

**BAXTER INTERNATIONAL INC.**  
**Consolidated Statements of Income**  
**Three Months Ended June 30, 2015 and 2014**  
**(unaudited)**  
**(in millions, except per share and percentage data)**

	Three Months Ended June 30,		Change
	2015	2014	
NET SALES	\$3,893	\$4,154	(6%)
COST OF SALES	1,973	2,185	(10%)
<b>GROSS MARGIN</b>	<b>1,920</b>	<b>1,969</b>	<b>(2%)</b>
<i>% of Net Sales</i>	<b>49.3%</b>	47.4%	1.9 pts
MARKETING AND ADMINISTRATIVE EXPENSES	1,097	988	11%
<i>% of Net Sales</i>	<b>28.2%</b>	23.8%	4.4 pts
RESEARCH AND DEVELOPMENT EXPENSES	388	322	20%
<i>% of Net Sales</i>	<b>10.0%</b>	7.8%	2.2 pts
NET INTEREST EXPENSE	34	42	(19%)
OTHER (INCOME) EXPENSE, NET	(67)	15	N/M
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	<b>468</b>	<b>602</b>	<b>(22%)</b>
INCOME TAX EXPENSE	132	134	(1%)
<i>% of Income from Continuing Operations before Income Taxes</i>	<b>28.2%</b>	22.3%	5.9 pts
INCOME FROM CONTINUING OPERATIONS	336	468	(28%)
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX <sup>A</sup>	(4)	52	N/M
<b>NET INCOME</b>	<b>\$332</b>	<b>\$520</b>	<b>(36%)</b>
<b>INCOME FROM CONTINUING OPERATIONS PER COMMON SHARE</b>			
Basic	\$0.62	\$0.86	(28%)
Diluted	\$0.61	\$0.85	(28%)
<b>INCOME FROM DISCONTINUED OPERATIONS PER COMMON SHARE</b>			
Basic	\$(0.01)	\$0.10	N/M
Diluted	\$(0.01)	\$0.10	N/M
<b>NET INCOME PER COMMON SHARE</b>			
Basic	\$0.61	\$0.96	(36%)
Diluted	\$0.60	\$0.95	(37%)
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>			
Basic	544	542	
Diluted	549	548	
ADJUSTED PRE-TAX INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$716 <sup>B</sup>	\$826 <sup>B</sup>	(13%)
ADJUSTED INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$550 <sup>B</sup>	\$640 <sup>B</sup>	(14%)
ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)	\$1.00 <sup>B</sup>	\$1.16 <sup>B</sup>	(14%)

<sup>A</sup> Operating results from the company's vaccines franchise are classified as discontinued operations for all periods presented.

<sup>B</sup> Refer to page 8 for a description of the adjustments and a reconciliation to generally accepted accounting principles (GAAP) measures.

**BAXTER INTERNATIONAL INC.**  
**Note to Consolidated Statements of Income**  
**Three Months Ended June 30, 2015 and 2014**  
**Description of Adjustments and Reconciliation of GAAP to Non-GAAP Measures**  
**(unaudited)**  
**(in millions, except per share and percentage data)**

The company's GAAP results for the three months ended June 30, 2015 and 2014 included special items which impacted the GAAP measures as follows:

	Three Months Ended June 30,		Change
	2015	2014	
<b>Gross Margin</b>	<b>\$1,920</b>	<b>\$1,969</b>	<b>(2%)</b>
Intangible asset amortization expense <sup>1</sup>	48	47	
Business optimization items <sup>2</sup>	3	(14)	
Separation-related costs <sup>3</sup>	3	-	
Product-related items <sup>4</sup>	-	89	
<b>Adjusted Gross Margin</b>	<b>\$1,974</b>	<b>\$2,091</b>	<b>(6%)</b>
<b>% of Net Sales</b>	<b>50.7%</b>	<b>50.3%</b>	<b>0.4 pts</b>
<b>Marketing and Administrative Expenses</b>	<b>\$1,097</b>	<b>\$988</b>	<b>11%</b>
Gambro integration items <sup>5</sup>	(20)	(27)	
Business optimization items <sup>2</sup>	(8)	16	
Separation-related costs <sup>3</sup>	(118)	(22)	
Product-related items <sup>4</sup>	-	(4)	
<b>Adjusted Marketing and Administrative Expenses</b>	<b>\$951</b>	<b>\$951</b>	<b>0%</b>
<b>% of Net Sales</b>	<b>24.4%</b>	<b>22.9%</b>	<b>1.5 pts</b>
<b>Research and Development Expenses</b>	<b>\$388</b>	<b>\$322</b>	<b>20%</b>
Business development items <sup>6</sup>	(87)	(35)	
Business optimization items <sup>2</sup>	(3)	2	
Separation-related costs <sup>3</sup>	(6)	-	
<b>Adjusted Research and Development Expenses</b>	<b>\$292</b>	<b>\$289</b>	<b>1%</b>
<b>% of Net Sales</b>	<b>7.5%</b>	<b>7.0%</b>	<b>0.5 pts</b>
<b>Net Interest Expense</b>	<b>\$34</b>	<b>\$42</b>	<b>(19%)</b>
Separation-related costs <sup>3</sup>	(4)	-	
<b>Adjusted Net Interest Expense</b>	<b>\$30</b>	<b>\$42</b>	<b>(29%)</b>
<b>Other (Income) Expense, Net</b>	<b>\$(67)</b>	<b>\$15</b>	<b>N/M</b>
Reserve items and adjustments <sup>7</sup>	52	(30)	
Gambro integration items <sup>5</sup>	-	(2)	
<b>Adjusted Other Income, Net</b>	<b>\$(15)</b>	<b>\$(17)</b>	<b>N/M</b>
<b>Pre-Tax Income from Continuing Operations</b>	<b>\$468</b>	<b>\$602</b>	<b>(22%)</b>
Impact of special items	248	224	
<b>Adjusted Pre-Tax Income from Continuing Operations</b>	<b>\$716</b>	<b>\$826</b>	<b>(13%)</b>
<b>Income Tax Expense</b>	<b>\$132</b>	<b>\$134</b>	<b>(1%)</b>
Impact of special items	34	52	
<b>Adjusted Income Tax Expense</b>	<b>\$166</b>	<b>\$186</b>	<b>(11%)</b>
<b>% of Adjusted Pre-Tax Income from Continuing Operations</b>	<b>23.2%</b>	<b>22.5%</b>	<b>0.7 pts</b>
<b>Income from Continuing Operations</b>	<b>\$336</b>	<b>\$468</b>	<b>(28%)</b>
Impact of special items	214	172	
<b>Adjusted Income from Continuing Operations</b>	<b>\$550</b>	<b>\$640</b>	<b>(14%)</b>
<b>Adjusted Income from Discontinued Operations</b>	<b>-</b>	<b>52</b>	
<b>Adjusted Net Income</b>	<b>\$550</b>	<b>\$692</b>	<b>(21%)</b>
<b>Diluted EPS from Continuing Operations</b>	<b>\$0.61</b>	<b>\$0.85</b>	<b>(28%)</b>
Impact of special items	0.39	0.31	
<b>Adjusted Diluted EPS from Continuing Operations</b>	<b>\$1.00</b>	<b>\$1.16</b>	<b>(14%)</b>
<b>Adjusted Diluted EPS from Discontinued Operations</b>	<b>0.00</b>	<b>0.10</b>	
<b>Adjusted Diluted EPS</b>	<b>\$1.00</b>	<b>\$1.26</b>	<b>(21%)</b>
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>			
Diluted	549	548	

<sup>1</sup> The company's results in 2015 and 2014 included intangible asset amortization expense of \$48 million (\$37 million, or \$0.07 per diluted share, on an after-tax basis) and \$47 million (\$36 million, or \$0.07 per diluted share, on an after-tax basis), respectively.

