



## **CryoLife, Inc., Reports Record Revenues and Improved Earnings During the Second Quarter and First Half of 2000**

July 18, 2000

ATLANTA, July 18 /PRNewswire/ -- CryoLife, Inc. (NYSE: CRY), a diversified biological implantable device company, today reported record revenues and improved earnings for the second quarter and first half of 2000.

Revenues for the second quarter ended June 30, 2000 were \$19,454,000, an increase of 12% over the \$17,395,000 recorded in the second quarter of 1999. Net income for the second quarter of 2000 was \$1,979,000, an increase of 15% over the net income of \$1,727,000 reported for the same period a year ago. On a fully diluted basis, earnings per share for the quarter ended June 30, 2000 rose to \$0.16 from \$0.14 for the quarter ended June 30, 1999.

For the six-month period ended June 30, 2000 revenues rose 16% to \$39,077,000 from \$33,720,000 for the same period in 1999. Net income totaled \$3,583,000, an increase of 15% over the \$3,107,000 recorded in the first six months of 1999. On a per share basis, earnings for the six-month period ended June 30, 2000 rose to \$0.28 from \$0.25 for the same period in 1999.

Steven G. Anderson, President and Chief Executive Officer, CryoLife, Inc., said, "CryoLife has made significant progress this year toward its goal to become a diversified world leader in tissue engineering and surgical adhesives. Results for the second quarter and the first six months of this year reflect the expanded clinical applications of cryopreserved human tissues in cardiovascular, vascular, and orthopaedic surgeries, as well as the excellent physician acceptance being achieved by BioGlue(R) in its currently approved applications. We expect to increase the number of our product and service offerings in these and other areas over the coming months, pursuing the strategic direction and the product and service positioning we envision for CryoLife in the years ahead."

### **Cryopreservation Services Review**

The company's performance in the second quarter of 2000 was driven by progress recorded from its diversification activities. Revenue from cardiovascular tissue preservation, which contributed 39% of total revenues, declined by 3% in the second quarter over the same period a year ago, reflecting various market conditions. Revenue from cardiovascular tissue preservation rose 4% through the first six months of 2000 compared to the same period in 1999.

The core business revenues in the second quarter were propelled by vascular tissue preservation, which increased 21% to reach 28% of corporate revenue, and by orthopaedic tissue preservation, which rose 55% to account for 20% of corporate revenue. Through the first six months of 2000, vascular and orthopaedic tissue preservation advanced 18% and 60%, respectively, as compared to the same period in 1999. These two business segments continue to increase in relative importance to total operations.

### **BioGlue Progress**

Revenues from the commercial roll-out of CryoLife's BioGlue surgical adhesive in both domestic and overseas markets registered the most significant growth in the second quarter, increasing to \$1,491,000, up from \$409,000 in the year ago period, and ahead of the \$1,130,000 recorded in the first quarter of 2000. Six-month revenues advanced by 295% to \$2,621,000, up from \$663,000 for the same period in 1999.

BioGlue is currently approved for vascular and pulmonary repair in 35 foreign countries and is commercially available in the United States under a Food and Drug Administration (FDA) approved Humanitarian Device Exemption (HDE) for use as an adjunct in the repair of acute thoracic aortic dissections, a life-threatening condition. In March 2000, the FDA approved an expansion of the BioGlue human clinical trials for use in all vascular and cardiac repairs.

"We are extremely pleased with the progress of BioGlue to date, and expect it to position CryoLife as a significant competitor in the worldwide multibillion dollar surgical adhesive and wound closure market," said CEO, Steven G. Anderson. "We are in the process of building a new 100,000 square foot manufacturing facility scheduled to open in mid 2001 that should accommodate the development and production needs for both BioGlue and our new SynerGraft(R) family of tissue-engineered products. These new proprietary technologies are expected to fuel the Company's growth in the decade ahead."

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 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. The CryoLife-O'Brien valve received approval for general distribution in Canada last week.

Statements made in this press release that look forward in time or that express management's beliefs, expectations or hopes regarding future occurrences are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These future events may not occur when expected, if at all, and are subject to various risks and uncertainties. Such risks and uncertainties include the possibility that SynerGraft valves will not repopulate with human recipient cells, that future clinical SynerGraft or BioGlue test results will prove less encouraging than current results, that SynerGraft or BioGlue regulatory submissions will not be ready when planned or that anticipated regulatory approvals will not be obtained on a timely basis, if at all, the possibility of rapid technological change, uncertainties regarding products in development, 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.

For additional information about the company, visit CryoLife's web site: <http://www.cryolife.com>

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	2000	1999	2000	1999
Revenues	\$19,454	\$17,395	\$39,077	\$33,720
Cost and expenses:				
Cryopreservation and products	8,313	8,235	17,462	15,611
General, administrative and marketing	7,422	5,937	14,500	12,102
Research and development	1,165	883	2,494	1,957
Interest expense	96	89	161	208
Interest income	(410)	(367)	(787)	(792)
Other	(91)	40	(106)	(4)
Total costs and expenses	16,495	14,817	33,724	29,082
Earnings before income taxes	2,959	2,578	5,353	4,638
Income tax expense	980	851	1,770	1,531
Net income	\$1,979	\$1,727	\$3,583	\$3,107
Earnings per share:				
Basic	\$ 0.16	\$0.14	\$ 0.29	\$0.25
Diluted	\$ 0.16	\$0.14	\$ 0.28	\$0.25
Weighted average shares outstanding:				
Basic	12,344	12,344	12,292	12,422
Diluted	12,674	12,527	12,612	12,606

SOURCE CryoLife, Inc.

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