

**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,	
	2008	2007	2008	2007
<b>GAAP net income</b>	\$38.1	\$15.8	\$128.9	\$113.0
<b>Reconciling items:</b>				
<b>Gross profit</b>				
Retrieval of Myxo and IMR ETlogix repair products	4.7	-	4.7	-
<b>Special charges, net</b>				
1) Milestone receipt and net gain on sale of assets	(23.0)	(1.8)	(14.9)	(1.8)
2) Acquisition of in-process technology and intellectual property	19.5	-	19.5	-
3) DexCom collaboration agreement	13.4	-	13.4	-
4) Adjustment to capitalized patent enforcement costs	8.2	-	8.2	-
5) Settlements and litigation (gains) losses, net	(1.5)	2.5	0.6	-
6) Realignment expenses, net	(0.8)	13.9	(1.7)	13.9
7) Pension settlement and adjustment	-	11.2	-	11.2
Total special charges, net	15.8	25.8	25.1	23.3
<b>Benefit (provision) for income taxes</b>				
Tax effect on non-GAAP adjustments (A)	(3.3)	(7.9)	1.7	(6.9)
Tax audit settlements	(10.1)	-	(10.1)	-
Total benefit for income taxes, net	(13.4)	(7.9)	(8.4)	(6.9)
<b>Non-GAAP net income</b>	\$45.2	\$33.7	\$150.3	\$129.4
<b>Non-GAAP earnings per share:</b>				
Basic non-GAAP earnings per share	\$0.81	\$0.59	\$2.69	\$2.26
Diluted non-GAAP earnings per share (B)	\$0.78	\$0.56	\$2.55	\$2.13
<b>Non-GAAP weighted average shares outstanding:</b>				
Basic	55.8	56.7	55.8	57.3
Diluted	58.0	62.0	59.6	62.7
<b>GAAP Gross profit margin</b>				
Retrieval of Myxo and IMR ETlogix repair products	68.1%	66.0%	66.1%	65.3%
<b>Non-GAAP Gross profit margin</b>	68.6%	66.0%	66.2%	65.3%

Notes 1 - 8: See description of "Special charges, 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 is 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.

Note: Numbers may not calculate due to rounding