SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): AUGUST 5, 2003

CRYOLIFE, INC.
(Exact name of registrant as specified in charter)

Commission File Number: 1-13165

FLORIDA	59-2417093
(State or other jurisdiction of incorporation)	(IRS Employer Identification No.)

1655 ROBERTS BOULEVARD N.W. KENNESAW, GEORGIA	30144
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number including area code: (770) 419-3355

(Former name or former address, if changed since last report)

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements.

Not applicable.

(b) Pro Forma Financial Information.

Not applicable.

(c) Exhibits.

Exhibit Number	Description
99.1	Press Release dated August 5, 2003

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The information provided pursuant to this Item 12 is to be considered "filed" under the Securities Exchange Act of 1934 ("Exchange Act") and incorporated by reference into those filings of CryoLife, Inc. ("CryoLife") that provide for the incorporation of all reports and documents filed by CryoLife under the Exchange Act.

On August 5, 2003, CryoLife issued a press release announcing its results for the quarter ended June 30, 2003. CryoLife hereby incorporates by reference herein the information set forth in its Press Release dated August 5, 2003, a copy of which is attached hereto as Exhibit 99.1. Except as otherwise provided in the press release, the press release speaks only as of the date of such press

release and such press release shall not create any implication that the affairs of CryoLife have continued unchanged since such date.

Except for the historical information contained in this report, the statements made by CryoLife are forward-looking statements that involve risks and uncertainties. All such statements are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. CryoLife's future financial performance could differ significantly from the expectations of management and from results expressed or implied in the Press Release. For further information on other risk factors, please refer to the "Risk Factors" contained in the press release and in CryoLife's Form 10-K for the fiscal year ended December 31, 2002, as filed with the Securities and Exchange Commission. CryoLife disclaims any obligation or duty to update or modify these forward-looking statements.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CRYOLIFE, INC.

Date: August 5, 2003

By: /s/ D. Ashley Lee

Name: D. Ashley Lee
Title: Vice President, Chief Financial Officer and Treasurer

EXHIBIT INDEX

EXHIBIT 99.1

CRYOLIFE(R) REPORTS SECOND QUARTER 2003 FINANCIAL RESULTS

BIOGLUE(R) SALES GROWTH CONTINUES EXPANDING DISTRIBUTION OF ORTHOPAEDIC TISSUES IN AUGUST INCREASED PROCUREMENT OF CARDIAC, VASCULAR, AND ORTHOPAEDIC TISSUE

ATLANTA, Aug 5, 2003 /PRNewswire-FirstCall via COMTEX/ -- CryoLife, Inc. (NYSE: CRY), a human tissue processing and bio-surgical device company today reported financial results for the second quarter 2003.

Revenues for the second quarter 2003 were $15.7 million compared to $23.3 million in the second quarter 2002. Net loss in the second quarter of 2003 was $22.3 million, which included $12.5 million in additional pre-tax accruals for the uninsured portion of estimated potential legal fees and settlement costs related to the Company's product liability lawsuits and claims that have been incurred, but not reported. This estimate does not reflect actual settlement arrangements or final judgments, which may vary significantly from this estimate. The loss also reflects $11.4 million related to establishing a valuation allowance against deferred tax assets as of June 30, 2003. Except for these items the net loss would have been approximately $2.5(1) million.

On a fully diluted basis, loss per common share for the second quarter 2003 was $1.14 per share compared to a loss of $0.28 per share for the same period in 2002. Except for the items discussed above, loss per common share would have been $0.13(2) per share in the second quarter 2003.

Revenues for the first half of 2003 were $31.6 million compared to $48.7 million in the first half of 2002. The loss for the first six months of 2003 was $22.8 million compared to a net loss of $2.4 million in the same period last year. On a fully diluted basis, the loss per common share was $1.16 compared to a $0.13 loss per common share in the first half 2002.

In the second quarter of 2003, BioGlue sales increased 30% in the U.S. and internationally to $6.8 million compared to $5.3 million in the second quarter 2002. In the U.S., BioGlue is used for surgical repair of large vessels in conjunction with sutures and staples. BioGlue is approved in the European Community and Canada for surgical repair of vascular and additional soft tissues, including cardiac, pulmonary, dura matter, abdominal and gastrointestinal.

Tissue processing revenues were $8.6 million in the second quarter of 2003, compared to $9.1 million in the first quarter of 2003. If first quarter 2003 revenues are adjusted to exclude a favorable adjustment to the estimated tissue recall returns of $848,000, the quarter over quarter increase is 4%(3). Cardiac tissue revenues were $5.0 million in the second quarter 2003, compared to $4.7 million in the first quarter of 2003. If first quarter revenues are adjusted to exclude a favorable adjustment to the estimated tissue recall returns of $92,000, the quarter over quarter increase is 9%(3). Vascular tissue revenues were $3.3 million in the second quarter 2003, compared to $4.3 million in the first quarter of 2003. If first quarter 2003 revenues are adjusted to exclude a favorable adjustment to the estimated tissue recall returns of $711,000, the quarter over quarter decrease is 7%(3).

"Since its inception in 1984, the Company has processed tissue from over 70,000 donors. In the second quarter we have seen positive trends in our tissue procurement, which is essential for our future growth and success," said Steven G. Anderson, CryoLife President and CEO. The monthly average of procurement from human heart donors increased 12% in the second quarter 2003 compared to the first quarter of 2003 and the monthly average procurement from vascular tissue donors increased 53%. The Company resumed processing orthopaedic tissue in late February 2003.

