

EDWARDS LIFESCIENCES CORPORATION
Unaudited Consolidated Statements of Operations

| (in millions, except per share data) | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|---------|------------------------------------|---------|
| | 2009 | 2008 | 2009 | 2008 |
| Net sales | \$325.7 | \$303.6 | \$974.7 | \$928.0 |
| Cost of goods sold | 98.5 | 104.9 | 297.4 | 320.8 |
| Gross profit | 227.2 | 198.7 | 677.3 | 607.2 |
| Selling, general and administrative expenses | 126.1 | 119.3 | 376.5 | 360.4 |
| Research and development expenses | 44.7 | 35.1 | 127.2 | 103.4 |
| Special (gains) charges, net | (38.2) | - | (67.5) | 9.3 |
| Interest expense (income), net | 0.6 | (0.4) | 0.9 | 0.4 |
| Other (income) expense, net | (0.2) | 1.1 | (1.8) | 3.3 |
| Income before provision for income taxes | 94.2 | 43.6 | 242.0 | 130.4 |
| Provision for income taxes | 20.7 | 10.7 | 60.5 | 39.6 |
| Net income | \$73.5 | \$32.9 | \$181.5 | \$90.8 |

Earnings per share:

| | | | | |
|----------------------------|--------|--------|--------|--------|
| Basic earnings per share | \$1.30 | \$0.59 | \$3.23 | \$1.63 |
| Diluted earnings per share | \$1.25 | \$0.56 | \$3.10 | \$1.54 |

Weighted average common shares outstanding:

| | | | | |
|---------|------|------|------|------|
| Basic | 56.4 | 56.0 | 56.2 | 55.8 |
| Diluted | 58.7 | 59.0 | 58.6 | 60.1 |

Operating Statistics

As a percentage of net sales:

| | | | | |
|--|-------|-------|-------|-------|
| Gross profit | 69.8% | 65.4% | 69.5% | 65.4% |
| Selling, general and administrative expenses | 38.7% | 39.3% | 38.6% | 38.8% |
| Research and development expenses | 13.7% | 11.6% | 13.1% | 11.1% |
| Income before provision for income taxes | 28.9% | 14.4% | 24.8% | 14.1% |
| Net income | 22.6% | 10.8% | 18.6% | 9.8% |
| Effective tax rate | 22.0% | 24.5% | 25.0% | 30.4% |

Computation of Diluted Earnings per Share

| | | | | |
|--|--------|--------|---------|--------|
| Net income | \$73.5 | \$32.9 | \$181.5 | \$90.8 |
| Adjustment for convertible debt interest expense | - | - | - | 1.7 |
| Adjusted net income | \$73.5 | \$32.9 | \$181.5 | \$92.5 |
| Weighted-average common shares outstanding used to calculate diluted earnings per share excluding convertible debt | 58.7 | 59.0 | 58.6 | 58.5 |
| Weighted-average common shares outstanding for the convertible debt | - | - | - | 1.6 |
| Weighted-average common shares outstanding used to calculate diluted earnings per share including the convertible debt | 58.7 | 59.0 | 58.6 | 60.1 |
| Diluted earnings per share including the convertible debt | \$1.25 | \$0.56 | \$3.10 | \$1.54 |

Note: Numbers may not calculate due to rounding

EDWARDS LIFESCIENCES CORPORATION**Unaudited Balance Sheets**

(in millions)

| | September 30, 2009 | December 31, 2008 |
|---|-------------------------------|------------------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$287.6 | \$218.7 |
| Short-term investments | 1.9 | 8.1 |
| Accounts and other receivables, net (1) | 280.5 | 204.7 |
| Inventories, net | 168.7 | 151.8 |
| Deferred income taxes | 44.7 | 42.4 |
| Prepaid expenses | 40.7 | 30.7 |
| Other current assets | 38.9 | 35.5 |
| Total current assets | <u>863.0</u> | <u>691.9</u> |
| Property, plant and equipment, net | 240.7 | 230.1 |
| Goodwill | 315.2 | 315.7 |
| Other intangible assets, net | 91.0 | 96.9 |
| Investments in unconsolidated affiliates | 24.8 | 14.7 |
| Deferred income taxes | 39.6 | 37.7 |
| Other assets | 13.7 | 13.2 |
| Total assets | <u><u>\$1,588.0</u></u> | <u><u>\$1,400.2</u></u> |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Accounts payable and accrued liabilities | \$282.1 | \$258.5 |
| Long-term debt | 102.3 | 175.5 |
| Other long-term liabilities | 113.1 | 87.4 |
| Stockholders' equity | | |
| Common stock | 75.4 | 73.7 |
| Additional contributed capital | 1,019.5 | 940.4 |
| Retained earnings | 858.4 | 676.9 |
| Accumulated other comprehensive loss | (6.4) | (35.4) |
| Common stock in treasury, at cost | (856.4) | (776.8) |
| Total stockholders' equity | <u>1,090.5</u> | <u>878.8</u> |
| Total liabilities and stockholders' equity | <u><u>\$1,588.0</u></u> | <u><u>\$1,400.2</u></u> |

