

BAXTER INTERNATIONAL INC

Form 11-K

June 28, 2004

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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 11-K

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

For the year ended December 31, 2003

OR

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

For the transition period from _____ to _____

Commission file number 1-4448

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

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

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

Baxter International Inc.

One Baxter Parkway

Deerfield, IL 60015

(847) 948-2000

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Baxter International Inc.

and Subsidiaries

Incentive Investment Plan

Financial Statements and Supplemental Schedule

December 31, 2003 and 2002

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* Other schedules required by the Section 2520.103-10 of the Department of Labor Rules and Regulations for Reporting and Disclosure under ERISA have been omitted because they are not applicable.

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Report of Independent Registered Public Accounting Firm

To the Participants and Administrative Committee

of the Baxter International Inc. and

Subsidiaries Incentive Investment Plan

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 International Inc. and Subsidiaries Incentive Investment Plan (the Plan) at December 31, 2003 and December 31, 2002, 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 for Investment Purposes is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chicago, Illinois

June 18, 2004

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Statements of Net Assets Available for Benefits****As of December 31, 2003 and 2002**

| | 2003 | 2002 |
|--|-------------------------|-------------------------|
| Assets | | |
| Investments: | | |
| At fair value | | |
| Cash and cash equivalents | \$ 18,305,854 | \$ 51,789,770 |
| Common stock | 426,344,970 | 364,892,227 |
| Fixed income securities | 67,396,181 | 63,080,155 |
| Commingled investments | 237,176,048 | 140,182,396 |
| Participant loans | 30,196,773 | 29,550,104 |
| | <u>779,419,826</u> | <u>649,494,652</u> |
| At contract value | | |
| Guaranteed investment contracts | 547,149,889 | 514,010,372 |
| | <u>547,149,889</u> | <u>514,010,372</u> |
| Total investments | <u>1,326,569,715</u> | <u>1,163,505,024</u> |
| Receivables: | | |
| Accrued interest and dividends | 3,707,941 | 3,781,220 |
| Due from brokers for securities sold | 3,407,478 | 344,875 |
| | <u>7,115,419</u> | <u>4,126,095</u> |
| Total assets | <u>1,333,685,134</u> | <u>1,167,631,119</u> |
| Liabilities | | |
| Accounts payable | 3,055,001 | 1,084,282 |
| Due to brokers for securities purchased | 1,577,827 | 4,329,765 |
| | <u>4,632,828</u> | <u>5,414,047</u> |
| Total liabilities | <u>4,632,828</u> | <u>5,414,047</u> |
| Net assets available for benefits | <u>\$ 1,329,052,306</u> | <u>\$ 1,162,217,072</u> |

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

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Statements of Changes in Net Assets Available for Benefits****For the Years Ended December 31, 2003 and 2002**

| | 2003 | 2002 |
|--|-----------------------------|-----------------------------|
| | <u> </u> | <u> </u> |
| Additions to net assets attributed to: | | |
| Investment income: | | |
| Interest | \$ 33,836,243 | \$ 32,701,846 |
| Participant loan interest | 2,041,464 | 2,409,711 |
| Dividends | 6,333,771 | 5,465,938 |
| Net appreciation in fair value of investments | 123,924,690 | |
| | <u> </u> | <u> </u> |
| | 166,136,168 | 40,577,495 |
| | <u> </u> | <u> </u> |
| Contributions: | | |
| Employer s | 23,169,330 | 21,983,334 |
| Participants | 57,564,561 | 57,331,985 |
| | <u> </u> | <u> </u> |
| | 80,733,891 | 79,315,319 |
| | <u> </u> | <u> </u> |
| Transfers from other plans | 8,696,353 | 1,282,409 |
| | <u> </u> | <u> </u> |
| Total additions | 255,566,412 | 121,175,223 |
| | <u> </u> | <u> </u> |
| Deductions from net assets attributed to: | | |
| Benefits paid | 84,284,175 | 64,787,532 |
| Plan expenses | 4,447,003 | 4,794,813 |
| Net depreciation in fair value of investments | | 231,444,466 |
| | <u> </u> | <u> </u> |
| Total deductions | 88,731,178 | 301,026,811 |
| | <u> </u> | <u> </u> |
| Net increase (decrease) | 166,835,234 | (179,851,588) |
| Net assets available for plan benefits: | | |
| Beginning of year | 1,162,217,072 | 1,342,068,660 |
| | <u> </u> | <u> </u> |
| End of year | \$ 1,329,052,306 | \$ 1,162,217,072 |
| | <u> </u> | <u> </u> |

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

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Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2003 and 2002

1. General Description of the Plan

The following description of the Baxter International Inc. and Subsidiaries Incentive Investment Plan (the Plan) is provided for general information purposes only. Participants should refer to the Plan agreement for more complete information.

The Plan allows tax deferred contributions in compliance with Section 401(k) of the Internal Revenue Code. Eligible participants may make pre-tax contributions of up to 20% of their eligible annual compensation, as defined in the Plan agreement. The Plan sponsor, Baxter International Inc. (Baxter), matches participant contributions up to a maximum of 3% of the employees' compensation. Participant contributions are fully vested at all times. Vesting in the Plan sponsor matching contributions is based on years of continuous service, and a participant vests in annual increments of 20%, for the period ended December 31, 2002. Effective January 1, 2003, the Plan sponsor matching contributions of all participants who are employees on and after January 1, 2003 shall be fully vested and nonforfeitable. Participants may borrow up to the lesser of \$50,000 or 50% of their account balance. The loans are secured by the balance in the participant's account and bear interest at variable rates as outlined in the Plan.

Participants, or their beneficiaries, may elect lump-sum benefit payments or benefits may be paid in installments. Subject to certain provisions specified in the Plan agreement, employed participants may withdraw their pre-tax contributions and related earnings in cases of financial hardship.

When certain terminations of participation in the Plan occur, the nonvested portion of the participant's account, as defined by the Plan agreement, represents a forfeiture. Forfeitures are utilized to reduce Baxter matching contributions for the plan year. However, if the participant is re-employed and fulfills certain requirements, as defined in the Plan agreement, the participant's account will be reinstated. Forfeitures utilized for the periods ended December 31, 2003 and 2002 were \$539,431 and \$268,960, respectively.

Upon enrollment in the Plan, a participant may direct contributions in any of eight investment options: Stable Income Fund, Baxter Common Stock Fund, Composite Fund, General Equity Fund, S&P 500 Equity Index Fund, International EAFE Equity Index Fund, Small Cap Fund and the Self-Managed Fund. In addition, certain participants may maintain shares received in connection with Baxter's 1996 spin-off of Allegiance Corporation (Allegiance), which were subsequently converted into common shares of Cardinal Health Inc. (Cardinal) upon Cardinal's acquisition of Allegiance in 1999. These shares are maintained in the Cardinal Health Common Stock Fund. Additionally, certain participants maintain shares in Edwards Lifesciences Corporation. These shares were placed into the Edwards Lifesciences Common Stock Fund in connection with Baxter's 2000 spin-off of its Cardiovascular Business Group. Participants are not able to make contributions to the Cardinal Health Common Stock Fund or the Edwards Lifesciences Common Stock Fund.

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Incentive Investment Plan

Notes to Financial Statements

December 31, 2003 and 2002

2. Summary of Significant Accounting Policies

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. The valuation of Plan investments is determined as follows:

| | |
|--|---|
| U.S. government and government agency issues | Value based on the last reported sale price from a national security exchange on the valuation date |
| Corporate and other bonds | Value based on the last reported sale price from a national security exchange on the valuation date |
| Common stock: | |
| Traded on national exchanges | Value based on composite pricing of all national closing sales prices on the valuation date |
| Traded on over-the-counter market | Value based on last reported sale price defaulting to bid quotations |
| Commingled investments | Value based on closing prices of the underlying securities on the valuation date |
| Guaranteed Investment Contracts | Value based on contract value |
| Short term investments | Value based on cost which approximates fair value |
| Loan fund | Value based on cost which approximates fair value |

Plan investment return includes dividend and interest income, gains and losses on sales of investments and unrealized appreciation or depreciation of investments. 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.

The Plan's synthetic Guaranteed Investment Contracts are credited monthly with earnings on the underlying investments and charged for Plan withdrawals and expenses. These contracts are fully benefit-responsive and are reported in the financial statements at contract value, which approximates fair value. Contract value represents contributions made under the contracts, plus earnings, less withdrawals and expenses. There are no reserves for credit risk of the contract issuer.

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Baxter International Inc. and Subsidiaries

Incentive Investment Plan

Notes to Financial Statements

December 31, 2003 and 2002

or otherwise. The Plan's two contracts, Baxter Global Wrap Account and Pacific Investment Management Company, utilize wrapper contracts issued by Aegon Institutional Markets and Bank of America NT & SA, respectively. The average yield was 3.9% and 4.1% and the average crediting interest rate was 5.5% and 6.2% for the investment contracts for 2003 and 2002, respectively. The crediting interest rates are based on an agreed-upon formula with the issuers, Aegon Institutional Markets and Bank of America NT & SA, which are reset quarterly and monthly, respectively. These crediting interest rates cannot be less than zero percent.

Benefits are recorded when paid.

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

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Risks and Uncertainties

The Plan provides for various investment options in any combination of registered investment entities, which invest in U.S. government and government agency issues, corporate and other bonds, common stock, commingled investments, 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 statement of net assets available for benefits and the statement of changes in net assets available for benefits. Individual participants' accounts bear the risk of loss resulting from fluctuations in fund values.

3. Eligibility Requirements

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

1. U.S. employees of Baxter or its subsidiaries which have adopted the Plan.
2. U.S. employees not covered by a collective bargaining agreement unless the agreement provides for coverage under the Plan.
3. U.S. employees who are not leased employees.

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Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Notes to Financial Statements****December 31, 2003 and 2002****4. Administration of the Plan**

State Street Bank and Trust Company serves as trustee and CitiStreet LLC serves as record keeper for the Plan.

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

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

5. Investments

Investments representing five percent or more of the Plan's assets at December 31, 2003 and 2002 are summarized as follows:

| | 2003 | 2002 |
|--|----------------|----------------|
| Baxter Common Stock, 4,223,772 shares and 4,888,861 shares at December 31, 2003 and 2002, respectively | \$ 128,909,531 | \$ 136,888,099 |
| S&P 500 Equity Index Fund | 150,059,044 | 100,709,858 |
| State Street Bank Short Term Investment Fund | 82,764,103 | 130,797,797 |

Investments as of December 31, 2003 and 2002 are segregated into various investment funds as follows:

| | 2003 | 2002 |
|--|--------------|-------------|
| Cash | \$ 2,593,983 | \$ 592,183 |
| Stable Income Fund | 556,179,424 | 545,760,359 |
| Baxter Common Stock Fund | 127,543,730 | 139,150,080 |
| Composite Fund | 158,816,346 | 137,716,763 |
| General Equity Fund | 168,792,569 | 128,728,783 |
| Cardinal Health Common Stock Fund | 18,023,560 | 18,796,554 |
| S&P 500 Equity Index Fund | 150,059,044 | 100,709,858 |
| International EAFE Equity Index Fund | 32,558,027 | 16,777,373 |
| Loan Fund | 30,196,773 | 29,550,104 |
| Edwards Lifesciences Common Stock Fund | 10,711,243 | 10,329,552 |

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| | | |
|-------------------|------------------|------------------|
| Small Cap Fund | 42,677,228 | 15,502,075 |
| Self-Managed Fund | 28,417,788 | 19,891,340 |
| | <hr/> | <hr/> |
| Total Investments | \$ 1,326,569,715 | \$ 1,163,505,024 |
| | <hr/> | <hr/> |

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The fund amounts above include \$15,711,871 and \$51,197,587 of cash and cash equivalents at December 31, 2003 and 2002, respectively, which are awaiting investment in their respective portfolios. These amounts are maintained in the State Street Bank Short Term Investment Fund.

Net appreciation (depreciation) for each respective year is comprised of:

| | 2003 | 2002 |
|---|-----------------------|-------------------------|
| Baxter common stock unrealized appreciation (depreciation), net | \$ 11,308,627 | \$ (127,569,227) |
| Other unrealized appreciation (depreciation), net | 109,719,425 | (86,370,403) |
| Baxter common stock realized (loss) gain, net | (1,260,241) | 9,419,606 |
| Other realized gain (loss), net | 4,156,879 | (26,924,442) |
| | <u>\$ 123,924,690</u> | <u>\$ (231,444,466)</u> |

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

| | 2003 | 2002 |
|--|-----------------------|-------------------------|
| U.S. government and government agency issues | \$ (396,974) | \$ 1,621,062 |
| Corporate and other bonds | 1,695,092 | 974,799 |
| Commingled investments | 50,556,704 | (41,013,978) |
| Common stock | 72,069,868 | (193,026,349) |
| | <u>\$ 123,924,690</u> | <u>\$ (231,444,466)</u> |

6. Plan Termination

Although it has not expressed any intent to do so, the Company 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 of Plan termination, participants would become fully vested and such termination would not reduce the interest of any participating employee or their beneficiaries accrued under the Plan up to the date of such termination.

7. Tax Status of the Plan

The Internal Revenue Service has determined and informed the Plan sponsor by a letter dated October 1, 2003 that the Plan is designed in accordance with applicable sections of the Internal Revenue Code (the "IRC"). The Plan has been amended since the date of the determination letter. The Plan sponsor believes that the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC. Therefore, no provision for income taxes has been included in the Plan's financial statements.

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8. Related Parties

At December 31, 2003 and 2002, the Plan held units of participation in certain common/collective trust funds and short term investment funds of State Street Bank and Trust Company, the Plan trustee, shares of common stock of Baxter, the Plan sponsor, loans with participants, and shares of common stock and fixed income securities in CitiGroup Inc., CitiBank Mortgage Securities Inc., CitiBank Credit Card Issuance Trust, Travelers Property Casualty Corporation, and CitiBank Credit Card Master Trust I, which are all affiliated with CitiStreet LLC, the record keeper. These transactions are allowable party-in-interest transactions under the Employee Retirement Income Security Act of 1974 and the regulations promulgated thereunder.

9. Plan Mergers

During 2002, Baxter acquired Epic Therapeutics, Inc. The Epic Therapeutics, Inc. 401(k) Plan was merged into the Plan effective December 2003. As a result of this merger, total assets of approximately \$1.0 million were transferred into the Plan.

In December 2002, Baxter acquired ESI Lederle. The American Home Projects Corporation Savings Plan (Wyeth 401(k) Plan) was merged into the Plan effective February 2003. As a result of this merger, total assets of approximately \$7.7 million were transferred into the Plan.

In May 2002, Baxter acquired Fusion Medical Technologies, Inc. The Fusion Medical Technologies, Inc. 401(k) Plan was merged into the Plan effective September 2002. As a result of this merger, total assets of approximately \$1.3 million were transferred into the Plan.

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule of Assets (Held at End of Year) at December 31, 2003
(Schedule H, Part IV, Line 4i on Form 5500)

Exhibit I
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| <u>Identity of Issue</u> | <u>Description of Investment</u> | <u>Current Value</u> |
|-------------------------------------|----------------------------------|----------------------|
| Cash & Cash Equivalents: | | |
| * State Street Bank & Trust Co. | Short Term Investment Fund | \$ 18,305,854 |
| Common Stocks: | | |
| 3Com Corp | Common Stock | 4,902 |
| 3M Company | Common Stock | 12,329 |
| 8X8 Inc | Common Stock | 12,794 |
| Abbott Laboratories | Common Stock | 555,175 |
| Abercrombie & Fitch Co | Common Stock | 2,471 |
| Abn Amro | Common Stock | 2,348 |
| Accenture Ltd | Common Stock | 4,606 |
| Acclaim Entmt Inc | Common Stock | 1,950 |
| Adams Express Company | Common Stock | 54,703 |
| Adaptec Inc | Common Stock | 1,326 |
| Adaptive Broadband Corp | Common Stock | 2 |
| ADC Telecommunications Inc | Common Stock | 696,499 |
| Adept Technology Inc | Common Stock | 2,800 |
| Advanced Micro Devices Inc | Common Stock | 94,913 |
| Advanced Optics Electronics Inc | Common Stock | 65 |
| Advanced Semiconductor Engr Inc | Common Stock | 10,100 |
| Advancepcs | Common Stock | 26,395 |
| Advanta Corp | Common Stock | 3,233 |
| Aeterna Laboratories | Common Stock | 33,895 |
| Aetna Inc | Common Stock | 1,403,604 |
| Affymetrix Inc | Common Stock | 2,461 |
| Aflac Inc | Common Stock | 23,711 |
| Agere Systems | Common Stock | 9,176 |
| Airmet Commun Corp | Common Stock | 808 |
| Airtran Hldgs Inc | Common Stock | 2,380 |
| Akamai Tech | Common Stock | 3,583 |
| Aksys Ltd | Common Stock | 7,497 |
| Alaris Medical Inc | Common Stock | 380,463 |
| Alcon Inc | Common Stock | 826,282 |
| Alkermes Inc | Common Stock | 13,500 |
| Alliance Pharmaceutical Corp | Common Stock | 932 |
| Allos Therapeutics Inc | Common Stock | 6,390 |
| Alteon Inc | Common Stock | 57,305 |
| Altria Group Inc | Common Stock | 2,132,822 |
| Amarin Corp Plc | Common Stock | 616 |
| Amazon.Com Inc | Common Stock | 10,524 |
| Ambac Finl Group Inc | Common Stock | 754,912 |
| Amdocs Limited | Common Stock | 4,496 |
| Amer Intl Group Inc | Common Stock | 33,140 |
| American Capital Strategies | Common Stock | 7,433 |
| American Electric Power Inc | Common Stock | 3,002,426 |
| American Intl Group Inc | Common Stock | 3,231,740 |

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| | | |
|---------------------------------------|--------------|-----------|
| American Pharmaceuticals Partners Inc | Common Stock | 9,408 |
| American Std Cos Inc | Common Stock | 806,718 |
| Amerigon Inc | Common Stock | 4,322 |
| Amgen Inc | Common Stock | 3,074,359 |
| Amr Corp | Common Stock | 6,475 |
| Amylin Pharm Inc | Common Stock | 778 |
| Andrea Electronics Corp | Common Stock | 318 |
| Anheuser Busch Cos | Common Stock | 5,005 |
| Anthem Inc | Common Stock | 2,550 |
| Antigenics Inc | Common Stock | 105,462 |
| Apex Silver Mines Limited | Common Stock | 4,180 |
| Apollo Group Inc | Common Stock | 10,172 |
| Apple Computer Inc | Common Stock | 8,548 |
| Applera Corp | Common Stock | 18,052 |
| Applied Digital Solutions Inc | Common Stock | 49,846 |
| Applied Imaging Corp | Common Stock | 1,510 |
| Applied Materials Inc | Common Stock | 1,623,591 |
| Applied Micro Circuits Corp | Common Stock | 1,642 |
| APT Satellite Holding Ltd | Common Stock | 1,428 |
| Aquantive Inc | Common Stock | 5,125 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule of Assets (Held at End of Year) at December 31, 2003
(Schedule H, Part IV, Line 4i on Form 5500)