<sup>2</sup> The company's results in 2015 included business optimization charges of \$14 million (\$9 million, or \$0.01 per diluted share). The company's results in 2014 included a net benefit of \$32 million (\$18 million, or \$0.03 per diluted share, on an after-tax basis) primarily related to an adjustment to previous business optimization reserves that are no longer probable of being utilized.

<sup>3</sup> The company's results in 2015 and 2014 included separation-related costs of \$131 million (\$115 million, or \$0.21 per diluted share, on an after-tax basis) and \$22 million (\$21 million, or \$0.04 per diluted share, on an after-tax basis), respectively, for the planned spin-off of Baxter's biopharmaceuticals business, Baxalta Incorporated (Baxalta).

<sup>4</sup> The company's results in 2014 included total charges of \$93 million (\$58 million, or \$0.10 per diluted share, on an after-tax basis) primarily related to product remediation efforts for the SIGMA SPECTRUM infusion pump.

<sup>5</sup> The company's results in 2015 and 2014 included total charges of \$20 million (\$15 million, or \$0.03 per diluted share, on an after-tax basis) and \$29 million (\$21 million, or \$0.04 per diluted share, on an after-tax basis), respectively, primarily related to the integration of Gambro AB (Gambro).

<sup>6</sup> The company's results in 2015 and 2014 included total charges of \$87 million (\$71 million, or \$0.13 per diluted share, on an after-tax basis) and \$35 million (\$30 million, or \$0.05 per diluted share, on an after-tax basis), respectively, related to certain milestone payments associated with the company's collaboration arrangements.

<sup>7</sup> The company's results in 2015 included income, net of expenses, of \$52 million (\$33 million, or \$0.06 per diluted share, on an after-tax basis) related to a litigation settlement in which Baxter was the beneficiary. The company's results in 2014 included a net expense of \$30 million (\$24 million, or \$0.04 per diluted share, on an after-tax basis) primarily due to an increase in the estimated fair value of acquisition-related contingent payment liabilities, partially offset by a third-party recovery on previous litigation reserves.

For more information on the company's use of non-GAAP financial measures in this press release, please see the company's Current Report on Form 8-K filed with the Securities and Exchange Commission on the date of this press release.

**BAXTER INTERNATIONAL INC.**  
**Consolidated Statements of Income**  
**Six Months Ended June 30, 2015 and 2014**  
**(unaudited)**  
**(in millions, except per share and percentage data)**

	Six Months Ended June 30,		Change
	2015	2014	
NET SALES	\$7,657	\$8,002	(4%)
COST OF SALES	3,936	4,142	(5%)
<b>GROSS MARGIN</b>	<b>3,721</b>	<b>3,860</b>	<b>(4%)</b>
<i>% of Net Sales</i>	<b>48.6%</b>	48.2%	0.4 pts
MARKETING AND ADMINISTRATIVE EXPENSES	2,112	1,898	11%
<i>% of Net Sales</i>	<b>27.6%</b>	23.7%	3.9 pts
RESEARCH AND DEVELOPMENT EXPENSES	688	631	9%
<i>% of Net Sales</i>	<b>9.0%</b>	7.9%	1.1 pts
NET INTEREST EXPENSE	64	85	(25%)
OTHER INCOME, NET	(141)	(9)	N/M
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	<b>998</b>	1,255	<b>(20%)</b>
INCOME TAX EXPENSE	242	280	(14%)
<i>% of Income from Continuing Operations before Income Taxes</i>	<b>24.2%</b>	22.3%	1.9 pts
INCOME FROM CONTINUING OPERATIONS	756	975	(22%)
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX <sup>A</sup>	6	101	N/M
<b>NET INCOME</b>	<b>\$762</b>	\$1,076	<b>(29%)</b>
<b>INCOME FROM CONTINUING OPERATIONS PER COMMON SHARE</b>			
Basic	<b>\$1.39</b>	\$1.79	(22%)
Diluted	<b>\$1.38</b>	\$1.78	(22%)
<b>INCOME FROM DISCONTINUED OPERATIONS PER COMMON SHARE</b>			
Basic	<b>\$0.01</b>	\$0.19	N/M
Diluted	<b>\$0.01</b>	\$0.18	N/M
<b>NET INCOME PER COMMON SHARE</b>			
Basic	<b>\$1.40</b>	\$1.98	(29%)
Diluted	<b>\$1.39</b>	\$1.96	(29%)
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>			
Basic	<b>544</b>	542	
Diluted	<b>548</b>	548	
ADJUSTED PRE-TAX INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$1,418 <sup>B</sup>	\$1,591 <sup>B</sup>	(11%)
ADJUSTED INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$1,099 <sup>B</sup>	\$1,235 <sup>B</sup>	(11%)
ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)	\$2.01 <sup>B</sup>	\$2.25 <sup>B</sup>	(11%)

