

## **Interim report January - September 2009**

- Group revenues from sales of goods and royalties amounted to 1,016 (936) MSEK.
- Earnings per share amounted to 6.38 (0.78) SEK.
- Operating income amounted to 676 (100) MSEK.
- In April 2009 Q-Med AB and Oceana Therapeutics, LCC., based in the US, entered into global agreements regarding commercialization rights to Deflux® and Solesta™. The agreements gave Q-Med an initial payment of 517 MSEK in total in June, partly as a purchase sum for Q-Med Scandinavia, Inc., the subsidiary that was divested within the framework of the agreements, and partly as payment for Oceana's share of certain study costs. The net revenue of 496 MSEK has been recorded in the Group income statement in the Other operating revenues row.
- Revenues within the Esthetics product area amounted to 846 (765) MSEK and operating income was 195 (177) MSEK. For the Hospital Healthcare product area revenues from sales of goods and royalties were 170 (171) MSEK and operating income was 537 (-22) MSEK. Operating income includes the net revenue from the Oceana deal.
- Net income after tax amounted to 634 (77) MSEK.

### **July - September**

- Group revenues from sales of goods and royalties amounted to 295 (306) MSEK during the third quarter and operating income amounted to 51 (61) MSEK. Operating income for the Esthetics product area amounted to 53 (59) MSEK and for the Hospital Healthcare product area operating income amounted to 18 (8) MSEK.
- Net income after tax amounted to 42 (45) MSEK during the third quarter.
- When the FDA advisory committee (Orthopaedic and Rehabilitation Devices Advisory Committee) in the USA met on August 19, 2009, further information was requested in order to be able to recommend Premarket Approval, PMA for Durolane™. Together with its partner, Smith & Nephew, Q-Med is now continuing to work with the FDA to provide the information necessary for Premarket Approval.
- As Q-Med's revenues during July and August 2009 were considerably lower than during the same period in 2008, Q-Med issued a press release on September 18, 2009 with an update regarding the development of Q-Med's sales and results. If sales during September had continued at the same rate as during July and August, revenues for the third quarter would have been approximately 20 percent lower than for the corresponding period in 2008. However, during September 2009 sales revenues increased substantially compared to July and August. At the end of the third quarter sales revenues were only 5 percent lower, 286 (302) MSEK, compared to the same period in 2008.

---

**Q-Med AB** is a 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 approximately 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 NASDAQ OMX Nordic.

---

Q-Med AB (publ), Seminariegatan 21, SE-752 28 Uppsala, Sweden, Tel: +46 18 474 90 00, Fax: +46 18 474 90 01  
info@q-med.com, [www.q-med.com](http://www.q-med.com), Corporate identity number 556258-6882

## GROUP REVENUES FROM SALES OF GOODS AND ROYALTIES

The Group's total revenues from sales of goods and royalties amounted to 1,016 (936) MSEK during the period January to September 2009. Of this figure, royalties amounted to 18 (13) MSEK.

In the third quarter the Group's total revenues from sales of goods and royalties amounted to 295 (306) MSEK, of which royalties were 9 (4) MSEK.

Fluctuations in exchange rates positively affected sales revenues by 110 MSEK, of which 17 MSEK was during the third quarter.

### Sales of goods per region and product area

Esthetics January - September				Hospital Healthcare January - September			Total		
(MSEK)	2009	2008	+/- %	2009	2008	+/- %	2009	2008	+/- %
Europe	486	462	5%	49	49	-	535	511	5%
North America	59	52	13%	97	104	-7%	156	156	-
Latin America	32	32	-	2	2	-	34	34	-
Asia	220	173	27%	3	3	-	223	176	27%
Rest of World	49	46	7%	1	0	-	50	46	9%
<b>Total</b>	<b>846</b>	<b>765</b>	<b>11%</b>	<b>152</b>	<b>158</b>	<b>-4%</b>	<b>998</b>	<b>923</b>	<b>8%</b>

