

EDWARDS LIFESCIENCES CORPORATION
Unaudited Consolidated Statements of Operations

(in millions, except per share data)	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Net sales	\$327.6	\$272.6	\$624.4	\$536.7
Cost of goods sold	113.0	94.7	215.9	187.9
Gross profit	214.6	177.9	408.5	348.8
Selling, general and administrative expenses	126.5	101.7	241.1	200.3
Research and development expenses	35.4	29.1	68.3	57.9
Special (gains) charges, net	(0.8)	-	9.3	-
Interest expense, net	0.4	0.4	0.8	0.6
Other expense (income), net	1.0	(0.1)	2.2	(1.4)
Income before provision for income taxes	52.1	46.8	86.8	91.4
Provision for income taxes	12.4	11.9	28.9	23.3
Net income	\$39.7	\$34.9	\$57.9	\$68.1

Earnings per share:

Basic earnings per share	\$0.72	\$0.61	\$1.04	\$1.18
Diluted earnings per share	\$0.67	\$0.57	\$0.98	\$1.11

Weighted average common shares outstanding:

Basic	55.4	57.5	55.8	57.7
Diluted	60.2	63.0	60.7	63.2

Operating Statistics

As a percentage of net sales:				
Gross profit	65.5%	65.3%	65.4%	65.0%
Selling, general and administrative expenses	38.6%	37.3%	38.6%	37.3%
Research and development expenses	10.8%	10.7%	10.9%	10.8%
Income before provision for income taxes	15.9%	17.2%	13.9%	17.0%
Net income	12.1%	12.8%	9.3%	12.7%
Effective tax rate	23.8%	25.4%	33.3%	25.5%

Computation of Diluted Earnings per Share

Net income	\$39.7	\$34.9	\$57.9	\$68.1
Adjustment for convertible debt interest expense	0.7	1.0	1.7	2.0
Adjusted net income	\$40.4	\$35.9	\$59.6	\$70.1
Weighted average common shares outstanding used to calculate diluted earnings per share excluding convertible debt	58.2	60.3	58.3	60.5
Weighted average common shares outstanding for the convertible debt	2.0	2.7	2.4	2.7
Weighted average common shares outstanding used to calculate diluted earnings per share including the convertible debt	60.2	63.0	60.7	63.2
Diluted earnings per share including the convertible debt	\$0.67	\$0.57	\$0.98	\$1.11

Note: Numbers may not foot due to rounding

EDWARDS LIFESCIENCES CORPORATION**Unaudited Balance Sheets**

(in millions)

	June 30, 2008	December 31, 2007
ASSETS		
Current assets		
Cash and cash equivalents	\$188.2	\$141.8
Short-term investments	19.9	49.4
Accounts and other receivables, net	173.3	145.3
Inventories, net	136.8	152.6
Deferred income taxes	30.6	30.2
Prepaid expenses	41.7	25.4
Other current assets	44.6	37.0
Total current assets	<u>635.1</u>	<u>581.7</u>
Property, plant and equipment, net	224.6	228.2
Goodwill	315.7	350.3
Other intangible assets, net	109.6	122.5
Investments in unconsolidated affiliates	27.1	34.3
Deferred income taxes	17.2	13.8
Other assets	19.0	14.3
Total assets	<u><u>\$1,348.3</u></u>	<u><u>\$1,345.1</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$226.6	\$225.4
Convertible debt	-	150.0
Total current liabilities	<u>226.6</u>	<u>375.4</u>
Long-term debt	141.7	61.7
Other long-term liabilities	82.7	73.0
Stockholders' equity		
Common stock	72.7	68.6
Additional contributed capital	884.0	680.6
Retained earnings	606.5	548.6
Accumulated other comprehensive income	19.2	7.5
Common stock in treasury, at cost	(685.1)	(470.3)
Total stockholders' equity	<u>897.3</u>	<u>835.0</u>
Total liabilities and stockholders' equity	<u><u>\$1,348.3</u></u>	<u><u>\$1,345.1</u></u>

EDWARDS LIFESCIENCES CORPORATION

Non-GAAP Financial Information

To supplement the consolidated financial results prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), the Company uses non-GAAP financial measures that exclude certain items, such as special charges and gains, results of discontinued products, and fluctuations in exchange rates. Management does not consider the excluded items part of day-to-day business or reflective of the core operational activities of the Company as they result from transactions outside the ordinary course of business.

