Critical Care Franchise

Carlyn Solomon
Vice President and General Manager, Critical Care

Edwards Critical Care - The Patients We Serve

- Patient monitoring system market
  - $3 billion / 3% growth
- Demographics
  - Number of hospitals with ICU beds decreasing
  - Number of ICU beds increasing
  - ICU occupancy at capacity in many hospitals
- Patient types
  - Cardiac Surgery
  - General Surgery
  - Respiratory Care
  - Sepsis

1 Fredonia Group, Patient Monitoring Systems, 1 March 2006
2 Halpern and others, Critical Care Medicine, 2004: 32:1254-9
Edwards’ Critical Care - Where We Serve

- Clinicians
  - Cardiac anesthesiologists
  - General anesthesiologists
  - Intensivists
  - Pulmonary medicine physicians
  - Emergency room physicians
  - Critical care nurses

A Broad Critical Care Product Portfolio

- Hemofiltration
- FloTrac
- Pressure Monitoring
- Hemodynamics
- Hardware, Service
- Other

~$350MM business
Therapy Guided by Hemodynamic Monitoring

- Reduced mortality
  - Reduced up to 29% in surgical patients
- Reduced morbidity
  - Complications reduced from 1.34/patient to 0.76/patient
- Shorter length of stay
  - Reduced up to 9 days in high risk surgery
- Reduced cost of care
  - Reduced by up to 33%

Improves Outcomes & Reduces Cost

3 Fenwick and others, Intensive care Medicine, 2002: 599-608.

Edwards’ Strategy to Create Value is:

Enhanced Clinical Insight
Non-Invasive Access
Ease of Use
**FloTrac/Vigileo: Premium Product in a Growing Market**

- Easy to use
  - uses existing catheter
  - minimal set-up required
  - does not require frequent correction to assure accuracy

- Business model
  - sell monitors
  - sell disposable
  - offer service contracts

**Initial FloTrac Target Market: High Risk Surgery (HRS)**

![Diagram showing Patient’s Clinical Condition, Level of Surgical Risk, FloTrac, Swan-Ganz, TruWave & Multi-Med, and Edwards Lifesciences logo]
High Risk Surgery (HRS): Who are the patients?

Patients identified as . . .
- Frail (limited physiologic reserve)
- High anticipated blood loss
- High anticipated fluid shifts
- Cardiovascular compromise
- Organ insufficiency or failure

Applicable Surgical Procedures
- Vascular
- Orthopedic
- Digestive/GI
- Thoracic
- Urology
- Neurology
- Cardiac
- Organ Transplant
- OB/Gyn

Critical Care’s Growth Rate is Accelerating

Underlying Revenue Growth Rate

<table>
<thead>
<tr>
<th>Year</th>
<th>FloTrac</th>
<th>Core Business</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>3.2%</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>4.2%</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>3.4%</td>
<td></td>
</tr>
<tr>
<td>2005</td>
<td>~6%</td>
<td></td>
</tr>
<tr>
<td>2006E</td>
<td>~8%</td>
<td></td>
</tr>
<tr>
<td>2007E</td>
<td>7%-10%</td>
<td></td>
</tr>
</tbody>
</table>

Excludes discontinued businesses and impact of FX.
Summary

- Edwards has a strong brand and a unique global channel in Critical Care
- Core products hold leadership positions globally and command premium prices
- FloTrac is driving increased use of hemodynamic monitoring and fueling our growth
- Growth rates are accelerating toward double-digits, with improved profitability
Peripheral Vascular Interventions

Keith A. Reisinger
Corporate Vice President and General Manager, Vascular

Peripheral Stents are an Important Growth Driver for Edwards

- Differentiated stent technology with strong clinical data
- SFA indication expected in 2007
- Goal to double sales in 2007
The Peripheral Market Remains Attractive

- Global peripheral stent market is estimated to be in excess of $1 billion* with a 10+% CAGR
- Edwards’ target market, SFA stents, is estimated to be $300 million globally with a 15% annual growth rate
- Unmet clinical needs continue to exist

* Company estimate excludes carotids and AAA

Edwards’ 2007 Outlook is Fueled by Several New Growth Drivers

- Recent introduction of next generation products
- Positive RESILIENT trial data
- SFA FDA indication approval
- U.S. sales channel ramp
Recently Introduced Next Generation Products to Drive Growth

