CryoLife Becomes Largest Shareowner of Medafor, Inc. and Proposes Combination Between the Two Companies

January 13, 2010

ATLANTA, Jan 13, 2010 /PRNewswire via COMTEX/ -- CryoLife, Inc. (NYSE: CRY), an implantable biological medical device and cardiovascular tissue processing company, announced today that it has purchased approximately 1.6 million shares of Medafor's common stock from Medafor's founders and certain principal shareholders for approximately $2.00 per share. Based on the most recent information available to CryoLife, these shares represent approximately 8 percent ownership of Medafor. CryoLife currently has the exclusive right to distribute Medafor's MPH(R) polysaccharide hemostatic technology under the private label HemoStase(R) within the U.S. for use in cardiac and vascular surgery and in many international markets for cardiac, vascular, and general surgery, subject to certain exclusions. CryoLife achieved $6 million in sales of HemoStase in 2009. With its purchase of these shares of Medafor common stock, CryoLife believes that it is now the largest single shareholder of Medafor, in addition to being Medafor's largest distributor.

In addition, on January 13, 2010, CryoLife sent a letter to Medafor's management and board requesting to enter into discussions with them regarding a potential acquisition by CryoLife of the remaining outstanding common stock of Medafor for $2.00 per share in cash and CryoLife stock. A copy of this letter can be found near the end of this press release.

Steven G. Anderson, CryoLife's chairman, president and chief executive officer, said, "We have acquired this significant stake in Medafor as a first step in our efforts to acquire full control of HemoStase and the hemostatic technology on which it is based in order to help realize its significant, untapped growth potential. This technology serves as a perfect complement to our BioGlue(R) technology, allowing us to offer surgeons a full range of products to assist them in controlling and preventing bleeding. We believe this technology has tremendous untapped growth potential, provided Medafor is able to surmount the capital constraints currently facing the company, obtain the liquidity needed to invest in the technology's market rollout, and put in place the skilled management necessary to oversee the technology's development. We believe that a combination with CryoLife can help Medafor overcome these obstacles and create greater value for both companies and their shareholders."

Mr. Anderson continued, "We have presented Medafor with a proposal that represents full and fair value, reflecting both the upside from the growth potential of HemoStase and related products, as well as the downside presented by the IP restrictions on this product. We believe that our proposal also represents a significant premium to the price at which Medafor's own board and management have recently offered to convert debt into equity. We also believe that our offer would provide Medafor shareholders with certain value through a cash component, as well as the opportunity to participate in future upside through continued ownership of the combined company under CryoLife leadership. Our proposal would also minimize the dilution that would otherwise likely result from Medafor repeatedly accessing traditional capital markets in the absence of such a combination."

"CryoLife has made numerous past attempts to engage with Medafor's management and board about a potential value-creating acquisition of the company by CryoLife. To date, Medafor has summarily rejected all of our overtures and refused to negotiate with us. By providing our fellow Medafor shareholders with complete and timely information about our latest proposal, we hope to encourage Medafor's management and board to join CryoLife in negotiations," concluded Mr. Anderson.

Medafor shareholders can find additional information about CryoLife and its proposal to acquire Medafor at www.cryolife.com/medaforoffer.

The full text of CryoLife's most recent letter to the Medafor board of directors follows:

January 13, 2010

VIA FEDEX

Michael F. Pasquale, Chairman of the Board

Medafor, Inc.

Dear Michael:

I am writing to inform you that CryoLife has purchased approximately 1.6 million shares of Medafor common stock and, concurrently with this letter, has notified Medafor of this purchase and requested the issuance of those shares to CryoLife.

As you know, CryoLife has been interested for some time in negotiating an acquisition of Medafor by CryoLife, and we have made multiple past attempts to engage you in discussions about a potential combination.

CryoLife has great regard for your hemostatic technology and believes it has significant, untapped growth potential; however, we do not believe that Medafor has the resources to maximize this potential on its own given the capital and other constraints facing the company. I believe that our financial strength, strong direct sales force, international distribution network, and experienced management team would allow us to drive additional growth of HemoStase(R) and related products, beyond Medafor's capabilities, and deliver value to both CryoLife and Medafor stockholders. We believe that Medafor's hemostatic technology serves as a perfect complement to CryoLife's BioGlue(R) technology, and a combination of our companies would allow us to offer surgeons a full range of products to assist them in controlling and preventing bleeding.

Given the strategic logic for this transaction, we are proposing to acquire all of Medafor's remaining outstanding shares for $2.00 per share in cash and stock, subject to completion of reasonable due diligence. We believe our offer is both fair and generous and provides an opportunity for Medafor shareholders to receive immediate and certain value through a cash component, as well as the opportunity to participate in future upside through continued ownership of the combined company.

