

Year-End Report 2008

January - December

- Group revenues from sales of goods and royalties amounted to 1,272 (1,318) MSEK.
- Earnings per share amounted to 0.34 (3.17*) SEK.
- Operating income amounted to 50 (371*) MSEK.
- Revenues within the Esthetics product area amounted to 1,037 (1,073) MSEK and operating income was 172 (533*) MSEK.
- Income after tax amounted to 33 (315*) MSEK.

October - December

- Group revenues from sales of goods and royalties amounted to 336 (336) MSEK during the fourth quarter and operating income amounted to -50 (-10) MSEK.
- Income after tax amounted to -44 (-14) MSEK during the fourth quarter. The results for the fourth quarter include a restructuring cost of 31 MSEK and external costs of 35 MSEK in connection with Ivytan AB's bid for Q-Med.

Important events after the end of the year

- Q-Med has obtained registration approval for Restylane® in China.
- Q-Med and Palomar Medical Technologies, Inc., have terminated the international distribution agreement that was entered into in January 2008.
- At Q-Med's Extraordinary General Meeting on February 4 a resolution was adopted to re-elect Bertil Hult, Anders Milton and Bengt Ågerup as Board members of Q-Med. Ulf Mattsson, Tomas Nicolin and Kristina Persson were newly elected. The meeting also elected Anders Milton as Chairman of the Board.
- The Board proposes that no dividend be paid for 2008.

* Operating income for 2007 includes the supplementary purchase sum of 200 MSEK that Q-Med received from Medicis when Restylane Perlane™ was approved for sales in the USA.

Q-Med AB is a biotechnology/medical device company. The company develops, manufactures, markets, and sells primarily medical implants. The majority of the products are based on the company's patented technology, **NASHA™**, for the production of stabilized non-animal hyaluronic acid. The product portfolio today contains: **Restylane®** for filling lines and folds, contouring and creating volume in the face, **Macrolane™** for body contouring, **Durolane™** for the treatment of osteoarthritis of the hip and knee joints, **Deflux®** for the treatment of vesicoureteral reflux, VUR, (a malformation of the urinary bladder) in children, and **Solesta™** for the treatment of fecal incontinence. Sales are made through the company's own subsidiaries or distributors in over 70 countries. Q-Med today has just over 650 coworkers, with close to 400 at the company's head office and production facility in Uppsala, Sweden. Q-Med AB is listed in the Mid Cap segment of the NASDAQ OMX Nordic.

GROUP REVENUES FROM SALES OF GOODS AND ROYALTIES

The Group's total revenues from sales of goods and royalties amounted to 1,272 (1,318) MSEK during the year. Of this figure, royalties regarding Durolane™ amounted to 17 (13) MSEK.

Fluctuations in exchange rates affected sales revenues by -4 MSEK, of which 26 MSEK was during the fourth quarter.

In the fourth quarter the Group's total revenues from sales of goods and royalties amounted to 336 (336) MSEK, of which royalties for Durolane were 4 (4) MSEK.

Sales of goods per region and product area

	Esthetics			Hospital Healthcare			Total		
	January - December			January - December					
(MSEK)	2008	2007	+/- %	2008	2007	+/- %	2008	2007	+/- %
Europe	613	516	19%	65	79	-18%	678	595	14%
North America	78	174	-55%	145	147	-1%	223	321	-31%
Latin America	44	47	-6%	2	1	100%	46	48	-4%
Asia	237	275	-14%	5	5	-	242	280	-14%
Rest of World	65	61	7%	1	0	-	66	61	8%
Total	1,037	1,073	-3%	218	232	-6%	1,255	1,305	-4%

	Esthetics			Hospital Healthcare			Total		
	October - December			October - December					
(MSEK)	2008	2007	+/- %	2008	2007	+/- %	2008	2007	+/- %
Europe	151	146	3%	16	19	-16%	167	165	1%
North America	26	28	-7%	41	39	5%	67	67	0%
Latin America	12	15	-20%	0	0	-	12	15	-20%
Asia	64	64	-	2	1	100%	66	65	2%
Rest of World	19	20	-5%	1	0	-	20	20	0%
Total	272	273	0%	60	59	2%	332	332	0%

The positive development in Europe continued, with growth of 14 percent during the year and 1 percent during the fourth quarter. Growth within the Esthetics product area was 19 percent during the year and 3 percent during the fourth quarter.

