

EDWARDS LIFESCIENCES CORPORATION
Unaudited Consolidated Statements of Operations

Three Months Ended
March 31,

(in millions, except per share data)

	2011	2010
Net sales	\$404.5	\$340.5
Cost of goods sold	116.8	98.6
Gross profit	287.7	241.9
Selling, general and administrative expenses	150.3	134.0
Research and development expenses	59.0	45.2
Interest expense, net	-	0.2
Other income, net	(6.2)	(3.0)
Income before provision for income taxes	84.6	65.5
Provision for income taxes	20.7	17.8
Net income	\$63.9	\$47.7

Earnings per share: ^(A)

Basic earnings per share	\$0.56	\$0.42
Diluted earnings per share	\$0.53	\$0.40

Weighted-average common shares outstanding: ^(A)

Basic	114.9	113.2
Diluted	120.5	119.0

Operating Statistics

As a percentage of net sales:

Gross profit	71.1%	71.0%
Selling, general and administrative expenses	37.2%	39.4%
Research and development expenses	14.6%	13.3%
Income before provision for income taxes	20.9%	19.2%
Net income	15.8%	14.0%
Effective tax rate	24.5%	27.2%

Note: Numbers may not calculate due to rounding.

(A) All share and per share amounts were adjusted for the May 27, 2010 two-for-one stock split.

EDWARDS LIFESCIENCES CORPORATION
Unaudited Balance Sheets
(in millions)

	March 31, 2011	December 31, 2010
ASSETS		
Current assets		
Cash and cash equivalents	\$433.8	\$396.1
Accounts and other receivables, net	354.2	302.5
Inventories, net	217.7	203.6
Deferred income taxes	56.0	51.9
Prepaid expenses	42.7	35.4
Other current assets	45.9	43.1
Total current assets	<u>1,150.3</u>	<u>1,032.6</u>
Property, plant and equipment, net	274.3	269.8
Goodwill	349.9	315.2
Other intangible assets, net	76.3	67.1
Investments in unconsolidated affiliates	27.3	25.0
Deferred income taxes	41.0	44.5
Other assets	12.0	13.0
Total assets	<u><u>\$1,931.1</u></u>	<u><u>\$1,767.2</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$295.7	\$296.0
Short-term debt	149.5	41.8
Total current liabilities	<u>445.2</u>	<u>337.8</u>
Other long-term liabilities	<u>128.1</u>	<u>121.2</u>
Stockholders' equity		
Common stock	117.7	117.0
Additional paid-in capital	246.0	211.3
Retained earnings	1,187.9	1,124.0
Accumulated other comprehensive loss	(15.5)	(42.1)
Treasury stock, at cost	(178.3)	(102.0)
Total stockholders' equity	<u>1,357.8</u>	<u>1,308.2</u>
Total liabilities and stockholders' equity	<u><u>\$1,931.1</u></u>	<u><u>\$1,767.2</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 historical financial measures. The Company uses the term "underlying" when referring to non-GAAP sales information, which excludes discontinued and newly acquired products and foreign exchange fluctuations, and earnings per share "excluding special items" to also exclude gains and losses from special items such as significant investments, litigation, and business development transactions. Guidance for sales and sales growth rates is provided on an "underlying basis", and projections for diluted earnings per share, gross profit margin, net income and growth is also provided on the same non-GAAP (or "excluding special items") basis due to the inherent difficulty in forecasting such items. 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. 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. These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP and reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. These non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with generally accepted accounting principles.

Non-GAAP financial measures are not prepared in accordance with GAAP; therefore, the information is not necessarily comparable to other companies. The Company is not able to provide a reconciliation of projected earnings per share, gross profit margin, net income and growth guidance, excluding special charges, to expected reported results due to the unknown effect, timing and potential significance of special charges or gains, and management's inability to forecast charges associated with future transactions and initiatives.

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

Results of Discontinued and Other Products – The Company has at times discontinued certain products. 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 can have on the sales growth of the Company, the sales results of these products are 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
Unaudited Reconciliation of Sales by Product Line and Region
(\$ in millions)

Sales by Product Line (QTD)	1Q 2011	1Q 2010	Change	GAAP Growth Rate*	2011 Adjusted		2010 Adjusted			Underlying Growth Rate *
					Discontinued Product Impact	1Q 2011 Underlying Sales	Discontinued Product Impact	FX Impact	1Q 2010 Underlying Sales	
Surgical Heart Valve Therapy	\$ 172.2	\$ 157.6	\$ 14.6	9.2%	\$ -	\$ 172.2	\$ -	\$ 2.2	\$ 159.8	7.8%
Transcatheter Heart Valves	72.7	39.1	33.6	85.7%	-	72.7	-	(0.5)	38.6	88.5%
Total Heart Valve Therapy	244.9	196.7	48.2	24.5%	-	244.9	-	1.7	198.4	23.8%
Critical Care	120.6	105.1	15.5	14.8%	-	120.6	-	2.9	108.0	11.7%
Cardiac Surgery Systems	26.1	24.8	1.3	5.5%	-	26.1	-	0.2	25.0	4.2%
Vascular	12.9	13.9	(1.0)	(7.5%)	-	12.9	-	0.2	14.1	(8.4%)
Total Sales	\$ 404.5	\$ 340.5	\$ 64.0	18.8%	\$ -	\$ 404.5	\$ -	\$ 5.0	\$ 345.5	17.3%

Sales by Region (QTD)	1Q 2011	1Q 2010	Change	GAAP Growth Rate*
United States	\$ 149.1	\$ 138.3	\$ 10.8	7.8%
Europe	139.5	107.7	31.8	29.5%
Japan	69.3	56.0	13.3	23.7%
Rest of World	46.6	38.5	8.1	21.2%
International	255.4	202.2	53.2	26.3%
Total	\$ 404.5	\$ 340.5	\$ 64.0	18.8%

* Numbers may not calculate due to rounding.