



UTAH MEDICAL PRODUCTS INC.

March 17, 2007

Dear UTMD Shareholder:

You are cordially invited to attend the 2007 Annual Meeting of Shareholders of Utah Medical Products, Inc. (UTMD). The meeting will be held promptly at 12:00 noon (local time), on Friday, May 11, 2007, at the corporate offices of UTMD, 7043 South 300 West, Midvale, Utah USA. Please use the North Entrance.

Please note that attendance at the Annual Meeting will be limited to shareholders as of the record date (or their authorized representatives) and guests of the Company. Proof of ownership can be a copy of the enclosed proxy card. You may wish to refer to page one of this Proxy Statement for information about voting your proxy, including voting at the Annual Meeting.

At the Annual Meeting, we seek the approval of UTMD shareholders in electing one director and considering other business. If you think you will be unable to attend the meeting, please complete your proxy and return it as soon as possible. If you decide later to attend the meeting, you may revoke the proxy and vote in person.

You have several options for obtaining UTMD's public announcements and other disclosures including financial information, such as SEC Forms 10-K and 10-Q. You can be added to the Company mail or fax lists by contacting Paul Richins with your mailing address or fax number, by sending an instruction letter to the corporate address, by calling (801-569-4200) with instructions, or by e-mailing your contact information to info@utahmed.com. As an alternative, you can view and print Company financial and other information directly from UTMD's website; <http://www.utahmed.com>.

Thank you for your ownership in UTMD!

Sincerely
Kevin L. Cornwell
Chairman & CEO

UTAH MEDICAL PRODUCTS, INC.

7043 South 300 West
Midvale, Utah 84047
(801) 566-1200

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD MAY 11, 2007

TO THE SHAREHOLDERS OF UTAH MEDICAL PRODUCTS, INC.

The Annual Meeting of Shareholders (the "Annual Meeting") of UTAH MEDICAL PRODUCTS, INC. (the "Company" or "UTMD"), will be held at the corporate offices of the Company, 7043 South 300 West, Midvale, Utah, on May 11, 2007, at 12:00 noon, local time, for the following purposes:

- (1) To elect one director to serve for a term expiring at the 2010 Annual Meeting and until a successor is elected and qualified;
- (2) To transact such other business as may properly come before the Annual Meeting.

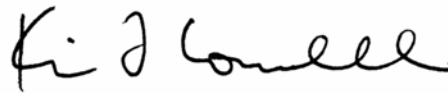
UTMD's Board of Directors recommends a vote "FOR" the nominated director, whose background is described in the accompanying Proxy Statement, and for the other proposal.

Only shareholders of record at the close of business on March 9, 2007 (the "Record Date"), are entitled to notice of and to vote at the Annual Meeting.

This Proxy Statement and form of proxy are being first furnished to shareholders of the Company on approximately April 3, 2007.

THE ATTENDANCE AT AND/OR VOTE OF EACH SHAREHOLDER AT THE ANNUAL MEETING IS IMPORTANT, AND EACH SHAREHOLDER IS ENCOURAGED TO ATTEND.

BY ORDER OF THE BOARD OF DIRECTORS



Kevin L. Cornwell, Secretary

Salt Lake City, Utah
Dated: March 17, 2007

PLEASE PROMPTLY FILL IN, SIGN, DATE AND RETURN THE ENCLOSED PROXY, WHETHER OR NOT YOU EXPECT TO ATTEND THE ANNUAL MEETING.

If your shares are held in the name of a third party brokerage firm, nominee, or other institution, only that third party can vote your shares. In that case, please promptly contact the third party responsible for your account and give instructions how your shares should be voted.

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UTAH MEDICAL PRODUCTS, INC.

PROXY STATEMENT

This Proxy Statement is furnished to shareholders of UTAH MEDICAL PRODUCTS, INC. (the "Company" or "UTMD") in connection with the Annual Meeting of Shareholders (the "Annual Meeting") to be held at the corporate offices of the Company, 7043 South 300 West, Midvale, Utah, on May 11, 2007, at 12:00 noon, local time, and any postponement or adjournment(s) thereof. The enclosed proxy, when properly executed and returned in a timely manner, will be voted at the Annual Meeting in accordance with the directions set forth thereon. If the enclosed proxy is signed and timely returned without specific instructions, it will be voted at the Annual Meeting:

- (1) FOR the election of Barbara A. Payne as a director; and
- (2) IN accordance with the best judgment of the persons acting under the proxies on other matters presented for a vote.

The Board of Directors has approved the foregoing proposals and recommends that the shareholders vote in favor of each of the proposals. Proxies solicited by the Company will be voted FOR each of the proposals unless a vote against, or an abstention from, one or more of the proposals is specifically indicated on the proxy.

A proxy for the Annual Meeting is enclosed. It is important that each shareholder complete, sign, date and return the enclosed proxy promptly, whether or not she/he plans to attend the Annual Meeting. Any shareholder who executes and delivers a proxy has the right to revoke it at any time prior to its exercise by providing the Secretary of the Company with an instrument revoking the proxy or by providing the Secretary of the Company with a duly executed proxy bearing a later date. In addition, a shareholder may revoke her/his proxy by attending the Annual Meeting and electing to vote in person.

Proxies are being solicited by the Company. All costs and expenses incurred in connection with the solicitation will be paid by the Company. Proxies are being solicited by mail, but in certain circumstances, officers and directors of the Company may make further solicitation in person, by telephone, facsimile transmission, telegraph or overnight courier.

Only holders of the 3,945,696 shares of common stock, par value \$0.01 per share, of the Company (the "Common Stock") issued and outstanding as of the close of business on March 9, 2007 (the "Record Date"), will be entitled to vote at the Annual Meeting. Each share of Common Stock is entitled to one vote. Holders of at least a majority of the 3,945,696 shares of Common Stock outstanding on the Record Date must be represented at the Annual Meeting to constitute a quorum for conducting business.

All properly executed and returned proxies, as well as shares represented in person at the meeting, will be counted for purposes of determining if a quorum is present, whether or not the proxies are instructed to abstain from voting or consist of broker non-votes. Under the Utah Revised Business Corporation Act, matters other than the election of directors and certain specified extraordinary matters are approved if the number of votes cast FOR exceed the number of votes cast AGAINST. Directors are elected by a plurality of the votes cast. Abstentions and broker non-votes are not counted for purposes of determining whether a matter has been approved or a director has been elected.

