



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 RESULTS

Hauppauge, NY, November 8, 2006 – United-Guardian, Inc. (AMEX:UG) reported third quarter earnings of \$710,868 (\$0.14 per share) on sales of \$3,020,366, as compared with last year's third quarter earnings of \$775,716 (\$0.16 per share) on sales of \$3,049,494. For the nine months ended September 30, 2006 the earnings were \$1,983,249 (\$0.40 per share) on sales of \$8,942,178, compared with \$2,242,501 (\$0.45 per share) on sales of \$9,697,066 for the same period in 2005.

Ken Globus, President of United-Guardian, stated "We are optimistic that we will continue to make up some or all of the shortfall in year-to-date sales that is partially attributable to buying patterns of our customers. This was especially evident in October, when sales were very strong and shipments to our largest customer were up substantially compared with October, 2005. We are also excited about a new project with an Ohio company that has found some interesting new uses for Cloronine™, one of our proprietary disinfectants. We will know more after some initial field tests are completed in November and December."

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 our 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 NINE AND THREE MONTHS ENDED
SEPTEMBER 30, 2006 and SEPTEMBER 30, 2005**

	9 Months Ended September 30,		3 Months Ended September 30,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Revenue	\$ 8,942,178	\$ 9,697,066	\$ 3,020,366	\$ 3,049,494
Costs and expenses	<u>6,202,453</u>	<u>6,293,665</u>	<u>2,034,196</u>	<u>1,926,766</u>
Income from operations	2,739,725	3,403,401	986,170	1,122,728
Other income	<u>301,524</u>	<u>121,400</u>	<u>106,998</u>	<u>74,388</u>
Income before income taxes	3,041,249	3,524,801	1,093,168	1,197,116
Provision for income taxes	<u>1,058,000</u>	<u>1,282,300</u>	<u>382,300</u>	<u>421,400</u>
Net income	\$ <u>1,983,249</u>	\$ <u>2,242,501</u>	\$ <u>710,868</u>	\$ <u>775,716</u>
Earnings per share (Basic and Diluted)	\$ <u>0.40</u>	\$ <u>0.45</u>	\$ <u>0.14</u>	\$ <u>0.16</u>

Additional financial information can be found at the company's web site at www.u-g.com.