

BAXTER INTERNATIONAL INC.
Consolidated Statements of Income
Three Months Ended September 30, 2017 and 2016
(unaudited)
(in millions, except per share and percentage data)

	Three Months Ended September 30,		Change
	2017	2016	
NET SALES	\$2,707	\$2,558	6%
COST OF SALES	1,579	1,487	6%
GROSS MARGIN	1,128	1,071	5%
<i>% of Net Sales</i>	<i>41.7%</i>	<i>41.9%</i>	<i>(0.2 pts)</i>
MARKETING AND ADMINISTRATIVE EXPENSES	685	726	(6%)
<i>% of Net Sales</i>	<i>25.3%</i>	<i>28.4%</i>	<i>(3.1 pts)</i>
RESEARCH AND DEVELOPMENT EXPENSES	151	159	(5%)
<i>% of Net Sales</i>	<i>5.6%</i>	<i>6.2%</i>	<i>(0.6 pts)</i>
OPERATING INCOME	292	186	57%
<i>% of Net Sales</i>	<i>10.8%</i>	<i>7.3%</i>	<i>3.5 pts</i>
NET INTEREST EXPENSE	14	14	0%
OTHER (INCOME) EXPENSE, NET	(12)	44	(127%)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	290	128	127%
INCOME TAX EXPENSE	42	1	NM
<i>% of Income from Continuing Operations before Income Taxes</i>	<i>14.5%</i>	<i>0.8%</i>	<i>13.7 pts</i>
INCOME FROM CONTINUING OPERATIONS	248	127	95%
INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX	3	3	0%
NET INCOME	\$251	\$130	93%
INCOME FROM CONTINUING OPERATIONS PER COMMON SHARE			
Basic	\$0.46	\$0.23	100%
Diluted	\$0.45	\$0.23	96%
INCOME FROM DISCONTINUED OPERATIONS PER COMMON SHARE			
Basic	\$0.00	\$0.01	NM
Diluted	\$0.00	\$0.01	NM
NET INCOME PER COMMON SHARE			
Basic	\$0.46	\$0.24	92%
Diluted	\$0.45	\$0.24	88%
WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
Basic	545	544	
Diluted	557	551	
ADJUSTED OPERATING INCOME (excluding special items)	\$441 ^A	\$409 ^A	8%
ADJUSTED PRE-TAX INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$439 ^A	\$399 ^A	10%
ADJUSTED INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$356 ^A	\$311 ^A	14%
ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)	\$0.64 ^A	\$0.56 ^A	14%

^A Refer to page 9 for a description of the adjustments and a reconciliation to GAAP measures.

NM - Not Meaningful

BAXTER INTERNATIONAL INC.
Note to Consolidated Statements of Income
Three Months Ended September 30, 2017 and 2016
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, 2017 and 2016 included special items which impacted the GAAP measures as follows:

	Three Months Ended September 30,		Change
	2017	2016	
Gross Margin	\$1,128	\$1,071	5%
Intangible asset amortization expense ¹	38	42	
Business optimization items ²	12	35	
Hurricane Maria costs ³	21	-	
Baxalta separation-related costs ⁴	-	1	
Product-related items ⁵	21	-	
Claris acquisition and integration expenses ⁶	4	-	
Adjusted Gross Margin	\$1,224	\$1,149	7%
% of Net Sales	45.2%	44.9%	0.3 pts
Marketing and Administrative Expenses	\$685	\$726	(6%)
Business optimization items ²	(39)	(106)	
Baxalta separation-related costs ⁴	(2)	(9)	
Claris acquisition and integration expenses ⁶	(11)	-	
Adjusted Marketing and Administrative Expenses	\$633	\$611	4%
% of Net Sales	23.4%	23.9%	(0.5 pts)
Research and Development Expenses	\$151	\$159	(5%)
Business optimization items ²	(1)	(30)	
Adjusted Research and Development Expenses	\$150	\$129	16%
% of Net Sales	5.5%	5.0%	0.5 pts
Operating Income	\$292	\$186	57%
Impact of special items	149	223	
Adjusted Operating Income	\$441	\$409	8%
% of Net Sales	16.3%	16.0%	0.3 pts
Other (Income) Expense, Net	\$(12)	\$44	(127%)
Loss on debt extinguishment ⁷	-	(48)	
Adjusted Other Income, Net	\$(12)	\$(4)	NM
Pre-Tax Income from Continuing Operations	\$290	\$128	127%
Impact of special items	149	271	
Adjusted Pre-Tax Income from Continuing Operations	\$439	\$399	10%
Income Tax Expense	\$42	\$1	NM
Impact of special items	41	87	
Adjusted Income Tax Expense	\$83	\$88	(6%)
% of Adjusted Pre-Tax Income from Continuing Operations	18.9%	22.1%	(3.2 pts)
Income from Continuing Operations	\$248	\$127	95%
Impact of special items	108	184	
Adjusted Income from Continuing Operations	\$356	\$311	14%
Diluted EPS from Continuing Operations	\$0.45	\$0.23	96%
Impact of special items	0.19	0.33	
Adjusted Diluted EPS from Continuing Operations	\$0.64	\$0.56	14%
WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
Diluted	557	551	

