SECURITIES AND EXCHANGE COMMISSION

FORM 10-K

Annual report pursuant to section 13 and 15(d)

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FILER

CORDIS CORP

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(X) Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (Fee Required)

For the fiscal year ended June 30, 1994

or

(   ) Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 (No Fee Required)

For the transition period from

to

Commission File Number 0-3274

CORDIS CORPORATION

Incorporated in the State of Florida

I.R.S. Employer Identification No. 59-0870525

14201 N.W. 60th Avenue, Miami Lakes, Florida 33014

(305) 824-2000

Securities registered pursuant to Section 12(b) of the Act:

None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock $1 Par Value

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. (   )

The aggregate market value of voting stock held by non-affiliates of Cordis Corporation was approximately $681.9 million at August 22, 1994.

At August 22, 1994, 16,012,582 shares of common stock were outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Proxy Statement for the Annual Meeting of Stockholders to be held October 27, 1994, are incorporated by reference into Part III.

There are 44 pages included in this Form 10-K Report. The exhibit index is at page 39.

Part I

Item 1. Business

General Development of Business and Industry Segments

The Company was incorporated in the State of Florida in 1959. The Company has its principal headquarters at 14201 N.W. 60th Avenue, Miami Lakes, Florida 33014 and its telephone number is (305) 824-2000.

Effective in April 1994, the Company, through a wholly owned subsidiary, acquired all of the outstanding stock of Webster Laboratories, Inc.("Webster"), a company which develops and manufactures electrophysiology catheters for the

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diagnosis and treatment of cardiac arrythmias (see Note 3 of Notes to Consolidated Financial Statements). The transaction was accounted for as a pooling of interests, and, accordingly, all prior year financial information has been restated.

The Company operates in a single industry segment consisting of the design, manufacture and sale of medical devices, primarily angiographic catheters, neuroscience devices and other related medical devices (See Note 9 of Notes to Consolidated Financial Statements).

Description of Business

The Company's net sales, with approximate breakdowns by major product class during the past three fiscal years, were as follows (in thousands):

	Years ended June 30,		
	1994	1993	1992
Angiographic products	$320,579	$250,322	$213,720
Neuroscience products	15,963	17,124	16,757
Total	$336,542	$267,446	$230,477

Angiographic Products

The Company manufactures an extensive line of angiographic devices for the diagnosis and treatment of various cardiovascular diseases. The diagnostic devices include catheters and related equipment that are inserted into a patient's circulatory system to allow introduction of contrast media enabling a physician to study the heart, blood vessels and other soft-tissue organs for the purpose of determining the proper treatment of patients exhibiting disorders of such tissues. Other diagnostic devices include electrophysiology catheters that are used to diagnose the patient's electrical system in order to identify and locate electrical conduction abnormalities. The interventional devices include balloon dilatation catheters, guiding catheters, steerable guidewires and accessory products which are used to treat such patients.

Neuroscience Products

The Company manufactures and sells several types of neuroscience products, including implantable cerebrospinal fluid ("CSF") shunts for the treatment of hydrocephalus (an excess accumulation of CSF in the ventricles of the brain) and disposable intracranial pressure monitoring and drainage systems.

Principal Markets, Methods of Distribution

The Company's products are sold worldwide to hospitals, other medical institutions and physicians. No customer individually accounts for a material amount of the Company's total sales. In the U.S., all products are sold directly through full-time employee sales representatives. Outside the U.S., they are sold through employee sales representatives and distributors. The Company maintains inventories of products in various locations worldwide. Periodically, backlog orders have occurred, but none have been material to the Company's business. An increasing number of hospitals in the U.S. participate in group purchase organizations. These organizations negotiate prices on behalf of their member organizations. The Company's business is generally not subject to seasonal fluctuations.

Sources and Availability of Raw Materials

The Company's products incorporate components manufactured internally and others purchased from external suppliers. Most purchased components could be obtained from multiple sources if necessary.

Patents, Trademarks and Licenses

The Company currently owns over 325 patents, has several patents pending on certain of its products and files applications to obtain patents on new inventions when practical. Additionally, the Company has and endeavors to obtain licenses from third parties for technology it deems necessary or beneficial to the conduct of its business. The industry in which the Company competes has been characterized by rapid technological advances. The Company does not believe its business is materially dependent on any individual patent.

Competition

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Success in the medical device field is dependent upon product quality, reliability, design features, service, price, and the relationship between the Company and the physicians utilizing the products. The Company believes that its product lines are competitive with other product lines in the market.

The Company's products compete with those of a number of other domestic and foreign manufacturers. In the sale of angiographic products the Company competes with several manufacturers, including C.R. Bard, Inc., Scimed Life Systems, Inc. and divisions of Eli Lilly and Company and Pfizer, Inc., some of whom compete in the sale of diagnostic products, others in the sale of interventional products, and some in both. Based upon current information the Company believes that it is a leading provider of diagnostic angiographic products and a less substantial provider in the sale of interventional angiographic products.

With the rapid progress of medical technology the Company's products are always subject to the risk of obsolescence through the introduction of new products or techniques.

International Operations

In addition to the U.S. manufacturing operations, the Company manufactures products at its facilities in Roden, The Netherlands, and Biot, France. The Company's European headquarters is located in Waterloo, Belgium. The Company maintains sales and marketing offices in many European and other countries.

Operations in countries outside the U.S. are subject to certain financial and other risks, including currency restrictions, currency exchange fluctuations and changes in foreign laws. Several countries in which the Company does business have enacted laws and regulations that are protectionist in nature and have resulted in increased costs and operational efforts by the Company in order to continue to effectively compete in those countries. The Company does not presently believe that such laws and regulations will have a material adverse effect on the Company's foreign operations.

Research and Development

The Company is continually engaged in product development and improvement programs. A major portion of development resources are devoted to interventional angiographic devices and to a lesser extent to diagnostic devices. Additionally, the Company invests a portion of development funds on advanced technologies for the treatment of vascular diseases. During the fiscal years ended June 30, 1994, 1993 and 1992, the Company spent approximately $26.0 million, $20.1 million and $19.8 million, respectively, on research and development activities. The Company has not engaged in material customer or government sponsored research.

Government Regulation

The Company's activities are regulated by the United States Food and Drug Administration ("FDA") and several state and foreign governmental authorities. The FDA regulations govern the testing, marketing and registration of new medical devices, in addition to regulating manufacturing practices, labeling and record keeping procedures. The process of obtaining clearance from the FDA to market products either through pre-market approvals or pre-market notifications is costly and time consuming and can delay the marketing and sale of the Company's products. Additionally, there is no assurance that such approval will be granted. The FDA is empowered to perform unannounced inspections of the Company's facilities and operations and to restrain violations of the Food, Drug and Cosmetic Act. On July 18, 1994, a warning letter was issued by the FDA requiring the Company to correct certain violations observed during an inspection of the Company's facility in France, relative to its neuroscience devices. While no adverse action has been instituted against the Company at the present time, should the agency be dissatisfied with the Company's corrective action and/or responses, the FDA is empowered to issue an import alert or to take other action as it deems appropriate. The Company is in the process of responding to the agency's concerns.

Medical device laws, ranging from device approval requirements to requests for product data and price controls, are in effect in many countries in which the Company does business outside the United States. In addition, government reimbursement policies for health care costs are becoming increasingly significant factors for medical device companies. Currently, U.S. Congress is considering various health care reforms that are designed to broaden coverage and reduce the cost of existing government and private insurance programs. It is uncertain at this time what impact, if any, the health care reform efforts will have on the Company. Any changes that limit or reduce reimbursement for the Company's products could have a material adverse effect on the financial condition of the Company.

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The Company is also subject to federal, state and local laws which regulate the discharge of materials into the environment and which seek to protect the environment. Compliance with such laws has not resulted in material expenditures nor are such expenditures anticipated to have a material adverse effect on the Company's business.

Employees

As of June 30, 1994, the Company and its subsidiaries had approximately 3,370 employees.

Financial Information Relating to Foreign and Domestic Operations and Export Sales

For a summary of foreign and domestic operations and segment reporting, see Note 9 of Notes to Consolidated Financial Statements.

Item 2. Properties

The Company's principal facilities, located in Miami Lakes, Florida; Roden, The Netherlands; Biot, France and Baldwin Park, California consist of manufacturing plants and research and administrative offices. The Company owns most of its principal facilities and its production machinery and equipment. The Company is evaluating the need for expansion of facilities based on its expected growth. Management believes the Company's manufacturing facilities are adequate for current levels of operation.

In September 1991 the Company subleased its former Administrative and Technical Center ("ATC") to a third party for a term equal to the remaining term of its capitalized lease (see Note 8 of Notes to Consolidated Financial Statements).

Item 3. Legal Proceedings

For a summary of legal proceedings, see Note 8 of Notes to Consolidated Financial Statements.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

EXECUTIVE OFFICERS

The executive officers of the Company as of August 24, 1994 are as follows:

Name	Age	Position
Robert C. Strauss	53	President and Chief Executive Officer
Diane M. Barrett	33	Treasurer
Tony R. Brown	55	Vice President, and President and Chief Executive Officer, Cordis Webster, Inc.
Richard J. Faleschini	47	Vice President, Marketing and Sales, Americas Division
Jeffrey G. Gold	46	Vice President, and President, Cordis Endovascular Systems, Inc.
Daniel G. Hall	48	Vice President, Legal Affairs, Secretary and General Counsel
Rudy J. Kranys	57	Senior Vice President, Operations, Americas Division
Charles R. McDowell	57	Vice President, Corporate Relations and Assistant Secretary
Philip J. Monks	46	Vice President, Marketing and Sales, European Division
Alfred J. Novak	46	Vice President and Chief Financial Officer

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Barbara G. Ramseyer	46	Vice President, Regulatory Affairs and Quality Assurance
Egbert Ratering	46	Vice President, Operations, European Division
Fernando V. Sanchez	41	Vice President and Controller
George von Klan	65	Vice President, International Marketing and Sales
Wilton W. Webster	66	Vice President and Senior Scientific Advisor and Vice President, Research and Development and Chief Engineer, Cordis Webster, Inc.

Robert C. Strauss was elected President and Chief Executive Officer of the Company in February 1987. He joined the Company in 1983 as Vice President and Chief Financial Officer and was elected Senior Vice President in March 1986.

Diane M. Barrett joined the Company in June 1990 as Manager, Internal Audit. From May 1992 through December 1992 she served as Senior Manager, Corporate Finance. In December 1992 she was elected to the additional position of Assistant Treasurer and in June 1993 was elected Director, Corporate Finance and Assistant Treasurer. She remained in that position until her election as Treasurer in June 1994. Prior to employment by the Company, she served as an Audit Manager with Arthur Andersen & Co.

Tony R. Brown was elected Vice President of the Company in April 1994, upon the merger of Webster with a Company subsidiary. Mr. Brown has served as President and Chief Executive Officer of Webster from April 1993 to the present date. Prior to joining Webster, he served as Chief Operating Officer of Bio-Rad Laboratories, Inc. between August 1990 and April 1993. From August 1986 to August 1990 he served as President of Bentley Laboratories.

Richard J. Faleschini was elected Vice President, Marketing and Sales, Americas Division in August 1994, having served as Vice President, North American Marketing and Sales since June 1990. For the prior five years he was Vice President, Marketing and Sales of Biomagnetic Technologies, Inc.

