Uppsala
April 29, 2008

Interim Report January - March 2008

- Group income from sales of goods and royalties amounted to 289 (300) MSEK.
- Operating income amounted to 10 (56) MSEK.
- Revenues within the Esthetics product area amounted to 233 (240) MSEK and operating income was 55 (88) MSEK.
- Net income after tax amounted to 10 (42) MSEK.
- Earnings per share amounted to 0.10 (0.42) SEK.
- As from April 1, 2008 all North American insurance companies reinsure endoscopic treatment of VUR (Deflux®).

__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 shaping, __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.

GROUP REVENUES FROM SALES OF GOODS AND ROYALTIES

The Group's total revenues from sales of goods and royalties amounted to 289 (300) MSEK. Of this figure, royalties regarding Durolane™ amounted to 4 (3) MSEK. Fluctuations in exchange rates affected sales revenues by -8 (10) MSEK.

Sales of goods per region and product area

	Esthetics			**Hospital Healthcare**			**Total**		
	January-March			January-March			January-March		
(MSEK)	**2008**	2007	+/- %	**2008**	2007	+/- %	**2008**	2007	+/- %
Europe	135	123	10%	18	22	-18%	153	145	6%
North America	22	32	-31%	34	34	0%	56	66	-15%
Latin America	9	8	13%	0	0	-	9	8	13%
Asia	55	66	-17%	1	1	-18%	56	67	-16%
Rest of world	12	11	9%	0	0	-	12	11	9%
Total	**233**	**240**	**-3%**	**53**	**57**	**-7%**	**286**	**297**	**-4%**

Total sales of goods decreased by 4 percent to 286 (297) MSEK. The decrease is primarily due to continued weak esthetic deliveries to North America and Japan. In Europe the positive development within the Esthetics product area continued.

GROUP INCOME

The Group's gross income amounted to 248 (256) MSEK. The gross margin for sales of goods amounted to 86 (85) percent.

Marketing and selling expenses amounted to 153 (123) MSEK, which corresponds to 53 (41) percent of revenues. The increase compared with the same period the previous year is primarily due to continued marketing activities in connection with the launch of new products, amongst others Macrolane™, and to increased sales work in Europe. As a consequence of this work, it is estimated that marketing and selling expenses for the whole of 2008 will be higher than during the previous year.

Costs for research and development amounted to 64 (53) MSEK, which corresponds to 22 (18) percent of total revenues. The increase compared with the same period the previous year is primarily attributable to study costs for Durolane™ and Solesta™, and to increased personnel resources.

Depreciation and amortization amounted to 16 (12) MSEK. The increase is due to the new office building that was taken into use in June 2007. Net financial income during the period amounted to 3 (4) MSEK. Fluctuations in exchange rates affected net financial income by 1 (-1) MSEK. Net income after tax for the period amounted to 10 (42) MSEK.

Operating income per product area

(MSEK)	January - March 2008	January - March 2007	+/- %	Whole year 2007
Esthetics	55	88	-38%	533
Hospital Healthcare	-22	-10	n/a	-69
Development Projects	-5	-4	n/a	-22
Not allocated*	-18	-18	n/a	-71
Total	**10**	**56**	**-82%**	**370**

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

Operating income deteriorated compared with the same period the previous year. The deterioration within the Esthetics product area is primarily due to reduced deliveries to North America and Japan and to increased marketing and sales work. The deterioration within the Hospital Healthcare product area is primarily due to study costs for Durolane™ and Solesta™.

INVESTMENTS AND CASH FLOW

The cash flow from operating activities amounted to -20 (3) MSEK. The cash flow from investing activities amounted to -33 (-24) MSEK.

Investments during the period are primarily measures to increase efficiency and capacity within production. These investments comprise, amongst other things, increased capacity for filling syringes with greater volumes (Macrolane™) and making the existing manufacture of syringes with smaller volumes more efficient. 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 14 (10) MSEK.

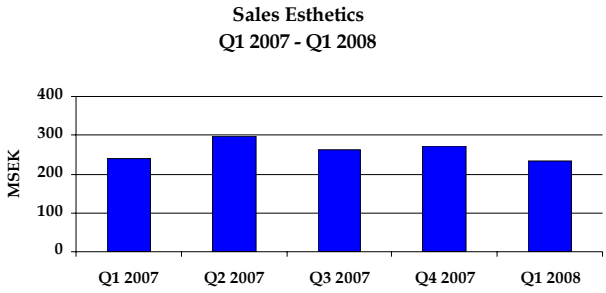
In all the cash flow was -53 (-20) MSEK and at the end of the period Q-Med had liquid funds of 399 MSEK.

