EDWARDS LIFESCIENCES CORP
Form S-3/A
October 30, 2003

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As filed with the Securities and Exchange Commission on October 30, 2003

Registration No. 333-107405

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 3 to

FORM S-3

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

EDWARDS LIFESCIENCES CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware	**36-4316614**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

One Edwards Way, Irvine, California 92614
Telephone: (949) 250-2500

(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

Bruce P. Garren
Edwards Lifesciences Corporation
One Edwards Way
Irvine, California 92614
Telephone: (949) 250-2500

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Jay P. Wertheim	**Eric S. Haueter**
Edwards Lifesciences Corporation One Edwards Way Irvine, California 92614 Telephone: (949) 250-2500	Sidley Austin Brown & Wood LLP 555 California Street San Francisco, California 94104 Telephone: (415) 772-1200

Approximate date of commencement of proposed sale to the public:
From time to time following the effectiveness of this registration statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box: o

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box: ý

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If delivery of the prospectus is expected to be made pursuant to Rule 434, please check the following box. o

CALCULATION OF REGISTRATION FEE

Title Of Each Class of Securities To Be Registered	Amount To Be Registered	Proposed Maximum Offering Price Per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
3.875% Convertible Senior Debentures due 2033	$150,000,000	100%(1)(2)	$150,000,000(1)(2)	$12,135.00
Common Stock, par value $1.00 per share(3)	2,744,238(4)	(5)	(5)	(5)

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457 (i) of the Securities Act of 1933, as amended.

(2) Exclusive of accrued interest, if any.

(3) Includes associated preferred stock purchase rights ("Rights") to purchase 1/100 of a share of Series A Junior Participating Preferred Stock, par value $.01 per share, subject to adjustment. Rights initially are attached to and trade with the common stock of the Registrant and will not be exercisable until the occurrence of specified events.

(4) Represents the number of shares of common stock that are initially issuable upon conversion of the 3.875% Convertible Senior Debentures due 2033 registered hereby. For purposes of estimating the number of shares of common stock issuable upon conversion of the debentures, the Registrant used a conversion price of $54.66 per share of common stock. In addition to the shares set forth in the table, pursuant to Rule 416 under the Securities Act of 1933, as amended, the amount of common stock registered hereby also includes such indeterminate number of shares of common stock, including the associated Rights, as may be issuable from time to time upon conversion of the debentures as a result of stock splits, stock dividends and antidilution adjustments.

(5) No additional consideration will be received for the common stock and, therefore, no registration fee is required pursuant to Rule 457(i).

Prospectus

$150,000,000

Edwards Lifesciences Corporation

3.875% Convertible Senior Debentures due 2033 and the Common Stock Issuable Upon Conversion of the Debentures

We issued $150,000,000 principal amount of our 3.875% Convertible Senior Debentures due 2033 in a private offering in May 2003. This prospectus will be used by selling securityholders to resell the debentures and the common stock issuable upon conversion of the debentures. We will not receive any proceeds from these resales.

We will pay interest on the debentures on May 15 and November 15, of each year, beginning on November 15, 2003. Beginning with the six-month interest period commencing on May 15, 2008, we will pay contingent interest during a six-month interest period if the average trading price of a debenture is above a specified level as described in this prospectus.

Holders may convert their debentures into shares of our common stock only under the following circumstances and to the following extent:

- holders may convert their debentures, in whole or in part, during any calendar quarter if the last reported sale price of our common stock for a specified period ending prior to that quarter exceeds a specified level as described in this prospectus;
- holders may convert any of their debentures (and only those debentures) that have been called for redemption; or
- holders may convert their debentures, in whole or in part, upon the occurrence of specified corporate transactions described in this prospectus.

Holders may convert their debentures into shares of our common stock initially at a conversion price of $54.66 per share of common stock (equivalent to an initial conversion rate of approximately 18.2949 shares of common stock per $1,000 principal amount of debentures). The conversion price is subject to adjustment from time to time as described in this prospectus.

For United States federal income tax purposes, the debentures constitute contingent payment debt instruments. You should read the discussion under "Certain United States federal income tax considerations" beginning on page 52.

The debentures will mature on May 15, 2033. We may redeem for cash all or part of the debentures, at any time and from time to time, on or after May 15, 2008 at a redemption price equal to 100% of the principal amount of the debentures to be redeemed, plus any accrued and unpaid interest and contingent interest, if any, to, but excluding, the redemption date.

Holders of the debentures will have the right to require us to purchase all or a portion of their debentures at a price equal to 100% of the principal amount to be purchased, plus any accrued and unpaid interest and contingent interest, if any, to, but excluding, the purchase date, on May 15, 2008, May 15, 2013, and May 15, 2018 or if we undergo a Change in Control, as defined in this prospectus, prior to May 15, 2008. We will pay cash for all debentures so purchased on May 15, 2008. For any debentures purchased by us on May 15, 2013 or May 15, 2018 or upon a Change in Control, we may at our option choose to pay the purchase price for any such debentures in cash or in shares of our common stock or any combination thereof.

There is no public market for the debentures and we do not intend to apply for listing of the debentures on any securities exchange or for quotation of the debentures through any automated quotation system. The debentures currently trade in the Private Offerings, Resales and Trading through Automatic Linkages Market, commonly referred to as the PORTAL Market. However, once debentures are sold under this prospectus, those debentures will no longer trade on the PORTAL Market. Our common stock is listed on the New York Stock Exchange under the symbol "EW." The last reported sale price of our common stock on the New York Stock Exchange on October 29, 2003 was $29.35 per share.

Investing in the debentures and the shares of common stock offered hereby involves risks. See "Risk factors" beginning on page 7 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2003.

You should rely only on the information contained or incorporated or deemed to be incorporated by reference in this prospectus. We have not authorized anyone to provide you with different information. Neither the debentures nor any shares of common stock issuable upon conversion of the debentures are being offered in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus speaks only as of the date of this prospectus and the information in the documents incorporated or deemed to be incorporated by reference in this prospectus speaks only as of the respective dates those documents were filed with the Securities and Exchange Commission (the "SEC").

Table of contents

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part and you may obtain copies of those documents as described below under "Available information" and "Incorporation of documents by reference."

Summary

This summary does not contain all of the information that may be important to you. You should read this entire prospectus and the documents incorporated and deemed to be incorporated by reference in this prospectus, including the financial statements and related notes, before making an investment decision. We sometimes refer to the offering being made by this prospectus as the "offering," we sometimes refer to the 3.875% convertible senior debentures due 2033 as the "debentures" and we sometimes refer to the persons who may offer or sell debentures or shares of common stock issued upon conversion of debentures pursuant to this prospectus as the "selling securityholders." Unless this prospectus indicates otherwise or the context otherwise requires, the terms "we," "our," "us" and "Edwards Lifesciences" refer to Edwards Lifesciences Corporation and its subsidiaries for periods on or after April 1, 2000 and to Baxter International Inc.'s CardioVascular Group for periods prior to April 1, 2000.

Edwards Lifesciences Corporation

Overview. We manufacture and sell products and technologies designed to treat advanced cardiovascular disease. We focus on providing products and technologies to address four main cardiovascular disease states: heart valve disease; coronary artery disease; peripheral vascular disease; and congestive heart failure. Our products and technologies that treat cardiovascular disease are categorized into the following five main areas:

Cardiac surgery. Our cardiac surgery portfolio is comprised primarily of products relating to heart valve therapy, transmyocardial revascularization, and cannulation used during open-heart surgery. We manufacture and sell tissue heart valves and repair products used to replace or repair a patient's diseased or defective heart valve.

