



Overview of Baxter's Medication Delivery Business

Baxter's Medication Delivery business is a leading manufacturer of products used in the delivery of fluids and drugs to patients. These include intravenous (IV) solutions and administration sets, premixed drugs and drug-reconstitution systems, pre-filled vials and syringes for injectable drugs, infusion pumps, and inhaled anesthetics, as well as products and services related to drug formulation and enhanced packaging technologies. Medication Delivery products represent approximately 37 percent of Baxter's annual sales totaling \$4.6 billion in 2008.

IV INFUSION PUMPS AND ADMINISTRATION SETS

Baxter is a recognized leader in IV medication delivery, providing a wide range of infusion pumps, IV tubing and access devices to control the delivery of IV fluids and drugs to patients. Baxter provides infusion pumps used in hospitals and other acute-care settings, as well as portable devices used in oncology and pain management. This offering includes pumps that enable clinicians to administer multiple IV solutions simultaneously to a patient from a single pump; deliver a wide range of infusion rates to accommodate use throughout the hospital, from the neonatal unit to the emergency room; and offer features that enable caregivers to establish limits for specific drugs to enhance patient safety and help reduce medication-programming errors.

To help prevent accidental needle-stick injuries, Baxter launched the industry's first "needleless" IV access system. Most recently, the company introduced the first needleless IV connector containing an antimicrobial coating, V-Link Luer-activated device (LAD) with VitalShield protective coating.

PARENTERAL NUTRITION PRODUCTS

Nutrition administered intravenously (parenteral nutrition) provides life-sustaining support for patients who cannot receive adequate nutrients through other means. Baxter provides solutions, container systems and admixing technology for parenteral nutrition.

In Europe, Baxter introduced the first "triple chamber bag" for total parenteral nutrition, enabling clinicians to administer appropriate nutrition to patients in a safe, convenient and cost-effective manner at the point of care, and Baxter plans to introduce the next generation triple chamber bag in 2009. Other Baxter products for parenteral nutrition include automated compounding devices, software, and vitamin and mineral formulas.

Baxter continues to expand its portfolio and presence in the parenteral nutrition marketplace through new product offerings, as well as expanded manufacturing capabilities. Recently, Baxter established a joint venture with Guangzhou Baiyunshan Pharmaceutical Co. Ltd. to produce and sell parenteral nutrition products in China, positioning Baxter for growth in that emerging market.

IV SOLUTIONS AND PREMIXED DRUGS

Baxter is the world's leading manufacturer of commercially prepared IV solutions as well as frozen and ready-to-use premixed drugs in flexible IV containers. Baxter's portfolio of IV solutions and premixed drugs is the broadest in the industry. Baxter introduced the world's first flexible, closed-system IV container systems, eliminating the potential for air contaminants to





pollute the solutions and cause infections. One of Baxter's latest IV solution containers, AVIVA, is made of non-PVC (non-polyvinyl chloride) film and offers a DEHP-free fluid pathway to patients.

DRUG AND DRUG FORMULATION TECHNOLOGIES

New drug technologies present exciting opportunities for Baxter. Through its collaboration with Halozyme Therapeutics, Baxter continues to advance the clinical and commercial development of a technology that can increase the absorption and dispersion of fluids and drugs through subcutaneous infusion, offering a potential alternative to IV administration.

Baxter is also a leader in injectable drugs, offering a broad portfolio of critical medications. Baxter recently introduced a new drug safety initiative, intended to help reduce medication errors through enhanced drug packaging for high alert medications. The new packaging provides additional safeguards to assist clinicians in the correct identification of critical medications. In 2009, Baxter plans to apply this packaging to additional molecules.

PHARMA PARTNERING

Baxter applies its drug delivery expertise to contract manufacturing of prefilled injectable drugs in vials and syringes, lyophilized drugs and biologics such as proteins and antibodies for large biotechnology and pharmaceutical companies. Baxter is the parenteral contract services leader of prefilled syringes in North America and is one of the leading parenteral contract manufacturers worldwide. In 2008, leading business research and consulting firm, Frost & Sullivan, awarded Baxter's contract manufacturing business the 2008 North American Contract Manufacturing Customer Service Leadership of the Year Award.

ANESTHESIA AND CRITICAL CARE

Anesthesia has played a major role in making surgery a viable option in healthcare, and represents one of Baxter's fastest growing businesses. Baxter is a leading provider of inhaled anesthetics for general anesthesia and offers all three of the most commonly used inhaled anesthetics for general anesthesia. Additionally, Baxter offers cardiovascular beta-blocking agents and treatments for post-operative side effects.