

BAXTER INTERNATIONAL INC

Form 11-K

June 30, 2008

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**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, 2007

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 Healthcare of Puerto Rico Savings and Investment Plan (formerly Baxter
Healthcare Corporation of Puerto Rico Savings and 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**

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Savings and Investment Plan
(formerly Baxter Healthcare Corporation of Puerto Rico Savings and
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Financial Statements and Supplemental Schedules
December 31, 2007 and 2006**

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(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)
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Report of Independent Registered Public Accounting Firm

To the Participants and Administrative Committee of the
Baxter Healthcare of Puerto Rico Savings and Investment Plan

In our opinion, the accompanying statements of net assets available for benefits and the related statements of changes in net assets available for benefits present fairly, in all material respects, the net assets available for benefits of Baxter Healthcare of Puerto Rico Savings and Investment Plan (formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan) (the Plan) at December 31, 2007 and 2006, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. 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 of these statements 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, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the Plan has restated its previously issued financial statements for 2006.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) and Schedule of Reportable Transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are 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. These supplemental schedules are the responsibility of the Plan's management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

San Juan, Puerto Rico

June 26, 2008

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**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)
Statements of Net Assets Available for Benefits
December 31, 2007 and 2006**

| | 2007 | 2006 (Restated) |
|---|---------------|----------------------------|
| Assets | | |
| Investments | | |
| Cash and cash equivalents | \$ 491,679 | \$ 433,257 |
| Common stock (including securities on loan of \$744,833 in 2007 and \$226,118 in 2006) | 10,725,486 | 10,426,623 |
| U.S. government and government agency issues (including securities on loan of \$64,759 in 2007 and \$51,044 in 2006) | 291,918 | 575,184 |
| Corporate and other obligations (including securities on loan of \$152,247 in 2007 and \$39,667 in 2006) | 863,811 | 676,279 |
| Commingled funds | 10,295,256 | 11,095,049 |
| Participant loans | 3,287,051 | 3,448,538 |
| Synthetic guaranteed investment contracts (including securities on loan of \$1,390,876 in 2007 and \$1,339,341 in 2006) | 10,106,586 | 13,235,142 |
| Collateral held on loaned securities | 2,304,866 | 1,675,090 |
| Total investments at fair value | 38,366,653 | 41,565,162 |
| Receivables | | |
| Accrued interest and dividends | 46,699 | |
| Due from brokers for securities sold | 10,579 | |
| Total assets | 38,423,931 | 41,565,162 |
| Liabilities | | |
| Accounts payable | 138,034 | |
| Due to brokers for securities purchased | 21,976 | |
| Refunds due to Sponsor | | 14,926 |
| Collateral to be paid on loaned securities | 2,304,866 | 1,675,090 |
| Total liabilities | 2,464,876 | 1,690,016 |
| Net assets available for benefits, at fair value | 35,959,055 | 39,875,146 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (197,888) | (593,924) |
| Net assets available for benefits | \$ 35,761,167 | \$ 39,281,222 |

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

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**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2007 and 2006**

| | 2007 | 2006 (Restated) |
|---|---------------|----------------------------|
| Additions to net assets attributed to | | |
| Investment income | | |
| Net appreciation in fair value of investments | \$ 2,228,951 | \$ 3,240,923 |
| Interest and dividends | 783,898 | 869,839 |
| Participant loan interest | 192,447 | 135,019 |
| | 3,205,296 | 4,245,781 |
| Contributions | | |
| Sponsor | 1,327,573 | 1,566,781 |
| Participant | 2,742,933 | 3,228,766 |
| | 4,070,506 | 4,795,547 |
| Total additions | 7,275,802 | 9,041,328 |
| Deductions from net assets attributed to | | |
| Benefits paid | 10,285,273 | 3,589,634 |
| Administrative expenses | 510,584 | 261,730 |
| Total deductions | 10,795,857 | 3,851,364 |
| Net (decrease)/increase | (3,520,055) | 5,189,964 |
| Net assets available for benefits | | |
| Beginning of year | 39,281,222 | 34,091,258 |
| End of year | \$ 35,761,167 | \$ 39,281,222 |

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

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**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)
Notes to Financial Statements
December 31, 2007 and 2006**

1. General Description of the Plan

The following brief description of Baxter Healthcare of Puerto Rico Savings and Investment Plan (formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan) (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

On December 1, 2006, the Plan's sponsor changed from Baxter Healthcare Corporation of Puerto Rico, a subsidiary of Baxter International Inc. (Baxter or the Company), to Baxter Healthcare S.A., another subsidiary of Baxter, due to a tax reorganization. Effective January 1, 2007, the Plan changed its name from Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan to Baxter Healthcare of Puerto Rico Savings and Investment Plan.

General

The Plan is a defined contribution plan which became effective on January 1, 1998. The Plan covers substantially all employees of Baxter Healthcare S.A. (Puerto Rico Branch), and Baxter Sales and Distribution Corporation (collectively, the Sponsor) who have one month of service. The Plan was created for the purpose of providing retirement benefits to employees and to encourage and assist employees in adopting a regular savings program by means of payroll deductions through a plan that qualifies under the applicable laws of the Commonwealth of Puerto Rico and the United States Internal Revenue Code. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

On February 28, 2007, Baxter divested substantially all of the assets and liabilities of its Transfusion Therapies (TT) business to an affiliate of TPG Capital, L.P. Approximately 30% of the Plan participants were employed by TT and as any other participant of the Plan would be able to do, these participants have the option to roll over their account to another plan or leave their account in the Plan.

Contributions

Plan participants may authorize the Company to make payroll deductions under the Plan ranging from 1% to 10% of their pre-tax monthly compensation, limited to a maximum of \$8,000 a year. The Company matches a participant's savings contributions at the rate of 50 cents for each dollar of a participant's pre-tax contribution, up to a maximum of 6% of a participant's compensation. The Company may make additional contributions in such amounts as the Company may determine.

Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of (a) the Company's contribution, and (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined in the plan document. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. The net income of the Plan is posted to the participant's accounts on a daily basis.

Table of Contents**Baxter Healthcare of Puerto Rico****Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Notes to Financial Statements****December 31, 2007 and 2006****Vesting**

Participants are immediately vested in their contributions plus actual earnings thereon. Vesting in the Company's matching and discretionary contributions plus actual earnings thereon is based on years of service. The contributions vest in accordance with the following vesting schedule:

| Years of Service | Vesting% |
|-------------------------|-----------------|
| 1 | 20 |
| 2 | 40 |
| 3 | 60 |
| 4 | 80 |
| 5 or more | 100 |

Employees are fully vested in the Company's matching contributions account, regardless of years of service with the Company, upon attaining age 65, upon becoming disabled in accordance with the provisions of the Plan or upon dying while employed by the Company.

Participant Loans

Participants may borrow from their vested accounts a minimum of \$500 up to a maximum equal to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at the prime rate at the last day of the month prior to loan request, plus one percent. Principal and interest are paid through monthly payroll deductions.

Investment Options

Upon enrollment in the Plan, a participant may direct contributions into various investment options: Stable Income Fund, Baxter Common Stock Fund, Composite Fund, General Equity Fund, S&P 500 Flagship Fund, International EAFE Equity Index Fund and Small Cap 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 or transfer existing account balances to the Edwards Lifesciences Common Stock Fund.

Payments of Benefits

Plan participants can not request withdrawals from the Plan unless they are at least 59½ years old or incur a financial hardship. On termination of service due to retirement or other reasons, a participant may elect to receive either a lump sum amount equal to their entire vested account balance or installment payments. In the case of a participant termination because of death or disability, the entire vested amount is paid to the person or persons legally entitled thereto.

Restatement of Previously Issued Financial Statements

The Plan has restated its previously issued financial statements for 2006, primarily due to the improper classification of investments and investment income, and inadequate disclosures related to its securities lending program. See Note 5 for further information regarding the securities lending program. This restatement had no impact on net assets available for benefits as of December 31, 2006 or total investment income for the year ended December 31, 2006.

The following is a summary of the impact of the restatement on the previously issued financial statements.

Table of Contents**Baxter Healthcare of Puerto Rico****Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Notes to Financial Statements****December 31, 2007 and 2006**Statement of Net Assets Available for Benefits as of December 31, 2006

| | As Originally Reported | As Restated |
|--|-----------------------------------|--------------------|
| Assets | | |
| Investments | | |
| Cash and cash equivalents | \$ 7,419 | \$ 433,257 |
| Common stock | 6,456,327 | 10,426,623 |
| U.S. government and government agency issues | | 575,184 |
| Corporate and other obligations | | 676,279 |
| Commingled funds | 9,121,835 | 11,095,049 |
| Registered investment companies | 20,855,953 | |
| Participant loans | 3,448,538 | 3,448,538 |
| Synthetic guaranteed investment contracts | | 13,235,142 |
| Collateral held on loaned securities | | 1,675,090 |
| Total investments at fair value | 39,890,072 | 41,565,162 |
| Liabilities | | |
| Refunds due to Sponsor | 14,926 | 14,926 |
| Collateral to be paid on loaned securities | | 1,675,090 |
| | 14,926 | 1,690,016 |
| Net assets available for benefits, at fair value | 39,875,146 | 39,875,146 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (593,924) | (593,924) |
| Net assets available for benefit | \$ 39,281,222 | \$ 39,281,222 |

Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2006

| | As Originally Reported | As Restated |
|---|---------------------------------------|--------------------|
| Additions to net assets attributed to | | |
| Investment income | | |
| Net appreciation in fair value of investments | \$ 3,956,487 | \$ 3,240,923 |
| Interest and dividends | 289,294 | 869,839 |
| Participant loan interest | | 135,019 |
| | \$ 4,245,781 | \$ 4,245,781 |

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting. Accordingly, investment income is recognized when earned and expenses are recognized when incurred.

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Baxter Healthcare of Puerto Rico

Savings and Investment Plan

(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)

Notes to Financial Statements

December 31, 2007 and 2006

Valuation of Investments

The valuation of Plan investments is determined as follows:

| | |
|--|---|
| Cash and cash equivalents | Value based on cost which approximates fair value |
| Common stock: | |
| Traded on national exchanges | Value based on composite pricing of all national closing sales prices on the valuation date |
| Traded on over-the-counter market | Value based on last reported sale price defaulting to bid quotations |
| 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 |
| Commingled funds | Value based on net asset value per unit of the underlying funds |
| Participant loans | Value based on outstanding principal balance which approximates fair value |
| Synthetic guaranteed investment contracts | Value based on closing prices of the underlying securities on the valuation date |
| Collateral held on loaned securities | Value based on cost which approximates fair value |

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 or depreciation in the fair value of the Plan's investments. This net appreciation or depreciation 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 underlying the synthetic GICs primarily includes U.S. government and government agency issues, corporate and other bonds, and registered investment companies.

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Baxter Healthcare of Puerto Rico

Savings and Investment Plan

(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)

Notes to Financial Statements

December 31, 2007 and 2006

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 value of the wrapper contracts was zero at both December 31, 2007 and 2006.

Fully benefit-responsive synthetic GICs are valued at contract value, rather than fair value, for determining the 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 \$9,908,698 and \$12,641,218 at December 31, 2007 and 2006, 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 6.37% and 4.48% at December 31, 2007 and 2006, respectively. The average interest rate credited to participants on the synthetic GICs was approximately 4.91% and 4.73%, respectively, for the years ended December 31, 2007 and 2006. Credit ratings for both issuers of the synthetic GICs at December 31, 2007 and 2006 were AA.

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 as the result of 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 accounting principles generally accepted in the United States of America 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.

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Baxter Healthcare of Puerto Rico

Savings and Investment Plan

(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)

Notes to Financial Statements

December 31, 2007 and 2006

Risks and Uncertainties

The Plan's investments are exposed to various risks, such as interest rate, market 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.

New Accounting Standard

In September 2006, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 157, Fair Value Measurements (SFAS No. 157), which clarifies the definition of fair value whenever another standard requires or permits assets or liabilities to be measured at fair value. Specifically, the standard clarifies that fair value should be based on the assumptions market participants would use when pricing the asset or liability, and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. SFAS No. 157 does not expand the use of fair value to any new circumstances, and must be applied on a prospective basis except in certain cases. The standard also requires expanded financial statement disclosures about fair value measurements, including disclosure of the methods used and the effect on earnings. Management is in the process of analyzing this new standard, which will be effective for the Plan on January 1, 2008.

3. Administration of the Plan

Banco Popular de Puerto Rico (the Trustee) and State Street Bank and Trust Company (the Custodian) serve as trustee and custodian, respectively, for the Plan. Prior to April 1, 2007, Watson Wyatt Worldwide, Inc., served as recordkeeper for the Plan. Effective April 1, 2007, Citistreet LLC serves as recordkeeper for the Plan.

The Administrative Committee is responsible for the general administration of the Plan and for carrying out the provisions thereof. 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.

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

Table of Contents**Baxter Healthcare of Puerto Rico****Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Notes to Financial Statements****December 31, 2007 and 2006****4. Investments**

The following presents the Plan's investments that represent five percent or more of the Plan's net assets available for benefits at December 31:

| | 2007 | 2006 (Restated) |
|--|--------------|----------------------------------|
| Baxter Common Stock, 122,759 shares and 138,029 shares at December 31, 2007 and 2006, respectively | \$ 7,126,186 | \$ 6,403,148 |
| S&P 500 Flagship Fund | 5,438,382 | 6,134,465 |
| International EAFE Equity Index Fund | 3,136,743 | 2,987,370 |
| Small Cap Fund | 1,720,131 | 2,043,716 |
| Participant Loans | 3,287,051 | 3,448,538 |
| Collateral held on loaned securities | 2,304,866 | 1,675,090 |

Investments as of December 31, 2007 and 2006 are segregated into various investment fund options as follows:

| | 2007 | 2006 (Restated) |
|---|---------------|----------------------------------|
| Cash (available for investment) | \$ 92,134 | \$ |
| Stable Income Fund | 10,345,080 | 13,480,870 |
| Baxter Common Stock Fund | 7,237,639 | 6,403,148 |
| Composite Fund | 2,230,659 | 2,700,215 |
| General Equity Fund | 2,531,943 | 2,638,571 |
| S&P 500 Flagship Fund | 5,438,382 | 6,134,465 |
| International EAFE Equity Index Fund | 3,136,743 | 2,987,370 |
| Edwards Lifesciences Common Stock Fund | 42,025 | 53,179 |
| Small Cap Fund | 1,720,131 | 2,043,716 |
| Loan Fund | 3,287,051 | 3,448,538 |
| Collateral held on loaned securities | 2,304,866 | 1,675,090 |
| Total investments at fair value | 38,366,653 | 41,565,162 |
| Adjustment from fair value to contract value for Stable Income Fund | (197,888) | (593,924) |
| Total investments | \$ 38,168,765 | \$ 40,971,238 |

The fund amounts above include \$399,545 and \$433,257 of cash and cash equivalents at December 31, 2007 and 2006, respectively, which are awaiting investment in their respective portfolios. These amounts are primarily invested in the State Street Bank Short-Term Investment Fund.

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**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)
Notes to Financial Statements
December 31, 2007 and 2006**

During 2007 and 2006, the Plan's investments, including gains and losses on investments bought and sold as well as held during the year, appreciated/(depreciated) in value as follows:

| | 2007 | 2006 (Restated) |
|--|---------------------|----------------------------|
| Baxter common stock | \$ 1,315,185 | \$ 1,146,685 |
| U.S. government and government agency issues | 7,003 | 235 |
| Corporate and other obligations | (8,589) | 5,371 |
| Other common stock | 117,557 | 367,852 |
| Commingled funds | 797,795 | 1,720,780 |
| | \$ 2,228,951 | \$ 3,240,923 |

5. Securities Lending Transactions

The Plan participates in a securities lending program with the Custodian. The program allows the Custodian to loan securities, which are assets of the Plan, to approved brokers (the Borrowers). The Custodian requires the Borrowers, pursuant to a security loan agreement, to deliver collateral to secure each loan. 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 securities collateral and, therefore, would have to deliver additional securities to maintain the required collateral. In the event of default by the Borrower, the Custodian 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 Custodian shall credit the Plan for the market value of the unreturned securities. In each case, the Custodian would apply the proceeds from the collateral for such a loan to make the Plan whole.

The collateral received pursuant to securities lending transactions is reflected on the Statements of Net Assets Available for Benefits as both an asset and liability, and has no effect on the net assets available for benefits of the Plan.

As of December 31, 2007 and 2006, the Plan had securities on loan with a market value of \$2,352,715 and \$1,656,170, respectively, with cash collateral received of \$2,304,866 and \$1,675,090, respectively. Cash collateral was invested in a short-term commingled investment fund (Quality D Short-Term Investment Fund) as of December 31, 2007 and 2006.

Non-cash collateral of \$105,359 and \$16,964 received for securities on loan at December 31, 2007 and 2006, respectively, consisted of U.S. government and government agency issues, equity securities, and corporate and other obligations held by the Custodian on behalf of the Plan. Non-cash collateral is not included with the collateral balances on the Statements of Net Assets Available for Benefits because it cannot 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 Custodian in its capacity as a security agent. Securities

lending income allocated to the Plan amounted to \$9,690 for 2007. Securities lending income is classified as interest income in the Statement of Changes in Net Assets Available for Benefits.

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Baxter Healthcare of Puerto Rico

Savings and Investment Plan

(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)

Notes to Financial Statements

December 31, 2007 and 2006

6. 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 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.

7. Tax Status of the Plan

The Puerto Rico Treasury Department has determined and informed the Plan sponsor that the Plan and the related trust are designed in accordance with applicable sections entitling exemption from income taxes. The Plan sponsor has also obtained a favorable determination letter dated October 1, 2003, from the Internal Revenue Service (IRS) stating that the Plan is in compliance with IRS regulations. The Plan has been amended since receiving the determination letter. The Plan Sponsor believes that the Plan is currently designed and being operated in compliance with the applicable tax requirements. Therefore, no provision for income taxes has been included in the Plan s financial statements.

8. Related Parties

At December 31, 2007 and 2006, the Plan held shares of common stock of Baxter, the Plan sponsor s parent, and units of participation in certain investment funds of State Street Bank and Trust Company, the Plan s Custodian, loans with participants, and shares of common stock and fixed income securities in various affiliates of CitiStreet LLC, the recordkeeper. These transactions are allowable party-in-interest transactions under ERISA and the regulations promulgated thereunder.

9. Plan Amendment

In 2007, Baxter amended the Plan in response to changes made to its Puerto Rico defined benefit pension plan. Employees hired on or after January 1, 2008 will receive a higher level of Company contributions (an additional non-matching 3% of the employee s compensation) in the Plan but will not be eligible to participate in the pension plan. In addition, these employees will automatically have 3% of their annual salary contributed to the Plan if they do not enroll in the Plan within 60 days of their hire date. Employees hired prior to January 1, 2008 will continue in the pension plan and not be able to participate in the higher level of Company contributions in the Plan.