Critical care. We manufacture and sell hemodynamic monitoring systems that are used to measure a patient's heart function in surgical and intensive care settings. Hemodynamic monitoring enables a clinician to balance the oxygen supply and demand of a critically ill patient and plays an important role in ensuring that the heart function of patients who have pre-existing cardiovascular conditions or other critical illnesses is optimized before they undergo a surgical procedure.

Vascular. We manufacture and sell a variety of products used to treat occlusive peripheral vascular disease, including a line of balloon-tipped, catheter-based products, surgical clips and inserts, angioscopy equipment, artificial implantable grafts, and an endovascular system used to treat abdominal aortic aneurysms less invasively than conventional surgical procedures.

Perfusion. We develop, manufacture and distribute, in regions outside the United States and Western Europe, a line of disposable products used during cardiopulmonary bypass procedures, including oxygenators, blood containers, filters and related devices.

Other distributed products. Other distributed products include sales of intra-aortic balloon pumps, pacemakers, angioplasty systems and other products sold though our distribution network in Japan, and miscellaneous pharmaceutical products sold in the United States.

Our principal executive offices are located at One Edwards Way, Irvine, California 92614. The telephone number at that address is (949) 250-2500.

Corporate background. Edwards Lifesciences was incorporated in Delaware on September 10, 1999 as a wholly owned subsidiary of Baxter International Inc. to assume the business and operations of Baxter's CardioVascular Group. Effective March 31, 2000, the business, assets and liabilities of Baxter's CardioVascular Group were transferred to Edwards Lifesciences and its subsidiaries and 100% of the common stock of Edwards Lifesciences was distributed to the stockholders of Baxter in a tax-free spin-off, which we sometimes refer to in this prospectus as the "Distribution." Since that time, Edwards Lifesciences has operated as an independent company.

Recent developments. On October 20, 2003, we announced our operating results for the third quarter ended September 30, 2003. Our third quarter consolidated net sales were $206.1 million and our net income was $24.5 million, or $0.40 per diluted share. In the third quarter of 2002, our net sales were $165.8 million with net loss of $17.4 million, or $0.30 per diluted share.

The offering

Issuer	Edwards Lifesciences Corporation, a Delaware corporation.
Securities Offered	$150 million aggregate principal amount of 3.875% Convertible Senior Debentures due 2033 and shares of our common stock issuable upon conversion of the debentures.
Maturity	May 15, 2033.
Interest	We will pay interest on the debentures semi-annually in arrears at an annual rate of 3.875%. The interest payment dates for the debentures are May 15 and November 15 of each year, commencing November 15, 2003.
Contingent Interest	Beginning with the six-month interest period commencing on May 15, 2008, we will pay contingent interest during a six-month interest period if the average trading price, as defined herein, of a debenture for the five trading days ending on and including the third trading day immediately preceding the first day of such six-month interest period equals or exceeds 120% of the principal amount of such debenture. The contingent

	interest payable per $1,000 principal amount of a debenture in respect of any six-month interest period in which contingent interest is payable will accrue at the rate of 0.25% per six-month period of the average trading price per $1,000 principal amount of such debenture for the applicable five trading day reference period ending on and including the third trading day immediately preceding the first day of such six-month interest period. For more information about contingent interest, see "Description of debentures Contingent interest."
Ranking	The debentures are our unsubordinated obligations and are not secured by any collateral or guaranteed by any of our subsidiaries. Your right to payment under the debentures is: • effectively subordinated to the rights of our secured creditors, if any, to the extent of their security interests in our assets; • equal with the rights of our creditors under our other unsecured, unsubordinated debt; • senior to the rights of our creditors under any indebtedness we may issue in the future that is expressly subordinated to the debentures; and • effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries. In that regard, our primary bank credit facilities require that borrowings under those facilities be guaranteed by domestic subsidiaries whose aggregate net revenues and aggregate net tangible assets equal or exceed 95% of our consolidated net revenues and consolidated net tangible assets.

	At June 30, 2003, our consolidated subsidiaries had approximately $292.7 million of outstanding indebtedness and other liabilities, excluding indebtedness and other liabilities owed to us or to other subsidiaries. See "Risk factors Risks related to the securities The debentures are effectively subordinated to the liabilities of our subsidiaries."
Conversion Rights	Holders may convert their debentures into shares of our common stock only under the following circumstances and to the following extent: • holders may convert their debentures, in whole or in part, during any calendar quarter (beginning with the quarter ending September 30, 2003) if, as of the last day of the preceding calendar quarter, the last reported sale price of our common stock on at least 20 trading days (whether or not consecutive) in the period of 30 consecutive trading days ending on the last trading day of such immediately preceding calendar quarter exceeds 120% of the applicable conversion price, as defined below, on the last trading day of such immediately preceding calendar quarter; • holders may convert any of their debentures (and only those debentures) that have been called for redemption; or • holders may convert their debentures, in whole or in part, upon the occurrence of specified corporate transactions described under "Description of the debentures Conversion rights Conversion upon specified corporate transactions."

	Holders may convert their debentures into shares of our common stock initially at a conversion price, subject to adjustment as set forth herein, of $54.66 per share of our common stock. This represents an initial conversion rate of approximately 18.2949 shares of our common stock per $1,000 principal amount of debentures. As described in this prospectus, the conversion price may be adjusted for certain reasons, but it will not be adjusted for accrued and unpaid interest or contingent interest, if any. The conversion price, as it may be so adjusted and as in effect at any given time, is sometimes referred to in this prospectus as the "applicable conversion price." See "Description of the debentures Conversion price adjustments." You will not receive any cash payment representing accrued and unpaid interest or contingent interest, if any, upon conversion of a debenture.

Optional Redemption	We may, at our option, redeem for cash all or part of the debentures, at any time and from time to time, on or after May 15, 2008, for a price equal to 100% of the principal amount of the debentures to be redeemed, plus any accrued and unpaid interest and contingent interest, if any, to, but excluding, the redemption date.
Purchase of Debentures by Us at the Option of the Holder	You have the right to require us to purchase all or a portion of your debentures on May 15, 2008, May 15, 2013 and May 15, 2018 (each, a "purchase date"). In each case, the purchase price payable will be equal to 100% of the principal amount of the debentures to be purchased plus any accrued and unpaid interest and contingent interest, if any, to, but excluding, the purchase date. Any debentures we purchase on May 15, 2008 will be paid for in cash. For any debentures purchased by us on May 15, 2013 or May 15, 2018, we may, at our option, pay the purchase price in cash or shares of our common stock (valued using the method set forth in "Description of the debentures Purchase of debentures by us at the option of the holder") or a combination of cash and shares of our common stock (valued using the method set forth in "Description of the debentures Purchase of debentures by us at the option of the holder"), provided that we will pay accrued and unpaid interest, if any, and contingent interest, if any, in cash.
Purchase of Debentures by Us at Option of Holder upon Change in Control	If we undergo a Change in Control (as defined in this prospectus) prior to May 15, 2008, you will have the right, at your option, to require us to purchase all or any portion of your debentures. The Change in Control purchase price will be equal to 100% of the principal amount of the debentures to be purchased plus any accrued and unpaid interest and contingent interest, if any, to, but excluding, the Change in Control purchase date. We may, at our option, pay the Change in Control purchase price for such debentures in cash or shares of our common stock (valued using the method set forth in "Description of the debentures Purchase of debentures by us at the option of the holder") or a combination of cash and shares of our common stock (valued using the method set forth in "Description of the debentures Purchase of debentures by us at the option of the holder"), provided that we will pay accrued and unpaid interest, if any, and contingent interest, if any, in cash.