(1) The Company terminated its securitization program in Japan in February 2009. As a result, "Accounts and other receivables, net" increased \$45.7 million.

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 (or "underlying") 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:

Gross profit - In the fourth quarter of 2008, the Company increased by \$4.7 million its non-GAAP gross profit to exclude the impact of its voluntary retrieval of certain ring repair products pending clearance of its 510k application submission from the Food and Drug Administration. Upon the return of most of these ring repair products to customers in the second quarter of 2009, the Company excluded the \$4.1 million impact from its non-GAAP gross profit. Given the magnitude and unusual nature of this adjustment relative to the operating results for the period presented, the financial impact of the retrieval has been excluded from non-GAAP net income.

Special (gains) charges, net - The Company incurred certain special charges and gains in 2009 and 2008 related to the following:

- 1) *Milestone receipt and net (gain) loss on sale of assets*: \$43.6 million gain in the third quarter of 2009 and \$1.5 million charge in the second quarter of 2009 related to the sale of the hemofiltration product line; \$15.0 million gain in the third quarter of 2009 and \$27.0 million gain in the first quarter of 2009 for achieving milestones associated with the sale of the LifeStent product line; \$8.1 million net loss on the sale of the LifeStent product line in the first quarter of 2008;
- 2) *Charitable fund contribution*: \$15.0 million charge in the third quarter of 2009 for a charitable contribution to The Edwards Lifesciences Fund;
- 3) *Litigation reserves*: \$3.8 million charge in the third quarter of 2009 for a litigation reserve; \$2.1 million charge for a litigation settlement in the first quarter of 2008;
- 4) *Investment impairment*: \$1.6 million charge in the third quarter of 2009 related to the impairment of an investment in an unconsolidated affiliate;
- 5) *Sale of distribution rights*: \$2.8 million gain in the first quarter of 2009 related to the sale of distribution rights in Europe of a specialty vascular graft;
- 6) *Reserve reversal*: \$1.0 million gain in the first quarter of 2009 resulting from completion of the Lifepath AAA clinical obligations;
- 7) *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 in the first quarter of 2008 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 and Other 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 September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|---------------|------------------------------------|----------------|
| | 2009 | 2008 | 2009 | 2008 |
| GAAP net income | \$73.5 | \$32.9 | \$181.5 | \$90.8 |
| Reconciling items: | | | | |
| Gross profit | | | | |
| Sale of ring repair products | - | - | (4.1) | - |
| Special (gains) charges, net | | | | |
| 1) Milestone receipt and net (gain) loss on sale of assets | (58.6) | - | (84.1) | 8.1 |
| 2) Charitable fund contribution | 15.0 | - | 15.0 | - |
| 3) Litigation reserves | 3.8 | - | 3.8 | 2.1 |
| 4) Investment impairment | 1.6 | - | 1.6 | - |
| 5) Sale of distribution rights | - | - | (2.8) | - |
| 6) Reserve reversal | - | - | (1.0) | - |
| 7) Realignment expenses, net | - | - | - | (0.9) |
| Total special (gains) charges, net | (38.2) | - | (67.5) | 9.3 |
| Provision for income taxes | | | | |
| Tax effect on non-GAAP adjustments (A) | 6.5 | - | 19.3 | 5.0 |
| Total provision for income taxes, net | 6.5 | - | 19.3 | 5.0 |
| Non-GAAP net income | \$41.8 | \$32.9 | \$129.2 | \$105.1 |
| Non-GAAP earnings per share: | | | | |
| Basic non-GAAP earnings per share | \$0.74 | \$0.59 | \$2.30 | \$1.88 |
| Diluted non-GAAP earnings per share (B) | \$0.71 | \$0.56 | \$2.20 | \$1.78 |
| Non-GAAP weighted average shares outstanding: | | | | |
| Basic | 56.4 | 56.0 | 56.2 | 55.8 |
| Diluted | 58.7 | 59.0 | 58.6 | 60.1 |

