

FOR IMMEDIATE RELEASE

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BAXTER TO ACQUIRE PRIVATELY HELD BAXA CORPORATION

Acquisition Complements Baxter's Broad Nutrition and Drug Delivery Portfolio

DEERFIELD, Ill. — August 25, 2011 — Baxter International Inc. (NYSE:BAX) announced today that it has entered into a definitive agreement to acquire Baxa Corporation, a privately held company based in Englewood, Colo., with additional operations in Florida and the United Kingdom. Baxa develops pharmacy technology that enhances the efficiency and safety of oral and IV dose preparation and delivery. The addition of Baxa's product lines will complement Baxter's portfolio of nutrition products and drug delivery systems and supports patient safety.

"With these new offerings, Baxter will be able to provide a comprehensive solution to fulfill the majority of patients' nutritional requirements and increase efficiency in the pharmacy," said Robert M. Davis, president of Baxter's Medical Products business. "Bringing this expertise together with Baxter's commercial capabilities and global reach will enable us to continue to meet our customers' evolving needs and extend our position in IV nutrition and fluid delivery."

The transaction includes a total upfront cash consideration of \$380 million and is expected to close following satisfaction of customary closing conditions and the expiration or early termination of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. Annual sales for Baxa were approximately \$150 million in 2010, and Baxter expects the future top-line growth of this business to be accretive to the company's future sales growth. In addition, Baxter expects this transaction to be

neutral to full-year 2012 earnings excluding dilution of approximately \$0.03 to \$0.05 per diluted share related to acquisition accounting and transaction-related expenses, and increasingly accretive thereafter.

Nutrition is recognized as an important element of patients' therapy, and both Baxter and Baxa have sought to advance the delivery of IV nutrition through innovative technologies such as Baxter's multi-chamber, premixed containers and Baxa's automated compounding systems.

Baxter's multi-chamber containers are prefilled and provide many of the essential ingredients of balanced nutrition for a wide range of patients. Baxa's pharmacy integration and automation technology allow hospital pharmacists to customize treatment for specific patient populations when needed.

In response to the growing need to eliminate sources of potential error, both premixed medications and pharmacy automation help to reduce medication errors and improve operational effectiveness. Among Baxa's numerous offerings are the ExactaMix[®] Compounder, devices that automate multi-ingredient nutritional solution compounding and the DoseEdge[®] Pharmacy Workflow Manager, an integrated system for managing IV and oral dose preparation activities.

Baxa products play a trusted role in the preparation of hundreds of thousands of safe doses of medication every day. "With this agreement, Baxa will be able to play a greater role in delivering safe medication practices," said Greg Baldwin, Baxa chairman and chief executive officer. "We are very pleased to find a partner that shares our commitment and sees the potential in our products, technology and people."

About Baxter's Medical Products Business

Baxter's Medical Products business develops and provides products used in the delivery of fluids and drugs to patients. These include IV solutions and administration sets, premixed drugs and drug-reconstitution systems, IV nutrition products, infusion pumps, inhalation anesthetics and products and services for people with end-stage

kidney disease. At the forefront of IV nutrition, Baxter's ongoing advancements include multi-chamber containers, lipids, amino acids, vitamins and admixing technology.

About Baxter

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 a definitive agreement entered into between the company and **Baxa**, including expectations with respect to the closing of the transaction and its financial impact on the company. 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: satisfaction of regulatory and other requirements; actions of regulatory bodies and other governmental authorities; changes in laws and regulations; product quality or patient safety issues; failure to obtain the necessary consents or to satisfy other closing conditions; and other risks identified in the company's most recent filing on Form 10-K and other SEC filings, all of which are available on the company's website. The company does not undertake to update its forward-looking statements.*

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