

ABIOMED INC
Form 424B5
August 20, 2008
Table of Contents

Filed Pursuant to Rule 424(b)(5)

Registration Statement No. 333-137746

PROSPECTUS SUPPLEMENT

(To Prospectus dated October 17, 2006)

2,419,932 Shares

ABIOMED, Inc.

COMMON STOCK

We are offering 2,419,932 shares of our common stock.

Our common stock is quoted on the NASDAQ Global Market under the symbol ABMD. The last reported sale price of our common stock on the NASDAQ Global Market on August 18, 2008 was \$18.89 per share.

*Investing in our common stock involves a high degree of risk. See **Risk Factors** beginning on page S-3.*

Edgar Filing: ABIOMED INC - Form 424B5

The underwriter has agreed to purchase the shares of common stock from us at a price of \$17.3788 per share, which will result in approximately \$41.7 million of net proceeds to us, after estimated expenses.

The underwriter may offer the shares of common stock from time to time in one or more transactions on the NASDAQ Global Market, in the over-the-counter market or through negotiated transactions at market prices or at negotiated prices. Essex Woodlands Health Ventures, a substantial stockholder, has expressed interest in purchasing up to \$10 million of shares in this offering. Please see Underwriting.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Morgan Stanley & Co. Incorporated expects to deliver the shares to purchasers on August 22, 2008.

MORGAN STANLEY

August 18, 2008

Table of Contents**TABLE OF CONTENTS**

	Page
PROSPECTUS SUPPLEMENT	
<u>About this Prospectus Supplement</u>	i
<u>Prospectus Supplement Summary</u>	S-1
<u>Risk Factors</u>	S-3
<u>Special Note Regarding Forward-Looking Statements</u>	S-4
<u>Use of Proceeds</u>	S-5
<u>Dilution</u>	S-6
<u>Underwriting</u>	S-7
<u>Legal Matters</u>	S-10
<u>Experts</u>	S-10
<u>Where You Can Find More Information</u>	S-11

PROSPECTUS

Summary	1
Risk Factors	3
Special Note Regarding Forward-Looking Statements	5
How We Intend to Use the Proceeds	5
Description of Capital Stock	6
Plan of Distribution	10
Where You Can Find More Information	13
Legal Matters	14
Experts	14
Abiomed, Inc. and Subsidiaries Consolidated Financial Statements	F-1
<p>ABIOMED and ABIOCOR are trademarks of ABIOMED, Inc., and are registered in the U.S.A. and certain foreign countries. BVS is a trademark of ABIOMED, Inc. and is registered in the U.S.A. AB5000 is a trademark of ABIOMED, Inc. IMPELLA and RECOVER are trademarks of Abiomed Europe GmbH, a subsidiary of ABIOMED, Inc., and are registered in the U.S.A. and certain foreign countries. This prospectus supplement may also include trademarks of companies other than ABIOMED.</p>	

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement and the accompanying prospectus are part of a shelf registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or the SEC. This prospectus supplement describes the specific details regarding this offering, including the price, the amount of common stock being offered and the risks of investing in our common stock. The accompanying prospectus provides more general information. To the extent information in this prospectus supplement is inconsistent with the accompanying prospectus or any of the documents incorporated by reference into this prospectus supplement or the accompanying prospectus, you should rely on this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus together with the additional information about us described in the section entitled "Where You Can Find More Information."

Table of Contents

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights only some of the information included or incorporated by reference in this prospectus supplement and the accompanying prospectus. You should read the entire prospectus supplement and the entire accompanying prospectus carefully, including the section entitled Risk Factors beginning on page S-3 regarding our company and the common stock being sold in this offering.

Overview

We are a leading provider of medical devices in circulatory support, and we offer a continuum of care in heart recovery to acute heart failure patients. Our strategy is focused on establishing heart recovery as the goal for all acute cardiac attacks. Our products are designed to enable the heart to rest, heal and recover by improving blood flow and/or performing the pumping function of the heart. We believe we are the only company with commercially available cardiac assist devices approved for heart recovery from all causes by the U.S. Food and Drug Administration, or FDA, and our products have been used to treat thousands of patients to date. Our products can be used in a broad range of clinical settings, including by heart surgeons for patients in profound shock and by interventional cardiologists for patients who are in shock, pre-shock or in need of prophylactic support in the cardiac catheterization lab, or cath lab. Our circulatory care products are designed to provide hemodynamic support for acute patients from the cath lab to the surgery suite, with a goal of heart recovery and sending the patient home with his or her native heart. We believe heart recovery is the optimal clinical outcome for patients because it provides a better quality of life than alternatives. In addition, we believe heart recovery is the most cost-effective path for the healthcare system. Since 2004, our executive team has focused our efforts on expanding our product portfolio. We have significantly increased our product portfolio, which now includes several circulatory care products that either have been approved or cleared by the FDA in the U.S., have received CE mark approval in Europe, or have received registration or regulatory approval in numerous other countries. We also have additional new circulatory care products under development.

