CryoLife Announces Settlement of Patent Litigation with CardioFocus

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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 entered into a settlement agreement with CardioFocus, Inc. ending the outstanding patent dispute between CryoLife's wholly owned subsidiary, Cardiogenesis Corporation (acquired by CryoLife in May 2011), and CardioFocus that was pending in the United States District Court of Massachusetts.

Under the terms of the settlement, CryoLife has agreed to pay CardioFocus $4.5 million in cash within 30 days. Both parties have agreed to dismiss with prejudice all claims and counter claims associated with the lawsuit.

Steven G. Anderson, Chairman, President and Chief Executive Officer of CryoLife, said, "We are pleased to have reached a resolution to this dispute and conclude all litigation with CardioFocus. In conjunction with our recent settlement with Medafor, from which we will receive $3.5 million, we have removed two outstanding legal issues and eliminated the ongoing financial and legal exposure associated with these lawsuits. Looking forward, we expect to continue to execute on our growth initiatives and benefit from improved cash flow and profitability due to reduced legal expenditures."

The Company is currently evaluating the full financial impact of the settlements with CardioFocus and Medafor, 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.

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. Such forward-looking statements reflect the views of management at the time such statements are made and are subject to a number of risks, uncertainties, estimates, and assumptions that may cause actual results to differ materially from current expectations. These statements include those regarding our expectation that we will continue to execute on our growth initiatives and benefit from improved cash flow and profitability due to reduced legal expenditures. These risks and uncertainties include that we may not be able to continue to execute on our growth strategies due to competing demands on our resources and funds. Also, we may not be able to find compelling acquisitions or add complementary products in a timely fashion, if at all. Our recent additions to our portfolio of products and recent acquisitions are not necessarily indicative of our future ability to execute on our growth initiatives. Also, the integration of any new businesses or products into our business may take longer and prove more costly than expected and may not provide the intended benefits. Our plans with respect to the allocation of future resources are subject to change at the discretion of management based on CryoLife's business needs at the time. Despite the reduced legal expenditures resulting from the settlements discussed herein, improved cash flow and profitability are influenced by numerous factors relating to our business generally and are impacted by factors beyond our control. These risks and uncertainties include the risk factors detailed in our Securities and Exchange Commission filings, including our Form 10-K for the year ended December 31, 2011. CryoLife does not undertake to update its forward-looking statements.

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

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