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CryoLife, Inc. Reports Revenues and Earnings for 1998

February 2, 1999

ATLANTA--(BUSINESS WIRE)--Feb. 2, 1999--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 revenues and earnings for the year ended December 31, 1998.

Revenues for the year were \$60.7 million, an increase of 20% as compared with \$50.6 million in 1997. Net income for the year 1998 was \$6.5 million, an increase of 37% as compared with \$4.7 million in 1997. Earnings per common share for 1998 were \$0.54 basic and \$0.53 diluted, up from \$0.49 basic and \$0.48 diluted in 1997.

Steven G. Anderson, President and Chief Executive Officer of CryoLife, said, "Earnings and net income were negatively affected in the fourth quarter of 1998 by one-time nonrecurring costs of \$800,000 associated with the manufacture of CryoLife-O'Brien(R) and CryoLife-Ross(TM) stentless porcine valves and the SynerGraft(R) program. Offsetting these costs were tax savings resulting from the implementation of programs relating to research and development tax credits and state and local tax strategies."

Mr. Anderson also commented, "The Company's financial results in 1998 represent the fifth consecutive year of increasing revenues and earnings since our initial public offering in 1993. We view this five-year growth trend as an endorsement of our product diversification strategy that we began ten years ago. The roll out of our European introduction of BioGlue(R) Surgical Adhesive is on schedule and is encouraging. Sales of BioGlue in the seven months since its market introduction in Europe in May 1998 were \$883,000."

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(R) 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(R) and CryoLife-Ross(R) stentless porcine heart valves which are distributed within the European Community.

Statements made in this press 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 possibility that demand for the Company's cryopreserved tissues and sales of the CryoLife-O'Brien(R) stentless heart valves and BioGlue(R) Surgical Adhesive will not continue to increase, 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 web site is: <http://www.cryolife.com>

CRYOLIFE, INC.
Financial Highlights

(In thousands, except share and per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	1998	1997	1998	1997
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	(Unaudited)			
Revenues	\$ 14,562	\$ 12,949	\$ 60,691	\$ 50,571
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Costs and expenses:				
Cryopreservation and products	7,214	4,676	25,303	17,764
General, administrative and marketing	5,890	5,284	23,907	20,548
Research and development	1,291	997	4,708	3,946
Interest (income) and expense	(557)	233	(820)	970
Other	(106)	(143)	(1,078)	(290)
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Total costs and expenses	13,732	11,047	52,020	42,938
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Income before income taxes	830	1,902	8,671	7,633
Income tax expense (benefit)	(534)	747	2,185	2,908
Net income	\$ 1,364	\$ 1,155	\$ 6,486	\$ 4,725
Earnings per share:				
Basic	\$ 0.11	\$ 0.12	\$ 0.54	\$ 0.49
Diluted	\$ 0.11	\$ 0.12	\$ 0.53	\$ 0.48
Weighted average shares outstanding:				
Basic	12,661	9,694	11,974	9,642
Diluted	12,859	10,023	12,264	9,942

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CONTACT: CryoLife, Inc., Atlanta
Edwin B. Cordell, Jr., 800/438-8285