Total sales of goods within the Esthetics product area amounted to 1,037 (1,073) MSEK during the year, of which 272 (273) MSEK was during the fourth quarter. The decrease is primarily due to continued weak esthetic deliveries to North America and Japan.

GROUP INCOME

The Group's gross income amounted to 1,047 (1,118) MSEK during the year, of which 251 (279) MSEK was in the fourth quarter. The gross margin for sales of goods amounted to 82 (85) percent during the year and to 74 (83) in the fourth quarter. The deterioration of the gross margin in the fourth quarter is primarily due to restructuring costs and write-downs of the inventory.

Marketing and selling expenses amounted to 634 (586) MSEK during the year, which corresponds to 50 (45) percent of revenues. In the fourth quarter these expenses amounted to 183 (195) MSEK, which corresponds to 54 (58) percent of revenues. The increase during the year is primarily due to marketing activities in connection with the launch of new products, Macrolane™ and Restylane Vital™, and to increased sales work in Europe.

Costs for research and development amounted to 256 (266) MSEK during the year, which corresponds to 20 (20) percent of revenues. In the fourth quarter these costs amounted to 66 (69) MSEK, which corresponds to 20 (21) percent of revenues.

The restructuring cost for the personnel reductions that were made during the fourth quarter amounted to 31 MSEK.

The company's external costs in connection with Ivytan AB's bid for Q-Med amounted to 35 MSEK.

Depreciation and amortization amounted to 64 (57) MSEK, of which 16 (16) MSEK was in the fourth quarter.

Net financial income during the year amounted to 12 (-1) MSEK. Fluctuations in exchange rates affected net financial income by 6 MSEK. Reduced Swedish corporation tax, as of January 1, 2009, has positively affected income for the year by 5 MSEK, through revaluation of deferred taxes. Net income after tax for the year amounted to 33 (315) MSEK. Net income after tax for the fourth quarter was -44 (-14) MSEK.

Operating income per product area

(MSEK)	January - December			October - December		
	2008	2007	+/- %	2008	2007	+/- %
Esthetics	172	533*	-68%	-5	46	n/a
Hospital Healthcare	-19	-69	n/a	3	-28	n/a
Development Projects	-12	-22	n/a	-2	-8	n/a
Not allocated**	-91	-71	n/a	-46***	-20	n/a
Total	50	371	-87%	-50	-10	n/a

* In May 2007 Q-Med received 200 MSEK from Medicis when Restylane Perlane™ was approved for sales in the USA.

** Not allocated comprises primarily common Group functions such as the Finance Department, IT and business development.

*** Includes external costs of 35 MSEK in connection with Ivytan AB's bid for Q-Med.

Operating income decreased compared with the previous year. The decrease is primarily due to reduced esthetic deliveries to North America and Japan and to increased marketing and sales work.

Operating income for the previous year includes the supplementary purchase sum of 200 MSEK that Q-Med received from Medicis when Restylane Perlane™ was approved for sales in the USA.

Operating income improved within the Hospital Healthcare product area during the year. The improvement in operating income is primarily attributable to changes in business operations that were carried out in connection with the decision to terminate production and sales of Zuidex™.

INVESTMENTS AND CASH FLOW

The cash flow from operating activities amounted to 118 (145) MSEK during the year. The cash flow from investing activities amounted to -201 (35) MSEK.

Ongoing investments are primarily measures to increase efficiency and capacity within production. The investments also comprise new premises which will contain, amongst other things, laboratories and expansion space for further production operations.

