



Press Release, January 20, 2010

Diamyd Medical executes a 2:1 division of shares (a split)

Diamyd Medical announces today that the company executes a 2:1 division of shares (i.e. a split), meaning that each share is divided into two shares of the same class.

At Diamyd's Annual General Meeting on December 11, 2009, it was decided to perform a division of shares in the ratio 2:1. Authorized by the Annual General Meeting, the Board has determined the dates for the execution of the division as follows.

Record day for the division is Thursday January 28, 2010. The last day of trading in the Diamyd share before the division is Monday January 25, 2010. The first day of trading with divided shares is Tuesday January 26.

The division of shares is done automatically through Euroclear and shareholders do not need to take any measures. As a result of the division, the number of shares will double but the share capital will remain unchanged. After the division there will be 28,660,988 shares, consisting of 1,437,876 Series A shares and 27,223,112 Series B shares.

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About Diamyd Medical

Diamyd Medical is a Swedish diabetes company focusing on the development of pharmaceuticals for the treatment of autoimmune diabetes and its complications. The company's most advanced project is the GAD-based drug Diamyd[®] for type 1 diabetes. Phase III trials for this drug are in progress in both Europe and the US. In addition, the company has initiated clinical studies in the US in the area of 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. The company currently has three clinical-phase products.

Diamyd Medical has offices in Sweden and in the US. Shares are listed on Nasdaq OMX in Stockholm (ticker: DIAM B) and on OTCQX in the US (ticker: DMYDY) administered by the Pink OTC Markets and the Bank of New York Mellon (PAL). Further information is available on the company's website: www.diamyd.com.

This information is disclosed in accordance with the Swedish Securities Markets Act, the Swedish Financial Instruments Trading Act, or the requirements stated in the listing agreements.

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