

# UTAH MEDICAL PRODUCTS, INC.



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## PRESS RELEASE

### Utah Medical Products, Inc. Reports First Quarter 2000 Results

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Salt Lake City, Utah - Utah Medical Products, Inc. (Nasdaq:UTMD) reports that First Quarter (1Q) 2000 earnings per share (eps) increased 25% to 19¢, compared to 1Q 1999 eps of 15¢. Eps for the most recent four calendar quarters (TTM) were more than 80¢.

The excellent increase in eps was achieved despite a 5% decline in 1Q 2000 sales relative to 1Q 1999. Gross profits were about the same as the 1Q in the prior year as a result of a record quarterly gross profit margin at 55.1%. Operating profits and net profits were up 7% and 2% respectively, compared to 1Q 1999.

Two categories led the \$352,000 decline in 1Q 2000 revenues compared to 1Q 1999. Sales of obstetrics products to U.S. direct customers declined \$376,000. OEM component sales were down \$255,000. Only lower OEM sales of stopcocks to Baxter, down \$116,000, and lower sales of flush devices to B.Braun, down \$68,000, appear to be permanent changes in UTMD's business. UTMD does not expect that the lower revenues in 1Q 2000 relative to 1Q 1999 will be indicative of sales results for the year as a whole. 1Q 2000 sales to international customers increased 24%. Comparing global sales results by product category, sales of neonatal products were up 6%, obstetrics products down 11%, gynecology/ electrosurgery products up 9% and blood pressure monitoring & accessories down 7%. During the remainder of 2000, UTMD expects to increase sales through obtaining additional U.S. distribution, implementing a new internet-based ordering system and introducing several new products.

Gross profit margins increased as a result of continued improvements in manufacturing efficiencies in both Ireland and Utah. Operating profits improved because of lower selling commissions and R&D costs compared to 1Q 1999. Net profits did not increase as much as operating profits as a result of increased interest costs associated with the financing of repurchase of shares in UTMD's July 1999 Tender Offer. The 3Q 1999 repurchase of shares was responsible for the rapid increase in eps relative to 1Q 1999.

Cash generated from earnings before taxes and interest (EBITDA) for 1Q 2000 was \$2.6 million, compared with \$2.4 million in 1Q 1999. TTM EBITDA was \$11.2 million. With its continuing strong cash flow, UTMD was able to reduce long term debt by \$1.1 million while simultaneously funding a \$0.4 million increase in finished goods inventories. UTMD increased inventories in lieu of cutting production rates with the view that the softer demand in 1Q 2000 was short term. UTMD also used cash to repurchase 11,300 shares in 1Q 2000. During the remainder of 2000, UTMD will continue to utilize cash to opportunistically repurchase its undervalued shares. As of the end of 1Q 2000, outstanding shares numbered 6,442,011.

Investors are cautioned that this press release contains forward looking statements and that actual events may differ from those projected. Risks factors that could cause results to differ materially from those projected include market acceptance of products, timing of regulatory approval of new

products, UM's ability to efficiently manufacture, market, and sell its products, among other factors that have been outlined in UM's public disclosure filings with the SEC. The 2000 1Q 10-Q will be filed with the SEC by May 15.

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. For more information about Utah Medical Products, Inc., visit our website at [www.utahmed.com](http://www.utahmed.com).

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

	<u>Percent Change</u>	<u>1Q 2000</u>	<u>1Q 1999</u>
Net Sales	- 5.0%	\$6,666	\$7,018
Gross Profit	- 0.4%	3,671	3,687
Operating Income	+7.1%	1,878	1,753
Income Before Tax	+2.5%	1,916	1,868
Net Income	+2.2%	1,226	1,200
Earnings Per Share	+25.4%	.190	.151
Shares Outstanding (diluted)		6,469	7,939