<sup>A</sup> Operating results from the company's vaccines franchise are classified as discontinued operations for all periods presented.

<sup>B</sup> Refer to page 10 for a description of the adjustments and a reconciliation to generally accepted accounting principles (GAAP) measures.

**BAXTER INTERNATIONAL INC.**  
**Note to Consolidated Statements of Income**  
**Six Months Ended June 30, 2015 and 2014**  
**Description of Adjustments and Reconciliation of GAAP to Non-GAAP Measures**  
**(unaudited)**  
**(in millions, except per share and percentage data)**

The company's GAAP results for the six months ended June 30, 2015 and 2014 included special items which impacted the GAAP measures as follows:

	Six Months Ended June 30,		Change
	2015	2014	
<b>Gross Margin</b>	<b>\$3,721</b>	<b>\$3,860</b>	<b>(4%)</b>
Intangible asset amortization expense <sup>1</sup>	96	90	
Business optimization items <sup>2</sup>	(4)	(10)	
Separation-related costs <sup>3</sup>	4	-	
Product-related items <sup>4</sup>	-	89	
<b>Adjusted Gross Margin</b>	<b>\$3,817</b>	<b>\$4,029</b>	<b>(5%)</b>
<b>% of Net Sales</b>	<b>49.8%</b>	<b>50.3%</b>	<b>(0.5 pts)</b>
<b>Marketing and Administrative Expenses</b>	<b>\$2,112</b>	<b>\$1,898</b>	<b>11%</b>
Gambro integration items <sup>5</sup>	(38)	(44)	
Reserve items and adjustments <sup>6</sup>	-	10	
Business optimization items <sup>2</sup>	(10)	6	
Separation-related costs <sup>3</sup>	(226)	(22)	
Product-related items <sup>4</sup>	-	(4)	
<b>Adjusted Marketing and Administrative Expenses</b>	<b>\$1,838</b>	<b>\$1,844</b>	<b>(0%)</b>
<b>% of Net Sales</b>	<b>24.0%</b>	<b>23.0%</b>	<b>1 pts</b>
<b>Research and Development Expenses</b>	<b>\$688</b>	<b>\$631</b>	<b>9%</b>
Business development items <sup>7</sup>	(87)	(60)	
Business optimization items <sup>2</sup>	3	(4)	
Separation-related costs <sup>3</sup>	(14)	-	
<b>Adjusted Research and Development Expenses</b>	<b>\$590</b>	<b>\$567</b>	<b>4%</b>
<b>% of Net Sales</b>	<b>7.7%</b>	<b>7.1%</b>	<b>0.6 pts</b>
<b>Net Interest Expense</b>	<b>\$64</b>	<b>\$85</b>	<b>(25%)</b>
Separation-related costs <sup>3</sup>	(4)	-	
<b>Adjusted Net Interest Expense</b>	<b>\$60</b>	<b>\$85</b>	<b>(29%)</b>
<b>Other Income, Net</b>	<b>\$(141)</b>	<b>\$(9)</b>	<b>N/M</b>
Gambro integration items <sup>5</sup>	-	(19)	
Reserve items and adjustments <sup>6</sup>	52	(30)	
<b>Adjusted Other Income, Net</b>	<b>\$(89)</b>	<b>\$(58)</b>	<b>N/M</b>
<b>Pre-Tax Income from Continuing Operations</b>	<b>\$998</b>	<b>\$1,255</b>	<b>(20%)</b>
Impact of special items	420	336	
<b>Adjusted Pre-Tax Income from Continuing Operations</b>	<b>\$1,418</b>	<b>\$1,591</b>	<b>(11%)</b>
<b>Income Tax Expense</b>	<b>\$242</b>	<b>\$280</b>	<b>(14%)</b>
Impact of special items	77	76	
<b>Adjusted Income Tax Expense</b>	<b>\$319</b>	<b>\$356</b>	<b>(10%)</b>
<b>% of Adjusted Pre-Tax Income from Continuing Operations</b>	<b>22.5%</b>	<b>22.4%</b>	<b>0.1 pts</b>
<b>Income from Continuing Operations</b>	<b>\$756</b>	<b>\$975</b>	<b>(22%)</b>
Impact of special items	343	260	
<b>Adjusted Income from Continuing Operations</b>	<b>\$1,099</b>	<b>\$1,235</b>	<b>(11%)</b>
<b>Adjusted Income from Discontinued Operations</b>	<b>1</b>	<b>109</b>	
<b>Adjusted Net Income</b>	<b>\$1,100</b>	<b>\$1,344</b>	<b>(18%)</b>
<b>Diluted EPS from Continuing Operations</b>	<b>\$1.38</b>	<b>\$1.78</b>	<b>(22%)</b>
Impact of special items	0.63	0.47	
<b>Adjusted Diluted EPS from Continuing Operations</b>	<b>\$2.01</b>	<b>\$2.25</b>	<b>(11%)</b>
<b>Adjusted Diluted EPS from Discontinued Operations</b>	<b>0.00</b>	<b>0.20</b>	
<b>Adjusted Diluted EPS</b>	<b>\$2.01</b>	<b>\$2.45</b>	<b>(18%)</b>
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>			
<b>Diluted</b>	<b>548</b>	<b>548</b>	

