



UNITED-GUARDIAN, INC.

Corporate Divisions and Subsidiaries

GUARDIAN LABORATORIES
PERN CHEMICAL

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PRESS RELEASE

FOR IMMEDIATE RELEASE

UNITED-GUARDIAN REPORTS YEAR-END EARNINGS

Hauppauge, NY, March 22, 2002 --- United-Guardian, Inc., (AMEX:UG) today reported that despite the unfavorable business climate during 2001 it has once again had a very profitable year, with net earnings after taxes of \$1.9 million (\$.39 per share) on revenue of \$9.6 million for the fiscal year ended December 31, 2001.

“While revenue and earnings were down slightly from the record sales and earnings of FY-2000, we are very pleased to have been able to withstand the economic downturn in 2001 as well as we have”, stated Kenneth H. Globus, President of United-Guardian. “While many other companies reported significant earnings decreases, our earnings this year were down less than 8%. Some of this decline was due to an effort on the part of some customers to minimize their year-end inventories, which was confirmed by a resurgence of orders in January”.

The company reported that later this year it expects to introduce a new product line that will be a supplement to, and improvement on, its very successful Lubrajel® line of water-based moisturizers and lubricants. The new product line is expected to expand the uses currently available with the Lubrajel line, as well as provide enhanced moisturizing capabilities.

“We are very excited about the new product line, and anticipate that it will generate new business for us not only with existing customers but with new customers whose products were not compatible with the existing line of Lubrajel products. We are also continuing to work on several other exciting projects, including the use of one of our existing antimicrobial products for periodontal use; the development of a carrier for a new type of antiviral product for the prevention of sexually transmitted diseases; and our continuing work with a major consumer products company that will be incorporating a new type of Lubrajel into a consumer product line that is currently marketed worldwide. While some of these projects are long-term, all of them have the potential to increase revenue substantially over the next several years”.

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.

| <u>INCOME STATEMENT</u> | FOR THE YEARS ENDED | |
|--|---|---|
| | <u>DECEMBER 31</u> <u>2001</u> | <u>DECEMBER 31</u> <u>2000</u> |
| Revenue | \$ 9,583,682 | \$ 10,447,374 |
| Costs and expenses | <u>6,990,692</u> | <u>7,318,477</u> |
| Earnings From Operations | 2,592,990 | 3,128,897 |
| Other income | <u>239,075</u> | <u>237,608</u> |
| Earnings before income taxes | 2,832,065 | 3,366,505 |
| Provision for Income Taxes | <u>941,055</u> | <u>1,313,132</u> |
| Net Earnings | \$ <u>1,891,010</u> | \$ <u>2,053,373</u> |
| Earnings Per Share (Basic and Diluted) | \$ <u>.39</u> | \$ <u>.42</u> |

BALANCE SHEET

| | | |
|---|----------------------|---------------------|
| Current Assets | \$ 9,546,990 | \$ 7,894,549 |
| Property, Plant & Equipment (less accumulated depreciation) | 1,198,413 | 1,267,535 |
| Other Assets | <u>36,150</u> | <u>235,311</u> |
| TOTAL ASSETS | \$ <u>10,781,553</u> | \$ <u>9,397,395</u> |
| Current Liabilities | 1,045,076 | 1,011,755 |
| Deferred Income Taxes | <u>10,000</u> | <u>10,000</u> |
| TOTAL LIABILITIES | \$ <u>1,055,076</u> | \$ <u>1,021,755</u> |
| STOCKHOLDERS' EQUITY | \$ <u>9,726,477</u> | \$ <u>8,375,640</u> |
| Current Ratio: | 9.1 to 1 | 7.8 to 1 |