
**UNITED STATES
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**

November 17, 2011

Date of report (Date of earliest event reported)

SurModics, Inc.

(Exact Name of Registrant as Specified in its Charter)

Minnesota
(State
of Incorporation)

0-23837
(Commission
File Number)

41-1356149
(I.R.S. Employer
Identification No.)

9924 West 74th Street
Eden Prairie, Minnesota
(Address of Principal Executive Offices)

55344
(Zip Code)

(952) 500-7000
(Registrant's Telephone Number, Including Area Code)

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 (see General Instruction A.2):

- 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 2.01 Completion of Acquisition or Disposition of Assets.

On November 17, 2011, SurModics, Inc. (the “Company”) and its wholly-owned subsidiary, SurModics Pharmaceuticals, Inc. (“Pharma”) completed the previously announced sale of substantially all of the assets of Pharma to Evonik Degussa Corporation (“Evonik”) pursuant to an Asset Purchase Agreement (the “Purchase Agreement”) dated as of November 1, 2011 among the Company, Pharma and Evonik.

The total consideration received from the sale was \$30 million in cash, subject to a post-closing adjustment for inventory. Of the total consideration, \$3.275 million was placed in escrow at closing for any inventory shortfall and the payment of certain contingent consideration obligations. Under the terms of the Purchase Agreement, the entire portfolio of products and services of Pharma, including its cGMP development and manufacturing facility located in Birmingham, Alabama, were acquired by Evonik.

The foregoing summary of the Purchase Agreement is qualified in its entirety by reference to the full text of the Purchase Agreement, a copy of which is filed as Exhibit 2.1 hereto and is incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On November 17, 2011, the Company issued a press release announcing the completion of the transaction. The press release is furnished as Exhibit 99.2 hereto. The information contained in Exhibit 99.2 is being furnished pursuant to Item 7.01 of this Current Report on Form 8-K, and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to liabilities under Section 18. Furthermore, the information contained in Exhibit 99.2 shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended, or the Exchange Act.

Item 9.01 Financial Statements and Exhibits.

(b) *Pro Forma Financial Information.*

The pro forma unaudited financial information required to be filed in connection with the disposition described in Item 2.01 above is filed as Exhibit 99.1 to this report and is incorporated herein by reference.

(d) *Exhibits.*

- 2.1 Asset Purchase Agreement by and among SurModics, Inc., SurModics Pharmaceuticals, Inc., and Evonik Degussa Corporation dated as of November 1, 2011—incorporated by reference to Exhibit 2.1 to the Company’s Current Report on Form 8-K dated November 7, 2011, SEC File No. 0-23837
- 99.1 Pro forma financial information
- 99.2 Press Release dated November 17, 2011

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.

Date: November 21, 2011

/s/ Bryan K. Phillips

Bryan K. Phillips

Sr. Vice President, General Counsel and Secretary

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>	<u>Manner of Filing</u>
2.1	Asset Purchase Agreement by and among SurModics, Inc., SurModics Pharmaceuticals, Inc., and Evonik Degussa Corporation dated as of November 1, 2011 - incorporated by reference to Exhibit 2.1 to the Company's Current Report on Form 8-K dated November 7, 2011, SEC File No. 0-23837	Incorporated by Reference
99.1	Pro forma financial information	Filed Electronically
99.2	Press Release dated November 17, 2011	Filed Electronically

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

On November 17, 2011, SurModics, Inc. (“SurModics”) and its wholly-owned subsidiary, SurModics Pharmaceuticals, Inc. (“Pharma”), completed the previously announced sale of substantially all of the assets of Pharma to Evonik Degussa Corporation (“Evonik”), pursuant to an Asset Purchase Agreement (the “Agreement”), dated as of November 1, 2011, between SurModics, Pharma and Evonik.