Table of Contents**Baxter Healthcare of Puerto Rico
Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2007**

| Identity of Issue | Description of Investment | Cost** | Current Value |
|-----------------------------------|----------------------------|-----------|---------------|
| Cash and Cash Equivalents: | | | |
| * STATE STREET BANK & TRUST CO | Short-Term Investment Fund | \$ | \$ 491,679 |
| | Cash and cash equivalents | | \$ 491,679 |
| Common Stock: | | | |
| ABB LTD | Common stock | \$ 25,135 | \$ 27,944 |
| ABBOT LTD | Common stock | 52,761 | 55,459 |
| ADOBE SYS INC | Common stock | 21,735 | 22,031 |
| AES CORP | Common stock | 10,503 | 13,048 |
| AIR PRODS & CHEMS INC | Common stock | 26,442 | 30,634 |
| ALCOA INC | Common stock | 18,744 | 18,572 |
| ALCON INC | Common stock | 31,250 | 47,449 |
| ALLSTATE CORP | Common stock | 8,046 | 7,787 |
| ALTRIA GROUP INC | Common stock | 12,928 | 12,770 |
| ALTRIA GROUP INC | Common stock | 23,424 | 56,058 |
| AMERICA MOVIL SAB DE CV | Common stock | 19,054 | 22,423 |
| AMERICAN ELEC PWR INC | Common stock | 8,676 | 9,776 |
| AMERICAN INTL GROUP | Common stock | 47,335 | 42,735 |
| AMERICAN INTL GROUP | Common stock | 8,045 | 6,664 |
| AMERISOURCEBERGEN CORP | Common stock | 11,206 | 11,038 |
| AON CORP | Common stock | 7,035 | 11,021 |
| APPLE INC | Common stock | 37,902 | 118,924 |
| ARCELORMITTAL SA LUXEMBOURG | Common stock | 15,061 | 27,868 |
| AT&T INC | Common stock | 50,809 | 50,342 |
| AUTOLIV | Common stock | 7,878 | 7,138 |
| BAKER HUGHES INC | Common stock | 44,539 | 43,023 |
| * BANK AMER CORP | Common stock | 43,849 | 49,356 |
| * BANK AMER CORP | Common stock | 7,633 | 6,869 |
| BARR PAHRAMCEUTICALS | Common stock | 12,453 | 12,469 |
| BARRICK GOLD CORP | Common stock | 5,640 | 8,203 |
| * BAXTER INTL INC | Common stock | 5,137,323 | 7,126,186 |
| BLACK & DECKER CORPORATION | Common stock | 11,670 | 9,951 |
| BLACKSTON GROUP | Common stock | 17,202 | 12,758 |

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| | | | |
|------------------------|--------------|--------|--------|
| BORG WARNER INC | Common stock | 4,609 | 9,623 |
| BOSTON SCIENTIFIC CORP | Common stock | 15,275 | 9,291 |
| BP PLC | Common stock | 26,635 | 30,545 |
| BROADCOM INC | Common stock | 36,044 | 29,082 |
| CAMERON INTL GROUP | Common stock | 17,130 | 18,538 |

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Table of Contents**Baxter Healthcare of Puerto Rico****Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2007**

| | | | | |
|---|---------------------------|--------------|--------|--------|
| | CATERPILLAR INC | Common stock | 10,874 | 10,367 |
| | CBS CORP CLASS B | Common stock | 18,141 | 19,332 |
| | CELGENE CORP | Common stock | 32,106 | 23,883 |
| | CHEVRON CORP | Common stock | 29,279 | 51,715 |
| | CIGNA CORP | Common stock | 8,554 | 13,017 |
| | CISCO SYS INC | Common stock | 75,365 | 77,654 |
| * | CITIGROUP INC | Common stock | 19,133 | 11,924 |
| | CLOROX CO | Common stock | 6,623 | 8,016 |
| | CME GROUP INC | Common stock | 39,822 | 51,008 |
| | COLGATE PALMOLIVE INC | Common stock | 33,594 | 36,417 |
| | COMCAST CORP | Common stock | 17,706 | 12,477 |
| | CONOCOPHILLIPS | Common stock | 37,270 | 59,897 |
| | COVIDIEN LTD | Common stock | 7,347 | 7,799 |
| | CREDIT SUISSE GROUP | Common stock | 10,219 | 9,632 |
| | CYTEC INDS INC | Common stock | 5,829 | 5,585 |
| | DEERE & CO. | Common stock | 31,673 | 45,351 |
| | DEUTSCHE BANK AG | Common stock | 10,975 | 10,932 |
| | DISNEY WALT CO | Common stock | 10,215 | 12,553 |
| | DOW CHEM CO | Common stock | 28,746 | 25,369 |
| | EDWARDS LIFESCIENCES CORP | Common stock | | 41,255 |
| | EL PASO CORP | Common stock | 9,175 | 13,215 |
| | EMC CORP | Common stock | 17,119 | 13,306 |
| | EMERSON ELEC | Common stock | 20,769 | 24,708 |
| | ENTEREGY COPR NEW | Common stock | 5,478 | 12,473 |
| | EOG RESOURCES INC | Common stock | 27,378 | 29,051 |
| | EXXON MOBIL | Common stock | 44,024 | 65,649 |
| | FEDERAL HOME LN | Common stock | 29,760 | 16,212 |
| | FEDERAL NATL MTG | Common stock | 14,307 | 8,841 |
| | FIDELITY NATL FINL | Common stock | 6,054 | 3,335 |
| | FLEXTRONICS INTERNATIONAL | Common stock | 32,903 | 21,750 |
| | FLEXTRONICS INTERNATIONAL | Common stock | 12,636 | 12,601 |
| | FLURO CORP NEW | Common stock | 29,090 | 36,208 |
| | FRANKLIN RES INC | Common stock | 39,889 | 47,910 |
| | GENERAL MTRS CORP | Common stock | 21,030 | 14,565 |
| | GENERAL ELEC CO | Common stock | 25,291 | 28,876 |
| | GENERAL ELEC CO | Common stock | 13,968 | 14,415 |
| | GENETECH INC | Common stock | 20,472 | 19,248 |
| | GENWORTH FINL INC | Common stock | 18,790 | 14,861 |
| | GILEAD SCIENCES INC | Common stock | 38,421 | 59,677 |
| | GOLDMAN SACHS GROUP | Common stock | 6,526 | 13,092 |

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| | | | |
|--------------------------|--------------|--------|---------|
| GOLDMAN SACHS GROUP INC | Common stock | 13,951 | 15,229 |
| GOODYEAR TIRE AND RUBBER | Common stock | 5,784 | 4,943 |
| GOOGLE INC | Common stock | 66,530 | 127,874 |
| HALLIBURTON CO | Common stock | 8,036 | 8,666 |
| HARTFORD FINANCIAL SVCS | Common stock | 10,295 | 13,540 |

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Table of Contents**Baxter Healthcare of Puerto Rico
Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)
Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2007**

| | | | |
|------------------------|--------------|--------|--------|
| HB HOME | Common stock | 11,778 | 6,253 |
| HEWLETT PACKARD CO | Common stock | 5,731 | 6,460 |
| HEWLETT PACKARD INC | Common stock | 55,840 | 68,736 |
| HOLOGIC INC | Common stock | 22,094 | 23,109 |
| HONEYWELL INTL INC | Common stock | 42,222 | 47,578 |
| INGERSOLL RAND COMPANY | Common stock | 13,398 | 15,472 |
| INTEL CORP | Common stock | 18,594 | 19,077 |
| INTERPUBLIC GROUP COS | Common stock | 14,847 | 9,441 |
| INVESCO LTD | Common stock | 10,645 | 12,982 |
| ISTAR FINL INC | Common stock | 118 | 119 |
| JPMORGAN CHASE & CO | Common stock | 40,670 | 44,414 |
| KIMBERLY CLARK | Common stock | 4,328 | 4,307 |
| KINETIC CONCEPTS INC | Common stock | 7,189 | 8,517 |
| KOHL'S CORP | Common stock | 3,264 | 2,275 |
| KROGER CO | Common stock | 7,655 | 10,486 |
| LAS VEGAS SANDS CORP | Common stock | 3,609 | 2,944 |
| LEHMAN BROTHERS HLDGS | Common stock | 11,694 | 11,789 |
| MACYS INC | Common stock | 31,415 | 19,316 |
| MARATHON OIL CORP | Common stock | 29,312 | 32,815 |
| MARSH & MCLENNAN COS | Common stock | 7,085 | 6,676 |
| MBIA INC | Common stock | 5,857 | 1,574 |
| MCDERMOTT INTL INC | Common stock | 9,185 | 9,314 |
| MCKESSON CORP | Common stock | 16,221 | 18,882 |
| MEDCO HEALTH SOLUTIONS | Common stock | 31,754 | 39,431 |
| METLIFE INC | Common stock | 22,567 | 35,751 |
| MERCK & CO INC | Common stock | 9,016 | 15,955 |
| MERRILL LYNCH & CO | Common stock | 24,251 | 20,541 |
| MGM MIRAGE INC | Common stock | 14,499 | 14,509 |
| MICROSOFT CORP | Common stock | 30,162 | 30,606 |
| MICROSOFT CORP | Common stock | 7,389 | 9,598 |
| MONSANTO CORP | Common stock | 26,149 | 59,529 |
| MORGAN STANLEY | Common stock | 28,296 | 24,216 |
| NEWMONT MNG CORP | Common stock | 4,950 | 5,703 |
| NVIDIA CORP | Common stock | 30,410 | 31,911 |
| NOKIA CORP | Common stock | 41,301 | 41,828 |
| NOKIA CORP | Common stock | 4,596 | 9,157 |
| NORTHROP GRUMMAN CORP | Common stock | 21,109 | 23,937 |
| NYSE EURONEXT | Common stock | 16,866 | 18,865 |
| OFFICE DEPOT | Common stock | 4,612 | 3,819 |
| ORACLE CORP | Common stock | 9,562 | 9,566 |

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|------------------------|--------------|--------|--------|
| PEPISCO INC | Common stock | 27,341 | 30,552 |
| PFIZER INC | Common stock | 68,280 | 61,900 |
| PFIZER INC | Common stock | 11,998 | 11,239 |
| PIONEER NAT RES CO | Common stock | 8,553 | 8,677 |
| PROCTER & GAMBLE INC | Common stock | 25,278 | 29,280 |
| RENAISSANCERE HOLDINGS | Common stock | 6,946 | 9,429 |
| RESEARCH IN MOTION LTD | Common stock | 45,482 | 49,451 |
| ROYAL DUTCH SHELL | Common stock | 5,083 | 7,009 |
| ROYAL DUTCH SHELL PLC | Common stock | 20,140 | 21,026 |

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Table of Contents**Baxter Healthcare of Puerto Rico
Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)
Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2007**

| | | | |
|--------------------------|--------------|--------|--------|
| SARA LEE CORP | Common stock | 19,589 | 18,935 |
| SCHERING PLOUGH CORP | Common stock | 13,231 | 12,610 |
| SCHLUMBERGER INC | Common stock | 61,804 | 78,461 |
| SOUTHWEST AIRLINES CO | Common stock | 10,536 | 8,761 |
| SPECTRA ENERGY CORP | Common stock | 9,596 | 9,944 |
| SPIRIT AEROSYSTEMS HLDGS | Common stock | 28,932 | 25,503 |
| SPRINT NEXTEL | Common stock | 22,126 | 15,301 |
| SUN MICROSYSTEMS INC | Common stock | 8,703 | 7,146 |
| SUPERVALU | Common stock | 9,967 | 9,882 |
| SYMANTEC CORP | Common stock | 7,400 | 6,056 |
| TARGET CORP | Common stock | 12,160 | 10,809 |
| TECH DATA CORP | Common stock | 9,294 | 8,763 |
| TEREX CORP NEW | Common stock | 11,582 | 9,042 |
| TEVA PHARMACEUTICAL | Common stock | 36,469 | 40,884 |
| TEXAS INSTRS INC | Common stock | 9,971 | 10,913 |
| TEXTRON INC | Common stock | 28,469 | 30,649 |
| TIME WARNER INC | Common stock | 13,291 | 12,676 |
| TIME WARNER INC | Common stock | 11,789 | 12,225 |
| * TRAVELERS COS INC | Common stock | 25,899 | 31,482 |
| TYCO ELECTRONICS | Common stock | 6,669 | 6,539 |
| TYCO INTERNATIONAL LTD | Common stock | 9,057 | 6,983 |
| UNILEVER N V | Common stock | 4,887 | 7,610 |
| UNITED TECHNOLOGIES CORP | Common stock | 18,258 | 18,828 |
| UNUM GROUP | Common stock | 10,295 | 12,266 |
| VERIZON COMMUNICATIONS | Common stock | 9,256 | 11,399 |
| VODAFONE GROUP PLC | Common stock | 25,260 | 31,204 |
| WASHINGTON POST CO | Common stock | 11,282 | 11,789 |
| WASTE MGMT INC DEL | Common stock | 9,114 | 9,295 |
| WELLPOINT INC | Common stock | 35,713 | 45,887 |
| WESTERN DIGITAL CORP | Common stock | 5,613 | 7,807 |
| WRIGLEY WM JR CO | Common stock | 27,755 | 27,423 |
| XL CAPITAL LTD | Common stock | 13,239 | 9,126 |
| YUM BRANDS INC | Common stock | 13,013 | 13,264 |

Common Stock

\$ 10,725,486

U.S Government and Government Agency Issues:

FED HM LN PC POOL A37176

5.00001SEP35

28,083

27,776

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| | | | |
|--------------------------|--------------|--------|--------|
| FED HM LN PC POOL A46049 | 5.00001JUL35 | 12,498 | 12,739 |
| FED HM LN PC POOL C48827 | 6.00001MAR31 | 428 | 437 |
| FED HM LN PC POOL G01843 | 6.00001JUN35 | 14,679 | 14,575 |
| FED HM LN PC POOL G12334 | 5.00001SEP21 | 27,994 | 28,502 |
| FEDERAL HOME LN MTG | 5.00015JAN30 | 4,319 | 4,434 |
| FEDERAL HOME LN MTG CORP | 5.00015DEC23 | 1,268 | 1,288 |
| FEDERAL HOME LN MTG CORP | 5.00015MAR19 | 8,297 | 8,501 |
| FEDERAL HOME LN MTG CORP | 5.00015SEP18 | 2,229 | 2,271 |
| | 16 | | |

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Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****December 31, 2007****Schedule I**

| | | | |
|-------------------------|--------------|--------|--------|
| FNMA POOL 256398 | 6.00001SEP21 | 6,476 | 6,574 |
| FNMA POOL 323887 | 6.00001DEC13 | 1,696 | 1,692 |
| FNMA POOL 581043 | 6.00001MAY16 | 762 | 766 |
| FNMA POOL 615005 | 6.00001DEC16 | 1,138 | 1,144 |
| FNMA POOL 694448 | 5.50001APR33 | 11,250 | 11,145 |
| FNMA POOL 725690 | 6.00001AUG34 | 7,522 | 7,462 |
| FNMA POOL 735897 | 5.50001OCT35 | 18,896 | 19,089 |
| FNMA POOL 745515 | 5.00001MAY36 | 9,918 | 10,119 |
| FNMA POOL 748115 | 6.00001OCT33 | 2,420 | 2,398 |
| FNMA POOL 815316 | 5.50001MAY35 | 11,077 | 10,962 |
| FNMA POOL 821890 | 5.00001JUN35 | 6,744 | 6,872 |
| FNMA POOL 822979 | 5.50001APR35 | 11,136 | 11,020 |
| FNMA POOL 885504 | 6.00001JUN21 | 4,597 | 4,686 |
| FNMA POOL 898832 | 5.50001NOV36 | 8,949 | 9,120 |
| FNMA POOL 902793 | 6.50001NOV36 | 13,445 | 13,551 |
| FNMA POOL 928075 | 6.00001FEB37 | 10,460 | 10,573 |
| UNITED STATES TREAS NTS | 4.62515FEB17 | 68 | 70 |
| UNITED STATES TREAS NTS | 4.87530JUN09 | 22,726 | 23,322 |
| UNITED STATES TREAS NTS | 4.62531JUL12 | 5,654 | 5,846 |
| UNITED STATES TREAS NTS | 4.00031AUG09 | 34,474 | 34,984 |

U.S Government and Government Agency
Issues

\$ 291,918

Corporate and Other Obligations:

| | | | |
|--------------------------|--------------|--------|--------|
| AES CORP | 8.00015OCT17 | 4,025 | 4,115 |
| AES CORP | 7.75015OCT15 | 2,012 | 2,042 |
| AGILENT TECHNOLOGIES INC | 6.50001NOV17 | 8,551 | 8,722 |
| ALBERTSONS INC | 6.62501JUN28 | 273 | 295 |
| ALBERTSONS INC | 7.75015JUN26 | 614 | 663 |
| ALLTEL CORP | 7.87501JUL32 | 5,628 | 4,926 |
| ALTERNATIVE LN TR | 6.50025JUN36 | 9,889 | 9,915 |
| AMERICAN GEN FIN CORP | 6.90015DEC17 | 16,117 | 16,249 |
| AMERICAN STORES CO NEW | 8.00001JUN26 | 254 | 269 |
| ANADARKO PETE CORP | 6.45015SEP36 | 1,083 | 1,093 |
| AT&T CORP | 6.50015MAR29 | 268 | 263 |
| BANK AMER CORP | 5.37511SEP12 | 11,747 | 11,958 |

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| | | | |
|-------------------------------|--------------|--------|--------|
| BEAR STEARNS COML MTG SECS TR | 5.33111FEB44 | 12,140 | 11,970 |
| BEAR STEARNS COS INC | 5.30030OCT15 | 7,478 | 7,067 |
| BEAR STEARNS COS INC MED TERM | 6.95010AUG12 | 23,436 | 23,656 |
| BELL CANADA | 6.10016MAR35 | 1,875 | 1,930 |
| BELL CANADA | 5.00015FEB17 | 1,546 | 1,580 |
| BELL CDA | 7.30023FEB32 | 1,044 | 1,061 |
| BELL CDA MEDIUM TERM NTS CDS | 6.55001MAY29 | 890 | 925 |