Current investments in machinery and inventories amounted to 101 (51) MSEK during the year.

In May 2008 a dividend of 149 (199) MSEK was paid to the shareholders in accordance with the decision of the Annual General Meeting.

In all the cash flow was -232 (-17) MSEK and at the end of the year Q-Med had liquid funds of 228 MSEK.

In view of the weak results for 2008 and the challenging world economic outlook, the Board proposes no dividend.

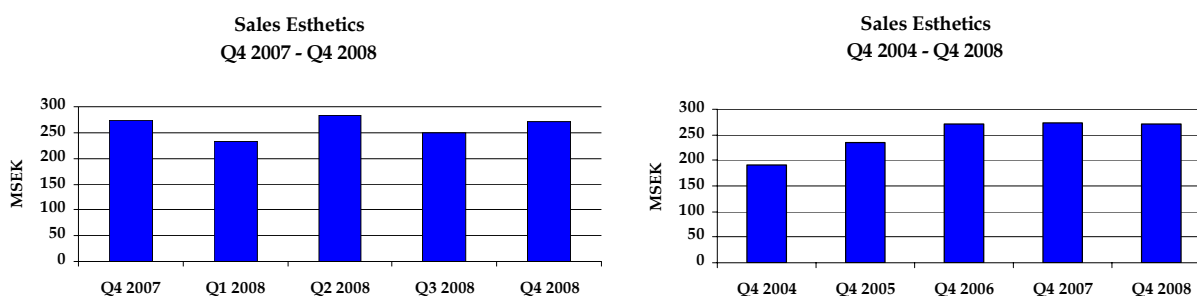
ESTHETICS PRODUCT AREA

The Esthetics product area comprises the Restylane® family, products for use in the treatment of facial wrinkles and folds and for contouring and sculpting of the face and lips, and Macrolane™ for body shaping.

Sales of goods and operating income

(MSEK)	January - December			October - December		
	2008	2007	+/- %	2008	2007	+/- %
Revenues from sales of goods	1,037	1,073	-3%	272	273	-
Operating income	172	533	-68%	-5	46	-
Operating margin	17%	50%		-2%	17%	

* In May 2007 Q-Med received 200 MSEK from Medicis when Restylane Perlane™ was approved for sales in the USA.



Sales of goods within the product area amounted to 1,037 (1,073) MSEK during the year. Operating income was 172 (533) MSEK and the operating margin amounted to 17 (50) percent. In the fourth quarter sales of goods amounted to 272 (273) MSEK, operating income was -5 (46) MSEK and the operating margin amounted to -2 (17) percent. Operating income for 2007 includes a supplementary purchase sum of 200 MSEK which Q-Med received when Perlane™ was approved for sales in the USA.

Sales revenues and operating income have been affected negatively during the year by continued weak deliveries to North America and Japan and by continued marketing and sales work.

Fluctuations in exchange rates affected sales revenues by -2 MSEK, of which 20 MSEK was in the fourth quarter.

Sales of goods per region

(MSEK)	January - December			October - December		
	2008	2007	+/- %	2008	2007	+/- %
Europe	613	516	19%	151	146	3%
North America	78	174	-55%	26	28	-7%
Latin America	44	47	-6%	12	15	-20%
Asia	237	275	-14%	64	64	-
Rest of World	65	61	7%	19	20	-5%
Total	1,037	1,073	-3%	272	273	0%

Growth in Europe was very good during the entire year and sales increased by 19 percent compared with the previous year. In the fourth quarter the increase was 3 percent. Sales of Restylane® have developed very well throughout the year, despite increased competition. Moreover, sales of Macrolane have affected the outcome positively. During the third quarter a comprehensive Restylane campaign was conducted to celebrate and draw attention to the fact that more than 10 million treatments have been performed since the start in 1996. During the fourth quarter sales have been affected negatively by the financial unrest.

