

BAXTER INTERNATIONAL INC

Form 8-K

December 22, 2006

Table of Contents

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 8-K

CURRENT REPORT

**PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported) December 20, 2006

Baxter International Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-4448

(Commission File Number)

36-0781620

(IRS Employer Identification No.)

One Baxter Parkway, Deerfield, Illinois

(Address of principal executive offices)

60015-4633

(Zip Code)

(847) 948-2000

(Registrant's telephone number, including area code)

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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TABLE OF CONTENTS

Item 1.01. Entry into a Material Definitive Agreement

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet
Arrangement of a Registrant

Item 1.02. Termination of a Material Definitive Agreement

Item 9.01. Financial Statements and Exhibits

SIGNATURES

Exhibit Index

Credit Agreement

Table of Contents

Item 1.01. Entry into a Material Definitive Agreement.

Item 2.03. Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

On December 20, 2006, Baxter International Inc. (the Company) entered into a \$1.5 billion, five-year revolving credit agreement (the Agreement) among the Company, as Borrower, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, J.P. Morgan Securities, Inc. and Banc of America Securities LLC as Co-Lead Arrangers and Joint Bookrunners, each of Deutsche Bank AG, Goldman Sachs Credit Partners L.P., UBS AG and Citibank, N.A., as Co-Documentation Agents, and the lenders party thereto. The Company may, at its option, seek to increase the aggregate commitment under the Agreement by up to \$500 million up to a maximum aggregate commitment of \$2 billion provided no event of default under the Agreement has occurred.

The Agreement enables the Company to borrow funds in U.S. Dollars, Swiss Francs, Japanese Yen and Euros on an unsecured basis at variable interest rates and contains financial and other covenants, including a maximum net-debt-to-capital ratio covenant, as well as events of default with respect to the Company and in some circumstances its Material Subsidiaries which are customary for facilities of this type. The Agreement also provides for the issuance of letters of credit.

The obligations of the lenders under the Agreement to provide advances will terminate on the earlier of (i) December 20, 2011 and (ii) the date on which the Commitments shall have been reduced to zero or terminated in whole pursuant to the terms of the Agreement including by reason of an event of default.

The description above is a summary of the Agreement and is qualified in its entirety by the complete text of the Agreement, a copy of which is attached to this report as Exhibit 10.1 and incorporated herein by reference. Capitalized terms not defined herein have the meanings given to them in the Agreement.

Item 1.02. Termination of a Material Definitive Agreement.

The Agreement replaces the Company's \$800 million, five-year revolving credit agreement, dated September 29, 2004, and its \$640 million, five-year revolving credit agreement, dated October 3, 2002, each of which was terminated on December 20, 2006.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 Credit Agreement dated December 20, 2006.

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BAXTER INTERNATIONAL INC.

By: /s/ David P. Scharf
David P. Scharf
Corporate Vice President,
Associate General Counsel and
Corporate Secretary

Date: December 22, 2006

Table of Contents

Exhibit Index

Exhibit No. Description

10.1 Credit Agreement dated December 20, 2006