

**BAXTER INTERNATIONAL INC.**  
**Consolidated Statements of Income**  
**Three Months Ended September 30, 2015 and 2014**  
**(unaudited)**  
**(in millions, except per share and percentage data)**

	Three Months Ended September 30,		Change
	2015	2014	
NET SALES	\$2,487	\$2,709	(8%)
COST OF SALES	1,453	1,516	(4%)
<b>GROSS MARGIN</b>	<b>1,034</b>	<b>1,193</b>	<b>(13%)</b>
<i>% of Net Sales</i>	<b>41.6%</b>	<b>44.0%</b>	<b>(2.4 pts)</b>
MARKETING AND ADMINISTRATIVE EXPENSES	794	827	(4%)
<i>% of Net Sales</i>	<b>31.9%</b>	<b>30.5%</b>	<b>1.4 pts</b>
RESEARCH AND DEVELOPMENT EXPENSES	148	149	(1%)
<i>% of Net Sales</i>	<b>6.0%</b>	<b>5.5%</b>	<b>0.5 pts</b>
<b>OPERATING INCOME</b>	<b>92</b>	<b>217</b>	<b>(58%)</b>
<i>% of Net Sales</i>	<b>3.7%</b>	<b>8.0%</b>	<b>(4.3 pts)</b>
NET INTEREST EXPENSE	34	31	10%
OTHER EXPENSE (INCOME), NET	91	(16)	N/M
<b>(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	<b>(33)</b>	<b>202</b>	<b>(116%)</b>
INCOME TAX (BENEFIT) EXPENSE	(35)	27	(230%)
<i>% of (Loss) Income from Continuing Operations before Income Taxes</i>	<b>106.1%</b>	<b>13.4%</b>	<b>92.7 pts</b>
INCOME FROM CONTINUING OPERATIONS	2	175	(99%)
(LOSS) INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX <sup>A</sup>	(1)	293	N/M
<b>NET INCOME</b>	<b>\$1</b>	<b>\$468</b>	<b>(100%)</b>
<b>INCOME FROM CONTINUING OPERATIONS PER COMMON SHARE</b>			
Basic	\$0.00	\$0.32	(100%)
Diluted	\$0.00	\$0.32	(100%)
<b>INCOME FROM DISCONTINUED OPERATIONS PER COMMON SHARE</b>			
Basic	\$0.00	\$0.54	N/M
Diluted	\$0.00	\$0.54	N/M
<b>NET INCOME PER COMMON SHARE</b>			
Basic	\$0.00	\$0.86	(100%)
Diluted	\$0.00	\$0.86	(100%)
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>			
Basic	546	542	
Diluted	549	547	
ADJUSTED OPERATING INCOME (excluding special items)	\$279 <sup>B</sup>	\$302 <sup>B</sup>	(8%)
ADJUSTED PRE-TAX INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$284 <sup>B</sup>	\$287 <sup>B</sup>	(1%)
ADJUSTED INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$225 <sup>B</sup>	\$241 <sup>B</sup>	(7%)
ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)	\$0.41 <sup>B</sup>	\$0.44 <sup>B</sup>	(7%)

<sup>A</sup> Operating results from Baxalta are classified as discontinued operations for all periods presented.

<sup>B</sup> Refer to page 9 for a description of the adjustments and a reconciliation to generally accepted accounting principles (GAAP) measures.

**BAXTER INTERNATIONAL INC.**  
**Note to Consolidated Statements of Income**  
**Three Months Ended September 30, 2015 and 2014**  
**Description of Adjustments and Reconciliation of GAAP to Non-GAAP Measures**  
**(unaudited)**  
**(in millions, except per share and percentage data)**

The company's GAAP results for the three months ended September 30, 2015 and 2014 included special items which impacted the GAAP measures as follows:

