Defense Bill Passed by the U.S. Senate and U.S. House of Representatives Provides Funding for BioFoam(TM) Development

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ATLANTA, July 29 /PRNewswire/ -- CryoLife, Inc. (NYSE: CRY), a human tissue processing and bio-surgical device company, announced today that the U.S. Senate and the U.S. House of Representatives have passed the 2005 Defense Appropriations Conference Report which included $1 million for the development of BioFoam(TM). The bill will now go to President Bush for his approval and signature to be enacted.

BioFoam is a protein hydrogel adhesive that is in the pre-clinical stage of development. BioFoam contains an expansion agent and sets quickly while expanding, thus providing an opportunity to rapidly arrest bleeding of large vessel injuries and sealing the wound. BioFoam is based on the same technology as BioGlue(R), a CryoLife product approved by the U.S. Food and Drug Administration to control bleeding as an adjunct to sutures and staples for use in open surgical repair of large vessels. BioGlue is also CE marked in the European Community and approved in Canada for use in soft tissue repair.

"BioFoam is being developed for use in battlefield situations to treat gunshot and mortar wounds, which will allow more time for soldiers to reach a medical facility," said Congressman Phil Gingrey.

Steven G. Anderson, CryoLife President and Chief Executive Officer, stated "We appreciate the support of Congressman Gingrey and Senator Saxby Chambliss, as we believe this funding for the development and potential use of BioFoam may save the lives of U.S. soldiers serving our country in the armed forces."

Founded in 1984, CryoLife, Inc. is a leader in the processing and distribution of implantable living human tissues for use in cardiovascular and vascular surgeries throughout the United States and Canada. The Company's BioGlue Surgical Adhesive is FDA approved as an adjunct to sutures and staples for use in adult patients in open surgical repair of large vessels and is CE marked in the European Community and approved in Canada for use in soft tissue repair and approved in Australia for use in vascular and pulmonary sealing and repair. The Company also manufactures the SG Model #100 vascular graft, which is CE marked for distribution within the European Community.

Statements made in this press release that look forward in time or that express management's beliefs, expectations or hopes are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These future events may not occur as and when expected, if at all, and, together with the Company's business, are subject to various risks and uncertainties. These risks and uncertainties include that the funding for development of BioFoam may not be made available even though the bill has passed, that BioFoam may not prove effective or commercially feasible, that 2004 BioGlue revenues may not meet expectations, that the Company's aggregate 2004 revenues and expenses may not meet its expectations, that demand for CryoLife preserved tissues may not return to prior levels, the possibility that the FDA could impose additional restrictions on the Company's operations, require a recall, or prevent the Company from processing and distributing tissues or manufacturing and distributing other products, that the Company's SG Model #100 bovine ureter product may not meet expectations, that the Company's 510k application for SG processed heart valves may require significant time and expense and may not be cleared on a timely basis or at all, that FDA regulation of the Company's CryoValve SG and CryoVein SG may require significant time and expense, that the protein hydrogel products under development may not be commercially feasible, that the Company may not have sufficient borrowing or other capital availability to fund its business, that present and future litigation may be resolved only by substantial payments by the Company in excess of available insurance coverage and amounts set aside for products liability cases by CryoLife since the outcomes of products liability securities class action and derivative cases are inherently uncertain, that pending litigation cannot be settled on terms acceptable to the Company, that the Company may not have sufficient resources to pay punitive damages which are not covered by insurance or liabilities in excess of available insurance, the possibility of severe decreases in the Company's revenues and working capital, that to the extent the Company does not have sufficient resources to pay the claims against it, it may be forced to cease operations or seek protection under applicable bankruptcy laws, changes in laws and regulations applicable to CryoLife and other risk factors detailed in CryoLife's Securities and Exchange Commission filings, including CryoLife's Form 10-K filing for the year ended December 31, 2003, and the Company's other SEC filings. The Company does not undertake to update its forward-looking statements.

For additional information about the company, visit CryoLife's Web site:
http://www.cryolife.com .
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