Executive officers and directors holding an aggregate of 391,934 shares, or approximately 9.9%, of the issued and outstanding stock have indicated their intent to vote in favor of all proposals.

PROPOSAL NO. 1. ELECTION OF DIRECTOR

General

The Company's Articles of Incorporation provide that the Board of Directors is divided into three classes as nearly equal in size as possible, with the term of each director being three years and until such director's successor is elected and qualified. One class of the Board of Directors shall be elected each year at the annual meeting of the shareholders of the Company. The Board of Directors has nominated Barbara A. Payne for election as a director for a three-year term expiring at the 2010 Annual Meeting.

It is intended that votes will be cast, pursuant to authority granted by the enclosed proxy, for the election of the nominee named above as director of the Company, except as otherwise specified in the proxy. In the event a nominee shall be unable to serve, votes will be cast, pursuant to authority granted by the enclosed proxy, for such other person as may be designated by the Board of Directors. The officers of the Company are elected to serve at the pleasure of the Board of Directors. The information concerning the nominee and other directors and their security holdings has been furnished by them to the Company. (See "PRINCIPAL SHAREHOLDERS" below.)

Directors and Nominees

The Board of Directors' nominee for election as a director of the Company at the Annual Meeting is Barbara A. Payne. Other members of the Board of Directors were elected at the Company's 2005 and 2006 meetings for terms of three years, or were appointed to fill a vacancy for the unexpired term of a director, and therefore, are not standing for election at the Annual Meeting. The terms of Mr. Hoyer and Dr. Beeson expire at the 2008 Annual Meeting. The terms of Mr. Cornwell and Mr. Richins expire at the 2009 Annual Meeting. The Board of Directors has determined that Dr. Payne, Mr. Hoyer and Dr. Beeson are independent directors within the meaning of NASD Rule 4200(a)(15). Background information appears below with respect to the incumbent directors whose terms have not expired, as well as the director standing for reelection to the Board.

<u>Name</u>	<u>Age</u>	<u>Year First Elected</u>	<u>Business Experience during Past Five Years and Other Information</u>
Kevin L. Cornwell	60	1993	Chairman of UTMD since 1996. President and CEO since December 1992; Secretary since 1993. Has served in various senior operating management positions in several technology-based companies over a 30-year time span, including as a director on seven other company boards. Received B.S. degree in Chemical Engineering from Stanford University, M.S. degree in Management Science from the Stanford Graduate School of Engineering, and M.B.A. degree specializing in Finance and Operations Management from the Stanford Graduate School of Business.
Ernst G. Hoyer	69	1996	Retired. Served fifteen years as General Manager of Petersen Precision Engineering Company, Redwood City, CA. Previously served in engineering and general management positions for four technology-based companies over a 30-year time span. Received B.S. degree in process engineering from the University of California, Berkeley, and M.B.A. degree from the University of Santa Clara.
Barbara A. Payne	60	1997	Retired. Served over eighteen years as corporate research scientist for a Fortune 50 firm, and environmental scientist for a national laboratory. Received B.A. degree in psychology from Stanford University, M.A. degree from Cornell University, and M.A. and Ph.D. degrees in sociology from Stanford University.

<u>Name</u>	<u>Age</u>	<u>Year First Elected</u>	<u>Business Experience during Past Five Years and Other Information</u>
James H. Beeson	65	2007	Professor and Chairman of The University of Oklahoma College of Medicine, Tulsa, Department of Obstetrics and Gynecology. Received B.S. degree in Chemistry from Indiana University in 1962, Ph.D. degree in Organic Chemistry from M.I.T. in 1966, MBA from Michigan State University in 1970, and M.D. from the University of Chicago Pritzker School of Medicine in 1976. Served four year residency in Ob/Gyn at Chicago Lying-In Hospital, and has actively practiced Obstetrics and Gynecology for over 30 years. Currently licensed to practice medicine in the states of Utah and Oklahoma. Has published numerous articles and other technical papers.
Paul O. Richins	46	1998	Chief Administrative Officer of UTMD since 1997. Treasurer and Assistant Secretary since 1994. Joined UTMD in 1990. Received B.S. degree in finance from Weber State University, and M.B.A. degree from Pepperdine University.

Code of Ethics

The Company has adopted a Code of Conduct that applies to all of its employees, including its named executive officers, principal financial officer, and board of directors. The Code of Ethics is available on the Company's website, www.utahmed.com.

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SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN PERSONS

The following table furnishes information concerning the ownership of the Company's Common Stock as of March 9, 2007, by the directors, the nominees for director, the executive officers named in the compensation tables on page 5, all directors and executive officers as a group, and those known by the Company to own beneficially more than 5% of the Company's outstanding Common Stock as of December 31, 2006.

Name	Nature of Ownership	Number of Shares Owned	Percent
Principal Shareholders			
FMR Corp 82 Devonshire Street Boston, Massachusetts 02109	Direct	510,380	13.0%
Ashford Capital Management, Inc. 1 Walkers Mill Road Wilmington, Delaware 19807	Direct	405,000	10.3%
Directors and Executive Officers			
Kevin L. Cornwell ⁽¹⁾	Direct	289,241	7.3%
	Options	<u>50,000</u>	1.3%
	Total	339,241	8.5%
Ernst G. Hoyer ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾	Direct	53,844	1.4%
	Options	<u>10,000</u>	0.3%
	Total	63,844	1.6%
Paul O. Richins	Direct	29,011	0.7%
	Options	<u>456</u>	0.0%
	Total	29,467	0.7%
Barbara A. Payne ⁽²⁾⁽³⁾⁽⁴⁾	Direct	19,838	0.5%
	Options	<u>10,000</u>	0.3%
	Total	29,838	0.8%
James H. Beeson ⁽²⁾⁽³⁾⁽⁴⁾	Direct	0	0.0%
	Options	<u>0</u>	0.0%
	Total	0	0.0%
All executive officers and directors as a group (5 persons)	Direct	391,934	9.9%
	Options	<u>70,456</u>	1.8%
	Total	462,390	11.5%

- (1) Executive Committee member.
(2) Audit Committee member.
(3) Nominating Committee member.
(4) Compensation and Option Committee member.

In the previous table, shares owned directly by directors and executive officers are owned beneficially and of record, and such record shareholder has sole voting, investment and dispositive power. Calculations of percentage of shares outstanding assumes the exercise of options to which the percentage relates. Percentages calculated for totals assume the exercise of options comprising such totals.

