

ABIOMED INC
Form 11-K
June 29, 2011
Table of Contents

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 11-K

ANNUAL REPORT

PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

X ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For fiscal year ended December 31, 2010

.. TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____

Commission file number : 02-20584

ABIOMED Retirement Savings Plan

(Full title of the Plan)

ABIOMED, Inc.

(Name of Issuer of the securities held pursuant to the Plan)

22 Cherry Hill Drive, Danvers, Massachusetts 01923

(Address of principal executive office)

Table of Contents

TABLE OF CONTENTS

<u>Report of Independent Registered Public Accounting Firm</u>	Page 3
Financial Statements:	
<u>Statements of Net Assets Available for Benefits as of December 31, 2010 and 2009</u>	Page 4
<u>Statements of Changes in Net Assets Available for Benefits for the Years Ended December 31, 2010 and 2009</u>	Page 5
<u>Notes to Financial Statements</u>	Pages 6-18
Supplemental Schedules:	
<u>Form 5500, Schedule H, Line 4i - Schedule of Assets (Held At End of Year)</u>	Page 19
<u>Consent of Independent Registered Public Accounting Firm</u>	Page 20

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Plan Administrator of

the ABIOMED Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits of ABIOMED Retirement Savings Plan as of December 31, 2010 and 2009, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for plan benefits as of December 31, 2010 and 2009, and the changes in net assets available for plan benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Form 5500, Schedule H, Line 4i - Schedule of Assets (Held at End of Year) is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Farrar Gates & Green, LLC.

Danvers, Massachusetts

June 15, 2011

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS		
Interest bearing cash (including money market accounts):		
Fidelity Retirement Money Market Fund	\$ 1,421,640	\$ 1,602,510
Interest bearing cash	48,705	38,571
Total interest bearing cash	1,470,345	1,641,081
Investments:		
At fair value:		
Registered investment companies:		
Fidelity Large Cap Fund	2,459,388*	1,930,188*
JP Morgan International Select Fund	1,429,246*	
American Century Equity Growth Fund	1,426,535*	1,236,014*
JP Morgan Short Duration Bond Fund	1,274,943*	1,162,579*
American Century Heritage Fund	1,209,311*	903,919*
Fidelity Advisor Equity Income Fund	1,166,849*	1,020,628*
Black Rock Small Cap Growth Fund	1,004,481*	836,448*
Alliance Bernstein International Value Fund		1,296,304*
Other Mutual Funds	4,902,625	3,779,473
Registered investment companies	14,873,378	12,165,553
Employer Securities		
ABIOMED, Inc. Common Stock Fund	939,820	765,764
Receivables:		
Participant notes receivable	252,243	209,880
Employer's match contribution	267,880	260,690
Participant contribution receivable	62,875	49,365
Total receivables	582,998	519,935
TOTAL ASSETS	\$ 17,866,541	\$ 15,092,333
NET ASSETS AVAILABLE FOR BENEFITS	\$ 17,866,541	\$ 15,092,333

* Represents 5% or more of Net Assets Available For Benefits.

The accompanying notes are an integral part of these financial statements.

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2010 AND 2009

	2010	2009
ADDITIONS:		
Net appreciation (depreciation) of investments:		
Mutual funds	\$ 1,749,916	\$ 2,416,508
Abiomed stock fund	66,456	(401,407)
Total net appreciation of investments	1,816,372	2,015,101
Dividends, interest and realized capital gains and losses, net:		
Mutual funds and common collective trust	188,688	340,469
Abiomed stock fund	22,027	(155,866)
Total dividends, interest and realized capital gains and losses, net	210,715	184,603
Contributions:		
Employer contributions	267,880	260,690
Participant contributions and rollovers from other qualified plans	1,875,384	1,753,355
Total contributions	2,143,264	2,014,045
Total net additions	4,170,351	4,213,749
DEDUCTIONS:		
Benefits paid to participants	1,358,470	1,204,447
Administrative fees	37,673	47,440
Total deductions	1,396,143	1,251,887
Net increase	2,774,208	2,961,862
Net Assets Available for Benefits:		
Beginning of year	15,092,333	12,130,471
End of year	\$ 17,866,541	\$ 15,092,333

The accompanying notes are an integral part of these financial statements.

