



Q4 Results

Feb 12, 2010

Q-MED
Enabling Individual Beauty

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Q4 Summary



- **Improved Esthetics sales in Europe**
 - 16 percent increase compared to last year
- **Weak Esthetics sales to North America**
 - 12 percent decrease
- **Asia sales continued strong**
 - 16 percent growth
- **Improved operating income Hospital Healthcare**
 - Reduction of costs thanks to deal with Oceana Therapeutics

Q4 Summary cont'd.

- **Group revenues from sales of goods and royalties amounted to 348 (336) MSEK**
 - Negative currency impact 2 MSEK
- **Operating income amounted to 62 (-50) MSEK**
 - Operating margin 18 (-) percent
 - Improvement in operating income for Hospital Healthcare 17 (3) MSEK
- **Earnings per share amounted to 0.52 (-0.44) SEK**
- **Cash flow from operating activities 72 (58) MSEK**
- **Number of employees 657 (665), including 395 (407) in Sweden**

Events after the end of the Period

- Medicis, Q-Med's partner in North America, announced on February 3 that Restylane® with lidocaine (Restylane®-L) and Restylane Perlane™ with lidocaine (Perlance®-L) had been approved in the USA.
- The Board intends to propose to the Annual General Meeting a dividend of 1.50 SEK per share.

Market Development Q4 2009

Esthetics

MSEK	Q4 2009	Q4 2008	+/- %	Portion of total Esthetics sales
Europe	175	151	16%	57%
North America	23	26	-12%	8%
Latin America	12	12	-	4%
Asia	74	64	16%	24%
Rest of the World	22	19	16%	7%
Total	306	272	13%	

Market Development 2009

Esthetics

MSEK	2009	2008	+/- %	Portion of total Esthetics sales
Europe	661	613	8%	57%
North America	82	78	5%	7%
Latin America	44	44	-	4%
Asia	294	237	24%	26%
Rest of the World	71	65	9%	6%
Total	1,152	1,037	11%	

Market Development Q4 2009

Esthetics Europe



- Sales increased 16 percent
 - Sales increased by 16 percent compared to last year
 - Restylane Perlane™ 10 years campaign
- Restylane®
 - Lidocaine products well received
 - IMCAS: Restylane Vital™ Injector, “Thin Wall Needle”
- Macrolane™
 - Great interest at IMCAS. Macrolane described as established and safe

Market Development Q4 2009

Esthetics North America



- Sales decreased 12 percent
 - Low sales causing volatility
 - Weaker total market for dermal fillers as a consequence of economic downturn
 - February 3: Restylane®-L and Perlane®-L approved

Market Development Q4 2009

Esthetics Asia



- Sales increased 16 percent
 - Positive development in several markets
 - Still negative effects of economic downturn
 - Weak Japan sales
 - Sales in China

Market Development Q4 2009

Esthetics Latin America and Rest of the World



- Latin America
 - Sales flat
 - Negative effects of economic downturn
- Rest of the World
 - Sales up 16 percent

Market Development Q4 2009

Hospital Healthcare

MSEK	Q4 2009	Q4 2008	+/- %
Deflux®	25	51	-51%
Durolane™	8	7	14%
Zuidex™	0	1	-100%
Solesta™	0	1	-100%
Other products	0	0	-
Total revenues sales of goods	33	60	-45%
Royalty revenues Deflux	4	0	-
Royalty revenues Durolane	5	4	-
Total revenues	42	64	-34%

Market Development 2009

Hospital Healthcare

MSEK	2009	2008	+/- %
Deflux®	148	179	-17%
Durolane™	34	30	13%
Zuidex™	1	5	-80%
Solesta™	1	2	-50%
Other products	1	2	-50%
Total revenues sales of goods	185	218	-15%
Royalty revenues Deflux	8	0	-
Royalty revenues Durolane	19	17	12%
Total revenues	212	235	-10%

Market Development Q4 2009

Hospital Healthcare

- Improved operating income 17 (3) MSEK
 - Reduction of costs thanks to Oceana deal
- Durolane™
 - Sales 8 (7) MSEK
 - Royalties 5 (4) MSEK
- Deflux®
 - Sales 25 (51) MSEK
 - Royalties 4 (0) MSEK

- Deflux®

On December 7 Q-Med AB and Oceana Therapeutics announced that the Solesta™ study for the treatment of patients with fecal incontinence, which will be used for registration of the product in the USA, had achieved both of its main objectives. Q-Med and Oceana Therapeutics intend to submit a premarket approval (PMA) application based on the results of the study to the FDA (US Food and Drug Administration) during the first quarter of 2010.



