

BAXTER INTERNATIONAL INC  
 Form 4  
 July 23, 2008

**FORM 4**

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
 MARTIN JOSEPH B

2. Issuer Name and Ticker or Trading Symbol  
 BAXTER INTERNATIONAL INC  
 [BAX]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)  
 07/21/2008

Director  10% Owner  
 Officer (give title below)  Other (specify below)

ONE BAXTER PARKWAY

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

DEERFIELD, IL 60015

(City) (State) (Zip)

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Ownership (Instr. 4)		
				Code	V	Amount				(A) or (D)	Price
Common Stock, \$1 par value	07/21/2008		M			5,760	A	\$ 32.22	7,787	D	
Common Stock, \$1 par value	07/21/2008		M			1,740	A	\$ 36.8	9,527	D	
Common Stock, \$1 par value	07/21/2008		S			3,600	D	\$ 68.45	5,927	D	
Common Stock, \$1 par value	07/21/2008		S			3,000	D	\$ 68.46	2,927	D	

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par value

Common Stock, \$1 par value	07/21/2008	S	100	D	\$ 68.47	2,827	D	
Common Stock, \$1 par value	07/21/2008	S	400	D	\$ 68.48	2,427	D	
Common Stock, \$1 par value	07/21/2008	S	400	D	\$ 68.52	2,027	D	
Common Stock, \$1 par value						7,888	I	By Trust

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (Right to Buy)	\$ 32.22	07/21/2008		M	5,760	05/03/2005 05/02/2014	Common Stock, \$1 par value	5,760
Stock Option (Right to Buy)	\$ 36.8	07/21/2008		M	1,740	05/09/2006 05/04/2015	Common Stock, \$1 par value	1,740

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
MARTIN JOSEPH B ONE BAXTER PARKWAY DEERFIELD, IL 60015		X		

## Signatures

/s/ John M. O'Connor, Attorney-in-Fact for Joseph B.  
Martin

07/23/2008

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

\* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

\*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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