

**PRESS RELEASE**

October 22, 2010

Uppsala

**Interim report January-September 2010**

- Group revenues from sales of goods and royalties amounted to 1,060 (1,016) MSEK.
- Earnings per share amounted to 1.76 (6.38) SEK.
- Operating income amounted to 245 (676) MSEK.
- Revenues within the Esthetics product area amounted to 963 (846) MSEK and operating income was 245 (195) MSEK.
- Net income after tax amounted to 176 (634) MSEK. Net income for 2009 was positively affected by a total of 505 MSEK as a result of a one-time revenue and revenues from the research collaboration with Oceana Therapeutics.

**July - September**

- Group revenues from sales of goods and royalties amounted to 304 (295) MSEK during the third quarter and operating income amounted to 57 (51) MSEK. For the Esthetics product area operating income amounted to 69 (53) MSEK and for the Hospital Healthcare product area operating income amounted to 6 (18) MSEK.
- Net income after tax amounted to 37 (42) MSEK during the third quarter.
- On September 1 Maria Carell took up her appointment as CEO and Bengt Ågerup became the Chairman of the Board.
- On September 17 Q-Med announced that the application for Premarket Approval, PMA, for Solesta™ in the USA will be discussed on December 2 at a public meeting with the FDA's Gastroenterology and Urology Devices Panel.

**Important events after the end of the period**

- Medicis has received notice that Genzyme Corporation has filed a lawsuit against the company alleging that Medicis is infringing on a patent held by Genzyme by marketing Restylane, Perlane, Restylane-L and Perlane-L.

---

*Q-Med AB is a medical device company that develops, manufactures, markets, and sells high quality medical implants for esthetic and medical use. 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 about 650 coworkers, with almost 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 during the period amounted to 1,060 (1,016) MSEK. Of this figure, royalties amounted to 23 (18) MSEK.

In the third quarter the Group's total revenues from sales of goods and royalties amounted to 304 (295) MSEK, of which royalties were 6 (9) MSEK.

Fluctuations in exchange rates affected sales revenues by -57 MSEK, of which -10 MSEK was during the third quarter.

### Sales of goods per region and product area

	Esthetics			Hospital Healthcare			Total		
	January - September			January - September					
(MSEK)	2010	2009	+/- %	2010	2009	+/- %	2010	2009	+/- %
Europe	500	486	3%	26	49	-47%	526	535	-2%
North America	110	59	86%	44	97	-55%	154	156	-1%
Latin America	33	32	3%	1	2	-50%	34	34	-
Asia	248	220	13%	2	3	-33%	250	223	12%
Rest of World	72	49	47%	1	1	-	73	50	46%
<b>Total</b>	<b>963</b>	<b>846</b>	<b>14%</b>	<b>74</b>	<b>152</b>	<b>-51%</b>	<b>1,037</b>	<b>998</b>	<b>4%</b>

	Esthetics			Hospital Healthcare			Total		
	July - September			July - September					
(MSEK)	2010	2009	+/- %	2010	2009	+/- %	2010	2009	+/- %
Europe	131	132	-1%	3	14	-79%	134	146	-8%
North America	25	21	19%	13	15	-13%	38	36	6%
Latin America	11	12	-8%	0	1	-100%	11	13	-15%
Asia	88	70	26%	0	1	-100%	88	71	24%
Rest of World	27	20	35%	0	0	-	27	20	35%
<b>Total</b>	<b>282</b>	<b>255</b>	<b>11%</b>	<b>16</b>	<b>31</b>	<b>-48%</b>	<b>298</b>	<b>286</b>	<b>4%</b>

Revenues from sales of goods for the third quarter within the Hospital Healthcare product area decreased by 48 percent due to the fact that Oceana Therapeutics now handles marketing and sales. This means that the revenue per sold unit is less.

## GROUP INCOME

The Group's gross income during the period amounted to 867 (847) MSEK, of which 251 (256) MSEK was in the third quarter. The gross margin for sales of goods amounted to 81 (83) percent during the period and 82 (87) percent in the third quarter.

