

BAXTER INTERNATIONAL INC.
Note to Consolidated Statement of Income
Three Months Ended March 31, 2008
Description of Adjustment 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 March 31, 2008 included a charge related to COLLEAGUE infusion pumps, which impacted the results as follows:

	Pre-tax Income	Income Tax Expense	Net Income	Diluted EPS
GAAP	\$534	\$105	\$429	\$0.67
COLLEAGUE infusion pump charge (A)	53	8	45	0.07
Excluding specified item	\$587	\$113	\$474	\$0.74
Effective tax rate		19.3%		

- (A) Included in the Cost of Goods Sold line in the accompanying consolidated statement of income. Excluding this charge, adjusted gross profit was \$1,433 and the adjusted gross profit percentage was 49.8%.