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF PLAN

The following description of the ABIOMED Retirement Savings Plan (401 (k) Plan) (the Plan) provides only general information. Participants should refer to the Plan Agreement or the Summary Plan Description for a more complete description of the Plan s provisions.

General. The Plan is a defined contribution plan covering all eligible U.S. employees of ABIOMED, Inc. (the Company or Plan Administrator) that are age twenty or older. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Administration. ABIOMED, Inc. is the Plan Administrator and has assigned responsibility for the operation and administration of the Plan to the Corporate Retirement Committee (the Committee) members to which are formally appointed by the Company s Chief Executive Officer. Fidelity Management Trust Company (Fidelity) is the trustee and record keeper for the plan.

Contributions.

Employee: The Plan permits participants to defer annually up to 60% of eligible compensation provided their total annual elective deferral does not exceed the annual limitation (\$16,500 for the 2010 plan year). The Economic Growth and Tax Relief Reconciliation Act of 2001 provides that participants who were projected to be age 50 or older by the end of 2006 and who were making deferral contributions to the plan were also eligible to make an additional catch-up contribution of up to \$5,500. The amount of deferred compensation is treated as a salary reduction and is not subject to income tax until withdrawn from the plan. Participants may also contribute amounts representing distributions from other qualified retirement plans.

Employer: All employer contributions are subject to certain limitations. To be a qualified participant eligible to receive employer matching or profit sharing contributions for a plan year, an employee must be credited with at least 501 hours of service in the plan year and be an employee on the last day of the plan year, or retire, die, or become disabled during the plan year.

The Company contributed a matching contribution on the behalf of an eligible participant for up to 50% of the first \$3,000 of salary contributed by the participant during plan years ended December 31, 2010 and 2009, respectively. The maximum matching contribution in any plan year is therefore \$1,500.

Additional profit sharing contributions may be made at the discretion of the Company s Board of Directors. Forfeitures of profit sharing contributions by participants who leave employment prior to becoming fully vested are reallocated as additional profit sharing contributions. For the plan years ended December 31, 2010 and 2009, no additional profit sharing contributions were awarded to participants. At December 31, 2010 and 2009 the balance of forfeitures not yet allocated to participant accounts totaled \$14,782 and \$23,791, respectively.

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF PLAN (continued)

Participant Accounts. Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions and, (b) Plan earnings. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Vesting. Participants are immediately vested in 1) their contributions, including rollover contributions from another employer's qualified retirement plan, 2) employer matching contributions, and 3) actual earnings from any of these contributions. Vesting in the Company's discretionary profit sharing contribution portion of participant accounts plus actual earnings thereon is based on years of continuous service. A participant is 100% vested after seven years of credited service as shown below.

Years of Service	Vested Percentage
Less than 3 years	0%
3 years but less than 4	20%
4 years but less than 5	55%
5 years but less than 6	70%
6 years but less than 7	85%
7 years or more	100%

Investment Options. As of December 31, 2010, a number of fund options were available to participants providing a wide choice of investment goals and strategies. Descriptions of these funds are provided below. These descriptions are cursory and plan participants are encouraged to read the more detailed prospectus of any investment option prior to making investment decisions.

Fidelity Retirement Money Market. This fund invests in short-term debt obligations such as US Treasury Bills and certificates of deposit. They may deliver a set, modest return with extremely low risk. (This fund replaced the Fidelity Prime Fund).

Fidelity Advisor Large Cap Fund. The investment seeks long-term growth of capital. The fund normally invests at least 80% of assets in securities of companies with large market capitalizations similar to companies in Russell 1000 index or Standard & Poor's 500 index. It invests in securities of both domestic and foreign issuers.

JP Morgan International Value Select Fund. This fund seeks to provide high total return from a portfolio of foreign company equity securities.

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF PLAN (continued)

JP Morgan Short Duration Bond Select Fund. This fund seeks current income consistent with preservation of capital. The fund normally invests at least 80% of assets in bonds.

