

BAXTER INTERNATIONAL INC
Form 11-K
June 29, 2009

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, 2008
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

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

Baxter International Inc.
One Baxter Parkway
Deerfield, IL 60015
(847) 948-2000

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Financial Statements and Supplemental Schedules
December 31, 2008 and 2007**

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Index
December 31, 2008 and 2007**

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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 the Baxter Healthcare of Puerto Rico Savings and Investment Plan (the Plan) at December 31, 2008 and 2007, 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.

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

June 26, 2009

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Statements of Net Assets Available for Benefits
December 31, 2008 and 2007**

| | 2008 | 2007 |
|---|---------------|---------------|
| Assets | | |
| Investments | | |
| Cash and cash equivalents | \$ 1,192,562 | \$ 491,679 |
| Common stock (including securities on loan of \$222,187 in 2008 and \$744,833 in 2007) | 8,360,547 | 10,725,486 |
| U.S. government and government agency issues (including securities on loan of \$16,563 in 2008 and \$64,759 in 2007) | 190,754 | 291,918 |
| Corporate and other obligations (including securities on loan of \$31,222 in 2008 and \$152,247 in 2007) | 502,407 | 863,811 |
| Commingled funds | 5,105,055 | 10,295,256 |
| Registered investment companies | 80,293 | |
| Participant loans | 3,806,521 | 3,287,051 |
| Synthetic guaranteed investment contracts (including securities on loan of \$1,705,032 in 2008 and \$1,390,876 in 2007) | 13,551,910 | 10,106,586 |
| Collateral held on loaned securities | 1,872,925 | 2,304,866 |
| Total investments at fair value | 34,662,974 | 38,366,653 |
| Receivables | | |
| Sponsor contribution | 65,318 | |
| Accrued interest and dividends | 46,349 | 46,699 |
| Due from brokers for securities sold | 478 | 10,579 |
| | 112,145 | 57,278 |
| Total assets | 34,775,119 | 38,423,931 |
| Liabilities | | |
| Accounts payable | 74,255 | 138,034 |
| Due to brokers for securities purchased | 6,156 | 21,976 |
| Collateral to be paid on loaned securities | 2,028,951 | 2,304,866 |
| Total liabilities | 2,109,362 | 2,464,876 |
| Net assets available for benefits, at fair value | 32,665,757 | 35,959,055 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (534,566) | (197,888) |
| Net assets available for benefits | \$ 32,131,191 | \$ 35,761,167 |

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

Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Statements of Changes in Net Assets Available for Benefits
Years Ended December 31, 2008 and 2007

| | 2008 | 2007 |
|--|----------------|---------------|
| Additions to net assets attributed to | | |
| Investment (loss) income | | |
| Net (depreciation) appreciation in fair value of investments | \$ (5,928,468) | \$ 2,228,951 |
| Interest and dividends | 1,103,788 | 783,898 |
| Participant loan interest | 274,112 | 192,447 |
| Net investment (loss) income | (4,550,568) | 3,205,296 |
| Contributions | | |
| Sponsor | 1,392,707 | 1,327,573 |
| Participant | 2,737,572 | 2,742,933 |
| | 4,130,279 | 4,070,506 |
| Net additions | (420,289) | 7,275,802 |
| Deductions from net assets attributed to | | |
| Benefits paid | 2,751,320 | 10,285,273 |
| Plan expenses | 458,367 | 510,584 |
| Total deductions | 3,209,687 | 10,795,857 |
| Net decrease | (3,629,976) | (3,520,055) |
| Net assets available for benefits | | |
| Beginning of year | 35,761,167 | 39,281,222 |
| End of year | \$ 32,131,191 | \$ 35,761,167 |

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

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

1. General Description of the Plan

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

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 or the Company), subsidiaries of Baxter International Inc. (Baxter) as of the first day of the month following the completion of thirty days of employment. 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 also contributes an additional non-matching 3% of compensation for employees that are not eligible to participate in the Company's Puerto Rico defined benefit pension plan, which includes all new employees hired on or after January 1, 2008. The Company may make additional discretionary 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.

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

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. The Company's additional non-matching contribution becomes fully vested after three years of service. Forfeitures of nonvested accounts are used to reduce future Company contributions.

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 vested 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, Small Cap Fund and ten different Target Retirement Funds. 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, but may make transfers out of these funds at any time.

Payments of Benefits

Plan participants can not request withdrawals from the Plan unless they are at least 59^{1/2} 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.

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

2. Summary of Significant Accounting Policies

Basis of Accounting

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

Reclassifications

Certain previously reported amounts have been reclassified to conform with the current year presentation.

New Accounting Standard

On January 1, 2008, the Plan adopted 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. Adoption of SFAS No. 157 did not have a material impact on the Plan's financial statements. Refer to Note 4 for disclosures related to SFAS No. 157.

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

Valuation of Investments and Collateral

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

| | |
|--|---|
| Cash and cash equivalents | Value based on cost which approximates fair value |
| Common stock | Value based on closing prices on the valuation date in an active market on national and international securities exchanges |
| U.S. government and government agency issues | Value based on reputable pricing vendors that typically use pricing matrices or models |
| Corporate and other obligations | Value based on reputable pricing vendors that typically use pricing matrices or models |
| Commingled funds | Value based on net asset value per unit of the underlying funds |
| Registered investment companies | Value based on the last reported sale price from a national security exchange on the valuation date |
| Participant loans | Value based on outstanding principal balance plus accrued interest, which approximates fair value |
| Synthetic guaranteed investment contracts | Value based on the fair value of the underlying securities on the valuation date plus the fair value of wrapper contracts which is calculated using a replacement cost approach |
| Collateral held on loaned securities | Value based upon the net asset value per unit of the fund where the collateral is invested |
| Collateral to be paid on loaned securities | Value based on the fair value of the underlying securities loaned on the valuation date. |

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.

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

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 obligations, and registered investment companies.

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 were \$30,386 and zero at December 31, 2008 and 2007, respectively.

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 \$13,017,344 and \$9,908,698 at December 31, 2008 and 2007, 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 (0.18)% and 6.37% at December 31, 2008 and 2007, respectively. The average interest rate credited to participants on the synthetic GICs was approximately 4.82% and 4.91%, respectively, for the years ended December 31, 2008 and 2007. The credit rating for Aegon Institutional Markets was AA at both December 31, 2008 and 2007 and the credit ratings for Bank of America N.A. were AA- and AA at December 31, 2008 and 2007, respectively.

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.

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

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.

Risks and Uncertainties

The Plan provides for various investment options which invest in any combination of registered investment companies, U.S. government and government agency issues, corporate and other obligations, common stock, commingled funds, synthetic guaranteed investment contracts and short-term investments. Investment securities 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. Recently, global financial markets have been volatile and, in some cases, have significantly declined. Investments underlying the Plan's synthetic GICs include securities with contractual cash flows, such as asset-backed securities, collateralized mortgage obligations and commercial mortgage-backed securities, including securities backed by subprime mortgage loans. The value, liquidity and related income of these securities are sensitive to changes in economic conditions, including real estate values, delinquencies and/or defaults, and may be adversely affected by shifts in the market's perception of the issuers and changes in interest rates.

3. 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. ING Institutional Plan Services, LLC (formerly known as 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.

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

4. Fair Value Measurements

The fair value hierarchy under SFAS No. 157 consists of the following three levels:

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

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

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

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

| | Balance at December 31, 2008 | Basis of Fair Value Measurement | | |
|---|---------------------------------------|---|---|--|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Assets | | | | |
| Cash and cash equivalents | \$ 1,192,562 | \$ | \$ 1,192,562 | \$ |
| Common stock | 8,360,547 | 8,360,547 | | |
| U.S. government and government agency issues | 190,754 | | 190,754 | |
| Corporate and other obligations | 502,407 | | 502,407 | |
| Commingled funds | 5,105,055 | | 5,105,055 | |
| Registered investment companies | 80,293 | 80,293 | | |
| Participant loans | 3,806,521 | | | 3,806,521 |
| Synthetic guaranteed investment contracts | 13,551,910 | 878,625 | 12,642,899 | 30,386 |
| Collateral held on loaned securities | 1,872,925 | | 1,872,925 | |
| Total assets | \$ 34,662,974 | \$ 9,319,465 | \$ 21,506,602 | \$ 3,836,907 |

**Basis of Fair Value Measurement
Significant**

| | Balance at December 31, 2008 | Quoted Prices in Active Markets for Identical Assets (Level 1) | Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
|--|---|---|--|--|
| Liability | | | | |
| Collateral to be paid on loaned securities | \$ 2,028,951 | \$ 290,411 | \$ 1,738,540 | \$ |

See Valuation of Investments and Collateral in Note 2 above for a discussion of the methodologies used to determine the fair values of the Plan's investments and collateral.

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

The following table sets forth a summary of changes in the fair values of the Plan's level 3 financial instruments for the year ended December 31, 2008.

| | Participant Loans | Synthetic Guaranteed Investment Contracts |
|---|------------------------------|--|
| Beginning balance | \$ 3,287,051 | \$ |
| Unrealized gains (losses) | | 30,386 |
| Purchases, sales, issuances and settlements (net) | 519,470 | |
| Ending balance | \$ 3,806,521 | \$ 30,386 |

5. 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.

| | 2008 | 2007 |
|--|--------------|--------------|
| Baxter Common Stock, 120,433 shares and 122,759 shares at December 31, 2008 and 2007, respectively | \$ 6,454,029 | \$ 7,126,186 |
| S&P 500 Flagship Fund | 2,862,574 | 5,438,382 |
| International EAFE Equity Index Fund | * | 3,136,743 |
| State Street Bank Short-Term Investment Fund | 1,666,021 | * |
| Quality D Short-Term Investment Fund (Collateral held on loaned securities) | 1,872,925 | 2,304,866 |

* Does not meet 5% threshold

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

Investments as of December 31, 2008 and 2007 are segregated into various investment fund options as follows:

| | 2008 | 2007 |
|---|-------------------|-------------------|
| Cash (available for investment) | \$ 129,006 | \$ 92,134 |
| Stable Income Fund | 14,404,857 | 10,345,080 |
| Baxter Common Stock Fund | 6,587,031 | 7,237,639 |
| Composite Fund | 1,360,505 | 2,230,659 |
| General Equity Fund | 1,266,877 | 2,531,943 |
| S&P 500 Flagship Fund | 2,867,205 | 5,438,382 |
| International EAFE Equity Index Fund | 1,396,409 | 3,136,743 |
| Edwards Lifesciences Common Stock Fund | 45,273 | 42,025 |
| Small Cap Fund | 846,072 | 1,720,131 |
| Target retirement funds | 80,293 | |
| Participant Loans | 3,806,521 | 3,287,051 |
| Collateral held on loaned securities | 1,872,925 | 2,304,866 |
| Total investments at fair value | 34,662,974 | 38,366,653 |
| Adjustment from fair value to contract value for Stable Income Fund | (534,566) | (197,888) |
| Total investments | \$ 34,128,408 | \$ 38,168,765 |

During 2008 and 2007, the Plan's investments, including gains and losses on investments bought and sold as well as held during the year, (depreciated) appreciated in value as follows:

| | 2008 | 2007 |
|--|----------------|--------------|
| Baxter common stock | \$ (581,293) | \$ 1,315,185 |
| Other common stock | (1,557,508) | 117,557 |
| U.S. government and government agency issues | 4,641 | 7,003 |
| Corporate and other obligations | (148,133) | (8,589) |
| Commingled funds | (3,466,969) | 797,795 |
| Registered investment companies | (23,180) | |
| Collateral held on loaned securities | (156,026) | |
| | \$ (5,928,468) | \$ 2,228,951 |

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

6. 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 non-cash collateral and, therefore, would have to deliver additional securities to maintain the required collateral. In the event of default by the Borrower, the 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 fair value of the investment of cash collateral received pursuant to securities lending transactions is reflected on the Statements of Net Assets Available for Benefits as an asset and the obligation to return the original amount received is reflected as a liability.

As of December 31, 2008 and 2007, the Plan had securities on loan with a market value of \$1,975,004 and \$2,352,715, respectively, with cash collateral received of \$2,028,951 and \$2,304,866, respectively. Cash collateral was invested in a short-term commingled investment fund (Quality D Short-Term Investment Fund) as of December 31, 2008 and 2007. While as of December 31, 2008 this fund was transacting on a dollar-for-dollar basis, the net asset value of the fund's underlying securities was \$0.9231 per unit. Accordingly, the fair value of the cash collateral held is \$1,872,925. The decrease of \$156,026 from the cash collateral received of \$2,028,951 to the fair value of the cash collateral of \$1,872,925 is reflected in the 2008 Statement of Changes in Net Assets Available for Benefits. At December 31, 2007, the fund's net asset value approximated \$1 per unit.

Non-cash collateral of \$105,359 received for securities on loan at December 31, 2007 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. The Plan did not hold any non-cash collateral at December 31, 2008. Non-cash collateral is not included with the collateral balance on the 2007 Statement 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 \$21,335 and \$9,690 for 2008 and 2007, respectively. Securities lending income is classified as interest income in the Statement of Changes in Net Assets Available for Benefits.

7. 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.

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Notes to Financial Statements
December 31, 2008 and 2007**

8. 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.

9. Related Parties

At December 31, 2008 and 2007, the Plan held shares of common stock and bonds of Baxter, the Plan sponsor s parent, units of participation in certain commingled funds and short-term investment funds of State Street Bank and Trust Company, the Plan s Custodian, loans with participants, shares of common stock, bonds, and interest rate wrapper contracts of Bank of America, issuer of the Plan s fully benefit-responsive contracts, interest rate wrapper contracts of Aegon Institutional Markets, issuer of the Plan s fully benefit-responsive contracts, and units of registered investment companies managed by Pacific Investment Management Company, an investment manager for the Plan. These transactions are allowable party-in-interest transactions under ERISA and the regulations promulgated thereunder.

SUPPLEMENTAL SCHEDULES

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

| Identity of Issue | Description of Investment | Cost** | Current Value |
|-----------------------------------|----------------------------|--------|---------------|
| Cash and Cash Equivalents: | | | |
| * STATE STREET BANK + TRUST CO | Short-Term Investment Fund | | 1,192,562 |
| | | | \$ 1,192,562 |
| Common Stock: | | | |
| ABBOTT LABS | Common Stock | 36,270 | 35,724 |
| ABBOTT LABS | Common Stock | 7,574 | 8,024 |
| ACTIVISION BLIZZARD INC | Common Stock | 17,524 | 11,907 |
| AES CORP | Common Stock | 13,542 | 6,902 |
| AETNA INC | Common Stock | 8,443 | 8,569 |
| AFLAC INC | Common Stock | 10,934 | 11,540 |
| AIR PRODS + CHEMS INC | Common Stock | 7,370 | 5,758 |
| ALCON INC | Common Stock | 23,381 | 20,751 |
| ALLSTATE CORP | Common Stock | 14,779 | 10,866 |
| ALTRIA GROUP INC | Common Stock | 11,377 | 11,410 |
| AMERICAN INTL GROUP INC | Common Stock | 52,099 | 1,330 |
| AMGEN INC | Common Stock | 4,741 | 5,306 |
| AON CORP | Common Stock | 6,188 | 7,194 |
| APACHE CORP | Common Stock | 23,081 | 14,139 |
| APOLLO GROUP INC | Common Stock | 4,230 | 4,297 |
| APPLE INC | Common Stock | 60,622 | 50,067 |
| AT+T INC | Common Stock | 44,791 | 30,434 |
| AUTOLIV | Common Stock | 7,566 | 2,791 |
| * BANK AMER CORP | Common Stock | 30,615 | 11,760 |
| * BAXTER INTL INC | Common Stock | | 6,454,029 |
| BECTON DICKINSON + CO | Common Stock | 18,256 | 14,851 |
| BERKSHIRE HATHAWAY INC DEL | Common Stock | 14,101 | 11,526 |
| BLACK + DECKER CORPORATION | Common Stock | 11,208 | 5,737 |
| BOSTON SCIENTIFIC CORP | Common Stock | 21,865 | 11,156 |
| BP PLC | Common Stock | 16,296 | 11,934 |
| BRISTOL MYERS SQUIBB CO | Common Stock | 4,415 | 5,187 |
| BUNGE LIMITED | Common Stock | 3,689 | 4,818 |
| CAMERON INTL CORP | Common Stock | 10,333 | 9,979 |
| CARDINAL HEALTH INC | Common Stock | 13,441 | 9,377 |
| CARDINAL HEALTH INC | Common Stock | 16,820 | 9,994 |

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| | | | |
|----------------------|--------------|--------|--------|
| CATERPILLAR INC | Common Stock | 5,572 | 5,703 |
| CATERPILLAR INC | Common Stock | 4,994 | 2,931 |
| CBS CORP NEW | Common Stock | 17,422 | 5,580 |
| CELGENE CORP | Common Stock | 36,353 | 33,044 |
| CHEVRON CORP | Common Stock | 13,807 | 19,328 |
| CHUBB CORP | Common Stock | 6,301 | 6,815 |
| CIGNA CORP | Common Stock | 7,426 | 4,704 |
| CISCO SYS INC | Common Stock | 41,950 | 27,791 |
| CITIGROUP INC | Common Stock | 39,585 | 8,302 |
| CME GROUP INC | Common Stock | 50,138 | 26,072 |
| COCA COLA CO | Common Stock | 10,688 | 8,426 |
| COCA COLA CO | Common Stock | 5,804 | 5,833 |
| COLGATE PALMOLIVE CO | Common Stock | 28,409 | 27,682 |
| COMCAST CORP NEW | Common Stock | 11,495 | 8,842 |

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**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

| | | | |
|-------------------------------|--------------|--------|--------|
| CONOCOPHILLIPS | Common Stock | 22,616 | 21,323 |
| CORNING INC | Common Stock | 3,251 | 3,775 |
| COSTCO WHSL CORP NEW | Common Stock | 18,734 | 18,980 |
| CREDIT SUISSE GROUP | Common Stock | 15,509 | 8,295 |
| DEUTSCHE BANK AG | Common Stock | 18,013 | 6,020 |
| DEVON ENERGY CORPORATION NEW | Common Stock | 10,274 | 7,291 |
| DEVON ENERGY CORPORATION NEW | Common Stock | 7,529 | 7,370 |
| DISNEY WALT CO | Common Stock | 15,768 | 13,942 |
| DR PEPPER SNAPPLE GROUP INC | Common Stock | 9,177 | 7,135 |
| DUKE ENERGY HLDG CORP | Common Stock | 8,049 | 7,611 |
| EASTMAN CHEM CO | Common Stock | 5,157 | 4,237 |
| EDWARDS LIFESCIENCES CORP | Common Stock | | 44,551 |
| EL PASO CORP | Common Stock | 13,276 | 7,530 |
| EMERSON ELEC CO | Common Stock | 19,680 | 20,137 |
| EOG RESOURCES INC | Common Stock | 13,724 | 11,598 |
| ERICSSON L M TEL CO | Common Stock | 7,488 | 7,744 |
| EXELON CORP | Common Stock | 7,139 | 8,095 |
| EXXON MOBIL CORP | Common Stock | 16,642 | 21,145 |
| FIDELITY NATL FINL INC | Common Stock | 5,814 | 3,891 |
| FIFTH THIRD BANCORP | Common Stock | 4,136 | 4,129 |
| FLEXTRONICS INTERNATIONAL LTD | Common Stock | 20,371 | 5,122 |
| FLUOR CORP NEW | Common Stock | 2,214 | 1,927 |
| FRANKLIN RES INC | Common Stock | 13,727 | 11,966 |
| GANNETT INC | Common Stock | 10,689 | 2,892 |
| GENENTECH INC | Common Stock | 47,888 | 50,352 |
| GENERAL ELEC CO | Common Stock | 11,544 | 5,760 |
| GENERAL MLS INC | Common Stock | 8,403 | 7,973 |
| GENWORTH FINL INC | Common Stock | 18,045 | 1,587 |
| GILEAD SCIENCES INC | Common Stock | 47,020 | 71,146 |
| GOLDMAN SACHS GROUP INC | Common Stock | 12,328 | 13,447 |
| GOLDMAN SACHS GROUP INC | Common Stock | 13,457 | 8,760 |
| GOOGLE INC | Common Stock | 91,851 | 69,743 |
| HARTFORD FINANCIAL SVCS GRP | Common Stock | 17,990 | 4,447 |
| HEWLETT PACKARD CO | Common Stock | 84,932 | 72,266 |
| HOME DEPOT INC | Common Stock | 2,741 | 3,214 |
| HONEYWELL INTL INC | Common Stock | 4,443 | 4,700 |
| INTUIT | Common Stock | 4,694 | 4,996 |
| J C PENNEY INC | Common Stock | 13,201 | 8,297 |
| JACOBS ENGR GROUP INC | Common Stock | 6,722 | 6,198 |
| JPMORGAN CHASE + CO | Common Stock | 23,939 | 21,669 |
| JPMORGAN CHASE + CO | Common Stock | 24,036 | 18,960 |
| JUNIPER NETWORKS INC | Common Stock | 11,181 | 10,947 |
| KB HOME | Common Stock | 9,855 | 3,299 |

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| | | | |
|----------------------------|--------------|--------|--------|
| KIMBERLY CLARK CORP | Common Stock | 9,264 | 7,551 |
| KOHL'S CORP | Common Stock | 8,808 | 9,977 |
| KROGER CO | Common Stock | 14,204 | 14,054 |
| LIMITED BRANDS INC | Common Stock | 333 | 359 |
| LOCKHEED MARTIN CORP | Common Stock | 22,512 | 17,857 |
| LOWE'S COS INC | Common Stock | 2,630 | 3,158 |
| MACYS INC | Common Stock | 20,431 | 5,026 |
| MARATHON OIL CORP | Common Stock | 9,005 | 6,235 |
| MARSH + MCLENNAN COS INC | Common Stock | 9,519 | 8,687 |
| MCDONALD'S CORP | Common Stock | 38,498 | 39,549 |
| MCKESSON CORP | Common Stock | 2,820 | 1,941 |
| MCKESSON CORP | Common Stock | 2,685 | 2,865 |
| MEDCO HEALTH SOLUTIONS INC | Common Stock | 23,221 | 22,502 |