Management uses non-GAAP financial measures internally for strategic decision making, forecasting future results and evaluating current performance. Certain guidance is provided only on a non-GAAP basis that excludes special items and foreign exchange fluctuations due to the inherent difficulty in forecasting such items. By disclosing non-GAAP financial measures, management intends to provide investors with a more meaningful, consistent comparison of the Company's core operating results and trends for the periods presented.

Non-GAAP financial measures are not prepared in accordance with GAAP; therefore, the information is not necessarily comparable to other companies and should be considered as a supplement to, not a substitute for, nor superior to, the corresponding measures calculated in accordance with GAAP.

The items described below are excluded from the GAAP financial results in the reconciliations that follow:

Special (Gains) Charges, net - The Company incurred certain special charges and gains in 2008 related to the following:

- 1) *Loss on sale of product line*: \$8.1 million net loss on the sale of the LifeStent product line in the first quarter of 2008;
- 2) *Litigation settlement*: \$2.1 million charge for a litigation settlement;
- 3) *Realignment expenses, net*: \$1.3 million charge for executive severance in the first quarter of 2008 associated with the Company's business realignment, offset by a \$1.4 million gain from the reversal of previously accrued severance costs from the fourth quarter of 2007 related to the sale of the LifeStent product line; \$0.8 million gain in the second quarter of 2008 from the reversal of previously accrued severance costs in the fourth quarter of 2007 related to the global reduction in workforce.

Given the magnitude and unusual nature of these special charges and gains relative to the operating results for the periods presented, these items have been excluded from non-GAAP net income.

Results of Discontinued Products – The Company has discontinued certain products during the periods presented. As discontinued products do not have a continuing contribution to operations, management believes that excluding such items from the Company's sales growth provides investors with a means of evaluating the Company's on-going operations. In light of the significance of the impact these products had on the sales growth of the Company, the sales results of these products have been detailed in the "Unaudited Reconciliation of Sales by Product Line and Region."

Foreign Exchange - Fluctuation in exchange rates impacts the comparative results and sales growth rates of the Company's underlying business. Management believes that excluding the impact of foreign exchange rate fluctuations from its sales growth provides investors a more meaningful comparison to historical financial results. The impact of foreign exchange rate fluctuations has been detailed in the "Unaudited Reconciliation of Sales by Product Line and Region."

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

(in millions, except per share data)	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2008	2007	2008	2007
GAAP net income	\$39.7	\$34.9	\$57.9	\$68.1
Reconciling items:				
Special (gains) charges, net				
1) Loss on sale of product line	-	-	8.1	-
2) Litigation settlement	-	-	2.1	-
3) Realignment expenses, net	(0.8)	-	(0.9)	-
Total special (gains) charges, net	(0.8)	-	9.3	-
Provision for income taxes				
Tax effect on non-GAAP adjustments (A)	0.1	-	5.0	-
Total provision for income taxes, net	0.1	-	5.0	-
Non-GAAP net income	\$39.0	\$34.9	\$72.2	\$68.1
Non-GAAP earnings per share:				
Basic non-GAAP earnings per share	\$0.70	\$0.61	\$1.29	\$1.18
Diluted non-GAAP earnings per share (B)	\$0.66	\$0.57	\$1.22	\$1.11
Non-GAAP weighted average shares outstanding:				
Basic	55.4	57.5	55.8	57.7
Diluted	60.2	63.0	60.7	63.2

Notes 1 - 3: See description of Special (Gains) 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 \$0.7 million for the quarter in interest expense related to the convertible debt, and \$1.7 million for the six month period, then dividing by the weighted average diluted shares outstanding.

