Partnering for Life

Edwards

A partner shares a common interest or participates in achieving a common goal—whether at home, at work or in the community. The employees of Edwards Lifesciences are dedicated to partnering with clinicians to save and enhance the lives of patients around the world who suffer from heart valve disease or become critically ill.

For additional patient stories please visit the company's online annual report at edwards.com

Selected Operating Information

Twelve months ended December 31, *(in millions)*	**2010**	2009	2008
Net sales	$ 1,447.0	$ 1,321.4	$ 1,237.7
Cost of goods sold	408.3	399.1	419.6
Gross profit	1,038.7	922.3	818.1
Selling, general and administrative expenses	550.0	508.8	480.6
Research and development expenses	204.4	175.5	139.2
Operating Statistics			
As a percentage of net sales:			
Gross profit	71.8%	69.8%	66.1%
Selling, general and administrative expenses	38.0%	38.5%	38.8%
Research and development expenses	14.1%	13.3%	11.2%
Operating margin [(a)]	19.6%	18.0%	16.0%

(a) Operating margin is calculated by subtracting selling, general and administrative expenses and research and development expenses from gross profit and then dividing by net sales.

The information contained in the table above should be read in conjunction with Edwards Lifesciences' "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Consolidated Financial Statements" found in the accompanying Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

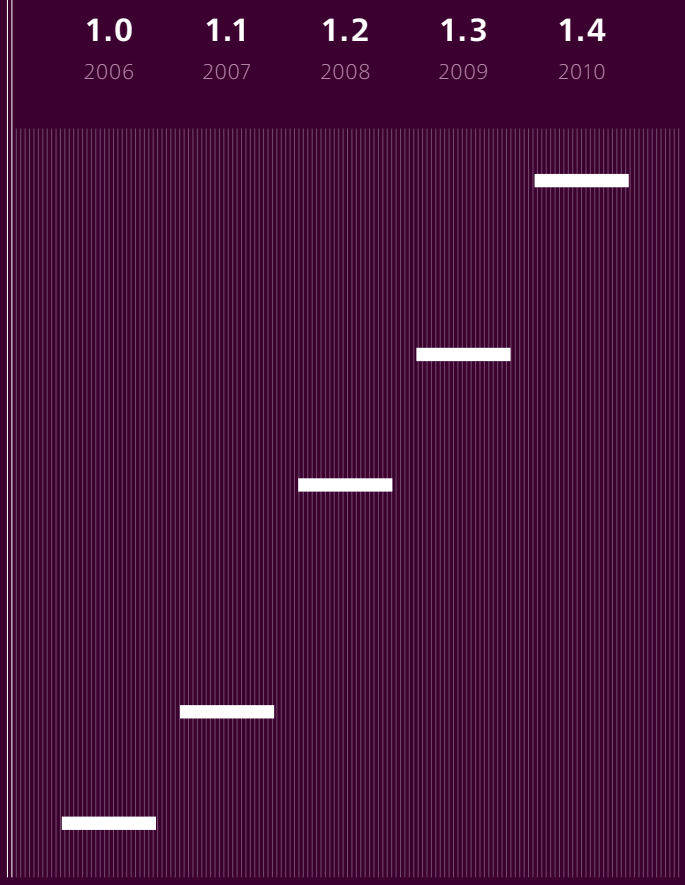
Safe Harbor Statement This Annual Report includes forward-looking statements, which include the Company's financial goals or expectations for sales, gross profit margin, net income, earnings per share and free cash flow and other financial measures as well as expectations regarding product introductions. 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 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, creating new market opportunities for its products and the timing of new product launches; the availability and amounts of reimbursement for the Company's products; the availability of competitive products; the impact of currency exchange rates; the timing or results of pending or future clinical trials; actions by the U.S. Food and Drug Administration and other regulatory agencies; economic developments in key markets; 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, 2010.

Selected Consolidated Data

The financial figures below are presented on a GAAP basis, unless accompanied by the terms "underlying" or "excluding special items," which refer to non-GAAP financial measures. For a reconciliation of GAAP to non-GAAP figures, refer to pages 20 and 21.

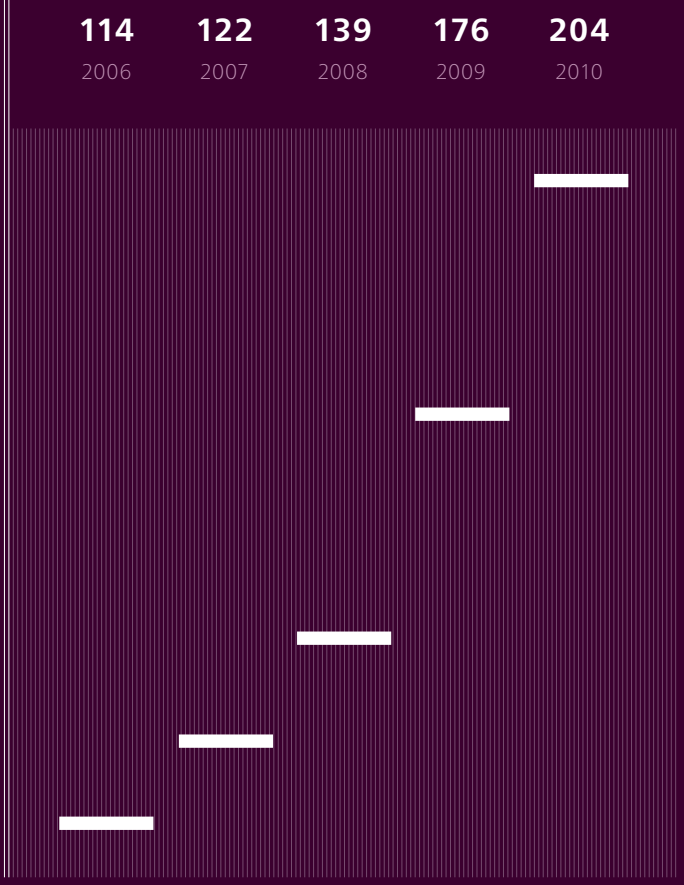
Net Sales *(in billions of dollars)*

In 2010, sales of Edwards' newest products, including the Edwards SAPIEN XT transcatheter heart valve, drove strong underlying growth[1] in total net sales of approximately 13 percent versus 2009.



