

Baxter/Allegiance

	OCT. 1, 1996 PER SHARE MARKET VALUE (1)	VALUE ADJUSTED PER PREVIOUS SHARE OF BAXTER COMMON (2)	ADJUSTED VALUES AS A PERCENT OF TOTAL (3)	MULTIPLIER TO DETERMINE NEW COST PER SHARE COST BASIS (4)
Baxter International Common Stock	\$43.8125	\$43.8125	0.92456	0.92456
Allegiance Common Stock	\$17.875	\$3.575	0.07544	0.37721
TOTAL		\$47.3875	1.00000	

(1) Average of high and low trading prices for each stock on October 1, 1996, the first day of active trading of Allegiance stock, using prices obtained from official quotations of the New York Stock Exchange Composite Transactions on that date.

(2) Since Allegiance shares are being distributed on a 1-for-5 basis, their share market value must be adjusted by dividing by five (5).

(3) These fractions represent the \$43.8125 value of one share of Baxter common stock and the \$3.575 value of one-fifth (1/5) share of Allegiance common stock received for one (1) share of Baxter common stock, in relation to the sum of values, \$47.3875.

(4) This is a percentage of your previous per share tax basis for Baxter common stock, and is determined by multiplying by five (5) the percentage in the third column for Allegiance (to get to a full share basis).