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BAXTER DECLARES QUARTERLY DIVIDEND

DEERFIELD, Ill., July 29, 2015 – Baxter International Inc. (NYSE:BAX) today declared a regular quarterly dividend of \$0.115 per Baxter common share. This cash dividend is payable on October 1, 2015 to shareholders of record as of September 4, 2015.

This dividend represents the new quarterly dividend rate for Baxter following its successful spin-off of its biopharmaceuticals business, Baxalta Incorporated, on July 1, 2015. Over its 84-year history, Baxter has consistently paid a dividend to shareholders and followed a disciplined approach to capital allocation that balances reinvestment in the businesses with returning significant value to shareholders.

“This quarterly dividend is consistent with our previously announced target payout ratio of approximately 35 percent of adjusted net income and places Baxter at the high end of its peer set,” said James K. Saccaro, Baxter’s corporate vice president and chief financial officer. “As the new Baxter emerges, we remain committed to returning significant value to our shareholders through a number of means including dividends and share repurchases.”

Baxter provides a broad portfolio of essential renal and hospital products, including home, acute and in-center dialysis; sterile IV solutions; infusion systems

and devices; parenteral nutrition; biosurgery products and anesthetics; and pharmacy automation, software and services. The company's global footprint and the critical nature of its products and services play a key role in expanding access to healthcare in emerging and developed countries. Baxter's employees worldwide are building upon the company's rich heritage of medical breakthroughs to advance the next generation of healthcare innovations that enable patient care.

This release includes forward-looking statements concerning Baxter's dividend. The statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: continued strength in the company's financial position, including cash flows; future decisions of the board of directors of the company to continue payments to shareholders in the form of a dividend on a quarterly or other basis relative to alternative uses of funds; the ability to achieve the intended results from the recent separation of the biopharmaceutical and medical products businesses on the terms currently contemplated, if at all; and other risks identified in the company's most recent filing on Form 10-K and other SEC filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements.

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