Jeffrey G. Gold joined the Company in May 1978 as Assistant Program Manager, Angiographic Systems, and was promoted to Director, Manufacturing and Development in February 1982, and Vice President, Manufacturing, North American Operations in February 1991. In August 1991, he was elected to the position of Vice President, Research and Development, North American Operations. In August 1993, he was elected Vice President and President, Cordis Endovascular Systems, Inc.

Daniel G. Hall joined the Company as General Counsel in December 1981. He was elected to the additional position of Assistant Secretary in February 1982 and Secretary in July 1982. In April 1987, he was elected Vice President, Legal Affairs, Secretary and General Counsel.

Rudy J. Kranys joined the Company in October 1984 as Vice President and President of the Angiographic Products Division. In April 1987, he was elected Senior Vice President, North American Operations, and in August 1994, he was elected Senior Vice President, Operations, Americas Division.

Charles R. McDowell joined the Company in January 1976 as Assistant to the Executive Vice President. He was named Assistant to the President in February 1977 and was elected to the position of Assistant Secretary in July 1982. In February 1985, he was elected to the additional position of Vice President, Corporate Relations.

Philip J. Monks joined the Company in August 1978 as a sales representative in the United Kingdom. From 1980 through March 1985, he served as Division manager for the United Kingdom and as Sales Manager for Scandinavia. He became Director, European Sales in April 1985, and was promoted to Division Vice President, Sales and Marketing, Europe in 1987. In June 1990 he was elected Vice President, European Marketing and Sales, and in August 1994, he was elected Vice President, Marketing and Sales, European Division.

Alfred J. Novak was elected Vice President and Chief Financial Officer in August 1989 and assumed the additional title of Treasurer from August 1991 until June 1994. He joined the Company in April 1984 as Manager, Affiliate Operations and

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in February 1987 was elected President and Chief Executive Officer of Norland Corporation, a former subsidiary of the Company. In July 1987, he was elected Vice President, Corporate Development and subsequently in February 1988 he was elected Vice President, Administration.

Barbara G. Ramseyer was elected Vice President, Regulatory Affairs and Quality Assurance in August 1991. Prior to joining the Company she was Director-Corporate Regulatory Affairs for the Hospital Products Group of Pfizer Corporation since 1984.

Egbert Ratering joined the Company's subsidiary in Roden, The Netherlands, in March 1974 as Finance and Accounting Manager. He became European Controller in 1978, and was promoted to Director of Finance, Europe in July 1984. In March 1987 he was promoted to Division Vice President, Finance, Europe and was elected Vice President, European Operations in June 1990. In August 1994, he was elected Vice President, Operations, European Division.

Fernando V. Sanchez joined the Company in January 1991 as Vice President and Controller. Prior to joining the Company he was Vice President, Finance for Racal-Milgo, Inc., from June 1988. For three years prior, he served as Controller for Racal-Milgo, Inc.

George von Klan joined the Company in April 1984 as Director of Sales, Europe and the Middle East. In February 1985, he was elected Vice President, European Marketing. In April 1987, he was elected Vice President, International Marketing and Sales.

Wilton W. Webster, Jr., founder of Webster, was elected Vice President and Senior Scientific Advisor of the Company in April 1994, upon the merger of Webster with a Company subsidiary. He served as President, Chief Executive Officer and Chief Engineer of Webster from its inception to April 1993. From April 1993 he served as Vice President and Chief Engineer, and Vice President, Research and Development and Chief Engineer from April 1994 to the present date.

The executive officers hold office for one year or until their successors are elected by the Board of Directors.

Part II

Item 5. Market for the Registrant's Common Stock and Related Shareholder Matters.

The Company's common stock is traded in the over-the-counter market and is quoted in the NASDAQ National Market System under the symbol CORD. The following table sets forth the high and low sale prices of the Company's common stock for the period from July 1, 1992 through June 30, 1994 reported in the NASDAQ National Market System. Sale prices represent quotations between dealers without adjustment for retail markups, markdowns or commissions, and may not represent actual transactions.

Fiscal Year		High Sale	Low Sale
1993			
	First Quarter.....	$30-3/4	$21-3/4
	Second Quarter....	38	23-1/4
	Third Quarter.....	40-1/4	23-1/4
	Fourth Quarter....	32-3/4	21-1/4
1994			
	First Quarter.....	$35-1/2	$27-3/4
	Second Quarter....	50-1/2	31-1/2
	Third Quarter.....	54-1/2	41-1/4
	Fourth Quarter....	54-1/4	38

As of August 22, 1994, the number of shareholders of record of the common stock was 1,120. The Company has not paid cash dividends to date and has no present intention to do so (see Note 4 of Notes to Consolidated Financial Statements).

Item 6. Selected Financial Data

Five-Year Summary of Operations and Financial Information (restated)
(Dollars in thousands except per share amounts)
<TABLE>
<CAPTION>

<S>	<C> 1994	<C> 1993	<C> 1992	<C> 1991	<C> 1990
Net sales	$336,542	$267,446	$230,477	$202,560	$165,689

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Income from continuing operations before income taxes, equity in loss of Theratek International, Inc. and cumulative effect of accounting change	$ 58,380	$ 42,709	$ 35,157	$ 27,200	$ 17,495
Provision for income taxes	20,889	11,243	9,426	7,115	4,270
Equity in loss of Theratek International, Inc.	-	-	-	-	(2,880)
Income from continuing operations before cumulative effect of accounting change	$ 37,491	$ 31,466	$ 25,731	$ 20,085	$ 10,345
Earnings per share:					
Income from continuing operations before cumulative effect of accounting change	$ 2.27	$ 1.94	$ 1.65	$ 1.32	$ .70
Total assets	$288,127	$210,519	$171,986	$143,635	$146,654
Long-term liabilities	$ 9,128	$ 7,993	$ 9,677	$ 29,948	$ 36,885
Cash dividends declared per common share	$ -	$ -	$ -	$ -	$ -

</TABLE>

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

Cash and cash equivalents increased $6.5 million (15%) to $48.5 million at June 30, 1994 compared to June 30, 1993. Working capital increased by $33.7 million in the same period, and the current ratio remained constant at 2.7. The long-term debt to equity ratio remained constant at approximately zero. During 1994, cash generated from operations was $41.7 million compared to $32.4 million in 1993. The $9.3 million increase was principally due to increased income before cumulative effect of accounting change and higher accounts payable and accrued expenses balances, offset in part by cash invested in higher accounts receivable and inventory levels.

Cash used in investing activities increased $16.3 million from $14.5 million in 1993 to $30.8 million in 1994. The principal components of the increase were additions to property, plant and equipment which were $7.2 million higher in 1994 than in 1993 and purchases of short-term and other investments of $9.1 million. Most of the increase in capital additions was attributable to the expansion of manufacturing operations.

Cash of $4.4 million was used in financing activities in 1994, a $14.6 million increase from the $10.2 million provided by such activities in 1993. The principal causes of the increase were lower additions to short-term borrowings in Europe, lower proceeds from the issuance of common stock and an increase in the repurchases of common stock.

Total assets increased $77.6 million to $228.1 million at June 30, 1994 from $210.5 million at June 30, 1993. The increase occurred principally in the following areas:

- - - Cash and cash equivalents increased $6.5 million for the reasons outlined above.

- - - Short-term investments increased by $7.1 million.

- - - Accounts receivable increased $22.3 million (37%), due principally to the sales increase in the fourth quarter of 1994, where sales grew $25.0 million (36%) over the fourth quarter of 1993.

- - - Inventories increased by $11.1 million (30%) to meet the increased demand for the Company's products, evidenced by the growth rate in fourth quarter sales indicated above.

- - - Deferred income taxes (current plus long-term) increased $12.7 million mainly due to the adoption of a new accounting standard for income taxes (see Note 6 of Notes to Consolidated Financial Statements).

- - - Net property, plant and equipment increased $12.2 million due to higher

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spending worldwide on projects associated with the interventional and diagnostic cardiology markets.

Current liabilities increased $21.9 million due to increased salaries and employee benefits, accounts payable balances, and a $5.2 million accrual for a legal settlement (see Note 8 of Notes to the Consolidated Financial Statements).

The Company has a $25 million line of credit and a $2 million letter of credit facility with a U.S. bank. No borrowings were outstanding under the agreement at either June 30, 1994 or 1993. In addition, the Company continues its policy of borrowing funds in Europe to provide financing of local receivables and to partially hedge its foreign currency positions. At both June 30, 1994 and 1993, such loans totaled $9.1 million.

In September 1991 the Company subleased ATC which is held under a capitalized lease until December 31, 2005 (see Note 8 of Notes to Consolidated Financial Statements). Under the terms of the sublease the sublessee is responsible for substantially all of the operating expenses of the property, in addition to rental payments. The sublease gives cancellation options at the end of the fifth and tenth years to the sublessee which, if exercised, will require repayments of leasehold improvement allowances by the sublessee to the Company of $3.8 million and $2.0 million, respectively. The sublessee also has an option to extend the lease for five years or to purchase the facility at December 31, 2005. The Company has accrued for future costs relating to the discounted shortfall in rental income compared to the underlying payments over the remaining term of the capitalized lease. In November 1993, the sublessee announced that the division that currently subleases ATC is for sale. The Company has not been notified by the sublessee whether or not to exercise its option to cancel the sublease on December 31, 1996. In the event that the sublessee does exercise the cancellation option, the Company believes the proceeds of $3.8 million from the repayment of leasehold improvement allowances by the sublessee, combined with the current reserve for future costs, will be sufficient to cover the carrying costs of the building until a replacement tenant can be found. Accordingly, the Company does not believe that cancellation of the sublease would have a material effect on the future liquidity or financial condition of the Company.

Management anticipates that cash generated from operations and utilization of its credit lines, if necessary, will be sufficient to meet the Company's current operating requirements and to cover the shortfall in rental income from the sublease of ATC compared to the underlying lease payments over the lease term and the effects, if any, of cancellation of the ATC sublease by the sublessee. On a long-term basis, management will continue to address the Company's liquidity requirements and implement necessary financing strategies.

Results of Operations:

Sales

Net sales in fiscal 1994 were $336.5 million, an increase of $69.1 million (26%) from fiscal 1993. Sales in fiscal 1993 were $267.4 million, $37.0 million (16%) higher than fiscal 1992. Had currency exchange rates remained constant throughout the periods, the increases in sales in 1994 over 1993 and in 1993 over 1992 would have been 32% and 15%, respectively.

1994 compared to 1993:

Sales of angiographic products were $320.6 million in 1994, an increase of $70.3 million (28%). U.S. sales, which accounted for 44% of worldwide angiographic products sales in 1994 and 45% in 1993, increased 24% due principally to higher unit sales volumes of interventional cardiology products (PTCA balloon catheters, PTCA guiding catheters and PTCA steerable guidewires). Interventional cardiology sales accounted for 31% of total U.S. angiography sales in 1994, compared to 18% in 1993. Foreign sales increased by 31% over 1993 (had currency exchange rates remained constant throughout the periods, this increase would have been 43%), due principally to higher unit sales volumes of interventional cardiology products in Europe and the Far East.

Sales of neuroscience products were $16.0 million in 1994, a decrease of $1.2 million (7%) from 1993. Most of the decrease was due to adverse currency exchange rate translation effects in Europe; had currency exchange rates remained constant throughout the periods, the decrease in worldwide neuroscience products sales would have been 1%.