The following unaudited pro forma condensed consolidated financial statements of SurModics and its subsidiaries (the “Company”) are presented to comply with Article 11 of Regulation S-X and follow prescribed SEC regulations. The unaudited pro forma condensed consolidated financial statements do not purport to present what the Company’s results would have been had the disposition actually occurred on the dates indicated or to project the Company’s results from operations or financial position for any future period. The prescribed regulations limit pro forma adjustments to those that are directly attributable to the disposition on a factually supportable basis. Consequently, the Company was not permitted within the pro forma condensed consolidated financial statements to allocate to the disposed business any indirect corporate overhead or costs, such as administrative corporate functions, or any other costs that were shared with any retained business of the Company. As a result, such costs have not been included in the pro forma adjustments and are reflected with the retained business. The pro forma adjustments are described in the accompanying notes to the unaudited pro forma condensed consolidated financial statements.

The unaudited pro forma condensed consolidated balance sheet as of June 30, 2011, presents pro forma effects of the transaction as if the sale of substantially all of the assets of Pharma had occurred on June 30, 2011. The unaudited pro forma condensed consolidated statements of operations for the nine months ended June 30, 2011 and June 30, 2010, and the fiscal years ended September 30, 2010, 2009 and 2008 present the pro forma effects as if the sale of substantially all of the assets of Pharma had occurred on October 1, 2007 (the first day of our 2008 fiscal year). The unaudited pro forma condensed consolidated statements of operations present additional periods beyond the normal prescribed regulations as SurModics expects to present the Pharma operations as discontinued beginning with the first quarter of fiscal 2012.

The unaudited pro forma condensed consolidated financial statements are presented for informational purposes. These unaudited pro forma condensed consolidated financial statements and accompanying notes should be read together with the Company’s audited consolidated financial statements and the accompanying notes, as of and for the fiscal year ended September 30, 2010 and the Company’s unaudited condensed consolidated financial statements and the accompanying notes as of and for the nine months ended June 30, 2011 and June 30, 2010.

SurModics, Inc. and Subsidiaries
Pro Forma Condensed Consolidated Balance Sheet
As of June 30, 2011
(Unaudited)

<i>(in thousands, except share data)</i>	<u>Historical</u>	<u>Pro Forma Adjustments</u>		<u>Pro Forma (a)</u>
ASSETS				
Current Assets				
Cash and cash equivalents	\$ 18,437	\$ 26,725	(b)	\$ 45,162
Restricted cash in escrow	—	3,275	(c)	3,275
Short-term investments	15,909	—		15,909
Accounts receivable, net	9,166	—		9,166
Inventories	3,735	(808)	(d)	2,927
Deferred tax asset	830	6,548	(d) (g)	7,378
Prepays and other	2,526	374	(d) (f)	2,900
Total current assets	<u>50,603</u>	<u>36,114</u>		<u>86,717</u>
Property and equipment, net	63,842	(48,904)	(d)	14,938
Long-term investments	28,899	—		28,899
Deferred tax asset	3,102	5,297	(d)	8,399
Intangible assets, net	14,097	(8,701)	(d)	5,396
Goodwill	8,010	—		8,010
Other assets, net	4,896	(307)	(d)	4,589
Total assets	<u>\$173,449</u>	<u>\$(16,501)</u>		<u>\$ 156,948</u>
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities				
Accounts payable	\$ 1,615	\$ —		\$ 1,615
Accrued liabilities:				
Compensation	2,322	—		2,322
Accrued other	1,834	1,689	(e)	3,523
Deferred revenue	1,376	(856)	(d)	520
Other current liabilities	376	—		376
Total current liabilities	<u>7,523</u>	<u>833</u>		<u>8,356</u>
Deferred revenue, less current portion	3,656	(3,422)	(d)	234
Other long-term liabilities	4,394	(120)	(d)	4,274
Total liabilities	<u>15,573</u>	<u>(2,709)</u>		<u>12,864</u>
Commitments and contingencies				
Stockholders' Equity				
Series A Preferred stock- \$.05 par value, 450,000 shares authorized; no shares issued and outstanding	—	—		—
Common stock- \$.05 par value, 45,000,000 shares authorized; 17,525,477 shares issued and outstanding	876	—		876
Additional paid-in capital	73,373	—		73,373
Accumulated other comprehensive income	568	—		568
Retained earnings	83,059	(13,792)	(d) (e) (f) (g)	69,267
Total stockholders' equity	<u>157,876</u>	<u>(13,792)</u>		<u>144,084</u>
Total liabilities and stockholders' equity	<u>\$173,449</u>	<u>\$(16,501)</u>		<u>\$ 156,948</u>

