

BioLife Solutions Reports Third Quarter, Nine-Month Results

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BINGHAMTON, N.Y.

BioLife Solutions, Inc. (BULLETIN BOARD: BLFS) announced today results for its third quarter and nine months ended September 30, 2002, the first full quarter of operation since the divestiture of the Company's cryosurgery assets on June 25. The Company made significant strides during the quarter in its corporate repositioning program by establishing its identity as BioLife Solutions, Inc.; creating a marketing organization around the Hypothermosol®, CryoStor® and GelStor® product lines; and making progress to establish long-term relationships with new customers and development partners for its biological packaging and customized preservation solutions.

For the 2002 third quarter, revenue was \$138,007 compared to \$150,199 for the year-earlier period. The decrease was due to slightly lower NIH grant revenue that was drawn down by the Company during the quarter from an award pool to BioLife, offset by slightly higher revenues from corporate consulting contracts. The loss from continuing operations for the third quarter of 2002 was \$210,073, or a \$0.02 loss per share, compared to income from continuing operations of \$6,494, or \$0.00 per share. For the 2002 third quarter, the loss from discontinued operations was \$92,934, or a \$0.01 loss per share, compared to \$1.1 million, or a \$0.09 loss per share for the third quarter of 2001. The net loss for the third quarter of 2002 was \$303,007, or a \$0.02 loss per share, versus a net loss of \$1.1 million, or a \$0.09 loss per share, for the year-earlier period.

President and CEO John Baust, Ph.D., commented, "During the quarter, we established ourselves as a standalone company in the biomedical field; we began laying out plans to the investment community through presentations at investor conferences and communications with online resources and we made many contacts with potential customers and development partners. Looking forward, our near-term milestones include the creation of a sales distribution partnership for our preservation solutions, the expansion of our customer base and patent portfolio and increased exposure in the clinical press."

For the nine months ended September 30, 2002, revenue increased 127 percent to \$516,819 from \$227,237 for the year-earlier period. The increase was due to higher revenues across the board, including revenue from product sales, NIH grants and corporate research contracts. The loss from continuing operations for the first nine months of 2002 was \$371,725, or a \$0.03 loss per share, compared to \$171,069, or a \$0.01 loss per share for the first nine months of 2001. The loss from discontinued operations for the 2002 nine-month period was \$1.5 million, or a \$0.12 loss per share, compared to \$3.4 million, or a \$0.27 loss per share for the 2001 nine-month period. Net income for the first nine months of 2002 was \$506,560, or \$0.04 per share, compared to a net loss of \$3.6 million, or a \$0.29 loss per share. The 2002 nine-month results include the gain on disposal of cryosurgical assets, net of assets sold at cost, of \$2.4 million, or \$0.20 per share.

Research and development expenses for the 2002 third quarter and first nine months were \$209,434 and \$441,684, respectively, versus \$115,299 and \$254,926, respectively, for the year-earlier periods. The increase in research and development expenses was due primarily to higher expenses relating to academic presentations made by the Company's engineers at

scientific conferences during the quarter and an overall higher level of product development activity for the nine months.

Sales and marketing expense for the third quarter and nine months of 2002 was \$4,126 and \$4,146, respectively, compared to \$715 and \$29,561, respectively, for the year-earlier periods. The increase for the third quarter was the direct result of the Company's presence at a tradeshow during the period. The decrease for the first nine months was principally due to a shift in the allocation of sales and marketing personnel related expenditure to product development.

General and administrative expense for the third quarter and nine months of 2002 was \$134,520 and \$417,068, respectively, compared to \$25,853 and \$110,599, respectively, for the year-earlier periods. The increase in general and administrative expense was due to the shift in the burden of general and administrative expense to the Company's continuing operations from discontinued operations. As a result of this shift, the Company experienced higher salary, travel, legal and accounting expense.

Subsequent to the end of the quarter, BioLife announced the addition of a \$158,000 grant by the NIH to help fund research into the development of additional applications for BioLife's product technologies for cell and gene therapies and tissue engineering.

About BioLife Solutions, Inc.

BioLife Solutions has pioneered the next generation of preservation solutions designed to maintain the viability and health of cellular matter and tissues during freezing, transportation and storage. Based on the Company's proprietary bio-packaging technology and a patented understanding of the mechanism of cellular damage and death, these products enable the biotechnology and medical community to address a growing problem that exists today. The expanding practice of cell and gene therapy has created a need for products that ensure the biological viability of mammalian cell and tissue material during transportation and storage. The HypoThermosol® and CryoStor™ products that the Company is selling today are a significant step forward in meeting these needs.

For further information please contact: investors, Jill Bertotti, jill@allencaron.com, or media, Len Hall, len@allencaron.com, both of Allen & Caron Inc, +1-949-474-4300, for BioLife Solutions, Inc.

This news release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These forward-looking statements include any statements that relate to the intent, belief, plans or expectations of the Company or its management, or that are not a statement of historical fact. Any forward-looking statements in this news release are based on current expectations and beliefs and are subject to numerous risks and uncertainties that could cause actual results to differ materially. Some of the specific factors that could cause BioLife Solutions' actual results to differ materially are discussed in the Company's recent filings with the Securities and Exchange Commission. BioLife Solutions disclaims any obligation to update any forward-looking statements as a result of developments occurring after the date of this press release.

	Three months ended September 30,		Nine months ended September 30,	
	2002	2001	2002	2001
Revenue:				
Product sales	\$1,975	\$--	\$20,527	\$--
Grants	106,032	125,199	385,572	202,237
Services and other	30,000	25,000	110,720	25,000
Total revenue	138,007	150,199	516,819	227,237
Cost of product sales	--	1,089	25,646	2,455
Gross profit	138,007	149,110	491,173	224,782
Expenses:				
Research and development	209,434	115,299	441,684	254,926
Sales and marketing	4,126	715	4,146	29,561
General and administrative	134,520	25,853	417,068	110,599
Total expenses	348,080	141,867	862,898	395,086
Operating income (loss)	(210,073)	7,243	(371,725)	(170,304)
Interest expense, net	--	749	--	765
Income (loss) from continuing operations	(210,073)	6,494	(371,725)	(171,069)
Discontinued operations:				
Loss from discontinued operations	(92,934)	(1,140,775)	(1,547,824)	(3,409,153)
Gain on disposal of cryosurgical assets, net	--	--	2,426,109	--
Net income (loss)	\$(303,007)	\$(1,134,281)	\$506,560	\$(3,580,222)
Basic earnings (loss) per share:				
Loss from continuing operations	\$(0.02)	\$--	\$(0.03)	\$(0.01)
Loss from operation of cryosurgical assets	(0.01)	(0.09)	(0.12)	(0.27)
Gain on disposal of cryosurgical assets, net	--	--	0.20	--
Total	\$(0.02)	\$(0.09)	\$0.04	\$(0.29)
Diluted earnings per share from continuing operations				
		\$--		
Weighted average number of common shares outstanding:				
Basic	12,413,209	12,413,209	12,413,209	12,413,209
Diluted		17,213,209		

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SOURCE: BioLife Solutions, Inc.

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