Esthetics July - September				Hospital Healthcare July - September			Total		
(MSEK)	2009	2008	+/- %	2009	2008	+/- %	2009	2008	+/- %
Europe	132	148	-11%	14	14	-	146	162	-10%
North America	21	15	40%	15	37	-59%	36	52	-31%
Latin America	12	12	-	1	1	-	13	13	-
Asia	70	59	19%	1	1	-	71	60	18%
Rest of World	20	15	33%	0	0	-	20	15	33%
<b>Total</b>	<b>255</b>	<b>249</b>	<b>2%</b>	<b>31</b>	<b>53</b>	<b>-42%</b>	<b>286</b>	<b>302</b>	<b>-5%</b>

Sales of goods within the Esthetics product area increased by 2 percent during the quarter, 255 (249) MSEK. During the first nine months of the year sales of goods increased by 11 percent to 846 (765) MSEK compared with the same period last year.

Asia displays positive development, with growth of 27 percent during the period and 19 percent during the third quarter. Total sales of goods within the Esthetics product area amounted to 846 (765) MSEK during the period, of which 255 (249) MSEK was during the third quarter.

In Europe sales of goods decreased by 11 percent during the third quarter compared with the same period last year, 132 (148) MSEK.

Sales revenues for the third quarter within the Hospital Healthcare product area have decreased by 42 percent due to the fact that Oceana Therapeutics now handles marketing and sales. The revenue per sold unit is lower.

## GROUP INCOME

The Group's gross income during the period amounted to 847 (796) MSEK, of which 256 (258) MSEK was in the third quarter. The gross margin for sales of goods amounted to 83 (85) percent during the period and 87 (85) percent in the third quarter.

Other operating revenues during the period amounted to 507 (31) MSEK. This figure includes a one-time revenue from Oceana Therapeutics of 496 MSEK, attributable to the agreement that was entered into in April 2009 with regard to the Hospital Healthcare products Deflux™ and Solesta™.

Marketing and selling expenses amounted to 432 (451) MSEK during the period, which corresponds to 43 (48) percent of the revenues. In the third quarter these expenses amounted to 130 (137) MSEK, corresponding to 44 (45) percent of the revenues.

Costs for research and development decreased to 168 (190) MSEK during the period, which corresponds to 17 (20) percent of the revenues. In the third quarter these expenses decreased to 49 (55) MSEK, which corresponds to 17 (18) percent of the revenues.

Depreciation and amortization amounted to 52 (48) MSEK, of which 18 (16) MSEK was in the third quarter.

Net financial income during the period amounted to 12 (10) MSEK. Fluctuations in exchange rates positively affected net financial income by 8 MSEK. Net income after tax for the period amounted to 634 (77) MSEK. Net income after tax in the third quarter was 42 (45) MSEK.

## Operating income per product area

(MSEK)	January - September			July - September			Whole year 2008
	2009	2008	+/- %	2009	2008	+/- %	
Esthetics	195	177	10%	53	59	-10%	172
Hospital Healthcare	537	-22	n/a	18	8	125%	-19
Development Projects	-5	-10	n/a	-1	-1	n/a	-12
Not allocated*	-51	-45	n/a	-19	-5	n/a	-91
<b>Total</b>	<b>676</b>	<b>100</b>	<b>576%</b>	<b>51</b>	<b>61</b>	<b>-16%</b>	<b>50</b>

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

Operating income within the Esthetics product area has increased by 10 percent during the period, 195 (177) MSEK, compared with the previous year. However, during the third quarter of 2009 operating income decreased by 10 percent, 53 (59) MSEK compared with the same period.

Operating income has improved within the Hospital Healthcare product area. This is primarily attributable to the agreements with Oceana, and above all to the above-mentioned one-time revenue of 496 MSEK, and to changes in business operations that were carried out when production and sales of Zuidex™ were terminated.

## **INVESTMENTS AND CASH FLOW**

The cash flow from operating activities amounted to 164 (60) MSEK during the period.

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

Current investments in machinery and equipment amounted to 69 (73) MSEK.

During the third quarter, the premises in Paris where the French subsidiary runs its business have also been acquired. Moreover, premises have been purchased in the same property for customer-training purposes. The investment in these premises amounted to 44 MSEK.