Marketing and selling expenses amounted to 399 (432) MSEK during the period, which corresponds to 38 (43) percent of revenues. In the third quarter these expenses amounted to 121 (130) MSEK, which corresponds to 40 (44) percent of revenues.

Costs for research and development amounted to 164 (168) MSEK during the period, which corresponds to 15 (17) percent of revenues. In the third quarter these costs amounted to 47 (49) MSEK, which corresponds to 15 (17) percent of revenues.

Depreciation and amortization amounted to 60 (52) MSEK, of which 20 (18) MSEK was in the third quarter.

Net financial income during the period amounted to 2 (12) MSEK. Fluctuations in exchange rates negatively affected net financial income by -10 MSEK. Net income for the period after tax amounted to 176 (634) MSEK. Net income after tax in the third quarter was 37 (42) MSEK.

## Operating income per product area

(MSEK)	January - September			July - September			Whole year 2009
	2010	2009	+/- %	2010	2009	+/- %	
Esthetics	245	195	26%	69	53	30%	252
Hospital Healthcare	50	537	-91%	6	18	-67%	554
Development Projects	-4	-5	n/a	-1	-1	n/a	-6
Not allocated*	-46	-51	n/a	-17	-19	n/a	-62
<b>Total</b>	<b>245</b>	<b>676</b>	<b>-64%</b>	<b>57</b>	<b>51</b>	<b>12%</b>	<b>738</b>

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

Operating income within the Esthetics product area increased by 26 percent in the period, 245 (195) MSEK, compared with the previous year. In the third quarter operating income increased by 30 percent, 69 (53) MSEK, compared with the previous year.

Operating income within the Hospital Healthcare product area decreased by 91 percent in the period, 50 (537) MSEK, compared with the previous year. In the third quarter operating income decreased by 67 percent, 6 (18) MSEK, compared with the previous year. Income for 2009 was positively affected by a total of 505 MSEK as a result of a one-time revenue and revenues from the research collaboration with Oceana Therapeutics.

## **INVESTMENTS AND CASH FLOW**

The cash flow from operating activities amounted to 322 (164) MSEK during the period and to 93 (58) MSEK during the third quarter.

Ongoing investments are primarily measures to increase efficiency and capacity within production. The investments also comprise equipment for the laboratory and production facilities that were begun earlier.

Current investments in property, plant and equipment amounted to 52 (124) MSEK during the period.

In May, 149 (0) MSEK was paid to the shareholders in accordance with the resolution adopted by the Annual General Meeting.

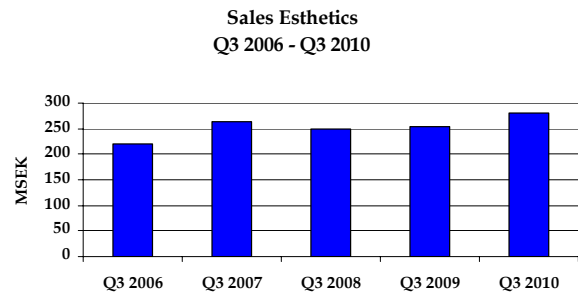
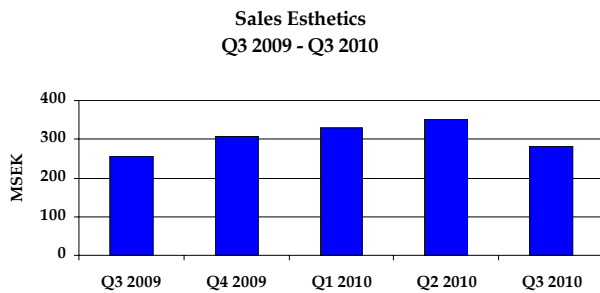
In all the cash flow was 85 (316) MSEK for the period and 48 (-150) MSEK for the third quarter and at the end of the period Q-Med had cash and cash equivalents of 673 MSEK.

