(\$ in millions)

| | Q2 2007 | | | Q2 2006 ¹ | | | % Growth | | |
|---|----------------|----------------|----------------|----------------------|----------------|----------------|--------------|---------------|--------------|
| | US | International | Total | US | International | Total | US | International | Total |
| BioScience | | | | | | | | | |
| Recombinants ² | \$198 | \$233 | \$431 | \$194 | \$200 | \$394 | 2% | 17% | 9% |
| Plasma Proteins ³ | 96 | 147 | 243 | 87 | 126 | 213 | 10% | 17% | 14% |
| Antibody Therapy | 176 | 62 | 238 | 148 | 51 | 199 | 19% | 22% | 20% |
| Regenerative Medicine ⁴ | 46 | 41 | 87 | 44 | 35 | 79 | 5% | 17% | 10% |
| Other ⁵ | 16 | 175 | 191 | 6 | 104 | 110 | 167% | 68% | 74% |
| Total BioScience ⁶ | \$532 | \$658 | \$1,190 | \$479 | \$516 | \$995 | 11% | 28% | 20% |
| Medication Delivery | | | | | | | | | |
| IV Therapies ⁷ | \$107 | \$239 | \$346 | \$108 | \$215 | \$323 | (1%) | 11% | 7% |
| Global Injectables ⁸ | 237 | 144 | 381 | 244 | 132 | 376 | (3%) | 9% | 1% |
| Infusion Systems | 127 | 81 | 208 | 123 | 81 | 204 | 3% | 0% | 2% |
| Anesthesia ⁹ | 62 | 34 | 96 | 69 | 26 | 95 | (10%) | 31% | 1% |
| Other ¹⁰ | 2 | 6 | 8 | 8 | 6 | 14 | (75%) | 0% | (43%) |
| Total Medication Delivery | \$535 | \$504 | \$1,039 | \$552 | \$460 | \$1,012 | (3%) | 10% | 3% |
| Renal | | | | | | | | | |
| PD Therapy | \$68 | \$375 | \$443 | \$68 | \$340 | \$408 | 0% | 10% | 9% |
| HD Therapy | 27 | 83 | 110 | 29 | 79 | 108 | (7%) | 5% | 2% |
| Total Renal | \$95 | \$458 | \$553 | \$97 | \$419 | \$516 | (2%) | 9% | 7% |
| Baxter excluding Transfusion Therapies | \$1,162 | \$1,620 | \$2,782 | \$1,128 | \$1,395 | \$2,523 | 3% | 16% | 10% |
| Transfusion Therapies ¹¹ | \$34 | \$13 | \$47 | \$59 | \$67 | \$126 | (42%) | (81%) | (63%) |
| TOTAL BAXTER | \$1,196 | \$1,633 | \$2,829 | \$1,187 | \$1,462 | \$2,649 | 1% | 12% | 7% |

¹ Prior year sales data has been reclassified to reflect the changes that are described in Notes 2, 5, 6, 8, 9 and 11 below.

² Includes sales of recombinant FVIII products (ADVATE and RECOMBINATE). Sales of recombinant FIX (BeneFIX) were previously reported in Recombinants and are now reported in Other, as detailed below.

³ Includes plasma-derived hemophilia (FVII, FVIII, FIX and FEIBA), albumin, and certain other plasma-based products.

⁴ Previously referred to as BioSurgery.

⁵ Principally includes vaccines, sales of plasma to third parties, and recombinant FIX (BeneFIX). Sales of recombinant FIX were previously reported in Recombinants.

⁶ BioScience sales have been reclassified to reflect the change described in Note 11.

⁷ Principally includes intravenous solutions and nutritional products.

⁸ Principally includes sales related to the pharma partnering business, enhanced packaging, premix drugs and generic injectables. Generic injectables were previously reported in Anesthesia.

⁹ Principally includes proprietary inhaled anesthetics and other anesthesia products. Sales of generic injectables were previously reported in Anesthesia and are now reported in Global Injectables.

¹⁰ Principally includes other hospital-distributed products.

¹¹ Sales of TT products were previously reported in BioScience. Due to Baxter's expected significant continuing cash flows associated with this business, Baxter continued to include the results of operations of TT in the company's results of operations through the February 28, 2007 sale date. The amounts reported above reflect sales of TT products until the completion of the sale of the TT business, as well as revenues associated with manufacturing, distribution and other services provided by the company to the buyer post-divestiture.