FlexStar
• Accurate & Precise Delivery
• Multiple User Deployment Options

FlexStar XL
• Accurate & Precise Delivery
• Long Stents (100 / 120 / 150 mm)

Edwards’ Product Line Features the Best-in-Class LifeStent

• Innovative triple helix design
• High flexibility
• High conformability

Data on file at Edwards LifeSciences comparing 6mm x 80mm .035" GW compatible stent systems
With a Next Generation Delivery System that Sets a New Standard

- Accurate & reliable stent placement
- Provides multiple user deployment options
- Excellent trackability & low crossing profile

Data on file at Edwards Lifesciences comparing 6 x 80mm .035” GW compatible stent systems

The Clinical Response to FlexStar has been Positive

<table>
<thead>
<tr>
<th>Attribute</th>
<th>Better</th>
<th>Equal</th>
<th>Worse</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stent Placement Accuracy</td>
<td>71%</td>
<td>29%</td>
<td>0%</td>
</tr>
<tr>
<td>Deploy System Ease of Use</td>
<td>76%</td>
<td>24%</td>
<td>0%</td>
</tr>
<tr>
<td>Overall Impression</td>
<td>82%</td>
<td>18%</td>
<td>0%</td>
</tr>
</tbody>
</table>

“You’ve had the best stent... Now you have a delivery system to match”

Dr. M. Chang, O’Connor Hospital, San Jose, CA
Edwards is Going to Great Lengths to Meet Unmet Clinical Needs

- FlexStar XL - specifically designed for long lesions
- Minimizes the need for multiple stents and resulting stent overlap

<table>
<thead>
<tr>
<th>Dia / Ln</th>
<th>100 mm</th>
<th>120 mm</th>
<th>150 mm</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 mm</td>
<td>⭐️</td>
<td>⭐️</td>
<td>⭐️</td>
</tr>
<tr>
<td>7 mm</td>
<td>⭐️</td>
<td>⭐️</td>
<td>⭐️</td>
</tr>
</tbody>
</table>

Stents now up to 150 mm (6 inches)

Initial RESILIENT Results are Encouraging

<table>
<thead>
<tr>
<th>Endpoint</th>
<th>PTA</th>
<th>Stent</th>
</tr>
</thead>
<tbody>
<tr>
<td>6-mo Follow-up</td>
<td>~ 55 pts</td>
<td>~ 145 pts</td>
</tr>
<tr>
<td>Clinical Success</td>
<td>72%</td>
<td>86%</td>
</tr>
<tr>
<td>Freedom from Re-Intervention</td>
<td>56%</td>
<td>97%</td>
</tr>
<tr>
<td>Stent Fracture Rate @ 6 mo</td>
<td>2.2%</td>
<td></td>
</tr>
</tbody>
</table>

Primary Patency

Freedom from Reintervention
Additional RESILIENT Data Will Become Available Throughout 2007

- RESILIENT data publication
  - TCT 6-month interim results Oct ‘06
  - ISET 12-month interim results Jan ‘07
  - PCR Full data set May ‘07

- PMA timeline
  - Submission: Q1’07
  - Expected approval: 2nd Half 2007

Edwards Plans to Significantly Expand its U.S. Sales Channel During 2007

Current U.S. sales channel is ~25
Plan to expand to ~40 in Q1’07

Edwards has and will continue to utilize a disciplined approach to sales force expansion
Edwards’ Growth Strategy is Focused on Continued Innovation

- Expand into adjacent peripheral markets
- Leverage sales channel with complimentary products

Edwards plans to achieve this through a combination of internal & business development

Edwards Remains Bullish on Peripheral Stent Opportunity

- Best-in-class next generation products
- RESILIENT clinical data
- U.S. SFA indication approval
- North America sales channel ramp

Goal to Double Sales in 2007
Edwards
Helping Patients is Our Life’s Work, and

Advanced Technologies
Stanton J. Rowe
Corporate Vice President, Advanced Technology
Edwards is the world’s leader in the treatment of Heart Valve Disease

Edwards Lifesciences is also the world’s leader in the treatment of Structural Heart Disease

Edwards is a Structural Heart Disease (SHD) Leader Today

- PFO
- Congenital Repairs
- ASD/VSD
- Valve replacements

- Pediatric CT Surgeons
- CT Surgeons

- CABG
- Valve replacements
- Thoracic Aortic repairs
- Pulmonary Surgery
Cardiologists in the Structural Heart Disease Segment