## ESTHETICS PRODUCT AREA

The Esthetics product area comprises Restylane® and Macrolane™. Restylane is a product family of internationally leading products for esthetic beauty treatments. The products are used for filling out wrinkles, lines and lips, facial contouring and rejuvenation of the skin. Restylane has been used in more than 10 million treatments in over 70 countries. The different products have been developed to tailor treatment to each individual's wishes. Macrolane™ is the first series of products on the market for natural, non-surgical body shaping – both to give volume and to smooth out defects on the body.

### Sales of goods and operating income

(MSEK)	January - September			July - September			Whole year 2009
	2010	2009	+/- %	2010	2009	+/- %	
Revenues from sales of goods	963	846	14%	282	255	11%	1,152
Operating income	245	195	26%	69	53	30%	252
Operating margin	25%	23%		24%	21%		22%



Sales of goods within the product area amounted to 963 (846) MSEK during the period. Operating income was 245 (195) MSEK and the operating margin amounted to 25 (23) percent. In the third quarter sales of goods amounted to 282 (255) MSEK, operating income was 69 (53) MSEK and the operating margin amounted to 24 (21) percent.

Fluctuations in exchange rates affected sales revenues by -56 MSEK, of which -10 MSEK was in the third quarter.

### Sales of goods per region

(MSEK)	January - September			July - September			Whole year 2009
	2010	2009	+/- %	2010	2009	+/- %	
Europe	500	486	3%	131	132	-1%	661
North America	110	59	86%	25	21	19%	82
Latin America	33	32	3%	11	12	-8%	44
Asia	248	220	13%	88	70	26%	294
Rest of World	72	49	47%	27	20	35%	71
<b>Total</b>	<b>963</b>	<b>846</b>	<b>14%</b>	<b>282</b>	<b>255</b>	<b>11%</b>	<b>1,152</b>

Sales increased by 14 percent during the period compared with the corresponding period last year. In the third quarter sales increased by 11 percent.

Sales in Europe increased by 3 percent during the period compared with the previous year. In the third quarter sales decreased by 1 percent compared with the corresponding period last year. Sales were affected negatively by increasing competition in combination with a negative development of sales for Macrolane.

Deliveries to Medicis, Q-Med's partner in North America, increased by 86 percent during the period compared with the previous year. In the third quarter sales increased by 19 percent. The increase in sales during the period is mainly due to the initial building up of inventories at Medicis in connection with the approval in the USA of Restylane® with lidocaine (Restylane®-L) and Restylane Perlane™ with lidocaine (Perlane®-L).

Sales to Latin America increased by 3 percent during the period compared with the previous year. In the third quarter sales decreased by 8 percent compared with the corresponding period last year. Sales were negatively affected by increasing competition in Latin America.

Sales to Asia increased by 13 percent during the period compared with the same period last year. In the third quarter sales increased by 26 percent. Several markets in Asia continue to develop positively. Sales to Japan have picked up. The development of sales in China has been positive and the organization is gradually being built up.

Sales to rest of the world increased by 47 percent during the period compared with the corresponding period last year. In the third quarter sales increased by 35 percent. Australia and New Zealand are examples of markets where the development of sales has been positive.

## **Development per product**

### **Restylane®**

Sales of Restylane in Europe and Latin America were negatively affected by increasing competition in several large markets.

During the third quarter Q-Med continued the launch of Restylane Skincare in Europe. The launch in China has continued and the development of sales is positive, with increasing sales.

### **Macrolane™**

During the third quarter sales of Macrolane were somewhat higher than during the same period in 2009, above all due to better demand in Japan.

## 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 97 (170) MSEK during the period, of which royalties were 23 (18) MSEK. Operating income was 50 (537) MSEK. In the third quarter sales of goods and royalties amounted to 22 (40) MSEK, of which royalties were 6 (9) MSEK. Operating income in the third quarter was 6 (18) MSEK. Income for 2009 was positively affected by 505 MSEK from a one-time revenue and revenues from the research collaboration with Oceana Therapeutics.