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

SurModics, Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations
Nine Months Ended June 30, 2011
(Unaudited)

<i>(in thousands, except per share amounts)</i>	<u>Historical</u>	<u>Pro Forma Adjustments (h)</u>	<u>Pro Forma</u>
Revenue			
Royalties and license fees	\$22,787	\$ (148)	\$ 22,639
Product sales	16,449	(1,906)	14,543
Research and development	11,393	(9,719)	1,674
Total revenue	<u>50,629</u>	<u>(11,773)</u>	<u>38,856</u>
Operating costs and expenses			
Product costs	5,813	(1,099)	4,714
Customer research and development	14,141	(12,512)	1,629
Other research and development	8,923	—	8,923
Selling, general and administrative	14,998	(4,243) (i)	10,755
Goodwill impairment charge	5,650	(5,650)	—
Restructuring charges	1,236	(627)	609
Total operating costs and expenses	<u>50,761</u>	<u>(24,131)</u>	<u>26,630</u>
(Loss) income from continuing operations	<u>(132)</u>	<u>12,358</u>	<u>12,226</u>
Other income			
Investment income	498	—	498
Other income, net	401	(21)	380
Other income	899	(21)	878
Income from continuing operations before income taxes	767	12,337	13,104
Income tax provision	(608)	(2,889) (j)	(3,497)
Income from continuing operations	<u>\$ 159</u>	<u>\$ 9,448</u>	<u>\$ 9,607</u>
Basic income from continuing operations per common share:	<u>\$ 0.01</u>		<u>\$ 0.55</u>
Diluted income from continuing operations per common share:	<u>\$ 0.01</u>		<u>\$ 0.55</u>
Weighted average number of shares outstanding:			
Basic	17,409		17,409
Dilutive effect of outstanding stock options and non-vested stock	47		47
Diluted	<u>17,456</u>		<u>17,456</u>

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

SurModics, Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations
Nine Months Ended June 30, 2010
(Unaudited)

<i>(in thousands, except per share amounts)</i>	<u>Historical</u>	<u>Pro Forma Adjustments (h)</u>	<u>Pro Forma</u>
Revenue			
Royalties and license fees	\$26,333	\$ (387)	\$ 25,946
Product sales	15,586	(2,441)	13,145
Research and development	12,430	(9,753)	2,677
Total revenue	<u>54,349</u>	<u>(12,581)</u>	<u>41,768</u>
Operating costs and expenses			
Product costs	6,820	(2,120)	4,700
Customer research and development	12,748	(10,798)	1,950
Other research and development	13,507	(855)	12,652
Selling, general and administrative	13,667	(4,680)	8,987
Restructuring charges	1,306	(102)	1,204
Asset impairment charges	2,265	(1,890)	375
Total operating costs and expenses	<u>50,313</u>	<u>(20,445)</u>	<u>29,868</u>
Income from continuing operations	4,036	7,864	11,900
Other income (loss)			
Investment income	819	(1)	818
Impairment loss on investments	(2,577)		(2,577)
Other income, net	301	—	301
Other income (loss)	<u>(1,457)</u>	<u>(1)</u>	<u>(1,458)</u>
Income from continuing operations before income taxes	2,579	7,863	10,442
Income tax provision	(2,005)	(3,208) (j)	(5,213)
Income from continuing operations	\$ 574	\$ 4,655	\$ 5,229
Basic income from continuing operations per common share:	<u>\$ 0.03</u>		<u>\$ 0.30</u>
Diluted income from continuing operations per common share:	<u>\$ 0.03</u>		<u>\$ 0.30</u>
Weighted average number of shares outstanding:			
Basic	17,373		17,373
Dilutive effect of outstanding stock options and non-vested stock	12		12
Diluted	<u>17,385</u>		<u>17,385</u>

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

SurModics, Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations
Year Ended September 30, 2010
(Unaudited)