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2008**

| | | | |
|--------------------------------|--------------|--------|--------|
| MERCK + CO INC | Common Stock | 24,964 | 21,037 |
| METLIFE INC | Common Stock | 12,959 | 14,516 |
| MOLSON COORS BREWING CO | Common Stock | 9,560 | 11,032 |
| MONSANTO CO NEW | Common Stock | 39,665 | 32,832 |
| MORGAN STANLEY | Common Stock | 29,257 | 7,904 |
| MOTOROLA INC | Common Stock | 8,650 | 6,348 |
| NEWMONT MNG CORP | Common Stock | 5,201 | 4,808 |
| NEWS CORP | Common Stock | 2,590 | 2,885 |
| NOKIA CORP | Common Stock | 3,687 | 3,890 |
| NORTEL NETWORKS CORP NEW | Common Stock | | 5 |
| NOVARTIS AG | Common Stock | 6,569 | 6,946 |
| NVIDIA CORP | Common Stock | 6,911 | 5,132 |
| PEPSICO INC | Common Stock | 28,426 | 23,591 |
| PFIZER INC | Common Stock | 37,184 | 26,265 |
| PFIZER INC | Common Stock | 14,674 | 11,263 |
| PHILIP MORRIS INTL ORD SHR | Common Stock | 13,808 | 12,355 |
| PHILIP MORRIS INTL ORD SHR | Common Stock | 6,826 | 13,497 |
| PROCTER AND GAMBLE CO | Common Stock | 23,241 | 21,685 |
| PROGRESSIVE CORP OHIO | Common Stock | 6,223 | 6,715 |
| QUALCOMM INC | Common Stock | 41,028 | 34,072 |
| ROYAL DUTCH SHELL PLC | Common Stock | 19,342 | 12,696 |
| ROYAL DUTCH SHELL PLC | Common Stock | 10,947 | 8,401 |
| RRI ENERGY INC | Common Stock | 4,689 | 2,421 |
| SCHERING PLOUGH CORP | Common Stock | 8,373 | 7,335 |
| SCHLUMBERGER LTD | Common Stock | 49,607 | 29,015 |
| SCHLUMBERGER LTD | Common Stock | 5,831 | 5,758 |
| SCHWAB CHARLES CORP | Common Stock | 10,646 | 9,319 |
| SOUTHWEST AIRLS CO | Common Stock | 7,007 | 5,153 |
| SPECTRA ENERGY CORP | Common Stock | 12,317 | 8,451 |
| SPRINT NEXTEL CORP | Common Stock | 31,339 | 4,845 |
| SUPERVALU INC | Common Stock | 6,095 | 2,352 |
| SYMANTEC CORP | Common Stock | 10,654 | 8,340 |
| TEVA PHARMACEUTICAL INDS LTD | Common Stock | 47,509 | 47,821 |
| TEXAS INSTRS INC | Common Stock | 16,760 | 9,185 |
| TIME WARNER CABLE INC | Common Stock | 6,100 | 6,245 |
| TIME WARNER INC NEW | Common Stock | 17,006 | 12,111 |
| TIME WARNER INC NEW | Common Stock | 15,660 | 10,479 |
| TJX COS INC NEW | Common Stock | 3,766 | 3,927 |
| TOYOTA MTR CO | Common Stock | 3,501 | 2,342 |
| TRAVELERS COS INC | Common Stock | 11,512 | 11,757 |
| TYCO INTERNATIONAL LTD BERMUDA | Common Stock | 8,698 | 3,653 |
| TYSON FOODS INC (DEL) | Common Stock | 2,855 | 1,693 |
| UNILEVER N V | Common Stock | 7,742 | 6,415 |

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| | | | |
|------------------------|--------------|--------|--------|
| UNION PAC CORP | Common Stock | 2,456 | 1,854 |
| UNUM GROUP | Common Stock | 5,034 | 5,038 |
| VERIZON COMMUNICATIONS | Common Stock | 6,869 | 6,593 |
| VISA INC | Common Stock | 4,331 | 4,255 |
| VODAFONE GROUP PLC NEW | Common Stock | 4,830 | 3,268 |
| WAL MART STORES INC | Common Stock | 40,691 | 40,968 |
| WASHINGTON POST CO | Common Stock | 16,341 | 8,432 |
| WESTERN DIGITAL CORP | Common Stock | 14,380 | 5,560 |
| WYETH | Common Stock | 6,528 | 5,773 |
| XL CAPITAL LTD | Common Stock | 15,259 | 1,218 |
| XTO ENERGY INC | Common Stock | 8,829 | 8,458 |

| | | | |
|--------------|--|--|--------------|
| Common Stock | | | \$ 8,360,547 |
|--------------|--|--|--------------|

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

U.S Government and Government Agency Issues:

| | | | |
|--------------------------|--------------------|--------|--------|
| FED HM LN PC POOL A37176 | 5% 01 SEP 2035 | 11,554 | 11,988 |
| FED HM LN PC POOL A46049 | 5% 01 JUL 2035 | 10,442 | 11,165 |
| FED HM LN PC POOL C48827 | 6% 01 MAR 2031 | 324 | 339 |
| FED HM LN PC POOL G01843 | 6% 01 JUN 2035 | 12,100 | 12,208 |
| FED HM LN PC POOL G12334 | 5% 01 SEP 2021 | 16,026 | 16,877 |
| FEDERAL HOME LN MTG | 5% 15 JAN 2030 | 3,340 | 3,480 |
| FEDERAL HOME LN MTG CORP | 5% 15 DEC 2023 | 853 | 880 |
| FEDERAL HOME LN MTG CORP | 5% 15 MAR 2019 | 2,868 | 2,992 |
| FEDERAL HOME LN MTG CORP | 5% 15 SEP 2018 | 1,433 | 1,480 |
| FNMA POOL 256398 | 6% 01 SEP 2021 | 1,677 | 1,730 |
| FNMA POOL 323887 | 6% 01 DEC 2013 | 1,146 | 1,165 |
| FNMA POOL 581043 | 6% 01 MAY 2016 | 532 | 547 |
| FNMA POOL 615005 | 6% 01 DEC 2016 | 893 | 915 |
| FNMA POOL 694448 | 5.5% 01 APR 2033 | 9,520 | 9,692 |
| FNMA POOL 725690 | 6% 01 AUG 2034 | 6,178 | 6,220 |
| FNMA POOL 745418 | 5.5% 01 APR 2036 | 24,865 | 25,268 |
| FNMA POOL 745515 | 5% 01 MAY 2036 | 8,611 | 9,201 |
| FNMA POOL 748115 | 6% 01 OCT 2033 | 2,011 | 2,023 |
| FNMA POOL 815316 | 5.5% 01 MAY 2035 | 9,203 | 9,354 |
| FNMA POOL 821890 | 5% 01 JUN 2035 | 5,745 | 6,132 |
| FNMA POOL 822979 | 5.5% 01 APR 2035 | 9,338 | 9,494 |
| FNMA POOL 885504 | 6% 01 JUN 2021 | 3,411 | 3,533 |
| FNMA POOL 888102 | 5.5% 01 MAY 2036 | 614 | 626 |
| FNMA POOL 888129 | 5.5% 01 FEB 2037 | 3,364 | 3,448 |
| FNMA POOL 888131 | 5.5% 01 FEB 2037 | 6,263 | 6,415 |
| FNMA POOL 898832 | 5.5% 01 NOV 2036 | 7,332 | 7,680 |
| FNMA POOL 902793 | 6.5% 01 NOV 2036 | 7,709 | 7,860 |
| UNITED STATES TREAS NTS | 3.125% 31 AUG 2013 | 2,485 | 2,669 |
| US TREASURY SECURITY | 2.625% 15 JUL 2017 | 16,260 | 15,373 |

U.S Government and Government Agency Issues

\$ 190,754

Corporate and Other Obligations:

| | | | |
|-------------------------------|--------------------|-------|-------|
| ABU DHABI NATL ENERGY CO PJSC | 7.25% 01 AUG 2018 | 4,049 | 3,481 |
| AES CORP | 8% 15 OCT 2017 | 2,155 | 1,767 |
| AES CORP | 7.75% 15 OCT 2015 | 1,901 | 1,597 |
| AGILENT TECHNOLOGIES INC | 6.5% 01 NOV 2017 | 5,870 | 4,051 |
| ALBERTSONS INC | 6.625% 01 JUN 2028 | 258 | 168 |
| ALLTEL CORP | 7.875% 01 JUL 2032 | 3,656 | 4,078 |

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| | | | |
|-------------------------------|-------------------|--------|-------|
| ALTERNATIVE LN TR | 6.5% 25 JUN 2036 | 8,339 | 4,080 |
| ALTRIA GROUP INC | 9.95% 10 NOV 2038 | 5,572 | 6,210 |
| AMERICAN GEN FIN CORP | 6.9% 15 DEC 2017 | 15,290 | 7,185 |
| AMERICAN GEN FIN CORP MTN | 6.5% 15 SEP 2017 | 1,605 | 835 |
| ANHEUSER BUSCH COS INC | 6.5% 01 MAY 2042 | 140 | 157 |
| ANHEUSER BUSCH COS INC | 4.95% 15 JAN 2014 | 218 | 233 |
| ANHEUSER BUSCH COS INC | 6.45% 01 SEP 2037 | 488 | 571 |
| APACHE CORP | 6% 15 JAN 2037 | 180 | 246 |
| AT+T CORP | 6.5% 15 MAR 2029 | 254 | 246 |
| BA CR CARD TR | 0.85125% 15 JAN | | |
| | 2016 | 854 | 364 |
| BA CR CARD TR | 0.74125% 15 JUN | | |
| | 2014 | 1,071 | 672 |
| * BANK CORP AMER | 4.75% 15 AUG 2013 | 2,704 | 2,539 |
| BANK ONE ISSUANCE TR | 4.77% 16 FEB 2016 | 1,150 | 648 |
| BEAR STEARNS COS INC | 5.3% 30 OCT 2015 | 7,064 | 7,011 |
| BEAR STEARNS COS INC MED TERM | 6.95% 10 AUG 2012 | 3,163 | 3,225 |
| BELL CANADA | 6.1% 16 MAR 2035 | 1,771 | 1,332 |
| BELL CDA | 7.3% 23 FEB 2032 | 1,162 | 831 |
| BELL CDA MEDIUM TERM NTS CDS | 6.55% 01 MAY 2029 | 841 | 618 |

Baxter Healthcare of Puerto Rico
Savings and Investment Plan

Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008

Schedule I

| | | | |
|--------------------------------|-------------------------|--------|--------|
| CAPITAL ONE MULTI ASS EXE TR | 0.49125% 20 JUN 2012 | 1,232 | 729 |
| CAPITAL ONE MULTI ASSET EXECUT | 0.53125% 15 SEP 2015 | 3,137 | 2,946 |
| CD | 5.322% 11 DEC 2049 | 7,005 | 4,786 |
| CD MTG TR | 5.617% 15 OCT 2048 | 12,673 | 9,994 |
| CHESAPEAKE ENERGY CORP | 6.5% 15 AUG 2017 | 179 | 145 |
| CIT EQUIP COLL | 6.59% 22 DEC 2014 | 4,245 | 4,005 |
| CIT GROUP INC | 4.75% 15 DEC 2010 | 820 | 837 |
| CIT GROUP INC MT SR NTS 1 CH | 5.8% 01 OCT 2036 | 716 | 678 |
| CIT GROUP INC NEW | 5% 13 FEB 2014 | 104 | 92 |
| CIT GROUP INC NEW | 5.125% 30 SEP 2014 | 113 | 100 |
| CIT GROUP INC NEW | 5.6% 27 APR 2011 | 1,174 | 1,017 |
| CIT GROUP INC NEW | 5.85% 15 SEP 2016 | 377 | 277 |
| CIT GROUP INC NEW | 5% 01 FEB 2015 | 296 | 259 |
| CIT GROUP INC NEW | 5.4% 30 JAN 2016 | 144 | 124 |
| CIT GROUP INC NEW | 5.4% 13 FEB 2012 | 53 | 51 |
| CIT GROUP INC NEW | 12% 18 DEC 2018 | 9,442 | 7,270 |
| CIT GROUP INC REORGANIZED | 5.65% 13 FEB 2017 | 559 | 458 |
| CIT GROUP INC REORGANIZED AS | 7.625% 30 NOV 2012 | 3,299 | 2,814 |
| CITIBANK CR CARD ISSUANCE TR | 1% 20 JUN 2014 | 7,701 | 5,162 |
| CITIGROUP | 5.205% 11 DEC 2049 | 4,331 | 3,260 |
| CITIGROUP INC | 5% 15 SEP 2014 | 7,149 | 6,521 |
| CITIZENS COMMUNICATIONS CO | 7.875% 15 JAN 2027 | 3,675 | 2,132 |
| COLORADO INTST GAS CO | 5.95% 15 MAR 2015 | 247 | 222 |
| COLORADO INTST GAS CO | 6.8% 15 NOV 2015 | 196 | 164 |
| COLUMBIA / HCA HEALTHCARE CORP | 7.58% 15 SEP 2025 | 97 | 59 |
| COLUMBIA HEALTHCARE CORP | 7.5% 15 DEC 2023 | 245 | 149 |
| COLUMBIA/HCA HEALTHCARE CORP | 7.69% 15 JUN 2025 | 440 | 268 |
| COMCAST CORP NEW | 5.65% 15 JUN 2035 | 981 | 1,003 |
| COMCAST CORP NEW | 6.45% 15 MAR 2037 | 1,164 | 1,198 |
| COMCAST CORP NEW | 6.4% 15 MAY 2038 | 2,217 | 2,402 |
| COMCAST CORP NEW | 6.95% 15 AUG 2037 | 11,698 | 12,295 |
| CORNING INC | 6.85% 01 MAR 2029 | 197 | 147 |
| CORNING INC | 7.25% 15 AUG 2036 | 760 | 613 |
| COVIDIEN INTL FIN S A | 6% 15 OCT 2017 | 4,205 | 4,151 |
| CREDIT SUISSE N Y | 6% 15 FEB 2018 | 5,305 | 4,888 |
| CSC HLDGS INC | 7.875% 15 FEB 2018 | 1,947 | 1,542 |
| CSC HLDGS INC | 7.625% 01 APR 2011 | 1,092 | 1,015 |
| D R HORTON INC | 5.25% 15 FEB 2015 | 162 | 120 |
| DELHAIZE GROUP SA | 6.5% 15 JUN 2017 | 5,058 | 4,603 |
| DELTA AIR LINES INC | 6.821% 10 AUG 2022 | 3,414 | 2,031 |
| DISCOVER CARD | | 3,368 | 2,843 |

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| | | | |
|-------------------------------|-------------------------|--------|-------|
| | 0.50125% 16 APR 2012 | | |
| DISCOVER CARD EXECUTION NT TR | 3.14% 15 JUN 2015 | 7,758 | 6,225 |
| DUKE ENERGY CO | 6.25% 15 JAN 2012 | 403 | 394 |
| DYNEGY HOLDINGS INC | 7.75% 01 JUN 2019 | 483 | 350 |
| EMBARQ CORP | 7.995% 01 JUN 2036 | 12,462 | 8,248 |
| ENEL FIN INTL S A | 6.25% 15 SEP 2017 | 5,477 | 4,634 |
| ENEL FIN INTL S A | 6.8% 15 SEP 2037 | 2,285 | 2,335 |
| EQUIFAX INC | 7% 01 JUL 2037 | 2,465 | 1,546 |
| ERAC USA FIN CO | 6.375% 15 OCT 2017 | 9,428 | 6,597 |
| ERAC USA FIN CO | 7% 15 OCT 2037 | 106 | 70 |
| EUROFIMA | 11% 05 FEB 2010 | 1,885 | 1,172 |
| EUROPEAN INVESTMENT BANK | 0% 24 APR 2013 | 2,258 | 1,853 |
| FORD MTR CO DEL | 6.5% 01 AUG 2018 | 50 | 15 |
| FORD MTR CO DEL | 6.625% 01 OCT 2028 | 189 | 56 |
| FORD MTR CO DEL | 7.45% 16 JUL 2031 | 5,527 | 1,969 |
| FORD MTR CR CO | 7.25% 25 OCT 2011 | 3,895 | 3,009 |
| FORD MTR CR CO | 7% 01 OCT 2013 | 3,882 | 2,977 |
| FORD MTR CR CO | 8% 15 DEC 2016 | 1,697 | 1,114 |

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

| | | | |
|-------------------------------|--------------------------|--------|--------|
| GEN ELEC CP CORP | 3.485% 08 MAR 2012 | 9,977 | 9,563 |
| GENERAL ELEC CAP CORP | 2.96% 18 MAY 2012 | 2,497 | 2,658 |
| GENERAL MTRS ACCEP CORP | 7.25% 02 MAR 2011 | 493 | 485 |
| GENERAL MTRS ACCEP CORP | 6.875% 15 SEP 2011 | 1,015 | 923 |
| GENERAL MTRS ACCEP CORP | 8% 01 NOV 2031 | 280 | 185 |
| GENERAL MTRS ACCEP CORP | 6.875% 28 AUG 2012 | 1,336 | 1,115 |
| GENERAL MTRS ACCEP CORP | 6.75% 01 DEC 2014 | 3,127 | 2,426 |
| GEORGIA PAC CORP | 7.375% 01 DEC 2025 | 1,382 | 973 |
| GEORGIA PAC CORP | 7.25% 01 JUN 2028 | 2,124 | 1,430 |
| GEORGIA PAC CORP | 7.75% 15 NOV 2029 | 3,389 | 2,276 |
| GEORGIA PAC CORP | 8.875% 15 MAY 2031 | 68 | 44 |
| GEORGIA PAC CORP | 8% 15 JAN 2024 | 128 | 86 |
| GMAC LLC | 6% 15 DEC 2011 | 3,466 | 3,065 |
| GMAC LLC | 6.625% 15 MAY 2012 | 2,136 | 1,856 |
| GOLDMAN SACHS GROUP | 5.95% 18 JAN 2018 | 5,695 | 5,408 |
| GOLDMAN SACHS GROUP INC | 6.125% 15 FEB 2033 | 281 | 347 |
| GOLDMAN SACHS GROUP INC | 4.75% 15 JUL 2013 | 367 | 342 |
| GOLDMAN SACHS GROUP INC | 5.125% 15 JAN 2015 | 3,477 | 3,256 |
| GOLDMAN SACHS GROUP INC | 5.625% 15 JAN 2017 | 3,830 | 3,430 |
| GOLDMAN SACHS GROUP INC | 6.75% 01 OCT 2037 | 4,276 | 4,064 |
| GOLDMAN SACHS GROUP INC | 5.15% 15 JAN 2014 | 1,284 | 1,198 |
| HCA INC FORMERLY HCA | 6.5% 15 FEB 2016 | 3,193 | 2,260 |
| HKCG FIN LTD | 6.25% 07 AUG 2018 | 3,587 | 3,784 |
| HOME DEPOT INC | 5.4% 01 MAR 2016 | 399 | 397 |
| HOME DEPOT INC | 5.875% 16 DEC 2036 | 6,706 | 6,181 |
| HOSPIRA INC | 6.05% 30 MAR 2017 | 2,151 | 1,750 |
| ICICI BANK LIMITED | 6.375% 30 APR 2022 | 3,099 | 1,630 |
| INDYMAC INDX MTG LN 2006 AR25 | 6.40071% 25 SEP 2036 | 1,544 | 717 |
| INGERSOLL RAND GLOBAL HLDG CO | 6.875% 15 AUG 2018 | 2,215 | 2,121 |
| INTERNATIONAL BUSINESS MACHS | 4.25% 15 SEP 2009 | 4,497 | 4,627 |
| INTERNATIONAL LEASE FIN CORP | 3.5% 01 APR 2009 | 182 | 181 |
| INTERNATIONAL PAPER CO | 7.95% 15 JUN 2018 | 2,839 | 2,254 |
| INTL LEASE FIN CORP MTN | 5.750% 15 JUN 2011 | 1,709 | 1,248 |
| INTL LEASE FIN CORP MTN | 5.45% 24 MAR 2011 | 734 | 540 |
| JC PENNEY CORPORATION INC | 6.375% 15 OCT 2036 | 1,927 | 1,227 |
| JP MORGAN CHASE COML MTG SECS | 6.065278% 15 APR 2045 | 929 | 1,213 |
| JP MORGAN CHASE COML MTG SECS | 5.42% 15 JAN 2049 | 17,704 | 12,404 |
| KRAFT FOODS INC | 6.5% 01 NOV 2031 | 713 | 791 |

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| | | | |
|----------------------------|--------------------------|-------|-------|
| KRAFT FOODS INC | 6.5% 11 AUG 2017 | 4,158 | 4,204 |
| KREDITANST FUR WIE | 10.75% 01 FEB 2010 | 197 | 123 |
| LB UBS COML MTG TR | 4.647% 16 DEC 2011 | 6,305 | 5,489 |
| LB UBS COML MTG TR | 5.661% 15 MAR 2039 | 4,903 | 3,974 |
| LENNAR CORP | 5.5% 01 SEP 2014 | 770 | 559 |
| MANDALAY RESORT GROUP | 6.375% 15 DEC 2011 | 3,296 | 2,395 |
| MBNA CR CARD MASTER NT TR | 0.81625% 16 AUG 2021 | 2,708 | 1,647 |
| MERRILL LYNCH + CO INC | 6.05% 16 MAY 2016 | 194 | 178 |
| MERRILL LYNCH + CO INC | 6.05% 15 AUG 2012 | 5,247 | 5,314 |
| MERRILL LYNCH + CO INC | 6.4% 28 AUG 2017 | 4,611 | 4,508 |
| MERRILL LYNCH + CO INC | 5.45% 05 FEB 2013 | 231 | 244 |
| MERRILL LYNCH + CO INC | 6.875% 25 APR 2018 | 4,305 | 4,507 |
| MERRILL LYNCH CO INC | 6.11% 29 JAN 2037 | 1,759 | 1,937 |
| MERRILL LYNCH MTG INVS INC | 4.484376% 25 FEB 2035 | 3,892 | 2,328 |
| MEXICO(UTD MEX ST) | 8% 17 DEC 2015 | 1,617 | 1,287 |
| ML CFC COML MGT | 5.172% 12 DEC 2049 | 1,256 | 1,668 |
| ML CFC COML MTG TR | 5.485% 12 MAR 2051 | 183 | 218 |
| MORGAN STANLEY | 5.45% 09 JAN 2017 | 1,455 | 1,463 |
| MORGAN STANLEY | 5.375% 15 OCT 2015 | 2,061 | 1,800 |
| MORGAN STANLEY | 4.75% 01 APR 2014 | 7,703 | 6,228 |
| MORGAN STANLEY CAP I INC | 5.588322% 25 JUL 2035 | 2,749 | 2,013 |
| MORGAN STANLEY GROUP INC | 5.55% 27 APR 2017 | 6,780 | 5,756 |
| NEWMONT MNG CORP | 5.875% 01 APR 2035 | 1,288 | 896 |

