

BAXTER INTERNATIONAL INC
Form 11-K
June 23, 2011

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
Form 11-K

þ **ANNUAL REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES EXCHANGE
ACT OF 1934**

For the year ended December 31, 2010

OR

o **TRANSITION REPORT PURSUANT TO SECTION 15 (d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the transition period from ____ to ____

Commission file number 1-4448

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Baxter International Inc.

One Baxter Parkway

Deerfield, IL 60015

(847) 948-2000

**Baxter International Inc.
and Subsidiaries
Incentive Investment Plan
Financial Statements and Supplemental Schedule
December 31, 2010 and 2009**

**Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Index
December 31, 2010 and 2009**

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Report of Independent Registered Public Accounting Firm

To the Participants and Administrative Committee of
the Baxter International Inc. and Subsidiaries Incentive Investment Plan
Deerfield, Illinois

We have audited the accompanying statements of net assets available for benefits of the Baxter International Inc. and Subsidiaries Incentive Investment Plan (Plan) as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years ended December 31, 2010 and 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2010 and 2009, and the changes in net assets available for benefits for the years ended December 31, 2010 and 2009, in conformity with U.S. generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule H, Line 4i Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audit of the basic 2010 financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic 2010 financial statements taken as a whole.

/s/ Crowe Horwath LLP
Oak Brook, Illinois
June 22, 2011

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Statements of Net Assets Available for Benefits
December 31, 2010 and 2009 (in thousands)

| | 2010 | 2009 |
|---|---------------------|---------------------|
| Assets | | |
| Investments | | |
| Cash and cash equivalents | \$ 39,053 | \$ 47,549 |
| Common stock (including securities on loan of \$6,821 in 2010 and \$29,596 in 2009) | 434,918 | 437,852 |
| U.S. government and government agency issues (including securities on loan of \$4,523 in 2010 and \$8,558 in 2009) | 20,064 | 14,706 |
| Corporate and other obligations (including securities on loan of \$3,035 in 2010 and \$5,282 in 2009) | 47,640 | 38,840 |
| Commingled funds | 359,352 | 306,140 |
| Registered investment companies | 185,116 | 121,035 |
| Synthetic guaranteed investment contracts (including securities on loan of \$214,376 in 2010 and \$175,468 in 2009) | 724,396 | 660,400 |
| Collateral held on loaned securities | 230,444 | 220,812 |
| Total investments at fair value | 2,040,983 | 1,847,334 |
| Receivables | | |
| Participant loans | 39,926 | 35,785 |
| Sponsor contributions | 14,503 | 13,239 |
| Accrued interest and dividends | 1,901 | 1,798 |
| Due from brokers for securities sold | 875 | 615 |
| | 57,205 | 51,437 |
| Total assets | 2,098,188 | 1,898,771 |
| Liabilities | | |
| Accounts payable | 5,611 | 2,219 |
| Due to brokers for securities purchased | | 1,536 |
| Collateral to be paid on loaned securities | 232,887 | 224,368 |
| Total liabilities | 238,498 | 228,123 |
| Net assets available for benefits, reflecting investments at fair value | 1,859,690 | 1,670,648 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (49,603) | (5,199) |
| Net assets available for benefits | \$ 1,810,087 | \$ 1,665,449 |

The accompanying notes are an integral part of these financial statements.

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2010 and 2009 (in thousands)

| | 2010 | 2009 |
|---|--------------|--------------|
| Additions to net assets attributed to | | |
| Investment income | | |
| Net appreciation in fair value of investments | \$ 80,309 | \$ 181,972 |
| Interest | 33,469 | 26,343 |
| Dividends | 10,717 | 9,260 |
| Net investment income | 124,495 | 217,575 |
| Participant loan interest | 1,999 | 2,099 |
| Contributions | | |
| Sponsor | 53,270 | 53,012 |
| Participant | 88,683 | 85,389 |
| | 141,953 | 138,401 |
| Net additions | 268,447 | 358,075 |
| Deductions from net assets attributed to | | |
| Benefits paid | 118,199 | 87,121 |
| Plan expenses | 5,610 | 4,790 |
| Total deductions | 123,809 | 91,911 |
| Net increase | 144,638 | 266,164 |
| Net assets available for benefits | | |
| Beginning of year | 1,665,449 | 1,399,285 |
| End of year | \$ 1,810,087 | \$ 1,665,449 |

The accompanying notes are an integral part of these financial statements.

**Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Notes to Financial Statements
December 31, 2010 and 2009**

1. General Description of the Plan

The following description of the Baxter International Inc. and Subsidiaries Incentive Investment Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan document and summary plan description for more complete information. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

The Plan allows tax deferred contributions in compliance with Section 401(k) of the Internal Revenue Code. Eligible participants may make pre-tax contributions of up to 50% of their eligible annual compensation within certain limitations. Newly hired employees are deemed to have elected to contribute 3% of compensation (increased by 1% per year to a total of 6%) unless they make a contrary election. The Plan sponsor, Baxter International Inc. (Baxter or the Company), matches participant contributions up to a maximum of 3.5% of the employee's compensation. Participant contributions and Plan sponsor matching contributions are fully vested and nonforfeitable at all times. The Company also contributes an additional non-matching 3% of compensation for employees that are not eligible to participate in the Company's U.S. qualified defined benefit pension plan, which includes all new employees hired on or after January 1, 2007, and employees who had less than five years of service on January 1, 2007 and who elected to cease earning additional service in the pension plan and participate in the higher level of Company contributions in the Plan. The additional non-matching contribution becomes fully vested after three years of service. Forfeitures of nonvested accounts are used to reduce future employer contributions.

Participants may borrow up to the lesser of \$50,000 or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at variable rates as outlined in the Plan agreement. The loans are reported at their unpaid principal balance plus any accrued but unpaid interest, with no allowance for credit losses, as repayments of principal and interest are received through payroll deductions and the notes are collateralized by the participant's account balances.

Participants or their beneficiaries may elect lump-sum benefit payments, or benefits may be paid in installments. Shares of Baxter common stock may also be distributed in kind at the participant's election. Subject to certain provisions specified in the Plan agreement, employed participants may withdraw their pre-tax contributions, matching contributions made prior to 2008, vested non-matching contributions and related earnings in cases of financial hardship and in certain other circumstances.

Each participant's account is credited with the participant's contributions and an allocation of the Company's contributions and Plan earnings, and is charged with his or her withdrawals and an allocation of Plan-related expenses. Allocations are based on participant earnings or account balances, as defined in the Plan document. The net income of the Plan is posted to the participant's accounts on a daily basis. Each participant directs the investment of his or her account to any of the investment options available under the Plan.

Upon enrollment in the Plan, a participant may direct contributions to any of 18 investment options: Stable Income Fund, Baxter Common Stock Fund, Composite Fund, General Equity Fund, S&P 500 Flagship Fund, International EAFE Equity Index Fund, Small Cap Fund, ten different Target Retirement Funds and the Self-Managed Fund. However, non-matching contributions may not be invested in the Baxter Common Stock Fund. In addition, certain participants may maintain shares received in connection with Baxter's 1996 spin-off of Allegiance Corporation (Allegiance), which were subsequently converted into common shares of Cardinal Health Inc. (Cardinal) upon Cardinal's acquisition of Allegiance in 1999. These shares are maintained in the Cardinal Health Common Stock

Fund. Additionally, certain participants maintain shares in Edwards Lifesciences Corporation. These shares were placed into the Edwards Lifesciences Common Stock Fund in connection with Baxter's 2000 spin-off of its cardiovascular business. Participants are not able to make contributions to the Cardinal Health Common Stock Fund or the Edwards Lifesciences Common Stock Fund, but may make transfers out of these funds at any time.

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

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2. Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements of the Plan have been prepared on the accrual basis of accounting. Accordingly, investment income is recognized when earned and expenses are recognized when incurred.

New Accounting Standards

In September 2010, the Financial Accounting Standards Board (FASB) amended existing standards with respect to the reporting of participant loans for defined contribution pension plans. The guidance requires that loans issued to participants be reported as receivables, segregated from plan investments, and to be measured at their unpaid principal balances plus accrued but unpaid interest. This guidance was adopted by the Plan effective December 31, 2010 and was applied retrospectively to all periods presented. The adoption of this standard had no effect on the Plan's net assets available for benefits.

In January 2010, the FASB issued a new accounting standard effective for the December 31, 2010 reporting period, which clarified existing fair value disclosures about the level of disaggregation and inputs and valuation techniques used to measure fair value, and required that significant transfers in and out of Levels 1 and 2 of the fair value hierarchy be disclosed. The Plan did not have any transfers between Levels 1 and 2 during 2010. In addition, effective for reporting periods beginning after December 15, 2010, an entity will be required to separately present information related to purchases, sales, issuances and settlements in the reconciliation of fair value measurements classified as Level 3.

Valuation of Investments and Collateral

The fair value of Plan investments and collateral is determined as follows:

| | |
|--|--|
| Cash and cash equivalents | These largely consist of a short-term investment fund and a money market fund, the fair value of which is based on the net asset value. The investment objectives for these funds are to provide safety for principal, daily liquidity and a competitive yield by investing in high quality instruments. |
| Common stock | Value based on closing prices on the valuation date in an active market on national and international securities exchanges. |
| U.S. government and government agency issues | Value based on reputable pricing vendors that typically use pricing matrices or models. |
| Corporate and other obligations | Value based on reputable pricing vendors that typically use pricing matrices or models. |

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| | |
|--|---|
| Commingled funds | Value based on net asset values reported by the fund managers as of the financial statement dates and recent transaction prices. The investment objectives of these funds are to track the performances of the S&P 500 (S&P 500 Flagship Fund); Europe, Australasia and the Far East (EAFE) (International EAFE Equity Index Fund); or Russell 2000 (Small Cap Fund) indexes. The underlying investments vary, with some holding diversified portfolios of domestic stocks and government agency bonds, and others holding collective investment funds. Each fund provides for daily redemptions by the Plan at reported net asset values per share, with no advance notice requirement. Refer to Note 6 for amounts invested in each of these funds. |
| Registered investment companies | Value based upon the last reported sale price from a national security exchange on the valuation date. |
| Synthetic guaranteed investment contracts | Value based on the fair value of the underlying securities in the contract on the valuation date plus the fair value of wrapper contracts, which is calculated using a replacement cost approach. See below for more information. |
| Collateral held on loaned securities | Value based upon the net asset value per unit of the short-term investment funds where the collateral is invested. Refer to Note 7 for more information on the securities lending program. |
| Collateral to be paid on loaned securities | Value based on the fair value of the underlying securities loaned on the valuation date, plus an incremental margin. |

Income Recognition

Plan investment return includes dividend and interest income, gains and losses on sales of investments and unrealized appreciation or depreciation of investments. Purchases and sales of investments are recorded on a trade date basis. Dividends are recorded on the ex-dividend date.

The financial statements reflect the net appreciation in the fair value of the Plan's investments. This net appreciation consists of realized gains and losses calculated as the difference between proceeds from a sales transaction and cost determined on a moving average basis, and unrealized gains and losses calculated as the change in the fair value between beginning of the year (or purchase date if later) and the end of the year.

Synthetic Guaranteed Investment Contracts

The Plan holds synthetic guaranteed investment contracts (GICs) as part of the Stable Income Fund. The synthetic GICs provide for a fixed return on principal over a specified time through fully benefit-responsive contracts issued by Aegon Institutional Markets and Bank of America N.A. The portfolio of assets, overall of investment grade,

underlying the synthetic GICs primarily includes cash and cash equivalents, U.S. government and government agency issues, corporate and other obligations, and registered investment companies.

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The fair value of the synthetic GICs equals the total of the fair value of the underlying assets plus the fair value of the wrapper contracts. The fair value of the wrapper contracts is computed using a replacement cost approach that incorporates a comparison of the current fee rate on similar wrapper contracts to the fee being paid by the Plan. Using this approach, the fair values of the wrapper contracts were \$1.6 million and \$1.7 million at December 31, 2010 and 2009, respectively.

While Plan investments are presented at fair value in the Statements of Net Assets Available for Benefits, any material difference between the fair value of the Plan's direct and indirect interests in fully benefit-responsive investment contracts and their contract value is presented as an adjustment line in the Statements of Net Assets Available for Benefits, because contract value is the relevant measurement attribute for that portion of the Plan's net assets available for benefits. Contract value represents contributions, plus earnings, less participant withdrawals and administrative expenses. The wrapper contracts used by the Plan are fully benefit-responsive because the wrapper contract issuers are contractually obligated to make up any shortfall in the event that the underlying asset portfolio has been liquidated and is inadequate to cover participant withdrawals and transfers at contract value. There are currently no reserves against contract values for credit risk of the contract issuers or any other risk. The contract value for the synthetic GICs was \$674.8 million and \$655.2 million at December 31, 2010 and 2009, respectively.

The crediting interest rate, which is reset quarterly, can never fall below zero. The crediting rate formula smoothes the impact of interest rate changes on participant returns by amortizing any difference between market value and book value over a period of years equal to the duration of the portfolio benchmark. The average yield on the synthetic GICs was approximately 3.5% and 4.2% at December 31, 2010 and 2009, respectively. The average interest rate credited to participants on the synthetic GICs was approximately 4.1% for both years ended December 31, 2010 and 2009. The credit ratings for Aegon Institutional Markets were AA- at both December 31, 2010 and 2009, and the credit ratings for Bank of America N.A. were A+ at both December 31, 2010 and 2009.

Events that lead to market value withdrawals that exceed 20 percent of the contract value would limit the ability of the Plan to transact at contract value with participants. These events include restructurings, early retirement plans, divestitures, bankruptcies, or legal, tax or regulatory changes. The Plan sponsor believes that the occurrence of any such event is remote.

The wrapper providers can only terminate at a value different than contract value under an event of default (that was not remedied) such as failure to follow the terms of the contract. If a wrapper provider would like to exit the contract for another reason, the Plan can maintain the contract through an extended termination process designed to ensure continued benefit-responsive treatment for withdrawals.

Payment of Benefits

Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and related notes to the financial statements. Changes in such estimates may affect amounts reported in future periods.

Other

Due from or due to brokers for securities sold or purchased, respectively, represent the net cash value of security trades initiated but not yet settled at each respective year-end.

Risks and Uncertainties

The Plan provides for various investment options which invest in any combination of registered investment companies, U.S. government and government agency issues, corporate and other obligations, common stock, commingled funds, synthetic guaranteed investment contracts and short-term investments. Investment

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securities are exposed to various risks, such as interest rate, market, liquidity and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits. Individual participants' accounts bear the risk of loss resulting from fluctuations in investment values.

Investments underlying the Plan's synthetic GICs include securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial mortgage-backed securities, including securities backed by subprime mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies and/or defaults and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

3. Eligibility Requirements

Employees become eligible to participate in the Plan as of the first day of the month following the completion of thirty days of employment. Eligible employees are those who meet the following requirements:

- A. U.S. employees of Baxter or its subsidiaries which have adopted the Plan;
- B. U.S. employees not covered by a collective bargaining agreement unless the agreement provides for coverage under the Plan; and
- C. U.S. employees who are not leased employees.

4. Administration of the Plan

State Street Bank and Trust Company (the Trustee) serves as trustee and ING Institutional Plan Services, LLC serves as recordkeeper for the Plan.

The Administrative Committee administers the Plan. The Investment Committee has authority, responsibility and control over the management of the assets of the Plan. Members of both committees are appointed by the Board of Directors of Baxter and are employees of Baxter.

Substantially all investment manager, trustee and administrative fees incurred in the administration of the Plan were paid from the assets of the Plan.

5. Fair Value Measurements

The fair value hierarchy under the accounting standard for fair value measurements consists of the following three levels:

Level 1 Quoted prices in active markets that the Plan has the ability to access for identical assets or liabilities;

Level 2 Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuations in which all significant inputs are observable in the market; and

Level 3 Valuations using significant inputs that are unobservable in the market and include the use of judgment by the Plan's management about the assumptions market participants would use in pricing the asset or liability.

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The following tables summarize the bases used to measure the Plan's financial instruments and liabilities that are carried at fair value on a recurring basis.

| (in thousands) | Balance at December 31, 2010 | Basis of Fair Value Measurement | | |
|---|---------------------------------------|---|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Cash and cash equivalents | \$ 39,053 | \$ | \$ 39,053 | \$ |
| Common stock: | | | | |
| Healthcare | 211,669 | 211,669 | | |
| Information technology | 46,526 | 46,526 | | |
| Financial services | 33,235 | 33,235 | | |
| Consumer products | 48,708 | 48,708 | | |
| Industrial services and materials | 35,358 | 35,358 | | |
| Energy | 28,737 | 28,737 | | |
| Other | 30,685 | 30,685 | | |
| Total common stock | 434,918 | 434,918 | | |
| U.S. government and government agency issues | 20,064 | | 20,064 | |
| Corporate and other obligations | 47,640 | | 47,640 | |
| Commingled funds | 359,352 | | 359,352 | |
| Registered investment companies: | | | | |
| Target retirement funds | 172,137 | 172,137 | | |
| Self-managed funds | 12,979 | 12,979 | | |
| Total registered investment companies | 185,116 | 185,116 | | |
| Synthetic guaranteed investment contracts: | | | | |
| Corporate and other obligations | 264,682 | | 264,682 | |
| U.S. government and government agency issues | 436,962 | | 436,962 | |
| Cash and cash equivalents | 21,120 | | 21,120 | |
| Wrapper contracts | 1,634 | | | 1,634 |
| Other | (2) | | (2) | |

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| | | | | |
|---|-------------|-----------|-------------|----------|
| Total synthetic guaranteed investment contracts | 724,396 | | 722,762 | 1,634 |
| Collateral held on loaned securities | 230,444 | | 230,444 | |
| Total assets | \$2,040,983 | \$620,034 | \$1,419,315 | \$ 1,634 |
| Liability | | | | |
| Collateral to be paid on loaned securities | \$ 232,887 | \$ 6,929 | \$ 225,958 | \$ |

Baxter International Inc. and Subsidiaries
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| (in thousands) | Balance at December 31, 2009 | Basis of Fair Value Measurement | | |
|---|---------------------------------------|---|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Cash and cash equivalents | \$ 47,549 | \$ | \$ 47,549 | \$ |
| Common stock: | | | | |
| Healthcare | 221,596 | 221,596 | | |
| Information technology | 53,234 | 53,234 | | |
| Financial services | 43,117 | 43,117 | | |
| Consumer products | 34,182 | 34,182 | | |
| Industrial services and materials | 29,168 | 29,168 | | |
| Energy | 28,962 | 28,962 | | |
| Other | 27,593 | 27,593 | | |
| Total common stock | 437,852 | 437,852 | | |
| U.S. government and government agency issues | 14,706 | | 14,706 | |
| Corporate and other obligations | 38,840 | | 38,840 | |
| Commingled funds | 306,140 | | 306,140 | |
| Registered investment companies: | | | | |
| Target retirement funds | 107,453 | 107,453 | | |
| Self-managed funds | 13,582 | 13,582 | | |
| Total registered investment companies | 121,035 | 121,035 | | |
| Synthetic guaranteed investment contracts: | | | | |
| Corporate and other obligations | 300,237 | | 300,237 | |
| U.S. government and government agency issues | 285,793 | | 285,793 | |
| Cash and cash equivalents | 41,829 | | 41,829 | |
| Registered investment companies | 30,484 | 30,484 | | |
| Wrapper contracts | 1,668 | | | 1,668 |
| Other | 389 | | 389 | |

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| | | | | |
|---|-------------|-----------|-------------|----------|
| Total synthetic guaranteed investment contracts | 660,400 | 30,484 | 628,248 | 1,668 |
| Collateral held on loaned securities | 220,812 | | 220,812 | |
| Total assets | \$1,847,334 | \$589,371 | \$1,256,295 | \$ 1,668 |
| Liability | | | | |
| Collateral to be paid on loaned securities | \$ 224,368 | \$ 30,459 | \$ 193,909 | \$ |

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The following table sets forth a summary of changes in the fair values of the Plan's level 3 financial instruments.

| (in thousands) | Wrapper Contracts |
|--|------------------------------|
| Balance at December 31, 2008 | \$1,479 |
| Unrealized gains (relating to assets held at end of year) | 189 |
| Purchases, sales, issuances and settlements (net) | |
| Balance at December 31, 2009 | 1,668 |
| Unrealized losses (relating to assets held at end of year) | (34) |
| Purchases, sales, issuances and settlements (net) | |
| Balance at December 31, 2010 | \$1,634 |

See Valuation of Investments and Collateral in Note 2 above for a discussion of the methodologies used to determine the fair values of the Plan's investments and collateral. These methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

6. Investments

Investments representing five percent or more of the Plan's net assets available for benefits at December 31, 2010 and 2009 are summarized as follows:

| (in thousands, except per share data) | 2010 | 2009 |
|--|-------------|-------------|
| Baxter common stock, 3,077,924 shares and 2,933,075 shares at December 31, 2010 and 2009, respectively | \$ 155,805 | \$ 172,113 |
| State Street Global Advisors (SSgA) S&P 500 Flagship Fund | 176,772 | 152,285 |
| SSgA International EAFE Equity Index Fund | 94,567 | 93,424 |
| State Street Bank Quality D Short-Term Investment Fund (Collateral held on loaned securities) | * | 220,812 |
| Baxter International Savings Trust Separate Account (Collateral held on loaned securities) | 215,921 | * |

* Does not meet 5% threshold.

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Investments as of December 31, 2010 and 2009 are segregated into various investment fund options as follows:

| (in thousands) | 2010 | 2009 |
|---|--------------|--------------|
| Cash (available for investment) | \$ 6,637 | \$ 6,718 |
| Stable Income Fund | 737,052 | 682,022 |
| Baxter Common Stock Fund | 157,521 | 174,259 |
| Composite Fund | 150,741 | 141,895 |
| General Equity Fund | 154,195 | 148,831 |
| Cardinal Health Common Stock Fund | 5,308 | 4,809 |
| SSgA S&P 500 Flagship Fund | 177,001 | 152,285 |
| SSgA International EAFE Equity Index Fund | 94,603 | 93,468 |
| Edwards Lifesciences Common Stock Fund | 22,526 | 13,975 |
| SSgA Small Cap Fund | 88,103 | 60,431 |
| Self-Managed Fund | 44,715 | 40,376 |
| Target Retirement Funds | 172,137 | 107,453 |
| Collateral held on loaned securities | 230,444 | 220,812 |
| Total investments at fair value | 2,040,983 | 1,847,334 |
| Adjustment from fair value to contract value for Stable Income Fund | (49,603) | (5,199) |
| Total investments | \$ 1,991,380 | \$ 1,842,135 |

Net appreciation (depreciation) in fair value for each significant class of investment, which includes realized and unrealized gains and losses, is as follows:

| (in thousands) | 2010 | 2009 |
|--|-------------|-------------|
| Baxter common stock | \$ (22,002) | \$ 16,645 |
| Other common stock | 34,999 | 65,810 |
| U.S. government and government agency issues | 205 | 101 |
| Corporate and other obligations | 2,549 | 7,564 |
| Commingled funds | 45,909 | 66,495 |
| Registered investment companies | 17,535 | 20,621 |
| Collateral held on loaned securities | 1,114 | 4,736 |
| | \$ 80,309 | \$ 181,972 |

7. Securities Lending Transactions

The Plan participates in a securities lending program with the Trustee. The program allows the Trustee to loan securities, which are assets of the Plan, to approved brokers (the Borrowers).

The Trustee requires the Borrowers, pursuant to a security loan agreement, to deliver collateral to secure each loan in an amount that is at least equal to the fair value of the securities loaned. The Plan bears the risk of loss with respect to any unfavorable change in fair value of the invested cash collateral. However, the Borrower bears the risk of loss related to the decrease in the fair value of the non-cash collateral and, therefore, would have to deliver additional securities to maintain the required collateral. In the event of default by the Borrower, the Trustee shall indemnify the Plan by purchasing replacement securities equal to the number of unreturned loaned securities or, if replacement securities are not able to be purchased, the Trustee shall credit the Plan for the market value of the unreturned securities. In each case, the Trustee would apply the proceeds from the collateral for such a loan to make the Plan whole.

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The fair value of the investment of cash collateral received pursuant to securities lending transactions is reflected on the Statements of Net Assets Available for Benefits as an asset and the obligation to return the amount received is reflected as a liability.

As of December 31, 2009, the Plan had securities on loan with a fair market value of \$218.9 million with cash collateral received of \$224.4 million, which was invested in a short-term commingled investment fund (State Street Quality D Short-Term Investment Fund). As of December 31, 2010, the Plan had securities on loan with a fair market value of \$228.8 million, with cash collateral received of \$232.9 million, of which \$218.4 million was redeemed during 2010 from the State Street Quality D Short-Term Investment Fund and held in a separate fund (Baxter International Savings Trust Separate Account) for liquidation due to an agreement between the Plan and the Trustee to terminate the securities lending program for the securities within the Stable Income Fund. The assets underlying both funds primarily consisted of cash and cash equivalents and asset-backed securities. As of December 31, 2010, the net asset values of the Baxter International Savings Trust Separate Account and State Street Quality D Short-Term Investment Fund were \$0.9929 and \$.9925, respectively, per unit. As of December 31, 2009, the net asset value of the State Street Quality D Short-Term Investment Fund was \$0.9842 per unit. As a result of the increase in net asset values, an unrealized gain of \$1.1 million is reflected in the 2010 Statement of Changes in Net Assets Available for Benefits compared with an unrealized gain of \$4.7 million reported in 2009. As of December 31, 2010 and 2009, the cash collateral received is reflected at its fair value of \$230.4 million and \$220.8 million, respectively, in the 2010 and 2009 Statements of Net Assets Available for Benefits.

Non-cash collateral of \$6.7 million and \$6.2 million received for securities on loan at December 31, 2010 and 2009, respectively, consisted of U.S. government and government agency issues held by the Trustee on behalf of the Plan. Non-cash collateral is not included with the collateral balance on the 2010 and 2009 Statement of Net Assets Available for Benefits because it may not be sold or repledged. A portion of the income generated upon investment of cash collateral is remitted to the Borrowers, and the remainder is allocated between the Plan and the Trustee in its capacity as a security agent. Securities lending income allocated to the Plan amounted to \$424,446 and \$36,172 for 2010 and 2009, respectively. Securities lending income is classified as interest income in the Statements of Changes in Net Assets Available for Benefits.

8. Plan Termination

Although it has not expressed any intent to do so, the Plan sponsor has the right under the Plan to reduce, suspend or discontinue its contributions at any time and to terminate the Plan subject to the provisions of the ERISA. In the event the Plan terminates, the interest of each participating employee in the Plan shall become fully vested and such termination of the Plan would not reduce the interest of any participating employee or their beneficiaries accrued under the Plan up to the date of such termination.

9. Tax Status of the Plan

The Internal Revenue Service has determined and informed the Plan sponsor by a letter dated July 19, 2006 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (the IRC). The Plan has been amended since the date of the determination letter. The Plan sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision

for income taxes has been included in the Plan's financial statements.

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Notes to Financial Statements
December 31, 2010 and 2009

10. Related Parties

Parties-in-interest are defined under Department of Labor regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others.

At December 31, 2010 and 2009, the Plan held units of participation in certain commingled funds, shares of common stock, units of registered investment companies, and short-term investment funds of State Street Bank and Trust Company, the Plan trustee; shares of common stock and bonds of Baxter, the Plan sponsor; loans with participants; units of registered investment companies managed by Pacific Investment Management Company, an investment manager for the Plan; shares of common stock and units of registered investment companies managed by AllianceBernstein, an investment manager for the Plan; units of registered investment companies managed by Loomis Sayles, an investment manager for the Plan; shares of common stock, bonds, and interest rate wrapper contracts of Bank of America, issuer of the Plan's fully benefit-responsive contracts; interest rate wrapper contracts of Aegon Institutional Markets, issuer of the Plan's fully benefit-responsive contracts; and units of registered investment companies in various affiliates of ING Institutional Plan Services, LLC, the recordkeeper. These transactions are allowable party-in-interest transactions under ERISA and the regulations promulgated thereunder.

Fees paid by the Plan for investment management, recordkeeping and consulting services, also qualify as party-in-interest transactions and are included in Plan expenses in the accompanying financial statements. The Company pays certain expenses for the administration of the Plan. These transactions are exempt from the party-in interest transaction prohibitions of ERISA.