R&D Investment *(in millions of dollars)*

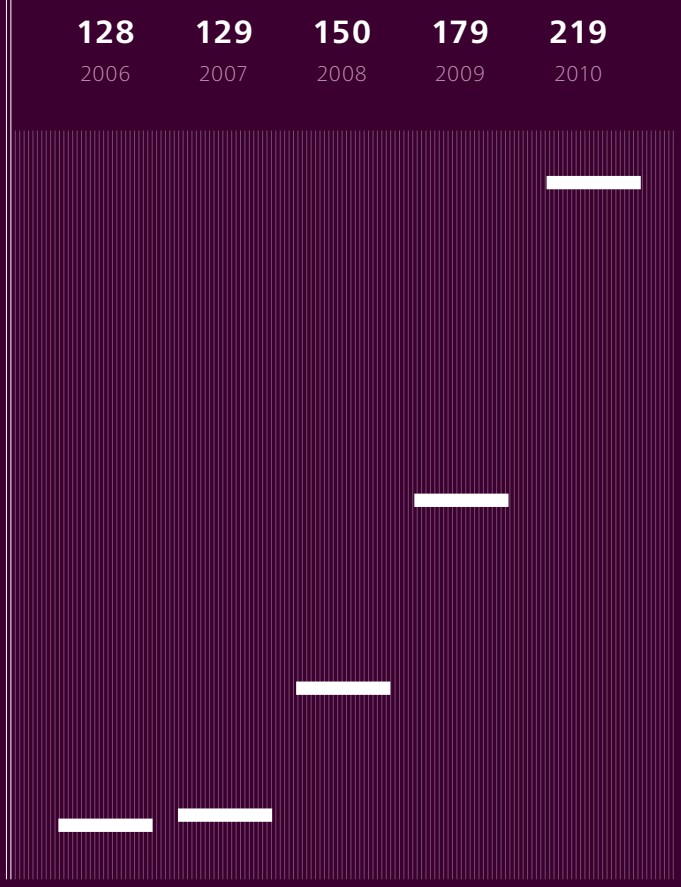
Again, in 2010, Edwards increased its investment in research and development, demonstrating its continued commitment to developing innovative technologies for patients in need.



1 *The Company uses the term "underlying" when referring to non-GAAP sales information, which excludes discontinued and newly acquired products, and foreign exchange fluctuations. The Company also refers to net income and net income growth, "excluding special items," which excludes gains and losses from special items such as significant investments, litigation and business development transactions.*

Non-GAAP Net Income *(in millions of dollars)*

Edwards has strived to grow net income while investing in new growth opportunities. In 2010, the company achieved year-over-year net income growth of 22.3 percent, excluding special items[1].



Stock Performance*

Over the past five years, Edwards' stock price has increased 289%, outperforming the S&P 500 and the company's medical products peer group. Edwards' stock price appreciated 86% in 2010.

Edwards Lifesciences Corporation (EW)	100	113	111	132	209	389
S&P 500	100	116	122	77	97	112
Morgan Stanley Healthcare Products (RXP)	100	110	111	92	104	105

** Cumulative total return based upon an initial investment of $100 on December 31, 2005, with dividends reinvested.*

A Letter To Our Shareholders

from

Michael A. Mussallem
Chairman & Chief Executive Officer

The year 2010 marked the 50th anniversary of the world's first successful heart valve replacement. It was the partnership between Dr. Albert Starr, a cardiac surgeon, and Miles "Lowell" Edwards, an electrical engineer by training, that led to the development of this life-saving technology, and ultimately, the establishment of Edwards Lifesciences. Today, that spirit of partnership continues at Edwards as we work together with clinicians to save and enhance patients' lives. In 2010, our partnerships and investments enabled us to introduce innovative new products and continue the advancement of breakthrough therapies to treat an even broader range of patients.

Delivering Value Consistently

Against the backdrop of a challenging economic environment, Edwards once again met or exceeded all of its 2010 financial goals. We achieved net sales of $1.45 billion, which represented a 12.7 percent underlying growth rate. Our gross profit margin improvement exceeded our expectations, while net income excluding special items grew 22.3 percent. We also generated $190 million in free cash flow, which improved our already strong balance sheet. And, our shareholders were rewarded with an 86 percent increase in share value for 2010.

During the year, Heart Valve Therapy sales grew 18 percent on an underlying basis, driven by the momentum in our transcatheter heart valve program. The successful launch of our next-generation Edwards SAPIEN XT transcatheter heart valve in Europe helped us generate $206 million in global transcatheter valve sales. On an underlying basis, this represented a near doubling over 2009.

In our market leading surgical heart valves, we gained modest share in 2010. Surgeons worldwide continued to adopt our newest products, including the Magna Ease aortic heart valve, Magna Mitral Ease valve and Carpentier-Edwards Physio II mitral valve repair ring. The sales of these products lifted our underlying global growth rate of surgical valve products to nearly five percent, despite a mild slowdown in surgical heart valve procedures in the U.S.

We made meaningful advancements in the development of our INTUITY valve system and believe it has the potential to expand the use of minimally invasive aortic valve surgery in a broad group of patients. This novel system combines our proven valve design with an

innovative delivery system to improve the valve surgery experience for both surgeons and their patients. Specifically, the INTUITY system is designed to enable a faster procedure and a smaller incision, which hopefully will lead to a faster recovery. We completed a European clinical trial of the INTUITY system ahead of schedule and are now actively working toward securing commercial approval.

Partnering for Life

In 2010, we extended our global leadership in transcatheter heart valve technology and made tremendous progress toward making this therapy more widely available to patients whose severe aortic stenosis largely goes untreated. In September, data on the *inoperable* patients in our landmark The PARTNER Trial were published in *The New England Journal of Medicine*. The results clearly demonstrated the clinical benefits of the Edwards SAPIEN valve and the study's authors concluded that "…balloon-expandable TAVI [transcatheter aortic valve implantation] should be the new standard of care for patients with aortic stenosis who are not suitable candidates for surgery." Shortly after publication, we submitted our application for commercial approval of the Edwards SAPIEN valve to the FDA, and we look forward to their decision.

Later in 2010, additional data analysis on this same patient population showed that those who received an Edwards SAPIEN valve in The PARTNER Trial experienced substantially better quality of life than patients who did not. The principal investigator of this analysis reported that the physical improvements experienced by patients were "…roughly comparable to a 10-year reduction in age." The inherent message in these data is the importance of this therapy for high-risk patients, and it strengthens our resolve to extend our leadership in this exciting new field.

