Edwards Lifesciences Forecasts Strong Sales and Earnings Growth in 2013

The Associated Press

Edwards Lifesciences Corporation (NYSE: EW)
Projected 13 to 16 Percent Underlying Global Sales Growth U.S. Launch Fuels Expected Global THV Sales of $710 to $790 Million Reaffirms Sales and Earnings Guidance for 2012
Edwards Lifesciences Corporation (NYSE: EW), the global leader in the science of heart valves and hemodynamic monitoring, today will provide investors with information on the initiatives expected to result in strong double-digit sales and earnings growth in 2013. During its annual investor conference at its headquarters in Irvine, Calif., Edwards' management will also discuss the company's strategy for long-term growth, technology pipeline, ongoing U.S. transcatheter heart valve launch and financial goals for 2013.

"We expect 2013 will be another very rewarding year for Edwards Lifesciences as we deliver new life saving technologies to patients around the world," said Michael A. Mussallem, chairman and CEO. "We are investing aggressively to drive breakthrough innovations in heart valve treatment and to build on our legacy as a trusted partner in the care of critically ill patients.

"We project strong underlying(1) sales growth fueled by the ongoing launch of our SAPIEN transcatheter heart valve in the U.S. Global sales of our market-expanding transcatheter valves are expected to grow to between $710 million and $790 million in 2013."

During the conference, Edwards' management will present the company's financial goals for 2013, which include total underlying sales growth of 13 to 16 percent, a gross profit margin of 74 to 76 percent, diluted earnings per share growth of more than 25 percent and free cash flow(2) of $300 million to $340 million, with all goals excluding special items. "Our strong bottom line growth projection includes the estimated impact of the medical device excise tax, as well as investments to prepare for the launch of our SAPIEN XT transcatheter heart valve in Japan. We also expect to continue our investment in research and development at approximately 15 percent of sales in 2013, which positions us well to serve many more patients with our innovative technologies and generate significant growth for years to come," said Mussallem.

Among the specific topics to be discussed at today's event are:
Transcatheter Heart Valves - Aided by the recent U.S. FDA approval of SAPIEN for the treatment of high-risk patients and also for transapical delivery, transcatheter valve sales in the U.S. are projected to be $390 million to $440 million in 2013,

which will contribute to an estimated global underlying growth rate of 30 to 45 percent. U.S. clinical and regulatory progress on the Edwards SAPIEN XT transcatheter valve remains on track. Regulatory and reimbursement approvals in Japan for SAPIEN XT are expected by the end of 2013. Edwards is continuing to make progress with its two newest transcatheter valve platforms, Edwards SAPIEN 3 and Edwards CENTERA, which are designed to extend its leadership position in this rapidly growing field. By the end of 2013, the company expects to receive a CE Mark for the SAPIEN 3 valve, a lower profile balloon expandable valve designed to further reduce paravalvular leak. Surgical Heart Valve Therapy - Edwards is making substantial investments in new surgical valve technologies designed to extend its leadership and improve patient recovery and outcomes. In 2013, the company expects to initiate the European commercial launch of its innovative EDWARDS INTUITY valve system. Edwards is also planning to introduce a selection of unique tools designed to facilitate minimally invasive valve procedures. In early 2013, Edwards expects to initiate enrollment in the U.S. clinical study of GLX, its next-generation tissue technology, on a surgical heart valve. Edwards will also unveil its new Zeta next-generation surgical valve platform, designed to be a long-term solution for younger patients. Edwards expects to generate Surgical Heart Valve Therapy sales of $800 million to $840 million in 2013, representing a 4 to 6 percent underlying growth rate. Critical Care - Building upon its global leadership in hemodynamic monitoring systems, Edwards expects growth across this product line driven primarily by the company's advanced monitoring technologies. At the conference, Edwards will be highlighting two important new technologies expected to improve the care of critically ill patients beginning in 2013. These technologies include the recent addition of a non-invasive monitoring platform and the GlucoClear hospital glucose monitoring system. Critical Care sales are projected to be $560 million to $600 million for 2013, representing 4 to 6 percent underlying growth. Financial Outlook - Edwards will reaffirm its 2012 sales and earnings guidance, which includes diluted earnings per share of $2.54 to $2.58, excluding special items. The company will also detail its expectations for 2013, including total sales of $2.1 billion to $2.2 billion. Excluding special items, Edwards expects 2013 diluted earnings per share of $3.21 to $3.31, an increase of more than 25 percent over projected 2012 earnings.
In addition to Mr. Mussallem, other members of Edwards' management team presenting at the conference include:

Thomas M. Abate, corporate vice president and chief financial officer;Donald E. Bobo, Jr., corporate vice president, Heart Valve Therapy;Carlyn D. Solomon, corporate vice president, Critical Care and Vascular; andLarry L. Wood, corporate vice president, Transcatheter Valve Replacement.