Section 16(a) Beneficial Ownership Reporting Requirements

Section 16(a) of the Securities Exchange Act of 1934, as amended, requires the Company's directors and executive officers, and persons who own more than 10% of a registered class of the Company's equity securities, to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of equity securities of the Company. Officers, directors and greater than 10% shareholders are required to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on review of the copies of such reports furnished to the Company, all Section 16(a) requirements applicable to persons who were officers, directors and greater than 10% shareholders during the preceding fiscal year were complied with.

EXECUTIVE OFFICER COMPENSATION

The following table sets forth, for the last fiscal year, compensation received by the Company's Chief Executive Officer and Principal Financial Officer. There are no other named executive officers.

2006 Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Option Awards (\$)	Non- equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	Total (\$)
Kevin L. Cornwell Chairman & CEO	2006	256,100	--	--	261,250	5,730	523,080
Paul O. Richins VP & Principal Financial Officer	2006	90,280	--	--	15,873	2,960	109,113
Greg A. LeClaire Former VP & CFO	2006	32,230	--	--	--	1,380	33,610

Narrative disclosure to the Summary Compensation Table:

1. Mr. LeClaire terminated employment in April 2006.
2. Amounts included in All Other Compensation represent the aggregate total of Company 401(k) matching contributions, Company Section 125 matching contributions, and reimbursements under UTMD's pet insurance plan to each named executive officer, all of which are benefits generally available to all employees. During 2007, each named executive officer will be eligible to receive payment of eligible medical expenses under the employee Health Plan, up to \$5,400 in 401(k) matching contributions, up to \$500 in matching pet health cost reimbursements, and up to \$450 in matching Section 125 matching contributions.
3. Medical, dental and vision expenses paid in 2006 under the Company's Health Plan, which are generally available to all employees, are not included in the above table.

2006 Grants of Equity Incentive Plan-Based Awards

No stock option awards were made in 2006 to any of the named executive officers listed in the Summary Compensation Table, or are currently planned for 2007. The Company has no other equity incentive plans.

2006 Grants of Non-Equity Incentive Plan-Based Awards

Named Executive Officers participated in the Profit-Sharing Sales & Management Bonus Plan (MB Plan), generally available to all exempt, as well as key nonexempt, employees. The structure of the performance-based MB Plan is described in the following **Compensation Discussion and Analysis**. The 2006 grants under the MB Plan to the named executive officers were recommended by the Compensation and Audit Committee in early 2007, after the independent audit of financial results had been concluded. The grants were subsequently approved by the board of directors. The structure of the MB Plan remains the same for 2007.

Additional narrative disclosure to the Summary Compensation Table:

4. The Compensation Committee establishes the criteria, and directs the implementation, of all compensation program elements for the CEO. The CEO's base salary is set at the beginning of each year by the board of directors after review of the recommendation of the Compensation Committee. Mr. Cornwell's base salary for 2006 was set the same as for 2005. Mr. Cornwell's base salary for 2007 will also remain the same. The annual MB paid to Mr. Cornwell for 2006, which represented 50% of his total compensation, is tied closely to the Company's success. In 2006, UTMD's operating income, income before income taxes and earnings per share increased 17.3%, 21.6% and 12.2%, respectively. These amounts all exceeded UTMD's operating plan. Mr. Cornwell's MB increased 5.8%, and his total compensation increased 2.8%. The increase in the CEO's base salary and bonus was substantially more modest than the rate of increase of UTMD's income, and substantially lower than the salary and bonus increase guidelines established by the Compensation Committee for all UTMD employees, in part because the Compensation Committee has also taken into consideration the fact that Mr. Cornwell benefits from his ownership of UTMD stock, approximately two-thirds of which was accumulated through the exercise of earlier option awards.
5. For all other employees, in collaboration with the other executive officer(s), the CEO develops compensation policies, plans and programs that are intended to meet the objectives of the Company's overall compensation program. The Compensation and Option Committee annually formally reviews and approves the elements of the compensation program recommended by the CEO. In addition, the committee periodically reviews any proposed changes within a calendar year. The compensation of employees other than the CEO, including other named executive officer(s), is administered by the CEO under the review and ratification of the Compensation Committee comprised of all the independent directors.

Mr. Richins' base salary at the beginning of 2007 was \$92,400 which is subject to review and adjustment during the year on the same basis as the Company's performance review criteria for its exempt employees. Mr. Richins' MB, which was about 15% of his total compensation in 2006, increased 10.1%, which was consistent with the increase targeted by the Compensation Committee for all participants in the MB Plan (excluding the CEO), based solely on Company performance. Other (non-executive) employees' MBs were adjusted up or down from that guideline to reflect individual performance and individual contribution to UTMD's success in exceeding the operating plan during 2006.

6. Employment Agreements, Termination of Employment, and Change in Control.

Except for Mr. Cornwell, the Company has no employment agreements in the United States. In Ireland, UTMD is subject to providing certain advance notice to its employees in the event of termination.

In May 1998, the Company entered into an agreement with the CEO to provide a long term incentive to increase shareholder value. The Company is required to pay Mr. Cornwell additional compensation in the event his employment is terminated as a result of a change in control at the election of the Company or by the mutual agreement of Mr. Cornwell and the Company. Under the agreement, the additional compensation that the Company is required to pay Mr. Cornwell is equal to his last three years' salary and bonuses, and the appreciation of stock value for awarded options above the option exercise price. Presently, Mr. Cornwell holds 50,000 option shares at an exercise price of \$25.59/ share. Based on the \$32.98/ share closing price on December 31, 2006 and actual salary plus bonuses for the three years of 2004-2006, the additional compensation would be \$2,148,500.

In the event of a change in control, the Company will also pay Mr. Cornwell incentive compensation under the agreement equal to about 1% of the excess value per share paid by an acquiring company that

exceeds \$14.00 per share. For example, at the \$32.98 per share closing price at the end of 2006, the amount of incentive compensation in the event of an acquisition of UTMD would be \$1,423,500. At the time of the execution of the agreement, the value per UTMD share was approximately \$7.75.

The CEO is the only employee with a formal termination benefit agreement, which was last modified in 1998. The board of directors does not anticipate the need for any other agreements for the indefinite future. In the absence of any practical requirement, UTMD has no general policies regarding termination benefits.

The Company is also required to pay all other optionees under employee and outside director's option plans, the appreciation of stock value for awarded options above the option exercise price in the event of a change of control of the Company. The number of options outstanding as of December 31, 2006, excluding those held by the CEO, is 177,900 at an average exercise price of \$17.66/ share. At the \$32.98 per share closing price at the end of 2006, the amount of change of control pay due all optionees excluding the CEO would be \$2,726,100.

