

NEWS RELEASE

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Chairman, President and CEO

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RAYMOND J. RUDDY JOINS PSYCHEMEDICS CORPORATION AS TOP FINANCIAL OFFICER

Acton, Massachusetts, October 20, 2008 - Psychemedics Corporation (NASDAQ: PMD) today announced that Raymond J. Ruddy has joined the company as Vice President, Controller.

Ray will be responsible for all internal and external financial reporting activities, as well as the financial analysis and planning activities necessary for the company's continued growth. Ray will report directly to the Chairman and CEO.

Since 2005, Ray has served as Director of International Finance of GSI Group Corporation. From 2001 to 2005 Ray served as Director of Finance and Investor Relations of Concord Communications. He began his career in the audit department at Ernest & Young LLP and proceeded to work in positions of increasing responsibilities with three additional firms before joining Concord Communications. Ray is a CPA who received his BA from The College of the Holy Cross and his MBA from the Yale University School of Management.

Raymond C. Kubacki, Chairman and CEO stated, "We are extremely pleased to have Ray join our team. He comes to us with a strong proven track record that fits extremely well with the needs of our company. His strong analytical skills and broad experience base will be very important in determining and controlling costs and expenses, as well as analyzing other key metrics in our business needed to

accelerate our growth. Ray will be our top financial officer and we are extremely pleased to have him on board.”

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

The Psychemedics web site is www.drugtestwithhair.com

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 growth, earnings, profit margins, earnings per share, revenues, dividends, future business, 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 network, 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.