U.S. Federal Income Taxation	The debentures constitute contingent payment debt instruments for U.S. federal income tax purposes, and are subject to U.S. federal income tax regulations applicable to contingent payment debt instruments. Based on that treatment, holders of the debentures generally are required to accrue interest income on the debentures, which we refer to as tax original issue discount, in the manner described in this prospectus, regardless of whether the holder uses the cash or accrual method of tax accounting. You will be required, in general, to include tax original issue discount in income based on the rate at which we would issue a noncontingent, nonconvertible, fixed-rate debt instrument with terms and conditions otherwise similar to those of the debentures, which rate is expected to exceed the stated interest on the debentures. Accordingly, it is expected that you will be required to include interest in taxable income each year in excess of the accruals on the debentures for non-tax purposes (i.e., in excess of the stated semi-annual regular interest payments and any contingent interest payments) actually received in that year. Furthermore, upon a sale, purchase by us at your option, exchange, conversion or redemption of the debentures, you will recognize gain or loss equal to the difference between your amount realized and your adjusted tax basis in the debentures. The amount realized by you will include the fair market value of any common stock you receive. Any gain recognized on a sale, purchase by us at your option, exchange, conversion, or redemption of the debentures will be treated as ordinary interest income. You should consult your tax advisor as to the U.S. federal, state, local or other tax consequences, as well as any foreign tax consequences, of acquiring, owning, and disposing of the debentures. See "Certain United States federal income tax considerations."
Registration Rights	Pursuant to a registration rights agreement that we entered into in connection with the private offering of the debentures in May 2003, we have filed a shelf registration statement under the Securities Act of 1933 relating to the resale of the debentures and the common stock issuable upon conversion of the debentures. This prospectus constitutes a part of that registration statement. We filed the shelf registration statement solely to permit the resale of debentures issued in the May 2003 private offering and shares of common stock issued on conversion of those debentures, and investors who purchase debentures or shares of common stock from selling securityholders in this offering will not be entitled to any registration rights under the registration rights agreement. In addition, under the registration rights agreement, selling securityholders may be required to discontinue the sale or other disposition of debentures and shares of common stock issued upon conversion of debentures pursuant to the shelf registration statement and to discontinue the use of this prospectus under certain circumstances specified in the registration rights agreement.

Use of Proceeds	We will not receive any of the proceeds from the sale by the selling securityholders of debentures or shares of common stock issued upon conversion of debentures.
Book-Entry Form	The debentures were issued in book-entry form and are represented by permanent global certificates without interest coupons, deposited with, or on behalf of, The Depository Trust

	Company, or "DTC," and registered in the name of a nominee of DTC. Beneficial interests in the debentures are shown on, and transfers are effected only through, records maintained by DTC or its nominee and any such interest may not be exchanged for certificated debentures, except in limited circumstances.
Trading	There is no public market for the debentures and we do not intend to apply for listing of the debentures on any securities exchange or for quotation of the debentures through any automated quotation system. The debentures currently trade in the PORTAL Market. However, once debentures are sold under this prospectus, those debentures will no longer trade on the PORTAL Market. No assurance can be given that a trading market for the debentures will exist or as to the liquidity of any trading market for the debentures that may exist. Our common stock is listed on the New York Stock Exchange under the symbol "EW."

Risk factors

You should carefully consider the risks described below, as well as other information contained in this prospectus and the documents incorporated or deemed to be incorporated by reference in this prospectus, before buying any of the debentures or shares of common stock offered by this prospectus. If any of the events described below occurs, our business, financial condition or results of operations could be materially harmed. In that case, the value of the debentures and the market price of our common stock could decline and you may lose part or all of your investment.

Risks related to our business

If we do not introduce new products in a timely manner, our products may become obsolete, and our operating results may suffer.

The cardiovascular products industry is characterized by rapid technological changes, frequent new product introductions and evolving industry standards. Without the timely introduction of new products and enhancements, our products will likely become technologically obsolete over time, in which case our revenue and operating results would suffer. Even if we are able to develop new technologies, these technologies may not be accepted quickly because of industry-specific factors, such as the need for regulatory clearance, unanticipated restrictions imposed on approved indications, entrenched patterns of clinical practice and uncertainty over third-party reimbursement.

Moreover, significant technical innovations generally will require a substantial investment before we can determine the commercial viability of these innovations. We may not have the financial resources necessary to fund these technical innovations. In addition, even if we are able to successfully develop enhancements or new generations of our products, these enhancements or new generations of products may not produce revenue in excess of the costs of development, and they may be quickly rendered obsolete by changing customer preferences or the introduction by our competitors of products embodying new technologies or features.

We may incur product liability losses that could adversely affect our operating results.

Our business exposes us to potential product liability risks that are inherent in the design, manufacture and marketing of medical devices. Our products are often used in surgical and intensive care settings with seriously ill patients. In addition, some of the medical devices manufactured and sold by us are designed to be implanted in the human body for long periods of time. We could be the subject of product liability suits alleging that component failures, manufacturing flaws, design defects or inadequate disclosure of product-related risks or product-related information could result in an unsafe condition or injury to patients. Product liability lawsuits and claims, safety alerts or product recalls in the future, regardless of their ultimate outcome, could have a material adverse effect on our business and reputation and on our ability to attract and retain customers.

We may experience supply interruptions that could harm our ability to manufacture products.

We use a diverse and broad range of raw and organic materials and other items in the design and manufacture of our products. Our non-implantable products are manufactured from man-made raw materials including resins, chemicals, electronics and metals. Our heart valve therapy products are manufactured from treated natural animal tissue and man-made materials. We purchase certain of the materials and components used in the manufacture of our products from external suppliers. In addition, we purchase certain supplies from single sources for reasons of quality assurance, cost-effectiveness or constraints resulting from regulatory requirements. We work closely with our suppliers to assure continuity of supply while maintaining high quality and reliability. Alternative supplier options are generally considered and identified, although we do not typically pursue regulatory qualification of alternative sources due to the strength of our existing supplier relationships and the time and expense associated with this regulatory process. Although a change in suppliers could require

significant effort or investment by us in circumstances where the items supplied are integral to the performance of our products or incorporate unique technology, management does not believe that the loss of any existing supply contract would have a material adverse effect on us.

In an effort to reduce potential product liability exposure, in the past certain suppliers have announced that they might limit or terminate sales of certain materials and parts to companies that manufacture implantable medical devices. In some cases, we have been required to indemnify suppliers for product liability expenses in order to continue to receive materials or parts. There can be no assurance that an indemnity from us will be satisfactory to these suppliers in the future. If we are unable to obtain these raw materials or there is a significant increase in the price of materials or components, our business could be harmed.

We may be required to recognize additional charges in connection with the write-down of some of our investments, the disposition of some of our businesses or for other reasons.

We have made investments in the equity instruments of other companies, and may make further such investments in the future. To the extent that the value of any such investment declines, we may be required to recognize charges to write down the value of that investment. For example, in September 2002, we recorded a $67.4 million pretax charge related to the impairment of our investment in the preferred stock of World Heart Corporation. See "Disposition of assets and other non-recurring charges, net" under "Management's discussion and analysis of financial condition and results of operations" in our Annual Report on Form 10-K for the year ended December 31, 2002.

In the case of some of the companies in which we have invested, the value of their equity securities has declined since the time of our original investment. As a result, we may be required to recognize additional charges, which could be substantial, to write down our investments. At June 30, 2003, in addition to our investment in World Heart, which was $6.2 million, we had approximately $15.3 million of investments in equity instruments of other companies and had recorded unrealized losses on these investments of approximately $6.6 million, net of tax, on our balance sheet under "accumulated other comprehensive income."

