



SurModics Purchases Additional Facility to Expand Brookwood Pharmaceuticals' Development and Manufacturing Capacity

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EDEN PRAIRIE, Minn.--(BUSINESS WIRE)--April 23, 2008--SurModics, Inc. (Nasdaq: SRDX), a leading provider of surface modification and drug delivery technologies to the healthcare industry, announced today that its Brookwood Pharmaceuticals subsidiary, located in Birmingham, Alabama, has acquired an additional facility in the Birmingham area. This new facility will expand Brookwood's capacity for research and development activities and clinical manufacturing in support of customer projects. Additionally, the building will be SurModics' corporate center for commercial GMP manufacturing of drug delivery products for pharmaceutical and biotechnology customers.

"Customer interest in Brookwood Pharmaceuticals' drug delivery technologies and product development and manufacturing capabilities has never been stronger, as evidenced by the record revenue reported from Brookwood in the second quarter of fiscal 2008," said Bruce Barclay, president and CEO of SurModics. "The facility expansion we are announcing today is designed to support this growing interest in both R&D and manufacturing services at Brookwood, and serves to highlight the strength of our business and the optimism we have in its future. In addition, we plan to manufacture the late-stage clinical trial and commercial I-vation(TM) TA Intravitreal Implant product for our customer Merck & Co., Inc. in this facility. With an anticipated total investment of approximately \$30 million in the facility and associated renovation, we will be constructing a world-class facility to develop and manufacture drug delivery products to improve patient outcomes around the world."

"Our pharmaceutical and biotechnology customers work with Brookwood specifically because of our drug delivery technology and capabilities, as well as our commitment to manufacture clinical and commercial product on their behalf," noted Arthur J. Tipton, Ph.D., vice president of SurModics and president of Brookwood Pharmaceuticals. "When this expansion is complete, we will be fully equipped to help customers with product development and supply at every stage from early feasibility to production of marketed products. We have been evaluating various facility options over the past year, and have received tremendous support at the city, county and state levels. This particular building was selected because it will accommodate the manufacturing of large-scale pharmaceutical products needed by our customers. If customer projects continue to progress as expected and we maintain our execution against the business plan, Brookwood's employee population could reach roughly 300 over the next three to five years."

"This is great news for Alabama," said Governor of Alabama Bob Riley. "Alabama has been making great strides in the biotech and research industry. We are becoming one of the fastest growing areas in the country for biotech research. Brookwood's decision to expand here will help us to recruit some of the brightest researchers in the country to our state. In addition, Alabama already has in place a dedicated and well-trained workforce. We are pleased to be a part of this exciting new industry."

"We are delighted that Brookwood Pharmaceuticals will expand with a new production facility in our community. This is a great example of cooperation between the city, county and state in efforts to support Brookwood in their expansion," commented Bettye Fine Collins, president, Jefferson County Commission in Birmingham.

"I am excited with Brookwood's expansion in Jefferson County and elated at the cooperation of state, county, and city entities to produce this significant achievement. Brookwood's leading position in the polymer-based drug delivery industry is a definite asset to our community. The new jobs created by Brookwood will broaden the county's employment opportunities in the higher wage technology sector I have long advocated as vital to growth in Jefferson County," said Jim Carns, Jefferson County commissioner and chairman of the Committee of Economic Development in Birmingham.

"With the expansion of Brookwood Pharmaceuticals, the Oxmoor area becomes the city's high-tech corridor," said Larry Langford, mayor of Birmingham. "This gives us a major recruiting tool as we work with the University of Alabama at Birmingham to enhance our pharmaceutical research and manufacturing role. We are very pleased that Brookwood and SurModics chose Birmingham as an expansion site and we look forward to working with them for many years to come."

Brookwood was a subsidiary of Southern Research Institute until the acquisition by SurModics in July 2007. Jack Secrist, CEO of Southern Research said, "We are delighted that Brookwood is undertaking this important expansion. Additional facilities needs were an integral part of our discussions during the transaction and we are pleased to see SurModics making this major investment in our community."

The pre-existing facility, with both office and warehouse space, is located at 750 Lakeshore Parkway in Birmingham and is less than one-half mile from Brookwood's current headquarters. Build-out to support a number of existing programs is planned immediately. Additional expansion, as dictated by business growth over the next several years, will allow for eventual consolidation of all of Brookwood's operations into this facility. When completed, SurModics expects direct support from the state and local governments of several million dollars. In addition, the investments in the facility will qualify the Company for other tax incentives.

About SurModics, Inc.

SurModics, Inc. is a leading provider of surface modification and drug delivery technologies to the healthcare industry. SurModics partners with the world's foremost medical device, pharmaceutical and life science companies to develop and commercialize innovative products that result in improved patient outcomes. Core offerings include: drug delivery technologies (coatings, microparticles, and implants); surface modification coating technologies that impart lubricity, prohealing, and biocompatibility capabilities; and components for in vitro diagnostic test kits and specialized surfaces for cell culture and microarrays. Collaborative efforts include a sustained drug delivery system in human trials for treatment of retinal disease and the drug delivery polymer matrix on the first-to-market drug-eluting coronary stent. SurModics is headquartered in Eden Prairie, Minnesota and its Brookwood Pharmaceuticals subsidiary is located in Birmingham, Alabama. Brookwood is a product-focused drug-delivery company with technologies in long-acting parenteral formulations -- injectable microparticles and injectable solid implants -- for the delivery of peptides, small molecules, proteins,

nucleic acids, and other biological macromolecules. For more information about the company, visit www.surmodics.com. The content of SurModics' website is not part of this release or part of any filings the company makes with the SEC.

Safe Harbor for Forward-Looking Statements

This press release contains forward-looking statements. Statements that are not historical or current facts, including statements about beliefs and expectations, are forward-looking statements. Forward-looking statements involve inherent risks and uncertainties, and important factors could cause actual results to differ materially from those anticipated, including the following: (1) realizing the full potential benefits of the company's agreement with Merck requires the development of new products and applications of technology; (2) costs or difficulties relating to the integration of Brookwood Pharmaceuticals with SurModics' business may be greater than expected and may adversely affect the company's results of operations and financial condition; (3) difficulties in bringing our facilities into compliance with GMP or other applicable regulatory standards may adversely impact our ability to manufacture and supply products, or perform other services for our customers which may adversely affect the company's business, financial condition, and results of operations; (4) our reliance on third parties, developments in the regulatory environment, as well as market and economic conditions, may adversely affect our business operations and profitability; and (5) other factors identified under "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2007, and updated in our subsequent reports filed with the SEC. These reports are available in the Investors section of our website at www.surmodics.com and at the SEC website at www.sec.gov. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update them in light of new information or future events.

CONTACT: SurModics, Inc.
Maggie Knack, 952-829-2700
Director, Investor Relations

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