¹ The company's results in 2017 and 2016 included intangible asset amortization expense of \$38 million (\$26 million, or \$0.05 per diluted share, on an after-tax basis) and \$42 million (\$29 million, or \$0.05 per diluted share, on an after-tax basis), respectively.

² The company's results in 2017 included a charge of \$52 million (\$36 million, or \$0.06 per diluted share, on an after-tax basis) related to business optimization initiatives. This included a charge of \$31 million related to restructuring activities and \$21 million of costs to implement business optimization programs which primarily included external consulting and project employee costs. The \$31 million of restructuring charges were comprised of employee termination costs.

The company's results in 2016 included a net charge of \$171 million (\$124 million, or \$0.23 per diluted share, on an after-tax basis) related to business optimization initiatives. This included a net charge of \$130 million related to restructuring activities, \$25 million of costs to implement business optimization programs which included external consulting and employee salary and related costs, \$11 million of accelerated depreciation associated with facilities to be closed, and \$5 million of Gambro integration costs. The \$130 million of restructuring activities included \$101 million of employee termination costs, a \$27 million intangible asset impairment charge related to acquired in-process R&D, and net \$2 million of other exit costs.

³ The company's results in 2017 included charges of \$21 million (\$21 million, or \$0.04 per diluted share, on an after-tax basis) related to the impact of Hurricane Maria on the company's operations in Puerto Rico. The costs primarily include inventory and fixed asset impairments as well as idle facility costs.

⁴ The company's results in 2017 and 2016 included costs incurred related to the Baxalta separation totaling \$2 million (\$1 million, or \$0.00 per diluted share, on an after-tax basis) and \$10 million (\$7 million, or \$0.01 per diluted share, on an after-tax basis), respectively.

⁵ The company's results in 2017 included a charge of \$21 million (\$14 million, or \$0.02 per diluted share, on an after-tax basis) related to SIGMA SPECTRUM infusion pump inspection and remediation activities.

⁶ The company's results in 2017 included acquisition and integration costs of \$15 million (\$10 million, or \$0.02 per diluted share, on an after-tax basis) related to the company's acquisition of Claris Injectables Limited.

⁷ The company's results in 2016 included a net debt extinguishment loss totaling \$48 million (\$34 million, or \$0.06 per diluted share, on an after-tax basis) primarily related to certain debt redemptions.

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.

NM - Not Meaningful

BAXTER INTERNATIONAL INC.
Consolidated Statements of Income
Nine Months Ended September 30, 2017 and 2016
(unaudited)
(in millions, except per share and percentage data)

