

ABIOMED INC  
Form DEF 14A  
July 15, 2005

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 14A INFORMATION**

Proxy Statement Pursuant to Section 14(a) of  
the Securities Exchange Act of 1934 (Amendment No. )

Filed by the Registrant

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Check the appropriate box:

- Preliminary Proxy Statement  
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 Definitive Proxy Statement  
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**ABIOMED, INC.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement if other than the Registrant)

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**ABIOMED, Inc.**

22 Cherry Hill Drive

**Danvers, Massachusetts 01923**



**Notice of Annual Meeting of Stockholders**

**To Be Held on August 10, 2005**





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The Annual Meeting of Stockholders of ABIOMED, Inc. will be held on August 10, 2005 at 8:00 a.m. at our offices, 22 Cherry Hill Drive, Danvers, Massachusetts, for the following purposes:

1. To consider and vote upon the election of two Class I directors;
2. To consider and vote upon a proposal to approve an amendment to our 2000 Stock Incentive Plan, which would increase by 2,000,000 shares the number of shares of Common Stock that we may issue under our Plan; and
3. To consider and act upon any other matter which may properly come before the Annual Meeting or any adjourned session thereof.

Our Board of Directors has fixed the close of business on July 6, 2005 as the record date for determining the stockholders entitled to notice of, and to vote at, the Annual Meeting. Accordingly, only stockholders of record at the close of business on July 6, 2005 will be entitled to vote at the Annual Meeting or any adjournments thereof.

Stockholders attending our Annual Meeting are cordially invited to remain with us beyond the formal portion of the meeting in order to attend management presentations, ask questions, meet with physicians and patients and tour our facility.

By order of the Board of Directors

Peter M. Rosenblum, Secretary

Boston, Massachusetts

July 13, 2005

**YOUR VOTE IS IMPORTANT**



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TO ASSURE YOUR REPRESENTATION AT THE MEETING, YOU ARE URGED TO VOTE, SIGN, DATE AND RETURN THE ENCLOSED PROXY AS PROMPTLY AS POSSIBLE IN THE POSTAGE-PAID ENVELOPE ENCLOSED FOR THAT PURPOSE. EVEN IF YOU HAVE GIVEN YOUR PROXY, THE PROXY MAY BE REVOKED AT ANY TIME PRIOR TO EXERCISE BY FILING WITH OUR SECRETARY A WRITTEN REVOCATION, BY EXECUTING A PROXY WITH A LATER DATE, OR BY ATTENDING AND VOTING AT THE MEETING.

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**ABIOMED, Inc.**



**PROXY STATEMENT**

**FOR THE ANNUAL MEETING OF STOCKHOLDERS**



**To be held on August 10, 2005**



## Edgar Filing: ABIOMED INC - Form DEF 14A

This proxy statement is furnished in connection with the solicitation of proxies by and on behalf of our Board of Directors for use at our Annual Meeting of Stockholders to be held at our offices, 22 Cherry Hill Drive, Danvers, Massachusetts on August 10, 2005 and at any adjournment or adjournments thereof. We are a Delaware corporation and our principal executive offices are located at 22 Cherry Hill Drive, Danvers, Massachusetts 01923.

We will bear any cost of solicitation. Some of our officers and employees may solicit proxies by correspondence, telephone or in person, without extra compensation. We may also pay to banks, brokers, nominees and other fiduciaries their reasonable charges and expenses incurred in forwarding proxy material to their principals. It is expected that this proxy statement and the accompanying proxy will be mailed to our stockholders on or about July 14, 2005.

We have fixed the close of business on July 6, 2005 as the record date for the Annual Meeting. Only stockholders of record at the close of business on July 6, 2005 will be entitled to receive notice of, and to vote at, the Annual Meeting. As of July 6, 2005, there were outstanding and entitled to vote 26,197,515 shares of our Common Stock, \$.01 par value per share. Our by-laws require that a majority in interest of all stock issued, outstanding and entitled to vote at a meeting shall constitute a quorum. Abstentions and broker non-votes will be counted as present or represented for purposes of determining the existence of a quorum. A non-vote occurs when a broker or nominee holding shares for a beneficial owner does not vote on a proposal because the broker or nominee does not have discretionary voting power and has not received instructions from the beneficial owner.

