

BAXTER INTERNATIONAL INC  
 Form 4  
 March 16, 2006

**FORM 4**

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

OMB APPROVAL

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

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

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

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**GATLING JAMES M**

(Last) (First) (Middle)  
**ONE BAXTER PARKWAY**  
 (Street)

**DEERFIELD, IL 60015**

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
**03/14/2006**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**Corporate Vice President**

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

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

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock, \$1 par value	03/14/2006 <sup>(1)</sup>		A		11,250	A	<u>11</u>
Common Stock, \$1 par value					8,188	I	By 401(k) Plan
Common Stock, \$1 par value	03/14/2006		F		1,201	D	\$ 38.35
					179,619	D	

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

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(9-02)

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

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 38.35	03/14/2006		A	75,000	03/14/2009 03/14/2016	Common Stock, \$1 par value	75,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
GATLING JAMES M ONE BAXTER PARKWAY DEERFIELD, IL 60015			Corporate Vice President	

## Signatures

/s/David P. Scharf, Attorney-in-Fact for James M. Gatling

03/16/2006

\*\*Signature of Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) On March 14, 2006, the reporting person received a grant of 11,250 restricted stock units of common stock which will vest as follows: 3,750 on March 14, 2007; 3,750 on March 14, 2008; 3,750 on March 14, 2009.
- (2) Number of shares in 401(k) Plan is reported as of plan statement dated February 28, 2006.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.