- PFO
- Congenital ASD/VSD
- Balloon Valvuloplasty

Structural Heart Disease

- SHD IC’s
- Diagnostic Angiography
- Stent Placement
- Artherectomy

Broad IC’s

Future Structural Heart Disease Segment

- PFO
- Congenital ASD/VSD
- Balloon Valvuloplasty

- Transcatheter Treatments for:
  - Aortic Stenosis
  - Aortic Insufficiency
  - Mitral, Pulmonary or Tricuspid Insufficiency
  - Mitral Stenosis
  - Left Ventricular Remodeling
  - Left Atrial Appendage

- SHD IC’s

- Diagnostic Angiography
- Stent Placement
- Artherectomy

Broad IC’s
SHD Segment Special Requirements

PFO
Congenital
ASD/VSD
Balloon Valvuloplasty

Transcatheter Treatments for:
Aortic Stenosis
Aortic Insufficiency
Mitral, Pulmonary or Tricuspid Insufficiency
Mitral Stenosis
Left Ventricular Remodeling
Left Atrial Appendage

Common SHD Themes:
Echo & Advanced imaging & guidance,
Transseptal approach,
Anatomical expertise,
Procedural proctoring,
Clinical trial complexity,
Procedural complexity & length,
Referral pattern complexity

Edwards Lifesciences

Surgeons Will Adopt These New Procedures

PFO
Congenital Repairs
ASD/VSD
Valve replacements

Transcatheter & MIS Treatments for:
Aortic Stenosis
Aortic Insufficiency
Mitral or Tricuspid Insufficiency
Mitral Stenosis
Left Ventricular Remodeling
Left Atrial Appendage

CABG
Valve replacements
Thoracic Aortic repairs
Pulmonary Surgery

Pediatric CT Surgeons

CT Surgeons

Edwards Lifesciences
Advanced Technology is a New Group

It includes:
- Pre-feasibility & feasibility projects
  - Mitral transcatheter valve projects
- Israeli team
- Pre-clinical testing
- Discovery
- Clinical research services
- Advanced materials

Edwards Product Development

Edwards Lifesciences
Advanced Technology

Pre-Feasibility
- Prototype development/ bench-top testing
- Pre-clinical evaluation
- Program management
- Market research & analysis
- View of regulatory & clinical pathway
- Estimated timing & costs

Projects
- New valve for aortic insufficiency
- Left ventricular remodeling device
- New concept in treatment of MR
- Improved valve implantation methods
- Venous valves

Feasibility Testing
- Multiple prototypes developed & tested
- Initial product definition & market opportunity
- Fatigue analysis
- Early human clinicals
- Refinement of regulatory/clinical pathways
- Refinement of timing & costs
- Risk analysis

Projects
- MONARC
- MOBIUS
Helping Patients is Our Life’s Work, and

Transcatheter Mitral Technologies

Donald E. Bobo, Jr.
Vice President and General Manager, Advanced Technology
Transcatheter Mitral Valve Repair
Less Invasive Treatment, Significant Clinical Opportunity

Progressive Disease Resulting in
Mitral Regurgitation (MR)

Dilating Left Ventricle (LV) Impaired
Cardiac Function

Symptoms Develop Including
Limited Lifestyle / Activity
Increased Mortality

Degenerative Mitral Regurgitation (MR)
A Disease of the Valve Leaflets

- Diseased leaflet(s) – often referred to as primary MR
- Reconstructive leaflet surgery is the standard of care
  - Pioneered by Professor Carpentier & Edwards
- Center of excellence procedure
  - ~95% freedom from surgery (25 yrs)
  - ~2% mortality at 30 days
- Underutilized procedure
  - Annual mitral surgeries ~50k of which ~25k are repairs
  - Fraction of annual incidence
Degenerative MR Treatment Outcomes
Euro Heart Survey (EHS) – 2001

92 Centers
5000 patients

Confirmed Low Mortality of Repair Alone
Standalone 30-Day Mortality

<table>
<thead>
<tr>
<th>Euro Heart Survey 2001 Mortality (%)</th>
<th>STS 2001</th>
<th>UKCSR 00-2000</th>
<th>EHS 2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mitral valve repair no CABG</td>
<td>2.2</td>
<td>2.8</td>
<td>0</td>
</tr>
<tr>
<td>Mitral valve replacement no CABG</td>
<td>5.8</td>
<td>6.2</td>
<td>1.7</td>
</tr>
<tr>
<td>Mitral valve repair or replacement + CABG</td>
<td>10.1</td>
<td>8.6</td>
<td>8.2</td>
</tr>
</tbody>
</table>