T. Rowe Price International Equity Index Fund. This fund's objective is long-term capital growth. The fund invests in non-U.S. equities markets.

Black Rock Small Capital Growth Fund. The investment seeks long-term capital growth. The fund normally invests at least 80% of assets in equity securities of small cap companies and invests at least 80% of assets in securities or instruments of issuers located in the United States.

Fidelity Advisor Equity Income Fund. This fund seeks a yield from dividend and interest income which exceeds the composite dividend yield on securities comprising the S&P 500 index. The fund normally invests at least 80% of assets in equity securities issued by domestic and foreign issuers, which tend to lead to investment in large cap value stocks. It will consider the potential for achieving capital appreciation, consistent with the primary objective of obtaining dividend and interest income. The fund may also invest in lower-quality debt securities.

Fidelity Advisor Leveraged Company Stock Fund. This fund seeks capital appreciation. The fund invests at least 80% of assets in stock issued by both domestic and foreign issuers. It normally invests in common stocks of leveraged companies (companies that issue lower-quality debt and other companies with leveraged capital structures). The fund typically invests in either growth stocks or value stocks or both.

Fidelity Advisor Technology Fund. This fund seeks capital appreciation. The fund normally invests at least 80% of assets in companies that have or will develop products, processes, or services that will provide or benefit from technological advances and improvements. The advisor emphasizes companies in areas such as semiconductors, computer, communications, healthcare, and biotechnology. It is a non-diversified fund.

Fidelity Advisor Stable Value Portfolio Fund. This fund seeks to preserve investment capital while earning interest income. The fund invests in investment contracts issued by insurance companies and other financial institutions, and in fixed income securities which may include U.S. Treasury bonds, corporate bonds, mortgage-backed securities, asset-backed securities, and bond funds.

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF PLAN (continued)

Fidelity Advisor Freedom Income Fund. The fund seeks high total return with a secondary objective of principal preservation. The fund invests in a combination of Fidelity equity, fixed-income, and money market funds (underlying Fidelity funds) and allocates its assets among these funds according to a stable asset allocation strategy designed for investors already in retirement. The fund distributes dividends monthly and capital gains semi-annually.

Fidelity Advisor Freedom 2005 Fund. Investing in a combination of underlying Fidelity equity, fixed-income, and short-term funds using a moderate asset allocation strategy designed for investors expected to have retired around the year 2005. Allocating assets among underlying Fidelity funds according to an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 35% in investment-grade fixed-income funds, 5% in high yield fixed-income funds, and 40% in short-term funds (approximately 10 to 15 years after the year 2005). Ultimately, the fund will merge with Freedom Income Fund.

Fidelity Advisor Freedom 2010 Fund. This fund seeks high total return with a secondary objective of principal preservation as the fund approaches its target date and beyond. The fund normally invests in a combination of Fidelity equity, fixed-income, and money market/short-term funds. It uses an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 35% in investment-grade fixed-income funds, 5% in high yield fixed-income funds, and 40% in short-term funds, approximately five to ten years after the year 2010.

Fidelity Advisor Freedom 2015 Fund. The fund seeks high total return with a secondary objective of principal preservation. The fund primarily invests in a combination of Fidelity equity, fixed-income, and money market, short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2015. It uses an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 40% in investment-grade fixed-income funds, and 40% in money market/short-term funds, approximately five to ten years after the year 2015.

Fidelity Advisor Freedom 2020 Fund. This fund seeks high total return with a secondary objective of principal preservation. The fund uses a moderate asset allocation strategy designed for investors expecting to retire around the year 2020. It normally invests in a combination of Fidelity equity, fixed-income, and money market/short-term funds. It uses an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 35% in investment-grade fixed-income funds, 5% in high yield fixed-income funds, and 40% in short-term funds, approximately five to ten years after the year 2020.

Fidelity Advisor Freedom 2025 Fund. The fund seeks high total return with a secondary objective of principal preservation. The fund primarily invests in a combination of Fidelity equity, fixed-income, and money market, short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2025. It uses an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 40% in investment-grade fixed-income funds, and 40% in money market/short-term funds, approximately five to ten years after the year 2025.