SUPPLEMENTAL SCHEDULE

Baxter International Inc. and Subsidiaries**Incentive Investment Plan**

Schedule H, Line 4i Schedule of Assets (Held at End of Year)

Employer Identification Number: 36-0781620 and Plan Number 023

Schedule I

December 31, 2010

| Identity of Issue | Description of Investment | Cost ⁽¹⁾ | Current Value |
|-------------------------------------|----------------------------|---------------------|---------------|
| Cash & Cash Equivalents: | | | |
| * SSgA Money Market Fund | Short-Term Investment Fund | | 7,836,505 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | | 31,216,669 |
| | | | \$ 39,053,174 |

**** Common Stock:**

| | | |
|---------------------------------------|--------------|-----------|
| 3Dicon Corp | Common Stock | 2,635 |
| 3M Company | Common Stock | 28,934 |
| ABB Ltd Sponsored Adr | Common Stock | 19,312 |
| Abbott Laboratories | Common Stock | 93,046 |
| Abbott Laboratories | Common Stock | 1,330,405 |
| Accenture PLC | Common Stock | 1,946,307 |
| Access Pharmaceuticals Inc Com | Common Stock | 24,168 |
| Acorda Therapeutics Inc Cdt | Common Stock | 10,904 |
| Activision Blizzard Inc Com | Common Stock | 39,133 |
| Acura Pharmaceuticals Inc Com New | Common Stock | 55,443 |
| Adept Technology Inc Com New | Common Stock | 2,205 |
| Adolor Corp | Common Stock | 605 |
| Advanced Micro Devices Inc | Common Stock | 8,998 |
| Advanced Photonix Inc Cl A | Common Stock | 8,100 |
| Advansource Biomaterials Corp Com | Common Stock | 53 |
| Advanta Corp Cl B | Common Stock | 9 |
| Advantage Oil & Gas Ltd Com Npv | Common Stock | 1,700 |
| Aegean Marine Petroleum Network Inc A | Common Stock | 5,482 |
| Aes Corp | Common Stock | 1,273,457 |
| Aeterna Zentaris Inc Com | Common Stock | 1,032 |
| Affymax Inc Com | Common Stock | 3,325 |
| Aflac Inc | Common Stock | 14,278 |
| Agnico Eagle Mines Ltd | Common Stock | 105,249 |
| Agrium Inc | Common Stock | 335,474 |
| Agrium Inc | Common Stock | 3,670 |
| Air Trans Svcs Group Inc Com | Common Stock | 3,950 |
| Akamai Technologies Inc | Common Stock | 4,046 |
| Aksys Ltd | Common Stock | 2 |
| Alcatel Lucent Spon Adr | Common Stock | 11,813 |

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| | | |
|--------------------------------------|--------------|-----------|
| Alcoa Inc | Common Stock | 587,053 |
| Alcoa Inc | Common Stock | 66,958 |
| Alcon Inc | Common Stock | 6,283,773 |
| Alexco Resource Corp Com | Common Stock | 24,570 |
| Alexza Pharmaceuticals Inc Com | Common Stock | 625 |
| Alj Regl Hldgs Inc Com | Common Stock | 300 |
| Allergan Inc | Common Stock | 3,021 |
| Allergan Inc | Common Stock | 760,719 |
| Alliance Pharmaceutical Corp Com New | Common Stock | 15 |
| Alliance Resource Partners LP Unit | Common Stock | 13,007 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|---|--------------|-----------|
| * AllianceBernstein Hldg LP Unit | Common Stock | 9,809 |
| Allos Therapeutics Inc | Common Stock | 23,119 |
| Allscripts Healthcare Solutions Inc Com | Common Stock | 15,339 |
| Almaden Minerals Ltd | Common Stock | 23,650 |
| Alnylam Pharmaceuticals Inc | Common Stock | 986 |
| Alon Usa Energy Inc Com | Common Stock | 3,289 |
| Alphatec Hldgs Inc Com | Common Stock | 2,700 |
| Altair Nanotechnologies Inc Com Npv | Common Stock | 690 |
| Altria Group Inc | Common Stock | 790,720 |
| Altria Group Inc | Common Stock | 117,421 |
| Aluminum Corp China Ltd Spon Adr Repstg H Shs | Common Stock | 387 |
| Alvarion Ltd | Common Stock | 1,210 |
| Amarin Corp Adr Each Rep 1 Ord Gbp0.50 | Common Stock | 8,201 |
| Amazon.com Inc | Common Stock | 49,500 |
| Amazon.com Inc | Common Stock | 1,233,589 |
| Amcore Finl Inc | Common Stock | 3 |
| Amdocs Ltd Ord | Common Stock | 5,494 |
| American Cap Agy Corp Com | Common Stock | 71,850 |
| American Cap Ltd Com | Common Stock | 25,183 |
| American Elec Pwr Co | Common Stock | 23,387 |
| American Express Co | Common Stock | 27,649 |
| American Intl Group Inc Com New | Common Stock | 34,457 |
| American Lithium Minerals Inc Com | Common Stock | 11,100 |
| American Tower Corp | Common Stock | 5,164 |
| Amerigas Partners LP Com Ltd | Common Stock | 8,786 |
| Amgen Inc | Common Stock | 57,755 |
| AMR Corp Del | Common Stock | 32,718 |
| Amstem Corp Com | Common Stock | 645 |
| Amylin Pharm Inc | Common Stock | 7,355 |
| Anadarko Pete Corp | Common Stock | 3,808 |
| Andrea Electronics Corp | Common Stock | 54 |
| Angiotech Pharm Inc | Common Stock | 1,856 |
| Anheuser-Busch Inbev Adr | Common Stock | 192,393 |
| Annaly Mortgage Management Inc | Common Stock | 209,555 |
| Anthera Pharmaceuticals Inc Com | Common Stock | 61,000 |
| Antigenics Inc Del | Common Stock | 4,469 |
| Anworth Mtg Asset Corp | Common Stock | 1,862 |
| AOL Inc Com | Common Stock | 332 |
| AON Corp | Common Stock | 641,095 |
| Apache Corp | Common Stock | 13,019 |
| Apollo Group | Common Stock | 1,139,518 |
| Apollo Group Inc | Common Stock | 2,369 |
| Apollo Invt Corp Com Sh Ben Int | Common Stock | 25,404 |

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| | | |
|---------------------------------|--------------|-----------|
| Apple Computer Inc | Common Stock | 1,990,840 |
| Apple Inc | Common Stock | 8,850,332 |
| Applied Materials Inc | Common Stock | 7,166 |
| Applied Materials Inc | Common Stock | 1,299,582 |
| Apricus Biosciences Inc Com Stk | Common Stock | 3,470 |
| Aqua America Inc | Common Stock | 2,536 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|--|--------------|-------------|
| Aradigm Corp Com New | Common Stock | 588 |
| Arch Coal Inc | Common Stock | 57,998 |
| Archer Daniels Midland | Common Stock | 28,890 |
| Arena Pharmaceutical Inc | Common Stock | 3,096 |
| Ariad Pharmaceutical Inc | Common Stock | 15,300 |
| Artificial Life Inc | Common Stock | 2,040 |
| Aspenbio Pharma Inc | Common Stock | 1,857 |
| Assurant Inc | Common Stock | 3,861 |
| Assured Guaranty Ltd Shs | Common Stock | 23,877 |
| Astrazeneca PLC | Common Stock | 1,688,889 |
| Astrazeneca Plc- Spons Adr | Common Stock | 2,079 |
| AT&T Inc | Common Stock | 560,351 |
| AT&T Inc | Common Stock | 96,771 |
| Atlantic Power Corp Com Npv | Common Stock | 44,759 |
| ATP Oil & Gas Corp | Common Stock | 167,400 |
| Atsi Communications Inc Com New | Common Stock | 37 |
| Atwood Oceanics Inc | Common Stock | 3,737 |
| Aurizon Mines Ltd | Common Stock | 14,640 |
| Autochina International Limited Com | Common Stock | 25,870 |
| Autodesk Inc | Common Stock | 38 |
| Automatic Data Processing Inc | Common Stock | 26,962 |
| Avanir Pharmaceuticals Cl A New | Common Stock | 4,855 |
| Avi Biopharma Inc | Common Stock | 29,256 |
| Backweb Technologies Ltd | Common Stock | 199 |
| Baidu Com Inc Spon Adr Restg Ord Shs Cl A | Common Stock | 550,318 |
| Baker Hughes Inc | Common Stock | 1,005,633 |
| Banco Latino- Americano De Comercio | Common Stock | 16,245 |
| Banco Santander Sa Adr | Common Stock | 9,045 |
| Bank New York Mellon Corp | Common Stock | 12,259 |
| * Bank of America Corp | Common Stock | 464,082 |
| * Bank of America Corp | Common Stock | 1,508,111 |
| Bank of Ireland(Governor & Co Of) Spon Adr | Common Stock | 795 |
| * Baxter Intl Inc | Common Stock | 960,401 |
| * Baxter Intl Inc | Common Stock | 154,844,105 |
| Bayer Ag Sponsored Adr | Common Stock | 18,996 |
| BB&T Corp | Common Stock | 548,182 |
| Beacon Pwr Corp Com | Common Stock | 3,960 |
| Benchmark Electrs Inc Com | Common Stock | 2,179 |
| Berkley W R Corp | Common Stock | 41,176 |
| Berkshire Hathaway Inc Del Cl B New | Common Stock | 285,752 |
| Best Buy Inc | Common Stock | 14,038 |
| Big Bear Mng Corp Com New | Common Stock | 81 |
| Bioelectronics Corp | Common Stock | 693 |

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| | | |
|---|--------------|-------|
| Biomedical Technology Solutions Hldgs Inc Com | Common Stock | 1,260 |
| Biomerica Inc | Common Stock | 5,810 |
| Biomoda Inc Com Stk | Common Stock | 1,920 |
| Bionovo Inc Com New | Common Stock | 1,411 |
| Biosante Pharmaceuticals Inc Com New | Common Stock | 220 |
| Bitstream Inc | Common Stock | 5,068 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--|--------------|-----------|
| Black Hills Corp | Common Stock | 3,300 |
| Blackrock Global Opportunities Equity Tr | Common Stock | 18,350 |
| Blackstone Group LP Com Unit | Common Stock | 28,300 |
| Blackstone Group LP | Common Stock | 900,031 |
| Blavod Extreme Spirits Ord | Common Stock | 129 |
| Blockbuster Inc Cl A | Common Stock | 24 |
| Boeing Co | Common Stock | 29,367 |
| Boston Scientific | Common Stock | 3,028 |
| BP Amoco Plc Spon Adr | Common Stock | 31,847 |
| Brigham Expl Co | Common Stock | 27,240 |
| Bristol Myers Squibb | Common Stock | 29,069 |
| Broadcom Corp | Common Stock | 1,919,439 |
| Broadcom Corp Cl A | Common Stock | 25,259 |
| BroadRidge Financial Solutions LLC | Common Stock | 1,645 |
| Brookfield Asset Mgmt Inc Com | Common Stock | 8,323 |
| Brookfield Homes Corp | Common Stock | 19 |
| Brookfield Infrastructure Partners Units | Common Stock | 6,781 |
| BSD Medical Corp Del | Common Stock | 28,991 |
| BT Group Plc Adr | Common Stock | 5,716 |
| Bunge Ltd | Common Stock | 971,218 |
| Bunge Ltd | Common Stock | 1,139,562 |
| Cablevision Systems | Common Stock | 270,874 |
| Cadence Pharmaceuticals Inc Com | Common Stock | 46,070 |
| Calamp Corp | Common Stock | 77,605 |
| Calgon Carbon Corp | Common Stock | 1,814 |
| Calpine Corp Com New | Common Stock | 14,474 |
| Cameco Corp | Common Stock | 52,517 |
| Cameron International | Common Stock | 806,626 |
| Cameron Intl Corp Com | Common Stock | 3,957 |
| Campbell Soup Co | Common Stock | 6,950 |
| Canadian Natural Resources Ltd | Common Stock | 8,884 |
| Canadian Solar Inc Com | Common Stock | 186 |
| Canrival Corp | Common Stock | 1,934,985 |
| Capital One Financial | Common Stock | 559,377 |
| Capitalsource Inc | Common Stock | 17,293 |
| Capitol Bancorp Ltd | Common Stock | 386 |
| Capstead Mtg Corp Com No Par | Common Stock | 25,180 |
| Capstone Turbine Corp | Common Stock | 96 |
| Cardinal Health Inc | Common Stock | 5,218,550 |
| Cardinal Health Inc | Common Stock | 144,390 |
| Carefusion Corp Com | Common Stock | 45,746 |
| Carmax Inc | Common Stock | 6,376 |
| Carnival Corp Paired Ctf 1 Com C | Common Stock | 13,833 |

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| | | |
|-----------------------|--------------|-----------|
| Caterpillar Inc | Common Stock | 155,870 |
| Cbiz Inc Com | Common Stock | 1,872 |
| CBL & Assoc Pptys Inc | Common Stock | 1,829 |
| CDC Corporation Com | Common Stock | 5,848 |
| Celgene Corp | Common Stock | 30,043 |
| Celgene Corp | Common Stock | 1,400,120 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--|--------------|-----------|
| Cell Therapeutics Inc Com No Par | Common Stock | 13,177 |
| Cellcom Israel Ltd Shs | Common Stock | 14,149 |
| Cemex S A Spons Adr New Rep Ord | Common Stock | 7,139 |
| Cenovus Energy Inc Com Npv | Common Stock | 5,035 |
| Central Fd Cda Cl A | Common Stock | 47,694 |
| Centurylink Inc | Common Stock | 556,636 |
| Centurytel Inc | Common Stock | 4,063 |
| Ceragon Networks Ltd Reg Shs | Common Stock | 3,954 |
| Cereplast Inc Com New | Common Stock | 23,288 |
| Cerner Corp | Common Stock | 8,527 |
| Cerus Corp | Common Stock | 3,198 |
| CF Inds Hldgs Inc Com | Common Stock | 3,379 |
| CF Industries Holdings | Common Stock | 587,652 |
| Charles Schwab Corp | Common Stock | 1,425,374 |
| Cheniere Energy Inc New | Common Stock | 27,600 |
| Chesapeake Energy Corporation Oklahoma | Common Stock | 342,840 |
| Chevron Corp New | Common Stock | 90,253 |
| Chimera Invt Corp Com | Common Stock | 63,962 |
| China Automotive Sys Inc | Common Stock | 1,090 |
| China Biologic Prods Inc | Common Stock | 106,535 |
| China Biotics Inc Com | Common Stock | 26,093 |
| China Direct Inc Com New | Common Stock | 168 |
| China Fin Online Co Ltd Sponsored Adr | Common Stock | 4,049 |
| China Fire & Sec Group Inc | Common Stock | 1,971 |
| China Green Agriculture Inc Com | Common Stock | 14,058 |
| China Mediaexpress Hldgs Inc Com | Common Stock | 44,669 |
| China Sunergy Co Ltd Sponsored Adr | Common Stock | 167 |
| China Tel Group Inc Com | Common Stock | 1,680 |
| China Yuchai International Ltd | Common Stock | 95,070 |
| Chiquita Brands Intl Inc | Common Stock | 5,608 |
| Churchill Downs Inc | Common Stock | 4,456 |
| Cia Saneamento Basico De Sao Paulo Spons Adr | Common Stock | 10,576 |
| Ciena Corp Com New Delaware | Common Stock | 42 |
| Cintas Corp | Common Stock | 2,237 |
| Circuit City Stores Inc | Common Stock | 4 |
| Cisco Sys Inc | Common Stock | 232,079 |
| Cisco Systems | Common Stock | 3,106,692 |
| Citigroup Inc | Common Stock | 475,230 |
| Citigroup Inc | Common Stock | 1,766,869 |
| Citizens Republic Bancorp Inc | Common Stock | 117 |
| Citrix Systems Inc | Common Stock | 1,684,348 |
| City Bank Lynnwood Wash | Common Stock | 24 |
| Clean Energy Fuels Corp | Common Stock | 1,384 |

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| | | |
|------------------------|--------------|-----------|
| Cliffs Nat Res Inc Com | Common Stock | 93 |
| CME Group | Common Stock | 2,104,883 |
| CME Group Inc | Common Stock | 33,369 |
| Cninsure Inc Ads | Common Stock | 8,723 |
| Coca Cola Co | Common Stock | 150,016 |
| Coca Cola Co | Common Stock | 987,922 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--|--------------|-----------|
| Coeur D Alene Mines Corp Com Stk | Common Stock | 15,026 |
| Cogo Group Inc Com | Common Stock | 4,425 |
| Coinstar Inc | Common Stock | 5,644 |
| Collective Brands Inc | Common Stock | 30,595 |
| Colonial Bancgroup | Common Stock | 10 |
| Columbia Laboratories Inc | Common Stock | 1,362 |
| Comamtech Inc Com Npv | Common Stock | 17 |
| Comcast Corp | Common Stock | 957,459 |
| Comcast Corp | Common Stock | 1,260,111 |
| Comcast Corp | Common Stock | 1,276,611 |
| Comerica Inc | Common Stock | 459,164 |
| Commercial Metals Co | Common Stock | 336,087 |
| Commonwealth Reit Com Sh Ben Int | Common Stock | 3,189 |
| Commtouch Software Limited Shs New | Common Stock | 1,548 |
| Compass Minerals Intl Inc | Common Stock | 10,103 |
| Concord Medical Services Hldgs Ltd Ads | Common Stock | 6,651 |
| Conexant Sys Inc Com New | Common Stock | 424 |
| ConocoPhillips | Common Stock | 847,948 |
| ConocoPhillips | Common Stock | 126,108 |
| Consol Energy Inc | Common Stock | 2,482 |
| Consolidated Edison Hldg Co Inc | Common Stock | 29,742 |
| Constellation Brands Inc | Common Stock | 838,347 |
| Constellation Energy Group | Common Stock | 1,256 |
| Constellation Energy Group | Common Stock | 411,659 |
| Constellation Energy Partners LLC Com Unit | Common Stock | 16,680 |
| Continucare Corp | Common Stock | 2,925 |
| Cooper Industries | Common Stock | 2,883,608 |
| Corelogic Inc Com | Common Stock | 926 |
| Corning Inc | Common Stock | 21,898 |
| Corning Inc | Common Stock | 311,205 |
| Corporate Executive Brd Co | Common Stock | 1,690 |
| Cortex Pharmaceuticals Inc | Common Stock | 1,316 |
| Costco Wholesale Corp | Common Stock | 6,768 |
| Costco Wholesale Corp | Common Stock | 1,352,967 |
| Covidien Plc Shs | Common Stock | 1,005 |
| Credit Suisse Group | Common Stock | 1,389,695 |
| Cree Inc | Common Stock | 533,709 |
| Cresud S.A. Spon Adr | Common Stock | 11,388 |
| Crocs Inc Com | Common Stock | 16,178 |
| Cross Timbers Royalty Trust | Common Stock | 598 |
| Cryptologic Limited Shs | Common Stock | 282 |
| CSX Corp | Common Stock | 3,939 |
| Cubic Energy Inc | Common Stock | 2,000 |

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| | | |
|------------------------|--------------|-----------|
| CVS Caremark Corp | Common Stock | 1,309,125 |
| CVS Corp Del | Common Stock | 15,993 |
| Cytosorbents Corp Com | Common Stock | 1,050 |
| Cytrx Corp | Common Stock | 7,070 |
| D R Horton Inc | Common Stock | 11,930 |
| Daimlerchrysler Ag Ord | Common Stock | 1,808 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at
End of Year)
Employer Identification Number: 36-0781620 and
Plan Number 023
December 31, 2010

Schedule I

| | | |
|--|--------------|-----------|
| Danaher Corp | Common Stock | 943 |
| Danaher Corp | Common Stock | 2,965,356 |
| Daulton Cap Corp Com | Common Stock | 200 |
| Daystar Technologies Inc Com New | Common Stock | 19 |
| Dean Foods Co | Common Stock | 4,420 |
| Deckers Outdoor | Common Stock | 56,376 |
| Deere & Co | Common Stock | 1,567,561 |
| Deere & Co | Common Stock | 55,373 |
| Delcath Systems Inc Com | Common Stock | 98,000 |
| Delek Us Hldgs Inc | Common Stock | 7,280 |
| Dell Inc | Common Stock | 1,360,456 |
| Dell Inc | Common Stock | 7,317 |
| Delta Air Line | Common Stock | 744,600 |
| Delta Pete Corp Com New | Common Stock | 760 |
| Denbury Res Inc | Common Stock | 25,562 |
| Dendreon Corp | Common Stock | 344,137 |
| Denison Mines Corp Com | Common Stock | 34,200 |
| Depomed Inc | Common Stock | 25,440 |
| Devon Energy | Common Stock | 1,427,559 |
| Devon Energy Corp | Common Stock | 1,582,729 |
| Devon Energy Corp New | Common Stock | 26,301 |
| Devry Inc | Common Stock | 2,412 |
| Diamond Offshore Drilling Inc | Common Stock | 14,377 |
| Diana Shipping Inc | Common Stock | 19,828 |
| Digital Angel Corp New Com | Common Stock | 3,637 |
| Directv | Common Stock | 260,432 |
| Discover Finl Svcs | Common Stock | 5,837 |
| Discovery Laboratories Inc New Com New | Common Stock | 127 |
| Disney Walt Co Del (Holding Company) | Common Stock | 68,124 |
| Dolby Laboratories Inc Cl A | Common Stock | 10,005 |
| Dominion Resources Inc Va New | Common Stock | 13,535 |
| Doral Finl Corp Com New | Common Stock | 69 |
| Dorchester Minerals LP Com Units | Common Stock | 46,699 |
| Dow Chemical Co | Common Stock | 414,973 |
| Dow Chemical Co | Common Stock | 37,726 |
| Dow Chemical Co | Common Stock | 3,684,152 |
| Dryships Inc | Common Stock | 48,373 |
| Du Pont E I De Nemours & Co | Common Stock | 18,844 |
| Duke Energy Corp New Com | Common Stock | 96,879 |
| Duke Realty Corp | Common Stock | 2,492 |
| Dynamic Materials Corp | Common Stock | 37,173 |

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| | | |
|------------------------------------|--------------|---------|
| Dynegy Inc Del Com | Common Stock | 141 |
| E M C Corp Mass | Common Stock | 15,801 |
| E Trade Finl Corp Com New | Common Stock | 18,272 |
| Eagle Bulk Shipping Inc | Common Stock | 498 |
| Eagle Rock Energy Partners LP Unit | Common Stock | 17,004 |
| Earthlink Inc | Common Stock | 5 |
| Eastman Kodak Co | Common Stock | 144,082 |
| Eaton Corp | Common Stock | 802,510 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at
End of Year)
Employer Identification Number: 36-0781620 and
Plan Number 023
December 31, 2010

Schedule I

| | | |
|--|--------------|------------|
| Ebay Inc | Common Stock | 12,913 |
| Ebay Inc | Common Stock | 1,152,335 |
| Ecolocap Solutions Inc Com | Common Stock | 46 |
| E-Commerce China Dangdang Inc Spon Ads | Common Stock | 2,707 |
| Edap Tms S.A. Ads Each | Common Stock | 88,661 |
| Edison International | Common Stock | 411,967 |
| Edwards Lifesciences Corp | Common Stock | 22,171,536 |
| Edwards Lifesciences Corp | Common Stock | 7,761 |
| El Paso Corp | Common Stock | 705,728 |
| Elan Corp Plc ADR | Common Stock | 6,418 |
| Eldorado Gold Corp New | Common Stock | 18,570 |
| Electronics For Imaging Inc | Common Stock | 13,595 |
| Eline Entertainment Group Inc | Common Stock | 5 |
| EMC Corp | Common Stock | 2,713,578 |
| Emcore Corp | Common Stock | 104 |
| Emergent Biosolutions Inc Com | Common Stock | 7,038 |
| Emerson Electric Co | Common Stock | 4,061 |
| Emulex Corp Com New | Common Stock | 1,341 |
| Enbridge Energy Partners LP | Common Stock | 3,119 |
| Enbridge Inc | Common Stock | 2,820 |
| Encana Corp | Common Stock | 7,328 |
| Energy Conversion Devices Inc | Common Stock | 506 |
| Energy Transfer Partners LP | Common Stock | 30,357 |
| Energysolutions Inc Depository Sh | Common Stock | 11,697 |
| Enerplus Res Fd Tr Unit Ser G New | Common Stock | 23,621 |
| EnSCO PLC | Common Stock | 1,076,119 |
| Enterprise Products Pptns LP | Common Stock | 60,668 |
| Entravision Communications Corp Cl A | Common Stock | 386 |
| Entremed Inc Com New | Common Stock | 188 |
| EOG Resources Inc | Common Stock | 1,022,566 |
| Epix Pharmaceuticals Inc Com New | Common Stock | 11 |
| EQT Corp | Common Stock | 1,373,658 |
| Eresearch Technology Inc | Common Stock | 7,350 |
| Etotalsource Inc | Common Stock | 5 |
| Ev Energy Partners Lp Com Units | Common Stock | 4,016 |
| Evergreen Solar Inc | Common Stock | 2,268 |
| Exelixis Inc | Common Stock | 15,919 |
| Exelon Corp | Common Stock | 106,076 |
| Exelon Corp | Common Stock | 1,485,488 |
| Exeter Resource Corp | Common Stock | 24,840 |
| Expedia Inc Del Com | Common Stock | 1,581 |

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| | | |
|---------------------------------------|--------------|-----------|
| Express 1 Expedited Solutions Inc Com | Common Stock | 25,600 |
| Express Scripts Inc | Common Stock | 1,372,180 |
| Express Scripts Inc Com Formerly CI A | Common Stock | 5,405 |
| Extorre Gold Mines Limited Com Npv | Common Stock | 27,092 |
| Exxon Mobil Corp | Common Stock | 75,022 |
| Ezchip Semiconductor Ltd | Common Stock | 6,744 |
| F5 Networks Inc | Common Stock | 13,016 |
| Fairpoint Communications Inc | Common Stock | |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at
End of Year)
Employer Identification Number: 36-0781620 and
Plan Number 023
December 31, 2010

Schedule I

| | | |
|---|--------------|-----------|
| Family Dollar Stores Inc | Common Stock | 2,549 |
| Fastenal Co | Common Stock | 4,493 |
| Federal Natl Mtg Assn | Common Stock | 7,581 |
| Fedex Corp | Common Stock | 9,829 |
| Fifth Third Bancorp | Common Stock | 616,547 |
| Finisar Corp Com New | Common Stock | 7,423 |
| First American Financial Corp Com | Common Stock | 747 |
| First Marblehead Corp | Common Stock | 868 |
| First Physicians Cap Group Inc Com | Common Stock | 3 |
| First Solar Inc Com | Common Stock | 33,186 |
| First Tr Dow Jones Select Microcap Index Fd Com | Common Stock | 52,184 |
| Fiserv Inc | Common Stock | 2,108 |
| Flagstar Bancorp Inc Com New | Common Stock | 1,640 |
| Flextronics International | Common Stock | 3,925 |
| Flextronics International | Common Stock | 1,454,529 |
| Flowserve Corp | Common Stock | 695,697 |
| Fluor Corp New | Common Stock | 1,693 |
| Focus Media Hldg Ltd Sponsored Adr | Common Stock | 13,377 |
| Food Technology Svc Inc | Common Stock | 1,930 |
| Forbes Medi Tech Inc New Com | Common Stock | 3 |
| Ford Motor Co | Common Stock | 691,892 |
| Ford Motor Co | Common Stock | 1,670,827 |
| Ford Motor Co | Common Stock | 223,979 |
| Fortress Invt Group LLC Del Cl A Delaware | Common Stock | 2,850 |
| Fortune Brands Inc | Common Stock | 3,916 |
| Forward Inds | Common Stock | 322 |
| Foster Wheeler Ag Com | Common Stock | 6,904 |
| Franklin Res Inc | Common Stock | 5,882 |
| Freddie Mac | Common Stock | 4,956 |
| Freeport McMoran Copper & Gold Inc | Common Stock | 780,286 |
| Freeport McMoran Copper & Gold Inc | Common Stock | 60,346 |
| Freeseas Inc Com Stk | Common Stock | 3,740 |
| Fresenius Kabi Pharmaceuticals Hldg Inc Rt | Common Stock | 431 |
| Fronteer Gold Inc Com | Common Stock | 35,190 |
| Frontier Communications Corp Com | Common Stock | 13,452 |
| Frontier Oil Corp | Common Stock | 14,408 |
| Fuel Sys Solutions Inc Com | Common Stock | 3,673 |
| Fuel Tech Inc Com | Common Stock | 757 |
| Gabelli Global Gold Nat Res & Income Tr Com | Common Stock | 14,453 |
| Gaming Partners Intl Corp | Common Stock | 1,555 |
| Gammon Gold Inc | Common Stock | 8,190 |

