

BAXTER INTERNATIONAL INC

Form 11-K

June 27, 2007

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

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

For the year ended December 31, 2006

OR

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

For the transition period from _____ to _____

Commission file number 1-4448

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

Baxter International Inc. and Subsidiaries

Incentive Investment Plan

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

Baxter International Inc.

One Baxter Parkway

Deerfield, IL 60015

(847) 948-2000

**Baxter International Inc.
and Subsidiaries
Incentive Investment Plan
Financial Statements and Supplemental Schedules
December 31, 2006 and 2005**

**Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Index
December 31, 2006 and 2005**

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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, 2006 and 2005, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Plan s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As further described in Note 2, the Plan adopted FASB Staff Position Nos. AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans, as of December 31, 2006 and 2005.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental Schedule of Assets (Held at End of Year) and Schedule of Reportable Transactions are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor s Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. These supplemental schedules are the responsibility of the Plan s management. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP

Chicago, Illinois

June 25, 2007

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Statements of Net Assets Available for Benefits
December 31, 2006 and 2005

| | 2006 | 2005 |
|---|------------------|------------------|
| Assets | | |
| Investments | | |
| Cash and cash equivalents | \$ 33,168,843 | \$ 31,118,478 |
| Common stock (including securities on loan of \$17,081,644 in 2006 and \$19,097,230 in 2005) | 481,186,522 | 461,907,223 |
| U.S. government and government agency issues | 36,187,676 | 35,492,806 |
| Corporate and other obligations (including securities on loan of \$16,775,414 in 2006 and \$11,742,965 in 2005) | 42,547,956 | 38,886,788 |
| Commingled funds | 378,735,234 | 298,634,721 |
| Registered investment companies | 13,602,410 | 11,663,581 |
| Participant loans | 29,619,239 | 29,575,488 |
| Synthetic guaranteed investment contracts (including securities on loan of \$52,382,101 in 2006 and \$93,799,223 in 2005) | 612,875,198 | 621,691,044 |
| Collateral held on loaned securities | 87,326,904 | 126,971,898 |
| Total investments at fair value | 1,715,249,982 | 1,655,942,027 |
| Receivables | | |
| Accrued interest and dividends | 2,922,904 | 2,984,702 |
| Due from brokers for securities sold | 318,298 | 235,820 |
| | 3,241,202 | 3,220,522 |
| Total assets | 1,718,491,184 | 1,659,162,549 |
| Liabilities | | |
| Accounts payable | 2,826,722 | 2,747,092 |
| Due to brokers for securities purchased | 1,090,257 | 493,675 |
| Collateral to be paid on loaned securities | 87,326,904 | 126,971,898 |
| Total liabilities | 91,243,883 | 130,212,665 |
| Net assets available for benefits, at fair value | 1,627,247,301 | 1,528,949,884 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | (27,502,635) | (49,731,043) |
| Net assets available for benefits | \$ 1,599,744,666 | \$ 1,479,218,841 |

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

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Statements of Changes in Net Assets Available for Benefits
For the Years Ended December 31, 2006 and 2005

| | 2006 | 2005 |
|---|------------------|------------------|
| Additions to net assets attributed to | | |
| Investment income | | |
| Interest | \$ 36,837,148 | \$ 35,005,489 |
| Participant loan interest | 1,943,886 | 1,619,102 |
| Dividends | 6,805,226 | 5,890,923 |
| Net appreciation in fair value of investments | 114,810,943 | 58,542,900 |
| | 160,397,203 | 101,058,414 |
| Contributions | | |
| Sponsor | 22,683,169 | 22,051,130 |
| Participant | 65,392,572 | 59,325,689 |
| | 88,075,741 | 81,376,819 |
| Transfer from other plan | | 3,123,809 |
| Total additions | 248,472,944 | 185,559,042 |
| Deductions from net assets attributed to | | |
| Benefits paid | 123,741,653 | 116,792,825 |
| Plan expenses | 4,205,466 | 4,171,025 |
| Total deductions | 127,947,119 | 120,963,850 |
| Net increase | 120,525,825 | 64,595,192 |
| Net assets available for benefits | | |
| Beginning of year | 1,479,218,841 | 1,414,623,649 |
| End of year | \$ 1,599,744,666 | \$ 1,479,218,841 |

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

**Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Notes to Financial Statements
December 31, 2006 and 2005**

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 up to 20% of their eligible annual compensation within certain limitations. The Plan sponsor, Baxter International Inc. (Baxter), matches participant contributions up to a maximum of 3% of the employee's compensation. Participant contributions and Plan sponsor matching contributions are fully vested and nonforfeitable at all times. 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 agreement.

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.

Upon enrollment in the Plan, a participant may direct contributions to any of eight investment options: Stable Income Fund, Baxter Common Stock Fund, Composite Fund, General Equity Fund, S&P 500 Flagship Fund, International EAFE Equity Index Fund, Small Cap Fund and 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 spinoff of its cardiovascular business. Participants are not able to make contributions to the Cardinal Health Common Stock Fund or the Edwards Lifesciences Common Stock Fund.

2. Summary of Significant Accounting Policies

New Accounting and Disclosure Standard

The Plan adopted Financial Accounting Standards Board Staff Position Nos. AAG INV-1 and SOP 94-4-1, Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans (the FSP) for the plan year ending December 31, 2006. The FSP requires that the Statement of Net Assets Available for Benefits present the fair value of the investment contracts as well as the adjustment of the fully benefit-responsive investment contracts from fair value to contract value. The Statement of Changes in Net Assets Available for Benefits is prepared on a contract value basis for fully benefit-responsive investment contracts. As required, the FSP was applied retroactively to the Statement of Net Assets Available for Benefits as of December 31, 2005. The adoption of the FSP had no impact on net assets. See Synthetic Guaranteed Investment Contracts section below for further information.

Basis of Accounting

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

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Notes to Financial Statements
December 31, 2006 and 2005

Valuation of Investments

The valuation of Plan investments is determined as follows:

| | |
|--|---|
| Cash and cash equivalents | Value based on cost which approximates fair value |
| Common stock: | |
| Traded on national exchanges | Value based on composite pricing of all national closing sales prices on the valuation date |
| Traded on over-the-counter market | Value based on last reported sale price defaulting to bid quotations |
| U.S. government and government agency issues | Value based on the last reported sale price from a national security exchange on the valuation date |
| Corporate and other obligations | Value based on the last reported sale price from a national security exchange on the valuation date |
| Commingled funds | Value based on closing prices of the underlying securities on the valuation date |
| Registered investment companies | Value based on the last reported sale price from a national security exchange on the valuation date |
| Participant loans | Valued based on outstanding principal balance which approximates fair value |
| Synthetic guaranteed investment contracts | Value based on closing prices of the underlying securities on the valuation date |
| Collateral held on loaned securities | Value based on cost which approximates fair value |

Income Recognition

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

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Notes to Financial Statements
December 31, 2006 and 2005

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

Synthetic Guaranteed Investment Contracts

The Plan holds synthetic guaranteed investment contracts (GICs) as part of the Stable Income Fund. The synthetic GICs provide for a fixed return on principal over a specified time through fully benefit-responsive contracts issued by Aegon Institutional Markets and Bank of America NT & SA. The portfolio of assets underlying the synthetic GICS primarily includes U.S government and government agency issues, corporate and other bonds, and commingled trust funds.

The fair value of the synthetic GICs equals the total of the fair value of the underlying assets plus the fair value of the wrapper contracts. The fair value of the wrapper contracts is computed using a replacement cost approach that incorporates a comparison of the current fee rate on similar wrapper contracts to the fee being paid by the Plan. Using this approach, the fair value of the wrapper contracts was zero at both December 31, 2006 and 2005.

Fully benefit-responsive synthetic GICs are valued at contract value, rather than fair value, for determining the net assets available for benefits. Contract value represents contributions, plus earnings, less participant withdrawals and administrative expenses. The wrapper contracts used by the Plan are fully benefit-responsive because the wrapper contract issuers are contractually obligated to make up any shortfall in the event that the underlying asset portfolio has been liquidated and is inadequate to cover participant withdrawals and transfers at contract value. There are currently no reserves against contract values for credit risk of the contract issuers or any other risk. The contract value for the synthetic GICs was \$585,372,563 and \$571,960,001 at December 31, 2006 and 2005, respectively.

The crediting interest rate, which is reset quarterly, can never fall below zero. The crediting rate formula smoothes the impact of interest rate changes on participant returns by amortizing any difference between market value and book value over a period of years equal to the duration of the portfolio benchmark. The average yield on the synthetic GICs was approximately 4.48% and 2.14% at December 31, 2006 and 2005, respectively. The average interest rate credited to participants on the synthetic GICs was approximately 4.73% and 4.49%, respectively, for the years ended December 31, 2006 and 2005. Credit ratings for both issuers of the synthetic GICs at December 31, 2006 and 2005 were AA.

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

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

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Notes to Financial Statements
December 31, 2006 and 2005

Payment of Benefits

Benefits are recorded when paid.

Other

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

Use of Estimates

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

Risks and Uncertainties

The Plan provides for various investment options which invest in any combination of registered investment companies, U.S. government and government agency issues, corporate and other obligations, common stock, commingled funds, synthetic guaranteed investment contracts and short-term investments. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities and the level of uncertainty related to changes in the value of investment securities, it is at least reasonably possible that changes in risks in the near term could materially affect participants' account balances and the amounts reported in the Statements of Net Assets Available for Benefits and the Statements of Changes in Net Assets Available for Benefits. Individual participants' accounts bear the risk of loss resulting from fluctuations in investment values.

3. Eligibility Requirements

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

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

4. Administration of the Plan

State Street Bank and Trust Company (the Trustee) serves as trustee and Citistreet LLC serves as recordkeeper for the Plan.

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

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

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Notes to Financial Statements
December 31, 2006 and 2005

5. Investments

Investments representing five percent or more of the Plan's net assets available for benefits at December 31, 2006 and 2005 are summarized as follows:

| | 2006 | 2005 |
|--|----------------|----------------|
| Baxter Common Stock, 3,054,026 shares and 3,387,837 shares at December 31, 2006 and 2005, respectively | \$ 141,676,250 | \$ 127,552,068 |
| S&P500 Flagship Fund | 190,704,647 | 171,590,245 |
| International EAFE Equity Index Fund | 107,860,515 | 66,909,749 |

Investments as of December 31, 2006 and 2005 are segregated into various investment fund options as follows:

| | 2006 | 2005 |
|---|-------------------------|-------------------------|
| Cash (available for investment) | \$ 2,319,204 | \$ 2,277,049 |
| Stable Income Fund | 624,175,516 | 627,100,610 |
| Baxter Common Stock Fund | 143,768,460 | 134,101,457 |
| Composite Fund | 169,420,156 | 168,713,436 |
| General Equity Fund | 213,002,241 | 203,616,384 |
| Cardinal Health Common Stock Fund | 13,053,966 | 15,656,923 |
| S&P500 Flagship Fund | 191,119,118 | 171,590,245 |
| International EAFE Equity Index Fund | 108,219,284 | 67,137,153 |
| Edwards Lifesciences Common Stock Fund | 10,980,586 | 11,239,586 |
| Small Cap Fund | 79,995,302 | 60,019,682 |
| Self-Managed Fund | 42,250,006 | 37,942,116 |
| Loan Fund | 29,619,239 | 29,575,488 |
| Collateral held on loaned securities | 87,326,904 | 126,971,898 |
| Total investments at fair value | 1,715,249,982 | 1,655,942,027 |
| Adjustment from fair value to contract value for Stable Income Fund | (27,502,635) | (49,731,043) |
| Total investments | \$ 1,687,747,347 | \$ 1,606,210,984 |

The fund amounts above include \$30,849,639 and \$28,841,429 of cash and cash equivalents at December 31, 2006 and 2005, respectively, which are awaiting investment in their respective portfolios. These amounts are primarily maintained in the State Street Bank Short-Term Investment Fund.

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Notes to Financial Statements
December 31, 2006 and 2005

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

| | 2006 | 2005 |
|--|----------------|---------------|
| U.S. government and government agency issues | \$ 15,044 | \$ (472,779) |
| Corporate and other obligations | 244,970 | (900,695) |
| Baxter common stock | 27,164,364 | 11,180,872 |
| Other common stock | 28,564,197 | 29,349,284 |
| Registered investment companies | 1,029,910 | 380,801 |
| Commingled funds | 57,792,458 | 19,005,417 |
| | \$ 114,810,943 | \$ 58,542,900 |

6. Securities Lending Transactions

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

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

As of December 31, 2006 and 2005, the Plan had securities on loan with a market value of \$86,239,159 and \$124,639,418, respectively, with cash collateral received of \$87,326,904 and \$126,971,898, respectively. Cash collateral was invested in a short-term commingled investment fund as of December 31, 2006 and 2005.

Non-cash collateral of \$802,508 and \$260,330 received for securities on loan at December 31, 2006 and 2005, respectively, consisted of U.S. government and government agency issues held by the Trustee on behalf of the Plan. A portion of the income generated upon investment of cash collateral is remitted to the Borrowers, and the remainder is allocated between the Plan and the Trustee in its capacity as a security agent. Securities lending income allocated to the Plan amounted to \$239,526 and \$143,310 for 2006 and 2005, respectively. Securities lending income is classified as interest income in the Statements of Changes in Net Assets Available for Benefits.

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Notes to Financial Statements
December 31, 2006 and 2005

7. Plan Termination

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

8. Tax Status of the Plan

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

9. Related Parties

At December 31, 2006 and 2005, 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, units of commingled funds and registered investment companies managed by Pacific Investment Management Company, an investment manager for the Plan, and shares of common stock and fixed income securities in various affiliates of Citistreet LLC, the recordkeeper. These transactions are allowable party-in-interest transactions under ERISA and the regulations promulgated thereunder.

10. Plan Merger

During 2001, Baxter acquired Sera-Tec Biologicals, L.P. The Sera-Tec Biologicals 401(k) Plan was merged into the Plan effective July 2005. As a result of this merger, total assets of approximately \$3.1 million were transferred into the Plan.

11. Plan Amendment

During 2006, Baxter amended the Plan in response to changes made to its U.S. qualified defined benefit pension plan. Employees hired on or after January 1, 2007 will receive a higher level of company contributions (an additional non-matching 3% of the employee's compensation) in the Plan but will not be eligible to participate in the pension plan. In addition, these employees will automatically have 3% of their annual salary contributed to the Plan if they do not enroll in the Plan within 60 days of their hire date. Employees hired prior to January 1, 2007 who were not fully vested in the pension plan as of December 31, 2006 were required to elect, by February 15, 2007, to either continue their participation in the pension plan and the Plan, or to cease earning additional service in the pension plan as of December 31, 2006 and participate in the higher level of company contributions in the Plan. There was no change to the plans for employees who were fully vested in the pension plan as of December 31, 2006.

SUPPLEMENTAL SCHEDULES

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of
Year)
December 31, 2006

Schedule I

| Identity of Issue | Description of Investment | Cost** | Current Value |
|---|---|--------|-----------------------|
| Cash and Cash Equivalents: | | | |
| * SSGA MONEY MARKET FUND | Short-Term Investment Fund | | \$ 7,366,161 |
| * State Street Bank + Trust Co US Dollar | Short-Term Investment Fund US Dollar | | 25,443,915 358,767 |
| Cash and cash equivalents | | | \$ 33,168,843 |

Common Stock:

| | | |
|-------------------------------------|--------------|---------|
| 21ST CENTURY HLDG CO | Common Stock | 18,881 |
| 3COM CORP | Common Stock | 3,699 |
| 3DICON CORP | Common Stock | 2,500 |
| 3M COMPANY | Common Stock | 21,374 |
| 8X8 INC | Common Stock | 2,340 |
| ABB LTD SPONSORED ADR | Common Stock | 17,980 |
| ABBOTT LABORATORIES | Common Stock | 157,877 |
| ABIOMED INC | Common Stock | 3,736 |
| ABN AMRO HLDG N V SPONSORED ADR | Common Stock | 1,602 |
| ACACIA RES CORP AR | | |
| COMBIMATRIX COM | Common Stock | 791 |
| ACADIA PHARMACEUTICALS INC | Common Stock | 6,153 |
| ACCLAIM ENTERTAINMENT INC | Common Stock | 4 |
| ACCO BRANDS CORP COM | Common Stock | 185 |
| ACERGY S A SPONSORED ADR | Common Stock | 7,632 |
| ACME PACKET INC COM | Common Stock | 18,370 |
| ACTIVIDENTITY CORP COM | Common Stock | 253 |
| ACTIVISION INC | Common Stock | 5,172 |
| ADAPTIVE BROADBAND CORP | Common Stock | 30 |
| ADC TELECOMMUNICATNS INC COM NEW | Common Stock | 6,204 |
| ADEPT TECHNOLOGY INC COM NEW | Common Stock | 5,738 |
| ADOBE SYS INC | Common Stock | 5,675 |

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| | | | |
|--|--------------|-----------|-----------|
| ADVANCED MICRO DEVICES INC | Common Stock | | 196,683 |
| ADVANCED MICRO DEVICES | Common Stock | 1,815,454 | 1,357,450 |
| ADVANCED PHOTONIX INC CL A | Common Stock | | 13,662 |
| ADVANTAGE ENERGY INCOME | Common Stock | | 3,175 |
| ADVENT/CLAYMORE ENHANCED GROWTH & INCOME FD | Common Stock | | 5,437 |
| AES CORP | Common Stock | 813,564 | 1,100,461 |
| AETNA INC | Common Stock | 584,569 | 890,516 |
| AFFYMETRIX INC | Common Stock | | 2,306 |
| AFLAC INC | Common Stock | | 31,128 |
| AGERE SYS INC COM | Common Stock | | 4,582 |
| AK STEEL HLDG CORP | Common Stock | | 13,148 |
| AKAMAI TECHNOLOGIES | Common Stock | 1,045,763 | 1,116,478 |
| AKAMAI TECHNOLOGIES INC | Common Stock | | 25,657 |
| AKSYS LTD | Common Stock | | 161 |
| ALCATEL LUCENT SPON ADR | Common Stock | | 67,545 |
| ALCOA INC | Common Stock | | 16,205 |
| ALCON INC | Common Stock | 2,516,561 | 3,363,859 |
| ALJ REGL HLDGS INC | Common Stock | | 300 |
| ALKERMES INC | Common Stock | | 6,685 |
| ALLEGHENY TECH INC | Common Stock | | 22,942 |
| ALLIANCE FIBER OPTIC PRODUCTS INC | Common Stock | | 4,080 |
| ALLIANCE PHARMACEUTICAL CORP COM | Common Stock | | 138 |
| ALLIED CAPITAL CORP | Common Stock | | 6,536 |
| ALLIED WASTE INSDS COM | Common Stock | | 6,145 |
| ALLOS THERAPEUTICS INC | Common Stock | | 31,882 |
| ALMADEN MINERALS LTD | Common Stock | | 4,500 |
| ALMOST FAMILY INC | Common Stock | | 12,050 |
| ALON USA ENERGY INC COM | Common Stock | | 9,208 |
| ALTAIR NANOTECH INC | Common Stock | | 2,761 |
| ALTEON INC | Common Stock | | 5,475 |
| ALTRIA GROUP | Common Stock | 3,325,582 | 3,793,841 |
| ALTRIA GROUP INC | Common Stock | | 136,928 |
| ALVARION LTD | Common Stock | | 3,360 |
| AMAZON.COM INC | Common Stock | | 1,342 |
| AMDOCS LTD ORD | Common Stock | | 7,750 |
| AMER INTL GROUP INC | Common Stock | | 4,443 |
| AMERICA MOVIL SAB DE CV | Common Stock | 1,781,491 | 2,378,321 |
| AMERICA MOVIL SERIES L ADR | Common Stock | | 16,597 |
| AMERICAN CAPITAL STRATEGIES | Common Stock | | 12,572 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at
End of Year)
December 31, 2006

Schedule I

| | | | |
|--|--------------|-----------|-----------|
| AMERICAN ELECTRIC POWER | Common Stock | 618,523 | 710,076 |
| AMERICAN INTL GROUP | Common Stock | 6,622,032 | 7,304,488 |
| AMERICAN ORIENTAL BIOENGINEERING INC | Common Stock | | 21,123 |
| AMERICAN SAFETY INS | Common Stock | | 18,550 |
| AMERICAN SCIENCE & ENGR INC | Common Stock | | 11,902 |
| AMERISOURCEBERGEN CORP | Common Stock | 918,043 | 878,424 |
| AMGEN INC | Common Stock | | 112,302 |
| AMPCO PITTSBURGH CORP | Common Stock | | 21,981 |
| ANALOG DEVICES INC | Common Stock | | 4,930 |
| ANDREA ELECTRONICS CORP FRMLY ANDREA RADIO CORP | Common Stock | | 105 |
| ANHEUSER BUSCH COMPANIES INC | Common Stock | | 2,952 |
| ANTIGENICS INC DEL | Common Stock | | 229 |
| AON | Common Stock | 117,406 | 1,300,733 |
| APACHE | Common Stock | 889,874 | 885,999 |
| APOLLO GROUP INC | Common Stock | | 2,338 |
| APPLE COMPUTER INC | Common Stock | | 144,313 |
| APPLE INC | Common Stock | 3,430,277 | 6,061,106 |
| APPLERA CORP. - APPLIED BIOSYS GROUP | Common Stock | | 7,338 |
| APPLIED DIGITAL SOLUTIONS INC COM | Common Stock | | 42,359 |
| APPLIED MATERIALS INC | Common Stock | | 14,944 |
| APPLIED MICRO CIRCUITS CORP CDT | Common Stock | | 1,691 |
| APT SATELLITE HOLDING LTD | Common Stock | | 930 |
| AQUA AMERICA INC | Common Stock | | 2,301 |
| ARCELOR MITTAL | Common Stock | 1,196,197 | 1,207,028 |
| ARCHER DANIELS MIDLAND | Common Stock | | 26,318 |
| ARENA PHARMACEUTICALS INC | Common Stock | | 775 |
| ARES CAP CORP COM | Common Stock | | 6,022 |
| ARIBA INC COM NEW | Common Stock | | 1,285 |
| ARIES MARITIME TRANSPORT LIMITED SHS | Common Stock | | 4,585 |
| ARKANSAS BEST CORP | Common Stock | | 10,800 |
| ARMOR HLDGS INC DEL | Common Stock | | 2,742 |
| AROTECH CORP COM NEW | Common Stock | | 433 |
| ARRHYTHMIA RESEARCH TECHNOLOGY INC | Common Stock | | 14,679 |
| ASTA FUNDING INC | Common Stock | | 15,220 |
| ASTRAZENECA PLC- SPONS ADR | Common Stock | | 2,410 |
| AT&T INC | Common Stock | 1,226,543 | 1,675,646 |
| AT&T INC COM | Common Stock | | 53,518 |

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|---|---------------------------------|--------------|-----------|-------------|
| | ATARI INC | Common Stock | | 2,736 |
| | ATHEROGENICS INC | Common Stock | | 3,964 |
| | ATSI COMMUNICATIONS INC COM NEW | Common Stock | | 31 |
| | AUDICODES LTD | Common Stock | | 1,874 |
| | AUTODESK INC | Common Stock | | 1,416 |
| | AUTOMATIC DATA PROCESSING INC | Common Stock | | 14,775 |
| | AUTOZONE INC NEV | Common Stock | | 13,058 |
| | AVANEX CORP | Common Stock | | 1,890 |
| | AVANIR PHARMACEUTICALS | Common Stock | | 2,749 |
| | AVI BIOPHARMA INC | Common Stock | | 954 |
| | AVIS BUDGET GROUP INC | Common Stock | | 1,518 |
| | B & G FOODS INC | Common Stock | | 6,006 |
| | BACK YD BURGERS INC | Common Stock | | 8,925 |
| | BACKWEB TECHNOLOGIES LTD | Common Stock | | 779 |
| * | BANK AMERICA CORP | Common Stock | 4,798,300 | 5,605,919 |
| | BANK NEW YORK INC | Common Stock | | 9,477 |
| * | BANK OF AMERICA CORP | Common Stock | | 110,080 |
| | BARCLAYS BK PLC | Common Stock | | 1,364 |
| | BARR LABS INC | Common Stock | | 11,227 |
| * | BAXTER INTERNATIONAL | Common Stock | | 141,676,250 |
| | BAYER AG | Common Stock | | 11,910 |
| | BEA SYSTEMS INC | Common Stock | | 126 |
| | BEACON PWR CORP COM | Common Stock | | 15,840 |
| | BEMA GOLD CORP | Common Stock | | 47,250 |
| | BERKSHIRE HATHAWAY INC | Common Stock | | 54,990 |
| | BERKSHRE HATHAWAY INC | Common Stock | 1,191,469 | 1,628,010 |
| | BEST BUY INC | Common Stock | | 54,502 |
| | BG GROUP PLC | Common Stock | | 6,844 |
| | BHP BILLITON LTD | Common Stock | | 75,525 |
| | BIOCRIST PHARMACEUTICALS INC | Common Stock | | 23,120 |
| | BIOGEN IDEC INC | Common Stock | | 27,546 |
| | BIOMERICA INC | Common Stock | | 5,600 |
| | BIOMET INC | Common Stock | | 3,095 |
| | BIOMIRA INC | Common Stock | | 1,140 |
| | BIOPURE CORP | Common Stock | | 144 |
| | BJ SERVICES CO COM | Common Stock | | 1,410 |
| | BJ SVCS CO | Common Stock | 659,123 | 595,997 |
| | BLACK & DECKER CORP | Common Stock | 926,911 | 907,481 |
| | BLACK BOX CORP | Common Stock | | 2,100 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of
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|--|--------------|-----------|-----------|
| BLACKBAUD INC | Common Stock | | 7,347 |
| BLACKROCK CORPORATE HIGH YIELD | Common Stock | | 2,680 |
| BLOCK (H&R) INC | Common Stock | | 9,966 |
| BO PLC | Common Stock | 2,961,637 | 3,032,499 |
| BOEING CO | Common Stock | 6,384,780 | 7,635,533 |
| BOEING CO | Common Stock | | 17,768 |
| BOOKHAM INC COM | Common Stock | | 407 |
| BORDERS GROUP MICHIGAN INC | Common Stock | | 898 |
| BOSTON SCIENTIFIC | Common Stock | | 162,282 |
| BOSTON SCIENTIFIC CORP | Common Stock | 1,208,787 | 957,821 |
| BP AMOCO PLC | Common Stock | | 10,065 |
| BRADLEY PHARMACETLS INC CL A | Common Stock | | 1,235 |
| BRAODCOM CORP | Common Stock | 2,640,309 | 3,221,706 |
| BRIGGS & STRATTON CORP | Common Stock | | 13,475 |
| BRISTOL MYERS SQUIBB | Common Stock | | 31,222 |
| BRITISH AWYS PLC ADR 2ND INSTALLMENT | Common Stock | | 13,735 |
| BROADCOM CORP CL A | Common Stock | | 65,589 |
| BROADWING CORP COM | Common Stock | | 54,889 |
| BROCADE COMMUNICATIONS SYS INC | Common Stock | | 82 |
| BORG WARNER | Common Stock | 729,894 | 710,512 |
| BROOKFIELD ASSET MGMT INC COM | Common Stock | | 4,834 |
| BROOKFIELD HOMES CORP | Common Stock | | 74 |
| BROOKLINE BANCORP INC DEL COM | Common Stock | | 7,652 |
| BROWN FORMAN CORP CL B NON VTG | Common Stock | | 2,318 |
| BRYN MAWR BK CORP | Common Stock | | 2,364 |
| BSI2000 INC | Common Stock | | 15 |
| BUILDERS FIRSTSOURCE INC COM | Common Stock | | 1,605 |
| C S X CORP | Common Stock | | 12,134 |
| CAL MAINE FOODS INC | Common Stock | | 8,580 |
| CALAMOS CONV OPPORTU NITIES & INCOME FD | Common Stock | | 10,296 |
| CALAMP CORP | Common Stock | | 106,563 |
| CALLWAVE INC DEL | Common Stock | | 1,345 |
| CALPINE CORP | Common Stock | | 4,777 |
| CAMBRIDGE DISPLAY TECHNOLOGY INC | Common Stock | | 535 |
| CAMECO CORP | Common Stock | | 2,023 |
| CAMPBELL SOUP CO | Common Stock | | 100 |
| CANETIC RES TR COM | Common Stock | | 7,773 |
| CAPSTEAD MORTGAGE CORP | Common Stock | | 4,150 |
| CAPSTONE TURBINE CORP | Common Stock | | 12,300 |
| CARDIAC SCIENCE CORP | Common Stock | | 242 |
| CARDINAL COMM INC | Common Stock | | 5 |