Significant increase in mortality when performed in combination with bypass (CABG)
Highlighted Significant Under Treatment of Patients After Diagnosis of MR

Isolated MR (n=877)
- No Severe MR (n=347)
- Severe MR (n=540)
  - No Symptoms n=103
  - Symptoms n=437
    - NYHA I-II: 171
    - NYHA III-IV: 266
    - Angina: 168

Surgery Denied For:
- Age > 70
- Low Ejection Fraction
- Acute CHF
- NYHA class III-IV

Surgery n=211 (48%)
No Surgery n=226 (52%)

Degenerative MR Market Outlook Based On U.S. Prevalence

5.9M (2%) of US Population Mitral Valve Prolapse
5.3M Repairable Valves
~500,000 Meet the Standard for a Surgical Intervention

Under Diagnosed ~250,000
Annual Surgical Procedures ~50,000
Diagnosed Untreated ~200,000

Source: Euro Heart Survey, 2001

Edwards Lifesciences
Functional Mitral Regurgitation (MR)
A Disease of the Left Ventricle (LV)

- Diseased ventricle due to ischemia (MI) is the largest segment of MR
- Leaflets are displaced as the ventricle expands
- Associated with:
  - Low ejection fraction
  - Heart failure symptoms
  - Increased mortality
- No practical intervention or therapy exists
- Standard of care is medical therapy

Functional MR Increases Heart Failure

Bursi et al, Circulation 2005
**Functional MR Increases Mortality**

- 410 deaths after 6.1 ± 4.4 years

- Survival %
  - No MR: 72%
  - Mild MR: 62%
  - Moderate/severe MR: 40%

- Bursi et al, Circulation 2005

---

**Functional MR Opportunity (U.S.)**

**Annual Incidence**

<table>
<thead>
<tr>
<th>NYHA I / II</th>
<th>MILD 50%</th>
<th>MODERATE 35%</th>
<th>SEVERE 15%</th>
</tr>
</thead>
<tbody>
<tr>
<td>NYHA III / IV</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sub Total</td>
<td>123,000</td>
<td>86,000</td>
<td>37,000</td>
</tr>
</tbody>
</table>

- Standard of care is medical therapy – no interventional option
- Patients in heart failure clinics with progressive MR, bad left ventricles and compromised mortality

Edwards Lifesciences
MONARC™ Annuloplasty System
Targeting Functional MR

12F guiding catheter
9F delivery system

MONARC™ Implant Remodels Mitral Valve

Edwards Lifesciences
**EVOLUTION I Study Recap (TCT)**

- Prospective, multi-center feasibility study
  - Primary objective is to evaluate acute safety
  - Secondary objective of the study is reduction in MR by one grade at 90 days
- Completed planned enrollment of 30 patients; continuing enrollment to 60 patients
- Interim report on 36 enrolled patients

**EVOLUTION I Procedural Success**

- Patients Enrolled
  - N = 36
- Device Implanted
  - N = 32 (89%)
- Device not Implanted
  - N = 4 (11%)

- Tortuous anatomy (n=2)
- Length outside of offered range (n=2)
EVOLUTION I Safety

- Acute Procedural Success: (Prior to Discharge)
  - Device implantation at intended location without the occurrence of death, tamponade or MI (MACE)
  - 89% (32 of 36) subjects were successfully implanted
  - 94% (30 of 32) freedom from MACE at discharge

- 30 Day Safety:
  - 87.5% (28 of 32) freedom from MACE at 30 days

- No device or procedural related death

TCT Interim

EVOLUTION I Interim Efficacy
MR Reduction – Mean Follow-up 96 Days

<table>
<thead>
<tr>
<th>Responders</th>
<th>All (n=17)</th>
<th>Baseline MR 3-4+ (n=10)</th>
<th>Baseline MR 2+ (n=7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>50%</td>
<td>80%</td>
<td>14.3%</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Mean MR</th>
<th>Base Line</th>
<th>Follow-Up</th>
<th>P-Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline MR</td>
<td>2.8</td>
<td>3.3</td>
<td>2.0</td>
</tr>
<tr>
<td>Follow-Up</td>
<td>1.9</td>
<td>1.9</td>
<td>2.0</td>
</tr>
<tr>
<td>P-Value</td>
<td>0.004</td>
<td>0.001</td>
<td>NS</td>
</tr>
</tbody>
</table>