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| | | |
|----------------------------|--------------|---------|
| Gannett Co | Common Stock | 325,085 |
| Gap Inc | Common Stock | 851,096 |
| Garmin Ltd | Common Stock | 542,059 |
| Garmin Ltd | Common Stock | 4,478 |
| Gazoo Energy Group Inc Com | Common Stock | 75 |
| Geeknet Inc Com Stk | Common Stock | 5,582 |
| General Dynamics Corp | Common Stock | 3,548 |
| General Electric Co | Common Stock | 294,261 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at
End of Year)
Employer Identification Number: 36-0781620 and
Plan Number 023
December 31, 2010

Schedule I

| | | |
|--|--------------|-----------|
| General Electric Co | Common Stock | 809,735 |
| General Maritime Corp New | Common Stock | 6,500 |
| General Mills Inc | Common Stock | 64,062 |
| General Motors Co | Common Stock | 218,554 |
| General Motors Co | Common Stock | 1,059,985 |
| General Motors Co | Common Stock | 44,232 |
| General Steel Hldgs Inc | Common Stock | 2,583 |
| Generex Biotechnology Corp | Common Stock | 1,879 |
| Genetic Technologies Ltd Spons Adr | Common Stock | 11 |
| Genvec Inc | Common Stock | 5,687 |
| Geopharma Inc | Common Stock | 30 |
| Geron Corp | Common Stock | 5,707 |
| Giant Interactive Group Inc Adr | Common Stock | 1,489 |
| Gigamedia Ltd | Common Stock | 8,880 |
| Gilead Sciences Inc | Common Stock | 769,977 |
| Gilead Sciences Inc | Common Stock | 158,985 |
| Gilead Sciences Inc | Common Stock | 2,691,698 |
| Gladstone Cap Corp | Common Stock | 6,306 |
| Glaxosmithkline Plc Sponsored Adr | Common Stock | 1,961 |
| Gmx Res Inc | Common Stock | 1,104 |
| Gold Amern Mng Corp Com | Common Stock | 1,350 |
| Goldbrook Ventures Inc Com Npv | Common Stock | 6,038 |
| Goldcorp Inc New | Common Stock | 45,980 |
| Goldman Sachs Group | Common Stock | 581,624 |
| Goldman Sachs Group | Common Stock | 4,451,914 |
| Goldman Sachs Group | Common Stock | 112,705 |
| Goodrich Corp | Common Stock | 1,625,324 |
| Google Inc | Common Stock | 6,122,097 |
| Google Inc Cl A | Common Stock | 146,117 |
| Government Pptys Income Tr Com Shs Ben Int | Common Stock | 8,037 |
| Grand Pacaraima Gold Corp | Common Stock | 6 |
| Great Wolf Resorts Inc | Common Stock | 261 |
| Green Earth Technologies Inc | Common Stock | 7,000 |
| Green Mtn Coffee Roasters Inc | Common Stock | 8,149 |
| Gsi Technology Inc | Common Stock | 4,050 |
| Guess? Inc | Common Stock | 1,704 |
| Halliburton Co Holding Co | Common Stock | 21,454 |
| Halozyme Therapeutics Inc | Common Stock | 145,427 |
| Hancock Holding Co | Common Stock | 75,821 |
| Hansen Natural Corp | Common Stock | 1,255 |
| Harley Davidson Inc Wisc | Common Stock | 3,467 |

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|-------------------------------|--------------|---------|
| Hartford Finl Svcs Group Inc | Common Stock | 3,368 |
| Hasbro Inc | Common Stock | 14,511 |
| Hauppague Digital | Common Stock | 8,960 |
| HCP Inc Com | Common Stock | 14,792 |
| Headwaters Inc | Common Stock | 5,725 |
| Health Net Inc | Common Stock | 269,684 |
| Healthcare Services Group Inc | Common Stock | 44,356 |
| Healthwarehouse.com Com New | Common Stock | 69 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at
End of Year)
Employer Identification Number: 36-0781620 and
Plan Number 023
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Schedule I

| | | |
|-------------------------------------|--------------|-----------|
| Helix Energy Solutions Group Inc | Common Stock | 2,732 |
| Hellenic Telecomm Org Adr | Common Stock | 352 |
| Henry Jack & Associates Inc | Common Stock | 5,422 |
| Hercules Offshore Inc Com | Common Stock | 17,765 |
| Hess Corp | Common Stock | 627,795 |
| Hess Corp | Common Stock | 3,571 |
| Hewlett Packard Co | Common Stock | 861,200 |
| Hewlett-Packard Co | Common Stock | 52,625 |
| Home Depot Inc | Common Stock | 98,168 |
| Honda Motors Ltd Adr New | Common Stock | 3,081 |
| Honeywell International | Common Stock | 1,229,284 |
| Honeywell International | Common Stock | 33,170 |
| Hospira Inc | Common Stock | 5,123 |
| Hot Topic Inc | Common Stock | 3,144 |
| Hovnanian Enterprise Inc Cl A | Common Stock | 12,270 |
| HSBC Holdings Plc Spons ADR | Common Stock | 31,196 |
| HSN Inc Del Com | Common Stock | 368 |
| Huaneng Power Intl Inc - Adr | Common Stock | 33,865 |
| Human Genome Sciences Inc | Common Stock | 10,273 |
| Huntington Bancshares Inc Com | Common Stock | 4,639 |
| Hydrogenics Corporation New Com Npv | Common Stock | 271 |
| Hyperdynamics Corp | Common Stock | 22,320 |
| Iac / Interactivecrp Com | Common Stock | 890 |
| Icad Inc | Common Stock | 1,350 |
| IGO Inc Com | Common Stock | 192 |
| Illinois Tool Works | Common Stock | 1,728 |
| Imaging3 Inc Com | Common Stock | 18,978 |
| Imation Corp | Common Stock | 1,031 |
| Imax Corp | Common Stock | 5,614 |
| Immunomedics Inc | Common Stock | 3,580 |
| Incyte Genomics Inc | Common Stock | 29,725 |
| Indymac Bancorp Inc | Common Stock | 4 |
| Infinera Corp | Common Stock | 32,922 |
| Infosys Technologies Limited Adr | Common Stock | 3,804 |
| Ingersoll Rand PLC | Common Stock | 1,177,336 |
| Ingles Mkts Inc Cl A | Common Stock | 9,600 |
| Inovio Biomedical Corp | Common Stock | 3,450 |
| Insmmed Inc Com New | Common Stock | 7,878 |
| Intel Corp | Common Stock | 145,966 |
| Intel Corp | Common Stock | 1,455,208 |
| International Coal Group Inc New | Common Stock | 15,480 |

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| | | |
|--------------------------------|--------------|-----------|
| International Game Technology | Common Stock | 1,238 |
| Internet Cap Group Inc Com New | Common Stock | 1,069 |
| Internet Holders Tr | Common Stock | 14,452 |
| Interoil Corp | Common Stock | 14,414 |
| Interval Leisure Group Inc Com | Common Stock | 194 |
| Intl Business Mach | Common Stock | 33,021 |
| Intl Fuel Tech Inc New | Common Stock | 1,150 |
| Intl Game Technology | Common Stock | 1,225,455 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at
End of Year)
Employer Identification Number: 36-0781620 and
Plan Number 023
December 31, 2010

Schedule I

| | | |
|-------------------------------------|--------------|-----------|
| Intl Speedway Cl A | Common Stock | 1,047 |
| Intuit Inc | Common Stock | 511,549 |
| Intuitive Surgical Inc | Common Stock | 603,668 |
| Intuitive Surgical Inc Com New | Common Stock | 2,578 |
| Invesco Ltd | Common Stock | 1,150,780 |
| Invesco Van Kampen Sr Income Tr Com | Common Stock | 12,505 |
| Invo Bioscience Inc Com | Common Stock | 80 |
| Ion Geophysical Corp Com | Common Stock | 4,240 |
| IPG Photonics Corp Com | Common Stock | 6,008 |
| Irvine Sensors Corp Com | Common Stock | 84 |
| Ivanhoe Energy Com | Common Stock | 26,656 |
| Ivax Diagnostics Inc | Common Stock | 3,420 |
| J P Morgan Chase & Co | Common Stock | 63,639 |
| Ja Solar Hldgs Co Ltd Sponsored Adr | Common Stock | 7,833 |
| Jabil Circuit Inc | Common Stock | 24,563 |
| Jackson Hewitt Tax Svc Inc | Common Stock | 4,557 |
| Jazz Pharmaceuticals Inc | Common Stock | 3,936 |
| Jds Uniphase Corp Com | Common Stock | 18,998 |
| Jensen Portfolio Inc | Common Stock | 69,739 |
| Jetblue Awys Corp | Common Stock | 14,212 |
| John Bean Technologies Corp Com | Common Stock | 442 |
| Johnson & Johnson | Common Stock | 174,104 |
| Johnson & Johnson | Common Stock | 2,340,938 |
| Johnson Controls Inc | Common Stock | 2,196,472 |
| Johnson Controls Inc | Common Stock | 16,350 |
| Joy Global Inc | Common Stock | 6,506 |
| JPMorgan Chase & Co | Common Stock | 2,502,628 |
| JPMorgan Chase & Co | Common Stock | 6,136,260 |
| Juniper Networks Inc | Common Stock | 6,276 |
| K Sea Transn Partners LP | Common Stock | 9,700 |
| K V Pharmaceutical Co Cl A | Common Stock | 15,300 |
| Kansas City Southern Com | Common Stock | 9,572 |
| KB Home | Common Stock | 18,038 |
| Keegan Res Inc | Common Stock | 17,580 |
| Kellogg Company | Common Stock | 4,007 |
| Keryx Biopharmaceuticals Inc | Common Stock | 10,378 |
| Keycorp New | Common Stock | 8,850 |
| Khd Humboldt Wedag Intl (Dt) Ag | Common Stock | 2,691 |
| Kilroy Realty Corp | Common Stock | 2,237 |
| Kimberly Clark Corp | Common Stock | 12,608 |
| Kimberly Clark Corp | Common Stock | 498,377 |

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|----------------------------------|--------------|---------|
| Kinder Morgan Energy Partners LP | Common Stock | 185,436 |
| Kinder Morgan Mgmt Llc Shs | Common Stock | 6,420 |
| Kinross Gold Corp New Com No Par | Common Stock | 34,128 |
| KLA Tencor Corp | Common Stock | 636,538 |
| Knight Cap Group Inc | Common Stock | 6,895 |
| Knightsbridge Tank Com | Common Stock | 21,602 |
| Kobex Minerals Inc Com | Common Stock | 940 |
| Kodiak Oil & Gas Corp Com Npv | Common Stock | 5,280 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at
End of Year)
Employer Identification Number: 36-0781620 and
Plan Number 023
December 31, 2010

Schedule I

| | | |
|--|--------------|-----------|
| Kohls Corp | Common Stock | 891,413 |
| Kohls Corp | Common Stock | 2,434,203 |
| Kohls Corp | Common Stock | 54,340 |
| Kraft Foods Inc Cl A | Common Stock | 26,129 |
| Krispy Kreme Doughnuts Inc | Common Stock | 6,980 |
| Kroger Co | Common Stock | 565,670 |
| Kronos Worldwide Inc | Common Stock | 88 |
| L-3 Communications Hldgs Inc | Common Stock | 35,393 |
| Labopharm Inc Com | Common Stock | 2,316 |
| Laboratory Corp Of America Hldgs New | Common Stock | 17,584 |
| Lakes Entmt Inc Com | Common Stock | 28,500 |
| Landstar Systems Inc | Common Stock | 5,118 |
| Las Vegas Sands Corp | Common Stock | 19,529 |
| LDK Solar Co Ltd Sponsored Adr | Common Stock | 7,883 |
| Leapfrog Enterprises Inc Cl A | Common Stock | 5,550 |
| Lear Corp | Common Stock | 565,771 |
| Legacy Resvs LP Unit | Common Stock | 2,872 |
| Legg Mason | Common Stock | 11,659 |
| Lehman Bros Hldgs Corp | Common Stock | 112 |
| Level 3 Communications Inc | Common Stock | 970 |
| Liberator Med Hldgs Inc | Common Stock | 5,324 |
| Lightbridge Corp Com | Common Stock | 804 |
| Lilly Eli & Co | Common Stock | 2,102 |
| Limelight Networks Inc Com | Common Stock | 16,849 |
| Limited Brands Inc | Common Stock | 1,275,601 |
| Linn Energy Llc Unit Repstg Ltd Liability Co | Common Stock | 123,717 |
| Linux Gold Corp | Common Stock | 300 |
| Live Nation Entertainment Inc Com | Common Stock | 194 |
| Lloyds Banking Group Adr | Common Stock | 8,220 |
| LML Payment Systems Com Stk Npv | Common Stock | 5,235 |
| Lowes Co | Common Stock | 540,301 |
| Lowes Co | Common Stock | 939,330 |
| Lowes Co | Common Stock | 33,753 |
| LSI Logic Corp | Common Stock | 18,515 |
| Lyondellbasell Indu | Common Stock | 1,227,205 |
| Macys Inc | Common Stock | 25,300 |
| Mahanagar Tel Nigam Ltd Spon Adr | Common Stock | 488 |
| Makemytrip Ltd | Common Stock | 70,278 |
| Manhattan Pharmaceuticals Inc Com New | Common Stock | 45 |
| Manhattan Scientific Inc | Common Stock | 2,520 |
| Manitowoc Inc | Common Stock | 2,491 |

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| | | |
|--------------------------|--------------|-----------|
| Mankind Corp | Common Stock | 3,224 |
| Marathon Oil Corp | Common Stock | 52,932 |
| Marathon Oil Corp | Common Stock | 1,247,842 |
| Marathon Oil Corp | Common Stock | 1,291,754 |
| Markel Corp Hldg Co | Common Stock | 69,576 |
| Marvell Technology Group | Common Stock | 2,063,106 |
| Massmutual Partn Invs | Common Stock | 27,760 |
| Mastercard Inc Cl A | Common Stock | 24,698 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at
End of Year)
Employer Identification Number: 36-0781620 and
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December 31, 2010

Schedule I

| | | |
|---------------------------------------|--------------|-----------|
| Maxwell Tech Inc | Common Stock | 18,890 |
| McDonalds Corp | Common Stock | 13,052 |
| McMoran Exploration Co | Common Stock | 13,712 |
| MedClean Technologies Inc Com | Common Stock | 960 |
| Medicines Co | Common Stock | 7,065 |
| Medivation Inc Com | Common Stock | 7,585 |
| Medtronic Inc | Common Stock | 7,952 |
| Melco Pbl Entmnt Ltd Adr | Common Stock | 5,406 |
| Merck & Co Inc New Com | Common Stock | 106,203 |
| Metalico Inc | Common Stock | 3,457 |
| Metlife Inc Com | Common Stock | 444 |
| MFA Finl Inc Com | Common Stock | 8,665 |
| Mgic Invst Corp Wis Com | Common Stock | 114,656 |
| MGM Mirage | Common Stock | 112,415 |
| Micro Imaging Technology Inc Com | Common Stock | 180 |
| Microsoft Corp | Common Stock | 144,574 |
| Microsoft Corp | Common Stock | 742,197 |
| Microsoft Corp | Common Stock | 1,662,079 |
| Microsoft Corp | Common Stock | 1,732,712 |
| Microvision Inc Wash | Common Stock | 37,200 |
| Miller Herman Inc | Common Stock | 2,530 |
| Miller Petroleum Inc | Common Stock | 28,600 |
| Mindspeed Technologies Inc Com New | Common Stock | 37 |
| Minefinders Ltd Corp | Common Stock | 11,040 |
| Mips Technologies Inc Com | Common Stock | 7,585 |
| Miravant Medical Technology | Common Stock | |
| Mitcham Inds Inc | Common Stock | 602 |
| Molecular Insight Pharmaceuticals Inc | Common Stock | 64 |
| Molycorp Inc Delaware Com | Common Stock | 19,960 |
| Momenta Pharmaceuticals Inc | Common Stock | 2,246 |
| Monsanto Co | Common Stock | 419,798 |
| Monsanto Co | Common Stock | 5,873 |
| Morgan Stanley | Common Stock | 548,542 |
| Morgan Stanley | Common Stock | 1,274,554 |
| Morgan Stanley | Common Stock | 23,129 |
| Morningstar Inc | Common Stock | 6,900 |
| Motorola Inc | Common Stock | 5,239 |
| Motors Liq Co Com | Common Stock | 304 |
| Motricity Inc Com | Common Stock | 8,171 |
| Multiband Corp Com New | Common Stock | 568 |
| Myriad Genetics Inc | Common Stock | 502 |

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|----------------------------------|--------------|--------|
| Nalco Hldg Co | Common Stock | 12,435 |
| Nanogen Inc | Common Stock | 25 |
| Nanosphere Inc | Common Stock | 327 |
| National Oilwell Varco Inc | Common Stock | 13,268 |
| Nationwide Health Pptys Inc | Common Stock | 3,002 |
| Navios Maritime Holdings Inc Com | Common Stock | 4,252 |
| Navios Maritime Partners LP | Common Stock | 9,764 |
| Neopharm Inc | Common Stock | 540 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at
End of Year)
Employer Identification Number: 36-0781620 and
Plan Number 023
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Schedule I

| | | |
|---|--------------|-----------|
| Nestle SA Sponsored Adr | Common Stock | 117 |
| Netapp Inc Com | Common Stock | 20,885 |
| Netflix Com Inc Com | Common Stock | 28,112 |
| Netgear Inc | Common Stock | 3,368 |
| Netsol Technologies Inc Com | Common Stock | 16,830 |
| Neumedia Inc Com | Common Stock | 8 |
| Neutral Tandem Inc Com | Common Stock | 43,320 |
| New Corp Cl | Common Stock | 1,825,673 |
| New Ireland Fd Inc | Common Stock | 4,845 |
| Newcastle Invt Corp | Common Stock | 3,350 |
| Newell Rubbermaid Inc | Common Stock | 3,825 |
| Newfield Exploration Co | Common Stock | 691,224 |
| Newmont Mining Corp | Common Stock | 1,123,062 |
| News Corp Cl | Common Stock | 1,054,670 |
| News Corp Cl | Common Stock | 5,096 |
| Nexen Inc | Common Stock | 764,898 |
| Nextera Energy Inc Com | Common Stock | 19,247 |
| Noble Energy | Common Stock | 2,378,007 |
| Nokia Corp Adr | Common Stock | 21,156 |
| Nordic American Tanker Shipping Ltd Shs | Common Stock | 52,040 |
| Nortel Networks Corp New Com | Common Stock | 1 |
| North American Palladium Com | Common Stock | 13,880 |
| Northern Dynasty Minerals Ltd | Common Stock | 14,290 |
| Northgate Expl Ltd | Common Stock | 19,200 |
| Northrop Grumman Corp | Common Stock | 1,670,832 |
| Novamed Inc Del Com New | Common Stock | 1,153 |
| Novartis Ag | Common Stock | 1,031,118 |
| Novartis Ag | Common Stock | 12,173 |
| Novatel Wireless Inc | Common Stock | 11,460 |
| Novavax Inc | Common Stock | 1,944 |
| Novelos Therapeutics Inc | Common Stock | 221 |
| Novo Nordisk A/S Adr | Common Stock | 17,786 |
| NPS Pharmaceuticals Inc | Common Stock | 8,690 |
| NRG Energy Inc Com New | Common Stock | 7,503 |
| Nuance Communications Inc Com | Common Stock | 4,072 |
| Nucor Corp | Common Stock | 64,722 |
| Nutracea Com New | Common Stock | 3,675 |
| Nvidia Corp | Common Stock | 29,260 |
| NVR Inc | Common Stock | 580,445 |
| Nxstage Med Inc Com | Common Stock | 9,579 |
| NYSE Euronext | Common Stock | 7,669 |

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| | | |
|---------------------------------|--------------|-----------|
| O Reilly Automotive Inc New Com | Common Stock | 5,317 |
| Occidental Petroleum | Common Stock | 2,004,799 |
| Oceanfreight Inc Com Stk | Common Stock | 5,044 |
| Oclaro Inc Com New | Common Stock | 1,197 |
| Office Depot Inc | Common Stock | 21,600 |
| Office Depot Inc | Common Stock | 243,338 |
| Oilsands Quest Inc Com | Common Stock | 1,405 |
| Olin Corp New | Common Stock | 2,141 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at
End of Year)
Employer Identification Number: 36-0781620 and
Plan Number 023
December 31, 2010

Schedule I

| | | |
|--|--------------|-----------|
| Olympic Steel Inc | Common Stock | 28,680 |
| Omega Navigation Enterprises Inc | Common Stock | 640 |
| Oncogenex Pharmaceuticals Inc Com | Common Stock | 285 |
| Oncolytics Biotech Inc | Common Stock | 1,052,570 |
| Oncothyreon Inc Com | Common Stock | 2,445 |
| Onyx Pharmaceuticals Inc | Common Stock | 7,374 |
| Opexa Therapeutics Inc | Common Stock | 441 |
| Optigenex Inc Com New | Common Stock | 98 |
| Oracle Corp | Common Stock | 2,641,827 |
| Oracle Corp | Common Stock | 55,558 |
| Orchid Cellmark Inc | Common Stock | 158 |
| Orexigen Therapeutics Inc | Common Stock | 4,040 |
| Osi Systems Inc Com Stk | Common Stock | 9,090 |
| Osiris Therapeutics Inc New Com | Common Stock | 2,142 |
| Otelco Inc Income Dep Secs Ids | Common Stock | 2,396 |
| Owens Ill Inc Com New | Common Stock | 3,070 |
| Oxigene Inc | Common Stock | 468 |
| Pace Oil & Gas Ltd Com Npv | Common Stock | 655 |
| Pacific Ethanol Inc | Common Stock | 144 |
| Pacific Rim Mining Corp Com New | Common Stock | 6,038 |
| Palatin Technologies Inc Com | Common Stock | 68 |
| Panacos Pharmaceuticals Inc | Common Stock | 1 |
| Panera Bread Company Cl A | Common Stock | 5,061 |
| Parker Hannifin Corp | Common Stock | 1,117,207 |
| Patriot Coal Corp Com | Common Stock | 4,843 |
| Patterson-Uti Energy Inc | Common Stock | 12,930 |
| Paychex Inc | Common Stock | 29,215 |
| PDI Inc | Common Stock | 1,054 |
| PDL Biopharma Inc Com | Common Stock | 34,402 |
| Peabody Energy Corp | Common Stock | 60,781 |
| Pengrowth Energy Tr Unit New | Common Stock | 3,315 |
| Penn Va Resource Partners LP Com | Common Stock | 8,636 |
| Penn West Energy Tr Tr Unit | Common Stock | 12,529 |
| Peoples Utd Finl Inc | Common Stock | 42,546 |
| Pepisco Inc | Common Stock | 1,249,883 |
| Pepsico Inc | Common Stock | 24,676 |
| Permian Basin Rty Tr | Common Stock | 7,931 |
| Perrigo Co | Common Stock | 38,598 |
| Petrochina Co Ltd Spon Adr | Common Stock | 1,578 |
| Petrohawk Energy Corp | Common Stock | 59,313 |
| Petroleo Brasileiro Sa Petrobras Spons Adr | Common Stock | 26,488 |

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| | | |
|----------------------------|--------------|-----------|
| Petrominerales Ltd Com | Common Stock | 13,349 |
| Petsmart Inc | Common Stock | 2,787 |
| Pfizer Inc | Common Stock | 115,461 |
| Pfizer Inc | Common Stock | 1,697,487 |
| Pfizer Inc | Common Stock | 2,175,068 |
| Pharmathene Inc | Common Stock | 4,230 |
| Pharmos Corp Com | Common Stock | 3 |
| Philip Morris Intl Inc Com | Common Stock | 85,440 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|---|--------------|-----------|
| Pilgrims Pride Corp New Com | Common Stock | 80,280 |
| Pioneer Drilling Co | Common Stock | 881 |
| Pitney Bowes Inc | Common Stock | 33,579 |
| Plum Creek Timber Co Inc | Common Stock | 11,235 |
| Pluristem Therapeutics Inc | Common Stock | 2,860 |
| PMC-Sierra Inc | Common Stock | 6,013 |
| PMI Group Inc | Common Stock | 15,593 |
| PNC Finl Svcs Group | Common Stock | 38,953 |
| Polymedix Inc Com | Common Stock | 10,000 |
| Polymet Mining Corp | Common Stock | 41,732 |
| Pop3 Media Corp | Common Stock | 5 |
| Portfolio Recovery Assocs Inc | Common Stock | 1,203 |
| Positiveid Corp Com | Common Stock | 6,200 |
| Potash Corp of Saskatche | Common Stock | 1,477,266 |
| Potash Corp Sask Inc | Common Stock | 287,250 |
| Power 3 Med Prods Inc | Common Stock | 77 |
| PPG Industries | Common Stock | 33,628 |
| Precision Castparts Corp | Common Stock | 15,592 |
| Priceline Com Inc Com New | Common Stock | 11,987 |
| Procter & Gamble Co | Common Stock | 122,353 |
| Progress Energy Inc | Common Stock | 28,353 |
| Prologis Trust | Common Stock | 306 |
| Prospect Energy Corp | Common Stock | 11,857 |
| Provident Energy Tr | Common Stock | 5,436 |
| Proxim Wireless Corp Com New | Common Stock | 440 |
| PT Telekomunikasi Indonesia Adr | Common Stock | 23,454 |
| Qiao Xing Universal Resources Inc Com | Common Stock | 2,830 |
| Qualcomm Inc | Common Stock | 42,067 |
| Quality Systems | Common Stock | 10,124 |
| Quantum Corp Dlt & Storage | Common Stock | 5,580 |
| Quantum Fuel Sys Technologies Worldwide Inc | Common Stock | 4,500 |
| Quest Diagnostics Inc | Common Stock | 13,493 |
| Radian Group Inc | Common Stock | 4,091 |
| Rait Financial Trust | Common Stock | 1,095 |
| Rambus Inc | Common Stock | 20,480 |
| Randgold Res Ltd | Common Stock | 10,456 |
| Rayonier Inc | Common Stock | 10,504 |
| Raytheon Company | Common Stock | 4,634 |
| Raytheon Company | Common Stock | 261,025 |
| Realty Income Corp (Maryland) | Common Stock | 5,174 |
| Rediff.com India Adr | Common Stock | 5,290 |
| Redwood Trust Inc | Common Stock | 8,958 |
| Regeneron Pharmaceuticals Inc | Common Stock | 16,415 |

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| | | |
|------------------------|--------------|--------|
| Regions Finl Corp | Common Stock | 14,378 |
| Rentech Inc | Common Stock | 1,220 |
| Repligen Corp | Common Stock | 1,642 |
| Research In Motion Ltd | Common Stock | 55,979 |
| Resource Cap Corp | Common Stock | 7,261 |
| Rino Intl Corp | Common Stock | 2,485 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|---|--------------|-----------|
| Rio Tinto Plc Sponsored ADR | Common Stock | 4,074 |
| Riverbed Technology Inc | Common Stock | 10,551 |
| Rock-Tenn Co Cl A | Common Stock | 8,093 |
| Rockwell Automation Inc | Common Stock | 28,684 |
| Rockwell Medical Tech Inc | Common Stock | 1,999 |
| Rosetta Stone Inc | Common Stock | 2,122 |
| Rovi Corp | Common Stock | 565,607 |
| Royal Bk Scotland Group Plc Sponsored ADR | Common Stock | 616 |
| Royal Caribbean Cruises Ltd | Common Stock | 473,750 |
| Royal Gold Inc | Common Stock | 10,926 |
| RTI Biologics Inc Com | Common Stock | 67,132 |
| Rubicon Minerals Corp | Common Stock | 117,055 |
| Rxi Pharmaceuticals Corp Com | Common Stock | 12,900 |
| Saba Software Inc Com New | Common Stock | 765 |
| Safer Shot Inc Com | Common Stock | 25 |
| Safeway Inc | Common Stock | 853,438 |
| Salesforce Com Inc | Common Stock | 13,200 |
| Samson Oil & Gas Ltd Sponsored ADR | Common Stock | 1,320 |
| San Gold Corporation Com | Common Stock | 2,797 |
| Sandisk Corp | Common Stock | 19,944 |
| Sandridge Energy Inc Com | Common Stock | 113,314 |
| Sanmina-Sci Corp Com New | Common Stock | 2,296 |
| Sanofi-Synthelabo ADR | Common Stock | 11,571 |
| Santarus Inc | Common Stock | 1,635 |
| Sara Lee Corp | Common Stock | 654,078 |
| Satyam Computer Svcs Ltd | Common Stock | 83 |
| Savient Pharmaceuticals Inc | Common Stock | 16,710 |
| Schlumberger Ltd | Common Stock | 5,918,043 |
| Schlumberger Ltd | Common Stock | 65,631 |
| Seabridge Gold Inc | Common Stock | 4,909 |
| SeaDrill Ltd | Common Stock | 20,352 |
| Sears Hldgs Corp | Common Stock | 22,125 |
| Seawright Hldgs Inc | Common Stock | 20 |
| Senior Hsg Pptys Tr | Common Stock | 7,679 |
| Ship Finance International Limited | Common Stock | 613 |
| Sigma Designs | Common Stock | 2,834 |
| Silicon Image Inc | Common Stock | 2,205 |
| Silver Wheaton Corp Com | Common Stock | 122,000 |
| Silvercorp Metals Inc Com | Common Stock | 48,754 |
| Sincere Pharmaceutical Group Spons ADR | Common Stock | 3,423 |
| Simulations Plus Inc | Common Stock | 1,076 |
| Sinclair Broadcast Group Inc Cl A | Common Stock | 3,926 |
| Sino Clean Energy Inc Com New | Common Stock | 16,525 |

