

BAXTER INTERNATIONAL INC.  
PRO FORMA SCHEDULE II  
Consolidated Statements of Income  
Restatement of Prior Quarters  
Continuing Operations Only  
(unaudited)  
(in millions, except per share data)  
(per share data restated for two-for-one stock split)

	Q1	Q2	2001 Q3	Q4
NET SALES:				
BIOSCIENCE	\$631	\$686	\$680	\$789
MEDICATION DELIVERY	663	701	708	833
RENAL	395	409	421	440
TOTAL NET SALES	1,689	1,796	1,809	2,062
GROSS PROFIT	768	821	847	976
% to Sales	45.5%	45.7%	46.8%	47.3%
MARKETING AND ADMINISTRATIVE EXPENSES	337	354	345	404
% to Sales	20.0%	19.7%	19.1%	19.6%
RESEARCH AND DEVELOPMENT EXPENSES	103	104	104	115
GOODWILL AMORTIZATION	11	10	11	11
OPERATING INCOME	317	353	387	446
% to Sales	18.8%	19.7%	21.4%	21.6%
INTEREST, NET	18	17	19	14
OTHER EXPENSE (INCOME)	6	(9)	(2)	(8)
INCOME BEFORE INCOME TAXES	293	345	370	440
INCOME TAX EXPENSE	75	90	96	113
NET INCOME	\$218	\$255	\$274	\$327
BASIC EPS	\$0.37	\$0.44	\$0.46	\$0.56
DILUTED EPS	\$0.36	\$0.43	\$0.45	\$0.53
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
Basic	590	590	589	592

Diluted	606	608	609	612
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RECONCILIATION OF PRO FORMA  
AMOUNTS TO GAAP AMOUNTS

Net Income from Continuing Operations

Pro forma net income from continuing operations	\$218	\$255	\$274	\$327
IPR&D and other special charges (A)	--	--	--	(399)
Asset impairment charges	--	--	--	--
GAAP income (loss) from continuing operations before cumulative effect of accounting change	\$218	\$255	\$274	\$(72)

Diluted EPS

Pro forma net income from continuing operations	\$0.36	\$0.43	\$0.45	\$0.53
IPR&D and other special charges (A)	--	--	--	(0.65)
Asset impairment charges	--	--	--	--
GAAP income (loss) from continuing operations before cumulative effect of accounting change	\$0.36	\$0.43	\$0.45	\$(0.12)

	Q1	2002 Q2	Q3
NET SALES:			
BIOSCIENCE	\$746	\$732	\$776
MEDICATION DELIVERY	728	805	820
RENAL	401	408	433
TOTAL NET SALES	1,875	1,945	2,029
GROSS PROFIT	880	914	940
% to Sales	46.9%	47.0%	46.3%
MARKETING AND ADMINISTRATIVE EXPENSES	393	380	377
% to Sales	21.0%	19.5%	18.6%
RESEARCH AND DEVELOPMENT EXPENSES	115	123	121
GOODWILL AMORTIZATION	--	--	--
OPERATING INCOME	372	411	442
% to Sales	19.8%	21.1%	21.8%
INTEREST, NET	16	14	11

OTHER EXPENSE (INCOME)	12	(6)	6
INCOME BEFORE INCOME TAXES	344	403	425
INCOME TAX EXPENSE	91	100	108
NET INCOME	\$253	\$303	\$317
BASIC EPS	\$0.42	\$0.51	\$0.52
DILUTED EPS	\$0.41	\$0.49	\$0.51

WEIGHTED AVERAGE NUMBER OF  
COMMON SHARES OUTSTANDING

Basic	600	602	603
Diluted	622	622	624

RECONCILIATION OF PRO FORMA  
AMOUNTS TO GAAP AMOUNTS

Net Income from Continuing Operations

Pro forma net income from continuing operations	\$253	\$303	\$317
IPR&D and other special charges (A)	--	(51)	--
Asset impairment charges	--	(48)	--
GAAP income (loss) from continuing operations before cumulative effect of accounting change	\$253	\$204	\$317

Diluted EPS

Pro forma net income from continuing operations	\$0.41	\$0.49	\$0.51
IPR&D and other special charges (A)	--	(0.08)	--
Asset impairment charges	--	(0.08)	--
GAAP income (loss) from continuing operations before cumulative effect of accounting change	\$0.41	\$0.33	\$0.51

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