	Three Months Ended September 30,		Change
	2015	2014	
<b>Gross Margin</b>	<b>\$1,034</b>	<b>\$1,193</b>	<b>(13%)</b>
Intangible asset amortization expense <sup>1</sup>	40	42	
Business optimization items <sup>2</sup>	32	-	
Separation-related costs <sup>3</sup>	1	-	
Product-related items <sup>4</sup>	(18)	-	
<b>Adjusted Gross Margin</b>	<b>\$1,089</b>	<b>\$1,235</b>	<b>(12%)</b>
<b>% of Net Sales</b>	<b>43.8%</b>	<b>45.6%</b>	<b>(1.8 pts)</b>
<b>Marketing and Administrative Expenses</b>	<b>\$794</b>	<b>\$827</b>	<b>(4%)</b>
Gambro integration items <sup>5</sup>	(12)	(39)	
Branded Prescription Drug Fee <sup>6</sup>	-	(3)	
Business optimization items <sup>2</sup>	(52)	-	
Separation-related costs <sup>3</sup>	(60)	-	
<b>Adjusted Marketing and Administrative Expenses</b>	<b>\$670</b>	<b>\$785</b>	<b>(15%)</b>
<b>% of Net Sales</b>	<b>26.9%</b>	<b>29.0%</b>	<b>(2.1 pts)</b>
<b>Research and Development Expenses</b>	<b>\$148</b>	<b>\$149</b>	<b>(1%)</b>
Business optimization items <sup>2</sup>	(8)	(1)	
<b>Adjusted Research and Development Expenses</b>	<b>\$140</b>	<b>\$148</b>	<b>(5%)</b>
<b>% of Net Sales</b>	<b>5.6%</b>	<b>5.5%</b>	<b>0.1 pts</b>
<b>Operating Income</b>	<b>\$92</b>	<b>\$217</b>	<b>(58%)</b>
Impact of special items	187	85	
<b>Adjusted Operating Income</b>	<b>\$279</b>	<b>\$302</b>	<b>(8%)</b>
<b>% of Net Sales</b>	<b>11.2%</b>	<b>11.1%</b>	<b>0.1 pts</b>
<b>Other Expense (Income), Net</b>	<b>\$91</b>	<b>\$(16)</b>	<b>N/M</b>
Loss on debt extinguishment <sup>7</sup>	(130)	-	
<b>Adjusted Other Income, Net</b>	<b>\$(39)</b>	<b>\$(16)</b>	<b>N/M</b>
<b>Pre-Tax (Loss) Income from Continuing Operations</b>	<b>\$(33)</b>	<b>\$202</b>	<b>(116%)</b>
Impact of special items	317	85	
<b>Adjusted Pre-Tax Income from Continuing Operations</b>	<b>\$284</b>	<b>\$287</b>	<b>(1%)</b>
<b>Income Tax (Benefit) Expense</b>	<b>\$(35)</b>	<b>\$27</b>	<b>(230%)</b>
Impact of special items	94	19	
<b>Adjusted Income Tax Expense</b>	<b>\$59</b>	<b>\$46</b>	<b>28%</b>
<b>% of Adjusted Pre-Tax Income from Continuing Operations</b>	<b>20.8%</b>	<b>16.0%</b>	<b>4.8 pts</b>
<b>Income from Continuing Operations</b>	<b>\$2</b>	<b>\$175</b>	<b>(99%)</b>
Impact of special items	223	66	
<b>Adjusted Income from Continuing Operations</b>	<b>\$225</b>	<b>\$241</b>	<b>(7%)</b>
<b>Diluted EPS from Continuing Operations</b>	<b>\$0.00</b>	<b>\$0.32</b>	<b>(100%)</b>
Impact of special items	0.41	0.12	
<b>Adjusted Diluted EPS from Continuing Operations</b>	<b>\$0.41</b>	<b>\$0.44</b>	<b>(7%)</b>
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>			
Diluted	549	547	

<sup>1</sup> The company's results in 2015 and 2014 included intangible asset amortization expense of \$40 million (\$32 million, or \$0.06 per diluted share, on an after-tax basis) and \$42 million (\$34 million, or \$0.06 per diluted share, on an after-tax basis), respectively.

<sup>2</sup> The company's results in 2015 included a net charge of \$92 million (\$62 million, or \$0.11 per diluted share, on an after-tax basis) primarily related to business optimization charges of \$105 million, partially offset by an adjustment to previous business optimization reserves that are no longer probable of being utilized. The company's results in 2014 included business optimization charges of \$1 million (\$1 million, or \$0.00 per diluted share, on an after-tax basis).

<sup>3</sup> The company's results in 2015 included costs related to the Baxalta separation of \$61 million (\$49 million, or \$0.09 per diluted share, on an after-tax basis).

<sup>4</sup> The company's results in 2015 included a net benefit of \$18 million (\$11 million, or \$0.02 per diluted share, on an after-tax basis) primarily related to adjustments to the COLLEAGUE and SIGMA SPECTRUM infusion pump reserves.