<i>(in thousands, except per share amounts)</i>	<u>Historical</u>	<u>Pro Forma Adjustments (h)</u>	<u>Pro Forma</u>
Revenue			
Royalties and license fees	\$ 34,277	\$ (433)	\$ 33,844
Product sales	20,184	(2,821)	17,363
Research and development	15,437	(12,155)	3,282
Total revenue	<u>69,898</u>	<u>(15,409)</u>	<u>54,489</u>
Operating costs and expenses			
Product costs	9,425	(2,620)	6,805
Customer research and development	18,147	(15,531)	2,616
Other research and development	17,916	(1,559)	16,357
Selling, general and administrative	18,451	(5,941)	12,510
Goodwill impairment charge	13,810	(13,810)	—
Restructuring charges	1,306	(102)	1,204
Asset impairment charges	4,896	(1,890)	3,006
Total operating costs and expenses	<u>83,951</u>	<u>(41,453)</u>	<u>42,498</u>
(Loss) income from continuing operations	<u>(14,053)</u>	<u>26,044</u>	<u>11,991</u>
Other income (loss)			
Investment income	1,023	—	1,023
Impairment loss on investments	(7,943)	—	(7,943)
Other income, net	314	(1)	313
Other income (loss)	<u>(6,606)</u>	<u>(1)</u>	<u>(6,607)</u>
(Loss) income from continuing operations before income taxes	<u>(20,659)</u>	<u>26,043</u>	<u>5,384</u>
Income tax provision	(430)	(4,991) (j)	(5,421)
Loss from continuing operations	<u>\$ (21,089)</u>	<u>\$ 21,052</u>	<u>\$ (37)</u>
Basic loss from continuing operations per common share:	<u>\$ (1.21)</u>		<u>\$ 0.00</u>
Diluted loss from continuing operations per common share:	<u>\$ (1.21)</u>		<u>\$ 0.00</u>
Weighted average number of shares outstanding:			
Basic	17,372		17,372
Dilutive effect of outstanding stock options and non-vested stock	—		—
Diluted	<u>17,372</u>		<u>17,372</u>

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

SurModics, Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations
Year Ended September 30, 2009
(Unaudited)

<i>(in thousands, except per share amounts)</i>	<u>Historical</u>	<u>Pro Forma Adjustments (h)</u>	<u>Pro Forma</u>
Revenue			
Royalties and license fees	\$ 75,464	\$ (487)	\$ 74,977
Product sales	19,333	(2,486)	16,847
Research and development	26,737	(15,225)	11,512
Total revenue	<u>121,534</u>	<u>(18,198)</u>	<u>103,336</u>
Operating costs and expenses			
Product costs	7,508	(1,810)	5,698
Customer research and development	13,183	(10,964)	2,219
Other research and development	21,179	(1,844)	19,335
Selling, general and administrative	17,200	(5,487)	11,713
Purchased in-process research and development	3,200	(3,200)	—
Restructuring charges	1,763	—	1,763
Total operating costs and expenses	<u>64,033</u>	<u>(23,305)</u>	<u>40,728</u>
Income from continuing operations	<u>57,501</u>	<u>5,107</u>	<u>62,608</u>
Other income			
Investment income	1,839	(28)	1,811
Other income, net	184	205	389
Other income	<u>2,023</u>	<u>177</u>	<u>2,200</u>
Income from continuing operations before income taxes	59,524	5,284	64,808
Income tax provision	(21,974)	(1,902) (j)	(23,876)
Income from continuing operations	<u>\$ 37,550</u>	<u>\$ 3,382</u>	<u>\$ 40,932</u>
Basic income from continuing operations per common share:	<u>\$ 2.15</u>		<u>\$ 2.35</u>
Diluted income from operations per common share:	<u>\$ 2.15</u>		<u>\$ 2.34</u>
Weighted average number of shares outstanding:			
Basic	17,435		17,435
Dilutive effect of outstanding stock options and non-vested stock	34		34
Diluted	<u>17,469</u>		<u>17,469</u>

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

SurModics, Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations
Year Ended September 30, 2008
(Unaudited)

