

Q-Med and Palomar terminates international distribution agreement

Q-Med AB, today announced the termination of its international distribution agreement with Palomar Medical Technologies, Inc. (Nasdaq:PMTI), a leading researcher and developer of light-based systems for cosmetic treatments. The international distribution agreement was originally entered into in January 2008 with the intention that Q-Med would eventually be responsible for the marketing, sale and distribution of Palomar's professional products for esthetic treatments outside North America.

Due to the downturn in the world-wide economic environment, Q-Med's efforts are being concentrated on their own product line of dermal fillers. Both Palomar and Q-Med agreed that Palomar will be better served by separately continuing to expand its existing distribution channel.

Bengt Ågerup, Q-Med's Chief Executive Officer said, "By working closely with Palomar we have learned more about Palomar's top-end technological platforms and products. Considering the present challenging market conditions, Q-Med is focusing on its leading dermal filler product line, Restylane® as well as on the on-going launch of Macrolane™, the first injectable body contouring product line, and the Restylane Vital™ product line for skin rejuvenation. Hopefully we will be able to utilize our relationship and the knowledge we have built in the future."

Joseph P. Caruso, Palomar Chief Executive Officer said, "Although we are choosing to end our distribution agreement, this was a good learning experience and we have formed a positive relationship with Q-Med that may be beneficial in the future. We believe that during these challenging economic times we will be better positioned with full control of our international distribution. We have signed up many new distributors over the past twelve months and continue to work closely with all of our distributors to help maximize their sales efforts. Territories outside North America should continue to provide growth opportunities for us as we expand our efforts."

Queries should be addressed to:

Anders Blom, Senior Director Corporate Development and Strategy

Tel: +46 (0) 70 974 9060

Madelene Sandgren, Director Investor Relations and Corporate Communications

Tel: +46 (0)70-974 9015

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.