Our Corporate Information

We are a Delaware corporation and commenced operations in 1981. Our principal executive offices are located at 22 Cherry Hill Drive, Danvers, Massachusetts 01923, and our telephone number is (978) 777-5410. Our web address is www.abiomed.com. We make available free of charge through the Investors section of our website all reports that we file with the Securities and Exchange Commission. We do not incorporate the information on our website into this prospectus supplement, and you should not consider it part of this prospectus supplement.

Risk Factors

You should read the Risk Factors section of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement for a discussion of factors to consider before deciding to purchase shares of our common stock.

Table of Contents

The Offering

Common stock offered by ABIOMED, Inc.	2,419,932 shares
Common stock to be outstanding after the offering	36,603,422 shares
Use of proceeds	We intend to use the net proceeds from the sale of our securities to expand our global sales and distribution, to complete clinical studies and regulatory processes, to invest in research and development to continue to broaden our portfolio of products across the continuum of care, and for working capital and general corporate purposes, including, without limitation, capital expenditures and making acquisitions of assets, businesses or securities.
NASDAQ Global Market symbol	ABMD

The number of shares of common stock to be outstanding after the offering is based on the number of shares outstanding as of August 15, 2008 and reflects our sale of 2,419,932 shares of common stock in this offering. This number excludes:

options outstanding on August 15, 2008 to purchase 4,627,372 shares of common stock at a weighted average exercise price of \$12.34 per share;

options and other stock awards with respect to an additional 1,510,814 shares of common stock that may be granted under our stock incentive plans after August 15, 2008; and

209,068 shares of common stock issuable under our employee stock purchase plan after August 15, 2008.

Table of Contents

RISK FACTORS

An investment in our common stock involves a high degree of risk. Before making an investment decision, you should carefully consider the risks described under "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended March 31, 2008, our Quarterly Report on Form 10-Q for our fiscal quarter ended June 30, 2008, and our current report on Form 8-K filed on August 18, 2008, as well as all of the other information contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus, including our financial statements and related notes. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties of which we are unaware or that we currently deem immaterial may also adversely affect our business. If any of these risks materializes, the trading price of our common stock could fall and you might lose all or part of your investment.

S-3

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The SEC encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This prospectus supplement contains such forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this prospectus supplement, and they may also be made a part of this prospectus supplement by reference to other documents filed with the SEC, which is known as incorporation by reference.

Words such as may, anticipate, estimate, expects, projects, intends, plans, believes and words and terms of similar substance used in with any discussion of future operating or financial performance identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of assumptions, risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks include, but are not limited to, the assumptions, risks and uncertainties set forth in Risk Factors, beginning on page S-3 of this prospectus supplement, as well as those set forth in our other SEC filings incorporated by reference herein.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this prospectus supplement, the accompanying prospectus or any document incorporated by reference might not occur. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this prospectus supplement, the date of the accompanying prospectus or the date of the document incorporated by reference. We do not undertake any obligation to update or alter any forward-looking statements, whether as a result of new information, future events or otherwise. All subsequent forward-looking statements attributable to us or to any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

Table of Contents

USE OF PROCEEDS

We estimate that our net proceeds from the sale of the 2,419,932 shares of common stock we are offering will be approximately \$41.7 million, after deducting the underwriting discounts and commissions and estimated offering expenses we expect to pay.

We intend to use the net proceeds from the sale of our securities to expand our global sales and distribution, to complete clinical studies and regulatory processes, to invest in research and development to continue to broaden our portfolio of products across the continuum of care, and for working capital and general corporate purposes, including, without limitation, capital expenditures and making acquisitions of assets, businesses or securities. However, we do not have any agreements or commitments for any specific acquisitions at this time. Pending the application of our net proceeds, we intend to invest our net proceeds in short-term, investment-grade securities, interest-bearing securities, or guaranteed obligations of the United States or its agencies.

S-5

Table of Contents**DILUTION**

If you invest in our common stock in this offering, your ownership interest will be diluted to the extent of the difference between the price per share you pay and the net tangible book value per share of our common stock after this offering. Our net tangible book value on June 30, 2008 was approximately \$50.6 million, or \$1.50 per share. Net tangible book value is equal to our total assets at June 30, 2008 minus the sum of our liabilities, intangible assets and goodwill at June 30, 2008. Net tangible book value per share is net tangible book value divided by the total number of shares of our common stock outstanding on June 30, 2008.

Investors participating in this offering will incur immediate, substantial dilution. After giving effect to adjustments relating to the offering, our adjusted net tangible book value on June 30, 2008 would have been \$92.2 million, or \$2.55 per share. The adjustments made to determine adjusted net tangible book value per share consist of:

an increase in total assets to reflect the estimated net proceeds to us of the offering as described under Use of Proceeds, and

the addition of the number of shares offered by us in this prospectus supplement to the number of shares outstanding.

