



UNITED-GUARDIAN, INC.

Corporate Divisions
GUARDIAN LABORATORIES

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Press Release

FOR IMMEDIATE RELEASE

UNITED-GUARDIAN REPORTS THIRD QUARTER RESULTS

Hauppauge, NY, November 9, 2012 – United-Guardian, Inc. (NASDAQ:UG) today announced financial results for its fiscal 2012 third quarter ended September 30, 2012. The Company reported quarterly revenue of approximately \$3,527,000 and quarterly net income of \$1,116,000, or \$0.24 per share. This compares with revenue of \$3,345,000 and net income of \$1,369,000 (\$0.30 per share) for the same quarter in 2011. For the nine-month period ended September 30, 2012 revenue was up slightly from \$11,047,000 to \$11,151,000, and earnings decreased by 6% from \$3,760,000 (\$0.82 per share) to \$3,538,000 (\$0.77 per share).

"Although our earnings declined as a result of the production problems we are experiencing with our Renacidin[®] Irrigation, we still had a very profitable quarter, with increased sales of personal care products making up for much of the loss of Renacidin revenue," stated Ken Globus, United's President. "The comparison with the third quarter of last year is also affected by the monetary settlement that took place in last year's third quarter with our Renacidin supplier, which accounted for \$0.05 of the earnings per share for that quarter. We hope to recover most, if not all, of the earnings we lost in fiscal 2012 as a result of the current Renacidin production curtailment. On a positive note, net sales for the quarter were up, with sales of personal care products increasing by 12%, and sales of medical products increasing by 14%, over last year's third quarter. We expect those sales to continue to increase as we expand the marketing and development of those two product lines."

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 THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2012 and SEPTEMBER 30, 2011
(UNAUDITED)**

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Net sales	\$ <u>3,527,387</u>	\$ <u>3,345,035</u>	\$ <u>11,151,179</u>	\$ <u>11,047,383</u>
Costs and expenses:				
Cost of sales	1,334,491	1,229,561	4,339,450	4,318,444
Operating expenses	<u>598,100</u>	<u>537,248</u>	<u>1,749,217</u>	<u>1,759,177</u>
Total costs and expenses	<u>1,932,591</u>	<u>1,766,809</u>	<u>6,088,667</u>	<u>6,077,621</u>
Income from operations	1,594,796	1,578,226	5,062,512	4,969,762
Other income:				
Investment income	51,065	61,308	162,413	205,211
Gain on sale of assets	---	12,267	2,750	18,251
Income from damage settlement	---	<u>385,182</u>	---	<u>385,182</u>
Total other income	<u>51,065</u>	<u>458,757</u>	<u>165,163</u>	<u>608,644</u>
Income before income taxes	1,645,861	2,036,983	5,227,675	5,578,406
Provision for income taxes	<u>529,700</u>	<u>667,700</u>	<u>1,689,800</u>	<u>1,818,300</u>
Net Income	\$ <u>1,116,161</u>	\$ <u>1,369,283</u>	\$ <u>3,537,875</u>	\$ <u>3,760,106</u>
Earnings per common share (Basic and Diluted)	\$ <u>0.24</u>	\$ <u>0.30</u>	\$ <u>0.77</u>	\$ <u>0.82</u>
Weighted average shares – basic and diluted	<u>4,596,439</u>	<u>4,596,439</u>	<u>4,596,439</u>	<u>4,596,439</u>

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