

BAXTER INTERNATIONAL INC.
GAAP to Pro Forma Reconciliation for Selected Income Statement Lines
Continuing Operations
(unaudited)
(\$ in millions)

	Twelve Months Ended December 31, 2004			
	GAAP	Q2 2004 Other Charges	Q2 2004 Restructuring & Q4 2004 Impairment Charges	Pro Forma
Gross Profit	\$3,915	\$45 (A)	\$ -	\$3,960
Marketing and Administrative Expenses	1,960	55 (B)	-	1,905
Operating Income	606	100	832 (E)	1,538
Other Expense, Net	77	15 (C)	-	62
Income before Income Taxes	430	115	832	1,377
Income Tax Expense (Benefit)	47	(95) (D)	(193)	335
Income from Continuing Operations	383	20	639	1,042

(A) Includes inventory reserves of \$28 million and excess cash flow hedges of \$17 million.

(B) Loan and receivable reserves.

(C) Asset impairments.

(D) Includes reversal of tax reserves of \$55 million and tax benefit of other charges above of \$40 million.

(E) Includes restructuring charges of \$543 million and impairment charges of \$289 million.