The following table illustrates the increase in net tangible book value of \$1.05 per share and the estimated dilution (the difference between the maximum public offering price per share and the adjusted net tangible book value per share) to new investors:

Maximum public offering price per share	\$ 18.89
Net tangible book value per share as of June 30, 2008	\$ 1.50
Increase in net tangible book value per share attributable to the offering	1.05
Adjusted net tangible book value per share as of June 30, 2008 after giving effect to the offering	2.55
Estimated dilution per share to new investors in the offering	\$ 16.34

The preceding discussion and table assume no exercise of any stock options outstanding as of June 30, 2008. As of June 30, 2008, there were outstanding options to purchase a total of 4,538,564 shares of common stock at a weighted average exercise price of \$11.98 per share. To the extent any of these options are exercised, there will be further dilution to new investors.

Table of Contents

UNDERWRITING

We are offering the shares of common stock described in this prospectus through Morgan Stanley & Co. Incorporated. We have entered into an underwriting agreement with the underwriter. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriter, and the underwriter has agreed to purchase all of the 2,419,932 shares of common stock offered hereby.

The underwriter is committed to purchase all the common shares offered by us if it purchases any shares.

The underwriter proposes to offer the shares of common stock from time to time for sale in one or more transactions on The NASDAQ Global Market, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of the sale, at prices related to prevailing market prices or at negotiated prices, subject to receipt and acceptance by it and subject to its right to reject any order in whole or in part. In connection with the sale of the shares of common stock offered hereby, the underwriter may be deemed to have received compensation in the form of underwriting discounts. The underwriter may effect such transactions by selling shares of the common stock offered hereby to or through dealers, and such dealers may receive compensation in the form of discounts, concessions or commissions from the underwriter and/or purchasers of shares of common stock for whom they may act as agents or to whom they may sell as principal. The maximum commission or discount to be received by the underwriter for the sale of the common stock in the offering will not be greater than that permitted by the Financial Industry Regulatory Authority.

Essex Woodlands Health Ventures, a substantial stockholder, has expressed an interest in purchasing up to \$10 million of shares in this offering. One of our directors is a managing director of Essex Woodlands Health Ventures.

We estimate that the total expenses of this offering payable by us, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately \$400,000.

We have agreed that we will not (i) offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, or file with the Securities and Exchange Commission a registration statement under the Securities Act relating to, any shares of our common stock or securities convertible into or exchangeable or exercisable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock, or such other securities, in cash or otherwise), in each case without the prior written consent of Morgan Stanley & Co. Incorporated for a period of 90 days after the date of this prospectus. Notwithstanding the foregoing, if (1) during the last 17 days of the 90-day restricted period, we issue an earnings release or material news or a material event relating to our company occurs; or (2) prior to the expiration of the 90-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 90-day period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event. The foregoing restrictions generally do not apply to grants or issuances pursuant to our equity compensation plans or compliance with our existing obligations.

Table of Contents

Our directors and executive officers and Essex Woodlands Health Ventures entered into lock-up agreements with the underwriter pursuant to which each of these persons or Essex Woodlands Health Ventures, with limited exceptions, for a period of 90 days after the date of this prospectus, may not, without the prior written consent of Morgan Stanley & Co. Incorporated, (1) offer, pledge, announce the intention to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or (2) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the common stock, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of common stock or such other securities, in cash or otherwise. Notwithstanding the foregoing, if (1) during the last 17 days of the 90-day restricted period, we issue an earnings release or material news or a material event relating to our company occurs; or (2) prior to the expiration of the 90-day restricted period, we announce that we will release earnings results during the 16-day period beginning on the last day of the 90-day period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

We have agreed to indemnify the underwriter against certain liabilities, including liabilities under the Securities Act of 1933.

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of the common stock, which involves the sale by the underwriter of a greater number of shares of common stock than it is required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. A short position is more likely to be created if the underwriter is concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriter creates a short position, it will purchase shares in the open market to cover the position.

The underwriter has advised us that, pursuant to Regulation M of the Securities Act of 1933, it may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriter commences these activities, it may discontinue them at any time. The underwriter may carry out these transactions on The NASDAQ Global Market, in the over-the-counter market or otherwise.

In addition, in connection with this offering the underwriter may engage in passive market making transactions in our common stock on The NASDAQ Global Market prior to the pricing and completion of this offering. Passive market making consists of displaying bids on The NASDAQ Global Market no higher than the bid prices of independent market makers and making purchases at prices no higher than these independent bids and effected in response to order flow. Net purchases by a passive market maker on each day are generally limited to a specified percentage of the passive market maker's average daily trading volume in the common stock during a specified period and must be discontinued when such limit is reached. Passive market making may cause the price of our common stock to be higher than the price that otherwise would exist in the open market in the absence of these transactions. If passive market making is commenced, it may be discontinued at any time.

The underwriter has represented that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000

Table of Contents

(FSMA) received by it in connection with the issue or sale of any common stock in circumstances in which Section 21(1) of the FSMA does not apply to us and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), the underwriter has represented and agreed that with effect from and including the date on which the European Union Prospectus Directive (the EU Prospectus Directive) is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of common stock to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the EU Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

to fewer than 100 natural or legal persons (other than qualified investors as defined in the EU Prospectus Directive) subject to obtaining the prior consent of the book-running manager for any such offer; or

in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the EU Prospectus Directive.