<sup>5</sup> The company's results in 2015 and 2014 included total charges of \$12 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) and \$39 million (\$28 million, or \$0.05 per diluted share, on an after-tax basis), respectively, primarily related to the integration of Gambro AB (Gambro).

<sup>6</sup> The company's results in 2014 included a charge of \$3 million (\$3 million, or \$0.01 per diluted share, on an after-tax basis) to account for an additional year of the Branded Prescription Drug Fee in accordance with final regulations issued in the third quarter of 2014 by the Internal Revenue Service.

<sup>7</sup> The company's results in 2015 included a loss of \$130 million (\$82 million, or \$0.15 per diluted share, on an after-tax basis) related to the July 2015 debt tender offers.

For more information on the company's use of non-GAAP financial measures in this press release, please see the company's Current Report on Form 8-K filed with the Securities and Exchange Commission on the date of this press release.

**BAXTER INTERNATIONAL INC.**  
**Consolidated Statements of Income**  
**Nine Months Ended September 30, 2015 and 2014**  
**(unaudited)**  
**(in millions, except per share and percentage data)**

	Nine Months Ended September 30,		Change
	2015	2014	
NET SALES	\$7,365	\$7,930	(7%)
COST OF SALES	4,291	4,556	(6%)
<b>GROSS MARGIN</b>	<b>3,074</b>	<b>3,374</b>	<b>(9%)</b>
<i>% of Net Sales</i>	<i>41.7%</i>	<i>42.5%</i>	<i>(0.8 pts)</i>
MARKETING AND ADMINISTRATIVE EXPENSES	2,361	2,455	(4%)
<i>% of Net Sales</i>	<i>32.1%</i>	<i>31.0%</i>	<i>1.1 pts</i>
RESEARCH AND DEVELOPMENT EXPENSES	442	454	(3%)
<i>% of Net Sales</i>	<i>6.0%</i>	<i>5.7%</i>	<i>0.3 pts</i>
<b>OPERATING INCOME</b>	<b>271</b>	<b>465</b>	<b>(42%)</b>
<i>% of Net Sales</i>	<i>3.7%</i>	<i>5.9%</i>	<i>(2.2 pts)</i>
NET INTEREST EXPENSE	94	116	(19%)
OTHER INCOME, NET	(46)	(32)	N/M
<b>INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES</b>	<b>223</b>	<b>381</b>	<b>(41%)</b>
INCOME TAX EXPENSE	13	51	(75%)
<i>% of Income from Continuing Operations before Income Taxes</i>	<i>5.8%</i>	<i>13.4%</i>	<i>(7.6 pts)</i>
INCOME FROM CONTINUING OPERATIONS	210	330	(36%)
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX <sup>A</sup>	553	1,214	N/M
<b>NET INCOME</b>	<b>\$763</b>	<b>\$1,544</b>	<b>(51%)</b>
<b>INCOME FROM CONTINUING OPERATIONS PER COMMON SHARE</b>			
Basic	\$0.39	\$0.61	(36%)
Diluted	\$0.38	\$0.60	(37%)
<b>INCOME FROM DISCONTINUED OPERATIONS PER COMMON SHARE</b>			
Basic	\$1.01	\$2.24	N/M
Diluted	\$1.01	\$2.22	N/M
<b>NET INCOME PER COMMON SHARE</b>			
Basic	\$1.40	\$2.85	(51%)
Diluted	\$1.39	\$2.82	(51%)
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>			
Basic	544	542	
Diluted	548	548	
ADJUSTED OPERATING INCOME (excluding special items)	\$614 <sup>B</sup>	\$752 <sup>B</sup>	(18%)
ADJUSTED PRE-TAX INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$644 <sup>B</sup>	\$673 <sup>B</sup>	(4%)
ADJUSTED INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$519 <sup>B</sup>	\$547 <sup>B</sup>	(5%)
ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)	\$0.95 <sup>B</sup>	\$1.00 <sup>B</sup>	(5%)

<sup>A</sup> Operating results from Baxalta are classified as discontinued operations for all periods presented.

<sup>B</sup> Refer to page 11 for a description of the adjustments and a reconciliation to generally accepted accounting principles (GAAP) measures.