Notes 1 - 7: 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 for 2008 was calculated by adding back to net income \$1.7 million for the nine month period 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

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

| Sales by Product Line (QTD) | 3Q 2009 | 3Q 2008 | Change | GAAP Growth Rate | 2009 Adjusted | | 2008 Adjusted | | | Underlying Growth Rate * |
|-----------------------------|-----------------|-----------------|----------------|------------------|---|--------------------------|---|-----------------|--------------------------|--------------------------|
| | | | | | Discontinued/ Other Product Line Impact | 3Q 2009 Underlying Sales | Discontinued/ Other Product Line Impact | FX Impact | 3Q 2008 Underlying Sales | |
| Heart Valve Therapy | \$ 174.1 | \$ 148.4 | \$ 25.7 | 17.3% | \$ - | \$ 174.1 | \$ (0.2) | \$ (2.1) | \$ 146.1 | 19.2% |
| Critical Care | 114.2 | 110.3 | 3.9 | 3.5% | - | 114.2 | (4.3) | (0.5) | 105.5 | 8.4% |
| Cardiac Surgery Systems | 22.3 | 21.4 | 0.9 | 4.2% | - | 22.3 | - | (0.4) | 21.0 | 6.2% |
| Vascular | 15.1 | 23.5 | (8.4) | (35.7%) | (1.9) | 13.2 | (9.3) | (0.4) | 13.8 | (4.9%) |
| Total Sales | \$ 325.7 | \$ 303.6 | \$ 22.1 | 7.3% | \$ (1.9) | \$ 323.8 | \$ (13.8) | \$ (3.4) | \$ 286.4 | 13.1% |

| Sales by Product Line (YTD) | YTD 3Q 2009 | YTD 3Q 2008 | Change | GAAP Growth Rate | 2009 Adjusted | | 2008 Adjusted | | | Underlying Growth Rate * |
|-----------------------------|-----------------|-----------------|----------------|------------------|---|---------------------------|---|------------------|---------------------------|--------------------------|
| | | | | | Discontinued/ Other Product Line Impact | YTD 2009 Underlying Sales | Discontinued/ Other Product Line Impact | FX Impact | YTD 2008 Underlying Sales | |
| Heart Valve Therapy | \$ 526.6 | \$ 457.7 | \$ 68.9 | 15.1% | \$ (4.2) | \$ 522.4 | \$ (0.2) | \$ (17.4) | \$ 440.1 | 18.7% |
| Critical Care | 331.7 | 333.6 | (1.9) | (0.6%) | - | 331.7 | (4.9) | (10.0) | 318.7 | 4.1% |
| Cardiac Surgery Systems | 68.9 | 66.3 | 2.6 | 3.9% | (0.1) | 68.8 | (0.2) | (2.3) | 63.8 | 7.8% |
| Vascular | 47.5 | 70.4 | (22.9) | (32.5%) | (7.8) | 39.7 | (27.0) | (2.1) | 41.3 | (4.4%) |
| Total Sales | \$ 974.7 | \$ 928.0 | \$ 46.7 | 5.0% | \$ (12.1) | \$ 962.6 | \$ (32.3) | \$ (31.8) | \$ 863.9 | 11.4% |

| Sales by Region (QTD) | 3Q 2009 | 3Q 2008 | Change | GAAP Growth Rate |
|-----------------------|-----------------|-----------------|----------------|------------------|
| United States | \$ 137.0 | \$ 135.6 | \$ 1.4 | 1.0% |
| Europe | 97.0 | 89.6 | 7.4 | 8.3% |
| Japan | 52.6 | 42.4 | 10.2 | 24.1% |
| Rest of World | 39.1 | 36.0 | 3.1 | 8.6% |
| International | 188.7 | 168.0 | 20.7 | 12.3% |
| Total | \$ 325.7 | \$ 303.6 | \$ 22.1 | 7.3% |

| Sales by Region (YTD) | YTD 3Q 2009 | YTD 3Q 2008 | Change | GAAP Growth Rate |
|-----------------------|-----------------|-----------------|----------------|------------------|
| United States | \$ 415.4 | \$ 410.8 | \$ 4.6 | 1.1% |
| Europe | 298.4 | 286.5 | 11.9 | 4.2% |
| Japan | 154.4 | 125.7 | 28.7 | 22.8% |
| Rest of World | 106.5 | 105.0 | 1.5 | 1.4% |
| International | 559.3 | 517.2 | 42.1 | 8.1% |
| Total | \$ 974.7 | \$ 928.0 | \$ 46.7 | 5.0% |

* Numbers may not calculate due to rounding.