Fluctuations in exchange rates affected sales by -1 MSEK, of which 0 MSEK was in the third quarter.

### Sales of goods per region

(MSEK)	January - September			July - September			Whole year 2009
	2010	2009	+/- %	2010	2009	+/- %	
Europe	26	49	-47%	3	14	-79%	66
North America	44	97	-55%	13	15	-13%	112
Latin America	1	2	-50%	0	1	-100%	2
Asia	2	3	-33%	0	1	-100%	4
Rest of World	1	1	-	0	0	-	1
<b>Total</b>	<b>74</b>	<b>152</b>	<b>-51%</b>	<b>16</b>	<b>31</b>	<b>-48%</b>	<b>185</b>

### Development per product: sales of goods and royalties

(MSEK)	January - September			July - September			Whole year 2009
	2010	2009	+/- %	2010	2009	+/- %	
Deflux	42	123	-66%	5	23	-78%	148
Durolane	31	26	19%	10	7	43%	34
Solesta	1	1	0%	1	0	100%	1
Other products	0	2	-100%	0	1	-	2
Total revenues from sales of goods	74	152	-51%	16	31	-48%	185
Royalty revenues Deflux	11	4	175%	3	3	-	8
Royalty revenues Durolane	12	14	-14%	3	6	-50%	19
<b>Total revenues</b>	<b>97</b>	<b>170</b>	<b>-43%</b>	<b>22</b>	<b>40</b>	<b>-45%</b>	<b>212</b>
<b>Operating income</b>	<b>50</b>	<b>537</b>	<b>-91%</b>	<b>6</b>	<b>18</b>	<b>-67%</b>	<b>554</b>

### Deflux®

Sales of Deflux amounted to 42 (123) MSEK during the period, of which 5 (23) MSEK was during the third quarter. During the second quarter of 2009 Q-Med began to receive royalties from sales of Deflux in the USA through its partner Oceana Therapeutics. The reduced sales revenue during the third quarter of 2010 compared with the corresponding period the previous year is due to the lower sales prices that Q-Med receives by selling to Oceana Therapeutics compared with direct distribution/sales by Q-Med.

### **Durolane™**

Sales of Durolane amounted to 31 (26) MSEK during the period, of which 10 (7) MSEK was during the third quarter. Royalty revenues amounted to 12 (14) MSEK during the period, of which 3 (6) MSEK was during the third quarter. Royalty revenues were affected negatively by fluctuations in exchange rates.

In connection with Q-Med's application for Premarket Approval in the USA, representatives of Q-Med AB and Smith & Nephew met the FDA's advisory committee (Orthopaedic and Rehabilitation Devices Advisory Committee) in the USA on August 19, 2009 and discussed the clinical results for Durolane with regard to the treatment of osteoarthritis of the knee joint. The FDA committee did not recommend that Durolane be immediately approved but requested further information as part of the process of obtaining Premarket Approval, PMA. Together with its partner Smith & Nephew, Q-Med is now continuing to work with the FDA to provide the necessary information.

### **Solesta™**

Sales of Solesta amounted to 1 (1) MSEK during the period, of which 1 (0) MSEK was during the third quarter. Marketing and sales of Solesta are also being transferred to Oceana Therapeutics during a transition period. On September 17 Q-Med announced that the application for Premarket Approval, PMA, for Solesta™ in the USA will be discussed on December 2 at a public meeting with the FDA's Gastroenterology and Urology Devices Panel. It is expected that the panel will deal with specific issues where the FDA wishes to receive guidance in the continuing process of scrutinizing the Solesta application.

## **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 during the period amounted to -4 (-5) MSEK, of which -1 (-1) MSEK was in the third quarter.