Outstanding Equity Awards at 2006 Fiscal Year End

Named Executive Officer	Option Awards			
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date
	Exercisable	Unexercisable		
Kevin L. Cornwell	50,000	--	25.59	1/29/2014
Paul O. Richins	6,000	--	7.25	1/30/2008
	5,000	--	6.75	1/28/2010
	2,000	--	9.125	2/2/2011
	1,000	--	15.01	3/1/2012
	938	62	17.71	1/31/2013
	2,000	--	25.59	1/29/2014
	250	250	18.00	10/4/2014
	150	250	21.68	5/13/2015

The Company has no outstanding Stock Awards.

2006 Option Exercises and Stock Vested

Named Executive Officer	Option Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)
Kevin L. Cornwell	198,277	4,687,205
Paul O. Richins	4,000	97,400
Greg A. LeClaire	13,313	212,269

The Company has made no Stock Awards.

2006 Pension Benefits

The Company does not provide a defined benefit pension plan to any employee.

2006 Nonqualified Deferred Compensation

The Company does not provide nonqualified deferred compensation to any employee.

2006 Director Compensation

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	All Other Compensation (\$)	Total (\$)
Stephen Bennett	12,500	--	--	--	12,500
Ernst Hoyer	27,000	--	--	--	27,000
Barbara Payne	21,000	--	--	--	21,000

Narrative disclosure to the Director Compensation Table:

1. Mr. Hoyer was paid \$4,000 as a member of the executive committee, \$2,000 as chairman of the audit committee and the \$21,000 base annual director's fee.
2. Dr. Bennett was paid \$2,000 as a member of the executive committee, in addition to \$10,500 base director's fee, for six months' service. Dr. Bennett resigned from the Board in July, 2006.
3. Dr. Payne was paid the \$21,000 base annual director's fee.
4. For 2007, the base annual director's fee has been increased to \$22,000.

In 1994, shareholders approved the 1993 Directors' Stock Option Plan under which up to 80,000 shares per year could be granted to outside directors over a ten-year term. The 1993 Plan expired in September 2003. Of the aggregate 800,000 option share limit, 186,000 shares were granted. Prior to expiration on September 8, 2003, the Board of Directors awarded options to outside directors in the aggregate amount of 30,000 shares at an exercise price of \$24.02 per share. The Board of Directors did not approve an award of outside director options in the three preceding years 2000-2002, or in the ensuing years of 2004-2006.

At December 31, 2006, 20,000 unexercised outside director options were outstanding with an exercise price of \$24.02. The Company is required to pay optionees under the outside directors' option plan the appreciation of stock value for issued options above the option exercise price in the event of a change of control of the Company. At the \$32.98 per share closing price at the end of 2006, the amount of change in control pay due outside directors would be \$179,200.

DISCLOSURE RESPECTING THE COMPANY'S EQUITY COMPENSATION PLANS

The following table summarizes, as of the end of the most recent fiscal year, compensation plans, including individual compensation arrangements, under which equity securities of the Company are authorized for issuance, aggregated for all compensation plans previously approved by shareholders and for all plans not previously approved by shareholders:

Plan Category	Number of Securities To Be Issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (c) (1)
Equity compensation plans approved by security holders	228,000	\$19.40	439,000
Equity compensation plans not approved by security holders	—	(Not applicable)	—
Total	<u>228,000</u>	<u>\$19.40</u>	<u>439,000</u>

(1) Up to an additional 100,000 shares will be added to the available shares on the first day of each calendar year through 2013.

Additional disclosure regarding dilution from equity awards:

In 2003, shareholders approved the incentive stock option plan for employees and directors summarized in the table above. The Company currently has no other equity award programs. The dilutive impact to shareholders of stock option awards is provided in the tables below:

	<u>2004</u>	<u>2005</u>	<u>2006</u>
Option shares available for award per shareholder approved option plans (beginning of year)	1,676,360	358,700	441,909
Option shares allocated by the Board of Directors	170,000	40,000	30,000
Total option shares awarded	164,100	27,900	14,600
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Total unexercised awarded option shares (end of year)	755,526	548,621	227,944
Weighted-average unexercised option exercise price	\$ 13.24	\$ 13.89	\$ 19.40
Closing market price of UTMD stock per share (end of year)	\$ 22.47	\$ 31.95	\$ 32.98
(A) Dilution from options (shares)	276,063	230,207	99,441
(B) Weighted average shares outstanding	<u>4,399,015</u>	<u>3,961,813</u>	<u>3,943,437</u>
Total diluted shares outstanding (A+B), used for EPS calculation	4,675,078	4,192,020	4,042,878

COMPENSATION DISCUSSION AND ANALYSIS

General

Under the supervision of the Compensation and Option Committee, the Company has developed and implemented compensation policies, plans, and programs that seek to enhance the long-term profitability, earnings per share (EPS) growth and return on shareholders' equity (ROE) of the Company, and thus shareholder value, by aligning closely the financial interests of the Company's senior managers and other key employees with those of its shareholders. The long term key financial performance objectives are a 20% annually compounded rate of increase in EPS and an average ROE greater than 25%. The Company has cumulatively achieved these financial objectives over the twenty years since 1986, its first year of profitability since becoming a publicly-traded company.

At the beginning of each year, the board of directors approves an operating plan which sets the standards for the Company's financial and nonfinancial performance. The performance each year may vary according to general economic conditions, competitive environment, life cycle of products, new product development and other factors. The Compensation Committee then approves compensation criteria set in relation to the Company's annual operating plan which includes numerous income statement, balance sheet and cash flow measures, in addition to nonfinancial objectives established for each employee participating in the annual MB program.

The Company applies a consistent philosophy to compensation for all employees, including senior management. The philosophy is based on the premise that the achievements of the Company result from the coordinated efforts of all individual employees working toward common objectives. The Company strives to achieve those objectives through teamwork that is focused on meeting the needs and expectations of customers and shareholders.

There are seven basic objectives for the Company's compensation program:

(1) Pay for Performance. The basic philosophy is that rewards are provided for the long-term value of individual contribution and performance to the Company. Rewards are both recurring (*e.g.*, base salary) and non-recurring (*e.g.*, bonuses), and both financial and non-financial (*e.g.*, recognition and time off).

(2) Provide for Fairness and Consistency in the Administration of Pay. Compensation is based on the value of the job, what each individual brings to the job, and how well each individual performs on the job, consistently applied across all functions of the Company.

