



SurModics Expands In Vitro Diagnostics Product Offerings; Obtains Rights to New Products Under an Exclusive Distribution Agreement with DIARECT AG

July 18, 2006

EDEN PRAIRIE, Minn.--(BUSINESS WIRE)--July 18, 2006--SurModics, Inc. (Nasdaq:SRDX), a leading provider of surface modification and drug delivery technologies to the healthcare industry, announced today an expanded relationship with DIARECT AG. Under this new agreement, SurModics will distribute DIARECT's recombinant autoimmune antigens to in vitro diagnostics (IVD) customers on an exclusive basis in North America and on a non-exclusive basis in Japan.

DIARECT is currently the exclusive distributor for SurModics' manufactured stabilization products in Europe. SurModics' line of stabilization products stabilizes proteins, such as antibodies and antigens, that are immobilized or in solution for use in a variety of IVD applications.

Based in Freiburg, Germany, DIARECT is a privately-held company that specializes in the development and manufacture of antigens through sophisticated expression and purification systems. These antigens are predominantly used by the IVD industry for the development and production of diagnostic test kits to detect autoimmune diseases, such as thyroid disorders (e.g., hypothyroidism, Graves' disease) and systemic lupus erythematosus ("lupus").

"SurModics' distribution of DIARECT's recombinant autoimmune antigens in North America and Japan demonstrates our commitment to providing compelling technologies and products for the IVD market," said Bruce Barclay, President and CEO of SurModics. "The antigens developed by DIARECT are a natural extension of our stabilization business. Both product lines are considered high-value-added components of diagnostic test kits, and provide IVD manufacturers with high levels of quality and reproducibility, which are needed to ensure consistent results. DIARECT's substantial know-how in protein chemistry and recombinant technologies greatly complements SurModics' capabilities. By providing additional products to our stabilization customers in these important geographies, we believe we have the potential to grow sales for both product lines. Our sales and marketing teams will work together to expand the existing base of business and provide our customers with the level of technical service they require to be successful. Today's announcement is another step in the development of our in vitro business. The DIARECT agreement serves as an excellent complement not only to our stabilization business, but also to our cell culture opportunity working in concert with Donaldson and Corning."

"SurModics is the gold standard for protein stabilization products," said Bodo Liedvogel, Ph.D., CEO of DIARECT. "We are very pleased to have SurModics distribute our high quality antigens in North America. We believe the strong overlap with SurModics stabilization customer base will allow our antigen products to quickly reach the broad IVD market."

Antigens (which are proteins, nucleoproteins or nucleic acids) are crucial components of diagnostic test kits for autoimmune and infectious disease detection. Due to the lack of high-quality antigens from natural sources, DIARECT produces these proteins and other components using biotechnological methods. They have strong capabilities in baculovirus/Sf9 expression system for the production of recombinant human autoantigens, and E. coli systems are also established for particular expression tasks.

SurModics has also recently expanded its distribution efforts of in vitro diagnostics products in Japan. Effective this month, COSMO BIO Co., Ltd. will be a non-exclusive distributor in Japan for SurModics' stabilization products, including the antigens from DIARECT.

About SurModics, Inc.

SurModics, Inc. is a leading provider of surface modification technologies in the areas of biocompatibility, site specific drug delivery, biological cell encapsulation, and medical diagnostics. SurModics partners with the world's foremost medical device, pharmaceutical and life science companies to bring innovation together for better patient outcomes. Recent collaborative efforts include the implementation of SurModics' Bravo(TM) drug delivery polymer matrix as a key component of the first-to-market drug-eluting coronary stent. SurModics is also active in the ophthalmology market with a sustained drug delivery system that is currently in human trials for treatment of retinal disease. A significant portion of SurModics' revenue is generated by royalties earned from the sale of our customers' commercial products. SurModics is headquartered in Eden Prairie, MN. More information about the company can be found at www.surmodics.com. The content of SurModics' web site is not part of this release or part of any filings the company makes with the SEC.

About DIARECT AG

DIARECT AG, a protein-focused biotechnology company located in Freiburg, Germany, specializes in the development and manufacturing of high-quality components for diagnostic and pharmaceutical companies worldwide. Over the last decade DIARECT has not only become a major protein - especially antigen - manufacturer for immunodiagnostic test systems but also offers its expertise for the production of specialized proteins tailored to the needs of global customers.

Forward Looking Statements

Certain statements contained in this press release may be deemed to be forward-looking statements under federal securities laws, and SurModics intends that such forward looking statements be subject to the safe harbor created thereby. Factors that may cause actual results to differ from the forward-looking statements include those described in the "Risk Factors" and other sections of SurModics' filings with the Securities and Exchange Commission. SurModics does not undertake an obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTACT:
SurModics, Inc.

Phil Ankeny, 952-829-2700

SOURCE: SurModics, Inc.