We are also making progress toward bringing our next-generation Edwards SAPIEN XT valve to the United States with the goal of expanding its application to an even broader group of patients that are at high-risk for open heart surgery. In Japan, we began enrolling patients in our PREVAIL trial studying the SAPIEN XT valve, whose lower profile we believe is particularly well-suited for Japanese patients seeking less-invasive options. And, we received FDA approval to expand enrollment in our pulmonic transcatheter valve study to treat patients suffering from congenital heart disease of the pulmonic valve.

Sales in our Critical Care franchise grew an underlying six percent, as we anticipated. Late in the year, we expanded our advanced monitoring portfolio with the launch of our VolumeView system and our innovative EV1000 clinical platform, which features a more intuitive and easy-to-use display. The VolumeView system is designed to help clinicians better manage their critically ill patients by providing accurate measurement of a patient's volumetric status. We believe these technologies will gain popularity among clinicians in 2011 and have the potential to become best-in-class devices.

This past year, we relocated our Cardiac Surgery Systems manufacturing to a new facility in Draper, Utah, and expanded our heart valve operations in Singapore, Switzerland and Irvine. We intend to continue expanding and enhancing our operations to position us for greater growth in the future.

Our growing team of dedicated employees is enthusiastic about increasing our capacity to produce even more life-saving technologies for patients.

Edwards continued to improve quality of life where we live and work by supporting non-profit organizations around the world. The Edwards Lifesciences Fund granted $4.4 million to almost 200 non-profit organizations in 2010, and we are proud that our collective efforts are helping to make a difference for organizations that seek to better our communities and address cardiovascular disease.

An Exciting Year Ahead in 2011

As proud as we are of all that our company has accomplished during the past year, we are even more excited about what lies ahead—and truly believe the best is yet to come for Edwards Lifesciences. We expect 2011 will be a very successful and eventful year, while we continue to invest aggressively for the long-term. We plan to extend our leadership across all of our core product lines and drive underlying sales growth of 11 to 15 percent.

Our financial goals for 2011 reflect our confidence that we can continue to deliver value to shareholders while simultaneously investing in our future. We expect to generate total net sales of $1.59 to $1.67 billion in 2011, and achieve a gross profit margin of 71 to 73 percent. While continuing to aggressively invest in R&D, we intend to grow net income six to eight percent, excluding special items, and generate free cash flow of $190 to $200 million.

We are anticipating another strong year of transcatheter heart valve performance with sales between $300 and $340 million. We will also be making substantial investments in preparation for the commercial launch of our Edwards SAPIEN heart valve in the U.S. by spending approximately $40 million. While this will moderate earnings growth in 2011, it positions us for stronger growth beginning in 2012 as this therapy becomes more widely available. Additionally, we remain on track to announce data on *high-risk* surgical patients in The PARTNER Trial, which will be submitted to the FDA shortly thereafter.

Edwards is a clear leader in the fields we pursue and we will remain focused on extending our leadership by delivering real innovation to patients and clinicians. In 2011, we plan to increase our R&D investment by 20 percent to fuel the many promising opportunities that we see in structural heart disease and critical care technologies.

We expect to introduce a steady drum beat of new technologies in the coming year in each of our core product lines. In our Heart Valve Therapy franchise, we anticipate European regulatory approval for our minimally invasive INTUITY platform and expect to start a clinical trial to support reimbursement efforts. Additionally, in 2011 we expect to launch our new Physio tricuspid ring, which is an important addition to our valve repair portfolio.

In 2011, we expect to launch our VolumeView system and EV1000 clinical platform in the U.S. and around the world. We also anticipate European approval for our second-generation GlucoClear blood glucose monitoring system with added ease-of-use features. Clinicians are excited about the potential of an accurate glucose monitor to help them better manage patients in the hospital setting.

Long-Term Growth Fueled by Innovation

There's little disagreement that transcatheter heart valve technology is a transformational opportunity for our company and we are making substantial investments to capitalize on this. We believe this opportunity has a number of important layers that can fuel robust top-line growth for many years to come, including new markets and expansion to broader groups of patients. And, if we can successfully apply our experience and leadership in transcatheter technologies to other areas within structural heart disease, we have the potential to help even more patients and turn that success into a very bright future for our company.

We know that it is becoming increasingly important for companies like ours to not only demonstrate strong clinical benefit, but also to provide evidence of economic value. We believe Edwards' leadership is a result of meaningful product differentiation. In an environment where the burden of proof is increasing and the regulatory climate is becoming more rigorous, this differentiation is an essential element in sustaining a durable competitive advantage.

Edwards Lifesciences is dedicated to aggressively pursuing sustainable long-term growth. Partnership and innovation remain at the core of who we are, which has led to our strong historic performance and rewarded our shareholders. We thank you for your continued support and look forward to sharing our successes with you in 2011 and beyond.

Sincerely,

Michael A. Mussallem
Chairman and Chief Executive Officer

To supplement its 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 newly acquired products, and foreign exchange fluctuations. The Company also refers to net income and net income growth, "excluding special items," which excludes gains and losses from special items such as significant investments, litigation and business development transactions. For a reconciliation of GAAP to non-GAAP figures, please refer to pages 20 and 21 of this report.

J. Michael Smith, MD
Cardiothoracic Surgeon, Good Samaritan Hospital

Dr. Smith

The Magna Ease aortic valve provides surgeons with an important option in their treatment solutions for patients with aortic valve disease who desire a less-invasive approach. “In football, they say it’s a game of inches; with minimally invasive surgery, it’s a game of millimeters. The lower profile valve along with smaller cannulae—it all makes a difference.”

Allan
Lives in Los Angeles, California with his wife and their two children

Allan

Allan never expected to be told he would need heart surgery when he underwent evaluation for orthopedic surgery. But his cardiologist detected a “torrential” leak in his bicuspid aortic valve that needed to be fixed immediately. Allan had always been active and never felt any symptoms, so it was difficult for the now 54-year-old attorney and married father of two to accept that he needed immediate heart surgery. To help him prepare mentally for the procedure, as well as the recovery, his cardiologist matched him with a mentor who had recently undergone heart valve surgery. Only weeks after his surgery, Allan was able to resume his active lifestyle. “I’m feeling good. I want to be in better physical condition than I ever have been, notwithstanding the fact that I have an artificial valve.”