1993 compared to 1992:

In 1993 angiographic products sales were $250.3 million, $36.6 million (17%) higher than 1992. U.S. sales increased 8% due principally to higher unit sales volumes of interventional cardiology products, and, to a lesser extent,

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increased sales volumes of electrophysiology products. U.S. sales accounted for 45% of worldwide angiography sales in 1993 compared to 49% in 1992. Most of the increase in angiography sales arose in markets outside the U.S., where sales grew by 26% from 1992. Had currency exchange rates remained constant throughout the periods, this increase would have been 25%. The increase in foreign angiography sales was principally due to higher unit sales volumes of interventional cardiology catheters and diagnostic cardiology catheters.

Sales of neuroscience products were $0.4 million (2%) higher than 1992, due principally to higher sales of pressure monitoring and drainage systems and other products. At constant currency exchange rates, the year-to-year increase would have been 1%.

Operating Costs and Expenses

Cost of goods sold as a percent of net sales was 40% in 1994, compared to 39% in 1993 and 40% in 1992. The one percentage point decrease in the 1994 gross profit margin compared to 1993 was principally due to higher royalty expenses on higher worldwide sales of PTCA balloon catheters. Under the terms of a settlement agreement with C. R. Bard, in December 1993, the Company elected to pay a license fee for the license of PTCA balloon catheter technology. Utilizing a five year amortization period from the agreement date of May 1991, the Company expensed $1.9 million of the $3.0 million license fee in 1994, of which $1.3 million related to the period from May 1991 to June 1993. Royalty expenses, which included the $1.9 million license fee, were 2% of sales in 1994 compared to 1% in 1993. The Company's gross profit margin improved in 1994 due to the favorable effect of increased sales of higher margin interventional cardiology products, but this was offset by unfavorable currency exchange rate effects upon European gross profit margins caused by currency devaluations in some countries and a stronger U.S. dollar. The one percentage point increase in the gross profit margin in 1993 compared to 1992 was principally due to a more favorable sales mix which arose from increased sales of higher margin products.

Research and development expenses were $26.0 million in 1994, an increase of $5.8 million (29%) over 1993. Most of the increase was due to higher spending on interventional cardiology, electrophysiology and neuroradiology products. Research and development expenses increased $0.3 million (2%) to $20.1 million in 1993 compared to 1992; most of the increase was attributable to higher spending on electrophysiology and neuroradiology products. Had currency exchange rates remained constant throughout the periods, research and development expenses would have been 32% higher in 1994 compared to 1993, and approximately the same in 1993 as 1992. As a percentage of net sales, research and development expenses were 8% in 1994 and 1993 and 9% in 1992.

Selling, general and administrative ("SG&A") expenses were $115.8 million in 1994, $21.7 million (23%) higher than 1993. The factors that contributed most to the increase were higher salary and fringe benefit expenses due to expansions of the sales forces in the U.S. and Europe; higher travel, sales commissions and promotional expenses incurred as a result of the increase in worldwide sales; higher legal costs incurred in the defense of patent suits and other litigation, and costs of approximately $1.3 million related to the acquisition of Webster (see Note 3 of Notes to Consolidated Financial Statements). In 1993, SG&A expenses were $94.1 million, $11.9 million (15%) higher than 1992. The increase was caused by most of the factors that affected 1994, namely higher employee related expenses, travel, commissions and promotional costs. Had currency exchange rates remained constant throughout the periods, the increases in SG&A expenses in 1994 compared to 1993 and in 1993 compared to 1992 would have been 28% and 13%, respectively. As a percentage of net sales, SG&A expenses were 34% in 1994, 35% in 1993 and 36% in 1992.

Other Expenses (Income)

Net interest and other expense was $2.4 million in 1994 compared to $5.4 million in 1993, a decrease of $3.0 million (56%). Other expense in 1994 contained an accrual of $5.2 million related to a legal settlement (see Note 8 of Notes to Consolidated Financial Statements), but this was more than offset by higher interest income on higher average invested cash balances, lower foreign currency transaction losses on intercompany purchases of inventory, and lower losses from reserves for an uncollectible investment and other items which did not recur. Comparing 1993 with 1992, net interest and other expense was $4.8 million higher; the increase was attributable to higher foreign currency transaction losses and the non-recurring reserves mentioned previously.

Income Taxes

Expressed as a percent of pretax income, the income tax provisions for 1994, 1993 and 1992 were 36%, 26% and 27%, respectively. The ten percentage point increase in 1994's rate compared to 1993 was principally due to an increase in

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the U.S. effective rate resulting from the adoption of a new accounting standard for income taxes at the beginning of fiscal 1994 (see Note 6 of Notes to Consolidated Financial Statements). In 1993, the effective rate was one percentage point lower than 1992, principally due to lower effective rates in Europe which arose from the utilization of net operating loss carryforwards in France as a result of the generation of profits in that subsidiary compared to losses in prior years for which there was no carryback benefit.

Cumulative Effect of Accounting Change

Effective July 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". The cumulative effect on prior periods of this accounting change of $10.1 million or $0.61 per share is reported as a one-time benefit in the Consolidated Statement of Operations for 1994.

Net Income

Income before the cumulative effect of an accounting change was $37.5 million in 1994, an increase of $6.0 million (19%) over 1993. Net income was $47.6 million in 1994, $16.1 million (51%) higher than 1993. In 1993 both income before the cumulative effect of an accounting change and net income were $31.5 million, $5.7 million (22%) higher than 1992.

Earnings per share before the cumulative effect of an accounting change was $2.27 in 1994, $0.33 (17%) higher than 1993. Net income per share in 1994 was $2.88, $0.94 (48%) higher than 1993. Earnings per share before the cumulative effect of an accounting change and net income per share were both $1.94 in 1993, $0.29 (18%) higher than 1992.

Item 8. Financial Statements and Supplementary Data

See index to financial statements and financial statement schedules on page 13.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Part III

The information required by Item 10 - Directors and Executive Officers of the Registrant (other than information as to executive officers set forth in Part I on pages 5, 6 and 7), Item 11 - Executive Compensation, Item 12 - Security Ownership of Certain Beneficial Owners and Management and Item 13 - Certain Relationships and Related Transactions is incorporated in this Report by reference from the proxy statement to be filed at least 20 business days prior to the Company's 1994 Annual Meeting of Stockholders to be held on October 27, 1994.

Part IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a) 1. Financial statements and financial statement schedules

The financial statements and schedules listed in the following index are filed as part of this annual report:

(ITEM 14(a)(i) and (ii))

	Page
Independent Auditors' Report............................	14
Management's Responsibility for Financial Reporting......	15
Consolidated Statements of Operations for the three years ended June 30, 1994...............................	16
Consolidated Balance Sheets at June 30, 1994 and 1993....	17-18
Consolidated Statements of Shareholders' Equity for the three years ended June 30, 1994.........................	19
Consolidated Statements of Cash Flows for the three years ended June 30, 1994....................................	20

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Notes to Consolidated Financial Statements.............. 21-34

2. Schedules for the three years ended June 30, 1994:

V-Property, Plant and Equipment...................... 35

VI-Accumulated Depreciation and Amortization of Property, Plant and Equipment...................... 36

VIII-Valuation and Qualifying Accounts.................. 37

IX-Short-Term Borrowings............................ 38

X-Supplementary Income Statement Information.......... 38

Schedules other than those listed above are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(b) Report on Form 8-K

The Company filed a report on Form 8-K dated April 25, 1994 as to:

Item 2. The acquisition of Webster. The transaction was structured as a tax-free reorganization of Webster and has been accounted for as a pooling of interests.

Independent Auditors' Report

The Board of Directors and Shareholders
Cordis Corporation

We have audited the accompanying consolidated balance sheets of Cordis Corporation and its subsidiaries as of June 30, 1994 and 1993 and the related consolidated statements of operations, shareholders' equity, and cash flows for each of the three years in the period ended June 30, 1994. Our audits also included the financial statement schedules listed in the Index at Item 14(a). These financial statements and financial statement schedules are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial statement schedules based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Cordis Corporation and its subsidiaries as of June 30, 1994 and 1993, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 1994 in conformity with generally accepted accounting principles. Also, in our opinion, such financial statement schedules, when considered in relation to the basic consolidated financial statements taken as a whole, present fairly in all material respects the information set forth therein.

As discussed in Note 6 of Notes to Consolidated Financial Statements, the Company changed its method of accounting for income taxes effective July 1, 1993 as required by Statement of Financial Accounting Standards No. 109.

Deloitte and Touche LLP
Miami, Florida
August 10, 1994

Management's Responsibility for Financial Reporting

Management is responsible for the preparation as well as the integrity and

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objectivity of the Company's financial statements. The financial statements have been prepared in conformity with generally accepted accounting principles and, accordingly, include amounts which represent the best estimates and judgements of management.

While no system of internal control can ensure elimination of errors and irregularities, the systems employed by the Company have been designed to provide reasonable assurance that assets are safeguarded, policies and procedures are followed and transactions are properly executed and reported. These systems are periodically reviewed and modified in response to changing conditions.

The Audit Committee of the Board of Directors, which is comprised of directors who are not officers or employees of the Company, meet with senior management, the chief financial officer, the Company's internal auditor and the independent certified public accountants to review audit plans and results as well as management's actions taken in discharging its responsibilities for accounting, financial reporting and internal control systems. The Audit Committee reports its findings to the Board of Directors and also recommends the selection and engagement of independent certified public accountants. Management, the internal auditor and the independent certified public accountants have direct and confidential access to the Audit Committee.

Robert C. Strauss
President and Chief
Executive Officer

Alfred J. Novak
Vice President and
Chief Financial Officer

Cordis Corporation
Consolidated Statements of Operations
Three Years ended June 30, 1994
(Dollars in thousands except per share amounts)

	1994	1993	1992
Net sales	$336,542	$267,446	$230,477
Operating costs and expenses:			
Cost of goods sold	133,992	105,097	92,782
Research and development	25,959	20,139	19,793
Selling, general and administrative	115,837	94,092	82,185
Total operating costs and expenses	275,788	219,328	194,760
Operating profit	60,754	48,118	35,717
Other expenses (income):			
Interest expense	1,737	1,639	3,156
Interest income	(2,102)	(1,185)	(1,024)
Other, net	2,739	4,955	(1,572)
Total other expenses	2,374	5,409	560
Income before income taxes and cumulative effect of accounting change	58,380	42,709	35,157
Provision for income taxes	20,889	11,243	9,426
Income before cumulative effect of accounting change	37,491	31,466	25,731
Cumulative effect of accounting change	10,115	-	-
Net income	$ 47,606	$ 31,466	$ 25,731
Earnings per share:			
Income before cumulative effect of accounting change	$ 2.27	$ 1.94	$ 1.65
Cumulative effect of accounting change	.61	-	-
Net income	$ 2.88	$ 1.94	$ 1.65

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See accompanying notes.

Cordis Corporation
Consolidated Balance Sheets
At June 30, 1994 and 1993
(Dollars in thousands)

	1994	1993
Assets		
Current assets:		
Cash and cash equivalents	$ 48,531	$ 42,042
Short-term investments, at cost	7,055	-
Accounts receivable (less allowance for doubtful accounts of $2,207 in 1994 and $1,661 in 1993)	82,502	60,220
Inventories:		
Finished goods	25,770	19,194
Work-in-process	12,483	10,179
Raw materials and supplies	9,913	7,672
	48,166	37,045
Deferred income taxes	10,350	3,810
Other current assets	5,942	3,764
Total current assets	202,546	146,881
Property, plant and equipment, at cost:		
Land	5,045	4,829
Buildings and improvements	54,836	49,940
Leasehold improvements	3,532	2,457
Machinery and equipment	61,702	51,821
Construction in progress	10,641	4,403
	135,756	113,450
Less accumulated depreciation and amortization	64,509	54,386
	71,247	59,064
Deferred income taxes	6,844	663
Other assets	7,490	3,911
	$288,127	$210,519

See accompanying notes.