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|------------------------------------|--------------|-----------|------------|
| CARDINAL HEALTH INC | Common Stock | | 12,971,065 |
| CARDIOTECH INTL INC | Common Stock | | 975 |
| CARMAX INC | Common Stock | | 20,058 |
| CARNIVAL CORP PAIRED & 1 TR SH BEN | | | |
| INT P&O PRINCESS SPL VTG TR | Common Stock | | 4,905 |
| CASCADE BANCORP | Common Stock | | 25,196 |
| CATERPILLAR INC | Common Stock | | 650,098 |
| CBIZ INC COM | Common Stock | | 1,673 |
| CBS CORP | Common Stock | 2,715,097 | 3,310,557 |
| CBS CORP NEW CL B | Common Stock | | 25,117 |
| CDC CORPORATION | Common Stock | | 47,500 |
| CECO ENVIRONMENTAL CORP | Common Stock | | 4,485 |
| CELGENE CORP | Common Stock | | 21,229 |
| CELL GENESYS INC | Common Stock | | 203 |
| CELL THERAPEUTICS INC | Common Stock | | 525 |
| CEMEX S A SPONS ADR NEW REP ORD | Common Stock | | 10,017 |
| CENTERPLATE INC | Common Stock | | 7,600 |
| CENTRAL FD CDA | Common Stock | | 20,548 |
| CENVEO INC | Common Stock | | 16,960 |
| CERADYNE INC | Common Stock | | 3,503 |
| CERUS CORP | Common Stock | | 20,510 |
| CHAPARRAL STL CO DEL COM | Common Stock | | 6,662 |
| CHARTER COMM INC DEL CL A | Common Stock | | 4,896 |
| CHESAPEAKE ENERGY CORPORATION | | | |
| OKLAHOMA | Common Stock | | 1,687,846 |
| CHEVRON CORP | Common Stock | 3,145,752 | 3,889,036 |
| CHEVRONTEXACO CORP | Common Stock | | 73,640 |
| CHICAGO MERCANTILE EXCHANGE | Common Stock | 937,549 | 1,056,305 |
| CHINA ENERGY SVGS TECHNOLOGY INC | Common Stock | | 80 |
| CHINA FD INC | Common Stock | | 10,254 |
| CHINA MOBILE LTD SPONS ADR | Common Stock | | 12,966 |
| CHINA PETEROLEUM & CHEM CORP | Common Stock | | 17,046 |
| CHINA PRECISION STL INC | Common Stock | | 11,287 |
| CHINA YUCHAI INTERNATIONAL LTD | Common Stock | | 13,780 |
| CHUBB CORP | Common Stock | 1,770,113 | 2,109,268 |
| CIENA CORP COM NEW DELAWARE | Common Stock | | 55 |
| CIGNA | Common Stock | 520,052 | 1,090,558 |
| CINCINNATI FINL CORP | Common Stock | | 2,265 |
| CIPHERGEN BIOSYSTEMS INC | Common Stock | | 74,760 |

Baxter International Inc. and Subsidiaries
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|---|--|--------------|-----------|-----------|
| | CISCO SYS INC | Common Stock | | 413,202 |
| | CISCO SYSTEMS | Common Stock | 896,117 | 1,186,602 |
| | CISCO SYSTEMS INC | Common Stock | 3,578,786 | 4,120,744 |
| * | CITIGROUP | Common Stock | 5,789,609 | 6,644,987 |
| * | CITIGROUP INC | Common Stock | | 127,332 |
| | CITIZENS COMMUNICATIONS CO | Common Stock | | 13,091 |
| | CLARENT CORP | Common Stock | | 2 |
| | CLOROX | Common Stock | 1,235,012 | 1,392,618 |
| | CMGI INC | Common Stock | | 5,360 |
| | CNOOC LTD SPONSORED ADR | Common Stock | | 136 |
| | COACH INC | Common Stock | | 25,776 |
| | COASTAL FINL CP | Common Stock | | 10,807 |
| | COCA COLA BOTTLING CO | Common Stock | | 4,380 |
| | COCA COLA CO | Common Stock | | 11,123 |
| | COGENT INC | Common Stock | | 550 |
| | COGNIZANT TECHNOLOGY SOLUTIONS INC | Common Stock | | 25,000 |
| | COHEN & STEERS PREM INCOME RLTY FD INC | Common Stock | | 16,726 |
| | COLGATE-PALMOLIVE CO | Common Stock | | 3,262 |
| | COMCAST CORP | Common Stock | 2,297,683 | 3,554,003 |
| | COMCAST CORP NEW | Common Stock | 2,902,739 | 3,087,023 |
| | COMDISCO HLDG CO INC | Common Stock | | 250 |
| | COMMERCE GROUP INC MASS | Common Stock | | 2,975 |
| | COMMTOUCH SOFTWARE LTD | Common Stock | | 600 |
| | COMPANHIA SIDERURGICA NACIONAL | Common Stock | | 7,674 |
| | COMPANHIA VALE DO RIO DOCE SPONS ADR | Common Stock | | 1,190 |
| | COMPASS MINERALS INTL INC | Common Stock | | 15,464 |
| | COMPUCREDIT CORP | Common Stock | | 7,962 |
| | COMPUWARE CORP | Common Stock | | 8,330 |
| | CONAGRA FOODS INC | Common Stock | | 8,100 |
| | CONEXANT SYSTEMS, INC. | Common Stock | | 2,244 |
| | CONOCOPHILLIPS | Common Stock | 3,129,691 | 3,741,572 |
| | CONOCOPHILLIPS | Common Stock | | 146,778 |
| | CONSOL ENERGY INC | Common Stock | | 36 |
| | CONSULIER ENGINEERNG INC COM PAR \$0.01 | Common Stock | | 7,410 |
| | CONTANGO OIL & GAS INC COM NEW | Common Stock | | 14,304 |
| | CONTINENTAL AIRLS INC CL B | Common Stock | | 20,625 |
| | COOPER INDUSTRIES | Common Stock | 244,914 | 303,392 |
| | CORAUTUS GENETICS INC COM | Common Stock | | 83 |
| | CORNING INC | Common Stock | 1,150,966 | 1,251,746 |

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|--------------------------------------|--------------|-----------|-----------|
| CORNING INC | Common Stock | | 32,468 |
| CORPORATE EXECUTIVE BRD CO | Common Stock | | 965 |
| COSTCO WHOLESALE CORP | Common Stock | | 370 |
| COTHERIX INC | Common Stock | | 1,349 |
| COUNTRYWIDE FINANCIAL | Common Stock | 126,834 | 125,664 |
| COVAD COMMUNICATIONS GROUP INC | Common Stock | | 138 |
| CREDIT SUISSE GROUP | Common Stock | 2,750,779 | 3,087,856 |
| CREE INC | Common Stock | | 3,464 |
| CROWN CASTLE INTL | Common Stock | 400,962 | 481,274 |
| CRYOLIFE INC | Common Stock | | 6,120 |
| CRYSTALLEX INTL CORP | Common Stock | | 15,837 |
| CSX CORP | Common Stock | 882,313 | 1,127,945 |
| CUMBERLAND RES LTD | Common Stock | | 11,280 |
| CVS CORP DEL | Common Stock | | 11,684 |
| D R HORTON INC | Common Stock | | 7,947 |
| DAIMLER CHRUSLER | Common Stock | 750,706 | 933,195 |
| DAIMLERCHRYSLER AG ORD | Common Stock | | 7,375 |
| DANA CORP | Common Stock | | 1,390 |
| DARDEN RESTAURANTS | Common Stock | | 4,017 |
| DATALINK CORP | Common Stock | | 1,579 |
| DECODE GENETICS INC | Common Stock | | 4,530 |
| DEERE & CO | Common Stock | | 15,035 |
| DEERFIELD TRIARC CAP CORP COM | Common Stock | | 10,429 |
| DEFERAL HOME LOAN MTG | Common Stock | 2,452,080 | 2,566,145 |
| DELCATH SYSTEMS INC COM | Common Stock | | 14,800 |
| DELL INC | Common Stock | | 11,667 |
| DELPHI AUTOMOTIVE SYSTEMS | Common Stock | | 621 |
| DELTA AIR LINES INC | Common Stock | | 4,623 |
| DENDREON CORP | Common Stock | | 12,510 |
| DHB INDUSTRIES INC | Common Stock | | 295 |
| DIAMOND OFFSHORE DRILLING INC | Common Stock | | 8,007 |
| DIGI INTL INC | Common Stock | | 896 |
| DIGITAL LIGHTWAVE INC | Common Stock | | 646 |
| DIOMED HLDGS INC COM NEW | Common Stock | | 370 |
| DISCOVERY LAB INC | Common Stock | | 2,832 |
| DISNEY WALT | Common Stock | 1,057,873 | 1,423,668 |
| DISNEY WALT CO DEL (HOLDING COMPANY) | Common Stock | | 151,987 |
| DOLLAR GENERAL CORP | Common Stock | | 4,041 |
| DOMINION RESOURCES INC | Common Stock | | 16,215 |

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|---------------------------------------|--------------|-----------|------------|
| DONNELLEY R R & SONS | Common Stock | | 3,581 |
| DORAL FINANCIAL CORP | Common Stock | | 2,870 |
| DOT HILL SYS CORP | Common Stock | | 393 |
| DOV PHARMACEUTICAL INC | Common Stock | | 270 |
| DOW CHEMICAL CO | Common Stock | | 53,266 |
| DRDGOLD LTD SPON ADR | Common Stock | | 5,400 |
| DRIL QUIP INC | Common Stock | | 7,832 |
| DU PONT E I DE NEMOURS & CO | Common Stock | | 38,968 |
| DUKE ENERGY CORP NEW COM | Common Stock | | 59,944 |
| DUKE REALTY CORP | Common Stock | | 8,180 |
| DYNCORP INTL INC COM CL A | Common Stock | | 3,174 |
| DYNEGY INC NEW CL A | Common Stock | | 19,005 |
| E M C CORP MASS | Common Stock | | 29,436 |
| E TRADE GROUP INC. | Common Stock | | 2,242 |
| EAGLE BULK SHIPPING INC | Common Stock | | 5,309 |
| EASTMAN KODAK CO | Common Stock | | 18,060 |
| EATON VANCE LTD DURATION INCOME FD | Common Stock | | 13,898 |
| EBAY INC | Common Stock | | 41,617 |
| EDGE PETE CORP | Common Stock | | 1,824 |
| EDWARDS LIFESCIENCES CORP | Common Stock | | 10,809,174 |
| EL PASO CORP | Common Stock | 746,754 | 1,011,716 |
| EL PASO CORP | Common Stock | | 458 |
| ELAN CORP PLC ADR | Common Stock | | 14,750 |
| ELDORADO GOLD CORP | Common Stock | | 14,580 |
| ELECTRONIC DATA SYSTEMS | Common Stock | 1,081,713 | 1,239,650 |
| EMBARQ CORP COM | Common Stock | | 3,416 |
| EMCORE CORP | Common Stock | | 8,295 |
| EMERSON ELECTRIC CO | Common Stock | | 26,454 |
| EMULEX CORP COM NEW | Common Stock | | 2,244 |
| ENBRIDGE INC | Common Stock | | 1,720 |
| ENCORE WIRE CORP | Common Stock | | 1,805 |
| ENCYSIVE PHARMACEUTICALS INC | Common Stock | | 4,715 |
| ENDESA -SPONSORED ADR | Common Stock | | 12,700 |
| ENERGY CONVERSION DEVICES INC | Common Stock | | 6,796 |
| ENERPLUS RES FD TR UNIT SER G NEW | Common Stock | | 50,659 |
| ENGLOBAL CORP COM | Common Stock | | 579 |
| ENI SPA ADR | Common Stock | | 6,728 |
| ENTERGY CORP | Common Stock | 724,831 | 974,748 |
| ENTERRA ENERGY | Common Stock | | 2,399 |
| ENTRAVISION COMMUNICATIONS CORP | Common Stock | | 1,233 |
| ENTREMED INC | Common Stock | | 656 |
| ENVIRONMENTAL PWR CORP COM NEW | Common Stock | | 3,097 |

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|--|--------------|-----------|-----------|
| EON COMMUN CORP | Common Stock | | 864 |
| EPICOR SOFTWARE CORP | Common Stock | | 6,755 |
| EPIX PHARMACEUTICALS INC COM NEW | Common Stock | | 1,380 |
| ESS TECHNOLOGY INC | Common Stock | | 309 |
| EV3 INC | Common Stock | | 92,094 |
| EVERGREEN INCOME ADVANTAGE FD COM SHS | Common Stock | | 3,735 |
| EVERGREEN UTILS & HIGH INCOME FD | Common Stock | | 2,809 |
| EXELIXIS INC | Common Stock | | 3,645 |
| EXELON CORP | Common Stock | | 30,945 |
| EXETER RESOURCE CORP | Common Stock | | 3,560 |
| EXPEDIA INC DEL COM | Common Stock | | 11,035 |
| EXPLORATION CO OF DEL INC | Common Stock | | 13,340 |
| EXPRESS 1 EXPEDITED SOLUTIONS INC | Common Stock | | 1,905 |
| EXPRESSJET HLDGS INC | Common Stock | | 8,100 |
| EXXON MOBIL | Common Stock | 3,157,229 | 4,211,790 |
| EXXON MOBIL CORP | Common Stock | | 30,920 |
| FEDERAL NATL MTG | Common Stock | 2,639,381 | 3,211,490 |
| FEDERATED DEPT STORE INC | Common Stock | | 12,774 |
| FEDEX CORP | Common Stock | | 39,853 |
| FINISAR CORP | Common Stock | | 14,535 |
| FIRST AMERICAN CORP | Common Stock | | 2,034 |
| FIRST TR MORNINGSTAR DIVID LEADERS INDEX FD SHS | Common Stock | | 7,056 |
| FISERV INC | Common Stock | | 6,605 |
| FLAGSTAR BANCORP INC | Common Stock | | 890 |
| FLANDERS CORP | Common Stock | | 19,800 |
| FLEXTRONICS INTERNATIONAL | Common Stock | 2,164,100 | 2,177,248 |
| FLORIDA ROCK INDS INC | Common Stock | | 86,100 |
| FLUOR CORP NEW | Common Stock | 1,012,249 | 982,944 |
| FLUOR CORP NEW | Common Stock | | 14,768 |
| FOOD TECHNOLOGY SVC INC | Common Stock | | 1,250 |
| FORBES MEDI-TECH INC | Common Stock | | 6,326 |
| FORD MTR CO DEL COM | Common Stock | | 5,708 |
| FORDING CDN COAL TR UNIT | Common Stock | | 42,026 |
| FOREST LABS INC CL A | Common Stock | | 6,629 |
| FORTUNE BRANDS INC | Common Stock | 635,397 | 699,355 |
| FORTUNE BRANDS INC | Common Stock | | 8,112 |

Baxter International Inc. and Subsidiaries
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| FORTUNET INC | Common Stock | | 3,036 |
| FOUNDATION COAL HLDGS INC | Common Stock | | 3,176 |
| FOWARD INDS II | Common Stock | | 5,028 |
| FPL GROUP INC | Common Stock | | 5,720 |
| FRANKLIN RES | Common Stock | 2,468,491 | 3,902,747 |
| FRONTIER FINANCIAL CORP | Common Stock | | 1,754 |
| FRONTLINE LTD | Common Stock | | 5,151 |
| FUEL SYS SOLUTIONS INC COM | Common Stock | | 11,040 |
| FUEL TECH INC COM | Common Stock | | 1,922 |
| FUTUREMEDIA PLC-ADR | Common Stock | | 97 |
| GAMESTOP CORP NEW CL A | Common Stock | | 17,360 |
| GAP INC DEL | Common Stock | | 29,250 |
| GARMIN LTD REG SHS | Common Stock | | 7,844 |
| GASTAR EXPL LTD | Common Stock | | 2,150 |
| GATEWAY INC | Common Stock | | 2,010 |
| GEN VEC INC | Common Stock | | 2,400 |
| GENCO SHIPPING & TRADING LIMITED SHS | Common Stock | | 27,940 |
| GENENTECH INC | Common Stock | | 109,039 |
| GENERAL CABLE CORP | Common Stock | | 6,119 |
| GENERAL DYNAMICS CORP | Common Stock | | 18,587 |
| GENERAL ELECTRIC CO | Common Stock | 8,193,682 | 8,635,940 |
| GENERAL ELECTRIC CO | Common Stock | | 242,584 |
| GENERAL MILLS INC | Common Stock | | 51,840 |
| GENERAL MOTORS CORP | Common Stock | | 44,114 |
| GENEREX BIOTECHNOLOGY CORP | Common Stock | | 7,145 |
| GENETECH INC | Common Stock | 2,490,733 | 3,058,141 |
| GENTA INC | Common Stock | | 1,170 |
| GENWORTH FINANCIAL | Common Stock | 2,555,822 | 2,747,832 |
| GEOPHARMA INC | Common Stock | | 2,030 |
| GEORESOURCES INC | Common Stock | | 1,733 |
| GERDAU SA SPONS ADR | Common Stock | | 4,800 |
| GETTY IMAGES INC | Common Stock | | 2,141 |
| GIGAMEDIA LTD | Common Stock | | 29,310 |
| GILEAD SCIENCES | Common Stock | 2,773,145 | 3,562,319 |
| GILEAD SCIENCES INC | Common Stock | | 36,750 |
| GLOBAL HIGH INC DLR FD INC | Common Stock | | 13,990 |
| GLOBAL SOURCES LTD | Common Stock | | 8,890 |
| GLOBALSANTAFE CORPORATION | Common Stock | 1,186,623 | 1,252,841 |
| GOLDCORP INC NEW | Common Stock | | 77,812 |
| GOLDMAN SACHS GROUP | Common Stock | 2,318,880 | 3,717,840 |
| GOLDMAN SACHS GROUP INC | Common Stock | | 19,479 |
| GOODRICH CORP | Common Stock | | 7,044 |

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|------------------------------------|--------------|-----------|-----------|
| GOOGLE INC | Common Stock | 4,157,643 | 6,668,091 |
| GOOGLE INC CL A | Common Stock | | 59,402 |
| GRANT PRIDECO INC | Common Stock | | 1,988 |
| GREY WOLF INC | Common Stock | | 343 |
| GRUPO AEROPORTUARIO DEL SURESTE S | | | |
| A DE S V SPON ADR REPSTG SER B SHS | Common Stock | | 2,336 |
| GSI GROUP INC CDA | Common Stock | | 1,938 |
| GYMBOREE CORP | Common Stock | | 2,099 |
| H & Q HEALTHCARE FD SH BEN INT | Common Stock | | 3,507 |
| HALLIBURTON CO | Common Stock | 2,898,415 | 3,731,827 |
| HALLIBURTON CO HOLDING CO | Common Stock | | 44,819 |
| HALOZYME THERAPEUTICS INC | Common Stock | | 231,115 |
| HAMPSHIRE GROUP LTD | Common Stock | | 1,657 |
| HANCOCK HOLDING CO | Common Stock | | 139,762 |
| HANCOCK JOHN PFD EQUITY INCOME FD | | | |
| SH BEN INT | Common Stock | | 5,100 |
| HANCOCK JOHN PFD INC ME FD III | Common Stock | | 2,241 |
| HANSEN NATURAL CORP | Common Stock | | 5,726 |
| HARKEN ENERGY CORP | Common Stock | | 510 |
| HARLEY DAVIDSON INC WISC | Common Stock | | 7,047 |
| HARRAH S ENTERTAINMENT INC NFSC IS | | | |
| SPECIALIST IN THIS SECURITY | Common Stock | | 25,478 |
| HARTFORD FINANCIAL | Common Stock | 1,059,413 | 1,150,935 |
| HARVEST ENERGY TR UNITS | Common Stock | | 14,633 |
| HARVEST NAT RES INC COM | Common Stock | | 1,594 |
| HAUPPAGUE DIGITAL | Common Stock | | 17,552 |
| HEADWATERS INC | Common Stock | | 28,752 |
| HECLA MINING CO | Common Stock | | 38,300 |
| HELIX ENERGY SOLUTIONS GROUP INC | Common Stock | | 784 |
| HENRY JACK & ASSOCIATES INC | Common Stock | | 3,980 |
| HERCULES OFFSHORE INC COM | Common Stock | | 20,230 |
| HERSHEY FOODS CORP | Common Stock | | 11,046 |
| HERTZ GLOBAL HOLDINGS | Common Stock | 662,956 | 758,463 |
| HEWLETT PACKARD CO | Common Stock | 3,856,728 | 4,487,180 |
| HEWLETT-PACKARD CO | Common Stock | | 56,677 |
| HEXCEL CORP COM NEW | Common Stock | | 8,705 |
| HILTON HOTELS | Common Stock | 1,415,128 | 1,680,575 |
| HI-TECH PHARMACAL INC | Common Stock | | 5,172 |
| HOLLIS-EDEN PHARMA INC | Common Stock | | 368 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at End of
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Schedule I

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| HOLLY CORP PAR \$0.01 | Common Stock | | 10,525 |
| HOLOGIC INC | Common Stock | | 7,092 |
| HOME DEPOT INC | Common Stock | | 102,943 |
| HOME SOLUTIONS AMER INC | Common Stock | | 1,846 |
| HONDA MOTOR LTD | Common Stock | 739,147 | 1,346,072 |
| HONDA MOTORS LTD ADR NEW | Common Stock | | 29,152 |
| HONEYWELL INTERNATIONAL INC | Common Stock | | 13,629 |
| HOSPIRA INC | Common Stock | | 406,486 |
| HOST HOTELS & RESORTS INC COM | Common Stock | | 5,524 |
| HSBC HOLDINGS PLC SPONS ADR | Common Stock | | 45,825 |
| HURON CONSULTING GRP INC COM | Common Stock | | 9,068 |
| I TRAX INC NEW FORMERLY I TRAX COM INC | Common Stock | | 15,500 |
| IAC / INTERACTIVECRP COM NEW | Common Stock | | 41,842 |
| IAMGOLD CORP | Common Stock | | 8,325 |
| ICON PLC CORP ADR REPRSTG 1 ORD SHR | Common Stock | | 8,294 |
| IDEARC INC | Common Stock | 57,137 | 60,358 |
| IDEARC INC COM DELAWARE | Common Stock | | 2,550 |
| IDM PHARMA INC COM | Common Stock | | 26 |
| I-FLOW CORP COM NEW | Common Stock | | 7,475 |
| IMA EXPLORATION INC | Common Stock | | 520 |
| IMMUCOR INC | Common Stock | | 877 |
| IMMUNICON CORP DEL | Common Stock | | 1,660 |
| IMMUNOGEN INC | Common Stock | | 3,559 |
| IMPAC MTG HLDGS INC | Common Stock | | 4,400 |
| INCYTE GENOMICS INC | Common Stock | | 30,923 |
| INDEVUS PHARMACEUTICALS INC | Common Stock | | 28,400 |
| INDIA FD INC | Common Stock | | 22,950 |
| INFOSYS TECHNOLOGIES LIMITED ADR | Common Stock | | 3,710 |
| ING CLARION REAL ESTATE INCOME FD COM SHS | Common Stock | | 23,025 |
| ING PRIME RATE TR SH BEN INT NFS LLC | Common Stock | | 7,230 |
| INGERSOLL RAND | Common Stock | 1,242,811 | 1,208,556 |
| INNODATA CORP | Common Stock | | 356 |
| INSMED INC COM NEW | Common Stock | | 2,112 |
| INTEGRATED DEVICE TECH INC | Common Stock | | 3,560 |
| INTEL CORP | Common Stock | | 161,697 |
| INTER TEL INC | Common Stock | | 548 |
| INTERLIANT INC | Common Stock | | 3 |
| INTERNATIONAL COAL GROUP INC NEW | Common Stock | | 5,450 |
| INTERNATIONAL GAME TECHNOLOGY | Common Stock | | 6,699 |
| INTERNET CAP GROUP INC COM NEW | Common Stock | | 3,334 |
| INTERPUBLIC GROUP | Common Stock | 2,078,895 | 2,125,723 |

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|---|--------------|---------|
| INTL BUSINESS MACH NFSC | Common Stock | 13,601 |
| INTL FUEL TECH INC NEW | Common Stock | 2,550 |
| INTL SPEEDWAY CL A | Common Stock | 2,042 |
| INVENTIV HEALTH INC COM | Common Stock | 3,535 |
| ION MEDIA NETWORKS INC CL A COM | Common Stock | 500 |
| ION NETWORKS INC | Common Stock | 50 |
| IOWA TELECOMMUNICATION SVCS INC | Common Stock | 3,449 |
| IRIS INTL INC | Common Stock | 2,277 |
| IRVINE SENSORS CORPORATION NEW | Common Stock | 2,050 |
| ISHARES COMEX GOLD TRUST ISHARES ETF | Common Stock | 8,033 |
| ISHARES INC MSCI AUSTRALIA INDEX FUND | Common Stock | 7,555 |
| ISHARES INC MSCI AUSTRIA INDEX FD | Common Stock | 11,257 |
| ISHARES INC MSCI BELGIUM INDEX FD | Common Stock | 8,129 |
| ISHARES INC MSCI BRAZIL FREE INDEX FU ND | Common Stock | 4,774 |
| ISHARES INC MSCI CANADA INDEX FD | Common Stock | 10,621 |
| ISHARES INC MSCI EMU INDEX FD | Common Stock | 10,523 |
| ISHARES INC MSCI MEXICO FREE INDEX FD | Common Stock | 5,172 |
| ISHARES INC MSCI NETHERLANDS INDEX FD | Common Stock | 21,048 |
| ISHARES INC MSCI PACIFIC EX JAPAN INDEX FD | Common Stock | 6,526 |
| ISHARES INC MSCI SINGAPORE INDEX FD | Common Stock | 6,720 |
| ISHARES INC MSCI SOUTH AFRICA INDEX FD | Common Stock | 1,058 |
| ISHARES INC MSCI SOUTH KOREA INDEX FD | Common Stock | 8,003 |
| ISHARES INC MSCI SPAIN INDEX FD | Common Stock | 5,399 |
| ISHARES SILVER TR ISHARES | Common Stock | 1,672 |
| ISHARES TR DOW JONES U S TELECOMMUNICATIONS SECTOR INDEX FD | Common Stock | 26,083 |
| ISHARES TR FTSE XINHUA HK CHINA 25 INDEX FD | Common Stock | 46,940 |
| ISHARES TR MSCI EMERGING MKTS INDEX FD | Common Stock | 43,122 |
| ISHARES TR S&P 500/ VALUE INDEX FD | Common Stock | 17,592 |
| ISHARES TR S&P GLOBAL 100 INDEX FD | Common Stock | 18,530 |
| ISHARES TR S&P GLOBAL FINLS SECTOR INDEX FD | Common Stock | 6,883 |
| ISHARES TR S&P MIDCAP 400/ VALUE INDEX FD | Common Stock | 44,970 |
| ISHARES TR U S TREAS INFLATION PROTECTED SECS FD | Common Stock | 81,945 |
| ISIS PHARMACEUTICALS | Common Stock | 5,560 |
| IVANHOE ENERGY COM | Common Stock | 8,437 |
| J P MORGAN CHASE & CO | Common Stock | 161,757 |
| JABIL CIRCUIT INC | Common Stock | 32,161 |

JAMES RIV COAL CO COM NEW

Common Stock

1,670

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
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| JAVELIN PHARMACEUTICALS INC COM | Common Stock | | 31,200 |
| JDS UNIPHASE CORP COM PAR \$0.001 | Common Stock | | 33,387 |
| JENSEN PORTFOLIO, INC. | Common Stock | | 65,699 |
| JETBLUE AWYS CORP | Common Stock | | 8,506 |
| JOHNSON & JOHNSON | Common Stock | | 109,059 |
| JOY GLOBAL INC | Common Stock | | 2,856 |
| JPMORGAN CHASE & CO | Common Stock | 4,742,769 | 5,685,914 |
| JUNIPER NETWORKS INC | Common Stock | | 177,657 |
| KAYNE ANDERSON MLP INVT CO | Common Stock | | 6,596 |
| KELLOGG CO | Common Stock | 735,214 | 829,875 |
| KERYX BIOPHARMACEUTICALS INC | Common Stock | | 1,330 |
| KEY TECH INC | Common Stock | | 13,569 |
| KIMBERLY CLARK CORP | Common Stock | | 13,590 |
| KINDER MORGAN INC KANS | Common Stock | | 10,575 |
| KINDER MORGAN MGMT LLC SHS | Common Stock | | 2,056 |
| KINETIC CONCEPTS | Common Stock | 725,289 | 788,334 |
| KING PHARMACEUTICALS INC | Common Stock | | 700 |
| KINROSS GOLD CORP | Common Stock | | 19,008 |
| KINTERA INC | Common Stock | | 750 |
| KNIGHTSBRIDGE TANK COM | Common Stock | | 6,383 |
| KOALA CORP | Common Stock | | 2 |
| KOHL S CORP | Common Stock | 2,799,577 | 2,896,786 |
| KOHL S CORP | Common Stock | | 77,326 |
| KONGZHONG CORP SPONS ADR | Common Stock | | 21,960 |
| KOREA FUND INC | Common Stock | | 3,491 |
| KRISPY KREME DOUGHNUTS INC | Common Stock | | 8,991 |
| KROGER CO | Common Stock | 1,119,668 | 1,368,153 |
| KRONOS WORLDWIDE INC | Common Stock | | 68 |
| L-3 COMMUNICATIONS HLDGS INC | Common Stock | | 16,315 |
| LABOR READY INC NEW | Common Stock | | 1,833 |
| LABORATORY CORP OF AMERICA HLDGS NEW | Common Stock | | 29,388 |
| LADISH COMPANY INC NEW | Common Stock | | 2,039 |
| LAMSON & SESSIONS CO | Common Stock | | 12,130 |
| LAS VEGAS SANDS CORP | Common Stock | 701,906 | 1,033,057 |
| LAW ENFORCEMENT ASSOCIATES CORP | Common Stock | | 2,688 |
| LEGG MASON INC | Common Stock | 2,617,626 | 2,532,378 |
| LEHMAN BROS HLDGS CORP | Common Stock | | 4,062 |
| LEVEL 3 COMMUNICATIONS INC | Common Stock | | 4,480 |
| LEVITT CORP FLA CL A | Common Stock | | 4,896 |
| LIBERTY ALL STAR EQUITY FD SBI | Common Stock | | 154 |
| LIBERTY MEDIA CORP | Common Stock | 1,080,248 | 1,459,913 |
| LIFECELL CORP | Common Stock | | 10,332 |

