

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): February 18, 1997

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

Commission file number 0-21104

Florida
(State or other jurisdiction
of incorporation)

59-2417093
(IRS Employer Identification No.)

1655 Roberts Boulevard, N.W.
Kennesaw, Georgia
(Address of principal executive offices)

30144
(Zip Code)

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

2211 New Market Parkway
Suite 142
Marietta, GA 30067
(Former name or former address, if changed since last report)

ITEM 5. OTHER EVENTS.

On February 18, 1997, the Registrant issued a press release ("Press Release") announcing its results of operations for the year ended December 31, 1996. The Registrant hereby incorporates by reference herein the information set forth in its Press Release dated February 18, 1997, a copy of which is annexed hereto as Exhibit 99.

Except for the historical information contained in this report, the statements made by the Registrant 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. The Registrant's future financial performance could differ significantly from the expectations of management and from results expressed or implied in the Press

Release. For example, the acquisition of Ideas For Medicine ("IFM") may not close as expected, due to failure to reach agreement on the final terms of the acquisition or other issues, or if the acquisition is closed as expected, IFM may not be successfully or timely integrated with the Registrant. For further information on these and other risk factors, please refer to the "Risk Factors" section of the Registrant's Form S-3 filed on November 21, 1996.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements.

Not applicable.

(b) Pro Forma Financial Information.

Not applicable.

(c) Exhibits.

Exhibit Number	Description
99	Press Release dated February 18, 1997

408348.1

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SIGNATURES

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: February 25, 1997

By: /s/ Edwin B. Cordell, Jr.

Edwin B. Cordell, Jr.
Chief Financial Officer

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EXHIBIT INDEX

Exhibit Number	Description
99	Press Release dated February 18, 1997

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EXHIBIT 99

CryoLife, Inc. Reports Record Revenues and Earnings For 1996

Tuesday, February 18, 1997 8:59:00 AM EST

ATLANTA, Feb. 18 /PRNewswire/ -- Cryolife, Inc. (Nasdaq: CRYL), a leader in human tissue and cell preservation, announced record revenues and earnings for the year ended December 31, 1996.

Revenues for the year were \$37,228,000, 27 percent over the previous record of \$29,226,000 set in 1995.

Net income for 1996 increased 78 percent over 1995. 1996 earnings were \$3,927,000, or 40 cents per common share, compared to the previous record of \$2,202,000, or 23 cents per common share in 1995.

The earnings per common share recorded for 1995 and 1996 have been adjusted to reflect the Company's 2-for-1 stock split effected on June 28, 1996.

Steven G. Anderson, President and Chief Executive Officer, CryoLife, Inc., noted, "The Company's financial results in 1996 represent the third consecutive year of record revenues and net income, reflecting expanded applications of cryopreserved human tissues for transplants. Heart valve unit shipments increased by 29 percent over 1995 levels, while vein units shipped increased by 22 percent, and orthopaedic tissue shipments increased by 171 percent. The record pace continued into 1997 with January revenues and net income surpassing the record results achieved in January of 1996."

The acquisition of Ideas for Medicine (IFM) is continuing and the Company expects to close on this transaction by the end of February. Upon successful completion of the acquisition, CryoLife, Inc., would be responsible for both domestic and international marketing of IFM's extensive line of specialty intravenous shunts, balloon and angioplasty catheters, infusion ports and laparoscopic instruments. Founded in 1979, IFM is a privately held company with revenues in excess of \$6.5 million annually.

Founded in 1984, CryoLife, Inc., is a leader in the development and commercialization of technology for ultra-low temperature preservation ("cryopreservation") of viable human cardiovascular and orthopaedic tissues for use in cardiac, vascular and orthopaedic surgeries throughout the United States and Canada. The Company also distributes stentless porcine heart valves within the European Community.

CRYOLIFE, INC.
Summary of Consolidated Financial Data
(In thousands, except share and per share data)

	Three 3 Months Ended		Year Ended	
	12/31/96	12/31/95	12/31/96	12/31/95
Revenues	\$ 8,686	\$ 7,044	\$37,228	\$29,226
Costs and expenses:				
Preservation	2,862	2,204	12,593	10,485
General, administrative and marketing	3,627	3,353	15,673	12,807
Research & development	801	628	2,807	2,633

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Interest expense	33	---	72	4
Total	7,323	6,185	31,145	25,929
Income before income taxes	1,363	859	6,083	3,297
Income tax expense	468	292	2,156	1,095
Net income	\$ 895	\$ 567	\$ 3,927	\$ 2,202
Earnings per share of common stock*	\$ 0.09	\$ 0.06	\$ 0.40	\$ 0.23
Weighted average common and common equivalent shares outstanding	9,942,000	9,616,000	9,906,000	9,568,000

December 31,
1996 1995

Balance Sheet Data:

Working Capital	\$10,986	\$15,217
Total Assets	\$34,973	\$24,132
Shareholders' Equity	\$24,929	\$20,465

*Adjusted to reflect the two for one stock split effected on June 28, 1996.
SOURCE CryoLife, Inc.

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