Guest Speakers to Provide Clinical Perspective

Also speaking at the conference are interventional cardiologist John G. Webb, MD, Director of Interventional Cardiology and Cardiac Catheterization Laboratories at St. Paul's Hospital, Vancouver, and cardiothoracic surgeon Robert Saeid Farivar, MD, PhD, Chief of Cardiovascular Surgery at Pennsylvania Hospital, University of Pennsylvania, Philadelphia, who will discuss their perspectives on heart valve therapies.

Webcast Information

The Edwards Lifesciences 2012 Investor Conference can be accessed via live webcast at http://ir.edwards.com/investor-conference.cfm [1] beginning at 8:00 a.m. Pacific Time on December 4, 2012. The webcast will also be archived on the Edwards Web site after the conference concludes.

About Edwards Lifesciences

Edwards Lifesciences is the global leader in the science of heart valves and hemodynamic monitoring. Driven by a passion to help patients, the company partners with clinicians to develop innovative technologies in the areas of structural heart disease and critical care monitoring that enable them to save and enhance lives. Additional company information can be found at www.edwards.com [2].

This news release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements can sometimes be identified by the use of words such as "may," "will," "should," "anticipate," "believe," "plan," "project," "estimate," "expect," "intend," "guidance," "outlook," "optimistic," "aspire," "confident" or other forms of these words or similar expressions and may include, but are not limited to, Mr. Mussallem's statements; the Company's 2012 and 2013 financial goals or expectations for sales and sales growth, gross profit margin, net income and net income growth, earnings per share and earnings per share growth, R&D expense, free cash flow and other financial expectations; strategies for long-term growth; and expectations regarding the development and introduction of new products, indications and technologies (including expected timelines and outcomes of clinical trials, regulatory approvals, reimbursement and market opportunities). Forward-looking statements are based on estimates and assumptions made by management of the Company and are believed to be reasonable, though they are inherently uncertain and difficult to predict. Our forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the statement. If the Company does update or correct one or more of these statements, investors and others should not conclude that the Company will make additional updates or corrections.

Forward-looking statements involve risks and uncertainties that could cause actual results or experience to differ materially from that expressed or implied by the forward-looking statements. Factors that could cause actual results or experience to differ materially from that expressed or implied by the forward-looking statements include the unexpected changes or developments in opportunities for the Company's transcatheter valve programs and the ability of the Company to continue to lead in the development of this field; the Company's success in developing new products, obtaining regulatory approvals, and creating new market opportunities for its products; quality or manufacturing issues; the availability and levels of reimbursement for the Company's products; the impact of competitive

products; changes in currency exchange rates; unexpected changes to the timing or results of pending or future clinical trials; actions by the U.S. Food and Drug Administration and other regulatory agencies; and other risks detailed in the Company's filings with the Securities and Exchange Commission including its Annual Report on Form 10-K for the year ended December 31, 2011.

To supplement the consolidated financial results prepared in accordance with Generally Accepted Accounting Principles ("GAAP"), the Company uses non-GAAP financial measures. The Company uses the term "underlying" when referring to non-GAAP sales information, which excludes discontinued and acquired products and foreign exchange fluctuations, and "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, and free cash flow are 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 the company's operations that, when viewed with its GAAP results, provide a more complete understanding of factors and trends affecting the company's 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 projections for underlying sales and sales growth or projected gross profit margin, net income and growth, projected earnings per share guidance and projected free cash flow, excluding special items, to expected reported results due to the unknown effect, timing and potential significance of special charges or gains, and management's inability to forecast foreign currency changes and charges associated with future transactions and initiatives.

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(1) "Underlying" amounts are non-GAAP and in this press release assumes a constant foreign currency rate in 2012 and 2013.

(2) Free cash flow is defined as cash flow from operating activities less capital expenditures.

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