Cordis Corporation
Consolidated Balance Sheets
At June 30, 1994 and 1993
(Dollars in thousands)

	1994	1993
Liabilities and Shareholders' Equity		
Current liabilities:		
Notes payable	$ 9,057	$ 9,092
Accounts payable	10,916	6,792
Accrued salaries and employee benefits	25,373	15,797
Accrued taxes	7,926	6,542
Accrued litigation settlement	5,180	-
Other accrued expenses	11,850	11,213
Income taxes	5,245	3,892
Current portion of long-term debt	613	903
Total current liabilities	76,160	54,231
Long-term liabilities:		
Long-term debt	1,894	1,112
Other	7,234	6,881
Total long-term liabilities	9,128	7,993

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Total liabilities	85,288	62,224
Commitments and contingencies (Note 8)		
Shareholders' equity:		
Preferred stock, $1 par value; authorized 2,500,000 shares; none issued	-	-
Common stock, $1 par value; authorized 50,000,000 shares, issued and outstanding 16,001,206 shares in 1994 and 15,920,307 shares in 1993	16,001	15,920
Capital in excess of par value	62,016	58,808
Retained earnings	115,658	68,052
Foreign currency translation adjustments	9,164	5,515
Total shareholders' equity	202,839	148,295
	$288,127	$210,519

See accompanying notes.

Cordis Corporation
Consolidated Statements of Shareholders' Equity
Three years ended June 30, 1994
(Dollars and shares in thousands)
<TABLE>
<CAPTION>

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Foreign Currency Translation Adjustments	Total	
Balance at June 30, 1991:							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	
As previously reported	13,874	$13,874	$52,555	$ 9,522	$ 3,654	$ 79,605	
Pooling of interests with Webster	1,124	1,124	(1,018)	1,333	-	1,439	
As restated	14,998	14,998	51,537	10,855	3,654	81,044	
Stock issued under employee retirement and stock option plans	151	151	2,509	-	-	2,660	
Foreign currency translation adjustments					9,992	9,992	
Net income	-	-	-	25,731	-		25,731
Balance at June 30, 1992	15,149	15,149	54,046	36,586	13,646	119,427	
Stock issued under employee retirement and stock option plans	616	616	6,472	-	-	7,088	
Issuance of stock	337	337	1,640	-	-	1,977	
Tax benefit from exercise of stock options	-	-	410	-	-	410	
Stock issued under employee performance award plan	31	31	893	-	-	924	
Purchases and retirement of common stock	(213)	(213)	(4,653)	-	-	(4,866)	
Foreign currency translation adjustments	-	-	-	-	(8,131)	(8,131)	
Net income	-	-	-	31,466	-	31,466	
Balance at June 30, 1993	15,920	15,920	58,808	68,052	5,515	148,295	
Stock issued under employee retirement and stock option plans	244	244	3,792	-	-	4,036	
Tax benefit from exercise of stock options	-	-	5,740	-	-	5,740	
Stock issued under							

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employee performance award plan	37	37	1,082	-	-	1,119
Purchases and retirement of common stock	(200)	(200)	(7,406)	-	-	(7,606)
Foreign currency translation adjustments	-	-	-	-	3,649	3,649
Net income	-	-	-	47,606	-	47,606
Balance at June 30, 1994	16,001	$16,001	$62,016	$115,658	$ 9,164	$202,839

See accompanying notes.
</TABLE>

Cordis Corporation
Consolidated Statements of Cash Flows
Three years ended June 30, 1994
(Dollars in thousands)

	1994	1993	1992
Cash flows from operating activities:			
Net income	$ 47,606	$ 31,466	$ 25,731
Noncash items included therein:			
Cumulative effect of accounting change	(10,115)	-	-
Depreciation and amortization	11,424	10,121	12,576
Deferred income tax provision (benefit)	3,096	(3,635)	(1,895)
Provisions for inventory obsolescence, doubtful accounts, uncollectible investment and other	2,038	4,192	1,962
Currency transaction losses	1,115	2,604	332
Changes in assets and liabilities:			
Increase in accounts receivable	(22,138)	(13,259)	(8,102)
Increase in inventories	(11,162)	(9,252)	(2,906)
Increase in other current assets	(1,860)	(1,315)	(1,262)
(Increase) decrease in other assets	(1,378)	154	(3,719)
Increase in accounts payable and accruals	21,126	11,477	3,653
Increase in current and deferred income taxes payable, net	1,379	1,210	3,999
Other, net	613	(1,345)	(5,372)
Net cash provided by operating activities	41,744	32,418	24,997
Cash flows from investing activities:			
Additions to property, plant and equipment	(22,771)	(15,573)	(11,211)
Purchases of short-term and other investments	(9,055)	-	-
Proceeds from the sale of property, plant and equipment	618	215	408
Proceeds from collections of notes receivable	417	846	202
Net cash used in investing activities	(30,791)	(14,512)	(10,601)
Cash flows from financing activities:			
Bank loans	1,729	7,801	3,175
Debt retirement	(1,760)	(1,077)	(17,752)
Proceeds from the sale of common stock	3,264	8,365	2,096
Repurchases of common stock	(7,606)	(4,866)	-
Net cash (used in) provided by financing activities	(4,373)	10,223	(12,481)
Effect of exchange rate changes on cash	(91)	(189)	223
Increase in cash and cash equivalents	6,489	27,940	2,138
Cash and cash equivalents:			
Beginning of year	42,042	14,102	11,964
End of year	$ 48,531	$ 42,042	$ 14,102

See accompanying notes.

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Notes to Consolidated Financial Statements
June 30, 1994, 1993 and 1992

1. Summary of significant accounting policies

a. Principles of consolidation

The Consolidated Financial Statements of Cordis Corporation include the accounts of Cordis Corporation and its subsidiaries (the "Company"). All significant intercompany transactions have been eliminated.

b. Revenue recognition

The Company's revenue is derived from sales of medical devices. Revenue from such sales is generally recognized at the time of shipment to customers.

c. Inventories

Inventories are stated at the lower of cost (first-in, first-out) or net realizable value. Inventory costs include material, labor and manufacturing overhead.

d. Property, plant and equipment

The lives used in calculating provisions for depreciation and amortization of the principal assets using the straight-line method are as follows:

Buildings and improvements	10 - 30 years
Leasehold improvements	10 - 20 years
Machinery and equipment	3 - 10 years

e. Earnings per share

Primary earnings per share of common stock have been determined on the basis of the average number of shares of common stock and common stock equivalents outstanding during the year. The exercise of outstanding options, computed under the treasury stock method based upon average stock prices during the year, has been included in the computation when dilutive. The computation of fully diluted earnings per share resulted in no material dilution.

f. Foreign currency translation

Foreign currency translation adjustments, which result from translating the assets and liabilities of foreign subsidiaries into the U.S. dollar, have been excluded from each component of the Consolidated Statements of Cash Flows. Aggregate exchange losses resulting from foreign currency transactions during the years ended June 30, 1994, 1993 and 1992 were $1,115,000, $2,604,000 and $332,000, respectively, and are included in the Consolidated Statements of Operations.

g. Cash and cash equivalents

For the purposes of reporting cash flows, cash and cash equivalents include marketable securities with a maturity of three months or less at acquisition, and approximate fair values at June 30, 1994 and 1993. One investment, representing approximately 19% of the recorded balance at June 30, 1994, is a money market mutual fund maintained with a brokerage firm.

For the years ended June 30, 1994, 1993 and 1992, income taxes paid, net, were $17,312,000, $13,851,000 and $8,391,000, and interest paid, including interest on the capitalized lease (see Note 8 of Notes to Consolidated Financial Statements), was $3,398,000, $3,748,000 and $4,664,000, respectively.

h. Foreign currency contracts

The Company enters into foreign currency contracts as a hedge against assets and liabilities denominated in foreign currencies. Such assets and liabilities relate mainly to intercompany purchases of inventory. At the end of each period foreign currency contract balances are marked to market, and the resulting gain or loss is recognized in the Consolidated Statements of Operations. At June 30, 1994 and 1993, the Company had approximately $20,500,000 and $3,900,000, respectively, in contracts to buy or sell various denominations of foreign currency in the future. At June 30, 1994, based upon the rights of offset contained in the various foreign currency contract agreements, the carrying values of such contracts were a current asset of $66,000 and a current liability of $220,000, which approximated fair value.

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i. Reclassifications

Certain amounts in prior years have been reclassified to conform to the 1994 Consolidated Financial Statement presentation.

2. Inventory obsolescence

Cost of goods sold for the years ended June 30, 1994, 1993 and 1992 included provisions for obsolescence of $1,436,000, $1,061,000 and $994,000, respectively, for inventory which management considered to be in excess of that required for future sales. At June 30, 1994 and 1993 inventories are stated net of allowances for obsolescence of approximately $2,259,000 and $2,472,000, respectively.

3. Acquisition of Business

During April 1994, the Company completed its acquisition of Webster Laboratories, Inc. ("Webster"), a California based company engaged in the design, manufacture and marketing and sale of electrophysiology catheters. The acquisition was achieved through the merger between Webster and one of the Company's subsidiaries. The Company issued approximately 1.67 million shares of common stock for all the common stock of Webster, and assumed an additional 192,000 shares of Webster's outstanding stock options. The transaction was accounted for as a pooling of interests; accordingly, the Company's financial statements for prior years have been restated to reflect the merger. Webster previously prepared its financial statements on a November 30 fiscal year end basis, however, the restated financial statements include Webster's financial results prepared on a June 30 fiscal year end basis. Webster, renamed Cordis Webster, Inc., has changed its fiscal year end to June to conform to the Company's year end. Summarized financial statements for the years ended June 30, 1993 and 1992 are as follows (in thousands):

	1993	1992
Sales Revenue		
Cordis	$255,458	$222,959
Webster	11,988	7,518
Total	$267,446	$230,477
Net Income		
Cordis	$ 29,060	$ 24,014
Webster	2,406	1,717
Total	$ 31,466	$ 25,731
Total Assets		
Cordis	$200,401	$168,154
Webster	10,118	3,832
Total	$210,519	$171,986

4. Notes payable and long-term debt

Notes payable:

The Company's European subsidiaries have various credit lines denominated in local currencies which are available to provide working capital and to hedge foreign exchange exposures. The total amount of credit available under these agreements was $26,200,000 at June 30, 1994. Amounts outstanding were $9,057,000 at June 30, 1994 and $9,092,000 at June 30, 1993, with interest rates ranging from 6-1/2% to 18-1/2% throughout the years ended June 30, 1994 and 1993.

Long-term debt:

The Company has a $25 million revolving line of credit and a $2 million letter of credit facility with a U.S. bank, which terminates on December 31, 1996. A one year extension of the termination date may be granted annually at the discretion of the lender. During the revolving credit period, the Company has the option of borrowing at the prime interest rate, or at the London Interbank Offered Rate plus 1-1/4%. A facility fee of 1/4% of the unused portion of the $25 million commitment is payable quarterly. The agreement contains various covenants, which require the Company to maintain certain financial ratios and meet certain net worth and indebtedness tests, and which restrict the payment of cash dividends by the Company. No borrowings were outstanding under the agreement at June 30, 1994 or 1993. Interest rates ranged from 6% to 7-1/4% throughout the years ended June 30, 1994 and 1993.