Glenn
Allan's mentor and a triathlete

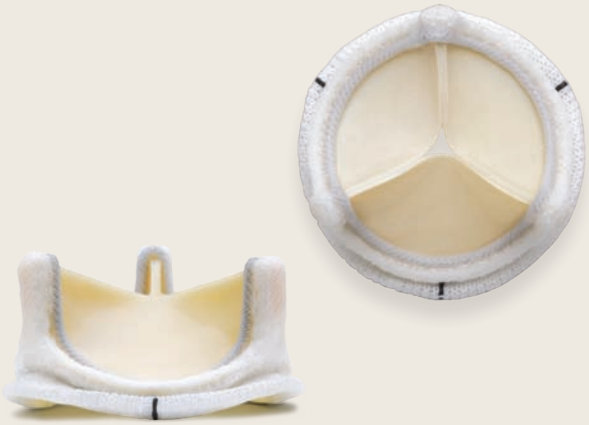
Glenn

Born with a bicuspid aortic valve, Glenn knew he would eventually need surgery. In 2007, his blood pressure began to rise and his doctors decided it was time to replace his valve. A few years later, Glenn mentored Allan during his surgery. He helped ease Allan's anxiety by sharing his experience, noting how he was able to resume his own active lifestyle—even swimming from Alcatraz to San Francisco and competing in triathlons after surgery.

Paige

Paige leads a research and development team focused on creating innovative new heart valve technologies that can offer increased valve performance and durability. Throughout the process, she works directly with surgeons who provide important real world perspectives. "Close collaboration between cross-functional teams and clinicians enables us to include all the different perspectives necessary to develop life-saving products for patients."

Paige
Manager Engineering, Heart Valve Therapy



Carpentier-Edwards PERIMOUNT Magna Ease Aortic Heart Valve

The advanced, low-profile Carpentier-Edwards PERIMOUNT Magna Ease aortic valve is designed for easier implantation in the heart. Built on the demonstrated performance of the company's Carpentier-Edwards PERIMOUNT aortic valves, which have proven durability of up to 20 years, the Magna Ease aortic valve combines enhanced implantability with the unsurpassed hemodynamics of the Magna platform. By helping to ease insertion through small incisions or small aortic roots, the Magna Ease valve sets a new standard for tissue valve implantation and performance.

Jaime
Senior Engineer, Critical Care

Jaime

Jaime, an engineer at Edwards' manufacturing plant in Puerto Rico, is part of the team that worked on the development of the VolumeView sensor from the research and development stage through commercialization. "It is so rewarding to look back at all that we have accomplished and know that the work we do today helps patients."

Dr. Woodford

The EV1000 clinical platform presents the physiological status of the patient in an entirely new, meaningful and intuitive way. "The robust information allows me to further individualize a patient's course of treatment and, as such, provides a new level of safety when managing my patients."

Steve Woodford, MD
Director of Intensive Care, Brisbane Waters Private Hospital, Australia

VolumeView Set & Edwards EV1000 Clinical Platform

When used with the EV1000 clinical platform, the VolumeView set measures cardiac output and a range of volumetric parameters, including extra vascular lung water and global end-diastolic volume. These parameters are particularly valuable for clinicians in the medical intensive care unit where more than two million patients globally experience respiratory and/or circulatory failure. The Edwards EV1000 clinical platform displays patient data via several different screen options to simplify the presentation and retrieval of hemodynamic information. The company's FloTrac sensor, PediaSat and PreSep continuous oximetry catheters and TruWave disposable pressure transducer also are compatible with this platform.

Caution: The VolumeView set and Edwards EV1000 clinical platform are investigational devices in the U.S., limited by U.S. federal law to investigational use. Not available for commercial sale in the U.S.

Dallas
Enjoys deep sea fishing off the coast of Sydney, Australia

Dr. Hofer

The VolumeView set, when used with the EV1000 clinical platform, provides clinicians with vital volumetric information about their patients. "The choice of parameters and multiple data viewing options enable me to glean more patient insight. It's a great advantage when managing a variety of patient challenges."

Christoph K. Hofer, MD
Senior Consultant, Anesthesia & Intensive Care Medicine, Triemli City Hospital, Switzerland

Dallas

Dallas is a 70-year old, retired surgeon who pioneered microsurgery of the ear more than 20 years ago in Sydney, Australia. Given his knowledge of potential complications that could result from anesthesia and a past surgical experience that left him with months of vertigo, he was reluctant to undergo a much-needed total hip replacement surgery. Dallas' doctors reassured him that the advanced hemodynamic monitoring they would use during the procedure would give them continual insight into how he was responding to their care. This gave Dallas the confidence he needed to proceed, and his surgery and recovery went smoothly. He is now able to resume his favorite activities, including deep sea fishing.

Dr. Smith

Dr. Smith served as co-principal investigator for The PARTNER Trial, which studied Edwards' transcatheter heart valve therapy for patients in the U.S. with aortic stenosis who were considered high-risk or inoperable for conventional open-heart valve surgery. "Without a transcatheter heart valve, inoperable patients had no definitive treatment options for addressing their valve disease."

Craig R. Smith, MD
Cardiothoracic Surgeon,
Columbia Presbyterian
Medical Center

Paul & Marga
Married nearly
60 years and raised
six children
in Germany

Paul & Marga

Paul, a retired dental technician, is an athletic person. For many years he and his wife enjoyed climbing in the Italian alps. After his first heart attack, he switched to cycling. By the time his interventionalist first diagnosed an aortic valve dysfunction, Paul had already undergone a number of intracardiac catheter and bypass operations. His cardiologist confirmed the diagnosis and recommended the Edwards SAPIEN transcatheter valve implanted transapically via a small incision between the ribs. After the replacement, Paul quickly resumed his active lifestyle, visiting his children nearby, organizing weekly meetings with friends and participating in sports. And the following year, he helped his wife, Marga, through the same transcatheter valve replacement procedure. Today, at 88 years old, Paul is still active and swimming once a week.