For the purposes of this provision, the expression an offer of shares to the public in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Member State by any measure implementing the EU Prospectus Directive in that Member State and the expression EU Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

The underwriter and its affiliates have provided to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their respective businesses, for which they have received and may continue to receive customary fees and commissions. In addition, from time to time, the underwriter and its affiliates may effect transactions for their own accounts or the accounts of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Table of Contents

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus supplement will be passed upon for us by Foley Hoag LLP, Boston, Massachusetts. A partner at Foley Hoag is our secretary, and he and other partners beneficially own, together with their immediate families, approximately 10,000 shares of our common stock. Certain legal matters will be passed upon for the underwriters by Latham & Watkins LLP, Washington, District of Columbia.

EXPERTS

The March 31, 2008 and 2007 consolidated financial statements, the related financial statement schedule, incorporated in this prospectus supplement and the accompanying prospectus by reference to our Annual Report on Form 10-K for the year ended March 31, 2008, and the effectiveness of our internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference, which reports (1) express an unqualified opinion on the financial statements and financial statement schedule and include explanatory paragraphs referring to the adoption of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes an Interpretation of Financial Accounting Standards Board Statement No. 109, effective April 1, 2007, and the change in method of accounting for share-based payments upon adoption of Financial Accounting Standards Board Statement No. 123R, Share-Based Payment, effective April 1, 2006, and (2) express an unqualified opinion on the effectiveness of internal control over financial reporting. Such financial statements and financial statement schedule have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

The financial statements for the year ended March 31, 2006 incorporated in this prospectus supplement and the accompanying prospectus by reference to the Annual Report on Form 10-K for the year ended March 31, 2008 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

Table of Contents

WHERE YOU CAN FIND MORE INFORMATION

Available Information

We file annual reports, quarterly reports, current reports, proxy statements and other information with the SEC. You may read and copy any of our SEC filings at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. You may call the SEC at 1-800-SEC-0330 for further information about the Public Reference Room. Our SEC filings are also available to the public on the SEC's web site at <http://www.sec.gov>.

Our principal internet address is www.abiomed.com. Information contained on our website is not incorporated by reference into this prospectus supplement or the accompanying prospectus and, therefore, is not part of this prospectus supplement or the accompanying prospectus.

Information Incorporated by Reference

The SEC allows us to incorporate by reference information from some of our other SEC filings. This means that we can disclose information to you by referring you to those other filings, and the information incorporated by reference is considered to be part of this prospectus. In addition, some information that we file with the SEC after the date of this prospectus will automatically update, and in some cases supersede, the information contained or otherwise incorporated by reference in this prospectus. The following documents, which we filed with the Securities and Exchange Commission, are incorporated by reference in this registration statement:

- (a) Our annual report on Form 10-K for the fiscal year ended March 31, 2008 (as filed on June 16, 2008);
- (b) Our quarterly report on Form 10-Q for the fiscal quarter ended June 30, 2008 (as filed on August 11, 2008);
- (c) Our current report on Form 8-K dated May 22, 2008 (as filed on May 22, 2008);
- (d) Our current report on Form 8-K dated May 23, 2008 (as filed on May 30, 2008);
- (e) Our current report on Form 8-K dated June 2, 2008 (as filed on June 2, 2008);
- (f) Our current report on Form 8-K dated June 20, 2008 (as filed on June 26, 2008);
- (g) Our current report on Form 8-K dated June 27, 2008 (as filed on July 2, 2008);
- (h) Our current report on Form 8-K dated June 30, 2008 (as filed on July 2, 2008);
- (i) Our current report on Form 8-K dated June 27, 2008 (as filed on July 3, 2008);
- (j) Our current report on Form 8-K dated July 25, 2008 (as filed on July 30, 2008);

Edgar Filing: ABIOMED INC - Form 424B5

- (k) Our current report on Form 8-K dated July 31, 2008 (as filed on August 6, 2008);
- (l) Our current report on Form 8-K dated August 13, 2008 (as filed on August 18, 2008);
- (m) Our current report on Form 8-K dated August 18, 2008 (as filed on August 18, 2008);

S-11

Table of Contents

(n) Portions of our proxy statement on Schedule 14A filed with the SEC on July 9, 2008 that have been incorporated by reference into our annual report on Form 10-K; and

(o) The description of our common stock contained in our registration statement on Form 8-A filed with the SEC under Section 12 of the Securities Exchange Act of 1934, including any amendment or report filed for the purpose of updating such description.

Also incorporated by reference into this prospectus supplement and the accompanying prospectus are all documents that we may file with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Exchange Act after the date of this prospectus supplement and before we stop offering the securities described in this prospectus supplement. These documents include periodic reports, such as annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K, as well as proxy statements. Pursuant to General Instruction B of Form 8-K, any information submitted under Item 2.02, Results of Operations and Financial Condition, or Item 7.01, Regulation FD Disclosure, of Form 8-K is not deemed to be filed for the purpose of Section 18 of the Exchange Act, and we are not subject to the liabilities of Section 18 with respect to information submitted under Item 2.02 or Item 7.01 of Form 8-K. We are not incorporating by reference any information submitted under Item 2.02 or Item 7.01 of Form 8-K into any filing under the Securities Act or the Exchange Act or into this prospectus. Any statement, whether contained herein or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement, contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement.