As part of the ongoing evaluation of our various businesses and product lines, we from time to time identify businesses or product lines that are not performing at a level commensurate with the rest of our business. We may from time to time seek to dispose of these underperforming businesses or product lines, and may also seek to dispose of businesses or product lines from time to time for strategic or other business reasons. If we are unable to dispose of a business or product line on terms we consider acceptable, we may voluntarily terminate that business or cease providing that product. Any of these events may result in charges, which could be substantial and which could adversely affect our results of operations.

We have entered into interest rate swap agreements in connection with some of our indebtedness, and expect that we will continue to do so from time to time in the future. In the event that we elect to terminate a swap agreement prior to its maturity, we may be required to make cash payments to the counterparty and to recognize a charge in connection with that termination, which could adversely affect our results of operations.

We may not successfully identify and complete acquisitions or strategic alliances on favorable terms or achieve anticipated synergies relating to any acquisitions or alliances.

As part of our growth strategy, we regularly review potential acquisitions of complementary businesses, technologies, services or products and potential strategic alliances. We may be unable to find suitable acquisition candidates or appropriate partners with which to form partnerships or strategic alliances. Even if we identify appropriate acquisition or alliance candidates, we may be unable to complete such acquisitions or alliances on favorable terms, if at all. In addition, the process of integrating an acquired business, technology, service or product into our existing business and

operations may result in unforeseen operating difficulties and expenditures. Integration of an acquired company also may require significant management resources that otherwise would be available for ongoing development of our business. Moreover, we may not realize the anticipated benefits of any acquisition or strategic alliance, and such transactions may not generate anticipated financial results. In addition, we may be required to take charges or write-downs in connection with acquisitions we have made or may make in the future. Future acquisitions could also require issuances of equity securities, the incurrence of debt, contingent liabilities or amortization expenses related to other intangible assets, any of which could harm our business.

Our business is subject to economic, political and other risks associated with international sales and operations.

Because we sell our products in a number of foreign countries, our business is subject to risks associated with doing business internationally. Our net sales originating outside of the United States, as a percentage of total net sales, were 45.6% in 2002. We anticipate that sales from international operations will continue to represent a substantial portion of our total sales. In addition, many of our manufacturing facilities and suppliers are located outside of the United States. Our management expects to increase our sales efforts internationally, which could expose us to greater risks associated with international sales and operations. Accordingly, our future results could be harmed by a variety of factors, including:

changes in foreign medical reimbursement policies and programs;

unexpected changes in foreign regulatory requirements;

changes in foreign currency exchange rates;

changes in a specific country's or region's political or economic conditions, particularly in emerging regions;

trade protection measures and import or export licensing requirements;

potentially negative consequences from changes in tax laws;

difficulty in staffing and managing foreign operations;

changes in the international political situation;

differing labor regulations; and

differing protection of intellectual property.

We are subject to risks arising from currency exchange rate fluctuations.

We generated 45.6% of our 2002 net sales outside of the United States. Substantially all of our sales outside of the United States are denominated in local currencies. Measured in local currency, a substantial portion of our foreign generated sales were generated in Europe (and primarily denominated in the Euro) and in Japan. The United States dollar value of our foreign-generated sales varies with currency exchange rate fluctuations. Significant increases in the value of the United States dollar relative to the Euro or the Japanese yen, as well as other currencies, could have a material adverse effect on our results of operations. We have a hedging policy that attempts to manage currency exchange rate risks to an acceptable level based on management's judgment of the appropriate trade-off between risk, opportunity and cost; however, this hedging policy does not completely eliminate the effects of currency exchange rate fluctuations.

Fluctuations in our quarterly operating results may cause our stock price to decline.

Our sales and operating results may vary significantly from quarter to quarter. A high proportion of our costs are fixed, due in part to significant sales, research and development and manufacturing

costs. Thus, small declines in revenue could disproportionately affect operating results in a quarter, and the price of our common stock may fall, which could in turn adversely affect the value of the debentures. Other factors that could affect quarterly operating results include:

- demand for and clinical acceptance of products;
- the timing and execution of customer contracts, particularly large contracts that would materially affect our operating results in a given quarter;
- the timing of sales of products;
- changes in foreign currency exchange rates;
- unanticipated delays or problems in introducing new products;
- competitors' announcements of new products, services or technological innovations;
- changes in our pricing policies or the pricing policies of our competitors;
- increased expenses, whether related to sales and marketing, raw materials or supplies, product development or administration;
- adverse changes in the level of economic activity in the United States and other major regions in which we do business;
- costs related to possible acquisitions of technologies or businesses;
- our ability to expand our operations; and
- the amount and timing of expenditures related to expansion of our operations.

Our inability to protect our intellectual property could have a material adverse effect on our business.

Our success and competitive position are dependent, in part, upon our proprietary intellectual property. We rely on a combination of patents, trade secrets and nondisclosure agreements to protect our proprietary intellectual property, and will continue to do so. Although we seek to protect our proprietary rights through a variety of means, we cannot guarantee that the protective steps we have taken are adequate to protect these rights. We have instituted legal proceedings against other companies alleging infringement of patents owned by or licensed to us and we may find it necessary to institute similar proceedings in the future, and there can be no assurance that we will prevail in any current or future such proceedings. Moreover, patents issued to or licensed by us in the past or in the future may be challenged and held invalid or not infringed by third parties. Competitors may also challenge our patents. In addition, certain of our patents are due to expire within the next six years and we may be unsuccessful in our efforts to extend these patents through improvement patents, modifications or line extensions. The failure to maintain

or to prevent infringement of our patents could have a material adverse effect on us.

We also rely on confidentiality agreements with certain employees, consultants and other parties to protect, in part, trade secrets and other proprietary information. These agreements could be breached and we may not have adequate remedies for any breach. In addition, others may independently develop substantially equivalent proprietary information or gain access to our trade secrets or proprietary information. We spend significant resources to monitor and enforce our intellectual property rights. However, we may not be able to detect infringement and may lose our competitive position in the industry. In addition, competitors may design around our technology or develop competing technologies. Intellectual property rights may also be unavailable or limited in some foreign countries, which could make it easier for competitors to capture increased market position.

Third parties may claim we are infringing their intellectual property, and we could suffer significant litigation or licensing expenses or be prevented from selling products.

During recent years, our competitors have been involved in substantial litigation regarding patent and other intellectual property rights in the medical device industry generally. In the future, we may be forced to defend ourself against other claims and legal actions alleging infringement of the intellectual property rights of others. Because intellectual property litigation can be costly and time consuming, our intellectual property litigation expenses could be significant. Adverse determinations in any such litigation could subject us to significant liabilities to third parties, could require us to seek licenses from third parties and could, if such licenses are not available, prevent us from manufacturing, selling or using certain of our products, any one of which could have a material adverse effect on us.

Third parties could also obtain patents that may require us to either redesign our products or, if possible, negotiate licenses to conduct our business. If we are unable to redesign our products or obtain a license, we may have to exit a particular product offering.

We face intense competition and consolidation within our industry, and if we do not compete effectively, our business will be harmed.

The cardiovascular medical device industry is highly competitive. We compete with many companies, some of which have longer operating histories, better brand or name recognition and greater access to financial and other resources than us. Furthermore, the industry is characterized by intensive development efforts and rapidly advancing technology. Our present and future products could be rendered obsolete or uneconomical by technological advances by one or more of our current or future competitors or by alternative therapies, including drug therapies. See "Business Competition" in our Annual Report on Form 10-K for the year ended December 31, 2002. Our future success will depend, in large part, on our ability to develop and acquire new products and technologies, anticipate technology advances and keep pace with other developers of cardiovascular therapies and technologies.