The Company is in discussions with the FDA about the type of submission that is necessary for SynerGraft(R) processed heart valves. The Company is processing heart valves without using the SynerGraft process until the FDA makes a decision regarding this matter.

Regarding insurance coverage, the first layer of confirmed insurance coverage

totaling $10 million of coverage has been used to defend and settle litigation. Approximately half of the $5 million second layer of confirmed insurance coverage remains available. As previously announced, an insurance company covering the $10 million third layer of coverage has indicated it will cover certain matters and intends to exclude certain matters. The Company is considering all its options to resolve this matter with the insurance company.

Beginning in August of 2003, CryoLife began offering its boned orthopaedic tissue for distribution that was processed after February 2003 and its overall tissue processing revenues are expected to increase in the second half of 2003 compared to the first half of 2003. BioGlue sales should increase to $26-27 million for the full year 2003 versus $20.9 million in 2002. Full year 2003 total revenues for the Company are projected to be approximately $65-67 million. As of August 1, 2003 the Company had approximately $24.8 million in the aggregate of cash, cash equivalents and marketable securities and the Company will be required to pay off a term loan of $4.5 million by October 31, 2003.

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 for use in soft tissue repair and approved in Australia for use in vascular and pulmonary sealing and repair. The Company also manufactures the SynerGraft(R) 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's business, are subject to various risks and uncertainties. These risks and uncertainties include that revenues may not meet expectations, that demand for CryoLife preserved tissues may never return to prior levels, the possibility that the FDA could impose additional restrictions on the Company's distribution of orthopaedic tissues, that FDA regulation of the Company's CryoValve SG and CryoVein SG may require significant time and expense, that the Company may not have sufficient borrowing or other capital availability to fund its business that present and future litigation may be resolved only by substantial payments by the Company in excess of available insurance coverage since the outcomes of products liability, securities class action, and derivative cases are inherently uncertain, that pending litigation cannot be settled on terms acceptable to the Company, that the Company may not have sufficient resources to pay punitive damages which are not covered by insurance or liabilities in excess of available insurance, the possibility of severe decreases in the Company's revenues and working capital, that to the extent the Company does not have sufficient resources to pay the existing and future claims against it, it may be forced to cease operations or to obtain protection under applicable bankruptcy or insolvency laws, the possibility that CryoLife will not satisfactorily address the observations contained in the most recent Form 483 issued by the FDA, 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-K filing for the year ended December 31, 2002, and the Company's other SEC filings. The Company does not undertake to update its forward-looking statements.

(1) The $2.5 million is computed by subtracting from the $22.3 million net loss (i) the $12.5 million (product liability accrual) net of the tax effect of that accrual ($4.1 million), and (ii) the $11.4 million (deferred tax asset valuation allowance). These adjustments better illustrate the performance of the Company absent the expected impact of resolving pending and anticipated litigation, including anticipated shortfall in insurance coverage and the write off of the deferred tax asset valuation allowance.

(2) The loss per share of $0.13 is computed by dividing $2.5 million (See footnote 1) by diluted weighted average shares outstanding of 19,675,000.

(3) Excluding these favorable items from the first quarter of 2003 permits a clearer comparison to the second quarter of 2003 and illustrates the actual magnitude of changes in revenues from shipments of tissue.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2003	2002	2003	2002
Revenues:				
Human tissue preservation services	$ 8,615	$17,536	$17,745	$37,774
Products	6,932	5,473	13,531	10,538
Distribution and grant	166	255	357	423
Total revenues	15,713	23,264	31,633	48,735
Costs and expenses:				
Human tissue preservation services	5,160	17,203	7,603	25,266
Products	2,006	1,843	3,647	4,078
General, administrative, and marketing	23,539	11,447	35,131	20,925
Research and development	1,088	1,196	2,005	2,349
Interest expense	147	196	279	388
Interest income	(116)	(239)	(247)	(537)
Other expense (income), net	166	(16)	140	(72)
Total costs and expenses	31,990	31,630	48,558	52,397
Loss before income taxes	(16,277)	(8,366)	(16,925)	(3,662)
Income tax expense (benefit)	6,069	(2,844)	5,855	(1,244)
Net loss	$ (22,346)	$(5,522)	$(22,780)	$(2,418)
Net loss per share:				
Basic	$ (1.14)	$(0.28)	$(1.16)	$(0.13)
Diluted	$ (1.14)	$(0.28)	$(1.16)	$(0.13)
Weighted average shares outstanding:				
Basic	19,675	19,538	19,654	19,318
Diluted	19,675	19,538	19,654	19,318
Revenues from:				
Cardiovascular	$ 5,036	$7,336	$9,761	$ 14,644
Vascular	3,299	4,641	7,554	11,658
Orthopaedic	280	5,559	430	11,472
Total cryopreservation	8,615	17,536	17,745	37,774
BioGlue	6,839	5,251	13,333	10,124
Implantable medical devices	93	222	198	414
Distribution and grant	166	255	357	423

Total revenues	$ 15,713	$23,264	$31,633	$48,735
International revenues	$ 1,847	$1,928	$3,557	$3,590
Domestic revenues	13,866	21,336	28,076	45,145
Total revenues	$ 15,713	$23,264	$31,633	$48,735

CRYOLIFE, INC.
Financial Highlights
(In thousands)

	Unaudited June 30 2003	Audited Dec. 31 2002
Cash and cash equivalents and marketable securities, at market	$25,908	$24,860
Trade receivables, net	8,260	6,930
Other receivables, net	616	11,824
Deferred preservation costs, net	9,559	4,332
Inventories	4,535	4,585
Total assets	95,006	106,414
Shareholders' equity	57,450	79,800

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

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