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|------------------------------------|--------------|---------|
| Sirius Xm Radio Inc Com | Common Stock | 156,107 |
| Skybridge Technology Group Inc Com | Common Stock | 2,005 |
| Skyworks Solutions Inc Com | Common Stock | 1,002 |
| Slm Corp Com | Common Stock | 5,036 |
| Smith & Wesson Hldg Corp | Common Stock | 1,870 |
| Smithfield Foods inc. | Common Stock | 613,645 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|---|--------------|-----------|
| SMTC Corp Com New | Common Stock | 4,800 |
| Sociedad Quimica Minera De Chile | Common Stock | 292,100 |
| Socket Mobile Inc Com New | Common Stock | 100 |
| Solarfun Pwr Hldgs Co Ltd Sponsored Adr | Common Stock | 82 |
| Somaxon Pharmaceuticals Inc Com | Common Stock | 2,993 |
| Sothebys Hldgs Inc Delaware | Common Stock | 1,800 |
| Southern Co | Common Stock | 141,451 |
| Southern Copper Corp Del Com | Common Stock | 39,195 |
| Southwest Airlines | Common Stock | 1,223,699 |
| Southwest Airlines | Common Stock | 9,748 |
| Southwestern Energy Co | Common Stock | 2,058,616 |
| Spectra Energy Corp Com | Common Stock | 20,780 |
| Spectranetics Corp | Common Stock | 11,971 |
| Spectrum Pharmaceuticals Inc | Common Stock | 2,061 |
| Spirit Aerosystems Hldgs Inc Cl A | Common Stock | 1,561 |
| Sprint Corp | Common Stock | 13,853 |
| St Joe Corp | Common Stock | 2,294 |
| St Jude Medical Inc | Common Stock | 24,410 |
| Standard Pkg Corp | Common Stock | 5,694 |
| Stanley Black & Decker | Common Stock | 1,197,735 |
| Star Bulk Carriers Corp Shs | Common Stock | 676 |
| Star Scientific Inc | Common Stock | 1,950 |
| Starbucks Corp | Common Stock | 993,817 |
| * State Street Corp | Common Stock | 1,762 |
| * State Street Corp | Common Stock | 1,273,070 |
| Statoil Asa Spon Adr | Common Stock | 2,463 |
| Steel Dynamics Inc | Common Stock | 18,732 |
| Stemcells Inc | Common Stock | 1,944 |
| Sterlite Inds India Ltd Ads I | Common Stock | 1,191 |
| Stonemor Partners LP Com Units | Common Stock | 9,015 |
| Strategic Amern Oil Corp Com | Common Stock | 1,700 |
| Stryker Corp | Common Stock | 6,337 |
| Sulphco Inc Com | Common Stock | 195 |
| Suncor Energy | Common Stock | 1,408,926 |
| Suncor Energy | Common Stock | 2,519 |
| Sunesis Pharmaceuticals Inc Com | Common Stock | 5,720 |
| Sunoco Inc | Common Stock | 1,246,834 |
| Suntech Pwr Hldgs Co Ltd Adr | Common Stock | 2,203 |
| Suntrust Banks Inc | Common Stock | 6,584 |
| Surewest Communications | Common Stock | 584 |
| Svensk Exportkredit Aktiebolaget | Common Stock | 10,720 |
| Symantec Corp | Common Stock | 1,172,879 |
| Synovus Finl Corp | Common Stock | 7,740 |

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| | | |
|--|--------------|---------|
| Sysco Corp | Common Stock | 21,168 |
| Taiwan Semiconductor Manufacturing Ads | Common Stock | 5,041 |
| Talon Therapeutics Inc Com | Common Stock | 5,280 |
| Target Corp | Common Stock | 6,164 |
| Target Corp | Common Stock | 714,245 |
| Targeted Genetics Corp Com New | Common Stock | 7 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|---|--------------|-----------|
| Taseko Mines Ltd | Common Stock | 83,916 |
| Taser International Inc | Common Stock | 11,280 |
| Tata Mtrs Ltd Sponsored Adr | Common Stock | 30,395 |
| Teck Cominco Ltd Cl B Sub Vtg | Common Stock | 12,366 |
| Teekay Corp | Common Stock | 135 |
| Teekay Offshore Partners LP | Common Stock | 7,457 |
| Teledyne Tech Inc | Common Stock | 4,397 |
| Telefonica SA Adr Reprstg Three Shrs | Common Stock | 6,842 |
| Telestone Technologies Corp | Common Stock | 15,399 |
| Tellabs Inc | Common Stock | 7,458 |
| Tencent Holdings Limited Shs | Common Stock | 10,864 |
| Tenet Healthcare Corp | Common Stock | 8,363 |
| Terex Corp New | Common Stock | 2,328 |
| Terra Nova Royalty Com Stk Npv | Common Stock | 3,499 |
| Tesla Motors Inc Com | Common Stock | 2,663 |
| Tesoro Pete Corp | Common Stock | 593 |
| Teva Pharmaceutical Inds Ltd Adr | Common Stock | 51,412 |
| Teva Pharmaceuticals | Common Stock | 2,197,657 |
| Texas Instruments Inc | Common Stock | 960,298 |
| Texas Pacific Land Trust Sub Share Certificates | Common Stock | 10,944 |
| Theragenics Corp | Common Stock | 2,432 |
| Thomas Pptys Group Inc Com | Common Stock | 1,477 |
| Thompson Creek Metals Co Inc Com | Common Stock | 148,672 |
| Threshold Pharmaceuticals Inc Com New | Common Stock | 68 |
| Time Warner Cable | Common Stock | 1,344,188 |
| Time Warner Cable | Common Stock | 2,575 |
| Time Warner Inc | Common Stock | 276,581 |
| Time Warner Inc | Common Stock | 1,255,739 |
| Time Warner Inc | Common Stock | 5,083 |
| Titanium Metals Corp Com New | Common Stock | 1,718 |
| Toro Co | Common Stock | 16,080 |
| Total Adr Each Rep | Common Stock | 1,148 |
| Tousa Inc | Common Stock | 4 |
| Toyota Mtrs Corp Spon Adr | Common Stock | 15,726 |
| Transcanada Corp | Common Stock | 7,608 |
| Transmeridian Expl Inc | Common Stock | |
| Transocean Ltd Zug Namen -Akt | Common Stock | 44,647 |
| Transwitch Corp Com New | Common Stock | 2,180 |
| Travelers Cos | Common Stock | 908,382 |
| Travelers Cos | Common Stock | 1,281 |
| Tree Com Inc Com | Common Stock | 19 |
| Triangle Cap Corp | Common Stock | 27 |
| Trimedyne Inc | Common Stock | 1,200 |

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|--|--------------|---------|
| Trinity Inds Inc Del Frmly Texas | Common Stock | 1,380 |
| Tronox Inc Com Cl B | Common Stock | 49 |
| Turkcell Iletisim Hizmetleri A.S. Spon Adr | Common Stock | 974 |
| Tyco Electronics | Common Stock | 755,629 |
| Tyco Electronics Ltd Com | Common Stock | 779 |
| Tyco International Ltd Shs | Common Stock | 912 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--------------------------------------|--------------|-----------|
| Tyson Foods Inc Cl A | Common Stock | 3,444 |
| US Awys Group Inc Com | Common Stock | 5,005 |
| US Geothermal Inc | Common Stock | 2,340 |
| US Gold Corp | Common Stock | 2,421 |
| Ultra Petroleum Corp | Common Stock | 5,732 |
| Umpqua Holdings Corp | Common Stock | 1,827 |
| Under Armour Inc Cl A | Common Stock | 16,068 |
| Union Pacific Corp | Common Stock | 9,266 |
| United Continental Holdings Inc Com | Common Stock | 2,382 |
| United Parcel Service | Common Stock | 2,906,641 |
| United Parcel Svc Inc Cl B | Common Stock | 11,979 |
| United States Steel Corp | Common Stock | 98,694 |
| United Technologies Corp | Common Stock | 7,872 |
| Unitedhealth Group Inc | Common Stock | 9,136 |
| Universal Display Corp | Common Stock | 7,050 |
| Universal Ins Hldgs Inc | Common Stock | 10,054 |
| Uranerz Energy Corp Com | Common Stock | 1,796 |
| Uranium One Inc | Common Stock | 551 |
| Uranium Res Inc Com | Common Stock | 9,180 |
| US Bancorp Del Com New | Common Stock | 6,064 |
| USEC Inc | Common Stock | 4,515 |
| USG Corp Com New | Common Stock | 6,732 |
| Valero Energy Corp | Common Stock | 12,995 |
| Valero Energy Corp | Common Stock | 875,060 |
| Vasco Data Security Intl | Common Stock | 276 |
| Vaso Active Pharmaceuticals Inc Cl A | Common Stock | 120 |
| Verenium Corp Com New | Common Stock | 131 |
| Verisign Inc | Common Stock | 327 |
| Verizon Communications | Common Stock | 253,877 |
| Vertex Pharmaceutcls Inc | Common Stock | 28,024 |
| Vertex Pharmaceuticals | Common Stock | 1,076,594 |
| Via Net Works Inc | Common Stock | 490 |
| Via Pharmaceuticals Inc | Common Stock | 1 |
| Viacom Inc | Common Stock | 551,919 |
| Vimpelcom Ltd Spon Adr | Common Stock | 25,625 |
| Viral Genetics Inc Del | Common Stock | 280 |
| Viropharma Inc | Common Stock | 1,732 |
| Visa Inc | Common Stock | 438,864 |
| Visa Inc | Common Stock | 1,022,393 |
| Visa Inc Com Cl A | Common Stock | 10,557 |
| Vivus Inc | Common Stock | 9,370 |
| Vmware Inc Cl A Com | Common Stock | 40,187 |
| Vodafone Group | Common Stock | 791,391 |

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| | | |
|------------------------|--------------|-----------|
| Volt Info Sciences Inc | Common Stock | 4,325 |
| Vonage Hldgs Corp Com | Common Stock | 2,240 |
| Vulcan Materials Co | Common Stock | 1,553 |
| W & T Offshore Inc | Common Stock | 5,361 |
| Wal-Mart Stores Inc | Common Stock | 57,529 |
| Wal-Mart Stores Inc | Common Stock | 1,604,162 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--|--------------|-----------|
| Walgreen Company | Common Stock | 81,994 |
| Walt Disney Co | Common Stock | 2,235,196 |
| Walter Invt Mgmt Corp Com | Common Stock | 42,475 |
| Warner Chilcott Plc Com Class | Common Stock | 4,934 |
| Washington Mutual Inc | Common Stock | 1,515 |
| Waste Management Inc Of Delaware | Common Stock | 25,152 |
| Waytronx Inc Com | Common Stock | 125 |
| Weatherford Int Ltd | Common Stock | 45,600 |
| Weingarten Rlty Invs Sh Ben Int | Common Stock | 11,941 |
| Wellcare Health Plans Inc | Common Stock | 1,511 |
| Wells Fargo & Co | Common Stock | 2,425,481 |
| Wells Fargo & Co New | Common Stock | 35,221 |
| Wendys Arbys Group Inc Com | Common Stock | 4,742 |
| Westamerica Bancorporation | Common Stock | 44,692 |
| Westell Technologies Inc Cl A | Common Stock | 3,270 |
| Western Cap Res Inc Com | Common Stock | |
| Western Digital Corp | Common Stock | 16,949 |
| Western Union Co Com | Common Stock | 1,856 |
| Whole Foods Mkt Inc | Common Stock | 1,083 |
| Williams Cos Inc | Common Stock | 5,152 |
| Windstream Corp Com | Common Stock | 85,317 |
| Winn Dixie Stores Inc Com New | Common Stock | 717 |
| Winner Med Group Inc Com New | Common Stock | 1,099 |
| Wintrust Financial Corp | Common Stock | 19,817 |
| WMS Inds Inc | Common Stock | 4,523 |
| Wonder Auto Technology Inc Com | Common Stock | 4,116 |
| Wuxi Pharmatech Cayman Inc Sponsored Adr | Common Stock | 6,455 |
| Wynn Resorts Ltd | Common Stock | 15,575 |
| Xerox Corp | Common Stock | 1,193 |
| Xinyuan Real Estate Co Ltd Sponsored Adr | Common Stock | 394 |
| XL Group PLC | Common Stock | 353,630 |
| Xoma Ltd Com Stk | Common Stock | 12,306 |
| Yahoo Inc | Common Stock | 14,584 |
| Yamana Gold Inc | Common Stock | 12,218 |
| Yingli Green Energy Hldg Co Ltd Adr | Common Stock | 1,975 |
| Ym Biosciences Inc Com | Common Stock | 5,416 |
| Yongye Intl Inc Com | Common Stock | 21,805 |
| YRC Worldwide Inc Com New | Common Stock | 44,074 |
| Yum! Brands Inc | Common Stock | 74,007 |
| Zap Com New | Common Stock | 900 |
| Zimmer Holdings Inc | Common Stock | 53 |
| Zion Oil & Gas Inc Com Issue | Common Stock | 5,950 |
| Zoltek Cos Inc | Common Stock | 20,825 |

| | | |
|--------------|--|----------------|
| Common Stock | | \$ 434,917,596 |
|--------------|--|----------------|

**** U.S Government and Government Agency Issues:**

| | | |
|-----------------------|------------------|---------|
| Fed HM LN Pool A37176 | 5.0% 01 Sep 2035 | 608,505 |
|-----------------------|------------------|---------|

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|-------------------------|--------------------|-----------|
| Fed HM LN Pool A46049 | 5.0% 01 Jul 2035 | 486,049 |
| Fed HM LN Pool C48827 | 6.0% 01 Mar 2031 | 12,716 |
| Fed HM LN Pool G12334 | 5.0% 01 Sep 2021 | 294,287 |
| Federal Home LN Mtg | 5.0% 15 Dec 2023 | 3,492 |
| Federal Home LN Mtg | 5.0% 15 Sep 2018 | 13,193 |
| Federal Home LN Mtg | 5.0% 15 Mar 2019 | 78,581 |
| Federal Home LN Mtg | 5.0% 15 Jan 2030 | 150,529 |
| FNMA Pool 256398 | 6.0% 01 Sep 2021 | 63,710 |
| FNMA Pool 323887 | 6.0% 01 Dec 2013 | 35,590 |
| FNMA Pool 581043 | 6.0% 01 May 2016 | 23,394 |
| FNMA Pool 615005 | 6.0% 01 Dec 2016 | 40,994 |
| FNMA Pool 694448 | 5.5% 01 Apr 2033 | 420,839 |
| FNMA Pool 725690 | 6.0% 01 Aug 2034 | 310,500 |
| FNMA Pool 745418 | 5.5% 01 Apr 2036 | 188,620 |
| FNMA Pool 748115 | 6.0% 01 Oct 2033 | 94,402 |
| FNMA Pool 815316 | 5.5% 01 May 2035 | 539,021 |
| FNMA Pool 822979 | 5.5% 01 Apr 2035 | 511,538 |
| FNMA Pool 885504 | 6.0% 01 Jun 2021 | 181,511 |
| FNMA Pool 888102 | 5.5% 01 May 2036 | 29,443 |
| FNMA Pool 902793 | 6.5% 01 Nov 2036 | 260,417 |
| FNMA Pool AB1149 | 5.0% 01 Jun 2040 | 1,277,996 |
| Mexico St | 8.0% 17 Dec 2015 | 119,854 |
| United States Treas NTS | 0.875% 28 Feb 2011 | 1,731,692 |
| United States Treas NTS | 1.125% 15 Dec 2011 | 4,153,101 |
| US Treasury | 4.375% 15 May 2040 | 645,632 |
| US Treasury | 4.5% 15 Aug 2039 | 680,091 |
| US Treasury | 3.375% 15 Nov 2019 | 701,334 |
| US Treasury | 1.375% 15 Sep 2012 | 3,118,772 |
| US Treasury | 1.0% 31 Dec 2011 | 3,288,287 |

U.S Government and Government Agency Issues

\$ 20,064,090

**** Corporate and Other Obligations:**

| | | |
|--------------------------|--------------------|---------|
| Abu Dhabi Natl Energy | 7.25% 01 Aug 2018 | 350,353 |
| AES Corp | 7.75% Oct 15 2015 | 158,283 |
| AES Corp | 8.0% 15 Oct 2017 | 177,707 |
| AESP Funding II LLC | 5.68% 20 Feb 2014 | 211,796 |
| Agilent Technologies Inc | 6.5% 01 Nov 2017 | 509,453 |
| Albertson s Inc | 6.625% 01 Jun 2028 | 17,299 |
| Albertson s Inc | 7.5% 15 Feb 2011 | 257,330 |

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| | | |
|---------------------|--------------------|---------|
| Alcoa Inc | 5.95% 01 Feb 2011 | 138,968 |
| Alcoa Inc | 6.15% 15 Aug 2020 | 329,903 |
| Ally Financial Inc | 6.25% 01 Dec 2017 | 276,779 |
| Alta Wind Holdings | 7.0% 30 Jun 2035 | 205,586 |
| Altria Group Inc | 9.25% 06 Aug 2019 | 70,951 |
| Altria Group Inc | 9.95% 10 Nov 2038 | 487,522 |
| American Tower Corp | 4.625% 01 Apr 2015 | 148,704 |
| American Tower Corp | 4.5% 15 Jan 2018 | 205,771 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|-------------------------------|--------------------|---------|
| Anheuser Busch Cos | 4.95% 15 Jan 2014 | 21,273 |
| Anheuser Busch Cos | 6.5% 01 May 2042 | 143,832 |
| Anheuser Busch InBev | 4.125% 15 Jan 2015 | 567,399 |
| ArcelorMittal | 3.75% 05 Aug 2015 | 697,708 |
| AT&T Corp | 6.5% 15 Mar 2029 | 20,627 |
| AT&T Inc Sr | Preferred Stock | 2,661 |
| Ball Corp | 6.75% 15 Sep 2020 | 88,223 |
| * Banc Amer Coml Mtg | 1.0% 10 Apr 2049 | 154,943 |
| * Bank Amer Corp | 4.75% 15 Aug 2013 | 220,937 |
| * Bank of America Credit Card | 1.0% 15 Jan 2016 | 76,290 |
| * Bank of America Credit Card | 1.0% 16 Jun 2014 | 92,611 |
| Bank One Issuance Trust | 4.77% 16 Feb 2016 | 109,838 |
| Barclays Bank PLC | 5.0% 22 Sep 2016 | 209,205 |
| Barclays Bank PLC | 5.2% 10 Jul 2014 | 213,531 |
| Bear Stearns Coml Mtg | 1.0% 11 Jun 2040 | 184,571 |
| Bemis Company Inc | 5.65% 01 Aug 2014 | 58,437 |
| Biomed Realty LP | 6.125% 15 Apr 2020 | 93,935 |
| Bottling Group LLC | 5.125% 15 Jan 2019 | 161,752 |
| BP Capital Markets | 4.5% 01 Oct 2020 | 507,848 |
| Brocade Communications | 6.875% 51 Jan 2020 | 47,374 |
| Brocade Communications | 6.625% 15 Jan 2018 | 145,655 |
| Camden PPTY Tr | 5.0% 15 Jun 2015 | 26,107 |
| Camden PPTY Tr | 5.375% 15 Dec 2013 | 26,475 |
| Cameron Intl Corp | 6.375% 15 Jul 2018 | 12,059 |
| Cameron Intl Corp | 7.0% 15 Jul 2038 | 42,111 |
| Canadian Pacific RR Co | 7.25% 15 May 2019 | 99,949 |
| Capital One Multi Asset | 1.0% 15 Jul 2020 | 104,642 |
| Case New Holland Inc | 7.75% 01 Sep 2013 | 63,758 |
| CBS Corp | 5.75% 15 Apr 2020 | 131,305 |
| CC Holdings GS | 7.75% 01 May 2017 | 183,588 |
| CD | 5.322% 11 Dec 2049 | 563,527 |
| CF Industries Holdings | 6.875% 01 May 2018 | 79,327 |
| Chesapeake Energy Corp | 6.5% 15 Aug 2017 | 14,902 |
| Chesapeake Energy Corp | 7.625% 15 Jul 2013 | 123,197 |
| Chevron Phillips Chemical | 7.0% 15 Jun 2014 | 188,264 |
| Cincinnati Bell Inc | 8.75% 15 Mar 2018 | 152,908 |
| CIT Equip Coll | 6.59% 22 Dec 2014 | 160,745 |
| Citibank Credit Card Issuance | 6.3% 20 Jun 2014 | 669,220 |
| Citigroup Coml Mtg | 5.431% 15 Oct 2049 | 52,789 |
| Citigroup Inc | 5.0% 15 Sep 2014 | 434,595 |
| Citizens Communications Co | 7.875% 15 Jan 2027 | 275,197 |
| Colorado Intst Gas Co | 6.8% 15 Nov 2015 | 17,082 |
| Colorado Intst Gas Co | 5.95% 15 Mar 2015 | 22,614 |

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| | | |
|------------------------------|-------------------|---------|
| Columbia HCA Healthcare Corp | 7.58% 15 Sep 2025 | 9,069 |
| Columbia HCA Healthcare Corp | 7.5% 15 Dec 2023 | 22,674 |
| Columbia HCA Healthcare Corp | 7.69% 15 Jun 2025 | 42,703 |
| Comcast Corp | 6.45% 15 Mar 2037 | 100,336 |
| Comcast Corp | 6.95% 15 Aug 2037 | 163,236 |
| Comcast Corp | 6.4% 01 Mar 2029 | 167,406 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|-----------------------------------|--------------------|---------|
| Comcast Corp | 6.4% 15 May 2038 | 200,710 |
| Comcast Corp | 5.65% 15 Jun 2035 | 257,358 |
| Comm Mtg Tr | 1.0% 10 Dec 2049 | 53,177 |
| Comm Mtg Tr | 5.736% 10 Dec 2049 | 240,233 |
| Contl Airlines | 5.983% 19 Oct 2023 | 301,790 |
| Corning Inc | 6.85% 01 Mar 2029 | 16,400 |
| Corning Inc | 7.25% 15 Aug 2036 | 67,496 |
| Covidien Intl | 6.0% 15 Oct 2017 | 260,636 |
| Credit Suisse Coml Mtg | 1.0% 15 Sep 2040 | 466,854 |
| Credit Suisse NY | 6.0% 15 Feb 2018 | 317,987 |
| Crown Castle Towers LLC | 3.214% 15 Aug 2035 | 97,310 |
| Crown Castle Towers LLC | 4.523% 15 Jan 2035 | 107,851 |
| CSC Hldgs Inc | 8.5% 15 Apr 2014 | 135,764 |
| CSC Hldgs Inc | 7.875% 15 Feb 2018 | 170,454 |
| Delta Air Lines | 1.0% 10 Aug 2022 | 238,393 |
| Deutsche Telekom Int | 4.875% 08 Jul 2014 | 239,033 |
| Discover Card Master Trust | 1.0% 16 Oct 2014 | 275,867 |
| Duke Energy Co | 6.25% 15 Jan 2012 | 31,306 |
| Eastman Chemical Co | 4.5% 15 Jan 2021 | 203,463 |
| Echostar DBS Corp | 7.0% 01 Oct 2013 | 284,909 |
| Embarq Corp | 7.995% 01 Jun 2036 | 852,661 |
| Enel Fin Intl | 6.25% 15 Sep 2017 | 359,518 |
| Enron Cap Res LP Pfd Ser A 9% Mip | Preferred Stock | 8 |
| EQT Corp | 8.125% 01 Jun 2019 | 96,610 |
| Equifax Inc | 7.0% 01 Jul 2037 | 166,841 |
| ERAC USA Fin Co | 7.0% 15 Oct 2017 | 10,644 |
| ERAC USA Fin Co | 6.375% 15 Oct 2017 | 663,903 |
| ERP OPER Ltd Partnership | 5.75% 15 Jun 2017 | 37,908 |
| Expedia Inc | 5.95% 15 Aug 2020 | 208,622 |
| Express Scripts Inc | 7.25% 15 Jun 2019 | 35,100 |
| Fidelity National Inform | 7.875% 15 Jul 2020 | 47,040 |
| Florida Gas Transmission Co | 7.9% 15 May 2019 | 53,779 |
| Ford Motor Company | 7.45% 16 Jul 2031 | 254,142 |
| Ford Motor Company | 7.0% 15 Apr 2015 | 690,462 |
| GCCFC 2006 GG7 | 1.0% 10 Jul 2038 | 53,922 |
| General Elec Cap Corp | 2.8% 08 Jan 2013 | 303,162 |
| General Elec Cap Corp | 3.75% 14 Nov 2014 | 434,276 |
| Georgia Pac Corp | 8.875% 15 May 2031 | 6,079 |
| Georgia Pac Corp | 8.0% 15 Jan 2024 | 11,294 |
| Georgia Pac Corp | 7.375% 01 Dec 2025 | 128,109 |
| Georgia Pac Corp | 7.25% 01 Jun 2028 | 197,959 |
| Georgia Pac Corp | 7.75% 15 Nov 2029 | 206,416 |
| GMAC Inc | 6.875% 28 Aug 2012 | 75,407 |

