



Plan News

Edwards Lifesciences Corporation 401(k) Savings and Investment Plan

DISCOVER YOUR FINANCIAL FUTURE

Changes to your 401(k) Plan will help make it easier to invest for retirement.



EDWARDS LIFESCIENCES CORPORATION IS INTRODUCING ENHANCEMENTS TO YOUR 401(k) PLAN THAT WILL MAKE IT EASIER FOR YOU TO SAVE AND INVEST FOR RETIREMENT AND MANAGE YOUR ACCOUNT.

The following Plan changes will become effective **October 10, 2011**:

- Two new funds will be added for greater diversification opportunities.
- The Dreyfus Mid Cap Index Fund will be replaced by the SSgA S&P Mid Cap Index Fund.
- The Edwards Lifesciences Stock Fund will have a new process for buying and selling shares.
- Roth 401(k) contributions will offer you the option of having tax-free income in retirement.

To implement these changes, access to your account will be restricted from **4:00 p.m. Eastern Time on Thursday, October 6, 2011 to 8:00 a.m. Eastern Time on Monday, October 10, 2011**. However, this restriction will only be in place for one Stock Market trading day, Friday, October 7, 2011. You are not *required* to take any action, but please see details inside for important information that may prompt you to make changes to your account.

Changes to your investment options

Two new funds add more international diversification opportunities

- **Allianz NFJ International Value Fund (Ticker: ANJIX)** — This fund seeks long-term growth of capital and income by investing in common stocks and other equity securities of non-U.S. companies with market capitalizations greater than \$1 billion. It invests significantly in securities that the portfolio managers expect will generate income, and may invest up to 50% of assets in emerging market securities.

- **Janus Overseas Fund (Ticker: JIGFX)** — This fund seeks long-term growth of capital by investing in foreign equity and debt securities of issuers from countries outside of the United States. The fund may have significant exposure to emerging markets.

Refer to the enclosed fund fact sheets for details on the three new funds, including fees and expenses.

A new mid cap index fund

- **SSgA S&P Mid Cap Index Fund** — Edwards has decided to remove the Dreyfus Mid Cap Index Fund from the Plan and replace it with the SSgA S&P Mid Cap Index Fund. The SSgA fund offers the same investment objective and strategy as the fund it is replacing: to approximate the investment return of the S&P 400 Mid Cap Index by investing in all 400 stocks in proportion to their weighting in the Index. The mid cap sector of the stock market represents medium-sized companies.



Your revised investment options

EFFECTIVE OCTOBER 10, 2011

FUND NAME	TICKER SYMBOL
INVESCO Stable Value Trust Fund	N/A*
American Century Inflation Adjusted Bond Institutional Fund	AIANX
PIMCO Total Return Fund	PTRAX
SSgA Moderate Strategic Balanced Fund	N/A*
SSgA S&P 500 Flagship Fund	N/A*
INVESCO Van Kampen Growth and Income Fund	ACGIX
American Funds Growth Fund of America	RGAFX
SSgA S&P Mid Cap Index Fund (NEW)	N/A*
Dreyfus Small Cap Stock Index Fund	DISSX
Columbia Small Cap Value II Fund	NSVAX
BlackRock Small Cap Growth Equity Institutional Fund	PSGIX
Allianz NFJ International Value Fund (NEW)	ANJIX
SSgA EAFE Index Fund	N/A*
Janus Overseas Fund (NEW)	JIGFX
Edwards Lifesciences Corporation Common Stock Fund	EW
Baxter Common Stock Fund**	N/A*
Vanguard Target Retirement Income Fund	VTINX
Vanguard Target Retirement 2010 Fund	VTENX
Vanguard Target Retirement 2015 Fund	VTXVX
Vanguard Target Retirement 2020 Fund	VTWNX
Vanguard Target Retirement 2025 Fund	VTTVX
Vanguard Target Retirement 2030 Fund	VTHRX
Vanguard Target Retirement 2035 Fund	VTTHX
Vanguard Target Retirement 2040 Fund	VFORX
Vanguard Target Retirement 2045 Fund	VTIVX
Vanguard Target Retirement 2050 Fund	VFIFX
Self Managed Account Funds (see website for complete listing of more than 13,000 available funds)	N/A*

*Institutional funds do not have ticker symbols.