During the year payments have been made to reduce all the Parent Company's interest-bearing loans. This is recorded in the Cash flow statement under Cash flow from financing activities, -80 (-149) MSEK.

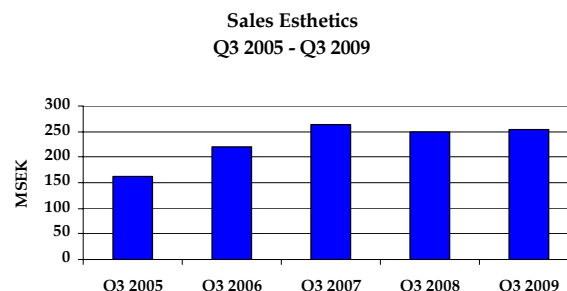
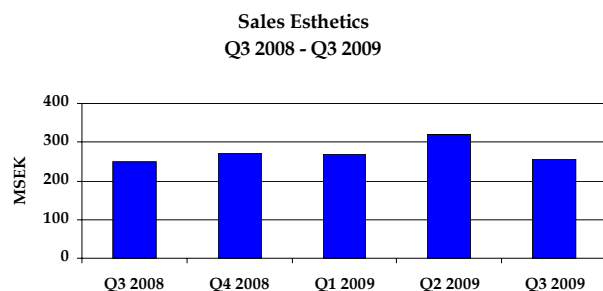
In all the cash flow was 316 (-224) MSEK and at the end of the period Q-Med had cash and cash equivalents of 550 MSEK.

## 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 2008
	2009	2008	+/- %	2009	2008	+/- %	
Revenues from sales of goods	846	765	11 %	255	249	2 %	1,037
Operating income	195	177	10 %	53	59	-10 %	172
Operating margin	23 %	23 %		21 %	24 %		17 %



Sales of goods within the product area amounted to 846 (765) MSEK during the period. Operating income was 195 (177) MSEK and the operating margin amounted to 23 (23) percent. In the third quarter sales of goods amounted to 255 (249) MSEK, operating income was 53 (59) MSEK and the operating margin amounted to 21 (24) percent.

Fluctuations in exchange rates positively affected sales revenues by 93 MSEK, of which 18 MSEK was in the third quarter.

### Sales of goods per region

(MSEK)	January - September			July - September			Whole year 2008
	2009	2008	+/- %	2009	2008	+/- %	
Europe	486	462	5 %	132	148	-11 %	613
North America	59	52	13 %	21	15	40 %	78
Latin America	32	32	-	12	12	-	44
Asia	220	173	27 %	70	59	19 %	237
Rest of World	49	46	7 %	20	15	33 %	65
<b>Total</b>	<b>846</b>	<b>765</b>	<b>11 %</b>	<b>255</b>	<b>249</b>	<b>2 %</b>	<b>1,037</b>

Sales of esthetic products in Europe increased by 5 percent during the period compared with the corresponding period the previous year. In the third quarter sales decreased by 11 percent compared with the corresponding quarter last year. The decrease is due to generally weak demand in most markets in Europe, which in turn is probably due to the weak economy.

Deliveries to Medicis, Q-Med's partner in North America, increased by 13 percent during the period compared with the corresponding period the previous year. In the third quarter sales increased by 40 percent. Few and relatively large deliveries have a great impact and mean that the figures can vary somewhat from quarter to quarter.

Sales to Latin America were unchanged both during the period and during the third quarter compared with the previous year. Sales to the region have been negatively affected by the global downturn in the economy and by the outbreak of influenza in Mexico.

Sales to Asia increased by 27 percent compared with the same period the previous year. During the third quarter the increase was 19 percent compared with the same period last year. Several markets in Asia continue to develop positively, as for example China, even if the financial crisis has curbed the development of sales (amongst other things in South Korea). Japan has had weaker development of sales during the quarter. In China the development of sales has been positive and the organization is gradually being built up.

Sales to other parts of the world have increased by 7 percent compared with the same period last year. During the third quarter sales increased by 33 percent compared with the corresponding period last year. Australia and New Zealand are examples of markets where the development of sales has been positive.