<i>(in thousands, except per share amounts)</i>	<u>Historical</u>	<u>Pro Forma Adjustments (h)</u>	<u>Pro Forma</u>
Revenue			
Royalties and license fees	\$ 51,788	\$ (5)	\$ 51,783
Product sales	20,052	(3,018)	17,034
Research and development	25,211	(17,049)	8,162
Total revenue	<u>97,051</u>	<u>(20,072)</u>	<u>76,979</u>
Operating costs and expenses			
Product costs	8,476	(2,399)	6,077
Customer research and development	19,187	(12,187)	7,000
Other research and development	21,311	(336)	20,975
Selling, general and administrative	20,816	(4,253)	16,563
Total operating costs and expenses	<u>69,790</u>	<u>(19,175)</u>	<u>50,615</u>
Income from continuing operations	27,261	(897)	26,364
Other income (loss)			
Investment income	3,329	(88)	3,241
Impairment loss on investments	(4,314)	—	(4,314)
Other income, net	616	87	703
Other loss	<u>(369)</u>	<u>(1)</u>	<u>(370)</u>
Income from continuing operations before income taxes	26,892	(898)	25,994
Income tax provision	(12,153)	334 (j)	(11,819)
Income from continuing operations	<u>\$ 14,739</u>	<u>\$ (564)</u>	<u>\$ 14,175</u>
Basic income from continuing operations per common share:	<u>\$ 0.82</u>		<u>\$ 0.79</u>
Diluted income from continuing operations per common share:	<u>\$ 0.80</u>		<u>\$ 0.77</u>
Weighted average number of shares outstanding:			
Basic	18,026		18,026
Dilutive effect of outstanding stock options and non-vested stock	304		304
Diluted	18,330		18,330

The accompanying notes are an integral part of these unaudited pro forma condensed consolidated financial statements.

SurModics, Inc. and Subsidiaries
Notes to Unaudited Pro Forma Condensed Consolidated Financial Statements

Description of Transaction and Basis of Presentation

On November 17, 2011, the Company and Evonik closed the Pharma transaction and completed the sale. The total consideration paid by Evonik on the closing date was \$30.0 million in cash, subject to post-closing adjustment if the closing date inventory value is less than \$0.7 million. \$3.3 million of the purchase price was placed in escrow at closing for a maximum of three months. In connection with the transaction, the Company also agreed to enter into an agreement to not compete with the business being sold for a period of five years.

The transferred assets include inventory identifiable to the sold business, fixed assets including the cGMP development and manufacturing facility in Birmingham, Alabama, and contracts with specific customers and suppliers. In addition, as part of the transaction all Pharma employees have accepted positions with Evonik. Evonik will also purchase specified transitional services from Pharma.

The unaudited pro forma condensed consolidated balance sheet as of June 30, 2011, presents pro forma effects of the transaction as if the sale had occurred on June 30, 2011. The unaudited pro forma condensed consolidated statements of operations for the nine months ended June 30, 2011 and June 30, 2010, and the fiscal years ended September 30, 2010, 2009 and 2008 present the pro forma effects as if the sale of substantially all of the assets of Pharma had occurred on October 1, 2007 (the first day of our 2008 fiscal year).

Pro Forma Adjustments

The following pro forma adjustments are included in the unaudited pro forma condensed consolidated balance sheet and/or the unaudited pro forma condensed consolidated statements of operations:

- (a) The unaudited pro forma condensed consolidated balance sheet as of June 30, 2011, presents pro forma effects of the transaction as if the sale had occurred on June 30, 2011. Certain assets and liabilities, such as accounts receivable and accounts payable related to Pharma, were not transferred with the transaction and are therefore still reflected in the pro forma condensed consolidated balance sheet as of June 30, 2011.
- (b) This amount reflects the sale price of \$30.0 million less \$3.3 million which will be placed in an escrow account to cover any inventory shortfall or for milestone events associated with SurModics' purchase of Pharma that may occur in the future.
- (c) This amount is the amount placed in escrow to cover any inventory shortfall or for milestone events associated with SurModics' original acquisition of Pharma in July 2007 that may occur in the future.
- (d) This amount represents the elimination of assets and liabilities transferred to Evonik in the asset sale. The net difference between the selling price and the carrying value of the assets and liabilities transferred is a pre-tax loss of \$19.7 million. The loss is calculated as follows (*in thousands*):

Cash proceeds from the sale, before customary post-closing adjustments	\$ 30,000
Net assets sold	(49,743)
Loss on sale before income taxes	<u><u>\$(19,743)</u></u>

The transaction costs which were accrued and associated tax impact are included in footnotes (e) and (f) below. In addition, the income tax benefit associated with the pre-tax loss above is included in footnote (g) below.

