



CryoLife(R), Inc. Reports Record Revenues And Earnings For Third Quarter And First Nine Months Of 1998

October 14, 1998

ATLANTA, Oct. 14 -- CryoLife, Inc. (NYSE: CRY), the leader in the development and commercialization of living human tissue implantable devices, and a manufacturer and distributor of stentless heart valves and surgical adhesives, announced record revenues and earnings for the third quarter and for the first nine months of 1998 ended September 30, 1998, as compared to comparable periods of prior years.

Operating revenues for the third quarter ended September 30, 1998 were \$16,014,000, an increase of 10 percent compared to \$14,569,000 reported for the third quarter of 1997. Net income, excluding the effects of the sale of Ideas for Medicine(R), Inc. product lines to Horizon Medical Products, Inc. [Nasdaq:HMP5], for the third quarter ended September 30, 1998, was \$1,902,000, an increase of 31 percent, compared to the previous third quarter record of \$1,458,000 set in 1997.

Earnings per common share, excluding the effects of the sale of the Ideas for Medicine product lines, in the third quarter of 1998 were \$0.15 basic and diluted, compared with \$0.15 basic and diluted in the third quarter of 1997.

Operating revenues for the nine-month period ended September 30, 1998 were \$46,129,000, a 23 percent increase over the previous nine-month record of \$37,621,000 set in the corresponding nine-month period in 1997. Net income, excluding the effects of the sale of the Ideas for Medicine product lines, for the nine months ended September 30, 1998, was \$5,074,000, an increase of 42 percent, compared to the previous nine-month record of \$3,570,000 recorded in 1997.

Earnings per common share, excluding the effects of the sale of the Ideas for Medicine product lines, for the nine months ended September 30, 1998 were \$0.43 basic and \$0.42 diluted, compared with \$0.37 basic and \$0.36 diluted for the corresponding period in 1997.

Including the after-tax gain of \$1,287,000 attributable to the sale of the Ideas for Medicine product lines to Horizon Medical Products, Inc., earnings per common share were \$0.25 basic and \$0.24 diluted for the third quarter, and \$0.54 basic and \$0.53 diluted for the nine months.

Steven G. Anderson, President and Chief Executive Officer, CryoLife, Inc., noted, "Record revenues in the third quarter and first nine months of 1998 continue to reflect the growing application of living human tissue implantable devices in cardiovascular, vascular and orthopaedic surgeries. The Company's financial performance was also bolstered by the expanding European sales of the CryoLife-O'Brien(R) and CryoLife-Ross(TM) stentless porcine heart valves and the Company's BioGlue(R), a surgical adhesive that was released for general distribution in the European Community in May, 1998."

Founded in 1984, CryoLife, Inc. is the leader in the development and commercialization of living human tissue implantable devices 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. The Company also manufactures CryoLife-O'Brien and CryoLife-Ross 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		Nine Months Ended	
	September 30,		September 30,	
	1998	1997	1998	1997
OPERATING REVENUES	\$16,014	\$14,569	\$46,129	\$37,621
COSTS AND EXPENSES:				
PRESERVATION SERVICES				
AND PRODUCTS	6,263	5,112	18,089	13,089
GENERAL, ADMINISTRATIVE				
AND MARKETING	6,310	5,620	18,066	15,300

RESEARCH & DEVELOPMENT	1,150	1,243	3,416	2,950
INTEREST (INCOME) EXPENSE	(373)	316	(264)	736
OTHER (INCOME) EXPENSE *	(2,150)	(71)	(2,920)	(185)
	11,200	12,220	36,387	31,890
INCOME BEFORE INCOME TAXES*	4,814	2,349	9,742	5,731
INCOME TAX EXPENSE	1,625	891	3,381	2,161
NET INCOME**	\$3,189	\$1,458	\$6,361	\$3,570

EARNINGS PER SHARE:**

BASIC	\$0.25	\$0.15	\$0.54	\$0.37
DILUTED	\$0.24	\$0.15	\$0.53	\$0.36

WEIGHTED AVERAGE SHARES

OUTSTANDING:

BASIC	12,808,000	9,670,000	11,754,000	9,622,000
DILUTED	13,074,000	9,978,000	12,058,000	9,914,000

September 30, 1998 December 31, 1997

BALANCE SHEET DATA:

WORKING CAPITAL	\$66,046	\$18,825
TOTAL ASSETS	\$100,521	\$53,749
SHAREHOLDERS' EQUITY	\$83,291	\$30,227

* Includes \$1.9 million resulting from the sale of the Ideas for Medicine, Inc. product line to Horizon Medical Products, Inc.

** Includes \$1.3 million or \$.10 per common share on a basic and diluted basis for the three months ended September 30, 1998 and \$.11 per common share on a basic and diluted basis for the nine months ended September 30, 1998 resulting from the sale of the Ideas for Medicine, Inc. product line to Horizon Medical Products, Inc.