

NEWS RELEASE

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PSYCHEMEDICS CORPORATION AUTHORIZES A 250,000 SHARE STOCK REPURCHASE PROGRAM

Acton, Massachusetts, March 18, 2008 -- Psychemedics Corporation (AMEX:PMD) announced that its Board of Directors has approved a new stock repurchase program to purchase up to 250,000 shares of the Company's Common Stock subject to market conditions.

Raymond C. Kubacki, Chairman and Chief Executive Officer said, "The Board believes that this stock repurchase program is in the best interest of the Company and its shareholders. This repurchase program is two times the number of shares that were last authorized to be added to our previous repurchase program by the Company in May 2003. Our balance sheet remains strong with approximately \$10 million of cash at year end and no long-term debt. Our Directors believe that this repurchase program represents an excellent investment opportunity for our Company."

The Company recently announced a \$0.15 per share quarterly dividend, representing the Company's 46th consecutive quarterly dividend.

This repurchase program will be implemented in the open market from time to time in compliance with Rule 10b-18 of the Securities Exchange Act of 1934, or in privately negotiated transactions, subject to market conditions and applicable legal requirements. The program does not obligate the Company to acquire any particular amount of common stock and the plan may be suspended at any time at the Company's discretion.

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.psychemedics.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 future stock repurchases, investment opportunities, growth, earnings, revenues, dividends, future business, 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 liquidity risks, 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.