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BAXTER ANNOUNCES COLLABORATION WITH CHATHAM THERAPEUTICS FOR FACTOR IX HEMOPHILIA B GENE THERAPY TREATMENT

DEERFIELD, Ill., June 4, 2012 – Baxter International Inc. (NYSE:BAX) today announced that it has entered into an exclusive global agreement with Chatham Therapeutics, LLC, an affiliate of Asklepios BioPharmaceutical, Inc. (AskBio), for the development and commercialization of potential treatments for hemophilia B utilizing Chatham’s gene therapy technology.

The collaboration will allow Baxter to investigate Chatham’s Biological Nano Particles™ (BNP), an advanced recombinant adeno-associated virus-(rAAV) based gene therapy technology that has shown potential therapeutic benefit in early clinical studies. A small independent study involving six patients using Chatham technology components was the topic of a 2011 article in The New England Journal of Medicine.¹ This agreement will involve the next generation of this gene therapy technology, which Baxter and Chatham will investigate through U.S.-based hemophilia B clinical trials. Baxter has obtained global rights for the marketing and commercialization of the new treatment.
“This collaboration demonstrates Baxter’s ongoing commitment to scientific innovation in advancing treatment options for patients living with hemophilia. This initiative complements Baxter’s extensive hemophilia portfolio and helps to address unmet needs of hemophilia patients,” said Ludwig Hantson, Ph.D., president of Baxter’s BioScience business.

Baxter made a $25 million upfront cash payment for the development and advancement of the program through early clinical trials, and will record this amount as a special pre-tax in-process research and development charge in the second quarter of 2012. Baxter may make additional payments over the next several years based on certain development and commercial milestones.

“This agreement initiates a clinical development collaboration dedicated to advancing a potential long-term treatment paradigm for hemophilia patients. We look forward to working with Baxter and view this transaction as the optimal path toward providing a sustainable therapeutic to a worldwide patient population,” said Jade Samulski, Vice President at AskBio and Co-Founder of Chatham Therapeutics.

Hemophilia B is the second most common type of hemophilia (also known as Christmas disease) and is the result of insufficient amounts of clotting factor IX, a naturally occurring protein in blood that controls bleeding. Hemophilia B occurs in about one in 25,000 males, with approximately 4,000 people in the United States currently diagnosed with the disease. Hemophilia B is often a debilitating, chronic disease with complications that include bleeding episodes, hemophilic arthropathy (bleeding into a joint) and hospitalization.
Baxter is pursuing a number of research opportunities in hemophilia. The company is conducting a Phase I/III clinical trial of BAX326, a recombinant Factor IX being evaluated for the treatment of patients with hemophilia B, and expects to file for U.S. approval by the end of 2012.

About Baxter International Inc.

Baxter International Inc., through its subsidiaries, develops, manufactures and markets products that save and sustain the lives of people with hemophilia, immune disorders, cancer, 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.

About Chatham Therapeutics, LLC.

Chatham Therapeutics, LLC is a private clinical development-stage biotechnology company engaged in the development of novel, gene therapy-mediated cures for hemophilia. The company is currently engaged in gene therapy-based therapeutic programs for both hemophilia A and B. Chatham Therapeutics, LLC is an affiliate of Asklepios BioPharmaceutical, Inc. (AskBio). AskBio is currently developing proprietary gene-delivery technologies for therapeutics, targeting diseases in the heart, CNS, muscle, ocular and liver tissues. For additional information, visit AskBio's Web site at http://www.askbio.com.
This release includes forward-looking statements concerning a collaboration agreement between Baxter and Chatham Therapeutics, LLC as well as Baxter’s existing recombinant Factor IX program. 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: satisfaction of regulatory and other requirements; actions of regulatory bodies and other governmental authorities; clinical results validating the use of BAX326 to treat patients with hemophilia B; changes in laws and regulations; product quality or patient safety issues; and other risks identified in Baxter’s most recent filing on Form 10-K and other SEC filings, all of which are available on Baxter’s website. Baxter does not undertake to update its forward-looking statements.

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