At June 30, 1994 and 1993, the Company's European subsidiaries had long-term borrowings totaling $2,447,000 and $1,930,000, respectively, under several

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agreements. These loans are denominated in European currencies at interest rates ranging from 8% to 9-3/4% throughout the periods, due at various times through January 1999. One of the loans outstanding at June 30, 1993 was secured by tangible fixed assets; this loan was repaid in fiscal 1994. The carrying amounts of these loans approximated their fair values at June 30, 1994 and 1993.

Principal payments on existing long-term debt for the fiscal years ending June 30, are as follows: 1995 - $613,000; 1996 - $578,000; 1997 - $605,000; 1998 - $390,000; 1999 - $321,000.

5. Stock option plans

The Cordis Corporation Non-Qualified Stock Option Plan ("Non-Qualified Plan") authorizes grants of options to purchase up to 1,875,000 shares of the Company's authorized but unissued common stock. The options granted pursuant to the Plan either are exercisable after one year from the date of grant or vest in increments over four years, must be exercised within either five or ten years depending on the date of the grant, and must be granted at a price not less than the market value on the date of grant.

At June 30, 1994, awards to purchase 1,825,830 shares under the Non-Qualified Plan (net of cancellations and repurchases) had been granted. There are 49,170 shares available for future grants under the Non-Qualified Plan. Of the options granted, 178,930 shares were exercised under the Non-Qualified Plan during 1994. At June 30, 1994 and 1993, 333,429 options and 337,110 options, respectively, were exercisable under the Non-Qualified Plan.

The Cordis Corporation Incentive Stock Option Plan of 1982 ("Option Plan") expired by its terms in October 1992. In 1994, 19,225 shares were exercised under the Option Plan. No options were granted under this plan in either fiscal 1994 or fiscal 1993, and 5,775 options and 27,125 options, respectively, were outstanding and exercisable at June 30, 1994 and 1993. Options under the Option Plan qualify as "incentive stock options" under the Economic Recovery Tax Act of 1981.

The Webster Laboratories, Inc. 1992 Stock Plan ("Webster Plan"), was adopted by the Board of Directors of Webster in June 1992 (see Note 3 of Notes to Consolidated Financial Statements). Under the Webster Plan, awards to purchase 412,000 shares had been granted at June 30, 1994. During fiscal 1994, 23,969 shares were exercised, and at June 30, 1994 and 1993, 79,195 options and 44,212 options were exercisable, respectively. The Webster Plan options were granted for a term of ten years at an exercise price fixed by the Webster Plan administrator, and are exercisable at such times as set forth in each individual option agreement.

The Cordis Corporation Director Non-Qualified Stock Option Plan provides incentives in the form of stock option grants for the non-employee members of the Company's Board of Directors. Of the 200,000 shares authorized, 56,000 have been granted to Board members through June 30, 1994, and 38,000 and 28,000 of these were exercisable, respectively, at June 30, 1994 and 1993. During 1994, options for 4,000 shares were exercised. The options, which are granted automatically each year, vest in full one year after the anniversary of the date of the grant, must be exercised within five years and are granted at a price equal to the market value on the date of the grant.

A summary of option transactions follows:
<TABLE>
<CAPTION>

	1994		1993		1992	
	No. of Shares	Option Price per Share	No. of Shares	Option Price per Share	No.of Shares	Option Price per Share
<S>	<C>	<C> <S><C>	<C>	<C> <S><C>	<C>	<C> <S><C>
Options outstanding at beginning of year	1,164,693	$ 0.88 to $36.75	1,391,619	$ 0.28 to $36.75	1,206,491	$ 0.28 to $36.75
Options granted	322,107	$ 7.11 to $49.25	379,670	$ 0.88 to $26.75	317,103	$ 0.88 to $35.50
Options exercised	(226,124)	$ 0.88 to $36.75	(594,834)	$ 0.28 to $27.25	(130,725)	$14.50 to $19.88
Options canceled	(14,242)	$ 0.88 to $29.25	(11,762)	$ 3.55 to $36.75	(1,250)	$19.88 to $27.25
Options outstanding at end of year	1,246,434	$ 0.88 to $49.25	1,164,693	$ 0.88 to $36.75	1,391,619	$ 0.28 to $36.75

</TABLE>
The income tax benefits derived from the exercise of non-qualified stock options and disqualifying dispositions of incentive stock options, when realized, are credited to capital in excess of par value.

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6. Income taxes

Effective July 1, 1993, the Company adopted Statement of Financial Accounting Standards No. 109 ("SFAS No. 109"), Accounting for Income Taxes. The cumulative effect on prior periods of this accounting change of $10.1 million, or $.61 per share, is reported as a one time benefit in the Consolidated Statement of Operations for the year ended June 30, 1994. In addition a one time adjustment of $4.2 million was recorded to capital in excess of par value in the Consolidated Balance Sheet as of June 30, 1994 due to the income tax benefits derived from the exercise of non-qualified stock options and disqualifying dispositions of incentive stock options.

SFAS No. 109 is an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. In estimating future tax consequences, SFAS No. 109 generally considers all expected future events other than enactments of changes in the tax law or rates. Previously, the Company used the Statement of Financial Accounting Standards No. 96 ("SFAS No. 96") asset and liability approach that gave no recognition to future events other than the recovery of assets and settlement of liabilities at their carrying amounts. Under SFAS No. 96, tax credits are reflected as reductions of income tax expense using the flow through method in the year they are utilized.

The distribution of income before income taxes and cumulative effect of accounting change between domestic and foreign sources was as follows (in thousands):

	1994	1993	1992
Domestic	$ 36,219	$ 21,600	$ 18,417
Foreign	22,161	21,109	16,740
Total	$ 58,380	$ 42,709	$ 35,157

The provision (benefit) for income taxes consists of (in thousands):

	1994	1993	1992
Current:			
Federal	$ 8,980	$ 4,937	$ 1,515
State	1,169	698	420
Foreign	7,644	9,243	9,386
	17,793	14,878	11,321
Deferred:			
Federal	3,149	(2,256)	(12)
State	257	(84)	(4)
Foreign	(310)	(1,295)	(1,879)
	3,096	(3,635)	(1,895)
Provision for income taxes	$ 20,889	$ 11,243	$ 9,426

The tax effect of the significant temporary differences which comprised the deferred tax assets and liabilities at June 30, 1994 was as follows (in thousands):

Assets:	
Discontinued operations	$ 5,124
Intercompany profit adjustments in inventories and other assets	4,527
Asset valuation reserves	4,122
Net operating loss carryforwards	2,485
Employee benefits	1,930
Depreciation	1,686
Other accrued expenses	745
Other	138
	20,757
Valuation allowance	(2,618)
Total deferred tax assets	18,139
Liabilities:	
Employee benefit plans	(940)
Other	(5)
Total deferred tax liabilities	(945)

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Net deferred tax asset $17,194

The valuation allowance relates primarily to net operating loss carryforwards of the Company's European subsidiaries. The reserve decreased during 1994 due to the utilization of net operating losses. As of June 30, 1994 the European subsidiaries had a net operating loss carryforward of approximately $6,600,000.

As permitted under SFAS No. 109, prior years' financial statements have not been restated. The principal temporary differences under SFAS No. 96 in the deferred tax (benefit) provision were (in thousands):

	1993	1992
Intercompany profit adjustments in foreign inventories	$(1,339)	$ (122)
Asset valuation reserves:		
Domestic	(271)	(4)
Foreign	-	197
Foreign research and development credits	-	(1,962)
Deferred expenses	(1,363)	-
Other items, net	(662)	(4)
Total	$(3,635)	$(1,895)

The effective income tax rates in the Consolidated Statements of Operations differ from the statutory federal income tax rates as follows:

	1994	1993	1992
Statutory U.S. income tax rate	35.0%	34.0%	34.0%
Increase (decrease) resulting from:			
Foreign statutory tax rates differential	(.2)	1.7	3.8
Foreign operating loss for which no carryback benefit is available	-	.2	1.1
Utilization of net operating losses	(1.6)	(8.4)	(16.4)
Minimum tax	-	2.0	1.8
Foreign tax credits	-	(9.3)	-
Other items, net	2.6	6.1	2.5
Effective tax rates	35.8%	26.3%	26.8%

Undistributed earnings of foreign subsidiaries of $76.6 million at June 30, 1994 are indefinitely reinvested in foreign operations; accordingly no provision has been made for income taxes that might be payable upon remittance. It is not practical to estimate the amount of tax that might be payable on the eventual remittance of such earnings. On remittance, certain foreign countries impose withholding taxes that are then available for use as credits or deductions against U.S. tax liability, if any, subject to certain limitations. The amount of withholding tax that would be payable on remittance of the entire amount of undistributed earnings at June 30, 1994 would approximate $3.9 million.

7. Employee benefit plans

The Company has a domestic non-contributory defined benefit pension plan (the "Plan") which covers substantially all full-time domestic employees. The Company's policy is to contribute amounts as are necessary on an actuarial basis to provide assets sufficient to meet the benefits requirements in accordance with ERISA and federal income tax regulations. The assets of the Plan consist mainly of common stock and intermediate bond investments.

Net periodic pension cost for each of the three years ended June 30, 1994, 1993 and 1992 included the following components (in thousands):

	1994	1993	1992
Service cost - benefits earned during the period	$ 1,661	$ 1,303	$ 1,148
Interest cost on projected benefit obligation	2,875	2,585	2,272
Return on assets	(2,011)	(2,339)	(2,990)
Net amortization and deferral	(356)	102	739
Net pension cost	$ 2,169	$ 1,651	$ 1,169

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The actuarial assumptions used in the three year period ended June 30, 1994 were as follows:

	1994	1993	1992
Discount rates	8%	8-1/2%	8-1/2%
Long-term rate of return on assets	9%	9%	8-1/2%
Rates of increase in compensation levels:			
To age 30	9%	9%	10%
To age 40	7%	7%	8%
Thereafter	5%	5%	6%

The following table sets forth the Plan's funded status and amounts recognized in the Company's Consolidated Balance sheets at June 30, 1994 and 1993 (in thousands):

	1994	1993
Actuarial present value of benefit obligations:		
Vested benefit obligation	$(31,912)	$(27,756)
Nonvested benefit obligation	(660)	(404)
Accumulated benefit obligation	(32,572)	(28,160)
Excess of projected benefit obligation over accumulated benefit obligation	(7,056)	(5,284)
Projected benefit obligation	(39,628)	(33,444)
Plan assets at fair value	30,850	27,965
Projected benefit obligation in excess of plan assets	(8,778)	(5,479)
Unrecognized net loss	8,323	4,886
Unrecognized prior service cost	3,102	3,633
Unrecognized net transition (asset) originating July 1, 1986	(3,742)	(4,490)
Additional minimum liability	(626)	-
Accrued pension costs	$ (1,721)	$ (1,450)

The provisions of Financial Accounting Standards Board Statement No. 87, "Employers' Accounting for Pensions", require recognition in the balance sheet of an additional minimum liability up to the unfunded accumulated benefit obligation and related intangible asset for pension plans with accumulated benefits in excess of plan assets. Accordingly, an intangible asset equal to the amount of the additional minimum liability of $626,000 above has been recorded in other assets in the Consolidated Balance Sheet at June 30, 1994.