Exhibit I
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| Identity of Issue | Description of Investment | Current Value |
|---------------------------------|----------------------------------|----------------------|
| Aradigm Corp | Common Stock | 4,190 |
| Archer Daniels Midland | Common Stock | 1,598 |
| Ariba Inc | Common Stock | 66,375 |
| Arm Holdings Plc | Common Stock | 4,554 |
| Arrow Electronics Inc | Common Stock | 1,527,153 |
| Arrow Finl Corp | Common Stock | 4,148 |
| Artemis Intl Solutions Corp | Common Stock | 160 |
| Asia Pulp & Paper Co | Common Stock | 140 |
| Astropower Inc | Common Stock | 86 |
| ASV Inc | Common Stock | 3,725 |
| At Road Inc | Common Stock | 1,995 |
| AT&T Corp | Common Stock | 14,210 |
| AT&T Wireless Svcs Inc | Common Stock | 12,065 |
| ATI Technologies Inc | Common Stock | 3,024 |
| Atlantic Tele Netwrk Inc | Common Stock | 2,805 |
| ATSI Communications Inc | Common Stock | 150 |
| ATX Communications Inc | Common Stock | 28 |
| Audiocodes Ltd | Common Stock | 12,528 |
| Autoimmune Inc | Common Stock | 24,490 |
| Automatic Data Processing Inc | Common Stock | 14,062 |
| Avaya Inc | Common Stock | 3,235 |
| Aventis | Common Stock | 589,795 |
| Avid Technology Inc | Common Stock | 9,600 |
| Avitar Inc | Common Stock | 1,150 |
| Avnet Inc | Common Stock | 929,726 |
| Avon Prods Inc | Common Stock | 1,288,261 |
| Backweb Technologies Ltd | Common Stock | 4,401 |
| Baker Hughes Inc | Common Stock | 485,181 |
| Ballard Pwr Sys Inc | Common Stock | 2,839 |
| Bank Amer Corp | Common Stock | 3,523,942 |
| Bank Of The Ozarks | Common Stock | 2,478 |
| Baxter Intl Inc | Common Stock | 128,909,531 |
| Bea Systems Inc | Common Stock | 12,423 |
| Bed Bath & Beyond Inc | Common Stock | 1,221,577 |
| Bema Gold Corp | Common Stock | 40,920 |
| Berkeley Technology Ltd | Common Stock | 376 |
| Berkshire Hathaway Inc | Common Stock | 2,687,040 |
| Best Buy Inc | Common Stock | 23,508 |
| Beverly Enterprises Inc | Common Stock | 3,436 |
| Beyond Corp | Common Stock | 79 |
| Big Lots Inc | Common Stock | 1,421 |
| Biocryst Pharmaceuticals Inc | Common Stock | 13,700 |
| Biogen Idec Inc | Common Stock | 49,729 |
| Biomerica Inc | Common Stock | 5,320 |
| Biomet Inc | Common Stock | 3,622 |
| Biosite Diagnostics Inc | Common Stock | 2,895 |
| Bisys Group Inc | Common Stock | 298 |
| Black Box Corp | Common Stock | 4,606 |
| Block H & R Inc | Common Stock | 11,318 |
| Boots & Coots Intl Well Ctl Inc | Common Stock | 1,260 |

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| | | |
|--------------------------------|--------------|-----------|
| Boston Biomedica Inc | Common Stock | 10,520 |
| Boston Scientific | Common Stock | 877,856 |
| Bp Amoco Plc | Common Stock | 10,286 |
| BP PLC | Common Stock | 629,628 |
| Bradley Pharmacetls Inc | Common Stock | 1,526 |
| Brightpoint Inc | Common Stock | 3,450 |
| Bristol Myers Squibb | Common Stock | 8,155 |
| Britesmile Inc | Common Stock | 660 |
| BroadCom Corp | Common Stock | 1,147,201 |
| Brocade Communications Sys Inc | Common Stock | 1,792 |
| Bsi2000 Inc | Common Stock | 800 |
| Burlington Northn Santa Fe | Common Stock | 1,500,563 |
| Cable & Wireless Plc | Common Stock | 3,785 |
| California Amplifier | Common Stock | 226,893 |
| Caliper Technologies Corp | Common Stock | 98,788 |
| Calpine Corp | Common Stock | 40,356 |
| Cambior Inc | Common Stock | 3,100 |
| Candies Inc | Common Stock | 2,100 |
| Cannon Express Inc | Common Stock | 175 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule of Assets (Held at End of Year) at December 31, 2003
(Schedule H, Part IV, Line 4i on Form 5500)

Exhibit I
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| Identity of Issue | Description of Investment | Current Value |
|---|----------------------------------|----------------------|
| Capstead Mtg Corp | Common Stock | 18,458 |
| Cardiac Science Inc | Common Stock | 1,197 |
| Cardinal Health Inc | Common Stock | 18,314,343 |
| Caremark Rx Inc | Common Stock | 341,263 |
| Carreker Antinori Inc | Common Stock | 2,802 |
| Carrier Access Corp | Common Stock | 2,508 |
| Caseys Gen Stores Inc | Common Stock | 706 |
| Castelle | Common Stock | 5,652 |
| Caterpillar Inc | Common Stock | 24,906 |
| Cath Systems Inc | Common Stock | 6,552 |
| CDW Corp | Common Stock | 20,320 |
| Celestica Inc | Common Stock | 15,070 |
| Cell Genesys Inc | Common Stock | 767 |
| Celsion Corp | Common Stock | 6,550 |
| Central Securities Corp | Common Stock | 6,267 |
| Centurytel Inc | Common Stock | 1,113,038 |
| Cerus Corp | Common Stock | 33,029 |
| Charter Comm Inc | Common Stock | 2,010 |
| Chattem Inc | Common Stock | 3,974 |
| Check Point Software Tech Ltd | Common Stock | 11,802 |
| Chesapeake Energy Corporation Oklahoma | Common Stock | 643,692 |
| Chevrontexaco Corp | Common Stock | 8,639 |
| Chicago Mercantile Exchange Hldgs Inc | Common Stock | 2,171 |
| Chicos Fas Inc | Common Stock | 4,914 |
| China Life Ins Co Ltd | Common Stock | 3,627 |
| China Mobile Hong Kong Ltd | Common Stock | 6,212 |
| China Petroleum & Chem Corp | Common Stock | 1,036 |
| China Telecom Corp Ltd | Common Stock | 24,486 |
| China.Com Corp | Common Stock | 38,736 |
| Chiron Corp | Common Stock | 5,698 |
| Chromavision Med Sys Inc | Common Stock | 7,497 |
| Chubb Corp | Common Stock | 4,350,976 |
| Ciena Corp | Common Stock | 11,250 |
| Cigna Corp | Common Stock | 1,251,116 |
| Ciphergen Biosystems Inc | Common Stock | 4,572 |
| Cisco Sys Inc | Common Stock | 4,459,678 |
| * Citigroup Inc | Common Stock | 6,123,267 |
| Citizens Communications Co | Common Stock | 1,001,120 |
| Clarent Corp | Common Stock | 2 |
| Clear Channel Communications | Common Stock | 1,250,532 |
| Cleveland Cliffs Inc | Common Stock | 5,095 |
| Cmg Information Svcs Inc | Common Stock | 9,790 |
| Cms Energy Corp | Common Stock | 1,072 |
| Cnooc Ltd | Common Stock | 6,358 |
| Coach Inc | Common Stock | 11,325 |
| Coca Cola Co | Common Stock | 5,098 |
| Coeur D Alene Mines Corp | Common Stock | 3,468 |
| Cohen & Steers Advantage Income Rlty Fd Inc | Common Stock | 4,850 |
| Colgate Palmolive Co | Common Stock | 153,452 |
| Comcast Corp | Common Stock | 4,424,083 |

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| | | |
|----------------------------------|--------------|-----------|
| Comdisco Hldg Co Inc | Common Stock | 663 |
| Comerica Inc | Common Stock | 914,838 |
| Commtouch Software Ltd | Common Stock | 415 |
| Compass Bancshares Inc | Common Stock | 4,034 |
| Computerized Thermal Imaging Inc | Common Stock | 780 |
| Conagra Inc | Common Stock | 5,278 |
| Concord Efs Inc | Common Stock | 11,130 |
| Conexant Sys Inc | Common Stock | 6,710 |
| Conocophillips | Common Stock | 4,985,095 |
| Consolidated Tomoka Ld Co | Common Stock | 3,270 |
| Continental Airls Inc | Common Stock | 2,847 |
| Cooper Companies Inc | Common Stock | 4,996 |
| Cooper Industries Ltd | Common Stock | 1,122,966 |
| Cooper Tire & Rubr Co | Common Stock | 888,104 |
| Corautus Genetics Inc | Common Stock | 959 |
| Corinthian Colleges Inc | Common Stock | 4,274 |
| Cornerstone Total Return Fd Inc | Common Stock | 9,154 |
| Corning Inc | Common Stock | 526,892 |
| Corvis Corp | Common Stock | 42,500 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule of Assets (Held at End of Year) at December 31, 2003
(Schedule H, Part IV, Line 4i on Form 5500)

Exhibit I
Page 4 of 25

| Identity of Issue | Description of Investment | Current Value |
|--------------------------------|----------------------------------|----------------------|
| Costco Wholesale Corp | Common Stock | 6,692 |
| Cott Corp Que | Common Stock | 28,010 |
| Countrywide Credit Ind Inc | Common Stock | 17,892 |
| Countrywide Finl Corp | Common Stock | 450,105 |
| Covad Communications Group Inc | Common Stock | 334 |
| Coventry Health Care Inc | Common Stock | 4,192 |
| Creative Host Services Inc | Common Stock | 31,800 |
| Critical Path Inc | Common Stock | 532 |
| Crown Holdings Inc | Common Stock | 512,544 |
| CSX Corp | Common Stock | 2,274,914 |
| Curis Inc | Common Stock | 4,500 |
| Cyber-Care Inc | Common Stock | 20 |
| Cygnus Inc | Common Stock | 120 |
| Cymer Inc | Common Stock | 4,619 |
| Cytogen Corp | Common Stock | 2,176 |
| Cytoc Corp | Common Stock | 1,384 |
| Daimlerchrysler | Common Stock | 5,046 |
| Dan River Inc | Common Stock | 876 |
| Dana Corp | Common Stock | 1,097,990 |
| Data Race Inc | Common Stock | 4 |
| Datastream Systems Inc | Common Stock | 981 |
| Datatec Systems Inc | Common Stock | 700 |
| Datatrak Intl Inc | Common Stock | 303 |
| Deere & Company | Common Stock | 24,715 |
| Denbury Res Inc | Common Stock | 1,391 |
| Dendreon Corp | Common Stock | 16,120 |
| Devon Energy Corporation | Common Stock | 1,274,210 |
| Diamonds Trust Ser I | Common Stock | 13,071 |
| Digi Intl Inc | Common Stock | 624 |
| Digital Angel Corp | Common Stock | 853 |
| Digital Lightwave Inc | Common Stock | 6,521 |
| Dillard Inc | Common Stock | 3,292 |
| Dime Bancorp Inc | Common Stock | 850 |
| Diomed Hlds Inc | Common Stock | 1,682 |
| Disney Walt Co | Common Stock | 45,190 |
| Dollar Gen Corp | Common Stock | 48,616 |
| Dot Hill Sys Corp | Common Stock | 1,515 |
| Dow Chemical Co | Common Stock | 16,628 |
| Dst Systems Inc | Common Stock | 4,176 |
| Du Pont E I De Nemours & Co | Common Stock | 4,866 |
| Ducommun Inc | Common Stock | 224 |
| Duke Energy Corp | Common Stock | 143,150 |
| Durban Roodeport Deep | Common Stock | 476 |
| Dynegy Inc Hldg Co | Common Stock | 12,660 |
| E Loan Inc | Common Stock | 11,026 |
| E M C Corp Mass | Common Stock | 152,508 |
| Eagle Supply Group Inc | Common Stock | 2,620 |
| Earthshell Corp | Common Stock | 149 |
| Eastman Kodak Co | Common Stock | 19,253 |
| Eb2B Commerce Inc | Common Stock | 13 |

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|---------------------------------|--------------|------------|
| EBay Inc | Common Stock | 2,372,186 |
| Echostar Communications | Common Stock | 6,798 |
| Edge Pete Corp | Common Stock | 2,024 |
| Edwards Lifesciences Corp | Common Stock | 10,377,779 |
| El Paso Corp | Common Stock | 246 |
| Elan Corp Plc | Common Stock | 2,067 |
| Eldorado Gold Corp | Common Stock | 38,520 |
| Electronic Arts Inc | Common Stock | 1,838,285 |
| EMC Corp | Common Stock | 819,082 |
| Emulex Corp | Common Stock | 3,655 |
| Encysive Pharmaceuticals Inc | Common Stock | 1,074 |
| Engelhard Corp | Common Stock | 59,243 |
| Enova Systems Inc | Common Stock | 2,300 |
| Enpro Inds Inc | Common Stock | 377 |
| Enron Corp | Common Stock | 141 |
| Entergy Corp | Common Stock | 2,039,757 |
| Entravision Communications Corp | Common Stock | 1,665 |
| Eon Labs Inc | Common Stock | 3,821 |
| Epicor Software Corp | Common Stock | 133,980 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule of Assets (Held at End of Year) at December 31, 2003
(Schedule H, Part IV, Line 4i on Form 5500)

Exhibit I
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| Identity of Issue | Description of Investment | Current Value |
|----------------------------------|----------------------------------|----------------------|
| Epimmune Inc | Common Stock | 136 |
| Equifax Inc | Common Stock | 1,262,222 |
| Eresearch Technology Inc | Common Stock | 20,717 |
| Ericsson L M Tel Co | Common Stock | 27,329 |
| Establishments | Common Stock | 1,276 |
| Exxon Mobil Corp | Common Stock | 27,215 |
| Federal Home Ln Mtg Corp | Common Stock | 1,730,397 |
| Federal National Mtg Association | Common Stock | 3,882,552 |
| Federated Dept Stores Inc | Common Stock | 764,449 |
| Fedex Corp | Common Stock | 37,968 |
| Fiity Natl Finl Inc | Common Stock | 9,889 |
| Filenet Corp | Common Stock | 5,416 |
| First Data Corp | Common Stock | 2,794 |
| Fleetboston Finl Corp | Common Stock | 1,325,347 |
| Flextronics International Ltd | Common Stock | 1,227,427 |
| Food Technology Svcs Inc | Common Stock | 530 |
| Forbes Medi-Tech Inc | Common Stock | 31,725 |
| Ford Mtr Co | Common Stock | 25,664 |
| Forest Laboratories Inc | Common Stock | 316,795 |
| Fortune Brands Inc | Common Stock | 2,145 |
| Foster Wheeler Ltd | Common Stock | 2,525 |
| Forward | Common Stock | 1,680 |
| Fresh Monte Produce Inc | Common Stock | 62 |
| Frontline Ltd | Common Stock | 10,443 |
| Fuel-Tech N V | Common Stock | 3,550 |
| Gallagher Arthur J & Co | Common Stock | 16,245 |
| Garmin Ltd | Common Stock | 5,501 |
| Gateway Inc | Common Stock | 6,440 |
| Gemstar Tv Guide Intl Inc | Common Stock | 1,522 |
| Genaera Corp | Common Stock | 22,890 |
| Genentech Inc | Common Stock | 29,662 |
| General Dynamics | Common Stock | 5,604 |
| General Electric Co | Common Stock | 6,293,553 |
| General Mills Inc | Common Stock | 13,590 |
| General Motors Corp | Common Stock | 2,701 |
| Genesis Microchip Inc | Common Stock | 4,513 |
| Genuine Parts Co | Common Stock | 476,116 |
| Georgia Pac Corp | Common Stock | 1,622,836 |
| Geron Corp | Common Stock | 9,970 |
| Getty Images Inc | Common Stock | 2,507 |
| Gilead Sciences Inc | Common Stock | 530,378 |
| GlaxoSmithKline PLC | Common Stock | 2,701,947 |
| Global High Inc Dlr Fd Inc | Common Stock | 3,486 |
| Golden Star Res Ltd Cda | Common Stock | 33,108 |
| Golden West Finl Corp | Common Stock | 1,765,594 |
| Goldman Sachs Group Inc | Common Stock | 1,215,378 |
| Goodrich B F Co | Common Stock | 4,296 |
| Great Basin Gold Ltd | Common Stock | 5,240 |
| Guilford Pharmaceutical Inc | Common Stock | 13,560 |
| Gymboree Corp | Common Stock | 3,446 |

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|--------------------------------|--------------|-----------|
| H & Q Life Sciences Invs | Common Stock | 140 |
| Haemonetics Corp | Common Stock | 23,890 |
| Halliburton Co | Common Stock | 1,208,588 |
| Hancock John Pfd Equity Income | Common Stock | 18,305 |
| Harley Davidson Inc | Common Stock | 8,128 |
| Harmony Gold Mining Co Ltd | Common Stock | 24,345 |
| Headwaters Inc | Common Stock | 23,412 |
| Healthtronics Inc | Common Stock | 2,413 |
| Henry Jack & Assoc Inc | Common Stock | 3,828 |
| Heska Corp | Common Stock | 4,598 |
| Hewitt Associates Inc | Common Stock | 29,900 |
| Hewlett Packard Co | Common Stock | 4,809,072 |
| Hibernia Foods Plc | Common Stock | 860 |
| Home Depot Inc | Common Stock | 148,591 |
| Honda Motor Ltd | Common Stock | 1,101,526 |
| Honeywell Intl Inc | Common Stock | 15,083 |
| Hot Topic Inc | Common Stock | 7,952 |
| Hovanian Enterprise Inc | Common Stock | 18,457 |
| HSBC Holdings Plc | Common Stock | 21,045 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule of Assets (Held at End of Year) at December 31, 2003
(Schedule H, Part IV, Line 4i on Form 5500)

