

EDWARDS LIFESCIENCES CORPORATION
Reconciliation of GAAP to Non-GAAP Financial Information

(in millions, except per share data)	Three Months Ended December 31,		Year Ended December 31,	
	2009	2008	2009	2008
GAAP net income	\$47.6	\$38.1	\$229.1	\$128.9
<u>Reconciling items:</u>				
Gross profit				
Sale of ring repair products	-	4.7	(4.1)	4.7
Special charges (gains), net				
1) Adjustment to capitalized patent enforcement costs	3.7	8.2	3.7	8.2
2) Milestone receipt and net gain on sale of assets	-	(23.0)	(84.1)	(14.9)
3) Charitable fund contribution	-	-	15.0	-
4) Settlements and litigation	-	(1.5)	3.8	0.6
5) Investment impairment	-	-	1.6	-
6) Sale of distribution rights	-	-	(2.8)	-
7) Reserve reversal	-	-	(1.0)	-
8) Acquisition of in-process technology and intellectual property	-	19.5	-	19.5
9) DexCom collaboration agreement	-	13.4	-	13.4
10) Realignment expenses, net	-	(0.8)	-	(1.7)
Total special charges (gains), net	3.7	15.8	(63.8)	25.1
(Benefit) provision for income taxes				
Tax effect on non-GAAP adjustments (A)	(1.5)	(3.3)	17.8	1.7
Tax audit settlements	-	(10.1)	-	(10.1)
Total (benefit) provision for income taxes, net	(1.5)	(13.4)	17.8	(8.4)
Non-GAAP net income	\$49.8	\$45.2	\$179.0	\$150.3
Non-GAAP earnings per share:				
Basic non-GAAP earnings per share	\$0.88	\$0.81	\$3.18	\$2.69
Diluted non-GAAP earnings per share (B)	\$0.84	\$0.78	\$3.05	\$2.55
Non-GAAP weighted average shares outstanding:				
Basic	56.6	55.8	56.3	55.8
Diluted	59.4	58.0	58.7	59.6

Notes 1 - 10: See description of "Special charges (gains), net" on the previous page.

(A) The tax effect on non-GAAP adjustments is calculated using the relevant tax jurisdictions' statutory tax rates.

(B) Diluted non-GAAP earnings per share for 2008 was calculated by adding back to net income \$1.7 million for the full year in interest expense related to previous convertible debt, then dividing by the weighted-average diluted shares outstanding. The convertible debt was redeemed in June 2008.

Note: Numbers may not calculate due to rounding