Deliveries for the year to Medicis, Q-Med's partner in North America, decreased by 55 percent compared with the previous year. In the fourth quarter there was some recovery and deliveries amounted to 26 (28) MSEK. The negative development during the year is primarily due to the building up of inventories that occurred in connection with the launch of Perlane™ in May 2007, but probably also to a weaker total market for fillers as a consequence of the economic downturn that has occurred in North America.

Sales for the year to Latin America decreased by 6 percent compared with the previous year. During the fourth quarter the decrease was 20 percent. The decrease is amongst other things attributable to Mexico, where sales have been affected negatively by the economic downturn that has occurred in the USA.

Sales for the year to Asia decreased by 14 percent compared with the previous year. During the fourth quarter there was some recovery, primarily in Japan. Deliveries to Japan are still affected negatively by insufficient market processing as a consequence of Q-Med being unable to be actively present in the Japanese market. Work is ongoing to increase Q-Med's presence in this market in different ways. Other markets in Asia continue to develop well even though the financial crisis has affected sales negatively, primarily in South Korea. At the beginning of January 2009 Q-Med obtained registration approval for Restylane® in China. It is estimated that sales of the product will begin at the end of the second quarter in 2009.

Development per product

Restylane®

Sales of Restylane developed well despite increased competition. In October, in connection with European Masters in Aesthetic & Anti-Aging Medicine in Paris, Q-Med launched Restylane Vital™ Light, a new product within the hydro balance area. The Restylane Vital products counteract the effects of sun damage and the skin's natural aging. In January 2009, in connection with IMCAS (International Master Course on Aging Skin) in Paris, Q-Med launched Restylane® Injector, an injection pen for simple treatment with Restylane Vital™ Light. Restylane Injector is an injection pen that can distribute NASHA™ gels with high precision over large treatment areas. Using the new injector the doctor can more easily treat particularly sensitive areas of the skin, such as the throat, the décolletage and hands.

Macrolane™

The launch of Macrolane™ has proceeded according to plan in Europe. Approximately 400 doctors have been trained and certified. The product has also drawn a great deal of attention in the media in all of Q-Med's markets.

Miscellaneous

In January 2009 Q-Med and Palomar Medical Technologies, Inc. decided to terminate the international distribution agreement that was signed in January 2008. Due to the changed market situation, Q-Med has chosen to focus on products developed in-house.

HOSPITAL HEALTHCARE PRODUCT AREA

The Hospital Healthcare product area comprises Q-Med's products for medical indications – Deflux[®], which is used in the treatment of vesicoureteral reflux (VUR) in children, Durolane[™] for the treatment of osteoarthritis of the hip and knee joints, and Solesta[™] for the treatment of fecal incontinence.

Sales of goods and royalties amounted to 235 (245) MSEK during the year, of which royalties were 17 (13) MSEK. Operating income was -19 (-69) MSEK. In the fourth quarter sales of goods and royalties amounted to 64 (63) MSEK, of which royalties were 4 (4) MSEK. Operating income in the fourth quarter was 3 (-28) MSEK. The improvement in operating income is primarily due to changes in business operations that were carried out in connection with the decision to terminate production and sales of Zuidex[™] and other changes that have been carried out as part of the company's work on focusing the business on the Esthetics product area.

Fluctuations in exchange rates affected sales by -1 MSEK, of which 7 MSEK was in the fourth quarter.

Sales of goods per region

(MSEK)	January - December			October - December		
	2008	2007	+/- %	2008	2007	+/- %
Europe	65	79	-18%	16	19	-16%
North America	145	147	-1%	41	39	5%
Latin America	2	1	100%	0	0	-
Asia	5	5	-	2	1	100%
Rest of World	1	0	-	1	0	-
Total	218	232	-6%	60	59	2%

Sales to Europe have decreased compared with the previous year. The decrease is primarily attributable to the change in the means of distribution for Durolane[™] and to decreased sales of Zuidex[™].

