



## CryoLife, Inc. Reports Record Revenues for Second Quarter; Increasing Interest in New Products

July 20, 1999

ATLANTA--(BW HealthWire)--July 20, 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 record revenues for the second quarter and six months ended June 30, 1999. This represents the seventh consecutive year that the Company has recorded record revenues for the first six months of the year. The Company also noted that the increasing interest of surgeons in its newer products such as BioGlue(R) surgical adhesive and OA (Osteoarticular) grafts substantiates the validity of the Company's product diversification strategy, which is proceeding on schedule.

Revenues for the second quarter of 1999 were \$17.4 million, an increase of 12% over the previous year's second quarter record of \$15.6 million. Net income for the quarter ended June 30, 1999, was \$1.7 million compared with \$2.0 million in the second quarter of 1998. Earnings per common share for the second quarter of 1999 were \$0.14 basic and diluted on 12.3 and 12.5 million shares, respectively, versus \$0.16 basic and diluted on 12.7 and 13.0 million shares, respectively, in the same period in 1998. Earnings for the second quarter of 1998 were favorably affected by the divestiture of the vascular port product line for the total price of \$570,000. If adjusted for this amount, the per share earnings from operations for the second quarter of 1998 and 1999 would be comparable.

Revenues for the first half of 1999 were \$33.7 million, an increase of 12% as compared with revenues of \$30.1 million in the six-month period ended June 30, 1998. Net income for the six months ended June 30, 1999, was \$3.1 million compared with \$3.2 million in the first half of 1998. Earnings per common share for the six months ended June 30, 1999, were \$0.25 basic and diluted on 12.4 and 12.6 million shares, respectively, versus \$0.29 basic and \$0.28 diluted on 11.2 and 11.6 million shares, respectively, in the same period in 1998. These amounts are not adjusted for the sale of the vascular port product line.

Steven G. Anderson, President and Chief Executive Officer of CryoLife, said, "We are pleased that second quarter 1999 allograft heart valve preservation revenues increased 15% over allograft heart valve revenues in the first quarter of the year. Also, our vascular tissue preservation revenues and orthopaedic tissue preservation revenues increased substantially by 26% and 31%, respectively, over the second quarter of last year. In addition, revenues from foreign sales of BioGlue increased 90% to \$409,000 in the second quarter vs. \$215,000 in the same period last year. We believe our BioGlue products hold great promise for the Company in the surgical adhesive market, which is estimated to have worldwide potential in excess of \$9 billion. For the six months ended in June 1999, BioGlue revenues increased 208% to \$663,000 from \$215,000 for the six-month period in 1998."

Mr. Anderson added, "We are pleased with our strong revenue gains, but even more pleased about the success of our BioGlue surgical adhesive in international markets. On May 6, 1999, we filed for a Humanitarian Device Exemption (HDE) from the FDA for the use of our BioGlue surgical adhesive in acute aortic dissections in the U.S. We are awaiting news from the FDA regarding the status of this application."

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 and pulmonary sealing and repair, is distributed throughout Europe. The Company also manufactures CryoLife-O'Brien(R) and CryoLife-Ross(TM) 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 risk that the Company may not be able to continue to diversify its product and service mix, or even if successful, that the Company may continue to be dependent on one or more lines of business, that BioGlue surgical adhesive or the SynerGraft technology will not perform in humans as it has in animals or that unforeseen complications may arise subsequent to the application of BioGlue surgical adhesive or the implementation of a SynerGraft device, the possibility that the application of BioGlue surgical adhesive to coronary bypasses in humans could involve unanticipated costs and greater skill levels or more invasive procedures than currently anticipated, 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 annual report on Form 10-K for the year ended December 31, 1998.

The Company web site is: <http://www.cryolife.com>.

CRYOLIFE, INC.  
Unaudited Financial Highlights  
(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	1999	1998	1999	1998
Revenues	\$17,395	\$15,554	\$33,720	\$30,115

Costs and expenses:				
Cryopreservation and products	8,235	6,345	15,611	11,826
General, administrative and marketing	5,937	5,841	12,102	11,707
Research and development	883	1,256	1,957	2,267
Interest expense	89	118	208	509
Interest income	(367)	(399)	(792)	(399)
Other	40	(708)	(4)	(772)
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Total costs and expenses	14,817	12,453	29,082	25,138
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Income before income taxes	2,578	3,101	4,638	4,977
Income tax expense (benefit)	851	1,053	1,531	1,757
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Net income	\$1,727	\$2,048	\$3,107	\$3,220
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Earnings per share:				
Basic	\$0.14	\$0.16	\$0.25	\$0.29
	=====	=====	=====	=====
Diluted	\$0.14	\$0.16	\$0.25	\$0.28
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic	12,344	12,709	12,422	11,219
	=====	=====	=====	=====
Diluted	12,527	13,033	12,606	11,577
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