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| | | | |
|----------------------------|--------------|--------|--------|
| CD | 5.32211DEC49 | 7,415 | 7,370 |
| CD MTG TR | 5.61715OCT48 | 13,415 | 13,608 |
| CHESAPEAKE ENERGY CORP | 6.50015AUG17 | 189 | 194 |
| CIT GROUP INC NEW | 5.60027APR11 | 1,243 | 1,227 |
| CIT GROUP INC NEW | 5.85015SEP16 | 1,068 | 948 |
| CIT GROUP INC REORGANIZED | 5.65013FEB17 | 1,049 | 942 |
| CIT GROUP INC REORGANIZED | 7.62530NOV12 | 17,263 | 17,677 |
| * CITIGROUP | 5.20511DEC49 | 4,584 | 4,564 |
| * CITIGROUP INC | 5.00015SEP14 | 10,477 | 10,354 |
| CITIZENS COMMUNICATIONS CO | 7.87515JAN27 | 3,890 | 3,706 |
| COLORADO INTST GAS CO | 5.95015MAR15 | 261 | 279 |
| COLORADO INTST GAS CO | 6.80015NOV15 | 207 | 209 |
| COLUMBIA HEALTHCARE CORP | 7.50015DEC23 | 259 | 275 |
| COLUMBIA/HCA HEALTHCARE | 7.58015SEP25 | 103 | 109 |
| COLUMBIA/HCA HEALTHCARE | 7.69015JUN25 | 466 | 500 |
| COMCAST CORP NEW | 6.45015MAR37 | 3,825 | 4,029 |
| COMCAST CORP NEW | 6.95015AUG37 | 19,545 | 21,139 |
| COMMERCIAL MTG TR | 5.38110MAR39 | 22,111 | 22,145 |
| CORNING INC | 6.85001MAR29 | 208 | 213 |
| CORNING INC | 7.25015AUG36 | 805 | 876 |
| COVIDIEN INTL FIN S A | 6.00015OCT17 | 6,167 | 6,314 |
| CSC HLDGS INC | 7.87515FEB18 | 2,061 | 1,944 |
| CSC HLDGS INC | 7.62501APR11 | 1,156 | 1,137 |
| D R HORTON INC | 5.25015FEB15 | 172 | 160 |
| DELHAIZE GROUP SA | 6.50015JUN17 | 5,354 | 5,490 |
| DELTA AIR LINES INC | 6.82110AUG22 | 6,439 | 6,182 |
| DUKE ENERGY CO | 6.25015JAN12 | 426 | 424 |
| DYNEGY HOLDINGS INC | 7.75001JUN19 | 511 | 495 |
| EMBARQ CORP | 7.99501JUN36 | 11,012 | 11,169 |
| ENEL FIN INTL S A | 6.25015SEP17 | 17,876 | 18,123 |
| EQUIFAX INC | 7.00001JUL37 | 2,610 | 2,482 |
| ERAC USA FIN CO | 6.37515OCT17 | 9,307 | 9,008 |
| FORD MTR CO DEL | 6.50001AUG18 | 53 | 49 |
| FORD MTR CO DEL | 6.62501OCT28 | 200 | 178 |
| FORD MTR CO DEL | 7.45016JUL31 | 11,964 | 11,306 |
| FORD MTR CO DEL | 7.25025OCT11 | 4,123 | 3,776 |
| FORD MTR CO DEL | 7.00001OCT13 | 4,109 | 3,810 |
| FORD MTR CO DEL | 8.00015DEC16 | 1,796 | 1,538 |
| GEN ELEC CAP CORP (CONFED) | 2.96018MAY12 | 2,643 | 2,786 |
| GEN ELEC CP CORP | 3.48508MAR12 | 22,883 | 24,258 |

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| | | | |
|-------------------------|--------------|-------|-------|
| GENERAL MTRS ACCEP CORP | 6.87515SEP11 | 1,075 | 1,033 |
| GENERAL MTRS ACCEP CORP | 8.00001NOV31 | 297 | 281 |
| GENERAL MTRS ACCEP CORP | 6.87528AUG12 | 1,414 | 1,304 |
| GENERAL MTRS ACCEP CORP | 6.75001DEC14 | 3,165 | 2,878 |
| GEORGIA PAC CORP | 7.37501DEC25 | 1,463 | 1,417 |
| GEORGIA PAC CORP | 7.25001JUN28 | 2,249 | 2,184 |
| GEORGIA PAC CORP | 7.75015NOV29 | 7,048 | 6,874 |
| GEORGIA PAC CORP | 8.87515MAY31 | 72 | 65 |

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| | | | |
|-------------------------------|--------------|--------|--------|
| GEORGIA PAC CORP | 8.00015JAN24 | 136 | 125 |
| GMAC LLC | 6.00015DEC11 | 6,442 | 5,963 |
| GMAC LLC | 6.62515MAY12 | 1,826 | 1,673 |
| GOLDMAN SACHS GROUP INC | 4.75015JUL13 | 5,576 | 5,650 |
| GOLDMAN SACHS GROUP INC | 5.12515JAN15 | 3,680 | 3,690 |
| GOLDMAN SACHS GROUP INC | 5.62515JAN17 | 4,633 | 4,716 |
| GOLDMAN SACHS GROUP INC | 6.75001OCT37 | 3,700 | 3,812 |
| GOLDMAN SACHS GROUP INC | 5.15015JAN14 | 1,359 | 1,394 |
| GREENWICH CAPITAL COMM FND | 5.44410MAR39 | 17,511 | 17,494 |
| HARRAHS OPER INC | 5.7500OCT17 | 1,548 | 1,091 |
| HCA INC FORMERLY HCA | 6.50015FEB16 | 4,663 | 4,534 |
| HOME DEPOT INC | 5.78516DEC36 | 3,790 | 3,679 |
| HOSPIRA INC | 6.05030MAR17 | 2,277 | 2,292 |
| ICICI BANK LIMITED | 1.00030APR22 | 4,619 | 4,190 |
| INCYTE CORP | 3.50015FEB11 | 3,043 | 3,559 |
| INDYMAC INDX MTG LN 2006 AR25 | 1.00025SEP36 | 1,773 | 1,754 |
| INTERNATIONAL BUSINESS MACHS | 4.25015SEP09 | 6,612 | 6,750 |
| INTERNATIONAL LEASE FIN CORP | 3.50001APR09 | 192 | 198 |
| INTERNATIONAL LEASE FIN CORP | 4.87501SEP10 | 2,590 | 2,607 |
| INTL LEASE FIN CORP MTN | 5.75015JUN11 | 1,809 | 1,834 |
| INTL LEASE FIN CORP MTN | 5.45024MAR11 | 777 | 784 |
| ISTAR FINL INC | 5.15001MAR12 | 2,092 | 2,029 |
| ISTAR FINL INC | 5.37515APR10 | 242 | 248 |
| ISTAR FINL INC | 5.80015MAR11 | 119 | 120 |
| ISTAR FINL INC | 5.87515MAR16 | 369 | 329 |
| ISTAR FINL INC | 5.65015SEP11 | 1,542 | 1,499 |
| ISTAR FINL INC | 5.95015OCT13 | 634 | 643 |
| ISTAR FINL INC | 5.85015MAR17 | 922 | 827 |
| ISTAR FINL INV | 5.12501APR11 | 121 | 120 |
| J P MORGAN CHASE + CO | 3.62501MAY08 | 2,820 | 2,735 |
| JC PENNEY CORPORATION INC | 6.37515OCT36 | 3,315 | 3,117 |
| JP MORGAN CHASE | 0.01001NOV12 | 4,309 | 4,223 |
| JP MORGAN CHASE + CI | 0.01001NOV12 | 4,537 | 4,617 |
| JP MORGAN CHASE COML MTG SECS | 1.00015APR45 | 9,483 | 9,910 |
| JP MORGAN CHASE COML MTG SECS | 5.42015JAN49 | 18,740 | 18,665 |
| KRAFT FOOD INC | 6.50011AUG17 | 4,401 | 4,580 |
| KROGER CO | 6.40015AUG17 | 2,381 | 2,455 |
| KULICKE + SOFFA INDS INC | 0.50030NOV08 | 1,407 | 1,519 |
| LB UBS COML MTG TR | 4.64715JUL30 | 6,674 | 6,528 |
| LB UBS COML MTG TR | 1.00015MAR39 | 5,190 | 5,290 |

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| | | | |
|-----------------------|--------------|-------|-------|
| LB UBS COML MTG TR | 1.00015JUN38 | 1,213 | 1,260 |
| LEHMAN BROS HLDGS INC | 6.50019JUL17 | 6,652 | 6,787 |
| LEHMAN BROS HLDGS INC | 6.75028DEC17 | 3,418 | 3,526 |
| LEHMAN BROS HLDGS INC | 5.50004APR16 | 5,715 | 5,455 |
| LEHMAN BROS HLDGS INC | 4.80013MAR14 | 2,126 | 2,123 |
| LEHMAN BROS HLDGS INC | 6.00019JUL12 | 2,537 | 2,595 |

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| | | | |
|----------------------------|--------------|--------|--------|
| LEHMAN BROS HLDGS INC | 6.20026SEP14 | 9,182 | 9,359 |
| LENNAR CORP | 5.50001SEP14 | 815 | 712 |
| MANDALAY RESORT GROUP | 6.37515DEC11 | 3,489 | 3,559 |
| MERRILL LYNCH + CO INC | 6.05015AUG12 | 2,467 | 2,461 |
| MERRILL LYNCH + CO INC | 6.40028AUG17 | 4,881 | 4,838 |
| MERRILL LYNCH + CO INC | 6.05016MAY16 | 9,770 | 9,425 |
| MERRILL LYNCH MTG INVS INC | 1.00025FEB35 | 4,701 | 4,795 |
| MEXICO(UTD MEX ST) | 8.00017DEC15 | 4,280 | 4,259 |
| ML CFC COML MTG TR | 1.00012MAR51 | 3,979 | 3,993 |
| ML CFC COML MTG TR | 1.00012JUN46 | 2,833 | 2,940 |
| ML CFC COML MTG TR | 1.00012FEB39 | 7,689 | 7,714 |
| MORGAN STANLEY | 5.37515OCT15 | 4,296 | 4,239 |
| MORGAN STANLEY | 4.75001APR14 | 3,958 | 3,896 |
| MORGAN STANLEY CAP I INC | 1.00025JUL35 | 3,033 | 3,095 |
| MORGAN STANLEY CAP I INC | 4.89012JUN47 | 9,847 | 9,509 |
| MORGAN STANLEY GROUP INC | 5.55027APR17 | 7,176 | 7,195 |
| MORGAN STANLEY GROUP INC | 5.75031AUG12 | 2,367 | 2,396 |
| NEKTAR THERAPEUTICS | 3.25028SEP12 | 2,273 | 1,937 |
| NEWMONT MNG CORP | 5.87501APR35 | 1,364 | 1,356 |
| NEWS AMER INC | 6.15001MAR37 | 10,731 | 10,756 |
| OWENS CORNING NEW | 7.00001DEC36 | 1,315 | 1,225 |
| PENNY J C INC MEDIUM TERM | 6.87515OCT15 | 1,404 | 1,379 |
| PETROBRAS INTL FIN CO | 5.87501MAR18 | 4,895 | 4,936 |
| PETROPLUS FIN LTD | 6.75001MAY14 | 1,006 | 937 |
| PETROPLUS FIN LTD | 7.00001MAY17 | 1,006 | 921 |
| QWEST CORP | 6.50001JUN17 | 16,683 | 16,134 |
| RAIL I TR | 5.75025SEP21 | 10,243 | 10,030 |
| RALI SER 2006 QS6 TR | 6.00025JUN21 | 5,265 | 5,218 |
| RESIDENTIAL CAP CORP | 8.37530JUN15 | 103 | 81 |
| RESIDENTIAL CAP CORP | 1.00017APR13 | 17,447 | 11,221 |
| REYNOLDS AMERN INC | 7.25015JUN37 | 8,535 | 9,037 |
| SLM COPR | 5.37515MAY14 | 529 | 537 |
| SLM CORP | 5.37515JAN13 | 182 | 180 |
| SLM CORP | 5.00001OCT13 | 1,929 | 1,881 |
| SLM CORP MEDIUM TERM NTS | 5.62501AUG33 | 5,317 | 5,029 |
| SLM CORP MTN | 5.05014NOV14 | 1,885 | 1,855 |
| SLM CORP MTN | 5.00015APR15 | 2,929 | 2,975 |
| SLM CORP MTN | 5.00015JUN18 | 1,412 | 1,395 |
| SOUTHERN NAT GAS CO | 7.35015FEB31 | 3,031 | 3,292 |
| SPRINT CAP CORP | 6.87515NOV28 | 26,576 | 25,253 |

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| | | | |
|----------------------------|--------------|--------|--------|
| STANDARD CHARTERED BK | 6.40026SEP17 | 2,945 | 3,069 |
| TALISMAN ENERGY INC | 5.85001FEB37 | 418 | 439 |
| TALISMAN ENERGY INC | 6.25001FEB38 | 1,189 | 1,242 |
| TELECOM ITALIA CAP | 6.37515NOV33 | 2,012 | 2,083 |
| TELECOM ITALIA CAP | 6.00030SEP34 | 731 | 783 |
| TELECOM ITALIA CAP | 7.20018JUL36 | 6,111 | 6,434 |
| TELEFONICA EMISSIONS S A U | 7.04520JUN36 | 11,395 | 12,296 |

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Table of Contents**Baxter Healthcare of Puerto Rico
Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****December 31, 2007****Schedule I**

| | | | |
|---------------------------------|--------------|--------|------------|
| TELUS CORP | 4.95015MAR17 | 3,359 | 3,723 |
| TENNESSEE GAS PIPELINE CO | 7.00015OCT28 | 733 | 745 |
| TIME WARNER CABLE INC | 6.55001MAY37 | 6,596 | 6,778 |
| TIME WARNER INC | 6.62515MAY29 | 6,959 | 6,472 |
| UNITED STS STL CORP NEW | 6.65001JUN37 | 5,478 | 5,026 |
| USG CORP | 7.75015JAN18 | 5,420 | 5,403 |
| VALE OVERSEAS LTD | 6.87521NOV36 | 2,262 | 2,307 |
| VALERO ENERGY CORP | 6.62515JUN37 | 10,501 | 10,606 |
| VODAFONE GROUP | 6.15027FEB37 | 16,641 | 16,693 |
| WACHOVIA BK NATL ASSN MEDIUM | 6.60015JAN38 | 18,542 | 18,674 |
| WAMU MTG PASS THROUGH CTFS | 1.00025AUG35 | 3,453 | 3,499 |
| WASHINGTON MUT INC | 7.25001NOV17 | 4,633 | 4,135 |
| WASHINGTON MUT MTG SECS CORP | 1.00025MAR35 | 2,278 | 2,322 |
| WELLS FARGO MTG BACKED SECS | 1.00025SEP36 | 12,192 | 12,244 |
| WELLS FARGO MTG BKD SECS | 1.00025OCT35 | 10,931 | 10,924 |
| WESTERN UN CO | 5.93001OCT16 | 4,694 | 4,685 |
| XEROX CORP | 6.40015MAR16 | 6,191 | 6,562 |
| Corporate and Other Obligations | | | \$ 863,811 |

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

| | | | |
|---|-----------------------|---------|---------|
| | Short-Term Investment | | |
| | Fund | 787 | 786 |
| * | Short-Term Investment | | |
| | Fund | 39,319 | 39,318 |
| * | Short-Term Investment | | |
| | Fund | 30,351 | 30,350 |
| * | Short-Term Investment | | |
| | Fund | 43,735 | 43,734 |
| * | Short-Term Investment | | |
| | Fund | 123,724 | 123,724 |
| * | Short-Term Investment | | |
| | Fund | 52,348 | 52,348 |
| | | | 290,260 |

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

| | | | |
|--------------------------------|---------------|--------|--------|
| CREDIT SUISSE FIRST BOSTON MTG | 1.000025JAN36 | 2,180 | 2,154 |
| FE D HM LN POOL 1N1385 | 1.00001DEC36 | 7,048 | 7,082 |
| FED HM LN PC Pool | 1.0 01SEP35 | 10,148 | 10,216 |
| FED HM LN PC Pool | 5.5 01SEP19 | 9,024 | 8,846 |
| FED HM LN PC POOL A34902 | 5.5 01MAY35 | 36,726 | 36,920 |
| FED HM LN PC POOL E01343 | 5.0 01APR18 | 15,364 | 14,915 |
| FED HM LN PC POOL E01377 | 4.5 01MAY18 | 29,263 | 27,938 |
| FED HM LN PC Pool E96852 | 4.50 01JUN13 | 8,368 | 8,548 |
| FED HM LN PC POOL G01843 | 6.0 01JUN35 | 45,103 | 44,783 |
| FED HM LN PC Pool G11441 | 4.0 01AUD13 | 5,172 | 5,337 |
| FED HM LN PC Pool G12021 | 4.50 01MAY14 | 12,257 | 12,612 |
| FED HM LN PC Pool G12022 | 4.50 01NOV13 | 3,277 | 3,365 |
| FED HM LN PC Pool G12024 | 4.50 01AUG18 | 17,919 | 18,572 |
| FED HM LN PC POOL G12743 | 5.5 01AUG22 | 21,237 | 21,448 |
| FED HM LN PC Pool M80770 | 5.0 01SEP09 | 19,526 | 19,635 |
| FED HM LN PC Pool M80790 | 4.0 01OCT09 | 5,999 | 6,026 |
| FED HM LN PC Pool M80817 | 4.0 01MAY10 | 13,734 | 13,899 |

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| | | | |
|-----------------------------|---------------|--------|--------|
| FED HM LN PC POOL M80843 | 3.50001SEP10 | 1,364 | 1,388 |
| FED HM LN PC Pool M80845 | 4.50 01SEP10 | 6,467 | 6,632 |
| FED HM LN PC POOL M90952 | 4.00001OCT09 | 2,018 | 1,968 |
| FED HM LN PC POOL M90954 | 4.00001APR09 | 5,217 | 5,119 |
| FED HM LN PC POOL M90966 | 4.00001APR10 | 5,506 | 5,435 |
| FED HM LN POOL 1N0346 | 1.00001DEC36 | 9,582 | 9,626 |
| FED HM LN POOL 1N1417 | 1.00001FEB37 | 9,782 | 9,868 |
| FED HM LN POOL A46675 | 4.50001AUG35 | 10,050 | 10,029 |
| FED HM LN POOL A47055 | 4.50001SEP35 | 12,358 | 12,360 |
| FED HM LN POOL G01953 | 4.50001OCT35 | 14,326 | 14,295 |
| FED HM LN POOL G02682 | 7.00001FEB37 | 23,381 | 23,680 |
| FED HM LN POOL G3205 | 5.50001JUL35 | 8,032 | 8,195 |
| FEDERAL Home LN MTG | 6.5 15AUG08 | 469 | 457 |
| FEDERAL HOME LN MTG | 5.0 15JUL25 | 19,658 | 19,983 |
| FEDERAL HOME LN MTG | 5.0 15SEP27 | 35,268 | 36,088 |
| FEDERAL HOME LN MTG | 5.0 15DEC27 | 36,035 | 36,918 |
| FEDERAL HOME LN MTG | 1.0 15DEC27 | 39,057 | 38,846 |
| FEDERAL HOME LN MTG | 6.0 15NOV22 | 1,206 | 1,309 |
| FEDERAL HOME LN MTG | 6.0 15FEB11 | 5,761 | 6,200 |
| FEDERAL HOME LN MTG CORP | 5.12517NOV17 | 83,484 | 85,002 |
| FEDERAL HOME LOAD BANK | 5.00017NOV17 | 16,631 | 16,893 |
| FEDERAL NATL MTG ASSN | 5.50 25SEP11 | 7,508 | 7,529 |
| FEDERAL NATL MTG ASSN | 1.0 25MAY30 | 61,795 | 61,913 |
| FEDERAL NATL MTG ASSN | 4.76825APR12 | 7,450 | 7,370 |
| FEDERAL NATL MTG ASSN | 5.13925DEC11 | 8,238 | 8,033 |
| FEDERAL NATL MTG ASSN REMIC | 5.70325MAY11 | 10,210 | 9,664 |
| FEDERAL NATL MTG ASSN REMIC | 6.08825MAY11 | 18,800 | 16,685 |
| FHLMC TBA JAN 30 | 5.5 01DEC99 | 16,818 | 16,760 |
| FINANCING CORP CPN FICO | 0.01 07SEP09 | 35,725 | 42,074 |
| FNMA POOL 125420 | 5.5 01MAY11 | 281 | 297 |
| FNMA POOL 254088 | 5.5 01DEC16 | 2,439 | 2,520 |
| FNMA POOL 254140 | 5.5 01JAN17 | 7,233 | 7,428 |
| FNMA POOL 254503 | 5.00001OCT09 | 18,241 | 18,369 |
| FNMA POOL 254548 | 5.50 01DEC32 | 25,646 | 25,870 |
| FNMA POOL 254693 | 5.50001APR33 | 17,741 | 17,607 |
| FNMA POOL 254722 | 5.5 01MAY18 | 15,878 | 15,487 |
| FNMA POOL 254753 | 4.00001MAY10 | 6,161 | 6,057 |
| FNMA POOL 254836 | 4.0 01JULY 10 | 12,481 | 12,701 |
| FNMA POOL 255364 | 6.00001SEP34 | 15,773 | 16,075 |
| FNMA POOL 255765 | 5.0 01JUL20 | 5,222 | 5,343 |