Exhibit I
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| Identity of Issue | Description of Investment | Current Value |
|---|----------------------------------|----------------------|
| I2 Tech Inc | Common Stock | 1,803 |
| Icos Corp | Common Stock | 42,229 |
| Identix Inc | Common Stock | 445 |
| Ikon Office Solution Inc | Common Stock | 356 |
| Imax Corp | Common Stock | 1,582 |
| Imclone Sys Inc | Common Stock | 3,966 |
| Immunogen Inc | Common Stock | 6,015 |
| Immunomedics Inc | Common Stock | 2,280 |
| Impco Technologies Inc | Common Stock | 8,720 |
| Inamed Corp | Common Stock | 6,487 |
| Incyte Pharmaceuticals Inc | Common Stock | 34,200 |
| Indevus Pharmaceuticals Inc | Common Stock | 47,200 |
| Infospace Inc | Common Stock | 692 |
| Ing Groep | Common Stock | 25,751 |
| Ingram Micro Inc | Common Stock | 232,737 |
| Innodata Corp | Common Stock | 660 |
| Input/Output Inc | Common Stock | 2,661 |
| Integrated Circuit System Inc | Common Stock | 2,850 |
| Intel Corp | Common Stock | 5,966,302 |
| Interland Inc | Common Stock | 653 |
| Interliant Inc | Common Stock | 3 |
| Internap Network Svcs Corp | Common Stock | 14,700 |
| Internet Cap Group Inc | Common Stock | 2,243 |
| Internet Initiative Inc | Common Stock | 4,100 |
| Interpublic Group Cos Inc | Common Stock | 1,620,022 |
| Intl Game Technology | Common Stock | 14,342 |
| Intrado Inc | Common Stock | 1,646 |
| Intraware Inc | Common Stock | 2,484 |
| Ion Networks Inc | Common Stock | 20 |
| Iridex Corp | Common Stock | 1,090 |
| Irvine Sensors Corporation | Common Stock | 3,390 |
| Isco Intl Inc | Common Stock | 4,565 |
| Ishares Tr Dow Jones U S Healthcare Sector Index Fd | Common Stock | 17,094 |
| Ishares Tr Dow Jones Us Finl Sector Index Fd | Common Stock | 33,015 |
| Ishares Tr Nasdaq Biotechnology Index Fd | Common Stock | 35,975 |
| Ishares Tr S&P 500 Index Fd | Common Stock | 44,488 |
| Ishares Tr S&P Smallcap 600/Barra Value Index Fd | Common Stock | 12,569 |
| Ivanhoe Energy | Common Stock | 17,952 |
| J.P. Morgan Chase & Co | Common Stock | 852,416 |
| Jabil Circuit Inc | Common Stock | 5,660 |
| JDS Uniphase Corp | Common Stock | 94,323 |
| Johnson & Johnson | Common Stock | 1,336,336 |
| JS Global Comm Inc | Common Stock | 12,395 |
| Juniper Networks Inc | Common Stock | 291,225 |
| Kimberly Clark Corp | Common Stock | 11,941 |
| King Pharmaceuticals Inc | Common Stock | 2,960 |
| Kinross Gold Corp | Common Stock | 38,352 |
| Knight Trading Group Inc | Common Stock | 1,759 |
| Koala Corp | Common Stock | 7 |
| Kohls Corp | Common Stock | 125,832 |

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| | | |
|----------------------------------|--------------|-----------|
| Kraft Foods Inc | Common Stock | 16,110 |
| Krispy Kreme Doughnuts Inc | Common Stock | 59,036 |
| L 3 Communications Holding Corp | Common Stock | 1,244,509 |
| L Inc | Common Stock | 3,664,363 |
| Laboratory Corp Amer Hldgs | Common Stock | 1,321,143 |
| Labranche & Co | Common Stock | 3,501 |
| Ladenburg Thalmann Finl Svcs Inc | Common Stock | 2,800 |
| Lajolla Pharmaceutical Co | Common Stock | 426 |
| Lannett Inc | Common Stock | 3,362 |
| Large Scale Biology Corp | Common Stock | 1,842 |
| Latin Amer Discovery Fd Inc | Common Stock | 1,279 |
| Leap Wireless Intl Inc | Common Stock | 50 |
| Leapfrog Enterprises Inc | Common Stock | 6,633 |
| Lear Corp | Common Stock | 1,103,955 |
| Lehman Brothers Hldgs Inc | Common Stock | 2,459,194 |
| Lennar Corp | Common Stock | 10,552 |
| Liberate Techs Inc | Common Stock | 610 |
| Liberty Media Corp | Common Stock | 1,805,083 |
| Lifecell Corp | Common Stock | 1,116 |

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Baxter International Inc. and Subsidiaries
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(Schedule H, Part IV, Line 4i on Form 5500)

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| Identity of Issue | Description of Investment | Current Value |
|-------------------------------------|----------------------------------|----------------------|
| Lifestream Technologies Inc | Common Stock | 420 |
| Ligand Pharmaceutl Inc | Common Stock | 2,938 |
| Lightpath Technologies Inc | Common Stock | 798 |
| Lilly Eli & Co | Common Stock | 703 |
| Linear Technology Corp | Common Stock | 3,366 |
| Linux Gold Corp | Common Stock | 250 |
| Lockheed Martin Corp | Common Stock | 17,990 |
| Looksmart Ltd | Common Stock | 9,300 |
| Loral Space & Communications Ltd | Common Stock | 36 |
| Lowes Companies | Common Stock | 3,586,003 |
| LSI Logic Corp | Common Stock | 11,088 |
| Lubrizol Corp | Common Stock | 1,309,037 |
| Lucent Tech Inc | Common Stock | 84,703 |
| Magna International Inc | Common Stock | 1,274,660 |
| Marathon Oil Corp | Common Stock | 1,390,890 |
| Marchfirst Inc | Common Stock | 1 |
| Marconi Plc | Common Stock | 90 |
| Marvel Enterprises Inc | Common Stock | 9,315 |
| Marvell Technology Group Ltd | Common Stock | 495,181 |
| Massmutual Partn Invs | Common Stock | 23,300 |
| Maxim Integrated Prods Inc | Common Stock | 1,295,365 |
| Maxtor Corp | Common Stock | 5,550 |
| May Dept Stores Co | Common Stock | 2,044,192 |
| Maytag Corp | Common Stock | 2,785 |
| MBIA Inc | Common Stock | 732,249 |
| MBNA Corp | Common Stock | 3,298,322 |
| Mcdata Corp | Common Stock | 13,537 |
| McDonalds Corp | Common Stock | 1,098,890 |
| Meadwestvaco Corp | Common Stock | 1,347,595 |
| Medimmune Inc | Common Stock | 51,902 |
| Medtronic Inc | Common Stock | 2,730,744 |
| Memry Corp | Common Stock | 1,750 |
| Merck and Company Inc | Common Stock | 1,148,481 |
| Merrill Lynch & Co | Common Stock | 2,158,129 |
| Mesa Air Group Inc | Common Stock | 2,149 |
| Metlife Inc | Common Stock | 1,145,873 |
| Metro Goldwyn Mayer Inc | Common Stock | 1,709 |
| Metromedia Fiber Network Inc | Common Stock | 1 |
| MGI Pharma Inc | Common Stock | 4,115 |
| Micromuse Inc | Common Stock | 6,900 |
| Microsoft Corp | Common Stock | 6,138,410 |
| Microtek Med Hldgs Inc | Common Stock | 9,200 |
| Millennium Cell Inc | Common Stock | 2,353 |
| Millennium Chemicals Inc | Common Stock | 469,027 |
| Millennium Pharm Inc | Common Stock | 59,680 |
| Mindspeed Technologies Inc | Common Stock | 795 |
| Minefinders Ltd Corp | Common Stock | 8,250 |
| Mirant Corp | Common Stock | 4 |
| Monsanto Co | Common Stock | 979 |
| Morgan St Dean Witter Discover & Co | Common Stock | 2,384,054 |

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| | | |
|-------------------------------------|--------------|-----------|
| Motorola Inc | Common Stock | 116,230 |
| Mpower Holding Corp | Common Stock | 120 |
| Murphy Oil Corp | Common Stock | 3,266 |
| Nanogen Inc | Common Stock | 901 |
| Nasdaq 100 Tr Unit | Common Stock | 65,190 |
| National City Corp | Common Stock | 2,057,687 |
| Neoforma Inc | Common Stock | 10,640 |
| Netflix Com Inc | Common Stock | 1,094 |
| Network Appliance Corp | Common Stock | 1,635 |
| New Brunswick Scientific Co | Common Stock | 1,100 |
| New Century Finl Corp | Common Stock | 3,967 |
| New Millennium Media | Common Stock | 455 |
| New York Community Bancorp | Common Stock | 3,805 |
| Newell Rubbermaid Inc | Common Stock | 4,554 |
| Nextel Comm Inc | Common Stock | 93,103 |
| Nissan Mtr Ltd | Common Stock | 2,310 |
| Nokia Corp | Common Stock | 2,263,966 |
| Noranda Inc | Common Stock | 3,172 |
| Nordic American Tanker Shipping Ltd | Common Stock | 1,505 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
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(Schedule H, Part IV, Line 4i on Form 5500)

Exhibit I
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| Identity of Issue | Description of Investment | Current Value |
|--|----------------------------------|----------------------|
| Norfolk Southn Corp | Common Stock | 3,011,518 |
| Nortel Networks Corp | Common Stock | 1,546,821 |
| North American Palladium Ltd | Common Stock | 2,379 |
| Northfield Laboratories Inc | Common Stock | 23,135 |
| Northrop Grumman Corp | Common Stock | 99 |
| Novagold Resources | Common Stock | 1,494 |
| Novartis | Common Stock | 24,643 |
| Novell Inc | Common Stock | 1,053 |
| NPS Pharmaceuticals Inc | Common Stock | 61,360 |
| NTL Inc | Common Stock | 6,975 |
| Nutrition 21 Inc | Common Stock | 800 |
| Nuveen Quality Pfd Income Fd 2 | Common Stock | 157,206 |
| Nuvelo Inc | Common Stock | 5,250 |
| Nvidia Corp | Common Stock | 22,736 |
| O Charleys Inc | Common Stock | 3,590 |
| O Reilly Automotive Inc | Common Stock | 11,568 |
| Occidental Petroleum Corp | Common Stock | 3,687,405 |
| OM Group Inc | Common Stock | 393 |
| OMI Corporation | Common Stock | 11,609 |
| Omnicare Inc | Common Stock | 1,058,587 |
| Omnivision Technologies Inc | Common Stock | 48,344 |
| Oncolytics Biotech Inc | Common Stock | 10,664 |
| Opentv Corp | Common Stock | 585 |
| Oracle Corporation | Common Stock | 144,485 |
| Orchid Biosciences Inc | Common Stock | 370 |
| Owens Ill Inc | Common Stock | 559,752 |
| P F Changs China Bistro Inc | Common Stock | 1,781 |
| Paccar Inc | Common Stock | 8,512 |
| Pacific Sunwear Calif Inc | Common Stock | 12,027 |
| Packeteer Inc | Common Stock | 5,094 |
| Pain Therapeutics Inc | Common Stock | 2,085 |
| Palmone Inc | Common Stock | 45,684 |
| Palmsource Inc | Common Stock | 9,753 |
| Pan American Silver Corp | Common Stock | 22,165 |
| Paradyne Networks Inc | Common Stock | 35,019 |
| Parametric Tech Corp | Common Stock | 4,334 |
| Parker Drilling Co | Common Stock | 765 |
| Patina Oil & Gas Crp | Common Stock | 6,167 |
| Patterson Uti Energy Inc | Common Stock | 7,080 |
| Paychex Inc | Common Stock | 9,085 |
| PDI Inc | Common Stock | 2,681 |
| Penn Natl Gaming Inc | Common Stock | 7,398 |
| Pepsico Inc | Common Stock | 1,422,094 |
| Peregrine Sys Inc | Common Stock | 88 |
| Petrofund Energy | Common Stock | 11,800 |
| Petsmart Inc | Common Stock | 1,666 |
| Pfizer Inc | Common Stock | 6,936,206 |
| Pharmaceutical Product Development Inc | Common Stock | 2,697 |
| Pharmaceutical Res Inc | Common Stock | 13,030 |
| Pharmos Corp | Common Stock | 578 |

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| | | |
|---|--------------|-----------|
| Phi Automotive Systems | Common Stock | 1,609 |
| PLC Sys Inc | Common Stock | 2,320 |
| PMC-Sierra Inc | Common Stock | 41,205 |
| Posco | Common Stock | 6,794 |
| Powerwave Tech Inc | Common Stock | 3,870 |
| PPL Corp | Common Stock | 1,081,745 |
| Priceline.Com Inc | Common Stock | 2,971 |
| Procter & Gamble Co | Common Stock | 1,849,879 |
| Progressive Corp Ohio | Common Stock | 1,818,796 |
| Protein Design | Common Stock | 394 |
| Proxim Corp | Common Stock | 71,142 |
| Puma Technology Inc | Common Stock | 3,980 |
| Putnam High Income Conv & Bd Fd | Common Stock | 19,750 |
| Qiao Xing Universal Telephone Inc | Common Stock | 11,620 |
| Qlogic Corp | Common Stock | 5,157 |
| Qualcomm Inc | Common Stock | 5,285 |
| Quantum Fuel Sys Technologies Worldwide Inc | Common Stock | 8,040 |
| Quest Diagnostics Inc | Common Stock | 837,020 |
| Qwest Communications Intl Inc | Common Stock | 1,785,068 |

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Baxter International Inc. and Subsidiaries
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(Schedule H, Part IV, Line 4i on Form 5500)

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| Identity of Issue | Description of Investment | Current Value |
|--|----------------------------------|----------------------|
| Radioshack Corp | Common Stock | 3,068 |
| Radyne Comstream Inc | Common Stock | 829 |
| Rainbow Technologies Inc | Common Stock | 2,252 |
| Rambus Inc | Common Stock | 23,025 |
| Raytheon Co | Common Stock | 3,004 |
| Redback Networks Inc | Common Stock | 409 |
| Renaissance Holdings Ltd | Common Stock | 950,828 |
| Rent A Center Inc | Common Stock | 18,000 |
| Repligen Corp | Common Stock | 1,530 |
| Republic SVCS Inc | Common Stock | 1,128,017 |
| Reuters Grp Plc | Common Stock | 5,070 |
| RF Micro Devices Inc | Common Stock | 2,264 |
| Rite Aid Corp | Common Stock | 17,619 |
| RJ Reynolds Tobacco Holdings | Common Stock | 2,326 |
| Rockwell Intl Corp | Common Stock | 14,240 |
| Rockwell Medical Tech Inc | Common Stock | 1,009 |
| Ross Stores Inc | Common Stock | 3,440 |
| Royce Value Tr Inc | Common Stock | 6,477 |
| S & P 500 Depository Receipt | Common Stock | 65,655 |
| Saba Software Inc | Common Stock | 433 |
| Safeway Inc | Common Stock | 2,303,470 |
| Sandisk Corp | Common Stock | 12,240 |
| Sanmina Corp | Common Stock | 10,849 |
| SAP Aktiengesellschaft | Common Stock | 312,389 |
| Sara Lee Corp | Common Stock | 6,513 |
| Savvis Commun Corp | Common Stock | 6,279 |
| SBC Communications | Common Stock | 16,487 |
| Schering Plough Corp | Common Stock | 46,953 |
| Schnitzer Stl Inds | Common Stock | 6,050 |
| Schwab Charles Corp | Common Stock | 2,368 |
| Scripps E.W. Co | Common Stock | 735,543 |
| Seagate Technology Holdings | Common Stock | 852 |
| Sears Roebuck & Co | Common Stock | 780,231 |
| Sector Spdr Tr Shs Ben Int Consumer Services | Common Stock | 34,296 |
| Sector Spdr Tr Shs Ben Int Utilities | Common Stock | 4,666 |
| Seitel Inc | Common Stock | 598 |
| Selective Ins Group Inc | Common Stock | 4,854 |
| Sempra Energy | Common Stock | 463,789 |
| Seracare Life Sciences Inc | Common Stock | 2,020 |
| Serena Software Inc | Common Stock | 3,670 |
| Siebel Systems Inc | Common Stock | 48,859 |
| Siga Pharmaceuticals Inc | Common Stock | 9,160 |
| Silicon Graphics Inc | Common Stock | 1,781 |
| Silicon Storage Tech Inc | Common Stock | 11,000 |
| Silicon Vy Bancshrs | Common Stock | 3,607 |
| Sina.Com | Common Stock | 6,750 |
| Sirius Satellite Radio Inc | Common Stock | 64,875 |
| Skyworks Solutions Inc | Common Stock | 1,061 |
| Smucker J M Co | Common Stock | 94 |
| Smurfit Stone Container Corp | Common Stock | 1,326,038 |

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| | | |
|------------------------------|--------------|-----------|
| Socket Comm Inc | Common Stock | 1,670 |
| Sohu.Com Inc | Common Stock | 7,777 |
| Solectron Corp | Common Stock | 1,196,044 |
| Sonic Corp | Common Stock | 522 |
| Sonicblue Inc | Common Stock | 5 |
| Sonus Networks Inc | Common Stock | 6,221 |
| Sony Corp | Common Stock | 173,350 |
| Sorrento Networks Corp | Common Stock | 1,480 |
| Southwest Airlns Co | Common Stock | 6,456 |
| Spectranetics Corp | Common Stock | 10,200 |
| Spectrum Pharmaceuticals Inc | Common Stock | 33 |
| Sprint Corp | Common Stock | 2,268,980 |
| SPX Corp | Common Stock | 1,542,536 |
| St Jude Med Inc | Common Stock | 485,413 |
| Startek Inc | Common Stock | 20,395 |
| State Street Corp | Common Stock | 5,323 |
| Stemcells Inc | Common Stock | 5,940 |
| Stericycle Inc | Common Stock | 15,411 |
| Steris Corp | Common Stock | 203,400 |

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Baxter International Inc. and Subsidiaries
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(Schedule H, Part IV, Line 4i on Form 5500)

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| Identity of Issue | Description of Investment | Current Value |
|-------------------------------|----------------------------------|----------------------|
| Stratos Lightwave Inc | Common Stock | 170 |
| Stryker Corp | Common Stock | 8,517 |
| Sun Microsystems Inc | Common Stock | 251,755 |
| Suncor Energy Inc | Common Stock | 4,837 |
| Surebeam Corp | Common Stock | 10,290 |
| Sycamore Networks Inc | Common Stock | 20,880 |
| Symantec Corp | Common Stock | 308,427 |
| Sysco Corp | Common Stock | 2,234 |
| TA Airlines Inc | Common Stock | 661 |
| Tagen Inc | Common Stock | 110 |
| Taiwan Semicndctr Mfg Co Ltd | Common Stock | 1,496,456 |
| Talbots Inc | Common Stock | 3,078 |
| Target Corp | Common Stock | 1,656,805 |
| Targeted Genetics Corp | Common Stock | 438 |
| Tech Data Corp | Common Stock | 734,057 |
| Technitrol Inc | Common Stock | 3,318 |
| Tegal Corp | Common Stock | 5,540 |
| Tellabs Inc | Common Stock | 1,198,233 |
| Temple Inland | Common Stock | 13,149 |
| Tenet Healthcare Corp | Common Stock | 6,500 |
| Terayon Comm Sys | Common Stock | 2,250 |
| Tetra Tech Inc | Common Stock | 7,458 |
| Teva Pharmaceutical Inds | Common Stock | 594,840 |
| Texas Instruments Inc | Common Stock | 1,252,757 |
| Textron Inc | Common Stock | 3,642,891 |
| Therma-Wave Inc | Common Stock | 2,655 |
| Thermo Electron Corp | Common Stock | 1,470,481 |
| Tikro Technologies Lts | Common Stock | 960 |
| Time Warner Inc | Common Stock | 2,047,264 |
| Time Warner Telecom Inc | Common Stock | 5,065 |
| Tivo Inc | Common Stock | 1,110 |
| Torchmark Inc | Common Stock | 1,445,790 |
| Tractor Supply Co | Common Stock | 18,249 |
| Transwitch Corp | Common Stock | 14,950 |
| * Travelers Property Cas Corp | Common Stock | 791,891 |
| Tribune Co | Common Stock | 5,160 |
| Trimeddyne Inc | Common Stock | 14,040 |
| Trinity Biotech Plc | Common Stock | 4,018 |
| Triquint Semiconductor Inc | Common Stock | 14,494 |
| Trm Corp | Common Stock | 8,530 |
| TXU Corp | Common Stock | 1,266,822 |
| Tyco Intl Ltd | Common Stock | 1,675,850 |
| UAL Corp | Common Stock | 1,436 |
| UCBH Hldgs Inc | Common Stock | 3,897 |
| UGI Corp | Common Stock | 6,847 |
| Union Pacific Corp | Common Stock | 13,896 |
| United Technologies Corp | Common Stock | 318,681 |
| Unitedhealth Group Inc | Common Stock | 2,859,810 |
| US Bancorp | Common Stock | 515,430 |
| Usurf America Inc | Common Stock | 240 |

