



UNITED-GUARDIAN, INC.

Corporate Divisions and Subsidiaries

GUARDIAN LABORATORIES

EASTERN CHEMICAL

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Press Release

FOR IMMEDIATE RELEASE

UNITED-GUARDIAN REPORTS FIRST QUARTER 2002 FINANCIAL RESULTS

Hauppauge, NY, May 9, 2002 -- United-Guardian, Inc. (AMEX:UG) today reported net earnings for the first quarter of 2002 of \$437,912 (\$.09 per share) on revenue of \$2,382,448, as compared to earnings of \$636,116 on revenue of \$2,829,845 for the same period in 2001. Sales of the company's Eastern Chemical subsidiary declined 27%, while sales of its Guardian Laboratories division, which accounts for most of the company's revenues, declined only 14%.

Ken Globus, the President of United-Guardian, stated "While we are disappointed that we were not able to maintain the steady sales and earnings increases that we have experienced over the past few years, we were still very profitable this quarter and our financial health continues to grow stronger. At a time when many previously profitable companies are showing losses and laying off workers, we have been able to continue our profitability and maintain our work force, which will be to our benefit when the economy picks up. The fact that sales of our Eastern Chemical subsidiary declined as much as they did was not surprising in light of our recent efforts to downsize that operation with the ultimate goal of selling it so that we can concentrate our resources on the expansion of the Guardian Laboratories division".

Mr. Globus also indicated that the company is confident that its revenues will begin to increase again as the economy picks up and some of its new projects come to fruition. One such project is for the development of a new water-based moisturizing gel that is compatible with a much greater variety of personal care products, enabling it to be used in formulations with which the company's current Lubrajel® product line is not compatible. This should provide the company with many new opportunities with customers that previously were unable to utilize its products. The company also has an ongoing project with Boston University to test one of its antimicrobial products for the treatment of periodontal diseases.

United-Guardian is a manufacturer of cosmetic ingredients, personal and health care products, pharmaceuticals, and specialty industrial products.

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NOTE: This press release contains both historical and "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements about the company's expectations or beliefs concerning future events, such as financial performance, business prospects, and similar matters, are being made in reliance upon the "safe harbor" provisions of that Act. Such statements are subject to a variety of factors that could cause Registrant's actual results or performance to differ materially from the anticipated results or performance expressed or implied by such forward-looking statements. For further information about the risks and uncertainties that may affect the company's business please refer to the company's reports and filings with the Securities and Exchange Commission.

**RESULTS FOR THE FIRST QUARTER ENDED
MARCH 31, 2002 and MARCH 31, 2001**

	3 Months Ended March 31,	
	<u>2002</u>	<u>2001</u>
Revenue:	\$ 2,382,448	\$ 2,829,845
Costs and expenses:	<u>1,754,239</u>	<u>1,879,713</u>
Earnings from operations:	628,209	950,132
Other income :	<u>49,703</u>	<u>65,984</u>
Earnings before income taxes:	677,912	1,016,116
Provision for income taxes:	<u>240,000</u>	<u>380,000</u>
Net Earnings:	\$ <u>437,912</u>	\$ <u>636,116</u>
Earnings per share (Basic and Diluted):	\$ <u>.09</u>	\$ <u>.13</u>