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| | | | |
|------------------|--------------|--------|--------|
| FNMA POOL 255770 | 5.5 01JUL35 | 12,368 | 12,257 |
| FNMA POOL 256101 | 5.5 01FEB36 | 57,243 | 57,770 |
| FNMA POOL 256269 | 5.5 01JUN36 | 49,010 | 49,966 |
| FNMA POOL 323348 | 8.50001JUN12 | 263 | 267 |
| FNMA POOL 323586 | 5.50 01FEB14 | 8,951 | 9,196 |
| FNMA POOL 343347 | 5.5 01APR11 | 2,849 | 2,943 |

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| | | | |
|------------------|--------------|---------|---------|
| FNMA POOL 357586 | 4.50 01MAY11 | 6,940 | 7,086 |
| FNMA POOL 386255 | 3.53001JUL10 | 8,491 | 8,718 |
| FNMA POOL 386284 | 3.64001JUN10 | 8,142 | 8,277 |
| FNMA POOL 456654 | 5.5 01FEB14 | 1,559 | 1,519 |
| FNMA POOL 545696 | 6.0 01JUN22 | 13,069 | 12,818 |
| FNMA POOL 545904 | 5.5 01SEP17 | 13,446 | 13,172 |
| FNMA POOL 555541 | 1.0 01APR33 | 4,578 | 4,607 |
| FNMA POOL 623505 | 6.0 01DEC11 | 7,292 | 7,128 |
| FNMA POOL 722999 | 5.0 01JUL18 | 33,576 | 33,236 |
| FNMA POOL 725027 | 5.00001NOV33 | 7,821 | 8,002 |
| FNMA POOL 725423 | 5.50001MAY34 | 14,905 | 14,777 |
| FNMA POOL 725424 | 5.50001APR34 | 7,812 | 7,754 |
| FNMA POOL 725690 | 6.0 01AUG34 | 5,660 | 5,615 |
| FNMA POOL 725946 | 5.50 01NOV34 | 88,403 | 88,491 |
| FNMA POOL 725946 | 5.50001NOV34 | 20,079 | 20,275 |
| FNMA POOL 735224 | 5.50001FEB35 | 38,178 | 37,894 |
| FNMA POOL 735227 | 5. 01FEB35 | 5,662 | 5,615 |
| FNMA POOL 735654 | 1.0 01OCT44 | 4,074 | 4,205 |
| FNMA POOL 743132 | 5.0 01OCT18 | 32,344 | 32,025 |
| FNMA POOL 745054 | 1.00001SEP35 | 5,293 | 5,480 |
| FNMA POOL 745275 | 5.00001FEB36 | 53,170 | 53,769 |
| FNMA POOL 745336 | 5.0 01MAR36 | 174,136 | 176,613 |
| FNMA POOL 745569 | 4.0 01NOV13 | 9,143 | 9,501 |
| FNMA POOL 759866 | 5.5 01FEB34 | 8,023 | 7,963 |
| FNMA POOL 786225 | 5.0 01JUL19 | 5,401 | 5,416 |
| FNMA POOL 791404 | 5.0 01OCT19 | 4,510 | 4,458 |
| FNMA POOL 808277 | 5.5 01AUG35 | 7,192 | 7,131 |
| FNMA POOL 815039 | 5.5 01MAY35 | 6,785 | 6,728 |
| FNMA POOL 821398 | 5.5 01MAY35 | 10,042 | 9,954 |
| FNMA POOL 822298 | 1.00001MAY36 | 2,571 | 2,608 |
| FNMA POOL 823293 | 5.5 01JUL35 | 7,663 | 7,599 |
| FNMA POOL 825308 | 5.5 01MAY35 | 7,386 | 7,325 |
| FNMA POOL 825803 | 5.5 01SEP35 | 11,160 | 11,060 |
| FNMA POOL 826522 | 5.5 01JUL35 | 7,779 | 7,715 |
| FNMA POOL 830735 | 5.5 01JUL35 | 6,230 | 6,174 |
| FNMA POOL 830763 | 5.5 01AUG35 | 6,598 | 6,540 |
| FNMA POOL 830784 | 5.5 01AUG35 | 13,057 | 12,942 |
| FNMA POOL 831540 | 6.0 01JUN36 | 38,410 | 38,985 |
| FNMA POOL 831800 | 6.50001SEP36 | 155,043 | 155,860 |
| FNMA POOL 833350 | 5.5 01AUG35 | 13,787 | 13,663 |

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| | | | |
|------------------|-------------|---------|---------|
| FNMA POOL 835164 | 5.5 01AUG35 | 13,183 | 13,067 |
| FNMA POOL 835268 | 5.5 01AUG35 | 8,098 | 8,029 |
| FNMA POOL 835687 | 5.5 01NOV34 | 5,295 | 5,251 |
| FNMA POOL 837220 | 4.5 01AUG20 | 104,077 | 105,555 |
| FNMA POOL 837589 | 5.5 01SEP34 | 7,146 | 7,086 |
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| | | | |
|--------------------------|--------------|-----------|-----------|
| FNMA POOL 841068 | 1.0 01NOV34 | 17,237 | 17,372 |
| FNMA POOL 848647 | 5.5 01JAN36 | 32,940 | 33,331 |
| FNMA POOL 871117 | 5.5 01DEC36 | 54,110 | 54,383 |
| FNMA POOL 872502 | 1.00001JUN36 | 6,602 | 6,682 |
| FNMA POOL 880626 | 5.5 01MAR36 | 25,051 | 25,213 |
| FNMA POOL 881670 | 1.00001MAR36 | 9,409 | 9,598 |
| FNMA POOL 884865 | 6.5 01APR36 | 32 | 33 |
| FNMA POOL 888789 | 5.00001JUL36 | 8,633 | 8,858 |
| FNMA POOL 902397 | 1.00001NOV36 | 7,590 | 7,673 |
| FNMA POOL 902715 | 6.5 01SEP36 | 98 | 98 |
| FNMA POOL 906576 | 1.00001JAN37 | 10,291 | 10,400 |
| FNMA POOL 910333 | 5.5 01MAR37 | 4,963 | 5,033 |
| FNMA POOL 920602 | 5.5 01APR36 | 101,521 | 103,613 |
| FNMA POOL 920602 | 6.5 01NOV37 | 69,425 | 69,966 |
| FNMA POOL 928373 | 4.50001MAR36 | 12,493 | 13,113 |
| FNMA POOL 940525 | 6.0 01JUL37 | 62,366 | 64,398 |
| FNMA POOL 944499 | 5.5 01JUL37 | 42,410 | 43,853 |
| FNMA POOL 947624 | 6.0 01OCT37 | 27,213 | 27,503 |
| FNMA POOL 950813 | 6.0 01OCT37 | 23,421 | 23,670 |
| FNMA POOL255276 | 4.0 01JUN11 | 5,530 | 5,696 |
| FNMA POOL45571 | 4.0 01JAN19 | 32,938 | 34,076 |
| FNMA TBA JAN 30 | 5.0 01DEC99 | 32,428 | 32,774 |
| FNMA TBA JAN 30 | 5.0 01DEC99 | (132,357) | (131,097) |
| FNMA TBA JAN 30 | 5.5 01DEC99 | (66,646) | (67,102) |
| FNMA TBA JAN 30 | 6.0 01DEC99 | 16,953 | 17,054 |
| FREDDIE MAC | 1.0 15DEC29 | 1,345 | 1,347 |
| GOV NATL MTG ASSN | 3.02216JAN19 | 3,277 | 3,272 |
| GOVERNMENT NATIONAL MTGE | 3.94716NOV30 | 20,441 | 20,677 |
| GOVERNMENT NATL MTG ASSN | 2.91416JUN18 | 2,544 | 2,534 |
| GOVERNMENT NATL MTG ASSN | 3.60716AUG18 | 1,673 | 1,656 |
| GOVERNMENT NATL MTG ASSN | 4.05416JUN27 | 5,892 | 6,000 |
| GOVERNMENT NATL MTG ASSN | 4.04416MAY21 | 3,015 | 2,983 |
| GOVERNMENT NATL MTG ASSN | 4.38516AUG30 | 5,737 | 5,763 |
| GOVERNMENT NATL MTG ASSN | 4.01616JUL27 | 3,885 | 3,915 |
| GOVERNMENT NATL MTG ASSN | 4.04516JUL20 | 8,113 | 8,071 |
| GOVERNMENT NATL MTG ASSN | 4.01516NOV10 | 6,542 | 6,503 |
| GOVERNMENT NATL MTG ASSN | 4.44916MAR25 | 10,319 | 10,478 |
| GOVERNMENT NATL MTG ASSN | 3.13716NOV29 | 4,186 | 4,239 |
| GOVERNMENT NATL MTG ASSN | 4.14516FEB18 | 9,475 | 9,387 |
| GOVERNMENT NATL MTG ASSN | 4.24116JUL29 | 6,306 | 6,382 |

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| | | | |
|--------------------------|--------------|--------|--------|
| GOVERNMENT NATL MTG ASSN | 2.71216FEB20 | 6,962 | 6,908 |
| GOVERNMENT NATL MTG ASSN | 3.20616APR18 | 2,999 | 2,973 |
| GOVERNMENT NATL MTG ASSN | 3.11016JAN19 | 5,049 | 4,942 |
| GOVERNMENT NATL MTG ASSN | 2.94616MAR19 | 14,282 | 14,535 |
| GOVERNMENT NATL MTG ASSN | 2.82216DEC19 | 6,845 | 6,880 |
| GOVERNMENT NATL MTG ASSN | 3.08416APR22 | 4,987 | 4,958 |

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| | | | |
|-------------------------------|---------------|----------|----------|
| GOVERNMENT NATL MTG ASSN | 4.24816JUL29 | 9,067 | 9,211 |
| GOVERNMENT NATL MTG ASSN GTD | 4.27216NOV26 | 12,051 | 12,235 |
| GOVERNMENT NATL MTG ASSN GTD | 3.76016SEP28 | 7,237 | 7,377 |
| GOVERNMENT NATL MTG ASSN GTD | 4.21216JAN28 | 8,874 | 8,977 |
| GOVERNMENT NATL MTG ASSN GTD | 4.04516OCT23 | 1,805 | 1,823 |
| GOVERNMENT NATL MTG ASSN GTD | 4.20116AUG26 | 18,138 | 18,491 |
| GOVERNMENT NATL MTG ASSN GTD | 3.77216JUN25 | 16,766 | 17,184 |
| GOVERNMENT NATL MTG ASSN GTD | 4.08716AUG30 | 5,129 | 5,213 |
| GOVERNMENT NATL MTG ASSN GTD | 3.88816JUL26 | 10,290 | 10,455 |
| GVMNT NATL MTG ASSN REMIC MTG | 3.37716JAN23 | 1,200 | 1,178 |
| SMALL BUSINESS ADMIN | 7.19 01DEC19 | 8,919 | 9,413 |
| UNITED STATES TREAS BDS | 8.75 15AUG20 | 26,518 | 27,503 |
| UNITED STATES TREAS BDS | 8.75015MAY17 | 18,631 | 19,081 |
| UNITED STATES TREAS BDS | 6.25015MAY30 | 19,785 | 20,962 |
| UNITED STATES TREAS BDS | 5.00015MAY37 | 102,618 | 103,452 |
| UNITED STATES TREAS BILLS | .01 15MAY08 | | 8,296 |
| UNITED STATES TREAS BILLS | 8.875 15AUG17 | 11,311 | 11,556 |
| UNITED STATES TREAS BILLS | 8.125 15MAY21 | 20,320 | 20,769 |
| UNITED STATES TREAS BILLS | 2.375 15JAN27 | 3,555 | 3,680 |
| UNITED STATES TREAS BILLS | 4.75 15FEB37 | 107,412 | 110,745 |
| UNITED STATES TREAS BILLS | 3.875 15JAN09 | 4,386 | 4,406 |
| UNITED STATES TREAS BILLS | 4.25 15JAN10 | 15,324 | 15,579 |
| UNITED STATES TREAS BILLS | 4.25 15AUG14 | 19,153 | 19,104 |
| UNITED STATES TREAS BILLS | 2.375 15APR11 | 14,392 | 14,743 |
| UNITED STATES TREAS BILLS | 5.125 15MAY16 | 16,101 | 16,362 |
| UNITED STATES TREAS BILLS | 5.125 30JUN11 | 17,657 | 17,845 |
| UNITED STATES TREAS BILLS | 4.625 15FEB17 | (16,078) | (17,560) |
| UNITED STATES TREAS BILLS | 4.50 15MAY 17 | (15,366) | (15,668) |
| UNITED STATES TREAS BILLS | 4.75 15AUG17 | (10,361) | (10,644) |
| UNITED STATES TREAS BILLS | 4.125 31AUG12 | (14,988) | (15,564) |
| UNITED STATES TREAS BILLS | 4.25 15NOV17 | (23,518) | (23,925) |
| UNITED STATES TREAS NTS | 4.0 15NOV12 | 10,718 | 10,781 |
| UNITED STATES TREAS NTS | 4.625 15FEB17 | 46,546 | 48,466 |
| UNITED STATES TREAS NTS | 4.75 15AUG17 | 70,762 | 73,621 |
| UNITED STATES TREAS NTS | 4.87531MAY11 | 49,459 | 49,566 |
| UNITED STATES TREAS NTS | 4.25015NOV17 | 99,700 | 99,544 |
| UNITED STATES TREAS NTS | 4.62515NOV16 | 2,150 | 2,164 |
| UNITED STATES TREAS NTS | 4.62531DEC11 | 51,316 | 51,392 |
| UNITED STATES TREAS NTS | 4.87530APR12 | 7,599 | 7,749 |
| UNITED STATES TREAS NTS | 4.62531JUL12 | 82,501 | 82,450 |

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| | | | |
|-------------------------|--------------|---------|---------|
| UNITED STATES TREAS NTS | 4.75015AUG17 | 2,378 | 2,395 |
| UNITED STATES TREAS NTS | 4.12531AUG12 | 7,039 | 7,263 |
| UNITED STATES TREAS NTS | 3.87531OCT12 | 116,394 | 116,799 |
| UNITED STATES TREAS NTS | 4.25015NOV17 | 117,767 | 119,641 |
| UNITED STATES TREAS NTS | 3.12530NOV09 | 28,277 | 28,333 |
| UNITED STATES TRES BD | 0.01 15FEB15 | 71,201 | 74,559 |
| US TREASURY BDS | 4.50015FEB36 | 15,054 | 14,772 |
| US TREASURY BDS | 4.50015FEB36 | 52,459 | 56,757 |

3,889,579

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Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)
Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2007****Corporate and Other Obligations**

| | | | |
|------------------------------|----------------------------|--------|--------|
| 317504LP1 OTC USD | SEP08 4.75 CALL | 1,286 | 5,591 |
| 9CDXIG9KLO | 0.45020DEC10 | 63 | 63 |
| ABBOTT LABORATORIES | 5.15 30NOV12 NT | 14,691 | 15,021 |
| ACCREDITED MTG LN TR | 1.00025APR36 | 735 | 731 |
| ACE INA HLDG INC | 5.70015FEB17 | 5,119 | 5,077 |
| * AEGON FDG CORP | 5.75015DEC20 | 8,475 | 8,118 |
| AETNA INC | 7.875 01MAR11 | 16,796 | 15,915 |
| AGILENT TECHNOLOGIES | 6.5 01NOV17 | 8,448 | 8,617 |
| AIG | 5.85 16JAN18 TRANCHE TR | 12,695 | 12,849 |
| ALLSTATE LIFE GLOBAL | 4.25 10SEP08 TRANCHE SR | 8,893 | 8,627 |
| ALTERNATIVE LN TR 2007 | 1.00025APR47 | 3,186 | 2,100 |
| AMERADA HESS CORP | 6.65015AUG11 | 10,413 | 10,725 |
| AMERADA HESS CORP | 6.65015AUG11 | 5,126 | 4,964 |
| AMERICAN EXPRESS | 6.15 28AUG17 | 8,963 | 9,222 |
| AMERICAN EXPRESS CENTURION | 5.55 17OCT12 TRANCHE TR | 12,162 | 12,391 |
| AMERICAN EXPRESS CO | 4.75017JUN09 | 2,439 | 2,436 |
| AMERICAN EXPRESS CR CORP | 1.00009NOV09 | 3,527 | 3,468 |
| AMERICAN GEN FIN | 4.875 15MAY10 | 4,052 | 4,136 |
| AMERICAN INTL GROUP INC | 5.37518OCT11 | 4,544 | 4,607 |
| AMERICAN INTL GROUP INC | 5.05001OCT15 | 4,904 | 4,866 |
| AMERICREDIT AUTOMOBILE | 3.43 06JUL11 | 7,665 | 7,598 |
| AMERICREDIT AUTOMOBILE | 5.66 06JAN11 | 15,789 | 15,812 |
| AMERICREDIT PRIME AUTOMOBILE | 5.35009SEP13 | 1,763 | 1,765 |
| AMERICREDIT PRIME AUTOMOBILE | 5.43008JUL11 | 1,931 | 1,911 |
| AMERIPRISE FINL INC | 5.65015NOV15 | 1,494 | 1,503 |
| AMGEN INC | 4.00 18NOV09 SR NT | 10,058 | 10,004 |
| AMVESCAP PLC | 5.37515DEC14 | 2,561 | 2,440 |
| ANHEUSER BUSCH COS INC | 5.50 15JAN18 NT | 4,015 | 4,115 |
| AOL TIME WARNER INC | 6.75015APR11 | 10,231 | 9,622 |
| ARDEN RLTY LTD PARTNERSHIP | 5.20001SEP11 | 4,363 | 4,490 |
| ASTRAZENECA | 5.40 15SEP12 | 14,501 | 15,021 |
| AT + T CORP | 7.30015NOV11 | 8,065 | 8,190 |
| AT + T INC | 1.00015MAY08 | 3,359 | 3,356 |
| AT + T WIRELESS SVCS INC | 8.75001MAR31 | 3,582 | 3,809 |
| AT&T INC | 4.95 15JAN13 GLOBAL NT | 12,167 | 12,242 |