Proposal no. 1 (election of directors) requires the affirmative vote of a plurality of the votes cast by holders of our Common Stock entitled to vote thereon, provided a quorum is present. Abstentions and broker non-votes will not be included in calculating the number of votes cast on Proposal no. 1. Proposal no. 2 (amendment of our 2000 Stock Incentive Plan) requires the affirmative vote of the holders of a majority of the shares of our Common Stock present in person or by proxy at the meeting and entitled to vote thereon, provided that a quorum is present. Abstentions and broker non-votes will not be included in calculating the number of votes cast on Proposal no. 2. Votes will be tabulated by American Stock Transfer & Trust Company, our transfer agent.

**THE ENCLOSED PROXY, IF EXECUTED AND RETURNED, WILL BE VOTED AS DIRECTED ON THE PROXY OR, IN THE ABSENCE OF SUCH DIRECTION, FOR THE NOMINEES FOR DIRECTORS (PROPOSAL NO. 1) AND FOR THE AMENDMENTS TO THE 2000 STOCK INCENTIVE PLAN (PROPOSAL NO. 2). IF ANY OTHER MATTERS SHALL PROPERLY COME BEFORE THE MEETING, THEY WILL BE VOTED BY THE PROXIES IN ACCORDANCE WITH THEIR BEST JUDGMENT. THE PROXY MAY BE REVOKED AT ANY TIME PRIOR TO EXERCISE BY FILING WITH OUR SECRETARY A WRITTEN REVOCATION, BY EXECUTING A PROXY WITH A LATER DATE, OR BY ATTENDING AND VOTING AT THE MEETING.**

Our annual report to stockholders for the fiscal year ended March 31, 2005, including financial statements audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, is being mailed to each of our stockholders simultaneously with this proxy statement.

**PROPOSAL NO. 1**

**ELECTION OF DIRECTORS**



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Our Board of Directors currently consists of eight directors and is divided into three classes. We refer to these classes as Class I, Class II and Class III. The term of one class of directors expires each year at the annual meeting of stockholders. Each director also continues to serve as a director until his or her successor is duly elected and qualified. This year, the term of the Class I directors is expiring.

Our Board of Directors has nominated Ms. Dorothy E. Puhly and Mr. Desmond H. O'Connell, Jr. each to serve as a Class I director for a three-year term, until the 2008 Annual Meeting of Stockholders, and until their respective successors have been duly elected and qualified.

Both of these nominees are currently serving on our Board of Directors. Ms. Puhly was elected by our stockholders as a Class II director at our Annual Meeting of Stockholders in August 2003. Although her term would not otherwise have expired, we have nominated Ms. Puhly to serve as a Class I director instead of as a Class II director in order to balance the number of directors in each class. Mr. O'Connell was elected by our stockholders as a Class I director at our Annual Meeting of Stockholders in November 2002. Mr. O'Connell's term as director will expire at the upcoming annual meeting. Our other current Class I director, Paul B. Fireman, will not be standing for reelection to our Board of Directors upon the expiration of his term at the Annual Meeting.

If any nominee at the time of the election is unable or unwilling to serve or is otherwise unavailable for election, and our Board of Directors designates another nominee, the persons named as proxies will vote the proxy for such substitute, if any. Our Board of Directors has no reason to believe that any of the proposed nominees will be unable or unwilling to serve. The proposed nominees are not being nominated pursuant to any arrangement or understanding with any person.

**Our Board of Directors recommends that you vote FOR the election of Ms. Dorothy E. Puhly and Mr. Desmond H. O'Connell, Jr.**

**EXECUTIVE OFFICERS AND DIRECTORS**





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Our executive officers and directors are as follows:

Name	Age	Position
Michael R. Minogue (1)(2)	38	Chairman of the Board of Directors, President and Chief Executive Officer
W. Gerald Austen (1)(3)	75	Director
Paul B. Fireman (3)	61	Director
David Gottlieb (4)(5)	44	Director
John F. O'Brien (3)(5)	62	Director
Desmond H. O'Connell, Jr. (4)(5)	69	Director
Dorothy E. Puhly (4)(5)	53	Director
Henri A. Termeer (1)(3)	59	Director
Karim Benali	39	Vice President, Product Development
William J. Bolt	52	Senior Vice President, Design Assurance and Quality Assurance
Charles B. Haaser	49	Corporate Controller and Acting Chief Financial Officer
Javier Jimenez	40	Vice President, Operations
Robert T.V. Kung, Ph.D.	61	Senior Vice President, Chief Scientific Officer
Christopher Macdonald	40	Senior Vice President, Global Sales and Applications