Baxter Healthcare of Puerto Rico
Savings and Investment Plan

Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008

Schedule I

| | | | |
|----------------------------|--------------------|--------|--------|
| NEWS AMER INC | 6.15% 01 MAR 2037 | 4,885 | 4,730 |
| NEXTEL COMMUNICATIONS | 7.375% 01 AUG 2015 | 3,665 | 2,315 |
| NEXTEL COMMUNICATIONS INC | 6.875% 31 OCT 2013 | 1,392 | 889 |
| NEXTEL COMMUNICATIONS INC | 5.95% 15 MAR 2014 | 1,707 | 1,144 |
| OWENS CORNING NEW | 7% 01 DEC 2036 | 1,242 | 816 |
| PENNEY J C INC MEDIUM TERM | 6.875% 15 OCT 2015 | 1,327 | 1,009 |
| PEPSICO INC | 7.9% 01 NOV 2018 | 948 | 1,165 |
| PETROBRAS INTL FIN CO | 5.875% 01 MAR | | |
| | 2018 | 11,602 | 10,432 |
| PETROPLUS FIN LTD | 6.75% 01 MAY 2014 | 951 | 604 |
| PETROPLUS FIN LTD | 7% 01 MAY 2017 | 951 | 580 |
| QWEST CORP | 6.5% 01 JUN 2017 | 11,369 | 8,497 |
| RAILI TR | 5.75% 25 SEP 2021 | 8,016 | 5,351 |
| RALI SER 2006 QS6 TR | 6% 25 JUN 2021 | 3,991 | 3,033 |
| REYNOLDS AMERN INC | 7.25% 15 JUN 2037 | 5,543 | 3,959 |
| RIO TINTO FIN USA LTD | 6.5% 15 JUL 2018 | 4,146 | 3,066 |
| SHELL INTL FIN B V | 6.375% 15 DEC 2038 | 5,295 | 5,988 |
| SLM CORP | 5.375% 15 MAY | | |
| | 2014 | 1,103 | 855 |
| SLM CORP | 5.375% 15 JAN 2013 | 172 | 139 |
| SLM CORP | 5% 01 OCT 2013 | 2,039 | 1,632 |
| SLM CORP | 8.45% 15 JUN 2018 | 8,635 | 6,964 |
| SLM CORP MEDIUM TERM NTS | 5.625% 01 AUG 2033 | 1,398 | 1,038 |
| SLM CORP MTN | 5.05% 14 NOV 2014 | 1,781 | 1,349 |
| SLM CORP MTN | 5% 15 APR 2015 | 2,767 | 2,090 |
| SLM CORP MTN | 5% 15 JUN 2018 | 1,334 | 1,087 |
| SOUTHERN NAT GAS CO | 7.35% 15 FEB 2031 | 2,864 | 2,315 |
| SPRINT CAP CORP | 6.875% 15 NOV 2028 | 13,565 | 8,207 |
| SPRINT CAP CORP | 6.9% 01 MAY 2019 | 1,999 | 1,665 |
| STANDARD CHARTERED BK | 6.4% 26 SEP 2017 | 1,517 | 1,312 |
| TALISMAN ENERGY INC | 5.85% 01 FEB 2037 | 616 | 573 |
| TALISMAN ENERGY INC | 6.25% 01 FEB 2038 | 1,559 | 1,380 |
| TELECOM ITALIA CAP | 5.25% 15 NOV 2013 | 198 | 193 |
| TELECOM ITALIA CAP | 6.375% 15 NOV 2033 | 1,901 | 1,375 |
| TELECOM ITALIA CAP | 6% 30 SEP 2034 | 690 | 525 |
| TELECOM ITALIA CAP | 7.2% 18 JUL 2036 | 2,774 | 2,040 |
| TELEFONICA EMISIONES S A U | 7.045% 20 JUN 2036 | 3,093 | 3,528 |
| TELUS CORP | 4.95% 15 MAR 2017 | 3,174 | 2,593 |
| TENNESSEE GAS PIPELINE CO | 7% 15 OCT 2028 | 693 | 533 |
| TIME WARNER CABLE INC | 5.85% 01 MAY 2017 | 985 | 1,042 |
| TIME WARNER CABLE INC | 6.55% 01 MAY 2037 | 1,888 | 1,821 |
| TIME WARNER INC | 6.625% 15 MAY | | |
| | 2029 | 6,574 | 5,507 |

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| | | | |
|--------------------------------|--------------------|--------|--------|
| UNITED STS STL CORP NEW | 6.65% 01 JUN 2037 | 3,635 | 1,908 |
| UNITED TECHNOLOGIES CORP | 6.125% 01 FEB 2019 | 3,796 | 4,068 |
| USG CORP | 1% 15 JAN 2018 | 5,313 | 3,407 |
| VALE OVERSEAS LTD | 6.875% 21 NOV 2036 | 2,137 | 1,956 |
| VALERO ENERGY CORP | 6.625% 15 JUN 2037 | 7,014 | 5,173 |
| VERIZON COMMUNICATIONS INC | 8.75% 01 NOV 2018 | 3,340 | 3,940 |
| VERIZON WIRELESS CAP | 8.5% 15 NOV 2018 | 2,947 | 3,490 |
| VODAFONE GROUP | 6.15% 27 FEB 2037 | 4,117 | 4,134 |
| WACHOVIA BK NATL ASSN MEDIUM | 6.6% 15 JAN 2038 | 12,457 | 13,493 |
| WACHOVIA CORP | 5.75% 01 FEB 2018 | 1,704 | 1,714 |
| WAMU MTG PASS THROUGH CTFS | 1% 25 AUG 2035 | 2,909 | 1,739 |
| WASHINGTON MUT MTG SECS CORP | 4.63564% 25 MAR | | |
| | 2035 | 1,928 | 1,294 |
| WELLS FARGO MTG BACKED SECS TR | 1% 25 SEP 2036 | 9,757 | 5,776 |
| WELLS FARGO MTG BKD SECS | 1% 25 OCT 2035 | 8,578 | 5,556 |
| WESTERN UN CO | 5.93% 01 OCT 2016 | 3,167 | 2,708 |
| XEROX CORP | 6.4% 15 MAR 2016 | 4,258 | 3,440 |

Corporate and Other Obligations

\$ 502,407

Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008

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

| | | | |
|--------------------------------|-------------------------------|----------|----------|
| CREDIT SUISSE SEC (USD) LLC | U.S. Dollar Collateral | (53,358) | (53,359) |
| J P MORGAN TERM REPO | U.S. Dollar Collateral | 13,950 | 13,949 |
| J P MORGAN TERM REPO | U.S. Dollar Collateral | 128,864 | 128,863 |
| J P MORGAN TERM REPO | U.S. Dollar Collateral | 61,432 | 61,431 |
| J P MORGAN TERM REPO | U.S. Dollar Collateral | 201,350 | 201,349 |
| JENNSION FIXED INCOME FUND | Short-Term Investment Fund | 21,677 | 21,676 |
| STATE STREET BANK & TRUST CO. | Short-Term Investment Fund | 39,249 | 39,248 |
| * STATE STREET BANK + TRUST CO | Short-Term Investment Fund | 250,093 | 250,093 |
| * STATE STREET BANK + TRUST CO | Short-Term Investment Fund | 121,276 | 121,276 |
| * STATE STREET BANK + TRUST CO | Short-Term Investment Fund | 62,842 | 62,842 |
| SWAP BARCLAYS BOC | U.S. Dollar Collateral | (10,067) | (10,067) |
| SWAP CSFB COC | U.S. Dollar Collateral | 22,954 | 22,954 |
| SWAP DEUTSCHE COC | U.S. Dollar Collateral | 5,638 | 5,638 |
| SWAP MORGAN STANLEY COC | U.S. Dollar Collateral | 52,351 | 52,351 |
| SWAP RBOS COC | U.S. Dollar Collateral | 35,236 | 35,236 |
| | | | 953,480 |

U.S. Government and Government Agency Issues

| | | | |
|--------------------------------|--------------------|--------|--------|
| CREDIT SUISSE FIRST BOSTON MTG | 1% 25 JAN 2036 | 901 | 849 |
| FANNIE MAE | 5.375% 12 JUN 2017 | 56,614 | 62,339 |
| FANNIE MAE | 5.375% 12 JUN 2017 | 17,047 | 17,996 |
| FED HM LN PC POOL 1J1214 | 5.351% 01 SEP 2035 | 10,530 | 10,694 |
| FED HM LN PC POOL 1N1417 | 6.005% 01 FEB 2037 | 10,395 | 10,557 |
| FED HM LN PC POOL A34902 | 5.5% 01 MAY 2035 | 39,155 | 40,409 |
| FED HM LN PC POOL A46675 | 4.5% 01 AUG 2035 | 11,117 | 11,907 |
| FED HM LN PC POOL A47055 | 4.5% 01 SEP 2035 | 13,663 | 14,668 |
| FED HM LN PC POOL B16497 | 5.5% 01 SEP 2019 | 9,014 | 9,011 |
| FED HM LN PC POOL E01343 | 5% 01 APR 2018 | 15,202 | 15,228 |
| FED HM LN PC POOL E01377 | 4.5% 01 MAY 2018 | 29,459 | 29,543 |
| FED HM LN PC POOL E96852 | 4.5% 01 JUN 2013 | 7,236 | 7,530 |

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| | | | |
|--------------------------|------------------|--------|--------|
| FED HM LN PC POOL G01843 | 6% 01 JUN 2035 | 47,175 | 47,598 |
| FED HM LN PC POOL G01953 | 4.5% 01 OCT 2035 | 15,956 | 17,064 |
| FED HM LN PC POOL G02682 | 7% 01 FEB 2037 | 22,190 | 22,557 |
| FED HM LN PC POOL G03205 | 5.5% 01 JUL 2035 | 8,746 | 9,166 |
| FED HM LN PC POOL G04121 | 5.5% 01 APR 2038 | 63,456 | 66,381 |
| FED HM LN PC POOL G04587 | 5.5% 01 AUG 2038 | 19,266 | 20,350 |
| FED HM LN PC POOL G11441 | 4% 01 AUG 2013 | 4,556 | 4,804 |
| FED HM LN PC POOL G12021 | 4% 01 MAY 2014 | 11,083 | 11,806 |
| FED HM LN PC POOL G12022 | 4.5% 01 NOV 2013 | 2,814 | 2,974 |
| FED HM LN PC POOL G12024 | 4.5% 01 AUG 2018 | 18,164 | 19,697 |
| FED HM LN PC POOL G12743 | 5.5% 01 AUG 2022 | 20,454 | 21,050 |
| FED HM LN PC POOL G13235 | 4.5% 01 AUG 2020 | 24,006 | 25,467 |
| FED HM LN PC POOL G18268 | 5% 01 AUG 2023 | 72,000 | 76,145 |
| FED HM LN PC POOL M80770 | 5% 09 SEP 2009 | 15,698 | 15,839 |
| FED HM LN PC POOL M80790 | 4% 01 OCT 2009 | 4,970 | 5,075 |
| FED HM LN PC POOL M80817 | 4% 01 MAY 2010 | 13,750 | 14,138 |
| FED HM LN PC POOL M80843 | 3.5% 01 SEP 2010 | 1,396 | 1,439 |
| FED HM LN PC POOL M80845 | 4.5% 01 SEP 2010 | 6,098 | 6,244 |
| FED HM LN PC POOL M90952 | 4% 01 OCT 2009 | 1,859 | 1,831 |
| FED HM LN PC POOL M90954 | 4% 01 NOV 2009 | 4,995 | 4,944 |
| FED HM LN PC POOL M90966 | 4% 01 JAN 2010 | 5,140 | 5,118 |

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****December 31, 2008****Schedule I**

| | | | |
|--------------------------------|--------------------|----------|----------|
| FEDERAL HOME LN MTG CORP | 5% 15 SEP 2027 | 14,311 | 14,674 |
| FEDERAL HOME LN MTG CORP | 3.0475% 15 FEB | | |
| | 2019 | 38,623 | 37,110 |
| FEDERAL HOME LN MTG CORP | 6% 15 FEB 2011 | 629 | 676 |
| FEDERAL HOME LN MTG CORP | 5.125% 17 NOV 2017 | 23,091 | 24,577 |
| FEDERAL HOME LN MTG CORP | 5.125% 17 NOV 2017 | 58,189 | 65,789 |
| FEDERAL HOME LN MTG CORP | 4.125% 21 DEC 2012 | 31,019 | 32,097 |
| FEDERAL HOME LOAD BANK | 5% 17 NOV 2017 | 5,858 | 6,579 |
| FEDERAL HOME LOAN MTG CORP | 5% 15 SEP 2027 | 34,321 | 35,621 |
| FEDERAL HOME LOAN MTG TR | 5% 15 DEC 2027 | 35,755 | 37,151 |
| FEDERAL NATL MTG ASSN | 5.503% 25 SEP 2011 | 9,000 | 9,383 |
| FEDERAL NATL MTG ASSN | 6.318% 15 JUN 2027 | 31,599 | 33,127 |
| FEDERAL NATL MTG ASSN | 3.25% 09 APR 2013 | 29,832 | 31,681 |
| FEDERAL NATL MTG ASSN | 5.139% 25 DEC 2011 | 7,669 | 7,718 |
| FEDERAL NATL MTG ASSN | 4.76878% 25 APR | | |
| | 2012 | 7,121 | 7,163 |
| FEDERAL NATL MTG ASSN | 3.25% 09 APR 2013 | 124,776 | 130,814 |
| FEDERAL NATL MTG ASSN REMIC | 5.97% 25 MAY 2030 | 60,416 | 58,860 |
| FEDERAL NATL MTG ASSN REMIC | 5.703% 25 MAY | | |
| | 2011 | 8,992 | 8,681 |
| FEDERAL NATL MTG ASSN REMIC | 6.088% 25 MAY | | |
| | 2011 | 22,537 | 20,622 |
| FHLMC TBA JAN 30 GOLD SINGLE | 5.5% 01 DEC 2099 | 143,800 | 144,248 |
| FHLMC TBA JAN 30 GOLD SINGLE | 5.5% 01 DEC 2099 | 83,865 | 84,797 |
| FINANCING CORP CPN FICO STRIPS | 0.01% 07 SEP 2009 | 42,825 | 53,012 |
| FNMA TBA APR 30 SINGLE FAM | 6% 01 DEC 2099 | (595) | |
| FNMA TBA DEC 15 SINGLE FAM | 5.5% 01 DEC 2099 | (1) | |
| FNMA TBA DEC 30 SINGLE FAM | 5% 01 DEC 2099 | 50 | |
| FNMA TBA DEC 30 SINGLE FAM | 5.5% 01 DEC 2099 | 155 | |
| FNMA TBA FEB 30 SINGLE FAM | 4.5% 01 DEC 2099 | 40,792 | 40,635 |
| FNMA TBA FEB 30 SINGLE FAM | 5% 01 DEC 2099 | 101,769 | 102,468 |
| FNMA TBA JAN 30 SINGLE FAM | 5% 01 DEC 2099 | 131,753 | 133,617 |
| FNMA TBA JAN 30 SINGLE FAM | 5.5% 01 DEC 2099 | (80,768) | (82,553) |
| FNMA TBA JAN 30 SINGLE FAM | 5.5% 01 DEC 2099 | 123,252 | 123,830 |
| FNMA TBA JAN 30 SINGLE FAM | 5% 01 DEC 2099 | 95,005 | 95,999 |
| FNMA TBA MAR 30 SINGLE FAM | 6% 01 DEC 2099 | 53 | |
| FNMA TBA MAR 30 SINGLE FAM | 4.5% 01 DEC 2099 | 22,813 | 22,859 |
| FNMA TBA OCT 30 SINGLE FAM | 4.5% 01 DEC 2099 | (98) | |
| FNMA TBA OCT 30 SINGLE FAM | 5.5% 01 DEC 2099 | 59 | |
| FNMA POOL 125420 | 5.5% 01 MAY 2011 | 201 | 218 |
| FNMA POOL 254088 | 5.5% 01 DEC 2016 | 2,258 | 2,382 |
| FNMA POOL 254140 | 5.5% 01 JAN 2017 | 6,678 | 7,005 |
| FNMA POOL 254503 | 4% 01 MAY 2010 | 15,281 | 15,383 |

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| | | | |
|------------------|--------------------|--------|--------|
| FNMA POOL 254693 | 0.99% 01 MAR 2033 | 19,115 | 19,478 |
| FNMA POOL 254722 | 5.5% 01 MAY 2018 | 16,073 | 15,984 |
| FNMA POOL 254753 | 4% 01 MAY 2010 | 5,656 | 5,606 |
| FNMA POOL 254836 | 4% 01 JUL 2010 | 12,175 | 12,490 |
| FNMA POOL 255276 | 4% 01 JUN 2011 | 5,670 | 5,891 |
| FNMA POOL 255364 | 6% 01 SEP 2034 | 16,101 | 16,651 |
| FNMA POOL 255765 | 5% 01 JUL 2020 | 5,213 | 5,485 |
| FNMA POOL 256101 | 5.5% 01 FEB 2036 | 60,204 | 62,394 |
| FNMA POOL 256269 | 5.5% 01 JUN 2036 | 52,483 | 54,973 |
| FNMA POOL 323348 | 8.5% 01 JUN 2012 | 159 | 163 |
| FNMA POOL 323586 | 5.5% 01 FEB 2014 | 7,675 | 8,091 |
| FNMA POOL 343347 | 5.5% 01 APR 2011 | 1,730 | 1,838 |
| FNMA POOL 357585 | 4.5% 01 MAY 2011 | 7,138 | 7,338 |
| FNMA POOL 386255 | 3.53% 01 JUL 2010 | 9,952 | 10,400 |
| FNMA POOL 456654 | 5.5% 01 FEB 2014 | 1,459 | 1,459 |
| FNMA POOL 545696 | 6% 01 JUN 2022 | 13,115 | 13,030 |
| FNMA POOL 545904 | 5.5% 01 SEP 2017 | 12,622 | 12,610 |
| FNMA POOL 555541 | 4.613% 01 APR 2033 | 2,288 | 2,238 |

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

| | | | |
|------------------|--------------------|---------|---------|
| FNMA POOL 623505 | 6% 01 DEC 2011 | 5,322 | 5,278 |
| FNMA POOL 722999 | 5% 01 JUL 2018 | 33,356 | 34,107 |
| FNMA POOL 725027 | 5% 01 NOV 2033 | 8,591 | 9,208 |
| FNMA POOL 725222 | 5.5% 01 FEB 2034 | 23,067 | 23,395 |
| FNMA POOL 725423 | 5.5% 01 MAY 2034 | 15,981 | 16,269 |
| FNMA POOL 725424 | 5.5% 01 APR 2034 | 8,405 | 8,565 |
| FNMA POOL 725690 | 6% 01 AUG 2034 | 5,899 | 5,939 |
| FNMA POOL 725946 | 5.5% 01 NOV 2034 | 21,547 | 22,341 |
| FNMA POOL 735224 | 5.5% 01 FEB 2035 | 40,994 | 41,779 |
| FNMA POOL 735654 | 1% 01 OCT 2044 | 3,500 | 3,409 |
| FNMA POOL 743132 | 5% 01 OCT 2018 | 32,122 | 32,750 |
| FNMA POOL 745275 | 5% 01 FEB 2036 | 69,550 | 73,949 |
| FNMA POOL 745327 | 6% 01 MAR 2036 | 11,483 | 11,800 |
| FNMA POOL 745336 | 5% 01 MAR 2036 | 37,059 | 39,362 |
| FNMA POOL 745569 | 4% 01 MAY 2016 | 8,035 | 8,533 |
| FNMA POOL 745571 | 4% 01 MAY 2021 | 33,903 | 37,394 |
| FNMA POOL 759866 | 5.5% 01 FEB 2034 | 9,036 | 9,208 |
| FNMA POOL 786225 | 5% 01 JUL 2019 | 5,118 | 5,279 |
| FNMA POOL 791404 | 5% 01 OCT 2019 | 4,605 | 4,682 |
| FNMA POOL 831540 | 6% 01 JUN 2036 | 39,518 | 40,701 |
| FNMA POOL 831800 | 6.5% 01 SEP 2036 | 150,319 | 152,845 |
| FNMA POOL 837220 | 4.5% 01 AUG 2020 | 106,389 | 112,460 |
| FNMA POOL 841068 | 4.347% 01 NOV 2034 | 14,073 | 14,065 |
| FNMA POOL 844444 | 5% 01 DEC 2035 | 50,608 | 52,738 |
| FNMA POOL 848647 | 5.5% 01 JAN 2036 | 34,897 | 36,262 |
| FNMA POOL 871117 | 5.5% 01 DEC 2036 | 56,653 | 58,499 |
| FNMA POOL 871288 | 6% 01 MAY 2036 | 25,311 | 25,563 |
| FNMA POOL 880611 | 5.5% 01 MAR 2036 | 27,412 | 28,345 |
| FNMA POOL 880611 | 5.5% 01 MAR 2036 | 111,365 | 116,765 |
| FNMA POOL 880626 | 5.5% 01 APR 2036 | 109,612 | 114,937 |
| FNMA POOL 888021 | 6% 01 DEC 2036 | 9,213 | 9,449 |
| FNMA POOL 888789 | 5% 01 JUL 2036 | 9,380 | 10,080 |
| FNMA POOL 888795 | 5.5% 01 NOV 2036 | 33,215 | 34,302 |
| FNMA POOL 889040 | 5% 01 JUN 2037 | 46,809 | 48,763 |
| FNMA POOL 889072 | 6.5% 01 DEC 2037 | 18,532 | 18,598 |
| FNMA POOL 889106 | 6.5% 01 JAN 2038 | 28,003 | 28,361 |
| FNMA POOL 902397 | 5.891% 01 NOV 2036 | 8,046 | 8,185 |
| FNMA POOL 920602 | 6.5% 01 NOV 2037 | 73,590 | 75,018 |
| FNMA POOL 928373 | 4.5% 01 MAR 2036 | 14,295 | 16,088 |
| FNMA POOL 940525 | 6% 01 JUL 2037 | 66,160 | 69,328 |
| FNMA POOL 944499 | 5.5% 01 JUL 2037 | 20,014 | 21,261 |
| FNMA POOL 995217 | 5.5% 01 DEC 2023 | 38,144 | 38,658 |
| FREDDIE MAC | 0.801% 15 DEC 2029 | 1,349 | 1,308 |