The medical device industry has been consolidating and as a result, transactions with customers are larger, more complex and tend to involve more long-term contracts. The enhanced purchasing power of these larger customers may also increase downward pressure on product pricing. In addition, many existing and potential domestic customers for our products have combined to form group purchasing organizations, or "GPOs." GPOs negotiate pricing arrangements with medical supply manufacturers and distributors and these negotiated prices are made available to members of GPOs. If we are not one of the providers selected by a GPO, we may be precluded from making sales to members of a GPO for several years. Even if we are one of the selected providers, we may be at a disadvantage relative to other selected providers that are able to offer volume discounts based on purchases of a broader range of medical equipment and supplies. Further, we may be required to commit to pricing that has a material adverse effect on our sales and profit margins, business, financial condition and results of operations.

We and our customers are subject to various governmental regulations, and we may incur significant expenses to comply with these regulations and develop our products to be compatible with these regulations.

The medical devices manufactured and marketed by us are subject to rigorous regulation by the U.S. Food and Drug Administration, or "FDA," and numerous other federal, state and foreign governmental authorities. The process of obtaining regulatory approvals to market a medical device, particularly from the FDA and certain foreign governmental authorities, can be costly and time consuming, and approvals might not be granted for future products on a timely basis, if at all. Delays in receipt of, or failure to obtain, approvals for future products could result in delayed realization of product revenues or in substantial additional costs, which could have material adverse effects on our business or results of operations. In addition, there can be no assurance that we will be or will continue to be in compliance with applicable FDA and other material regulatory requirements. If the FDA were

to conclude that we were not in compliance with applicable laws or regulations, it could institute proceedings to detain or seize our products, issue a recall, impose operating restrictions, enjoin future violations and assess civil penalties against us, our officers or our employees and could recommend criminal prosecution to the Department of Justice. Moreover, the FDA could proceed to ban, or request recall, repair, replacement or refund of the cost of, any device or product manufactured or distributed by us. Furthermore, both the FDA and foreign government regulators have become increasingly stringent, and we may be subject to more rigorous regulation by governmental authorities in the future.

We are subject to risks arising from concerns and/or regulatory actions relating to "mad cow disease."

Certain of our products, including pericardial tissue valve products, are manufactured using bovine tissue. Concerns relating to the potential transmission of bovine spongiform encephalopathy, or "BSE," commonly known as "mad cow disease," from cows to humans may result in reduced acceptance in certain geographies of bovine products. In addition, various governmental bodies are considering stricter regulation of such products. We obtain our bovine tissue only from sources within the United States, where strong control measures and surveillance programs exist and where no BSE cases have been reported. In addition, the bovine tissue used in our pericardial tissue valve products are from tissue types considered by global health and regulatory organizations to have shown no risk of infectibility. We have not experienced any adverse impact on our sales as a result of concerns regarding BSE, but no assurance can be given that such an impact may not occur in the future.

If third-party payors decline to reimburse our customers for our products or reduce reimbursement levels, our ability to profitably sell our products will be harmed.

We sell our products and technologies to hospitals, doctors and other health care providers, all of which receive reimbursement for the health care services provided to their patients from third-party payors, such as government programs (both domestic and international), private insurance plans and managed care programs. These third-party payors may deny reimbursement if they determine that a device used in a procedure was not used in accordance with cost-effective treatment methods as determined by such third-party payor, or was used for an unapproved indication. Third-party payors may also decline to reimburse for experimental procedures and devices. We believe that many of our existing and future products are cost-effective because they are intended to reduce overall health care costs over a long period of time. We cannot be certain whether these third-party payors will recognize these cost savings or will merely focus on the lower initial costs associated with competing therapies. If our products are not considered cost-effective by third-party payors, our customers may not be reimbursed for our products.

In addition, third-party payors are increasingly attempting to contain health care costs by limiting both coverage and the level of reimbursement for medical products and services. There can be no assurance that levels of reimbursement, if any, will not be decreased in the future, or that future legislation, regulation or reimbursement policies of third-party payors will not otherwise adversely affect the demand for and price levels of our products. In Japan, customers are reimbursed for our products under a government-operated insurance system. Under this system, the Japanese government annually reviews the reimbursement levels for products. The Japanese government is also considering other reimbursement regulation. If the Japanese government decides to reduce reimbursement levels for our products, our product pricing may be adversely affected.

We are, or may be, subject to lawsuits related to products or services manufactured or performed by us.

We are, or may be, a party to, or may be otherwise responsible for, pending or threatened lawsuits or other claims related to products and services currently or formerly manufactured or performed, as applicable, by us or other matters. Such cases and claims may raise difficult and complex factual and legal issues and may be subject to many uncertainties and complexities, including, but not limited to,

the facts and circumstances of each particular case or claim, the jurisdiction in which each suit is brought, and differences in applicable law. Upon resolution of any pending legal matters or other claims, we may incur charges in excess of presently established reserves. While such a charge could have a material adverse impact on our net income or net cash flows in the period in which it is recorded or paid, management believes that no such charge relating to any currently pending lawsuit would have a material adverse effect on our consolidated financial position.

The market price for our common stock may be volatile.

The market price of our common stock could fluctuate substantially in the future in response to a number of factors, including the following:

- quarterly variations in operating results, as discussed above under " Fluctuations in our quarterly operating results may cause our stock price to decline,"
- announcements of innovations, new products, strategic developments or business combinations by us or our competitors,
- changes in our expected operating expense levels or income and losses,
- changes in financial estimates and recommendations of securities analysts,
- the operating and securities price performance of other companies that investors may deem comparable to us, and
- changes in general conditions in the economy, the financial markets, the domestic or international political situation, particularly in light of the conflict in Iraq, or the medical device industry.

In addition, in recent years the stock market has experienced extreme price and volume fluctuations. This volatility has had a significant effect on the market prices of securities issued by many companies for reasons unrelated to their operating performance. These broad market fluctuations may materially adversely affect our stock price, regardless of our operating results.

Our stockholder rights plan, charter and bylaws, as well as provisions of Delaware law and the change in control provisions of the debentures, could make it difficult for a third party to acquire our company.

We have a stockholder rights plan that may have the effect of discouraging unsolicited takeover proposals. The rights issued under the stockholder rights plan would cause substantial dilution to a person or group that attempts to acquire us on terms not approved in advance by our board of directors. In addition, Delaware corporate law and our charter and bylaws contain provisions that could delay, deter or prevent a change in control of our company or our management. These provisions could also discourage proxy contests and make it more difficult for our stockholders to elect directors and take other corporate actions without the concurrence of our management or board of directors. These provisions:

- authorize our board of directors to issue "blank check" preferred stock, which is preferred stock that can be created and issued by our board of directors, without stockholder approval, with rights senior to those of common stock;
- provide for a staggered board of directors and three-year terms for directors, so that no more than one-third of our directors could be replaced at any annual meeting;
- provide that directors may be removed only for cause;
- provide that stockholder action may be taken only at a special or regular meeting and not by written consent;
- provide for super-majority voting requirements for some provisions of our charter; and

- establish advance notice requirements for submitting nominations for election to the board of directors and for proposing matters that can be acted upon by stockholders at a meeting.

We are also subject to anti-takeover provisions under Delaware law, which could also delay or prevent a change of control. For information about these provisions and laws, see "Description of capital stock" in this prospectus. Together, these provisions of our charter and bylaws, Delaware law and our stockholder rights plan may discourage transactions that otherwise could provide for the payment of a premium over prevailing market prices of our common stock and, possibly, the debentures, and also could limit the price that investors are willing to pay in the future for shares of our common stock and the debentures. In addition, if we undergo a Change in Control, as defined, prior to May 15, 2008, holders of the debentures have the right, at their option, to require us to purchase all or a portion of their debentures. In addition, certain change in control events relating to us may constitute or otherwise result in events of default under some of our other debt instruments and one of our receivables facilities as described below under " We may be unable to repurchase debentures at the option of the holders and in other circumstances," which could result in borrowings outstanding and other amounts due under those debt instruments and that receivables facility becoming immediately due and payable. These features of the debentures and these other debt instruments and that receivables facility may also discourage a person or a group from attempting to acquire us.

