

Davis Robert M
Form 4
July 27, 2011

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 *
Davis Robert M

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
07/25/2011

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

Corporate Vice President

ONE BAXTER PARKWAY

(Street)

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

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

DEERFIELD, IL 60015

(City) (State) (Zip)

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

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount | (A) or (D) | Price |
| Common Stock, \$1 par value | 07/25/2011 | | M ⁽¹⁾ | | 25,000 | A | \$ 34.85 |
| Common Stock, \$1 par value | 07/25/2011 | | M ⁽¹⁾ | | 45,000 | A | \$ 38.35 |
| Common Stock, \$1 par value | 07/25/2011 | | M ⁽¹⁾ | | 35,000 | A | \$ 36.99 |
| Common Stock, \$1 | 07/25/2011 | | S ⁽¹⁾ | | 100,300 | D | \$ 61.66 |

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| | | | | | | | | |
|------------|------------|--|-------------|-----|---|------------|--------|---|
| par value | | | | | | <u>(2)</u> | | |
| Common | | | | | | \$ | | |
| Stock, \$1 | 07/25/2011 | | <u>S(1)</u> | 700 | D | 62.14 | 57,825 | D |
| par value | | | | | | <u>(3)</u> | | |

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

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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 |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title |
| Stock Option (Right to Buy) | \$ 34.85 | 07/25/2011 | | <u>M(1)</u> | 25,000 | 03/14/2008 03/13/2015 | Common Stock, \$1 par value | 25,000 |
| Stock Option (Right to Buy) | \$ 38.35 | 07/25/2011 | | <u>M(1)</u> | 45,000 | 03/14/2009 03/14/2016 | Common Stock, \$1 par value | 45,000 |
| Stock Option (Right to Buy) | \$ 36.99 | 07/25/2011 | | <u>M(1)</u> | 35,000 | 05/17/2009 05/17/2016 | Common Stock, \$1 par value | 35,000 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Davis Robert M ONE BAXTER PARKWAY DEERFIELD, IL 60015 | | | Corporate Vice President | |

Signatures

/s/ John M. O'Connor, Attorney-in-Fact for Robert M.
Davis

07/27/2011

__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) Transaction effected pursuant to a Rule 10b5-1 trading plan
 - (2) Price reflects weighted average sales price. Range of prices for transaction is \$61.11 through \$62.11. Full information regarding the number of shares sold at each separate price will be provided by the issuer upon request.
 - (3) Price reflects weighted average sales price. Range of prices for transaction is \$62.13 through \$62.16. Full information regarding the number of shares sold at each separate price will be provided by the issuer upon request.

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