**BAXTER INTERNATIONAL INC.**  
**Note to Consolidated Statements of Income**  
**Nine Months Ended September 30, 2015 and 2014**  
**Description of Adjustments and Reconciliation of GAAP to Non-GAAP Measures**  
**(unaudited)**  
**(in millions, except per share and percentage data)**

The company's GAAP results for the nine months ended September 30, 2015 and 2014 included special items which impacted the GAAP measures as follows:

	Nine Months Ended		
	September 30,		
	2015	2014	Change
<b>Gross Margin</b>	<b>\$3,074</b>	<b>\$3,374</b>	<b>(9%)</b>
Intangible asset amortization expense <sup>1</sup>	120	125	
Business optimization items <sup>2</sup>	28	(12)	
Separation-related costs <sup>3</sup>	1	-	
Product-related items <sup>4</sup>	(18)	89	
<b>Adjusted Gross Margin</b>	<b>\$3,205</b>	<b>\$3,576</b>	<b>(10%)</b>
<b>% of Net Sales</b>	<b>43.5%</b>	<b>45.1%</b>	<b>(1.6 pts)</b>
<b>Marketing and Administrative Expenses</b>	<b>\$2,361</b>	<b>\$2,455</b>	<b>(4%)</b>
Gambro integration items <sup>5</sup>	(50)	(83)	
Branded Prescription Drug Fee <sup>6</sup>	-	(3)	
Business optimization items <sup>2</sup>	(63)	5	
Separation-related costs <sup>3</sup>	(88)	-	
Product-related items <sup>4</sup>	-	(4)	
<b>Adjusted Marketing and Administrative Expenses</b>	<b>\$2,160</b>	<b>\$2,370</b>	<b>(9%)</b>
<b>% of Net Sales</b>	<b>29.3%</b>	<b>29.9%</b>	<b>(0.6 pts)</b>
<b>Research and Development Expenses</b>	<b>\$442</b>	<b>\$454</b>	<b>(3%)</b>
Business optimization items <sup>2</sup>	(11)	-	
<b>Adjusted Research and Development Expenses</b>	<b>\$431</b>	<b>\$454</b>	<b>(5%)</b>
<b>% of Net Sales</b>	<b>5.9%</b>	<b>5.7%</b>	<b>0.2 pts</b>
<b>Operating Income</b>	<b>\$271</b>	<b>\$465</b>	<b>(42%)</b>
Impact of special items	343	287	
<b>Adjusted Operating Income</b>	<b>\$614</b>	<b>\$752</b>	<b>(18%)</b>
<b>% of Net Sales</b>	<b>8.3%</b>	<b>9.5%</b>	<b>(1.2 pts)</b>
<b>Other Income, Net</b>	<b>\$(46)</b>	<b>\$(32)</b>	<b>N/M</b>
Reserve items and adjustments <sup>7</sup>	52	14	
Loss on debt extinguishment <sup>8</sup>	(130)	-	
Gambro integration items <sup>5</sup>	-	(19)	
<b>Adjusted Other Income, Net</b>	<b>\$(124)</b>	<b>\$(37)</b>	<b>N/M</b>
<b>Pre-Tax Income from Continuing Operations</b>	<b>\$223</b>	<b>\$381</b>	<b>(41%)</b>
Impact of special items	421	292	
<b>Adjusted Pre-Tax Income from Continuing Operations</b>	<b>\$644</b>	<b>\$673</b>	<b>(4%)</b>
<b>Income Tax Expense</b>	<b>\$13</b>	<b>\$51</b>	<b>(75%)</b>
Impact of special items	112	75	
<b>Adjusted Income Tax Expense</b>	<b>\$125</b>	<b>\$126</b>	<b>(1%)</b>
<b>% of Adjusted Pre-Tax Income from Continuing Operations</b>	<b>19.4%</b>	<b>18.7%</b>	<b>0.7 pts</b>
<b>Income from Continuing Operations</b>	<b>\$210</b>	<b>\$330</b>	<b>(36%)</b>
Impact of special items	309	217	
<b>Adjusted Income from Continuing Operations</b>	<b>\$519</b>	<b>\$547</b>	<b>(5%)</b>
<b>Diluted EPS from Continuing Operations</b>	<b>\$0.38</b>	<b>\$0.60</b>	<b>(37%)</b>
Impact of special items	0.57	0.40	
<b>Adjusted Diluted EPS from Continuing Operations</b>	<b>\$0.95</b>	<b>\$1.00</b>	<b>(5%)</b>
<b>WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING</b>			
Diluted	548	548	