## **PARENT COMPANY**

Sales in the Parent Company, Q-Med AB (publ), amounted to 721 (646) MSEK during the period, including sales of 357 (377) MSEK to affiliated companies. Sales for the third quarter amounted to 206 (163) MSEK, including sales of 117 (72) MSEK to affiliated companies. Income after financial items amounted to 242 (674) MSEK during the period and during the third quarter to 57 (14) MSEK. The Parent Company's cash and cash equivalents at September 30, 2010 amounted to 602 (506) MSEK.

## **PERSONNEL**

The number of employees at September 30, 2010 amounted to 622 (659), including 364 (395) in Sweden.

## **SIGNIFICANT RISKS AND UNCERTAINTY FACTORS**

Even though there are signs that the economic downturn has bottomed out, uncertainty still prevails about the future development of the economy. This means continued greater risks and uncertainty for Q-Med. Due to Q-Med's 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 for 2009. For further information, see also note 22 in the Annual Report for 2009.

## **PROSPECTS FOR THE FUTURE**

Q-Med is an innovative company that has constantly broken new ground with its products. Q-Med's overall objective is high growth together with good profitability. The focus is on the Esthetics product area. Here Q-Med will not only defend and strengthen its strong position of market leader but will also develop new markets and broaden its product portfolio. The latter will be done through in-house development and strategic partnerships. The market for Q-Med's products developed in-house is being further expanded through the launches of Macrolane™, the product group Restylane Vital™ and Restylane® Skincare. The uncertainty about the development of the global economy means that the prospects for the future are difficult to assess.



<b>Group income statement</b> (MSEK)	January - September			July - September			Whole year 2009
	2010	2009	+/- %	2010	2009	+/- %	
Revenues from sales of goods	1,037	998	4%	298	286	4%	1,337
Royalty revenues	23	18	28%	6	9	-33%	27
<b>Total revenues</b>	<b>1,060</b>	<b>1,016</b>	<b>4%</b>	<b>304</b>	<b>295</b>	<b>3%</b>	<b>1,364</b>
Cost of goods sold	-193	-169	14%	-53	-39	-	-220
<b>Gross income</b>	<b>867</b>	<b>847</b>	<b>2%</b>	<b>251</b>	<b>256</b>	<b>-2%</b>	<b>1,144</b>
Other operating revenues	20	507	-96%	4	-1	-500%	517
Selling expenses	-399	-432	-8%	-121	-130	-7%	-591
Administrative expenses	-71	-73	-3%	-25	-20	25%	-94
R&D costs	-164	-168	-2%	-47	-49	-4%	-231
Other operating expenses	-8	-5	-	-5	-5	-	-7
<b>Operating income</b>	<b>245</b>	<b>676</b>	<b>-64%</b>	<b>57</b>	<b>51</b>	<b>12%</b>	<b>738</b>
Result from financial items	2	12		-3	4		17
<b>Income after financial items</b>	<b>247</b>	<b>688</b>	<b>-64%</b>	<b>54</b>	<b>55</b>	<b>-2%</b>	<b>755</b>
Tax on income for the period	-71	-54		-17	-13		-70
<b>Net income for the period</b>	<b>176</b>	<b>634</b>	<b>-72%</b>	<b>37</b>	<b>42</b>	<b>-12%</b>	<b>685</b>
<b>Other comprehensive income</b>							
Translation difference	-14	-15		-11	-12		-12
<b>Total comprehensive income for the period</b>	<b>162</b>	<b>619</b>	<b>-74%</b>	<b>26</b>	<b>30</b>	<b>-13%</b>	<b>673</b>
Earnings per share, SEK*	1.76	6.38		0.96	0.42		6.89
Number of outstanding shares at closing day	99,382,000	99,382,000		99,382,000	99,382,000		99,382,000
Average number of outstanding shares	99,382,000	99,382,000		99,382,000	99,382,000		99,382,000

\* Earnings per share is defined as the earnings for the period in relation to the average number of outstanding shares for the period.

