



The Wisconsin Heart Hospital
Wheaton Franciscan Healthcare

Contacts:

Bob Newell
Vice President, Finance and Chief Financial Officer
Cardica, Inc.
(650) 331-7133 investors@cardica.com

Daryl Messinger
WeissComm Partners, Inc.
(415) 999-2361 dmessinger@wcpglobal.com

Anne Ballentine
Wheaton Franciscan Healthcare
(414) 331-5345 anne.ballentine@wfhc.org

**CARDICA'S ANASTOMOSIS SYSTEMS ENABLE 'TOTAL CONNECTOR'
BEATING HEART CARDIAC BYPASS PROCEDURES**

*-- Dr. Husam H. Balkhy Performs First U.S. Off-Pump Cardiac Bypass Procedure
Using Cardica Devices to Attach All Bypass Grafts --*

WAUWATOSA, Wis. and REDWOOD CITY, Calif. – October 1, 2008 – Nationally-renowned cardiothoracic surgeon Husam H. Balkhy, M.D., chairman of the department of cardiothoracic surgery at The Wisconsin Heart Hospital, performed the first total connector cardiac bypass procedure in the U.S., without needing to arrest the heart, using only Cardica's (NASDAQ: CRDC) automated systems to connect the bypass graft vessels. With the recent U.S. Food and Drug Administration clearance of the PAS-Port[®] Proximal Anastomosis System, Cardica now offers surgeons a comprehensive suite of products to quickly and reliably attach all grafts during coronary artery bypass graft (CABG) surgery. This will allow surgeons, for the first time, to achieve a total "connector coronary artery bypass" procedure, or C-CAB[™], meaning the CABG procedure can be completed without the need to use hand-sewn sutures to connect the bypass graft vessels.

Cardica's anastomosis systems automate the connection of blood vessels (known as anastomoses) during CABG surgery, replacing hand-sewn sutures, which are more time consuming and can be difficult to perform especially in small coronary arteries. Anastomoses are often considered the most critical step of the bypass procedure. Cardica's PAS-Port proximal system attaches the bypass graft to the aorta, upstream of the occlusion, while Cardica's C-Port[®] Distal Anastomosis Systems connect the bypass grafts to coronary arteries downstream of the occlusion. A triple bypass procedure, for example, requires up to five anastomoses. Now, in many instances, all connections could be performed using Cardica's PAS-Port and C-Port anastomosis systems.

"By using Cardica's automated systems, we were able to successfully attach all of the bypass vessels rapidly and consistently, even in areas of the heart that can be difficult to reach, while

the patient's heart continued to beat," said Dr. Balkhy. "This was a relatively difficult case, complicated by the patient's multi-vessel disease, small targets and diminished cardiac function. Performing a multiple bypass procedure using traditional techniques such as stopping the heart and placing the patient on a heart-lung machine, can be associated with significant risks. Using connectors such as these will help facilitate CABG surgery without the need to use a heart-lung machine."

Dr. Balkhy and his team at The Wisconsin Heart Hospital performed the triple-bypass procedure on a 69-year-old female patient who had severe coronary artery disease, severe chronic obstructive pulmonary disease (COPD) and aortic plaque. This made a traditional CABG surgery particularly risky. The team completed the entire three-vessel, total-connector off-pump CABG surgery in 2.5 hours. The patient was discharged three days after surgery and is doing well today.

"Today, general surgeons extensively use miniature stapling devices for anastomoses in bowel, abdominal and even pulmonary surgical procedures, whereas 20 years ago hand-sewn sutures were used for virtually all of these procedures," continued Dr. Balkhy. "Just as staplers have become the standard of care in general surgery, I believe that cardiothoracic surgeons in the United States and worldwide will eventually adopt automated stapling devices for anastomoses as the standard of care in cardiac bypass surgery."

"We congratulate Dr. Balkhy on completing the first total connector CABG procedure in the United States and his continued commitment to the advancement of less-invasive cardiothoracic surgery. We are proud of the role Cardica's products played in enabling this significant milestone," said Bernard A. Hausen, M.D., Ph.D., president and chief executive officer of Cardica. "As we continue to train surgeons on the use and benefits of both our C-Port and PAS-Port systems, we expect many more surgeons to switch from hand sewing sutures to using our automated devices for traditional open-chest procedures, beating heart surgery and minimally-invasive robotic CABG procedures."