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- (1) Member of the Executive Committee
  - (2) Member of the Special Stock Option Committee
  - (3) Member of the Compensation Committee
  - (4) Member of the Audit Committee
  - (5) Member of the Governance and Nominating Committee

Our Board of Directors is divided into three classes. The term of one class of directors expires each year at our Annual Meeting of Stockholders. Each director also continues to serve as a director until his or her successor is duly elected and qualified. Messrs. O'Connell and Fireman currently serve as Class I directors; their term of office expires in 2005. Messrs. O'Brien and Termeer and Ms. Puhly currently serve as Class II directors; their term of office expires in 2006. However, Ms. Puhly has been nominated to become a Class I director. Messrs. Austen, Gottlieb and Minogue currently serve as Class III directors; their term of office expires in 2007. Our executive officers are elected by, and serve at the discretion of, our Board of Directors. There are no family relationships among our directors and executive officers.

**Mr. Michael R. Minogue** joined us as Chief Executive Officer, President and a director in April 2004. In June 2005 he was also appointed Chairman of our Board of Directors. Prior to joining us, Mr. Minogue had a twelve-year career at GE Medical Systems. Most recently, Mr. Minogue was Vice President and General Manager of Americas sales and marketing for GE Medical Systems Information Technology. From 1998 to 2003 Mr. Minogue held various positions at GE, including general manager for the global PET business, general manager, Americas cardiology and information technology sales and general manager, global installed

base. Prior to joining GE, Mr. Minogue served on active duty for four years in the U.S. Army as an infantry platoon leader, including completion of Army Ranger training and deployment to the Middle East for Operation Desert Storm. Mr. Minogue received his bachelor's degree in engineering from the United States Military Academy at West Point and his MBA from the University of Chicago.

**Dr. W. Gerald Austen, M.D.**, has served as a director since 1985. Since 1974 he has been the Edward D. Churchill professor of surgery at Harvard Medical School and at Massachusetts General Hospital. From 1969 to 1997, Dr. Austen was chief of the surgical services at Massachusetts General Hospital. Dr. Austen is the former President of the American College of Surgeons, the American Association for Thoracic Surgery, the American Surgical Association and the Massachusetts and American Heart Associations. Dr. Austen is a member emeritus of the Institute of Medicine of the National Academy of Sciences, a fellow of the American Academy of Arts and Sciences, a life member emeritus of the corporation of the Massachusetts Institute of Technology and Chairman of the board of trustees of the John S. and James L. Knight Foundation.

**Mr. Paul B. Fireman** has served as a director since 1987. Mr. Fireman's term on our board will expire at our Annual Meeting. Mr. Fireman has served as Chief Executive Officer and as Chairman of the Board of Directors of Reebok International Ltd., which he founded, from 1979 to the present. He also served as Reebok's President from 1989 to 2001, after initially serving as President from 1979 to 1987. Mr. Fireman has served as the Chairman of the entrepreneurial advisory board of Babson College since 1995.

**Mr. David Gottlieb** has served as a director since 2004. Mr. Gottlieb is the managing partner of Noble Bridge Group LLC, a financial consulting company he established in early 2004. From 1990 to 2003 Mr. Gottlieb held various investment banking positions including: global head of the medical technology corporate and investment banking group of Banc of America Securities from 1999 to 2003; managing director of the health care group of UBS Investment Bank where he was employed from 1995 to 1999; and Vice President, health care group of Kidder, Peabody & Company where he was employed from 1990 to 1994. Mr. Gottlieb's degrees include a bachelor's degree in economics from Connecticut College and an MBA from the Columbia Business School.

**Mr. John F. O'Brien** has served as a director since 1989. From 1989 to 2002, Mr. O'Brien served as President and Chief Executive Officer of Allmerica Financial Corporation (formerly State Mutual Life Assurance Company of America). Mr. O'Brien also served as a director of Allmerica Financial Corporation until 2003. From 1972 until 1989, Mr. O'Brien was employed by Fidelity Investments in various capacities, including as group managing director of FMR Corp. Mr. O'Brien is also a director of Cabot Corporation, LKQ Corporation and TJX Companies, Inc. and a cluster of mutual funds managed by Merrill Lynch Investment Managers.