<b>Other key ratios</b>	January - September		Whole year 2009
	2010	2009	
Gross margin	81%	83%	84%
Operating margin	23%	67%	54%
Operating margin before R&D costs	39%	83%	71%
Number of employees	622	659	657
Equity/assets ratio	86%	87%	87%
Shareholders' equity per share, SEK	19.78	19.10	19.65

## TRANSACTIONS WITH RELATED PARTIES

No significant changes have occurred in the relationships or transactions with related parties compared with what is described in the Annual Report for 2009.

<b>Group balance sheet</b> (MSEK)	<b>Sept 30,</b> <b>2010</b>	Sept 30, 2009	Dec 31, 2009
<b>Non-current assets</b>			
Goodwill	41	47	46
Patents and other intellectual property	19	33	31
Property, plant and equipment	915	920	919
Deferred prepaid tax	9	17	13
Other financial assets	53	50	49
<b>Current assets</b>			
Inventories	140	139	151
Accounts receivable	206	233	239
Other current receivables	15	31	32
Prepaid expenses and accrued revenues	30	30	30
Short-term investments	189	142	-
Cash and cash equivalents	673	550	594
<b>Total assets</b>	<b>2,290</b>	<b>2,192</b>	<b>1,747</b>
<b>Shareholders' equity</b>	1,966	1,899	1,953
<b>Long-term liabilities</b>			
Interest-bearing long-term liabilities	-	-	-
Provisions	9	11	11
Deferred tax liability	142	109	125
<b>Current liabilities</b>			
Interest-bearing current liabilities	-	-	-
Accounts payable	36	45	47
Other interest-free current liabilities	44	33	34
Accrued expenses and deferred revenues	93	95	89
<b>Total liabilities and shareholders' equity</b>	<b>2,290</b>	<b>2,192</b>	<b>2,259</b>
Pledged assets for own liabilities	4	4	4
Contingent liabilities	none	none	none

Change in shareholders' equity during the period (MSEK)	January - September	January - September
	2010	2009
	Attributable to Parent Company's shareholders	Attributable to Parent Company's shareholders
Opening balance	1,953	1,280
Total comprehensive income for the period	162	619
Dividend	-149	0
<b>Closing balance</b>	<b>1,966</b>	<b>1,899</b>

Group cash flow statement (MSEK)	January - September		July - September	
	2010	2009	2010	2009
Cash flow from operating activities before working capital changes	288	222	75	65
Cash flow from working capital changes:				
Increase(-)/Decrease(+) in inventories	9	21	-4	-14
Increase(-)/Decrease(+) in receivables	31	-11	34	12
Increase(+)/Decrease(-) in operating liabilities	-6	-68	-12	-5
Total cash flow from working capital changes:	34	-58	18	-7
<b>Cash flow from operating activities</b>	<b>322</b>	<b>164</b>	<b>93</b>	<b>58</b>
<b>Change in short-term investments</b>	<b>-34</b>	<b>-</b>	<b>-31</b>	<b>-142</b>
<b>Cash flow from other investing activities</b>	<b>-54</b>	<b>374</b>	<b>-14</b>	<b>-66</b>
<b>Cash flow from financing activities</b>	<b>-149</b>	<b>-80</b>	<b>0</b>	<b>0</b>
<b>Cash flow for the period</b>	<b>85</b>	<b>458</b>	<b>48</b>	<b>-150</b>
Cash and cash equivalents at the beginning of the period	594	228	632	701
Exchange rate differences in cash and cash equivalents	-6	6	-7	-1
Cash and cash equivalents at the end of the year	673	550	673	550

**PARENT COMPANY Q-MED AB**

<b>Income statement for the Parent Company</b> (MSEK)	January - September		July - September		Whole year 2009
	2010	2009	2010	2009	
	Operating income	235	187	58	
Result from financial items	8	487	-1	-5	502
Appropriations	-59	-45	-14	-4	-67
Tax on income for the period	-46	-35	-11	-3	-39
<b>Net income for the period</b>	<b>138</b>	<b>594</b>	<b>32</b>	<b>8</b>	<b>622</b>