TCT Interim

Edwards Lifesciences
**EVOLUTION I Interim Summary**

- Largest coronary sinus experience (> 40)
- Scaleable, safe procedure
- Interim results demonstrate a well-tolerated, durable implant and early MR reduction
  - Limited patients (17 / 32) with echo core lab data
  - Limited long-term follow-up (average follow-up 96 days)
  - Did not include quality of life or hard clinical endpoints

---

**Transcatheter Mitral Repair Summary**

- Edwards is leading transcatheter valve repair
- MR represents a large, untreated population with poor outcomes
- Edwards’ two complementary programs address the primary causes of MR
- Promising early results form a foundation for future success with these therapies
Helping Patients is Our Life’s Work, and

Infrastructure Improvements

Corinne H. Lyle
President, Global Operations
Infrastructure Improvements

- Realignment
- A 2007 Strategic Imperative: Strengthen Infrastructure
  - CATALYST – New Product Development Process
  - Best-in-Class Quality System
  - Increased Reimbursement & Clinical Resources
- Singapore
  - A foundation for future growth

Realignment

- Enables faster growth & enhanced profitability
- Prioritizing & allocating resources to help achieve goals
- Aggressively investing in strategic programs
  - Increasing heart valve growth
  - Leading transcatheter aortic valve opportunities
  - Executing on growth platforms
  - Strengthening infrastructure
Realignment

**Actions**
- Discontinuation of Optiwave 980 program
- Comprehensive talent & structural assessment to align resources with investments

**Results**
- Impacted headcount by approximately 70 people
- Positions us for future growth & enhanced profitability

Successful New Product Introduction is Key to Strategy

**CATALYST** is a comprehensive re-engineering approach to new product development
- Adapting industry best practices
- Leveraging top talent

**Key Principles**
- Balancing market & technology drivers
- Rigorous concept phase
  - Addresses business & technical questions up front
- Emphasis on early identification & mitigation of risk
- Early manufacturing influence & integration
CATALYST Program Aspirations Will Drive Long-Term Results

- Program aspirations (by '08/'09)
  - Higher percentage of products to market
  - Decrease cycle time by 33%
  - Improve new product ROI
  - Increase revenue from new products to > 35%
  - Create & maintain market leadership positions

Building a Best-in-Class Quality System

- Premium products demand world-class quality systems
- Reviews have identified opportunities for improvement
- “Best-in-class” quality system incorporates new CATALYST process & emphasizes quality at every stage of development
Edwards’ New Products Require Market Development Resources

- New treatment options require investment in reimbursement & clinical capabilities to expand markets
  - Substantial internal & external resources will be utilized to build capabilities
- Novel therapies will require new reimbursement & clinical trial design standards
- Favorable reimbursement & well-defined indications will drive new product adoption

Heart Valve “Foundation for the Future”

- 2005: U.S.A → Switzerland
- 2008: U.S.A → Switzerland → Singapore
New Singapore Operation

Current operation est. 2006

~200 employees
- Access to highly educated & technical work force
- Training incentives
- Favorable tax structure

New facility opens December 2007

400+ employees

Summary

- Infrastructure improvements require substantial resources

- Edwards’ 2007 Financial Goals accommodate increased infrastructure investments
Helping Patients is Our Life’s Work, and

2007 Financial Outlook

Thomas M. Abate
Corporate Vice President, CFO & Treasurer
Edwards Remains Confident In Ability to Achieve its Original 2006 Financial Goals

<table>
<thead>
<tr>
<th></th>
<th>Original Goal</th>
<th>Current Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Net Sales</strong></td>
<td>$1,020 - $1,060</td>
<td>~$1,040</td>
</tr>
<tr>
<td><em>Underlying Growth</em></td>
<td>8% - 10%</td>
<td>~7%</td>
</tr>
<tr>
<td><strong>Net Income Growth</strong>*</td>
<td>12% - 15%</td>
<td>12+ %</td>
</tr>
<tr>
<td><strong>Free Cash Flow</strong></td>
<td>$140 - $150</td>
<td>$140 - $150</td>
</tr>
</tbody>
</table>