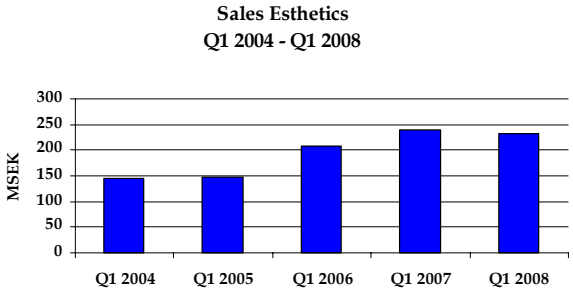
ESTHETICS PRODUCT AREA

The Esthetics product area comprises Restylane®, 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 - March 2008	2007	+/- %	Whole year 2007
Revenues from sales of goods	233	240	-3%	1 073
Operating income	55	88	-38%	533
Operating margin	24%	37%		50%





Sales of goods within the product area amounted to 233 (240) MSEK. Operating income was 55 (88) MSEK. The operating margin amounted to 24 (37) percent. Sales revenues and operating income have been affected negatively by continued weak deliveries to North America and Japan and by continued marketing and sales work. Fluctuations in exchange rates affected sales revenues by 6 (6) MSEK.

Sales of goods per region

(MSEK)	January-March 2008	2007	+/- %
Europe	135	123	10%
North America	22	32	-32%
Latin America	8	8	7%
Asia	55	66	-16%
Rest of world	12	11	9%
Total	**233**	**240**	**-3%**

Growth in Europe continued to be high: sales increased by 10 percent compared with the corresponding period the previous year. Spain, Germany and the UK are markets with particularly good development.

Deliveries to Medicis, Q-Med's partner in North America, decreased by 32 percent compared with the corresponding period the previous year. The decrease is probably to a large extent due to the building up of inventories that occurred in connection with the launch of Perlane™.

Growth in Latin America was 7 percent compared with the corresponding period the previous year.

Sales to Asia decreased by 16 percent compared with the same period the previous year. Deliveries to Japan have decreased due to insufficient market processing as a consequence of Q-Med being unable to be actively present in the Japanese market and due to the fact that sales to one of the major customers are still being affected negatively after the customer's previous payment problems. Work is ongoing to improve the situation in the Japanese market. Other markets in Asia, primarily South Korea and Taiwan, developed very well. In China the registration process for Restylane® is ongoing.

The Rest of the World, which primarily comprises Australia, again displays good growth after a period of negative development as a consequence of increased competition.

Development per product

Restylane®
Sales of Restylane Perlane™ and Restylane Lipp™ have increased considerably compared with the same period the previous year. Sales of Restylane Perlane have increased primarily as a consequence of the fact that the product has been launched in the North American market, but the increase also applies to other markets.

Sales of Restylane Vital™ also continue to develop very positively. (Restylane Vital is a product that counteracts the effects of damage done by the sun and of the skin's natural aging. The product is injected in many small doses into the face, the back of the hand or the décolletage). Growth was 44 percent compared with the same period the previous year. In March Q-Med's second product within the hydro balance field, Restylane Vital™ White, was approved for sales in Europe. Restylane Vital White will be launched together with an injection pen which can distribute the gel with high precision over large treatment areas.

Macrolane™
The launch of Macrolane™ VRF in Europe is continuing according to plan. More than 200 plastic surgeons have been trained and certified since the product was approved in September last year. Registration processes are ongoing in South Korea and Taiwan.

Miscellaneous
In January Q-Med entered into a distribution agreement with Palomar Medical Technologies Inc. with regard to the marketing, sales and distribution of Palomar's products outside North America. The transfer from Palomar's present distributors to Q-Med will occur country by country, where the companies will come to an agreement on the conditions for each transfer. The work on selecting the first markets has recently been begun.

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 57 (60) MSEK, of which royalties were 4 (3) MSEK. Operating income was -22 (-10) MSEK. The deterioration in income compared with the same period the previous year is primarily due to costs for the ongoing studies for Durolane and Solesta. Fluctuations in exchange rates affected sales by -2 (-4) MSEK.

Sales of goods per region

	January-March		
(MSEK)	**2008**	**2007**	+/- %
Europe	18	22	-18%
North America	34	34	-1%
Latin America	0	0	-
Asia	1	1	-19%
Rest of world	0	0	-
Total	**53**	**57**	**-8%**

Sales in Europe have decreased compared with the same period the previous year. The decrease is attributable to the change in the means of distribution for Durolane (sales of Durolane were fully transferred to Smith & Nephew at the end of June/beginning of July 2007) and to decreased sales of Zuidex after the decision to terminate sales of the product.