Our issuance of preferred stock could adversely affect holders of our common stock and the debentures and discourage a takeover.

Our board of directors is authorized to issue up to 50,000,000 shares of preferred stock without any action on the part of our stockholders. Our board of directors also has the power, without stockholder approval, to set the terms of any series of preferred stock that may be issued, including voting rights, dividend rights, preferences over our common stock with respect to dividends or in the event of a dissolution, liquidation or winding up and other terms. In the event that we issue preferred stock in the future that has preference over our common stock with respect to payment of dividends or upon our liquidation, dissolution or winding up, or if we issue preferred stock with voting rights that dilute the voting power of our common stock, the rights of the holders of our common stock or the market price of our common stock and, possibly, the value of the debentures could be adversely affected. In addition, the ability of our board of directors to issue shares of preferred stock without any action on the part of our stockholders may impede a takeover of us and prevent a transaction favorable to the holders of our common stock and the debentures.

Risks related to the securities

Future sales of our common stock in the public market could adversely affect the trading price of our common stock and the value of the debentures and our ability to raise funds in new stock offerings.

Future sales of substantial amounts of our common stock in the public market, or the perception that such sales could occur, could adversely affect prevailing trading prices of our common stock and the value of the debentures and could impair our ability to raise capital through future offerings of equity or equity-related securities. As of June 30, 2003, we had

- 59,172,508 shares of common stock outstanding,
- 11,579,652 shares of common stock reserved for issuance upon exercise of options outstanding under our stock option plans with a weighted average exercise price of $22.12 per share and
- in addition to the shares reserved for issuance upon the exercise of options referred to in the preceding bullet point, 6,604,023 additional shares reserved for future issuance under stock option plans and employee stock purchase plans.

No prediction can be made as to the effect, if any, that future sales of shares of common stock or the availability of shares of common stock for future sale, will have on the trading price of our

common stock or the value of the debentures prevailing from time to time. Sales of substantial amounts of common stock (including shares issued upon the exercise of stock options, upon conversion of the debentures or, under the circumstances described in the following paragraph, upon repurchase by us of debentures), or the perception that such sales could occur, may adversely affect prevailing market prices for our common stock and the value of the debentures.

The debentures will be convertible at the option of the holders into shares of our common stock, subject to the conditions described under "Description of the debentures Conversion rights." We have registered the debentures and the shares of common stock issuable upon conversion of the debentures pursuant to a registration statement filed with the SEC of which this prospectus is a part. Accordingly, any shares of common stock issued on conversion of the debentures and subsequently sold pursuant to the registration statement will be freely tradable in the public markets without restriction. In addition, if we are required to repurchase debentures following specified change in control events relating to us as described below under "Description of the debentures Purchase of debentures by us at option of holder upon a Change in Control," we will have the option of paying the purchase price either in cash or in shares of our common stock (valued using the method set forth in "Description of the debentures Purchase of debentures by us at the option of the holder") or both; provided that we will be required to pay any accrued interest and contingent interest, if any, in cash. Likewise, holders may require us to purchase all or a portion of their debentures on May 15, 2008, May 15, 2013 and May 15, 2018 as described below under "Description of the debentures Purchase of debentures by us at the option of the holder," in which case we will also have the option, except in the case of the purchase in year 2008, of paying the purchase price either in cash or in shares of our common stock (valued using the method set forth in "Description of the debentures Purchase of debentures by us at the option of the holder") or both; provided that we will be required to pay any accrued interest and contingent interest, if any, in cash. The conversion of debentures into common stock or the issuance of common stock to pay the purchase price of any debentures could result in the issuance of a substantial number of shares and substantial dilution to our stockholders.

We may be unable to repurchase debentures at the option of the holders and in other circumstances.

Upon the occurrence of specified kinds of change in control events relating to us prior to May 15, 2008, holders of the debentures being offered hereby may, at their option, require us to repurchase all or a portion of their debentures at a price of 100% of the principal amount, plus accrued interest, if any, and contingent interest, if any, payable at our option in cash or in shares of our common stock (valued using the method set forth in "Description of the debentures Purchase of debentures by us at the option of the holder") or both; provided that we will be required to pay any accrued interest and contingent interest, if any, in cash. In addition, holders may require us to purchase all or a portion of their debentures on May 15, 2008, May 15, 2013 and May 15, 2018 a price equal to 100% of the principal amount, plus accrued interest, if any, and contingent interest, if any, payable, in the case of the purchase in year 2008, in cash and, in the case of any purchase in the subsequent years, at our option in cash or in shares of common stock (valued using the method set forth in "Description of the debentures Purchase of debentures by us at the option of the holder") or both; provided that we will be required to pay any accrued interest and contingent interest, if any, in cash. See "Description of the debentures Purchase of debentures by us at the option of the holder upon Change in Control" and " Purchase of debentures by us at the option of the holder."

We are currently a party to an unsecured revolving credit agreement providing for aggregate borrowings of up to $430 million and expiring on March 30, 2005 (the "Five Year Credit Facility") and a second unsecured revolving credit facility providing for aggregate borrowings of up to $100 million and expiring on March 25, 2004 (the "364 Day Facility" and, together with the Five Year Credit Facility, the "Credit Facilities"). We are also a party to two securitization facilities, one dollar-denominated (the "U.S. Receivables Facility") and one yen-denominated (the "Japan Receivables Facility") whereby we are permitted to sell undivided interests in certain eligible pools of trade

accounts receivable in an aggregate amount of up to $40 million under the U.S. Receivables Facility and six billion yen (or approximately $50.9 million based on currency exchange rates in effect on June 30, 2003) under the Japan Receivables Facility. The Japan Receivables Facility expires on December 3, 2005 and the U.S. Receivables Facility expires in December 2003. Certain change in control events may constitute or otherwise result in events of default under our Credit Facilities, our U.S. Receivables Facility and other instruments and agreements to which we and our subsidiaries are or may in the future become a party. These events of default could result in borrowings outstanding and other amounts due under our Credit Facilities, the U.S. Receivables Facility and any such other instruments and agreements becoming immediately due and payable. We cannot assure you that we would have the financial resources or otherwise be able to arrange financing to pay the amounts that may become due if we are required to purchase the debentures for cash under the circumstances described above or if our obligations under the Credit Facilities, the U.S. Receivables Facility or these or other instruments or agreements were accelerated.

Our holding company structure may adversely affect our ability to meet our debt service obligations under the debentures.

Substantially all of our consolidated assets are held by our subsidiaries. Accordingly, our cash flow and our ability to service our debt, including the debentures, depends on the results of operations of our subsidiaries and upon the ability of our subsidiaries to provide us cash, whether in the form of dividends, loans or otherwise, to pay amounts due on our obligations, including the debentures. Our subsidiaries are separate and distinct legal entities, have not guaranteed the debentures and have no obligation, contingent or otherwise, to make payments on the debentures or to make any funds available for that purpose. In addition, dividends, loans or other distributions from our subsidiaries to us may be subject to contractual and other restrictions, are dependent upon the results of operations of our subsidiaries, may be subject to tax or other laws limiting our ability to repatriate funds from foreign subsidiaries, and are subject to other business considerations.

The debentures are effectively subordinated to the liabilities of our subsidiaries.