*Excluding special items, excluding option expense

---

Edwards Remains Confident In Ability to Achieve its Original 2006 Guidance

<table>
<thead>
<tr>
<th></th>
<th>Original Guidance</th>
<th>Current Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Heart Valve Therapy</strong></td>
<td>$500 - $510</td>
<td>~$490</td>
</tr>
<tr>
<td><strong>Critical Care</strong></td>
<td>$330 - $340</td>
<td>~$350</td>
</tr>
<tr>
<td><strong>Cardiac Surgery Systems</strong></td>
<td>$90 - $100</td>
<td>~$94</td>
</tr>
<tr>
<td><strong>Vascular</strong></td>
<td>$70 - $80</td>
<td>~$75</td>
</tr>
<tr>
<td><strong>Other Distributed Products</strong></td>
<td>~$30</td>
<td>~$29</td>
</tr>
<tr>
<td><strong>Net Sales</strong></td>
<td>$1,020 - $1,060</td>
<td>~$1,040</td>
</tr>
</tbody>
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Edwards Remains Confident in Ability to Achieve its Original 2006 Guidance

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<thead>
<tr>
<th></th>
<th>Original Guidance*</th>
<th>Current Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>SG&amp;A</td>
<td>~36.5% of sales</td>
<td>~36.5% of sales</td>
</tr>
<tr>
<td>R&amp;D</td>
<td>11% of sales</td>
<td>~11% of sales</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>&lt; $1 million per quarter</td>
<td>~$3 million per full year</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>25.0%</td>
<td>~25.5%</td>
</tr>
<tr>
<td>EPS</td>
<td>$1.90 - $2.00</td>
<td>$2.03 - $2.05</td>
</tr>
</tbody>
</table>

* Excluding special items, including impact of stock option expense

Continued Strong Cash Flow Increases Financial Strength

Net Debt ($MM) vs. Debt-to-Cap Ratio

2002 2003 2004 2005 2006 YTD

Edwards Lifesciences
Edwards Continues to Believe its Shares are an Attractive Investment

- Board approved 4 million share repurchase program in May 2006
- Full year 2006 purchases of ~3.2 million shares or $145 million
- Program has 3 million shares remaining

Q4 2006 Special Items

- Charge components
  - Optiwave 980 discontinuation - $9 million
  - Organizational realignment - $7 million
  - Approximately 70 employees
  - Cash impact - $7 million

- Angiogenesis program transfer – $7 to $8 million gain
  - Received 1 million Sangamo shares
  - Royalty on future sales
2007 Outlook

Solid Fundamentals Will Drive Sustainable Financial Performance in 2007

*Including Option Expense*

2007 Financial Goals:
- Net sales of $1,075 - $1,125 million
- Gross profit margin increase of 100 – 150 b.p.
- Net income growth of 12% – 14%*
- Free cash flow of $160 – $170 million

*Excludes special items in 2006*
New Products Drive Growth in Key Product Lines in 2007

<table>
<thead>
<tr>
<th>Product Line</th>
<th>Reported Sales ($ in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heart Valve Therapy</td>
<td>$520 - $540</td>
</tr>
<tr>
<td>Critical Care</td>
<td>$375 - $390</td>
</tr>
<tr>
<td>Cardiac Surgery Systems</td>
<td>$65 - $70</td>
</tr>
<tr>
<td>Vascular</td>
<td>$85 - $95</td>
</tr>
<tr>
<td>Other Distributed Products</td>
<td>~$30</td>
</tr>
<tr>
<td>Total Sales</td>
<td>$1,075 - $1,125</td>
</tr>
</tbody>
</table>

Company estimates.

Heart Valve Therapy Sales Show Continued Strength

2007 Guidance: $520 - $540 million

5-Year CAGR: 10+%
Strong Critical Care Sales are Raising Total Growth

2007 Guidance: $375 - $390 million
7% - 10% underlying

5-Year CAGR: 7%

Vascular Sales Growth is Transformed by the Success of LifeStent

2007 Guidance: $85 - $95 million
>20% underlying

5-Year CAGR: 7%

Reported sales figures & assuming Japan conversion prior to 2003.
2007 Sales Plan Includes $60 to $110 Million of Underlying Growth

