



Press Release, February 18, 2009

Diamyd's Phase III study in Europe now approved in all nine countries

Diamyd Medical announces today that the European Phase III study with the diabetes vaccine Diamyd® has now been approved in all nine of the planned European countries.

Diamyd Medical's Phase III study in Europe includes a total of 320 patients in nine countries, and aims to evaluate the Diamyd® vaccine's effect in preserving the insulin producing capacity in children and adolescents with recent-onset type 1 diabetes. In Phase II studies, the vaccine has been shown to either halt or slow the autoimmune destruction process and preserve the remaining insulin production.

"Approvals in the major countries, Germany, France and Italy, significantly accelerate recruitment in Europe. These new approvals provide us with an additional 26 clinics," says Elisabeth Lindner, President and CEO of Diamyd Medical. "So far 85 patients in the previously approved countries have been treated and approximately 20 additional patients are currently in screening."

Diamyd Medical is conducting clinical Phase III studies with the diabetes vaccine Diamyd® for type 1 diabetes in the US and Europe. The European study has now been approved and initiated in Sweden, Slovenia, Finland, the UK, the Netherlands, Spain, Italy, Germany and France.

The Diamyd® vaccine is also being studied in several research-financed studies. These include a Norwegian diabetes prevention and mechanism study involving 150 participants, a mechanism and efficacy study funded by NIDDK/TrialNet in 126 recent-onset type 1 diabetes patients and a combination study with 84 patients financed by National Institutes of Health (NIH).

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Diamyd Medical is a Swedish biopharmaceutical company focusing on development of pharmaceuticals for treatment of autoimmune diabetes and its complications. The company's most advanced project is the GAD-based drug Diamyd® for type 1 diabetes for which Phase III trials are ongoing in both the US and Europe. Furthermore, the company has started clinical studies within chronic pain, using its Nerve Targeting Drug Delivery System (NTDDS). The company has also out-licensed the use of GAD for the treatment of Parkinson's disease.

Diamyd Medical has offices in Sweden and in the US. The share is quoted on the OMX Stockholm Nordic Exchange (ticker: DIAM B) and on OTCQX in the US (ticker: DMYDY) administered by the Pink Sheets and the Bank of New York (PAL). Further information is available on the company's web site: www.diamyd.com.

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