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| | | |
|------------------------|--------------|-----------|
| Utstarcom Inc | Common Stock | 18,535 |
| UXE Corp | Common Stock | 106 |
| V F Corp | Common Stock | 1,188,879 |
| V I Technologies Inc | Common Stock | 1,650 |
| Valero Energy Corp | Common Stock | 815,799 |
| Varian Inc | Common Stock | 1,250 |
| VCA Antech Inc | Common Stock | 4,213 |
| Verisign Inc | Common Stock | 163 |
| Veritas Dgc Inc | Common Stock | 2,096 |
| Veritas Software Corp | Common Stock | 999,658 |
| Verizon Communications | Common Stock | 33,326 |
| Via Net Works Inc | Common Stock | 21,000 |
| Viacom Inc | Common Stock | 3,774,790 |
| Vicom Inc | Common Stock | 1,230 |
| Viewpoint Corp | Common Stock | 5,250 |
| Vintage Pete Inc | Common Stock | 1,203 |
| Viragen Inc | Common Stock | 1,915 |
| Viryanet Ltd Shs | Common Stock | 118 |
| Visual Networks Inc | Common Stock | 6,720 |

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| Identity of Issue | Description of Investment | Current Value |
|--------------------------------|----------------------------------|-----------------------|
| Vodafone Group Plc | Common Stock | 1,252 |
| Vsource Inc | Common Stock | 10 |
| Wachovia Corp | Common Stock | 2,631,091 |
| Wal-Mart Stores Inc | Common Stock | 3,237,144 |
| Walgreen Co | Common Stock | 899,259 |
| Washington Mutual Inc. | Common Stock | 1,663,140 |
| Waste Management Inc | Common Stock | 5,925 |
| Watson Pharmaceuticals Inc | Common Stock | 1,478,591 |
| Weatherford Intl Ltd | Common Stock | 462,863 |
| Wells Fargo & Co | Common Stock | 1,485,213 |
| Wendys Intl Inc | Common Stock | 7,848 |
| Westell Technologies Inc | Common Stock | 9,465 |
| Western Digital Corp | Common Stock | 27,117 |
| Wheaton River Minerals Ltd | Common Stock | 22,126 |
| Whirlpool Corp | Common Stock | 219,151 |
| Wild Oats Markets Inc | Common Stock | 1,293 |
| Williams Cos Inc | Common Stock | 2,062 |
| Winn Dixie Stores | Common Stock | 1,493 |
| Wisconsin Energy Corp | Common Stock | 1,009,027 |
| Worldcom Inc | Common Stock | 531 |
| Wyeth | Common Stock | 1,551,336 |
| Wyndham Intl | Common Stock | 2,144 |
| Xenova Group Plc | Common Stock | 910 |
| Xerox Corp | Common Stock | 2,760 |
| Xilinx Inc | Common Stock | 222,226 |
| Xm Satellite Radio Hldgs Inc | Common Stock | 112,732 |
| Xoma Ltd | Common Stock | 3,168 |
| Xto Energy Inc | Common Stock | 13,271 |
| Xybernaut Corp | Common Stock | 47,874 |
| Yahoo Inc | Common Stock | 2,423,631 |
| Yellow Roadway Corp | Common Stock | 10,128 |
| Youthstream Media Networks Inc | Common Stock | 230 |
| Zebra Technologies Corp | Common Stock | 1,659 |
| Zhone Technologies Inc | Common Stock | 2,717 |
| Zimmer Holdings Inc | Common Stock | 999,895 |
| Zomax Optical Media Inc | Common Stock | 4,990 |
| | | \$ 426,344,970 |

Fixed Income Securities:

| | | |
|-----------------------------|-----------------------------------|-----------|
| Allied Waste North Amer Inc | SR NT 144A 6.500 11/15/2010 | 241,273 |
| Altria Group Inc | NT 5.625 11/04/2008 | 1,014,580 |
| Anthem Inc | NT 2012 6.800 08/01/2012 | 558,541 |
| Bank New York Inc | SR Hldg Co NT 5.200 07/01/2007 | 550,961 |
| Belgium (Kingdom of) | 3.75 PCT 28MAR09 3.750 03/28/2009 | 875,314 |
| Boeing Cap Corp | SR NT 5.650 05/15/2006 | 739,148 |
| Canada Govt | BD 4.500 09/01/2007 | 551,400 |
| Capital One Bk | Tranche TR 00174 4.875 05/15/2008 | 1,043,304 |

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| | | |
|--------------------------------|--|-----------|
| Centerpoint Energy Inc | SR NT 144A 5.875 06/01/2008 | 113,335 |
| Chesapeake Energy Corp | SR NT 7.750 01/15/2015 | 144,975 |
| Chesapeake Energy Corp | 7.500 09/15/2013 | 123,014 |
| Cia Paranaense De Energia | Pfd Cl B Non Vtg | 1,908 |
| * Citigroup Inc | Global SR NT 5.750 05/10/2006 | 308,681 |
| Clear Channel Communications | NT 5.750 01/15/2013 | 1,032,646 |
| Columbia/HCA Healthcare Corp | 7.190 11/15/2015 | 530,408 |
| Comcast Corp | NT 5.500 03/15/2011 | 1,336,418 |
| Commercial Mtg Accep Corp | Ser 1998 C2 Cl A 2 6.030 09/15/2030 | 756,305 |
| Community Program Ln | 1987 A Cl Ser 87 A 4 4.500 10/01/2018 | 715,448 |
| Conocophillips | NT 144A 4.750 10/15/2012 | 744,890 |
| Continental Airls | Past Thru Ctf Ser 1997 4 6.900 01/02/2018 | 904,920 |
| Continental Airls | Pass Thru Ser 1998 1 Cl A 6.648 03/15/2017 | 117,264 |
| Countrywide Fdg Corp Mtn | Tranche Tr 00244 5.250 06/15/2004 | 683,876 |
| Cox Communications Inc | 3.875 10/01/2008 | 693,022 |
| Credit Suisse First Boston USA | NT 6.125 11/15/2011 | 1,184,461 |
| DaimlerChrysler North Amer | GTD NT 06APR03 4.050 06/04/2008 | 687,604 |
| Deere John Cap Corp | Global NT 3.900 01/15/2008 | 603,072 |
| Deutsche Telekom Intl Fin B V | Global NT 5.250 07/22/2013 | 699,392 |
| Devon Fing Corp U L C | DEB 7.875 09/30/2031 | 945,192 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule of Assets (Held at End of Year) at December 31, 2003****(Schedule H, Part IV, Line 4i on Form 5500)****Exhibit I****Page 12 of 25**

| Identity of Issue | Description of Investment | Current Value |
|------------------------------|---|----------------------|
| Dominion Res Inc Del | NT 5.700 09/17/2012 | 521,033 |
| Dominion Res Inc VA | SR NT 2003 SERD 5.000 03/15/2013 | 132,896 |
| Dow Chem Co | NT 6.000 10/01/2012 | 520,541 |
| Encana Corp | Pfd 9.50% 09/30/2048 | 1,345 |
| Enron Corp | Cap Res L P Pfd Ser A 9% Mip | 5 |
| Erac USA Fin Co | Gtd NT 144A 7.350 06/15/2008 | 480,238 |
| Fed Hm Ln Pc Pool C48827 | 6.000 03/01/2031 | 165,799 |
| Fed Hm Ln Pc Pool E01344 | 4.500 04/01/2018 | 1,771,612 |
| Fed Hm Ln Pc Pool E01377 | 4.500 05/01/2018 | 1,232,925 |
| Fed Hm Ln Pc Pool E01378 | 5.000 05/01/2018 | 1,974,986 |
| Fed Hm Ln Pc Pool E01386 | 5.000 06/01/2018 | 1,781,896 |
| Federal Natl Mtg Assn | 5.250 06/15/2006 | 3,279,752 |
| FNMA Pool 254759 | 4.500 06/01/2018 | 2,329,417 |
| FNMA Pool 323887 | 6.000 12/01/2013 | 504,039 |
| FNMA Pool 415728 | 6.000 04/01/2028 | 444,478 |
| FNMA Pool 581043 | 6.000 05/01/2016 | 235,114 |
| FNMA Pool 615005 | 6.000 12/01/2016 | 291,985 |
| FNMA Pool 625844 | 6.000 01/01/2032 | 1,294,548 |
| FNMA Pool 641791 | 6.000 05/01/2017 | 308,066 |
| FNMA Pool 743346 | 5.500 10/01/2018 | 2,035,536 |
| Ford Mtr Cr Co | Global Landmark Secs Globals 7.450 07/16/2031 | 1,074,387 |
| General Elec Cap Corp Mtn | Tranche Tr 00575 5.450 01/15/2013 | 825,147 |
| General Mtrs Accep Corp | NT 6.875 09/15/2011 | 1,289,019 |
| Goldman Sachs Group Inc | SR NT 4.125 01/15/2008 | 709,834 |
| International Business Machs | NT 4.250 09/15/2009 | 507,300 |
| International Paper Co | NT 3.800 04/01/2008 | 985,916 |
| Italy (Republic) | 4.5 PCT B T P 01MAR07 4.500 03/01/2007 | 1,815,606 |
| J.P. Morgan Chase & Co | Global SR NT 3.625 05/1/2008 | 991,014 |
| Kraft Foods Inc | NT 5.250 06/01/2007 | 710,252 |
| Kraft Foods Inc | NT 5.250 10/01/2013 | 648,660 |
| Kroger Co | NT 5.500 02/01/2013 | 603,558 |
| LB Coml Conduit Mtg Tr | 1999 C1 Cl A2 Mtg Passthru 6.780 06/15/2031 | 675,056 |
| Lehman Bros Hldg | 7.000 02/01/2008 | 1,033,265 |
| MBNA Corp SR Mtn | Tranche SR 00056 6.125 03/01/2013 | 530,990 |
| MBNA Corp SR Mtn | Tranche SR 00058 4.625 09/15/2008 | 609,037 |
| Merrill Lynch Mtg Invs Inc | Mtg Ctf Ser 1998 C2 Cl A 1 6.220 02/15/2030 | 19,581 |
| Midamerican Energy Hldgs Co | SR NT 5.875 10/01/2012 | 518,511 |
| Motorola Inc | NT 6.125 08/15/2008 | 157,364 |
| National RuralUtils Coop Fin | Global NT 5.750 08/28/2009 | 1,071,657 |
| News Corp Ltd | Preferred Stock | 299,180 |
| Nisource Fin Corp | SR NT 6.150 03/01/2013 | 930,470 |
| Nova Chem Corp | 9.50% 12/31/2047 | 1,261 |
| Pemex Proj Fdg Master Tr | GTD NT 6.125 08/15/2008 | 623,085 |
| Penny J C Inc | DEB 7.125 11/15/2023 | 414,593 |
| Pioneer Nat Res Co | SR NT 6.500 01/15/2008 | 267,636 |
| Premcor Refng Group Inc | SR NT 6.750 02/01/2011 | 298,413 |
| Salton Sea Fdg Corp | SR SECD SER F BD 7.475 11/30/2018 | 455,690 |

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| | | |
|------------------------------|-----------------------------------|---------------|
| SBC Communications Inc | Global NT 5.875 08/15/2012 | 262,528 |
| Shaw Communications Inc | SR NT 7.500 11/20/2013 | 42,469 |
| Southern CA Edison Co | 7.125 07/15/2025 | 101,128 |
| Southern CA Edison Co | NT 6.650 04/01/2029 | 617,151 |
| Southwestern Pub SVC Co | NT Dtd 5.125 11/01/2006 | 251,704 |
| Sprint Cap Corp | NT 6.875 11/15/2028 | 1,327,042 |
| Telecom Italia Cap | SR NT SER A 144A 4.000 11/15/2008 | 1,492,927 |
| Telus Corp | NT 7.500 06/01/2007 | 1,018,312 |
| Texaco Cap Inc | GTDNT 7.90 02/01/2007 | 83,006 |
| Transocean Sedco Forex Inc | NT 7.500 04/15/2031 | 866,443 |
| Union Oil Co CA | GTD SR NT 5.050 10/01/2012 | 499,876 |
| Union Pac Corp | NT 3.625 06/01/2010 | 615,875 |
| United Mexican States | 6.375 01/16/2013 | 307,834 |
| United Mexican STS MTN | Tranche TR 00008 7.500 01/14/2012 | 390,467 |
| United States Treasury Notes | 1.625 01/31/2005 | 1,191,419 |
| Verizon Global FDG Corp | NT 4.000 01/15/2008 | 503,809 |
| Verizon New Eng Inc | 4.750 10/01/2013 | 478,999 |
| Wells Fargo & Co | Global NT 3.500 04/04/2008 | 992,181 |
| Weyerhaeuser Co | NT 6.750 03/15/2012 | 1,078,966 |
| | | <hr/> |
| | | \$ 67,396,181 |
| | | <hr/> |

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Baxter International Inc. and Subsidiaries
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(Schedule H, Part IV, Line 4i on Form 5500)

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| <u>Identity of Issue</u> | <u>Description of Investment</u> | <u>Current Value</u> |
|--|--|----------------------|
| Baxter Global Wrap and Bank of America Accounts | | |
| Cash & Cash Equivalents: | | |
| ANZ Delaware Inc. | DTC MM1 Generic Cusip 1.075 2.25.2004 | 1,763,938 |
| Danske Corp Disc 3/A3 Ser A | DTC MM1 Generic St Cusip 1.07 3.22.2004 | 685,832 |
| Danske Corp Disc 3/A3 Ser A | DTC MM1 Generic St Cusip 1.075 1.12.2004 | 881,456 |
| Federal Home LN BK Cons DSC NT Disc NTS | Disc Nts 0.01 2.25.2004 | 1,861,679 |
| Federal Home LN BK Cons DSC NT Disc NTS | Disc Nts 0.01 3.12.2004 | 1,175,784 |
| General Elec Cap Corp Disc | DTC Generic CP Cusip 1.11 4.7.2004 | 1,761,863 |
| HBOS Treas Svcs PLC | DTC MM1 Generic St IP 1.1 4.15.2004 | 2,055,575 |
| Lloyds Bank PLC | DTC MM1 Generic Cusip 1.05 1.22.2004 | 1,077,764 |
| Lloyds Bank PLC | DTC MM1 Generic Cusip 1.055 2.26.2004 | 1,076,823 |
| Rabobank USA Financial Corp | DTC CP Generic Cusip 1.05 1.30.2004 | 2,449,319 |
| Shell Finance Yrs 1&2 | DTC MM1 Generic St Cusip 1.07 2.06.2004 | 2,449,401 |
| * State Street Bank & Trust Co | Short Term Investment Fund | 64,458,249 |
| UBS Fin Del LLC | DTC MM1 Generic Cusip 1.07 4.5.2004 | 489,603 |
| UBS Fin Del LLC | DTC MM1 Generic Cusip 1.085 2.17.2004 | 2,447,161 |
| Westpac Cap Corp Yrs 1&2 | DTC MM1 Generic St Cusip 1.11 3.11.2004 | 391,513 |
| | | <hr/> |
| | | 85,025,960 |
| Fixed Income Securities: | | |
| Abbey Natl PLC | DEB 7.950 10/26/2029 | 164,662 |
| Abitibi Consolidated Inc | DEB 8.85 08.01.2030 | 132,752 |
| Advanta Mtg LN TR | CTF CL A4 7.75 10.25.2026 | 81,875 |
| AID Inca Infrastructure | Fin Frn 1 3.26.2009 | 1,925,309 |
| Albertsons Inc | NT 7.5 2.15.2011 | 163,299 |
| Alcoa Inc | NT 7.375 08/01/2010 | 751,345 |
| Allied Waste North Amer Inc | SR NT 7.525 01.01.2006 | 444,618 |
| Allied Waste North Amer Inc | SR SECD NT 8.875 04.01.2008 | 49,514 |
| Allied Waste North Amer Inc | SR NT 7.875 04.15.2013 | 26,587 |
| Allstate Corp | SR NT 6.125 12/15/2032 | 131,329 |
| Allstate Corp | SR NT 5.320 06/01/2033 | 158,280 |
| Allstate Life Global FDG II | Tranche SR 00002 4.250 09/10/2008 | 518,361 |
| Altria Group Inc | NT 5.625 11.4.2008 | 1,007,802 |
| AMB Pty LP | 2008 NT 7.1 6.30.2008 | 2,221,610 |
| Amerada Hess Corp | NT 6.65 8.15.2011 | 601,552 |
| Amerada Hess Corp | NT 7.3 08.15.2031 | 86,228 |
| American Express Co. | NT 4.875 7.15.2013 | 379,028 |
| American Express CR Account MA | 2003 4 ASSET BKD CTF CL A 1.690 01/15/2009 | 1,402,334 |
| American Gen Fin Corp MTN | Tranche TR 00389 2.75 6.15.2008 | 945,748 |
| American Gen Fin Corp Mtn | Tranche TR 00392 3 11.15.2006 | 320,307 |
| American Intl Group Inc | Global SR NT 144A 1.000 05/15/2008 | 2,243,050 |
| American Std Inc | SHELF 2 7.375 02.01.2008 | 265,965 |
| Amerigan Gen Fin Corp Mtn | Tranche TR 00385 4.5 11.15.2007 | 225,495 |
| Amoco Corp | DEB 6.500 08/01/2007 | 511,374 |
| Amsouth Bk NA Birmingham AL | SUB NT ACCREDITED INVS 4.850 04/01/2013 | 302,402 |
| Amvescap PLC | SR NT 6.600 05/15/2005 | 369,230 |