**Mr. Desmond H. O'Connell, Jr.** has served as a director since 1995. He is currently the Chairman and a director of Serologicals Corporation and is also an independent management consultant. From December 1992 until December 1993, he served as the Chairman, management committee, of Pharmakon Research International, Inc. During 1991, he briefly served as Chairman of the Board and Chief Executive Officer of Osteotech, Inc. Mr. O'Connell was with the BOC Group, PLC in senior management positions from 1983 to 1990. From April 1990 until

September 1990, Mr. O Connell was President and Chief Executive Officer of BOC Health Care. From 1986 to April 1990, he was group managing director of BOC Group, PLC. Prior to joining

BOC, Mr. O Connell held various positions at Baxter Laboratories, Inc., including Chief Executive of the Therapeutic and Diagnostic Division and Vice President, Corporate Development. Mr. O Connell was a director of Chryslais International Corporation from 1991 through May 1999.

**Ms. Dorothy E. Puhly** has served as a director and Chair of our Audit Committee since 2003. Ms. Puhly is currently Executive Vice President, Chief Financial Officer and Assistant Treasurer for the Dana-Farber Cancer Institute. Ms. Puhly has served as the Chief Financial Officer of Dana-Farber since 1994 and has served as its Assistant Treasurer since 1995. From 1985 to 1994 Ms. Puhly held various financial positions at the New England Medical Center Hospitals, Inc., including Chief Financial Officer from 1989 to 1994. Ms. Puhly is also a director and Chair of the Audit Committee of Reebok International Ltd.

**Mr. Henri A. Termeer** has served as a director since 1987. Mr. Termeer has been the President and a director of Genzyme Corporation since 1983, its Chief Executive Officer since 1985, and its Chairman since 1988. Mr. Termeer is a member of the Harvard Medical School Board of Fellows, Chairman of the Harvard Medical School Genetics Advisory Council, and Chairman of the New England Healthcare Institute. He also serves on the Board of Directors of the Biotechnology Industry Organization, the Pharmaceutical Research and Manufacturers of America and is a trustee of Hambrecht & Quist Healthcare Investors and Hambrecht & Quist Life Sciences Investors.

*Our executive officers who are not also directors are listed below:*

**Dr. Karim Benali, M.D.**, joined us in July 2004 and was elected as our Vice President of Product Development in August 2004. Prior to joining us, Dr. Benali served as global manager of cardiology-functional imaging of GE Healthcare from June 2003 to July 2004. From May 2000 to June 2003, Dr. Benali was a leader of global research in cardiology at GE Healthcare. Dr. Benali earned a BA from the University of Algiers in Engineering Technology, an MD from the Institut National de l'Enseignement Supérieur des Sciences Médicales in Algiers, an MS in Bio-imaging and Bio-engineering from the University of Val de Marne Paris XII, and an MS in Biostatistics and Clinical Research from University Pierre & Marie Curie Paris VI.

**Mr. William J. Bolt** has been with us since 1982 and has been our Senior Vice President for Design Assurance and Quality Assurance since January 2003. He is currently responsible for all of our quality and design assurance activities as well as global product service support. He was responsible for all product development and the AbioCor program from 2000-2002, and for the BVS and AB5000 development from 1999-2002. From 1994 to 1998, he was President of our former dental subsidiary, ABIODENT, Inc. From 1982 to 1994, he served in various roles, from our Vice President of Engineering to our Vice President of Operations, where he was the engineer in-charge of the development of the BVS and other systems. Mr. Bolt received his bachelor's degree in electrical engineering and an MBA from Northeastern University.

**Mr. Charles B. Haaser** has been with us since 1998 as our Corporate Controller and Principal Accounting Officer. In February 2003 he was appointed as our Acting Chief Financial Officer. From 1997 to 1998 he was controller for

Technical Communications Corporation. From 1986 to 1997, he was employed as director of finance by ISI Systems, Inc. From 1984 to 1986 Mr. Haaser was employed by the commercial audit division of Price Waterhouse LLP. Mr. Haaser received a bachelor's degree in business administration (finance) from the University of

Notre Dame, an MBA from Northeastern University and a Masters of Science in Taxation from Bentley College. Mr. Haaser became a Certified Public Accountant in 1997.