- <sup>1</sup> The company's results in 2015 and 2014 included intangible asset amortization expense of \$120 million (\$97 million, or \$0.18 per diluted share, on an after-tax basis) and \$125 million (\$99 million, or \$0.18 per diluted share, on an after-tax basis), respectively.
- <sup>2</sup> The company's results in 2015 included a net charge of \$102 million (\$69 million, or \$0.13 per diluted share, on an after-tax basis) primarily related to business optimization charges of \$134 million, partially offset by an adjustment to previous business optimization reserves that are no longer probable of being utilized. The company's results in 2014 included a net benefit of \$17 million (\$9 million, or \$0.01 per diluted share, on an after-tax basis) primarily related to an adjustment of \$35 million to previous business optimization reserves that are no longer probable of being utilized, partially offset by additional business optimization charges.
- <sup>3</sup> The company's results in 2015 included costs related to the Baxalta separation of \$89 million (\$69 million, or \$0.13 per diluted share, on an after-tax basis).
- <sup>4</sup> The company's results 2015 included a net benefit of \$18 million (\$11 million, or \$0.02 per diluted share, on an after-tax basis) primarily related to adjustments to the COLLEAGUE and SIGMA SPECTRUM infusion pump reserves. The company's results in 2014 included total charges of \$93 million (\$58 million, or \$0.10 per diluted share, on an after-tax basis) primarily related to product remediation efforts for the SIGMA SPECTRUM infusion pump.
- <sup>5</sup> The company's results in 2015 and 2014 included total charges of \$50 million (\$36 million, or \$0.06 per diluted share, on an after-tax basis) and \$102 million (\$75 million, or \$0.14 per diluted share, on an after-tax basis), respectively, primarily related to the integration of Gambro.
- <sup>6</sup> The company's results in 2014 included a charge of \$3 million (\$3 million, or \$0.01 per diluted share, on an after-tax basis) to account for an additional year of the Branded Prescription Drug Fee in accordance with final regulations issued in the third quarter of 2014 by the Internal Revenue Service.
- <sup>7</sup> The company's results in 2015 included income, net of expenses, of \$52 million (\$33 million, or \$0.06 per diluted share, on an after-tax basis) related to a litigation settlement in which Baxter was the beneficiary. The company's results in 2014 included income of \$14 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) related to third-party recoveries and reversals of prior litigation reserves.
- <sup>8</sup> The company's results in 2015 included a loss of \$130 million (\$82 million, or \$0.15 per diluted share, on an after-tax basis) related to the July 2015 debt tender offers.

For more information on the company's use of non-GAAP financial measures in this press release, please see the company's Current Report on Form 8-K filed with the Securities and Exchange Commission on the date of this press release.

**BAXTER INTERNATIONAL INC.**  
**Net Sales**  
**Periods Ending September 30, 2015 and 2014**  
**(unaudited)**  
**(\$ in millions)**

	Q3 2015	Q3 2014	% Growth @ Actual Rates	% Growth @ Constant Rates	YTD 2015	YTD 2014	% Growth @ Actual Rates	% Growth @ Constant Rates
<b>Renal</b>								
United States	\$196	\$189	4%	4%	\$575	\$555	4%	4%
International	747	866	(14%)	1%	2,230	2,535	(12%)	1%
<b>Total Renal</b>	<b>\$943</b>	<b>\$1,055</b>	<b>(11%)</b>	<b>1%</b>	<b>\$2,805</b>	<b>\$3,090</b>	<b>(9%)</b>	<b>2%</b>
<b>Hospital Products</b>								
United States	\$809	\$828	(2%)	(2%)	\$2,363	\$2,396	(1%)	(1%)
International	735	826	(11%)	6%	2,197	2,444	(10%)	4%
<b>Total Hospital Products</b>	<b>\$1,544</b>	<b>\$1,654</b>	<b>(7%)</b>	<b>2%</b>	<b>\$4,560</b>	<b>\$4,840</b>	<b>(6%)</b>	<b>1%</b>
<b>Baxter International Inc.</b>								
United States	\$1,005	\$1,017	(1%)	(1%)	\$2,938	\$2,951	0%	0%
International	1,482	1,692	(12%)	3%	4,427	4,979	(11%)	3%
<b>Total Baxter</b>	<b>\$2,487</b>	<b>\$2,709</b>	<b>(8%)</b>	<b>2%</b>	<b>\$7,365</b>	<b>\$7,930</b>	<b>(7%)</b>	<b>1%</b>