## **Development per product**

### **Restylane®**

During the third quarter Q-Med has continued with the launch of Restylane Lidocaine and Restylane Perlane Lidocaine and the products have been well received by the customers. The launch in China has continued and the development of sales is positive, with increased sales. In Europe sales have been negatively affected by the weak economy.

### **Macrolane™**

During the third quarter sales of Macrolane have been marginally lower than during the same period in 2008. Macrolane is a more expensive form of treatment for the patients and sales have probably been affected negatively by the general downturn in the economy. Sales have also been negatively affected by the weak 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 during the period amounted to 170 (171) MSEK, of which royalties were 18 (13) MSEK. Operating income for the period was 537 (-22) MSEK. Income for the period has, as was previously mentioned, been positively affected by the one-time revenue of 496 MSEK from Oceana Therapeutics. In the third quarter sales of goods and royalties amounted to 40 (57) MSEK, of which royalties were 9 (4) MSEK. Operating income in the third quarter was 18 (8) MSEK.

The improvement in operating income is primarily due to the agreements with Oceana and the changes in business operations that were carried out when production and sales of Zuidex™ were terminated.

Fluctuations in exchange rates affected sales by 18 MSEK, of which -1 MSEK was in the third quarter.

### Sales of goods per region

(MSEK)	January - September			July - September			Whole year 2008
	2009	2008	+/- %	2009	2008	+/- %	
Europe	49	49	-	14	14	-	65
North America	97	104	-7%	15	37	-59%	145
Latin America	2	2	-	1	1	-	2
Asia	3	3	-	1	1	-	5
Rest of World	1	0	-	0	0	-	1
<b>Total</b>	<b>152</b>	<b>158</b>	<b>-4%</b>	<b>31</b>	<b>53</b>	<b>-42%</b>	<b>218</b>

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

(MSEK)	January - September			July - September			Whole year 2008
	2009	2008	+/- %	2009	2008	+/- %	
Deflux	123	128	-4%	23	44	-48%	179
Durolane	26	23	13%	7	8	-	30
Zuidex	1	4	-75%	1	0	-	5
Solesta	1	1	-	0	0	-	2
Other products	1	2	-50%	0	1	-100%	2
Total revenues from sales of goods	152	158	-4%	31	53	-42%	218
Royalty revenues Deflux	4	0	-	3	0	-	0
Royalty revenues Durolane	14	13	8%	6	4	50%	17
<b>Total revenues</b>	<b>170</b>	<b>171</b>	<b>-1%</b>	<b>40</b>	<b>57</b>	<b>-30%</b>	<b>235</b>
<b>Operating income</b>	<b>537</b>	<b>-22</b>	<b>n/a</b>	<b>18</b>	<b>8</b>	<b>125%</b>	<b>-19</b>

### Deflux®

Sales of Deflux during the period amounted to 123 (128) MSEK, of which 23 (44) MSEK was during the third quarter. During the third quarter 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 2009 compared with 2008 is due to the lower sales prices that Q-Med receives by selling to Oceana, who act as a distributor. Q-Med has been able to compensate for this by phasing out its selling expenses, so that operating income has increased. As has been described in previous interim reports marketing and sales of Deflux are gradually being transferred to Oceana during a transition period.



### **Durolane™**

Sales of Durolane during the period amounted to 26 (23) MSEK, of which 7 (8) MSEK was during the third quarter. Royalty revenues amounted to 14 (13) MSEK during the period, of which 6 (4) MSEK was during the third quarter.

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 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 during the period amounted to 1 (1) MSEK, of which 0 (0) MSEK was during the third quarter. Marketing and sales of Solesta are also being gradually transferred to Oceana during a transition period.

## **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 -5 (-10) MSEK.

## **PARENT COMPANY**

Sales in the Parent Company, Q-Med AB (publ), amounted to 646 (632) MSEK during the period, including sales of 377 (405) MSEK to affiliated companies. Income after financial items amounted to 674 (130) MSEK. The Parent Company's cash and cash equivalents at September 30, 2009 amounted to 506 (183) MSEK.

## **PERSONNEL**

The number of employees at September 30, 2009 amounted to 659 (726), including 392 (466) in Sweden.

