

**GAAP to ADJUSTED
RECONCILIATION - Year-to-Date**

BAXTER INTERNATIONAL INC.
Consolidated Statements of Income
Reconciliation of GAAP to Adjusted
Nine Months Ended September 30, 2005 and 2004
(unaudited)
(in millions, except per share data)

	Nine Months Ended September 30, 2005			Nine Months Ended September 30, 2004		
	GAAP	Special Items	Adjusted	GAAP	Special Items	Adjusted
CONTINUING OPERATIONS:						
NET SALES	\$7,358		\$7,358	\$6,908		\$6,908
GROSS PROFIT	3,092	\$27 (A)	3,119	2,795	\$45 (D)	2,840
MARKETING AND ADMINISTRATIVE EXPENSES	1,511	1 (A)	1,510	1,460	55 (E)	1,405
RESEARCH AND DEVELOPMENT EXPENSES	399		399	389		389
SPECIAL CHARGES, NET	(32)	(32) (B)	-	543	543 (F)	-
OPERATING INCOME	1,214	(4)	1,210	403	643	1,046
INTEREST, NET	95		95	66		66
OTHER EXPENSE, NET	59		59	74	15 (G)	59
INCOME BEFORE INCOME TAXES	1,060	(4)	1,056	263	658	921
INCOME TAX EXPENSE (BENEFIT)	396	169 (C)	227	(14)	(244) (H)	230
INCOME FROM CONTINUING OPERATIONS	\$664	\$165	\$829	\$277	\$414	\$691
BASIC EPS FROM CONTINUING OPERATIONS	\$1.07	\$0.27	\$1.34	\$0.45	\$0.68	\$1.13
DILUTED EPS FROM CONTINUING OPERATIONS	\$1.06	\$0.26	\$1.32	\$0.45	\$0.67	\$1.12
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING						
Basic	621		621	613		613
Diluted	627		627	617		617

(A) Hemodialysis instruments charge	\$ 28
(B) Pump repairs and replacements	\$ 77
Restructuring reserve adjustments	(109)
Total special charges, net	(32)
(C) Tax benefit on hemodialysis instruments charge	(\$8)
Tax expense on special charges, net	14
Tax expense on repatriation of foreign earnings	163
Total income tax expense	\$ 169

(D) Inventory reserves	\$ 28
Excess cash flow hedges	17
Total	\$ 45
(E) Loan and receivable reserves	\$ 55
(F) Restructuring charge	\$ 543
(G) Asset impairments	\$ 15
(H) Tax benefit on restructuring charge	(\$149)
Reversal of tax reserves	(55)
Tax benefit on other charges	(40)
Total income tax benefit	(\$244)