Development per product, sales of goods and royalties

	January - March			Whole year
(MSEK)	**2008**	**2007**	+/- %	2007
Deflux	42	43	-3%	178
Durolane	8	10	-21%	34
Zuidex	2	4	-44%	17
Solesta	1	0		2
Other products	0	0		1
Total revenues from sales of goods	53	57	-9%	232
Royalty revenues Durolane	4	3	19%	13
Total revenues	**57**	**60**	-6%	245
Operating income	**-22**	**-10**	n/a	-69

Deflux®
Sales of Deflux amounted to 42 (43) MSEK. The decrease compared with the same period the previous year is attributable to the American market, where a large insurance company has not reinsured endoscopic treatment of VUR during the past year. The insurance company in question decided to change this temporary decision at the end of March and as from April 1, 2008 all American insurance companies now reinsure endoscopic treatment of VUR.

Durolane™
Sales of Durolane amounted to 8 (10) MSEK. The decrease is due to the change in the means of distribution through the agreement that was entered into with Smith & Nephew in June 2006. Sales of Durolane were fully transferred to Smith & Nephew at the end of June/beginning of July 2007. Royalty revenues amounted to 4 (3) MSEK and the number of syringes sold increased by 8 percent compared with the same period the previous year. 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 will be gradually be phased out during the spring. At the same time Q-Med will actively encourage present customers to offer cystoscopic use of Deflux for the treatment of stress urinary incontinence (SUI) in the future.

Solesta™
Introduction of the product to a small number of specialists in Europe is ongoing 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. The product area has not generated any revenues during the period. Operating income amounted to -5 (-4) MSEK.

PARENT COMPANY

Sales in the Parent Company, Q-Med AB (publ), amounted to 183 (216) MSEK, including sales of 115 (75) MSEK to affiliated companies. Income after financial items amounted to 6 (56) MSEK. The Parent Company's liquid funds at March 31, 2008 amounted to 141 (399) MSEK.

PERSONNEL

The number of employees increased by 25 during the first quarter and amounted to 745 (665) at March 31, 2008, including 485 (442) in Sweden.

Tommy Gullbo is the new Vice President, Strategic Marketing after Cecilia Strandell, who left Q-Med at the beginning of March.

SIGNIFICANT RISKS AND UNCERTAINTY FACTORS

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

The market for non-surgical procedures, including injectable esthetic products, is continuing to grow. Q-Med continues to be positive in its assessment of the demand situation for Restylane® in all regions both in the short term and the long term, despite increased competition. The aim of the company is to defend its strong position, with a retained or increased market share in all the principal markets. In parallel new markets will be developed, primarily in Asia and Latin America.

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

The overall objective for 2008 within the Hospital Healthcare product area is to find new forms for sales and marketing of Deflux™ och Solesta™.

Q-Med's overall objective is unchanged: continued high growth together with good profitability. The launch of Macrolane and the work on new products within the area of hydro balance mean that the market for Q-Med's products is growing. Uncertainty about the economy has, however, increased, both in the USA and in Europe. Moreover, Q-Med sees increased competition in the European market. This taken in combination with the continued weak development regarding deliveries to North America and Japan, as well as continued investments in marketing and sales, may mean that Q-Med will not achieve its historical margins during 2008.

Group income statement	January - March			Whole year
(MSEK)	2008	2007	+/- %	2007
Revenues from sales of goods	285	297	-4%	1,305
Royalty revenues	4	3	-	13
Total revenues	**289**	**300**	**-4%**	**1,318**
Cost of goods sold	-41	-45	-8%	-200
Gross income	**248**	**256**	**-3%**	**1,118**
Other operating revenues	10	5		226
Selling expenses	-153	-123	25%	-586
Administrative expenses	-28	-26	7%	-109
R&D costs	-64	-53	21%	-266
Other operating expenses	-3	-3	19%	-12
Operating income	**10**	**56**	**-83%**	**371**
Result from financial items	3	4	-24%	-1
Income after financial items	**13**	**60**	**-79%**	**370**
Tax on income for the period	-3	-18		-55
Net income for the period	**10**	**42**	**-77%**	**315**
Earnings per share, SEK*	0.10	0.42		3.17
Number of outstanding shares at closing day	99,382,000	99,374,001		99,382,000
Average number of outstanding shares	99,382,000	99,365,777		99,373,944