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| | | | |
|--------------------------------|-----------------------|--------|--------|
| GNMA I TBA JAN 30 SINGLE FAM | 6.5% 01 DEC 2099 | 41,113 | 41,868 |
| GOV NATL MTG ASSN | 3.022% 16 AUG 2009 | 3,621 | 3,678 |
| GOVERNMENT NATL MTG ASSN GTD | 3.772% 16 JUN 2025 | 18,864 | 19,688 |
| GOVERNMENT NATIONAL MTGE ASSOC | 3.947% 06 OCT 2011 | 22,639 | 23,318 |
| GOVERNMENT NATL MTG ASSN | 3.137% 16 NOV 2029 | 4,723 | 4,855 |
| GOVERNMENT NATL MTG ASSN | 4.054% 16 JUN 2027 | 6,824 | 7,062 |
| GOVERNMENT NATL MTG ASSN | 2.914% 16 JUN 2018 | 2,446 | 2,482 |
| GOVERNMENT NATL MTG ASSN | 4.145% 16 FEB 2018 | 9,937 | 9,976 |
| GOVERNMENT NATL MTG ASSN | 4.385% 16 AUG 2030 | 6,433 | 6,559 |
| GOVERNMENT NATL MTG ASSN | 4.016% 16 JUL 2027 | 4,478 | 4,593 |
| GOVERNMENT NATL MTG ASSN | 4.449% 16 MAR 2025 | 11,356 | 11,708 |
| GOVERNMENT NATL MTG ASSN | 4.241% 16 JUL 2029 | 6,779 | 6,978 |

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2008**

| | | | |
|-------------------------------|-----------------------|----------|----------|
| GOVERNMENT NATL MTG ASSN | 2.712% 16 FEB 2020 | 6,175 | 6,225 |
| GOVERNMENT NATL MTG ASSN | 3.206% 16 APR 2018 | 2,747 | 2,763 |
| GOVERNMENT NATL MTG ASSN | 3.11% 16 JAN 2019 | 5,375 | 5,358 |
| GOVERNMENT NATL MTG ASSN | 2.822% 16 DEC 2019 | 7,221 | 7,391 |
| GOVERNMENT NATL MTG ASSN | 2.946% 16 MAR 2019 | 14,311 | 14,851 |
| GOVERNMENT NATL MTG ASSN | 3.084% 16 APR 2022 | 5,620 | 5,674 |
| GOVERNMENT NATL MTG ASSN | 4.248% 16 JUL 2029 | 10,233 | 10,580 |
| GOVERNMENT NATL MTG ASSN GTD | 4.272% 16 NOV 2026 | 13,995 | 14,422 |
| GOVERNMENT NATL MTG ASSN GTD | 3.76% 16 JUL 2028 | 7,021 | 7,288 |
| GOVERNMENT NATL MTG ASSN GTD | 4.212% 16 JAN 2028 | 8,915 | 9,168 |
| GOVERNMENT NATL MTG ASSN GTD | 4.201% 16 AUG 2026 | 19,739 | 20,451 |
| GOVERNMENT NATL MTG ASSN GTD | 4.087% 16 JAN 2030 | 5,989 | 6,181 |
| GOVERNMENT NATL MTG ASSN GTD | 3.888% 16 JUL 2026 | 11,954 | 12,368 |
| GVMNT NATL MTG ASSN REMIC MTG | 3.377% 16 JAN 2023 | 1,040 | 1,038 |
| SMALL BUSINESS ADMIN | 7.19% 01 DEC 2019 | 7,917 | 8,352 |
| SOVEREIGN BANK FDIC GTD TLGP | 2.75% 17 JAN 2012 | 36,208 | 37,180 |
| UNITED STATES TREAS | 1.625% 15 JAN 2018 | 71,156 | 75,890 |
| UNITED STATES TREAS BD STRP | 0% 15 FEB 2023 | 25,839 | 31,424 |
| UNITED STATES TREAS BDS | 8.75% 15 AUG 2020 | 106,681 | 115,986 |
| UNITED STATES TREAS BDS | 4.375% 15 FEB 2038 | 5,900 | 6,742 |
| UNITED STATES TREAS BDS | 8.875% 15 AUG 2017 | 5,397 | 5,995 |
| UNITED STATES TREAS BDS | 8.125% 15 MAY 2021 | 24,137 | 27,488 |
| UNITED STATES TREAS BDS | 2.375% 15 JAN 2025 | 10,911 | 11,372 |
| UNITED STATES TREAS BDS | 2% 15 JAN 2026 | 3,608 | 4,140 |
| UNITED STATES TREAS BDS | 4.75% 15 FEB 2037 | 136,968 | 176,758 |
| UNITED STATES TREAS BDS | 5% 15 MAY 2037 | 94,570 | 113,719 |
| UNITED STATES TREAS BDS | 4.375% 15 FEB 2038 | 9,263 | 12,405 |
| UNITED STATES TREAS BDS | 4.5% 15 MAY 2038 | 56,041 | 72,330 |
| UNITED STATES TREAS NTS | 5.125% 15 MAY 2016 | 20,015 | 21,943 |
| UNITED STATES TREAS NTS | 5.125% 30 JUN 2011 | 21,969 | 22,285 |
| UNITED STATES TREAS NTS | 4.75% 15 AUG 2017 | (13,517) | (14,444) |
| UNITED STATES TREAS NTS | 4.125% 31 AUG 2012 | (20,099) | (20,041) |
| UNITED STATES TREAS NTS | 4.25% 15 NOV 2017 | (59,310) | (63,330) |
| UNITED STATES TREAS NTS | 3.875% 15 MAY 2018 | 12,231 | 13,776 |
| UNITED STATES TREAS NTS | 4% 15 AUG 2018 | 79,945 | 90,680 |
| UNITED STATES TREAS NTS | 2% 15 APR 2012 | 23,083 | 23,897 |
| UNITED STATES TREAS NTS | 4.25% 15 NOV 2017 | 33,491 | 37,646 |
| UNITED STATES TREAS NTS | 3.625% 31 DEC 2012 | 102,597 | 108,601 |
| UNITED STATES TREAS NTS | | 72,350 | 74,567 |

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| | | | |
|--------------------------------|-----------------------|---------|-----------|
| | 2.625% 31 MAY 2010 | | |
| UNITED STATES TREAS NTS | 2% 15 JAN 2016 | 48,163 | 48,830 |
| UNITED STATES TREAS NTS | 4.75% 15 AUG 2017 | 218,469 | 234,118 |
| UNITED STATES TRES BD STRP PRN | 0.01% 15 FEB 2015 | 43,754 | 51,196 |
| UNITES STATES TREAS NTS | 3.75% 15 NOV 2018 | 138,069 | 143,598 |
| US TREASURY BDS | 6.25% 15 AUG 2023 | 95,674 | 107,789 |
| US TREASURY N/B | 3.5% 31 MAY 2013 | 884 | 882 |
| US TREASURY NTS | 3% 15 JUL 2012 | 59,411 | 52,786 |
| US TREASURY NTS | 4.875% 30 APR 2011 | 6,520 | 6,512 |
| | | | 5,626,181 |

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

Corporate and Other Obligations

| | | | |
|--------------------------------|--------------------|---------|--------|
| 317509DW4 ECAL FN 5 3 39 94 | FEB 09 94.3046875 | | |
| | CALL | 2,454 | 7,240 |
| 317U834A2 USD 2Y P 2 950 | DEC 09 2.95 PUT | (1,523) | (694) |
| 317U835A1 USD 10Y P 3.65 RYL | DEC 09 3.65 PUT | 1,912 | 1,242 |
| 317U836A0 USD 2Y P 2.95 DEC 09 | DEC 09 2.95 PUT | (164) | (68) |
| 317U837A9 USD 5Y P 2.75 05 22 | MAY 09 2.75 PUT | (277) | (390) |
| 317U838A8 USD 5Y P 2.7500 | MAY 09 2.75 PUT | (241) | (390) |
| ABBOTT LABORATORIES | 5.15% 30 NOV 2012 | 17,611 | 18,803 |
| ABBOTT LABS | 3.5% 17 FEB 2009 | 6,652 | 6,657 |
| ACE INA HLDG INC | 5.7% 15 FEB 2017 | 6,136 | 5,506 |
| ACE INA HLDG INC | 5.6% 15 MAY 2015 | 3,710 | 3,381 |
| AGILENT TECHNOLOGIES INC | 6.5% 01 NOV 2017 | 10,127 | 6,990 |
| ALCOA INC | 6% 15 JUL 2013 | 2,902 | 2,640 |
| ALLIED WORLD ASSURN CO HLDGS | 7.5% 01 AUG 2016 | 3,396 | 2,342 |
| ALLSTATE CORP | 6.125% 15 MAY | | |
| | 2037 | 6,624 | 4,210 |
| ALLSTATE LIFE GBL FDG SECD | 5.375% 30 APR 2013 | (3) | |
| ALTERNATIVE LN TR 2007 OA3 | 1% 25 APR 2047 | 3,820 | 242 |
| ALTRIA GROUP INC | 9.7% 10 NOV 2018 | 25,956 | 28,074 |
| AMERADA HESS CORP | 6.65% 15 AUG 2011 | 12,482 | 12,177 |
| AMERADA HESS CORP | 6.65% 15 AUG 2011 | 6,145 | 5,636 |
| AMERICAN EXPRESS BK | 5.55% 17 OCT 2012 | 7,223 | 7,651 |
| AMERICAN EXPRESS CENTURION BK | 5.55% 17 OCT 2012 | 16,356 | 15,780 |
| AMERICAN EXPRESS CENTURION BK | 0.61% 12 JUN 2012 | 10,958 | 11,604 |
| AMERICAN EXPRESS CO | 5.5% 12 SEP 2016 | 6,936 | 6,559 |
| AMERICAN EXPRESS CO | 6.15% 28 AUG 2017 | 3,615 | 3,494 |
| AMERICAN EXPRESS CO | 4.75% 17 JUN 2009 | 2,924 | 2,905 |
| AMERICAN EXPRESS CR CORP | 0.52938% 09 NOV | | |
| | 2009 | 4,228 | 3,932 |
| AMERICAN GEN FIN CORP MTN | 5.375% 01 SEP 2009 | 13,591 | 12,960 |
| AMERICAN GEN FIN CORP MTN | 4.875% 15 MAY | | |
| | 2010 | 4,858 | 2,936 |
| AMERICAN GEN FIN CORP MTN | 4.875% 15 JUL 2012 | 3,768 | 1,617 |
| AMERICAN HONDA FIN CORP | 4.625% 02 APR 2013 | 11,067 | 10,313 |
| AMERICAN HONDA FIN CORP | 7.625% 01 OCT 2018 | 10,168 | 10,807 |
| AMERICAN INTL GROUP INC | 5.85% 16 JAN 2018 | 15,218 | 10,257 |
| AMERICREDIT AUTOMOBILE REC TR | 3.43% 06 JUL 2011 | 4,451 | 4,195 |
| AMERICREDIT AUTOMOBILE RECEIV | 4.47% 12 JAN 2012 | 3,241 | 3,139 |
| AMERICREDIT AUTOMOBILE RECV | 5.19% 06 OCT 2011 | 5,669 | 5,567 |
| AMERICREDIT AUTOMOBILES REC | 1% 06 JAN 2011 | 3,918 | 3,916 |
| AMERICREDIT PRIME AUTOMOBILE | 5.13% 08 MAR 2011 | 2,114 | 1,765 |

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| | | | |
|------------------------------|-------------------------|--------|--------|
| AMERICREDIT PRIME AUTOMOBILE | 5.29% 08 JUL 2011 | 2,315 | 1,656 |
| AMERIPRISE FINL INC | 5.65% 15 NOV 2015 | 1,791 | 1,494 |
| AMGEN INC | 4.85% 18 NOV 2014 | 12,119 | 12,108 |
| AMGEN INC | 6.9% 01 JUN 2038 | 3,613 | 4,138 |
| AMVESCAP PLC | 5.375% 15 DEC 2014 | 3,070 | 2,643 |
| ANHEUSER BUSCH COS INC | 6.45% 01 SEP 2037 | 13,130 | 14,597 |
| ARCELORMITTAL | 6.125% 01 JUN 2018 | 8,721 | 5,998 |
| ARCELORMITTAL | 6.125% 01 JUN 2018 | 7,418 | 5,101 |
| ARDEN RLTY LTD PARTNERSHIP | 5.2% 01 SEP 2011 | 5,230 | 5,026 |
| ASSURANT INC | 5.625% 15 FEB 2014 | 3,888 | 3,137 |
| AT + T CORP | 7.3% 15 NOV 2011 | 9,669 | 9,414 |
| AT+T INC | 5.6% 15 MAY 2018 | 16,057 | 16,400 |
| AT+T WIRELESS SVCS INC | 7.875% 01 MAR 2011 | 3,770 | 3,752 |
| AT+T WIRELESS SVCS INC | 8.75% 01 MAR 2031 | 4,294 | 4,405 |
| AVALONBAY CMNTYS INC | 5.5% 15 JAN 2012 | 6,369 | 5,070 |
| BA CR CARD TR | 5.59% 17 NOV 2014 | 12,332 | 11,212 |
| BA CR CARD TR | 1.65125% 16 DEC 2013 | 20,437 | 18,167 |
| BAKER HUGHES INC | 7.5% 15 NOV 2018 | 12,815 | 14,287 |
| BALL CORP | 6.875% 15 DEC 2012 | 1,629 | 1,595 |

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

| | | | |
|--------------------------------|--------------------|--------|--------|
| * BANC AMER COML MTG INC | 5.334% 10 SEP 2045 | 13,558 | 11,683 |
| * BANC AMER COML MTG INC | 4.161% 10 DEC 2042 | 11,037 | 10,627 |
| BANC AMER COML MTG INC | 5.787% 11 MAY | | |
| * | 2035 | 6,849 | 6,513 |
| * BANC AMER COML MTG INC | 4.128% 10 JUL 2042 | 8,702 | 8,496 |
| * BANC AMER COML MTG TR | 5.492% 10 FEB 2051 | 12,957 | 9,428 |
| * BANK AMER CORP | 5.42% 15 MAR 2017 | 5,957 | 5,369 |
| * BANK AMER CORP | 5.49% 15 MAR 2019 | 11,403 | 10,405 |
| * BANK AMER CORP | 5.75% 01 DEC 2017 | 38,104 | 40,207 |
| * BANK AMER CORP | 4.5% 01 AUG 2010 | 13,169 | 13,184 |
| BANK AMER FDG CORP | 4.117597% 25 MAY | | |
| * | 2035 | 7,414 | 5,330 |
| * BANK AMER FDG CORP | 5.65% 01 MAY 2018 | 14,420 | 14,583 |
| BANK NEW YORK INC MED TERM SR | 4.5% 01 APR 2013 | 4,738 | 5,005 |
| BANK NEW YORK INC MEDIUM | 4.95% 01 NOV 2012 | 17,052 | 17,376 |
| * BANKAMERICA CORP | 5.875% 15 FEB 2009 | 6,693 | 6,555 |
| BARNETT CAP III | 3.8175% 01 FEB | | |
| | 2027 | 9,564 | 9,061 |
| * BAXTER INTL INC | 5.375% 01 JUN 2018 | 9,763 | 10,208 |
| BAYVIEW FINL SECS CO LLC | 5.402% 28 DEC 2035 | 5,627 | 4,798 |
| BAYVIEW FINL SECS CO LLC | 5.208% 28 APR 2039 | 8,486 | 8,089 |
| BEAR STEARNS | 5.533% 12 OCT 2041 | 4,150 | 3,073 |
| BEAR STEARNS ALT A TR | 5.313717% 25 FEB | | |
| | 2036 | 9,303 | 4,411 |
| BEAR STEARNS ALT A TR | 1% 25 MAY 2036 | 4,003 | 1,809 |
| BEAR STEARNS ALT A TR | 5.693303% 24 JAN | | |
| | 2047 | 5,782 | 2,754 |
| BEAR STEARNS ARM TR | 4.5365% 25 AUG | | |
| | 2033 | 6,196 | 5,075 |
| BEAR STEARNS ARM TR | 4.625% 25 OCT 2035 | 8,414 | 6,530 |
| BEAR STEARNS COML MTG SEC TR | 5.518% 11 SEP 2041 | 2,632 | 1,862 |
| BEAR STEARNS COML MTG SECS INC | 4.49% 13 AUG 2039 | 8,807 | 8,519 |
| BEAR STEARNS COML MTG SECS INC | 4.484% 11 JUN 2041 | 4,988 | 4,589 |
| BEAR STEARNS COML MTG SECS TR | 5.90885% 11 JUN | | |
| | 2040 | 18,449 | 15,913 |
| BEAR STEARNS COML MTG SECS TR | 5.718168% 11 SEP | | |
| | 2038 | 5,160 | 4,177 |
| BEAR STEARNS COML MTG SECS TR | 5.876694% 11 SEP | | |
| | 2038 | 4,555 | 3,696 |
| BEAR STEARNS COS INC | 5.3% 30 OCT 2015 | 14,286 | 15,497 |
| BEAR STEARNS COS INC | 5.35% 01 FEB 2012 | 10,470 | 10,273 |
| BEAR STEARNS COS INC | 7.625% 07 DEC 2009 | 6,537 | 6,469 |
| BEAR STEARNS COS INC | 5.55% 22 JAN 2017 | 6,329 | 6,421 |

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| | | | |
|--------------------------------|-----------------------|--------|--------|
| BEAR STEARNS TR | 5.54% 11 SEP 2041 | 11,047 | 10,819 |
| BELLSOUTH TELECOMMUNICATIONS | 5.875% 15 JAN 2009 | 2,566 | 2,518 |
| BERKSHIRE HATHAWAY FIN CORP | 5.4% 15 MAY 2018 | 11,707 | 12,005 |
| BERKSHIRE HATHAWAY FIN CORP | 4.2% 15 DEC 2010 | 5,539 | 5,617 |
| BHP FIN USA LTD | 7.25% 01 MAR 2016 | 5,431 | 4,869 |
| BK OF SCOTLAND PLC | 4.625% 04 NOV 2011 | 5,517 | 5,349 |
| BK OF SCOTLAND PLC | 4.625% 04 NOV 2011 | 17,925 | 17,053 |
| BOEING CAP CORP | 7.375% 27 SEP 2010 | 9,439 | 8,617 |
| BOEING CO | 5.125% 15 FEB 2013 | 9,064 | 9,153 |
| BOSTON PPTYS LTD PARTNERSHIP | 6.25% 15 JAN 2013 | 6,287 | 4,484 |
| BOSTON PPTYS LTD PARTNERSHIP | 5% 01 JUN 2015 | 3,315 | 2,155 |
| BOSTON PPTYS LTD PARTNERSHIP | 5.625% 15 APR 2015 | 2,615 | 1,743 |
| BOTTLING GROUP LLC | 6.95% 15 MAR 2014 | 14,579 | 15,522 |
| BRAZIL FEDERATIVE REP | 8.25% 20 JAN 2034 | 17,864 | 20,430 |
| BRITISH SKY BROADCASTING GROUP | 6.875% 23 FEB 2009 | 6,594 | 6,372 |
| BRITISH SKY BROADCASTING GROUP | 8.2% 15 JUL 2009 | 21,605 | 18,421 |
| BRITISH TELECOMMUNICATIONS PLC | 1% 15 DEC 2010 | 13,933 | 12,946 |
| BRITISH TELECOMMUNICATIONS PLC | 1% 15 DEC 2010 | 3,433 | 3,003 |
| BUNGE LTD FIN CORP | 5.875% 15 MAY 2013 | 2,400 | 1,572 |
| BURLINGTON RES FIN CO | 6.5% 01 DEC 2011 | 4,528 | 4,318 |