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF PLAN (continued)

Fidelity Advisor Freedom 2030 Fund. The fund seeks high total return with a secondary objective of principal preservation. The fund uses a moderate asset allocation strategy designed for investors expecting to retire around the year 2030. It normally invests in a combination of Fidelity equity, fixed-income, and money market/short-term funds. It uses an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 35% in investment-grade fixed-income funds, 5% in high yield fixed-income funds, and 40% in short-term funds, approximately five to ten years after the year 2030.

Fidelity Advisor Freedom 2035 Fund. The fund seeks high total return with a secondary objective of principal preservation. The fund primarily invests in a combination of Fidelity equity, fixed-income, and money market, short-term funds using a moderate asset allocation strategy designed for investors expecting to retire around the year 2035. It uses an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 40% in investment-grade fixed-income funds, and 40% in money market/short-term funds, approximately five to ten years after the year 2035.

Fidelity Advisor Freedom 2040 Fund. The fund seeks high total return with a secondary objective of principal preservation. The fund uses a moderate asset allocation strategy designed for investors expecting to retire around the year 2040. It normally invests in a combination of Fidelity equity, fixed-income, and money market/short-term funds. It uses an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 35% in investment-grade fixed-income funds, 5% in high yield fixed-income funds, and 40% in short-term funds, approximately five to ten years after the year 2040.

Fidelity Advisor Freedom 2045 Fund. The investment seeks high total return; capital appreciation is a secondary objective. The fund uses a moderate asset allocation strategy designed for investors expecting to retire around the year 2045. It normally invests in combination of Fidelity equity, fixed-income, and money market/short term funds. It uses an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 35% in investment-grade fixed-income funds, 5% in high yield fixed-income funds, and 40% in short-term funds, approximately 10 to 15 years after the year 2045.

Fidelity Advisor Freedom 2050 Fund. The investment seeks high total return; capital appreciation is a secondary objective. The fund uses a moderate asset allocation strategy designed for investors expecting to retire around the year 2050. It normally invests in combination of Fidelity equity, fixed-income, and money market/short-term funds. It uses an asset allocation strategy that becomes increasingly conservative until it reaches 20% in domestic equity funds, 35% in investment-grade fixed-income funds, 5% in high yield fixed-income funds, and 40% in short-term funds, approximately 10 to 15 years after the year 2050.

ABIOMED Common Stock Fund. The objective of this fund is to invest in ABIOMED, Inc. common stock. The fund has been set up as a unitized fund that provides participants with the benefit of being invested in company stock while also allowing for daily trading similar to a mutual fund. A unitized stock fund is comprised of the underlying company stock (generally 96-99% of the fund balance) and a short-term cash component (generally 1-4% of the fund balance) that provides the liquidity necessary for daily trading.

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 DESCRIPTION OF PLAN (continued)

Participant Loans. Participants may borrow from their fund accounts a maximum principal amount of \$50,000 or 50% of their vested balances, whichever is less. The minimum principal amount of any loan is \$1,000. Loans must be repaid over a period of no more than five years, unless used to acquire a principal residence, in which case the maximum repayment period is ten years. Participants borrowing from their vested account balances are required to sign promissory notes pledging up to half the value of their vested account balances. These notes bear interest at a fixed rate determined by the Plan Administrator based on prevailing interest rates charged by persons in the business of lending money for loans, which would be made under similar circumstances. Principal and interest is paid ratably through monthly payroll deductions. Participant loans are accounted for separately within the participant's account. As of December 31, 2010 and 2009, the balance in participant loans outstanding was \$252,243 and \$209,880, respectively. These loans are shown as participant notes receivable in the Statement of Net Assets Available for Benefits.

Payment of Benefits. On termination of service due to retirement, disability or death, a participant (or designated beneficiary) may elect to receive either a lump-sum amount equal to the value of the participant's vested interest in his or her account, or a series of cash payments in substantially equal installments over a period of time as provided in the Plan Agreement. For termination of service due to other reasons, a participant may receive the value of the vested interest in his or her account as a lump-sum distribution.