* 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 – March		Whole year
	2008	**2007**	2007
Gross margin	86%	85%	85%
Operating margin	3%	19%	28%
Operating margin before R&D costs	26%	36%	48%
Number of employees	745	665	720
Equity/assets ratio	80%	79%	79%
Shareholders' equity per share, SEK	13.87	13.03	13.83
Shareholders' equity per share after full dilution, SEK	13.87	13.03	13.83

Group balance sheet (MSEK)	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
Fixed assets			
Patents and other intellectual property	24	26	25
Goodwill	43	43	43
Tangible assets	725	659	709
Deferred prepaid tax	20	15	21
Other financial assets	59	13	59
Current assets			
Inventories	158	134	142
Accounts receivable	223	227	213
Other current receivables	27	7	42
Prepaid expenses and accrued revenues	38	58	36
Liquid funds	399	453	457
Total assets	**1,716**	**1,635**	**1,747**
Shareholders' equity	1,378	1,295	1,374
Long-term liabilities			
Interest-bearing long-term liabilities	50	50	50
Provisions	9	7	10
Deferred tax liability	94	84	93
Current liabilities			
Interest-bearing current liabilities	24	24	24
Accounts payable	55	68	77
Other interest-free current liabilities	26	33	34
Accrued expenses and prepaid revenues	80	74	85
Total liabilities and shareholders' equity	**1,716**	**1,635**	**1,747**
Pledged assets for own liabilities	56	56	56
Contingent liabilities	none	none	none

Change in shareholders' equity during the period (MSEK)	January – March 2008 Attributable to Parent Company's shareholders	January – March 2007 Attributable to Parent Company's shareholders
Opening balance	1,374	1,248
Translation difference	-6	4
Net income for the period	10	42
New share issue	0	1
Dividend	0	-
Closing balance	1,378	1,295

Group cashflow statement	January – March	
(MSEK)	**2008**	**2007**
Cashflow from operating activities before working capital changes	44	21
Cash flow from working capital changes:		
Increase(-)/Decrease(+) in inventories	-20	-27
Increase(-)/Decrease(+) in receivables	-13	-8
Increase(-)/Decrease(+) in operating liabilities	-31	17
Total cash flow from working capital changes:	-64	-18
Cashflow from operating activities	-20	3
Cashflow from investing activities	-33	-24
Cashflow from financing activities	-	1
Cashflow for the period	**-53**	**-20**
Cash and cash equivalent at the beginning of the period	457	470
Exchange rate differences in cash and cash equivalents	-4	3
Cash and cash equivalents at the end of the year	399	453

PARENT COMPANY Q-MED AB

Income statement for the Parent Company	January - March		Whole year
(MSEK)	2008	2007	2007
Operating income	7	51	193
Result from financial items	-2	5	203
Appropriations	-1	-14	-63
Tax on income for the period	-1	-12	-38
Net income for the period	**3**	**30**	**295**

Balance sheet for the Parent company (MSEK)	Mar 31, 2008	Mar 31, 2007	Dec 31, 2007
Fixed assets			
Intangible assets	12	11	13
Tangible assets	557	475	535
Other financial assets	416	206	421
Currents assets			
Inventories	136	121	120
Accounts receivable	71	105	63
Other current receivables	152	72	161
Prepaid expenses and accrued revenues	27	22	25
Liquid funds	141	399	186
Total assets	**1,512**	**1,411**	**1,524**
Shareholders´ equity	**1,094**	**1,029**	**1,092**
Untaxed reserves	**234**	**183**	**233**
Long-term liabilities			
Interest-bearing long-term liabilities	54	54	54
Provisions	5	5	5
Current liabilities			
Interest-bearing current liabilities	24	24	24
Accounts payable	43	56	58
Other interest-free current liabilities	6	5	11
Accrued expenses and prepaid revenues	52	56	48
Total liabilities and shareholders´ equity	**1,512**	**1,411**	**1,524**

ACCOUNTING PRINCIPLES

This year-end report has been drawn up in accordance with IAS 34, Interim Financial Reporting, which is in accordance with the requirements of the recommendation of the Swedish Financial Accounting Standards Council, RR31.

The accounting principles that are applied in this year-end 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)

Uppsala, April 29, 2008

Bengt Ågerup
President and CEO

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Madelene Sandgren, Director Investor Relations and Corporate Communications
Tel: 070-974 9015

Coming reports:

Interim report January-June 2008	July 24, 2008
Interim report January-September 2008	October 24, 2008

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 12.15 on April 29.