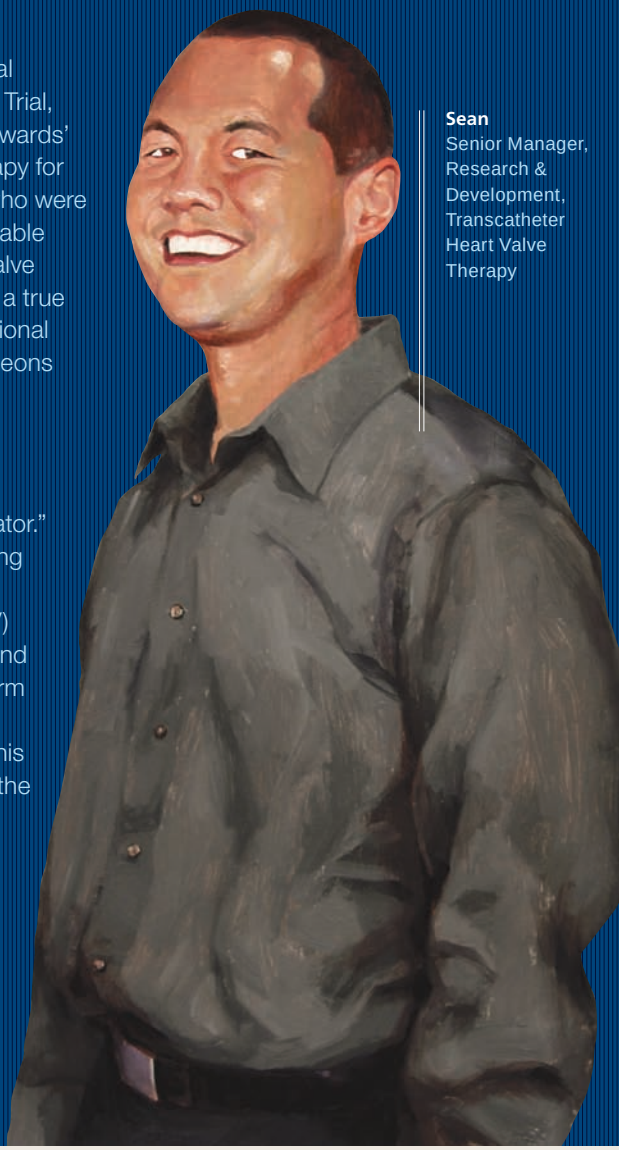
Martin B. Leon, MD
Interventional Cardiologist, New York Presbyterian Hospital

Dr. Leon

Dr. Leon served as co-principal investigator for The PARTNER Trial, the landmark U.S. study of Edwards' transcatheter heart valve therapy for patients with aortic stenosis who were considered high-risk or inoperable for conventional open-heart valve surgery. "This trial symbolized a true partnership between interventional cardiologists and cardiac surgeons that benefited the patient."

Sean

Sean is a "designer and facilitator." Part of his job involves spending time in hospitals observing transcatheter heart valve (THV) procedures to better understand how Edwards' products perform in the field. Armed with this information, Sean works with his engineering team to enhance the technology and design future generations of THV systems. The cross-functional team's purpose is to "continually revolutionize how patients are treated."



Sean
Senior Manager, Research & Development, Transcatheter Heart Valve Therapy

Edwards SAPIEN & Edwards SAPIEN XT Transcatheter Heart Valves

The Edwards SAPIEN transcatheter heart valve is designed to treat patients with severe aortic stenosis who are at high-risk for or unable to undergo traditional, open-heart valve replacement surgery. The valve can be delivered with a catheter inserted into the femoral artery or between the ribs, while the heart continues to beat and without cardiopulmonary bypass. Data published in 2010 on the Edwards SAPIEN valve demonstrated an advantage in survival among patients receiving transcatheter valve implantation, as well as improvements in their quality of life. The next-generation Edwards SAPIEN XT valve—offering best-in-class performance with new, lower-profile delivery systems—was introduced in Europe and other international markets in 2010.

Caution: The Edwards SAPIEN and Edwards SAPIEN XT transcatheter heart valves are investigational devices in the U.S., limited by U.S. federal law to investigational use. Not available for commercial sale in the U.S.

Our Global Presence

Team Irvine
With approximately 2,500 employees, Edwards' Irvine facility houses the company's global headquarters and is home to most of the company's R&D efforts, as well as substantial surgical and transcatheter heart valve manufacturing operations.

13,000

The Edwards Lifesciences Center for Advanced Cardiovascular Technology at the University of California, Irvine promotes research and training about cardiovascular disease treatments and has over 13,000 square feet of learning space.

20

Edwards has maintained a manufacturing presence in the Caribbean for nearly four decades. The facilities produce Edwards' critical care products, including the market-leading FloTrac system, which automatically calculates key parameters every 20 seconds to help clinicians make complex therapy decisions.

217,000

TELF supported the American Red Cross' earthquake relief efforts in Haiti, which provided water and sanitation, emergency shelter, food, and medical services for nearly 217,000 patients.

286,000

In 2010, Edwards' opened its new Draper, Utah facility comprising 286,000 square feet of manufacturing and office space. The facility currently manufactures Edwards' cardiac surgery systems products and transcatheter heart valve system components.

1 in 115

Each year, 1 in 115 infants worldwide is born with a defective heart. TELF donated funds and Edwards' PediaSat oximetry catheters to the Cardiac Kids Foundation of Florida's Jamaica Mission, which provides free cardiac surgery to underserved children in Jamaica.

50%

Over 50% of the people in Peru live in dire poverty. TELF supported CardioStart International, which assists the people of Peru by providing advanced heart investigations and procedures during medical missions.

Team Latin America
Edwards' Latin American regional headquarters are located in Sao Paulo, Brazil. This sales and marketing office has more than 70 employees and was established in 2003.

The Edwards Lifesciences Fund (TELF) at the Vanguard Charitable Endowment Program supports advancements in knowledge and improvements in quality of life, focusing primarily upon cardiovascular disease and the communities where the employees of Edwards Lifesciences live and work. In 2010, TELF granted $4.4 million to almost 200 non-profit organizations around the world.

100+

Serving more than 100 countries, Heart to Heart International works to create healthier communities. TELF supported their Into the Heartland Campaign, which provides access to modern heart care for underprivileged children in Russia.

3.2M

An estimated 3.2 million people currently suffer from moderate or severe aortic stenosis in the U.S. and Europe. One third of all asymptomatic aortic stenosis patients become symptomatic within two years.

Team EMEA

In 2009, Edwards moved its Europe, Middle East and Africa (EMEA) regional headquarters to Nyon, Switzerland to accommodate growth and facilitate physician education. Edwards also maintains a manufacturing facility in nearby Horw that has been in operation for 30 years.

500,000

Cardiovascular disease is a global burden encountered by millions of people. Each year, an estimated 500,000 people undergo open-heart surgery to replace or repair their malfunctioning or diseased heart valves.