OR-Live Webcast on October 9 Moderated by Dr. Balkhy

On October 9 at 5:00 p.m. Eastern Time, Dr. Balkhy will moderate and explain critical aspects of a robot-assisted, closed-chest CABG procedure performed by internationally-renowned cardiothoracic surgeon Dr. Sudhir Srivastava of the University of Chicago Medical Center, using Cardica's C-Port[®] Flex-A[®] Anastomosis System. The 75-minute webcast of this minimally-invasive surgery can be viewed on www.OR-Live.com and accessed through Cardica's website at www.cardica.com.

About CABG Surgery

Coronary heart disease causes one out of every five deaths in the United States, making it the single largest killer of Americans. While other treatment alternatives exist, studies show that CABG surgery achieves the best long-term patient outcome for coronary heart disease as measured by survival rate and need for re-intervention. The National Center for Health Statistics estimates that in 2005 approximately 260,000 patients had CABG surgeries in the United States.

About Cardica's Anastomosis Systems

Cardica's automated anastomosis systems attach the end of a bypass vessel graft to a coronary artery or to the aorta. This connection, called an anastomosis, is often considered the most critical step of bypass surgery. The current method of performing an anastomosis takes approximately ten to 15 minutes per anastomosis and uses technically demanding, tedious and time-consuming hand-sewn sutures to connect a blood vessel to the aorta or to small diameter

coronary vessels. Using Cardica's automated systems, the connection can be completed typically in less than two minutes and requires no additional hand-sewn sutures for the anastomosis.

About The Wisconsin Heart Hospital

Located in Wauwatosa, Wisconsin, The Wisconsin Heart Hospital, a member of Wheaton Franciscan Healthcare, was the vision of a group of cardiac, vascular and specialty physicians who wanted to treat broad-based diseases that affect cardiac and vascular systems. They began with a unique premise – they wanted to help shape the future of cardiovascular care through locating innovative workflow, patient care, diagnostics and imaging technologies under one roof.

The only cardiovascular specialty hospital and first accredited chest pain center in the Milwaukee area, the hospital was designed for the complexities of heart and vascular care. Its services include diagnostic and interventional cardiac catheterization and peripheral vascular procedures, electrophysiology, surgical services, diagnostic imaging, and emergency services.

As a result of its focus on patient service, TWHH has earned numerous national awards for patient perception of quality and service. TWHH is in the top 1% of hospitals nationwide in patient satisfaction, according to Press Ganey, and has also met or exceeded state and national benchmarks in quality care. The hospital has repeatedly earned top honors in the nation for inpatient cardiology/telemetry.

For more information about The Wisconsin Heart Hospital, its award-winning care and outstanding outcomes, log on to www.mywheaton.org/hearthospital or call 1-414-778-7800.

About Cardica

Cardica is a leading provider of automated anastomosis systems for coronary artery bypass graft (CABG) surgery. By replacing hand-sewn sutures with easy-to-use automated systems, Cardica's products provide cardiovascular surgeons with rapid, reliable and consistently reproducible anastomoses, or connections of blood vessels, often considered the most critical aspect of the CABG procedure. Cardica's C-Port[®] Distal Anastomosis Systems are marketed in the United States and Europe. The PAS-Port[®] Proximal Anastomosis System is marketed in the United States, Europe and Japan. Cardica also is developing additional devices with Cook Medical to facilitate vascular closure and other surgical procedures.

Forward-Looking Statements

This press release contains "forward-looking" statements, including statements relating to the potential increased adoption of the C-Port and PAS-Port systems, specifically, and of automated anastomosis devices generally, for CABG procedures. Any statements contained in this press release that are not historical facts may be deemed to be forward-looking statements. The words "expect," "could," "believe" or similar expressions are intended to identify forward-looking statements. There are a number of important factors that could cause Cardica's results to differ materially from those indicated by these forward-looking statements, including risks associated with the need for Cardica's products to gain market acceptance, and the long-term patency rates of grafts connected using Cardica's products, as well as other risks detailed from time to time in Cardica's SEC reports, including its Annual Report on Form 10-K for the fiscal year ended June 30, 2008. Cardica does not undertake any obligation to update forward-looking statements. You are encouraged to read the Cardica's reports filed with the U.S. Securities and Exchange Commission, available at www.sec.gov.

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