Certain assets (cash, accounts receivable and income tax receivables) of Pharma, totaling \$5.7 million as of June 30, 2011, were retained by SurModics. In addition, certain liabilities of Pharma (accounts payable, accrued compensation, accrued other liabilities, current liabilities and certain other long-term liabilities) totaling \$4.1 million as of June 30, 2011, were retained by SurModics. The retained assets and liabilities are not included in the above loss on sale calculation.

- (e) This amount represents the accrual of \$1.7 million of transaction costs which result directly from the sold business and which will be included in the income of the registrant within the twelve months following the transaction.
- (f) This amount includes a \$0.7 million tax benefit associated with the accrued transaction costs using the consolidated statutory tax rate.
- (g) This amount includes \$6.9 million of current deferred tax benefits associated with the loss on the sale calculated using a 35% statutory tax rate as the state benefit for Pharma would be offset by a valuation allowance.

- (h) The pro forma data reflects the elimination of Pharma's revenue and expenses. Pro forma adjustments exclude indirect and fixed costs attributable to or allocated to the sold business.
- (i) The pro forma adjustment amount includes \$0.3 million of transaction costs directly attributable to the disposition of the business. These costs are excluded from continuing operations.
- (j) This amount represents the adjusted income tax expense associated with the pre-tax pro forma adjustments, using the consolidated statutory tax rate for the applicable period. In a fiscal year with non-deductible goodwill or impairment of investments, the pre-tax income or loss is adjusted appropriately.



SurModics Completes Sale of Pharmaceutical Assets

EDEN PRAIRIE, Minnesota – November 17, 2011 – SurModics, Inc. (Nasdaq: SRDX), a leading provider of surface modification technologies to the healthcare industry, announced today that it has completed the previously-announced sale of its SurModics Pharmaceuticals assets to Evonik Industries AG (“Evonik”).

Under the terms of the sale, the entire portfolio of products and services of SurModics Pharmaceuticals, including the Company’s cGMP development and manufacturing facility located in Birmingham, Alabama, has been acquired by Evonik for \$30 million in cash.

“The completion of the sale of the Pharma assets completes an important milestone towards achieving our goal of returning SurModics to sustainable, long-term profitability. As I previously underscored, we now have significantly strengthened our financial profile and are able to focus our full resources on advancing our core Medical Device and IVD businesses,” said Gary Maharaj, president and chief executive officer. “We remain grateful for the hard work of the Pharma employees and know they will achieve great success through the strong strategic fit with Evonik.”

The Company expects to report the Pharma business as discontinued operations in its first quarter Fiscal 2012 financial results.

About SurModics, Inc.

SurModics’ vision is to extend and improve the lives of patients through technology innovation. The Company partners with the world’s foremost medical device, pharmaceutical and life science companies to develop and commercialize innovative products that result in improved diagnosis and treatment for patients. Core offerings include: 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. SurModics is headquartered in Eden Prairie, Minnesota. 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.

About Evonik Industries

Evonik, the creative industrial group from Germany, is one of the world leaders in specialty chemicals. Its activities focus on the key megatrends health and nutrition, resource efficiency and globalization. In 2010 about 80 percent of the Group's chemicals sales came from activities where it ranks among the market leaders. Evonik benefits specifically from its innovative prowess and integrated technology platforms. Evonik's Pharma Polymers Product Line, which already includes its EUDRAGIT® and RESOMER® platforms, makes Evonik a leading developer and producer of functional pharmaceutical excipients for oral and depot formulations.

Evonik is active in over 100 countries around the world. In fiscal 2010 more than 34,000 employees generated sales of around €13.3 billion and an operating profit (EBITDA) of about €2.4 billion.

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 regarding our ability to return to sustainable, long-term profitability, 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 (1) our reliance on third parties (including our customers and licensees) and their failure to successfully develop, obtain regulatory approval for, market and sell products incorporating our technologies may adversely affect our business operations, our ability to realize the full potential of our pipeline, and our ability to achieve our corporate goals; and (2) the 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, 2010, 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.

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Contact

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