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| | | |
|----------------------------|-----------------------------|-----------|
| Amvescap PLC | SR NT 5.900 05/15/2007 | 297,275 |
| Anadarko Pete Corp | SR NT 5.375 3.1.2007 | 393,848 |
| Anheuser Busch Cos Inc | DEB 4.375 1.15.2013 | 765,058 |
| Anthem Inc | NT 2012 6.8 8.1.2012 | 233,020 |
| AOL Time Warner Inc | 6.15 5.1.2007 | 534,452 |
| AOL Time Warner Inc | DEB 7.7 06.01.2032 | 326,777 |
| Apogent Technologies Inc | SR SUB NT 5.5 05.15.2013 | 56,329 |
| Appalachian Pwr Co | SR NT SER H 5.95 05.15.2033 | 89,774 |
| Aramark Svcs Inc | STD NT 7 07.15.2006 | 614,510 |
| Aramark Svcs Inc | NT 7 05.01.2007 | 270,046 |
| Archer Daniels Midland Co | SR NTS 5.935 10/01/2032 | 375,077 |
| Archstone Smtih TR | SR NT 5 08.15.2007 | 386,551 |
| Asif Global FING XCIII | SR NT 144A 3.850 11/25/2007 | 314,556 |
| Associates Corp North Amer | SR NT 6.25 11.1.2008 | 1,091,517 |
| AT&T Corp | USD SR NT 1 11.15.2006 | 1,629,589 |
| AT&T Corp | USD SR NT 1 11.15.2011 | 186,573 |
| AT&T Wireless Svcs Inc | NT 8.125 06.01.2012 | 98,198 |
| AT&T Wireless Svcs Inc | NT 7.5 5.1.2007 | 991,181 |
| AT&T Wireless Svcs Inc | SR NT 7.875 3.1.2011 | 204,624 |

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| Identity of Issue | Description of Investment | Current Value |
|-----------------------------------|--|----------------------|
| AT&T Wireless Svcs Inc | SR NT 8.75 03.01.2031 | 484,854 |
| Avalonbay Cmnty | TRANCHE TR 00006 5 08.01.2007 | 139,378 |
| Ball Corp | SR NT 7.75 08.01.2006 | 163,695 |
| Ball Corp | SR NT 6.85 12.15.2012 | 133,461 |
| Bank Amer Corp | SR NT 3.875 01/15/2008 | 2,099,315 |
| Bank Amer Corp | SUB NT 7.400 01/15/2011 | 633,715 |
| Bank Amer Corp | SUB NT 5.250 12/01/2015 | 837,854 |
| Bank of America | NT DTD 7.800 02/15/2010 | 439,438 |
| Bank of America | SR NT 6.25 4.15.2012 | 514,422 |
| Bank One Corp | 7.875 8.1.2010 | 519,240 |
| Bankboston N A Medium Terms Nts | TR 00008 6.375 04/15/2008 | 283,392 |
| Bankboston NA MTN | 6.375 3.25.2008 | 1,854,305 |
| BB&T Corp | SUB NT 4.750 10/01/2012 | 415,344 |
| Bear Stearns Coml Mtg Secs Inc | 2003 TOP 12 PASSTHRU CTF CL A 4.240 08/13/2039 | 424,916 |
| Bear Stearns Cos Inc | Global NT 3 3.30.2005 | 997,209 |
| Bear Stearns Cos Inc | Global NT 4 1.31.2008 | 215,134 |
| Bear Stearns Cos Inc | GLOBAL NT 4.500 10/28/2010 | 261,099 |
| BHP Billiton Fin USA Ltd | GTD SR NT 4.800 04/15/2013 | 418,591 |
| Boeing Cap Corp | SR NT 8.500 02/15/2012 | 732,233 |
| Boeing Cap Corp | SR NT 4.75 8.25.2008 | 212,831 |
| Boston Pptys Ltd Partnership | NT 5 06.01.2015 | 159,509 |
| Boston Pptys Ltd Partnership | SR NT 5.25 04.15.2015 | 127,631 |
| Brazos TX Higher Ed Auth Inc | ARS Taxable SR Ser A8 1 12.1.2037 | 589,451 |
| Bristol Myers Squibb Co | 4.75 10.1.2006 | 207,772 |
| British Telecommunications PLC NT | PLC NT 1.000 12/15/2010 | 1,273,236 |
| Burlington Res Fin Co | GTD NT 5.6 12.1.2006 | 749,592 |
| Cabot Fin BV | NT 144A 5.5 09.01.2008 | 185,072 |
| Cadbury Schweppes US Finance | GTD SR Note 144A 3.875 10.01.2008 | 440,661 |
| Calwest Indl TR | 2002 Calw Coml MTG 144A CL A 6.127 2.15.2017 | 373,052 |
| Capital Auto Receivables Asset | 2003 2 ASSET BACKED NT CL A3A 1.440 02/15/2007 | 1,079,987 |
| Capital One BK | Tranche TR 00174 4.875 5.15.2008 | 2,123,222 |
| Capital One Bk | Tranche TR 00174 4.875 5.15.2008 | 217,377 |
| Carnival Corp | SHELF 6 6.650 01/15/2026 | 226,948 |
| Carnival Corp | STD SR NT 144A 3.750 11/15/2007 | 246,043 |
| Carolina Pwr & Lt Co | NT 6.5 7.15.2012 | 222,899 |
| Centerpoint Energy Res Corp | SR NT 144A 7.875 09.01.2013 | 177,951 |
| Chabs Inc | 2003 4 Asset Bkd CTF Cl A1 1 10.25.2019 | 349,642 |
| Chase Coml MTB Secs Corp | 1997 2 MTG Passthru CTF CL C 6.6 12.19.2029 | 381,458 |
| Chase Coml Mtg Secs Corp | 1997 1 MTG PASSTHRU CTF CL D 7.370 06/19/2029 | 442,201 |
| Chase Coml Mtg Secs Corp | 1996 1 MTG CTF CL E 7.6 7.18.2028 | 373,373 |
| Chase FDG Mtg LN | Ser 2003 5 CTF Cl 11A 1 1 2.25.2021 | 416,508 |
| Chase Fdg Mtg LN | SER 2003 4 Asset Backed CL 2A 1 2.25.2021 | 345,219 |
| Chase Manhattan Auto Owner | 2003 ASSET BKD NT CL A3 1.520 06/15/2007 | 811,633 |
| Chase Manhattan Corp | 6 11.1.2005 | 1,053,677 |
| ChevronTexaco Cap Co | STD NT 3.500 09/17/2007 | 775,441 |
| Chevy Chase Bk FSB | SUB DEB 6.875 04.01.2013 | 201,396 |
| Cincinnati Gas & Elec Co | DEB 5.7 9.15.2012 | 149,869 |
| * Citi Group Inc | Global SR NT 4.125 2.21.2006 | 548,971 |
| * Citi Group Inc | SR NT 5.5 11.30.2007 | 163,037 |
| * Citi Group Inc Reorganized | SR NT DTD 11.8.2003 3.875 11.03.2008 | 2,057,162 |

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| | | |
|--------------------------------|-----------------------------------|-----------|
| * Citibank CR Card Issuance TR | 2003 A 6 CL A6 NT 2.900 05/17 | 1,151,639 |
| * Citibank Cr Card Issuance TR | 2003 A7 NT 4.15 7.7.2017 | 528,554 |
| * Citibank Cr Card Issuance TR | 2003 A8 NT 3.5 8.16.2010 | 1,097,557 |
| * Citibank Cr Card Issuance TR | 2003 A2 CL A2 NT 2.700 01/15/2008 | 1,118,666 |
| Citicorp | Tranche Sb 00195 6.375 11.16.2008 | 684,569 |
| * Citigroup Inc | 7.250 10/01/2010 | 919,363 |
| * Citigroup Inc | Global SR NT 144A 5 3.6.2007 | 260,742 |
| * Citigroup Inc | 7.25 10.1.2010 | 1,110,713 |
| * Citigroup Inc | GLOBAL SUB NT 5.625 08/27/2012 | 482,243 |
| Citizens Communications co | NT 9.25 5.15.2011 | 174,218 |
| City Natl Corp | SR NT 5.125 12.01.2013 | 351,412 |
| Clear Channel Communications | Global NT 4.25 5.15.2009 | 221,612 |
| Clear Channel Communications | NT 5.75 02.15.2013 | 112,832 |
| Coastal Corp | NT DTD 7.75 6.15.2010 | 370,863 |
| Coca Cola Enterprises Inc | 8.500 01FEB22 8.600 02/01/2022 | 158,960 |
| Coca Cola Enterprises Inc | DEB 6.750 01/15/2038 | 136,000 |
| Columbus Southn Pwr Co | SR NT SER A 5.5 3.1.2013 | 61,041 |
| Comcast Cable Communications | Exchanged NT 8.375 05.01.2007 | 512,225 |
| Comcast Cable communications I | SR NT 6.2 11.15.2008 | 835,504 |

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|-------------------------------------|---|----------------------|
| Comcast Corp | NT 7.05 03.15.2033 | 299,102 |
| Comcast Corp | NT 5.5 3.15.2011 | 3,150,237 |
| Comeo Transitional FDG TR | Ser 1998 NT CL A 7 5.740 12/25/2010 | 740,343 |
| Community Program LN TR | 1987 A CI A Ser 87 A4 4.5 10.1.2018 | 1,587,159 |
| Connecticut RRB SPL Purp TR | CL&P CTF CL A5 6.210 12/30/2011 | 441,056 |
| Conoco Fdg Co | NT 5.45 10.15.2006 | 163,375 |
| Conoco Fdg Co | NT 6.35 10.15.2011 | 821,559 |
| Conoco Inc | NT 6.350 04/15/2009 | 176,259 |
| Consumers Energy Co | SR NT DTD 6.25 09.15.2006 | 228,067 |
| Consumers Energy Co | 1ST MTG BD SER B 144A 5.35 04.15.2013 | 305,958 |
| Coors Brewing Co | SR NT 6.375 05.15.2012 | 214,041 |
| Countrywide FDB Corp MTN | Tranche TR 00304 3.25 5.21.2008 | 2,222,361 |
| Countrywide Fdg Corp Mtn | 4.25 12.19.2007 | 374,886 |
| Cox Communications Inc | NEW 7.125 10.01.2012 | 215,634 |
| Cox Communications Inc | 3.875 10.01.2008 | 1,843,810 |
| Cox Communications Inc | NEW 7.125 10.1.2012 | 215,295 |
| Cox Communications Inc | 2006 NT 8.875 06.15.2005 | 109,911 |
| Cox Communications Inc | NT 7.75 08.15.2006 | 297,522 |
| Credit Suisse First Boston | NT 6.5 8.15.2013 | 273,572 |
| Credit Suisse First Boston Mtg | 2001 CF2 MTG Passthru CTF CL A 6.505 2.15.2034 | 647,674 |
| Credit Suisse First Boston USA | NT 5.500 08/15/2013 | 268,506 |
| Credit Suisse First Boston USA Nt | NT 5.75 4.15.2007 | 1,064,621 |
| CSX Corp | SR NT 6.75 3.15.2011 | 458,968 |
| CSX Corp | NT 6.25 10.15.2008 | 150,733 |
| CWMBS Inc | 2003 49 CHL MTG CTF A 1 1 12.19.2033 | 435,127 |
| CWMBS Inc. Pass Thru CTFS | CHL MTG CTF 1999 9 CL A1 6.5 8.25.2029 | 988,325 |
| Daimler Chrysler Auto TR | 2003B NT CI A4 2.85 3.9.2009 | 922,895 |
| Daimler Chrysler Hldgs | NT DTD 8.5 1.18.2031 | 117,378 |
| Daimler Chrysler north Amer HL | NT 4.75 1.15.2008 | 381,956 |
| Daimlerchrysler Auto Tr | 20038 NT CL A4 2.850 03/09/2009 | 225,815 |
| Daimlerchrysler Auto TR | 2003A ASSET BACKED NT CL A4 2.880 10/08/2009 | 133,462 |
| Daimlerchrysler Auto TR | 2003B NT CL A4 2.850 03/09/2009 | 991,622 |
| Daimlerchrysler Holdings | NT 8.5 01.18.2031 | 105,640 |
| De Kalb Cnty GA Wtr & Sew Rev Ser A | Ser A 5 10.1.2035 | 302,939 |
| Deere John Cap Corp | Global NT 3.9 1.15.2008 | 1,198,087 |
| Deere John Cap Corp | Global NT 4.5 8.22.2007 | 236,427 |
| Delphi Corp | NT 5.55 6.15.2006 | 2,108,347 |
| Deutsch Telekom Intl | STD NT 1 5.15.2010 | 154,421 |
| Deutsche Telekom Intl | STD NT 1 06.15.2010 | 95,029 |
| Deutsche Telekom Intl Fin BV | STD NT 1 06.15.2030 | 320,017 |
| Devon Energy Corp | SR NT 2.75 08.01.2006 | 157,260 |
| Devon Fing Corp ULC | NT 6.875 9.30.2011 | 367,616 |
| Devon FING Corp ULC | DEB 7.875 09.30.2031 | 287,532 |
| Diabeo Fin BV | NT 3 12.15.2008 | 593,553 |
| Diageo Cap PLC | Global NT 3.375 03/20/2008 | 439,325 |
| Diageo Fin BV | Nt 3.000 12/15/2006 | 299,840 |
| Diased Fin BV | NT 3 12.15.2006 | 247,314 |
| DJL Coml Corp | COML MTG PASSTHRU CTF 1999 CG 6.080 03/10/2032 | 291,451 |
| DLJ Coml Mtg Corp | COML MTG CTF 1998 CFZ B 1 1 11.12.2031 | 164,168 |

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| | | |
|---------------------------------|--|-----------|
| DLJ Coml Mtg Corp | 2025 Coml MTG CTF 98 CF2 A1B 6.24 11.12.2031 | 776,194 |
| Dominion Res Inc Del | NT 5.7 09.17.2012 | 258,776 |
| Dominion Res Inc Del | SR NT SER F 5.25 08.01.2033 | 121,612 |
| Dominion Res Inc VA | SR NT 2003 SERD 5 3.15.2013 | 254,239 |
| Domtar Inc | NT 7.875 10.15.2011 | 266,468 |
| Donaldson Lufkin & Jenrette Inc | 2005 SR NT 5.875 11.1.2005 | 883,007 |
| Donohue Fst Prods Inc | SR NT 7.625 05.15.2007 | 313,338 |
| Dow Chem Co | Global NT 5.750 12/15/2008 | 368,074 |
| Dow Chem Co | NT 6 10.1.2012 | 1,292,659 |
| Duke Energy Co | 1st & Ref MTG BD 3.75 3.5.2008 | 281,190 |
| Duke Rlty Corp | NT 5.875 08.15.2012 | 260,983 |
| Duke Rlty Ltd Partnership | MED TERM NT 3.5 11.01.2007 | 122,688 |
| Duke Weeks Rlty Ltd Prtnshp | SER NT 7.75 11.15.2009 | 317,842 |
| Duke Weks Realty Corp | NT 6.95 03.15.2011 | 110,652 |
| Echostar DBS Corp | SR NT 10.3 10.01.2007 | 274,629 |
| Echostar DBS Corp | NT 144A 6.75 10.01.2008 | 163,923 |
| EOP Oper Ltd Partnership | NT 5.8 1.15.2009 | 1,542,615 |
| EOP Oper LTD Partnership | SR NT 5.875 1.15.2013 | 205,119 |
| EOP Oper Ltd Partnership | STD NT 7 07.15.2011 | 210,629 |
| ERAC USA Fin Co | GTD NT 144A 7.35 6.15.2008 | 1,122,424 |

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|--|--|----------------------|
| ERAC USA Fin Co | NT 144A 8.25 05.01.2005 | 296,702 |
| ERP Oper CTD Partnership | NT 5.2 4.1.2013 | 158,174 |
| ERP Oper Ltd Partnership | MANDATORY PAR PUT REMKTED SEC 6.63 04.13.2005 | 265,479 |
| Exxon Capital Corp | 6 1/8 BDS 8SEP2008 USD1000 6.125 09.08.00 | 407,546 |
| Fed HM LN PC Pool Co1351 | 6.5 5.1.2032 | 355,795 |
| Fed HM LN PC Pool E01341 | 5.5 3.1.2018 | 717,198 |
| Fed HM LN PC Pool E01343 | 5 4.1.2018 | 1,872,885 |
| Fed HM LN PC Pool E01345 | 5.5 4.1.2018 | 2,385,025 |
| Fed HM LN PC Pool E01377 | 4.5 5.1.2018 | 3,080,000 |
| Federal Farm CR Bks | 2.375 10.2.2006 | 1,565,075 |
| Federal Home Ln Bks | PREASSIGN 00842 2.300 03/10/2006 | 1,131,433 |
| Federal Home LN Mtg Corp | Ser 2533 CI Kc 4.250 10/15/2010 | 4,982 |
| Federal Home LN MTG Corp | Preassign 00045 Ser 2551 CLOJ 5.5 6.15.2031 | 3,707,083 |
| Federal Home LN Mtg Corp | Preassign 00249 6 7.15.2027 | 1,127,083 |
| Federal Home LN Mtg Corp | Ser 1819 CI 1819 E 6 2.15.2011 | 3,133,132 |
| Federal Home LN Mtg Corp | 5.2 51.15.2006 | 2,978,291 |
| Federal Home LN Mtg Corp | Deb 5.5 7.15.2006 | 2,117,008 |
| Federal Home LN Mtg Corp | Preassign 00028 4.75 10.11.2012 | 1,431,465 |
| Federal Home LN Mtg Corp | Deb 2.875 12.15.2006 | 1,196,583 |
| Federal Home LN MTG Disc Nts | 0.01 2.26.2004 | 1,076,722 |
| Federal Home LN Mtg PC GTD | Ser 1404 FA 4.5 11.15.2007 | 543,492 |
| Federal Home LN Mtg PC GTD | Ser 1629 CI 1629 HA 3.5 12.15.2021 | 813,510 |
| Federal Home LN Mtg PC GTD | Ser 1673 CI 1673 H 6 11.16.2022 | 1,841,116 |
| Federal Home LN MTG PC GTD | Remic Ser 32 CLA PH 6.5 9.25.2022 | 697,027 |
| Federal Natl MTG Assn | Preassign 00405 2002 94 CL KA 5.500 11/25/2020 | 34,412 |
| Federal Natl Mtg Assn | 5.5 2.15.2006 | 4,133,269 |
| Federal Natl Mtg Assn | Preassign 00311 3.875 11.17.2008 | 1,407,245 |
| Federal Natl Mtg Assn | Preassign 00314 4 12.15.2008 | 1,866,875 |
| Federal Natl Mtg Assn | 2003 92 BR 5 4.25.2014 | 1,212,243 |
| Federal Natl Mtg Assn | PREASSIGN 00372 4.230 11/27/2006 | 1,138,440 |
| Federal Natl Mtg Assn | 7.250 01/15/2010 | 2,113,908 |
| Federal Natl Mtg Assn | REMIC TR 2002 T3 CL A PRIN ON 5.139 12/25/2011 | 870,252 |
| Federal Natl Mtg Assn | PREASSIGN 00533/2002 T11 CL A 4.768 04/25/2012 | 757,899 |
| Federal Natl MTG Assn Disc Nts Disc | 0.01 3.17.2004 | 2,253,695 |
| Federal Natl MTG Assn Disc Nts Disc Nt | 0.01 3.3.2004 | 2,841,233 |
| Federal Natl Mtg Assn Remic | PREASSIGN 00860 SER 2001 T6 A 5.703 05.25.2011 | 1,137,103 |
| Federal Natl Mtg Assn Remic | PREASSIGN 00861 6.088 05/25/2011 | 1,028,506 |
| FHLMC TBA Jan 15 Gold Single | 6.5 12.1.2099 | 1,017,724 |
| FHLMC TBA Jan 30 Gold Single | 5.5 12.1.2099 | 13,415,161 |
| Financement Que | NT 5.000 10/25/2012 | 197,012 |
| First Data Corporation | SR NT 5.625 11/01/2011 | 298,163 |
| First Un Natl Bk NC | TRANCHE SB 00005 7.800 08/18/2010 | 598,555 |
| First Union Lehman Bros Bk | SER 1998 C2 CTF CL A2 6.56 11.18.2035 | 1,594,447 |
| Firstbank PR | SUB CAP NT 7.625 12.20.2006 | 1,813,418 |
| Firstenergy Corp | NT SER B 6.45 11.15.2011 | 162,916 |
| FNMA Pool 125420 | 5.5 5.1.2011 | 79,797 |
| FNMA Pool 252161 | 6 12.1.2028 | 379,697 |
| FNMA Pool 253355 | 7.5 7.1.2030 | 832,994 |
| FNMA Pool 254088 | 5.5 12.1.2016 | 458,136 |

