



UNITED-GUARDIAN, INC.

Corporate Divisions
GUARDIAN LABORATORIES

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Press Release

FOR IMMEDIATE RELEASE

UNITED-GUARDIAN REPORTS RECORD EARNINGS

Hauppauge, NY, August 12, 2009 – United-Guardian, Inc. (NASDAQ:UG) reported today that net income for the first half of the year set a new record for the company, increasing to \$1,910,672 (\$0.39 per share) from \$1,575,563 (\$0.32 per share) in the same period last year. Sales for the six-month period were up 15% from the first half of 2008, increasing to \$6,888,287 from \$6,002,238 last year. For the three-month period ended June 30th sales were up slightly over last year, increasing to \$2,993,144 from \$2,791,039 in the comparable period last year, and net income increased slightly as well to \$755,431 (\$0.15 per share) from \$736,295 (\$0.15) for the same period in 2008.

Ken Globus, President of United-Guardian, stated, “As a result of the variety of our product lines, as well as our extensive marketing network, we have been able to maintain strong sales while many other companies continue to struggle during this continuing period of global economic decline. With the assistance of our global marketing partners we have continued to expand our product line and open up new geographic markets for our products. The result has been a record level of earnings for the first six months of this year. We believe that we will be able to continue to expand our product lines and our customer base as some of the new products we have in development come to fruition and are brought to market.”

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 SIX AND THREE MONTHS ENDED
JUNE 30, 2009 and JUNE 30, 2008
(UNAUDITED)**

	SIX MONTHS ENDED JUNE 30,		THREE MONTHS ENDED JUNE 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net sales	\$ <u>6,888,287</u>	\$ <u>6,002,238</u>	\$ <u>2,993,144</u>	\$ <u>2,971,039</u>
Costs and expenses:	<u>4,217,298</u>	<u>3,888,811</u>	<u>1,960,994</u>	<u>1,992,316</u>
Income from operations	<u>2,670,989</u>	<u>2,113,427</u>	<u>1,032,150</u>	<u>978,723</u>
Other income	<u>185,083</u>	<u>239,636</u>	<u>93,481</u>	<u>119,072</u>
Income from operations before income taxes	<u>2,856,072</u>	<u>2,353,063</u>	<u>1,125,631</u>	<u>1,097,795</u>
Provision for income taxes	<u>945,400</u>	<u>777,500</u>	<u>370,200</u>	<u>361,500</u>
Net Income	<u><u>1,910,672</u></u>	<u><u>1,575,563</u></u>	<u><u>755,431</u></u>	<u><u>736,295</u></u>
Earnings per common share (Basic and Diluted)	\$ <u>0.39</u>	\$ <u>0.32</u>	\$ <u>0.15</u>	\$ <u>0.15</u>

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