



CryoLife, Inc. Completes Sale of Ideas for Medicine Assets To Horizon Medical Products, Inc

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ATLANTA, Oct. 11 /PRNewswire/ -- CryoLife, Inc. (NYSE: CRY), the leader in the development and commercialization of living human tissue implantable devices and a manufacturer and distributor of stentless heart valves and surgical adhesives, announced today that Horizon Medical Products, Inc. (Amex: HMP) has acquired substantially all of the remaining assets of Ideas For Medicine, Inc. (IFM), a wholly owned subsidiary of CryoLife, located in St. Petersburg, Florida. The assets consist primarily of inventory and leasehold improvements.

CryoLife sold the IFM product line to Horizon in 1998 and signed a four- year agreement to manufacture IFM products for Horizon. Horizon defaulted on the manufacturing agreement in June 1999. The agreement and sale announced today are the result of negotiations between CryoLife and Horizon to resolve differences resulting from the default.

Steven G. Anderson, President and Chief Executive Officer, CryoLife, Inc., noted that, "no gain or loss has been recognized as a result of this transaction; importantly, it resolves an issue that has been outstanding for some time, allowing us to fully concentrate on the growth and development of our core business."

The transaction provides for Horizon to pay CryoLife the sum of approximately \$5.9 million, payable in equal monthly installments of principal and interest of \$140,000. The note consists of a portion, approximately \$3.8 million, which bears interest at 9% per year, and a non-interest-bearing portion of approximately \$2.1 million. The note also requires an additional \$1 million principal payment at any time prior to April 3, 2001. If the \$1 million payment is made when due, and no other defaults exist under the note, then \$1 million of the non-interest-bearing portion of the note will be forgiven. In addition, at such time as the principal balance has been paid down to \$1.1 million, and assuming that there have been no defaults under the promissory note, the remainder of the note will be forgiven and the note will be cancelled.

In addition, CryoLife has entered into a sublease agreement with Horizon under which Horizon will assume responsibility for the IFM manufacturing facility. Also, substantially all of the employees of IFM will become employees of Horizon.

Founded in 1984, CryoLife, Inc. is the leader in the development and commercialization of implantable living human tissues for use in cardiovascular, vascular and orthopaedic surgeries throughout the United States and Canada. The Company's BioGlue(R) surgical adhesive is approved as an adjunct for acute thoracic aortic dissections under HDE regulations in the United States and is CE marked in the European Union and approved in Canada for use in vascular and pulmonary sealing and repair. The Company also manufactures CryoLife-O'Brien(R) and CryoLife-Ross(R) stentless porcine heart valves, which are distributed within the European Community.

For additional information about the Company, visit CryoLife's web site: <http://www.cryolife.com> .

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