Signed Defense Bill Provides Continued Funding Stream for BioFoam(TM) Development

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ATLANTA, Jan. 24 /PRNewswire-FirstCall/ -- CryoLife, Inc., (NYSE: CRY) a biomaterials and biosurgical device company, today announced that President George W. Bush recently signed into law a Department of Defense (DoD) Appropriations Bill that includes $2.27 million for the continued development of protein hydrogel and bio-foam sealant in this fiscal year. CryoLife's BioFoam(TM), now in preclinical studies, is included in this product category, making CryoLife eligible to apply for funding under this bill.

Steven G. Anderson, CryoLife President and Chief Executive Officer, stated, "BioFoam has the potential to save the lives of many American soldiers who suffer devastating wounds on the battlefield. We appreciate the support of the Georgia congressional delegation for this effort, which makes funding available to support BioFoam development. This is the second year that DoD funds have been allocated for the development of a bio-foam sealant."

BioFoam, a protein hydrogel adhesive under development by CryoLife, contains an expansion agent that rapidly fills and seals open wounds. It is easily applied and could potentially be used intraoperatively to control internal organ hemorrhage, limit blood loss, reduce the need for future operations, and improve outcomes in both penetrating and blunt abdominal injury. 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 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 and in Australia for use in vascular and pulmonary sealing and repair.

CryoLife has used a portion of the $1 million allocated in 2005 to advance the development of BioFoam, which is now being studied in animals in conjunction with the DoD in San Antonio, Texas.

About CryoLife, Inc.

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 Company may not receive all or any funds allocated under the DoD Appropriation, that BioFoam may not prove safe or effective for its intended uses, that BioFoam development may not result in a commercial product, that the Company's aggregate revenues and expenses may not meet its expectations, the possibility that as a result of its inspections of the Company's facilities or other events the FDA could impose additional restrictions on the Company's operations, require a recall, prevent the Company from processing and distributing tissues or manufacturing and distributing other products, or take other actions which the Company may not be able to address in a timely or cost-effective manner if at all, that the Company may not have sufficient borrowing or other capital availability to fund its business, that pending or threatened litigation cannot be settled on terms acceptable to the Company, that the Company may not have sufficient resources to pay punitive damages or other liabilities arising from litigation which are not covered by 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 CryoLife's Securities and Exchange Commission filings, including CryoLife's Form 10-K filing for the year ended December 31, 2004, its registration statement on Form S-3 (Reg. No. 333-121406), CryoLife's most recent Form 10-Q, and its 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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