**BAXTER INTERNATIONAL INC.**  
**Sales by Franchise <sup>1</sup>**  
**Periods Ending September 30, 2015 and 2014**  
**(unaudited)**  
**(\$ in millions)**

	Q3 2015	Q3 2014	% Growth @ Actual Rates	% Growth @ Constant Rates	YTD 2015	YTD 2014	% Growth @ Actual Rates	% Growth @ Constant Rates
<b>Total Renal <sup>2</sup></b>	<b>\$943</b>	<b>\$1,055</b>	<b>(11%)</b>	<b>1%</b>	<b>\$2,805</b>	<b>\$3,090</b>	<b>(9%)</b>	<b>2%</b>
<b>Hospital Products</b>								
Fluid Systems <sup>3</sup>	\$526	\$544	(3%)	5%	\$1,537	\$1,582	(3%)	4%
Integrated Pharmacy Solutions <sup>4</sup>	590	640	(8%)	1%	1,702	1,887	(10%)	(2%)
Surgical Care <sup>5</sup>	322	339	(5%)	2%	977	1,007	(3%)	4%
Other <sup>6</sup>	106	131	(19%)	(12%)	344	364	(5%)	1%
<b>Total Hospital Products</b>	<b>\$1,544</b>	<b>\$1,654</b>	<b>(7%)</b>	<b>2%</b>	<b>\$4,560</b>	<b>\$4,840</b>	<b>(6%)</b>	<b>1%</b>
<b>Total Baxter</b>	<b>\$2,487</b>	<b>\$2,709</b>	<b>(8%)</b>	<b>2%</b>	<b>\$7,365</b>	<b>\$7,930</b>	<b>(7%)</b>	<b>1%</b>

<sup>1</sup> Effective January 1, 2015, Baxter has transitioned to a new commercial franchise structure for reporting net sales. Prior period net sales have been recast to reflect the new commercial franchise structure. See Notes 2 - 6 below for a description of each commercial franchise.

<sup>2</sup> Includes sales of the company's peritoneal dialysis, hemodialysis and continuous renal replacement therapies.

<sup>3</sup> Includes sales of the company's IV therapies, infusion pumps and administration sets.

<sup>4</sup> Includes sales of the company's premixed and oncology drug platforms, nutrition products and pharmacy compounding services.

<sup>5</sup> Includes sales of the company's inhaled anesthesia products as well as biological products and medical devices used in surgical procedures for hemostasis, tissue sealing and adhesion prevention.

<sup>6</sup> Includes sales primarily from the company's pharmaceutical partnering business.

**BAXTER INTERNATIONAL INC.**  
**Franchise Sales by U.S. and International**<sup>1</sup>  
**Three-Month Periods Ending September 30, 2015 and 2014**  
**(unaudited)**  
**(\$ in millions)**

	Q3 2015			Q3 2014			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
<b>Total Renal</b>	<b>\$196</b>	<b>\$747</b>	<b>\$943</b>	<b>\$189</b>	<b>\$866</b>	<b>\$1,055</b>	<b>4%</b>	<b>(14%)</b>	<b>(11%)</b>
<b>Hospital Products</b>									
Fluid Systems	\$266	\$260	\$526	\$233	\$311	\$544	14%	(16%)	(3%)
Integrated Pharmacy Solutions	288	302	590	308	332	640	(6%)	(9%)	(8%)
Surgical Care	187	135	322	191	148	339	(2%)	(9%)	(5%)
Other	68	38	106	96	35	131	(29%)	9%	(19%)
<b>Total Hospital Products</b>	<b>\$809</b>	<b>\$735</b>	<b>\$1,544</b>	<b>\$828</b>	<b>\$826</b>	<b>\$1,654</b>	<b>(2%)</b>	<b>(11%)</b>	<b>(7%)</b>
<b>Total Baxter</b>	<b>\$1,005</b>	<b>\$1,482</b>	<b>\$2,487</b>	<b>\$1,017</b>	<b>\$1,692</b>	<b>\$2,709</b>	<b>(1%)</b>	<b>(12%)</b>	<b>(8%)</b>

<sup>1</sup> Effective January 1, 2015, Baxter has transitioned to a new commercial franchise structure for reporting net sales. Prior period net sales have been recast to reflect the new commercial franchise structure. Refer to page 13 for additional details.