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Media Contacts

Elaine Salewske, (847) 323-8134
Deborah Spak, (847) 948-2349

Investor Contacts

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

**BAXTER HIGHLIGHTS PROGRESS TOWARD SUSTAINABILITY PRIORITIES,
INCLUDING FIRST AND ONLY CARBON TRUST CERTIFICATION
FOR MEDICAL PRODUCT, IN NEW REPORT**

DEERFIELD, Ill., June 24, 2010 – Baxter International Inc. (NYSE: BAX) today released its *2009 Sustainability Report – Our Priorities for a More Sustainable Future*, marking the 11th consecutive year the company has released a sustainability report about its social, economic and environmental performance. The report features progress the company has made toward its sustainability priorities and goals, and its commitment to addressing global sustainability challenges through a range of initiatives, including advancing product stewardship through product carbon footprint certification and engaging employees in volunteer initiatives in their communities.

Baxter Highlights Progress Toward Sustainability Priorities

Baxter's *2009 Sustainability Report – Our Priorities for a More Sustainable Future* focuses on the company's progress toward its sustainability priorities and goals, and features various initiatives and performance metrics.

Baxter's sustainability priorities, grouped into the three broad categories of Our People, Our Operations and Products, and Our World, reflect issues of key concern to

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Baxter and its stakeholders and areas where the company is uniquely positioned to have a positive impact. Corresponding long-term performance goals demonstrate the company's commitment, motivate continual improvement and help stakeholders assess performance. These goals include creating an inclusive workplace, strengthening math and science education, and reducing greenhouse gas emissions, waste generation and water usage.

“Sustainability is an extension of our business and our culture,” said Robert L. Parkinson, Jr., Baxter's chairman and chief executive officer. “Each of our sustainability priorities represents an opportunity to engage employees, as we collectively contribute to a more sustainable world and benefit our business.”

Initiatives highlighted in the 2009 report include:

- Decreasing water usage by 9 percent in absolute terms and 29 percent indexed to revenue compared to 2005;
- Launching the Global Supplier Sustainability Program, incorporating 20 green criteria into Baxter's purchasing procedures;
- Achieving a third straight year of improvement in reducing cases resulting in days lost due to workplace injuries;
- Realizing environmental benefits at Baxter's European headquarters in Zurich, Switzerland, which uses nearly 80 percent less energy than a typical office building of its size due to green-building design elements such as natural lighting, roof-top solar panels and other innovative features; and
- Decreasing net greenhouse gas emissions from operations by 5 percent on an absolute basis and 26 percent indexed to revenue compared to 2005.

Links to additional information about the examples listed above are available via the online news release at www.baxter.com. Additional examples and data can be

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found in the company's comprehensive *2009 Sustainability Report*, which is aligned with the Global Reporting Initiative guidelines, available at <http://sustainability.baxter.com>.

The report features in-depth reporting across key sustainability topics, including community support; employees; environment, health and safety; ethics and compliance; governance; and product responsibility.

First and Only Medical Product to Receive Carbon Trust Certification

As part of its efforts to advance product stewardship and sustainable practices in manufacturing, Baxter recently received Carbon Reduction certification from the UK-based Carbon Trust for FLEXBUMIN [Albumin (Human)] – the first and only albumin therapy in a flexible, plastic container, and the first and only medical product to receive this certification.

FLEXBUMIN represents an innovative combination of Baxter's BioScience and Medication Delivery core competencies in bringing together a lifesaving therapy in a unique packaging system – the GALAXY container. Historically, albumin was packaged in glass bottles like Baxter's BUMINATE [Albumin (Human)]. FLEXBUMIN received certification from the Carbon Trust based on a verification of comparative carbon footprint analyses combined with a commitment by Baxter to continue to decrease the carbon footprint of FLEXBUMIN during the next two years. The analyses were conducted in accordance with the BSI PAS 2050 Standard for product carbon footprinting and quantified the greenhouse gas emissions associated with the 50ml and 100ml FLEXBUMIN and BUMINATE container systems and transportation, from resource extraction through end-of-life.

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“As the first and only medical product in the world to receive the carbon footprint certification from the Carbon Trust, it is clear that Baxter has a strong commitment to sustainable product design and manufacturing practices,” said Tom Delay, chief executive of the Carbon Trust. “This certification reflects Baxter’s continuous commitment to further reduce its carbon footprint.”

The FLEXBUMIN container system offers several benefits to medical institutions and the environment. It has a 55-77 percent smaller carbon footprint than BUMINATE, depending on product size and geography, due to it requiring less energy to manufacture and its reduced weight, which decreases the energy required for transport. The product also requires 47-52 percent less storage space than albumin in glass bottles, depending on product size, saving space in both hospitals and pharmacies.

Engaging Employees in their Communities, Environment

By encouraging employees to volunteer in their communities and recognizing them for their efforts, Baxter has created a culture of active volunteerism throughout the company. During 2009, Baxter employees worldwide reported 159,000 hours of volunteer service, with more than 300 employees recording 40 hours or more, and an additional 500 Baxter employees recording 75 hours or more.

Baxter encourages employees to volunteer their time with local organizations that match their personal interests, and many choose environmental initiatives. In 2009, Baxter employees worldwide recorded more than 4,600 volunteer hours on local environmental projects. During the company's second annual Baxter World Environment Week, held the first week of June to correspond with the United Nation's World

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Environment Day, Baxter employees worldwide sponsored events that promote earth-friendly activities and sustainable living. For example, employees from Baxter's Orth, Austria facility cleaned the river bank near the facility and held educational events that encouraged alternative forms of transportation. The global event demonstrates the integration of sustainability into Baxter's culture and how the company's collective efforts can make a positive impact on local and global communities.

About Baxter

Baxter's commitment to sustainability spans three decades. The company is included in the Dow Jones Sustainability Index and has been recognized by Corporate Knights as one of the Global 100 Most Sustainable Corporations in the World and by *Corporate Responsibility* magazine as one of the 100 Best Corporate Citizens. Baxter was also ranked first in the healthcare category of *Newsweek's* inaugural Green Rankings in 2009. Baxter is a member of the Center for Corporate Citizenship at Boston College, the Business Environmental Leadership Council of the Pew Center on Global Climate Change, the Chicago Climate Exchange, the U.S. EPA's Climate Leaders, and the Ethics & Compliance Officer Association. Baxter endorses the Ceres principles and is an organizational stakeholder of the Global Reporting Initiative.

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

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unique combination of expertise in medical devices, pharmaceuticals and biotechnology to create products that advance patient care worldwide.

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