## **SIGNIFICANT RISKS AND UNCERTAINTY FACTORS**

Even if there are signs that the downturn in the economy has bottomed out, there is continued uncertainty about future economic development. This involves continued greater risks and 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 2008. For further information, see also note 21 in the Annual Report for 2008.

## **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 esthetic product area. Here Q-Med will not only defend and strengthen its strong position of market leader but also develop new markets and broaden the product portfolio. The latter is being done through in-house development and strategic partnerships. The market for the products developed in-house by Q-Med is being further expanded through the launches of Macrolane™ and a new product group for hydro balance. The effects of the global economic downturn make the prospects for the future difficult to assess in the short term.



<b>Group income statement</b> (MSEK)	January - September			July - September			Whole year 2008
	2009	2008	+/- %	2009	2008	+/- %	
Revenues from sales of goods	998	923	8%	286	302	-5%	1,255
Royalty revenues	18	13	-	9	4	-	17
<b>Total revenues</b>	<b>1,016</b>	<b>936</b>	<b>9%</b>	<b>295</b>	<b>306</b>	<b>-4%</b>	<b>1,272</b>
Cost of goods sold	-169	-140	21%	-39	-48	-19%	-225
<b>Gross income</b>	<b>847</b>	<b>796</b>	<b>6%</b>	<b>256</b>	<b>258</b>	<b>-1%</b>	<b>1,047</b>
Other operating revenues	507	31	1535%	-1	10	-110%	40
Selling expenses	-432	-451	-4%	-130	-137	-5%	-634
Administrative expenses	-73	-85	-14%	-20	-25	-20%	-146
R&D costs	-168	-190	-12%	-49	-55	-11%	-256
Other operating expenses	-5	-1	400%	-5	10	-150%	-1
<b>Operating income</b>	<b>676</b>	<b>100</b>	<b>576%</b>	<b>51</b>	<b>61</b>	<b>-16%</b>	<b>50</b>
Result from financial items	12	10		4	3		12
<b>Income after financial items</b>	<b>688</b>	<b>110</b>	<b>525%</b>	<b>55</b>	<b>64</b>	<b>-14%</b>	<b>62</b>
Tax on income for the period	-54	-33		-13	-19		-29
<b>Net income for the period</b>	<b>634</b>	<b>77</b>	<b>723%</b>	<b>42</b>	<b>45</b>	<b>-7%</b>	<b>33</b>
<b>Other comprehensive income</b>							
Translation difference	-15	4		-12	8		21
<b>Total comprehensive income for the period</b>	<b>619</b>	<b>81</b>		<b>30</b>	<b>53</b>		<b>54</b>
Earnings per share, SEK*	6.38	0.78		0.42	0.46		0.34
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 2008
	2009	2008	
Gross margin	83%	85%	82%
Operating margin	67%	11%	4%
Operating margin before R&D costs	83%	31%	24%
Number of employees	659	726	665
Equity/assets ratio	87%	79%	75%
Shareholders' equity per share, SEK	19.10	13.14	12.88

## 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 2008.

<b>Group balance sheet</b> (MSEK)	Note	Sept 30, 2009	Sept 30, 2008	Dec 31, 2008
<b>Non-current assets</b>				
Patents and other intellectual property	1	33	21	30
Goodwill		47	44	50
Property, plant and equipment		920	797	842
Deferred prepaid tax		17	25	19
Other financial assets		50	56	52
<b>Current assets</b>				
Inventories		139	172	169
Accounts receivable		233	234	233
Other current receivables		31	31	43
Prepaid expenses and accrued revenues		30	30	32
Short term investments		142	-	-
Cash and cash equivalents		550	246	228
<b>Total assets</b>		<b>2,192</b>	<b>1,656</b>	<b>1,698</b>
<b>Shareholders' equity</b>		1,899	1,306	1,280
<b>Long-term liabilities</b>				
Interest-bearing long-term liabilities		-	50	50
Provisions		11	8	10
Deferred tax liability		109	103	98
<b>Current liabilities</b>				
Interest-bearing current liabilities		-	25	28
Accounts payable		45	48	85
Other interest-free current liabilities		33	30	29
Accrued expenses and prepaid revenues		95	86	118
<b>Total liabilities and shareholders' equity</b>		<b>2,192</b>	<b>1,656</b>	<b>1,698</b>
Pledged assets for own liabilities		none	38	38
Contingent liabilities		none	none	none

### **Note I Company acquisition**

On May 19, 2009 Q-Med AB acquired 100 % of the shares of Adderma AB, Stockholm. Adderma is a company that develops, markets and sells in-house skin-care products.