(3) Pay Competitively. The Company believes it needs to attract and retain the best people in the industry in order to achieve one of the best performance records in the industry. In doing so, the Company needs to be perceived as rewarding well, where competitive compensation includes the total package of base pay, bonuses, awards, and other benefits.

(4) Conduct an Effective Performance Review Process. The Company believes it needs to encourage individual employee growth and candidly review each individual's performance in a timely way. This feedback process is bilateral, providing management with an evaluation of the Company through the eyes of its employees.

(5) Effectively Plan and Administer the Compensation Program. Expenditures for employee compensation must be managed to what the Company can afford and in a way that meets management goals for overall performance and return on shareholder equity.

(6) Communicate Effectively. The Company believes that an effective communication process must be employed to assure that its employees understand how compensation objectives are being administered and met.

(7) Meet All Legal Requirements. The compensation program must conform to all state and federal employment laws and guidelines.

The Company uses essentially five vehicles in its compensation program.

(1) Salary. UTMD sets base salaries by reviewing the aggregate of base salary and annual bonus for competitive positions in the market. The CEO's base salary is set at the beginning of each calendar year by the Board of Directors. For executive officers and senior management, base salaries are fixed at levels somewhat below the competitive amounts paid to senior management with comparable qualifications, experience, and responsibilities at other similarly sized companies engaged in the same or similar businesses. Then, annual bonuses and longer term incentive compensation are more highly leveraged and tied closely to the Company's success in achieving significant financial and non-financial goals.

(2) Bonuses. UTMD's Profit-Sharing Sales & Management Bonus (MB) Plan, which funds annual management bonuses, along with other contemporaneous incentives during the year, is generated out of a pretax/prebonus profit-sharing pool accrued throughout year, and finalized, where the annual bonus portion is concerned, after the year-end independent financial audit has been completed. Prior to 2006, the Board of Directors had approved an accrual guideline of 4% of pretax, prebonus earnings, plus 10% of pretax, prebonus earnings improvements over the prior year's results, as an allocation for the plan. For example, if the Company achieved 20% growth in pretax/prebonus accrual earnings, the MB Plan would accrue 6% of pretax, prebonus earnings during the year into a "pool." The pool would then be distributed after the completed independent audit under recommendation of the Compensation and Option Committee and approved by the Board. Beginning in 2006, although the mechanism for the MB Plan remains unchanged, in order to compensate for the decrease in the number of option shares granted key employees (as the result of the requirement to expense the estimated "value" of options), the Board of Directors increased the base percent of the annual Management Bonus accrual formula from 4% to 5% of pretax/prebonus profits. The pool accrual formula remains the same for 2007.

UTMD's management personnel, beginning with the first level of supervision and professional management, and including certain non-management specialists and technical people, together with all direct sales representatives, are eligible as participants in the MB Plan. At the beginning of the year, plan participants were awarded participation units in the bonus plan, proportional to base salary and responsibility, based on the Committee's determination of the relative contribution expected from each person toward attaining Company goals. Each individual's performance objectives, derived as the applicable contribution needed from that executive to achieve the Company's overall business plan for the year, were reviewed by the Committee. As part of the planning process, each eligible employee develops a set of measurable and dated objectives for the ensuing year. Achieving the Company's plan sets an expected value per bonus unit. After the end of the year, each individual participant's contribution to the Company's performance is assessed in order to determine the

allocation of units for individual contributions, with the accomplishment of the beginning of year objectives as a key component. In 2006, 90 employees were included in the distribution of the \$549,700 annual MB Plan payout. The MB Plan also funded \$23,500 in extraordinary bonuses paid contemporaneously to employees during the year, \$14,700 in non-exempt employee attendance bonuses, and \$8,200 in holiday gifts to employees.

The Company makes occasional cash awards, in amounts determined on an individual basis, to employees who make extraordinary contributions to the performance of the Company at any time during the year. These contemporaneous payments are made as frequently as possible to recognize excellent accomplishments when they occur. The awards are funded from the accrued MB plan described above, and therefore do not otherwise impact the Company's financial performance. Senior management is not eligible for these awards.

(3) Employee Stock Options. The Compensation and Option Committee believes that its awards of stock options have successfully focused the Company's key management personnel on building profitability and shareholder value. The Board of Directors considers this policy highly contributory to growth in future shareholder value. The number of options awarded in 2006 reflects the judgment of the Board of the number of options sufficient to constitute a material, recognizable benefit to recipients. No explicit formula criteria were utilized, other than minimizing dilution to shareholder interests and the impact on earnings per share for option expense. When taken together with the share repurchase program, the net result of the option program over the last five years has been awarding option shares to key employees at a higher price, and in substantially smaller amounts, than shares actually repurchased in the open market during the same time period.

In 1994, shareholders approved the 1994 Employee Stock Option Plan under which up to two million shares could be granted to employees within a ten-year term. The 1994 Plan expired on January 29, 2004, with about 1.2 million of the two million authorized option shares expiring because they were not granted. During the same ten year period, UTMD repurchased about 7.3 million of its shares in the open market. At the 2003 Annual Meeting, shareholders approved the 2003 Employees' and Directors' Incentive Plan, under which up to 1.2 million shares may be granted over the ten-year life of the plan. As of March 9, 2007, options representing 50,400 shares are outstanding under the 2003 Plan.

After the conclusion of the annual independent audit and public announcement of financial results, the Board of Directors allocates an annual amount of shares for employee options each year at its regularly scheduled Board meeting following the audited close of the prior year's financial performance. Option shares may be awarded on this same date at the closing price on the date of the meeting. Some number of allocated shares are usually reserved for awards later in the year to employees, including new or key employees with increased responsibilities. The Compensation Committee approves all awards, and the closing price on the date of the approval is the exercise price of the option shares. According to policy, awards are not made in advance of material news events, or when material non-public information is known.

During 2006, option awards were granted to 44 employees to purchase a total of 14,600 shares at an exercise price of \$29.86 per share, none of which were awarded to named executive officers. Of the 14,600 options granted to employees in 2006, options representing 1,600 shares have been canceled after termination of services. Employee options vest over a four-year period, with a ten-year exercise period. Management expects to recommend additional options be awarded on an annual basis to the Company's key employees based on its belief that sharing ownership of the Company with those who help create its success is the best way to assure growth in shareholder value. In January 2007, the Board of Directors authorized 2007 awards of up to 30,000 option shares during 2007.

