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BAXTER AND ONCONOVA ANNOUNCE EUROPEAN LICENSING AGREEMENT FOR ANTI-CANCER COMPOUND RIGOSERTIB

Rigosertib in Late-Stage Studies for MDS and Pancreatic Cancer

DEERFIELD, Ill., and NEWTOWN, PA., SEPTEMBER 19, 2012– Baxter International Inc. (NYSE:BAX) and Onconova Therapeutics, Inc. today announced that they have entered into a European licensing agreement for rigosertib, a novel targeted anti-cancer compound currently in a Phase III study for the treatment of a group of rare hematologic malignancies called Myelodysplastic Syndromes (MDS) and in a Phase II/III study for pancreatic cancer.

Under the terms of the agreement, Baxter will obtain commercialization rights in the European Union and other countries in Europe. Baxter will make an upfront payment of $50 million to Onconova, which will be recorded as a special pre-tax in-process research and development charge in the third quarter of 2012. In addition, Onconova may receive up to $515 million in pre-commercial development and regulatory milestones for the MDS and

pancreatic cancer indications, in addition to sales milestones and royalties. Baxter has the option to participate in the development and commercialization of rigosertib in additional indications. Baxter has an existing equity investment with Onconova of $50 million.

"Rigosertib's first anticipated indication would be a natural complement to Baxter's existing treatments for patients managing rare hematologic conditions, and will allow us to expand the product portfolio of our existing hematologic sales force," said Ludwig Hantson, Ph.D., president of Baxter's BioScience business. "Our collaboration with Onconova will allow us to further expand our pipeline and extend our legacy in disease areas with critical needs."

Baxter recently announced that it has begun dosing patients with malignant solid tumors in a Phase I clinical trial of an anti-MIF antibody. Both programs are part of Baxter's expansion into oncology treatments, through a research and development initiative that builds on the company's expertise in treating patients with life-threatening medical conditions. Baxter's current oncology portfolio includes chemotherapeutic agents used alone or in combination with other products to treat cancers such as non-Hodgkin's lymphoma, as well as anti-emetic products designed to relieve the side effects of cancer therapeutics.

"We look forward to working closely with Baxter with the shared goal of providing this therapy to patients in Europe," said Ramesh Kumar, Chief Executive Officer of Onconova. "The financial resources resulting from this transaction will help to advance the rigosertib program toward commmercialization and will support other Onconova candidates in clinical development including Ex-RAD®, a radioprotectant, and ON 013105, our second novel anti-cancer agent."

Rigosertib's mechanism of action targets dual pathways (PI-3K and PLK) critical to the growth of cancer cells. It has been studied in more than 600 patients worldwide and has shown activity in treating both solid tumors and hematological malignancies. Rigosertib is currently being evaluated in a Phase III clinical trial in 270 MDS patients who have failed or relapsed after receiving current therapeutic options, with initial results expected in the second half of 2013. Rigosertib is also in a Phase II/III combination study in patients with previously untreated metastatic pancreatic cancer. In addition, an oral formulation of rigosertib is in a Phase II study in transfusion-dependent low or intermediate-1 risk MDS patients. Onconova has gained orphan drug designation for MDS in the United States and Europe.

MDS includes a wide range of bone marrow disorders, each associated with increased risk of bleeding and infection, and an increased risk of progression to acute myeloid leukemia (AML). MDS patients often require multiple blood transfusions and extensive supportive care to manage their disease, with very poor survival rates.[1] The annual incidence of MDS in Europe is approximately 3 per 100,000 people, and while MDS can occur in people of all ages, it is diagnosed most frequently in adults over 60 years of age.[2] Pancreatic cancer is a highly aggressive form of cancer. Because symptoms are vague, the disease is difficult to diagnose early and is associated with low survival rates. Recent figures suggest the mortality rate associated with pancreatic cancer in Europe is rising, and ranges between approximately 8/100,000 in men and 5/100,000 in women.[3]

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 Onconova Therapeutics, Inc.

Onconova Therapeutics Inc., based in Newtown, PA and Pennington, NJ, discovers and develops novel small molecule therapeutics directed at targets involved in signal transduction, cell cycle, and DNA repair. In addition to rigosertib, Onconova is developing two other clinical stage products: Ex-RAD® (a radioprotectant) and ON 013105 (a novel anti-cancer agent initially directed toward refractory lymphoma, including mantle cell lymphoma). For additional information, please visit http://www.onconova.com.

This release includes forward-looking statements concerning a collaboration agreement between Baxter International Inc. and Onconova Therapeutics, including expectations with respect to development milestone payments. 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 trial results; changes in laws and regulations; product quality or patient safety issues; and other risks identified in Baxter's most recent filings on Form 10-K and other SEC filings. Baxter does not undertake to update its forward-looking statements.

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[1] cancer.gov/cancertopics/pdq/treatment/myelodysplastic/Patient/page3
[2] theoncologist.alphamedpress.org/content/2/6/389.full
[3] Annonc.oxfordjournals.org/content/early/2012/02/24/annonc.mds024.full