CryoLife, Inc. Continues to Report Record Quarterly Revenues

October 19, 1999

ATLANTA--(BW HealthWire)--Oct. 19, 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 third quarter and nine months ended September 30, 1999, as compared with comparable prior periods.

Excluding revenues from Ideas for Medicine, Inc. (IFM), revenues for the third quarter of 1999 increased 12% to $16.3 million over the previous year's third quarter revenues of $14.5 million. Net income for the quarter ended September 30, 1999, was $1.7 million compared with net income of $1.9 million in the third quarter of 1998. Earnings per common share for the third quarter of 1999 were $0.14 basic and diluted on 12.3 and 12.5 million shares, respectively, versus $0.15 basic and diluted on 12.8 and 13.1 million shares, respectively, in the same period in 1998.

Excluding revenues from IFM, revenues for the nine months ended September 30, 1999, were $46.8 million, a 13% increase over revenues of $41.4 million in the nine-month period ended September 30, 1998. Net income for the nine months ended September 30, 1999, was $4.8 million compared with $5.1 million in the nine-month period ended September 30, 1998. Earnings per common share for the nine months ended September 30, 1999, were $0.39 basic and $0.38 diluted on 12.4 and 12.6 million shares, respectively, versus $0.43 basic and $0.42 diluted on 11.8 and 12.1 million shares, respectively, in the same period in 1998.

Revenues in each of the preceding two paragraphs have been reported net of IFM revenues because the manufacturing agreement between IFM and Horizon Medical Products, Inc. (HMP) is currently being renegotiated as a result of HMP's default under the agreement. At this time, CryoLife management believes that the resolution of the HMP manufacturing contract will not have a material effect on future operations.

Steven G. Anderson, President and Chief Executive Officer of CryoLife, said, "We are pleased to announce that revenues for the third quarter set a new record over comparable revenues for the year-ago period. The Company's strong financial performance is a direct result of the continued expansion of the surgical uses of living tissue implants, new product introduction and expansion of the Company's international business."

In August 1999, CryoLife announced the first human implants of its tissue-engineered SynerGraft(R) porcine heart valve at the Prince Charles Hospital in Brisbane, Australia. More than two months after their initial surgery, both patients appear to be recovering well. Given the results of these two surgeries, up to ten additional SynerGraft implants are planned for patients at the Prince Charles Hospital in the next few months.

Mr. Anderson added, "We believe that the major operational events during the third quarter will prove very beneficial in achieving many of our short- and long-term goals. We have made significant progress in our efforts to have BioGlue surgical adhesive approved for distribution in Japan, and we made healthcare history with our first implants of tissue-engineered SynerGraft heart valves. In direct response to our rapid growth in the European medical community, we have initiated our plan to set up a European headquarters operation near London, England, under the direction of Dr. Robert N. Hanley. The new European headquarters, which is expected to be operational January 1, 2000, will provide distribution and technical services to CryoLife's growing network of European representatives, institutional customers and surgeons."

Founded in 1984, CryoLife, Inc. is the leader in the development and commercialization of implantable living human tissues 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(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 risk that the Company will be unable to renegotiate an acceptable manufacturing agreement between IFM and HMP, 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 Form 10-K for the year ended December 31, 1999.

The Company web site is: http://www.cryolife.com. -0-

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Revenues(1)	$16,529	$16,014	$50,249	$46,129

Costs and expenses:

Cryopreservation and products	6,930	6,263	22,541	18,089
General, administrative and marketing	6,181	6,310	18,283	18,066
Research and development	1,156	1,150	3,113	3,416
Interest expense	92	110	300	619
Interest income	(361)	(483)	(1,153)	(883)
Other	(28)	(200)	(32)	(970)
Total costs and expenses	13,970	13,150	43,052	38,337
Income before income taxes	2,559	2,864	7,197	7,792
Income tax expense	845	962	2,376	2,718
Net income	$ 1,714	$ 1,902	$ 4,821	$ 5,074
Earnings per share:				
Basic	$ 0.14	$ 0.15	$ 0.39	$ 0.43
Diluted	$ 0.14	$ 0.15	$ 0.38	$ 0.42
Weighted average shares outstanding:				
Basic	12,274	12,808	12,372	11,754
Diluted	12,485	13,074	12,563	12,058

(1) Includes IFM revenues.

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