	Nine Months Ended September 30,		Change
	2017	2016	
NET SALES	\$7,787	\$7,518	4%
COST OF SALES	4,487	4,510	(1%)
GROSS MARGIN	3,300	3,008	10%
<i>% of Net Sales</i>	<i>42.4%</i>	<i>40.0%</i>	<i>2.4 pts</i>
MARKETING AND ADMINISTRATIVE EXPENSES	1,890	2,076	(9%)
<i>% of Net Sales</i>	<i>24.3%</i>	<i>27.6%</i>	<i>(3.3 pts)</i>
RESEARCH AND DEVELOPMENT EXPENSES	435	490	(11%)
<i>% of Net Sales</i>	<i>5.6%</i>	<i>6.5%</i>	<i>(0.9 pts)</i>
OPERATING INCOME	975	442	121%
<i>% of Net Sales</i>	<i>12.5%</i>	<i>5.9%</i>	<i>6.6 pts</i>
NET INTEREST EXPENSE	41	53	(23%)
OTHER EXPENSE (INCOME), NET ^A	10	(4,286)	(100%)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	924	4,675	(80%)
INCOME TAX EXPENSE (BENEFIT)	139	(51)	NM
<i>% of Income from Continuing Operations before Income Taxes</i>	<i>15.0%</i>	<i>(1.1%)</i>	<i>16.1 pts</i>
INCOME FROM CONTINUING OPERATIONS	785	4,726	(83%)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS, NET OF TAX	3	(4)	NM
NET INCOME	\$788	\$4,722	(83%)
INCOME FROM CONTINUING OPERATIONS PER COMMON SHARE			
Basic	\$1.45	\$8.64	(83%)
Diluted	\$1.42	\$8.56	(83%)
INCOME (LOSS) FROM DISCONTINUED OPERATIONS PER COMMON SHARE			
Basic	\$0.00	(\$0.01)	NM
Diluted	\$0.00	(\$0.01)	NM
NET INCOME PER COMMON SHARE			
Basic	\$1.45	\$8.63	(83%)
Diluted	\$1.42	\$8.55	(83%)
WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
Basic	543	547	
Diluted	554	552	
ADJUSTED OPERATING INCOME (excluding special items)	\$1,266 ^B	\$976 ^B	30%
ADJUSTED PRE-TAX INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$1,248 ^B	\$967 ^B	29%
ADJUSTED INCOME FROM CONTINUING OPERATIONS (excluding special items)	\$1,022 ^B	\$766 ^B	33%
ADJUSTED DILUTED EPS FROM CONTINUING OPERATIONS (excluding special items)	\$1.84 ^B	\$1.39 ^B	32%

^A Other Income, net for the period ended September 30, 2016 includes \$4.4 billion net realized gains on the Baxalta retained shares transactions and a \$149 million net debt extinguishment loss.

^B Refer to page 11 for a description of the adjustments and a reconciliation to GAAP measures.

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BAXTER INTERNATIONAL INC.
Note to Consolidated Statements of Income
Nine Months Ended September 30, 2017 and 2016
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, 2017 and 2016 included special items which impacted the GAAP measures as follows:

	Nine Months Ended		Change
	September 30,		
	2017	2016	
Gross Margin	\$3,300	\$3,008	10%
Intangible asset amortization expense ¹	112	124	
Business optimization items ²	42	113	
Intangible asset impairment ³	-	51	
Baxalta separation-related costs ⁴	1	1	
Product-related items ⁵	17	(12)	
Claris acquisition and integration expenses ⁶	4	-	
Hurricane Maria costs ⁷	21	-	
Adjusted Gross Margin	\$3,497	\$3,285	6%
% of Net Sales	44.9%	43.7%	1.2 pts
Marketing and Administrative Expenses	\$1,890	\$2,076	(9%)
Business optimization items ²	(74)	(137)	
Baxalta separation-related costs ⁴	(16)	(45)	
Historical rebate and discount adjustments ⁸	12	-	
Claris acquisition and integration expenses ⁶	(16)	-	
Adjusted Marketing and Administrative Expenses	\$1,796	\$1,894	(5%)
% of Net Sales	23.1%	25.2%	(2.1 pts)
Research and Development Expenses	\$435	\$490	(11%)
Business optimization items ²	-	(75)	
Adjusted Research and Development Expenses	\$435	\$415	5%
% of Net Sales	5.6%	5.5%	0.1 pts
Operating Income	\$975	\$442	121%
Impact of special items	291	534	
Adjusted Operating Income	\$1,266	\$976	30%
% of Net Sales	16.3%	13.0%	3.3 pts
Other Expense (Income), Net	\$10	\$(4,286)	(100%)
Net realized gains on Baxalta Retained Shares transactions ⁹	-	4,391	
Loss on debt extinguishment ¹⁰	-	(149)	
Venezuelan deconsolidation ¹¹	(33)	-	
Adjusted Other Income, Net	\$(23)	\$(44)	(48%)
Pre-Tax Income from Continuing Operations	\$924	\$4,675	(80%)
Impact of special items	324	(3,708)	
Adjusted Pre-Tax Income from Continuing Operations	\$1,248	\$967	29%
Income Tax Expense (Benefit)	\$139	\$(51)	NM
Impact of special items	87	252	
Adjusted Income Tax Expense	\$226	\$201	12%
% of Adjusted Pre-Tax Income from Continuing Operations	18.1%	20.8%	(2.7 pts)
Income from Continuing Operations	\$785	\$4,726	(83%)
Impact of special items	237	(3,960)	
Adjusted Income from Continuing Operations	\$1,022	\$766	33%
Diluted EPS from Continuing Operations	\$1.42	\$8.56	(83%)
Impact of special items	0.42	(7.17)	
Adjusted Diluted EPS from Continuing Operations	\$1.84	\$1.39	32%
WEIGHTED-AVERAGE NUMBER OF COMMON SHARES OUTSTANDING			
Diluted	554	552	