Because of our holding company structure, the debentures are effectively subordinated to all existing and future liabilities of our subsidiaries. These liabilities may include indebtedness, trade payables, guarantees, lease obligations and letter of credit obligations. Therefore, our rights and the rights of our creditors, including the holders of the debentures, to participate in the assets of any subsidiary upon that subsidiary's liquidation or reorganization will be subject to the prior claims of the subsidiary's creditors and of the holders of any indebtedness or other obligations guaranteed by that subsidiary, except to the extent that we may ourselves be a creditor with recognized claims against the subsidiary. However, even if we are a creditor of one of our subsidiaries, our claims would still be effectively subordinated to any security interests in, or mortgages or other liens on, the assets of that subsidiary and would be subordinate to any indebtedness of the subsidiary senior to that held by us. Although some of our debt instruments impose limitations on the incurrence of additional indebtedness, our subsidiaries retain the ability to incur substantial additional indebtedness and other obligations.

As discussed above, we have a $430 million Five Year Credit Facility and a $100 million 364 Day Facility. The Five Year Credit Facility permits borrowings to be made by both Edwards Lifesciences Corporation and some of its subsidiaries. As of June 30, 2003, we had total borrowings of approximately $157.2 million outstanding under the Five Year Credit Facility and no borrowings outstanding under the 364 Day Facility. Of the borrowings outstanding under the Five Year Credit Facility, $50.0 million had been borrowed by Edwards Lifesciences Corporation and $107.2 million had been borrowed by some of its subsidiaries. Edwards Lifesciences Corporation has guaranteed the borrowings by its subsidiaries under the Five Year Credit Facility.

At June 30, 2003, our consolidated subsidiaries had approximately $292.7 million of outstanding indebtedness and other liabilities, excluding indebtedness and other liabilities owed to us or to other subsidiaries but including $107.2 million of borrowings under the Five Year Credit Facility. In addition, our Credit Facilities require that domestic subsidiaries whose aggregate net revenue and aggregate net tangible assets equal or exceed 95% of our consolidated net revenues and consolidated net tangible assets, as defined under the Credit Facilities, respectively, guarantee all borrowings, letters of credit and other obligations under our Credit Facilities, including, in the case of the Five Year Credit Facility, borrowings and other obligations of our subsidiaries under the Five Year Credit Facility. In addition, at December 31, 2002 our consolidated subsidiaries were obligated under operating lease agreements to make future minimum lease payments aggregating approximately $18.5 million through 2007.

The debentures are not protected by restrictive covenants.

The indenture governing the debentures does not contain any financial or operating covenants or restrictions on the payments of dividends, the incurrence of indebtedness or other liabilities or the issuance or repurchase of securities by us or any of our subsidiaries. Although some of our other debt instruments contain provisions that limit our incurrence of additional indebtedness, we retain the ability to incur substantial additional indebtedness and other obligations. As of June 30, 2003, we would have been permitted to incur approximately $175.4 million of additional indebtedness under the most restrictive of these provisions. Any significant amounts of additional indebtedness or other obligations that we incur in the future may harm our ability to service our indebtedness, including the debentures, and pay our other obligations. Although the holders of the debentures will have the right, upon the occurrence of specified kinds of change in control events, to require us to repurchase all or a portion of their debentures, there can be no assurance that this right will afford protection to holders of the debentures in the event of a business combination, highly leveraged transaction or change of control event affecting us.

We have increased our indebtedness.

As a result of the sale of $150,000,000 aggregate principal amount of the debentures in May 2003, we increased our total debt and debt service obligations. We may incur substantial additional indebtedness in the future. The level of our indebtedness, among other things, could:

make it difficult for us to make payments on the debentures;

make it difficult for us to obtain any necessary future financing for working capital, capital expenditures, acquisitions or other purposes;

limit our flexibility in planning for, or reacting to changes in, our business; and

make us more vulnerable in the event of a downturn in our business.

There can be no assurance that we will be able to meet our debt service obligations, including our obligations under the debentures.

In addition, we may need to incur debt in the future to fund our business, including any acquisitions we may make, but there can be no assurance that we will be able to incur debt or other financing, on favorable terms or at all, necessary to fund our operations or effect any acquisitions.

Any adverse rating of the debentures may cause the value of the debentures to fall.

The debentures have not been rated by any credit rating agencies. In the future, one or more rating agencies may rate the debentures. If the rating agencies rate the debentures, they may assign a lower rating than expected by investors. Rating agencies may also lower ratings on the debentures in the future. If the rating agencies assign a lower than expected rating or reduce their ratings on the debentures in the future or indicate that they have their ratings on the debentures under surveillance

or review with possible negative implications, the value of the debentures would likely decline. In addition, a ratings downgrade could adversely affect our ability to access capital.

Absence of market for the debentures.

We issued the debentures in May 2003 in a private offering made to "qualified institutional buyers," as defined in Rule 144 under the Securities Act. The offering was made though a group of investment banks, which we refer to as the "initial purchasers," for which J.P. Morgan Securities Inc. acted as sole book-running manager. Prior to that offering there was no trading market for the debentures. Although the initial purchasers advised us at the time of that offering that they intended to make a market in the debentures, they are not obligated to do so and may discontinue such market making at any time without notice. Accordingly, there can be no assurance that any market for the debentures will develop or, if one does develop, that it will be maintained. If an active market for the debentures fails to develop or be sustained, the value of the debentures could be materially adversely affected.

There is no public market for the debentures and we do not intend to apply for listing of the debentures on any securities exchange or for quotation of the debentures through any automated quotation system. The debentures issued to qualified institutional buyers in the May 2003 offering currently trade on the PORTAL Market. However, once debentures are sold under this prospectus, those debentures will no longer trade on the PORTAL market.

You should consider the United States federal income tax consequences of owning the debentures, including, among other things, the requirement to include tax original issue discount, as defined below, on the debentures in your taxable income and the characterization of any gain you may recognize on the sale, purchase by us at your option, exchange, conversion or redemption of the debentures as ordinary income.

The debentures constitute indebtedness for U.S. federal income tax purposes. Accordingly, you will be required to include, in your income, interest with respect to the debentures.

The debentures constitute contingent payment debt instruments for U.S. federal income tax purposes, and are subject to U.S. federal income tax regulations applicable to contingent payment debt instruments. Under that characterization and treatment, you will be required to include amounts in income, as interest income, in advance of your receipt of the cash or other property attributable to the debentures. The amount of interest income required to be included by you in income for each year, which we refer to as tax original issue discount, generally will be in excess of the accruals on the debentures for non-tax purposes (i.e., in excess of the stated semi-annual regular interest payments and any contingent interest payments) actually received in that year.

You will recognize gain or loss on the sale, purchase by us at your option, exchange, conversion or redemption of a debenture in an amount equal to the difference between the amount realized, including the fair market value of any of our common stock received, and your adjusted tax basis in the debenture. Any gain recognized by you on the sale, purchase by us at your option, exchange, conversion or redemption of a debenture will be treated as ordinary interest income. A discussion of the U.S. federal income tax consequences of ownership of the debentures is contained in this prospectus under the heading "Certain United States federal income tax considerations."

