

Statement of the Independent Board Committee of Q-Med AB (publ) in relation to the public cash offer from Ivytan AB¹

Background

Pursuant to Section II.14 of the OMX Nordic Exchange Stockholm AB's rules concerning public offers (the "Takeover Rules"), the Independent Board Committee (the "Committee") of Q-Med AB (publ) ("Q-Med" or the "Company") issues its statement with respect to the offer from Ivytan AB ("Ivytan").

Ivytan, indirectly owned by EQT V ("EQT") and Lyftet Holding B.V., a company controlled by Bengt Ågerup ("Ågerup"), announced on 3 November 2008 an offer (the "Offer") to the shareholders in Q-Med to tender all their shares for SEK 39 in cash for each share (the "Offer Consideration"). Ågerup is the Chief Executive Officer and President of Q-Med and indirectly controls 47.5 per cent of the Q-Med shares.

According to the offer document published by Ivytan, the acceptance period is to run from 14 November 2008 to 8 December 2008. The Offer is conditional upon amongst other things, being accepted to such an extent that Ivytan becomes the owner of more than 90 percent of the total number of shares in Q-Med, although Ivytan reserves the right to waive this and other conditions of the Offer.

Recommendation by the Board of Directors

Pia Rudengren, the Chairman of the Board of Directors of Q-Med was informed by representatives of Ivytan on Saturday 1 November 2008 about the Offer and that it would be announced on Monday 3 November 2008. An Independent Board Committee has been appointed. The Committee consists of Q-Med's Chairman Pia Rudengren and the Board Members Håkan Edström, Bertil Hult, Anders Milton, Åsa Rödén and Pernilla Ström. The Committee does not include Board Member Bengt Ågerup due to his participation in the Offer.

As announced on 10 November 2008, the Committee has appointed Morgan Stanley as financial advisor and Advokatfirman Södermark as legal advisor to evaluate the Offer and explore possibilities to maximise the value for all shareholders. The Committee has not received any request from Ivytan to perform due diligence.

The Committee believes that the timing of the Offer is opportunistic, and that evaluating the Offer on the basis of Q-Med's 2008 financial performance is misleading. This is due to a number of company specific events that have negatively affected the profitability of the business in the last year and the impact of the challenging economic climate on the near-term business performance.

At the time of the Offer, the trading of Q-Med was negatively impacted by a number of one-off events, including: i) significant inventory reduction by Q-Med's partner Medicis in 2008; ii) increased sales and marketing expenses relating to the launch of Macrolane™ into major European markets; iii) increased investments in R&D to accelerate the development of new products; and iv) a restructuring cost of 25-30 MSEK and strategic reorganisation to re-focus resources on its esthetics franchise.

¹ This is a translation of the Swedish original version, in case of inconsistency the Swedish version shall prevail.



In addition, the negative performance of Q-Med's shares over 2008 has been further affected by the market turbulence in the general equity markets in the months preceding the Offer.

Despite the impact of the challenging economic climate on the current business performance, the Committee firmly believes that Q-Med's business fundamentals are very strong and that there are significant opportunities for future long-term growth and value creation as a standalone public company:

- Q-Med is a strong business with successful brands and a market-leading position in the major markets worldwide. The Restylane™ product line is the number one leading brand of dermal filler in the US and worldwide and is currently marketed in over 70 countries. By leveraging Q-Med's market-leading position and strong brands the Company is well placed to expand into new high growth markets such as Asia and Latin America
- Q-Med will create long-term sustainable growth by developing and launching new innovative products. Q-Med has continuously launched new products such as Restylane Vital™ and Macrolane™, the first body shaping product on the market using hyaluronic acid. Macrolane was launched in a number of major EU countries in 2007 with launch proceeding on plan. Macrolane has the potential to be "at least as big as Restylane" according to CEO, Bengt Ågerup (28 February 2008)
- Q-Med has a strong track record of innovation in the esthetics field and is committed to maintaining its strong market position through continuing to protect new products and technologies that it develops. Since listing on the stock market in 1999, Q-Med has been able to continually innovate and successfully protect its patents and know-how from the competition and maintain its leadership position
- Q-Med is on track to complete the restructuring of its Hospital Healthcare business by the first half of 2009 including the implementation of the previously announced 30 MSEK cost improvement programme. This will enable Q-Med to re-focus resources on its esthetics franchise. Q-Med has also identified additional opportunities for efficiencies, and the Committee believes that these measures, once implemented, will further improve the operational performance and profitability of the business
- Since its foundation Q-Med has financed its growth out of stable operating cash flow, and has a strong financial position. Based on forecasted strong earnings and cash flow from the business, Q-Med is in an excellent position as a standalone listed company with the financial flexibility to make the necessary investments required to ensure the continued profitable growth of the business
- Despite the challenging economic environment that is expected to continue to affect revenues in 2009, Q-Med will benefit from the full impact of the cost saving initiatives initiated earlier this year, which are expected to improve profitability. Restylane™ volumes with Medicis may return to more normal levels; however, volumes are likely to remain affected by the weak economy. Furthermore, part of the expected benefits from the new strategy within the Hospital Healthcare business is likely to be achieved during the second half of 2009. In addition, in response to the economic environment, management will review alternatives to further improve the cost structure
- Q-Med believes in its ability to deliver a sustainable growth in excess of 10 per cent beyond 2009/2010



In view hereof, the Committee unanimously recommends Q-Med shareholders **not** to accept the Offer. Morgan Stanley has provided an inadequacy opinion to the Committee, attached to this statement. The opinion has been obtained pursuant to the requirements on “management buy-outs” set out in the Takeover Rules (Section III.3 of the Takeover Rules).

Under the Takeover Rules the Committee is expected, based on Ivytan’s statement in the offer document, to express its views on the effects of the implementation of the Offer on Q-Med and specifically employment, and on Ivytan’s strategic plans for Q-Med and their likely impact on employment and business locations.

The offer document that was published by Ivytan on 13 November 2008 states that: “EQT and Ågerup place great value on Q-Med’s other members of the management team and employees and expects that the Offer will create strengthened growth and positive effects for the employees in the long term. The Offer is not expected to have any significant short term effects for the employees, including conditions of employment, or those sites where Q-Med currently conducts business”.

The Committee of Q-Med is of the opinion that the brief information in the offer document published by Ivytan quoted above does not allow the Committee to form a complete view on the effects of the implementation of the Offer for Q-Med. However, the Committee notes that Ivytan states that it is not expecting any significant short term effects for the employees or those sites where Q-Med currently conduct business.

The Committee of Q-Med has been advised by Morgan Stanley and Advokatfirman Södermark in relation to the evaluation of the Offer.

The Independent Board Committee