- ¹ The company's results in 2017 and 2016 included intangible asset amortization expense of \$112 million (\$80 million, or \$0.14 per diluted share, on an after-tax basis) and \$124 million (\$91 million, or \$0.16 per diluted share, on an after-tax basis), respectively.
- ² The company's results in 2017 included a net charge of \$116 million (\$83 million, or \$0.15 per diluted share, on an after-tax basis) related to business optimization initiatives. This included a net charge of \$50 million related to restructuring activities, \$58 million of costs to implement business optimization programs which primarily included external consulting and project employee costs, and \$8 million of accelerated depreciation associated with facilities to be closed. The \$50 million of net restructuring charges included \$40 million of employee termination costs, \$5 million of contract termination costs, and \$5 million of asset impairment charges primarily related to facility closures.
- The company's results in 2016 included a net charge of \$325 million (\$242 million, or \$0.45 per diluted share, on an after-tax basis) related to business optimization initiatives. This included a net charge of \$237 million related to restructuring activities, \$44 million of costs to implement business optimization programs which included external consulting and employee salary and related costs, \$25 million of accelerated depreciation associated with facilities to be closed, and \$19 million of Gambro integration costs. The \$237 million of restructuring activities included \$144 million of employee termination costs, \$54 million of costs related to the discontinuance of the VIVIA home hemodialysis development program, a \$27 million intangible asset impairment charge related to acquired in-process R&D, and net \$12 million of other exit costs.
- ³ The company's results in 2016 included a \$51 million (\$37 million, or \$0.07 per diluted share, on an after-tax basis) impairment primarily related to developed technology.
- ⁴ The company's results in 2017 and 2016 included costs incurred related to the Baxalta separation totaling \$17 million (\$12 million, or \$0.02 per diluted share, on an after-tax basis) and \$46 million (\$34 million, or \$0.06 per diluted share, on an after-tax basis), respectively.
- ⁵ The company's results in 2017 included a net charge of \$17 million (\$11 million, or \$0.02 per diluted share, on an after-tax basis) related to SIGMA SPECTRUM infusion pump inspection and remediation activities, partially offset by a benefit related to an adjustment to historical product reserves.
- The company's results in 2016 included a benefit of \$12 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) related to an adjustment to the SIGMA SPECTRUM infusion pump reserves.
- ⁶ The company's results in 2017 included acquisition and integration costs of \$20 million (\$15 million, or \$0.03 per diluted share, on an after-tax basis) related to the company's acquisition of Claris Injectables Limited.
- ⁷ The company's results in 2017 included charges of \$21 million (\$21 million, or \$0.04 per diluted share, on an after-tax basis) related to the impact of Hurricane Maria on the company's operations in Puerto Rico. The costs primarily include inventory and fixed asset impairments as well as idle facility costs.
- ⁸ The company's results in 2017 include a benefit of \$12 million (\$9 million, or \$0.02 per diluted share, on an after-tax basis) related to an adjustment to the company's historical rebates and discount reserves.
- ⁹ The company's results in 2016 included net realized gains of \$4.4 billion (\$4.4 billion, or \$8.05 per diluted share, on an after-tax basis), related to the debt-for-equity exchanges of the company's retained shares in Baxalta for certain company indebtedness, the exchange of retained shares in Baxalta for Baxter shares and the contribution of retained shares in Baxalta to Baxter's U.S. pension fund. A tax benefit of \$54 million was recognized as a result of these transactions.
- ¹⁰ The company's results in 2016 included a net debt extinguishment loss totaling \$149 million (\$100 million, or \$0.18 per diluted share, on an after-tax basis) related to the March 2016 debt-for-equity exchange for certain company indebtedness and certain debt redemptions.
- ¹¹ The company's results in 2017 included a charge of \$33 million (\$24 million, or \$0.04 per diluted share, on an after-tax basis) related to the deconsolidation of its Venezuelan operations.