Financials Q4 2009

Operating income per product area

MSEK	Q4 2009	Q4 2008	+/- %
Esthetics	57	-5	n/a
Hospital Healthcare	17	3	467%
Development Projects	-1	-2	n/a
Not allocated	-11	-46	n/a
Total	62	-50	n/a

- Operating margin for Esthetics 19 (-2) percent
- Operating income for Hospital Healthcare 17 (3) MSEK
 - Oceana agreement in combination with changes carried out in connection with the decision to terminate production and sales of Zuidex™
- Marketing and sales costs decrease to 46 (54) percent of revenues
- Research and development costs decrease to 18 (20) percent of revenues

Financials 2009

Operating income per product area

MSEK	2009	2008	+/- %
Esthetics	252	172	47%
Hospital Healthcare	554	-19	n/a
Development Projects	-6	-12	n/a
Not allocated	-62	-91	n/a
Total	738	50	1,376%

- Operating margin for Esthetics 22 (17) percent
- Operating income for Hospital Healthcare 554 (-19) MSEK
 - Oceana agreement in combination with changes carried out in connection with the decision to terminate production and sales of Zuidex™
- Marketing and sales costs decrease to 43 (50) percent of revenues
- Research and development costs decrease to 17 (20) percent of revenues

Financials

Group income statement

MSEK	Q4 2009	Q4 2008	+/- %	Q1-Q4 2009	Q1-Q4 2008	+/- %
Revenues from sales of goods	339	332	2%	1,337	1,255	7%
Royalty revenues	9	4	125%	27	17	59%
Total revenues	348	336	4%	1,364	1,272	7%
Cost of goods sold	-51	-85	-40%	-220	-225	-2%
Gross income	297	251	18%	1,144	1,047	9%
Other operating revenues	10	9	11%	517	40	1,193%
Selling expenses	-159	-183	-13%	-591	-634	-7%
Administrative expenses	-21	-61	-66%	-94	-146	-36%
R&D costs	-63	-66	-5%	-231	-256	-10%
Other operating expenses	-2	0	-	-7	-1	600%
Operating income	62	-50	-	738	50	1,376%
Results from financial items	5	2		17	12	
Income after financial items	67	-48	-	755	62	1,118%
Tax on income for the period	-16	4		-70	-29	
Net income for the period	51	-44	-	685	33	1,976%

Financials

Cash flow analysis

MSEK	Q4 2009	Q4 2008	Whole year 2009	Whole year 2008
Operating activities	72	58	236	118
Investing activities	-29	-66	203	-201
Financing activities	0	0	-80	-149
Cash flow for the period	43	-8	359	-232
Liquid funds at beginning of period	550	246	228	456
Exchange rate differences in liquid funds	1	-10	7	3
Liquid funds at end of period	594	228	594	228

- Cash flow Q4 43 (-8) MSEK
- Investments to increase capacity and efficiency in existing business operations

Financials - Balance Sheet

Group balance sheet (MSEK)

Dec 31, 2009

Dec 31, 2008

Non-current assets

Goodwill	46	50
Patents and other intellectual property	31	30
Property, plant and equipment	919	842
Deferred prepaid tax	13	19
Other financial assets	49	52

Current assets

Inventories	151	169
Accounts receivable	239	233
Other current receivables	32	43
Prepaid expenses and accrued revenues	30	32
Short term investments	155	-
Cash and cash equivalents	594	228

Total assets	2,259	1,698
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Shareholders' equity	1,953	1,280
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Long-term liabilities

Interest-bearing long-term liabilities	-	50
Provisions	11	10
Deferred tax liability	125	98