(4) 401(k) Retirement Plan. The Compensation and Option Committee believes that a continuance of the Company plan instituted in 1985 is consistent with ensuring a stable employment base by helping to provide Company employees with a vehicle to build long-term financial security. The Company matched a portion of employee contributions in 2006 and paid administrative expenses at a total cost of about \$91,000. For 2007, the Board of Directors has approved continuing the matching formula of 40% of employee contributions, up to certain limits, for employees who meet eligibility requirements.

(5) Group Benefit Plan. The Company provides a group health, dental, and life insurance plan for its employees consistent with self-funded group plans offered by other similar companies. A portion of the monthly premium cost is generally paid by plan participants. Prior to 1998, all employees, including executive officers and senior managers, paid premiums on the same basis. Between 1998 and 2002, employees being paid

wages at a rate of \$9.50 or less per hour were provided a 25% discount to the standard premium rates. In 2003, employees with a base annual salary over \$45,000 began paying 10-20% more than the standard premium rates, and employees being paid at a rate of \$10.50 or less per hour were provided a 25% discount to standard premiums paid by other employees.

Structure for Executive Officer Compensation

Utilizing the compensation objectives and vehicles outlined previously, the Compensation and Option Committee, comprised of all three outside directors, establishes base salary for the CEO. All other employees' salaries are set by the CEO, and reviewed by the Committee for consistency with the Company's compensation objectives. The Committee used surveys of similar companies selected from among the companies with which UTMD's stock is compared in the Stock Performance Chart, based on variations in industry type, geographic location, size, and profitability as the Committee deemed appropriate. Base salary was fixed at a level somewhat below the competitive amounts paid to executive officers with comparable qualifications, experience and responsibilities at other similarly sized companies engaged in the same or similar businesses. The annual bonus and long-term incentive compensation in the form of stock options were more highly leveraged and tied closely to the Company's success in achieving significant financial and non-financial goals.

The annual bonuses for the named executive officers are awarded using the same basis as all employees included in the annual profit-sharing MB Plan. The goals for executive officers include financial and non-financial goals. Financial goals include net sales, gross profit margin, operating margin, after-tax profits, return on equity, and particularly in the case of the CEO, growth in earnings per share. Non-financial goals include continuing the development of a talented and motivated team of employees, conceiving and implementing programs to maintain competitive advantages and to achieve consistent earnings per share growth, reacting to competitive challenges, developing business initiatives to further support critical mass in a consolidating marketplace, promoting the Company's participation in socially responsible programs, protecting intellectual property, maintaining compliance with regulatory requirements, achieving a high regard for the integrity of the Company and its management, and minimizing issues that represent significant business risk factors. In 2006, UTMD met all of its financial and most non-financial objectives. Based on the Company's overall performance, annual bonuses were 10% higher than the previous year for the same level of management responsibility and contribution.

The Committee intends that stock options serve as a significant component of the executive officer total compensation in order to retain critical efforts on behalf of the Company and to focus efforts on enhancing shareholder value. The Committee believes that past option awards have successfully provided this incentive. An option for 50,000 shares was awarded the CEO in January 2004, at an exercise price of \$25.59 per share. No CEO options had been awarded from 1999 through 2003, and none were awarded in 2005 or 2006.

Compensation and Option Committee Interlocks and Insider Participation

The members of the Compensation and Option Committee remain Ernst G. Hoyer and Barbara A. Payne who were on the committee for the full year 2006. Dr. Stephen Bennett served until his resignation in July 2006. Dr. James Beeson was added as a replacement for Dr. Bennett in February 2007. No member of the committee is a present or former officer of the Company or any subsidiary. There are no other interlocks. No member of the Committee, his or her family, or his or her affiliate was a party to any material transactions with the Company or any subsidiary since the beginning of the last completed fiscal year. No executive officer of the Company serves as an executive officer, director, or member of a compensation committee of any other entity, an executive officer or director of which is a member of the Compensation and Option Committee of UTMD.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None.

BOARD OF DIRECTORS AND OTHER BOARD COMMITTEE REPORTS

Director Independence

UTMD's Board of Directors has determined that a majority of its directors are independent, as that term is defined in NASD Rule 4200(a)(15), which satisfies the independence requirement of NASD Rule 4350(c). The Board of Directors was not aware of any transactions, relationships or arrangements to be considered in determining that Dr. Payne, Mr. Hoyer and Dr. Beeson were independent under the NASD Rules.

Board Committees and Meetings

The board of directors held four formal meetings during 2006, and one meeting to date in 2007. All of the directors attended all meetings during their respective incumbencies.

The Company has Executive, Audit, Nominating, and Compensation and Option Committees. The current members of the Company's committees are identified in the table on page 4. The written charters of each of these committees are available for review at www.utahmed.com.

The Executive Committee held two formal meetings during 2006, and one meeting to date in 2007. In addition, the Committee met informally about twice per month. At its formal meetings, the Committee took actions which were later ratified by the full Board of Directors.

The Audit Committee formally met four times during 2006 and once to date in 2007 to review the results of the periodic independent reviews and audits by Jones Simkins, P.C., UTMD's independent auditor. In addition, the Audit Committee met informally about once per quarter. The Audit Committee selects the Company's independent accountants, approves the scope of audit and related fees, and reviews financial reports, audit results, internal accounting procedures, internal controls and other programs to comply with applicable requirements relating to financial accountability.

The Nominating Committee met informally during 2006 at board of director meetings. The Nominating Committee, which is comprised of the independent members of the Board of Directors, takes the lead in nominating new directors. The Nominating Committee will consider nominees recommended by shareholders. In accordance with the Company's Bylaws, shareholders' nominations for election as directors must be submitted in writing to the Company at its principal offices not less than 30 days prior to the Annual Meeting at which the election is to be held (or if less than 40 days' notice of the date of the Annual Meeting is given or made to shareholders, not later than the tenth day following the date on which the notice of the Annual Meeting was mailed).

When considering candidates for directors, the Nominating Committee takes into account a number of factors, including the following:

- judgment, skill, integrity and reputation;
- whether the candidate has relevant business experience;
- whether the candidate has achieved a high level of professional accomplishment;
- independence from management under both Nasdaq and Securities and Exchange Commission definitions;
- existing commitments to other businesses;
- potential conflicts of interest with other pursuits;
- corporate governance background and experience;
- financial and accounting background that would permit the candidate to serve effectively on the Audit Committee;
- age, gender, and ethnic background; and

- size, composition, and experience of the existing Board of Directors.