Development per product: sales of goods and royalties

(MSEK)	January - December			October - December		
	2008	2007	+/- %	2008	2007	+/- %
Deflux	179	178	1%	51	46	11%
Durolane	30	34	-12%	7	7	-
Zuidex	5	17	-71%	1	4	-75%
Solesta	2	2	-	1	1	-
Other products	2	1	100%	0	1	-100%
Total revenues from sales of goods	218	232	-6%	60	59	2%
Royalty revenues Durolane	17	13	31%	4	4	-
Total revenues	235	245	-4%	64	63	2%
Operating income	-19	-69	n/a	3	-28	n/a

Deflux®

Sales of Deflux amounted to 179 (178) MSEK during the year, of which 51 (46) MSEK was during the fourth quarter.

Durolane™

Sales of Durolane amounted to 30 (34) MSEK during the period, of which 7 (7) MSEK was during the fourth quarter. The decrease compared with the previous year is due to the change in the means of distribution when sales of Durolane were transferred to Smith & Nephew (all sales had not been transferred to Smith & Nephew until the end of June/beginning of July 2007). Royalty revenues amounted to 17 (13) MSEK during the period, of which 4 (4) MSEK was during the fourth quarter. The registration process in the USA is ongoing.

Zuidex™

Q-Med decided at the beginning of 2008 to terminate production and sales of Zuidex. The product is gradually being phased out.

Solesta™

Introduction of the product to a small number of specialists in Europe is proceeding according to plan.

DEVELOPMENT PROJECTS

The majority of the research and development that does not as yet generate any sales is gathered in the Development Projects product area. Operating income amounted to -12 (-22) MSEK.

Q-Med and Medy-Tox Inc., a pharmaceutical development company based in South Korea, have made a joint decision to terminate the collaboration that the parties entered into during 2007. The collaboration comprised development and commercialization of new products based on botulinum toxin and the opportunity for Q-Med to distribute Medy-Tox's existing botulinum toxin type A product. The settlement means that Medy-Tox will repay the majority of the loan that Q-Med has given the company.

PARENT COMPANY

Sales in the Parent Company, Q-Med AB (publ), amounted to 757 (924) MSEK during the period, including sales of 451 (418) MSEK to affiliated companies. Income after financial items amounted to 42 (397) MSEK. The Parent Company's liquid funds at December 31, 2008 amounted to 153 (186) MSEK.

INFORMATION ON RELATED PARTIES

Bengt Ågerup indirectly controls 47.5% of the shares in Q-Med AB via Lyftet Holding B.V. Apart from normal remuneration for his work as President and CEO, no transactions have taken place between him and any of the companies included in the Q-Med Group.

PERSONNEL

The number of employees decreased by 61 people during the fourth quarter and at December 31, 2008 amounted to 665 (720) people, including 407 (477) in Sweden.

At the beginning of 2008, 50 co-workers at the Uppsala facility were given notice of termination of employment. The personnel reductions were carried out as part of the company's work of focusing its resources on the Esthetics business. The restructuring cost of 31 MSEK was charged against income in the fourth quarter. It is estimated that the measures will lead to savings of 40 MSEK per year.

IMPORTANT EVENTS AFTER THE END OF THE YEAR

In January 2009 Q-Med and Palomar Medical Technologies, Inc. decided to terminate the international distribution agreement that was signed in January 2008. Due to the changed market situation, Q-Med has chosen to focus on its core business.

In January 2009 Q-Med obtained registration approval for Restylane® in China. It is estimated that sales will begin at the end of the second quarter in 2009.

