

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

| | June 30, 2004 | December 31, 2003 |
|--|------------------|----------------------|
| <u>ASSETS</u> | | |
| Cash and equivalents | \$762 | \$927 |
| Receivables | 2,137 | 1,979 |
| Inventories | 2,115 | 2,101 |
| Other current assets | 770 | 430 |
| Total current assets | 5,784 | 5,437 |
| Property, plant & equipment, net | 4,324 | 4,585 |
| Other assets | 3,626 | 3,757 |
| Total assets | \$13,734 | \$13,779 |
| <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| Short-term debt | \$205 | \$153 |
| Other current liabilities (1) | 3,459 | 3,666 |
| Long-term debt | 4,429 | 4,421 |
| Other long-term liabilities (1) | 2,299 | 2,216 |
| Stockholders' equity | 3,342 | 3,323 |
| Total liabilities and stockholders' equity | \$13,734 | \$13,779 |

(1) The following is a summary of the net investment hedges included in other current and long-term liabilities:

| | June 30, 2004 | December 31, 2003 |
|-----------------------------|------------------|----------------------|
| Other current liabilities | \$232 | \$172 |
| Other long-term liabilities | 742 | 785 |
| Total | \$974 | \$957 |

As noted in the press release, the company plans to restate its financial results back to 2001. The prior quarter and/or year-to-date results shown above do not yet reflect the restatement or the effects thereof and should be read accordingly.