



UNITED-GUARDIAN, INC.

Corporate Divisions and Subsidiaries

GUARDIAN LABORATORIES

PERMETHYNE CHEMICAL

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PRESS RELEASE

FOR IMMEDIATE RELEASE

UNITED-GUARDIAN REPORTS YEAR-END EARNINGS

Hauppauge, NY, March 20, 2003 --- United-Guardian, Inc., (AMEX:UG) reported today that after-tax earnings for FY-2002 were \$1,421,505 (\$.29 per share) on sales of \$9,091,416, down from earnings of \$1,891,010 (\$.39 per share) on sales of \$9,583,682 during the previous fiscal year. Despite the lower sales and earnings the continued profitability of the company has resulted in a steady increase in its financial strength, with retained earnings now at a record \$7,057,000, up from \$6,124,000 a year ago.

“While revenue and earnings were down from last year, we continue to be very profitable at a time when many other companies are struggling” stated Ken Globus, President of United-Guardian. Our balance sheet continues to grow stronger each year, with working capital up from \$8,501,914 at the end of 2001 to \$9,578,365 at the end of 2002, and our current ratio increasing from 9.1 to 1 to 10.4 to 1 as of December 31st, extremely healthy by any standard.”

“Despite the decline in sales last year we have been experiencing a tremendous resurgence in sales that began in December and has continued into the first quarter of 2003. We expect this to result in first quarter sales exceeding \$3 million for the first time in the company’s history, which we anticipate will also result in record earnings. While too early to tell whether this is a trend that will continue throughout the year, it certainly is an excellent start to the year.”

“In addition to the significant increase in our core product sales recently, we are also in the process of launching two exciting new product lines this year that we believe will generate significant revenue for us over the next few years. These new lines, combined with several other ongoing projects, should place us in an excellent position to increase our sales in the coming years, especially if the global economies improve.”

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>2002</u>	<u>DECEMBER 31</u> <u>2001</u>
Revenue	\$ 9,091,416	\$ 9,583,682
Costs and expenses	<u>7,199,667</u>	<u>6,990,692</u>
Income From Operations	1,891,749	2,592,990
Other income	<u>192,097</u>	<u>239,075</u>
Income before income taxes	2,083,846	2,832,065
Provision for Income Taxes	<u>662,341</u>	<u>941,055</u>
Net Income	\$ <u>1,421,505</u>	\$ <u>1,891,010</u>
Earnings Per Share (Basic and Diluted)	\$ <u>.29</u>	\$ <u>.39</u>

BALANCE SHEET

Current Assets	\$ 10,600,754	\$ 9,546,990
Property, Plant & Equipment (less accumulated depreciation)	1,105,570	1,198,413
Other Assets	<u>1,156</u>	<u>36,150</u>
TOTAL ASSETS	\$ <u>11,707,480</u>	\$ <u>10,781,553</u>
Current Liabilities	1,022,389	1,045,076
Deferred Income Taxes	<u>10,000</u>	<u>10,000</u>
TOTAL LIABILITIES	\$ <u>1,032,389</u>	\$ <u>1,055,076</u>
STOCKHOLDERS' EQUITY	\$ <u>10,675,091</u>	\$ <u>9,726,477</u>
Current Ratio:	10.4 to 1	9.1 to 1