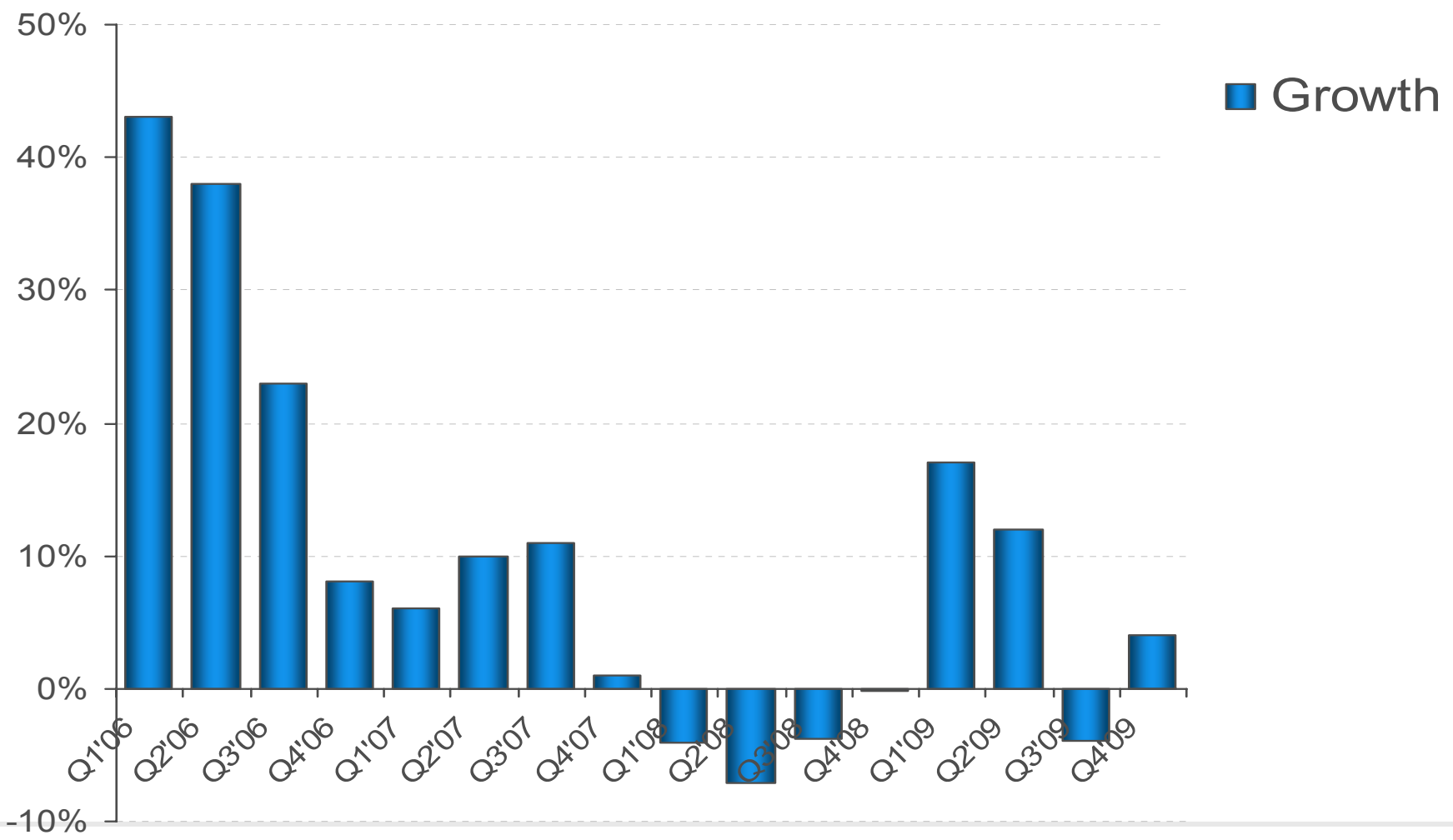
Current liabilities

Interest-bearing current liabilities	-	28
Accounts payable	47	85
Other interest-free current liabilities	34	29
Accrued expenses and prepaid revenues	89	118