Note: Numbers may not calculate due to rounding

EDWARDS LIFESCIENCES CORPORATION
Unaudited Reconciliation of Sales by Product Line and Region
(in millions)

Sales by Product Line (QTD)	2Q 2008	2Q 2007	Change	GAAP Growth Rate	2008 Adjusted		2007 Adjusted			Underlying Growth Rate *
					Discontinued Product Line Impact	2Q 2008 Underlying Sales	Discontinued Product Line Impact	FX Impact	2Q 2007 Underlying Sales	
Heart Valve Therapy	\$ 162.6	\$ 131.3	\$ 31.3	23.8%	\$ -	\$ 162.6	\$ (2.1)	\$ 9.7	\$ 138.9	17.2%
Critical Care	116.6	97.4	19.2	19.7%	-	116.6	-	7.6	105.0	11.0%
Cardiac Surgery Systems	23.5	15.2	8.3	54.6%	(0.2)	23.3	4.7	1.0	20.9	11.8%
Vascular	24.9	22.3	2.6	11.7%	(9.9)	15.0	(8.1)	1.2	15.4	(2.5%)
Other Distributed Products	-	6.4	(6.4)	(100.0%)	-	-	(6.3)	-	0.1	(100.0%)
Total Sales	\$ 327.6	\$ 272.6	\$ 55.0	20.2%	\$ (10.1)	\$ 317.5	\$ (11.8)	\$ 19.5	\$ 280.3	13.3%

Sales by Product Line (YTD)	YTD 2Q 2008	YTD 2Q 2007	Change	GAAP Growth Rate	2008 Adjusted		2007 Adjusted			Underlying Growth Rate *
					Discontinued Product Line Impact	YTD 2008 Underlying Sales	Discontinued Product Line Impact	FX Impact	YTD 2007 Underlying Sales	
Heart Valve Therapy	\$ 309.3	\$ 260.8	\$ 48.5	18.6%	\$ -	\$ 309.3	\$ (3.9)	\$ 15.8	\$ 272.7	13.4%
Critical Care	223.3	188.3	35.0	18.6%	(0.6)	222.7	-	12.8	201.1	10.7%
Cardiac Surgery Systems	44.9	32.0	12.9	40.3%	(0.2)	44.7	7.0	1.8	40.8	9.7%
Vascular	46.9	42.5	4.4	10.4%	(17.7)	29.2	(14.2)	2.0	30.3	(3.7%)
Other Distributed Products	-	13.1	(13.1)	(100.0%)	-	-	(13.2)	0.1	-	(101.9%)
Total Sales	\$ 624.4	\$ 536.7	\$ 87.7	16.3%	\$ (18.5)	\$ 605.9	\$ (24.3)	\$ 32.5	\$ 544.9	11.2%

Sales by Region (QTD)	2Q 2008	2Q 2007	Change	GAAP Growth Rate
United States	\$ 139.7	\$ 120.5	\$ 19.2	15.9%
Europe	105.7	78.5	27.2	34.6%
Japan	45.5	42.3	3.2	7.6%
Rest of World	36.7	31.3	5.4	17.3%
International	187.9	152.1	35.8	23.5%
Total	\$ 327.6	\$ 272.6	\$ 55.0	20.2%

Sales by Region (YTD)	YTD 2Q 2008	YTD 2Q 2007	Change	GAAP Growth Rate
United States	\$ 275.2	\$ 244.6	\$ 30.6	12.5%
Europe	196.9	152.4	44.5	29.2%
Japan	83.3	80.9	2.4	3.0%
Rest of World	69.0	58.8	10.2	17.3%
International	349.2	292.1	57.1	19.5%
Total	\$ 624.4	\$ 536.7	\$ 87.7	16.3%

* Numbers may not calculate due to rounding.