

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): September 15, 2006

SurModics, Inc.

(Exact name of Registrant as Specified in its Charter)

Minnesota

(State or Other Jurisdiction of Incorporation)

0-23837

(Commission File Number)

41-1356149

(IRS Employer
Identification No.)

9924 West 74th Street

Eden Prairie, Minnesota 55344

(Address of Principal Executive Offices and Zip Code)

(952) 829-2700

(Registrant's telephone number, including area code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01 Entry into a Material Definitive Agreement.

On September 15, 2006, the Compensation Committee of the Board of Directors of SurModics, Inc. (“the Company”) adopted the FY 2007 SurModics Bonus Plan (the “Plan”). Executive officers and other employees of the Company participate in the Plan. The Plan has two components: (i) corporate objectives, and (ii) business unit or department objectives. No bonus will be paid under the Plan if certain minimum levels for the corporate objectives are not met, even if the business unit/department objectives are met. The 2007 minimum corporate objectives calls for a certain percentage increase in revenue and earnings per share growth above fiscal year 2006 results. Under the corporate objectives component of the Plan, if certain revenue and earnings per share levels are achieved in fiscal year 2007, a participant will receive a bonus in an amount to be calculated in accordance with the terms of the Plan with the exact amount dependent on the actual financial results achieved and the position of such participant with the Company. In addition, for most participants certain objectives for each business unit or department were also set, with at least one of the objectives for each business unit tied to revenue. If the business unit or department objectives for a participant are also met, the participant is entitled to an increase in his/her bonus. In the case of the Chief Executive Officer, the maximum aggregate bonus under the Plan, including all components, is approximately 53% of his base salary for fiscal year 2007. In the case of all other executive officers, the maximum aggregate bonus under the Plan, including all components, is 40% of the officer’s base salary for fiscal year 2007.

Item 8.01 Other Events.

On September 18, 2006, the Company issued a press release announcing that the Company’s Board of Directors has authorized the Company to repurchase up to \$35 million of the Company’s outstanding common stock. The Board’s authorization allows for the repurchase of up to one million shares of the Company’s outstanding common stock. As indicated in the press release, the purchases may be made, from time to time, in open market transactions, privately negotiated transactions, transactions structured through investment banking institutions or a combination of the foregoing. The text of the press release is included as Exhibit 99.1 to this Form 8-K.

Item 9.01 Financial Statements and Exhibits.

Exhibit 99.1 — Press Release dated May 31, 2006.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

SURMODICS, INC.

By /s/ Philip D. Ankeny

Name: Philip D. Ankeny

Title: Chief Financial Officer

Date: September 21, 2006

EXHIBIT INDEX

**Exhibit
Number**

Description

99.1

Press Release dated September 18, 2006.

FOR IMMEDIATE RELEASE**SurModics Announces \$35 Million
Share Repurchase Authorization**

EDEN PRAIRIE, Minnesota — September 18, 2006 — SurModics, Inc. (Nasdaq: SRDX), a leading provider of surface modification and drug delivery technologies to the healthcare industry, announced today that its Board of Directors has authorized the repurchase of up to \$35 million of the company's outstanding common stock.

"I am pleased to announce our intention to purchase up to \$35 million of SurModics common stock — the first share repurchase by SurModics in its history," said Bruce Barclay, President and CEO. "Today's announcement highlights the continued financial strength of the company. We continue to generate sustained earnings and cash flow, and our focus on capital efficiency and enhancing long-term shareholder value allows us to return capital to shareholders even as we continue to invest for future growth. Furthermore, we believe that our growth prospects are substantial and our stock is undervalued. As a result, the repurchase of common stock represents a highly attractive investment opportunity."

Purchases may be made, from time to time, in open market transactions, privately negotiated transactions, transactions structured through investment banking institutions or a combination of the foregoing. The timing and amount of shares repurchased will be determined by management. Decisions will be based on a number of factors, including its evaluation of market and economic conditions, the relative attractiveness of business development and other capital deployment opportunities, regulatory requirements affecting the purchases, and other factors the company may consider relevant. Reacquired shares will be used to minimize dilution effects of the company's stock-based employee compensation plans and stock issued as part of business development transactions, and for other corporate purposes. This share repurchase program does not have a fixed expiration date but currently is expected to run through calendar year 2007.

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™ 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.

Safe Harbor for 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. 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

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