**Mr. Javier Jimenez** joined us in May 2004 and was elected our Vice President of Operations in June 2004. Mr. Jimenez was employed by GE Healthcare from 2000 to 2004 in a variety of finance and operations positions including most recently as director, commercial operations for GE Healthcare Information Technology. Mr. Jimenez's other assignments at GE included manager, global operations for the Global PET Business and manager, financial planning and analysis for the Americas equipment business unit. Prior to joining GE, Mr. Jimenez was employed by Oracle Corporation from 1999 to 2000 as a manager within its customer relationship management division. Mr. Jimenez received both bachelor's and masters degrees in aeronautical engineering from the Universidad Politecnica de Madrid, Spain, and his MBA from Boston University.

**Dr. Robert T.V. Kung** has been with us since 1982 and has been our Senior Vice President and Chief Scientific Officer since 1995. He was our Vice President of Research and Development from 1987 to 1995 and our chief scientist from 1982 to 1987. Prior to joining us, Dr. Kung was a principal research scientist at Schafer Associates from 1978 to 1982 and at the Avco Everett Research Laboratory from 1972 to 1978. He developed non-linear optical techniques for laser applications and investigated physical and chemical phenomena in re-entry physics. Dr. Kung has been the principal investigator for our National Institutes of Health-funded AbioCor and AbioBooster programs and has conceived of and directed the development of our laser-based minimally invasive technologies. Dr. Kung received his Ph.D. in physical chemistry from Cornell University.

**Mr. Christopher Macdonald** joined us in May 2004 and is currently our Senior Vice President, Global Sales and Applications. From June 2004 to April 2005 Mr. Macdonald served as our Senior Vice President, Global Sales, Applications and Service. Mr. Macdonald was previously employed for eleven years at GE Healthcare where he was employed in sales and operations management positions. His most recent assignments at GE were with the cardiology business unit and included positions as sales manager for the central U.S. region from 2002 to 2004, corporate accounts director from 2001 to 2002 and operations manager from 2000 to 2001. Mr. Macdonald received his bachelor's degree in biology from Tulane University.

#### **Director Independence**

Our Board of Directors has determined that, with the exception of Mr. Minogue who is our employee, all of our members are independent directors under the applicable rules of the Nasdaq Stock Market, Inc.

#### **Attendance at Annual Meetings**

It is our policy that, to the extent reasonably practicable, directors should attend our Annual Meetings of Stockholders. All but two of our directors attended our 2004 Annual Meeting of Stockholders.

**Meetings of the Board of Directors**

*Board Meetings.* The Board of Directors held seven meetings during the fiscal year ended March 31, 2005 and acted five times by written consent. During the fiscal year ended March 31, 2005, each director, except for Messrs. Fireman and Termeer, attended at least 75% of



the aggregate number of meetings of the Board of Directors and Committees of which he or she was a member held during the period in which he or she was a director.

*Meetings of Independent Directors.* Our independent directors are expected to meet without management present at least twice per year.

*Executive Committee Meetings.* The Board of Directors has an Executive Committee, which is currently composed of W. Gerald Austen, Michael R. Minogue and Henri A. Termeer. The Executive Committee has, and may exercise, all the powers and authority of the Board of Directors, except those which by law may not be delegated to it by the Board of Directors. The Executive Committee did not act during the fiscal year ended March 31, 2005.

*Audit Committee Meetings.* Our Board of Directors has an Audit Committee, which is currently composed of David Gottlieb, Desmond H. O'Connell, Jr. and Dorothy E. Puhly. All three of the current members of the Audit Committee are independent directors within the meaning of the applicable rules of the Securities and Exchange Commission, or SEC, and the Nasdaq Stock Market, Inc. Our Board of Directors has further determined that all members of the Audit Committee are financially sophisticated within the meaning of the Nasdaq listing standards and our Board has also determined that Ms. Puhly, who serves as Chair of the Committee, qualifies as an Audit Committee financial expert within the meaning of the applicable SEC rules and regulations. The responsibilities of the Audit Committee are detailed in our *Audit Committee Charter*, as amended in June 2004, a copy of which is available through the About ABIOMED Corporate Governance section of our website, located at [www.abiomed.com](http://www.abiomed.com). The Audit Committee is directly responsible for the appointment, compensation and oversight of the work of our independent registered public accounting firm. In addition, the Audit Committee's responsibilities include reviewing the adequacy and effectiveness of accounting and financial controls, reviewing our financial reporting practices, meeting with our independent accountants to review the results of the annual audit and quarterly reviews and reviewing the implementation by management of recommendations made by the independent accountants. The Audit Committee met nine times during the fiscal year ended March 31, 2005.