**No new contributions allowed in Baxter Common Stock Fund. This is a frozen fund.

For details on all of the Plan funds, please log on to the Plan website at <https://edwards.ingplans.com> and select **Fund Information**.

DIVERSIFICATION HELPS TO MANAGE RISK

Now is a good time to make sure you are invested in a diversified mix of funds that matches your long-term investment goals and risk tolerance. A diversified portfolio will contain a number of funds covering different asset classes, or types of investments, such as large and small U.S. and foreign stocks, bonds and stable value investments. Since different investment types often take turns at the top of the performance charts, diversification may help smooth out some of the market's ups and downs.

A NOTE ABOUT TRADING RESTRICTIONS AND REDEMPTION FEES

As a reminder, the following trading restrictions and redemption fees currently in place are set by the Fund managers, not by Edwards Lifesciences Corporation:

- If you sell shares in a specific **Vanguard Target Retirement Date Fund**, you must wait 60 calendar days before you can buy shares in that same Target Retirement Date Fund.
- If you transfer more than \$5,000 out of the **American Funds Growth Fund of America**, you must wait at least 30 days before you can transfer \$5,000 or more back into the Fund.
- If you purchase shares in the **Janus Overseas Fund**, you must keep the shares in the fund for at least 90 days. If you sell your shares before that 90-day holding period, you will be charged a 2% redemption fee, meaning 2% of the dollar value of your sell transaction will be deducted from your account.

Changes to the Stock Fund

The Plan is converting the Edwards Lifesciences Corporation Common Stock Fund from unit accounting to share accounting which will bring several important enhancements to the Plan. You will now be able to track the performance of the fund based solely on the share price of Edwards common stock, due to the elimination of the cash portion of the fund that is typically held in a unitized stock fund.

Owning shares instead of units

Currently, you own “units” in the Edwards Stock Fund. With unit accounting, the value of your fund units includes all capital gains and losses, dividends, interest, stock splits, expenses and any cash held by the Fund. Share accounting is much simpler. You own shares of Edwards common stock, and the value of your shares is the same as any other investor and the same as that published in public stock tables. You will be able to track the value of your Edwards Stock Fund holdings simply by looking up the Edwards share price and multiplying by the number of shares you own.

Beginning Monday, October 10, 2011, you will see your Edwards Lifesciences Corporation Common Stock Fund balance listed as shares. Because of the different way units and shares are valued, the actual number of shares will be different from the number of units you previously held, but the total dollar value of your Edwards Stock Fund holdings will be the same. The value of your Edwards Stock Fund holdings is calculated by multiplying the number of shares you own with the prior day's stock market closing share price of the Edwards Lifesciences Corporation Common Stock Fund.

New trading process for company stock transactions

Effective October 10, 2011, the trading process for the Edwards Lifesciences Corporation Common Stock Fund will be as follows:

- **BUYING SHARES** — For a buy transaction, the trade will be executed on the first business day following the day you submit your buy order. The share price used to process this transaction will be the total average weighted price for all shares purchased by Edwards Plan participants on that day.
- **SELLING SHARES** — For a sell transaction, the trade will be executed on the same day you place the sell order **if your order is completed before 3:30 p.m. Eastern Time**. The price used to process the sell transaction will be the total average weighted price for all shares sold by Edwards Plan participants on that day.

Stock Fund transactions are limited and cannot be cancelled

Only one transaction that involves selling shares in the Edwards Stock Fund may be requested per day. So if you request a transfer out of the Edwards Stock Fund and into another fund, you cannot also request a loan, withdrawal, reallocation of your account, or place another transfer out of the Edwards Stock Fund on the same day. Also, any account transaction that may involve the Edwards Stock Fund **cannot be cancelled** once submitted. Transactions that do not involve selling shares in the Edwards Stock Fund can still be cancelled any time before 4:00 p.m. Eastern Time.

ACCOUNT ACCESS RESTRICTIONS

To implement the new funds and features described in this newsletter, access to your account will be restricted from **4:00 p.m. Eastern Time on Thursday, October 6, 2011, to 8:00 a.m. Eastern Time on Monday, October 10, 2011**. However, this restriction will only be in place for one Stock Market trading day, Friday, October 7, 2011. You will not be able to make any account transactions during this ‘blackout period’.