Baxter Healthcare of Puerto Rico
Savings and Investment Plan

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

| | | | |
|--------------------------------|--------------------|--------|--------|
| C BASS TR | 1% 25 NOV 2035 | 702 | 681 |
| CADBURY SCHWEPPE US FINANCE | 5.125% 01 OCT 2013 | 6,348 | 6,143 |
| CALIFORNIA ST | 5% 01 NOV 2037 | 11,969 | 10,258 |
| CANADIAN NAT RES LTD | 5.15% 01 FEB 2013 | 1,912 | 1,773 |
| CANADIAN NATL RY CO | 5.55% 15 MAY 2018 | 9,985 | 9,851 |
| CANADIAN PAC RY CO NEW | 5.75% 15 MAY 2013 | 13,540 | 12,578 |
| CANADIAN PAC RY CO NEW | 6.5% 15 MAY 2018 | 1,604 | 1,421 |
| CAPITAL AUTO RECEIV TR 2007 2 | 5.39% 15 FEB 2014 | 11,877 | 10,990 |
| CAPITAL AUTO RECEIVABLES ASSET | 5.42% 15 MAR 2011 | 11,676 | 8,523 |
| CAPITAL AUTO RECEIVABLES ASST | 5.3% 15 MAY 2014 | 6,040 | 5,462 |
| CAPITAL ONE AUTO FIN TR | 5.33% 15 NOV 2010 | 539 | 539 |
| CAPITAL ONE AUTO FIN TR | 0.4613% 15 JUL | | |
| | 2011 | 2,927 | 2,860 |
| CAPITAL ONE AUTO FIN TR | 5.13% 16 APR 2012 | 11,476 | 10,469 |
| CAPITAL ONE BK | 5% 15 JUN 2009 | 6,092 | 6,051 |
| CAPITAL ONE FINL CORP | 4.8% 21 FEB 2012 | 4,703 | 4,684 |
| CAPITAL ONE FINL CORP | 5.5% 01 JUN 2015 | 1,108 | 1,037 |
| CAPITAL ONE FINL CORP | 6.75% 15 SEP 2017 | 1,259 | 1,268 |
| CAPITAL ONE FINL CORP | 1.5725% 10 SEP | | |
| | 2009 | 11,608 | 11,028 |
| CAPITAL ONE MULTI ASSET | 5.05% 16 FEB 2016 | 14,569 | 12,277 |
| CAPITAL ONE MULTI ASSET EXECUT | 5.75% 15 JUL 2020 | 14,090 | 10,589 |
| CAPMARK FINANCIAL GROUP | 7.875% 10 MAY | | |
| | 2012 | 11,774 | 4,017 |
| CAROLINA PWR + LT CO | 6.5% 15 JUL 2012 | 14,366 | 12,689 |
| CAROLINA PWR + LT CO | 6.5% 15 JUL 2012 | 2,773 | 2,677 |
| CATERPILLAR FINL SVCS | 4.85% 07 DEC 2012 | 6,037 | 5,731 |
| CATERPILLAR FINL SVCS | 7.05% 01 OCT 2018 | 5,720 | 6,040 |
| CATERPILLAR FINL SVCS | 4.85% 07 DEC 2012 | 12,276 | 11,653 |
| CATERPILLAR FINL SVCS CORP | 4.5% 15 JUN 2009 | 3,426 | 3,413 |
| CATERPILLAR FINL TR | 5.57% 25 MAY 2010 | 783 | 782 |
| CENTERPOINT ENERGY TRANS BD CO | 5.17% 01 AUG 2019 | 7,145 | 7,211 |
| CENTERPOINT ENERGY TRANSITION | 5.09% 01 AUG 2015 | 24,689 | 25,591 |
| CHASE ISSUANCE TR | 5.4% 15 JUL 2015 | 16,107 | 14,799 |
| CHASE ISSUANCE TR | 1% 16 JUN 2014 | 22,056 | 21,531 |
| CHASEFLEX TRUST | 5.59% 25 SEP 2046 | 859 | 826 |
| CHESAPEAKE ENERGYCORP | 7.5% 15 JUN 2014 | 1,262 | 1,021 |
| CHEVY CHASE BK FSB | 6.875% 01 DEC 2013 | 4,090 | 3,337 |
| CIT GROUP INC | 1.39375% 08 JUN | | |
| | 2009 | 1,822 | 1,966 |
| CIT GROUP INC NEW | 5.85% 15 SEP 2016 | 521 | 369 |
| CIT GROUP INC NEW | 12% 18 DEC 2018 | 9,908 | 7,628 |
| CIT GROUP INC NEW | 5.85% 15 SEP 2016 | 5,994 | 4,395 |

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|------------------------------|--------------------------|--------|--------|
| CIT GROUP INC REORGANIZED | 5.65% 13 FEB 2017 | 5,828 | 4,130 |
| CIT GROUP INC REORGANIZED | 5.65% 13 FEB 2017 | 6,353 | 4,690 |
| CITIBANK CR CARD ISSUANCE TR | 5.7% 20 SEP 2019 | 14,142 | 11,781 |
| CITIBANK CR CARD ISSUANCE TR | 5.35% 07 FEB 2020 | 19,038 | 15,106 |
| CITIBANK CR CARD ISSUANCE TR | 1% 20 JUN 2014 | 19,213 | 12,879 |
| CITICORP RESIDENTIAL MTG TR | 5.557% 25 SEP 2036 | 25,168 | 23,765 |
| CITICORP RESIDENTIAL MTG TR | 5.983% 25 JUN 2037 | 5,955 | 5,527 |
| CITIFINANCIAL MTG SECS INC | 3.36% 25 JAN 2033 | 2,434 | 1,786 |
| CITIGORUP INC | 6.125% 25 AUG 2036 | 14,594 | 17,676 |
| CITIGROUP | 5.5% 15 FEB 2017 | 8,869 | 10,075 |
| CITIGROUP CAP | 8.3% 21 DEC 2057 | 6,026 | 4,659 |
| CITIGROUP COML MTG TR | 5.356422% 15 APR 2040 | 13,358 | 11,517 |
| CITIGROUP INC | 6.625% 15 JUN 2032 | 90 | 96 |
| CITIGROUP INC | 6% 31 OCT 2033 | 5,015 | 5,403 |
| CITIGROUP INC | 6.125% 21 NOV 2017 | 50,001 | 52,903 |
| CITIGROUP INC | 5.5% 11 APR 2013 | 4,007 | 3,921 |
| CITIGROUP INC | 5.3% 17 OCT 2012 | 20,833 | 20,084 |
| CITIGROUP INC | 6.5% 18 JAN 2011 | 13,096 | 12,640 |
| CITIGROUP INC | 4.625% 03 AUG 2010 | 6,040 | 5,941 |

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

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

| | | | |
|-------------------------------|-----------------------|--------|--------|
| CITIGROUP INC | 6.5% 19 AUG 2013 | 5,374 | 5,689 |
| CITIGROUP INC | 6% 31 OCT 2033 | 931 | 1,063 |
| CITIGROUP INC | 5.85% 02 JUL 2013 | 21,634 | 20,597 |
| CITIGROUP INC | 6.125% 15 MAY 2018 | 16,466 | 17,916 |
| CITIGROUP MTG LN TR | 1% 25 OCT 2035 | 8,369 | 5,370 |
| CITIGROUP MTG LN TR | 5.5% 25 MAR 2036 | 11,715 | 6,305 |
| CITIGROUP MTG LN TR | 1% 25 MAY 2035 | 10,379 | 7,706 |
| CITIGROUP MTG LN TR | 1% 25 AUG 2035 | 10,426 | 6,623 |
| CITIGROUP MTG LN TR 2007 AMC4 | 1% 25 MAY 2037 | 6,343 | 1,056 |
| CITIGROUP/DEUTSCHE BANK | 5.408% 15 JAN 2046 | 9,409 | 8,129 |
| CITY NATL CORP | 5.125% 15 FEB 2013 | 4,900 | 4,225 |
| CLARK CNTY NEV SCH DIST | 5.5% 15 JUN 2017 | 1,090 | 1,116 |
| CLARK CNTY NEV SCH DIST | 5.5% 15 JUN 2018 | 654 | 670 |
| CLEVELAND ELEC ILLUM CO | 5.7% 01 APR 2017 | 8,041 | 6,530 |
| CLOROX CO | 5.95% 15 OCT 2017 | 9,681 | 9,050 |
| CNH EQUIP TR 2007 B | 5.4% 17 OCT 2011 | 8,758 | 8,489 |
| CNH EQUIP TR 2007 B | 5.46% 15 JUN 2010 | 5,682 | 5,671 |
| CNH EQUIP TR 2007 C | 5.42% 17 MAR 2014 | 7,147 | 6,383 |
| COCA COLA ENTERPRISES INC | 7.375% 03 MAR 2014 | 23,131 | 25,427 |
| COCA COLA ENTERPRISES INC | 8.5% 01 FEB 2022 | 2,859 | 2,938 |
| COLONIAL BK NATL ASSN | 6.375% 01 DEC 2015 | 5,636 | 3,693 |
| COLONIAL RLTY LTD PARTNERSHIP | 4.8% 01 APR 2011 | 9,476 | 8,026 |
| COMCAST CABLE COMM INC | 6.875% 15 JUN 2009 | 5,367 | 4,956 |
| COMCAST CORP NEW | 4.95% 15 JUN 2016 | 6,616 | 6,443 |
| COMCAST CORP NEW | 4.95% 15 JUN 2016 | 12,104 | 11,707 |
| COMCAST CORP NEW | 5.85% 15 NOV 2015 | 19,042 | 17,903 |
| COMCAST CORP NEW | 5.5% 15 MAR 2011 | 3,481 | 3,351 |
| COMCAST CORP NEW | 5.3% 15 JAN 2014 | 6,255 | 6,025 |
| COMCAST CORP NEW | 5.5% 15 MAR 2011 | 3,207 | 3,153 |
| COMCAST CORP NEW | 6.5% 15 JAN 2017 | 5,338 | 4,972 |
| COMCAST CORP NEW | 6.3% 15 NOV 2017 | 9,462 | 9,213 |
| COMM MTG TR | 1% 10 DEC 2049 | 14,669 | 11,374 |
| COMMERCIAL MTG ASSET TR | 7.546% 17 NOV 2032 | 3,077 | 2,995 |
| COMMERCIAL MTG TR | 5.381% 10 MAR 2039 | 14,738 | 11,745 |
| COMMERCIAL NET LEASE RLTY INC | 6.15% 15 DEC 2015 | 3,615 | 2,670 |
| COMMONWEALTH EDISON CO | 4.74% 15 AUG 2010 | 9,450 | 9,316 |
| COMPASS BK BIRMINGHAM AL | 5.5% 01 APR 2020 | 8,577 | 5,380 |
| CONAGRA INC | 7.875% 15 SEP 2010 | 2,468 | 2,250 |
| CONNECTICUT LT + PWR CO | 5.375% 01 MAR 2017 | 10,942 | 10,743 |

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|--------------------------------|--------------------|--------|--------|
| CONOCO FDG CO | 6.35% 15 OCT 2011 | 5,827 | 5,507 |
| CONOCOPHILLIPS | 5.2% 15 MAY 2018 | 5,882 | 5,683 |
| CONOCOPHILLIPS AUSTRALIA FDG C | 5.5% 15 APR 2013 | 9,644 | 9,764 |
| CONSOLIDATED EDISON CO NY INC | 5.3% 01 DEC 2016 | 16,062 | 15,752 |
| CONSUMERS ENERGY CO | 5.375% 15 APR 2013 | 6,636 | 6,143 |
| CORNING INC | 6.2% 15 MAR 2016 | 3,487 | 2,926 |
| COUNTRYWIDE ALTERNATIVE LN TR | 5.5% 25 JUN 2047 | 9,802 | 4,925 |
| COUNTRYWIDE FINL CORP | 6.25% 15 MAY 2016 | 1,442 | 1,396 |
| COUNTRYWIDE FINL CORP | 5.8% 07 JUN 2012 | 2,518 | 2,649 |
| COUNTRYWIDE HOME LNS INC | 4% 22 MAR 2011 | 5,278 | 5,060 |
| COVENTRY HEALTH CARE INC | 5.875% 15 JAN 2012 | 2,680 | 1,922 |
| COVENTRY HLTH CARE INC | 5.95% 15 MAR 2017 | 3,210 | 1,680 |
| COX COMMUNICATIONS INC NEW | 5.45% 15 DEC 2014 | 19,000 | 17,169 |
| CPL TRANSITION FDG LLC | 5.96% 15 JUL 2015 | 6,886 | 6,619 |

**Baxter Healthcare of Puerto Rico
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**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

| | | | |
|--------------------------------|--------------------------|--------|--------|
| CREDIT SUIS USA | 5.5% 16 AUG 2011 | 13,941 | 13,912 |
| CREDIT SUISSE COML MTG TR | 5.311% 15 DEC 2039 | 6,875 | 5,312 |
| CREDIT SUISSE COML MTG TR | 6.020436% 15 JUN 2038 | 11,575 | 9,440 |
| CREDIT SUISSE COML MTG TR | 5.467% 15 SEP 2039 | 15,379 | 11,259 |
| CREDIT SUISSE FIRST BOSTON | 5% 15 MAY 2013 | 38,172 | 36,819 |
| CREDIT SUISSE FIRST BOSTON MTG | 6.38% 18 DEC 2035 | 15,326 | 14,554 |
| CREDIT SUISSE FIRST BOSTON MTG | 3.861% 15 MAR 2036 | 667 | 650 |
| CREDIT SUISSE FIRST BOSTON MTG | 1% 15 JAN 2037 | 6,030 | 5,541 |
| CREDIT SUISSE FIRST BOSTON MTG | 1% 15 FEB 2039 | 12,580 | 11,258 |
| CREDIT SUISSE FIRST BOSTON USA | 5.5% 15 AUG 2013 | 2,897 | 2,750 |
| CREDIT SUISSE N Y | 6% 15 FEB 2018 | 8,730 | 8,043 |
| CSX CORP | 6.15% 01 MAY 2037 | 1,978 | 2,175 |
| CVS CAREMARK CORP | 5.75% 01 JUN 2017 | 13,272 | 12,701 |
| CVS CORP | 5.75% 15 AUG 2011 | 2,814 | 2,829 |
| CWABS ASSET | 5.826% 25 OCT 2036 | 9,849 | 5,688 |
| CWABS INC | 1% 25 MAR 2020 | 1,100 | 1,071 |
| CWABS INC | 1% 25 FEB 2035 | 10,067 | 6,833 |
| CWALT ALTERNATIVE LN TR | 1% 25 JUL 2021 | 16,034 | 12,225 |
| CWALT INC | 3.855% 25 DEC 2035 | 3,746 | 1,843 |
| CWHEQ HOME EQUITY LN TR | 5.483% 25 JUL 2036 | 2,771 | 2,598 |
| CYPRESS-FAIRBANKS TEX INDPT SC | 5.25% 15 FEB 2022 | 633 | 632 |
| DAIMLERCHRYSLER AUTO TR | 4.71% 10 SEP 2012 | 5,033 | 4,628 |
| DB MASTER FIN LLC | 5.779% 20 JUN 2031 | 2,013 | 1,494 |
| DEERE JOHN CAP CORP MTN BK ENT | 4.875% 16 MAR 2009 | 9,172 | 9,090 |
| DELHAIZE GROUP SA | 6.5% 15 JUN 2017 | 5,653 | 4,936 |
| DETROIT EDISON | 6.19% 01 MAR 2013 | 14,438 | 14,132 |
| DEUTSCHE BANK AG | 5.375% 12 OCT 2012 | 13,885 | 14,219 |
| DEUTSCHE BK FINL INC | 7.5% 25 APR 2009 | 6,469 | 6,257 |
| DEUTSCHE TELEKOM INTL | 8.5% 15 JUN 2010 | 8,605 | 8,296 |
| DIAGEO CAP PLC | 7.375% 15 JAN 2014 | 13,038 | 13,942 |
| DISCOVER CARD | 0.50125% 16 APR 2012 | 11,371 | 9,598 |
| DISNEY WALT COMPANY | 4.7% 01 DEC 2012 | 13,058 | 13,426 |
| DLJ COML MTG CORP | 7.18% 10 NOV 2033 | 13,188 | 12,672 |
| DLJ COML MTG CORP | 1% 12 NOV 2031 | 596 | 552 |
| DOMINION RES INC DEL | 5.7% 17 SEP 2012 | 8,995 | 8,772 |
| DOMINION RES INC VA NEW | 6.4% 15 JUN 2018 | 2,930 | 2,859 |
| DONNELLEY R R + SONS CO | 4.95% 01 APR 2014 | 1,617 | 1,374 |
| DONNELLEY R R + SONS CO | 5.5% 15 MAY 2015 | 6,482 | 5,193 |
| DU PONT E I DE NEMOURS + CO | 5% 15 JAN 2013 | 5,525 | 5,587 |

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|--------------------------------|--------------------|--------|--------|
| DUKE CAP CORP | 8% 01 OCT 2019 | 8,168 | 7,313 |
| DUKE CAP LLC | 5.668% 15 AUG 2014 | 13,369 | 11,921 |
| DUKE ENERGY CAROLINAS LLC | 5.1% 15 APR 2018 | 10,036 | 10,178 |
| DUKE ENERGY CORP NEW | 5.65% 15 JUN 2013 | 11,052 | 10,863 |
| DUKE ENERGY CORP NEW | 5.65% 15 JUN 2013 | 14,067 | 13,825 |
| DUKE ENERGY FIELD SVCS LLC | 7.875% 16 AUG 2010 | 1,835 | 1,584 |
| DUKE WEEKS RLTY LTD PRNSHP | 7.75% 15 NOV 2009 | 6,484 | 5,159 |
| DUKE WEKS REALTY CORP | 6.95% 15 MAR 2011 | 2,024 | 1,667 |
| EDISON MISSION ENERGY | 7% 15 MAY 2017 | 2,159 | 1,927 |
| EL PASO CORP | 7.75% 15 JUN 2010 | 8,222 | 7,466 |
| ELECTRONIC DATA SYS CORP NEW | 6% 01 AUG 2013 | 9,508 | 9,806 |
| EMBARQ CORP | 7.995% 01 JUN 2036 | 12,722 | 8,630 |
| EMBARQ CORP | 7.082% 01 JUN 2016 | 12,217 | 9,457 |
| EMBARQ CORP | 6.738% 01 JUN 2013 | 503 | 425 |
| ENERGY TRANSFER PARTNERS L P | 6% 01 JUL 2013 | 13,565 | 12,090 |
| ENERGY TRANSFER PARTNERS L P | 6.7% 01 JUL 2018 | 6,238 | 5,176 |
| ENERGY TRANSFER PARTNERS L P | 7.5% 01 JUL 2038 | 7,257 | 5,503 |
| ENTERGY GULF STS RECON FDG I L | 1% 01 OCT 2013 | 4,408 | 4,429 |

Baxter Healthcare of Puerto Rico
Savings and Investment Plan

Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008

Schedule I

| | | | |
|--------------------------------|--------------------|--------|--------|
| ENTERPRISE PRODS OPER L P | 5.6% 15 OCT 2014 | 2,700 | 2,221 |
| ENTERPRISE PRODS OPER L P | 5.6% 15 OCT 2014 | 9,564 | 8,200 |
| ENTERPRISE PRODS OPER LLC | 9.75% 31 JAN 2014 | 13,088 | 13,327 |
| EQUIFAX INC | 7% 01 JUL 2037 | 6,127 | 3,842 |
| ERIE CNTY N Y TOB ASSET SECURI | 6% 01 JUN 2028 | 5,991 | 3,869 |
| ERP OPER LTD PARTNERSHIP | 5.25% 15 SEP 2014 | 8,009 | 5,583 |
| EUROPEAN INVT BK | 5.125% 30 MAY | | |
| | 2017 | 6,557 | 7,250 |
| EXELON CORP | 6.75% 01 MAY 2011 | 5,655 | 5,208 |
| FEDERAL RLTY INVT TR | 5.4% 01 DEC 2013 | 12,987 | 9,294 |
| FEDERAL RLTY INVT TR | 5.65% 01 JUN 2016 | 5,638 | 3,705 |
| FEDERAL RLTY INVT TR | 6% 15 JUL 2012 | 2,514 | 2,016 |
| FEDEX CORP | 3.5% 01 APR 2009 | 981 | 983 |
| FINANCING CORP CPN FICO STRIPS | 0% 11 MAY 2013 | 3,663 | 5,208 |
| FINANCING CORP CPN FICO STRIPS | 0.01% 06 JUN 2013 | 12,761 | 16,673 |
| FIRST NATIONWIDE TRUST | 6.94% 25 AUG 2032 | 1,564 | 656 |
| FIRST UN CORP | 6.375% 15 JAN 2009 | 7,761 | 7,638 |
| FIRSTENERGY CORP | 6.45% 15 NOV 2011 | 15,357 | 13,418 |
| FIRSTENERGY CORP | 6.45% 15 NOV 2011 | 4,724 | 4,282 |
| FISHER SCIENTIFIC INTL INC | 6.75% 15 AUG 2014 | 1,150 | 1,085 |
| FISHER SCIENTIFIC INTL INC | 6.125% 01 JUL 2015 | 7,651 | 6,743 |
| FLEET NATL BK PROVIDENCE R I | 5.75% 15 JAN 2009 | 6,690 | 6,550 |
| FORD CR AUTO OWNER TR | 5.16% 15 APR 2013 | 15,300 | 12,519 |
| FORD CR AUTO OWNER TR | 5.4% 15 AUG 2011 | 17,112 | 16,637 |
| FORD CR AUTO OWNER TR | 5.8% 16 MAY 2011 | 2,013 | 1,369 |
| FORTUNE BRANDS INC | 4.875% 01 DEC 2013 | 3,325 | 3,050 |
| FORTUNE BRANDS INC | 5.375% 15 JAN 2016 | 3,281 | 2,943 |
| FOUR TIMES SQUARE TR | 7.795% 15 APR 2015 | 7,022 | 6,797 |
| FPL GROUP CAP INC | 5.625% 01 SEP 2011 | 12,071 | 12,251 |
| FRANCE TELECOM SA | 8.5% 01 MAR 2031 | 10,112 | 9,606 |
| GAZ CAPITAL SA | 6.212% 22 NOV 2016 | 12,662 | 8,438 |
| GE COML MTG CORP | 3.915% 10 NOV 2038 | 5,580 | 5,203 |
| GE COML MTG CORP | 4.863% 10 JUL 2045 | 10,522 | 9,615 |
| GENERAL DYNAMICS CORP | 5.25% 01 FEB 2014 | 16,533 | 17,024 |
| GENERAL ELEC CAP CORP MTN | 5.875% 14 JAN 2038 | 51,086 | 53,905 |
| GENERAL ELEC CAP CORP MTN | 6.15% 07 AUG 2037 | 20,822 | 24,225 |
| GENERAL ELEC CAP CORP MTN | 5.875% 14 JAN 2038 | 11,912 | 11,826 |
| GENERAL ELEC CAP CORP MTN | 5.875% 14 JAN 2038 | 1,091 | 1,478 |
| GENERAL ELEC CAP CORP MTN | 4.875% 04 MAR | | |
| | 2015 | 13,928 | 15,396 |
| GENERAL ELEC CAP CORP MTN | 4.8% 01 MAY 2013 | 13,764 | 13,570 |
| GENERAL ELEC CAP CORP MTN | 5.875% 14 JAN 2038 | 43,225 | 43,656 |
| GENERAL MLS INC | 5.65% 10 SEP 2012 | 6,699 | 6,782 |