<sup>1</sup> The company's results in 2015 and 2014 included intangible asset amortization expense of \$96 million (\$75 million, or \$0.14 per diluted share, on an after-tax basis) and \$90 million (\$70 million, or \$0.13 per diluted share, on an after-tax basis), respectively.

<sup>2</sup> The company's results in 2015 included a net charge of \$3 million (\$1 million, or \$0.00 per diluted share, on an after-tax basis) primarily related to business optimization charges of \$32 million, partially offset by an adjustment to previous business optimization reserves that are no longer probable of being utilized. The company's results in 2014 included a net benefit of \$12 million (\$5 million, or \$0.01 per diluted share, on an after-tax basis) primarily related to an adjustment of \$37 million to previous business optimization reserves that are no longer probable of being utilized, partially offset by additional business optimization charges of \$25 million.

<sup>3</sup> The company's results in 2015 and 2014 included separation-related costs of \$248 million (\$202 million, or \$0.37 per diluted share, on an after-tax basis) and \$22 million (\$21 million, or \$0.04 per diluted share, on an after-tax basis), respectively, for the planned spin-off of Baxalta.

<sup>4</sup> The company's results in 2014 included total charges of \$93 million (\$58 million, or \$0.10 per diluted share, on an after-tax basis) primarily related to product remediation efforts for the SIGMA SPECTRUM infusion pump.

<sup>5</sup> The company's results in 2015 and 2014 included total charges of \$38 million (\$27 million, or \$0.05 per diluted share, on an after-tax basis) and \$63 million (\$47 million, or \$0.09 per diluted share, on an after-tax basis), respectively, primarily related to the integration of Gambro, including a loss on the divestiture of Baxter's legacy Continuous Renal Replacement Therapy business.