At Q-Med's Extraordinary General Meeting on February 4, 2009 a resolution was adopted to re-elect Bertil Hult, Anders Milton and Bengt Ågerup as members of the Board. Ulf Mattsson, Tomas Nicolin and Kristina Persson were elected as new members of the Board. The meeting also decided to elect Anders Milton as Chairman of the Board.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

Recent developments in the financial markets have entailed increased general uncertainty, which has also entailed increased risks and increased uncertainty for Q-Med. Due to Q-Med's continued high equity/assets ratio, this has not meant any dramatically increased financial risks. Q-Med's strategic, operative and financial risks are described in the Report of the Board of Directors in the Annual Report for 2007. For further information, see also note 21 in the Annual Report for 2007.

PROSPECTS FOR THE FUTURE

Q-Med continues to be positive in its assessment of the demand for Restylane® in all regions, despite increased competition. The aim of the company is to defend its strong position, with a retained or increased market share in all principal markets. In parallel new markets will be developed, primarily in Asia and Latin America.

The Esthetics product area is in focus. The product portfolio will be broadened through in-house development and through strategic partnerships.

The overall objective within the Hospital Healthcare product area is to find new forms for sales and marketing of Deflux™ and Solesta™.

Q-Med's overall objective is high growth together with good profitability. The launch of Macrolane™ and new products within the area of hydro balance means that the market for Q-Med's products is growing. The effects of the global economic downturn on the market for esthetic products are, however, difficult to assess.

Group income statement	January - December			October - December		
	(MSEK)	2008	2007	+/- %	2008	2007
Revenues from sales of goods	1,255	1,305	-4%	332	332	-
Royalty revenues	17	13	31%	4	4	-
Total revenues	1,272	1,318	-3%	336	336	-
Cost of goods sold	-225	-200	13%	-85	-57	49%
Gross income	1,047	1,118	-6%	251	279	-10%
Other operating revenues	40	221	-82%	9	5	80%
Selling expenses	-634	-586	8%	-183	-195	-6%
Administrative expenses	-146	-109	34%	-61	-31	-
R&D costs	-256	-266	-4%	-66	-69	-4%
Other operating expenses	-1	-7	-86%	0	1	-
Operating income	50	371	-87%	-50	-10	400%
Result from financial items	12	-1		2	-3	
Income after financial items	62	370	-83%	-48	-13	269%
Tax on income for the period	-29	-55		4	-1	
Net income for the period	33	315	-90%	-44	-14	-
Earnings per share, SEK*	0,34	3,17		-0,44	-0,14	
Number of outstanding shares at closing day	99,382,000	99,382,000		99,382,000	99,382,000	
Average number of outstanding shares	99,382,000	99,373,944		99,382,000	99,382,000	

* In the comparative columns 5 MSEK has been reclassified from Other operating revenues to Other operating expenses.
* Earnings per share is defined as the earnings for the period in relation to the average number of outstanding shares for the period.

Other key ratios	January - December	
	2008	2007
Gross margin	82%	85%
Operating margin	4%	28%
Operating margin before R&D costs	24%	48%
Number of employees	665	720
Equity/assets ratio	75%	79%
Shareholders' equity per share, SEK	12,88	13,83

Group balance sheet (MSEK)	Dec 31, 2008	Dec 31, 2007
Fixed assets		
Patents and other intellectual property	30	25
Goodwill	50	43
Tangible assets	842	709
Deferred prepaid tax	19	21
Other financial assets	52	59
Current assets		
Inventories	169	142
Accounts receivable	233	213
Other current receivables	43	42
Prepaid expenses and accrued revenues	32	36
Liquid funds	228	457
Total assets	1,698	1,747
Shareholders' equity	1,280	1,374
Long-term liabilities		
Interest-bearing long-term liabilities	50	50
Provisions	10	10
Deferred tax liability	98	93
Current liabilities		
Interest-bearing current liabilities	28	24
Accounts payable	85	77
Other interest-free current liabilities	29	34
Accrued expenses and prepaid revenues	118	85
Total liabilities and shareholders' equity	1,698	1,747
Pledged assets for own liabilities	38	56
Contingent liabilities	none	none