Assets in the Dreyfus Mid Cap Index Fund will automatically transfer into the SSgA S&P Mid Cap Index Fund through a process called mapping. You do not have to take any action. Your money will remain invested at all times throughout the mapping process. This automatic mapping does not count toward any trading restrictions for the funds.

If you do not want your assets mapped as described above, please transfer your money into one or more of the other funds before 4:00 p.m. Eastern Time on October 6, 2011. As a reminder, you will not be able to make any account transactions from 4:00 p.m. Eastern Time on October 6, 2011 to 8:00 a.m. Eastern Time on October 10, 2011. Beginning Monday, October 10, you can make transfers into any combination of the Plan funds, subject to any limitations imposed by the particular fund.

Change to your contribution options

ROTH 401(k) CONTRIBUTIONS
OFFER THE POTENTIAL FOR
TAX-FREE RETIREMENT INCOME

Starting October 10, 2011, you will have two options for making contributions to the Plan: pre-tax and Roth 401(k). With the Roth 401(k) option, you make contributions after you've paid income taxes on the money. Once invested, your Roth 401(k) contributions and any earnings grow tax-free, and qualified withdrawals are completely tax-free. You can contribute up to 25% of your salary in any combination of pre-tax and/or Roth.

The Roth option will also be available for catch-up contributions. So if you will be age 50 or older before the end of any calendar year, you may be able to make Roth and/or pre-tax catch-up contributions up to the annual IRS limits

Reasons to consider the Roth 401(k) contribution option

You might consider making Roth contributions if you:

- **Expect to be in a higher tax bracket in retirement** — Since your qualified Roth withdrawals are tax-free, you would get maximum benefits by paying taxes on your contributions today at a lower rate and taking your tax break in retirement when your tax rate may be higher.

- **Want the option of not taking mandatory withdrawals after age 70½** — Unlike your before tax contributions and earnings, which require minimum distributions starting at age 70½, Roth 401(k) funds can continue to grow tax-free by rolling them over into a Roth IRA which does not have mandatory withdrawal requirements.
- **Make too much money to invest in a Roth IRA** — There are income restrictions for contributing to a Roth IRA but no income restrictions for Roth 401(k) contributions. (You can also contribute more money each year to a Roth 401(k) than to a Roth IRA.)
- **Want greater tax planning flexibility** — If you make both before tax and Roth contributions, you will have the flexibility of choosing which account to take money from in retirement (taxable or tax-free or both) depending on your tax situation each year.

What is a qualified withdrawal?

To qualify for tax-free withdrawals, you must:

- Be age 59½ or older, and
- Have kept your Roth 401(k) money invested for at least five years counting from your first Roth contribution.
- Tax-free withdrawals can also be made upon your death or disability.

Please see the enclosed Roth 401(k) brochure for more details on this new contribution option.

IMPORTANT CHANGE: New transaction cutoff times

3:30 p.m. Eastern Time cut-off

- Fund transfer which involves the sale of Edwards Common Stock
- Reallocation
- Loan issuance
- Rollover, Roth Rollover, In-service, After-tax, Age 59½ and Roth 59½ Withdrawals
- Partial Termination, Roth Partial Termination, Termination Distributions and Roth Termination Distributions
- In-kind Distributions (Distribution of share or certificate in lieu of cash)

(Above transactions requested after 3:30 p.m. will be processed the next business day.)

4:00 p.m. Eastern Time cut-off

- Fund transfer which does not involve sale of Edwards Common Stock
- Fund transfer which involves purchase of Edwards Common Stock
- Investment election change
- Contribution percentage change
- Hardship Withdrawal form request
- Installment request
- Loan promissory note request
- Forms requests
- Beneficiary Designation change

(Above transactions requested after 4:00 p.m. will be processed the next business day.)



If you have questions about the upcoming Plan changes, please call the Information Line at **(888) ELS-3576**. Customer Service Associates are available Monday through Friday, from 8:00 a.m. to 8:00 p.m. Eastern Time, except on days when the stock market is closed. To make changes to your account, log on to the Plan website at <https://edwards.ingplans.com>.