Cautionary note regarding forward-looking statements and market data

This prospectus and the documents incorporated or deemed to be incorporated by reference in this prospectus contain "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We intend the forward-looking statements to be covered by the safe harbor provisions for forward-looking statements in these sections. All statements other than statements of historical fact in this prospectus and the documents incorporated or deemed to be incorporated by reference in this prospectus are "forward-looking statements" for purposes of these sections, including, without limitation, any predictions of earnings, revenues, expenses or other financial items, any statements of the plans, strategies and objectives of management for future operations, any statements concerning proposed new products, any statements regarding future economic conditions, any statements concerning our future operations, financial conditions and prospects, and any statement of assumptions underlying any of the foregoing. These statements can sometimes be identified by the use of forward-looking words such as "may," "will," "anticipate," "estimate," "project," "seek," "expect," "continue," "pro forma," "plan" or "intend" or similar words, or expressions of the negative thereof. These forward-looking statements are subject to substantial risks, uncertainties and assumptions. Some of the factors that could cause actual results to differ materially from the forward-looking statements we make or incorporate by reference in this prospectus are described under "Risk factors" in this prospectus and in the documents incorporated or deemed to be incorporated by reference in this prospectus. These factors include, but are not limited to:

our ability to successfully develop, obtain regulatory approvals for and market new products;

our ability to generate and maintain sufficient cash resources to increase investment in our business or repay debt;

the contribution of new product launches;

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;

technological advances in the medical field;

product demand and market acceptance; and

the effect of changing economic conditions.

If one or more of these risks or uncertainties materialize, or if any underlying assumptions proves incorrect, our actual results, performance or achievements may vary materially from future results, performance or achievements expressed or implied by these forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements in this section. We undertake no obligation to update or revise any forward-looking statements to reflect future events or developments.

The information in this prospectus and the documents incorporated or deemed to be incorporated by reference in this prospectus includes statements concerning our position in certain markets and other demographic, statistical and similar information. These statements, which reflect the belief of our management based upon the sources of information described below, include statements that we are a leader or the leader or a leading or the leading company or manufacturer in some of our markets or globally or with respect to some of our products, systems, therapies or technologies, that one of our heart valve products is more widely prescribed than other heart valves worldwide, regarding the number of patients using some of our products, regarding the number of patients affected by certain diseases or

that use certain of our products, regarding whether patients undergoing surgical treatment for cardiovascular disease are likely to encounter our products and technologies or are candidates to have their cardiac function monitored by our products, regarding the factors that cause certain diseases, regarding the absence of reportings of "mad cow" disease cases in the United States, regarding the risk of infectibility of tissue types used in our pericardial tissue valve products, regarding the number of deaths caused by cardiovascular disease and its ranking compared to other diseases in terms of healthcare spending, regarding the increasing number of "beating heart" coronary artery bypass surgeries, that one of our products is the only pericardial valve available in the U.S., that certain of our products are widely-known or recognized as an or the industry standard, regarding the level of the engagement of our workforce, that we are a pioneer of certain products, regarding market share data, regarding the medical device industry, the healthcare industry and the cardiovascular products market, and similar matters.

The information reflected in the statements described above is based on, among other things, publicly available information, industry publications, data compiled by market research firms and similar sources. Although we believe that this information is reliable, we have not independently verified any of this information and we cannot assure you that it is accurate. In addition, most of this information relates to years or periods prior to 2002. Statements that we are a leader or the leader, or that we are a leading or the leading company or manufacturer in some of our markets or globally or with respect to some of our products, systems, therapies or technologies, are generally based on our net sales or units sold. The statement that cardiovascular disease is among the top three diseases in terms of healthcare spending that is incorporated by reference into this prospectus is based on data for the U.S.

Use of proceeds

We will not receive any of the proceeds from the sale by any selling securityholders of debentures or the common stock issued upon conversion of the debentures.

Dividend policy

We have never paid any dividends on our common stock and have no current plans to pay any dividends on our common stock. Our current policy is to retain any future earnings for use in our business.

Ratio of earnings to fixed charges

The following table presents the ratio of earnings to fixed charges for Edwards Lifesciences Corporation and its consolidated subsidiaries for each of the periods indicated. Edwards Lifesciences was incorporated on September 10, 1999 as a wholly owned subsidiary of Baxter International Inc. to assume the business and operations of Baxter's CardioVascular Group. Effective March 31, 2000, the business, assets and liabilities of Baxter's CardioVascular Group were transferred to us and our subsidiaries and 100% of our common stock was distributed to the stockholders of Baxter in a tax-free spin-off (the "Distribution"). As a result, the following information for periods prior to April 1, 2000 presents Edwards Lifesciences on a divisional basis as we had historically been operated as a part of Baxter, and has been prepared using Baxter's historical bases in the assets and liabilities and the historical results of operations of Baxter's CardioVascular Group prior to the Distribution. The following information does not necessarily reflect what our ratio of earnings to fixed charges would have been had we operated as a stand-alone entity during the periods prior to the Distribution.

	Years ended December 31,					Six months ended June 30, 2003
	1998	1999	2000	2001	2002	
Ratio of earnings to fixed charges(1)(4)	(2)	(2)	(3)	(3)	5.7x	9.1x

(1) The ratio of earnings to fixed charges is unaudited for all periods presented. For the purpose of calculating the ratio of earnings to fixed charges, earnings consist of net income (loss) plus the provision for income taxes and fixed charges, and excludes the cumulative effect of a change in accounting principle. Fixed charges consist of interest expense, amortization of debt issuance costs and the estimated portion of rental expenses deemed to be equivalent to interest.

(2) Until March 31, 2000 (the date of the Distribution), we were operated as a division of Baxter and our business and operations were therefore funded with monies provided by Baxter.

(3) For the years ended December 31, 2000 and 2001, fixed charges exceeded earnings by $258.4 million and $8.4 million, respectively.

(4) As of June 30, 2003, we had applied approximately $119.6 million of the net proceeds we received from the offering of the debentures to repay indebtedness outstanding under a revolving credit facility. On a pro forma basis, assuming we had issued all of the debentures and used that amount of the net proceeds to repay that indebtedness as of the first day of the respective periods referred to below, our ratio of earnings to fixed charges would have been 4.5x for the year ended December 31, 2002 and 8.3x for the six months ended June 30, 2003. Indebtedness that we repaid under this credit facility may be reborrowed, subject to compliance with customary conditions. These pro forma ratios do not necessarily reflect what our actual ratios of earnings to fixed charges would have been had these transactions occurred as of those dates or to predict our ratios of earnings to fixed charges for any future periods.

Description of the debentures

The debentures were issued under an indenture dated as of May 9, 2003 between us and JPMorgan Chase Bank, as trustee. The following summary of certain provisions of the indenture and the debentures does not purport to be complete, and is subject to, and is qualified in its entirety by reference to, all of the provisions of the debentures and the indenture. Because the following is only a summary, it does not contain all information that you may find useful. Copies of the indenture and the form of debenture have been filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part and you may obtain copies of those documents as described below under "Available information" and "Incorporation of documents by reference."

As used in this "Description of the debentures," unless otherwise expressly stated or the context otherwise requires, the words "Edwards Lifesciences," "we," "our" and "us" refer to Edwards Lifesciences Corporation, excluding its subsidiaries.

General

The debentures are our unsecured and unsubordinated obligations and were issued in, and are limited to, an aggregate principal amount of $150,000,000. The debentures will mature on May 15, 2033, unless earlier converted, redeemed by us at our option or repurchased by us at the option of the holders. The debentures are issuable only in fully registered form without coupons in denominations of $1,000 and integral multiples of $1,000 principal amount.

You have the option, subject to certain conditions described below, to convert your debentures into shares of our common stock, initially at a conversion price of $54.66 per share of common stock. This is equivalent to an initial conversion rate of approximately 18.2949 shares of common stock per $1,000 principal amount of debentures. The conversion price is subject to adjustment from time to time if certain events described below occur. Upon conversion, you will receive only shares of our common stock and a cash payment in lieu of any fractional shares. You will not receive any cash payment for interest or contingent interest, if any, accrued and unpaid to the conversion date.

If any interest payment date, maturity date, redemption date or purchase date (including a purchase date in connection with the occurrence of a Change in Control, as described below) of a debenture falls on a day that is not a business day, the required payment will be made on the next succeeding business day and no interest or contingent interest, if any, will accrue on that p