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|-------------------------|------------------------|--------|--------|
| GENERAL MLS INC | 5.65% 10 SEP 2012 | 18,394 | 18,805 |
| GENERAL MTRS ACCEP CORP | 7.25% 02 MAR 2011 | 3,738 | 3,422 |
| GENERAL MTRS ACCEP CORP | 7% 01 FEB 2012 | 3,886 | 3,182 |
| GENWORTH FINL INC | 5.231% 16 MAY 2009 | 2,272 | 2,189 |
| GENWORTH FINL INC | 4.75% 15 JUN 2009 | 2,554 | 2,493 |
| GENWORTH FINL INC | 6.515% 22 MAY 2018 | 6,953 | 2,409 |
| GENWORTH GLOBAL FDG TRS | 5.2% 08 OCT 2010 | 6,036 | 4,770 |
| GEORGIA PWR CO | 6% 01 NOV 2013 | 5,936 | 6,244 |
| GEORGIA PWR CO | 5.4% 01 JUN 2018 | 3,710 | 3,644 |
| GLAXOSMITHKLINE CAP INC | 6.375% 15 MAY 2038 | 14,051 | 15,924 |
| GLAXOSMITHKLINE CAP INC | 6.375% 15 MAY 2038 | 22,081 | 25,024 |
| GMAC LLC | 2.4875% 15 MAY 2009 | 2,013 | 1,923 |
| GMAC LLC | 6.625% 15 MAY 2012 | 4,012 | 3,104 |

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

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

| | | | |
|--------------------------------|------------------------|--------|--------|
| GOLDMAN SACHS GROUP | 5.95% 18 JAN 2018 | 14,588 | 17,182 |
| GOLDMAN SACHS GROUP INC | 5.7% 01 SEP 2012 | 15,378 | 13,920 |
| GOLDMAN SACHS GROUP INC | 6.75% 01 OCT 2037 | 9,553 | 8,582 |
| GOLDMAN SACHS GROUP INC | 6.75% 01 OCT 2037 | 29,160 | 24,806 |
| GOLDMAN SACHS GROUP INC | 6.25% 01 SEP 2017 | 18,287 | 19,524 |
| GOLDMAN SACHS GROUP INC | 4.5% 15 JUN 2010 | 27,525 | 27,579 |
| GOLDMAN SACHS GROUP INC | 4.75% 15 JUL 2013 | 12,332 | 11,490 |
| GOLDMAN SACHS GROUP INC | 5.625% 15 JAN 2017 | 3,630 | 3,287 |
| GOLDMAN SACHS GROUP INC | 6.75% 01 OCT 2037 | 3,540 | 4,250 |
| GREENWICH CAP COML FDG CORP | 4.883% 10 JUN 2036 | 7,791 | 7,273 |
| GREENWICH CAP COML FDG CORP | 4.305% 10 AUG 2042 | 11,152 | 10,762 |
| GREENWICH CAP COML FDG CORP | 4.022% 05 JAN 2036 | 3,296 | 3,241 |
| GREENWICH CAPITAL COMM FND | 5.444% 10 MAR 2039 | 20,440 | 17,318 |
| GREENWICH CAPITAL COMM FND | 5.444% 10 MAR 2039 | 14,626 | 11,724 |
| GS MTG SECS CORP | 1% 25 DEC 2035 | 6,351 | 6,644 |
| GS MTG SECS CORP | 2.5625% 25 MAR 2046 | 1,633 | 1,516 |
| GS MTG SECS CORP II | 4.751% 10 JUL 2039 | 15,252 | 12,181 |
| GS MTG SECS CORP II | 5.76% 06 MAR 2020 | 3,222 | 2,064 |
| GS MTG SECS CORP II | 5.396% 10 AUG 2038 | 7,191 | 6,039 |
| GS MTG SECS TR | 5.479% 10 NOV 2039 | 26,508 | 21,936 |
| GULF PWR CO | 5.3% 01 DEC 2016 | 19,124 | 18,705 |
| HANOVER INS GROUP INC | 7.625% 15 OCT 2025 | 2,905 | 1,645 |
| HARLEY DAVIDSON MOTORCYCLE | 5.52% 15 NOV 2013 | 4,832 | 4,549 |
| HEALTH CARE PPTY INVS INC | 5.95% 15 SEP 2011 | 6,608 | 5,590 |
| HEALTHCARE RLTY TR IN | 8.125% 01 MAY 2011 | 6,697 | 4,608 |
| HEALTHCARE RLTY TR INC | 5.125% 01 APR 2014 | 3,373 | 2,147 |
| HEINZ H J FIN CO | 6% 15 MAR 2012 | 6,844 | 6,695 |
| HONDA AUTO RECEIVABLES 2008 1 | 4.88% 18 SEP 2014 | 11,776 | 10,956 |
| HOSPIRA INC | 5.55% 30 MAR 2012 | 19,595 | 18,600 |
| HOUSEHOLD FIN CORP | 5.875% 01 FEB 2009 | 6,398 | 6,341 |
| HOUSEHOLD FIN CORP | 7% 15 MAY 2012 | 3,244 | 3,126 |
| HRPT PPTYS TR | 1% 16 MAR 2011 | 2,779 | 2,040 |
| HSBC FIN CORP | 6.75% 15 MAY 2011 | 17,136 | 16,539 |
| HSBC FIN CORP | 5.25% 14 JAN 2011 | 20,100 | 19,521 |
| HSBC FIN CORP | 5.5% 19 JAN 2016 | 4,965 | 4,972 |
| HSBC HLDGS PLC | 6.8% 01 JUN 2038 | 7,032 | 7,447 |
| HSI ASSET SECURITIZATION CORP | 1% 25 JAN 2036 | 4,332 | 797 |
| HUNTINGTON NATL BK | 4.375% 15 JAN 2010 | 5,074 | 4,815 |
| HUTCHISON WHAMPOA INTL 03 13 L | 6.5% 13 FEB 2013 | 7,255 | 6,911 |

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|-------------------------------|-------------------------|--------|--------|
| HYUNDAI AUTO RECEIVABLES TR | 5.25% 15 MAY 2013 | 11,174 | 9,783 |
| HYUNDAI AUTO RECEIVABLES TR | 5.04% 15 JAN 2012 | 3,725 | 3,619 |
| ILLINOIS EDL FACS AUTH REVS | 5% 01 JUL 2033 | 18,818 | 18,700 |
| ILLINOIS PWR CO | 6.125% 15 NOV 2017 | 3,922 | 3,522 |
| ILLINOIS TOOL WKS INC | 5.75% 01 MAR 2009 | 2,663 | 2,633 |
| INDYMAC INDX MTG LN 2006 AR25 | 6.40071% 25 SEP 2036 | 43,242 | 20,070 |
| INDYMAC MBS INC | 1% 25 MAY 2036 | 5,288 | 2,429 |
| INTERNATIONAL BUSINESS MACHS | 8% 15 OCT 2038 | 11,449 | 15,413 |
| INTERNATIONAL BUSINESS MACHS | 5.7% 14 SEP 2017 | 10,990 | 11,624 |
| INTERNATIONAL LEASE FIN CORP | 6.375% 15 MAR 2009 | 6,591 | 6,186 |
| INTERNATIONAL LEASE FIN CORP | 3.5% 01 APR 2009 | 4,148 | 4,015 |
| INTERNATIONAL PAPER CO | 5.3% 01 APR 2015 | 5,907 | 4,199 |
| INTERNATIONAL PAPER CO | 4.25% 15 JAN 2009 | 2,691 | 2,677 |
| INTERNATIONAL PAPER CO | 7.95% 15 JUN 2018 | 4,228 | 3,342 |
| INTERNATIONAL STL GROUP INC | 6.5% 15 APR 2014 | 4,093 | 2,863 |

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

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

| | | | |
|--------------------------------|--------------------------|--------|--------|
| INTL BK FOR RECON + DEV | 9.25% 15 JUL 2017 | 3,498 | 3,690 |
| INTL LEASE FIN CORP MTN | 5.750% 15 JUN 2017 | 2,879 | 2,937 |
| INTL LEASE FIN CORP MTN | 5.4% 15 FEB 2012 | 8,487 | 8,435 |
| INTL LEASE FIN CORP MTN | 5.750% 15 JUN 2011 | 2,011 | 1,468 |
| INTL LEASE FIN CORP MTN | 6.375% 25 MAR 2013 | 7,520 | 5,539 |
| ITT CORP NEW | 7.375% 15 NOV 2015 | 9,055 | 5,376 |
| J P MORGAN CHASE + CO | 5.75% 02 JAN 2013 | 10,813 | 10,622 |
| J P MORGAN CHASE COML MTG | 5.8611% 15 APR 2045 | 23,112 | 19,716 |
| J P MORGAN CHASE COML MTG | 5.818767% 15 JUN 2049 | 14,570 | 10,807 |
| J P MORGAN CHASE COML MTG | 5.198% 15 DEC 2044 | 8,600 | 7,664 |
| J P MORGAN CHASE COML MTG | 5.437% 12 DEC 2044 | 11,130 | 9,856 |
| J P MORGAN CHASE COML MTG SEC | 4.625% 15 MAR 2046 | 8,296 | 7,786 |
| J P MORGAN CHASE COML MTG SECS | 4.184% 12 JAN 2037 | 17,110 | 16,971 |
| J P MORGAN CHASE COML MTG SECS | 6.26% 15 MAR 2033 | 13,786 | 13,712 |
| J P MORGAN CHASE COML MTG SECS | 4.302% 15 JAN 2038 | 10,521 | 9,636 |
| J P MORGAN CHASE COML MTG SECS | 4.79% 15 OCT 2042 | 7,932 | 7,204 |
| J P MORGAN CHASE COML MTG SECS | 5.814% 12 JUN 2043 | 14,161 | 10,895 |
| J P MORGAN CHASE COML MTG SECS | 4.302% 15 JAN 2038 | 8,478 | 8,061 |
| J P MORGAN MTG ACQUISITION TR | 6% 25 NOV 2036 | 2,013 | 311 |
| JANUS CAP GROUP INC | 6.25% 15 JUN 2012 | 7,138 | 5,723 |
| JEFFERIES GROUP INC NEW | 7.75% 15 MAR 2012 | 4,122 | 3,456 |
| JEFFERIES GROUP INC NEW | 6.25% 15 JAN 2036 | 7,003 | 4,184 |
| JOHNSON + JOHNSON | 5.85% 15 JUL 2038 | 15,295 | 18,488 |
| JP MORGAN CHASE COML | 5.552% 12 MAY 2045 | 10,497 | 8,162 |
| JP MORGAN CHASE | 6.75% 01 FEB 2011 | 5,243 | 5,057 |
| JP MORGAN CHASE | 5.429% 12 DEC 2043 | 12,996 | 9,705 |
| JP MORGAN CHASE BANK | 6% 01 OCT 2017 | 9,096 | 10,155 |
| JP MORGAN CHASE COML MTG | 1% 15 AUG 2042 | 11,635 | 9,275 |
| JP MORGAN CHASE COML MTG SECS | 4.851% 15 AUG 2042 | 9,207 | 8,339 |
| JP MORGAN CHASE COML MTG SECS | 5.481% 12 DEC 2044 | 4,755 | 3,804 |
| JP MORGAN MTG ACQUISITION TR | 5.89% 25 NOV 2036 | 2,517 | 392 |
| JPMORGAN CHASE + CO | 6.4% 15 MAY 2038 | 16,519 | 19,770 |
| JPMORGAN CHASE + CO | 5.125% 15 SEP 2014 | 13,959 | 13,561 |
| JPMORGAN CHASE + CO | 6.4% 15 MAY 2038 | 6,227 | 7,503 |
| KELLOGG CO | 5.125% 03 DEC 2012 | 9,561 | 9,561 |
| KELLOGG CO | 5.125% 03 DEC 2012 | 13,385 | 13,385 |
| KELLOGG CO | 5.125% 03 DEC 2012 | 9,863 | 9,863 |
| KINDER MORGAN ENERGY PARTNERS | 5% 15 DEC 2013 | 13,678 | 12,467 |

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|--------------------------------|--------------------|--------|--------|
| KRAFT FOODS INC | 7% 11 AUG 2037 | 8,378 | 7,969 |
| KRAFT FOODS INC | 6.5% 11 AUG 2017 | 5,004 | 5,060 |
| KRAFT FOODS INC | 6.875% 01 FEB 2038 | 2,000 | 2,012 |
| KRAFT FOODS INC | 6.125% 01 FEB 2018 | 10,019 | 9,865 |
| KRAFT FOODS INC | 6.75% 19 FEB 2014 | 13,376 | 13,895 |
| KRAFT FOODS INC | 6% 11 FEB 2013 | 2,409 | 2,455 |
| KRAFT FOODS INC | 6.125% 01 FEB 2018 | 17,339 | 16,869 |
| KREDITANSTALT FUR WIEDERAUFBAU | 4.875% 17 JAN 2017 | 5,734 | 6,302 |
| KROGER CO | 6.4% 15 AUG 2017 | 2,303 | 2,335 |
| KROGER CO | 6.75% 15 APR 2012 | 8,347 | 7,824 |
| KROGER CO | 6.2% 15 JUN 2012 | 5,615 | 5,430 |
| KROGER CO | 6.4% 15 AUG 2017 | 2,961 | 2,944 |
| KROGER CO | 6.8% 15 DEC 2018 | 2,686 | 2,643 |
| KROGER CO | 7.25% 01 JUN 2009 | 6,735 | 6,511 |
| KROGER CO | 6.15% 15 JAN 2020 | 6,728 | 6,556 |
| KROGER CO | 5% 15 APR 2013 | 3,121 | 3,004 |
| LAFARGE SA | 6.15% 15 JUL 2011 | 3,446 | 2,928 |

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

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

| | | | |
|---|--------------------------|--------|--------|
| LB UBS | 5.372% 15 SEP 2039 | 14,468 | 11,294 |
| LB UBS COML MTG | 5.424% 15 FEB 2040 | 7,759 | 6,199 |
| LB UBS COML MTG TR | 5.3% 15 NOV 2038 | 13,153 | 10,723 |
| LB UBS COML MTG TR | 4.647% 16 DEC 2011 | 17,200 | 14,975 |
| LB UBS COML MTG TR | 5.400344% 15 JUN 2029 | 3,621 | 3,145 |
| LB UBS COML MTG TR | 4.201% 15 DEC 2029 | 8,984 | 8,699 |
| LB UBS COML MTG TR | 1% 15 JUN 2038 | 14,776 | 11,677 |
| LB UBS COML MTG TR | 6.365% 15 DEC 2028 | 8,121 | 7,640 |
| LB UBS COML MTG TR 2008 C1 | 6.1498% 15 APR 2041 | 7,151 | 5,312 |
| LEHMAN BROS HLDGS INC | 6.75% 28 DEC 2017 | 8,048 | 1 |
| LEUCADIA NATL CORP | 7% 15 AUG 2013 | 4,798 | 3,762 |
| LIBERTY PPTY LTD PARTNERSHIP | 7.75% 15 APR 2009 | 6,230 | 5,969 |
| LIBERTY PPTY LTD PARTNERSHIP | 5.5% 15 DEC 2016 | 2,499 | 1,498 |
| LIBERTY PPTY LTD PARTNERSHIP LIMITED INC | 6.625% 01 OCT 2017 | 3,721 | 2,596 |
| LIMITED INC | 5.25% 01 NOV 2014 | 6,015 | 3,717 |
| LIMITED INC | 6.9% 15 JUL 2017 | 848 | 538 |
| LINCOLN NATL CORP IN | 1% 12 MAR 2010 | 5,436 | 4,775 |
| LINCOLN NATL CORP IN | 6.05% 20 APR 2067 | 7,598 | 3,624 |
| LLOYDS TSB BANK | 4% 17 NOV 2011 | 4,317 | 4,180 |
| LOWES COS INC | 5.6% 15 SEP 2012 | 2,613 | 2,657 |
| LUBRIZOL CORP | 4.625% 01 OCT 2009 | 2,724 | 2,670 |
| LUBRIZOL CORP | 4.625% 01 OCT 2009 | 4,828 | 4,747 |
| M + I MARSHALL + ILSLEY BK | 6.375% 01 SEP 2011 | 6,747 | 5,833 |
| M + I MARSHALL + ILSLEY BK | 2.5% 04 DEC 2012 | 20,538 | 16,067 |
| M + T BK CORP | 5.375% 24 MAY 2012 | 4,428 | 4,071 |
| MACK CALI REALTY LP | 5.05% 15 APR 2010 | 2,814 | 2,486 |
| MACK CALI RLTY L P | 5.125% 15 JAN 2015 | 4,002 | 2,534 |
| MACK CALI RLTY L P | 5.25% 15 JAN 2012 | 4,000 | 3,127 |
| MACYS RETAIL HLDGS INC | 5.35% 15 MAR 2012 | 16,097 | 11,965 |
| MANUFACTURERS + TRADERS TR CO | 1% 28 DEC 2020 | 5,202 | 3,684 |
| MARSHALL + ILSLEY CORP | 4.375% 01 AUG 2009 | 2,805 | 2,768 |
| MASCO CORP | 6.125% 03 OCT 2016 | 7,822 | 6,081 |
| MASCO CORP | 1% 12 MAR 2010 | 3,121 | 2,440 |
| MASTR ASSET BACKED SECS TR | 1% 25 AUG 2036 | 12,786 | 10,617 |
| MASTR ASSET BACKED SECS TR2006 | 5.55% 25 OCT 2036 | 6,287 | 231 |
| MBNA CORP SR MTN | 7.5% 15 MAR 2012 | 7,785 | 7,358 |
| MBNA CORP SR MTN | 6.125% 01 MAR 2013 | 2,170 | 1,944 |
| MBNA CR CARD MASTER NT TR | 0.81625% 16 AUG 2021 | 9,858 | 5,998 |

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|----------------------------|--------------------------|--------|--------|
| MCGRAW HILL COS INC | 6.55% 15 NOV 2037 | 5,515 | 3,964 |
| MEDCO HEALTH SOLUTIONS INC | 6.125% 15 MAR 2013 | 13,413 | 12,580 |
| MEDCO HEALTH SOLUTIONS INC | 7.25% 15 AUG 2013 | 1,893 | 1,659 |
| MELLON FDG CORP | 3.25% 01 APR 2009 | 3,684 | 3,696 |
| MERRILL LYNCH + CO INC | 6.4% 28 AUG 2017 | 14,074 | 14,121 |
| MERRILL LYNCH + CO INC | 6.875% 25 APR 2018 | 22,352 | 25,274 |
| MERRILL LYNCH + CO INC | 5.45% 05 FEB 2013 | 20,310 | 19,548 |
| MERRILL LYNCH + CO INC | 6% 17 FEB 2009 | 6,779 | 6,646 |
| MERRILL LYNCH + CO INC | 4.125% 15 JAN 2009 | 736 | 745 |
| MERRILL LYNCH + CO INC | 4.125% 10 SEP 2009 | 6,599 | 6,687 |
| MERRILL LYNCH + CO INC | 6.05% 16 MAY 2016 | 10,063 | 9,512 |
| MERRILL LYNCH + CO INC | 6.875% 25 APR 2018 | 14,983 | 15,796 |
| MERRILL LYNCH MTG INVS INC | 5.25% 25 AUG 2036 | 6,053 | 4,731 |
| MERRILL LYNCH MTG TR | 4.806% 12 SEP 2042 | 24,625 | 24,076 |
| MERRILL LYNCH MTG TR | 5.242321% 12 NOV 2037 | 6,845 | 5,650 |
| MERRILL LYNCH MTG TR | 5.403% 12 JUL 2034 | 7,440 | 7,217 |
| MERRILL LYNCH MTG TR | 5.393859% 12 NOV 2037 | 4,049 | 3,638 |
| METLIFE INC | 5% 15 JUN 2015 | 19,076 | 17,917 |

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2008**

| | | | |
|--------------------------------|--------------------------|--------|--------|
| MICHIGAN TOB SETTLEMENT FIN | 7.309% 01 JUN 2034 | 23,270 | 13,378 |
| MID ST TR IV | 8.33% 01 APR 2030 | 11,183 | 9,363 |
| MIDAMERICAN ENERGY HLDGS CO | 6.5% 15 SEP 2037 | 6,267 | 7,665 |
| MIDAMERICAN ENERGY HLDGS CO | 5.875% 01 OCT 2012 | 2,919 | 2,912 |
| MIDAMERICAN FDG LLC | 6.75% 01 MAR 2011 | 10,392 | 9,117 |
| ML CFC COML MTG TR | 5.7% 12 SEP 2049 | 5,973 | 4,186 |
| ML CFC COML MTG TR | 5.434139% 12 FEB 2039 | 55,994 | 44,594 |
| ML CFC COML MTG TR | 5.7% 12 SEP 2049 | 14,946 | 10,325 |
| ML CFC COML MTG TR | 6.104334% 12 JUN 2046 | 7,795 | 6,130 |
| MOHAWK INDS INC | 1% 15 JAN 2016 | 7,266 | 5,872 |
| MORGAN J P + CO | 6% 15 JAN 2009 | 6,549 | 6,446 |
| MORGAN J P + CO INC | 6.25% 15 JAN 2009 | 6,558 | 6,446 |
| MORGAN STANLEY | 5.95% 28 DEC 2017 | 7,328 | 6,100 |
| MORGAN STANLEY | 4.75% 01 APR 2014 | 20,296 | 21,477 |
| MORGAN STANLEY | 5.45% 09 JAN 2017 | 8,176 | 7,220 |
| MORGAN STANLEY | 5.750% 18 OCT 2016 | 6,418 | 5,583 |
| MORGAN STANLEY | 5.750% 18 OCT 2016 | 4,544 | 5,160 |
| MORGAN STANLEY CAP I INC | 4.89% 12 JUN 2047 | 25,205 | 20,417 |
| MORGAN STANLEY CAP I INC | 4.989% 13 AUG 2042 | 20,483 | 17,272 |
| MORGAN STANLEY CAP I INC | 4.78% 13 DEC 2041 | 12,648 | 10,794 |
| MORGAN STANLEY CAP I INC | 5.09% 12 OCT 2052 | 6,681 | 5,815 |
| MORGAN STANLEY CAP I INC | 1% 14 JAN 2042 | 8,227 | 8,022 |
| MORGAN STANLEY CAP I TR | 5.914% 12 AUG 2041 | 13,362 | 11,419 |
| MORGAN STANLEY CAP I TR | 5.80304% 13 JUN 2042 | 8,486 | 6,456 |
| MORGAN STANLEY CAP I TR HQ13 | 5.569% 15 DEC 2044 | 12,451 | 8,430 |
| MORGAN STANLEY CAPITOL I | 5.325% 15 DEC 2043 | 5,061 | 3,529 |
| MORGAN STANLEY DEAN WITTER CAP | 8.162% 03 SEP 2015 | 12,204 | 12,281 |
| MORGAN STANLEY GROUP INC | 5.25% 02 NOV 2012 | 12,557 | 11,445 |
| MORGAN STANLEY GROUP INC | 6.625% 01 APR 2018 | 26,941 | 22,963 |
| MORGAN STANLEY GROUP INC | 6.25% 28 AUG 2017 | 2,011 | 1,715 |
| MORGAN STANLEY GROUP INC | 5.3% 01 MAR 2013 | 13,282 | 12,143 |
| MORGAN STANLEY GROUP INC | 6.75% 15 APR 2011 | 9,552 | 9,113 |
| MOTOROLA INC | 7.625% 15 NOV 2010 | 598 | 464 |
| NATIONAL CITY BK CLEVELAND | 6.25% 15 MAR 2011 | 5,852 | 5,415 |
| NATIONAL GRID PLC | 6.3% 01 AUG 2016 | 10,046 | 8,772 |
| NATIONAL SEMICONDUCTOR CORP | 6.6% 15 JUN 2017 | 12,584 | 8,906 |
| NATIONWIDE HEALTH PPTYS INC | 6.5% 15 JUL 2011 | 6,440 | 5,757 |
| NATL CITY BK CLEVELAND OH MTBN | 3.29875% 18 JUN 2010 | 5,391 | 5,657 |
| NAVISTAR FINANCIAL CORP OWNER | 3.53% 15 OCT 2012 | 8,588 | 8,708 |