The Company sponsors a defined contribution retirement savings plan for its domestic employees and matches a portion of employee contributions with contributions of the Company's stock. Contributions made to the plan for the years ended June 30, 1994, 1993, and 1992 were $752,000, $599,000 and $564,000, respectively.

Certain of the Company's foreign subsidiaries provide retirement and termination indemnity benefits for employees through multiemployer and other types of plans with insurance companies, which cover a majority of full-time employees, based on compensation and years of service. Pension costs for these plans for the years ended June 30, 1994, 1993 and 1992 were $968,000, $828,000 and $778,000, respectively. At June 30, 1994 and 1993, unfunded benefits included in current and other long-term liabilities were $1,072,000 and $939,000, respectively.

The Company maintains a performance award plan for officers and key senior employees. Awards are earned upon achievement of certain performance objectives as determined annually by the Compensation Committee of the Board of Directors. For the years ended June 30, 1994, 1993 and 1992, provisions for this plan were $3,146,000, $2,541,000 and $1,005,000 respectively.

The Company has deferred compensation or supplemental retirement agreements with present and past key officers, directors and employees. The cost of such plans is being or has been accrued over the period of active employment from the contract or agreement date. Certain payments, insignificant in amount, are charged to expense when due. Costs for these agreements approximated $734,000, $520,000 and $471,000 for the years ended June 30, 1994, 1993 and 1992, respectively.

The Company adopted Statement of Financial Accounting Standards ("SFAS") No.106, "Employers Accounting for Postretirement Benefits Other Than Pensions" in fiscal 1994, effective for U.S. plans. For foreign plans, SFAS No. 106 is effective for

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fiscal year ending June 30, 1996. In November 1992, SFAS No. 112, "Employers' Accounting for Postemployment Benefits" was issued, effective for the fiscal year ending June 30, 1995. The Company does not believe that adoption of either of these standards will have a significant effect on future operations.

8. Commitments and contingencies

Leases:

During fiscal 1987, the Company initiated a plan to dispose of all businesses other than its angiographic and neuroscience product lines. This plan included the disposal of the worldwide cardiac pacing operations, of which the Administrative and Technical Center ("ATC") in Miami, Florida, which is held under a capitalized lease, was a principal asset.

In September 1991, the Company entered into an agreement to sublease ATC. Both the sublease and the Company's existing capitalized lease expire on December 31, 2005. Under the terms of the sublease, the sublessee is responsible for all taxes (except taxes on vacant land), insurance and operating expenses, in addition to rental payments which commenced on January 1, 1992 of $1.2 million annually which increase annually to $2.2 million in the final year of the sublease. During 1992 the Company paid the sublessee $5.0 million in leasehold improvement allowances. The sublease gives cancellation options at the end of the fifth and tenth years to the sublessee which, if exercised, will require repayments of leasehold improvement allowances by the sublessee to the Company of $3.8 million and $2.0 million, respectively. The sublessee also has an option to extend the lease for five years or to purchase the facility at December 31, 2005. The reserve for future costs relates to the discounted shortfall in rental income from the sublease compared to the underlying payments over the full term of its existing capitalized lease. In November 1993, the sublessee announced that the division that currently subleases ATC is for sale. The Company has not been notified by the sublessee whether or not it intends to exercise its option to cancel the sublease on December 31, 1996. In the event that the sublessee does exercise the cancellation option, the Company believes that the proceeds of $3.8 million from the repayment of leasehold improvement allowances by the sublessee, combined with the current reserve for future costs, will be sufficient to cover the carrying costs of the building until a replacement tenant can be found. Accordingly, the Company does not believe that cancellation of the sublease would have a material effect on the future liquidity or financial condition of the Company.

The net annual cost of the capitalized lease, which expires in December 2005, is approximately $2.2 million. Aggregate gross future payments under the capitalized lease totaled approximately $27,762,000 at June 30, 1994.

Rental income received by the Company in 1994, 1993 and 1992 was $1,333,000, $1,237,000, and $595,000, respectively. Future minimum sublease payments receivable under the noncancellable portion are as follows:

Year Ending June 30	Amount
1995	$1,438,000
1996	1,553,000
1997 (6 months)	807,000

At June 30, 1994 and 1993, assets and liabilities of the discontinued operations are reflected below (in thousands):

	1994	1993
Property, plant & equipment, net of accumulated depreciation and amortization of $12,373 at June 30, 1994 and $10,944 at June 30, 1993	$ 17,805	$ 19,467
Other assets, net	1,307	1,353
Capital lease liability	(16,628)	(17,380)
Net capital lease asset	2,484	3,440
Reserve for future costs	(6,316)	(7,912)
	(3,832)	(4,472)
Amount included in current liabilities	842	988
Net liabilities - non-current	$ (2,990)	$ (3,484)

The Company has several long-term operating leases which expire at various times through 2008. Most of the leases contain renewal options and require the Company to pay for maintenance, taxes and insurance. Rental expenses charged to operations in 1994, 1993 and 1992 were $2,328,000, $1,867,000 and $1,559,000, respectively. Future lease commitments are estimated as follows: 1995 - $2,182,000; 1996 - $1,572,000; 1997 - $1,009,000; 1998 - $662,000; 1999 - $438,000; thereafter - $1,088,000.

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Legal proceedings:

The Company is engaged in various ordinary routine litigation and administrative proceedings incidental to the business of the Company, some of which involve claims for substantial amounts of money and include claims for punitive damages. The Company does not, however, anticipate that any amounts required to be paid by reason thereof will, in the aggregate, have a material adverse effect on the financial condition of the Company.

The Company self-insures a portion of its products liability claims and maintains insurance coverage in excess of that retention. Such insurance may not cover or indemnify awards of punitive damages. The Company believes its insurance coverage is adequate to protect it against any product related losses that could otherwise have a material adverse effect on the financial condition of the Company.

Pacer product liability litigation

As part of the transaction involving the sale of the Company's pacing operations in 1987, the purchaser assumed certain contingent liabilities including several pending lawsuits. However the Company retained liability for any punitive damages awarded in connection with pacer-related products liability litigation involving products sold by the Company prior to April 30, 1987. Since 1987 there have been no such punitive damage awards, nor does the Company anticipate that future awards, if any, would have a material adverse effect on the financial condition of the Company.

In November 1986 a product liability class action suit was filed against the Company and others in the United States District Court for the Southern District of Ohio. The suit seeks compensatory and punitive damages regarding certain of the Company's pacemakers. In 1989, a second pacemaker class action lawsuit was filed against the Company in the United States District Court for the Southern District of California. This case was transferred and consolidated with the Ohio action in 1990.

The Company has vigorously defended the pacemaker product liability class action since its inception. In December 1992, the Court conditionally certified the proceedings as a class action. The Complaint claims substantial compensatory and punitive damages are due to the class members. However, the number of claimants and nature and extent of damages allegedly suffered by any purported class members are not yet known and the Company is unable to meaningfully assess the likely final outcome of the class action litigation. The Company believes it has defenses to plaintiffs' claims and, as more fully described below, that it has available adequate and effective indemnification and insurance coverage.

Beginning in 1986 and thereafter, the Company duly notified its insurance carriers of the filing of the initial pacemaker class action. In response, the carriers agreed to provide a defense to the Company, subject to various reservations of rights. Such insurance may not cover or indemnify against awards of punitive damages.

In 1987, subsequent to the filing of the pacemaker class action claim, the Company sold its pacemaker business to TNC Medical Devices Pte, Ltd. ("TNC"). As part of that transaction, TNC agreed to indemnify the Company for contingent liabilities relating to its pacemaker operations, including the pacemaker class action litigation and other pacemaker product liability actions, except for any award of punitive damages. This obligation was guaranteed by Telectronics Holdings, Ltd., the parent of TNC. In past pacemaker cases, there has never been an award of punitive damages against the Company.

In November and December 1993, the Company's insurance carriers filed two separate actions against the Company and TNC in the United States District Court for the Southern District of Florida, seeking a declaratory adjudication of the extent of their duties to defend and indemnify the Company for claims made in the pacemaker class action. Additionally, the carriers seek an adjudication that, in connection with TNC's acquisition of the Company's pacemaker business, TMC agreed to assume the primary obligation to defend and indemnify the Company for the pacemaker product liability litigation. Both insurance actions have been consolidated with the Ohio action. The Company intends to vigorously respond to the insurance carriers' lawsuits and urge the court to affirm the responsibility of the Company's insurance carriers and TNC for any award of compensatory damages and all defense costs relating to the pacemaker product liability class action. The Company has filed a motion for partial summary judgement to affirm the carriers' duty to defend the Company. Only in the event that the class action plaintiffs are successful in their claims, the Company's defenses are rejected and there is an adjudication that neither the Company's insurance carriers nor TNC and its parent have responsibility for any such liability (or the Company is unable to collect any amounts owed to it pursuant to the terms of TMC's indemnity or the guarantee of TNC's parent), could these

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lawsuits have a material adverse effect on the Company's financial condition. Based upon current facts, communications with outside counsel and internal analyses of the cases, Company believes that such an outcome is unlikely.

Other litigation

In December 1988, the Company was sued in the U.S. District Court for the Southern District of Florida by approximately 160 former Company employees who became employed by the company which purchased the pacing operations in 1987. The suit alleged that these employees were entitled to severance benefits and pay in lieu of notice as a result of their termination of employment with the Company. In January 1993, the Court granted the Company's cross motion for summary judgment. The former employees appealed that decision. Approximately one-half of the former employees voluntarily dismissed their appeal with prejudice while the remainder are pursuing the appeal.

On or about May 1, 1990 a class action suit was filed by a former employee of the Company against the Company, the Company's Retirement Plan ("the Plan"), and the Retirement Plan Administration Committee, in the U.S. District Court for the Southern District of Florida, alleging that the former employees who became employed by the purchaser of the pacing operations were entitled to lump sum distributions under the Company Retirement Plan and that the Company failed to notify class members of their right under COBRA to elect continued health insurance coverage under the Company's health insurance plans upon termination of their employment with the Company, thus entitling the class to statutory penalties. The District Court Judge granted the Company's motion to dismiss the lump sum claim. The former employee voluntarily dismissed the COBRA claim and has appealed the lump sum count. Oral argument was heard by the Eleventh Circuit Court of Appeals in March 1994 but no decision has been rendered.

In December 1989, the Company's former Middle Eastern distributor filed an action in the United States District Court for the Southern District of Florida, alleging breach of contract, intentional interference with business relationships and wrongful termination and seeking monetary damages in excess of $8 million against the Company. The Company filed a counterclaim against the distributor for damages relating to fraud, defamation and breach of contract. The Company, in order to minimize the risks of exposure to claimed damages in the litigation and to halt the escalating costs being incurred as a result of discovery and procedural matters in the case, elected to negotiate and settle the matter by payment of the sum of $5.2 million to the Plaintiff. This amount is included in net other expenses in the 1994 Consolidated Statement of Operations, and in current liabilities in the June 30, 1994 Consolidated Balance Sheet.

In October 1992, a suit was filed by Schneider (USA) Inc. against the Company in the United States District Court for the District of Minnesota, Third Division, alleging that certain of the Company's angiographic catheters and the Company's guiding catheters infringe a Schneider patent. Discovery proceedings are continuing, with a cutoff period established for September 1994. The Company has instituted patent infringement actions against Schneider AG in Great Britain and Germany alleging that certain Schneider products infringe on the Company's patents regarding its nylon balloon technology.

It is not expected that the outcomes of the litigation described above, either individually or in the aggregate, will have a material adverse effect on the financial condition of the Company.