<sup>6</sup> The company's results in 2015 included income, net of expenses, of \$52 million (\$33 million, or \$0.06 per diluted share, on an after-tax basis) related to a litigation settlement in which Baxter was the beneficiary. The company's results in 2014 included a net expense of \$20 million (\$17 million, or \$0.03 per diluted share, on an after-tax basis) primarily related to an increase in the estimated fair value of acquisition-related contingent payment liabilities, partially offset by third-party recoveries and reversals of prior litigation reserves.

<sup>7</sup> The company's results in 2015 and 2014 included total charges of \$87 million (\$71 million, or \$0.13 per diluted share, on an after-tax basis) and \$60 million (\$52 million, or \$0.09 per diluted share, on an after-tax basis), respectively, related to certain milestone payments associated with the company's collaboration arrangements.

For more information on the company's use of non-GAAP financial measures in this press release, please see the company's Current Report on Form 8-K filed with the Securities and Exchange Commission on the date of this press release.

**BAXTER INTERNATIONAL INC.**  
**Net Sales**  
**Periods Ending June 30, 2015 and 2014**  
**(unaudited)**  
**(\$ in millions)**

	Q2 2015	Q2 2014	% Growth @ Actual Rates	% Growth @ Constant Rates	YTD 2015	YTD 2014	% Growth @ Actual Rates	% Growth @ Constant Rates
<b>BioScience<sup>1</sup></b>								
United States	\$775	\$733	6%	6%	\$1,530	\$1,439	6%	6%
International	654	719	(9%)	9%	1,260	1,342	(6%)	9%
<b>Total BioScience</b>	<b>\$1,429</b>	<b>\$1,452</b>	<b>(2%)</b>	<b>7%</b>	<b>\$2,790</b>	<b>\$2,781</b>	<b>0%</b>	<b>8%</b>
<b>Medical Products<sup>1</sup></b>								
United States	\$977	\$999	(2%)	(2%)	\$1,922	\$1,934	(1%)	(1%)
International	1,487	1,703	(13%)	2%	2,945	3,287	(10%)	2%
<b>Total Medical Products</b>	<b>\$2,464</b>	<b>\$2,702</b>	<b>(9%)</b>	<b>0%</b>	<b>\$4,867</b>	<b>\$5,221</b>	<b>(7%)</b>	<b>1%</b>
<b>Baxter International Inc.</b>								
United States	\$1,752	\$1,732	1%	1%	\$3,452	\$3,373	2%	2%
International	2,141	2,422	(12%)	4%	4,205	4,629	(9%)	4%
<b>Total Baxter</b>	<b>\$3,893</b>	<b>\$4,154</b>	<b>(6%)</b>	<b>3%</b>	<b>\$7,657</b>	<b>\$8,002</b>	<b>(4%)</b>	<b>3%</b>

<sup>1</sup> In connection with the planned spin-off of Baxalta, the company realigned its biosurgery products and services to the Medical Products segment in the first quarter of 2015. Effective January 1, 2015, the company changed its segment presentation to reflect this new structure, and recast all prior periods presented to conform to the new presentation.

**BAXTER INTERNATIONAL INC.**  
**Sales by Franchise <sup>1</sup>**  
**Periods Ending June 30, 2015 and 2014**  
**(unaudited)**  
**(\$ in millions)**

