

UTAH MEDICAL PRODUCTS, INC.



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PRESS RELEASE

Utah Medical Products, Inc. Reports First Quarter 1999 Results

April 22, 1999

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Salt Lake City, Utah - Utah Medical Products, Inc. (NYSE:UM) reports a continuing trend of improved operating results with First Quarter (1Q) 1999 sales, gross profits and operating profits up 10%, 16%, and 28% respectively, compared to 1Q 1998.

Revenue growth in 1Q 1999 was led by sales of neonatal products, up 356% due to the acquisition of the Gesco® neonatal product line from C.R. Bard in 3Q 1998. In 1Q 1999, neonatal product sales represented 12% of total UM sales, compared to 3% of sales in 1Q 1998, confirming UM's trend toward greater product diversification. 1Q 1999 sales of products in UM's core obstetrics business remained stable in the face of increasing competition. Liberty™ and Pathfinder™, products in UM's Gynecology/ Urology product family, experienced 36% growth compared to 1Q 1998.

Gross margins improved as UM reduced manufacturing overhead costs while sales and production increased. Further leverage in operating margins was obtained as a result of holding expenses to a 6% increase while sales increased 10%. Half of the increase in 1Q operating expenses was from the amortization of goodwill associated with the Gesco acquisition.

Earnings per share (eps) were up 8% compared to 1Q1998. Eps grew less than operating profits because in 1Q 1998, UM had received a \$321,000 payment for use of UM's technology, which did not recur in 1Q 1999. Eps for the latest four quarters were 60¢.

Cash generated before taxes (EBITDA) for the latest four quarters was \$10.5 million. With continuing strong cash flow, UM was able to reduce its long term debt balance by \$1.4 million as well as repurchase another 240,000 shares of its stock for \$1.5 million in 1Q 1999. As of the end of 1Q 1999, outstanding shares numbered 7.8 million.

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.

First Quarter ended March 31
(in thousands except earnings per share):

| | <u>Percent Change</u> | <u>1Q 1999</u> | <u>1Q 1998</u> |
|------------------------------|-----------------------|----------------|----------------|
| Net Sales | + 10.1% | \$7,018 | \$6,375 |
| Gross Profit | + 15.6% | 3,687 | 3,188 |
| Operating Income | +28.1% | 1,753 | 1,369 |
| Income Before Tax | +2.4% | 1,868 | 1,825 |
| Net Income | +3.5% | 1,200 | 1,159 |
| Earnings Per Share | +8.4% | .151 | .139 |
| Shares Outstanding (diluted) | | 7,939 | 8,313 |