

UTAH MEDICAL PRODUCTS, INC.



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PRESS RELEASE

UTMD Projects Financial Results for Fourth Quarter 2001 and Year 2002

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Salt Lake City, Utah - Because of inquiries from astute institutional investors, and due to a lack of independent investment research coverage, Utah Medical Products, Inc. (Nasdaq:UTMD) projects its best estimate of earnings per share (eps) for year 2001 including current fourth quarter results, and year 2002, looking forward.

Calendar Year, ending DEC:	1998	1999	2000	2001	2002
	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Projected</u>	<u>Projected</u>
Diluted Earnings Per Share:	\$.587	\$.760	\$.899	\$1.13	\$1.26
EPS Increase over prior year:	+15.4%	+29.4%	+18.3%	+26.0%	+12.0%

A year ago in December 2000, UTMD publicly projected 6% net profit increase, yielding \$1.10 eps in 2001. If UTMD achieves its expectation for current 4Q, it will have substantially exceeded its earnings and eps projections of a year ago. In 2001, UTMD has benefitted from improved gross margins and lower operating expenses, combining to result in an expected 11% increase in operating profits, 10% increase in net income and 26% increase in eps with total sales about the same as in 2000.

UTMD's 2002 projections assume a continued difficult economic environment resulting in about a 3% increase in sales activity for the year as a whole. In addition to continued operational improvements, UTMD's reported income will benefit from the change in GAAP rules which eliminates the amortization of goodwill from acquisitions. The 12% increase in projected 2002 eps results from modestly improved sales activity of current products without regard for the possibility of an accretive acquisition, any contribution from new products currently in development or any additional share repurchases. In recent past years, UTMD has been able to achieve all three of those possibilities, and is optimistic about its ability to accomplish one or more of them again in 2002. UTMD management's stated objective is an annual increase in eps of 20%.

"I would like to point out to interested financial analysts that if UTMD's P/E ratio were anything close to its above 5 year annual 20% eps growth rate, the stock should be trading around \$25 per share," states CEO Kevin Cornwell. "The current average P/E ratio for comparable medical device companies is about 21x, as is the current S&P 500 P/E ratio. At a market average P/E ratio or \$26/ share, UTMD's resulting fully-diluted enterprise value would only be about 12 times trailing EBITDA."

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, 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. The 10-K for year 2001 will be filed with the SEC by March 31, 2002 and will be available for direct access on the Internet for shareholders by linking through UTMD's website www.utahmed.com. The 2001 Annual Report to shareholders will be mailed about April 1, 2002.

In response to the December 11 Dow Jones News release regarding a recent FDA Warning Letter issued to UTMD, made public by the FDA, the Company states there is no issue with the quality, safety or effectiveness of its products. UTMD's quality systems have been certified under ISO9001/EN46001 since 1994.

UTMD's products, used in high risk procedures, are considered by knowledgeable physicians as among the safest and most reliable choices available. As an example, UTMD's market-leading Intran® Plus, an intrauterine pressure monitoring catheter used in helping physicians make timely intervention decisions in difficult childbirths, is distinguished from competing products by its accuracy. In over four million uses since 1990, Intran Plus has yet to be included in any product liability lawsuit.

The Company advises that there are misstatements contained in the warning letter which it is addressing as part of continuing dialogue with FDA officials to address FDA concerns and demonstrate that UTMD is in compliance with applicable provisions of law and regulation.

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.