



1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	© VALUE LINE PUB. LLC	16-18
--	--	--	6.85	5.83	5.85	7.23	7.84	8.38	8.99	9.64	11.07	11.63	12.58	14.71	16.62	18.75	21.30	Revenues per sh	29.90
--	--	--	.14	1.01	1.02	1.20	1.34	1.52	1.60	1.63	1.84	2.09	2.39	2.62	3.28	3.75	4.35	"Cash Flow" per sh	6.45
--	--	--	d.53	.52	.68	.79	.84	.99	1.03	1.07	1.28	1.53	1.84	2.02	2.69	3.05	3.65	Earnings per sh ^A	5.55
--	--	--	.39	.32	.34	.32	.36	.41	.50	.50	.45	.56	.54	.73	1.06	.80	.80	Cap'l Spending per sh	.95
--	--	--	3.75	3.87	4.48	5.34	5.28	5.80	6.49	7.38	7.86	10.19	11.38	11.73	12.94	14.35	16.90	Book Value per sh ^B	28.10
--	--	--	117.34	118.66	120.35	118.96	118.88	119.05	115.40	113.20	111.80	113.60	115.00	114.10	114.30	110.00	108.00	Common Shs Outst'g ^C	103.00
--	--	--	--	22.3	18.9	18.0	20.7	21.7	21.7	23.1	20.9	21.8	30.8	39.3	32.5	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	25.5
--	--	--	--	1.14	1.03	1.03	1.09	1.16	1.17	1.23	1.26	1.45	1.96	2.47	2.06			Relative P/E Ratio	1.70
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CAPITAL STRUCTURE as of 3/31/13		2011	2012	3/31/13	2011		2012	3/31/13	2011		2012	3/31/13	2011		2012	3/31/13	2011		2012	3/31/13		
Total Debt \$192.7 mill. Due in 5 Yrs \$192.7 mill.		21.4%	22.6%	23.2%	21.4%	22.6%	23.2%	21.4%	22.6%	23.2%	21.4%	22.6%	23.2%	21.4%	22.6%	23.2%	21.4%	22.6%	23.2%	21.4%	22.6%	23.2%
LT Debt \$192.7 mill. LT Interest \$6.0 mill. (11% of Capital)		45.6	55.7	56.2	45.6	55.7	56.2	45.6	55.7	56.2	45.6	55.7	56.2	45.6	55.7	56.2	45.6	55.7	56.2	45.6	55.7	56.2
Leases, Uncapitalized Annual rentals \$23.1 mill.		25.6%	26.0%	24.7%	25.6%	26.0%	24.7%	25.6%	26.0%	24.7%	25.6%	26.0%	24.7%	25.6%	26.0%	24.7%	25.6%	26.0%	24.7%	25.6%	26.0%	24.7%
Pension Assets-12/12 \$57.2 mill. Oblig. \$108.0 mill.		11.2%	11.2%	12.5%	11.2%	11.2%	12.5%	11.2%	11.2%	12.5%	11.2%	11.2%	12.5%	11.2%	11.2%	12.5%	11.2%	11.2%	12.5%	11.2%	11.2%	12.5%
Common Stock 112,961,747 shares as of 4/30/13		193.0	172.1	320.0	193.0	172.1	320.0	193.0	172.1	320.0	193.0	172.1	320.0	193.0	172.1	320.0	193.0	172.1	320.0	193.0	172.1	320.0
MARKET CAP: \$8.0 billion (Large Cap)		255.8	267.1	316.1	255.8	267.1	316.1	255.8	267.1	316.1	255.8	267.1	316.1	255.8	267.1	316.1	255.8	267.1	316.1	255.8	267.1	316.1
CURRENT POSITION (\$MILL.)		635.1	628.1	690.0	635.1	628.1	690.0	635.1	628.1	690.0	635.1	628.1	690.0	635.1	628.1	690.0	635.1	628.1	690.0	635.1	628.1	690.0
Cash Assets		450.5	521.4	557.9	450.5	521.4	557.9	450.5	521.4	557.9	450.5	521.4	557.9	450.5	521.4	557.9	450.5	521.4	557.9	450.5	521.4	557.9
Receivables		283.8	347.5	329.7	283.8	347.5	329.7	283.8	347.5	329.7	283.8	347.5	329.7	283.8	347.5	329.7	283.8	347.5	329.7	283.8	347.5	329.7
Inventory (FIFO)		261.3	281.0	288.5	261.3	281.0	288.5	261.3	281.0	288.5	261.3	281.0	288.5	261.3	281.0	288.5	261.3	281.0	288.5	261.3	281.0	288.5
Other		172.9	142.0	184.6	172.9	142.0	184.6	172.9	142.0	184.6	172.9	142.0	184.6	172.9	142.0	184.6	172.9	142.0	184.6	172.9	142.0	184.6
Current Assets		1168.5	1291.9	1360.7	1168.5	1291.9	1360.7	1168.5	1291.9	1360.7	1168.5	1291.9	1360.7	1168.5	1291.9	1360.7	1168.5	1291.9	1360.7	1168.5	1291.9	1360.7
Accts Payable		85.0	74.7	75.0	85.0	74.7	75.0	85.0	74.7	75.0	85.0	74.7	75.0	85.0	74.7	75.0	85.0	74.7	75.0	85.0	74.7	75.0
Debt Due		--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Other		250.2	272.7	225.4	250.2	272.7	225.4	250.2	272.7	225.4	250.2	272.7	225.4	250.2	272.7	225.4	250.2	272.7	225.4	250.2	272.7	225.4
Current Liab.		335.2	347.4	300.4	335.2	347.4	300.4	335.2	347.4	300.4	335.2	347.4	300.4	335.2	347.4	300.4	335.2	347.4	300.4	335.2	347.4	300.4

