

NEWS RELEASE

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PSYCHEMEDICS CORPORATION RECEIVES NEW, ADDITIONAL FDA CLEARANCES FOR HAIR ANALYSIS DRUG TESTING

**World's largest hair analysis drug testing company establishes another first:
FDA approval of immunoassays that are equivalent to radioimmunoassays.**

Acton, Massachusetts, June 12, 2012 – Psychemedics Corporation (NASDAQ:PMD), hair testing pioneer and global leader for twenty-five years, announced that after a rigorous and thorough review, the Food and Drug Administration (FDA) granted the company 510(k) clearances for five new, additional assays to test for the detection of cocaine, opiates, PCP, methamphetamine and marijuana using enzyme immunoassay (EIA) analysis of head and body hair.

Psychemedics established its technological and market leadership position using FDA cleared radioimmunoassays (RIA) for the detection of drugs of abuse, and was the first laboratory to receive FDA clearances ten years ago for screening assays used in hair testing for drugs of abuse. Radioimmunoassay, which the company now uses as its screening test, has been the standard for its sensitivity, robustness and consistency. The newly developed immunoassays produced by the R&D team at Psychemedics were uniquely designed specifically to meet and even exceed the standards of radioimmunoassay, and represent a significant technological breakthrough. Because Psychemedics is the only hair testing laboratory that manufactures its own screening assays, it has full control over all aspects of its technology, and that powerful advantage facilitated the company's creation of the new assays with equivalence to its own previously FDA cleared radioimmunoassays. In addition, Psychemedics remains the only laboratory to have FDA clearances for all five drug classes for both head and body hair.

Raymond C. Kubacki, Chairman and CEO stated, "Superior detection is the key to providing the greatest return on investment for our customers from their drug screening programs. This development from our R&D team was no small feat, and will go a long way to ensure our customers continue to have the most effective means of identifying and deterring drug users from entering their workplaces, schools, law enforcement agencies, etc. The innovative design of the new assays will also allow Psychemedics greater flexibility in responding to customer demands resulting from changes in the profile of drugs of abuse. We will be discussing this process and schedule in greater detail with our clients over the next few months."

Advancing technology to accurately identify more drug users

On January 24th, 2012, Psychemedics Corporation announced that the United States Patent and Trademark Office issued the company its seventh patent, which covers a soft digestion process that releases drugs trapped in the hair without destroying the drugs. The new patented method can be used with a broad range of immunoassay screen techniques, mass spectrometry methods and chromatographic procedures.

Kubacki commented, "We are pleased to have received this patent, which is fundamental to all hair analysis drug testing and enhances our ability to identify more drug users. Continued investment in the development of the science is critical to Psychemedics and we remain the only company to obtain patents for getting the drugs out of the hair --- a very critical first step in the detection process. This new patent covers the breakdown of the hair structure to release the drugs without destroying them --- removing virtually 100% of the drugs from the hair. This patent is fundamental to hair analysis drug testing because if you cannot get all the drugs out of the hair, you cannot accurately measure them; and if you cannot accurately measure the drugs, you cannot identify all the drug users. This is now our second fundamental patent focused on removing drugs from the hair, following our initial patent issued in 1994."

Kubacki continued, "Our company has, for twenty-five years, offered the most effective hair testing technology based upon scientifically validated drug testing methods. By combining our new FDA-cleared immunoassays, which are equivalent in effectiveness and sensitivity to radioimmunoassay, with our new patented method of releasing the drugs from the hair, we

continue to offer truly proprietary technology that provides superior detection of drugs of abuse. This is what sets us apart.”

About Psychemedics Corporation

Psychemedics Corporation is the world’s largest provider of hair testing for drugs of abuse and is celebrating its 25th year anniversary. Thousands of corporations rely on the proprietary Psychemedics drug testing services. Psychemedics’s clients include over 10% of the Fortune 500, some of the largest police departments in America, six Federal Reserve Banks, and schools.

For more information, visit the Psychemedics Corporation website at www.psychemedics.com.

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