

NEWS RELEASE

Contact: Raymond C. Kubacki
Chairman, Chief Executive Officer and President
(978) 206-8220
rayk@psychemedics.com

PSYCHEMEDICS CORPORATION ANNOUNCES MOVE TO THE NASDAQ STOCK MARKET

Acton, Massachusetts, September 10, 2008 -- Psychemedics Corporation (AMEX:PMD) announced today that its board of directors has approved the decision to switch the listing of its common stock from the American Stock Exchange to The NASDAQ Stock Market LLC®. Effective as of the close of trading on September 22, 2008 the Company will cease trading on AMEX. Upon the opening of trading on September 23, 2008, the Company's shares will commence trading on NASDAQ. The Company's current trading symbol "PMD" will remain unchanged as its trading symbol under NASDAQ.

"This decision was reached after careful consideration of capital market alternatives and analysis of the electronic market model, which provides added visibility to our investors," said Raymond C. Kubacki, Chairman and Chief Executive Officer of Psychemedics Corporation. "We believe that NASDAQ's electronic multiple market maker structure will provide our company with enhanced exposure and liquidity, while at the same time providing investors with the best prices, the fastest execution, and the lowest cost per trade. As the world's largest electronic stock market, NASDAQ promotes innovation and attracts leading growth companies from a diverse group of sectors. We are proud to be a part of The NASDAQ Stock Market."

NASDAQ® is the largest U.S. electronic stock market. With approximately 3,200 companies, it lists more companies and, on average, its systems trade more shares per day than any other U.S. market. NASDAQ is home to companies that are leaders across all areas of business including technology, retail, communications, financial services, transportation, media and biotechnology. NASDAQ is the primary market for trading NASDAQ-listed stocks. For more information about NASDAQ, visit the NASDAQ Web site at: <http://www.nasdaq.com>, or the NASDAQ NewsroomSM Web site at <http://www.nasdaq.com/newsroom>.

Psychemedics is the world's largest provider of hair testing for drugs of abuse 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 six 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 Psychomedics 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 exposure regarding the Company and its securities, liquidity, pricing, execution, and cost per trade, 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 capital markets generally, volume of trading, development of new markets and trading systems for equity securities, government regulation, competition, general economic conditions and other factors disclosed in the Company's filings with the Securities and Exchange Commission.