

# UTAH MEDICAL PRODUCTS, INC.



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## PRESS RELEASE

### Utah Medical Products, Inc. Reports Financial Results for Second Quarter 1999

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Salt Lake City, Utah - Utah Medical Products, Inc. (NYSE: UM) announces financial results for the second quarter (2Q) of 1999 yielding its sixth consecutive quarter of higher earnings per share (eps) when compared to the same quarter in the prior year. Relative to 2Q 1998, 2Q 1999 sales, gross profits, operating profits, net profits and eps were up 8%, 13%, 29%, 20% and 30%, respectively. Relative to the first six months (1H) in 1998, 1H 1999 sales, gross profits, operating profits, net profits and eps were up 9%, 14%, 28%, 11% and 19%, respectively. Year to date eps for 1H 1999 were 33¢ compared to 27¢ for the first six months in 1998. The last twelve months' eps were 64¢.

Operating margins improved disproportionately relative to the sales increase because of leverage on UM's operating expenses, primarily from the successful integration of the Gesco neonatal product line into UM's existing infrastructure, despite offsetting expenses from amortization of goodwill resulting from the July 1998 acquisition. 2Q 1999 sales of UM's neonatal products including Gesco increased 374% relative to 2Q 1998.

CEO Kevin Cornwell states, "UM is pleased with this confirmation that its strategic plans are working. The Company has been diversifying its product base in niche arenas where larger medical device companies with a commodity orientation do not have time to pay attention to the special needs of clinicians. Profit margins can be maintained where UM effectively demonstrates the value of its differentiated solutions."

The disproportionate increase in eps relative to improvement in net profits is due to UM's continued share repurchases. Mr. Cornwell also states, "We will continue to enhance shareholder returns by repurchasing shares using UM's excellent cash flow. The Company expects a further positive impact on 3Q 1999 eps from the previously announced Tender Offer for 1,000,000 of its shares, due to expire on Friday July 23. The Offer seems to have increased trading interest in UM's shares. UM's current institutional shareholder holdings, although stable at about 25%, remain less than half the average of companies in the broad S&P 500. We hope that UM's consistently improving performance, combined with the Tender Offer, may start generating more interest from institutional investors."

Investors are cautioned that this press release contains forward looking statements and that actual results may differ from those projected. Risks factors that could cause results to differ materially from those projected include market acceptance of new and/or competitive products, timing of regulatory approval of new products, UM's ability to efficiently manufacture, market, and sell its products, the actual number of shares tendered in the Company's Tender Offer, among other factors that have been outlined in UM's public disclosure filings with the SEC. The 10-Q for the second quarter will be filed with the SEC by August 16.

Utah Medical Products, Inc., with particular interest in healthcare for women and their babies, develops, manufactures, assembles and markets a broad range of disposable and reusable specialty medical devices designed for better health outcomes for patients and their care-providers.

Second Quarter ended June 30  
(in thousands except earnings per share):

	<u>Percent Change</u>	<u>2Q 1999</u>	<u>2Q 1998</u>
Net Sales	+ 7.9%	\$7,320	\$6,786
Gross Profit	+ 13.2%	3,870	3,420
Operating Income	+28.5%	2,008	1,562
Income Before Tax	+22.0%	2,114	1,733
Net Income	+19.7%	1,349	1,127
Earnings Per Share	+30.3%	.176	.135
Shares Outstanding (diluted)		7,662	8,342

Six Months ended June 30  
(in thousands except earnings per share):

	<u>Percent Change</u>	<u>1H 1999</u>	<u>1H 1998</u>
Net Sales	+ 8.9%	\$14,338	\$13,161
Gross Profit	+14.4%	7,557	6,608
Operating Income	+28.3%	3,761	2,931
Income Before Tax	+11.9%	3,982	3,558
Net Income	+11.5%	2,548	2,286
Earnings Per Share	+19.1%	.327	.274
Shares Outstanding (diluted)		7,796	8,331