- Total Sales $1,075 - $1,125
- Underlying Growth

<table>
<thead>
<tr>
<th>Product Line</th>
<th>2006</th>
<th>2007</th>
<th>Negative Impact</th>
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<tbody>
<tr>
<td>Heart Valve Therapy</td>
<td>$12.1</td>
<td>$6.0</td>
<td>($6.1)</td>
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<tr>
<td>Cardiac Surgery Systems</td>
<td>$27.5</td>
<td>$1.2</td>
<td>($26.3)</td>
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<tr>
<td>Vascular</td>
<td>$2.4</td>
<td>0.0</td>
<td>($2.4)</td>
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<tr>
<td>Other Distributed Products</td>
<td>$0.9</td>
<td>0.0</td>
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<tr>
<td><strong>Total Sales</strong></td>
<td><strong>$42.9</strong></td>
<td><strong>$7.2</strong></td>
<td><strong>($35.7)</strong></td>
</tr>
</tbody>
</table>

Discontinued Products:
- Heart Valve Therapy: Mechanical Valves
- Cardiac Surgery Systems: Cardiopulmonary Products; Optiwave 980
- Vascular: AAA Distribution Arrangement in Europe
- Other Distributed Products: U.S. Distributed Product
Additional Assumptions

- SG&A ~36.5% of sales
- R&D ~11% of sales
- Interest expense < $0.5 million per quarter
- Tax rate ~26%

Edwards Continues to Drive Gross Margin Improvement


2006E and 2007E include impact of stock option expense
Edwards R&D Investment Dollars Continue to Grow

2006E and 2007E include impact of stock option expense

Consistent EPS Growth

Excluding Option Expense

5-Year CAGR: 16%

EPS excludes impact of special items.
Introduction of Option Accounting Recalibrates 2006 EPS

Excluding Option Expense

<table>
<thead>
<tr>
<th>Year</th>
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Diluted EPS excludes impact of special items.

Introduction of Option Accounting Recalibrates 2006 EPS

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Diluted Earnings/Share & Free Cash Flow/Share

Excludes impact of special items.
2007 Quarterly EPS Fluctuates with Traditional Seasonality

Including Option Expense

**FY 2007 EPS Guidance: $2.28 – $2.37**

Excludes Special Items

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- 2006 demonstrated the financial strength of Edwards’ market leading portfolio
- Gross profit expansion continues upward trend
- Net income grows while increasing investment in R&D and sales channel
- Strong growth trends sustained in 2007

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Edwards Lifesciences
Helping Patients is Our Life’s Work, and

Closing Remarks

Michael A. Mussallem
Chairman and CEO
Strategic Imperatives

- Increase growth of core heart valve business
- Lead in transcatheter aortic heart valves
- Execute on growth opportunities
- Strengthen infrastructure

Edwards Can Continue to Drive Gross Margin Improvement Through Innovation

Includes impact of stock option expense beginning in 2006
Edwards R&D Investment Dollars Continue to Grow

- R&D Investment (in millions)
- % of Net Sales
- 2006E and 2007E include impact of stock option expense

Delivering Bottom Line Growth While Generating Strong Free Cash Flows

- Edwards has met or exceeded its net income growth goals.
- Edwards generates strong free cash flows.

5-Year CAGR: 17.3%
5-Year CAGR: 16.0%

Dollars in millions. Excludes impact of stock option expense and special items.
## Exciting Progress Expected During 2007

### Heart Valve Therapy
- Launch Theon Aortic in U.S. (Q1)
- Launch Myxo ring (Q1)
- Launch PERIMOUNT 6900P in Japan (1H)
- Launch Magna Ease in EU (Q3)
- U.S. approval of Magna Mitral (Q4)

### Critical Care
- Completion of FloTrac clinical and economic study (Q4)

### Vascular
- PMA submission for SFA (Q1)
- PMA approval for SFA (2H)

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## Exciting Progress Expected During 2007

### Aortic Transcatheter Technologies
- Initiate U.S. pivotal trial (Q1)
- Launch RetroFlex II (Q1)
- Receive CE Mark in Europe (Q4)

### Mitral Transcatheter Technologies
- Complete 60-patient MONARC feasibility trial (Q2)
- Initiate MONARC EVOLUTION II trial in Europe (Q3)

### Open Singapore heart valve facility
Edwards Lifesciences... is a global leader in its core business, operates in attractive, growing markets, is pursuing exciting new growth opportunities, is financially strong, has a clear strategy for growth.