



CryoLife, Inc. Reports Record Revenues And Earnings For Second Quarter And First Half Of 1998, Revenues For First Half Increase 35%

July 21, 1998

ATLANTA, July 21 -- CryoLife, Inc. (NYSE: CRY), a leader in human tissue and cell preservation, and a manufacturer and distributor of specialty cardiovascular and vascular devices and surgical adhesives announced record revenues and earnings for the second quarter and for the first half of 1998 as compared to comparable periods of prior years.

Revenues for the six month period ended June 30, 1998 were \$31,286,000, a 35 percent increase over the previous record of \$23,136,000 set in the same six month period ended June 30, 1997. Net income for the first half of 1998 was \$3,220,000, a 52 percent increase over the record level of \$2,112,000 recorded in the first half of 1997.

Earnings per common share for the first half of 1998 were \$0.29 basic and \$0.28 diluted, compared with \$0.22 basic and \$0.21 diluted in the first half of 1997.

Revenues for the second quarter ended June 30, 1998 were \$16,661,000, an increase of 31 percent over the record level of \$12,723,000 set in the second quarter ended June 30, 1997. Net income for the second quarter was \$2,048,000, a 77 percent increase, compared to the previous second quarter record of \$1,160,000 set in 1997. Revenues in the second quarter were favorably affected by interest income of \$400,000 generated from proceeds received from the follow-on equity offering completed in April 1998 and the divestiture of the vascular access port product line for \$570,000.

Earnings per common share in the second quarter of 1998 were \$0.16 basic and \$0.16 diluted, compared with \$0.12 basic and \$0.12 diluted in the second quarter of 1997, an increase of 33%.

Steven G. Anderson, President and Chief Executive Officer, CryoLife, Inc., noted, "Record revenues and net income reflect the continued and growing application of cryopreserved human tissues in surgical transplant procedures. Revenues from cryopreserved human tissues increased by 27% over the same six month period a year ago. This growth was led by an increase of 116% in revenue generated from cryopreservation services of orthopaedic tissue. Our international business increased 41% representing the expanding surgical application of the CryoLife-O'Brien(TM) porcine heart valve in the European market and the more recent European introduction of BioGlue(R), an animal protein-based surgical adhesive for application in vascular sealing and reconstructive surgeries."

Founded in 1984, CryoLife, Inc. is a leader in the development and commercialization of technology for ultra-low temperature preservation ("cryopreservation") of viable human tissues for use in cardiovascular, vascular, and orthopaedic surgeries throughout the United States and Canada. The Company's BioGlue surgical adhesive, CE marked in the European Union for use in vascular sealing and repair, is distributed throughout Europe. Through its wholly-owned subsidiary, Ideas for Medicine(R), Inc., CryoLife is the manufacturer and distributor of an extensive line of single-use medical devices used primarily in vascular and cardiovascular surgery. The Company also manufactures the CryoLife-O'Brien and CryoLife-Ross(TM) stentless porcine heart valves which are distributed within the European Community.

Financial highlights follow.

Note: Statements made in this release which look forward in time involve risks and uncertainties and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such risks and uncertainties include the ability of the Company to successfully implement its operating strategy, changes in economic cycles, competition from other companies, changes in laws and governmental regulations applicable to the Company and other risk factors detailed in the Company's Securities and Exchange Commission filings, including the Company's Prospectus dated March 30, 1998 contained in its Registration Statement on Form S-3 (No. 333-46545).

The Company's Internet address: <http://www.cryolife.com>.

CRYOLIFE, INC.
SUMMARY OF CONSOLIDATED FINANCIAL DATA
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE DATA)
(UNAUDITED)

	Three Months Ended		Six Months Ended	
	6/30/98	6/30/97	6/30/98	6/30/97
Revenues	\$16,661	\$12,723	\$31,286	\$23,136
Costs and expenses:				
Cryopreservation and products	6,345	4,550	11,826	7,976
General, administrative and marketing	5,841	5,165	11,707	9,644
Research & development	1,256	857	2,267	1,706
Interest expense	118	296	509	428
	13,560	10,868	26,309	19,754
Income before income taxes	3,101	1,855	4,977	3,382
Income tax expense	1,053	695	1,757	1,270
Net income	\$ 2,048	\$ 1,160	\$ 3,220	\$ 2,112

Earnings per share:

Basic	\$ 0.16	\$ 0.12	\$ 0.29	\$ 0.22
Diluted	\$ 0.16	\$ 0.12	\$ 0.28	\$ 0.21

Weighted average shares
outstanding:

Basic	12,709,000	9,615,000	11,219,000	9,598,000
Diluted	13,033,000	9,889,000	11,577,000	9,881,000

	June 30, 1998	December 31, 1997
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Balance Sheet Data:

Working Capital	\$55,394	\$18,825
Total Assets	\$93,043	\$53,749
Shareholders' Equity	\$79,966	\$30,227