



CryoLife, Inc. Reports Record Revenues and Record Earnings For Both The Fourth Quarter and The Year 2001

January 29, 2002

ATLANTA, Jan 29, 2002 /PRNewswire-FirstCall via COMTEX/ -- CryoLife, Inc. (NYSE: CRY), a life-science company involved in the development and commercialization of tissue-engineered implantable heart valves, vascular and orthopedic grafts, and surgical adhesives, today reported earnings for both the fourth quarter and year ended December 31, 2001.

Revenues for the twelve-month period ended December 31, 2001, were \$87.7 million, up 14 percent over the previous record of \$77.1 million set in 2000. Excluding revenues of approximately \$2.2 million in 2000 related to Ideas for Medicine, Inc. ("IFM"), revenues were up 17% in 2001 as compared to 2000. Substantially all of the IFM assets were sold on October 9, of 2000. Net income for the year 2001 was a record of \$10.2 million, a 31 percent increase compared to net income of \$7.8 million for the year ended December 31, 2000. On a fully diluted basis, earnings per common share for the year ended December 31, 2001, rose to \$0.52 from \$0.41 for the same period in 2000.

Earnings results include a non-recurring pre-tax gain of \$713,000, related to the previously established reserve against notes receivable, partially offset by non-recurring charges of \$684,000, which consists primarily of \$375,000 associated with the termination of certain international distributor agreements and \$160,000 associated with costs previously capitalized in connection with uncompleted licensing transactions. Excluding non-recurring items, diluted earnings per share for the year ended December 31, 2001, were \$0.52. All non-recurring items were recorded in the fourth quarter of 2001.

Steven G. Anderson, President and Chief Executive Officer, CryoLife, Inc., noted, "The strong revenues performance benefited from the three sectors of our core businesses. Revenues for cardiovascular tissue processing were \$28.6 million, representing 33 percent of total revenues in 2001. Vascular tissue processing revenues were \$24.5 million, representing 28 percent of total revenues for the year. Orthopedic tissue revenues were \$22.5 million, representing 26 percent of total revenues for the year ended December 31, 2001. Record revenues in 2001 also benefited from the commercial rollout of BioGlue(R) surgical adhesive in both domestic and overseas markets. BioGlue accounted for \$10.6 million in revenues, contributing 12 percent to total Company revenues for 2001. CryoLife has achieved record revenues for 17 consecutive years, reflecting continuing programs directed toward the successful development and introduction of new products and services."

Revenues for the fourth quarter ended December 31, 2001, were a record \$22.0 million, up 19 percent over the \$18.5 million recorded in the fourth quarter of 2000. Net income in the fourth quarter of 2001 was a record \$2.5 million, an increase of 31 percent compared to net income of \$1.9 million for the same period in 2000. On a fully diluted basis, earnings per common share for the fourth quarter 2001 rose to \$0.13 from \$0.10 for the same period in 2000. Excluding non-recurring items, diluted earnings per share for the fourth quarter were \$0.13.

CryoLife will conduct a live teleconference at 8:00 a.m. Eastern Time this morning, January 29, 2002. Individuals interested in listening to the live teleconference may do so by calling 973-872-3462 a few minutes prior to 8:00 a.m. No identification number is required. Those interested in listening to a replay of the teleconference may do so by calling (toll free) 877-519-4471 or 973-341-3080. The identification number for the replay is 3062059. The replay will be available January 29 through February 1, 2002.

Founded in 1984, CryoLife, Inc. is the leader in the development and commercialization of implantable living human tissues for use in cardiovascular, vascular and orthopedic surgeries throughout the United States and Canada. The Company's BioGlue surgical adhesive is FDA approved as an adjunct to sutures and staples for use in adult patients in open surgical repair of large vessels 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(R) heart valve, the SynerGraft vascular graft, the world's first tissue-engineered heart valve and vascular replacements, 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

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2001	2000	2001	2000
Revenues	\$21,975	\$18,495	\$87,671	\$77,096
Costs and Expenses:				
Cryopreservation				

and products	9,020	7,595	36,629	33,347
General, administrative and marketing	9,114	7,233	33,683	28,731
Research and development	1,133	1,502	4,737	5,207
Interest expense	43	63	96	299
Interest income	(380)	(639)	(1,967)	(1,952)
Other income, net	(656)	(96)	(547)	(169)
Total Costs and Expenses	18,274	15,658	72,631	65,463
Earnings before income taxes	3,701	2,837	15,040	11,633
Income tax expense	1,184	911	4,813	3,816
Net Income	\$2,517	\$1,926	\$10,227	\$7,817
Earnings per share:				
Basic	\$0.13	\$0.10	\$0.54	\$0.42
Diluted	\$0.13	\$0.10	\$0.52	\$0.41
Weighted average shares outstanding:				
Basic	18,876	18,692	18,808	18,541
Diluted	19,685	19,534	19,660	19,229
Revenues from:				
Cardiovascular	\$6,304	\$6,617	\$28,606	\$29,685
Vascular	5,865	5,045	24,488	21,279
Orthopedic	6,314	4,328	22,458	16,132
Total Cryopreservation	18,483	15,990	75,552	67,096
BioGlue	3,090	2,115	10,595	6,405
Bioprosthetic Valves	11	160	535	771
IFM	---	---	---	2,208
Other	391	230	989	616
Total Revenues	\$21,975	\$18,495	\$87,671	\$77,096

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

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