*Compensation Committee Meetings.* We have a Compensation Committee, which is currently composed of W. Gerald Austen, Paul B. Fireman (Chair), John F. O'Brien and Henri A. Termeer. The responsibilities of the Compensation Committee are detailed in our *Compensation Committee Charter*, adopted in June 2004, a copy of which is available through the About ABIOMED Corporate Governance section of our website, located at [www.abiomed.com](http://www.abiomed.com). The Compensation Committee is responsible for establishing the compensation and bonuses of executive officers, determining the persons to whom both incentive stock options and non-qualified stock options will be granted and adopting rules and making other determinations with respect to the administration of the 1992 Combination Stock Option Plan, the Employee Stock Purchase Plan, the ABIOMED Retirement Savings Plan (401(k) Plan), the 1998 Equity Incentive Plan, the 2000 Stock Incentive Plan and the Impella Acquisition Non-Statutory Option Plan. During the fiscal year ended March 31, 2005, the Compensation Committee held four meetings and acted once by written consent.

*Governance and Nominating Committee Meetings.* We have a Governance and Nominating Committee, which is currently composed of David Gottlieb, John F. O'Brien, Desmond H. O'Connell, Jr. (Chair) and Dorothy E. Puhly. The responsibilities of the Governance and Nominating Committee are detailed in our *Governance and Nominating Committee Charter*, a copy of which is available through the [About ABIOMED Corporate](#)

Governance section of our website, located at [www.abiomed.com](http://www.abiomed.com). The Governance and Nominating Committee is responsible for leading the search for individuals qualified to become members of our Board of Directors, including the review of candidates recommended by our shareholders. Our stockholders may propose nominees for consideration by the Governance and Nominating Committee by submitting names and supporting information in writing to: Corporate Secretary, ABIOMED, Inc., 22 Cherry Hill Drive, Danvers, Massachusetts, 01923. Supporting information should include all information relating to such person that would be required to be disclosed pursuant to Regulation 14A under the Securities Exchange Act of 1934. Nominations must be received not less than 45 days nor more than 60 days prior to any meeting of our stockholders called for the election of directors. Candidates who are recommended by our stockholders will be considered on the same basis as candidates from other sources. For all potential candidates, the Governance and Nominating Committee will consider all factors it deems relevant, including at a minimum those listed under Director Qualification Standards below. Our Board of Directors has determined that members of the Governance and Nominating Committee are independent under the applicable rules of the Nasdaq Stock Market, Inc. During the fiscal year ended March 31, 2005, the Governance and Nominating Committee held three meetings and acted once by written consent.

### **Director Qualification Standards**

Candidates for membership to our Board of Directors should be individuals who possess the highest personal and professional ethics and integrity and have demonstrated professional achievement and leadership capabilities. Each should have knowledge, experience and demonstrated expertise in an area or areas of importance, such as management, finance, marketing, technology, medicine, human resources, public policy and law. Candidates must evidence a commitment to devote the substantial time and energy required of productive board members.

### **Code of Conduct**

All of our directors, officers and employees must act ethically, legally and with integrity at all times and are required to comply with our Code of Conduct as well as our other policies and standards of conduct. Our Code of Conduct, in addition to our Code of Ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller and persons performing similar functions, may be obtained, without charge, by written request to our Compliance Officer at ABIOMED, Inc., 22 Cherry Hill Drive, Danvers, Massachusetts, 01923.

### **Communications with Directors**

Shareholders and other interested persons may send communications to the directors. Written correspondence should be addressed to the director or directors in care of the Compliance Officer at ABIOMED, Inc., 22 Cherry Hill Drive, Danvers, Massachusetts, 01923. Shareholders and other interested persons may also send email to the directors at [directors@abiomed.com](mailto:directors@abiomed.com). All communications will be received and reviewed by our Compliance Officer. Complaints or concerns relating to our financial reporting, accounting, internal accounting controls or auditing will be referred to the chair of the Audit Committee. Other communications may be referred to the directors as a group, or to an individual director, as appropriate.

