

Notes to the Unaudited Reconciliation Schedules

Certain disclosures prepared in accordance with Generally Accepted Accounting Principles ("GAAP") contained in this discussion are accompanied by disclosures that are not prepared in conformity with GAAP. These non-GAAP disclosures exclude certain items from the GAAP presentations. Management has determined that these non-GAAP disclosures provide (1) a more meaningful, consistent comparison of the Company's operating results for the periods presented, on a basis consistent with management's means of evaluating operating performance, and (2) additional information for investors to assess changes between periods that better reflect the Company's ongoing operations. The items included in these non-GAAP disclosures, and the basis for excluding them, are set forth below:

In-Process Research and Development - The Company incurred purchased in-process research and development expenses on the acquisition of PVT last year. Given the materiality and unusual nature of these expenses relative to the operating results for the periods presented, these expenses have been excluded in the Adjusted Unaudited Consolidated Statements of Operations and the Unaudited Reconciliation of Consolidated Statements of Operations.

Other Items - The Company generated certain special credits and charges, related to (i) the 2005 sale of the Japan Perfusion Products business, (ii) the Japan realignment in 2005, and (iii) the 2004 termination of its Lifepath AAA program and its Interventional Cardiology products. Given the materiality and unusual nature of these items relative to the operating results for the periods presented, these items have been excluded in the Adjusted Unaudited Consolidated Statements of Operations and the Unaudited Reconciliation of Consolidated Statements of Operations.

Results of Discontinued Businesses – The Company has exited certain businesses during the periods presented. In light of the significance of the impact these businesses had on the profitability of the Company, the results of these businesses have been excluded in the Reconciliation of Sales by Product Line and Region.

Foreign Exchange - Fluctuation in exchange rates impacts the comparative results and growth rates of the Company's underlying business. The impact of foreign exchange rate fluctuations have been excluded in the Reconciliation of Sales by Product Line and Region. Management believes that excluding these impacts helps explain changes in the fundamental business operations.

Edwards Lifesciences Corporation
Unaudited Reconciliation of Consolidated Statements of Operations

(in millions, except per share data)

	Q1 2005 As Reported	Special Items		Q1 2005 As Adjusted
		Gain on sale of Japan Perfusion Products Business	Japan Realignment	
Net sales	\$249.1			\$249.1
Cost of goods sold	96.2			96.2
Gross profit	152.9			152.9
Selling, general and administrative expenses	85.6			85.6
Research and development expenses	25.0			25.0
Purchased in-process research and development expenses	0.0			0.0
Special charges, net	(2.0)	7.7	(5.7)	0.0
Interest expense, net	2.8			2.8
Other expenses (income), net	(1.1)			(1.1)
Income before provision for income taxes	42.6	(7.7)	5.7	40.6
Provision for income taxes	11.4	(3.2)	2.3	10.5
Net income	\$31.2	(\$4.5)	\$3.4	\$30.1

	Q1 2004 As Reported	Special Items			Q1 2004 As Adjusted
		PVT IPR&D	Lifepath AAA Program Termination	Interventional Cardiology Product Termination	
Net sales	\$235.0				\$235.0
Cost of goods sold	98.7				98.7
Gross profit	136.3				136.3
Selling, general and administrative expenses	76.5				76.5
Research and development expenses	21.0				21.0
Purchased in-process research and development expenses	81.0	(81.0)			0.0
Special charges, net	10.6		(8.4)	(2.2)	0.0
Interest expense, net	3.7				3.7
Other expenses (income), net	1.1				1.1
Income before provision for income taxes	(57.6)	81.0	8.4	2.2	34.0
Provision for income taxes	4.5	0.6	2.8	0.9	8.8
Net income	(\$62.1)	\$80.4	\$5.6	\$1.3	\$25.2

Edwards Lifesciences Corporation
Adjusted Unaudited Consolidated Statements of Operations
Excluding Special Charges, Net

(in millions, except per share data)	Three Months Ended	
	March 31,	
	2005	2004
Net sales	\$249.1	\$235.0
Cost of goods sold	96.2	98.7
Gross profit	152.9	136.3
Selling, general and administrative expenses	85.6	76.5
Research and development expenses	25.0	21.0
Interest expense, net	2.8	3.7
Other expense (income), net	(1.1)	1.1
Income before provision for income taxes	40.6	34.0
Provision for income taxes	10.5	8.8
Adjusted net income	\$30.1	\$25.2
Weighted average common shares outstanding used to calculate basic earnings per share	59.5	59.6
Adjusted basic earnings per share	\$0.51	\$0.42
Weighted average common shares outstanding used to calculate diluted earnings per share	64.9	64.6
Adjusted diluted earnings per share	\$0.48	\$0.41
Operating Statistics		
As a percentage of net sales:		
Gross profit	61.4%	58.0%
Selling, general and administrative expenses	34.4%	32.6%
Research and development expenses	10.0%	8.9%
Income before provision for income taxes	16.3%	14.5%
Adjusted net income	12.1%	10.7%
Effective tax rate	26%	26%
Reconciliation of Diluted Earnings per Share		
Adjusted net income above	\$30.1	\$25.2
Adjustment for items included in net income related to the contingent convertible debt	1.0	1.0
Adjusted net income including the contingent contingent convertible debt	\$31.1	\$26.2
Weighted average common shares outstanding used to calculate diluted earnings per share excluding contingent convertible debt	62.2	61.9
Weighted average common shares outstanding for the contingent convertible debt	2.7	2.7
Weighted average common shares outstanding used to calculate diluted earnings per share including the contingent convertible debt	64.9	64.6
Adjusted diluted earnings per share including the contingent convertible debt	\$0.48	\$0.41

Note: Numbers may not foot due to rounding