



CryoLife to Receive \$2.25 Million to Settle Dispute

October 2, 2006

ATLANTA, Oct. 2 /PRNewswire-FirstCall/ -- CryoLife, Inc. (NYSE: CRY), a biomaterials and biosurgical device company, announced today that it has settled an outstanding insurance coverage dispute for \$2.25 million. The dispute involved losses stemming from amounts paid in 2005 by the Company. In resolving the dispute, no party admitted any liability.

Steven G. Anderson, President and Chief Executive Officer stated, "We believe that the settlement of this dispute was in the best interests of our shareholders and are pleased to have this matter behind us. The settlement strengthens our financial position and reinforces our belief that we will not have to complete a financing to fund our day-to-day operations."

Investors and other interested parties are referred to the Company's Form 8-K filed with the Securities and Exchange Commission on September 29, 2006.

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, vascular, and orthopaedic surgeries throughout the United States and Canada. The Company's BioGlue(R) 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 distributes the CryoLife- O'Brien(R) stentless porcine heart valve and the SG Model 100 vascular graft, which are 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 statements include those regarding the strengthening of CryoLife's financial position and the belief that future dilutive financings will not be required to fund operations. These forward-looking statements are subject to a number of risks, including the following: CryoLife's future financial position and need for additional equity financing will be dependent upon the Company's future operating performance, the availability of cash from operations and borrowing capacity. The Company's future financial performance and cash generated from operations are subject to a number of risks including the following: the Company's efforts to continue to increase revenue may not be effective, since their effectiveness is subject to such factors as competitive pressures and tissue availability, that the Company's efforts to develop and introduce new products outside the U.S. may be unsuccessful, that the Company's efforts to improve procurement and tissue processing yields may not continue to prove effective, 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 products and services under development, including BioDisc, may not be commercially feasible, the Company's SynerGraft products may not receive FDA approval when anticipated or at all, changes in laws and regulations applicable to CryoLife, and efforts by existing stockholders or others to gain influence or control over CryoLife may divert management's attention from the Company's operational recovery or otherwise be detrimental to the interests of the other stockholders. The adequacy of cash from operations and borrowing capacity may be impacted by the risk that pending litigation cannot be settled on terms acceptable to the Company, and that the Company may not have sufficient resources to pay punitive damages (which are not covered by insurance) or other liabilities in excess of available insurance. These forward-looking statements may also be impacted by 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, 2005, its most recent Form 10-Q, 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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