

Independent Board Committee of Q-Med recommends shareholders not to accept the cash offer from Ivytan

A public offer was presented on 3 November 2008 by Ivytan AB, indirectly owned by EQT V and Lyftet Holding B.V, one of Bengt Ågerup's controlled companies, for the acquisition of all shares in Q-Med AB (publ) for SEK 39 in cash consideration per share. The acceptance period is currently scheduled to end on December 8, 2008.

The Independent Board Committee unanimously recommends Q-Med shareholders **not** to accept the offer as it does not reflect Q-Med's long term potential.

Morgan Stanley has issued an inadequacy opinion.¹

"We regard the timing of this offer to be opportunistic with respect to the current state of the financial market. Despite the impact of the challenging economic climate on the current business performance, Q-Med remains a strong business. Q-Med has a market leadership position, successful brands and excellent long-term growth prospects as a standalone listed company, which are not reflected in the current offer of SEK 39 per share. Consequently we have concluded that the offer is too low and are recommending Q-Med's shareholders not to accept it," says Q-Med's Chairman of the Board Pia Rudengren.

Q-Med AB is a rapidly growing and profitable 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 700 coworkers, with close to 500 at the company's head office and production facility in Uppsala, Sweden. Q-Med AB is listed in the Mid Cap segment of the OMX Nordic Exchange in Stockholm.

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In USA, Q-Med AB's affiliate is the wholly-owned subsidiary Q-Med Scandinavia, Inc.

¹ In accordance with the qualifications and assumptions set out in the opinion.

The Independent Board Committee believes that the currently ongoing and planned initiatives at the company will have a positive impact on Q-Med's future operational performance and will improve the profitability of the business going forward:

- The continued market introduction of innovative new products such as Restylane Vital™ and Macrolane™
- Opportunities to leverage Q-Med's leading market position and strong brands to expand into new high growth markets such as Asia and Latin America
- The ongoing implementation of Q-Med's new strategy for the Hospital Healthcare business, where the Company is on track to complete the restructuring of this business during the first half of 2009. This will enable Q-Med to focus resources on its esthetics franchise
- Q-Med's strong financial position provides flexibility to make the necessary investments required to ensure the continued profitable growth of the business

Beyond 2009/2010 the company believes in its ability to deliver a sustainable growth in excess of 10 per cent.

Attached is a statement from the Independent Board Committee together with the opinion from Morgan Stanley.

The Independent Board Committee

Queries should be addressed to:

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