**Balance sheet for the Parent Company**

(MSEK)	Sept 30, 2010	Sept 30, 2009	Dec 31, 2009
<b>Non-current assets</b>			
Intangible assets	1	5	5
Property, plant and equipment	743	730	730
Financial assets	282	247	285
<b>Current assets</b>			
Inventories	114	117	131
Accounts receivable	65	60	71
Other current receivables	88	126	132
Prepaid expenses and accrued revenues	23	25	23
Short-term investments	189	-	-
Cash and cash equivalents	602	506	514
<b>Total assets</b>	<b>2,107</b>	<b>1,958</b>	<b>2,046</b>
<b>Shareholders' equity</b>	<b>1,536</b>	<b>1,527</b>	<b>1,547</b>
<b>Untaxed reserves</b>	<b>394</b>	<b>312</b>	<b>336</b>
<b>Long-term liabilities</b>			
Interest-bearing long-term liabilities	-	-	-
Other long-term liabilities	54	14	54
Provisions	10	1	10
<b>Current liabilities</b>			
Interest-bearing current liabilities	-	-	-
Accounts payable	29	35	25
Other interest-free current liabilities	19	11	15
Accrued expenses and deferred revenues	65	58	59
<b>Total liabilities and shareholders' equity</b>	<b>2,107</b>	<b>1,958</b>	<b>2,046</b>

## **ACCOUNTING PRINCIPLES**

As was the case for the annual accounts for 2009, the consolidated accounts for the third quarter of 2010 have been drawn up in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU. The Parent Company's accounts have been drawn up in accordance with recommendation RFR 2.3 of the Swedish Financial Reporting Board and the Annual Accounts Act.

This interim report has been drawn up in accordance with IAS 34, Interim Financial Reporting.

The accounting principles that are applied in this interim report are those described in the notes in the Annual Report for 2009.

## **NEW OR REWORKED STANDARDS**

As of January 1, 2010 a number of changes in the rules and regulations for financial reporting have come into force. However, none of these changes are assessed to have any impact on Q-Med's financial reporting during 2010.

## **REVIEW REPORT**

### **To the Board of Q-Med AB (556258-6882)**

#### *Introduction*

We have reviewed the summary financial information (interim report) of Q-Med AB (publ.) as of September 30, 2010 and for the nine-month period that came to an end at this date. The Board of Directors and the CEO are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

#### *Focus and scope of the review*

We conducted our review in accordance with the Swedish Standard on Review Engagements (SÖG) 2410, *Review of Interim Report Performed by the Independent Auditor of the Entity*. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review has another focus and is substantially less in scope than an audit conducted in accordance with Standards on Auditing in Sweden, RS, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Therefore, the conclusion expressed based on a review does not give the same level of assurance as a conclusion expressed based on an audit.

#### *Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Uppsala, October 22, 2010

Ernst & Young AB

Björn Ohlsson  
Authorized Public Accountant  
Lead Partner

**Queries should be addressed to:**

Maria Carell, President and CEO

Tel: +46 70 974 9020

Alexander Kotsinas, Vice President and CFO

Tel: +46 73 500 1111

**Future financial reports and calendar:**

Year-end report 2010

February 11, 2011

Interim report January - March 2011

April 27, 2011

Annual General Meeting

April 28, 2011

Half Year financial report January – June 2011

July 21, 2011

Interim report January - September 2011

October 26, 2011

**Election committee:**

Robert Wikholm, [robert.wikholm@vinge.se](mailto:robert.wikholm@vinge.se), Chair

Lars Bergkvist, Lannebo Fonder

Anders Milton

Kerstin Sandberg, Robur Fonder

Bengt Ågerup

Uppsala, October 22, 2010

Q-Med AB (publ.)

Maria Carell  
President and CEO

*The information in this report is such as that which Q-Med is required to disclose in accordance with the Swedish Securities Market Act and/or the Financial Instruments Trading Act. The information was submitted for disclosure at 7.30 am on October 22, 2010.*