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| | | |
|-------------------------|--------------------|---------|
| GMAC Inc | 6.625% 15 May 2012 | 123,068 |
| GMAC Inc | 6.875% 28 Aug 2012 | 190,779 |
| Goldman Sachs Group Inc | 6.125% 15 Feb 2033 | 31,418 |
| Goldman Sachs Group Inc | 5.375% 15 Mar 2020 | 107,255 |
| Goldman Sachs Group Inc | 5.95% 18 Jan 2018 | 187,670 |
| Goldman Sachs Group Inc | 5.625% 15 Jan 2017 | 329,261 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|------------------------------|--------------------|-----------|
| Goldman Sachs Group Inc | 6.75% 01 Oct 2037 | 399,200 |
| Greenwich Mtg Tr | 5.444% 10 Mar 2039 | 859,202 |
| Hasbro Inc | 6.125% 15 May 2014 | 64,325 |
| Hasbro Inc | 6.3% 15 Sep 2017 | 100,789 |
| HCA Inc | 6.5% 15 Feb 2016 | 280,214 |
| Hertz Vehicle Financing LLC | 4.26% 25 Mar 2014 | 413,735 |
| Hess Corp | 7.0% 15 Feb 2014 | 84,372 |
| Hewlett Packard Co | 4.75% 02 Jun 2014 | 281,600 |
| Home Depot Inc | 5.4% 01 Mar 2016 | 27,693 |
| Hospira Inc | 6.05% 30 Mar 2017 | 188,264 |
| Incitec Pivot Fin LLC | 6.0% 10 Dec 2019 | 101,224 |
| Ingersoll Rand Global Hldg | 6.875% 15 Aug 2018 | 199,097 |
| International Paper Co | 7.95% 15 Jun 2018 | 264,661 |
| Jabil Circuit Inc | 5.625% 15 Dec 2020 | 111,688 |
| JP Morgan Chase Coml Mtg | 1.0% 12 Feb 2049 | 68,261 |
| JP Morgan Chase Coml Mtg | 5.44% 12 Jun 2047 | 129,484 |
| JP Morgan Chase Coml Mtg | 1.0% 15 Apr 2045 | 129,723 |
| JP Morgan Chase Coml Mtg | 1.0% 51 Jun 2049 | 206,844 |
| JP Morgan Chase Coml Mtg | 5.42% 15 Jul 2049 | 1,429,056 |
| JP Morgan Chase & Co | 3.7% 20 Jan 2015 | 675,168 |
| Kraft Foods Inc | 6.5% 01 Nov 2031 | 71,471 |
| Kraft Foods Inc | 6.5% 11 Aug 2017 | 264,656 |
| Kraft Foods Inc | 2.625% 08 May 2013 | 391,386 |
| LB UBS Coml Mtg | 1.0% 15 Mar 2039 | 408,959 |
| Life Technologies Corp | 4.4% 01 Mar 2015 | 118,130 |
| Lilly Eli & Co | 4.2% 06 Mar 2014 | 280,824 |
| Marathon Oil Corp | 6.5% 15 Feb 2014 | 189,171 |
| MBNA Credit Card Master Note | 1.0% 16 Aug 2021 | 231,508 |
| McDonalds Corp Medium Note | 5.0% 01 Feb 2019 | 64,861 |
| McKesson Corp | 6.5% 15 Feb 2014 | 111,055 |
| Medco Health Solutions I | 4.125% 15 Sep 2020 | 119,476 |
| Merrill Lynch & Co Inc | 5.45% 05 Feb 2013 | 20,853 |
| Merrill Lynch & Co Inc | 6.875% 25 Apr 2018 | 70,315 |
| Merrill Lynch & Co Inc | 6.11% 29 Jan 2037 | 151,689 |
| Merrill Lynch & Co Inc | 6.4% 28 Aug 2017 | 371,013 |
| Merrill Lynch & Co Inc | 5.0% 15 Jan 2015 | 437,458 |
| ML CFC Coml Mtg | 1.0% 12 Mar 2051 | 25,196 |
| ML CFC Coml Mtg | 5.172% 12 Dec 2049 | 179,048 |
| Morgan Stanley | 5.45% 09 Jan 2017 | 143,512 |
| Morgan Stanley | 5.375% 15 Oct 2015 | 171,317 |
| Morgan Stanley | 5.55% 27 Apr 2017 | 257,454 |
| Morgan Stanley | 4.75% 01 Apr 2014 | 652,899 |
| Nabors Industries | 6.15% 15 Feb 2018 | 15,826 |

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| | | |
|-----------------------|--------------------|---------|
| Nabors Industries | 9.25% 15 Feb 2019 | 564,692 |
| Newmont Mining Corp | 5.875% 01 Apr 2035 | 118,867 |
| News Amer Inc | 6.15% 01 Mar 2037 | 293,718 |
| Nextel Communications | 7.375% 01 Aug 2015 | 94,024 |
| Nextel Communications | 6.875% 31 Oct 2013 | 123,871 |
| Nextel Communications | 5.95% 15 Mar 2014 | 208,807 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|---|--------------------|-----------|
| NGN 2010 R3 | 1.0% 08 Dec 2020 | 1,066,240 |
| NiSource Finance Corp | 5.45% 15 Sep 2020 | 117,145 |
| NiSource Finance Corp | 6.125% 01 Mar 2022 | 149,109 |
| Norfolk Southern Corp | 5.75% 15 Jan 2016 | 305,463 |
| Northstar Rlty Fin Corp Pfd Ser B 8.25% | Preferred Stock | 5,937 |
| Omnicare Inc | 7.75% 01 Jun 2020 | 157,813 |
| Oneok Partners LP | 8.625% 01 Mar 2019 | 271,321 |
| Oracle Corp | 5.0% 08 Jul 2019 | 412,921 |
| Owens Corning New | 7.0% 01 Dec 2036 | 101,846 |
| Penny JC Inc | 6.875% 15 Oct 2015 | 104,039 |
| Petrobras Intl Fin | 5.875% 01 Mar 2018 | 784,163 |
| PNC Funding Corp | 3.625% 08 Feb 2015 | 649,007 |
| Pride International Inc | 8.5% 15 Jun 2019 | 89,953 |
| QEP Resources Inc | 6.875% 01 Mar 2021 | 171,257 |
| Quest Diagnostics Inc | 4.75% 30 Jan 2020 | 111,459 |
| Qwest Corp | 6.5% 01 Jun 2017 | 767,922 |
| Regions Fing Tr Iii Tr Pfd Secs | Preferred Stock | 5,012 |
| Reynolds Amern Inc | 7.25% 15 Jun 2037 | 308,331 |
| Rowan Companies Inc | 5.0% 01 Sep 2017 | 119,652 |
| Royal BK of Scotland | 4.875% 16 Mar 2015 | 470,187 |
| Royal BK Scotland Group Plc Sponsored Adr | Preferred Stock | 6,723 |
| RPM International Inc | 6.125% 15 Oct 2019 | 147,454 |
| Snap On Inc | 4.25% 15 Jan 2018 | 114,126 |
| Southern Nat Gas | 7.35% 15 Feb 2031 | 142,158 |
| Sprint Capital Corp | 6.875% 15 Nov 2028 | 246,506 |
| Standard Chartered BK | 6.4% 26 Sep 2017 | 126,925 |
| Talisman Energy Inc | 7.75% 01 Jun 2019 | 36,610 |
| Talisman Energy Inc | 5.85% 01 Feb 2037 | 64,669 |
| Talisman Energy Inc | 6.25% 01 Feb 2038 | 158,359 |
| Telecom Italia CAP | 5.25% 15 Nov 2013 | 20,596 |
| Telecom Italia CAP | 6.0% 30 Sep 2034 | 49,216 |
| Telecom Italia CAP | 6.375% 15 Nov 2033 | 143,383 |
| Telefonica Emisiones | 5.134% 27 Apr 2020 | 171,300 |
| Tennessee Gas Pipeline Co | 7.0% 15 Oct 2028 | 57,490 |
| Time Warner Cable Inc | 5.85% 01 May 2017 | 99,266 |
| Time Warner Cable Inc | 6.55% 01 May 2037 | 158,757 |
| Time Warner Cable Inc | 6.625% 15 May 2029 | 398,412 |
| Total Capital SA | 3.0% 24 Jun 2015 | 676,181 |
| Treehouse Foods Inc | 7.75% 01 Mar 2018 | 187,474 |
| Tyco International | 4.125% 15 Oct 2014 | 151,988 |
| United Health Group Inc | 6.0% 15 Feb 2018 | 302,963 |
| United Parcel Service | 3.875% 01 Apr 2014 | 236,961 |
| United STS Stl Corp | 6.65% 01 Jun 2037 | 244,949 |

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| | | |
|-----------------------|--------------------|---------|
| Unum Group | 5.625% 15 Sep 2020 | 138,910 |
| US Steel Corp | 7.375% 01 Apr 2020 | 157,047 |
| USG Corp | 6.3% 15 Nov 2016 | 164,337 |
| USG Corp | 1.0% 15 Jan 2018 | 311,623 |
| Vale Overseas Limited | 6.875% 21 Nov 2036 | 184,846 |
| Valero Energy Corp | 6.625% 15 Jun 2037 | 612,408 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|---------------------------------|--------------------|---------------|
| Vodafone Group | 6.15% 27 Feb 2037 | 349,201 |
| WAMU 2005 | 1.0% 25 Mar 2035 | 95,888 |
| Waste Management Inc | 6.375% 11 Mar 2015 | 123,780 |
| WellPoint Inc | 6.0% 15 Feb 2014 | 296,636 |
| Wells Fargo Mtg Bkd | 1.0% 25 Oct 2035 | 398,613 |
| Western Union Co | 5.93% 01 Oct 2016 | 276,664 |
| Willis North America Inc | 7.0% 29 Sep 2019 | 37,091 |
| Windstream Corp | 8.125% 01 Sep 2018 | 67,466 |
| World Financial Network | 3.96% 15 Apr 2019 | 461,683 |
| Wyndham Worldwide | 7.375% 01 Mar 2020 | 358,611 |
| Xerox Corp | 6.4% 15 Mar 2016 | 182,572 |
| Corporate and Other Obligations | | \$ 47,640,419 |

****Synthetic Guaranteed Investment Contracts:****Cash and Cash Equivalents**

| | | |
|--------------------------------|----------------------------|------------|
| Australian Dollar | Cash | 16,938 |
| Lehman Bankruptcy | Cash Collateral | (31,392) |
| * State Street Bank & Trust Co | Short-Term Investment Fund | 548,318 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | 5,883,497 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | 13,664,744 |
| * State Street Bank & Trust Co | Short-Term Investment Fund | 1,037,629 |
| | | 21,119,734 |

U.S. Government and Government Agency Issues

| | | |
|--------------------------|--------------------|-----------|
| Australian Government | 6.0% 15 Feb 2017 | 2,371,420 |
| Australian Government | 4.75% 15 Jun 2016 | 679,566 |
| California St | 5.75% 01 Mar 2017 | 421,335 |
| California St | 5.0% 01 Nov 2037 | 439,383 |
| Erie City NY | 6.0% 01 Jun 2028 | 217,522 |
| Fannie Mae | 1.0% 18 Oct 2012 | 586,339 |
| Fannie Mae | 5.375% 12 Jun 2017 | 1,153,296 |
| Fannie Mae | 1.0% 17 Sep 2012 | 3,903,476 |
| Fannie Mae | 2.625% 20 Nov 2014 | 6,314,568 |
| Fed HM LN PC Pool 1J1214 | 1.0% 01 Sep 2035 | 27,687 |
| Fed HM LN PC Pool A34902 | 5.5% 01 May 2035 | 1,279,020 |

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| | | |
|--------------------------|------------------|-----------|
| Fed HM LN PC Pool A92628 | 5.5% 01 Jun 2040 | 429,576 |
| Fed HM LN PC Pool A93561 | 5.5% 01 Aug 2040 | 717,483 |
| Fed HM LN PC Pool A94320 | 3.5% 01 Oct 2040 | 2,889,147 |
| Fed HM LN PC Pool A95312 | 3.5% 01 Dec 2040 | 389,000 |
| Fed HM LN PC Pool C03580 | 3.5% 01 Oct 2040 | 2,315,330 |
| Fed HM LN PC Pool E01343 | 5.0% 01 Apr 2018 | 425,466 |
| Fed HM LN PC Pool E01377 | 4.5% 01 May 2018 | 809,396 |
| Fed HM LN PC Pool G01843 | 6.0% 01 Jun 2035 | 1,426,045 |
| Fed HM LN PC Pool G12743 | 5.5% 01 Aug 2022 | 441,028 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--------------------------|--------------------|-------------|
| Fed HM LN PC Pool G18268 | 5.0% 01 Aug 2023 | 1,670,863 |
| Fed HM LN Pool 1N1417 | 1.0% 01 Feb 2037 | 177,977 |
| Fed HM LN Pool 1Q0669 | 1.0% 01 Nov 2037 | 167,524 |
| Fed HM LN Pool G03205 | 5.5% 01 Jul 2035 | 273,341 |
| Fed Republic of Brazil | 8.25% 20 Jan 2034 | 507,843 |
| Federal Farm Credit Bank | 1.0% 12 Oct 2012 | 1,172,238 |
| Federal Farm Credit Bank | 1.0% 26 Jun 2013 | 2,442,220 |
| Federal Farm Credit Bank | 1.0% 13 Nov 2012 | 2,636,827 |
| Federal Farm Credit Bank | 1.0% 20 Sep 2012 | 2,931,254 |
| Federal Farm Credit Bank | 1.0% 26 Apr 2013 | 5,187,198 |
| Federal Home Ln Mtg Corp | 4.875% 13 Jun 2018 | 3,999,922 |
| Federal Natl MTG Assn | 1.0% 25 May 2030 | 1,645,888 |
| FHLMC TBA Jan 30 | 3.5% 01 Dec 2099 | (5,587,631) |
| FICO Strip | 0.01% 08 Aug 2015 | 386,746 |
| Financing Corp | 0.01% 06 Oct 2015 | 174,487 |
| Financing Corp | 0.01% 27 Dec 2018 | 245,918 |
| Financing Corp | 0.01% 07 Mar 2019 | 261,400 |
| Financing Corp | 0.01% 26 Sep 2019 | 302,859 |
| Financing Corp | 10.7% 06 Oct 2017 | 345,181 |
| Financing Corp | 9.8% 06 Apr 2018 | 497,180 |
| Financing Corp | 0.01% 26 Sep 2014 | 662,285 |
| Financing Corp | 0.01% 11 May 2013 | 763,790 |
| Financing Corp | 0.01% 27 Dec 2012 | 1,768,638 |
| Financing Corp | 0.01% 03 Feb 2017 | 2,348,802 |
| Financing Corp | 0.01% 30 Nov 2017 | 2,370,905 |
| FNMA Pool 125420 | 5.5% 01 May 2011 | 740 |
| FNMA Pool 254088 | 5.5% 01 Dec 2016 | 65,025 |
| FNMA Pool 254140 | 5.5% 01 Jan 2017 | 188,996 |
| FNMA Pool 254693 | 5.5% 01 Apr 2033 | 576,478 |
| FNMA Pool 254722 | 5.5% 01 May 2018 | 503,586 |
| FNMA Pool 255364 | 6.0% 01 Sep 2034 | 486,955 |
| FNMA Pool 255765 | 5.0% 01 Jul 2020 | 139,330 |
| FNMA Pool 256101 | 5.5% 01 Feb 2036 | 1,647,270 |
| FNMA Pool 256269 | 5.5% 01 Jun 2036 | 1,417,020 |
| FNMA Pool 256925 | 6.0% 01 Oct 2037 | 1,639,910 |
| FNMA Pool 323348 | 8.5% 01 Jun 2012 | 159 |
| FNMA Pool 343347 | 5.5% 01 Apr 2011 | 6,897 |
| FNMA Pool 545904 | 5.5% 01 Sep 2017 | 342,008 |
| FNMA Pool 555541 | 1.0% 01 Apr 2033 | 70,991 |
| FNMA Pool 722999 | 5.0% 01 Jul 2018 | 1,046,644 |
| FNMA Pool 725027 | 5.0% 01 Nov 2033 | 298,203 |
| FNMA Pool 725222 | 5.5% 01 Feb 2034 | 691,704 |
| FNMA Pool 725423 | 5.5% 01 May 2034 | 504,810 |

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| | | |
|------------------|------------------|-----------|
| FNMA Pool 725424 | 5.5% 01 Apr 2034 | 253,042 |
| FNMA Pool 725690 | 6.0% 01 Aug 2034 | 184,488 |
| FNMA Pool 725946 | 5.5% 01 Nov 2034 | 655,894 |
| FNMA Pool 735141 | 5.5% 01 Jan 2035 | 965,315 |
| FNMA Pool 735224 | 5.5% 01 Feb 2035 | 1,263,084 |
| FNMA Pool 743132 | 5.0% 01 Oct 2018 | 975,626 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|------------------|--------------------|-----------|
| FNMA Pool 745275 | 5.0% 01 Feb 2036 | 2,253,966 |
| FNMA Pool 745275 | 5.0% 01 Feb 2036 | 4,302,031 |
| FNMA Pool 745327 | 6.0% 01 Mar 2036 | 338,179 |
| FNMA Pool 756363 | 1.0% 01 Dec 2033 | 183,748 |
| FNMA Pool 831540 | 6.0% 01 Jun 2036 | 1,195,184 |
| FNMA Pool 837220 | 4.5% 01 Aug 2020 | 2,620,029 |
| FNMA Pool 841068 | 1.0% 01 Nov 2034 | 467,190 |
| FNMA Pool 844444 | 5.0% 01 Dec 2035 | 1,644,775 |
| FNMA Pool 848647 | 5.5% 010 Jan 2036 | 952,138 |
| FNMA Pool 871117 | 5.5% 01 Dec 2036 | 1,372,528 |
| FNMA Pool 871288 | 6.0% 01 May 2036 | 556,116 |
| FNMA Pool 880611 | 5.5% 01 Mar 2036 | 626,054 |
| FNMA Pool 880611 | 5.5% 01 Apr 2036 | 1,407,219 |
| FNMA Pool 880626 | 5.5% 01 Apr 2036 | 2,373,526 |
| FNMA Pool 881655 | 1.0% 01 Mar 2036 | 137,572 |
| FNMA Pool 888521 | 1.0% 01 Mar 2034 | 342,265 |
| FNMA Pool 888789 | 5.0% 01 Jul 2036 | 327,278 |
| FNMA Pool 889004 | 5.073% 01 Aug 2037 | 634,758 |
| FNMA Pool 889040 | 5.0% 01 Jun 2037 | 739,362 |
| FNMA Pool 889190 | 6.0% 01 Mar 2038 | 119,287 |
| FNMA Pool 889361 | 6.0% 01 Mar 2038 | 919,696 |
| FNMA Pool 889369 | 6.0% 01 Feb 2038 | 1,160,974 |
| FNMA Pool 889544 | 5.5% 01 May 2038 | 926,743 |
| FNMA Pool 889579 | 6.0% 01 May 2038 | 262,258 |
| FNMA Pool 889750 | 6.0% 01 May 2038 | 384,929 |
| FNMA Pool 902397 | 1.0% 01 Nov 2036 | 142,015 |
| FNMA Pool 929841 | 6.0% 01 Aug 2038 | 49,031 |
| FNMA Pool 930612 | 4.5% 01 Feb 2039 | 366,809 |
| FNMA Pool 931745 | 5.0% 01 Aug 2024 | 5,337,537 |
| FNMA Pool 935873 | 5.5% 01 Apr 2040 | 932,661 |
| FNMA Pool 965306 | 6.0% 01 Sep 2038 | 907,841 |
| FNMA Pool 970966 | 5.5% 01 Jan 2039 | 687,929 |
| FNMA Pool 981043 | 6.5% 01 Apr 2038 | 2,568,013 |
| FNMA Pool 983284 | 5.5% 01 May 2038 | 1,799,780 |
| FNMA Pool 984773 | 5.5% 01 Jun 2038 | 358,251 |
| FNMA Pool 987094 | 5.5% 01 Sep 2038 | 1,046,180 |
| FNMA Pool 995018 | 5.5% 01 Jun 2038 | 4,007,251 |
| FNMA Pool 995051 | 6.0% 01 Mar 2037 | 2,200,503 |
| FNMA Pool AA4302 | 4.0% 01 Apr 2039 | 553,539 |
| FNMA Pool AA6450 | 4.5% 01 Sep 2040 | 2,598,281 |
| FNMA Pool AB1388 | 4.5% 01 Aug 2040 | 385,539 |
| FNMA Pool AC8568 | 4.5% 01 Jan 2040 | 3,012,494 |
| FNMA Pool AD4384 | 5.5% 01 May 2040 | 496,984 |

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| | | |
|------------------|------------------|-----------|
| FNMA Pool AD4855 | 5.5% 01 Apr 2040 | 588,938 |
| FNMA Pool AD5026 | 4.0% 01 Sep 2040 | 293,313 |
| FNMA Pool AD5329 | 5.5% 01 Jun 2040 | 452,049 |
| FNMA Pool AD6374 | 5.0% 01 May 2040 | 2,592,793 |
| FNMA Pool AD6876 | 4.5% 01 Sep 2040 | 195,815 |
| FNMA Pool AD7112 | 5.5% 01 Jul 2040 | 852,642 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|-------------------------------|--------------------|-------------|
| FNMA Pool AD8326 | 5.5% 01 Jul 2040 | 1,252,709 |
| FNMA Pool AD8529 | 4.5% 01 Aug 2040 | 1,175,657 |
| FNMA Pool AD8817 | 5.5% 01 Jun 2040 | 727,548 |
| FNMA Pool AD9172 | 5.5% 01 Aug 2040 | 801,996 |
| FNMA Pool AE0440 | 6.5% 01 Jun 2039 | 1,697,911 |
| FNMA Pool AE0480 | 6.0% 01 Jul 2039 | 264,860 |
| FNMA Pool AE1428 | 4.5% 01 Aug 2040 | 1,958,324 |
| FNMA Pool AE4705 | 4.0% 01 Sep 2040 | 335,710 |
| FNMA Pool AE4995 | 4.0% 01 Nov 2040 | 584,300 |
| FNMA Pool AE6984 | 4.0% 01 Oct 2040 | 420,064 |
| FNMA Pool AE7223 | 4.0% 01 Dec 2040 | 1,946,248 |
| FNMA Pool AE7573 | 4.0% 01 Nov 2040 | 83,874 |
| FNMA Pool AE8032 | 4.0% 01 Nov 2040 | 367,078 |
| FNMA Pool MA0006 | 4.0% 01 Mar 2039 | 281,537 |
| FNMA TBA Feb30 YR | 4.0% 01 Dec 2099 | 4,846,460 |
| FNMA TBA Jan 15 | 4.0% 01 Dec 2099 | 8,051,173 |
| FNMA TBA Jan 30 | 5.0% 01 Dec 2099 | |
| FNMA TBA Jan 30 | 5.5% 01 Dec 2099 | |
| FNMA TBA Jan 30 | 6.0% 01 Dec 2099 | |
| FNMA TBA Jan 30 | 4.5% 01 Dec 2099 | 4,012,148 |
| FNMA TBA Single Fam | 6.0% 01 Dec 2099 | (1,617,981) |
| FNMA TBA Single Fam | 6.0% 01 Dec 2099 | 663,107 |
| FNMA TBA Single Fam | 4.0% 01 Dec 2099 | 1,399,739 |
| Freddie Mac | 1.0% 15 Dec 2029 | 42,129 |
| Freddie Mac | 3.75% 27 Mar 2019 | 4,253,780 |
| GNMA I TBA Jan 30 | 6.5% 01 Dec 2099 | |
| Illinois St | 4.421% 01 Jan 2015 | 492,911 |
| Illinois St | 4.421% 01 Jan 2015 | 492,911 |
| Illinois St | 3.321% 01 Jan 2013 | 2,155,328 |
| Irvine Ranch California | 2.605% 15 Mar 2014 | 1,394,708 |
| Kentucky ST PPTY | 5.373% 01 Nov 2025 | 276,353 |
| New York NY City Transitional | 4.905% 01 Nov 2024 | 92,180 |
| New York NY City Transitional | 4.725% 01 Nov 2023 | 92,358 |
| New York NY City Transitional | 5.075% 01 Nov 2025 | 92,404 |
| Ontario Prov CDA | 4.1% 16 Jun 2014 | 881,425 |
| Ontario Prov CDA | 4.5% 03 Feb 2015 | 1,281,091 |
| Quebec Prov CDA | 4.6% 26 May 2015 | 1,276,500 |
| Republic of Peru | 7.125% 30 Mar 2019 | 601,413 |
| Republic of Poland | 6.375% 15 Jul 2019 | 43,788 |
| Republic of Poland | 3.875% 16 Jul 2015 | 428,083 |
| Resolution FDG FBE | 0.01% 15 Jan 2014 | 354,739 |
| Resolution FDG FBE | 0.01% 15 Apr 2015 | 778,115 |
| Resolution FDG FBE | 0.01% 15 Jan 2017 | 827,904 |

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| | | |
|-----------------------------|--------------------|---------|
| Russian FedN | 1.0% 31 Mar 2030 | 221,046 |
| Small Business Admin | 7.06% 01 Nov 2019 | 115,751 |
| Small Business Admin | 7.19% 01 Dec 2019 | 216,667 |
| Small Business Admin | 5.68% 01 Jun 2028 | 935,780 |
| Tobacco Settlement Fin Corp | 5.875% 15 May 2039 | 279,370 |
| Tobacco Settlement Iowa | 6.5% 01 Jun 2023 | 80,355 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|------------------------------|--------------------|------------|
| United States Treasury NTS | 2.75% 15 Feb 2019 | 848,878 |
| United States Treasury NTS | 4.875% 31 Jul 2011 | 4,058,830 |
| United States Treasury | 0.01% 16 Jun 2011 | 97,631 |
| United States Treasury | 0.179% 26 May 2011 | 878,840 |
| United States Treasury | 0.133% 13 Jan 2011 | 1,661,258 |
| United States Treasury | 0.01% 17 Mar 2011 | 3,712,089 |
| United States Treasury | 0.01% 13 Jan 2011 | 32,530,898 |
| United States Treasury BDS | 8.125% 15 Aug 2019 | 1,633,779 |
| United States Treasury BDS | 8.75% 15 Aug 2020 | 2,141,283 |
| United States Treasury Bills | 0.174% 02 Jun 2011 | 97,654 |
| United States Treasury Bills | 0.01% 31 Dec 2030 | 195,385 |
| United States Treasury Bills | 0.119% 06 Jan 2011 | 586,334 |
| United States Treasury Bills | 0.186% 02 Jun 2011 | 2,050,617 |
| United States Treasury Bills | 0.01% 20 Jan 2011 | 3,321,801 |
| United States Treasury N/B | 2.75% 30 Nov 2106 | 2,294,167 |
| United States Treasury N/B | 3.25% 31 Dec 2016 | 3,275,682 |
| United States Treasury N/B | 3.125% 15 May 2019 | 4,838,941 |
| United States Treasury N/B | 3.375% 15 Nov 2019 | 6,484,505 |
| United States Treasury NTS | 2.75% 15 Feb 2019 | 96,463 |
| United States Treasury NTS | 3.75% 15 Nov 2018 | 311,836 |
| United States Treasury NTS | 2.375% 31 Mar 2016 | 1,187,520 |
| United States Treasury NTS | 3.0% 31 Aug 2016 | 1,318,836 |
| United States Treasury NTS | 1.875% 31 Aug 2017 | 1,492,599 |
| United States Treasury NTS | 2.625% 29 Feb 2016 | 15,445,594 |
| United States Treasury NTS | 2.75% 15 Feb 2019 | 13,765,336 |
| US Treasury BDS | 6.125% 15 Nov 2027 | 122,765 |
| US Treasury N/B | 7.875% 15 Feb 2021 | 136,324 |
| US Treasury N/B | 1.0% 30 Apr 2012 | 1,044,246 |
| US Treasury N/B | 4.375% 15 Nov 2039 | 1,075,753 |
| US Treasury N/B | 3.375% 15 Nov 2019 | 1,695,948 |
| US Treasury N/B | 1.875% 31 Aug 2017 | 2,416,145 |
| US Treasury N/B | 2.75% 31 May 2017 | 2,592,952 |
| US Treasury N/B | 5.375% 15 Feb 2031 | 2,926,065 |
| US Treasury N/B | 2.250% 31 Jan 2015 | 2,929,313 |
| US Treasury N/B | 2.5% 31 Mar 2015 | 3,287,419 |
| US Treasury N/B | 2.375% 31 Aug 2014 | 4,165,828 |
| US Treasury N/B | 1.75% 31 Jul 2015 | 4,169,169 |
| US Treasury N/B | 4.875% 31 May 2011 | 4,969,537 |
| US Treasury N/B | 0.75% 31 May 2012 | 7,143,275 |
| US Treasury N/B | 1.75% 15 Apr 2013 | 7,787,500 |
| US Treasury N/B | 3.625% 15 Feb 2020 | 9,168,216 |
| US Treasury N/B | 1.125% 30 Jun 2011 | 10,813,824 |
| US Treasury N/B | 1.0% 31 Aug 2011 | 10,911,757 |

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| | | |
|-----------------|--------------------|------------|
| US Treasury N/B | 3.625% 15 Feb 2020 | 12,281,759 |
| US Treasury N/B | 2.125% 31 May 0215 | 12,807,238 |
| US Treasury N/B | 1.375% 15 Sep 2012 | 35,080,482 |
| US Treasury NTS | 1.125% 15 Dec 2011 | 433,224 |
| US Treasury NTS | 3.0% 15 Jul 2012 | 1,805,499 |
| WI Treasury Sec | 1.875% 30 Sep 2017 | 279,175 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|-----------------|--------------------|-----------|
| WI Treasury Sec | 1.25% 15 Jul 2020 | 1,806,166 |
| WI Treasury Sec | 2.125% 31 Dec 2015 | 2,210,452 |
| WI Treasury Sec | 0.875% 31 May 2011 | 3,601,570 |
| WI Treasury Sec | 0.01% 27 Jan 2011 | 4,298,608 |
| WI Treasury Sec | 1.375% 15 Feb 2013 | 6,527,142 |