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|--------------------------------|--------------|-----------|-----------|
| LILLY ELI & CO | Common Stock | | 13,546 |
| LINEAR TECHNOLOGY CORP | Common Stock | | 39,416 |
| LINUX GOLD CORP | Common Stock | | 250 |
| LOCKHEED MARTIN CORP | Common Stock | | 6,931 |
| LODGIAN INC COM PAR \$.01 | Common Stock | | 1,130,160 |
| LONE STAR TECHNOLOGIES INC | Common Stock | | 968 |
| LOOKSMART LTD COM NEW | Common Stock | | 1,785 |
| LOWES COMPANIES | Common Stock | | 36,486 |
| LSI LOGIC CORP | Common Stock | | 18,000 |
| LUMERA CORP | Common Stock | | 3,666 |
| LUNDIN MNG CORP | Common Stock | | 1,034 |
| LYONDELL CHEMICAL | Common Stock | 1,090,813 | 1,100,094 |
| M 2003 PLC SPONSORED ADR | Common Stock | | 1 |
| MACQUARIE GLOBAL | Common Stock | | 11,294 |
| MANITOWOC INC | Common Stock | | 38,347 |
| MARATHON OIL CORP | Common Stock | | 9,525 |
| MARKEL CORP HLDG CO | Common Stock | | 32,647 |
| MARRIOTT INTL INC CL A | Common Stock | | 5,106 |
| MARSH & MCLENNAN | Common Stock | 640,244 | 662,566 |
| MARVEL ENTMT INC COM | Common Stock | | 2,691 |
| MARVELL TECHNOLOGY GROUP LTD | Common Stock | | 21,109 |
| MASSMUTUAL PARTN INVS | Common Stock | | 29,400 |
| MASTERCARD INC | Common Stock | | 17,728 |
| MBIA INC | Common Stock | 465,227 | 490,232 |
| MCDERMOTT INTL INC | Common Stock | | 12,715 |
| MCDONALDS CORP | Common Stock | 4,282,562 | 5,393,534 |
| MCG CAPITAL CORP | Common Stock | | 10,160 |
| MEDIAVEST INC | Common Stock | | 55 |
| MEDIFAST INC | Common Stock | | 7,856 |
| MEDTRONIC INC | Common Stock | | 137,384 |
| MELCO PBL ENTERTAINMENT | Common Stock | 812,069 | 811,640 |
| MEMC ELECTRONICS MATERIALS INC | Common Stock | | 5,871 |
| MERCK & CO | Common Stock | 962,638 | 1,200,337 |
| MERCK & CO INC | Common Stock | | 185,126 |
| MERIDIAN RESOURCE CORP | Common Stock | | 8,806 |
| MERIX CORP | Common Stock | | 2,787 |

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

**Schedule H, Line 4i - Schedule of Assets (Held at
End of Year) December 31, 2006**

Schedule I

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|--|--------------|-----------|-----------|
| MERLIFE | Common Stock | 1,663,287 | 2,003,073 |
| MERRILL LYNCH & CO INC | Common Stock | 5,387,669 | 7,321,847 |
| MERRILL LYNCH & CO INC | Common Stock | | 7,150 |
| METHANEX CORP | Common Stock | | 2,162 |
| METLIFE INC COM | Common Stock | | 590 |
| MEXICO EQUITY & INCOME FD | Common Stock | | 2,546 |
| MGI PHARMA INC | Common Stock | | 9,113 |
| MGP INGREDIENTS INC | Common Stock | | 3,392 |
| MICROMET INC COM | Common Stock | | 1,500 |
| MICROSOFT | Common Stock | 4,008,268 | 4,322,476 |
| MICROSOFT CORP | Common Stock | | 95,343 |
| MICROTUNE INC DEL | Common Stock | | 1,011 |
| MICROVISION INC WASH | Common Stock | | 63,800 |
| MIDDLEBY CORP | Common Stock | | 2,617 |
| MILACRON INC | Common Stock | | 2,640 |
| MILLICOM INTL CELLULAR | Common Stock | | 2,959 |
| MINDSPEED TECHNOLOGIES INC | Common Stock | | 2,928 |
| MINEFINDERS LTD CORP | Common Stock | | 8,900 |
| MIRANT CORP COM NEW | Common Stock | | 63 |
| MIRAVANT MEDICAL TECHNOLOGY | Common Stock | | 1 |
| MKS INSTRUMENTS INC | Common Stock | | 11,064 |
| MOBILITY ELECTRONICS INC | Common Stock | | 168 |
| MOGRAN STANLEY | Common Stock | 522,858 | 755,309 |
| MONSANTO CO NEW | Common Stock | 1,670,900 | 2,021,551 |
| MONTPELIER REINSURANCE HOLDINGS LTD | Common Stock | | 5,583 |
| MORGAN STANLEY DEAN WITTER & CO | Common Stock | | 28,501 |
| MOSAIC | Common Stock | 385,887 | 554,332 |
| MOTOROLA | Common Stock | 884,254 | 886,578 |
| MOTOROLA INC | Common Stock | | 74,039 |
| MOVE INC COM | Common Stock | | 1,019 |
| MUELLER WTR PRODS INC COM SER B | Common Stock | | 4,917 |
| MULTIBAND CORP | Common Stock | | 570 |
| MURPHY OIL CORP | Common Stock | | 5,085 |
| NABORS INDUSTRIES LTD | Common Stock | | 10,125 |
| NAM TAI ELECTRONICS INC | Common Stock | | 7,595 |
| NANOGEN INC | Common Stock | | 28,985 |
| NATIONAL CITY | Common Stock | 1,242,211 | 1,352,851 |
| NEENAH PAPER INC | Common Stock | | 212 |
| NEOPHARM INC | Common Stock | | 3,340 |
| NETFLIX COM INC COM | Common Stock | | 6,206 |
| NETWORK APLIANCE INC | Common Stock | 1,325,884 | 1,798,465 |
| NETWORK APPLIANCE CORP | Common Stock | | 3,142 |

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|--|--------------|-----------|-----------|
| NEUROCRINE BIOSCIENCES INC | Common Stock | | 18,339 |
| NEW CENTY FINL CORP MD COM | Common Stock | | 36,624 |
| NEW FRONTIER MEDIA INC | Common Stock | | 9,610 |
| NEW YORK & CO INC COM | Common Stock | | 6,540 |
| NEWFIELD EXPLORATION CO | Common Stock | | 2,757 |
| NEWMARKET CORP | Common Stock | | 7,972 |
| NICHOLAS APPLGATE CONV & FD INCOME | Common Stock | | 8,444 |
| NII HLDGS INC NEW | Common Stock | | 26,936 |
| NIKE INC | Common Stock | 667,810 | 664,490 |
| NIKE INC CLASS B | Common Stock | | 9,903 |
| NVIDIA CORP | Common Stock | 1,115,961 | 1,332,983 |
| NOKIA CORP | Common Stock | 826,532 | 896,280 |
| NOKIA CORP ADR | Common Stock | | 44,771 |
| NORDIC AMERICAN TANKER SHIPPING LTD | Common Stock | | 210 |
| NORDSTROM INC | Common Stock | | 10,657 |
| NORTEL NETWORKS CORP | Common Stock | | 23,415 |
| NORTH AERN ENERGY PARTNERS INC | Common Stock | | 32,560 |
| NORTHFIELD LABORATORIES INC | Common Stock | | 55,551 |
| NORTHROP GRUMAN CORP | Common Stock | 1,151,696 | 1,295,994 |
| NOVAMED EYECARE INC | Common Stock | | 2,271 |
| NOVARTIS AG ADR | Common Stock | | 21,655 |
| NOVASTAR FINANCIAL INC | Common Stock | | 3,998 |
| NOVAVAX INC | Common Stock | | 3,280 |
| NPS PHARMACEUTICALS INC | Common Stock | | 15,764 |
| NUANCE COMMUNICATIONS INC COM | Common Stock | | 18,050 |
| NUCOR CORP | Common Stock | | 54,660 |
| NUCRYST PHARMACEUTICALS CORP COM | Common Stock | | 9,480 |
| NUTRI SYS INC NEW COM | Common Stock | | 2,219 |
| NVIDIA CORP | Common Stock | | 53,257 |
| NXSTAGE MED INC COM | Common Stock | | 1,676 |
| NYSE GROUP | Common Stock | 1,648,021 | 2,225,189 |
| NYSE GROUP INC COM | Common Stock | | 27,313 |
| O2MICRO INTL LTD | Common Stock | | 21,375 |
| OCCIDENTAL PETROLEUM CORP | Common Stock | | 6,543 |
| OCEANEERING INTL INC | Common Stock | | 6,034 |
| OCWEN FINL CORP COM NEW | Common Stock | | 4,758 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i - Schedule of Assets (Held at
End of Year) December 31, 2006****Schedule I**

| | | | |
|-----------------------------------|--------------|-----------|-----------|
| ODYSSEY MARINE EXPLORATION INC | Common Stock | | 29,200 |
| OFFICE DEPOT | Common Stock | 684,754 | 832,390 |
| OIL SVC HOLDRS TR OIL SVC HOLDERS | | | |
| DEPOSITARY RCPT | Common Stock | | 83,796 |
| OM GROUP INC | Common Stock | | 679 |
| OMI CORPORATION | Common Stock | | 10,585 |
| ON2.COM INC | Common Stock | | 36,480 |
| ONCOLYTICS BIOTECH INC | Common Stock | | 122,265 |
| ONSCREEN TECHNOLOGIES INC | Common Stock | | 140 |
| OPENTV CORP CL A | Common Stock | | 406 |
| ORACLE CORP. | Common Stock | | 81,963 |
| ORCHID CELLMARK INC | Common Stock | | 248 |
| O REILLY AUTOMOTIVE INC | Common Stock | | 74,155 |
| OREZONE RESOURCES INC | Common Stock | | 1,470 |
| ORLEANS HOMEBUILDERS INC | Common Stock | | 5,640 |
| OSTEOTECH INC | Common Stock | | 12,978 |
| OWENS ILL INC | Common Stock | 603,803 | 507,941 |
| P F CHANGS CHINA BISTRO INC | Common Stock | | 1,343 |
| PACIFIC ETHANOL INC | Common Stock | | 13,697 |
| PACIFIC RIM MINING CORP COM NEW | Common Stock | | 21,000 |
| PALM INC NEW COM | Common Stock | | 49,456 |
| PANACOS PHARMACEUTICALS INC | Common Stock | | 1,003 |
| PARAMETRIC TECHNOLOGY CORP | Common Stock | | 7,208 |
| PATTERSON-UTI ENERGY INC | Common Stock | | 11,124 |
| PAYCHEX INC | Common Stock | | 15,816 |
| PDI INC | Common Stock | | 1,015 |
| PDL BIOPHARMA INC COM | Common Stock | | 2,457 |
| PEABODY ENERGY CORP | Common Stock | | 6,062 |
| PEMSTAR INC | Common Stock | | 2,888 |
| PENGROWTH ENERGY TR UNIT | Common Stock | | 9,261 |
| PENN NATIONAL GAMING INC | Common Stock | | 18,313 |
| PENN WEST ENERGY | Common Stock | | 5,311 |
| PEOPLESUPPORT INC COM | Common Stock | | 26,123 |
| PEPISCO INC | Common Stock | 1,183,448 | 1,252,957 |
| PEPSICO INC | Common Stock | | 25,145 |
| PERFICIENT INC COM | Common Stock | | 2,215 |
| PERU COPPER INC | Common Stock | | 1,710 |
| PETROCHINA CO LTD | Common Stock | | 8,651 |
| PETROLEO BRASILEIRO SA PETROBRAS | | | |
| SPONS ADR | Common Stock | | 2,575 |
| PETSMART INC | Common Stock | | 4,618 |
| PFIZER INC | Common Stock | 5,106,774 | 5,387,447 |
| PFIZER INC | Common Stock | | 183,669 |

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|-------------------------------------|--------------|-----------|-----------|
| PHARMOS CORP COM PAR | Common Stock | | 61 |
| PHILADELPHIA CONS HLDGS CORP | Common Stock | | 17,824 |
| PILGRIMS PRIDE CORP | Common Stock | | 102,122 |
| PIONEER COS INC COM NEW | Common Stock | | 1,863 |
| PIONEER DRILLING CO | Common Stock | | 134,128 |
| PITNEY BOWES INC | Common Stock | | 32,333 |
| PLUM CREEK TIMBER CO INC | Common Stock | | 32,886 |
| PMC-SIERRA INC | Common Stock | | 7,381 |
| POP3 MEDIA CORP | Common Stock | | 5 |
| PORTFOLIO RECOVERY ASSOCS INC | Common Stock | | 10,739 |
| POWERSHARES DB G10 HARVEST COM UT | | | |
| BEN INT CURRENCY | Common Stock | | 10,380 |
| POWERWAVE TECHNOLOGIES INC. | Common Stock | | 6,450 |
| PRECISION DRILLING TR UNIT | Common Stock | | 4,675 |
| PRESSTEK INC | Common Stock | | 25,440 |
| PRICESMART INC | Common Stock | | 3,224 |
| PRIMEWEST ENERGY | Common Stock | | 22,233 |
| PROCTER & GAMBLE CO | Common Stock | 1,073,740 | 1,192,281 |
| PROCTER & GAMBLE CO | Common Stock | | 81,693 |
| PROCTOR AND GAMBLE CO | Common Stock | 4,931,647 | 5,663,337 |
| PROSPECT ENERGY CORP | Common Stock | | 4,197 |
| PROVIDENT ENERGY | Common Stock | | 5,888 |
| PRUDENTIAL FINL INC | Common Stock | | 4,293 |
| PUTNAM HIGH INCOME CONV & BD FD S B | | | |
| I | Common Stock | | 21,450 |
| PW EAGLE INC | Common Stock | | 5,188 |
| PYR ENERGY CORP MARYLAND | Common Stock | | 15,165 |
| QLOGIC CORP | Common Stock | | 6,708 |
| QUADRAMED CORP | Common Stock | | 4,140 |
| QUALCOMM INC | Common Stock | 2,240,469 | 2,244,843 |
| QUALCOMM INC | Common Stock | | 17,018 |
| QUALITY SYSTEMS | Common Stock | | 8,274 |
| QUANTUM DLT & STORAGE SYSTEMS | | | |
| GROUP | Common Stock | | 4,640 |
| QUANTUM FUEL SYS TECHNOLOGIES | | | |
| WORLDWIDE INC | Common Stock | | 3,200 |
| QUEST DIAGNOSTICS INC | Common Stock | | 5,300 |
| RADIOSHACK CORP | Common Stock | | 1,678 |
| RADYNE COMSTREAM INC | Common Stock | | 1,074 |
| RAMBUS INC | Common Stock | | 32,560 |
| RAMP CORP COM NEW | Common Stock | | 2 |
| RAYONIER INC | Common Stock | | 6,229 |

Baxter International Inc. and Subsidiaries
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|---|--------------|-----------|-----------|
| REALOGY CORP COM | Common Stock | | 5,367 |
| REDBACK NETWORKS INC COM NEW | Common Stock | | 175 |
| REGAL BELOIT CORP | Common Stock | | 7,926 |
| RENAISSANCERE HOLDINGS | Common Stock | 548,429 | 745,992 |
| RENOVIS INC | Common Stock | | 12,640 |
| REPLIGEN CORP | Common Stock | | 984 |
| REYNOLDS AMERN INC | Common Stock | | 9,245 |
| RF MICRO DEVICES INC | Common Stock | | 4,753 |
| RITE AID CORP | Common Stock | | 12,050 |
| RIVERBANK INVT CORP | Common Stock | | 30 |
| RIVERBED TECHNOLOGY INC COM | Common Stock | | 61,400 |
| RIVERVIEW BANCORP INC | Common Stock | | 7,600 |
| RMK ADVANTAGE INCOME FD INC | Common Stock | | 48,972 |
| RMK STRATEGIC INCOME FD INC | Common Stock | | 8,915 |
| ROCKWELL AUTOMATION INC | Common Stock | | 24,432 |
| ROCKWELL COLLINS INC | Common Stock | 764,146 | 780,652 |
| ROCKWELL MEDICAL TECH INC | Common Stock | | 1,804 |
| ROYAL DUTCH SHELL | Common Stock | 553,395 | 684,559 |
| ROYCE VALUE TR INC | Common Stock | | 10,809 |
| RTI INTL METALS | Common Stock | | 7,822 |
| RUBICON MINERALS CORP | Common Stock | | 800 |
| S & P 500 COVERED CALL FD INC | Common Stock | | 5,973 |
| SABA SOFTWARE INC COM NEW | Common Stock | | 779 |
| SAFENET INC COM | Common Stock | | 1,772 |
| SAFEWAY INC | Common Stock | 1,375,127 | 2,008,638 |
| SANDISK CORP | Common Stock | | 245,400 |
| SANOFI-SYNTHELABO ADR | Common Stock | | 11,543 |
| SANTARUS INC | Common Stock | | 9,999 |
| SARA LEE | Common Stock | 1,555,858 | 1,594,753 |
| SASOL LTD SPNSRD ADR | Common Stock | | 7,946 |
| SCHERING PLOUGH CORP | Common Stock | | 35,460 |
| SCHLUMBERGER LTD | Common Stock | 870,586 | 835,141 |
| SCHWAB CHARLES CORP | Common Stock | 1,442,205 | 1,498,093 |
| SCO GROUP INC | Common Stock | | 650 |
| SEAGATE TECHNOLOGY HOLDINGS | Common Stock | | 12,853 |
| SEARS HLDGS CORP | Common Stock | | 19,984 |
| SECTOR SPDR TR SHS BEN INT CONSUMER SERVICES | Common Stock | | 39,713 |
| SECTOR SPDR TR SHS BEN INT UTILITIES | Common Stock | | 18,360 |
| SELECT COMFORT CORP | Common Stock | | 42,084 |

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|--|--------------|-----------|-----------|
| SGL CARBON AG SPON ADR | Common Stock | | 1,642 |
| SHANDA INTERACTIVE ENTMT LTD SPON ADR | Common Stock | | 11,919 |
| SHIP FINANCE INTERNATIONAL LIMITED | Common Stock | | 8,202 |
| SHUFFLE MASTER | Common Stock | | 13,152 |
| SILICON IMAGE INC | Common Stock | | 12,720 |
| SILVER WHEATON CORP COM | Common Stock | | 14,148 |
| SIRENZA MICRODEVICES INC | Common Stock | | 3,930 |
| SIRIUS SATELLITE RADIO INC | Common Stock | | 200,438 |
| SIRNA THERAPEUTICS INC | Common Stock | | 13,010 |
| SIX FLAGS INC | Common Stock | | 5,240 |
| SKYWORKS SOLUTIONS INC | Common Stock | | 248 |
| SLM CORP COM | Common Stock | | 2,439 |
| SMITH MICRO SOFTWARE INC | Common Stock | | 32,637 |
| SMURFIT STONE CONTAINER | Common Stock | 967,584 | 721,079 |
| SOCKET COMM INC | Common Stock | | 560 |
| SOLECTRON CORP | Common Stock | 731,700 | 643,736 |
| SONIC CORP | Common Stock | | 8,502 |
| SONUS NETWORKS INC | Common Stock | | 15,816 |
| SOUTHERN CO | Common Stock | | 14,744 |
| SOUTHERN COPPER CORP DEL COM | Common Stock | | 37,155 |
| SOUTHERN UNION CO NEW COM | Common Stock | | 283 |
| SOUTHWEST AIRLINES | Common Stock | 1,214,026 | 1,256,239 |
| SOUTHWEST AIRLINES CO | Common Stock | | 15,320 |
| SOUTHWESTERN ENERGY | Common Stock | | 35,050 |
| SPECTRANETICS CORP | Common Stock | | 26,193 |
| SPECTRUM PHARMACEUTICALS INC | Common Stock | | 5,187 |
| SPORTS CONCEPTS INC COM | Common Stock | | 885 |
| SPRINT CORP | Common Stock | | 32,453 |
| SPRINT NEXTEL | Common Stock | 3,279,582 | 2,887,327 |
| SPX CORP | Common Stock | 564,857 | 639,714 |
| ST JOE CORP | Common Stock | | 5,357 |
| ST JUDE MEDICAL INC | Common Stock | | 93,996 |
| ST PAUL COS INC | Common Stock | | 1,779 |
| STANLEY FURNITURE CO. | Common Stock | | 888 |
| STANTEC INC | Common Stock | | 7,348 |
| STARBUCKS CORP | Common Stock | | 5,951 |
| STARWOOD HOTELS & RESORTS | Common Stock | 1,946,705 | 2,078,369 |
| STATE STREET CORP | Common Stock | | 194 |
| STEEL DYNAMICS INC | Common Stock | | 3,050 |

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

**Schedule H, Line 4i - Schedule of Assets (Held at
End of Year) December 31, 2006**

Schedule I

| | | | |
|--|--------------|-----------|-----------|
| STEMCELLS INC | Common Stock | | 37,789 |
| STERLING CONSTRUCTION INC | Common Stock | | 1,697 |
| STRATOS LIGHTWAVE INC NEW | Common Stock | | 190 |
| STREETTRACKS GOLD TR GOLD SHS | Common Stock | | 87,230 |
| STREETTRACKS INDEX | Common Stock | | 11,675 |
| STREETTRACKS WILSHIRE REIT INDEX FUND | Common Stock | | 78,449 |
| STRYKER CORP | Common Stock | | 5,952 |
| SULPHCO INC COM | Common Stock | | 7,472 |
| SUMMIT FINL GROUP INC | Common Stock | | 28,490 |
| SUN MICROSYSTEMS INC | Common Stock | | 54,509 |
| SUNOPTA INC | Common Stock | | 8,800 |
| SUNTECH PWR HLDGS CO LTD ADR | Common Stock | | 7,652 |
| SUNTRUSK BANKS | Common Stock | 1,170,289 | 1,358,313 |
| SYCAMORE NETWORKS INC | Common Stock | | 7,520 |
| SYMANTEC | Common Stock | 1,219,953 | 1,283,818 |
| SYMBOL TECH INC | Common Stock | | 2,549 |
| SYNERON MEDICAL LTD ORD SHS | Common Stock | | 32,827 |
| SYNTAX BRILLIAN CORP COM | Common Stock | | 17,300 |
| SYSCO CORP | Common Stock | | 20,586 |
| TALBOTS INC | Common Stock | | 2,410 |
| TANZANIAN RTY EXPL COM | Common Stock | | 7,140 |
| TARGET CORP | Common Stock | 3,197,312 | 3,394,576 |
| TARGET CORP | Common Stock | | 17,185 |
| TARGETED GENETICS CORP COM NEW | Common Stock | | 107 |
| TASEKO MINES LTD | Common Stock | | 10,360 |
| TASER INTERNATIONAL INC | Common Stock | | 21,308 |
| TATA MTRS LTD SPONSORED ADR | Common Stock | | 2,043 |
| TD AMERITRADE HLDG CORP COM | Common Stock | | 8,090 |
| TECH DATA | Common Stock | 732,194 | 698,795 |
| TELIK INC | Common Stock | | 886 |
| TELLABS INC | Common Stock | | 402,941 |
| TELSTRA CORP | Common Stock | | 16,380 |
| TEMPUR PEDIC INTL INC | Common Stock | | 8,184 |
| TENARIS SA SPONS ADR | Common Stock | | 11,991 |
| TERRA INDS INC | Common Stock | | 7,907 |
| TEVA PHARMACEUTICAL | Common Stock | 383,272 | 368,023 |
| TEXAS INSTRUMENTS | Common Stock | 779,139 | 750,255 |
| TEXAS INSTRUMENTS, INC. | Common Stock | | 4,320 |
| THAI FD INC | Common Stock | | 5,500 |
| THERMOGENESIS CORP | Common Stock | | 3,082 |
| THIRD WAVE TECHNOLOGIES INC | Common Stock | | 10,390 |
| THORNBERG MTG ASSET CORP | Common Stock | | 5,315 |

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|----------------------------------|--------------|-----------|-----------|
| THRESHOLD PHARMACEUTICALS INC | Common Stock | | 1,110 |
| TIENS BIOTECH GROUP USA INC | Common Stock | | 15,720 |
| TIFFANY & CO | Common Stock | 344,235 | 340,741 |
| TIMEWARNER INC | Common Stock | | 43,277 |
| TIMEWARNER INC | Common Stock | 5,996,054 | 7,268,489 |
| TITANIUM METALS CORP COM | Common Stock | | 20,952 |
| TIVO INC | Common Stock | | 10,880 |
| TJX COMPANIES INC | Common Stock | | 713 |
| TODCO COM | Common Stock | | 15,377 |
| TOLL BROTHERS INC | Common Stock | | 6,446 |
| TOOTSIE ROLL INDS | Common Stock | | 2,547 |
| TOYOTA MOTOR | Common Stock | 1,577,277 | 1,775,930 |
| TOYOTA MTRS CORP SPON ADR | Common Stock | | 60,571 |
| TPTX INC COM | Common Stock | | 89 |
| TRAFFIX INC | Common Stock | | 5,480 |
| TRANSCANADA CORP | Common Stock | | 6,990 |
| TRANSMERIDIAN EXPL INC | Common Stock | | 1,035 |
| TRANSWITCH CORP | Common Stock | | 11,200 |
| * TRAVELERS COS | Common Stock | 1,504,205 | 1,784,660 |
| TRI ISTHMUS GROUP INC | Common Stock | | 6 |
| TRIMEDYNE INC | Common Stock | | 14,000 |
| TRINITY INDS INC DEL FRMLY TEXAS | Common Stock | | 7,064 |
| TRIQUINT SEMICONDUCTOR INC | Common Stock | | 8,550 |
| TRONOX INC COM CL B | Common Stock | | 632 |
| TRUBION PHARMACEUTICALS INC | Common Stock | | 540 |
| TUESDAY MORNING CORP | Common Stock | | 6,220 |
| TYCO INTL LTD NEW | Common Stock | | 33,976 |
| UBS AG | Common Stock | 745,587 | 904,877 |
| UGI CORP NEW | Common Stock | | 17,748 |
| UNILEVER | Common Stock | 1,368,007 | 1,621,423 |
| UNILEVER PLC | Common Stock | | 10,015 |
| UNION PACIFIC CORP | Common Stock | | 1,564 |
| UNITED ONLINE INC | Common Stock | | 674 |
| UNITED PARCEL SVC INC CL B | Common Stock | | 41,239 |
| UNITEDHEALTH GROUP INC | Common Stock | | 29,820 |
| UNIVERSAL DISPLAY CORP | Common Stock | | 1,501 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at
End of Year) December 31, 2006