	<b>Q2 2015</b>	<b>Q2 2014</b>	<b>% Growth @ Actual Rates</b>	<b>% Growth @ Constant Rates</b>	<b>YTD 2015</b>	<b>YTD 2014</b>	<b>% Growth @ Actual Rates</b>	<b>% Growth @ Constant Rates</b>
<b>BioScience</b>								
Hemophilia	\$672	\$720	(7%)	4%	\$1,313	\$1,395	(6%)	3%
Immunoglobulin Therapies	422	393	7%	13%	842	791	6%	11%
Inhibitor Therapies	183	184	(1%)	12%	349	336	4%	15%
BioTherapeutics	152	155	(2%)	3%	286	259	10%	16%
<b>Total BioScience</b>	<b>\$1,429</b>	<b>\$1,452</b>	<b>(2%)</b>	<b>7%</b>	<b>\$2,790</b>	<b>\$2,781</b>	<b>0%</b>	<b>8%</b>
<b>Medical Products</b>								
Renal	\$949	\$1,044	(9%)	3%	\$1,862	\$2,035	(9%)	2%
Fluid Systems	518	534	(3%)	3%	1,011	1,038	(3%)	3%
Integrated Pharmacy Solutions	548	655	(16%)	(8%)	1,112	1,247	(11%)	(4%)
Surgical Care	333	346	(4%)	4%	655	668	(2%)	4%
Other	116	123	(6%)	2%	227	233	(3%)	4%
<b>Total Medical Products</b>	<b>\$2,464</b>	<b>\$2,702</b>	<b>(9%)</b>	<b>0%</b>	<b>\$4,867</b>	<b>\$5,221</b>	<b>(7%)</b>	<b>1%</b>
<b>Total Baxter</b>	<b>\$3,893</b>	<b>\$4,154</b>	<b>(6%)</b>	<b>3%</b>	<b>\$7,657</b>	<b>\$8,002</b>	<b>(4%)</b>	<b>3%</b>

<sup>1</sup> Effective January 1, 2015, Baxter has transitioned to a new commercial franchise structure for reporting net sales. Prior period net sales have been recast to reflect the new commercial franchise structure. A description of each commercial franchise can be found in the earnings press release for the quarterly period ended March 31, 2015 filed as Exhibit 99.1 to Baxter's Current Report on Form 8-K on April 23, 2015.

**BAXTER INTERNATIONAL INC.**  
**Franchise Sales by U.S. and International <sup>1</sup>**  
**Three-Month Periods Ending June 30, 2015 and 2014**  
**(unaudited)**  
**(\$ in millions)**

	Q2 2015			Q2 2014			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
<b>BioScience</b>									
Hemophilia	\$322	\$350	\$672	\$323	\$397	\$720	0%	(12%)	(7%)
Immunoglobulin Therapies	318	104	422	294	99	393	8%	5%	7%
Inhibitor Therapies	69	114	183	52	132	184	33%	(14%)	(1%)
BioTherapeutics	66	86	152	64	91	155	3%	(5%)	(2%)
<b>Total BioScience</b>	<b>\$775</b>	<b>\$654</b>	<b>\$1,429</b>	<b>\$733</b>	<b>\$719</b>	<b>\$1,452</b>	<b>6%</b>	<b>(9%)</b>	<b>(2%)</b>
<b>Medical Products</b>									
Renal	\$193	\$756	\$949	\$186	\$858	\$1,044	4%	(12%)	(9%)
Fluid Systems	247	271	518	225	309	534	10%	(12%)	(3%)
Integrated Pharmacy Solutions	260	288	548	321	334	655	(19%)	(14%)	(16%)
Surgical Care	196	137	333	188	158	346	4%	(13%)	(4%)
Other	81	35	116	79	44	123	3%	(20%)	(6%)
<b>Total Medical Products</b>	<b>\$977</b>	<b>\$1,487</b>	<b>\$2,464</b>	<b>\$999</b>	<b>\$1,703</b>	<b>\$2,702</b>	<b>(2%)</b>	<b>(13%)</b>	<b>(9%)</b>
<b>Total Baxter</b>	<b>\$1,752</b>	<b>\$2,141</b>	<b>\$3,893</b>	<b>\$1,732</b>	<b>\$2,422</b>	<b>\$4,154</b>	<b>1%</b>	<b>(12%)</b>	<b>(6%)</b>

<sup>1</sup> Effective January 1, 2015, Baxter has transitioned to a new commercial franchise structure for reporting net sales. Prior period net sales have been recast to reflect the new commercial franchise structure. Refer to page 12 for additional details.