Since the time of acquisition up until September 30, 2009 Adderma has contributed -2.3 MSEK to the Q-Med Group's operating income. If the acquisition had taken place on January 1, 2009, the Group's Total revenues would have amounted to 1,016 MSEK and Operating income to 672 MSEK.

The purchase sum, which was paid in cash, amounted to 10.5 MSEK in total. 1.5 MSEK was paid at the time of acquisition. The remaining amount is expected to be paid during 2010 and onwards.

Acquired assets and liabilities are presented in the following preliminary table (MSEK):

	Fair value	Book value
Intangible fixed assets	15.0	1.8
Property, plant and equipment	0.5	0.5
Inventories	0.9	0.9
Current receivables	0.6	0.6
Deferred tax liability	-1.4	-
Liabilities	-5.1	-5.1
Acquired net assets	10.5	-1.3

No cash or cash equivalents were included in the acquisition.

As the fair value of the acquired assets and liabilities has not yet been fully established, the above accounts are preliminary.

<b>Change in shareholders' equity during the period</b>	January - September 2009	January - September 2008
(MSEK)	Attributable to Parent Company's shareholders	Attributable to Parent Company's shareholders
Opening balance	1,280	1,374
Total comprehensive income for the period	619	81
New share issue	0	0
Dividend	0	-149
<b>Closing balance</b>	<b>1,899</b>	<b>1,306</b>

<b>Group cash flow statement</b>	January - September		July - September	
(MSEK)	<b>2009</b>	2008	<b>2009</b>	2008
Cash flow from operating activities before working capital changes	222	130	65	47
Cash flow from working capital changes:				
Increase(-)/Decrease(+) in inventories	21	-26	-14	-2
Increase(-)/Decrease(+) in receivables	-11	-15	12	20
Increase(+)/Decrease(-) in operating liabilities	-68	-29	-5	-11
Total cash flow from working capital changes:	-58	-70	-7	7
<b>Cash flow from operating activities</b>	<b>164</b>	<b>60</b>	<b>58</b>	<b>54</b>
<b>Change in short-term investments</b>	<b>-142</b>	<b>-</b>	<b>-142</b>	<b>-</b>
<b>Cash flow from other investing activities</b>	<b>374</b>	<b>-135</b>	<b>-66</b>	<b>-52</b>
<b>Cash flow from financing activities</b>	<b>-80</b>	<b>-149</b>	<b>0</b>	<b>0</b>
<b>Cash flow for the period</b>	<b>316</b>	<b>-224</b>	<b>-150</b>	<b>2</b>
Cash and cash equivalents at the beginning of the period	228	457	701	228
Exchange rate differences in cash and cash equivalents	6	13	-1	16
Cash and cash equivalents at the end of the year	550	246	550	246

## PARENT COMPANY Q-MED AB

Income statement for the Parent Company (MSEK)	January - September		July - September		Whole year 2008
	2009	2008	2009	2008	
Operating income	187	122	20	83	29
Result from financial items	487	7	-5	6	13
Appropriations	-45	-32	-4	-22	-35
Tax on income for the period	-35	-27	-3	-18	-14
<b>Net income for the period</b>	<b>594</b>	<b>70</b>	<b>8</b>	<b>49</b>	<b>-7</b>