9. Foreign and domestic operations and segment reporting

The Company operates in a single industry segment: the design, manufacture and sale of medical devices. These products are sold to hospitals and other medical institutions and physicians. In order to reduce credit risk, the Company performs credit evaluations of its customers on a regular basis, and generally does not require collateral. The Company has a large number of customers worldwide with no single customer accounting for a significant portion of trade accounts receivable. At June 30, 1994, the principal geographical regions and their respective balances included in accounts receivable were as follows (in thousands):

United States	$21,033
Italy	11,530
France	8,556
Spain	8,253

The following presents information on geographic segments for the fiscal years ended June 30, 1994, 1993 and 1992 (in thousands):

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	Domestic Opera-tions	Foreign Opera-tions	Adjust-ments and Elimina-tions	Consoli-dated
1994				
Sales to unaffiliated customers	$174,447	$162,095	$ -	$336,542
Transfers between geographic areas	40,551	14,734	(55,285)	-
Total revenues	$214,998	$176,829	$(55,285)	$336,542
Operating profit from geographic segments	$ 55,326	$ 37,820	$ (3,312)	$ 89,834
Research and development				(25,959)
General corporate expense				(5,860)
Interest income, net				365
Income before income taxes and cumulative effect of accounting change				$ 58,380
Identifiable assets	$118,919	$118,996	$ (5,374)	$232,541
Corporate assets				55,586
Total assets at June 30, 1994				$288,127
1993				
Sales to unaffiliated customers	$136,843	$130,603	$ -	$267,446
Transfers between geographic areas	26,472	12,759	(39,231)	-
Total revenues	$163,315	$143,362	$(39,231)	$267,446
Operating profit from geographic segments	$ 38,203	$ 30,181	$ (1,084)	$ 67,300
Research and development				(20,139)
General corporate expense				(3,998)
Interest (expense), net				(454)
Income before income taxes				$ 42,709
Identifiable assets	$ 81,825	$ 89,732	$ (3,080)	$168,477
Corporate assets				42,042
Total assets at June 30, 1993				$210,519
1992				
Sales to unaffiliated customers	$121,369	$109,108	$ -	$230,477
Transfers between geographic areas	18,540	11,298	(29,838)	-
Total revenues	$139,909	$120,406	$(29,838)	$230,477
Operating profit from geographic segments	$ 34,428	$ 25,818	$ 462	$ 60,708
Research and development				(19,793)
General corporate expense				(3,626)
Interest (expense), net				(2,132)
Income before income taxes				$ 35,157
Identifiable assets	$ 72,208	$ 87,094	$ (1,418)	$157,884
Corporate assets				14,102
Total assets at June 30, 1992				$171,986

Transfers between geographic areas are made at amounts which would approximate those prices charged to unaffiliated distributors. Operating profits from geographic segments represent total revenue less cost of goods sold and direct operating expenses. It excludes research and development expense, general corporate expense, net interest expense, income taxes, and cumulative effect of accounting change.

Identifiable assets are those that are identified with the operations in each geographic area. Corporate assets are cash and cash equivalents and short-term investments. Total foreign assets at June 30, 1994, 1993 and 1992 are indicated above. The corresponding liabilities for foreign operations were $41,168,000, $29,038,000 and $27,136,000, respectively.

10. Quarterly financial data

Quarterly financial data, restated to give effect to the Webster pooling (see Note 3 of Notes to Consolidated Financial Statements), is as follows (unaudited) (dollars in thousands except per share amounts):

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<TABLE>
<CAPTION>

	First Quarter As Previously Reported	As Restated	Second Quarter As Previously Reported	As Restated	Third Quarter As Previously Reported	As Restated	Fourth Quarter As Previously Reported	As Restated
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C> <C>	<C>
1994								
Net sales	$ 69,145	$ 73,147	$ 75,401	$ 79,453	$ 85,043	$ 88,942	$ -	$ 95,000
Gross profit	41,838	44,775	44,943	47,893	51,569	54,425	-	55,457
Income before cumulative effect of accounting change	7,908	8,723	8,591	9,134	9,936	10,540	-	9,094
Net income	18,023	18,838	8,591	9,134	9,936	10,540	-	9,094
Per share:								
Income before cumulative effect of accounting change	.54	.53	.58	.55	.67	.63	-	.55
Net income	1.24	1.15	.58	.55	.67	.63	-	.55
1993								
Net sales	$ 62,515	$ 64,931	$ 61,971	$ 65,118	$ 64,219	$ 67,402	$ 66,753	$ 69,995
Gross profit	38,493	40,345	38,321	40,431	37,631	40,198	39,064	41,375
Net income	6,054	6,576	6,917	7,518	7,743	8,593	8,346	8,779
Net income per share	.42	.41	.47	.46	.53	.53	.58	.54

</TABLE>

In December 1993, under the terms of a settlement agreement with C. R. Bard, the Company elected to pay a license fee for the license of PTCA balloon catheter technology. Utilizing a five year amortization period from the agreement date of May 1991, the Company expensed $1.5 million of the $3.0 million license fee in cost of goods sold in the second quarter of fiscal 1994, of which approximately $1.3 million ($0.05 per share after tax) related to the period from May 1991 to June 1993.

In the fourth quarter of fiscal 1994, the Company incurred costs of approximately $1.3 million ($0.05 per share after tax), included in selling, general and administrative expenses, related to the Webster merger transaction. The Company settled a lawsuit in July 1994 in the amount of $5.2 million, for which it had previously accrued $3.0 million in other expenses during 1994. The balance of the settlement of $2.2 million ($0.08 per share after tax) was expensed in the fourth quarter (see Note 8 of Notes to Consolidated Financial Statements).

11. Common stock purchase rights

On September 12, 1986 the Company's Board of Directors adopted a Rights Agreement, as subsequently amended, authorizing a dividend distribution on each share of common stock, $1.00 par value, of the Company's outstanding shares on the distribution date, as defined, in the form of a right to purchase one-half of a share of common stock upon the occurrence of certain events. The exercise price to purchase one-half of a share of common stock, initially established at $25, is subject to adjustment. The rights become exercisable if an entity, person or group acquires beneficial ownership of 20% or more of the Company's outstanding common stock or commences a tender offer that would result in that entity, person or group acquiring beneficial ownership of 30% or more of the outstanding common stock of the Company. The rights, which do not entitle holders to vote or receive dividends, expire on September 22, 1996 and may be redeemed by the Company at a price of $0.01 per right at any time prior to the earlier of (i) the tenth day following the public announcement of intent to acquire the Company's stock as described above or the date a majority of the Board of Directors becomes aware of an acquiring entity, person or group, as defined, or (ii) the expiration date. As of June 30, 1994 rights to purchase 8,000,603 shares of common stock were outstanding.

CORDIS CORPORATION
SCHEDULE V - PROPERTY, PLANT AND EQUIPMENT
(In thousands)

	Balance at beginning of	Additions	Retirements or sales	Other changes	Balance at end of

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	period	at cost	(a)	(b)	period
Year ended June 30, 1994:					
Land	$ 4,829	$ 127	$ -	$ 89	$ 5,045
Building and improvements	49,940	3,743	(113)	1,266	54,836
Leasehold improvements	2,457	1,233	(238)	80	3,532
Machinery and equipment	51,821	10,702	(2,631)	1,810	61,702
Construction in progress	4,403	6,966	-	(728)	10,641
	$113,450	$22,771	$(2,982)	$ 2,517	$135,756
Year ended June 30, 1993:					
Land	$ 4,761	$ 237	$ -	$ (169)	$4,829
Building and improvements	50,413	2,541	(892)	(2,122)	49,940
Leasehold improvements	1,363	1,346	(85)	(167)	2,457
Machinery and equipment	49,335	10,917	(5,303)	(3,128)	51,821
Construction in progress	4,465	532	-	(594)	4,403
	$110,337	$15,573	$(6,280)	$(6,180)	$113,450
Year ended June 30, 1992:					
Land	$ 4,487	$ -	$ -	$ 274	$ 4,761
Buildings and improvements	46,153	976	(170)	3,454	50,413
Leasehold improvements	959	313	(59)	150	1,363
Machinery and equipment	38,176	8,579	(1,137)	3,717	49,335
Construction in progress	3,098	1,343	-	24	4,465
	$ 92,873	$11,211	$(1,366)	$ 7,619	$110,337

(a) Includes normal retirements of assets.

(b) Includes reclassifications between categories, and the translation effect of Statement of Financial Accounting Standards No. 52.

CORDIS CORPORATION
SCHEDULE VI - ACCUMULATED DEPRECIATION AND
AMORTIZATION OF PROPERTY, PLANT AND EQUIPMENT
(In thousands)

	Balance at beginning of period	Additions charged to income	Retirements or sales (a)	Other changes (b)	Balance at end of period
Year ended June 30, 1994:					
Buildings and improvements	$22,063	$ 2,860	$ (18)	$ 644	$25,549
Leasehold improvements	759	323	(192)	17	907
Machinery and equipment	31,564	7,656	(2,106)	939	38,053
	$54,386	$10,839	$(2,316)	$ 1,600	$64,509
Year ended June 30, 1993:					
Buildings and improvements	$21,296	$ 2,721	$ (860)	$(1,094)	$22,063

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Leasehold improvements	722	192	(63)	(92)	759
Machinery and equipment	31,461	6,825	(5,083)	(1,639)	31,564
	$53,479	$ 9,738	$(6,006)	$(2,825)	$54,386
Year ended June 30, 1992:					
Buildings and improvements	$16,964	$ 2,628	$ (73)	$ 1,777	$21,296
Leasehold improvements	551	151	(59)	79	722
Machinery and equipment	24,477	5,965	(952)	1,971	31,461
	$41,992	$ 8,744	$(1,084)	$ 3,827	$53,479

(a) Includes normal retirements of assets.

(b) Includes reclassifications between categories, and the translation effect of Statement of Financial Accounting Standards No. 52.

CORDIS CORPORATION
SCHEDULE VIII - VALUATION AND QUALIFYING ACCOUNTS
(In thousands)

	Balance at beginning of period	Additions charged to costs & expenses	Deductions/ other changes (a)	Balance at end of period
Allowance for doubtful accounts - deducted from accounts receivable in the balance sheet:				
Year ended June 30, 1994	$ 1,661	$ 776	$ (230)	$ 2,207
Year ended June 30, 1993	$ 1,535	$ 593	$ (467)	$ 1,661
Year ended June 30, 1992	$ 1,163	$ 216	$ 156	$ 1,535
Allowance for inventory obsolescence - deducted from inventory in the balance sheet:				
Year ended June 30, 1994	$ 2,472	$ 1,436	$(1,649)	$ 2,259
Year ended June 30, 1993	$ 2,826	$ 1,061	$(1,415)	$ 2,472
Year ended June 30, 1992	$ 2,526	$ 994	$ (694)	$ 2,826
Allowance for uncollectible notes receivable - deducted from other assets in the balance sheet:				
Year ended June 30, 1994	$ 5,422	$ (326)	$(1,449)	$ 3,647
Year ended June 30, 1993	$ 4,943	$ 524	$ (45)	$ 5,422
Year ended June 30, 1992	$ 4,191	$ 752	$ -	$ 4,943
Allowance for uncollectible investment - deducted from other assets in the balance sheet:				

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Year ended June 30, 1994	$ 2,014	$ 152	$ -	$ 2,166
Year ended June 30, 1993	$ -	$ 2,014	$ -	$ 2,014

(a) Includes the translation effect of Statement of Financial Accounting Standards No. 52.

