



FOR IMMEDIATE RELEASE

Media Contacts:

Kym White, (847) 948-2304
Deborah Spak, (847) 948-2349

Investor Contacts:

Mary Kay Ladone, (847) 948-3371
Clare Trachtman, (847) 948-3085

BAXTER COMPLETES PRODUCTION OF FIRST COMMERCIAL BATCHES OF A/H1N1 PANDEMIC VACCINE

DEERFIELD, Ill., August 5, 2009 — Baxter International Inc. (NYSE: BAX) today announced that it completed production of its first commercial batches of CELVAPAN A/H1N1 pandemic vaccine in late July and is discussing plans for distribution with national health authorities, subject to obtaining appropriate authorizations. CELVAPAN, the brand name for the company's A/H1N1 pandemic influenza vaccine, is made using Baxter's proprietary Vero cell culture technology.

Baxter plans to deliver initial quantities of CELVAPAN to national public health authorities that have pandemic agreements with the company. These health authorities placed orders for the vaccine following the World Health Organization's (WHO) elevation of the pandemic alert level to phase 6 and declaration of a pandemic.

Baxter's proprietary Vero cell production technology is meeting the company's expectations to rapidly produce a vaccine in response to a pandemic. CELVAPAN was developed and commercially produced using this process within 12 weeks of receiving the A/H1N1 virus strain, which represents an innovation in vaccine production.

"We are pleased with our company's ability to meet its expected timelines in developing and producing CELVAPAN," said Joy Amundson, corporate vice president and president of Baxter BioScience. "This is an encouraging validation of our science, our Vero cell vaccine technology and the teamwork at Baxter in meeting this important milestone to help address an urgent public health issue."

Baxter is collaborating with regulatory authorities to ensure the company is in accordance with all requirements needed to support approval and use of CELVAPAN. “To make CELVAPAN A/H1N1 vaccine, we applied the same development, qualification and manufacturing processes used in gaining European Medicines Agency (EMA) licensure of a mock-up pandemic vaccine,” said Hartmut J. Ehrlich, M.D., vice president of global research and development for Baxter BioScience. “The mock-up vaccine made with a different pandemic strain was tested in five clinical trials worldwide in more than 1,300 people. In addition, more than 3,500 people have been vaccinated during an ongoing phase III study.”

Confirmatory clinical trials to evaluate safety and immunogenicity of CELVAPAN A/H1N1 in adults, the elderly and children are scheduled to begin in August. Baxter has initiated its license application for CELVAPAN A/H1N1 based on the EMA published guidelines for pandemic vaccine marketing authorization and will supplement its application post-approval with the appropriate safety and immunogenicity data from the confirmatory clinical trials. Once national vaccination programs are initiated, Baxter will also conduct a large-scale observational study in people receiving CELVAPAN. In all countries, decisions to administer the vaccine will be determined by local public health authorities.

ABOUT BAXTER’S PANDEMIC VACCINE DEVELOPMENT

Baxter received the A/H1N1 strain for testing and evaluation from the U.S. Centers for Disease Control and Prevention (a WHO Collaborating Center) in early May. The company then undertook pre-production testing and evaluation of the virus strain to assess its growth characteristics and ability to work in the company’s proprietary Vero cell culture. Based on the virus’ ability to grow in Vero cell culture, Baxter initiated commercial production on June 3, 2009. Bulk CELVAPAN vaccine is produced at its large-scale commercial facility in Bohumil, Czech Republic, and is sent to Vienna, Austria for the final formulation, fill and finish before distribution.

Mock-up licensure is a regulatory pathway for pandemic vaccines that was created by the European Medicines Agency (EMA) in 2004. This pathway allows for the development, evaluation and testing of a company’s vaccine production capabilities

using an available influenza strain that has the potential to cause a pandemic. Once a pandemic is declared and the influenza virus strain causing the pandemic is identified, the mock-up licensure allows for fast track approval of a pandemic vaccine containing the actual pandemic strain. Other countries may choose to evaluate the company's EMEA submission and use that information as the basis for their national health authority's authorization for use of the vaccine.

ABOUT BAXTER INTERNATIONAL INC.

Baxter International Inc., through its subsidiaries, develops, manufactures and markets products that save and sustain the lives of people with hemophilia, immune disorders, infectious diseases, kidney disease, trauma, and other chronic and acute medical conditions. As a global, diversified healthcare company, Baxter applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology to create products that advance patient care worldwide.

This release includes forward-looking statements concerning the company's vaccines products, including with respect to potential timelines. The statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: continued success in advancing a new technology through full-scale production, including with respect to steps required for finishing, release, shipment, and customer acceptance; remaining regulatory approvals; governments' continuing decisions with respect to orders; and other risks identified in the company's most recent filing on Form 10-K and other Securities and Exchange Commission filings, all of which are available on the company's website. The company does not undertake to update its forward-looking statements.

###