

FOR IMMEDIATE RELEASE

Media Contact

Bill Rader, (224) 948-5353
media@baxter.com

Investor Contact

Clare Trachtman, (224) 948-3085

**BAXTER PROVIDES UPDATE ON PUERTO RICO RECOVERY STATUS
POST HURRICANE MARIA**

- *Supporting Baxter employees and communities with humanitarian aid and supplies*
- *Resumed limited production at all Puerto Rico manufacturing sites*
- *Activated global manufacturing facilities to help support product supply for U.S.*
- *Company expects to mitigate earnings impact from Hurricane Maria*

DEERFIELD, Ill. October 12, 2017 – Baxter International Inc. (NYSE: BAX)

today shared updates regarding recovery efforts following the impact of Hurricane Maria on its Puerto Rico operations. While the company currently anticipates a reduction in revenue for fourth quarter 2017 as a result of the storm, the company expects to mitigate the related earnings impact through positive performance in other areas of the business. The company will provide its financial outlook for the fourth quarter on its third quarter earnings conference call scheduled for October 25, 2017.

Baxter's three Puerto Rico manufacturing sites sustained minimal structural damage from the impact of Hurricane Maria, and limited production activities resumed across its facilities within one week of the storm. Manufacturing operations are being driven by diesel generators designed to power the facilities and satellite communications are also being used to restore connectivity and support plant operations.

Baxter Provides Update On Puerto Rico Recovery Status Post Hurricane Maria - Page 2

Baxter appreciates the support and assistance of local and national government agencies and is coordinating with infrastructure providers to advance restoration activities for power, communications and transportation.

Supporting Product Supply

Baxter remains focused on helping ensure patients have continued access to the products and therapies they need. In Puerto Rico, Baxter manufactures products used across the hospital setting, from premixed injectables to products used in the delivery of medications. The medications made in Puerto Rico are small volume parenterals, such as 50mL and 100mL presentations (brand names Mini-Bag and Mini-Bag +). These products are used primarily in the pharmacy to compound or admix a medication or to aid in the delivery of medication. Baxter is working closely with customers and has taken proactive steps to responsibly manage inventory distribution as its Puerto Rico operations continue to ramp up production.

Baxter has activated a global response to support recovery from the devastating impact of the natural disasters in Puerto Rico. In advance of the hurricanes, Baxter implemented a hurricane preparedness plan to help mitigate potential impact, including proactively moving some finished product off the island and into secure storage. Baxter is also delivering products to customers on the island to help address patient need. Additionally, Baxter has been working with the U.S. Food and Drug Administration (FDA) and has recently been granted regulatory discretion for temporary special importation of certain products from Baxter facilities in Ireland and Australia to help support product supply for the U.S. market. While these actions will help mitigate some

Baxter Provides Update On Puerto Rico Recovery Status Post Hurricane Maria - Page 3

of the projected shortfall in supply, they will not be adequate to fully bridge the gap in the near term. Baxter will continue to do everything it can to ramp up production in Puerto Rico in the weeks ahead and, with the support of special importation granting from FDA, continue to utilize its other facilities to help address product demand in the United States.

Contrary to select media reports, the company does not manufacture large volume sterile solutions (often referred to as “saline” or IV fluids), such as its 1 liter IV solutions, in Puerto Rico; production of these products is therefore not impacted by the storms and product is available to contracted customers.

Efforts to Support Employees and Communities in Puerto Rico

The safety of Baxter’s employees, their families and the community has been paramount. Baxter has confirmed the well-being of nearly all of its more than 2,000 Puerto Rico-based employees. Despite the devastating impact of the hurricane to their families and communities, a majority of employees have returned to work making products to support healthcare providers and meet the needs of patients.

Baxter is helping employees procure necessities such as gas, food, water and toiletries, and coordinated multiple daily flights in the hurricane’s immediate aftermath to transport ~25,000 pounds of needed supplies for employees. Additionally, the company has established the Baxter Employee Disaster Relief Fund, where 100 percent of all employee contributions will go to assisting colleagues in need.

Baxter Provides Update On Puerto Rico Recovery Status Post Hurricane Maria - Page 4

Between the Baxter International Foundation and the generosity of Baxter employees, approximately \$3.5 million has been contributed to disaster relief efforts generally over the last several weeks, supporting those impacted by all of the recent natural disasters affecting the Caribbean islands, Mexico and the southern U.S. Additionally, Baxter has partnered with Americares and Direct Relief to pre-position Baxter products to be first on the scene in times of disaster.

Across communities in Puerto Rico, Baxter employees can also be found supporting their neighbors – supplying water and ice, providing access to heavy machinery and safety gear, preparing and distributing thousands of meals and providing fuel to help keep a local hospital running, among others.

“The devastation of Hurricane Maria is heartbreaking and tragic,” said José (Joe) E. Almeida, Baxter chairman and chief executive officer. “I met recently with many of our dedicated employees in Puerto Rico, and I am both inspired and humbled by their commitment to our mission, our patients, their communities and each other in the face of the unimaginable damage and loss they’ve experienced. Our mission to save and sustain lives calls on us to give back in times of crisis; Puerto Rico has our support.”

Baxter Provides Update On Puerto Rico Recovery Status Post Hurricane Maria - Page 5

About Baxter

Baxter provides a broad portfolio of essential renal and hospital products, including home, acute and in-center dialysis; sterile IV solutions; infusion systems and devices; parenteral nutrition; surgery products and anesthetics; and pharmacy automation, software and services. The company's global footprint and the critical nature of its products and services play a key role in expanding access to healthcare in emerging and developed countries. Baxter's employees worldwide are building upon the company's rich heritage of medical breakthroughs to advance the next generation of healthcare innovations that enable patient care.

This release includes forward-looking statements concerning the company's financial results, including estimates regarding the estimated impact of Hurricane Maria on its fourth quarter 2017 revenues and the related impact on its earnings. 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: demand for and market acceptance of risks for new and existing products, and the impact of those products on quality or patient safety concerns; product development risks; product quality or patient safety concerns; future actions of regulatory bodies and other governmental authorities, including the FDA, the Department of Justice, the New York Attorney General and foreign regulatory agencies (including with respect to the granting of temporary importation approvals); failures with respect to compliance programs; future actions of third parties, including payers; U.S. healthcare reform and other global austerity measures; pricing, reimbursement, taxation and rebate policies of government agencies and private payers; the impact of competitive products and pricing, including generic competition, drug reimportation and disruptive technologies; global, trade and tax policies; accurate identification of and execution on business development and R&D opportunities and realization of anticipated benefits (including the recent acquisition of Claris Injectables in July 2017); fluctuations in supply and demand (including as a result of natural disaster or otherwise); the availability of acceptable raw materials and component supply; the inability to create timely production capacity or other manufacturing supply difficulties; the ability to achieve the intended results associated with the separation of the

Baxter Provides Update On Puerto Rico Recovery Status Post Hurricane Maria - Page 6

licensed patents or the patents of third parties preventing or restricting manufacture, sale or use of affected products or technology; the impact of global economic conditions; fluctuations in foreign exchange and interest rates; any change in law concerning the taxation of income, including income earned outside the United States; actions taken by tax authorities in connection with ongoing tax audits; breaches or failures of the company's information technology systems; loss of key employees or inability to identify and recruit new employees; the outcome of pending or future litigation; the adequacy of the company's cash flows from operations to meet its ongoing cash obligations and fund its investment program; and other risks identified in Baxter's most recent filing on Form 10-K and other Securities and Exchange Commission filings, all of which are available on Baxter's website. Baxter does not undertake to update its forward-looking statements.

###