436,961,564

Corporate and Other Obligations

| | | |
|-------------------------------|--------------------|-----------|
| ACE Ina Hldg Inc | 5.6% 15 May 2015 | 199,212 |
| Aetna Inc | 6.0% 15 Jun 2016 | 139,300 |
| AFLAC Inc | 3.45% 15 Aug 2015 | 79,424 |
| Agilent Technologies Inc | 5.0% 15 Jul 2020 | 71,425 |
| Agilent Technologies Inc | 6.5% 01 Nov 2017 | 546,973 |
| Alcoa Inc | 6.75% 15 Jul 2018 | 133,098 |
| Alcoa Inc | 6.15% 15 Aug 2020 | 752,640 |
| Allied Waste North Amer Inc | 7.125% 15 May 2016 | 144,850 |
| Allied World Assurn Co | 7.5% 01 Aug 2016 | 178,531 |
| Allstate Corp | 5.0% 15 Aug 2014 | 480,194 |
| Allstate Life GBL FDG | 5.375% 30 Apr 2013 | 569,329 |
| Altria Group Inc | 9.25% 06 Aug 2019 | 420,858 |
| Altria Group Inc | 9.7% 10 Nov 2018 | 805,744 |
| Altria Group Inc | 9.7% 10 Nov 2018 | 1,231,176 |
| Amer Express Credit Co | 5.125% 25 Aug 2014 | 268,677 |
| Ameren Corporation | 8.875% 15 May 2014 | 230,906 |
| America Movil SAB | 5.0% 30 Mar 2020 | 416,471 |
| America Movil SAB | 3.625% 30 Mar 2015 | 718,446 |
| American Express Bk | 5.5% 16 Apr 2013 | 263,313 |
| American Express BK | 5.55% 17 Oct 2012 | 418,106 |
| American Express Centurion Bk | 5.55% 17 Oct 2012 | 601,027 |
| American Express Co | 7.25% 20 May 2014 | 272,756 |
| American Express Co | 5.5% 12 Sep 2016 | 381,119 |
| American Express Co | 6.15% 28 Aug 2017 | 600,343 |
| American Express Cr Corp | 7.3% 20 Aug 2013 | 501,047 |
| American Intl Group | 3.65% 15 Jan 2014 | 536,716 |
| American Tower Corp | 5.05% 01 Sep 2020 | 370,002 |
| American Tower Corp | 4.5% 15 Jan 2018 | 920,262 |
| American Transmission | 5.25% 15 Jan 2022 | 180,297 |
| Ameriprise Financial Inc | 5.3% 15 Mar 2020 | 246,745 |
| Amvescap PLC | 5.375% 15 Dec 2014 | 157,721 |

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|-------------------------|--------------------|-----------|
| Anadarko Petroleum Corp | 5.95% 15 Sep 2016 | 80,840 |
| Anglo American Capital | 9.375% 08 Apr 2019 | 466,651 |
| Anheuser Busch Cos | 5.05% 15 Oct 2016 | 1,481,911 |
| Aon Corp | 3.5% 30 Sep 2015 | 474,191 |
| ArcelorMittal | 6.125% 01 Jun 2018 | 385,254 |
| ArcelorMittal USA | 6.5% 15 Apr 2014 | 212,979 |
| Asciano Finance | 3.125% 23 Sep 2015 | 455,661 |
| Assurant Inc | 5.625% 15 Feb 2014 | 210,628 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|-----------------------------|--------------------|-----------|
| AT&T Inc | 5.8% 15 Feb 2019 | 450,981 |
| AT&T Corp | 7.3% 15 Nov 2011 | 464,552 |
| AT&T Inc | 5.8% 15 Feb 2019 | 1,616,931 |
| Autozone Inc | 5.75% 15 Jan 2015 | 548,396 |
| Baker Hughes Inc | 6.5% 15 Nov 2013 | 194,630 |
| Banc Amer Coml Mtg | 5.492% 10 Feb 2051 | 654,148 |
| Banc Coml Mtg | 5.334% 10 Sep 2045 | 656,611 |
| Banc Coml Mtg | 5.414% 10 Sep 2047 | 1,723,354 |
| * Bank Amer Corp | 5.75% 01 Dec 2017 | 1,118,626 |
| * Bank Amer FDG Corp | 5.65% 01 May 2018 | 134,799 |
| * Bank Amer FDG Corp | 1.0% 25 May 2035 | 240,234 |
| * Bank Amer FDG Corp | 5.65% 01 May 2018 | 933,605 |
| * Bank Amer NA | 6.1% 15 Jun 2017 | 326,701 |
| * Bank of America Corp | 7.625% 01 Jun 2019 | 191,287 |
| * Bank of America Corp | 5.42% 15 Mar 2017 | 290,516 |
| Bank of America Corp | 7.375% 15 May | 521,410 |
| * | 2014 | |
| * Bank of America Corp | 5.49% 15 Mar 2019 | 857,921 |
| * Bank of America Corp | 5.625% 01 Jul 2020 | 1,085,946 |
| * Bank of America Credit | 1.0% 16 Dec 2013 | 997,175 |
| Barclays Banks PLC | 5.125% 08 Jan 2020 | 499,003 |
| Barclays Banks PLC | 5.0% 22 Sep 2016 | 785,921 |
| BayView Fincl Secs | 5.208% 28 Apr 2039 | 320,846 |
| BayView Finl Secs | 1.0% 28 Dec 2035 | 49,443 |
| Bear Stearns | 5.3% 30 Oct 2015 | 848,377 |
| Bear Stearns Alt A | 1.0% 25 Jan 2047 | 139,200 |
| Bear Stearns ARM | 1.0% 25 Aug 2033 | 145,199 |
| Bear Stearns Coml Mtg | 1.0% 11 Sep 2038 | 271,887 |
| Bear Stearns Coml Mtg | 1.0% 11 Jun 2040 | 1,058,312 |
| Bear Stearns Coml Mth Secs | 5.518% 11 Sep 2041 | 133,244 |
| Bear Stearns Coml Mth Secs | 5.533% 12 Oct 2041 | 215,599 |
| Bear Stearns Coml Mth Secs | 4.24% 13 Aug 2039 | 229,030 |
| Bear Stearns Coml Mth Secs | 1.0% 11 Sep 2038 | 236,281 |
| Bear Stearns Coml Mth Secs | 1.0% 12 Apr 2038 | 419,522 |
| Bear Stearns Coml Mth Secs | 1.0% 11 Sep 2042 | 423,160 |
| Bear Stearns Cos | 5.55% 22 Jan 2017 | 347,944 |
| Bear Stearns Cos Inc | 7.25% 01 Feb 2018 | 1,910,833 |
| Bear Stearns Tr | 5.540% 11 Sep 2041 | 718,404 |
| Berkshire Hathaway Fin Corp | 5.4% 15 May 2018 | 621,809 |
| BHP Fin USA Ltd | 7.25% 01 Mar 2016 | 278,295 |
| Boeing Co | 5.125% 15 Feb 2013 | 481,267 |
| Boston PPTYs Ltd | 6.25% 15 Jan 2013 | 77,786 |
| Boston PPTYs Ltd | 5.625% 15 Apr 2015 | 138,916 |

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|---------------------------|-----------------------|-----------|
| Boston PPTYS Ltd | 5.0% 01 Jun 2015 | 178,156 |
| BP Capital Markets | 3.125% 01 Oct 2015 | 1,079,100 |
| BP Capital Markets | 4.5% 01 Oct 2020 | 682,413 |
| BP Capital Markets | 3.125% 01 Oct 2015 | 976,561 |
| Bunge Ltd | 5.875% 15 May 2013 | 120,314 |
| Bunge Ltd | 8.5% 15 Jun 2019 | 287,603 |
| Burlington North Santa Fe | 7.0% 01 Feb 2014 | 329,446 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|---------------------------|-----------------------|-----------|
| Canadian PAC Ry Co | 6.5% 15 May 2018 | 67,795 |
| Capital One Bank | 8.8% 15 Jul 2019 | 613,037 |
| Capital One Financial | 7.375% 23 May 2014 | 650,533 |
| Capital One FNL Corp | 5.25% 21 Feb 2017 | 386,721 |
| Capital One Multi Asset | 1.0% 15 Mar 2017 | 555,892 |
| Capital One Multi Asset | 5.05% 15 Feb 2016 | 767,318 |
| Carmax Auto Owner Trust | 1.410% 16 Feb 2016 | 902,598 |
| Carolina PWR & LT | 6.5% 15 Jul 2012 | 676,772 |
| Caterpillar Financial | 7.15% 15 Feb 2019 | 516,716 |
| CBS Corp | 4.3% 15 Feb 2021 | 64,954 |
| CBS Corp | 5.75% 15 Apr 2020 | 150,578 |
| CBS Corp | 8.875% 15 May 2019 | 399,567 |
| CBS Corp | 8.875% 15 May 2019 | 639,308 |
| CD MTG | 5.322% 11 Dec 2049 | 1,418,089 |
| Cellco Part/Veri Wireless | 5.55% 01 Feb 2014 | 398,712 |
| Chase Issuance Trust | 1.0% 16 Jun 2014 | 1,261,543 |
| Chubb Corp | 5.75% 15 May 2018 | 434,309 |
| Cigna Corp | 5.125% 15 Jun 2020 | 157,009 |
| Cincinnati Finl Corp | 6.125% 01 Nov 2034 | 115,244 |
| Cincinnati Finl Corp | 6.920% 15 May 2028 | 639,272 |
| Cisco Systems | 2.9% 17 Nov 2014 | 1,550,906 |
| Citigroup Inc | 6.01% 15 Jan 2015 | 1,924,328 |
| Citibank Credit Card | 2.25% 23 Dec 2014 | 1,073,909 |
| Citifinancial Mtg Secs | 3.36% 25 Jan 2033 | 69,700 |
| Citigroup Coml MTG | 5.431% 15 Oct 2049 | 240,060 |
| Citigroup Inc | 5.5% 11 Apr 2013 | 208,117 |
| Citigroup Inc | 5.3% 07 Jan 2016 | 290,534 |
| Citigroup Inc | 6.5% 19 Aug 2013 | 300,456 |
| Citigroup Inc | 5.5% 15 Feb 2017 | 530,699 |
| Citigroup Inc | 5.5% 11 Apr 2013 | 556,311 |
| Citigroup Inc | 5.375% 09 Aug 2020 | 682,316 |
| Citigroup Inc | 5.85% 02 Jul 2013 | 1,118,005 |
| Citigroup Inc | 1.0% 05 May 2011 | 2,404,087 |
| Citigroup Inc | 6.125% 21 Nov 2017 | 2,784,431 |
| Citigroup MTG Ln | 1.0% 25 May 2037 | 24,730 |
| Cleveland Elec Illum Co | 5.7% 01 Apr 2017 | 418,259 |
| Clorox Co | 5.95% 15 Oct 2017 | 517,910 |
| CNH 2010 A | 2.49% 15 Jan 2016 | 1,273,938 |
| CNH 2010 B | 1.74% 17 Jan 2017 | 1,013,941 |

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|------------------------|--------------------|-----------|
| Comcast Corp | 4.95% 15 Jun 2016 | 173,725 |
| Comcast Corp | 6.5% 15 Jan 2017 | 197,142 |
| Comcast Corp | 5.15% 01 Mar 2020 | 420,836 |
| Comcast Corp | 6.3% 15 Nov 2017 | 525,874 |
| Comcast Corp | 4.95% 15 Jun 2016 | 679,105 |
| Comcast Corp | 5.85% 15 Nov 2015 | 1,032,578 |
| Comm MTG Tr | 1.0% 10 Dec 2049 | 783,311 |
| Consolidated Edison Co | 5.3% 01 Dec 2016 | 877,920 |
| Constellation Energy | 5.15% 01 Dec 2020 | 375,212 |
| Consumers Energy Co | 5.375% 15 Apr 2013 | 327,032 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--------------------------------|--------------------|-----------|
| Corning Inc | 4.25% 15 Aug 2020 | 564,555 |
| Countrywide Finl Corp | 6.25% 15 May 2016 | 73,156 |
| Coventry Health Care | 6.125% 15 Jan 2015 | 30,527 |
| Coventry Health Care | 5.95% 15 Mar 2017 | 84,451 |
| Coventry Health Care | 6.3% 15 Aug 2014 | 268,292 |
| Cox Communications | 5.45% 15 Dec 2014 | 1,048,916 |
| Credit Suisse Coml Mtg | 5.311% 15 Dec | 346,062 |
| | 2039 | |
| Credit Suisse | 5.4% 14 Jan 2020 | 998,022 |
| Credit Suisse Coml Mtg | 5.467% 15 Sep 2039 | 778,929 |
| Credit Suisse Coml Mtg | 5.467% 15 Sep 2039 | 1,393,872 |
| Credit Suisse First Boston Mtg | 1.0% 15 Feb 2038 | 311,504 |
| Credit Suisse Mtg | 1.0% 15 Jan 2037 | 327,596 |
| Credit Suisse NY | 6.0% 15 Feb 2018 | 455,828 |
| CSMC 2006 C3 | 1.0% 15 Jun 2038 | 612,737 |
| CVS Caremark Corp | 6.6% 15 Mar 2019 | 577,826 |
| CWABS Inc | 4.615% 25 Feb 2035 | 305,794 |
| Cwalt Inc | 1.0% 25 Dec 2035 | 83,076 |
| Daimler Chrysler NA | 7.3% 15 Jan 2012 | 519,146 |
| Delta Air Lines | 7.75% 17 Jun 2021 | 802,965 |
| Deutsche Bank AG | 5.375% 12 Oct 2012 | 409,601 |
| Devon Energy | 5.625% 15 Jan 2014 | 723,633 |
| Diaego Cap PLC | 4.828% 15 Jul 2020 | 1,118,793 |
| Diageo Cap PLC | 7.375% 15 Jan 2014 | 350,843 |
| Directv Holdings | 4.75% 01 Oct 2014 | 151,014 |
| Discover Card Master Trust | 1.0% 16 Oct 2014 | 579,537 |
| Discover Card Master Trust | 1.0% 15 Sep 2015 | 151,262 |
| Discover Card Master Trust | 1.0% 15 Dec 2014 | 158,426 |
| Discover Card Master Trust | 1.0% 17 Feb 2015 | 173,579 |
| Discover Financial Svc | 10.25% 15 Jul 2019 | 483,968 |
| Dominion Res Inc | 5.7% 17 Sep 2012 | 462,680 |
| Donnelley RR & Sons | 4.95% 01 Apr 2014 | 90,109 |
| Donnelley RR & Sons | 5.5% 15 May 2015 | 344,577 |
| Dow Chemical Co | 8.55% 15 May 2019 | 422,526 |
| Dow Chemical Co | 8.55% 15 May 2019 | 636,851 |
| Duke CAP LLC | 5.668% 15 Aug | 727,115 |
| | 2014 | |
| Duke Energy Carolinas | 5.1% 15 Apr 2018 | 536,690 |
| Duke Energy Corp | 5.65% 15 Jun 2013 | 1,341,362 |
| Duke Realty LP | 6.75% 15 Mar 2020 | 68,912 |
| Duke Realty LP | 8.25% 15 Aug 2019 | 322,372 |
| Eastman Chemical Co | 4.5% 15 Jan 2021 | 502,863 |
| Embarq Corp | 7.082% 01 Jun 2016 | 405,273 |

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|--------------------------|--------------------|---------|
| Embarq Corp | 7.995% 01 Jun 2036 | 677,557 |
| Encana Corp | 6.5% 15 May 2019 | 492,267 |
| Energy Transfer Partners | 6.7% 01 Jul 2018 | 750,550 |
| Energy Transfer Partners | 6.0% 01 Jul 2013 | 718,111 |
| Enterprise Prods | 5.6% 15 Oct 2014 | 517,998 |
| EQT Corp | 8.125% 01 Jun 2019 | 238,773 |
| EQT Corp | 8.125% 01 Jun 2019 | 352,475 |
| ERP Oper Ltd Partnership | 5.75% 15 Jun 2017 | 198,087 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--------------------------|--------------------|-----------|
| ERP Oper Ltd Partnership | 5.25% 15 Sep 2014 | 442,279 |
| ESA 2010 ESHA | 2.95% 05 Nov 2027 | 887,754 |
| Eastman Chemical Co | 5.5% 15 Nov 2019 | 289,958 |
| European Investment Bank | 5.125% 30 May 2017 | 347,389 |
| Exelon Generation Co | 4.0% 01 Oct 2020 | 402,394 |
| Expedia Inc | 5.95% 15 Aug 2020 | 545,076 |
| Express Scripts Inc | 6.25% 15 Jun 2014 | 103,788 |
| Federal Rlty Invt Tr | 6.0% 15 Jul 2012 | 129,633 |
| Federal Rlty Invt Tr | 5.65% 01 Jun 2016 | 294,257 |
| Federal Rlty Invt Tr | 5.4% 01 Dec 2013 | 678,694 |
| Fifth UN Natl Bk | 6.663% 12 Jan 2043 | 46,284 |
| FHMS K008 | 2.746% 25 Dec 2019 | 953,481 |
| Ford Credit Auto | 5.8% 15 Feb 2013 | 102,203 |
| Fortune Brands | 4.875% 01 Dec 2013 | 175,622 |
| Fortune Brands | 5.375% 15 Jan 2016 | 176,855 |
| FPL Group CAP | 1.0% 09 Nov 2012 | 750,993 |
| FPL Group Capital | 5.625% 01 Sep 2011 | 604,328 |
| GAZ Capital SA | 6.212% 22 Nov 2016 | 664,982 |
| GE Coml Mtg Corp | 3.915% 10 Nov 2038 | 60,907 |
| General Dynamics Corp | 5.25% 01 Feb 2014 | 887,736 |
| General Elec Cap Corp | 4.375% 16 Sep 2020 | 427,979 |
| General Elec Cap Corp | 4.8% 01 May 2013 | 1,290,264 |
| General Elec Cap Corp | 5.5% 08 Jan 2020 | 1,651,317 |
| General Elec Cap Corp | 5.5% 08 Jan 2020 | 2,388,138 |
| General Mills | 5.25% 15 Aug 2013 | 182,603 |
| Genworth Finl Inc | 6.515% 22 May 2018 | 342,645 |
| Goldman Sachs Group | 6.75% 01 Oct 2037 | 199,824 |
| Goldman Sachs Group | 6.25% 01 Sep 2017 | 248,038 |
| Goldman Sachs Group | 6.0% 15 Jun 2020 | 327,378 |
| Goldman Sachs Group | 7.5% 15 Feb 2019 | 455,778 |
| Goldman Sachs Group | 5.7% 01 Sep 2012 | 516,313 |
| Goldman Sachs Group | 6.15% 01 Apr 2018 | 624,150 |
| Goldman Sachs Group | 6.25% 01 Sep 2017 | 970,583 |
| Goodrich Corp | 4.875% 01 Mar 2020 | 790,696 |
| Greenwich Capital Comm | 5.444% 10 Mar 2039 | 478,760 |
| Greenwich Capital Comm | 5.444% 10 Mar 2039 | 1,163,437 |
| GS MTG Secs Corp | 1.0% 06 Mar 2020 | 143,393 |
| GS MTG Secs Corp | 4.751% 10 Jul 2039 | 772,905 |
| GSMS 2004 GG | 1.0% 10 Aug 2038 | 383,129 |
| Guardian Life Insurance | 7.375% 30 Sep 2039 | 221,835 |
| Hanover Ins Group | 7.625% 15 Oct 2025 | 132,228 |
| Hartford Finl Svcs Grp | 4.0% 30 Mar 2015 | 78,391 |
| Hartford Finl Svcs Grp | 5.5% 30 Mar 2020 | 377,693 |

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|--------------------|--------------------|---------|
| Health Care PPTY | 5.95% 15 Sep 2011 | 337,946 |
| Healthcare Rlty Tr | 8.125% 01 May 2011 | 289,770 |
| Healthcare Rlty Tr | 5.125% 01 Apr 2014 | 332,551 |
| Healthcare Rlty Tr | 5.125% 01 Apr 2014 | 181,113 |
| Heinz HJ | 6.0% 15 Mar 2012 | 340,627 |
| Hess Corp | 7.0% 15 Feb 2014 | 216,868 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--------------------------|--------------------|-----------|
| Hess Corp | 8.125% 15 Feb 2019 | 425,939 |
| Hess Corp | 8.125% 15 Feb 2019 | 501,250 |
| Household Fin Corp | 7.0% 15 May 2012 | 644,838 |
| HRPT PPTYS | 1.0% 16 Mar 2011 | 134,781 |
| HSBC Fin Corp | 6.75% 15 May 2011 | 823,732 |
| Humana Inc | 7.2% 15 Jun 2018 | 209,746 |
| International Paper Co | 7.95% 5 Jun 2018 | 244,203 |
| International Paper Co | 5.3% 01 Apr 2015 | 315,797 |
| Intl BK Recon & Develop | 9.25% 15 Jul 2017 | 167,006 |
| Jeffries Group Inc | 6.875% 15 Apr 2021 | 190,934 |
| JP Morgan Chase | 6.0% 01 Oct 2017 | 541,661 |
| JP Morgan Chase | 3.7% 20 Jan 2015 | 1,314,724 |
| JP Morgan Chase & Co | 5.75% 02 Jan 2013 | 550,621 |
| JP Morgan Chase & Co | 5.125% 15 Sep 2014 | 670,700 |
| JP Morgan Chase & Co | 6.0% 15 Jan 2018 | 905,796 |
| JP Morgan Chase Coml | 5.42% 15 Jan 2049 | 1,382,281 |
| JP Morgan Chase Coml Mtg | 4.302% 15 Jan 2038 | 105,494 |
| JP Morgan Chase Coml Mtg | 1.0% 12 Dec 2044 | 198,057 |
| JP Morgan Chase Coml Mtg | 1.0% 12 Dec 2044 | 244,702 |
| JP Morgan Chase Coml Mtg | 5.198% 15 Dec 2044 | 433,898 |
| JP Morgan Chase Coml Mtg | 5.437% 12 Dec 2044 | 534,618 |
| JP Morgan Chase Coml Mtg | 5.552% 12 May 2045 | 548,136 |
| JP Morgan Chase Coml Mtg | 5.429% 12 Dec 2043 | 657,811 |
| JP Morgan Chase Coml Mtg | 1.0% 12 Jun 2043 | 728,136 |
| JP Morgan Chase Coml Mtg | 1.0% 15 Jun 2049 | 904,854 |
| JPMCC 2010 Cntr | 3.299% 05 Aug 2032 | 1,302,783 |
| JP Morgan Chase & Co | 4.75% 01 May 2013 | 371,422 |
| JP Morgan Chase & Co | 4.4% 22 Jul 2020 | 533,819 |
| Kellogg Co | 5.125% 03 Dec 2012 | 696,478 |
| Kinder Morgan Ener Part | 5.3% 15 Sep 2020 | 426,163 |
| Kinder Morgan Ener Part | 6.85% 15 Feb 2020 | 694,212 |
| KMG Finance Sub | 7.0% 05 May 2020 | 208,346 |
| Kraft Foods Inc | 6.0% 11 Feb 2013 | 128,415 |
| Kraft Foods Inc | 6.5% 11 Aug 2017 | 284,392 |
| Kraft Foods Inc | 6.125% 23 Aug 2018 | 798,917 |
| Kraft Foods Inc | 6.125% 01 Feb 2018 | 954,426 |
| Kroger Co | 6.4% 15 Aug 2017 | 129,032 |
| Kroger Co | 6.4% 15 Aug 2017 | 162,693 |
| Kroger Co | 6.2% 15 Jun 2012 | 277,756 |
| Kroger Co | 6.75% 15 Apr 2012 | 401,643 |
| LaFarge SA | 6.15% 15 Jul 2011 | 167,455 |
| LB UBS Coml Mtg | 1.0% 15 Jun 2029 | 193,691 |
| LB UBS Coml Mtg | 5.424% 15 Feb 2040 | 425,886 |

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| | | |
|------------------|--------------------|---------|
| LB UBS Coml Mtg | 5.3% 15 Nov 2038 | 648,227 |
| LB UBS Coml Mtg | 1.0% 15 Jun 2038 | 745,532 |
| LB UBS Coml Mtg | 5.372% 15 Sep 2039 | 747,554 |
| LB UBS Coml Mtg | 4.647% 15 Jul 2030 | 844,613 |
| LB UBS Coml Mtg | 1.0% 15 Nov 2030 | 874,786 |
| Liberty PPTY Ltd | 6.625% 01 Oct 2017 | 44,283 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|------------------------------|--------------------|-----------|
| Liberty PPTY Ltd | 5.5% 15 Dec 2016 | 74,059 |
| Life Technologies Corp | 4.4% 01 Mar 2015 | 436,671 |
| Lilly Eli & Co | 4.2% 06 Mar 2014 | 853,826 |
| Limited Inc | 6.9% 15 Jul 2017 | 45,686 |
| Limited Inc | 5.25% 01 Nov 2014 | 323,659 |
| Lincoln Natl Corp | 4.3% 15 Jun 2015 | 140,935 |
| Lincoln Natl Corp | 8.75% 01 Jul 2019 | 124,682 |
| Lincoln Natl Corp | 6.25% 15 Feb 2020 | 842,098 |
| Lloyds TSB Bank | 4.375% 12 Jan 2015 | 434,769 |
| LSI Open Position | 0.01% 31 Dec 2060 | 25,020 |
| M&I Marshall & Ilsley | 6.375% 01 Sep 2011 | 320,889 |
| Mack Cali Rlty LP | 5.25% 15 Jan 2012 | 200,530 |
| Mack Cali Rlty LP | 5.125% 15 Jan 2015 | 204,719 |
| MacQuarie Group Ltd | 4.875% 10 Aug 2017 | 460,401 |
| Manufacturers & Traders Tr | 1.0% 28 Dec 2020 | 236,045 |
| Marathon Oil Corp | 7.5% 15 Feb 2019 | 202,681 |
| Marathon Oil Corp | 6.5% 15 Feb 2014 | 214,518 |
| Markel Corp | 7.125% 30 Sep 2019 | 202,686 |
| Master Asset Backed Secs | 1.0% 25 Aug 2036 | 282,367 |
| MBNA Credit Card Note | 1.0% 15 Jun 2015 | 145,842 |
| MBNA Credit Card Note | 1.0% 16 Aug 2201 | 524,494 |
| McKesson Corp | 6.5% 15 Feb 2014 | 263,496 |
| Medco Health Solutions | 2.75% 15 Sep 2015 | 911,375 |
| Merril Lynch & Co | 6.4% 28 Aug 2017 | 340,956 |
| Merril Lynch & Co | 6.875% 25 Apr 2018 | 1,283,330 |
| Merrill Lynch Mtg Tr | 5.403% 12 Jul 2034 | 7,192 |
| Merrill Lynch Mtg Tr | 1.0% 12 Nov 2037 | 92,074 |
| Merrill Lynch & Co | 6.050% 16 May 2016 | 407,775 |
| Merrill Lynch & Co | 6.875% 25 Apr 2018 | 802,081 |
| Merrill Lynch Mtg | 1.0% 25 Aug 2036 | 164,148 |
| Merrill Lynch Mtg | 1.0% 12 Nov 2037 | 357,642 |
| MetLife Inc | 7.717% 15 Feb 2019 | 141,574 |
| MetLife Inc | 6.75% 01 Jun 2016 | 345,734 |
| MetLife Inc | 5.0% 15 Jun 2015 | 698,510 |
| MetLife Inc | 4.75% 08 Feb 2021 | 883,032 |
| Metropolitan Life Global FDG | 5.125% 10 Apr 2013 | 352,488 |
| Mid St TR IV | 8.33% 01 Apr 2030 | 376,208 |
| MidAmerican FDG | 6.75% 01 Mar 2011 | 444,054 |
| ML CFC Coml Mtg | 1.0% 12 Jun 2046 | 406,366 |
| ML CFC Coml Mtg | 5.7% 12 Sep 2049 | 754,693 |
| ML CFC Coml Mtg | 1.0% 12 Feb 2039 | 2,901,077 |
| Mohawk Corp | 1.0% 15 Jan 2016 | 403,511 |
| Morgan Stanley | 5.45% 09 Jan 2017 | 116,542 |