The committee will also consider candidates for directors suggested by stockholders using the same considerations. Stockholders wishing to suggest a candidate for director should write to Nominating Committee, Utah Medical Products, Inc., 7043 South 300 West, Midvale, UT 84047 and include:

- a statement that the writer is a stockholder and is proposing a candidate for consideration by the committee;
- the name of and contact information for the candidate;
- a statement that the candidate is willing to be considered and would serve as a director if elected;
- a statement of the candidate's business and educational experience preferably in the form of a resume or curriculum vitae;
- information regarding each of the factors identified above, other than facts regarding the existing Board of Directors, that would enable the committee to evaluate the candidate;
- a statement detailing any relationship between the candidate and any customer, supplier, or competitor of the Company;
- detailed information about any relationship or understanding between the stockholder and the proposed candidate; and
- confirmation of the candidate's willingness to sign the Company's code of ethics and other restrictive covenants, and abide by all applicable laws and regulations.

Before nominating a sitting director for reelection at an annual meeting, the committee will consider:

- the director's performance on the Board of Directors and attendance at Board of Directors' meetings; and
- whether the director's reelection would be consistent with the Company's governance guidelines and ability to meet all applicable corporate governance requirements.

When seeking candidates for director, the committee may solicit suggestions from incumbent directors, management or others. After conducting an initial evaluation of the candidates, the committee will interview that candidate if it believes the candidate might be suitable for a position on the Board of Directors. The committee may also ask the candidate to meet with management. If the committee believes the candidate would be a valuable addition to the Board of Directors, it will recommend to the full Board of Directors that candidate's nomination.

The Compensation and Option Committee, comprised of all incumbent outside directors as indicated in the table on page 4, consulted by telephone and met once formally in early 2006 and 2007 to review management performance relative to objectives for the prior year, recommend compensation and develop compensation strategies and alternatives throughout the Company, including those discussed in the Compensation Discussion and Analysis section of this Proxy Statement. The deliberations culminated in recommendations ratified at the January 2007 Board of Directors meeting.

In each 2006 board meeting, after receiving the Company's routine compliance reports, the Board reviewed compliance by UTMD and its personnel, including executive officers and directors, with applicable regulatory requirements as well as the Company's own compliance policy, and compared its established policies and procedures for compliance with current applicable laws and regulations, under the guidance of corporate counsel.

The policy of the Company is that each member of the Board of Directors is encouraged, but not required, to attend the Annual Meeting. Four of five directors attended the 2006 Annual Meeting.

Stockholder Communications with Directors

UTMD stockholders who wish to communicate with the Board, any of its committees, or with any individual director may write to the Company at 7043 South 300 West, Midvale, UT 84047. Such letter should indicate that it is from a UTMD stockholder. Depending upon the subject matter, management will:

- forward the communication to the director, directors, or committee to whom it is addressed;
- attempt to handle the inquiry directly if it is a request for information about UTMD or other matter appropriately dealt with by management; or
- not forward the communication if it is primarily commercial in nature, or if it relates to an improper or irrelevant topic.

At each Board of Directors' meeting, a member of management will present a summary of communications received since the last meeting that were not forwarded to the directors and make those communications available to the directors on request.

Report of the Compensation and Option Committee

The Compensation Committee has reviewed and discussed the CD&A with UTMD management. Based on that review, the Committee recommended to the Board of Directors that the CD&A be included in the Company's annual report on Form 10-K and this Proxy Statement.

Submitted by the Compensation and Option Committee:

Ernst G. Hoyer
Barbara A. Payne
James H. Beeson

Report of the Audit Committee

The Audit Committee of the Board of Directors is composed of all outside directors, all of whom are independent as defined in Nasdaq Stock Market Rule 4200(a)(15) and under Rule 10A-3(b)(1) adopted pursuant to the Securities Exchange Act of 1934. The members of the Audit Committee are James H. Beeson, Ernst G. Hoyer and Barbara A. Payne. Dr. Stephen W. Bennett served as a member of the Audit Committee until July 2006. Dr. Beeson was elected to replace Dr. Bennett in February 2007. In July 2003, the Board of Directors adopted an updated Audit Committee charter, which is attached as an appendix to this Proxy Statement. Ernst G. Hoyer is the Board of Directors' designated Audit Committee Financial Expert consistent with The Sarbanes-Oxley Act of 2002.

The Audit Committee oversees the financial reporting and internal controls processes for UTMD on behalf of the Board of Directors. In fulfilling its oversight responsibilities, the Audit Committee reviewed the quarterly and annual financial statements included in the Annual Report to Shareholders and reports filed with the Securities and Exchange Commission.

The Audit Committee formally met four times during 2006 and once to date in 2007 to review the results of the reviews and audits by Jones Simkins, P.C., UTMD's independent auditor. The Committee also met informally from time to time during the year. In accordance with Statement on Auditing Standards No. 61, discussions were held with management and the independent auditors regarding the acceptability and the quality of the accounting principles used in the reports. These discussions included the clarity of the disclosures made therein, the underlying estimates and assumptions used in the financial reporting, and the reasonableness of the significant judgments and management decisions made in developing the financial statements. In addition, the Audit Committee has discussed with the independent auditors their independence from the Company and its management, including the matters in the written disclosures required by Independence Standards Board Standard No. 1 and The Sarbanes-Oxley Act of 2002.

The Audit Committee has also met with Company management and its independent auditors and discussed issues related to the overall scope and objectives of the audits conducted, the internal controls used by the Company, the openness and honesty of management, auditor verification of information provided by management, quality control procedures used by auditors in performing the independent audit, and any possible conflicts of interest. The Committee elicited recommendations for improving UTMD's internal control procedures. The independent auditors completed a formal review of the scope and effectiveness of the Company's internal control procedures, and made a few minor recommendations.

Pursuant to the reviews and discussions described above, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2006, for filing with the Securities and Exchange Commission.