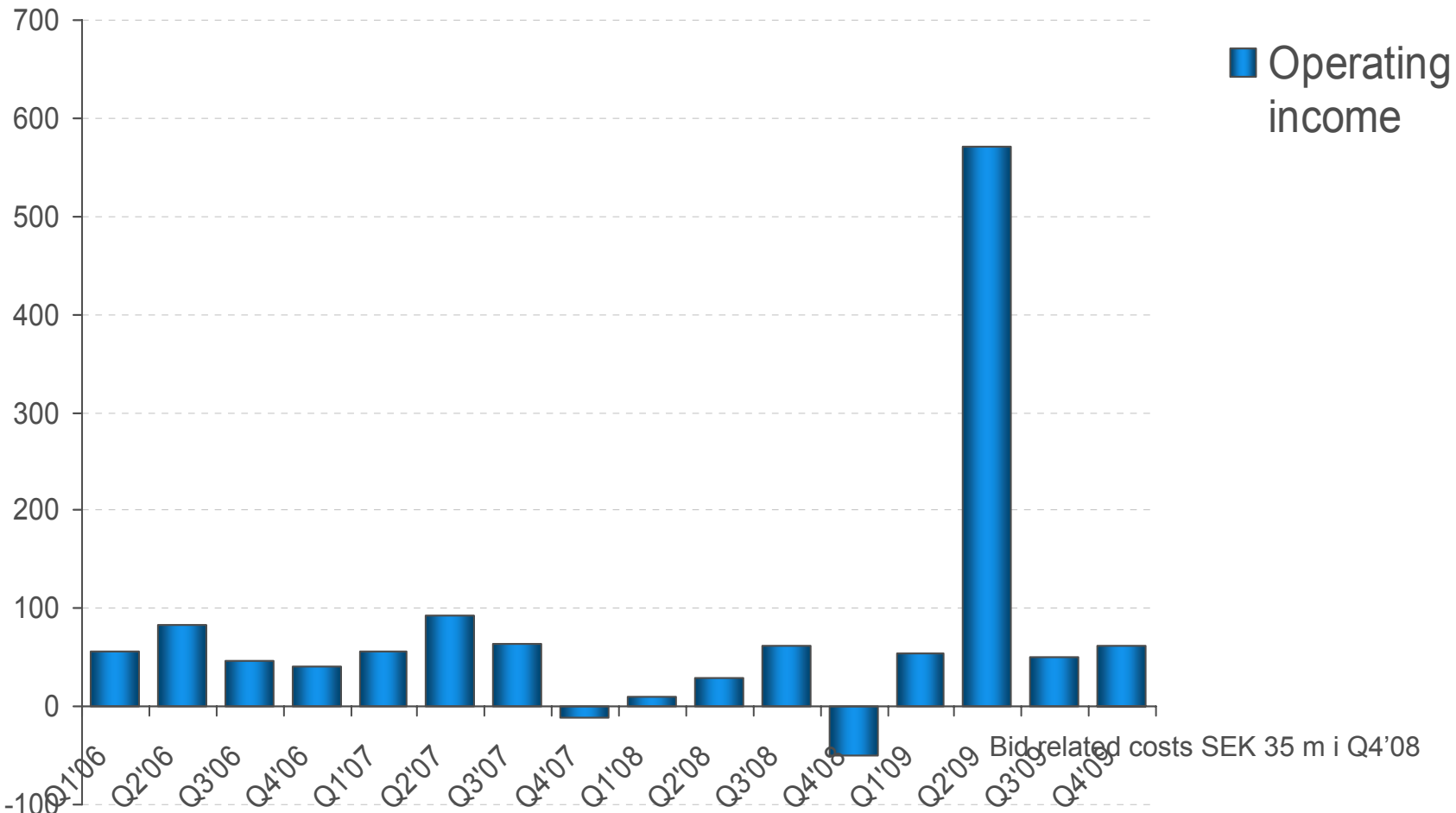
Total liabilities and shareholders' equity	2,259	1,698
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Pledged assets for own liabilities	none	38
Contingent liabilities	none	none