A hardship withdrawal from a participant's account may be permitted while a participant is still actively employed if the participant has a financial hardship for which funds are not reasonably available from other resources of the participant. For purposes of the Plan, financial hardship may include uninsured medical expenses, the purchase of a primary residence, payment of the next 12 months of post-secondary education or to prevent the loss of a participant's primary residence. All hardship withdrawal requests are subject to approval of the Plan Administrator.

A withdrawal of all or a portion of any rollover contributions in the Plan, along with any pre-tax earnings on those contributions, is allowed for any reason upon request while the participant is still actively employed.

Transfers Between Funds. A participant may elect to transfer all or a portion of his or her account balance to one or more of the active funds described above on a daily basis.

Rollover Contributions. The Plan is set up to accept rollover contributions from other qualified pension, profit sharing or 401(k) plans in which the participants have participated. Rollover contributions shall be credited to the participants' accounts and may be invested in any manner authorized under the provisions of the Plan.

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting. The financial statements of the Plan are prepared using the accrual method of accounting.

Estimates. The preparation of financial statements in conformity with generally accepted accounting principles requires the Plan Administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

Fair Value Measurements. Effective January 1, 2010, the Plan adopted the guidance in FASB ASC 820 Fair Value Measurements and Disclosures, which defines fair value, and establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.

Level 2 Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Plan in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the plan's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Plan uses prices and inputs that are current as of the measurement date, including during periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified from Level 1 to Level 2 or Level 2 to Level 3.

Effective January 1, 2009, the guidance in FASB ASC 820 became effective for nonfinancial assets or nonfinancial liabilities that are recorded or disclosed at fair value on a non-recurring basis. As of December 31, 2010, the Plan does not have any non-financial assets or liabilities which are required to be at fair value.

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Valuation Techniques

There have been no changes in the valuation techniques used during the current period.

Mutual Funds

Mutual funds are valued at the quoted market prices. These securities are categorized in Level 1 as they are actively traded and no valuation adjustments have been applied.

Participant Loans

Participant loans represent the outstanding principal balances of the loan at amortized cost, which approximates fair value. As these inputs are significant and not observable, the loan fund is categorized as Level 3.

Income Recognition

Interest income is recorded when earned. Dividends are recorded on the ex-dividend date. In the statement of changes in net assets available for benefits, the Plan presents the net appreciation (depreciation) in the fair value of investments, which consists of the realized gains or losses and the unrealized appreciation (depreciation) on those investments.

Investment Valuation and Income Recognition. The Plan's investments are stated at fair value, which is based on net asset value of shares at the end of the year for mutual funds. Shares of ABIOMED common stock held by the ABIOMED Common Stock Fund are stated at their fair market price as reported by the Nasdaq National Market as of the close of the plan year. The participant notes receivable are valued at their outstanding balances, which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Payment of Benefits. Benefits are recorded when paid.

Reclassifications

Certain amounts in the December 31, 2009 financial statements have been reclassified to conform with the December 31, 2010 presentation.

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 3 FAIR VALUE MEASUREMENTS

Assets measured at fair value on a recurring basis as of December 31, 2010 and 2009 are as follows:

	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
December 31, 2010				
Mutual Funds	\$ 17,283,517	\$ 17,283,517	\$	\$
Participant Loan	252,243			252,243
	\$ 17,535,760	\$ 17,283,517	\$	\$ 252,243
December 31, 2009:				
Mutual Funds	\$ 14,572,305	\$ 14,572,305		
Participant Loans	209,880			209,880
	\$ 14,782,185	\$ 14,572,305	\$	\$ 209,880

Table of Contents

ABIOMED RETIREMENT SAVINGS PLAN

NOTES TO FINANCIAL STATEMENTS

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Changes in the fair value of the Plan's Level 3 investments during the years ended December 31, 2010 and 2009 were as follows:

	Participant Loans
Balance, January 1, 2009	\$ 265,758
Receipts, income, and disbursements, net	(55,877)
Balance, December 31, 2009	209,881
Receipts, income, and disbursements, net	42,362
Balance, December 31, 2010	\$ 252,243