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|-------------------------------|-------------------------|--------|--------|
| NEVADA PWR CO | 6.75% 01 JUL 2037 | 3,421 | 2,964 |
| NEVADA PWR CO | 6.5% 01 AUG 2018 | 5,046 | 4,883 |
| NEW YORK LIFE GLOBAL FDG | 5.25% 16 OCT 2012 | 7,648 | 7,506 |
| NEW YORK LIFE GLOBAL FDG | 4.65% 09 MAY 2013 | 13,567 | 13,133 |
| NEWELL RUBBERAMID INC | 5.5% 15 APR 2013 | 13,565 | 11,909 |
| NEWS AMER HLDGS INC | 9.25% 01 FEB 2013 | 4,712 | 4,444 |
| NEWS AMER HLDGS INC | 7.7% 30 OCT 2025 | 9,523 | 7,504 |
| NEWS AMER INC | 6.4% 15 DEC 2035 | 1,693 | 1,582 |
| NEWS AMER INC | 6.65% 15 NOV 2037 | 7,471 | 9,367 |
| NISOURCE FIN CORP | 7.875% 15 NOV 2010 | 13,220 | 11,332 |
| NISOURCE FIN CORP | 7.875% 15 NOV 2010 | 4,634 | 3,685 |
| NISOURCE FIN CORP | 6.8% 15 JAN 2019 | 7,313 | 4,684 |
| NISOURCE FIN CORP | 6.06438% 23 NOV 2009 | 2,325 | 2,086 |
| NISOURCE FIN CORP | 5.25% 15 SEP 2017 | 7,022 | 4,272 |
| NISSAN AUTO RECEIVABLES OWNER | 5.05% 17 NOV 2014 | 5,535 | 5,192 |

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

| | | | |
|------------------------------|-----------------------|--------|--------|
| NOMURA ASSET ACCEP CORP | 9.664% 25 FEB 2035 | 4,432 | 2,712 |
| NOMURA ASSET ACCEP CORP | 5.159% 25 MAR 2035 | 5,644 | 4,194 |
| NORFOLK SOUTHN CORP | 6.75% 15 FEB 2011 | 3,273 | 2,953 |
| NORFOLK SOUTHN CORP | 5.75% 01 APR 2018 | 2,016 | 1,959 |
| NORSK HYDRO A S | 6.36% 15 JAN 2009 | 1,934 | 1,894 |
| NORTHERN STS PWR CO MN | 6.2% 01 JUL 2037 | 7,443 | 7,770 |
| NORTHROP GRUMMAN CORP | 7.125% 15 FEB 2011 | 3,429 | 3,245 |
| NUCOR CORP | 5% 01 DEC 2012 | 7,015 | 6,879 |
| NYSE EURONEXT | 4.8% 28 JUN 2013 | 10,043 | 9,765 |
| NYSE EURONEXT | 4.8% 28 JUN 2013 | 4,513 | 4,394 |
| OHIO PWR CO | 5.53% 05 APR 2010 | 6,544 | 6,123 |
| ONTARIO PROV CDA | 4.5% 03 FEB 2015 | 25,326 | 25,952 |
| ORACLE CORP | 4.95% 15 APR 2013 | 6,542 | 6,747 |
| ORACLE CORP | 4.95% 15 APR 2013 | 3,160 | 3,259 |
| OWENS CORNING NEW | 6.5% 01 DEC 2016 | 3,789 | 3,048 |
| PACIFIC BELL | 6.625% 15 OCT 2034 | 7,416 | 6,063 |
| PACIFIC GAS + ELEC CO | 4.2% 01 MAR 2011 | 5,523 | 5,470 |
| PACIFIC GAS + ELEC CO | 5.625% 30 NOV 2017 | 6,008 | 6,187 |
| PACIFIC GAS + ELEC CO | 8.25% 15 OCT 2018 | 3,155 | 3,629 |
| PACIFIC GAS + ELEC CO | 3.6% 01 MAR 2009 | 6,726 | 6,726 |
| PACIFIC GAS + ELEC CO | 3.6% 01 MAR 2009 | 3,621 | 3,614 |
| PACKAGING CORP AMER | 5.75% 01 AUG 2013 | 690 | 624 |
| PARKER HANNIFIN CORP MEDIUM | 6.25% 15 MAY 2038 | 6,138 | 6,059 |
| PECO ENERGY TRANSITION TR | 6.52% 31 DEC 2010 | 8,730 | 8,522 |
| PENNEY J C INC | 7.95% 01 APR 2017 | 5,260 | 3,608 |
| PENNEY JC CORP INC | 5.75% 15 FEB 2018 | 3,888 | 2,606 |
| PERU REP | 9.875% 06 FEB 2015 | 9,723 | 10,188 |
| PERU REP | 8.375% 03 MAY 2016 | 4,069 | 4,339 |
| PETRA CRE CDO | 6.27% 31 DEC 2047 | 4,910 | 4,910 |
| PETRO CDA | 9.25% 15 OCT 2021 | 11,670 | 9,579 |
| PG+E ENERGY RECOVERY FDG LLC | 3.87% 25 JUN 2011 | 1,633 | 1,635 |
| PG+E ENERGY RECOVERY FDG LLC | 4.14% 25 SEP 2012 | 19,658 | 19,960 |
| PG+E ENERGY RECOVERY FDG LLC | 4.85% 25 JUN 2011 | 484 | 486 |
| PG+E ENERGY RECOVERY FDG LLC | 5.03% 25 MAR 2014 | 2,503 | 2,529 |
| PHILIP MORRIS INTL INC | 5.65% 16 MAY 2018 | 13,254 | 13,174 |
| PHILLIPS PETE CO | 6.65% 15 JUL 2018 | 2,775 | 3,157 |
| PITNEY BROWES INC GLOBAL | 5.25% 15 JAN 2037 | 5,802 | 5,141 |
| POTASH CORP SASK INC | 4.875% 01 MAR 2013 | 6,507 | 6,196 |
| POTOMAC ELEC PWR CO | 6.5% 15 NOV 2037 | 9,811 | 9,729 |
| PPG INDS INC | 5.75% 15 MAR 2013 | 13,383 | 13,242 |

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|-----------------------------|-----------------------|--------|--------|
| PPG INDS INC | 5.75% 15 MAR 2013 | 5,937 | 5,874 |
| PRAXAIR INC | 4.625% 30 MAR 2015 | 15,080 | 15,201 |
| PRAXAIR INC | 6.375% 01 APR 2012 | 8,519 | 8,977 |
| PREMCOR REFNG GROUP INC | 7.5% 15 JUN 2015 | 3,285 | 2,810 |
| PRESIDENT + FELLOWS HARVARD | 5% 15 JAN 2014 | 17,492 | 18,019 |
| PROGRESS ENERGY INC | 7.1% 01 MAR 2011 | 2,156 | 1,916 |
| PROLOGIS | 5.5% 01 APR 2012 | 15,919 | 9,644 |
| PROLOGIS | 6.625% 15 MAY 2018 | 9,924 | 4,719 |
| PRUDENTIAL FINL INC | 5.15% 15 JAN 2013 | 4,030 | 3,271 |
| PRUDENTIAL FINL INC | 5.1% 14 DEC 2011 | 4,429 | 3,963 |
| PSE+G TRANSITION FDG LLC | 6.45% 15 MAR 2013 | 14,270 | 13,841 |
| PUBLIC SVC CO COLO | 7.875% 01 OCT 2012 | 3,166 | 3,176 |
| QUEBEC PROV CDA | 4.6% 26 MAY 2015 | 25,174 | 24,563 |
| QWEST CORP | 8.875% 15 MAR 2012 | 6,019 | 5,215 |
| QWEST CORP | 8.875% 15 MAR 2012 | 331 | 279 |
| QWEST CORPORATION | 7.5% 01 OCT 2014 | 6,330 | 5,181 |

Baxter Healthcare of Puerto Rico
Savings and Investment Plan

Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008

Schedule I

| | | | |
|--------------------------------|--------------------|--------|--------|
| RAAC | 1% 25 AUG 2036 | 1,161 | 1,070 |
| RALI SER 2006 QO6 TR | 3.315% 25 JUN 2046 | 1,236 | 608 |
| RALI SER 2006 QS7 TR | 6% 25 JUN 2036 | 9,753 | 6,006 |
| RAYTHEON CO | 6.4% 15 DEC 2018 | 4,787 | 4,904 |
| RAYTHEON CO | 5.5% 15 NOV 2012 | 2,474 | 2,544 |
| REGENCY CTRS L P | 5.25% 01 AUG 2015 | 2,720 | 1,801 |
| REGENCY CTRS L P | 5.875% 15 JUN 2017 | 2,906 | 1,849 |
| REGIONS FINL CORP | 6.375% 15 MAY | | |
| | 2012 | 6,689 | 5,664 |
| RELIANT ENERGY TRANS BD CO | 5.63% 15 SEP 2015 | 4,819 | 4,584 |
| RENAISSANCEHOME EQUITY LN TR | 5.17813% 25 NOV | | |
| | 2034 | 11,750 | 7,411 |
| REPUBLIC SVCS INC | 6.75% 15 AUG 2011 | 7,065 | 6,735 |
| RESIDENTIAL ASSET SEC MTG PASS | 1.6% 25 MAY 2033 | 320 | 233 |
| RESIDENTIAL FDG MTG SECS I INC | 5.241773% 25 AUG | | |
| | 2035 | 6,654 | 3,997 |
| RESIDENTIAL FDG MTG SECS II | 4.46% 25 MAY 2035 | 780 | 775 |
| REYNOLDS AMERN INC | 7.625% 01 JUN 2016 | 6,369 | 5,031 |
| REYNOLDS AMERN INC | 7.25% 01 JUN 2012 | 6,585 | 5,792 |
| RIO TINTO FIN USA LTD | 7.125% 15 JUL 2028 | 7,499 | 5,330 |
| RIO TINTO FIN USA LTD | 5.875% 15 JUL 2013 | 6,540 | 5,212 |
| ROGERS WIRELESS INC | 7.25% 15 DEC 2012 | 6,026 | 5,410 |
| ROHM + HAAS CO | 5.6% 15 MAR 2013 | 4,630 | 4,472 |
| ROYAL BANK OF SCOTLAND GRP PLC | 1% 31 AUG 2049 | 2,034 | 1,947 |
| ROYAL BK CDA MONTREAL QUE | 4.125% 26 JAN 2010 | 11,173 | 11,413 |
| ROYAL BK SCOTLAND GROUP PLC | 5% 01 OCT 2014 | 9,714 | 10,356 |
| ROYAL BK SCOTLAND GROUP PLC | 6.4% 01 APR 2009 | 4,095 | 4,013 |
| ROYAL BK SCOTLAND GROUP PLC | 5% 01 OCT 2014 | 7,137 | 6,213 |
| ROYAL KPN NV | 8% 01 OCT 2010 | 1,287 | 1,219 |
| ROYAL KPN NV | 8.375% 01 OCT 2030 | 1,301 | 1,251 |
| RSB BONDCO LLC | 5.469% 01 OCT 2014 | 17,971 | 18,035 |
| RSHB CAP S A | 7.75% 29 MAY 2018 | 21,758 | 13,961 |
| RSHB CAP SA (OJSC) | 6.299% 15 MAY | | |
| | 2017 | 6,830 | 3,905 |
| RUSSIAN FEDN | 7.5% 31 MAR 2030 | 15,200 | 14,958 |
| SAFEWAY INC | 6.5% 01 MAR 2011 | 1,598 | 1,515 |
| SAFEWAY INC | 6.35% 15 AUG 2017 | 10,118 | 9,456 |
| SALOMON BROS MTG SECS VII INC | 3.95% 25 JAN 2033 | 5,713 | 5,071 |
| SANWA BK LTD N Y BRH | 7.4% 15 JUN 2011 | 2,289 | 1,949 |
| SAXON ASSET SECS TR | 3.89625% 25 AUG | | |
| | 2032 | 113 | 111 |
| SBC COMMUNICATIONS INC | 5.3% 15 NOV 2010 | 16,077 | 16,373 |
| SBC COMMUNICATIONS INC | 5.3% 15 NOV 2010 | 27,756 | 28,756 |

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| | | | |
|------------------------------|-----------------------|--------|--------|
| SEARIVER MARITIME FINL HLDGS | 0.01% 01 SEP 2012 | 9,208 | 9,485 |
| SIERRA PAC PWR CO | 6.75% 01 JUL 2037 | 1,769 | 1,527 |
| SIMON PPTY GROUP L P | 5.625% 15 AUG 2014 | 4,949 | 3,411 |
| SIMON PPTY GROUP L P | 5% 01 MAR 2012 | 7,709 | 6,125 |
| SIMON PPTY GROUP L P | 5% 01 MAR 2012 | 8,624 | 6,841 |
| SIMON PPTY GROUP LP | 5.3% 30 MAY 2013 | 13,256 | 9,935 |
| SIMON PPTY GROUP LP | 5.75% 01 MAY 2012 | 5,524 | 4,426 |
| SLM CORP | 5% 01 OCT 2013 | 1,480 | 1,441 |
| SLM CORP | 8.45% 15 JUN 2018 | 5,930 | 6,368 |
| SLM CORP | 5.375% 15 MAY 2014 | 958 | 747 |
| SLM CORP | 5% 01 OCT 2013 | 257 | 216 |
| SLM CORP | 8.45% 15 JUN 2018 | 6,218 | 5,015 |
| SLM CORP | 5.125% 27 AUG 2012 | 3,135 | 2,712 |
| SLM CORP | 5.375% 15 JAN 2013 | 7,277 | 6,052 |
| SMALL BUSINESS ADMIN | 7.06% 01 NOV 2019 | 4,421 | 4,647 |
| SMALL BUSINESS ADMIN | 5.68% 01 JUN 2028 | 23,612 | 24,512 |
| SOUTHERN CA EDISON CO | 5.75% 15 MAR 2014 | 8,714 | 9,179 |
| SOUTHERN CA EDISON CO | 5.75% 15 MAR 2014 | 13,622 | 14,348 |
| SOUTHERN CA EDISON CO | 4.65% 01 APR 2015 | 4,314 | 4,317 |
| SOUTHERN CO | 5.3% 15 JAN 2012 | 1,307 | 1,322 |

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2008**

| | | | |
|--------------------------------|-----------------------|-----------|-----------|
| SOUTHWESTERN ELEC PWR CO | 5.875% 01 MAR 2018 | 15,548 | 14,382 |
| SOVEREIGN BANCORP INC | 1% 01 SEP 2010 | 9,318 | 8,579 |
| SOVEREIGN BANCORP INC | 1% 23 MAR 2010 | 2,316 | 2,049 |
| SOVEREIGN BK | 5.125% 15 MAR 2013 | 6,645 | 5,904 |
| SPRINT CAP CORP | 6.875% 15 NOV 2028 | 3,962 | 2,755 |
| SPRINT CAP CORP | 7.625% 30 JAN 2011 | 7,283 | 5,884 |
| SPRINT CAP CORP | 8.375% 15 MAR 2012 | 5,735 | 3,946 |
| SPRINT NEXTEL CORP | 6% 01 DEC 2016 | 8,880 | 6,388 |
| STARWOOD HOTELS + RESORTS WORL | 1% 01 MAY 2012 | 5,324 | 3,810 |
| STEEL CAPITAL | 9.75% 29 JUL 2013 | 2,819 | 1,494 |
| SUNCOR ENERGY INC | 6.1% 01 JUN 2018 | 14,983 | 12,927 |
| SWAPTION 317U279A4 | FEB 09 3.5 CALL | 2,437 | 8,537 |
| SWAPTION 317U168A8 | JUL 09 4.2 CALL | (356) | (1,455) |
| SWAPTION 317U280A1 | FEB 09 4.3 CALL | (572) | (2,634) |
| SWAPTION 317U169A7 | JUL 09 3.6 CALL | 348 | 1,331 |
| SWAPTION 317U296A3 | FEB 08 4.6 CALL | (1,745) | (7,803) |
| SWAPTION 317U375A7 | AUG 09 3.45 CALL | 615 | 1,870 |
| SWAPTION 317U376A6 | AUG 09 4.15 CALL | (606) | (2,106) |
| SWAPTION 317U381A9 | AUG 09 3.45 CALL | 452 | 1,403 |
| SWAPTION 317U382A8 | AUG 09 4.4 CALL | (465) | (1,745) |
| SWAPTION 317U383A7 | AUG 09 3.45 CALL | 1,279 | 4,208 |
| SWAPTION 317U384A6 | AUG 09 4.4 CALL | (1,326) | (5,234) |
| SWU0111J2 IRS USD P F 3.00000 | 3% 17 JUN 2029 | (40,270) | (41,232) |
| SWU0111J2 IRS USD R V 03MLIBOR | 1% 17 JUN 2029 | 37,805 | 40,270 |
| SWU0113J0 IRS USD P F 3.00000 | 3% 17 JUN 2029 | (4,027) | (4,123) |
| SWU0113J0 IRS USD R V 03MLIBOR | 1% 17 JUN 2029 | 3,778 | 4,027 |
| SWU0143J4 IRS USD P F 3.00000 | 3% 17 JUN 2029 | (4,027) | (4,123) |
| SWU0143J4 IRS USD R V 03MLIBOR | 1% 17 JUN 2029 | 3,839 | 4,027 |
| SWU0252E2 IRS USD P F 5.00000 | 5% 17 DEC 2038 | (70,472) | (102,564) |
| SWU0252E2 IRS USD R V 03MLIBOR | 1% 17 DEC 2038 | 70,549 | 70,472 |
| SWU0260H5 IRS USD P V 03MLIBOR | 1% 17 JUN 2014 | (24,162) | (24,162) |
| SWU0260H5 IRS USD R F 4.00000 | 4% 17 JUN 2014 | 25,757 | 26,103 |
| SWU0261E1 IRS USD P F 5.00000 | 5% 17 DEC 2028 | (10,067) | (13,475) |
| SWU0261E1 IRS USD R V 03MLIBOR | 1% 17 DEC 2028 | 9,468 | 10,067 |
| SWU0274E6 IRS USD P V 03MLIBOR | 1% 17 DEC 2013 | (114,769) | (114,769) |
| SWU0274E6 IRS USD R F 4.00000 | 4% 17 DEC 2013 | 114,620 | 124,725 |
| SWU0279C5 IRS USD P F 4.00000 | 4% 17 JUN 2011 | (20,135) | (21,039) |
| SWU0279C5 IRS USD R V 03MLIBOR | 1% 17 JUN 2011 | 19,411 | 20,135 |
| SWU0300E4 IRS USD P F 5.00000 | 5% 17 DEC 2028 | (148,999) | (199,437) |
| SWU0300E4 IRS USD R V 03MLIBOR | 1% 17 DEC 2028 | 149,900 | 148,999 |

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|--------------------------------|----------------|----------|----------|
| SWU031143 TRS USD P F .00000 | 0% 20 FEB 2009 | (16,108) | (17,872) |
| SWU031143 TRS USD R F .00000 | 0% 20 FEB 2009 | 17,210 | 16,108 |
| SWU0338C4 IRS USD P F 4.00000 | 4% 18 JUN 2010 | (66,445) | (68,953) |
| SWU0338C4 IRS USD R V 03M3ML | 1% 18 JUN 2010 | 64,196 | 66,445 |
| SWU0362E9 IRS USD P F 5.00000 | 5% 17 DEC 2028 | (34,229) | (45,817) |
| SWU0362E9 IRS USD R V 03MLIBOR | 1% 17 DEC 2028 | 34,386 | 34,229 |
| SWU0390E5 IRS USD P F 5.00000 | 5% 17 DEC 2028 | (18,121) | (24,256) |
| SWU0390E5 IRS USD R V 03MLIBOR | 1% 17 DEC 2028 | 17,849 | 18,121 |
| SWU0398E7 IRS USD P F 4.00000 | 4% 17 JUN 2011 | (94,634) | (98,882) |
| SWU0398E7 IRS USD R V 06MLIBOR | 1% 17 JUN 2011 | 91,262 | 94,634 |
| SWU0407E6 IRS USD P F 5.00000 | 5% 17 DEC 2038 | (54,364) | (79,121) |
| SWU0407E6 IRS USD R V 03MLIBOR | 1% 17 DEC 2038 | 50,612 | 54,364 |
| SWU0526E2 IRS USD P V 03MLIBOR | 1% 17 DEC 2015 | (8,054) | (8,054) |
| SWU0526E2 IRS USD R F 5.00000 | 5% 17 DEC 2015 | 9,505 | 9,421 |

