

## **NEWS RELEASE**

**Contact:**

Raymond Ruddy

Vice President of Finance

(978) 206-8220

### **Psychemedics Corporation Announces Sales and Marketing Agreement with LGC in UK**

Acton, Massachusetts, July 14, 2010 - Psychemedics Corporation (NASDAQ: PMD) today announced that it has signed a sales and marketing agreement with LGC of the UK, an international science-based company and market leader in analytical, forensic and diagnostic services and reference standards, to market the patented Psychemedics hair analysis drug test in the UK and Europe.

LGC's business is focused upon customers in: forensic science; pharmaceutical and bioanalytical research, development and quality control; food chain and environmental surveillance and safety; life science, genomics, proteomics and basic research. In addition, LGC focuses on workplace drug testing by assisting employers concerned about the impact of drugs in the workplace. The patented Psychemedics hair test for drugs of abuse adds to LGC's range of services and provides a critical tool that will aid their clients in combating drug usage in the workplace.

Raymond C. Kubacki, Chairman and Chief Executive Officer of Psychemedics, stated, "We are very proud to be working with LGC, a company whose forensic science capability sets the highest quality standards in the UK. Since we provide the highest quality and most cost effective drug test available, this is a perfect match. With this agreement, we hope to capitalize on the rapidly developing growth opportunities in the UK and Europe, and help companies establish and maintain a drug free workplace."

Steve Allen, Managing Director of LGC Forensics commented: "This important tool expands our current drug testing services to our UK and European clients. LGC Forensics has an excellent reputation for providing high quality drug testing services and we are extremely pleased to be able provide the Psychomedics patented hair test which has been the quality standard in hair testing since 1987."

#### About Psychomedics Corporation

Psychomedics is the world's largest provider of testing for drugs of abuse using hair analysis with thousands of corporations relying on the patented Psychomedics hair drug testing services. Psychomedics' clients include over 10% of the Fortune 500, some of the largest police departments in America and Federal Reserve Banks.

The Psychomedics web site is [www.drugtestwithhair.com](http://www.drugtestwithhair.com)

#### About LGC

LGC ([www.lgc.co.uk](http://www.lgc.co.uk)) is an international science-based company and market leader in analytical, forensic and diagnostic services and reference standards. A progressive and innovative enterprise, LGC operates in socially responsible fields underpinning the safety, health and security of the public and the regulation of industry, for UK government departments and blue chip clients.

LGC operates internationally through four divisions - LGC Forensics, LGC Genomics, LGC Standards and LGC Science & Technology, which includes specialist laboratories delivering contracts for the Department for Business, Innovation and Skills (BIS) and supporting LGC's designated role as the UK's National Measurement Institute for chemical and bioanalytical measurement.

Our operations are extensively accredited to international quality standards such as ISO 17025. With headquarters in Teddington, South West London, the LGC Group employs 1500 staff in 28 laboratories and centres across Europe and at sites in India, China and the US. Privatised in 1996 and now majority-owned by

funds managed by Bridgepoint, LGC was founded almost 170 years ago as the Laboratory of the Government Chemist - a statutory function maintained by LGC today.

Cautionary Statement for purposes of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995: From time to time, information provided by Psychemedics may contain forward-looking information that involves risks and uncertainties. In particular, statements contained in this release that are not historical facts (including but not limited to statements concerning earnings, earnings per share, revenues, dividends, future business, growth opportunities, new accounts, customer base, market share, test volume and sales and marketing strategies) may be "forward looking" statements. Actual results may differ from those stated in any forward-looking statements. Factors that may cause such differences include but are not limited to risks associated with the expansion of the Company's sales and marketing team, development of markets for new products and services offered, the economic health of principal customers of the Company, government regulation, including but not limited to FDA regulations, competition and general economic conditions and other factors disclosed in the Company's filings with the Securities and Exchange Commission.