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|---|------------------------|------------------------|--------|--------|
| | AT+T WIRELESS SVCS INC | 7.87501MAR11 | 3,145 | 3,274 |
| | AVALONBAY CMNTYS INC | 6.62515SEP11 | 4,239 | 4,298 |
| | AVALONBAY CMNTYS INC | 5.50015JAN12 | 5,313 | 5,281 |
| | BA CR CARD | 5.59 17NOV14 2007 8 NT | 10,288 | 10,383 |
| | BA CR CARD TR | 1.00015JUN14 | 19,820 | 18,270 |
| | BALL CORP | 6.87515DEC12 | 1,359 | 1,364 |
| * | BANC AMER COML MTG | 5.334 10SEP45 | 11,310 | 11,323 |
| * | BANC AMER COML MTG INC | 4.16110DEC42 | 9,453 | 9,335 |
| * | BANC AMER COML MTG INC | 5.78711MAY35 | 5,876 | 5,994 |
| * | BANC AMER COML MTG INC | 4.12810JUL42 | 7,259 | 7,164 |

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Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2007**

| | | | | |
|---|-------------------------------|-------------------------|--------|--------|
| * | BANC AMER COML MTG INC | 4.24710JUL43 | 7,411 | 7,401 |
| * | BANC AMER COML MTG TR | 5.49210FEB51 | 10,809 | 10,809 |
| * | | 5.49 15MAR19 SUB NT | | |
| | BANK AMER CORP | 144A | 9,513 | 9,630 |
| * | BANK AMER CORP | 5.375 11SEP12 SR NT FD | 6,283 | 6,416 |
| * | BANK AMER CORP | 5.75 01DEC17 SR NT | 4,587 | 4,630 |
| * | BANK AMER CORP | 4.50001AUG10 | 10,986 | 11,007 |
| * | | 2005 PASS THRU CTF 1.0 | | |
| | BANK AMER FDG CORP | 25MAY35 | 7,130 | 7,090 |
| | | 4.95 01NOV12 TRANCHE | | |
| | BANK NEW YORK INC | TR | 14,225 | 14,277 |
| | | 6.25 15FEB08 TRANCHE | | |
| | BANK ONE TEX | SB | 9,767 | 9,670 |
| | BARCLAYS BK PLC | 5.45 12SEP12 | 15,089 | 15,481 |
| * | BAXTER FINCO BV | 4.75015OCT10 | 2,367 | 2,364 |
| | BAYVIEW FINL SECS CO LLC | 1.00028DEC35 | 7,810 | 7,708 |
| | BAYVIEW FINL SECS CO LLC | 5.20828APR39 | 7,558 | 7,570 |
| | BEAR STEARNS | 5.53312OCT41 | 3,462 | 3,480 |
| | BEAR STEARNS ALT A TR | 1.00025FEB36 | 8,663 | 8,384 |
| | BEAR STEARNS ALT A TR | 1.00025MAY36 | 3,949 | 3,834 |
| | BEAR STEARNS ALT A TR | 1.00025JAN47 | 5,239 | 5,144 |
| | | 2003 PASSTHRU 1.0 | | |
| | BEAR STEARNS ARM | 25AUG33 | 6,211 | 6,258 |
| | BEAR STEARNS ARM | SER 2005 1.0 25OCT35 | 7,815 | 7,808 |
| | BEAR STEARNS COML MTG SECS | 4.24013AUG39 | 7,347 | 7,242 |
| | BEAR STEARNS COML MTG SECS | 1.00012OCT42 | 10,555 | 10,511 |
| | BEAR STEARNS COML MTG SECS | 1.00011SEP38 | 3,800 | 3,871 |
| | BEAR STEARNS COML MTG SECS | 5.51811SEP41 | 2,195 | 2,186 |
| | BEAR STEARNS COML MTG SECS TR | 1.00011SEP38 | 4,304 | 4,424 |
| | BEAR STEARNS COMMERCIAL MTG | 5.17101DEC38 | 9,795 | 9,674 |
| | BEAR STEARNS COS | 5.35 01FEB12 | 17,552 | 17,095 |
| | BEAR STEARNS COS INC | 3.25025MAR09 | 10,459 | 10,572 |
| | BEAR STEARNS COS INC | 5.50015AUG11 | 8,365 | 8,292 |
| | BEAR STERNS COS INC | 7.62507DEC09 | 5,453 | 5,439 |
| | BEAR STERNS COS INC | 5.55022JAN17 | 5,280 | 5,043 |
| | BERKSHIRE HATHAWAY | 4.125 15JAN10 GTD SR NT | 9,414 | 9,524 |
| | BERKSHIRE HATHAWAY FIN CORP | 4.20015DEC10 | 4,620 | 4,643 |
| | | 4.28 25FEB10 2005 ASSET | | |
| | BMW VEH OWNER TR | BKD | 3,334 | 3,328 |
| | BOEING CAP CORP | 7.37527SEP10 | 7,874 | 7,393 |

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| | | | |
|--------------------------------|------------------|--------|--------|
| BOEING CO | 5.125 15FEB13 NT | 7,561 | 7,808 |
| BOSTON PPTYS LTD PARTNERSHIP | 6.25015JAN13 | 5,245 | 5,061 |
| BOSTON PPTYS LTD PARTNERSHIP | 5.00001JUN15 | 2,765 | 2,645 |
| BOSTON PPTYS LTD PATNERSHIP | 5.62515APR15 | 2,181 | 2,112 |
| BRAZIL FEDERATIVE REP | 8.25020JAN34 | 27,742 | 28,578 |
| BRITISH SKY BROADCASTING GROUP | 6.87523FEB09 | 3,421 | 3,339 |
| BRITISH SKY BROADCASTING GROUP | 8.20015JUL09 | 18,023 | 15,815 |
| BRITISH TELECOMMUNICATIONS | 1.00 15DEC10 NT | 11,623 | 11,520 |
| BRITISH TELECOMMUNICATIONS | 1.00015DEC10 | 2,864 | 2,673 |
| BSKYB FIN U K PLC | 5.62515OCT15 | 4,409 | 4,379 |
| BUNGE LTD FIN CORP | 5.10015AUG15 | 2,149 | 2,211 |
| C BASS SER 2006 CB2 TR | 1.00025DEC36 | 353 | 352 |

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| | | | |
|---------------------------------|-------------------------|--------|--------|
| C BASS TR | 1.00025NOV35 | 2,649 | 2,632 |
| C10 CAPITAL SPV LIMITED | DEBS 2006 1.0 18DEC49 | 4,904 | 4,659 |
| CADBURY SCHWEPPE US FINANCE | 5.12501OCT13 | 5,295 | 5,456 |
| CAPCO AMER SECURIZATION | 6.26015OCT30 | 13,477 | 12,806 |
| | 4.40 15AUG11 2005 8 NT | | |
| CAPITAL AUTO MULTI ASSET EXECUT | CL | 7,893 | 7,893 |
| CAPITAL AUTO MULTI ASSET EXECUT | 5.75 15JUL20 SER 2007 | 11,754 | 12,016 |
| | 5.23 15FEB09 2006 ASSET | | |
| CAPITAL AUTO REC | BKD | 2,855 | 2,855 |
| CAPITAL AUTO REC TR | 5.39 15FEB14 NT CL | 9,907 | 10,058 |
| CAPITAL AUTO RECEIVABLES | 3.58 15JAN09 | 6,767 | 6,762 |
| CAPITAL AUTO RECEIVABLES | 3.75 15JUL09 | 1,595 | 1,589 |
| | 5.30 15MAY14 2007 4 | | |
| CAPITAL AUTO RECEIVABLES ASST | ASSET BKD | 5,039 | 5,099 |
| CAPITAL ONE PRIME AUTO RECEIV | 4.32015AUG09 | 2,259 | 2,259 |
| CAPITAL ONE AUTO FIN TR | 5.13016APR12 | 9,573 | 9,562 |
| CAPITAL ONE BK | 5.125 15FEB14 | 11,248 | 10,950 |
| CAPITAL ONE BK | 5.00015JUN09 | 5,082 | 5,076 |
| CAPITAL ONE FINL CORP | 5.55001JUN15 | 925 | 914 |
| CAPITAL ONE FINL CORP | 6.75015SEP17 | 1,050 | 1,047 |
| CAPITAL ONE FINL CORP | 1.00010SEP09 | 9,683 | 9,128 |
| CAPMARK FINL GROUP INC | 5.87510MAY12 | 9,822 | 7,778 |
| CAROLINA PWR & LT | 6.5 15JUL12 | 19,475 | 18,592 |
| CAROLINA PWR + LT CO | 6.50015JUL12 | 3,513 | 3,665 |
| CARRINGTON MTG LN TR | 1.00025MAY36 | 1,077 | 1,070 |
| CASE NEW HOLLAND INC | 7.12501MAR14 | 3,447 | 3,351 |
| | 4.85 07DEC12 TRANCHE | | |
| CATERPILLAR FINL SVCS | TR | 5,036 | 5,048 |
| CATERPILLAR FINL SVCS | 4.85 07DEC12 | 10,240 | 10,264 |
| CATERPILLAR FINL SVCS CORP | 4.50015JUN09 | 2,858 | 2,856 |
| CATERPILLAR FINL TR | 5.57 25MAY10 SER 2006 | 8,897 | 8,936 |
| CENTAX HOME EQUITY LN TR | 1.00025JUN36 | 382 | 380 |
| CHASE ISSUANCE TR | 4.65 17DEC12 2005 10 NT | 11,047 | 11,306 |
| CHASE ISSUANCE TR | 4.96 17SEP12 2007 15 NT | 13,436 | 13,655 |
| CHASEFLEX TRUST | 1.00025SEP46 | 1,759 | 1,766 |
| CHESAPEAKE ENGERYCORP | 7.50015JUN14 | 1,053 | 1,025 |
| CHEVY CHASE BK FSB | 6.87501DEC13 | 3,412 | 3,200 |
| CHUBB CORP | 5.47216AUG08 | 9,646 | 9,670 |
| CIT GROUP INC | 5.65 13FEB17 | 16,070 | 14,376 |
| CIT GROUP INC | 5.85 15SEP16 | 1,421 | 1,260 |

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|---|------------------------------|--------------------------|--------|--------|
| | CIT GROUP INC NEW | 5.85015SEP16 | 5,000 | 4,597 |
| | CIT GROUP INC REORGANIZED | 5.65013MAR17 | 5,300 | 4,939 |
| * | CITIBANK CR CARD ISSUANCE TR | 4.75 22OCT12 2005 A7 NT | 5,054 | 5,196 |
| * | CITIBANK CR CARD ISSUANCE TR | 5.45 10MAY13 SER 2006 | 5,050 | 5,205 |
| * | CITIBANK CR CARD ISSUANCE TR | 5.50 22JUN12 SERIES 2007 | 10,140 | 10,357 |
| * | CITIBANK CR CARD ISSUANCE TR | 5.65 20SEP19 SER 2007 | 9,186 | 9,292 |
| * | CITIBANK CR CARD ISSUANCE TR | 1.00009JAN12 | 20,076 | 19,275 |
| * | CITICORP RESIDENTIAL MRG TR | 1.00025JUN37 | 1,603 | 312 |
| * | CITIFINANCIAL MTG SECS INC | 3.36025JAN33 | 2,161 | 2,137 |
| * | CITIGROUP CAP | 1.0 21DEC77 | 5,027 | 5,262 |

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Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2007**

| | | | |
|---------------------------------|-------------------------|--------|--------|
| * CITIGROUP COML MTG TR | 1.00015APR40 | 11,143 | 11,369 |
| * CITIGROUP INC | 6.125 21NOV17 GLOBAL SR | 8,446 | 8,713 |
| * CITIGROUP INC | 6.125 21NOV17 | 25,087 | 25,880 |
| * CITIGROUP INC | 5.3 17OCT12 | 17,379 | 17,611 |
| * CITIGROUP INC | 6.50018JAN11 | 10,925 | 10,962 |
| * CITIGROUP INC | 4.62503AUG10 | 5,038 | 5,011 |
| * CITIGROUP INC | 5.30017OCT12 | 13,915 | 14,123 |
| * CITIGROUP MTG LN TR | 1.00025MAY35 | 9,481 | 9,577 |
| * CITIGROUP MTG LN TR | 1.00025MAY36 | 11,123 | 11,139 |
| * CITIGROUP MTG LN TR | 1.00025AUG35 | 8,818 | 8,170 |
| * CITIGROUP MTG LN TR | 1.00001MAR36 | 21 | 21 |
| * CITIGROUP MTG LN TR 2007 AMC4 | 1.00025MAY37 | 5,291 | 4,458 |
| * CITIGROUP RESIDENTIAL MTG TR | 1.00025SEP36 | 20,995 | 20,700 |
| * CITIGROUP RESIDENTIAL MTG TR | 1.00025JUN37 | 9,725 | 9,645 |
| * CITIGROUP/DEUTSCHE BANK | 5.408 15JAN46 | 7,849 | 7,869 |
| * CITIGROUP/DEUTSCHE BANK | 5.40815JAN46 | 3,376 | 3,385 |
| CITY NATL CORP | 5.12515FEB13 | 4,088 | 4,107 |
| CLEVELAND ELEC ILLUM CO | 5.70001APR17 | 6,708 | 6,561 |
| CLOROX | 5.95 15OCT17 SR NT | 8,076 | 7,948 |
| CNH EQUIP TR 2007 | 5.46 15JUN10 | 20,071 | 20,166 |
| CNH EQUIP TR 2007 C | 5.42 17MAR14 NT CL | 5,962 | 6,108 |
| CNH EQUIPTR 2007 B | 5.40 17OCT11 NT CL | 7,306 | 7,434 |
| COCA COLA | 5.35 15NOV17 | 6,289 | 6,453 |
| COCA COLA ENTERPRISES | 8.50001FEB22 | 2,385 | 2,633 |
| COLONIAL BK MONTGOMERY AL | 8.00015MAR09 | 1,517 | 1,475 |
| COLONIAL BK NATL ASSN | 6.37501DEC15 | 4,701 | 4,565 |
| COLONIAL RLTY LTD | 4.75 01FEB10 | 3,359 | 3,280 |
| COMCAST CABLE COMM INC | 6.87515JUN09 | 4,477 | 4,233 |
| COMCAST CORP NEW | 5.85 15NOV15 | 15,885 | 15,902 |
| COMCAST CORP NEW | 6.30 15NOV17 | 10,808 | 11,240 |
| COMCAST CORP NEW | 5.50015MAR11 | 2,675 | 2,713 |
| COMCAST CORP NEW | 6.50015JAN17 | 4,453 | 4,378 |
| COMCAST NEW | 6.30 15NOV 17 NT | 5,027 | 5,228 |
| COMEO TRANSITIONAL | 5.74 25DEC10 SER 1998 | 8,460 | 7,758 |
| COMMERCIAL MTG ASSET TR | 1.00017NOV32 | 4,236 | 4,253 |
| COMMERCIAL NET LEASE RLTY INC | 6.15015DEC15 | 3,016 | 3,021 |
| COMMONWEALTH EDISON CO | 4.74015AUG10 | 7,883 | 7,887 |
| COMPASS BK BIRMINGHAM AL | 5.50001APR20 | 7,155 | 6,874 |
| CONAGRA INC | 7.87515SEP10 | 2,059 | 1,947 |

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|-------------------------------|------------------------|--------|--------|
| CONNECTICUT LT + PWR CO | 5.37501MAR17 | 9,128 | 8,884 |
| CONOCO FDG CO | 6.35015OCT11 | 13,928 | 13,291 |
| CONOCOPHILIPS AUSTRALIA | 5.50 15APR13 GTD NT | 8,045 | 8,258 |
| CONOCOPHILLIPS CDA FDG CO I | 5.62515OCT16 | 12,596 | 12,988 |
| CONSOLIDATED EDISON CO NY INC | 5.30001DEC16 | 13,399 | 13,218 |
| CONSUMERS ENERGY CO | 5.37515APR13 | 5,536 | 5,193 |
| COORS BREWING CO | 6.37515MAY12 | 563 | 573 |
| CORNING INC | 6.2 15MAR16 | 2,909 | 2,942 |
| | 2007 HY 4 MTG PASS 1.0 | | |
| COUNTRYWIDE ALTERNATIVE LN TR | 25JUN47 | 9,280 | 9,167 |

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| | | | |
|--------------------------------|-------------------------|--------|--------|
| COUNTRYWIDE CORP MTN | 5.80007JUN12 | 4,862 | 3,558 |
| COUNTRYWIDE FDG CORP MTN | 3.25021MAY08 | 4,916 | 4,629 |
| COUNTRYWIDE FINL CORP | 6.25015MAY16 | 3,131 | 1,837 |
| COUNTRYWIDE FINL CORP | 5.80007JUN12 | 2,801 | 2,209 |
| COUNTRYWIDE HOME LNS INC | 4.00022MAR11 | 5,787 | 4,208 |
| COVENTRY HEALTH CARE INC | 5.87515JAN12 | 2,235 | 2,220 |
| COVENTRY HEALTH CARE INC | 5.95015MAR17 | 2,678 | 2,635 |
| COX COMMUNICATIONS INC | 5.45 15DEC14 | 22,759 | 23,046 |
| CREDIT SUIS USA | 5.50016AUG11 | 11,629 | 11,995 |
| CREDIT SUISSE COML MTG TR | 1.00015JUN38 | 3,943 | 4,101 |
| CREDIT SUISSE COML MTG TR | 5.46715SEP39 | 12,829 | 12,865 |
| CREDIT SUISSE FIRST BOSTON | 6.38 18DEC35 SER 2001 | 14,372 | 14,458 |
| CREDIT SUISSE FIRST BOSTON | 6.30 15NOV30 | 2,832 | 2,806 |
| CREDIT SUISSE FIRST BOSTON | 4.12515JAN10 | 10,588 | 10,866 |
| CREDIT SUISSE FIRST BOSTON MTG | 3.86115MAR36 | 4,489 | 4,428 |
| CREDIT SUISSE FIRST BOSTON MTG | 1.00015JAN37 | 5,030 | 5,313 |
| CREDIT SUISSE FIRST BOSTON MTG | 1.00025AUG32 | 1,702 | 1,614 |
| CSMC MTG BACKED TR | 1.00025JAN37 | 6,551 | 6,066 |
| CSX CORP | 6.75 15MAR11 | 11,355 | 11,280 |
| CSX CORP | 6.25015OCT08 | 2,368 | 2,372 |
| CVS CAREMARK | 5.75 01JUN17 | 11,071 | 11,326 |
| CVS CORP | 4.00015SEP09 | 2,597 | 2,555 |
| CVS CORP | 5.75015AUG11 | 2,347 | 2,409 |
| CWABS ASSET | 1.00025OCT46 | 8,216 | 7,571 |
| CWABS INC | 3.872 25MAR20 | 1,938 | 1,879 |
| CWABS INC | 4.615 25FEB35 | 8,398 | 7,432 |
| CWALT ALTERNATIVE LN TR | 1.0 25JUL21 | 15,954 | 15,884 |
| CWALT INC | 1.00025DEC35 | 3,522 | 3,387 |
| CWHEQ HOME EQUITY LN TR | 1.00025JUN35 | 5,393 | 5,265 |
| DAIMLERCHRYSLER AUTO | 3.710 08OCT09 SER 2004 | 6,710 | 6,701 |
| | 5.28 08MAR13 2007 ASSET | | |
| DAIMLERCHRYSLER AUTO | BKD | 9,656 | 9,746 |
| DAIMLERCHRYSLER NORTH AMER | 4.87515JUN10 | 2,596 | 2,592 |
| DB MASTER FIN LLC | 5.77920JUN31 | 1,680 | 1,619 |
| DEERE JOHN CAP CORP MTN BK | 1.00001SEP09 | 4,871 | 4,880 |
| DELHAIZZE GROUP SA | 6.50015JUN17 | 1,255 | 1,289 |
| DETROIT EDISON | 6.19 01MAR13 SER 2001 | 14,092 | 14,200 |
| | 5.375 12OCT12 TRANCHE | | |
| DEUTSCHE BANK AG | TR | 11,583 | 11,875 |
| DEUTSCHE BK FINL INC | 7.50025APR09 | 5,396 | 5,395 |