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2008**

| | | | |
|--------------------------------|-----------------------|-----------|-----------|
| SWU0543E1 IRS USD P V 03MLIBOR | 1% 17 DEC 2013 | (72,486) | (72,486) |
| SWU0543E1 IRS USD R F 4.00000 | 4% 17 DEC 2013 | 71,210 | 78,774 |
| SWU0674E2 IRS USD P F 5.00000 | 5% 17 DEC 2038 | (4,027) | (5,861) |
| SWU0674E2 IRS USD R V 03MLIBOR | 1% 17 DEC 2038 | 3,697 | 4,027 |
| SWU0752D9 IRS USD P V 06MLIBOR | 1% 17 JUN 2010 | (161,080) | (161,080) |
| SWU0752D9 IRS USD R F 4.00000 | 4% 17 JUN 2010 | 163,845 | 165,289 |
| SWU0787H9 IRS USD P F 4.00000 | 4% 17 JUN 2024 | (38,256) | (43,670) |
| SWU0787H9 IRS USD R V 03MLIBOR | 1% 17 JUN 2024 | 31,772 | 38,256 |
| SWU0795E6 IRS USD P V 03MLIBOR | 1% 17 DEC 2013 | (108,729) | (108,729) |
| SWU0795E6 IRS USD R F 4.00000 | 4% 17 DEC 2013 | 111,226 | 118,161 |
| SWU0806H6 IRS USD P V 03MLIBOR | 1% 17 JUN 2014 | (18,121) | (18,121) |
| SWU0806H6 IRS USD R F 4.00000 | 4% 17 JUN 2014 | 19,287 | 19,577 |
| SWU0882H3 IRS USD P V 03MLIBOR | 1% 17 JUN 2016 | (40,270) | (40,270) |
| SWU0882H3 IRS USD R F 4.00000 | 4% 17 JUN 2016 | 43,290 | 44,219 |
| SWU0884H1 IRS USD P V 03MLIBOR | 1% 17 JUN 2016 | (6,040) | (6,040) |
| SWU0884H1 IRS USD R F 4.00000 | 4% 17 JUN 2016 | 6,493 | 6,633 |
| SWU0904H7 IRS USD P V 06MLIBOR | 1% 17 JUN 2014 | (289,943) | (289,943) |
| SWU0904H7 IRS USD R F 4.00000 | 4% 17 JUN 2014 | 309,204 | 313,232 |
| TALISMAN ENERGY INC | 5.85% 01 FEB 2037 | 587 | 700 |
| TALISMAN ENERGY INC | 6.25% 01 FEB 2038 | 3,206 | 3,436 |
| TARGET CORP | 5.375% 01 MAY 2017 | 15,061 | 13,737 |
| TCI COMMUNICATIONS INC | 7.875% 15 FEB 2026 | 1,391 | 1,567 |
| TELECOM ITALIA CAP | 4.95% 30 SEP 2014 | 5,710 | 4,828 |
| TELECOM ITALIA CAP | 4.95% 30 SEP 2014 | 13,626 | 11,036 |
| TELECOM ITALIA CAP | 4% 15 JAN 2010 | 11,145 | 10,281 |
| TELECOM ITALIA CAP | 5.25% 15 NOV 2013 | 5,837 | 4,606 |
| TELECOM ITALIA CAP | 7.721% 04 JUN 2038 | 2,218 | 2,563 |
| TELEFONICA EMISIONES S A U | 5.984% 20 JUN 2011 | 14,094 | 13,901 |
| TELEFONICA EMISIONES S A U | 7.045% 20 JUN 2036 | 2,011 | 2,857 |
| TELEFONICA EMISIONES S A U | 5.984% 20 JUN 2011 | 6,544 | 6,454 |
| TELEFONICA EMISIONES S A U | 5.855% 04 FEB 2013 | 3,222 | 3,132 |
| TEVA PHARMACEUTICAL FIN CO LLC | 6.15% 01 FEB 2036 | 6,241 | 6,171 |
| TEXACO CAP INC | 5.5% 15 JAN 2009 | 4,221 | 4,132 |
| THE ROYAL BANK OF SCOT | 4.625% 14 NOV 2011 | 8,571 | 8,483 |
| THOMSON REUTERS CORP | 5.95% 15 JUL 2013 | 13,723 | 12,841 |
| TIAA GLOBAL MKTS INC | 5.125% 10 OCT 2012 | 12,068 | 11,908 |
| TIAA SEASONED COML MTG TR | 1% 15 AUG 2039 | 4,246 | 3,642 |
| TIME WARNER CABLE INC | 7.3% 01 JUL 2038 | 12,045 | 12,551 |
| TIME WARNER CABLE INC | 6.2% 01 JUL 2013 | 13,361 | 12,665 |
| TIME WARNER CABLE INC | 5.85% 01 MAY 2017 | 3,616 | 3,311 |
| TIME WARNER CABLE INC | 6.75% 01 JUL 2018 | 10,470 | 9,984 |
| TIME WARNER INC | 9.125% 15 JAN 2013 | 8,911 | 7,982 |

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|--------------------------------|-----------------------|--------|--------|
| TIME WARNER INC | 6.625% 15 MAY 2029 | 26,457 | 23,301 |
| TIME WARNER INC NEW | 6.5% 15 NOV 2036 | 2,615 | 2,373 |
| TOBACCO SETTLEMENT AUTH IOWA | 6.5% 01 JUN 2023 | 2,114 | 1,530 |
| TOBACCO SETTLEMENT FIN AUTH WE | 7.467% 01 JUN 2047 | 11,376 | 6,506 |
| TOBACCO SETTLEMENT FING CORP | 5.875% 15 MAY 2039 | 4,618 | 3,761 |
| TOLL BROS FIN CORP | 6.875% 15 NOV 2012 | 2,535 | 2,108 |
| TRANSOCEAN INC | 6% 15 MAR 2018 | 6,270 | 5,593 |
| TRAVELERS COS INC | 5.75% 15 DEC 2017 | 7,430 | 7,163 |
| TXU AUSTRALIA HLDGS PTY LTD | 6.15% 15 NOV 2013 | 5,379 | 5,044 |
| TYCO INTL GROUP S A | 6% 15 NOV 2013 | 3,738 | 3,401 |
| U S DEPT VETERAN AFFAIRS REMIC | 6% 15 APR 2009 | 1,006 | 946 |
| UBS AG STAMFORD BRH | 5.875% 20 DEC 2017 | 10,055 | 9,248 |
| UBS AG STAMFORD BRH MEDIUM | 5.75% 25 APR 2018 | 10,005 | 9,137 |
| UFJ FIN ARUBA A E C | 6.75% 15 JUL 2013 | 16,183 | 14,268 |

Baxter Healthcare of Puerto Rico**Savings and Investment Plan****Schedule H, Line 4i Schedule of Assets (Held at End of Year)****Schedule I****December 31, 2008**

| | | | |
|--------------------------------|-----------------------|--------|--------|
| UNION BK CALIF | 5.95% 11 MAY 2016 | 5,789 | 4,687 |
| UNION PAC CORP | 5.45% 31 JAN 2013 | 9,141 | 8,886 |
| UNION PAC CORP | 5.75% 15 NOV 2017 | 13,984 | 13,269 |
| UNION PAC CORP | 3.875% 15 FEB 2009 | 8,031 | 8,069 |
| UNION PAC CORP | 3.625% 01 JUN 2010 | 2,699 | 2,694 |
| UNION PLANTERS CORP | 7.75% 01 MAR 2011 | 4,606 | 4,069 |
| UNITED AIRLS PASS THRU TRS | 9.56% 19 OCT 2018 | 8,956 | 3,283 |
| UNITED HEALTH GROUP INC | 5.25% 15 MAR 2011 | 7,616 | 7,100 |
| UNITED KINGDOM (GOVERNMENT OF) | 4.25% 07 MAR 2011 | 12,633 | 12,413 |
| UNITED KINGDOM TREASURY | 5% 07 MAR 2012 | 35,795 | 35,279 |
| UNITED PARCEL SVC INC | 6.2% 15 JAN 2038 | 8,778 | 9,656 |
| UNITED STATES CELLULAR CORP | 6.7% 15 DEC 2033 | 7,386 | 5,877 |
| UNITED STS STL CORP NEW | 5.65% 01 JUN 2013 | 4,564 | 3,494 |
| UNITED TECHNOLOGIES CORP | 5.375% 15 DEC 2017 | 5,928 | 6,005 |
| UNITED TECHNOLOGIES CORP | 6.125% 15 JUL 2038 | 8,532 | 9,286 |
| UNITEDHEALTH GROUP INC | 5.125% 15 NOV 2010 | 4,928 | 4,815 |
| UNITEDHEALTH GROUP INC | 6% 15 FEB 2018 | 6,035 | 5,573 |
| UNITEDHEALTH GROUP INC | 6.875% 15 FEB 2038 | 1,983 | 1,763 |
| UNITEDHEALTH GROUP INC | 4.125% 15 AUG 2009 | 2,398 | 2,379 |
| UNITEDHEALTH GROUP INC | 5.375% 15 MAR 2016 | 6,018 | 5,323 |
| UNITEDHEALTH GROUP INC | 5.5% 15 NOV 2012 | 3,685 | 3,394 |
| USA WASTE SVCS INC | 7% 15 JUL 2028 | 1,261 | 1,002 |
| VALE OVERSEAS LTD | 6.25% 23 JAN 2017 | 5,996 | 5,695 |
| VALE OVERSEAS LTD | 6.25% 23 JAN 2017 | 12,292 | 11,675 |
| VALERO ENERGY CORP NEW | 6.875% 15 APR 2012 | 6,957 | 6,378 |
| VEOLIA ENVIRONMENT | 6% 01 JUN 2018 | 4,714 | 4,173 |
| VEOLIA ENVIRONNEMENT | 5.25% 03 JUN 2013 | 9,836 | 9,025 |
| VERIZON COMMUNICATIONS INC | 8.95% 01 MAR 2039 | 4,122 | 5,462 |
| VERIZON COMMUNICATIONS INC | 5.25% 15 APR 2013 | 3,811 | 3,840 |
| VERIZON COMMUNICATIONS INC | 6.1% 15 APR 2018 | 9,009 | 8,948 |
| VERIZON COMMUNICATIONS INC | 8.95% 01 MAR 2039 | 3,141 | 4,161 |
| VERIZON GLOBAL FDG CORP | 6.875% 15 JUN 2012 | 8,581 | 8,204 |
| VERIZON GLOBAL FDG CORP | 4.9% 15 SEP 2015 | 3,373 | 3,312 |
| VERIZON GLOBAL FDG CORP | 5.85% 15 SEP 2035 | 6,297 | 6,310 |
| VERIZON NEW JERSEY INC | 5.875% 17 JAN 2012 | 4,050 | 3,964 |
| VERIZON VA INC | 4.625% 15 MAR 2013 | 13,696 | 13,514 |
| VERIZON WIRELESS CAP | 8.5% 15 NOV 2018 | 5,379 | 6,370 |
| VIACOM INC | 6.875% 30 APR 2036 | 13,002 | 13,446 |
| VIRGINIA ELEC + PWR CO | 5.95% 15 SEP 2017 | 7,020 | 7,094 |
| VIRGINIA ELEC + PWR CO | 5.1% 30 NOV 2012 | 6,038 | 5,905 |
| VIRGINIA ELEC + PWR CO | 5.1% 30 NOV 2012 | 13,486 | 13,189 |

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| | | | |
|--------------------------------|-------------------|--------|--------|
| VIRGINIA ELEC + PWR CO | 5.4% 30 APR 2018 | 3,217 | 3,118 |
| VODAFONE AIRTOUCH PLC | 7.75% 15 FEB 2010 | 7,695 | 7,408 |
| VODAFONE GROUP PLC NEW | 5.35% 27 FEB 2012 | 12,779 | 12,623 |
| VODAFONE GROUP PLC NEW | 5.5% 15 JUN 2011 | 5,621 | 5,619 |
| VOLKSWAGEN AUTO LN ENHANCED TR | 4.5% 20 JUL 2012 | 4,731 | 4,460 |
| VULCAN MATLS CO | 5.6% 30 NOV 2012 | 6,530 | 5,570 |

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**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

| | | | |
|--------------------------------|--------------------|--------|--------|
| WACHOVIA BK COML MTG TR | 1% 15 JUN 2049 | 16,409 | 12,691 |
| WACHOVIA BK COML MTG TR | 1% 15 JUL 2045 | 14,944 | 11,659 |
| WACHOVIA BK COML MTG TR | 5.509% 15 APR 2047 | 14,647 | 10,724 |
| WACHOVIA BK COML MTG TR | 1% 15 JUN 2049 | 14,889 | 10,844 |
| WACHOVIA BK NATL ASSN | 4.875% 01 FEB 2015 | 9,897 | 11,277 |
| WACHOVIA BK NATL ASSN MED TERM | 4.8% 01 NOV 2014 | 6,967 | 7,501 |
| WACHOVIA BK NATL ASSN MTN SUB | 3.14875% 15 MAR | | |
| | 2016 | 19,632 | 18,928 |
| WACHOVIA CORP | 5.5% 01 MAY 2013 | 8,739 | 8,661 |
| WACHOVIA CORP | 5.5% 01 MAY 2013 | 6,730 | 6,670 |
| WACHOVIA CORP 2ND NEW | 4.875% 15 FEB 2014 | 1,794 | 2,035 |
| WACHOVIA CORP NEW | 5.3% 15 OCT 2011 | 9,690 | 9,709 |
| WACHOVIA CORP NEW | 5.3% 15 OCT 2011 | 13,669 | 13,205 |
| WACHOVIA CORP NEW | 5.35% 15 MAR 2011 | 6,040 | 5,764 |
| WAL MART STORES INC | 5.25% 01 SEP 2035 | 3,811 | 4,310 |
| WALT DISNEY CO | 5.7% 15 JUL 2011 | 19,493 | 20,722 |
| WAMU MTG PASS THROUGH CTFS | 1% 25 OCT 2045 | 5,675 | 968 |
| WAMU MTG PASS THROUGH CTFS | 4.6697% 25 APR | | |
| | 2035 | 2,511 | 2,346 |
| WAMU MTG PASS THROUGH CTFS | 4.134% 25 AUG 2034 | 6,751 | 6,579 |
| WASTE MGMT INC DEL | 7.375% 15 MAY | | |
| | 2029 | 1,115 | 859 |
| WASTE MGMT INC DEL | 7.375% 01 AUG 2010 | 2,267 | 2,040 |
| WEATHERFORD INTL LTD | 5.15% 15 MAR 2013 | 2,612 | 2,305 |
| WEATHERFORD INTL LTD | 6% 15 MAR 2018 | 1,101 | 930 |
| WELLPOINT INC | 4.25% 15 DEC 2009 | 8,536 | 8,423 |
| WELLPOINT INC | 5.875% 15 JUN 2017 | 8,431 | 7,788 |
| WELLS FARGO + CO NEW | 4.95% 16 OCT 2013 | 8,829 | 8,944 |
| WELLS FARGO + CO NEW | 2% 01 APR 2009 | 6,700 | 6,756 |
| WELLS FARGO + CO NEW | 6.375% 01 AUG 2011 | 5,991 | 5,344 |
| WELLS FARGO BK N A | 6.45% 01 FEB 2011 | 5,665 | 5,844 |
| WELLS FARGO BK NATL ASSN | 4.75% 09 FEB 2015 | 9,413 | 10,190 |
| WELLS FARGO CAP XIII | 7.7% 29 DEC 2049 | 16,641 | 13,543 |
| WESTERN FINL BK | 9.625% 15 MAY | | |
| | 2012 | 3,620 | 3,174 |
| WESTERN UN CO | 5.93% 01 OCT 2016 | 8,554 | 7,313 |
| WFS FINL 2005 2 ONER TR | 4.57% 19 NOV 2012 | 3,523 | 3,466 |
| WILLIAMS COS INC | 7.875% 01 SEP 2021 | 2,109 | 1,540 |
| WILLIAMS COS INC | 7.875% 01 SEP 2021 | 2,706 | 1,925 |
| WILLIAMSON CNTY TEX | 6% 15 AUG 2014 | 543 | 539 |
| WILLIS NORTH AMER INC | 6.2% 28 MAR 2017 | 6,317 | 4,394 |
| WISCONSIN ST | 5% 01 MAY 2015 | 1,184 | 1,239 |
| WORLD SVGS BK FSB OAKLAND CA | 1% 22 MAR 2011 | 21,625 | 22,046 |

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| | | | |
|------------------------|--------------------|--------|--------|
| WPP FIN UK | 5.875% 15 JUN 2014 | 3,513 | 3,703 |
| WYETH | 5.5% 01 FEB 2014 | 4,684 | 4,622 |
| WYETH | 5.5% 01 FEB 2014 | 4,728 | 4,704 |
| WYNDHAM WORLDWIDE CORP | 6% 01 DEC 2016 | 7,544 | 3,328 |
| XEROX CORP | 6.4% 15 MAR 2016 | 12,630 | 9,816 |
| XEROX CORP | 9.75% 15 JAN 2009 | 4,560 | 4,325 |
| XEROX CORP | 7.625% 15 JUN 2013 | 1,258 | 1,008 |
| XEROX CORP | 5.5% 15 MAY 2012 | 2,477 | 2,109 |
| XEROX CORP | 5.65% 15 MAY 2013 | 3,590 | 2,845 |
| XL CAP LTD | 5.25% 15 SEP 2014 | 6,468 | 3,747 |
| XTO ENERGY INC | 4.9% 01 FEB 2014 | 13,250 | 12,612 |
| YUM BRANDS INC | 6.875% 15 NOV 2037 | 1,276 | 1,517 |
| ZIONS BANCORP | 5.5% 16 NOV 2015 | 3,195 | 2,279 |

6,063,237

**Baxter Healthcare of Puerto Rico
Savings and Investment Plan**

**Schedule H, Line 4i Schedule of Assets (Held at End of Year)
December 31, 2008**

Schedule I

Registered Investment Companies

| | | | |
|-------------------------------|--------------------------------|---------|---------|
| * PIMCO FDS PAC INV MGMT | Private Acct Portfolio | 128,367 | 113,042 |
| * PIMCO FDS PAC INVT MGMT SER | Short Term Portfolio Instl Cl | 297,000 | 238,306 |
| * PIMCO FDS PAC INVT MGMT SER | U S Govt Sector Port Instl Cl | 640 | 574 |
| * PIMCO FDS PAC INVT MGMT SER | Mtg Portfolio Instl Cl | 25,623 | 24,528 |
| * PIMCO FDS PAC INVT MGMT SER | Emerging Mkts Portfolio | 56,764 | 41,868 |
| * PIMCO FDS PAC INVT MGMT SER | Intl Portfolio Instl Cl | 111,928 | 105,543 |
| * PIMCO FDS PAC INVT MGMT SER | Invst Grade Corp Port Instl Cl | 380,309 | 354,764 |

878,625

**Benefit Responsive Interest Rate
Wrapper Contracts**

| | | | |
|-------------------------------|---------------------|--|--------|
| * AEGON INSTITUTIONAL MARKETS | Open Ended Maturity | | 14,678 |
| * BANK OF AMERICA NT & SA | Open Ended Maturity | | 15,708 |

30,387

Synthetic Guaranteed Investment Contracts (contract value equals \$13,017,344) \$ 13,551,910

Commingled Investments:

| | | | |
|---------------------------|------------------------|--|-----------|
| INTERNATIONAL EAFE EQUITY | Commingled Investments | | |
| * INDEX FUND | | | 1,396,409 |
| * S&P 500 FLAGSHIP FUND | Commingled Investments | | 2,862,574 |
| * SMALL CAP FUND | Commingled Investments | | 846,072 |

Commingled Investments \$ 5,105,055

Registered Investment Companies:

| | | | |
|---------------------------|-------------------------------|--|--------|
| TARGET RETIREMENT 2020 FD | Registered Investment Company | | 2,488 |
| TARGET RETIREMENT 2025 FD | Registered Investment Company | | 10,381 |
| TARGET RETIREMENT 2030 FD | Registered Investment Company | | 1,736 |
| TARGET RETIREMENT 2035 FD | Registered Investment Company | | 10,198 |

| | | |
|---|-------------------------------------|----------------------|
| TARGET RETIREMENT 2040 FD | Registered Investment Company | 11,181 |
| TARGET RETIREMENT 2045 FD | Registered Investment Company | 6,171 |
| TARGET RETIREMENT 2050 FD | Registered Investment Company | 8,412 |
| TARGET RETIREMENT 2110 FD | Registered Investment Company | 485 |
| VANGUARD CHESTER FDS | Registered Investment Company | 1,698 |
| VANGUARD CHESTER FDS | Registered Investment Company | 27,544 |
| Registered Investment Companies | | \$ 80,293 |
| * Participant Loans | Interest Rates Range from 5% to 11% | \$ 3,806,521 |
| Collateral Held on Loaned Securities | | |
| * QUALITY D SHORT-TERM INVESTMENT FUND | | \$ 1,872,925 |
| Total Investments | | \$ 34,662,974 |
| | | |
| * Party-in-interest | | |
| | | |
| ** While the Stable Income Fund, General Equity Fund and Composite Fund investment options are participant-directed, investments these funds are considered non-participant-directed for purposes of reporting within this schedule. All other investments are considered to be participant directed, for which cost information is not required to be reported. | | |

Baxter Healthcare of Puerto Rico
Savings and Investment Plan
Schedule H, Line 4j Schedule of Reportable Transactions
Year Ended December 31, 2008

Schedule II

| Identity of Party Involved | Description of Asset | Purchase Price | Selling Price | Cost of Asset | Current Value of Asset on Transaction Date | Net Gain or (Loss) |
|-------------------------------------|-----------------------------|-----------------------|----------------------|----------------------|---|---------------------------|
| State Street Bank and Trust Company | Short-Term Investment Fund | Interest-bearing cash | \$12,728,583 | \$11,831,226 | \$11,831,226 | \$ |
| United States Treasury | U.S. government securities | 1,537,724 43 | 1,541,126 | 1,529,517 | 1,541,126 | 11,609 |

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

Date: June 29, 2009

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