# CryoLife Announces Settlement of Medafor Lawsuit

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**CryoLife to Receive $3.5 Million Settlement Payment**

ATLANTA, June 14, 2012 /PRNewswire/ -- CryoLife, Inc. (NYSE: CRY), a leading medical device company focused on cardiac and vascular surgery, announced today that it has reached full settlement of the outstanding CryoLife, Inc. v. Medafor, Inc. lawsuit that was pending in the Northern District Court of Georgia.

Under terms of the settlement, Medafor has agreed to pay CryoLife $3.5 million in cash. Fifty percent of the payment is to be paid on or before July 9, 2012 and the remainder on or before September 6, 2012. In addition, as part of the settlement, CryoLife will no longer be required to pay Medafor $1.17 million for previous purchases of inventory, for which Medafor had requested payment. Both parties have agreed to dismiss with prejudice all claims and counter claims associated with the lawsuit. CryoLife will continue to own approximately 2.39 million shares of Medafor common stock, which CryoLife estimates at approximately 9.2% of Medafor's total outstanding shares. CryoLife believes that it remains Medafor's largest shareholder. Although the terms of the settlement are binding, the parties are in the process of formalizing a settlement agreement.

Steven G. Anderson, Chairman of the Board, President and Chief Executive Officer of CryoLife, said, "We are pleased to enter a settlement agreement with Medafor that effectively ends the current litigation between the two companies. The settlement also significantly reduces the ongoing legal expenses associated with the lawsuit, freeing additional capital to invest in our strategic growth initiatives."

The Company is currently evaluating the full financial impact of the settlements with Medafor and CardioFocus and reduced legal expenses relative to prior expectations, as well as the impact of the recently completed acquisition of Hemosphere on the remainder of 2012. The Company intends to update its 2012 financial guidance during its second quarter financial conference call, which is expected to occur in late July 2012.

**About CryoLife**

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. CryoLife's CryoValve® SG pulmonary heart valve, processed using CryoLife's proprietary SynerGraft® technology, has FDA 510(k) clearance for the replacement of diseased, damaged, malformed, or malfunctioning native or prosthetic pulmonary valves. CryoLife's CryoPatch® 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. CryoLife'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. BioGlue is also CE marked in the European Community and approved in Canada and Australia for use in soft tissue repair and was recently approved in Japan for use in the repair of aortic dissections. CryoLife, through its subsidiary Cardiogenesis Corporation, specializes in the treatment of cardiovascular disease and the sale of devices that treat severe angina. Its market leading FDA-approved Holmium: YAG laser system and single use fiber-optic delivery systems are used to perform a surgical procedure known as Transmyocardial Revascularization (TMR). CryoLife, through its subsidiary Hemosphere, Inc., markets the HeRO® Graft, a proprietary graft-based solution for end-stage renal disease (ESRD) hemodialysis patients with limited access options and central venous obstruction. CryoLife distributes PerClot®, an absorbable powder hemostat, in the European Community. CryoLife's BioFoam™ 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.

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

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