



## News Release

### FOR IMMEDIATE RELEASE

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## **BAXTER AND APATECH ANNOUNCE DEFINITIVE AGREEMENT**

### ***Baxter to Acquire All Outstanding Equity of ApaTech, Including ACTIFUSE***

DEERFIELD, Ill. and LONDON, U.K., March 1, 2010 – Baxter International Inc. (NYSE:BAX), a global, diversified healthcare company, and ApaTech, a private equity-backed, U.K.-based orthobiologic products company, today announced a definitive agreement whereby Baxter will acquire all of the outstanding equity of ApaTech for total consideration of up to \$330 million. As a result of the acquisition, Baxter will acquire ACTIFUSE, a silicate substituted calcium phosphate synthetic bone graft material which is currently marketed in the United States, E.U., and other select markets around the world, and manufacturing and R&D facilities located in the U.K., United States and Germany.

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“This is a significant step in enhancing Baxter’s position in the rapidly growing orthobiologics space, and our leadership in regenerative medicine,” said Ron Lloyd, vice president and general manager, BioTherapeutics and Regenerative Medicine, Baxter. “ACTIFUSE will allow us to immediately enter the emerging bone fusion category, and ApaTech’s product pipeline is highly complementary to our existing commercial and technical capabilities in biosurgery.”

ApaTech generated sales of approximately \$60 million in calendar year 2009. Baxter and ApaTech personnel will work to ensure uninterrupted operations, product distribution and ongoing support and service for ApaTech customers, distributors and business partners, and seamless integration of the business into Baxter.

“This is a great event for ApaTech, Baxter, our customers and our employees. The combination of our market presence and insights with the resources of Baxter will enable us to deliver innovative new technologies to more patients worldwide,” said Simon Cartmell, CEO, ApaTech. “We are delighted to announce this transaction, and look forward to the future of our combined organizations with confidence and excitement.”

The agreement includes an upfront cash payment by Baxter of \$240 million. Baxter may make additional payments of up to \$90 million related to the achievement of sales milestones. The transaction is expected to close in the first quarter 2010, subject to customary closing conditions and expiration of the waiting period under the Hart-Scott-Rodino Antitrust Improvements Act. This transaction is not expected to have a material impact on Baxter’s 2010 financial results.

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### **About ApaTech**

ApaTech is a company specializing in synthetic bone repair materials for orthopedic and dental applications, and is a leader in the research and development of bone graft technologies. The company has enjoyed strong commercial success with products sold in the United States, E.U., and select markets around the world. ApaTech's current major shareholders are Encore Ventures (a division of DFJ Esprit) and U.S. investor, Healthcor Partners. Other shareholders include MTI, which provided the early stage capital, founder shareholders and members of ApaTech's management team. More details can be found at [www.apatech.com](http://www.apatech.com).

### **About Baxter**

Baxter International Inc., through its subsidiaries, develops, manufactures and markets products that save and sustain the lives of people with hemophilia, immune disorders, infectious diseases, kidney disease, trauma, and other chronic and acute medical conditions. As a global, diversified healthcare company, Baxter applies a unique combination of expertise in medical devices, pharmaceuticals and biotechnology to create products that advance patient care worldwide.

*This release includes forward-looking statements concerning the acquisition of ApaTech. The statements are based on assumptions about many important factors, including the following, which could cause actual results to differ materially from those in the forward-looking statements: actions of regulatory bodies and other governmental authorities; changes in laws and regulations; failure to obtain the necessary consents or to satisfy other closing conditions; a material adverse change in ApaTech's business; and other risks identified in Baxter's most recent filing on Form 10-K and other SEC filings, all of which are available on the Baxter's website. Baxter does not undertake to update its forward-looking statements.*

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