



UNITED-GUARDIAN, INC.

Corporate Divisions and Subsidiaries

GUARDIAN LABORATORIES
EASTERN CHEMICAL

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UNITED-GUARDIAN DECLARES DIVIDEND

Hauppauge, NY, December 14, 2001 -- United-Guardian, Inc. (AMEX:UG) reported today that as a result of its solid earnings for fiscal 2001, as well as its anticipation of an increase in business for the coming year, its Board of Directors has declared a dividend of \$.10 per share, which will accrue to stockholders of record as of December 26, 2001, and will be paid on January 10, 2002.

Kenneth H. Globus, President of United-Guardian, stated, "We are pleased that for the sixth straight year we are able to pay a dividend to our stockholders and enable them to share in the strong earnings of the company. Since we began paying dividends six years ago our dividend has doubled. While we expect sales to be down slightly this year as a result of the overall economic downturn and the trend on the part of many businesses to decrease the amount of inventory on hand, we are confident that we will be able to increase sales next year. On that basis we feel comfortable in maintaining last year's dividend rate. With the continued growth of our retained earnings we have more than adequate resources to fund any ongoing or future projects."

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