CORDIS CORPORATION
SCHEDULE IX - SHORT-TERM BORROWINGS
(In thousands)

	Balance at end of period	Weighted average interest rate	Maximum amount out-standing at any month end during period	Average amount out-standing during period (1)	Weighted average of interest rates during the period (2)
Years ended June 30,					
1994	$ 9,057	8.0%	$ 9,057	$ 6,604	9.3%
1993	$ 9,092	9.3%	$ 9,092	$ 4,217	11.9%
1992	$ 2,638	13.4%	$ 2,864	$ 2,120	14.6%

(1) Average amount outstanding during the period is computed by dividing the total of month-end outstanding principal balances by the number of periods.

(2) Weighted average interest rate for the year is computed by dividing the actual short-term interest expense by the average short-term debt outstanding.

CORDIS CORPORATION
SCHEDULE X - SUPPLEMENTARY INCOME STATEMENT INFORMATION
(In thousands)

	Maintenance and repairs	Royalties	Advertising
Year ended June 30, 1994	$ 3,898	$ 7,885	$ 2,993
Year ended June 30, 1993	$ 3,303	$ 1,853	$ 2,768
Year ended June 30, 1992	$ 2,633	$ 1,242	$ 1,858

Exhibits Index

Certain of the exhibits listed below are incorporated by reference to exhibits to previously filed registration statements or reports of the Company as indicated in the "Incorporated by Reference to" column.

Ex-hibit No.	Incorporated by Reference to: Registration No. or Report	Incorporated by Reference to: Ex-hibit No.	Description
2(a)	Form S-4 No. 33-52399 dated	2(a)	Agreement and Plan of Reorganization, as amended by and among Cordis Corporation, Cordis

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	February 25, 1994		Acquisition, Inc., Webster Laboratories, Inc. and certain shareholders of Webster dated as of January 20, 1994.
3	Form 10-K for year ended June 30, 1983	3	Restated Articles of Incorporation of the Company dated February 9, 1978, and Articles of Amendment thereto dated November 1, 1978.
3(a)	Form S-4 No. 33-52399 dated February 25, 1994	3(a)	Articles of Amendment to the Company's Restated Articles of Incorporation filed with the Florida Secretary of State on November 3, 1993.
3(a)	Form 10-K for year ended June 30, 1983	3(a)	By-Laws of the Company.
10(a)	Form 10-K for year ended June 30, 1992	10(a)	Revolving Credit and Reimbursement Agreement, dated as of December 30, 1991, between Cordis Corporation as Borrower and NCNB National Bank of Florida as Lender.
10(a)	Form S-4 No. 33-52399 dated February 25, 1994	10(a)	Employment Agreement by and among Tony R.Brown, Cordis Corporation and Cordis Webster, Inc.
10(a)	Form S-4 No. 33-52399 dated February 25, 1994	10(a)	Employment Agreement by and among Wilton W. Webster, Jr., Cordis Corporation and Cordis Webster, Inc.
10(b)	Form 10-K for year ended June 30, 1985	10(b)	Lease Agreement dated as of March 1, 1979, between the Company and Olympia & York Florida Equity Corp.
10(b)	Form 10-K for year ended June 30, 1991	10(b)	Lease Agreement dated as of September 20, 1991 between the Company and Baxter Diagnostics,Inc.
10(d)	Form 10-K for year ended June 30, 1983	10(d)	Cordis Corporation Incentive Stock Option Plan of 1982.
10(d)	Form 10-Q for quarter ended March 31, 1987	10(d)	Amendment, dated April 13, 1987, to Cordis Corporation Incentive Stock Option Plan of 1982.
10(d)	Form S-8 No. 33-23668 dated August 30, 1988	10(d)	Cordis Corporation Non-qualified Stock Option Plan.
10(d)	Form S-8 No. 33-35304 dated June 28, 1990	10(d)	Cordis Corporation Non-qualified Stock Option Plan.

Exhibits Index Continued

10(d)	Form S-8 No. 33-63634 dated June 1, 1993	10(d)	Cordis Corporation Non-qualified Stock Option Plan.
10(d)	Form S-8 No. 33-53835 dated May 26, 1994	10(d)	Webster Laboratories, Inc. 1992 Stock Plan
10(d)	Form 10-K for year ended June 30, 1992	10(d)	Cordis Corporation Director Non-qualified Stock Option Plan.
10(d)	Form S-8 No. 33-44953 dated January 6, 1992	10(d)	Cordis Corporation Director Non-qualified Stock Plan.
10(d)	Form 10-K for year ended June 30, 1992	10(d)	Cordis Corporation Supplemental Executive Retirement Plan
10(d)	Form 10-K for year ended June 30, 1992	10(d)	Cordis Corporation Salary Deferral Plan

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10(d)	Form 10-K for year ended June 30, 1992	10(d)	Amended Cordis Corporation Director Retirement Policy
10(f)	Form 10-K for year ended June 30, 1992	10(f)	Cordis Corporation 1991 Performance Unit Award Plan
10(i)	Form 10-Q for quarter ended March 31, 1987	10(i)	Acquisition Agreement by and between TNC Medical Device and Cordis Corporation, dated as of April 14, 1987, including amendments thereto dated April 14, 1987 and April 30, 1987, with respect to the sale of the Company's worldwide cardiac pacing operations.
10(j)	Form 8-K dated September 12, 1986	4	Rights Agreement, dated September 12, 1986 between the Company and Manufacturers Hanover Trust Company.
10(j)	Form 10-K for year ended June 30, 1989	10(j)	Amendment No. 1, dated as of September 15, 1989 to the Rights Agreement, dated September 12, 1986 between the Company and Manufacturers Hanover Trust Company.
10(j)	Form 10-K for year ended June 30, 1991	10(j)	Amendment No. 2, dated as of October 12, 1989 to the Rights Agreement, dated September 12, 1986 between the Company and Manufacturers Hanover Trust Company.
10(j)	Form 10-K for year ended June 30, 1991	10(j)	Amendment No. 3, dated as of November 15, 1989 to the Rights Agreement, dated September 12, 1986 between the Company and Manufacturers Hanover Trust Company.
11	-	-	Computation of earnings per share.
22	-	-	Subsidiaries of Cordis Corporation.
24	-	-	Consents of Independent Certified Public Accountants.

The documents listed herein with the exception of Exhibits, 11, 22, and 24 are not included in copies of this form. The Company will furnish any of these documents upon request and payment of a fee to cover its expenses. Requests should be made to:

Corporate Secretary
Cordis Corporation
P. O. Box 025700
Miami, Florida 33102-5700

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CORDIS CORPORATION

Date:
August 24, 1994

By Robert C. Strauss
Robert C. Strauss
President

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the date indicated.

Signature	Title
Robert Q. Marston Robert Q. Marston	Chairman of the Board of Directors
Robert C. Strauss Robert C. Strauss	Director, President and Chief Executive Officer

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Richard W. Foxen Richard W. Foxen	Director
Donald F. Malin, Jr. Donald F. Malin, Jr.	Director
David R. Challoner David R. Challoner	Director
Wilton W. Webster, Jr. Wilton W. Webster, Jr.	Director
Patricia K. Woolf Patricia K. Woolf	Director
J. L. de Ruyter van Steveninck J. L. de Ruyter van Steveninck	Director
Alfred J. Novak Alfred J. Novak	Vice President and Chief Financial Officer

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Exhibit 11

CORDIS CORPORATION
COMPUTATION OF PRIMARY EARNINGS PER SHARE
(In thousands except per share amounts)

	Years ended June 30,		
	1994	1993	1992
Income:			
Income before cumulative effect of accounting change	$ 37,491	$ 31,466	$ 25,731
Cumulative effect of accounting change	10,115	-	-
Net income	$ 47,606	$ 31,466	$ 25,731
Common shares:			
PRIMARY			
Weighted average shares outstanding	15,995	15,847	15,093
Potential dilution on exercise of stock options (1)	557	367	486
Shares included in the computation of primary earnings per share	16,552	16,214	15,579
FULLY DILUTED			
Weighted average shares outstanding	15,995	15,847	15,093
Potential dilution on exercise of stock options (1)	578	410	496
Shares included in the computation of fully diluted earnings per share	16,573	16,257	15,589
Earnings per share:			
PRIMARY			
Income before cumulative effect of accounting change	$ 2.27	$ 1.94	$ 1.65
Cumulative effect of accounting change	.61	-	-
Net income	$ 2.88	$ 1.94	$ 1.65

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FULLY DILUTED

Income before cumulative effect of accounting change	$ 2.26	$ 1.94	$ 1.65
Cumulative effect of accounting change	.61	-	-
Net income	$ 2.87	$ 1.94	$ 1.65

(1) Computed under the treasury stock method based on the average price during the periods for primary earnings per share, and the higher of the average price during the periods or the end of period closing price for fully diluted earnings per share.

NOTE: The fully diluted calculation is submitted in accordance with Regulation S-K item 601(b) (11) although not required by Accounting Principles Board Opinion No. 15 because it results in a dilution of less than 3%.

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Exhibit 22

SUBSIDIARIES OF CORDIS CORPORATION

The significant subsidiaries of the Registrant, all of which are included in the Consolidated Financial Statements, are as follows:

Name	Jurisdiction of Incorporation
Cordis International Corporation............................	Delaware
Cordis Holding B.V..	The Netherlands
Cordis Europa N.V...	The Netherlands

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Exhibit 24

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the Registration Statement (Form S-8, No. 33-23668) pertaining to the Non-Qualified Stock Option Plan of Cordis Corporation and in the related Prospectus of our report dated August 10, 1994 appearing in the Annual Report on Form 10-K of Cordis Corporation for the year ended June 30, 1994.

Additionally, we consent to the incorporation by reference in the Registration Statement (Form S-8, No. 2-87829) pertaining to the Incentive Stock Option Plan of 1982 of Cordis Corporation and in the related Prospectus of our report dated August 10, 1994 appearing in the Annual Report on Form 10-K of Cordis Corporation for the year ended June 30, 1994.

Additionally, we consent to the incorporation by reference in the Registration Statement (Form S-8, No. 33-35304) pertaining to the Non-Qualified Stock Option Plan of Cordis Corporation and in the related Prospectus of our report dated August 10, 1994 appearing in the Annual Report on Form 10-K of Cordis Corporation for the year ended June 30, 1994.

Additionally, we consent to the incorporation by reference in the Registration Statement (Form S-8, No. 33-44953) pertaining to the Director Non-Qualified Stock Option Plan of Cordis Corporation and in the related Prospectus of our report dated August 10, 1994 appearing in the Annual Report on Form 10-K of Cordis Corporation for the year ended June 30, 1994.

Additionally, we consent to the incorporation by reference in the Registration Statement (Form S-8, No. 33-63634) pertaining to the Non-Qualified Stock Option Plan of Cordis Corporation and in the related Prospectus of our report dated August 10, 1994 appearing in the Annual Report on Form 10-K of Cordis Corporation for the year ended June 30, 1994.

Additionally we consent to the incorporation by reference in the Registration Statement (Form S-8, No. 33-53835) pertaining to the Webster Laboratories, Inc. 1992 Stock Plan and in the related Prospectus of our report dated August 10, 1994 appearing in the Annual Report on Form 10-K of Cordis Corporation for the year ended June 30, 1994.

Deloitte and Touche LLP
Miami, Florida

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August 24, 1994

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