Schedule I

| | | | |
|--|--------------|-----------|-----------|
| UNIVERSAL TECHNICAL UTI.N | Common Stock | | 11,549 |
| UNIVISION COMM INC CL A | Common Stock | | 5,136 |
| UNUM | Common Stock | 845,709 | 1,002,691 |
| US BANCORP | Common Stock | 1,183,071 | 1,517,715 |
| US BANCORP DEL COM NEW | Common Stock | | 8,616 |
| USG CORP COM NEW | Common Stock | | 13,700 |
| VA LINUX SYS INC | Common Stock | | 14,738 |
| VAALCO ENERGY INC COM NEW | Common Stock | | 2,700 |
| VALERO ENERGY CORP | Common Stock | | 91,423 |
| VANGUARD INTL EQUITY INDEX FD INC | Common Stock | | 9,971 |
| VARIAN INC | Common Stock | | 1,344 |
| VASO ACTIVE PHARMACEUTICALS INC | Common Stock | | 360 |
| VERISIGN INC | Common Stock | | 5,051 |
| VERITAS DGC INC | Common Stock | | 17,126 |
| VERIZON COMMUNICATIONS | Common Stock | 1,883,347 | 1,976,991 |
| VERIZON COMMUNICATIONS | Common Stock | | 73,067 |
| VERSANT CORP COM NEW | Common Stock | | 2724 |
| VERTEX PHARMACEUTCLS INC | Common Stock | | 4490 |
| VERTICALNET INC COM PAR \$0.01 | Common Stock | | 287 |
| VIA NET WORKS INC | Common Stock | | 588 |
| VIACELL INC | Common Stock | | 1,888 |
| VIRAGEN INC COM NEW | Common Stock | | 165 |
| WISEON INC | Common Stock | | 11 |
| VOLCANO CORP COM | Common Stock | | 16,390 |
| WACHOVIA CORP | Common Stock | 578,979 | 623,777 |
| WACHOVIA CORP 2ND NEW | Common Stock | | 48,408 |
| WAL MART STORES INC | Common Stock | 694,151 | 674,417 |
| WAL MART STORES INC | Common Stock | | 99,287 |
| WALGREEN COMPANY | Common Stock | | 760,098 |
| WALTER INDS INC | Common Stock | | 5,410 |
| WASHINGTON MUTUAL INC | Common Stock | | 28,346 |
| WASHINGTON POST CO | Common Stock | 523,241 | 520,161 |
| WASTE MANAGEMENT INC of DELWARE | Common Stock | | 2,959 |
| WASTE MANANGEMENT INC | Common Stock | 748,687 | 892,568 |
| WATSON PHARMACEUTICALS | Common Stock | 454,458 | 400,693 |
| WELLPOINT INC | Common Stock | 5,841,661 | 6,856,349 |
| WESCO INTERNATIONAL INC | Common Stock | | 1,764 |
| WESTELL TECHNOLOGIES INC | Common Stock | | 2,500 |
| WESTERN ASSET EMERGING MKTS DEBT FD INC COM | Common Stock | | 5,619 |
| WESTERN COPPER CORP COM | Common Stock | | 1,029 |
| WESTERN DIGITAL CORP | Common Stock | | 30,690 |
| WESTERN UNION CO COM | Common Stock | | 2,242 |

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| | | | |
|---|--------------|-----------|----------------|
| WHOLE FOODS MKT INC | Common Stock | | 24,122 |
| WILD OATS MARKETS INC | Common Stock | | 1,438 |
| WISDOMTREE TR INTL DIVID TOP100 FD | Common Stock | | 12,779 |
| WOMEN FIRST HEALTHCARE INC | Common Stock | | 2 |
| WORLD AIR HLDGS INC | Common Stock | | 1,940 |
| WORLDGATE COMMUNICATIONS INC | Common Stock | | 4,690 |
| WRIGLEY WM JR CO | Common Stock | 1,797,620 | 1,791,341 |
| WRIGLEY WM JR CO | Common Stock | | 16,809 |
| WYNDHAM WORLDWIDE CORP COM | Common Stock | | 4,515 |
| X RITE INC | Common Stock | | 24,600 |
| XENONICS HLDGS INC | Common Stock | | 11,900 |
| XILINX INC | Common Stock | | 32,263 |
| XL CAPITAL LTD | Common Stock | 1,296,517 | 1,385,799 |
| XM SATELLITE RADIO HOLDINGS INC CL A | Common Stock | | 14,450 |
| XOMA LTD | Common Stock | | 2,486 |
| XTO ENERGY INC | Common Stock | | 24,027 |
| XYBERNAUT CORP | Common Stock | | 90 |
| XYRATEX LTD COM | Common Stock | | 4,316 |
| YAHOO INC | Common Stock | | 5,363 |
| YAMANA GOLD INC | Common Stock | | 28,996 |
| YM BIOSCIENCES INC | Common Stock | | 3,418 |
| YORK WATER CO COM | Common Stock | | 10,479 |
| ZAP COM NEW | Common Stock | | 5,260 |
| ZIMMER HOLDINGS INC | Common Stock | | 627 |
| ZOLTEK COS INC | Common Stock | | 9,835 |
| ZUMIEZ INC | Common Stock | | 9,748 |
| Common Stock | | | \$ 481,186,522 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at
End of Year)
December 31, 2006

Schedule I

U.S Government and Government Agency
Issues:

| | | | |
|--------------------------|---------------|-----------|-----------|
| FED HM LN PC POOL | 5.000 01JUL35 | 1,020,224 | 1,028,028 |
| FED HM LN PC POOL | 6.000 01JUN35 | 1,275,522 | 1,256,564 |
| FED HM LN PC POOL | 5.000 01DEC35 | 5,530,779 | 5,519,304 |
| FED HM LN PC POOL | 5.000 01SEP21 | 5,596,495 | 5,593,051 |
| FED HM LN PC POOL | 5.000 01SEP35 | 2,208,479 | 2,159,857 |
| FED HM LN PC POOL | 6.000 01MAR31 | 37,597 | 38,025 |
| FEDERAL HOME LN MTG | 5.000 15JAN30 | 381,224 | 385,672 |
| FEDERAL HOME LN MTG CORP | 5.000 15DEC23 | 115,386 | 116,132 |
| FEDERAL HOME LN MTG CORP | 5.000 15MAR19 | 769,196 | 776,543 |
| FEDERAL HOME LN MTG CORP | 5.000 15SEP18 | 199,144 | 200,409 |
| FEDERAL NATL MTG ASSN | 1.750 26MAR08 | 397,687 | 335,122 |
| FNMA POOL | 6.000 01SEP21 | 597,823 | 600,984 |
| FNMA POOL | 6.000 01DEC13 | 169,734 | 167,773 |
| FNMA POOL | 6.000 01MAY16 | 73,438 | 73,092 |
| FNMA POOL | 6.000 01DEC16 | 102,982 | 102,466 |
| FNMA POOL | 5.500 01APR33 | 925,227 | 906,588 |
| FNMA POOL | 6.000 01AUG34 | 652,661 | 641,514 |
| FNMA POOL | 5.000 01OCT35 | 1,569,998 | 1,568,857 |
| FNMA POOL | 5.000 01FEB36 | 1,671,875 | 1,687,437 |
| FNMA POOL | 5.500 01APR36 | 2,702,046 | 2,723,093 |
| FNMA POOL | 5.000 01MAY36 | 795,161 | 802,497 |
| FNMA POOL | 6.000 01OCT33 | 219,324 | 215,335 |
| FNMA POOL | 5.500 01MAY35 | 976,164 | 955,608 |
| FNMA POOL | 5.000 01JUN35 | 554,012 | 558,461 |
| FNMA POOL | 5.500 01APR35 | 939,152 | 919,233 |
| FNMA POOL | 6.500 01AUG36 | 1,182,601 | 1,185,267 |
| FNMA POOL | 5.000 01SEP35 | 1,385,172 | 1,393,684 |
| FNMA POOL | 6.000 01JUN21 | 389,312 | 393,075 |
| FNMA POOL | 5.500 01NOV36 | 717,574 | 723,426 |
| UNITED STATES TREAS NTS | 6.125 15AUG07 | 833,543 | 832,090 |
| UNITED STATES TREAS NTS | 4.375 15MAY07 | 318,837 | 319,115 |
| UNITED STATES TREAS NTS | 4.000 31AUG07 | 1,246,472 | 1,246,521 |
| UNITED STATES TREAS NTS | 4.875 31AUG08 | 696,407 | 693,916 |
| UNITED STATES TREAS NTS | 4.875 31OCT08 | 69,171 | 68,937 |

U.S Government and Government Agency
Issues

\$ 36,187,676

Corporate and Other Obligations:

| | | | |
|------------------------------|---------------|-----------|-----------|
| ALBERTSONS INC | 6.625 01JUN28 | 44,068 | 49,151 |
| ALBERTSONS INC | 7.750 15JUN26 | 85,550 | 93,274 |
| ALBERTSONS INC | 7.450 01AUG29 | 325,606 | 360,642 |
| ALBERTSONS INC | 8.700 01MAY30 | 9,160 | 10,281 |
| ALBERTSONS INC | 8.000 01MAY31 | 245,394 | 259,607 |
| ALTERNATIVE LN TR | 6.500 25JUN36 | 894,996 | 905,218 |
| AMERICAN STORES CO NEW | 8.000 01JUN26 | 37,283 | 41,386 |
| AMERICREDIT AUTOMOBILE REC | 3.430 06JUL11 | 285,387 | 278,104 |
| ANADARKO PETE CORP | 6.450 15SEP36 | 513,321 | 517,237 |
| AT + T CORP ACQUIRED | 8.000 15NOV31 | 1,370,756 | 1,367,819 |
| AUSTRIA (REP) | 3.750 03FEB09 | 46,104 | 43,867 |
| AVNET INC | 2.000 15MAR34 | 56,251 | 59,430 |
| AVNET INC | 6.000 01SEP15 | 261,745 | 266,907 |
| AVNET INC | 6.625 15SEP16 | 215,573 | 222,687 |
| CD MTG TR | 5.617 15OCT48 | 984,310 | 999,090 |
| CHESAPEAKE ENERGRY CORP | 6.500 15AUG17 | 37,006 | 38,488 |
| CHESAPEAKE ENERGRY CORP | 6.875 15NOV20 | 131,276 | 135,398 |
| CITIZENS COMMUNICATIONS CO | 7.875 15JAN27 | 570,925 | 576,635 |
| COLORADO INTST GAS CO | 5.950 15MAR15 | 59,355 | 63,130 |
| COLORADO INTST GAS CO | 6.800 15NOV15 | 15,194 | 15,353 |
| COLUMBIA HEALTHCARE CORP | 7.500 15DEC23 | 34,206 | 36,044 |
| COLUMBIA/HCA HEALTHCARE CORP | 7.580 15SEP25 | 18,813 | 20,024 |
| COLUMBIA/HCA HEALTHCARE CORP | 7.690 15JUN25 | 64,550 | 69,254 |
| COMCAST CORP NEW | 5.650 15JUN35 | 805,968 | 804,181 |
| COMPUTER ASSOC INTL INC | 5.625 01DEC14 | 1,137,115 | 1,080,638 |
| CORNING INC | 6.850 01MAR29 | 25,458 | 25,610 |
| CORNING INC | 7.250 15AUG36 | 113,195 | 121,312 |
| CSC HLDGS INC | 7.875 15FEB18 | 302,449 | 304,387 |
| CSC HLDGS INC | 7.625 01APR11 | 84,821 | 85,239 |
| CWABS INC | 3.872 25MAR20 | 210,504 | 207,406 |
| CWABS INC | 4.615 25FEB35 | 285,452 | 276,299 |
| DAIMLERCHRYSLER AUTO TR | 4.200 08JUL10 | 191,926 | 189,108 |
| DUKE ENERGY CO | 6.250 15JAN12 | 198,045 | 194,743 |
| EL PASO CORP | 6.950 01JUN28 | 87,614 | 97,943 |
| EL PASO CORP | 7.420 15FEB37 | 244,434 | 278,400 |
| EMBARQ CORP | 7.995 01JUN36 | 401,132 | 404,616 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i - Schedule of Assets (Held at
End of Year) December 31, 2006****Schedule I**

| | | | |
|----------------------------------|-----------------|-----------|-----------|
| EMBARQ CORP | 7.082 01JUN16 | 416,331 | 420,879 |
| ENERGY TRANSFER PARTNERS LP | 6.125 15FEB17 | 70,630 | 69,863 |
| ENERGY TRANSFER PARTNERS LP | 6.625 15OCT36 | 273,529 | 268,593 |
| ENRON CAP RES L PFD SER A 9% MIP | Preferred Stock | | 60 |
| FORD CR AUTO OWNER TR | 4.380 15JAN10 | 752,994 | 744,366 |
| FORD MTR CO DEL | 7.450 16AUG31 | 274,100 | 278,178 |
| FORD MTR CO DEL | 7.250 25OCT11 | 302,517 | 313,284 |
| FORD MTR CO DEL | 7.000 01OCT13 | 301,502 | 319,613 |
| FORD MTR CO DEL | 5.700 15JAN10 | 87,263 | 94,360 |
| FREESCALE SEMICONDUCTOR INC | 10.125 15DEC16 | 324,363 | 325,649 |
| GEN ELEC CAP CORP | 0.550 14OCT08 | 597,565 | 591,990 |
| GENERAL ELECTRIC CAPITAL CORPN | 1.000 21MAR12 | 315,889 | 306,091 |
| GENERAL ELECTRIC CAPITAL CORPN | 0.750 05FEB09 | 221,375 | 214,078 |
| GEORGIA PAC CORP | 7.375 01DEC25 | 107,314 | 115,169 |
| GEORGIA PAC CORP | 7.250 01JUN28 | 164,994 | 176,642 |
| GEORGIA PAC CORP | 7.750 15NOV29 | 517,143 | 549,860 |
| GEORGIA PAC CORP | 8.875 15MAY31 | 5,303 | 5,205 |
| GEORGIA PAC CORP | 8.000 15JAN24 | 9,948 | 9,991 |
| GERMANY (FED REP) | 3.250 17APR09 | 231,625 | 236,966 |
| GOLDMAN SACHS GROUP INC | 5.125 15JAN15 | 194,776 | 192,358 |
| HARRAHS OPER INC | 5.750 01OCT17 | 222,471 | 193,804 |
| HCA INC | 7.500 06NOV33 | 11,209 | 12,034 |
| HONDA AUTO RECEIVABLES | 3.280 18FEB10 | 723,307 | 707,001 |
| HONDA AUTO RECEIVABLES OWNERS | 4.030 20DEC10 | 295,288 | 289,861 |
| INCYTE CORP | 3.500 15FEB11 | 64,202 | 67,250 |
| INTER AMERICAN DEVELOP BANK | 1.900 08JUL09 | 111,187 | 110,183 |
| INTERNATIONAL BUSINESS MACHS | 4.250 15SEP09 | 485,134 | 481,777 |
| INTERNATIONAL LEASE FIN CORP | 3.500 01APR09 | 14,114 | 14,203 |
| INTERNATIONAL LEASE FIN CORP | 4.875 01SEP10 | 190,055 | 188,666 |
| INTL LEASE FIN CORP MTN | 5.750 15JUN11 | 132,716 | 135,030 |
| INTL LEASE FIN CORP MTN | 5.450 24MAR11 | 56,982 | 57,284 |
| INVITROGEN CORP | 1.500 15FEB24 | 29,445 | 29,414 |
| J P MORGAN CHASE + CO | 3.625 01MAY08 | 206,936 | 197,121 |
| JOHN DEERE OWNER TRUST | 3.980 15JUL09 | 305,121 | 302,755 |
| JP MORGAN CHASE COML MTG SECSC | 1.000 15APR45 | 695,852 | 730,147 |
| K N ENEGRY INC | 6.670 01NOV27 | 20,949 | 22,196 |
| KFW INTERNATIONAL FIN INC | 1.750 23MAR10 | 1,407,627 | 1,388,604 |
| KFW INTERNATIONAL FINANCE INC | 2.050 21SEP09 | 180,598 | 178,769 |
| KINDER MORGAN ENERGY PARTNERS | 5.800 15MAR35 | 53,608 | 58,144 |
| KINDER MORGAN FIN CORP | 5.700 05JAN16 | 108,429 | 112,895 |
| KINDER MORGAN FIN CORP | 6.400 05JAN36 | 494,470 | 526,578 |
| KINDER MORGAN INC | 6.500 01SEP12 | 198,808 | 187,914 |
| KINDER MORGAN INC | 5.150 10MAR15 | 88,640 | 92,743 |

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|-------------------------------|---------------|-----------|-----------|
| KULICKE + SOFFA INDS INC | 0.500 30NIV08 | 103,219 | 104,391 |
| LB COML MTG TR | 4.647 15JUL30 | 489,684 | 475,426 |
| LB COML MTG TR | 1.000 15JUN38 | 89,029 | 92,145 |
| LB UBS COML MTG TR | 1.000 15MAR39 | 380,847 | 388,088 |
| MANDALAY RESORT GROUP | 6.375 15DEC11 | 255,975 | 264,447 |
| MERRILL LYNCH MTG INVS INC | 1.000 25FEB35 | 381,771 | 385,679 |
| ML CFC MTG TR | 1.000 12JUN46 | 207,846 | 215,895 |
| ML CFC MTG TR | 1.000 12FEB39 | 564,162 | 564,845 |
| MORGAN STANELY CAP I INC | 4.890 12JUN47 | 722,491 | 697,885 |
| MORGAN STANLEY | 4.750 01APR14 | 194,328 | 192,939 |
| MORGAN STANLEY CAP I INC | 1.000 25JUL35 | 233,509 | 235,092 |
| NAVISTAR FINANCIAL COPR OWNER | 3.530 15OCT12 | 595,518 | 578,332 |
| NEKTAR THERAPEUTICS | 3.250 28SEP12 | 76,898 | 78,650 |
| NEWS AMER INC | 6.400 15DEC35 | 160,651 | 161,352 |
| NISSAN AUTO RECEIVABLES | 5.440 15APR10 | 629,977 | 632,841 |
| NORWAY KINGDOM OF | 6.000 16MAY11 | 128,153 | 131,032 |
| NORWAY KINGDOM OF | 5.500 15MAY09 | 274,850 | 283,512 |
| OESTERREICH KONTROLLBANK | 1.800 22MAR10 | 26,478 | 25,455 |
| ONEOK PARTNERS LP | 6.150 01OCT16 | 140,561 | 139,830 |
| ONEOK PARTNERS LP | 6.650 01OCT36 | 324,979 | 317,151 |
| OWENS CORNING REORG INC | 7.000 01DEC36 | 192,979 | 198,800 |
| PITNEY BROWES INC GLOBAL | 5.250 15JAN37 | 792,200 | 785,725 |
| RAILI TR | 5.750 25SEP21 | 913,760 | 915,864 |
| RALI SER 2006 QS6 TR | 6.000 25JUN21 | 462,270 | 459,587 |
| RESIDENTIAL CAP CORP | 6.875 30JUN15 | 195,112 | 193,889 |
| RESIDENTIAL CAP CORP | 6.500 17APR13 | 1,358,204 | 1,371,671 |
| ROGERS WIRELESS INC | 6.375 01MAR14 | 533,649 | 568,095 |
| ROYAL CARIBBEAN CRUISES LTD | 7.500 15OCT27 | 285,168 | 279,686 |
| SARA LEE CORP | 6.125 01NOV32 | 216,342 | 222,667 |
| SOUTHERN NAT GAS CO | 7.350 15FEB31 | 222,426 | 254,628 |
| SPRINT CAP CORP | 6.875 15NOV28 | 1,229,560 | 1,226,755 |
| ST PAUL TRAVEL COS INC | 6.750 20JUN36 | 33,926 | 38,081 |
| TELEFONICA EMISIONS S A U | 7.045 20JUN36 | 1,235,364 | 1,312,162 |
| TENNESSEE GAS PIPELINE CO | 7.000 15OCT28 | 53,817 | 57,165 |
| TIME WARNER INC | 6.625 15MAY29 | 510,635 | 488,484 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at
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Schedule I

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|---------------------------------|---------------|---------|---------|
| TIME WARNER INC NEW | 6.500 15NOV36 | 335,016 | 328,217 |
| TOLEDO EDISON CO | 6.150 15MAY37 | 137,603 | 135,656 |
| TOYOTA MOTOR CREDIT CORP | 0.750 09JUN08 | 58,654 | 57,876 |
| UNITED HEALTH GROUP INC | 5.250 15MAR11 | 170,252 | 171,672 |
| USAA AUTO OWNER TR | 3.530 15JUN11 | 875,835 | 858,679 |
| VALE OVERSEAS LTD | 6.875 21NOV36 | 499,227 | 519,943 |
| VALERO ENEGRY CORP | 4.750 15JUN13 | 197,182 | 191,347 |
| VIACOM INC | 6.875 30APR36 | 334,091 | 335,758 |
| WAL MART STORES INC | 5.250 01SEP35 | 417,923 | 402,249 |
| WAMU MTG PASS THROUGH CTFS | 1.000 25AUG35 | 286,952 | 288,926 |
| WASHINGTON MUT MTG SECS CORP | 1.000 25MAR35 | 187,827 | 189,509 |
| WEATHERFORD INTL LTD | 6.500 01AUG36 | 465,120 | 454,555 |
| WELLS FARGO MTG BKD SECS | 1.000 25OCT35 | 921,020 | 923,780 |
| WESTRN UN CO | 5.930 01OCT16 | 344,393 | 341,225 |
| WFS FINL 2004 4 OWNER TR | 2.980 17SEP09 | 194,452 | 192,755 |
| WFS FINL 2004 4 OWNER TR | 3.440 17MAY12 | 290,374 | 283,765 |
| XEROX CORP | 6.400 15MAR16 | 587,319 | 621,257 |
| XTO ENERGY INC | 6.100 01APR36 | 89,892 | 96,065 |

Corporate and Other
Obligations

\$ 42,547,956

**Synthetic Guaranteed
Investment Contracts:**

**Cash and Cash
Equivalents**

| | | |
|---------------|-----------|-----------|
| 0.010 28FEB07 | 4,128,485 | 4,141,528 |
|---------------|-----------|-----------|

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| | | | |
|---|--|------------|------------|
| FEDERAL HOME LN BK CONS DSC DISC NTS | | | |
| FEDERAL HOME LN BK CONS DSC NT DISC NTS | 0.010 07FEB07 | 676,870 | 676,870 |
| GENERAL ELEC CAP CORP | 5.25 16JAN07 DTC MMI Generic CUSIPS | 2,980,039 | 2,980,039 |
| SOCIETE GENERALE NORTH AMER | 5.245 08JAN07 DTC MMI Generic St Cusip | 288,396 | 288,396 |
| * STATE STREET BANK & TRUST CO. | Short-Term Investment Fund | 14,326,469 | 14,326,469 |
| UBS FIN DEL LLC DISC COML3/A3 | 5.270 02JAN07 DTC MMI Generic St Cusip | 2,347,892 | 2,347,892 |
| | | | 24,761,194 |

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

| | | | |
|--|--------------------------------|------------------------|------------------------|
| CREDIT SUISSE FIRST BOSTON MTG 2005 | 1.000 25JAN36 | 342,599 | 338,801 |
| FED HM LN BKS | 05Oct07 CONS BD | 985,001 | 1,029,465 |
| FED HM LN BKS | 4.25 16MAY08 TRANCHE TR | 573,356 | 580,357 |
| FED HM LN BKS | 5.00 29FEB08 PREASSIGN 00721 | 610,867 | 615,149 |
| FED HM LN MTG PC GTD | 6.50 15AUG08 SER 1563 CL | 101,477 | 98,802 |
| FED HM LN PC POOL | 4.00 01MAY14 | 904,886 | 897,654 |
| FED HM LN PC POOL | 4.50 01NOV13 | 249,179 | 249,551 |
| FED HM LN PC POOL | 4.50 01AUG18 | 1,222,596 | 1,244,593 |
| FED HM LN PC POOL | 5.0 01SEP09 | 785,434 | 774,625 |
| FED HM LN PC POOL | 4.00 01AUG13 | 379,114 | 372,376 |
| FED HM LN PC POOL | 3.500 01SEP10 | 91,515 | 92,174 |
| FED HM LN PC POOL | 4.000 01OCT09 | 133,752 | 128,764 |
| FED HM LN PC POOL | 4.000 01NOV09 | 341,593 | 330,529 |
| FED HM LN PC POOL | 4.000 01JAN10 | 382,993 | 370,965 |
| FED HM LN PC POOL A35931 | 4.500 01JUL35 | 441,442 | 436,554 |
| FED HM LN PC POOL A37435 | 4.500 01SEP353 | 90,436 | 89,434 |
| FED HM LN PC POOL A46675 | 4.500 01AUG35 | 642,648 | 635,374 |
| FED HM LN PC POOL A47055 | 4.500 01SEP35 | 775,427 | 768,424 |
| FED HM LN PC POOL E01343 | 5.000 01APR18 | 1,065,054 | 1,016,265 |
| FED HM LN PC POOL E01377 | 4.500 01MAY18 6.000 01JUN35 | 1,991,442 3,112,734 | 1,867,605 3,066,468 |

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|--|--|-----------|-----------|
| FED HM LN PC POOL G01843 | | | |
| FED HM LN PC POOL G01953 | 4.500 01OCT35 | 897,806 | 887,644 |
| FED HM LN PC POOL G08119 | 4.500 01JAN36 | 271,877 | 273,020 |
| FED HM LN POOL 1J1214 | 1.00 01SEP35 | 736,989 | 739,803 |
| FED HM LN POOL B16497 | 5.500 01SEP19 | 640,640 | 620,022 |
| FED NATL MTG ASSN FEDERAL HOME LN BK CONS DSC NT DISC NTS | 5.503 25SEP11 PREASN 00664 SER 2001 T11 CL | 437,548 | 434,398 |
| FEDERAL HOME LN MTG | 0.010 14FEB07 | 596,591 | 596,591 |
| FEDERAL HOME LN MTG | 3.500 15JUN17 | 200,010 | 198,486 |
| FEDERAL HOME LN MTG | 5.00 15 JUL 25 | 1,631,611 | 1,647,541 |
| FEDERAL HOME LN MTG | 5.125 24OCT07 | 2,745,237 | 2,747,554 |
| FEDERAL HOME LN MTG COPR | 6.000 15JUL27 | 239,074 | 249,630 |
| FEDERAL HOME LN MTG CORP | 6.000 15FEB11 | 832,142 | 896,822 |
| FEDERAL HOME LN MTG PC GTD | 4.500 15NOV07 | 44,918 | 50,626 |
| FEDERAL HOME LN MTG PC GTD | 6.000 15NOV22 | 308,701 | 335,064 |
| FEDERAL HOME LOAN MTG | 5.875 15MAY16 | 947,638 | 950,901 |
| FEDERAL NATL MTG ASSN | 4.75 03AUG07 PREASSIGN 00516 | 448,664 | 448,836 |
| FEDERAL NATL MTG ASSN | 22JAN08 | 1,349,428 | 1,411,594 |
| FEDERAL NATL MTG ASSN | 1.00 25MAY30 | 4,380,732 | 4,398,708 |
| FEDERAL NATL MTG ASSN | 4.768 25APR12 | 517,290 | 505,814 |
| FEDERAL NATL MTG ASSN | 5.139 25DEC11 | 581,502 | 564,645 |
| FEDERAL NATL MTG ASSN DISC NTS | 0.010 11JAN07 | 6,837,701 | 6,837,701 |

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| FEDERAL NATL MTG ASSN REMIC | 5.703 25MAY11 | 744,129 | 700,087 |
| FEDERAL NATL MTG ASSN REMIC | 6.088 25MAY11 | 1,095,633 | 966,962 |
| | 03JUL07 SER 15 INT | | |
| FINANCING CORP CPN FICO STRIPS | Pmt on 9.65 | 443,391 | 470,137 |
| | 06APR07 GENERIC | | |
| FINANCING CORP CPN FICO STRIPS | INT PMT | 748,735 | 810,598 |
| FNMA | 5.50 01DEC99 | 3,897,245 | 3,868,949 |
| FNMA | 5.500 01DEC99 | 3,332,170 | 3,312,788 |
| FNMA POOL 125420 | 5.500 01MAY11 | 25,020 | 26,249 |
| FNMA POOL 254088 | 5.500 01DEC16 | 179,330 | 182,932 |
| FNMA POOL 254140 | 5.500 01JAN17 | 528,208 | 535,919 |
| FNMA POOL 254503 | 5.000 01OCT09 | 1,344,095 | 1,345,506 |
| FNMA POOL 254693 | 5.500 01APR33 | 1,168,595 | 1,147,093 |
| FNMA POOL 254722 | 5.500 01MAY18 | 1,142,796 | 1,100,445 |
| FNMA POOL 254753 | 4.000 01MAY10 | 432,677 | 416,372 |
| FNMA POOL 255765 | 5.500 01JUL20 | 360,074 | 361,848 |
| FNMA POOL 255770 | 5.500 01JUL35 | 831,097 | 814,730 |
| FNMA POOL 255804 | 4.500 01JUL20 | 764,904 | 768,663 |
| FNMA POOL 256101 | 5.500 01FEB36 | 3,733,325 | 3,726,935 |
| FNMA POOL 256114 | 4.500 01JAN21 | 173,643 | 174,497 |
| FNMA POOL 256269 | 5.500 01JUN36 | 3,149,131 | 3,176,208 |
| FNMA POOL 313709 | 1.000 01JUN07 | 17,268 | 16,084 |
| FNMA POOL 323348 | 8.500 01JUN12 | 29,176 | 28,487 |
| FNMA POOL 323586 | 5.50 01FEB14 | 686,506 | 697,136 |
| FNMA POOL 343347 | 5.500 01APR11 | 229,932 | 236,083 |
| FNMA POOL 357797 | 5.500 01JUN35 | 2,270,080 | 2,236,002 |
| FNMA POOL 357886 | 5.500 01JUL35 | 939,063 | 938,900 |
| FNMA POOL 386255 | 3.530 01JUL10 | 505,455 | 500,090 |
| FNMA POOL 386284 | 3.640 01JUN10 | 474,515 | 460,833 |
| FNMA POOL 456654 | 5.500 01FEB14 | 119,266 | 115,062 |
| FNMA POOL 545696 | 6.00 01JUN22 | 877,258 | 853,797 |
| FNMA POOL 545904 | 5.500 01SEP17 | 951,460 | 920,368 |
| FNMA POOL 555541 | 1.00 01APR33 | 466,240 | 466,203 |
| FNMA POOL 555677 | 5.500 01JUL33 | 3,415,503 | 3,352,661 |
| FNMA POOL 623505 | 6.00 01DEC11 | 599,530 | 577,885 |
| FNMA POOL 722999 | 5.000 01JUL18 | 2,312,665 | 2,252,225 |
| FNMA POOL 725423 | 5.500 01MAY34 | 988,300 | 969,140 |
| FNMA POOL 725424 | 5.500 01APR34 | 515,259 | 505,818 |
| FNMA POOL 725690 | 6.000 01AUG34 | 390,067 | 383,405 |
| FNMA POOL 725946 | 5.500 01NOV34 | 5,813,098 | 5,756,173 |
| FNMA POOL 735224 | 5.500 01FEB35 | 2,538,960 | 2,492,535 |
| FNMA POOL 735227 | 5.500 01FEB35 | 375,448 | 368,315 |