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|------------------|------------------|-----------|
| FNMA Pool 254140 | 5.5 1.1.2017 | 1,258,071 |
| FNMA Pool 254722 | 5.5 5.1.2018 | 2,429,745 |
| FNMA Pool 254983 | 6.5 12.1.2033 | 1,329,192 |
| FNMA Pool 313709 | 1.000 06/01/2007 | 442,790 |
| FNMA Pool 323348 | 8.500 06.01/2012 | 162,963 |
| FNMA Pool 343347 | 5.5 4.1.2011 | 601,633 |
| FNMA Pool 386225 | 3.530 07/1/2010 | 539,846 |
| FNMA Pool 386284 | 3.640 06/01/2010 | 474,637 |
| FNMA Pool 412590 | 6.5 2.1.2028 | 206,694 |
| FNMA Pool 415766 | 6 5.1.2028 | 612,850 |
| FNMA Pool 446562 | 6.5 10.1.2028 | 127,060 |
| FNMA Pool 456654 | 5.5 2.1.2014 | 336,439 |
| FNMA Pool 479439 | 6.5 1.1.2029 | 15,493 |
| FNMA Pool 480021 | 6.5 2.1.2029 | 7,622 |
| FNMA Pool 503220 | 6 7.1.2029 | 6,139 |
| FNMA Pool 520623 | 7.5 11.1.2029 | 5,153 |
| FNMA Pool 529548 | 7.5 3.1.2030 | 6,128 |
| FNMA Pool 545696 | 6 6.1.2022 | 2,217,857 |
| FNMA Pool 545904 | 5.5 9.1.2017 | 2,242,144 |
| FNMA Pool 555272 | 6 3.1.2033 | 676,945 |

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| FNMA Pool 555541 | 1 4.1.2033 | 1,567,590 |
| FNMA Pool 555800 | 5.5 10.1.2033 | 815,469 |
| FNMA Pool 556731 | 7.5 12.1.2030 | 11,976 |
| FNMA Pool 596268 | 6.5 8.1.2031 | 24,850 |
| FNMA Pool 629048 | 6.5 4.1.2032 | 879,224 |
| FNMA Pool 660291 | 6.5 7.1.2032 | 37,284 |
| FNMA Pool 663353 | 6.5 9.1.2032 | 11,804 |
| FNMA Pool 665125 | 5.5 12.1.2033 | 497,865 |
| FNMA Pool 675964 | 7.5 2.1.2032 | 48,493 |
| FNMA Pool 703712 | 5.5 2.1.2018 | 2,074,178 |
| FNMA Pool 722490 | 4 7.1.2018 | 1,453,378 |
| FNMA Pool 722999 | 5 7.1.2018 | 3,858,702 |
| FNMA Pool 733508 | 6 8.1.2033 | 1,919,752 |
| FNMA Pool 733740 | 5.5 9.1.2033 | 88,952 |
| FNMA Pool 734844 | 5.5 8.1.2033 | 995,809 |
| FNMA Pool 737036 | 4 10.1.2018 | 1,122,249 |
| FNMA Pool 740173 | 5.5 9.1.2033 | 89,623 |
| FNMA Pool 743132 | 5 10.1.2018 | 3,976,912 |
| FNMA Pool 750347 | 5.5 11.1.2033 | 498,561 |
| FNMA Pool 752947 | 5.5 10.1.2033 | 91,387 |
| FNMA TBA Feb 30 Single Fam | 4.5 12.1.2099 | 1,382,047 |
| FNMA TBA Jan 15 Single Fam | 5 12.1.2099 | 1,733,044 |
| FNMA TBA Jan 15 Single Fam | 5.5 12.1.2099 | 2,864,892 |
| FNMA TBA Jan 30 Single Fam | 5 12.1.2099 | 1,457,969 |
| FNMA TBA Jan 30 Single Fam | 5.5 12.1.2099 | 5,472,524 |
| FNMA TBA Jan 30 Single Fam | 6 12.1.2099 | 6,680,461 |
| FNMA TBA Jan 30 Single Fam | 5.5 12.1.2099 | 14,175,918 |
| Ford Mtr Co Del | BD 6.375 02.01.2029 | 297,841 |
| Ford Mtr Cr Co | 7.375 10.28.2009 | 593,576 |
| Ford Mtr Cr Co | CDT 5.8 1.12.2009 | 1,315,269 |
| Ford Mtr Cr Co | Global Landmark Secs Globls 7.25 10.25.2011 | 532,747 |
| Ford Mtr Cr Co | 7.375 10.28.2009 | 361,416 |
| Ford Mtr Cr Co | Global Landmark Secs Globls 7.375 2.1.2011 | 931,575 |
| Ford Mtr Cr Co | Global NT 7 10.1.2013 | 595,778 |
| Ford Mtr Cr Co | NT 7.2 06.15.2007 | 714,625 |
| Ford Mtr Cr Co | GLOBAL LANDMARK SECS GLOBLs 6.5 01.25.2007 | 852,893 |
| Fortune Brands Inc | NT 2.875 12.1.2006 | 167,426 |
| Fosters Fin Corp | NT 144A 5.375 6.15.2011 | 526,390 |
| France Telecom SA | NT 1 3.1.2011 | 740,483 |
| France Telecom SA General Mtrs Accep Corp | NT 1 3.1.2011 | 153,395 |
| Franklin Res Inc | SR NT 3.700 04/15/2008 | 444,924 |
| Freddie Mac | Ser 2411 CL FJ 1 12.15.2029 | 351,054 |
| General Dynamics Corp | Global NT 4.5 8.15.2010 | 386,580 |
| General Elec Cap Corp MTN | Tranche TR 00551 6 6.15.2012 | 2,938,109 |
| General Elec Co | NT 5 2.1.2013 | 1,448,760 |
| General Elec Co | NT 1 10.24.2005 | 830,151 |
| General Mls Inc | NT 5.125 2.15.2007 | 516,077 |
| General Mls Inc | NT 6 2.15.2012 | 364,899 |
| General Mtrs Accep Corp | NT 7.75 1.19.2010 | 588,645 |
| General Mtrs Accep Corp | NT 6.125 9.15.2006 | 1,051,432 |

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|------------------------------|--|-----------|
| General Mtrs Accep Corp | NT 6.875 9.15.2011 | 1,629,611 |
| General Mtrs Accep Corp | NT 6.15 04.05.2007 | 794,951 |
| General Mtrs Accep Corp | NT 8 11.01.2031 | 386,128 |
| General Mtrs Corp | 7.125 7.15.2013 | 276,287 |
| GNMA I TBA Jan 30 Single Fam | 5.5 12.1.2099 | 3,225,764 |
| GNMA I TBA Jan 30 Single Fam | 6 12.1.2099 | 1,638,372 |
| Golden St Tob Securitization | ASSET BKD SER A CL 1 5 06.01.2021 | 258,831 |
| Goldman Sachs Group Inc | NT 6.875 01/15/2011 | 350,955 |
| Goldman Sachs Group Inc | SR NT 5.700 09/01/2012 | 752,046 |
| Goldman Sachs Group Inc | SR NT 5.250 04/01/2013 | 505,534 |
| Goldman Sachs Group Inc | SR NT 4.125 1.15.2008 | 1,259,093 |
| Goldman Sachs Group Inc | SR NT 4.75 7.15.2013 | 1,115,413 |
| Goldman Sachs Group Inc | SR NT 5.700 09/01/2012 | 216,819 |
| Government Natl Mtg Assn | 2003 PASSTHRU CTF CL AC 2.914 06/16/2018 | 266,108 |
| Government Natl Mtg Assn | REMIC TR 2003 096 CL B 3.607 08/16/2018 | 251,333 |
| Government Natl Mtg Assn | SERIES 2003 48 CTF CLASS AC 2.712 02/16/2020 | 784,021 |
| Government Natl Mtg Assn | 2003 72 REMIC PASSTHRU CL A 3.206 04/16/2018 | 461,127 |
| Govt Natl MTG Assn Std Remic | Remic TR 1999 38 Sec Cl CB 6.75 5.16.2026 | 184,465 |
| Green Tree Finl Corp | 1999 2 MFD HSG SR Sub PA 6.08 12.1.2030 | 567,435 |

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| GS Mtg Secs Corp II | Coml Mtg Passthru 2003C1 Cla2 3.59 1.10.2040 | 695,393 |
| Halliburton Co | SR NT CONV 144A 5.5 10.15.2010 | 123,291 |
| HBOS PLC | TRANCHE 00007 144A 1.000 11/01/2049 | 426,043 |
| HCA Inc | NT 5.25 11.6.2008 | 1,501,829 |
| Healthcare Rlty TR IN | SR NT 8.125 05.01.2011 | 168,751 |
| Heinz HJ Fin Co | STD NT 1.000 03/15/2032 | 271,706 |
| Hewlett Packard Co | Global NT 7.15 6.15.2005 | 227,087 |
| Honda Auto Receivables | Ser 2003 4 Cl A3 2.19 5.15.2007 | 433,591 |
| Honda Auto Receivables | ASSET BKD NT CL A 3 2.3 10.18.2007 | 895,397 |
| Honda Auto Receivables | SER 2003 4 CL A 3 2.19 05.15.007 | 246,358 |
| Honda Auto Receivables 2002 | NT Cl A4 4.22 4.16.2007 | 277,699 |
| Honda Auto Receivables Owner T | SER 2003 1 ASSET BKD NT CL A 1.92 11.20.2006 | 1,059,322 |
| Household Fin Corp | NT 4.125 12/15/2008 | 1,239,342 |
| Household Fin Corp | NT 6.5 11.15.2008 | 673,193 |
| Household Fin Corp | Nt 7 5.15.2012 | 224,064 |
| Household Fin Corp | NT 5.375 10.15.2011 | 530,093 |
| Hutchinson Whampoa Intl 03 13 L | STD NT 144A 6.5 2.13.2013 | 358,117 |
| Hutchison Whampoa INTL | GTD NT 144A 6.250 01/24/2014 | 746,417 |
| Illinois EDL Facs Auth Revs | Univ Chicago Ser A 5 7.1.2033 | 1,000,995 |
| Illinois St | Taxable Pension 5.1 6.1.2033 | 2,213,093 |
| Illinoise Pwr 5PL Purp TR | 1998 1 Transitional Fdg Cl A 5.650 12/25/2010 | 1,121,843 |
| Intelsat Ltd | SR NT 144A 6.5 11.01.2013 | 15,376 |
| International Flavors & Frag | NT 6.45 06.15.2006 | 208,060 |
| International Paper Co | NT 3.8 4.1.2008 | 685,531 |
| International Paper Co | NT 5.85 10.30.2012 | 214,937 |
| International Paper Co | NT 6.75 09.01.2011 | 425,968 |
| IRS 3ML USD | SWPV35605/SWP035603 1 5.16.2024 | 308,696 |
| IRS USD | SWP035959 4 6.16.2009 | 5,414 |
| IRS USD | SWP035769 4 6.16.2009 | 47,948 |
| IRS USD 3ML Swap | SWPV35605/SWP035504 1 11.13.2013 | 248,500 |
| Italy Rep | Global NT 2.5 3.31.2006 | 1,694,442 |
| Jefferies Group Inc | SR NT 7.75 03.15.2012 | 225,298 |
| JP Morgan & Chase Co | GLOBAL SUB NT 5.75 01.02.2013 | 393,660 |
| JP Morgan Chase | 5.75 PCT 01Feb11 6.75 2.1.2011 | 830,824 |
| JP Morgan Chase & Co. | Sub NT 6.75 8.15.2008 | 658,390 |
| JP Morgan Chase Coml Mtg Secs | 2001 Cibc1 MTB Passthru CL A3 5.25 3.15.2033 | 812,630 |
| Kellogg Co | 2.875 5.1.2008 | 222,917 |
| Keyspan Corp | 7.25 11.15.2005 | 572,727 |
| Keyspan Corp | NT 6.15 06.01.2006 | 477,810 |
| Korea Dev BK | NT 5.75 9.10.2013 | 137,980 |
| Kraft Foods Inc | NT 5.25 6.1.2007 | 1,985,873 |
| Kraft Foods Inc | NT 4 10.1.2008 | 840,026 |
| Kraft Foods Inc | NT 5.25 10.1.2013 | 360,915 |
| Kroger Co | SR NT SER B 7.25 06.01.2009 | 251,817 |
| Kroger Co | SR DEB 8 09.15.2029 | 212,256 |
| Kroger Co | NT 8.05 02.01.2010 | 29,210 |
| L 3 Communications Corp | SR SUB NT 7.625 06.15.2012 | 170,351 |
| Laboratory Corp amer Hldgs | SR NT 5.5 02.01.2013 | 370,194 |
| LB UBS coml Mtg TR | 2001 C2 CTF CL A2 6.653 11.15.2027 | 1,155,634 |
| LB UBS Coml Mtg TR | 2003 C5 MTG Passthru CTF CL A 3.478 7.15.2027 | 1,235,737 |

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|-------------------------------|--|-----------|
| Lear Corp | SR NT SER B 8.11 05.15.2009 | 317,781 |
| Lehman Bros Hldgs Inc | Global NT 4 1.22.2008 | 656,317 |
| Lehman Bros Inc | NT 6.5 4.15.2008 | 760,236 |
| Lehman Brothers Hldgs Inc | Tranche TR 00387 6.625 1.18.2012 | 249,452 |
| Lennar Corp | SR NT 5.95 3.1.2013 | 87,376 |
| Leucadia Natl Corp | SR NT 144A 7 08.15.2013 | 83,505 |
| Liberty Media Corp | SR NT 5.7 5.15.2013 | 760,016 |
| Lockheed Martin Corp | NT 8.2 12.1.2009 | 372,738 |
| Lockheed Martin Corp | DEB 8.5 12.01.2029 | 141,607 |
| Lockheed Martin Corp | NT 8.2 12.01.2009 | 334,040 |
| Manufacturers & Traders TR CO | Sub NT Restricted 1 4.1.2013 | 170,754 |
| Massmutual Global FDB II Mtn | TRANCHE TR 00016 144A 3.8 04.15.2009 | 147,030 |
| Mastr Asset Backed Secs TR | 2003 WMC2 NTG Passthr CL A3A 1 3.25.2020 | 312,748 |
| MBNA Amer Bk Natl Assn | MTN 144A TR SR 00009 6.5 6.20.2006 | 363,679 |
| MBNA Corp Sr Mtn | Tranche SR 00058 4.625 9.15.2008 | 1,512,421 |
| MBNA Corp SR Mtn | Tranche SR 00058 4.625 9.15.2008 | 307,526 |
| MBNA Cr Card Master NT TR | 2001 1 NT CL A 5.75 10.15.2008 | 581,115 |
| MBNA Cr Card Master NT TR | 2002 1 NT CL A 4.96 06.15.2009 | 821,898 |
| MBNA Cr Card Master NY tr | 2003 5 NT CL A 2.75 10.15.2010 | 2,326,509 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule of Assets (Held at End of Year) at December 31, 2003****(Schedule H, Part IV, Line 4i on Form 5500)****Exhibit I****Page 19 of 25**