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| | | |
|----------------|-------------------|-----------|
| Morgan Stanley | 5.45% 09 Jan 2017 | 314,156 |
| Morgan Stanley | 5.95% 28 Dec 2017 | 718,596 |
| Morgan Stanley | 5.95% 28 Dec 2017 | 770,293 |
| Morgan Stanley | 5.5% 24 Jul 2020 | 863,863 |
| Morgan Stanley | 3.45% 02 Nov 2015 | 643,112 |
| Morgan Stanley | 1.0% 15 Oct 2015 | 1,282,713 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--------------------------|--------------------|-----------|
| Morgan Stanley Cap I | 1.0% 11 Jun 2042 | 445,717 |
| Morgan Stanley Cap I | 1.0% 11 Jun 2042 | 562,452 |
| Morgan Stanley Cap I | 5.569% 15 Dec 2044 | 617,076 |
| Morgan Stanley Cap I | 1.0% 12 Aug 2041 | 687,501 |
| Morgan Stanley Cap I | 1.0% 11 Jun 2042 | 705,719 |
| Morgan Stanley Cap I | 4.989% 13 Aug 2042 | 1,086,498 |
| Morgan Stanley Cap I | 4.89% 12 Jun 2047 | 1,293,469 |
| Morgan Stanley Capitol | 5.325% 15 Dec 2043 | 258,190 |
| Morgan Stanley Group | 6.25% 28 Aug 2017 | 105,264 |
| Morgan Stanley Group | 6.625% 01 Apr 2018 | 1,378,092 |
| Morgan Stanley Group Inc | 5.55% 27 Apr 2017 | 208,706 |
| Morgan Stanley Group Inc | 6.75% 15 Apr 2011 | 367,608 |
| Nabors Industries | 9.25% 15 Jan 2019 | 435,950 |
| National Grid PLC | 6.3% 01 Aug 2016 | 557,823 |
| Nationwide Health PPTYS | 6.5% 15 Jul 2011 | 316,270 |
| Natl City Bank | 6.25% 15 Mar 2011 | 276,477 |
| NBC Universal | 3.65% 30 Apr 2015 | 405,949 |
| Nevada PWR Co | 6.5% 01 Aug 2018 | 282,085 |
| New York Life | 3.0% 04 May 2015 | 478,808 |
| Newell Rubbermaid Inc | 5.5% 15 Apr 2013 | 157,725 |
| News Amer Hldgs | 9.25% 01 Feb 2013 | 230,882 |
| News Amer Hldgs | 7.7% 30 Oct 2025 | 436,951 |
| News Amer Inc | 6.4% 15 Dec 2035 | 89,245 |
| News Amer Inc | 6.65% 15 Nov 2037 | 427,538 |
| NGN 2010 C1 | 2.9% 29 Oct 2020 | 674,600 |
| NGN 2010 R1 | 1.0% 07 Oct 2020 | 1,364,054 |
| NGN 2010 R3 | 1.0% 08 Dec 2020 | 3,591,719 |
| Niagara Mohawk PWR | 3.553% 01 Oct 2014 | 380,796 |
| Nisource Fin Corp | 5.25% 15 Sep 2017 | 359,300 |
| Nisource Fin Corp | 6.8% 15 Jan 2019 | 418,344 |
| Nisource Finance Corp | 6.125% 01 Mar 2022 | 384,318 |
| Nissan Auto Receivables | 5.05% 17 Nov 2014 | 281,556 |
| Noble Energy | 8.25% 01 Mar 2019 | 423,735 |
| Noble Holding Intl | 4.9% 01 Aug 2020 | 37,405 |
| Norfolk Southern Corp | 6.75% 15 Feb 2011 | 142,492 |
| Norfolk Southern Corp | 5.75% 01 Apr 2018 | 215,185 |
| Orange & Rockland Utils | 2.5% 15 Aug 2015 | 1,627,079 |
| Orix Corp | 4.710% 27 Apr 2015 | 383,006 |
| Owens Corning | 6.5% 01 Dec 2016 | 216,316 |
| Packaging Corp | 5.75% 01 Aug 2013 | 36,679 |
| Penny JC Inc. | 7.95% 01 Apr 2017 | 250,318 |
| Petro CDA | 9.25% 15 Oct 2021 | 606,846 |
| Petrobras Intl Fin | 5.75% 20 Jan 2020 | 608,367 |

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| | | |
|---------------------------|--------------------|---------|
| Petrobras Intl Fin | 5.75% 20 Jan 2020 | 836,504 |
| Petronas Capital Ltd | 5.25% 12 Aug 2019 | 414,914 |
| Philip Morris Intl | 5.65% 16 May 2018 | 727,158 |
| Plains All Amer Pipeline | 5.75% 15 Jan 2020 | 447,581 |
| Principal Financial Group | 7.875% 15 May 2014 | 320,862 |
| Principal Financial Group | 7.875% 15 May 2014 | 928,810 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|-----------------------------|--------------------|-----------|
| Prudential Financial | 5.1% 14 Dec 2011 | 101,997 |
| Prudential Financial | 4.75% 17 Sep 2015 | 573,813 |
| Prudential Finl Inc | 5.15% 15 Jan 2013 | 208,462 |
| Prudential Finl Inc | 7.375% 15 Jun 2019 | 397,507 |
| Questar Corp | 2.75% 01 Feb 2016 | 533,330 |
| Qwest Corp | 8.875% 15 Mar 2012 | 137,362 |
| Qwest Corp | 7.5% 01 Oct 2014 | 339,295 |
| Raytheon Corp | 3.125% 15 Oct 2020 | 860,546 |
| Reed Elsevier Capital | 8.625% 15 Jan 2019 | 192,579 |
| Reed Elsevier Capital | 8.625% 15 Jan 2019 | 770,317 |
| Regency Centers LP | 5.25% 01 Aug 2015 | 62,202 |
| Regency Centers LP | 5.875% 15 Jun 2017 | 151,094 |
| RenaissanceHome Equity | 1.0% 25 Nov 2034 | 275,947 |
| Republic Services | 5.0% 01 Mar 2020 | 366,065 |
| Republic Svcs Inc | 6.75% 51 Aug 2011 | 342,994 |
| Residential Asset Sec Mtg | 1.0% 25 May 2033 | 9,617 |
| Reynolds American Inc | 7.25% 01 Jun 2012 | 109,725 |
| Reynolds American Inc | 7.625% 01 Jun 2016 | 340,729 |
| Rio Tinto Fin USA | 6.5% 15 Jul 2018 | 643,705 |
| Rowan Companies | 5.0% 01 Sep 2017 | 349,938 |
| Royal Bk Scotland | 4.875% 16 Mar 2015 | 769,718 |
| Royal BK Scotland Group | 5.0% 01 Oct 2014 | 564,045 |
| Royal Bk Scotland PLC | 5.0% 01 Oct 2014 | 338,427 |
| Royal Bk Scotland PLC | 2.625% 11 May 2012 | 780,276 |
| Royal Bk Scotland PLC | 1.45% 20 Oct 2011 | 1,174,350 |
| RPM International Inc | 6.125% 15 Oct 2019 | 384,681 |
| RSHB Cap SA | 7.75% 29 May 2018 | 386,117 |
| Ryder Svs Inc | 7.2% 01 Sep 2015 | 166,997 |
| Salomon Bros Mtg Secs | 1.0% 25 Jan 2033 | 211,161 |
| Saxon Asset Secs | 1.0% 25 Aug 2032 | 901 |
| SCSLC 2010 | 1.0% 25 Jul 2025 | 2,163,276 |
| Sempra Energy | 6.5% 01 Jun 2016 | 334,671 |
| Simon Property Group | 4.2% 01 Feb 2015 | 659,076 |
| Simon Property Group | 4.375% 01 Mar 2021 | 502,181 |
| SLH Open Position Net Asset | 0.01% 31 Dec 2060 | 1,092 |
| SLM Corp | 5.0% 01 Oct 2013 | 97,976 |
| SLM Corp | 5.125% 27 Aug 2012 | 179,552 |
| SLM Corp | 8.45% 15 Jun 2018 | 406,279 |
| SLM Corp | 5.375% 15 Jan 2013 | 408,665 |
| Snap On Inc | 4.25% 15 Jan 2018 | 313,950 |
| Societe Generale | 2.5% 15 Jan 2014 | 473,475 |
| Southern CA Edison | 5.75% 15 Mar 2014 | 474,440 |
| Southern CA Edison | 5.75% 15 Mar 2014 | 741,654 |

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| | | |
|------------------------|--------------------|---------|
| Southern Co | 1.0% 21 Oct 2011 | 597,996 |
| Southwest Airlines | 5.75% 15 Dec 2016 | 155,189 |
| Southwest Airlines | 5.25% 01 Oct 2014 | 190,141 |
| Southwest Elec PWR Co | 5.875% 01 Mar 2018 | 815,469 |
| Sovereign BK | 5.125% 15 Mar 2013 | 346,178 |
| Spectra Energy Capital | 8.0% 01 Oct 2019 | 416,682 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|-------------------------|--------------------|-----------|
| Sprint Capital Corp | 6.875% 15 Nov 2028 | 196,668 |
| Staples Inc | 9.75% 15 Jan 2014 | 325,671 |
| Statoil ASA | 3.125% 17 Aug 2017 | 1,645,077 |
| Steel Capital | 9.75% 29 Jul 2013 | 152,382 |
| Swaption 317U374B6 | IRO USD 10Y | (1,399) |
| Swaption 317U428B2 | IRO USD 10Y | (67) |
| Talisman Energy Inc | 5.85% 01 Feb 2037 | 49,179 |
| Talisman Energy Inc | 7.75% 1 Jun 2019 | 150,805 |
| Talisman Energy Inc | 6.25% 01 Feb 2038 | 245,270 |
| Teck Resources Limited | 10.75% 15 May 2019 | 743,185 |
| Teco Finance Inc | 4.0% 15 Mar 2016 | 488,257 |
| Telecom Italia Cap | 5.25% 15 Nov 2013 | 305,426 |
| Telecom Italia Capital | 6.175% 18 Jun 2014 | 337,758 |
| Telecom Italia Capital | 4.95% 30 Sep 2014 | 720,876 |
| Telefonica Emisiones | 7.045% 20 Jun 2036 | 129,984 |
| Telefonica Emisiones | 4.949% 15 Jan 2015 | 693,291 |
| Thomson Reuters Corp | 5.95% 15 Jul 2013 | 743,107 |
| TIAAS 2007 C4 | 1.0% 15 Aug 2039 | 225,584 |
| Time Warner Cable | 5.0% 01 Feb 2020 | 316,798 |
| Time Warner Cable | 7.5% 01 Apr 2014 | 381,037 |
| Time Warner Cable Inc | 5.85% 01 May 2017 | 196,271 |
| Time Warner Cable Inc | 6.75% 01 Jul 2018 | 285,924 |
| Time Warner Inc | 4.7% 15 Jan 2021 | 422,870 |
| Time Warner Inc | 5.875% 15 Nov 2016 | 463,268 |
| Time Warner Inc | 4.7% 15 Jan 2021 | 492,519 |
| Time Warner Inc | 8.25% 14 Feb 2014 | 714,629 |
| Toll Bros Fin Corp | 6.875% 15 Nov 2012 | 10,351 |
| Total Capital SA | 3.0% 24 Jun 2015 | 778,227 |
| Total Capital SA | 3.0% 24 Jun 2015 | 1,396,817 |
| Trans Canada Pipelines | 3.4% 01 Jun 2015 | 294,439 |
| Transcapital Invest Ltd | 8.7% 07 Aug 2018 | 483,979 |
| Travelers Cos | 5.75% 15 Dec 2017 | 402,020 |
| TXU Australia Hldgs | 6.15% 15 Nov 2013 | 265,281 |
| Tyco International | 4.125% 15 Oct 2014 | 352,324 |
| Tyco Intl | 8.5% 15 Jan 2019 | 200,135 |
| UBS AG Stamford | 4.875% 04 Aug 2020 | 392,700 |
| UBS AG Stamford | 5.875% 20 Dec 2017 | 537,393 |
| UBS AG Stamford | 5.875% 15 Jul 2016 | 562,595 |
| UBS AG Stamford | 1.0% 23 Feb 2012 | 985,477 |
| UFJ Fin Aruba | 6.75% 15 Jul 2013 | 168,906 |
| Unicredit Luxembourg | 6.0% 31 Oct 2017 | 219,797 |
| Union BK Calif | 5.95% 11 May 2016 | 301,648 |
| Union Elec Co | 6.7% 01 Feb 2019 | 45,565 |

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| | | |
|-----------------------|--------------------|---------|
| Union Pac Corp | 5.45% 31 Jan 2013 | 480,284 |
| Union Pac Corp | 5.75% 15 Nov 2017 | 762,585 |
| United Health Group | 5.25% 15 Mar 2011 | 369,567 |
| United Health Group | 6.0% 15 Feb 2018 | 332,790 |
| Universal Health Svcs | 7.125% 30 Jun 2016 | 291,358 |
| Unum Group | 5.625% 15 Sep 2020 | 372,745 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|-------------------------|--------------------|---------|
| US Cellular Corp | 6.7% 15 Dec 2033 | 384,445 |
| Valero Energy | 6.125% 01 Feb 2020 | 121,433 |
| Valero Energy | 6.875% 15 Apr 2012 | 327,585 |
| Valero Energy | 9.375% 15 Mar 2019 | 812,723 |
| Valero Energy | 6.125% 01 Feb 2020 | 394,396 |
| Veolia Environment | 6.0% 01 Jun 2018 | 257,203 |
| Verizon Communications | 6.35% 01 Apr 2019 | 208,657 |
| Verizon Global FDG Corp | 6.875% 15 Jun 2012 | 418,339 |
| Viacom Inc | 5.625% 15 Sep 2019 | 526,598 |
| Virginia Elec & Pwr Co | 5.4% 30 Apr 2018 | 174,285 |
| Virginia Elec & Pwr Co | 5.1% 30 Nov 2012 | 315,084 |
| Virginia Elec & Pwr Co | 5.95% 15 Sep 2017 | 393,155 |
| Virginia Elec & Pwr Co | 5.1% 30 Nov 2012 | 703,688 |
| VNO 2010 VNO | 2.969% 13 Sep 2028 | 391,619 |
| Vodafone Group PLC | 5.5% 15 Jun 2011 | 279,582 |
| Vodafone Group PLC | 5.35% 27 Feb 2012 | 650,678 |
| Vulcan Matls Co | 5.6% 30 Nov 2012 | 330,625 |
| Wachovia Bk | 1.0% 15 Mar 2016 | 274,652 |
| Wachovia Bk | 4.8% 01 Nov 2014 | 415,604 |
| Wachovia Bk Coml Mtg | 5.509% 15 Apr 2047 | 737,303 |
| Wachovia Bk Coml Mtg | 1.0% 15 Jun 2049 | 743,118 |
| Wachovia Bk Coml Mtg | 1.0% 15 Jul 2045 | 762,154 |
| Wachovia Corp | 4.875% 15 Feb 2014 | 113,202 |
| Wachovia Corp | 5.35% 15 Mar 2011 | 295,975 |
| Wachovia Corp | 5.5% 01 May 2013 | 356,246 |
| Walt Disney Co | 5.7% 15 Jul 2011 | 974,646 |
| WAMU Mtg | 1.0% 25 Oct 2045 | 21,830 |
| Waste Management Inc | 6.375% 11 Mar 2015 | 239,177 |
| Waste Mgmt Inc | 7.375% 15 May 2029 | 56,510 |
| Waste Mgmt Inc | 7.375% 11 Mar 2019 | 360,678 |
| Waste Mgmt Inc | 4.75% 30 Jun 2020 | 420,833 |
| Weatherford Intl Ltd | 6.0% 15 Mar 2018 | 57,851 |
| Weatherford Intl Ltd | 5.15% 15 Mar 2013 | 134,756 |
| WellPoint Inc | 5.875% 15 Jun 2017 | 38,232 |
| WellPoint Inc | 7.0% 15 Feb 2019 | 97,778 |
| WellPoint Inc | 4.35% 15 Aug 2020 | 392,695 |
| Wellpoint Inc | 6.0% 15 Feb 2014 | 776,586 |
| Wellpoint Inc | 4.35% 15 Aug 2020 | 838,719 |
| Wells Fargo & Company | 4.95% 16 Oct 2013 | 313,984 |
| Wells Fargo & Company | 5.625% 11 Dec 2017 | 411,150 |
| Wells Fargo Bank | 3.625% 15 Apr 2015 | 481,334 |
| Wells Fargo Bank | 4.75% 09 Feb 2015 | 518,362 |
| Williams Cos Inc | 7.875% 01 Sep 2021 | 228,386 |

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| | | |
|--------------------------|--------------------|-----------|
| Willis North Amer Inc | 7.0% 29 Sep 2019 | 188,429 |
| Willis North Amer Inc | 6.2% 28 Mar 2017 | 316,310 |
| Willis North America Inc | 7.0% 29 Sep 2019 | 81,483 |
| World Savings Bank | 1.0% 22 Mar 2011 | 1,172,861 |
| WPP Fin UK | 5.875% 15 Jun 2014 | 184,770 |
| Wyndham Worldwide Corp | 6.0% 01 Dec 2016 | 419,270 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|----------------|-------------------|---------|
| Xerox Corp | 5.5% 15 May 2012 | 129,021 |
| Xerox Corp | 5.65% 15 May 2013 | 190,653 |
| Xerox Corp | 8.25% 15 May 2014 | 250,953 |
| Xerox Corp | 6.4% 15 Mar 2016 | 323,102 |
| Xerox Corp | 8.25% 15 May 2014 | 353,615 |
| Xerox Corp | 4.25% 15 Feb 2015 | 792,469 |
| XL Cap Ltd | 5.25% 15 Sep 2014 | 337,324 |
| XTO Energy Inc | 4.9% 01 Feb 2014 | 749,570 |

264,680,103

Benefit Responsive Interest Rate Wrapper Contracts

| | | |
|-------------------------------|---------------------|-----------|
| * Aegon Institutional Markets | Open Ended Maturity | 488,224 |
| * Bank of America NT & SA | Open Ended Maturity | 1,145,889 |

1,634,113

Synthetic Guaranteed Investment Contracts (contract value equals
\$674,792,058)

\$ 724,395,514

Commingled Investments:

| | | |
|--------------------------------------|---------------------------|-------------|
| * Daily EAFE Fund | Commingled Investments | 94,566,853 |
| * S&P 500 Flagship Fund | Commingled Investments | 176,772,488 |
| * US Small CAP Index Futures FD CMT4 | Commingled Investments | 88,012,801 |

Commingled Investments \$ 359,352,142

Registered Investment Companies:

| | | |
|-------------------------------------|----------------------------------|--------|
| Aberdeen Asia Pacific Income Fd Inc | Registered Investment Company | 26,346 |
|-------------------------------------|----------------------------------|--------|

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| | | |
|--|--------------------|--------|
| Acadian Emerging Markets Port Instl | Registered | |
| | Investment Company | 7,765 |
| Aegis Value Fund Inc | Registered | |
| | Investment Company | 4,068 |
| Aim European Growth Investors | Registered | |
| | Investment Company | 800 |
| AllianceBernstein Greater China 97-Adv | Registered | |
| * | Investment Company | 45,845 |
| Allianz Nfj Large Cap Value Instl | Registered | |
| | Investment Company | 235 |
| Amana Mutual Fund Trust Income | Registered | |
| | Investment Company | 13,102 |
| Amer Century Target Maturities Tr 2020 | Registered | |
| | Investment Company | 12,830 |
| American Capital Income Builder CI F | Registered | |
| | Investment Company | 21,319 |
| American Capital Income Builder CI R2 | Registered | |
| | Investment Company | 15,254 |
| American Capital World Gr & Inc R2 | Registered | |
| | Investment Company | 11,405 |
| American Capital World Grth & Inc A | Registered | |
| | Investment Company | 8,649 |
| American Capital World Grwth & Inc F1 | Registered | |
| | Investment Company | 12,074 |
| American Capital World Grwth & Inc R5 | Registered | |
| | Investment Company | 14,152 |
| American Century Equity Income | Registered | |
| | Investment Company | 17,528 |
| American Europacific Growth Class A | Registered | |
| | Investment Company | 22,362 |
| American Europacific Growth Class F | Registered | |
| | Investment Company | 62,766 |
| American Fundamental Investors CI F | Registered | |
| | Investment Company | 15,270 |
| American Growth Fund of America CI R5 | Registered | |
| | Investment Company | 10,849 |
| American High-Income Class F | Registered | |
| | Investment Company | 11,258 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|---|-------------------------------|--------|
| American Income Fund of America Class F | Registered Investment Company | 11,992 |
| American Investment Co of America R5 | Registered Investment Company | 14,164 |
| American Investmnt Co of America Cl A | Registered Investment Company | 14,526 |
| American New Perspective Class A | Registered Investment Company | 18,971 |
| American New Perspective R2 | Registered Investment Company | 6,679 |
| American New World Fund Class A | Registered Investment Company | 9,221 |
| American New World Fund R2 | Registered Investment Company | 26,163 |
| American Smallcap World Class F1 | Registered Investment Company | 10,790 |
| American Washington Mutual Invest R5 | Registered Investment Company | 10,725 |
| Ariel Appreciation | Registered Investment Company | 18,255 |
| Ariel Growth Class A | Registered Investment Company | 25,775 |
| Arrow Dwa Balanced Fund Class C | Registered Investment Company | 14,666 |
| Artio International Equity Fund II CL A | Registered Investment Company | 2,168 |
| Artisan Internat 1 | Registered Investment Company | 13,015 |
| Artisan Intl Value Fund | Registered Investment Company | 17,376 |
| Barclays Bk Plc Ipath Etns Lkd Msci India | Registered Investment Company | 12,426 |
| Barclays Bk Plc Ipath Index Lkd Secs | Registered Investment Company | 13,066 |
| Barclays Bk Plc Ipath Index Lkd Secs | Registered Investment Company | 4,098 |
| Baron Asset | Registered Investment Company | 5,579 |
| Baron Partners Fund | Registered Investment Company | 28,406 |
| Blackrock Internat L Opport Class C | Registered Investment Company | 18,940 |
| Blackrock Latin America Fd Cl C | | 10,978 |

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| | | |
|---|-------------------------------|---------|
| | Registered Investment Company | |
| Bldrs Emerging Mkts 50 Adr Index Fd | Registered Investment Company | 14,445 |
| Brandywine Blue | Registered Investment Company | 20,959 |
| Bridgeway Aggressive Investor 1 | Registered Investment Company | 693 |
| Bridgeway Aggressive Investor 2 | Registered Investment Company | 128,693 |
| Bridgeway Small Cap Growth CI N | Registered Investment Company | 14,698 |
| Brown Capital Mgmt Small Company Inst. | Registered Investment Company | 16,873 |
| Buffalo Mid Cap Fund | Registered Investment Company | 6,151 |
| Buffalo Small Cap Growth | Registered Investment Company | 25,080 |
| Calamos Growth Class A | Registered Investment Company | 59,621 |
| Calamos Growth Fund Class C | Registered Investment Company | 73,285 |
| California Invst Tr S & P Mid Cap | Registered Investment Company | 10,675 |
| China Fd Inc | Registered Investment Company | 4,095 |
| Claymore Exchange Traded Fd Tr Bny Bric Ptf | Registered Investment Company | 13,842 |
| Clipper | Registered Investment Company | 8,132 |
| Cohen & Steers Realty Shares | Registered Investment Company | 10,331 |
| Columbia Acorn Class Z N/C | Registered Investment Company | 3,847 |
| Columbia Marsico Intl Opp Prim Z | Registered Investment Company | 4,596 |
| Columbia Mid Cap Value Primary Z | Registered Investment Company | 3,298 |
| Columbia Real Estate Equity CI Z | Registered Investment Company | 49,034 |
| Columbia Value and Restructuring CI Z | Registered Investment Company | 91,191 |
| CRM Mid Cap Value Investor Shares | Registered Investment Company | 21,780 |
| CRM Mid-Cap Value Fd-Institutional | Registered Investment Company | 8,014 |
| Delaware Smid Cap Growth Class I | Registered Investment Company | 29,706 |
| Direxion Latin America Bull 2X Inv | Registered Investment Company | 1 |
| Direxion Shs ETF Tr Daily Finl Bear | | 3,308 |

| | | |
|---|----------------------------------|--------|
| | Registered Investment Company | |
| Direxion Shs ETF Tr Daily Semiconductor | Registered Investment Company | 39,992 |
| Direxion Shs ETF Tr Daily Technology Bear | Registered Investment Company | 5,858 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|---|-------------------------------|---------|
| Dodge & Cox Global Stock Fund | Registered Investment Company | 15,040 |
| Dodge & Cox Income | Registered Investment Company | 90,694 |
| Dodge & Cox Internatl Stock Fund | Registered Investment Company | 119,948 |
| Dodge & Cox Stock | Registered Investment Company | 126,504 |
| Dreyfus Bond Market Index Class R | Registered Investment Company | 46,012 |
| Dreyfus Inter-Term Inc Cl I | Registered Investment Company | 4,354 |
| Dreyfus Midcap Value Fund | Registered Investment Company | 10,940 |
| Dreyfus Premier Greater China Cl A | Registered Investment Company | 12,403 |
| Dreyfus Premier Greater China Cl R | Registered Investment Company | 25,717 |
| Driehaus Internatl Discovery | Registered Investment Company | 7,207 |
| Eaton Vance Ltd Duration Income Fd | Registered Investment Company | 8,025 |
| Eaton Vance Worldwide Health Sciences Class A | Registered Investment Company | 1,870 |
| Fairholme Fund | Registered Investment Company | 141,162 |
| Fam Value | Registered Investment Company | 60,715 |
| FBR Small Cap Class A N/C | Registered Investment Company | 2,657 |
| Federated Prudent Bear Fund Class A | Registered Investment Company | 1,436 |
| Fidelity Advisor Fl Rate High Inc Cl I | Registered Investment Company | 18,937 |
| Fidelity Blue Chip Growth | Registered Investment Company | 1,997 |
| Fidelity Canada | Registered Investment Company | 29,454 |
| Fidelity Capital & Income | Registered Investment Company | 39,309 |
| Fidelity Capital Appreciation | Registered Investment Company | 15,336 |
| Fidelity China Region | Registered Investment Company | 6,768 |
| Fidelity Contrafund | Registered Investment Company | 148,147 |
| Fidelity Diversified International | Registered Investment Company | 60,234 |
| Fidelity Dividend Growth | Registered Investment Company | 23,227 |
| Fidelity Emerging Markets | Registered Investment Company | 23,540 |
| Fidelity Europe Capital Appreciation | Registered Investment Company | 9,009 |
| Fidelity Four-In-One Index | Registered Investment Company | 10,198 |
| Fidelity Freedom 2025 | Registered Investment Company | 6,395 |
| Fidelity High Income | Registered Investment Company | 48,187 |
| Fidelity Internat l Real Estate Fund | Registered Investment Company | 13,612 |
| Fidelity Int l Discovery | Registered Investment Company | 75,076 |
| Fidelity Intl Small Cap Opp Fund | Registered Investment Company | 9,420 |
| Fidelity Large Capital Stock | Registered Investment Company | 2,766 |
| Fidelity Latin America | Registered Investment Company | 47,416 |
| Fidelity Leveraged Company Stock | Registered Investment Company | 26,924 |
| Fidelity Low Priced Stock | Registered Investment Company | 35,505 |
| Fidelity Mid Cap Growth | Registered Investment Company | 9,675 |
| Fidelity New Markets Income | Registered Investment Company | 16,833 |
| Fidelity Real Estate Investment | Registered Investment Company | 2,754 |
| Fidelity Select Brokerage & Invs Mgt | Registered Investment Company | 7,009 |
| Fidelity Select Chemicals | Registered Investment Company | 7,451 |
| Fidelity Select Energy Service | Registered Investment Company | 8,399 |