The price we are offering represents a significant premium to that which we understand Medafor's management and board have recently offered to convert debt into equity and is equivalent to the value at which recent stock transactions have taken place. It is also in line with the valuations of comparable public companies and with recent comparable publicly disclosed M&A transactions.

In the course of a negotiated transaction, and as part of our due diligence efforts, CryoLife will of course be willing to take into consideration any factors that we may not have accounted for when undertaking our valuation analysis, including any updated financial information.

This is a great opportunity for both our companies, and I urge you and your board to begin a dialogue with us as soon as possible so that we can begin to share our vision with you. We believe that the sooner the parties are able to reach agreement on a combination, the easier the transaction between the parties will be and the sooner we will be able to create value for both Medafor and CryoLife shareholders.

We believe that we can achieve much more together than Medafor will be able to achieve on its own, and regardless of our prior history, as your largest shareholder, we must now work together to realize the greatest value for our shareholders. Please contact me as soon as possible to discuss this proposal.

I look forward to speaking with you soon, and I feel certain that we can reach a mutually beneficial agreement.

Very truly yours,

Steven G. Anderson,

President, CEO and Chairman of the Board

cc: Board of Directors of Medafor

Gary J. Shope

ADDITIONAL IMPORTANT INFORMATION

This announcement is provided for informational purposes only and is not an offer to purchase nor a solicitation of an offer to sell shares of Medafor or CryoLife. Subject to future developments, CryoLife may file a registration statement and/or tender offer documents and/or proxy statement with the SEC in connection with the proposed combination. Shareholders should read those filings, and any other filings made by CryoLife with the SEC in connection with the combination, as they will contain important information. Those documents, if and when filed, as well as CryoLife's other public filings with the SEC, may be obtained without charge at the SEC's website at www.sec.gov and at CryoLife's website at www.cryolife.com.

About CryoLife, Inc.

Founded in 1984, CryoLife, Inc. is a leader in the processing and distribution of implantable living human tissues for use in cardiac and vascular surgeries throughout the U.S. and Canada. The Company's CryoValve(R) SG pulmonary heart valve, processed using CryoLife's proprietary SynerGraft(R) technology, has FDA 510(k) clearance for the replacement of diseased, damaged, malformed, or malfunctioning native or prosthetic pulmonary valves. The Company's CryoPatch(R) SG pulmonary cardiac patch has FDA 510(k) clearance for the repair or reconstruction of the right ventricular outflow tract (RVOT), which is a surgery commonly performed in children with congenital heart defects, such as Tetralogy of Fallot, Truncus Arteriosus, and Pulmonary Atresia. CryoPatch SG is distributed in three anatomic configurations: pulmonary hemi-artery, pulmonary trunk, and pulmonary branch. 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. BioGlue is also CE marked in the European Community and approved in Canada and Australia for use in soft tissue repair. The Company's BioFoam(R) Surgical Matrix is CE marked in the European Community for use as an adjunct in the sealing of abdominal parenchymal tissues (liver and spleen) when cessation of bleeding by ligature or other conventional methods is ineffective or impractical. BIOGLUE *Aesthetic(TM)* Medical Adhesive is CE marked in the European Community for periosteal fixation following endoscopic browplasty (brow lift) in reconstructive plastic surgery and is distributed by a third party for this indication. CryoLife distributes HemoStase, a hemostatic agent, in much of the U.S. for use in cardiac and vascular surgery and in many international markets for cardiac, vascular, and general surgery, subject to certain exclusions.