BUSINESS: Edwards Lifesciences Corporation is focused on technologies that treat structural heart disease and critically ill patients. Operates in three segments: Surgical Heart Valve Therapy (41% of '12 revenues), Transcatheter Heart Valves (29%), Critical Care (29%). '12 R&D: \$291.3 million, 15% of sales. '12 international revenues: \$1106.4 million. Employs about 8,200. Capital Research Global Investors, 10.2%; T. Rowe Price owns 10.0% of common stock; Capital World Investors, 8.4%; Growth Fund of America, 7.9%; Vanguard, 6.1%; BlackRock, 5.7%; officers & directors, 3.6% (3/13 proxy). Chairman & CEO: Michael A. Mussallem. Incorporated: DE. Address: One Edwards Way, Irvine, CA, 92614. Telephone: (949) 250-2500. Internet: www.edwards.com.

Cal-endar	QUARTERLY REVENUES (\$ mill.)	Full Year	Cal-endar	EARNINGS PER SHARE ^A	Full Year
2010	340.5 365.2 348.9 392.4	1447.0	2010	.40 .46 .43 .55	1.84
2011	404.5 431.2 412.7 430.2	1678.6	2011	.53 .49 .38 .62	2.02
2012	459.2 482.0 447.9 510.5	1899.6	2012	.53 .67 .58 .90	2.69
2013	496.7 513.3 495 555	2060	2013	.72 .76 .71 .86	3.05
2014	545 575 555 625	2300	2014	.85 .89 .86 1.05	3.65

Shares of Edwards Lifesciences have dropped precipitously since our February review. Indeed, the stock price plummeted 22% the day first-quarter earnings were released, and it eventually bottomed out at \$62. After the dust has settled, the issue price has rebounded some to the present level. **March-quarter results were solid, but fell well short of our and Wall Street's expectations.** Revenues came in at \$496.7 million, an 8% increase from the year-earlier figure, but below our \$520 million estimate. Share earnings (excluding a nonrecurring gain) were \$0.72, a 36% gain from the \$0.53 logged in 2012. Still, it was a nickel short of our target. **We have lowered our full-year estimates for both 2013 and 2014.** The main reason for the weaker-than-anticipated performance in the March period was disappointing Transcatheter Heart Valve (THV) revenue growth. Although the top line advanced 40% in the opening stanza, investors and Value Line were expecting an even stronger advance, driven by the ongoing deployment of the SAPIEN valve. What's more, the slower-

than-expected THV sales growth and ongoing foreign exchange headwinds spurred management to lower 2013 guidance on the top and bottom lines. The company now expects full-year revenues of \$2.0 billion-\$2.1 billion and share earnings in the \$3.00-\$3.10 range. We think Edwards will end up in the middle of both bands, and it is worth noting that operating margin expansion will likely be well short of our previous expectation. We also trimmed our 2014 targets considerably. **Share-repurchase efforts are being increased.** The board authorized the company to buy back another \$500 million worth of stock, in addition to the \$140 million that is anticipated to be retired in the second quarter. **This untimely issue faltered this year, but long-term fundamentals remain in tact.** In fact, now is one of the better opportunities in recent memory for 3- to 5-year investors to enter the fray. There is a tremendous opportunity for the SAPIEN THV in both the United States and abroad, and we expect the company to take full advantage of it. *Erik A. Antonson* May 24, 2013

(A) Diluted earnings. Excludes nonrecurring: '01: (61c); '02: (22c); '03: (15c); '04: (82c); '05: (36c); '06, 2c; '07, (13c); '08, (12c); '09, 43c; '10, 1c; '11, d4c; '12, (21c); '13, 52c. Next earnings report due late July.	(B) Includes intangibles. In '12: \$451.7 million, \$3.95 a share.	(C) In millions, adjusted for split.	Company's Financial Strength	A+
			Stock's Price Stability	75
			Price Growth Persistence	90
			Earnings Predictability	95