Team Japan

Edwards' Tokyo facility has more than 250 employees and is Japan's regional headquarters. Edwards also began the first transcatheter heart valve trial in Japan in 2010.

$752

The average income in China's countryside is equivalent to $752 a year. TELF supported Angel Heart International's Mending Young Hearts in Gansu program, which offers medical treatment to underserved children with coronary heart disease in China.

8,000

In Thailand, an estimated 8,000 children are born with a congenital heart defect every year. TELF donated to PH-Japan's Pediatric Cardiovascular Surgery program in Thailand, which supports surgery for children from impoverished families to have operations for congenital heart disease.

1%

Only 1% of Africans have access to routine medical care. TELF supported the Walter Sisulu Pediatric Healthcare Foundation, which provides cardiac care dedicated to underprivileged children in Africa.

Team Asia Pacific

Many of the 600 employees in Edwards' Singapore location manufacture surgical heart valve products. This facility, which also serves as the company's Asia Pacific regional headquarters, is currently expanding its operations to accommodate future growth.

Consolidated Balance Sheets

Set forth on the following pages is certain consolidated financial information of the Company. This information is qualified by the Company's complete financial results and consolidated financial statements, including the notes thereto, as they appear in our Annual Report on Form 10-K as filed with the Securities and Exchange Commission for the fiscal year ended December 31, 2010. A copy of the Form 10-K is available on our website at edwards.com.

Twelve months ended December 31 *(in millions, except par value)*	**2010**	2009
Assets		
Current assets		
Cash and cash equivalents	$ 396.1	$ 334.1
Accounts receivable, net (Note 5)	277.3	249.4
Other receivables	25.2	22.7
Inventories, net	203.6	165.9
Deferred income taxes	51.9	48.3
Prepaid expenses	35.4	33.7
Other current assets	43.1	35.1
Total current assets	1,032.6	889.2
Property, plant and equipment, net	269.8	252.0
Goodwill	315.2	315.2
Other intangible assets, net	67.1	86.7
Investments in unconsolidated affiliates	25.0	22.3
Deferred income taxes	44.5	37.1
Other assets	13.0	13.0
Total assets	$ 1,767.2	$ 1,615.5
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 47.6	$ 51.1
Accrued liabilities	226.1	203.5
Taxes payable	22.3	35.9
Short-term debt (Note 8)	41.8	—
Total current liabilities	337.8	290.5
Long-term debt (Note 8)	—	90.3
Other long-term liabilities	121.2	76.8
Commitments and contingencies (Notes 8 and 15)		
Stockholders' Equity (Note 2)		
Preferred stock, $.01 par value, authorized 50.0 shares, no shares outstanding	—	—
Common stock, $1.00 par value, 350.0 shares authorized, 117.0 and 76.1 shares issued, and 115.0 and 56.8 shares outstanding, respectively	117.0	76.1
Additional paid-in capital	211.3	1,056.0
Retained earnings	1,124.0	906.0
Accumulated other comprehensive loss	(42.1)	(7.9)
Treasury stock, at cost, 2.0 and 19.3 shares, respectively	(102.0)	(872.3)
Total stockholders' equity	1,308.2	1,157.9
Total liabilities and stockholders' equity	$ 1,767.2	$ 1,615.5

Consolidated Statements of Operations

Twelve months ended December 31, *(in millions, except per share information)*	**2010**	2009	2008
Net sales	$ 1,447.0	$ 1,321.4	$ 1,237.7
Cost of goods sold	408.3	399.1	419.6
Gross profit	1,038.7	922.3	818.1
Selling, general and administrative expenses	550.0	508.8	480.6
Research and development expenses	204.4	175.5	139.2
Special charges (gains), net (Note 3)	22.7	(63.8)	25.1
Interest expense	2.4	2.7	7.2
Interest income	(0.9)	(1.6)	(6.1)
Other (income) expense, net (Note 13)	(8.1)	(3.7)	7.7
Income before provision for income taxes	268.2	304.4	164.4
Provision for income taxes	50.2	75.3	35.5
Net income	$ 218.0	$ 229.1	$ 128.9
Share information (Note 2):			
Earnings per share:			
Basic	$ 1.92	$ 2.04	$ 1.15
Diluted	$ 1.83	$ 1.95	$ 1.10
Weighted-average number of common shares outstanding:			
Basic	113.7	112.5	111.7
Diluted	119.2	117.5	119.2

Consolidated Statements of Cash Flows

Twelve months ended December 31, *(in millions)*	2010	2009	2008
Cash flows from operating activities			
Net income	$ 218.0	$ 229.1	$ 128.9
Adjustments to reconcile net income to cash provided by operating activities:			
Depreciation and amortization	56.5	58.7	55.6
Stock-based compensation (Notes 2 and 11)	29.3	28.3	28.7
Excess tax benefit from stock plans (Notes 2 and 11)	(55.1)	(20.6)	(14.9)
Deferred income taxes	(11.2)	(10.0)	(27.8)
Special charges (gains), net (Note 3)	22.7	(75.5)	25.4
(Gain) loss on trading securities	(2.7)	(3.3)	4.9
Other	(5.0)	0.3	2.7
Changes in operating assets and liabilities:			
Accounts and other receivables, net (Note 5)	(34.2)	(58.9)	(61.1)
Accounts receivable securitization (Note 5)	—	7.3	(7.4)
Inventories, net	(36.8)	(13.1)	(17.8)
Accounts payable and accrued liabilities	63.6	2.7	52.1
Prepaid expenses and other current assets	(2.5)	7.6	(3.3)
Other	8.8	12.7	(12.8)
Net cash provided by operating activities	251.4	165.3	153.2
Cash flows from investing activities			
Capital expenditures	(61.8)	(64.0)	(50.6)
Proceeds from sale of assets (Note 3)	6.6	97.9	97.0
Investments in unconsolidated affiliates	(6.9)	(5.8)	(1.1)
Proceeds from unconsolidated affiliates	2.2	2.3	5.5
Investments in intangible assets	(1.2)	—	(27.4)
Investments in trading securities, net	(0.4)	(1.7)	(0.1)
Proceeds from investments (Note 2)	—	11.4	35.5
Net cash (used in) provided by investing activities	(61.5)	40.1	58.8
Cash flows from financing activities			
Payments on debt	(302.8)	(213.9)	(112.1)
Proceeds from issuance of debt	254.4	129.3	206.3
Purchases of treasury stock	(200.0)	(95.5)	(306.5)
Proceeds from stock plans	92.1	66.7	63.8
Excess tax benefit from stock plans (Notes 2 and 11)	55.1	20.6	14.9
Other	(2.7)	1.0	(0.5)
Net cash used in financing activities	(103.9)	(91.8)	(134.1)
Effect of currency exchange rate changes on cash and cash equivalents	(24.0)	1.8	(1.0)
Net increase in cash and cash equivalents	62.0	115.4	76.9
Cash and cash equivalents at beginning of year	334.1	218.7	141.8
Cash and cash equivalents at end of year	$ 396.1	$ 334.1	$ 218.7
Supplemental disclosures:			
Cash paid during the year for:			
Interest	$ 2.4	$ 2.7	$ 7.3
Income taxes	$ 14.7	$ 34.2	$ 37.2
Non-cash transaction:			
Distribution of treasury shares to effect stock split (Note 2)	$ 970.3	$ —	$ —
Issuance of common shares in redemption of convertible debt (Note 8)	$ —	$ —	$ 147.7

