CryoLife to Receive Approximately $15.1 Million from Acquisition of Medafor, Inc. by C. R. Bard, Inc.

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ATLANTA, Oct. 7, 2013 /PRNewswire/ -- CryoLife, Inc. (NYSE: CRY), a leading tissue processing and medical device Company focused on cardiac and vascular surgery, announced today that it expects to receive an initial payment of approximately $15.1 million for its 2,379,554 shares of Medafor common stock due to C.R. Bard, Inc.'s acquisition of Medafor, Inc. CryoLife could receive additional payments of up to $8.4 million upon the release of funds held in escrow and the satisfaction of certain contingent milestones. CryoLife's carrying basis for the 2,379,554 shares of Medafor common stock was approximately $2.6 million. Medafor develops and markets hemostatic technology and absorbable hemostats.

Steven G. Anderson, chairman, president and CEO of CryoLife, said, "We are pleased that our modest investment in Medafor has yielded such a positive return for our shareholders. The proceeds from the transaction and the resulting gain of $12.5 million will be recorded in the fourth quarter 2013, and will contribute to the continued execution of our growth strategy and shareholder dividend."

Mr. Anderson added, "The Medafor acquisition by Bard also provides strong validation of the significant market opportunity for our powdered hemostat, PerClot®, which we believe has significant clinical advantages over the Medafor product. PerClot is currently approved in Europe and other select international markets. In the U.S. and Japan, we are moving forward on the regulatory pathway, with FDA approval to initiate the PerClot U.S. clinical trial expected before the end of 2013."

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., certain countries in Europa, 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 for use in soft tissue repair and was recently approved in Japan for use in the repair of aortic dissections. Additional marketing approvals for BioGlue have been granted in several other countries throughout the world. CryoLife, through its subsidiary Cardiogenesis Corporation, specializes in the treatment of coronary artery disease for severe angina using a laser console system and single use, fiber-optic handpieces to perform a surgical procedure known as Transmyocardial Revascularization (TMR). In addition, CryoLife and its subsidiary Hemosphere, Inc. market the HeRO® Graft, which is a solution for end-stage renal disease in certain hemodialysis patients. CryoLife distributes PerClot®, an absorbable powder hemostat, in the European Community and other select international countries. 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 CryoLife, visit CryoLife's website, www.cryolife.com.

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 the payments to be received by CryoLife as a result of C.R. Bard, Inc.'s acquisition of Medafor, Inc., and our plans related to the proceeds from the Medafor acquisition, the market opportunity for PerClot, the clinical advantages of PerClot, and the timing, plans, and expectations related to the regulatory submissions and clinical testing of PerClot. The risks and uncertainties impacting these statements include that the success of efforts related to any of our product lines, including PerClot, is subject to factors beyond our control, including general economic conditions and physician and patient acceptance of our products. Our beliefs regarding the market opportunity for PerClot may be incorrect, and even if correct, there is no guarantee that we will successfully grow PerClot sales or fully realize the potential benefits of any clinical advantages over the Medafor product. Management's plans with respect to the proceeds received from the Medafor acquisition, including, without limitation, plans related to share repurchases, as well management's plans regarding clinical testing, regulatory submissions, and regulatory approvals, are subject to change at any time based on the overall needs of the Company, regulatory concerns, and/or market conditions. There is no guarantee that Medafor's business will satisfy the conditions necessary for us to receive any additional funds for our Medafor stock, and if PerClot receives additional regulatory approvals and/or competes successfully against Medafor's products, our likelihood of receiving such amounts could be decreased. There is no guarantee that we will receive the requisite approvals to distribute PerClot in the U.S. or Japan in accordance with our expected timeframe, if at all. We may be unable, in the FDA's judgment, to satisfy the conditions imposed by the FDA as part of the conditional approval for the PerClot IDE, and we may ultimately be unsuccessful in our clinical trials. Our regulatory approval efforts for PerClot are subject to delays and cost overages. Even if we receive approval, we may be unsuccessful in our attempts to sell PerClot in the U.S. or Japan as other competing products may have penetrated the respective markets by that time. In addition, if we are ultimately able to obtain approval from the FDA to sell PerClot, we will likely end up in a patent infringement lawsuit, which will be expensive. If we lose, we may be prohibited from selling PerClot or may have to pay substantial royalties or damages when we sell PerClot in the U.S. Our ability to fully realize our investment in distribution and license agreements is dependent on our ability to sell PerClot in the U.S. CryoLife's business is also subject to a number of risks and uncertainties, including the risk factors detailed in our Securities and Exchange Commission filings, including our Form 10-K filing for the year ended December 31, 2012 and our subsequent filings with the SEC. CryoLife does not undertake to update its forward-looking statements.

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