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| | | |
|-----------------------------------|-------------------------------|--------|
| Fidelity Select Natural Resources | Registered Investment Company | 24,282 |
| Fidelity Select Technology | Registered Investment Company | 2,733 |
| Fidelity Select Transport | Registered Investment Company | 8,096 |
| Fidelity Small Cap Stock | Registered Investment Company | 7,978 |
| Fidelity Small Cap Value | Registered Investment Company | 3,197 |
| Fidelity Southeast Asia | Registered Investment Company | 16,950 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|--|-------------------------------|---------|
| Fidelity Strategic Income | Registered Investment Company | 14,742 |
| Fidelity Strategic Real Return | Registered Investment Company | 6,136 |
| Fidelity US Bond Index | Registered Investment Company | 8,080 |
| Fidelity Value | Registered Investment Company | 8,336 |
| First Eagle Global Class C | Registered Investment Company | 8,338 |
| First Tr Exchange Traded Fd | Registered Investment Company | 13,728 |
| FMI Large Cap Fund | Registered Investment Company | 5,757 |
| Forward Global Emerg Markets Instl Cl | Registered Investment Company | 1,495 |
| Forward International Equity Fund | Registered Investment Company | 42,349 |
| Franklin Global Real Estate Adv Cl | Registered Investment Company | 6,007 |
| Franklin Strategic Income Class A | Registered Investment Company | 14,484 |
| Franklin Temp Mutual Series Class R | Registered Investment Company | 16,239 |
| Fundamental Investors | Registered Investment Company | 39,607 |
| FundX Aggressive Upgrader Fund | Registered Investment Company | 7,630 |
| Fundx ETF Upgrader Fund | Registered Investment Company | 1,640 |
| FundX Upgrader Fund | Registered Investment Company | 35,991 |
| Gabelli Equity Income Fund | Registered Investment Company | 13,531 |
| Gabelli Utilities Fund Class C | Registered Investment Company | 9,004 |
| Gamco Growth Fund | Registered Investment Company | 10,066 |
| Gamco Westwood Equity Fd | Registered Investment Company | 97,559 |
| Goldman Sachs Asset Alloc Growth Strat C | Registered Investment Company | 13,860 |
| Greenspring Fund | Registered Investment Company | 18,098 |
| Growth Fund Of America | Registered Investment Company | 8,899 |
| Hancock Horizon Burkenroad Fund Cl D | Registered Investment Company | 85,788 |
| Hancock John Pfd Equity Income Fd Sh Ben Int | Registered Investment Company | 3,736 |
| Harbor Bond Inst. | Registered Investment Company | 191,901 |
| Harbor International | Registered Investment Company | 117,803 |
| Harbor International Investor Shares | Registered Investment Company | 54,288 |
| Heartland Value | Registered Investment Company | 21,051 |
| Hussman Strategic Growth | Registered Investment Company | 18,802 |
| Hussman Strategic Total Return | Registered Investment Company | 30,451 |
| ICON Energy | Registered Investment Company | 16,974 |
| ICON Healthcare | Registered Investment Company | 7,520 |
| ICON Materials | Registered Investment Company | 4,712 |
| * ING Prime Rate Tr Sh Ben Int | Registered Investment Company | 6,632 |
| Invesco Small Companies Cl Y | Registered Investment Company | 16,950 |
| Invesco Van Kampen Equity And Income C | Registered Investment Company | 17,196 |
| iShares Barclays 1-3 Year Treasury Bd Fd | Registered Investment Company | 18,743 |
| iShares Barclays US Aggregate Bd Fd | Registered Investment Company | 35,832 |
| iShares Comex Gold Trust iShares Etf | Registered Investment Company | 556 |
| iShares Iboxx \$Investop Investment | Registered Investment Company | 34,229 |
| iShares Inc Msci Australia Index Fund | Registered Investment Company | 17,363 |
| iShares Inc Msci Brazil Free Index Fu Nd | Registered Investment Company | 47,112 |

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| | | |
|--|-------------------------------|--------|
| iShares Inc Msci Bric Index Fd | Registered Investment Company | 27,800 |
| iShares Inc Msci Chile Index Fund | Registered Investment Company | 23,880 |
| iShares Inc Msci Hong Kong Index Fd | Registered Investment Company | 10,406 |
| iShares Inc Msci Malaysia Free Index Fd | Registered Investment Company | 12,367 |
| iShares Inc Msci Pacific Ex Japan Index Fd | Registered Investment Company | 50,381 |
| iShares Inc Msci Singapore Index Fd | Registered Investment Company | 48,100 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|--|-------------------------------|---------|
| iShares Inc Msci Switzerland Index Fd | Registered Investment Company | 5,016 |
| iShares Inc Msci Taiwan Index Fd | Registered Investment Company | 7,810 |
| iShares Inc Msci Turkey Index Fd | Registered Investment Company | 6,653 |
| iShares S&P Gsti Software Index Fund | Registered Investment Company | 19,863 |
| iShares S&P North American Index Fd | Registered Investment Company | 10,214 |
| iShares Silver Tr iShares | Registered Investment Company | 73,036 |
| iShares Tr Cohen & Steers Realty Majors Index Fd | Registered Investment Company | 39,156 |
| iShares Tr Dow Jones US Energy Sector Index Fd | Registered Investment Company | 7,792 |
| iShares Tr Dow Jones US Finl Svcs Index Fd | Registered Investment Company | 11,514 |
| iShares Tr Dow Jones US Healthcare Sector | Registered Investment Company | 6,537 |
| iShares Tr Dow Jones Select Divid Index Fd | Registered Investment Company | 7,479 |
| iShares Tr Dow Jones US Basic Materials Sector | Registered Investment Company | 37,955 |
| iShares Tr Dow Jones US Consumer Goods | Registered Investment Company | 25,820 |
| iShares Tr Dow Jones US Aerospace & Def Index Fd | Registered Investment Company | 11,770 |
| iShares Tr Dow Jones US Broker Dealers Index Fd | Registered Investment Company | 5,804 |
| iShares Tr Dow Jones US Medical Devices Index Fd | Registered Investment Company | 11,782 |
| iShares Tr Dow Jones US Oil & Gas Expl Prod | Registered Investment Company | 34,123 |
| iShares Tr Dow Jones US Technology Sector | Registered Investment Company | 19,314 |
| iShares Tr Ftse Nareit Mtg Plus Capped Index Fd | Registered Investment Company | 6,625 |
| iShares Tr Ftse Xinhua Hk China 25 Index Fd | Registered Investment Company | 6,464 |
| iShares Tr Msci Eafe Index Fd | Registered Investment Company | 29,383 |
| iShares Tr Msci Emerging Mkts Index Fd | Registered Investment Company | 118,251 |
| iShares Tr Nasdaq Biotechnology Index Fd | Registered Investment Company | 18,684 |
| iShares Tr Russell 1000 Growth Index Fd | Registered Investment Company | 26,296 |
| iShares Tr Russell 1000 Index Fd | Registered Investment Company | 34,930 |
| iShares Tr Russell 1000 Value Index Fd | Registered Investment Company | 23,861 |
| iShares Tr Russell 2000 Value Index Fd | Registered Investment Company | 10,664 |
| iShares Tr Russell Midcap Value Index Fd | Registered Investment Company | 11,253 |
| iShares Tr S&P 500 Index Fd | Registered Investment Company | 56,566 |
| iShares Tr S&P 500/Value Index Fd | Registered Investment Company | 17,989 |
| iShares Tr S&P Latin Amer 40 Index Fd | Registered Investment Company | 63,929 |
| iShares Tr S&P Micap 400/Growth Index Fund | Registered Investment Company | 20,181 |
| iShares Tr S&P Midcap 400 Index Fd | Registered Investment Company | 45,345 |
| iShares Tr S&P Midcap 400/Value Index Fd | Registered Investment Company | 66,387 |
| iShares Tr S&P US Pfd Stk Index Fd | Registered Investment Company | 1,940 |
| iShares Tr US Treas Inflation Protected Secs Fd | Registered Investment Company | 140,096 |
| iShares Trust S&P Smallcap 600 Index Fd | Registered Investment Company | 51,064 |
| IVA International Fund Cl A | Registered Investment Company | 8,672 |

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| | | |
|---------------------------------------|-------------------------------|--------|
| Ivy Asset Strategy CI Y | Registered Investment Company | 14,733 |
| Ivy Global Nat Resources CI Y | Registered Investment Company | 1,380 |
| Ivy Global Natural Resources Class C | Registered Investment Company | 31,208 |
| Janus Balanced | Registered Investment Company | 57,150 |
| Janus Enterprise | Registered Investment Company | 2,383 |
| Janus Mercury | Registered Investment Company | 10,756 |
| Janus Orion Fund | Registered Investment Company | 8,060 |
| Janus Overseas | Registered Investment Company | 87,652 |
| Janus Triton Fund Class T Shares | Registered Investment Company | 37,395 |
| John Hancock Patriot Prem Divid Fd Ii | Registered Investment Company | 8,670 |
| JP Morgan Mid Cap Value Instl | Registered Investment Company | 331 |
| | 62 | |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|---|-------------------------------|---------|
| JP Morgan Small Cap Equity Fnd Select Cl | Registered Investment Company | 17,905 |
| Kinetics Small Cap Opportunities | Registered Investment Company | 11,480 |
| Korea Equity Fd Inc | Registered Investment Company | 2,456 |
| Laudus International Marketmasters Inv Cl | Registered Investment Company | 26,132 |
| Laudus Intl Market Masters Fund Sel Shr | Registered Investment Company | 51,187 |
| Liberty All Star Equity Fd Sbi | Registered Investment Company | 108 |
| * Loomis Sayles Bond Retail Shares | Registered Investment Company | 2,533 |
| * Loomis Sayles Global Bond Retail | Registered Investment Company | 10,104 |
| Lord Abbett Short Duration Income Cl A | Registered Investment Company | 35,530 |
| Managers Fremont Micro-Cap Fund N/C | Registered Investment Company | 19,967 |
| Managers Intermediat Duration Government | Registered Investment Company | 21,680 |
| Manning & Napier Equity Series | Registered Investment Company | 84,712 |
| Manning & Napier Pro Blend Max Term Ser | Registered Investment Company | 918 |
| Market Vectors Etf Tr Agribusiness Etf | Registered Investment Company | 21,449 |
| Market Vectors Etf Tr Nuclear Energy Etf | Registered Investment Company | 13,451 |
| Marshall Mid Cap Value Cl Y | Registered Investment Company | 5,182 |
| Marsico 21St Century Fund | Registered Investment Company | 46,458 |
| Marsico Focus | Registered Investment Company | 19,322 |
| Marsico Internat L Opportunities | Registered Investment Company | 28,369 |
| Masters Select Equity | Registered Investment Company | 63,764 |
| Matthews Asia Dividend Fund | Registered Investment Company | 22,799 |
| Matthews Dragon Century China | Registered Investment Company | 4,635 |
| Matthews India Fund | Registered Investment Company | 26,818 |
| Matthews Pacific Tiger | Registered Investment Company | 35,080 |
| Meridian Fund | Registered Investment Company | 42,696 |
| Meridian Value Fund | Registered Investment Company | 6,249 |
| Metropolitan West Tot Return Bond Cl M | Registered Investment Company | 1,007 |
| Morgan Stanley China A Share Fund Inc | Registered Investment Company | 3,254 |
| Nasdaq Prem Income & Growth Fd Inc | Registered Investment Company | 7,729 |
| Needham Growth Fund | Registered Investment Company | 1,347 |
| Neuberger Berman Genesis Trust Class | Registered Investment Company | 3,528 |
| Neuberger Berman Int L Trust Class | Registered Investment Company | 11,396 |
| Neuberger Berman Partners Investor | Registered Investment Company | 15,543 |
| Neuberger Berman Real Estate Trust Cl | Registered Investment Company | 15,994 |
| New Alternatives Fd | Registered Investment Company | 17,137 |
| Nuveen Quality Pfd Income Fd 2 | Registered Investment Company | 122,450 |
| Oakmark Equity & Income Fd | Registered Investment Company | 225,056 |
| Oakmark Fund | Registered Investment Company | 70,544 |
| Oakmark Internat 1 Small Cap | Registered Investment Company | 25,024 |
| Oakmark Internat 1 Small Cap | Registered Investment Company | 7,724 |
| Oil Svc Holdrs Tr Oil Svc Holders Depository Rcpt | Registered Investment Company | 42,159 |
| Oppenheimer Dev Markets Cl N | Registered Investment Company | 8,685 |
| Permanent Portfolio Family Of Fds | Registered Investment Company | 104,995 |

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|---|---------------------------------------|-------------------------------|--------|
| * | Pimco All Asset Fund Class D | Registered Investment Company | 18,865 |
| * | Pimco Emerging Markets Bond Fund D | Registered Investment Company | 15,682 |
| * | Pimco Investment Grade Corp Bond CI D | Registered Investment Company | 40,034 |
| * | Pimco Real Return Class D | Registered Investment Company | 44,086 |
| * | Pimco Stocks Plus Short Strategy CI A | Registered Investment Company | 17,747 |
| * | Pimco Total Return Class A | Registered Investment Company | 24,107 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|--|-------------------------------|---------|
| * Pimco Total Return Class D | Registered Investment Company | 16,526 |
| Powershares Db Commodity Index Tracking Fd | Registered Investment Company | 2,810 |
| Powershares Db Multi Sector Commodity Tr | Registered Investment Company | 9,772 |
| Powershares Db Multi Sector Commodity Tr | Registered Investment Company | 20,459 |
| Powershares Db US Dlr Index Tr Powershares | Registered Investment Company | 5,420 |
| Powershares Exchange Traded Fd Tr | Registered Investment Company | 7,642 |
| Powershares Exchange Traded Fd | Registered Investment Company | 35,220 |
| Powershares Exchange Traded Fd | Registered Investment Company | 6,511 |
| Powershares Ftse Rafi Us 1000 | Registered Investment Company | 36,730 |
| Powershares Qqq Tr Unit Ser 1 | Registered Investment Company | 91,899 |
| Powerwave Technologies Inc. | Registered Investment Company | 1,270 |
| Primecap Odyssey Aggressive Grwth Fd | Registered Investment Company | 1,491 |
| Proshares Tr Ii Proshares Ultrashort Euro | Registered Investment Company | 60,930 |
| Proshares Tr Ultra Qqq Proshares | Registered Investment Company | 28,501 |
| Proshares Tr Ultra Short 100 Fd | Registered Investment Company | 23,266 |
| Proshares Tr Ultra Short 500 Fd | Registered Investment Company | 111,672 |
| Proshares Tr Ultrashort Real Estate New | Registered Investment Company | 2,757 |
| Proshares Trust Ultra Financials | Registered Investment Company | 28,014 |
| Proshares Ultra S&P 500 Proshares | Registered Investment Company | 24,399 |
| Proshares Ultra Short Finls Proshares | Registered Investment Company | 4,090 |
| Proshares Ultra Tech Proshares | Registered Investment Company | 38,022 |
| Prudential Jennison Natural Resources R | Registered Investment Company | 7,649 |
| Putnam High Income Conv & Bd Fd S B I | Registered Investment Company | 20,950 |
| Rainier Small Mid Cap Equity | Registered Investment Company | 6,924 |
| Reaves Util Income Fd Com Sh Ben Int | Registered Investment Company | 150 |
| Rivernorth Core Oppportunity Fund | Registered Investment Company | 21,059 |
| Royce Low Priced Stock Fund | Registered Investment Company | 201,859 |
| Royce Microcap | Registered Investment Company | 95,634 |
| Royce Opportunity Fund | Registered Investment Company | 22,349 |
| Royce Pa Mutual | Registered Investment Company | 162,270 |
| Royce Premier Series | Registered Investment Company | 50,649 |
| Royce Special Equity | Registered Investment Company | 18,279 |
| Royce Total Return Fund | Registered Investment Company | 31,122 |
| Royce Value Plus Service Class | Registered Investment Company | 5,105 |
| S &P 500 Depository Receipt | Registered Investment Company | 121,704 |
| Schroder Emerging Market Equity Adv Cl | Registered Investment Company | 56,109 |
| Schwab Fundamental Emg Mkts Index Instl | Registered Investment Company | 6,610 |
| Scout International Fund | Registered Investment Company | 998 |
| Sector Spdr Tr Shs Ben Int Consumer Services | Registered Investment Company | 23,857 |
| Sector Spdr Tr Shs Ben Int Financial | Registered Investment Company | 14,164 |
| Sector Spdr Tr Shs Ben Int Technology | Registered Investment Company | 6,289 |
| Sector Spdr Tr Shs Ben Int Utilities | Registered Investment Company | 20,051 |
| Select Energy | Registered Investment Company | 11,669 |

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| | | |
|--------------------------------------|-------------------------------|--------|
| Select Medical Delivery | Registered Investment Company | 42,854 |
| Select Natural Gas | Registered Investment Company | 2,323 |
| Selected American Shares | Registered Investment Company | 79,965 |
| Skyline Special Equities N/C | Registered Investment Company | 7,469 |
| Sound Shore Fd Inc | Registered Investment Company | 3,428 |
| Spartan 500 Index Fd Advantage Class | Registered Investment Company | 94,586 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|---|-------------------------------|------------|
| Spartan 500 Index Fd Investor Class | Registered Investment Company | 2,104 |
| Spartan Total Market Index | Registered Investment Company | 29,603 |
| Spdr Gold Tr Gold Shs | Registered Investment Company | 432,945 |
| Spdr Index Shs Fds Dj Wilshire Intl Real Estate Etf | Registered Investment Company | 15,029 |
| Spdr Ser Tr Dj Wilshire Large Growth Etf | Registered Investment Company | 5,682 |
| Spdr Ser Tr Dj Wilshire Mid Cap Growth Etf | Registered Investment Company | 7,515 |
| Spdr Ser Tr Dj Wilshire Reit Etf | Registered Investment Company | 32,914 |
| Spdr Ser Tr Dow Jones Mid Cap Etf | Registered Investment Company | 7,959 |
| Spdr Ser Tr Kbw Ins Etf | Registered Investment Company | 5,377 |
| Spdr Ser Tr S&P Pharmaceuticals Etf | Registered Investment Company | 7,098 |
| Spdr Ser Tr S&P Semiconductor Etf | Registered Investment Company | 5,460 |
| Spdr Ser Tr Wells Fargo Pfd Stock Etf | Registered Investment Company | 8,918 |
| * SSgA Emerging Markets | Registered Investment Company | 72,991 |
| * SSgA International Stock Selection | Registered Investment Company | 7,221 |
| T Rowe Price Cap Appreciation | Registered Investment Company | 191,448 |
| T Rowe Price Corporate Income | Registered Investment Company | 101,741 |
| T Rowe Price Emerg Euro & Mediterranean | Registered Investment Company | 3,089 |
| T Rowe Price Emerging Mkts Stock | Registered Investment Company | 127,645 |
| T Rowe Price Equity Income | Registered Investment Company | 13,380 |
| T Rowe Price Growth Stock | Registered Investment Company | 31,365 |
| T Rowe Price Growth Stock Advisor Cl | Registered Investment Company | 2,723 |
| T Rowe Price Health Sciences | Registered Investment Company | 15,056 |
| T Rowe Price International Bond | Registered Investment Company | 15,986 |
| T Rowe Price Intl Discovery Fund | Registered Investment Company | 77,189 |
| T Rowe Price Intl Emerging Market Bond | Registered Investment Company | 7,002 |
| T Rowe Price Latin America Fund | Registered Investment Company | 15,088 |
| T Rowe Price Media & Telecommunications | Registered Investment Company | 2,800 |
| T Rowe Price Mid Cap Growth | Registered Investment Company | 24,054 |
| T Rowe Price Mid Cap Value | Registered Investment Company | 19,076 |
| T Rowe Price New Asia | Registered Investment Company | 27,612 |
| T Rowe Price New Era | Registered Investment Company | 3,163 |
| T Rowe Price New Horizons Fd Inc | Registered Investment Company | 996 |
| T Rowe Price Ret 2040 Fd | Registered Investment Company | 4,579 |
| T Rowe Price Ret. 2030 Fd | Registered Investment Company | 5,924 |
| T Rowe Price Retirement 2025 Fd | Registered Investment Company | 4,098 |
| T Rowe Price Rtmt 2015 Advisor Class | Registered Investment Company | 21,238 |
| T Rowe Price Rtmt 2025 Fund Adv Shrs | Registered Investment Company | 21,956 |
| T Rowe Price Rtmt Fund 2040 Adv Shrs | Registered Investment Company | 4,620 |
| T Rowe Price Small Cap Value Fund | Registered Investment Company | 2,500 |
| Target Moderate Allocation Cl C N/C | Registered Investment Company | 15,853 |
| Target Retirement 2010 Fd | Registered Investment Company | 8,197,147 |
| Target Retirement 2020 Fd | Registered Investment Company | 20,010,640 |
| Target Retirement 2025 Fd | Registered Investment Company | 21,798,927 |

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| | | |
|-------------------------------|-------------------------------|------------|
| Target Retirement 2030 Fd | Registered Investment Company | 22,312,309 |
| Target Retirement 2035 Fd | Registered Investment Company | 23,671,397 |
| Target Retirement 2040 Fd | Registered Investment Company | 18,056,498 |
| Target Retirement 2045 Fd | Registered Investment Company | 15,408,471 |
| Target Retirement 2050 Fd | Registered Investment Company | 12,484,914 |
| TCW Emerging Mkts Income Cl I | Registered Investment Company | 4,998 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****Schedule I****December 31, 2010**

| | | |
|---|-------------------------------|------------|
| Templeton Emerging Mrtks Small Cap A | Registered Investment Company | 6,749 |
| Templeton Global Bond Class A | Registered Investment Company | 3,609 |
| The Contrarian Fund N/C | Registered Investment Company | 21,724 |
| Third Ave Small Cap Value Fd | Registered Investment Company | 20,803 |
| Third Avenue Real Estate Value | Registered Investment Company | 6,215 |
| Third Avenue Value | Registered Investment Company | 21,466 |
| Thompson Plumb Growth Fund | Registered Investment Company | 265 |
| Timothy Plan Conserv Growth Cl C | Registered Investment Company | 18,919 |
| Timothy Plan Fixed Income Class C | Registered Investment Company | 3,860 |
| Timothy Plan Strateg Ic Growth Cl C | Registered Investment Company | 10,102 |
| Tocqueville Fund | Registered Investment Company | 10,863 |
| Tocqueville Gold Fund | Registered Investment Company | 27,094 |
| Touchstone Sands Cap Sel Grwth Z | Registered Investment Company | 20,945 |
| Touchstone Small Cap Value Opport Cl Z | Registered Investment Company | 9,206 |
| Tweedy Brown Global Value Fund | Registered Investment Company | 90,695 |
| Undiscovered Mgrs Behavior Value Instl | Registered Investment Company | 17,408 |
| United Sts Nat Gas Fd Lp Unit | Registered Investment Company | 110,253 |
| US Global Region East European | Registered Investment Company | 2,793 |
| US Global Resources | Registered Investment Company | 15,978 |
| US World Precious Minerals | Registered Investment Company | 1,112 |
| Value Line Small Cap Growth | Registered Investment Company | 25,197 |
| Van Eck Global Hard Assets Class C | Registered Investment Company | 10,876 |
| Vangaurd Mid Cap Value Index Fd | Registered Investment Company | 5,935 |
| Vanguard Balanced Index | Registered Investment Company | 6,312 |
| Vanguard Chester Fds | Registered Investment Company | 12,356,565 |
| Target Retirement 2015 Fd | Registered Investment Company | 17,840,168 |
| Vanguard Developed Mrkts Index Inv | Registered Investment Company | 18,313 |
| Vanguard Emerging Mkts Viprs | Registered Investment Company | 34,190 |
| Vanguard Equity Income | Registered Investment Company | 9,100 |
| Vanguard Fixed Inc High Yield Corp | Registered Investment Company | 5,372 |
| Vanguard Global Equity | Registered Investment Company | 20,184 |
| Vanguard GNMA | Registered Investment Company | 1,376 |
| Vanguard Growth Index | Registered Investment Company | 6,616 |
| Vanguard Index Fds Mid-Cap Growth Index | Registered Investment Company | 6,230 |
| Vanguard Index Fds Vanguard Growth Viprs | Registered Investment Company | 9,213 |
| Vanguard Index Fds Vanguard Total Stk Mkt Etf | Registered Investment Company | 13,122 |
| Vanguard Index Trust S&P 500 Port | Registered Investment Company | 268,951 |
| Vanguard Index Trust Small Cap Growth | Registered Investment Company | 52,660 |
| Vanguard Inflation Protected Secs | Registered Investment Company | 38,828 |
| Vanguard Internatl Value Portfolio | Registered Investment Company | 1,987 |
| Vanguard Inter-Term Bond Index Port | Registered Investment Company | 67,805 |
| Vanguard Intl Equity European | Registered Investment Company | 39,180 |
| Vanguard Intl Equity Pacific | Registered Investment Company | 28,317 |

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| | | |
|---|-------------------------------|---------|
| Vanguard Long Term US Treasury | Registered Investment Company | 16,876 |
| Vanguard Mid Cap Index | Registered Investment Company | 167,463 |
| Vanguard Mid Cap Growth Fund | Registered Investment Company | 6,850 |
| Vanguard Muni Bond Intermediate Tm Port | Registered Investment Company | 1,216 |
| Vanguard Sector Index Fds Vanguard | Registered Investment Company | 48,591 |
| Vanguard Sector Index Fds Vanguard | Registered Investment Company | 12,304 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Employer Identification Number: 36-0781620 and Plan Number 023****December 31, 2010****Schedule I**

| | | |
|--|-------------------------------|---------|
| Vanguard Short Term Bond Index | Registered Investment Company | 169,877 |
| Vanguard Small Cap Stock Index Trust | Registered Investment Company | 70,130 |
| Vanguard Specialized Energy Port | Registered Investment Company | 188,760 |
| Vanguard Specialized Reit Index Fund | Registered Investment Company | 93,143 |
| Vanguard Strategic Equity | Registered Investment Company | 9,229 |
| Vanguard Target Ret 2025 Fd Investor Cl | Registered Investment Company | 195,683 |
| Vanguard Target Ret 2035 Fd Investor Cl | Registered Investment Company | 118,686 |
| Vanguard Target Retirement 2040 Fd | Registered Investment Company | 4,529 |
| Vanguard Total Intl Stock Index Fund | Registered Investment Company | 33,832 |
| Vanguard Total Stock Market | Registered Investment Company | 6,898 |
| Vanguard Utilities Income | Registered Investment Company | 35,392 |
| Vanguard Value Index | Registered Investment Company | 10,576 |
| Vanguard Wellington Fund | Registered Investment Company | 82,138 |
| Vanguard Whitehall Fds High Dividend Yield | Registered Investment Company | 23,221 |
| Vanguard Windsor Ii | Registered Investment Company | 71,060 |
| Vanguard Windsor Ii Admiral | Registered Investment Company | 124,853 |
| Wasatch Large Cap Value Fund | Registered Investment Company | 3,556 |
| Wasatch Micro-Cap Value Fund | Registered Investment Company | 181,559 |
| Wasatch Small Cap Value | Registered Investment Company | 25,673 |
| Wasatch Ultra Growth | Registered Investment Company | 6,882 |
| Weitz Partners Value | Registered Investment Company | 27,930 |
| Wells Fargo Asia Pacific Fd-Investor | Registered Investment Company | 5,970 |
| Wells Fargo C&B Mid Cap Value Fd Cl D N/C | Registered Investment Company | 137 |
| Wells Fargo Opport. Fund-Investor | Registered Investment Company | 1,995 |
| William Blair Int L Growth Fund | Registered Investment Company | 5,741 |
| Wintergreen Fund | Registered Investment Company | 66,414 |
| Wisdomtree Tr Defa High Yielding Equity Fd | Registered Investment Company | 6,165 |
| Yacktman Focused Fd | Registered Investment Company | 16,683 |
| Yacktman Fund | Registered Investment Company | 50,940 |

| | | |
|---------------------------------|--|----------------|
| Registered Investment Companies | | \$ 185,115,996 |
|---------------------------------|--|----------------|

| | | |
|----------------------------|--|---------------|
| * Participant Loans | Interest rates range from 4.25% to 10.5% | \$ 39,926,335 |
|----------------------------|--|---------------|

Collateral Held on Loaned Securities:

| | | |
|---|----------------------------|-------------|
| Baxter International Savings Trust Separate Account | Short-Term Investment Fund | 215,920,473 |
| * Quality D Short-Term Investment Fund | Short-Term Investment Fund | 14,523,018 |

| | |
|--|-------------------------|
| Collateral Held on Loaned Securities | \$ 230,443,491 |
| Total Investments and Participant Loans | \$ 2,080,908,757 |

* Party-in-interest

** These investments include securities that were loaned to brokers under the securities lending program with the Trustee.

(1) Cost information not required for participant-directed investments.

SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Plan Administrator has duly caused this annual report to be signed on its behalf by the undersigned thereunto duly authorized.

BAXTER INTERNATIONAL INC. AND
SUBSIDIARIES
INCENTIVE INVESTMENT PLAN

Date: June 23, 2011

By: /s/ Robert J. Hombach
Robert J. Hombach
Member of the Administrative Committee