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 our efforts to acquire full control of HemoStase and Medafor's hemostatic technology, our belief that such an acquisition would enable us to drive additional growth of HemoStase and related products, and deliver earnings and revenue growth for CryoLife and Medafor shareholders. These future events may not occur as and when expected, if at all, and, together with our business, are subject to various risks and uncertainties. These risks and uncertainties include that any transaction with Medafor may not occur due to circumstances and events beyond our control, including legal impediments, we may not be able to realize the anticipated benefits of a transaction with Medafor, our plans to acquire Medafor may change, and Medafor's management may act in ways that differ from our current expectations. Also, the success of any transaction between CryoLife and Medafor is subject to risks facing both companies. These risks include that CryoLife is significantly dependent on revenues from BioGlue and there are a variety of risks affecting BioGlue, CryoValve SG pulmonary heart valves and other SynerGraft processed tissues and products may not be accepted by the marketplace, the CryoValve SG pulmonary heart valve has a one year shelf life, the CryoPatch SG has a one year shelf life, we are dependent on the availability of sufficient quantities of tissue from human donors, the CryoValve SG pulmonary heart valve post-clearance study requested by the FDA may not provide the expected positive results, our products and tissues we process and preserve have allegedly caused and may in the future cause injury to patients, and we have been and may be exposed to tissue processing and product liability claims and additional regulatory scrutiny as a result, the possibility that the FDA could impose additional restrictions on our operations, issue a 483, or warning letter, or require a recall, or prevent us from processing and distributing tissues or manufacturing and distributing other products, our failure to adequately comply with government regulations could result in loss of revenues and customers as well as additional compliance expense, our ability to borrow under our credit facility may be limited, the credit facility limits our ability to pursue significant acquisitions, the financial and credit liquidity crisis may adversely affect our ability to borrow money or raise capital, the current economic crisis and future economic crises may adversely affect our business and financial condition, there are limitations on our use of net operating loss carry-forwards that could result in our inability to use them fully or at all, adverse regulatory action outside of the U.S. could affect our business, physicians have been and may be reluctant to implant or use our preserved tissues or products, our existing insurance policies may not be sufficient to cover our actual claims liability, current economic conditions may impact demand for our tissues and products, intense competition may affect our ability to operate profitably, we may be unable to obtain adequate insurance at a reasonable cost or at all,

uncertainties related to patents and protection of proprietary technology may adversely affect the value of our intellectual property, uncertainties related to patents and protection of proprietary technology for products distributed by us may adversely affect our ability to distribute those products, we are dependent on key personnel, we may not be successful in obtaining necessary clinical results and regulatory approvals for products and services in development, and our new products and services may not achieve market acceptance, we may be unable to effectively leverage our existing sales force to sell HemoStase, the lawsuit we filed against Medafor regarding our distribution agreement with Medafor may continue to adversely impact our relationship with Medafor and could hamper or prevent us from distributing HemoStase, Medafor may in the future attempt to terminate our distribution agreement, rapid technological change could cause our services and products to become obsolete, extensive government regulation may adversely affect our ability to develop and sell products and services, we have experienced operating losses and negative cash flows in the past, and we must continue to address the underlying causes in order to continue to operate profitably and generate positive cash flows, investments in new technologies and acquisitions of products or distribution rights may not be successful, if we are not successful in expanding our business activities in international markets, we will be unable to pursue one of our strategies for increasing our revenues, continued deflation of foreign currencies relative to the U.S. dollar could materially and adversely impact our foreign revenues, and future healthcare policies, healthcare reimbursement methods, and healthcare reimbursement policies may affect the availability, amount, and timing of our revenues, financial condition, and profitability. These risks and uncertainties include the risk factors detailed in our Securities and Exchange Commission filings, including our Form 10-K filing for the year ended December 31, 2008, our Form 10-Q filing for the quarter ended March 31, 2009, our Form 10-Q filing for the quarter ended June 30, 2009, our Form 10-Q filing for the quarter ended September 30, 2009, and the Company's other SEC filings. Medafor's business is also subject to a number of risks, including the risk that HemoStase does not have adequate intellectual property protection, that additional regulatory approvals may not be obtained in a timely fashion, if at all, and that product liability lawsuits could be filed in connection with the use of HemoStase. In addition, the acquisition of Medafor by CryoLife, if it occurs, could result in unexpected costs or liabilities to CryoLife due to potential non-compliance by Medafor under applicable laws and regulations, although CryoLife is currently not aware of any material non-compliance, or due to other factors that we are not currently able to predict, as we have not had the opportunity to perform a due diligence review with respect to Medafor. The Company does not undertake to update its forward-looking statements. In addition, the calculation of the estimated percentage of Medafor's outstanding shares owned by CryoLife is based on 20,340,314 shares outstanding, the number of outstanding shares shown in Medafor's audited financial statements for its fiscal year ended December 31, 2008. This calculation does not take into account any shares that may have been repurchased or issued by Medafor since that date, including any shares issued in connection with the conversions of debt attempted by Medafor in late 2009. As a result, CryoLife's actual percentage ownership of Medafor's outstanding common stock may be greater or less than 8%. If the debt conversions were successful, it is possible that our actual percentage ownership is significantly less than 8%.

For additional information about the company, visit CryoLife's Web site:

http://www.cryolife.com/.

Media Contacts:
D. Ashley Lee
Executive Vice President, Chief Financial Officer and
Chief Operating Officer
Phone: 770-419-3355

Nina Devlin
Edelman
Phone: 212-704-8145

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