



BAXTER'S PANDEMIC PLANNING EFFORTS

As a global provider of essential healthcare products, Baxter has a critical need to plan for the impact of a possible influenza pandemic on our employees and business. That is why we have focused the attention and expertise of cross-functional teams across the company to ensure our preparedness for a global pandemic or other similar natural or man-made disasters that have the potential to impact our employees, our customers, and our communities.

In August 2005, Baxter established a cross-functional Global Pandemic Preparedness Team to facilitate coordination, planning, decision-making and communications across the company. Working in collaboration with business, regional and country teams, Baxter's Global Pandemic Preparedness Team is developing business contingency plans to ensure the health and well-being of our employees, and the continued supply of products for both normal ongoing demand as well as potential pandemic requirements. These preparedness teams have evaluated a number of potential scenarios, and are establishing the necessary contingency plans, training, tools and processes required to respond effectively on a global basis.

Our teams are reaching out proactively to governments, health officials and our customers to learn more about their pandemic preparedness plans in order to better plan for their product supply needs. These teams also are collaborating with governments and industry organizations to assist in broader state, national and regional preparedness initiatives. They also are benchmarking with other global companies to share our expertise and identify additional areas of focus, and are working with supply chain partners (e.g. raw material suppliers, freight carriers) to address vulnerabilities outside of Baxter that have the potential to impact our ability to supply product.

In addition, Baxter continues to have ongoing discussions with various governments and health authorities around the world about collaborations in the further development of a pandemic vaccine and/or producing stockpiles of candidate vaccine.