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|--------------------------------|----------------------|--------|--------|
| DEUTSCHE MTG & ASSET RECEIVING | 6.861 15JUN31 | 2,869 | 2,821 |
| DEUTSCHE TELEKOM | 8.00 15JUN10 GTD NT | 7,178 | 7,173 |
| DIAEGO FIN BV | 5.50 01APR13 GTD NT | 6,877 | 6,987 |
| DIAGEO PLC | 4.375 03MAY10 GTD NT | 5,106 | 5,109 |
| | 4.70 01DEC12 GLOBAL | | |
| DISNEY WALT COMPANY | NT | 10,893 | 10,961 |
| DLJ COML MTG CORP | 6.24012NOV31 | 11,948 | 10,808 |
| DLJ COML MTG CORP | 1.00012NOV31 | 4,972 | 4,697 |
| DLJ MTG CORP | 7.18 10NOV33 | 11,420 | 11,607 |
| DOMINION RES INC DEL | 5.70017SEP12 | 7,503 | 7,589 |

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| | | | |
|---------------------------------------|-------------------------------------|--------|--------|
| DONNELLEY R R + SONS CO | 4.95001APR14 | 1,349 | 1,425 |
| DONNELLEY R R + SONS CO | 5.50015MAY15 | 5,408 | 5,576 |
| DU PONT | 5.0 15JAN13 NT | 4,609 | 4,648 |
| DUK CAP CORP | 8.0 01OCT19 | 6,814 | 6,773 |
| DUKE CAP LLC | 5.668 15AUG14 | 11,152 | 11,267 |
| DUKE ENERGY FIELD SVCS LLC | 7.87516AUG10 | 1,531 | 1,441 |
| DUKE RLTY CORP | 5.87515AUG12 | 4,181 | 4,242 |
| DUKE WEEKS RLTY LTD PRTNSHP | 7.75015NOV09 | 5,409 | 4,852 |
| DUKE WEEKS RLTY LTD PRTNSHP | 6.95015MAR11 | 1,689 | 1,761 |
| ECHOSTAR DBS CORP | 6.62501OCT14 | 591 | 602 |
| ECHOSTAR DBS CORP | 7.12501FEB16 | 1,574 | 1,610 |
| EDISON MISSION ENEGRY | 7.00015MAY17 | 1,801 | 1,815 |
| EL PASO CORP | 7.75 15JUN10 | 6,859 | 7,015 |
| ELELCTRONIC DATA SYS CORP NEW | 6.500101AUG13 | 6,206 | 6,284 |
| EMBARQ CORP | 7.995 01JUN36 | 10,613 | 11,240 |
| EMBARQ CORP | 7.08201JUN16 | 8,438 | 8,653 |
| EMBARQ CORP | 6.73801JUN13 | 420 | 434 |
| ENTERGY GULF STS | 5.510 01OCT13 SR SECD TRANSITION BD | 4,618 | 4,753 |
| ENTERPRISE PRODS OPER LP | 5.60015OCT14 | 2,252 | 2,179 |
| ENTERPRISE PRODS OPER LP | 5.60015OCT14 | 7,978 | 8,046 |
| EQUIFAX INC | 7.0 01JUL37 | 5,111 | 4,861 |
| EQUITY RESIDENTIAL | 5.12515MAR16 | 5,872 | 5,470 |
| ERAC USA FIN CO | 7.35 15JUN08 | 16,768 | 16,940 |
| ERIE CNTY NY TOB ASSET SECURIT TAX | 6.00001JUN28 | 5,325 | 4,720 |
| ERP OPER CTD PARTNERSHIP | 6.62515MAR12 | 1,455 | 1,308 |
| ERP OPER CTD PARTNERSHIP | 5.37501AUG16 | 2,006 | 1,901 |
| ERP OPER CTD PARTNERSHIP | 5.50001OCT12 | 4,344 | 4,329 |
| EUROPEAN INVT BK | 5.12530MAY17 | 5,470 | 5,520 |
| EXELON CORP | 6.75001MAY11 | 4,718 | 4,652 |
| EXXON CAPITAL CORP | 6.12508SEP08 | 7,091 | 6,370 |
| FEDERAL RALTY INVT | 5.4 01DEC13 | 10,834 | 10,710 |
| FEDERAL RLTY INVT TR | 5.65001JUN16 | 4,703 | 4,527 |
| FEDERAL RLTY INVT TR | 6.00015JUL12 | 2,097 | 2,155 |
| FEDERATED RETAIL HLDGS | 5.35 15MAR12 | 13,428 | 13,092 |
| FEDERATED RETAIL HLDGS INC | 5.90001DEC16 | 2,686 | 2,531 |
| FEDERATED RETAIL HLDGS INC | 5.35015MAR12 | 1,343 | 1,309 |

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|----------------------------|------------------------|--------|--------|
| FINANCING CORP CPN FICO | 0.01 11MAY13 | 3,055 | 3,890 |
| FINANCING CORP CPN FICO | 0.01 06JUN13 | 10,645 | 12,441 |
| FIRST NLC TR | 1.00025DEC35 | 1,136 | 1,133 |
| FIRST UN CORP | 6.37515JAN09 | 6,474 | 6,485 |
| FIRSTENERGY CORP | 6.45015NOV11 | 19,625 | 18,732 |
| FISHER SCIENTIFIC INTL INC | 6.75015AUG14 | 959 | 981 |
| FISHER SCIENTIFIC INTL INC | 6.12501JUL15 | 6,383 | 6,340 |
| FORD CR AUTO | 4.38 15JAN10 | 20,600 | 20,569 |
| FORD CR AUTO OWNER TR | 4.64015APR10 | 5,795 | 5,795 |
| FORD CR AUTO OWNER TR | 5.80015FEB13 | 1,679 | 1,627 |
| FORD CREDIT AUTO | 5.26 15OCT10 2006 B NT | 12,763 | 12,781 |

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Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)
Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2007**

| | | | |
|-----------------------------|------------------------|--------|--------|
| FORD CREDIT AUTO | 5.40 15AUG11 2007 A NT | 14,275 | 14,446 |
| FORTUNE BRANDS INC | 5.37515JAN16 | 2,737 | 2,800 |
| | 7.795 15APR15 200 COML | | |
| FOUR TIME SQUARE TR | MTG | 5,858 | 5,878 |
| FPL GROUP CAP INC | 5.62501SEP11 | 10,069 | 10,320 |
| FRANCE TELECOM SA | 8.50001MAR31 | 8,435 | 8,276 |
| FRANKLIN RES INC | 3.70 15APR08 SR NT | 7,577 | 7,541 |
| GANNETT CO INC | 5.75001JUN11 | 5,470 | 5,628 |
| GAZ CAPITAL SA | 6.21222NOV16 | 10,563 | 10,511 |
| GE COML MTG CORP | 3.915 10NOV38 2004 C1 | 9,706 | 9,542 |
| GE COML MTG CORP | 4.68310JUL45 | 8,778 | 8,699 |
| | 7.375 19JAN10 TRANCHE | | |
| GENERAL ELEC CAP CORP | TR | 8,256 | 7,566 |
| | 6.125 22FEB11 TRANCHE | | |
| GENERAL ELEC CAP CORP | TR | 2,152 | 2,195 |
| GENERAL ELEC CAP CORP | 6.0 15JUN12 TRANCHE TR | 11,458 | 11,093 |
| GENERAL ELEC CAP CORP MTN | 1.00021OCT10 | 10,765 | 10,745 |
| GENERAL ELEC CAP CORP MTN | 3.50002FEB09 | 5,440 | 5,506 |
| GENERAL MILLS | 5.65 10SEP12 | 5,589 | 5,633 |
| GENERAL MILLS INC | 5.65 10SEP12 | 15,345 | 15,620 |
| GENERAL MTRS ACCEP CORP | 7.25 02MAR11 | 1,600 | 1,472 |
| GENERAL MTRS ACCEP CORP | 7.0 01FEB12 | 3,242 | 2,850 |
| GENERAL MTRS ACCEP CORP | 5.85 14JAN09 | 1,667 | 1,606 |
| GENWORTH GLOBAL FDG TRS | 5.20008OCT10 | 5,036 | 5,111 |
| GMAC LLC | 1.0 15MAY09 | 1,680 | 1,558 |
| GMAC LLC | 6.625 15MAY12 | 3,347 | 2,793 |
| GOLDMAN SACHS GROUP | 5.70 01SEP12 SR NT | 12,828 | 12,528 |
| GOLDMAN SACHS GROUP | 5.25 01APR13 SR NT | 8,581 | 8,516 |
| GOLDMAN SACHS GROUP | 6.75 01OCT37 | 24,325 | 25,007 |
| GOLDMAN SACHS GROUP | 6.25 01SEP17 | 6,707 | 6,989 |
| GOLDMAN SACHS GROUP INC | 4.5 15JUN10 | 22,961 | 23,270 |
| GOLDMAN SACHS GROUP INC | 5.62515JAN17 | 3,028 | 3,117 |
| GOLDMAN SACS GROUP INC | 4.75015JUL13 | 8,987 | 9,131 |
| GREENWICH CAP COML | 4.883 10JUN36 | 6,499 | 6,498 |
| GREENWICH CAP COML FDG CORP | 4.02205JAN36 | 7,038 | 7,074 |
| GREENWICH CAP FDG CORP | 4.30510AUG42 | 9,305 | 9,372 |
| GREENWICH CAPITAL COMM FND | 5.44410MAR39 | 7,109 | 7,265 |
| GS MTG SECS CORP | 1.00025MAR46 | 3,102 | 3,074 |
| GS MTG SECS CORP II | 4.751 10JUL39 | 12,723 | 12,076 |
| GS MTG SECS CORP II | 1.00006MAR20 | 2,687 | 2,579 |

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|----------------------------|----------------------|--------|--------|
| GS MTG SECS CORP II | 1.00010AUG38 | 5,998 | 6,260 |
| GS MTG SECS TR | 5.479 10NOV39 | 22,113 | 22,221 |
| GSAMP TR | 1.00025MAY36 | 779 | 628 |
| GULF PWR CO | 5.30001DEC16 | 15,953 | 15,862 |
| HALCYON SECURITIZED PRODS | 1.00013MAY46 | 3,245 | 3,245 |
| HANOVER INS GROUP INC | 7.62515OCT25 | 2,423 | 2,202 |
| | 4.30 15MAY10 2005 3 | | |
| HARLEY DAVIDSON MOTORCYCLE | CONRACT BKD | 232 | 233 |
| | 5.060 15JUN10 2006 1 | | |
| HARLEY DAVIDSON MOTORCYCLE | CONTR BKD | 1,186 | 1,186 |
| | 5.52 15NOV13 2007 3 | | |
| HARLEY DAVIDSON MOTORCYCLE | MOTOCYCLE | 4,031 | 4,089 |
| HARRAHS OPER INC | 5.62501JUN15 | 813 | 772 |

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| | | | |
|------------------------------|---------------------|--------|--------|
| HARRAHS OPER INC | 5.57001OCT17 | 279 | 250 |
| HARRAHS OPER INC | 6.50001JUN16 | 1,002 | 939 |
| HARTFORD FINL SVCS GROUP INC | 5.55016AUG08 | 4,451 | 4,461 |
| HEALTHCARE RLTY TR IN | 8.12501MAY11 | 5,587 | 5,318 |
| HEINZ | 6.0 15MAR12 | 5,709 | 5,687 |
| HOME EQUITY MORTGAGE TRUST | 1.00025MAY36 | 2,435 | 1,734 |
| | 4.85 19OCT09 2005 6 | | |
| HONDA AUTO RECEIVABLE | ASSET BKD | 4,646 | 4,630 |
| HONDA AUTO RECEIVABLES | 3.28 18FEB10 | 16,164 | 16,087 |
| HOSPIRA INC | 5.55 30MAR12 | 16,346 | 16,653 |
| HOUSEHOLD FIN CORP | 4.125 15DEC08 NT | 14,607 | 14,396 |
| HOUSEHOLD FIN GROUP | 5.87501FEB09 | 5,337 | 5,336 |
| HOUSEHOLD FIN GROUP | 4.12515DEC08 | 5,409 | 5,409 |
| HRPT PPTYS TR | 1.00016MAR11 | 2,318 | 2,238 |
| HSBC FIN CORP | 5.25014JAN11 | 16,767 | 16,792 |
| HSBC FIN CORP | 5.50019JAN16 | 7,248 | 7,459 |
| HSI ASSET SECURITIZATION | 1.00025JAN36 | 3,614 | 2,542 |
| HUNTINGTON NATL BK | 4.37515JAN10 | 4,233 | 4,174 |
| HUTCHISON WHAMPOA INTL | 6.50013FEB13 | 6,052 | 6,180 |
| HYUNDAI AUTO RECEIVABLES TR | 5.25015MAY13 | 9,321 | 9,169 |
| HYUNDAI AUTO RECEIVABLES TR | 5.04017JAN12 | 3,107 | 3,116 |
| IBM | 5.7 14SEP17 | 10,043 | 10,418 |
| ICI WILMINGTON INC | 4.37501DEC08 | 7,313 | 7,548 |
| ILLINOIS EDL FACS | 5.0 01JUL33 | 15,698 | 16,498 |
| ILLINOIS TOOL WKS INC | 5.75001MAR09 | 2,221 | 2,220 |
| ILLINOISE PWR SPL | 5.65 25DEC10 | 11,920 | 11,003 |
| ILLIONOIS PWR CO | 6.12515NOV17 | 3,272 | 3,309 |
| INDYMAC INDX MTG LN 2006 | 1.0 25SEP36 | 39,129 | 38,708 |
| INDYMAC INDX MTG LN TR | 1.00025SEP36 | 7,882 | 7,956 |
| INDYMAC MBS INC | 1.00025MAY36 | 4,990 | 4,945 |
| INTERNATIONAL LEASE FIN CORP | 6.37515MAR09 | 5,498 | 5,436 |
| INTERNATIONAL LEASE FIN CORP | 3.50001APR09 | 3,460 | 3,467 |
| INTERNATIONAL LEASE FIN CORP | 4.75013JAN12 | 6,355 | 6,297 |
| INTERNATIONAL PAPER CO | 5.30001APR15 | 4,928 | 4,918 |
| INTL BK FOR RECON + DEV | 9.25015SEP17 | 2,918 | 2,813 |
| INTL LEASE FINL CORP | 5.75 15JUN11 | 1,677 | 1,701 |
| ISTAR FINL INC | 5.15001MAR12 | 2,180 | 1,887 |
| ISTAR FINL INC | 5.95015OCT13 | 5,210 | 4,830 |
| ISTAR FINL INC | 1.00009MAR10 | 7,139 | 6,401 |
| ITT CORP NEW | 7.37515NOV15 | 6,086 | 6,156 |

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|---------------------------|--------------|-------|-------|
| J P MORGAN CHASE COML MTG | 4.30215JAN38 | 7,072 | 7,207 |
| J P MORGAN CHASE COML MTG | 4.79015OCT42 | 7,174 | 7,091 |
| J P MORGAN CHASE COML MTG | 5.19815DEC44 | 7,174 | 7,154 |
| J P MORGAN CHASE COML MTG | 5.43712DEC44 | 9,284 | 9,317 |
| J P MORGAN MTG ACQUISTION | 1.00025NOV36 | 1,680 | 1,282 |
| JANUS CAP GROUP INC | 6.25015JUN12 | 5,954 | 6,105 |
| JEFFERIES GROUP INC NEW | 7.75015MAR12 | 3,438 | 3,739 |
| JEFFERIES GROUP INC NEW | 6.25015JAN36 | 5,842 | 5,255 |

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| | | | |
|-------------------------------|---------------------|---------|---------|
| JP MORGAN CHASE | 1.00015APR45 | 4,363 | 4,507 |
| JP MORGAN CHASE CAN CO | 5.375 01OCT12 NT | 8,811 | 8,975 |
| JP MORGAN CHASE COML MTG | 4.184 12JAN37 | 14,273 | 14,502 |
| JP MORGAN CHASE COML MTG | 4.625 15MAR46 | 6,921 | 6,830 |
| JP MORGAN CHASE COML MTG | 1.00 15AUG42 | 9,706 | 9,535 |
| JP MORGAN CHASE COML MTG | 6.26 15MAR33 | 11,990 | 12,656 |
| JP MORGAN CHASE COML MTG | 1.0 15APR45 | 19,280 | 19,688 |
| JP MORGAN CHASE COML MTG SECS | 4.85115AUG42 | 7,680 | 7,602 |
| JP MORGAN CHASE COML MTG SECS | 4.79015OCT42 | 7,174 | 7,091 |
| JP MORGAN CHASE COML MTG SECS | 1.00012DEC44 | 3,967 | 3,993 |
| JP MORGAN CHASE COML MTG SECS | 1.00012JUN43 | 7,849 | 8,021 |
| JP MORGAN CHASE MTG SECS | 4.30215JAN38 | 8,777 | 8,615 |
| JP MORGAN MTG ACQUISITION TR | 1.00025NOV36 | 2,100 | 1,608 |
| JPMORGAN CHASE + CO | 5.12515SEP14 | 11,645 | 11,442 |
| KELLOGG | 5.125 03DEC12 SR NT | 7,976 | 8,045 |
| KELLOGG CO | 5.125 03DEC12 | 11,166 | 11,263 |
| KELLOGG CO | 5.12503DEC12 | 8,227 | 8,299 |
| KFW INTERNATIONAL FIN INC | 1.75023MAR10 | 110,901 | 113,360 |
| KINDER MORGAN ENERGY | 5.0 15DEC13 | 11,410 | 11,570 |
| KRAFT FOODS | 7.00 11AUG37 BD | 6,989 | 6,880 |
| KRAFT FOODS | 6.50 11AUH17 NT | 4,175 | 4,344 |
| KRAFT FOODS | 4.0 01OCT08 | 14,316 | 14,162 |
| KRAFT FOODS INC | 6.875 01FEB18 | 1,669 | 1,744 |
| KRAFT FOODS INC | 6.125 01FEB18 | 8,358 | 8,462 |
| KRAFT FOODS INC | 6.00011FEB13 | 2,010 | 2,072 |
| KRAFT FOODS INC | 6.12501FEB18 | 7,104 | 7,193 |
| KREDITANSTALT FUR WIEDERUFBAU | 4.87517JAN17 | 4,783 | 4,845 |
| KROGER | 6.40 15AUG17 SR NT | 1,921 | 2,020 |
| KROGER CO | 6.75 15APR12 | 6,963 | 6,864 |
| KROGER CO | 6.2 15JUN12 | 4,684 | 4,638 |
| KROGER CO | 6.4 15AUG17 | 2,470 | 2,547 |
| LB UBS | 5.37215SEP39 | 12,069 | 12,051 |
| LB UBS COML MTG TR | 5.3 15NOV38 | 10,972 | 10,962 |
| LB UBS COML MTG TR | 4.647 15JUL30 | 14,348 | 14,035 |
| LB UBS COML MTG TR | 1.00015JUL40 | 7,005 | 7,222 |
| LB UBS COML MTG TR | 1.00015JUN29 | 3,021 | 3,192 |
| LB UBS COML MTG TR | 4.20115DEC29 | 7,512 | 7,425 |
| LB UBS COML MTG TR | 1.00015JUN38 | 12,326 | 12,358 |
| LB UBS COML MTG TR | 6.36515DEC28 | 6,775 | 6,886 |
| LEHMAN BROS HLDGS | 6.75 28DEC17 | 6,714 | 6,925 |

