



Press Release, January 25, 2011

Diamyd expects to begin reporting Phase III results in late spring 2011

Diamyd Medical's President and CEO Elisabeth Lindner states in the CEO comments in today's quarterly report that the Company expects to begin reporting the results from the European Phase III trial in type 1 diabetes as planned in late spring 2011.

"When all patients have completed their 15-month visit in the European study, much work will lie ahead in the form of collecting the remaining documentation from the more than 60 participating clinics throughout Europe and from our central laboratory, which carry out all the analysis", says Elisabeth Lindner, CEO and President of Diamyd Medical. "Furthermore, all data will be compiled and, according to our plan, the trial will eventually be unblinded and we expect to begin reporting the results in late spring 2011."

During the report period Diamyd Medical announced that the screening of patients for the US Phase III study DiaPrevent was completed. All patients are enrolled in the study and the Company expects to be able to present the 15-month results during the summer 2012.

During the period the Company further reported promising data in a clinical Phase I trial investigating the drug candidate NP2 Enkephalin as a potential therapy for severe cancer pain. Substantial and sustained reduction in experienced pain was reported in the two highest dose cohorts and no drug related Serious Adverse Events have been reported by any patient included in the trial. After the end of the period, the first patient has been included in a placebo-controlled Phase II study with NP2 Enkephalin that will encompass approximately 32 patients with severe cancer pain. Screening of patients for the study is proceeding at a brisk pace and nine clinics are now operational.

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About Diamyd Medical

Diamyd Medical is a Swedish pharmaceutical company focusing on the development of pharmaceuticals for the treatment of autoimmune diabetes and pain. The Diabetes business area consists of the antigen-based drug candidate Diamyd[®] for the treatment and prevention of autoimmune diabetes. Phase III studies of Diamyd[®] are currently in progress in Europe and the US. In 2010 the Company signed an agreement with Ortho-McNeil-Janssen Pharmaceuticals, Inc., for the development and commercialization of Diamyd[®]. The Pain business area consists of development projects that use the Company's proprietary NTDDS (Nerve Targeting Drug Delivery System) platform to administer drugs directly to the nervous system to treat chronic pain. A Phase II study of the candidate drug NP2 Enkephalin for cancer pain is ongoing in the US.

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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