

BAXTER INTERNATIONAL INC

Form 10-Q

November 09, 2015

[Table of Contents](#)

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**WASHINGTON, D.C. 20549**

**FORM 10-Q**

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended September 30, 2015**

.. **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission file number 1-4448**

**BAXTER INTERNATIONAL INC.**

**(Exact name of registrant as specified in its charter)**

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Delaware  
(State or other jurisdiction of

36-0781620  
(I.R.S. Employer

incorporation or organization)

Identification No.)

One Baxter Parkway, Deerfield, Illinois  
(Address of principal executive offices)

60015  
(Zip Code)

224-948-2000

(Registrant's telephone number,  
including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The number of shares of the registrant's Common Stock, par value \$1.00 per share, outstanding as of October 30, 2015 was 547,017,700 shares.

Table of Contents

BAXTER INTERNATIONAL INC.

FORM 10-Q

For the quarterly period ended September 30, 2015

TABLE OF CONTENTS

	Page Number
<b><u>PART I. FINANCIAL INFORMATION</u></b>	
Item 1. <u>Financial Statements (unaudited)</u>	
<u>Condensed Consolidated Statements of Income</u>	2
<u>Condensed Consolidated Statements of Comprehensive Income</u>	3
<u>Condensed Consolidated Balance Sheets</u>	4
<u>Condensed Consolidated Statements of Cash Flows</u>	5
<u>Condensed Consolidated Statement of Changes in Equity</u>	6
<u>Notes to Condensed Consolidated Financial Statements</u>	7
Item 2. <u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	27
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	41
Item 4. <u>Controls and Procedures</u>	42
<u>Review by Independent Registered Public Accounting Firm</u>	43
<u>Report of Independent Registered Public Accounting Firm</u>	44
<b><u>PART II. OTHER INFORMATION</u></b>	
Item 1. <u>Legal Proceedings</u>	45
Item 6. <u>Exhibits</u>	46
<u>Signature</u>	47

**Table of Contents**

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## Baxter International Inc.

## Condensed Consolidated Statements of Income (unaudited)

(in millions, except per share data)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Net sales	\$2,487	\$2,709	\$7,365	\$7,930
Cost of sales	1,453	1,516	4,291	4,556
Gross margin	1,034	1,193	3,074	3,374
Marketing and administrative expenses	794	827	2,361	2,455
Research and development expenses	148	149	442	454
Operating income	92	217	271	465
Net interest expense	34	31	94	116
Other expense (income), net	91	(16)	(46)	(32)
(Loss) Income from continuing operations before income taxes	(33)	202	223	381
Income tax (benefit) expense	(35)	27	13	51
Income from continuing operations	2	175	210	330
(Loss) Income from discontinued operations, net of tax	(1)	293	553	1,214
Net income	\$ 1	\$ 468	\$ 763	\$1,544