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| | | | |
|----------------------------|--------------|--------|--------|
| LEHMAN BROS HLDGS INC | 6.50019JUL17 | 1,774 | 1,836 |
| LEHMAN BROTHERS HLDGDS INC | 4.25027JAN10 | 10,624 | 10,728 |
| LEHMAN BROTHERS HLDGDS INC | 6.00019JUL12 | 13,675 | 13,939 |
| LEHMAN BROTHERS HLDGS | 5.25 06FEB12 | 17,319 | 17,202 |
| LEHMAN BROTHERS HLDGS INC | 4.80013MAR14 | 1,305 | 1,329 |
| LEHMAN BROTHERS HLDGS INC | 6.20026SEP14 | 2,195 | 2,224 |
| LEHMAN BROTHERS HOLDINGS | 7.87501NOV09 | 2,339 | 2,328 |

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| | | | |
|---|------------------------|--------|--------|
| LEUCADIA NATL CORP | 7.00015AUG13 | 4,002 | 3,779 |
| LIBERTAS PFD FDG III | 1.00009APR47 | 7,257 | 7,257 |
| LIBERTY PPTY LTD PARTNERSHIP LIMITED INC | 5.50015DEC26 | 2,084 | 1,964 |
| LIMITED INC | 5.25001NOV14 | 5,018 | 4,824 |
| LIMITED INC | 6.90015JUL17 | 708 | 714 |
| LINCOLN NATL CORP IN | 1.00012MAR10 | 4,535 | 4,454 |
| LOWES COS INC | 5.60015SEP12 | 2,180 | 2,243 |
| LUBRIZOL CORP | 4.62501OCT09 | 2,273 | 2,277 |
| LUBRIZOL CORP | 4.62501OCT09 | 4,028 | 4,048 |
| M + I MARSHALL + ILSLEY BK | 1.00004DEC12 | 17,132 | 16,157 |
| M + T BK CORP | 5.37524MAY12 | 3,694 | 3,685 |
| MACK CALI REALTY LP | 5.05015APR10 | 2,347 | 2,383 |
| MACK CALI RLTY LP | 5.12515JAN15 | 3,339 | 3,305 |
| MACK CALI RLTY LP | 5.25015JAN12 | 3,336 | 3,407 |
| MANUFACTURERS + TRADERS TR CO | 1.00028DEC20 | 4,340 | 3,970 |
| MARSHALL + ILSLEY CORP | 4.37501AUG09 | 2,340 | 2,329 |
| MASCO CORP | 1.00012MAR10 | 2,603 | 2,515 |
| MASTR ASSET BACKED SECS TR | 1.00025AUG36 | 10,666 | 9,858 |
| MASTR ASSET BACKED SECS TR | 1.00025OCT36 | 5,245 | 3,083 |
| MBNA CORP SR MTN | 6.12501MAR13 | 1,810 | 1,750 |
| MBNA CR CARD MASTER NT TR | 2.75 15OCT10 2003 6 NT | 4,436 | 4,586 |
| MBNA CR CARD MASTER NT TR | 4.20 15SEP10 2005 1 NT | 22,206 | 22,473 |
| MBNA CR CARD MASTER NT TR | 4.50 15JAN13 2005 6 NT | 12,426 | 12,684 |
| MBNA CR CARD MASTER NT TR | 2.75015OCT10 | 4,723 | 4,919 |
| McGRAW HILL COS | 6.55 15NOV237 SR NT | 4,601 | 4,582 |
| MEDCO HEALTH SOLUTIONS INC | 7.25015AUG13 | 1,579 | 1,564 |
| MERRILL LYNCH | 6.4 28AUG17 | 11,740 | 11,945 |
| MERRIL LYNCH & CO | 4.25 08FEB10 | 8,458 | 8,315 |
| MERRILL LYNCH + CO INC | 4.12515JAN09 | 614 | 613 |
| MERRILL LYNCH + CO INC | 4.12510SEP09 | 5,505 | 5,537 |
| MERRILL LYNCH + CO INC | 6.05016MAY16 | 10,057 | 9,985 |
| MERRILL LYNCH + CO INC | 5.70002MAY17 | 4,116 | 4,082 |
| MERRILL LYNCH MTG INVS INC | 1.00025AUG36 | 5,948 | 5,720 |
| MERRILL LYNCH MTG TR | 4.80612SEP42 | 20,543 | 21,094 |
| MERRILL LYNCH MTG TR | 1.00012NOV37 | 5,710 | 5,692 |
| MERRILL LYNCH MTG TR | 5.40312JUL34 | 6,583 | 6,655 |
| MERRILL LYNCH MTG TR | 4.96012JUL38 | 4,644 | 4,609 |
| MERRILL LYNCH MTG TR | 1.00012NOV37 | 3,378 | 3,377 |
| METLIFE INC | 5.37515DEC12 | 1,685 | 1,693 |
| METLIFE INC | 5.00015JUN15 | 15,913 | 15,442 |

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|--------------------------------|----------------------|--------|--------|
| MEXICO (UNITED MEXICAN STATES) | 8.00019DEC13 | 42,108 | 41,720 |
| MICHIGAN TOB SETTLEMENT FIN | 7.30901JUN34 | 19,920 | 18,569 |
| MID ST TR IV | 8.33 01APR30 | 11,040 | 10,649 |
| MIDAMERICAN ENERGY HLDGS CO | 5.87501OCT12 | 2,435 | 2,524 |
| | 6.75 01MAR11 SR SECD | | |
| MIDAMERICAN PLC | NT | 8,669 | 8,048 |
| ML CFC COML MTG TR | 1.0 12FEB39 | 46,710 | 46,825 |
| ML CFC COML MTG TR | 1.00012UN46 | 6,503 | 6,662 |

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| | | | |
|-------------------------------|----------------------|--------|--------|
| MOHAWK INDS INC | 6.12515JAN16 | 7,206 | 7,229 |
| MORGAN J P + CO | 6.00015JAN09 | 2,974 | 2,969 |
| MORGAN J P + CO INC | 6.25015JAN09 | 5,470 | 5,440 |
| MORGAN STANLEY CAPITOL I | 5.32515DEC43 | 4,222 | 4,200 |
| MORGAN STANLEY MTG LN TR 2006 | 1.00025NOV36 | 4,703 | 4,208 |
| | 5.95 28DEC17 SR | | |
| MORGAN STANLEY | MEDIUM NTS | 6,113 | 6,126 |
| | 5.25 02NOV12 GLOBAL | | |
| MORGAN STANLEY | MEDIUM TERM NT | 10,475 | 10,494 |
| MORGAN STANLEY | 5.45009JAN17 | 5,310 | 5,458 |
| MORGAN STANLEY | 5.45009JAN17 | 5,354 | 5,470 |
| MORGAN STANLEY | 5.75018OCT16 | 9,884 | 10,027 |
| MORGAN STANLEY CAP I | 4.890 12JJUN47 | 21,026 | 20,304 |
| MORGAN STANLEY CAP I | 4.989 13AUG42 | 17,087 | 17,167 |
| MORGAN STANLEY CAP I | 1.0 12AUG41 | 11,147 | 11,316 |
| MORGAN STANLEY CAP I INC | 4.78013DEC41 | 10,551 | 10,496 |
| MORGAN STANLEY CAP I INC | 1.00013JUN42 | 7,079 | 7,238 |
| MORGAN STANLEY CAP I INC | 5.56915DEC44 | 10,386 | 10,386 |
| MORGAN STANLEY CAP I INC | 1.00015MAR30 | 9,180 | 8,383 |
| MORGAN STANLEY CAP I INC | 1.00015DEC31 | 8,009 | 8,117 |
| MORGAN STANLEY CAP I INC | 4.80914JAN42 | 7,678 | 7,700 |
| MORGAN STANLEY CAP I INC | 5.09012OCT52 | 5,573 | 5,544 |
| MORGAN STANLEY CAP I TR 2006 | 5.71212JUL44 | 10,391 | 10,324 |
| MORGAN STANLEY GROUP | 6.25 28AUG17 | 1,677 | 1,708 |
| MORGAN STANLEY GROUP | 5.3 01MAR13 | 11,080 | 11,143 |
| MORGAN STANLEY GROUP INC | 6.75015APR11 | 7,968 | 8,098 |
| MORGAN STANLEY GROUP INC | 5.75031AUG12 | 1,680 | 1,715 |
| MOTOROLA INC | 7.62515NOV10 | 499 | 468 |
| NATIONAL CITY BK CLEVELAND | 6.25015MAR11 | 4,882 | 4,836 |
| NATIONAL GRID PLC | 6.30001AUG16 | 8,380 | 8,574 |
| NATIONAL SEMICONDUCTOR CORP | 6.6 15JUN17 | 10,497 | 10,885 |
| NATIONSLINK FDG CORP | 6.47620AUG30 | 2,447 | 2,443 |
| NAVISTAR FINANCIAL CORP | 3.53 15OCT12 | 16,402 | 16,624 |
| NEVADA PWR CO | 6.75001JUL37 | 2,854 | 2,865 |
| | 5.25 16OCT12 TRANCHE | | |
| NEW YORK LIFE GLOBAL | TR | 6,380 | 6,531 |
| NEWCASTLE MTG SECS TR | 1.00025MAR36 | 1,286 | 1,278 |
| NEWS AMER HLDGS INC | 7.70030OCT25 | 7,944 | 7,359 |
| NEWS AMER INC | 6.4 15DEC35 | 1,412 | 1,444 |
| NIAGARA MOHAWK PWR CORP | 7.75001OCT08 | 4,590 | 4,283 |

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|-------------------------|---------------|--------|--------|
| NISOURCE FIN CORP | 7.875 15NOV10 | 11,028 | 10,958 |
| NISOURCE FIN CORP | 7.87515NOV10 | 3,866 | 3,564 |
| NISOURCE FIN CORP | 1.00023NOV09 | 1,940 | 1,913 |
| NISOURCE FIN CORP | 5.25015SEPT17 | 5,857 | 5,404 |
| NOMURA ASSET ACCEP CORP | 1.00025FEB35 | 3,779 | 3,564 |
| NOMURA ASSET ACCEP CORP | 5.15925MAR35 | 4,871 | 4,491 |
| NOMURA ASSET ACCEP CORP | 1.00025MAY35 | 10,078 | 9,614 |
| NORFOLK SOUTHN CORP | 6.75015FEB11 | 2,730 | 2,610 |
| NORSK HYDRO A S | 6.36015JAN09 | 1,613 | 1,604 |

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| | | | |
|--------------------------|-------------------------------------|--------|--------|
| NORTHROP GRUMMAN CORP | 7.12515FEB11 | 2,860 | 2,775 |
| NUCOR GROUP | 5.00 01DEC12 NT | 5,852 | 5,886 |
| OHIO PWR CO | 1.00005APR10 | 5,459 | 5,411 |
| OWNIT MTG LN TR | 1.00025DEC36 | 3,107 | 3,084 |
| PACIFIC GAS & ELEC CO | 4.20 01MAR11 1ST MTG BD | 4,607 | 4,545 |
| PACIFIC GAS & ELEC CO | 5.625 30NOV17 SR NT | 5,012 | 5,054 |
| PACIFIC GAS + ELEC CO | 3.60001MAR09 | 3,020 | 2,991 |
| PANAMA REP | 9.37501APR29 | 10,538 | 10,681 |
| PECO ENERGY TRANS | 6.13 01MAR09 | 5,425 | 5,309 |
| PECO ENERGY TRANS | 6.52 31DEC10 SER 2001 | 7,283 | 7,479 |
| PEMEX PROJ FDG | 6.125 15AUG08 | 688 | 691 |
| PEMEX PROJ FDG MASTER TR | 5.75001MAR18 | 6,422 | 6,451 |
| PENNY J C INC | 7.95001APR17 | 4,388 | 4,274 |
| PENNY JC CORP | 5.75 15FEB18 | 3,244 | 3,077 |
| PEPISCO INC | 4.65 15FEB13 | 8,391 | 8,455 |
| PERU REP | 8.75021NOV33 | 5,575 | 5,898 |
| PERU REP | 7.35021JUL25 | 10,563 | 10,723 |
| PETRA CRE CDO 2007 | 1.00025FEB47 | 4,096 | 4,096 |
| PETRO CDA | 9.25015OCT21 | 9,735 | 9,776 |
| PG&E ENERGY RECOVERY | 3.87 25JUN11 2005 1 ENERGY RECOVERY | 5,172 | 5,138 |
| PG&E ENERGY RECOVERY | 4.85 25JUN11 2005 2 EVERGY | 1,927 | 1,929 |
| PHILLIP MORRIS CO INC | 7.75015JAN27 | 8,189 | 9,197 |
| PHILLIPS PETE CO | 6.65015JUL18 | 2,315 | 2,785 |
| PHOENIX COS INC NEW | 6.67516FEB08 | 1,951 | 1,934 |
| PITNEY BROWES INC | 5.25 15JAN37 | 11,265 | 11,176 |
| POLAND GOVT OF | 6.00024NOV10 | 22,074 | 22,070 |
| POTASH CORP SASK INC | 4.87501MAR13 | 5,428 | 5,402 |
| PRAXAIR INC | 6.37501APR12 | 7,106 | 7,645 |
| PROGRESS ENERGY INC | 7.10001MAR11 | 1,798 | 1,716 |
| PROLOGIS | 5.5 01APR12 | 22,133 | 22,178 |
| PRUDENTIAL FINL INC | 5.10014DEC11 | 3,694 | 3,738 |
| PSE&G TRANSITION | 6.45 15MAR13 2001 1 TRANSITION | 11,904 | 12,032 |
| PUBLIC SVC CO COLO | 7.87501OCT12 | 2,641 | 2,827 |
| PUBLIC SVC CO COLO | 4.37501OCT08 | 2,684 | 2,674 |
| QWEST CORP | 8.87515MAR12 | 5,021 | 5,032 |
| QWEST CORP | 8.87515MAR12 | 276 | 270 |
| QWEST CORPORATION | 7.50001OCT14 | 5,281 | 5,285 |
| QWEST CORPORATION | 5.62515NOV08 | 5,447 | 5,432 |
| QWEST CORPORATION | 7.50001OCT14 | 3,263 | 3,256 |
| RAAC | 1.00025AUG36 | 2,217 | 2,184 |

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| | | | |
|-------------------------|----------------------------|-------|-------|
| RALI SER 2006 | MTG ASSET BKD 6.0 25JUN 36 | 9,306 | 9,117 |
| RASC | 1.00025JUN36 | 2,913 | 2,871 |
| RAYTHEON CO | 6.400 15DEC18 DEB | 3,993 | 4,086 |
| RAYTHEON CO | 5.50015NOV12 | 2,064 | 2,186 |
| REGENCY CTRS LP | 5.25001AUG15 | 2,269 | 2,149 |
| REGENCY CTRS LP | 5.87515JUN17 | 2,424 | 2,354 |
| RENAISSANCE HOME EQUITY | 1.0 25NOV34 | 9,802 | 9,626 |
| REPUBLIC SVCS INC | 6.75015AUG11 | 5,893 | 5,986 |

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Table of Contents**Baxter Healthcare of Puerto Rico
Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2007**

| | | | |
|--------------------------------|---------------------------|--------|--------|
| RESIDENTIAL ASSET SEC MTG PASS | 1.00025MAY33 | 322 | 316 |
| RESIDENTIAL CAP CORP | 1.0 17APR13 | 11,138 | 6,869 |
| RESIDENTIAL FDG MTG SECS I | 1.0025AUG35 | 6,342 | 6,318 |
| RESIDENTIAL FDG MTG SECS II | 4.46025MAY35 | 2,195 | 2,180 |
| RESIDENTIAL FDG MTG SECS II | 1.00025MAR36 | 1,680 | 1,652 |
| REYNOLDS AMERN INC | 7.62501JUN16 | 5,313 | 5,356 |
| REYNOLDS AMERN INC | 7.25001JUN12 | 5,493 | 5,497 |
| ROHM & HAAS CO | 5.60 15MAR13 NT | 3,863 | 4,014 |
| ROHM + HAAS CO | 5.60015MAR13 | 2,939 | 3,054 |
| ROYAL BK CDA MONTREAL | 26JAN10 SR NT | 9,320 | 9,370 |
| ROYAL BK SCOTLAND GROUP PLC | 6.40001APR09 | 3,416 | 3,403 |
| ROYAL BK SCOTLAND GROUP PLC | 5.00001OCT14 | 5,954 | 5,918 |
| ROYAL KPN NV | 8.00001OCT10 | 1,073 | 1,081 |
| ROYAL KPN NV | 8.37501OCT30 | 1,085 | 1,108 |
| RSB BONDCO LLC | 5.469 01OCT14 | 18,906 | 19,425 |
| RUSSELL CO | 5.625 15JAN09 GTD NT | 18,662 | 16,917 |
| RUSSIAN FEDERATION | 3.00014MAY11 | 33,681 | 34,653 |
| SAFEWAY INC | 6.50001MAR11 | 1,333 | 1,318 |
| SAFEWAY INC | 5.80015AUG12 | 4,015 | 3,910 |
| SAFEWAY INC | 4.12501NOV08 | 4,578 | 4,569 |
| SALOMAN BROS MTG SECS VII INC | 1.00025JAN33 | 4,766 | 4,786 |
| SANWA BK LTD N Y BRH | 7.40015JUN11 | 1,910 | 1,817 |
| SAXON ASSET SECS | 1.0 25AUG32 | 157 | 155 |
| SBC | 5.30 15NOV10 GLOBAL NT | 13,412 | 13,676 |
| SBC COMMUNICATIONS | 5.30 15NOV10 | 23,154 | 24,019 |
| SIERRA PAC PWR CO | 6.75001JUL37 | 1,476 | 1,476 |
| SIMON PPTY GROUP LP | 5.75001MAY12 | 4,608 | 4,647 |
| SIMON PPTY GROUP LP | 5.00001MAR12 | 7,194 | 7,045 |
| SLM CORP | 4.50026JUL10 | 5,946 | 5,469 |
| SLM CORP | 5.37515JAN13 | 4,905 | 4,958 |
| SMALL BUSINESS ADMIN | 7.06 01NOV19 | 4,714 | 4,946 |
| SOUNDVIEW HOME LN TR | 1.00025MAY35 | 1,420 | 830 |
| SOUTH AFRICA REP | 5.87530MAY22 | 3,096 | 3,161 |
| SOUTHERN CA EDISON CO | 4.65001APR15 | 3,599 | 3,470 |
| SOUTHERN CO | 5.30015JAN12 | 1,091 | 1,112 |
| SOUTHERN CORP | 5.80015JUN14 | 2,012 | 2,081 |
| SOUTHWESTERN ELEC PWR | 5.875 01MAR18 SR NT | 12,970 | 12,841 |
| SOVEREIGN BANCORP INC | 1.00001SEPT10 | 7,773 | 7,949 |
| SOVEREIGN BANCORP INC | 1.00023MAR10 | 1,932 | 1,896 |

