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**RADIANCE MEDICAL SYSTEMS ANNOUNCES  
FOURTH QUARTER AND FISCAL 1998 FINANCIAL RESULTS**

IRVINE, CALIFORNIA -- Thursday, February 18, 1999 -- Radiance Medical Systems, Inc. (Nasdaq: RADX), the company formed by the acquisition of (the former) Radiance Medical Systems by CardioVascular Dynamics on January 14, 1999, today announced financial results for 1998 and fourth quarter ended December 31, 1998.

Revenues for 1998 advanced to \$12,175,000, a seven percent increase from \$11,332,000 in 1997. For the 1998 fourth quarter, revenues were \$2,384,000 compared with \$2,389,000 in the 1997 fourth quarter. Revenues for the year and the quarter ended December 31, 1998 included fees totaling \$2,750,000 and \$1,150,000, respectively, received under a licensing agreement for the company's focal stenting technology.

Net loss for the year was \$7,986,000, or \$0.90 per share, compared with a loss of \$8,772,000, or \$0.96 per share, in 1997. Net loss for the fourth quarter was \$2,793,000, or \$0.31 per share, compared with \$5,519,000, or \$0.60 per share, in the comparable period last year.

The operating results for the year and quarter ended December 31, 1998 included losses of \$1,100,000 and \$963,000, respectively, from the pre-merger Radiance Medical Systems. Additionally, the 1998 fourth quarter included approximately \$1,100,000 of charges for reserves and allowances primarily related to excess product inventories, accruals for European and U.S. clinical trials for the combined company's products and certain restructuring charges. This compares with 1997 fourth quarter charges for reserves and allowances of \$2,000,000.

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“Our results for the fourth quarter and the year were anticipated and are in line with our expectations,” said Michael R. Henson, Chairman and Chief Executive Officer of Radiance Medical Systems. “1998 was an important transitional year for the company as we took advantage of existing resources to acquire core, complementary technologies. The combination of CardioVascular Dynamics and Radiance Medical Systems was a landmark decision, and the combined entity will focus its research and development efforts on the use of radiotherapy in the treatment of coronary and peripheral vascular disease – an area that we believe holds tremendous opportunities for future growth, and one that we have well-differentiated patent technology with potential advantages over current devices.”

“In order to better focus our efforts on the interventional cardiology market we completed the sale of our Vascular Access Business Unit to Escalon Medical Corporation just subsequent to the close of the quarter” Henson continued. “We intend to use the proceeds to accelerate the development of our radiation technology and pursue other growth opportunities in 1999.”

Radiance Medical Systems, Inc., develops site-specific delivery catheters for the delivery of radiation to prevent restenosis following the interventional treatment of atherosclerosis. In addition, Radiance develops and markets coronary stents, coronary stent delivery systems and balloon dilatation catheters for coronary applications.

*Except for historical information contained herein, this news release contains forward-looking statements, the accuracy of which are necessarily subject to risks and uncertainties. Actual results may be affected by, among other things, risks and uncertainties related to new technology, new product development and introduction cycles, research and development activities, including failure to demonstrate clinical efficacy, delays by regulatory authorities, scientific and technical advances by third parties, introduction of competitive products, third party reimbursement and physician training, and other risk factors and matters set forth in the company's Annual Report on Form 10-K for the year ended Dec. 31, 1997 and the company's Quarterly Report on Form 10-Q for the quarter ended September 30, 1998 and Registration Statement on Form S-3 (Registration Statement No. 333-44513), which has been filed with the Securities and Exchange Commission on January 22, 1999.*

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