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|------------------|----------------|------------|------------|
| FNMA POOL 735230 | 5.500 01FEB35 | 1,641,698 | 1,609,262 |
| FNMA POOL 735654 | 1.00 01OCT44 | 447,919 | 450,909 |
| FNMA POOL 735897 | 5.500 01OCT35 | 1,441,798 | 1,432,380 |
| FNMA POOL 743132 | 5.000 01OCT18 | 2,288,540 | 2,227,026 |
| FNMA POOL 745054 | 1.000 01SEP35 | 546,107 | 557,684 |
| FNMA POOL 745179 | 5.000 01APR19 | 2,072,197 | 2,074,991 |
| FNMA POOL 745275 | 5.000 01FEB36 | 3,387,745 | 3,388,978 |
| FNMA POOL 745336 | 5.00 01MAR36 | 11,125,370 | 11,161,937 |
| FNMA POOL 745408 | 6.500 01JAN36 | 431,995 | 431,022 |
| FNMA POOL 745428 | 5.500 01JAN36 | 2,439,601 | 2,439,178 |
| FNMA POOL 745569 | 4.00 01NOV13 | 689,184 | 693,895 |
| FNMA POOL 745571 | 4.00 01JAN19 | 2,212,628 | 2,246,726 |
| FNMA POOL 759866 | 5.500 01FEB34 | 535,696 | 525,839 |
| FNMA POOL 786225 | 5.00 01JUL19 | 356,908 | 351,585 |
| FNMA POOL 791404 | 5.00 01OCT19 | 310,790 | 301,766 |
| FNMA POOL 795547 | 1.000 01SEP34 | 488,003 | 490,343 |
| FNMA POOL 803281 | 4.500 01DEC19 | 25,781 | 25,936 |
| FNMA POOL 808277 | 5.500 01AUG35 | 504,204 | 494,524 |
| FNMA POOL 814836 | 1.000 01APR35 | 184,547 | 185,558 |
| FNMA POOL 815039 | 5.500 01MAY35 | 449,094 | 440,472 |
| FNMA POOL 816048 | 4.500 01MAR20 | 148,950 | 149,682 |
| FNMA POOL 821398 | 5.500 01MAY35 | 657,979 | 645,275 |
| FNMA POOL 822298 | 1.000 01MAY36 | 170,789 | 172,394 |
| FNMA POOL 823293 | 5.500 01JUL35 | 519,155 | 509,187 |
| FNMA POOL 824480 | 4.500 01MJUN20 | 211,714 | 212,755 |
| FNMA POOL 825308 | 5.500 01MAY35 | 489,992 | 480,737 |
| FNMA POOL 825803 | 5.500 01SEP35 | 780,787 | 765,411 |
| FNMA POOL 826522 | 5.500 01JUL35 | 517,223 | 507,453 |
| FNMA POOL 826527 | 4.500 01JUL20 | 682,076 | 685,428 |
| FNMA POOL 827759 | 1.000 01JUL35 | 478,804 | 481,442 |
| FNMA POOL 830735 | 5.500 01JUL35 | 398,273 | 390,430 |
| FNMA POOL 830763 | 5.500 01AUG35 | 433,540 | 425,137 |
| FNMA POOL 830784 | 5.500 01AUG35 | 933,615 | 915,519 |
| FNMA POOL 830953 | 5.500 01AUG35 | 1,349,172 | 1,322,603 |
| FNMA POOL 831540 | 6.000 01JUN36 | 2,441,137 | 2,455,939 |
| FNMA POOL 831679 | 6.500 01JUN36 | 2,465,811 | 2,471,369 |
| FNMA POOL 832213 | 4.500 01JUL20 | 374,123 | 375,992 |
| FNMA POOL 833036 | 4.500 01SEP20 | 393,413 | 395,347 |

Baxter International Inc. and Subsidiaries
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| FNMA POOL 833350 | 5.500 01AUG35 | 932,717 | 914,349 |
| FNMA POOL 835164 | 5.500 01AUG35 | 907,061 | 889,480 |
| FNMA POOL 835268 | 5.500 01AUG35 | 505,548 | 495,842 |
| FNMA POOL 835687 | 5.500 01NOV34 | 350,366 | 343,710 |
| FNMA POOL 837220 | 4.500 01AUG20 | 6,999,560 | 6,965,661 |
| FNMA POOL 837578 | 4.500 01AUG20 | 864,128 | 868,376 |
| FNMA POOL 837589 | 5.500 01SEP34 | 458,437 | 449,728 |
| FNMA POOL 841068 | 1.000 01NOV34 | 1,272,054 | 1,271,673 |
| FNMA POOL 844915 | 4.500 01NOV20 | 50,145 | 50,392 |
| FNMA POOL 848647 | 5.500 01JAN36 | 2,208,709 | 2,210,771 |
| FNMA POOL 869087 | 5.500 01MAY36 | 468,126 | 471,680 |
| FNMA POOL 872502 | 1.000 01JUN36 | 456,101 | 457,052 |
| FNMA POOL 879131 | 5.000 01JUN21 | 280,895 | 286,593 |
| FNMA POOL 879394 | 5.000 01FEB21 | 296,076 | 300,086 |
| FNMA POOL 879600 | 5.000 01MAR21 | 516,315 | 523,308 |
| FNMA POOL 880626 | 5.500 01APR36 | 6,385,623 | 6,447,468 |
| FNMA POOL 881670 | 1.000 01MAR36 | 622,196 | 630,584 |
| FNMA POOL 883573 | 5.000 01MAY21 | 319,405 | 323,772 |
| FNMA POOL 884032 | 6.500 01MAY36 | 2,368,066 | 2,371,946 |
| FNMA POOL 888016 | 0.010 01JUL36 | 4,456,100 | 4,456,372 |
| FNMA TBA JAN 30 SINGLE FAM | 6.000 01DEC99 | 7,253,263 | 7,217,210 |
| FNMA TBA JAN 30 SINGLE FAM | 6.500 01DEC99 | 3,863,103 | 3,854,236 |
| FREDDIE MAC | 1.000 15DEC29 | 96,871 | 97,299 |
| GNMA I TBA JAN 30 SINGLE FAM | 6.000 01DEC99 | 1,545,199 | 1,543,059 |
| GNMA II TBA JAN 30 JUMBOS | 6.000 01DEC99 | 1,453,750 | 1,450,613 |
| GNMA POOL 654906 | 6.000 15APR36 | 2,276,136 | 2,303,553 |
| GOV NATL MTG ASSN | 3.022 16JAN19 | 204,827 | 201,558 |
| GOVERNMENT NATIONAL MTGE ASSOC | 3.947 06OCT11 | 1,216,848 | 1,216,854 |
| GOVERNMENT NATL MTG ASSN | 2.914 16JUN18 | 178,998 | 174,851 |
| GOVERNMENT NATL MTG ASSN | 3.607 16AUG18 | 144,993 | 142,355 |
| GOVERNMENT NATL MTG ASSN | 4.145 16FEB18 | 643,801 | 631,338 |
| GOVERNMENT NATL MTG ASSN | 4.044 16MAY21 | 185,427 | 181,438 |
| GOVERNMENT NATL MTG ASSN | 4.385 16AUG30 | 339,175 | 336,698 |
| GOVERNMENT NATL MTG ASSN | 4.016 16JUL27 | 244,079 | 242,438 |
| GOVERNMENT NATL MTG ASSN | 4.045 16JUL20 | 499,030 | 491,194 |
| GOVERNMENT NATL MTG ASSN | 4.015 16NOV10 | 468,320 | 459,397 |
| GOVERNMENT NATL MTG ASSN | 4.449 16MAR25 | 622,687 | 624,173 |
| GOVERNMENT NATL MTG ASSN | 4.241 16JUL29 | 393,875 | 392,811 |
| GOVERNMENT NATL MTG ASSN | 2.712 16FEB20 | 482,162 | 469,092 |
| GOVERNMENT NATL MTG ASSN | 3.206 16APR18 | 203,630 | 198,946 |
| GOVERNMENT NATL MTG ASSN | 3.110 16JAN19 | 336,634 | 324,377 |
| GOVERNMENT NATL MTG ASSN | 2.822 16DEC19 | 439,998 | 435,734 |

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|-------------------------------|---------------|-----------|-----------|
| GOVERNMENT NATL MTG ASSN | 2.946 16MAR19 | 957,377 | 958,346 |
| GOVERNMENT NATL MTG ASSN | 3.084 16MAR22 | 326,014 | 319,350 |
| GOVERNMENT NATL MTG ASSN | 4.248 16JUL29 | 542,194 | 542,148 |
| GOVERNMENT NATL MTG ASSN GTD | 3.760 16SEP28 | 438,004 | 439,169 |
| GOVERNMENT NATL MTG ASSN GTD | 4.212 16JAN28 | 539,006 | 537,362 |
| GOVERNMENT NATL MTG ASSN GTD | 4.045 16OCT23 | 112,227 | 112,036 |
| GOVERNMENT NATL MTG ASSN GTD | 4.201 16AUG26 | 1,092,912 | 1,097,062 |
| GOVERNMENT NATL MTG ASSN GTD | 3.772 16JUN25 | 1,113,592 | 1,120,888 |
| GOVERNMENT NATL MTG ASSN GTD | 4.087 16JAN30 | 308,117 | 307,240 |
| GOVERNMENT NATL MTG ASSN GTD | 3.888 16JUL26 | 617,172 | 616,086 |
| GVMNT NATL MTG ASSN REMIC MTG | 3.377 16JAN23 | 88,000 | 85,013 |
| UNITED STATE TREAS BDS | 8.75 15AUG20 | 2,880,373 | 2,869,269 |
| UNITED STATE TREAS NTS | 4.625 31MAR08 | 4,864,751 | 4,859,038 |
| UNITED STATE TREAS NTS | 4.875 30APR08 | 4,851,229 | 4,846,090 |
| UNITED STATE TREAS NTS | 5.00 31JUL08 | 2,527,363 | 2,524,703 |
| UNITED STATES TREAS BDS | 8.875 15AUG17 | 1,401,836 | 1,309,456 |
| UNITED STATES TREAS BDS | 8.125 15MAY21 | 1,247,127 | 1,173,004 |
| UNITED STATES TREAS BDS | 8.750 15MAY17 | 3,968,003 | 3,936,810 |
| UNITED STATES TREAS BDS | 6.250 15MAY30 | 2,305,996 | 2,332,137 |
| UNITED STATES TREAS BDS | 4.500 15APR36 | 5,858,787 | 5,743,261 |
| UNITED STATES TREAS NTS | 3.375 15JAN07 | 251,542 | 248,971 |
| UNITED STATES TREAS NTS | 3.625 15JAN08 | 248,156 | 247,192 |
| UNITED STATES TREAS NTS | 3.875 15JAN09 | 252,602 | 247,563 |
| UNITED STATES TREAS NTS | 4.250 15JAN10 | 892,186 | 865,159 |
| UNITED STATES TREAS NTS | 3.875 15FEB13 | 1,837,344 | 1,873,678 |
| UNITED STATES TREAS NTS | 4.25 15AUG14 | 1,063,531 | 1,045,202 |
| UNITED STATES TREAS NTS | 5.125 15MAY16 | 1,204,209 | 1,209,918 |
| UNITED STATES TREAS NTS | 5.125 30JUN11 | 995,953 | 995,380 |
| UNITED STATES TREAS NTS | 3.875 15FEB13 | 252,626 | 257,631 |
| UNITED STATES TREAS NTS | 3.000 15JUL12 | 3,459,918 | 3,482,891 |
| UNITED STATES TREAS NTS | 2.000 15JAN16 | 1,207,950 | 1,182,188 |
| UNITED STATES TREAS NTS | 4.875 15MAY09 | 657,631 | 662,177 |
| UNITED STATES TREAS NTS | 5.125 15MAY16 | 2,867,089 | 2,823,143 |
| UNITED STATES TREAS NTS | 5.125 30JUN08 | 339,674 | 338,762 |
| UNITED STATES TREAS NTS | 4.875 15AUG16 | 3,236,155 | 3,219,325 |
| UNITED STATES TREAS NTS | 4.625 31AUG11 | 14,585 | 14,636 |

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| UNITED STATES | | | | |
| TREAS NTS | 4.500 30SEP11 | | 2,347,135 | 2,323,768 |
| UNITED STATES | | | | |
| TREAS NTS | 4.625 15NOV16 | | 88,393 | 87,519 |
| UNITED STATES | | | | |
| TREAS NTS | 4.500 30NOV11 | | 7,920,394 | 7,829,060 |
| UNITED STATES | | | | |
| TREAS NTS | 2.625 15MAY08 | | 3,504,681 | 3,537,440 |
| UNITED STATES | | | | |
| TREAS NTS | 4.500 15FEB16 | | 5,219,544 | 5,235,319 |
| | | | | 259,899,017 |
| Corporate and | | | | |
| Other Obligations | | | | |
| ACCREDITED MTG | | | | |
| LN TR | 1.000 25APR36 | | 223,916 | 223,916 |
| * AEGON FDG CORP | 5.750 15DEC20 | | 493,880 | 499,632 |
| AETNA INC | 7.875 01MAR11 | | 2,019,184 | 1,926,073 |
| AIG SUNAMERICA | | | | |
| GLOBAL FING XII | 5.300 30MAY07 SR NT 144A | | 316,173 | 293,535 |
| ALLSTATE LIFE | | | | |
| GLOBAL FDG I | 4.250 10SEP08 TRANCHE SR 00002 144A | | 518,244 | 496,221 |
| AMB PPTY L P | 7.100 30JUN08 | | 1,955,647 | 2,001,906 |
| AMERADA HESS | | | | |
| CORP | 6.650 15AUG11 | | 606,825 | 616,654 |
| AMERADA HESS | | | | |
| CORP | 6.650 15AUG11 | | 298,723 | 285,394 |
| AMERICAN ELEC | | | | |
| PWR INC | 5.250 01JUN15 | | 303,329 | 315,339 |
| AMERICAN GEN | | | | |
| FIN CORP MTN | 2.750 15JUN08 | | 978,362 | 944,850 |
| AMERICAN GEN | | | | |
| FIN CORP MTN | 4.875 15MAY10 | | 236,169 | 237,153 |
| AMERICAN INTL | | | | |
| GROUP | 2.875 15MAY08 | | 1,070,793 | 1,041,777 |
| AMERICAN INTL | | | | |
| GROUP INC | 2.875 15MAR08 Global SR VT | | 1,189,600 | 1,183,128 |
| | 5.050 15OCT15 | | 285,815 | 285,546 |

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|--|----------------------|-----------|-----------|
| AMERICAN INTL GROUP INC AMERICREDIT AUTO RECEIVABLES | 4.260 06MAY09 | 1,198,617 | 1,196,412 |
| AMERICREDIT AUTOMOBILE REC TR | 3.430 06JUL11 | 489,301 | 476,815 |
| AMGEN INC | 4.00 18NOV09 SR NT | 205,506 | 568,689 |
| AMOCO CORP | 6.500 01AUG07 | 515,831 | 457,661 |
| AMVESCAP | 5.90 15JAN07 SR NT | 427,555 | 425,887 |
| AMVESCAP PLC | 5.375 27FEB13 | 421,161 | 416,549 |
| ANADARKO PETE CORP | 5.950 15SEP16 | 653,063 | 657,210 |
| AOL TIME WARNER INC | 6.750 15APR11 | 596,262 | 563,574 |
| ARCHSTONE SMITH OPER TR | 5.250 01MAY15 | 98,371 | 96,044 |
| ARCHSTONE SMITH TR | 5.000 15AUG07 | 365,983 | 366,142 |
| ARDEN RTLY LTD PARTNERSHIP | 5.200 01SEP11 | 254,255 | 253,993 |
| ASSOCIATES CORP NORTH AMER | 6.250 01NOV08 | 976,267 | 993,870 |
| ASSURANT INC | 5.625 15FEB14 | 195,551 | 195,242 |
| ASSURANT INC | 6.750 15FEB34 | 357,948 | 341,810 |
| AT + T CORP | 7.300 15NOV11 | 470,036 | 476,905 |
| AT + T INC | 1.000 15MAY08 | 195,772 | 195,876 |
| AT + T WIRELESS SVCS INC | 8.750 01MAR31 | 208,776 | 222,616 |
| AT+T WIRELESS SVCS INC | 7.500 01MAY07 | 341,858 | 344,676 |
| AT+T WIRELESS SVCS INC | 7.875 01MAR11 | 183,267 | 192,188 |
| AVALOBAY CMNTYS | 5.000 01AUG07 | 136,958 | 131,771 |
| BALL CORP | 6.875 15DEC12 | 79,190 | 79,875 |
| * BANC AMER COML MTG INC | 5.334 10SEP45 | 659,137 | 657,935 |
| * BANC AMER COML MTG INC | 4.161 10DEC42 | 550,920 | 532,628 |
| * BANC AMER COML MTG INC | 5.787 11MAY35 | 356,930 | 360,079 |
| * BANC AMER COML MTG INC | 4.128 10AUG42 | 423,025 | 409,205 |
| * BANC AMER COML MTG INC | 4.247 10JUL43 | 464,959 | 459,142 |
| * BANK AMER COPR | 3.875 15JAN08 | 1,801,277 | 1,735,371 |
| * BANK AMER CORP | 5.42 15MAR17 NT 144A | 569,183 | 607,050 |
| * BANK AMER CORP | 4.500 01AUG10 | 640,212 | 626,820 |
| * BANK AMER CORP | 5.420 15MAR17 | 687,192 | 582,768 |

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|---|---|-----------|-----------|
| * BANK AMER FDG CORP | 4.117 25MAY35 2005 D MTG PASSTHRU CTF CL A1 | 463,219 | 460,846 |
| BANK BANK ONE TEX NA MT | 6.25 15FEB08 NTS TRANCHE SB | 548,619 | 568,145 |
| BANKBOSTON NA MTN | 6.375 25MAR08 | 488,067 | 495,245 |
| BAYVIEW FINL SECS CO LLC | 1.000 28DEC35 | 455,149 | 452,824 |
| BAYVIEW FINL SECS CO LLC | 5.208 28APR39 | 440,474 | 430,768 |
| BEAR STREANS COML MTG SECS INC 2003 | 4.240 13AUG39 | 428,137 | 412,015 |
| BEAR STREANS | 5.533 12OCT41 | 595,435 | 599,240 |
| BEAR STREANS ALT A TR | 1.000 25FEB36 | 576,293 | 573,241 |
| BEAR STREANS ALT A TR | 1.000 25MAR36 | 458,089 | 458,249 |
| BEAR STREANS ALT A TR | 1.000 25MAY36 | 276,599 | 277,581 |
| BEAR STREANS ALT A TR | 1.000 25JAN36 | 420,914 | 421,179 |
| BEAR STREANS COML MTG SECS INC | 1.000 12OCT42 | 615,130 | 608,682 |
| BEAR STREANS COML MTG SECS TR | 1.000 11SEP38 | 221,444 | 225,610 |
| BEAR STREANS COML MTG SECS TR | 5.518 11SEP41 | 127,946 | 128,685 |
| BEAR STREANS COMMERICAL MTG | 5.171 01DEC38 | 1,062,934 | 1,046,839 |
| BEAR STREANS COS INC | 3.250 25MAR09 | 609,537 | 610,398 |
| BEAR STREANS COS INC | 5.500 15AUG11 | 487,517 | 494,253 |
| BERKSHIRE HATHAWAY FIN CORP | 4.125 15JAN10 GTD SR NT | 266,745 | 535,911 |
| BERKSHIRE HATHAWAY FIN CORP | 4.200 15DEC10 | 269,260 | 259,749 |
| BHP BILLITON FIN USA LTD | 4.800 15APR13 | 415,558 | 402,684 |
| BMW VEH Owner Tr | 4.28 25FEB10 2005 Asset BKD NT CL A4 | 725,910 | 202,670 |
| BOEING CAP CORP | 6.500 15FEB12 SR NT | 440,634 | 264,489 |
| BOEING CAP CORP | 7.375 27SEP10 | 458,868 | 430,270 |
| BOEING CAP | 5.125 15FEB13 NT | 464,946 | 441,299 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at
End of Year)
December 31, 2006

Schedule I

| | | | |
|---|------------------------------|-----------|-----------|
| BOSTON PPTYS LTD PARTNERSHIP | 6.250 15JAN13 | 305,666 | 305,618 |
| BOSTON PPTYS LTD PARTNERSHIP | 5.000 01JUN15 | 161,160 | 159,967 |
| BOSTON PPTYS LTD PARTNERSHIP | 5.625 15APR15 | 127,122 | 127,705 |
| BOSTON SCIENTIFIC CORP | 6.000 15JUN11 | 630,791 | 638,660 |
| BRANDYWINE OPER PARTNERSHIP | 1.000 01APR09 | 195,772 | 195,772 |
| BRITISH SKY BROADCASTING GROUP | 6.875 23FEB09 | 64,373 | 60,461 |
| BRITISH SKY BROADCASTING GROUP | 8.200 15JUL09 | 1,050,307 | 938,063 |
| BRITISH TELECOMMUNICATIONS PLC NT | 1.000 15DEC10 | 333,763 | 316,802 |
| BSKYN FIN U K PLC | 5.625 15OCT15 | 256,944 | 254,053 |
| BURLINGTON NORTHN SANTA FE | 7.875 15APR07 NT | 544,673 | 493,088 |
| C BASS SER 2006 CB2 TR | 1.000 25DEC36 | 89,660 | 89,395 |
| C BASS TR | 1.000 25NOV35 | 298,552 | 296,689 |
| CADBURY SCHWEEPES CAPCO AMER SECURITIAZATION CORP MTG | 3.875 01OCT08 GTD SR NOTE | 711,813 | 705,779 |
| | 6.260 15OCT30 | 900,552 | 861,559 |
| | 5.23 15FEB09 2006 | | |
| CAPITAL AUTO REC AST TR | ASSET BKD CTF | 660,670 | 464,450 |
| | 5.03 15OCT09 2006 | | |
| CAPITAL AUTO RECEIVABLES | ASSET BKD NT | 459,980 | 658,770 |
| CAPITAL AUTO RECEIVABLES ASSET | 3.580 15JAN09 | 1,326,144 | 1,311,189 |
| CAPITAL AUTO RECEIVABLES ASSET | 3.750 15JUL09 | 92,969 | 91,327 |
| CAPITAL AUTO RECEIVABLES ASSET | 2.640 17NOV08 | 548,008 | 541,541 |
| CAPITAL AUTO RECEIVABLES ASSET 2005 | 4.100 15JUN08 | 367,336 | 366,450 |
| CAPITAL ONE BK | 5.125 15FEB14 | 655,506 | 673,914 |
| | 4.40 15AUG11 2005 | | |
| CAPITAL ONE MULTI ASSET | NT CL A | 538,324 | 454,458 |
| CAPITAL ONE PRIME AUTO RECEIV | 4.320 15AUG09 | 714,485 | 710,615 |
| CARNIVAL CORP | 3.750 15NOV07 | 243,856 | 241,400 |
| CAROLINA PWR + LT CO | 6.500 15JUL12 | 1,134,935 | 1,066,744 |
| CAROLINA PWR + LT CO | 6.500 15JUL12 | 204,735 | 210,272 |
| CARRINGTON MTG LN TR | 1.000 25MAY36 | 202,976 | 202,990 |
| | 5.57 25MAY10 SER | | |
| CATERPILLAR FINL TR | 2006 A NT CL | 193,692 | 539,467 |
| CENTEX CORP | 5.450 15AUG12 | 172,780 | 177,220 |
| CENTEX HOME EQUITY LN TR | 1.000 25JUN36 | 157,502 | 157,505 |
| CHASE COML MTG SECS CORP | 7.370 19JUN29 | 420,788 | 391,815 |
| CHASE COML MTG SECS CORP | 6.600 19DEC29 | 383,178 | 344,775 |
| | 3.22 15JUN10 2004 NT | | |
| CHASE INSSUANCE | CL | 240,969 | 192,652 |

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|---|-------------------------------|---------------------|-----------|-----------|
| | CHASEFLEX TRUST | 1.000 25SEP46 | 209,531 | 209,318 |
| | CHEVRONTEXACO CAP CO | 3.500 17SEP07 | 765,677 | 749,717 |
| | CHEVY CHASE BK FSB | 6.875 01DEC13 | 198,858 | 195,772 |
| | CHUBB CORP | 5.472 16AUG08 | 562,120 | 564,328 |
| | CINGULAR WIRELESS | 7.125 15DEC31 SR NT | 779,479 | 244,975 |
| | CISCO SYS INC | 5.250 22FEB11 | 107,469 | 107,945 |
| | CIT GROUP FDG CO CDA | 5.600 02NOV11 | 322,931 | 325,324 |
| | CIT GROUP INC | 7.750 02APR12 | 186,704 | 172,672 |
| | CIT GROUP INC | 4.750 15AUG08 | 400,968 | 397,926 |
| | CIT GROUP INC REORGANIZED | 3.875 03NOV08 | 2,044,077 | 2,006,102 |
| | | 3.10 10MAR10 SER | | |
| * | CITIBANK CR CARD ISSUANCE | 2003 A3 NT | 1,148,801 | 1,145,268 |
| | | 2.90 17MAY10 2003 A | | |
| * | CITIBANK CR CARD ISSUANCE | 6 CL A6 NT | 498,746 | 1,138,477 |
| * | CITICORP RESIDENTIAL MTG TR | 1.000 25SEP36 | 494,983 | 493,442 |
| * | CITICORP RESIDENTIAL MTG TR | 1.000 25SEP36 | 1,223,540 | 1,221,473 |
| * | CITIFINANCIAL MTG SECS INC | 3.360 25JAN33 | 125,956 | 119,133 |
| * | CITIGROUP COML MTG TR | 1.000 15APR40 | 649,405 | 650,626 |
| | | 6.00 31OCT33 | | |
| * | CITIGROUP INC | GLOBAL SUB NT | 1,159,859 | 802,935 |
| * | CITIGROUP INC | 4.625 03AUG10 | 293,620 | 288,400 |
| * | CITIGROUP MTG LM TR | 1.000 25AUG35 | 513,887 | 499,335 |
| * | CITIGROUP MTG LM TR | 1.000 01MAR36 | 140,180 | 139,780 |
| * | CITIGROUP MTG LN TR | 1.000 25MAY35 | 615,733 | 616,720 |
| * | CITIGROUP MTG LN TR | 1.000 25MAR36 | 754,034 | 754,170 |
| * | CITIGROUP RESIDENTAL MTG TR | 1.000 25JUL36 | 1,025,419 | 1,025,165 |
| * | CITIGROUP/DEUTSCHE BANK | 5.408 15JAN46 | 457,442 | 457,874 |
| * | CITIGROUP/DEUTSCHE BANK | 5.408 15JAN46 | 196,749 | 196,935 |
| | CITY NATL CORP | 5.125 15FEB13 | 238,231 | 234,860 |
| | COCA COLA ENTERPRISES INC | 8.500 01FEB22 | 139,008 | 155,219 |
| | COLONIAL BK MONTGOMERY AL | 8.000 15MAR09 | 88,398 | 86,557 |
| | COLONIAL BK NATL ASSN | 6.375 01DEC15 | 273,992 | 276,200 |
| | COLONIAL RLTY LTD PARTNERSHIP | 4.750 01FEB10 | 195,762 | 190,378 |
| | COMCAST | 6.50 15JAN17 NT | 403,698 | 408,838 |
| | COMCAST CABLE COMM INC | 6.875 15JUN09 | 260,935 | 248,082 |
| | COMCAST CORP NEW | 5.650 15JUN35 | 765,732 | 764,152 |
| | COMCAST CORP NEW | 5.850 15NOV15 | 1,555,985 | 1,548,800 |
| | COMCAST CORP NEW | 5.500 15MAR11 | 470,571 | 462,005 |
| | COMCAST CORP NEW | 5.500 15MAR11 | 155,918 | 157,278 |
| | COMCAST CORP NEW | 6.500 15JAN17 | 259,484 | 255,366 |
| | | 5.63 25JUN09 SER | | |
| | CORNED TRANSITIONAL FDG | 1998 NT CL | 739,579 | 481,045 |
| | | 5.74 25DEC10 SER | | |
| | COME0 TRANSITIONAL FDG | 1998 NT CL | 739,579 | 679,513 |
| | COMMERCIAL NET LEASE RLTY INC | 6.150 15DEC15 | 175,737 | 178,147 |
| | COMPASS BK BIRMINGHAM AL | 5.500 01APR20 | 416,995 | 417,712 |
| | CONAGRA INC | 7.875 15SEP10 | 120,001 | 114,405 |
| | CONOCO FDG CO | 6.350 15OCT11 | 811,671 | 762,393 |
| | CONOCOPHILLIPS CDA FDG | 5.95 15OCT 36 NT | 141,560 | 143,725 |
| | CONOCOPHILLIPS CDA FDG CO I | 5.625 15OCT16 | 734,087 | 737,636 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at
End of Year)
December 31, 2006