**Securities Beneficially Owned by Certain Persons**

At the close of business on July 6, 2005, there were issued and outstanding 26,197,515 shares of our Common Stock entitled to cast 26,197,515 votes. On July 6, 2005, the closing price of our Common Stock as reported on the Nasdaq National Market was \$8.74 per share. The following table provides information, as of July 6, 2005, with respect to the beneficial ownership of our Common Stock by:

each person known by us to be the beneficial owner of five percent or more of our Common Stock;

each of our directors and nominees for director;

each of our named executive officers in the Summary Compensation Table under Executive Compensation below; and

all of our current directors and executive officers as a group.

This information is based upon information received from or on behalf of the individuals named therein.

Name (1)	Shares beneficially owned					
	Outstanding		Right to acquire (2)		Total	Percentage
Henri A. Termeer (3)	2,337,243		53,000		2,390,243	9.1%
Genzyme Corporation 500 Kendall Street Cambridge, MA 02139	2,307,692				2,307,692	8.8%
Dr. David M. Lederman (4) c/o Analytical LLC 100 Cummings Center Suite 323A P.O. Box 7015 Beverly, MA 01915	1,737,250		322,500		2,059,750	7.8%
Paul B. Fireman	399,756		53,000		452,756	1.7%
Dr. Robert T.V. Kung (5)	204,228		176,800		381,028	1.4%
John F. O'Brien	139,902		53,000		192,902	*
Desmond H. O'Connell, Jr.	49,319		78,000		127,319	*
Michael R. Minogue	26,050		100,000		126,050	*
Dr. W. Gerald Austen	23,200		53,000		76,200	*
Dorothy E. Puhly	2,943		23,000		25,943	*
Christopher D. Macdonald	227		15,000		15,227	*
David Gottlieb	1,569		13,000		14,569	*

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Dr. Karim Benali			12,500		12,500		*
Javier Jimenez			10,000		10,000		*
All current executive officers and directors as a group (14 persons) (3)(5)(6)	3,188,816		827,976		4,016,792		14.6%

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\* Less than one percent.

- (1) Unless otherwise noted, each person identified possesses sole voting and investment power over the shares listed.
- (2) Includes options that will become exercisable within 60 days.
- (3) Includes 2,307,692 shares held by Genzyme Corporation, as to which Mr. Termeer disclaims beneficial ownership. Mr. Termeer is the Chief Executive Officer of Genzyme.
- (4) Dr. Lederman is our former President, Chief Executive Officer and Chairman. Includes 955,971 shares held by Dr. Lederman's spouse, as to which Dr. Lederman disclaims beneficial ownership.
- (5) Includes 100,200 shares held in trust by Dr. Kung's spouse, as to which Dr. Kung disclaims beneficial ownership, and 104,028 shares held in trust for the benefit of Dr. Kung.
- (6) Includes the following shares owned by the following executive officers: William J. Bolt 2,000 and Charles B. Haaser 2,379. Includes the following shares subject to currently exercisable options held by the following executive officers (includes options that will become exercisable within 60 days of July 6, 2005): William J. Bolt 158,026 and Charles B. Haaser 32,029.

## Executive Compensation

The following table sets forth the compensation during the last three fiscal years of (i) our President, Chief Executive Officer and Chairman of the Board, Michael R. Minogue, (ii) our former Chief Executive Officer, Dr. David M. Lederman who served as our Chief Executive Officer for the fiscal years 2003-2004 and for fiscal year 2005 through and including April 4, 2004, and (iii) our four most highly compensated executive officers other than our Chief Executive Officer who were serving as executive officers at the end of our most recently completed fiscal year. We refer to these officers collectively as our named executive officers. Messrs. Minogue, Benali, Jimenez and Macdonald all joined us during fiscal year 2005 and accordingly, had no compensation for fiscal years 2003 and 2004. The options granted during fiscal 2005 are set forth in the table below.