Balance sheet for the Parent Company (MSEK)			
	Sept 30, 2009	Sept 30, 2008	Dec 31, 2008
<b>Non-current assets</b>			
Intangible assets	5	12	12
Property, plant and equipment	730	636	684
Other financial assets	247	208	201
<b>Current assets</b>			
Inventories	117	140	138
Accounts receivable	60	46	46
Other current receivables	126	230	193
Prepaid expenses and accrued revenues	25	20	25
Short term investments	142	-	-
Cash and cash equivalents	506	183	153
<b>Total assets</b>	<b>1,958</b>	<b>1,475</b>	<b>1,452</b>
<b>Shareholders' equity</b>	<b>1,527</b>	<b>1,012</b>	<b>933</b>
<b>Untaxed reserves</b>	<b>312</b>	<b>265</b>	<b>268</b>
<b>Long-term liabilities</b>			
Interest-bearing long-term liabilities	-	50	50
Other long-term liabilities	14	10	12
Provisions	1	5	2
<b>Current liabilities</b>			
Interest-bearing current liabilities	-	25	28
Accounts payable	35	38	66
Other interest-free current liabilities	11	13	22
Accrued expenses and prepaid revenues	58	57	71
<b>Total liabilities and shareholders' equity</b>	<b>1,958</b>	<b>1,475</b>	<b>1,452</b>

## **ACCOUNTING PRINCIPLES**

As was the case for the annual accounts for 2008, the consolidated accounts for the third quarter of 2009 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 2.2 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 2008, with the exception of new or reworked standards such as they are described below.

## **NEW OR REWORKED STANDARDS**

As of January 1, 2009 a number of changes in the rules and regulations for financial reporting have come into force. Of these, it is the new standard IFRS 8, Operating Segments, and the changes in IAS 1, Presentation of Financial Statements, that are relevant to Q-Med.

### **IFRS 8 Operating Segments**

This standard requires disclosure of the Group's operating segments and supersedes the requirement of determining primary and secondary segments in the Group. The implementation of this standard has not affected the Group's financial position.

Under IFRS 8, which supersedes IAS 14, segment information is to be reported from the perspective of how the Board and the company management follow up and control the business.

Q-Med's division into segments and segment reporting were previously already based on this principle, which means that the introduction of IFRS 8 has not affected the way in which segment information is presented in this interim report.

### **Reworked IAS 1 Presentation of Financial Statements**

This standard divides up changes in shareholders' equity into transactions with owners and other transactions, that is the revenues and expenses that have previously been recorded in the statement of shareholders' equity.

The term "Comprehensive income for the period" is introduced. This consists of "Net income for the period" and of the above-mentioned other transactions. "Comprehensive income for the period" may be presented either in one statement or in two related statements.

Q-Med has chosen to present "Comprehensive income for the period" in one statement and to exercise the option to retain for this statement the previous designation "Group income statement" instead of "Statement of comprehensive income", as proposed by IAS 1.

This means that the statement "Changes in shareholders' equity during the period", in addition to the fact that it contains "Comprehensive income for the period", only discloses detailed information concerning transactions with owners.

## **REVIEW REPORT**

Auditor's report concerning review of the summary financial interim information (interim report), prepared in accordance with IAS 34 and chapter 9 of the Swedish Annual Accounts Act (1995:1554).

### *Introduction*

We have reviewed the summary financial information (interim report) of Q-Med AB (publ.) as of September 30, 2009 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 23, 2009

Ernst & Young AB

Björn Ohlsson  
Authorized Public Accountant  
Lead Partner

Stefan Kylebäck  
Authorized Public Accountant



**Queries should be addressed to:**

Bengt Ågerup, President and CEO  
Tel: +46 70 974 9025

Alexander Kotsinas, Vice President and CFO  
Tel: +46 73-500 1111

Karin Falck, Director Investor Relations and Corporate Communications  
Tel: +46 70-974 9015

**Future financial reports and calendar:**

Year-end report 2009	February 12, 2010
Interim report January - March 2010	April 23, 2010
Annual General Meeting	April 28, 2010
Interim report January - June 2010	July 22, 2010
Interim report January - September 2010	October 22, 2010

**Election committee:**

Robert Wikholm, [robert.wikholm@vinge.se](mailto:robert.wikholm@vinge.se), Chairman  
Anders Milton  
Bengt Ågerup

October 23, 2009  
Uppsala  
Q-Med AB (publ.)

Bengt Ågerup  
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 07.30 am on October 23, 2009.*