Schedule I

| | | | |
|---|----------------------------|-----------|-----------|
| CONSOLIDATED EDISON CO NY INC | 5.300 01DEC16 | 780,865 | 771,540 |
| CONSUMERS ENERGY CO | 5.375 15APR13 | 322,604 | 300,510 |
| COORS BREWING CO | 6.375 15MAY12 | 405,086 | 400,111 |
| CORNING INC | 6.200 15MAR16 | 169,528 | 169,421 |
| COUNTRYWIDE BK ALEXANDRIA | CTF DEP 1.00 25APR07 | 489,382 | 489,435 |
| COUNTRYWIDE FDG CORP MTN | 4.000 22MAR11 | 331,445 | 315,959 |
| COUNTRYWIDE FDG CORP MTN | 4.000 22MAR11 | 234,117 | 227,676 |
| COUNTRYWIDE FINL CORP | 1.000 05JAN09 | 978,861 | 978,635 |
| COVENTRY HEALTH CARE INC | 5.875 15JAN12 | 290,601 | 280,278 |
| COX COMMUNICATIONS INC NEW | 5.450 15DEC14 | 1,326,334 | 1,335,095 |
| CREDIT SUIS USA | 5.500 16AUG11 | 677,730 | 687,723 |
| CREDIT SUISSE COML MTG TR | 1.000 15JUN38 | 479,193 | 498,709 |
| CREDIT SUISSE COML MTG TR | 5.467 15SEP39 | 747,654 | 749,660 |
| CREDIT SUISSE FIRST BOSTON CREDIT SUISSE FIRST BOSTON MTG | 6.30 15nov30 COML MTG 1998 | 196,526 | 196,208 |
| CREDIT SUISSE FIRST BOSTON MTG | 3.861 15MAR36 | 364,174 | 354,317 |
| CREDIT SUISSE FIRST BOSTON MTG | 1.000 15JAN37 | 293,144 | 302,508 |
| CREDIT SUISSE FIRST BOSTON MTG 2002 | 1.000 25AUG32 | 109,211 | 105,492 |
| CREDIT SUISSE FIRST BOSTON MTG 2006 | 1.000 25MAY36 | 141,932 | 141,558 |
| CREDIT SUISSE FIRST BOSTON USA | 4.125 15JAN10 | 617,032 | 617,283 |
| CRH AMER | 6.00 30SEP16 NT | 223,927 | 226,458 |
| CSX CORP | 6.250 15OCT08 | 138,030 | 138,963 |
| CVS CORP | 5.750 15AUG11 | 635,115 | 643,912 |
| CVS CORP | 4.000 15SEP09 | 151,321 | 146,684 |
| CVS CORP | 5.750 15AUG11 | 136,794 | 138,689 |
| CWABS INC | 3.872 25MAR20 | 352,759 | 347,568 |
| CWABS INC | 4.615 25FEB35 | 489,413 | 473,720 |
| CWABS INC | 1.000 25MAY34 | 98,659 | 98,432 |
| CWALT ALTERNATIVE LN TR | 1.000 25JUL21 | 1,132,879 | 1,132,357 |
| CWALT INC | 1.000 25DEC35 | 331,891 | 331,787 |
| CWHEQ HOME EQUITY LN TR | 1.000 25JUN35 | 587,111 | 587,303 |
| D R HORTON INC | 5.375 15JUN12 | 668,335 | 676,930 |
| DAIMLER CHRYSLER AUTO TR | | 448,479 | 448,149 |

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| | 5.06 08OCT08 2006 ASSET BKD CTF | | |
| DAIMLER CHRYSLER HLDGS | 8.500 18JAN31 | 101,966 | 104,874 |
| DAIMLERCHRYSLER AUTO TR | 3.71 08OCT09 SER 2004 | 738,971 | 728,301 |
| DAIMLERCHRYSLER AUTO TR | 2.580 08APR09 | 465,834 | 460,448 |
| DAIMLERCHRYSLER NORTH AMER | 4.875 15JUN10 | 136,720 | 133,588 |
| DAIMLERCHRYSLER NORTH AMER | 4.875 15JUN10 | 151,288 | 147,901 |
| DAIMLERCHRYSLER NORTH AMER HLD | 1.000 07MAR07 NT FLTG RATE DTD 7MAR05 | 288,531 | 293,705 |
| DB MASTER FIN LLC | 5.779 20JUN31 | 97,885 | 99,103 |
| DEERE JOHN CAP CORP | 3.900 15JAN08 | 1,173,095 | 1,158,229 |
| DEERE JOHN CAP CORP | 4.400 15JUL09 | 293,212 | 287,662 |
| DEFERATED DEPT STORES | 7.00 15FEB28 DEB | 174,955 | 175,256 |
| DEUTSCHE MTG & ASSET DEUTSCHE TELEKOM INTL FIN BV | 6.861 15jun031 COML MTG CTF 1998 | 223,547 | 223,087 |
| DEVON FING | 8.250 15JUN30 | 521,328 | 487,358 |
| DIAGEO CAP PLC | 7.875 30SEP31 DEB | 263,619 | 266,401 |
| DIAGEO FIN BV | 4.375 03MAY10 GTD NT | 297,547 | 289,888 |
| DLJ COML MTG CORP | 5.50 01APR13 GTD NT | 400,803 | 401,288 |
| DLJ COML MTG CORP | 6.240 12NOV31 | 770,954 | 701,523 |
| DOMINION RES INC DEL | 1.000 12NOV31 | 289,753 | 277,076 |
| DONNELLEY R R + SONS CO | 7.195 15SEP14 | 241,115 | 225,564 |
| DOW CHEM CO | 4.950 01APR14 | 78,594 | 81,246 |
| DTE ENERGY COMPANY | 7.375 01NOV29 NT | 223,454 | 227,048 |
| DUKE CAP CORP | 6.350 01JUN16 | 229,894 | 238,954 |
| DUKE ENERGY FIELD SVCS LLC | 8.00 01OCT19 SR NT | 397,105 | 397,771 |
| DUKE RLTY CORP | 7.875 16AUG10 | 89,222 | 84,232 |
| DUKE RLTY LTD PARTNERSHIP | 5.785 15AUG12 | 243,680 | 248,533 |
| DUKE WEEKS RLTY LTD PRTNSHP | 3.500 01NOV07 | 121,835 | 120,316 |
| DUKE WELS REALTY CORP | 7.750 15NOV09 | 315,207 | 284,928 |
| ECALL 3ML (317504AJ7) | 6.950 15MAR11 AUG07 5.37 CALL | 98,417 (90,027) | 103,320 (130,873) |
| EL PASO CORP | 7.750 15JUN10 NT 144A | 399,712 | 414,058 |
| EMBARQ CORP | 7.995 01JUN36 NT | 231,639 | 229,192 |
| EMBARQ CORP | 7.995 01JUN36 | 618,481 | 646,829 |
| EMBARQ CORP | 6.738 01JUN13 | 24,470 | 25,047 |
| ENTERPRISE PRODS OPER L P | 5.600 15OCT14 | 131,252 | 124,978 |
| ENTERPRISE PRODS OPER L P | 5.600 15OCT14 | 464,953 | 461,458 |
| EOP OPER LTD PARTNERSHIP | 4.650 01OCT10 | 1,510,915 | 1,560,124 |
| EOP OPER LTD PARTNERSHIP | 7.000 15JUL11 | 489,433 | 471,390 |
| EPR OPER LTD PARTNERSHIP | 5.375 01AUG16 | 116,891 | 116,236 |
| EQUITY RESIDENTIAL | 5.125 15MAR16 | 342,214 | 332,727 |
| ERAC USA FIN CO | 7.350 15JUN08 | 977,217 | 1,003,363 |
| ERIE CNTY NY TOB ASSET TAXABLE ASSET | 6.000 01JUN28 | 334,211 | 332,197 |

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| ERP OPER CTD PARTNERSHIP | 6.625 15MAR12 | 84,810 | 77,409 |
| EXELON CORP | 6.750 01MAY11 | 274,928 | 270,946 |
| EXXON CAPITAL CORP | 6.125 08SEP08 | 413,218 | 372,934 |
| FEDERAL RLTY INVT TR | 5.400 01DEC13 | 631,366 | 624,313 |
| FEDERAL RLTY INVT TR | 5.650 01JUN16 | 274,081 | 272,941 |
| FEDERAL RLTY INVT TR | 6.000 15JUL12 | 122,237 | 124,883 |

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Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i - Schedule of Assets (Held at
End of Year)****December 31, 2006****Schedule I**

| | | | |
|-----------------------------------|--|-----------|-----------|
| FEDERATED RETAIL HLDGS | 5.900 01DEC16 GTD SR NT | 195,639 | 195,049 |
| FEDERATED RETAIL HLDGS INC | 5.900 01DEC16 | 156,511 | 156,374 |
| FEDEX CORP | 2.650 01APR07 | 357,016 | 354,858 |
| FINANCING CORP CPN FICO STRIPS | 5NOV13 SER 1 INT PMT ON 10PCT 2018 | 178,064 | 203,129 |
| FINANCING CORP CPN FICO STRIPS | 07SEP09 SER 15INT PMT ON 9.65 2019 | 2,081,956 | 2,266,973 |
| FINANCING CORP CPN FICO STRIPS | 06JUN13 SER 12 INT PMT ON 9.9 2018 | 620,362 | 649,188 |
| FIRST NLC TR | 1.000 25DEC35 | 297,373 | 297,025 |
| FIRSTENERGY CORP | 6.450 15JUN11 | 1,576,755 | 1,531,151 |
| FIRSTENERGY CORP | 6.450 15NOV11 | 1,143,703 | 1,102,429 |
| FIRSTENERGY CORP | 6.450 15NOV11 | 281,459 | 275,607 |
| FORD CR AUTO ONWER | 5.04 15SEP08 2006 ASSET BKD NT | 575,855 | 575,273 |
| FORD CR AUTO OWNER TR | 4.380 15JAN10 | 1,277,351 | 1,262,715 |
| FORD CR AUTO OWNER TR | 3.540 15NOV08 | 318,070 | 314,419 |
| FORD CR AUTO OWNER TR | 4.640 15APR10 | 337,698 | 334,889 |
| FORD CREDIT AUTO ONWER | 5.26 15OCT10 2006 NT CL | 743,795 | 744,632 |
| FPL GROUP CAP INC | 5.625 01SEP11 | 586,818 | 593,753 |
| FRANCE TELECOM SA | 8.500 01MAR31 | 491,592 | 488,292 |
| FRANKLIN RES INC | 3.70 15APR08 SR NT | 441,562 | 430,941 |
| GE COML MTG CORP | 3.915 10NOV38 2004 C1 COML MTG CTF CL A 2 | 565,631 | 542,708 |
| GE COML MTG CORP | 4.863 10JUL45 | 511,550 | 502,817 |
| GENERAL ELEC CAP CORP | 4.125 01SEP09 TRANCHE TR00699 | 219,053 | 219,006 |
| GENERAL ELEC CAP CORP | 7.375 19JAN10 TRANCHE TR00443 | 481,139 | 440,771 |
| GENERAL ELEC CAP CORP | 6.00 15JUN 12 TRANCHE TR00551 | 667,725 | 637,637 |
| GENERAL ELEC CAP CORP MTN | 3.500 15AUG07 | 1,975,841 | 1,937,905 |
| GENERAL MILLS | 5.125 15FEB07 NT | 509,660 | 508,927 |
| GENERAL MTRS ACCEP CORP | 1.000 16JAN07 TRANCHE 00634 | 193,080 | 195,771 |
| GOLDMAN SACHS GROUP INC | 6.875 15JAN11 NT | 350,258 | 325,225 |
| GOLDMAN SACHS GROUP INC | 5.70 01SEP12 SR NT | 747,578 | 719,665 |

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|---------------------------------|---|-----------|-----------|
| GOLDMAN SACHS GROUP INC | 5.25 01APR13 SR NT | 500,103 | 489,347 |
| GOLDMAN SACHS GROUP INC | 4.500 15JUN10 | 1,338,127 | 1,331,688 |
| GOLDMAN SACHS GROUP INC | 4.500 15JUN10 | 455,903 | 459,863 |
| GREENWICH CAP COML FDG CORP | 4.883 10JUN36 2004 GG1 COML MTG CTF CL A 5 | 378,745 | 371,707 |
| GREENWICH CAP COML FDG CORP | 4.305 10AUG42 | 542,298 | 538,404 |
| GS MTG SECS CORP | 1.000 25MAR46 | 354,580 | 354,580 |
| GS MTG SECS CORP II | 4.751 10JUL39 | 741,468 | 707,189 |
| GS MTG SECS CORP II | 5.396 10AUG38 | 349,566 | 358,643 |
| GS MTG SECS TR | 5.479 10NOV39 | 1,288,681 | 1,293,737 |
| GSAMP TR | 1.000 25MAY36 | 105,353 | 105,369 |
| GULF PWR CO | 5.300 01DEC16 | 929,714 | 915,251 |
| HARLEY DAVIDSON MOTORCYCLE | 4.30 15MAY10 2005 CONTRACT BACKED NT | 111,567 | 111,663 |
| HARLEY DAVIDSON MOTORCYCLE | 5.06 15JUN10 2006 CONTR BKD NT CL | 305,434 | 304,778 |
| HARTFORD FINL SVCS GROUP INC | 5.500 16AUG08 | 259,409 | 260,606 |
| HEALTHCARE RLTY TR IN | 8.125 01MAY11 | 325,569 | 307,878 |
| HEINZ H J FIN CO | 6.000 15MAR12 | 332,725 | 328,084 |
| HEWLETT PACKARD CO | 1.000 22MAY09 | 230,032 | 230,396 |
| HONDA AUTO RECEIVABLE OWNER | 4.85 19OCT09 2005 ASSET BKD CTF | 415,934 | 413,871 |
| HONDA AUTO RECIVABLES | 3.280 18FEB10 | 1,017,744 | 994,800 |
| HONDA AUTO REVBL ONWER | 5.300 21JUL10 2006 NT CL | 420,854 | 421,700 |
| HOST HOTELS + RESORTS L P | 6.875 01NOV14 | 48,574 | 49,555 |
| HOUSEHOLD FIN CORP | 4.125 15DE 08 NT | 1,230,184 | 1,197,488 |
| HRPT PPTYS TR | 1.000 16MAR11 | 269,187 | 269,279 |
| HSBC FIN CORP | 5.250 14JAN11 | 977,139 | 978,888 |
| HSBC FIN CORP | 5.500 19JAN16 | 422,387 | 447,484 |
| HUNTINGTON NATL BK | 4.375 15JAN10 | 246,688 | 237,354 |
| HUTCHISON WHAMPOA INTL | 6.500 13FEB13 | 352,695 | 358,553 |
| HYUNDIA AUTO RECEIVABLES TR | 5.250 15MAY13 | 543,232 | 543,099 |
| ICI WILMINGTON INC | 4.375 01DEC08 | 426,189 | 432,201 |
| ILLINOIS EDL FACS AUTH | 5.00 01JUL33 | 914,829 | 976,374 |
| ILLINOIS PWR SPL | 5.65 25DEC10 1998 TRANSITIONAL FDG | 1,117,537 | 1,031,659 |
| INDYMAC INDX MTG LN TR | 1.000 25SEP36 | 573,543 | 578,211 |
| INDYMAC MBS INC | 1.000 25MAY36 | 327,754 | 328,871 |
| INTERNATIONAL BUSINESS MACHS | 4.375 01JUN09 | 82,954 | 81,772 |
| INTERNATIONAL LEASE FIN CORP | 4.750 13JAN12 | 370,353 | 361,666 |

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|-----------------------------------|---|-----------|-----------|
| INTERNATIONAL PAPER CO | 5.300 01APR15 | 201,883 | 198,101 |
| INTL LEASE FIN CORP MTN | 5.750 15JUN11 | 97,760 | 99,464 |
| IRS | SWP089550 | (55,208) | 79,978 |
| IRS | SWP088800 | (47,361) | 85,310 |
| IRS | SWP089766 | 45,740 | (14,114) |
| IRS | SWP089824 | 7,743 | (2,392) |
| IRS | SWP089840 | 244,982 | (75,593) |
| IRS | SWP084700 | (21,535) | (48,704) |
| IRS | SWP098320 | 699,531 | 273,285 |
| ISTAR FINL INC | 5.150 01MAR12 | 127,045 | 123,757 |
| ITT CORP NEW | 7.375 15NOV15 | 241,894 | 245,528 |
| J P MORGAN CHASE COML MTG | 5.198 15DEC44 | 418,094 | 415,122 |
| J P MORGAN CHASE COML MTG | 5.437 12DEC44 | 541,065 | 541,858 |
| J P MORGAN CHASE COML MTG | 1.000 15APR45 | 1,123,596 | 1,151,125 |
| J P MORGAN CHASE COML MTG | 4.893 15AUG42 2005 LDP3 COML MTG PASS CL A S | 565,645 | 550,099 |
| J P MORGAN CHASE COML MTG SECS | 4.625 15MAR46 2005 LDP1 COML MTG PASSTHR A2 | 403,325 | 393,309 |
| J P MORGAN CHASE COML MTG SECS | 3.175 12JAN37 2004 CIBC10 MTG PASS CTF A 1 | 2,192 | 2,210 |
| J P MORGAN CHASE COML MTG SECS | 4.790 15OCT42 | 418,084 | 408,768 |

Baxter International Inc. and Subsidiaries**Incentive Investment Plan****Schedule H, Line 4i - Schedule of Assets (Held at
End of Year)****December 31, 2006****Schedule I**

| | | | |
|-----------------------------------|--|-----------|-----------|
| J P MORGAN CHASE COML MTG SECS | 6.260 15MAR33 | 719,110 | 754,286 |
| J P MORGAN CHASE COML MTG SECS | 4.302 15JAN38 | 511,495 | 490,324 |
| J P MORGAN CHASE COML MTG SECS | 4.851 15AUG42 | 447,592 | 439,632 |
| J P MORGAN CHASE COML MTG SECS | 4.790 15OCT42 | 418,084 | 409,706 |
| J P MORGAN CHASE COML MTG SECS | 1.000 12DEC44 | 231,169 | 232,214 |
| J P MORGAN CHASE COML MTG SECS | 1.000 12JUN43 | 457,415 | 469,760 |
| JAPAN FIN CORP ME | 1.550 21FEB12 | 6,126,110 | 6,041,423 |
| JEFFERIES GROUP INC NEW | 7.750 15MAR12 | 200,370 | 218,412 |
| JEFFERIES GROUP INC NEW | 5.500 15MAR16 | 340,457 | 333,608 |
| JOHNSON CTLS INC | 5.250 15JAN11 | 92,980 | 92,350 |
| JP MORGAN ALT LN TR | 1.000 25OCT46 | 567,542 | 567,542 |
| JP MORGAN CHASE | 6.750 01FEB11 | 766,101 | 771,815 |
| JP MORGAN CHASE | 1.000 15APR45 | 254,254 | 263,264 |
| JPMORGAN CHASE + CO | 5.125 15SEP14 | 678,621 | 668,959 |
| KRAFT FOODS INC | 4.000 01OCT08 | 834,316 | 813,753 |
| KREDITANST FUR WIEDERAUFBAU | 1.850 20SEP10 | 2,521,789 | 2,387,410 |
| KROGER CO | 6.750 15APR12 | 405,783 | 395,447 |
| KROGER CO | 6.200 15JUN12 | 1,179,507 | 1,149,271 |
| L 3 COMMUNICATIONS CORP | 7.625 15JUN12 | 164,198 | 162,099 |
| L 3 COMMUNICATIONS CORP | 6.375 15OCT15 | 58,294 | 58,144 |
| LB UBS | 5.372 15SEP39 | 703,345 | 701,061 |
| LB UBS COML MTG TR | 2.720 15MAR27 2003 C1 COML MTG CTF CL A 1 | 419,673 | 422,869 |
| LB UBS COML MTG TR | 5.300 15NOV38 | 639,430 | 637,969 |
| LB UBS COML MTG TR | 4.647 15JUL30 | 836,179 | 811,832 |
| LB UBS COML MTG TR | 1.000 15JUN29 | 176,039 | 182,794 |
| LB UBS COML MTG TR | 4.201 15DEC29 | 437,765 | 423,834 |
| LB UBS COML MTG TR | 1.000 15JUN38 | 718,348 | 721,842 |
| LEHMAN BROS INC | 6.500 15APR08 | 662,027 | 692,955 |
| LEHMAN BROTHERS HLDGS INC | 5.500 04APR16 | 789,624 | 800,552 |
| LEHMAN BROTHERS HLDGS INC | 4.250 27JAN10 | 619,164 | 619,351 |
| LEUCADIA NATL CORP | 7.000 15AUG13 | 233,239 | 233,483 |
| | 4.500 15DEC16 | 121,478 | 120,295 |

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|-----------------------------------|---------------------------|-----------|-----------|
| LIBERTY PPTY LTD PARTNERSHIP | | | |
| LUBRIZOL CORP | 4.625 01OCT09 | 132,444 | 129,628 |
| LUBRIZOL CORP | 4.625 01OCT09 | 234,718 | 230,449 |
| LUBRIZOL CORP | 5.500 01OCT14 | 146,400 | 147,910 |
| MACK CALI RLTY L P | 5.125 15JAN15 | 194,568 | 188,229 |
| MACK CALI RLTY L P | 5.050 15APR10 | 136,790 | 134,812 |
| MACK CALI RLTY L P | 5.250 15JAN12 | 194,441 | 192,567 |
| MANUFACTURES + TRADERS TR | 1.000 28DEC20 | 252,914 | 247,817 |
| MARSH + MCLENNAN COS INC | 5.750 15SEPT15 | 663,317 | 659,666 |
| MASCO CORP | 6.125 03OCT16 | 462,592 | 467,513 |
| MASTR ASSET BACKED SECS TR | 1.000 25AUG36 | 621,577 | 621,577 |
| | 5.375 15JAN08 TRANCHE | | |
| MBNA AMER BK NATL ASSN SR00010 | | 247,329 | 244,714 |
| MBNA CORP ST MTN | 6.125 01MAR13 | 105,503 | 101,640 |
| MBNA CR CARD MASTER | 2.75 15OCT10 2003 NT CL A | 258,493 | 260,523 |
| MBNA CR CARD MASTER | 4.20 15SEP10 2005 NT CL A | 1,294,100 | 1,295,074 |
| MBNA CR CARD MASTER NT TR | 2.750 15OCT10 | 275,251 | 279,492 |
| MEDCO HEALTH SOLUTIONS INC | 7.250 15AUG13 | 92,017 | 89,308 |
| MERRILL LYNCH + CO INC | 6.875 15NOV18 NT | 402,235 | 404,654 |
| MERRILL LYNCH + CO INC | 4.250 08FEB10 | 1,024,875 | 998,727 |
| MERRILL LYNCH + CO INC | 4.790 04AUG10 | 660,731 | 651,738 |
| MERRILL LYNCH + CO INC | 4.790 04AUG10 | 627,944 | 627,600 |
| MERRILL LYNCH + CO INC | 6.220 15SEP26 | 592,075 | 610,253 |
| MERRILL LYNCH MTG INVS INC | 1.000 25AUG36 | 447,108 | 442,889 |
| MERRILL LYNCH MTG INVS INC | 1.000 25MAR36 | 486,994 | 489,419 |
| MERRILL LYNCH MTG TR | 4.806 12SEP42 | 1,197,169 | 1,219,391 |
| MERRILL LYNCH MTG TR | 1.000 12NOV37 | 332,746 | 330,746 |
| MERRILL LYNCH MTG TR | 4.960 12JUL38 | 270,665 | 266,829 |
| MERRILL LYNCH MTG TR | 1.000 12NOV37 | 196,844 | 195,734 |
| METLIFE INC | 5.375 15DEC12 | 98,171 | 98,101 |
| METLIFE INC | 5.000 15JUN15 | 927,398 | 901,908 |
| MGM MIRAGE | 6.000 01OCT09 | 99,354 | 97,641 |
| MGM MIRAGE FOMERLY GRAND ICN | 8.500 15SEP10 | 208,008 | 209,476 |
| MICHIGAN TOB SETTLEMENT FIN | 7.309 01JUN34 | 1,160,908 | 1,200,736 |
| | ASSET BACKED NT 8.33 | | |
| MID ST TR IV | 01APR30 | 779,447 | 766,404 |
| MIDAMERICAN ENERGY HLDGS CO | 5.875 01OCT12 | 141,902 | 144,482 |
| MIDAMERICAN FDG | 6.75 01MAR11 SER SECD NT | 505,191 | 462,894 |
| ML CFC COML MTG TR | 1.000 12JUN46 | 378,950 | 388,486 |
| MOHAWK INDS INC | 6.125 15JAN16 | 419,951 | 417,881 |
| MORGAN STANELY CAP I INC | 1.000 15MAR30 | 534,971 | 498,244 |

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|--------------------------|---------------|-----------|-----------|
| MORGAN STANELY CAP I INC | 1.000 15DEC31 | 466,772 | 479,461 |
| MORGAN STANELY CAP I INC | 5.090 12OCT52 | 324,794 | 321,439 |
| MORGAN STANELY CAP I TR | | | |
| 2006 | 5.712 20JUL44 | 605,582 | 604,864 |
| MORGAN STANLEY | 4.000 15JAN10 | 614,729 | 615,649 |
| MORGAN STANLEY CAP I INC | 4.890 12JUN47 | 1,225,318 | 1,183,587 |
| MORGAN STANLEY CAP I TR | 1.000 12AUG41 | 649,599 | 656,652 |
| MORGAN STANLEY CAPITOL I | 5.325 15DEC43 | 615,118 | 611,006 |
| MORGAN STANLEY GROUP | | | |
| INC | 6.750 15APR11 | 464,370 | 475,929 |

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Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at
End of Year)
December 31, 2006

Schedule I

| | | | |
|------------------------------|-----------------------|-----------|-----------|
| MORGAN STANLEY GROUP INC | 1.000 09FEB09 | 274,081 | 274,515 |
| MORGAN STANLEY HOME | | | |
| EQUITY LN | 1.000 25APR36 | 231,901 | 231,865 |
| MORGAN STANLEY MTG LN TR | | | |
| 2006 | 1.000 25NOV36 | 274,081 | 275,366 |
| MOTOROLA INC | 7.625 15NOV10 | 29,060 | 27,403 |
| NATIONAL GRID PLC | 6.300 01AUG16 | 488,378 | 506,896 |
| NAVISTAR FINANCIAL CORP | | | |
| OWNER | 3.530 15OCT12 | 955,881 | 950,587 |
| | 3.875 15JAN09 TRANCHE | | |
| NEW YORK LIFE GLOBAL FDG | TR 00002 | 758,276 | 740,971 |
| NEWCASTLE MTG SECS TR | 1.000 25MAR36 | 336,645 | 336,645 |
| NEWS A,ER INC | 6.400 15DEC35 | 82,303 | 82,657 |
| NEWS AMER HLDGS INC | 7.700 30OCT25 | 462,963 | 429,329 |
| NEXTEL COMMUNICATIONS INC | 5.950 15MAR14 | 141,249 | 133,452 |
| NIAGRA MOHAWK PWR CORP | 7.750 01OCT08 | 267,523 | 253,598 |
| NISOURCE FIN CORP | 7.875 15NOV10 | 225,288 | 211,211 |
| NISOURCE FIN CORP | 1.000 23NOV09 | 113,036 | 112,602 |
| NISOURCE FIN CORP | 5.250 15SEP17 | 341,354 | 321,105 |
| NISSAN AUTO RECEIVABLES | 3.210 16MAR09 | 92,705 | 91,871 |
| NISSAN AUTO RECEIVABLES 2006 | 5.081 15MAY07 | 12,388 | 12,389 |
| NOMURA ASSET ACCEP CORP | 1.000 25FEB35 | 220,238 | 212,958 |
| NOMURA ASSET ACCEP CORP | 5.159 25MAR35 | 283,864 | 277,189 |
| NOMURA ASSET ACCEP CORP | 4.976 25MAY35 | 587,293 | 569,162 |
| NORFOLK SOUTHN CORP | 6.750 15FEB11 | 159,102 | 149,268 |
| NORTHROP GRUMMAN CORP | 7.125 15FEB11 | 166,690 | 161,837 |
| NORWAY KINGDOM OF | 6.000 16MAY11 | 695,372 | 675,903 |
| NUVEEN INVTS INC | 5.000 15SEP10 | 244,040 | 240,744 |
| ORACLE CORP | 5.250 15JAN16 | 131,416 | 129,357 |
| OTC USD ECAL | JUL07 4.75 CALL | (28,632) | (28,632) |
| OTC USD ECAL | JUL07 4.75 CALL | 32,167 | 10,011 |
| OWENS CORNING REORG INC | 6.500 01DEC16 | 131,795 | 134,239 |
| OWNIT MTG LN TR | 1.000 25DEC36 | 353,598 | 351,942 |
| | 4.20 01MAR11 1ST MTG | | |
| PACIFIC GAS & ELECTRIC | BD | 268,487 | 257,001 |
| PACIFIC GAS + ELEC CO | 3.600 01MAR09 | 176,024 | 170,191 |
| PECO ENEGRY TRANS | 6.13 01MAR09 | 493,057 | 483,314 |
| PEMEX PROJ FDG MASTER TR | 6.125 15AUG08 | 1,173,788 | 1,184,031 |
| PEPCO HLDGS INC | 5.500 15AUG07 | 51,643 | 48,904 |
| PETRO CDA | 9.250 15OCT21 | 567,338 | 584,806 |
| | 3.87 25JUN11 2005 | | |
| PG&E ENERGY RECOVERY FDG | ENERGY RECOVERY | 568,060 | 558,656 |