Consolidated Statements of Stockholders' Equity & Comprehensive Income (Loss)

(in millions)	Common Stock Shares	Common Stock Par Value	Treasury Stock Shares	Treasury Stock Amount	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total	Comprehensive Income (Loss)
Balance at December 31, 2007	68.6	$ 68.6	12.0	$(470.3)	$ 680.6	$ 548.6	$ 7.5	$ 835.0	
Comprehensive income									
Net income						128.9		128.9	$ 128.9
Other comprehensive income (loss), net of tax:									
Foreign currency translation adjustments							(24.2)	(24.2)	(24.2)
Unrealized gain on cash flow hedges							4.9	4.9	4.9
Unrealized loss on available-for-sale investments							(11.5)	(11.5)	(11.5)
Reclassification of net realized investment gain to earnings							(1.7)	(1.7)	(1.7)
Defined benefit pension plans:									
Net prior service cost							(0.3)	(0.3)	(0.3)
Net loss							(10.1)	(10.1)	(10.1)
Effects of changing the pension plan measurement date:									
Service and interest cost, and expected return on plan assets for November 1 – December 31, 2007, net of tax						(0.6)		(0.6)	
Common stock issued under equity plans, including tax benefits and other	2.4	2.4			82.2			84.6	
Issuance of shares for convertible debt	2.7	2.7			145.0			147.7	
Tax benefit due to redemption of convertible debt and other					3.9			3.9	
Stock-based compensation expense					28.7			28.7	
Purchase of treasury stock			5.8	(306.5)				(306.5)	
Balance at December 31, 2008	73.7	73.7	17.8	(776.8)	940.4	676.9	(35.4)	878.8	$ 86.0
Comprehensive income									
Net income						229.1		229.1	$ 229.1
Other comprehensive income (loss), net of tax:									
Foreign currency translation adjustments							17.3	17.3	17.3
Unrealized loss on cash flow hedges							(3.5)	(3.5)	(3.5)
Unrealized gain on available-for-sale investments							4.1	4.1	4.1
Reclassification of net realized investment loss to earnings							0.6	0.6	0.6
Defined benefit pension plans:									
Net gain							9.0	9.0	9.0
Common stock issued under equity plans, including tax benefits and other	2.4	2.4			87.1			89.5	
Tax benefit due to redemption of convertible debt					0.2			0.2	
Stock-based compensation expense					28.3			28.3	
Purchase of treasury stock			1.5	(95.5)				(95.5)	
Balance at December 31, 2009	76.1	76.1	19.3	(872.3)	1,056.0	906.0	(7.9)	1,157.9	$ 256.6
Comprehensive income									
Net income						218.0		218.0	$218.0
Other comprehensive income (loss), net of tax:									
Foreign currency translation adjustments							(24.9)	(24.9)	(24.9)
Unrealized loss on cash flow hedges							(6.8)	(6.8)	(6.8)
Unrealized loss on available-for-sale investments							(0.8)	(0.8)	(0.8)
Reclassification of net realized investment loss to earnings							4.0	4.0	4.0
Defined benefit pension plans:									
Net loss (Note 12)							(5.7)	(5.7)	(5.7)
Common stock issued under equity plans, including tax benefits and other	4.3	4.3			132.9			137.2	
Stock-based compensation expense					29.3			29.3	
Purchase of treasury stock			3.1	(200.0)				(200.0)	
Stock issued to effect stock split	36.6	36.6	(20.4)	970.3	(1,006.9)			—	
Balance at December 31, 2010	117.0	$ 117.0	2.0	$(102.0)	$ 211.3	$1,124.0	$ (42.1)	$1,308.2	$ 183.8

Reconciliation of GAAP to 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 net income "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 net income 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 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. A reconciliation of non-GAAP historical financial measures to the most comparable GAAP measure is provided in the tables below. The Company is not able to provide a reconciliation of projected net income and sales growth guidance, 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 charges associated with future transactions and initiatives.

Twelve months ended December 31, 2010	*GAAP Net Sales Growth Rate*	*Discontinued, Newly Acquired and Other Products*	*Impact of Foreign Exchange and Other*	*Non-GAAP Net Sales Growth Rate*
Non-GAAP Net Sales Growth by Product Line				
Surgical Heart Valve Therapy	4.9%	0.8%	(1.0%)	4.7%
Transcatherter Heart Valve Therapy	83.8%	0.0%	6.8%	90.6%
Total Heart Valve Therapy	17.3%	0.7%	0.1%	18.1%
Critical Care	0.4%	7.7%	(2.2%)	5.9%