Change in shareholders' equity during the period (MSEK)	January - December 2008 Attributable to Parent Company's shareholders	January - December 2007 Attributable to Parent Company's shareholders
Opening balance	1,374	1,248
Translation difference	22	8
Net income for the period	33	315
New share issue	0	2
Dividend	-149	-199
Closing balance	1,280	1,374

Group cash flow statement (MSEK)	January - December		October - December	
	2008	2007	2008	2007
Cashflow from operating activities before working capital changes	102	116	-28	-22
Cash flow from working capital changes:				
Increase(-)/Decrease(+) in inventories	-17	-37	9	-3
Increase(-)/Decrease(+) in receivables	-4	18	11	-1
Increase(-)/Decrease(+) in operating liabilities	37	48	66	60
Total cash flow from working capital changes:	16	29	86	56
Cash flow from operating activities	118	145	58	34
Cash flow from investing activities	-201	35	-66	-65
Cash flow from financing activities	-149	-197	0	1
Cash flow for the period	-232	-17	-8	-30
Cash and cash equivalent at the beginning of the period	456	470	246	484
Exchange rate differences in cash and cash equivalents	3	3	-10	2
Cash and cash equivalents at the end of the year	228	456	228	456

PARENT COMPANY Q-MED AB

Income statement	January - December		October - December	
	2008	2007	2008	2007
(MSEK)				
Operating income	29	193	-93	-9
Result from financial items	13	203	6	201
Appropriations	-35	-63	-3	-12
Tax on income for the period	-14	-38	13	5
Net income for the period	-7	295	-77	185

Balance sheet for the Parent Company		
(MSEK)	Dec 31, 2008	Dec 31, 2007
Fixed assets		
Intangible assets	12	13
Tangible assets	684	535
Other financial assets	201	421
Current assets		
Inventories	138	120
Accounts receivable	46	63
Other current receivables	193	161
Prepaid expenses and accrued revenues	25	25
Liquid funds	153	186
Total assets	1,452	1,524
Shareholders' equity	933	1,092
Untaxed reserves	268	232
Long-term liabilities		
Interest-bearing long-term liabilities	50	50
Other long-term liabilities	12	4
Provisions	2	5
Current liabilities		
Interest-bearing current liabilities	28	24
Accounts payable	66	58
Other interest-free current liabilities	22	11
Accrued expenses and prepaid revenues	71	48
Total liabilities and shareholders' equity	1,452	1,524

ACCOUNTING PRINCIPLES

This interim report has been drawn up in accordance with IAS 34, Interim Financial Reporting, and the Annual Accounts Act. The accounting principles that are applied in this interim report are those described in the notes in the Annual Report for 2007.

This report has not been the subject of review by the company's auditors.

Q-Med AB (publ)

February 13, 2009
Uppsala

Bengt Ågerup
President and CEO

Queries should be addressed to:

Bengt Ågerup, President and CEO

Tel: + 46 (0)70 -974 9025

Alexander Kotsinas, Vice President and CFO

Tel: +46 (0)73-500 1111

Madelene Sandgren, Director Investor Relations and Corporate Communications

Tel: +46 (0)70-974 9015

Coming reports:

Interim report January-March 2009

April 28, 2009

Interim report January-June 2009

July 23, 2009

Interim report January-September 2009

October 23, 2009

Annual General Meeting:

April 29, 2009 in Uppsala

Election committee:

Robert Wikholm, robert.wikholm@vinge.se, Chairman

Anders Milton

Jan-Erik Erenius, AMF Pension

Annual Report 2008

Q-Med's Annual Report for 2008 will be available on the website, www.q-med.com, at the end of the week commencing March 30 and will be sent by post to shareholders who have so requested during the week commencing April 13.

The information in this report is such as that which Q-Med is required to disclose in accordance with the Securities Exchange and Clearing Operations Act and/or the Financial Instruments Trading Act. The information was submitted for disclosure at 07.00 on February 13.