

BAXTER INTERNATIONAL INC.
PRO FORMA SCHEDULE I
Consolidated Statements of Income
(unaudited)
(in millions, except per share data)
(per share data restated for two-for-one stock split)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2002	2001	Change	2002	2001	Change
CONTINUING OPERATIONS:						
NET SALES	\$2,261	\$2,062	10%	\$8,110	\$7,356	10%
GROSS PROFIT	1,058	976	8%	3,792	3,412	11%
% to Sales	46.8%	47.3%		46.8%	46.4%	
MARKETING AND ADMINISTRATIVE EXPENSES	412	404	2%	1,562	1,440	8%
% to Sales	18.2%	19.6%		19.3%	19.6%	
RESEARCH AND DEVELOPMENT EXPENSES	142	115	23%	501	426	18%
GOODWILL AMORTIZATION	--	11	(100%)	--	43	(100%)
OPERATING INCOME	504	446	13%	1,729	1,503	15%
% to Sales	22.3%	21.6%		21.3%	20.4%	
INTEREST, NET	10	14	(29%)	51	68	(25%)
OTHER EXPENSE (INCOME)	10	(8)	(225%)	22	(13)	(269%)
INCOME BEFORE INCOME TAXES	484	440	10%	1,656	1,448	14%
INCOME TAX EXPENSE	121	113	7%	420	374	12%
NET INCOME	\$363	\$327	11%	\$1,236	\$1,074	15%
BASIC EPS	\$0.61	\$0.56	9%	\$2.06	\$1.82	13%
DILUTED EPS	\$0.59	\$0.53	11%	\$2.00	\$1.77	13%
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING						
Basic	598	592		600	590	
Diluted	619	612		618	609	

RECONCILIATION OF PRO FORMA AMOUNTS TO
GAAP AMOUNTS

Net Income				
Pro forma net income from continuing operations	\$363	\$327	\$1,236	\$1,074
IPR&D and other special charges (A)	(104)	(399)	(155)	(399)
Asset impairment charges	--	--	(48)	--
Cumulative effect of accounting change	--	--	--	(52)
Discontinued operations	(250)	(3)	(255)	(11)
GAAP net income (loss)	\$9	(\$75)	\$778	\$612

Diluted EPS				
Pro forma net income from continuing operations	\$0.59	\$0.53	\$2.00	\$1.77
IPR&D and other special charges (A)	(0.17)	(0.65)	(0.25)	(0.66)
Asset impairment charges	--	--	(0.08)	--
Cumulative effect of accounting change	--	--	--	(0.09)
Discontinued operations	(0.40)	(0.01)	(0.41)	(0.02)
GAAP net income (loss)	\$0.02	(\$0.13)	\$1.26	\$1.00

(A) Other special charges include costs to exit selected R&D programs in 2002 and acquisition-related costs and costs associated with ceasing manufacturing operations relating to the A, AF and AX series dialyzers in 2001.