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| | 4.85 25JUN11 2005 | | |
| PG&E ENERGY RECOVERY FDG | ENERGY RECVERY BD | 196,952 | 195,889 |
| PHILLIP MORRIS CO INC | 7.750 15JAN27 | 477,254 | 504,581 |
| PHILLIPS PETE CO | 6.650 15JUL18 | 134,912 | 159,403 |
| PHOENIX COS INC NEW | 6.675 16FEB08 | 113,692 | 113,541 |
| | 5.25 15JAN37 TRANCHE | | |
| PITNEY BOWES INC | NO TR 00002 | 705,111 | 699,349 |
| PITNEY BROWES INC GLOBAL | 5.250 15JAN37 | 656,483 | 651,117 |
| POTASH CORP SASK INC | 4.875 01MAR13 | 316,342 | 306,910 |
| PRAXAIR INC | 6.375 01APR12 | 414,148 | 434,988 |
| PROGRESS ENERGY INC | 7.100 01MAR11 | 104,793 | 100,074 |
| PROLOGIS | 5.500 01APR12 | 1,289,845 | 1,294,624 |
| PROVIDIAN GATEWAY OWNER TR | 3.350 15SEP11 | 406,412 | 410,748 |
| PRUDENTIAL FINL INC | 5.100 14DEC11 | 215,294 | 213,749 |
| PUBLIC SVC CO COLO | 7.875 01OCT12 | 153,911 | 164,740 |
| PUBLIC SVC CO COLO | 4.375 01OCT08 | 156,430 | 154,093 |
| QUEST CORP | 8.875 15MAR12 | 16,078 | 16,353 |
| QUEST DIAGNOSTICS INC | 5.125 01NOV10 | 200,289 | 198,069 |
| RAAC | 1.000 25AUG36 | 258,733 | 258,716 |
| RASC | 1.000 25JUN36 | 431,139 | 431,004 |
| RAYTHEON | 6.40 15DEC18 DEB | 232,727 | 233,928 |
| RAYTHEON CO | 6.000 15DEC10 | 108,752 | 128,068 |
| RAYTHEON CO | 6.750 15AUG07 | 114,108 | 100,579 |
| RAYTHEON CO | 5.500 15NOV12 | 120,276 | 123,125 |
| REGENCY CTRS L P | 5.250 01AUG15 | 132,230 | 128,120 |
| | 2004 HOME LN EQUITY | | |
| RENAISSACE HOME EQUITY | 1.00 25NOV34 | 826,311 | 830,021 |
| REPUBLIC SVCS INC | 6.750 15AUG11 | 343,446 | 348,848 |
| RESIDENTIAL ASSET SEC MTG | | | |
| PASS | 1.000 25MAY33 | 37,182 | 37,156 |
| RESIDENTIAL ASSET SECS CORP | 1.000 25APR36 | 353,270 | 353,256 |
| RESIDENTIAL CAP COPR | 6.500 17APR13 | 649,068 | 659,688 |
| RESIDENTIAL CAP CORP | 6.375 30JUN10 | 406,474 | 410,955 |
| RESIDENTIAL FDG MTG SECS I | | | |
| INC | 1.000 25AUG35 | 402,077 | 402,840 |
| RESIDENTIAL FDG MTG SECS II | 4.460 25MAY35 | 244,652 | 241,677 |
| RESIDENTIAL FDG MTG SECS II | 1.000 25MAR36 | 97,878 | 97,565 |
| ROYAL KPN NV | 8.375 01OCT30 | 132,210 | 128,977 |
| | 5.625 15JAN09 GTD NT | | |
| RUSSELL CO | 144A | 1,087,574 | 991,341 |
| RUSSIA FEDERATION | 3.000 14MAY11 | 2,579,006 | 2,587,510 |
| SAFEWAY INC | 6.500 01MAR11 | 77,705 | 75,952 |
| SAFEWAY INC | 5.800 15AUG12 | 233,974 | 220,660 |
| SAFEWAY INC | 5.625 15AUG14 | 347,845 | 352,555 |
| SALMON BROS MTG SECS VII INC | 1.000 25JAN33 | 277,725 | 270,680 |
| SANWA BK LTD N Y BRH | 7.400 15JUN11 | 111,285 | 105,753 |
| | 2002 MTG LN ASSET BK | | |
| SAXON ASSET SECS TR | 1.00 25AUG32 | 9,147 | 9,144 |
| | 4.125 15SEP09 GLOBAL | | |
| SBC COMMUNICATIONS | NT | 166,370 | 161,192 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
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Schedule I

| | | | |
|-------------------------------|-----------------------|-----------|-----------|
| | 6.125 17AUG26 GTD NT | | |
| SBC COMMUNICATIONS | 144A | 781,593 | 780,304 |
| SBC COMMUNICATIONS INC | 5.300 15NOV10 | 1,349,348 | 1,375,490 |
| SIEMENS FINANCIERINGS | 3.875 22JAN08 NT 144A | 473,770 | 482,742 |
| SIMON PPTY GROUP LP | 5.750 01MAY12 | 268,538 | 272,017 |
| SIMON PPTY GROUP LP | 5.000 01MAR12 | 419,244 | 413,501 |
| SLM CORP | 4.500 26JUL10 | 346,519 | 338,239 |
| SLM CORP | 5.000 01OCT13 | 762,666 | 749,287 |
| | DEB SER 199 20K 7.060 | | |
| SMALL BUSINESS ADMIN | 01NOV19 | 329,499 | 343,146 |
| | DEB SER 1999 20L 7.19 | | |
| SMALL BUSINESS ADMIN | 01DEC19 | 641,687 | 675,603 |
| SOUNDVIEW HOME LN TR | 1.000 25MAY35 | 146,829 | 145,007 |
| SOUTH AFRICA REP | 8.500 23JUN17 | 2,132,133 | 2,611,113 |
| SOUTHERN CA EDISON CO | 4.650 01APR15 | 209,735 | 198,874 |
| SOUTHTRUST CORP | 5.800 15JUN14 | 117,280 | 119,243 |
| SOVEREIGN BANCORP INC | 4.800 01SEP10 | 453,000 | 454,971 |
| SPECIALTY UNDERWRITING | 1.000 25FEB37 | 409,869 | 409,805 |
| SPRINT CAP CORP | 6.875 15NOV28 | 192,621 | 225,365 |
| SPRINT CAP CORP | 6.375 01MAY09 | 683,710 | 693,930 |
| SPRINT CAP CORP | 7.625 30JAN11 | 354,066 | 366,824 |
| SPRINT CAP CORP | 8.375 15MAR12 | 172,871 | 157,744 |
| SPRINT CAP CORP | 8.750 15MAR32 | 349,340 | 347,560 |
| STARWOOD HOTELS + RESORTS | | | |
| WORL | 7.875 01MAY12 | 258,837 | 262,584 |
| STRUCTURED ADJ RATE MTG LN TR | 1.000 25APR36 | 403,200 | 405,429 |
| STRUCTURED ASSET INVESTMENT | 1.000 25JAN36 | 269,658 | 269,680 |
| SWAPTION (317503N48) | MAR07 4.85 CALL | (21,400) | (8,377) |
| SWAPTION (317503XA3) | JUN07 5.6 CALL | (59,113) | (148,574) |
| SWAPTION (317503XH8) | AUG07 5.62 CALL | (42,857) | (91,979) |
| SWAPTION (317503YV6) | DEC07 5.15 CALL | (41,012) | (43,138) |
| SWAPTION (317504CK2) | JUL 07 4.9 CALL | 31,872 | 25,726 |
| SWAPTION (317504CLO) | JUL07 5 CALL | (30,501) | (30,253) |
| SWAPTION (3170503PZ7) | JUL07 5.5 CALL | 57,883 | 130,260 |
| SWAPTION (317503DX5) | MAY07 5.22 CALL | (8,508) | (11,637) |
| SWAPTION (317503DY3) | MAY07 5.08 CALL | 8,229 | 7,327 |
| SWAPTION (317503N63) | MAR07 4.85 CALL | 18,708 | 2,469 |
| SWAPTION (317503NK2) | JUL07 4.85 CALL | 19,342 | 7,332 |
| SWAPTION (317503VZO) | AUG07 5.25 CALL | 90,151 | |
| SWAPTION (317503XGO) | AUG07 5.5 CALL | 42,639 | 84,331 |
| SWAPTION (317503YW4) | DEC 07 5 CALL | 41,864 | 39,412 |
| SWAPTION (317504BY3) | OCT07 4.9 CALL | 17,730 | 20,183 |

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|----------------------------------|----------------------------------|-----------|-----------|
| SWAPTION (317504BZ0) | OCT07 5.01 CALL | (18,023) | (21,802) |
| SWAPTION (317504HY7) | AUG07 4.8 CALL | 11,959 | 8,299 |
| SWAPTION (317504S33) | AUG07 4.9 CALL | (11,198) | (9,222) |
| SWAPTION(317503NL0) | JUL07 4.95 CALL | (16,915) | (11,234) |
| SWEDEN KINGDOM OF | 5.250 15MAR11 | 2,785,344 | 2,918,031 |
| SWEDEN KINGDOM OF | 5.000 28JAN09 | 1,474,427 | 1,705,612 |
| TCI COMMUNICATIONS INC | 7.875 15FEB26 | 67,610 | 83,837 |
| TELECOM ITALIA CAP | 5.250 15NOV13 | 356,363 | 340,667 |
| TELECOM ITALIA CAP | 4.000 15JAN10 | 541,812 | 518,762 |
| TELECOM ITALIA | 4.95 30SEP14GTD SR NT | 277,615 | 285,106 |
| TELEFONICA EMISIONES | 5.984 20JJUN11 SR NT | 685,203 | 694,202 |
| TELEFONICA EMISSIONS S A U | 5.984 20JUN11 | 318,130 | 323,834 |
| TEMPLE ISLAND INC | 6.625 15JAN18 | 223,740 | 233,458 |
| TEVA PHARMACETICAL FIN CO LLC | 6.150 01FEB36 | 303,405 | 294,837 |
| TIAA GLOBAL MKTS | 5.45 18MAY11 NT | 1,496,813 | 1,463,851 |
| TIME WARNER | 6.625 15MAY29 DEB | 168,080 | 173,352 |
| TIME WARNER | 6.50 15NOV36 NT | 68,466 | 68,098 |
| TIME WARNER ENTMT CO | 7.250 01SEP08 | 954,526 | 986,261 |
| TIME WARNER INC | 6.625 15MAY29 | 1,286,203 | 1,293,704 |
| TIME WARNER INC NEW | 6.500 15NOV36 | 127,151 | 126,913 |
| TOBACCO SETTLEMENT | 5.625 01JUN37 ASSET BKD | 293,291 | 312,332 |
| TOBACCO SETTLEMENT | 5.875 15MAY39 ASSET BKD | 224,487 | 315,515 |
| TOBACCO SETTLEMENT | 6.375 15MAY28 | 250,943 | 315,715 |
| TOBACCO SETTLEMENT AUTH IA | 6.500 01JUN23 | 117,463 | 116,985 |
| TOLL BROS FIN CORP | 6.875 15NOV12 | 123,224 | 126,158 |
| TOYOTA MTR CR | 4.125 17MAR08 TRANCHE TR00233 | 356,090 | 361,604 |
| TRICON GLOBAL RESTAURANTS | 8.875 15APR11 SR NT | 398,681 | 378,775 |
| TXU AUSTRALIA HLDGS PTY LTD | 6.150 15NOV13 | 261,485 | 253,571 |
| TYCO INTL GROUP S A | 6.000 15NOV13 | 181,730 | 182,304 |
| TYSON FOODS INC | 1.000 01APR16 | 166,233 | 170,870 |
| UBS AG STAMFORD BRH MED TRM | 5.875 15JUL16 | 586,365 | 607,032 |
| UFJ FIN ARUBA A E C | 6.750 15JUL13 | 786,738 | 757,343 |
| UNION BK CALIF | 5.950 11MAY16 | 243,751 | 250,799 |
| UNION PAC CORP | 6.625 01FEB08 NT | 736,307 | 669,663 |
| UNION PAC CORP | 3.875 15FEB09 | 390,405 | 379,924 |
| UNION PAC CORP | 3.625 01JUN10 | 131,236 | 124,693 |
| UNITED AIRLS PASS THRU TRUST | 9.56 19OCT18 | 571,725 | 328,074 |
| UNITED MEXICAN STS MTN | 7.500 14JAN12 | 688,279 | 718,797 |
| UNITED MEXICAN STS MTN | 5.625 15JAN17 | 1,792,113 | 1,850,918 |
| UNITEDHEALTH GROUP INC | 5.375 15MAR16 | 463,202 | 460,437 |

Baxter International Inc. and Subsidiaries
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Schedule H, Line 4i - Schedule of Assets (Held at
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Schedule I

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|-------------------------------|------------------|-----------|-----------|
| US BK NATL ASSN CINNCINNATI | 7.25 01DEC10 NT | 904,523 | 893,434 |
| US DEPT VETERAN AFFAIRS REMIC | | | |
| VENDEE | 6.000 15APR09 | 353,445 | 331,213 |
| USA WASTE SVCS INC | 7.000 15JUL28 | 91,946 | 94,549 |
| VALE OVERSEAS LTD | 6.250 23JAN17 | 1,005,695 | 1,017,727 |
| VALERO ENERGY CORP NEW | 6.875 15APR12 | 338,200 | 326,012 |
| VALUE OVERSEAS LTD | 6.25 23JAN17 | 291,506 | 294,993 |
| VERISON VA INC | 4.625 15MAR13 | 665,856 | 689,440 |
| VERIZON COMMUNICATIONS INC | 1.000 15AUG07 | 185,984 | 185,983 |
| VERIZON GLOBAL FDG | 6.875 15JUN12 BD | 495,600 | 458,827 |
| | 4.625 15JUL18 | | |
| VERIZON GLOBAL FDG | GLOBAL NT | 417,176 | 412,645 |
| VERIZON GLOBAL FDG CORP | 4.900 15SEP15 | 163,979 | 163,375 |
| VERIZON GLOBAL FDG CORP | 5.850 15SEP35 | 306,140 | 295,313 |
| VERIZON NEW JERSEY INC | 5.875 17JAN12 | 196,888 | 198,323 |
| VODAFONE GROUP PLC | 4.55 01MAY13 NT | 323,751 | 325,316 |
| VODAFONE GROUP PLC NEW | 5.500 15JUN11 | 273,267 | 274,777 |
| WACHOVIA CORP 2ND NEW | 4.875 15FEB14 | 817,822 | 787,840 |
| WACHOVIA CORP NEW | 5.300 15OCT11 | 1,617,375 | 1,619,367 |
| WACHOVIA CORP NEW | 5.350 15MAR11 | 293,641 | 294,486 |
| | 5.125 15FEB07 | | |
| WAL MART STORES | GLOBAL NT | 262,027 | 263,104 |
| WALT DISNEY CO | 5.700 15JUL11 | 947,672 | 966,124 |
| WAMU MTG | 1.000 25OCT33 | 490,176 | 480,080 |
| WAMU MTG PASS THROUGH CTFS | 1.000 25JAN45 | 108,720 | 109,007 |
| WAMU MTG PASS THROUGH CTFS | 1.000 25JUL44 | 36,748 | 36,761 |
| WAMU MTG PASS THROUGH CTFS | 1.000 25AUG34 | 328,203 | 323,943 |
| WAMU MTG PASS THROUGH CTFS | 1.000 25APR35 | 122,071 | 120,015 |
| WASHINGTON MUT INC | 4.000 15JAN09 | 342,593 | 338,802 |
| WASHINGTON MUT INC | 1.000 15JAN10 | 285,275 | 285,118 |
| WASHINGTON MUT INC | 4.625 01APR14 | 868,043 | 833,890 |
| WASTE MGMT INC DEL | 6.875 15MAY09 | 546,999 | 511,009 |
| WASTE MGMT INC DEL | 7.375 15MAY29 | 31,974 | 38,687 |
| WASTE MGMT INC DEL | 7.375 01AUG10 | 110,188 | 104,122 |
| WELLS FARGO + CO NEW | 3.500 04APR08 | 1,175,667 | 1,150,310 |
| WELLPOINT INC | 3.750 14DEC07 | 658,847 | 655,119 |
| WELLPOINT INC | 42.50 15DEC09 | 414,955 | 413,899 |
| WELLPOINT INC | 5.000 15JAN11 | 263,851 | 261,067 |
| | 5.00 15NOV14 | | |
| WELLS FARGO & CO NEW | SUB NT | 219,520 | 205,555 |
| | 4.125 10MAR08 | | |
| WELLS FARGO & CO NEW | SR NT | 86,924 | 85,882 |

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|--------------------------|-----------------|-----------|-----------|
| | 4.125 10MAR08 | | |
| WELLS FARGO & CO NEW | SR NT | 665,926 | 661,691 |
| WELLS FARGO + CO NEW | 6.375 01AUG11 | 291,275 | 266,521 |
| WELLS FARGO MBS | 1.000 25AUG36 | 737,846 | 741,229 |
| WESTERN FINL BK | 9.625 15MAY12 | 175,985 | 171,117 |
| | 5.93 01OCT16 NT | | |
| WESTERN UN CORP | 144A | 415,858 | 415,418 |
| WESTVACO CORP | 7.950 15FEB31 | 243,816 | 208,988 |
| WEYERHAEUSER CO | 6.750 15MAR12 | 1,863,392 | 1,796,539 |
| WEYERHAEUSER CO | 7.125 15JUL23 | 242,435 | 234,862 |
| WFS FINL 2003 2 OWNER TR | 2.410 20DEC10 | 213,037 | 211,125 |
| WFS FINL 2004 2 OWNER TR | 3.540 21NOV11 | 1,809,391 | 1,776,533 |
| WFS FINL 2004 4 OWNER TR | 3.210 17MAY12 | 193,802 | 190,068 |
| WFS FINL 2005 2 ONER TR | 4.570 19NOV12 | 171,293 | 169,608 |
| WINDSTREAM CORP | 8.125 01AUG13 | 215,349 | 233,116 |
| WINDSTREAM CORP | 8.625 07AUG16 | 66,839 | 75,030 |
| WPP FIN UK | 5.875 15JUN14 | 170,806 | 171,000 |
| WYETH | 5.500 01FEB14 | 227,701 | 222,358 |
| WYETH | 5.500 01FEB14 | 229,866 | 226,293 |
| XCEL ENERGY INC | 7.000 01DEC10 | 233,715 | 221,974 |
| XTO ENEGRY INC | 4.900 01FEB14 | 644,130 | 648,535 |
| ZIONS BANCORPORATION | 6.000 15SEP15 | 410,316 | 418,655 |
| ZIONS BANCORPORATION | 1.000 15APR08 | 234,927 | 235,078 |
| ZIONS BANK | 5.500 15NOV15 | 155,348 | 154,085 |

271,899,585

Commingled Funds

| | | | | |
|---|-------------------------------------|-----------------|------------|------------|
| * | PIMCO Private Acct Portfolio | Commingled Fund | 235,152 | 242,964 |
| * | PIMCO Intl Portfolio Instl CL | Commingled Fund | 3,064,265 | 2,397,807 |
| * | PIMCO Real Return BD Portfolio CL | Commingled Fund | 2,682,269 | 2,367,094 |
| * | PIMCO Emerging Mkts Portfolio | Commingled Fund | 3,685,346 | 3,657,750 |
| * | PIMCO Invt Grade Corp Port Instl CL | Commingled Fund | 7,941,793 | 7,621,147 |
| * | PIMCO US Govt Sector Port Instl CL | Commingled Fund | 9,383,526 | 8,879,941 |
| * | PIMCO Mtg Portfolio Instl CL | Commingled Fund | 15,617,867 | 15,362,836 |
| * | PIMCO Short Term Portfolio Instl CL | Commingled Fund | 15,903,349 | 15,785,863 |

56,315,402

Baxter International Inc. and Subsidiaries
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Benefit-Responsive Interest Rate Wrapper
Contracts

| | | |
|---|-----------------------------|---------------------|
| * | AEGON INSTITUTIONAL MARKETS | Open-Ended Maturity |
| * | BANK OF AMERICA NT & SA | Open-Ended Maturity |

Synthetic Guaranteed Investment Contracts

\$ 612,875,198

Commingled Funds:

| | | |
|--|-----------------|-------------|
| AMERICAN HOME MTG INVESTMENTS REIT | Commingled Fund | 5,268 |
| ANNALY MORTGAGE MANAGEMENT INC | Commingled Fund | 3,478 |
| BOSTON PPTYS INC | Commingled Fund | 11,971 |
| BP PRODHOE BAY RTY UNIT BEN INT | Commingled Fund | 525 |
| CROSS TIMBERS ROYALTY TRUST | Commingled Fund | 11,921 |
| INTERNATIONAL EAFE EQUITY INDEX FUND | Commingled Fund | 107,860,515 |
| DAYSTAR TECHNOLOGIES CL B WTS EXP 3/22/2009 | Commingled Fund | 3,577 |
| ENBRIDGE ENERGY PARTNERSHIP | Commingled Fund | 2,470 |
| ENERGY TRANSFER PARTNERS LP UT PARTNERSHIP INT | Commingled Fund | 43,280 |
| ENTERPRISE PRODUCTS PPTNS LP | Commingled Fund | 37,674 |
| HPRT PPTYS TRUST | Commingled Fund | 6,175 |
| HUGOTON RTY TR TEX UNIT BEN INT | Commingled Fund | 6,039 |
| KINDER MORGAN ENERGY PARTNERS LP | Commingled Fund | 23,248 |
| MESA ROYALTY TR UBI | Commingled Fund | 10,400 |
| MESABI TRUST CTF BEN INT | Commingled Fund | 16,474 |
| MIRANT COREP WTS SER A EXP 1/03/2011 | Commingled Fund | 106 |
| NASDAQ 100 TR | Commingled Fund | 128,486 |
| REDBACK NETWORKS INC \$5.00 WTS EXP 01/02/2010 | Commingled Fund | 160 |
| REDBACK NETWORKS INC \$9.00 WTS EXP 01/02/2010 | Commingled Fund | 124 |

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| | | |
|------------------------------------|-----------------|----------------|
| S&P 500 Flagship Fund | Commingled Fund | 190,704,647 |
| SAN JUAN BASIN RTY TR UNIT BEN INT | Commingled Fund | 6,570 |
| T C PIPELINES | Commingled Fund | 2,160 |
| US SMALL CAP INDEX FUTURES FD | | |
| CMT4 | Commingled Fund | 79,804,782 |
| WEINGARTEN RLTY INVS SH BEN INT | Commingled Fund | 23,055 |
| WINTHROP REALTY TR SH BEN INT | Commingled Fund | 22,129 |
| Commingled Funds | | \$ 378,735,234 |

Registered Investment Companies:

| | | |
|---|-------------------------------|--------|
| | Registered Investment Company | 13,797 |
| ABN AMRO TALON MID CAP CL N N/C | Registered Investment Company | 24,548 |
| AEGIS VALUE FUND INC | Registered Investment Company | 29,183 |
| AIM MULTI SECTOR CLASS C | Registered Investment Company | 48,047 |
| AIM REAL ESTATE CLASS C | Registered Investment Company | 553 |
| * ALLEGIANT MID CAP VALUE FD CL I | Registered Investment Company | 17,198 |
| ALLIANCEBER INTL VALUE ADVISOR | Registered Investment Company | 370 |
| ALLIANZ OCC VALUE INSTITUTIONAL N/C | Registered Investment Company | 362 |
| ALLIANZ RCM BIOTECH FUND CLASS D | Registered Investment Company | 27,522 |
| ALLIANZ RCM HEALTHCARE FD CL D | Registered Investment Company | 13,819 |
| ALLIANZ RCM TECH INSTL CL | Registered Investment Company | 1,597 |
| ALLIANZ RCM TECHNOLOGY CL D | Registered Investment Company | 1,250 |
| ALPINE DYNAMIC DIVID FUND | Registered Investment Company | 10,296 |
| ALPINE INTERNATIONAL REAL ESTATE EQUITY Y | Registered Investment Company | 20,490 |
| AMER CENTURY TARGET MATURITIES TR 2010 | Registered Investment Company | 37,987 |
| AMERICAN AADVANTAGE SMALL CAP VAL INSTL | Registered Investment Company | 13,121 |
| AMERICAN AMCAP CL R2 | Registered Investment Company | 32,085 |
| AMERICAN CAPITAL INCOME BUILDER CL F | Registered Investment Company | 32,937 |
| AMERICAN CAPITAL INCOME BUILDER CL R2 | Registered Investment Company | 13,625 |

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|--|----------------------------------|---------|
| AMERICAN CAPITAL WORLD GR & INC R2 | Registered Investment Company | |
| AMERICAN CENTURY EQUITY INCOME | Registered Investment Company | 31,911 |
| AMERICAN CENTURY GLOBAL GOLD | Registered Investment Company | 1,085 |
| AMERICAN EUROPACIFIC GROWTH CLASS F | Registered Investment Company | 104,664 |
| AMERICAN FUNDAMENTAL INVESTORS CL F | Registered Investment Company | 14,852 |
| AMERICAN GROWTH FUND OF AMERICA CLASS F | Registered Investment Company | 42,508 |
| AMERICAN HIGH-INCOME CLASS F | Registered Investment Company | 30,343 |
| AMERICAN INCOME FUND OF AMERICA R5 | Registered Investment Company | 543 |
| AMERICAN INCOME FUND OF AMERICA CLASS F | Registered Investment Company | 28,480 |
| AMERICAN INVESTMNT CO OF AMERICA CL A | Registered Investment Company | 14,901 |
| AMERICAN NEW PERSPECTIVE CLASS A | Registered Investment Company | 251 |
| AMERICAN NEW PERSPECTIVE R2 | Registered Investment Company | 13,430 |
| AMERICAN NEW WORLD FUND R2 | Registered Investment Company | 13,878 |
| AMERISTOCK MUTUAL FUND | Registered Investment Company | 62,802 |
| ARIEL APPRECIATION | Registered Investment Company | 255,938 |
| ARIEL GROWTH CLASS A | Registered Investment Company | 16,330 |
| ARTISAN OPPORTUNISTIC VALUE | Registered Investment Company | 31,452 |
| ARTISAN INTERNAT L | Registered Investment Company | 43,216 |
| ARTISAN INTL VALUE FUND | Registered Investment Company | 58,690 |
| ARTISAN MID CAP | Registered Investment Company | 21,558 |