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.

NM - Not Meaningful

BAXTER INTERNATIONAL INC.
Net Sales
Periods Ending September 30, 2017 and 2016
(unaudited)
(\$ in millions)

	Q3 2017	Q3 2016	% Growth @ Actual Rates	% Growth @ Constant Rates	YTD 2017	YTD 2016	% Growth @ Actual Rates	% Growth @ Constant Rates
Renal								
United States	\$229	\$213	8%	8%	\$670	\$624	7%	7%
International	781	764	2%	2%	2,204	2,216	(1%)	1%
Total Renal	\$1,010	\$977	3%	3%	\$2,874	\$2,840	1%	2%
Hospital Products								
United States	\$919	\$854	8%	8%	\$2,712	\$2,518	8%	8%
International	778	727	7%	6%	2,201	2,160	2%	3%
Total Hospital Products	\$1,697	\$1,581	7%	7%	\$4,913	\$4,678	5%	5%
Baxter International Inc.								
United States	\$1,148	\$1,067	8%	8%	\$3,382	\$3,142	8%	8%
International	1,559	1,491	5%	4%	4,405	4,376	1%	2%
Total Baxter	\$2,707	\$2,558	6%	6%	\$7,787	\$7,518	4%	4%

BAXTER INTERNATIONAL INC.
Sales by Franchise
Periods Ending September 30, 2017 and 2016
(unaudited)
(\$ in millions)

	Q3 2017	Q3 2016	% Growth @ Actual Rates	% Growth @ Constant Rates	YTD 2017	YTD 2016	% Growth @ Actual Rates	% Growth @ Constant Rates
Total Renal ¹	\$1,010	\$977	3%	3%	\$2,874	\$2,840	1%	2%
Hospital Products								
Fluid Systems ²	\$610	\$576	6%	6%	\$1,802	\$1,686	7%	7%
Integrated Pharmacy Solutions ³	627	563	11%	11%	1,747	1,682	4%	5%
Surgical Care ⁴	338	320	6%	5%	1,024	972	5%	6%
Other ⁵	122	122	0%	(2%)	340	338	1%	1%
Total Hospital Products	\$1,697	\$1,581	7%	7%	\$4,913	\$4,678	5%	5%
Total Baxter	\$2,707	\$2,558	6%	6%	\$7,787	\$7,518	4%	4%

¹ Includes sales of the company's peritoneal dialysis, hemodialysis and continuous renal replacement therapies.

² Includes sales of the company's IV therapies, infusion pumps and administration sets.

³ Includes sales of the company's premixed and oncology drug platforms, nutrition products and pharmacy compounding services.

⁴ 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.

⁵ Includes sales primarily from the company's pharmaceutical partnering business.

BAXTER INTERNATIONAL INC.
Franchise Sales by U.S. and International
Three-Month Periods Ending September 30, 2017 and 2016
(unaudited)
(\$ in millions)

	Q3 2017			Q3 2016			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Total Renal	\$229	\$781	\$1,010	\$213	\$764	\$977	8%	2%	3%
Hospital Products									
Fluid Systems	\$369	\$241	\$610	\$327	\$249	\$576	13%	(3%)	6%
Integrated Pharmacy Solutions	283	344	627	259	304	563	9%	13%	11%
Surgical Care	191	147	338	188	132	320	2%	11%	6%
Other	76	46	122	80	42	122	(5%)	10%	0%
Total Hospital Products	\$919	\$778	\$1,697	\$854	\$727	\$1,581	8%	7%	7%
Total Baxter	\$1,148	\$1,559	\$2,707	\$1,067	\$1,491	\$2,558	8%	5%	6%

BAXTER INTERNATIONAL INC.
Franchise Sales by U.S. and International
Periods Ending September 30, 2017 and 2016
(unaudited)
(\$ in millions)