You may request copies of these filings, at no cost, by writing to or calling our Investor Relations department at:

ABIOMED, Inc.

22 Cherry Hill Drive

Danvers, Massachusetts 01923

Telephone: (978) 777-5410

Table of Contents

PROSPECTUS

ABIOMED, Inc.
7,500,000 Shares of
Common Stock

By this prospectus, we may offer up to 7,500,000 shares of our common stock from time to time. We may offer the common stock to or through underwriters or dealers, through agents or directly to investors. We will provide a prospectus supplement each time we offer common stock. The prospectus supplement will inform you about the specific terms of an offering and may also supplement, update or change the information in this prospectus.

This prospectus may not be used to complete sales of common stock unless it is accompanied by a prospectus supplement.

Our common stock trades on the NASDAQ Global Market under the symbol ABMD. The last reported sale price of our common stock on the NASDAQ Global Market on September 28, 2006 was \$15.09 per share.

Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page 3.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Unless the context otherwise requires, all references to ABIOMED, we, our, us or our company in this prospectus refer to ABIOMED, Inc., Delaware corporation and its subsidiaries.

The date of this prospectus is October 17, 2006.

Table of Contents**TABLE OF CONTENTS**

	Page
<u>SUMMARY</u>	1
<u>RISK FACTORS</u>	3
<u>SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS</u>	5
<u>HOW WE INTEND TO USE THE PROCEEDS</u>	5
<u>DESCRIPTION OF CAPITAL STOCK</u>	6
<u>PLAN OF DISTRIBUTION</u>	10
<u>WHERE YOU CAN FIND MORE INFORMATION</u>	13
<u>LEGAL MATTERS</u>	14
<u>EXPERTS</u>	14

ABIOMED, INC. AND SUBSIDIARIES CONSOLIDATED FINANCIAL STATEMENTS

You should rely on the information contained in this prospectus, in any applicable prospectus supplement and in the documents incorporated by reference in this prospectus. We have not authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not making an offer to sell these securities in any jurisdiction where their offer or sale is not permitted. You should assume that the information appearing in this prospectus is accurate only at the date on the front cover of this prospectus, regardless of the time of delivery of this prospectus or of any sale of the securities. Our business, financial condition, results of operations and prospects may have changed since the date indicated on the front cover of this prospectus.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, and reference is made to the actual documents filed with the United States Securities and Exchange Commission, or SEC, for complete information. Copies of some of the documents referred to herein have been filed, will be filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under **Where You Can Find More Information**.

ABIOMED and ABIOCOR are trademarks of ABIOMED, Inc., and are registered in the U.S.A. and certain foreign countries. BVS is a trademark of ABIOMED, Inc. and is registered in the U.S.A. AB5000 is a trademark of ABIOMED, Inc. IMPELLA and RECOVER are trademarks of Abiomed Europe GmbH, a subsidiary of ABIOMED, Inc., and are registered in the U.S.A. and certain foreign countries. This prospectus may also include trademarks of companies other than ABIOMED.

Table of Contents

SUMMARY

This summary is a brief discussion of material information contained in, or incorporated by reference into, this prospectus as further described below under **Where You Can Find More Information**. This summary does not contain all of the information that you should consider before investing in our common stock being offered by this prospectus. We urge you to read carefully this entire prospectus, the documents incorporated by reference into this prospectus and all applicable prospectus supplements relating to our common stock before making an investment decision.

About this Prospectus

This prospectus is part of a registration statement that we filed with the SEC using a shelf registration process. Under this shelf registration process, we may sell up to 7,500,000 shares of common stock in one or more offerings on a delayed or continuous basis.

This prospectus provides a general description of the common stock we may offer. Each time we offer common stock, we will provide a prospectus supplement that will contain specific information about the terms of the offering. The prospectus supplement may also supplement, update or change the information in this prospectus. In that event, the information in the prospectus supplement will supersede the information in this prospectus.

This prospectus and the applicable prospectus supplement will include all material information regarding an offering. This prospectus may not be used to complete sales of common stock unless it is accompanied by a prospectus supplement.

You should read this prospectus, the applicable prospectus supplement and the additional information described under the heading **Where You Can Find More Information** beginning on page 13.

About ABIOMED, Inc.

We are a leading provider of medical products and services in the area of circulatory care. Our strategy is centered around establishing recovery as the standard of care for acute patients. We have two products designed for heart recovery following acute events, the AB5000 and BVS 5000, both of which have been approved by the FDA. Our AB5000 Circulatory Support System is a heart assist product designed to provide enhanced patient mobility within and between medical centers, to facilitate patient ambulation and to provide enhanced features and ease of use for caregivers. The AB5000 console serves as a platform for ongoing and future blood pump product line enhancements expected to meet patient needs across a broader spectrum of temporary heart assist applications. Our AB5000 marketing efforts were initially focused on introducing the system in the largest cardiothoracic surgical centers through sales of consoles and blood pumps. It is our intention to seek expansion of the current approved indications for use of the AB5000 in order to allow support of expanded patient populations for longer periods of support.