Baxter International Inc. and Subsidiaries
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| ATLANTIC WHITEHALL GROWTH N/C | Registered Investment Company | 3,610 |
| BARON GROWTH & INC | Registered Investment Company | 512 |
| BERKSHIRE FOCUS FUND | Registered Investment Company | 230 |
| BJURMAN MICRO CAP GROWTH | Registered Investment Company | 1,335 |
| BLACK OAK EMERGING TECHNOLOGY FUND | Registered Investment Company | 175 |
| BLACK ROCK ALL CAP GLOBAL RES PORT CL A | Registered Investment Company | 6,607 |
| BRANDYWINE BLUE | Registered Investment Company | 11,162 |
| BRAZOS MICRO CAP GROWTH | Registered Investment Company | 666 |
| BRIDGEWAY AGGRESSIVE INVESTOR 1 | Registered Investment Company | 28,354 |
| BRIDGEWAY AGGRESSIVE INVESTOR 2 | Registered Investment Company | 269,695 |
| BRIDGEWAY SMALL CAP GROWTH CL N | Registered Investment Company | 9,899 |
| BRIDGEWAY ULTRA SMALL CO MARKET | Registered Investment Company | 1,975 |
| BROWN CAPITAL MGMT SMALL COMPANY INST. | Registered Investment Company | 3,151 |
| BUFFALO MID CAP FUND | Registered Investment Company | 4,991 |
| BUFFALO SMALL CAP GROWTH | Registered Investment Company | 67,864 |
| CALAMOS GROWTH AND INCOME CLASS C | Registered Investment Company | 54,027 |
| CALAMOS GROWTH CLASS A | Registered Investment Company | 66,931 |
| CALAMOS GROWTH FUND CLASS C | Registered Investment Company | 67,311 |
| CALVERT SOCIAL INVST MANAGED GROWTH CL A | Registered Investment Company | 57,744 |
| CAMBIAR OPPORTUNITY INVESTOR CL | Registered Investment Company | 113,288 |
| CHESAPEAKE CORE GROWTH FUND | Registered Investment Company | 16,121 |

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|--|-------------------------------|---------|
| CLIPPER | Registered Investment Company | 66,873 |
| COHEN & STEERS ASIA PACIFIC REALTY CL A | Registered Investment Company | 4,952 |
| COHEN & STEERS REALTY SHARES | Registered Investment Company | 19,735 |
| COLUMBIA ACORN CLASS Z N/C | Registered Investment Company | 9,554 |
| COLUMBIA MARSICO 21ST CENTURY CL Z | Registered Investment Company | 19,821 |
| CRM MID CAP VALUE INVESTOR SHARES | Registered Investment Company | 131 |
| CRM MID-CAP VALUE FD-INSTITUTIONAL DELAWARE EMERGING MARKETS CLASS A | Registered Investment Company | 7,304 |
| DIREXION S&P 500 BEAR 1X FUND | Registered Investment Company | 19,902 |
| DODGE & COX BALANCE | Registered Investment Company | 10,166 |
| DODGE & COX INCOME | Registered Investment Company | 49,155 |
| DODGE & COX INTERNATL STOCK FUND | Registered Investment Company | 85,881 |
| DODGE & COX STOCK | Registered Investment Company | 321,474 |
| DREYFUS EMERGING MARKETS | Registered Investment Company | 228,079 |
| DREYFUS MIDCAP VALUE FUND | Registered Investment Company | 31,691 |
| DREYFUS PREMIER ENTERPRISE CL B | Registered Investment Company | 12,967 |
| DREYFUS PREMIER LTD TERM INCOME CL R | Registered Investment Company | 12,357 |
| DRIEHAUS EUROPEAN OPPORTUNITY | Registered Investment Company | 3,419 |
| EATON VANCE WORLDWIDE HEALTH SCIENCES CLASS A | Registered Investment Company | 19,571 |
| EXCELSIOR EMERGING MARKETS | Registered Investment Company | 1,550 |
| EXCELSIOR REAL ESTATE | Registered Investment Company | 2,054 |
| EXCELSIOR VALUE AND RESTRUCTURING | Registered Investment Company | 56,455 |
| FAIRHOLME FUND | Registered Investment Company | 107,800 |
| FAM VALUE | Registered Investment Company | 37,929 |
| FBR SMALL CAP CLASS A N/C | Registered Investment Company | 60,011 |
| FIDELITY CANADA | Registered Investment Company | 15,019 |
| | | 11,860 |

| | | |
|--------------------------------------|-------------------------------|---------|
| | Registered Investment Company | |
| FIDELITY CAPITAL APPRECIATION | Registered Investment Company | 22,487 |
| FIDELITY CAPITAL & INCOME | Registered Investment Company | 4,351 |
| FIDELITY CHINA REGION | Registered Investment Company | 8,922 |
| FIDELITY CONTRAFUND | Registered Investment Company | 303,815 |
| FIDELITY CONVERTIBLE SECURITIES | Registered Investment Company | 21,303 |
| FIDELITY DIVERSIFIED INTERNATIONAL | Registered Investment Company | 124,334 |
| FIDELITY DIVIDEND GROWTH | Registered Investment Company | 122,360 |
| FIDELITY EMERGING MARKETS | Registered Investment Company | 3,001 |
| FIDELITY EXPORT & MULTINATIONAL | Registered Investment Company | 25,423 |
| FIDELITY FLOATING RATE HIGH INCOME | Registered Investment Company | 7,984 |
| FIDELITY INTERNAT L REAL ESTATE FUND | Registered Investment Company | 19,277 |
| FIDELITY INTERN TL SMALL CAP | Registered Investment Company | 13,461 |
| FIDELITY INT L DISCOVERY | Registered Investment Company | 23,670 |
| FIDELITY JAPAN | Registered Investment Company | 18,639 |
| FIDELITY JAPAN SMALL COMPANIES | Registered Investment Company | 16,991 |
| FIDELITY LARGE CAPITAL STOCK | Registered Investment Company | 9,605 |
| FIDELITY LATIN AMERICA | Registered Investment Company | 25,538 |
| FIDELITY LEVERAGED COMPANY STOCK | Registered Investment Company | 73,669 |
| FIDELITY LOW PRICED STOCK | Registered Investment Company | 63,417 |
| FIDELITY MID CAP STOCK | Registered Investment Company | 41,915 |
| FIDELITY MID CAP GROWTH | Registered Investment Company | 30,409 |
| FIDELITY NEW MARKETS INCOME | Registered Investment Company | 8,434 |
| FIDELITY OVERSEAS | Registered Investment Company | 23,433 |
| FIDELITY REAL ESTATE INVESTMENT | Registered Investment Company | 59,835 |
| FIDELITY SELECT BIOTECHNOLOGY | | 245 |

| | | |
|-------------------------------------|-------------------------------|--------|
| | Registered Investment Company | |
| FIDELITY SELECT DEFENSE & AEROSPACE | Registered Investment Company | 319 |
| FIDELITY SELECT ENERGY SERVICE | Registered Investment Company | 26,760 |
| FIDELITY SELECT GOLD | Registered Investment Company | 1,056 |
| FIDELITY SELECT NATURAL RESOURCES | Registered Investment Company | 21,859 |
| FIDELITY SELECT PHARMACEUTICAL | Registered Investment Company | 1,379 |
| FIDELITY SELECT TECHNOLOGY | Registered Investment Company | 1,935 |

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| FIDELITY SELECT TRANSPORT | Registered Investment Company | 21,048 |
| FIDELITY SELECT UTILITIES GROWTH | Registered Investment Company | 1,835 |
| FIDELITY SELECT WIRELESS PORTFOLIOS | Registered Investment Company | 1,475 |
| FIDELITY SMALL CAP STOCK | Registered Investment Company | 17,897 |
| FIDELITY SMALL CAP GROWTH | Registered Investment Company | 21,237 |
| FIDELITY SOUTHEAST ASIA | Registered Investment Company | 26,026 |
| FIDELITY STRATEGIC REAL RETURN | Registered Investment Company | 5,274 |
| FIDELITY US BOND INDEX | Registered Investment Company | 17,059 |
| FIDELITY UTILITIES | Registered Investment Company | 2,214 |
| FIDELITY VALUE | Registered Investment Company | 24,255 |
| FIDELITY VALUE DISCOVERY | Registered Investment Company | 868 |
| FIDELITY WORLDWIDE | Registered Investment Company | 8,918 |
| FIRST AMERICAN TAX FREE CL Y | Registered Investment Company | 711 |
| FIRST EAGLE GLOBAL CLASS C | Registered Investment Company | 6,854 |
| FIRSTHAND GLOBAL TECHNOLOGY | Registered Investment Company | 249 |
| FIRSTHAND TECHNOLOGY VALUE | Registered Investment Company | 455 |
| FRANKLIN INCOME CLASS C | Registered Investment Company | 45,096 |
| FRANKLIN NATURAL RESOURCES A | Registered Investment Company | 4,275 |
| FRANKLIN REAL ESTATE SECURITIES CLASS C | Registered Investment Company | 60,913 |
| FUND*X UPGRADER FUND | Registered Investment Company | 13,899 |
| FUNDAMENTAL INVESTORS | Registered Investment Company | 22,991 |

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|--|-------------------------------|--------|
| FUNDX AGGRESSIVE UPGRADER FUND | Registered Investment Company | 6,176 |
| FUNDX STOCK UPGRADE FUND | Registered Investment Company | 1,096 |
| GABELLI EQUITY INCOME FUND | Registered Investment Company | 12,648 |
| GABELLI UTILITIES FUND CLASS C | Registered Investment Company | 8,276 |
| GAMCO GROWTH FUND | Registered Investment Company | 9,820 |
| GARTMORE MICRO CAP EQUITY CLASS A | Registered Investment Company | 6,492 |
| GOLDMAN SACHS ASSET ALLOC GROWTH STRAT C | Registered Investment Company | 15,968 |
| GREENSPRING FUND | Registered Investment Company | 12,702 |
| GROWTH FUND OF AMERICA | Registered Investment Company | 25,965 |
| GUINNESS ATKINSON CHINA & HONG KONG | Registered Investment Company | 2,949 |
| GUINNESS ATKINSON GLOBAL ENERGY | Registered Investment Company | 1,041 |
| HANCOCK HORIZON BURKENROAD FUND CL D | Registered Investment Company | 40,308 |
| HARBOR INTERNATIONAL | Registered Investment Company | 75,919 |
| HEARTLAND VALUE | Registered Investment Company | 36,614 |
| HENNESSY CORNERSTONE GROWTH FD SERIES II | Registered Investment Company | 7,323 |
| HENNESSY CORNERSTONE GROWTH N/C | Registered Investment Company | 46,928 |
| HENNESSY FOCUS 30 FUND | Registered Investment Company | 4,599 |
| HUSSMAN STRATEGIC GROWTH | Registered Investment Company | 21,161 |
| ICON ENERGY | Registered Investment Company | 35,240 |
| ICON HEALTHCARE | Registered Investment Company | 9,248 |
| ICON LONG SHORT CLASS I | Registered Investment Company | 54,009 |
| INVESCO LEISURE N/C | Registered Investment Company | 369 |
| IVY GLOBAL NATURAL RESOURCES CLASS C | Registered Investment Company | 8,962 |
| JAMES ADVANTAGE SMALL CAP | Registered Investment Company | 31,178 |
| JANUS EQUITY INCOME | Registered Investment Company | 66,995 |
| JANUS FLEXIBLE INCOME | Registered Investment Company | 44,987 |

| | | |
|---|-------------------------------|------------------|
| | Registered Investment Company | |
| JANUS GROWTH AND INCOME | Registered Investment Company | 10,266 |
| JANUS MERCURY | Registered Investment Company | 3,461 |
| JANUS MID CAP VALUE INVST SHS N/C | Registered Investment Company | 52,090 |
| JANUS OVERSEAS | Registered Investment Company | 76,434 |
| JANUS RISK MANAGED STOCK FUND | Registered Investment Company | 24,191 |
| JENNISON UTILITY CL C | Registered Investment Company | 617 |
| JP MORGAN MID CAP VALUE INSTL | Registered Investment Company | 23,457 |
| JPMORGAN SMALL CAP EQUITY FND SELECT CL | Registered Investment Company | 14,152 |
| JULIUS BAER INT L EQUITY | Registered Investment Company | 58,635 |
| KINETICS SMALL CAP OPPORTUNITIES | Registered Investment Company | 5,893 |
| LAUDUS INTERNATIONAL MARKETMASTERS INV CL | Registered Investment Company | 23,653 |
| LEUTHOLD SELECT INDUSTRIES | Registered Investment Company | 66,371 |
| LONGLEAF PARTNERS | Registered Investment Company | 43,038 |
| * LOOMIS SAYLES BOND RETAIL SHARES | Registered Investment Company | 38,123 |
| * LOOMIS SAYLES GLOBAL BOND RETAIL | Registered Investment Company | 4,774 |
| LORD ABBETT AFFILIATED CLASS C | Registered Investment Company | 31,736 |
| LORD ABBETT RESEARCH SMALL CAP CLASS C | Registered Investment Company | 50,711 |
| MAINSTAY ICAP SELECT EQUITY FD CL I | Registered Investment Company | 45,469 |
| MANAGERS FREMONT MICRO-CAP FUND N/C | Registered Investment Company | 64,151 |
| MANAGERS INTERMEDIAT DURATION GOVERNMENT | Registered Investment Company | 24,167 |
| MANNING & NAPIER PRO BLEND MAX TERM SER | Registered Investment Company | 864 |
| MARSICO FOCUS | Registered Investment Company | 34,006 |
| MARSICO GROWTH AND INCOME | Registered Investment Company | 115,734 |
| MARSICO INTERNAT L OPPORTUNITIES MASTERS SELECT EQUITY | Registered Investment Company | 41,871 66,588 |

| | | |
|-------------------------------|-------------------------------|---------|
| | Registered Investment Company | |
| MATRIX ADVISORS VALUE | Registered Investment Company | 6,199 |
| MATTHEWS DRAGON CENTURY CHINA | Registered Investment Company | 698 |
| MATTHEWS INDIA FUND | Registered Investment Company | 17,404 |
| MATTHEWS KOREA FUND | Registered Investment Company | 11,263 |
| MATTHEWS PACIFIC TIGER | Registered Investment Company | 158,205 |
| MERIDIAN FUND | Registered Investment Company | 154,310 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
Schedule H, Line 4i - Schedule of Assets (Held at
End of Year)
December 31, 2006

Schedule I

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|---|-------------------------------|---------|
| MERIDIAN VALUE FUND | Registered Investment Company | 4,751 |
| MFS HIGH YIELD OPPORTUNITIES CL C | Registered Investment Company | 44,342 |
| MFS INTERNATIONAL NEW DISCOVERY CL C | Registered Investment Company | 35,519 |
| MFS MID CAP VALUE CLASS C | Registered Investment Company | 24,479 |
| MFS RESEARCH BOND CL C | Registered Investment Company | 47,903 |
| MFS TOTAL RETURN CLASS C | Registered Investment Company | 34,752 |
| MORGAN STA INST INC. US REAL ESTATE CL A | Registered Investment Company | 4,614 |
| NEEDHAM GROWTH FUND | Registered Investment Company | 2,272 |
| NEUBERGER BERMAN INT L INVESTOR CLASS | Registered Investment Company | 45,234 |
| NEUBERGER BERMAN INT L TRUST CLASS | Registered Investment Company | 23,557 |
| NEUBERGER BERMAN PARTNERS INVESTOR | Registered Investment Company | 16,321 |
| NEUBERGER BERMAN PARTNERS TRUST CLASS | Registered Investment Company | 16,432 |
| NUVEEN QUALITY PFD INCOME FD 2 | Registered Investment Company | 78,624 |
| OAKMARK EQUITY & INCOME FD | Registered Investment Company | 252,806 |
| OAKMARK FUND | Registered Investment Company | 406,736 |
| OAKMARK INTERNAT L | Registered Investment Company | 67,022 |
| OAKMARK INTERNAT L SMALL CAP | Registered Investment Company | 7,626 |
| OAKMARK SELECT | Registered Investment Company | 11,362 |
| OIL & GAS ULTRA SECT PRO FDS -INVESTOR | Registered Investment Company | 1,101 |
| OLD MUTUAL LARGE CAP FUND CL Z | Registered Investment Company | 3,704 |
| OLD MUTUAL MID CAP FUND CL Z N/C | Registered Investment Company | 4,912 |
| OPPENHEIMER INT L BOND CLASS C | Registered Investment Company | 42,998 |
| OPPENHEIMER MIDCAP CLASS C | Registered Investment Company | 23,056 |
| OPPENHEIMER SMALL & MID CAP VALUE CL C | Registered Investment Company | 26,136 |
| PERRITT EMERGING OPPORTUNITIES FUND | Registered Investment Company | 1,114 |
| * PIMCO ALL ASSET INST CLASS | Registered Investment Company | 58,518 |
| * PIMCO COMMODITY REAL | Registered Investment Company | 45,299 |
| * PIMCO FOREIGN BOND F D (UNHEDGED) INST CL | Registered Investment Company | 20,033 |
| * PIMCO REAL RETURN CLASS C | Registered Investment Company | 26,248 |
| * PIMCO REAL RETURN CLASS D | Registered Investment Company | 33,584 |
| * PIMCO SHORT TERM INSTITUTIONAL | Registered Investment Company | 39,829 |
| * PIMCO TOTAL RETURN CLASS D | Registered Investment Company | 7,673 |

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| PIN OAK AGGRESSIVE STOCK | Registered Investment Company | 445 |
| PRIMECAP ODYSSEY GROWTH FUND | Registered Investment Company | 22,817 |
| PRUDENT GLOBAL INC FUNDS | Registered Investment Company | 49,580 |
| RAINIER SMALL MID CAP EQUITY | Registered Investment Company | 37,109 |
| RED OAK TECHNOLOGY SELECT | Registered Investment Company | 310 |
| ROWE T PRICE HIGH YIELD FD INC | Registered Investment Company | 7,152 |
| ROYCE LOW PRICED STOCK FUND | Registered Investment Company | 190,650 |
| ROYCE MICROCAP | Registered Investment Company | 74,693 |
| ROYCE OPPORTUNITY FUND | Registered Investment Company | 80,475 |
| ROYCE PA MUTUAL | Registered Investment Company | 159,213 |
| ROYCE PREMIER SERIES | Registered Investment Company | 34,966 |
| ROYCE SPECIAL EQUITY | Registered Investment Company | 5,964 |
| ROYCE TOTAL RETURN FUND | Registered Investment Company | 123,750 |
| ROYCE VALUE FUND SERVICE CL | Registered Investment Company | 10,644 |
| ROYCE VALUE PLUS SERVICE CLASS | Registered Investment Company | 28,684 |
| RS GLOBAL NATURAL RESOURCES N/C | Registered Investment Company | 14,016 |
| RYDEX EUROPE ADVANTAGE CL H | Registered Investment Company | 1,122 |
| RYDEX INVERSE DYNAMI RUSSELL 2000 CL H | Registered Investment Company | 44,671 |
| SELECT ENERGY | Registered Investment Company | 19,301 |
| SELECT MEDICAL DELIVERY | Registered Investment Company | 35,619 |
| SELECT MEDICAL EQUIPMENT & SYSTEMS | Registered Investment Company | 20,045 |
| SELECT NATURAL GAS | Registered Investment Company | 1,759 |
| SELECTED AMERICAN SHARES | Registered Investment Company | 83,048 |
| SKYLINE SPECIAL EQUITIES | Registered Investment Company | 7,192 |
| SPARTAN MARKET INDEX | Registered Investment Company | 14,177 |
| SPARTAN TOTAL MARKET INDEX | Registered Investment Company | 37,636 |
| * SSGA AGGRESSIVE EQUITY | Registered Investment Company | 8,670 |
| * SSGA EMERGING MARKETS | Registered Investment Company | 40,131 |
| * SSGA LIFE SOLUTIONS GROWTH FUND | Registered Investment Company | 11,227 |
| * SSGA SMALL CAP EQUITY | Registered Investment Company | 88,717 |
| T ROWE PRICE EQUITY INCOME | Registered Investment Company | 279,410 |
| T ROWE PRICE INTERNATIONAL BOND | Registered Investment Company | 3 |
| T ROWE PRICE MID CAP GROWTH | Registered Investment Company | 1,446 |
| T ROWE PRICE CAP APPRECIATION | Registered Investment Company | 134,118 |
| T ROWE PRICE CORPORATE INCOME | Registered Investment Company | 29,731 |
| T ROWE PRICE EMERG EURO & MEDITERRANEAN | Registered Investment Company | 151,937 |
| T ROWE PRICE EMERGING MKTS STOCK | Registered Investment Company | 20,084 |
| T ROWE PRICE GROWTH STOCK ADVISOR CL | Registered Investment Company | 1,088 |
| T ROWE PRICE HEALTH SCIENCES | Registered Investment Company | 17,423 |
| T ROWE PRICE INTL DISCOVERY FUND | Registered Investment Company | 48,830 |
| T ROWE PRICE INT L EMERGING MARKET BOND | Registered Investment Company | 5,252 |
| T ROWE PRICE INT L JAPAN | Registered Investment Company | 2,543 |
| T ROWE PRICE LATIN AMERICA FUND | Registered Investment Company | 8,173 |
| T ROWE PRICE MID CAP VALUE | Registered Investment Company | 169,833 |
| T ROWE PRICE NEW HORIZONS FD INC | Registered Investment Company | 3,253 |
| T ROWE PRICE REAL ESTATE FUND | Registered Investment Company | 16,369 |

Baxter International Inc. and Subsidiaries
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| T ROWE PRICE SMALL CAP STOCK | Registered Investment Company | 4,470 |
| TARGET MODERATE ALLOCATION CL C N/C | Registered Investment Company | 15,834 |
| TEMPLETON DEVELOPING MARKETS ADVISOR CL | Registered Investment Company | 37,562 |
| THE CONTRARIAN FUND N/C | Registered Investment Company | 20,749 |
| THIRD AVE SMALL CAP VALUE FD | Registered Investment Company | 48,270 |
| THIRD AVENUE INTL VALUE | Registered Investment Company | 27,019 |
| THIRD AVENUE REAL ESTATE VALUE | Registered Investment Company | 107,169 |
| THIRD AVENUE VALUE | Registered Investment Company | 125,014 |
| THOMPSON PLUMB GROWTH FUND | Registered Investment Company | 28,908 |
| TIMOTHY PLAN CONSERV GROWTH CL C | Registered Investment Company | 18,444 |
| TIMOTHY PLAN FIXED INCOME CLASS C | Registered Investment Company | 3,302 |
| TIMOTHY PLAN STRATEG IC GROWTH CL C | Registered Investment Company | 10,637 |
| TOCQUEVILLE GOLD FUND | Registered Investment Company | 126,744 |
| TRANSAMERICA PREMIER BALANCED | Registered Investment Company | 354 |
| TWEEDY BROWN GLOBAL VALUE FUND | Registered Investment Company | 191,651 |
| UNDISCOVERED MGRS BEHAVIOR VALUE INSTL | Registered Investment Company | 8,326 |
| US GLOBAL REGION EAST EUROPEAN | Registered Investment Company | 46,281 |
| US GLOBAL RESOURCES | Registered Investment Company | 5,785 |
| US GOLD SHARES | Registered Investment Company | 1,473 |
| US WORLD PRECIOUS MINERALS | Registered Investment Company | 8,142 |
| UTILITIES ULTRA SECTOR PRO FUND INV | Registered Investment Company | 957 |

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|---|-------------------------------|---------|
| VALUE LINE SMALL CAP GROWTH | Registered Investment Company | 14,799 |
| VAN KAMPEN EQUITY AND INCOME CLASS C | Registered Investment Company | 16,433 |
| VANGAURD MID CAP VALUE INDEX FD | Registered Investment Company | 5,852 |
| VANGUARD BALANCED INDEX | Registered Investment Company | 5,628 |
| VANGUARD BOND INDEX TOTAL MARKET | Registered Investment Company | 59,747 |
| VANGUARD EXTENDED MARKET INDEX TRUST | Registered Investment Company | 31,597 |
| VANGUARD FIXED INC HIGH YIELD CORP | Registered Investment Company | 64,264 |
| VANGUARD GLOBAL EQUITY | Registered Investment Company | 37,273 |
| VANGUARD GNMA | Registered Investment Company | 1,063 |
| VANGUARD GROWTH INDEX | Registered Investment Company | 5,978 |
| VANGUARD INDEX TRUST S&P 500 PORT | Registered Investment Company | 240,154 |
| VANGUARD INDEX TRUST SMALL CAP GROWTH | Registered Investment Company | 57,705 |
| VANGUARD INFLATION PROTECTED SECS | Registered Investment Company | 74,564 |
| VANGUARD INTERNATL VALUE PORTFOLIO | Registered Investment Company | 13,426 |
| VANGUARD INTER-TERM BOND INDEX PORT | Registered Investment Company | 51,370 |
| VANGUARD INTL EQUITYEUROPEAN | Registered Investment Company | 4,978 |
| VANGUARD INTL EQUITYPACIFIC | Registered Investment Company | 70,375 |
| VANGUARD LIFE STRAT MODERATE GROWTH | Registered Investment Company | 74,502 |
| VANGUARD MID CAP INDEX | Registered Investment Company | 170,820 |
| VANGUARD MID-CAP GROWTH FUND | Registered Investment Company | 5,768 |
| VANGUARD MUNI BOND INTERMEDIATE TM PORT | Registered Investment Company | 1,046 |
| VANGUARD PRECIOUS METALS & MINING FUND | Registered Investment Company | 16,756 |
| VANGUARD SHORT TERM BOND INDEX | Registered Investment Company | 106,695 |
| VANGUARD SHORT TERM CORP FIXED INC SECS | Registered Investment Company | 19,544 |
| VANGUARD SMALL CAP STOCK INDEX TRUST | Registered Investment Company | 55,884 |
| VANGUARD SPECIALIZED ENERGY PORT | Registered Investment Company | 168,231 |

| | | |
|---|-------------------------------|---------|
| | Registered Investment Company | |
| VANGUARD SPECIALIZED REIT INDEX FUND | Registered Investment Company | 94,647 |
| VANGUARD STRATEGIC EQUITY | Registered Investment Company | 45,428 |
| VANGUARD TARGET RET 2035 FD INVESTOR CL | Registered Investment Company | 231,918 |
| VANGUARD TOTAL INTL STOCK INDEX FUND | Registered Investment Company | 53,765 |
| VANGUARD TOTAL STOCK MARKET | Registered Investment Company | 76,302 |
| VANGUARD UTILITIES INCOME | Registered Investment Company | 4,146 |
| VANGUARD VALUE INDEX | Registered Investment Company | 12,077 |
| VANGUARD WELLINGTON FUND | Registered Investment Company | 152,284 |
| VANGUARD WINDSOR II | Registered Investment Company | 84,951 |
| VANGUARD WINDSOR II ADMIRAL | Registered Investment Company | 136,777 |
| VANGUARD/WELLESLEY INCOME | Registered Investment Company | 81,453 |
| VICE FUND | Registered Investment Company | 14,569 |
| WASATCH HERITAGE GROWTH FUND | Registered Investment Company | 32,165 |
| WASATCH SMALL CAP GROWTH | Registered Investment Company | 16,775 |
| WASATCH SMALL CAP VALUE | Registered Investment Company | 53,737 |
| WEITZ PARTNERS VALUE | Registered Investment Company | 43,009 |

Baxter International Inc. and Subsidiaries
Incentive Investment Plan
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| WEITZ VALUE | Registered Investment Company | 35,553 |
| WELLS FARGO ASIA PACIFIC FD-INVESTOR | Registered Investment Company | 27,522 |
| WELLS FARGO C&B MID CAP VALUE FD CL D N/C | Registered Investment Company | 8,846 |
| WESTWOOD EQUITY FUND CL AAA | Registered Investment Company | 102,960 |
| WHITE OAK GROWTH STOCK | Registered Investment Company | 999 |
| WILLIAM BLAIR INT L GROWTH FUND | Registered Investment Company | 10,837 |
| WINTERGREEN FUND | Registered Investment Company | 40,295 |
| YACKTMAN FUND | Registered Investment Company | 16,163 |
| Registered Investment Companies | | \$ 13,602,410 |
| * Participant Loans | Interest rates range from 5.00% to 10.00% | \$ 29,619,239 |
| Collateral Held on Loaned Securities: | | |
| QUALITY D SHORT-TERM INVESTMENT FUND | Commingled Fund | \$ 87,326,904 |
| Total Investments | | \$ 1,715,249,982 |

* Party-in-interest

** Investments underlying the Stable Income Fund, Composite Fund and General Equity Fund are considered non-participant-directed for purposes of reporting cost information within

this schedule. All other investments are considered to be participant-directed, for which cost information is not required to be reported.

Baxter International Inc. and Subsidiaries

**Incentive Investment Plan
Schedule H, Line 4j Schedule of Reportable Transactions**

Year Ended December 31, 2006

Schedule II

| Identity of Party Involved | Description of Asset | Purchase Price | Selling Price | Cost of Asset | Current Value of Asset on Transaction Date | Net Gain or (Loss) |
|---|----------------------|----------------|---------------|---------------|--|--------------------|
| State Street Bank and Trust Company Short-Term Investment Fund Interest-bearing | | | | | | |
| cash | \$408,915,977 | \$406,653,627 | \$406,653,627 | \$406,653,627 | \$ | |
| United States Treasury Bond 4.500 | | | | | | |
| 15FEB36 | 48,626,083 | 42,955,771 | 42,767,304 | 42,955,771 | 188,467 | |

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 27, 2007

By: /s/ Robert M. Davis
Robert M. Davis
Corporate Vice President and
Chief Financial Officer