Note: Numbers may not calculate due to rounding

Reconciliation of GAAP to Non-GAAP Financial Information

Twelve months ended December 31, *(in millions)*	**2010**	2009	2008	2007	2006
GAAP net income	$ 218.0	$ 229.1	$ 128.9	$ 113.0	$ 130.5
Reconciling items:					
Gross profit	—	(4.1)	4.7	—	2.0
Special charges (gains):					
MONARC program discontinuation	$8.3	—	—	—	—
Realignment expenses, net	7.2	—	(1.7)	13.9	9.4
Investment impairments	7.2	1.6	—	—	—
Milestone receipt and net gain on sale of assets	—	(86.9)	(14.9)	(1.8)	(13.7)
Charitable fund contribution	—	15.0	—	—	—
Settlements and litigation (gains) losses, net	—	3.8	0.6	—	(19.0)
Adjustment to capitalized patent enforcement costs	—	3.7	8.2	—	—
Reserve reversal	—	(1.0)	—	—	—
Acquisition of in-process technology and intellectual property	—	—	19.5	—	—
DexCom collaboration agreement	—	—	13.4	—	—
Pension settlement and adjustment	—	—	—	11.2	—
PVT milestone payment	—	—	—	—	10.0
Discontinued products	—	—	—	—	6.8
Restructure 3F Therapeutics agreements	—	—	—	—	2.0
Benefit (provision) for income taxes:					
Tax effect on non-GAAP adjustments	(4.1)	17.8	1.7	(6.9)	(6.6)
Resolution of outstanding transfer price issues	(7.9)	—	—	—	—
Tax audit settlements and reversal of valuation allowances	(9.8)	—	(10.1)	—	(6.9)
Non-GAAP net income	$ 218.9	$ 179.0	$ 150.3	$ 129.4	$ 127.7

Non-GAAP Free Cash Flow

Twelve months ended December 31, *(in millions)*	**2010**	2009	2008	2007	2006
Net cash provided by operating activities	$ 251.4	$ 165.3	$ 153.2	$ 213.1	$ 232.7
Capital expenditures	(61.8)	(64.0)	(50.6)	(57.0)	(57.4)
Reconciling items:					
Japan securitization program termination	—	39.0	—	—	—
Tax payment related to Bard milestone	—	22.8	—	—	—
Charitable fund contribution	—	15.0	—	—	—
U.S. securitization program termination	—	—	50.0	—	—
Tax settlement payment	—	—	13.0	—	—
Litigation settlement	—	—	—	—	(23.8)
Non-GAAP Free Cash Flow	$ 189.6	$ 178.1	$ 165.6	$ 156.1	$ 151.5

Non-GAAP Net Sales Growth

Twelve months ended December 31,	**2010**	2009	2008	2007	2006
GAAP net sales growth rate	9.5%	6.8%	13.4%	5.2%	3.9%
Impact of discontinued, newly acquired and other products	3.9%	2.9%	2.6%	4.7%	1.8%
Impact of foreign exchange	(0.7%)	1.4%	(4.0%)	(3.3%)	0.6%
Non-GAAP net sales growth rate	12.7%	11.1%	12.0%	6.6%	6.3%

Note: Numbers may not calculate due to rounding

Executive Management

Michael A. Mussallem
Chairman &
Chief Executive Officer

Thomas M. Abate
Corporate Vice President,
Chief Financial Officer

Donald E. Bobo Jr.
Corporate Vice President,
Heart Valve Therapy

Bruce P. Garren
Corporate Vice President,
Public Affairs &
Special Counsel

John H. Kehl, Jr.
Corporate Vice President,
Strategy & Corporate
Development

John P. McGrath
Corporate Vice President,
Quality

Paul C. Redmond
Corporate Vice President,
Global Corporate
Operations

Robert C. Reindl
Corporate Vice President,
Human Resources

Stanton J. Rowe
Corporate Vice President,
Advanced Technology &
Chief Scientific Officer

Carlyn D. Solomon
Corporate Vice President,
Critical Care & Vascular

Patrick B. Verguet
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Europe, Middle East &
Africa

Huimin Wang, M.D.
Corporate Vice President,
Japan, Asia Pacific &
Latin America

Aimee S. Weisner
Corporate Vice President,
General Counsel

Larry L. Wood
Corporate Vice President,
Transcatheter Valve
Replacement

Corporate Information

Corporate Headquarters
Edwards Lifesciences Corporation
One Edwards Way, Irvine, California 92614
(800) 4-A-HEART or (949) 250-2500
edwards.com

Annual Meeting
The Annual Meeting of Shareholders will be held on May 12, 2011 at 10:00 a.m. (Pacific) at the offices of Edwards Lifesciences Corporation, One Edwards Way, Irvine, CA 92614.

SEC Form 10-K
A copy of Edwards Lifesciences' annual report to the Securities and Exchange Commission on Form 10-K is available on the company's web site at edwards.com or upon request to the Investor Relations department at (949) 250-2806.

Stock Symbol
EW LISTED NYSE

Edwards Lifesciences' stock is traded on The New York Stock Exchange (NYSE) under the symbol EW.

Information on the Internet
Edwards Lifesciences' web site at edwards.com provides access to a wide range of information for our customers, patients and shareholders. Persons interested in investing in Edwards Lifesciences are invited to visit the "Investor Relations" section of our web site to access our press releases, SEC filings and other company information.

Corporate Public Relations
Members of the news media should call (949) 250-5070.

Investor Information
Shareholders, securities analysts and investors seeking additional information about Edwards Lifesciences should contact:
David K. Erickson
Vice President, Investor Relations
(949) 250-2806 Phone (949) 756-4515 Fax
investor_relations@edwards.com

Edwards Lifesciences is an affirmative action, equal opportunity employer.

Analyst Coverage
For a list of research firms and analysts who cover Edwards Lifesciences, please visit the Investor Relations section of the company's web site at edwards.com.

Transfer Agent
Correspondence about share ownership, account status, the transfer or exchange of shares, lost stock certificates, duplicate mailings or change of address may be directed to:
Computershare Investor Services
P.O. Box 43069, Providence, Rhode Island 02940-3069
(800) 446-2617 Hearing impaired # TDD: (800) 952-9245
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Independent Registered Public Accounting Firm
PricewaterhouseCoopers LLP, Orange County, CA

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Wesley W. von Schack
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Energy East Corporation

Trademarks

Certification

On June 14, 2010, Edwards Lifesciences submitted to The New York Stock Exchange a certification signed by its Chief Executive Officer that as of June 14, 2010 he was not aware of any violation by Edwards Lifesciences of the NYSE corporate governance listing standards. In addition, the certifications signed by the Chief Executive Officer and Chief Financial Officer required under Section 302 of the Sarbanes-Oxley Act were filed as an exhibit to Edwards Lifesciences' Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

Our Credo

At Edwards Lifesciences, we are dedicated to providing innovative solutions for people fighting cardiovascular disease. Through our actions, we will become trusted partners with customers, colleagues and patients creating a community unified in its mission to improve the quality of life around the world. Our results will benefit customers, patients, employees and shareholders. We will celebrate our successes, thrive on discovery and continually expand our boundaries. We will act boldly, decisively and with determination on behalf of people fighting cardiovascular disease. Helping Patients is Our Life's Work, and Life is Now.

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