Submitted by the Audit Committee:

Ernst G. Hoyer
Barbara A. Payne
James H. Beeson

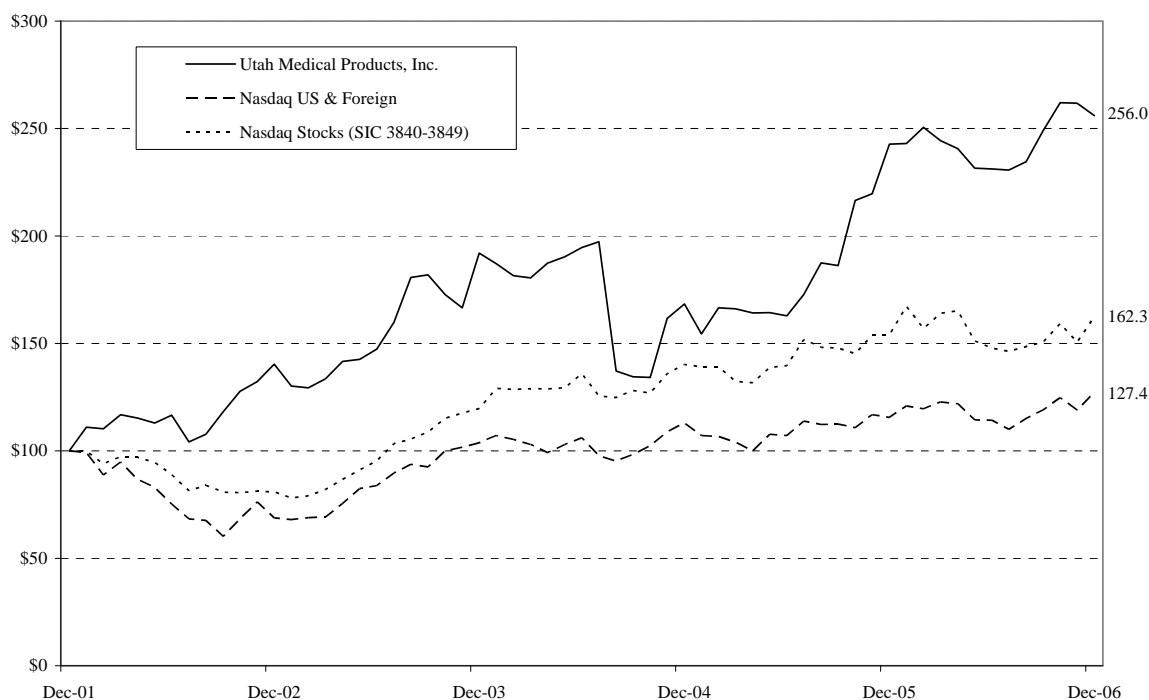
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STOCK PERFORMANCE CHART

The following chart compares what an investor's five-year cumulative total return (assuming reinvestment of dividends) would have been assuming initial \$100 investments on December 31, 2001, for the Company's Common Stock and the two indicated indices. The Company's Common Stock trades on the Nasdaq Global Market.

Cumulative shareholder return data respecting the Nasdaq Stock Market (U.S. and Foreign) are included as the comparable broad market index. The peer group index is all Nasdaq Stocks with Standard Industrial Classification (SIC) codes 3840-3849, all of which are in the medical device industry. UTMD's primary SIC code is 3841.

Five-Year Cumulative Total Returns



	<u>Dec-01</u>	<u>Dec-02</u>	<u>Dec-03</u>	<u>Dec-04</u>	<u>Dec-05</u>	<u>Dec-06</u>
Utah Medical Products, Inc.	100.0	140.3	192.1	168.4	242.7	256.0
Nasdaq Stock Market (US & Foreign)	100.0	68.8	103.8	112.9	115.5	127.4
Nasdaq Stocks (SIC 3840-3849) Medical Devices, Instruments and Supplies	100.0	80.9	119.7	140.2	153.9	162.3

INDEPENDENT PUBLIC ACCOUNTANTS

The Board of Directors retained Jones Simkins, P.C. as the Company's auditor and independent certified public accountants for the two years ended December 31, 2005 and 2006. The selection of the Company's auditors for the current fiscal year is not being submitted to the shareholders for their consideration in the absence of a requirement to do so. The selection of the independent auditors for 2007 will be made by the Company's Audit Committee of the Board of Directors, at such time as they may deem it appropriate.

Representatives of Jones Simkins, P.C. will be present at the Annual Meeting and have the opportunity to make a statement, if they desire to do so, and to be available to respond to shareholder questions.

Audit Fees

During 2006 and 2005, UTMD paid Jones Simkins \$79,181 and \$71,467, respectively for professional services rendered for the audit of its annual financial statements, reviews of the financials included in UTMD's quarterly reports on Form 10-Q and related regulatory reviews, S-8 review, and audit of its internal controls in accordance with the Sarbanes Oxley Act of 2002.

Audit-Related Fees

UTMD did not pay Jones Simkins, P.C. any audit-related fees during 2006 or 2005.

Tax Fees

During 2006 and 2005, UTMD paid Jones Simkins, P.C. \$40,871 and \$35,383, respectively, for tax filing, preparation, and tax advisory services.

All Other Fees

UTMD paid no other fees to Jones Simkins, P.C. in either 2006 or 2005.

Audit Committee Policy and Approval

The engagements of UTMD's auditors to perform all of the above-described services were made by the Audit Committee. The policy of the Audit Committee is to require that all services performed by the independent auditor be pre-approved by the Audit Committee before services are performed.

Auditor Independence

The Audit Committee has considered whether the provision of the services rendered for nonaudit matters is compatible with maintaining Jones Simkins' independence, and concluded that its independence was not impaired by performing such work for the Company.

SHAREHOLDER PROPOSALS

No proposals have been submitted by shareholders of the Company for consideration at the 2007 Annual Meeting. It is anticipated that the next Annual Meeting of Shareholders will be held during May 2008. In accordance with SEC Rule 14a-8 and the advance notice requirements of Section 2.15 of UTMD's Bylaws, shareholders may present proposals for inclusion in the Proxy Statement to be mailed in connection with the 2008 Annual Meeting of Shareholders of the Company, *provided* such proposals are received by the Company no later than December 2, 2007, and are otherwise in compliance with applicable laws and regulations and the governing provisions of the Articles of Incorporation and Bylaws of the Company.

MISCELLANEOUS

Other Business

Management does not know of any business other than that referred to in the Notice that may be considered at the Annual Meeting. If any other matters should properly come before the Annual Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the proxies held by them in accordance with their best judgment.

In order to assure the presence of the necessary quorum and to vote on the matters to come before the Annual Meeting, please indicate your choices on the enclosed proxy and date, sign, and return it promptly in the envelope provided. Whether or not you sign a proxy, we encourage you to attend the meeting.

By Order of the Board of Directors,
UTAH MEDICAL PRODUCTS, INC.



Kevin L. Cornwell
Chairman and CEO

Salt Lake City, Utah
March 17, 2007