The BVS and AB5000 systems each consist of single-use external blood pumps and cannulae and a reusable pneumatic drive and control console. Both are capable of assuming the full pumping function of a patient's failing heart, and are designed to provide either univentricular or biventricular support. Both are currently approved by the FDA for temporary use while the patient's heart is allowed to rest, heal and recover. The AB5000 console is capable of controlling both the BVS and the AB5000 blood pumps and ventricles and a patient can be switched from a BVS VAD to an AB5000 VAD without surgery due to the compatible design of the cannulae used with the products.

Table of Contents

Our AbioCor is a battery-powered totally implantable replacement heart system, designed to operate without wires or any other material penetrating the patient's skin. We applied for and have received initial FDA market approval for the AbioCor to treat a defined subset of irreversible end-stage heart failure patients under a Humanitarian Device Exemption (HDE). The FDA decision was completed after extensive review of the clinical testing of the AbioCor, beginning with clinical trials that started in 2001 under an Investigational Device Exemption. As a result of this approval, the AbioCor will be available to a limited patient population in the United States, with no more than 4,000 patients receiving the technology each year.

Through our Germany operations, we manufacture, sell and support our Impella products, which include the world's smallest micro blood pumps. These high-performance, minimally invasive pumps feature integrated motors and sensors for use in interventional cardiology and heart surgery. Our Recover System pumps are designed to provide ventricle support for patients requiring hemodynamic stabilization, or suffering from reduced cardiac output and can potentially aid in recovering the hearts of patients suffering from acute myocardial infarction (AMI or Heart Attack). Currently several of the Impella Recover devices, including the 5.0 catheter-based circulatory support system, the 2.5 minimally invasive ventricular assist device, the LD left ventricular unloading catheter, and the RD right ventricular unloading catheter, have the CE mark and we market each of these devices throughout Europe. We intend to seek FDA approval to sell the Recover System blood pumps in the United States. We also intend to seek regulatory approval in other countries in order to address wider market opportunities for circulatory care.

In May 2006, we received FDA approval to commence our pilot clinical trial immediately in the United States for the Impella 2.5 ventricular assist device. The indication for use is as a left ventricular assist device providing support for up to five days during high-risk angioplasty. Angioplasty, performed in the catheterization lab, is the insertion of a catheter-guided balloon that is used to open a narrowed coronary artery. A stent (a wire-mesh tube that expands to hold the artery open) is usually placed at the narrowed section. An angioplasty is considered high-risk if the patient has poor cardiac function and the procedure is performed on an unprotected left main coronary artery lesion or the last patent coronary conduit. It is estimated that 5 to 10 percent of the approximately one million annual U.S. angioplasty cases are high-risk.

In June 2006, we received conditional FDA approval to commence immediately a pilot clinical trial in the United States for the Impella 5.0. This system is already available in Europe, where it has been used to treat more than 250 patients in need of cardiac support resulting from postcardiotomy cardiogenic shock, myocarditis, low cardiac output post-acute myocardial infarction, post-coronary intervention procedures, or as a bridge to other circulatory support devices, including our AB5000 and BVS 5000 Circulatory Support Systems.

We are a Delaware corporation, incorporated in 1981, with our principal executive offices located at 22 Cherry Hill Drive, Danvers, Massachusetts 01923. We commenced operations in 1981. Our telephone number is (978) 777-5410 and our web address is www.abiomed.com. We make available free of charge through the Investor section of our website, all reports filed with the Securities and Exchange Commission. We include our website address in this prospectus only as an inactive textual reference and do not intend it to be an active link to our website.

Table of Contents

RISK FACTORS

Investing in our common stock involves a high degree of risk. In addition to the risks detailed below, please see the risk factors described under the heading "Risk Factors" in our annual report on Form 10-K for the fiscal year ended March 31, 2006, which is incorporated by reference in this prospectus.

Before making an investment decision, you should carefully consider these risks as well as the other information we include or incorporate by reference in this prospectus, including our consolidated financial statements and the related notes. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties of which we are unaware or that we currently deem immaterial may also adversely affect our business operations. If any of these risks materializes, the trading price of our common stock could fall and you might lose all or part of your investment.

This section includes or refers to forward-looking statements; you should read the explanation of the qualifications and limitations on such forward-looking statements discussed elsewhere in this prospectus.

Risks Related to a Common Stock Offering

Management has broad discretion over the use of proceeds of an offering pursuant to this prospectus and could apply the proceeds to uses that do not increase our market value or improve our operating results.

Management has broad discretion over the use of proceeds of an offering pursuant to this prospectus including the use of proceeds for making acquisitions of assets, businesses or securities, share repurchases, repayment of debt, capital expenditures, and for working capital. We have not reserved or allocated the net proceeds for any specific purpose and our management will have considerable discretion in applying the net proceeds. We may use the remaining net proceeds for purposes that do not result in any increase in our market value or improve our results of operations.

The market price of our common stock is volatile.

