

UTAH MEDICAL PRODUCTS, INC.



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PRESS RELEASE

UTMD Projects Financial Results for Second Quarter and Year 2001

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Salt Lake City, Utah - Because of the current prevalence of earnings warnings from other companies and its lack of independent investment firm research analyst coverage, Utah Medical Products, Inc. (Nasdaq:UTMD) updates its previous December 2000 estimate of earnings per share (eps) for year 2001 looking forward, including current second quarter results scheduled to be announced July 17. UTMD believes it remains on track to achieve the December 2000 eps projection for calendar year 2001.

| Calendar Year, ending DEC: | 1998 | 1999 | 2000 | 2001 |
|-------------------------------|---------------|---------------|---------------|------------------|
| | <u>Actual</u> | <u>Actual</u> | <u>Actual</u> | <u>Projected</u> |
| Diluted Earnings Per Share: | \$.587 | \$.760 | \$.899 | \$ 1.10 |
| EPS Increase over prior year: | +15.4% | +29.4% | +18.3% | +22.0% |

Similar to the first calendar quarter of 2001 (1Q 2001), sales in just concluded 2Q 2001 were slightly lower than for the same period in year 2000. Overall sales for the first six months of 2001 (1H 2001) were about 2% lower compared to 1H 2000. The lower sales were primarily due to continued weak international business activity. For 1H 2001, international sales comprised about 20% of total sales and were down 7% compared to 1H 2000. UTMD's domestic sales in 1H 2001 were about the same as 1H 2000, excluding UTMD's OEM sales to Baxter. UTMD still expects total sales for 2001 as a whole year to be up compared to 2000. This projection is based in large part on a new international OEM product which will begin shipping in 2H 2001.

Despite lower 1H 2001 sales, UTMD expects it will be able to report higher profits in all profit categories on July 17. Looking forward to 2H 2001, average gross margins as a percentage of sales may be slightly lower than in 1H 2001 due to changed product mix, including increased lower margin international OEM business. However, 2H 2001 gross profit dollars should be higher than 1H 2001 because of better absorption of manufacturing overheads. In addition to higher sales in 2H 2001, UTMD expects higher operating expenses, as it has been growing its U.S. direct sales force. However, operating expenses as a percentage of sales are expected to remain in the range 23-24% of sales consistent with anticipated 1H 2001 performance. Also on the favorable side, UTMD expects higher non-operating income because interest expense (which reduces non-operating income) should be substantially lower from the combination of lower interest rates and a lower average debt balance.

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, UTMD's ability to

efficiently manufacture, market, and sell its products, among other factors that have been outlined in UTMD's public disclosure filings with the SEC. Disclosure statements filed with the SEC are available for direct access on the Internet for shareholders by linking through UTMD's website ***www.utahmed.com***.

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.