



## **CryoLife, Inc. Reports 54% Increase in Net Income During the First Quarter Of 2001 as Compared to the First Quarter of 2000**

April 17, 2001

ATLANTA, April 17 /PRNewswire/ -- CryoLife, Inc. (NYSE: CRY), a life-science company involved in the development and commercialization of tissue-engineered implantable heart valves, vascular and orthopaedic grafts, and surgical adhesives, today reported record first quarter revenues and earnings during the quarter ended March 31, 2001.

Revenues for the quarter ended March 31, 2001 were \$21.4 million, a 9% increase over the previous record of \$19.6 million set in the first quarter of 2000. Net income for the quarter was a record of \$2.5 million, a 54% increase compared to net income of \$1.6 million for the quarter ended March 31, 2000. On a fully-diluted basis, earnings per share for the quarter ended March 31, 2001 rose 44% to \$0.13 from \$0.09, as adjusted, for the same period in 2000. First quarter earnings per common share have been adjusted to reflect a 3-for-2 stock split effected on December 27, 2000.

Steven G. Anderson, President and Chief Executive Officer, CryoLife, Inc., noted, "First quarter revenues benefited from growth in our core businesses and from significant increases in sales of BioGlue(R) surgical adhesive in both domestic and overseas markets. BioGlue sales were up 116% compared to the first quarter of 2000 and up 15% compared to the fourth quarter of 2000."

### **Cryopreservation Services Review**

The Company's performance in the first quarter of 2001 was driven by continued progress in its diversification strategies, combined with solid results from its core orthopaedic and vascular cryopreservation businesses. Although cardiovascular tissue processing revenues decreased 9% from the first quarter of 2000, orthopaedic tissue processing revenues for the first quarter of 2001 increased by 34% over 2000, while vascular tissue processing revenues increased by 15% year-over-year.

### **BioGlue Progress**

The commercial rollout of BioGlue surgical adhesive continues to have a more meaningful impact on corporate results, accounting for 11% of the Company's total revenues in the first quarter of 2001. BioGlue revenues rose 116% in the first quarter to approximately \$2.4 million, compared to \$1.1 million in the year ago period.

BioGlue is currently approved for vascular and pulmonary repair in 42 foreign countries and is commercially available in the United States under a Food and Drug Administration (FDA) approved Humanitarian Use Device Exemption (HDE) for use as an adjunct in the repair of acute thoracic aortic dissections, a life-threatening condition.

The Company filed a Premarket Approval (PMA) for BioGlue's use in all vascular repair and sealing on February 1, 2001. Also in February of 2001, the Company announced that it had received approval to market BioGlue surgical adhesive in Australia.

### **Gross Margins**

Gross margins for the quarter ended March 31, 2001 were 57%, compared to 53% for the corresponding period in 2000. The increase in gross margins resulted from the Company's diversification strategy, most notably the growing contribution of BioGlue, which carries gross margins in excess of those in the cryopreservation business, as well as the termination of the Ideas for Medicine OEM contract with Horizon Medical Products, Inc. which had significantly lower margins than the Company's core businesses.

### **SynerGraft(R) Progress**

In January 2001 CryoLife, Inc. announced that it had expanded its human vascular program to include a new method of preserving vascular tissue used as an A-V (arteriovenous) access graft for application with dialysis patients. The new vascular graft, called CryoVein(R)SG, incorporates the use of the Company's patented SynerGraft technology to produce a graft that we believe reduces the risk of infection and provides for improved long-term functionality due to the potential for the graft to remodel itself in vivo.

On February 22, 2001 CryoLife announced that its SynerGraft heart valve was successfully implanted in a three year-old male child in Norway. Additional implants have occurred in Norway and Finland. The SynerGraft heart valve, a revolutionary advancement in heart valve replacement surgery, is currently being distributed under a CE (product certification) Mark that was awarded to the Company in October of 2000, allowing for commercial distribution of the valve throughout the European Community.

The SynerGraft heart valve represents the world's first heart valve replacement technology that depopulates the donor cells leaving a collagen matrix that has the potential to repopulate itself with the recipients' own cells following implantation.

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 is approved as an adjunct for acute thoracic aortic dissections under HDE regulations in the United States and is CE Marked in the European Community and approved in Canada and Australia for use in vascular and pulmonary sealing and repair. The Company also manufactures the SynerGraft heart valve, the world's first tissue-engineered heart valve replacement and the CryoLife-O'Brien(R) and CryoLife-Ross(R) stentless porcine heart valves, which are CE Marked for distribution within the European Community. The human heart valves and vascular grafts processed by CryoLife using the SynerGraft technology are distributed in the U.S. under the trade names of CryoValve(R)SG and CryoVein(R)SG, respectively.

Financial Highlights Follow.

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 CryoVein-SG will not have the expected long-term functionality or 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, that future clinical SynerGraft or BioGlue test results will prove less encouraging than current results, that SynerGraft-treated tissues will not repopulate with human recipient cells the possibility that there will not be an adequate supply of human tissue for cryopreservation, 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, 2000.

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 March 31,	
	2001	2000
Revenues	\$21,432	\$19,623
Cost and expenses:		
Cryopreservation and products	9,105	9,149
General, administrative and marketing	8,159	7,043
Research and development	1,086	1,329
Interest expense	---	100
Interest income	(562)	(377)
Other	---	(15)
Total costs and expenses	17,788	17,229
Earnings before income taxes	3,644	2,394
Income tax expense	1,166	790
Net income	\$2,478	\$1,604
Earnings per share:		
Basic	\$0.13	\$0.09
Diluted	\$0.13	\$0.09
Weighted average shares outstanding:		
Basic	18,749	18,357
Diluted	19,508	18,788
Revenues From:		
Cardiovascular	\$6,911	\$ 7,582
Vascular	6,412	5,564
Orthopaedic	5,243	3,899
Total Cryopreservation	18,566	17,045
BioGlue	2,442	1,130
Bioprosthetic Valves	199	226
IFM	--	1,080
Other	225	142
Total Revenues	\$21,432	\$19,623

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