

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

(in millions, except per share data)	Three Months Ended		Year Ended	
	December 31,		December 31,	
	2007	2006	2007	2006
<b>GAAP net income</b>	\$15.8	\$20.7	\$113.0	\$130.5
<b>Reconciling items:</b>				
<b>Cost of goods sold</b>				
Discontinued product	-	2.0	-	2.0
<b>Special charges (gains), net</b>				
1) Realignment expenses	13.9	7.3	13.9	9.4
2) Pension settlement and adjustment	11.2	-	11.2	-
3) Reversal of gain on estimated insurance settlement	2.5	-	-	-
4) Gain on sale of assets, net	(1.8)	(6.1)	(1.8)	(13.7)
5) Gain on patent settlement	-	-	-	(20.2)
6) PVT milestone	-	10.0	-	10.0
7) Discontinued products	-	6.8	-	6.8
8) Restructure 3F Therapeutics agreements	-	-	-	2.0
9) Litigation reserve	-	-	-	1.2
Total special charges (gains), net	25.8	18.0	23.3	(4.5)
<b>Provision (benefit) for income taxes</b>				
Tax effect on non-GAAP adjustments (A)	(7.9)	(3.8)	(6.9)	6.6
Tax audit settlements	-	(3.2)	-	(3.2)
Tax benefit from reversal of valuation allowance	-	-	-	(3.7)
Total benefit for income taxes, net	(7.9)	(7.0)	(6.9)	(0.3)
<b>Non-GAAP net income</b>	<b>\$33.7</b>	<b>\$33.7</b>	<b>\$129.4</b>	<b>\$127.7</b>
<b>Non-GAAP earnings per share:</b>				
Basic non-GAAP earnings per share	\$0.59	\$0.58	\$2.26	\$2.18
Diluted non-GAAP earnings per share (B)	\$0.56	\$0.55	\$2.13	\$2.06
<b>Non-GAAP weighted average shares outstanding:</b>				
Basic	56.7	57.7	57.3	58.5
Diluted	62.0	63.2	62.7	63.9
<b>GAAP Gross profit margin</b>				
	66.0%	63.3%	65.3%	64.0%
Effect of Discontinued product	-	0.8%	-	0.2%
<b>Non-GAAP Gross profit margin</b>	<b>66.0%</b>	<b>64.1%</b>	<b>65.3%</b>	<b>64.2%</b>

Notes 1 - 9: 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 is calculated by adding back to net income \$1.0 million for the quarter in interest expense related to the convertible debt for the quarter, and \$4.0 million for the full year, then dividing by the weighted average diluted shares outstanding.

Note: Numbers may not calculate due to rounding