CryoLife, Inc. Management Reviewed 2002 Operating Events In Teleconference Call

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ATLANTA, Feb 26, 2003 /PRNewswire-FirstCall via COMTEX/ -- CryoLife, Inc. (NYSE: CRY), a human tissue processing and medical device company, held a teleconference yesterday following the release of its financial results for the fourth quarter and year ended December 31, 2002. During the call, company executives commented on operational events, including the following:

BioGlue(R) Surgical Adhesive Update

For the first time in the Company's history, monthly BioGlue revenues exceeded $2 million in January 2003. International BioGlue revenues increased 22 percent for the year 2002 over 2001. BioGlue revenues for the first quarter of 2003 are tracking to over $6 million.

Inside the Numbers

Total revenues for the first quarter of 2003 are on track to be between $14.5 and $15 million. In the same quarter, cardiac revenues are tracking to more than $4 million, while vascular revenues are tracking to over $3.6 million.

Forward Guidance

Total 2003 revenues are expected to approximate $70 million, with BioGlue revenues expected to approximate $26 to $27 million. Gross margins for all products are estimated to be in the mid-50 percent range during 2003. Selling, general, and administrative expenses are expected to be between $42 million and $46 million during 2003.

Other Matters

During the fourth quarter of 2002, approximately 60% of the Company's cardiac revenues were derived from SynerGraft(R) processed cardiac tissues, which carry a premium of 15 to 20 percent compared to cardiac tissues processed using the Company's traditional processing methods. Considering additional costs associated with processing SynerGraft cardiac tissues, the potential net financial impact from not utilizing the SynerGraft technology in cardiac tissue processing is estimated to be 10 percent of the cardiac revenues derived from SynerGraft processing. Although the Company has currently suspended processing human tissue with the SynerGraft process pending discussions of its regulatory status with the FDA, the Company is continuing to process and distribute these tissues using its traditional processing methods.

Founded in 1984, CryoLife, Inc. is a leader in the processing and distribution of implantable living human tissues for use in cardiovascular and vascular 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 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 vascular graft, which is CE marked for distribution within the European Community.

Statements made in this press release that look forward in time or that express management's beliefs, expectations or hopes are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These future events may not occur as and when expected, if at all, and, together with the Company business, are subject to various risks and uncertainties. Such risks and uncertainties include that demand for CryoLife preserved tissues, particularly orthopaedic tissues, may never return to prior levels and physicians and hospital risk managers may be unwilling to approve the use of Company-processed tissues, FDA regulation of the Company's CryoVein(R)SG or other tissues and products may require premarketing approvals that the Company does not have and may not be able to obtain without great time and expense, if at all, the Company may not have sufficient borrowing or other capital availability to fund its business over the long-term, current and future litigation may not be resolved within the limits of the Company's insurance policies or may otherwise be resolved in a matter that is materially adverse to the Company, the possibility that current severe decreases in the Company's revenues and working capital will continue, the possibility that the SEC investigation could be concluded in a manner adverse to the Company, 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, competition for BioGlue from other wound closure products, 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 CryoLife and other risk factors detailed in CryoLife's Securities and Exchange Commission filings, including CryoLife's Form 10-Q filing for the quarter ended September 30, 2002, and the Company's other SEC filings.

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

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