The market price of our common stock has fluctuated widely and may continue to do so. For example, from August 30, 2005 to August 30, 2006 the price of our stock ranged from a high of \$14.62 per share to a low of \$7.81 per share. Many factors could cause the market price of our common stock to rise and fall. Some of these factors are:

variations in our quarterly results of operations;

the status of regulatory approvals for our products;

the introduction of new products by us or our competitors;

acquisitions or strategic alliances involving us or our competitors;

changes in accounting principles;

changes in estimates of our performance or recommendations by securities analysts;

the hiring or departure of key personnel

future sales of shares of common stock in the public market; and

market conditions in the industry and the economy as a whole.

In addition, the stock market, at times, experiences significant price and volume fluctuations. These fluctuations are often unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of our common stock. When the market price of a company's

Table of Contents

stock drops significantly, stockholders often institute securities class action litigation against that company. Any litigation against us could cause us to incur substantial costs, divert the time and attention of our management and other resources, or otherwise harm our business.

The sale of material amounts of common stock could encourage short sales by third parties and depress the price of our common stock. As a result, you may lose part of your investment.

The downward pressure on our stock price caused by the sale of a significant number of shares of common stock pursuant to this prospectus could cause our stock price to decline, thus allowing short sellers of our stock an opportunity to take advantage of any decrease in the value of our stock. The presence of short sellers in our common stock may further depress the price of our common stock.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Securities and Exchange Commission, or SEC, encourages companies to disclose forward-looking information so that investors can better understand a company's future prospects and make informed investment decisions. This prospectus contains such forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may be made directly in this prospectus, and they may also be made a part of this prospectus by reference to other documents filed with the SEC, which is known as incorporation by reference.

Words such as may, anticipate, estimate, expects, projects, intends, plans, believes and words and terms of similar substance used in any discussion of future operating or financial performance, identify forward-looking statements. All forward-looking statements are management's present expectations of future events and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. These risks include, but are not limited to, the risks and uncertainties set forth in Risk Factors, beginning on page 3 of this prospectus, as well as those set forth in our other SEC filings incorporated by reference herein.

In light of these assumptions, risks and uncertainties, the results and events discussed in the forward-looking statements contained in this prospectus or in any document incorporated by reference might not occur. You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this prospectus or the date of the document incorporated by reference in this prospectus. We are not under any obligation, and we expressly disclaim any obligation, to update or alter any forward-looking statements, whether as a result of new information, future events, or otherwise. All subsequent forward-looking statements attributable to us or to any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.

HOW WE INTEND TO USE THE PROCEEDS

We intend to use the net proceeds from any sale of the securities for building our global distribution, investing in research and development to continue to broaden our portfolio of products across the clinical spectrum of circulatory care, and for general corporate purposes, including, without limitation, making acquisitions of assets, businesses, or securities, share repurchases, repayment of debt, capital expenditures, and for working capital. When particular securities are offered, the prospectus supplement relating thereto will set forth our intended use of the net proceeds we receive from the sale of the securities. Pending the application of the net proceeds, we intend to invest our net proceeds in short-term, investment-grade securities, interest-bearing securities, or guaranteed obligations of the United States or its agencies.

Based upon our historical and anticipated future growth and our financial needs, we may engage in additional financings of a character and amount that we determine as the need arises.

Table of Contents

DESCRIPTION OF CAPITAL STOCK

By this prospectus, we may offer, from time to time, in one or more offerings, up to 7,500,000 shares of our common stock. Our authorized capital stock consists of 100,000,000 shares of common stock, par value \$.01 per share, and 1,000,000 shares of preferred stock, par value \$.01 per share, of which 25,000 have been designated Series A Junior Participating Preferred Stock. The following summary description of our capital stock is qualified by reference to our restated certificate of incorporation and restated by-laws which are incorporated by reference into this prospectus. As of September 19, 2006, there were 26,692,319 shares of common stock and no shares of preferred stock issued and outstanding.

Common Stock

Holders of our common stock are entitled to one vote per share for each share held of record on all matters submitted to a vote of our stockholders. Subject to preferences that may be applicable to the holders of outstanding preferred stock, if any, the holders of common stock are entitled to receive whatever lawful dividends the board of directors may declare. In the event of a liquidation, dissolution, or winding up of our affairs, whether voluntary or involuntary, and subject to the rights of the holders of outstanding preferred stock, if any, the holders of common stock will be entitled to receive pro rata all of our remaining assets available for distribution to our stockholders. Our common stock has no preemptive, redemption, conversion, or subscription rights. All outstanding shares of common stock are fully paid and non-assessable.

Class B Preferred Stock

Our board of directors is authorized, subject to any limitations prescribed by Delaware law, without further stockholder approval, to issue from time to time up to an aggregate of 1,000,000 shares of Class B preferred stock, in one or more series. Our board of directors is also authorized, subject to the limitations prescribed by Delaware law, to establish the number of shares to be included in each series and to fix the designations, preferences, rights and any qualifications, limitations or restrictions of the shares of any series, including the dividend rights, dividend rates, conversion rights, voting rights, redemption terms and prices, liquidation preferences and the number of shares constituting any series. Our board of directors is authorized to issue preferred stock with voting, conversion and other rights and preferences that could adversely affect the voting power or other rights of the holders of common stock.

