

FOR IMMEDIATE RELEASE

Media Contacts:

Deborah Spak, (224) 948-5353

Eric Tatro, (224) 948-5353

media@baxter.com

Investor Contact:

Clare Trachtman, (224) 948-3085

**BAXTER TO EXPAND PORTFOLIO OF ESSENTIAL GENERIC INJECTABLE
MEDICINES WITH ACQUISITION OF CLARIS INJECTABLES LIMITED**

- *Acquisition Adds Global Portfolio of Sterile Injectables, Robust Pipeline, and Manufacturing Capabilities*
- *Accelerates Baxter's Strategy to Become a Global Leader in the Injectable Pharmaceuticals Space*
- *Enhances Long-Term Growth Profile and Immediately Contributes to Adjusted Earnings*

DEERFIELD, Ill., December 15, 2016 – Baxter International Inc. (NYSE: BAX), a global leader in sterile medication production and delivery, today entered into a definitive agreement to acquire Claris Injectables Limited, a wholly owned subsidiary of Claris Lifesciences Limited, for total consideration of approximately \$625 million. Claris Injectables will add proven capabilities in production of essential generic injectable medicines, such as anesthesia and analgesics, renal, anti-infectives and critical care in a variety of presentations including bags, vials and ampoules. The Boards of Directors of both companies have approved the proposed acquisition, which is expected to close in the second half of 2017. Upon closing, the deal is expected to be modestly accretive to adjusted earnings and increasingly accretive thereafter.

Sterile medication production is a core competency for Baxter, which manufactures a broad range of essential generic injectable medications—including both

frozen and liquid preparations—that treat some of the most pressing healthcare needs facing patients today. Baxter currently participates in a differentiated segment of the generic injectables market with difficult-to-manufacture oncology drugs and a broad portfolio of standard-dose, ready-to-use premixed injectable products including essential anti-infectives, analgesics and critical care medicines. Baxter estimates that today the global sterile generic injectables market is more than \$40 billion growing at a 10 percent compound annual growth rate.

Claris Injectables, based in Ahmedabad, India, is a global generic injectables pharmaceutical company with a successful 15-year history. The acquisition of Claris Injectables will provide Baxter with a robust pipeline and marketed portfolio of generic injectables with 11 molecules currently approved in the U.S. along with fully integrated research and development expertise and three world-class manufacturing facilities registered with a number of global regulatory agencies, including the U.S. Food & Drug Administration (FDA). Claris Injectables will be a foundational asset to accelerate Baxter’s strategy to become a global leader in the injectable pharmaceuticals space. Baxter will build upon Claris Injectables’ existing footprint by adding Baxter’s differentiated technologies and making strategic investments to expand Claris Injectables’ R&D pipeline and manufacturing capacity. Through this combination, Baxter anticipates launching seven to nine new products annually over the next few years, increasing to 10-15 anticipated new product launches a year beyond 2019.

“The Claris Injectables acquisition will expand Baxter’s presence in the fast growing, global generic injectable pharmaceuticals space and accelerate our growth

trajectory with high-value, essential medicines that will benefit patients worldwide,” said Jose (Joe) Almeida, Chairman and Chief Executive Officer, Baxter. “The capabilities we gain with Claris Injectables will augment and complement our differentiated technologies, expertise and extensive presence in the hospital channel to create a pathway for Baxter to become a global leader in generic injectables.”

In 2016, Claris Injectables is expected to deliver annual global revenues in excess of \$100 million. Global revenues for Claris Injectables business have increased by double-digits annually over the last several years driven by new product launches and geographic expansion. Baxter expects to finance the transaction through cash on hand, debt or a combination.

“We are pleased to announce this agreement with Baxter,” said Arjun Handa, Executive Vice Chairman and Group MD of Claris Lifesciences Ltd. “Baxter’s deep and long history, roots in the hospital business, and expertise to advance the business as a strategic platform will catapult the combined organization’s R&D, manufacturing and people capabilities. I strongly believe that this weaves forward a promising pathway for our patients, team members, partners and stakeholders.”

“We look forward to welcoming the Claris Injectables employees who share Baxter’s commitment to innovation, dedication to quality and mission to save and sustain lives,” added Almeida.

The transaction is subject to regulatory approvals and other customary closing conditions.

A supplemental presentation can be accessed via Baxter's corporate website at www.baxter.com on the [Events & Presentations](#) page.

About Claris Injectables

Claris Injectables manufactures and/or markets a broad portfolio of essential medicines across multiple delivery systems and segments, including anesthesia and analgesics; blood products; anti-infectives; critical care and nephrology. Its manufacturing facilities are registered with global regulatory agencies including the FDA and authorities in the UK, Australia, Brazil and Middle East. Claris Injectables products are sold in more than 75 markets around the world, with direct sales in the United States and India.

About Baxter

Baxter International Inc. 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; biosurgery 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 a definitive agreement entered into by the company to acquire Claris Injectables, including expectations regarding the financial impact of such acquisition on the company (including with respect to adjusted earnings, which excludes intangible asset amortization expense, inventory step-up and transaction, integration and restructuring costs). 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: the ability of the company and Claris Injectables to obtain required regulatory approvals and satisfy closing conditions; the company's ability to close the transaction, successfully integrate the business and realize the benefits of the acquisition, including with respect to cost synergies; continued strength in the company's financial position, including cash flows; actions of regulatory bodies and other governmental authorities; changes in laws and regulations; and other risks identified in Baxter's most recent filing on Form 10-K and other SEC filings, all of which are available on its website. Baxter does not undertake to update its forward-looking statements.

###