### Summary Compensation Table

Name and Principal Position	Fiscal Year Ended 3/31	Annual Compensation					Long-Term Compensation Awards			All Other Compensation \$(2)
		Salary(\$)	Bonus(\$)	Other Annual Compensation (\$)	Restricted Stock Award(s) \$(1)	Securities Under-Lying Options (#)				
Michael R. Minogue Chairman of the Board, President and Chief Executive Officer	2005	\$ 322,508	\$ 327,500	\$	\$ 259,200	400,000	\$	475,491		
Dr. David M. Lederman	2005	\$ 200,000	\$	\$	\$	50,000	\$	30,240		
Former Chairman of the Board,	2004	312,000	156,000					30,643		
Former President and Former Chief Executive Officer	2003	309,000	46,800			50,000		36,170		
Dr. Karim Benali Vice President Product Development	2005	\$ 113,949	\$ 140,000	\$	\$	105,000	\$	57,017		
Javier Jimenez Vice President - Operations	2005	\$ 154,100	\$ 135,000	\$	\$	80,000	\$	9,641		
Dr. Robert T.V. Kung	2005	\$ 217,000	\$ 50,000	\$	\$	20,000	\$	5,694		
Senior Vice President - Chief Scientific Officer	2004	208,000	75,000			16,000		4,602		
	2003	206,000	40,000			50,000		7,370		
Christopher D. Macdonald Senior Vice President - Global Sales and Applications	2005	\$ 167,833	\$ 165,000	\$	\$	115,000	\$	48,820		

(1) As of March 31, 2005, there were a total of 24,000 shares of restricted stock held by all of the named executive officers. The value of these shares as of the close of business on March 31, 2005 was \$253,920. Dividends will be

paid on the restricted stock to the same extent, if any, that dividends are paid on our common stock. We have not historically paid dividends on our common stock and do not anticipate doing so in the near future.

(2) Includes for the fiscal year ended March 31, 2005: (a) the following matching contributions to the ABIOMED Retirement Savings Plan for fiscal 2005: Dr. Lederman - \$1,500; Mr. Jimenez - \$1,500; Dr. Kung - \$1,500 and Mr. Macdonald - \$1,500; (b) the following life insurance premiums paid for term life insurance in fiscal 2005: Mr. Minogue - \$648; Dr. Lederman - \$28,241; Dr. Benali - \$206; Mr. Jimenez - \$296; Dr. Kung -



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\$3,041 and Mr. Macdonald - \$336; (c) the following long-term disability insurance premiums for fiscal 2005: Mr. Minogue - \$1,427; Dr. Lederman - \$499; Dr. Benali - \$526; Mr. Jimenez - \$712; Dr. Kung - \$1,003 and Mr. Macdonald - \$775; (d) the following award paid in fiscal 2005 in connection with a newly issued patent: Dr. Kung - \$150; and (e) the following taxable relocation expenses: Mr. Minogue - \$473,416; Dr. Benali - \$56,285; Mr. Jimenez - \$7,133 and Mr. Macdonald - \$46,209.

Includes for the fiscal year ended March 31, 2004: (a) the following matching contributions to the ABIOMED Retirement Savings Plan for fiscal 2004: Dr. Lederman - \$1,500 and Dr. Kung - \$1,500; (b) the following life insurance premiums paid for term life insurance in excess of \$50,000 in fiscal 2004: Dr. Lederman - \$27,702 and Dr. Kung - \$2,141; and (c) the following long-term disability insurance premiums for fiscal 2004: Dr. Lederman - \$1,441 and Dr. Kung - \$961.

Includes for the fiscal year ended March 31, 2003: (a) the following matching contributions to the ABIOMED Retirement Savings Plan for fiscal 2003: Dr. Lederman - \$1,500 and Dr. Kung - \$1,500; (b) the following profit sharing allocations under the ABIOMED Retirement Savings Plan contributions paid in fiscal 2003, subject to applicable vesting based on years of service: Dr. Lederman - \$3,072 and Dr. Kung - \$3,072; (c) the following life insurance premiums paid for term life insurance in excess of \$50,000 in fiscal 2003: Dr. Lederman - \$30,203 and Dr. Kung - \$1,868; and (d) the following long-term disability insurance premiums for fiscal 2003: Dr. Lederman - \$1,395 and Dr. Kung - \$930.

The following tables set forth certain information with respect to option grants and exercises to the named executive officers.

### Option Grants in Last Fiscal Year

Number of Shares Underlying	Individual Grants	Potential Realizable Value at Assumed Annual Rates
	Percent of Total Options Granted to	