	YTD 2017			YTD 2016			% Growth		
	U.S.	International	Total	U.S.	International	Total	U.S.	International	Total
Total Renal	\$670	\$2,204	\$2,874	\$624	\$2,216	\$2,840	7%	(1%)	1%
Hospital Products									
Fluid Systems	\$1,093	\$709	\$1,802	\$954	\$732	\$1,686	15%	(3%)	7%
Integrated Pharmacy Solutions	824	923	1,747	784	898	1,682	5%	3%	4%
Surgical Care	597	427	1,024	569	403	972	5%	6%	5%
Other	198	142	340	211	127	338	(6%)	12%	1%
Total Hospital Products	\$2,712	\$2,201	\$4,913	\$2,518	\$2,160	\$4,678	8%	2%	5%
Total Baxter	\$3,382	\$4,405	\$7,787	\$3,142	\$4,376	\$7,518	8%	1%	4%

BAXTER INTERNATIONAL INC.
Free Cash Flow Reconciliation
(unaudited)
(\$ in millions)

	Nine Months Ended September 30,	
	2017	2016
Cash flows from operations - continuing operations	\$1,343	\$938
Capital expenditures	(410)	(519)
Free cash flow - continuing operations	\$933	\$419

BAXTER INTERNATIONAL INC.
Reconciliation of Non-GAAP Financial Measure
Change in Net Sales As Reported to Operational Sales
From The Three and Nine Months Ended September 30, 2016 to The Three and Nine Months Ended September 30, 2017
(unaudited)

	Q3 2017					
	Net sales As Reported	US Cyclophosphamide	Claris	Product Exits	FX	Operational Sales
Total Renal	3%	0%	0%	3%	0%	6%
Hospital Products						
Fluid Systems	6%	0%	0%	1%	0%	7%
Integrated Pharmacy Solutions	11%	2%	(5%)	0%	0%	8%
Surgical Care	6%	0%	0%	1%	(1%)	6%
Other	0%	0%	0%	0%	(2%)	(2%)
Total Hospital Products	7%	0%	(2%)	1%	0%	6%
Baxter International Inc.						
United States	8%	0%	(1%)	0%	0%	7%
International	5%	0%	(1%)	3%	(1%)	6%
Total Baxter	6%	0%	(1%)	1%	0%	6%

	YTD 2017					
	Net sales As Reported	US Cyclophosphamide	Claris	Product Exits	FX	Operational Sales
Total Renal	1%	0%	0%	2%	1%	4%
Hospital Products						
Fluid Systems	7%	0%	0%	2%	0%	9%
Integrated Pharmacy Solutions	4%	1%	(1%)	0%	1%	5%
Surgical Care	5%	0%	0%	0%	1%	6%
Other	1%	0%	0%	0%	0%	1%
Total Hospital Products	5%	0%	0%	1%	0%	6%
Baxter International Inc.						
United States	8%	1%	(1%)	0%	0%	8%
International	1%	0%	0%	2%	1%	4%
Total Baxter	4%	0%	0%	1%	0%	5%

BAXTER INTERNATIONAL INC.
Reconciliation of Non-GAAP Financial Measures
Projected 2017 Adjusted Earnings Per Share and Projected GAAP Earnings Per Share, and
Projected 2017 Adjusted Sales Growth and Projected GAAP Sales Growth
(unaudited)

2017 Earnings Per Share Guidance	Q4 2017	FY 2017
Earnings per Diluted Share – Adjusted	\$0.56 - \$0.59	\$2.40 - \$2.43
Estimated intangible asset amortization	\$0.05	\$0.19
Estimated business optimization charges	\$0.04 - \$0.05	\$0.17 - \$0.22
Estimated Baxalta separation-related expenses	-	\$0.02
Historical rebate and discount adjustments	-	(\$0.01)
Product-related items	-	\$0.01
Venezuela deconsolidation	-	\$0.04
Claris acquisition and integration expenses	\$0.01	\$0.04
Hurricane Maria costs	\$0.01	\$0.04
Earnings per Diluted Share - GAAP	\$0.44 - \$0.48	\$1.85 - \$1.93

2017 Sales Growth Guidance*	Q4 2017	FY 2017
Sales Growth – Operational	1 - 2%	4 - 5%
U.S. cyclophosphamide	-	-
Strategic product exits	(1%)	(1%)
Claris acquisition	1%	1%
Foreign exchange	3%	-
Sales Growth - GAAP	4 - 5%	4%

*Totals may not foot due to rounding