

NEWS RELEASE

PSYCHEMEDICS CORPORATION SELECTED AS ONE OF FORBES 200 BEST SMALL COMPANIES IN AMERICA

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ACTON, Mass., Nov. 1 /PRNewswire-FirstCall/ -- Psychemedics Corporation (Amex: PMD - News) today announced that they achieved listing as one of Forbes Magazine's 200 Best Small Companies in America. Psychemedics Corporation ranked 25 overall and was also featured in the "What's New" section of the October 29, 2007 edition of the magazine.

Candidates with revenues of \$5 million to \$750 million and share prices above \$5 as of October 1 were ranked using a screen of return on equity, as well as sustained sales and net profit growth over 12-month and 5-year periods.

Raymond C. Kubacki, Psychemedics' Chairman and Chief Executive Officer, said, "We are extremely pleased to be selected as one of Forbes Magazine's 200 Best Small Companies in America. We are proud to be part of this fast moving group. Our growth over the years has been a result of the increasingly broad acceptance of our patented hair drug testing technology. We produce the most accurate and cost effective test for drugs of abuse available anywhere. We believe that we are poised for continuing growth as we move forward."

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 Federal Reserve Banks.

The Psychemedics web site is <http://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.

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