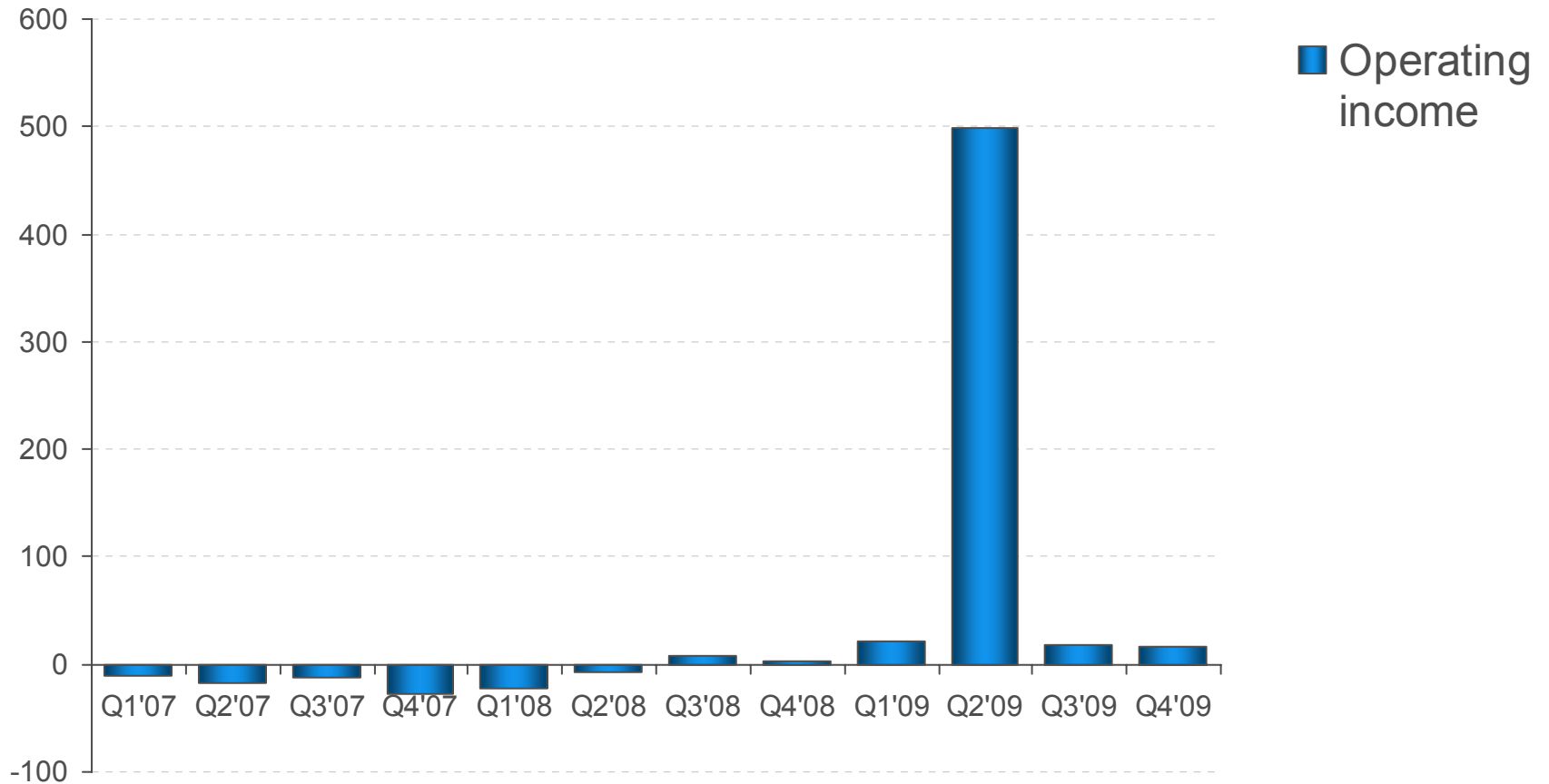
Change in Revenues and Royalties



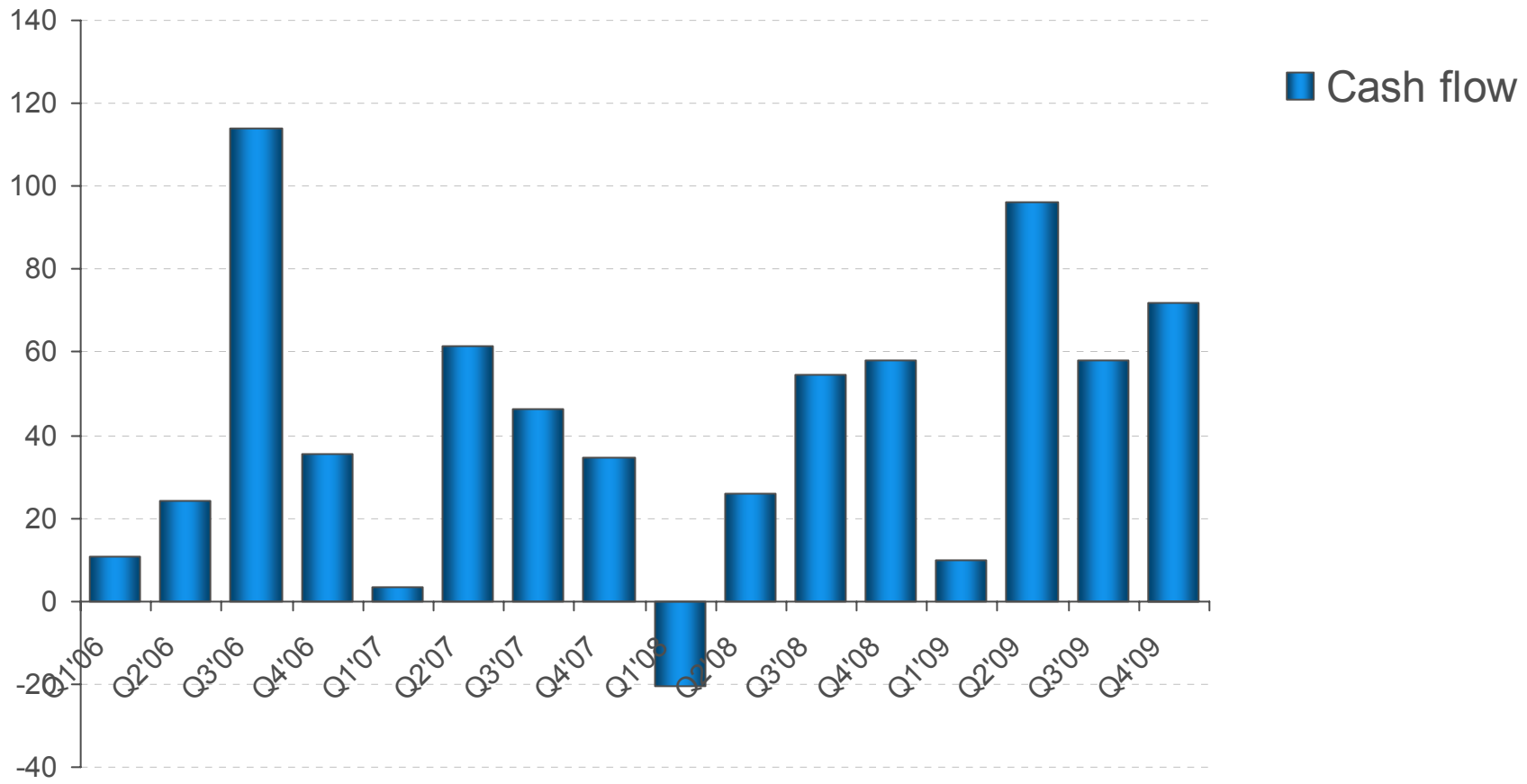
Operating Income per Quarter, Oceana included



Operating Income Hospital Healthcare, Oceana included



Cash Flow From Operating Activities





- The aim of the company is not only to defend its strong position of market leader but also develop new markets and broaden the product portfolio.
- Q-Med's overall objective is high growth together with good profitability.
 - 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.
- Focus on the Esthetic product area

Q-MED

Enabling Individual Beauty