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| | | | |
|--------------------------------|---------------|-------|-------|
| SPECIALTY UNDERWRITING | 1.00025FEB37 | 2,417 | 2,395 |
| SPRINT CAP CORP | 6.875 15NOV28 | 3,305 | 3,664 |
| SPRINT CAP CORP | 7.62530JAN11 | 6,076 | 6,126 |
| SPRINT CAP CORP | 8.37515MAR12 | 4,784 | 4,457 |
| SPRINT CAP CORP | 6.87515NOV28 | 4,776 | 4,699 |
| SPRINT NEXTEL CORP | 6.0 01DEC16 | 7,408 | 7,239 |
| STARWOOD HOTELS + RESORTS WORL | 7.87501MAY12 | 4,441 | 4,533 |
| STEEL DYNAMICS INC | 7.37501NOV12 | 2,855 | 2,870 |

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| | | | |
|-----------------------------|------------------------|-----------|-----------|
| STRUCTURED ASSET INVESTMENT | 1.00025JAN36 | 773 | 770 |
| SWAPTION (317504LI7) | DEC08 4.75 CALL | 178 | 1,040 |
| SWAPTION (317504LN6) | SEP08 4.95 CALL | (1,295) | (4,231) |
| SWAPTION (317504MD7) | DEC08 5 CALL | (173) | (670) |
| SWAPTION (317504MX3) | DEC08 5 CALL | 2,073 | 12,885 |
| SWAPTION (317504MY1) | DEC 5.2 CALL | (1,973) | (8,445) |
| SWAPTION (317504SK5) | MAR08 4.75 CALL | 1,391 | 4,981 |
| SWAPTION (317504UC0) | FEB 4.75 CALL | 184 | 488 |
| SWAPTION (317504UD8) | FEB 4.9 CALL | (167) | (451) |
| SWAPTION (317504UN6) | MAR08 4.9 CALL | (1,345) | (3,737) |
| SWAPTION (317504XX1) | SEP08 4.95 CALL | (352) | (1,618) |
| SWAPTION (317504XY9) | SEP08 4.75 CALL | 350 | 2,137 |
| SWAPTION (317504YT9) | SEP08 4.95 CALL | (413) | (1,867) |
| SWAPTION (317504YU6) | SEP 4.75 CALL | 414 | 2,457 |
| SWAPTION 317504FF0 | FEB 5 CALL | 325 | 1,548 |
| SWAPTION 317504X45 | FEB 5.1 CALL | (343) | (1,207) |
| SWAPTION 317504Z50 | FEB08 5.1 CALL | (165) | (781) |
| SWAPTION 317504Z68 | FEB08 5.0 CALL | 163 | 992 |
| SWP098320 PIMCO | 1.0 20DEC26 | 141,337 | 129,334 |
| SWP098320 PIMCO | 5.0 20DEC26 | (129,333) | (129,574) |
| SWU0282CO IRS USD | 4.0 18JUN10 | 79,315 | 79,444 |
| SWU0282CO IRS USD | 1.0 18JUN10 | (78,944) | (78,944) |
| SWU0301C7 IRS USD | 1.0 18JUN18 | 100,779 | 100,779 |
| SWU0301C7 IRS USD | 5.0 18JUN18 | (101,787) | (102,952) |
| SWU0309C9 IRS USD | 4.0 18JUN13 | 36,952 | 36,952 |
| SWU0309C9 IRS USD | 1.0 18JUN13 | (37,472) | (37,249) |
| SWU0342C8 IRS USD | 4.0 18JUN10 | 111,513 | 111,560 |
| SWU0342C8 IRS USD | 1.0 18JUN10 | (110,857) | (110,857) |
| SWU0389B4 IRS USD | 1.0 18JUN18 | 63,827 | 63,827 |
| SWU0389B4 IRS USD | 5.0 18JUN18 | (65,265) | (65,203) |
| SWU0405C2 IRS USD | 5.0 18JUN15 | 18,476 | 19,095 |
| SWU0405C2 IRS USD | 1.0 18JUN15 | (19,095) | (18,476) |
| SWU0448C1 IRS USD | 1.0 18JUN38 | 114,542 | 111,936 |
| SWU0448C1 IRS USD | 5.0 18JUN38 | (110,857) | (110,857) |
| SWUO434C7 IRS USD | 4.0 18JUN13 | 445,108 | 445,108 |
| SWUO434C7 IRS USD | 1.0 18JUN13 | (453,600) | (448,686) |
| TARGET CORP | 5.375 01MAY17 | 12,564 | 12,312 |
| TCI COMMUNICATIONS INC | 7.87515FEB26 | 1,160 | 1,424 |
| TELECOM ITALIA | 4.95 30SEP14 GTD SR NT | 4,764 | 5,096 |
| TELECOM ITALIA CAP | 5.25015NOV13 | 6,115 | 6,059 |

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| | | | |
|-----------------------------|-----------------------|--------|--------|
| TELECOM ITALIA CAP | 4.00015JAN10 | 9,297 | 9,130 |
| TELEFONICA EMIISIONES S A U | 5.98420JUN11 | 5,459 | 5,615 |
| TELEFONICA EMIISIONES S A U | 5.85504FEB13 | 2,687 | 2,765 |
| TELEFONICA EMISIONES | 5.984 30JUN11 SR NT | 11,758 | 12,095 |
| TELEFONOS DE MEXICO S A | 4.50019NOV08 | 4,886 | 4,881 |
| TEVA PHARMACEUTICAL FIN CO | 6.15001FEB36 | 5,206 | 5,171 |
| TIAA GLOBAL MARKETS | 5.125 10OCT12 TRANCHE | 10,067 | 10,272 |
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Table of Contents**Baxter Healthcare of Puerto Rico****Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2007**

| | | | |
|--------------------------------|-----------------------|--------|--------|
| TIAA SEASONED COML MTG TR | 1.00015AUG39 | 3,542 | 3,632 |
| TIME WARNER | 5.500 15NOV11 NT | 6,703 | 6,746 |
| TIME WARNER CABLE INC | 5.85001MAY17 | 3,016 | 3,031 |
| TIME WARNER ENTMT CO LP | 7.25001SEP08 | 10,446 | 10,639 |
| TIME WARNER INC | 6.625 15MAY29 | 22,070 | 21,581 |
| TIME WARNER INC | 6.5 15NOV36 | 2,182 | 2,125 |
| TOBACCO SETTLEMENT | Asset BKD Ser B | 3,852 | 4,854 |
| TOBACCO SETTLEMENT AUTH IA | 6.50001JUN23 | 1,932 | 1,843 |
| TOBACCO SETTLEMENT FIN AUTH | 7.46701JUN47 | 9,658 | 9,276 |
| TOBACCO SETTLEMENT REV MGMT | Ser B 6.375 15MAY28 | 4,306 | 5,090 |
| TOLL BROS FIN CORP | 6.87515NOV12 | 2,114 | 2,051 |
| TOYOTA MTR CR | 5.45 18MAY11 NT | 6,110 | 6,383 |
| * TRAVELERS COS INC | 5.75 15DEC17 SR NT | 6,198 | 6,113 |
| TXU AUSTRALIA HLDGS PTY LTD | 6.15015NOV13 | 4,487 | 4,285 |
| TYCO INTL GROUP S A | 6.00015NOV13 | 3,118 | 3,108 |
| TYSON FOODS INC | 6.85001APR16 | 6,423 | 6,291 |
| TYSON FOODS INC | 6.85001APR16 | 2,852 | 2,930 |
| U S DEPT VETERAN AFFAIRS REMIC | 6.00015APR09 | 3,530 | 3,322 |
| UBS AG STAMFORD | 5.875 20DEC17 | 8,388 | 8,457 |
| UFK FIN ARUBA A E C | 6.75015JUL13 | 13,500 | 13,229 |
| UNION BK CALIF | 5.95011MAY16 | 4,829 | 4,676 |
| UNION PAC CORP | 5.45 31JAN13 NT | 7,626 | 7,709 |
| UNION PAC CORP | 5.75 15NOV17 | 11,665 | 11,629 |
| UNION PAC CORP | 3.87515FEB09 | 6,699 | 6,661 |
| UNION PAC CORP | 3.62501JUN10 | 2,252 | 2,202 |
| UNITED AIRLS PASS THRU TRS | 9.56 19OCT18 | 9,268 | 5,002 |
| UNITED HEALTH GROUP | 5.125 15NOV10 NT 144A | 4,111 | 4,161 |
| UNITED TECHNOLOGIES CORP | 5.375 15DEC17 NT | 8,382 | 8,472 |
| UNITEDHEALTH GROUP INC | 4.12515AUG09 | 2,000 | 2,004 |
| UNITEDHEALTH GROUP INC | 5.25015MAR11 | 3,717 | 3,737 |
| UNTIEDHEALTH GROUP INC | 5.37515MAR16 | 5,020 | 4,939 |
| USA WASTE SVCS INC | 7.00015JUL28 | 1,578 | 1,604 |
| VALE OVERSEAS LTD | 6.25 23JAN17 | 5,002 | 5,055 |
| VALE OVERSEAS LTD | 6.25 23JAN17 | 10,254 | 10,362 |
| VALERO ENERGY CORP NEW | 6.87515APR12 | 5,803 | 5,646 |
| VENTAS RLTY LTD PARTNERSHIP | 8.75 01MAY09 | 7,130 | 6,887 |
| VERIZON GLOBAL FDG CORP | 5.85015SEP35 | 5,253 | 5,175 |
| VERIZON GLOBAL FDG | 6.875 15JUN12 BD | 7,158 | 7,180 |
| VERIZON GLOBAL FDG CORP | 4.90015APR12 | 2,814 | 2,860 |
| VERIZON NEW JERSEY INC | 5.87517JAN12 | 3,378 | 3,459 |

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| | | | |
|-------------------------|-------------------------|--------|--------|
| VERIZON VA INC | 4.625 15MAR13 | 11,426 | 12,168 |
| VIRGINIA ELEC & PWR CO | 5.95 15SEP17 SR NT 2007 | 5,856 | 6,060 |
| VIRGINIA ELEC & PWR CO | 5.10 30NOV12 SR NT 2007 | 5,037 | 5,061 |
| VIRGINIA ELEC & PWR CO | 5.10 30NOV12 | 17,127 | 17,206 |
| VODAFONE GROUP | 5.35 27FEB12 | 10,660 | 10,740 |
| VODAFONE GROUP PLC NEW | 5.50015JUN11 | 4,689 | 4,753 |
| WACHOVIA BK COML MTG TR | 1.00015JUN49 | 13,689 | 13,987 |

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| | | | |
|----------------------------|---------------------|--------|--------|
| WACHOVIA CORP | 5.3 15OCT11 | 27,753 | 27,860 |
| WACHOVIA CORP2ND NEW | 4.87515FEB14 | 14,033 | 13,468 |
| WACHOVIA CORP NEW | 5.62515DEC08 | 2,358 | 2,330 |
| WACHOVIA CORP NEW | 5.35015MAR11 | 5,039 | 5,102 |
| WAL MART STORES INC | 4.550 01MAY13 NT | 4,496 | 4,681 |
| WAL MART STORES INC | 5.25 01SEP35 NT | 4,435 | 4,470 |
| WALT DISNEY CO | 5.70 15JUL11 | 16,261 | 16,983 |
| WAMU MTG | 1.00025OCT33 | 8,411 | 8,349 |
| WAMU MTG PASS THROUGH CTFS | 1.00025APR35 | 2,095 | 2,083 |
| WAMU MTG PASS THROUGH CTFS | 1.00025AUG34 | 5,632 | 5,661 |
| WAMU MTG THROUGH CTFS | 1.00025OCT45 | 4,984 | 4,317 |
| WASHINGTON MUT INC | 4.00015JAN09 | 5,879 | 5,615 |
| WASHINGTON MUT INC | 4.20015JAN10 | 439 | 405 |
| WASHINGTON MUT INC | 1.00015JAN10 | 4,895 | 4,528 |
| WASTE MGMT INC DEL | 7.37515MAY29 | 930 | 918 |
| WASTE MGMT INC DEL | 7.37501AUG10 | 1,891 | 1,774 |
| WELLPOINT INC | 4.25015DEC09 | 7,120 | 7,222 |
| WELLPOINT INC | 5.87515JUN17 | 5,086 | 5,158 |
| WELLS FARGO & CO NEW | 5.00 15NOV14 SUB NT | 1,492 | 1,497 |
| WELLS FARGO & CO NEW | 4.95 16OCT13 SUB NT | 7,365 | 7,588 |
| WELLS FARGO + CO NEW | 6.37507AUG11 | 4,998 | 4,565 |
| WESTERN FINL BK | 9.62515MAY12 | 3,020 | 2,890 |
| WESTERN UN CO | 5.93 01OCT16 NT | 7,136 | 7,123 |
| WFS FINAL 2004 | 3.54 21NOV11 | 15,582 | 15,443 |
| WFS FINL 2004 4 OWNER TR | 3.21017MAY12 | 1,804 | 1,781 |
| WFS FINL 2005 2 ONER TR | 4.57019NOV12 | 2,939 | 2,938 |
| WILLIAMS COS INC | 7.875 01SEP21 | 1,759 | 1,862 |
| WILLIS NORTH AMER INC | 6.20028MAR17 | 4,861 | 4,860 |
| WPP FIN UK | 5.87515JUN14 | 2,931 | 3,128 |
| WYETH | 5.50001FEB14 | 3,907 | 3,855 |
| WYETH | 5.50001FEB14 | 3,944 | 3,924 |
| XEROX CORP | 6.4 15MAR16 | 10,536 | 10,742 |
| XEROX CORP | 9.75015JAN09 | 3,804 | 3,775 |
| XEROX CORP | 7.62515JUN13 | 1,049 | 1,052 |
| XL CAP LTD | 5.250 15SEP14 | 5,395 | 5,472 |
| XTO ENERGY INC | 4.9 01FEB14 | 11,053 | 11,336 |
| ZIONS BANCORP | 5.50016NOV15 | 2,666 | 2,520 |
| ZIONS BANCORPORATION | 6.00015SEP15 | 7,041 | 6,849 |
| ZIONS BANCORPORATION | 1.00015APR08 | 4,031 | 4,002 |

Table of Contents**Baxter Healthcare of Puerto Rico
Savings and Investment Plan****(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****December 31, 2007****Schedule I****Registered Investment Companies**

| | | | | |
|---|------------------------------------|-------------------------------|---------|---------|
| * | PIMCO FDS SHORT TERM PORTFOLIO | Registered Investment Company | 39,182 | 38,082 |
| * | PIMCO FDS US GOVT SECTOR PORT | Registered Investment Company | 170,965 | 181,727 |
| * | PIMCO FDS MTG PORTFOLIO | Registered Investment Company | 282,939 | 281,806 |
| * | PIMCO FDS PRIVATE ACCT PORTFOLIOS | Registered Investment Company | 4,255 | 4,112 |
| * | PIMCO FDS REAL RETURN BD PORTFOLIO | Registered Investment Company | 48,290 | 45,398 |
| * | PIMCO FDS EMERGING MKTS PORTFOLIO | Registered Investment Company | 94,438 | 88,847 |
| * | PIMCO FDS INTL PORTFOLIO INSTL | Registered Investment Company | 148,680 | 142,526 |
| * | PIMCO FDS HIGH YIELD PORTFOLIO | Registered Investment Company | 62,304 | 62,563 |
| * | PIMCO FDS INVT GRADE CORP PORT | Registered Investment Company | 143,485 | 139,019 |

| | | | | |
|--|---------------------------------|--|--|---------|
| | Registered Investment Companies | | | 984,080 |
|--|---------------------------------|--|--|---------|

**Benefit Responsive Interest Rate Wrapper
Contracts**

| | | |
|---|-----------------------------|---------------------|
| * | AEGON INSTITUTIONAL MARKETS | OPEN ENDED MATURITY |
| * | BANK OF AMERICA NT & SA | OPEN ENDED MATURITY |

| | | | | |
|--|---|--|--|---------------|
| | Synthetic Guaranteed Investment Contracts (contract value equals \$9,908,698) | | | \$ 10,106,586 |
|--|---|--|--|---------------|

Commingled Funds:

| | | | | |
|---|--------------------------------------|-----------------|--|-----------|
| * | INTERNATIONAL EAFE EQUITY INDEX FUND | Commingled Fund | | 3,136,743 |
| * | S&P500 FLAGSHIP FUND | Commingled Fund | | 5,438,382 |

| | | | |
|---|---|--|----------------------|
| * | SMALL CAP FUND | Commingled Fund | 1,720,131 |
| | Commingled Funds | | \$ 10,295,256 |
| * | Participant Loans | Interest rates range from 5% to 10% | \$ 3,287,051 |
| | Collateral Held on Loaned Securities | | |
| * | QUALITY D SHORT-TERM INVESTMENT FUND | | \$ 2,304,866 |
| | Total Investments | | \$ 38,366,653 |

* Party-in-interest

** While the Stable Income Fund, General Equity Fund and Composite Fund investment options are participant-directed, investments underlying these funds are considered non-participant-directed for purposes of reporting cost information within this schedule. All other investments are considered to be participant-directed, for which cost information is not required to be reported.

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**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
(formerly Baxter Healthcare Corporation of Puerto Rico Savings and Investment Plan)
Schedule H, Line 4j Schedule of Reportable Transactions
Year Ended December 31, 2007**

Schedule II

| Identity of Party Involved | Description of Asset | | | | Purchase Price | Selling Price | Cost | Current Value of Asset on | Net Gain | | | | | | | | | |
|---|-----------------------------|------|------------------------|-----------------|-----------------------|----------------------|-------------|----------------------------------|-----------------|-------|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | |
| State Street Bank and Trust Company Short-Term Investment Fund | Interest-bearing | cash | United States Treasury | U.S. government | securities | 1,556,686 | 1,450,457 | 1,449,274 | 1,450,457 | 1,183 | | | | | | | | |
| | | | | | | | | | | | | | | | | | | |

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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 HEALTHCARE of PUERTO RICO SAVINGS
AND INVESTMENT PLAN (FORMERLY BAXTER
HEALTHCARE CORPORATION OF PUERTO RICO
SAVINGS AND INVESTMENT PLAN)

Date: June 27, 2008

By: /s/ Robert M. Davis
Robert M. Davis
Member of the Administrative
Committee