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CryoLife, Inc. Corrects Previously Announced 2001 Earnings to Record Non-Cash Non-Operating Charges Related to Marketable Securities

March 29, 2002

Earnings Guidance for 2002 Remains Unchanged

ATLANTA, Mar 29, 2002 /PRNewswire-FirstCall via COMTEX/ 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, vascular grafts and surgical adhesives, announced today that it is revising its previously announced 2001 results by recording non-operating, non-cash after-tax charges for the quarters ended March 31, 2001 and December 31, 2001 relating to a decline in value of certain marketable securities held by the Company. The charges relate to periods prior to 2002 and do not affect previously issued guidance for 2002. The Company is recording $508,000 or $0.03 per diluted share for the quarter ended March 31, 2001 and $553,000, or $0.03 per diluted share, for the quarter ended December 31, 2001. The total of these after-tax charges amounts to $1,061,000, or $0.05 per diluted share.

The Company had previously characterized the decline in value as temporary and recorded the decline as an unrealized loss on the balance sheet in other comprehensive income as a separate component of shareholders' equity for the years ended December 31, 1999-2001. After careful reevaluation the Company concluded the decline in value was "other than temporary" as defined in Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities" and, therefore, should be reflected in the income statement. The marketable securities were primarily a floating rate loan mutual fund. All other marketable securities held by the Company are either investment grade securities or better, as rated by either Standard & Poor's or Moody's Investor Services.

The reevaluation and correction follows a comment made by the Securities and Exchange Commission ("SEC") in a letter the Company received after its 2001 earnings announcement. In the comment letter, the SEC requested the Company to consider recognizing these losses as being "other than temporary," and to recognize such losses through its income statement. There are no outstanding issues under the comment letter.

The following table outlines the previously reported results versus the corrected amounts for the quarters ended March 31, 2001, December 31, 2001, and the full year ended December 31, 2001 (in thousands, except share and per share data):

	Quarter Ended March 31, 2001 (Unaudited)		Quarter Ended December 31, 2001 (Unaudited)		Year Ended December 31, 2001	
	As Previously Reported	Revised	As Previously Reported	Revised	As Previously Reported	Revised
Revenues	21,432	21,432	21,975	21,975	87,671	87,671
Cost of preservation services and products	9,105	9,105	9,020	9,020	36,629	36,629
General, administrative, and marketing	8,159	8,159	9,275	9,275	33,844	33,844
Research and development	1,086	1,086	1,133	1,133	4,737	4,737
Interest expense	---	---	43	43	96	96
Interest income	(562)	(562)	(380)	(380)	(1,967)	(1,967)
Other expense (income), net	---	747	(817)	(4)	(708)	852
Income before income taxes	3,644	2,897	3,701	2,888	15,040	13,480
Income tax expense	1,166	927	1,184	924	4,813	4,314
Net income	2,478	1,970	2,517	1,964	10,227	9,166
Earnings per share						
Basic	0.13	0.11	0.13	0.10	0.54	0.49
Diluted	0.13	0.10	0.13	0.10	0.52	0.47

Management also stated that it is comfortable with its previously stated 2002 full year earnings guidance of $0.74 to $0.80 per

diluted share.

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 FDA approved as an adjunct to sutures and staples for use in adult patients in open surgical repair of large vessels, is CE marked in the European Community for soft tissue, vascular and pulmonary repair and approved in Canada and Australia for use in vascular and pulmonary sealing and repair. The Company also manufactures the SynerGraft(R) heart valve and 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.

Forward-Looking Statements. Statements made in this press release that look forward in time or that express management's beliefs, expectations or hopes regarding anticipated operating performance and expenditures during the first quarter and full year of 2002, 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 Company's dependence on cryopreservation of human tissue, the possibility that SynerGraft-treated heart valves will not have the expected long-term functionality, repopulate with human recipient cells or reduce immune response, that orthopedic tissue revenues could be adversely impacted due to the recent death of a knee surgery patient and a recent CDC report, that future clinical SynerGraft or BioGlue test results will prove less encouraging than current results, that SynerGraft, BioGlue, or other regulatory submissions will not be ready when planned or that anticipated regulatory approvals will not be obtained when expected, if at all, that surgeons will not continue to accept and use BioGlue, competition from other wound closure products, that the Company will be unable to find an investor in its proprietary light-activated drug delivery systems or that such systems will prove ineffective in oncology applications, that pending legal proceedings against the Company will not be resolved in its favor, the possibility of rapid technological change, uncertainties regarding products in development, uncertainties related to patents and protection of proprietary technology, 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 filings.

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

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