

**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**

**December 13, 2010**

**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) 829-2700**

(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))

**Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

(e) Retention Program. In connection with the announcement by SurModics, Inc. (the “Company” or “SurModics”) on December 14, 2010, that it is exploring strategic alternatives for its SurModics Pharmaceuticals business, including a potential sale of that business (a “Potential Transaction”), the Organization and Compensation Committee of the Board of Directors of the Company approved a Retention Program (the “Retention Program”) to promote the retention of employees of that business. Eligible employees may receive retention payments upon the occurrence of a Potential Transaction. The amount of the retention payment that an employee may receive is generally based on the role that the employee is expected to perform in preserving the value of the Company’s business during the strategic alternatives process. Payment of the retention payment will be contingent upon the employee being employed with the Company’s pharmaceuticals business at the time of payment, unless he or she is involuntarily terminated without cause, or terminates his or her employment for good reason. The retention payments will be made as follows: (1) 50% of the payment will be made upon the closing of a Potential Transaction, and (2) 50% of the payment will be made 90 days after the closing of a Potential Transaction. Notwithstanding the forgoing, if a Potential Transaction does not occur before December 31, 2011, 100% of the retention payment will be paid on such date. Under the Retention Program, Arthur J. Tipton, Ph.D., Senior Vice President and General Manager, Pharmaceuticals, will be eligible to receive a retention payment in the amount of \$150,000; and Eugene C. Rusch, Vice President, Manufacturing, will be eligible to receive a retention payment in the amount of \$100,000.

**Item 8.01 Other Events.**

On December 14, 2010, the Company issued a press release announcing that its Board of Directors has authorized the Company to explore strategic alternatives for its SurModics Pharmaceuticals business, including a potential sale. A copy of the press release is included as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits*.

99.1 Press Release dated December 14, 2010.

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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.

Date: December 17, 2010

/s/ Bryan K. Phillips

Bryan K. Phillips

Sr. Vice President, General Counsel and Secretary

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EXHIBIT INDEX

<b>Exhibit Number</b>	<b>Description</b>	<b>Manner of Filing</b>
99.1	Press Release	Filed Electronically

FOR IMMEDIATE RELEASE

**SURMODICS TO EXPLORE STRATEGIC ALTERNATIVES FOR  
ITS SURMODICS PHARMACEUTICALS BUSINESS**

**EDEN PRAIRIE, MINN., December 14, 2010** — SurModics, Inc. (Nasdaq: SRDX), a leading provider of drug delivery and surface modification technologies to the healthcare industry, today announced that its Board of Directors has authorized the Company to explore strategic alternatives for its SurModics Pharmaceuticals business, including a potential sale. SurModics Pharmaceuticals was formed following the acquisition of Brookwood Pharmaceuticals in July 2007, and the business includes microparticle and biodegradable implant drug delivery technologies, the cGMP manufacturing facility in Birmingham, Alabama and a range of biodegradable polymers marketed under the Lakeshore Biomaterials™ brand. The Board has retained Piper Jaffray & Co as its financial advisor in connection with this process.

“SurModics’ Board of Directors and management team have been intently focused on returning the Company to profitable growth,” said Robert C. Buhmaster, chairman of the Board of Directors. “In recent months, we have implemented initiatives intended to reduce the Company’s cost structure to bring it more in line with customer demand and expected revenue. We also put in place a new organizational structure that provides enhanced accountability, improved efficiency and more effective resource deployment.”

“Our Board is committed to enhancing shareholder value and believes that now is the right time to examine a range of strategic alternatives for our Pharmaceuticals business,” continued Mr. Buhmaster. “A key part of our Board’s recent strategic planning review has been to assess the opportunities available to SurModics’ key businesses and the investment time horizon in which we can create shareholder value from those opportunities. Our Pharmaceuticals business has compelling long-term growth and profitability prospects and operates a world-class facility for the manufacture of both clinical and commercial pharmaceutical products. However, our Board determined that the best course of action is to explore alternatives for our Pharmaceuticals business so that we can dedicate more resources and efforts to pursuing growth opportunities and investments in our Medical Device and In Vitro Diagnostics businesses.”

SurModics Pharmaceuticals is a product-focused leader in drug delivery, providing a broad range of technology solutions to pharmaceutical, biotech and medical device companies worldwide. It operates a cGMP facility for the manufacture of pharmaceutical products including long-acting parenterals, based on microparticles and solid implants. SurModics Pharmaceuticals also markets a range of biodegradable polymers under the Lakeshore Biomaterials™ brand.

SurModics noted that its Medical Device drug delivery technologies and business, as well as its I-vation™ drug delivery platform and other assets acquired from InnoRx are not included in the alternatives process. The Company also noted that no decision has been made to enter into any transaction at this time, and there can be no assurance that SurModics will enter into such a transaction in the future. It is SurModics’ policy not to comment on any specific discussions or potential transactions unless and until a definitive agreement is reached or the Board’s review has concluded.

**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

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and treatment for patients. Core offerings include: drug delivery technologies (coatings, microparticles, nanoparticles, 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. SurModics is headquartered in Eden Prairie, Minnesota and its SurModics Pharmaceuticals subsidiary is located in Birmingham, Alabama. For more information about the Company, visit [www.surmodics.com](http://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, such as the Company's ability to successfully consummate a transaction, including the potential sale, of its pharmaceuticals business, and our performance in the near- and long-term, including our positioning for profitable growth, 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 ability to successfully identify, negotiate, sign and close a potential strategic transaction related to our Pharmaceuticals business; (2) the inability to realize the anticipated benefits of any potential transaction regarding our Pharmaceuticals business, if consummated, or of our other recent cost savings initiatives; (3) the potential adverse impact to our business as a result of our announcement to pursue strategic alternatives for our Pharmaceuticals business; (4) developments in the regulatory environment, as well as market and economic conditions, may adversely affect our business operations and profitability; (5) 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 (6) 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, 2009, 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](http://www.surmodics.com) and at the SEC website at [www.sec.gov](http://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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