Series A Junior Participating Preferred Stock

As of September 19, 2006, we had no shares of preferred stock outstanding. As of September 19, 2006, 25,000 shares of our Series A junior participating preferred stock were reserved for issuance upon exercise of our preferred share purchase rights. For a description of the rights, designations and preferences of our Series A junior participating preferred stock and our preferred stock purchase rights see The Rights Plan below.

Anti-Takeover Effects of Provisions of our Restated Certificate of Incorporation and Restated By-Laws and Delaware Law

Delaware Anti-Takeover Law

Provisions of Delaware law and our restated certificate of incorporation and restated by-laws could make it more difficult to acquire us by means of a tender offer, a proxy contest, open market purchases, removal of incumbent directors and otherwise. These provisions, summarized below, are expected to discourage types of coercive takeover practices and inadequate takeover bids and to encourage persons seeking to acquire control of us to first negotiate with us. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging takeover or acquisition proposals because negotiation of these proposals could result in an improvement of their terms.

Table of Contents

We must comply with Section 203 of the Delaware General Corporation Law, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date the person became an interested stockholder, unless the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Generally, a business combination includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to an interested stockholder. An interested stockholder includes a person who, together with affiliates and associates, owns, or did own within three years before the determination of interested stockholder status, 15% or more of the corporation's voting stock. The existence of this provision generally will have an anti-takeover effect for transactions not approved in advance by the board of directors, including discouraging attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

Our by-laws establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of stockholders, including proposed nominations of candidates for election to our board of directors. These provisions may have the effect of deterring hostile takeovers or delaying changes in our control or management.

Classified Board of Directors

Our board of directors is divided into three classes designated as Class I, Class II and Class III, respectively. 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. Designation of a classified board of directors is permitted under Section 141(d) of the General Corporation Law of the State of Delaware. Our restated certificate of incorporation and restated by-laws require us to have at least three directors but no more than 12. Each class shall consist, as nearly may be possible, of one third of the number of directors constituting the entire board of directors. The principal purposes for a classified board of directors are to promote continuity and stability in the Company's leadership and policies and to encourage any persons who might wish to acquire the Company to negotiate with its management rather than to attempt to effect certain types of business combinations without the approval of management or of a substantial portion of the Company's stockholders.

Undesignated Preferred Stock

The authorization of our undesignated preferred stock makes it possible for our board of directors to issue our preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deferring hostile takeovers or delaying changes of control of our management.

The Rights Plan

Summary of the Rights Plan

In August 1997, we adopted a rights plan. Under the rights plan, we distributed one preferred stock purchase right as a dividend on each outstanding share of our common stock. The rights will expire on August 13, 2007, unless they are redeemed or exchanged before that time. Each right entitles the holder to purchase one one-thousandth of a share of our Series A junior participating preferred stock at a purchase price of \$90.00 per right, subject to adjustment.

If any person or group becomes the beneficial owner of 15% or more of the shares of our common stock, except in a tender or exchange offer for all shares at a fair price as determined by the outside members of the board of directors, each right not owned by the 15% stockholder will entitle its holder to purchase that number of shares of our common stock which equals the exercise price of the right divided by one-half of the market price of our common stock at the date of the occurrence of the event. In addition, if we are involved in a merger or other business combination transaction with another entity in which we are not the surviving corporation or in

Table of Contents

which our common stock is changed or converted, or if we sell or transfer 50% or more of our assets or earning power to another entity, each right will entitle its holder to purchase a number of shares of common stock of the other entity that equals the exercise price of the right divided by one-half of the market price of that common stock at the date of the occurrence of the event.

The rights will not be exercisable until:

ten days after the public announcement that a person or group has become an acquiring person by obtaining beneficial ownership of 15% or more of our outstanding common stock or, if earlier,

ten business days (or a later date determined by our board of directors before any person or group becomes an acquiring person) after a person or group begins, or announces an intention to begin, a tender or exchange offer that, if completed, would result in that person or group becoming an acquiring person.

We generally will be entitled to redeem the rights at \$.001 per right at any time until the tenth business day following public announcement that a 15% stock position has been acquired and in specified other circumstances. The terms of our rights plan may be amended by our board of directors without the consent of the holders of our rights. After a person or group becomes an acquiring person, our board of directors may not amend the agreement in a way that adversely affects holders of our rights.

The purpose of the rights plan is to protect our stockholders from coercive or otherwise unfair takeover tactics. In general terms, our rights agreement works by imposing a significant penalty upon any person or group that acquires 15% or more of all of our outstanding common stock, without the approval of our board of directors. The rights have anti-takeover effects. The rights should not interfere with any merger or other business combination approved by the board, since we may redeem the rights at \$.001 per right.

Please note that the above description is only a summary of our rights plan, is not complete, and should be read together with our entire rights agreement, which has been publicly filed as an exhibit to our Form 8-A filed with the SEC on August 25, 1997, and is incorporated herein by reference.

Our Series A Junior Participating Preferred Shares

Each one one-thousandth of a share of our Series A junior participating preferred stock, if issued:

will not be redeemable;