



CryoLife, Inc. Reports Fourth Quarter and Full Year Results

February 8, 2000

ATLANTA--(BW HealthWire)--Feb. 8, 2000--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 fourth quarter and year ended December 31, 1999. Earnings growth was restricted by a one-time, non-recurring charge related to a manufacturing agreement with Horizon Medical Products, Inc. (AMEX:HMP), in which HMP is in default.

Revenues for the year ended December 31, 1999, increased 10% to \$66.7 million from \$60.7 million in 1998, marking the sixth consecutive year in which CryoLife has achieved record revenues. After taking a non-recurring, pre-tax charge of \$2.4 million, or \$0.13 per share, associated with the default by HMP on their manufacturing contract with Ideas for Medicine, Inc. (IFM), a wholly owned subsidiary of CryoLife, net income totaled \$4.5 million, compared with \$6.5 million in the prior year. On a per share basis, net income totaled \$0.36 basic and \$0.36 diluted on 12.3 and 12.5 million shares outstanding, respectively, versus \$0.54 basic and \$0.53 diluted on 12.0 and 12.3 million shares, respectively, for 1998.

Excluding the non-recurring charge, 1999 earnings totaled \$6.0 million, or \$0.49 and \$0.48 per share, respectively, on a basic and fully diluted basis, compared with \$0.54 and \$0.53, basic and diluted, in 1998.

"The year's record revenues continue to reflect the medical community's strong demand and expanding applications of CryoLife's preserved tissue implants in vascular, cardiovascular and orthopaedic surgical procedures," said Steven G. Anderson, CryoLife President and Chief Executive Officer.

Revenues for the fourth quarter of 1999 increased 13% to \$16.5 million from \$14.6 million in the same period a year ago. After the charge, the Company reported a net loss for the quarter of \$370,000, or \$0.03 per share basic and diluted, compared with net income of \$1.4 million, or \$0.11 per share, in the same period of 1998.

On an operating basis, the Company earned \$1.2 million, or \$0.10 per share, in the quarter, compared with \$1.4 million, or \$0.11 per share, in the same period of the previous year. Operating earnings in the 1999 quarter were affected by costs associated with the transfer of the Company's SynerGraft(R) porcine replacement heart valves out of R&D, by the initiation of corporate operations in Europe and the expenses associated with the domestic introduction of the Company's surgical adhesive, BioGlue(R).

"These expenses represent a major investment in the Company's diversification strategy and are crucial building blocks for future growth," Anderson said. "The one-time, non-recurring charge for the HMP default appropriately addresses the HMP situation. We can now focus on the continued long-term development of a diversified implantable biological device company."

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 is approved as an adjunct for acute thoracic aortic dissections under HDE regulations in the United States and is CE marked in the European Union and approved in Canada for use in vascular and pulmonary sealing and repair. 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 that 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 charge taken for the HMP contract will prove insufficient, 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, 1998.

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		Year Ended	
	December 31,		December 31,	
	1999	1998	1999	1998
Revenues	\$16,473	\$14,562	\$66,722	\$60,691
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Costs and expenses:				
Cryopreservation and products	7,629	7,214	30,170	25,303
General, administrative and marketing	6,410	5,890	24,693	23,907
Research and development	1,283	1,291	4,396	4,708

Nonrecurring charges	2,355	--	2,355	--
Interest (income) and expense	(316)	(557)	(1,169)	(820)
Other	(192)	(106)	(224)	(1,078)
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Total costs and expenses	17,169	13,732	60,221	52,020
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Income (loss) before income taxes	(696)	830	6,501	8,671
Income tax (benefit) expense	(326)	(534)	2,050	2,185
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Net income (loss)	\$ (370)	\$1,364	\$4,451	\$6,486
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Earnings (loss) per share:				
Basic	\$(0.03)	\$0.11	\$0.36	\$0.54
	=====	=====	=====	=====
Diluted	\$(0.03)	\$0.11	\$0.36	\$0.53
	=====	=====	=====	=====
Weighted average shares outstanding:				
Basic	12,249	12,661	12,341	11,974
	=====	=====	=====	=====
Diluted	12,249	12,859	12,533	12,264
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