| Identity of Issue | Description of Investment | Current Value |
|--------------------------------|--|----------------------|
| Merey Sweeny LP | SV BD 144A 8.85 12.18.2019 | 1,110,613 |
| Merrill Lynch & Co Inc | Tranche TR 00355 3.7 4.21.2008 | 1,483,246 |
| Merrill Lynch Mtg Invs Inc | MTG CTF 1996 C2 CL D 6.96 11.21.2028 | 348,469 |
| Merrill Lynch Mtg TR | 2003 Key1 MTG Pass CTF CL A4 1 11.12.2035 | 947,559 |
| Metlife Inc | SR NT 5.375 12.15.2012 | 222,553 |
| Metlife Inc | NT 5 11.24.2013 | 219,485 |
| MGM Grand Inc | SR CALL BD 6.95 02.01.2005 | 158,366 |
| Mid ST TR IV | Asset Backed NT 8.33 4.1.2030 | 1,546,638 |
| Midamerican Energy Hlds Co | SR NT 3.5 5.15.2008 | 447,273 |
| Midamerican Energy Hlds Co | SR NT 5.875 10.1.2012 | 149,363 |
| Minnesota St | 5 8.1.2012 | 553,867 |
| Missouri High Ed Student Ln | Taxable SR Ser HH 1 7.15.2029 | 589,451 |
| Mohegan Tribal Gaming | SR SUB NT 8.375 07.01.2011 | 117,792 |
| Mohegan Tribal Gaming Auth | 2006 SR NT 8.125 01.01.2006 | 105,855 |
| Mohegan Tribal Gaming Auth | SR SUB NT 6.375 07.15.2009 | 152,152 |
| Morgan JP Coml Mtg Fin Corp | MTG Passthru CTF 97 C5 CL A2 7.088 9.15.2029 | 246,931 |
| Morgan Stanley Cap I Inc | COML MTG CTF 1998 HF1 CL E 1 03.15.2030 | 276,918 |
| Morgan Stanley Cap I Inc | Coml MTG CTF 1998 WF1 CL A2 6.55 3.15.2030 | 860,301 |
| Morgan Stanley Cap I Inc | Coml MTG CTF 1999 RM1 CL E 1 12.15.2031 | 522,159 |
| Morgan Stanley Dean Witter | 2003 Top11 Com Passthru CTF A 5.15 6.13.2041 | 1,535,270 |
| Morgan Stanley Group Inc | Global NT 5.300 03/01/2013 | 536,100 |
| Morgan Stanley Group Inc | 5.8 4.1.2007 | 448,506 |
| Morgan Stanley Group Inc | GLOBAL NT 6.75 04.15.2011 | 511,302 |
| Motorola Inc | NT 6.75 2.1.2006 | 529,172 |
| Motorola Inc | 8 11.1.2011 | 1,219,938 |
| National City Bk | TRANCHE SB 00003 6.2 12.15.2011 | 305,363 |
| National City Corp | SR NT 3.2 4.1.2008 | 184,321 |
| National City Corp | SUB DEB 6.875 06.15.2019 | 113,404 |
| National Rural Utils Coop Fin | Global NT 5.75 8.28.2009 | 1,064,499 |
| National Rural Utils Coop Fin | NT 2012 7.25 3.1.2012 | 183,152 |
| National Westminster Bk PLC | RESET SUB NT 7.75 04.29.049 | 842,085 |
| Navistar Finl 2002 A Owner TR | Asset Bkd NT CI A4 4.76 4.16.2009 | 2,034,683 |
| New York NY | Ref Ser B 5.5 8.1.2012 | 246,486 |
| New York NY | Ser J 5.25 6.1.2013 | 150,611 |
| New York St Environmental Facs | Revolving FDS 2nd Resolution 5 6.15.2033 | 302,981 |
| News Amer Hlds Inc | STD SR DEB 9.5 07.15.2010 | 174,876 |
| News Amer Inc | STD SR NT 4.75 3.15.2010 | 377,848 |
| Niagara Mohawk Pwr Corp | IST MTG DTD 5/15/95 7.75 05.15.2005 | 82,275 |
| Niagara Mohawk Pwr Corp | SR NT 144A 7.75 10.01.2008 | 285,019 |
| Nisource Fin Corp | STD NT 7.875 11.15.2010 | 572,555 |
| Nisource Fin Corp | STD NT 7.625 11.15.2005 | 85,863 |
| Nisource Fin Corp | STD NT 3.2 11.01.2006 | 24,759 |
| Nissan Auto Receivables | 2003 C NT CL A 4 2.7 12.17.2007 | 709,661 |
| Nissan Auto Receivables | SER 2003 C NT CL A5 3.21 03.16.2009 | 93,833 |
| Nomura Asset Secs Corp | 94 2 CI 2A 7.5 5.25.2024 | 44,542 |
| Nomura Asset Secs Corp | Coml MTG CTF 1998 D6 CL A 1B 6.59 3.15.2030 | 1,379,714 |
| Nordea Bk Sweden A B | SUB NT 144A 5.25 11.30.2012 | 641,581 |
| Norfolk Southn Corp | NT 7.05 05.01.2037 | 214,908 |
| Norfolk Southn Corp | SR NT 7.25 02.15.2031 | 333,751 |
| Northern Sts Pwr Co MN | 1st MTG SD Ser B 8 8.28.2012 | 89,835 |

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| | | |
|--------------------------|---|-----------|
| Northrop Grumman Corp | NT 7.125 2.15.2011 | 176,119 |
| Northrop Grumman Corp | DEB 7.75 2.15.2031 | 447,981 |
| NWA TR | No 1 SR Aircraft NT Cl A 8.26 3.10.2006 | 264,639 |
| NWA TR | No 1 SR Aircraft NT Cl B 9.36 3.10.2006 | 177,750 |
| Occidental Pete Corp | SR NT 8.45 2.15.2029 | 90,151 |
| Ontario Prov CDA | SR NT 4 06.30.2006 | 304,403 |
| Pacific Life Corp | SR NT 144A 6.6 09.15.2003 | 212,691 |
| Park Pl Entmt Corp | SR SUB NT 8.875 9.15.2008 | 166,888 |
| PDVSA Fin Ltd | NT 144A 6.8 11.15.2008 | 1,975,396 |
| Pemex Proj FDG Master TR | GTD NT 144A 6.125 8.15.2008 | 1,237,846 |
| Pepco Hldgs inc | NT 5.5 8.15.2007 | 52,545 |
| Petronas Cap LTD | USD GTD NT 144A 7 5.22.2012 | 313,346 |
| Philips Pete Co | DEB 6.65 07.15.2018 | 167,983 |
| Pioneer Nat Res Co | SR NT 6.5 1.15.2008 | 1,595,087 |
| Potash Corp Sask Inc | NT 4.875 3.1.2013 | 312,040 |
| Praxair Inc | NT 2.75 6.15.2008 | 170,619 |
| Praxair Inc | NT 6.375 04.01.2012 | 464,569 |
| Private Expt Fdg Corp | SECD NT SER M 5.34 03.15.2006 | 383,029 |
| Progress Energy Inc | SR NT 7 10.30.2031 | 157,720 |

Table of Contents**Baxter International Inc. and Subsidiaries****Incentive Investment Plan****Schedule of Assets (Held at End of Year) at December 31, 2003**

(Schedule H, Part IV, Line 4i on Form 5500)

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| Identity of Issue | Description of Investment | Current Value |
|--|---|----------------------|
| Provident Cos Inc | SR NT 6.375 7.15.2005 | 1,744,567 |
| PSE&G Transition FDG LLC | 2001 1 Transition BD CL A5 6.450 03/15/2013 | 1,122,323 |
| Public Svc Co Colo | 1st Coll TR BD SER No 8 7.875 10.1.2012 | 178,854 |
| Public Svc Co Colo | 1st Coll TR BD Ser 14 4.375 10.1.2008 | 161,279 |
| Quebec Proc CDA | Global Deb Ser PA 5.750 2.15.2009 | 377,759 |
| Quebec Prov CDA | Global Deb Ser PJ 6.125 1.22.2011 | 580,404 |
| Raytheon Co | DEB 6 12.15.2010 | 524,976 |
| Raytheon Co | NT 6.75 8.15.2007 | 190,478 |
| Raytheon Co | NT 5.5 11.15.2012 | 124,578 |
| Reliant Energy Res Corp | NT 7.75 2.15.2011 | 38,679 |
| Residential Asset Mtg Prods | 2003 RS9 MT8 Asset Bkd CL A2 1 10.25.2022 | 371,586 |
| Residential Fdg Mtg Secs II IN | 2003 MS3 Home LN Bkd NT CL A 1 7.25.2018 | 398,236 |
| Rhode Island Clean Wtr Fin Agy Ser A | Ser A 5 10.1.2035 | 301,085 |
| Rio Tinto Fin USA Ltd | STD NT 2.65 09.30.2008 | 787,182 |
| Rogers Cable Inc | SR Seed Priority NT 6.25 6.15.2013 | 79,183 |
| Royal BK Scotland Group PLC | Global NT 5 10.1.2014 | 574,356 |
| Royal Caribbean Cruises Ltd | SR NT 8.75 2.2.2011 | 305,286 |
| Royal KPN NV | NT 8 10.1.2010 | 264,428 |
| Royal KPN NV | NT 8 10.01.2010 | 164,533 |
| Safeway Inc | NT 4.8 7.16.2007 | 586,395 |
| Safeway Inc | NT 5.8 8.15.2012 | 228,552 |
| Safeway Inc | NT 6.15 3.1.2006 | 404,703 |
| Sapi Papier Hldg AB | GTD NT 144A 6.75 6.15.2012 | 263,110 |
| Schering Plough Corp | SR NT 5.3 12.1.2013 | 1,379,393 |
| Simon Pty Group LP | NT 5.45 3.15.2013 | 1,306,094 |
| Simon Pty Group LP | NT 6.375 11.15.2007 | 352,111 |
| SLM Corp | TRANCHE 000031 5 10.01.2013 | 764,843 |
| Small Business Admin | Deb Ser 1999 2D K 7.06 11.1.2019 | 773,114 |
| Small Business Admin | Deb Ser 1999 2D L 7.19 12.1.2019 | 1,324,734 |
| South Africa Rep | NT 8.5 6.23.2017 | 2,577,373 |
| Spd Lock Swap B | OCS005379 1 1.15.2004 | 192 |
| Sprint Cap Corp | NT 6.875 11.15.2028 | 479,337 |
| Sprint Cap Corp | 6.375 5.1.2009 | 2,199,629 |
| Sprint Cap Corp | 7.625 1.30.2011 | 357,899 |
| Sprint Cap Corp | STD NT 6 1.15.2007 | 367,243 |
| Sprint Cap Corp | NT 8.375 3.15.2012 | 200,772 |
| Sprint Cap Corp | NT 8.75 3.15.2032 | 452,641 |
| SPX Corp | SR NT 7.5 1.1.2013 | 160,257 |
| SPX Corp | SR NT 6.25 6.15.2011 | 105,991 |
| St George Bk Ltd | SUB NT 144A 5.3 10.15.2013 | 192,769 |
| Structured Asset Invt LN TR | 2003 BC7 MTG CTF CL 1A1 1 7.26.2033 | 517,389 |
| Suntrust Bk Atlanta GA | TRANCHE SB 00001 7.25 09.15.2006 | 125,510 |
| Swap Option 3MO Libor | Oct 4.0 Call | (15,238) |
| Swap Option 3MO Libor | Sep 4 Call 0 9.23.2005 | (27,169) |
| Swap Option 3MO Libor 7 | Sep. 7 Put 0 9.23.2005 | (30,385) |
| Swap Option 3MO Libor JPM | Oct 3.8 Call 0 10.7.2004 | (103,413) |
| Swap Option 3MO Libor P015787 Jan 6.65 Put | Jan 6.65 Put 0 1.7.2005 | (21,397) |
| Swap Option 3MO Libor P015951 Jan 7 Put | Jan 7 Put 0 1.7.2005 | (928) |
| Swap Option 3MO Libor P030984 Oct 6.0 Put | Oct 6.0 Put 0 10.7.2004 | (31,496) |
| Swap Option 3MO Libor P032097 | Jan 4.0 Call 0 1.7.2005 | (928) |

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| | | |
|--------------------------------------|---|-----------|
| Swap Option 3Mth Libor | Oct. 6 Put 0 10.7.2004 | (86,178) |
| Target Corp | NT 7.500 08/15/2010 | 471,124 |
| Target Corp | NT 6.350 01/15/2011 | 793,192 |
| TCI Communications Inc | DEB 7.875 2.15.2026 | 86,145 |
| Teck Cominco Ltd | NT 7 9.15.2012 | 264,248 |
| Telecom Italia Cap | SR NT SER A 144A 4 11.15.2008 | 2,075,812 |
| Telecom Italia Cap | GTD SR Global NT SER B 144A 5.25 11.15.2013 | 359,298 |
| Telecom Italia Cap | SR NT Ser A 144A 4 11.15.2008 | 271,875 |
| Telefonos De Mexico S A | SR NT 8.25 1.26.2006 | 297,878 |
| Telefonos De Mexico SA | SR NT 144A 4.5 11.19.2008 | 236,964 |
| Telekom Malaysia Berhad | Deb 144A 7.875 8.1.2025 | 2,402,634 |
| Texas Eastn Transmission Corp | NT 7.3 12.1.2010 | 508,562 |
| Texas Utils Co | SR NT Ser C 6.375 1.1.2008 | 217,139 |
| TIAA Global Mkts Inc | NT 144A 3.875 01/22/2008 | 775,120 |
| Time Warner Entmt Co LP | SR DEB 7.25 9.1.2008 | 1,138,046 |
| Time Warner Inc | DEB 6.625 5.15.2029 | 300,153 |
| Time Warner Inc | NT 6.875 5.1.2012 | 547,232 |
| Tobacco Settlement Fing Corp | Asset Bkd Ser B 5.875 5.15.2039 | 258,005 |
| Tobacco Settlement Rev Mgmt AU Ser B | Ser B 5.375 5.15.2028 | 277,849 |

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| Identity of Issue | Description of Development | Current Value |
|-------------------------------|--|----------------------|
| Tosco Corp | NT 7.25 01.01.2007 | 473,332 |
| Tosco Corp | DEB 7.8 01.01.2027 | 172,777 |
| Tosco Corp | NT 8.125 02.15.2030 | 112,754 |
| * Travelers Ppty Cas Corp | SR NT 5 3.15.2013 | 393,225 |
| Tricon Global Restaurants Inc | SR NT 7.65 5.15.2008 | 306,637 |
| Tricon Global Restaurants Inc | SR NT 8.875 4.15.2011 | 256,104 |
| UFJ Fin Aruba AEC | GTD WY 6.75 7.15.2013 | 324,802 |
| Union Pac Corp | NT 6.625 2.1.2008 | 742,884 |
| Union Pac Corp | NT 3.875 2.15.2009 | 390,067 |
| Union Pac Corp | NT 3.625 6.1.2010 | 127,058 |
| Union Planters Corp | SUB NT 7.75 3.1.2011 | 527,324 |
| Union Planters Corp | SR NT 4.375 12.1.2010 | 317,973 |
| United Airls Pass Thru Trs | Pass Thru CTF Ser 1996 A2 9.56 10.19.2018 | 309,933 |
| United Mexican Sts | Tranche TR 00012 4.525 10.8.2008 | 1,104,014 |
| United Mexican Sts Mtn | Tranche TR 00008 7.5 1.14.2012 | 742,472 |
| United States Treas Bds | DTD 02/15/85 11.250 02/15/2015 | 1,573,096 |
| United States Treas Bds | 6.250 05/15/2030 | 7,862,169 |
| United States Treas Bills | Preassign 099 0.01 3.11.2004 | 490,098 |
| United States Treas Bills | Preassign 103 0.01 4.8.2004 | 7,037,826 |
| United States Treas Nts | 3.500 11/15/2006 | 4,224,789 |
| United States Treas Nts | DTD 00033 2.000 08/31/2005 | 6,130,009 |
| United States Treas Nts | 1 5/8 Notes R 05 1.625 10/31/2005 | 343,309 |
| United States Treas Nts | 2.625 11/15/2006 | 1,105,151 |
| United States Treas Nts | 1.875 11/30/2005 | 13,194,001 |
| United States Treas Nts | 3.375 12/15/2008 | 5,628,387 |
| United States Treas Nts | Inflation Indexed 3.625 1.15.2008 | 2,239,574 |
| United States Treas Nts | 4.75 11.15.2008 | 946,552 |
| United States Treas Nts | Inflation Indexed 4.25 1.15.2010 | 502,367 |
| United States Treas Nts | 4 11.15.2012 | 583,787 |
| United States Treas Nts | 3.126 9.15.2008 | 392,737 |
| United States Treas Nts | DYD 00039 3.375 11.15.2008 | 2,970,625 |
| United States Treas Nts | 2.25 7.31.2004 | 4,134,898 |
| United States Treas Nts | 4.25 11.15.2013 | 446,511 |
| United States Treas Nts | 6.500 10/15/2006 | 3,364,919 |
| United States Treas Nts | INFLATION INDEXED 4.250 01/15/2010 | 2,135,059 |
| United States Treas Nts | 4.625 05/15/2006 | 1,895,001 |
| United States Treas Nts | 4.375 08/15/2012 | 591,128 |
| United States Treas Nts | 2.000 05/15/2006 | 255,478 |
| United States Treas Nts | 2.375 08/15/2006 | 553,120 |
| United States Treas Nts | 3.250 08./15/2008 | 1,482,607 |
| Unitedhealth Group Inc | SR NT 3.3 1.30.2008 | 254,254 |
| Univision Communications Inc | SR NT 7.85 7.15.2011 | 414,617 |
| Unumprovident Corp | NT 6.75 12.15.2028 | 327,465 |
| UPM Kymmene Corp | Global Med Term NT 2014 144A 5.625 12.1.2014 | 165,427 |
| US Bancorp | 3.125 03/15/2008 | 445,664 |
| US Bk Natl Assn Cincinnati | Tranche TR 00189 2.85 11.15.2006 | 734,448 |
| US Bk Natl Assn Cincinnati OH | Tranche TR 00189 2.85 11.15.2006 | 434,216 |
| US Bk Natl Assn Minneapolis | 6.375 8.1.2011 | 640,787 |
| US Dept Veteran Affairs Remic | Vendee MTG TR 2002 3 CL J 6 4.15.2009 | 739,693 |
| USA Waste Svcs Inc | 7 7.15.2028 | 153,323 |

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| | | |
|--------------------------|-----------------------------|-----------|
| Vaero Energy Corp | NT 6.875 4.15.2012 | 233,736 |
| Verizon Global FDG Corp | NT 7.250 12/01/2010 | 367,778 |
| Verizon Global Fdg Corp | NT 4 1.15.2008 | 2,101,863 |
| Verizon Global Fdg Corp | Global NT 7.375 9.1.2012 | 574,884 |
| Verizon Global Fdg Corp | NT 7.75 06.15.2032 | 202,082 |
| Verizon Global Fdg Corp | NT 4.375 06.01.2013 | 621,814 |
| Verizon VA Inc | DEB 4.625 03/15/2013 | 486,268 |
| Verizon Wireless Cap LLC | NT 5.375 12.15.2006 | 922,489 |
| Viacom Inc | SR NT 7.700 07/30/2010 | 1,114,274 |
| Vodafone Airtouch PLC | NT 7.750 2/15/2010 | 1,092,556 |
| Vodafone Airtouch PLC | NT 7.75 2.15.2010 | 186,297 |
| Vornado Realty | SR UNSECO NT 4.75 12.1.2010 | 239,847 |
| Vornado Rlty TR | SR NT 5.625 6.15.2007 | 230,752 |
| Wachovia Corp 2nd | NT 6.5 8.15.2008 | 528,763 |
| Wal Mart Stores Inc | NT 6.875 08.10.2009 | 198,064 |
| Wal Mart Stores Inc | NT 4.55 05.01.2013 | 87,176 |
| Washington Mut Fin Corp | SR NT 6.25 5.15.2006 | 976,801 |
| Washington Mut Inc | SR NT 7.5 08.15.2006 | 345,712 |
| Waste Mgmt Inc Del | SR NT 6.875 5.15.2009 | 389,836 |

