

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

	December 31, 2004	December 31, 2003
<u>ASSETS</u>		
Cash and equivalents	\$1,109	\$925
Receivables	2,091	1,914
Inventories	2,135	2,104
Other current assets (1)	684	417
Total current assets	6,019	5,360
Property, plant and equipment, net	4,369	4,592
Other assets (1)	3,803	3,757
Total assets	\$14,191	\$13,709
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Short-term debt	\$361	\$153
Other current liabilities (1)	4,071	3,645
Long-term debt	3,933	4,421
Other long-term liabilities (1)	2,251	2,216
Stockholders' equity	3,575	3,274
Total liabilities and stockholders' equity	\$ 14,191	\$13,709

(1) The following is a summary of the company's cross-currency swaps.

	December 31, 2004	December 31, 2003
<u>Original swaps</u>		
Other current liabilities	\$465	\$172
Other long-term liabilities	831	785
Total	1,296	957
<u>Mirror swaps</u>		
Other current assets	109	-
Other long-term assets	20	-
Other long-term liabilities	(5)	-
Total	124	-
Net total of all cross-currency swaps	\$1,172	\$957

Note: As further discussed in the company's SEC filings, during the fourth quarter of 2004 the company executed offsetting or mirror swaps relating to approximately 58% of the portfolio. These mirror swaps fix the net amount the company will ultimately pay to settle the swaps subject to this strategy. After execution of the mirror swaps, as the market value of the fixed portion of the original portfolio decreases, the market value of the mirror swaps increases, and vice versa.