



# UNITED-GUARDIAN, INC.

Corporate Divisions and Subsidiaries

GUARDIAN LABORATORIES

EASTERN CHEMICAL

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## Press Release

FOR IMMEDIATE RELEASE

### UNITED-GUARDIAN REPORTS THIRD QUARTER FINANCIAL RESULTS

Hauppauge, NY, November 4, 2002 -- United-Guardian, Inc. (AMEX:UG) today released its financial results for the third quarter of 2002. Sales for the third quarter were strong, with only a 5% decrease from last year, while earnings decreased from \$434,456 in 2001 to \$258,190 in 2002. For the 9 month period sales declined by 11% from \$7,625,049 last year to \$6,796,553 this year, with a corresponding decline in net earnings for the 9 month period from \$1,513,834 in 2001 to \$987,389 in 2002.

Kenneth H. Globus, President of United-Guardian, stated: "In light of the weak economic conditions that continue to prevail in most parts of the world, we were not surprised that sales for the period were below last year's figures, but we expect this situation to change as the world economies improve and demand for personal care products increases. Although our gross margins have declined due to decreased sales volume, we are actively monitoring our overhead costs and believe that our margins will improve as sales increase. We have already experienced a very strong start to our fourth quarter, and are optimistic that our fourth quarter will be stronger than last year. We also are excited about several new product introductions that will be occurring over the next few months that we believe will put us in an excellent position to increase our presence in the personal care market."

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

(Table to follow)

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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 THIRD QUARTER ENDED  
SEPTEMBER 30, 2002 and SEPTEMBER 30, 2001**

	<b>9 Months Ended September 30,</b>		<b>3 Months Ended September 30,</b>	
	<b><u>2002</u></b>	<b><u>2001</u></b>	<b><u>2002</u></b>	<b><u>2001</u></b>
Revenue	\$ 6,796,553	\$ 7,625,049	\$ 2,085,937	\$ 2,201,249
Costs and expenses	<u>5,424,721</u>	<u>5,386,291</u>	<u>1,737,186</u>	<u>1,552,901</u>
Earnings from operations	1,371,832	2,238,758	348,751	648,348
Other income	<u>144,105</u>	<u>177,816</u>	<u>44,987</u>	<u>46,108</u>
Earnings before income taxes	1,515,937	2,416,574	393,738	694,456
Provision for income taxes	<u>528,548</u>	<u>902,740</u>	<u>135,548</u>	<u>260,000</u>
Net earnings	<u>\$ 987,389</u>	<u>\$ 1,513,834</u>	<u>\$ 258,190</u>	<u>\$ 434,456</u>
Earnings per common share (Basic and Diluted)	<u>\$ .20</u>	<u>\$ 0.31</u>	<u>\$ .05</u>	<u>\$ .09</u>