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| Identity of Issue | Description of Development | Current Value |
|--------------------------------|--|-----------------------|
| Waste Mgmt Inc Del | SR NT 7.375 6.15.2029 | 60,813 |
| Wells Fargo & Co | Global NT 5.125 2/15/2007 | 221,094 |
| Wells Fargo & Co | SUB NT 6 11.15.2014 | 821,680 |
| Wells Fargo BK N A | NT DTD 6.450 2/1/2011 | 967,599 |
| Westvaco Corp | DEB 8.2 1.15.2030 | 253,396 |
| Weyerhaeuser Co | NT 6.75 3.15.2012 | 2,100,647 |
| Weyerhaeuser Co | 7.25 7.1.2013 | 323,276 |
| WFS Finl 2003 2 Owner TR | 2003 2 CL A4 CL 2.41 12.20.2010 | 409,032 |
| World Omni Auto Receivables TR | 2003 B Asset Bkd CTF CL A3 2.2 1.15.2008 | 270,418 |
| World Omni Auto Receivables TR | 2003 B Asset Bkd CTF CL A4 2.87 11.15.2010 | 512,949 |
| Wyeth | SR NT 6.45 02.01.2024 | 150,136 |
| Wyeth | SR NT 6.5 02.01.2034 | 100,295 |
| Xcel Energy Inc | SR NT 7 12.1.2010 | 239,513 |
| XTO Energy Inc | SR NT 6.25 4.15.213 | 46,530 |
| Zions Bancorporation | SUB NT 6 9.15.2015 | 432,628 |
| | | <u>\$ 479,983,546</u> |

Commingled Investments:

| | | |
|-----------------------------|-------------------------------|----------------------|
| Mellon Instl FDS Invt TR | Standish Mellon Intl Fxd Inc | \$ 8,452,031 |
| Pimco FDS Pac INVT Mgmt | Private Acct Portfolio | \$ 3,631,886 |
| Pimco FDS Pac Invt Mgmt Ser | Intl Portfolio Instl Cl | \$ 4,391,324 |
| Pimco FDS Pac INVT Mgmt Ser | US Govt Sector Port Instl Cl | \$ 8,131,265 |
| Pimco FDS Pac INVT Mgmt Ser | Mtg Portfolio Instl Cl | \$ 16,360,516 |
| Pimco FDS Pac INVT Mgmt Ser | Real Return BD Portfolio Cl | \$ 4,031,021 |
| Pimco FDS Pac INVT Mgmt Ser | Emerging Mkts Portfolio | \$ 4,747,122 |
| Pimco FDS Pac INVT Mgmt Ser | Invt Grade Corp Port Instl Cl | \$ 5,257,539 |
| | | <u>\$ 55,002,704</u> |

Benefit Responsive Interest Rate Wrapper Contracts:

| | | |
|-----------------------------|---------------------|------------------------|
| Aegon Institutional Markets | Open Ended Maturity | (43,485,135) |
| Bank of America NT & SA | Open Ended Maturity | (29,377,185) |
| | | <u>\$ (72,862,321)</u> |

| | |
|--|-----------------------|
| Guaranteed Investment Contracts | \$ 547,149,889 |
|--|-----------------------|

Commingled Investments:

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| | | |
|--|------------------------|---------|
| Abn Amro Veredus Aggress Growth | Commingled Investments | 4,827 |
| Aegis Value Fund Inc | Commingled Investments | 39,551 |
| American Aadvantage Small Cap Val Instl | Commingled Investments | 22,563 |
| American Balanced R1 | Commingled Investments | 16,471 |
| American Century 20Th Century Ultra | Commingled Investments | 6,415 |
| American Century Equity Income | Commingled Investments | 3,372 |
| American Invest Co Of America | Commingled Investments | 33,834 |
| Ameristock Mutual Fund | Commingled Investments | 51,960 |
| Ariel Appreciation Class B | Commingled Investments | 185,763 |
| Ariel Growth Class A | Commingled Investments | 91,669 |
| Artisan Internat 1 | Commingled Investments | 47,350 |
| Artisan Mid Cap | Commingled Investments | 24,949 |
| Atlantic Whitehall Growth N/C | Commingled Investments | 2,307 |
| Baron Growth & Inc | Commingled Investments | 331 |
| Berkshire Focus Fund | Commingled Investments | 32,776 |
| Bjurman Micro Cap Growth | Commingled Investments | 4,064 |
| Black Oak Emerging Technology Fund | Commingled Investments | 167 |
| Boston Partners Sml Cap Val Ii Instl | Commingled Investments | 6,793 |
| Brazos Micro Cap Growth | Commingled Investments | 515 |
| Bridgeway Aggressive Growth | Commingled Investments | 56,211 |
| Bridgeway Aggressive Investor 2 | Commingled Investments | 71,400 |
| Bridgeway Ultra Small Index Port | Commingled Investments | 6,614 |
| Brown Capital Mgmt Small Company Inst. | Commingled Investments | 2,593 |
| Buffalo Small Cap Growth | Commingled Investments | 56,081 |
| Calamos Growth Class A | Commingled Investments | 41,940 |
| Calamos Growth Fund Class C | Commingled Investments | 33,407 |
| Calvert Social Invst Managed Growth Cl A | Commingled Investments | 46,950 |

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| Identity of Issue | Description of Investment | Current Value |
|---|----------------------------------|----------------------|
| Clipper | Commingled Investments | 290,010 |
| Columbia Acorn Class Z N/C | Commingled Investments | 3,375 |
| Cooke & Bieler Mid Cap Equity | Commingled Investments | 5,875 |
| Cross Timbers Royalty Trust | Commingled Investments | 59 |
| Daily EAFE Fund | Common/Collective Trust | 32,558,027 |
| Dodge & Cox Balance | Commingled Investments | 18,185 |
| Dodge & Cox Income | Commingled Investments | 20,634 |
| Dodge & Cox Internatl Stock Fund | Commingled Investments | 24,366 |
| Dodge & Cox Stock | Commingled Investments | 113,524 |
| Domini Social Bond Fund | Commingled Investments | 3,698 |
| Dreyfus Emerging Markets | Commingled Investments | 15,561 |
| Dreyfus Midcap Value Fund | Commingled Investments | 9,244 |
| Dreyfus Premier Ltd Term Income Cl R | Commingled Investments | 3,093 |
| Dreyfus S & P 500 Index Fund | Commingled Investments | 24,932 |
| Duke Realty Invst Co | Commingled Investments | 9,300 |
| Eaton Vance Worldwide Health Sciences Class A | Commingled Investments | 1,347 |
| Excelsior Income Business & Indl Restructing Fd | Commingled Investments | 9,987 |
| Excelsior Real Estate | Commingled Investments | 32,759 |
| Exeter Maximum Horizon | Commingled Investments | 3,083 |
| Fbr Small Cap Financial Fund | Commingled Investments | 10,827 |
| Fidelity Advisor Short Fixed Inc Cl A | Commingled Investments | 4,903 |
| Fidelity Capital & Income | Commingled Investments | 20,086 |
| Fidelity Capital Appreciation | Commingled Investments | 15,552 |
| Fidelity Contrafund | Commingled Investments | 34,468 |
| Fidelity Convertible Securities | Commingled Investments | 28,376 |
| Fidelity Diversified International | Commingled Investments | 73,155 |
| Fidelity Dividend Growth | Commingled Investments | 115,550 |
| Fidelity Equity Income Ii | Commingled Investments | 20,321 |
| Fidelity Export & Multinational | Commingled Investments | 12,181 |
| Fidelity Growth & Income | Commingled Investments | 24,544 |
| Fidelity Inflation Protected Bond | Commingled Investments | 21,226 |
| Fidelity Intern TI Small Cap | Commingled Investments | 559 |
| Fidelity Large Capital Stock | Commingled Investments | 7,437 |
| Fidelity Low Priced Stock | Commingled Investments | 52,818 |
| Fidelity Mid Cap Stock | Commingled Investments | 22,596 |
| Fidelity New Markets Income | Commingled Investments | 20,025 |
| Fidelity Real Estate Investment | Commingled Investments | 36,934 |
| Fidelity Small Cap Stock | Commingled Investments | 25,293 |
| Fidelity Strategic Income | Commingled Investments | 20,088 |
| Fidelity Us Bond Index | Commingled Investments | 3,431 |
| Fidelity Worldwide | Commingled Investments | 5,958 |
| Firsthand Global Technology | Commingled Investments | 256 |
| Firsthand Technology Value | Commingled Investments | 398 |
| Franklin Biotech Discovery Fund A | Commingled Investments | 2,012 |
| Franklin Large Cap Value Class C | Commingled Investments | 20,023 |
| Franklin Real Estate Securities Class C | Commingled Investments | 34,331 |
| Fremont Us Micro Capital | Commingled Investments | 43,950 |
| Fundamental Investors | Commingled Investments | 15,156 |
| Gabelli Growth Shares Ben Int | Commingled Investments | 43,739 |
| Gabelli Westwood Equity Retail Class | Commingled Investments | 68,072 |

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| | | |
|--|------------------------|--------|
| Great Northern Iron Ore Properties Ctf Ben Int | Commingled Investments | 2,784 |
| Growth Fund Of America | Commingled Investments | 8,388 |
| Hancock Horizon Burkenroad Fund Cl D | Commingled Investments | 15,237 |
| Heartland Group Value Income | Commingled Investments | 27,543 |
| HRPT Pptys Trust | Commingled Investments | 5,045 |
| Hussman Strategic Growth | Commingled Investments | 11,984 |
| Icon Technology | Commingled Investments | 38,830 |
| Invesco Leisure N/C | Commingled Investments | 265 |
| Janus Flexible Income | Commingled Investments | 36,591 |
| Janus Inv t Balanced | Commingled Investments | 54,830 |
| Janus Inv t Equity Income | Commingled Investments | 48,456 |
| Janus Inv t Growth & Income | Commingled Investments | 23,927 |
| Janus Inv t Mercury | Commingled Investments | 1,837 |
| Janus Mid Cap Value Invst Shs N/C | Commingled Investments | 32,717 |
| Janus Risk Managed Stock Fund | Commingled Investments | 16,618 |
| Janus Small Cap Value Invst Shs N/C | Commingled Investments | 5,972 |
| Jensen Portfolio, Inc. | Commingled Investments | 55,957 |
| JP Morgan Mid Cap Value Instl | Commingled Investments | 24,046 |
| Julius Baer Int L Equity | Commingled Investments | 11,361 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule of Assets (Held at End of Year) at December 31, 2003
(Schedule H, Part IV, Line 4i on Form 5500)

Exhibit I
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| Identity of Issue | Description of Investment | Current Value |
|--|----------------------------------|----------------------|
| Kinder Morgan Energy Partners L P | Commingled Investments | 18,723 |
| Kinetics Small Cap Opportunities | Commingled Investments | 3,485 |
| Longleaf Partners | Commingled Investments | 31,873 |
| Loomis Sayles Bond Instl N/C | Commingled Investments | 6,556 |
| Lord Abbett Affiliated Class C | Commingled Investments | 23,657 |
| Lord Abbett Bond Debenture Class A | Commingled Investments | 9,902 |
| Lord Abbett Research Small Cap Class C | Commingled Investments | 30,983 |
| Magellan Midstream Partners Lp Com Unit Repstg Ltd Partner Int | Commingled Investments | 1,250 |
| Managers Fds Special Equity | Commingled Investments | 267 |
| Marsico Focus | Commingled Investments | 15,605 |
| Masters Select Equity | Commingled Investments | 51,102 |
| Matthews Dragon Century China | Commingled Investments | 11,757 |
| Matthews Intl Fds Pac Tiger Fd | Commingled Investments | 34,290 |
| Meridian Fund | Commingled Investments | 29,045 |
| Meridian Value Fund | Commingled Investments | 3,036 |
| Motient Corp Wts Exp 05/01/2004 | Commingled Investments | 1 |
| Munder Net Net Class C | Commingled Investments | 5,742 |
| Needham Growth Fund | Commingled Investments | 1,583 |
| Neuberger & Berman Genesis Trust | Commingled Investments | 27,496 |
| Novastar Financial Inc | Commingled Investments | 8,884 |
| Oakmark Balanced | Commingled Investments | 121,029 |
| Oakmark Fund | Commingled Investments | 144,491 |
| Oakmark Internat L | Commingled Investments | 58,778 |
| Oakmark Internat L Small Cap | Commingled Investments | 3,615 |
| Oakmark Select | Commingled Investments | 48,458 |
| Oakmark Small Cap | Commingled Investments | 26,933 |
| Pbhg Large Cap 20 | Commingled Investments | 4,785 |
| Pbhg Large Cap Value | Commingled Investments | 6,409 |
| Pbhg Mid Cap Value | Commingled Investments | 3,452 |
| Pimco Rcm Biotechnology Cl D N/C | Commingled Investments | 332 |
| Pimco Rcm Global Healthcare Class D | Commingled Investments | 55,427 |
| Pimco Rcm Global Technology Class D | Commingled Investments | 1,199 |
| Pimco Rcm Global Technology Instl | Commingled Investments | 10,250 |
| Pimco Real Return Bond Instl Class | Commingled Investments | 4,706 |
| Pimco Real Return Class C | Commingled Investments | 5,481 |
| Pimco Value Institutional | Commingled Investments | 252 |
| Pin Oak Aggressive Stock | Commingled Investments | 401 |
| Pioneer High Yield Class A | Commingled Investments | 3,270 |
| Prudent Bear Fds Inc | Commingled Investments | 3,087 |
| Red Oak Technology Select | Commingled Investments | 291 |
| Rowe T Price High Yield Fd Inc | Commingled Investments | 5,706 |
| Royce Low Priced Stock Fund | Commingled Investments | 100,324 |
| Royce Microcap | Commingled Investments | 27,235 |
| Royce Opportunity Fund | Commingled Investments | 40,017 |
| Royce Pa Mutual | Commingled Investments | 86,668 |
| Royce Premier Series | Commingled Investments | 3,775 |
| Royce Special Equity | Commingled Investments | 36,719 |
| Royce Total Return | Commingled Investments | 32,521 |
| Rydex Arkto Investor Class | Commingled Investments | 78,208 |
| Rydex Biotechnology Inv Class | Commingled Investments | 340 |

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| | | |
|---|-------------------------|-------------|
| Rydex Titan 500 | Commingled Investments | 47,680 |
| S&P 500 Flagship Fund | Common/Collective Trust | 150,059,044 |
| Select Health Care | Commingled Investments | 10,160 |
| Select Industrial Materials | Commingled Investments | 115,484 |
| Selected American Shares | Commingled Investments | 58,058 |
| Shurgard Storage Ctr Inc Cl A Wash Frmlly Del | Commingled Investments | 63,479 |
| Skyline Special Equities | Commingled Investments | 4,685 |
| Spartan Market Index | Commingled Investments | 7,770 |
| Ssga Money Market Fund | Commingled Investments | 6,180,586 |
| Ssga Small Cap Equity | Commingled Investments | 229,976 |
| State St Research High Income Class B1 | Commingled Investments | 15,541 |
| Strong Index 500 | Commingled Investments | 24,977 |
| T Rowe Price Balanced | Commingled Investments | 28,035 |
| T Rowe Price Equity Income | Commingled Investments | 15,163 |
| T Rowe Price International Bond | Commingled Investments | 50 |
| T Rowe Price Mid Cap Growth | Commingled Investments | 3,320 |
| T Rowe Price Mid Cap Value | Commingled Investments | 36,106 |
| T Rowe Price Small Cap Stock | Commingled Investments | 3,077 |
| Third Avenue Real Estate Value | Commingled Investments | 31,556 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule of Assets (Held at End of Year) at December 31, 2003
(Schedule H, Part IV, Line 4i on Form 5500)

Exhibit I
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| Identity of Issue | Description of Investment | Current Value |
|--|--|-------------------------|
| Third Avenue Value Fd | Commingled Investments | 26,009 |
| Thompson Plumb Growth Fund | Commingled Investments | 17,635 |
| Thornberg Mtg Asset Corp | Commingled Investments | 5,440 |
| Tocqueville Gold Fund | Commingled Investments | 7,873 |
| Transamerica Premier Balanced | Commingled Investments | 274 |
| Tweedy Browne Global Value Fund | Commingled Investments | 105,735 |
| Ultra Bear Pro Fund Investors Shares | Commingled Investments | 38,723 |
| Ultra Bear Pro Fund Service Shares | Commingled Investments | 3,283 |
| Ultrashort Otc Pro Fund Service Shrs | Commingled Investments | 4,093 |
| US Small Cap Index Futures Fd | Common/Collective Trust | 42,677,228 |
| Value Line Leveraged Growth Income | Commingled Investments | 39,748 |
| Value Line Small Cap Growth | Commingled Investments | 9,618 |
| Vanguard Bond Index Total Market | Commingled Investments | 84,699 |
| Vanguard Calvert Social Index | Commingled Investments | 4,100 |
| Vanguard Global Equity | Commingled Investments | 18,774 |
| Vanguard Gnm Fixed Income Securities | Commingled Investments | 57,537 |
| Vanguard Growth & Income | Commingled Investments | 10,216 |
| Vanguard High Yield Bond Fixed Income | Commingled Investments | 10,550 |
| Vanguard Index Trust S&P 500 Port | Commingled Investments | 146,463 |
| Vanguard Inflation Protected Secs | Commingled Investments | 20,776 |
| Vanguard Intl Equity Index Europe Port | Commingled Investments | 2,825 |
| Vanguard Intl Equity Index Pacific Port Fund | Commingled Investments | 2,518 |
| Vanguard Mid Cap Index | Commingled Investments | 23,826 |
| Vanguard Muni Bond Intermediate Tm Port | Commingled Investments | 3,846 |
| Vanguard Reit Index Fund | Commingled Investments | 15,845 |
| Vanguard Specialized Energy Port | Commingled Investments | 64,991 |
| Vanguard Specialized Utilities Port | Commingled Investments | 13,225 |
| Vanguard Strategic Equity | Commingled Investments | 3,118 |
| Vanguard Total Intl Stock Index Fund | Commingled Investments | 2,728 |
| Vanguard Total Stock Market | Commingled Investments | 35,886 |
| Vanguard Us Growth Portfolio | Commingled Investments | 1,899 |
| Vanguard/Wellesley Income Income | Commingled Investments | 3,455 |
| Vanguard/Wellington Income | Commingled Investments | 27,972 |
| Vanguard/Windsor Ii Portfolio | Commingled Investments | 3,171 |
| Wasatch Aggressive Equity | Commingled Investments | 30,779 |
| Wasatch Growth | Commingled Investments | 13,387 |
| Wasatch Microcap Value | Commingled Investments | 36,738 |
| Weitz Partners Value | Commingled Investments | 2,067 |
| Weitz Value | Commingled Investments | 143,513 |
| White Oak Growth Stock | Commingled Investments | 26,757 |
| | | \$ 237,176,048 |
| * Participant Loans | Interest rate range from 5.00% to 10.00% | \$ 30,196,773 |
| | | \$ 1,326,569,715 |

* Party-in-interest

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SIGNATURE

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

BAXTER INTERNATIONAL INC. AND SUBSIDIARIES

INCENTIVE INVESTMENT PLAN

Date: June 28, 2004

By: /s/ John J. Greisch

John J. Greisch
Senior Vice President and
Chief Financial Officer

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